



2024 Sustainability Report





2024 Sustainability Report

FGL INTERNATIONAL A COMPANY



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**Our best recipe
is made of ability,
passion, intuition,
experience and
foresight.**

**The essential ingredient
is people.**

**The strength that
makes the difference
is human capital.**

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Letter to the Stakeholders

Dear Stakeholders,

we are proud to end 2024 which was a year of growth and consolidation for FGL International, despite the particularly challenging period for our sector. Thanks to the tireless work and high level of professionalism of our team, we confirmed our commitment to innovation and sustainability. The technical solutions we are able to provide the market with are always accompanied by a continuous commitment to the protection of the environment, people's health, and safety.

Among the most significant results achieved, I would first like to point out an important milestone for the company: obtaining UNI EN ISO 14001 certification. A fundamental step on our path of environmental responsibility that seals the adoption of a structured system for monitoring, managing, and continuously improving our environmental performance. This recognition further demonstrates FGL International's willingness to operate with rigor and transparency, by contributing concretely to reducing the environmental impacts generated by our activities.



In line with the efforts made so far, and following up on the pilot project launched in 2023 (by participating in a call for tenders announced by the Ministry of the Environment and Energy Security - MASE), we carried out a LCA (Life Cycle Assessment) on a selection of our products, with the aim of analysing their environmental impact throughout their entire life cycle. Thanks to this activity, we can now count on objective data that will guide our future choices towards increasingly sustainable solutions, offering our customers concrete added value: a further element of guarantee and innovation.

In 2024 we also confirmed our highest level (Level 3) of adherence to the ZDHC programme, consolidating our role as a reliable and qualified supplier for the leather supply chain, particularly for those customers who adopt stringent protocols in terms of chemical safety and sustainability.

We also renewed our active participation in the main supply chain initiatives, acting as spokespersons for the sector at international forums, by maintaining an ongoing dialogue with customers and stakeholders.

However, we believe that sustainability is not only environmental. It is above all a commitment to the people who are at the heart of our company. Human capital



is our focus and in a complex and highly specialised sector like the chemical-tanning industry, ensuring safe work environments and protecting the well-being of our employees, is an absolute priority. This is demonstrated, above all, by the absence of accidents and injuries during the year. A result stemming from a safety culture widespread at every company level, supported by investments, continuous training, and an ISO 45001 standard certified management system.

These results do not represent a point of arrival for us, but an incentive to do more. We are convinced – and the market's growing attention to ESG issues confirms this – by steadfastly continuing on the path undertaken, activating continuous social initiatives, enhancing our team's competencies, and collaborating with strategic partners across the entire supply chain.

On behalf of the Board of Directors I would like to thank all the people at FGL International for their daily contribution to the company's growth. Knowledge and experience combined with foresight and the drive for change are the cornerstone of FGL International.

Heartfelt thanks also goes to our customers, suppliers, partners and the communities we operate in, for the trust and constructive dialogue that help us to improve every day.

We believe in a sustainable future and we really want to be part of it. We therefore invite you to read our first Sustainability Report, a concrete testimony of our work and our vision for the future.

Francesco Lapi

President and CEO
FGL INTERNATIONAL S.P.A.

**THANKS TO THE TIRELESS
WORK AND HIGH.
LEVEL OF PROFESSIONALISM
OF OUR TEAM, WE CONFIRMED
OUR COMMITMENT
TO INNOVATION AND
SUSTAINABILITY.**

*The technical solutions
we are able to provide
the market with are
always accompanied by a
continuous commitment
to the protection of the
environment, people's
health, and safety.*

Highlights

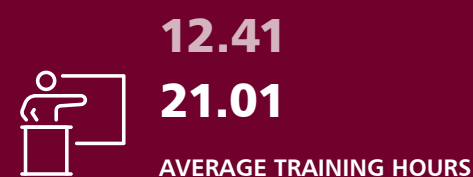
Certifications

- ➔ **UNI EN ISO 9001 (Quality)**
- ➔ **UNI EN ISO 14001 (Environment)**
- ➔ **UNI EN ISO 45001 (Health and Safety)**
- ➔ **ZDHC Level 3**

Personnel

2023

2024



Environment

2023

2024



LIFE CYCLE ASSESSMENT Study



656.53

705.30

ENERGY CONSUMPTION (MWh)

7.67

8.27

ENERGY INTENSITY INDEX PER
1,000 HOURS WORKED (MWh/kh)

188.25

246.66

GHG EMISSIONS
SCOPE 1 + SCOPE 2
LOCATION BASED (t CO₂ eq)

2.20

2.89

EMISSION INTENSITY
PER 1,000 HOURS WORKED
(t CO₂ eq/kh)

6.22%

5.85%

SUBSTANCES OF CONCERN/
TOTAL CHEMICALS
(BOUGHT AND SOLD)

0.026%

0.037%

SUBSTANCES OF VERY HIGH
CONCERN/TOTAL CHEMICALS
(BOUGHT AND SOLD)

3,484

3,041

WATER CONSUMPTION (M³)

40.67

35.65

WATER INTENSITY PER 1,000
HOURS WORKED (M³/kh)

87%

86%

PACKAGING
RECYCLABILITY RATE

51%

77%

WASTE DESTINED
FOR RECOVERY

Governance

2023

2024



Reporting system aligned with the EU Whistleblowing Directive



0

0

CASES OF CORRUPTION

1. General Information





The company stands out for its constant search for innovative solutions, a team with high technical skills and consolidated field experience and an advanced Research & Development laboratory.

- I.1
Specialised skills for an evolving industry**
- I.2
Corporate Governance**
- I.3
FGL International's stakeholders**
- I.4
Materiality Assessment**
- I.5
Sustainability Reporting Criteria**

1. General Information

SBM-1

Strategy, business model and value chain,



The professionalism of its team is an added bonus for the Company. Knowledge rooted in time made proactive by a mentality that is always striving for innovation

FGL INTERNATIONAL IS THE LEADING CHEMICAL PARTNER FOR LEATHER MANUFACTURERS.

1.1

Specialised skills for an evolving industry

FGL International: Innovation and Quality in the Tanning Industry

FGL International (which is also referred to in this document as “the Company”) is part of the Lapi Group which was founded in 2004 drawing on the legacy of over 70 years of experience from the historic company Figli di Guido Lapi, with the aim of developing high value-added tanning auxiliaries.

The company stands out for its constant search for innovative solutions, a team with high technical skills and consolidated field experience and an advanced Research & Development laboratory. These elements, combined with a highly specialised on-site assistance service, have made FGL International a key partner for leather manufacturers.

FGL International develops and supplies chemicals for sustainable tanning, operating with a strong commitment to protecting the environment and future generations. Its mission focuses on creating value for all stakeholders, employees, customers, suppliers, partners, as well as society as a whole.

In January 2023, FGL International acquired and integrated the activities of Finikem, another company in the Lapi Group. This strategic merger strengthened the company's



ability to face an increasingly competitive market, with the aim of creating a single business entity where skills, experience, and know-how combine to offer innovative solutions and an even more complete service.

Following the merger of the two companies, a range selection plan was implemented to optimise purchasing and logistics management, including warehousing.

FGL International offices and warehouses are located in Castelfranco di Sotto, close to Santa Croce sull'Arno, in the province of Pisa. In the same location there is a modern experimental tannery, where highly qualified technicians test different tanning, retanning, dyeing and fat liquoring treatments, constantly developing new products to meet the increasingly sophisticated needs of the market.

FGL International also has a technical service with storage located in the heart of the tanning district in Arzignano, in the province of Vicenza. Here, customers can benefit from the experience of a specialised team and a cutting-edge experimental tannery, specialised in the production of leather for furniture, clothing, leather goods and footwear.

Production Site and Certifications

FGL International has a flexible production site with highly qualified professionals, designed to operate effectively on international markets. Company management is fully computerised and compliant with UNI EN ISO 9001 standards, ensuring full control of all processes, administration, research, production, logistics as well as customer service.

The Company pays particular attention to occupational safety, certified in compliance with the UNI EN ISO 45001 standard, ensuring work environments that comply with the highest standards of worker protection and well-being.

2024 saw the important acquisition of the UNI EN ISO 14001 standard certified environmental management system, as proof of the high level of interest in environmental issues and a commitment to managing and reducing environmental impacts with a systematic and monitored approach.

Other important initiatives include the adoption of the ZDHC (Zero Discharge of Hazardous Chemicals) programme and Level 3 certification, which is highly relevant in the world of fashion and which provides a guarantee (at levels even higher than sector regulations) regarding the safety profile of chemicals placed on the market, in addition to being a LWG supplier, which is fundamental to guarantee the same certification is maintained for customer companies.

Flexibility and Technological Innovation

The availability of a large and well-organised warehouse, combined with the ability to respond promptly to global market demands, gives FGL International a high degree of operational flexibility.

FGL INTERNATIONAL ACQUIRED AND INTEGRATED FINIKEM BUSINESS ACTIVITIES IN JANUARY 2023.

This merger aimed to create a single business entity in which skills, experience and know-how combine, to provide innovative solutions and an even more complete service.



→ A UNI EN ISO 14001 CERTIFIED
**ENVIRONMENTAL
MANAGEMENT SYSTEM**

→ ADHESION TO THE **ZDHC (ZERO
DISCHARGE OF HAZARDOUS
CHEMICALS)** PROGRAMME,
WHICH PROVIDES A GUARANTEE
REGARDING THE SAFETY PROFILE
OF THE CHEMICALS PLACED ON
THE MARKET

Thanks to cutting-edge production facilities closely linked to the Research & Development laboratories, the Company optimises production processes to quickly adapt to specific customer needs. Specialised technicians monitor every stage of production to ensure maximum quality and compliance to the high standards required by the tanning sector.

Products



WET-END PRODUCTS

- ➔ Tanning
- ➔ Auxiliaries
- ➔ Enzymes
- ➔ Oils/fat liquors
- ➔ Synthetic/vegetable tannins
- ➔ Retanning agents
- ➔ Surfactants
- ➔ Dyestuffs



FINISHING PRODUCTS

- ➔ Cationic products
- ➔ Pigments
- ➔ Lacquers and varnish
- ➔ Acrylic and polyurethane dispersions
- ➔ Touching agents



A COMBINATION OF EXPERIENCE, INNOVATION AND SERVICE

FGL International confirms its position as a strategic partner for the tanning industry, committed to the search for increasingly high-performance and sustainable solutions.

Consulting and Assistance Services

In addition to the supply of innovative chemicals, FGL International provides a wide range of specialised services to companies in the tanning sector, including:



Specialised technical consultancy for any type of production.



Assistance with chemical and physical testing in its own laboratories.



Supporting tanneries by providing customised solutions.



Detailed information on the use and applications of products, to ensure maximum operational efficiency.

Thanks to this combination of experience, innovation and service, FGL International confirms its position as a strategic partner for the tanning industry, committed to the search for increasingly high-performance and sustainable solutions.

Research and Development

Research is a key element to develop new and innovative products, processes and services which are fundamental for the economic and sustainable growth of the tanning sector. FGL International focuses on creating solutions to produce eco-friendly leathers, investing in the continuous search for innovative products to improve processing efficiency and reduce environmental impact.

Thanks to the many years of research in our Research & Development laboratories and tests carried out in specialised tanneries, FGL International is able to provide cutting-edge solutions for all kinds of applications in the leather industry.

FGL International believes that innovation equals growth. The Company carries out numerous research and development projects, including those in collaboration with important partners in the industry, allowing it to stay one step ahead of the competition.

Furthermore, FGL International actively sponsors important scientific events, contributing to the progress of research and development activities in the tanning sector.



Customers

FGL International's customers operate exclusively in the tanning sector, with a particular focus on tanneries that produce different types of articles. These can be full-cycle tanneries, managing the entire process from the soaking phase to finishing, or specialised in specific phases such as the processing of wet blue, crust or only finishing.

The tanning industry served includes a wide range of applications, including footwear, furniture, clothing, automotive, and fashion accessories.

The Company operates on both Italian and international markets. In Italy, it operates



The Company carries out numerous research and development projects, and actively supports important scientific events, thus contributing to progress in research and development activities in the tanning industry.

**FGL INTERNATIONAL
BELIEVES THAT
INNOVATION EQUALS
GROWTH.**





GOV-1

GOV-2

GOV-3

GOV-5

mainly in the four main tanning areas: Piedmont, Lombardy, Veneto, Tuscany and Campania. Globally, it is present in strategic markets including China, Taiwan, Vietnam, Mexico, Brazil, Indonesia, India, Turkey and Portugal. Business is equally distributed between national and international markets, with a turnover split of 50%-50%.

Suppliers

Today, FGL International has around 180 suppliers, between raw materials and finished products, distributed between Italy and foreign markets. On a national level, the majority of suppliers are concentrated in the regions of Veneto, Lombardy and Tuscany, with a significant presence in the province of Pisa. Internationally, the main partners are located within the European Union (in particular in Germany and Spain) with the predominant share of supply.

1.2 Corporate Governance

FGL International's governance is based on the principles of integrity, transparency and fairness, which play an essential role in the company's operating model. It ensures the adoption of clear rules to implement corporate strategies and manage ESG impacts, risks, and opportunities.

Corporate Administration, Management, and Control bodies are:

- The Board of Directors (BoD)
- The Shareholders' Meeting
- The Board of Statutory Auditors
- The Steering Committee

At present, there is no incentive mechanism for BoD members and management related to the achievement of sustainability objectives.



The FGL International BoD

POSITION/ROLE	NAME AND SURNAME	COMPANY SENIORITY as of the 31/12/2024	GENDER	AGE as of the 31/12/2024
PRESIDENT and CEO	FRANCESCO LAPI	17 years	M	51
DIRECTOR	ELIGIO STOPPA	20 years	M	62
DIRECTOR	TOMMASO LAPI	2 years	M	42
DIRECTOR	PAOLO MATTEINI	2 years	M	62

No independent members were appointed to the Board of Directors. The sole non-executive member is the Director Paolo Matteini, to whom no powers were granted.

The BoD has the responsibility to identify impacts, risks, and opportunities, and in some cases grant specific powers through special notarised powers of attorney. The members report to the Board every six months, on the most significant activities carried out by them. The BoD also sets the corporate objectives that are monitored and controlled through budget discussions and periodic meetings (data relating to company activities is analysed every three months).

The BoD also oversees the drafting of this Sustainability Report, based on in-depth context and benchmark analysis. The process is conducted in collaboration with the Company's management, promoting the spread and consolidation of expertise in sustainable development throughout the entire governance structure and ensuring the transfer of data and information to the Lapi Group for the corresponding Sustainability Report.



**FGL INTERNATIONAL
GOVERNANCE IS BASED
ON THE PRINCIPLES
OF INTEGRITY,
TRANSPARENCY
AND FAIRNESS.**

It plays an essential role in the company's operating model

Th Board of Statutory Auditors

POSITION/ROLE	NAME AND SURNAME	COMPANY SENIORITY as of the 31/12/2024	GENDER	AGE as of the 31/12/2024
PRESIDENT	GIUSEPPE CANNAROZZI	2 years	M	72
STATUTORY AUDITOR	MARCO BOLDRINI	20 years	M	68
STATUTORY AUDITOR	LUCA NANNINI	5 years	M	58
SUBSTITUTE AUDITOR	GIOVANNI BULCKAEN	2 years	M	61
SUBSTITUTE AUDITOR	GIANNI SISMONDI	2 years	M	71

SBM-2






Interests and views of stakeholders

In accordance with the provisions of the Italian Civil Code, the Board of Statutory Auditors plays a crucial supervisory role, ensuring the prevention and mitigation of potential conflicts of interest, with particular attention to relationships with related parties.

1.3 FGL International's stakeholders

FGL International adopts a constructive and fair approach towards all its stakeholders, considering it the basis for long-term sustainable development. In this context, anticipating and, where possible, meeting their needs is a key element of the stakeholder engagement process.

