

The background of the page is a close-up photograph of bamboo stalks. The stalks are green and have a textured, segmented appearance. The lighting is soft, creating a bokeh effect with out-of-focus green circles in the background.

SUSTAINABILITY REPORT 2024



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1

LETTER FROM THE TOP MANAGEMENT

Dear stakeholders,

a constantly changing global context, we believe that economic value cannot be separated from social and environmental value. For us, sustainability is not only an ethical duty, but also a strategic lever that guides our operational choices, our investments, and our relationships with the local community and the people who interact with our Company.

Over the course of the year, we consolidated initiatives already underway and launched new ones, with the goal of improving our environmental performance, enhancing our human capital, ensuring fair and safe work conditions, and contributing positively to the communities in which we operate.

Therefore, it is with great pleasure that we present the 2024 Sustainability Report of **INiziativa Conciarie ASsociate (INCAS)**, a document that represents our hands on commitment to building a responsible, transparent, and forward-looking business model. It highlights the path we wish to take together with our stakeholders, firmly believing that only open and constructive dialog can generate true shared value. Our commitment to sustainability is rooted in a long-term strategic vision that places the company's social, environmental, and economic responsibilities at the center.

- **Integrity:** we act with transparency and respect for the rules, fully aware of our social role
- **Innovation:** we invest in technologies, skills, and processes capable of generating development that combines economic growth, social inclusion, and environmental protection, with respect for future generations.
- **People-centric:** we value people and promote an inclusive and safe work environment.
- **Quality and competence:** we operate with technical accuracy, professionalism, and attention to continuous improvement.
- **Sustainability:** we adopt responsible practices to reduce our impact and safeguard resources for future generations.

These principles inspire our way of doing business and translate into hands on objectives that involve the entire Company, from top management to every employee.

We look to the future with the awareness that sustainability is not a destination, but a process—made of choices, listening, collaboration, and continuous evolution.

Filippo Rovini
Chairman



COMPANY PROFILE



2.1

CORPORATE IDENTITY

GRI 2-1, GRI 2-2

INCAS bases its activities on professionalism and expertise which, together with research and innovation, form the foundation of its work.

INiziative Conciarie ASsociate (INCAS) is a joint-stock company registered in Italy, with its legal and operational headquarters in Castelfranco di Sotto (Pisa).

The company operates in the tanning sector, providing high-quality tanned leather for the fashion industry to clients in Italy and Europe. With a well-established presence both nationally and internationally, INiziative Conciarie ASsociate (INCAS) engages with a wide range of stakeholders, including customers, suppliers, partners, and local communities.

The company has a governance structure that includes a management team responsible for defining the Company's strategic direction, overseeing operations, and supervising sustainability-related issues.

This Sustainability Report includes the data and information relating to INiziative Conciarie ASsociate (INCAS).

For INCAS, sustainability represents a strategic pillar, integrated into decision-making processes and day-to-day management. The Company promotes a responsible and proactive approach to environmental, social, and economic matters, constantly striving to improve its ESG (Environmental, Social, and Governance) performance.

ABOUT US

GRI: 2-6

AN EVOLVING REALITY



2.3

PRODUCTS AND SERVICES OFFERED

GRI: 2-6

INiziative Conciarie Associate (Incas) offers a structured and specialized range of 100% Made in Italy leathers, designed to meet the needs of the footwear and leather goods sector, through three separate product divisions.

INCAS

Exclusive Natural Leather

INCAS has established itself worldwide thanks to a vegetable-tanning process with unique technical and qualitative features, developed with full respect for the environment. The most common applications are in footwear, leather goods, and apparel, with the possibility of customization according to client needs.

ITALTAN

Leather Garments & Hair on Baby Calf

The advanced technology of the company's research and development laboratories has made it possible to develop leathers with uncommon softness and sheen. Baby calves, both hair-on and hairless, have become a benchmark for leading global fashion brands in footwear, leather goods, and apparel.



High Quality Traditional Leather

This line features a high-protein, low-amine release profile, with half and full calfskins tanned in chrome. It is characterized by fullness, roundness, suppleness, elasticity, and superior grain tightness, achieved through the innovative SlowLeather process.

The INCAS product range stands out for its quality, environmental sustainability—understood as reduced amine emissions—traceability, and innovation.

Its markets are primarily located in Italy, while international markets also play an important role (see 6 – “Economic Scope”).





2.4

VALUE CHAIN

GRI: 2-6

The value chain of INiziativa Conciarie ASsociate (INCAS) is structured into a series of interconnected phases that contribute to the creation of the Company's economic, social, and environmental value. The main steps of the value chain include:

- **Research and Development** – in house activities to achieve product innovation, process efficiency, and the integration of sustainability criteria right from the design stage.
- **Procurement** – selection and management of suppliers based on quality, regulatory compliance, and social responsibility.
A particularly important focus regarding raw hides was achieved through the Animal Welfare certification, carried out in collaboration with ICEC. Thanks to this customized risk analysis of the specific supply chain from which the tannery sources (countries and places of origin, specific slaughterhouses and related farms), INCAS ensures that suppliers adopt responsible and virtuous animal husbandry practices.
- **Production** – the production, 100% Made in Italy, are located in Castelfranco di Sotto (Pisa) and comply with strict standards of safety, energy efficiency, and environmental management.
- **Distribution and Logistics** – management of product flows to national and international customers through a network of direct logistics and local partners, optimizing time, costs, and environmental impacts.
- **After-Sales Services** – technical support and customer service aimed at ensuring the long-term satisfaction of these stakeholders.

The entire value chain is subject to continuous monitoring to identify opportunities for improvement in terms of sustainability, operational efficiency, and innovation. In particular, INiziativa Conciarie ASsociate (INCAS) is engaged in collaborative initiatives with partners, suppliers, and customers to promote sustainable practices throughout the entire life cycle of its products and services.



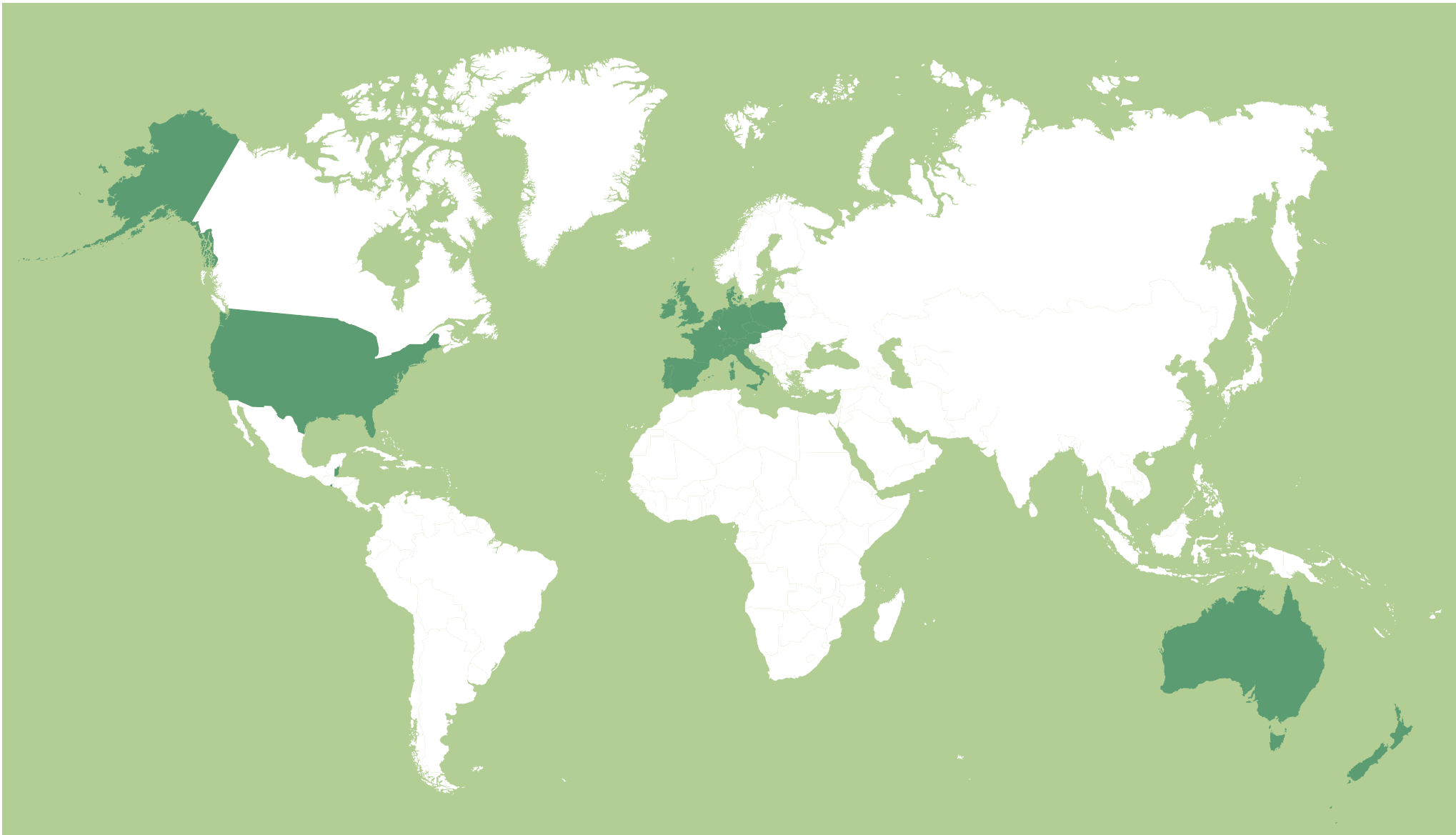
RAW HIDE PURCHASES IN THE THREE-YEAR REPORTING PERIOD

COUNTRY	2022	2023	2024
NEW ZEALAND	37.49%	39.53%	37.62%
UK	9.91%	9.32%	16.64%
ITALY	5.72%	3.86%	14.70%
IRELAND	5.71%	4.73%	6.92%
UNITED STATES	2.20%	6.99%	5.06%
AUSTRALIA	5.95%	3.60%	4.77%
SWITZERLAND	0.75%	0.84%	4.10%
GERMANY-BELGIUM*	2.40%	2.08%	3.74%
GERMANY	10.48%	4.50%	2.38%
FRANCE	10.91%	6.79%	2.10%
THE NETHERLANDS**	3.85%	6.70%	1.11%
DENMARK	0.82%	0.40%	0.86%
COLOMBIA	0.00%	7.01%	0.00%
CZECH REPUBLIC	1.39%	1.31%	0.00%
GERMANY-THE NETHERLANDS	0.00%	1.07%	0.00%
SOUTH AFRICA	0.00%	0.99%	0.00%
POLAND	0.23%	0.18%	0.00%
GEORGIA	0.00%	0.10%	0.00%
AUSTRIA	0.40%	0.00%	0.00%
BOSNIA AND HERZEGOVINA	0.00%	0.00%	0.00%
BULGARIA	0.09%	0.00%	0.00%
GERMANY-THE NETHERLANDS-FRANCE***	0.27%	0.00%	0.00%
PORTUGAL	1.01%	0.00%	0.00%
ROMANIA	0.36%	0.00%	0.00%
SPAIN	0.06%	0.00%	0.00%
TOTAL	100.00%	100.00%	100.00%

- * A supplier declares that the origin of its raw hides is mixed Germany and Belgium.
 ** A supplier declares that the origin of its raw hides is mixed Germany and the Netherlands.
 *** A supplier declares that the origin of its raw hides is mixed Germany, the Netherlands, and France.

An increase in purchases within Italy is linked to INCAS's strategic choice to prioritize Italian raw-hide suppliers and to increase orders for buffalo hides, a raw material sourced from the Campania region.

RAW HIDE PURCHASES 2024 BY GEOGRAPHIC AREA



Map of origin showing hides used by INCAS (areas in green), 100% sourced from regions free of deforestation (ref. Certifications TS-SC 410 and TS-PC 412, detailed on pages 79-80).

ORGANIZATIONAL STRUCTURE AND GOVERNANCE

GRI 2-9, 2-10, 2-11, 2-16, 2-17, 2-28

INiziative Conciarie ASSociate (INCAS) has a structured organizational model that ensures effective and transparent governance of its activities. The highest governing body is the Board of Directors (BoD), which is responsible for the main strategic decisions, including those related to sustainability. The responsibilities of each member are clearly defined and communicated, in accordance with the company's bylaws and applicable regulations. The appointment and selection process of the members of the highest governing body is based on criteria of competence, experience, and independence.

The Board of Directors (BoD) meets annually and serves a three-year term. The Chairman of the Board is appointed by a formal resolution of the Board.

The Board of Directors consists of 5 members, of whom 4 are men and 1 is a woman:

- **Filippo Rovini**, *Chairman*
Chief Executive Officer, commercial policies;
- **Piero Rosati**, *Vice-Chairman and Chief Executive Officer*
responsible for administration and finance; Employer representative;
- **Annalisa Rosati**, *Board Member*;
- **Iacopo Ceccatelli**, *Chief Executive Officer*
responsible for commercial policies and purchasing (executive member);
- **Nicolò Ceccatelli**, *Chief Executive Officer*
responsible for commercial policies, communication, research and development, and sustainability, with a specific mandate for certifications.

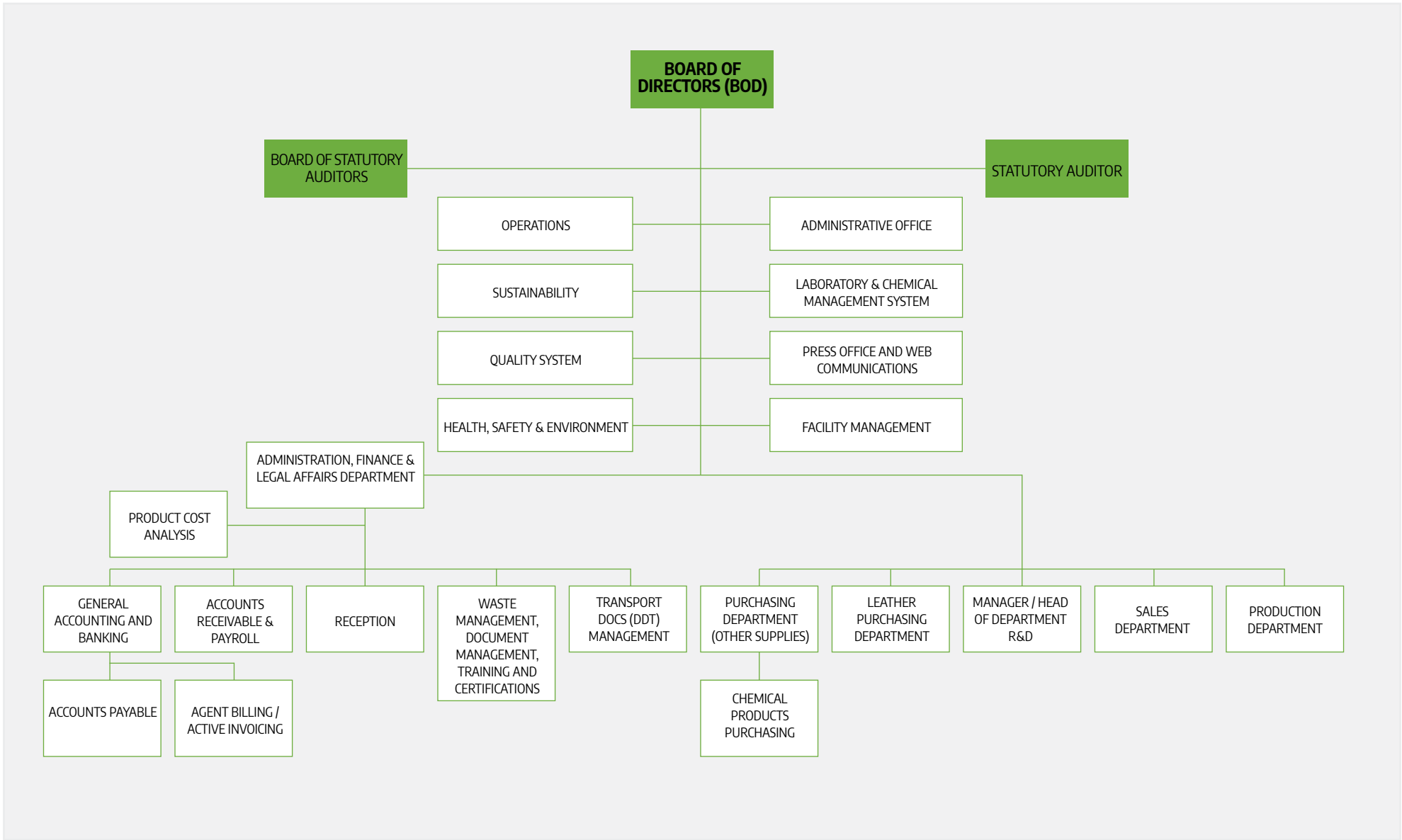
All current members hold executive positions within the company.

The members of the highest governing body hold significant expertise in administration, production, commercial activities, environmental management, and research and development. Their continuous training and professional development are ensured through participation in industry events, trade fairs, and sector meetings, as well as through the direct involvement of Board Member Piero Rosati, Vice President of UNIC (the representative body for Research, Development, and Sustainability in the tanning sector), who reports periodically to the Board of Directors. A practical example of this commitment is the annual drafting of the Sustainability Manifesto, verified by ICEC and approved during a Board of Directors meeting.

Responsibility for sustainability matters is entrusted to Nicolò Ceccatelli, who also holds a specific mandate for certifications connected to the company's development strategy. As Vice President of UNIC, Piero Rosati contributes to strengthening INCAS's positioning within the official bodies of the tanning sector.

The communication of critical issues to governance takes place through the management review of the company's management systems, supported by periodic operational meetings.

During the reporting period, INCAS recorded no critical issues and no cases of non-compliance with laws or regulations.



EMPLOYEES AND NON-EMPLOYEE WORKERS

GRI 2-7, GRI 2-8, GRI 2-30

As of the reporting date, INiziativa Conciarie ASsociate (Incas) employs a total of 127 staff members, broken down by gender, type of contract, and geographical area as follows:

- Employees by gender: 10 women, 117 men
- Employees by contract type: 126 open term, 1 fixed-term
- Employees by work hours: 126 full-time, 1 part-time
- Geographical distribution: Tuscany, 100, 127 employees

100% of the organization's employees are under a national collective labor agreement. The applicable collective agreement is the CCNL Commercio. INCAS promotes long-term employment relationships by favoring open term contracts, which—as the data show—are the preferred form of collaboration between employees and the company. The slight decline in the total number of employees from 2023 to 2024 (less than 5%) is attributable to retirement. The use of temporary agency work is limited to peak demand periods and always carried out in compliance with legal requirements. The average number of temporary agency workers was 19 in 2022, 9.5 in 2023, and 10.8 in 2024.

As of 31/12/2024	WOMEN	MEN	TOTAL
Total number of employees	10	117	127
Number of open-term employees	10	116	126
Number of fixed-term employees	0	1	1
Number of full-time employees	9	117	126
Number of part-time employees	1	0	1
Geographical distribution	100% TUSCANY		

As of 31/12		2022	2023	2024
MEN	Total number of employees	123	122	117
WOMEN	Total number of employees	11	11	10
TOTAL	Total number of employees	134	133	127

As of 31/12		2022	2023	2024
MEN	Number of open-term employees	123	121	116
	Number of fixed-term employees	0	1	1
WOMEN	Number of open-term employees	10	10	10
	Number of fixed-term employees	1	1	0

As of 31/12		2022	2023	2024
MEN	Number of full-time employees	123	123	117
	Number of part-time employees	0	0	0
WOMEN	Number of full-time employees	10	9	9
	Number of part-time employees	1	1	1

100% of the organization's employees are covered by a national collective labor agreement. The applicable collective agreement is the CCNL for employees of tanning companies.

INCAS promotes long-term employment relationships by favoring open term contracts, which—as the data show—are the preferred form of collaboration between employees and the company.

The slight decrease in the total number of employees from 2023 to 2024 is less than 5% and is attributable to early retirement.

The use of temporary agency work occurs only during peak demand periods and always in compliance with legal limits. The average number of temporary agency workers was equal to 19 units in 2022, 9.5 units in 2023 and 10.8 units in 2024.



GOVERNANCE COMMITMENT TO SUSTAINABILITY

GRI 2-12, GRI 2-13, GRI 2-14

INiziative Conciarie ASSociate (Incas) governance commitment to sustainability is explicit and formalized. The company's highest governing body (the Board of Directors) holds ultimate responsibility for sustainability, overseeing strategies, policies, and corporate objectives in the environmental, social, and ethical fields.

The ways in which the governing body carries out its role in sustainability include:

- Approval of the sustainability strategic plan
- Periodic assessment of ESG performance
- Integration of sustainability objectives into business processes
- Monitoring of risks related to environmental, social, and governance issues

The Board of Directors oversees due diligence processes and the management of economic, environmental, and social impacts through an integrated management system involving the heads of the main company departments.

Stakeholders are engaged through a dedicated questionnaire (prepared in both Italian and English), and the results of this survey are reviewed annually and used to guide strategic decisions.

The review of the effectiveness of impact management processes takes place annually during Board of Directors meetings.

The responsibility for reviewing and approving the Sustainability Report lies with the Board of Directors, which verifies the consistency of the reported information with the results achieved. The approval procedure includes a technical validation phase carried out by the department managers, followed by a formal presentation to the Board of Directors, which then gives its final approval prior to the publication of the document.



REPORTING METHODS

3.1

STANDARDS USED

GRI 1

This Sustainability Report has been prepared in accordance with the **GRI Standards** (Global Reporting Initiative), 2021 version, “in accordance with” option. The **GRI Standards** represent the leading international framework for non-financial reporting, used by companies across all sectors to disclose their environmental, social, and economic performance in a transparent and comparable way.

The report includes both the **universal standards** (GRI 1, GRI 2, and GRI 3) and, where applicable, the specific topic standards, selected based on the material impacts identified by the company. The document has been prepared in a modular format as per GRI 1:2021 “**Reporting Principles 2021**”.

3.2

REPORTING FREQUENCY

GRI 2-3

This Sustainability Report covers the period 2022–2023–2024 and is the second report published by INiziative Conciarie ASsociate (INCAS) in accordance with the GRI Standards. The company is committed to publishing the Report annually, in order to ensure regular, transparent communication consistent with stakeholder expectations. The report is published yearly.

3.3

RESTATEMENT MANAGEMENT AND EXTERNAL ASSURANCE

GRI 2-4

3.3.1

RESTATEMENT OF INFORMATION

In this report, certain restatements (corrections) have been made to the information published in previous reports, specifically:

- The emission factors (in g CO₂ eq/kWh) used for the calculation of Scope 2 CO₂ emissions have been revised and updated, as reported in Chapter 7, based on the coefficients published annually in ISPRA reports.
- EBITDA data have been reviewed and corrected by including in the calculation the item “Write off of receivables included in current assets.” These adjustments allow for a more accurate and proper calculation compared to the previous methodology.

GRI 2-5

3.3.2

EXTERNAL ASSURANCE

This report has been subject to an external assurance process carried out by the accredited third party SGS Italia S.p.A. The check ended with the issuance of an Assurance Statement, attached at the end of this Report.



3.4

APPROACH TO MATERIAL TOPICS

GRI 3-1

3.4.1

DETERMINING MATERIAL IMPACTS

INiziative Conciarie ASsociate (INCAS) has adopted an impact-based approach for defining material topics, in line with the principles established by the 2021 GRI Standards. The process included:

1. Identification of the company's activities and relationships that generate impacts (positive or negative) on the economy, the environment, and people.
2. Collection and review of evidence from internal sources (strategic documents, audits, ESG data) and external sources (benchmarks, sector guidelines, stakeholder engagement).
3. Internal consultation with department managers and, where possible, with key stakeholders.
4. Priority ranking of impacts based on their significance and likelihood, as well as the company's ability to influence them.
5. Final validation by management and integration of the topics in this Report.

GRI 3-2

3.4.2

MATERIAL TOPICS

At the end of the process, the material topics were identified, presented, and reviewed in Section 4 – MATERIAL TOPIC REVIEW of this Report.



3.5

STAKEHOLDER ENGAGEMENT

GRI 2-29

INCAS acknowledges the importance of continuous communication with stakeholders and adopts a structured approach to their engagement. Stakeholders are identified based on their influence and the level of impact the company may have on them. Main stakeholders include:

- Employees and contractors
- Clients
- Suppliers
- Local communities
- Public bodies and regulatory agencies

Engagement methods include:

- Questionnaires and surveys
- Direct communications and digital channels
- Visits

Stakeholder engagement has made a significant contribution to the material impact identification process, supporting the inclusion of external points of view and the assessment of the actual and potential impacts generated by the company.

