



Sustainability Report

2021





Respecting nature today means living better tomorrow. The protection and safeguarding of the environment represent many efforts that is necessary to follow in order to save our future. It is a commitment very important to each of us, and we pursue it with pride and effectiveness. For this reason we chose to print our company profiles with **FSC (Forest Stewardship Council)** certified paper, i.e. coming only from sustainably managed forests and responsible sources.

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**Adriano Serafini**  
CEO GSC Group

*We are an Italian family company offering products of a very high quality standard and an excellent tailor made service to meet all of our customers needs for today and the future.*

## for leather for you

I chose these lines to pass a message. In order to look ahead into the future we have to be conscious of our story and of what kind of company we want to be. Our history is based on a few but clear concepts: we are an Italian family company who offers quality and tailor made solutions to satisfy our customers.

In our daily way of living I always consider the people and the community who surround me. For me the ownership of a company is not a personal privilege but it is the responsibility to guard and pass on a heritage which is

made of competence and knowledge nurtured by time. Looking back means also to look forward.

Our tomorrow holds a big opportunity paired with a big responsibility. Over the years we have understood to combine our way of living with the concept of change. We will be challenged to search for improvement, to serve our customers professionally and to adapt our understanding of quality for the future which is evolving more rapidly than ever before.

# Courage, passion, professionalism

"Italian know how" is probably the expression which represents GSC the best. Operating for over 40 years in the Italian market we have gained international recognition. GSC Groups technical solutions are of high added value and offer specific ranges for all sectors of the trade be it automotive, upholstery, shoe upper or leather goods. The Serafini family represented by Adriano, Caterina and Francesco together with their partners Claudio Bortolati, Diego Cisco, Nicola Lombardo and Piero Vignaga are driving the constant growth of the company and never losing sight of the long term goals. In a economic and social context with its growing complexity, GSC Group offers to be an active part in the building of their customers future, partnership together. The company is focusing on making itself environmentally efficient in its production.



*We are always looking ahead  
as the future holds untold  
opportunities for us.*



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# 1. About the Group

- Goals
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**450**

clients served

**80MM**

turnover in 2021

**+30.000**

m2 covered area

**1900**

products

**20,49%**

Photovoltaic energy over total electric purchased

**4,31%**

Carbon footprint reduction compared to 2019  
scope 1 and 2 location based

**90%**

non-dangerous products for the environment in 2021

GHG EMISSIONS  
**1.462 tons**

CO<sub>2</sub>eq  
scope 1 and 2 location based

**35.000**

tons/yr annual production

**52**

countries served

**+4%**

employees growth and development since 2020

**29%**

female employees rate

# Mission and vision statement

Like a tailor who is working on a bespoke suit, GSC is following step by step the projects of its customers with personalized service and attention to detail combining family traditions and extremely professional workforce. Over the last years we have defined our future strategy: long term vision, international strategy, sustainability, the importance of our products, creativity and knowledge sharing are core values to achieve long term growth, to guarantee a solid partnership with our suppliers, to keep control of our raw materials and to offer a competent and quick answer to our customers.

Our mission is to lead the international market in the field of chemical specialties for leather manufacturing without losing our family business benchmark. This is why we are fully committed with a sustainable development that will let us be at the top of the industry without compromising our future generations. The 2030 Agenda established by the United Nations and its seventeen goals are the roadmap towards a brilliant prospective where terms like economic growth, innovation, environmental welfare and social responsibility do not collide, but rather combine together to achieve our personal targets. From the heart of the corporate direction, we have settled the following precepts:



# Mission and vision statement

## 1. Competitiveness and honesty

As a top leading family company, we found that our edge, transparency and honesty, is what makes us stronger. Our intimate relationship with our stakeholders encourage us to work hard and constantly improve ourselves, raising the quality of our products and services within an organization that looks inside to exhibit itself to the outside.



## 3. Knowledge, talent and creativity

The pursuit of excellence passes through the investment of all the available assets into the development of new advanced technologies and infrastructures. Promoting talent has always been one of the bedrocks of GSC Group, where interns and associates collaborate together to achieve the highest results and performance.



## 5. Financial stability and economic growth

Continuous economic growth is essential to maintain the assets of the company and to involve the stakeholders into the sustainable path we are following.



## 2. Sustainability and forward vision

Following the previous value, we look beyond the horizon to set our objectives for the years to come, and the horizon is green. Our aim is to contribute to create a better world where industry and environment go hand in hand. We solidly believe that the sustainable path is the right direction into the new order, where next generations will pick up the baton of our work.

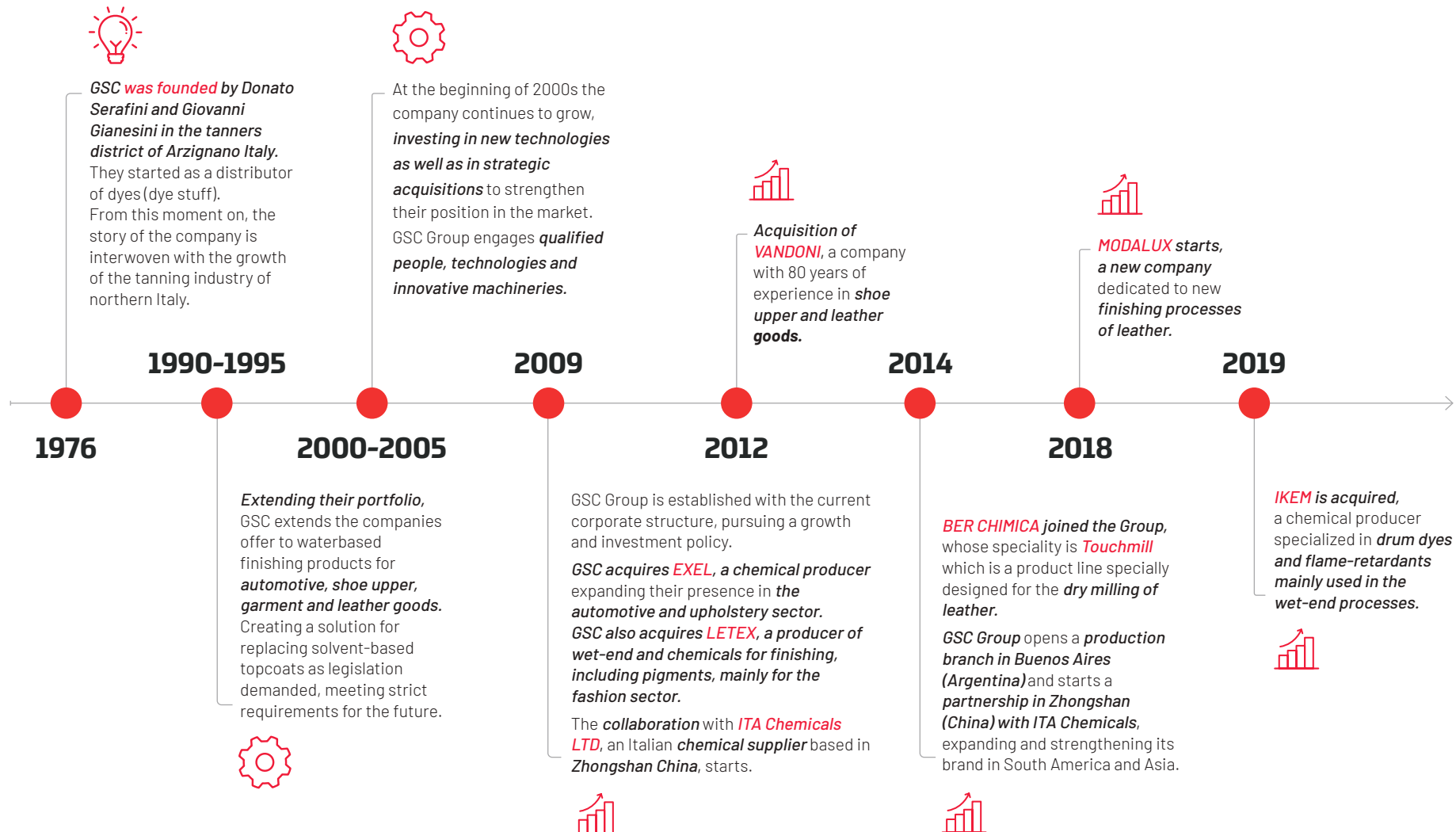


## 4. Engaged employability and cooperation

From operators to managers, passing through technicians and office workers, all employees are our maximum concern. We implement our characterized family approach for the connections all along our network, and the ties with local communities grow stronger each day.



# Looking backwards





GSC Group was founded in 1976

# Sectors

A very skilful and experienced operative team flanked by a highly-professional R&D department supplies chemical solutions for the diverse products to be utilized during the tanning process. An holistic approach defines our particular way of doing chemistry, being in constant dialogue with both suppliers and clients, establishing a close relationship that allow us to satisfy their ultimate needs. We have expertise in the production of chemical tanning auxiliaries,

focusing on goods or wet-end treatment, finishing, pigmentation and dry milling. We also offer technical support in the development of the tannery process, assuring our clients the best performance of our products. From the upholstery to the automotive, passing through all the fashion sectors, our clients can benefit from our tailored solutions to optimize their manufacturing process and obtain the highest quality leather.

## Upholstery



The Upholstery sector has always been one of the main cornerstones within the company, for over forty years it has developed innovative systems as well as a complete range of products that meet even the most complex requirements. The commitment of GSC Group is oriented to the end user, to provide softness, comfort and durability of the product, in addition to the focus on the home-living room environment and control of the hide processing cycles for upholstery, from the tannery to the living room furniture store.

## Footwear, leather goods & garments



The expression Made in Italy in the fashion industry has always been synonymous of talent. A talent with great industrial creativity behind it that GSC Group makes available to its customers through an offer of innovative solutions and high quality technical applications in hide treatment and processing. The professional team of GSC Group cooperates with stylists and designers to ensure their specific product and sustainability requirements. The on going rapid evolution of fashion trends require ready answers that the company is able to provide quickly.

## Automotive



Beauty based on Italian Style encounters the highest technological standards of durability and high performance: this is the interpretation GSC Group pursues in the creation and design of its range of chemical products to treat leathers, dedicated to the automotive industry. These systems are designed in compliance with environmental sustainability, in harmony with the comfort of the car leather interiors and colour shades to make the passenger cabin of every car similar to their living room at home.

# Sectors based on sales



# Quality and service

GSC Group is acknowledged amongst the best references for the quality of its products and high expertise in technical assistance for the tanning industry, providing a quick response to the varied demands of its clients. From top customized chemical products to high environmental standards, our solutions are created to promote the life cycle performance at our production sites. We have the latest technical equipment in our labs and our centres have become an international meeting place where technical experience and application technology is shared. In the three Italian tannery districts (Arzignano, Santa Croce sull'Arno and Solofra) GSC Group has large areas of laboratories dedicated exclusively to the product application

phase and customer technical assistance, around 1000 squared metres (Arzignano) are provided with state-of-the-art equipment and machinery, where our highly-experienced team collaborate side by side to produce innovative and sustainable solutions that are recognised as the best in the market. Furthermore, we offer our clients the possibility of undertaking the latest physical and chemical tests performed on leather within our hi-tech laboratories, giving the chance to trial the quality and durability of our products and choose which one of them suits best for their needs. We have taken a step forward into customize service, where collaborative actions help us to develop the best products of the market.

## 5.600

physicochemical  
leather tests  
performed for  
clients and internal  
R&D department

## 15.500

quality control  
tests performed to  
finished products  
and raw materials



# International Market

Today the main market of GSC is the Arzignano tannery district, world leader in producing and exporting finished leather. We supply leather auxiliaries all around Italy, positioning us as one of the top players in the national industry. Our international business comes from 52 countries all over the world and represents 35% of our total sales. Over the next 3 years GSC's objective is to grow the international share up to 40% of our total series. GSC opened a production branch in Argentina and started a partnership with Ita Chemicals in China, taking the brand into South America and Asia. We also have expert consultants in strategic positions in the Indian and Asian markets.

# Supply chain

Our suppliers are mainly organic and inorganic base producers from the chemical sector, with around 200 stakeholders in the supply chain. Most of them are located in north Italy, a region with a strong tradition on the chemical industry that can provide many different raw materials of premium quality, without compromising the carbon assessment of our products due to high emissions for transport operations. In the search for excellence, we also investigate the European and worldwide market looking for ecofriendly materials coming from natural origins that can improve our environmental performance. The carbon footprint of our supply chain is one of our maximum concerns. We are studying new techniques to apply intermodal transport, and our logistic network is continuously under evaluation to optimize its impact.