FGL International's stakeholders are:

STAKEHOLDERS	PURPOSE OF THE INTERACTION	ENGAGEMENT METHOD
 SHAREHOLDERS	Hr, accounting, finance service and cash pooling	Shareholders' meeting held at least once a year
 SUPPLIERS	Obtain products that comply with industry standards, market demands and constant chemical-physical characteristics according to different parameters	Request product samples complete with documentation
 EMPLOYEES AND COLLABORATORS	Guarantee occupational health and safety	Annual safety meetings, periodic inspections and training and informational meetings with the RSPP (Health and Safety Manager) and the RLS (Worker Safety Representative)
 SCHOOLS, UNIVERSITIES, RESEARCH INSTITUTIONS AND INDUSTRY ASSOCIATIONS	Provide and receive training to acquire new knowledge and skills	Agreements with schools, memberships in industry associations, launching specific projects with universities and research institutions
 CUSTOMERS	Guarantee and satisfy requests/needs on product safety and quality as well as on the services provided	Collecting direct data on customer satisfaction (processing complaints, the performance of purchased products in terms of numbers and turnover, etc.), providing questionnaires on the perceived satisfaction of workers relating to the FGL International technical service

1.4 Materiality Assessment

This Sustainability Report was published entirely voluntarily by FGL International, given that there is no regulatory obligation which forces the Company to publish this document. Furthermore, the current situation of regulatory uncertainty relating to the evolution of the **Corporate Sustainability Reporting Directive (CSRD)** makes it difficult to predict the mandatory nature of drawing up the Sustainability Report by the Lapi Group (that would make it mandatory for FGL International, to produce data and information for the Sustainability Report at a Group level).

At the time of the publication of this document, it appeared that the Lapi Group would be obliged to publish a Sustainability Report from fiscal year 2027, with publication in 2028, by virtue of the implementation of the CSRD decree by the Italian Parliament (Italian Legislative Decree no. 125/2024) and approval by the European Parliament, of the proposed amendment to the CSRD Directive presented to the European Commission, within the framework of the ordinary legislative procedure, known as “Stop the Clock” which postponed entry into force of reporting obligations for the companies concerned by two years.

Again at a Group level, a **Materiality Assessment according to the methodology prescribed by the European Sustainability Reporting Standards (ESRS)** was carried out, by first undertaking “double materiality”. According to a double materiality assessment an impact can be relevant from an inside-out perspective, that is, as a result of the company's impact on its stakeholders (impact materiality), and/or outside-in, that is, from a financial point of view (how ESG factors influence business operations and their financial performance).

IRO-1

Description of the processes to identify and assess material impacts, risks and opportunities



Thanks to this assessment impacts, risks, and opportunities relating to the Lapi Group and FGL International were identified, as illustrated below.

The process involved 6 phases:

Analysis of the internal context of the Group, through the completion of a list of in-depth questions together with the representatives of the Group for the Sustainability Report activity which made it possible to identify the Group's sustainability context and its value chain;

01

Analysis of the external context using competitive benchmarking with companies in the same industry, regarding the sustainability profile, to identify sustainability issues relating to the industry and the position of the Group compared to its competitors;

02

Identifying a list of potential risks, opportunities and impacts. A list pre-selected on the basis of the activities carried out in phases 1 and 2 was identified as of utmost importance, a second list of impacts was subjected to internal and external evaluation;

03

Assessing the relevance of the impacts by the top management of companies in Group (internal materiality assessment) and by a group of stakeholders (in particular customers, suppliers, industry associations and banks;

04

Assessing the financial relevance by company CFOs;

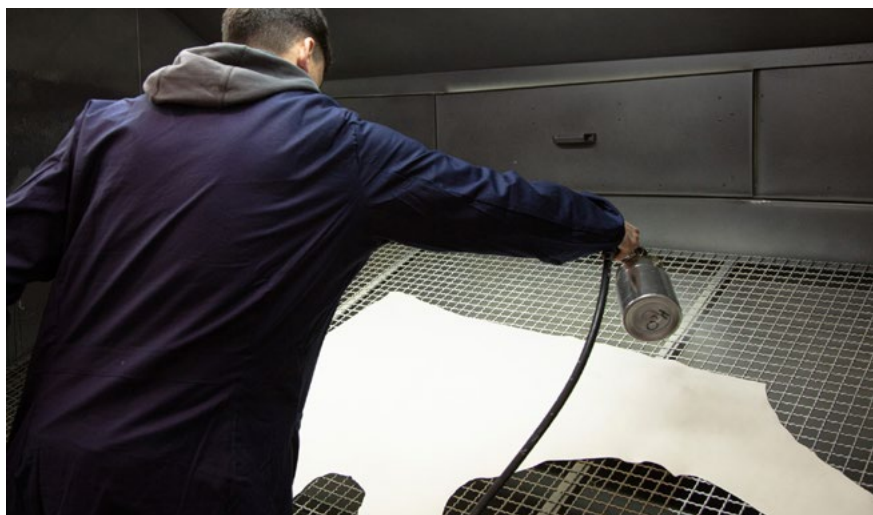
05

Aggregating the results and identifying the Lapi Group risks, opportunities and impacts.

06

In assessing the relevance of the impacts (phase 4), as required by ESRS 1, the following criteria were taken into consideration: scope, perimeter and irreparability. All the impacts were considered in the short-term, with the aim of also carrying out an accurate assessment in the medium and long-term in the coming years.





In terms of the financial impacts parameters such as the intensity and the likelihood of occurrence were taken into consideration, considering two different time periods: short and medium-long term.

The rating scale of 1-5 was used, where 1 indicates the minimum relevance value and 5 the maximum value. The materiality threshold was set at 3.

For FGL International, impacts, risks and opportunities were selected from those related to the Group, in line with the industry the Company operates in. In terms of the impacts, risks and opportunities related to biodiversity, these were identified but not included in the report, with reference to the exemption of two years (provided for by the ESRS standards) for companies with fewer than 750 employees which are not obliged to report them.

Some key FGL International stakeholders were involved in the materiality assessment phase of the Lapi Group. With this step, the FGL International Materiality Assessment was strengthened by discussions (which concentrated on impact materiality, without therefore considering the financial materiality).

In particular, the following stakeholders who made themselves available to collect data for the Materiality Assessment were consulted:

CUSTOMERS	INDUSTRY ASSOCIATIONS	BANKS
Gruppo Mastrotto	Federchimica	Intesa San Paolo
	UNPAC	
	Unione Industriale Pisana	
	Consorzio Vera Pelle Italiana Conciata al Vegetale	
	Consorzio Cuoio di Toscana	
		Unicredit



**AT FGL INTERNATIONAL,
IMPACTS, RISKS AND
OPPORTUNITIES
ARE SHARED AND
CONSISTENT WITH
THOSE OF THE LAP
GROUP AND THE SECTOR
THE COMPANY OPERATES IN.**

SBM-3

Material impacts, risks and opportunities and their interaction with strategy and business model

1.4.1

Material impacts, risks and opportunities

The results of FGL International's materiality assessment process is described in the following tables. The parts that refer to risks and opportunities relating to financial materiality are highlighted in blue.

E1 CLIMATE CHANGE		
DESCRIPTION	TYPE	PERIMETER
Energy consumption to carry out production activities	Actual negative impact	Own operations
Contribution to climate change through the generation of Scope 1 and Scope 2 GHG emissions for the use of fossil fuels	Actual negative impact	Own operations
Contribution to climate change through the generation of GHG emissions along the value chain (Scope 3)	Actual negative impact	The Value chain
Economic impact related to the variability of costs related to energy supply – rising energy costs	Transition risk	Own operations
Economic impact related to the variability of costs related to energy supply - procurement/self-production with renewable energy technologies and sources with more stable costs	Opportunity	Own operations
Economic impact related to the level of preparedness in managing risks from extreme weather events or other natural disasters that can affect the normal operation of a company's activities – including potential damage to corporate infrastructure, supply chain disruptions, or costs of restoration and adaptation	Physical risk	Own operations
E2 POLLUTION		
DESCRIPTION	TYPE	PERIMETER
Non-GHG atmospheric emissions from production plants	Actual negative impact	Own operations
Production of chemicals with risk profiles for soil pollution	Actual negative impact	Own operations
Economic impact linked to possible disputes and/or the need for action to comply with atmospheric emission limits - costs for penalties and/or for technical modernisation of systems	Risk	Own operations
Economic impact linked to possible disputes and/or the need for action to comply with atmospheric emission limits - resource optimisation that leads to both a reduction in impacts and a decrease in operational costs	Opportunity	Own operations

DESCRIPTION	TYPE	PERIMETER
Economic impact linked to pressure (market and institutions) in favour of green and circular chemistry and for the reduction/removal of substances of very high concern - costs to support the transition to market new products	Risk	Own operations
Economic impact linked to pressure (market and institutions) in favour of green and circular chemistry and for the reduction/removal of substances of very high concern - opportunity to propose new products with high market demand	Opportunity	Own operations
Economic impact linked to the pressure to reduce solvent use in the chemical industry - costs related to the contraction of the market for some product categories	Risk	Own operations

E3 WATER		
DESCRIPTION	TYPE	PERIMETER
Water consumption for production activities and along the value chain	Actual negative impact	Own operations and value chain

E4 BIODIVERSITY AND ECOSYSTEMS		
DESCRIPTION	TYPE	PERIMETER
Impacts on biodiversity and ecosystems due to raw material extraction, in particular with deforestation linked to the production of tannins	Actual negative impact	The Supply Chain
Economic impact of introducing a zero-deforestation supply chain control system (EU Regulation 2023/1115) - costs related to the controls to be applied to the supply chain and to the increase in the cost of some raw materials	Risk	The Supply Chain
Economic impact of introducing a zero-deforestation supply chain control system (EU Regulation 2023/1115) - improving the reputation of the chemical industry	Opportunity	The Supply Chain

E5 RESOURCE USE AND CIRCULAR ECONOMY		
DESCRIPTION	TYPE	PERIMETER
Consumption of both synthetic and natural origin raw materials to produce chemicals	Actual negative impact	Own operations
Waste generation and impacts related to its management	Actual negative impact	Own operations

S1 OWN WORKFORCE		
DESCRIPTION	TYPE	PERIMETER
Contribution to the improvement of employee well-being generated by stable employment, dialogue and transparency, work-life balance, social protection against income loss, adequate salary	Real positive impact	Own operations
Contribution to work-life balance through flexibility opportunities and corporate welfare	Real positive impact	Own operations
Contribution to valuing diversity and inclusion in the company through the implementation of specific training projects/courses	Real positive impact	Own operations
Impact on the psycho-physical state of one's own workforce generated by non-optimal work organisation and personnel management	Potential negative impact	Own operations
Impact on employees psycho-physical state generated by the company's inability to prevent workplace harassment (e.g., verbal abuse, physical violence, stalking, mobbing, etc.)	Potential negative impact	Own operations
Updating employee knowledge and skills through corporate development and training plans	Real positive impact	Own operations
Compromising employee health and safety	Potential negative impact	Own operations
Contribution to women's empowerment and the professional growth of new generations	Real positive impact	Own operations
Economic impact related to the company's ability to attract or retain a qualified workforce by ensuring a good level of employee satisfaction (development and training plans, work-life balance, adequate salary, etc.) – talent retention, creation of a positive corporate climate	Opportunity	Own operations
Economic impact in terms of resource attractiveness related to the level of employee knowledge and skills updates – inability to face new challenges and innovate in the absence of staff training	Risk	Own operations
Economic impact in terms of resource attractiveness related to the level of employee knowledge and skills updates– continuous improvement, new skills	Opportunity	Own operations
Economic impact of the management methods of work-related injuries and illnesses - costs related to increased absences due to injury and, consequently, staff replacement, costs associated with the prolonged payment of workers and any sanctions and provisions for shutdowns of plants	Risk	Own operations
Economic impact of the management methods of work-related injuries and illnesses - reduction of absences due to injuries and greater safety in working conditions are opportunities for greater business continuity	Opportunity	Own operations

S2 WORKERS IN THE VALUE CHAIN

DESCRIPTION	TYPE	PERIMETER
Compromised worker health and safety along the value chain generated by the company's inability to prevent accidents and illnesses connected to the type of work performed	Potential negative impact	The Value chain
Negative impact on the workforce's psycho-physical state within the value chain generated by suboptimal work organisation and personnel management	Potential negative impact	The Value chain
Violation of human rights (e.g., for forced labour and child labour) for workers along the value chain	Potential negative impact	The Value chain
Contribution to updating workers' skills along the value chain	Potential positive impact	The Value chain
Economic impact regarding working conditions (safety, respect for rights) of employees in the value chain - supply discontinuity, reputational damage	Risk	The Value chain
Economic impact regarding working conditions (safety, respect for rights) of employees in the value chain - better working conditions in the value chain give the sector greater stability and credibility	Opportunity	The Value chain

S3 AFFECTED COMMUNITIES

DESCRIPTION	TYPE	PERIMETER
Potential impact on the safety conditions of communities living in the vicinity of production plants (accidents, chemical releases, bad odours)	Potential negative impact	Own operations
Projects for the benefit of local communities, in particular for young people	Real positive impact	Own operations

S4 CONSUMERS AND END-USERS

DESCRIPTION	TYPE	PERIMETER
Impact on user safety with reference to the risks associated with the use of chemicals	Potential negative impact	Own operations
Facilitating access to quality information also thanks to processes and technologies that allow full product traceability	Real positive impact	Own operations
Economic impact of customer dissatisfaction, with particular reference to the theme of product quality and sustainability profile - failure to renew supply contracts, costs related to returns and new orders	Risk	Own operations

DESCRIPTION	TYPE	PERIMETER
Economic impact of customer dissatisfaction, with particular reference to the theme of product quality and sustainability profile - continuous product improvement	Opportunity	Own operations
Economic impact of compromising the confidentiality/integrity/availability of personal data (employees, suppliers, customers) related to information systems – litigation, reputational risks	Risk	Own operations
Economic impact relating to the unavailability and malfunction of IT systems – temporary inability to meet customer demand	Risk	Own operations
Economic impact relating to the unavailability and malfunction of IT systems – improvement of business conditions thanks to prevention interventions	Opportunity	Own operations

G1 BUSINESS CONDUCT

DESCRIPTION	TYPE	PERIMETER
Negative impact on stakeholders resulting from illicit behaviour or conduct that violates the company's code of conduct or internal regulations, with particular reference to cases of active and passive corruption	Potential negative impact	Own operations
Stability of supply contracts	Real positive impact	The Supply Chain impact
Impact exerted on supplier sustainability to verify compliance with social and environmental criteria followed to select the same (in particular, for sector certifications)	Potential positive impact	The Supply Chain impact
Economic impact regarding the consequences of non-compliance with regulations and the requirements indicated by the PA and ethical business conditions – Legal disputes, reputational damage	Risk	Own operations
Economic impact regarding the consequences of non-compliance with regulations and the requirements indicated by the PA and ethical business conditions - strengthening the ethical profile improves the company's image and the work environment	Opportunity	Own operations
Economic impact in relation to supply chain sustainability - Uncertainty about the quality of supplies, certification verification themes, catastrophic events due to adverse weather phenomena	Risk	The Supply Chain
Economic impact in relation to supply chain sustainability - Supply chain management for a fully sustainable business, even in the eyes of the customer	Opportunity	The Supply Chain

1.5 Sustainability Reporting Criteria

The FGL International Sustainability Report was drawn up with reference to the **ESRS Standards**, issued by EFRAG. As already mentioned, this is a voluntary document. The Company decided to produce a stand-alone document, separate from the Management Report. This choice also responds to FGL International's communication goals towards its stakeholders.

The ESRS Standards were chosen thanks to the double materiality assessment described in paragraph "1.4 Materiality Assessment". Possible limitations of the data perimeter and methodology are specified in the paragraphs focusing on the ESRS Standards. Data points relating to GHG emissions (scope 1-2) are based on the GHG Protocol.

This document contains the information as of the 31.12.2024. Where possible data is also provided for the year 2023 (reference year), to allow for comparison of the reported data points. Regarding the relevant impacts, risks, and opportunities, the actual and expected financial effects are not described (**SBM-3** Material impacts, risks and opportunities and their interaction with strategy and business model .48 b)

No information concerning intellectual property, know-how, or the results of the innovation process has been omitted from this Sustainability Report.

BP-1

General basis
for preparation
of sustainability
statements

BP-2

Disclosures in
relation to
specific
circumstances



2 ■ Environmental Information





FGL International implemented a proactive approach to minimise the environmental impact of its activities.

