



# SUSTAINABILITY REPORT

2022



**eurosuole**<sub>spa</sub>  
RUBBER AND POLYURETHANE SOLE





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# EUROSUOLE s.p.a.

RUBBER AND POLYURETHANE SOLE

Civitanova Marche (Mc) – Italy

## SUSTAIN THE SUSTAINABILITY



SUSTAINABILITY REPORT 2022





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## Message from CEO [2-12, 2-13, 2-22]

The year 2022 represented a very tough period for Eurosuolet. The end of the pandemic period ensured the reopening of international markets, which has made an unrestricted return to trade. However, the strong demand for goods and the lack of raw materials have generated an exponential increase in input prices. Furthermore, the Russia's invasion of Ukraine has shaken the geopolitical balance and it has undermined the stability of the world's population. The sanctions imposed on Russia significantly affected the distribution of gas throughout Europe and it has increased their price. Evenmore, the inflation has almost reached 10 percent.

Despite the difficult situation of the World, Eurosuolet managed to increase its sales, which increased by 12.4 % over 2021.

After this environmental introduction, it is necessary to focus on the publication of the 2022 Sustainability Report, which shows how the company cares about its employees. The Eurosuolet community is made of more than 300 employees, which come from different part of the World. Moreover, among the new employees hired in 2022, about 70% are people under the age of 30. It figures out that Eurosuolet wants to keep on creating a young and multiethnic workgroup, thanks to the various hours of training imposed on them by Eurosuolet related not only to safety in the workplace but also to stimulate and share ideas within the teamwork.

In 2022, the company keeps on working in the production of rubber, polyurethane, and rubber/polyurethane shoe bottoms. The production chain is very short, as more than 90% of its suppliers come from Italy, including more than 50% from the Marche region. It represents a symptom of how the company is strongly focuses on its local area and how it supports the continued development of the circular economy. Evenmore, Eurosuolet continues to be involved in the social sphere and to support the various local non-profit organizations, which are involved to help the underprivileged people.

In 2022, the company has decided to invest the 10 percent of its turnover in the digital and ecological transition. Eurosuolet wants to improve the rubber and polyurethane departments with the installation of 4.0 equipment and machinery that would be able to ensure greater productivity in less set-up time. In addition, the company continued its digitization path started in 2021, thanks to the transition from paper documentation to digital one, in order to improve corporate management by streamlining processes, the reduction of printed paper and the create some physical space within the offices.

Due to the environmental problems and the high gas costs, Eurosuolet has temporary decided to not use trigenerator's energy and to install an LPG system to empower its boilers. The decision to adopt a different type of fuel depends on the LPG non-toxic effect on the environment, the LPG non-corrosive and non-polluting effect on the soil and groundwater. Thanks to this green energy, the company was able to save around 50 thousand euros per month from energy fuel costs. The LPG benefits has increased Eurosuolet propose to use more renewable sources. For this reason, the company has started to study a way to add some solar panels in its buildings, in order to provide 30% energy all by itself. Updates will follow in the future.

In conclusion, Eurosuolet's great achievements over time are evidenced by its turnover figures, but also by the seriousness it has shown while carrying out its work, the quality of its products and its balanced prices. These aspects must not only represent a boast, but a stimulus to improve and invest in more innovative and sustainable products, as Eurosuolet's eyes are always on the future.

Thank you for your attention.





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# 1. Eurosuole

- INTRODUCTION
- HISTORICAL PATH
- GOVERNANCE
- TRADEMARKS



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## 1.1 Introduction

Eurosuole was founded in 1976 in Civitanova Marche, in the heart of the Marche footwear district. Thanks to the vision of the founder Germano Ercoli, the company has become one of the best developers, designing and producers of rubber and polyurethane soles in Europe.

Eurosuole wants to aimed at a wide range of footwear, ranging from luxury to sporty, from technical to safety and from casual to military.

### From 1976: FOUNDATION



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.

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.

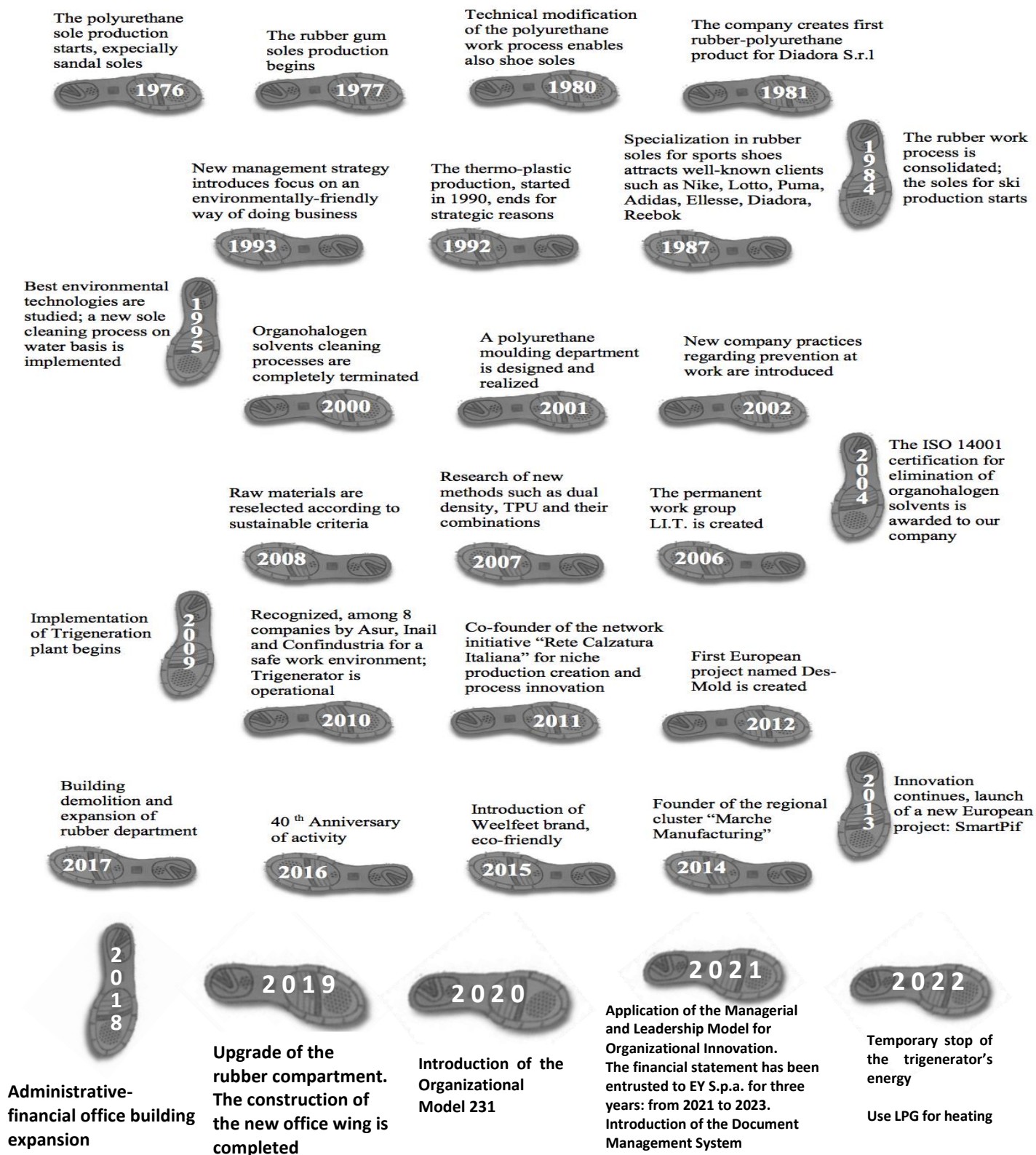
### To 2023: CURRENT YEAR







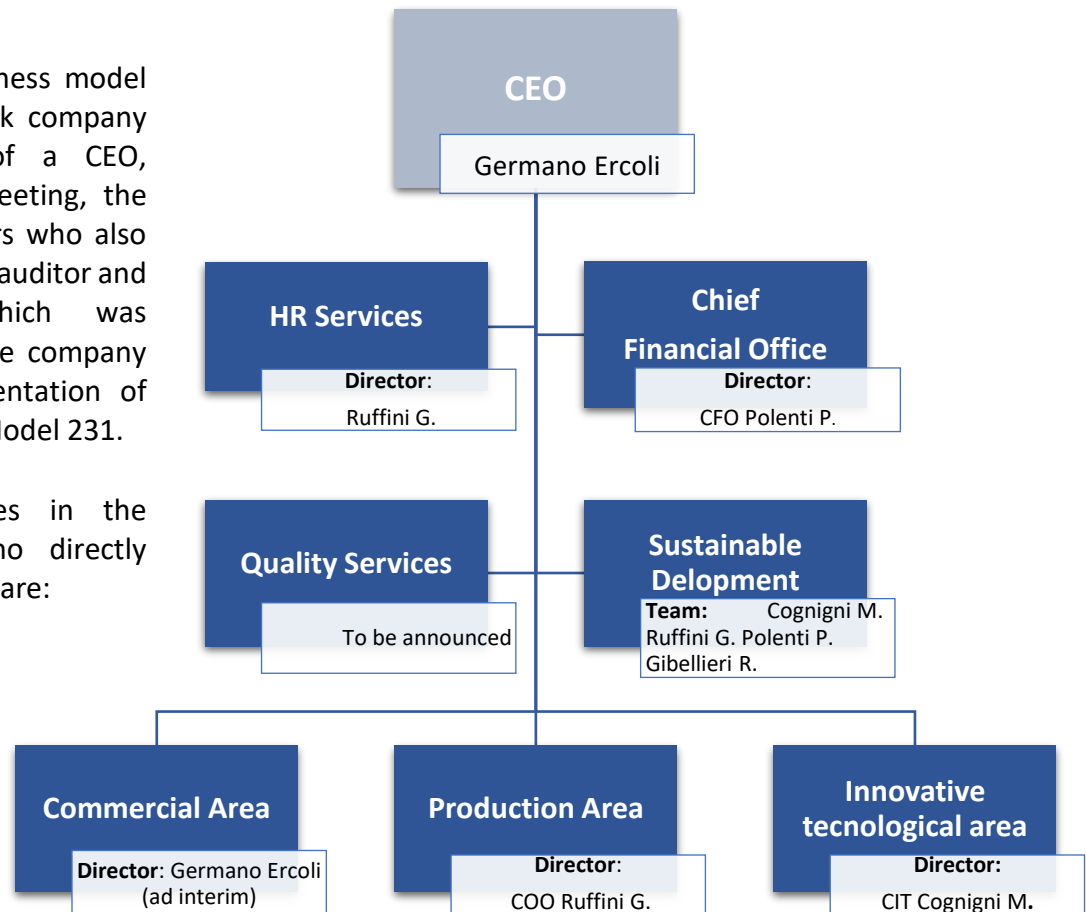
## 1.2 Historical Path



## 1.3 Governance [2-9, 2-10, 2-11, 2-12, 2-13, 2-14]

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.

