VESTA
CORPORATION

# SUSTAINABILITY REPORT **2022**

www.vestacorp.it

2022

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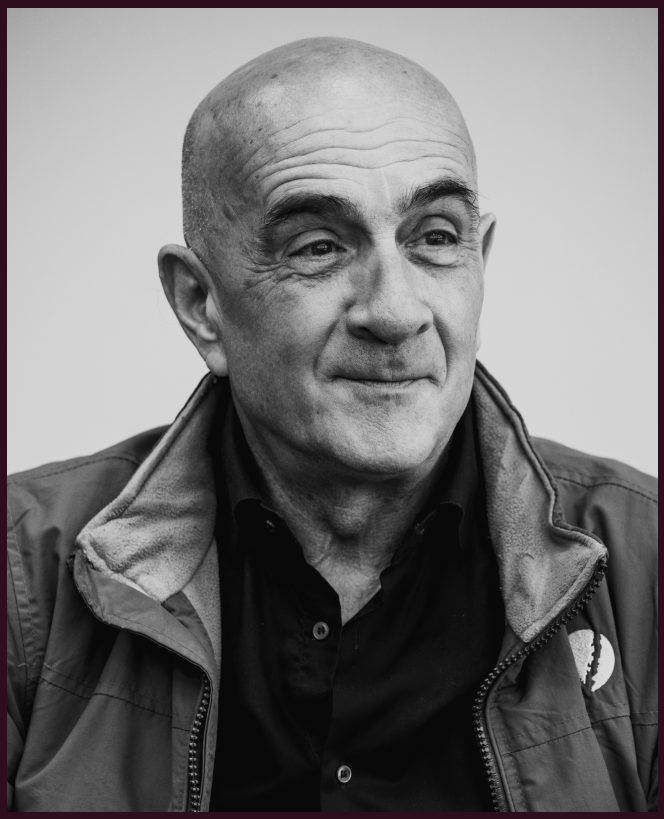
# Letter to the Stakeholders

Dear partners and supporters,



It is with great pleasure that we present Vesta's first Sustainability Report, through which we tell the story of the path we have chosen to undertake to strengthen our responsibility towards social, environmental and governance sustainability issues.

The Sustainability Report is a central and strategically important tool in highlighting the existence of a lively and dynamic relationship between the company and its Stakeholders, and we have chosen to adopt it as a means of reporting aimed at those interested in appreciating Vesta's commitment in terms of Sustainability.

In addition, the growing evidence of the impact of economic activity on the environment and on people has determined the need to tend towards a greater assumption of environmental and social responsibility, making it necessary to start a structured sustainability path.

This journey starts from the reporting of ESG activities with the strategic objective of making the benefits transparent for internal and external stakeholders. This first document summarizes the activities, impacts and results of the organization towards its stakeholders.

During the year, the economic and social context was characterized by uncertainty, with the spread of an increasingly global market and the continuous evolution of customer and supplier requests, which led companies in our sector to adapt quickly to the evolution of the competitive scenarios and place sustainability at the center of our business activity. For us at Vesta, the future challenge is to grow while generating a positive change from which all our stakeholders can benefit, by promoting initiatives, services and solutions that are able to generate social and environmental benefits.

With this document we aim to communicate with transparency our commitment to Sustainability and to provide an overview of our strategy, operating and governance model and achievements.
Our goal is also to assess how the integrated management of relevant financial, productive, intellectual, environmental, and relational aspects enables Vesta Corporation to create sustainable value over time, for the benefit of all Stakeholders.

*Sauro Gabrielli*
*CEO Vesta Corporation S.P.A.*

# Methodological note

This document constitutes the first **Sustainability Report** (hereinafter also the "Report") of **Vesta Corporation S.p.A.** (hereinafter also "Vesta," "the Company," or "the Organization") and has been prepared with reference to the "Global Reporting Initiative Sustainability Reporting Standards" defined by the Global Reporting Initiative (GRI), as shown within the "GRI Content Index". Regarding the Universal Standards GRI 1 (Foundation) and GRI 2 (General Disclosures), the most recent version of 2021 has been adopted.

The information contained in this Annual Report refers to the year 2022 (**January 1 to December 31, 2022**) and, where possible, comparisons are offered with the previous year in order to enable comparability of data over time and assess the Company's performance.

The scope of economic, social, and environmental data and information relates to Vesta Corporation S.p.A.

For a fair representation of performance and to ensure the reliability of the data, the use of estimates has been limited as much as possible, which, if present, are appropriately reported.

Vesta's Board of Directors has reviewed the Sustainability Report as of May 2, 2023.

The periodicity for the publication of Vesta's Sustainability Report is set on an annual basis. This Sustainability Report is also available to the public at: www.vestacorp.it.

Any information regarding the Sustainability Report can be emailed to vesta@vestacorp.it.

# History, values and identity

## History and profile

Vesta was founded in 1966 as a sole enterprise focused on the production of leather. The local context of San Miniato, where the Company was born, since the end of the nineteenth century, sees as protagonists of the sector companies specialized in the production of vegetable tanned sole leather. On the contrary, Vesta, right from the beginning, stands out thanks to the practice of chrome tanning, which allows to create products suitable for the needs of new sectors of footwear and leather goods.

Over the years the Company has expanded its sales and product network by creating innovative lines with unique characteristics, thanks to the constant commitment in terms of experimentation, development and innovation, which over time have been placed at the center of the production strategy, allowing to achieve remarkable goals. The numerous certifications are evidence of a company and product that is constantly evolving and with a production process geared toward sustainability.

Since its founding, Vesta has implemented a path to develop a craftsmanship experience that enhances the art of tanning, combining tradition, expertise, innovation and sustainability.

Below are the main milestones that have characterized Vesta's growth over time:

**1966**

Foundation of Vesta Corporation

**1998**

Obtainment of Quality Management System certified UNI ISO 9001

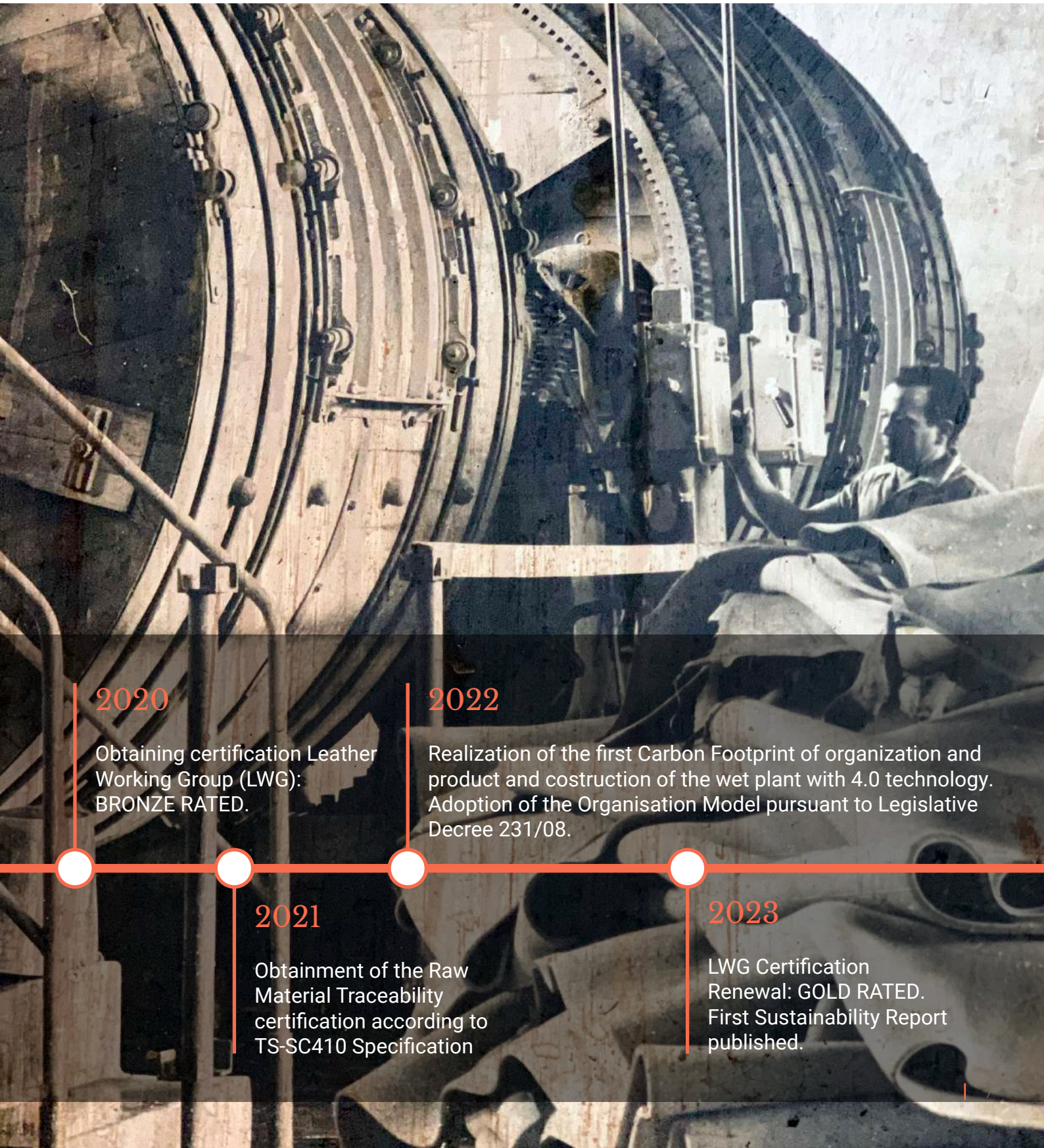
**2015**

Adoption of UNI 14001 certified environmental management system

**2016**

Birth of the Adon21 project (metal free). Obtaining the Social Responsibility Management System. Organisation Sustainability Commitment (ICEC).

Vesta focuses on the tanning of hides and skins derived from whole calves, half calves, breeches and rump, and production takes place at the Ponte a Egola site. The facility includes all departments for the raw hide transformation process, starting from the wet phase and finishing the tanning process in the finishing department. The former phase alone includes five sub-departments namely raw area, wet blue area, wet white area, riviera area and characterization area.



## 2020

Obtaining certification Leather Working Group (LWG): BRONZE RATED.

## 2021

Obtainment of the Raw Material Traceability certification according to TS-SC410 Specification

## 2022

Realization of the first Carbon Footprint of organization and product and costruction of the wet plant with 4.0 technology. Adoption of the Organisation Model pursuant to Legislative Decree 231/08.

## 2023

LWG Certification Renewal: GOLD RATED. First Sustainability Report published.

# History, values and identity

## History and profile

Vesta is committed to improving its performance in terms of quality and sustainability of the product offered.
Some of the improvement activities implemented include:

- production department powered by a new and innovative heating system that has allowed significant energy savings in terms of costs and emissions;
- totally renovated bottling and product mixing department with 4.0 technology that allows lower energy and water consumption;
- traceability certification;
- LWG (upgraded from a BRONZE rating in 2020 to GOLD in 2023);
- code of ethics;
- process carbon & water footprint certification.

LEATHER WORKING GROUP
GOLD
VES101

All the people involved in the production process share a method and professionalism based on collaboration and innovation, and the common goal is the creation of a quality product that respects not only the environment, but all aspects related to sustainability.

Thanks to these shared values, the Company represents one of the most solid companies in the Samminiatese area, contributing positively to the name of the Made in Italy and being a point of reference for the most important luxury brands.

Vesta to date operates mainly in Europe (focusing mostly on Italy and Germany) and the United States. This development and international reputation is a sign of the Company's ability to broaden its horizons, recognizing and meeting the evolving demands of the market.

## Headquarters in Ponte a Egola (Pisa):

Headquarters and production site
Plotter, R&D and graphics headquarters

## Production dedicated to:

Leather goods
Footwear

## Two product types:

Heavy (breeches, rump)
Light (whole calves and half calves, with smaller thickness)

## 100,000 $m^2$

monthly production capacity

## 398,000 $m_2$

product sold in 2022

## 22.2 milion euro turnover in 2022

turnover in 2022

# History, values and identity

## Values, mission and vision

In order to create a high-quality product that is always able to respect and meet the needs of its customers, Vesta has combined not only tradition with innovation, but also sustainability with ethics, safety and traceability of raw materials. Only with the synergy of these elements is the Company able to guarantee in addition to a high quality of the product a long-term continuity of its business.
Based on these values, Vesta has defined its Mission, which is based on the offer of a product that arises from collaboration and know-how of professionals, who strive daily to offer a product that respects the environment and that is safe for both the customer and the employee.

**Vesta is committed** to ensuring that sustainability is a key concept around which the company develops, by adopting a broad vision that embraces both environmental and social issues and by adopting a responsible conduct towards its employees, customers, animals and all those who come into contact with the organization.

**Vesta's strategy** aims to enhance each product, making it unique and exalting all its qualities. To do so, the Company has created a corporate culture that aims to meet the ever-changing demands of the market and that tells the story and tradition of the setting in which the product was created.

**Vesta's goal** is to constantly improve the quality of the product and service it offers, remaining competitive in its target industry and responding to new demands from the market. To do this, the quest for improvement requires major investments in terms of innovation and research into technological applications that do not negatively impact the environment.

# History, values and identity

## Sustainability goals

Vesta has defined the sustainability goals below.
These objectives will be able not only to contribute to the growth and evolution of the Company but also to have a positive impact on the environment and on all those directly and indirectly involved in the Company's operations.

Vesta recognizes that operating in pursuit of sustainability objectives brings benefits not only in environmental terms but also in terms of the health of the company in the long term. Creating a healthy and stimulating work environment that also affects well-being outside working hours is a necessary condition to allow the artisans involved in the realization of the product to grow professionally and to contribute, thanks to their experience and know-how, to the realization of a unique product.

- Implementation of a $CO_2$ compensation project.
- Exclusive use of 100% renewable energy.
- Installation of a photovoltaic system and two additional charging stations for electric cars.
- Reduction of water resources used in the production process
- Improvement of employees' well-being.
- Further support for local community development.


VESTA
CORPORATION

# History, values and identity

## Ethics and transparency

Vesta is committed daily to the application and observance of strict principles in the performance of its activities, distinguishing itself for reliability, accountability, and professionalism. These principles are outlined in its Code of Ethics that regulates the company's activity, is inspired by the corporate culture of the Company and provides guidelines for behavior towards all entities with whom the Organization comes into contact.

### Principles contained in the Code of Ethics

Compliance with laws and regulations.

Fairness and honesty

Impartiality

Professionalism and enhance-ment of human resources

Confidentiality

Health protection and saftery at work

Environmental protection

Diligence and good faith

Conflicts of interest

Transparency and complete-ness of informa-tion

In particular, the Code of Ethics outlines the definitions of these principles, which are shown below:

## Compliance with laws and regulations

This commitment is extended to all those who have relations with Vesta, which undertakes not to continue any relationship with those who do not intend to align themselves with this principle.

## Impartiality

The Company, in all relations with counterparties, avoids any discrimination based on age, race and ethnic origin, nationality, political opinions, religious beliefs, gender, sexuality or state of health of the interlocutors.

## Conflicts of interest

The Company operates to avoid incurring situations of actual or even potential conflict of interest, including, among the hypotheses of “conflict of interest”, also the case in which a subject operates for the satisfaction of an interest other than that of the company.