2 Environmental Information

2.1 Climate change

2.2 Pollution

2.3 Water

2.4 Circular Economy



2. Environmental Information

SBM-3

Material impacts, risks and opportunities and their interaction with strategy and business model



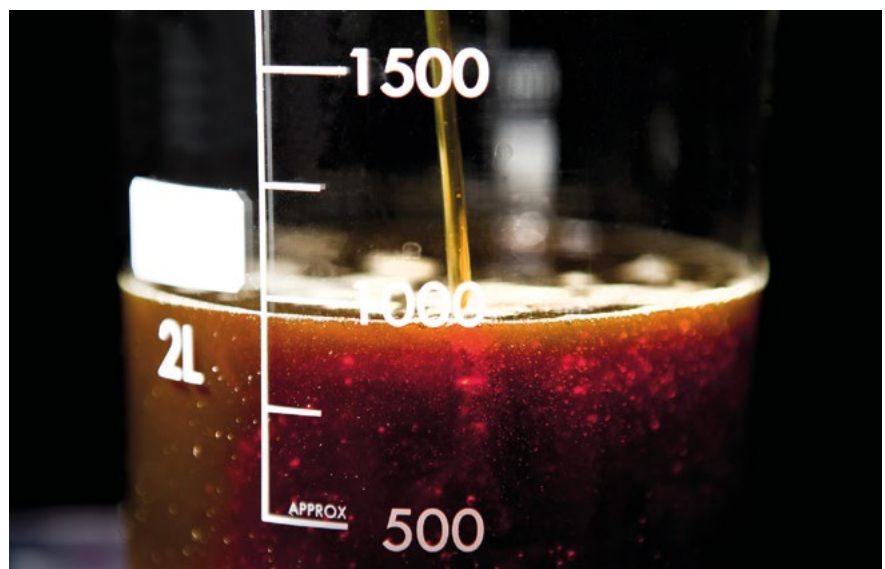
**FGL INTERNATIONAL
IMPLEMENTED A PROACTIVE
APPROACH TO MINIMISE THE
ENVIRONMENTAL IMPACT OF
ITS ACTIVITIES**

with strategies aimed at reducing emissions, the efficient use of resources and responsible waste and industrial discharge management.

Environmental impacts generated by the chemical and tanning industries are a crucial challenge to ensure the sector's sustainability. FGL International, operating in the leather processing supply chain, is aware of the responsibility associated with managing chemicals and their effects on the environment. The chemical sector has a strong environmental impact due to water, soil, and air pollution, high consumption of energy and natural resources, and the production of hazardous waste.

The chemical industry uses large quantities of water, often producing wastewater with pollutant loads that can contaminate groundwater and cause eutrophication. Soil is also at risk in relation to managing and moving chemicals.

The high energy consumption of the sector, mainly based on fossil fuels, generates greenhouse gases, volatile organic compounds, and nitrogen oxides, which contribute to phenomena such as climate change, smog, and acid rain. Furthermore, many chemical substances are difficult to degrade and remain in the environment for decades.



To address these issues, the sector is investing in green chemicals, low-impact production processes, and waste recovery to reduce pollution and make production more sustainable.

FGL International’s business aligns with all these practices. The Company adopted a proactive approach to minimise the environmental impact of its activities, through strategies aimed at reducing emissions, ensuring efficient resource use, and responsible waste and industrial discharge management. In 2024 this was all formalised and born witness to by obtaining UNI EN ISO 14001 certification and maintaining Level 3 ZDHC.

2.1 Climate Change

Climate change is one of the most urgent environmental challenges of our time, with significant repercussions on ecosystems, the economy, and society. The increase in global temperatures, melting glaciers, rising sea levels, and intensifying extreme weather events are direct effects of greenhouse gas emissions generated by human activities.

Like all industrial sectors, the chemical industry contributes to the accumulation of greenhouse gases, thus accelerating global warming. However, the chemical industry also has the potential to be a driver of sustainable solutions.

With this in mind, FGL International set its goals and actions precisely with a view to mitigating the climate impact. Optimising production processes from an energy perspective and a commitment to reducing product impact by using entire life cycle assessments are key elements of FGL International’s strategy. Through these initiatives, the Company is concretely committed to developing innovative and sustainable solutions, actively contributing to the fight against climate change.

2.1.1 Strategies and policies for climate change mitigation

FGL International is actively committed to preventing and reducing environmental impacts resulting from its production activities. To ensure effective control of environmental aspects and compliance with current regulations, the Company developed an integrated environmental management system, within which it develops and implements improvement plans.

The Management, as the highest management body in the Company, is responsible for the implementation of the integrated policy, ensuring its effectiveness and consistency with the business objectives. In the drafting the policy document, all relevant FGL International stakeholders were taken into consideration, with the aim of meeting their needs and expectations. The document is available on the company website and can be sent to stakeholders upon request, for example, as part of questionnaires or company profiles.

SBM-3



Material impacts, risks and opportunities and their interaction with strategy and business model

Optimising production processes

FROM AN ENERGY POINT OF VIEW



LCA Study on some products

E1-2

Policies on climate change mitigation and adaptation

E1-3

Actions and resources related to climate change policies

E1-4

Targets related to climate change mitigation and adaptation



The Company promotes targeted training programmes to ensure greater awareness on environmental issues and constant updates on best practices and innovations in the industry.

The integrated policy addresses key issues such as climate change mitigation and adaptation, energy efficiency, and the widespread use of renewable energy, which are fundamental to ensure a more sustainable future and reduce the environmental impact of business activities.

To further improve sustainability, the production process is designed to reduce both processing times and atmospheric emissions, ensuring compliance with current regulations on safety, hygiene, and environmental protection.

Employee sensitisation and training play a central role in this commitment: the Company promotes targeted training programmes to ensure greater awareness of environmental issues and constant updates on best practices and innovations in the sector.

Climate change mitigation and adaptation: actions and goals

To reduce its contribution to climate change, FGL International implemented and will implement the following actions:

ACTIONS ALREADY IMPLEMENTED

AREA OF ACTION	DESCRIPTION	PERIMETER	RESULTS
Emissions	Environmental impact assessment of some products over their entire life cycle (LCA)	Production and design	Availability of improvement points to reduce the environmental impact of products subjected to LCA

FUTURE GOALS AND ACTIONS

AREA OF ACTION	PRE-SET OBJECTIVE	DESCRIPTION	PERIMETER	METRICS	TIME FRAME
	20% reduction in ancillary consumption	Reduction of ancillary consumption, i.e. energy consumption that is not due to production processes	The entire company except production	MWh	2027
Energy	Increase the level of energy efficiency	Evaluate the addition of area/department meters, replace motors and inverters with lower energy consumption versions. Switch to self-produced energy or participate in an energy community.	Production	MWh	2027
Emissions	20% reduction in the environmental impact of some products	Reduction of the environmental impact of products subjected to Life Cycle Assessments (LCA) using the improvement points proposed following analysis	Production and design	tCO ₂ eq	2027

INDEX	1. General Information	2. Environmental Information	3. Social Information	4. Business Conduct Policy	5. ESRS Content Index
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2.1.2

FGL International's energy consumption and GHG emissions

Both thermal and electrical energy consumption are necessary for various phases of the production process: mixing tank movement, maintaining constant temperatures in hot chambers, producing hot water to heat jacketed mixing tanks and to produce steam.



The increase in consumption between 2023 and 2024 was mainly attributable to the expansion of the corporate car fleet. Despite being equipped with modern hybrid technologies, new cars still require fuel to be powered, leading to an increase in the consumption of fossil fuels.

E1-5

Energy consumption and mix

E1-6

Gross Scopes 1, 2, 3 and Total GHG emissions

E1-7

GHG removals and GHG mitigation projects financed through carbon credits

E1-8

Internal carbon pricing

ENERGY CONSUMPTION AND MIX	U.M.	2023	2024
Consumption of fuel from crude oil and petroleum products	MWh	270.49	321.45
Natural gas fuel consumption	MWh	5.82	6.58
Consumption of electricity, heat, steam, and cooling from fossil fuels, purchased or acquired	MWh	380.22	377.27
Total energy consumption from fossil fuels	MWh	656.53	705.30
Share of fossil fuels of total energy consumption	%	100%	100%
Total energy consumption	MWh	656.53	705.30

ENERGY INTENSITY INDEX PER NET REVENUE

Net revenue	M€	18.80	18.35
Total energy intensity index	MWh/M€	34.94	38.43

ENERGY INTENSITY INDEX PER HOURS WORKED

Hours worked	kh	85.67	85.29
Total energy consumption/hours worked	MWh/kh	7.67	8.27

REAL ESTATE ASSETS	ENERGY CLASS	BOOK VALUE 2023 (€)	BOOK VALUE 2024 (€)
Via Francesca Nord Castelfranco	E	2,306,430	2,230,708
Via Tabellata Castelfranco	G	428,674	413,394
Via della Concia Arzignano	F	351,397	351,397

FGL International's GHG emissions

To draft this first voluntary Sustainability Report, greenhouse gas emissions were quantified following the criteria established by the GHG Protocol: A Corporate Accounting and Reporting Standard, integrated with the ESRS Standards guidelines.

Analysis focused on Scope 1 emissions, which include direct emissions from sources owned or controlled by the Company, such as the use of natural gas-fired boilers, or the diesel and petrol that fuel company vehicles. Scope 2 emissions were also considered, meaning indirect emissions linked to the consumption of electricity purchased from external suppliers.

To calculate Scope 2 emissions, both recognised methodologies were applied:

- **Location-Based**, which reflects the average energy mix of the electricity grid
- **Market-Based**, which takes into account the Company's specific choices in energy procurement.

Analysis of greenhouse gas emission data shows an increase in Scope 1 emissions, directly attributable to the expansion of the corporate car fleet, already at the basis of the increase in direct energy consumption seen previously. At the same time, the increase in Scope 2 emissions is not due to a larger share of purchased electricity, but to a substantial increase in the emission factors applied, over the two years in question.

GHG EMISSIONS (t CO ₂ eq)	2023	2024	Δ 2024/2023
SCOPE 1 EMISSIONS (t CO₂ eq)			
Total Scope 1 GHG Emissions	68.48	84.01	23%
Scope 2 Emissions (t CO ₂ eq)			
Scope 2 - Location Based	119.77	162.66	36%
Scope 2 - Market Based	173.60	188.85	9%
TOTAL EMISSIONS (t CO₂ eq)			
Scope 1 + Scope 2 Location based	188.25	246.66	31%
Scope 1 + Scope 2 Market Based	242.08	272.85	13%
EMISSION INTENSITY PER NET REVENUE			
Net revenue (M€)	18.80	18.35	-2%
Total Location Based Emissions (t CO ₂ eq / M€)	10.01	13.45	34%
Total Market Based Emissions (t CO ₂ eq / M€)	12.87	14.87	16%
EMISSION INTENSITY PER HOURS WORKED			
Hours worked (kh)	85.67	85.29	-0.4 %
Total Location Based Emissions (t CO ₂ eq / kh)	2.20	2.89	32%
Total Market Based Emissions (t CO ₂ eq / kh)	2.83	3.20	13%

These two elements therefore had a direct impact on the company's total greenhouse gas emissions, consequently also affecting the related KPIs with reference to the energy intensity index.

Today, FGL International does not have projects in place to compensate for generated emissions and purchase carbon credits, nor are there any initiatives planned for the establishment of an internal carbon price.

2.2 Pollution

Pollution is one of the main environmental threats, with negative effects on ecosystems, human health, and the global climate. Industrial, agricultural, and urban activities contribute to the accumulation of pollutants in the air, water, and soil, altering natural equilibria and compromising biodiversity.

In particular, the chemical industry plays a significant role in the production of atmospheric emissions, contaminated water discharges, and hazardous waste, making it fundamental to implement strategies to mitigate environmental impact. With this in mind, FGL International defined its goals and actions with an approach aimed at reducing pollution, through the use of innovative technologies, improving waste management, and optimising production process. These initiatives aim to limit the impact of its activities, contributing to environmental protection and the transition to a more sustainable industrial model.

2.2.1 Policies related to pollution

FGL International is committed to preventing and reducing the environmental impact arising from its operations, by adopting technological and organisational solutions aimed at limiting polluting emissions and discharges. The Company defined management tools to monitor and control environmental aspects and ensure compliance with current regulations.

Among the key actions undertaken by the Company in terms of sustainability, was the decision to become a ZDHC Signatory and to adhere to its standards, with the listing of 500 products on the Gateway platform.

The Company is committed to containing its atmospheric emissions and those into water deriving from production processes, improving its quality and reducing its environmental impact. This is carried out in compliance with current environmental, health, and safety regulations, including specific training and information programmes for personnel.

Finally, the corporate policy includes a periodic review of environmental objectives to ensure continuous improvement in emissions management and pollution reduction, supported by a system that monitors and optimises company processes.

SBM-3

Material impacts, risks and opportunities and their interaction with strategy and business model

E2-1

Policies related to pollution

E2-2

Actions and resources related to pollution

E2-3

Targets related to pollution



Adhesion to the ZDHC standard

AIMS TO ELIMINATE THE USE OF DANGEROUS SUBSTANCES IN PRODUCTION PROCESSES.

Measures to tackle pollution: actions and goals

The desire to obtain ISO 14001 certification led FGL International to take the following actions and set the following objectives to limit the pollution of environmental resources:

ACTIONS ALREADY IMPLEMENTED					
AREA OF ACTION	DESCRIPTION		PERIMETER	RESULTS	
Soil and water pollution	Monitoring and awareness raising for all personnel to reduce occasional spills of products during handling		Production and logistics	Reduction in the number of spill incidents	
Air pollution	Maintaining polluting atmospheric emissions at a level 15% below regulatory limits		Production	Maintaining emissions within the pre-set limits	
FUTURE GOALS AND ACTIONS					
AREA OF ACTION	PRE-SET OBJECTIVE	DESCRIPTION	PERIMETER	METRICS	TIME FRAME
Soil and water pollution	Reduction of occasional spills	Monitoring and awareness raising for all personnel to reduce occasional spills of products during handling	Production and logistics	Number of incidents and near misses	2027
Air pollution	Maintaining authorised emissions within 20% of the authorised limit	FGL International is already committed to maintaining polluting atmospheric emissions at a level 15% below the regulatory limits; therefore, the objective is to continue to do so in the future	Production	Kg quantity produced subject to authorisation / Kg total produced	2027
Substances of concern	Reduce the use of substances with R phrases including H400, H410 and H411	Collect the 2023 and 2024 data of the products moved containing these phrases. Develop a plan to reduce their number by 15% compared to 2024	Production and logistics	Kg produced / total Kg moved	2027
Substances of very high concern	Reduce the use of SVHC substances or those which contain them	Collect the 2023 and 2024 data of the products moved containing these phrases. Develop a plan to reduce their number by 15% compared to 2024	Production and logistics	Kg produced / total Kg moved	2027

2.2.2 FGL International’s polluting emissions

The emissions reported below are all authorised, and therefore, consequently, periodically monitored according to the measurement methods established by the reference legislation.

The authorisations also require that the inspection data be collected and recorded in a specific register. Obtaining UNI EN ISO 14001 certification also provides for the monitoring of pre-established indicators relating to emissions.

In more detail, there are four authorised emission points. The first two are linked to the production of liquid formulations intended for wet-end processes, which contain and release ammonia, formic acid, sulphur oxide and VOCs. These emission points are authorised by emission permit no. 3835 issued on the 08/09/2010, for which an update is planned, with the consequent release of an AUA (a Single Environmental Permit), by the end of the first half of 2025.

The other two emission points are instead authorised by AUA no. 7578 issued on the 11/08/2016 and by subsequent transfer permit no. 1105 issued on the 25/01/2023. These emissions points are, on the other hand, related to the production of liquid products intended for finishing, in these cases, the polluting emissions are those of ethanolamine, formic acid and TOC (total organic carbon).