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## 1.4 Trademarks filed and registered by the company [2-6]



All the Eurosuolet's trademarks have been registered and filled.

The **Eurosuolet 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 an 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.



The **Gomma Leggera Eurosuolet (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/cm<sup>3</sup> to 0.90 gr/cm<sup>3</sup>.

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 the sustainability theme in Eurosuolet.

It aims to reduce the use of petroleum-derived materials and replace them with recycled products, reducing the impact of production on the environment.

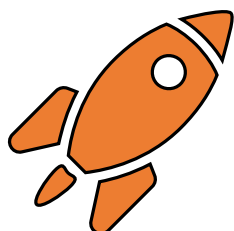
It has different application:

**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.

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## 2. Meaning Eurosuole



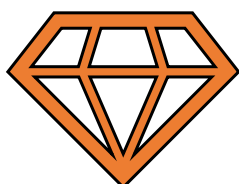
**MISSION**



**VISION**



**OBJECTIVES**



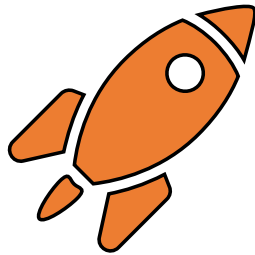
**VALUES**



**ACKNOWLEDGEMENTS**

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## 2.1 Mission & Vision [2-23]



**MISSION**

- 1) Respect the new generations and the future ones;
- 2) Create some values by offering high-quality, innovative and sustainable soles based on what the customers need;
- 3) Improve new technologies without spoil the environment;
- 4) Become the leader in rubber and polyurethane footwear sole production.



**VISION**

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## 2.2 Objectives [2-23]

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

Below we can see them represented:



Become the Europe's strongest and most competitive soling company by 2025.



Increase the employee headcount of 20% by 2025.



Produce soles with a higher percentage of recycled, eco-friendly and non-fossil fuel-derived font products.



The more consumption of energy from renewable resources than others.

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## 2.3 Values [2-23]

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



### **Sustainability:**

It is important to consider the economic, environmental and social impacts of production on the environment.



### **Integrity:**

Company should work with honesty, reliability and transparency.



### **Innovation:**

The continuous search for new techniques, which can improve business practices and processes.



### **Performance:**

meet shareholders' expectations.



### **Safety:**

it is necessary for the company to ensure the protection of its employees, customers and the environment.



### **Community:**

Support the development and initiatives of the community, in which Eurosuole coexists.



### **Team Group:**

Working together, openly, fairly and with mutual help.



## 2.4 Acknowledgements [2-23]

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.

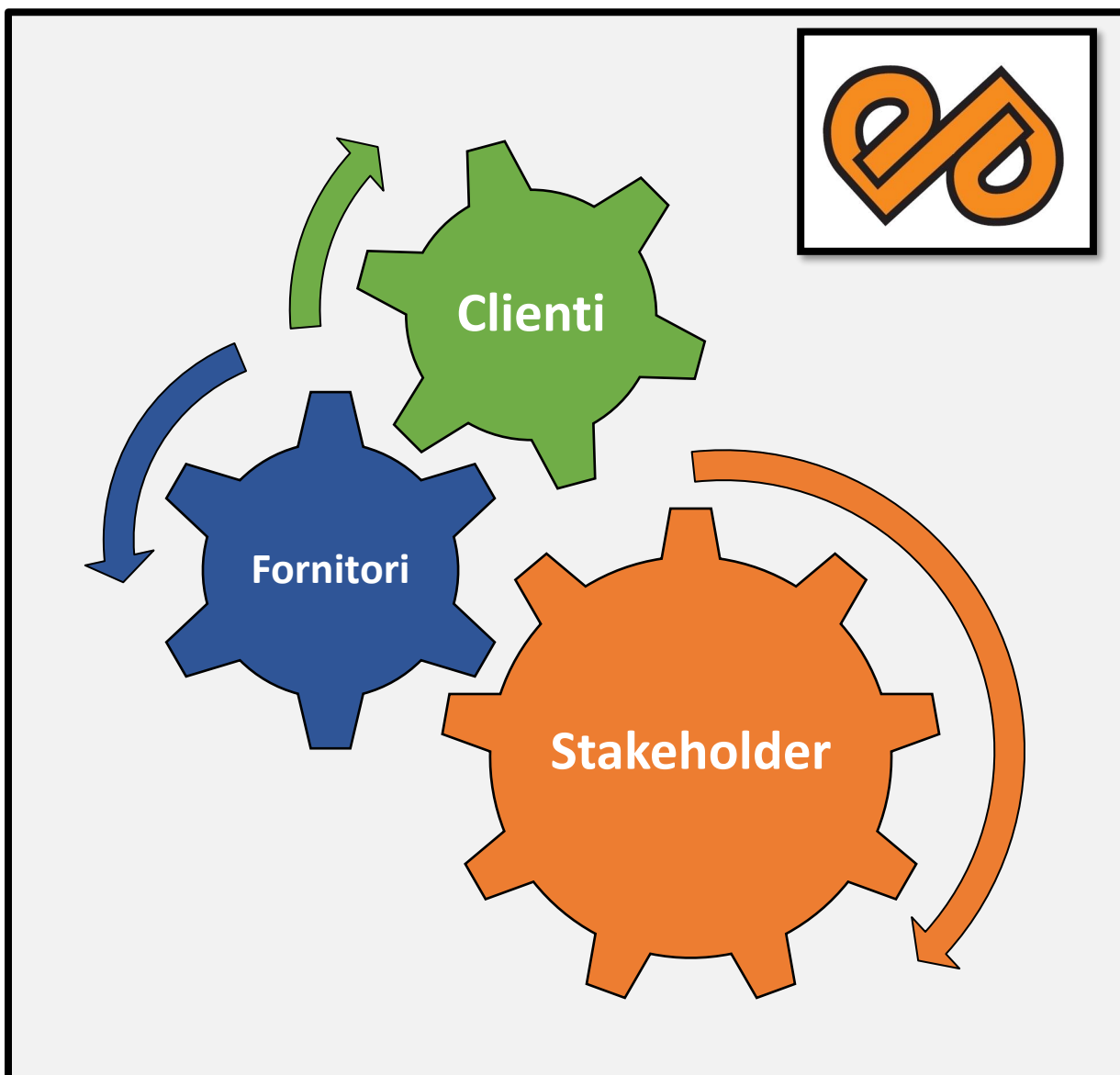
It is used a statistical algorithm, which values the probability of a company to generate serious commercial defaults.

Numerous variables are used in the calculation, including:

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



### 3. Relationships



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## 3.1 Materiality Analysis

2022 represents the eighth consecutive year, in which Eurosuole's Integrated Report is based on the GRI Standards. 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 Eurosuole's material topics list are composed by these elements: shareholder's satisfaction; CEO Leadership; employee training; employee welfare; commitment to local community; reduction of emissions and water; waste management optimization; energetic efficiency; safety on workplace; responsible sourcing of raw materials; research and innovation; product quality; infrastructure investment; risk prevention; ethics and transparency; industry networking; create of long-term value and corporate reputation. All of them are reported in 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. They are:

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.