## Health protection and safety at work

Employees and collaborators, whose physical and moral integrity is considered a primary value, are guaranteed working conditions that respect individual dignity, in safe and healthy work environments.

## Fairness and honesty:

The Company operates in compliance with professional ethics and internal regulations, recognizing that the pursuit of the institutional interest cannot justify conduct contrary to the principles of fairness and honesty.

## Confidentiality:

The Company guarantees the confidentiality of the information in its possession, prohibiting the Company's collaborators from using confidential information for purposes not related to the exercise of professional activity.

## Transparency and completeness of information:

The information disseminated by the Company is truthful, complete, transparent and understandable, allowing recipients to make informed decisions.

## Environmental protection:

The Company is aware of the impact of its activities on the economic and social development and on the quality of life of the territory of reference, and for this reason the Company undertakes to safeguard the surrounding environment in carrying out its activities.

## Diligence and good faith:

Each employee and / or collaborator must act loyally and in good faith, respecting the obligations contractually signed and ensuring the requested services.

Transparent, ethical and compliant behaviors are essential for the management of business activities, as well as for the definition of a good reputation and credibility, which constitute fundamental intangible resources, favoring investments, relations with local institutions, customer loyalty, the development of human resources, the correctness and reliability of suppliers.

In carrying out any business activity, conduct that is not based on ethics compromises the relationship of trust between the Company and its Stakeholders.

Supervision of the application of the Code of Ethics is guaranteed by the Supervisory Body, established and regulated by the Organization and Management Model pursuant to Italian Legislative Decree No. 231/2001, which was adopted and approved by the Board of Directors of Vesta Corporation S.p.A. on 17 November 2022.

All employees of the Company have the possibility to make anonymous reports to the Supervisory Body. In 2022, as in the previous year, there were no cases of corruption neither reported nor ascertained, of legal actions for anti-competitive, of antitrust and monopolistic practices, of non-compliance with environmental, social and economic laws and regulations. Furthermore, as a evidence of the Company's strong sense of legality and commitment to compliance with the rules and laws of the country in which the Company operates, Vesta in 2022 received a legality rating of ★★+ (out of ★★★) by the Italian Antitrust Authority.

AUTORITÀ GARANTE DELLA CONCORRENZA E DEL MERCATO

AGCM

LEGALITY RATING

★★+

The responsibility to monitor and sanction illegal conduct lies with the Supervisory Body and the Administrative Body that collaborate in order to guarantee an ethical and responsible conduct of company activities, also with reference to relations with external parties such as customers and suppliers.

Finally, with the aim of formalizing the fundamental values to which the company is inspired, the UNIC Code of Conduct and Social Accountability, certified by ICEC, has been signed. The document includes the principles of SA8000 standard, of the main international agreements (ILO) about workers' rights, above all regarding juvenile labour, and the main requirements about social accountability, environmental respect and professionalism.

UNIC social accountability

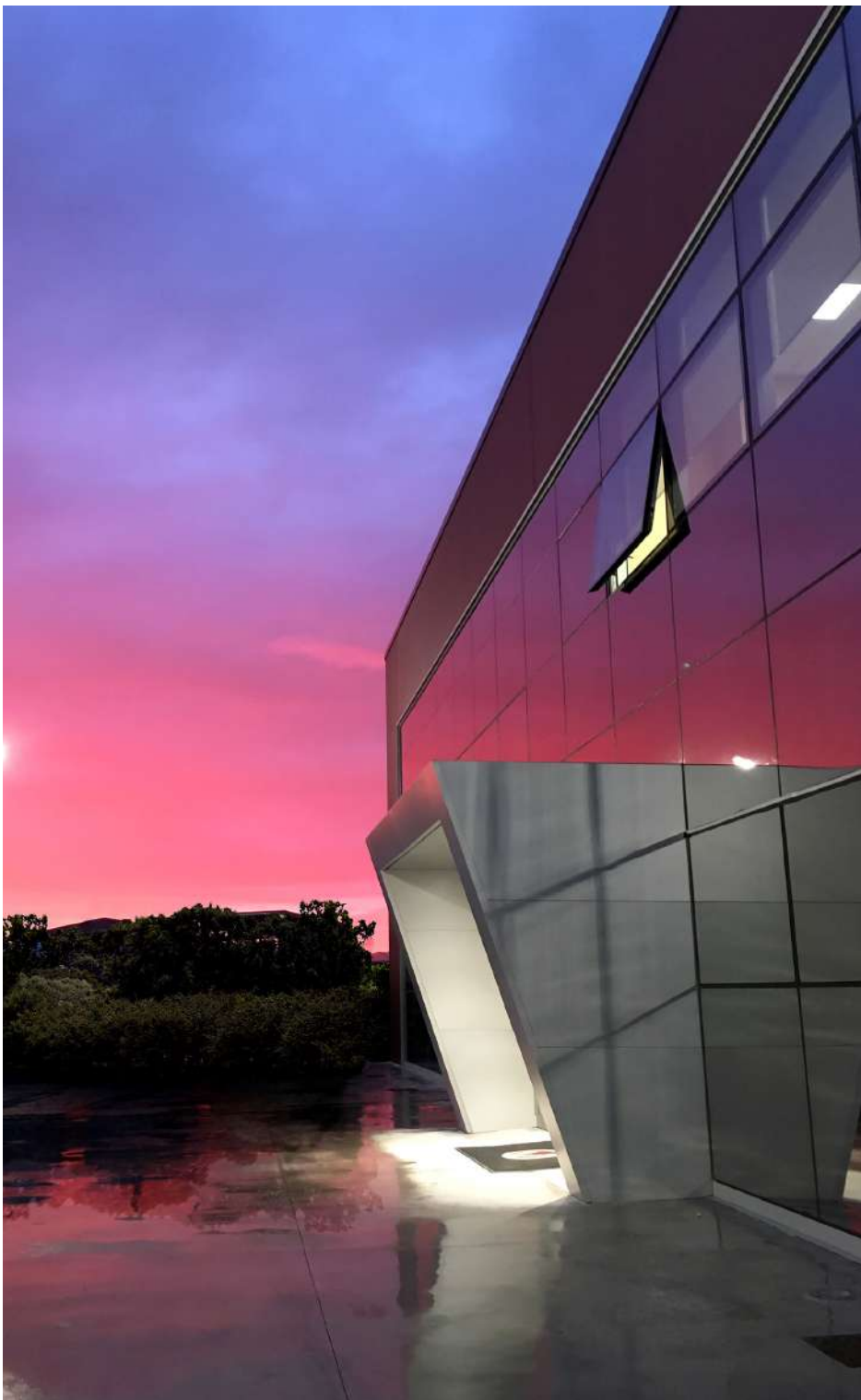
# History, values and identity

## Corporate governance and organizational structure

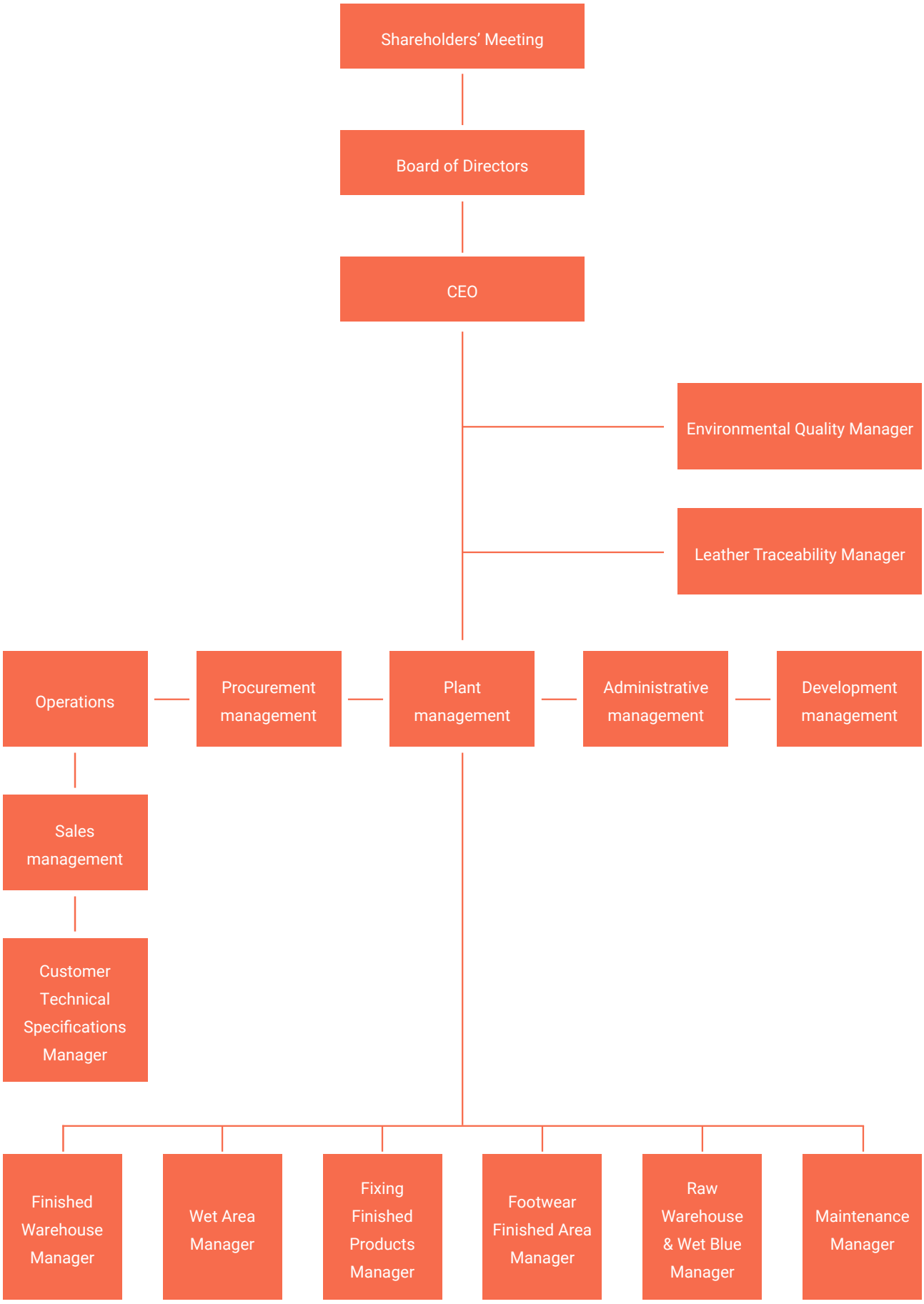
Vesta has a strong corporate governance that enables it to support and sustain a strategy that aims to create value over the long term.

The governance system adopted by the Company ensures a responsible and transparent management of the business towards the market, creating value for Stakeholders.

The main control bodies are the Board of Statutory Auditors and the Supervisory Body, pursuant to Legislative Decree 231/2001, while the Top management and all staff must work together to ensure the functioning of management systems, worker safety and the identification of risks and business opportunities. The structure to date represents the backbone of the company and is the result of the development over decades of tanning activity.

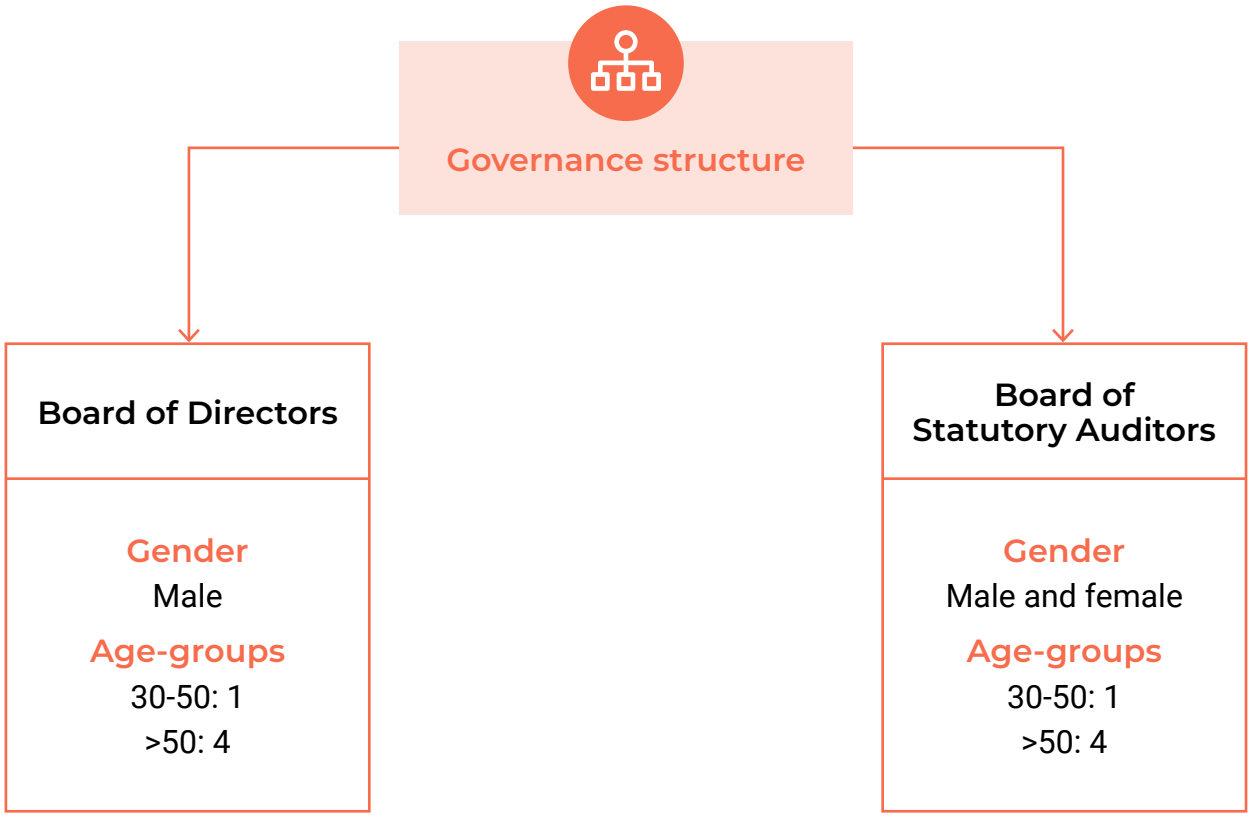


# Company Organizational Chart as at 31 December 2022



The Board of Directors of the Company is composed of five men, of whom 20% are between thirty and fifty years old and 80% are over fifty years old. Within the Board of Directors, the executive member serves as CEO of the Organization.

Corporate governance structure as of 31 December 2022




The system is organized in such a way as to ensure the responsible conduct of business, both towards its employees and towards the market.