3.6

REPORTING BOUNDARIES

GRI 2-2

The scope of this Sustainability Report includes CONCERIA INCAS S.p.A. The reporting boundaries have been defined in line with the identified material impacts, ensuring the traceability of information and the comparability of data with previous reporting periods. Any exclusions or limitations are listed in the applicable sections of this Report.



MATERIAL IMPACT REVIEW

4.1

MATERIAL IMPACT TOPICS IDENTIFIED

GRI 3-1, GRI 3-2

INiziative Conciarie ASsociate (INCAS) has carried out a material impact review in line with the GRI 2021 Standards, adopting an approach based on the actual and potential impacts that the company's activities generate on people, the environment, and the economy. The identification phase included the following steps:

1. Review of the activities, products, services, and relationships of INiziative Conciarie ASsociate (INCAS) in order to identify the points in the value chain with potential impact.
2. Initial mapping of current and potential impacts on the economy, the environment, and people.
3. Consultation with internal stakeholders and, where possible, external stakeholders, to gather opinions, priorities, and reports of significant impacts.
4. Assessment of impacts in terms of severity, likelihood, and possibility of remediation.
5. Final validation by top management.

Each identified material impact topic has been associated with the corresponding GRI thematic Standard used to structure the information in the subsequent chapters of the report:

GRI 200	Economic topics
GRI 201	Economic performance
GRI 202	Market presence
GRI 203	Indirect economic impacts
GRI 204	Anti-corruption
GRI 205	Anti-competitive behavior
GRI 206	Unfair competition
GRI 207	Taxes

GRI 300	Environmental Topics
GRI 301	Materials
GRI 302	Energy
GRI 303	Water and wastewater
GRI 304	Biodiversity
GRI 305	Greenhouse gas emissions
GRI 306	Waste
GRI 307	Environmental compliance
GRI 308	Environmental assessment of suppliers

GRI 400	Social Topics
GRI 401	Employment
GRI 402	Work and staff relationships
GRI 403	Health and safety at work 2018
GRI 404	Training and education
GRI 405	Diversity and equal opportunities
GRI 406	Non-discrimination
GRI 407	Freedom of association and collective bargaining
GRI 408	Child labor
GRI 409	Forced labor
GRI 410	Safety procedures
GRI 411	Rights of aboriginal populations
GRI 412	Assessment of human rights
GRI 413	Local communities
GRI 414	Social assessment of suppliers
GRI 415	Public policy
GRI 416	Health and safety of clients
GRI 417	Marketing and labeling
GRI 418	Privacy of clients
GRI 419	Social and economic compliance

For each of these topics, the corresponding GRI standards were applied for reporting, as referenced in the respective dedicated sections of the report.

4.2

CONSULTATION WITH INTERNAL AND EXTERNAL STAKEHOLDERS

GRI 3-2

A questionnaire was prepared in Italian and English, developed on an online platform, and made available to stakeholders via email. A total of 95 complete responses were received, 8 of which came from foreign stakeholders. The questionnaire was identified as the method for assessing the relevance of material topics, determining the significant ones from the review of aspects and impacts contained in the document “Risk and Opportunity Analysis” of the Integrated Management System for Quality – Environment – Safety – Social Responsibility.

The areas from which the stakeholders were selected were: employees and contractors; suppliers; clients; industry associations; communities; institutions and supervisory authorities; oversight and regulatory bodies.

The following chart shows the breakdown of the stakeholders involved, which once again highlights the predominance of suppliers (64% of respondents), while also indicating an increase in the percentage of clients (15%) and the active participation of industry associations (4%).



- Employees and collaborators
- Contractors and Industry Associations
- Oversight and Regulatory Bodies
- Clients
- Suppliers
- Community
- Unions
- Public Administration

4.3

MATERIAL IMPACTS MAP

GRI 3-2

Following the process of impact assessment and priority listing INiziative Conciarie ASsociate (INCAS) has developed a **material impact map** that visually represents the topics applicable to the company.

The map is structured based on two main considerations:

- The **magnitude of the impact** (actual or potential) generated by the company on people, the environment, and the economy.
- **Stakeholder perception**, based on the level of interest or concern attributed to each topic.

Each topic is placed on a material impact chart (matrix), which helps to highlight the **strategic priorities** that need to be integrated into the decision-making processes. The topics located in the upper section of the map represent the areas of greatest relevance and are the main focus of this report.

4.4

QUESTIONNAIRE REVIEW

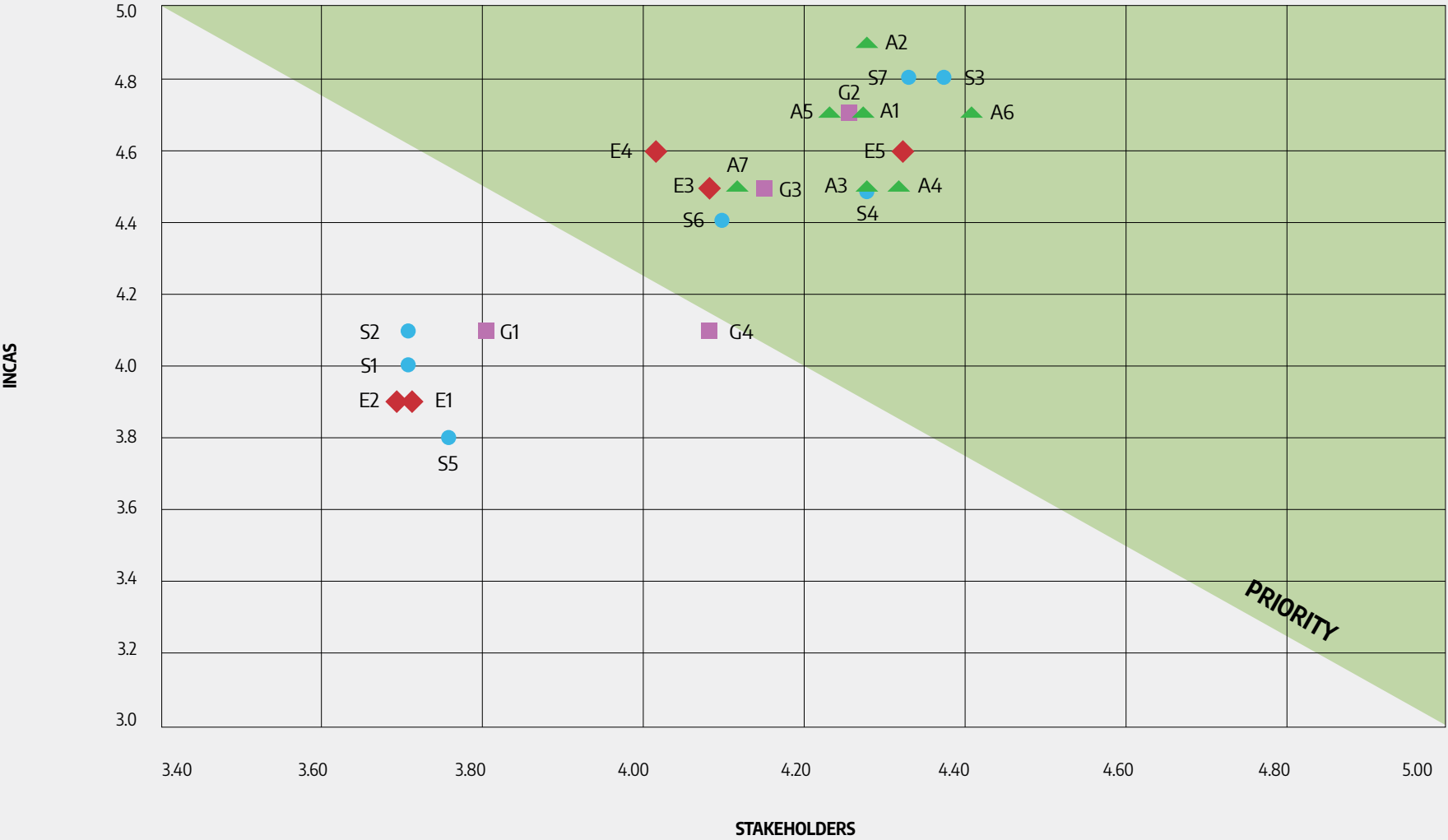
From a review of the responses received, the material impact matrix showed that only 5 topics can be considered irrelevant. These relate essentially to economic issues strictly connected to company performance, and in particular:

- **G1** Method of managing economic impact
- **G4** Business stability
- **E1** Economic Performance
- **E2** Economic Contribution to the local community
- **S2** Human Resource Development

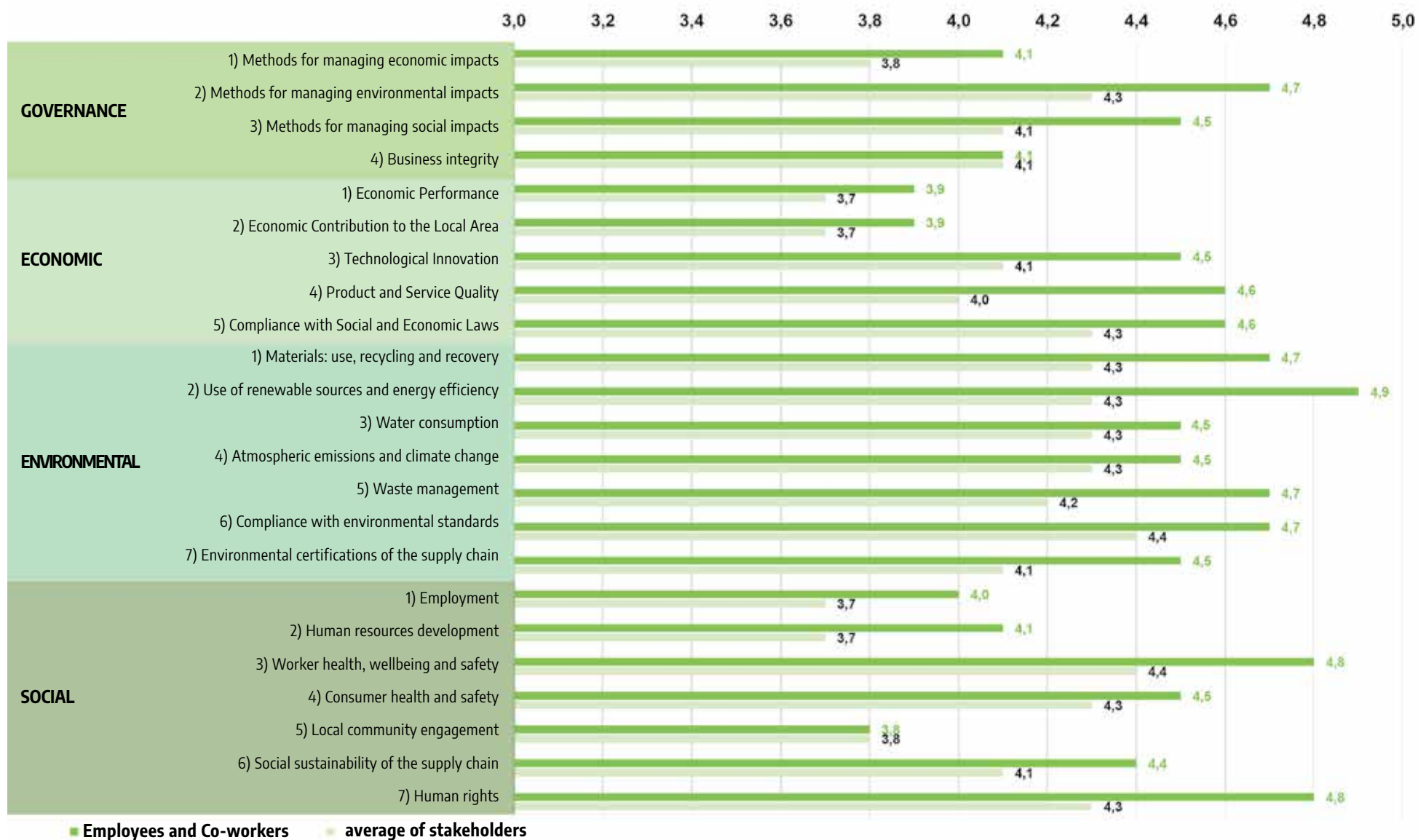
From the statistical analysis, it emerges that for stakeholders the topics of main concern are those related to the environmental aspects and social issues more closely linked to workers' protection and respect for human rights.

Material Impact Review - 95 questionnaires

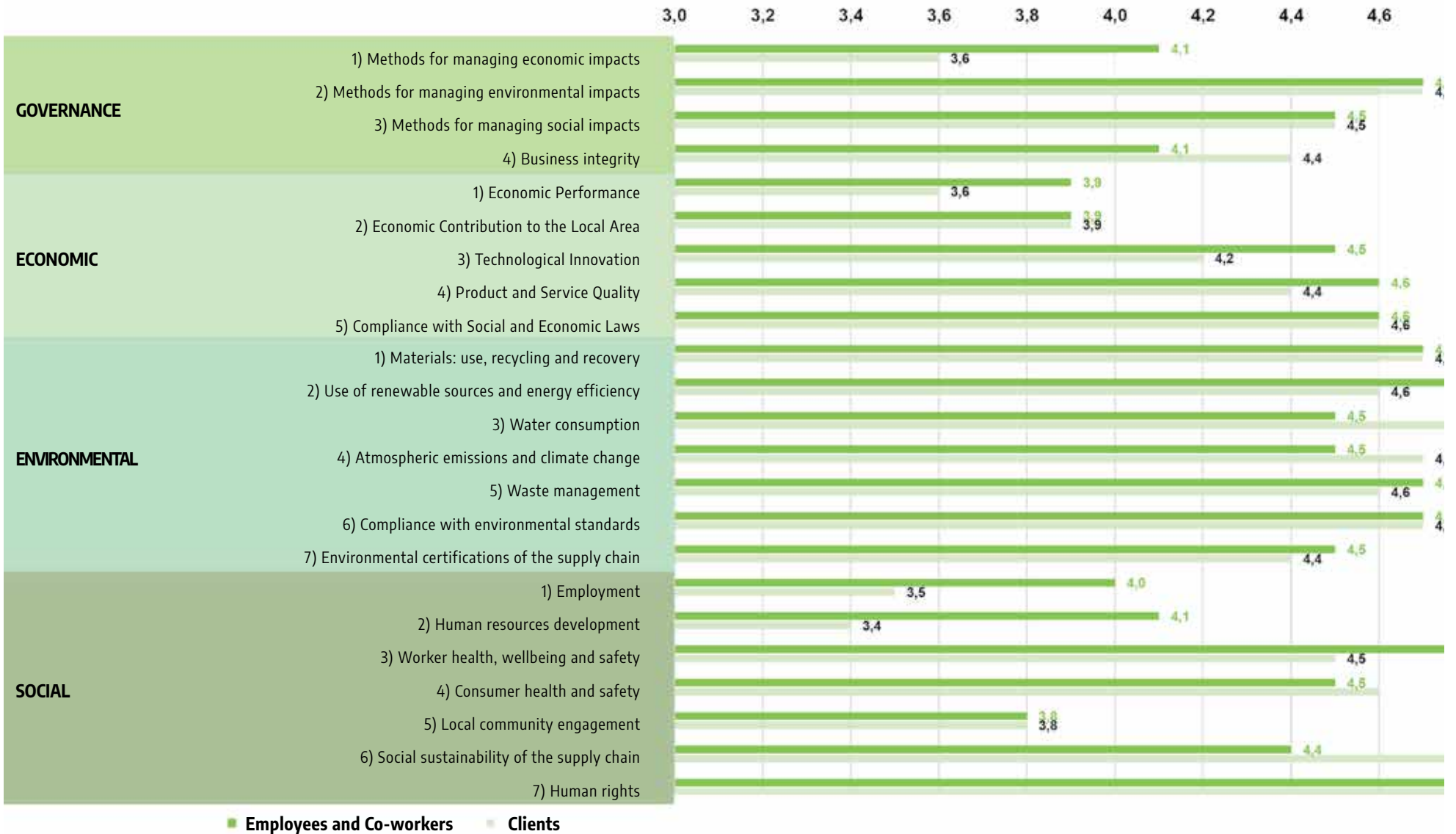
■ Governance ▲ Environment ● Social ◆ Economic



MATERIAL TOPICS



MATERIAL IMPACTS OF MAIN CONCERN FOR OUR CLIENTS



A more in-depth analysis of customer responses shows that for this particular category, in addition to the environmental aspects, the following topics take on even greater importance:

- **G2** Methods for managing environmental impacts.
- **G3** Methods for managing social impacts
- **G4** Business stability
- **A1** Materials: use, recycling, and recovery
- **A2** Use of renewable sources and energy efficiency
- **A3** Water consumption *(the topic that received the highest average score both internally at INCAS and from clients)*
- **S4** Consumer health and safety
- **S6** Social sustainability of the supply chain
- **S7** Human rights

The review also reported suggestions for inclusion in future reports of topics for which our stakeholders showed high sensitivity, namely:

- Company policies and strategies on sustainable sourcing and farming
- Traceability of raw materials



SUSTAINABILITY STRATEGY

5.1

COMPANY OBJECTIVES, KPIs AND FUTURE PROJECTS

GRI 2-22, GRI 3-3

INiziative Conciare ASsociate (INCAS) acknowledges the importance of integrating sustainability into its long-term corporate strategy.

For this reason, the company has prepared a formal statement of commitment to sustainability, as published in the Environmental Declaration on its website, which includes clear, measurable objectives aligned with the company's values.

With a view to continuous improvement, the company's commitment translates into a series of **initiatives and strategic projects** aimed at consolidating and strengthening its ESG performance in the coming years, setting out the following **objectives**.



Goal	Indicator	Objective assigned and activities carried out	Manager	Deadline	Progress status	Resources and tools
Participation in the Life l'M-TAN (Innovative Modified Natural Tannins) supply chain project, as a partner alongside key companies in the tanning industry, aimed at validating, on a semi-industrial scale, the use of innovative and sustainable Chemically Modified Natural Tannins (CMNT) in the production of high-end eco-friendly leather.	See expected results as indicated alongside.	Participation in the Life l'M-TAN Project (Innovative Modified Natural Tannins) as a partner alongside key companies in the tanning supply chain (companies specialized in the production of natural tannins and related research and development activities, and in particular the Aquarno Treatment Plant for aspects related to the impact on wastewater). The project wants to validate, on a semi-industrial scale, the use of innovative and sustainable Chemically Modified Natural Tannins (CMNT) in the production of high-end eco-friendly leather, intended for a wide range of applications, from footwear to leather goods. The three-year project was launched on 01/09/2021 and will end on 31/08/2024. Below are the expected results for the l'M-TAN project, to be measured through specific parameters linked to the principles of circular economy and sustainability (areas directly relevant to INCAS are highlighted in green): -25% natural tannins required for tanning 30% recycling of tanning baths 60% reduction in water consumption -25% COD/BOD values in wastewater 80% of non-tanned agents (LMWS) recovered for use in animal feed 20% recycling of leathers with CMNT and their waste for the production of fertilizers. The expected benefit for INCAS lies in the identification of natural tanning products which, once tested on a pilot and then semi-industrial scale, demonstrate a reduction of environmental impacts in the areas highlighted in green above. Activities carried out and progress reports on the project have been sent periodically to the relevant authorities (confidential documents). The activities highlighted areas requiring further investigation; therefore, a one-year extension was requested and obtained.	Management; Head of Production / Head of Wet Department	31/08/2024 Postponed to 31/08/25	Ongoing for the part under the oversight of the other partners and the lead company	Data (ref. Life Project)

Goal	Indicator	Objective assigned and activities carried out	Manager	Deadline	Progress status	Resources and tools
BISPHENOL REDUCTION PROJECT Development of items with low bisphenol content.	No. of redesigned items (with low bisphenol content) / No. of items containing bisphenols	Increase commitment to research and development activities for new “low-bisphenol-content” items to meet the increasingly stringent requirements set by our key customers and/or by binding regulations on hazardous substances (REACH), also in anticipation of future developments. Activities carried out The research and development activity carried out daily at INCAS has led to the development of: • Chrome-tanned items with a limited bisphenol content, in line with REACH requirements and the stricter requirements of major luxury brands • Metal-free and/or vegetable-tanned items with a limited bisphenol content, in line with REACH requirements for most of the processes performed. In this context, INCAS's commitment is greater and partly dependent on the technical evolution of the relevant chemicals market, as the goal is to produce metal-free items that achieve physical performance comparable to those made with chrome-tanned leather. Research and development activities, which have already achieved excellent results, therefore, continue for this type of items.	Chemical Manager Research & Development; Production	2025	Positive results already achieved	Internal resources
Continue and strengthen participation in the ZDHC (Zero Discharge of Hazardous Chemicals) Program by joining the “Supplier to ZERO” pathway.	Indicator: ON-OFF	• Start the “Supplier to ZERO” pathway with the goal of achieving the qualification as “Supplier to Zero” – Foundational level by 31/12/2023 • Implement the first CIL (Chemical Inventory List) and the first INCHECK by 2025 • Certification: achievement of the Foundational level in September 2023	Chemical Manager; Environmental Manager	2025	In progress	Internal resources € 2,000

Goal	Indicator	Objective assigned and activities carried out	Manager	Deadline	Progress status	Resources and tools
Energy efficiency efforts with reduction of energy consumption per unit of 3%.	TEP consumed (TEP/pcs.)	1. Commissioning and optimization of the management of the new plant. 2. Cost-benefit assessment of the improvement measures identified following the Energy Audit carried out in January 2024, and identification of a specific Improvement Plan 2025/2027. 3. Implementation of the Improvement Plan.	Responsibility: Management; Head of Maintenance Management	1) 31/12/24 2) 31/12/24 3) 31/12/27	In progress, to be finalized/reported in 2026	To be defined
WATER ASSESSMENT – Launch of a process aimed at identifying managerial and/or technological improvement opportunities to reduce water consumption.	KPI: m³ consumed / piece	1. Execution of a specific check-up (water assessment) concerning the management of water resources. 2. Assessment of performance through specific standardized and replicable KPIs. 3. Establishing the 2025–2027 Improvement Plan. 4. New water assessment to verify the results achieved.	Responsibility: Head of Maintenance Management; Head of Environment; Chemical Management	1) 31/12/24 2) 30/3/25 4) 30/3/27	Implementation of point 1 in progress	To be defined
Indirect environmental aspects – LCA (aspects related to the choice of raw materials – hides). Upgrade of current management tools for the TRACEABILITY OF HIDES Integrating them with information relating to the geo-localization of the farms of origin and the availability of due diligence to ensure that the hides come from land free of deforestation, forest degradation, and violations of the human rights of indigenous populations.	Progress status	Establishing an Operational Plan that takes into account the new requirements introduced by the European Union Regulation on Deforestation (EUDR) No. 1115/2023 and the implementation guidelines that will be issued from time to time by industry associations.	Responsibility: Head of Purchasing; Head of Traceability	by 31/12/24 Schedule defined within the specific 2025–2027 Operational Plan	To be started	To be defined

Goal	Indicator	Objective assigned and activities carried out	Manager	Deadline	Progress status	Resources and tools
Indirect environmental aspects - LCA related to the choice of raw materials – (hides). Project for the calculation of Product LCA both on a typical production item of vegetable origin (KENDO METAL FREE) and on a typical production item of chrome origin (KENDO CHROME).	Progress Status: progress concluded	The LCA study was initiated in December 2024. Once the data will later be used for communication initiatives targeted at the stakeholders most sensitive to these issues.	Head of Environment Chemical Management	2026 2027	In progress	Confidential data
Communication, transparency and status Sharing of commitments with Stakeholders. Intensify communication initiatives towards all stakeholders. Sustainability of INCAS production.	Progress Status: stakeholders	Promoting strategic communication initiatives with progress through dialogue sessions with INCAS's reference brands on sustainability topics. Sustainability, to enhance and disseminate corporate excellence. —primarily customers—by sharing best practices, know-how, and innovative projects that demonstrate the company's hands on commitment to responsible and sustainable development. For this purpose, existing tools and projects (Sustainability Report, LCA studies, LIFE I'M-TAN project, ...) will be leveraged and new ones will be promoted.	Management Head of Sales Sustainability	2026 2027	In progress	To be defined

The objectives are consistent with the company's vision and mission and are integrated into strategic and operational planning through a multi-year plan.

The company constantly monitors progress toward these objectives and is committed to communicating the results transparently through a series of Key Performance Indicators (KPIs) specifically defined for each established objective.

Each project is accompanied by defined timelines and clear responsibilities, with periodic updates on the progress status.



ECONOMIC
AREA

6.1

ECONOMIC PERFORMANCE

GRI 2-6a

Within the framework of sustainability reporting, the oversight of the economic aspect represents an essential element for measuring the company's actual ability to generate value in the medium to long term.

INiziativa Conciarie ASSociate (INCAS), in line with the principles of transparency and accountability, combines the preparation of the mandatory annual financial statements (filed each year with the Companies Register and drawn up according to civil and tax regulations) with this voluntary reporting in accordance with the GRI Standards. This approach makes it possible to highlight comprehensively, the economic performance connected to environmental and social impacts.

