

SUSTAINABILITY REPORT 2022



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Message to stakeholders

Coronet S.p.A. recognizes corporate social responsibility as a determining factor for its strategic development, and seeks an approach aimed at valuing people within a business model oriented towards economic, environmental and social sustainability. The company's commitment is manifested through the creation of new products, seeking higher environmental sustainability through activities aimed at reducing impacts, monitoring the use of energy resources, staff involvement, and communication and stakeholder relations activities.

It is thanks to this effort and through research into production processes—which it aims to make more and more efficient in terms of energy consumption and environmentally harmful emissions—that the company has developed, in recent years, the innovative and sustainable lines BioVeg, H₂O and, finally, the Yatay™ line, made with a new generation of materials that are strongly oriented toward reducing the environmental footprint, certified and constantly evolving.

Coronet S.p.A.'s strategic vision is based on a profound values approach matured over more than half a century of activity, which spurs the company to take on the role of a promoter of responsible behavior toward the community and the development of the country while respecting the expectations of current and future generations.

The company has also embarked on writing its Sustainability Report for fiscal year 2022 and wants to continue to make objective and transparent the goals it has achieved, the performance measured, and the goals it sets for the future. **Innovation, Research and Development, respect for the environment, ethics and transparency** are the pillars of the strategy with which Coronet S.p.A. intends to best meet future challenges. Of particular importance are the company's employees in every role and function to whom, on the occasion of the publication of this Sustainability Report, we would like to extend special thanks.



The President,
UMBERTO DE MARCO

Highlights 2022 Highlights 2022 Highl

55

Years of activity

2

Production facilities
in Italy

Acquisition of Synt3

Launch of the new
Yatay™ line

3

Product lines focused on
environmental sustainability:

BioVeg, H₂O and Yatay™

94

Employees (including 10
women) all of whom are
permanent employees

26.809.408€

of revenue Coronet S.p.A.

61%

increase in turnover
compared to 2021

92%

Of distribution of
the economic value
generated

73%

purchases that
come from
Italian suppliers

63%

of the waste is non-
hazardous of which
88% goes to recovery

27%

of electricity production with
photovoltaic system compared
with total consumption



.01

Company / profile

A company, a long history and a future of
innovation and sustainability



Corsico (MI)
HQ and executive offices

Erba (CO)
Synt3 S.r.l.
14.000.000 linear meters

The reality is composed of three plants very close together with as many plants as the realities of Cisterna di Latina and Velletri.

Velletri (RM)
6.000.000 linear meters

It is the Italian finishing plant designated to the processes of transfer coating, printing, milling, tumbling and embossing of products destined mainly for European customers.

Cisterna di Latina (LT)
8.000.000 linear meters

It is the group's plant where the substrate is produced and the bases for the sustainable lines are made; it is designated to "wet process" and "direct coating," for the direct coating process.

Ben Tre (Vietnam)
13.000.000 linear meters

The Vietnamese plant carries out all activities in the production process, from processing of raw materials to the production of the finished product (transfer coating, printing, laminating, tumbling, and embossing) of products destined mainly for factories producing in Vietnam and throughout Southeast Asia.

Huizhou (Cina)
3.500.000 linear meters

It houses all stages of the production process of items served in the Chinese market (transfer coating, printing, lamination, tumbling and embossing).