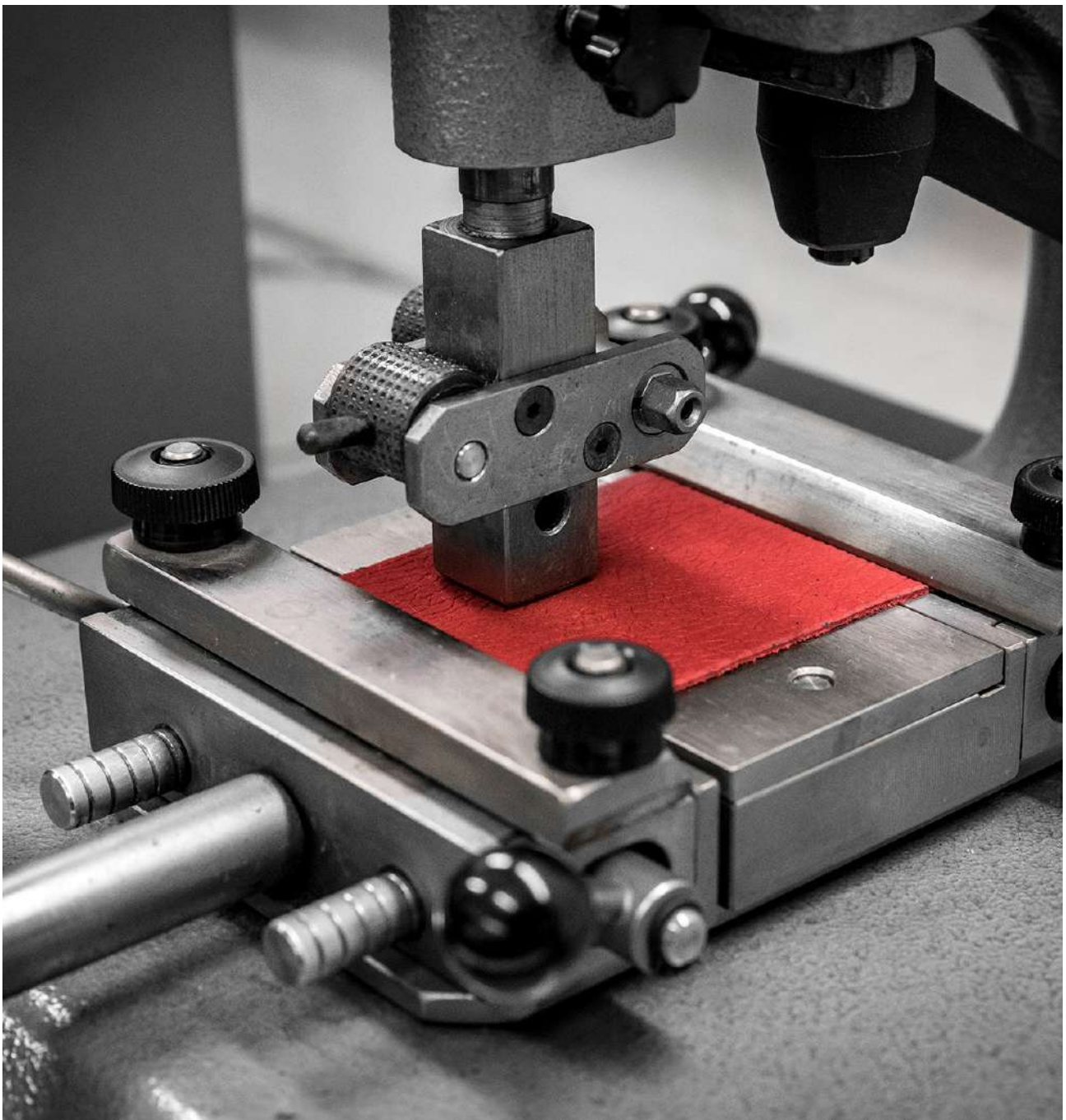
All members of the Board of Directors are responsible for the quality and the health and safety management systems and represent a point of reference for reporting any problems within the workplace, thus facilitating the identification of risks and opportunities related to all aspects inherent to the internal dynamics of the Company.

The principles outlined in the Code of Ethics guide and represent Vesta's governance system, while the corporate management's effectiveness is measured by key factors of the Company's success, such as customer satisfaction, product quality and employee safety.

# History, values and identity

## Financial performance

The reporting and analysis of the economic value generated and distributed makes it possible, on the one hand, to monitor the economic and financial soundness of the Company and, on the other, to highlight how this value is reinvested for the purpose of business development both in terms of production and with reference to the main Stakeholders.



**The increase in sales** volume is related to planned growth through enhancement of a well-defined strategy. During the year, Vesta consolidated its presence in the market of technical and "heavy" thickness materials, increasing its share of sales related to the luxury sector.

# +10%

**The business recorded** an increase in revenues of about 10% compared to 2021, with an amount of € 22,206,073 and a decrease in profit of about 28%, with an amount of € 1,994,046 in 2022.

**The overall economic** result was due to the increase in production costs that were recorded during the year and were mainly attributable to the increase in external processing costs and energy costs, leading to a reduction in EBITDA from € 4,798,216 in 2021 to € 3,840,883 in 2022.

Regarding the investments made, the Company started in 2021 a process aimed at improving and increasing the company's technological level, encouraging the introduction of innovative technologies in accordance with the definition of "industry 4.0", both in the company and in the production cycle.

The project involved the construction of a brand-new plant for the management of 12 new liming, tanning and dyeing drums and the automation of 3 existing drums for a total amount of € 2,037,750, plus € 50,000 for the new interconnection and integration software. The implementation of these investments was completed in June 2022.

After overcoming the major uncertainties related to the pandemic period, the Company continues its production activity by striving to maintain constant production regimes and satisfaction of customer orders. Notwithstanding the complex geopolitical situation that arose in the first months of the year 2022, represented by the war in Ukraine and despite the increases in energy prices recorded in the year 2022, no risks related to business continuity have arisen.

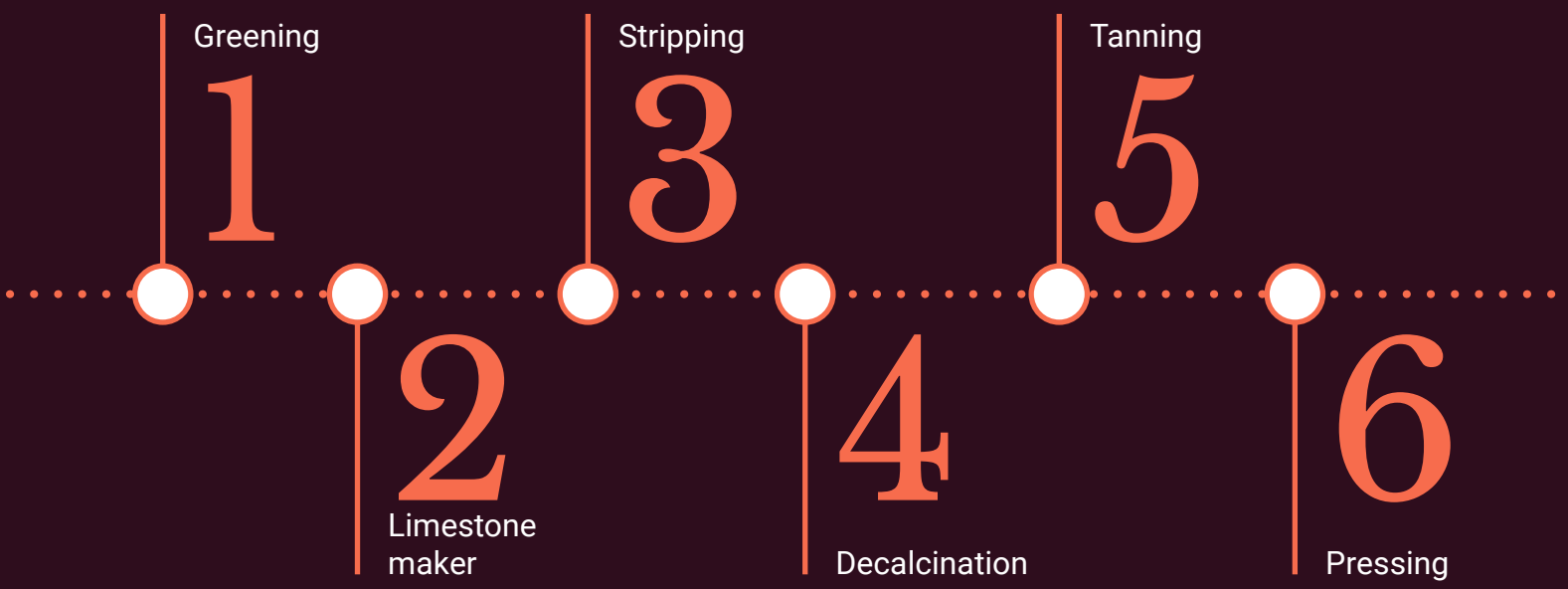
# Company production

## Sustainability and impact of our products

Vesta produces calfskins, breeches and hump hides, and uses chrome tanning and metal free tanning to process the raw hide. In addition, due to the high-quality standards adhered to, Vesta is a supplier to the most important haute couture brands and is committed to offering them a unique and quality product.

The production facility includes all processing steps, both inherent to the wet phase and the finishing phase. Within the wet phase there are five sub-departments such as: raw area, wet blue area, wet white area, riviera area and characterization.

Leather processing (so-called “Core process”) takes place entirely within the Company, and includes the following stages:

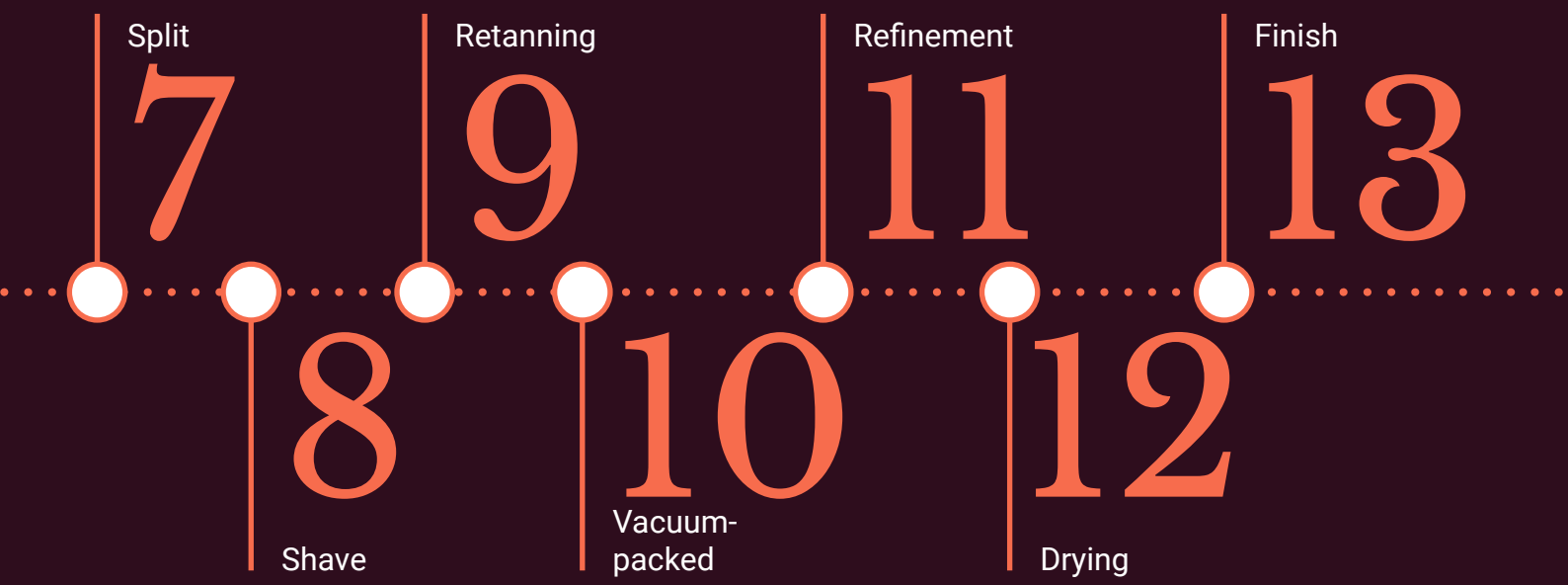


The finishing department, on the other hand, includes everything necessary for the completion of the production process and consists of areas with regulated temperature and humidity and a digital printing plotter department, where Vesta's creativity takes shape.

Vesta's products are intended for two types of use such as purely men's sportswear and casual items and women's footwear and luxury leather goods. The products can be of "heavy" type (such as breech and hump hides with significant thickness) and "light" type (such as whole calf and half calf hides with reduced thickness).

Vesta operates in the belief that the planet's resources should be preserved, and for this reason it carried out a Carbon Footprint and Product Water Footprint analysis in 2021 in order to monitor consumption and seek solutions that allow both savings and a greater respect for the resources used. The Company has renewed its commitment to conduct such an analysis for 2022 as well.

The product Carbon Footprint study was carried out in compliance with UNI EN ISO 14067, and the PEFCR (Product Environment Footprint Category Rules) proposed by "COTANCE-Euroleather" (Confederation of National Associations of Tanners and Dressers of the European Community) were taken into consideration. The adoption of these rules made it possible to choose which inputs to consider and to set up an appropriate analysis structure.



This analysis stems from the need to quantify the impact of production in terms of CO2 emissions for finished product and cubic meters of water used to produce one square meter of product. The study includes the entire manufacturing process, which includes three phases: the upstream phase, that includes the production and the transport of the raw materials necessary for processing; the "core" phase, which concerns the main production processes; the downstream phase, in which the management of processing waste (both solid and liquid) takes place. The study was carried out on nine types of product and begins with the slaughter phase, up to the finishing of the leather processing.