The information reported in the following tables refers to the following economic performance indicator:

- the generation and distribution of economic value;
- the trend of operating margin;
- export as an indicator of international competitiveness.

These data represent a link between traditional economic-financial management and the ESG (Environmental, Social, Governance) perspective, highlighting the consistency of INiziativa Conciarie ASSociate's (INCAS) strategic path with the goal of sustainable, inclusive, and long-lasting development.

OPERATING MARGIN	u.m.	2022	2023	2024
EBITDA	euro	4,187,280 €	2,863,432 €	2,729,086 €
EBIT	euro	2,591,891 €	1,199,011 €	1,039,021 €
EBIDTA on turnover	%	8.63%	7.15%	7.62 %

ECONOMIC VALUE	u.m.	2022	2023	2024
Direct economic value generated: revenues	euro	53,921,129 €	46,068,073 €	38,384,671 €
Economic value distributed (*)	euro	49,961,583 €	43,689,270 €	36,158,113 €
Economic value retained (**)	euro	3,959,546 €	2,378,803 €	2,226,558 €

* The economic value distributed is the sum of the income statement items B6-B7-B8-B9-B11-B14-C17-D19 and current taxes

** The economic value retained is the sum of the income statement items B10a - B10b - Profit - B10d - C16 - C17bis - D18 and deferred/advance taxes

EXPORT	u.m.	2022	2023	2024
Total	euro	11,879,456 €	6,840,198 €	5,812,248 €
Export (outside ITA)	%	24.48%	17.09%	16.24 %
Export (outside ITA) on total turnover	%	75.52%	82.91%	83.76 %

6.2

MARKETS SERVED

With regard to the geographical distribution of sales, INiziativa Conciarie ASsociate (INCAS) markets its finished products primarily in Italy while maintaining a significant presence abroad.

Export Outside Italy on total turnover %

2022	24.48 %
2023	17.09 %
2024	16.24 %

Market ITALY On total turnover %

2022	75.52 %
2023	82.91 %
2024	83.76 %

The data presented in the tables show that, over the three-year period, the share of sales for the domestic market recorded a percentage increase compared to exports. However, International presence remains a strategic element: thanks to established collaborations with leading high-fashion brands, INiziativa Conciarie ASsociate (INCAS) continues to promote the quality of Made in Italy on a global scale.





ENVIRONMENT

7.1

MATERIALS

GRI 301

The tanning cycle consists of the processing of animal hides, which are a by-product of the food chain. Raw hides are classified as SOA (Animal By-Product), in accordance with the provisions of Regulation (EC) 852/2004, Regulation (EC) 853/2004, Regulation (EC) 1069/2009, and Regulation (EU) 142/2011.

In the absence of such regulations, raw hides would be classified as waste to be disposed of through incineration, a process associated with a high environmental impact in terms of greenhouse gas emissions and the generation of hazardous waste such as ash.

The activity carried out by INiziativa Conciarie ASsociate (INCAS) is part of a virtuous cycle of recovering waste, in line with the Ethical Statement TS733 – “We recover our hides from the food chain” – thereby ensuring a better environmental impact.

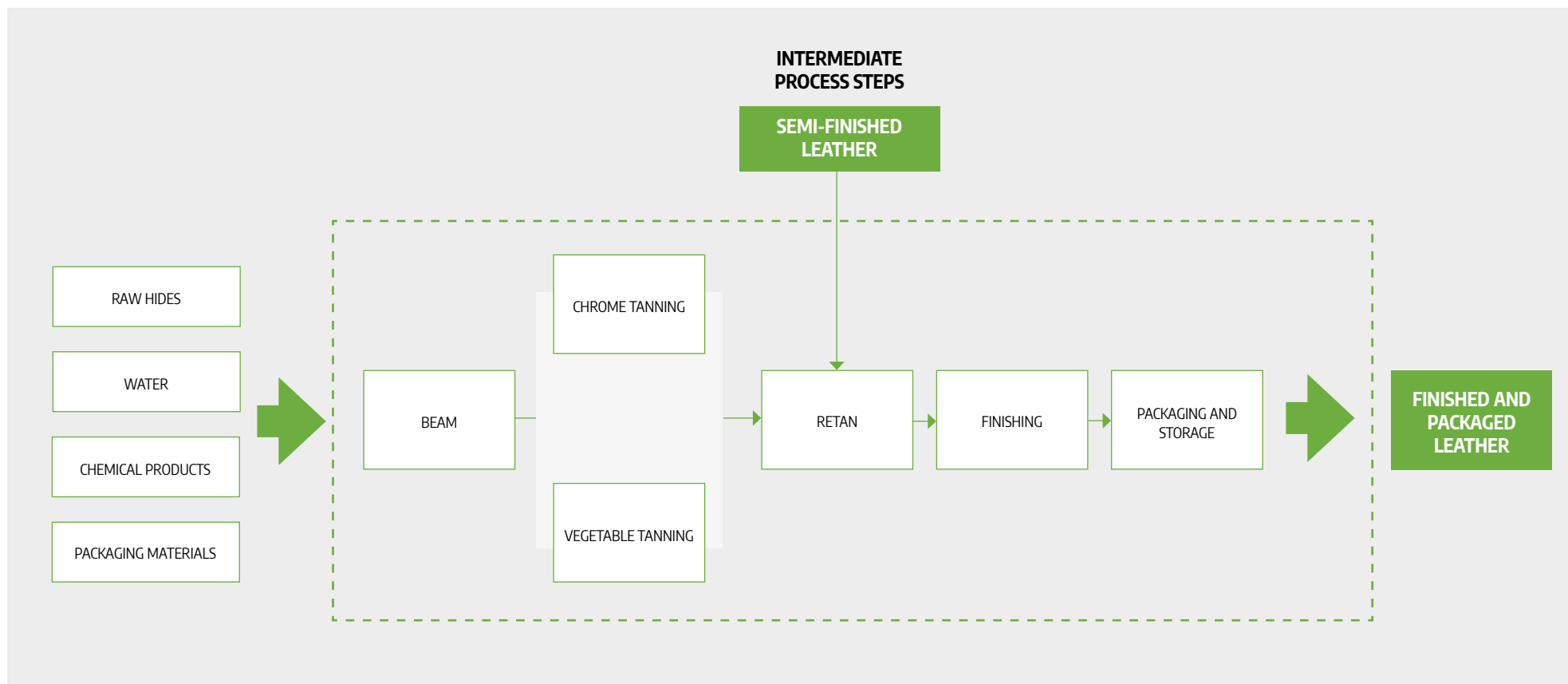
In addition, it guarantees a high standard of finished leather, complying with EU Regulation 1907/2006 REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) as well as other major international regulations (Prop65, GB Standards).

7.1.1

MATERIALS USED DURING THE PROCESSING

GRI 301

Considering the main process phases that lead to the production of finished leather, INiziativa Conciarie ASsociate (INCAS) identifies the primary material flows as raw hides (mainly calves, as well as other types such as deer and buffalo), water, chemical products, and packaging materials. Another material flow enters the production cycle at an intermediate stage: semi-tanned hides, either chrome- or vegetable-tanned, known as Wet Blue and Wet White. This alternative flow, with intermediate production steps, is useful to integrate production during peak periods.



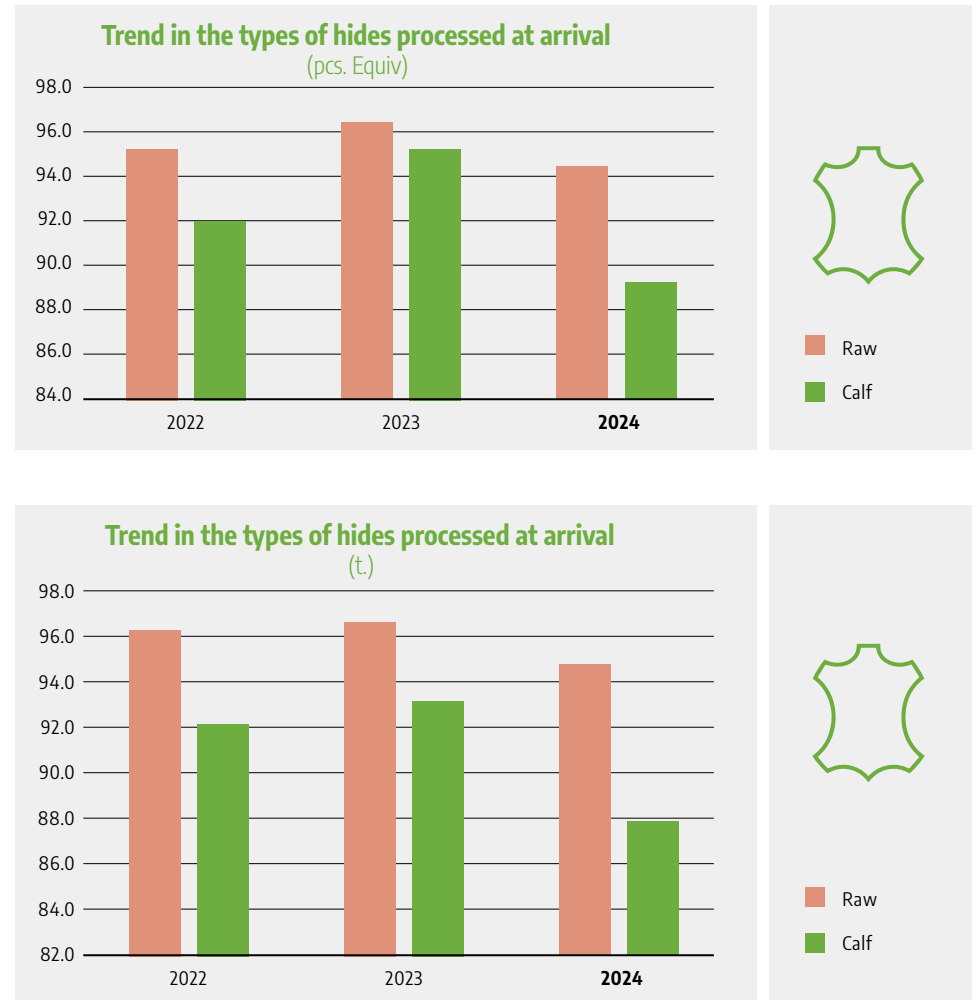
The material flows are recorded, where technically possible, either volumetrically or by weight, with a preference for weight-based measurement. Due to internal requirements linked to the EMAS environmental declaration, INiziative Conciarie ASsociate (INCAS) also records the total incoming hides — consisting of raw, semi-finished, and semi-tanned hides — using the equivalent piece (pcs.) notation.

7.1.1.1 ANIMAL ORIGIN MATERIALS

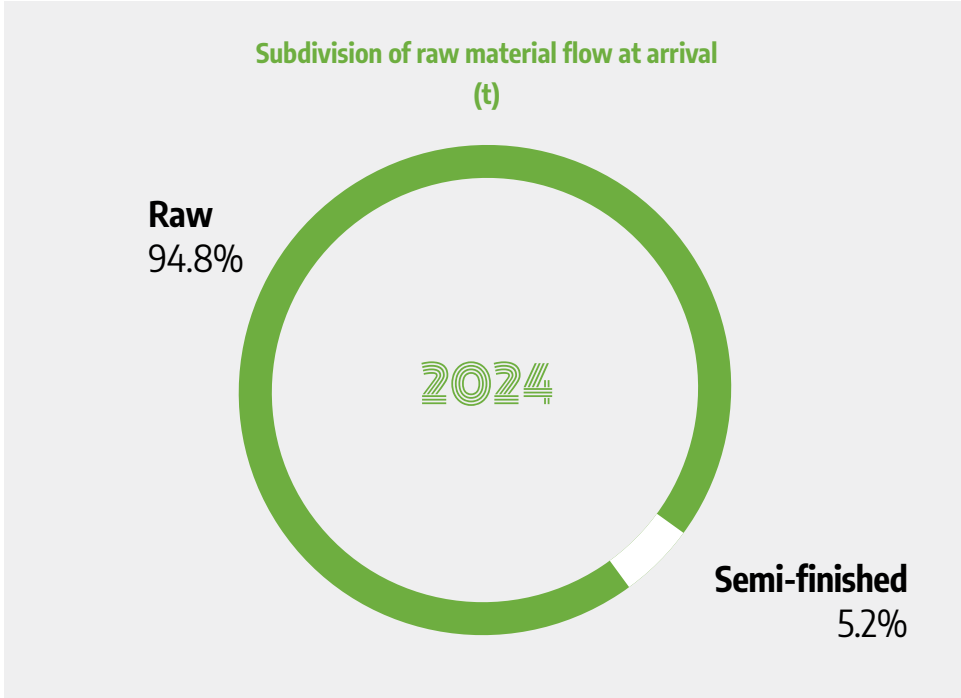
Considering the incoming materials, excluding water (which is addressed in a specific section), the processed hide flow is shown in the following table for the last three operating years, broken down into Raw and Semi-finished (including Pickled, Semi-tanned, and Semi-finished).

Data relating to the consumption of incoming hides – equivalent pieces			
Animal origin materials	2022	2023	2024
Raw	817,159	741,072	461,274
Semi-finished	135,959	93,176	88,968
Total	857,947	769,025	487,964

Data related to the consumption of hides at arrival (t)			
Animal origin materials	2022	2023	2024
Raw	3,464.819	2,825.862	1,975.518
Semi-finished	132.202	99.723	109.213
Total	3,597.021	2,925.585	2,084.731



Relative impact of calf leather on the total number of pieces and tons of leather processed in the year.



accounted for just under 90% of the leather processed in 2024.

Moreover, it is clear that INiziative Conciarie ASsociate (INCAS) favors the full cycle starting from raw hides, which in 2024 still accounted for about 95% of the total volume of hides entering the production process, although slightly down compared to the previous two years.

7.1.1.2
NON-RENEWABLE MATERIALS: CHEMICAL PRODUCTS AND ZDHC

INiziative Conciarie ASsociate (INCAS) monitors and records the trend in the consumption of chemical products used in the tanning process, reporting their use through its adherence, since 2019, to the ZDHC (Zero Discharge of Hazardous Chemicals) principles and the Supplier to Zero program.

Launched in 2011, the ZDHC protocol, joined by hundreds of brands and companies operating in the fashion and luxury sectors, is aimed at gradually reducing the use of chemicals hazardous to health and/or the environment within the supply chain, in accordance with the current ZDHC MRSL Version. 3.1. The company constantly works to raise supplier awareness for the progressive inclusion of supplied products on the ZDHC Gateway, monitoring the situation with its own technicians and using products compliant with the ZDHC MRSL.

The commitment demonstrated by INiziative Conciarie ASsociate (Incas) is evident in the results from 2024, the year the first InCheck Report was uploaded to the company’s ZDHC Gateway. In 2024, 417 different chemical products were used. Of these, 310 were registered, accounting for 74% of the products used. Notably, 275 of the registered products were Level 3, equivalent to almost 90% of all registered products, thus maintaining the results achieved in 2023.

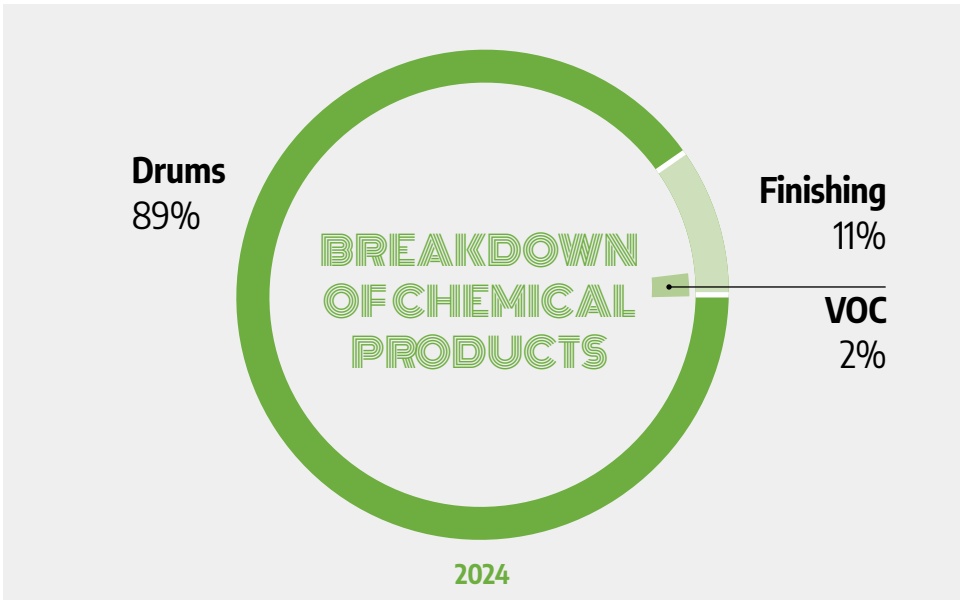
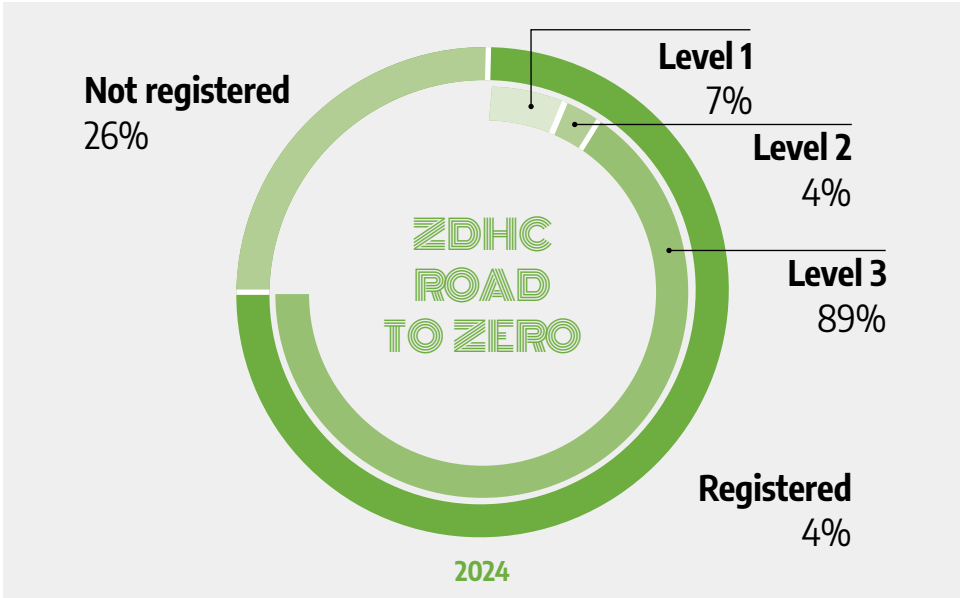
ZDHC classification of chemical products		
LEVEL	2023	2024
Level 1	22	23
Level 2	8	12
Level 3	241	275

ZDHC classification of chemical products		
Not registered	89	107
Total products	360	417
Total drums	235	269
Total finishing	125	148
Registered drums	167	189
Registered finishing	104	121

The classification is reflected in production consumption, where only 20% of finishing products—equivalent to 2% of the total products consumed in 2024—contain solvents or VOCs (Volatile Organic Compounds).

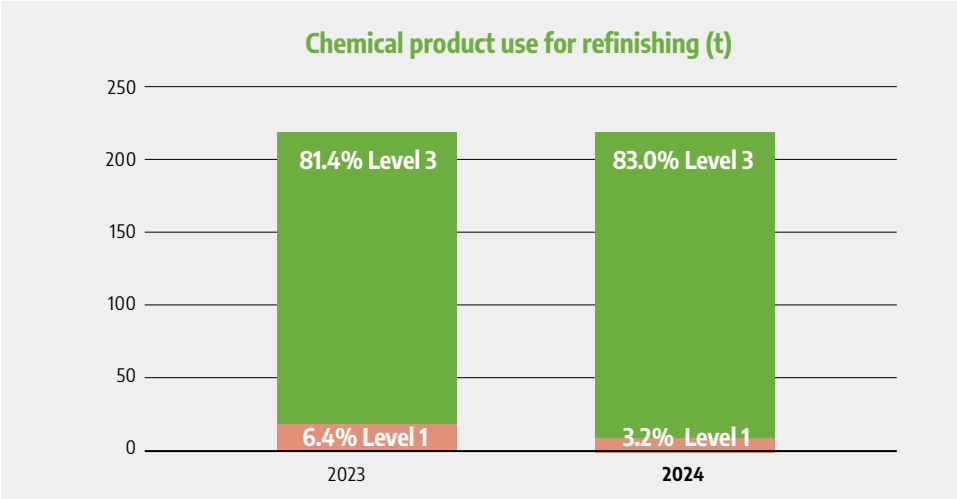
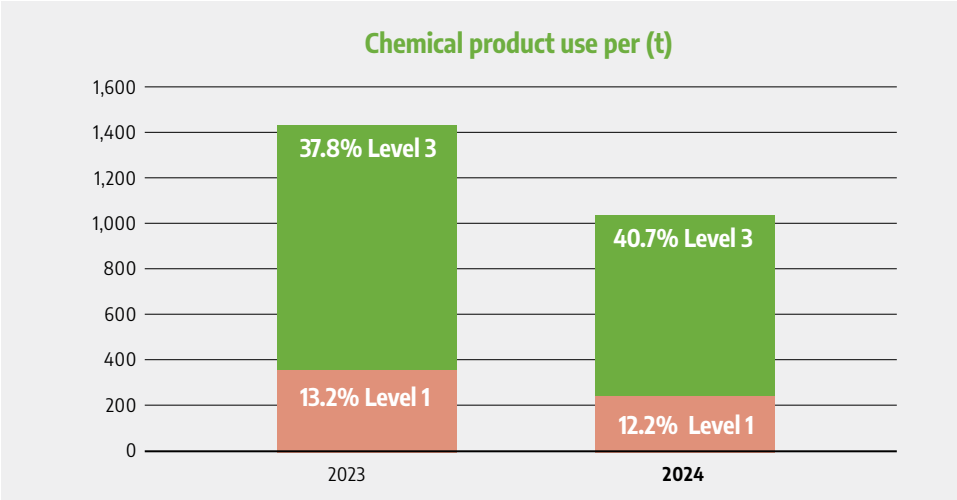
Annual consumption of chemical products (t)		
LEVEL	2023	2024
Drums	2,750.932	1,939.176
Finishing	248.031	248.357
• of which VOC ¹	55.952	43.776
Total	2,998.963	2,187.532
• of which registered ²	1,644.552	1,256.305

¹ Annual quantity of VOCs used in Finishing
² Registered ZDHC Chemical Products: Level 1, 2, and 3



The stable specific consumption demonstrates the optimization and stabilization of the process, which uses about 1 ton of chemical products per ton of leather processed, more than 57% of which consists of ZDHC-registered chemical products.

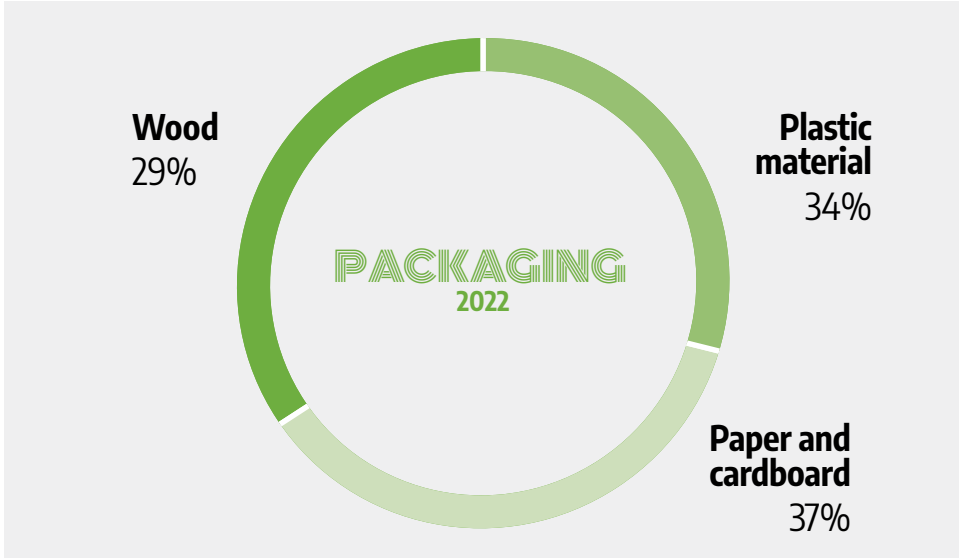
Specifically, it should be noted that the approach of INiziative Conciarie ASsociate (INCAS) has made it possible to significantly increase the use of chemical products both by drum and finishing, recording for Level 3 products respectively a + 3% and a + 2%.



