

SUSTAINABILITY PASSPORT



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SUSTAINABILITY IS A JOURNEY

Traveling means choosing a destination, exploring new horizons, and facing new challenges.

But traveling also means sharing, and when you travel as a group, you grow together in a path of mutual encouragement that helps you constantly improve and look ahead.

Likewise, Gruppo Mastrotto sees its commitment to a more sustainable future as a journey, and it has shared it since the beginning with its stakeholders – clients, suppliers, and collaborators – in a new form of business model and relationship with the market.

TO TRAVEL, YOU NEED A PASSPORT

A passport is a travel document, as well as a means to be identified and recognized by others. It talks about us through the places we have visited and allows others to know us.

This is the underlying idea of the Gruppo Mastrotto Sustainability Passport: a space to testify our commitment towards sustainability and to tell you about our results, our people, and our projects.

It is only through constant effort across the entire supply chain that we may reach new goals and truly make a difference for us and for future generations.

Are you ready to embark on a Sustainability Journey with us?



Туре **Р** Country code

Name

SUSTAINABILITY PASSPORT

Description

A JOURNEY TO EXPLORE ALL THE PAST AND FUTURE MILESTONES OF GRUPPO MASTROTTO'S SUSTAINABILITY JOURNEY.

Travel companions

ALL OF THE GRUPPO MASTROTTO STAKEHOLDERS.

<<<<<<<THE<<SUSTAINABILITY<<PASSPORT<<<<<<

CARBON NEUTRALITY



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CARBON

Shoes, sofas, handbags: every product you make will be made of leather processed with carbonneutral methods. Today Gruppo Mastrotto Express is Carbon Neutral: it produces zero greenhouse gases in its manufacturing processes.

The project has involved three stages:

Measuring greenhouse gas emissions We conducted an LCA (Life Cycle Assessment) that let us calculate the level of greenhouse emissions of 1 m^2 of finished leather throughout its lifecycle.

We analyzed the main phases: agriculture and breeding; production of chemical products in the tannery sector; production and transmission of the electrical and thermal energy used; tanning/ finishing of the leather; wastewater treatment; material transport.

Based on the LCA, we have estimated the potential impact on global warming of Gruppo Mastrotto Express products.

Reducing emissions by adjusting processes



The data obtained from the LCA analysis has allowed us to implement a series of initiatives to reduce greenhouse gas emissions:

- using electrical energy strictly generated through certified renewable resources or self-generated with our solar panels;
- •reduced water consumption through the optimization of mixtures and reuse of water;
- reduced chemical product consumption;
- more efficient production processes.

These operations gave us significant environmental benefits but did not allow us to reduce the effects on global warming to zero.

CARBON NEUTRALITY

Compensating emissions through recognized and credible instruments

To compensate for the residual impact of corporate production (scope 1) and energy used (scope 2), we have endorsed a series of compensation projects supported by the United Nations Framework Convention on Climate Change (UNFCCC), an international environmental treaty to reduce greenhouse gas emissions.

The compensation of emissions occurs through the Clean Development Mechanism (CDM), a process defined by the Kyoto Protocol: companies compensate their emissions by supporting sustainable development projects in Less Developed Countries.

This compensation tangibly occurs through the purchase of CERs (Certified Emission Reduction units) - every CER corresponds to the reduction of 1 metric ton of CO₂e.

The United Nations projects we focused on are mainly found in Asia and South America. They concern renewable energy and the circular economy. Along with their environmental benefits, these projects also have relevant economic, social, cultural, and technological benefits too.

The 4 projects we chose - in India and Brazil - concern the production of renewable energy through wind, hydroelectric systems, and biomass cogeneration thanks to the recovery of rice husks, a byproduct of rice processing.

Our carbon neutrality projects:

SHPPS JORGE DREHER AND HENRIQUE KOTZIAN CDM PROJECT Find out more

BRASILE

2.5 MW RICE HUSK BASED **COGENERATION PLANT** AT HANUMAN AGRO INDUSTRIES LIMITED

INDIA

Find out more

6.25 MW GRID-CONNECTED SATTEGALA MINI HYDEL SCHEME AT SLS POWER INDUSTRIES LTD.

IN CHAMARAJANAGAR DISTRICT, KARNATAKA

Find out more



Find out more



ENVIRONMENTAL PRODUCT CERTIFICATIONS



ENVIRONMENTAL PRODUCT CERTIFICATIONS



Sustainability is more than a word. It must be measured and approved. After our LCA and carbon neutrality initiatives, the next step is the environmental certification of our products: a formal recognition by a third party that our actions truly generate benefits for everyone.



70% 95%

RENEWABILITY

OF GRUPPO

MASTROTTO

I FATHER

"Biobased" certification

Renewability means having a recyclability cycle between 1 and 5 years, in balance with the natural cycle of the ecosystem.

