



SUSTAINABILITY REPORT 2023



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LETTER TO OUR STAKEHOLDERS

SUSTAINABILITY HAS BEEN AT THE HEART OF INCAS' INITIATIVES FOR YEARS THEREFORE, IT SEEMED ONLY NATURAL TO FOLLOW UP THE 2022 REPORT -- OUR FIRST REFLECTION ON ALL THE ACTIONS UNDERTAKEN ON THE TOPIC -- WITH THE DRAFTING OF OUR FIRST OFFICIAL SUSTAINABILITY REPORT.

This report covers the 2021-2023 period, but while preparing it, we have also highlighted the history of Incas' sustainability initiatives. Even before taking this step, our focus on health and the environment was already very high: product research, projects, and collaborations have been ongoing for many years.

We firmly believe that in an industry as impactful as fashion, where we are one of the key players, the commitment to sustainability must be extremely strong.

This is why we have taken this new step and adopted new reporting standards in line with the Global Reporting Initiative (GRI) Standards and the United Nations Agenda 2030 for the Sustainable Development Goals (SDGs), aimed at promoting sustainable development for the planet.

The sustainability journey undertaken by Incas allows us, in our opinion,

to integrate economic, social, and environmental aspects, providing a more comprehensive perspective and helping us understand our position within an increasingly complex environmental, economic, and social system.

This journey can only enhance the level of trust and overall sense of safety, improve relationships with investors, clients, and suppliers, and safeguard all areas of our business operations. All of this has been possible thanks to the priceless collaboration of a network of stakeholders who have supported us in this endeavor, providing the feedback that has helped shape this report.

Wishing you a pleasant read, I bid farewell with the certainty that, alongside the goals we have already achieved, many more accomplishments will follow—with everyone's contribution.

Filippo Rovini
President



HIGHLIGHTS

Incas ensures the distribution of its wealth within the local community, providing stability and fair compensation to its workers. Environmental care goes beyond mere compliance with regulations; it involves intelligent and collective solutions aimed at reducing waste. Here, in just a few figures, is what Incas represents.



SOCIAL ROLE

Employees

Open Term Contracts - total contracts

Local community contributions

2023	2022	2021
133	134	135
100%	100%	100%
12.202 €	-	2.150 €



ENVIRONMENT

CO₂ Emission Intensity - kgCO₂eq/ton of material

Energy intensity - MJ/ton of material

Water Intensity - m³/ton of material

Waste Intensity - kg/ton of material

2023	2022	2021
1.39	1.88	2.10
37.34	45.47	55.02
0.15	0.18	0.20
3.63	3.92	2.58



ECONOMY

Revenues - millions of euros/ year

EBITDA/Turnover - %

Incidence of Spending on Local Suppliers - (Tuscany): % Local Expenditures / Total Expenditures

2023	2022	2021
46,068,073 €	53,921,129 €	36,108,153 €
7.01%	8.49%	4.97%
54.10%	57.60%	60.84%



OUR
COMPANY



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

This business approach enables us to maintain our current market position, backed by the trust of our clients and suppliers, with whom we have had long-standing collaborations.

Our work has always focused on understanding the needs of the end consumer, operating with maximum flexibility to meet customized and specific requests.

3.1

ABOUT US

GRI: 2-6

3.1.1

A COMPANY IN EVOLUTION

1972

Santa Croce sull'Arno (PI):
Incas tannery is founded.

First expansion: production operations are moved to Castelfranco di Sotto (PI). The new 11,000 m² facility was equipped with the most technologically advanced production systems of the time.

1983

2000

Incas obtains UNI EN ISO 9001 certification (Quality Management System).

2002

Second expansion: a new facility is established in Castelfranco di Sotto. A new building was built completing the first one, adding approximately 9,000 m².

2007

The **Hi-Co line** was born, offering metal-free certified leather, which earned the company a prestigious mention in 2012 as a compatible material in children's products.

2008

Incas becomes **Iniziativa Conciarie Associate**, with the development of the Italtan and Il Veliero divisions. The historic brand, dating back to 1955, is acquired by the company.

2012

Incas is mentioned in the **Report Green Italy 2012**, a report by Fondazione Symbola and Unioncamere.

This recognition was specifically due to the company's commitment to environmental protection and the production of metal-free leather, meeting the strictest regulations for products intended for children.

2020

The Hi-Co line evolves into **Leather 40075: leather for Earth**. The 40075 product range guarantees the processing of leather through vegetable-organic tanning. The chosen name once again highlights Incas' ongoing commitment to the environment and the circular economy.

2021

The first three years of activity were reviewed according to the GRI standards for the company's sustainability reporting in economic, social, and environmental terms.



3.1.2 INIZIATIVE CONCIARIE ASSOCIATE

INiziativa Conciarie Associate is a micro-universe composed of three interdependent entities. In 2008, Italtan and Il Veliero were born, two divisions that work in synergy with the parent company, characterized by research aimed at continuously improving the performance of their respective products.



INCAS

Exclusive Natural Leather “Incas”

Established itself on the international market thanks to its unique vegetable tanning process, both featuring unique technical and high-quality characteristics, while also being environmentally friendly. The most common uses for the products in the catalog are in footwear and leather goods, with the possibility of custom creations tailored to the specific needs of clients.

ITALTAN

Leather Goods & Hair on Baby Calf “Italtan”

A reference point for high fashion, Italtan was founded as a division specializing in calf leather production. The advanced technology of its research and development laboratories has enabled the creation of leathers with exceptional softness and shine, making them highly sought after in the world of haute couture.



High Quality Traditional Leather “Il Veliero”

This division focuses on chrome tanning, approached with greater sustainability through the innovative Slow Leather process. The use of high-protein products with reduced amine release, combined with traditional leather storage techniques, ensures unique final product characteristics such as fullness, elasticity, and a rich, rubbery texture.



3.2

OUR APPROACH

The processing of INCAS products begins and ends within the tannery

All stages of production, from raw hides through the processes of tanning, retanning, and dyeing, to the finishing phase, are directly controlled by the company to ensure the highest quality of all our final products.

Incas has officially adopted the ethical slogan **“WE RECOVER OUR HIDES FROM THE FOOD CHAIN”**, granted by **ICEC** under the ICEC TS 733 document. This certification applies to a specific system of products (finished or semi-finished leathers) made from raw materials whose **traceability is verified**. The purpose is to ensure, through ICEC checks, that the raw hide is a byproduct of the food chain, making it a recovery product.

Incas is also a promoter of the stricter concept of **“100% ITALIAN LEATHER”**, which turns into the **Leather From Italy Full Cycle** (UNI EN 16484) certification. This standard ensures that processing is done in Italy, starting from the raw hide, to benefit and protect its customers.

The company requested and obtained this certification from ICEC, fully aware of its responsibility. In addition to traditional tanning processes, Incas also carries out many important specialized mechanical processes through fully owned subsidiaries.

3.3

ENVIRONMENTAL AWARENESS

GRI 303-2, 306-2

Aware of its position within both environmental and social ecosystems, Incas has developed a **growing awareness to these issues over the years**.

Incas has undertaken numerous initiatives aimed at significantly reducing its impact on the environment.

The company follows two main paths: the **techniques used for leather treatment**, where research plays a key role, and **strategies focused on energy savings and the conservation of primary resources**.

3.3.1

RENEWAL OF PRODUCTION PROCESSES

Combining tradition with innovation. This is the challenge embraced by Incas, consistently achieving significant results in both **product quality and the reduction of environmental and health impact**.

3.3.1.1

Vegetable Tanning

Vegetable tanning is one of the oldest known tanning processes, characterized by the use of plant extracts rich in tanning tannins. This process is a hallmark of Incas' production, and significant attention and resources have always been devoted to making it more efficient and high-performing.

A significant turning point occurred in 2007 with the introduction of the **HiCo project**,

which aimed to reduce the presence of heavy metals during various stages of production. The goal was to create a product that would meet the stringent requirements on materials used in the children's footwear industry, which demands exceptionally high standards. This initiative led to a strong determination to develop a metal-free product with significant sustainability characteristics. After several years of research and planning, the **Leather 40075 project** was born in 2019 and presented in Milan in February 2020.

The project addresses, in addition to the challenges of producing **chrome-metal free leather**, the aspect of **product sustainability**, from the traceability of raw materials to the recycling and reuse of production waste. To make all of this possible, thorough research was required, starting with the selection of chemicals and then focusing on the development of the finished product.

3.3.1.2

Chrome Tanning

A low environmental impact production process that combines the tradition of chrome tanning with modern industrial techniques: an innovation by Incas, aptly renamed **Slow Leather**.

Slow Leather is based on an oxymoron we call "innovative craftsmanship," which maximizes the value of a precious product like leather, maintaining the timeline of traditional tanning while renewing the processes that have shaped the history of the sector.

A distinctive feature of this process is the so-called “olazione”, a step that involves allowing the leather to rest for at least 30 days on special saw-horse benches.

Compared to a standard chrome tanning production process, Slow Leather achieves:

- An **18% reduction** in chrome in pressing effluents
- A **14% reduction** in retanning products.

3.3.2 STEP BY STEP, TOWARDS THE FUTURE

In recent years, Incas’ commitment has not only been focused on changing how products are traditionally processed, but also on prioritizing energy savings, minimizing environmental impact, and embracing technological innovation.

Overall, the company’s awareness to these issues has already led to the achievement of the following objectives, prior to the 2021-2023 period:

- **EMAS Certification**, setting continuous improvement goals for the company.
- **Replacement of high-risk chemicals**, prioritizing liquid products to eliminate dust, thus improving operator health.
- **Recycling** of plastics, paper, and wood derived from the production process.
- **Reduction of water discharges** and consistent improvement in water quality

Incas is at the forefront, supporting the entire fashion industry, to ensure a continuous reduction in its impact, starting with the sustainable management of chemicals and working towards reducing the overall global process impact.

This is an excellent starting point from which to set new goals for the future.



GOVERNANCE



4.1

GOVERNANCE AND CONTROL BODIES

GRI: 2-9/18, 2-22, 2-25/27, 405-1

The administrative system adopted by Incas strictly complies with national laws and regulations.

The administration of the company is entrusted to the Board of Directors (CdA). The procedures for appointing members of the Board of Directors follow legal requirements, and appointments take place every three years through the Shareholders' Meeting minutes. The Board of Directors consists of 4 men and 1 woman.

The Chairman of the Board of Directors supports the Board's evaluations and decisions regarding the internal monitoring system and risk management, as well as the approval of financial reports.

The legal representation of the company before third parties and in court lies with the Chairman of the Board of Directors and, in his absence or incapacity, with the Vice Chairman.

The Board of Directors is composed of 5 members: Filippo Rovini – Chairman (Employer, proxy for Sustainability and certifications)

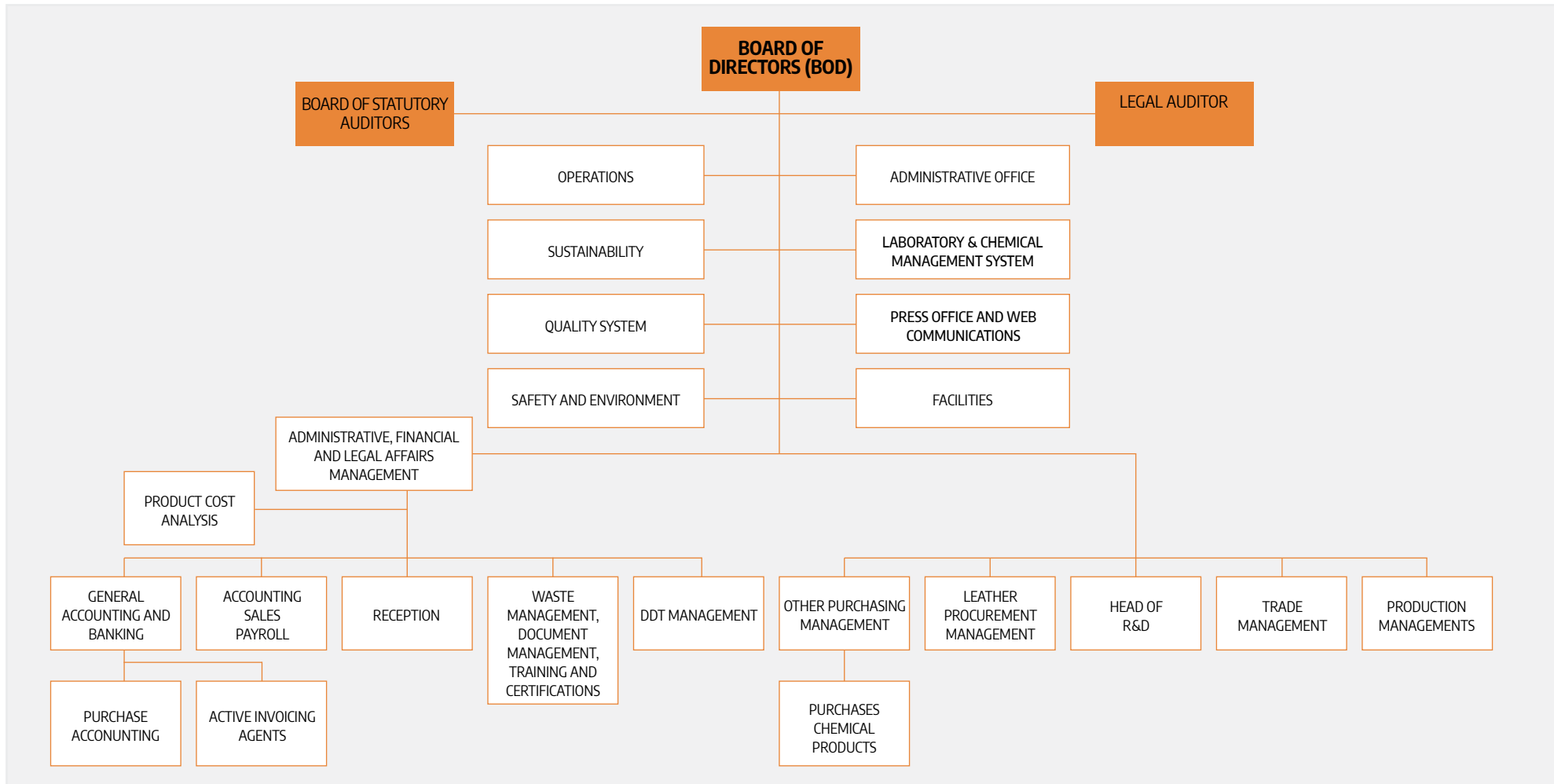
Piero Rosati – Vice Chairman and CEO (administration and finance)

Annalisa Rosati serves as a board member, while Iacopo Ceccatelli holds the role of

CEO (trade policies and leather procurement), and Nicolò Ceccatelli serves as CEO (communication and R&D).

Communication of critical issues to the governing body takes place through the management review of the governance systems, in addition to regular operational meetings. The skills and knowledge of the governing body are regularly updated through participation in events, fairs, industry meetings, and the direct involvement of Piero Rosati, who serves as Vice President of UNIC (the representative body of Italian Tanneries, focusing on research, development, and sustainability in the tanning sector). Piero Rosati reports back to the Board of Directors on these matters.

