



eurosuole_{spa}

RUBBER AND POLYURETHANE SOLE

SUSTAINABILITY REPORT 2021





EUROSUOLE s.p.a.

RUBBER AND POLYURETHANE SOLE

Civitanova Marche (Mc) – Italia

RE-BUILD OUR TOMORROW





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Message From CEO [102-14, 102-20, 102-26, 103-2]

It is difficult to take foresee at a time like this. We have all come from two and a half years of covid-19 a pandemic that has changed the behavior of most human beings. Nothing is the same as before. The virus has affected the whole world, making no distinction of race, religion, rich or poor. It has disrupted the productive life of a colossus like China, quintupled the cost of sea freight, and increased the cost of almost all raw materials dramatically.

Focusing now, however, on the publication of this sustainability report, which focuses exclusively on 2021, and focusing on one of our company's main resources, namely our employees, I would like to point out that the first instalment of the current supplementary contract was paid recently, according to the agreements signed. At company level, a one-off fuel bonus in the amount of EUR 200 each was added to July pay. We realize that this is a drop in the ocean, but it is a one-off initiative of ours that will increase our costs. We do this with some satisfaction because we would like our employees to feel truly gratified to be part of our team. And the application of perfect teamwork will be the element that will distinguish us from our competitors and still give us the strength to continue investing in our work and professionalism.

On the front of the continuous improvement of our company organization, I would like to point out our steps forward under the guidance of Professor Odoardi, who has been working with us for a couple of years to improve the organization, to create an organizational chart and to make the entire Eurosuole community aware of our mutual collaboration. The collaboration with the Professor has been very fruitful so far because in the many conversations carried out face-to-face or in groups of 8/10 people, everyone's character, their way of communicating, operational teams were made and responsibilities assigned.

Also in the course of 2021, and with a view to improving corporate governance that can ensure that the company can confirm, consolidate and embark on a further path of growth and development also in global markets, we deemed it appropriate to propose to the Shareholders' Meeting, which resolved favorably, the entrusting of the statutory audit to an auditing firm that belongs to an international network of primary standing with high levels of quality and professionalism of the services offered. I believe, in fact, that the entry of one of the so-called 'Big Four' as auditor has conferred added value in terms of Eurosuole S.p.A.'s reputation and image towards the outside world, as well as creating greater trust in stakeholders.

Finally, as part of the continuous search for sustainability, which distinguishes us in every phase of our corporate life, we decided to became paper less in order to improve the whole organization in particular of the finance office. The project has enabled us to equip ourselves with a more efficient, secure and easy-to-query document system, as well as a better response to regulatory expectations regarding digital protocol, administrative documentation and archive management. This initiative has allowed us to recover physical office space and to significantly reduce the consumption of paper for printing, with obvious benefits for the environment as well.

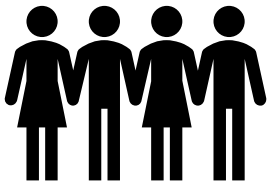
Today, our company is at the top end of the market, enjoys the esteem and preference of many customers, has the respect of competitors, and also has the opportunity to choose, the best customers in an almost global market. We have invested a lot and will continue to do so, albeit with more balance for the future. It is necessary, however, that rulers of whatever race or institution, commit themselves for once to the common good, to the people and not to personal gain.

In closing, as the chairman, I can safely say that our company is the best in the market in terms of capitalization, profitability, price balance, delivery reliability and product quality, even if there is always much to do and to improve. However, we are projected into the future, the others unfortunately only have a look back to the past.

Thank you for your attention.



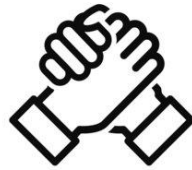
1. What is “Eurosuolo”?



For the Community



For the Stakeholders



For the Competitors



For the Earth

1.1 Introduction



Foundation: 1976

The advantages of the territorial context plus the entrepreneur's winning choices, have enabled the company to grow steadily and compete outside national borders. These aspects have characterized:

- The essence of the city's industrial culture;
- Diplomacy applied on a day-to-day basis;
- The philosophy of profit, which is reinvested in research, development and innovation.



Growth

The great success achieved by the company over the years is based on its workforce, as employees are an integral part of the company's project and therefore stimulated by the working atmosphere and the environment, which can help the company to be the leader in the industry.

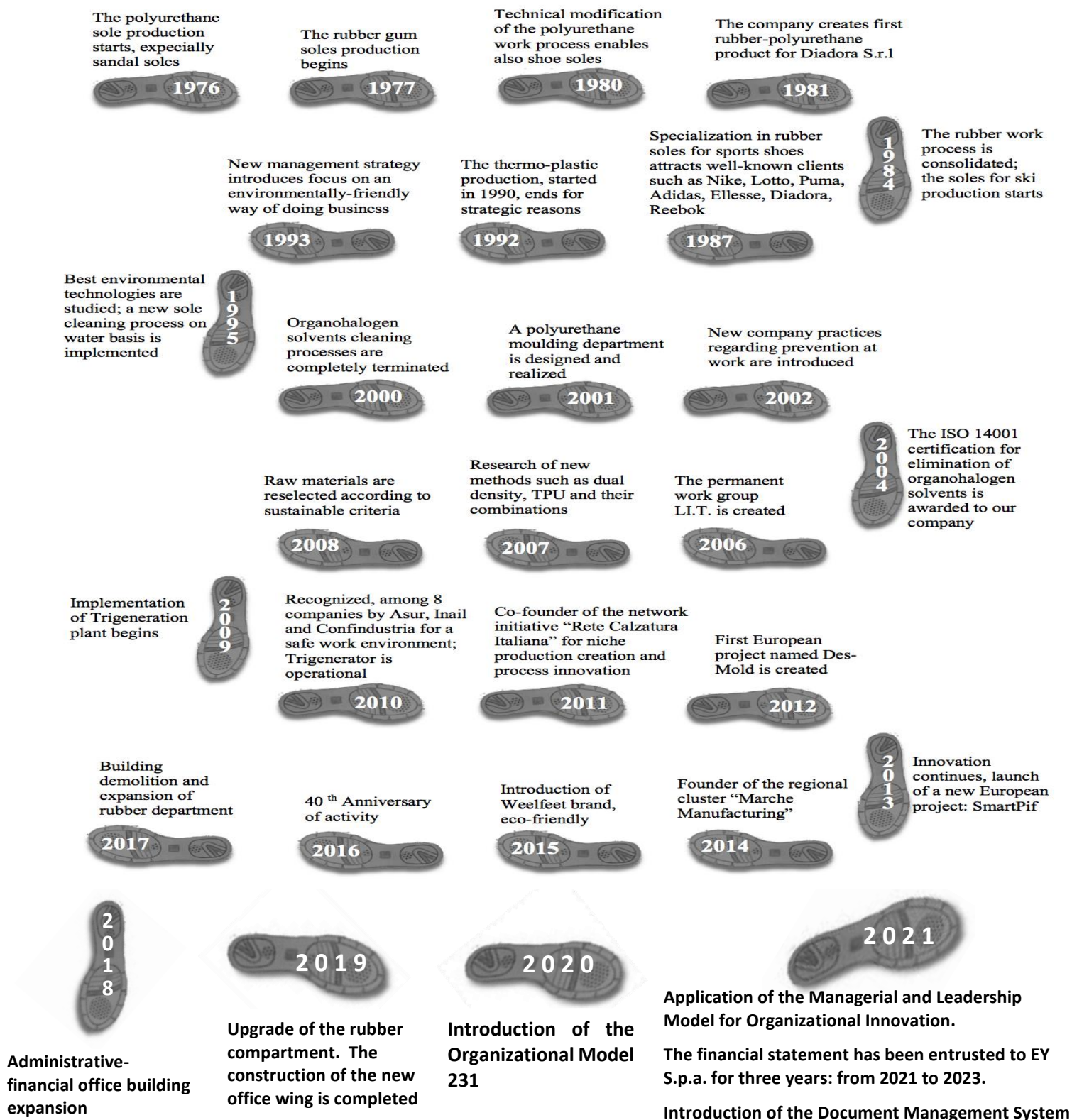
The company's workforce is the human relations, where interpersonal relationships, absolute respect between employees, and total inclusiveness on the workplace allow to create an optimal job environment.



Today



1.2 Historical Path



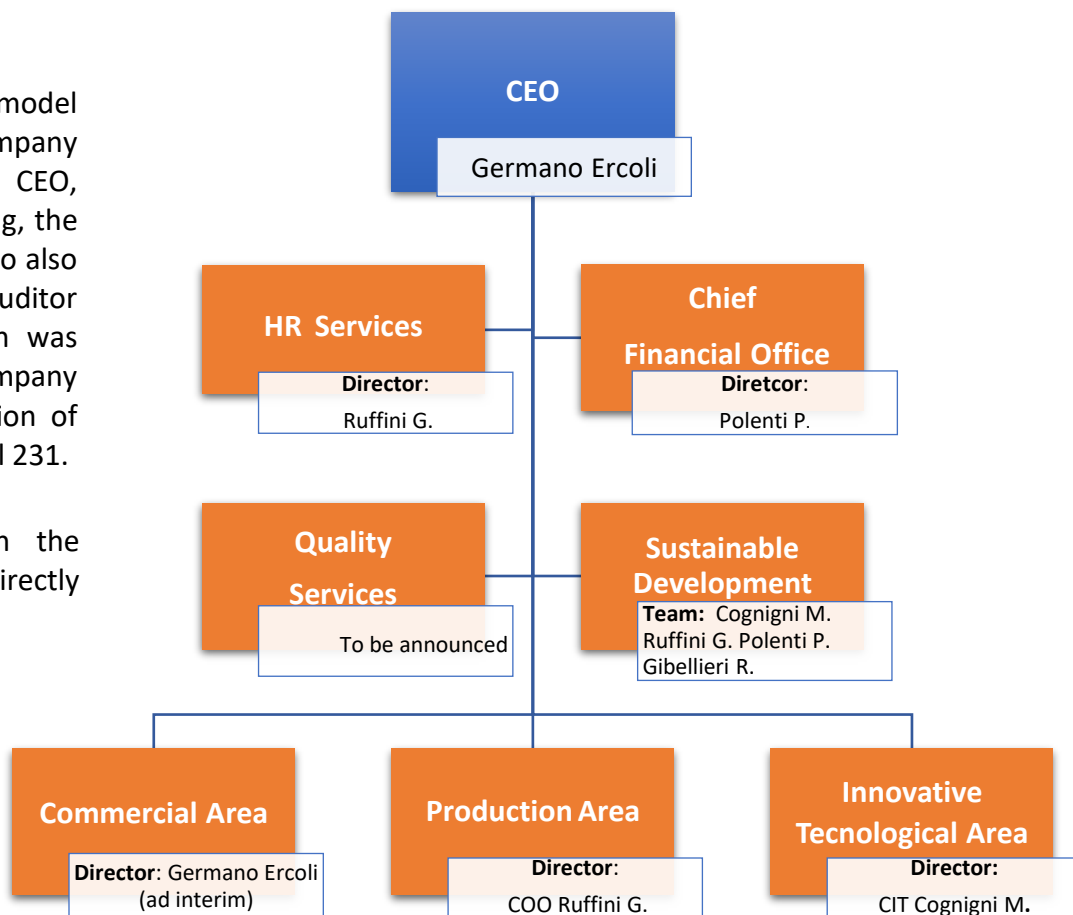


1.3 Governance

[102-18, 102-20, 102-22, 102-23, 102-24, 102-26, 102-29, 102-32, 202-2]

The typical business model of the joint-stock company is composed of a CEO, shareholders' meeting, the board of auditors who also acts as statutory auditor and the OdV, which was introduced in the company by the implementation of Organizational Model 231.

The key figures in the organization who directly support the CEO are:



The **Chief Financial Officer (CFO)** is the Company's financial resources manager and preserve the value of investments and optimize corporate profitability. He or she must foster a horizontal, cross-functional and interdisciplinary view within and outside the Company. The CFO coordinates the company's various internal information for performance analysis and supports the work of the Chief Executive Officer in making strategic choices. The **Human Resources Services (HR)** deals with the Company's personnel, because he/she manages their administration, their selection, their training and their development. HR liaises with top management to define which professional skills and training are required. The **Chief Operating Officer (COO)** manages the operational processes, which represent all those activities that serve to bring the best finished product to customers. Furthermore, the COO should report to the Chief Executive Officer and Executives the company's performance through reports, based on KPI indicators.

The **Chief Technological Innovation (CIT)** is responsible for ensuring the continuity and regularity of work in the Production Area and in the Organizational Units to achieve the Company's goals. CIT is focused on the development of the technological and digital activities, because he/she wants to improve the product's quality and reduce their costs.

1.4 Trademarks filed and registered by the company [102-2, 103-2]



The **Eurosuolo Quality**'s brand certifies the high-quality type standards, which the Company wants to pursue and adopt in its soles.

This characteristic is reflected in the way it operates: from customer relations to the development and manufacture of new products in its in-house laboratories.



The **WellFeet**'s brand is a type of sole that wants to achieve a unique goal: the foot well-being. This aspiration is shown in its slogan "the walking pleasure."

WellFeet is made through a special polyurethane compound, with the addition of materials resistant to hydroxides and various climatic conditions. The combination of these elements creates a sole that is increasingly lightweight and slip-resistant, ensuring greater comfort for the foot. These technical features combined with its youthful style allow it to cater to different categories of customers.



Gomma Leggera Eurosuolo

The **Gomma Leggera Eurosuolo (GLE)**'s brand is a type of lightweight sole create by using vulcanized foam rubber.

The result is a lighter rubber with a density ranging from 0.60 gr/cm³ to 0.90 gr/cm³.

The technology used to produce this type of sole are very innovative, which have brought some benefits to the company, such as: the reduction of garbage, waste less time to the production and its related costs. Evenmore, this technology gave the opportunity to create any lightweight rubber soles with different shapes.



The **Futur Green**'s brand represents Eurosuolo's biggest news about sustainability for 2021. It aims to reduce the use of petroleum-derived materials and replace them with recycled products, reducing the impact of production on the environment.

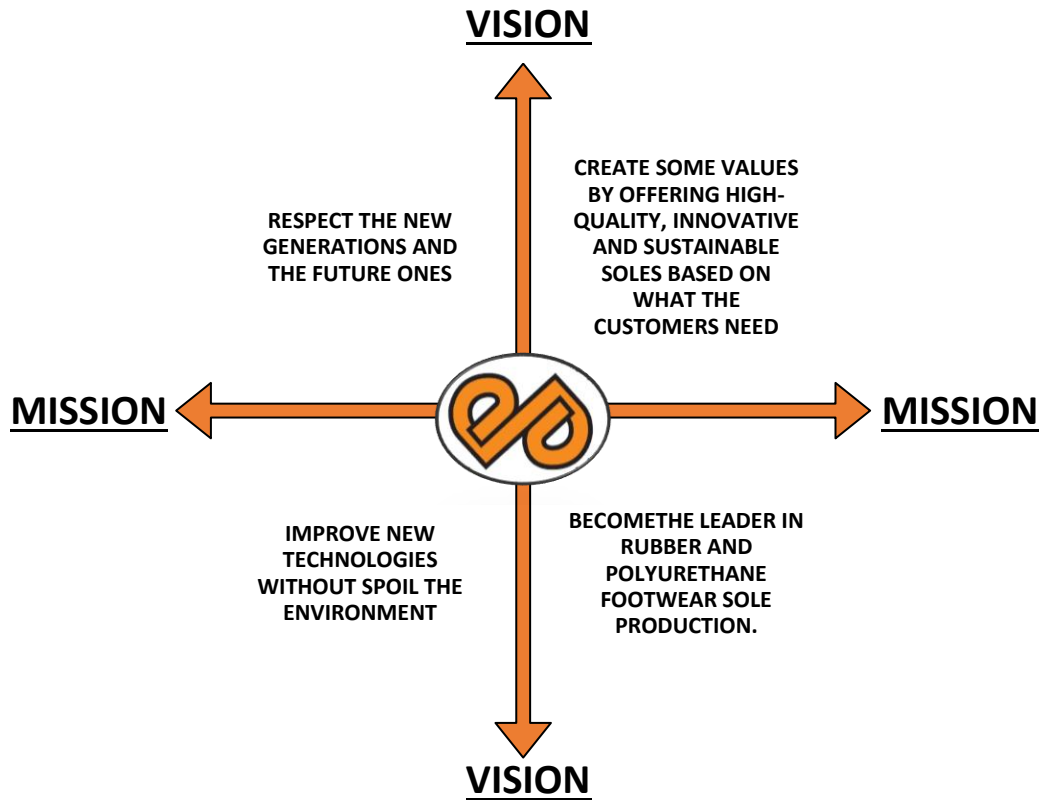
It has different application: **for polyurethane soles**, it is used a compound made partially from natural sources, such as plants or other materials that are not related to the animal supply chain. It can permit a less impact in the use of fossil fuels;

for rubber soles, it is used a mixture of waste elements, which are created through a process called "milling" and re-used in the production of a second raw material. This process promotes a circular economy, which can transform potential waste in some new resources.