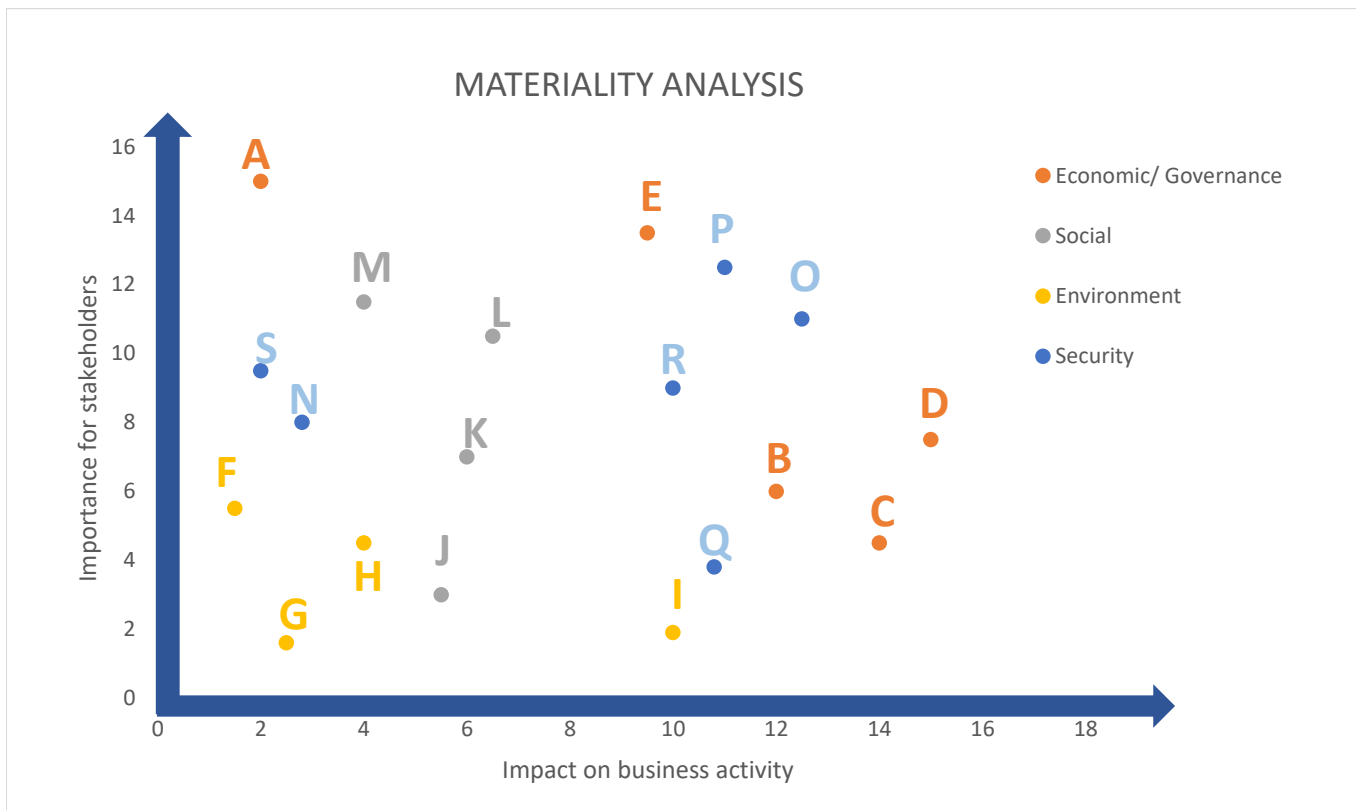
The themes reported here were subsequently placed within a matrix in order to allow a clearer understanding of the materiality principle applied by the company. The list of the material topics is reported in the tables down below:

### 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	Energetic Efficiency



### Social

Symbol	What does it mean?
J	Safety on Workplace
K	Production 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





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## 3.2 Stakeholders [2-12, 2-29]

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 (54,6%). The most singular expensive supplier comes from South Korea. However, the Spanish suppliers company generated the highest expenditure incurred by Eurosuole in 2022.

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## 3.3 Suppliers [2-6, 204-1 308-1, 308-2, 414-1]

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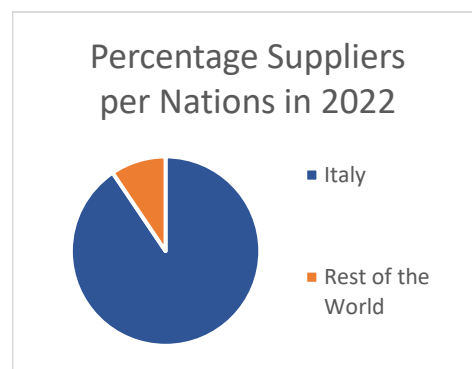


### 3.3.1 Distribution of Expenditure to Suppliers [2-6]

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.

Suppliers Impact 2022			
Localization	Services	Amount in Euro	%
Italy	654	39.479.217	90,5
Rest of the World	37	4.123.030	9,5
<b>TOTAL</b>	<b>691</b>	<b>43.602.247</b>	<b>100</b>

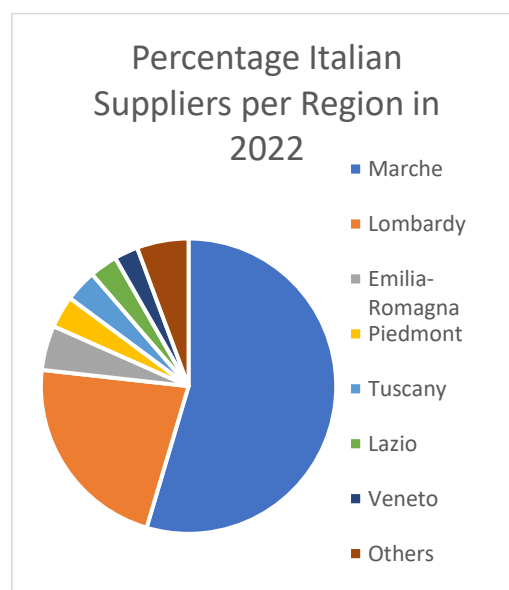


### 3.3.2 Distribution of Expenditure to Suppliers between Marche and Rest of Italy [2-6]

In this section, we can see the various expenditures made by Eurosuole to its Italian suppliers. The data shows the strong link between Eurosuole and the local community, in which for 54,6% 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.

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

The Influences of Italian Region's Company Suppliers			
Italian's Region	Amount in Euro	Services	%
Marche	13.483.046	357	34
Other Italian Regions	25.996.171	297	66
<b>TOTAL</b>	<b>39.479.217</b>	<b>654</b>	<b>100</b>



### 3.3.3 Distribution of Expenditure to Foreign Suppliers [2-6]

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

In 2022, the company relied more on Spanish companies to conduct its business, which accounted for 35,21% of total supplier spending.

Foreign Suppliers 2022	
Countries	Amount in Euro
Spain	1.451.585
South Korea	1.367.382
Polond	902.654
Singapore	132.727
Germany	66.597
Belgium	55.299
Czech Republic	43.839
France	40.930
Netherlands	36.606
Russia	12.344
Venezuela	3.892
Portugal	3.580
Serbia	2.711
China	1.800
Tunisia	393
Irleland	315
Hungary	277
Turkey	99
<b>TOTAL</b>	<b>4.123.030</b>



## 3.4 Customers [2-6]

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, Eurosuole 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.

Eurosuole 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, Eurosuole has seen an increase in its customer retention rate, even 20-year working relationships still surviving.

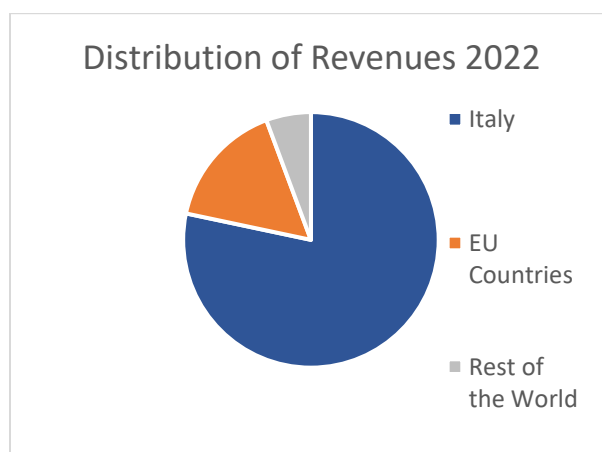
The soles produced by the company are suitable for any type of footwear, ranging from luxury to technical, sporty to accident prevention, and even more specific use, such as military.

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, Eurosuole is going under assessment by customer auditors on ESG (environment, security and governance), which are always passed with high grades.

In 2022, Eurosuole promotes security policies in order to ensure an adequate level of personal data protection through IT tools. No violation of customers' privacy occurred, because the company did not receive any complaints regarding privacy.

Distribution of Revenues 2022	
Geographic area	Revenues
Italy	45.008.115
EU Countries	9.197.939
Rest of the World	3.260.764
<b>TOTAL</b>	<b>57.466.818</b>



## 4. Management Report

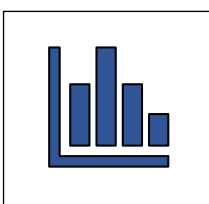
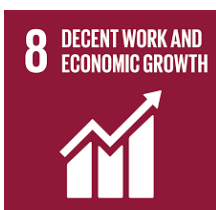


### HIGHLIGHTS:

- KEY DATA
- OPERATING PERFORMANCE
- POLITICAL – ECONOMIC DEVELOPMENT
- CORPORATE REPUTATION
- CORPORATE ADMINISTRATIVE RESPONSABILITY
- FISCAL TRANSPARENCY
- RISK-MANAGEMENT

## 4.1 Key Data [2-1, 2-6]

In this section, a lot of Eurosuole'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>[2-1]</small>	Eurosuole s.p.a.
Ownership Structure <small>[2-1]</small>	Joint Stock Company
Headquarters Location <small>[2-1]</small>	Civitanova Marche, Italia
Tax Code and Fiscal Number	00252600432
Brands, Products and Services <small>[2-6]</small>	Rubber and Polyurethane Soles
Share Capital	5.000.000,00 i.v.
Employees <small>[2-6]</small>	240
Surface Area(sqm) <small>[2-6]</small>	55.000
Quantity of Soles produced in 2022 <small>[2-6]</small>	16.200.000 pairs of soles
Quantity of Soles sold in 2022 <small>[2-6]</small>	14.400.000 pairs of soles

During 2022, the increases of energy and raw material costs has significantly affected the company's financial results, which resulted in a decrease of Net Profit and EBITDA compared to 2021.

Despite the difficulties, Eurosuole was able to achieve €57.466.818 in revenues, which has produced an increase of 11,24% compared to 2021.

More information regarding the economic aspect of Eurosuole can be found in the "Financial Profile" section of the 2022 Sustainability Report.



Stocks	
Owner	%
Ercoli Germano	20,19%
Alessandri Elvidio	20,13%
Mozzoni Gabriella	15,32%
Renzi Matteo	8,01%
Renzi Paola	8,01%
Ercoli Raffaella	4,00%
Ercoli Silvia	4,00%
Pecorari Maria	3,14%
Alessandri Agnese	2,80%
Alessandri Federica	2,80%
Alessandri Francesco	2,80%
Alessandri Lorenzo	2,80%
Cattoglio Domenico	2,00%
Cattoglio Chiara	1,00%
Cattoglio Claudia	1,00%
Cattoglio Angela	1,00%
Cattoglio Francesco	1,00%
<b>TOTAL AMOUNT</b>	<b>100,00%</b>

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## 4.2 Operating Performance [2-4, 2-12]

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.