Bearing witness to this commitment is the annual publication of the Sustainability Manifesto, verified by ICEC and approved in a Board of Directors meeting. The performance evaluation of INCAS is performed through the annual management review of the governance systems.



To ensure effective management of sustainability strategies, Incas has adopted a governance system that assigns responsibilities both at the governance body level and within the organizational structure.

The Board of Directors is responsible for both overseeing the preparation of the Sustainability Report and pursuing sustainability objectives.

These objectives are understood as the company’s ability to create long-term value while considering its environmental and social impact and the benefits to stakeholders, based on an assessment of the related risks and opportunities. Any critical issues are communicated to the highest governing body according to the agreed-upon procedures. During the reporting period, INCAS recorded no non-compliance with laws or regulations.

4.2

ORGANIZATIONAL STRUCTURE

GRI: 2-2, 2-23/27, 2-30

Growth cannot happen without improvement, and improvement cannot happen without innovation.

This philosophy, which has been leading Incas since the early 2000s and allowed it to develop cutting-edge technical solutions, also applies to the “human factor.”

The company firmly believes that professionalism and expertise are key to success. For this reason, strategically important roles within the company are held by individuals with long-standing loyalty and a productive work relationship with company management.

Together, they have cultivated a deep awareness of production processes and the challenges associated with them. This applies not only to the quality of work but also to the social, environmental, and safety management aspects.

All personnel are employed under the National Collective Bargaining Agreement (CCNL) for the tanning sector, and there is an internal union representation that regularly engages with management.

Incas keeps an up-to-date internal organizational chart, and for each role, there is a corresponding job description. Roles and responsibilities are clearly defined for all employees. Therefore, in addition to traditional bulletin board postings, Incas regularly promotes meetings and sharing sessions to keep all its employees informed and updated.

4.3

THE ORGANIZATIONAL CHART

4.3.1 SHARED VALUE

GRI 201-1, 204-1

One of Incas' objectives, as an organization, is to create added value both for itself and others.

Creating economic value also means redistributing wealth among stakeholders, fostering shared prosperity, and supporting local development.

As a company, the goal is to generate sustainable value for all stakeholders, in line with the ethical principles that define Incas' business model. Clients and employees are at the heart of the organizational model, and this strong network of relationships also has significant positive impact on the local community.

During the reporting period, Incas spent over 50% of its overall expenditures—approximately 20 million euros—back into its local area, the Tuscany region. When considering all costs within Italy, this figure rises to an average of over 70%.

4.3.2 CUSTOMER RELATIONS

Incas is structured as a modern enterprise that prioritizes professionalism, speed, and personalized service in managing customer relationships.

The company has a Commercial Office with staff dedicated to specific markets or particular clients, allowing Incas to provide continuous support throughout all phases of the relationship: from prototyping, to sampling, to production, and the monitoring of deliveries.

In an industry where changes and demands evolve at a rapid pace, versatility and the ability to understand and respond to diverse needs are essential.

Constant dialog and collaboration with clients are the keys to a smooth commercial relationship, and this is how Incas aims to tackle the challenges of today's fast-paced market.

4.3.3 TRANSPARENCY AND INTEGRITY

The management of Incas explicitly promotes business activities and operations based on the values of transparency and integrity.

We believe that proper management of the Company is essential not only to protect the company's position and image but also to meet the expectations of shareholders and safeguard the work of our employees.



4.4

CERTIFICATIONS

GRI 2-27, 306-1/5

Incas likes to define itself as a “container” of ideas, research, evolution, and design where excellence is a mandatory requirement.

The certifications earned over the years attest to Incas’ commitment to fairness, legality, sustainability, and social responsibility, as well as the professionalism applied in its productions.

The company’s management system is integrated for quality, safety, and environment and certified by a third-party organization according to ISO standards 9001, 45001, and 14001.



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



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



Environmental Management System
EMAS
IT-000648



Leather Working Group
LWG GOLD RATED
CON039



Raw Material Traceability
ICEC TS-SC410
ICEC TS-PC412



Sustainability
ICEC SUSTAINABILITY
CERT-001-2014-SUSTAINABILITY



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



Product Certification
"GROUP ALFAAQUA"
UNI 11427:2022



Sustainability
Supplier to Zero
Level 1



Code of Conduct
UNIC SOCIAL ACCOUNTABILITY
ATTESTATO ICE N° 002



Product Certification
DENOMINAZIONE DI ORIGINE
(Leather from Italy, 100% Leather from Italy)
CERT-018-2008-MDO-ICEC



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



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

"RECUPERIAMO LE
NOSTRE PELLI DALLA
FILIERA
ALIMENTARE"

Ethical Slogan
ICEC TS733
CERT-005-2021-LEATHER CLAIM



Energy
CERTIFICATE OF GREEN
EXCELLENCE



Social Responsibility
Management System
SA 8000:2014



Energy
ECO₂L-calculation tool
BH002



Product Certification
BIODEGRADABLE
LEATHER

4.5

BUSINESS INTEGRITY




GRI 2-28/30

One of Incas' key points of pride is its ability to rely on resources and skills that are fully aligned with the company's goals and the expectations of its stakeholders. Financially, the company is solid and has sufficient capital to face future challenges.

Incas performs its business activities while protecting work conditions, safeguarding the psychophysical integrity of its employees, and respecting their moral dignity.





<p>3 GOOD HEALTH AND WELL-BEING</p> 	<p>4 QUALITY EDUCATION</p> 	<p>5 GENDER EQUALITY</p> 	<p>10 REDUCED INEQUALITIES</p> 
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OUR PEOPLE

5.1

A COMPANY AND ITS SOCIAL RESPONSIBILITY

GRI 2-23/27, 407-1/408-1/409-1/411-1

A company cannot exist without the people who make it up: the employees are an active part of Incas' growth and the driving force behind its improvement.

For Incas, "social responsibility" means constant attention to the conditions of workers, both for its own employees and for those throughout its entire supply chain.

Since 2011, Incas has joined the Code of Conduct for Social Responsibility created by the National Union of the Tanning Industry (UNIC) and voluntarily undergoes annual audits performed by the ICEC Certification Institute.

Incas' policies, which define appropriate behavior in human resources management, have been formulated using the following guidelines as a model:

- Universal Declaration of Human Rights
- Convention on Children's Rights
- United Nations Conventions on the Elimination of All Forms of Discrimination Against Women
- Italian Workers' Statute and applicable national laws
- National Collective Agreement for the Tanning Sector
- International Standard SA8000 and UNIC Code of Conduct
- ILO Conventions referenced in the SA8000 standard

The SA8000 certification, achieved in April 2024 following audits by RINA Services S.p.A., supports and guarantees the Company's efforts, helping to monitor the social responsibility aspects in its operations as well as those of suppliers and clients.

During the reporting period, no incidents of discrimination against the indigenous population were recorded, either within Incas or among its suppliers and clients.

The presence of internal union representation ensures an appropriate level of monitoring of initiatives and fosters a positive climate of dialogue and growth.

5.2

INCAS EMPLOYEES

GRI 2-7/8, 405-1

The company and its contractors are committed to fostering relationships, promoting collaboration between different departments and various company departments, and optimizing work operations.

Team spirit, transparency, and mutual respect are considered fundamental in the relationships with all individuals involved in the company's life.

All personnel are guaranteed work conditions and development opportunities aligned with the most stringent environmental and safety regulations, reflecting the pillars of sustainable development according to the philosophy of the *Sustainable Development Goals (SDGs)*.

5.2.1 ABOUT OUR EMPLOYEES

	2021		2022		2023	
	men	women	men	women	men	women
INCAS employees						
Workers	112	0	110	0	111	0
Employees	11	12	13	11	12	10
Managers/BoD members	3	1	4	1	4	1

Employees by Age	2021	2022	2023
	18-30	14	14
31-50	70	69	65
>51	51	51	53

5.2.2 WORK RELATIONSHIPS

Contractual Agreements	u.m.	2021	2022	2023
No. of employees covered Collective Bargaining Agreements	num	135	134	133
Percentage of employees covered by collective bargaining agreements	%	100%	100%	100%

Number of Employees at 31/12/23 per type of job position		2021	2022	2023
Men	Full time	123	123	123
	Part time	0	0	0
Women	Full time	11	10	9
	Part time	1	1	1

Number of employees at 31/12/23 per job contract		2021	2022	2023
Men	Fixed term	1	0	1
	Open term	122	123	121
Women	Fixed term	1	1	1
	Open term	11	10	10

5.3

WELFARE AND CARE FOR PEOPLE

GRI 2-7/8, 205-3

Being able to rely on a stable, protected, and organized work relationship and the assurance of an optimal work-life balance are the two pillars of the Incas model when it comes to personnel management.

5.3.1 STABILITY

A good indicator of solidity is reflected in the types of employment contracts offered to employees. Incas promotes long-term relationships by favoring fixed term contracts, which, as the data shows, are the preferred form of collaboration between employees and the company.

Temporary employment is only used during peak demand periods and always within legal limits.

The average number of temporary workers was: 6 units in 2021, 19 units in 2022, and 9.5 units in 2023.

5.3.2 WORK-LIFE BALANCE

Work shifts consist of eight-hour workdays, with a two-hour break to allow workers, if they wish, to go home for lunch, as most of the staff resides within the district.

Overtime work is intentionally kept to a minimum and only used in exceptional cases, thanks to an advanced infrastructure and optimal process organization that allow us to stay productive while reducing overtime hours.

Incas employees are supported by the HR office in utilizing parental leave. During the reporting period, a total of 19 employees (18 workers and 1 office staff) took parental leave, with all returning to work after the leave period.

5.3.3 PROTECTION OF RIGHTS, INCLUSION, AND REPRESENTATION

Incas is committed to safeguarding human rights across all its activities, especially those involving people. Employment relationships are based on fairness, equal opportunities, and skill development.

The company also recognizes the importance of fostering an inclusive environment to ensure the well-being of its employees and maintain a positive and stimulating workplace.

Incas is firmly opposed to all forms of discrimination based on age, gender, nationality, political opinions, religious beliefs, or health status.

Proper union relations management and collaboration with employee representatives are considered vital, as they help establish productive dialogue and reduce turnover.

5.3.4 EQUAL OPPORTUNITIES

Gender equality plays a key role in shaping the company's strategies, with tangible outcomes seen in the distribution of roles and salaries.

While there are fewer women in the production sector, the administrative and commercial sectors have a more balanced distribution, sometimes even favoring female staff.

Men and women who hold equivalent roles and levels receive the same salary, adhering to the standards of the national collective sector agreement.

Significant activity location	Gender	Level	Gross compensation	Difference		CCNL	
				-€	-		
Administrative Office	Men	C1	2.111,06 €	-€	-	CCNL	2.111,06 €
	Women	C1	2.111,06 €				
Sales Office	Men	D2	1.850,99 €	-€	-	CCNL	1.850,99 €
	Women	D2	1.850,99 €				

Lowest Salary in the Company	1.750,60 €	Gross salary corresponding to the lowest level in the company (E3). Net salary according to the CCNL tables amounts to €1,573.
Living Wage Calculated	1.082,07 €	The gross salary corresponding to the lowest level in the company is €490 higher.

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

5.4

HEALTH AND SAFETY

GRI 403-1/7

The protection of health and safety in the workplace has always been at the core of Incas' activities. In the period from 2021 to 2023, the company has committed to continuing its efforts in both **accident prevention** and **employee training** to ensure the safety of all operational areas and all phases of service implementation.

The Company performs all its activities while **scrupulously adhering to its obligations**, ensuring that workplaces, equipment, services, and industrial plants comply with applicable legal requirements and the highest standards of health, safety, and environmental protection.

5.4.1 RISK MANAGEMENT TOOLS

Our References

- Law decree . 81/2008
- ISO 45001 Occupational Health and Safety Management System
 - Risk Assessment Document
 - Periodic employee check-ups by an occupational physician
 - Internal audits by ICEC (certifying body for the leather industry)
 - Error analysis, procedure application, and implementation of corrective measures
 - Encouragement of early and prompt reporting

The Company continually updates its **risk assessments** in compliance with the legislation on health and safety in the workplace.



The Risk Assessment Document contains a thorough analysis of the specific risks associated with each job role, along with appropriate preventive and protective measures. All employees are provided with adequate **health monitoring** through regular **medical check-ups by the occupational physician**, tailored to their specific needs and the tasks they perform.

The management system ensures that any anomalies, near-misses, incidental events, and accidents are **identified and analyzed** through **specific procedures**, and appropriate **corrective measures** are implemented as a result. Workers are considered key stakeholders in the process of risk prevention and reduction, and they are encouraged to **report any potentially hazardous situations** at any time.

During the reporting period, the recordable incidents were primarily related to impacts, crushing, and slips, resulting in short absences from work lasting only a few weeks.

	2021 hours worked 216.442	2022 hours worked 218.936	2023 hours worked 244.053,5
Fatalities	0	0	0
Serious injuries	0	0	0
Recordable injuries	1	1	4



5.5

TRAINING

Investing in training means growing. For this reason, Incas goes well beyond the legally mandated training hours for its staff, aiming to significantly enhance the skills of employees in its sector.

Working in the fashion sector means never standing still. That is why the company continuously invests in staff training activities, well beyond those required by law.

From the moment they join the company, all workers receive a structured training program aimed at developing and sharing a culture of safety and compliance with regulations, promoting responsible behaviors.

Incas organizes various levels of training, covering multiple areas: from fundamental skills necessary for the job to those that focus on further developing existing skills, adopting merit-based criteria while avoiding discriminatory practices..



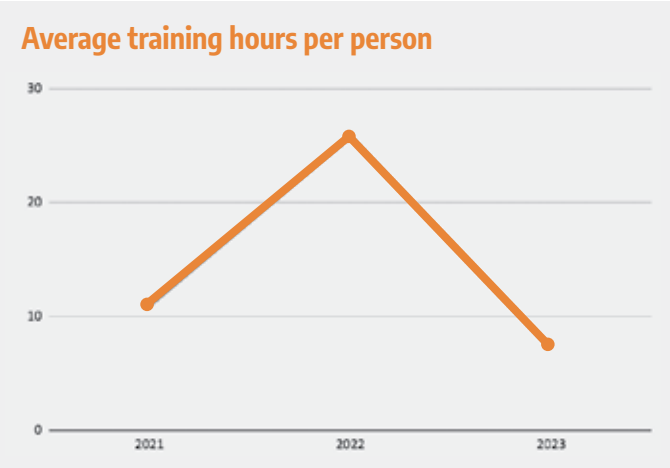
Health, safety, and the environment These aspects are fundamental pillars without which a proper work approach would be impossible. These training hours are meticulously provided by Incas in accordance with current legislation and the adopted management system.

Team building Staff information opportunities regarding projects, initiatives, and business objectives. These moments are key also for assessing the training needs required by each company sector and providing accordingly, as well as for improving communication between departments.