2. What does it mean “Eurosuolo”?



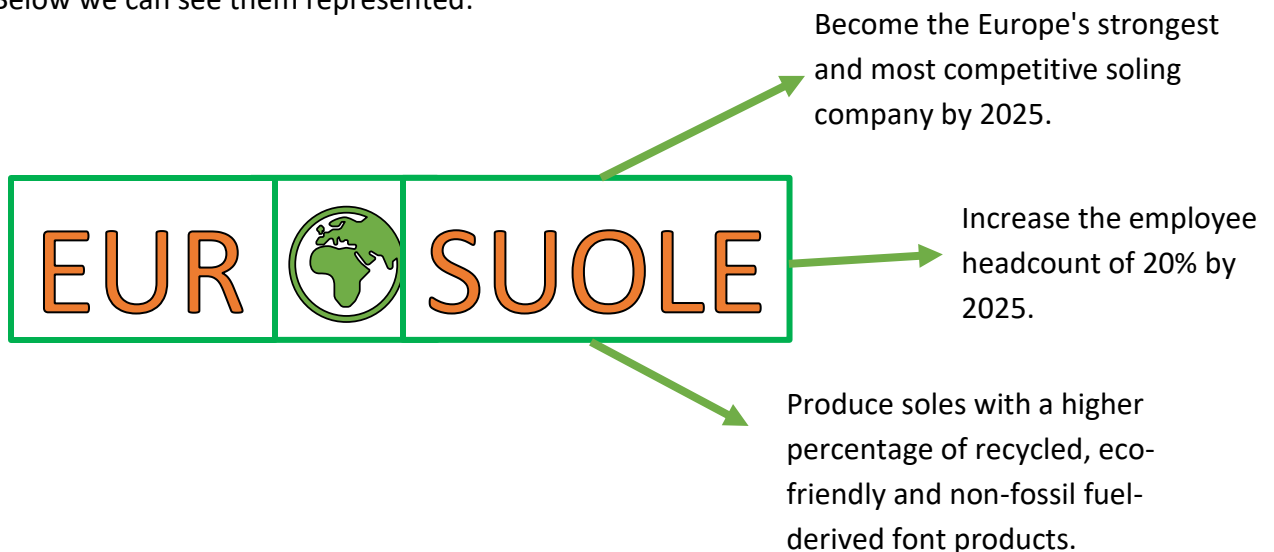
2.1 Mission & Vision [102-26]



2.2 Objectives [102-16, 103-2]

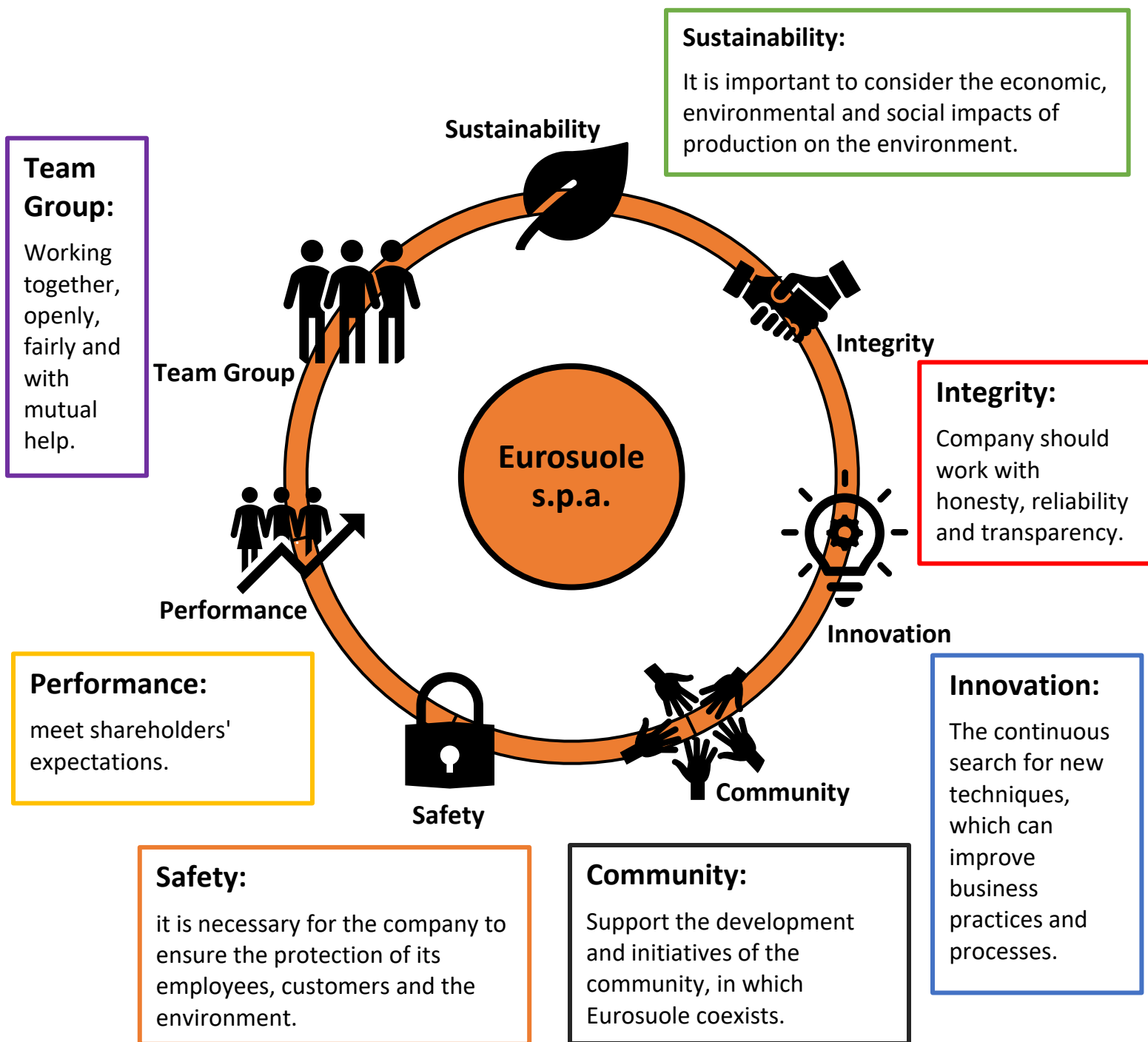
Eurosuo has set several goals to achieve in the short-medium term.

Below we can see them represented:



2.3 Values [102-16, 103-2]

The Eurosuole's daily activities is based on some important values, which can create any type of ideas and help to build the future of the Company. They are reported down below.



2.4 Acknowledgements [102-16, 103-2]

Over the times, Eurosuole has invested heavily in the research and development of its products, without underestimating the importance of choose raw materials and the respect for the environment on the production fase.

These efforts have guaranteed a strong reputation for Eurosuole, which has resulted in several awards.

Since 2004, the company has been certified with the environmental certification named **TÜV ISO 14001**. It keeps on changing during the years.

It is a recognition issued by an authoritative environmental management system, which outlines and coordinates the interactions between the company and the environment.



This complex system of policies, rules and processes has enabled Eurosuole to implement a business model focused on offering customers products with high quality standards, in full Made in Italy style.

ISO 14001 certification testifies how Eurosuole wants to achieving goals related to sustainability.

Cribis D&B is a company that provides some business information about Italian companies and awards the greatest. It has given to Eurosuole the CRIBIS Prime Company Rating 1, which represents the highest level of reliability as a counterparty to a B2B business transaction. Cribis D&B's prize is awarded every year, but only 6% of the 6 million Italian companies manage to obtain it.

The CRIBIS Prime Company is issued exclusively to companies that:

- consistently maintain high economic and commercial reliability;
- are virtuous in payments to supplier



The certification is based on the CRISIS Rating, a dynamic and constantly updated indicator of a company's reliability.

It is used a statistical algorithm, which values the probability of a company to generate serious commercial defaults.

Numerous variables are used in the calculation, including:

- master information;
- index and balance sheet data;
- company seniority;
- payment experience;
- presence of negative information.



3. Eurosuole's Relationships





3.1 Materiality Analysis [102-46, 102-47, 102-49, 103-1, 103-2]

2021 represents the seventh consecutive year, in which Eurosuole's Integrated Report is prepared by the internationally recognized GRI Sustainability Reporting Standard. Once again, the Company has placed a strong emphasis on research and development of new sustainable products and technologies; we have also strengthened our focus on the training and health of our employees.

The most important topics of this report are reported down below, including the company's economic, social and environmental impact over time.

Since not all material topics are of equal importance, they will be distributed within the matrix so that their position reflects their priority.

In evaluating the material topics, several internal and external factors were considered, such as:

- **stakeholder expectations**
- **The expectations of international bodies, such as the ISO 14001 certification**
- **CEO goals**
- **Strategic plans from the highest governing body**
- **the needs of the local community**
- **respect for the environment**
- **economic growth**

The materiality matrix is divided into four macro areas: economic/governance, environment, social, and safety.

The first area refers to the economic aspect and governance values that have contributed most to corporate success.

The second area focuses on the topic of environmental sustainability, regarding the number of emissions and waste produced by the company during the year, as well as the amount of water and energy used in the production cycle.

The social area refers to the human aspect the company, both from an internal (CEO, shareholders and employees) and external (local community) perspective.

The last area refers to the aspect of protection and safety, which the company holds towards one of its depends and products.

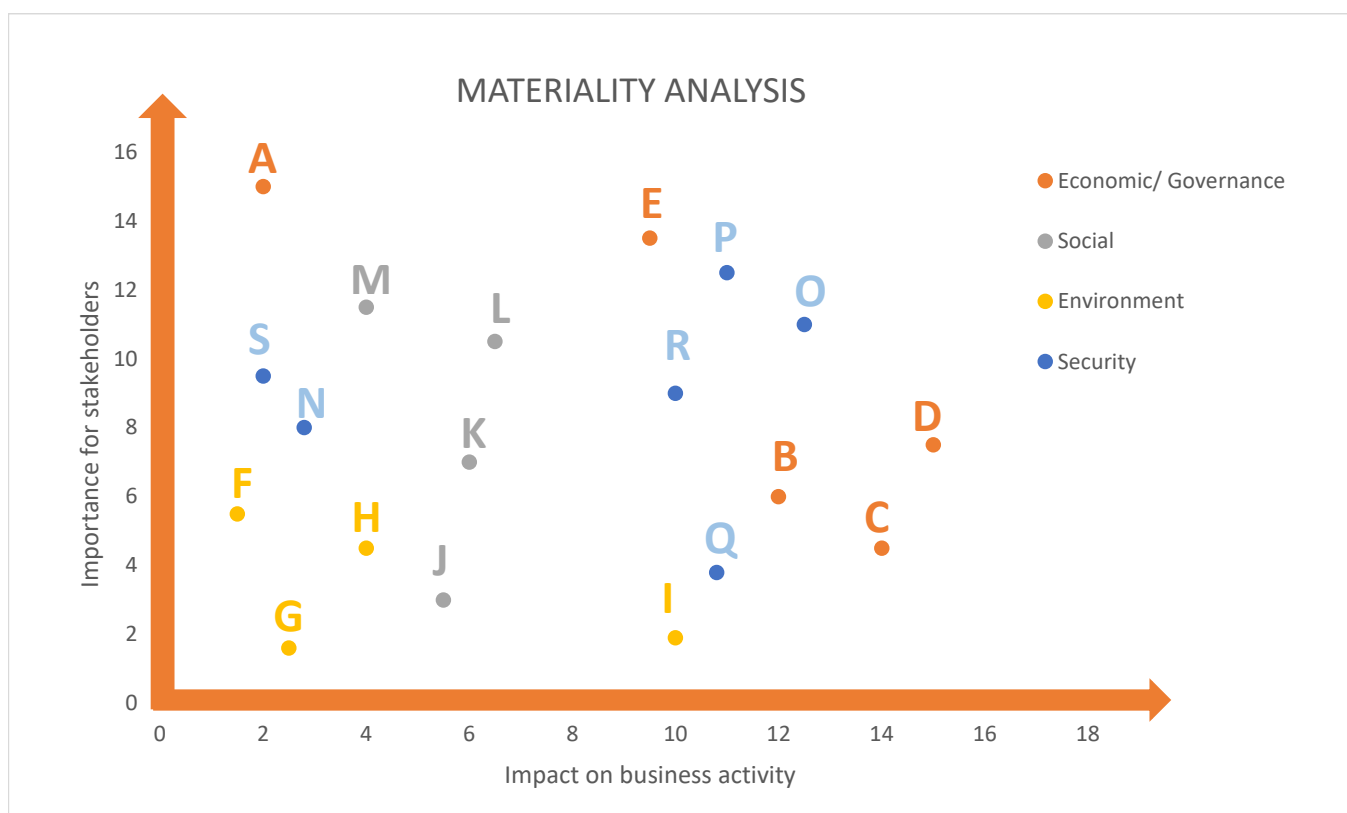


The themes reported here were subsequently placed within a matrix in order to allow a clearer understanding of the materiality principle applied by the company.

[102-46, 102-47, 102-49, 103-1 environmental, 103-1 social, 103-1 economic, 103-2]

Economic/Governance	
Symbol	What does it mean?
A	Shareholder's Satisfaction
B	CEO Leadership
C	Employee Training
D	Employee Welfare
E	Commitment to Local Community

ENVIRONMENT	
Symbol	What does it mean?
F	Reduction of Emissions
G	Waste Management Optimization
H	A Responsible use of Water Resources
I	Energy Efficiency



SOCIAL	
Symbol	What does it mean?
J	Safety on Workplace
K	Product and Production Process Research and Innovation
L	Responsible Sourcing of Raw Materials
M	Product Quality

SAFETY	
Symbol	What does it mean?
N	Infrastructure Investment
O	Risk Prevention
P	Ethics and Transparency
Q	Industry and Research Networking
R	Corporate Reputation
S	Creation of Long-Lasting Value



3.2 Stakeholders [102-21, 102-40, 102-42, 102-43, 102-44, 103-2]

2021 was a positive year for Eurosuole, as sales exceeded the pre-pandemic level (2019).

These goals achieved are also the result of investments made for the sustainability, which shows how this topic is very important for the company's strategy.

Covid-19 has changed the way people live and interact, creating some problems in the relationship between companies and stakeholders. Despite the global situation, Eurosuole has managed to preserve its ties and create new ones, thanks to some values such as: transparency, respect and responsibility. The mix of these elements has always ensured profitable results for the company.