The final products are divided by thickness (light leather, medium leather, heavy leather) and by type of finishing process, such as aniline, semi-aniline and pigmented and the following results were outlined by the **Product Carbon Footprint** analysis carried out in 2021:

| **Kg CO, Eq/ 1 m2** | Light | Medium | **Heavy** |
|---|---|---|---|
| Aniline | 19.6 | 16.2 | 48.1 |
| Semianiline | 21.7 | 17.8 | 47.9 |
| Pigmented | 23.6 | 19.2 | 47.4 |

# Company production

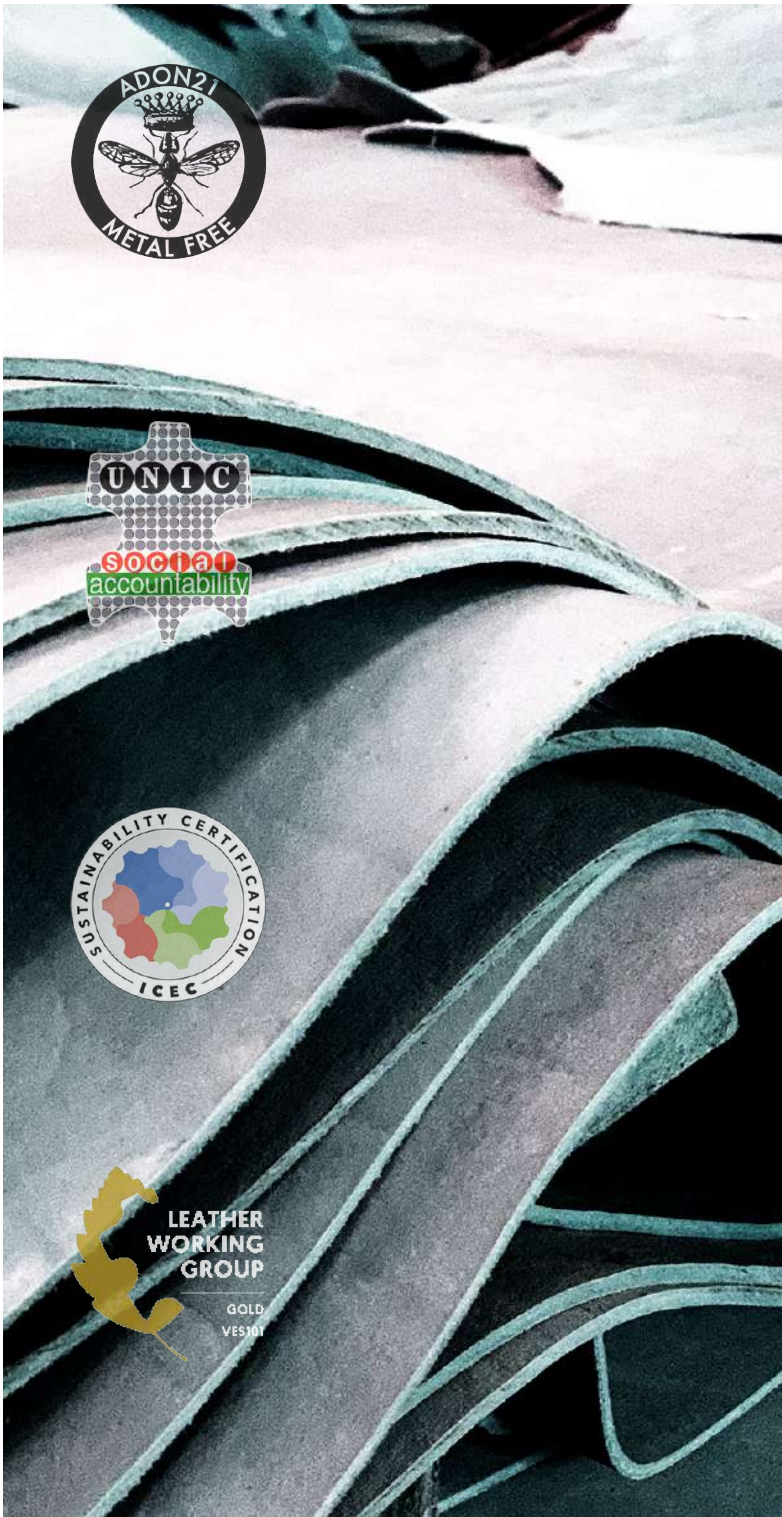
## Quality, product safety and customer satisfaction

Vesta produces its leather in accordance with current legislation and according to the requirements of Regulation (EC) No. 1907/2006 (REACH) and in compliance with the Quality Management System in accordance with ISO 9001.

The controls are carried out regularly at the beginning of the production process, during the processing phases, by taking samples in the intermediate phases and at the final stage of the product, in order to define the leather requirements. If a physical non-conformity is detected, the product is sent back to the production department where this issue will be resolved.

The controls that are carried out are both physical and chemical.

Physical tests are carried out in the company within a quality control laboratory. Every time a check is carried out, a **CEQ** ("Electronic Quality Certificate") is issued, which is used to trace the physical and chemical characteristics of the product. During this phase all the tests that simulate the use over time of the different types of leather are performed.



During 2022, 17 cases of physical non-compliance were detected, and this figure is decreasing compared to 2021, during which 25 were recorded.

In addition to physical checks, sample checks are also carried out on chemical conformities, and these checks are carried out by an accredited third party. Indeed, compliance with the most stringent specifications and PRSL is another hallmark of the company's responsible activity.

Vesta operates daily with the aim of guaranteeing a quality service and product, paying particular attention to the needs of its customers. To do so, it has made professionalism, competence, responsibility, product customization, timeliness of deliveries and after-sales assistance the focal point of its business strategy.


Vesta's customers benefit from total transparency, as the Company undertakes to sign the specifications relating to the supply and to fill in the technical data sheets.
Finally, following the delivery of the product, customers, on a voluntary basis, can express an index of satisfaction of the Company based on their degree of satisfaction.

In order to always pursue the goal of customer satisfaction, operating according to ethical criteria and in continuity with the demands of the sector, Vesta has joined several consortia such as:

- Tanners Consortium;
- Consorzio Cuoio Depur: a centralized water treatment plant, the terminal of the water collection system that has required very significant investments over the years to arrive at its optimization. The plant's technology has made it a benchmark for technicians and operators in the field, and the Company relies on it for water purification;
- Aquarno Consortium: Vesta relies on this consortium for the circularity of chromium recovery. The **Chromium Recovery Consortium** plant has obtained certification of compliance with UNI EN ISO 14001: 2015 for its environmental management system.

# Company production

## Research, development and innovation at Vesta

Vesta boasts the presence of specialized figures who every day are dedicated to the study and research of innovations applicable to leather in order to meet all the new market demands relating to footwear, leather goods and clothing.

Within the Research and Development team, some resources deal with the study of the tanning process to achieve new structures, textures and new methods of processing and transformation, to make the leather inert and more usable. The team also deals with the final appearance of the leather, crossing multiple processes, such as hot forging, laminating, pigmentation with powders, carvings, glossy and matt effects, manual processing, and plugging. Thanks to the thoroughness of this process, the Company is able to offer a range of unique and high-quality items that allow to differentiate itself in the market.

In addition, the Research and Development team can work on specific customer indications, starting from a photograph, from a conceptual “moodboards” and can create a finished product to meet specific needs. Such a development can also arise from an appearance of matter derived, for example, from a fabric, a wall, a plastic material, or anything else that can visually convey a “structural feeling” or tactile and visual appearance.

Research, since the beginning, has never focused only on a purely aesthetic aspect, but the solutions sought have always had, among the objectives, the aim of finding sustainable and alternative solutions, which respect nature and people’s health.

Thanks to this vision of research, in 2016 the **Adon21** project was born from the need to think about leather according to new standards.

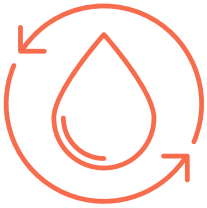
Leather made in traditional form involves the use of numerous tanning agents, heavy metals (e.g., chromium, aluminum, titanium, zirconium), glutaraldehyde, phosphonium or vegetable tannins and the related manufacturing processes have evolved together with the related technology.

As an example of this, Vesta has developed an innovative product, called Adon21, whose characteristic is the absence of use of heavy metals in the tanning process, excluding glutaraldehyde or phosphonium and also the classic vegetable tanning. In their place are newly developed synthetic products that avoid the traditional tanning processes mentioned above.

**The main objectives achieved thanks to the development of Adon21:**

### HIGHER SAFETY

Exclusion of heavy metals use from the tanning process producing a Metal Free leather, in accordance with UNI EN 15987.

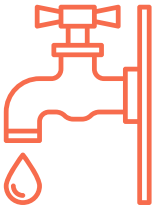


### PRODUCTS IN LIQUID FORM

Use of 50% of products used in the process are in concentrated liquid form and are handled through an automated plant in order to limit the number of plastic containers used and avoiding the handling of chemical products, albeit not very dangerous. In particular, Vesta has set itself the goal of reaching 85% of products in liquid form, making the process even safer.

### LOWER ENVIRONMENTAL IMPACT

Process temperatures have been reduced by 25-35%, having lower fuel consumption dedicated to heating process water, and thus lower CO2 emissions.



### WATER SAVINGS

Reduction of water resource use by 15% (savings target of 30%) and improvement of wastewater quality, by reducing the use of sulphates.

### SAME RESULTS, MORE SUSTAINABLE

The physical performance of the product (to tearing, ripping, streght of the grain to breakage), are comparable to those of a chrome tanning product.

Adon21 is a product that returns the same quality as a chrome-tanned product (relative to tearing, ripping, strength of the grain to breakage) but meeting better sustainability standards. Vesta's goal is precisely to continue to improve from this point of view, excluding classic sulfides dedicated to depilation and harmful anti-wrinkles, making the process safer and improving the quality of wastewater. The introduction of probiotic agents makes it possible to achieve this goal, making the processing even greener.
The project also features a (still experimental) dyeing process that excludes the use of classic dyes, replacing them with the use of pigments in liquid form.

And finally, an important product innovation on which Vesta is focusing part of its research is related to a circularity initiative. In order to ensure a more sustainable product end-of-life, Vesta is engaging in research and development of products that can be considered bio-based. There is in fact a European project that will be operational from 2025 according to which these products must contain at least 80% recent carbon in order to be considered **BIO-BASED.**

At the end of their life cycle, these products can be returned to the company to be used in the agricultural supply chain as fertilisers and biostimulants for organic crops.

In this way, the customer does not have the burden of disposing of the product and it will be possible to give the product a second life.

# Environmental responsibility

## Environmental management

### Reduction of environmental impacts

Vesta is constantly committed to its environmental impact and responsibility and is convinced that every daily action can make a difference.
In all production processes, Vesta respects legislative constraints by virtuously operating in terms of energy consumption, emissions, water and waste management.

As evidence of its commitment to environmental responsibility, Vesta has adopted an Integrated Quality and Environment Management System, compliant with UNI EN ISO 9001 and UNI EN ISO 14001 standards.

This System is applied to the design and production of finished leather for footwear and leather goods and is developed around a context analysis that considered both internal (which include the culture, the processes, the structure and the strategy of the organization) and external factors (which characterize the external environment in which the company operates). This System guarantees the Company's commitment to environmental protection, pollution prevention and resource efficiency, and every year the Management System is certified by ICEC.

**In addition, in 2020 the company obtained its first Leather Working Group certification**, which evaluates the environmental performance of leather manufacturers for environmentally friendly production and systemic management of quality, environment, safety and ethics. The rating that resulted from the first certification was BRONZE, while in the 2023 renewal we obtained GOLD certification.

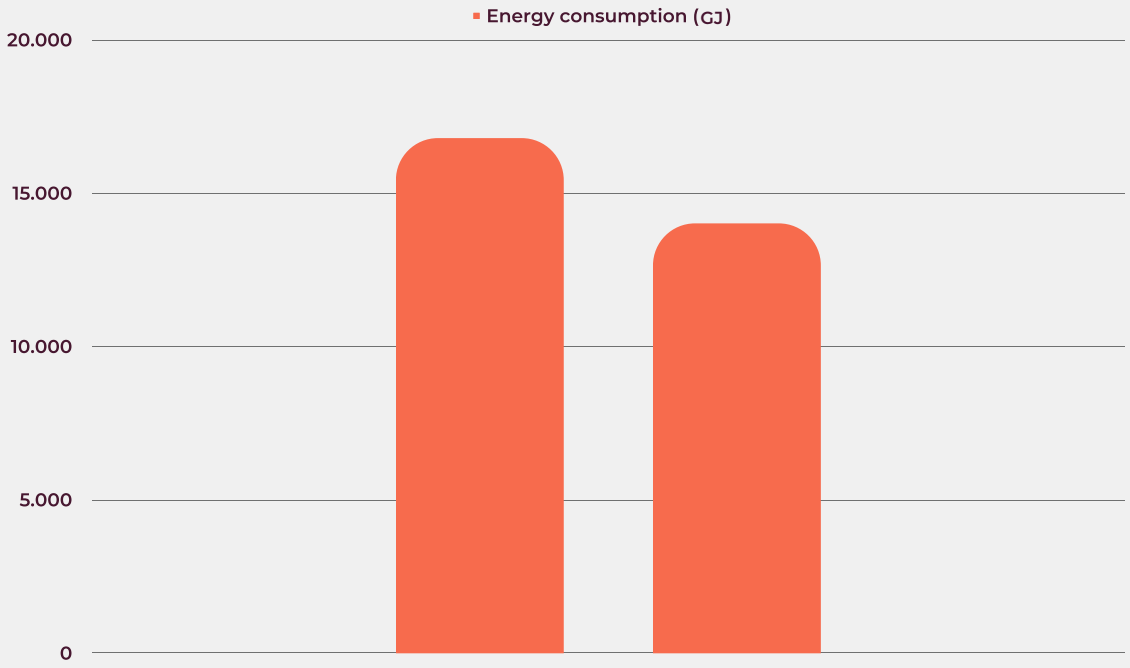
## Energy management

Vesta's energy consumption is mainly due to the consumption of electricity, natural gas, and diesel. Energy is mainly used for leather processing and therefore for the operation of the equipment and machines.

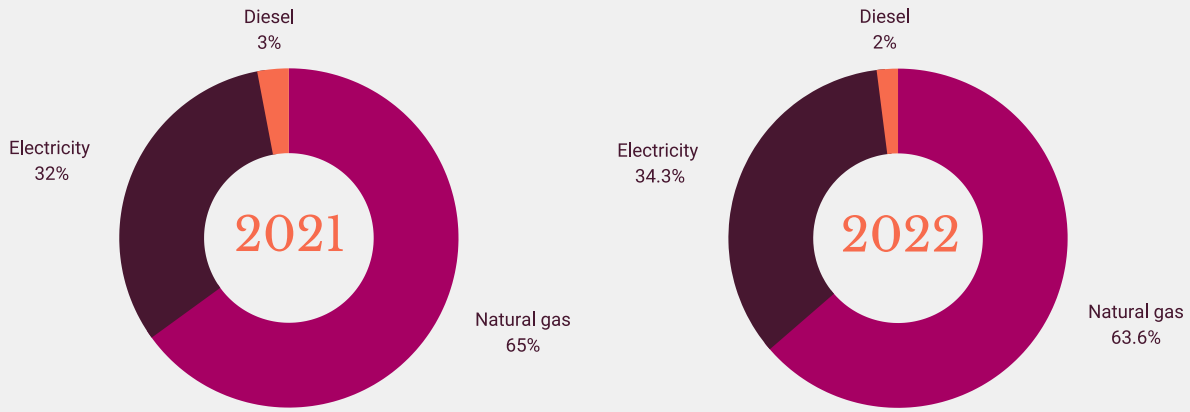
In 2021, Vesta embarked on an energy efficiency process, which included the installation of LED lighting, the replacement of the main boiler with a latest generation boiler, which allowed the maximization of efficiency and totally renovated the barrel department with the installation of motors totally managed by inverters.
Between 2021 and 2022 there was a decrease in energy consumption of about 16%[1], and this result is mainly due to the installation of the new methane heating system that made energy efficiency possible.

1 The conversion factors of energy consumption to GJ used are published by Italian Ministry of Environment - National Standard Parameter Tables 2021 and 2022 and ISPRA - National Inventory Report (NIR) 2021 and 2022.