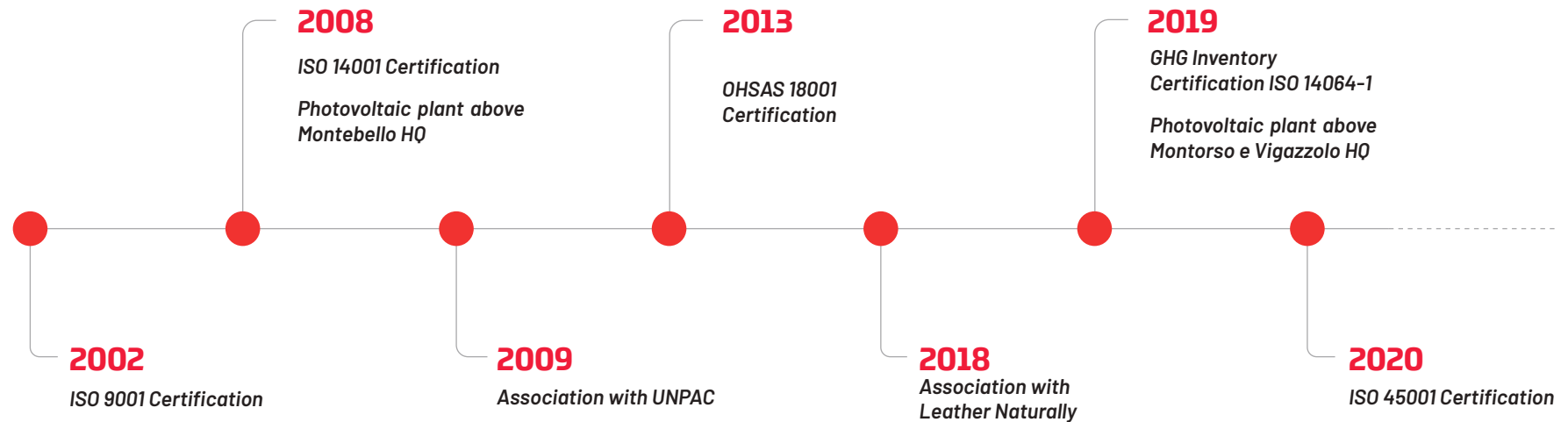


## 2. Corporate responsibility

- Partnership and alliances
- Stakeholders engagement
- Materiality analysis
- Our approach to sustainability
- Executive Board
- Model Organization and Code of Ethics
- Key economic figures



# Partnerships and alliances



UNPAC (Italian Auxiliary Tanning Producers National Union) is an association that groups producers of chemical products for leather manufacturers. Founded in 2009, it offers support to meet the requirements of a constantly evolving industry, providing solutions focused on company sustainability.



Leather Naturally is a non-profit association formed by members of the industry and aimed at promoting and divulging sustainable leather practices, and also educating consumers, designers and other members from the value chain about the environmental possibilities of leather, often wrongly categorized as an environment damaging product.



Carbon Footprint Italy is the Italian program dedicated to communicate the results of the quantification of greenhouse gas (GHG) emissions of products and organizations, and their reduction. GSC Group became in 2020 the first Italian company within the chemical specialties for leather industry to participate in this initiative.



Many of our experts and technicians are members of AICC (Leather Chemists Italian Association), a chemical association born in 1904 that serves as worldwide reference point in the leather industry. With headquarters in the principal tanning districts in Italy, it helps the dispersion of BAT (Best Available Techniques) and know-how of tannery skills between Italian leather chemists, arising collaborations of distinct companies.

# Stakeholders engagement

GSC Group understands the Materiality Analysis as a research study aimed to identify the economical, social and environmental impacts perceived from their stakeholders. Proposed by the Global Reporting Initiative (GRI) as a starting point for the redaction of the Sustainability Report, it represents an essential step into the stakeholder engagement process since it allows us to deepen the material topics considered relevant by the key stakeholders of an organization, involving them in the definition of business strategies, recognizing risks and opportunities. The characterization process of this material topics establish the following steps:



# Materiality analysis

## 1. Stakeholders engagement

Identification and mapping of the principal, internal and external, stakeholders of the GSC, involving around 150 stakeholders grouped in different categories: **clients, suppliers, corporate board, trade associations, consultants, employees and citizens.**

## 3. Relevance assessment

The relevance of the identified topics has been evaluated through an online questionnaire, assessing the importance from 1, "relatively insignificant", to 4, "Very relevant".

## 2. Topic identification

The material topics have been identified integrating the indicators proposed by the GRI with our own Key Parameter Indicators (KPI) and relying on the strategic business vision of the GSC.

## 4. Material identification

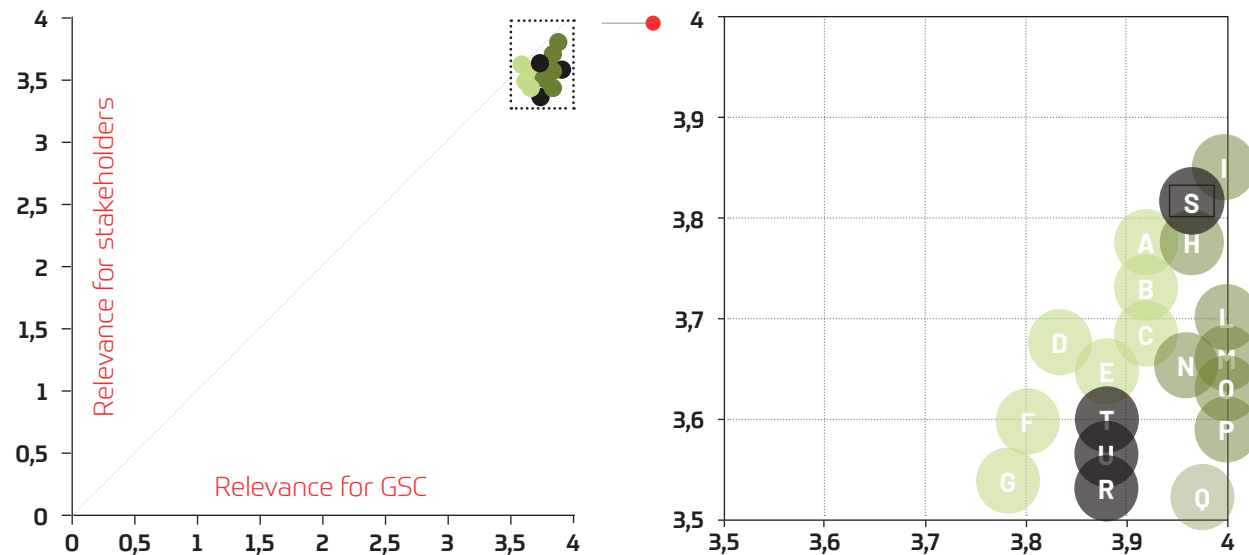
To conclude the materiality assessment, a selected group of 10 stakeholders were chosen to undergo an interview, performing an in-depth qualitative analysis of the results obtained, confronting them with the significance given by the executive board of the GSC.

# Materiality analysis



## Material topics

- Environmental sustainability**
  - A. Waste management
  - B. Water effluents management
  - C. Air emissions management
  - D. Low environmental impact products
  - E. Environmental compliance
  - F. Use of renewable sources
  - G. Raw material and product traceability
- Social sustainability**
  - H. Product safety
  - I. Health and safety at workplace
  - L. Non-discrimination
  - M. Workers rights assessment
  - N. Professional development
  - O. Diversity and equal opportunity
  - P. Ethics and integrity
  - Q. Customer satisfaction
- Economic sustainability**
  - R. Wage equity
  - S. Product quality
  - T. Production innovation
  - U. R&D investments
  - V. Anticorruption



# Our approach to sustainability

For GSC Group, sustainability translates into developing long-term value products while reducing the effect of the externalities related to our materials, value-chain and operations. Our goal is to provide solutions that answers the necessities that have arisen in the leather manufacture industry during the last decade.

Being an active part in the European Green Deal, we firmly believe that the EU has the collective ability to transform its economy and society to put it into a more sustainable path.

To enhance the strengths of a life cycle management, we launch the following axioms:

## Partnerships



*Establish collaborative relationships with all the stakeholders involved*

## Circular economy and sourcing



*One of the main steps to reduce the footprint is to optimize the use of resources and to re-introduce wastes in a life cycle loop*

## Healthy & Safety working



*Improve the well-being of our workers and our stakeholders communities*

## Technology innovation



*New available technologies will lead us into a more sustainable and resilient future*



# Executive Board

GSC Group is a private family-run Italian company, this is the reason why it maintains in its management the intentions and operations expressed by the shareholders themselves. In the company organization chart we find:



**Donato Serafini**  
(Honorary President)



**Adriano Serafini**  
(Chief Executive Officer - President)



**Francesco Serafini**  
(Research & Development Officer)



**Caterina Serafini**  
(Chief Financial Officer)



**Nicola Lombardo**  
(Finishing R&D Manager and Supply Chain)



**Giampietro Vignaga**  
(Italy Sales Manager)

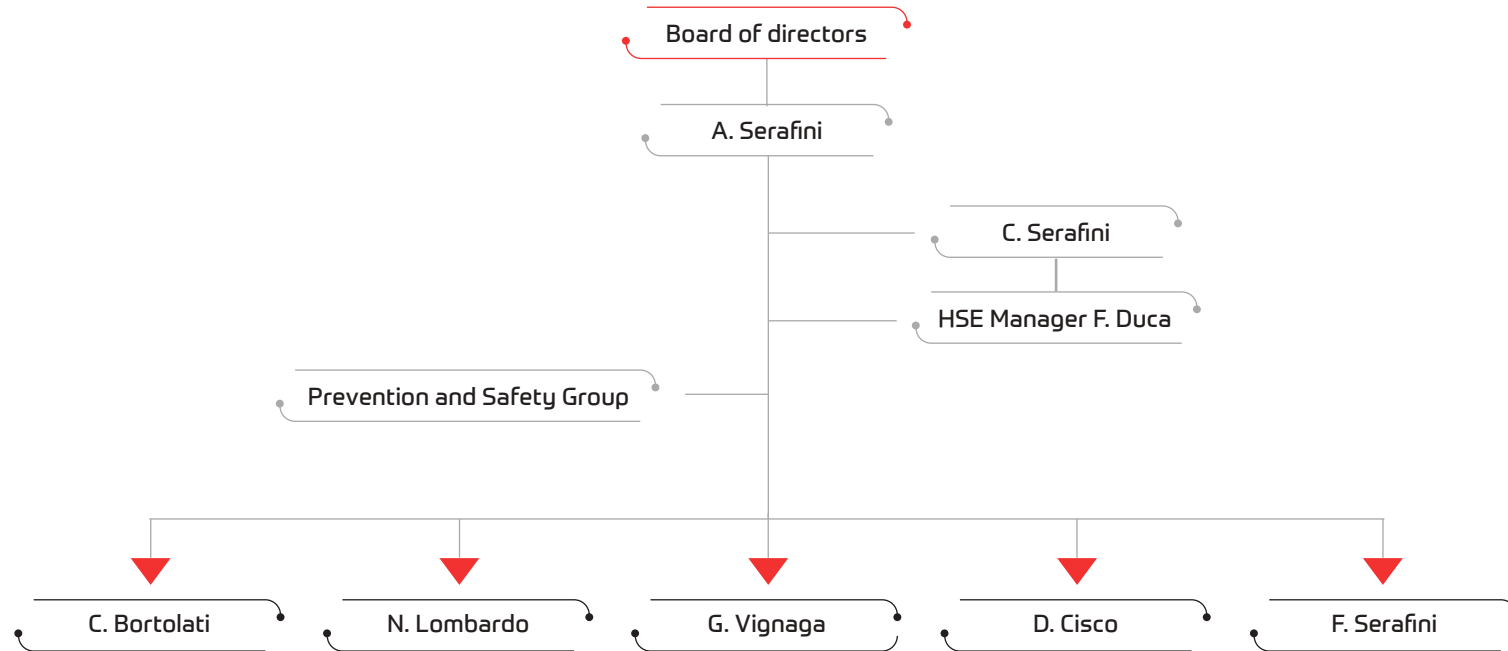


**Claudio Bortolati**  
(Wet-end R&D Manager)



**Diego Cisco**  
(Export Sales Manager)

# Executive Board



**The Serafini family represented by Adriano, Caterina and Francesco** together with their partners Claudio Bortolati, Diego Cisco, Nicola Lombardo and Piero Vignaga are driving the constant growth of the company and never losing sight of the long term goals. In increasingly complex economic and social contexts, GSC Group wants to take an active part in building the future of its clients, interpreting and intercepting the changes required.