1.3 Our path

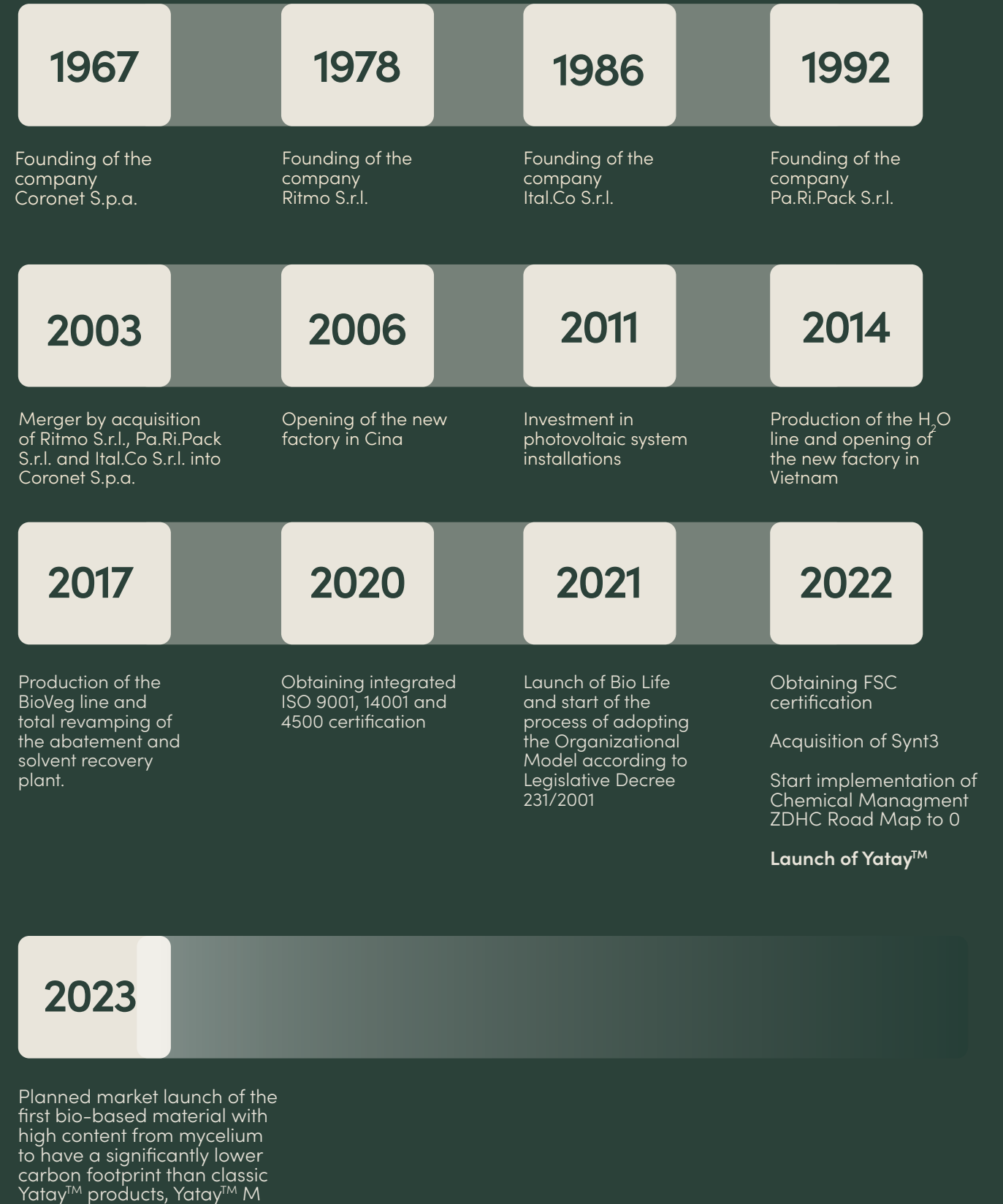
Coronet was founded in 1967 thanks to the ideas of founder **Enrico de Marco**, who led the company until the generational transition with his son **Umberto De Marco**. Thanks to their many years of experience in the field of alternative materials to tanned leather and their determination, Coronet has been able from the beginning to offer different alternatives and proposals of the highest quality and exclusive performance, distinguishing itself worldwide in the production of technical materials for footwear and leather goods.

Between 1978 and 1992, **RITMO S.r.l.**, **ITAL.CO S.r.l.** and **PA.RI.PACK S.r.l.** were founded, which later in 2003-were incorporated into Coronet S.p.A. through an extraordinary transaction.

Since then, Coronet has operated through offices in Corsico (Milan), Velletri and Cisterna di Latina. At the end of 2022, the administrative office was transferred from the original Corsico office, to the new office in Erba, opened at the facilities of the acquired **Synt3 S.r.l.**

Coronet has always been a company with **a strong focus on exports and the international market**. In order to maintain contact with long-standing customers in the United States and the United Kingdom, and to take advantage of expansion opportunities in the Asian market, the company acquired its first industrial plant in China in 2006, followed by the opening of an additional plant in Vietnam in 2014. These investments have enabled the company to enhance its business offerings to a burgeoning and rapidly expanding market.


Despite opening up to international markets, Coronet has always maintained its typically Italian matrix, with pride in the **"Made in Italy"** label. This commitment has prompted the company to further invest in research and development of new materials that have a very low environmental impact and are solvent-free.





1.4 The values, vision and mission of the company


Deeply convinced that growth must be harmonized with observance of the values of environmental and social respect and with corporate governance based on clear and shared rules, Coronet has developed its Code of Ethics. This document highlights the main values recognized, accepted and shared by the Group, as well as the set of responsibilities it assumes inspired by the principles of fairness, transparency and loyalty.




LEGALITY

Coronet complies with national and EU laws and regulations, as well as any other applicable legislation in the countries where it operates.

Coronet avoids discrimination on the basis of nationality, health status, sexuality, gender, political opinions, and religious beliefs.



IMPARTIALITY



EQUITY OF AUTHORITY

Coronet is committed to ensuring that authority is exercised impartially, fairly and equitably, avoiding any abuse of it.



ENVIRONMENTAL AND SAFETY BEHAVIORS


The environment is a primary asset that Coronet is committed to safeguarding. To this end, the company complies with the regulations in force in each country where it conducts its business and organizes its business and economic management in compliance with it. In addition, the company works to preserve with preventive actions the health and safety of workers, guarantees the physical integrity of personnel and working conditions respectful of individual dignity.

Coronet is committed to complying with current occupational health and safety regulations and to disseminating and consolidating a culture of safety, developing risk awareness and promoting responsible behavior by all employees.

Coronet is committed to complying with current regulations on fair competition and avoiding the manifestation of any conflict of interest between personal business activities and duties.