Eurosuole was able to understand the stakeholder expectations and reach them. In this way, it has managed a process mix composed by exploitation of resources, direction of investments and a continuous technological development to increase the company's present and future potential.

This continuous connection can only be achieved thanks to transparency in the corporate decisions, operations and events, like:

- the company's website;
- the Social Report;
- the Sustainability Report;
- social media like: Facebook, Instagram and LinkedIn.



The Company's goals reflected the shareholders' objectives, which have faith in Eurosuolet's management and at the same time the company has always respect their needs, ensuring also good profits for them.

Below are the Stakeholders of Eurosuolet.

External Stakeholders





3.3 Suppliers [102-9, 103-2, 204-1, 308-1, 414-1, 414-2]

Over the past years, the relationship between Eurosuole and its suppliers has remained clear and constant. The company's strategy is based on seeking the most economically advantageous offer with some elements like: quality, safety and compliance with sustainability requirements. Thanks to this choice, it has been possible to achieve a fair procurement process such as the **ISO 14001 certification**.

Suppliers are selected according to competitive standards and formal procedures for their management, in order to eliminate possible disputes. Contractors receive the procedures on waste management, where are included the current safety regulations, prevention and emergency measures in order to protect the contractor's employees too.

Anytime, Eurosuole needs to choose between different suppliers and raw materials, because they represent a crucial aspect for the company's strategy and for maintaining its international positioning. Furthermore, this decision can also ensure a safety workplace for the employees and a good way to protect the environment. This decision is so important, that the Company has written a Management Review document, where all of the working relationships between Eurosuole and its suppliers are evaluated. In this report are included the reason why the Company keeps on cooperating with some suppliers or why they are ended. If the contractual relationship is terminated, the company would need to select new. The selection is made through a series of practices:

- the monitoring of the environmental criteria adopted by the wholesaler;
- the proper application of the GHS, which is the globally harmonized system of classification and labeling of chemicals strongly desired by the United Nations (UN). The purpose of this tool is to ensure uniform classification and labeling of chemicals worldwide. In addition, the substances and mixtures you purchase from Eurosuole follow the European REACH standard.

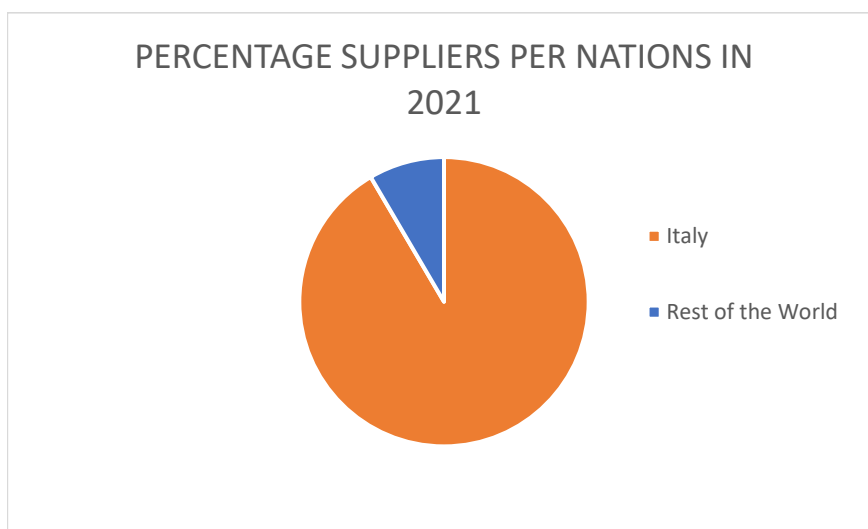
Eurosuole adopts the "**Think global, act local**" strategy, where the local suppliers are preferred. In fact, they are geographically close to the Eurosuole's headquarter with high design and production skill, which can facilitate the coordination and the exchange of information between them. For this reason, most of the suppliers come from Italy, in particular in the Marche Region (53,3%). Considering the expenditure on the purchase of goods and services, South Korea represent the most important foreign suppliers.

3.3.1 Distribution of Expenditure to Suppliers

In this section, we can see the Eurosuole's expenditure for the purchase of goods and services carried out by suppliers from Italy or other countries in the World.

About 91,5% of the expenditure comes from domestic suppliers and only 8,5% from foreign operators.

The Influences of Suppliers		
Localization	Amount in Euro	%
Italy	34.252.236	91,5
Rest of the World	3.163.854	8,5
TOTAL	37.416.090	100



3.3.2 Distribution of Expenditure to Suppliers between Marche and Rest of Italy

In this section, we can see the various expenditures made by Eurosuo to its Italian suppliers. The data shows the strong link between Eurosuo and the local community, in which for 53% of the cases the company has turned to suppliers from the Marche region in order to request goods and services necessary to carry out its activities. This connection supports the development of the circular economy for the community.

Eurosuo works with other suppliers in Italy, such as: Lombardy, Veneto and Emilia-Romagna.

The Influence of Italian Region's Company Suppliers		
Italian's Regions	Amount in Euro	% Suppliers
Marche	11.550.632	33,7
The Rest of Italian's Regions	22.681.190	66,3
TOTAL	34.231.822	100



3.3.3 Distribution of Expenditure to Foreign Suppliers

This section analyzes the spending on goods and services made by Eurosuole with foreign suppliers.

Despite the company has carried out several activities with Spanish companies, the most significant figure relates to purchases comes from a South Korea's supplier, which represent the 44% of all spending on foreign suppliers.

Foreign Suppliers 2021	
Countries	Amount in Euro
South Korea	1.390.241
Spain	844.574
Poland	328.515
Czech Republic	196.834
Great Britain	103.077
Switzerland	80.843
Belgium	63.010
Netherlands	46.359
Singapore	39.126
Germany	38.175
France	14.049
Romania	13.823
Portugal	4.614
Bulgaria	315
Ireland	300
TOTAL	3.163.854





3.4 Customers [102-2a, 102-6, 412-3]

A company's strength is represented by its ability to catch out to as many customers as possible and gets all their needs. In this way, it is possible to create a tough relationship, based on constructive feedback capable of stimulating innovation and the creation of new products. Over time, Eurosuo has reached this ability, which have enabled it to preserve its customers and seek new ones. Therefore, it is very important to maintain a high level of product quality, typical of the "Made in Italy" production style.

Eurosuo works on the business-to-business sector. In order to understand better the needs of its customers, it focuses on regular analysis of specific requirements and current developments in its industry. The relationship between the company and its customers involves several areas, like: purchases, sales, production, logistics, R&D and administration. Thanks to its efficient management, Eurosuo has seen an increase in its customer retention rate, even 20-year working relationships still surviving. At the beginning of 2010, the Company has decided to adopt the Customer Relationship Management (CRM) management approach in order to ensure state-of-the-art customer service. CRM allows new contracts to be settled and existing customer relationships to be deepened.

This approach guarantees more efficient segmentation of the customers base and manages its management. It also reduces errors and risks in decision-making activities.

Sales area personnel can access to the program from mobile devices at anytime and anywhere by performing remote access in total security for the company network and its data. Information regards customers can be updated in real time.

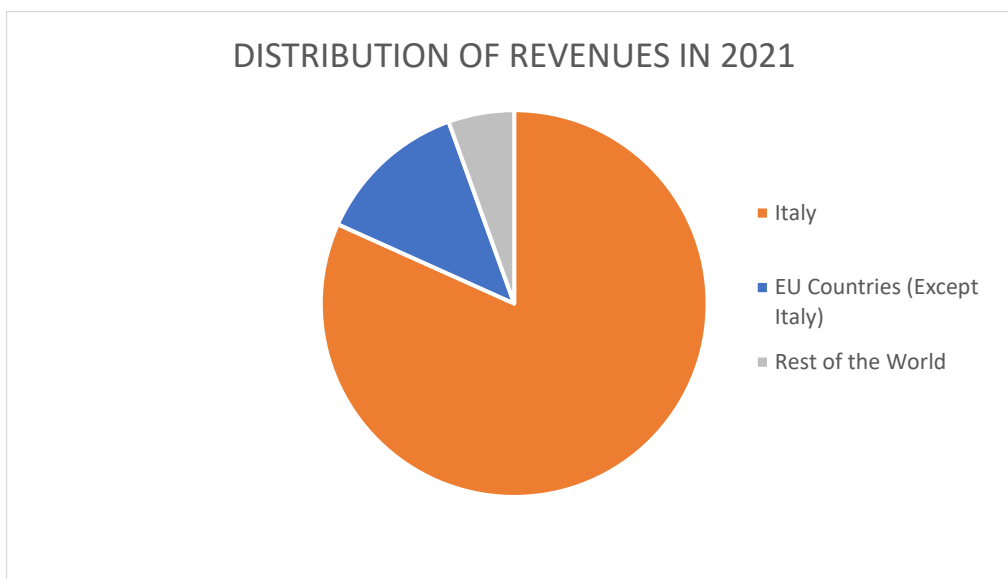
CRM provides a number of benefits, such as:

- easier and faster processes;
- increased the use and the sharing of information;
- a reduction in management costs.

Customers will be able to receive all information through Eurosuo product cards, which contain detailed descriptions of the products offered in order to support them in their purchasing decision.

The Company performs quality tests at the end of each production process to maintain the high standards. Thanks to that, it is possible to obtain positive feedback from customers. Every year, Eurosuo is going under assessment by customer auditors on ESG (environment, security and governance), which are always passed with high grades.

Distribution of Revenues in 2021	
Geographic Area	Revenues
Italy	41.776.773
EU Countries (Except Italy)	6.526.235
Rest of the World	2.816.395
TOTAL	51.119.403



4. Management Report



4.1 Key Data [102-4, 102-9, 102-10]

In this section, a lot of Eurosuolet's data has been reported in order to ensure maximum transparency to its stakeholders. These elements outline the 360-degree composition of the Company.



Description	Data
Organization Name <small>[102-1]</small>	Eurosuolet s.p.a.
Ownership Structure <small>[102-5]</small>	Joint Stock Company
Headquarters Location <small>[102-3]</small>	Civitanova Marche, Italia
Tax Code and Fiscal Number	00252600432
Brands, Products and Services <small>[102-2]</small>	Rubber and Polyurethane Soles
Share Capital	5.000.000,00 i.v.
Employees <small>[102-7]</small>	227
Surface Area(sqm) <small>[102-7]</small>	55.000
Quantity of Soles produced in 2021 <small>[102-7]</small>	15.800.000 pairs of soles
Quantity of Soles sold in 2021 <small>[102-7]</small>	14.100.000 pairs of soles

Stocks	
Owner	%
Ercoli Germano	20,2%
Alessandri Elvidio	20,1%
Mozzoni Gabriella	15,3%
Renzi Matteo	8,0%
Renzi Paola	8,0%
Ercoli Raffaella	4,0%
Ercoli Silvia	4,0%
Pecorari Maria	3,1%
Alessandri Agnese	2,8%
Alessandri Federica	2,8%
Alessandri Francesco	2,8%
Alessandri Lorenzo	2,8%
Cattoglio Domenico	2,0%
Cattoglio Chiara	1,0%
Cattoglio Claudia	1,0%
Cattoglio Angela	1,0%
Cattoglio Francesco	1,0%



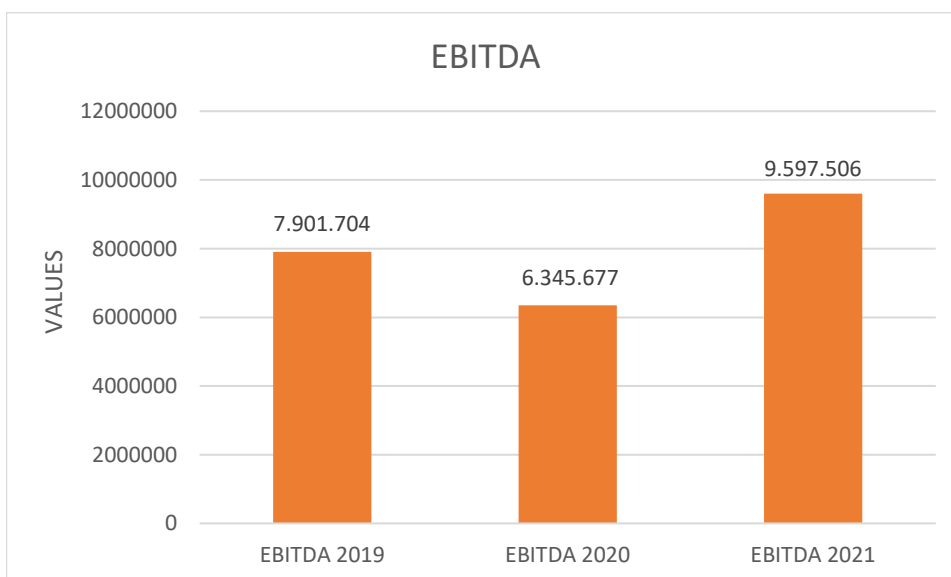
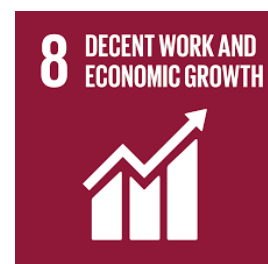
The year 2021 was a good year for the company with more than positive results, compared to the decline due to the pandemic for Covid-19 in 2020. Revenues from the sale of goods increased by 38.6 %compared to 2020.

This positive trend is also demonstrated by the EBITDA. It has an amount of €9.597.506, which increased for 51.2% over 2020.

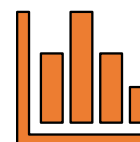
The company's Net Income increased by 55.95% compared to 2020.

More information regarding the economic aspect of Eurosuole can be found in the "Financial Profile" section of the 2021 Sustainability Report.

2021 Sales Revenue in Euro	
Amount	Percentage Change
51.119.403	38,6%



Profit for the 2021 in Euro	
Amount	Percentage Change
4.887.135	55,9%



4.2 Operating Performance [102-30, 102-31, 102-48, 103-2]

In 2021 Eurosuole keeps on working in the production of soles for footwear (polyurethane, rubber, rubber/polyurethane) and for compounds and systems based on resins and synthetic polymers.

The activity is carried out in the headquarter industrial complex, which is located in Civitanova Marche (Mc), Zona Industriale "A" in Via S. Pertini n.8.

From a legal point of view, the company does not directly or indirectly control other companies that carry out activities complementary and/or functional to its core business.

According to the Eurosuole's business model, Sustainability represents one of the most important components for its performances. For this reason, the Sustainability Report is prepared annually following the international principles of the Global Reporting Initiative (GRI standards).

The report includes:

- economic issues;
- environmental issues;
- social issues.

At these elements are added:

- last year's corporate performance;
- strategic objectives;
- stakeholders;
- practices concerning employees, the community, products and the environment.

Over the past years, Eurosuole has placed a strong emphasis on 2 activities: research and development of new products and the use of new sustainable technologies.

In 2021 Company perfected the Documentation Management System (DMS), which is a web-based software designed by Zucchetti and distributed by Infor Ma that allows documentation to be drafted, filed, and shared in an extremely short time. Eurosuole has decided to replace paper documentation with IT documentation to improve the organization of the administration office, streamline processes, and more easily find the files when needed. The DMS project has allowed a reorganization and rationalization of the company, particularly of the administration office, in order to allow a recovery of physical space in the offices and to significantly reduce the consumption of paper for printing.

The financial statements are prepared in accordance with the Civil Code and national accounting standards also known as GAAP (Generally Accepted Accounting Principles). Another new feature of 2021 is that for the three-year reporting period 2021-2023, the statutory audit has been entrusted to the Rome-based auditing firm EY S.p.a., which is considered one among the "big four."