## Composition by gender age

|               | ≤ 50 years | 51-70 years | ≥ 71 years |
|---------------|------------|-------------|------------|
| <i>Male</i>   | 3          | 3           | 1          |
| <i>Female</i> | 1          | 0           | 0          |

## Supervisory body

A special Supervisory Body, appointed by the executive board, has the task of supervising the functioning and compliance with the Model and the Code of Ethics and of ensuring that they are kept up-to-date. This organism is external to the company and it regularly checks the activities performed. It also regulates the correct implementation of the sanctioning system, organized and based on the different types of subjects, and provided for in the event of violation of the provisions of the Model. It is also its duty to communicate the eventual violations of the Model to the competent body.

## Management and Control Model

On 08/06/2018 the executive board approved the Organization, Management and Control Model in compliance with the Legislative Decree no.231, on which is introduced the principle of administrative liability of entities for certain crimes and offences committed in their interest or benefit, by persons in a senior position or any individuals supervised or not by them. This decree establish the responsibility of crimes against Health, Safety and Environment in the workplace, crimes against Public Administration, crimes against confidentiality, corporate offences, crimes against the environment, market manipulation and abuse, among others. In order to guarantee, as far as possible, the prevention of commission of these offences, and to safeguard the integrity and liability of the executive board, the Model seeks to individuate the responsibility of each party attributed to the different activities performed by the company, and transparently expose its disposition to eradicate any behaviour that can act against the model. Employees, members of the board and other collaborators are encouraged to fully read the paper.



**No corruption or environmental incidents** were recorded in 2021 and no penalties were registered for violations of environmental laws.

# Code of ethics

GSC Group Code of Ethics is a document that clearly certifies the commitment of our company in improving social performance and reducing environmental impact. We are very proud to have drawn up this fundamental document that underlines at best our vision of human welfare and planet respect. The Code of Ethics summarizes the ethical principles the company refers to in its business activities and which has voluntarily chosen to adopt and make public. It responds to the need to explicitly share the values that must inspire all the people who are part of the company in their daily work. The violation of these values and any actions that are incorrect or unlawful can also cause damage that is difficult to recover, such as damage to the company's image, but above all damage to its reputation and credibility. Therefore, the company will monitor the observance of the Code of Ethics, providing adequate means of advertising, information, prevention and control, and ensuring

a transparent behaviour, intervening if necessary with corrective actions. The Code of Ethics is addressed to employees, directors, collaborators, customers and suppliers and, in general, all those who come into contact with the company. Honesty, lawfulness, professionalism, respect towards the person and human rights, integrity, confidentiality and protection of health, safety and environment are the pillars of the document, and the base principles to which all persons working for and on behalf of the company must conform. The Code of Ethics can be found both in Italian and English, in order to facilitate its comprehension to the stakeholders. For more information, the complete document can be found on the webpage:

<https://www.gscgroup.it/codeofethics>

# Policy for the environment and safety in the workplace

Being an integral part of the broader document constituted by the Model and the Code of Ethics, the executive board revisited and published on 28/02/2020 the Environment and Safety Management System Manual. This document represents the efforts the company to constantly update its policy towards sustainability safety regulations, and to keep improving its environmental performance to minimize the effects of our externalities related to the activities undertaken. For more information, the complete document can be found on the webpage:

<https://gscgroup.it/en/certifications>



# Crisis management and problem solving

At GSC we are aware of the necessity to protect the surrounding environment and our employees. Almost each of our process plants are ISO 45001 and 14001 certified, regarding environmental protection and health & safety management systems. Besides all the documents and norms we have drafted in the last years, we are equipped with an HSE Team that watches and ensures the security all along the company. Led by our HSE manager,

our task force (Emergency Team) receives continuous and updated training related to risk management for industrial chemical manufacture and our emergency systems are regularly checked. Furthermore, evacuation, fire and other drill procedures are performed in order to teach and concern our workers about the seriousness of a correct safety management.

# Precautionary principle

In accordance with the 15 principles of the Rio Declaration by the United Nations, we have adopted the Precautionary Principle as a core system concept all along the company value chain. Our suppliers provide all the information of the raw materials acquired, and the Safety Data Sheets are carefully studied by our technicians and our medical service, which ensures that they are not harmful for the environment or the human being. The launching of new products is previously studied in pilot test plants, and then

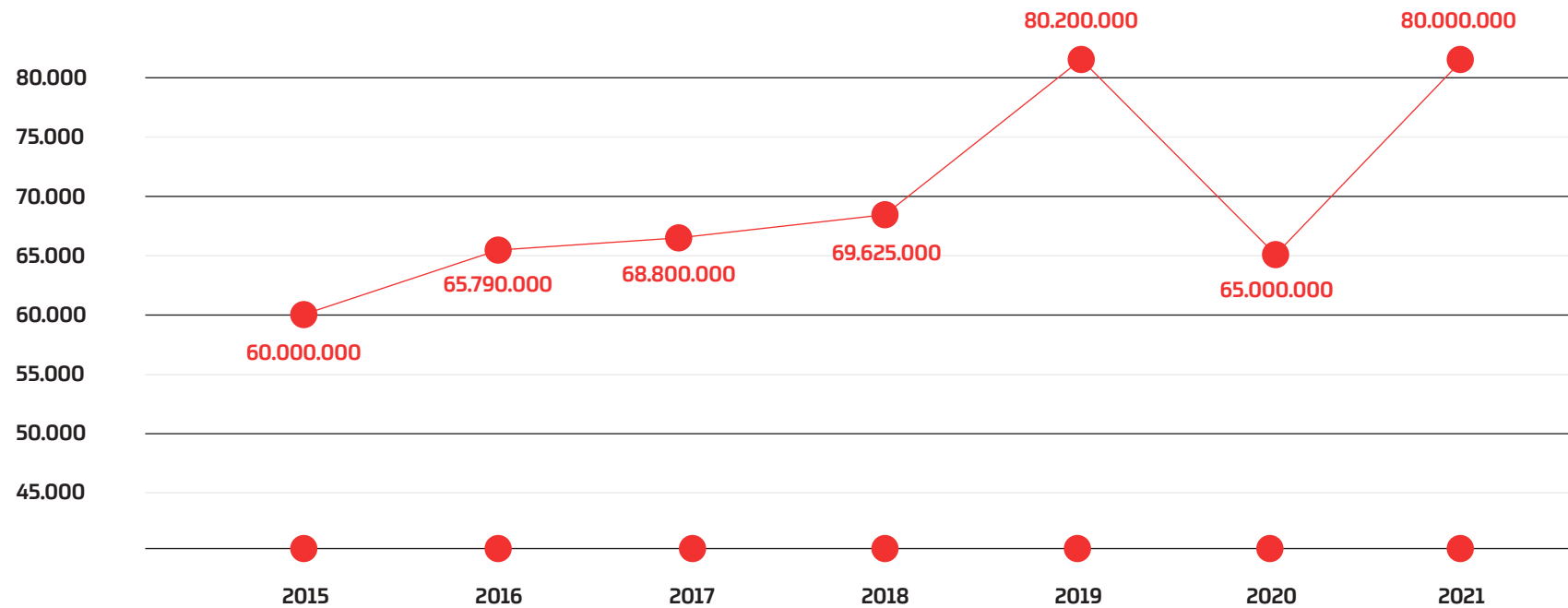
analysed in our laboratories. Moreover, our close approach with our clients permit us to contact them about the performance of new tailored products before putting into production at industrial scale. New infrastructures and plant designs are meticulously deliberated before the implementation. Our goal is to reduce the footprint and minimize the impact of our activities by constantly looking forward and backward.



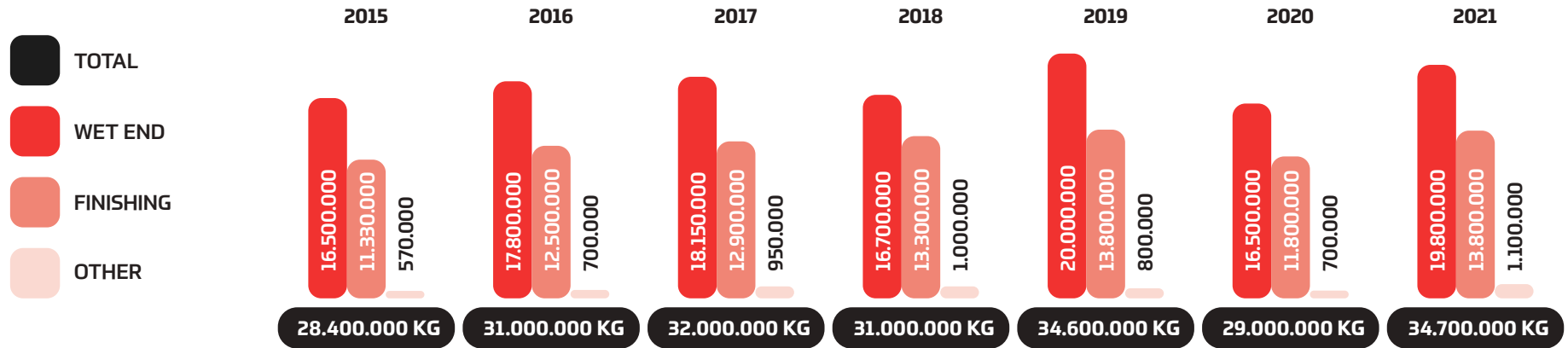
*“Every year our company makes great investments in safety to fully protect its employees and train the team. In 2021 we had over 1k total hours of training and that means to have more information and consciousness.”*

# Key economic figures (€)

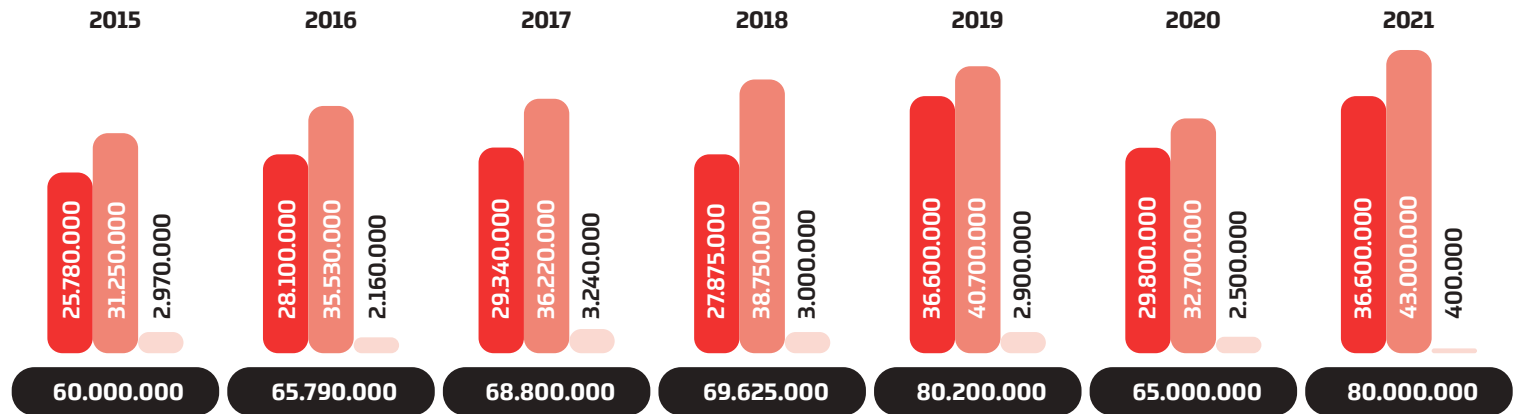
| Date 31 <sup>st</sup> December | 2015       | 2016       | 2017       | 2018       | 2019       | 2020       | 2021       |
|--------------------------------|------------|------------|------------|------------|------------|------------|------------|
| <i>Amount of sales</i>         | 60.000.000 | 65.790.000 | 68.800.000 | 69.625.000 | 80.200.000 | 65.000.000 | 80.000.000 |
| <i>Growth in %</i>             | 5,6 %      | 9,7 %      | 4,6 %      | 1,2 %      | 15,9 %     | -18,9 %    | 23,1 %     |



## Production (KG)



## Sales (€)



# 3. Environmental Responsibility

- Sustainable sourcing
- Energy intensity
- Water consumption
- Climate change compromise
- Waste management



# Sustainable sourcing

Globalization of supply chains and the constraint to reduce production costs have dangerously impacted environments and communities all over the world, especially in developing countries where big companies have installed their production searching for economic work force and lower environmental standards.

Sustainable sourcing refers to the optimization of raw materials, energy and resource depletion without compromising environmental, social and economic aspects. Company stakeholders' requirements about environmental responsibility increase every year, so as a leading company in the chemical industry we see this as an opportunity, rather than as a limit.