Eurosuole is sensitive to environmental issues and it has made the decision to temporary not use the trigenerator's energy, for thermal and electrical energy.

In line with the principles of sustainability, Eurosuole has considered essential to employ LPG fuel for its boilers, which has a minus impact on the ecosystem.

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 2022, Eurosuole has started some projects related on recovering and recycling the polyurethane waste, which can be reemployed in the production process.

The financial statements are prepared in accordance with the Civil Code and national accounting standards also known as GAAP (Generally Accepted Accounting Principles).

In 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" of their sector.



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## 4.3 Political-Economic Development

Fiscal year 2022 was marked by a return to production and sales levels similar to those of the pre-Covid 19 scenario. However, a bunch of unpredictable events influenced the global economic situation and they created some difficult situation for companies to manage their operations and business.

After two years, the success of vaccines allowed people to regain their freedom and completely erased the fear of reliving a new lockdown. This enthusiastic situation increased the global markets trade, but the growth of the demand for goods has coincided with a shortage of raw materials in warehouses. This effect caused an increase of input prices and a lengthening of delivery times for goods, thus fueling fears of a possible price surge assisted by increasingly rampant inflation.

Furthermore, the Russian invasion of Ukraine has come, which has brought disorientation in Europe and it has created the fear of a new World War conflict.

It was expected to be a short-lived conflict, but over time it has turned into an attrition war and no one knows when it would be end.

The sanctions applied to Russia originated an unprecedented ripple effect, as the price of gas destined for European countries critically increased and heavily affected its cost of electricity. For companies such as Eurosuole, this situation significantly impacted the management of business expenses and changed their bottom line in terms of profits. In addition, these factors were the trigger that led inflation to touch nearly 10 percent.

In this climate of uncertainty and fear, Eurosuole has experienced a considerable increase in orders, which amount to almost double the previous year's level, so much so that the amount reach very high levels of production. Despite the sheer volume of output demanded, only 300.000 more pairs of soles will be sold at the end of the year, and all of them related to the rubber sector, reflecting how the demand had been the result of generalized hysteria due to the lack of raw materials.

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## 4.4 Corporate Reputation [2-15, 2-23, 2-27]

Over time, each individual who makes up a company has attributed values and concepts to the different to the individuals who make up the company.

The perception that the community may have of a company depends on the results it has achieved, but also on the professionalism showed by its employees and collaborators. They can influence the work of the company, because they represent important subject for the community like: direct stakeholders, financial institutions, the State, the local community or potential customers. For this reason, Eurosuole strives daily to improve its performance and compliance in order to maintain or enhance its reputation.

Since 2004, the company has been ISO 14001: 2004 certified, attesting to its compliance in operating in accordance with national and international environmental laws. In addition, the company aligns with the directives of European Community Regulation No. 761/2001 EMAS (Eco-Management and Audit Scheme).

Over time, Eurosuole has found that:

- there have been no legal actions due to unfair competition, anti-trust or monopolistic practices;
- there have been no activities considered by law to be a risk factor related to corruption;
- there have been no environmental complaints or inspections by entities;
- no environmental emergencies of any kind have been detected;
- there have been no cases of discrimination;
- social, political and trade union climate that is kept good, respecting the relationships between the different people working within Eurosuole;
- care and attention to the policies related to the privacy of each individual employee, in order to protect their personal data. For this reason, policies are regularly updated;
- there are still contracts in place with customers that have been in place for more than 25 years, reflecting the fact that the loyalty of customers and employees are proof of the integrity and fairness of the company;
- the company periodically conducts internal self-audits.

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## 4.5 Corporate Administrative Responsibility

[2-16, 2-23, 2-24, 2-26]

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.

In 2022, the Eurosuole policy and the circular economy awareness information were sent to all the staff through the employee portal.



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## 4.6 Fiscal Transparency [2-24]

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.

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## 4.7 Risk – Management [2-12, 2-23, 2-24]

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 and sustainable 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.

Eurosuole does not engage in special hedging activities, as it buys and sells its products in euros and only a small portion in foreign currencies (mainly the U.S. dollar).





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## 5.1 Products [2-6, 416-1]

Eurosuole 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 Eurosuole is to offer a versatile product that can meet the different expectations of customers, and for this reason its sample collection is continuously renewed.

Eurosuole 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, Eurosuole's products respect the CEE safety standards.

The products made by Eurosuole 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, Eurosuole 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.





## 5.3 Projects

Eurosuo's aim is to conceive and create innovative products.

In 2022, the company keeps on working to research and development a new production method that involve less materials derived from fossil sources.

Pursuant to Article 2428 paragraph 3 number 1, it is acknowledged that the following research and development projects were carried out during 2022:

- the conception and prototyping of a new collection of rubber and polyurethane soles, which they could catch the needs of customers;
- the eco-sustainable development activity of a new rubber compound, that is aimed to improve both Eurosuo's production process and its impact on the environment;
- the development activity of new polyurethane rubber compounds, which is the result of the implementation of a different production cycle, which is necessary to reduce the concentration of Volatile Organic Compounds (VOCs) harmful to human health.  
This production method is based on the development of new compounds and in the adoption of a specific water washing system for the treatment of polyurethane soles;
- the development of a new self-cleaning system of the polyurethane casting heads, through a different distribution of the material, in order to allow the optimization of the production activity and to cut costs, allowing for environmental benefits;
- the activity of refining the coating and polymer affinity process, the purpose of which is to improve the technical-surface characteristics of soles that have just carried out water washing.

In 2022, some projects are still on. There are:

1. Project 02 “Waste Management Optimization”

This project was started in 2022 and it is aimed to recovering and recycling waste polyurethane for the production of vacuum chamber media, where polyurethane is ground from waste soles and re-agglomerated.

2. Project 08 “Implementation of an environmentally sustainable product line”

Development activities on rubber and polyurethane continued in 2022. For polyurethane, the focus is on reusing waste from other productions. Meanwhile, new materials of plant origin are being experimented for rubber to create more sustainable products.

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&S Projects	Amount in Euro
Employees	1.207.490
Tools and Equipment	83.857
Consulting	15.000
Materials	215.937
<b>TOTAL</b>	<b>1.522.284</b>



## 6. Environmental Sustainability



ENVIRONMENT

+

WATER

+

EMISSIONS

+

ENERGY

+

WASTE

+

MATERIALS

---



## 6.1 Sustainability for Eurosuole [2-13]

The World is the greatest living resource available, but the growth of air pollution threatens its survival. It is necessary for every person to protect it, from a single person to the large organizations that influence the community.

For this reason, sustainability has become an indispensable element in every company's business model.

Over time, Eurosuole has implemented active procurement and production processes based on respect to eco-friendliness, safety and sustainability, in order to seek new practices that are respectful for environment and workers' health.

In 2022, the main sustainability activities are related on employees, environment, supply chain, community, even research and development. The Role of the person responsible for monitoring environmental aspects and identifying Eurosuole's sustainability projects and initiatives is always entrusted to:

	<p><b><u>RAFFAELLA GIBELLIERI</u></b></p> <p><b><i>Environmental Management System Manager (SGA)</i></b></p>
	<p>Since 2000, Raffaella has been interested in how companies activities can impacts on the environment. In order to limit them, she has become responsible for Eurosuole's environmental system. To ensure the efficiency of her work, Raffaella continues to attend courses to increase her skills in environmental protection. Nowadays, RSA coordinates and ensures the continued adequacy, effectiveness and validity of the system.</p>

Tra i principali risultati raggiunti nel campo del Green e della sicurezza troviamo:

- 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.

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## 6.2 Environment



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.

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 [3-3, 303-1, 303-2, 303-3, 303-4]

For water supply, Eurosuole 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, Eurosuole 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).

Well-water was also used for the trigeneration plant.

In 2022, the value of consumption of water from aqueduct is in line with 2021, but it has increased considerably from previous years due to the increase in staff working hours.

Water from the aqueduct is also used for sanitary purposes.

WATER CONSUMPTION (m3)	2022	2021	2020
Total Well-Water Consumption	9.050	8.410	7.010
Total Aqueduct Water Consumption	8.249	7.019	4.392
<b>TOTAL WATER CONSUMPTION</b>	<b>17.299</b>	<b>15.429</b>	<b>11.402</b>



WATER CONSUMPTION (m3/Produced pair of soles)	2022	2021	2020
Total Well-Water Consumption (internal acceptability level: 0,0005)	0,0006	0,00060	0,00070
Total Aqueduct Water Consumption (internal acceptability level: 0,0003)	0,00056	0,00049	0,00043
<b>TOTAL WATER CONSUMPTION</b>	<b>0,00116</b>	<b>0,00109</b>	<b>0,00113</b>



## 6.4 Emissions



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 2022, 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.

The second index accounts the number of labor hours for maintenance work.

At the 2022, the total working hours are increased and the ordinary and extraordinary maintenance about the emission systems was fully performed.

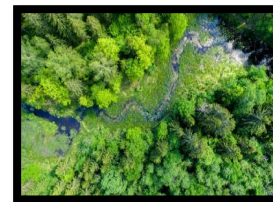
Furthermore, the company has made some technical improvements about the flue gas sampling systems, because the chemical analysis can be carried out as good as possible.

INDICATORS	2022	2021	2020
Quantity of Solvent used in GR/Pairs of Soles Produced	20	19	22
Scheduled Maintenance on Emission Abatement Plants (in working hours)	765	634	502

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

Eurosuole uses electricity from renewable sources

The monitoring program of energy includes electricity, methane, water (wells and aqueduct) and LPG (since 2022) consumption. This analysis is carried out with data collection through monthly readings and billing accounting documents.



It should be noted that since January 2022, the trigenerator has been stopped and since October 2022, methane has been replaced by LPG as boiler fuel.

Until November 2021, the company purchased electricity from the supplier Dolomiti Energia spa, which provides 100% energy from renewable sources. From December 2021, the company has decided to change supplier due to the increase of energy costs and it has chosen ENEL Energia. Eurosuole has signed a new contract with ENEL Energia with a "green option" section until November 30, 2022, where it has supplied a 100% renewable sources energy.

