



Sustainability Report 2024



more than LEATHER

Since 1959, we have been supporting the circular economy.

In Pasubio, we value ethics and sustainable practices and honor our commitments, ensuring the utmost respect for our people, our planet, and our company.



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Dear Stakeholders,

Over recent years, the global situation has led us to reflect more deeply on our role as a leading international company in the production of leathers, primarily for the premium and luxury car industry. In a rapidly changing and evolving world, **ESG topics are no longer simply an option, but the key to creating long-lasting and tangible value for people, for the planet and for business.** That is why we do not view sustainability as the final destination, but rather as a continual journey that crosses every aspect of our activities and a deeply ingrained part of our business.

One of the cornerstones of this journey is the relationship with our supply chain. Implementation of the European Regulation on Deforestation-free Products (EUDR) is not simply a challenge for us, but an opportunity to bolster our Governance. We have started an organised project for the mapping and progressive engagement of our suppliers, with the aim of increasing traceability of the raw materials and, more generally, full transparency of our supply chain.

This aspect will not only allow us to face the new regulatory challenges, but will also give us the opportunity to improve the dialogue with our suppliers in the performance of major projects, on topics such as animal welfare, human rights and reduction of emissions along the supply chain.

In 2024, we took a decisive step in this direction, by joining the Science Based Targets initiative, strengthening our commitment to the fight against climate change and reduction of emissions along the entire value chain.

This commitment represents a turning point in our climate strategy, an evolution consistent with our increasingly active role in behaving in a transparent and concrete manner, something that will allow us to pursue scientifically validated objectives, in line with our journey towards climate neutrality.

In 2024, we also started a major assessment of the Corporate Sustainability Reporting Directive (CSRD) requirements. This will allow us to address the new European regulatory framework promptly and transparently, further consolidating our system of governance and the quality of our reporting.

We view our companies as a single organisation made up of its people. We work every single day to create the conditions that allow every individual at Pasubio to develop their own potential and to pursue continuous improvement. We believe that growth of the individual drives the growth of the entire organisation.

We want to create a positive, open, innovative and stimulating environment that is capable of nourishing talent and motivation and always result-based. A result that is both the lifeblood and

the empowerment for the future of the organisation itself and for all the people who work there.

Looking towards the future, we are always open to changes and to opportunities: we invest constantly in process-related research and innovation and in development of alternative materials and circular solutions, always measuring the impacts of our products and processes through LCA, with the aim of reducing the environmental impact without compromising quality and performance. Our commitment to research and development is becoming stronger, as we focus on increasingly efficient processes and state-of-the-art technologies that combine innovation and sustainability, while still keeping the customer at the centre of our activities.

2024 was an important year, in which we received strategic business nominations with high shares from our customers, projecting further prospective growth of our company: continuity of business on existing models in their renewed versions, acquisition of new business linked to new models that are close to launch on the market and, last but not least, strategically important projects for the US market that have led us to invest in Mexico, with opening of a new plant in Leon, further strengthening our international presence.

It is worth emphasising the first business nominations relating to alternative materials in polyurethane, a tangible signal of further diversification of our product portfolio, as a broad and overarching response to all of our customers' needs.

Our journeys towards sustainability has to incorporate a strategic vision, a positive impact and resilience. What that means is continuing to invest in solid relationships with our suppliers, our customers and the territory, but, first and foremost, integration inside and outside the organisation, in order to turn every challenge into a driver for growth and every objective into a tangible commitment.

We invite you to keep this in mind as you read our report, which is the result of an intensive year of work, dialogue and transformation. It is the story of a journey that we are taking together, with enthusiasm and determination.

LUCA PRETTO
CEO

Pasubio Group

SUSTAINABILITY HIGHLIGHTS 2024

RETAINED value
19 M-€



GOVERNANCE

343 M-€

Total
VALUE CREATED

329 M-€

Total
VALUE DISTRIBUTED



8,730,355 m²

Square metres
OF FINISHED LEATHER SOLD



PEOPLE

1,820

Including internal employees
AND EXTERNAL CONTRACTORS



ENVIRONMENT

14,070
tCO₂ eq

Total CO₂ eq. emissions
INTO THE ATMOSPHERE

202,696
GJ

Total energy
CONSUMPTION

1,007
MEGALITRES

Total water
DISCHARGED

70%

Renewable energy
CONSUMED

100%

Response rate of leather suppliers
TO THE ESG QUESTIONNAIRE

Stakeholders

The Pasubio Group considers the relationship with its stakeholders to be central to the process of creating value and outlining and giving material form to objectives in line with the corporate mission.

Interaction with stakeholders is through moments of dialogue and listening that have contributed to the development of stable and continuous relationships over time.

In 2024, a figure was introduced into the Group who will not only be responsible for the ESG function, as was the case in the past, but also for relations with stakeholders, in order to meet their expectations and engage them increasingly in Pasubio's commitment to the company and to

the territory and to a focus on human resources and the environment along the entire value chain.

As the following chart shows, for each type of stakeholder, specific channels of dialogue are identified that allow direct and value-adding interactions to be managed over time.

The impetus given by the growing importance of sustainability issues and the awareness of the impact on the territory, society and the environment of business processes have helped to accelerate the Group's focus on sustainability issues and the implementation of continuous improvement in managing ESG aspects.



The main active communication channels with stakeholders are listed below:

| STAKEHOLDERS | ENGAGEMENT, INTERACTION AND DIALOGUE ACTIVITIES |
|--|---|
| Employees and collaborators | <ul style="list-style-type: none"> Corporate welfare projects and/or initiatives Violation reporting protocol Company meetings with RSU (Amalgamated Trade Union Representatives) to share results and objectives Refresher and training courses Information bulletin boards at factories and offices Operational focus points Feedback encounters, individually or in working groups Pasubio Family Day Employee well-being questionnaire Availability of psychological support Moments of sharing and celebration Prevention days |
| Suppliers | <ul style="list-style-type: none"> Opportunities for interaction and dialogue Sharing of the Code of Ethics Assessment of the supply chain and questionnaires Sharing of objectives Sharing of the ESG Policy Involvement in ESG projects of the supply chain |
| Trade associations | <ul style="list-style-type: none"> Discussion meetings Technical round tables |
| Commercial intermediaries | <ul style="list-style-type: none"> Meetings Exchange of product-related technical documentation |
| Customers | <ul style="list-style-type: none"> Meetings Surveys and market research Ongoing dialogue through communication channels (e.g., e-mail, telephone, social media, website) Ability to access customer services Questionnaires and workshops |
| NGOs (non-governmental organisations) | <ul style="list-style-type: none"> Occasions for discussion |
| Local community | <ul style="list-style-type: none"> Projects to support and/or sustain social initiatives Participation in local events Interaction with citizens and their representative bodies Sharing of communications via website and social networks |
| Universities and research institutions | <ul style="list-style-type: none"> Implementation of projects targeting academia to foster innovation and research Participation in university fairs and career days to showcase the organisation Presentation of Pasubio as a case study during university lectures Discussion with new possible collaborators from universities and schools |
| Public administrations and institutions | <ul style="list-style-type: none"> Website and social networks Institutional and specific meetings dedicated to sustainability issues Corporate disclosures and press releases |
| Investors and Shareholders | <ul style="list-style-type: none"> Meetings Corporate disclosures |
| Media | <ul style="list-style-type: none"> Institutional website and social media Invitation of communication partners to public events organised by the Pasubio Group Press releases |
| Trade Union organisations | <ul style="list-style-type: none"> Periodic meetings with Amalgamated Trade Union Representatives to review performance and define and share initiatives Communications and meetings on individual situations to be addressed |

Sustainable DEVELOPEMENTS GOALS

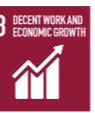
The Pasubio Group joined the United Nations Global Compact (UNGC) initiative in 2021, integrating the Principles into its strategy and undertaking to report in compliance with them, through consistent reporting to contribute to a more sustainable future.

The Group also responds to the Communication on Progress (CoP) through its Sustainability Re-

port, communicating its sustainability targets and results in a transparent manner.

The Group values and targets are aligned with the requirements of stakeholders and customers and with the criteria of the Sustainable Development Goals (SDGs), as defined by the United Nations (UN) in the 2030 Agenda.

Although the Group is committed to achieving all 17 SDGs, there are several for which Pasubio is making a major contribution:

| SDGs | GROUP PROGRESS | |
|--|--|--|
|  3 GOOD HEALTH AND WELL-BEING | Good health and well being Pasubio contributes to SDG 3 through two main approaches: 1) offering a safe and healthy work environment for employees, with a focus on physical and mental well-being. This includes safety management (certified by ISO 45001:2018) and risk assessments to identify workplace hazards. 2) protecting customers' and end users' health and safety through continuous client cooperation during the design phase, laboratory analysis and applying high safety standards. | |
|  4 QUALITY EDUCATION | Quality education Investing in human capital is central in the Group's strategy, providing employees with technical and soft skills and fostering an environment that supports personal growth. Annual training plans with targeted programs ensuring effective knowledge transfer across departments. | |
|  5 GENDER EQUALITY |  10 REDUCED INEQUALITIES | Gender equality - Reduced inequality The Group is committed to a fair and inclusive environment through actions such as increasing the number of women in leadership roles, promoting equal pay, and supporting the "Girls Code Better" project to encourage girls in STEM. This is reinforced by a strong anti-discrimination policy and dedicated channels for reporting workplace misconduct. |
|  6 CLEAN WATER AND SANITATION | Clean water and sanitation Due to the tanning industry's significant water impact, the Group has invested in innovative technologies to reduce water use and improve wastewater management. A detailed study on water circularity led to the installation of a pilot plant in 2024, aimed at identifying scalable and cost-effective water reuse solutions. | |
|  7 AFFORDABLE AND CLEAN ENERGY | Affordable and clean energy The Group uses advanced technologies to continuously monitor and improve energy efficiency. To support energy transition goals, Pasubio sources renewable energy for the major part of the plants at global level, in order to reduce Scope 2 emissions and promote gradual decarbonisation of its own operations. From 2024 Pasubio is committed to SBTi and in Scope 1-2-3 reduction. | |
|  8 DECENT WORK AND ECONOMIC GROWTH | Decent work and economic growth The Group promotes fair and safe working conditions across its value chain by adopting a Supplier Code of Conduct, which sets the standards required for its partners. To support this commitment, the Group has started a process of organisation of a Due Diligence and Risk Assessment program, based on the main international standards on human rights, with the purpose of responsible selection of suppliers and prevention of potential critical issues along the supply chain. | |
|  9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | Industry, innovation and infrastructure The Group adopts an approach that incorporates research, innovation and technological development as a strategic driver in increasing its competitiveness, but also as a means to produce environmental and social value. Pasubio invests continuously in this area, also supporting partnerships with research institutes and universities to develop solutions that improve environmental performance during processing. | |
|  12 RESPONSIBLE CONSUMPTION AND PRODUCTION | Responsible consumption and production The Group promotes circular and responsible production models, exploiting leather as a co-product of the food industry and investing in reuse, upcycling and industrial symbiosis practices. Key initiatives include alternative tanning methods with tanning agents coming from other company's waste (e.g. AVO, WET-GREEN) and sustainable product lines like VITANOVA, PasuBio-Based Leather, and RE-NOVA, based on recycled, low-impact materials. | |
|  13 CLIMATE ACTION | Climate action The Group addresses climate change through decarbonisation and energy efficiency measures across its production processes. It has implemented technologies to reduce CO ₂ emissions in key systems and uses periodic monitoring to support continuous improvement. In 2024, it committed to the Science Based Targets Initiative (SBTi) and updates its emissions reduction plan accordingly. | |
|  15 LIFE ON LAND | Life on land The Group's commitment to protection of the environment and safeguarding of biodiversity is expressed through various initiatives: these include R&D activities in line with the EU Safe and Sustainable by Design (SSbD) strategy, Zero Discharge of Hazardous Chemicals (ZDHC) MRSI respect, a biodiversity assessment scheduled for 2025 and supply chain traceability system, in order to guarantee responsible management of its supply chain in line with EUDR regulation and social aspects. | |

Double MATERIALITY ASSESSMENT

The Pasubio Group is already taking action in the transition towards the CSRD, its promotion of improved management of sustainability risks and opportunities and towards even more transparent and responsible reporting in line with future standards. To this end, the Group's level of readiness for the requirements introduced by the CSRD was analysed in 2024, through a gap analysis that identified its many strengths and proactive approach and laid the foundations for being able to satisfy all the reporting requirements of the ESRS better and ahead of time.

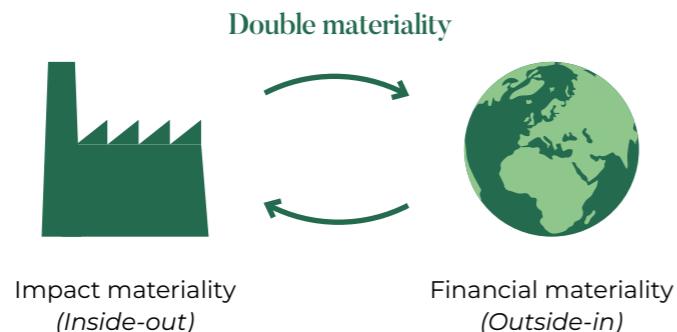
As part of this, the Leadership Team of the Pasubio Group has conducted its first double materiality assessment: this process supplements the impact materiality assessment previously performed according to the 2021 GRI Standards, identifying the major impacts, risks and opportunities (IROs) to be included in reporting according to the new ESRS.

Through this initiative, the Group has opted for early adoption of a strategic tool that it has recognised as significant and useful in further improving its ability to interpret the context of reference and in strengthening oversight of risk and guaranteeing continuity of its business. The Group is

certain that its proactive and virtuous stance is a distinctive trait of its role as a reliable and mature partner on its own supply chain.

From a methodological viewpoint, a double materiality assessment allows it to be established whether, and in what terms, an ESG topic is relevant, considering two complementary perspectives:

- Impact materiality ("inside-out") allows the positive or negative impact of company activities on people and the environment to be identified. This allows the Group to identify areas of improvement and to develop plans of action to mitigate its own negative impacts or to strengthen the positive ones.
- Financial materiality ("outside-in") highlights outside factors, both socio-economic and environmental, that could influence the Group's financial performance and financial value. This process results in the identification of risks and opportunities, an activity that allows a resilient and efficient company strategy that encourages responsible development of the Group to be developed.



PROCESS OF IDENTIFICATION AND ASSESSMENT OF IROS¹

Phase A - Understanding the context

The first step in identifying sustainability issues is careful analysis of the context within which the Group operates. To this end, the Group has performed a careful assessment of company activities, examining strategic and operational aspects, business relationships and the entire supply chain. Context analysis also included a detailed examination of the current regulatory framework, the geographical context and the socio-political situation in which the company operates.

Phase B - Identification of the impacts, risks and opportunities (IROs)

In order to guarantee that the IRO identification process was complete, the sustainability issues pertinent for the Group's activities were mapped². A juxtaposition was then made between the sustainability issues identified in the formulations suggested by European Regulation 2023/2772 and the material topics previously identified in the impact materiality assessment performed for the 2023 Sustainability Report. This approach allowed the reporting activity already performed by the Group over recent years to be further enhanced and developed, by merging topics, actions and objectives towards the new future structure of its own reporting initiatives.

Phase C - Assessment of the impacts, risks and opportunities

Once the impacts, risks and opportunities had been identified, the Pasubio Group began assessing their significance for Group business.

Assessment of impacts is based on the following parameters:

Nature: positive or negative

Probability of occurrence: description of the relationship of cause and effect between the impact

described and the occurrence of its effects. The probability of occurrence determines the type of impact

Type: actual or potential

Time horizon within which the impact occurs (short-term or medium-/long-term or both)

Scale of the impact: severity of negative impacts or significance of the positive benefits

Scope of the impact: degree of diffusion among the various stakeholders and in the geographical context

Irremediable character: difficulty in mitigation or compensation in the case of damage

Investigations were also performed into any **link with violations of human rights** and whether the IROs occur as a consequence of **direct actions of the Group** or whether they are the **consequence of business relationships** (or whether both aspects are relevant), in order to identify the role of Pasubio in their occurrence.

For the assessment of risks and opportunities, focused on elements that could cause effects on the economic and financial performance of the Group, the methodological indication proposed by ESRS 1 (51) was followed, which suggests basing this on the combination between the **probability of occurrence of the risk/opportunity** and the **potential scale of the financial effects**, in addition to consideration of the type and relative time horizon.

In order to assess risks and opportunities, it is necessary to consider probable scenarios, situations not reflected on the balance sheet yet, and capital not entered into accounts, but significant for financial performance, such as natural, intellectual, human, social and relational capital³.

1. Delegated Regulation 2023/2772 allows companies to independently identify appropriate methods for determining the relevant ESRs and indicates the useful criteria for identifying the topics (in relation to the usefulness of the reporting process and the interests of the users of the document) and for materiality assessment. For the phase of identification of impacts, risks and opportunities, the regulation (ESRS 1 Appendix A RA16) proposes a list of sustainability issues contemplated in the ESRs topics on which to base formulation and subsequent assessment, for which guidelines (ESRS 1 Appendix E) are provided, which have been considered in order to organise the Group's double materiality analysis. In detail, a context analysis was performed that allowed an overview of the specific activities performed, the business relationships, the materiality of the geographical areas on its own supply chain and the interests of stakeholders to be obtained. The impacts, risks and opportunities were thus established in a pertinent manner and substantiated by the characteristics of the reference context, followed by identification of the severity characteristics.
2. Without limiting this to the topics and sub-topics indicated in the European standard contained in Regulation 2023/2772 ESRS 1 (RA 16).
3. The materiality assessment criteria are given by probability, scale, scope and irremediable character for impacts and by probability and scale for risks and opportunities

The assessment was performed by assigning a numerical score within a range of 1 to 5 for each criterion analysed. The assessment scales used provide for each numerical score corresponding with a predetermined and unique piece of descriptive text for positive impacts, negative impacts, risks/opportunities that contains the qualitative assessment elements that are useful for detailing the scenario corresponding with the 5 levels selectable. The assessments of impacts and risks and opportunities performed in this manner are then standardised in a common domain of variation between the numerical values of 1 and 5, so that the results are comparable with each other and a materiality threshold that allows the material topics to be distinguished from the non-material ones can be unequivocally established. In conclusion, the score obtained is multiplied by a coefficient between 0.2 and 1 that corresponds with the level of probability attributed to occurrence of the impact formulated.

Phase D - Validation of the impacts, risks and opportunities

Once the assessment of the IROs had been completed, the results were subjected to an internal comparison with the sustainability team. This process allowed the topics that must be considered for reporting to be identified.

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The topics identified as material with respect to the strategic company objectives and stakeholder expectations are provided below. The formulations and assessment made for each IRO considered are provided in an appendix.

- Adaptation to climate change (ESRS E1)
- Mitigation of climate change (ESRS E1)
- Energy (ESRS E1)
- Pollution (ESRS E2)
- Water and marine resources (ESRS E3)
- Biodiversity and ecosystems (ESRS E4)
- Use of resources and circular economy (ESRS E5)
- Working conditions (ESRS S1)
- Equal treatment and opportunities for all (ESRS S1)
- Other work-related rights (ESRS S1)
- BRS G1) Cybersecurity
- Workers in the value chain (ESRS S2)
- Affected communities (ESRS S3)
- Consumers and end-users (ESRS S4)
- Business conduct (ESRS G1)
- Animal welfare (ESRS G1)

MATERIALITY MATRIX

| | | ENVIRONMENT | SOCIAL | GOVERNANCE |
|------|---|-------------|--|---|
| | | HIGH | MEDIUM | LOW |
| HIGH | <ul style="list-style-type: none"> • Pollution • Climate change - Climate change adaptation • Climate change - Energy | | | |
| | <ul style="list-style-type: none"> • Water and marine resources • Biodiversity and ecosystems • Climate change - Climate change mitigation | | <ul style="list-style-type: none"> • Workers in the value chain • Own workforce - Working conditions • Own workforce - Other work-related rights • Consumers and end users | <ul style="list-style-type: none"> • Business conduct - Animal welfare |
| | <ul style="list-style-type: none"> • Resource use and circular economy | | <ul style="list-style-type: none"> • Own workforce - Equal treatment and opportunities for all • Affected communities | <ul style="list-style-type: none"> • Business conduct • Cybersecurity |

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ESG RISK ASSESSMENT

The Group has, for some time, had an established process of management of company risks based on mapping and assessment that are periodically revised and updated and that allows the implementation of a process of evolution towards consolidation of the positive impacts produced by company activities and mitigation of the negative impacts. This process is essential both to obtaining a mature decision-making ability oriented towards responsible growth of the company and to allowing the industrial and sustainability plans to be performed. With entry into force of the Corporate Sustainability Reporting Directive (CSRD), ESG risk analysis has been enhanced with the use of the double materiality assessment, which has proved to be a good starting point for renewed analysis and for assessment of the impacts, risks and opportunities that the regulation itself requires to be identified and assessed. Compared with the impact materiality assessment performed according to the GRI standards, the double materiality approach provides a more strategic and integrated view of sustainability, improving management of risks, business opportunities and transparency with stakeholders and investors, offering a means of ESG management. The Board of Directors, as the governance body supported by the company management for ordinary administration, has therefore added the results of the double materiality assessment and is working on assessment of the ESG risks and possible actions for mitigation in the following areas:

- quality;
- health;
- safety;
- environment.

The assessment takes into account the sector in which Pasubio Group operates, stakeholder expectations, and the following aspects:

- macro-processes;
- macro-areas;
- business activities;
- events that may impact processes;
- events that may impact business continuity.

Among business risks, the main aspects identified, monitored and actively managed are as follows:

- general economic performance;
- financial resource requirements;
- market;
- environment and territory;
- human rights of workers;
- corporate integrity.

The Pasubio Group focuses particular attention on the environmental impacts of its operations, a focus that also extends to the supply chain.

The main ESG areas are as follows:

ENVIRONMENT

- greenhouse gas emissions and pollution;
- decarbonisation and climate strategy;
- management of chemicals;
- responsible management of water;
- protection of biodiversity and the subsoil;
- waste, health, safety and the environment;
- animal welfare;

SOCIAL

- human rights and working conditions throughout the value chain;
- company welfare;
- support for local communities
- consumers' health and safety;

GOVERNANCE

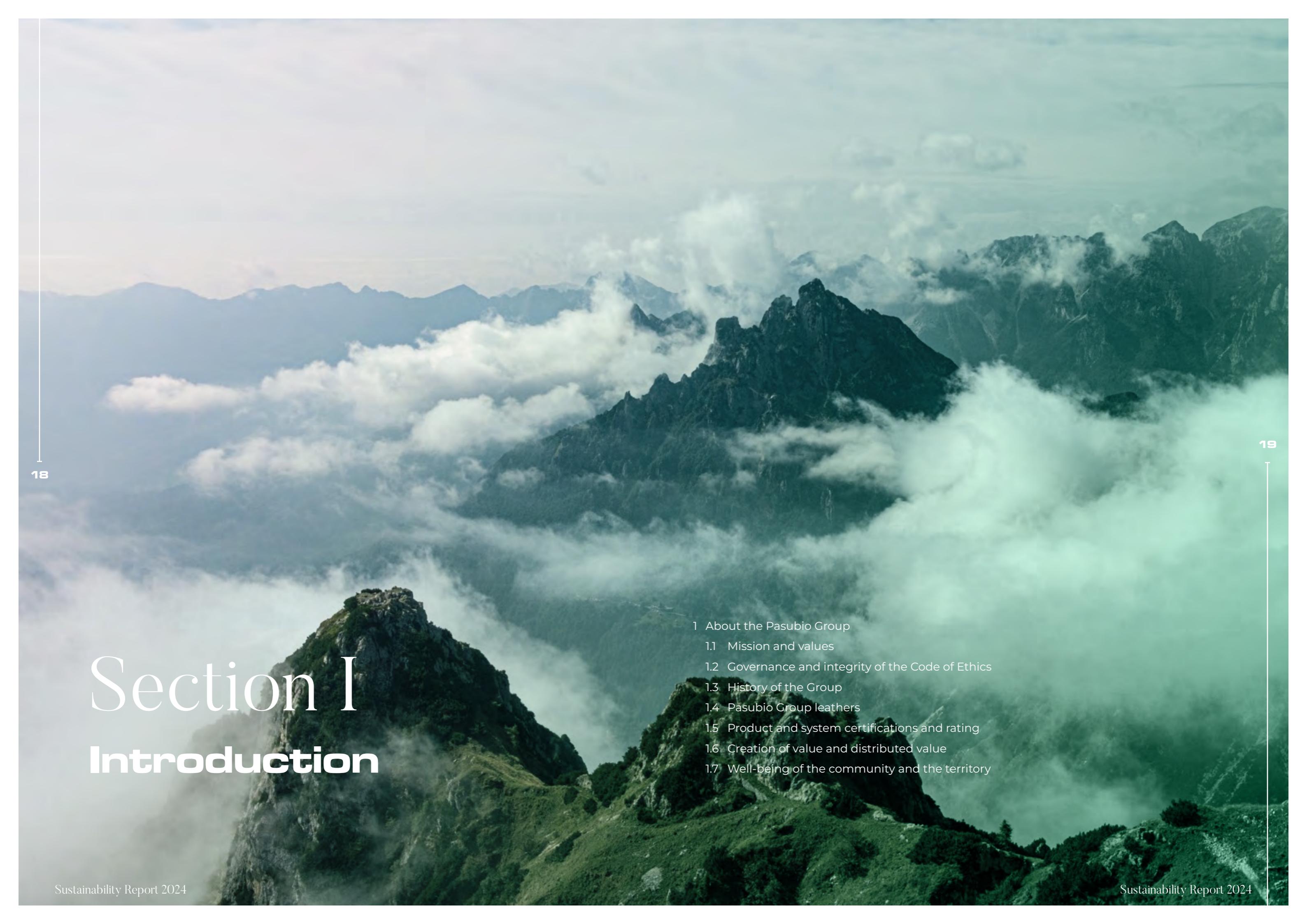
- circular economy;
- supply chain;
- traceability;
- ethics and anti-corruption in business and on the supply chain;
- potential business disruption;
- profitability and creation of economic value.

On a competitive, increasingly technologically developed and demanding marketplace, risk assessment and implementation of mitigation actions

constitute a monitoring system to meet the demands of customers and stakeholders in achieving better results.

Section I

Introduction



- 1 About the Pasubio Group
 - 1.1 Mission and values
 - 1.2 Governance and integrity of the Code of Ethics
 - 1.3 History of the Group
 - 1.4 Pasubio Group leathers
 - 1.5 Product and system certifications and rating
 - 1.6 Creation of value and distributed value
 - 1.7 Well-being of the community and the territory

Pasubio Group

The Pasubio Group is one of the main players in the leather processing industry on the international scene, recognised worldwide as a leading producer of luxury car leather, obtained from raw materials treated with traditional tanning methods, but also a leader in the development of alternative tanning methods. Its success stems from the determination and entrepreneurial spirit of the Pretto family, who founded the company in 1959 and established the benchmark in terms of quality, innovation and reliability in the leather industry.

Furthermore, in order to serve the automotive market in an overarching manner, a company specialised in the production of polyurethane was acquired in 2023.

The Group believes that sustainable development is not just a moral duty, but also an essential driver for the creation of value and the tangible innovation to be placed at the centre of its own strategy and method of operation. That is why it has decided to adopt corporate policies that aim for more efficient production, undertaking to embark on a progressive reduction of its dependence on fossil fuels, pollution and waste generation.

The Pasubio Group works constantly in close contact with all its stakeholders to combine economic growth, protection of the environment and respect for society.

The continual expansion of production has resulted in a full twelve production plants to date, distributed geographically as follows:

PRODUCTION PLANTS

7 plants in Italy
2 plants in Germany

1 plant in Serbia
1 plant in South Africa

2 plant in Mexico⁴

The Group plans to strengthen its presence in Mexico and develop an industrial plant for leather production in North America. To this end, it built a new plant in 2024 in the city of Leon, already known as an industrial park where various tanneries are operating, which will be inaugurated in early 2025.

4. The Leon plant will become operational during 2025

STRUCTURE OF PASUBIO GROUP

The corporate structure in itself shows the Pasubio Group's readiness for growth in the territory and international expansion, both distinguishing factors that reflect its vocation:

CONCERIA PASUBIO S.p.A. - ARZIGNANO PLANT - HEADQUARTERS (ITALY)
Via II Strada 38, 36071 Arzignano (Vicenza)
Headquarters and production plant, stages: retanning, dyeing, finishing and measuring of hides.

CONCERIA PASUBIO S.p.A. - ZERMEGHEDO PLANT (ITALY)
Via Valdichiampo 11, 36050 Zermegheds (Vicenza)
Production plant, stages: retanning, dyeing and mechanical processing.

CONCERIA PASUBIO S.p.A. - ALMISANO DI LONIGO PLANT (ITALY)
Via Casette, 5, 36045 Almisano (Vicenza)
Production plant, stage: finishing.

CONCERIA PASUBIO S.p.A. - TRIM DIVISION (ITALY)
Via Vicenza 34/c, 36071 Arzignano (Vicenza)
Production plant, stage: cutting.

CONCERIA PASUBIO S.p.A. - PASUBIO INTERNAL DESIGN DIVISION (ITALY)
Via VI Strada 65, 36071 Arzignano (Vicenza)
Warehouse

CONCERIA PASUBIO S.p.A. - SABAC PLANT (SERBIA)
Filipa Visnjica Sabac Street, Misar (Serbia)
Production plant, stage: cutting.

CONCERIA PASUBIO S.p.A. - PRETORIA PLANT (SOUTH AFRICA)
322 Alwyn St, Waltloo 0184 Pretoria (South Africa)
Production plant, stage – not active in 2023

ARZIGNANESE S.r.l. (ITALY)
Via del Lavoro 14, 36071 Arzignano (Vicenza)
Production plant, stage: liming, tanning and dyeing.

INNOVA S.r.l. (ITALY)
Via Lucio Cosentino, 10, 37041, Albaredo d'Adige (VR) (Verona)
Production plant, stage: coating on leather and leather-like synthetic material.

GD SERVICIOS INTERNACIONALES DEL NORTE (MEXICO)
Parque Industrial Finsa del Norte H. Matamoros, Tamps 87316
Production plant, stage: cutting.

GDI Assemblies LLC
700 E. Washington St. Brownsville, Texas 78520
Offices

HEWA LEDER GmbH (GERMANY)
1) An d. Zugspitze 42, 09599 Freiberg, Germany
2) Draisendorfer Weg 8, 95111 Rehau, Germany
Production plants, stages: retanning, dyeing, finishing and measuring of hides.

PASUBIO MEXICO SOCIEDAD DE RESPONSABILIDAD LIMITADA DE CAPITAL VARIABLE (MEXICO)
Boulevard Edouard Michelin No. 104, Block 2, Lot 2, Industrial Park León Bajío (PILBA), León, Guanajuato, Mexico
Production plants - phase: finishing.

PASUBIO US Corp.
251 Little Falls Drive, Wilmington, New Castle County, Delaware 19808
Offices



1.1

Mission AND VALUES

VISION

To always be more than what we were yesterday

22

MISSION

To create sustainable value through international growth, operational excellence and team spirit

1.2

Governance and integrity OF THE CODE OF ETHICS

Governance is the set of principles, rules and procedures underlying the entire decision-making process. The Pasubio Group bases its decisions and performance of its activities on the ethical and moral principles contained in its Code of Ethics, which guides the strategic choices and conduct of the Group, in the belief that sustainable development of its business can only be achieved when these values form part of a common wealth shared along the entire value chain.

These principles of behaviour and conduct are shared with employees, suppliers, customers and collaborators.

The Pasubio Group works to give substance to the principles of its Code of Conduct, by fostering a workplace that allows its employees to carry out their duties with high standards of integrity and by bolstering trust, consistency and the company spirit. This also translates into training and information actions on the content of the Code, with the following objectives:

- to disseminate the standards, procedures and practices to be followed;
- to promote and strengthen the corporate culture around the recognised values;
- to broaden sharing of the principles underlying the Code.

The ethical standards of conduct that the Pasubio Group promotes are:

- fairness and equality in the treatment and recognition of the value of human resources;
- diligence, transparency, honesty, confidentiality and impartiality in carrying out business activities;
- protection of the individual and the environment;
- ethically correct and lawful conduct of the company and its interlocutors;
- fight against corruption and conflicts of interest;
- data protection and cybersecurity;
- financial responsibility;
- confidentiality and disclosure of information.

23

The impetus dictated by the increased awareness that good ethical actions can also generate value in the territory drives the Pasubio Group to consider its principles as the foundations on which to build ongoing relationships with the community and responsible growth.

The Group Code of Ethics is an annex to and integral part of the Organisation, Management and Control Model adopted by the Company pursuant to Legislative Decree no. 231/2001 and references the whistleblowing policy, which allows all internal and external stakeholders to report a breach or suspected breach of the Code of Ethics and the principles it contains.

ANTI-CORRUPTION

The Pasubio Group has developed its own Anti-corruption Policy that establishes the principles and policies of conduct to be followed in performance of company activities, in order to ensure that they are performed in compliance with national and international regulations on corruption.

The Group considers the fight against corruption in all its forms to be one of the main objectives of its social action, and also one of the cardinal principles on which to base conduct in all aspects of its business.

Through a risk assessment and monitoring system, the Group manages the risk of corruption, preserving customer confidence in its products and implementing internationally recognised best practices for anti-corruption controls.

As a testament to the Pasubio Group's strong sense of legality and commitment to compliance with current regulations and laws, it is confirmed that no cases of corruption were recorded during the 2022-2024 three-year period.



ORGANISATION, MANAGEMENT AND CONTROL MODEL 231

The Pasubio Group has adopted an Organisation, Management and Control Model that complies with the regulations of Italian Legislative Decree no. 231/2001, dedicated to the administrative liability of corporations. The Board of Directors has appointed an independent three-member Supervisory Body, which is responsible for guaranteeing constant compliance and efficacy.

RESPECT FOR PRIVACY

Respect for the processing of personal data, in accordance with the European Union's GDPR 2016/679, in force since 25/05/2018, and Article 13 of Italian Legislative Decree no. 196/2003, is communicated through a regular privacy policy, which states that the data is collected and processed in full compliance with the provisions of the Privacy Code. The commitment on this matter is included in the Code of Ethics.

In line with the provisions of the GDPR, the Group

The Supervisory Body performs periodic checks and audits on all company areas, meeting periodically and then reporting directly to the Board of Directors and the Board of Auditors every six months. Compliance with the law is the fundamental principle by which the Pasubio Group guarantees that its activities are carried out in line with the regulations of the countries in which it operates.

uses procedures to collect consent for data processing and the proper handling of data. In addition, all internal computer systems have been adapted to avoid any data leakage. If an event of this type occurs, the Data Protection Officer appointed by Pasubio activates the internal Data Breach Procedure.