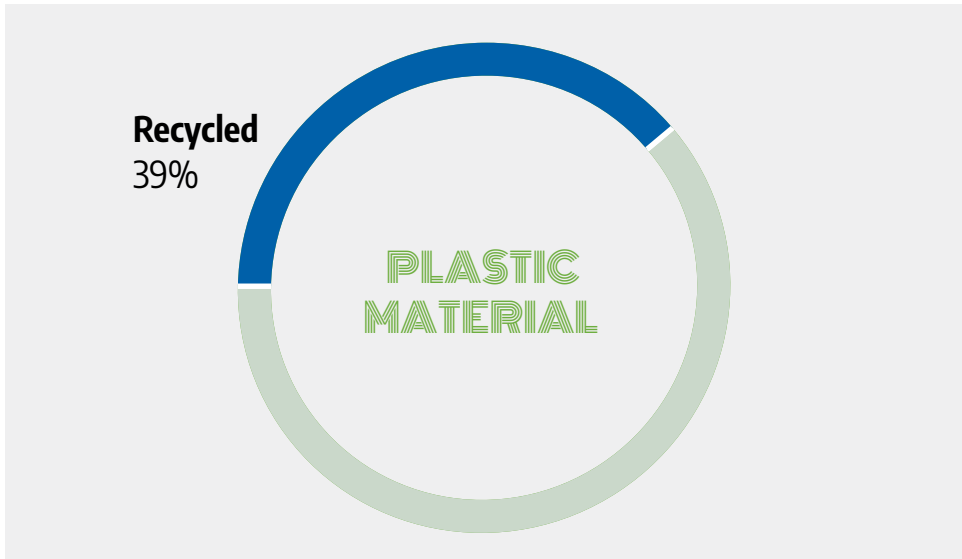
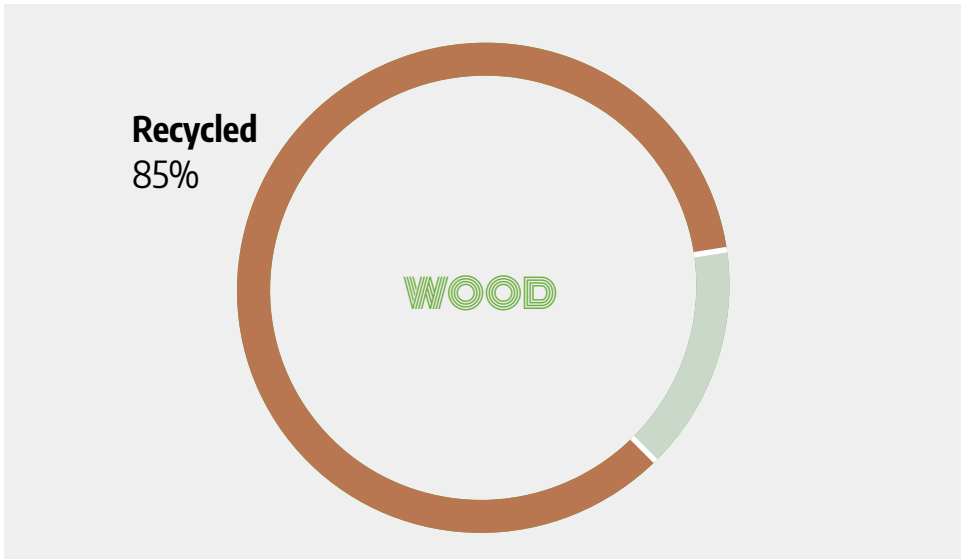
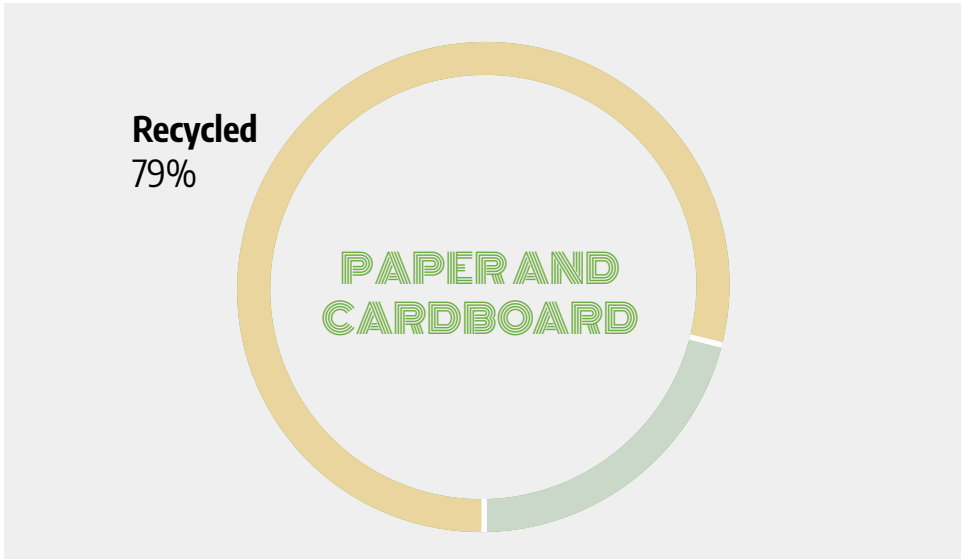
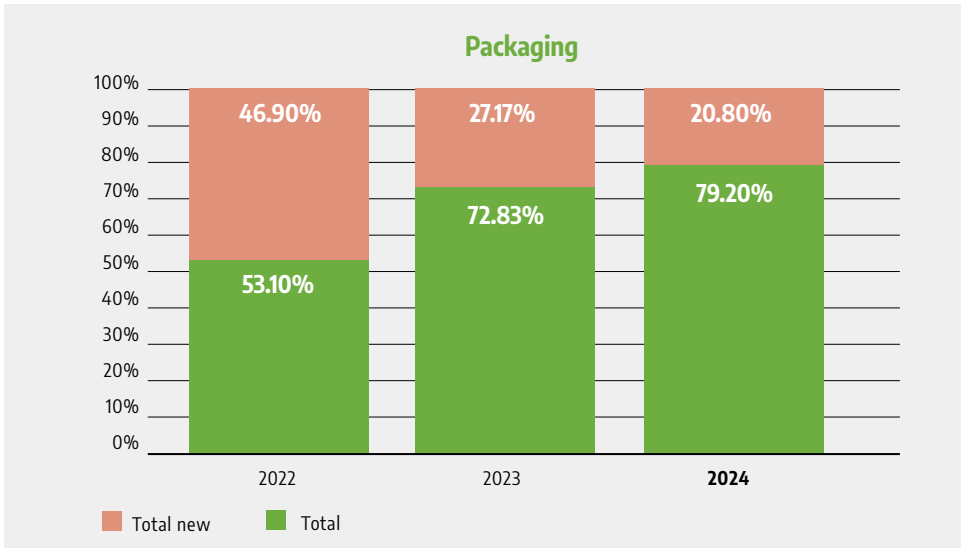
7.1.1.3
NON-RENEWABLE MATERIALS: PACKAGING

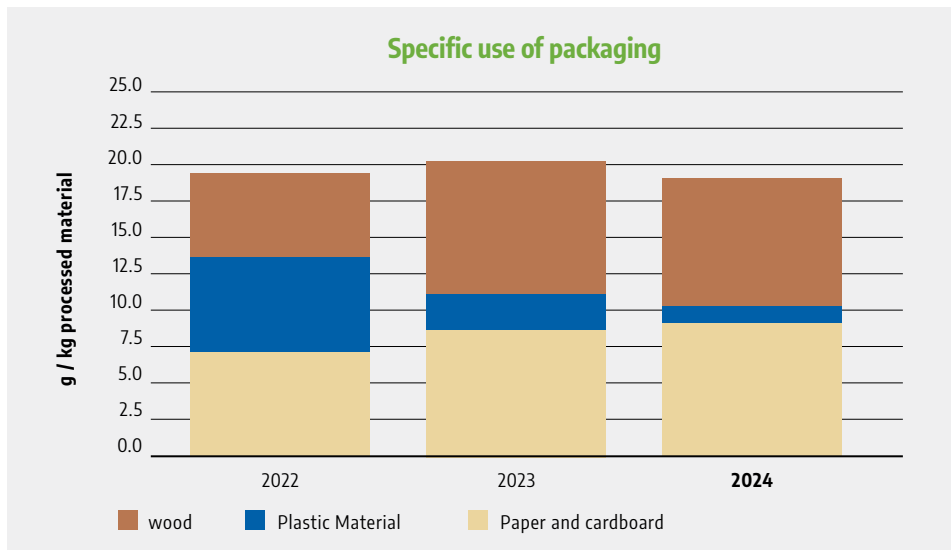
INiziative Conciarie ASsociate (Incas) pursues a policy of reducing packaging materials, minimizing their use and selecting those with the highest recycled content available on the market.

Quantity of packaging material (t)			
Type	2022	2023	2024
Paper and cardboard	26.385	25.927	19.265
Plastic materials	23.772	6.752	2.583
Wood	20.123	27.302	18.280
Total	70.280	59.981	40.128
Percentage of recycled material	53.10%	72.83%	79.20%



The policy at INiziative Conciarie ASsociate (Incas) has streamlined the consumption of packaging materials by favoring more eco-friendly and easily recyclable options. This has drastically reduced the impact of plastic packaging, which has fallen from 34% to 6.4% in just two years.





INiziative Conciarie ASsociate (INCAS) mainly uses wood with a recycled content of 85% and paper and cardboard with 79% recycled content; this has made it possible to increase by 50% the share of packaging made from recycled material compared to 2022.

The specific consumption of packaging has remained at very low levels over the past two years, at around 20 g per kg of leather processed, with a significant decrease in the use of plastic material, which has reached about 1 g per kg of leather processed.

7.2

ENERGY CONSUMPTION

GRI 302-1

7.2.1

TOTAL ENERGY CONSUMPTION IN-HOUSE

As is well known, the tanning activity is considered relatively energy-intensive, as it requires significant energy consumption. The main energy sources are electricity, used for plant operations, lighting, and cooling of hide warehouses, and thermal energy produced by the combustion of natural gas. used mainly to produce hot water for processing and to heat the premises in the winter months, allowing the leather drying processes to take place. The most significant impacts are found in the facilities for the wet-end departments (Beamhouse and Tanning). These departments house the largest drums, which create the highest demand for electrical and thermal energy. This energy is needed to run all the machinery for the production cycle, which is organized into work cycles that often run 24 hours a day, 5 to 7 days a week.

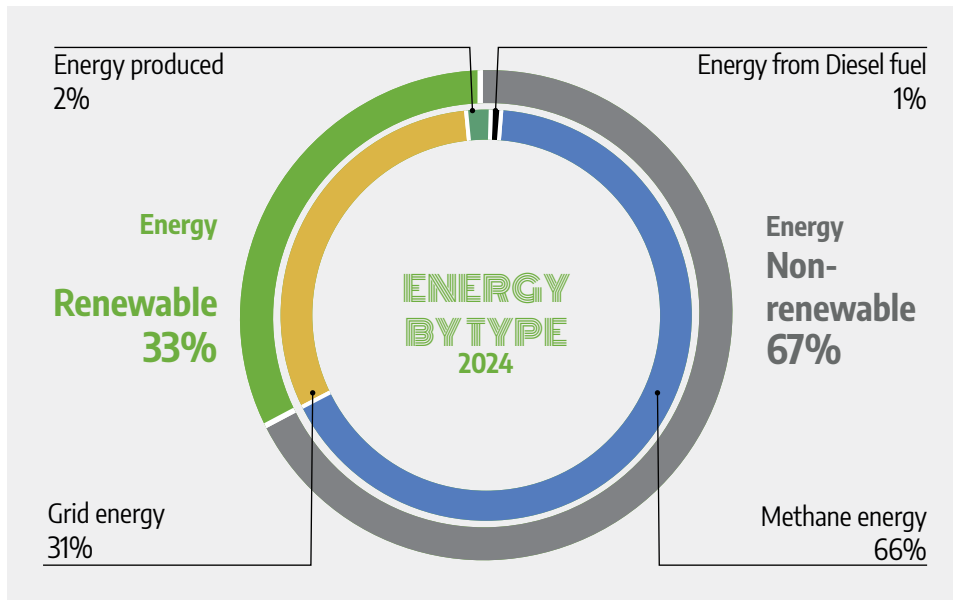
Given the nature of the business, the thermal energy associated with vehicle combustion engines has a negligible impact. With regard to total in-house energy consumption, INiziative Conciarie ASsociate (INCAS) monitors and controls its consumption by identifying and separating energy use from renewable sources and from non-renewable sources, as indicated below.

Annual Energy consumption in MJ*				
Energy Type		2022	2023	2024
Renewable Energy	Grid electricity	12,378,895	9,932,080	7,868,192
	Energy Consumed	0	0	517,442
Non renewable Energy	Heat from Diesel consumption	298,828	338,021	282,920
	Heat from Methane consumption	26,333,038	18,445,081	16,552,228
Total Energy		39,010,761	28715,182	25,220,783

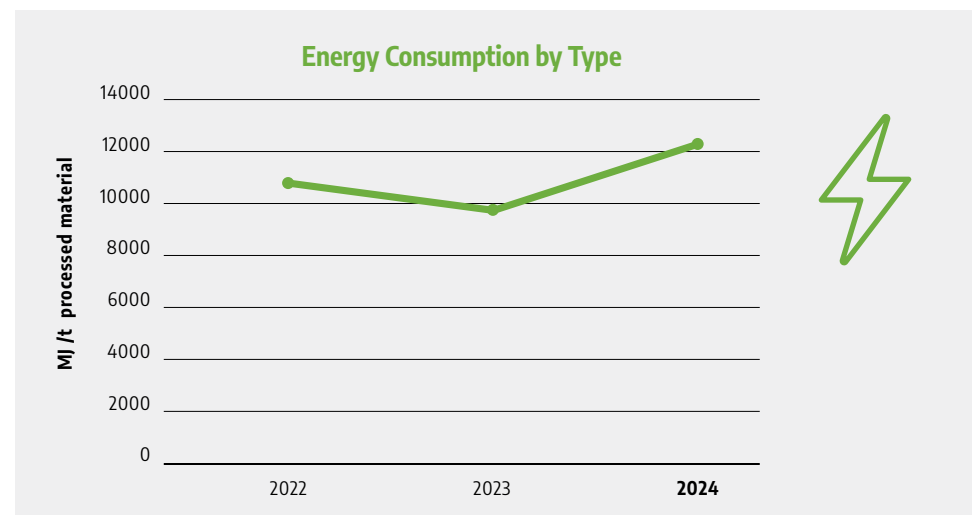
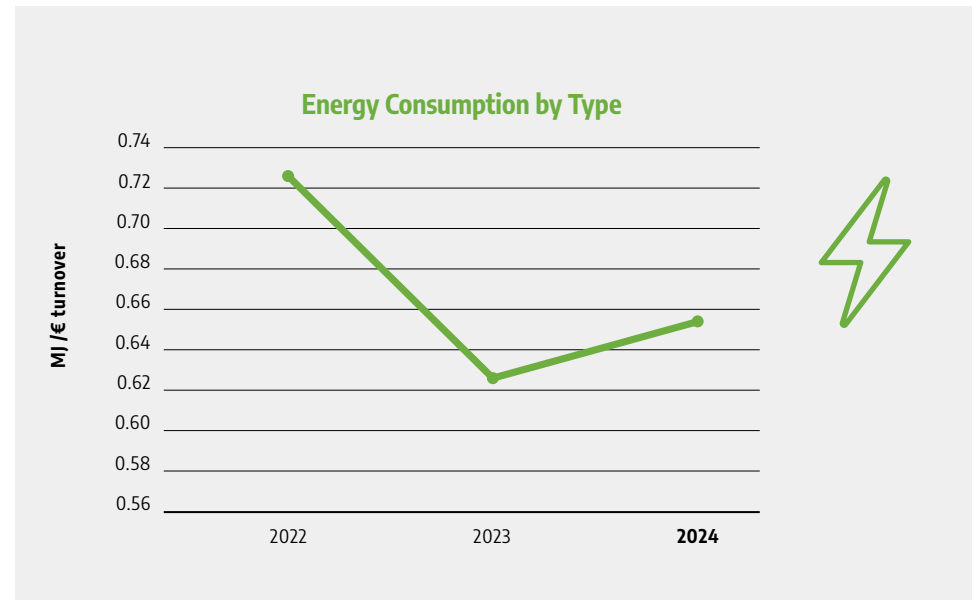
(The total calculations for 2022 and 2023 show a 1 MJ discrepancy due to approximations)

*The conversion factors used for the calculation are:

- **Methane:** the conversion factor of 38.5 MJ/Smc is a national average established by ARERA (Regulatory Authority for Energy, Networks and Environment). It is published annually in the TIBG (Consolidated Text on the regulation of the quality of gas distribution and metering services), where the conventional value of the GCV (Gross Calorific Value) is defined.
- **Diesel fuel:** the conversion factor of 10.3 kWh/liter is established by the ISPRA Report (Italian Institute for Environmental Protection and Research), while the value of 3.6 MJ is a physical constant defined by the International System of Units (SI), which leads to the value of 1 kWh.
- **Electricity:** the value of 3.6 MJ is a physical constant defined by the International System of Units (SI), which leads to the value of 1 kWh.



The breakdown of energy consumption has remained almost stable over the years, and in 2024 it again shows about 34% of energy from renewable sources. Energy from non-renewable sources is almost entirely attributable to methane consumption for operational needs. Taking production as the reference base, the energy efficiency indicator, expressed as MJ/t of leather processed, shows a marked increase due to a decrease in INCAS's production. Since specific energy consumption is not linear with actual production, the reduction in processing volume is not directly proportional to a lower energy demand.

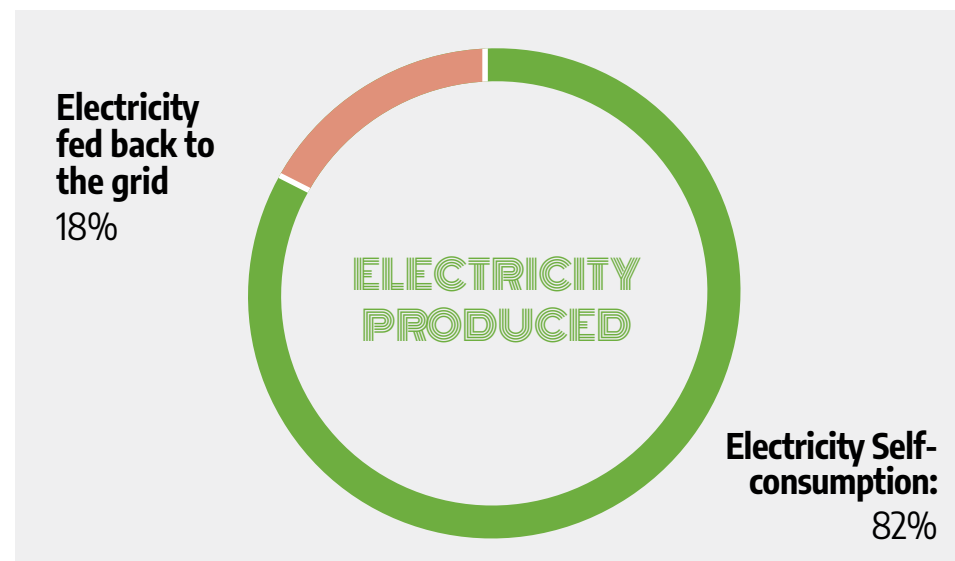
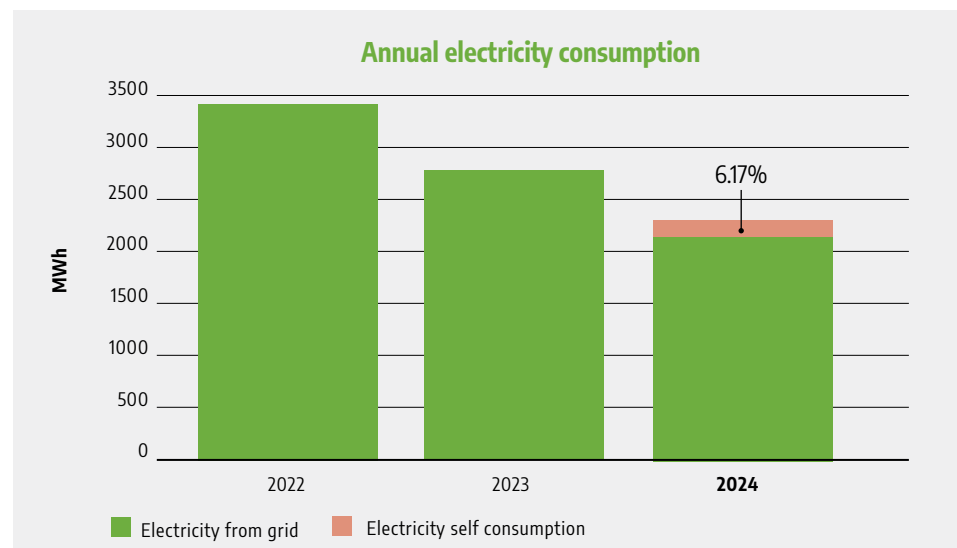


When considering the economic value generated, a significant decrease in the indicator is evident, which demonstrates an increase in the economic efficiency of the energy used.

7.2.2 ELECTRICITY

As part of its strategy to improve consumption efficiency and reduce the impacts of fossil fuels, INiziative Conciarie ASsociate (Incas) commissioned its own photovoltaic system for electricity self-generation in August 2024. This initiative, combined with sourcing from a certified 100% renewable electricity supplier, has reduced the company's consumption of electricity from fossil fuels to zero.

Considering the production and consumption data for 2024, the company was also able to feed a significant portion of the renewable electricity it generated back into the grid, further reducing its environmental impact and making "clean" electricity available to the network



In reviewing renewable energy sources, it should be noted that the lower contribution from the photovoltaic plant is due to the fact that the facility has only been operational since August 2024.

7.3

WATER AND WASTEWATER

GRI 303

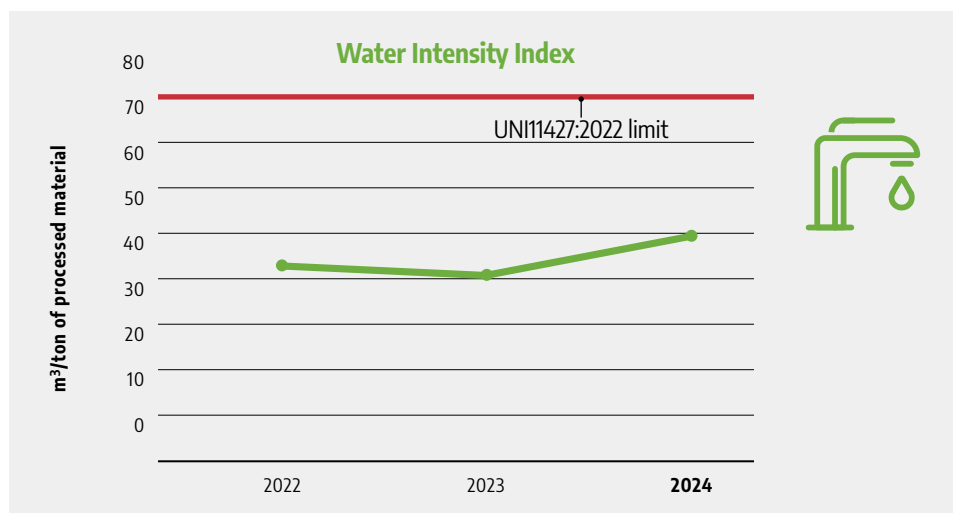
The company’s tanning activity requires a considerable amount of water. Compared to the retanning and finishing phases (where water is used as a means of reducing emissions), the wet processes carried out in drums (Beamhouse and Tanning) record the highest use of water resources. For operational purposes, water is sourced through dedicated wells. With the aim of rationalizing water use—limiting it to plant needs and reducing waste—INiziativa Conciarie ASsociate (INCAS) has assessed its Local Water Risk using the WWF Risk Filter tool, which assesses the vulnerability of the water matrix in the reference territory. Through the appointment of a Water Manager and the application of water resource management procedures, INiziativa Conciarie ASsociate (INCAS) aims to contribute to the sensible use and safeguarding of water resources:

Water draws (MI)			
Water Source	2022	2023	2024
Water draw from aqueduct	29	26	21
Well P1	71,060	54,650	48,060
Well P2	69,720	48,740	48,250
Well P3	12,810	14,610	6,510
Well P4 (for irrigation)	208	57	0
Total water drawn	135,532	153,827	118,083
Total drawn (Industrial usage only)	153,590	118,000	102,820

The final data show that water withdrawal at INiziativa Conciarie ASsociate (INCAS) is carried out almost exclusively for production needs (>99%). INCAS’s careful water withdrawal practices, together with UNI 11427:22 – “Leather with reduced environmental impact” (which defines three performance levels, distinguishing between processes with lower or higher water consumption), ensure that the entire plant achieves a high level of compliance in consumption associated with the Leather 40075 line.