Methane gas was purchased until October 2022 from ESTRA Energia srl, which joined the project to offset CO2 emissions.

LPG is purchased from Univer Gas.



I boschi di Estra: piantiamo alberi in Italia.  
Aderiamo al progetto di forestazione promosso da AzzeroCO<sub>2</sub>  
e Legambiente per riqualificare il territorio italiano  
e gestire in modo sostenibile i boschi esistenti.

in collaborazione con  
**AzzeroCO<sub>2</sub>**  
il clima nelle nostre mani



ENERGY CONSUMPTION (GJ)	2022	2021	2020
Electricity (purchased+self produced)	91.418	89.528	78.412
Heating	29.219	42.422	29.900
LPG*	10.226	-	-
<b>TOTAL ENERGY CONSUMPTION</b>	<b>130.863</b>	<b>131.949</b>	<b>108.312</b>
ENERGY CONSUMPTION (GJ)	2022	2021	2020
Methane Consumption Tep-GJ	29.219	73.301	64.644
Electricity Consumption Tep-GJ	91.411	58.132	43.250
LPG Consumption Tep-GJ *	10.226	-	-
<b>TOTAL ENERGY CONSUMPTION</b>	<b>130.856</b>	<b>131.432</b>	<b>107.894</b>
Methane Consumption (GJ/1000 Pairs of Soles Produced)	2	4,06	6,31
Energy Consumption (GJ/1000 Pairs of Soles Produced)	6,24	5,12	4,22
LPG Consumption (GJ/1000 Pairs of Soles Produced) *	0,69	-	-
<b>TOTAL ENERGY CONSUMPTION (GJ/1000 Pairs of Soles Produced)</b>	<b>8,93</b>	<b>9,18</b>	<b>10,54</b>
(*) data from October 2022 to the end of 2022			

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



The total amount of waste generated in 2022 is in line with 2021 figures.

In 2022, higher quantities of scrapping waste were delivered, such as Iron Scrap and Aluminum Scrap. The latter comes from the decommissioning of obsolete mold sets.

The decreases of 2021 e 2022 indexes can be attributed to a higher production of soles, which is the index related to production data. It means that the more soles are produced, the lower waste production ratio can get, due to the Eurosuole's operations require routine maintenance regardless of the quantity produced.

INDICATORS	2022	2021	2020
Waste Production (GR/Pairs of soles produced)	149	147	170
Dangerous Waste Production (GR/Pairs of soles production)	27	27	36
Waste Sent for Recovery (% waste sent for recovery)	38	39	38
<b>WASTE (KG)</b>			
Total Dangerous Waste	396.005	390.220	364.170
Total Non-Dangerous Waste	1.785.559	1.707.768	1.374.041

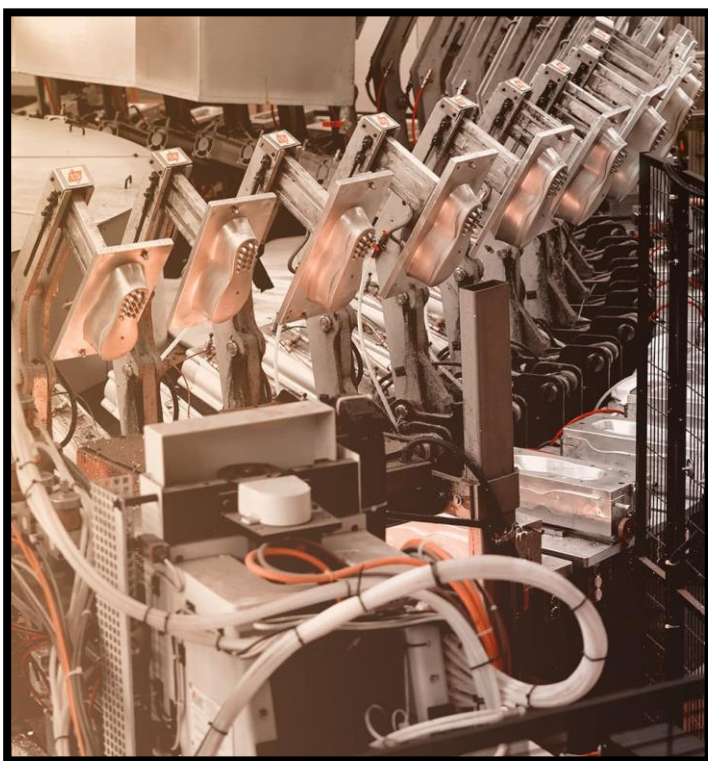
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## 6.7 Materials [2-6, 301-1, 303-2]

Eurosuole 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. Eurosuole 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.





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## 7. Social Sustainability



**EMPLOYEES**

**+**

**WORKPLACE  
DIVERSITY**

**+**

**REMUNERATION**

**+**

**WORKPLACE  
SAFETY**

**+**

**TRAINING**

**+**

**FAMILY**

**+**

**SOCIETY**

**+**

**SDG**



## 7.1 Employees [2-7, 2-8, 2-30]

The development of the human skills resources represents one of the most important keys of a company's success.

Eurosuole's main goal is to create and maintain a welcoming and pleasant working environment through the worker's contribution.



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.

Elements such as trust and respect are the most important aspects that Eurosuole wants to protect, because it is the result of the deployment of managerial skills in the recognition of each individual employee. People in managerial and responsible positions contribute daily to creating a fair and open working environment in which employees work together and support each other.

Eurosuole constantly organizes and plans training and information plans that foster professional and cultural growth.

Eurosuole 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.

In 2022, Eurosuole has given to its employees some welfare gift, such as fuel and meal vouchers.

For the fuel vouchers, the company has spent €151.771, and for the meal vouchers it has spent € 63.349.

Furthermore, the company has spent €10.793 for the training of its employee.

At the hired moment, the employee signs a privacy agreement, which represent how company cares about the privacy data of its employees.

Each communication is sent to employees through the Employee Portal.

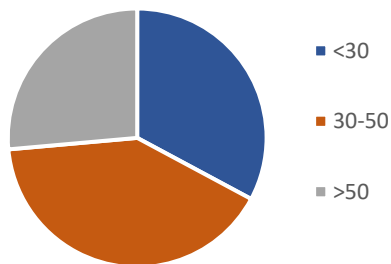
Roles	Amount
Managers	3
Mid Executive	2
Employees	35
Workers	200
<b>TOTAL</b>	<b>240</b>

In the 2022, the company's average workforce settled at the same level of 2021. It is important to notice that the number of women employees are increased in 2022.

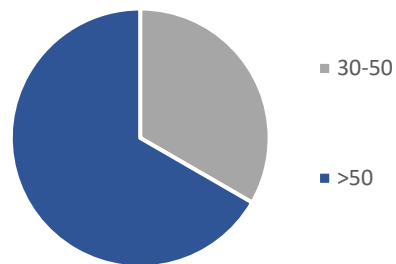
EMPLOYEES (with temporary workers)	GENDER		2022	2021	2020
	Male	Female	TOTAL	TOTAL	TOTAL
Employees with fixed-term contract	91	9	100	102	57
Employees with permanent contract	172	33	205	203	203
Full-time employees	261	40	301	300	256
Part-time employees	2	2	4	5	4
<b>TOTAL</b>	<b>263</b>	<b>42</b>	<b>305</b>	<b>305</b>	<b>260</b>

EMPLOYEES BY CATEGORIES AND GENDER				
ROLES	Absolute Value		Percentage	
	Male	Female	Male	Female
Workers	231	34	87,2%	12,8%
Employees	29	8	78,4%	21,6%
Managers	3	0	100%	0%

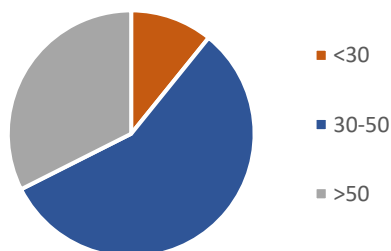
WORKERS BY AGE GROUP



MANAGERS BY AGE GROUP



EMPLOYEES BY AGE GROUP





## 7.2 Workplace Diversity [2-21, 401-1]

The key of a pleasant work climate is based on the respect of employee values and the diversity in the workplace through the protection of important themes such as integration and equal opportunity.

Since the beginning of its activity, Eurosuolet has pursued a policy of non-discrimination, which could consider age, physical aspects, gender and cultural diversity not as limitations, but rather as an advantage for the realization an international working atmosphere.

Regards of the company size, the team is multi-ethnic, which can be seen from the table below. Through respectful behavior among employees and proper management, the company has managed to create a friendly work environment where people feel considered and valued, without any kind of discrimination for gender, generation and national culture.

COUNTRY OF ORGIN BY TYPE OF CONTRACT		
Nations	Fixed-Term Contract	Permanent Contract
Albania	3	0
India	0	2
Argentina	1	0
Italy	88	191
Bosnia-Erzegovina	1	0
Kosovo	1	0
Pakistan	4	5
Romania	1	2
Senegal	0	5
Serbia	1	0

NEW ASSUMPTIONS BY COUNTRY OF ORIGIN	
Nations	Amount
Italy	47
Pakistan	1
Serbia	1
<b>TOTAL</b>	<b>49</b>

NEW ASSUMPTIONS BY AGE GROUP	
Age Group	Amount
<30	24
30-50	20
>50	5
<b>TOTAL</b>	<b>49</b>

NEW ASSUMPTIONS BY GENDER	
Gender	Amount
Male	45
Female	4
<b>TOTAL</b>	<b>49</b>

### TURNOVER

Throughout 2022, Eurosuolet has recorded a turnover compensation rate of 0,96%.

From the “New Assumptions by age group” table, it can be seen that Eurosuolet has hired several young people were included, to whom the company has ensured training and professional development.

In 2022, Eurosuolet benefited from the facilities provided by Law 205/2017 and 178/2020, regarding the hiring of young people, for a total amount of €106.556,98.