## Energy consumption in the financial years 2021-2022



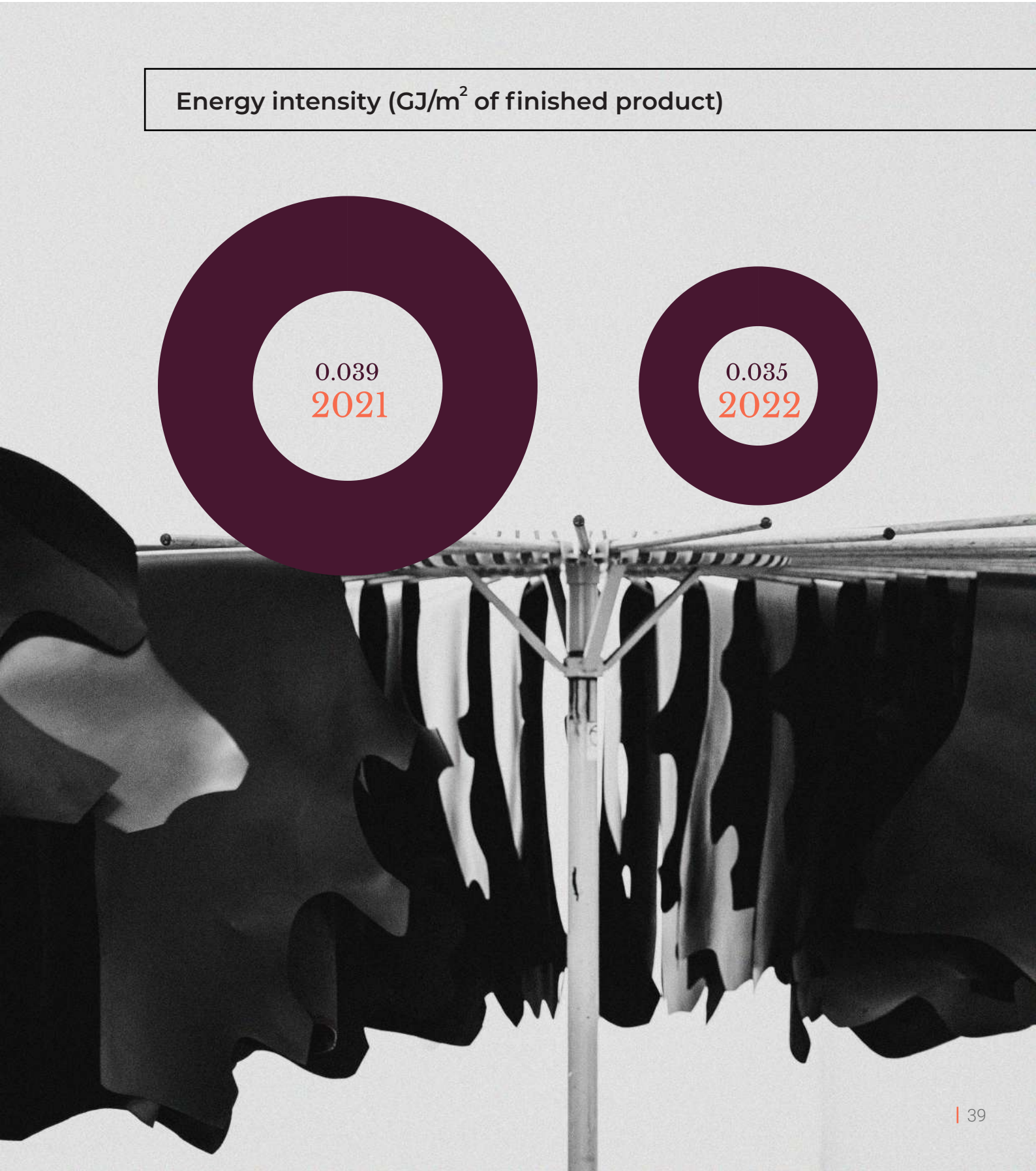

## Energy consumption by type in the financial years 2021-2022




As shown in the graph above, energy consumption is attributable to the consumption of fuels, such as natural gas and diesel, and to the consumption of electricity. In both years the consumption of natural gas is the most significant type of energy consumption, and in the two-year period there were no significant changes in the use of the different types of sources used.

The Company also measures energy intensity, an indicator calculated as the ratio between the total energy consumption of the organization and the total $m^2$ of finished product. This indicator is useful to indicate the efficiency of energy consumption. Energy intensity decreased between 2021 and 2022 and this is mainly due to decreased energy consumption.

**Energy intensity (GJ/$m^2$ of finished product)**



## GHG emissions

Following the "United Nations Framework Convention on Climate Change", the "Kyoto Protocol", the Paris Agreement and the Greenhouse Gas Protocol, Vesta discloses data on the two possible areas of greenhouse gas emissions:

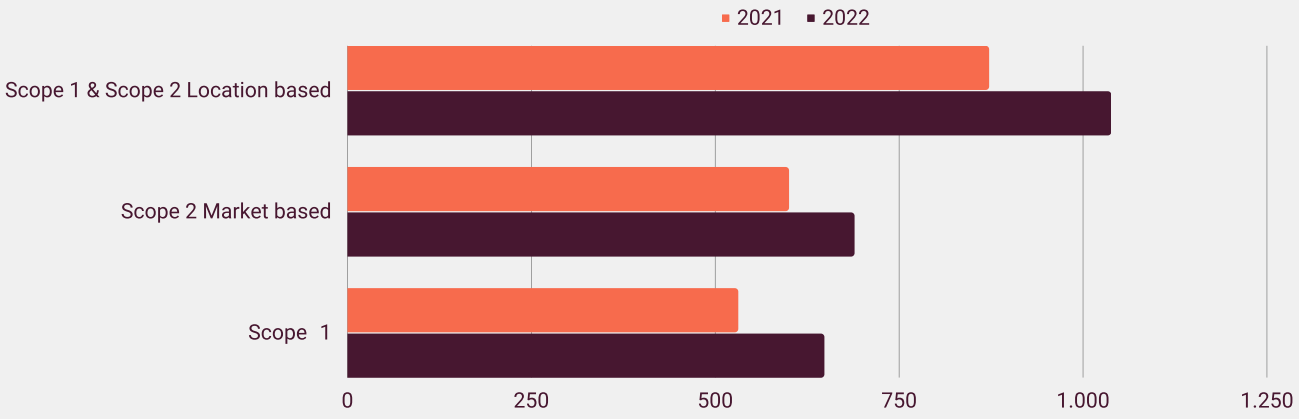
### Scope 1:

Direct greenhouse gas emissions come from company-owned or controlled facilities and are released into the atmosphere.

### Scope 2:

Indirect greenhouse gas emissions are emissions from purchased or acquired electricity used by the Company. In accordance with the Greenhouse Gas Protocol and the GRI Standards, the estimation of Scope 2 emissions must be based on two different approaches: location-based and market-based. The first approach takes into account the energy conversion factor of the country where the energy was purchased. Thus, comparing performance, a national average emission factor and a national energy mix for electricity production are obtained. Instead, the market-based approach is based on the contractual instruments defined with the electricity supplier.

### Scope 1 ($tCO_2eq$), Scope 2 ($tCO_2$) emissions




With regard to Scope 1 emissions,[2] the consumption of natural gas for heating represents the most impactful category for this category, while Scope 2[3] emissions are represented by purchased electricity, which is currently supplied by an electricity provider not covered by Guarantees of Origin (GOs).

As for Scope 2 emissions, these are expressed in metric tons of $CO_2$ equivalent, although some of the sources used report emission factors expressed in metric tons of $CO_2$. These sources (ISPRA and AIB) do not report emission factors of gases other than $CO_2$ (methane and nitrous oxide) as they are considered negligible.

Finally, the Company also monitors the intensity of its emissions, defined as the ratio between absolute greenhouse gas emissions (Scope 1 and Scope 2) for the specific metric chosen by the Company (in this case the total square meters of finished product) and, as for energy intensity, this indicator is useful for detecting efficiency in terms of GHG emissions.

The intensity of Scope 1 and Scope 2 Location-Based emissions[5] in 2022 is 0.0022, slightly lower than the 2021 figure of 0.0024 $tCO_2eq/m^2$. This decrease of about 10% is in fact due to a decrease in emissions recorded by the Organization during the two-year period.

With the start of the GHG reporting process, Vesta Corporation has carried out certification activities according to UNI EN ISO 14064-01:2019[4] concerning the calculation of CO2eq emitted by its activities during 2021.

2 The emission factors published by the Ministry of the Environment - National Standard Parameter Tables 2021 and 2022 and ISPRA - National Inventory Report (NIR) 2021 and 2022 were used for the calculation of the Scope 1 emissions for the years 2021 and 2022.

3 For the calculation of Scope 2 Location-Based emissions, emission factors published by ISPRA 2021 were used;
For the calculation of Scope 2 Market-Based emissions, emission factors published by Association of Issuing Bodies (AIB) - European Residual Mixes (2021 and 2022) were used.

4 The results presented in the Carbon Footprint of Organization were calculated using the software "SimaPro 9.2.0.2" through which it was possible to quantify the emission of CO2 eq by going to measure the Carbon Footprint of the organization under review, considering a different scope and using cut-off rules. The calculation methodology called "IPCC 2013 GWP 100a" was used through which it is possible to convert the amount of each GHG is converted to CO2 eq using the appropriate GWP (Global Warming Potential), which is a factor that describes the impact as the radiative forcing of a mass unit of a given GHG relative to an equivalent unit of CO2 over a given period of time. The computational design was constructed using the following databases in the software: "Agribalyse3," "Agri-footprint5," "Ecoinvent3." Using the previously described parameters, after calculating the impacts of individual macroareas, the GHG emissions expressed in kg CO2 eq, of the entire system were quantified.

5 The emissions intensity measure is given by the ratio of the total Scope 1 and Scope 2 Location Based emissions to the total square meters of finished product made during the year.

With the start of the GHG reporting process, Vesta Corporation has carried out certification activities according to UNI EN ISO 14064-01:2019 concerning the calculation of CO2eq emitted by its activities during 2021.

By virtue of this certification, Vesta Corporation has decided to commit to neutrality and therefore **total offsetting of its CO2 emissions** for the year reported and certified. This neutrality will be achieved through total emission offsetting by acquiring credits from UN-certified projects.

For emission offsetting 2021, the project concerns the co-participation in the construction of a massive hydroelectric plant. In view of the continuity of the project, the year 2022 has also been the subject of CO2 emission calculations, and in the course of 2023 we will certify these results so that the company can proceed with further offsetting from projects that are always UN-certified.

The Company's objective in the medium to long term is in any case to implement all possible actions for an ever greater reduction in direct and indirect emissions so as to also gradually reduce the offsetting activity afterwards.

# Environmental responsibility

## Responsible management of resources and materials

### Water management

Managing water resources responsibly is essential as an irresponsible use could lead to significant impacts on the environment and the local community. Vesta's manufacturing process requires the use of a large amount of water, which is why the company is committed to finding solutions and innovations to minimize its use.

In 2015 Vesta, to guarantee its commitment to the environment and society, adopted an environmental management system certified UNI EN ISO 14001.

In 2021 the Company realized the **product Water Footprint** on the basis of the standard **UNI EN ISO 14046**, in order to monitor water consumption related to its products and identify areas for improvement.

The Company has renewed its commitment to carry out the analysis also for 2022. In the tanning process the amount of water needed is more during the production phases, in particular during the Upstream which includes livestock breeding and slaughter, which is not undertake by the Company.

Water withdrawals are carried out from three wells that have meters capable of measuring water both qualitatively and quantitatively, incoming and outgoing. On average about 95% of the water withdrawn is used in production processes, while the remaining 5% is aid water for operations such as washing of machinery.

In 2022 the Company consumed a total of approximately 16,476 megaliters of water, and this figure decreased by about 14% compared to 2021, when the Company consumed about 18,820 megaliters of water.

About 80% of the water used in the production processes is sent through a specific pipeline to the Cuoio Depur consortium purification plant (which monitors the water withdrawn, the water discharged and its quality), after internal purification treatment.

The plant is able to recover the basic chromium sulphate from the tanning liquid containing chromium and, following purification, the water is re-introduced into the Arno river while the chromium is reinserted into the production process for the tanning phase, allowing maximum use of resources.

The remaining 20% of the water resource taken from the wells for the production process is instead absorbed by the product and evaporates in the drying process.

With regard to improvements in production processes, Vesta benefits from systems that optimize the use of water resources in the various stages of leather processing.

With a view to continuous improvement, various studies are underway to shorten tanning times so as to reduce water and electricity consumption.

Thanks to continuous controls, the Company is able to intervene immediately in the event of breakages or other events that would lead to the dispersion of water.

## Waste management and circularity

The main waste produced by Vesta is tanning liquid, leather scraps, general waste, wooden pallets and hazardous waste, which include packaging and drums with chemical leftovers. The latter are diverted from disposal and returned to the supplier himself to be regenerated, thus managing to recycle them.

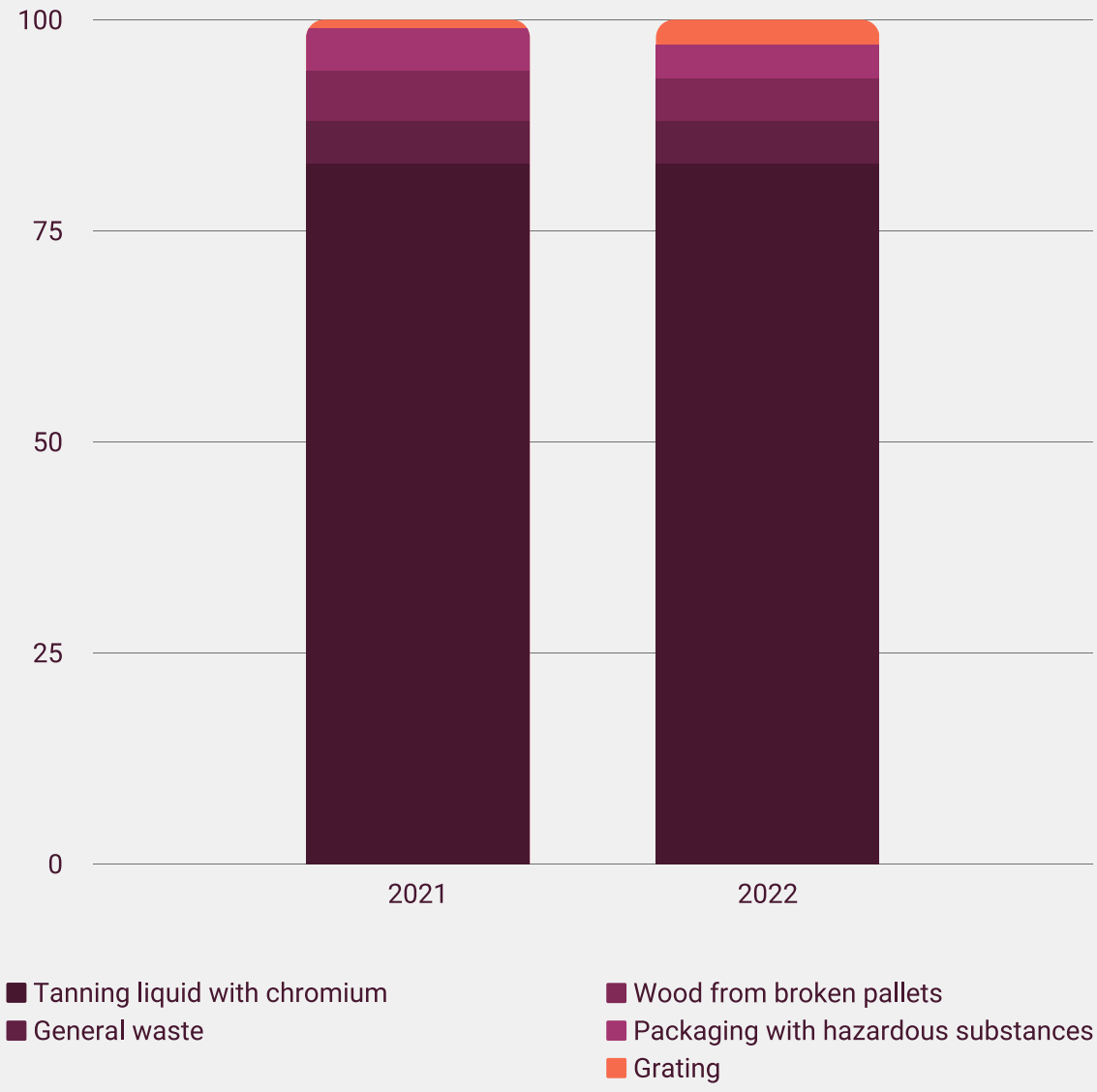
Vesta is committed to collaborating with companies that deal with disposal and recovery in order to reduce the amount of waste and with a view to circularity, a good part of the leather scraps is given to companies that reuse them for the creation of accessories and small artifacts.