In detail, the water consumption associated with this specific processing stage amounts to about 13 m³/t, while the plant’s overall consumption is about 50 m³/t, including the usage related to services and ancillary operations (such as the groundwater softening system, department washing, etc.).

Environmental aspect	Unit of measure	Rating achieved (Performance level)			Notes
		6	8	10	
		<55	<40	<25	
Water consumption	m³/t	<150	<120	<80 INCAS	Values applicable to processes with higher water consumption (e.g., hair-on leather processing).



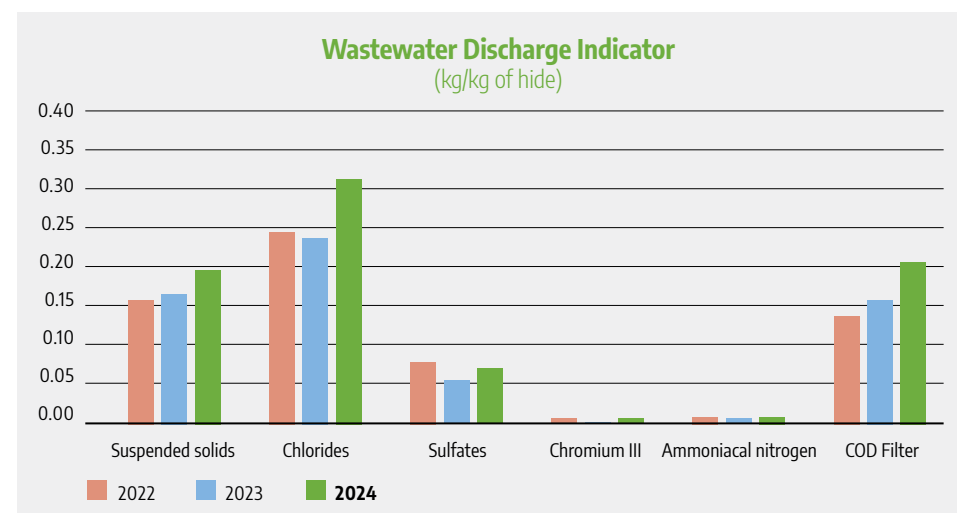
tanning processes, which account for about 55% of INCAS's production. The attention that INiziative Conciarie ASSociate (INCAS) pays to water management is also demonstrated by the data relating to water discharges:

Water discharge (MI)			
	2022	2023	2024
In-house water discharge	140,990	117,370	92,900
Difference with water drawn	-8.35%	-0.60%	-9.67%

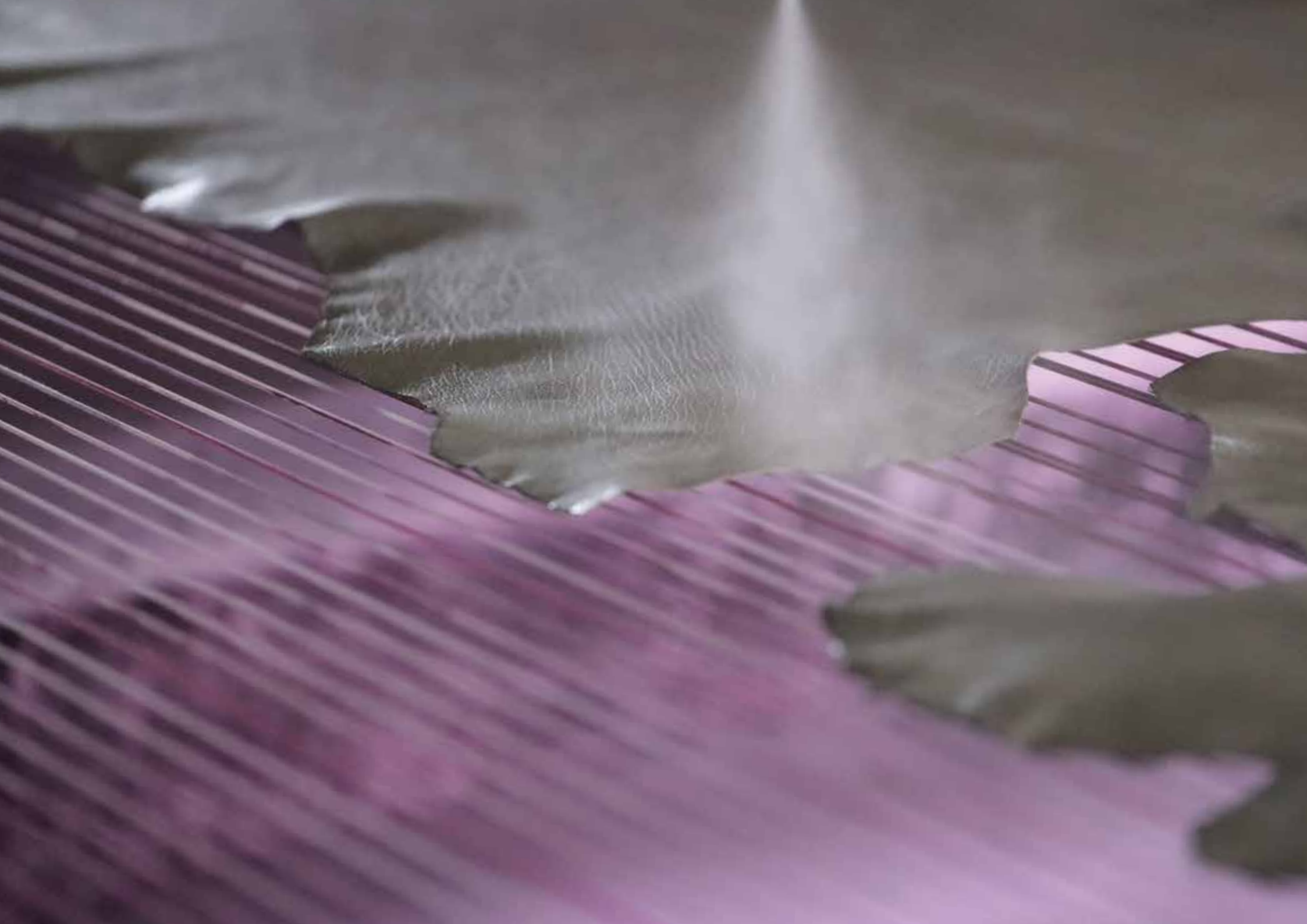
The small difference between the volumes of water drawn and discharged is due to drying processes and to losses occurring at subcontractors sites working on wet hides.

Great importance is also given to the analyses of wastewater discharges, carried out weekly by the Aquarno Consortium, which manages the consortium treatment plant:

Discharge quality indicator		2022	2023	2024
Suspended solids	mg/l	3,994	4,002	3,442
Chlorides	mg/l	6,210	6,027	5,625
Sulfates	mg/l	1,844	1,312	1,205
Chromium III	mg/l	76	62	50
Ammoniacal Nitrogen	mg/l	248	182	163
Filtered COD	mg/l	3,426	5,159	4,526



The average values for 2024 are comparable to and in line with the data reported in 2022 and 2023.



BIODIVERSITY

GRI 304

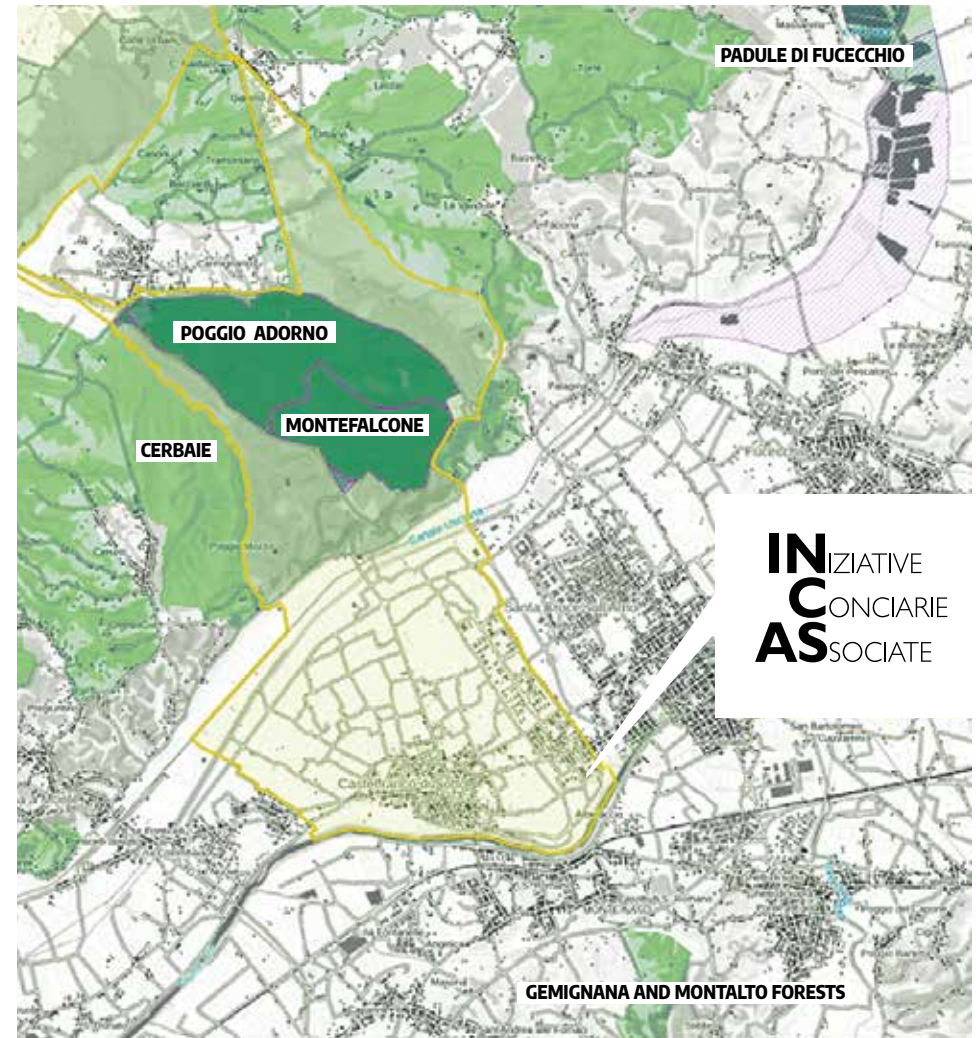
INiziative Conciarie ASsociate (Incas) takes into account its operating context, considering the presence of areas of natural interest near the plant and the potential actions aimed at safeguarding biodiversity.

The company's headquarters, although located in a predominantly industrial context, operates in an area that hosts several nature sites, including:

- Natura 2000 Site – Special Conservation Area (former SIC) at the Cerbaie (4 km away)
- Protected natural area of local interest (ANPIL) – Gemignana and Montalto Forests (2 km away)
- Wetland of international importance (RAMSAR) – Padule di Fucecchio (5 km away)

Although located at a considerable distance from the aforementioned areas of natural interest, INiziative Conciarie ASsociate (Incas) contributes to safeguarding the surrounding environment and the species that live and thrive within it, primarily by implementing its environmental policy, and specifically by:

- Adopting and promoting proper waste management, with priority given to recovery activities
- Minimizing the use of plastics with high environmental impact
- Reducing, where possible, the use of chemical products, favoring ZDHC Level 3 products.





7.5

EMISSIONS

GRI 305

INiziative Conciarie ASsociate (IncAs) identifies the main sources of air pollution associated with its processes, which have been identified as follows:

- VOCs (Volatile Organic Compounds) emitted during the leather finishing process
- CO₂ emitted from company activities and processes.

For the first source, which characterizes the plant's authorized emissions profile, there is a regulatory limit to be respected. The CO₂ flow, that is the plant's Carbon Footprint, has been identified by INiziative Conciarie ASsociate (INCAS) as an indicator of its environmental impact linked to the effects that its activities have on climate change.

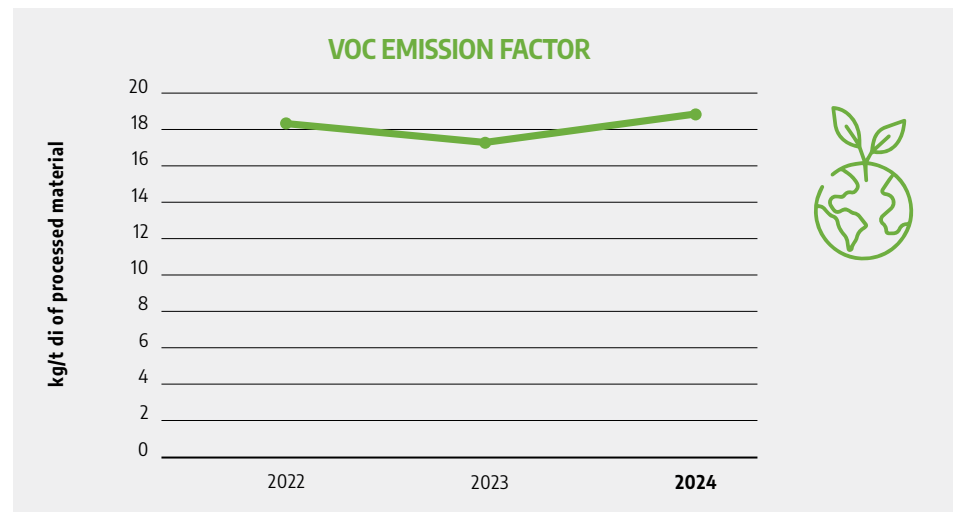
7.5.1

VOC

The following table shows the data related to VOC emissions for the last three years, as declared in the Solvent Management Plan (PGS).

VOC Volatile Organic Compound Emissions				
PARAMETER	U.M.	2022	2023	2024
VOC Emission	kg	65,373.378	50,982.177	38,964.760
Leather production	mq	918,408	652,329	612,065
Specific emission	COV/mq	71.18	78.15	63.66
AUA* Limit	COV/mq	94.8	100.4	110.8

*The limit varies depending on the quantities produced for each product category (leather intended for leather goods or footwear).



Considering the volume of processed hides, it is clear that the specific emission has remained at the same levels over the three-year reporting period.

7.5.2

CO₂ EQ CARBON FOOTPRINT

The emission of CO₂ eq, or the carbon footprint, is the key indicator for assessing the environmental impact of anthropogenic activities in relation to atmospheric temperature change and climate change.

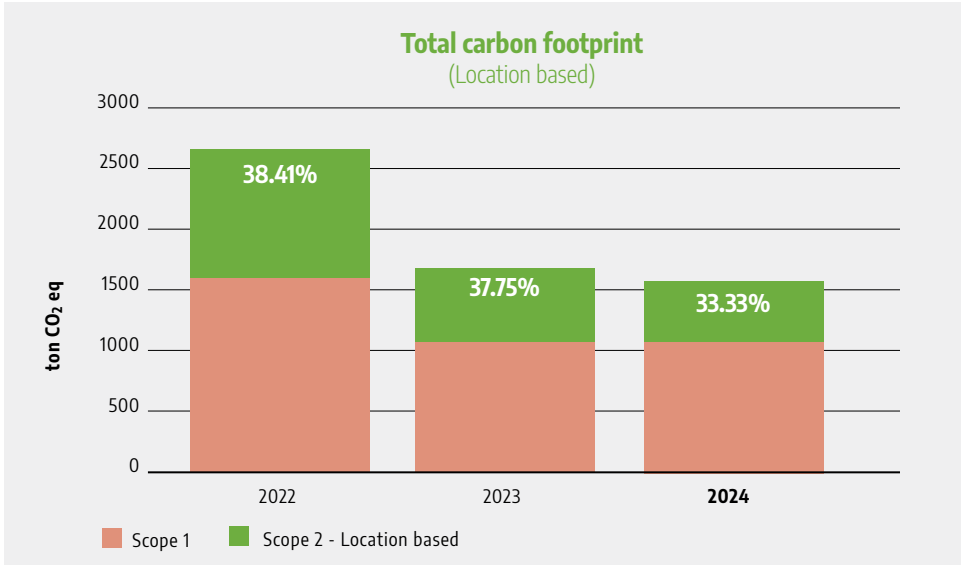
INiziative Conciarie ASsociate (INCAS), aware of its impact and context in which it

operates, in line with the Carbon Reduction strategies set at the European level, from which the ambitious Net Zero 2030 target arises, identifies and accounts for its GHG sources, providing the Carbon Footprint with regard to Scope 1 and Scope 2. Scope 3, which is currently difficult to quantify, is included in the ongoing Life Cycle Assessment project, whose results will likely be available during 2026.

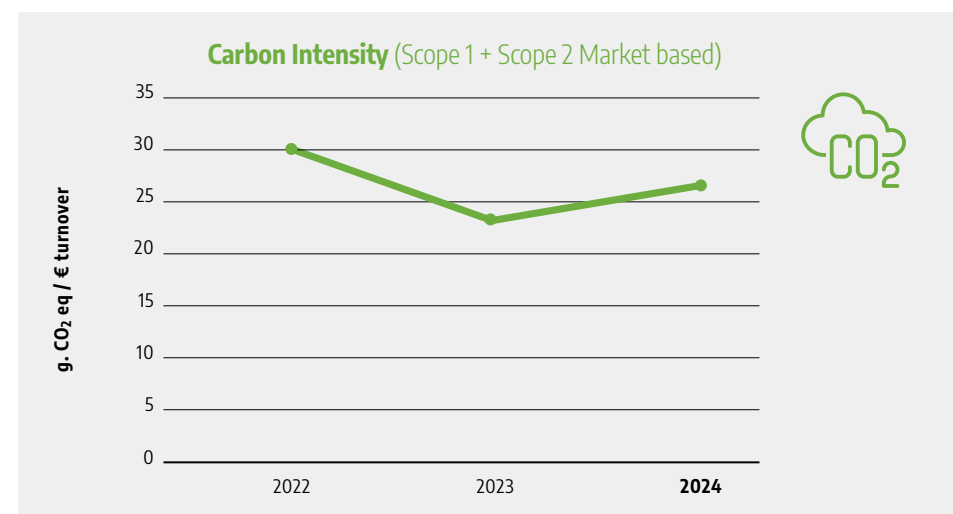
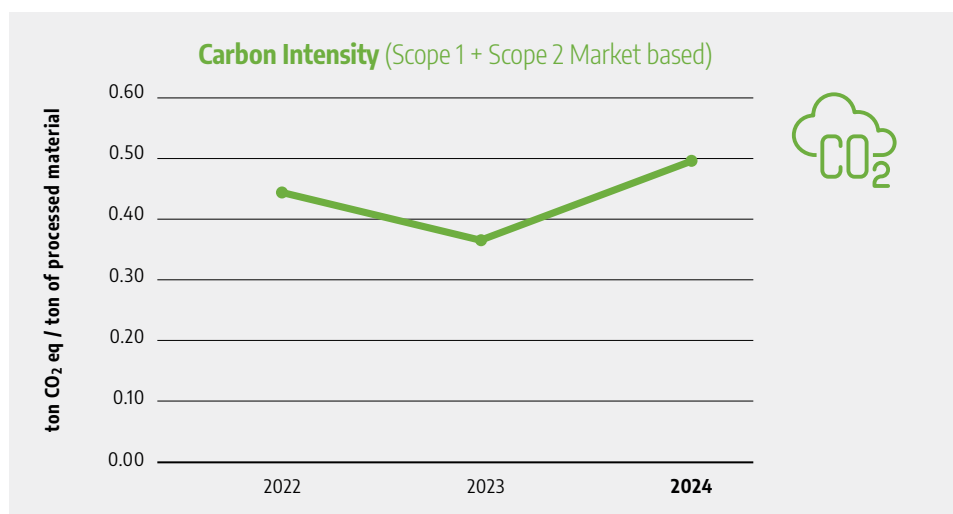
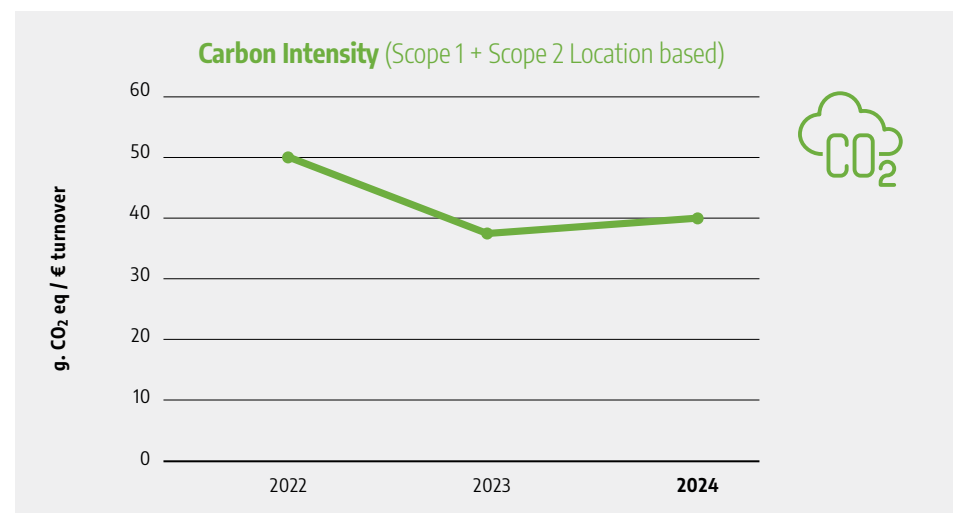
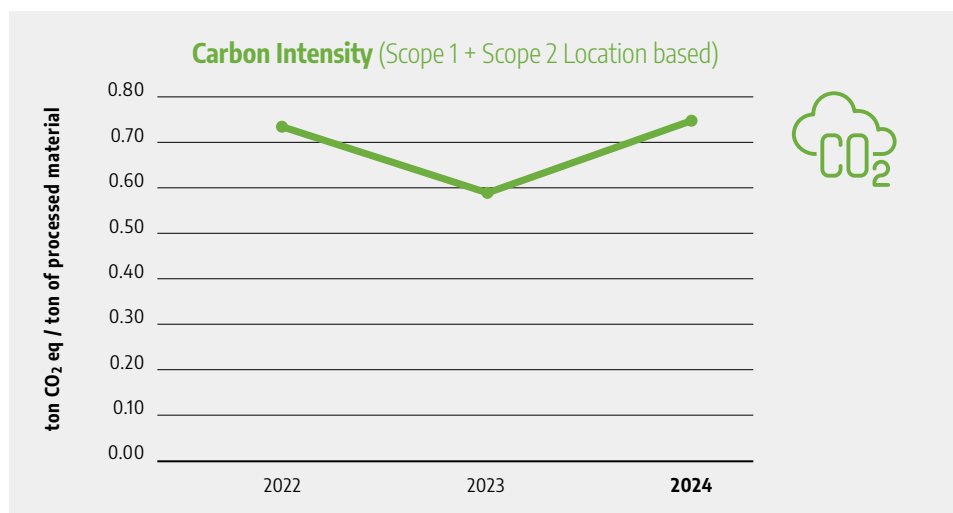
Carbon footprint (ton CO ₂ eq)			
Category	2022	2023	2024
Scope 1*	1,616	1,072	1,030
Scope 2 (Location Based)**	1,008	650	515
Scope 2 (Market Based)	0	0	0
Totali (Location Based)	2,624	1,722	1,545

* Includes emissions from air conditioning systems due to refrigerant gas leaks
 ** Emission factor: 235.6 g CO₂eq/kWh – Ref: Table 1.14 Emissions factors in the power sector (g CO₂/kWh) – ISPRA Report 404/2024 “Efficiency and decarbonization indicators in Italy and in the biggest European Countries”

As already described in the energy section, INiziativa Conciarie ASsociate (INCAS) relies on certified 100% renewable electricity suppliers (GO, pursuant to ARERA Resolution ARG/elt 104/11) and, since 2024, has also used energy self-produced by its own photovoltaic system.



This effectively enables INiziativa Conciarie ASsociate (INCAS) to save a significant amount of CO₂ eq and, through self-produced energy, to avoid CO₂ emissions by feeding surplus renewable energy back into the grid.



Using the Location-Based approach, INiziative Conciarie ASsociate (Incas) has a specific emission value of 0.75 tons of CO₂ equivalent per ton of processed leather. This value drops to below 0.5 tons of CO₂ equivalent per ton of processed leather when accounting for the use of electricity from renewable sources.

Considering specific emissions, according to the Location-Based approach, INiziative Conciarie ASsociate (INCAS) shows a value of 0.75 tons CO₂ eq per ton of leather processed, which falls below 0.5 tons CO₂ eq per ton of leather processed when electricity from renewable sources is taken into account.

7.5.3 OTHER EMISSIONS

Other significant emissions associated with the processes of INiziativa Conciarie ASsociate (INCAS) include NO_x emissions and odors.