# Our commitment

Our purpose is to lead the sustainable race within our industry, setting standards to our competitors. We want to reduce emissions all along the life cycle of our products, from cradle to grave. Using resources as efficient as possible, and with the circular economy and life cycle assessment approaches strongly implemented in our value chain, we expect to progressively reduce our environmental footprint as much as possible. Moreover, our target for the following years consist in being Carbon Neutral by the planning and execution of low carbon initiatives and the offset of our carbon surplus by funding equivalent compensating projects.

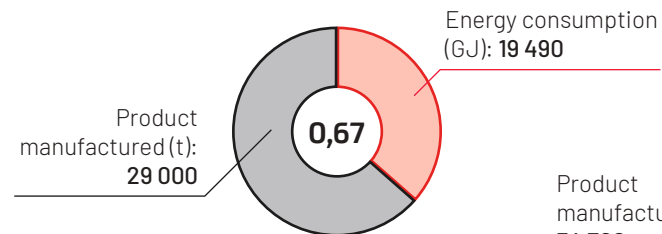


# Energy intensity

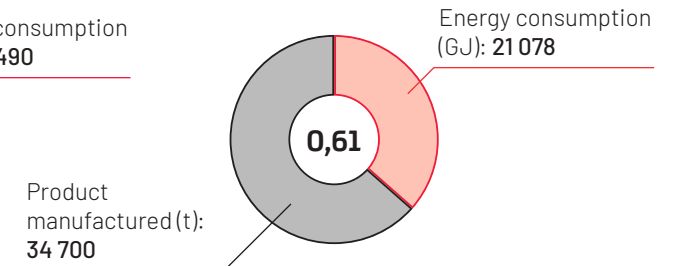
Within the framework of the 2030 Agenda planned by the European Union, the energy management is a major concern and the principal obstacle to tackle for a more sustainable future, due to most of the greenhouse gases are energy related. A responsible energy consumption is a mandatory task that has been assigned not only to all stakeholders in the worldwide industry, but to each singular person that currently inhabits our planet. This global challenge is a consequence of an inefficient management of the energetic resources, and a high dependence of non renewable sources in an industry powered by fossil fuels. Alongside the climate crisis, an energetic crisis is coming, threatening the social balance between countries and forcing us to answer with energy efficient policies and a progressive energy transition towards the transformation of the global energy sector.

GSC Group, as an energy-intensive company, is committed to responsibly use the energetic resources available and to implement an energy management that will serve us to analyse and further improve the efficiency of our plants. Our production plants work with natural gas and electricity, being the first one the principal source of energy (around 54% over the total energy consumption in 2021), mainly used in steam production and heating processes. All our heat exchangers and process flows are insulated and our process network works in a closed loop, reducing to the minimum the energy losses and assuring the maximum recovery. Moreover, our process plants are periodically reviewed in order to guarantee its correct functioning, and submitted to changes that can improve the energetic performance, audited internally and externally.

Energy intensity 2020 (GJ/ton)



Energy intensity 2021 (GJ/ton)



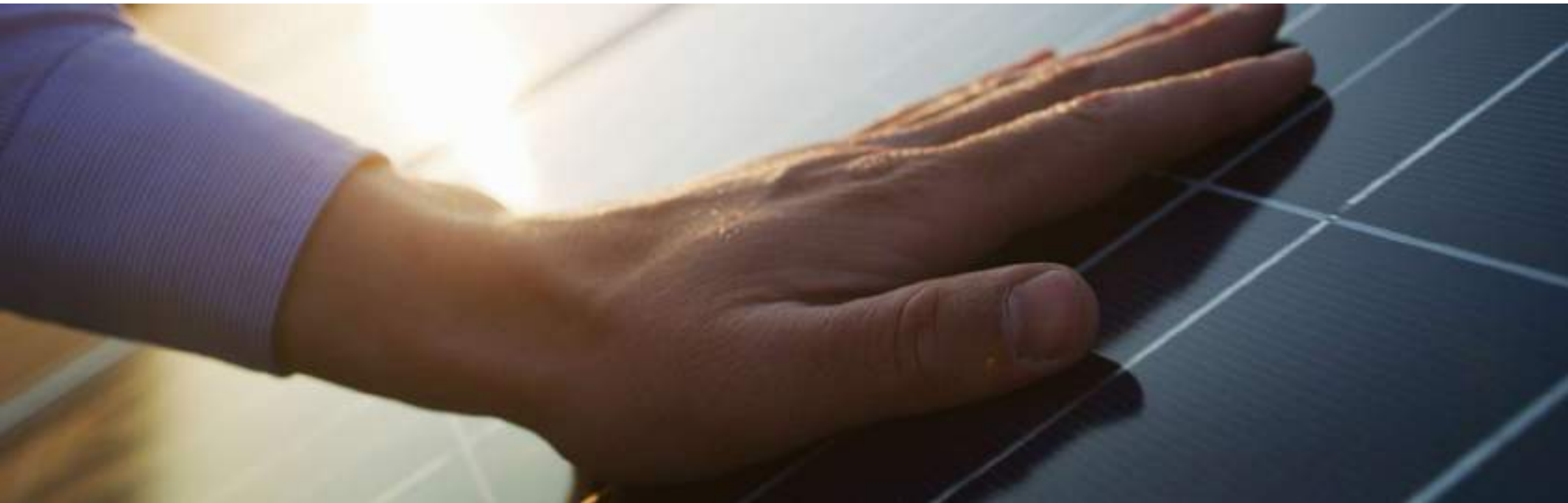
Energy consumption within the organization (Gj)

|                                       | 2019          | 2020          | 2021          |
|---------------------------------------|---------------|---------------|---------------|
| <i>Natural Gas</i>                    | 11.805        | 11.135        | 11.347        |
| <i>Diesel</i>                         | 1.942         | 1.462         | 1.524         |
| <i>Gasoline</i>                       | -             | 19            | 15            |
| <b>Non renewable fuels</b>            | <b>13.747</b> | <b>12.616</b> | <b>12.886</b> |
| <i>Electricity purchased</i>          | 5.777         | 6.164         | 7.083         |
| <i>Renewable electricity produced</i> | 1.021         | 1.157         | 1.451         |
| <i>Renewable electricity sold</i>     | 181           | 447           | 342           |
| <b>Total energy consumption</b>       | <b>20.364</b> | <b>19.490</b> | <b>21.078</b> |

# Energy intensity

Electricity is the other pillar in our energetic basis. Almost all of our equipment works with electric energy (reactor mixers, forklifts, pallet trucks, packaging and laboratory equipment). The Group counts with a photovoltaic panels system of around 4500 square meters between the headquarters of Montebello, Montorso and Vigazzolo. The production of renewable electric energy rose 11,78% in 2021, representing the 17% of the total electric energy consumption in the entire year. Our intention is to progressively increase this percentage in the following years, so we can be less dependent on fossil fuels. Considering the energy intensity of the company, we have diminished in

0,06 GJ per ton produced in comparison to 2020, but we still are 0,02 points above the 2019 results, with very similar yearly production rates. We aim to energetically optimize our production processes in order to tackle the energy intensity in the following years. The use of diesel and gasoline is connected to the vehicles fleet of the company. Work travels of employees and national downstream services are thus considered. The data collection comes directly from energy bills of the company, using the standard national parameters (ISPRA) of the reporting period for the energetic analysis.



# Water consumption

Water is responsible for the existence of each lifeform on our planet, and the most important resource for the correct operation of every ecosystem in the world. Life is water driven, and its scarcity is threatening not only the survival of the human being, but also of animals, plants and basically all organisms in the earth, so it is our duty to preserve it and make an efficient use of it. As a chemical producer, water is fundamental in each step of our production value chain. From solvent of a large part of our products for the wet-end department, to coolant or cleaning agent in process operations, it forms part of our daily work. Our closed loop system assures that water is recirculated for different operations and some of it is recycled and manufactured in our products.

We only abstract water from deep wells and aqueducts, and according to the Aqueduct Water Risk Atlas, almost all our water extracted in 2021 comes from an area with low-medium, 10-20%, water stress (24,684 ML). Only the 0,96 % came from an area with medium to high, 20-40%, water stress, related to the laboratory in Santa Croce sull'Arno, in Florence.

All our water consumption regards its use as solvent in many of our products, the rest is properly treated in third party facilities and there is no direct discharge into any water body. The usual water impacts related to our activities are COD, BOD and TKN concentration, and our production effluxes are carried by tank trucks to local wastewater companies. According to their information, our wastewater passes through primary, secondary and tertiary treatment, including physicochemical operations, biofiltration, oxidation-denitrification, aeration, heavy metal reduction, UV disinfection and sludge drying.

## Water withdrawal (Megaliters)

| Source                  | Type of water | 2019             |                     | 2020             |                     | 2021             |                     |
|-------------------------|---------------|------------------|---------------------|------------------|---------------------|------------------|---------------------|
|                         |               | Low water stress | Medium water stress | Low water stress | Medium water stress | Low water stress | Medium water stress |
| Surface Water           | Freshwater    | 4,657            | 0,358               | 5,362            | 0,289               | 5,914            | 0,237               |
|                         | Otherwater    | -                | -                   | -                | -                   | -                | -                   |
| Underground water       | Freshwater    | 17,046           | -                   | 17,844           | -                   | 18,770           | -                   |
|                         | Otherwater    | -                | -                   | -                | -                   | -                | -                   |
| Third-party water       | Freshwater    | 4,657            | 0,358               | 5,362            | 0,289               | 5,914            | 0,237               |
|                         | Otherwater    | -                | -                   | -                | -                   | -                | -                   |
| <b>Total withdrawal</b> |               | <b>21,703</b>    | <b>0,358</b>        | <b>23,206</b>    | <b>0,289</b>        | <b>24,684</b>    | <b>0,237</b>        |

## Water discharge (Megaliters)

| Source                   | Type of water | 2019             |                     | 2020             |                     | 2021             |                     |
|--------------------------|---------------|------------------|---------------------|------------------|---------------------|------------------|---------------------|
|                          |               | Low water stress | Medium water stress | Low water stress | Medium water stress | Low water stress | Medium water stress |
| Surface Water            | Freshwater    | -                | -                   | -                | -                   | -                | -                   |
| Underground water        | Freshwater    | -                | -                   | -                | -                   | -                | -                   |
| Third-party water        | Freshwater    | 9,793            | 0,358               | 12,936           | 0,289               | 15,409           | 0,237               |
| <b>Total discharge</b>   |               | <b>9,793</b>     | <b>0,358</b>        | <b>12,936</b>    | <b>0,289</b>        | <b>15,409</b>    | <b>0,237</b>        |
| <b>Water consumption</b> |               | <b>11,910</b>    | <b>0</b>            | <b>10,270</b>    | <b>0</b>            | <b>9,275</b>     | <b>0</b>            |



## Meteoric water

The company has installed in its main headquarter, in Montebello, a first flush tank with a capacity of 50 cubic meters. First flush phenomena is known to be one of the main contaminants of water bodies, particularly on the open spaces of chemical factories where the runoff can carry danger substances. The tank, that works by decantation and filtering is settled to automatically seal once the first flush height (5 mm) is reached, then the non contaminant second flush rain is conveyed outside. It also has a submersible pump to separate the treated water.

# Climate change compromise

Climate change is one of the hardest challenges that the human race has ever collectively faced. This constraints a common effort to limit the GHG emissions into the atmosphere, respecting the globally established objectives and implementing actions that will help to reduce the consequences of this major problem. GSC Group felt the need to commit to this by deciding to go towards a carbon management politics, in order to measure the footprint of our activities and to set achievable targets for the near future. The objective is to enhance a carbon neutral European Union, in conformance with the objectives of the Paris Agreement and the latest IPCC previsions, an ambitious goal that requires actions from both governments and private sector, in an strategic combined plan to stop the rise of the global temperature 1,5 °C above pre-industrial levels, which first step is called 2030 Agenda.

The quantification of the emissions related to the whole production process of GSC Group (Scope 1, 2 and 3) is a voluntary choice that represent an statement of intent and the first step into the carbon neutrality.

The registration of the 2019's Carbon Footprint of Organization (CFO) placed us as the first company in the Italian leather auxiliaries chemical industry within this initiative, demonstrating our willingness to transparency regarding this topic and our compromise to reduce the carbon impact of our activities. As 2020 was a difficult year that did not represent the current growth of the company, we decided to directly register the 2021's CFO, to provide quality comparative data. According to the GHG protocol, the emissions related to a company can be divided into three main groups:

## Scope 1

Emissions related that occur from sources that are controlled or owned by an organization (e.g., emissions associated with fuel combustion in boilers, furnaces, vehicles).

## Scope 2

Indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling. Although they not occur within the company's facilities, they are accounted for in an organization's GHG inventory because they are a result of the organization's energy use.