In addition, in accordance with the requirements of the Leather Working Group certification and in order to ensure proper waste management, Vesta requires evidence from waste disposal recipients about how waste is handled.

With regard to internal waste management, all waste bins are covered to avoid spills, in line with the requests of the certifying body Leather Working Group.

In 2022, **1,232 metric tons of waste** was produced, representing a **reduction of about 7% compared to 2021.** Moreover, in line with the previous year, in 2022 most waste belongs to the "non-hazardous" category, while hazardous waste represents only 4.5% of the total, a slight decrease compared to 2021.[6]

## Waste generated per type (2021-2022)



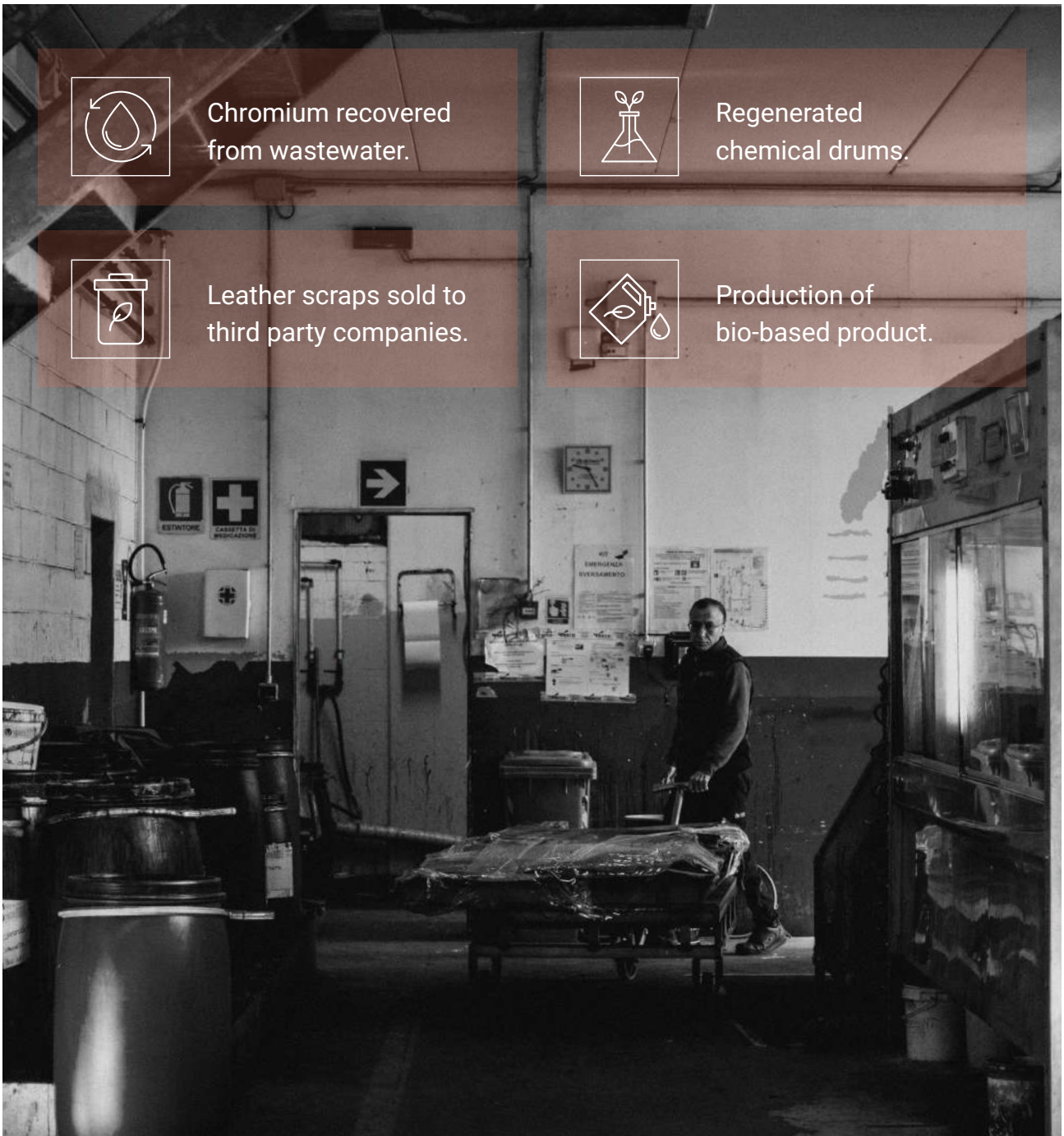

[6] The following waste types are not represented in the graph: tanned leather cuttings, discarded equipment, iron, and plastic, as they are produced in minimal quantities.

Vesta monitors the waste produced by filling in an Environmental Declaration Form (corresponding to the Italian MUD), which is constantly updated following checks carried out with the transporters and final recipients of the waste.

To ensure a more sustainable end of life of the product, Vesta is engaged in research to create products that can be considered Bio-based, a European project that will be implemented from 2025.

To be considered as such, these products must contain at least 80% recent carbon. At the end of their life cycle, these products can be returned to the Company, to be then destined to the agricultural supply chain as fertilizers and bio stimulants for organic crops.

In this way, not only the end customer does not have the burden of disposing of the product, but more importantly, it is possible to give a second life to a product that originates from the earth and returns to the earth, embodying a concrete expression of circularity.



## Responsible management of raw and other materials

The main materials used by Vesta include raw leather, wet-blue ("WB") leather, wet-white ("WW") leather, and chemicals, broken down according to the stage in which they are used, i.e. barrel and finishing.

The Company mainly purchases raw or semi-finished hides and chemical products for the treatment of the same. In 2022, it used 87% of raw hides and 13% of WB leathers, while regarding chemicals, 85% for the barrel phase and 15% for the finishing phase.

| | |
|---|---|
| **Raw leather** | 1,550,315 kg |
| **Wet blue leather** | 233,195 kg |
| **Chemical products** | 1,587,032 kg |

The biggest challenge faced by Vesta in the production phase is related to the use of chemical products: for this reason, the Company undertakes to monitor the products used through a solvent management plan that is sent to the Tuscany Region twice a year, and undertakes to also compile a report assessing the risks deriving from exposure to chemical agents.

In addition, Vesta guarantees the safe use of these products also by joining the International ZDHC Project (Zero Discharge of Hazardous Chemicals), aimed at eliminating from the entire textile and tanning supply chain the substances most dangerous to people's health and/or to the environment.

Finally, when it comes to transporting and storing the product, Vesta uses nylon packaging, recycled materials and wooden pallets.

# Responsible supply chain management

## Supply chain composition and local supply chains

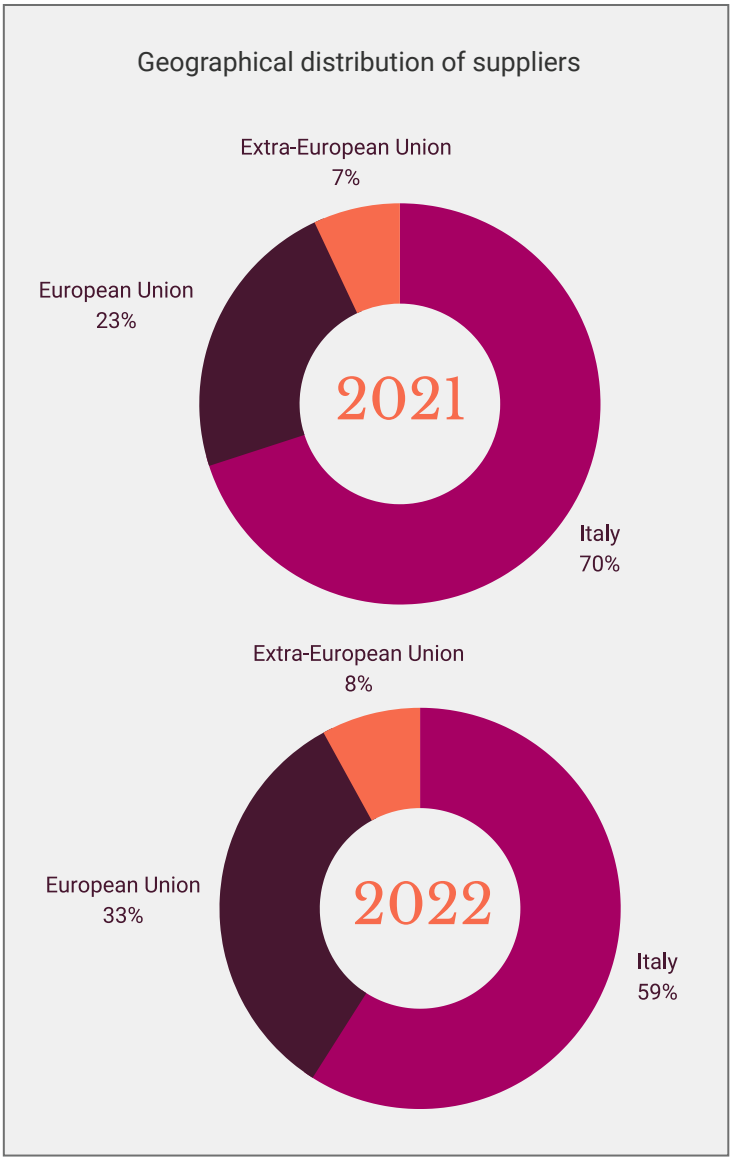
Vesta has a consolidated experience and collaborates with numerous fashion brands, renowned for the quality of the material of the products that are offered to the end customer. To maintain high quality standards of the materials used, the Company collaborates with suppliers not only who supply products that meet the required quality standards, but that also comply with health and safety standards and environmental and social regulations.

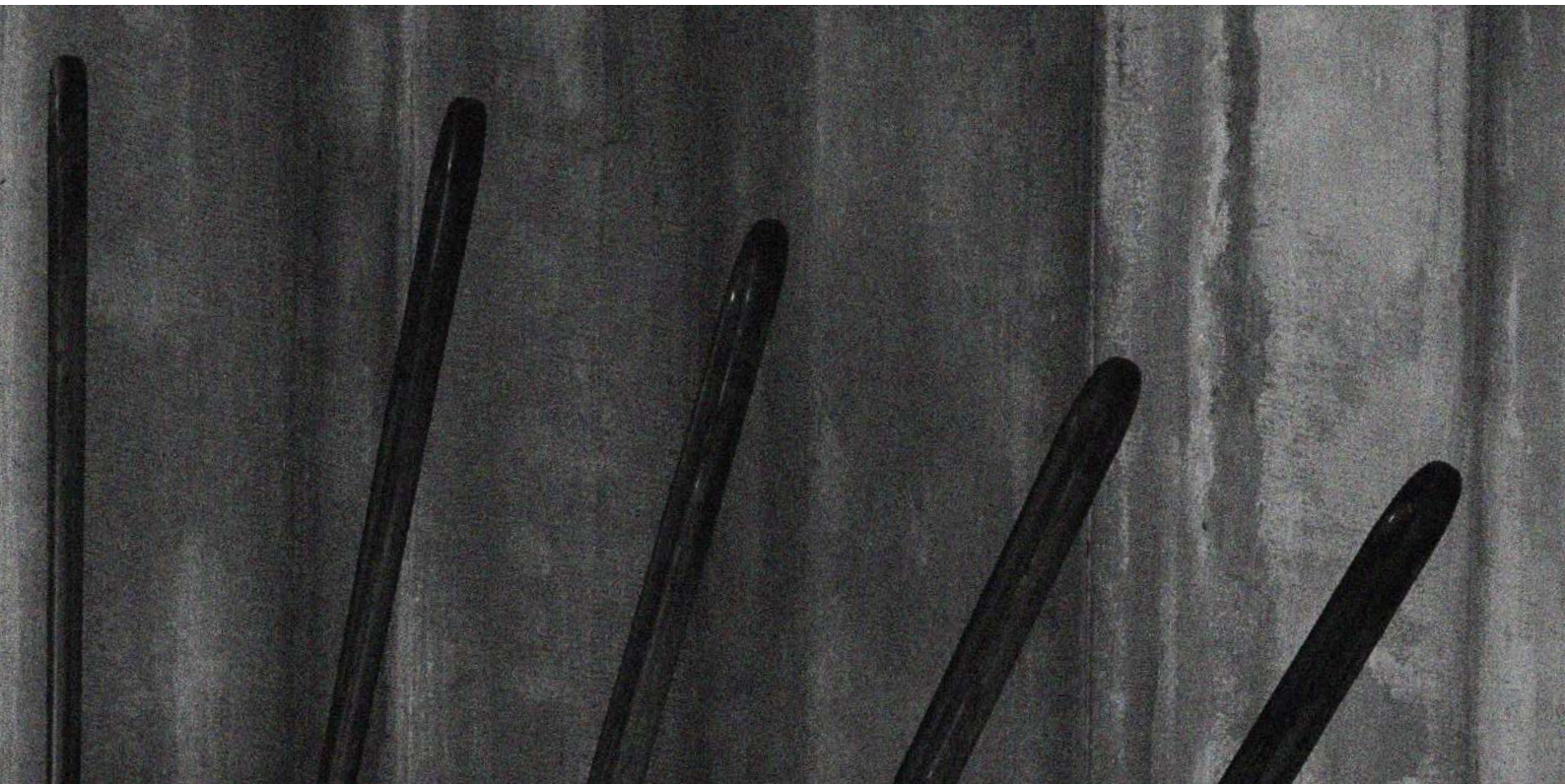
The Company collaborates with numerous suppliers and as far as raw material suppliers are concerned, the main ones are the 14 that have historically collaborated with Vesta. Raw leather comes from Italy and Spain, while leather already processed mainly from Poland.
As far as the supply of chemical products is concerned, this takes place directly on the national territory.

In 2022, the Company's total expenditure towards the main suppliers amounted to € 15,595,666.25, an increase of approximately 20% compared to the previous year.

Vesta demonstrates its willingness to contribute to the social development of the territory in which it operates not only through the creation of employment but also through the use of local suppliers of raw materials and services. In the reporting year, the expenditure made on Tuscan suppliers amounted to almost 7 million euros (which corresponds to 43% of total expenditure, with a slight increase compared to 38% in 2021), and at the level of Italian suppliers the expenditure amounts to about 60% of the total expenditure.

This figure is down by about 10% compared to 2021, as a result of an increase in spending on suppliers from the European Union, who make up 33% of total spending in 2022. Spending on non-EU countries is limited to below 10% for both years.