Training updates Whether internal or external, training updates are necessary for workers and technicians to keep the company competitive in the market.

Hours of training	2021	2022	2023
managers / BoD	0	0	36
Office employees	568	1162	242
workers	898	2287	686

Hours of training by gender	u.m.	2021	2022	2023
Men	ore	1016	3047	906
Women	ore	450	402	58
Total	ore	1466	3449	964



Incas periodically sets improvement goals in the areas of environmental management and health and safety in the workplace, involving employees in identifying these goals and planning the actions needed to achieve them.



OUR COMMUNITY

6.1

THE TERRITORY

GRI 2-28/29, 201-1, 204-1

Iniziative Conciarie Associate is aware of its role within the community and is committed to contributing to the growth of all on various fronts.

The company strives to improve the territory by ensuring recruitment of local personnel and supplier, and over the years, it has created important ties with local entities to contribute to the development and well-being of citizens.

Understanding that wealth is meaningful only if everyone can benefit from it, Incas has focused on two main areas to strengthen its ties with the local community: **industry associations**, which are strongly represented in the area of Santa Croce sull'Arno, and the world of **education**.

6.1.1 ASSOCIATIONS

The company has maintained strong ties with the local community over time and actively participates in activities promoted by the following associations, of which it is a member.

Associazione Conciatori

A non-profit organization founded in Santa Croce sull'Arno in 1976 as a trade association for tanneries. Currently, approximately 150 tanneries are associated with it, and through the Associazione Conciatori,

these tannery entrepreneurs have created a structured network of “associated companies” that lead the sector in compliance with new environmental regulations regarding water, soil, and air, effectively minimizing environmental impact.

UNIC (Unione Nazionale Industria Conciaria Concerie Italiane)

The most important global association of leather manufacturers, operating since 1946 to protect its member companies. The tanning industry is a fundamental element of the Italian economic and manufacturing fabric; the association promotes the interests of the sector, represents it at all levels, fosters innovation, highlights its social and environmental roles, and establishes enterprises functional to the sector’s market.

Incas actively participates in UNIC initiatives, which is also a partner of Cotance, the European Confederation of Tanneries Associations, representing the European leather industry.

UNIC ensures that Incas, and consequently its entire network of workers, has adequate representation within the sector, both in cases requiring any form of protection (negotiation of collective agreements, resolution of utilities, legal representation) and where collective efforts yield positive results for all (resolution of shared issues, promotional and training activities, participation in research and discussions).

6.1.2 SCHOOLS, UNIVERSITIES, AND PROFESSIONAL TRAINING

One way in which Incas demonstrates its connection to the local community is through close and ongoing dialogue with schools and universities in Tuscany.

A well-established area of collaboration involves hosting **visits from students of technical institutes, high schools, and universities**, which Incas welcomes with pleasure. These visits offer insights into a historic Italian manufacturing sector, showcasing the various stages of leather processing and the nature of the material to inform, raise awareness, and inspire new generations, as well as to convey the importance and complexity of Made in Italy.

Annually, Incas also commits to facilitating youth orientation by giving value to personal skills through **work-study programs**. The aim of this practice, as known, is to create a link between educational institutions, the workforce, and society, and Incas is happy to host young people, assigning them age-appropriate tasks based on their individual skills. The collaboration with I.T. Carlo Cattaneo in San Miniato is particularly commendable.

With the goal of passing on the artisan trade of tanning and inspiring young minds, Incas has also hosted over time students **from university courses and master's programs** related to the fashion sector. This is one of many ways in which Incas renews its commitment to perpetuating and promoting the manufacturing tradition that has always distinguished it.

In 2022, Incas was also a supporting partner of the Master's program on New Skills for Sustainability in the Industrial Sector, **aimed at recent graduates and designed to**

develop specific skills in sustainability. The sponsors of the Master's program have provided **15 scholarships** to fully fund the candidates' participation in the training.


Even more specialized is the **collaboration with Po.Te.Co.** (Technology Tanning Hub) for post-diploma vocational training, focused on research, innovation, and technology.





6.2

INVOLVEMENT IN THE LOCAL COMMUNITY

GRI 201-1

	Social Foundation	
	2021	2.150 €
	2022	-€
	2023	202 €

	Sport	
	2021	-€
	2022	-€
	2023	10.000 €

	Training	
	2021	-€
	2022	-€
	2023	2.000€

Total	
2021	2.150€
2022	-€
2023	12.202€

In terms of direct economic contributions invested in cultural and social initiatives, Incas has committed, during the reporting three-year period, to sponsoring local sports activities (A.C. Fucecchio Calcio) and supporting excellence like the **Stella Maris**.

Stella Maris takes an innovative and comprehensive approach to caring for children and adolescents with neuropsychiatric disorders and their families. It is the only Italian Institute for Hospitalization and Care with a Scientific Approach (IRCCS) dedicated exclusively to assistance and research in this field. Donations are used to support the foundation’s annual development plan aimed at improving the quality of care, advancing research, and renewing technology.

In partnership with the foundation, Incas primarily organizes activities for children, including workshops and guided tours, and symbolically supports their magazine by making it available to all company employees, with the intention of raising awareness about childhood neuropathologies. **The Company, which has developed growing awareness to health issues over the years, aims to renew its support for this key medical institution in the coming years**, recognizing the fundamental, if not indispensable, nature of its work.

The new generations are a focal point for Incas, especially regarding socio-cultural initiatives. **Together with UNIC, Incas is indeed a promoter of projects dedicated to the boys and girls of the community**, such as the educational project “Le Belle Lettere della Pelle,” the literary competition “Nella mia città,” “Amici per la Pelle,” and many others.

Incas also supports, through donations, the parish of San Pietro Apostolo in Castelfranco di Sotto (PI). This commitment involves supporting summer activities dedicated to young people.



VALUE CHAIN



GRI 2-6

Incas' work is based on the reuse of scraps from the food industry, specifically hides, which are granted new life through the transformation in high-quality leather.

The sector where this material is primarily used is, as easily inferred, fashion and design: footwear, leather goods, and clothing.

The Company specializes in the processing of high-quality calfskin, calves, half-calves, buffalo, and deer hides and related production of high-quality leather. Due to Incas's significant experience in craftsmanship, product quality, and specialization in processing, the Company's main target audience is the high fashion sector, for which the tannery also offers the development of custom products upon request.

7.1 SUPPLIERS

One of Incas' unique characteristics is its control over the entire leather production cycle, from raw hides to finished leather—a capability that only a few other companies in the Tuscan leather district have. This means the company relies minimally on external suppliers, only for certain processing stages and almost exclusively at the client's request. Incas consistently partners with companies that can ensure high standards of reliability and expertise, as well as the transparency of their supplies. The quality of the work performed is regularly verified through audits by our clients, as established by the UNIC Code of Conduct and Social Responsibility.

7.1.1 SUPPLY CHAIN MONITORING

Another parameter that Incas applies in assessing its suppliers is based on their attention to sensitive issues, such as fighting deforestation.

For Incas, this goal translates into avoiding sourcing from at-risk areas, and, where this is not feasible, ensuring that the raw materials purchased do not originate from uncontrolled or indiscriminate deforestation.

To guarantee adherence to this criterion, since 2021, Incas holds ICEC TS-SC410 and ICEC TS-PC412 certifications. These certifications provide information on rearing locations and slaughter facilities, thereby ensuring that the raw hides purchased come from areas free from deforestation risk.

Following ICEC frameworks, there are various ratings that specify the degree of traceability of raw materials upstream in the tanning process. The calculation used is stringent, starting from the certified products and based on documented and verifiable information associated with them.

Product	Certifications	Traceability Level	Score
TS-SC 410	Calves and buffalos	EXCELLENT (up to the farming countries)	88/100 (range 71/100-90/100)
TS-PC 412	Calves from New Zeland, France, Neatherlands, Germany, Belgium and Italy Buffaloes and deer	EXCELLENT (up to the farming countries)	90/100 (range 71/100-90/100)



7.2

MARKETS SERVED

	Export outside of Italy on total turnover %	
	2021	27.97%
	2022	24.48%
	2023	17.09%

	ITALIAN Market on total turnover %	
	2021	72,03%
	2022	75,52%
	2023	82,91%

INCAS primarily targets the Italian market in the sale of its finished products, but the foreign market is also of significant importance.

This data reflects the international role of Incas, which collaborates with some of the most famous fashion brands, helping to uphold the reputation of Made in Italy worldwide.





7.3

PRINCIPLES AND VALUES

7.3.1

EXPERIENCE: A TREASURE TO BE VALUED

With over 50 years of history in the Italian tanning industry, Incas guarantees safe and sustainable solutions in the supply chain of high-quality finished leather. The company's focus on product quality and a strong awareness to environmental and socio-ethical issues have always characterized its operating approach.

The high level of specialization achieved today allows for a blend of tradition and innovation, enabling the creation of high-end products while efficiently using resources, minimizing environmental impact, and simultaneously paying attention to workplace safety and social aspects.

7.3.2

PASSION: THE HUMAN FACTOR

Incas would not be what it is today without the human factor. The passion for the craft has united the families behind the foundation of this brand for over 50 years, embodying an idea: to do what we are great at doing, and do it at our best. It is about perpetuating teachings and values, fostering community, and feeling pride and gratitude for what our parents and grandparents have built. It is a duty to carry forward and nurture this wonderful company, made up of people before things.

In an increasingly challenging and competitive market, Incas has chosen to establish itself through a strong and clearly identifiable character, serving as a reference point for

external stakeholders (customers, suppliers, institutions, etc.) and internal ones (workers, contractors, professionals, etc.).

7.3.3

CIRCULAR ECONOMY REDUCTION OF WASTE

The main characteristic of leather is that it is a byproduct of the agri-food supply chain that, thanks to preservation processes followed by tanning, becomes something more: a quality product that can stand the test of time.

This helps to reduce global pollution, preventing hides from becoming waste and needing to be treated as "special waste."

Leather products, throughout their life, embrace the story of those who dignified a product destined for destruction, produced leather goods, and finally, wore these goods.

7.3.4

QUALITY AND SAFETY: A WINNING COMBINATION

The high quality of the leathers produced by Incas is ensured by a comprehensive quality control system distributed throughout the entire production cycle, characterized by very technical and specific features for each phase. In addition to monitoring activities, selection processes are crucial for ensuring quality and consistency of supply.

All batches of leather leaving the company undergo thorough inspection across multiple selection phases. Regular chemical and physical analyses are performed on both semi-finished and finished leathers to ensure compliance with technical specifications and applicable regulatory standards.

7.3.5 TRANSPARENCY: KNOWLEDGE AND POWER

Incas ensures the identification of leather batches at all stages of processing, starting from the arrival of raw materials to the shipment of the finished product.

The identification system for hides and the IT system used for production management ensure traceability from the dyeing batches.

This system allows for the tracking of individual deliveries.

Incas offers its clients the option to define specific Quality Plans to guarantee product traceability..

7.3.6 COMPLIANCE WITH REGULATIONS AND LIFE

On this matter, the company is inspired by the Five Freedoms concepts developed and formalized in 1978 by the UK Farm Animal Welfare Council. These guidelines are accepted globally by several entities, including the World Organization for Animal Welfare, and are implemented by all our suppliers of raw hides, confirmed by certification processes that we monitor.

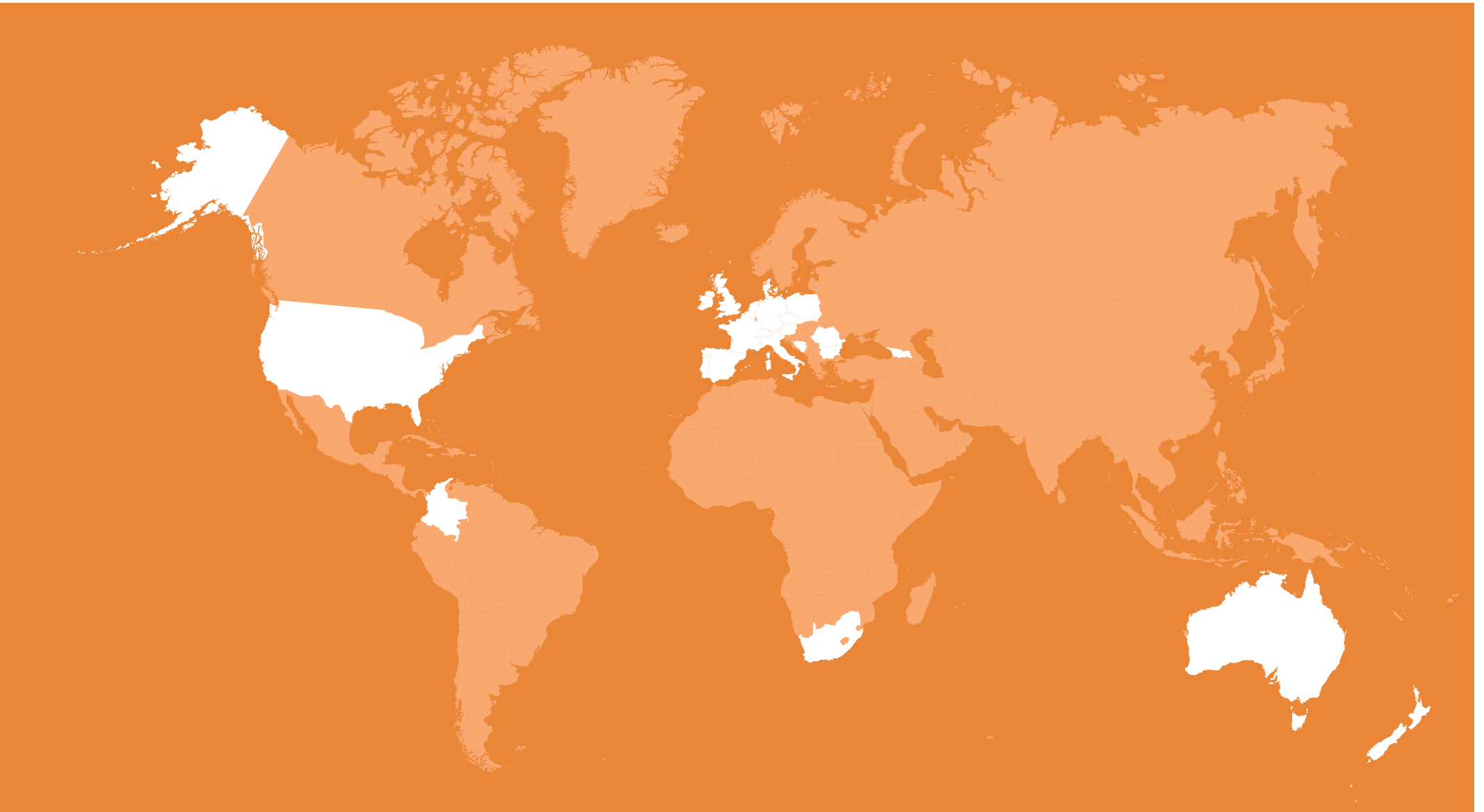
Incas has worked extensively on this aspect and, in collaboration with ICEC, aims to obtain the Animal Welfare certification by 2024, which relates to suppliers that adopt virtuous practices in animal husbandry.