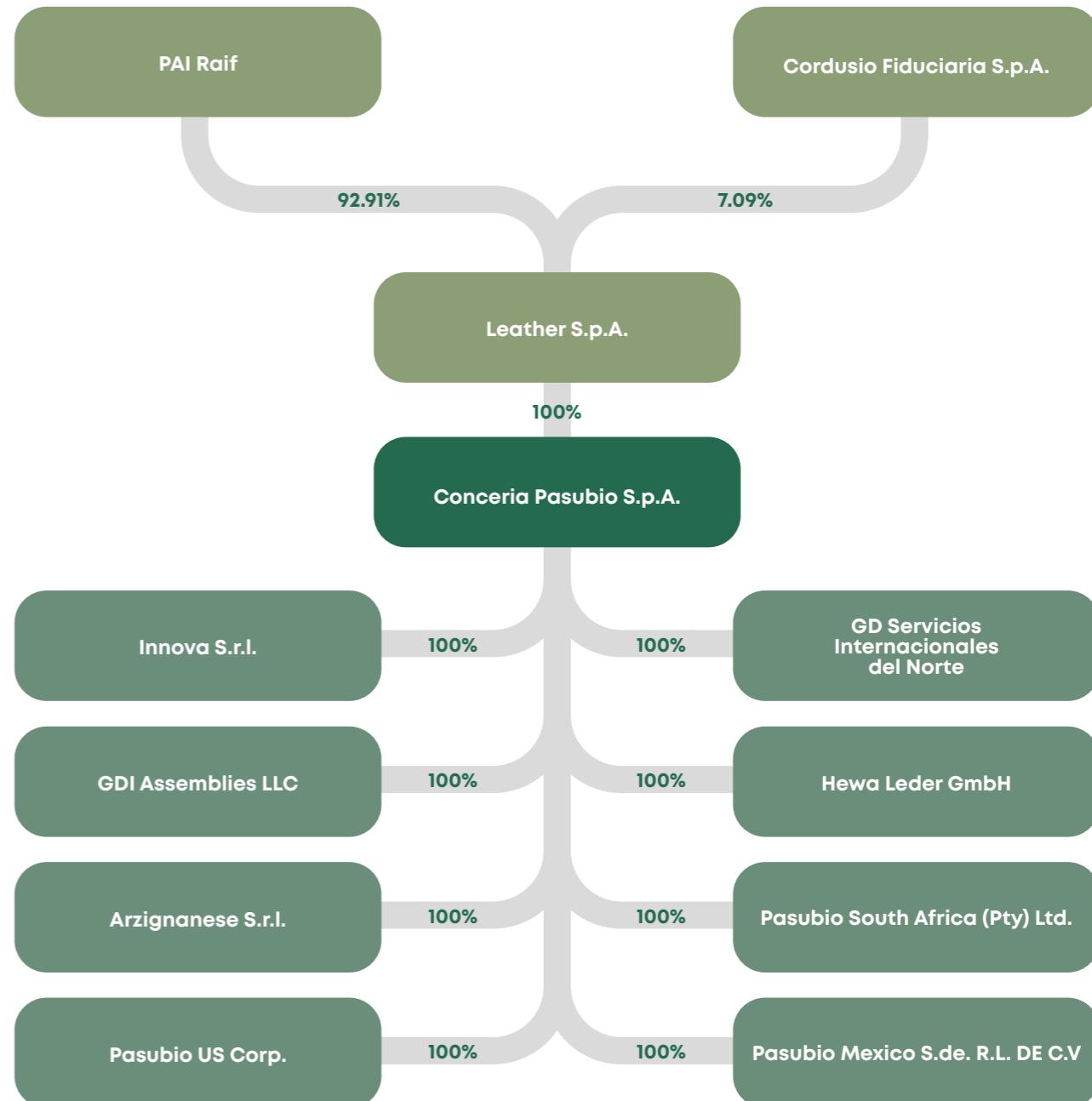
During the 2022-2024 three-year period, there were no cases of non-compliance with data protection regulations.

COMPOSITION AND ORGANISATION OF THE GROUP

The Pasubio Group is a wholly-owned subsidiary of Italian Leather Group S.p.A. and has adopted a functional organisational structure that rewards the specialisation of functions and encourages dialogue and cooperation among all its constituent companies.

Conceria Pasubio S.p.A., delegated as the Group's parent company, assumes the operational and

In order to provide a better understanding of management of the Pasubio Group, the ownership structure as at 31.12.2024 is shown below:



The majority shareholding is held by PAI Partners, while the minority shareholding is held by the Management Team.

functional control of all the companies, always ensuring full compliance with corporate principles, operations and commitment to business sustainability.

To accommodate business needs, the Board of Directors (hereinafter BoD) defines all strategic decisions and choices, including the oversight of ESG objectives.

GOVERNING BODIES

The Pasubio Group has defined and implemented Governance mechanisms with the twofold objective of strengthening ties with relevant stakeholders and promoting dissemination of the principle

of integrity and ethically correct behaviour among all shareholders and employees. The corporate governance model includes the presence of the BoD and the Board of Statutory Auditors.

Board of Directors as at 31/12/2024:

| NAMES | POSITION |
|-----------------------------------|---------------------------------------|
| Laura Rovizzi | Chairperson of the Board of Directors |
| Luca Pretto | CEO ⁵ |
| Celeste Maria Di Pietro | Director |
| Stefano Shuster | Director |
| Albin Pierre Paulin Louit | Director |
| Esohe Denise Aiwanfo Odaro | Director |
| Laurent Jean-Louis Rivoire | Director |
| Fabrizio Curci | Director |
| Andreas Thumm | Director |
| Gideon James Jewel | Director |
| Simone Cavalieri | Director |

26 Constant discussion with company management as fundamental support for the actions carried out by the BoD, combined with a proper flow of information from the Chief Executive Officer on management performance and the exercising of his delegated powers, has produced an optimal

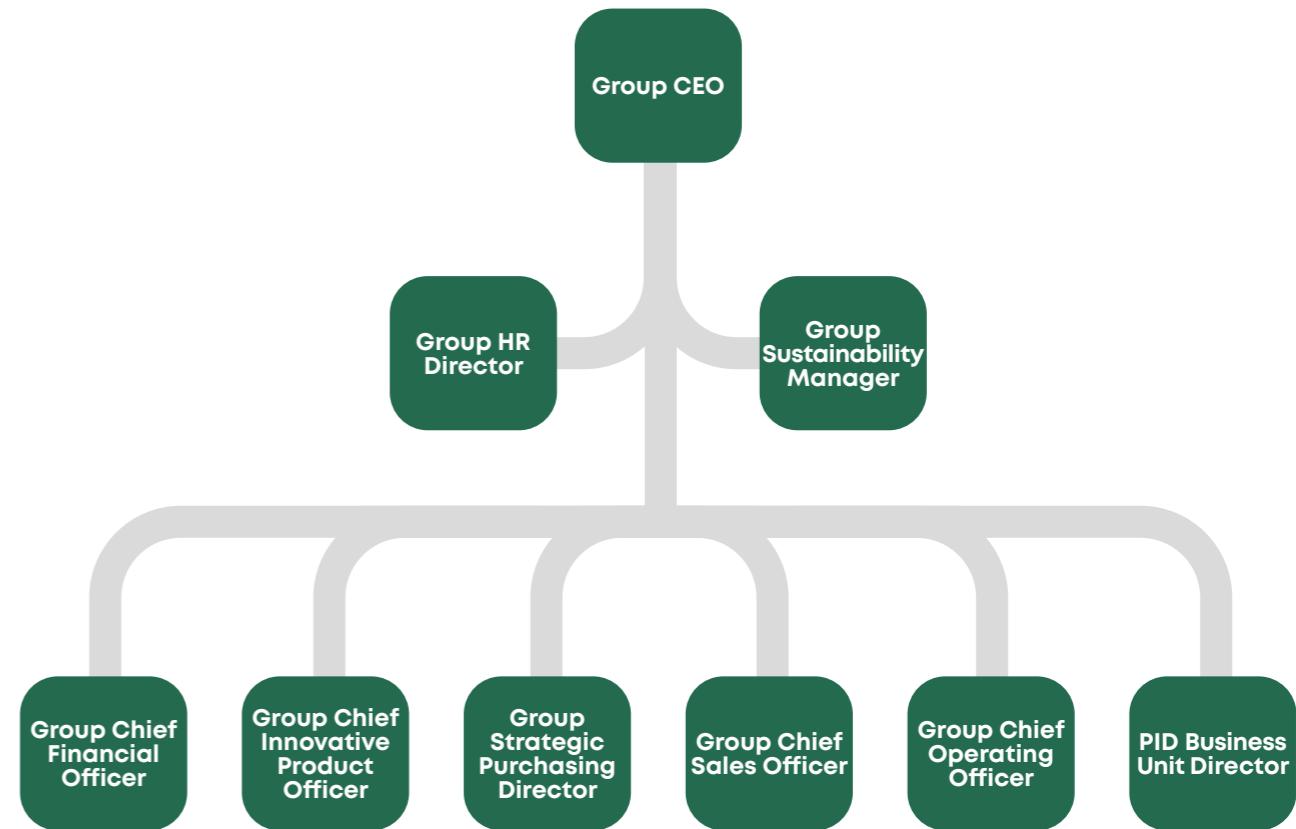
collaborative climate for the achievement of company objectives.
The Board of Statutory Auditors, the body responsible for supervising the management of the Company within the terms of the law, was appointed by the Shareholders' Meeting as follows:

| NAMES | POSITION |
|-------------------------------------|---|
| Mario Stefano Luigi Ravaccia | Chairman of the Board of Statutory Auditors |
| Alberto Brandoles | Statutory Auditor |
| Francesco Molinari | Statutory Auditor |
| Vito Morriello | Substitute Auditor |
| Roberto Fracassi | Substitute Auditor |
| KPMG Advisory S.p.A. | Auditing firm |

The members of the Supervisory Body are:

| NAMES | POSITION |
|----------------------------|----------|
| Alessandro Viglione | Chairman |
| Antonio Pasquino | Member |
| Fioranna Negri | Member |

Concluding with leadership, the following is a graphic representation of the Pasubio Group's front line as of 31/12/2024:



5. Luca Pretto also holds the position of Employer for the purposes of Italian Legislative Decree 81/2008 and Company Representative.

1.3 History **OF THE GROUP**

28

59

Conceria Pasubio was established in Arzignano in 1959, equipped with all the necessary machinery for leather processing, from raw material to finished product, including stitching for the footwear industry. Production was 3,000 square meters per day and concentrated in just one factory.

96

In 1996, the Pasubio Group was one of the first Italian companies to obtain ISO 9001 certification, with the distinction of being the first Italian company in the field of dyeing to achieve the certification.

77

Over the years, the Company expanded, also acquiring Arzignanese S.r.l., and in 1977 it became a public limited company ("S.p.A."). Between the 1980s and 1990s, production became specialised in products for the automotive sector.

10

Starting in 2010, the company implemented leather processing activities with a cutting process (production of cut pieces).

19

In 2019, production expanded with the Almisano di Lonigo (VI) site, dedicated to leather finishing. The factory entered production from 2020.

Pasubio Group also acquired control of GD Servicios Internacionales del Norte, a factory based in Mexico, and GDI Assemblies LLC, based in the United States. Both companies are specialised in the cutting and sewing process for the automotive industry.

17

In 2017, another dyeing factory was acquired in Zermegheda (VI).

Pasubio Group, with more than 800 staff and six production plants, was acquired by CVC Capital Partners, under whose leadership it has experienced significant growth, becoming a multinational leader in the industry through organic growth and strategic acquisitions aimed at expanding its market presence and its already considerable customer base.

21

In 2021, the design and furnishing division PID Pasubio was created.

In June 2021, Pasubio Group acquired control of Hewa Leder GmbH, a German tannery.

In mid-2021, the cutting factory located in Trissino (VI) moved to its new, modern location on Viale Vicenza in Arzignano (VI).

In the last quarter of 2021, ownership of Pasubio Group passed from CVC Capital Partners to PAI Partners.

22

Pasubio has been ISO TS 16949 certified for the automotive industry (quality) since 2022.

1959

29

23

In the first quarter of 2023, the acquisition of Innova S.r.l., a manufacturing site specialising in the production of synthetic leather-like material located in the Albaredo d'Adige (VR) area, was completed.

In 2023, a new registered office was established in South Africa, which will become operational during 2024.

24

In 2024, a new registered office was established in Mexico, in the city of Leon, which will become operational during 2025.

2025

The Pasubio Group has always operated in the tanning industry, making the leather a sophisticated finished product, one of a kind in terms of quality, softness, durability and resistance.

Leather is a perfect example of circularity, a by-product of the food industry that can be processed to reduce the production of waste and emissions:

"Every year, worldwide, tanneries recover a total of around 1,700 km² of raw hides (equal to 8 million tons), disposal of which as waste would produce 5 million tons of greenhouse gases" (Estimates based on UNIDO data).

The Pasubio Group operates in B2B as a supplier of OEM (Original Equipment Manufacturers), sending its finished leathers or cut piece kits to the "Tier 1" direct suppliers of the OEM, who cut,

stitch and assemble articles such as seats, steering wheels, dashboards, door panels, etc.

The Pasubio Group also controls two companies in Mexico, specialised in cutting and stitching of leather for the automotive industry.

With the aim of serving its customers with a comprehensive range of products, the Group acquired Innova Srl in Albaredo D'Adige (VI) in 2023, for the production of synthetic material.

Since its inception, the Pasubio Group has been committed to finding solutions to innovate its products, by responding positively to a market that is keenly focused on sustainability issues and seeking new opportunities and solutions to meet the demands of its target market. The objective is also to create value, limit impacts, optimise processes, and support the various local contexts in which it operates. The market can be analysed as follows:

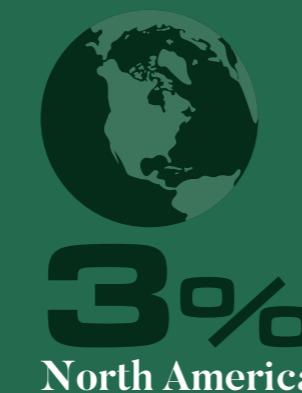


The customers to whom Pasubio sells, both directly and through the Tier, include the following industry leaders: JLR, Porsche, Bentley, BMW, Rolls Royce, Lamborghini and Skoda.

2024 Net Revenues Breakdown by application



2024 Net Revenues Breakdown by geography



Product and system CERTIFICATIONS AND RATING

The certifications obtained by the Pasubio Group have been validated by independent third parties and allow high standards and transparent and objective disclosure to all its stakeholders to be guaranteed.

They also guarantee that the entire organisation is driven towards continuous improvement.

In addition to these certifications, the Group has an internal auditing system in place to verify and maintain far-reaching oversight on the adoption of the rules and procedures established by top management.

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LEATHER WORKING GROUP

The Pasubio Group is a member of the Leather Working Group (LWG), a global multi-stakeholder community that works to bring change on the leather supply chain, towards responsible procurement in line with environmental, social, traceability and governance requirements.

Certification rewards companies who implement the industry Best Practices. The Pasubio Group has obtained GOLD certification in all the Italian plants and BRONZE certification at Hewa Germania. The objective of the Pasubio Group in 2026 is to extend certification to the Leon plant in Mexico, in line with the timing envisaged by LWG for collection of the necessary data.



QUALITY MANAGEMENT SYSTEM: ISO 9001

This certification is an official acknowledgement demonstrating that an organisation has implemented a quality management system that complies with international standards.



ENVIRONMENTAL MANAGEMENT SYSTEM: ISO 14001

It is an international standard that establishes the requirements for an environmental management system.



OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM: ISO 45001

ISO 45001 is an international standard that establishes the requirements for an occupational health.



INTERNATIONAL STANDARD FOR QUALITY MANAGEMENT IN THE AUTOMOTIVE INDUSTRY

Combines various systems of assessment and certification, creating a common approach to quality management in the entire automobile industry.



ECOVADIS

The EcoVadis platform allows companies to monitor their own and their suppliers' sustainability performance. Pasubio was awarded the SILVER medal in the sustainability assessment issued by Ecovadis in 2024.



ICEC UNIC SOCIAL ACCOUNTABILITY

Certification of the UNIC Code of Conduct and Social Accountability focuses on the Code that serves as a means of communication of the values of conduct and social accountability that characterise company business.

ICEC UNIC SOCIAL ACCOUNTABILITY: ICEC certification on compliance of the UNIC Code of Conduct

ICEC UNIC SOCIAL ACCO ICEC Certification

33

The following are the site certifications for each Pasubio Group factory:

Site certifications

| ORGANISATIONAL STRUCTURE | ISO 9001 | ISO 14001 | ISO 45001 | ISO 50001 | QUALITY MANAGEMENT SYSTEM | IATF 16949 | LEATHER WORKING GROUP GOLD | LEATHER WORKING GROUP BRONZE | LEADER ECOINTEGRITY |
|--|----------|-----------|-----------|-----------|---------------------------|------------|----------------------------|------------------------------|---------------------|
| Conceria Pasubio S.p.A. Arzignano Via II Strada (headquarters) - ITALY | ✓ | ✓ | ✓ | | ✓ | ✓ | | | ✓ |
| Conceria Pasubio S.p.A. Arzignano Via VI Strada - ITALY | | ✓ | ✓ | | | | | | ✓ |
| Conceria Pasubio S.p.A. Arzignano Viale Vicenza - ITALY | ✓ | ✓ | | | ✓ | | | | ✓ |
| Conceria Pasubio S.p.A. Zermeghedo - ITALY | ✓ | ✓ | ✓ | | ✓ | ✓ | | | ✓ |
| Conceria Pasubio S.p.A. Almisano di Lonigo - ITALY | ✓ | ✓ | ✓ | | ✓ | ✓ | | | ✓ |
| Conceria Pasubio S.p.A. Sabac - SERBIA | ✓ | ✓ | ✓ | | ✓ | | | | |
| Arzignanese S.r.l. controlled by Conceria Pasubio S.p.A. Arzignano - ITALY | ✓ | ✓ | | | ✓ | | | | |
| INNOVA S.r.l. Albaredo D'Adige - ITALY | | ✓ | | | | ✓ | | | |
| GD Servicios Internacionales del Norte Subsidiary of Conceria Pasubio S.p.A. Matamoros - MEXICO | ✓ | ✓ | | | ✓ | | | | |
| GDI Assemblies LLC subsidiary of Conceria Pasubio S.p.A. Texas - UNITED STATES | | ✓ | | | | | | | |
| Hewa Leder GmbH subsidiary of Conceria Pasubio S.p.A. Rehau - GERMANY | | ✓ | | | ✓ | | | | |
| Hewa Leder GmbH subsidiary of Conceria Pasubio S.p.A. Brand-Erbisdorf - GERMANY | ✓ | ✓ | | | ✓ | ✓ | | | ✓ |

MEASURING PROGRESS: THE ECOVADIS 2024 RATING

ecovadis

Overall score

Percentile

93rd **72/100**



70/100



80/100



60/100



70/100

In our commitment to increasingly responsible and transparent growth, the procedure of assessment according to the EcoVadis standard, one of the leading sustainability rating platforms worldwide, is an essential point of reference for us.

EcoVadis certification allows us to measure and monitor ESG performance in four key macro-areas: environment, labour and human rights, ethics and sustainable procurement.

In 2024, we were proud to receive the Silver medal and, with a ranking in the 93rd percentile, we are among the most virtuous companies assessed by EcoVadis worldwide. This is an important milestone that is made even more significant by the fact that we obtained a score of 72/100, just one point away from the Gold Medal. This figure offers tangible proof of the broad commitment and virtuous direction taken.

We have made significant progress compared to 2023, as a result of an integrated strategy and continuous improvement of our processes and standards. In detail, we have improved the work performed on our supply chain, through direct involvement of suppliers, sharing of the ESG standard and the start of shared improvement processes.

Sustainable Procurement points

2023



2024



Similarly, the area dedicated to "Human Rights and Labour Practices" recorded an improvement thanks to the introduction of more efficient assessment and control instruments and more well-organised policies.

Human Rights and Labour Practices points

2023



2024



These results testify to a company that does not just satisfy the requirements, but invests tangibly in the construction of a responsible supply chain, in enhancement of human capital and in ethical governance.

Creation of value AND DISTRIBUTED VALUE

For the Pasubio Group, there can be no profit without the creation of wealth and benefits for its stakeholders, the local communities, the environment and the value chain.

Reclassification of the income statement according to GRI 201-1 provides for redistribution of the income statement values into the following components:

- **direct economic value generated:** this is the value generated directly by an organisation through its main operations. It is usually the same as revenues;
- **economic value distributed:** this is the portion of direct economic value generated that is distributed or shared with stakeholders. It includes operating costs, employee wages and benefits,

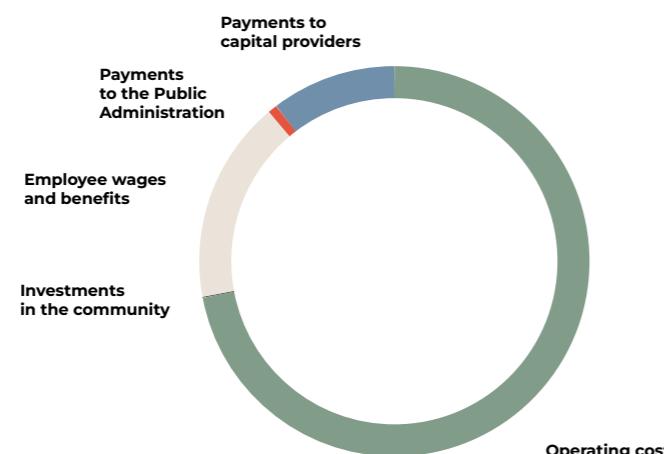
VALUE CREATED

| | |
|----------------------|---------------|
| Revenues | 342,965,934 € |
| 342,965,934 € | |

36

VALUE DISTRIBUTED

| | |
|--|----------------------|
| Operating costs | 234,835,242 € |
| Investments in the community | 25,000 € |
| Employee wages and benefits | 54,634,207 € |
| Payments to the Public Administration*** | 2,509,000 € |
| Payments to capital providers | 31,465,077 € |
| Total value distributed | 323,468,526 € |



payments to suppliers, investments in the community, etc.;

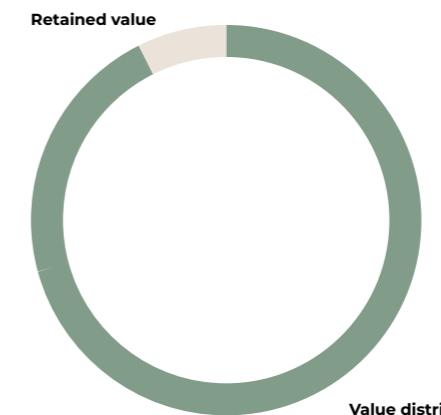
- **undistributed (or retained) economic value:** this is the economic value generated that remains within the organisation after considering distribution to stakeholders. It is retained and reinvested in company activity to support its growth and expansion or other strategic objectives. It includes valuation adjustments, deferred tax assets and liabilities, accruals to provisions – also including depreciation and amortisation – and operating income net of dividends to be distributed to shareholders.

The following items illustrate performance with reference to the consolidated financial statements for the year 2024:

RETAINED VALUE

Total retained value**

19,497,408 €



**Reconciliation between Retained Value, as defined by GRI 201-1, and the Net Result of the Pasubio Group is shown below.

***Payments to the Public Administration disbursed by Pasubio Group were distributed by country as follows:

PAYMENTS TO THE PUBLIC ADMINISTRATION BY COMPANY**

| | |
|--------------------------------|--------------------|
| Italy | 1,911,225 € |
| Serbia | 506,372 € |
| Germany | - 11,326 € |
| Mexico | 99,269 € |
| South Africa | 3,460 € |
| Total value of payments | 2,509,000 € |

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FINANCIAL ASSISTANCE RECEIVED FROM THE PUBLIC ADMINISTRATION

| | |
|----------------------------------|------------------|
| Conceria Pasubio S.p.A. - ITALY | 931,291 € |
| Arzignanese S.r.l. | 18,035 € |
| INNOVA S.r.l. | 3,647 € |
| Total value of assistance | 952,973 € |

The financial liabilities for obligations to banks and other lenders are shown below. Payables to shareholders, amortised cost value and balance sheet are not considered.

2023

| | |
|----------------------|---------------|
| CONSOLIDATED | |
| Financial debts | 355,367,266 € |
| Shareholders' equity | 77,101,588 € |

The financial reporting data has been audited by KPMG Advisory S.p.A., letter dated 30 April 2025.

Well-being of the community AND THE TERRITORY

The attention focused by the Pasubio Group on sustainability also extends to safeguarding and enhancing the environmental and cultural wealth of the areas in which the Group operates. One of the cornerstones of the corporate identity is, in fact, the desire to give back a part of the value generated by company business to the territory in which the Group operates. With this in mind, the willingness to foster constant dialogue

ENHANCEMENT OF THE TERRITORY

Conceria Pasubio S.p.A - Italy has been a user member of the "Arzignano Capitale della Pelle" ("Arzignano Leather Capital") brand promoted by the Town of Arzignano (VI) since 2023. This mem-

PARTNERING WITH EDUCATIONAL INSTITUTIONS

For the Pasubio Group, new talent has a fundamental value. That is why cooperation projects with universities and other educational institutes are developed every year. This bolsters two-way communication between the worlds of education and employment and increasingly narrows the gap between the technical skills gained in the classroom and everyday company activities.

This commitment leads to participation in orientation and training events, in the offering of internships and in vocational training projects for students.

In this area, the Pasubio Group cooperated in 2024 with:

and active cooperation with the people who live in the territory is crucial, in order to contribute in a synergistic manner to economic, social and civil growth and development.

In operational terms, this means providing continual support and promoting initiatives of various natures: social, cultural, educational.

bership confirms its commitment to promoting and enhancing its territory, characterised by a particular economic and industrial fabric and recognised as a world hub of tanning entrepreneurship.

-  Ettore Motterle Middle School
Arzignano-Montorso (VI) district
-  ITS Fashion Sustainability Manager
Valdagno (VI)
-  ITS Fashion Sustainability Manager
Valdagno (VI)
-  ITIS Rossi Vicenza (VI)
-  Padua University
-  Verona University

PROMOTING DIVERSITY AMONG YOUNG PEOPLE

Collaboration with schools and the objective of contributing towards promoting diversity in several specific sectors has resulted in participation in the "Girls Code It Better" project since 2023.

Both STEM subjects and the high-tech industry are still characterised by a predominantly male presence. This initiative was started in order to make gender equality a reality and aims to encourage female high-school students to study computer science and technology.

Through this program, and with the support of two coaches, the girls have the opportunity to learn how to create websites, develop apps and

video games and design and print in 3D. In addition to learning how to respond to the actual needs of society, the benefits of the initiative also include the development of critical and innovative thinking, as well as the ability to work on a team in a fair and inclusive context.

As part of the project in 2024, female Pasubio employees provided young female students with their skills and experience, with the aim of encouraging them to develop technology project proposals that can support the Group in the treatment of the waste produced.

OTHER INITIATIVES

The Group offered additional community support during the reporting period through financial donations and support initiatives to the following entities:

- Arzignano Dog Shelter
- Ulysses Association: for performance of the cycle of conferences "The energy of change"

The Pasubio Group contributes actively to the different situations in the sector where it operates.

It has participated for years in the National Union of the Tanning Industry (UNIC), the world's leading association of tanning industrialists. Dialogue and cooperation have intensified over recent years, partly thanks to numerous international initiatives and changes affecting the tanning industry.

The UNIC is also a partner of COTANCE, the non-profit organisation that represents and promotes the European leather industry worldwide.

Section II

Raw materials and innovation



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- 2 Procurement
- 3 Research and Development
- 4 Attention focused on the planet and environmental aspects
- 5 Voice of the customer
- 6 From waste to value: a virtuous circle

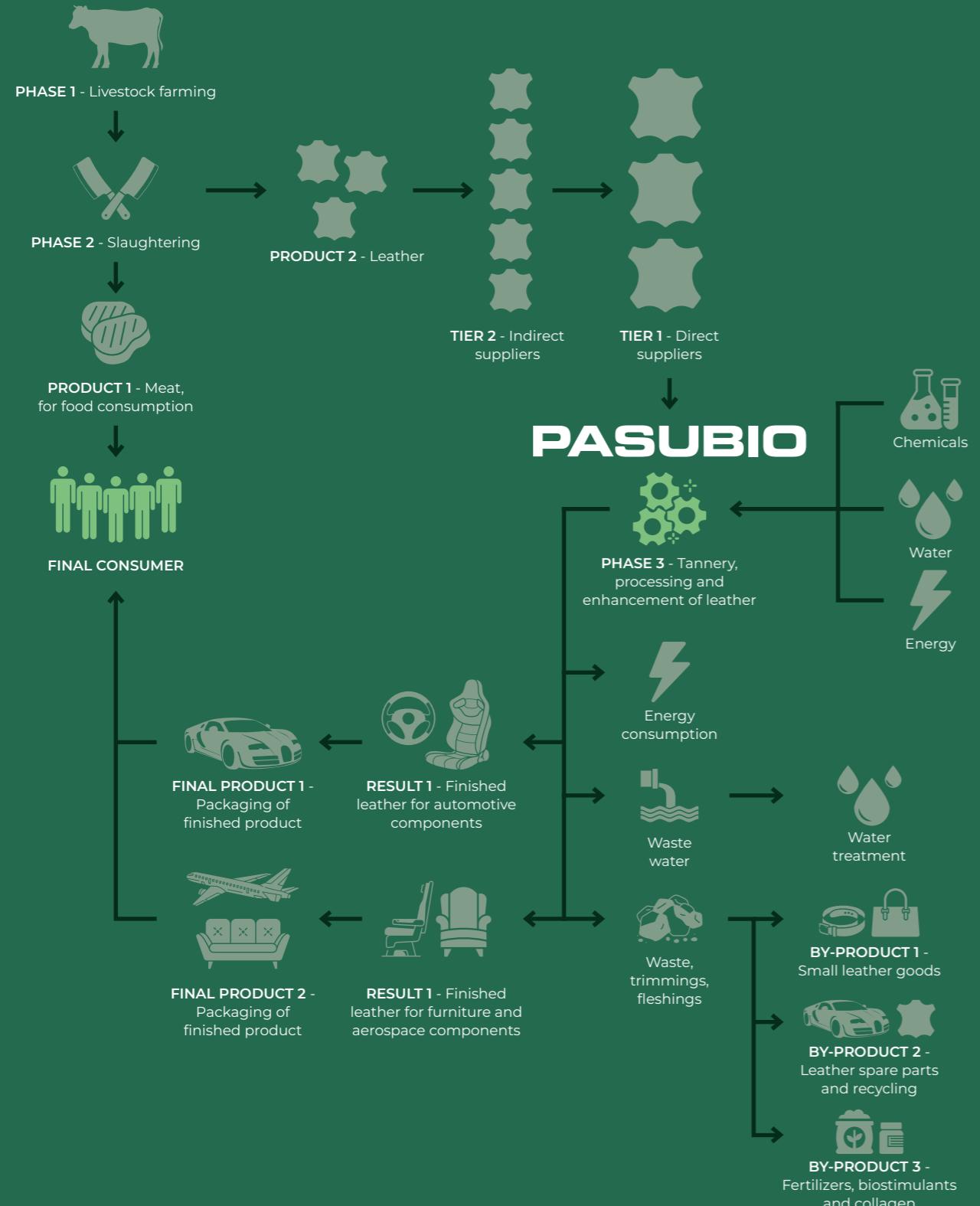
CIRCULAR ECONOMY: THE ROOTS OF BUSINESS

The raw material of the leather industry is considered to be a waste product, also economically, of another production process, namely food. The value added through tanning makes it the perfect example of a circular economy.

From the moment they arrive at Pasubio, the hides become the focus of various activities that transform them and turn them into a prestigious product, with a durability that is one of a kind. The entire process is presented in this section, starting from the meticulous procurement choices, rang-

ing between the different types of tanning performed by the Group and the other production phases, up to obtaining of the finished product and management of other production surpluses.

Each of the previous phases is necessarily characterised by the materials, the resources used and the impacts produced. All three of these topics are discussed in the following chapters and analysing them is of fundamental importance to operating with a view to continuous improvement and greater sustainability.



2 Procurement

ESG criteria are key elements for the Pasubio Group and are integrated into our business and our decisions. We believe strongly in ethics and sustainable practices and operate with total respect for the planet, people and business.

Pasubio continues to work with its own supply chain to create a production process in line with the values that have always set us apart from the rest. Our products start with responsible procurement of the raw materials, which requires careful selection of suppliers who espouse our own policies in terms of animal welfare, reduction of emissions and protection of forests, indigenous populations and human rights along the entire value chain.

The choice of raw materials plays a fundamental role in ensuring that the final product has all the

required characteristics. Specifically, the responsible procurement that characterises Pasubio hides starts with careful analysis and selection of direct suppliers and the supply chain as a whole, also considering the potential impacts and the relative actions for mitigation.

The Pasubio Group has adopted the approach of the United Nations Global Compact in responsible selection of hides.

"Management of environmental, social and economic impacts and encouragement of good practices of governance throughout the life cycle of goods and services".

In order to operate in this direction, it is crucial to consider the ten underlying principles.

Human Rights

PRINCIPLE 1

Businesses should support and respect the protection of internationally proclaimed human rights in the respective spheres of influence.

PRINCIPLE 2

Make sure that they are not complicit in human rights abuses.

Labour

PRINCIPLE 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

PRINCIPLE 4

The elimination of all forms of forced and compulsory labour.

PRINCIPLE 5

The effective abolition of child labour.

PRINCIPLE 6

The elimination of discrimination in respect of employment and occupation.

Environment

PRINCIPLE 7

Businesses should support a precautionary approach to environmental challenges.

PRINCIPLE 8

Undertake initiatives to promote greater environmental responsibility.

PRINCIPLE 9

Encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

PRINCIPLE 10

Businesses should work against corruption in all its forms, including extortion and bribery.

The Pasubio Group adopts sustainable production systems in its day-to-day operations, in order to reduce the impacts of its activity and also to provide

compliance with the above principles along the entire value chain.

PROCUREMENT OF RAW MATERIALS

Procurement of raw materials relates to the following categories:

- raw and/or semi-finished hides;
- chemicals;
- packaging (since 2024);

- finishing paper (since 2024);
- polyester (since 2024).

The quantity of hides purchased by the Pasubio Group during the reporting period is shown below:

| HIDES PURCHASED ⁶ | UNIT OF MEASUREMENT | 2022 | 2023 |
|---|---------------------|------------------|------------------|
| Raw hides | no. hides | 224,072 | 256,810 |
| Chromium-tanned hides (Wet Blue) | no. hides | 737,545 | 485,543 |
| Skins tanned without chromium (Wet White) | no. hides | 788,746 | 825,135 |
| Dyed hides (grain crust) | no. hides | 794 | 7,828 |
| Dyed crusts | no. hides | 295,016 | 383,825 |
| Hides with alternative tanning methods | no. hides | 4,720 | 4,516 |
| Total | no. hides | 2,050,893 | 1,963,657 |

| HIDES PURCHASED | UNIT OF MEASUREMENT | 2024 |
|---|---------------------|---------------|
| Raw hides | ton | 9,394 |
| Chromium-tanned hides (Wet Blue) | ton | 7,581 |
| Skins tanned without chromium (Wet White) | ton | 14,992 |
| Dyed hides (grain crust) | ton | 118 |
| Dyed crusts | ton | 942 |
| Hides with alternative tanning methods | ton | 52 |
| Total | ton | 33,079 |

Since 2024, in order to standardise the unit of measurement used to give a value to the various procurement categories, the quantity of hides purchased is also expressed in tons.