Nitrogen Oxides NO_x

The emission of Nitrogen Oxides (NO_x) is related to the use of thermal plants for heating process water. Emissions are monitored annually, and the emission level is ensured by regular maintenance activities, which guarantee the correct combustion ratio and compliance with the limits set by the authorization.

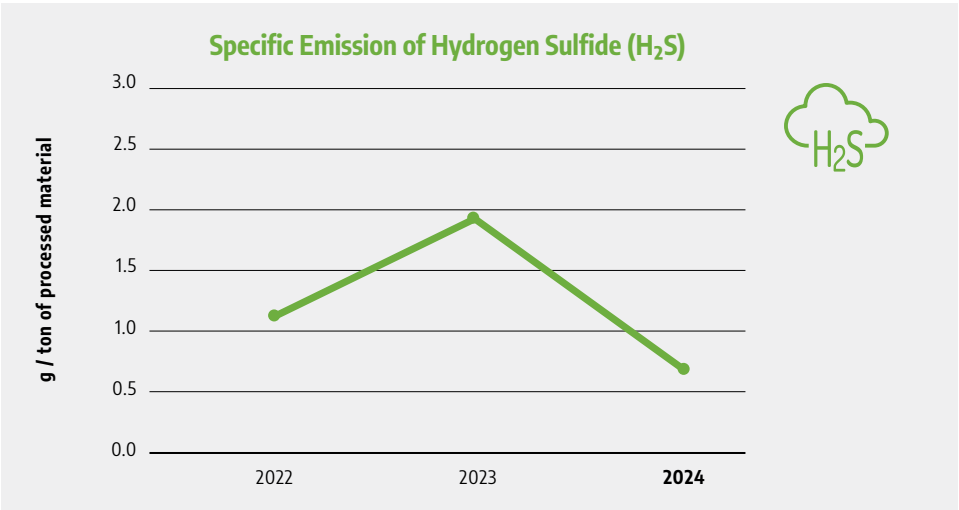
Odors

Odor nuisances are linked to the emissions of hydrogen sulfide gas (H₂S) and organic molecules resulting from the deterioration of raw hides or originating from the company's wastewater treatment area.

To ensure the containment of odor impact, INiziativa Conciarie ASsociate (INCAS) takes the following measures:

- Storing hides in suitable warehouses equipped with refrigeration systems
- Reducing H₂S emissions through wet scrubbers with caustic soda.

Proper maintenance of the abatement systems and effective management of incoming raw hides ensure the efficiency of the systems, minimizing the impact of odors.



H₂S emissions are monitored every six months; based on the yearly average of results and the activity factor (4 h/day for 220 days/year), the specific emission for 2024 is estimated to be well below 1 g/ton.

7.6

WASTE

GRI 306

Regarding the management of the waste it produces, INiziativa Conciarie ASsociate (Incas) promotes responsible management, prioritizing the reuse/recycling of materials wherever possible. This is the case with AOBP (Animal Origin By-Products) derived from trimming, fleshing, and shaving operations.

Such waste is managed in accordance with current legislation Reg. 1774/2002/EC and delivered to specialized plants for full recovery.

With regard to waste, INiziativa Conciarie ASsociate (INCAS) is very careful about the proper identification and characterization of waste, ensuring the highest possible share of recovery. The main types of waste produced by INiziativa Conciarie ASsociate (INCAS) are summarized below:

Characteristic Wastes from the INiziativa Conciarie ASsociate (Incas) Process and their Primary Destination

EWC Code	Description	Hazardous	Destination	Treatment Activity
040104	Tanning liquor containing chromium	NP	R	R5
040106	Sludge from on-site effluent treatment, containing Chromium	NP	D	D9
040106	Sludge from on-site effluent treatment, containing chromium (SCREENED)	NP	R	R12
040109	Trimming and shavings from finishing and cutting operations	NP	R	R12
040199	Waste not otherwise specified	NP	R	R12
040199	Waste not otherwise specified - salt	NP	R	R13
080111	Waste paints and varnishes containing organic solvents or other hazardous substances	P	R	
080117	Sludge from paint or varnish removal, containing organic solvents or other hazardous substances	P	D	D13
150102	Plastic packaging	NP	R	R13
150103	Wooden packaging	NP	R	R12
150106	Mixed material packaging*	NP	R	R13
150110*	Packaging containing residues of hazardous substances or contaminated by such substances	P	D	
150110*	Packaging containing residues of hazardous substances or contaminated by such substances	P	R	R13
150202*	Absorbent, filter materials	P	R	R12

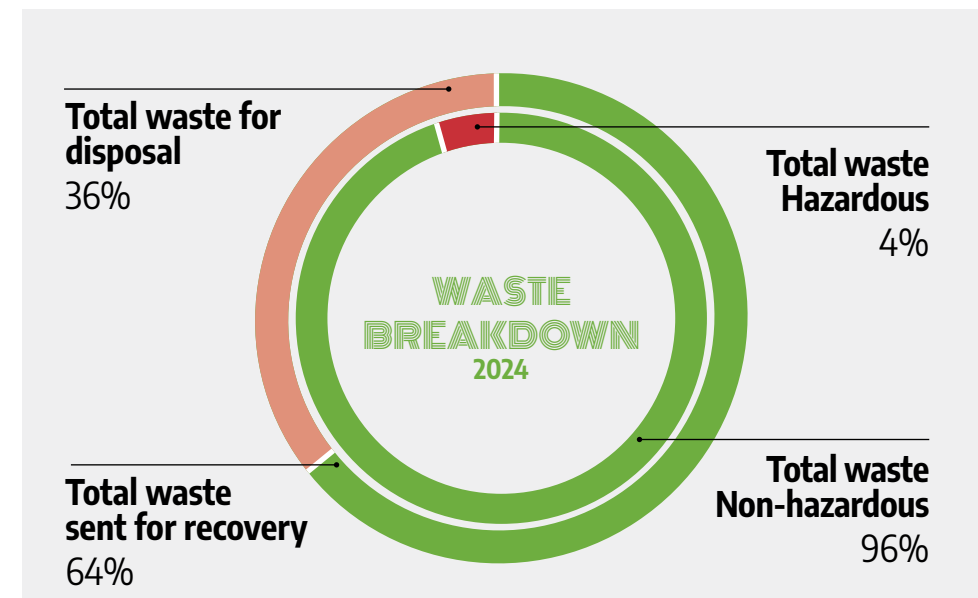
The characteristic waste from the process corresponds to code 04, mainly originating from the wet phases of Beamhouse and Tanning and from Retanning, and code 08, from the*leather finishing plants where paints, dyes, and solvent-based treatments are used. As in all manufacturing processes, packaging waste (code 15) also plays an important role in the overall waste impact; here too, the prevailing destination remains recovery. Other types of waste are also present, mainly associated with maintenance activities, such as lubricating oils (code 130208), which are sent to a recovery plant belonging to CONOU (National Consortium for the Management, Collection, and Treatment of Used Mineral Oils) and subject to regeneration processes to produce new base lubricants or for energy recovery (R1). Additional waste flows include WEEE (code 1602) and waste from demolition activities (code 17) as well as the replacement of lighting devices.

Other types of waste and primary destination				
EWC Code	Description	Hazardous	Destination	Treatment Activity
130208*	Other oils for engines, gears and lubrication	P	R	R13
160211	160211End-of-life equipment containing CFCs, HCFC, and HFC	P	R	R13
160216	Components removed from end-of-life equipment, other than those mentioned under code 160215	NP	R	
160305*	Organic waste containing hazardous substances	P	D	D13
170203	Plastic (silos)	NP	R	R12
170405	Iron and Steel	NP	R	R4
170603	Other insulating materials containing hazardous substances	P	D	
170903*	Other insulating materials containing hazardous substances. P D Demolition (including mixed waste) containing Hazardous substances	P	D	
200121*	Fluorescent tubes and other mercury-containing waste	P	R	

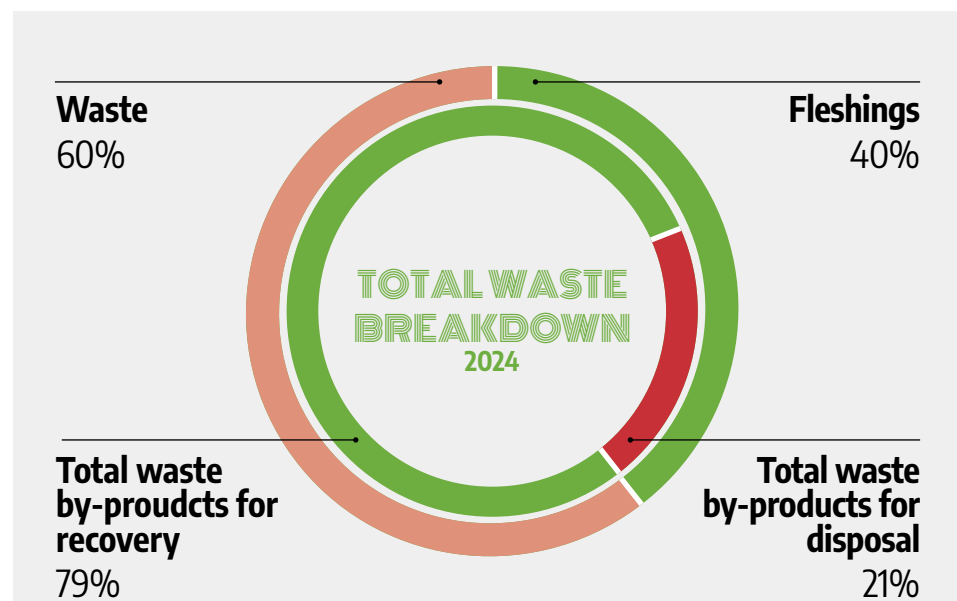
As already shown in the tables, INiziative Conciarie ASsociate (INCAS) promotes waste recovery wherever possible, including thermal recovery (R1), relegating disposal activities to the last resort option.

Annual Waste Quantities (in tons)			
FLOW	2022	2023	2024
Total waste by-products	3,360.863	2,795.373	1,863.434
SOA*	1,319.824	1,128.700	743.020
WASTE	2,041.039	1,666.673	1,120.414
• of which non-hazardous	1,979.187	1,618.986	1,071.864
• of which for recovery	1,526.364	1,125.163	722.339

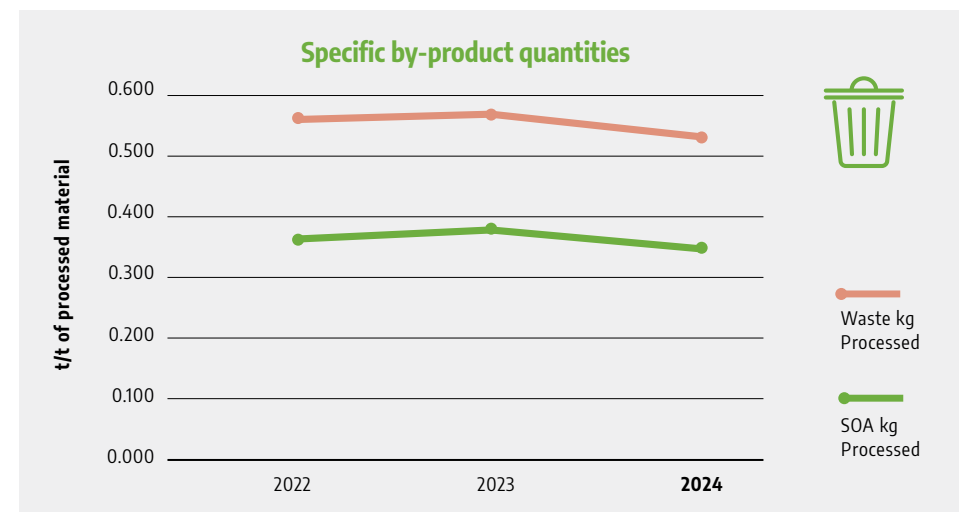
*Includes fleshing produced by subcontractors.



Looking at the waste breakdown, the vast majority is classified as Non-Hazardous; only 4% of the waste produced by INiziative Conciarie ASsociate (IncAs) in its processes has hazardous characteristics. This breakdown has remained relatively stable over the years, which is a sign of the company's effective process for identifying and characterizing its waste. As for the final destination of waste, a significant share (36%) is sent for disposal—an increase of +3% compared to 2023 and about +10% compared to 2022. However, when also including in the reporting the flow of SOA (Animal By-Products)—which is quantitatively significant compared to the total waste produced during the year—consisting mainly of fleshing from internal fleshing operations and entirely sent to plants that recover animal by-products, the total share of recovered material reaches about 80%.

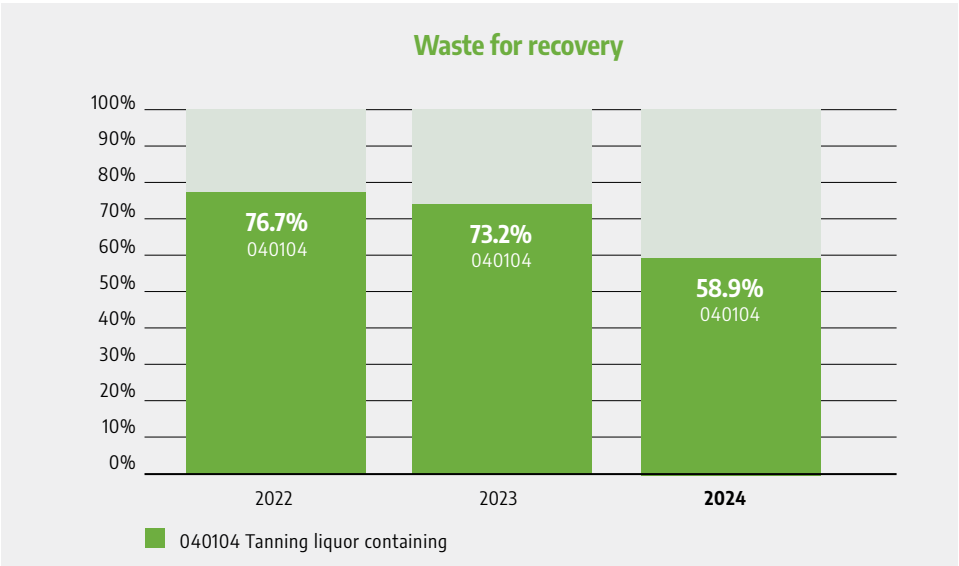


Considering the specific production of waste and fleshing (t/t of leather processed), this too has remained stable over the three-year reference period.



Special consideration is given to the recovery of Chromium (III) used in the tanning liquors. The spent baths are collected and sent to the relevant consortium, which handles the recovery of the chromium content, returning a product in the form of an aqueous solution of Chromium Sulfate (II).

Although INiziative Conciarie ASsociate (INCAS) cannot reuse the recovered chromium in its own processes due to the quality of the recovery solution, the company promotes the recovery of its spent tanning baths, which represent a significant share of the waste sent for recovery.





SOCIALAREA

8.1

SOCIAL AREA

For INCAS, social responsibility translates into a constant commitment to ensuring fair and dignified work conditions, both for in-house staff and individuals involved throughout the entire supply chain.

To confirm this commitment, since 2011 the company has adhered to the Code of Conduct for Social Responsibility promoted by the National Union of the Tanning Industry (UNIC) and has voluntarily undergone annual audits performed by ICEC – the Certification Institute of Quality for the Tanning Industry.

The policies adopted by INiziativa Conciarie ASsociate (INCAS) in the field of human resource management are inspired by national and international guidelines and serve as the reference framework for defining behaviors and practices consistent with the principles of corporate social responsibility:

- Universal declaration of human rights
- Convention on the Rights of the Child
- United Nations Conventions on the elimination of all forms of discrimination against women
- Workers' Statute and applicable national laws
- National Collective Labor Agreement (CCNL) for employees of tanning companies
- International Standard SA8000 and the UNIC Code of Conduct ILO Conventions referenced in the SA8000 standard

In April 2024, INiziativa Conciarie ASsociate obtained the SA8000 certification following an audit performed by RINA Services S.p.A. This recognition strengthens the company's commitment to the responsible management of its processes and provides a practical tool for the continuous monitoring of work conditions throughout the entire value chain, including suppliers and customers.

A significant indicator of the occupational stability of INiziativa Conciarie ASsociate (Incas) is represented by the type of contracts applied to its employees. The company promotes stability and continuity of employment, favoring mainly open-term contracts, which constitute the primary form of collaboration between the company and its employees. The use of temporary contractual arrangements takes place in full compliance with current regulations to increase organizational flexibility. In this regard, the average number of temporary workers was 19 in 2022, 9.5 in 2023, and 10.8 in 2024.

8.2

WORK-LIFE BALANCE

The work hours at INiziativa Conciarie ASsociate are split into eight-hour daily shifts, with an interval of at least one hour. This arrangement allows the staff – the majority of whom reside within the tanning district – to return home for their lunch break, thereby promoting a better work-life balance.

INiziativa Conciarie ASsociate (Incas) also ensures adequate support for its staff with regard to the use of parental leave.

8.3

EMPLOYMENT

GRI 401-1, 401-2, 401-3, 405-1

INiziativa Conciarie ASsociate (Incas) considers stable, high-quality employment to be one of the pillars of its sustainable strategy. The company ensures fair and attractive work conditions that respect workers' rights, primarily through open-term contracts for almost all its employees and through continuous training programs aimed at professional development and workplace safety. These commitments contribute to creating an inclusive and stimulating work environment, with a low turnover rate and a high level of employee loyalty.

Employees by age	u. m.	2022	2023	2024
18-30	n.	14	15	11
31-50	n.	69	65	65
>51	n.	51	53	51
Total	n.	134	133	127

Governance Body Members by age (405-1)	u. m.	2022	2023	2024
18-30	n.	0	0	0
31-50	n.	3	3	3
>51	n.	2	2	2

8.3.1

NEW HIRES AND TURNOVER

GRI 401-1

In 2024, INiziativa Conciarie ASsociate (Incas) recorded a total turnover of 13 employees. A review of this can be found in the following table, which details staff entries and exits, broken down by gender, for the three-year reporting period.

Turnover	u. m.	2022	2023	2024
Total turnover	n.	21	15	13
Turnover rate for men	n.	18	14	13
Turnover rate for women	n.	3	1	0
Hiring Rate	n.	10	7	2
Male Hiring Rate	n.	9	7	2
Female Hiring Rate	n.	1	0	0
Exit Rate	n.	11	8	11
Male Exit Rate	n.	9	7	11
Female Exit Rate	n.	2	1	0

8.3.2 BENEFITS PROVIDED TO EMPLOYEES

GRI 401-2

Iniziativa Conciarie Associate (Incas) provides its employees with a benefits package that includes:

- Supplementary health insurance
- Additional pension contributions
- Other benefits: Company cafeteria

8.3.3 PARENTAL LEAVE

GRI 401-3

All employees of Iniziativa Conciarie Associate (Incas) have access to parental leave in accordance with national regulations.

In the three-year reporting period, a total of 21 employees (20 blue-collar workers and 1 white-collar worker) took advantage of this measure, all of whom regularly returned to work at the end of their leave period.

Parental Leave	u. m.	2022	2023	2024
White-collar employees (M)	n.	0	1	0
Blue-collar workers (M)	n.	5	9	6
Employees (M)	n.	5	10	6
White-collar employees (F)	n.	0	0	0
Blue-collar workers (F)	n.	0	0	0
Employees (F)	n.	0	0	0
Employees (M+F)	n.	5	10	6

OCCUPATIONAL HEALTH AND SAFETY

Da GRI 403-1 a 403-10

The protection of health and safety in the workplace is a central and constant element in the management approach of Iniziative Conciarie Associate (Incas), which adopts a structured system for managing occupational health and safety, compliant with the requirements of current Italian legislation and based on a continuous improvement approach. All company activities are carried out in full compliance with the obligations of current legislation, ensuring that workplaces, equipment, and facilities comply with both legal requirements and the most advanced standards in health, safety, and environmental protection.

This system is integrated within the company's processes and is based on systematic risk assessment, the adoption of preventive measures, and the activation of timely corrective actions. This system applies to all workers. Prevention activities are integrated into the production processes, and workers and their representatives actively participate in safety management.

As evidence of its constant commitment to high standards of occupational health and safety, Iniziative Conciarie Associate (Incas) has obtained certification for its management system according to the international standard ISO 45001. This is the global reference standard for occupational health and safety, which requires a structured approach to risk prevention, assessment, and control. Voluntary adherence to this scheme confirms the company's desire to ensure a safe, participatory, and well-being-oriented work environment, promoting the active involvement of all company departments in the continuous improvement of operating conditions. In the 2022-2024 three-year period, the organization continued to strengthen

preventive measures, with particular attention to staff training and the safety of operational areas and production and service phases.

The risk assessment is updated regularly, in line with the provisions of national legislation. The Risk Assessment Document (DVR) contains a detailed analysis of the critical issues connected to each job, as well as the prevention and protection measures deemed appropriate.

Each worker is guaranteed suitable health monitoring, defined by the occupational physician through periodic examinations, established according to the type of activity carried out and the specific characteristics of the job.

The management system adopted by Iniziative Conciarie Associate (Incas) includes procedures for the identification and analysis of anomalies, near misses, accidental events, and injuries, in order to promptly activate the necessary corrective measures. Workers are encouraged to actively contribute to the prevention system by reporting any conditions that may present potential risks.

In the period under review, the recorded injuries mainly involved impacts and falls. In almost all cases, the events resulted in short absences from work of approximately a few weeks, with the exception of a single case with a prognosis of more than a year. There were no injuries to non-employee workers.

8.5

TRAINING AND DEVELOPMENT

GRI 404

Iniziativa Conciarie Associate (Incas) actively promotes continuous training in health and safety, viewing it as a strategic lever for risk prevention and for the dissemination of a corporate culture focused on responsibility, and invests comprehensively in the professional growth of its employees. All workers are subject to periodic skills assessments, as provided by the company's training plan, which is managed within the framework of the ISO 9001 certified quality management system.

From the moment of hiring, every worker undergoes structured training courses, designed to increase awareness on safety issues and to encourage behaviors consistent with regulations and company policies.

The training offered is structured across several levels and areas: from essentials designed for carrying out operational activities safely, to modules aimed at the development and updating of professional skills. All programs are designed in accordance with the principles of fairness and meritocracy, avoiding any discrimination.

The main training areas implemented by Iniziativa Conciarie Associate (Incas) reflect the Company's commitment to safety, professional growth, and internal cohesion.

Health, safety, and environment constitute a pillar of the training on offer. The activities are planned in accordance with current regulations and are consistent with the adopted management system, guaranteeing workers adequate education for the specific risks and responsibilities linked to their roles.

	2022	2023	2024
Frequency rate*	4.57	12.29	22.29

* Calculation formula: INJURY FREQUENCY RATE = (Number of injuries / Number of hours worked) * 1,000,000

Health and Safety (403-9 403-10)	2022	2023	2024
Injuries	Hours worked	Hours worked	Hours worked
	218936	244053,5	224277
Deaths	n. 0	0	0
Serious Injuries	n. 0	0	1
Number of recordable injuries	n. 1	3	5
Total days lost due to injury	n. 14	33	462
Occupational diseases	n. 2	1	7

The serious recorded injury was managed with extreme promptness by Incas. After evaluating the dynamics, the manner, and the location where it occurred, Incas determined the only practical solution was to more decisively raise staff awareness about observing the designated pedestrian walkways. This is to avoid uneven or raised pavement that, however minor, could accidentally cause falls. The recorded injury, along with its supporting documentation, is currently undergoing an internal review process to determine what other improvement actions Incas can implement for the well-being and safety of its employees.

Team building and internal communication represent further strategic opportunities for dialog between departments. Through meetings dedicated to sharing projects, objectives, and company initiatives, the company identifies emerging training needs and strengthens collaboration between the different operational areas.

Finally, technical-professional training and updates, are performed both internally and externally and involve blue-collar workers, technicians, and specialized personnel. These courses aim to maintain a high level of competence, updating the company’s know-how in response to market evolution and industry technologies.

Mean hours of training offered	u.m.	2022	2023	2024
Managers	Mean hours	0	0	0
White-collar employees	Mean hours	48.4	11	3.5
Blue-collar employees	Mean hours	20.8	6.2	4.5
Total	Mean hours	25.7	7.2	4.3

Total hours of training by gender	u.m.	2022	2023	2024
Men	Total hours	3,047	906	537
Women	Total hours	402	58	8
Total	Total hours	3,449	964	545

8.6

DIVERSITY AND EQUAL OPPORTUNITIES

GRI 405-1, 405-2, 406

Respect for and the promotion of human rights constitute a founding principle of all activities at Iniziative Conciarie Associate (Incas), with particular reference to the dynamics involving individuals within the work environment. The Company is committed to guaranteeing work conditions based mutual respect, transparency, and fairness, valuing individual dignity and ensuring equal opportunities for access, retention, and professional growth for all employees.