ATMOSPHERIC EMISSIONS			
TYPE OF ATMOSPHERIC POLLUTANT	u.m.	2023	2024
VOC Cl I	Kg	0.039	0.030
VOC Cl I+II	Kg	0.039	0.030
Formic Acid	Kg	0.058	0.064
Ammonia	Kg	0.220	0.018
Ethanolamine	Kg	0.130	0.001
Sulphur oxide	Kg	0.726	0.159

In both years the air pollutant data reported here refers to, there were no instances of exceeding the limits prescribed by the previously mentioned authorisation. The data also showed a decrease in the quantities detected in 2024 compared to the previous year.

However, such a variation must be interpreted with caution, as the data is based on point-in-time analysis conducted on a single day, which does not necessarily reflect the average or overall trend of emissions over time. For this reason, while welcoming the result positively, it is not possible to attribute the observed reduction to changes in production or management processes with certainty.

E2-4

Pollution of air,
water and soil

**OBTAINING
UNI EN ISO 14001
CERTIFICATION
STRENGTHENS THE
COMPANY’S COMMITMENT
TO IMPROVING
ENVIRONMENTAL IMPACTS
THROUGH PROCESS
MONITORING ACCORDING
TO DEFINED INDICATORS.**



E2-5

Substances of concern and substances of very high concern

2.2.3

Use of hazardous substances

Hazard information relating to substances of concern and very high concern (SVHC) can be found in sections 2, 3 and 15 of the respective safety data sheets. The data sheets are updated every time the substance in question is added to Annex XVII of the REACH Regulation or following updates to the CLP Regulation.

FGL International is constantly committed to monitoring these substances by following the evolution of the regulations scrupulously:

- REACH Regulation (no. 1907/2006 and subsequent modifications and additions) for substances of very high concern
- CLP Regulation (no. 1272/2008 and subsequent modifications and additions) for substances of concern

When a substance is declared an SVHC, FGL International initiates an internal process that generally leads to a reduction in its use by replacing it with alternative substances. The FGL International Research and Development department closely monitors proposals regarding the inclusion of substances in Annex XVII of the REACH Regulation, and, thanks to this, is generally able to switch to an alternative substance before the proposal for inclusion in Annex XVII is approved. In addition to substances of very high concern, the same approach is also used for substances of concern, in this case, reference is made to the CLP Regulation.

A further push towards the elimination of substances of concern and of very high concern is provided by the ZDHC (Zero Discharge of Hazardous Chemicals) programme.



In particular, approximately 90% of FGL International's sales are made up of products which, whether they are uploaded or not on the ZDHC portal, meet the criteria set out in the reference standards, confirming the Company's constant commitment to supply solutions that comply with the chemical sustainability requirements requested by the supply chain.

FGL International, furthermore, presents itself as a cutting-edge company in terms of monitoring and managing substances of concern and of very high concern. In addition to the previously mentioned procedures, chemical risk analysis and obtaining UNI EN ISO 45001 certification are further guarantees of FGL International's commitment to ensuring the correct management of these types of substances.

Data shows that as well as reducing the overall use of chemicals (-7%), FGL International managed to reduce the amount of substances of concern used in its production processes by 13% between 2023 and 2024. This result is also reflected in the share of substances of concern in total chemicals, which decreased from 6.22% to 5.85%. The trend confirms the effectiveness of corporate strategies aimed at limiting the use of chemicals with critical impacts, thanks to the adoption of less impactful alternatives.

The only data that goes against the trend concerns substances of very high concern (SVHC), in this case, albeit a percentage level the growth may seem important, it concerns very small volumes of substances and is therefore of little relevance in absolute terms.

TOTAL AMOUNT OF SUBSTANCES	U.M.	2023	2024	Δ 2024/2023
Chemicals	t	16,102.03	14,939.45	-7%
Substances of concern	t	1,001.50	874.20	-13%
Percentage of substances of concern	%	6.22%	5.85%	-0.37%
Substances of very high concern	t	4.15	5.50	33%
Percentage of substances of very high concern	%	0.026%	0.037%	0.011%

Below is the breakdown of the quantities of substances of concern and very high concern that FGL International purchased and marketed in the years 2023 and 2024. It should be noted that the quantities identified as "Intergroup In" and "Intergroup Out" refer to:

- **Intergroup In:** Substances of concern and substances of very high concern incoming from other companies in the Lapi Group
- **Intergroup Out:** Substances of concern and substances of very high concern outgoing to other companies in the Lapi Group



FGL INTERNATIONAL IS A CUTTING-EDGE COMPANY IN TERMS OF MONITORING AND MANAGING SUBSTANCES OF CONCERN AND SUBSTANCES OF VERY HIGH CONCERN















In 2021 FGL International was the first company in the chemical tanning sector to obtain Level 3 for its products inserted in the ZDHC, with certificate no. 1 issued by ICEC.



-13%

QUANTITY OF SUBSTANCES OF CONCERN USED IN PRODUCTION PROCESSES















YEAR 2023

CHEMICALS	TYPE OF FLOW	TOTAL QUANTITY (tonnes)	TOTAL QUANTITY SUBSTANCES OF CONCERN (tonnes)	QUANTITY OF SUBSTANCES/MIXTURES OF CONCERN CONSUMED PER HAZARD STATEMENT H (TONNES)													
																	
POWDERS	Inbound	5,933.84	60.9	60.90					60.90		14.70					60.90	
	Outbound	3,534.87	5.00	5.00					5.00		3.00					3.00	
	Intergroup In	140.47	0.00														
	Intergroup Out	37.65	0.00														
LIQUIDS	Inbound	2,320.45	220.40	134.50			134.50										
	Outbound	4,737.29	754.10	754.10	8.80		134.60		132.00		38.90	8.30	490.40	0.40	135.80	66.80	0.00
	Intergroup In	119.42	38.90									38.90				38.90	
	Intergroup Out	126.88	0.00														
TOTAL		16,102.03	1,001.50	954.50	8.80	0.00	269.10	0.00	197.90	0.00	38.90	26.00	490.40	0.40	135.80	130.70	0.00

CHEMICALS	TYPE OF FLOW	TOTAL QUANTITY (tonnes)	TOTAL QUANTITY OF VERY HIGH CONCERN (tonnes)	QUANTITIES OF SUBSTANCES/MIXTURES OF VERY HIGH CONCERN BY HAZARD CLASS (TONNES)						
				Category 1A and 1B carcinogens	Germ Cell Mutagenicity 1A and 1B	Reproductive toxicity 1A and 1B	PBT	vPvB	Endocrine-disrupting properties for human health	Endocrine-disrupting properties for the environment
POWDERS	Inbound	5,933.84	0.00							
	Outbound	3,534.87	0.00							
	Intergroup In	140.47	0.00							
	Intergroup Out	37.65	0.00							
LIQUIDS	Inbound	2,320.45	0.00							
	Outbound	4,737.29	4.15						4.15	
	Intergroup In	119.42	0.00							
	Intergroup Out	126.88	0.00							
TOTAL		16,102.03	4.15	0.00	0.00	0.00	0.00	0.00	4.15	0.00

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YEAR 2024

CHEMICALS	TYPE OF FLOW	TOTAL QUANTITY (tonnes)	QUANTITY TOTAL SUBSTANCES OF CONCERN (tonnes)	QUANTITY OF SUBSTANCES/MIXTURES OF CONCERN CONSUMED PER HAZARD STATEMENT H (TONNES)													
																	
POWDERS	Inbound	4,183.50	57.00	57.00					57.00			14.70	40.00			57.00	
	Outbound	3,808.18	6.20	6.20					6.20		6.20	6.20				6.20	
	Intergroup In	266.33	0.00														
	Intergroup Out	28.10	0.00														
LIQUIDS	Inbound	2,952.09	152.90	133.90			133.90										
	Outbound	4,519.20	690.80	690.80	9.20		140.50		122.80		50.60	8.10	515.20	0.70	149.50	81.50	
	Intergroup In	168.90	32.70										32.70			32.70	
	Intergroup Out	60.19	0.00														
TOTAL		14,939.45	874.20	887.90	9.20	0.00	274.40	0.00	186.00	0.00	56.80	29.00	555.20	0.70	149.50	144.70	0.00 0.00

CHEMICALS	TYPE OF FLOW	TOTAL QUANTITY (tonnes)	TOTAL QUANTITY OF VERY HIGH CONCERN (tonnes)	QUANTITIES OF SUBSTANCES/MIXTURES OF VERY HIGH CONCERN BY HAZARD CLASS (TONNES)						
				Category 1A and 1B carcinogens	Germ Cell Mutagenicity 1A and 1B	Reproductive toxicity 1A and 1B	PBT	vPvB	Endocrine-disrupting properties for human health	Endocrine-disrupting properties for the environment
POWDERS	Inbound	4,183.50	0.00							
	Outbound	3,808.18	0.00							
	Intergroup In	266.33	0.00							
	Intergroup Out	28.10	0.00							
LIQUIDS	Inbound	2,952.09	2.80						2.80	
	Outbound	4,519.20	2.70						2.70	
	Intergroup In	168.90	0.00							
	Intergroup Out	60.19	0.00							
TOTAL		14,939.45	5.50	0.00	0.00	0.00	0.00	0.00	5.50	0.00

SBM-3

Material impacts, risks and opportunities and their interaction with strategy and business model

E3-1

Policies related to water and marine resources

E3-2

Actions and resources related to water and marine resources

E3-3

Targets related to water and marine resources



FGL INTERNATIONAL IS COMMITTED TO REDUCING THE ENVIRONMENTAL IMPACT OF ITS PRODUCTION PROCESSES, INCLUDING CONTROLLING THE USE OF WATER RESOURCES.

2.3 Water

Water is a fundamental resource for life and developing production activities. Sustainable use is a crucial challenge to ensure a balance between human, industrial, and agricultural needs, avoiding the degradation of aquatic ecosystems and water scarcity.

Responsible water resource management is a fundamental aspect of FGL International's environmental strategy which is constantly committed to monitoring and optimising water consumption within its production processes and ancillary activities. Water plays an essential role in various production phases, making a targeted approach necessary to ensure its efficient and sustainable use.

2.3.1 Water resource policies

FGL International is committed to reducing the environmental impact of its production processes, including controlling the use of water resources. The Company recognises the importance of responsible water consumption and adopts measures and objectives to minimise waste and improve its operational efficiency.

To improve water management and reduce waste, FGL International adopted a data-driven approach and identified a specific indicator to monitor and control water consumption in ancillary activities. This indicator allows for a systematic evaluation of the effectiveness of actions taken and the identification of potential areas for improvement, thus contributing to a more conscious and sustainable use of water resources.

This is because one of the strategic objectives is to reduce the use of primary resources, including water, as much as possible, by promoting sustainable practices.



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Furthermore, there is a strong commitment to containing and improving the quality of wastewater from production processes, ensuring compliance with current regulations on environmental protection, hygiene, and safety.

The Company addresses these issues through training and information programmes for personnel, with the aim of raising employee awareness about best practices for sustainable water management. Furthermore, the environmental policy is periodically reviewed to ensure continuous improvement in water resource management and the implementation of new strategies to reduce the impact on the environment.

FUTURE GOALS AND ACTIONS

AREA OF ACTION	PRE-SET OBJECTIVE	DESCRIPTION	PERIMETER	METRICS	TIME FRAME
Water consumption	20% reduction in ancillary consumption	Reduction of ancillary water consumption, i.e. water consumption that is not due to production processes	The entire company excluding production	m ³	2027

2.3.2

Use of water resources: withdrawals, discharges and consumption

Among FGL International's activities, the main processes with high water consumption include:

- Liquids production activities, both for wet-end and finishing processes;
- Ancillary activities, such as cleaning systems or technical application tests carried out with the tanning drums in the experimental tanning department.

As regards ancillary activities, a specific KPI was defined with the aim of reducing water wastage.

E3-4

Water consumption

CATEGORY	SUBCATEGORY	U.M.	2023	2024	Δ 2024/2023
Water withdrawals	Total water withdrawals	m³	8,595	7,834	-9%
Water withdrawals	Surface water	m ³	1,141	1,435	26%
Water withdrawals	Groundwater	m ³	7,454	6,399	-14%
Water discharge	Total water discharge	m³	5,111	4,793	-6%
Water consumption	Total water consumption	m³	3,484	3,041	-13%
Water intensity	Water intensity	m³/M€	185.28	165.77	-11%
Water intensity	Net revenue	M€	18.80	18.35	-2%
Water intensity	Water intensity per hours worked	m³/kh	40.67	35.65	-12%
Water intensity	Hours worked	kh	85.67	85.29	-0.4 %

SBM-3

Material impacts, risks and opportunities and their interaction with strategy and business model

E3-1

Policies related to resource use and circular economy

E5-2

Actions and resources related to resource use and circular economy

E5-3

Targets related to resource use and circular economy

2.4 Circular Economy

FGL International's reduction in water consumption is the result of constant attention to efficient water resource management. In particular, the Company implemented targeted measures to limit waste in washing processes and optimise water use, including shutting off water withdrawal during production breaks. These actions, integrated into a broader sustainability approach, help minimise environmental impact and promote more responsible water resource management.

Circular Economy is a production and consumption model designed to reduce waste, optimise resource use, and minimise environmental impact. Unlike the traditional linear approach, based on production, use and disposal, circular economy is based on the principles of reuse, recycling, regeneration, and valuing materials, extending the life cycle of products and reducing the dependence on natural resources.

This model is essential for tackling global challenges such as resource depletion, pollution, and climate change, while promoting more sustainable solutions across various sectors. FGL International places environmental sustainability at the centre of its strategy, adopting innovative solutions to reduce its environmental impact and optimise resource use throughout the production chain. The Company is strongly committed to the transition towards a circular economy model, by developing technologies and products compatible with increasingly stringent environmental standards.

2.4.1 Policies related to resource use and circular economy

FGL International adopts an approach aimed at incentivising solutions that reduce environmental impact and promote the efficient use of resources throughout the entire production chain.

In particular, adherence to the ZDHC project demonstrates not only a commitment to reducing hazardous chemicals, but also to others in line with the principles of circular economy and green chemistry. Furthermore, the Company is committed to developing technologies and products that meet the needs of an evolving market, ensuring solutions compatible with increasingly stringent environmental standards.

Another key element of FGL International's strategy concerns the continuous improvement of production process management, aimed at minimising waste. This approach not only favours more efficient production but also contributes to a more sustainable product lifecycle, thus reducing overall environmental impact.

Waste minimisation was also implemented by FGL International at the product packaging level. Tanks were all purchased reconditioned, thus contributing to the reuse of materials already in circulation.

The Company also promotes staff training and awareness on environmental issues so that all employees can actively contribute to the development of corporate circular economy.

FGL International's commitment to implementing an economy increasingly geared towards circularity is also demonstrated by the collaboration with the Università degli Studi di Salerno, to research and develop products derived from the recovery of vegetable by-products and waste, with the aim of promoting innovative bio-based solutions in line with the principles of circular economy.

The agreement, signed in 2024, includes a three-year programme which officially started in mid-November 2024, after which FGL International and the Università degli Studi di Salerno jointly defined the research topics of greatest interest. Studying the extraction of active ingredients from plant waste and their chemical modification to make them suitable for use in the leather industry are the central themes of the project. In particular, applications of these new substances will range from tanning, to support in retanning formulations, as well as other auxiliary functions in the tanning process.

The expected result is to be able to introduce the bio-based products developed into the range which will be certified using the 14C technique at official laboratories, thereby strengthening FGL's commitment to more sustainable chemistry. These sustainable and innovative products are also in line with the Ecodesign framework, currently under consultation for the textile sector and destined to become a reference standard for the industry.

The research results will be presented at industry conferences and integrated into corporate initiatives such as the LCA (Life Cycle Assessment) project and the sustainability path undertaken by FGL International as part of the ZDHC programme. These elements will help strengthen the Company's communication with customers, valorising its commitment to environmental protection and promoting an increasingly sustainable supply chain.