Chemicals are fundamental for the various phases of the tanning process. The quantities purchased, divided between rehydration, tanning, dyeing and finishing, are shown below:

| CHEMICALS PURCHASED BY PRODUCTION PROCESSES | UNIT OF MEASUREMENT | 2022 | 2023 | 2024 |
|---|---------------------|---------------|---------------|---------------|
| REHYDRATION | ton | 3,276 | 3,262 | 3,254 |
| TANNING | ton | 3,398* | 2,919* | 2,546 |
| DYEING | ton | 11,459 | 10,780 | 10,001 |
| FINISHING | ton | 3,223 | 3,468 | 3,130 |
| Total | ton | 21,356 | 20,429 | 18,931 |

* Adjustments have been made with respect to the values originally reported

6. Compared to the previous reporting period, the reclassification has been updated and the values corrected.

Since 2024, the quantity of packaging material purchased by the Pasubio Group has also

| PACKAGING MATERIALS PURCHASED | UNIT OF MEASUREMENT | 2024 |
|-------------------------------|---------------------|--------------|
| Paper | ton | 371 |
| Plastic | ton | 242 |
| Wood | ton | 939 |
| Steel | ton | 0.006 |
| Total | ton | 1,553 |

In addition, a particular type of finishing paper that gives the finished product and the synthetic material used as a base their typical texture is used at Innova Srl for the production of synthetic material.

been considered, divided into the following categories:

In 2024, 3.7 tons of FSC-certified finishing paper and 12,167 m of polyester respectively were purchased.

RELATIONSHIPS WITH SUPPLIERS

Choice of its suppliers is an aspect of fundamental importance for the Group. Creating and maintaining loyal and transparent relationships is equally important.

The Group organises meetings with its suppliers, in order to share objectives and projects and thus direct efforts correctly and obtain the highest level of performance.

The aspects considered in the supplier selection phase embrace sustainability holistically, and therefore address economic topics (such as organisational capacity and financial solidity), environmental topics (such as respect for the environment, deforestation and animal welfare) and social ones (such as respect for human rights).

The operators on the Pasubio supply chain are required to sign a set of sustainability documents, in order to operate in line with the principles and values that the Group upholds and applies.

This set of documents includes not only the traditional ones, such as the Code of Ethics and the Code of Conduct, but also other standards and policies that address various sustainability topics, such as protection of forests, the rights of indigenous populations and animal welfare, in a more detailed manner.

These documents were extensively reviewed in 2022 and in 2024, in order to ensure they are always in line with the new and stricter market requirements in terms of sustainability.

In 2024, the percentage of leather purchased from suppliers who have signed the Code of Conduct is 87%.

ASSESSMENT OF THE SUPPLY CHAIN

In 2024, the company started a project for mapping of its supply chain, with a particular focus on integration of ESG criteria into the supplier assessment processes.

The initiative involves various activities and the first step was development and creation of a questionnaire serving to increase the Group's knowledge of the sustainability practices implemented by its suppliers.

The questionnaire investigates the three pillars of sustainability, with questions ranging from environmental aspects to social and governance ones, and comprises requirements of various natures: qualitative, quantitative, certifications and initiatives undertaken.

The assessment was sent digitally to all categories of suppliers with whom the Group collaborates, in order to obtain a complete overview.

The outstanding collaboration with suppliers allowed excellent response rates to be obtained, reaching a 100% response rate from hide suppliers, for example.

100% Hide Suppliers Response Rate

This project allowed the ESG maturity of suppliers to be assessed, laying the foundations for organising future projects and achieving the Group's planned targets.



This activity constituted an initial basic phase for creating a more transparent and resilient supply chain model that is aligned with sustainability principles, strengthening the company system of governance and providing the groundwork for future cooperation initiatives and continuous improvement.

Secondly, in light of growing international requirements, various projects were performed to increase the level of traceability of the hides purchased by the Group.

The Group is well-aware of the importance of third-party audits and has therefore given itself the objective, for 2025, of broadening the schedule of social, environmental and traceability audits that embrace the entire supply chain, drawing up a priority plan that is also based on the picture that emerged from the 2024 assessment.

SUSTAINABLE PURCHASES - THE VIEW FROM THE INSIDE

The objective of making sustainable procurement choices in the selection of materials and suppliers is primarily the responsibility of the purchasing offices involved. Providing specific annual training to the employees in this area is of fundamental importance in acquiring the know-how, techniques and methods needed to operate with this aspect in mind.

A further means of integration of sustainability into procurement was added in 2023, consisting of the introduction of ESG indicators into the performance targets of all Group purchasing department managers.

The result is a close link between day-to-day activities and compliance with the ethical, human and environmental principles in which the company believes, also visible in the granting of MBO (Management by Objectives) bonuses.

PURCHASING MANAGEMENT

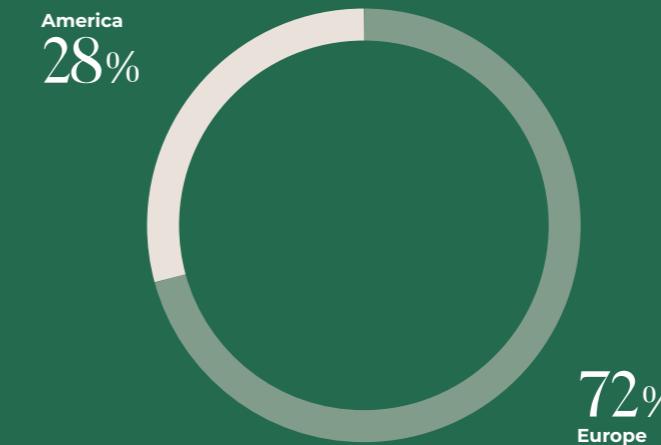
The origin of the hides used by the Group plays a key role, as a guarantee of a product with high qualitative and performance standards.

The Group also works constantly to ensure that its procurement areas and suppliers comply with its own sustainability requirements.

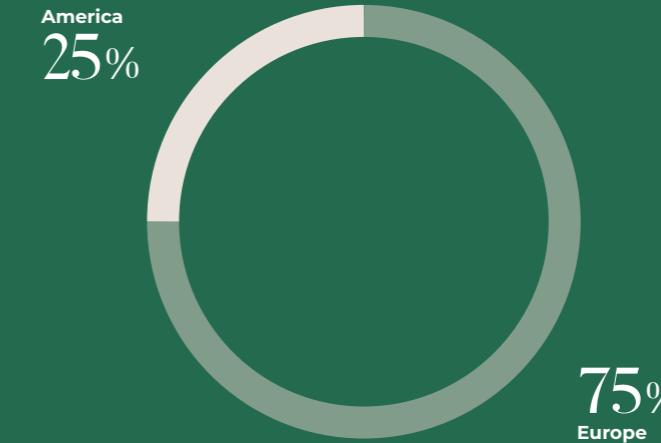
Purchasing management is conducted by individual Pasubio Group Companies and therefore the definition of "local" or "non-local" can be distinguished as follows:

The origin of the hides purchased is shown below.

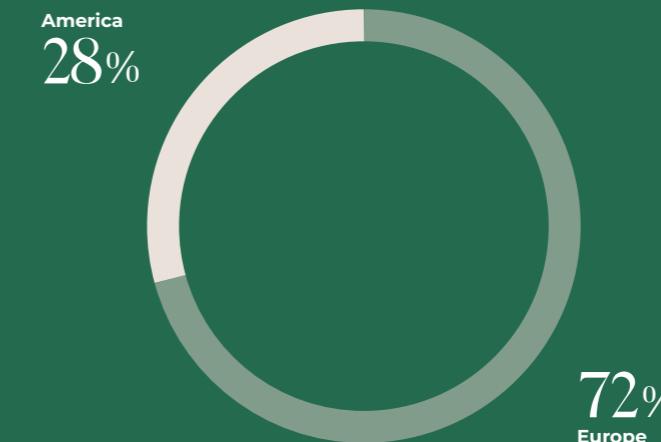
2022



2023



2024



- local: the supplier is located in the same province/region where the factory is located;
- country: the supplier is located in the same country as the factory, but outside the province/region;
- continent: the supplier is located in the same continent where the factory is located, but outside the country;
- world: the supplier is outside the continent where the factory is located.

The following tables show the detailed geographical breakdown regarding the volume of purchases from the main supplier categories, adopting the classification indicated above:

SUPPLIERS OF HIDES

| | 2021 | 2022 | 2023 | 2024 |
|-----------|------|------|------|-------|
| Local | 48% | 47% | 46% | 42.1% |
| Country | 10% | 12% | 14% | 19.9% |
| Continent | 35% | 34% | 35% | 35.7% |
| World | 7% | 7% | 5% | 2.2% |

CHEMICAL SUPPLIERS

| | 2021 | 2022 | 2023 | 2024 |
|-----------|-------|-------|-------|-------|
| Local | 92.1% | 91.2% | 93.0% | 95.9% |
| Country | 6.2% | 6.7% | 5.6% | 1.6% |
| Continent | 1.7% | 1.4% | 1.4% | 2.2% |
| World | - | - | - | 0.3% |

SUBCONTRACTORS

| | 2021 | 2022 | 2023 | 2024 |
|-----------|-------|-------|-------|-------|
| Local | 91.1% | 86.6% | 91.2% | 89.4% |
| Country | 0.2% | 0.3% | 0.1% | 0.3% |
| Continent | 8.7% | 13.1% | 8.7% | 10.4% |

PACKAGING

| | 2024 |
|-----------|-------|
| Local | 82.9% |
| Country | 14.8% |
| Continent | 2.3% |

The following information is provided in reference to the specific purchases needed for processing at Innova S.r.l.

FINISHING PAPER

| | 2024 |
|-----------|------|
| Local | 58% |
| Continent | 42% |

SYNTHETIC MATERIAL

| | 2024 |
|-----------|------|
| National | 94% |
| Continent | 1% |
| World | 5% |

Over the years, the Group has consolidated its procurement in terms of raw materials of a primarily European origin. This choice not only makes a major contribution to the local economy, but also significantly reduces the risk of impacts in areas at greater risk of deforestation. For the plant at Leon in Mexico, which will start production in early 2025, the choice

has been made to procure the hides from North America, in order to enhance the local territories, limit CO2 emissions and reduce the environmental impact associated with intercontinental transport, in line with the commitments made in terms of environmental sustainability and accountability of the production chain.

ANIMAL WELFARE

Animal welfare is a crucial aspect of the hide procurement process. This term refers to the state of complete physical and mental health that characterises the life of an animal in harmony with the environment.

The topic is particularly important to the Pasubio Group, which acknowledges its own commitment and duty to protect animal welfare. The attention focused on this issue is also confirmed by the Animal Welfare Policy adopted by the Group in 2021 and which all hide suppliers are required to sign and accept.

PROTECTION OF FORESTS AND INDIGENOUS POPULATIONS

The Group focuses particular attention on the topic of protection of forests and the risk associated with deforestation, both in relations with its suppliers and in the strategic choice of the countries where the hides are procured.

The sustainability package signed by Pasubio Group suppliers also contains a policy that describes the commitment of Pasubio to protection of forests and protection of the rights of indigenous populations along its entire supply chain.

2024 was a year in which the Group focused increasing attention and energy on these aspects, also in line with the major change in legislation after publication, on 31 May 2023, of the EUDR "Regulation (EU) 2023/1115 on the making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation".

The Group was selected, at the start of 2024, as the only European tannery to test the Traces NT online European system, to make its own observations in representation of the supply chain.

TRACEABILITY OF THE SUPPLY CHAIN AND RISK ASSESSMENT

Supplier engagement was further strengthened in 2024, with the presentation of two major projects that will start in 2025:

THIRD-PARTY SOFTWARE FOR SUPPLY CHAIN MAPPING

Pasubio is the first tannery in Italy to reach an agreement, at the end of 2024, with Eurofins Sustainability Services for traceability of its own supply chain and EUDR.

Through this project, the Group intends to go well beyond the legislative obligations of the Europe-

The policy is also based on the "Five Freedoms" contained in the 1965 Brambell Report, now internationally recognised as essential conditions for ensuring the welfare of animals under human care. The policy also refers to the "Five Domains Model", a structured and systematic approach to managing the physical and mental welfare of animals.

In support of this commitment, a supplier assessment has also been performed to assess the level of compliance and assurance of our partners on this topic.

It also immediately began participating actively in round tables of the industry associations UNIC (Italian) and COTANCE (European).

The company had already started an organised process in line with the requirements of the EUDR in 2024, aimed at improving traceability of its supply chain.

In this area, a project was developed dedicated to active engagement of suppliers, with whom individual meetings were held with the objective of starting a process of transparent and constructive dialogue and describing several of the projects for 2024-2025.

Although entry into force of the EUDR has been postponed by one year, i.e. to 30 December 2025, the Group has decided to take the opportunity to work even more assiduously with its own supply chain on transparency and engagement, investing increasingly in these topics during this further year available.

an Community, undertaking to work with its own supply chain and implementing a concrete and responsible risk management process that allows all the tools needed for assessment and mitigation of any ESG risks to be implemented.

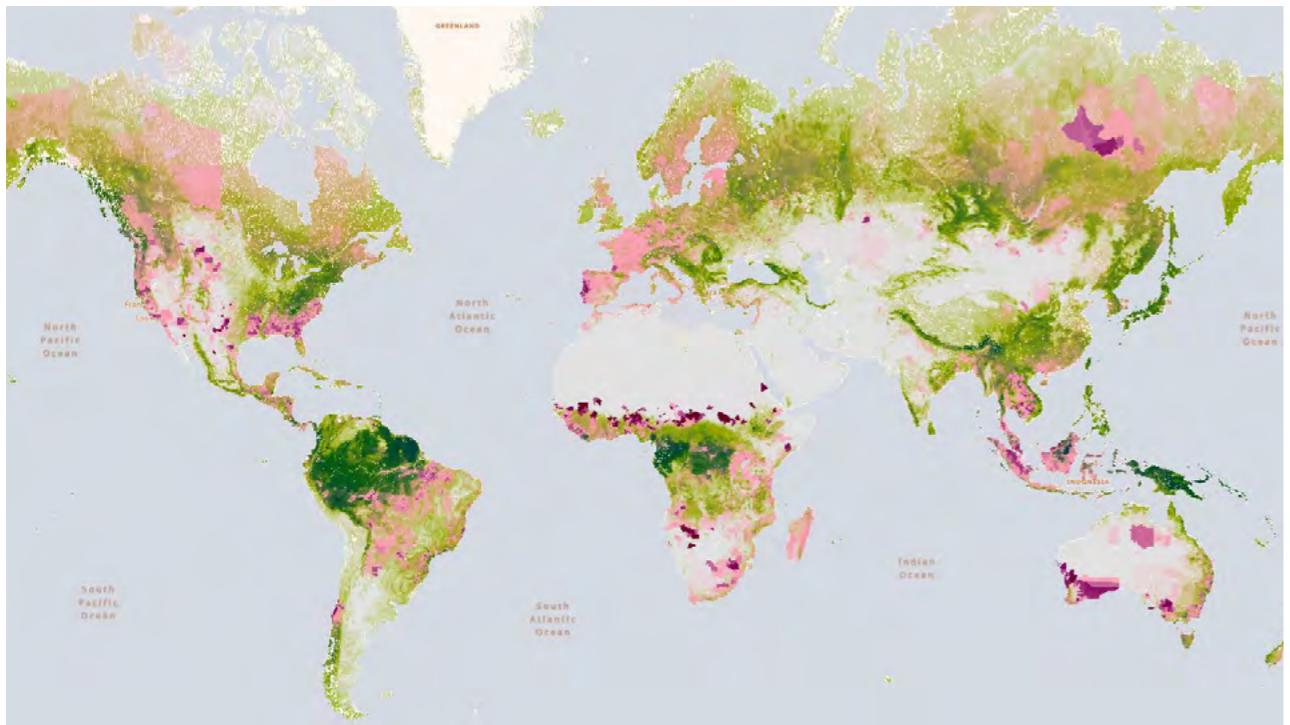
The Group will introduce software developed by a third party by a third party for mapping of the supply chain, through which it will be possible to obtain the geolocation data of its suppliers up to the slaughterhouses and farms, in order to validate the assessment and manage risks such as deforestation, workers' rights and animal welfare.

The platform will allow the following aspects to be checked:

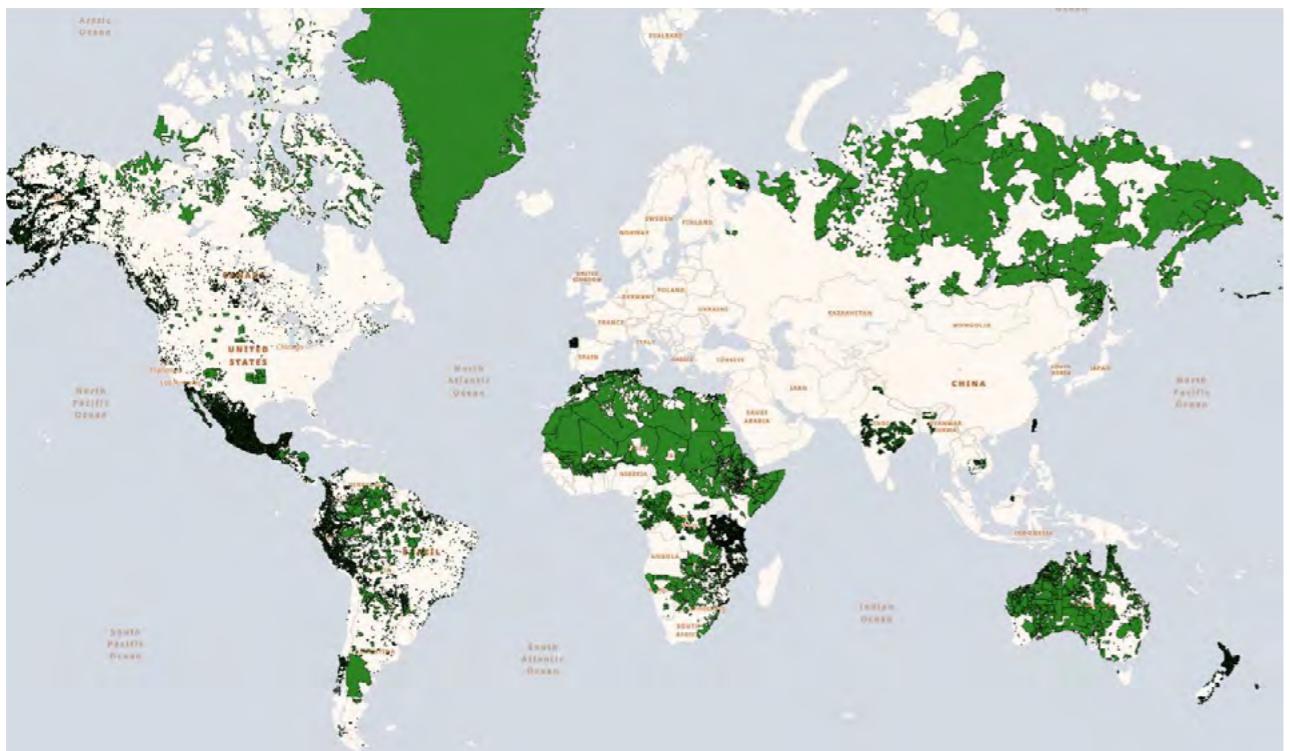
- the situation of forests over the year at planetary level, through satellite images, identifying the causes and establishing the extent of any loss of forests;

- the distribution of indigenous populations recognised internationally, in order to guarantee their preservation and respect for their rights;
- datasets including, but not limited to, corruption perception, labour rights, animal welfare, and other key ESG indicators, based on globally recognised indexes.

Several examples of mapping:



Global Canopy Height Data with Forest Loss



Global Canopy Height Data with Forest Loss

The increase in transparency of the supply chain, obtained through mapping with the software, will allow a genuine risk assessment and any mitigation of risks, if needed.

Although it does not currently fall within the area of application of the Sustainability Due Diligence Directive (CSDDD), this mapping project allows Pasubio Group to monitor also some aspects related to this Directive.

This initiative reflects the Group's intention of complying with regulatory requirements ahead of time, operating in line with its own founding values.

We firmly believe that a responsible supply chain is not just a distinguishing factor, but also a responsible choice and an added value that guides us in our sustainable development strategies.

SUPPLY CHAIN AUDIT

The Group will intensify its social, environmental and traceability audit program in 2025.

The audits will be assigned to a third-party agency outside the Group and will be one of the means of mitigation of risks on the supply chain.

BUSINESS HUMAN RIGHTS ACCELERATOR

In 2024, the Group was selected by the UN Global Compact (UNGC) to join a six-monthly accelerator focused on the relationship between company business and respect for human rights.

The objective is to mobilise the industrial segment selected (in Italy, access is reserved to 35

companies) in transforming the commitment into projects to support human rights, through the implementation of Due Diligence activities and effectively addressing the risks associated with human rights, considering the entire supply chain. The processes is divided into six stages. The first involves learning about human rights and the Labour Principles of the UNGC and the Due Diligence process. Once these notions have been learned, the next step is analysis of the enterprise's own supply chain and identification of potential negative impacts. The intrinsic complexity of the company makes it necessary to prioritise the major impacts on human rights. This is followed by development of specific actions and metrics and engagement of the stakeholders involved. In conclusion, the participant learns about the mechanisms for remedying the impacts identified.

The structure of the accelerator, which is based on a combination of more traditional teaching sessions with teamwork moments, not only allows the fundamental notions to be learned, but also their application in the field to be tested, cooperating with other participating companies. This is particularly useful for the exchange of best practices and advice and for discussing similar topics, despite the different sectors of activity.

The program, which is internationally recognised and consistent with our own objective of promoting responsible and ethical practices along the entire supply chain, will provide us, in the first six months, with tangible means for increasing the attention focused on this topic.



**PROUD TO ADVANCE
HUMAN RIGHTS IN BUSINESS
THROUGH OUR PARTICIPATION
IN THE BUSINESS & HUMAN RIGHTS
ACCELERATOR**



RESEARCH and Development

For the Pasubio Group, offering quality and sustainable products is a fundamental pillar of its corporate mission and vision. The R&D team and the sustainability team work in close collaboration to differentiate the product offer, with alternative solutions that allow products with a lower impact to be supplied.

Use of raw materials in the Pasubio production process is based on a logic of continuous improvement and innovation, thanks to the central role of research and development, which accompanies every product throughout its life cycle. This allows the Group to introduce state-of-the-art technological solutions and methods, aimed at improving environmental performance, duration and quality.

Alternative tanning methods

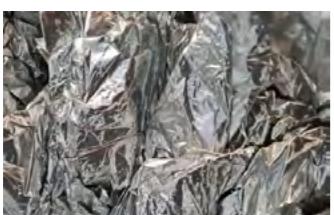
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AVO: this tanning method is based on the use of vegetation water, a waste product of the oil industry, which needs to be disposed of in special purifiers. Rich in polyphenols, this type of water is exploited as a natural tanning agent, in a process that converts it from waste to resource. The substances used in the process are free of heavy metals and aldehydes.



WET GREEN: this tanning method is based on the use of an extract from the olive leaves collected as waste in the oil production process. The substances used in the process are free of heavy metals and aldehydes.



ZEOLITE: this tanning method is based on alumino-silicates, elements that stabilise the leather collagen, and is free of chromium and aldehydes. Zeolite certified according to European standards is used.

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Recycled products



VITANOVA: manufactured using the waste produced in the cutting, shaving and trimming phases of production. A mechanical process is used to transform these residues into fibres. The support obtained in this manner is finished using the same finishing lines as for standard leathers. The material is formed 60% of leather fibres in Wet White, obtained from the production waste of the factories in Italy and Serbia (90% finished trim, 10% Wet White shavings). The remaining 40% is formed of a mixture of chemicals needed to hold the leather fibres together, which are crushed and agglomerated with binders and other resins.



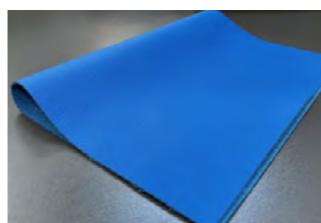
PasuBio-based leather: this article was developed with the goal of maximising the use of bio-based chemicals in all stages of the production process, including tanning, retanning and finishing. The semi-finished product (crust) is made using the AVO technology, while finishing involves the use of innovative automotive products with a high bio-based components content. The total bio-based content of the chemicals used, on a dry basis, reaches around 65 percent.



RE-NOVA: this article is formed of recycled leather fibres on a polyester core and is primarily intended for the production of soft-finish components, such as steering wheels (SW) and seats. In this process, the semi-finished leather fibres are deposited on a polyester cloth that gives the product the necessary mechanical properties. The finishing process is performed on a painting line, which completes the product with the required visual and function characteristics.



ARMONIA: this product is based on an alternative material, developed from a mixture of bio-based polymers and fine mycelium powder, applied onto a recycled cloth support. The production process is performed on a five-head coating line, where the shine and softness characteristics are determined by the release paper used.



PLANETA: this article is manufactured using an innovative and vegan material, obtained from a recycled post-consumption nylon fibre, combined with our proprietary Bio-Alloy binding agent to form a new product that recreates the natural feel and typical characteristics of leather products. The dyeing and finishing process follow the same steps used for traditional leather, so as to obtain a final result that is as similar as possible to it in terms of appearance and touch.

The R&D team continues to work on the design of various items based on specific customer requests.

SCIENTIFIC SKILLS AT THE SERVICE OF QUALITY AND INNOVATION

The laboratory located at the headquarters in Arzignano lies at the heart of our Research and Development activities and is a fundamental bastion of skills and innovation.

The laboratory has grown considerably over the years and currently comprises a highly-qualified multidisciplinary team of chemists and technicians, 75% of whom are women. The team receives continual training to ensure it is always up-to-date and to provide it with new skills.

75% R&D Laboratory Women Rate

It performs physical and chemical tests, quality control activities and validation of incoming materials (both hides and chemicals), operating in compliance with the strictest international technical standards. Exploratory analysis is performed on innovative and more sustainable chemicals, in order to assess their future use.

The leather produced is also analysed, as well as the new products and colours studied by the Research and Development department.

The purpose of each analysis is therefore to provide compliance with current regulations, re-

spond promptly to customer needs and maintain our high quality standards.

In terms of instrumentation, the analysis performed on hides provides for the use of analytical instruments such as a gas chromatograph, HPLC and IR spectrometer.



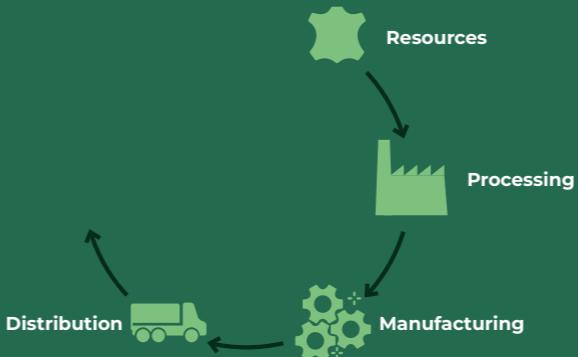
The laboratory also participates on a regular basis on the inter-laboratory circuits of our customers, which provide further confirmation of the reliability of our analytical methods, strengthening the trust of our partners.

LIFE CYCLE ASSESSMENT (LCA)

Life cycle assessment is a method that serves to quantify the environmental impact of a product throughout its life cycle. This allows awareness of the environmental impact of the product to be raised and this impact to be divided between the different phases of production.

Pasubio has been preparing LCA on its products since 2021, also in collaboration with a third party. The assessments are performed with the support of the SimaPro software and using the Ecoinvent database in version 3.10 as a reference.

The Group does not consider the final values obtained to be the end goal, but rather an incentive for continuous improvement. This is why LCA are continually reviewed through the use of data that is always up-to-date and accurate, in order to reduce the impact of the production phases that have been identified as the most impacting.



Engineering innovations

During 2024, the company determinedly continued its path towards increasingly sustainable production, by implementing various engineering innovations serving to reduce the use of chemicals in the production process. The main actions taken are described below:

• Replacement of the finishing lines

At the facility in II Strada ad Arzignano, the Line 1 and Line 9 finishing lines were replaced with more technologically advanced and efficient systems. The intervention led to a significant reduction in the consumption of chemicals in the finishing processes:

- Line 1

13% Saving in chemicals in 2024

- Line 9

14% Saving in chemicals in 2024

Assuming that the cost of chemicals remained unchanged year-over-year, the same percentages can be considered indicative of the reduction in total chemical-related expenditure sustained by the company.

• Recovery of chemical products

A specific project for recovery of the chemicals used in the finishing mixtures in the facility at II Strada ad Arzignano was started in 2023. This allowed a 49% recovery of chemicals. The same project was implemented at the Almisano plant in 2024 and resulted in a 16% recovery of chemicals.

These initiatives led to the development and implementation of systems that enable the recovery and partial reuse of process mixtures, resulting not only in reduced consumption of raw chemical materials, but also in a proportionate reduction in final expenses related to their procurement and disposal, consistent with the respective recovery percentages.

• Optimisation of chemical recipes

The chemical formulations used for the dyeing and finishing stages were reviewed and optimised in 2024, allowing a targeted reduction in the quantity of substances used.

23,752 kg Chemicals saving in 2024

• Automation of sampling

A new automatic sampling machine was introduced in 2024, designed to faithfully replicate the colorimetric and visual characteristics of the finishing line. Adoption of this system has improved the sampling times and led to a **20%** saving in chemicals, due to the greater accuracy and a reduced need for repeated tests.

As with other interventions, the percentage reduction in chemical use also translates into an equivalent reduction in the overall chemical-related expenditure, assuming stable prices over the two years compared.

ATTENTION FOCUSED ON THE PLANET AND environmental aspects

In the production process, the raw materials procured are transformed into finished products destined for Group customers, using techniques based on efficiency and sustainability.

Each phase is designed to reduce waste and to optimise the use of water and energy resources, simultaneously guaranteeing high quality standards and full compliance with environmental regulations.

The operating facilities in Arzignano (the headquarters at Seconda Strada), Zermeghedo and Almisano operate under the Single Environmental Authorisation (SEA), in line with current regulations. This single measure, envisaged by Italian legislation, simplifies administrative procedures

by combining the different sector environmental authorisations, which allows a more efficient and coordinated environmental management.

Pasubio undertakes to comply with the conditions laid down by the SEA, through constant monitoring of production activities, adoption of measures for limitation of environmental impacts and compliance with regulations on emissions, waste management and protection of water resources.

The Group also promotes the adoption of the best technologies available to provide responsible environmental management, confirming its continual commitment to sustainability and respect for the environment.

ENERGY CONSUMPTION AND EFFICIENCY

Although it does not operate in a sector traditionally classified as among those with the highest energy intensity, the Pasubio Group recognises a focus on the efficiency of its production processes and on use of resources as a priority, as it is aware of the role that every industrial concern is required to play in protection of the environment.

With this in mind, the Pasubio Group constantly undertakes actions for monitoring and continuous improvement of environmental and energy performance at its plants, actively contributing to

the transition towards production models with a reduced environmental impact.

The Pasubio Group relies mainly on procurement of electricity and methane gas for its industrial processes. Electricity is used to power the machinery and plant and methane gas is used to reach the process temperatures in certain phases of processing – such as liming, tanning and dyeing – and for heating the workplaces. Lastly, gas oil is used for movement of vehicles.

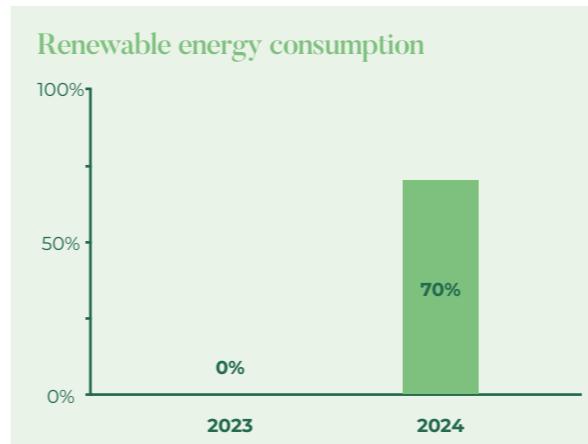
| ENERGY CONSUMPTION WITHIN THE ORGANISATION | UNIT OF MEASUREMENT | 2022 | 2023 | 2024 |
|---|------------------------|----------------|----------------|----------------|
| Energy carriers | | | | |
| Natural gas | GJ | 120,439 | 124,832 | 125,296 |
| Total | GJ | 120,439 | 124,832 | 125,296 |
| Electricity | Total | GJ | 69,269 | 73,183 |
| | Diesel | GJ | 3,648 | 3,720 |
| | Petrol | GJ | 264 | 353 |
| | LPG | GJ | 43 | 2 |
| | Total | GJ | 3,955 | 4,075 |
| | | | | 4,018 |

* The difference in consumption of LPG is given by insertion within the scope of reporting of the new plant in Leon, which used LPG for start-up of the production machinery.

In order to make progress in achievement of its sustainability objectives, the Group has undertaken an ambitious process of industrial transformation over the years, which has involved the replacement of the main production lines with state-of-the-art lines, thus reducing the energy need of the plants.

Adoption of these technologies has allowed a reduction in energy consumption associated with the individual production processes, laying the foundations for a new approach in overall assessment of plant efficiency. However, the positive performance in consumption is not immediately visible from the aggregate data for the 2022–2024 three-year period, due to the increase in production and sales. In order to assess the progress achieved correctly, it is necessary to correlate consumption with the effective quantity of finished product manufactured over the same period of time.

2024 was a turning point: thanks to the assessment process started in 2023, the Group was able to extend coverage with renewable energy to all the main Italian production sites, and also to the German plants. The objective for 2025 is extension of renewable energy to the plants in Serbia and Mexico. In total, in 2024, 70% of the electricity consumed by the Group came from renewable sources.



During the year, the Group continued with its long-term energy efficiency plan, which has already been started at various sites, including Zermeghedo and the headquarters at Seconda Strada, in line with the energy diagnoses conducted.

The actions introduced have included:

- installation of inverters and replacement of obsolete electric motors;
- adoption of low-consumption lighting systems;
- optimisation of production processes;
- preventive maintenance and control of leaks in the compressed air distribution networks;
- start-up and monitoring of cogeneration plants in Italy, in order simultaneously to produce electricity and heat for the production cycle, contributing to reducing costs and waste.

This integrated approach, which is based on technical choices, targeted investments and a long-term vision, reflects the day-to-day commitment of the Pasubio Group to an increasingly sustainable production model. This commitment is also shown through compliance with current regulations, obtaining of voluntary environmental certifications such as ISO 14001 and LWG, and continual enhancement of Research & Development activities, as the true driver of every innovation directed towards environmental responsibility.