## Scope 3

Result of activities from assets not owned or controlled by the reporting organization, but that the organization indirectly impacts in its value chain. Scope 3 emissions include all sources not within an organization's scope 1 and 2 boundary. Scope 3 emissions, also referred to as value chain emissions, often represent the majority of an organization's total GHG emissions.



QR CODE to the CFO's GSC GROUP registration page of the Carbon Footprint Italy programme, supported with blockchain technology.



# GHG emissions

The total CFO of the GSC Group in 2021 is 101.600 tons of CO<sub>2</sub> equivalent, from which just the 1,44% are related to direct and indirect energy use within the company's facilities (Scope 1 & 2). The indirect actions related to the Scope 3 complete the remaining emissions of the whole CFO, addressing the path to follow into carbon reduction. Moreover, the indirect emissions from purchased materials (Category 4 according to ISO 14064), which almost stands for the raw materials used by the company, represent the 92% of the total CFO, revealing the necessity to adopt drastic measures in the selection of raw materials and the management of the supply chain. All the calculations of the 2019 and 2021 CFOs have been verified by the external party Bureau Veritas. Analysing the results, we have managed to decrease the Scope 1 & 2 emissions in 1,462% compared to 2019, accounting for similar production rates. Despite this, we have suffered an increase of 8.66% in the total CFO, mainly due to two reasons. Following the new directives of the ISO standards, we have changed the approach of calculating the upstream and downstream transport duties, resulting in a slight increase of these categories, and we have also included the packaging services in the purchased materials.

As it has been explained in the report, we are studying the implementation of sustainable solutions in order to reduce our CFO progressively in the coming years, paying special attention to indirect emissions related to the logistic network. In addition to carrying out all the administrative procedures concerning energy management and production from renewable sources, GSC Group commits to reduce the indirect emissions by working close with our suppliers, selecting them according to our own evaluation about environmental performance, proximity and collaborative application of intermodal transport alongside the supply network.

## GHG emissions (CFO)

|   | 2019          | 2020          | 2021           |
|---|---------------|---------------|----------------|
| <b>Scope 1 - Direct emissions</b>                         | <b>804</b>    | <b>736</b>    | <b>760</b>     |
| <i>Emissions from stationary combustion</i>               | <b>661</b>    | <b>627</b>    | <b>678</b>     |
| <i>Emissions from mobile combustion sources</i>           | <b>143</b>    | <b>109</b>    | <b>82</b>      |
| <b>Scope 2 - Indirect emissions from purchased energy</b> | <b>721</b>    | <b>755</b>    | <b>702</b>     |
| <i>Emissions from purchased energy</i>                    | <b>721</b>    | <b>755</b>    | <b>702</b>     |
| <b>Scope 3 - Other indirect emissions</b>                 | <b>91.976</b> | <b>81.183</b> | <b>100.138</b> |
| <i>Emissions from upstream transport</i>                  | <b>1.807</b>  | <b>1.315</b>  | <b>1.689</b>   |
| <i>Emissions from downstream transport</i>                | <b>1.124</b>  | <b>889</b>    | <b>1.281</b>   |
| <i>Emissions from work travels</i>                        | <b>157</b>    | <b>12</b>     | <b>-</b>       |
| <i>Emissions from waste transport</i>                     | <b>59</b>     | <b>12</b>     | <b>-</b>       |
| <i>Emissions from purchased materials</i>                 | <b>87.583</b> | <b>77.700</b> | <b>93.812</b>  |
| <i>Emissions from waste treatment and disposal</i>        | <b>1.247</b>  | <b>1.220</b>  | <b>3.356</b>   |
| <b>Total GHG emissions</b>                                | <b>93.501</b> | <b>82.673</b> | <b>101.600</b> |

# Carbon footprint product

At the end of 2020, we started to work on the calculation of the CO<sub>2</sub> emissions of our products in the framework of the Carbon Footprint Product Systematic Approach, following the directives the ISO 14064:2018. This project involves the quantification of the GHG released per kg manufactured of each one of our single products (packaging included) on the basis of a life cycle approach, from cradle to grave. Supporting the roadmap in the direction of the European Green Deal, the project searches the publication of the Environmental Product Declaration (EPD) and foresees the certification of an external party and the registration on the Italian CFI programme. This endeavour represents a big step for the Group into carbon management and an act of transparency towards the industry, offering our clients accurate data about the emission related to our products to be used in their own GHG inventory, promoting a common effort between stakeholders to reduce the CO<sub>2</sub> in the atmosphere.



# Climate change compromise

We are also committed to reduce our air emissions related to other pollutants. Our production sites are armed with scrubbers, bag filters and utmost techniques in order to control our environmental footprint.

The only emission that was higher in the reporting period is the Particulate Matter impact category, due to the installation of a new production equipment in the pigments plant. The data collection comes directly from the analysis performed in our chimneys.

## Other significant direct air emissions (kg)

|   | 2019       | 2020       | 2021       |
|---|------------|------------|------------|
| <i>NOx, SOx</i>                           | -          | -          | -          |
| <i>Persistent Organic Pollutant (POP)</i> | -          | -          | -          |
| <i>Volatile Organic Compounds (VOC)</i>   | -          | -          | -          |
| <i>Hazardous Air Pollutants (HAP)</i>     | -          | -          | -          |
| <i>Particulate Matter</i>                 | <b>14</b>  | <b>18</b>  | <b>20</b>  |
| <i>Total Organic Carbon (TOC)</i>         | <b>414</b> | <b>270</b> | <b>267</b> |
| <i>Hydrogen Sulfide (H2S)</i>             | <b>7</b>   | <b>5</b>   | <b>6</b>   |



# Waste management

A correct organization of the effluents and the solid waste output of the company is the first step into a cleaner waste management and the reduction of it. Furthermore, a good understanding and knowledge of your waste efflux is the key to develop circular economy systems, favouring the re-utilization of this streams for our own goods or revalidating them as by-products in the market. Most of our waste produced in 2021, around 97%, are considered non dangerous. Taking into account the ADR agreement, just the 1,5% of the total wastes are considered dangerous for transport duties.

Regarding our activities, our most common effluxes are production water containing diverse substances (tanning agents, polyurethanes, waxes, pigments) and water streams coming from cleaning operations of reactors, mixers and laboratory equipment. As it has been explained before, this waste flows are properly treated in

third party facilities and then discharged, accounting for around 79% of our total waste in 2021.

Concerning our solid wastes, just the 9,5% are considered dangerous. Most of this are packaging materials which cannot be reused due to contamination of dangerous substances, hence they are cleaned and sent to chop and grind operations to create PCR HDPE. The rest of the dangerous solid/mud wastes are residues of products coming from the analytical/trial laboratory where our products are used, that are sent to incineration with energy recovery. The non dangerous solid wastes are mostly packaging materials non contaminated, that can reutilized, like HDPE bulk containers (IBC) reconditioned by third parties, or wood, cardboard, iron, or organic wastes, that are sent to third party recycling facilities.

## Waste (tons)

| Year                   |                                      | 2019      |               | 2020      |               | 2021      |               |
|------------------------|--------------------------------------|-----------|---------------|-----------|---------------|-----------|---------------|
| Type                   |                                      | Dangerous | Non dangerous | Dangerous | Non dangerous | Dangerous | Non dangerous |
| Diverted from disposal | Preparation for reuse                | 37        | 933           | 26        | 1.003         | 31        | 1.129         |
|                        | Recycling                            | 32        | 62            | 37        | 85            | 57        | 88            |
|                        | Other recovery operations            | 36,31     | -             | 0,04      | 1             | -         | -             |
| Directed from disposal | Incineration with energy recovery    | 44        | -             | 35        | -             | 40        | -             |
|                        | Incineration without energy recovery | -         | -             | -         | -             | -         | -             |
|                        | Wastewater treatment                 | -         | 4.438         | 18        | 4.545         | 79        | 5.365         |
|                        | Landfilling                          | -         | -             | -         | -             | -         | -             |
|                        | Other disposal operation             | -         | -             | -         | -             | -         | -             |
| TOTAL                  |                                      | 149       | 5.433         | 116       | 5.633         | 207       | 6.583         |



## 4. Sustainable R&D

- Our strategy
- Sustainable commitment
- Product safety procedures
- Product packaging and value chain logistics



# Our strategy

At GSC Group we are devoted ourselves to chemistry and our customers. Our product portfolio shows that we are in constant dialogue with our clients, developing solutions that optimize the results of the tanning value chain and does not compromise the environmental performance, neither at our production site nor at the downstream distribution phase, taking into account the end-of-life disposal process. To achieve this, we have established an expert team of scientists and researchers who work hard under the request of our customers to develop tailored solutions for each one of them. Innovation is the vehicle we want to drive, and sustainability is the road we want to follow.



## Wet-end

Our product portfolio includes a wide range of chemicals dedicated to the wet-end phase of the leather process. Being a crucial part in the leather treatment, we have mastered the manufacture of auxiliaries for the tanning, re-tanning, fat-liquoring and wet dyeing processes, achieving the best results without compromising the life cycle assessment of our clients, always choosing raw materials with a minimum impact. Moreover, the high performance of our wet end products assures that our water effluents carry out the lowest possible COD, BOD and TKN values after its application.

## Finishing

Due to the many different uses of leather, this department works hard in the development of auxiliaries that can yield the best results regarding to appearance, resistance to abrasion and fire, smoothness, mildness, moisture impact and many other features required by our clients. Our services includes more than 60 different types of physical tests that allow us to optimize the characteristics of our products, meeting the most sophisticated specifications of our clients. Furthermore, our close relationships permit us to counsel them about the best available techniques for the implementation of our products.

## Pigments

As part of the finishing department, but acting independently, the pigments section produce colourants that elevate the aesthetic properties of the finished articles treated with them. These environmentally friendly pigments assures the sustainability and viability of the leather industry, and does not compromise the artistic and creative side of it, allowing tanneries to manufacture the best possible products that can adequate to the crescent exigencies of the big brands and the fashion market. Applying our light fastness test, we can also provide guarantees to our clients of the efficiency and quality of our pigments over the years.

## Touchmill

A line of products designed to ennoble the aesthetic and physical qualities of leather. The treatment is carried out in dry milling drums, to get the most out of every product in a controlled environment. The research, study and formulation of new solutions for the Touchmill line are designed to meet the "Customisation" needs of the leather. Injecting Touchmill products into the dry milling drum and controlling the temperature and humidity, gives the leathers a natural effect and results in significant savings in production costs.



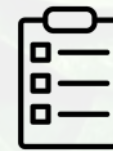
**30%**

Employees  
dedicated to  
R&D department



**33**

median  
age of our  
researchers



**50**

New products  
developed during  
the reporting  
period



**9,47%**

Over total  
expenses  
dedicated to  
R&D department

- 43,4% Finishing
- 42,7% Wet end
- 13,4% Polyurethanes
- 0,5% Other

## Environmental commitment

In response to the needs of both society and market, GSC's R&D Department has pledged to develop new products aligned with the tendencies emerged during the last decade. We comply with all the Italian and European regulations, aiming at setting our own standards above laws and ordinances. Our scientists are involved in a ceaseless investigation focused on the environmental characteristics of our products. Regarding our production, just the 5% (per kg manufactured) of the total is considered dangerous for the environment, accounting for around 90% of products with that characteristics and 95% of products out the ADR agreement for transport duties. Furthermore, our supply department selects the finest raw materials (around 30 000 tons/year), in order to look for bio-based solutions that can help us improve the end-of-life performance and biodegradability of our products.

## Traceability

To design our future strategy, we look beyond what's currently happening, programming each step carefully in accordance with the movements of the industry. We are witnessing how transparency is becoming essential in the value chain of almost every sector of the worldwide industry, simplifying the dialogue of stakeholders and consumers, and forcing each party to participate in this matter. Traceability will be the business of the near future, and we want to lead it, that's why we are putting all our efforts into develop new products which extraction, production, consumption and disposal processes are verifiable and confirmable.

## REACH dossiers

We keep pushing the boundaries of the tanning process, developing new agents that improve the sustainability and minimize the risk of its use. In the last years, we have successfully completed the registration of 11 new substances, and presently we are working on the registration of two more.



### LIFEGOAST

Bags presented during the conference held on 3 December in the prestigious setting of Villa Cordellina Lombardi in Montecchio Maggiore (VI), Italy

# LIFE GOAST

LIFE GOAST (Green Organic Agents for Sustainable Tanneries) is a European project funded by LIFE Programme, which focuses on the implementation of a novel leather tanning technology. LIFE GOAST combines the expertise on leather chemical auxiliaries with high level tanning competences and waste-water treatment management to give an innovative and complete approach to leather tanning.

At present, over 85% of the world leather production is chrome tanned, which poses serious environmental and health problems due to the formation of carcinogenic Cr(VI) in finished articles, prompting users to find innovative solutions. Moreover, the classical tanning process is characterized as water, energy and waste intensive and it is considered to be an activity demanding for integrated prevention and control of pollution.