COUNTRY	2021	2022	2023
NEW ZEALAND	4,98%	37,49%	39,53%
UK	16,99%	9,91%	9,32%
COLOMBIA	0,00%	0,00%	7,01%
UNITED STATES	1,61%	2,20%	6,99%
FRANCE	12,00%	10,91%	6,79%
NETHERLANDS	17,02%	3,85%	6,70%
IRELAND	13,24%	5,71%	4,73%
GERMANY	18,09%	10,48%	4,50%
ITALY	3,78%	5,72%	3,86%
AUSTRALIA	0,00%	5,95%	3,60%
GERMANY-BELGIUM*	5,04%	2,40%	2,08%
CZECH REPUBLIC	0,41%	1,39%	1,31%
GERMANY-NETHERLANDS	0,00%	0,00%	1,07%
SOUTH AFRICA	0,00%	0,00%	0,99%
SWITZERLAND	1,58%	0,75%	0,84%
DENMARK	0,07%	0,82%	0,40%
POLAND	2,76%	0,23%	0,18%
GEORGIA	0,00%	0,00%	0,10%
AUSTRIA	0,00%	0,40%	0,00%
BOSNIA	0,25%	0,00%	0,00%
BULGARIA	0,00%	0,09%	0,00%
GERMANY-NETHERLANDS-FRANCE***	0,00%	0,27%	0,00%
PORTUGAL	1,83%	1,01%	0,00%
ROMANIA	0,34%	0,36%	0,00%
SPAIN	0,00%	0,06%	0,00%
	100,00%	100,00%	100,00%

* A supplier declares that the origin of its raw material is a mix of Germany and Belgium.

** A supplier declares that the origin of its raw material is a mix of Germany and the Netherlands.

*** A supplier declares that the origin of its raw material is a mix of Germany, the Netherlands, and France.



Map of the origins of the leathers used by Incas, 100% from deforestation-free areas.

7.4

ECONOMIC SUSTAINABILITY AND GENERATED VALUE

GRI 201-1

Economic Indicators	u.m.	2021	2022	2023
EBITDA	Eur	1,795,842 €	4,120,563 €	2,804,529 €
EBIT	Eur	327,590 €	2,591,891 €	1,199,011 €
EBITDA On turnover	%	4.97%	8.49%	7.01%
Value generated directly	Eur	36,108,153 €	53,921,129 €	46,068,073 €
Value Distributed	Eur	34,352,001 €	49,961,583 €	43,689,270 €
Value Held back	Eur	1,756,152 €	3,959,546 €	2,378,803 €

The company, as shown by the data, is a solid entity capable of maintaining and increasing the economic value generated over the three-year period.



7.5

ECONOMIC CONTRIBUTIONS TO THE TERRITORY

GRI 204-1

	u.m.	2021	2022	2023
Suppliers Expenditures	Euro	22,837,408 €	41,105,375 €	37,215,685 €
Tuscan Suppliers	%	60.84%	57.60%	54.10 %
Italian Suppliers	%	77.34%	70.08%	63.16 %
Foreign suppliers	%	22.66%	29.92%	36.84 %

The value generated by Incas during the reporting period has primarily been invested in Tuscany, creating opportunities and wealth for the local area. On average, approximately 20 million euros have been spent on local suppliers, demonstrating Incas' commitment to the development of its surrounding area.





THE ENVIRONMENT

GRI 2-27

Incas prioritizes, where possible, low environmental impact work procedures, committing to ensuring compliance with safety regulations as well as environmental standards. During the reporting period, no instances of non-compliance with environmental laws and regulations were recorded. The primary topics Incas focused on over the three-year reporting period, which also constitute future objectives, include:

- Reducing energy consumption
- Sourcing energy from renewable energy sources
- Reducing the amount of chemicals used
- Improving the quality of chemicals to minimize environmental impact
- Proper water resource management
- Reducing waste production
- Reducing Incas' emissions impact (LCA studies).

8.1 THE MANAGEMENT SYSTEM

GRI 2-24

8.1.1 APPLICABLE REGULATIONS AND STANDARDS

Incas operates, in accordance with the international ISO 14001 standard, an Environmental

Management System integrated with the ISO 45001 Management System and compliant with European Regulation No. 1221/2009 (EMAS).

The EMAS certification is a tool that promotes best strategies and practices in environmental responsibility, shared by both public and private sectors.

In November 2022, the district's compliance with regulatory parameters was completed, with official confirmation provided by the Ministry of the Environment through ISPRA (Ecolabel Ecoaudit Committee, EMAS Italy section).

8.1.2 MANAGERS AND CONTACTS

Within the company's organizational structure, key figures with specific technical skills in environmental matters are clearly identified. These include the Integrated Management System Managers, Functional Managers, Department Managers, and those assigned to specific tasks.

Main Contacts:	Quality and Traceability Management System Manager
	Environmental Management System Manager
	S&SL Chemical Manager
Support Teams:	Emergency Response Team
	First Response Team

There is also a system of operational checks in place to ensure compliance with environmental, health, and safety requirements within each department.

8.1.3 SOIL AND GROUNDWATER PROTECTION

For Incas, protecting work areas is paramount. All internal and external work areas of the company are safeguarded against potential accidental spills, and the maintenance of the facilities is continuous.

Every year, during the summer break, Incas performs an inspection of the chemical storage tanks and wastewater accumulation tanks to verify their integrity.

On this occasion, a check is also performed on the waterproofing of external areas, to detect any signs of deterioration in a timely manner.

8.2 MATERIALS

GRI 301-1

The year 2022 was marked by significant global price increases for raw materials and difficulties in sourcing them.

Therefore, to ensure production continuity and meet customer commitments, it was a general trend to increase the stock of chemical products. INCAS bases its operations on two main raw materials: raw hides and chemicals.

Hides, a by-product of the agri-food chain, are a waste material that would lead to a significant environmental impact if disposed of in incineration plants.

With a circular economy approach, they are used and given new life through the tanning cycle. The sustainability of the process is achieved using advanced chemicals that make all of

this possible while respecting health and the environment. The GRI-compliant report will be updated in the next edition.

8.2.1 ZDHC: ZERO DISCHARGE OF HAZARDOUS CHEMICALS

The project, launched in 2011 and supported by hundreds of fashion and luxury brands and industries, aims to gradually reduce the use of chemicals that are hazardous to health and/or the environment throughout the supply chain, following the current ZDHC MRS L Version 3.1.

The ZDHC Manufacturing Restricted Substances List is a list of chemicals banned from intentional use in companies that produce textiles and/or finished leather.

The increasing demand from major luxury brands has led tanneries like INCAS to approach the monitoring of inputs (chemicals) and outputs (industrial wastewater) in a more conscious and sustainable way, following the Supplier to Zero ZDHC program.

Incas complies with Legislative Decree No. 152/2006 establishing the limits of industrial wastewater through weekly monitoring, followed by a monthly chemical trend report provided by the Aquarno purification consortium. Moreover, INCAS has always paid particular attention to the proper management of chemicals used in its production processes, driven by an active and significant approach, not only operationally but also in raising awareness among its chemical product suppliers. Below are the current strategies implemented as part of the ZDHC approach:

- Search and use of ZDHC-registered chemical products
- Monitoring of the chemical supply chain activities
- Monitoring of industrial wastewater outputs
- Internal projects for continuous improvement.

The proper management of chemicals used in production processes represents an active and important approach both to reducing the

environmental impact of the tanning production chain (input-output) and to limiting workers' exposure risks.

**8.2.2
INCAS' WORK**

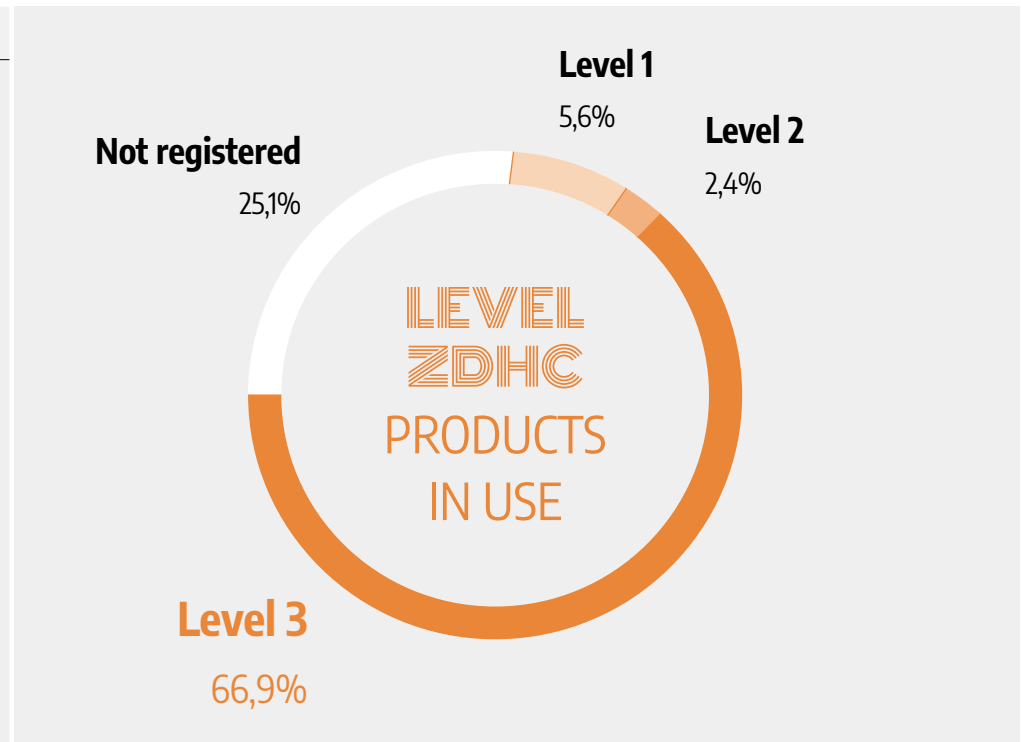
In terms of chemicals, Incas follows and complies with the European EC Regulation 1907/06 CE REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) and other major international regulations (Prop65, GB Standards).

Since 2019, the company has established a Chemical Management system aligned with the

principles of ZDHC (Zero Discharge of Hazardous Chemicals) and has initiated the Supplier to Zero approach with the goal of completing its first INCHECK by 2024. As of January 2023, the company has worked to raise awareness among its suppliers for the gradual inclusion of their products on the ZDHC Gateway and monitors the situation with its technical staff to increasingly use products that comply with the ZDHC MRSL.

In total, 378 products are used, of which 243 are for tanning and 135 for finishing. Of these, 283 products are registered on the ZDHC Gateway, while 95 are still pending. This means that, in terms of percentage, 74.9% of the total products are registered, marking another step forward toward achieving the stated goals.

LEVEL	PRODUCTS	PERCENTAGES
LEVEL 1	21	5,6%
LEVEL 2	9	2,4%
LEVEL 3	253	66,9%
R	0	0,0%
NOT REGISTERED	95	25,1%
REGISTERED	283	74,9%
TOTAL PRODUCTS	378	
TOTAL TANNING	243	64,3
TOTAL FINISHING	135	35,7
REGISTERED TANNING	167	68,7
NOT REGISTERED TANNING	76	31,3
REGISTERED FINISHING	116	85,9
NOT REGISTERED FINISHING	19	14,1



8.3

ENERGY CONSUMPTION

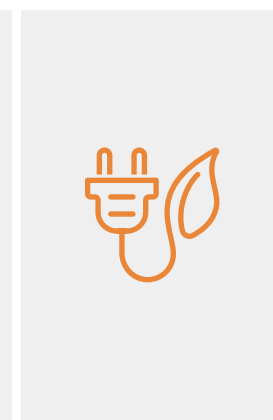
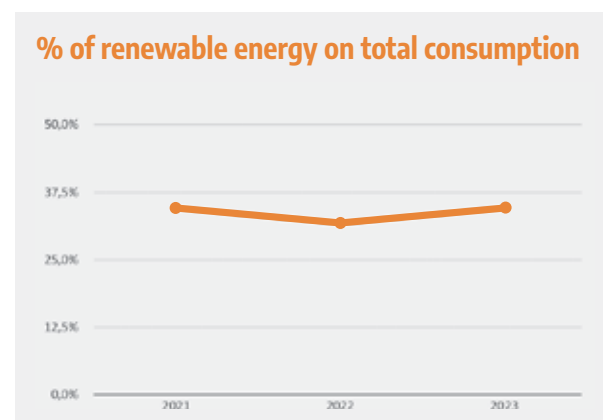
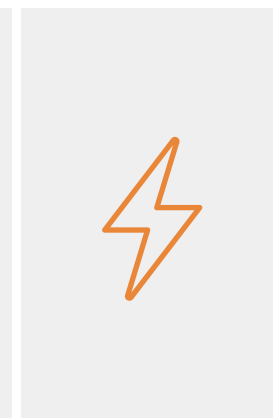
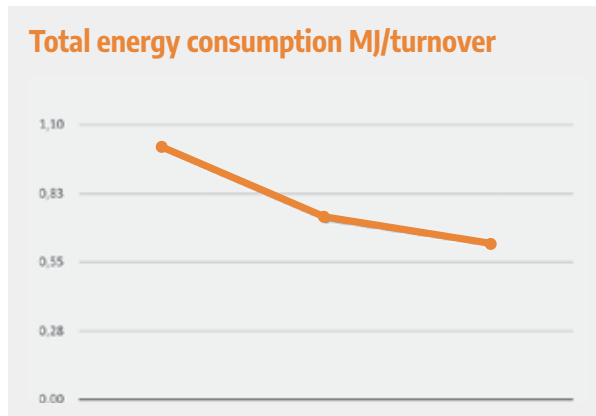
GRI 302-1,302-3

The current period demands that all companies transition towards more sustainable business models, especially from an energy standpoint, with **a focus on reducing dependency on energy produced from fossil fuels.**

In this regard, Incas has been ahead of the curve, having already chosen in 2020 to purchase 100% of its electricity from a supplier that guarantees production exclusively from renewable sources.

In particular, 100% of the electricity consumed in 2023 is certified as coming from renewable sources by the Italian Energy Services Management Agency (GSE). Regarding the data for the three-year reporting period, energy performance indicators show a steady trend, demonstrating the Company's commitment to keeping consumption under control.