The main reason for the unbalance equilibrium between male and female employees is based on the type of business that the company conducts. Furthermore, Eurosuolet paid €10.793 for the training grants.

## 7.3 Remuneration [2-19, 2-20]

Every single employee has the same benefits, without distinction of contractual type. In Italy, the minimum wage is that provided for by the national collective agreement (CCNL) for the specific sector, that is concluded at the national level between the respective social partners such as the labor organization that representing employees and the employers' associations. It establishes the minimum remunerations and the fundamental parameters and rules that individual labor contracts must adhere too. Eurosuole applies to the National Chemicals, Rubber and Plastics Contract.

### 7.3.1 Performance Bonus (Second level contract)



In addition to the CCNL, Eurosuole has been applying a second-level company contract for nearly 30 years. The current company contract signed with the trade unions and the RSU companies is divided into 3 plans: the first one defines the increase of the performance bonus, the objectives to achieve it and the way how the company make the payment. In 2022, the company has paid €188.848 performance bonus to its workers.

The second part shows how an improvement and/or organizational changes are applied on the institutions, which are already regulated by the CCNL. In the end, the third part regulates the corporate welfare.

In 2022, 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.

The company contract also provides for the opportunity to convert the performance bonus into meal vouchers. In addition, in 2022, the company paid €150,000 fuel vouchers to its workers.



### 7.3.2 Equality of Remuneration between Men and Women

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

## 7.4 Workplace Safety

[2-5, 403-1,403-2,403-3,403-4, 403-5, 403-6, 403-6, 403-7, 403-8, 403-9, 403-10]

Safety in the workplace is one of the most important aspects for Eurosuole. That is why the company organizes training courses, thanks to the investment in new facilities and equipment with more advanced safety systems.

Every year, the company's safety professionals (RSPP, ASPP, RLSA, the competent physician, the external consultant and management) reviews the risk assessment document and the general progress of occupational safety.



Eurosuole keeps on updating its staff, in order to give them the opportunity to work in perfect compliance with safety regulation and apply new production techniques to 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	2022	2021	2020
Number of Work Accidents	8	5	2
Number of Commuting Accidents	2	4	2
Days of Absence due to a Work Accident	179	162,5	28
Giorni di assenza per infortunio in itinere	25	85	85
Frequency index of Work Accidents *	15,01	9,66	4,79
Frequency index of Commuting Accidents *	3,75	7,73	4,79
Severity index of Work Accidents **	0,029	0,0314	0,0067
Severity index of Commuting Accidents **	0,004	0,0164	0,0204
Hours Worked per capita	1748	1.697	1.605
Total Hours Worked	533.092	517.536	417.415
Average Hours of Illness per capita (employees/workers)	30,32/63,66	14,99/55,72	20,44/71,54
Absenteeism rate due to Illness (employees/workers) in %	1,51/3,17	0,74/2,73	1/3,49
Average Hours of Work Accidents per capita (employees/workers)	0/5,40	0/4,91	0/1,01
Absenteeism rate due to Work Accidents (employees/workers) in %	0/0,27	0/0,24	0/0,049
<p>* Number of Accidents per One Million Hours Worked  ** Number of Lost Working Days due to Accidents per hundred hours worked</p>			

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.

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## 7.5 Training [2-5, 2-17, 404-1]

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

For this reason, Eurosuole 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.



In 2022, Eurosuole provided 3.550 hours of training, where 2.326 hours of them were related to some courses aimed to increase the skills of the company's employees, thanks to company's investment of €10,793. In addition, 1.224 hours were conducted some non-mandatory training, including aspects related to research and development activities.

Last year, the completion of staff training aimed at the acquisition and consolidation of technical skills relevant to the process of technological and digital transformation, provided by the National Plan "Industry 4.0" come to the end, while the training related to the "Organizational Innovation" and "Analysis and Evaluation of Managerial and Leadership Potential" project keeps on going on, because it's aimed to increase the skills of the resources involved and to optimize the company's organization.

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 Eurosuole 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.

Considering that the people involved in the trainings have widely manifested the added value of the activities carried out, with positive effects in the area of business management and production, it was determined that in June 2022 a training activity started, thanks to the cooperation with Professor Odoardi. This training focused on the organizational and leadership development activities for 35 intermediate figures in the company.

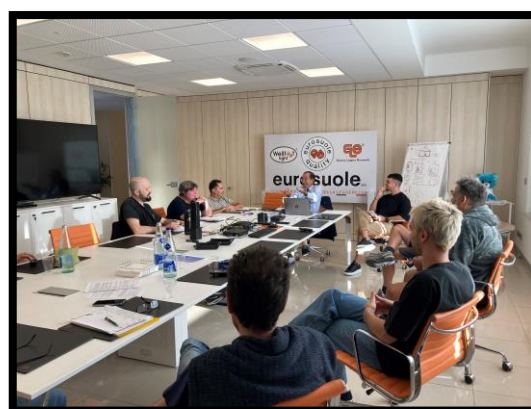
In 2022, some activities regard the organizational and management areas were completed and it involves a total of 10 resources: 3 managers and 7-line managers.

The training investment to the Eurosuole's personnel represents corporate attention and recognition in relation to the commitment made.

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 Eurosuo Professional Community can develop the skills necessary to support the new organizational and management designs: the management has therefore chosen to continue in 2023 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	2022	2021
	11,64	17,38



## 7.6 Family

An efficiency organization is able to help its employees to balance their family life and work, which is the main reason why Eurosuo has decided to offer them concrete help each year.

In 2022, 9 employees asked for the parental leave and they get it. In addition, 3 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.

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.

For this activity, Eurosuo has decided to donated €2.720.





## 7.7 Society [2-28]

Eurosuolet strongly believes that it necessary to believe in the potential of young people to build a healthy society. Over the past few years, the company has been committed to creating a culture of safety and health through various solidarity initiatives.

Eurosuolet's social work is still present. In fact, the company supports the local community by making contributions to nonprofit associations, such as O.N.L.U.S. In 2022, ANT (National Cancer Association) and ANFAS were funded by Eurosuolet to continue their solidarity work in the community.

Regarding the sports associations, Eurosuolet 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.

On September 15, 2022, in Piazza XX Settembre in Civitanova Marche, Eurosuolet took place at a charitable event, where together with other companies and local entities delivered a FIAT Ducato vehicle to the city's Elderly Cultural Recreational Social Center, which keep on driving the disadvantaged and disabled people to their workplaces, hospitals and sports centers.

The free on loan delivery of the vehicle is the result of the local "Guaranteed Mobility" project in which Eurosuolet actively participates. The purpose of this initiative is to promote forms of social integration through the use of transportation services to accompany disabled people.

In 2022, Eurosuolet 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, Eurosuolet 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 Eurosuolet gives a contribution to build a better future.



(* ) Other Contributions	2022
Charitable Associations	9.500
Sports Associations	53.700
O.N.L.U.S.	8.450
COVID Expenses	57.739
Gift to employees	2.721
<b>TOTAL</b>	<b>132.110</b>

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## 7.8 Sustainable Development Goals

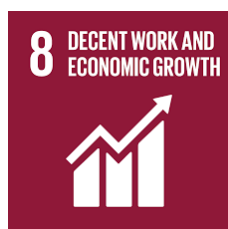
On September 2015, the United Nations General Assembly approved the 2030 Agenda for Sustainable Development consisting in **17 Sustainable Development Goals (SDGs)**.

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

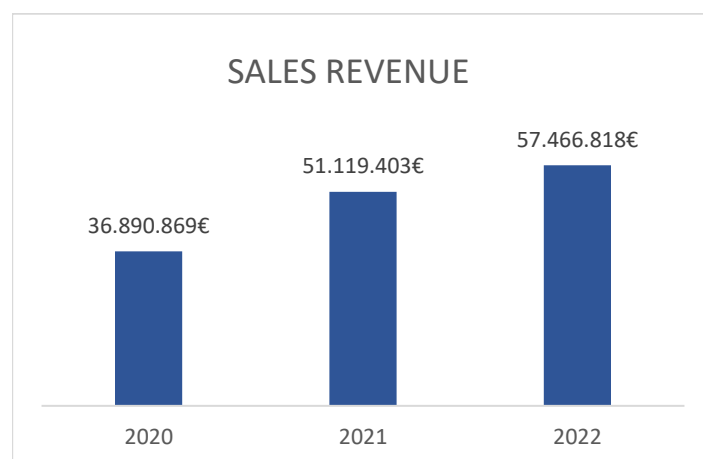


1. FINANCIAL SUMMARY
2. EVALUATION CRITERIA
3. BALANCE SHEET
4. INCOME STATEMENT
5. CASH FLOW STATEMENT
6. ADDED VALUE CREATION

## 8.1 Financial Summary [2-2, 2-6]

The Financial Statement 2022 closes with a net profit of 4.159.570 €. The table down below shows the Eurosuole's financial situation regards its profitability, its liquidity and its financial solidity.