CLIMATE CHANGE AND EMISSIONS

The Pasubio Group is aware that the climate crisis is one of the most urgent challenges of our time and that the response must actively involve all companies. This is why Pasubio is committed to promoting practices that mitigate the effects of climate change, reducing impacts and offsetting the emissions generated by activities.

In 2024, the Group prepared an inventory and a GHG reduction report with baseline 2023.

The report was prepared in accordance to the international standards UNI EN ISO 16064-1:2019, UNI EN ISO14040-2021 and UNI EN ISO14044-201, in relation to the figures for 2023 and considering the following Group companies: Conceria Pasubio Spa, Arzignanese and Hewa Leder.

Finalisation of the report was a fundamental step in laying the foundations for an aware climate strategy and for planning targeted interventions over the coming years.

The analysis highlighted how the main impact comes from Scope 3 emissions, and particularly from procurement of raw materials.

This awareness, together with the historical and consolidated relationships with our partners along the supply chain, offers important opportunities for cooperation and synergy on future projects directed towards a reduction of emissions and achievement of shared objectives.

The Group will update the inventory and the GHG report in 2025, extending it to all Group plants for 2023 and 2024.

In 2024, the Pasubio Group formalised its membership of the SBTi (Science Based Target initiatives), undertaking to define a transparent decarbonisation strategy with its stakeholders.

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SBTi is a global initiative to support companies in establishing emission reduction targets in line with the Paris Agreement, in order to keep global warming below 1.5 °C with respect to the pre-industrial era.

The aim is to accelerate the progress of the industrial compartment in supporting the global economy in halving emissions by 2030 and reaching net-zero before 2050.

Membership of the SBTi provides for various steps on the path. In the first place, the company is required to sign a commitment letter confirming its intention and commitment to working towards the definition of emission reduction targets aligned with the criteria set forth by the SBTi.

The commitment of the Pasubio Group was made official in 2024 and its objective for 2025 is to set the targets and submit them for validation by the SBTi. In this regard, the GHG inventory prepared in 2023 will be updated and the scope broadened to cover all Group companies.

As soon as the targets have been validated, the Group will communicate its climate reduction targets in a transparent manner, reporting its progress annually.

In order to provide a comprehensive overview of the emissions produced by its activities, the Pasubio Group monitors and reports on the **“Scope 1”** and **“Scope 2”** emissions, as shown in the table below.

“Scope 1” emissions means direct emissions produced within the Group, coming from directly controlled energy sources. In detail, these are emissions from combustion of fossil fuels in machineries directly controlled from the Group, consumption of natural gas and fuel used by com-

Considering the international growth of Pasubio Group, from 2024 Scope 1 is calculated using DEFRA emissions factors while Scope 2 is calculated using IEA (International Energy Agency) emissions' factor.

| PASUBIO GROUP | UNIT OF MEASUREMENT | 2022 | 2023 |
|---|----------------------------|---------------|---------------|
| Scope 1 | t CO ₂ eq. | 7,120 | 7,593 |
| Scope 2 - Location Based | t CO ₂ eq. | 10,509 | 11,597 |
| Scope 2 - Market Based | t CO ₂ eq. | - | - |
| Total Scope 1 and Scope 2 (Location Based) | t CO₂eq. | 17,629 | 19,190 |

The following table shows Scope for 2023 and 2024 calculated using IEA emissions' factors.

| PASUBIO GROUP | UNIT OF MEASUREMENT | 2023 | 2024 |
|---|----------------------------|---------------|---------------|
| Scope 1 | t CO ₂ eq. | 6,797 | 7,524 |
| Scope 2 - Location Based | t CO ₂ eq. | 6,694 | 6,546 |
| Scope 2 - Market Based | t CO ₂ eq. | - | 2,996 |
| Total Scope 1 and Scope 2 (Location Based) | t CO₂eq. | 13,791 | 14,070 |

With a particular focus on the impacts from atmospheric emissions, the Group is constantly seeking technological solutions and efficiency strategies that can help reduce the tons of CO₂ equivalent emitted.

- The main plants involved in this process include: heat generators for workplaces;
- boilers and heating plants serving production;
- fixed air conditioning systems;
- emission plants linked to the production cycle, with or without an abatement system.

The operating facilities in Arzignano (headquarters at Seconda Strada), Zermegheda and Almissano, which are subject to the Single Environmental Authorisation (SEA), operate in full compliance with the envisaged emission limits. Each plant

is subjected to periodic controls performed by third-party organisations, with specific controls on the dusts produced by the machinery and the nitrogen oxide (NOx) produced by the boilers, through advanced monitoring systems, regular maintenance on the dust abatement systems and a check on the energy efficiency of the boilers, allowing Pasubio to guarantee that the emissions are constantly within the legal limits. This commitment to compliance with environmental regulations does not just protect the quality of the air, but also reflects the dedication to sustainability and environmental responsibility. The data collected during the periodic controls is analysed and used to continuously improve the production processes, reducing the environmental impact of activities.

pany vehicles and means of transport and, from 2024 also fugitive emissions.

“Scope 2” emissions comprise the indirect emissions deriving from the electricity purchased. The Group uses the “Location-Based” approach for calculation of these emissions, which considers an average emission factor based on the national mix and, since 2024, also the “Market-Based” approach, which provides the use of different emission factors for the purchase of energy from certified renewable energy sources.

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RESPONSIBLE USE OF WATER

Tanning, retanning, fatliquoring and dyeing processes constitute a significant part of tannery operations and require considerable water use.

The water used by the Group in the processes, which operate on an open cycle, before final discharge, is subjected to chemical-physical treatments in the specific plants to adjust the pH and for sludge separation and is purified at the district consortium plants to eliminate pollutants such as chlorides, sulphurs, COD, sulphates, chromium III, organic nitrogen. This process allows water containing no hazardous substances for humans and the environment to be obtained once again. The sludge produced by the process is disposed of.

With the objective of reducing consumption and playing an active role in mitigation of the serious and widespread water crisis, the Pasubio Group invests in solutions to optimise the water requirement of its production processes.

The main activities carried out and currently underway are:

- **installation of a new finishing line with experimental technology that allows water savings in the Base Coat application phase (-47%);**

• research and development activities for water reduction in retanning recipes (-6% on a specific recipe);

• installation of a trial plant at the Headquarters in Arzignano serving the R&D department, for the treatment and recirculation of water resulting from the retanning and dyeing process (2m³ per day of treatment – estimated recovery of 96% of process water). The start of the tests for validation of the process is in progress in 2025.

The following tables report water withdrawal, consumption and discharge data for the entire Pasubio Group for the 2022-2024 three-year period:

It should be noted that the reporting scope is limited to process water used in production activities only. Water destined for sanitary and service uses is excluded, since its contribution to the total is marginal.

Furthermore, the two sites dedicated to cutting do not use water in their respective production cycles, so they are not within the scope of analysis.

| WATER WITHDRAWAL | UNIT OF MEASUREMENT | 2022 | 2023 | 2024 |
|-----------------------------|---------------------|------------|--------------|--------------|
| Surface water | ML | 48 | 44 | 42 |
| Groundwater | ML | 900 | 969 | 992 |
| Sea water | ML | - | - | - |
| Produced water | ML | - | - | - |
| Third-party water resources | ML | - | 25 | 15 |
| Total | ML | 948 | 1,038 | 1,049 |

| ORGANISATIONAL STRUCTURE | UNIT OF MEASUREMENT | AUTHORISED WATER DISCHARGE 2024 |
|--|---------------------|---------------------------------|
| Conceria Pasubio S.p.A. – ARZIGNANO II (ITALY) | m ³ /d | 820 |
| Conceria Pasubio S.p.A. - ZERMEGHEDO (ITALY) | m ³ /d | 1,300 |
| Conceria Pasubio S.p.A. - LONIGO (ITALY) | m ³ /d | 350 |
| Arzignanese S.r.l. - ARZIGNANO (ITALY) | m ³ /d | 1,258 |
| Hewa Leder GmbH - REHAU, BRAND-ERBISDORF (GERMANY) | m ³ /d | 320 |

WASTE WATER MANAGEMENT

Insofar as concerns water discharge, the waste water produced by the production processes (tanning, dyeing and finishing) of the Italian plants in the Pasubio Group is channelled into the industrial water network and subsequently treated at the treatment plants. In detail, the Arzignano and Lonigo plants discharge into the Acque del Chiampo S.p.A. treatment plant, whereas the Zermegheds site uses the Medio Chiampo S.p.A. plant.

Through the SEA, the consortia establish strict parameters both for the quantity and for the quality of the discharged water, with particular focus on the presence of pollutants, such as the chemical oxygen demand (COD), total suspended solids (TSS), chlorides and sulphates. These limits can vary, depending on the volume of discharges and the composition of the effluents, including in response to specific or emergency situations.

Compliance with these limits is guaranteed through periodic controls, including daily monitoring of the COD and precise planning of production, ensuring that the waste water released complies with the limits established by law and minimising the environmental impact of operations. For the Hewa plant, in Brand-Erbisdorf, Germany, the local environmental authority has issued an authorisation in accordance with German federal law on control of emissions. The authorisation establishes precise limits on the quantity of waste water than can be discharged by the plant.

Before acquisition of new production sites, samples are taken and careful checks performed to ascertain the environmental quality of the soil and compliance with regulations, in order to identify any critical aspects and to guarantee environmental safety of the operating areas.

| WATER DISCHARGE | UNIT OF MEASUREMENT | 2022 | 2023 | 2024 |
|-----------------------------|---------------------|------------|------------|----------------|
| Surface water | ML | 35 | 32 | 0.3 |
| Groundwater | ML | 0 | 0 | 0 |
| Sea water | ML | 0 | 0 | 0 |
| Third-party water resources | ML | 900 | 957 | 1,006.4 |
| Total | ML | 935 | 989 | 1,006.7 |

5 VOICE of the customer

Focus on the customer is one of our cornerstones. The Pasubio Group has always focused particular attention on understanding the needs and expectations of its customers, as it recognises that their satisfaction is a key factor to company success.

The Customer-focused approach involves the Group listening to the needs of its interlocutors, anticipating their expectations, responding to their requests and collaborating actively on their targets.

With this in mind, we invest constantly in the quality of our products, excellent service and sustainability in all aspects of our business, with a responsible approach to the environment and the communities in which we operate, as we are convinced that these aspects are essential to producing value over time.

This has all allowed the Group to create solid and long-lasting relationships with its customers over the years.

The main activities include:

- organisation and constant monitoring of the processes to ensure efficiency and efficacy in satisfying customer requirements;
- adoption of continuous improvement systems, such as the *LEAN* production method, to minimise waste, inefficiencies and the costs of poor quality;
- broad in-house knowledge and application of all *Customer Specific Requirements (CSR)*.

Once the manufacturing phase is complete, the products are distributed to our business partners, with the aim of guaranteeing punctuality and integrity, key factors for full customer satisfaction.

The customer-focused approach has allowed the Pasubio Group to establish itself as a reliable and competent partner, capable of facilitating technical decisions and producing added value through custom solutions.

In order to provide an excellent purchasing experience, the Group has developed an integrated or-



ganisation, capable of supporting the entire supply process, guaranteeing flexibility, planning and operational accuracy.

In building long-lasting and profitable relationships with its customers, the Pasubio Group undertakes to:

- maintain relationships based on professionalism, propriety, efficiency, cooperation and courtesy;
- promptly meet commitments and obligations accepted;
- provide accurate, complete and timely information so that informed decisions can be made;
- share the principles of the Code of Ethics and company policies with customers;
- operate in full compliance with current regulations and demand compliance with them;
- abstain from giving gifts or performing acts of courtesy that breach internal rules, except where the value is so low that it does not compromise integrity and independence, and provided that such types of expenditure are authorised and documented.

6 FROM WASTE TO VALUE a virtuous circle

In our approach to sustainability, waste is not just something that requires disposal, but a starting point for creating new value. Each type of waste material is carefully considered, in the prospect of an increasingly circular economy, in which what once was waste can now become a resource. In all the countries in which we operate, we undertake to comply strictly with environmental regulations, but we go beyond the legal obligations: we invest in the search for solutions that allow us to transform waste into by-products reusable in our processes or in those of other sectors. This path towards value allows us not only to reduce the environmental impact, but also to give a "second life" to the materials, tangibly contributing to the creation of a more sustainable and responsible production system.

In this case as well, the Group operates with careful management of the waste produced and has a targeted management system for optimal treatment of scraps, by-products and waste, in order to minimise the environmental impact of production.

In order to provide a complete overview of the amount of waste generated by the Pasubio Group, data for the 2022-2024 three-year period is shown:

| TYPE OF WASTE | UNIT OF MEASUREMENT | 2022 | 2023 | 2024 |
|---------------------|---------------------|----------------------|----------------------|----------------------|
| Hazardous waste | t | 220 (1%) | 273 (1%) | 275 (1%) |
| Non-hazardous waste | t | 19,828 (99%) | 20,977 (99%) | 20,272 (99%) |
| Total | t | 20,048 (100%) | 21,250 (100%) | 20,547 (100%) |

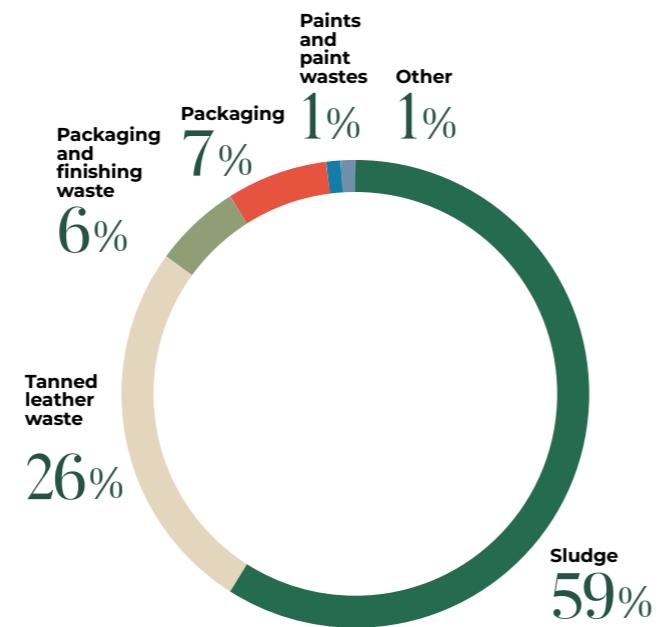
Generally speaking, the tanning industry produces **two macro-categories** of waste:

• **Hazardous waste**, which comprises everything that, if not managed correctly, can cause risks for human health and for the environment. It is identifiable through an asterisk at the end of the EWC code and the relative hazard phrases (HP). It includes materials containing toxic, infectious, flammable or reactive substances and requires specialised treatment and disposal.

• **Non-hazardous** waste does not present any significant risks for human health and/or the environment. It is generally materials such as paper, plastic, glass, wood and other common solid waste.

Types of waste and management at the production sites:

- If the waste produced by leather production processes is analysed in more detail, it is possible to identify the various types, including: sludge, produced, in particular, by on-site treatment of effluents;
- Tanned leather waste (e.g., scraps, cuttings, powders);
- Residues from packaging and finishing operations;
- Waste paints and varnishes;
- Packaging;
- Other



The Pasubio Group undertakes to ensure that all its sites operate in full compliance with the environmental regulations in force in each country. In Italy, management of waste takes place in compliance with Legislative Decree 152/2006, which governs the entire management cycle, from transport to recovery and disposal. In Germany, there is compliance with the KrWG (Kreislaufwirtschaftsgesetz) regulations, based on the promotion of recycling and reduction of waste. In Serbia, the activities comply with the Law on Waste, which governs safe and sustainable management of waste. In Mexico, reference is made to the Ley General para la Prevención y Gestión Integral de los Residuos, which establishes the requirements for integrated management of waste.

All the Group sites adopt waste sorting and recycling and correct disposal practices, in compliance with local and international standards.

Pasubio favours practices for the recovery of waste and its reuse as an alternative to disposal. The processes are constantly monitored to guarantee that they meet the highest environmental standards, minimising the impact of the waste produced by Group activities.

Data on the quantities of waste recovered and disposed of during the 2022-2024 three-year period is provided below:

| TYPE OF WASTE | UNIT OF MEASUREMENT | 2022 | 2023 | 2024 |
|-------------------------|---------------------|----------------------|----------------------|----------------------|
| Waste sent for recovery | t | 8,357 (42%) | 10,565 (50%) | 10,491 (51%) |
| Waste disposed of | t | 11,691 (58%) | 10,685 (50%) | 10,056 (49 %) |
| Total | t | 20,048 (100%) | 21,250 (100%) | 20,547 (100%) |



WASTE WATER MANAGEMENT

LEATHER WASTE

At Pasubio, waste management is performed in strict compliance with the procedures envisaged by the Environmental Management System, which clearly establishes the roles, responsibilities and activities of each party involved. In order to guarantee that these procedures are efficient and ensure that high standards of regulatory compliance are maintained, the Group performs period internal and external audits.

Each phase of waste management is preceded by a careful technical assessment, in order to identify the most appropriate destination, in full compliance with environmental regulations, protecting the ecosystem and human health. This assessment takes account of the nature of the waste and the possible presence of hazardous substances, which could require specific treatment.

Materials that are compatible with recovery – such as paper, plastic, glass and metal – are sent to recycling processes, whereas the most critical waste is treated using dedicated methods, including heat treatment or disposal at a controlled dump.

An example of this is the waste with EWC code 040109 - wastes from dressing and finishing - which is entirely recovered by a specialised company and transformed into a raw material for the production of industrial fertilisers.

In addition, the waste with EWC code 040108 - waste tanned leather containing chromium – is selected and sent to authorised plants where, through a chemical hydrolysis process, collagen that is subsequently used in the industrial agricultural chemical industry is obtained.

The waste with EWC code 040199 – tanned shavings and trimmings in Wet White – is treated with thermobaric hydrolysis and subsequent drying. This allows subsequent production of fertilisers for industrial uses.

SLUDGE

In 2023, a major project was started to give value to the sludge produced by the production processes at the Italian plants, with the objective of reducing its environmental impact and promoting solutions aimed toward recovery. This process led to achievement of a significant result, during 2024: 100% of the sludge produced at the Almisano di Lonigo site was sent for energy recovery. This sludge is, in fact, destined for specialised plants for energy production, tangibly contributing to the transition towards more sustainable management models.

100% Percentage of sludge sent for energy recovery

In light of the positive results obtained, the Pasubio Group is carefully assessing, in collaboration with various qualified partners, the possibility of extending this model to the other two plants in Arzignano and Zermeghedo. The objective is to standardise the recovery practices at all production sites, consolidating the commitment towards an industrial approach that is responsible, efficient and consistent with the principles of the circular economy.

These actions are testimony to the organisation's intention to go beyond the regulatory obligations, implementing conscious and long-term choices. Sustainable management of waste is, in fact, a strategic mechanism on which the company intends to continue investing, promoting a careful industrial culture focused on a reduction of the environmental impacts and giving value to the residual resources of its production processes.

ECOL 360° - VALORIZATION OF FINISHING WASTE

In Italian plants, finishing wastes are collected and managed from Recycla.

This company provides various services and one of the most innovative is ECOL360°.

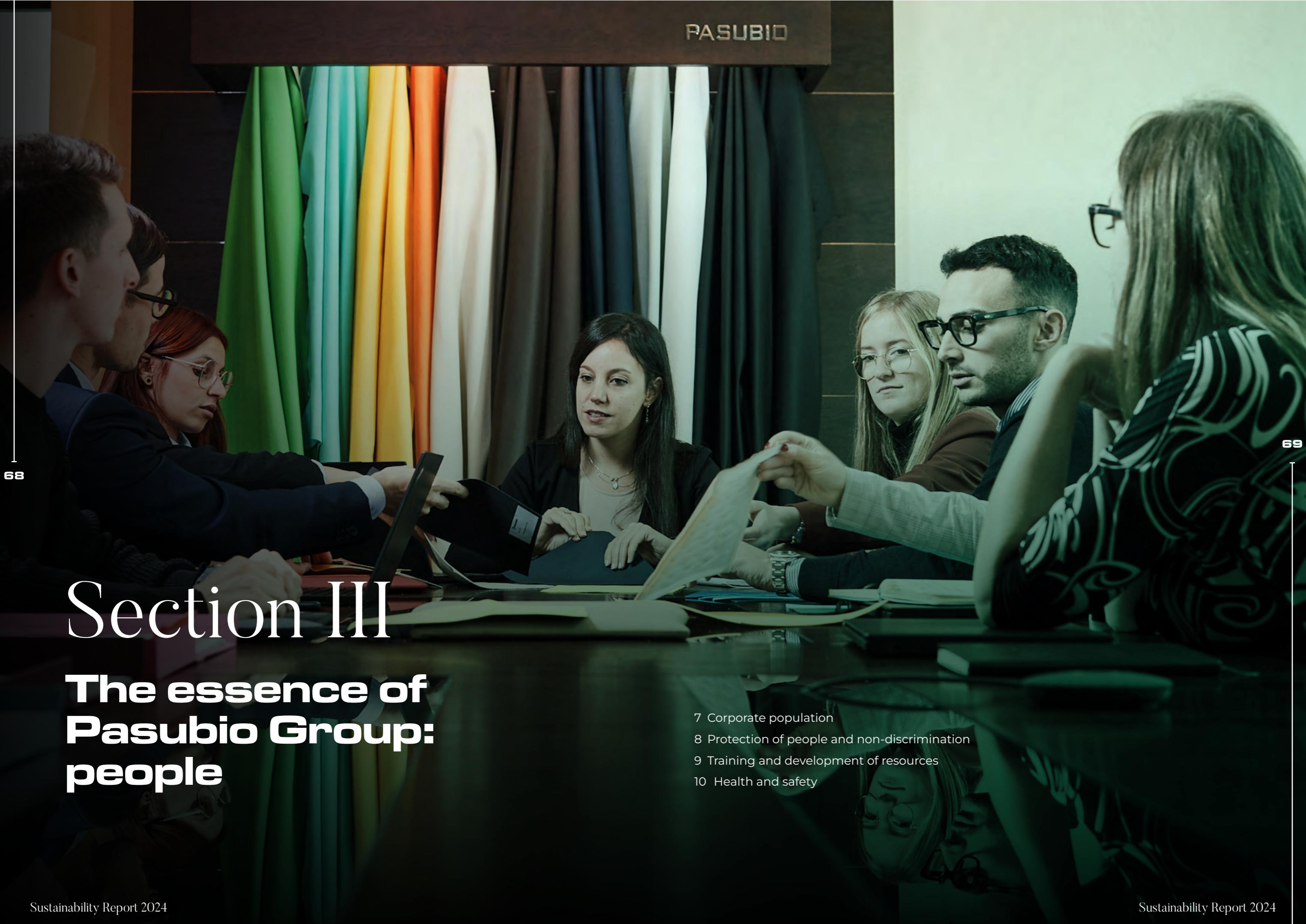
It consists in the collection and transformation of finishing wastes into alternative fuel for "hard to abate" companies.

This project allows Pasubio to manage in a better way its wastes and producing value for another industry thorough the reduction of wastes in the landfill.



Section III

The essence of Pasubio Group: people



The background image shows a group of professionals in a meeting room. In the foreground, a man and a woman are looking at a tablet. Behind them, a woman is speaking. In the background, there is a display of various colored fabrics. The page number '68' is in the bottom left corner, and '69' is in the bottom right corner.

- 7 Corporate population
- 8 Protection of people and non-discrimination
- 9 Training and development of resources
- 10 Health and safety

Occupational health and safety are cornerstones of the development model and the Group adopts an integrated, flexible and up-to-date management system, capable of responding both to regulatory changes and to internal needs. Through technological innovation, dedicated initiatives and targeted training programs, Pasubio con-

stantly improves the safety of the plants and processes, simultaneously strengthening a culture of prevention and the development of employees' skills. This integrated approach promotes people's professional growth and welfare, acknowledging their strategic value for sustainable development.



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7 CORPORATE population

“The uniqueness of Pasubio Group lies in its people, whose positivity, passion, dedication and pride create an innovative, goal-oriented working environment every day, where it is possible to grow and dream together”.

Over time, the Pasubio Group has created a solid and long-lasting relationship with its collaborators, the result of a continual and structured dialogue, based on listening, on trust and on an authentic relationship. People's welfare has always been at the centre of the company vision, as it recognises that human capital is a fundamental driver of sustainable growth for the organisation.

The Group's approach is based on the promotion of an inclusive, collaborative and respectful environment, in which everybody's contribution is valued, with the objective of ensuring talented individuals emerge and transforming them into a shared benefit. The active participation of employees, the sense of belonging and the development of personal potential are key elements of the internal policies.

FRANCO DELNERI AWARD FROM CONFINDUSTRIA SERBIA



In January 2025, Conceria Pasubio received the "Franco Delneri" award from Confindustria Serbia, a major acknowledgement that confirms the Group's constant and far-sighted commitment to ESG (Environmental, Social & Governance) principles in its own activities. Based on an assessment of various environmental, social, management and governance aspects, this award highlights not only the path towards sustainability already being taken by the company, but also the tangible and continuous way in which these principles are integrated into the development strategies and into day-to-day operations.

PASUBIO OPEN DAY

With the aim of showing people they matter and strengthening the sense of belonging, the Pasubio Group introduced the first *Pasubio Open Day*, a special event designed to welcome all the loved ones of our employees, embracing a broader concept than just the individual family. The day was based on sharing, conviviality and company pride: an occasion to provide a close-up view of the workplace of their loved ones, creating a bridge between the professional sphere and the personal one.



ORGANISATION OF THE COMPANY WORKFORCE

Inside the Group, the company workforce is divided as follows:

- Internal employees: workers employed directly by Pasubio Group companies;
- External collaborators: workers not employed directly by Pasubio Group companies, divided into associate executives, operational collaborators

and temporary staff classified as blue-collar or white-collar workers.

The following figures show the changes in the Group's workforce over the 2022-2024 three-year period, divided into men, women and not communicated:

| PASUBIO GROUP | 2022 | | | | 2023 | | | | 2024 | | | |
|------------------------------|------------|------------|----------|--------------|------------|------------|----------|--------------|------|-----|----|--------------|
| | M | W | NB | TOT. | M | W | NB | TOT. | M | W | NB | TOT. |
| TOTAL EMPLOYEES | 734 | 698 | 7 | 1,439 | 710 | 724 | - | 1,434 | 815 | 815 | 0 | 1,630 |
| TOTAL EXTERNAL COLLABORATORS | 114 | 46 | - | 160 | 108 | 46 | - | 154 | | | | 190 |
| Total | 848 | 744 | 7 | 1,599 | 818 | 770 | - | 1,588 | | | | 1,820 |

The company workforce increased considerably in 2024, passing from 1,588 to 1,820 people (+15.8%), an increase attributable mainly to the Mexican and Serbian plants. Moreover, in 2024 employees shows a balanced distribution of 815 men and 815 women.



MANAGEMENT OF CONTRACTS

The Pasubio Group is aware of its responsibility to protect its workers and governs the employment relationships through the use of collective and individual contracts, in compliance with the national regulations in force in the countries where it operates. The approach adopted provides transparency, consistency and compliance, ensuring working conditions that are fair and governed by shared principles.

Collective bargaining is a key tool in establishing the basic elements that guide the entry into individual contracts. In this manner, the Group creates a standard regulatory framework that takes account of the specific features of the different territorial contexts, adapting to the local employment laws.

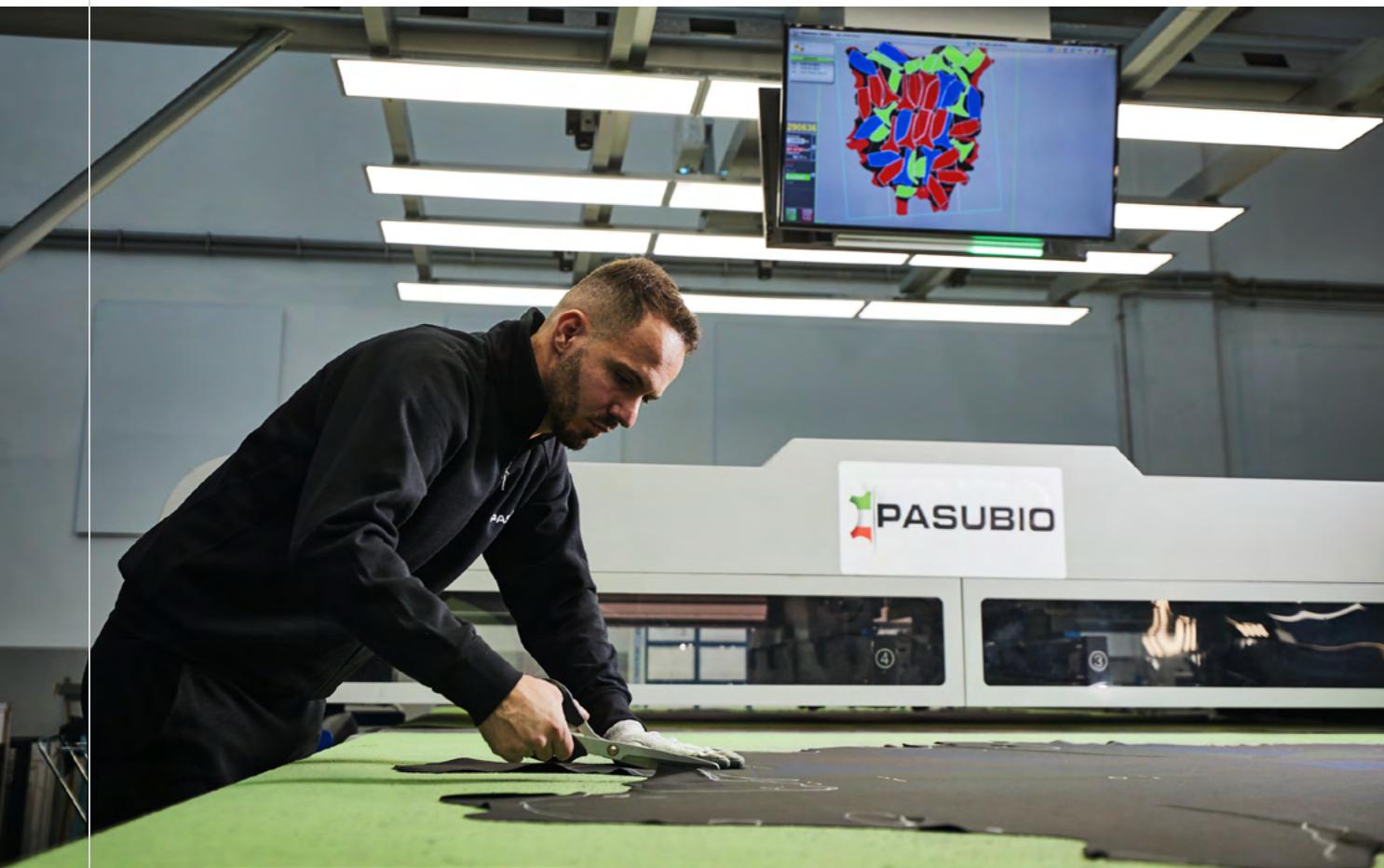
Management of contracts differs according to the geographical area:

- Italy: the Italian companies apply the National Collective Employment Contracts (CCNL) for the sector of reference, both to internal employees and to temporary workers hired as blue-collar and white-collar workers. For executives and

outside collaborators, on the other hand, individual contracts are signed, both subordinate and freelance, depending on the organisation's needs.

- Germany and Serbia: in these countries, the regulatory framework is defined by general employment law, which governs the relationship between employer and employee mainly through individual contracts. It is also mandatory to pay the minimum wage established by law in Germany.
- Mexico: employment relationships are governed by Federal Employment Law. Here, the contractual model is divided according to the classification: collective bargaining agreements are applied for blue-collar workers and individual contracts for white-collar workers.

This contractual structure allows the Pasubio to guarantee operational consistency, fair working conditions and full compliance with local regulations, strengthening its own commitment to responsible management of human resources.



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The percentage of total employees classified under collective and individual bargaining agreements is shown below:

| STRUCTURE OF PASUBIO GROUP | BARGAINING TYPE | 2022 | 2023 | 2024 |
|---|----------------------|------|------|------|
| Conceria Pasubio S.p.A. - ITALY | Collective agreement | 99% | 99% | 99% |
| | Individual agreement | 1% | 1% | 1% |
| Arzignanese S.r.l. - ITALY | Collective agreement | 98% | 98% | 98% |
| | Individual agreement | 2% | 2% | 2% |
| Conceria Pasubio S.p.A. - SERBIA | Collective agreement | 100% | 100% | 100% |
| | Individual agreement | - | - | - |
| Hewa Leder GmbH - GERMANY | Collective agreement | 100% | 100% | 100% |
| | Individual agreement | - | - | - |
| GD Servicios Internacionales del Norte - MEXICO | Collective agreement | 86% | 77% | 77% |
| | Individual agreement | 14% | 23% | 23% |
| Pasubio S. de E.L. de C.V. - MEXICO* | Collective agreement | - | - | - |
| | Individual agreement | - | - | 100% |
| GDI Assemblies LLC - TEXAS | Collective agreement | - | - | - |
| | Individual agreement | - | - | 100% |
| INNOVA S.r.l. | Collective agreement | - | 100% | 100% |
| | Individual agreement | - | - | - |

*Individual bargaining is currently envisaged for all employees, with payment of the legal minimum wage. However, it is planned to adapt to the contractual model of the country.

The table below shows the breakdown of the workforce by permanent and fixed-term employees in the 2022-2024 three-year period.

| PASUBIO GROUP | 2022 | | | | 2023 | | | | 2024 | | | |
|-------------------------|------------|------------|----------|--------------|------------|------------|----|--------------|------------|------------|----------|--------------|
| | M | W | NB | TOT. | M | W | NB | TOT. | M | W | NB | TOT. |
| TOTAL PERMANENT | 664 | 581 | 7 | 1,252 | 621 | 575 | - | 1,196 | 741 | 667 | 0 | 1,408 |
| TOTAL FIXED-TERM | 70 | 117 | - | 187 | 89 | 149 | - | 238 | 74 | 147 | 0 | 221 |
| ON NON-GUARANTEED HOURS | - | - | - | 0 | - | - | - | 0 | - | 1 | - | 1 |
| Total | 734 | 698 | 7 | 1,439 | 710 | 724 | - | 1,434 | 815 | 815 | 0 | 1,630 |

There was a 17% increase in employees on long-term contracts in 2024 and a 7% reduction in employees on fixed-term contracts.