4.3 Political-Economic Development [102-15]

The 2021 fiscal year was marked by a return of demand in markets around the world. The introduction of vaccines at the beginning of the year, around June and July, there was a kind of enfranchisement from the COVID-19 bogeyman, the people sought to reclaim their lives and much more freedom, after a long period of lockdown imposed or observed out of fear. At the end of the shutdown for COVID-19, an escalation of prices in all commodities has begun in a few months. Managed price agreements for energy products were blown up. Electricity, gas and fuels skyrocketed, so much so that energy-intensive sectors such as the Brescia foundries, Sassuolo tiles or Tuscan paper mills had serious survival problems. Eurosuole has also been affected by energy variances, so much so that at the end of 2021 energy cost increased €950.000 compared to previous years. To amortize all the increases in raw materials and energy, Eurosuole had to increase the price list of its products. The first one effective June 1, 2021 and the second one is calculated at the end of the year and will be effective January 1, 2022. With downstream customers accustomed by rule to making footwear price lists valid for six months, in turbulent markets it is not easy for Eurosuole to overturn higher costs in sales prices. However, the increases price of efforts is paid month by month, because suppliers represent some large chemical plants. As a result, every time a new price list has to be made, one is faced with a semi-long period with the same old prices. The higher price has triggered a rise in inflation that is on its way to more than 6%, which can increase to 8%. It can result in a further loss for employees' purchasing power, that may influence the consumption. In the economic context of great significance are the sanctions toward Russia. The Company hopes that common sense remains in the brains of European parliamentarian in Brussels. If there is any chance to move toward an embargo of gas and even oil from Russia (gas 40 percent of national needs), the World will face an economic disaster. All the energy-intensive companies that, like Eurosuole, work round-the-clock shifts will be forced to stop, creating more stoppages along the footwear supply chain. With methane, the company operates three million kcal boilers; without gas, the boilers stop, consequently all production stops as well. Without gas we will have at least 500,000 more unemployed, so Ukraine is destroyed by war, Europe and European companies self-destructed by senseless decisions.





4.4 Corporate Reputation [102-16, 102-25, 103-2, 205-1, 206-1, 307-1, 406-1]

“For every action there is an equal and opposite reaction”.

This is what Sir. Isaac Newton said in the *“Principle of Action and Reaction of Dynamics”*. Every decision we decide to make would create a different action, which affect directly and indirectly the community, the environment and the economic issues. The Eurosuole's prestige is based on these three aspects.

The company's achievements and the professionalism of its employees and collaborators are reflected in people's idea of Eurosuole, which can shape different forms like: stakeholders, financial institutions, the State, the local community and potential customers. For this reason, Eurosuole works hard to achieve the best performance ever by respecting the rules and maintaining the excellent reputation.

Since 2004, the company has been certified **ISO 14001: 20041**, which attesting its compliance to operate in accordance with national and international environmental laws.

Over time, Eurosuole has found that:

- there have been no legal actions of any kind due to unfair competition, anti-trust or monopolistic practices;
- there have been no activities considered by law as a risk factor related to corruption;
- there have been no cases of discrimination within its walls;
- there are still contracts that have been in place with customers for more than 25 years, proving that the loyalty of customers and employees are proof of the company's integrity and fairness.

4.5 Corporate Administrative Responsibility

[102-17, 102-33, 103-3 economic, 205-2, 103-3 social, 412-1, 412-2]

Our company adopted an organization, management and control model named **Model 231**, in order to prevent crimes committed in the interest or for the benefit of the company, and an Ethical Code, pursuant to Legislative Decree no. 231 of June 8th 2001.

The **Organizational Model 231** prepared by Eurosuole is composed by:

- a **General Part** → in which the aims and principles of the model are described and its essential components like: Eurosuole's Sensitive Processes, the Supervisory Body, and the adopted Disciplinary System. These elements are identified and regulated;

- an **Ethic Code** → The set of values, principles and lines of behavior that the company intends to follow;

- **four Special Parts**, each deeply examining one of the four areas of crime risk identified for Eurosuole and highlighting the corporate roles involved, possible methods of commission and existing controls. These areas are:

- Crimes relating to the Health and Safety of Workers;
- Crimes Against the Public Administration;
- Environmental Crimes;
- Self-laundering.

Our company has appointed a Supervisory Body with autonomous powers of initiative and control, in accordance with the law. In fact, Legislative Decree 231/2001 provides that this Body is endowed with a series of characteristics, such as autonomy and independence, professionalism, understood as adequate specialist competence in inspection and consultancy activities, and continuity of action, to be achieved through timely and constant control of the implementation of the Model.

The staff, administrators and all Recipients are required to promptly inform the Supervisory Body when they are aware of even potential violations of the law or regulations of the Model, the Code of Ethics and/or internal procedures.

Eurosuole informed the employees about the adoption of the new management model and the Code of Ethics. Given that to ensure that the measures introduced are effective it is necessary that everyone fully understands what it is about, we asked our employees to follow a training course on the contents of the Organization, Management and Control Model, at the end of which it was necessary to fill in a verification test.

4.6 Fiscal Transparency [207-1, 207-2, 207-3]

In 2020, Eurosuole decided to adopt Model 231, which is based on the values of honesty, integrity and transparency, as reiterated in the Code of Ethics. In this way, the company is committed to complying with the laws, regulations and, in general, with the regulations in force in Italy and in the foreign countries in which it operates, as well as with the democratic order established there. All Recipients of the 231 Model, such as the Sole Director, Employees and all those who, although external to the company, act directly or indirectly for Eurosuole S.p.A., are therefore obliged to comply with the regulations in force. Under no circumstances is it permitted to pursue or realize the interest of Eurosuole S.p.A. in violation of laws. This principle must be considered to be operative both with regard to the activities carried out within the Italian territory and those connected to the relationships with international operators.

For its honesty, Eurosuole is aware of the ethical significance of its actions and does not pursue personal or corporate gain in violation of applicable laws and the rules of the Code of Ethics.

For its integrity, Eurosuole doesn't want to endorse and condone any action of violence or threats aimed at obtaining behavior contrary to the law and/or the Code of Ethics.

Finally, the principle of transparency is based on truthfulness, accuracy and completeness of information, both outside and inside the company.

Eurosuole wants to ensure the proper management of tax risk, which means the problems of incurring the violation of tax regulations or the abuse of the principles and purposes of the tax system. The receivers have an express obligation to behave correctly, transparently and cooperatively, in compliance with the law and internal company procedures, in all activities aimed at issuing invoices and the related handling and preparation of financial statements. In addition, they are required to ensure that the company's accounting management process is conducted in a transparent and documentable manner.

The adoption of the Organization, Management and Control Model in 2020 explained how the risk of crimes being committed in the interest or to the advantage of the company decreases significantly. It was possible thanks to identification of Sensitive Processes, which represent the areas of crime risk identified for Eurosuole (Workers' Health and Safety Crimes, Crimes Against Public Administration, Environmental Crimes, Self-Money Laundering), and their consequent regulation. In addition, the new management model provides for the establishment of an internal Supervisory Board, which is responsible for promoting the effective and proper implementation of the Model. All Recipients are responsible for promptly reporting to the Supervisory Board any violations, irregularities, and/or conduct contrary to the provisions contained in the Model.



4.7 Risk Management [102-15, 102-29, 103-2]

Pursuant to Article 2428, paragraph 2, point 6-bis of the Italian Civil Code, the following information is provided regarding the use of financial instruments, useful for the purposes of assessing the company's balance sheet and financial situation.

Eurosuole has not carried out any purchase or sale or financing transactions with temporary transfer of assets and the consequent obligation of retrocession on a forward basis; The Company has not issued any financial instruments.

We can see a number of important pieces of information related to the size of the firm's exposure to risks:

- **Credit Risk:**

The credit risk is mitigated by the fact that the exposure is spread over a large number of customers and the company has an insurance policy in place that covers a large part of its customers against the risk of insolvency. As far as the company's financial assets are concerned, it must be considered that they have an excellent credit quality.

- **Liquidity Risk:**

The company has short-term financial assets and deposits with credit institutions that are more than appropriate to meet its liquidity needs.

- **Market Risk:**

The company mainly supplies products for the footwear sector, a mature market that has been in crisis for years. In order to face the difficulties of the market, the Company has for some time now undertaken an intense research and development activity aimed at creating innovative products with a high technological content to meet the growing needs and demands of customers. This, together with high standards of quality and service, is an important requirement that we fondly believe will let us be appreciated and preferred over our competitors.

5. Research & Development



5.1 Products [102-2, 102-9, 103-2, 416-1]

Eurosuo is able to offer its customers a large quantity of products with high quality characteristics and promote the "Made in Italy" at the same time. The main goal of Eurosuo is to offer a versatile product that can meet the different expectations of customers, and for this reason its sample collection is continuously renewed.

Eurosuo is focused on the eco-sustainability issues and environmental impact, because the wrong production choices can have negative effects on the new generations. For this reason, Eurosuo's products respect the CEE safety standards.

The products made by Eurosuo are linked down below:

- **Polyurethane Soles:**

It is used a new generation of non-toxic polyurethane, which can be expanded, thanks to a special chemical-physical processes. This feature can permit to obtain some important soles' characterization like: lightness, flexibility and insulation. The formula satisfies every requirement of footwear production, from slippers to sandals and fashion shoes to safety shoes.

- **Rubber Soles:**

For the production of rubber soles, Eurosuo uses a non-toxic elastomer of natural or synthetic origin. This material allows to create high quality products with efficiency performance in terms of abrasion resistance, grip and durability. Rubber soles are particularly suitable for casual, fashion, safety, and trekking shoes.

- **Rubber/Polyurethane Soles:**

A product composed by two different materials: the rubber tread and the upper part in polyurethane. These elements ensure lightness due to the foam material and on the other hand guarantee resistance thanks to the high-quality material with strong technical characteristics such as rubber. These soles are specifically indicated for highly technical footwear.

- **Dual Density Polyurethane Soles:**

It is a product consisting of a compact polyurethane tread in a color that guarantees grip and durability, combined with a polyurethane foam in another color to offer comfort and lightness. These peculiarities allow to satisfy the highest stylistic requirements dictated by the fashion world.

- **Thermoplastic-Polyurethane:**

A product made with two different materials and an endless series of colors and combinations that also include inserts. The flexibility and the possibility to create infinite effects and infinite variations make them specifically suitable for footwear in the luxury segment.

5.2 Investments [102-10, 103-2, 203-1]

At the 2021, Eurosuole has made some investments on the areas shown in the table below. As we can see, the amount of the investments has increased rather than 2020, due to heavy investment made in facilities with new technologies.

During 2022, the investments started in the previous year will be completed. To this will be added those of normal "routine" aimed at maintaining and improving the functionality of existing fixed assets.

Fixed Assets	Amount in Euro
Land and Buildings	31.870
Plant and Machinery	2.124.612
Industrial and Commercial Equipment	1.305.548
Other Assets	53.250
In Fixed Assets under Construction and Advances	1.350.382
Long-Term Costs	52.553
TOTAL	4.918.215



5.3 Projects [103-2, 201-4, 203-1]

“Innovation is the specific instrument of entrepreneurship...the act that endows resources with a new capacity to create wealth”.

These are the words from Austrian economist Peter Ferdinand Drucker, who was able to portray the man's continuous quest of improve the existential condition through perpetual evolution.

The path of innovation allows the companies to create their own forward-looking view of the world. Only this firms would be able to able to made products that are qualitatively superior and influence the lifestyle of the community.

Eurosuole wants to create something new and innovative. In 2006, it formed a working group aimed at developing new items. and is called L.I.T. (Technological Innovation Laboratory). The Laboratory is called L.I.T. (Technological Innovation Laboratory) is inside the company's headquarter and it is continuously supplemented with specialized technicians and personnel, which depends on the area involved in the specific project. In addition, it is often supported by external collaborations, such as European universities and research centers.

L.I.T. has become an important instrument for future Eurosuole's development, because it can enable to satisfy some objectives like: high product quality; respect for the customer's needs; maximum attention to the environment.



Pursuant to Article 2428 paragraph 3 number 1, it is acknowledged that the following research and development projects were carried out during 2021:

- Design and prototyping of a new sampling of rubber and polyurethane soles;
- The realization of Industry 4.0;
- Experimental development activities help to develop new rubber compounds;
- Development of a new mold washing process;
- Development of a water-based cleaning system for polyurethane soles help to reduce the hydrocarbons in organic volatiles.

The total costs incurred for these projects are charged to the Income Statement on an accrual basis and are summarized in the table below:

Expenses for R&D Projects	Amount in Euro
Employees	1.648.288
Tools and Equipment	91.002
Consulting	0
Materials	327.880
TOTAL	2.067.170



6. Environmental Sustainability



6.1 The concept of Sustainability for Eurosuole

[102-15, 102-19, 103-2, 103-3 Environmental]

Sustainability is an indispensable element in Eurosuole's business model.

The Company has implemented some activities like: sustainable procurement and more eco-friendly and safe production process. These new practices are more respectful for the environment and for the health of the employees.

In 2021, the main sustainability-related activities covered employees, research and development, environment, supply chain, and community. Inside the Eurosuole's organization, the role of monitoring the socio-environmental aspects and find the most sustainable project goes to.



RAFFAELLA GIBELLIERI – *Environmental Management System Manager (SGA)*

From 2000 she began to follow aspects related to environmental issues, in which Eurosuole was taking an increasingly strong interest. Raffaella has become responsible for the environmental system, attending courses that can increase her preparation in environmental protection. The RSA coordinates and ensures the continued adequacy, effectiveness and validity of the system.

Eurosuole has got some achievements in the area of sustainability and safety:

- ISO 14001;
- Recognition by ASUR, INAIL and CONFINDUSTRIA for a safe working environment;
- Construction of a trigeneration plant, which contributes to greater energy efficiency;
- Introduction of a unique water-based cleaning process, eliminating hazardous chemicals;
- Creation of company policy, ensuring that every single product is free of carcinogenic, mutagenic and teratogenic substances;
- Closed-circuit production system, constantly reusing water for cooling;
- Various initiatives and activities to support employees and the community.

6.2 Environment [103-2]

The environment is a central topic in the Eurosuole's policies, as an economic as social goal. The commitment to sustainable development represents an ethical value but also an important variable in the company's strategy. Eurosuole is constantly improve its environmental performance to reach the sustainable development goal. The company produces its soles in full compliance with applicable national, EU laws and environmental regulations.



Anytime, the methods adopted to carry out the activity guarantee the safety and health of employees and the community, even ensure that any negative effects on the environment are reduced to minimal levels. In the Eurosuole's reality, it means that company's production works in the best way and it focuses on saving energy and natural resources. It is possible by analyzing each stage of the production process and searching for eco-friendly alternatives to create products that have added value for the customer in terms of quality, durability and composition. Eurosuole is committed to reducing all types of pollution, trying to apply strategies that reduce environmental risks due to its activity and adopting a prevention and protection system through effective emergency plans.

The company's environmental policy is fundamental to defining and achieving the main goals, like the safeguard of the local community and preservation of the environment. Therefore, it spreads out this policy among suppliers, customers and other stakeholders. Contractors that work at the site on Eurosuole needs to apply environmental standards in accordance with the environmental policy. In the supplier selection stage, it rather be good to prefer ones which operate under an environmental management system.

The proper management of the mentioned environmental issues is considered a fundamental factor for the development of the company, and Eurosuole considers environmental certification to be the essential expression of the validity of an organized, structured and systematic Environmental Management System. The EMS is a fundamental tool for defining and achieving the company's objectives and represents a guarantee for the population living near our plants, for the surrounding area and, more generally, for the entire ecosystem.