PROFITABILITY	2022	2021	2020
Net ROE	0,10	0,12	0,08
Gross ROE	0,11	0,14	0,09
ROI	0,06	0,08	0,06
ROS	0,08	0,11	0,09
EBITDA	8.651.164	9.597.506	6.345.677
Profit (Loss) before Taxes	4.762.392	5.896.064	3.478.908
LIQUIDITY			
Primary Liquidity	1,84	1,92	2,9
Secondary Liquidity	2,16	2,21	3,31
FINANCIAL SOLIDITY			
Debt	0,50	0,59	0,48
Coverage Rate of Fixed Assets	2,08	2,08	2,21
Primary Structural Margin	23.687.054	21.241.132	19.691.269
Primary Structural Quotient	1,98	1,87	1,88
Secondary Structural Margin	26.743.533	27.287.968	28.054.002
Primary Structural Margin	2,11	2,12	2,25



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## 8.2 Evaluation Criteria [2-23]

(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 <sup>[2-6]</sup>

Balance Sheet (Assets)	31/12/2022	31/12/2021	31/12/2020
<b>FIXED ASSETS</b>			
Intangible fixed assets			
Start-up and Capital Costs	711	948	-
Industrial patents and intellectual property rights	30.242	40.767	1.999
Concessions, licenses, trademarks and similar rights	3.254	4.908	4.487
<b>TOTAL Intangible Fixed Assets</b>	<b>34.207</b>	<b>46.623</b>	<b>6.486</b>
Tangible Fixed Assets			
Land and Buildings	11.052.561	11.461.517	11.838.125
Plant and Machinery	8.557.223	9.130.854	9.341.600
Industrial and Commercial Equipment	1.396.758	782.090	325.552
Other Assets	136.082	161.644	228.742
Assets under Construction and Advances	2.344.826	1.719.870	369.488
<b>TOTAL Tangible Fixed Assets</b>	<b>23.487.450</b>	<b>23.255.975</b>	<b>22.103.507</b>
<b>TOTAL Fixed Assets</b>	<b>23.521.657</b>	<b>23.302.598</b>	<b>22.109.993</b>
<b>Current Assets</b>			
Inventories			
Raw, Ancillary and Consumable Materials	3.637.182	3.397.109	2.640.040
Work in progress and Semi-finished goods	1.263.485	1.455.042	688.683
Finished products and goods	2.347.613	1.561.395	1.643.916
<b>TOTAL Inventories</b>	<b>7.248.280</b>	<b>6.413.546</b>	<b>4.972.639</b>
Receivables			
From Customers due within one year	18.163.034	18.330.423	14.726.478
Tax Receivables due within one year	3.113.803	1.986.501	690.806
Tax Receivables due beyond one year	600.691	1.094.107	340.934
Deferred tax assets	220.097	301.262	283.149
Receivables from others due within one year	772.247	891.800	775.482
Receivables from others due beyond one year	-	2.450	4.900
<b>TOTAL Receivables</b>	<b>22.869.872</b>	<b>22.606.543</b>	<b>16.821.749</b>
Financial Assets other than Fixed Assets			
Active derivative financial instruments	8.194	-	-
Other Titles	7.972.482	7.936.520	7.979.495
Total financial assets that are not fixed assets	7.980.676	7.936.520	7.979.495
Cash and Cash Equivalent			
Bank and Postal Deposits	12.115.899	13.724.910	10.616.906
Checks	1.246	-	6.017
Cash and Valuables on hand	2.626	10.472	13.433
<b>TOTAL Cash and Cash Equivalent</b>	<b>12.119.771</b>	<b>13.735.382</b>	<b>10.636.356</b>
<b>TOTAL CURRENT ASSETS</b>	<b>50.218.599</b>	<b>50.691.991</b>	<b>40.410.239</b>
Accruals and Deferrals	74.918	70.513	17.485
<b>TOTAL ASSETS</b>	<b>73.815.174</b>	<b>74.065.102</b>	<b>62.537.717</b>

## 8.4 Balance Sheet (Liabilities) in Euro <sup>[2-6]</sup>

Balance Sheet (Liabilities)	31/12/2022	31/12/2021	31/12/2020
<b>Equity</b>			
Share Capital	5.000.000	5.000.000	5.000.000
Valuation Reserves	2.722.375	2.722.375	2.722.375
Legal Reserve	1.000.000	1.000.000	1.000.000
Extraordinary Reserve	30.071.228	27.184.094	25.450.247
Difference from Rounding off to the nearest euro unit	1	(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	6.228	(3.316)	(9.369)
Profit (Loss) for the year	4.159.570	4.887.135	3.133.847
<b>TOTAL Net Equity</b>	<b>47.809.402</b>	<b>45.640.287</b>	<b>42.147.096</b>
<b>Provisions for Risks and Charges</b>			
Provisions for Pensions and Similar Obligations	238.145	220.552	204.661
Passive Derivative Financial Instruments	-	4.363	12.328
<b>TOTAL Provisions for Risks and Charges</b>	<b>240.112</b>	<b>224.915</b>	<b>216.989</b>
<b>TOTAL Severance Indemnities</b>	<b>564.196</b>	<b>622.448</b>	<b>772.964</b>
<b>Liabilities</b>			
Payables to Banks Due Within One Year	3.119.930	3.347.300	2.320.550
Payables to Banks Due Beyond One Year	2.252.191	5.175.523	7.324.880
Payments on Account Due Within One Year	57.693	39.655	12.365
Trade Payables due within one year	14.481.634	14.358.786	6.693.695
Tax Payables due within one year	951.623	1.095.792	770.497
Tax Payables due beyond one year	-	23.950	47.900
Debts owed to pension and social security institutions			
Payables to social security institutions due within one year	950.047	909.878	752.008
Other Payables due within one year	1.617.313	1.492.107	1.351.066
<b>TOTAL LIABILITIES</b>	<b>23.430.431</b>	<b>26.442.991</b>	<b>19.272.961</b>
<b>Accruals and Deferrals</b>	<b>1.771.033</b>	<b>1.134.461</b>	<b>127.707</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>73.815.174</b>	<b>74.065.102</b>	<b>62.537.717</b>

## 8.5 Income Statement <sup>[2-6]</sup>

INCOME STATEMENT	31/12/2022	31/12/2021	31/12/2020
<b>A) Production Value</b>			
Revenues from Sales and Services	57.466.818	51.119.403	36.890.869
Change in Inventories of Work in Progress, Semi-Finished and Finished Goods	594.661	683.838	(501.214)
Grants related to income	998.195	813.301	667.717
Others	752.967	205.700	175.600
<b>TOTAL Value of Production</b>	<b>59.812.641</b>	<b>52.822.242</b>	<b>37.232.972</b>
<b>B) Production Cost</b>			
For Raw, Ancillary and Consumable Materials and Goods for Resale	27.338.517	22.007.521	13.859.676
For Services	10.679.457	9.529.821	7.053.365
For use of Third-Party Assets	64.002	46.940	37.979
Wages and Salaries	9.132.815	8.740.574	7.004.375
Social Security Contributions	2.907.395	2.755.492	2.205.664
Severance Indemnity	536.554	481.566	434.219
Other Personnel Costs	506.827	182.368	199.239
Amortization of Intangible Fixed Costs	12.416	12.416	16.750
Amortization of Tangible Fixed Costs	3.889.358	3.712.522	2.884.689
Impairment losses on receivables included in current assets-cash and cash equivalents	46.163	49.451	37.847
Change in Inventories of Work in Progress, Semi-Finished and Finished Goods	(240.073)	(757.069)	(266.714)
Other Operating Charges	189.820	188.072	321.645
<b>TOTAL Production Costs</b>	<b>55.063.251</b>	<b>46.949.674</b>	<b>33.788.734</b>
<b>Difference between Value and Production Cost (A - B)</b>	<b>4.749.390</b>	<b>5.872.568</b>	<b>3.444.238</b>
Other Financial Income	50.676	106.434	47.800
Other Financial Charges	47.712	81.171	25.496
Foreign Exchange Gains and Losses	10.038	(1.767)	12.366
<b>TOTAL Income and Expenses</b>	<b>13.002</b>	<b>23.496</b>	<b>34.670</b>
Profit Before Taxes	4.762.392	5.896.064	3.478.908
Current Taxes	522.704	1.028.954	255.092
Deferred and Prepaid Taxes	80.118	(20.025)	89.969
<b>PROFIT (LOSS) FOR THE YEAR</b>	<b>4.159.570</b>	<b>4.887.135</b>	<b>3.133.847</b>



## 8.6 Cash Flow Statement

CASH FLOW STATEMENT	31/12/2022	31/12/2021	31/12/2020
Profit (Loss) For the Year	4.159.570	4.887.135	3.133.847
Income Taxes	602.822	1.008.929	345.061
Interest Payable (Receivable)	(2.964)	(25.263)	(22.304)
(Gain)/Losses on Disposal of Assets	(95.591)	(18.135)	(30.728)
<b>1) Profit (Loss) for the Year Before Income Taxes, Interest, Dividends and Gains/Losses on Disposal</b>	<b>4.663.837</b>	<b>5.852.666</b>	<b>3.425.876</b>
<b>Adjustments for Non-Monetary Items that did not have a Balancing Entry in the Net Working Capital</b>			
Allocation to Provisions	64.259	36.744	33.844
Depreciation of Fixed Assets	3.901.774	3.724.938	2.901.439
Other Upward (Downward) Adjustments for Non-Monetary Items	3.949	12.331	81.147
<b>TOTAL Adjustments for Non-Monetary Items that did not have a Balancing entry in the Net Working Capital</b>	<b>3.969.982</b>	<b>3.774.013</b>	<b>3.016.430</b>
<b>2) Cash Flow Before Changes in Net Working Capital</b>	<b>8.633.819</b>	<b>9.626.679</b>	<b>6.442.306</b>
<b>Changes of the Net Working Capital</b>			
Decrease (Increase) in Inventories	(834.734)	(1.440.907)	234.500
Decrease (Increase) in Trade Receivables	167.389	(3.603.945)	254.282
Increase (Decrease) in Trade Payables	122.848	7.665.091	(2.764.456)
Decrease (Increase) in Accrued Income and Prepaid Expenses	(4.405)	(53.028)	51.298
Decrease (Increase) in Accrued Expenses and Deferred Income	636.572	1.006.754	127.384
Other Decreases (Increases) in Net Working Capital	516.665	(1.979.730)	411.402
<b>TOTAL Changes in Net Working Capital</b>	<b>604.335</b>	<b>1.594.235</b>	<b>1.078.866</b>
<b>3) Cash Flow After Changes in Net Working Capital</b>	<b>9.238.154</b>	<b>11.220.914</b>	<b>4.756.716</b>
<b>Other Adjustments</b>			
Interest Received/(paid)	2.964	25.263	22.304
(Income Taxes paid)	(1.537.508)	(584.414)	(12.341)
(Use of Funds)	(107.314)	(183.697)	(138.565)
<b>TOTAL OTHER ADJUSTMENTS</b>	<b>(1.641.858)</b>	<b>(742.848)</b>	<b>(128.602)</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>7.596.296</b>	<b>10.478.066</b>	<b>4.628.114</b>
<b>Tangible Fixed Assets</b>			
(Investments)	(4.143.847)	(4.865.662)	(2.358.597)
Disposals	118.604	18.807	36.944
Intangible Fixed Assets (investments)	-	(52.553)	-
<b>Short Term Financial Assets</b>			
(Investments)	(115.962)	(2.887.685)	(7.979.495)
Disposal	80.000	2.930.660	-
<b>Cash Flow from Investment Management (B)</b>	<b>(4.061.205)</b>	<b>(4.856.433)</b>	<b>(10.301.148)</b>
<b>Resource of Others</b>			
Increases (Decreases) in Short-Term Payables to Banks	(12)	12	-
Raising of Loans	218.010	3.000.000	8.228.558
(Repayment of Loans)	(3.368.700)	(4.122.619)	(211.527)
Own Resources (Dividends and Interim Dividends Paid)	(2.000.000)	(1.400.000)	(1.200.000)
<b>Cash Flow from Financial Management (C)</b>	<b>(5.150.702)</b>	<b>(2.522.607)</b>	<b>6.817.031</b>
<b>Net Increase Decrease in Cash and Cash Equivalents (A ± B ± C)</b>	<b>(1.615.611)</b>	<b>3.099.026</b>	<b>1.143.997</b>
Initial Bank and Postal Deposits	13.724.910	10.616.906	9.487.831
Checks	-	6.017	-
Initial Cash and Cash Equivalent	10.472	13.433	4.527
<b>TOTAL Cash and Cash Equivalents at the Beginning of the Year</b>	<b>13.735.382</b>	<b>10.636.356</b>	<b>9.492.358</b>
Final Bank and Postal Deposits	12.115.899	13.724.910	10.616.906
Checks	1.246	-	6.017
Final Cash and Cash Equivalents	2.626	10.472	13.433
<b>TOTAL Cash and Cash Equivalents at the End of the Year</b>	<b>12.119.771</b>	<b>13.735.382</b>	<b>10.636.356</b>