# Responsible supply chain management

## Relations with suppliers and traceability

The selection of suppliers, which is directly entrusted to the Company's management, takes place on the basis of objective and impartial evaluations, based both on the quality of the product supplied and on the price. Thanks to decades of relationships with most suppliers, Vesta is able to guarantee constant quality and safety of the products.

Vesta is committed to forging relationships with business partners who conduct business ethically and appropriately towards the environment, society and people, and who are committed to tracking the supply of raw materials through sector best practices and certifications.

Vesta provides important information on the requirements for the creation and maintenance of the business relationship, through three specifications, based on the type of supplier, that must be signed by them at the start of the business relationship:

1

### Specifications for the supply of chemical products:

This document is sent to chemical suppliers, formalizing their commitment to comply with a list of prohibited hazardous substances, included in the Manufacturing Restricted Substance List (MRSL) established by the international body Zero Discharge of Hazardous Chemicals (ZDHC).

2

### Specifications for the supply of raw, tanned or semi-finished hides and skins:

This document is sent for signature, together with the Compliance of chemical parameters (RSL) to suppliers of leather, both raw and wet-blue, and it includes a list of chemical products whose use is prohibited. The quality and commitment to environmental and social responsibility of suppliers of wet-blue tanned leather is further guaranteed by the choice of only companies that are certified by the Leather Working Group.

3

### Specifications for the supply of processes:

This document is sent to contractors and includes some indications regarding the protection of the health and safety of workers and the use of chemical products derived from the Company's Code of Conduct.

In terms of commitment to ensuring material traceability, Vesta has received for the second consecutive year the **Raw Material Traceability certification according to TS-SC410 Specification from ICEC**, which awarded the score excellent to the Company. This document certifies that Vesta is able to trace the origin of the leather to the place where the animals from which the hides are obtained are reared.

Finally, the certified integrated management system is another important tool through which Vesta establishes some essential rules regarding compliance with the principles of traceability.

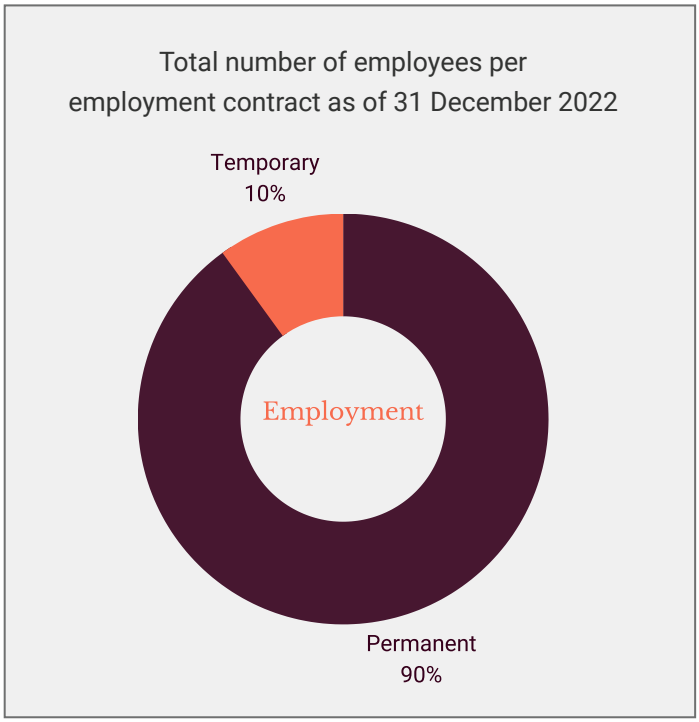
# Management of human resources and social aspects

## Human resources composition, diversity and inclusion

Vesta considers human resource management to be essential to ensuring the effectiveness, safety and sustainability of the company and for this reason is committed to promoting inclusion and equal opportunities, supporting employee training and development, and creating a safe and healthy working environment.

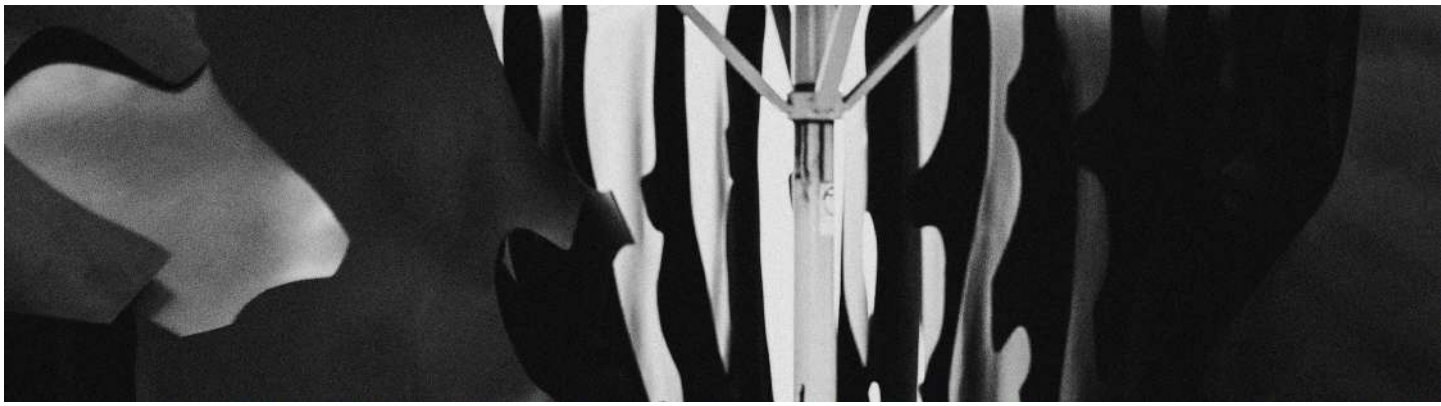
As of December 31, 2022, Vesta employed 40 resources, as in 2021. In 2022, the number of the new hired was equal to 4 and also equal to the number of resources that left. A very low turnover rate was therefore recorded, demonstrating Vesta's commitment to encouraging the creation of a lasting professional relationship.

About 90% of employees are hired with permanent contracts and there are neither non-guaranteed hours employees nor self-employed workers.



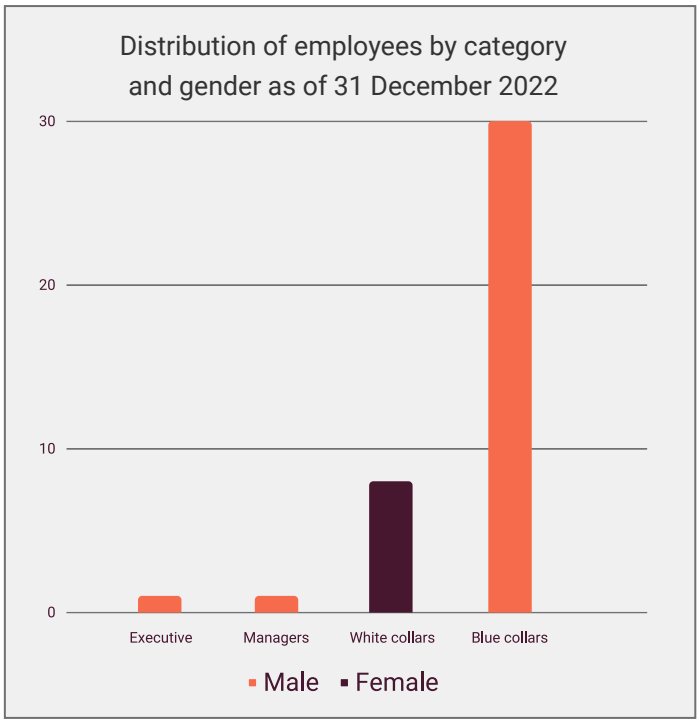

The company's workforce consists of thirty skilled workers (among them are ten department heads who manage the production process), eight white collars who work in the administrative and commercial offices that handle relations with suppliers and customers, and finally two resources who take care of the Company's management and administration.

All employees are covered by the National Collective Labour Agreement for tanning company employees. In addition, the Company is a member of the trade association CONFAPI.

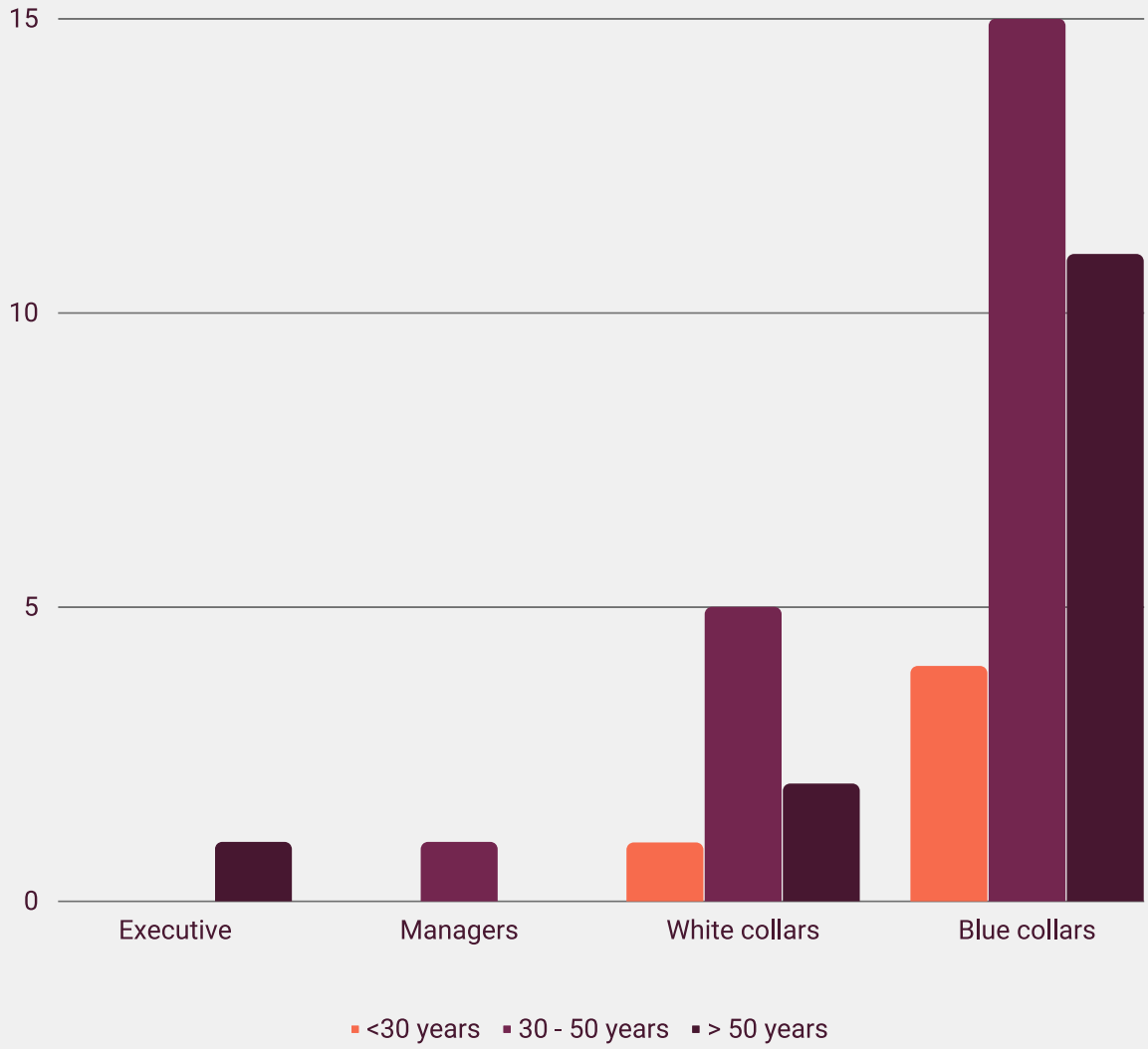


The tanning sector is characterized by a strong gender polarization, mainly due to the intensity of physical labor required during the production processes, and for this reason 100% of the blue collars are male employees, while administrative positions are held exclusively by women.

Finally, with regard to the distribution by age groups, 52% of employees are aged between 30 and 50 years: this data is due to the demand for specialized knowledge within the sector, as it is essential for the success and creation of quality products.



## Distribution of employees by category and age group as of 31 December 2022




Vesta recognizes the importance of a respectful workplace for all where diversity and inclusion are priorities, and has adopted, since 2016, the **Social Responsibility Management System** compliant with the **UNIC Code of Conduct and Social Accountability.**

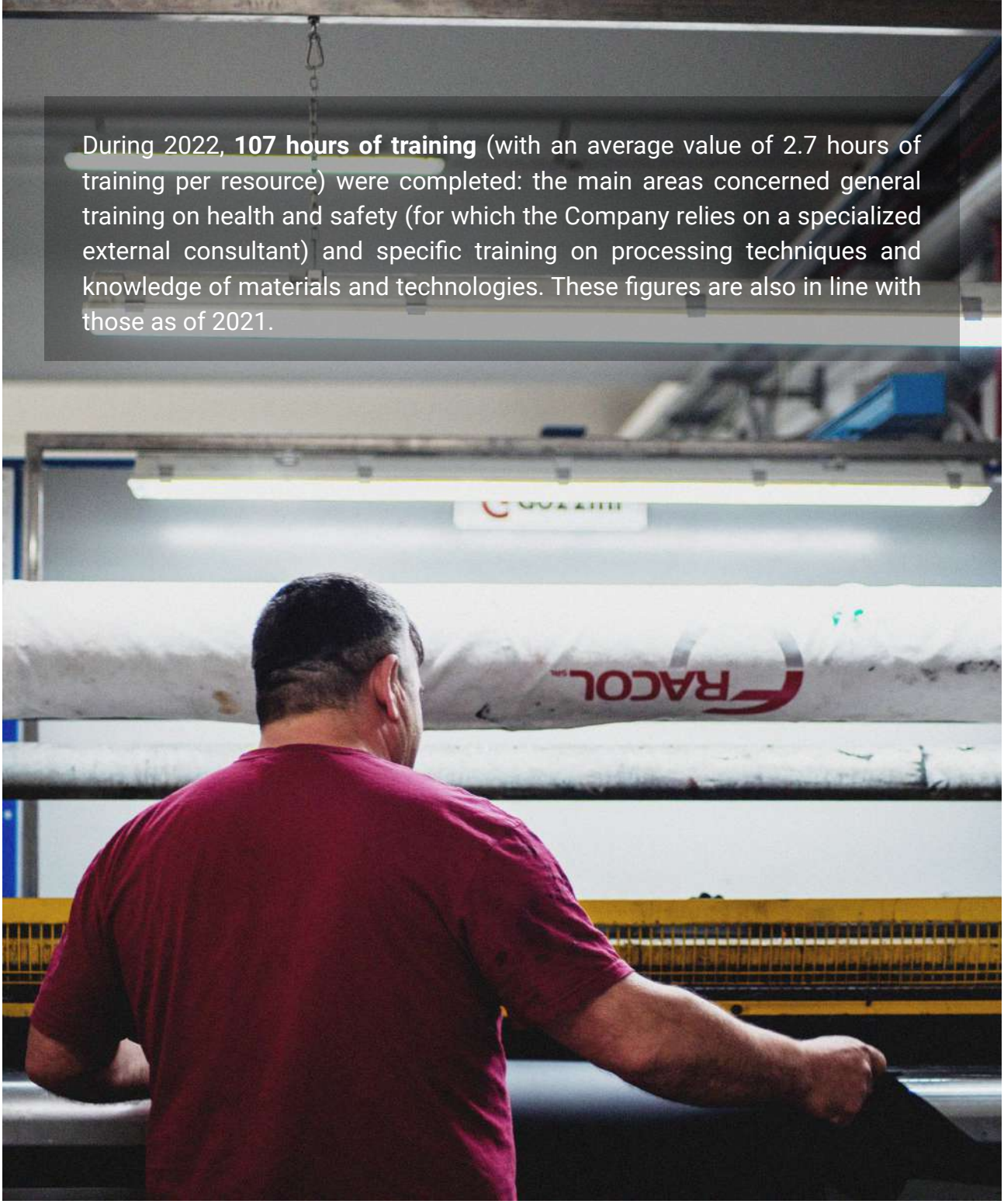
By adopting this system, Vesta declares that it does not encourage or implement discriminatory methods, criteria and practices of any kind. Confirming the solid principles on which Vesta operates on a daily basis, in 2022, no incident of discrimination was recorded within the Organization.