For several years, the company has maintained a "Register of Environmental Aspects and Impacts," a "Stakeholder Mapping" and a "Risk and Opportunity Analysis" document that are updated whenever significant changes occur that affect the different matrices treated.

In addition, Eurosuole developed a "Registry of Nonconformities and Environmental Emergencies" that is kept updated whenever a nonconformity occurs. This is an assessment tool and an opportunity for continuous improvement for the company.

6.3 Water [103-2, 302-2, 303-3, 303-4, 303-5]

For water supply, Eurosuo uses well and aqueduct water. Meters placed at withdrawal points directly measure the volume of water extracted from the two types of sources.

The well-water comes from the Chienti River sub-river and the company is specially authorized to draw water from the Marche region.

For several years, Eurosuo has adopted a closed-loop production system with continuous reuse of cooling water; therefore, well-water is used exclusively as a top-up to the closed-loop and for watering the company's greenery.

Consumption is insignificant (MC/pair of soles = 0.0007).

Since 2010, well-water has also been used for the trigeneration plant.

In 2021, the value of aqueduct water consumption has increased considerably, due to the increase of working hours. The aqueduct water is used for sanitary purposes.

WATER CONSUMPTION (m3)	2021	2020	2019
Total Well Water Consumption	8.410	7.010	7.260
Total Aqueduct Water Consumption	7.019	4.392	7.251
TOTAL WATER CONSUMPTION	15.429	11.402	14.511

WATER CONSUMPTION (m3/Produced pair of soles)	2021	2020	2019
Total Well Water Consumption (internal acceptability level: 0,0005)	0,0006	0,00070	0,00060
Total Aqueduct Water Consumption (internal acceptability level: 0,0003)	0,00049	0,00043	0,00059
TOTAL WATER CONSUMPTION	0,00109	0,00113	0,00119



WATER



6.4 Emissions [305-7a-iv, 103-2]

From the analysis of internal reports showing records of routine maintenance operations on the atmospheric emission abatement systems, no emergency situations emerged at the plants. In the year 2021 however, the usual extraordinary preventive maintenance operations were carried out on the abatement systems precisely to avoid malfunctions during the year, specifically:



- **Engines and Impellers:** control of all suction motors and balancing of the impellers to service all emission chimneys;
- **Mixtures division:** control of the efficiency of the bag plant for the abatement of the dusts of the dosing and mixing plant.;
- **PU Molding:** cleaning of pipes and precipitation towers for the abatement and recovery of silicone;
- **Finishing:** cleaning the pipes of the painting dust abatement system

The indices relating to emissions into the atmosphere are related to solvent consumption and are deduced from raw material consumption data managed with a four-monthly solvent plan and summary for the whole calendar year. The comparison is always made with the previous year.

The first index compares the total amount of solvents used with the entire production volume. These results are better than ones from 2020, because the production shutdown imposed in March 2020 by the Covid 19 pandemic and all the printed soles remained in the warehouse as semi-finished product, without receiving any surface treatment preparatory to subsequent coating. At the end of pandemic quarantine, the company reopened and the soles were completely washed with solvent to take away the patina that had been created. However, this operation has increased the company's consumptions. The values recorded in 2021 are basically the same as the previous Covid 19 values (2019).

The second index accounts the number of labor hours for maintenance work. In 2021, the total working hours are similar than 2019 and 2018 ones, due to the two months shutdown period in 2020.

INDICATORS	2021	2020	2019
Quantity of Solvent used in GR/Pairs of Soles Produced	19	22	18
Scheduled Maintenance on Emission Abatement Plants (in working hours)	634	502	678

6.5 Energy [103-2 Environmental, 302-1, 302-2, 302-3, 302-4, 302-5, 303-2]

Eurosuo buys **electric energy from renewable sources** and it optimizes energy consumption through a **tri-generator that produces its own energy**. Moreover, the company purchases methane and a part of this one is used for the tri-generator and the remainder for heating.



ENERGY

The thermal energy produced by the tri-generator is also used for heating during the winter season and is for the production machinery. On the other hand, the electricity powers the heating of the offices.

The tri-generator creates a gap, that is caused by the insufficient heating on the production plant. To avoid this problem, Eurosuo created a back-up line with thermal oil and suitable heat exchanger, which starts when it is necessary to heat the room and the tri-generation line fails. In these activities, all electric and heat carriers are used to help the tri-generation's work.

When they aren't able to satisfy the different corporate compartment demands, the thermal power plants and the externally purchased electricity offtakes are automatically put into operation. Power plants minimize their use on weekends through a mechanism that was initiated several years ago.

Sole production requires high energy consumption.

The tri-generator has proven to be an optimal solution for the efficient supply of hot and cold electricity during the year. These efforts show how Eurosuo is capable of following the environmental policies to achieve sustainable business.

The tri-generation plant has obtained CAR certification issued by the Italian institute GSE, which manages national energy services.



TRIGENERATOR

The energy consumption monitoring program is carried out with data collection through monthly readings and with billing accounting records. The work profile of the tri-generation plant has been modified, because the introduction of new machinery has required a huge amount of electrical and thermal consumption and a reshaping in the use of cogenerators. Therefore, the 2 time slots have been abolished and the cogenerators are running 24 hours a day, thus making available about 1200 kW hourly power on an average demand of 1400 kWh.

In 2021, Eurosuolet registered a general increase in the energy consumption, in particular for electricity and methane ones. The main reason of this effect is located in rubber department, because the mixers and the presses are energy-intensive facilities. Despite this situation, tep per soles remained the same as previous years.

Until November 2021, Eurosuolet purchased electricity from the supplier Dolomiti Energia spa, which provides 100 percent energy from renewable sources. Since December 2021, the company has decided to switch supplier and sign a contract with Enel Energia, because of the rising energy costs. Thanks to that, the company was able to sign a specific agreement with 100% supply from renewable sources and it is defined "green option." In addition, Eurosuolet purchases gas from ESTRA Energia srl, which has joined the project to offset CO₂ emissions.

ENERGY CONSUMPTION (GJ)	2021	2020	2019
Electricity (purchased+self produced)	89.528	78.412	98.139
Heating	42.422	29.900	30.019
TOTAL ENERGY CONSUMPTION	131.949	108.312	128.158
ENERGY CONSUMPTION (GJ)	2021	2020	2019
Methane Consumption Tep-GJ	73.301	64.644	86.541
Electricity Consumption Tep-GJ	58.132	43.250	41.617
TOTAL ENERGY CONSUMPTION	131.432	107.894	128.158
Methane Consumption (GJ/1000 Pairs of Soles Produced)	4,06	6,31	6,98
Energy Consumption (GJ/1000 Pairs of Soles Produced)	5,12	4,22	3,36
TOTAL ENERGY CONSUMPTION (GJ/1000 Pairs of Soles Produced)	9,18	10,54	10,34



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WE RESPECT THE ENVIRONMENT BY USING ONLY ENERGY PRODUCED FROM RENEWABLE SOURCES SUCH AS WATER, SUN, WIND, AND THE EARTH'S HEAT, CERTIFIED BY THE ENERGY SERVICES MANAGER'S "GUARANTEES OF ORIGIN" SYSTEM, ACCORDING TO EC DIRECTIVE 2009/28/CE

6.6 Waste [103-2 Environmental, 306-1, 306-2, 306-3, 306-4, 306-5, 303-2]

The total amount of waste produced in 2021 are combined with the total soles produced by the company. Compared to the previous years, this ratio has decreased. As we can see in the table down below, the indicator shows the dangerous waste and the percentage of waste sent for recovery has increased compared to previous years.



In 2021, Eurosuole registered a smaller quantities of scrap waste, such as Iron Scrap and Aluminum Scrap, which comes from the decommissioning of obsolete mold sets. The main reasons of this effect may be located in the higher production of soles registered in 2021. Every Eurosuole's operations require routine maintenance, regardless of the quantity produced. For this reason, the more soles are produced, the less the waste production ratio increases.

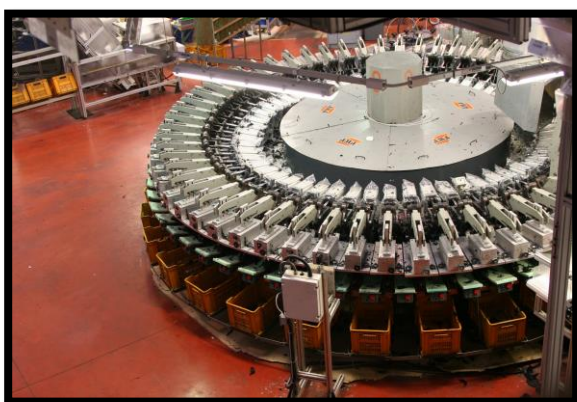
INDICATORS	2021	2020	2019
Waste Production (GR/Pairs of soles produced)	147	170	187
Dangerous Waste Production (GR/Pairs of soles production)	27	36	38
Waste Sent for Recovery (% waste sent for recovery)	39	37	35
WASTE (KG)	2021	2020	2019
Total Dangerous Waste	390.220	364.170	468.661
Total Non-Dangerous Waste	1.707.768	1.374.041	1.848.190

6.7 Materials [102-9, 103-2 Environmental, 301-1, 302-2, 417-1]

Eurossole gives a clear assessment to its customers regarding the composition of the soles produced, thanks to its respect for values such as transparency and integrity, to which is added the company's choice of responsible sourcing of raw materials.

The soles produced are an intermediate product. For this reason, it is the duty of the shoe manufacturer to properly inform the end consumer.

Eurossole is committed to checking each type of sole produced and assessing whether their manufacture does not result in a significant environmental impact on the distribution chain.



MATERIALS



7. Social Sustainability



7.1 Employees [102-8, 102-41, 103-2, 405-1]

Eurosuo knows that some investments on human resources by the development of professional skills would be the key of success for the company.

Therefore, it is necessary that the Company creates a welcoming and pleasant workplace with a customer loyalty relationship to value the contribution of the individual worker on a daily basis.



It is necessary to understand that this approach stimulates employees' sense of belonging and also contributes to the achievement of the desired economic and social outcome, combined with the right professional skills.

In this context, one of the essential elements is trust: Eurosuo is the result of the deployment of managerial skills in respect and recognition of each individual employee. People in management and leadership positions contribute daily to a fair and open working environment, where employees work together and support each other.

For this reason, Eurosuo schedules constantly their training by the distribution of informational materials. The main goal is to increase and spread the healthy lifestyle culture in the workplace.

Eurosuo has decided to join the "Companies that Promote Health in the Workplace" - WHP Program Line 3.3 of the 2014/2019 WHP.

Eurosuo is close to its employees through active welfare policies: it takes its employees' working conditions seriously by offers them: some free annual oncology screenings, discounts for visits and diagnostic services, thanks to the affiliation with Casa di Cura Villa dei Pini, free summer camps for children.

The company's incentive system has also proven effective so far, encouraging employees to limit absenteeism and focus their efforts on achieving the company's mission.

The company has no significant changes in employees based on their seasonality.

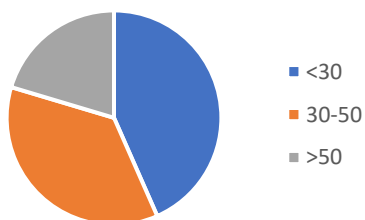
Since February 2020, Eurosuo has had to manage the emergency of the COVID-19 pandemic. From the beginning, the Covid Committee was appointed, which has approved the Protocol of Anti-Covid Measures. The primary measures of this act included to posting notices for employees and customers, to change the working hours and the breaktimes, to give anti-contagious protective equipment (masks, gloves, hand sanitizing gel) to every employee.

In 2021, the average company workforce increased 45 units. [405-1]

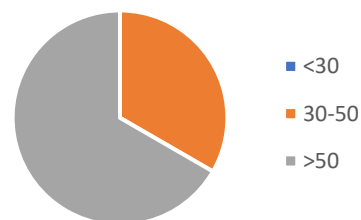
EMPLOYEES (with temporary workers)	GENDER		2021	2020	2019
	Male	Female	TOTAL	TOTAL	TOTAL
Employees with fixed-term contract	96	6	102	57	67
Employees with permanent contract	170	33	203	203	201
Full-time employees	263	37	300	256	264
Part-time employees	3	2	5	4	4
TOTAL	266	39	305	260	268

EMPLOYEES BY CATEGORIES AND GENDER				
ROLES	Absolute Value		Percentage	
	Male	Female	Male	Female
Workers	234	31	88,3%	11,7%
Employees	29	8	78,4%	21,6%
Managers	3	0	100%	0%

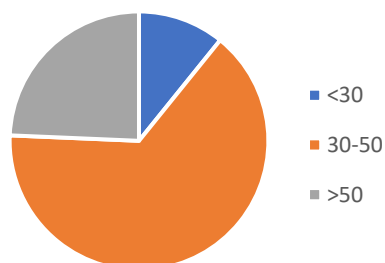
WORKERS BY AGE GROUP



MANAGERS BY AGE GROUP



EMPLOYEES BY AGE GROUP





7.2 Diversity in the Workplace [102-38, 401-1, 401-2, 405-1]

Special attention is paid to valuing diversity. Eurosuole supports equal opportunities for all its employees and the treatment of respect for diversity.

The very important topic for the company is the issue of integration and equal opportunities for all employees.

The company understands the difficult employment situation in Italy and how the instability of the labour market influences this period. However, it is necessary to give equal opportunities and chances for a decent life to everyone for the benefit of society.

Since the beginning, Eurosuole has pursued a policy of non-discrimination. The working group team is very international, because a lot of employees come from different part of the World. Thanks to the respectful behavior between them and the management, the Company has managed to create a very friendly workplace, where people can feel almost like a family.

It is important to value the diversity in the workplace in terms of age, gender, culture, and physical ability. They can create some benefits for the working atmosphere and turn in a good example for other companies.

The Eurosuole’s international workgroup team is reported in a table down below.

COUNTRY OF ORIGIN BY TYPE OF CONTRACT		
Nations	Fixed-Term Contract	Permanent Contract
Albania	3	0
India	0	4
Argentina	1	0
Italy	89	179
Bosnia-Erzegovina	1	0
Kosovo	1	0
Marocco	0	1
Nigeria	0	1
Pakistan	3	8
Romania	2	2
Senegal	2	7

NEW ASSUMPTIONS BY GENDER	
Gender	Amount
Male	104
Female	6
TOTAL	110

NEW ASSUMPTIONS BY AGE GROUP	
Age Group	Amount
<30	84
30-50	24
>50	2
TOTAL	110

TURNOVER

Throughout 2021, Eurosuole has recorded a turnover compensation rate of 1,7%.

NEW ASSUMPTIONS BY COUNTRY OF ORIGIN	
Nations	Amount
Albania	2
Argentina	1
Bosnia-Erzegovina	1
Italia	103
Romania	2
Senegal	1
TOTAL	110

From the “New Assumptions by age group” table, it can be seen that Eurosuole has hired several young people were included, to whom the company has ensured training and professional development. In 2021, Eurosuole benefited from the facilities provided by Law 205/2017 and 178/2020, regarding the hiring of young people, totaling €106,287. The main reason for the unbalance between male and female employees is related to the type of business the company conducts.

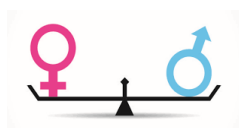


7.3 Remuneration [102-35, 102-36, 202-1, 405-2]

Every single employee has the same benefits, without distinction of contractual type. In Italy there is no minimum wage, or rather, the minimum wage is that provided for by the national collective agreement (CCNL) for the specific category.

The CCNL is a type of contract that is concluded at the national level between the respective social partners (the organizations representing employees, employers' associations, and trade unions): it establishes the minimum remunerations and the fundamental parameters and rules that individual labor contracts must adhere to. Eurosuole adheres to the National Chemicals, Rubber and Plastics Contract.