More circular and sustainable packaging



Employee training and awareness raising

ON ENVIRONMENTAL ISSUES



Promoting bio-based solutions

COLLABORATION WITH THE
UNIVERSITÀ DEGLI STUDI
DI SALERNO



Circular economy action plan: actions and goals

ACTIONS ALREADY IMPLEMENTED						
AREA OF ACTION	DESCRIPTION		PERIMETER	RESULTS		
Develop bio-based substances from plant waste for leather processing	Collaboration with the Università degli Studi di Salerno to carry out various studies on bio-based products derived from the recovery of vegetable by-products and waste to be used in tanning and in the auxiliary phases of leather production.		Research and development	The project started in November 2024, therefore, there are no tangible results of the collaboration at the moment		
Waste management	Monitoring waste quantities produced and waste hazards in case of accidental spills of hazardous substances		Production and logistics	Reducing the amount of hazardous waste produced by recovering hazardous substance spills		

FUTURE ACTIONS						
AREA OF ACTION	PRE-SET OBJECTIVE	DESCRIPTION	PERIMETER	METRICS	TIME FRAME	
Develop bio-based substances from plant waste for leather processing	Conduct studies and produce samples	Collaboration with the Università degli Studi di Salerno to carry out various studies on bio-based products derived from the recovery of vegetable by-products and waste to be used in tanning and in the auxiliary phases of leather production	Research and development	Number of studies conducted and/or samples	2027	
Waste management	A 15% reduction in the amount of hazardous waste generated by spills compared to 2024	Monitoring the quantities of waste produced in the event of accidental spills and the hazardous characteristics of the waste	Production and logistics	Kg of hazardous waste generated by spills	2027	

E5-4

Resource inflows

E5-5

Resource outflows

2.4.2

Materials, products and waste

FGL International is actively committed to adopting sustainable packaging solutions from a circular economy perspective, integrating its principles into its business strategy. To this end, the Company uses recovered or recycled materials to reduce environmental impact and encourage the reuse of resources.

Part of the plastic packaging used is equipped with R-PET certification that attests its recycled content. The plastic drums used, furthermore, are composed of 34% virgin HDPE and 66% rHDPE, guaranteeing they too have significant use of recycled plastic. Furthermore, the drums, despite not being recyclable were all purchased

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reconditioned. This practice, more virtuous than recycling in the hierarchy of good circular economy practices, certainly contributed to the reuse of materials already in circulation, thus reducing waste.

As regards paper packaging, the bags currently used by FGL International are not yet FSC certified, as they were purchased previously. The Company has already set as its next objective the introduction of FSC-certified bags, purchased from Saccarta (an FSC-certified company), confirming its commitment to selecting suppliers who adhere to sustainable forest management standards.



The Company uses recovered or recycled packaging materials to reduce the environmental impact and encourage the reuse of resources.

CATEGORY	SUBCATEGORY	PERIOD	QUALITATIVE DESCRIPTION OF THE MATERIAL (DESCRIPTION)	U.M.	2023	2024
Goods used in business operations	Medium weight machinery	Purchased in the reporting period	Boiler	items	-	1
Goods used in business operations	Static heavy machinery	Purchased in the reporting period	Lifeline in the production department	items	-	1
Goods used in business operations	Medium weight machinery	Purchased in the reporting period	Pneumatic pump	items	-	1

AREA	CATEGORY	QUALITATIVE DESCRIPTION OF THE MATERIAL	U.M.	2023	2024
Materials used	Raw materials for production	Powders	kg	3,497,024.00	3,731,309.30
		Liquids	kg	2,011,953.50	1,767,734.00
	Finished products	Powder products	kg	2,436,156.51	452,194.00
		Liquids	kg	308,496.72	1,184,363.50
	Packaging materials	Paper bags and boxes	kg	38,500.00	41,200.00
		Wooden pallets	kg	80,300.00	77,300.00
		Film	kg	8,750.00	7,390.00
		Drum - plastic part	kg	85,000.00	79,000.00
		Drum - iron part	kg	11,150.00	12,600.00
		Iron drum	kg	786.00	5280.00
		IBC- plastic part	kg	14,100.00	13,800.00
		IBC- iron part	kg	42,150.00	39,400.00
		Drum - plastic part	kg	56,100.00	52,140.00
		IBC- plastic part	kg	14,100.00	12,976.00
		IBC- iron part	kg	42,150.00	37,816.00
Recycled	Packaging materials	Drum - plastic part	kg	56,100.00	52,140.00
Recovered	Packaging materials	IBC- plastic part	kg	14,100.00	12,976.00
		IBC- iron part	kg	42,150.00	37,816.00



**FGL INTERNATIONAL
IMPLEMENTED A STRUCTURED
AND FORMALISED SYSTEM
TO MANAGE PRODUCT
END-OF-LIFE AND WASTE**

The Company is committed to reducing the environmental impact along the entire value chain, by implementing processes aimed at promoting the recovery, reuse, and proper disposal of waste material



Internal waste sorting system



86%

RECYCLABILITY RATE OF
PRODUCT PACKAGING
IN 2024

	U.M.	2023	2024	Δ 2024/2023
Materials used	kg	8,534,366.73	7,411,570.80	-13%
Recovered or reused materials	kg	56,250.00	50,790.00	-10%
Recovered or reused materials	%	0.66%	0.69%	0.03%
Recycled materials	kg	56,100.00	52,140.00	-7%
Recycled materials	%	0.66%	0.70%	0.04%

Given the sector FGL International operates in, the assessment of recycled materials and recovered content rates refers exclusively to product packaging. Given it is a company producing chemicals for the tanning sector, the products themselves are not produced from recycled processes, but the commitment to sustainability focuses on using packaging with a high percentage of recycled materials and easily recoverable, in line with the principles of circular economy and reducing the environmental impact along the production chain.

FGL International implemented a structured and formalised system to manage product end-of-life and waste, and furthermore, it is committed to reducing the environmental impact throughout the entire value chain, implementing processes aimed at promoting the recovery, reuse, and proper disposal of waste materials.

On an operational level an internal waste sorting system has been established, which allows for the efficient management of the different types of waste generated by production activities. Among the identified and monitored waste streams are, for example, spent batteries and WEEE (Waste Electrical and Electronic Equipment), for which specific collection and disposal methods are provided for in compliance with current regulations.

The Company also evaluates the use of single-material packaging to simplify recycling and reduce the volume of waste destined for disposal.

The FGL International packaging recyclability rate of product packaging was 87% in 2023 and 86% in 2024. These values were calculated only for product packaging because the products themselves, being chemical substances, are consumed in the production processes for which they are intended, thus not being recyclable by definition.

Focusing further on the packaging, proves to be particularly virtuous, not only, as already seen, for the associated recyclability rate, but even more so for the fact that it can be recovered. Recovery, in fact, is a more virtuous practice than recycling in the hierarchy of circular economy practices.

The practice of recovery is also a central element in FGL International's waste management and is the main destination of the majority of waste materials produced by the Company. This approach is in line with the commitment to a more sustainable and circular model, which aims to reduce environmental impact through waste reuse and valorisation.

The effectiveness of FGL International's waste management strategy is reflected in the significant increase in the percentage of waste destined for recovery, which increased from 51% in 2023 to 77% in 2024. This improvement was made possible, in particular,

thanks to the introduction of the practice of disassembling the tanks, which made it possible to avoid the disposal of the entire packaging and for the separate recovery of their constituent materials. This approach concretely demonstrates the Company's commitment to reducing disposal practices in favour of more sustainable and circular waste management. Thanks to careful management and compliance with current regulations, FGL International continues to prioritise recovery over disposal, thus contributing to reducing waste and to the efficiency of the entire production chain.



77%

PERCENTAGE OF
WASTE DESTINED
FOR RECOVERY

TYPE OF WASTE		U.M.	2023	2024
Hazardous + non-hazardous	Total waste produced	Kg	267,934	204,921
Hazardous	Preparation for reuse (R2; R6-R9)	Kg	0	0
Hazardous	Recycling (R3-R5)	Kg	1,220	2,940
Hazardous	Other recovery operations (R1; R10-R13)	Kg	38,300	57,898
Hazardous	Hazardous waste NOT destined for disposal	Kg	39,520	60,838
Non-hazardous	Preparation for reuse (R2; R6-R9)	Kg	0	0
Non-hazardous	Recycling (R3-R5)	Kg	5,780	5,220
Non-hazardous	Other recovery operations (R1; R10-R13)	Kg	91,913	90,951
Non-hazardous	Non-hazardous waste NOT destined for disposal	Kg	97,693	96,171
Hazardous + non-hazardous	Total waste destined for preparation for reuse	Kg	0	0
Hazardous + non-hazardous	Total waste destined for recycling	Kg	7,000	8,160
Hazardous + non-hazardous	Total waste destined for other recovery operations	Kg	130,213	148,849
Hazardous + non-hazardous	Total waste NOT destined for disposal	Kg	137,213	157,009
Hazardous	Incineration (D10; D11)	Kg	0	0
Hazardous	Landfill (D1)	Kg	0	0
Hazardous	Other disposal operations (D2-D9; D12-D15)	Kg	10,861	392
Hazardous	Hazardous waste destined for disposal	Kg	10,861	392
Non-hazardous	Incineration (D10; D11)	Kg	0	0
Non-hazardous	Landfill (D1)	Kg	0	0
Non-hazardous	Other disposal operations (D2-D9; D12-D15)	Kg	119,860	47,520
Non-hazardous	Non-hazardous waste destined for disposal	Kg	119,860	47,520
Hazardous + non-hazardous	Total waste destined for Incineration	Kg	0	0
Hazardous + non-hazardous	Total waste destined for the landfill	Kg	0	0
Hazardous + non-hazardous	Total waste destined for other disposal operations	Kg	130,721	47,912
Hazardous + non-hazardous	Total waste destined for disposal	Kg	130,721	47,912
Hazardous + non-hazardous	Total non-recycled waste	kg	260,934	196,761
Hazardous + non-hazardous	Percentage of non-recycled waste	%	97%	96%
Hazardous + non-hazardous	Total waste destined for recovery (recycling included)	kg	137,213	157,009
Hazardous + non-hazardous	Percentage of waste destined for recovery (recycling included)	%	51%	77%
Non-hazardous	Total non-hazardous waste	Kg	217,553	143,691
Hazardous	Total Hazardous waste	Kg	50,381	61,230

3. Social Information





FGL International is committed to being a company capable of attracting and retaining qualified human resources, promoting a positive work environment and ensuring a high level of satisfaction among its employees.

3 Social Information

3.1 People

3.2 Workers in the value chain

3.3 Affected communities

3.4 Attention to customers and end users

3. Social Information

SBM-3

Material impacts, risks and opportunities and their interaction with strategy and business model



FGL International pays particular attention to the selection of its business partners and to implementing measures to ensure the health and safety of workers along the value chain

THE COMPANY CONTRIBUTES SIGNIFICANTLY TO THE ECONOMIC, SOCIAL AND CIVIL DEVELOPMENT OF THE COMMUNITIES IT OPERATES IN.

FGL International is committed to being a company capable of attracting and retaining qualified human resources, by promoting a positive work environment and ensuring a high level of satisfaction among its employees.

The Company pays particular attention to health and safety, personal and professional growth, as well as work-life balance, ensuring adequate wages and decent working conditions.

The impacts pursued by FGL International contribute to mitigating the risk, typical of the Italian chemical tanning sector, of the difficulty in finding and retaining key skills, which are indispensable to handle the high technical complexity of the processes carried out. This commitment is fundamental to constantly pursue innovation and product quality, key elements of the company's strategy.

Aware of operating in a sector filled with potentially significant impacts on people, FGL International pays particular attention to the selection of its business partners and to implementing measures to ensure the health and safety of workers along the value chain, while also ensuring respect for their fundamental rights.

The Company contributes significantly to the economic, social and civil development of the communities it operates in. FGL International places fundamental values at the centre of its activity such as safety, transparency, legality, and sustainability, both in the selection of raw materials and the quality of the final products.

Consumers are extremely attentive to the composition of the products they use on a daily basis. In this respect, chemicals for the tanning industry, developed by FGL International are therefore high-profile safety choices.

The Company provides a complete range of products compliant with regulatory and market requirements. This makes them ideal to meet the needs of modern consumers, who are aware of the quality and safety of the materials, but also of the environmental impact associated with their production.

3.1 People

FGL International recognises the central value of its human resources and is committed to creating a work environment that protects the dignity and well-being of all employees. In this growth path, the Company guarantees compliance with national and international regulations, adhering to the conventions of the ILO (International Labour Organization) and the UN (United Nations), and promoting high standards of health, safety, and quality of working conditions.

To this end, FGL International implemented concrete measures to prevent and reduce risks at work in line with ILO Conventions 102 and 155 and Recommendation 164. Furthermore, it strictly applies national collective bargaining agreements, respecting the relevant regulations relating to working hours, rest periods, and overtime management, in compliance with ILO Convention 131. The Company ensures fair wages and dignified working conditions for all workers, fully recognising the pay rights provided for by current legislation and guaranteeing the correct payment of overtime according to the CCNL (national collective bargaining agreements) rates.

FGL International promotes a work environment in which discussion and sharing ideas are valued as essential tools for continuous improvement. It fosters teamwork by encouraging trust, a sense of responsibility, and the active participation of every employee in achieving company goals. Collaboration and openness to dialogue are considered fundamental to consolidate an engaging working atmosphere, encourage the shared resolution of problems, and optimise company results.



S1-1

Policies related to own workforce

S1-2

Processes for engaging with own workers and workers' representatives about impacts

S1-3

Processes to remediate negative impacts and channels for own workers to raise concerns

S1-6

Characteristics of the undertaking's employees

S1-7

Characteristics of non-employee workers in the undertaking's own workforce

S1-17

Incidents, complaints and severe human rights impacts

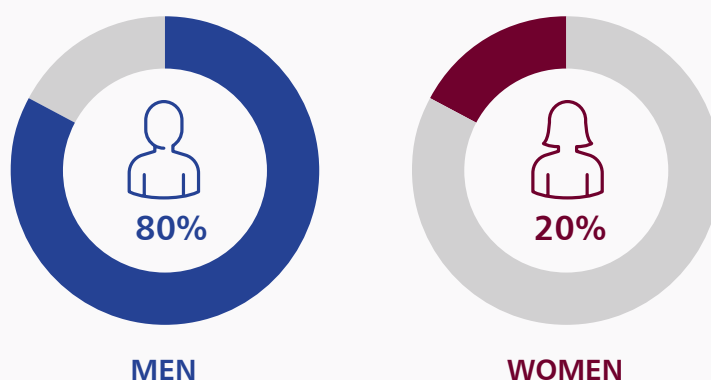
FGL INTERNATIONAL RECOGNISES THE CENTRAL VALUE OF ITS HUMAN RESOURCES AND IS COMMITTED TO CREATING A WORK ENVIRONMENT THAT PROTECTS THE DIGNITY AND WELL-BEING OF ALL EMPLOYEES.



FGL International places the appreciation of its people and their skills at the heart of its mission, promoting a serene and stimulating work environment

FGL International places the appreciation of its people and their skills at the heart of its mission, promoting a serene and stimulating work environment where everyone can express their full potential and work independently and responsibly.

GROUP EMPLOYEES AND COLLABORATORS DIVIDED BY GENDER



EMPLOYEES (FIXED-TERM AND PERMANENT) BY TYPE OF JOB AND GENDER AS OF THE 31.12

	2023	2024	VARIATION BETWEEN 2024 AND 2023
Permanent	47	52	11%
Women	10	10	0%
Men	37	42	14%
Fixed-term	2	2	0%
Women	1	1	0%
Men	1	1	0%
Tot. Employees permanent and fixed-term	49	54	10%

The Company works with 10 external collaborators, i.e. personnel not directly employed by it. The most represented category is that of self-employed workers (4), followed by agents (3), temporary workers (2) and an intern.

3.1.1 Employee well-being

FGL International applies the National Collective Bargaining Agreement, (CCNL for the Chemical Industry) fully, ensuring full compliance with legislation regarding working hours, pay, holidays, breaks, and overtime, also in accordance with ILO Convention 131.

The Company ensures dignified wages for all workers, in compliance with current legislation, sufficient to guarantee adequate living conditions, in addition to the correct remuneration of overtime hours according to the rates set by the collective bargaining agreement.

Working hours vary by department and do not allow for flexibility. Generally, working hours are from Monday to Friday, without shifts, with rare exceptions, and in any case never at night.