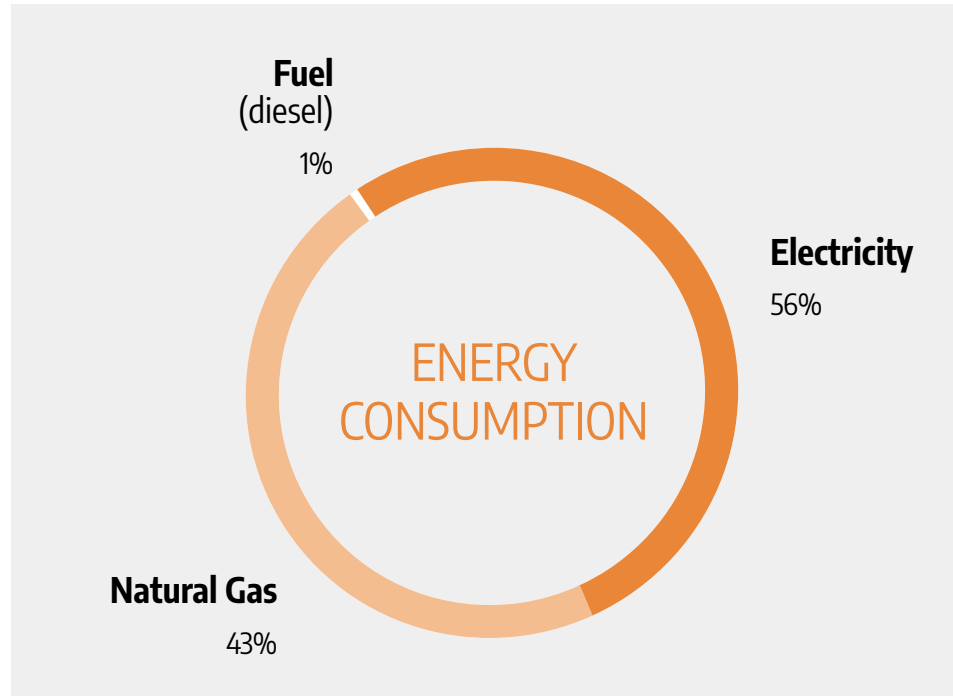
TOTAL ENERGY CONSUMED	u.m.	2021	2022	2023
Non-renewable energy sources (diesel, methane)	MJ	23,905,520.76	26,631,865.22	18,783,101.78
Renewable energy sources (electricity)	MJ	12,614,223.6	12,378,895.2	9,932,076
Total	MJ	36,519,744.36	39,010,760.42	28,715,177.78



The reduction in energy consumption is linked to the decrease in production recorded in 2023 (-29% compared to 2022). Over the three-year reporting period, energy consumption decreased from 2021 to 2023 by 7,804,566.58 MJ, primarily due to the reduction in methane, diesel, and electricity usage. The use of energy is fundamental for the tanning process.

The electricity used by INCAS is 100% renewable, purchased and certified directly by the GSE, and is mainly used to power the machinery in the production departments and for lighting purposes.

The primary use of methane is to power the processing plants. Diesel is used for vehicles, but its consumption is not significant compared to INCAS's overall energy use (see graph).



INCAS pays significant attention to energy resources. In 2023, an energy audit was performed to analyze the strengths and weaknesses of the facility and to develop an improvement plan. Additionally, a 440 KWh photovoltaic system was designed and became operational in 2024, which will further reduce the facility's energy consumption by 20-25%.

8.4

WASTE

GRI 306-1/5

Incas Tannery generates waste and temporarily stores it before final disposal or recovery by authorized third parties.

Various types of waste are produced during the tanning cycle, ranging from chromium-containing wastewater to leather scraps and even simple packaging materials.

INCAS has always monitored the waste it produces, aware that reducing waste supports an effective circular economy.

Some waste materials, such as fleshings and scraps generated during various tanning stages, are recoverable and used to produce products and additives for the food, pharmaceutical, and cosmetic sectors.

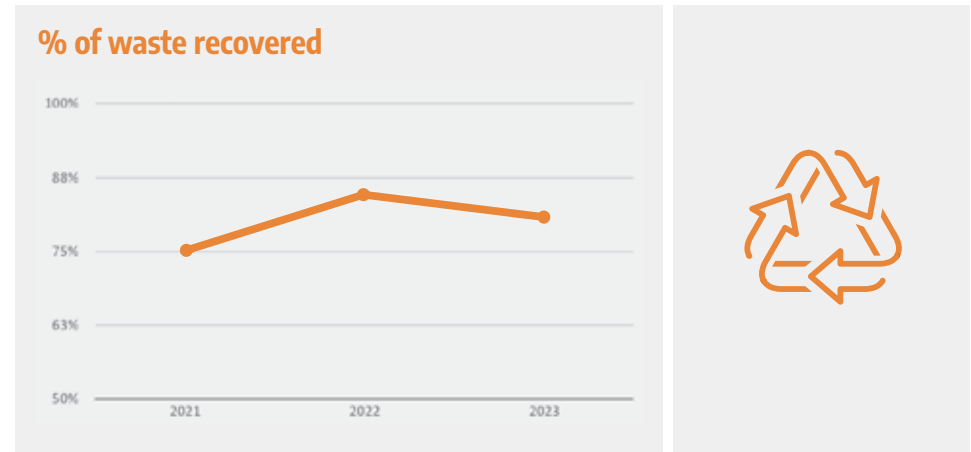
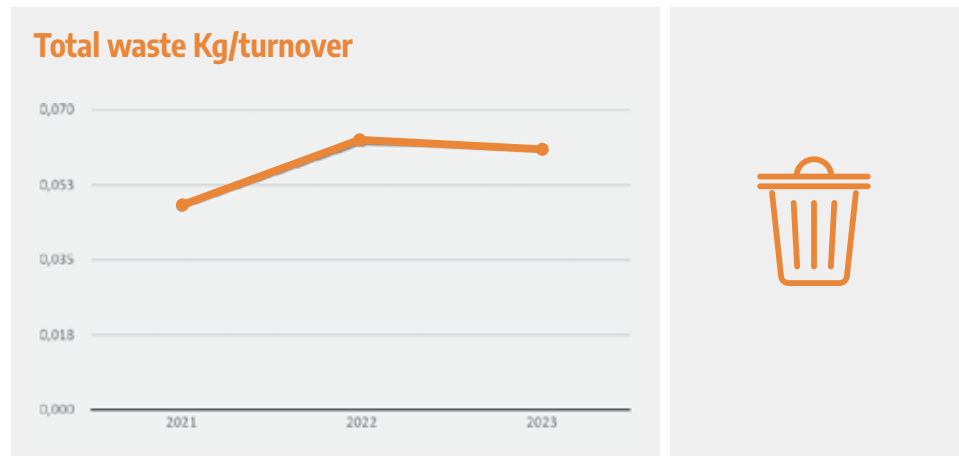
The impact of INCAS on waste management is controlled, as demonstrated by the performance indicators presented in the EMAS environmental statement for 2023:

- Stable specific waste production
- A reduction in the percentage of hazardous waste produced
- 81% of waste was sent for recovery out of the total produced.

The classification, identification, storage, and delivery of this waste to authorized entities are carried out according to specific procedures of the Environmental Management System, ensuring compliance with legal requirements. Managing both hazardous and non-hazardous waste is a priority for INCAS, which not only complies with legal obligations but also operates daily to minimize waste.

For many years now, the ability to recover resources has been demonstrated by the fact that the amount of waste and by-products sent for recovery is significantly higher than those sent for disposal.

Waste generated by INCAS	u.m.	2021	2022	2023
Waste produced	ton/year	1.710,59	3.360,86	2.795,37
Waste sent for recovery	%	75%	85%	81%



The data shows a general increase in the quantity of waste, partly due to increased production compared to 2021 and partly due to the market demand for chromium-tanned leather, which peaked in 2022.

However, “Reuse” is the keyword in the tannery, thanks to responsible behavior and environmentally-friendly technological solutions.

A perfect example is the wastewater generated from the chromium tanning process. Unlike wastewater produced by vegetable tanning processes, chromium-tanning wastewater is not discharged in the industrial sewage system but is instead treated as waste and sent to a specialized facility for the recovery of basic chromium sulfate. After appropriate treatment, this product can be reused in a new tanning phase.



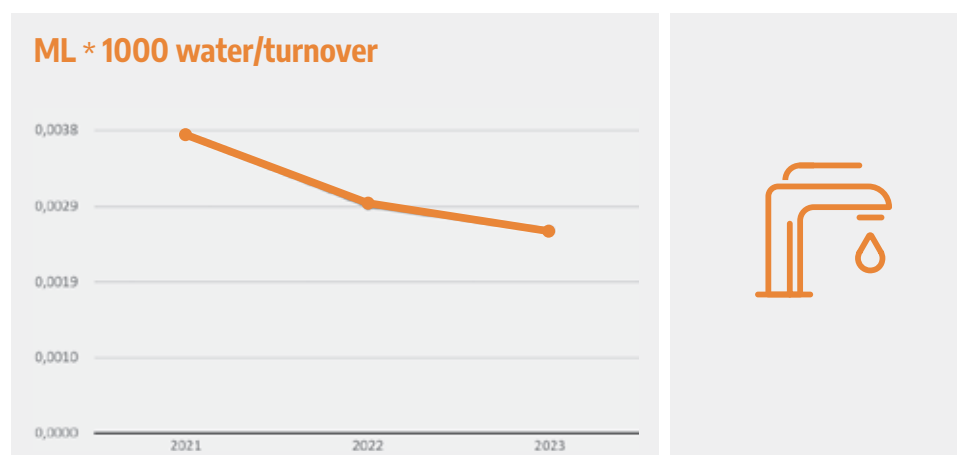
8.5

WATER

GRI 303-1 e 303-3

The Tuscan tanning district, also known as the “Leather District,” is notable for adopting a **collective approach to water management**, with the aim of ensuring high standards of purification efficiency.

WATER USAGE	u.m.	2021	2022	2023
Usage from aqueduct	ML	0,027	0,029	0,026
Usage from spring	ML	135,505	153,798	118,057
Total usage	ML	135,532	153,827	118,083



Over the 2021-2023 period, it is possible to notice increased water usage due to increased production, followed by a significant reduction in 2023, which led to lower water consumption than at the start of the reporting period.

INCAS does not use water from protected water sources, and none of its facilities or production activities are located in areas under water stress. Similarly, wastewater is not discharged in areas classified as water-stressed (based on the National Water Stress Severity Index - ISPRA portal). https://www.isprambiente.gov.it/pre_meteo/idro/SeverIdrica.html.

Water is mainly sourced from groundwater via wells, with only a minimal amount drawn from the public water supply.

The wastewater is directed into a private industrial sewage system and managed by the consortium’s treatment plant, which properly treats and recirculates the water, allowing it to be reused multiple times in the production process.

Water is a crucial element in the leather tanning process.

INCAS is committed to minimizing water consumption in both the production process and service areas, thus protecting the surrounding environment. The potential impact from water usage is mitigated by internal checks and participation in the consortium that manages wastewater treatment through a shared purification plant.

The EMAS certification requires an annual review of environmental monitoring results, ensuring proper management of environmental aspects and any potential impact.

8.6

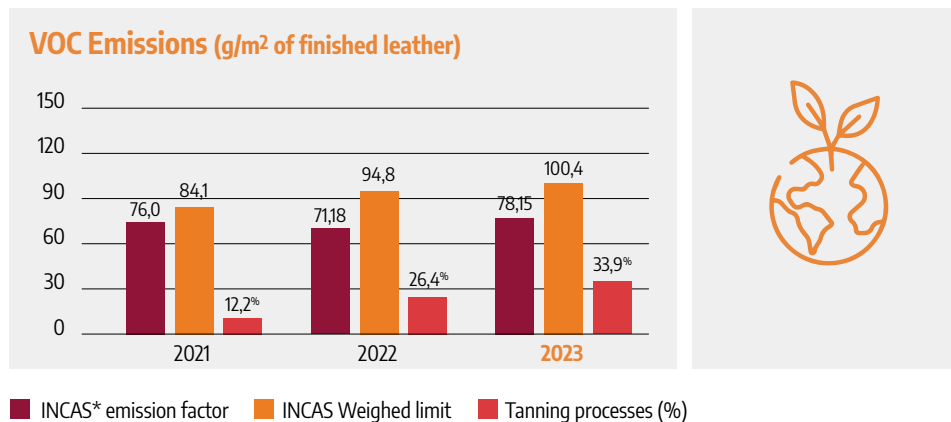
GREENHOUSE GAS EMISSIONS

GRI 305-1/2/4/7

8.6.1 EMISSIONS

The main parameters influencing air quality in the tanning processes are Volatile Organic Compounds (VOCs), dust, and hydrogen sulfide. Greenhouse gas emissions, which are vented outside the tannery through specific extraction systems equipped with scrubbers, are generated at various stages of the process, both in the wet phases and during finishing treatments.

Incas periodically monitors its emissions as required by law, with checks carried out by certified external laboratories. It also maintains a solvent management plan aimed at controlling the inflow of volatile compounds and ensuring compliance with limits per unit of product (g VOCs/m² of finished leather).



The emission factor was calculated in accordance with Legislative Decree 152/2006 and subsequent amendments and additions, Article 275.

8.6.2 ODOR POLLUTION

The main sources of potential unpleasant odors are linked to emissions of hydrogen sulfide gas (H₂S) and any odor-emitting compounds from raw hides or from the area around the company's wastewater treatment plant.

H₂S emissions are treated through appropriate scrubbing systems using caustic soda in wet scrubbers.

Proper operation and maintenance of these scrubbers ensure their efficiency, keeping unpleasant odors under control.

8.6.3 CARBON FOOTPRINT

Fully aware of the potential environmental risks associated with its operations, Incas is committed to continuously investing in equipment that utilizes the best available technologies, ensuring maximum reduction of atmospheric emissions.

The emissions contributing to the Carbon Footprint can be grouped into three broad categories: SCOPE 1, SCOPE 2, and SCOPE 3.

The standard for emission reporting follows the internationally recognized Greenhouse Gas Protocol (GHG Protocol),

distinguishing between direct and indirect emission sources depending on whether they

are under the company's direct control or that of other entities.

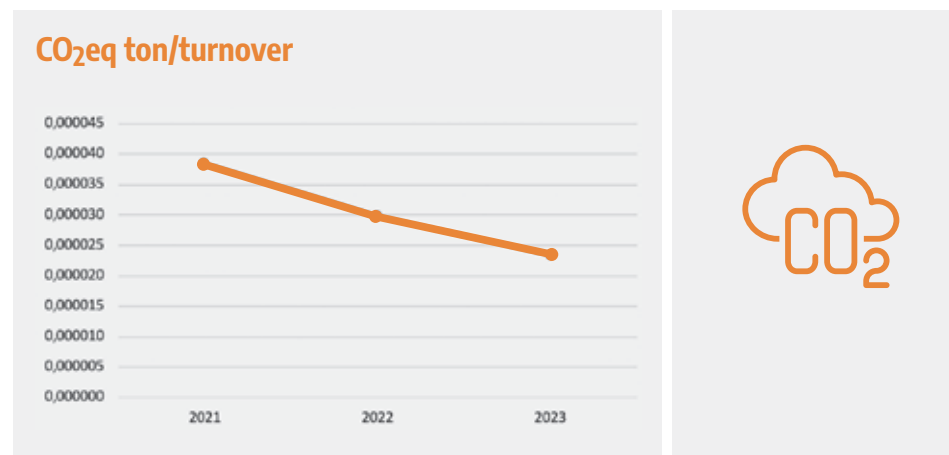
EMISSIONS	u.m.	2021	2022	2023
scope 1*	CO ₂ eq ton	1394	1616	1072
scope 2 location**	CO ₂ eq ton	904	887	712
KPI intensity (Scope 1+Scope 2)	CO ₂ eq Turnover	3.46	2.92	2.32

* The conversion factors are specified by UNI11427:2022 (leatherette), which refers to EU Regulation UE 2018/2066: (methane 56.1 Tons CO₂/T) gas (diesel 74.1 Tons CO₂/T), calorific value 43 Tj/Gg)

** Emission factor: table 2.7 GHGs emission factors for total electricity production (g CO₂eq/kWh). Countries are listed in descending order of 2023 values from the ISPRA Report 404/2024 "Efficiency and decarbonization indicators in Italy and the largest European countries."