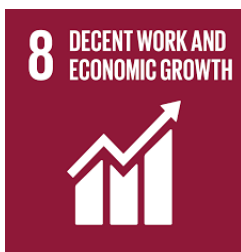
7.3.1 Performance Bonus [103-2 social, 102-12]



Since 1994, Eurosuole has established a **second-level contract**, in addition to the national collective contract. It provides a bonus related to collective and individual productivity gains. The bonus has two components. The first is related to the "first half turnover trend" index and it depends on the attendance on the workplace. The second component relates to the quality, which is valued on merchandise returns compared to the months of work. The total amount is 880 euros.

In 2021, Eurosuole gives an award, which the total amount is €147.042.

The second-level contract provides for corporate welfare. In 2021, Eurosuole renewed the agreement entered into with Casa di Cura Villa dei Pini-Sanatrix Gestioni, belonging to the Gruppo Kos. Thanks to that, every employee (or one of his/her family members) gets the opportunity to have instrumental diagnostic examinations, mainly related to cancer screenings and even a 20% reduction of prices for examinations and diagnostic tests, including laboratory tests, also related to COVID.



7.3.2 Equality of Remuneration for Men and Women

Eurosuole supports the gender equality and the equal opportunity: the company guarantees an equal pay and tenure.

7.4 Safety [103-2 Social, 403-1,403-2,403-3,403-4, 403-5, 403-6, 403-6, 403-7, 403-8, 403-9, 403-10]

Eurosuo considers the importance of improve safety in the workplace, from training courses to advanced safety mechanisms and equipment. Every year, the company's safety professionals (RSPP, ASPP, RLSA, the competent physician, the external consultant, supervisors and management) reviews the risk assessment document and the general progress of occupational safety.



Eurosuo keeps on updating its staff, in order to introduce them in the new production techniques and prevent possible risk situations. The Company is following a specific procedure about the formation, information and training, which takes place at every hiring, job change, and introduction of new risks agents.

ACCIDENTS and ABSENTEEISM	2021	2020	2019
Number of Work Accidents	5	2	3
Number of Commuting Accidents	4	2	1
Days of Absence due to a Work Accident	162,5	28	65,25
Days of Absence due to a Commuting Accident	85	85	5
Frequency index of Work Accidents *	9,66	4,79	5,89
Frequency index of Commuting Accidents *	7,73	4,79	1,97
Severity index of Work Accidents **	0,0314	0,0067	0,0128
Severity index of Commuting Accidents **	0,0164	0,0204	0,0010
Hours Worked per capita	1697	1.605	1.899
Total Hours Worked	517,536	417.415	509.049
Average Hours of Illness per capita (employees/workers)	14,99/55,72	20,44/71,54	42,68/48,83
Absenteeism rate due to Illness (employees/workers) in %	0,74/2,73	1/3,49	2,25/2,57
Average Hours of Work Accidents per capita (employees/workers)	0/4,91	0/1,01	0/2,28
Absenteeism rate due to Work Accidents (employees/workers) in %	0/0,24	0/0,049	0/0,12

* Number of Accidents per One Million Hours Worked

** Number of Lost Working Days due to Accidents per hundred hours worked

During the fiscal year, there were no work-related deaths or serious accidents involving serious or very serious injuries to the personnel; there were no charges regarding occupational diseases on employees or former employees or mobbing lawsuits.

7.5 Training [102-27, 103-2, 404-1, 404-2]

The training on workplace represents the key to improve employees' skills and competencies.

For this reason, Eurosuo focuses on training its workers on various relevant business aspects, such as occupational safety, safe management of environmental aspects, training of packaging loading/unloading personnel, with practical tests for raw material handlers.



Environmental training is conducted in different phases. The first one provides some information about general environmental aspects, which can affect the company through the RSA. The second phase explains that the function managers are responsible for updating all relevant information for the employees, which receive all the details about waste management, emission regulations, chemical management, labeling, transportation of hazardous substances, and hazard symbols, that are required for a functional work performance.

Innovation is a challenge for organizations, in terms of competitiveness, growth and excellence, but also for the people who work in them: it requires an ever-increasing degree of skills, professional growth, collaboration, responsibility at all levels, and sharing of knowledge and experience. It also contributes to the quality of working life in organizations as well as to the well-being of workers.

In 2020, it was carried out a survey thanks to a team of professionals and experts from the University of Florence and Bordeaux, which were guided by the Professor Carlo Odoardi. This survey wanted to measure the business climate and the power of innovation that involved in the entire Eurosuo Professional Community. This analysis was carried out in order to activate processes of improvement and development within the company and to promote new learning and strengthen the system of skills and professionalism, for a better business performance and for increasingly competitive behavior against the complexity of the market. In 2021, the activities carried out in the organizational and management area involved a total of 10 resources: the 3 managers and 7 first-line managers.

In 2021, has done some training activities in management related to managerial potential analysis, training activities and managerial coaching.

All people involved in the process of reorganization or training have widely shown the positive effects, especially in the area of company management and production.

The company climate has greatly improved, both in terms of greater attention to production processes and in terms of relationships and cooperation in finding the best solutions.

The training investment to the Eurosuo's personnel represents corporate attention and recognition in relation to the efforts made during these difficult years, due to the pandemic situation.

It also represents a distinctive element of Eurosuo, which always focuses paid on the growth of personnel, through training interventions in line with the transformations taking place in the World and in the market.

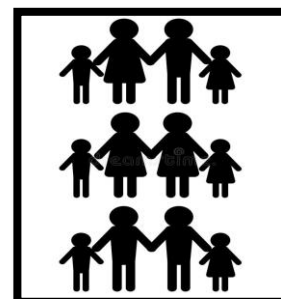
The good results achieved have shown how the company needs to continue to invest in personnel training, so that the entire Eurosuole Professional Community can develop the skills necessary to support the new organizational and management designs: the management has therefore chosen to continue in 2022 with the training activities planned for second-line managers, with a view to involving an increasing number of resources belonging to the different business areas.

Average Training Hours	2021	2020
	17,38	20,33



7.6 Family [103-2 Social, 401-3]

An efficiency organization is able to help its employees to balance their family life and work, which is the main reason why Eurosuole has decided to offer them concrete help each year. In 2021, 8 employees asked for the parental leave and get it. In addition, two employees took extraordinary leave under Law 151/2001.



For several years, the company has offered for every employee with school-age children the opportunity to use a summer center for free, which is named Le Tate. This association focuses on the children's leisure activities and the organization of the summer camps. Le Tate offers children educational and recreational activities during the vacations, ensuring a quality educational program even during the summer period. This service wants to help the employees, whose have children and may have difficult to combine work and childcare during the summer season, when schools are closed.

7.7 Society [102-12, 102-13, 103-2, 413-1]

Eurosuo strongly believes in the potential of young people in order to create a healthier and safer society than the past. The company would strive it through different initiatives.

Eurosuo is also committed to social work: it supports the local community with some contributions to different nonprofit and charitable associations about sports and culture.

These organizations are called O.N.L.U.S. and Eurosuo has decided to encourage **ANT** (National Cancer Association) and **CARITAS**, that focuses on Charity.

Regarding the sports associations, Eurosuo sponsors **A.S. Lube Volley**, an Italian volleyball team that plays in the Superlega. Furthermore, the Company supports also **Anthropos**, that is an association that organizes some sports activities for children with disabilities. The Company has decided to support them by financing the expenses for the transportation, in order to help children to move for their sports activities.

Eurosuo makes investments to promote general community development through various projects. On 25th and 26th September 2021, the Company has decided to sponsor the event "**Sport Live - Il Festival dello Sport Marchigiano**" held in the city of Civitanova Marche (Mc). This event promoted every category of sports, with the aim to give visibility to a sector, which was badly influenced by Covid-19 at 2020. Therefore, it allowed young people to take part on different sports activities. The main reason of this event was testified by the company's commitment to its community and young generation.

In 2021, Eurosuo got several expenses due to COVID-19, to ensure the protection and safeguard of working personnel.

In order to reach its objective of growth and prosperity, Eurosuo is aware of influence that it creates on stakeholders and the community too. For this reason, the Company's strategy is based on social, cultural and educational initiatives to improve the living conditions of local people and to protect the minority groups.

The Company knows how it is important that employees' children and future generations grow up in an industrious and sustainable society. That's why Eurosuo gives a contribution to build a better future.



(*) Other Contributions	2021
Sports Associations	62.700
O.N.L.U.S.	12.450
COVID Expenses	73.621
TOTAL	148.771

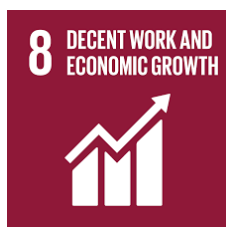
7.8 Sustainable Development Goals

On September 2015, the United Nations General Assembly approved the 2030 Agenda for Sustainable Development consisting in **17 Sustainable Development Goals (SDGs)**.

It is necessary that these goals could be achieved by all countries in the world within 2030. They have economic, environmental, social, and institutional subjects, which represent a global framework for the international community. The 2030 Agenda is the result of the current unsustainable development model, which needs to be recreated in a virtuous way, where environmental protection, economic growth and human rights are close together in only one strategy.

On 2021, the company identified 7 priorities in the sustainable development goals for the Group:

- Number 3: “Good Health and Well-Being”;
- Number 5: “Gender Equality”;
- Number 7: “Affordable and Clean Energy”;
- Number 8: “Decent Work and Economic Growth”;
- Number 9: “Industry, Innovation and Infrastructure”;
- Number 10: “Reduced Inequalities”;
- Number 12: “Responsible Consumption and Production”.



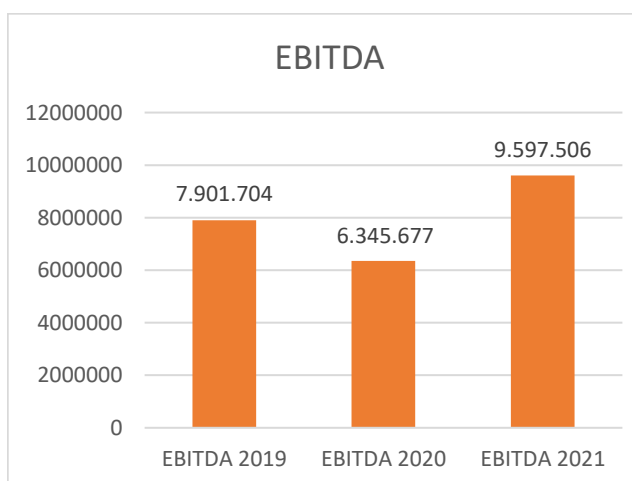
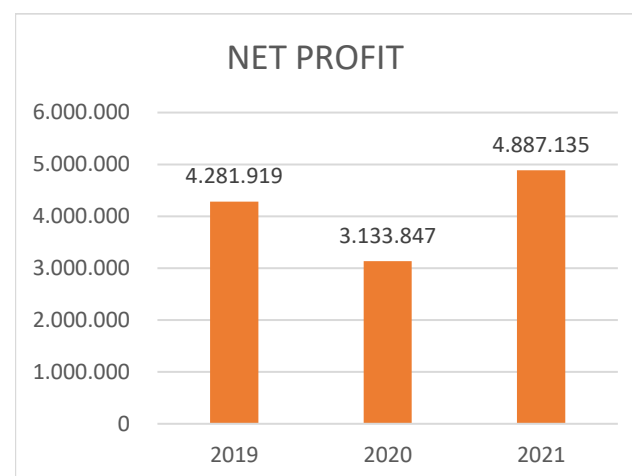
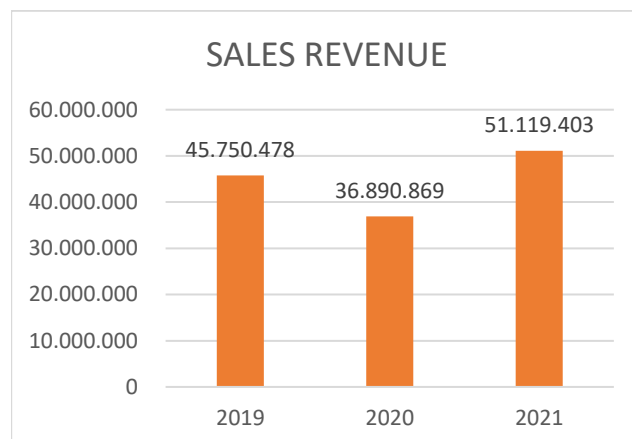
8. Financial Profile



8.1 Financial Summary [102-7, 102-45, 103-2]

The Financial Statement 2021 closes with a net profit of €4.887.135, an increase of 55,9% compared to that one of 2020, which was influenced by the Covid-19's effect. Furthermore, it increased of 14,1% compared to that one of 2019.

PROFITABILITY	2021	2020	2019
Net ROE	0,12	0,08	0,13
Gross ROE	0,14	0,09	0,15
ROI	0,08	0,06	0,1
ROS	0,11	0,09	0,11
EBITDA	9.597.506	6.345.677	7.901.704
Profit (Loss) before Taxes	5.896.064	3.478.908	5.083.162
LIQUIDITY			
Primary Liquidity	1,92	2,9	2,13
Secondary Liquidity	2,21	3,31	2,54
FINANCIAL SOLIDITY			
Debt	0,59	0,48	0,39
Coverage Rate of Fixed Assets	2.08	2,21	1,91
Primary Structural Margin	21.241.132	19.691.269	17.327.572
Primary Structural Quotient	1,87	1,88	1,84
Secondary Structural Margin	27.287.968	28.054.002	19.839.118
Primary Structural Margin	2,12	2,25	1,96





8.2 Evaluation Criteria [102-11]

(Rif. Art. 2423, C.ce art.2423-bis C.C)

The valuation of the items in the financial statements was made on the basis of general criteria of prudence and accrual, in view of the continuation of the business activity.

The application of the principle of prudence has led to the individual valuation of the elements making up the individual asset or liability items, in order to avoid offsetting losses that had to be recognized and profits that should not be recognized because they were not realized.

In compliance with the accrual principle, the effect of the transactions and other events has been recognized in the accounts and attributed to the year to which these transactions and events refer, and not to the year in which the related cash movements (receipts and payments) materialize.

In application of the principle of relevance, the obligations in terms of recognition, evaluation, presentation and disclosure were complied with when their observance had significant effects in order to give a true and correct representation.

The valuation criteria adopted are unchanged with respect to previous years; the continuity over time of their application represents a necessary element for the comparability of the financial statements in the various financial years.

The recognition and presentation of the financial statement items was made taking into account the substance of the transaction or the related contract.