LIFE GOAST project aims to demonstrate the sustainability of the overall leather production chain, enabling the complete circularity of the product by offering an alternative metal free process that allows the re-utilization of the leather scraps, and discharges no dangerous substances into the environment. The project is developed in collaboration with Medio Chiampo Consortium which manages the water systems in the area, Pasubio Tannery, and Ca' Foscari University of Venice. The research receives the support of the European Community.

## Product characterization

- **The leather treated with GOAST technology is exempt of Chrome and other metals**
- **The process is energy efficient ( $T \approx 70^{\circ}\text{C}$ )**
- **The TKN of the tanning float is almost zero**
- **In comparison with the traditional tanning process, the COD decreases notably**
- **No  $\text{H}_2\text{SO}_4$  or sulphates are added to the waste**
- **The product of the GOAST process is a versatile white leather that can easily compete and overcome the classic chrome tanning process**



<http://www.lifegoast.eu/>



LIFE16 ENV/IT/000416

# OMW Tanning Technology

The concept Circular Economy relies on the valorisation of waste streams and residues to reconvert them into by-products that can be utilized as inputs in new or already established processes, in order to reduce the quantity of raw materials. OMW (Olive Mill Wastewater) is the waste by-product coming from olive pressing and centrifugation processes for the production of olive oil. This efflux is known to be one of the most contaminant agro-industrial output streams, characterized by acidity and phytotoxic power, that needs to be treated before its disposal into the environment. Despite this, OMW is recognized for extraordinary antioxidant properties and for containing natural tanning agents, making it suitable for the manufacture of leather chemical products.

From the collaboration of GSC GROUP with Dermochimica S.p.a a cutting-edge project was created that will enhance the entire leather supply chain. After extensive research, we have developed a range of revolutionary products by exploiting the tanning power of OMW creating a more sustainable approach to safeguard our future. The OMW Technology is eco sustainable and metal-free, suitable for leathers used in all types of applications and sectors. It allows to obtain leathers with high level characteristics and performances comparable to traditional tanning, and it is therefore a perfect alternative without compromising in terms of quality, performance or appearance. OMW tanning agents are obtained from a food industry waste (secondary product) and applied to a meat production waste (hides). All the production of OMW tanning agents takes place in Italy.

Italy is one of the most important global producer of leather goods and the second largest producer of olive oil in the world.

## Production volumes in Italy in 2020/2021:



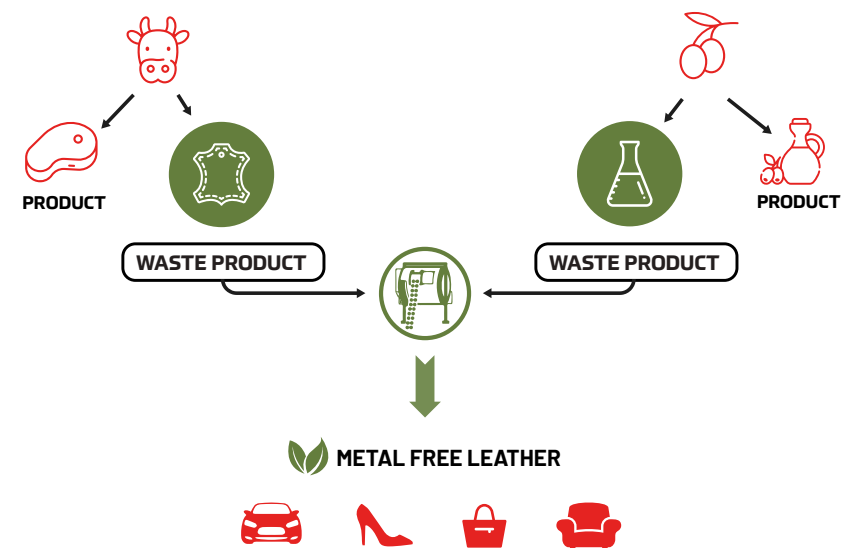
**97 million m<sup>2</sup> of finished leathers**

(“Italian Tanners Association” UNIC annual report)



**315.000 tons of olive oil**

(ISMEA “Institute of Services for the Agricultural Food Market” data 2020)



# Biobased leather chemicals

## **GSC Group presents the results of a new study, focusing on the implementation of bio-based chemicals to produce a greener leather technology**

Bio-based derivatives are gaining remarkable importance for the leather processing, thus becoming more and more impacting and effective in the supply chain of this industry. However, it is still quite debatable whether such chemicals might perform equally to their actual fossil-fuels counterparts: this investigation showed how bio-based chemicals can eventually replace the fossil-fuels derivatives.

In addition, an overall overview of the tanning, retanning and finishing processes and the chemicals involved with respect to the bio-based content have been carried out: The investigators focused on the estimation and the measurement of bio-based derivatives contribution to each phase of the leather processing, their application and therefore the assessment of the leather performances.

As a result, a correlation between bio-based, fossil contents and the leather performances were established, aiming at demonstrating the possibility of highly quality leather production with less impacting chemicals and therefore a more sustainable process.



# Pigments for metal-free leathers

## The highest quality standards

This range for metal-free leathers\*, mainly designed for Footwear and Leather Goods, is the result of much research to achieve the utmost environmental standards, as required by companies in the fashion world. The pigments that make up this series have been developed by selecting the best quality raw materials, reducing their environmental impact in compliance with the ZDHC MRSL v.2.0 guidelines.

## High degree of reproducibility

GSC Group pigments are designed to minimize problems whilst color matching, meeting all expectations of the final customer, giving the desired hue and shade. To ensure consistent repeatability in the manufacture environment, our pigments are tested in different acrylic and polyurethane based binders.

## Large selection to choose from

This innovative range is a valid alternative to traditional pigments such as iron oxide and titanium dioxide pigments that cannot be used for the preparation of metal-free leathers\*. It allows to correctly reproduce the spectral curve of a large number of colors.

## Responsive technical assistance and strict quality control

Before every shipment, each lot is subjected to numerous quality checks to ensure the consistency of the desired characteristics. The absence of all prohibited substances is carefully verified through multiple testing and analysis of the production batches.



\* According to the definition of the UNI EN 15987: 2015 standard: "metal-free leather" (paragraph 4.2.2.3): "Animal hide converted into leather, whose total content of all tanning metals in leather (Cr, Al, Ti, Zr, Fe) is less than or equal to 0,1% (mass of the amount of all metals / total dry weight of the leather)"

# Product safety procedures

The stewardship of our products has always been one of our maximum concerns. Moreover, according to the materiality analysis, Health and Safety at workplace and Product Safety have been identified as two of the three most relevant topics in common with our stakeholders. The Safety Data Sheets are our most useful mechanism for product risk assessment and communication. A total of 961 SDS were prepared during 2021, including: intermediate products within our production process for which an internal risk evaluation is needed, previous years products under stakeholder requests, the updating of older SDS whose products suffered significant changes in the formula or in the manufacture, and the development of current SDS for brand new products. The remarkable increase between 2019 and 2020 is mainly due for two reasons. The first one is the addition of a new product portfolio coming from the acquisition of a whole company at the end of 2019 and the second is the implementation of a more efficient technique for the SDS development, recalculating already existing ones. As it was expected, the number of SDS prepared in 2021 significantly decreased in comparison with the previous years. Our management system integrates the use of SDS for the production of proper labels to be used during the different phases of the value chain. From the storage of intermediate and finished products to end-of-life instructions, passing through transport duties and client risks reporting, a correct labelling is essential in this new leather industry where environmental safety, traceability and human care is highly demanded.

## Safety data sheet

|  | 2019        | 2020        | 2021       |
|--|-------------|-------------|------------|
| <i>Number of SDS prepared in the reporting period</i>            | <b>1594</b> | <b>3226</b> | <b>961</b> |
| <i>Number of products for which a SDS was created or updated</i> | <b>898</b>  | <b>1206</b> | <b>602</b> |

No incidents of non compliance with regulations or voluntary codes concerning health and safety impacts or information and labelling of products were recorded during the reporting period.

# Product packaging and value chain logistics

As our strategy goes through the continuous improvement of our production process and operative conditions, and the development of innovative products, we are also making many efforts in the furtherance of our downstream value chain network. While we strive to seek out the best suppliers with the minimum impact, we are conscious that we are responsible for the upstream emissions and environmental impacts of the tanning industry, so it's our task to contribute our part and demonstrate that we believe in the European Green Deal, demonstrating that this sector is ready for the change.

Our products are mainly packaged with plastic and HDPE containers, card and nylon bags and cardboard. Wood and steel are also present within our packaging and transport duties. In the last decade we started to work with recycled packaging materials like PCR plastic containers and granulated recovered HDPE, saving costs in production and reducing the environmental impacts.

In 2021 around 44% of purchased drums were completely made of PCR HDPE, 53% were assembled with a mix of PCR HDPE and virgin HDPE, and the other 3% of brand new HDPE, saving up from 25 to 50% CO2 emissions. We also work with reconditioned IBC, which are carefully cleaned and prepared for its reuse by third parties, decreasing the carbon footprint up to 70% of a brand new IBC.

Furthermore, in 2020, we started to promote a project in partnership with packaging and logistic companies to collaborate with the whole Arzignano industry sector. The project is aimed to create a closed loop re-utilizing IBC containers for companies not also in the tannery industry, but also chemical and pharmaceutical sector, favouring the participation of all the stakeholders in the district, optimizing transport and reconditioning services with cooperative actions. The idea is to involve as many companies as possible, contributing to raise the environmental performance of the whole district and giving solutions to the local packaging industry.



# 5. Social Responsibility

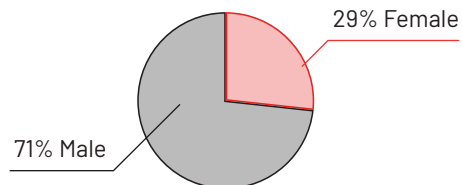
- Our workforces
- Professional development
- Occupational Health and Safety systems
- The Group's welfare



# Our workforce

The success of GSC Group as a company lies in the talent and good capacities of the employees. Our people are our most valuable asset, this is why we are committed to keep improving their capabilities and skills, always looking for the best professionals in our field and supporting their development. Our Human Resources department implement modern and efficient techniques for the management of the employees, in order to retain our workers, to guarantee the high standards of our services and the continuous progress of the business. Our corporate strategy stimulates a working environment where operators, researchers, office workers, technicians and managers cooperate together under a framework of equality, diversity and respect. Likewise, the Group rejects any kind of discrimination, particularly by reasons of age, gender, religion, race, sexual orientation, national origin or disability.

Employees by gender (2021)



## Employees by age and gender

| Age group | 2019   |      |                | 2020   |      |                | 2021   |      |                |
|-----------|--------|------|----------------|--------|------|----------------|--------|------|----------------|
|           | Female | Male | %              | Female | Male | %              | Female | Male | %              |
| Under 30  | 4      | 11   | 10,5           | 6      | 14   | 13,3           | 8      | 21   | 19,0           |
| 30-50     | 27     | 54   | 56,6           | 28     | 55   | 55,3           | 28     | 54   | 53,6           |
| Over 50   | 8      | 39   | 32,9           | 8      | 39   | 31,3           | 8      | 34   | 27,5           |
| Total     | 39     | 104  | Median age: 36 | 42     | 108  | Median age: 35 | 44     | 109  | Median age: 41 |
| %         | 27,3   | 72,7 |                | 28     | 72   |                | 28,8   | 71,2 |                |

## New hires

| Age group | 2019   |      | 2020   |      | 2021   |      |
|-----------|--------|------|--------|------|--------|------|
|           | Female | Male | Female | Male | Female | Male |
| Under 30  | 1      | 8    | 3      | 4    | 1      | 6    |
| 30-50     | 5      | 18   | 1      | 2    | 1      | 1    |
| Over 50   | 2      | 6    | 0      | 0    | 0      | 1    |
| Total     | 8      | 32   | 4      | 6    | 2      | 8    |

GSC Group has established a reciprocal relationship with his employees towards sustainability, complying with internationally recognized labour and social standards. We are projecting a global company that does not want to lose its representative family touch. The total number of workers within the Group at the end of the reporting period was 175, although, only Italian affiliates have been considered in the personnel data collection, hence a number of 164 employees have been accounted.

Since the beginning of 2021, the company presented an employment rate growth of 4,46%, finishing the reporting period with a number of 164 employees, 153 internal and 11 external. For 2019, the company analysis showed a general turnover of 47,76%, decreasing to 23% in 2021. The acquisition of a whole company in 2019 and the retirement of some of our workers are the key to understand

this high value. During 2019, 12 external workers were hired, by means of an agency, for process plant operations and office labours. This number dropped to 11 in 2021.