Non-renewable resources such as plastic and synthetic fibers, on the other hand, impoverish the ecosystem and will not be available for future generations.

We measured the renewable content of our leather in terms of the percentage of organic carbon content out of their total carbon content.

This measurement is certified by the USDA (US Department of Agriculture) through the Biobased label for products derived from renewable sources.

The renewability of Gruppo Mastrotto Express leather ranges from 70% to 95%.

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The "Blauer Engel" certification

Blauer Engel is a globally recognized environmental label.

Blauer Engel-certified leather guarantees a higher and more stringent level of eco-friendliness than standard certifications.

Blauer Engel requirements are set by the German Ministry of the Environment and tested by RAL (the German institution for standards management).

Blauer Engel-certified leather guarantees:

- high environmental standards in the manufacturing process;
- •low consumption of natural resources;
- •high air quality indoors thanks to the near-total absence of chemical substances that are harmful to the skin.

The Blauer Engel-certified products of the Express line are: Prescott, Torello, Vogue, Linea, Ocean, and Atlantic. An environmentally conscious company

High-level environmental standards require a comprehensive and organized approach to guarantee consistency and improvement in time.

This is why the company has achieved an ISO 14001 certification and its environmental protocol was rewarded as LWG (Leather Working Group) Gold Rated, with an 85% score for raw material traceability.

These certifications have a double value:

- to favor continuous improvement processes in every corporate area through the introduction and adjustment of advanced organizational methods;
- to guarantee transparent and scientifically sound communication with all the stakeholders through certification by independent third parties.

Certifications are instruments of cultural and organizational evolution that are of tangible value for both Gruppo Mastrotto and its customers, employees, the surrounding area, and the local community. Our corporate management systems are also certified and compliant with ISO 9001 and IATF standards (specific for the automotive sector).



LWG Gold Rated Environmental Protocol



ISO14001:2015 Environmental Management System



ISO9001:2015 Quality Management System



IATF 16949:2016 Automotive production



"OEKO-TEX®" certification

LEATHER STANDARD by OEKO-TEX® is an

independent and internationally renowned standard for leather and leatherware in every form: from semifinished leather to end products such as purses, gloves, garments, etc.

The LEATHER STANDARD by OEKO-TEX® certification applies to leather production and identifies all the substances used that are harmful to humans. The aim is to provide a transparent report of the company's attention to safety throughout the supply chain, from the brand to the retailer, to the end user.

The OEKO-TEX[®] label guarantees a safe purchase for the health of both people and the environment.

OEKO-TEX[®] updates its testing criteria at least once a year: this is how it takes into account the most recent scientific discoveries and legislation updates.



PATENTS

True sustainability comes with process and product upgrades. It is therefore also a matter of technology and innovation. Anticipating change is part of our DNA. Patents let us guarantee the originality of our solutions and high performance.

Find out more

This new and innovative material is the answer to a challenge: to give value to scrap finished leather to "close the circle" of the classic byproduct of the tanning process.

Gruppo Mastrotto has finally achieved an important goal: with its innovative patent, it can give a significant contribution to companies - especially in the fashion business - planning to make sustainability a key element of their evolution.

Thanks to its features. Reviva takes leather circularity to the next level - "The new life of leather" - and becomes the ideal solution to promoting and reusing that which has simply been considered industrial waste until today.

The materials born through this recovery process are highly customizable and versatile; they confirm how Gruppo Mastrotto is a leader and innovator on the path towards sustainability of the tannery sector.

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Antibacterial and antiviral treatment

To respond to the requirements of this delicate historic period, we have developed a treatment process that almost completely eliminates bacteria and viruses on surfaces, with a protection level of up to 99.9%.

A "barrier" able to prevent the reproduction of pathogens that might eventually come in contact with the leather.

This new treatment is applicable - upon request - to all Gruppo Mastrotto leather.

Find out more







Companies, just like markets and communities, are made of people. Everything revolves around people, and they must be the focus of every sustainability strategy. People are the core and driveshaft of our company.

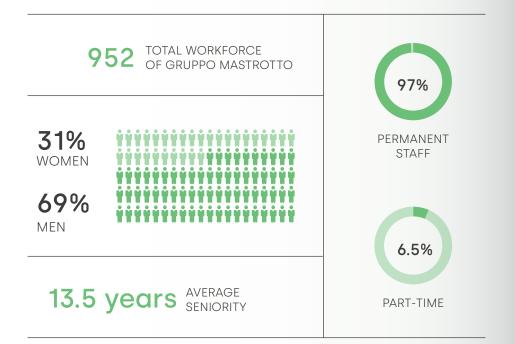
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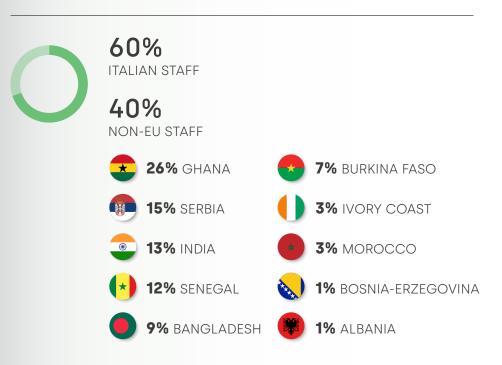
PEOPLE

It is thanks to our people that we have achieved satisfying results and look at the future with confidence.