8.3 Balance Sheet (Assets) in Euro ^[102-7]

FIXED ASSETS	31/12/2021	31/12/2020	31/12/2019
Intangible fixed assets			
Start-up and Capital Costs	948	-	-
Industrial patents and intellectual property rights	40.767	1.999	17.208
Concessions, licenses, trademarks and similar rights	4.908	4.487	6.029
TOTAL Intangible Fixed Assets	46.623	6.486	23.237
Tangible Fixed Assets			
Land and Buildings	11.461.517	11.838.125	12.144.810
Plant and Machinery	9.130.854	9.341.600	7.476.793
Industrial and Commercial Equipment	782.090	325.552	246.109
Other Assets	161.644	228.742	326.932
Assets under Construction and Advances	1.719.870	369.488	346.669
TOTAL Tangible Fixed Assets	23.255.975	22.103.507	20.541.313
TOTAL Fixed Assets	23.302.598	22.109.993	20.564.550
Inventories			
Raw, Ancillary and Consumable Materials	3.397.109	2.640.040	2.373.326
Work in progress and Semi-finished goods	1.455.042	688.683	960.983
Finished products and goods	1.561.395	1.643.916	1.872.830
TOTAL Inventories	6.413.546	4.972.639	5.207.139
Receivables			
From Customers due within one year	18.330.423	14.726.478	14.980.760
Tax Receivables due within one year	1.986.501	690.806	1.711.339
Tax Receivables due beyond one year	1.094.107	340.934	-
Deferred tax assets	301.262	283.149	370.159
Receivables from others due within one year	891.800	775.482	680.714
Receivables from others due beyond one year	2.450	4.900	7.351
TOTAL Receivables	22.606.543	16.821.749	17.750.323
Financial Assets other than Fixed Assets			
Other Titles	7.936.520	7.979.495	-
Cash and Cash Equivalent			
Bank and Postal Deposits	13.724.910	10.616.906	9.487.831
Checks	-	6.017	-
Cash and Valuables on hand	10.472	13.433	4.527
TOTAL Cash and Cash Equivalent	13.735.382	10.636.356	9.492.358
TOTAL CURRENT ASSETS	50.691.991	40.410.239	32.449.820
Accruals and Deferrals	70.513	17.485	68.783
TOTAL ASSETS	74.065.102	62.537.717	53.083.153



8.4 Balance Sheet (Liabilities) in Euro ^[102-7]

EQUITY	31/12/2021	31/12/2020	31/12/2019
Share Capital	5.000.000	5.000.000	5.000.000
Valuation Reserves	2.722.375	2.722.375	399.225
Legal Reserve	1.000.000	1.000.000	1.000.000
Extraordinary Reserve	27.184.094	25.450.247	22.368.329
Difference from Rounding off to the nearest euro unit	(1)	(4)	-
Reserves in Tax Suspension	2.336.107	2.336.107	2.336.107
Other Reserves	2.513.893	2.513.893	2.513.893
Reserve for hedging expected cash flow operations	(3.316)	(9.369)	-
Profit (Loss) for the year	4.887.135	3.133.847	4.281.919
TOTAL Net Equity	45.640.287	42.147.096	37.899.473
Provisions for Risks and Charges			
Provisions for Pensions and Similar Obligations	220.552	204.661	311.146
Passive Derivative Financial Instruments	4.363	12.328	-
TOTAL Provisions for Risks and Charges	224.915	216.989	311.146
TOTAL Severance Indemnities	622.448	772.964	783.528
Liabilities			
Payables to Banks Due Within One Year	3.347.300	2.320.550	211.527
Payables to Banks Due Beyond One Year	5.175.523	7.324.880	1.416.872
Payments on Account Due Within One Year	39.655	12.365	10.405
Trade Payables due within one year	14.358.786	6.693.695	9.458.151
Tax Payables due within one year	1.095.792	770.497	468.680
Tax Payables due beyond one year	23.950	47.900	-
Payables to social security institutions due within one year	909.878	752.008	845.760
Other Payables due within one year	1.492.107	1.351.066	1.677.288
TOTAL LIABILITIES	26.442.991	19.272.961	14.088.683
Accruals and Deferrals	1.134.461	127.707	323
TOTAL EQUITY AND LIABILITIES	74.065.102	62.537.717	53.083.153



8.5 Income Statement [102-7]

INCOME STATEMENT	31/12/2021	31/12/2020	31/12/2019
A) Production Value			
Revenues from Sales and Services	51.119.403	36.890.869	45.750.478
Change in Inventories of Work in Progress, Semi-Finished and Finished Goods	683.838	(501.214)	590.506
Grants related to income	813.301	667.717	943.356
Other	205.700	175.600	173.396
TOTAL Value of Production	52.822.242	37.232.972	47.457.736
B) Production Cost			
For Raw, Ancillary and Consumable Materials and Goods for Resale	22.007.521	13.859.676	18.759.339
For Services	9.529.821	7.053.365	8.060.737
For use of Third-Party Assets	46.940	37.979	21.164
Wages and Salaries	8.740.574	7.004.375	8.381.691
Social Security Contributions	2.755.492	2.205.664	2.741.360
Severance Indemnity	481.566	434.219	413.853
Other Personnel Costs	182.368	199.239	260.372
Amortization of Intangible Fixed Costs	12.416	16.750	27.506
Depreciation of Tangible Fixed Assets	3.712.522	2.884.689	2.820.583
Impairment losses on receivables included in current assets - cash and cash equivalents	49.451	37.847	39.501
Change in Inventories of Work in Progress, Semi-Finished and Finished Goods	(757.069)	(266.714)	716.508
Other Operating Charges	188.072	321.645	161.507
TOTAL Production Costs	46.949.674	33.788.734	42.404.121
Difference between Value and Production Cost (A - B)	5.872.568	3.444.238	5.053.615
Other Financial Income	106.434	47.800	35.523
Other Financial Charges	81.171	25.496	14.059
Foreign Exchange Gains and Losses	(1767)	12.366	8.083
TOTAL Income and Expenses	23.496	34.670	29.547
Profit Before Taxes	5.896.064	3.478.908	5.083.162
Current Taxes	1.028.954	255.092	762.342
Deferred and Prepaid Taxes	-20.025	89.969	38.901
PROFIT (LOSS) FOR THE YEAR	4.887.135	3.133.847	4.281.919



8.6 Cash Flow Statement

Cash Flow Statement	31/12/2021	31/12/2020	31/12/2019
Profit (Loss) For the Year	4.887.135	3.133.847	4.281.919
Income Taxes	1.008.929	345.061	801.243
Interest Payable (Receivable)	(25.263)	(22.304)	(21.464)
(Gain)/Losses on Disposal of Assets	(18.135)	(30.728)	(74.888)
1) Profit (Loss) for the Year Before Income Taxes, Interest, Dividends and Gains/Losses on Disposal	5.852.666	3.425.876	4.986.810
Adjustments for Non-Monetary Items that did not have a Balancing Entry in the Net Working Capital			
Allocation to Provisions	36.744	33.844	28.519
Depreciation of Fixed Assets	3.724.938	2.901.439	2.848.089
Other Upward (Downward) Adjustments for Non-Monetary Items	12.331	81.147	2.271.124
TOTAL Adjustments for Non-Monetary Items that did not have a Balancing entry in the Net Working Capital	3.774.013	3.016.430	5.147.732
2) Cash Flow Before Changes in Net Working Capital	9.626.679	6.442.306	10.134.542
Changes of the Net Working Capital			
Decrease (Increase) in Inventories	(1.440.907)	234.500	126.001
Decrease (Increase) in Trade Receivables	(3.603.945)	254.282	299.942
Increase (Decrease) in Trade Payables	7.665.091	(2.764.456)	(3.561.958)
Decrease (Increase) in Accrued Income and Prepaid Expenses	(53.028)	51.298	(43.496)
Decrease (Increase) in Accrued Expenses and Deferred Income	1.006.754	127.384	323
Other Decreases (Increases) in Net Working Capital	(1.979.730)	411.402	(118.650)
TOTAL Changes in Net Working Capital	1.594.235	1.078.866	382.770
3) Cash Flow After Changes in Net Working Capital	11.220.914	4.756.716	6.836.704
Other Adjustments			
Interest Received/(paid)	25.263	22.304	21.464
(Income Taxes paid)	(584.414)	(12.341)	(220.152)
(Use of Funds)	(183.697)	(138.565)	(184.289)
TOTAL OTHER ADJUSTMENTS	(742.848)	(128.602)	(382.977)
CASH FLOW FROM OPERATING ACTIVITIES (A)	10.478.066	4.628.114	6.453.727
Tangible Fixed Assets			
(Investments)	(4.865.662)	(2.358.597)	(6.007.798)
Disposals	18.807	36.944	85.682
Intangible Fixed Assets			
(Investments)	(52.553)	-	(3.332)
Disposals	-	-	-
Short Term Financial Assets			
(Investments)	(2.887.685)	(7.979.495)	-
Disposals	2.930.660	-	-
Cash Flow from Investment Management (B)	(4.856.433)	(10.301.148)	(5.925.448)
Resource of Others			
Increases (Decreases) in Short-Term Payables to Banks	12	-	-
Raising of Loans	3.000.000	8.228.558	-
(Repayment of Loans)	(4.122.619)	(211.527)	(105.132)
Own Resources			
(Dividends and Interim Dividends Paid)	(1.400.000)	(1.200.000)	(1.700.000)
Cash Flow from Financial Management (C)	(2.522.607)	6.817.031	(1.805.132)
Net Increase Decrease in Cash and Cash Equivalents (A ± B ± C)	3.099.026	1.143.997	(1.276.853)
Initial Bank and Postal Deposits	10.616.906	9.487.831	10.759.435
Checks	6.017	-	-
Initial Cash and Cash Equivalent	13.433	4.527	9.776
TOTAL Cash and Cash Equivalents at the Beginning of the Year	10.636.356	9.492.358	10.769.211
Final Bank and Postal Deposits	13.724.910	10.616.906	9.487.831
Checks	-	6.017	-
Final Cash and Cash Equivalents	10.472	13.433	4.527
TOTAL Cash and Cash Equivalents at the End of the Year	13.735.382	10.636.356	9.492.358



8.7 Added Value Creation [102-12, 103-2, 201-1]

Added Value Creation	31/12/2021	31/12/2020	31/12/2019
production Revenues			
Revenues from Sales and Services	51.119.403	36.890.869	45.750.478
Changes in Inventories of Work in Progress, Semi-Finished and Finished Goods	683.838	(501.214)	590.506
Other Revenues	1.019.001	843.317	1.116.752
TOTAL Production Value	52.822.242	37.232.972	47.457.736
Intermediate Production Costs			
Costs of Raw Materials and Services	30.200.213	20.622.958	27.483.542
Other Operating Costs	45.923	156.550	44.830
TOTAL Intermediate Costs of Production	30.246.136	20.779.508	27.528.372
Characteristic Gross Value Added	22.576.106	16.453.464	19.929.365
Extraordinary and Accessories Components			
Financial Income	23.496	34.670	29.547
TOTAL Extraordinary Components and Accessories	23.496	34.670	29.547
TOTAL Gross Value Added	22.599.602	16.488.134	19.958.912
Amortization and Depreciation	3.774.389	2.939.286	2.887.590
TOTAL Net Value Added	18.825.213	13.548.848	17.071.322
Distribution of Value Added			
Staff	12.160.000	9.843.497	11.797.276
Public Administration (Taxes)	1.008.929	345.061	801.243
Company Remuneration (Profit)	4.887.135	3.133.847	4.281.919
Community			
Membership Fees	18.441	20.893	20.175
Local Taxes	111.258	87.802	87.802
Other Contributions (*)	148.771	117.748	82.906
TOTAL Value of Community Contribution	278.470	226.443	190.883
TOTAL Net Global Value Distributed	18.825.213	13.548.848	17.071.322
(*) See table on page 54			

9. GRI Content Index

For the Content Index Service, GRI Services reviewed that the GRI content index is clearly presented and the references for all disclosures included align with the appropriate sections in the body of the report.



9.1 Methodology

GRI STANDARDS REFERENCE:

This report has been prepared in accordance with the GRI Standards: Core option [102-54]

PRINCIPLES DEVELOPED EXTERNALLY THAT WE ENDORSE:

GRI S, Italian Civil Code (from art. 2423 to art. 2435), I.Re.M. (Responsible Companies in the Marche region), OIC (Italian Accounting Organization) [102-12]

REPORTING PERIOD:

January 1st 2021 – December 31st 2021 [102-50]

REPORTING CYCLE:

Annual [102-52]

DATE OF PREVIOUS REPORT:

Sustainability Report 2020 [102-51]

CONTACT FOR QUESTIONS REGARDING THE REPORT OR ITS CONTENT:

bilancio.integrato@eurosuole.com [102-53]

ROLE OF THE HIGHEST GOVERNANCE BODY IN SUSTAINABILITY REPORTING:

The CEO decides the materiality matrix and verifies that all material topics are included in it; he supervises the preparation of the Sustainability Report and finally approves it. [102-32]
The attestation of the Board of Statutory Auditors of the 2021 Sustainability Report is linked to this document. [102-56]



9.2 GRI Content Index [102-55]

GRI Disclosure	Page Number	Notes	Omissions
GRI 101: FOUNDATION 2016			
GRI 102: GENERAL DISCLOSURES 2016			
PROFILE OF THE ORGANIZATION			
102-1 Name of the organization	24		
102-2 Activities, Brand, Products and Services	6,24,33		
102-3 Location of Headquarters	24		
102-4 Countries in which the company operates	24		
102-5 Ownership structure and legal form	24		
102-6 Markets served	21		
102-7 Size of the organisation	24,59,60,61		
102-8 Information about employees and other workers	47,48		
102-9 Description of the supply chain	17,21,24,33,45		
102-10 Significant changes in the supply chain and organization	24,34		
102-11 Explanation of the application of the prudential approach	58		
102-12 External initiatives	51,54,63,64		
102-13 Membership in associations	54		
STRATEGY			
102-14 Statement by the Chief Executive Officer	1		
102-15	27,31,38		





<i>Description of the main impacts, risks and opportunities</i>			
GRI Disclosure	Page Number	Notes	Omissions
ETHICS AND INTEGRITY			
102-16 <i>Values, principles, standards and rules of conduct</i>	8,9,10,28		
102-17 <i>Reporting mechanisms and ethical concerns</i>	29		
GOVERNANCE			
102-18 <i>Governance structure of the company</i>	5		
102-19 <i>Delegation processes from the highest governance body</i>	38		
102-20 <i>Economic, environmental and social responsibility of an executive</i>	1,5		
102-21 <i>Consultation of stakeholders on economic, environmental and social issues</i>	15		
102-22 <i>Composition of the highest governance body and its committees</i>	5		
102-23 <i>Chairmanship of the highest governance body</i>	5		
102-24 <i>Appointment and selection process of the highest governance body</i>	5		
102-25 <i>Conflict of interest</i>	28		
102-26 <i>Role of the highest governance body in defining goals, values and strategy</i>	1,5		
102-27 <i>Collective knowledge of the highest governing body</i>	52		





GRI Disclosure	Page Number	Notes	Omissions
102-28 <i>Assessment of the performance of the highest governance body</i>			<u>Information unavailable</u> At the moment we do not have any evaluating process of the highest governance body regarding economic, environmental, and social topics. We expect to have this information in the next reporting period.
102-29 <i>Identification and management of economic, environmental and social impacts</i>	5,31		
102-30 <i>Effectiveness of the risk management process</i>	26		
102-31 <i>Review of economic, environmental and social topics</i>	26		
102-32 <i>Highest governance body's role in sustainability reporting</i>	5,64		
102-33 <i>Communicating critical concerns</i>	29		
102-34 <i>Nature and total number of critical concerns</i>			<u>Not applicable</u> We did not register any criticalities in 2021.
102-35 <i>Remuneration policies</i>	50		
102-36 <i>Process for determining remuneration</i>	50		
102-37 <i>Stakeholder's involvement in remuneration</i>			<u>Information unavailable</u> At the moment the governance of the company does not foresee a remuneration committee since it is not mandatory for not listed companies as Eurosuole according to Italian Code Law.
102-38 <i>Annual total compensation ratio</i>	49		
102-39 <i>Percentage increase in the annual total compensation ratio</i>			<u>Information unavailable</u> At the moment the governance of the company does not foresee remuneration committee since it is not mandatory for not listed companies as Eurosuole according to Italian Code Law.
STAKEHOLDER ENGAGEMENT			