The greenhouse gas (GHG) considered in this calculation is CO₂ (carbon dioxide). As shown, emissions have decreased significantly over the course of the three-year reporting period: after a peak due to increased production, a progressive drop can be seen.

In the coming years, Incas' commitment to addressing climate change will focus on further reducing GHG emissions. The company's most ambitious goal is to achieve Carbon Neutrality. Currently, studies are underway to determine the best strategy for the company to meet this objective.



The Life Cycle Assessment (LCA) performed for 2023 showed emissions of 10.98 kg CO₂/m₂ of leather.

INCAS' process emissions for 2022 amounted to 1,931 tons of CO₂eq, while for 2023, they were 1,441 tons of CO₂eq.

Total GHG emissions (upstream + core + downstream) amounted to 11,727 tons of CO₂eq in 2022 and 8,595 tons of CO₂eq in 2023.

Under its current Integrated Environmental Authorization (AUA), INCAS prepares and submits an annual report to the Competent Authorities and Monitoring Bodies, detailing the company's greenhouse gas emissions and how they are managed through its Monitoring and Control Plan.

8.7

PROJECTS

Incas is one of the few Italian tanneries that can boast an **entire department dedicated to research and development of new products**.

In this department, Incas' responsiveness to customer demands aligns with the philosophy of sustainability, as this mindset drives new experimentation.

The entire process—from research to prototype development and the subsequent industrialization phase—is managed according to specific operational procedures. This involves two key entities: the Research Department and the Testing Laboratory, performing the necessary technical assessments to ensure customers receive products that meet the required performance standards.

8.7.1 LIFE I'M-TAN

To promote research and development of eco-friendly vegetable tanning processes, particularly in terms of water consumption and wastewater quality, Incas has decided to collaborate with key companies in the tanning supply chain on the **Life I'M-TAN** project (Innovative Modified Natural Tannins).

The partners involved in the project are:

Silva Team (lead), Crossing, Aquarno, CRCF Centro Ricerche per la Chimica Fine, and INCAS Iniziative Conciarie Associate. The project was launched on 01/09/2021 and will end on 31/08/2025.

The research aims to validate, on a semi-industrial scale, the use of innovative and sustainable Chemically Modified Natural Tannins (CMNT) in the production of high-end eco-friendly finished leather. The use of CMNT ensures a tanning process that is less hazardous from a chemical substance standpoint and with lower production costs, reduced waste, and a better circular approach (recycling/reusing production waste) compared to traditional processes based on chrome, synthetic tannins, and aldehydes.

This project is part of the European Commission's Life program "LIFE20 ENV/IT/000759," (European Climate Infrastructure and Environment Executive Agency - CINEA)



8.7.2 BISPHENOL REDUCTION

The demand for **reducing bisphenols** in tanned leather is becoming increasingly important. Bisphenols are used in various applications, such as base compounds for various plastics, polymers, coatings, resins, etc.

Incas has taken this request seriously and, through close collaboration with its chemical product suppliers, is developing new formulations with low bisphenol content.

Significant progress has already been made, particularly in chromium-tanned leather items, which now have limited bisphenol content.

The process is somewhat more complex for the 40075 product line (organic and vegetable-based metal-free production), as synthetic tannins are used, and there are currently no effective alternatives.

Research and development activities are ongoing, and Incas intends to continue investing in this project to achieve its targeted goals.



8.7.3 SINCERO PROJECT

In 2022, Incas S.p.A. participated as a consultant in the SINCERO project (Innovative Systems for Eco-friendly Tanning with Optimized Chemical Recovery), a research initiative promoted by Deltacque S.r.l., Huni Italia S.r.l., and Fildrop S.r.l.

The project was partially funded under the Tuscany POR FESR 2014-2020 framework.

The project aims to bring significant innovation to the machinery used during the wet phases of the tanning process by transforming traditional tanning drums into modern 4.0 interconnected, dynamic plants equipped with artificial intelligence.

Through the introduction of systems and sensors, these innovative plants will self-manage. Based on the data collected, they will actively intervene in the process using artificial intelligence, thereby reducing the use of water, chemicals, and energy while optimizing the leather processing times.



8.7.4 CIRCULARITY PROJECT SANT'ANNA

In collaboration with the Sant'Anna School of Advanced Studies, Incas decided to measure its level of circularity using their innovative Circularity Check-Up Tool as part of the Environmental Project led by Unioncamere Toscana.

This tool is a structured checklist of questions, answered through on-site inspections, interviews with staff, and document analysis, with the following objectives:

Measure the level of “circularity” of the company’s production processes;

Perform an analysis of the strengths and weaknesses emerging from the survey and identify opportunities for improvement.

The goal of this tool is to analyze the company’s performance in the area of the circular economy and provide strategic support. Based on the findings gathered during the site visit and interview on May 26, 2022, the total circularity performance of the tannery was assessed at 73%, and the company was identified as a “proactivist” with respect to circular economy practices, according to the “Incas Circularity Measurement Report” issued on August 31, 2022.

According to the findings, the stage where the company achieved the highest performance is use (100%), followed by design (75%), waste management (73%), sourcing (71%), and production (67%).



The phase with the lowest performance was distribution (50%).

This is an excellent result, identifying a proactive company that has already integrated circular economy principles and is taking actions that will eventually enable it to be defined as fully circular in the future.



SUSTAINABLE DEVELOPMENT

9.1

STAKEHOLDERS AND STAKEHOLDER ENGAGEMENT

GRI 306-1/5

Engaging stakeholders is a fundamental step for understanding current and future performance, finding solutions to challenges the company faces, and achieving set goals.

Assessing corporate performance, along with up-to-date assessments on common core issues, represents the foundation of daily work and the creation of shared value.

Incas regularly engages its stakeholders, including personnel, suppliers, customers, local communities, institutions, associations, industry groups, and media, with the aim of transparently conveying its values and building trust in relationships. This engagement promotes sustainable sector development.

Incas aims to deepen mutual engagement and open new communication channels, with this Sustainability Report being an example. To create it, Incas' steering committee identified the key stakeholders that influence, and are influenced by, the company's activities.

Creating value for stakeholders is an important factor in the company's activities. Specifically, creating added value and supporting local development where we live and operate are constant objectives, as shown by Incas' involvement with local associations, schools, and training institutions.

The creation and distribution of economic value are crucial in defining wealth generation for stakeholders with whom Incas has collaborated for years. As a company, Incas focuses on creating sustainable value for all parties involved in its activities, always adhering to the ethical principles that characterize its business model.

9.2

ANALYSIS OF POTENTIAL IMPACT

(LCA - ECOL2L Study)

INCAS' efforts to communicate its carbon footprint across the entire life cycle demonstrate its commitment to sharing its impact and working towards identifying methods of improvement.

In April 2024, Incas successfully passed the voluntary audit aimed at obtaining the ECOL2L (Energy Controlled Leather) certification.

Through the LCA study performed in collaboration with the V.D.L. institute, based on 2022 data (European upstream supply chain impact study) and 2023 data (eco-label achievement), Incas calculated the potential impact of both the core process and the upstream and downstream components.

The analysis highlights what was already noticed in previous LCA studies of leather products, namely that the largest contribution to greenhouse gas emissions comes from the upstream procurement phases, and that even significant improvements in the plant's performance have a limited "weight" when considering the entire supply chain.

Below is a comparison of the energy performance and specific CO2 emissions for 2022 and 2023, calculated using the aforementioned audit scheme.



INCAS Process GHG Emissions (core)

2022 1.931 t CO₂

2023 1.441 t CO₂ ↓ 👍

Total GHG Emissions (upstream + core + downstream)

2022 11.727 t CO₂

2023 8.595 t CO₂ ↓ 👍

9.3

MATERIALITY MATRIX

Through the establishment and efforts of an internal dedicated team, Incas has promoted sustainability engagement activities, defining its own model framing the company's business in these terms as well.

The analysis undertaken involved the entire company and led to the development of the Materiality Matrix, which in the coming years will have the twofold objective of defining future initiatives and creating a common and shared language on the topic of sustainability. The issues considered "material" were identified by Incas, as established by the GRI Standard 3, through the assessment of actual and potential impact—both negative and positive—on the economy, the environment, and people, arising from the company's activities, and involving stakeholders in the process.

The stakeholders were selected from the following groups: employees and contractors; suppliers; customers; trade associations; communities; institutions and regulatory authorities; control and monitoring agencies.

The responses gathered from the questionnaires were processed to build the materiality matrix and identify the relevant topics to be reported in the Sustainability Report. The stakeholder engagement involved approximately 110 stakeholders, who answered the questionnaire, offering their views on materiality and contributing to the drafting of the Sustainability Report.

To create the matrix, a questionnaire was developed on an online platform and sent to 235 participants. A total of 108 complete responses were received, representing a global response rate of 46%. The questionnaire was selected as the method for evaluating the relevance of material topics. The questionnaire was filled out by identifying significant topics from the analysis of aspects and impact contained in the “Risk and Opportunity Analysis” document of the Integrated Management System for Quality, Environment, Safety, and Social Responsibility. The stakeholders involved in the materiality analysis consisted of 70% suppliers, 12% clients, 16% employees, and the remaining 2% from institutions and organizations.



The priority items that emerged from the analysis and thus reported are as follows:

PRIORITARI

ID	Description	Stakeholders	INCAS
G2	2) Environmental impact management methods	4,38	3,50
E3	3) Technological Innovation	4,25	3,25
E4	4) Quality of products and services	4,22	4,75
E5	5) Compliance with social and economic standards	4,34	4,00
A1	1) Materials: use, recycling and recovery	4,34	4,75
A2	2) Use of renewable energy sources and energy efficiency	4,35	5,00
A3	3) Water consumption	4,39	5,00
A4	4) Greenhouse gas emissions and climate change	4,35	4,25
A5	5) Waste management	4,43	4,50
A6	6) Compliance with environmental regulations	4,64	5,00
A7	7) Supply chain environmental certifications	4,24	5,00
S2	2) Human Resources development	3,78	4,00
S3	3) Health, wellness and safety of workers	4,39	4,00
S4	4) Health and safety of consumers	4,39	4,75
S6	6) Supply chain social sustainability	4,26	4,75
S7	7) Human rights	4,48	4,25

G - Governance **E** - Economy **A** - Environment **S** - Social aspects

NOT APPLICABLE

ID	Description	Stakeholders	INCAS
G1	1) Economic impact management method	3,74	2,50
G3	3) Social impact management method	4,13	3,00
G4	4) Business solidity	3,95	2,50
E1	1) Economic performance	3,54	2,25
E2	2) Economic contribution to the territory	3,75	2,25
S1	1) Employment	3,59	2,00
S5	5) Territory engagement	3,64	3,00

The statistical analysis derived from the processing of the questionnaires highlighted that, for customers, the topics of greatest interest are related to economic and environmental aspects, personnel, and community engagement.

Each year, the sustainability report is preceded by an analysis and identification of the priority topics for INCAS and its stakeholders. This process specifically aligns with the GRI Universal Standards published in 2021 (GRI 3)

The analysis of internal and external sources, as well as stakeholder engagement activities, made it possible to identify and assess the impact generated or experienced by INCAS, which are useful for prioritizing the material topics listed in this section. In line with the new ESRS (European Sustainability Reporting Standards) introduced by EU Directive

2022/2464 (CSRD – Corporate Social Responsibility Directive), an initial test was carried out to integrate impact materiality (inside-out perspective) with financial materiality (outside-in perspective).

To this end, the following internal sources were analyzed:

- main economic, reputational, and sustainability risks considered relevant and emerging risk scenarios
- growth of shared value activities, which, in line with the Industrial Plan, will have a significant impact on increasing EBITDA shared value.

Additionally, to understand the external context and identify material topics, the following sources were analyzed:

- global, European, national, and local policy scenarios
- new regulatory and legal developments in the sectors where INCAS operates
- new ESRS sustainability standards, which will be followed as soon as they enter into force for INCAS.

Lastly, the results of stakeholder engagement activities were considered, for this first report, consisting of the processing of the questionnaire sent to them. Each impact generated or experienced from this analysis was then categorized as positive or negative, actual or potential. Based on these parameters, individual impacts were assessed according to their severity and likelihood of occurrence. Following the evaluation phase, the impacts were grouped into topics and prioritized based on their respective assessments. The materiality analysis results are validated annually.



SCOPE	RELEVANT TOPIC	RISKS	OPPORTUNITIES	KEY IMPACTS	SIGNIFICANCE	TYPE	IN/OUT	FINANCIAL RELEVANCE
Governance	2) Management of ESG Impacts	Ineffective communication tools used by the Tannery	Development of more effective communication tools and support for training qualified resources	Business solidity and continuity	Significant - Negative	Potential	Generated	€€€
Economy	3) Technological Innovation	Infrastructure obsolescence, technological inadequacy	Expansion of the Finishing Department by creating a new Sampling Department	Improvement in production and product	Significant - Positive	Actual	Generated	€€
	4) Quality of products and services	Raw materials/costs and availability	Failure to meet product specifications	Business solidity and continuity	Significant - Negative	Potential	Immediate	€€
Environment	1) Materials: use, recycling and recovery	Ineffective company circularity – inadequacy of internal waste reduction projects	Reuse of chemicals derived from waste materials in the tanning production cycle	Reduction in raw material consumption	Significant - Positive	Potential	Generated	€
	2) Use of Resources Renewable energy and climate energy	Reduction in margins due to resource use excessive weight of energy costs	Reduction in consumption and environmental impact efficiency.	Production management and process inefficiencies	Significant - Negative	Actual	Immediate	€€€
	3) Water consumption/ discharges	Lowering limits on discharge	Reduction of pollutant levels in the discharges	Restrictions on limits to discharge	Significant - Negative	Actual	Immediate	€€
	4) Emissions Greenhouse gas Climate change	Exceeding limits for Emissions and lack of Control over GHG emissions	Carbon footprint drafting Organization and Emission reduction up to Carbon Neutrality	Performance indicators and emission reduction plan	Not significant - Negative	Actual	Generated	€
Social aspects	2) Development of Human resources/ Health, Well-being and safety Workers'	Unbalanced workloads In some operational areas Of the company, even in As a consequence of the Unpredictable trend of orders With peaks of activity.	Operational flexibility in good Part of the tasks carried out in the Company Optimization of the Staff in various departments, analysis of workflow, optimization Vacation plan	Promotion of well-being Employees' Through Implementation of activities And dedicated benefits	Significant - Positive	Potential	Generated	€

Key

SIGNIFICANCE: Positive low + – medium +- high +++ / Negative low - - medium --- high ---

TYPE: Effective / Potential

IN/OUT: Generated / Immediate

FINANCIAL RELEVANCE: low € – medium €€- high €€€

9.4

CONTRIBUTING TO SUSTAINABILITY






Driven by the wish to adopt a responsible and proactive approach, Incas has chosen to endorse and promote the 2030 Agenda while also pursuing the United Nations Sustainable Development Goals (SDGs).