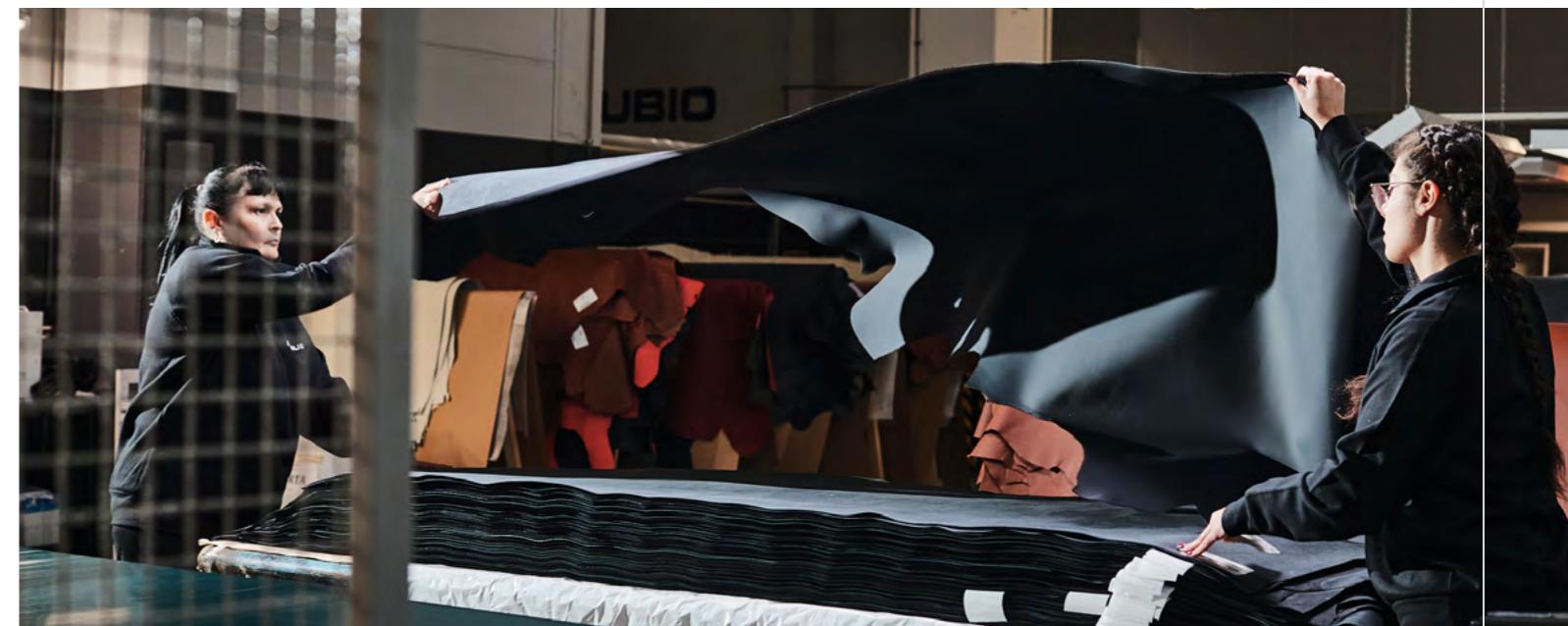
PROFESSIONAL CATEGORIES

A breakdown of the internal workforce of the entire Group by professional categories and the three main age groups (<30 years, 30-50 years, >50 years) is provided below:

| INTERNAL CLASSIFICATION | 2022 | | | | 2023 | | | | 2024 | | | |
|-------------------------|------------|------------|------------|--------------|------------|------------|------------|--------------|------------|------------|------------|--------------|
| | <30 | 30-50 | >50 | TOT. | <30 | 30-50 | >50 | TOT. | <30 | 30-50 | >50 | TOT. |
| EXECUTIVES | 0 | 3 | 9 | 12 | 0 | 4 | 12 | 16 | 1 | 4 | 11 | 16 |
| MIDDLE MANAGERS | 2 | 34 | 11 | 47 | 3 | 33 | 11 | 47 | 0 | 39 | 17 | 56 |
| WHITE-COLLAR STAFF | 52 | 129 | 29 | 210 | 60 | 134 | 23 | 217 | 69 | 159 | 30 | 258 |
| BLUE-COLLAR STAFF | 378 | 552 | 240 | 1,170 | 348 | 541 | 265 | 1,154 | 385 | 645 | 270 | 1,300 |
| Total | 432 | 718 | 289 | 1,439 | 411 | 712 | 311 | 1,434 | 455 | 847 | 328 | 1,630 |

Also in 2024, mainly for reasons related to production needs, the numerically highest share in terms of workforce is in the blue-collar category, followed in order by white-collar workers and middle

management, and finally by executives. In terms of age groups, the majority of workers are in the middle range, 30-50 years old (52%), followed by a large proportion of people under 30 (28%).



The tables below show the Group's employees – the first contains the details of all companies, while the second shows the data at the consolidated level – broken down by employment category, gender and age group. Generally speaking, the balance between men and women is more even at white-collar level, while it is less proportionate

in top positions and among blue-collar workers.

There is a counter-trend in this regard in the Mexican company GD Servicios Internacionales del Norte, where women represent the majority among both middle managers and “blue-collar” workers.

| PROFESSIONAL CATEGORIES | 2022 | | | | 2023 | | | | 2024 | | | | | |
|---|--------------------|-------|-----|------|------|-------|-----|------|------|-------|-----|------|-----|-----|
| | <30 | 30-50 | >50 | TOT. | <30 | 30-50 | >50 | TOT. | <30 | 30-50 | >50 | TOT. | | |
| Conceria Pasubio S.p.A. - ITALY | Executives | M | 0 | 3 | 6 | 9 | 0 | 3 | 8 | 11 | 0 | 9 | 9 | |
| | | W | 0 | 0 | 2 | 2 | 0 | 0 | 2 | 2 | 0 | 1 | 2 | |
| | | NB | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | Middle managers | M | 0 | 17 | 5 | 22 | 0 | 18 | 9 | 27 | 0 | 17 | 30 | |
| | | W | 0 | 3 | 1 | 4 | 0 | 5 | 1 | 6 | 0 | 3 | 4 | |
| | | NB | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | White-collar staff | M | 14 | 35 | 8 | 57 | 20 | 36 | 9 | 65 | 14 | 39 | 63 | |
| | | W | 16 | 47 | 3 | 66 | 19 | 43 | 4 | 66 | 16 | 47 | 70 | |
| | | NB | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | Blue-collar staff | M | 47 | 113 | 76 | 236 | 63 | 174 | 83 | 320 | 28 | 127 | 233 | |
| Conceria Pasubio S.p.A. - SERBIA | | W | 29 | 63 | 32 | 124 | 41 | 75 | 47 | 163 | 11 | 59 | 117 | |
| | | NB | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | Executives | M | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | W | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | NB | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | Middle managers | M | 0 | 7 | 0 | 7 | 1 | 5 | 0 | 6 | 0 | 8 | 8 | |
| | | W | 1 | 2 | 0 | 3 | 0 | 1 | 0 | 1 | 0 | 0 | 0 | |
| | | NB | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | White-collar staff | M | 4 | 10 | 0 | 14 | 5 | 10 | 0 | 15 | 5 | 12 | 17 | |
| | | W | 2 | 9 | 0 | 11 | 4 | 14 | 0 | 18 | 6 | 14 | 20 | |
| Arzignanese S.r.l. - ITALY | | NB | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | Blue-collar staff | M | 64 | 51 | 6 | 121 | 69 | 59 | 13 | 141 | 63 | 58 | 131 | |
| | | W | 76 | 162 | 28 | 266 | 101 | 190 | 46 | 337 | 96 | 212 | 358 | |
| | | NB | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | Executives | M | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | |
| | | W | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | NB | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | Middle managers | M | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | W | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | NB | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| GD Servicios Internacionales del Norte - MEXICO | White-collar staff | M | 0 | 1 | 2 | 3 | 0 | 2 | 2 | 4 | 1 | 2 | 4 | |
| | | W | 1 | 1 | 1 | 3 | 0 | 2 | 1 | 3 | 0 | 2 | 3 | |
| | | NB | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | Blue-collar staff | M | 0 | 12 | 23 | 35 | 2 | 11 | 21 | 34 | 3 | 8 | 33 | |
| | | W | 0 | 0 | 1 | 1 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | |
| | | NB | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | Executives | M | 0 | 0 | 0 | 0 | 0 | 1 | 2 | 3 | 0 | 0 | 0 | |
| | | W | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | NB | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | Middle managers | M | 0 | 2 | 2 | 4 | - | 2 | 1 | 3 | 0 | 2 | 3 | |
| INNOVA S.r.l. - ITALY | | W | 1 | 1 | 1 | 3 | 2 | 1 | 1 | 4 | 0 | 3 | 4 | |
| | | NB | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | White-collar staff | M | 6 | 7 | 3 | 16 | 10 | 6 | 2 | 18 | 10 | 11 | 24 | |
| | | W | 8 | 7 | 4 | 19 | 5 | 9 | 1 | 15 | 6 | 9 | 16 | |
| | | NB | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | Blue-collar staff | M | 83 | 47 | 4 | 134 | 53 | 32 | 4 | 89 | 100 | 65 | 4 | 169 |
| | | W | 66 | 55 | 4 | 125 | 46 | 42 | 8 | 96 | 70 | 68 | 12 | 150 |
| | | NB | 4 | 3 | 0 | 7 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |

| PROFESSIONAL CATEGORIES | 2022 | | | 2023 | | | 2024 | | | 2024 | | |
|-------------------------------------|--------------------|-------|-----|------|-----|-------|------|------|-----|-------|-----|------|
| | <30 | 30-50 | >50 | TOT. | <30 | 30-50 | >50 | TOT. | <30 | 30-50 | >50 | TOT. |
| Pasubio S. de E.L. de C.V. - MEXICO | Executives | M | NA | NA | NA | NA | NA | NA | 0 | 0 | 1 | 1 |
| | | W | NA | NA | NA | NA | NA | NA | 0 | 0 | 0 | 0 |
| | | NB | NA | NA | NA | NA | NA | NA | 0 | 0 | 0 | 0 |
| | Middle managers | M | NA | NA | NA | NA | NA | NA | 0 | 1 | 1 | 2 |
| | | W | NA | NA | NA | NA | NA | NA | 0 | 1 | 0 | 1 |
| | | NB | NA | NA | NA | NA | NA | NA | 0 | 0 | 0 | 0 |
| | White-collar staff | M | NA | NA | NA | NA | NA | NA | 3 | 5 | 1 | 9 |
| | | W | NA | NA | NA | NA | NA | NA | 7 | 3 | 2 | 12 |
| | | NB | NA | NA | NA | NA | NA | NA | 0 | 0 | 0 | 0 |
| | Blue-collar staff | M | NA | NA | NA | NA | NA | NA | 0 | 0 | 0 | 0 |
| Hewa Leder GmbH - GERMANY | Executives | M | 0 | 0 | 1 | 1 | 0 | 0 | 1 | 0 | 0 | 0 |
| | | W | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | NB | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Middle managers | M | 0 | 2 | 2 | 4 | 0 | 1 | 2 | 3 | 0 | 3 |
| | | W | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | NB | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | White-collar staff | M | 0 | 3 | 6 | 0 | 4 | 3 | 7 | 0 | 6 | 8 |
| | | W | 1 | 9 | 5 | 15 | 1 | 7 | 1 | 9 | 0 | 9 |
| | | NB | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Blue-collar staff | M | 8 | 27 | 30 | 65 | 11 | 27 | 23 | 61 | 9 | 29 |
| | | | | | | | | | | | | |

Total number of internal employees and external contractors by professional category, age group and gender

| PROFESSIONAL CATEGORIES | | 2024 | | | |
|-------------------------|--------------|------------|-------------|------------|--------------|
| | | <30 YEARS | 30-50 YEARS | >50 YEARS | TOTAL |
| | M | 1 | 3 | 10 | 14 |
| | W | 0 | 1 | 1 | 2 |
| | NB | 0 | 0 | 0 | 0 |
| | M | 0 | 32 | 15 | 47 |
| | W | 0 | 7 | 2 | 9 |
| | NB | - | 0 | 0 | 0 |
| PASUBIO GROUP 2024 | M | 34 | 75 | 17 | 126 |
| | W | 35 | 84 | 13 | 132 |
| | NB | 0 | 0 | 0 | 0 |
| | M | 203 | 291 | 135 | 629 |
| | W | 182 | 354 | 135 | 671 |
| | NB | 0 | 0 | 0 | 0 |
| | M | 238 | 401 | 177 | 816 |
| | W | 217 | 446 | 151 | 814 |
| | NB | 0 | 0 | 0 | 0 |
| | Total | 455 | 847 | 328 | 1,630 |

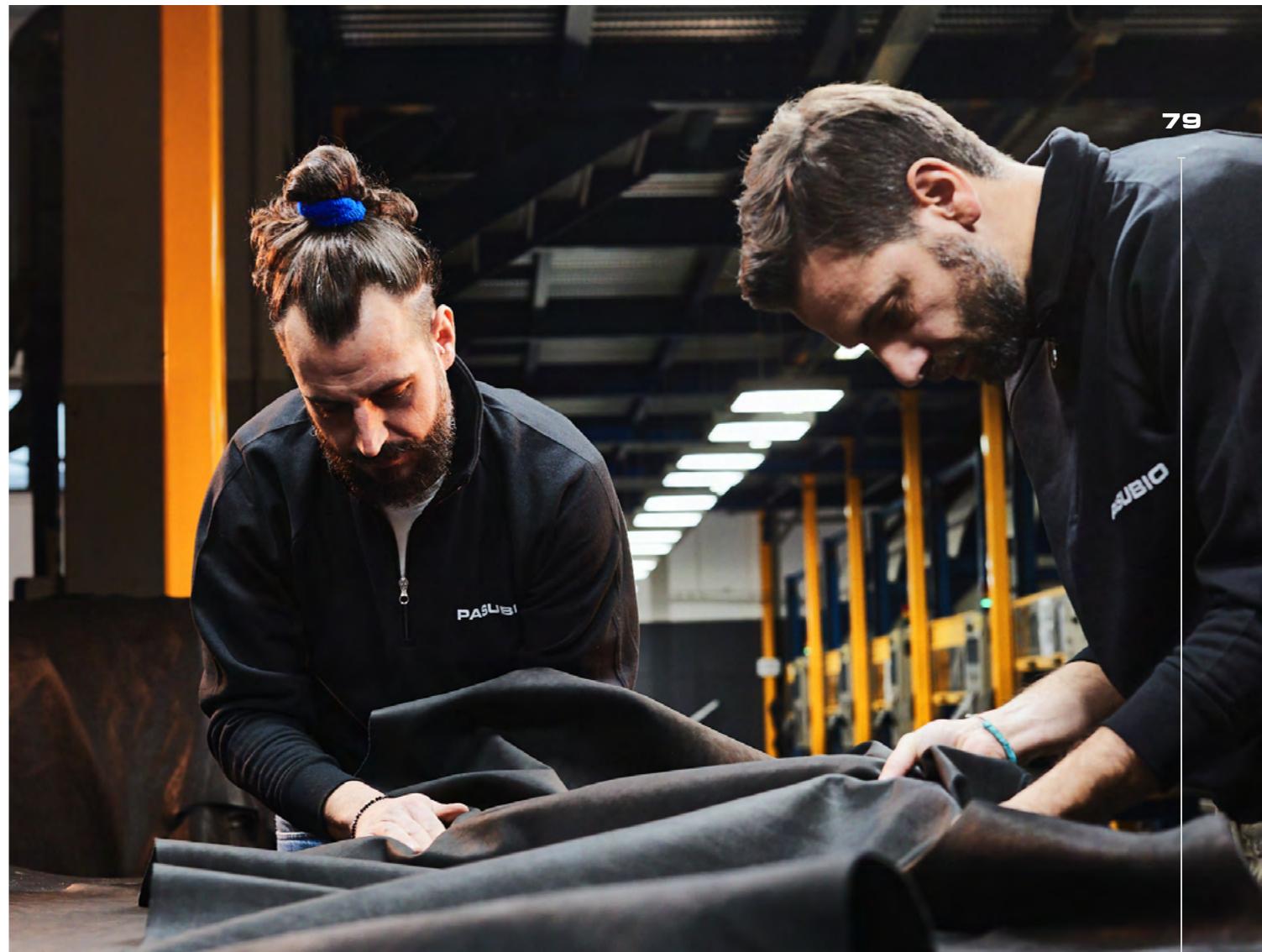
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8

PROTECTION OF PEOPLE and non-discrimination

The Pasubio Group places people at the centre of its strategy, undertaking every day to create an inclusive workplace, where every individual feels like they are being heard and appreciated in their own moral, cultural, physical and professional identity. Growth in skills, active engagement and respect for diversity are not just principles, but tangible actions that are manifested in constant listening to the needs of workers and communities, in welfare policies that give careful consideration to the balance between private and professional life, in processes dedicated to the insertion of young people and in initiatives that encourage the ex-

change of experiences between colleagues at different facilities. This shared commitment has resulted in many initiatives over the years, designed to strengthen the sense of belonging and to encourage active and conscious participation, giving shape to a company culture based on dialogue, growth and sharing. The Group also provides a set of benefits for long-term employees, including health insurance, health care, insurance coverage for disability or invalidity, parental leave and social security contributions. However, providing of these benefits is handled independently by the individual Group facilities.



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1.

LISTENING, DIALOGUE AND ACTIVE ENGAGEMENT

This category comprises all initiatives aimed at encouraging dialogue between employees and the company, appreciating individual contribution and collecting feedback that helps to direct development of the organisation and the quality of the workplace.

HR Meet One to One

Annual interviews between HR and employees, divided by homogeneous areas, to analyse the perception of well-being at the company and gather information on professional satisfaction, relations with management and quality of the workplace. The evidence that emerges is used to guide both individual and collective actions for improvement and development (such as team building, training, reorganisation of roles).

Individual meetings on request

The HR team is available, on the employee's initiative, to address personal, relational or professional situations, acting as a mediator in the dialogue with managers, colleagues or outside parties (such as the company doctor, the Prevention and Protection Service Officer and trade unions). The aim is to listen and to offer support and tangible solutions promptly and confidentially.

Talk therapy

A "Talk Therapy" project is underway at the Group facility in Serbia, which provides for the presence of a psychologist at the company who provides support for the mental health of any employees who request it. The purpose of the initiative is to encourage greater awareness of mental wellness and to encourage a culture of dialogue and listening, thus contributing to the creation of a healthier and more inclusive workplace and company.

Gemba HR

Monthly initiative that provides for the physical presence of the HR team at the Group production plants. The day is divided between an observation phase in the field and a phase of individual consultation, during which the employees can meet with the HR team to discuss needs or problems. The objective is to guarantee an HR presence that is close by, tangible and reactive.

Exit Meeting

Structured meetings with employees who leave the company, in order to collect feedback on their experience at the company. The information gathered helps in understanding the reasons for turnover and in identifying areas of improvement in personnel organisation and management.

Suggestions and Ideas

A program launched in Serbia and being expanded to the rest of the Group, the purpose of which is to give value to employees' ideas. Each proposal is examined for feasibility and impact, with feedback being given to the proponents and a reward for the solution that produces tangible value.

Quarterly meetings with Trade Union representatives

Structured meetings between trade union representatives and executive management to discuss topics that are important for workers, such as safety, welfare and company performance. Each meeting concludes with a plan of action to be implemented over the subsequent quarter, encouraging constructive and continuous dialogue.

2.

FEEDBACK, MANAGERIAL DEVELOPMENT AND STRATEGIC COMMUNICATION

Initiatives focused on the culture of feedback, on growth of managerial skills and on efficient communication of company objectives to all Group levels.

Actions to support feedback

The HR team works alongside managers and supervisors in management of periodic feedback interviews with collaborators. The sessions are preceded by brief surveys filled out by parties and aimed at mutual assessment. The managers are supported with continual training, including outside training, to refine their leadership and communication skills.

Meetings for communication of strategic objectives and team building

In-person moments when teams from different Group facilities come together for sharing of the strategic vision, alignment on objectives and strengthening of internal relationships through team-building activities. These initiatives contribute to creating a cohesive and cooperation-oriented company culture.

3.

TRAINING, DEVELOPMENT OF SKILLS AND YOUNG TALENTS

Initiatives designed to address technological and market changes through enhancement of skills, strengthening of training and integration with the world of education.

Analysis of skills

A project started in cooperation with Strategy Innovation to identify critical, emerging and strategic skills for the next ten years. It included a benchmark analysis with evolved industrial concerns and will result in custom empowerment and training programs to prepare the Group's people for future challenges.

Online training courses

All employees at the Serbia facility are guaranteed access to a vast range of training courses in e-learning mode, both on topics linked to the workplace and to personal welfare. This initiative encourages continual professional development, enhancing the skills and know-how of collaborators, and simultaneously encourages a broader educational growth.

Open Doors to Next Generation & Internship Programs

This is a well-established collaboration project with high schools, technical training institutes, universities and business schools, opening the doors of Group companies to students through visits, workshops, focus groups and internships. Several of them have resulted in recruitments, strengthening the bond between the company and the new generations.

ORGANISATIONAL WELL-BEING AND WORKING CONDITIONS

Actions aimed at improvement of the internal climate, safety and the quality of the environments, in order to respond in a tangible manner to collaborators' expectations.

Analysis of the organisational climate

An initiative started in Serbia in 2023 and subsequently extended to Italy and Germany. Specific questionnaires are used to monitor the level of employee satisfaction, producing data that is useful for directing improvement initiatives at environmental, relational and organisational level.

EVENTS AND CELEBRATIONS

Initiatives designed to strengthen the sense of belonging, celebrate cultural diversity and encourage positive relationships on the teams, through opportunities for interaction and sharing linked to local festivities and to company life.

Pasubio Family Day

The first Pasubio Family Day was held in September 2024 at the Group headquarters

International Women's Day and Mother's Day

Events dedicated to the entire company workforce were organised at the facilities in Mexico and Serbia, with the objective of acknowledging and appreciating the contribution of women at the company and simultaneously promoting a culture of gender equality in a broader social context.

The Pasubio Group promotes integration among its collaborators and invests in the professional development of each of them, promoting principles such as meritocracy, loyalty, reliability, dedication and team spirit. Active engagement of people and constant strengthening of skills are the fundamental drivers towards achieving excellence in the industry.

Working Conditions

Assessment of the physical working conditions in all the plants, with particular attention focused on common spaces such as canteen areas, meeting rooms and operating environments. The project has continued into 2024, with new actions to make the workplaces more functional and welcoming.

Celebrations for local festivities

On occasion of the main local festivities, events are held at the various Group facilities dedicated to strengthening the relationships between colleagues and encouraging a climate of sharing and belonging. These moments of celebration encourage internal cohesion, enhance the cultural dimension in the territories where the company operates and contribute to creating a more human, open and participatory workplace.

TRAINING AND DEVELOPMENT of resources

In order to encourage the professional growth of its collaborators, the Pasubio Group prepares well-structured training plans, which include technical training (hard skills), the development of relational and behavioural skills (soft skills), and also mandatory training on safety and compliance with the certifications.

In addition to external courses, the Group also organises in-house training plans, aimed at transmitting company know-how, with particular attention focused on moments of transition in strategic roles. Targeted technical-professional training courses are also held, designed to en-

hance individual skills and provide the tangible means that create an independent and well-prepared workforce, particularly in the presence of new technologies applied to production processes.

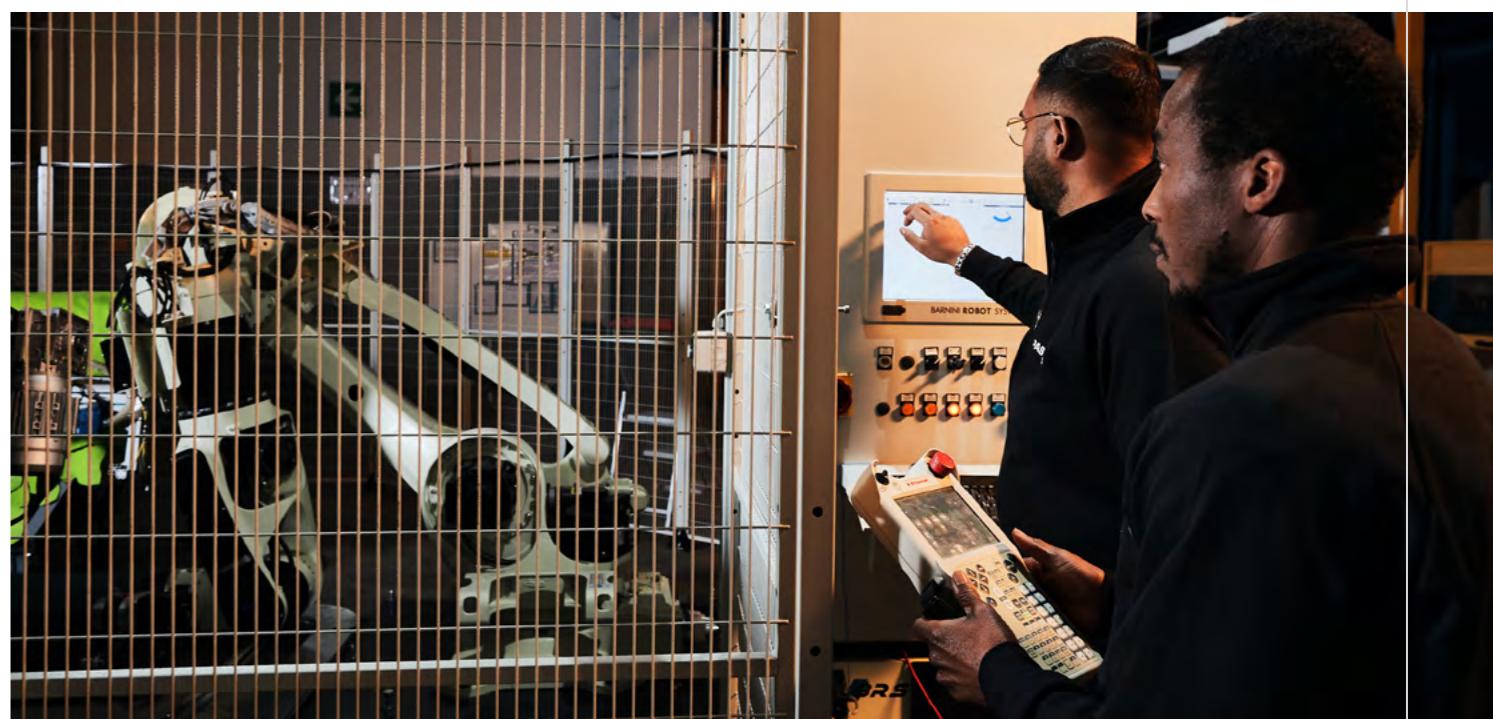
In detail, an analysis of emerging skills for the future has been performed and led, in 2024, to the definition of a training and development plan.

These activities reflect the Group's intention of investing in people, in order to ensure that they can face changes successfully, contributing actively and consciously to continual improvement of the organisation.

HOURS OF TRAINING PROVIDED

The following tables provide specific data on the training hours dedicated to internal employees for the 2022-2024 three-year period:

| PASUBIO GROUP | 2022 | 2023 | 2024 |
|---|--------|-------|--------|
| Total training hours for internal employees and external contractors | 11,817 | 9,147 | 11,979 |
| Total internal employees and external contractors | 990 | 1,155 | 1,820 |



| PROFESSIONAL CATEGORIES | Average no. hours - men | Average no. hours - women | Average no. hours - total |
|-------------------------|-------------------------|---------------------------|---------------------------|
| Executives | 23.10 | 17.00 | 22.08 |
| Middle managers | 37.19 | 53.10 | 40.57 |
| White-collar staff | 23.59 | 13.06 | 17.88 |
| Blue-collar staff | 5.47 | 4.25 | 4.87 |
| Total | 9.59 | 6.43 | 8.05 |

| PROFESSIONAL CATEGORIES | Average no. hours - men | Average no. hours - women | Average no. hours - total |
|-------------------------|-------------------------|---------------------------|---------------------------|
| Executives | 109.67 | 18.00 | 86.75 |
| Middle managers | 35.56 | 14.04 | 29.20 |
| White-collar staff | 14.66 | 12.08 | 13.22 |
| Blue-collar staff | 4.20 | 5.21 | 4.54 |
| Total | 8.39 | 7.93 | 8.21 |

| PROFESSIONAL CATEGORIES | Average no. hours - men | Average no. hours - women | Average no. hours - total |
|-------------------------|-------------------------|---------------------------|---------------------------|
| Executives | 1.43 | 30.50 | 5.06 |
| Middle managers | 33.36 | 26.33 | 32.23 |
| White-collar staff | 17.20 | 14.06 | 15.59 |
| Blue-collar staff | 6.41 | 3.04 | 4.67 |
| Total | 9.54 | 5.15 | 7.35 |

ONBOARDING

Insertion of a new resource into the Pasubio Group is considered to be a strategic moment, in which attention and support are provided in a carefully organised onboarding process. The objective is to facilitate an efficient and conscious integration into the organisation, through a meeting with the main company departments – including HR, EHS, Sustainability, ICT, Quality, Production, R&D and Compliance – and a visit to the production plants.

Health and safety training, which is an integral part of the process, is adapted to the different roles and includes both a general part (risks, prevention, rights and obligations) and duty-specific aspects. The EHS team actively participates in this phase, guaranteeing that every new employee receives the information and tools needed to operate safely and responsibly, immediately promoting a positive bond between the person and their workplace.

TRAINING TOPICS

Pasubio has started numerous training processes with the objective of developing all-round professionals, capable of applying their own skills not just in their specific role, but also within the broader context of the Group. Attention is focused, in particular, on encouraging cooperation between departments and enhancement of overarching skills.

The training activities provided by the Group are divided between three basic macro-areas:

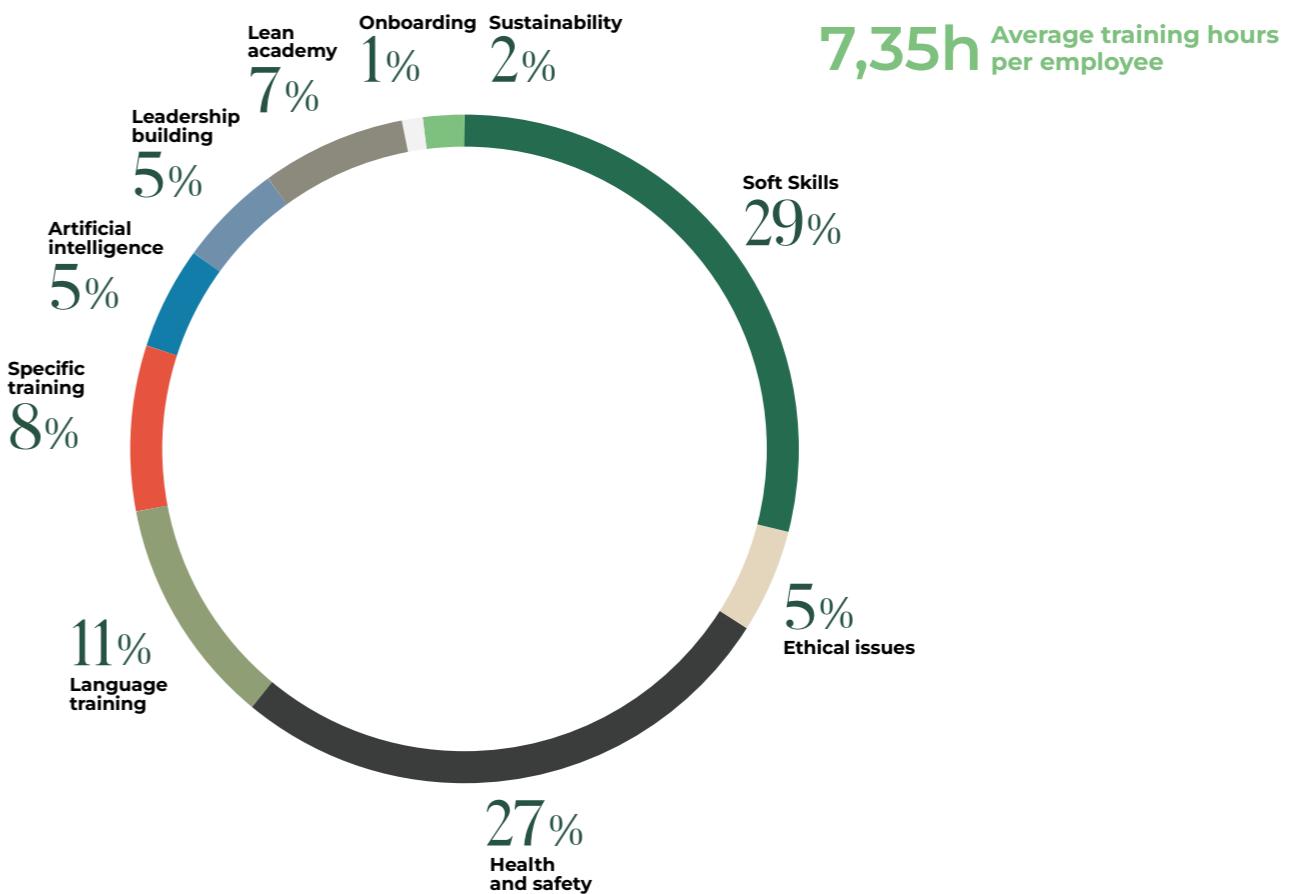
- **Product and process training:** intended for the entire workforce, with a particular attention focused on those who do not operate directly in these areas. This course allows a greater technical knowledge and greater independence and mastery to be acquired.
- **Individual language training:** designed to facilitate communication between the employees of the different Group companies, encouraging integration and efficacy of teamwork on an international scale.
- **Development of soft skills:** a program designed to strengthen relational and leadership skills,

useful both for roles with managerial responsibilities and for personal growth. Supervisors, team leaders and new managers have been accompanied on a path for improvement of their own communication, empathy and team management skills, with a particular focus on feedback.

In detail, the courses provided in 2024 related primarily to the following topic areas:

- Health and Safety;
- Specific training;
- Development of Soft Skills;
- Leadership building;
- Lean Academy;
- Sustainability;
- Ethical topics;
- Onboarding;
- Language training;
- Artificial Intelligence;
- Health and Safety.

The main training areas of Conceria Pasubio – Italy are shown below, with indication provided for each topic:



10 HEALTH and safety

Occupational health and safety is a fundamental commitment for the Pasubio Group, which works every day to guarantee a protected and safe workplace, both for the internal workforce and for third parties involved in company activities. This objective is pursued through an integrated approach that combines prevention, technological innovation and continuous training.

With the objective of constantly improving its safety performance, the Group does not limit itself simply to satisfying the requirements imposed by law, but has also adopted a voluntary man-

agement system in accordance with the UNI EN ISO 45001: 2023 standard, which not only allows it to react to risks, but also to prevent and analyse them systematically, through the adoption of efficient corrective measures.

The solidity of this approach is confirmed by the fact that the health and safety management system implemented by the Group complies with the ISO 45001 international standard and with all the regulations applicable in the countries where the company operates.