## 8.7 Added Value Creation <sup>[201-1]</sup>

Added Value Creation	31/12/2022	31/12/2021	31/12/2020
production Revenues			
Revenues from Sales and Services	57.466.818	51.119.403	36.890.869
Changes in Inventories of Work in Progress, Semi-Finished and Finished Goods	594.661	683.838	(501.214)
Other Revenues	1.751.162	1.019.001	843.317
<b>TOTAL Production Value</b>	<b>59.812.641</b>	<b>52.822.242</b>	<b>37.232.972</b>
Intermediate Production Costs			
Costs of Raw Materials and Services	37.788.203	30.200.213	20.622.958
Other Operating Costs	47.079	45.923	156.550
<b>TOTAL Intermediate Costs of Production</b>	<b>37.835.282</b>	<b>30.246.136</b>	<b>20.779.508</b>
<b>Characteristic Gross Value Added</b>	<b>21.997.359</b>	<b>22.576.106</b>	<b>16.453.464</b>
Extraordinary and Accessories Components			
Financial Income	13.002	23.496	34.670
<b>TOTAL Extraordinary Components and Accessories</b>	<b>13.002</b>	<b>23.496</b>	<b>34.670</b>
<b>TOTAL Gross Value Added</b>	<b>21.990.361</b>	<b>22.599.602</b>	<b>16.488.134</b>
Amortization and Depreciation	3.947.937	3.774.389	2.939.286
<b>TOTAL Net Value Added</b>	<b>18.042.424</b>	<b>18.825.213</b>	<b>13.548.848</b>
<b>Distribution of Value Added</b>			
Staff	13.083.591	12.160.000	9.843.497
Public Administration (Taxes)	602.882	1.008.929	345.061
Company Remuneration (Profit)	4.159.570	4.887.135	3.133.847
Community			
Membership Fees	18.341	18.441	20.893
Local Taxes	115.950	111.258	87.802
Other Contributions (*)	132.110	148.771	117.748
<b>TOTAL Value of Community Contribution</b>	<b>266.401</b>	<b>278.470</b>	<b>226.443</b>
ENVIRONMENTAL ACCOUNTING			
Air	120.042	40.514	50.382
Water	706	4.749	2.584
General environment	3.350	3.150	5.400
Training and Safety	497.670	32.999	43.789
Waste	428.786	-	-
<b>TOTAL INVESTMENT</b>	<b>1.050.554</b>	<b>81.412</b>	<b>102.155</b>
<b>TOTAL Net Global Value Distributed</b>	<b>18.042.424</b>	<b>18.825.213</b>	<b>13.548.848</b>
(*) See table on page 48			

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## 9. GRI Content Index

For the Content Index With Reference Pilot Service, GRI Services reviewed that the GRI content index is clearly presented, in a manner consistent with the Standards, and that the references for disclosures are aligned with the appropriate sections in the body of the report. The service was performed on the English version of the report.



### 9.1 Methodology

**GRI STANDARDS REFERENCE:**

Eurosuole spa has reported the information cited in this GRI Content index for the period 01/01/2022 – 31/12/2022 with reference to the GRI Standards.

**PRINCIPLES DEVELOPED EXTERNALLY THAT WE ENDORSE:**

GRI Standards, Italian Civil Code (from art. 2423 to art. 2435), I.Re.M. (Responsible Companies in the Marche region), OIC (Italian Accounting Organization)

**REPORTING CYCLE:**

Annual [2-3]

**DATE OF PREVIOUS REPORT:**

Sustainability Report 2021

**CONTACT FOR QUESTIONS REGARDING THE REPORT OR ITS CONTENT:**

bilancio.integrato@eurosuole.com [2-3]

**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. [2-14]

The attestation of the Board of Statutory Auditors of the 2022 Sustainability Report is linked to this document. [2-5]

## 9.2 GRI Content Index

Statement of use	Eurosole spa has reported the information cited in this GRI Content Index for the period 01/01/2022 to 31/12/2022 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021
Relevant sector Standard GRI	N/A

GRI Standard	Disclosures		Page Notes	Omissions
GRI 2 General disclosures 2021	2-1	Organizational Details	20	
	2-2	Entities included in the organization's sustainability report	50	
	2-3	Reporting period, frequency and contact point	57	
	2-4	Restatements of information	21	
	2-5	External assurance	57	
	2-6	Activities, Value Chain and other business relationships	6,15,16,17, 18,20,28,38,50,52, 53,54	
	2-7	Employees	40,41	
	2-8	Workers who are not employees	40,41	
	2-9	Governance structure and composition	5	
	2-10	Nomination and selection of the highest governance body	5	
	2-11	Chair of the highest governance body	5	
	2-12	Role of the highest governance body in overseeing management of impacts	1,5,14,21,26	
	2-13	Delegation of responsibility for managing impacts	1,5,32	
	2-14	Role of the highest governance body in the sustainability report	5,57	
	2-15	Conflicts of interest	23	
	2-16	Communication of critical concerns	24	
	2-17	Collective knowledge of the highest governance body	45	
	2-19	Remuneration policies	43	
	2-20	Process to determine remuneration	43	
	2-21	Annual total compensation ratio	42	
	2-22	Statement on sustainable development strategy	1	
	2-23	Policy commitments	8,9,10,23,51	
	2-24	Embedding policy commitments	24,25,26	



GRI Standard	Disclosures		Page Notes	Omissions
GRI 2 General disclosures 2021	2-26	Mechanisms for seeking advice and raising concerns	24	
	2-27	Compliance with laws and regulations	23	
	2-28	Membership associations	47	
	2-29	Approach to stakeholder engagement	14	
	2-30	Collective bargaining agreements	40,41	
GRI 201 Economic performance 2016	201-1	Direct economic value generated and distributed	56	
GRI 204 Procurement practices 2016	204-1	Proportion of spending on local suppliers	15,16,17	
GRI 301 Materials 2016	301-1	Materials used by weight or volume	38	
GRI 302 Energy 2016	302-1	Energy consumption within the organisation	36	
GRI 303 Water and effluents 2018	303-1	Interactions with water as a shared resource	34	
	303-2	Management of water discharge-related impacts	34,36,37,38	
	303-3	Water withdrawal	34	
	303-4	Water discharge	34	
GRI 305 Emissions 2016	305-1	Direct GHG emissions (Scope 1)		<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	Indirect GHG emissions (Scope 2)		<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	Other indirect GHG emissions (Scope 3)		<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	GHG emission intensity		<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 Standard	Disclosures		Page Notes	Omissions
GRI 305 Emissions 2016	305-5	Reduction of GHG emissions		<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	Emissions of ozone-depleting substances (ODS)		<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	Waste generation and significant waste related impacts	37	
	306-2	Management of significant waste related impacts	37	
	306-3	Waste generated	37	
	306-4	Waste diverted from disposal	37	
	306-5	Waste directed to disposal	37	
GRI 308 Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	14	
	308-2	Negative environmental impacts in the supply chain and actions taken	14	
GRI 401 Employment 2016	401-1	New employee hires and employee turnover	42	
GRI 403 Occupational Health and Safety 2018	403-1	Occupational health and safety management system	44	
	403-2	Hazard identification, risk assessment, and incident investigation	44	
	403-3	Occupational health services	44	
	403-4	Worker participation, consultation, and communication on occupational health and safety	44	
	403-5	Worker training on occupational health and safety	44	
GRI 403 Occupational Health and Safety 2018	403-6	Promotion of worker health	44	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	44	
	403-9	Work-related injuries	44	
	403-10	Work-related ill health	44	
GRI 404 Training and Education 2016	404-1	Average hours of training per year per employee	45,46	
GRI 414 Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	14	



GRI Standard	Disclosures	Page Notes	Omissions
GRI 416 Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	28	

## FINAL INFORMATION



### Sustainability Report 2022

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