At the end of the reporting period, regarding the employment type, 88% of the workers employed by the company were in full-time regime. With regards to the benefits provided to the employees, no distinction is made between the type of contract. The Italian National Health System assures that no one remains without medical insurance. In addition, the company also offers regular medical services and benefits as permits for medical visits, smart working schedules and training assistance accessible to all our employees.



### Employees by gender and contract type

|                  | 2019      |            | 2020      |            | 2021      |            |
|------------------|-----------|------------|-----------|------------|-----------|------------|
|                  | Female    | Male       | Female    | Male       | Female    | Male       |
| <i>Full time</i> | 34        | 104        | 37        | 108        | 34        | 109        |
| <i>Part time</i> | 5         | 0          | 5         | 0          | 10        | 0          |
| <b>Total</b>     | <b>39</b> | <b>104</b> | <b>42</b> | <b>108</b> | <b>44</b> | <b>109</b> |
| <i>Permanent</i> | 36        | 103        | 37        | 104        | 36        | 90         |
| <i>Temporary</i> | 3         | 1          | 5         | 4          | 8         | 19         |
| <b>Total</b>     | <b>39</b> | <b>104</b> | <b>42</b> | <b>108</b> | <b>44</b> | <b>109</b> |

## Parental leave

GSC Group cares about the families of all its employees and encourages their formation and development. Many measures have been established by the executive board in this regard, such as the extension of the parental leave in comparison with the legally required one,

flexible working schedules and smart working implementation. Each one of the workers employed by the company can take profit of these initiatives, regardless of their gender, age or any other distinction.

### Parental leave

|  | 2019       |            | 2020      |            | 2021       |            |
|--|------------|------------|-----------|------------|------------|------------|
|  | Female     | Male       | Female    | Male       | Female     | Male       |
| <i>Employees entitled to parental leave</i>      | <b>39</b>  | <b>104</b> | <b>42</b> | <b>108</b> | <b>44</b>  | <b>109</b> |
| <i>Employees who took parental leave</i>         | <b>5</b>   | -          | <b>2</b>  | -          | <b>5</b>   | -          |
| <i>Employees who return to work</i>              | <b>4</b>   | -          | <b>0</b>  | -          | <b>4</b>   | -          |
| <i>Employees who are still in parental leave</i> | <b>0</b>   | -          | <b>1</b>  | -          | <b>1</b>   | -          |
| <i>Return to work rate (%)</i>                   | <b>80</b>  | -          | -         | -          | <b>80</b>  | -          |
| <i>Retention rate (%)</i>                        | <b>100</b> | -          | <b>80</b> | -          | <b>100</b> | -          |



# Professional development

Attracting and retaining talent is the best way to assure the success of the company, standing as one of the top players in the leather industry. The growth of the company goes hand in hand with the development of the employees, turning training programs into one of our most effective actions toward employees engagement and business expansion. The evolution of the 4.0 industry, the introduction of new technologies and the change into a sustainable mentality needs of young qualified professionals with new ideas, but above all needs the constant training of the existing workers, in order to upgrade their skills and stimulate them for meeting the high standards and requirements of the market.

**7,53%**

Average training  
hours per employee  
in 2019

**7,95%**

Average training  
hours per employee  
in 2020

**6,47%**

Average training  
hours per employee  
in 2021

Our training programs begin in compliance with the mandatory courses required by the European and Italian legislation regarding Health, Safety and Environment topics, assigned to all the employees and external workers of the company. We also offer leadership specific courses to our managers, to promote best practices and attitudes from the top to the bottom of the organization.

In GSC Group, we firmly believe that obligatory courses and theoretical training programs are necessary for the development of new talents, but always complemented with a strong mentorship from more experienced agents that can instruct and coach young people, applying their field knowledge. We have tutors within our process plants that assist newcomers into their daily work, supporting formation activities and completing evaluation assessments until they are ready to work by their own.

We also provide long-term apprenticeships to our young researchers, offering the possibility of keeping their investigations while they educate and form themselves with us. This programs include specific software and laboratory training, conflict management & decision making courses and language developing skills, among others, plus the counselling and guidance of expert researchers that monitor their learning path.



# Occupational Health and Safety system

Ensuring occupational health and safety within the company has been always one of the principal concerns of the Group. We are fully dedicated to assure the security and well-being, not only of our employees, but also of all stakeholders related to our activities.

We believe that a correct safety management system pass through the compliance of the current regulations on occupational risk prevention, and the integration of these into all the operations performed. Moreover, the embracement of voluntary standards is the way the Group has chosen to continue improving all the aspects of our Health and Safety Management System and its implementation, promoting training programs for the workers and investing the necessary assets to keep growing. Our prevention policy achieved the milestone of zero serious accidents and intends to extend it in the following years. No high-consequence work-related injuries or fatalities were recorded during the reporting period. Neither work-related ill health cases were found between employees or external workers. Regarding near-miss incidents, 2 were recorded in 2021.

All our employees and workers not employed by the company operate under an occupational health and safety management system. Our *Policy for the environment and safety in the workplace* set the direction that the company decided to take in the past years, in compliance with all community, local and national, environmental and safety regulations. From the Board of Directors, employees and workers are encouraged to fully understand the content and the importance of this text, promoting the continuous involvement of all the staff in the implementation of processes of the Health and Safety Management System and its evaluation. The maximum reduction of risks and danger for the workers is thus achieved through the intimate collaboration of managers and operators, working together towards the same goal. In addition to this, the environmental performance is systematically assessed through the same principles. This risk based approach is rooted on the Deming Cycle (Plan-Do-Check-Act), where the H&S management system is always under revision and the planning is constantly evolving, settling long-term objectives. GSC Group has always understood ISO standards as a complementary

choice to the Italian and European legislation, in order to boost our occupational H&S management system and to accomplish the high quality of our services. Our first ISO 9001 arrived in 2002, and since 2008 we have certified our main headquarter for ISO 14001. Moreover, in 2013 we endorse OHSAS 18001 standard regarding health and safety, and in 2020 we aligned almost every production site with its correspondent ISO 45001. Due to the fact that Vigazzolo headquarter was acquired on the second semester of 2019 and due to the 2020 COVID situation, it's still in the process of being certified, operating under our own audit.

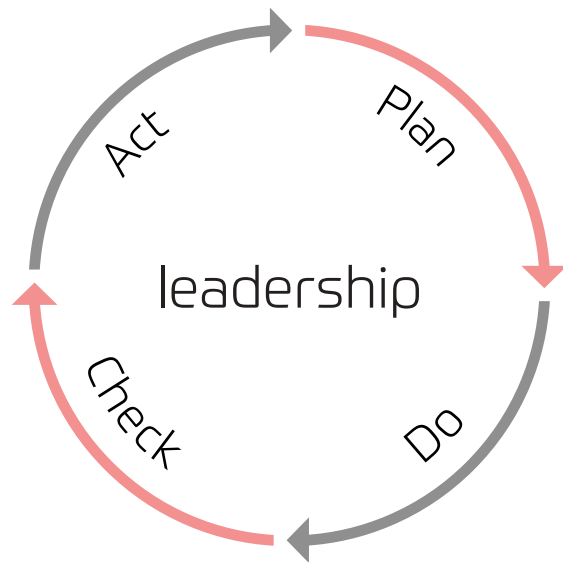
## Employees covered by an occupational H&S management system

|   | 2019   |      | 2020   |      | 2021   |      |
|---|--------|------|--------|------|--------|------|
|   | number | %    | number | %    | number | %    |
| <i>Employees covered by such a system audited or certified by an external party</i> | 126    | 88,1 | 133    | 88,7 | 137    | 89,6 |
| <i>Employees covered by such a system not audited</i>                               | 17     | 11,9 | 17     | 11,3 | 16     | 10,4 |

## Workers not employed covered by an occupational H&S system

|   | 2019   |     | 2020   |     | 2021   |     |
|---|--------|-----|--------|-----|--------|-----|
|   | number | %   | number | %   | number | %   |
| <i>Workers covered by such a system audited or certified by an external party (workplace controlled by the company)</i> | 12     | 100 | 7      | 100 | 11     | 100 |

# Hazard identification, risk assessment and incident investigation



In the past years, the risk based approach of the H&S management system changed from central to a more peripheral and deputized network. On the basis of a strong leadership from the managers that serves as a model for all the employees, each one of the actors in this network has an important roleplay. Each process plant, production site or storage warehouse, has two figures in charge of the occupational health and safety, a Security Responsible, which acts as the manager figure and represents the authority in the place, watching carefully that every activity undertaken flows correctly and in compliance with the standards and legislative regulations. In addition, the Workers Health and Safety Representative (in Italian, R.L.S.) ensures the security of all the workers and serves as a communication channel between employees and directors, giving them a voice and representing them.

Both figures interact directly with the H&S manager, who coordinates the correct functioning of the entire system. Through the use of regular risk checklists and field meetings they report and update the H&S manager about the daily situation and state of the personnel, plants, vehicles, machinery and equipment, and by applying verified safety operation procedures, risk control measures and other

modern management techniques, potential danger is minimized. Precautionary Principle is implemented at all levels of the value chain, and workers can point out irregularities by these methods, avoiding the exposure to certain risks. For example, if a machine suffers a malfunction and its use involves a potential risk, appropriate documentation (risk checklist) is hence produced and delivered to the manager, and until this machine passes an appropriate revision with its consequent documentation, it will be discarded for its use. Therefore an expedient would be opened to understand the causes of the incident and an investigation would be undertaken. Corrective measures or even sanctions would be applied if needed.

As a chemical producer, we have invested a lot of assets in the safety of our operators. Our plants are completely automatized, designed in such a way that reduces the direct contact of dangerous activities with its operators, and manual tasks are avoided as far as possible. Process plant changes, new equipment and other investment projects, and strategic plans are carefully studied before its implementation, analysing the potential safety and security risks associated.

# Occupational health service

GSC Group has an agreement with an external medical studio that support us and carries the duties of the occupational health services, providing our *Prevention and Protection Service Responsible* (in Italian, R.S.P.P.). All our workers are submitted to a medical examination before its entrance to the company, and their health conditions are regularly monitored during working hours. Depending on the field and function of each employee, the medical services design an individual and specific plan with diverse tests and examinations aimed to verify if the employee is suitable for the required task. Employees can also have a direct contact with the medical services, marking out problems that can arise during the labour duties or asking for assistance if needed, always being sure that their privacy rights will be respected.

In compliance with the Italian legislation, the RSPP together with the RLS, alongside the H&S manager, have the duties of drawing up the *Risk Assessment Document* (in Italian, D.V.R.), an official document designed for

present a hierarchical organization chart of the risks associated with the company's activities and the prevention and protection measures program. It is an accurate depict of the company (occupation, equipment, plants...) and how it deals with safety and security issues. The collaboration of the personnel is thus mandatory. Throughout the RLS and the RSPP, workers can identify missing parts of the risk prevention plan or improve it by suggestions and ideas that can emerge during field experience.

The Group also collaborates with ENFEASALUTE, as part of the *Labour National Collective Contract* (C.C.N.L) for the chemical industry, a supplementary health insurance. This platform supplies with healthcare benefits beyond the National Healthcare Systems to the workers attached. It provides additional assistance and it funds dental insurance, orthopaedic prothesis, cardiologic monitoring and specialistic medical attention which all our employees, independently of their contract type, can benefit from.



# The Group's welfare

The well-being of the employees and all the stakeholders related to our activities has always been one of our principal worries, and the efforts to extend this approach with local communities are recognized amongst other companies that work with us. GSC Group was born in the heart of the Arzignano tannery district, and we have become stronger by working together with suppliers, clients, competitors and other associated parties within the industry, each one of us contributing to create what Arzignano is today, one of the most competitive market in the world leather industry, creating great job opportunities for the people living in the locality and nearby regions, and raising the life standards of the community. We have established a reciprocal relationship that benefits every part of the local society.

## Canteen services

GSC Group offers its employees the possibility of having a meal within the facilities of the company, in a proper space prepared for the lunch break. The space can be enjoyed by every worker of the company bringing their own meal or by hiring the canteen services provided by an external party, which expenses are almost covered by the company (76% of the total expenses), supporting a healthy meal with vegetarian and vegan options. It also avoids the CO2 emissions of employees moving during lunch breaks. Moreover, it promotes social interactions between different employees of the company. Operators, technicians, office staff and managers can grow internal relations during lunch time.

## Sponsoring local entities

Since the creation of GSC Group we have been aware of the importance of supporting the social reality around us, sharing the same ethical values with our local communities and creating a strong legacy that can be passed to the next generation. We have built a long-lasting relationship with medical institutions and ONG associations, promoting health and charity initiatives, and we support schools and cultural associations from the area. We also support many sport clubs from Arzignano, Montebello and nearby towns. Athletics, football, basketball or hockey among others, are one of the main realities in our country that serves as catalyst in social relationships, joining together people from every social background and favouring close interaction within the community.