All employees are covered by collective bargaining agreements, without any exclusion, and benefit from the social protection provided by the CCNL Chimici Industria (Chemical Industry National Collective Bargaining Agreement) and current regulations. Furthermore, the Company provides a company canteen for staff, guaranteeing an internal catering service.

FGL International provides specific fringe benefits for technicians and salespeople, with the aim of supporting work activity and improving employee well-being. In particular, technicians are provided with company cars, primarily vans, to facilitate their work, while some of them have cars for both private and business use.

For workers in the chemical and pharmaceutical industry, the national contract includes the option of voluntarily joining the funds Fonchim (a complementary pension scheme) and Faschim (healthcare), both supported by a significant company contribution in case of membership.

EMPLOYEES (FIXED-TERM AND PERMANENT) BY TYPE OF JOB (FULL TIME AND PART TIME) AND BY GENDER AS OF THE 31.12	2023	2024	VARIATION BETWEEN 2024 AND 2023
Full time	47	52	11%
Women	10	10	-
Men	37	42	14%
Part time	2	2	-
Women	1	1	-
Men	1	1	-
Tot. Employees permanent and fixed-term	49	54	10%

S1-6

Characteristics of the undertaking's employees

S1-8

Collective bargaining coverage and social dialogue

S1-10

Adequate wages

S1-11

Social protection

S1-15

Work-life balance metrics



GUARANTEEING AN INTERNAL CATERING SERVICE



FOR TECHNICIANS AND SALESPEOPLE

OVERALL TURNOVER RATES, BOTH NEW HIRES AND EXITING EMPLOYEES	2023	2024	VARIATION BETWEEN 2024 AND 2023
Overall turnover rate	22%	13%	-42%
New hire turnover rate	10%	13%	27%
Exiting turnover rate	12%	0%	-100%
New collaborators	5	7	40%
Collaborators who interrupted or terminated the working relationship	6	0	-100%

The overall turnover rate saw a significant reduction of 42%. This result was mainly due to an increase in the number of new hires, which consequently led to an increase in inbound turnover. At the same time, a decrease was observed in the number of collaborators who terminated their working relationship with the Company, thus causing a reduction in outbound turnover (zero in 2024). The combination of these two phenomena helped to stabilise the workforce, promoting greater operational continuity and an overall improvement in human resource management.

S1-3

Processes to remediate negative impacts and channels for own workers to raise concerns

S1-9

Diversity metrics

3.1.2 Diversity and inclusion

Mutual respect is an integral part of the business ethic; FGL International guarantees gender equality and respects the principle of equal opportunities throughout the entire working relationship, from staff selection, hiring, access to training, promotions, dismissal, and retirement, to salary levels, because it believes this encourages an inclusive environment where every employee feels valued and involved. This is also confirmed by the absence of cases of worker human rights violations.

FGL International firmly rejects all forms of discrimination, whether based on race, gender, social class, origin, birth, religion, disability, sexual orientation, family responsibilities, marital status, union membership, political opinions, age, or any other personal or social condition that may generate unequal treatment. The Company actively promotes the principle of equal opportunities and is committed to guaranteeing gender parity within its work environment.

Respecting fundamental rights, FGL International ensures that work is performed voluntarily and that all employees are fully aware of the possibility to freely make any complaints or reports. At the same time, the Company is committed to creating and maintaining a work environment based on respect and the dignity of people, rejecting any form of coercion, whether physical or psychological.

At FGL International, employees experiencing stress, difficulties with work organisation, or who are victims or witnesses harassment, threats, violence, humiliation, or aggression (as defined by the European Framework Agreement) can report the problem to their managers, the RLS (Worker Safety Representative), or

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use the whistleblowing channel available on the company website. Employees are informed about who to contact upon hiring and subsequently through a specific 6-hour training course provided by the Lapi Group's legal department on how to use the whistleblowing platform and the procedures related to it.

FGL International provides two internal reporting channels: one through a dedicated IT platform for whistleblowing, and the other in oral form, by directly contacting the department manager or the RLS (Worker Safety Representative).

Reports made through the portal are managed by the System Manager, appointed by the Management, who works autonomously, independently, and in full compliance with the principles of confidentiality, impartiality, and fairness, ensuring compliance with company procedures. In the case of oral reports, it is the manager or the RLS who evaluate how to proceed, deciding whether to deal directly with the situation or involve the Management or the Board of Directors.

THE COMPANY ACTIVELY PROMOTES THE PRINCIPLE OF EQUAL OPPORTUNITIES AND IS COMMITTED TO GUARANTEEING GENDER PARITY WITHIN ITS WORK ENVIRONMENT.

FIXED-TERM AND PERMANENT EMPLOYEES, BY CONTRACT TYPE, GENDER AND AGE GROUP	2023		2024	
	WOMEN	MEN	WOMEN	MEN
Managers	0	1	0	1
Under 30	0	0	0	0
30-50	0	0	0	0
Over 50	0	1	0	1
Middle Managers	2	3	2	5
Under 30	0	0	0	0
30-50	1	2	1	2
Over 50	1	1	1	3
Office Staff	9	19	9	21
Under 30	1	2	0	3
30-50	4	10	5	11
Over 50	4	7	4	7
Workers	0	15	0	16
Under 30	0	4	0	4
30-50	0	2	0	3
Over 50	0	9	0	9
Total	11	38	11	43

S1-13

Training and skills development metrics

FGL INTERNATIONAL PLACES TRAINING AT THE CENTRE OF ITS CORPORATE STRATEGY, CONSIDERING IT AN ESSENTIAL ELEMENT FOR THE PROFESSIONAL AND PERSONAL GROWTH OF EVERY EMPLOYEE

3.1.3 Training

FGL International places training at the centre of its corporate strategy, considering it an essential element for the professional and personal growth of every employee. The Company is committed to ensuring a fair, safe, and rewarding work environment, in which each worker can develop skills that are always updated and aligned with industry needs and market changes.

Training is an integral part of company duties across all departments. Every year, FGL International plans mandatory training, supplementing it with additional learning paths that can be requested directly by employees or proposed by managers. These paths are designed to improve the effectiveness and efficiency of performing tasks, thus contributing to the continuous improvement of company performance.

Each manager identifies the most relevant areas for improvement for their team, ranging from regulatory updates to transversal skills, to ensure that activities are performed with increasing effectiveness and efficiency. Furthermore, the Company enriches the training programme with inter-company plans organised by the Lapi Group, also in collaboration with industry associations. These paths can cover different areas, such as language learning, problem-solving, and the development of strategic skills, offering employees high-level training opportunities.

FGL International considers safety a fundamental pillar of its corporate culture and dedicates a significant portion of training hours to it. In 2023, 68% of the total hours were allocated to issues relating to occupational safety, while the remaining 32% focused on improving professional skills (25%) training on sustainability and the environment (7%).

In 2024, training continued to evolve, keeping safety as a priority, with 37% of the hours dedicated to this area. 35% focused on developing new skills to improve work effectiveness, 17% on language learning and 11% on sustainability and environmental issues. The increase in training hours in 2024, for specific types and categories of employees, was attributable to special courses promoted by the Group.



FGL International's attention to training reflects its commitment to promoting a stimulating, safe and aware work environment, where employees have access to concrete opportunities to improve their skills and increase their professional value.

TRAINING HOURS DIVIDED BY TYPE	2023	2024	VARIATION BETWEEN 2024 AND 2023
Technical and operational skills	146	473	225%
Health and safety, environment, quality and sustainability	423	233	-45%
Integrity, compliance and risk management	0	0	-
Interpersonal, organisational, linguistic, and digital skills	40	429	973%
Human rights	0	0	-
Total training hours	608	1,135	87%

AVERAGE TRAINING HOURS BY EMPLOYEE CATEGORY AND GENDER	2023	2024	VARIATION BETWEEN 2024 AND 2023
Managers	2.00	55.50	2,675%
Women	-	-	-
Men	2.00	55.50	2,675%
Middle Managers	37.90	41.71	10%
Women	36.75	49.75	35%
Men	38.67	38.50	0%
Office Staff	9.34	17.07	83%
Women	7.06	13.11	86%
Men	10.42	18.76	80%
Workers	10.33	17.19	66%
Women	-	-	-
Men	10.33	17.19	66%
Total	12.41	21.01	69%
Total women	12.45	19.77	59%
Total men	12.39	21.33	72%



37%

OF TRAINING ON ISSUES RELATING TO OCCUPATIONAL SAFETY



35%

OF TRAINING ON DEVELOPING NEW SKILLS



17%

OF TRAINING ON LANGUAGE LEARNING



11%

OF TRAINING ON SUSTAINABILITY AND ENVIRONMENTAL ISSUES

EMPLOYEES WHO PARTICIPATED IN PERIODIC REVIEWS	2023	2024
Managers	0	0
Women	0	0
Men	0	0
Middle Managers	0	0
Women	0	0
Men	0	0
Office Staff	0	0
Women	0	0
Men	0	0
Workers	0	0
Women	0	0
Men	0	0
Total	0	0

Currently, FGL International has not implemented a structured and formalised system for evaluating employee performance, although informal opportunities in this area still exist.

S1-2

Processes for
engaging with own
workers and workers'
representatives
about impacts

S1-13

Training and skills development metrics

S1-14

Health and Safety metrics

3.1.4 Health and Safety

FGL International considers occupational health and safety to be a fundamental and essential value for all its activities. Ensuring safe and healthy working conditions for employees, collaborators, contractors, and anyone operating in its environments is a top priority, pursued by the implementation of an ISO 45001 Occupational Health and Safety Management System. This system is an integral part of the company and aims to prevent occupational injuries and illnesses, by constantly improving the company's safety performance.

The Top Management, by defining an Occupational Health and Safety Policy, shows its strong commitment to ensuring full compliance with current legislation and voluntary undertakings, by carefully planning activities and providing adequate resources to reduce risks and improve working conditions. This commitment also entails the definition of concrete improvement goals, supported by specific programmes and investments, and in the promotion of a safety culture which involves all employees and their representatives.



At FGL International the participation and collaboration of all personnel is considered fundamental for the timely identification of potential critical issues, the adoption of necessary measures, and to contribute to the continuous improvement of the system. The Company also pays special attention to training and awareness, so that everyone is aware of the risks associated with their duties and the value of their contribution to collective safety. This approach also involves external personnel, such as suppliers and contractors, so they can operate in compliance with the same health and safety protection principles.

Through constant monitoring of its activities, evaluation of internal and external changes, and periodic system reviews, FGL International is committed to ensuring the effectiveness of its organisational model, making sure it is always aligned with regulatory changes, the needs of the context, and the expectations of stakeholders. The ultimate goal is to create a work environment where prevention and protection are an integral part of the company culture, promote everyone's well-being and ensure the sustainable development of its activities.

FGL International provides for different ways of involving workers and their representatives to ensure effective occupational health and safety management. This involvement takes place in a consultative, participatory and informative form, depending on the activities.

Periodic safety meetings are held annually and include the Employer, the IMS (Integrated Management System Manager), RSPP (Health, Safety and Environment Manager), and RLS (Workers' Safety Representative). During the meetings, they evaluate any critical issues, assess the effectiveness of training, and plan corrective or improvement action to enhance occupational safety. These activities are accompanied by scheduled inspections in all departments at least twice a year, carried out by the RSGI, RLS and RSPP, department heads and maintenance managers.

These inspections serve to identify any non-compliant situations and plan improvement interventions, including targeted training sessions. Finally, meetings are also organised, at least twice a year, with staff involved in inspections to share



Ensuring safe and healthy working conditions for its employees, collaborators, contractors, and anyone operating in its environments is an absolute priority

**FGL INTERNATIONAL
CONSIDERS OCCUPATIONAL
HEALTH AND SAFETY
A FUNDAMENTAL AND
ESSENTIAL VALUE FOR ALL
ITS ACTIVITIES.**



**IMPLEMENTATION OF AN ISO
45001
OCCUPATIONAL HEALTH AND
SAFETY MANAGEMENT SYSTEM**

the critical issues that emerged, evaluate the solutions identified and collect useful ideas for continuous improvement, with particular attention to strengthening staff awareness and maintaining the high level of safety achieved.

Regarding the social protection workers are covered by in the event of injury or illness, FGL International fully applies the procedures set out in the National Collective Bargaining Agreement.

In 2024, the Company recorded a significant result in terms of occupational safety, with the total absence of injuries among employees. This milestone highlights the effectiveness of the preventive measures implemented and the continuous commitment to promoting a safe and secure work environment for all personnel.

PERCENTAGE OF EMPLOYEES COVERED BY AN OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM	2023	2024	VARIATION BETWEEN 2024 AND 2023
Number of employees covered by an occupational health and safety management system	49	54	10%
% on total employees	100%	100%	-

EMPLOYEE ACCIDENT DATA	2023	2024	VARIATION BETWEEN 2024 AND 2023
Number of recordable injuries as of the 31.12	1	0	-100%
which occurred to the employees	1	0	-100%
which occurred to external workers	0	0	-
Injuries with non-serious consequences	1	0	-100%
which occurred to the employees	1	0	-100%
which occurred to external workers	0	0	-
Accidents with serious consequences	0	0	-
which occurred to the employees	0	0	-
which occurred to external workers	0	0	-
Number of occupational fatalities	0	0	-
which occurred to the employees	0	0	-
which occurred to external workers	0	0	-

INDEX	1. General Information	2. Environmental Information	3. Social Information	4. Business Conduct Policy	5. ESRS Content Index
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INJURY RATE CALCULATION	2023	2024	VARIATION BETWEEN 2024 AND 2023
Recordable incident rate (including fatalities)	11.67	0.00	-100%
which occurred to the employees	11.67	0.00	-100%
which occurred to external workers	0.00	0.00	-
Incident rate with serious consequences (excluding fatalities)			
which occurred to the employees	0.00	0.00	-
which occurred to external workers	0.00	0.00	-
Occupational fatality rate			
which occurred to the employees	0.00	0.00	-
which occurred to external workers	0.00	0.00	-
Injury severity rate	0.12	0.00	-100%

RECORDABLE CASES OF WORK-RELATED ILLNESSES	2023	2024	VARIATION BETWEEN 2024 AND 2023
Total number of recordable work-related illnesses	0	0	-
which occurred to the employees	0	0	-
which occurred to external workers	0	0	-
Cases of deaths due to occupational diseases	0	0	-
which occurred to the employees	0	0	-
which occurred to external workers	0	0	-

RECOVERY DAYS	2023	2024	VARIATION BETWEEN 2024 AND 2023
Total recovery days	10	0	-100%
Managers	0	0	-
Middle Managers	0	0	-
Office Staff	0	0	-
Workers	10	0	-100%
External workers	0	0	-

S2-1

Policies related to value chain workers

S2-2

Processes for engaging with value chain workers about impacts

S2-3

Processes to remediate negative impacts and channels for value chain workers to raise concerns

S2-4

Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions



FGL International implements various prevention and control measures, to protect not only internal workers but also those involved in the value chain

3.2

Workers in the value chain

FGL International, through its Integrated Quality, Environment, and Safety Policy, recognises the importance of guaranteeing safe, dignified, and rights-respecting working conditions, not only for its own employees but also for the workers involved throughout the entire value chain.

Operating in an industry that involves suppliers and customers both on a national and international level, the Company implements technological and organisational solutions aimed at preventing and reducing environmental impacts and health and safety risks, in full compliance with current legislation.

Within this framework, FGL International is committed to selecting and working with business partners who share the same principles of social responsibility, with particular attention to respecting labour regulations and protecting employee health and safety.

These principles are formalised and disseminated through the Company Charter of Values and are constantly monitored and updated to ensure consistency with strategic objectives, regulatory evolution, and market needs, with a specific focus on protecting the people directly or indirectly involved in the company's processes.

FGL International implements various prevention and control measures, to protect not only internal workers but also those involved in the value chain, such as transporters, maintenance staff, suppliers, and other external operators. In particular, specific information and organisational tools have been implemented to ensure safe working conditions for all people who access the company environments.