Dedication, corporate organization, a sense of belonging, shared values, and training are the pillars of our philosophy and help us keep in step with the times.

These are our people.







PEOPLE

The company offers numerous projects to favor employee development, support families, and tangibly express the concept of inclusion.

Here are two of the most significant.

"Inclusion" Project



We have developed a social and professional inclusion path dedicated to disabled people in the working-age population. We specifically created a department for the assembly of the color fan decks for Gruppo Mastrotto Express collections.

Five disabled employees belong to the department on a stable basis. Through this job, they are given the opportunity to strive on a personal and professional level, constructively interacting with the company and their coworkers.

This initiative promotes hospitality, interaction, and the value of diversity.

The aim is to achieve such a level of productivity to make the department sustainable in the long term.



"Welfare" Project

We have designed and developed a set of initiatives to support our employees and their families, increasing their involvement and sense of belonging.

The activities introduced include services and benefits for employees ranging from shopping and fuel coupons to free flu vaccination campaigns; an in-house cafeteria; scholarships for the sons of employees; personal empowerment workshops; education expense funding; support for children, senior and relatives relatives. who are not self-sufficient: and activities related to culture, health, fitness, and entertainment

A GLIMPSE INTO THE FUTURE



A GLIMPSE INTO THE FUTURE

Sustainability is a constantly developing path that always looks into the future. Our passport still has a myriad of blank pages, and Gruppo Mastrotto aims to fill them and be viewed more and more as a role model. We would like to offer you a glimpse into the future by presenting the main projects we shall work on in the next few years.

We aim to implement these projects - each corresponding to a UN Sustainable Development Goal - and recurringly keep you up to date on their progress.



To measure the impact of the Group on climate change and identify the actions and time to reach Carbon Neutrality.



To create a certified energy management system.



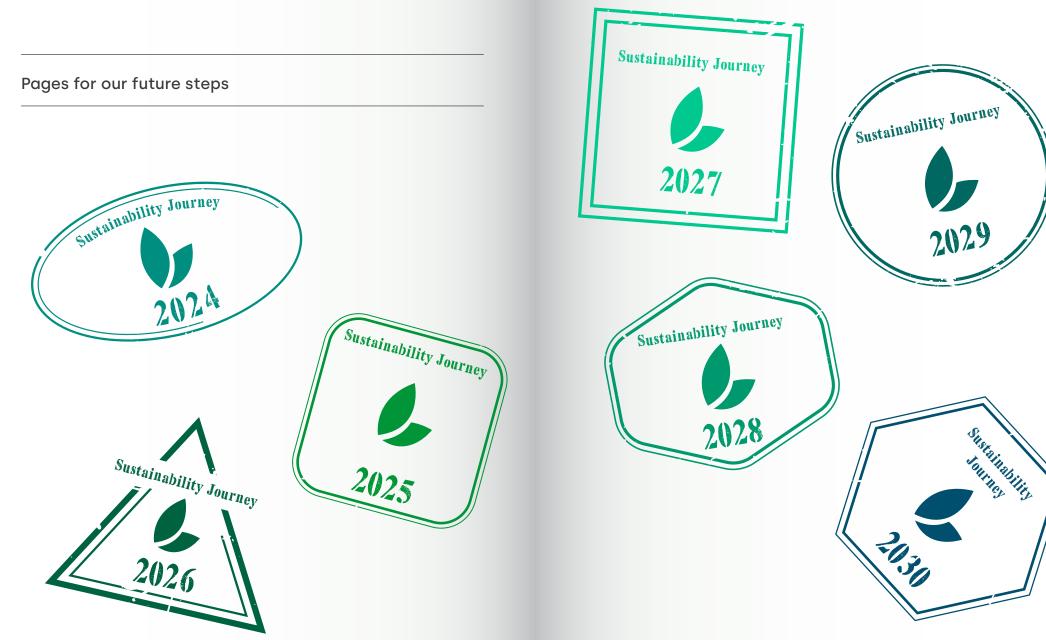
To create a certified system of product labeling based on LCA.

8 DECENT WORK AND ECONOMIC GROWTH

To create a certified occupational health and safety management system.

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A GLIMPSE INTO THE FUTURE



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Our Sustainability Journey continues.

We have achieved so many goals and we plan to embrace new challenges.

We aim to do this with you because sustainability means - above all - sharing values and ambitions.

This is why your feedback and suggestions are important to us. Please write us an e-mail:

sustainability-journey@mastrotto.com

mastrotto.com