ORGANISATIONAL STRUCTURE

| | PLANT | LOCATION | ACTIVITY |
|----------------------------------|-------------------------|----------|--------------|
| Conceria Pasubio S.p.A. – ITALY | Arzignano HEADQUARTERS | ITALY | Surveillance |
| | Zermegheto | ITALY | Surveillance |
| | Arzignano Via VI Strada | ITALY | Surveillance |
| | Arzignano Viale Vicenza | ITALY | Surveillance |
| | Almisano di Lonigo | ITALY | Surveillance |
| Conceria Pasubio S.p.A. – SERBIA | Sabac | SERBIA | Surveillance |

ONBOARDING

In order to provide a comprehensive overview of this topic, the hours worked (including on-site, smart working and overtime hours) recorded during the 2022-2024 three-year period are shown below:

| PASUBIO GROUP – HOURS WORKED | 2022 | 2023 | 2024 |
|---|------------------|------------------|------------------|
| Conceria Pasubio S.p.A. - ITALY | 880,620 | 885,369 | 1,844,737 |
| Conceria Pasubio S.p.A. - SERBIA | 959,456 | 909,546 | 911,104 |
| Hewa Leder GmbH - GERMANY | 295,780 | 201,140 | 187,920 |
| GD Servicios Internacionales del Norte - MEXICO | 722,614 | 597,193 | 508,312 |
| Arziganese S.r.l. - ITALY | 82,510 | 88,467 | 79,912 |
| Pasubio S. de E.L. de C.V. - MEXICO | NA | NA | 22,532 |
| GDI Assemblies LLC - TEXAS | NA | NA | 0 |
| INNOVA S.r.l. | NA | 21,258 | 30,816 |
| Total | 2,940,980 | 2,702,973 | 3,558,598 |

RISK ASSESSMENT AND ANALYSIS

In order to ensure full compliance with current regulations on prevention and on protecting workers against occupational health and safety risks, the Pasubio Group adopts a well-organised and strict approach based on assessment of all risks, using a quantitative method that performs in-depth analysis on potentially hazardous situations for the duties and for the workplace. The assessment considers two basic elements: the

severity of the possible harm and the probability that it will occur.

After the hazards have been mapped, an in-depth assessment of the hazard is performed for each situation, identifying targeted prevention and protection measures serving to eliminate or mitigate the hazard.

ANALYSIS OF INJURIES

Analysis of the injuries that occurred in Italy during the 2022–2024 three-year period has identified a predominance of accidents associated with mechanical risks, particularly during activities involving the direct use of work equipment. The parts

of the body most frequently affected are hands, knees, chest and back, whereas those most seriously affected are hands, knees and head, as shown in the diagrams below.



The tables below show the injury data for internal employees and external collaborators, with their frequency rates, recorded during the 2021-2023 three-year period. To calculate the number of injuries in different states national legislations have been considered.

INJURIES – INTERNAL EMPLOYEES

| | 2022 | 2023 | 2024 |
|---|------|------|------|
| Number of deaths as a result of work-related injuries | 0 | 0 | 0 |
| Number of work-related injuries with serious consequences (excluding deaths)* | 0 | 0 | 10 |
| Number of recordable work-related injuries | 27 | 27 | 29 |

* Classification affected by different national legislation. In particular, work-related injuries with serious consequences in 2024 were recorded in Germany and Mexico. Respectively, according to German law an injury is considered to have serious consequences if specific situations take place (ex.

FREQUENCY RATE – INTERNAL EMPLOYEES

| | 2022 | 2023 | 2024 |
|---|------|-------|------|
| Rate of deaths due to work-related injuries | 0 | 0 | 0 |
| Rate of serious work-related injuries (excluding deaths) ⁷ | 0 | 0 | 2.79 |
| Rate of recordable work-related injuries | 9.18 | 10.02 | 8.09 |

INJURIES – EXTERNAL COLLABORATORS

| | 2022 | 2023 | 2024 |
|--|------|------|------|
| Number of deaths as a result of work-related injuries | 0 | 0 | 0 |
| Number of work-related injuries with serious consequences (excluding deaths) | 0 | 0 | 0 |
| Number of recordable work-related injuries | 1 | 6 | 4 |

FREQUENCY RATE – EXTERNAL COLLABORATORS

| | 2022 | 2023 | 2024 |
|---|------|------|------|
| Rate of deaths due to work-related injuries | 0 | 0 | 0 |
| Rate of serious work-related injuries (excluding deaths) ⁸ | 0 | 0 | 0 |
| Rate of recordable work-related injuries*** | 0.34 | 2.23 | 7.43 |

*** The injury rate has been calculated as the ratio between the total number of injuries and the total hours worked, using a multiplication factor of 1,000,000 from GRI 403-9 (2018). Insofar as concerns the increase in the number of injuries with serious consequences in 2024, it is noted that the classification is aligned with national rules.

7. The injury rate was calculated as the ratio of the total number of injuries to the total hours worked, using a multiplication factor of 1,000,000.

8. The injury rate was calculated as the ratio of the total number of injuries to the total hours worked, using a multiplication factor of 1,000,000.

Company initiatives to reduce injuries

In 2024, the company strengthened its commitment to occupational safety through the implementation of two key initiatives: **Safety Management Audit Training (SMAT)** and promotion of reporting of near misses.

SMAT is a systematic audit performed by the EHS (Environment, Health, and Safety) team that observes and analyses workstations, in order to identify unsafe behaviour and areas of improvement. This tool is concentrated on aspects such as use of personal protective equipment (PPE), tidiness and cleanliness of the workplaces and compliance with standard operating procedures. Through direct observations and immediate feedback, the SMAT encourages a climate of proactive and participatory safety.

In parallel, the company has encouraged the reporting of **near misses**, meaning unexpected events that have not caused harm, but could have done. These events, which are frequently underestimated, are valuable indicators of prevention risks and opportunities. Reporting has been facilitated

by the introduction, in 2025, of a digital form that is accessible by scanning a QR code, allowing all employees to send their observations rapidly and anonymously.

The efficacy of these initiatives is confirmed by the figures for 2024:

- **Total number of injuries** (excluding those in progress): 14, compared to 23 in 2023.

- **Workdays lost**: 98, down compared to 344 in 2023.

- **Frequency Rate (FR)**: 37% reduction compared to the average for the 2021-2023 three-year period.

- **Severity Rate (SR)**: 70% decrease compared to the average for the 2021-2023 three-year period.

These results confirm the company's commitment to creating a safe workplace and encouraging a culture of prevention, in line with the ISO 45001 standard and with the international best practices on occupational health and safety.

HEALTH PLAN

Protection of employees' health is also ensured through the presence of a health plan drafted by the occupational medicine service.

Each plan is defined on the basis of the duties performed and precisely establishes the mandatory medical check-ups and tests, which are planned to guarantee continuous monitoring and safety of

the person in the workplace.

Respect for confidentiality of health information is an essential priority: all the health information collected and participation in medical monitoring programs are treated in full respect for privacy and are never used to influence the professional career of the workers, either directly or indirectly.

FURTHER data

1. ABOUT THE PASUBIO GROUP

Composition of governance (2024)

| TYPE OF EMPLOYMENT | MEN | WOMEN | NB | TOTAL |
|-----------------------|----------|----------|----------|-----------|
| Non-executive members | 3 | 7 | 0 | 10 |
| Executive members | 0 | 1 | 0 | 1 |
| Total | 3 | 8 | 0 | 11 |

Composition of governance (2024)

| TYPE OF EMPLOYMENT | MEN | WOMEN | NB | TOTAL |
|---|----------|----------|----------|----------|
| Members satisfying the independence requirement | 1 | 3 | 0 | 4 |
| Members belonging to under-represented social groups | 1 | 0 | 0 | 1 |
| Members with important skills insofar as concerns the impacts of the organisation | 1 | 1 | 0 | 2 |
| Total | 3 | 4 | 0 | 7 |

COMMUNICATION AND TRAINING ON ANTI-CORRUPTION REGULATIONS AND PROCEDURES - 2024

| | NUMBER OF MEMBERS | PERCENTAGE |
|--|-------------------|------------|
| Members of the governance body to whom the anti-corruption regulations and procedures of the organisation have been communicated | 11 | 100% |
| Members of the governance body who have taken anti-corruption training courses | 8 | 73% |
| Total number of members of the governance body | 11 | |

4. PRODUCTION AND TECHNOLOGY

| ENERGY INTENSITY INDEX | UNIT OF MEASUREMENT | 2023 | 2024 |
|--------------------------|---------------------|------------|------------|
| Total energy consumption | GJ | 202,090 | 202,696 |
| Revenues | M€ | 353.57 | 342.96 |
| Energy intensity | GJ/M€ | 572 | 591 |

For 2024, the m² of leather sold were used as the denominator. To ensure a consistent and comparable analysis with the previous year, revenues were also considered.

| EMISSION INTENSITY RATIO | UNIT OF MEASUREMENT | 2023 | 2024 |
|------------------------------------|-------------------------------|-----------|--------------|
| Scope 1 + Scope 2 - Location-Based | t CO ₂ eq. | 19,190 | 14,070 |
| Revenues | M€ | 353.57 | 342.96 |
| GHG Emission Intensity | t CO₂eq./M€ | 54 | 41.03 |

| EMISSION INTENSITY RATIO | UNIT OF MEASUREMENT | 2024 |
|------------------------------------|--|--------------|
| Scope 1 + Scope 2 - Location-Based | t CO ₂ eq. | 14,070 |
| Leather sold | M ² | 8,737,930 |
| GHG Emission Intensity | t CO₂eq./M² | 0.002 |

| WATER WITHDRAWAL | UNIT OF MEASUREMENT | 2022 | 2023 | 2024 |
|-----------------------------|---------------------|------------|--------------|--------------|
| Surface water | ML | 48 | 44 | 42 |
| Groundwater | ML | 900 | 969 | 992 |
| Sea water | ML | | | |
| Produced water | ML | | | |
| Third-party water resources | ML | | 25 | 15 |
| Total | ML | 948 | 1,038 | 1,049 |

| WATER WITHDRAWAL | UNIT OF MEASUREMENT | 2022 | 2023 | 2024 |
|---|---------------------|------------|--------------|--------------|
| Fresh water (=1,000 mg/l total dissolved solids) | ML | 948 | 1,038 | 1,049 |
| Other types of water (>1,000 mg/l total dissolved solids) | ML | - | - | - |
| Total | ML | 948 | 1,038 | 1,049 |

| WATER WITHDRAWAL ⁹ | UNIT OF MEASUREMENT | 2022 | 2023 | 2024 |
|---|---------------------|------------|--------------|--------------|
| No water stress low (<10%) / low-medium (10-20%) | ML | 900 | 1,038 | 1,048.8 |
| Medium-high (20-40%) / high (40-80%) water stress | ML | 48 | 0 | 0 |
| Extremely high water stress (>80%) | ML | 0 | 0 | 0.6 |
| Total | ML | 948 | 1,038 | 1,049 |

9. Classification of water stress areas is conducted in accordance with Aqueduct Water Risk Atlas.

| WATER DISCHARGE | UNIT OF MEASUREMENT | 2022 | 2023 | 2024 |
|---|---------------------|------------|------------|--------------|
| Fresh water (=1,000 mg/l total dissolved solids) | ML | 935 | 989 | 1,007 |
| Other types of water (>1,000 mg/l total dissolved solids) | ML | 0 | 0 | 0 |
| Total | ML | 935 | 989 | 1,007 |

| WATER DISCHARGE | UNIT OF MEASUREMENT | 2022 | 2023 | 2024 |
|---|---------------------|------------|------------|----------------|
| No water stress low (<10%) / low-medium (10-20%) | ML | 900 | 989 | 1,006.4 |
| Medium-high (20-40%) / high (40-80%) water stress | ML | 35 | 0 | 0 |
| Extremely high water stress (>80%) | ML | 0 | 0 | 0.3 |
| Total | ML | 935 | 989 | 1,006.7 |

| WATER DISCHARGE | UNIT OF MEASUREMENT | 2022 | 2023 | 2024 |
|---|---------------------|-------------|-------------|-------------|
| No water stress low (<10%) / low-medium (10-20%) | ML | 96% | 100% | 99.97% |
| Medium-high (20-40%) / high (40-80%) water stress | ML | 4% | 0% | 0% |
| Extremely high water stress (>80%) | ML | 0% | 0% | 0.03% |
| Total | ML | 100% | 100% | 100% |

| WATER DISCHARGE | UNIT OF MEASUREMENT | 2022 | 2023 | 2024 |
|-----------------------|---------------------|------------|------------|----------------|
| Low <10% | ML | - | - | - |
| Low-medium (10-20%) | ML | 900 | 989 | 1,006.4 |
| Medium-high (20-40%) | ML | 34 | | |
| High (40-80%) | ML | 1 | 0 | |
| Extremely high (>80%) | ML | - | - | 0.3 |
| Total | ML | 935 | 989 | 1,006.7 |

| WATER DISCHARGE | UNIT OF MEASUREMENT | 2022 | 2023 | 2024 |
|-----------------------|---------------------|-------------|-------------|-------------|
| Low <10% | ML | 0% | 0% | 0% |
| Low-medium (10-20%) | ML | 96% | 100% | 99.97 % |
| Medium-high (20-40%) | ML | 4% | 4% | 0% |
| High (40-80%) | ML | 0% | 0% | 0% |
| Extremely high (>80%) | ML | 0% | 0% | 0.03% |
| Total | ML | 100% | 100% | 100% |

| WATER CONSUMPTION | UNIT OF MEASUREMENT | 2022 | 2023 | 2024 |
|--------------------------------|---------------------|-----------|-----------|-----------|
| Total water withdrawal | ML | 948 | 1,038 | 1,049 |
| Total water discharge | ML | 935 | 989 | 1,007 |
| Total water consumption | ML | 13 | 49 | 42 |

7. CORPORATE POPULATION

8. PROTECTION OF PEOPLE AND NON-DISCRIMINATION

| FACILITY | GROUP WORK FORCE | AT 31 DECEMBER 2022 | | | |
|---|-----------------------------------|---------------------|------------|------------|--------------|
| | | MEN | WOMEN | NON BINARY | TOTAL |
| Conceria Pasubio S.p.A. ITALY | Total employees | 324 | 196 | - | 520 |
| | External contractors | 102 | 45 | - | 147 |
| Conceria Pasubio S.p.A. SERBIA | Total employees | 142 | 280 | - | 422 |
| | External contractors | - | - | - | - |
| Arzignanese S.r.l. ITALY | Total employees | 38 | 4 | - | 42 |
| | External contractors | 1 | - | - | 1 |
| GD Servicios Internacionales del Norte MEXICO | Total employees | 154 | 147 | 7 | 308 |
| | External contractors | - | - | - | - |
| Hewa Leder GmbH GERMANY | Total employees | 76 | 71 | - | 147 |
| | External contractors | 11 | 1 | - | 12 |
| PASUBIO GROUP 2022 | Total employees | 734 | 698 | 7 | 1,439 |
| | Total external contractors | 114 | 46 | - | 160 |
| Total | | 848 | 744 | 7 | 1,599 |

| FACILITY | GROUP WORK FORCE | AT 31 DECEMBER 2023 | | | |
|--|-----------------------------------|---------------------|------------|------------|--------------|
| | | MEN | WOMEN | NON BINARY | TOTAL |
| Conceria Pasubio S.p.A. ITALY | Total employees | 318 | 191 | - | 509 |
| | External contractors | 105 | 46 | - | 151 |
| Conceria Pasubio S.p.A. SERBIA | Total employees | 162 | 356 | - | 518 |
| | External contractors | - | - | - | - |
| Arzignanese S.r.l. ITALY | Total employees | 38 | 4 | - | 42 |
| | External contractors | 1 | - | - | 1 |
| GD Servicios Internacionales del Norte MEXICO | Total employees | 113 | 115 | - | 228 |
| | External contractors | - | - | - | - |
| Hewa Leder GmbH GERMANY | Total employees | 70 | 53 | - | 123 |
| | External contractors | 2 | - | - | 2 |
| INNOVA S.r.l. ITALY | Total employees | 9 | 5 | - | 14 |
| | External contractors | - | - | - | - |
| PASUBIO GROUP 2023 | Total employees | 710 | 724 | - | 1,434 |
| | Total external contractors | 108 | 46 | - | 154 |
| Total | | 818 | 770 | - | 1,588 |

| FACILITY | GROUP WORK FORCE | AT 31 DECEMBER 2024 | | | |
|--|-----------------------------------|---------------------|------------|------------|--------------|
| | | MEN | WOMEN | NON BINARY | TOTAL |
| Conceria Pasubio S.p.A. ITALY | Total employees | 335 | 193 | 0 | 528 |
| | External contractors | | | | 130 |
| Conceria Pasubio S.p.A. SERBIA | Total employees | 155 | 379 | 0 | 534 |
| | External contractors | | | | - |
| Arzignanese S.r.l. ITALY | Total employees | 37 | 4 | 0 | 41 |
| | External contractors | | | | 1 |
| GD Servicios Internacionales del Norte MEXICO | Total employees | 196 | 170 | 0 | 366 |
| | External contractors | | | | - |
| Hewa Leder GmbH GERMANY | Total employees | 66 | 50 | 0 | 116 |
| | External contractors | | | | 39 |
| Pasubio S. de E.L. de C.V. - MEXICO | Total employees | 12 | 13 | 0 | 25 |
| | External contractors | | | | 20 |
| GDI Assemblies LLC - TEXAS | Total employees | 4 | 0 | 0 | 4 |
| | External contractors | | | | - |
| INNOVA S.r.l. ITALY | Total employees | 10 | 6 | 0 | 16 |
| | External contractors | | | | - |
| PASUBIO GROUP 2024 | Total employees | 815 | 815 | 0 | 1,630 |
| | Total external contractors | - | - | - | 190 |
| Total | | - | - | - | 1,820 |

| CONTRACT TYPE | AT 31 DECEMBER 2022 | | | | |
|--|-------------------------|------------|------------|----------|--------------|
| | MEN | WOMEN | NON BINARY | TOTAL | |
| Conceria Pasubio S.p.A. ITALY | Permanent | 313 | 191 | 0 | 504 |
| | Fixed-term | 11 | 5 | 0 | 16 |
| Conceria Pasubio S.p.A. SERBIA | Permanent | 97 | 175 | 0 | 272 |
| | Fixed-term | 45 | 105 | 0 | 150 |
| Arzignanese S.r.l. ITALY | Permanent | 38 | 4 | 0 | 42 |
| | Fixed-term | 0 | 0 | 0 | 0 |
| GD Servicios Internacionales del Norte MEXICO | Permanent | 154 | 147 | 7 | 308 |
| | Fixed-term | 0 | 0 | 0 | 0 |
| Hewa Leder GmbH GERMANY | Permanent | 62 | 64 | 0 | 126 |
| | Fixed-term | 14 | 7 | 0 | 21 |
| PASUBIO GROUP 2022 | Total permanent | 664 | 581 | 7 | 1,252 |
| | Total fixed-term | 70 | 117 | - | 187 |
| Total | | 734 | 698 | 7 | 1,439 |

| CONTRACT TYPE | AT 31 DECEMBER 2023 | | | | |
|--|-------------------------|------------|------------|-------|--------------|
| | MEN | WOMEN | NON BINARY | TOTAL | |
| Conceria Pasubio S.p.A. ITALY | Permanent | 309 | 189 | 0 | 498 |
| | Fixed-term | 9 | 2 | 0 | 11 |
| Conceria Pasubio S.p.A. SERBIA | Permanent | 95 | 214 | 0 | 309 |
| | Fixed-term | 67 | 142 | 0 | 209 |
| Arzignanese S.r.l. ITALY | Permanent | 38 | 4 | 0 | 42 |
| | Fixed-term | 0 | 0 | 0 | 0 |
| GD Servicios Internacionales del Norte MEXICO | Permanent | 113 | 115 | 0 | 228 |
| | Fixed-term | 0 | 0 | 0 | 0 |
| Hewa Leder GmbH GERMANY | Permanent | 57 | 48 | 0 | 105 |
| | Fixed-term | 13 | 5 | 0 | 18 |
| INNOVA S.r.l. ITALY | Permanent | 9 | 5 | 0 | 14 |
| | Fixed-term | 0 | 0 | 0 | 0 |
| PASUBIO GROUP 2023 | Total permanent | 621 | 575 | - | 1,196 |
| | Total fixed-term | 89 | 149 | - | 238 |
| Total | | 710 | 724 | - | 1,434 |

| CONTRACT TYPE | AT 31 DECEMBER 2024 | | | | |
|--|-------------------------|------------|------------|----------|--------------|
| | MEN | WOMEN | NON BINARY | TOTAL | |
| Conceria Pasubio S.p.A. ITALY | Permanent | 326 | 187 | 0 | 513 |
| | Fixed-term | 9 | 6 | 0 | 15 |
| Conceria Pasubio S.p.A. SERBIA | Permanent | 113 | 252 | 0 | 365 |
| | Fixed-term | 42 | 127 | 0 | 169 |
| Arzignanese S.r.l. ITALY | Permanent | 36 | 4 | 0 | 40 |
| | Fixed-term | 1 | 0 | 0 | 1 |
| GD Servicios Internacionales del Norte MEXICO | Permanent | 196 | 170 | 0 | 366 |
| | Fixed-term | 0 | 0 | 0 | 0 |
| Hewa Leder GmbH GERMANY | Permanent | 44 | 35 | 0 | 79 |
| | Fixed-term | 22 | 15 | 0 | 37 |
| Pasubio S. de E.L. de C.V. - MEXICO | Permanent | 12 | 13 | 0 | 25 |
| | Fixed-term | 0 | 0 | 0 | 0 |
| GDI Assemblies LLC - TEXAS | Permanent | 4 | 0 | 0 | 4 |
| | Fixed-term | 0 | 0 | 0 | 0 |
| INNOVA S.r.l. ITALY | Permanent | 10 | 6 | 0 | 16 |
| | Fixed-term | 0 | 0 | 0 | 0 |
| PASUBIO GROUP 2024 | Total permanent | 741 | 667 | 0 | 1,408 |
| | Total fixed-term | 74 | 148 | 0 | 222 |
| Total | | 815 | 815 | 0 | 1,630 |

| CONTRACT TYPE | AT 31 DECEMBER 2022 | | | | |
|--|------------------------|-------|------------|------------|-----------------------|
| | MEN | WOMEN | NON BINARY | TOTAL | |
| Conceria Pasubio S.p.A. ITALY | Full Time | | | 323 | 183 |
| | Part Time | | | 1 | 13 |
| Conceria Pasubio S.p.A. SERBIA | Full Time | | | 142 | 280 |
| | Part Time | | | 0 | 0 |
| Arzignanese S.r.l. ITALY | Full Time | | | 37 | 3 |
| | Part Time | | | 1 | 1 |
| GD Servicios Internacionales del Norte MEXICO | Full Time | | | 154 | 147 |
| | Part Time | | | 0 | 0 |
| Hewa Leder GmbH GERMANY | Full Time | | | 74 | 56 |
| | Part Time | | | 2 | 15 |
| PASUBIO GROUP 2022 | Total Full Time | | | 730 | 669 |
| | Total Part Time | | | 4 | 29 |
| Total | | | | 734 | 698 |
| | | | | | 7 1,439 |

| PASUBIO GROUP | 2022 | | | | 2023 | | | | 2024 | | | |
|------------------|------------|------------|----------|--------------|------------|------------|----------|--------------|------------|------------|----------|--------------|
| | M | W | NB | TOT. | M | W | NB | TOT. | M | W | NB | TOT. |
| Total Full Time | 730 | 669 | 7 | 1,406 | 704 | 702 | 0 | 1,406 | 810 | 794 | 0 | 1,604 |
| Total Part Time | 4 | 29 | 0 | 33 | 6 | 22 | 0 | 28 | 5 | 21 | 0 | 26 |
| Total | 734 | 698 | 7 | 1,439 | 710 | 724 | 0 | 1,434 | 815 | 815 | 0 | 1,630 |

| CONTRACT TYPE | AT 31 DECEMBER 2023 | | | | |
|--|------------------------|-------|------------|------------|-----------------------|
| | MEN | WOMEN | NON BINARY | TOTAL | |
| Conceria Pasubio S.p.A. ITALY | Full Time | | | 316 | 179 |
| | Part Time | | | 2 | 12 |
| Conceria Pasubio S.p.A. SERBIA | Full Time | | | 162 | 356 |
| | Part Time | | | 0 | 0 |
| Arzignanese S.r.l. ITALY | Full Time | | | 37 | 3 |
| | Part Time | | | 1 | 1 |
| GD Servicios Internacionales del Norte MEXICO | Full Time | | | 113 | 115 |
| | Part Time | | | 0 | 0 |
| Hewa Leder GmbH GERMANY | Full Time | | | 68 | 44 |
| | Part Time | | | 2 | 9 |
| INNOVA S.r.l. ITALY | Full Time | | | 8 | 5 |
| | Part Time | | | 1 | 0 |
| PASUBIO GROUP 2023 | Total Full Time | | | 704 | 702 |
| | Total Part Time | | | 6 | 22 |
| Total | | | | 710 | 724 |
| | | | | | - 1,434 |

| CONTRACT TYPE | AT 31 DECEMBER 2024 | | | | |
|--|------------------------|------------|------------|----------|--------------|
| | MEN | WOMEN | NON BINARY | TOTAL | |
| Conceria Pasubio S.p.A. ITALY | Full Time | 333 | 181 | 0 | 514 |
| | Part Time | 2 | 12 | 0 | 14 |
| Conceria Pasubio S.p.A. SERBIA | Full Time | 155 | 379 | 0 | 534 |
| | Part Time | 0 | 0 | 0 | 0 |
| Arzignanese S.r.l. ITALY | Full Time | 36 | 3 | 0 | 40 |
| | Part Time | 1 | 1 | 0 | 2 |
| GD Servicios Internacionales del Norte MEXICO | Full Time | 196 | 170 | 0 | 366 |
| | Part Time | 0 | 0 | 0 | 0 |
| Hewa Leder GmbH GERMANY | Full Time | 65 | 42 | 0 | 107 |
| | Part Time | 1 | 8 | 0 | 9 |
| Pasubio S. de E.L. de C.V. - MEXICO | Full Time | 12 | 13 | 0 | 25 |
| | Part Time | 0 | 0 | 0 | 0 |
| GDI Assemblies LLC - TEXAS | Full Time | 4 | 0 | 0 | 0 |
| | Part Time | 0 | 0 | 0 | 0 |
| INNOVA S.r.l. ITALY | Full Time | 9 | 6 | 0 | 15 |
| | Part Time | 1 | 0 | 0 | 1 |
| PASUBIO GROUP 2024 | Total Full Time | 810 | 794 | 0 | 1,604 |
| | Total Part Time | 5 | 21 | 0 | 26 |
| Total | | 815 | 815 | 0 | 1,630 |

| NUMBER OF INCOMING INTERNAL EMPLOYEES BY GENDER, AGE GROUP AND GEOGRAPHIC AREA | AT 31 DECEMBER 2022 | | | | |
|--|-------------------------|-------------|------------|-----------|------------|
| | <30 YEARS | 30-50 YEARS | >50 YEARS | TOTAL | |
| Conceria Pasubio S.p.A. ITALY | Men | 19 | 17 | 5 | 41 |
| | Women | 6 | 4 | 2 | 12 |
| Conceria Pasubio S.p.A. SERBIA | Men | 60 | 41 | 2 | 103 |
| | Women | 59 | 88 | 10 | 157 |
| Arzignanese S.r.l. ITALY | Men | - | - | - | - |
| | Women | - | - | - | - |
| GD Servicios Internacionales del Norte MEXICO | Men | 115 | 42 | - | 157 |
| | Women | 86 | 49 | 1 | 136 |
| | Non binary | 2 | 3 | - | 5 |
| Hewa Leder GmbH GERMANY | Men | 3 | 11 | 2 | 16 |
| | Women | 1 | 3 | 2 | 6 |
| PASUBIO GROUP 2022 | Total Men | 197 | 111 | 9 | 317 |
| | Total Women | 152 | 144 | 15 | 311 |
| | Total Non binary | 2 | 3 | - | 5 |
| Total | | 351 | 258 | 24 | 633 |

| RATE OF INCOMING EMPLOYEES BY GENDER, AGE GROUP AND GEOGRAPHIC AREA | AT 31 DECEMBER 2022 | | | | |
|---|-------------------------|-------------|------------|------------|------------|
| | <30 YEARS | 30-50 YEARS | >50 YEARS | TOTAL | |
| Conceria Pasubio S.p.A. ITALY | Men | 28% | 11% | 5% | 13% |
| | Women | 11% | 4% | 5% | 6% |
| Conceria Pasubio S.p.A. SERBIA | Men | 75% | 58% | 33% | 66% |
| | Women | 56% | 54% | 42% | 54% |
| Arzignanese S.r.l. ITALY | Men | 0% | 0% | 0% | 0% |
| | Women | 0% | 0% | 0% | 0% |
| GD Servicios Internacionales del Norte MEXICO | Men | 71% | 58% | 0% | 64% |
| | Women | 80% | 62% | 10% | 69% |
| | Non binary | 1% | 2% | 0% | 1% |
| Hewa Leder GmbH GERMANY | Men | 43% | 32% | 6% | 21% |
| | Women | 25% | 9% | 5% | 8% |
| PASUBIO GROUP 2022 | Total Men | 62% | 32% | 5% | 38% |
| | Total Women | 56% | 38% | 12% | 40% |
| | Total Non binary | 1% | 2% | 0% | 1% |

| NUMBER OF INCOMING INTERNAL EMPLOYEES BY GENDER, AGE GROUP AND GEOGRAPHIC AREA | AT 31 DECEMBER 2023 | | | | |
|--|-------------------------|-------------|------------|-----------|------------|
| | <30 YEARS | 30-50 YEARS | >50 YEARS | TOTAL | |
| Conceria Pasubio S.p.A. ITALY | Men | 14 | 9 | 4 | 27 |
| | Women | 10 | 7 | 1 | 18 |
| Conceria Pasubio S.p.A. SERBIA | Men | 42 | 28 | 11 | 81 |
| | Women | 52 | 55 | 12 | 119 |
| Arzignanese S.r.l. ITALY | Men | 2 | 3 | 1 | 6 |
| | Women | - | - | - | - |
| GD Servicios Internacionales del Norte MEXICO | Men | 5 | 2 | - | 7 |
| | Women | 2 | 4 | - | 6 |
| | Non binary | - | 1 | - | 1 |
| Hewa Leder GmbH GERMANY | Men | 3 | 5 | - | 8 |
| | Women | - | - | - | - |
| INNOVA S.r.l. ITALY | Men | 1 | 4 | 4 | 9 |
| | Women | - | 4 | 1 | 5 |
| PASUBIO GROUP 2023 | Total Men | 67 | 51 | 20 | 138 |
| | Total Women | 64 | 70 | 14 | 148 |
| | Total Non binary | - | 1 | - | 1 |
| Total | | 131 | 122 | 34 | 287 |

**RATE OF INCOMING
EMPLOYEES BY GENDER,
AGE GROUP AND
GEOGRAPHIC AREA**

| | | AT 31 DECEMBER 2023 | | | |
|--|------------|----------------------------|------------------------|-------------------------|--------------|
| | | <30 YEARS | 30-50 YEARS | >50 YEARS | TOTAL |
| Conceria Pasubio S.p.A. ITALY | Men | 24% | 16% | 7% | 47% |
| | Women | 24% | 7% | 2% | 9% |
| Conceria Pasubio S.p.A. SERBIA | Men | 56% | 38% | 85% | 57% |
| | Women | 50% | 27% | 26% | 33% |
| Arzignanese S.r.l. ITALY | Men | 100% | 27% | 5% | 18% |
| | Women | 0% | 0% | 0% | 0% |
| GD Servicios Internacionales del Norte MEXICO | Men | 8% | 5% | 0% | 6% |
| | Women | 4% | 8% | 0% | 5% |
| | Non binary | 0% | 1% | 0% | 0% |
| Hewa Leder GmbH GERMANY | Men | 27% | 16% | 0% | 11% |
| | Women | 0% | 0% | 0% | 0% |
| INNOVA S.r.l. ITALY | Men | 100% | 100% | 100% | 100% |
| | Women | 0% | 100% | 100% | 100% |
| Total Men | | 31% | 14% | 9% | 18% |
| Total Women | | 32% | 17% | 9% | 20% |
| Total Non binary | | 0% | 1% | 0% | 0% |

**PASUBIO
GROUP 2023**

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**NUMBER OF INCOMING
EMPLOYEES BY GENDER,
AGE GROUP AND
GEOGRAPHIC AREA**

| | | AT 31 DECEMBER 2024 | | | |
|--|-------|----------------------------|------------------------|-------------------------|--------------|
| | | <30 YEARS | 30-50 YEARS | >50 YEARS | TOTAL |
| Conceria Pasubio S.p.A. ITALY | Men | 16 | 28 | 2 | 46 |
| | Women | 13 | 4 | 1 | 18 |
| Conceria Pasubio S.p.A. SERBIA | Men | 32 | 9 | 1 | 42 |
| | Women | 39 | 61 | 14 | 114 |
| Arzignanese S.r.l. ITALY | Men | 2 | 0 | 1 | 3 |
| | Women | 0 | 0 | 0 | 0 |
| GD Servicios Internacionales del Norte MEXICO | Men | 57 | 31 | 0 | 88 |
| | Women | 32 | 25 | 0 | 57 |
| Hewa Leder GmbH GERMANY | Men | 8 | 15 | 2 | 25 |
| | Women | 6 | 6 | 2 | 14 |
| Pasubio S. de E.L. de C.V. - MEXICO | Men | 5 | 7 | 3 | 15 |
| | Women | 8 | 8 | 1 | 17 |
| GDI Assemblies LLC - TEXAS | Men | 0 | 0 | 1 | 1 |
| | Women | 0 | 0 | 0 | 0 |
| INNOVA S.r.l. ITALY | Men | 1 | 1 | 0 | 2 |
| | Women | 0 | 0 | 0 | 0 |
| Total Men | | 121 | 91 | 10 | 222 |
| Total Women | | 98 | 104 | 18 | 220 |
| Total | | 219 | 195 | 28 | 442 |

**PASUBIO
GROUP 2024**

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| RATE OF INCOMING EMPLOYEES BY GENDER, AGE GROUP AND GEOGRAPHIC AREA | | AT 31 DECEMBER 2024 | | | |
|--|-------|---------------------|----------------|---------------|----------------|
| | | <30 YEARS | 30-50 YEARS | >50 YEARS | TOTAL |
| Conceria Pasubio S.p.A. ITALY | Men | 38.10% | 15.30% | 1.82% | 13.73% |
| | Women | 48.15% | 3.64% | 1.79% | 9.33% |
| Conceria Pasubio S.p.A. SERBIA | Men | 47.06% | 11.54% | 10.00% | 26.92% |
| | Women | 38.24% | 26.99% | 28.00% | 30.16% |
| Arzignanese S.r.l. ITALY | Men | 50.00% | 0.00% | 4.35% | 8.11% |
| | Women | 0.00% | 0.00% | 0.00% | 0.00% |
| GD Servicios Internacionales del Norte MEXICO | Men | 51.82% | 39.74% | 0.00% | 44.90% |
| | Women | 42.11% | 31.25% | 0.00% | 33.53% |
| Hewa Leder GmbH GERMANY | Men | 88.89% | 39.48% | 10.53% | 9.30% |
| | Women | 150.00% | 27.27% | 8.33% | 37.88% |
| Pasubio S. de E.L. de C.V. - MEXICO | Men | 166.47% | 116.67% | 100.00% | 125.00% |
| | Women | 114.29% | 200.00% | 50.00% | 130.77% |
| GDI Assemblies LLC - TEXAS | Men | 0.00% | 0.00% | 0.00% | 25.00% |
| | Women | 0.00% | 0.00% | 0.00% | 0.00% |
| INNOVA S.r.l. ITALY | Men | 100.00% | 20.00% | 0.00% | 20.00% |
| | Women | 0.00% | 0.00% | 0.00% | 0.00% |
| PASUBIO GROUP 2024 | | Total Men | 50.84% | 22.69% | 5.65% |
| | | Total Women | 45.16% | 23.32% | 11.92% |
| | | | | | 27.21% |
| | | | | | 27.03% |