## GSC Academy

Along the years, GSC Group has been involved in many projects aimed to guide and form young people towards a bright future within the leather industry. Together with the AICC, we annually organized an orientation event where students can learn more about the tanning process and participate into related activities, coaching and motivating them to address a career in our sector. Furthermore, our expert technicians and scientist collaborate with local schools and technical institutes, instructing theoretical knowledge about finishing processes and colorimetry, and applying the practical *know how* acquired during many years of experience in our company.

## Arzignano Green Land

Raising awareness among young people about environmental issues is essential for the new generations to grow up with critical vision and consciousness. With the "Arzignano Green Land", an event from the festival for the green economy, "Green Week", some of the biggest companies in the tanning industry opened their doors to students and researchers, in an act of transparency, hosting



acts about eco-sustainability. With more than 60 students, the event was a revelation, aimed at disclosing how companies approach sustainability and green problems, with a guided tour around the different process plants in the principal headquarter of GSC Group, paying special attention about production with environmentally friendly products.

# Summary

The goal of this document is to carry out an evaluation of the company in accordance with the ESG values, containing essential information about environment, governance, ethics, corporate strategy, safety and social topics amongst others. It is also aimed at disclosing the performance of the GSC Group, publishing the most representative KPI's (Key Parameter Indicator) regarding sustainability matters, which can provide to our stakeholders a transparent and peripheral vision of the activities and results of the company, as an evidence of our sustainable development. This review constitute the second Sustainability Report drawn up by GSC Group, following the same principles of the previous one and tracking the growth of the company, the diverse strategies and projects arisen and fulfilled during the analysed period. The scope of the present report covers the period from January 1st to December 31th of 2021, and includes all the significant manufacturing sites and laboratories in Italy (Montebello, Arzignano, Montorso, Vigazzolo and Santa Croce sull'Arno), and commercial offices. It has been prepared following the latest guidelines available of the Global Reporting Initiative (GRI) included in its "Core" approach, in order to guarantee the transparency and reliability of the report. The arguments disclosed in the report have been chosen following the materiality analysis conducted, allowing us to identify the most important concerns GSC Group and their stakeholders have in common, and which topics are considered to be crucial for our collaborators, enhancing a transparent and effective reporting.



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## 6. GRI Index



| GRI Standard Glossary                      | Disclosure Topic   | Location       | Notes   |
|--|--|----------------|---|
| <b>GRI 101: Foundation (2016)</b>          |  |                |   |
| <b>GRI 102: General disclosures (2016)</b> |  |                |   |
| <b>Organizational profile:</b>             |  |                |   |
| 102-1                                      | Name of the organization                                     | 61             | GSC Group   |
| 102-2                                      | Activities, brands, products and services                    | 2-12, 42       |   |
| 102-3                                      | Location of headquarters                                     | 12, 13         |   |
| 102-4                                      | Location of operations                                       | 13             |   |
| 102-5                                      | Ownership and legal form                                     | 20-21          | GSC Group SPA   |
| 102-6                                      | Markets served   | 13             |   |
| 102-7                                      | Scale of the organization                                    | 5              |   |
| 102-8                                      | Information of employees and other workers                   | 5, 52-56       |   |
| 102-9                                      | Supply chain   | 13             |   |
| 102-10                                     | Significant changes to the organization and its supply chain |                | No significant changes occurred in the reporting period |
| 102-11                                     | Precautionary Principle or approach                          | 24             |   |
| 102-12                                     | External initiatives   | 59-60          |   |
| 102-13                                     | Membership of associations                                   | 15             |   |
| <b>Strategy</b>                            |  |                |   |
| 102-14                                     | Statement from senior decision-maker                         | 1              |   |
| <b>Ethics and integrity</b>                |  |                |   |
| 102-16                                     | Values, principles, standards and norms of behaviour         | 2, 6, 7, 22-24 |   |
| <b>Governance</b>                          |  |                |   |
| 102-18                                     | Governance structure   | 21             |   |
| <b>Stakeholder engagement</b>              |  |                |   |
| 102-40                                     | List of stakeholder groups                                   | 15-16          |   |
| 102-41                                     | Collective bargaining agreements                             | 52-58          |   |
| 102-42                                     | Identifying and selecting stakeholders                       | 16-18          |   |
| 102-43                                     | Approach to stakeholder engagement                           | 16, 17         |   |
| 102-44                                     | Key topics and concerns raised                               | 18             |   |

| <b>Reporting practices</b> |  |            |   |
|----------------------------|--|------------|---|
| 102-45                     | Entities included in the consolidated financial statements | 61         | GSC Group   |
| 102-46                     | Defining report content and topic Boundaries               | 17, 18, 61 |   |
| 102-47                     | List of material topics                                    | 18         |   |
| 102-48                     | Restatements of information                                | 61         |   |
| 102-49                     | Changes in reporting                                       | 61         | No significant changes                                  |
| 102-50                     | Reporting period   | 61         | 2021  |
| 102-51                     | Date of most recent report                                 | 61         | 2020  |
| 102-52                     | Reporting cycle  | 61         |   |
| 102-53                     | Contact point for questions regarding the report           | 61         |   |
| 102-54                     | Claims of reporting in accordance with the GRI Standards   | 61         |   |
| 102-55                     | GRI content index  | 64-66      |   |
| 102-56                     | External assurance   |            | The report has not been subjected to external assurance |

## Material Topics

### Ethics and integrity, Anti-corruption

| GRI Standard Glossary               | Ethics, integrity and corporate transparency                             | Location | Notes               |
|-------------------------------------|--|----------|---------------------|
| <b>GRI 103: Management approach</b> |  |          |                     |
| 103-1                               | Explanation of the material topic and its boundaries                     | 22, 23   | Management Approach |
| 103-2                               | The management approach and its components                               |          |                     |
| 103-3                               | Evaluation of the management approach                                    |          |                     |
| <b>GRI 205: Anti-corruption</b>     |  |          |                     |
| 205-1                               | Operations assessed for risk related to corruption                       | 22-24    |                     |
| 205-2                               | Communication and training about anti-corruption policies and procedures | 23, 23   |                     |
| 205-3                               | Confirmed incidents of corruption and actions taken                      | 22       |                     |

Energy and water management

| GRI 103: Management approach        |  |            |                     |
|-------------------------------------|--|------------|---------------------|
| 103-1                               | Explanation of the material topic and its boundaries | 29, 30, 32 | Management Approach |
| 103-2                               | The management approach and its components           |            |                     |
| 103-3                               | Evaluation of the management approach                |            |                     |
| GRI 302: Energy                     |  |            |                     |
| 302-1                               | Energy consumption within the organization           | 30         |                     |
| 302-2                               | Energy intensity                                     | 30         |                     |
| 302-4                               | Reduction of energy consumption                      | 31         |                     |
| GRI 303: Water and effluents (2018) |  |            |                     |
| 303-1                               | Interactions with water as a shared resource         | 32, 33     | Management Approach |
| 303-2                               | Management of water discharge-related impacts        |            |                     |
| 303-3                               | Water withdrawal                                     | 32         |                     |
| 303-4                               | Water discharge                                      | 32         |                     |
| 303-5                               | Water consumption                                    | 32         |                     |

Waste Management

| GRI 306: Waste (2020) |  |    |                     |
|-----------------------|--|----|---------------------|
| 306-1                 | Waste generation and significant waste-related impacts | 38 | Management Approach |
| 306-2                 | Management of significant waste-related impacts        |    |                     |
| 306-3                 | Waste generated  |    |                     |
| 306-4                 | Waste diverted from disposal                           |    |                     |
| 306-5                 | Waste directed to disposal                             |    |                     |

Climate Change Compromise

| GRI 103: Management approach |  |    |                     |
|------------------------------|--|----|---------------------|
| 103-1                        | Explanation of the material topic and its boundaries                           | 34 | Management Approach |
| 103-2                        | The management approach and its components                                     | 34 |                     |
| 103-3                        | Evaluation of the management approach  | 34 |                     |
| GRI 305: Emissions           |  |    |                     |
| 305-1                        | Direct (Scope 1) GHG emissions   | 35 |                     |
| 305-2                        | Energy indirect (Scope 2) GHG emissions  | 35 |                     |
| 305-3                        | Other indirect (Scope 3) GHG emissions   | 35 |                     |
| 305-4                        | GHG emissions intensity  | 35 |                     |
| 305-5                        | Reduction of GHG emissions   | 35 |                     |
| 305-6                        | Emissions of ozone-depleting substances  | 37 |                     |
| 305-7                        | Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions | 37 |                     |

Environmental compliance

| GRI 307: Environmental compliance |  |        |  |
|-----------------------------------|--|--------|--|
| 307-1                             | Non-compliance with environmental laws and regulations | 22, 44 |  |

## GRI Index

Product quality, production innovation, R&D investments, Low environmental impact products, Raw materials and product traceability

### GRI 103: Management approach

|       |  |       |                     |
|-------|--|-------|---------------------|
| 103-1 | Explanation of the material topic and its boundaries | 41-43 | Management Approach |
| 103-2 | The management approach and its components           |       |                     |
| 103-3 | Evaluation of the management approach                |       |                     |

### GRI 301: Materials

|       |  |    |                     |
|-------|--|----|---------------------|
| 301-1 | Materials used by weight or volume               | 44 | Management Approach |
| 301-3 | Reclaimed products and their packaging materials | 50 |                     |

## Product safety & customer satisfaction

### GRI 103: Management approach

|       |  |            |                     |
|-------|--|------------|---------------------|
| 103-1 | Explanation of the material topic and its boundaries | 41, 42, 49 | Management Approach |
| 103-2 | The management approach and its components           |            |                     |
| 103-3 | Evaluation of the management approach                |            |                     |

### GRI 416: Customer health and safety

|       |   |    |  |
|-------|---|----|--|
| 416-1 | Assessment of the health and safety impacts of product and service categories                 | 49 |  |
| 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | 49 |  |

## Logistics and packaging

### GRI 103: Management approach

|       |  |        |                     |
|-------|--|--------|---------------------|
| 103-1 | Explanation of the material topic and its boundaries | 49, 50 | Management Approach |
| 103-2 | The management approach and its components           |        |                     |
| 103-3 | Evaluation of the management approach                |        |                     |

### GRI 417: Marketing and labeling

|       |   |    |  |
|-------|---|----|--|
| 417-1 | Requirements for product and service information and labeling                       | 49 |  |
| 417-2 | Incidents of non-compliance concerning product and service information and labeling | 49 |  |

## Non discrimination, Diversity and equal opportunity, Workers rights assessment

### GRI 103: Management approach

|       |  |       |                     |
|-------|--|-------|---------------------|
| 103-1 | Explanation of the material topic and its boundaries | 51-54 | Management Approach |
| 103-2 | The management approach and its components           |       |                     |
| 103-3 | Evaluation of the management approach                |       |                     |

### GRI 401: Employment

|       |  |        |  |
|-------|--|--------|--|
| 401-1 | New employee hires and employee turnover   | 52, 53 |  |
| 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | 53-56  |  |
| 401-3 | Parental leave   | 54     |  |

## Health and safety in the workplace

### GRI 403: Occupational health and safety

|        |   |        |                     |
|--------|---|--------|---------------------|
| 403-1  | Occupational health and safety management system  | 56-58  | Management Approach |
| 403-2  | Hazard identification, risk assessment and incident investigation   | 57     |                     |
| 403-3  | Occupational health services  | 58     |                     |
| 403-4  | Worker participation, consultation and communication on occupational health and safety                        | 57, 58 |                     |
| 403-5  | Worker training on occupational health and safety   | 58     |                     |
| 403-6  | Promotion of worker health  | 58     |                     |
| 403-7  | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 57-58  |                     |
| 403-8  | Workers covered by an occupational health and safety management system  | 56     |                     |
| 403-9  | Work-related injuries   | 56     |                     |
| 403-10 | Work-related ill health   | 56     |                     |

## Professional development

### GRI 103: Management approach

|       |  |    |                     |
|-------|--|----|---------------------|
| 103-1 | Explanation of the material topic and its boundaries | 55 | Management Approach |
| 103-2 | The management approach and its components           |    |                     |
| 103-3 | Evaluation of the management approach                |    |                     |

### GRI 404: Training and education

|       |  |    |  |
|-------|--|----|--|
| 404-1 | Average hours of training per year per employee                                      | 55 |  |
| 404-2 | Programs for upgrading employee skills and transition assistance programs            | 55 |  |
| 404-3 | Percentage of employees receiving regular performance and career development reviews | 55 |  |





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