In addition, if any resource suspects or has detected illegal conduct, it is possible to make reports anonymously and store them in the mailbox. This practice, (defined as "whistleblowing"), was in place even before it was formally introduced within the Organizational Model 231: previously the reports were issued to the Supervisory Body, which although it is no longer the direct recipient of the reports, must still be involved in the management of these cases.

# Management of human resources and social aspects

## Training, professional development and well-being

Vesta considers training a key element for the personal and professional growth of its employees and it is committed to promoting the enrichment and development of its resources. For this reason, the organization plans the training hours based on the specific cases and on the needs and tasks of the workers.



During 2022, **107 hours of training** (with an average value of 2.7 hours of training per resource) were completed: the main areas concerned general training on health and safety (for which the Company relies on a specialized external consultant) and specific training on processing techniques and knowledge of materials and technologies. These figures are also in line with those as of 2021.

Among the welfare initiatives, in December 2022 the Company distributed shopping vouchers and petrol vouchers to all staff in order to support employees in the exceptional period in which costs had increased.

In addition, a production premium is planned, as provided for by the CNLL. In 2022 the premium was loaded into the paycheck, and at the end of 2022 a collective accident policy (already introduced in 2021) was renewed, which offers professional coverage with a total annual premium.

Finally, to promote a sense of community within the Company, events and gatherings are organized annually for the employees and their families.

# Management of human resources and social aspects

## Health protection and safety of employees

Occupational health is an issue of fundamental importance for the tanning sector since the production activities involve the use of chemicals and the use of machinery and equipment that can expose workers to multiple risks.

Vesta is committed to ensuring a safe and healthy working environment for employees and all those involved in business operations, to operating in compliance with current legislation, and to taking all the necessary preventive measures to minimize risks to the health and safety of workers.

During the on-boarding, each employee receives initial training based on the risks to which his or her function is exposed and undergoes a mandatory medical examination.

In accordance with the effective management of health and safety, during 2022 there were no accidents in the workplace, nor cases of occupational diseases, as in the previous year.

Workers, in case of need, can contact both the Management and the two persons in charge who are currently designated. In addition, there are the figures of the Head of Prevention and Protection, the Head of Safety Workers, the Supervisory Body, three fire-fighting personnel and two first aid workers.

In its ongoing operations, Vesta undertakes to follow the six actions below that ensure the best management of risks in the workplace and the consequent health and safety of workers, while acting in compliance with the Code of Conduct.

**RISK ASSESSMENT**

Vesta is commited to indentifying potential hazards in the workspace, including the detection of hazardous chemicals, potentially hazardous equipment or machinery of activities involving heath risks and formalising the findings of the Risk Assessment Document.

**ADOPTION OF PREVENTIVE MEASURES**

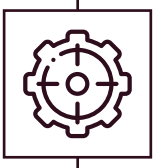
Vesta takes preventive measures to minimize risks to workers' health: each employee is given personal safety equipment such as masks, gloves and accident prevention shoes, safety devices have been installed on the machines and security procedures are carried out, as per the Code of Conduct.

**TRAINING OF WORKERS**

Vesta trains its workers on health risks in the workspace (e.g. course on the use and spillage of chemicals) and on preventive measures taken to minimise these risks. Workers can consult manuals created by the external consultant that identify the risks related to the various company functions.

**ACCIDENT LOG**

The Company monitors and records accidents in an accident log which is subsequently communicated to the employed consultant.



**IMPROVEMENT PLAN**

In accordance with the requirements of the 231 Organizational Model, a plan is formalized that includes points of improvements regarding health and safety, following the inspection of the Health and Prevention Manager and the Supervisory Body.

**HEALTH SURVEILLANCE**

Vesta has a health surveillance programme in place to monitor the health of workers exposed to chemicals or specific workplace hazards. The production department undergoes medical visits every six months and forklift and company card drivers undergo alcohol and narco tests every year.

Finally, Vesta has carried out a robust health and safety analysis formalized in the Risk Assessment Document, which maps the risks and identifies the prevention measures.

# Management of human resources and social aspects

## Contribution to the local community

Vesta firmly believes that supporting the local community is an effective way to create value for the area and for the society.

The Company is active in the world of youth sports and has long supported an under14 cyclists' association (AC Una bici per tutti) and a Skating Team (Pattinaggio San Miniato).

**Pattinaggio San Miniato**
Skating Team

**AC Una bici per tutti**
Under14 Cyclists' Association

These sponsorship activities demonstrate the importance that Vesta dedicates to young people and confirm Vesta's desire to contribute as much as possible to the healthy growth of local children, following the belief that sport is a positive educational stimulus that helps to bond and to define one's personality.

Finally, Vesta also collaborates with local associations, providing aid to support the most vulnerable sections of the population.

# Annexes

| GRI 301-1 Materials used by weight or volume | | | |
|---|---|---|---|
| Renewable raw materials | | | |
| Type of material | Unit of measure | 2021 | 2022 |
| Raw leather | KG | 1,779,499 | 1,550,315 |
| Recycled Havana paper sheets | KG | 1,761 | 556 |
| Non renewable raw materials | | | |
| WB leather | KG | 218,451 | 233,185 |
| Barrel chemicals | KG | 1,419,575 | 1,352,816 |
| Finishing Chemicals | KG | 200,076 | 234,216 |
| Packaging | KG | 12,284 | 12,375 |
| Packaging | N. | 4,541 | 4,935 |

| GRI 301-2: Recycled input materials used | | | | | |
|---|---|---|---|---|---|
| Materials used | | | | | |
| Type of material | Unit of measure | Total material used | Total recycled material | Total material used | Total recycled material |
| | | 2021 | | 2022 | |
| Barrel Chemicals | KG | 1,419,575 | 0 | 1,352,816 | 0 |
| Finishing Chemicals | KG | 200,076 | 0 | 234,216 | 0 |
| Raw leather | KG | 1,779,499 | 0 | 1,550,315 | 0 |
| WB leather | M2 | 218,451 | 0 | 233,195.27 | 0 |

| GRI 302-1: Energy consumed within the organization | | | |
|---|---|---|---|
| Energy consumption | | | |
| Fuel consumption | Unit of measure | 2021 | 2022 |
| Natural gas | GJ | 10,932.241 | 8,831.847 |
| LNG (Liquefied Natural Gas) | GJ | 0 | 0 |
| LPG | GJ | 0 | 0 |
| Diesel (for heating or production processes) | GJ | 0 | 0 |
| Diesel (for company-owned or long-term leased/rental vehicles) | GJ | 459.322 | 453.082 |
| **Total** | **GJ** | 11,391.563 | 9,284.929 |
| Power consumption | Unit of measure | 2021 | 2022 |
| Electricity sold | GJ | 0 | 0 |
| Of which, from renewable sources | GJ | 0 | 0 |
| Electricity purchased | GJ | 5,402 | 4,728 |
| Of which, from renewable sources (certified) | GJ | 0 | 0 |
| **Total** | **GJ** | **5,018.73** | 4,358.66 |
| **Total energy consumption** | **GJ** | **16,793.680** | 14,013.344 |
| Of which, from renewable sources | GJ | 0 | 0 |

| GRI 303-3: Water withdrawals | | | |
|---|---|---|---|
| Withdrawal of water from the source | | | |
| Source of withdrawal | Unit of measure | 2021 | 2022 |
| Third-party water | Megaliters | 54 | 50 |
| Produced water | Megaliters | 18,766 | 16,426 |
| **Total** | **Megaliters** | **18,820** | **16,476** |

| GRI 305-1 Direct GHG emissions (Scope 1) | | | |
|---|---|---|---|
| **GRI 305-2 Indirect GHG emissions from energy consumption (Scope 2)** | | | |
| Scope 1 Combustion emissions | | | |
| Type of consumption | Unit of measure | 2021 | 2022 |
| Natural gas | tCO2eq | 614.456 | 497.615 |
| LNG (Liquefied Natural Gas) | tCO2eq | 0 | 0 |
| LPG | tCO2eq | 0 | 0 |
| Diesel (for heating or production processes) | tCO2eq | 0 | 0 |
| Diesel (for company-owned or long-term leased/rental vehicles) | tCO2eq | 33.832 | 33.307 |
| **Total** | **tCO2eq** | **648** | **531** |
| Scope 1 Combustion emissions | | | |
| Electricity purchased (Location based) | tCO2eq | 389.85 | 341.23 |
| Electricity purchased (Market based) | tCO2eq | 688.77 | 600.25 |
| **Total (Scope 1 + Scope 2 Location based)** | **tCO2eq** | **1,038** | **872** |
| **Total (Scope 1 + Scope 2 Market based)** | **tCO2eq** | **1,337** | **1,131** |

| GRI 306-3: Waste generated | | | | | | | |
|---|---|---|---|---|---|---|---|
| Total weight of waste generated | | | | | | | |
| | Unit of measure | 2021 | | | 2022 | | |
| | | **Hazardous** | **Non-hazardous** | **Total** | **Hazardous** | **Non-hazardous** | **Total** |
| Waste produced | Metric ton | 67 | 1,269 | 1,336 | 57 | 1,175 | 1,232 |

| GRI 2-7: employees | | | | | | |
|---|---|---|---|---|---|---|
| Total number of employees (headcount) broken down by contract type and gender | | | | | | |
| Type of contract | As of 31 December 2021 | | | As of 31 December 2022 | | |
| | Male | Female | Total | Male | Female | Total |
| Temporary | 3 | 1 | 4 | 3 | 1 | 4 |
| Permanent | 29 | 7 | 36 | 29 | 7 | 36 |
| **Total** | **32** | **8** | **40** | **32** | **8** | **40** |
| Full-time | 2 | 8 | 38 | 30 | 8 | 38 |
| Part-time | 0 | 0 | 2 | 2 | 0 | 2 |
| Non-guaranteed hours | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **32** | **8** | **40** | **32** | **8** | **40** |

| GRI 401-1 New employee hires and employee turnover | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Number and rate of new employees hire, by age group and gender | | | | | | | | | | |
| Gender | 2021 | | | | | 2022 | | | | |
| | <30 | 30-50 | >50 | Total | Rate | <30 | 30-50 | >50 | Total | Rate |
| Male | 0 | 2 | 0 | 2 | 6% | 1 | 2 | 0 | 3 | 9% |
| Female | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 | 12% |
| Total | 0 | 2 | 0 | 2 | 5% | 1 | 3 | 0 | 4 | 10% |
| **Rate** | **0%** | **10%** | **0%** | **5%** | 0 | **20%** | **14%** | **0%** | **10%** | 0 |

| Number and rate of turnover, by age group and gender | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Gender | 2021 | | | | | 2022 | | | | |
| | <30 | 30-50 | >50 | Total | Rate | <30 | 30-50 | >50 | Total | Rate |
| Male | 0 | 1 | 0 | 1 | 3% | 1 | 2 | 1 | 4 | 12% |
| Female | 0 | 0 | 1 | 1 | 12% | 0 | 0 | 0 | 0 | 0% |

| GRI 403-9 Work-related injuries | | | |
|---|---|---|---|
| Work-related injuries (Employees) | | | |
| | Unit of measure | 2021 | 2022 |
| Number of incidents | n. | 0 | 0 |
| Of which: | n. | 0 | 0 |
| | n. | 0 | 0 |

| Number and rate of turnover, by age group and gendere | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Gender | 2021 | | | | | 2022 | | | | |
| | <30 | 30-50 | >50 | Total | Rate | <30 | 30-50 | >50 | Total | Rate |
| Male | 0 | 1 | 0 | 1 | 3% | 1 | 2 | 1 | 4 | 12% |
| Number of hours worked by employees | | | | n. | | 52,279 | | | 66,418 | |
| Rate | Recordable work-related injuries | | | n. | | 0 | | | 0 | |
| | High-consequence work-related injuries (excluding fatalities) | | | n. | | 0 | | | 0 | |
| | Fatalities as a result of work-related injury | | | n. | | 0 | | | 0 | |

| GRI 404-1 Average hours of training per year per employee | | | | | | |
|---|---|---|---|---|---|---|
| Number of hours of training that the organization's employees have undertaken by employee category and gender | | | | | | |
| Employee category | 2021 | | | 2022 | | |
| | Male | Female | Total | Male | Female | Total |
| Executives | 0 | 0 | 0 | 0 | 0 | 0 |
| Managers | 1 | 0 | 1 | 1 | 0 | 1 |
| White collars | 0 | 16 | 16 | 0 | 16 | 16 |
| Blue collars | 90 | 0 | 90 | 90 | 0 | 90 |
| **Total** | **91** | **16** | **107** | **91** | **16** | **107** |

| GRI 405-1: Diversity among employees | | | |
|---|---|---|---|
| Total number of employees divided by employee category and gender | | | |
| Employee category | As of 31 December 2021 | | |
| | Male | Female | Total |
| Executives | 1 | 0 | 1 |
| Managers | 1 | 0 | 1 |
| White collars | / | 8 | 8 |
| Blue collars | 30 | 0 | 30 |
| **Total** | **32** | **8** | **40** |
| Employee category | As of 31 December 2022 | | |
| | Male | Female | Total |
| Executives | 1 | 0 | 1 |
| Managers | 1 | 0 | 1 |
| White collars | 0 | 8 | 8 |
| Blue collars | 30 | 0 | 30 |
| **Total** | **32** | **8** | **40** |

| GRI 405-1: Diversity among employees | | | |
|---|---|---|---|
| Total number of employees divided by employee category and gender | | | |
| Employee category | As of 31 December 2021 | | |
| | Male | Female | Total |
| Executives | 1 | 0 | 1 |
| Managers | 1 | 0 | 1 |
| White collars | 0 | 8 | 8 |
| Blue collars | 30 | 0 | 30 |
| **Total** | **32** | **8** | **40** |
| Employee category | As of 31 December 2022 | | |
| | Male | Female | Total |
| Executives | 1 | 0 | 1 |
| Managers | 1 | 0 | 1 |
| White collars | 0 | 8 | 8 |
| Blue collars | 30 | 0 | 30 |
| **Total** | **32** | **8** | **40** |

# GRI Content Index

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| | 2-8 Workers who are not emplovees | 2 |
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# Vesta Corporation S.p.A

SUSTAINABILITY
REPORT
**2022**

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