Based on the results obtained from the materiality analysis, Incas has developed action lines for its sustainability plan in relation to the UN goals for sustainable development. The topics reported in Incas' sustainability report are aligned with several SDGs and therefore demonstrate the contribution that the company can and will continue to make in the coming years to improve the health of the planet.

In particular, Incas' commitment to its stakeholders, in line with the ethical principles that underpin the corporate strategic plan, aligns with the following SDGs.



Sustainability derives from the English word “sustain,” which in a musical context refers to the piano pedal that extends the sound of a note. This means that the term refers to something that lasts over time, that endures, in contrast to a throwaway economy.

SDGs	TARGET	INCAS
	<p>Good health and well-being for people</p>	<p>3.9: By 2030, significantly reduce the number of deaths and illnesses caused by hazardous chemicals and air, water, and soil pollution and contamination.</p> <p>Continuous research and development activities for the procurement and use of low-impact chemicals, both for the environment and for workers.</p>
	<p>Equitable and quality education</p>	<p>4.4: By 2030, substantially increase the number of youth and adults who have the necessary skills, including technical and vocational skills, for employment, fair work, and entrepreneurship.</p> <p>4.5: Eliminate gender disparities in education by 2030 and ensure equal access to all levels of education and vocational training for vulnerable groups, including persons with disabilities, indigenous peoples, and children in vulnerable situations.</p> <p>Training and support for skill development with gender equality. Hiring of personnel belonging to protected categories according to Italian regulations (7% of the workforce).</p>
	<p>Gender Equality</p>	<p>5.5: Ensure full and effective participation of women and equal opportunities for leadership at every decision-making level in political, economic, and public life.</p> <p>5.c: Adopt and strengthen applicable policies and legislation for the promotion of gender equality and the empowerment of all women and girls at all levels.</p> <p>Access for women to positions of responsibility and management. Unrestricted access for female staff. Equal pay.</p>
	<p>Clean water and sanitation</p>	<p>6.3: By 2030, improve water quality by eliminating waste dumping, reducing pollution, and the release of hazardous chemicals and materials, halving the proportion of untreated wastewater, and substantially increasing global recycling and safe reuse.</p> <p>Reduction of water discharges and their quality. Complete monitoring of water discharges and progressive reduction of water usage in processing. Constant improvement in discharge quality.</p>
	<p>Clean and affordable energy</p>	<p>7.3: By 2030, double the global rate of improvement in energy efficiency</p> <p>7.a: By 2030, enhance international cooperation to facilitate access to clean energy research and technology—including renewable energy, energy efficiency, and advanced and cleaner fossil-fuel technologies—and promote investment in energy infrastructure and clean energy technologies.</p> <p>Increase and share energy from renewable sources. Use of energy entirely from renewable sources (by 2023). Reduction in consumption and energy efficiency improvements.</p>



Fair work and economic growth

8.5: By 2030, ensure full and productive employment and fair work for all women and men, including young people and persons with disabilities, and equal pay for work of equal value.
8.8: Protect labor rights and promote safe and secure work environments for all workers, including migrant workers, particularly women migrants, and those in temporary employment.

Fair work for all, without distinction of gender or race. Safe and positive workplaces in accordance with the ISO 45001 standard.



Industry, Innovation, and Infrastructure

9.3: Increase the access of small industrial and non-industrial enterprises, particularly in developing countries, to financial services, including affordable loans, and their integration into value chains and markets.
9b: Support domestic technology development, research, and innovation in developing countries, ensuring a favorable policy environment, including diversification of industries and adding value to raw materials.

Support for technological development and sustainable projects in the supply chain. Currently, there are government contacts with Colombia to launch a project aimed at the growth and organization of the country's livestock industry, with the goal of reusing hides for tannery production.



Reduce inequalities

10.3: Ensure equal opportunities and reduce inequalities in outcomes, including by eliminating discriminatory laws, policies, and practices and promoting appropriate legislation, policies, and actions in this regard.

Compliance with all national collective agreements (CCNL) and fair compensation.



Responsible consumption and production

12.2: By 2030, achieve sustainable management and efficient use of natural resources.
12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse.
12.6: Encourage companies, particularly large and multinational enterprises, to adopt sustainable practices and integrate sustainability information into their reporting cycle.

Sustainable management of natural resources. Reduction of waste and reuse of by-products through a consortium-based purification system.



Climate change

13.1: Strengthen resilience and adaptive capacity to climate-related risks in all countries. linked to the climate and natural disasters.
13.3: Improve education, awareness, and human and institutional skills in climate change mitigation, adaptation, impact reduction, and early warning.

Increase staff and public awareness. Reduction of emissions.



Life on land

15.1: By 2020, ensure the conservation, restoration, and sustainable use of land and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains, and drylands, in accordance with obligations under international agreements.

15.2: By 2020, promote the sustainable management of all types of forests, halt deforestation, restore degraded forests, and significantly increase afforestation and reforestation globally.

15.3 By 2030, fight desertification, restore degraded land and soil, including land affected by desertification, drought, and floods.

15.4: By 2030, ensure the conservation of mountain ecosystems, including their biodiversity, to enhance their ability to provide benefits that are essential for sustainable development.

15.5 Take effective and immediate action to reduce the degradation of natural environments, halt biodiversity loss, and, by 2020, protect species at risk of extinction.

Procurement policy for raw materials (hides) from sustainable farms, with particular attention to animal welfare (certifications and traceability).



Peace, Justice, and Strong Institutions

16.10: Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements.

Protection of employees, customers, and suppliers' privacy through the implementation of an internal management system.

9.5

GOALS FOR THE FUTURE

We are proud of the results achieved so far, and we are committed to sharing them as comprehensively as possible in this report.

ADHERENCE TO THE UNITED NATIONS GLOBAL COMPACT (UNGC).

The goal is to integrate the 10 principles supported by the United Nations into our initiatives by 2024.



Achieving one milestone means setting new ones! Thus, here is our list of goals for the near future.

With everyone's cooperation, we are confident we can achieve them. The journey toward sustainability has already begun: we just need to continue with determination, goal by goal, staying true to our principles and the values we share with our community.

FEASIBILITY STUDY FOR ENERGY CONSUMPTION REDUCTION.

The aim is to identify areas for improvement and possible technical solutions with an appropriate level of technical and economic feasibility (e.g., installation of automated valves, new meters, photovoltaic roofs, etc.).

To date, we have completed the 2023 energy audit according to UNI CEI EN 16247-3.



WATER ASSESSMENT STUDY

The goal is to establish a baseline for better control of water use and increased corporate water resilience.

The project will end by 2024, after which a Water Risk Assessment will be performed to ensure continuous improvement throughout 2025/2026.



PRODUCT LCA STUDY

Incas, along with Delta Consulting and in collaboration with Spin360, will carry out an in-depth study on its flagship product, the NZ calf leather. The objective is to define its impact, highlighting Incas' strengths in its supply chain in New Zealand through Animal Farming LCA activities. The study will be developed over seven months, during which thorough data collection will take place, risk and opportunity KPI analysis will be performed, reporting/reviewing data will be assessed (ISO 14040/14044), and finally, a plan for improvement based on the results will be implemented.

The project in question is funded by the Tuscany Region.



PROGRESSIVE INCREASE OF ZDHC-REGISTERED CHEMICALS - IN CHECK REPORT.

Reduction of non-registered chemicals on the ZDHC gateway by implementing the ZDHC Incheck by 2025.



ENERGY EFFICIENCY WITH REDUCTION OF INDIVIDUAL ENERGY CONSUMPTION

Cost-benefit assessment for improvement actions identified following the Energy Audit performed in January 2024 and the definition of a specific Action Plan for 2025/2027, according to EN 16247-3.



With everyone's cooperation, we are confident we can achieve them. The journey toward sustainability has already begun: we just need to continue with determination, goal by goal, staying true to our principles and the values we share with our community.



NOTES ON
METHODS

GRI 2, 2-2/2, 2-5

This document has been prepared using the **Global Reporting Initiative Sustainability Reporting Standards** (hereinafter referred to as GRI Standards) as a technical-method of reference, integrated with the Sustainable Development Goals (SDGs) as outlined in the 2030 Agenda.

The scope of the Report extends to Incas' activities and matches that of the 2022 Financial Statements.

Sustainability reporting is adopted on a voluntary basis, as Incas does not fall within the size parameters outlined by Legislative Decree No. 254 of 2016, which relates to Non-Financial Statement obligations.

In the interest of full transparency, Incas has undertaken the development of its Sustainability Report by involving its internal personnel and submitting the report for external assurance by SGS Italia S.p.A.

Incas is committed to updating this Sustainability Report every 3 years from its first issue.

GRID CONTENT INDEX

Statement of use	INCAS has reported the information referenced in this GRI table of contents for the period from January 1, 2021, to December 31, 2023, in accordance with GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

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

GRI Standard/Other Source	Disclosure	Location	Omissions
	2-19 Remuneration policies		Not reported Confidentiality constraints
	2-20 Process to determine remuneration		Not reported Confidentiality constraints
	2-21 Annual total compensation ratio		Not reported Confidentiality constraints
	2-22 Statement on sustainable development strategy	Governance	
	2-23 Policy commitments	Governance, Our people	
	2-24 Embedding policy commitments	Governance, Our people	
	2-25 Processes to remediate negative impacts	Governance, Our people	
	2-26 Mechanisms for seeking advice and raising concerns	Governance, Our people	
	2-27 Compliance with laws and regulations	Governance, Our people	
	2-28 Membership associations	Governance	
	2-29 Approach to stakeholder engagement	Governance	
	2-30 Collective bargaining agreements	Governance	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality	
	3-2 List of material topics	Materiality	

Governance			
<i>ESG impact management method</i>			
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Governance	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Transparency and Integrity	
	205-2 Communication and training about anti-corruption policies and procedures	Transparency and Integrity	
	205-3 Confirmed incidents of corruption and actions taken	Control and Governance Bodies	No incidents
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Control and Governance Bodies	No incidents

GRI Standard/Other Source	Disclosure	Location	Omissions
GRI 207: Tax 2019	207-1 Approach to tax		Not reported Confidentiality constraints
	207-2 Tax governance, control, and risk management		Not reported Confidentiality constraints
	207-3 Stakeholder engagement and management of concerns related to tax		Not reported Confidentiality constraints
	207-4 Country-by-country reporting		Not reported Confidentiality constraints
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Governance	
	308-2 Negative environmental impacts in the supply chain and actions taken		Not reported Information unavailable/incomplete
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		No privacy violations nor theft or loss of data

Economy			
<i>Technological Innovation</i>			
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality	
GRI 301: Materials 2016	301-1 Materials used by weight or volume		Not reported Information unavailable/incomplete
	301-2 Recycled input materials used	Data table	
	301-3 Reclaimed products and their packaging materials	Data table	
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling		Not reported Information unavailable/incomplete
	417-2 Incidents of non-compliance concerning product and service information and labeling		Not reported Information unavailable/incomplete
	417-3 Incidents of non-compliance concerning marketing communications		Not reported Information unavailable/incomplete
<i>Product and Service Quality</i>			
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality	

GRI Standard/Other Source	Disclosure	Location	Omissions	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Governance		
	201-2 Financial implications and other risks and opportunities due to climate change	Materiality	Partially reported	Information unavailable/incomplete
	201-3 Defined benefit plan obligations and other retirement plans		Not reported	Information unavailable/incomplete
	201-4 Financial assistance received from government	Governance		
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage		Not reported	Information unavailable/incomplete
	202-2 Proportion of senior management hired from the local community		Not reported	Information unavailable/incomplete
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported		Not reported	Information unavailable/incomplete
	203-2 Significant indirect economic impacts	Materiality		
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Transparency and Integrity		
	205-2 Communication and training about anti-corruption policies and procedures	Transparency and Integrity		
	205-3 Confirmed incidents of corruption and actions taken	Control and Governance Bodies	No incidents	

Environment				
<i>Materials: use, recycling, and recovery</i>				
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality		
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste		
	306-2 Management of significant waste-related impacts	Waste		
	306-3 Waste generated	Waste	Partially reported	Information unavailable/incomplete
	306-4 Waste diverted from disposal	Waste	Partially reported	Information unavailable/incomplete
	306-5 Waste directed to disposal	Waste	Partially reported	Information unavailable/incomplete

GRI Standard/Other Source	Disclosure	Location	Omissions	
<i>Use of renewable energy sources and energy efficiency</i>				
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Data Table and Energy consumption		
	302-2 Energy consumption outside of the organization		Not reported	Information unavailable/ incomplete
	302-3 Energy intensity	Data Table and Energy consumption		
	302-4 Reduction of energy consumption		Not reported	Information unavailable/ incomplete
	302-5 Reductions in energy requirements of products and services		Not reported	Information unavailable/ incomplete
<i>Water consumption/discharges</i>				
GRI 3: Material Topics 2021	3-3 Management of material topic	Materiality		
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water resources		
	303-2 Management of water discharge-related impacts		Not reported	Information unavailable/ incomplete
	303-3 Water withdrawal	Water resources and Data Table		
	303-4 Water discharge		Not reported	Information unavailable/ incomplete
	303-5 Water consumption		Not reported	Information unavailable/ incomplete
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		Not reported	Information unavailable/ incomplete
	304-2 Significant impacts of activities, products and services on biodiversity		Not reported	Information unavailable/ incomplete
	304-3 Habitats protected or restored		Not reported	Information unavailable/ incomplete
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations		Not reported	Information unavailable/ incomplete

GRI Standard/Other Source	Disclosure	Location	Omissions	
<i>Atmospheric emissions and climate change</i>				
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Greenhouse gas emissions		
	305-2 Energy indirect (Scope 2) GHG emissions	Atmospheric emissions		
	305-3 Other indirect (Scope 3) GHG emissions	Greenhouse gas emissions		
	305-4 GHG emissions intensity	Greenhouse gas emissions		
	305-5 Reduction of GHG emissions	Greenhouse gas emissions	Not reported	Information unavailable/ incomplete
	305-6 Emissions of ozone-depleting substances (ODS)	Greenhouse gas emissions		
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Greenhouse gas emissions		

Social Aspects				
<i>Development of human resources, Health, and Well-being of workers and communities</i>				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Data table		
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		Not reported	Information unavailable/ incomplete
	401-3 Parental leave	Welfare and care for individuals		
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes		Not reported	Information unavailable/ incomplete

GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Health and safety		
	403-2 Hazard identification, risk assessment, and incident investigation	Health and safety		
	403-3 Occupational health services	Health and safety		
	403-4 Worker participation, consultation, and communication on occupational health and safety	Health and safety		
	403-5 Worker training on occupational health and safety	Health and safety		
	403-6 Promotion of worker health	Health and safety		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and safety		
	403-8 Workers covered by an occupational health and safety management system	Health and safety		
	403-9 Work-related injuries	Data table		
	403-10 Work-related ill health	Data table		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Data table		
	404-2 Programs for upgrading employee skills and transition assistance programs	Training		
	404-3 Percentage of employees receiving regular performance and career development reviews	Data table		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Governance, The people		
	405-2 Ratio of basic salary and remuneration of women to men	Welfare and care for individuals		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Welfare and care for individuals	No incidents	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Welfare and care for individuals		
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Welfare and care for individuals		
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Welfare and care for individuals		
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures		Not reported	Information unavailable/incomplete

GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Welfare e attenzione alle persone	No violations	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Local contributions		
	413-2 Operations with significant actual and potential negative impacts on local communities		Not reported	Information unavailable/incomplete
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria		Not reported	Information unavailable/incomplete
	414-2 Negative social impacts in the supply chain and actions taken		Not reported	Information unavailable/incomplete
GRI 415: Public Policy 2016	415-1 Political contributions		Not reported	Information unavailable/incomplete
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	The environment		
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		No privacy violations nor theft or loss of data	

DATA COLLECTION FOR SUSTAINABILITY REPORT

ROW MATERIALS		2021	2022	2023
<i>MATERIALS</i>	<i>u.m.</i>			
(301-1)*				
Tanned calves hides	Number of hides	612488,00	746888,00	703125,00
Tanned deer hides	Number of hides	5570,00	14332,00	25960,00
Tanned buffalo hides	Number of hides	30755,00	55939,00	11987,00
Raw lamb hides	Number of hides	0,00	46,00	0,00
Raw kangaroo hides	Number of hides	2000,00	5444,00	1500,00
Raw deer hides	Number of hides	1800,00	0,00	782,00
Semi-tanned veal hides	Number of hides	5217,00	7149,00	1174,00
Semi-finished veal hides	Number of hides	40900,00	123320,00	89720,00
Total tanned		648813,00	817159,00	741072,00
Total raw/semi-finished		49917,00	135959,00	93176,00
Number of equivalent pieces		663788,10	857946,70	769024,80

In the next edition of the Report, materials will be accounted for by distinguishing between renewable and non-renewable, by weight or volume, and specifying the calculation method.

ENERGY		2021	2022	2023
<i>ENERGY CONSUMED AT THE COMPANY</i>		<i>u.m.</i>		
(302-1)				
Electricity from the grid (entirely sourced from Renewable Sources)	MJ	12614223.60	12378895.20	9932079.60
Gasoline	MJ	0	0	0
Diesel (vehicles and machinery)	MJ	184361.76	298827.72	338021.28
GPL	MJ	0	0	0
Methane	MJ	23721159.00	26333037.50	18445080.50
Other...				
Electricity (from photovoltaic systems) generated	MJ	0	0	0
Electricity (from photovoltaic system) consumed	MJ	0	0	0
Self-generated electricity over the total consumed	%	0,0%	0,0%	0,0%
Non-renewable energy sources	MJ	23905520,76	26631865,22	18783101,78
Renewable energy sources	MJ	12614223,6	12378895,2	9932079,6
Total energy consumption	MJ	36519744,36	39010760,42	28715181,38

ENERGY INTENSITY		2021	2022	2023
(302-3)		<i>u.m.</i>		
Total energy consumption	MJ/pz. Equivalent	55,02	45,47	37,34
	% renewable over the total	34,5%	31,7%	34,6%
	MJ/turnover	1,01	0,72	0,62

GHG INVENTORY - CO ₂ EMISSIONS		2021	2022	2023
(305-1 e 305-2 e 305-3)		<i>u.m.</i>		
Scope 1*	CO ₂ eq ton	1394	1616	1072
Scope 2 - Location Based**	CO ₂ eq ton	904	887	712
Total Scope 1 + Scope 2	CO ₂ eq ton	2298	2503	1784
Scope 3	CO ₂ eq ton	0	0	0
CO ₂ eq compensation green projects	CO ₂ eq ton	0	0	0
intensity CO ₂ (Scope 1+Scope 2)	CO ₂ eq/pz. Equivalent	3.46	2.92	2.32
Total energy consumption	CO₂eq/turnover	0,000064	0,000046	0,000039

WATER (303-3)		2021	2022	2023
<i>WATER USAGE</i>		<i>u.m.</i>		
Water usage from aqueduct	MI	0,027	0,029	0,026
Water usage from groundwater	MI	135,505	153,798	118,057
Water usage from surface water	MI	0	0	0
Water usage from sea water	MI	0	0	0
Total water usage	MI	135,532	153,827	118,083
Total water usage (for INDUSTRIAL USE only)	MI	135,42	153,59	118
Freshwater	MI	0	0	0
Other types of water	MI	0	0	0
water intensity index	MI water/pcs. Equivalent	0,000204	0,000179	0,000154
	MI water/turnover	0,00000375	0,00000285	0,00000256

* The conversion factors are specified by the UNI 11427:2022 standard (leatherette), which refers to UE 2018/2066: (methane 56.1 Tons CO₂/TJ) gas) (diesel 74.1 Tons CO₂/TJ), calorific 43 Tj/Gg)

** Emission factor: Table 2.7 GHGs emission factors for total electricity production (g CO₂eq/kWh).** Countries in descending order of 2023 value - ISPRA 404/2024 Report "Efficiency and decarbonization indicators in Italy and in the largest European Countries "

WASTE (306-3 / 306-4 / 306-5)		2021	2022	2023
<i>WASTE PRODUCED</i>	<i>u.m.</i>			
Total waste	ton.	1710,590	3360,863	2795,373
Hazardous waste	ton.	54,455	61,852	47,687
Non-hazardous waste	ton.	1656,135	3299,011	2747,686
Waste recovered	ton.	1283,901	2846,188	2253,863
Percentage of total waste for recovery	%	75%	85%	81%
Waste intensity	ton/pz. Equivalent	0,00258	0,00392	0,00363
	ton/Turnover	0,000047	0,000062	0,000061

EMPLOYEES		2021	2022	2023
<i>(405-1)</i>	<i>u.m.</i>			
Male workers	num	112	110	111
Male administrative employees	num	11	13	12
Female administrative employees	num	12	11	10
TOTAL		135	134	133
AVERAGE TEMPORARY WORKERS	num	6	19	9,5

Governing body (405-1)		2021	2022	2023
Board of Directors				
18-30	num	0	0	0
31-50	num	3	3	3
>51	num	2	2	2
Board of Directors				
Men	num	4	4	4
Women	num	1	1	1

CONTRACTUAL AGREEMENTS (102-41)		2021	2022	2023
<i>CCNL COLLECTIVE TRADE AGREEMENTS</i>	<i>u.m.</i>			
Number of employees under a collective bargaining agreement	num	135	134	133
Total number of employees	num	135	134	133
Percentage of employees under a collective bargaining agreement	%	100%	100%	100%

Number of employees at 31/12 per job contract	2021		2022		2023	
<i>(2-30)</i>	Fixed term	Open term	Fixed term	Open term	Fixed term	Open term
Men	1	122	0	123	1	121
Women	1	11	1	10	1	10
Total	2	133	1	133	2	131

Number of employees at 31/12 per type of job position	2021		2022		2023	
<i>(2-7)</i>	Full time	Part time	Full time	Part time	Full time	Part time
Men	123	0	123	0	123	0
Women	11	1	10	1	9	1
Total per type of job position	134	1	133	1	132	1
Total	134	1	133	1	132	1

Number of employees per area	2021	2022	2023
<i>(2-7)</i>			
Tuscany	135	134	133

TURNOVER	2021	2022	2023
Overall Turnover	17	21	15
Overall male turnover rate	17	18	14
Overall female turnover rate	0	3	1
Incoming turnover rate	2	10	7
Incoming men turnover rate	2	9	7
Incoming women turnover rate	0	1	0
Outgoing turnover rate	15	11	8
Outgoing men turnover rate	15	9	7
Outgoing female turnover rate	0	2	1

Employees by age (405-1)	2021	2022	2023
18-30	14	14	15
31-50	70	69	65
>51	51	51	53
Total	135	134	133

Employees by job category (405-1)	2021	2022	2023
Managers / BoD Members	5	5	5
Male employees	4	4	4
Female employees	1	1	1
Employees	23	24	22
Male employees	11	13	12
Female employees	12	11	10
Workers	112	110	111
Male employees	112	110	111
Female employees			
Total	135	134	133

Training (404-1)		2021	2022	2023
	<i>u.m.</i>			
Annual training hours	hours	1466	3449	964
for employees	Average hours per perso	10,9	25,7	7,2
Total hours issued	Total hours	1466	3449	964

Training hours issued		2021	2022	2023
	<i>u.m.</i>			
Managers / BoD Members	hours	0	0	36
Employees	hours	568	1162	242
Workers	hours	898	2287	686

Average hours of training issued		2021	2022	2023
	<i>u.m.</i>			
Managers / BoD Members	Average hours	0,0	0,0	0,0
Employees	Average hours	24,7	48,4	11,0
Workers	Average hours	8,0	20,8	6,2
Total	Average hours	10,9	25,7	7,2

Hours of training by gender		2021	2022	2023
	<i>u.m.</i>			
Men	hours	1016	3047	906
Women	hours	450	402	58
Total	hours	1466	3449	964

Health and Safety in the workplace (403-9 403-10)		2021	2022	2023
<i>INJURIES</i>	<i>u.m.</i>			
Fatalities	num	0	0	0
Serious injuries	num	0	0	0
Number of recordable injuries	num	1	1	3
Total sick leave days	num	80	14	33
Occupational diseases	num	0	2	1
Frequency index	#	4,62	4,57	12,3
Seriousness index	#	0,37	0,06	0,14
Incidence index	#	0,01	0,01	0,02
Hours worked	hours	216442	218936	244053,5

Economic indexes (201-1)		2021	2022	2023
<i>OPERATING MARGIN</i>	<i>u.m.</i>			
EBITDA	eur	1.795.842 €	4.120.563 €	2.804.529 €
EBIT	eur	327.590 €	2.591.891 €	1.199.011 €
EBIDTA on turnover	%	4,97%	8,49%	7,01%

<i>ECONOMIC VALUE</i>	<i>u.m.</i>			
Economic value generated directly: revenues	eur	36.108.153 €	53.921.129 €	46.068.073 €
Economic value distributed	eur	34.352.001 €	49.961.583 €	43.689.270 €
Economic value held back	eur	1.756.152 €	3.959.546 €	2.378.803 €

<i>EXPORT</i>	<i>eur</i>	10.112.716 €	11.879.456 €	6.840.198 €
Export (outside ITA)	%	27,97%	24,48%	17,09%
Export (outside ITA) on total turnover	%	72,03%	75,52%	82,91%

Expenditure ratio on local suppliers (204-1)		2021	2022	2023
<i>LOCAL SUPPLIERS</i>	<i>u.m.</i>			
total expenses	eur	22.837.408 €	41.105.375 €	37.215.685 €
Total net expenditures	eur			
Expenditures on local suppliers - Italy	eur	17.663.236 €	28.807.777 €	23.504.578 €
Expenditures on local suppliers - Tuscany	eur	13.893.716 €	23.674.762 €	20.135.294 €
Percentage of spending on local suppliers (Tuscany)	%	60,84%	57,60%	54,10%
Percentage of spending on local suppliers (Italy)	%	77,34%	70,08%	63,16%

Local contributions (203-1)		2021	2022	2023
	<i>u.m.</i>			
art and culture	eur	- €	- €	- €
training	eur	- €	- €	2.000,0 €
health	eur	- €	- €	- €
social	eur	2.150,0 €	- €	202,0 €
sport activities	eur	- €	- €	10.000,0 €
Total	eur	2.150,0 €	- €	12.202,0 €

Information note 401-3 Parental Leave		2021	2022	2023
	<i>u.m.</i>			
Employees who have claimed this benefit	num.	4	5	10
Employees that did not return to work	num	4	5	10
Employees who returned and remained employed for the following 12 months	num	4	5	10
Return to work rates	%	16%	21%	30%



INDEPENDENCE ASSURANCE
STATEMENT



Assurance Statement

SGS Italia S.p.A. (hereinafter "SGS") has been tasked by the management of Conceria INCAS S.p.A. (hereinafter "INCAS" or "Organization") to perform an independent assurance of the organization's 2023 Sustainability Report (Report), in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" defined by GRI - Global Reporting Initiative (hereinafter the "GRI Standards") in 2021.

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

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

RESPONSIBILITY OF THE DIRECTORS FOR THE SUSTAINABILITY REPORT

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

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

INDEPENDENCE OF THE AUDITORS AND QUALITY CONTROL

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

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

AUDITORS' RESPONSIBILITY

The responsibility of SGS Italia S.p.A. is to express an opinion concerning the reliability and accuracy of the information, data and statements included in the 2023 Sustainability Report and to evaluate their compliance with the relevant requirements in the context of its verification objective outlined below, in order to inform all the Interested Parties.

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

- In line with the Limited Assurance Engagement, analysis of the sustainability activities and data relating to the period 1 January 2021 – 31 December 2023, as indicated in the Sustainability Report;
- the evaluation of the Report against the Global Reporting Initiative's **GRI Standards 2021**, according to the 'in accordance' option.

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



SGS Italia S.p.A.

Via Caldera, 21, 20153 Milano (MI) – Italy - t +39 02 73931 f +39 02 70124630 e sgs.italy@sgs.com www.sgs.com
Membri del Gruppo SGS (Société Générale de Surveillance) - Sede Legale Milano Via Caldera, 21 - Capitale sociale € 2.500.000 I.v. C.F./N. Iscritt. Reg. Imprese di Milano 04112680378 - P. IVA n. 1137620154 - Cod. Merc. n. M223943 - Società unipersonale soggetta a direzione e coordinamento di SGS European Subholding BV



ASSURANCE METHODOLOGY

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

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

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

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

LIMITATIONS

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

CONCLUSIONS

On the basis of the work carried out, no aspects came to the attention of SGS which would lead to the opinion that INCAS 2023 Sustainability Report was not prepared, as regards all significant aspects, in compliance with the "GRI Standards - Global Reporting Initiative".

Milan, July 29th 2024

SGS Italia S.p.A.

Marina Piloni
Business Assurance
Sales Manager

Ludovica Maveri
Business Assurance
Team Leader

We hope that reading our first Sustainability Report has proven to be a positive experience and that you have found answers to your questions within its pages. We would be pleased to hear from you. If you would like to share your feedback or seek more information about this Report and our sustainability efforts, please do not hesitate to contact us at:

sostenibilita@iniziativaconciarieassociate.it

SUSTAINABILITY REPORT: INCAS S.p.A. in collaboration with DELTA Consulting S.r.l.

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