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| RATE OF OUTGOING EMPLOYEES BY GENDER, AGE GROUP AND GEOGRAPHIC AREA | | AT 31 DECEMBER 2022 | | | |
|--|------------|-----------------------------|----------------|--------------|------------|
| | | <30 YEARS | 30-50 YEARS | >50 YEARS | TOTAL |
| Conceria Pasubio S.p.A. ITALY | Men | 12% | 12% | 8% | 10% |
| | Women | 6% | 7% | 16% | 8% |
| Conceria Pasubio S.p.A. SERBIA | Men | 86% | 62% | 33% | 73% |
| | Women | 68% | 55% | 29% | 57% |
| Arzignanese S.r.l. ITALY | Men | 0% | 19% | 0% | 7% |
| | Women | 0% | 0% | 0% | 0% |
| GD Servicios Internacionales del Norte MEXICO | Men | 58% | 40% | 0% | 50% |
| | Women | 59% | 41% | 0% | 49% |
| | Non binary | 0% | 0% | 0% | 0% |
| Hewa Leder GmbH GERMANY | Men | 0% | 18% | 6% | 11% |
| | Women | 0% | 9% | 7% | 8% |
| PASUBIO GROUP 2022 | | Total Men | 54% | 29% | 7% |
| | | Total Women | 51% | 34% | 14% |
| | | Total Non binary | 0% | 0% | 0% |

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| NUMBER OF OUTGOING INTERNAL EMPLOYEES BY GENDER, AGE GROUP AND GEOGRAPHIC AREA | | AT 31 DECEMBER 2022 | | | |
|--|------------|-----------------------------|----------------|--------------|------------|
| | | <30 YEARS | 30-50 YEARS | >50 YEARS | TOTAL |
| Conceria Pasubio S.p.A. ITALY | Men | 8 | 18 | 7 | 33 |
| | Women | 3 | 7 | 7 | 17 |
| Conceria Pasubio S.p.A. SERBIA | Men | 69 | 44 | 2 | 115 |
| | Women | 72 | 89 | 7 | 168 |
| Arzignanese S.r.l. ITALY | Men | 0 | 3 | 0 | 3 |
| | Women | 0 | 0 | 0 | 0 |
| GD Servicios Internacionales del Norte MEXICO | Men | 94 | 29 | 0 | 123 |
| | Women | 64 | 32 | 0 | 96 |
| | Non binary | 0 | 0 | 0 | 0 |
| Hewa Leder GmbH GERMANY | Men | 0 | 6 | 2 | 8 |
| | Women | 0 | 3 | 3 | 6 |
| PASUBIO GROUP 2022 | | Total Men | 171 | 100 | 11 |
| | | Total Women | 139 | 131 | 17 |
| | | Total Non binary | 0 | 0 | 0 |
| | | | | | 282 |
| | | | | | 287 |
| | | | | | 0 |
| | | | | | 569 |

**RATE OF OUTGOING
EMPLOYEES BY GENDER,
AGE GROUP AND
GEOGRAPHIC AREA**

| | | AT 31 DECEMBER 2023 | | | |
|--|------------|---------------------|----------------|--------------|------------|
| | | <30 YEARS | 30-50 YEARS | >50 YEARS | TOTAL |
| Conceria Pasubio S.p.A. ITALY | Men | 16% | 11% | 5% | 10% |
| | Women | 17% | 16% | 0% | 12% |
| Conceria Pasubio S.p.A. SERBIA | Men | 57% | 49% | 150% | 54% |
| | Women | 37% | 25% | 36% | 28% |
| Arzignanese S.r.l. ITALY | Men | 0% | 15% | 17% | 16% |
| | Women | 0% | 0% | 0% | 0% |
| GD Servicios Internacionales del Norte MEXICO | Men | 41% | 49% | 0% | 41% |
| | Women | 42% | 40% | 0% | 37% |
| | Non binary | 0% | 0% | 0% | 0% |
| Hewa Leder GmbH GERMANY | Men | 0% | 16% | 19% | 17% |
| | Women | 0% | 21% | 24% | 30% |
| INNOVA S.r.l. ITALY | Men | 0% | 0% | 0% | 0% |
| | Women | 0% | 0% | 0% | 0% |
| Total Men | | 37% | 25% | 14% | 26% |
| Total Women | | 34% | 24% | 14% | 25% |
| Total Non binary | | 0% | 0% | 0% | 0% |

**PASUBIO
GROUP 2023**

**NUMBER OF OUTGOING
EMPLOYEES BY GENDER,
AGE GROUP AND
GEOGRAPHIC AREA**

| | | AT 31 DECEMBER 2024 | | | |
|--|-------|---------------------|----------------|--------------|------------|
| | | <30 YEARS | 30-50 YEARS | >50 YEARS | TOTAL |
| Conceria Pasubio S.p.A. ITALY | Men | 7 | 19 | 9 | 35 |
| | Women | 6 | 7 | 4 | 17 |
| Conceria Pasubio S.p.A. SERBIA | Men | 37 | 18 | 6 | 61 |
| | Women | 34 | 45 | 12 | 91 |
| Arzignanese S.r.l. ITALY | Men | 0 | 0 | 4 | 4 |
| | Women | 0 | 0 | 0 | 0 |
| GD Servicios Internacionales del Norte MEXICO | Men | 50 | 26 | 0 | 76 |
| | Women | 30 | 27 | 0 | 57 |
| Hewa Leder GmbH GERMANY | Men | 11 | 15 | 4 | 30 |
| | Women | 3 | 4 | 6 | 13 |
| Pasubio S. de E.L. de C.V. - MEXICO | Men | 2 | 1 | 0 | 3 |
| | Women | 2 | 2 | 0 | 4 |
| GDI Assemblies LLC - TEXAS | Men | 0 | 0 | 2 | 2 |
| | Women | 0 | 0 | 0 | 0 |
| INNOVA S.r.l. ITALY | Men | 1 | 0 | 0 | 1 |
| | Women | 0 | 0 | 0 | 0 |
| Total Men | | 108 | 79 | 25 | 212 |
| Total Women | | 75 | 85 | 22 | 182 |
| Total | | 183 | 164 | 47 | 394 |

**PASUBIO
GROUP 2024**

**RATE OF OUTGOING
EMPLOYEES BY GENDER,
AGE GROUP AND
GEOGRAPHIC AREA**

| | | AT 31 DECEMBER 2024 | | | |
|--|-------|---------------------|----------------|---------------|---------------|
| | | <30 YEARS | 30-50 YEARS | >50 YEARS | TOTAL |
| Conceria Pasubio S.p.A. ITALY | Men | 16.67% | 10.38% | 8.18% | 7.83% |
| | Women | 22.22% | 6.36% | 7.14% | 8.81% |
| Conceria Pasubio S.p.A. SERBIA | Men | 54.51% | 23.08% | 60.00% | 30.00% |
| | Women | 33.33% | 19.91% | 24.00% | 29.10% |
| Arzignanese S.r.l. ITALY | Men | 0.00% | 0.00% | 17.39% | 10.81% |
| | Women | 0.00% | 0.00% | 0.00% | 0.00% |
| GD Servicios Internacionales del Norte MEXICO | Men | 45.45% | 33.33% | 0.00% | 38.78% |
| | Women | 39.47% | 33.75% | 0.00% | 33.53% |
| Hewa Leder GmbH GERMANY | Men | 122.22% | 29.47% | 21.05% | 45.45% |
| | Women | 75.00% | 18.18% | 25.00% | 26.00% |
| Pasubio S. de E.L. de C.V. - MEXICO | Men | 66.67% | 16.67% | 0.00% | 25.00% |
| | Women | 28.57% | 50.00% | 0.00% | 30.77% |
| GDI Assemblies LLC - TEXAS | Men | 0.00% | 0.00% | 0.00% | 50.00% |
| | Women | 0.00% | 0.00% | 0.00% | 0.00% |
| INNOVA S.r.l. ITALY | Men | 100.00% | 0.00% | 0.00% | 10.00% |
| | Women | 0.00% | 0.00% | 0.00% | 0.00% |
| PASUBIO GROUP 2024 | | Total Men | 45.38% | 19.70% | 14.12% |
| | | Total Women | 34.56% | 19.06% | 14.57% |
| | | | | | 25.98% |
| | | | | | 22.36% |

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Employees belonging to protected categories (2024)

| TYPE OF EMPLOYMENT | MEN | WOMEN | TOTAL |
|--------------------|-----------|-----------|-----------|
| Executives | 0 | 0 | 0 |
| Middle managers | 0 | 0 | 0 |
| White-collar staff | 4 | 4 | 8 |
| Blue-collar staff | 11 | 19 | 30 |
| Total | 15 | 23 | 38 |

Parental leave in 2024

| | MEN | WOMEN | NB | TOTAL |
|---|---------------|---------------|-----------|---------------|
| Employees who were entitled to parental leave | 113 | 131 | 0 | 244 |
| Employees who used parental leave | 35 | 80 | 0 | 115 |
| Parental leave use rate | 30.97% | 61.07% | 0% | 47.13% |

**Ratio between basic salary and remuneration of women compared to men
in 2024**

| BASIC SALARY | WOMEN/MEN RATIO |
|----------------------|-----------------|
| Executives | 1 |
| Middle managers | 0.48 |
| White-collar staff | 0.99 |
| Blue-collar staff | 1 |
| AVERAGE REMUNERATION | WOMEN/MEN RATIO |
| Executives | 0.54 |
| Middle managers | 0.69 |
| White-collar staff | 0.93 |
| Blue-collar staff | 0.99 |

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Employees belonging to protected categories (2022)

| TYPE OF EMPLOYMENT | MEN | WOMEN | TOTAL |
|--------------------|-----------|-----------|-----------|
| Executives | 0 | 0 | 0 |
| Middle managers | 0 | 0 | 0 |
| White-collar staff | 3 | 2 | 5 |
| Blue-collar staff | 8 | 9 | 17 |
| Total | 11 | 11 | 22 |

Employees belonging to protected categories (2023)

| TYPE OF EMPLOYMENT | MEN | WOMEN | TOTAL |
|--------------------|----------|----------|-----------|
| Executives | 0 | 0 | 0 |
| Middle managers | 0 | 0 | 0 |
| White-collar staff | 2 | 1 | 3 |
| Blue-collar staff | 7 | 7 | 14 |
| Total | 9 | 8 | 17 |

9. STAFF TRAINING AND DEVELOPMENT

Percentage of employees who receive a performance assessment for 2024

| | NUMBER OF EMPLOYEES WHO RECEIVE REGULAR ASSESSMENTS | TOTAL EMPLOYEES | PERCENTAGE OF EMPLOYEES GIVEN A PERFORMANCE ASSESSMENT |
|--------------------|---|-----------------|--|
| Executives | Men | 10 | 14 |
| | Women | 2 | 2 |
| | Non-binary | 0 | 0 |
| Middle managers | Men | 42 | 47 |
| | Women | 9 | 9 |
| | Non-binary | 0 | 0 |
| White-collar staff | Men | 106 | 126 |
| | Women | 103 | 132 |
| | Non-binary | 0 | 0 |
| Blue-collar staff | Men | 485 | 629 |
| | Women | 238 | 671 |
| | Non-binary | 0 | 0 |
| Total | 995 | 1,630 | 61.04% |

Programs for upgrading employee

SKILLS AND TRANSITION ASSISTANCE PROGRAMS 2024

| TOPIC | PROVIDER |
|---|----------------------|
| Work relationships | Lacuna Consulting |
| Coaching | Vivida Consulting |
| Process Auditor VDA6.3 | QFD |
| Assertive communication | Vivida Consulting |
| Updates on electronic invoicing and recording of VAT in the electronic invoicing system | Paragraf Lex |
| Updates on electronic invoicing and VAT regulations | Paragraf Lex |
| Development of managerial skills | Bojan Konstantinović |
| Management of public and private tenders | Paragraf Lex |
| Advanced first-aid course | Zdravije |

METHODOLOGICAL note and scope

The Sustainability Report is the tool through which the Pasubio Group communicates the results of its sustainability journey to stakeholders.

Details of the internal content within the scope of the 2024 Sustainability Report can be found in the Reporting Scope and Period Analysed section.

The Sustainability team of the Pasubio Group has coordinated preparation of the Sustainability Report. Since 2024, data has been collected with the support of the ESGeo software, ensuring control of data congruity.

To this end, a tree diagram depicting all the functions involved at the various Group plants has been prepared. A contributor (data owner) and a validator have been identified for each GRI. In the last instance, all the data has been validated by the Group ESG team.

This report is prepared according to the Sustainability Reporting Standards published in 2021 by the Global Reporting Initiative - GRI (with the "with reference to" application level).

It should be noted that all GRI indicators reported refer to the version published in 2016, except for GRI 1-2-3 indicators adopted as of 01/01/2023, which refer to the 2021 version, GRI 303 and GRI 403, which refer to the 2018 version, and GRI 306 which refers to the 2020 version.

References to GRI Standards can be found in the GRI Content Index at the end of the document. This Report is the tool for reporting the company's commitment to ESG criteria.

This Report has been approved by the Board of Directors and certified by a Third Party entity - Certiquality.

Reporting scope and period analysed

The data included in this document refers to the Pasubio Group as at 31/12/2024 and reports data for the 2022-2024 three-year period. The economic data presented in this document refers to the Group Companies that contribute almost the entire total of the Pasubio Group's consolidated financial statements as at 31/12/2024, with comparison against 2023 and 2022.

Composition of Pasubio Group and scope of consolidation

The consolidated financial statements include the financial statements of the Parent Company Conceria Pasubio S.p.A. and its Subsidiaries, in which the Parent Company holds control pursuant to Article 26 of Italian Legislative Decree 127/91, which are consolidated on a line-by-line basis.

With reference to the economic, social, and environmental data and information, the reporting scope is specified below for each GRI indicator, distinguished by sector.

SCOPE OF INDICATORS

| MATERIAL TOPIC | GRI STANDARD | SCOPE OF INDICATORS |
|----------------------------------|--------------------------|---|
| Economic performance | 201 (2016) | Pasubio Group - Consolidated |
| Supply chain management | 204 (2016) 301(2016) | Pasubio Group |
| Business ethics | 205 (2016) | Pasubio Group |
| Climate change | 302 (2016) 305 (2016) | Pasubio Group |
| Management of water resources | 303 (2018) | Pasubio Group |
| Waste and circular economy | 306 (2020) | Pasubio Group The waste allocation criterion is derived from the recovery and disposal activity that the waste undergoes |
| Working conditions | 401 (2016) | Pasubio Group |
| Diversity and inclusion | 405 (2016) 406 (2016) | Pasubio Group |
| Worker health and safety | 403 (2018) | Pasubio Group |
| Human resource training | 404(2016) | Pasubio Group |
| Customer satisfaction and safety | 418 (2016) | Pasubio Group |

To ensure the reliability of the data, the use of estimates has been limited as much as possible, and, if present, they are appropriately reported and based on the best available methodologies.

For further information and suggestions regarding the Pasubio Group Sustainability Report, please contact sustainability@pasubio.com

This document is also available at www.pasubio.com

REPORTING IN COMPLIANCE WITH THE STANDARDS

The Group provides its stakeholders with detailed information in order to allow them to make an informed assessment of the operations of Pasubio and its contribution to sustainable development. The Group guarantees compliance with all nine mandatory required set forth by the 2021 GRI Standards, listed in the table below.

The chapter and paragraph of reference are indicated for each requirement or, alternatively, the method the Group uses to guarantee compliance is specified.

GRI REQUIREMENTS 1

CHAPTER/PARAGRAPH

| | |
|---|--|
| 1) Application of the reporting principles | This document satisfies the principles of accuracy, balance, clarity, comparability, completeness, sustainability context, promptness and verifiability in all its parts |
| 2) Reporting of the information envisaged by GRI 2: General disclosures 2021 | GRI Content Index |
| 3) Identification of material topics | Materiality assessment |
| 4) Reporting on GRI 3 disclosures: Material topics 2021 | Materiality assessment; Management of material topics is examined in more detail in the chapters dedicated to each topic |
| 5) Reporting of the information envisaged by specific GRI Standards for each material topic | GRI Content Index |
| 6) Presentation of the reasons for omission of the information and the requirements with which the organisation cannot comply | GRI Content Index |
| 7) Publication of the GRI Content Index | GRI Content Index |
| 8) Preparation of a statement of use | Methodological note and scope |
| 9) Notification to GRI | This document was notified to the Global Reporting Initiative (GRI) on 29/07/2025 through use of the e-mail reportregistration@globalreporting.org |

content index

The content index lists the indicators reported in this Sustainability Report. For each GRI indicator, reference to the chapter or section is provided or,

where the data or information is not contained in the text, a description of the indicator itself is provided.

| GRI DISCLOSURES | CHAPTER / PARAGRAPH | COMMENTS | CAUSE FOR OMISSION |
|---|---|--|--|
| GRI 2 GENERAL DISCLOSURES (2021) | | | |
| The organisation and its reporting practices | | | |
| 2-1 | Organisational details | Methodological note and scope; | |
| 2-2 | Entities included in the organisation's sustainability reporting | Chapter 1: About the Pasubio Group | |
| 2-3 | Reporting period, frequency and point of contact | Methodological note and scope | |
| 2-4 | Revision of information | Any revisions are appropriately noted in the document. | |
| 2-5 | External assurance | Assurance report | This report has been externally audited. |
| Activities and workers | | | |
| 2-6 | Activities, value chain and other business relationships | 1.4. Pasubio Group's leathers; Chapter 2: Procurement | |
| 2-7 | Employees | Chapter 7: A company made up of people; Further data | |
| 2-8 | Non-employee workers | Chapter 7: A company made up of people; Further data | |
| Governance | | | |
| 2-9 | Governance structure and composition | 1.2. Governance and Integrity Code of Ethics | |
| 2-10 | Appointment and selection of the highest body of governance | 1.2. Governance and Integrity Code of Ethics | |
| 2-11 | Chairperson of the highest body of governance | 1.2. Governance and Integrity Code of Ethics | |
| 2-12 | Role of the highest body of governance in impact management control | Aspects concerning strategies, risks and objectives linked to sustainable development are brought to the attention of the highest body of governance. | |
| 2-13 | Delegation of responsibility for impact management. | The Chief Executive Officer is responsible for approval and updating of the Group's purpose, value, or mission statements, strategies, policies and goals related to Sustainable Development, and management of impacts on the economy, environment and people, and delegates these responsibilities through a process of proxies and mandates, both notarised, and therefore enforceable against third parties, and internal. | |

| GRI DISCLOSURES | CHAPTER / PARAGRAPH | COMMENTS | CAUSE FOR OMISSION |
|---|--|---|--|
| 2-14 | Role of the highest body of governance in sustainability reporting | Ref. 2-12 | The procedure provides for a first moment of discussion at the ESG Steering Committee meeting and is then shared with the BoD. |
| 2-15 | Conflicts of Interest | | Conflicts of interest are managed as governed by the Italian Civil Code. |
| 2-16 | Communication of critical issues | | Conceria Pasubio S.p.A. has a dedicated whistleblowing channel intended for employees, managers, directors, collaborators, consultants, suppliers, customers and more generally stakeholders of the Company. |
| 2-17 | Collective knowledge of the highest body of governance | | This is an activity being developed in the form of a report. In the reporting period, the ESG Manager reported to the BoD on the sustainability activities performed. |
| 2-18 | Performance assessment of the highest body of governance | | There are currently no mechanisms for assessing the performance of the Board of Directors in managing impacts on the economy, environment and people. |
| 2-19 | Rules regarding remuneration | | Remuneration is envisaged exclusively for the Chairman and the independent members of the highest body of governance. |
| 2-20 | Procedure for determining remuneration | | The remuneration of the independent members and the Chairman of the highest body of governance is determined from the base (PAI Partner) in mutual agreement with the CEO and subsequently proposed to the member for acceptance. |
| 2-21 | Annual total remuneration ratio | | This information is confidential. |
| Strategy, policies and practices | | | |
| 2-22 | Sustainable development strategy statement | Letter to Stakeholders | |
| 2-23 | Commitment in terms of policy | Letter to stakeholders; 1.1. Mission and values; 1.5 Product and system certifications and rating; Chapter 7: Procurement | |
| 2-24 | Integration of commitments in terms of policy | Chapter 2: Procurement; Chapter 8: Protection of people and non-discrimination | |
| 2-25 | Processes to remedy negative impacts. | Chapter 1.2 Governance and Integrity Code of Ethics; GRI 2-16 | If the reports received relate to impacts with major repercussions in terms of compliance, there is a dedicated compliance committee which also involves the governance of the companies and carries out remediation actions. |
| 2-26 | Mechanisms for requesting clarification and raising concerns | | The e-mail address sustainability@pasubio.com can be used to request clarifications on implementation of the Group policies and practices for responsible conduct. A social dialogue policy is also present, with indication of the channels of communication dedicated to collection of concerns and the Whistleblowing channel to collect information not only on problems, but also concerns, in a completely anonymous manner. |

| GRI DISCLOSURES | CHAPTER / PARAGRAPH | COMMENTS | CAUSE FOR OMISSION |
|--|---|--|--|
| 2-27 | Compliance with laws and regulations | | There were no instances of non-compliance with laws and regulations during the reporting period. |
| 2-28 | Membership of associations | 1.7. Well-being of the community and the territory | |
| Stakeholder involvement | | | |
| 2-29 | Approach to stakeholder engagement | The Stakeholders | |
| 2-30 | Collective bargaining agreements | Chapter 7: A company made up of people | |
| SPECIFIC STANDARDS | | | |
| GRI 3 Management of material topics (2021) | | | |
| 3-1 | Process for determining material topics | Double Materiality Assessment | |
| 3-2 | List of material topics | Double Materiality Assessment | |
| MATERIAL TOPIC: ECONOMIC PERFORMANCE | | | |
| GRI 3 Management of material topics (2021) | | | |
| 3-3 | Management of material topics | 1.6. Creation of value and distributed value | |
| GRI 201 Economic performance (2016) | | | |
| 201-1 | Directly generated and distributed economic value | 1.6. Creation of value and distributed value | |
| 201-4 | Financial assistance received from the government | 1.6. Creation of value and distributed value | |
| MATERIAL TOPIC: RELATIONSHIP WITH THE COMMUNITY | | | |
| GRI 3 Management of material topics (2021) | | | |
| 3-3 | Management of material topics | 1.7 Well-being of the community and the territory | |
| GRI 413 Local communities (2016) | | | |
| 413-1 | Operations with local community engagement, impact assessments and development programs | 1.7 Well-being of the community and the territory | |
| 413-2 | Operations with significant actual and potential negative impacts on local communities | 1.6 Well-being of the community and the territory | No reports on this were recorded in the year being reported. |
| MATERIAL TOPIC: BUSINESS ETHICS | | | |
| GRI 3 Management of material topics (2021) | | | |
| 3-3 | Management of material topics | 1.2. Governance and Integrity Code of Ethics | |
| GRI 205 Anti-corruption (2016) | | | |
| 205-1 | Operations assessed for risks related to corruption | | No operation was assessed during the period. |
| 205-3 | Established incidents of corruption and actions taken | 1.2. Governance and Integrity Code of Ethics | |
| 206-1 | Legal actions for anti-competitive behaviour, anti-trust and monopoly practices | | No legal actions concerning this were taken against the Group during the reporting period. |

| GRI DISCLOSURES | CHAPTER / PARAGRAPH | COMMENTS | CAUSE FOR OMISSION |
|---|--|--|---|
| MATERIAL TOPIC: SUPPLY CHAIN MANAGEMENT | | | |
| GRI 3 Management of material topics (2021) | | | |
| 3-3 | Management of material topics | Chapter 2: Procurement | |
| GRI 204 Procurement practices (2016) | | | |
| 204-1 | Proportion of expenditure in favour of local suppliers | Chapter 2: Procurement | |
| GRI 301 Materials (2016) | | | |
| 301-1 | Materials used by weight or volume | Chapter 2: Procurement | Raw materials of Innova omitted, as they are in the test phase. |
| MATERIAL TOPIC: BIODIVERSITY AND DEFORESTATION | | | |
| GRI 3 Management of material topics (2021) | | | |
| 3-3 | Management of material topics | Chapter 2: Procurement | |
| MATERIAL TOPIC: ANIMAL WELFARE | | | |
| GRI 3 Management of material topics (2021) | | | |
| 3-3 | Management of material topics | Chapter 2: Procurement | |
| MATERIAL TOPIC: R&D AND INNOVATION | | | |
| GRI 3 Management of material topics (2021) | | | |
| 3-3 | Management of material topics | Chapter 3: Research and Development | |
| MATERIAL TOPIC: CLIMATE CHANGE | | | |
| GRI 3 Management of material topics (2021) | | | |
| 3-3 | Management of material topics | Chapter 4: Attention focused on the planet and environmental aspects | |
| GRI 302 Energy (2016) | | | |
| 302-1 | Energy consumed within the organisation | Chapter 4: Attention focused on the planet and environmental aspects | |
| 302-3 | Energy intensity index | Further data | |
| GRI 305 Emissions (2016) | | | |
| 305-1 | Direct GHG emissions (scope 1) | Chapter 4: Attention focused on the planet and environmental aspects | |
| 305-2 | Direct GHG emissions from energy consumption (scope 2) | Chapter 4: Attention focused on the planet and environmental aspects | |
| 305-4 | Intensity of GHG emissions | Further data | |
| MATERIAL TOPIC: MANAGEMENT OF WATER RESOURCES | | | |
| GRI 3 Management of material topics (2021) | | | |
| 3-3 | Management of material topics | Chapter 4: Attention focused on the planet and environmental aspects | |

| GRI DISCLOSURES | CHAPTER / PARAGRAPH | COMMENTS | CAUSE FOR OMISSION |
|---|--|--|--------------------|
| GRI 303 Water and effluent (2018) | | | |
| 303-1 | Interaction with water as a shared resource | Chapter 4: Attention focused on the planet and environmental aspects | |
| 303-2 | Management of impacts related to water discharge | Chapter 4: Attention focused on the planet and environmental aspects | |
| 303-3 | Water withdrawal | Chapter 4: Attention on the planet and environmental aspects; Further data | Only process water |
| 303-4 | Further data | Chapter 4: Attention on the planet and environmental aspects; Further data | |
| 303-5 | Water consumption | Further data | |
| MATERIAL TOPIC: POLLUTION (EMISSIONS IN WATER, AIR AND SOIL) | | | |
| GRI 3 Management of material topics (2021) | | | |
| 3-3 | Management of material topics | Chapter 3: Research and Development; Chapter 4: Attention focused on the planet and environmental aspects | |
| MATERIAL TOPIC: MANAGEMENT OF CHEMICAL PRODUCTS | | | |
| GRI 3 Management of material topics (2021) | | | |
| 3-3 | Management of material topics | Chapter 3: Research and Development; Chapter 4: Attention focused on the planet and environmental aspects | |
| MATERIAL TOPIC: WASTE AND CIRCULAR ECONOMY | | | |
| GRI 3 Management of material topics (2021) | | | |
| 3-3 | Management of material topics | Chapter 6: From waste to value: a virtuous circle | |
| GRI 306 Waste (2020) | | | |
| 306-1 | Waste generation and significant waste-related impacts | Chapter 6: From waste to value: a virtuous circle | |
| 306-2 | Management of significant impacts related to waste | Chapter 6: From waste to value: a virtuous circle | |
| 306-3 | Waste generated. | Chapter 6: From waste to value: a virtuous circle | |
| 306-4 | Waste diverted from disposal | Chapter 6: From waste to value: a virtuous circle | |
| 306-5 | Waste sent for disposal | Chapter 6: From waste to value: a virtuous circle | |
| MATERIAL TOPIC: WORKING CONDITIONS | | | |
| GRI 3 Management of material topics (2021) | | | |
| 3-3 | Management of material topics | Chapter 7: A company made up of people | |
| GRI 401 Employment (2016) | | | |
| 401-1 | New hires and turnover | Chapter 7: A company made up of people; Further data | |

| GRI DISCLOSURES | CHAPTER / PARAGRAPH | COMMENTS | CAUSE FOR OMISSION |
|---|---|---|--------------------|
| 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | Chapter 7: A company made up of people | |
| 401-3 | Parental leave | Further data | |
| MATERIAL TOPIC: DIVERSITY AND INCLUSION | | | |
| GRI 3 Management of material topics (2021) | | | |
| 3-3 | Management of material topics | Chapter 8: Protection of people and non-discrimination | |
| GRI 405 Diversity and equal opportunities (2016) | | | |
| 405-1 | Diversity in governing bodies and among employees. | Chapter 8: Protection of people and non-discrimination; Further data | |
| 405-2 | Ratio of basic salary and remuneration of women to men | Further data | |
| GRI 406 Non-discrimination (2016) | | | |
| 406-1 | Incidents of discrimination and corrective measures taken | Chapter 8: Protection of people and non-discrimination | |
| MATERIAL TOPIC: WORKER HEALTH AND SAFETY | | | |
| GRI 3 Management of material topics (2021) | | | |
| 3-3 | Management of material topics | Chapter 10: Health and safety | |
| GRI 403 Occupational health and safety (2018) | | | |
| 403-1 | Occupational health and safety management system | Chapter 10: Health and safety | |
| 403-2 | Hazard identification, risk assessment and accident investigation | Chapter 10: Health and safety | |
| 403-3 | Occupational health services | Chapter 10: Health and safety | |
| 403-4 | Worker participation and consultation and communication on occupational health and safety | Chapter 10: Health and safety | |
| 403-5 | Worker training in occupational health and safety | Chapter 9: Staff training and development | |
| 403-6 | Worker health promotion | Chapter 10: Health and safety | |
| 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Chapter 10: Health and safety | |
| 403-8 | Workers covered by an occupational health and safety management system | Chapter 10: Health and safety | |
| 403-9 | Work-related injuries | Chapter 10: Health and safety | |
| MATERIAL TOPIC: HUMAN RESOURCE TRAINING | | | |
| GRI 3 Management of material topics (2021) | | | |
| 3-3 | Management of material topics | Chapter 9: Staff training and development | |

| GRI DISCLOSURES | CHAPTER / PARAGRAPH | COMMENTS | CAUSE FOR OMISSION |
|---|--|--|---|
| GRI 404 Training and education (2016) | | | |
| 404-1 | Average annual hours of training per employee | Chapter 9: Staff training and development | |
| 404-2 | Percentage of employees receiving regular performance and career development reviews | Chapter 9: Staff training and development | |
| 404-3 | Percentage of employees receiving regular performance and career development reviews | Further data | |
| MATERIAL TOPIC: CUSTOMER SATISFACTION AND SAFETY | | | |
| GRI 3 Management of material topics (2021) | | | |
| 3-3 | Management of material topics | 1.2. Governance and Integrity Code of Ethics; Chapter 5: Voice of the customer | |
| GRI 418 Customer privacy (2016) | | | |
| 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | 1.2. Governance and Integrity Code of Ethics | There were no cases of complaints arising from customer privacy breaches during 2023. |

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GRI-ESRS Reconciliation

As stated in the methodological note, this Sustainability Report has been prepared in accordance with the GRI Standards under the "in accordance with" option. However, as of the 2027 financial year, Pasubio will enter the scope of the Corporate Sustainability Reporting Directive (CSRD) and will be required to report sustainability information according to the European Sustainability Reporting Standards (ESRS) developed by the European Financial Reporting Advisory Group (EFRAG).

In order to identify which disclosure requirements have already been met and which ones require further adjustments in order to comply with the new directive, a comparison table has been created between the current GRI indicators and the new ESRS standards.

The information included in the table below is taken from the document "GRI-ESRS Interoperability Index" prepared jointly by GRI and EFRAG and updated as of 30 November 2023. Any regulatory de-

velopments and information updates will be duly reported.

The reconciliation table serves as an operational guide, allowing areas of overlap and discrepancy between the two sets of standards to be clearly identified by assigning each GRI indicator its corresponding ESRS. It is important to note that any discrepancies between ESRS indicators and GRI standards are justified by the integration of missing information into the concepts of strategy, objectives and metrics, which are imposed across the board by ESRS.

The creation of the GRI-ESRS reconciliation table represents a key element of Pasubio's strategy: by taking a proactive approach in advance of its implementation obligations, Pasubio will be able to meet the challenges of the new directive, minimising operational and administrative impacts and increasingly consolidating its commitment to transparent and accountable reporting.