The development of skills, meritocracy, and the recognition of individual contributions are encouraged through inclusive policies and practical tools for giving value to our human capital, fully aware that the well-being of people is a key factor for corporate competitiveness and sustainability.

Iniziative Conciarie Associate (Incas) actively promotes an inclusive, serene, and motivating work environment, where every individual can feel welcomed and empowered to express their full potential. The organization is strictly opposed to any form of discrimination, direct or indirect, based on age, gender, sexual orientation, nationality, ethnicity, political opinions, religious beliefs, marital status, or health condition. Every corporate practice is aimed at guaranteeing equal treatment and ensuring an ethical, safe, and diversity-respecting work environment.

The issue of gender equality influences corporate strategies and is practically reflected in the distribution of roles and salaries.

Employees by type	2022	2023	2024
MANAGERS	0	0	0
Male employees	0	0	0
Female employees	0	0	0
WHITE-COLLAR EMPLOYEES	24	22	24
Male employees	13	12	14
Female employees	11	10	10
BLUE-COLLAR EMPLOYEES	110	111	103
Male employees	110	111	103
Female employees	0	0	0
TOTAL	134	133	127

While there are fewer women in the production sector, the distribution in the administration and sales departments is essentially equal between genders. Men and women who hold equivalent roles and levels receive the same salary, in accordance to the national collective bargaining agreement for the sector.

Significant location of activity	Gender	Level	Gross salary	Difference		
Administration department	Man	C1	2,111.06 €	-€	-	CCNL 2,111.06 €
	Woman	C1	2,111.06 €			
Sales department	Man	D2	1,850.99 €	-€	-	CCNL 1,850.99 €
	Woman	D2	1,850.99 €			

Lowest salary in the company	1,750.60 €	Gross salary corresponding to the lowest level in the company (E3). Net salary as per the collective bargaining agreement tables is equal to €1,573.
Living Wage	1,082.07 €	The calculated gross salary corresponding to the lowest level in the company is €490 higher

During the reporting period, no discrimination incidents were identified or reported.

8.7

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

GRI 407-1

The presence of an internal trade union representation helps maintain a work environment based on dialog and collaboration, facilitating the monitoring of initiatives and fostering a climate of constructive discussion and shared growth.

8.8

CHILD AND FORCED LABOR

GRI 408-1, 409-1

Iniziativa Conciarie ASsociate (Incas) is committed to preventing and fighting all forms of child, forced, or involuntary labor, both within the company and throughout the supply chain.

Iniziativa Conciarie Associate (Incas) applies rigorous checks during personnel selection and requires suppliers to sign its code of ethics and human rights clauses.

In 2024, no child or forced labor was detected.

8.9

HEALTH IMPACT OF PRODUCTS

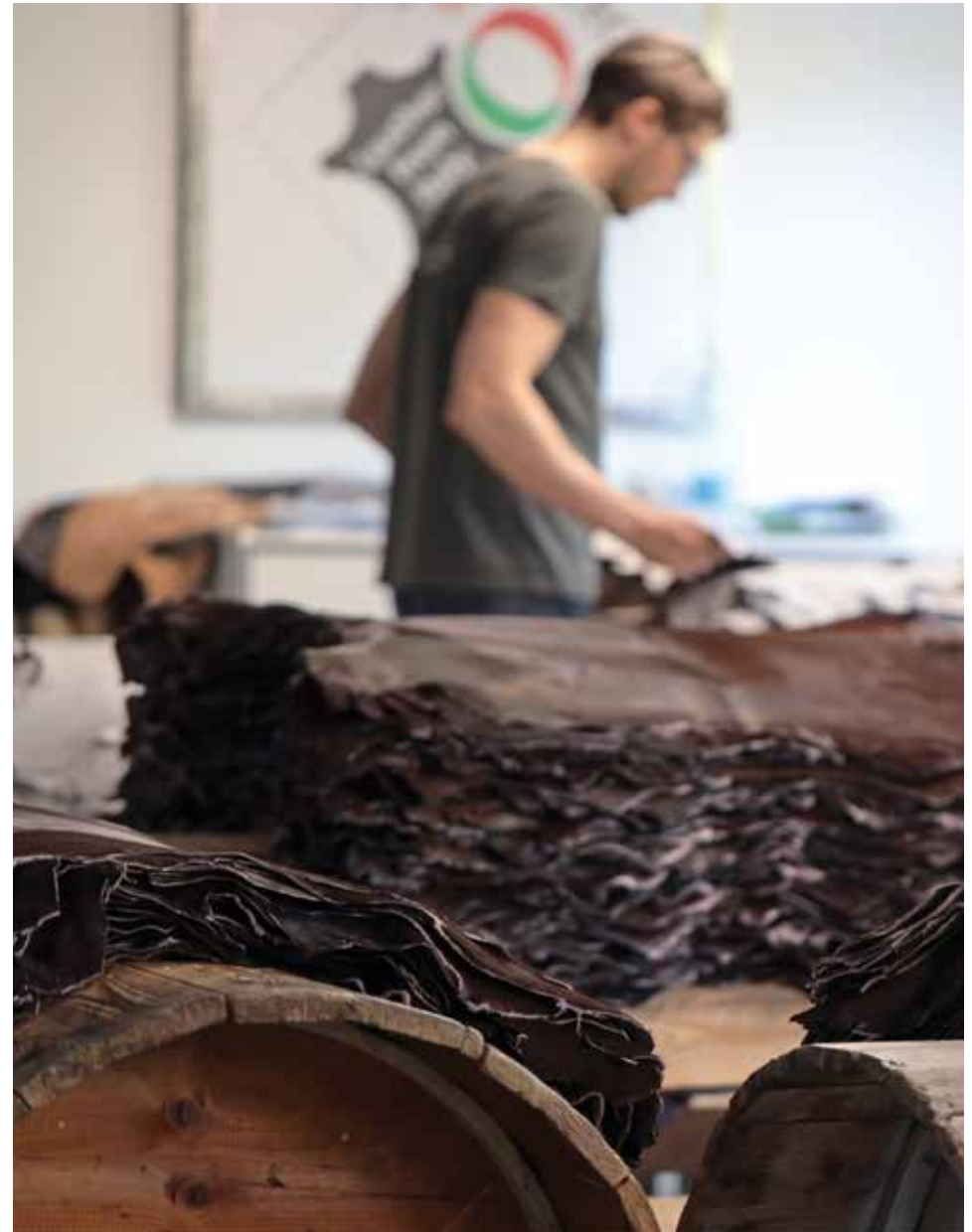
GRI 416-2

Iniziativa Conciarie Associate (Incas) systematically assesses the impact of its products and services on the health and safety of end customers.

All new product lines undergo a preventive assessment during the design and industrialization phases. These activities include:

- Analysis of raw materials and substances used.
- Compliance assessment (against mandatory regulations and industry standards).
- Procedures for managing post-sales feedback and reports.

In the reporting period, no incidents arising from product non-compliance were detected.





SUPPLY CHAIN
RESPONSIBILITY

9.1

SUPPLIERS ASSESSMENT

GRI308, GRI 414

INCAS promotes environmental and social responsibility throughout the entire supply chain, requiring its partners to respect fundamental principles regarding environmental protection, human rights, work conditions, and professional integrity.

The company carefully assesses the potential impact of its suppliers' activities. It encourages sustainable practices, defined as the adoption of systems and behaviors aimed at environmental protection, occupational safety, and respect for human rights. This is checked through audits, technical specifications, and adherence to international standards (such as ZDHC for chemical suppliers). INCAS also promotes ethical behaviors consistent with its own values and with international reference standards.

9.1.1

RESPONSIBLE SUPPLY CHAIN MANAGEMENT

One of the key features that distinguishes Iniziative Conciarie Associate (Incas) within the industrial landscape of the Tuscan leather district is its ability to manage the entire leather production cycle in-house, from raw hides to the finished leather product. This vertical production model has few equivalents in the region and allows the company to maintain direct and constant control over process quality, material traceability, and compliance with ethical and environmental requirements.

The use of external suppliers is very limited and occurs only for specific processes, almost

exclusively at the customer's request. The selection of these partners is based on rigorous criteria of reliability, technical expertise, and legal compliance, in line with the company's values and the UNIC Code of Conduct and Social Responsibility. The quality of the services provided is periodically verified, including through audits performed by the clients themselves.

9.1.2

TRACEABILITY AND MONITORING OF RAW MATERIALS

As part of its commitment to responsible sourcing, Iniziative Conciarie Associate (Incas) adopts practical measures to assess its suppliers' commitment to critical environmental issues, particularly the fight against deforestation. The objective is twofold: first, to avoid purchasing raw materials from areas at high environmental risk, and second, to ensure that the hides purchased do not come from uncontrolled deforestation practices.

To reinforce this commitment, since 2021, Iniziative Conciarie Associate (Incas) has obtained two important certifications issued by ICEC, the Italian certification body for the tanning industry:

- ICEC TS-SC410 – Upstream traceability certification of the hide from the tannery back to the farm
- ICEC TS-PC412 – Hide traceability certification starting from the dispatched batch, mapping all production phases and the origin of the hide back to the farm.

Below are the scores assigned and the corresponding degree of traceability for each certified product:

Certification	Product	Traceability	Score
TS-SC 410	Calves and buffalo	EXCELLENT (To farming countries)	88/100 range 71/100-90/100
TS-PC 412	Calves, New Zealand, France, The Netherlands, Germany, Belgium and Italy	EXCELLENT (up to farming countries)	90/100 range 71/100-90/100

These standards assign a traceability score to each certified product based exclusively on documented and verifiable data. The system considers the completeness of the information available along the supply chain—from farms to slaughterhouses—and assigns a level based on the depth and consistency of the collected evidence, accurately mapping the origin of the raw hides. The certification guarantees that these raw materials come from areas deemed free of uncontrolled deforestation, thus contributing to the protection of forest ecosystems.

The most recent risk analysis regarding Animal Welfare, performed and certified by ICEC, confirms the effectiveness of the company’s long-standing efforts in traceability and ethics. This type of study is based on the sum of three main indicators (Animal Welfare on the farm, Animal Welfare during transportation and at the time of killing, and Stunning) and is customized for the specific supply chain from which the company sources during a given period.

This ensures the applicability of Animal Welfare rules through the careful selection of origins and raw hide suppliers, and it validates Incas’ transparency and focus on the

sustainability and ethics of its supply chain.

The ICEC certifications include an extremely rigorous traceability rating system. The calculation is performed on the certified products and is based on a document analysis supported by objective, audit-verifiable evidence. This approach allows the company to provide its stakeholders with a high level of transparency throughout the entire supply chain.

Iniziativa Conciarie Associate (Incas) considers compliance with these requirements not only a competitive advantage but also a responsibility to the environment and society. For this reason, it is committed to promoting a culture of sustainability among its suppliers, contributing to the spread of good practices along the entire value chain.

9.1.3
SUPPLIERS ASSESSMENT

GRI 308-1, GRI 308-2, GRI 414-1, GRI 414-2

Iniziativa Conciarie Associate (Incas) adopts a structured approach to the selection and assessment of its suppliers, with the goal of ensuring not only the technical quality of the supplies but also compliance with environmental, ethical, and social responsibility requirements. This monitoring applies to both established suppliers and new additions to the supply chain.

The company uses an internal assessment tool that assigns a score to each supplier based on several criteria, including:

- Environmental significance
- Occupational Health and Safety significance
- Social Responsibility
- Holding any certification
- Presence of significant non-compliances

The system uses a point-based rating, with a minimum score threshold for qualification. Suppliers who do not reach the minimum level or fail to return the required documentation may be excluded or subject to review. Suppliers are re-assessed annually.

Incas carefully monitors its supply network, with a particular focus on categories of goods and services that have greater environmental and social relevance, including:

- Maintenance services
- Chemical products
- Third party processing
- Leather
- Ancillary products (waste management, shipping, utilities, packaging ...)

During the reporting period, new suppliers were introduced (a total of 14, particularly in the processing, leather, and chemical sectors). These new suppliers underwent targeted monitoring and have been successfully validated. Iniziative Conciarie Associate (Incas) adopts differentiated management and control strategies based on the level of environmental relevance attributed to each supplier and the practical ability to influence their operational practices. Specifically, the Management establishes actions proportionate to the risk and environmental impact of the supply:

- High-relevance suppliers: Are subject to in-depth and systematic audits, with particular

attention to the environmental quality of the services or products provided

- Medium-relevance suppliers: Are subject to occasional environmental checks aimed at verifying general compliance.
- Low-relevance suppliers: No specific environmental monitoring actions are planned, except in special cases.

Among the suppliers that Iniziative Conciarie Associate (Incas) can most directly influence are those active in strategic areas such as third-party processing, chemical products, and maintenance services. Incas requires these operators to formally adhere to technical supply specifications, which include specific clauses for quality management, environmental protection, occupational safety, and respect for ethical and social principles.

Regarding **leather suppliers**, the company has implemented a certified traceability system for raw hides, compliant with the requirements of ICEC standards TS-410 and TS-412. This system makes it possible to trace the origin of the hides, ensuring they come exclusively from certified food supply chains. This activity led to the formal recognition by ICEC of the ethical claim TS 733: “We recover our hides from the food supply chain.”

In the **processing** segment, Incas also carries out direct on-site audits of suppliers present at its facility, such as LCT Rimorini and LCT Mercurio, sometimes in collaboration with its own clients. These second-party audits verify regulatory compliance in the environmental and occupational health and safety fields and confirm the correct management of operational and documentary aspects.

For **chemical suppliers**, Incas requires adherence to the international ZDHC (Zero Discharge of Hazardous Chemicals) program, which aims to gradually eliminate hazardous substances from the tanning supply chain. In the last two years, several suppliers have begun a process of improvement that has led to the registration of their

chemical products at Level 3 of the ZDHC Gateway platform, the most advanced level available. This level, validated by an independent third party, certifies that:

- The supplier has implemented a Chemical Management System (CMS) compliant with ZDHC criteria;
- Within three years, chemical analyses will be performed to confirm compliance with the ZDHC MRSL (Manufacturing Restricted Substances List) for all registered chemicals;
- An on-site audit has been performed to confirm the proper management of substances and compliance with environmental and safety regulations at the production plant.

This structured approach to supplier evaluation allows INiziativa Conciarie ASsociate (Incas) to:

- Reduce the risk of negative environmental and social impacts related to the supply chain;
- Promote best practices among its business partners;
- Consolidate its active role in promoting responsible and transparent supply chains in line with leading international sustainability standards.

Following the assessments carried out, no supplier was identified as having significant negative social impacts, either potential or actual. Therefore, no corrective actions were necessary, nor were any business relationships terminated for reasons related to these matters.







COMMUNITY AND
TERRITORY

10.1

COMMUNITY ENGAGEMENT PROJECTS

GRI 413-1, 413-2

INiziative Conciarie ASsociate (Incas) keeps in touch with the local communities in which it operates, promoting social, cultural, and environmental development initiatives. The Company considers the active involvement of its communities to be a key element of its sustainability strategy.

In the three-year reporting period, INiziative Conciarie ASsociate (Incas) confirmed its commitment to the local community through a series of financial contributions and social and cultural initiatives that reflected its commitment to the region.

Among the supported activities, highlights include the sponsorship of a local sports team, A.C. Fucecchio Calcio, which represents an important gathering point for local youth, and the continuous support for the Stella Maris Foundation, a national center of excellence in the field of child neuropsychiatry. The Stella Maris Foundation, recognized as a Scientific Institute for Research, Hospitalization, and Health Care (IRCCS), carries out research, diagnosis, and treatment for children and adolescents affected by neuropsychiatric disorders, while also offering support to their families.

Donations from INiziative Conciarie ASsociate (Incas) have contributed to financing the Foundation's annual development plan. Furthermore, the Foundation's newsletter is distributed within the company to spread greater awareness on the topic of childhood neuropathologies. Our support for Stella Maris is a deliberate, long-term commitment,

consistent with the company's increasing focus on personal health and well-being. Promoting the next generation is also at the heart of numerous educational and cultural projects sponsored by INCAS in collaboration with UNIC – the Italian Tanners' Association. Notable among these are:

- The educational project “Le belle lettere della pelle”,
- The literary competition “Nella mia città”,
- The “Amici per la pelle” initiative,
- Other educational activities aimed at involving children and teens in creative journeys to learn about the tanning industry and its potential.

Finally, INiziative Conciarie ASsociate (Incas) also provides continuous support for social initiatives promoted by the Parish of San Pietro Apostolo in Castelfranco di Sotto (PI), with a particular focus on organizing summer activities for youths. These contributions are part of a corporate vision that aims to generate not only wealth but also human and social value for the community in which it operates.

10.2

FINANCIAL CONTRIBUTIONS TO THE TERRITORY

GRI 204-1

The value generated by INiziativa Conciarie ASsociate (Incas) during the three-year reporting period was primarily reinvested in Tuscany, creating opportunities and wealth for the region. In fact, an average of approximately €16 million in costs was directed to Tuscan suppliers. This demonstrates the focus that INiziativa Conciarie ASsociate (Incas) places on the development of the local community. The table below shows the percentage of procurement from Tuscan suppliers out of total purchases and the percentage of procurement from Italian suppliers out of total purchases.

	u.m.	2022	2023	2024
Total suppliers expenses	Euro	41,105,375 €	37,215,685 €	26,078,711 €
Tuscany-based suppliers out of Total	%	57.60 %	54.10 %	60.04 %
Italy-based suppliers out of Total	%	70.08 %	63.16 %	75.37 %

As proof of the commitment of INiziativa Conciarie ASsociate (Incas) to enhancing the local community and supporting its well-being, the main direct financial contributions for cultural, sports, and charity projects during the three-year reporting period are listed below.

	u.m.	2022	2023	2024
Art and culture	Euro	- €	- €	- €
Training	Euro	- €	2,000.0 €	- €
Health	Euro	- €	- €	- €
Social	Euro	- €	202.0 €	5,080.0 €
Sport	Euro	- €	10,000.0 €	10,000.0 €
Total		- €	12,202.0 €	15,080.0 €

The training expenditure for 2023 was connected to a school contribution that was not repeated in 2024. The increase in social contributions is significantly focused on the Stella Maris Project, the Camino de Santiago for two of the foundation's patients, and aid for the parish and the Misericordia of Castelfranco di Sotto (PI).

10.3

RELATIONS WITH ASSOCIATIONS AND CONSORTIA

GRI 2-28, 2-29

INiziative Conciarie ASsociate (Incas) values constructive dialogue and promotes collaborations that create shared value, contributing to sustainable development within its sector and reinforcing its positive economic, social, and environmental impact.

Incas is a member of UNIC – the Italian Tanners' Association, the leading representative body for Italian tanning companies. Within this framework, the company regularly participates in technical roundtables, training initiatives, and collective projects aimed at promoting sustainability, quality, traceability, and innovation in the industry. The strong relationship with UNIC is further strengthened by the involvement of Board Member Piero Rosati, who currently serves as the association's Vice President. This position enables INiziative Conciarie ASsociate (Incas) to contribute directly to the sector's industrial and environmental policies, positively influencing its evolution and solidifying the company's reputation as a responsible and proactive leader in the industry.





GOVERNANCE AND ETHICS

11.1

GOVERNANCE AND
ETHICS

INiziative Conciarie ASsociate (Incas) adopts a governance framework based on ethical principles, as proven by its Integrated Policy and Code of Ethics, which are available on the company website.

The company adheres to the principles of transparency, fairness, and good faith in its relationships with institutions, clients, suppliers, competitors, and industry trade associations, preventing any unfair practices that would breach its Code of Conduct and Social Responsibility.

Furthermore, it ensures full compliance with all mandatory, legal, and regulatory requirements applicable to its products, environmental aspects, social responsibility, and labor and health and safety regulations.

ANTI-CORRUPTION

GRI 205-1, 205-2, 205-3

INiziative Conciarie ASsociate (Incas) adopts a **zero-tolerance policy towards corruption**, in all its forms and areas, in compliance with national and international regulations.

CORRUPTION RISK ASSESSMENTS

GRI 205-1

The risk of corruption is assessed periodically, particularly concerning:

- Relationships with the public administration
- Supply chain management
- Commercial activities

As stated in the Code of Ethics, preventing corruption is a fundamental principle that guides the daily actions of INiziative Conciarie ASsociate (Incas). Every employee, contractor, and partner must strictly adhere to all anti-corruption laws, both national and international, avoiding any behavior that could compromise the integrity and impartiality of business operations.

The company employs rigorous control practices and constantly monitors its operations and relationships with suppliers, customers, and partners to prevent conflicts of interest. Ethics and transparency are the foundation of every action and decision, and any violation of these policies is treated with the utmost seriousness, including disciplinary sanctions and potential legal action.

Furthermore, the reporting of suspicious or irregular behavior is encouraged, ensuring that anyone who reports in good faith will not suffer any form of retaliation (whistleblowing). With these measures, the company aims to maintain an ethical work environment and protect its reputation and the trust of its customers, employees, and the community. In the reporting period, all company activities were analyzed for corruption risks.

TRAINING AND COMMUNICATION ON ANTI-CORRUPTION POLICIES

GRI 205-2, 205-3

Informational materials on anti-corruption, as outlined in the code of ethics, are available to all personnel and accessible on the company website. These materials have also been shared with business partners and strategic suppliers.

During the reporting period, no incidents of corruption were identified.

11.3

CODE OF ETHICS AND WHISTLEBLOWING

GRI 2-23, 2-26, 2-27

INiziative Conciarie ASsociate (Incas) is guided by fundamental ethical principles, which are made official in its Code of Ethics. This code defines the core values for relationships with employees, customers, suppliers, and stakeholders, and establishes specific mechanisms for reporting and complaints.

COMMITMENTS AND POLICIES

GRI 2-23

The Code of Ethics and the Integrated Company Policy are documents approved by the governing body and form the foundation for all Incas operations and company policies regarding integrity, human rights, quality, environment, safety, social responsibility, equal opportunities, industrial relations, and regulatory compliance.

MECHANISMS FOR REPORTING AND COMPLAINTS

GRI 2-26

A whistleblowing system is in place that allows employees and external stakeholders to report illegal or unethical behavior anonymously and securely. All reports are handled by an impartial body, ensuring confidentiality.

RESPONSE TO NON-COMPLIANCE

GRI 2-27

During the year, no reports or cases of non-compliance with laws and regulations were received.

11.4

ANTI-COMPETITIVE BEHAVIOR

GRI 206

INiziative Conciarie ASsociate (Incas) is committed to respecting fair competition laws and operating in the market according to principles of fairness and transparency.

As stated in the Code of Ethics, the Company respects the principles and laws protecting competition in the markets where it operates and refrains from any behavior that could have a distorting effect on competition. The Company condemns any conduct aimed at committing crimes and expressly prohibits any form of agreement—whether with company employees or third parties—aimed in any way at pursuing illicit objectives. All recipients are therefore obliged to act in accordance with these principles and, in case of doubt, to seek advice from the competent company departments.

LEGAL ACTIONS FOR ANTI-COMPETITIVE BEHAVIOR, MONOPOLISTIC PRACTICES, AND AGAINST FREE COMPETITION

GRI 206

During the reporting period, no legal actions were initiated against the organization for anti-competitive behavior.



FUTURE OBJECTIVES AND IMPROVEMENT PLAN

The history of INiziative Conciarie ASsociate (Incas) has always been guided by strong values, most notably product quality, respect for the environment, and a strong sense of social responsibility.

The history of INiziative Conciarie ASsociate (Incas) has always been guided by strong values, most notably product quality, respect for the environment, and a strong sense of social responsibility. With over 35 years of experience, the company has successfully combined traditional craftsmanship with technological innovation, developing a unique know-how that allows it to offer high-end products while optimizing resources and reducing environmental impacts. This path of growth is demonstrated by an extensive system of certifications, including ISO 9001 for quality, ISO 14001 and EMAS Registration for the environment, ISO 45001 for occupational safety, and SA8000 for social responsibility. This is in addition to specific recognitions like Leather40075 – “Leather For Earth,” ICEC (TS-SC410 and TS-PC412) and the biodegradable product certification and Made in Italy certification.

At the core of the daily operations of INiziative Conciarie ASsociate (Incas) are key values such as **practicality, innovation rooted in tradition, continuous research**, the **recovery and enhancement of resources, eco-compatibility**, and a solid commitment to **sustainability**. In an increasingly demanding competitive environment, the goal is to maintain a clear and distinctive identity, recognizable both within the organization and among its external stakeholders.