These initiatives include information signs present in the main company areas (the reception, offices, departments, warehouse and production), which provide clear and immediate guidance on actions to take, safety procedures, and potential risks. To support this, logs are present at the reception to register, inform and monitor access





PREVENTION AND CONTROL MEASURES



INFORMATION SIGNS



LOGS ARE PRESENT AT THE RECEPTION TO REGISTER INFORM AND MONITOR ACCESS



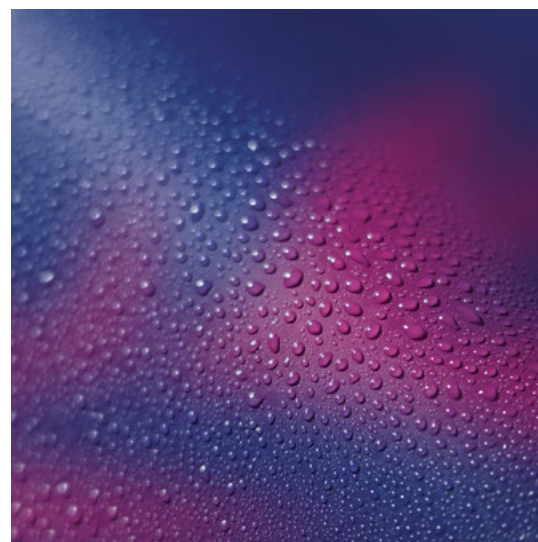
EVALUATION OF THE RESULTS OF COMPANY INSPECTIONS



TRAINING COURSES ON CHEMICAL RISKS



PREPARATION OF A DUVRI (DOCUMENTO UNICO DI VALUTAZIONE DEI RISCHI DA INTERFERENZE - COMBINED RISK AND INTERFERENCE ASSESSMENT DOCUMENT) BY THIRD-PARTY COMPANIES



by occasional visitors, transporters, and maintenance workers, to ensure that external personnel also receive the necessary information to operate safely. Specific training courses on chemical risks and the evaluation of results of company inspections are also carried out.

Furthermore, all maintenance work carried out by third-party companies is managed through the preparation of a DUVRI (Documento Unico di Valutazione dei Rischi da Interferenze - Combined Risk and Interference Assessment Document), which makes it possible to identify and communicate the risks related to interference between company activities and those of contractors.

This way, FGL International not only protects the health and safety of its own employees, but also that of all the workers involved in its production chain, promoting a responsible and shared approach to risk management.

S3-1

Policies related to affected communities

S3-2

Processes for engaging with affected communities about impacts

S3-3

Processes to remediate negative impacts and channels for affected communities to raise concerns

S3-4

Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

3.3

Affected communities

FGL International actively engages in dialogue and collaborations with the community, with particular attention to training young people, disseminating technical and scientific culture and promoting ethical and social values. With this in mind, the Company supports solidarity, cultural and sports initiatives, recognising its social role within the local community and the production chain.

The grants provided by FGL International are managed through a structured process involving various corporate and institutional figures. Supervision is entrusted directly to the CEO, who can delegate this responsibility to the General Manager. Both work in synergy with the representatives in charge of organising and coordinating the various initiatives, (for example the Youth Project Manager and the Press Office), to ensure targeted and effective distribution of the resources.

These grants are intended to support projects and activities that actively involve the local community. The main beneficiaries include **municipal administrations, schools and youth teams**, entities FGL International maintains a constant dialogue with to understand the needs of the local community and contribute to growth and social development. The Company is committed to supporting educational, cultural and sports initiatives, and promoting well-being and opportunities for young people.

One of the most important activities is the **FGL Academy** project, set up in 2022 in collaboration with Istituto Tecnico Tecnologico Galileo Galilei in Arzignano (VI). This training path aims to transmit the technical skills developed in the leather tanning sector to the new generations, with a theoretical and practical approach that allows students to directly engage with production phases, the use of sustainable products, and the analysis of chemical processes. Every edition of the Academy focuses on different topics, from the reduction of critical chemicals to low environmental impact finishing, as well as wastewater management, providing students with a concrete experience of the challenges and solutions adopted by the sector in terms of sustainability.



As well as the FGL Academy, the Company participates in and promotes projects focusing on young people and the local community, such as the **Giovani Project**, **Fabbriche Aperte (Open Factories)** and educational initiatives against smoking and alcohol abuse, aimed at schools in the Comprensorio del Cuoio Toscano -the Leather District. In these contexts, FGL International helps raise awareness among new generations about health, safety and career guidance, opening the doors of its factories to raise awareness of the professions linked to the chemical and tanning supply chain.

Over time, FGL International has strengthened its social commitment also through support for youth sport, accompanied by the dissemination of the **Code of Sports Ethics**, a handbook of shared values promoting respect, loyalty, and personal growth through sports.

Attention to the local community also extends to issues of collective interest such as energy saving and gender equality. The Company took part in the **"Giornata del risparmio energetico e degli stili di vita sostenibili" (National Day for Energy Saving and Sustainable Lifestyle)** with environmental awareness initiatives and organised training sessions dedicated to the fight against violence against women and gender bias, together with the Lapi Group.



Finally, to show its commitment along the entire supply chain, FGL International was the only company in the chemical tanning sector, to be a partner of the **Venice Sustainable Fashion Forum 2023**, actively contributing to the international debate on the sustainable transition in the fashion industry and bringing its perspective and experience in the tanning sector. FGL International's participation in the working group for event preparation, coordinated

by The European House Ambrosetti alongside major fashion brands and prestigious representatives of the tanning industry, proved to be fundamental.

The meetings dedicated to defining the topics covered allowed FGL International to explore the main challenges and improvement objectives of the supply chain, while identifying effective strategies to overcome critical issues. Thanks to the participation and testimonials from communication leaders and innovative entrepreneurs, the Company acquired new perspectives on how to address transformations in the industry. Participation in the event also strengthened awareness of the importance of certain strategic issues, essential to support the supply chain in the various stages and imminent transitions.

FGL International, aware of its role within the local communities it operates in, carefully monitors the possible impacts of its production activities. To date, no negative effects have been detected either for the local population or other companies located near production sites, and no reports or complaints have been received in this regard, confirming responsible and attentive business management.



FGL International actively engages in dialogue and collaborations with the community, with particular attention to training young people, disseminating technical and scientific culture and promoting ethical and social values.

S4-1

Policies related to consumers and end-users

S4-2

Processes for engaging with consumers and end users about impacts

S4-3

Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

S4-4

Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions



**A CERTIFIED
INTEGRATED QUALITY,
ENVIRONMENT AND
SAFETY MANAGEMENT
SYSTEM**

3.4

Attention to customers and end users

FGL International considers quality to be a central value of its business activity and a constant commitment to customers and consumers, to whom it offers reliable, innovative, and sustainable solutions. The Company works every day to guarantee chemicals for the tanning sector that meet the highest performance and environmental standards, developed in full compliance with current regulations and in line with market requirements and major international specifications.

Aware of the strategic role it plays in the leather supply chain, FGL International invests in research and development in technologies that support customers in creating increasingly sustainable, safe, leather goods that meet final consumer expectations. This objective translates into constant technical and regulatory updates (also thanks to involvement in numerous Italian and international technical commissions in the supply chain), continuous training courses for employees and qualified technical support, capable of supporting customers with expertise in choosing the most suitable and innovative solutions for each type of processing.



At the same time, the Company implements a responsible approach to managing information and sensitive data shared with customers, partners and stakeholders. All personal data and business information is treated with the utmost care, in full compliance with current regulations, to ensure security, confidentiality, and transparency in commercial relationships.

FGL International integrates these principles in its Integrated Quality, Environment and Safety Management System, which makes it possible to monitor and check all production and organisational phases. This system is aimed not only at legislative compliance, but above all at continuous improvement, by monitoring performance and periodically evaluating customer satisfaction to identify new opportunities for growth, efficiency, and innovation.



Customer satisfaction is assessed through the collection and analysis of direct data, such as the trend in complaints, the performance of purchased products in terms of volumes and revenue, and other quality indicators. In parallel, an evaluation questionnaire is also given to the company's technical personnel responsible for the customer service department, to collect their point of view on the satisfaction perceived by customers.

The questions in the questionnaire are periodically updated and adapted according to corporate strategic objectives and major emerging themes in the tanning industry, to ensure effective and consistent detection in line with continuous improvement priorities and market needs. Constant technical support is also provided, with the aim of understanding and meeting customers' specific needs better.

This continuous dialogue makes it possible to interpret the technical needs that can arise during leather processing and product use, to ensure effective and targeted solutions.

FGL International ensures a high and constant update on brand specification requirements, current and evolving regulations, thanks to its active participation in working groups and technical commissions in major national and international industry associations. Among these are Federchimica, EUTCL, UNPAC, IULTCS, as well as the UNI/CT/013/GL01 and CEN/TC 289/WG 1, WG 2, WG 3 and WG 6 standardisation commissions.

The Company is also committed to ensuring the products provided not only meet the required technical specifications but also bring added value to the supply chain in terms of environmental and social sustainability.

To this end, FGL International adheres to internationally recognised projects and protocols, such as ZDHC and MRSL, and develops product lines dedicated to reducing environmental impact and eliminating hazardous substances, thereby responding to the growing demands of the market and stakeholders.



**FGL INTERNATIONAL
CONSIDERS QUALITY
TO BE A CENTRAL VALUE
OF ITS BUSINESS ACTIVITY.**

*A constant commitment to
customers and consumers.*



Thanks to the use of controlled, traceable chemicals, developed in compliance with environmental and safety regulations, FGL International actively contributes to producing finished products free of harmful substances, safe for everyday use, and durable over time.

Every product shipped to customers is accompanied by complete technical documentation, which includes detailed information on the product's characteristics, operating conditions and methods of use, as well as on safety, which is always updated in compliance with existing regulations. In addition to this documentation, FGL International provides certificates of conformity and/or analysis, to ensure transparency and reliability.

From the perspective of its commitment to the quality and safety of its products for customers, FGL International obtained a series of internationally recognised certifications and partnerships, which attest that its processes and formulations comply with the highest industry standards.

This constant commitment ensures not only the safety and effectiveness of the chemical solutions provided to tanneries, but also directly reflects the quality and safety of the leather products intended for final consumers.

Thanks to the use of controlled, traceable chemicals, developed in compliance with environmental and safety regulations, FGL International actively contributes to producing finished products free of harmful substances, safe for everyday use, and durable over time.



ISO 9001

Quality management system (QMS).



ZDHC (Zero Discharge of Hazardous Chemicals)

After being the first to obtain this certification in 2021, for the third consecutive year, FGL International renewed its ZDHC Level 3 certification, the highest level expected from the Gateway platform. This recognition confirms the Company's commitment to ensuring chemicals for tanning and finishing that meet high quality and eco-sustainable standards.

Currently, FGL International has more than 350 ZDHC certified products which will be integrated to over 500 in 2025, to provide tanneries with an ever-widening range of safe and sustainable solutions.



+350

ZDHC CERTIFIED PRODUCTS





LWG (Leather Working Group)

The Leather Working Group is an organisation that assesses the environmental performance of tanneries and leather manufacturers, considering fundamental aspects such as responsible water and energy resource management, wastewater treatment, emissions control, and raw material traceability. Providing chemicals compliant with the LWG protocol requirements, FGL International tangibly contributes to reducing environmental impact and to improving ecological standards in the tanning sector. This commitment provides direct benefits for final consumers, who can count on high-quality leather products, made using certified, safe and environmentally friendly processes. Using chemicals that comply with LWG standards ensures products are free of hazardous residues and are durable over time, benefiting people's health and safe for daily use.



Products free of hazardous residues durable over time



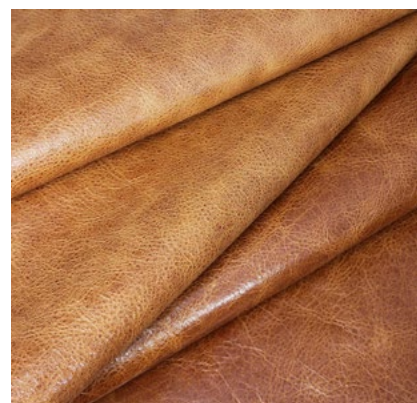
Leather Naturally

Leather Naturally is a non-profit organisation that promotes sustainable leather culture globally and is committed to countering misinformation related to this material. Adherence to Leather Naturally for FGL International is a tangible commitment to developing increasingly safe and sustainable chemical solutions, FGL International contributes to ensuring finished articles are free from unwanted substances, hygienically safe, and compliant with international requirements for the safety of materials that come into contact with people. In this way, leather becomes not only a choice of style and functionality, but also a guarantee of safety and respect for the environment.

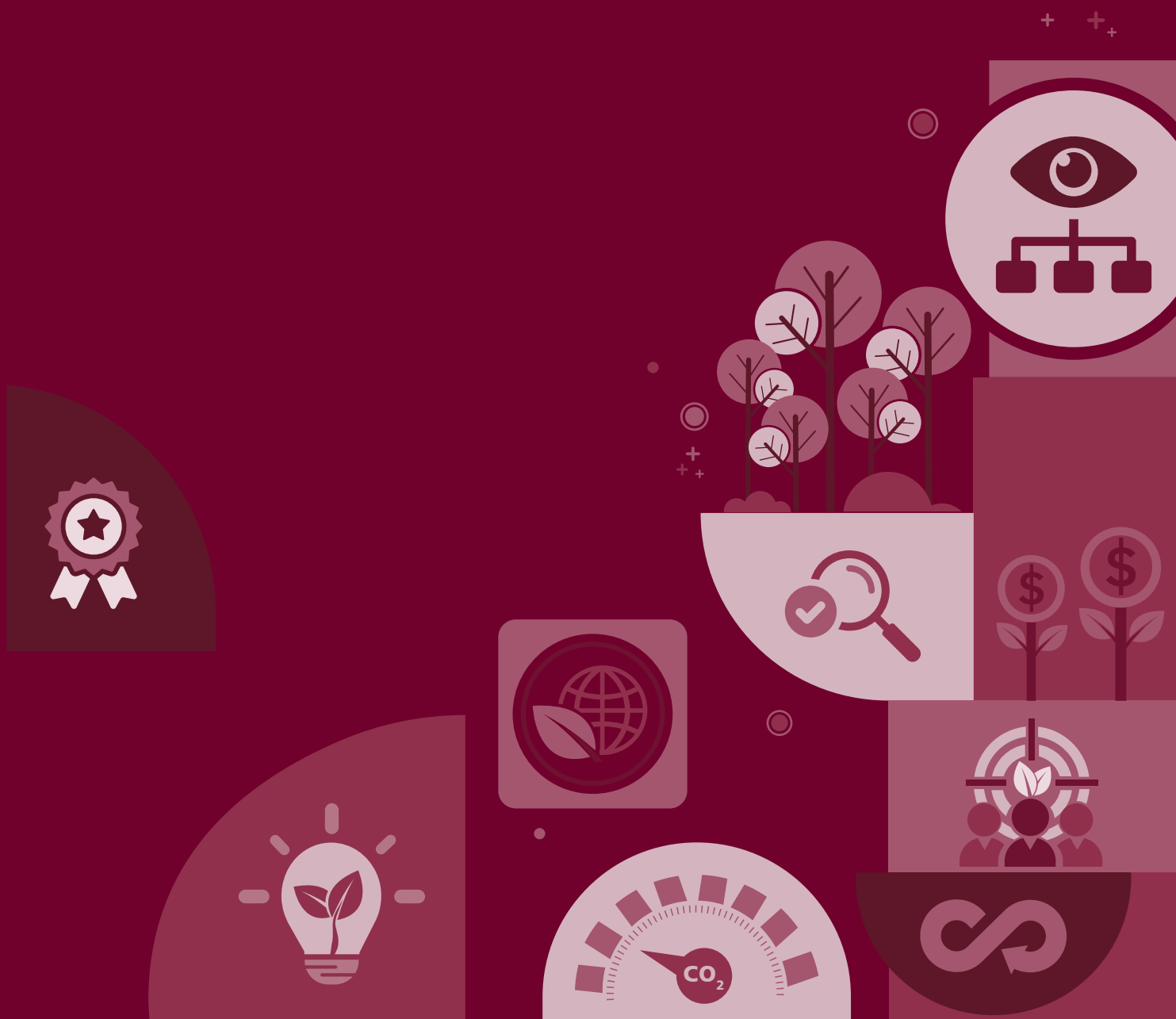


FINISHED PRODUCTS:

- ➔ **FREE FROM UNWANTED SUBSTANCES,**
- ➔ **RELIABLE FROM A HYGIENIC-SANITARY POINT OF VIEW**
- ➔ **SAFE IN CONTACT WITH PEOPLE.**



4 ■ Information on Company Conduct





FGL International is committed daily to promoting a corporate culture based on ethical business conduct

4 Information on Company Conduct

4.1 Integrity and transparency

4.2 Supplier Relationship Management

4. Information on Company Conduct

SBM-3

Material impacts, risks and opportunities and their interaction with strategy and business model

G1-1

Corporate culture and business conduct policies and corporate culture

G1-3

Prevention and detection of corruption and bribery

G1-4

Confirmed incidents of corruption or bribery

G1-5

Political influence and lobbying activities



Whistleblowing Procedure

REPORTING SYSTEM TO REPORT ANY ILLEGAL CONDUCT

4.1

Integrity and transparency

FGL International is committed daily to promoting a corporate culture based on the awareness of values such as integrity and transparency and encouraging ethical and responsible behaviour. To this end, it establishes precise internal rules and implements targeted controls to prevent acts of corruption and ensure compliance with prevailing regulations in the various jurisdictions it operates in.