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| GRI STANDARDS | GRI DISCLOSURE REQUIREMENTS | ESRS DISCLOSURE REQUIREMENTS |
|-----------------------------------|--|--|
| GRI 2: General Disclosures | 2-2 Entities included in the organisation's sustainability reporting | ESRS 1.5.1; ESRS 2 BP-1 §5 (a) and (b) i |
| | 2-3 Reporting period, frequency and point of contact (2-3-a and 2-3-b) | ESRS 1 §73 |
| | 2-4 Restatement of information | ESRS 2 BP-2 §13, §14 (a) - (b) |
| | 2-5 External Assurance | Refer to the requirements for assurance outlined in Directive (EU) 2022/2464 |
| | 2-6 Activities, value chain and other business relationships | ESRS 2 SBM-1 §40 (a) i - (a) ii, (b) - (c), §42 (c) |
| | 2-7 Employees | ESRS 2 SBM-1 §40 (a) iii; ESRS S1 SI-6 §50 (a) - (b) and (d) to (e), §51 - §52 |
| | 2-8 Non-employee workers | ESRS S1 SI-7 §55 - §56 |
| | 2-9 Governance structure and composition (2-9-b, 2-9-c-i, c-ii, c-v to c-viii) | ESRS 2 GOV-1 §21, §22 (a), §23; ESRS G1 §5 (b) |
| | 2-10 Appointment and selection of the highest body of governance | This topic is not included in the list of sustainability issues in ESRS 1 RA §16 |
| | 2-11 Chairperson of the highest body of governance | This topic is not included in the list of sustainability issues in ESRS 1 RA §16 |
| | 2-12 Role of the highest body of governance in overseeing impact management | ESRS 2 GOV-1 §22 (c); GOV-2 §26 (a) - (b); SBM-2 §45 (d); ESRS G1 §5 (a) |
| | 2-13 Delegation of responsibility for Impact management | ESRS 2 GOV-1 §22 (c); GOV-2 §26 (a); ESRS G1 G1-3 §18 (c) |

| GRI STANDARDS | GRI DISCLOSURE REQUIREMENTS | ESRS DISCLOSURE REQUIREMENTS |
|--|---|------------------------------|
| GRI 2: General Disclosures | | |
| 2-14 Role of the highest body of governance in sustainability reporting | ESRS 2 GOV-5 §36; IRO-1 §53 (d) | |
| 2-15 Conflicts of Interest | This topic is not included in the list of sustainability issues in ESRS 1 RA §16 | |
| 2-16 Communication of critical issues | ESRS 2 GOV-2 §26 (a); ESRS G1 G1-1 RA 1 (a); G1-3 §18 (c) | |
| 2-17 Collective responsibilities of the highest body of governance | ESRS 2 GOV-1 §23 | |
| 2-18 Performance evaluation of the highest body of governance | This topic is not included in the list of sustainability issues in ESRS 1 RA §16 | |
| 2-19 Remuneration policies (2-19-b) | ESRS 2 GOV-3 §29 (a) - (c); ESRS E1 §13 | |
| 2-20 Processes for determining remuneration | ESRS 2 GOV-3 §29 (e) Refer to the requirements set out in Directive (EU) 2017/828 for listed companies | |
| 2-21 Report on total annual remuneration (2-21-a and 2-21-c) | ESRS S1 S1-16 §97 (b) - (c) | |
| 2-22 Sustainable development strategy statement | ESRS 2 SBM-1 §40 (g) | |
| 2-23 Commitments made through policy (2-23-a-i and a-iv; 2-23-b, 2-23-d, 2-23-e, 2-23-f) | ESRS 2 GOV-4; MDR-P §65 (b) - (c) and (f); ESRS S1 S1-1 §19 - §21, and §RA 14; ESRS S2 S2-1 §16 - §17, §19, and §RA 16; ESRS S3 S3-1 §14, §16 to §17 and §RA 11; ESRS S4 S4-1 §15 to §17, and §RA 13; ESRS G1 G1-1 §7 and §RA 1 (b) | |
| 2-24 Integration of commitments in terms of policy | ESRS 2 GOV-2 §26 (b); MDR-P §65 (c); ESRS S1 S1-4 §RA 35; ESRS S2 S2-4 §RA 30; ESRS S3 S3-4 §RA 27; ESRS S4 S4-4 §RA 27; ESRS G1 G1-1 §9 and §10 (g) | |
| 2-25 Processes to remedy negative impacts | ESRS S1 S1-1 §20 (c); S1-3 §32 (a), (b) and (e), §RA 31; ESRS S2 S2-1 §17 (c); S2-3 §27 (a), (b) and (e), §RA 26; S2-4 §33 (c); ESRS S3 S3-1 §16 (c); S3-3 §27 (a), (b) and (e), §RA 23; S3-4 §33 (c); ESRS S4 S4-1 §16 (c); S4-3 §25 (a), (b) and (e), §RA 23; S4-4 §32 (c) | |
| 2-26 Mechanisms for requesting clarification and raising critical issues | ESRS S1 S1-3 §RA 32 (d); ESRS S2 S2-3 §RA 27 (d); ESRS S3 S3-3 §RA 24 (d); ESRS S4 S4-3 §RA 24 (d); ESRS G1 G1-1 §10 (a); G1-3 §18 (a) | |
| 2-27 Compliance with laws and regulations | ESRS 2 SMB-3 §48 (d); ESRS E2 E2-4 §RA 25 (b); ESRS S1 S1-17 §103 (c) - (d) and §104 (b); ESRS G1 G1-4 §24 (a) | |
| 2-28 Membership of associations | "Political engagement" is a sustainability issue for G1 covered by ESRS 1 §RA 16. Therefore, this GRI disclosure requirement is covered by MDR-P, MDR-A, MDR-T, and/or may be treated as an entity-specific metric to be reported under ESRS 1 §11 and MDR-M (2b) | |
| 2-29 Approach to stakeholder involvement | ESRS 2 SMB-2 §45 (a) i - (a) iv; ESRS S1 S1-1 §20 (b); S1-2 §25, §27 (e) - §28; ESRS S2 S2-1 §17 (b); S2-2 §20, §22 (e) and §23; ESRS S3 S3-1 §16 (b); S3-2 §19, §21 (d) and §22; ESRS S4 S4-1 §16 (b); S4-2 §18, §20 (d) and §21 | |
| 2-30 Collective bargaining agreements | ESRS S1 S1-8 §60 (a) and §61 | |
| 3-1 Processes for determining material topics | ESRS 2 BP-1 §RA 1 (a); IRO-1 §53 (b) ii - (b) iv | |
| 3-2 List of material topics | ESRS 2 SBM-3 §48 (a) and (g) | |
| GRI 3: Material topics | | |
| 3-3 Management of material topics | ESRS 2 SBM-1 §40 (e); SBM-3 §48 (c) i and (c) iv; MDR-P, MDRA, MDR-M, and MDR-T; ESRS S1 S1-2 §27; S1-4 §39 and RA 40 (a); S1-5 §47 (b) to (c); ESRS S2 S2-2 §22; S2-4 §33, §RA 33 and §RA 36 (a); S2-5 §42 (b) - (c); ESRS S3 S3-2 §21; S3-4 §33, §RA 31, §RA 34 (a); S3-5 §42 (b) - (c); ESRS S4 S4-2 §20, S4-4 §31, §RA 30, and §RA 33 (a); S4-5 §41 (b) - (c) | |

| GRI STANDARDS | GRI DISCLOSURE REQUIREMENTS | ESRS DISCLOSURE REQUIREMENTS |
|---|---|--|
| GRI 201: Economic performance | 201-1 Directly generated and distributed economic value | This topic is not included in the list of sustainability issues in ESRS 1 RA §16 |
| | 201-4 Financial assistance received from the government | This topic is not included in the list of sustainability issues in ESRS 1 RA §16 |
| | 3-3 Management of material topics | ESRS G1 G1-2 §12 |
| GRI 204: Procurement practices | 204-1 Proportion of spending on local suppliers | "Economic, social and cultural rights of communities" is a sustainability issue for S3 covered by ESRS 1 §RA 16. Therefore, this GRI reporting requirement is covered by MDR-P, MDR-A, MDR-T, and/or may be treated as an entity-specific metric to be reported under ESRS 1 §11 and MDR-M |
| GRI 205: Anti-corruption | 3-3 Management of material topics | ESRS G1 G1-7; G1-3 §16 and §18 (a) and §24 (b) |
| | 205-3 Established incidents of corruption and actions taken | ESRS G1 G1-4 §25 |
| GRI 301: Materials | 3-3 Management of material topics | ESRS E5 E5-1 §12; E5-2 §17; E5-3 §21 |
| | 301-1 Materials used by weight or volume | ESRS E5 E5-4 §31 (a) |
| | 3-3 Management of material topics | ESRS E1 E1-2 §25 (c) - (d); E1-3 §26; E1-4 §33 |
| GRI 302: Energy | 302-1 Energy consumed within the organisation (302-1-a, b, c, e, g) | ESRS E1 E1-5 §37; §38; §RA 32 (a), (c), (e) and (f) |
| | 302-3 Energy intensity | ESRS E1 E1-5 §40 - §42 |
| | 3-3 Management of material topics | ESRS E2 §AR 9 (b); E2-1 §12; E2-2 §16 and §19; E2-3 §20; ESRS E3 E3-1 §9; E3-2 §15, §17 to §18; E3-3 §20 |
| | 303-1 Interactions with water as a shared resource | ESRS 2 SBM-3 §48 (a); MDR-T §80 (f); ESRS E3 §8 (a); §RA 15 (a); E3-2 §15, §RA 20 |
| GRI 303: Water and water discharge | 303-2 Management of impacts related to water discharge (303-2-iv) | ESRS E2 E2-3 §24 (2b) |
| | 303-3 Water withdrawal | "Water withdrawal" is a sustainability issue for E3 covered by ESRS 1 §RA 16. Therefore, this GRI reporting requirement is covered by MDR-P, MDR-A, MDR-T, and/or may be treated as an entity-specific metric to be reported under ESRS 1 §11 and MDR-M |
| | 303-4 Water discharge | "Water discharge" is a sustainability issue for E3 covered by ESRS 1 §RA 16. Therefore, this GRI reporting requirement is covered by MDR-P, MDR-A, MDR-T, and/or may be treated as an entity-specific metric to be reported under ESRS 1 §11 and MDR-M |
| | 303-5 Water consumption | ESRS E3 E3-4 §28 (a), (b), (d) and (e) |
| GRI 305: Emissions | 3-3 Management of material topics | ESRS E1 E1-2 §22; E1-3 §26; E1-4 §33 and §34 (b); E1-7 §56 (b) and §61 (c); ESRS E2 §AR 9 (b); E2-1 §12; E2-2 §16 and §19; E2-3 §20 |
| | 305-1 Direct GHG emissions (Scope 1) | ESRS E1 E1-4 §34 (c); E1-6 §44 (a); §46; §50; §RA 25 (b) and (c); §RA 39 (a) - (d); §RA 40; RA §43 (c) - (d) |
| | 305-2 Indirect GHG emissions from energy consumption (Scope 2) | ESRS E1 E1-4 §34 (c); E1-6 §44 (b); §46; §49; §50; §RA 25 (b) and (c); §RA 39 (a) - (d); §RA 40; §RA 45 (a), (c), (d), and (f) |
| | 305-4 Intensity of GHG emissions | ESRS E1 E1-6 §53; §54; §RA 39 (c); §RA 53 (a) |
| | 3-3 Management of material topics | ESRS E5 §AR 7 (a); E5-1 §12; E5-2 §17; E5-3 §21 |
| GRI 306: Waste | 306-1 Waste generation and significant waste-related impacts | ESRS 2 SBM-3 §48 (a), (c) ii and iv; ESRS E5 E5-4 §30 |
| | 306-2 Management of significant waste-related impacts (306-2-a and c) | ESRS E5 E5-2 §17 and §20 (e) and (f); E5-5 §40 and §RA 33 (c) |
| | 306-3 Waste generated | ESRS E5 E5-5 §37 (a), §38 - §40 |

| GRI STANDARDS | GRI DISCLOSURE REQUIREMENTS | ESRS DISCLOSURE REQUIREMENTS |
|---|---|--|
| GRI 306: Waste | 306-4 Waste not intended for disposal (306-4-a, b, c, e) | ESRS E5 E5-5 §37 (b), §38 and §40 |
| | 306-5 Waste intended for disposal (306-5-a, b, c, e) | ESRS E5 E5-5 §37 (c), §38 and §40 |
| GRI 401: Employment | 3-3 Management of material topics | ESRS S1 S1-1 §17; §20 (c); S1-2 §27; S1-4 §38; §39; §RA 40 (a); S1-5 §44; §47 (b) and (c); ESRS S2 §11 (c); S2-1 §14; §17 (c); S2-2 §22; S2-4 §32; §33 (a) and (b); §36; §RA 33; §RA 36 (a); S2-5 §39, §42 (b) and (c) |
| | 401-1 New hires and turnover (401-1-b) | ESRS S1 S1-6 §50 (c) |
| GRI 403: Occupational health and safety | 3-3 Management of material topics | ESRS S1 S1-1 §17; §20 (c); S1-2 §27; S1-4 §38; §39; §RA 40 (a); S1-5 §44; §47 (b) and (c); ESRS S2 §11 (c); S2-1 §14; §17 (c); S2-2 §22; S2-4 §32; §33 (a) and (b); §36; §RA 33; §RA 36 (a); S2-5 §39, §42 (b) and (c) |
| | 403-1 Occupational health and safety management system (403-1-a) | ESRS S1 S1-1 §23 (1a) |
| | 403-2 Hazard identification, risk assessment and accident investigation (403-2-b) | ESRS S1 S1-3 §32 (b) and §33 |
| | 403-3 Occupational health services | |
| | 403-4 Worker participation and consultation and communication on occupational health and safety | "Health and Safety" and "Training and Capacity Building" are sustainability issues for SI covered by ESRS 1 §RA 16. Therefore, this GRI reporting requirement is covered by MDR-P, MDR-A, MDR-T, and/or may be treated as an entity-specific metric to be reported under ESRS 1 §11 and MDR-M |
| | 403-5 Worker training in occupational health and safety | |
| | 403-6 Worker health promotion | "Social protection" is a sustainability issue for SI covered by ESRS 1 §RA 16. Therefore, this GRI reporting requirement is covered by MDR-P, MDR-A, MDR-T, and/or may be treated as an entity-specific metric to be reported under ESRS 1 §11 and MDR-M |
| | 403-7 Prevention and mitigation of occupational health and safety impacts within commercial relationships | ESRS S2 S2-4 §32 (a) |
| | 403-8 Workers covered by an occupational health and safety management system (403-8-a and b) | ESRS S1 S1-14 §88 (a); §90 (2c) |
| GRI 404: Training and education | 403-9 Work-related injuries (403-9-a-i, a-iii, b-i, b-iii, c-iii, d, e) | ESRS S1 S1-4, §38 (a); S1-14 §88 (b) and (c); §RA 82 |
| | 3-3 Management of material topics | ESRS S1 S1-1 §17; §20 (c); S1-2 §27; S1-4 §38; §39; §RA 40 (a); S1-5 §44; §47 (b) and (c); ESRS S2 §11 (c); S2-1 §14; §17 (c); S2-2 §22; S2-4 §32; §33 (a) and (b); §36; §RA 33; §RA 36 (a); S2-5 §39, §42 (b) and (c); ESRS S1 §24 (a) |
| | 404-1 Average annual hours of training per employee | ESRS S1 S1-13 §83 (b) and §84 |
| GRI 405: Diversity and equal opportunities | 3-3 Management of material topics | ESRS S1 S1-1 §17; §20 (c); S1-2 §27; S1-4 §38; §39; §RA 40 (a); S1-5 §44; §47 (b) and (c); ESRS S2 §11 (c); S2-1 §14; §17 (c); S2-2 §22; S2-4 §32; §33 (a) and (b); §36; §RA 33; §RA 36 (a); S2-5 §39, §42 (b) and (c) |
| | 405-1 Diversity in governing bodies and among employees (405-1-a and iii, 405-1-b) | ESRS 2 GOV-1 §21 (d); ESRS S1 S1-6 §50 (a); S1-9 §66 (a) - (b); S1-12 §79 |
| GRI 406: Non-discrimination | 3-3 Management of material topics | ESRS S1 S1-1 §17; §20 (c); §24 (a) and (d); S1-2 §27; S1-4 §38; §39; §RA 40 (a); S1-5 §44; §47 (b) and (c); ESRS S2 §11 (c); S2-1 §14; §17 (c); S2-2 §22; S2-4 §32; §33 (a) and (b); §36; §RA 33; §RA 36 (a); S2-5 §39, §42 (b) and (c); ESRS S4 §10 (b); S4-1 §13; §16 (c); S4-2 §20; S4-4 §31, §32 (a) and (b); §35; §RA 30, §RA 33 (a); S4-5 §38, §41 (b) and (c) |
| | 406-1 Incidents of discrimination and corrective measures taken | ESRS S1 S1-17 §97, §103 (a), §RA 103 |

| GRI STANDARDS | GRI DISCLOSURE REQUIREMENTS | ESRS DISCLOSURE REQUIREMENTS |
|---|--|--|
| GRI 418: Customer privacy | 3-3 Management of material topics | ESRS S4 §10 (b); S4-1 §13 and §16 (c); S4-2 §20; S4-4 §31, §32 (a) and (b); §35; §RA 30, §RA 33 (a); S4-5 §38, §41 (b) and (c) |
| | 418-1 Proven complaints regarding customer privacy breaches and loss of customer data | ESRS S4 S4-3 §RA 23; S4-4 §35 |
| ESRS MATERIAL TOPIC | FORMULATION OF THE IRO | NATURE OF THE IRO |
| | | SCORE |
| E1 Climate change - Adaptation to climate change | Mitigation of the impact of the physical phenomena associated with climate change on company assets obtained through implementation of a vulnerability assessment on the national and international facilities and consequent development of a group strategy and implementation of improvement initiatives (e.g. renovations, installation of emergency systems, etc.). | Positive impact |
| | Increase in public incentives and regulatory instruments intended for the adoption of measures to make company assets more resilient with respect to the expected effects of climate change. | Opportunity |
| | Reduction in availability of raw material and reduction in the number of suppliers as a consequence of the physical effects of climate change on cattle breeding areas. | Risk |
| | Financial losses deriving from extreme climate events that cause damage to the infrastructures owned by the Group, with consequences on operational continuity and on financial results. | Risk |
| | Active contribution to mitigation of climate change through prompt and continuous monitoring and assessment of the emission impacts of the Group, which allow definition of the actions directed towards decarbonisation objectives, based on scientific evidence and duly validated for decarbonisation along the entire supply chain. | Positive impact |
| | Contribution to climate change deriving from lack of precise control on its own emission impacts and effective mitigation and limitation initiatives that support the decarbonisation commitments required by customers. | Negative impact |
| | Increase in know-how in the area of alternative solutions in the production process capable of reducing the inputs of raw materials and energy and expansion of opportunities for investment in alternative technological solutions supporting carbon neutrality (e.g. alternative energies, low-impact chemicals, carbon sink systems, etc.). | Opportunity |
| | Increase in attractiveness with investors due to the increasing importance attributed to the ESG rating and to the enterprise's ability to demonstrate significant commitments to decarbonisation. | Opportunity |
| | Increase in expenditure following introduction of more stringent regulations and customer requirements on the decarbonisation objectives to be pursued in the short term, with consequences on the Group's competitiveness. | Risk |
| E1 Climate change - Mitigation of climate change | Improvement of the Group's energy performance through reduction in procurement of fossil fuel in favour of energy produced from renewable sources. | Positive impact |
| | Increase in the Group's energy needs due to an absence of monitoring, rationalisation and efficiency initiatives directed towards a reduction in energy incidence. | Negative impact |
| | Increase in the interest of investors and opportunities for improving competitiveness encouraged by the growing attention on companies who adopt less impacting energy solutions, with potential benefits in terms of access to capital and opportunities for further investments. | Opportunity |
| | Discontinuity in electricity supplies and increase in procurement costs due to geopolitical crises that prevent appropriate planning of production activities and produce uncertainty in business relationships. | Risk |
| | | 123 |

**ESRS
MATERIAL
TOPIC**

**FORMULATION
OF THE IRO**

**NATURE
OF THE IRO**

SCORE

E2 Pollution

Reduction in the potential impacts on the environmental matrices guaranteed by research and development initiatives aligned with the EU strategy "Safe and Sustainable by Design", by precise monitoring initiatives in the most significant production phases (with particular reference to leather tanning), by technologically advanced and high-performance solutions for filtering and treatment of effluents and control systems in line with the ZDHC (Zero Discharge of Hazardous Chemicals) strategy.

Positive impact

Contamination of environmental matrices (air, water, soil) caused by the release of chemicals related to production processes into the environment.

Negative impact

4.1

Greater attractiveness on the market reserved to enterprises who are aligned with the sustainable design initiatives promoted by the EU and offer guarantees of promptness, precision and efficiency in their own controls on activities that could produce emissions in the environmental matrices, particularly for the most recalcitrant and hazardous substances for human health and the environment.

Opportunity

Financial and/or reputational damage deriving from the introduction of new substances into the "concerning" and "extremely concerning" categories or more stringent limits for substances already regulated, which force the company to invest in alternative products in the short term.

Risk

Reduced water consumption of production processes through implementation of innovative technologies and proper waste water management that maximises the internal circularity of the resource.

Positive impact

Increase in the water requirement caused by the absence of control, management and mitigation mechanisms on procurement and delayed implementation of innovative technologies that allow a reduction of the water impact.

Negative impact

3.7

E3 Water and marine resources

Spread of scientific knowledge and new technological solutions on a large scale that allow transition towards less impacting leather processing techniques and that require a lower water input.

Opportunity

Increase in operating costs and the risk of production discontinuity due to organisational changes caused by greater regulatory pressure in terms of efficiency in use of the water resource (deriving from scarcity of the resource usable for production) in production processes and along the supply chain.

Risk

Ability to protect biodiversity deriving from assessment of its own impacts and dependency on functions of the ecosystems, performed within the perimeter of the Group and along the supply chain and that allow appropriate strategies and responsible procurement criteria to be developed.

Positive impact

3.6

E4 Biodiversity and ecosystems

Reputational damage and reduction in Group competitiveness deriving from the increasing demands for sustainability guarantees on procurement, imposed by regulations (EUDR) and business initiatives, in relation to the impacts of the leather supply chain, such as over-exploitation of natural resources, damage to ecosystems and deterioration of the quality of the soil.

Risk

Improvement in circularity of products guaranteed by impact studies on its own production processes (e.g. conducted through LCA/PEF) and consequent investments in R&D capable of developing innovative solutions (for production processes), with an increase in opportunities for reuse/upcycling/industrial symbiosis and reduction in the quantities of waste and effluents.

Positive impact

E5 Use of resources and the circular economy

Worsening in use of raw materials due to failure to adopt technological solutions based on the circular economy that incorporate the guidelines of European regulations/international regulatory requirements, using the results of scientific research ready for the industrial scale.

Negative impact

3.4

Maintaining of competitiveness on the market thanks to investments in research and innovation that involve the leather industry and collaboration with universities, research organisations and customers (network activities).

Opportunity

Reduced competitiveness due to delay in and/or lack of initiatives in the leather industry capable of reducing the impacts in terms of inputs of necessary resources and waste produced that have become essential for the value chain of reference.

Risk

**ESRS
MATERIAL
TOPIC**

**FORMULATION
OF THE IRO**

**NATURE
OF THE IRO**

SCORE

S1 Own workforce - Working conditions

Improvement in the welfare of the workforce through creation of a stimulating workplace in which dialogue and constant interaction with the HR department are possible and through the implementation of welfare solutions and solutions to support the balance between personal life and professional life.

Positive impact

Optimisation in management of workforce health and safety topics through extension of the 45001:2018 management system to all Group facilities.

Positive impact

Negative impacts on workers' health caused by reduced commitments in the identification of H&S risks, in monitoring of near misses and in training/information activities.

Negative impact

Improvement in the ability to attract new resources following cultural changes that increase the importance of the topic of welfare in the workplace.

Opportunity

Increase in the operating costs following regulatory adaptations in terms of H&S intended for concerns that do not have certified management systems.

Risk

Improvement of the Group's energy performance through reduction in procurement of fossil fuel in favour of energy produced from renewable sources.

Positive impact

Increase in the Group's energy needs due to an absence of monitoring, rationalisation and efficiency initiatives directed towards a reduction in energy incidence.

Negative impact

E1 Climate change - Energy

Increase in the interest of investors and opportunities for improving competitiveness encouraged by the growing attention on companies who adopt less impacting energy solutions, with potential benefits in terms of access to capital and opportunities for further investments.

Opportunity

Discontinuity in electricity supplies and increase in procurement costs due to geopolitical crises that prevent appropriate planning of production activities and produce uncertainty in business relationships.

Risk

Enhancement of resources through the introduction of training programs for employees on the main critical aspects linked to the topic, initiatives to collect feedback, mechanisms for managing any cases of discrimination.

Positive impact

Improvement in its inclusiveness performance through the definition of objectives to increase the presence of women at all company levels and through the introduction of specific policies and certification initiatives on DEI

Positive impact

Disparity in career prospects due to the limited presence of women in executive management positions of the Group and the presence of gender-based salary gaps.

Negative impact

Greater recruiting and retention opportunities caused by external trends that encourage a correct balance between personal life and professional life and tax subsidies that encourage the insertion of under-represented categories stably on its own workforce.

Opportunity

Increase in operating costs and inefficiencies caused by the need to reorganise human resources due to professional obsolescence resulting from technological acceleration.

Risk

S1 Own workforce - Other work-related rights

Positive contribution to the fight against exploitation of labour, obtained starting from correct management of aspects linked to workers' rights in all countries where the Group is present, in compliance with national regulations and with a view to encouraging a virtuous and proactive approach to protection of fundamental rights.

Positive impact

Reputational damage, loss of stakeholder trust and legal repercussions as a result of failure to adapt to developments in regulations on workers' rights in countries where the Group is already present and will be in the future.

Risk

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| ESRS MATERIAL TOPIC | FORMULATION OF THE IRO | NATURE OF THE IRO | SCORE | ESRS MATERIAL TOPIC | FORMULATION OF THE IRO | NATURE OF THE IRO | SCORE |
|-------------------------------|---|----------------------|-------|--------------------------------------|--|----------------------|-------|
| S2 Workers on the value chain | Improvement in working conditions on the value chain through the introduction of a supplier code of conduct and through engagement and partnership initiatives with suppliers that envisage monitoring, inspection and audit activities. | Positive impact | | G1 Business conduct - Animal welfare | Procurement and responsible use of co-products of the meat industry through the introduction of restrictive supplier selection policies and procedures, with particular reference to the five freedoms set forth by the European Convention for the protection of animals kept for farming purposes. | Positive impact | |
| | Positive contribution to the working conditions along the entire supply chain through risk assessment and due diligence activities that take into account the main standards on human rights that have led to introduction of the ESG criteria into the supplier selection process. | Positive impact | | | Competitive edge obtained from the increase in audit initiatives on correct application of current regulations on the topic and consumers' growing orientation towards products and services that guarantee sufficient animal welfare standards in a reliable and transparent way. | Opportunity | 3.5 |
| | Contribution to worsening of working conditions on the supply chain due to purchasing policies that do not consider and/or check for minimum standards in terms of human rights and workers' rights. | Negative impact | 3.9 | | Reputational damage with consequent financial impacts resulting from non-compliance with standards by operators on the Group's supply chain in relation to the conditions of breeding farms and the controls performed in the raw materials procurement phase. | Risk | |
| | Reputational damage and possible involvement in legal disputes connected to breaches of human rights along the supply chain and trade union initiatives on fair pay, also in consideration of developments in European regulations on Due Diligence and sustainability reporting. | Risk | | | Protection of company IT systems through the introduction of state-of-the-art processes and technologies that help to protect against cyber threats (e.g. segmentation of information, controlled access, cyber risk analysis, security updates, basic personnel training, regular backups). | Positive impact | |
| | Loss of suppliers and consequent reduction in opportunities to apply a correct diversification, associated with failure of parties currently present on the supply chain to adapt to regulatory obligations on specific ESG topics (e.g. fair pay, DEI policies, etc.). | Risk | | | Reputational and financial damage caused by theft of intellectual property and by breaches of sensitive data relating to the Group and its stakeholders due to hacker attacks on critical company infrastructures. | Risk | 3.4 |
| | Contribution to the welfare of the communities where the Group operates, due to the presence of long-term employment contracts and welfare opportunities that increase the well-being of workers and their families. | Positive impact | | | | | |
| S3 - Affected communities | Improvement in attracting skilled employees and opportunities for innovation, competitiveness and specialisation, due to the Group presence on territorial networks that involve universities, research centres and technical institutes. | Opportunity | 3.2 | Cybersecurity | | | |
| | Reputational damage caused by association of the Group's name with worsening living conditions of populations residing in territories where the Group is present, as a result of national policies, environmental damage or geopolitical crises. | Risk | | | | | |
| | Protection of the safety of end-users obtained through close interaction with customers (including through efficient co-design, feedback and complaint mechanisms), right from the design phases and through implementation of the highest safety standards. | Positive impact | | | | | |
| S4 Consumers and end-users | Increase in customer loyalty due to positive audits received on the truthfulness of reporting on the impacts of the products purchased and responsible business practices with all categories of end-users involved. | Opportunity | 3.6 | | | | |
| | Delays and discontinuity in sales due to sudden changes in regulations on safety and environmental impact of the final products. | Risk | | | | | |
| | Fostering of a company climate characterised by high ethical standards and responsible conduct of the workforce, with positive consequences also in relations with stakeholders, also obtained through initiatives on awareness and implementation of the Group mechanisms (e.g. training on Model 231, whistleblowing system, etc.). | Positive impact | | | | | |
| G1 Business conduct | Worsening of the ethical profile in business relations caused by a lack of adequate due diligence mechanisms on the supply chain and absence of ESG in the selection and qualification of suppliers. | Negative impact | | | | | |
| | Improvement of the company reputation resulting from the increasing demand in the social-economic area for guarantees on solid governance, anti-corruption mechanisms and ESG topics and compliance with ethical and responsible business practices. | Opportunity | 3.6 | | | | |
| | Risk of business discontinuity associated with disruption of the supply chain linked to exogenous factors (e.g. multi-crisis situations) and/or relating to supply chain compliance (e.g. difficulty in satisfying regulatory requirements, such as the EUDR, ESPR, etc.) and/or control of business conduct. | Risk | | | | | |
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ASSURANCE report



REPORT OF THE "PASUBIO GROUP SUSTAINABILITY REPORT 2024"

Scope

Certiquality S.r.l. has been engaged by Conceria Pasubio S.p.A. for the limited revision ("limited assurance engagement") on the Pasubio Group Sustainability Report for the year 2024 - Italian version, to verify its alignment with the GRI (Global Reporting Initiative) Standards 2021, consistently with the statement of use "with reference to the GRI", which does not require a minimum number of disclosures or performance indicators.

This letter describes the activities performed, reports the verification results, and provides recommendations for improvement.

The verification was carried out with reference to the "GRI Standards" published in 2021 by the Global Reporting Initiative, limited to the disclosures and indicators listed in the GRI content index, and specifically involved:

- The verification of reporting principles (accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, verifiability);
- Defining the scope of the report and the individual disclosures.
- Ensuring the disclosures and indicators included in the content index meet the relevant GRI Standards guidelines requirements.

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The verification was carried out in compliance with the procedures adopted by Certiquality for audits in compliance with UNI EN ISO 19011:2018. The verification was carried out partly in-person, partly (particularly for foreign companies) remotely, interviewing the functions concerned by videoconference and examining the documentation shared on video.

Methods

The activity was carried out according to the following operational methods:

- Analysis of the document "Sustainability report ESG Gruppo PASUBIO 2024," with reference to the principles and contents provided by the GRI Standards 2021 guidelines;
- Interviews with functions involved, directly or indirectly, in the preparation of the document and in the data and information management process (from collection to subsequent processing);
- Data extractions and verifications of the Management System and database used by the Group for the collection, consolidation, revision and review of data
- Operational site visits, examination of documents, and records at the operating and management headquarters of: Via II Strada 38, 36071 Arzignano (Vicenza), INNOVA SRL (100% Conceria Pasubio S.p.A.), Via Lucio Cosentino 10, Albaredo D'Adige, 37041, VR, ARZIGNANESE SRL (100% Conceria Pasubio S.p.A.), Via del Lavoro 14, Arzignano.
- The analysis covered both the procedures adopted for data collection, storage, and processing, as well as the technical-regulatory aspects of the activities carried out.

Economic-financial data were extracted from the financial statements of Conceria Pasubio S.p.A. as of 31.12.24, already audited (as per letter from KPMG dated 24/5/25) and thus were not further verified.

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Verification activities related to data and information management contained in the Report were conducted on a sample basis, ensuring adequate coverage of all aspects addressed in the document.

Results and recommendations

The verification of the "PASUBIO 2024 Group ESG sustainability report", Italian version, showed a substantial alignment with the principles of the GRI 2021 Standard guidelines and with the contents provided for the reported indicators, consistently with the statement of use "with reference to the GRI Standards", albeit with some areas for improvement.

The identified improvement opportunities can be addressed by the Organization in anticipation of future editions, especially in view of the need, noted to the Organization, to comply, starting from fiscal year 2027, the Corporate Sustainability Reporting Directive (CSRD) in relation to which it will be required to report sustainability information according to the European Sustainability Reporting Standards (ESRS) developed by the European Financial Reporting Advisory Group (EFRAG).

To identify which informational obligations are already met and which require further adjustments for compliance with the new directive, a reconciliation table between the current GRI indicators and the new ESRS standards has been created.

The report was prepared in continuity with the previous year, expanding the scope to include data and information related to activities and operational plants in Mexico.

Overall, the principles of accuracy, balance, clarity, comparability, sustainability context, timeliness and verifiability have been ensured. The principle of completeness requires the improvements below.

Although the data management and consolidation system has improved compared to last year, there is still room for improvement. There are still some limitations in the scope, as well as differences in the level of detail of data relating to certain topics, also important ones, which would require greater uniformity.

The process of identifying relevant themes does not currently involve direct stakeholder involvement, such as interviews or questionnaires.

In particular, the improvements related to the previous year's Reporting document concerned:

- The data management system and its complete traceability of calculations back to primary sources, through the use of a platform and a centralized SW database, accessible to local users and reviewers, for each data and at every level;
- The description of the materiality definition process included in both the text of the Report and in the company's internal documents, in line with the ESRS requirements;
- The inclusion of the declaration of respect for human rights, since the Pasubio Group, in the selection of the person responsible for the leather, has adopted the approach of the UN Global Compact. In addition, the Group has been selected by the UN Global Compact (UNGC) to participate in six-monthly accelerator, focusing on the correlation between business activity and respect for human rights;
- Inclusion of the description of animal welfare management practices, measures for the protection of forests and indigenous peoples, as well as risk assessment activities along the supply chain;
- The definition, in the presence of different legal references between the various countries where the group's headquarters are located, of homogeneous criteria for data collection (e.g. classification of

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ENAS n. 018F - ITK n. 024L - PR3 n. 100C



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Sustainability Report 2024

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accidents, number of employees and workers of third parties, waste classification, etc.) according to the GRI definitions;

- The definition of the criteria, methods and results of the ESG risk analysis mentioned in the financial statements, highlighting its differences from the materiality analysis conducted

A reference matrix is included in the Report, containing the contents index and the list of indicators reported in this Sustainability Report. In each GRI indicator (where the requirement of GRI 2021 is not applied, reference is made to a GRI guideline from previous editions) the reference to the chapter or section or, if the data or information is not contained in the text, the description of the indicator itself is given. Only some properly justified items are excluded from the reporting, e.g. remuneration data that are considered confidential, and ESG policies that are still being developed.

The verifications carried out did not reveal any significant elements to suggest that the information declared in the GRI content matrix is not aligned with the "with reference" approach of the 2021 GRI guidelines.

The recommendations made in previous years have been properly addressed, except for some that are confirmed in this report.

The verifications carried out confirm that there is room for improvement, in particular with regard to:

- the integration in the Report of some environmental data that are available in the company's monitoring and control systems, related to the amount of water consumption other than industrial ones, the level of possible risk of soil/subsoil contamination, the quality and level of pollutants present within the authorised limits for emissions and water discharges or the number of exceedances.
- the effective direct involvement of stakeholders in relation to materiality analysis.
- The integration of social data with relevant elements and indicators such as average salary by function per country

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Conclusions

The audit of the "Gruppo Pasubio Sustainability Report" – Italian version, for the year 2024 did not reveal any significant shortcomings in relation to compliance with the principles of the GRI Standards, both in terms of content and performance indicators, although some areas for improvement were identified.

The verifications carried out did not reveal any significant elements that would suggest non-compliance of the 2024 Sustainability Report of Gruppo Pasubio with the "with reference to the GRI Standards" level of application, as defined by the GRI Standards 2021.

July 18th, 2024



Certiquality S.r.l.
The President
Marco Martinelli



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EMAS n. 008P - ITX n. 004L - PRS n. 100C

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TEAM RICERCA & SVILUPPO

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