To strengthen this identity, INiziative Conciarie ASsociate (Incas) is committed to:

- implementing and keeping updated, in line with the evolving context and the needs and expectations of stakeholders, an adequate management of risks and opportunities that can influence the conformity of products and processes, the ability to meet stakeholder needs, and to increase customer satisfaction regarding Incas’ environmental, health and safety, and social responsibility aspects;
- ensuring close monitoring of every stage of the production process, so that the final product meets high-quality standards and the customer’s expected requirements;
- guaranteeing on-time delivery and stated product performance, while operating with the utmost flexibility to satisfy custom and special requests;
- proactively collaborating on initiatives and projects promoted by clients in the Luxury Market, in order to increase customer loyalty within this highly competitive market niche;
- Ensuring transparency and clarity in communication with customers, consumers, and regulatory authorities regarding the environmental aspects of the company’s activities and products, through an annually updated Environmental Statement and product Life Cycle Assessment (LCA) studies;

- Adhering to principles of transparency, fairness, and good faith in relationships with institutions, customers, suppliers, competitors, and industry trade associations, preventing unfair acts that violate the signed Code of Conduct and Social Responsibility, and committing not to engage in any illegal practices such as extortion, fraud, abuse of office, corruption, illegitimate favoritism, or collusive behavior;
- Ensuring full compliance with all mandatory, legal, and regulatory requirements applicable to its environmental aspects, social responsibility, and occupational health and safety, including, in particular, the Workers' Statute and the National Collective Labor Agreement;
- Pursuing a model of sustainable development in economic, social, and environmental terms;
- Proactively assessing any planned changes to company activities, products, or processes, identifying the related risks and opportunities from the perspective of quality, the environment, and social and occupational health and safety aspects;
- Adhering to the principles of raw material traceability, to be applied throughout the entire supply chain in order to guarantee transparency, quality, visibility, traceability, and competitiveness of the activities carried out;
- Keeping the operational procedures of the Integrated Management System constantly updated and improved, with particular attention to emergency procedures.

Looking to the future, INiziativa Conciarie ASsociate (Incas) confirms its intention to maintain a dynamic and responsible approach, capable of anticipating changes, turning challenges into opportunities, and continuing to build long-term value.

This journey is not about reaching a destination, but about continuous growth, powered year after year by the collective dedication of our people. Since 2023, INiziativa Conciarie ASsociate (Incas) has been sharing its Sustainability Report public by publishing it on the company website, renewing its commitment to sustainability and charting a clear path forward: improving and generating positive impacts for the environment, society, and the territory in a transparent manner, with determination and vision.



GRI CONTENT INDEX

Statement of use	INCAS has reported the information referenced in this GRI content index for the period January 1, 2022 – December 31, 2024, in accordance with the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard/Other Source	Disclosure	Location	Omissions
GRI 2: General Disclosures 2021	2-1 Organizational details	CHAP 2. COMPANY PROFILE	
	2-2 Entities included in the organization's sustainability reporting	CHAP 2. COMPANY PROFILE	
	2-3 Reporting period, frequency and contact point	CHAP 3. REPORTING METHODS	
	2-4 Restatements of information	CHAP 3. REPORTING METHODS	
	2-5 External assurance	CHAP 3. REPORTING METHODS	
	2-6 Activities, value chain and other business relationships	CHAP 2. COMPANY PROFILE	
	2-7 Employees	CHAP 2. COMPANY PROFILE	
	2-8 Workers who are not employees	CHAP 2. COMPANY PROFILE	
	2-9 Governance structure and composition	CHAP 2. COMPANY PROFILE	
	2-10 Nomination and selection of the highest governance body	CHAP 2. COMPANY PROFILE	
	2-11 Chair of the highest governance body	CHAP 2. COMPANY PROFILE	
	2-12 Role of the highest governance body in overseeing the management of impacts	CHAP 2. COMPANY PROFILE	
	2-13 Delegation of responsibility for managing impacts	CHAP 2. COMPANY PROFILE	
	2-14 Role of the highest governance body in sustainability reporting	CHAP 2. COMPANY PROFILE	
	2-15 Conflicts of interest	CHAP 2. COMPANY PROFILE	
	2-16 Communication of critical concerns	CHAP 2. COMPANY PROFILE	
	2-17 Collective knowledge of the highest governance body	CHAP 2. COMPANY PROFILE	
	2-18 Evaluation of the performance of the highest governance body	CHAP 2. COMPANY PROFILE	

GRI Standard/Other Source	Disclosure	Location	Omissions	
GRI 2: General Disclosures 2021	2-19 Remuneration policies		Not reported	Confidentiality constraints
	2-20 Process to determine remuneration		Not reported	Confidentiality constraints
	2-21 Annual total compensation ratio		Not reported	Confidentiality constraints
	2-22 Statement on sustainable development strategy	CHAP 12. FUTURE OBJECTIVES AND IMPROVEMENT PLAN		
	2-23 Policy commitments	CHAP 11. GOVERNANCE AND ETHICS		
	2-24 Embedding policy commitments	CHAP 11. GOVERNANCE AND ETHICS		
	2-25 Processes to remediate negative impacts	CHAP 11. GOVERNANCE AND ETHICS		
	2-26 Mechanisms for seeking advice and raising concerns	CHAP 11. GOVERNANCE AND ETHICS		
	2-27 Compliance with laws and regulations	CHAP 11. GOVERNANCE AND ETHICS		
	2-28 Membership associations	CHAP 2. COMPANY PROFILE		
	2-29 Approach to stakeholder engagement	CHAP 4. MATERIAL IMPACTS REVIEW		
	2-30 Collective bargaining agreements	CHAP 2. COMPANY PROFILE		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	CHAP 3. REPORTING METHODS; CHAP 4. MATERIAL IMPACTS REVIEW		
	3-2 List of material topics	CHAP 3. REPORTING METHODS; CHAP 4. MATERIAL IMPACTS REVIEW		
Governance				
<i>Managing Impacts ESG</i>				
GRI 3: Material Topics 2021	3-3 Material Impact Management	CHAP 4. MATERIAL IMPACTS REVIEW		
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	CHAP 6. ECONOMIC ASPECT		
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	CHAP 11. GOVERNANCE AND ETHICS		
	205-2 Communication and training about anti-corruption policies and procedures	CHAP 11. GOVERNANCE AND ETHICS		
	205-3 Confirmed incidents of corruption and actions taken	CHAP 11. GOVERNANCE AND ETHICS	No incidents	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	CHAP 11. GOVERNANCE AND ETHICS	No incidents	

GRI Standard/Other Source	Disclosure	Location	Omissions	
GRI 207: Tax 2019	207-1 Approach to tax		Not reported	Confidentiality constraints
	207-2 Tax governance, control, and risk management		Not reported	Confidentiality constraints
	207-3 Stakeholder engagement and management of concerns related to tax		Not reported	Confidentiality constraints
	207-4 Country-by-country reporting		Not reported	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	CHAP 9. RESPONSIBILITY TOWARDS THE SUPPLY CHAIN		
	308-2 Negative environmental impacts in the supply chain and actions taken		Not reported	Information unavailable/incomplete
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		no privacy breaches, Theft or data losses	
Economy				
<i>Technological Innovation</i>				
GRI 3: Material Topics 2021	3-3 Material Impact Management	CHAP 4. MATERIAL IMPACTS REVIEW		
GRI 301: Materials 2016	301-1 Materials used by weight or volume	CHAP 7. ENVIRONMENT		
	301-2 Recycled input materials used	CHAP 7. ENVIRONMENT		
	301-3 Reclaimed products and their packaging materials	CHAP 7. ENVIRONMENT		
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling		Not reported	Information unavailable/incomplete
	417-2 Incidents of non-compliance concerning product and service information and labeling		Not reported	Information unavailable/
	417-3 Incidents of non-compliance concerning marketing communications		Not reported	Information unavailable/
<i>Product and Service Quality</i>				
GRI 3: Material Topics 2021	3-3 Material Impact Management	CHAP 4. MATERIAL IMPACTS REVIEW	Not reported	Information unavailable/

GRI Standard/Other Source	Disclosure	Location	Omissions	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	CHAP 6. ECONOMIC ASPECT	Not reported	Information unavailable/incomplete
	201-2 Financial implications and other risks and opportunities due to climate change	CHAP 6. ECONOMIC ASPECT	Partially reported	Information unavailable/incomplete
	201-3 Defined benefit plan obligations and other retirement plans		Not reported	Information unavailable/incomplete
	201-4 Financial assistance received from government	CHAP 6. ECONOMIC ASPECT		
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage		Not reported	Information unavailable/incomplete
	202-2 Proportion of senior management hired from the local community		Not reported	Information unavailable/incomplete
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported		Not reported	Information unavailable/incomplete
	203-2 Significant indirect economic impacts	CHAP 6. ECONOMIC ASPECT		
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	CHAP 11. GOVERNANCE AND ETHICS		
	205-2 Communication and training about anti-corruption policies	CHAP 11. GOVERNANCE AND ETHICS		
	205-3 Confirmed incidents of corruption and actions taken	CHAP 11. GOVERNANCE AND ETHICS	No incidents	
Environmental Manager				
<i>Materials: use, recycling, and recovery</i>				
GRI 3: Material Topics 2021	3-3 Material Impact Management	CHAP 4. MATERIAL IMPACTS REVIEW		
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	CHAP 7. ENVIRONMENT		
	306-2 Management of significant waste-related impacts	CHAP 7. ENVIRONMENT		
	306-3 Waste generated	CHAP 7. ENVIRONMENT		
	306-4 Waste diverted from disposal	CHAP 7. ENVIRONMENT	Partially reported	Information unavailable/incomplete
	306-5 Waste directed to disposal	CHAP 7. ENVIRONMENT		

GRI Standard/Other Source	Disclosure	Location	Omissions	
Environmental Manager				
Use of renewable sources and energy efficiency				
GRI 3: Material Topics 2021	3-3 Material Impact Management	CHAP 4. MATERIAL IMPACTS REVIEW		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	CHAP 7. ENVIRONMENT		
	302-2 Energy consumption outside of the organization	CHAP 7. ENVIRONMENT	Not reported	Information unavailable/ incomplete
	302-3 Energy intensity	CHAP 7. ENVIRONMENT		
	302-4 Reduction of energy consumption	CHAP 7. ENVIRONMENT	Not reported	Information unavailable/ incomplete
Water Consumption/Discharge				
GRI 3: Material Topics 2021	3-3 Material Impact Management	CHAP 4. MATERIAL IMPACTS REVIEW		
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	CHAP 7. ENVIRONMENT		
	303-2 Management of water discharge-related impacts	CHAP 7. ENVIRONMENT	Partially reported	Information unavailable/ incomplete
	303-3 Water withdrawal	CHAP 7. ENVIRONMENT		
	303-4 Water discharge	CHAP 7. ENVIRONMENT		
	303-5 Water consumption	CHAP 7. ENVIRONMENT		
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		Not reported	Information unavailable/ incomplete
	304-2 Significant impacts of activities, products and services on biodiversity		Not reported	Information unavailable/ incomplete
	304-3 Habitats protected or restored		Not reported	Information unavailable/ incomplete
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations		Not reported	Information unavailable/ incomplete

GRI Standard/Other Source	Disclosure	Location	Omissions	
Environmental Manager				
Greenhouse gas emissions and climate change				
GRI 3: Material Topics 2021	3-3 Material Impact Management	CHAP 4. MATERIAL IMPACTS REVIEW		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	CHAP 7. ENVIRONMENT		
	305-2 Energy indirect (Scope 2) GHG emissions	CHAP 7. ENVIRONMENT		
	305-3 Other indirect (Scope 3) GHG emissions	CHAP 7. ENVIRONMENT	Not reported	Information unavailable/incomplete
	305-4 GHG emissions intensity	CHAP 7. ENVIRONMENT		
	305-5 Reduction of GHG emissions	CHAP 7. ENVIRONMENT	Not reported	Information unavailable/incomplete
	305-6 Emissions of ozone-depleting substances (ODS)	CHAP 7. ENVIRONMENT		
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	CHAP 7. ENVIRONMENT		
Social				
Human resource development, Health and Wellness of the community and employees				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	CHAP 8. SOCIAL AREA		
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		Not reported	Information unavailable/incomplete
	401-3 Parental leave	CHAP 8. SOCIAL AREA		
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes		Not reported	Information unavailable/incomplete

GRI Standard/Other Source	Disclosure	Location	Omissions
Social			
<i>Human resource development, Health and Wellness of the community and employees</i>			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	CHAP 8. SOCIAL AREA	
	403-2 Hazard identification, risk assessment, and incident investigation	CHAP 8. SOCIAL AREA	
	403-3 Occupational health services	CHAP 8. SOCIAL AREA	
	403-4 Worker participation, consultation, and communication on occupational health and safety	CHAP 8. SOCIAL AREA	
	403-5 Worker training on occupational health and safety	CHAP 8. SOCIAL AREA	
	403-6 Promotion of worker health	CHAP 8. SOCIAL AREA	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	CHAP 8. SOCIAL AREA	
	403-8 Workers covered by an occupational health and safety management system	CHAP 8. SOCIAL AREA	
	403-9 Work-related injuries	CHAP 8. SOCIAL AREA	
	403-10 Work-related ill health	CHAP 8. SOCIAL AREA	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	CHAP 8. SOCIAL AREA	
	404-2 Programs for upgrading employee skills and transition assistance programs	CHAP 8. SOCIAL AREA	
	404-3 Percentage of employees receiving regular performance and career development reviews	CHAP 8. SOCIAL AREA	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	CHAP 8. SOCIAL AREA	
	405-2 Ratio of basic salary and remuneration of women to men	CHAP 8. SOCIAL AREA	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	CHAP 8. SOCIAL AREA	No incidents
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	CHAP 8. SOCIAL AREA	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	CHAP 8. SOCIAL AREA	Not reported Information unavailable/incomplete

GRI Standard/Other Source	Disclosure	Location	Omissions	
Social				
Human resource development, Health and Wellness of the community and employees				
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	CHAP 8. SOCIAL AREA	Not reported	Information unavailable/incomplete
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	CHAP 8. SOCIAL AREA	Not reported	Information unavailable/incomplete
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples		No breach	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	CHAP 10. COMMUNITY AND TERRITORY		
	413-2 Operations with significant actual and potential negative impacts on local communities		Not reported	Information unavailable/incomplete
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	CHAP 9. RESPONSIBILITY TOWARDS THE SUPPLY CHAIN		
	414-2 Negative social impacts in the supply chain and actions taken	CHAP 9. RESPONSIBILITY TOWARDS THE SUPPLY CHAIN		
GRI 415: Public Policy 2016	415-1 Political contributions		Not reported	Information unavailable/incomplete
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	CHAP 8. SOCIAL AREA		
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	CHAP 8. SOCIAL AREA	No privacy breach and no theft or data loss	





APPENDICES

14.1

CERTIFICATIONS

INiziative Conciarie ASsociate (Incas) holds voluntary certifications that attest to its compliance with international standards in the environmental, social, and quality fields. These certifications reinforce the organization's commitment to sustainability and transparency.

The certifications are subject to periodic audits by accredited bodies and support the statements made in this report.

Incas adopts an integrated approach to managing quality, the environment, safety, and social responsibility, as demonstrated by the numerous certifications it has obtained. These certifications attest to the organization's constant commitment to ensuring high operational standards and promoting a corporate culture oriented towards sustainability, legality, and continuous improvement.

The commitment of INiziative Conciarie ASsociate (Incas) to quality, environmental sustainability, social responsibility, and occupational health and safety is demonstrated by the comprehensive system of certifications obtained over time. These represent a distinctive value and an element of trust recognized by customers, stakeholders, and institutions. Starting in 2000, the company undertook a structured path of voluntary qualification by certifying its quality management system according to the ISO 9001 standard. In the following years, numerous process and product certifications were added, confirming compliance with international standards, the adoption of low-impact production practices, and constant attention to ethical-social aspects and supply chain traceability.

Environmental certifications play a central role, including ISO 14001, obtained in 2006, and the prestigious EMAS Registration, obtained in 2007—a milestone achieved by very few companies in the European tanning sector, which requires the annual publication of a validated Environmental Statement. These management tools are integrated into the company's organizational system and form the basis of continuous improvement policies involving the entire production cycle.

Since 2016, INiziative Conciarie ASsociate (Incas) has also been certified according to the Leather Working Group (LWG) protocol, achieving the highest "Gold Rated" level, which demonstrates its commitment to reducing environmental impacts and ensuring transparency in the supply chain. This is complemented by the LEATHER40075 process certification, developed in-house to guarantee the full-cycle processing of hides with metal-free organic tanning, and recognized via a specific ICEC certification.

Traceability is another key theme for INiziative Conciarie ASsociate (Incas), which has obtained the ICEC TS SC410 and ICEC TS PC412 certifications for procurement traceability and compliance throughout the entire production chain. These certifications ensure that all stages of leather processing, from raw to finished, are carried out according to rigorous criteria of quality, transparency, and traceability.

Regarding product certifications, the company holds attestations for specific flagship articles—such as the “Parma” and “Parma Doc” lines—and for the production of leather with reduced environmental impact (UNI 11427 “Ecoleather” certification) and biodegradable leather according to the ISO 20136 standard. These certifications are the result of a technical-scientific innovation process aimed at creating high-performance, sustainable materials in line with the demands of the luxury market.

From a social responsibility perspective, INiziative Conciarie ASsociate (Incas) has implemented a management system compliant with the SA8000 standard, obtaining the related certification from RINA in 2023. This was the culmination of a commitment that began in 2011 with the attestation of the UNIC Code of Conduct. This system ensures respect for human and workers’ rights throughout the value chain and helps guarantee dignified and safe working conditions.

In the area of health and safety, INiziative Conciarie ASsociate (Incas) has progressively structured its approach, starting with the adoption of the UNI-INAIL guidelines in 2013 and culminating in achieving ISO 45001 certification in 2021. Additionally, in 2020, the company was among the first to obtain the ICEC TS422 certification for managing the COVID-19 emergency, further demonstrating its ability to respond promptly and responsibly to new challenges.

Rounding out the picture are the successful completion of the “ECO₂L – Energy Controlled Leather” audit and the “Supplier to Zero” (Level 1 - Foundational) recognition, which are international indicators of environmental performance and supply chain transparency.

All the certifications described above constitute a wealth of values that is reflected in company policies, operational procedures, daily behaviors, and finished products. They represent a concrete commitment to continuous improvement, sustainable innovation, and the creation of shared value with all stakeholders.

Below is a list of the certifications the company currently holds, demonstrating the attention paid to fairness, legality, sustainability, and social responsibility.



Quality Management System
UNI EN ISO 9001:2015
CERT-086-2000-QMS-ICEC



Environmental Management System
UNI EN ISO 14001:2015
CERT-048-2006-EMA-ICEC



Environmental Management System
EMAS IT-000648



Leather Working Group
LWG GOLD RATED
CON039



Raw Material Traceability
ICEC TS-SC410
Nr. Cert 069A - 2021 Traceability



Raw Material Traceability
ICEC TS-SC410
Nr. Cert 041B - 2022 Traceability



Sustainability
ICEC SUSTAINABILITY
CERT-001-2014-SUSTAINABILITY



Health and Safety Management System In the workplace
UNI EN ISO 45001:2018
CERT-022-2021-HSMS-ICEC



Product Certification
UNI 11427 for leather and hide with reduced environmental impact.
Nr. Cert - 018 - 2023 - ECOP - ICEC



Sustainability
Supplier to Zero
Level 1 on 07.10.2024
Nr. Cert: 7596-5088-7EA



Code of Conduct
UNIC SOCIAL ACCOUNTABILITY
ATTESTATO ICE N° 002



Product Certification
DESIGNATION OF ORIGIN
(Leather from Italy, 100% Leather from Italy)
CERT-018-2008-MDO-ICEC



Product Certification
"PARMA-PARMA DOC"
CERT-051-2007-PDT-ICEC



Process Certification
LEATHER 40075
CERT-001-2007-PCS-ICEC

"WE RECOVER OUR
LEATHER FROM THE
FOOD SUPPLY CHAIN"

Ethic Tagline
ICEC TS733
CERT-005-2021-LEATHER CLAIM



GREEN ENERGY
Energy Certificate



Corporate Social Responsibility
SA 8000
Nr. SA - 2303



ECO₂L Energy
Controlled Leather
BH002

Risk Analysis
ANIMAL
WELFARE

Risk Analysis ANIMAL WELFARE
Analyzed data referred to TS410
renewal audit

ASSURANCE STATEMENT OF INDEPENDENCE



Assurance Statement

SGS Italia S.p.A. (hereinafter "SGS") has been tasked by the management of Conceria INCAS S.p.A. (hereinafter "INCAS" or "Organization") to perform an independent assurance of the organization's 2024 Sustainability Report (Report), in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" defined by GRI - Global Reporting Initiative (hereinafter the "GRI Standards") in 2021.

Our responsibility in conducting the work commissioned from INCAS, in accordance with the term of reference agreed upon with the Organization, is solely towards the management of INCAS.

This Independent Assurance Statement is intended solely for the information and use of INCAS' stakeholders and is not intended to be and should not be used by anyone other than this specified parties.

RESPONSIBILITY OF THE DIRECTORS FOR THE SUSTAINABILITY REPORT

INCAS' Directors is responsible to develop the Sustainability Report in compliance with the "GRI Standards" guidelines, to define the sustainability objectives in relation to the organization's sustainability performance and to reporting the results obtained.

It is also the responsibility of the INCAS directors to identify stakeholders and significant aspects to be reported, as well as to implement and maintain adequate management and internal control processes related to the data and information presented in the Sustainability Report.

INDEPENDENCE OF THE AUDITORS AND QUALITY CONTROL

SGS declares its independence from INCAS and maintains that there is no conflict of interest with the Organisation, the companies it controls or the Interested Parties.

SGS maintains a quality control system that includes directives and documented procedures on compliance with ethical standards and professional principles.

AUDITORS' RESPONSIBILITY

The responsibility of SGS Italia S.p.A. is to express an opinion concerning the reliability and accuracy of the information, data and statements included in the 2024 Sustainability Report and to evaluate their compliance with the relevant requirements in the context of its verification objective outlined below, in order to inform all the Interested Parties.

The verification has included the following activities, in accordance with what was agreed with INCAS:

- In line with the Limited Assurance Engagement, analysis of the sustainability activities and data relating to the period 1 January 2024 – 31 December 2024, as indicated in the Sustainability Report;
- the evaluation of the Report against the Global Reporting Initiative's **GRI Standards 2021**, according to the 'in accordance' option.

The activity was carried out following the criteria indicated in the "International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000)", issued by the IAASB (International Auditing and Assurance Standards Board) for limited assurance engagements. This standard requires respect for the applicable ethical standards, including those regarding independence, as well as planning and realisation of the work in order to obtain limited certainty that the Report does not contain significant errors.



SGS Italia S.p.A.

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ASSURANCE METHODOLOGY

The verification consisted of activities aimed at assessing compliance with the standards that define the content and quality of the Report -as articulated by the "GRI Standards". These activities are outlined below:

- Using interviews, analysis of the governance system, management process, and topics connected to sustainable development regarding the Organization's strategies and operations;
- Analysis of the process for defining the material topics outlined in the Report (materiality analysis), with reference to the methods for their identification and evaluation -in terms of priority for the various stakeholders- as well as the internal validation of the process findings;
- Analysis of the consistency of the qualitative information detailed in the Report and analysis of the processes underpinning the generation, disclosure and management of the quantitative data included in the Report. In particular, the following activities were carried out:
 - meetings and interviews with the INCAS' management to achieve a general understanding of the information, accounting and reporting systems in use to prepare the Report, as well as of the internal control processes and procedures supporting the collection, aggregation, processing and submission of the information to the function responsible for preparing the Report;
 - a sample-based analysis of the documents supporting the preparation of the Report, in order to obtain evidence of the reliability of both the processes in place and of the internal control system underlying the treatment of the information relating to the objectives disclosed in the Report;

The audit team was chosen based on the auditors' technical know-how, experience and qualifications in relation to the various sustainability areas assessed.

Auditing activities were carried out in July 2024 and involved various functions/departments of the Organization.

LIMITATIONS

Economic and financial data contained in the Financial Statements and included in the Sustainability Report, have not been audited by SGS, as well as the methodology adopted to calculate the Living Wage value.

CONCLUSIONS

On the basis of the work carried out, no aspects came to the attention of SGS which would lead to the opinion that INCAS 2024 Sustainability Report was not prepared, as regards all significant aspects, in compliance with the "GRI Standards - Global Reporting Initiative".

Milan, 1st September 2025

SGS Italia S.p.A.

Marina Piloni
Business Assurance
 Sales Manager

Ludovica Maveri
Business Assurance
 Team Leader

Ludovica Maveri

We hope you have enjoyed reading our second Sustainability Report and that you have found the answers to your questions and points of interest within its pages. We would be delighted to know what you think.

If you would like to share your opinions with us or receive more information about this Report and our sustainability actions, please do not hesitate to contact us:

sostenibilita@iniziativaconciarieassociate.it

SUSTAINABILITY REPORT: INCAS spa with the cooperation of DELTA Consulting S.r.l., QU-ESAR Consult S.r.l.

PHOTOS: Additive

GRAPHIC DESIGN: Additive

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