In particular, in compliance with current legislation (EU) Directive 2019/1937 from the European Parliament and the Council of the 23 October 2019 on the protection of whistleblowers reporting breaches of EU Law, the so-called "Whistleblowing Directive" and, in Italy, Italian Legislative Decree no. 24/2023), in December 2023 a reporting system was introduced to report any actual or suspected illegal conduct (so-called "breaches", understood as acts or omissions).

These reports fall within the scope of the Lapi Group Whistleblowing Procedure and concern violations of law that could negatively impact any of the companies participating in the procedure and/or third parties connected to it, including candidates, employees, collaborators, suppliers, partners, shareholders, directors, and other companies in the Group.

Employees are provided with clear information on reporting channels and the prerequisites for making reports, using the following methods:

- Posting them in a visible place in the workplace (company noticeboard);
- Publication in a specific, separate and easily identifiable section of the company website;
- via a link/icon on the first page of the reporting portal.

Training, communication and information activities are essential components for effective implementation of the internal reporting channel and are tangible proof of the Company's willingness on the one hand to play an active role in preventing the breaches covered by the whistleblowing procedure, and on the other hand, to stimulating people's cooperation to effectively achieve compliance with the law.

Every report deemed admissible must be investigated to verify its merits. If the person managing the reports considers them to be admissible and, examines whether the reports fall within the jurisdiction of other bodies and, if so, transfers management to such bodies or functions, otherwise they proceed with further investigative tasks (investigation, etc.) or identifies another person in relation to the reports, assesses the opportunity to take immediate measures to prevent further damage and, if necessary, implements them.

Once the reports are admitted to processing, the reporting manager proceeds with the investigative activity on the reported facts by carrying out all the necessary actions, proceedings, and investigations aimed at verifying the truth of the facts that are the subject of the report, in compliance with the principles and rules of the procedure: request direct and timely access to information from the administrative body and the Company's supervisory bodies and evaluate the results of the inquiry and the final decision regarding the merits of the report, as well as to the existence of any possible fraud or gross negligence by the whistleblower and/or the persons involved to the extent possible based on the results of the investigation.

The reporting manager appointed by the management acts in an autonomous and independent functional position from the rest of the company departments and from any existing hierarchical or departmental subordination and carries out the necessary tasks according to the prerequisites of confidentiality, respect, independence, neutrality, impartiality, honesty, and objectivity towards the subjects of the report in question.

The following protection measures will be applied to those who make reports provided they do so in good faith, even if they suspect corporate misconduct:

- Protection from Retaliation
- Protection from Reprisals
- Limitation of Liability
- Legal Protection
- Conditional waivers and settlements.

The protection provided for whistleblower is guaranteed only in the event of reports made by clearly identified individuals. The identity of those making reports can be made known at any time even after the report is submitted, without prejudice to the protection granted above.

The following three mandatory categories of legal protection are also guaranteed to all protected subjects:

- Protective Measures
- Support Measures
- Right to Confidentiality



FGL INTERNATIONAL IS COMMITTED DAILY TO PROMOTING A CORPORATE CULTURE BASED ON THE AWARENESS OF VALUES SUCH AS INTEGRITY AND TRANSPARENCY, AND ENCOURAGING ETHICAL AND RESPONSIBLE BEHAVIOUR

Defining precise internal rules and implementing targeted controls



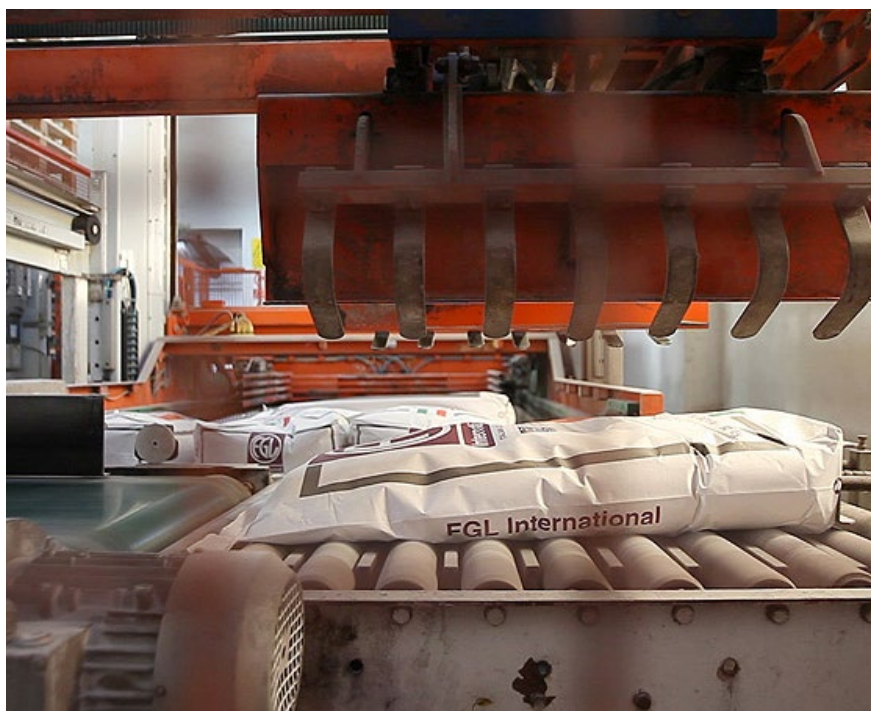
Protected individuals cannot be subjected to any Retaliation (including threats or attempts at retaliation against whistleblowers or against the person who files the report with judicial authority or makes its public knowledge). The Company is committed to strictly enforcing these rules. "Retaliation" means the following cases, among others:

- a. dismissal, suspension or equivalent measures to terminate the employment relationship;
- b. demerit notes or negative references in relation to work or professional position;
- c. coercion, intimidation, harassment or ostracism;
- d. discrimination or otherwise unfavourable treatment.

Also on these aspects, a training course is underway (started in October 2024 and expected to end in June 2025) regarding themes of corporate culture and compliance with ethical business principles. The course was initiated by the Group Management and will initially involve top-level positions and will then be replicated for all other roles and classifications. As part of this activity, the company charter of values was developed.

In 2024 no acts of (active or passive) corruption were reported to the public authorities.

FGL International does not engage in any lobbying or political influence activities.



4.2 Supplier Relationship Management

Supplier Relationship Management and evaluation in terms of reliability and alignment with business objectives are performed according to UNI EN ISO 9001 certification criteria.

Every first supply, as well as the relative samples, must be accompanied by technical and safety documentation (safety data sheets, technical sheets regarding the product's characteristics and application methods, specifications with guaranteed parameters, ranges, and reference analytical methods). Suppliers are selected on the basis of their certifications in the fields of quality, safety and the environment and, more recently, in accordance with ZDHC Level 3. Furthermore, they undergo half-yearly monitoring through an internal procedure that evaluates conformity, punctuality and completeness of documents and reports, to ensure procurement exclusively from qualified suppliers.

As regulations evolve, suppliers are required to declare whether the products supplied are subject to new updates or restrictions, supporting these declarations with internal controls to verify their compliance.

Following FGL International's decision to obtain ZDHC Level 3 certification in 2021, a formal request was sent to the suppliers to collect information on their ZDHC certification relating to the products supplied and on compliance with MRSL criteria. This request is updated periodically and has become an essential requirement to evaluate every new product or sample.

In the second half of 2024, with the decision to conduct an LCA analysis on a selection of products, a circular was sent to all suppliers to gather information on their sustainability approach, including any data on the LCA of the products supplied. Currently, the responses are being evaluated, with the aim of actively involving suppliers in the development of increasingly high-performance solutions in terms of LCA.

Regarding vulnerable suppliers, i.e. those who do not have a structured organisation capable of meeting requests from the Company, but who are still strategic. Internal measures are adopted to compensate for the supplier's shortcomings, by defining more detailed specifications, clear agreements, and careful incoming quality control.

Finally, social and environmental criteria are assessed in the initial phase of the supplier relationship and monitored through an annual performance review.

In 2024 FGL International's average payment days were 66 and no disputes arose from non-payment or excessive delays in payments to suppliers.

SBM-3

Material impacts, risks and opportunities and their interaction with strategy and business model

G1-2

Management of relationships with suppliers

G1-6

Payment practices

5. ESRS Content Index





FGL International decided to carry out voluntary reporting according to the new European Standards.



5. ESRS Content Index

This section contains the ESRS Content Index.

The ESRS Content Index was used, because, although the Sustainability Report is “inspired” by the requirements of the new ESRS Standards, FGL International decided to carry out voluntary reporting according to the new European Standards.

ESRS 2 - GENERAL DISCLOSURES	REFERENCE	NOTE
BP-1 General basis for preparation of sustainability statements	1.5 Sustainability Reporting Criteria	
BP-2 Disclosures in relation to specific circumstances	1.5 Sustainability Reporting Criteria	
GOV-1 – The role of the administrative, management and supervisory bodies	1.2 Corporate Governance	
GOV-2 – Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies	1.2 Corporate Governance	
GOV-3 – Integration of sustainability-related performance in incentive schemes	1.2 Corporate Governance	
GOV-5 – Risk management and internal controls over sustainability reporting	1.2 Corporate Governance	
SBM-1 – Strategy, business model and value chain	1.1 Specialised skills for an evolving industry	
SBM-2 – Interests and views of stakeholders	1.3 FGL International’s stakeholders	
SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	1.4.1 Material impacts, risks and opportunities	
IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	1.4 Materiality Assessment	
ESRS E1 – CLIMATE CHANGE	REFERENCE	NOTE
SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	2. Environmental Information 2.1 Climate Change	
E1-2 – Policies on climate change mitigation and adaptation	2.1.1 Strategies and policies for climate change mitigation	
E1-3 – Actions and resources related to climate change policies	2.1.1 Strategies and policies for climate change mitigation	
E1-4 – Targets related to climate change mitigation and adaptation	2.1.1 Strategies and policies for climate change mitigation	
E1-5 – Energy consumption and mix	2.1.2 FGL International’s energy consumption and GHG emissions	
E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	2.1.2 FGL International’s energy consumption and GHG emissions	Scope 3 emissions were not calculated
E1-7 – GHG removals and GHG mitigation projects financed through carbon credits	2.1.2 FGL International’s energy consumption and GHG emissions	
E1-8 – Internal carbon pricing	2.1.2 FGL International’s Energy consumption and GHG emissions	

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ESRS E2 – POLLUTION	REFERENCE	NOTE
SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	2. Environmental Information 2.2 Pollution	
E2-1 – Policies related to pollution	2.2.1 Policies related to pollution	
E2-2 – Actions and resources related to pollution	2.2.1 Policies related to pollution	
E2-3 – Targets related to pollution	2.2.1 Policies related to pollution	
E2-4 – Pollution of air, water and soil	2.2.2 FGL International's polluting emissions	
E2-5 — Substances of concern and substances of very high concern	2.2.3 Use of hazardous substances	

ESRS E3 – WATER AND MARINE RESOURCES	REFERENCE	NOTE
SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	2. Environmental Information 2.3 Water	
E3-1 – Policies related to water and marine resources	2.3.1 Water resource policies	
E3-2 – Actions and resources related to water and marine resources	2.3.1 Water resource policies	
E3-3 – Targets related to water and marine resources	2.3.1 Water resource policies	
E3-4 – Water consumption	2.3.2 Use of water resources: withdrawals, discharges and consumption	

ESRS E5 – RESOURCE USE AND CIRCULAR ECONOMY	REFERENCE	NOTE
SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	2. Environmental Information 2.4 Circular Economy	
E5-1 — Policies related to resource use and circular economy	2.4.1 Policies related to resource use and circular economy	
E5-2 — Actions and resources related to resource use and circular economy	2.4.1 Policies related to resource use and circular economy	
E5-3 – Targets related to resource use and circular economy	2.4.1 Policies related to resource use and circular economy	
E5-4 – Resource inflows	2.4.2 Materials, products and waste	
E5-5 – Resource outflows	2.4.2 Materials, products and waste	

ESRS S1- OWN WORKFORCE	REFERENCE	NOTE
SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	3. Social Information	
S1-1 – Policies related to own workforce	3.1 People	
S1-2 – Processes for engaging with own workers and workers' representatives about impacts	3.1 People 3.1.4 Health and safety	
S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns	3.1 People 3.1.2 Diversity and inclusion	

ESRS S1- OWN WORKFORCE	REFERENCE	NOTE
S1-6 – Characteristics of the undertaking's employees	3.1 People 3.1.1 Employee well-being	
S1-7 – Characteristics of non-employee workers in the undertaking's own workforce	3.1 People	
S1-8 – Collective bargaining coverage and social dialogue	3.1.1 Employee well-being	
S1-9 –Diversity metrics	3.1.2 Diversity and inclusion	
S1-10 – Adequate wages	3.1.1 Employee well-being	
S1-11 – Social protection	3.1.1 Employee well-being	
S1-13 –Training and skills development metrics	3.1.3 Training 3.1.4 Health and safety	
S1-14 – Health and Safety metrics	3.1.4 Health and safety	
S1-15 – Work-life balance metrics	3.1.1 Employee well-being	
S1-17 – Incidents, complaints and severe human rights impacts	3.1 People	

ESRS S2 – WORKERS IN THE VALUE CHAIN	REFERENCE	NOTE
SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	3. Social Information	
S2-1 – Policies related to value chain workers	3.2 Workers in the value chain	
S2-2 – Processes for engaging with value chain workers about impacts	3.2 Workers in the value chain	
S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns	3.2 Workers in the value chain	
S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	3.2 Workers in the value chain	

ESRS S3 – AFFECTED COMMUNITIES	REFERENCE	NOTE
SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	3. Social Information	
S3-1 – Policies related to affected communities	3.3 Affected communities	
S3-2 – Processes for engaging with affected communities about impacts	3.3 Affected communities	
S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns	3.3 Affected communities	
S3-4 – Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	3.3 Affected communities	

INDEX	1. General Information	2. Environmental Information	3. Social Information	4. Business Conduct Policy	5. ESRS Content Index
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ESRS S4 – CONSUMERS AND END-USERS	REFERENCE	NOTE
SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	3. Social Information	
S4-1 – Policies related to consumers and end-users	3.4 Attention to customers and end users	
S4-2 – Processes for engaging with consumers and end users about impacts	3.4 Attention to customers and end users	
S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	3.4 Attention to customers and end users	
S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	3.4 Attention to customers and end users	

G1- Business conduct	Reference	Note
SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	4.1 Integrity and transparency 4.2 Supplier Relationship Management	
G1-1 – Corporate culture and business conduct policies and corporate culture	4.1 Integrity and transparency	
G1-2 – Management of relationships with suppliers	4.2 Supplier Relationship Management	
G1-3 – Prevention and detection of corruption and bribery	4.1 Integrity and transparency	
G1-4 – Confirmed incidents of corruption or bribery	4.1 Integrity and transparency	
G1-5 – Political influence and lobbying activities	4.1 Integrity and transparency	
G1-6 – Payment practices	4.2 Supplier Relationship Management	

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