GRI Disclosure	Page Number	Notes	Omissions
102-40 <i>List of stakeholder groups</i>	15		
102-41 <i>Collective bargaining agreements</i>	47		
102-42 <i>Identifying and selecting stakeholders</i>	15		
102-43 <i>Approach to stakeholder engagement</i>	15		
102-44 <i>Key topics and concerns raised</i>	15		
REPORTING PROCESS			
102-45 <i>Entities included in the consolidated financial statements</i>	57		
102-46 <i>Defining report content and topic boundaries</i>	13,14		
102-47 <i>List of material topics</i>	13,14		
102-48 <i>Restatements of information</i>	26		
102-49 <i>Changes in reporting</i>	13,14		
102-50 <i>Reporting period</i>	64		
102-51 <i>Date of most recent report</i>	64		
102-52 <i>Reporting cycle</i>	64		
102-53 <i>Contact point for questions regarding the report</i>	64		
102-54 <i>Claims of reporting in accordance with the GRI standards</i>	64		
102-55 <i>GRI Content Index</i>	65		
102-56 <i>External Assurance</i>	64		
MATERIAL TOPICS ECONOMIC TOPIC			
GRI 103: MANAGEMENT APPROACH 2016 -> This reference to the management approach and its disclosures (103-1, 103-2, 103-3) cover all the material topics of GRI 201, GRI 202, GRI 203, GRI 204, GRI 205, GRI 206, GRI 207			





GRI Disclosure	Page Number	Notes	Omissions
103-1 <i>Explanation of the material topic and its boundary</i>	13,14		
103-2 <i>The management approach and its components</i>	1,6,8,9,10 13,14,15, 17,26,28, 31,34,35, 57,63		
103-3 <i>Evaluation of the management approach</i>	29		
GRI 201: ECONOMIC PERFORMANCE 2016			
201-1 <i>Direct economic value generated and distributed</i>	63		[201-1b] <u>Not applicable</u> Added value by country, region, market is not relevant.
201-2 <i>Financial implications and other risks and opportunities due to climate change</i>			<u>Information unavailable:</u> The company is planning to implement in the next few years a system to assess relevant risks and opportunities due to climate change, for example temperature rise, illnesses of the workforce ecc.
201-3 <i>Defined benefit plan obligations and other retirement plans</i>			<u>Not applicable</u> Italian labor law does not foresee pension plans.
201-4 <i>Financial assistance received from government</i>	35		
GRI 202: MARKET PRESENCE 2016			
202-1 <i>Ratios of standard entry level wage by gender compared to local minimum wage</i>	50		
202-2 <i>Proportion of senior management hired from the local community</i>	5		
GRI 203. INDIRECT ECONOMIC IMPACTS 2016			
203-1 <i>Infrastructure investments and services supported</i>	34,35		
203-2 <i>Significant indirect economic impacts</i>			<u>Not applicable:</u> The company has not implemented a structured method of environmental impact assessment, because it has not evaluated effective it as cost/beneficial.
GRI 204: PROCUREMENT PRACTICES 2016			
204-1 <i>Proportion of spending on local suppliers</i>	17		





GRI Disclosure	Page Number	Notes	Omissions
GRI 205: ANTI-CORRUPTION 2016			
205-1 <i>Operations assessed for risks related to corruption</i>	28		
205-2 <i>Communication and training about anti-corruption policies and procedures</i>	29		
205-3 <i>Confirmed incidents of corruption and actions taken</i>			<u>Not Applicable:</u> The company has had zero corruption incidents.
GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016			
206-1 <i>Legal actions for anti-competitive behaviour, anti-trust and monopoly practices</i>	28		
GRI 207: TAX 2019			
207-1 <i>Approach to tax</i>	30		
207-2 <i>Tax governance, control and risk management</i>	30		
207-3 <i>Stakeholder engagement and management of concerns related to tax</i>	30		
207-4 <i>Country by country reporting</i>			<u>Not Applicable:</u> Country by country reporting is not relevant for our company since we only operate in Italy.
ENVIRONMENTAL TOPIC			
GRI 103: MANAGEMENT APPROACH 2016 -> This reference to the management approach and its disclosures (103-1, 103-2, 103-3) cover all the material topics of GRI 301, GRI 302, GRI 303, GRI 304, GRI 305, GRI 306, GRI 307, GRI 308.			
103-1 <i>Explanation of the material topic and its boundary</i>	13,14		
103-2 <i>The management approach and its components</i>	17,26,28, 39,40,41, 42,44,45		
103-3 <i>Evaluation of the management approach</i>	38		
GRI 301: MATERIALS 2016			
301-1 <i>Materials used by weight or volume</i>	45		





GRI Disclosure	Page Number	Notes	Omissions
301-2 <i>Recycled input materials used</i>			<u>Information unavailable</u> The company is going to implement this kind of ratio in the next assessment of ISO 14001 - We will address the full project to a professional external consultant and expect to have the information on a yearly basis.
301-3 <i>Reclaimed products and their packaging materials</i>			<u>Information unavailable</u> The company is going to implement this kind of ratio in the next assessment of ISO 14001 - We will address the full project to a professional external consultant and expect to have the information on a yearly basis.
GRI 302: ENERGY 2016			
302-1 <i>Energy consumption within the organisation</i>	42		
302-2 <i>Energy consumption outside of the organisation</i>	42		
302-3 <i>Energy intensity</i>	42		
302-4 <i>Reduction of energy consumption</i>	42		
302-5 <i>Reduction in energy requirements of products and services</i>	42		
GRI 303: WATER AND EFFLUENTS 2018			
303-1 <i>Interactions with water as a shared resource</i>	40		
303-2 <i>Management of water discharge-related impacts</i>	40,42,44, 45		
303-3 <i>Water withdrawal</i>	40		
303-4 <i>Water discharge</i>	40		
303-5 <i>Water consumption</i>	40		
GRI 304: BIODIVERSITY 2016			
304-1 <i>Operational sites owned, leased, managed in, or adjacent to, protected areas and area of high biodiversity value outside protected areas.</i>			<u>Not applicable</u> We do not own nor our operations are placed in areas of importance for biodiversity.





GRI Disclosure	Page Number	Notes	Omissions
304-2 <i>Significant impacts of activities, products and services of biodiversity</i>			<u>Not applicable</u> We do not own nor our operations are placed in areas of importance for biodiversity.
304-3 <i>Habitats protected or restored</i>			<u>Not applicable</u> We do not own nor our operations are placed in areas of importance for biodiversity.
GRI 305: EMISSIONS 2016			
305-1 <i>Direct GHG emissions (Scope 1)</i>			<u>Information unavailable</u> The company is going to implement this kind of ratio in the next assessment of ISO 14001 - We will address the full project to a professional external consultant and expect to have the information on a yearly basis.
305-2 <i>Indirect GHG emissions (Scope 2)</i>			<u>Information unavailable</u> The company is going to implement this kind of ratio in the next assessment of ISO 14001 - We will address the full project to a professional external consultant and expect to have the information on a yearly basis.
305-3 <i>Other indirect GHG emissions (Scope 3)</i>			<u>Information unavailable</u> The company is going to implement this kind of ratio in the next assessment of ISO 14001 - We will address the full project to a professional external consultant and expect to have the information on a yearly basis.
305-4 <i>GHG emission intensity</i>			<u>Information unavailable</u> The company is going to implement this kind of ratio in the next assessment of ISO 14001 - We will address the full project to a professional external consultant and expect to have the information on a yearly basis.
305-5 <i>Reduction of GHG emissions</i>			<u>Information unavailable</u> The company is going to implement this kind of ratio in the next assessment of ISO 14001 - We will address the full project to a professional external consultant and expect to have the information on a yearly basis.
305-6 <i>Emissions of ozone-depleting substances (ODS)</i>			<u>Information unavailable</u> The company is going to implement this kind of ratio in the next assessment of ISO 14001 - We will address the full project to a professional external consultant and expect to have the information on a yearly basis.





GRI Disclosure	Page Number	Notes	Omissions
305-7 <i>Nox, SOx, and other significant emissions</i>	41		[305-7 a – i] [305-7 a – ii] [305-7 a – iii] [305-7 a – v] [305-7 a – vi] [305-7 a – vii] [305-7 b] [305-7 c] <u>Information unavailable</u> The company is going to implement this kind of ratio in the next assessment of ISO 14001 - We will address the full project to a professional external consultant and expect to have the information on a yearly basis.
GRI 306: WASTE 2020			
306-1 <i>Waste generation and significant waste related impacts</i>	44		
306-2 <i>Management of significant waste related impacts</i>	44		
306-3 <i>Waste generated</i>	44		
306-4 <i>Waste diverted from disposal</i>	44		
306-5 <i>Waste directed to disposal</i>	44		
GRI 307: ENVIRONMENTAL COMPLIANCE 2016			
307-1 <i>Non-compliance with environmental laws and regulations</i>	28		
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016			
308-1 <i>New suppliers that were screened using environmental criteria</i>	17		
308-2 <i>Negative environmental impacts in the supply chain and actions taken</i>	17		
SOCIAL TOPIC			
GRI 103: MANAGEMENT APPROACH 2016 -> This reference to the management approach and its disclosures (103-1, 103-2, 103-3) cover all the material topics of GRI 401, GRI 402, GRI 403, GRI 404, GRI 405, GRI 406, GRI 407, GRI 408, GRI 409, GRI 410, GRI 411, GRI 412, GRI 413, GRI 414, GRI 415, GRI 416, GRI 417, GRI 418, GRI 419.			
103-1 <i>Explanation of the material topic and its boundary</i>	13,14		
103-2 <i>The management approach and its components</i>	13,15,17, 26,28,33,		



GRI Disclosure	34,35,41, 47,50,51, 52,54,63		
	Page Number	Notes	Omissions
103-3 <i>Evaluation of the management approach</i>	29		
GRI 401: EMPLOYMENT 2016			
401-1 <i>New employee hires and employee turnover</i>	49		
401-2 <i>Benefits provided to full-time employees that are not provided to temporary or part-time employees</i>	49		
401-3 <i>Parental leave</i>	52		
GRI 402: LABOR/MANAGEMENT RELATIONS 2016			
402-1 <i>Minimum notice period for operational changes</i>		On a quarterly basis.	
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018			
403-1 <i>Occupational health and safety management system</i>	51		
403-2 <i>Hazard identification, risk assessment, and incident investigation</i>	51		
403-3 <i>Occupational health services</i>	51		
403-4 <i>Worker participation, consultation, and communication on occupational health and safety</i>	51		
403-5 <i>Worker training on occupational health and safety</i>	51		
403-6 <i>Promotion of worker health</i>	51		
403-7 <i>Prevention and mitigation of occupational health and safety impacts directly linked by business relationships</i>	51		
403-8	51		



<i>Workers covered by an occupational health and safety management system</i> GRI Disclosure	Page Number	Notes	Omissions
403-8 <i>Workers covered by an occupational health and safety management system</i>			
403-9 <i>Work-related injuries</i>	51		
403-10 <i>Work-related il health</i>	51		
GRI 404: TRAINING AND EDUCATION 2016			
404-1 <i>Average hours of training per year per employee</i>	52		
404-2 <i>Programs for upgrading employee skills and transition assistance programs</i>	52		
404-3 <i>Percentage of employees receiving regular performance and career development reviews</i>			<u>Information unavailable</u> Internal procedures to assess employees and to plan their development are in progress. The company will have this information in the next reporting period.
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016			
405-1 <i>Diversity of governance bodies and employees</i>	47,48,49		
405-2 <i>Ratio of basic salary and remuneration of women to men</i>	50		
GRI 406: NON- DISCRIMINATION 2016			
406-1 <i>Incidents of discrimination and corrective actions taken</i>	28		
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016			
407-1 <i>Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk</i>			<u>Not Applicable</u> All employees are covered by a collective bargaining at national level. This agreement shows that the violation of freedom of association and collective bargaining is not at risk (art. 39 of Italian Constitution); we have, moreover, a company internal agreement that gives additional benefits for all employees. https://www.brocardi.it/costituzione/parte-i/titolo-iii/art39.html





GRI Disclosure	Page Number	Notes	Omissions
GRI 408: CHILD LABOR 2016			
408-1 <i>Operations and suppliers at significant risk for incidents of child labour</i>			<u>Specific legal prohibitions</u> We do not hire minors. Reference law: -Law number 977 of October 17 th 1967 -Law number 296 of December 27 th 2006 -Article number 37 of the Italian Constitution.
GRI 409: FORCED OR COMPULSORY LABOR 2016			
409-1 <i>Operations and suppliers at significant risk for cases of forced or compulsory labor</i>			<u>Not Applicable</u> We did not register any risk of compulsory or forced labour during 45 years of business.
GRI 410: SECURITY PRACTICES 2016			
410-1 <i>Security personnel trained in human rights policies or procedures</i>		We have only guardians who attend safety-training courses; we don't have a proper security personnel.	
GRI 411: RIGHTS OF INDIGENOUS PEOPLES 2016			
411-1 <i>Incidents of violations involving rights of indigenous peoples</i>		Our activity does not involve indigenous people.	
GRI 412: HUMAN RIGHTS ASSESSMENT 2016			
412-1 <i>Operations that have been subject to human rights reviews or impact assessments</i>	29		
412-2 <i>Employee training on human rights policies or procedures</i>	29		
412-3 <i>Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening</i>	21		
GRI 413: LOCAL COMMUNITIES 2016			
413-1 <i>Operation with local community engagement, impact assessment and development programs</i>	54	Every year we support the local community and we developed our strategy according to its needs through social, cultural and educational initiatives in order to improve the living conditions of local people and to protect vulnerable groups; 1.7% of the total added value was distributed to local communities in 2020.	



GRI Disclosure	Page Number	Notes	Omissions
413-2 <i>Operations with significant actual and potential negative impact on local communities</i>		The company does not carry out activities that have significant negative, potential and current impacts on local communities.	
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016			
414-1 <i>New suppliers that were screened using social criteria</i>	17		
414-2 <i>Negative social impacts in the supply chain and actions taken</i>	17		
GRI 415: PUBLIC POLICY 2016			
415-1 <i>Political contributions</i>			<u>Not applicable</u> The company does not make political contributions.
GRI 416: CUSTOMER HEALTH AND SAFETY 2016			
416-1 <i>Assessment of the health and safety impacts of product and service categories</i>	33		
416-2 <i>Incidents of non-compliance concerning the health and safety impacts of products and services</i>			<u>Not applicable</u> During the year 2020, there were no cases of non-compliance in the company regarding the health and safety impacts of products and services, in fact the company has never received any type of fine or sanction, there have never been cases of non-compliance with the regulations that lead to a warning and even cases of non-compliance with the codes of self-regulation.
GRI 417: MARKETING AND LABELING 2016			
417-1 <i>Requirements for product and service information and labeling</i>	45		
417-2 <i>Incidents of non-compliance concerning product and service information and labeling</i>			<u>Not applicable</u> The organization has not found any non-compliance regarding product and service information and labelling.
417-3 <i>Incidents of non-compliance incidents concerning marketing communications</i>			<u>Not applicable</u> The organization has not found any non-compliance incidents involving marketing communications.
GRI 418: CUSTOMER PRIVACY 2016			



GRI Disclosure	Page Number	Notes	Omissions
418-1 <i>Substantiated complaints concerning breaches of customer privacy and loss of customer data</i>			<u>Not applicable</u> No violation of customers' privacy occurred because we did not receive any complaints regarding privacy.
GRI 419: SOCIOECONOMIC COMPLIANCE 2016			
419-1 <i>Non-compliance with laws and regulations in the social and economic area</i>			<u>Not applicable</u> The organization has not detected any cases of non-compliance with laws and regulations in the social and economic area.

Final Information



Sustainability Report 2021

Eurosuolet s.p.a.

Zona Industriale "A" – Via S. Pertini, n°8,
62012,

Civitanova Marche (Mc), Italia

Website: www.eurosuolet.com

Graphics and Contents: Riccardo Remia

For further information:
info@eurosuolet.com