COMPETITION AND CONFLICT OF INTEREST



LIBERALITY AND SPONSORSHIP

Any act of commercial courtesy, be it gift, tribute, benefit or any other utility, are permitted only when they are such that they cannot be interpreted as aimed at improperly acquiring an advantage. In addition, sponsorship activities, which may relate to the themes of social, environmental, entertainment, sports and art, are intended only for events that offer a guarantee of quality, or for projects to which Coronet can constructively contribute its expertise.



Crafted by nature

a company recognized for its high quality performance made with respect for the environment and the ecosystem

The values that characterize Coronet's history and evolution are summarized in its Vision, expressed in the payoff "Crafted by Nature." This translates concretely every day into a commitment to the production of innovative materials with high quality performance, while respecting the environment and the ecosystem.

The main goal that unites the company's objectives, in line with the Corporate Mission, is the achievement of low environmental impact production. This goal is achieved through research, the use of cutting-edge technologies, and the use of environmentally friendly materials with high percentages of biomass. In addition to the well-established business strength based on service and quality for customers, the company is also committed to innovation, sustainable product solutions, and efficient processes that increasingly make use of digital technologies.

Growing awareness of the importance of the land and the community has prompted Coronet to set a goal of becoming a Benefit Corporation and acquiring B-CORP status by 2030, contributing significantly to the greater common good.



1.5 Certifications and certificates

Coronet has implemented an integrated management system certified to ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 standards to ensure continuous improvement.

The company is committed to using GRS (Global Recycle Standard) and FSC (Forest Stewardship Council) certified raw materials in order to promote polyester recycling and responsible forest management. In addition, Coronet has obtained FSC Chain of Custody certification, which attests to the traceability of its material from sustainably managed forests.

GRS certification guarantees the origin of recycled polyester from post-consumer recovery, ensuring

recycled material content and limiting the use of chemicals. In addition, USDA certification confirms that products contain at least 25 percent Bio Based material, with some items exceeding 80 percent.

Finally, Coronet has obtained PETA - People for Ethical Treatment of Animals certifications, awarded to companies that pledge not to use raw materials of animal origin, and the VVV+ rating given by LAV Label for the Animal Free Fashion project, which promotes ethical and sustainable fashion by phasing out animal materials from company collections.

Our certificates¹



Specifies the requirements for an occupational health and safety management system and provides guidance for its use to enable organizations to provide safe workplaces by preventing occupational injuries and health problems.

CERTIFICATES NUMBER:

Cisterna di Latina	IT/0689IHS/0614
Velletri	IT/0689IHS/0614-1
Corsico	IT/0689IHS/0614-2



It is the regulatory benchmark for companies and organizations with an Environmental Management System. The standard defines an "Environmental Management System" aimed at managing environmental aspects, meeting legislative compliance obligations, addressing and assessing risks, and opportunities.

CERTIFICATES NUMBER:

Cisterna di Latina	IT/0689IE/0614
Velletri	IT/0689IE/0614-1
Corsico	IT/0689IQ/0614-2



Defines the requirements for the implementation within an organization of a quality management system in order to conduct business processes, improve effectiveness and efficiency in product realizations and service delivery, and achieve and increase customer satisfaction.

CERTIFICATES NUMBER:

Cisterna di Latina	IT/0689IQ/0614
Velletri	IT/0689IQ/0614-1
Corsico	IT/0689IQ/0614-2

¹ For more information regarding Coronet's certifications and ratings refer to the following websites:
<https://www.biopreferred.gov/BioPreferred/>
<https://www.peta.org/international/>
<https://www.animalfree.info>



The BioPreferred program is a USDA-led initiative that aims to assist in the development and expansion of markets for organically based products. The purpose of the program is to stimulate economic development, create new jobs, and provide new markets for agricultural products. Increasing the development, purchase, and use of organically based products reduces dependence on oil, increases the use of renewable agricultural resources, and helps reduce negative environmental and health impacts.



It is the world's largest organization that defends animal rights through important initiatives. Therefore, the "PETA-approved Vegan" logo becomes a recognition guaranteeing a reality guided by strong ethical values.



International certification that guarantees the use of products containing wood from forests managed properly and responsibly according to strict environmental, social and economic standards.

CERTIFICATE NUMBER
(REFERRING TO THE 3 LOCATIONS)

INT-COC_001689 INT-CW-001689



AV project created to promote fashion that is ethical, sustainable and respectful of all animals. It enhances the commitment of companies with their own ethical rating: Coronet, not using any animal derivatives was rated VVV+, the best level of the rating devised.

Coronet has also implemented an internal or Chemical Management procedure, which is still under development, to comply with the ZDHC - Roadmap To Zero² program. This project, launched in 2011, involves the collaboration of various stakeholders in phasing out hazardous substances in global value chains, with the goal of promoting cleaner air and water and safer production.

Regarding the acquired company Synt3, we inform that it has the RCS (Recycled Claim Standard) certification, which consists in recognizing the importance of recycling for the growth of a sustainable production and consumption model, with the aim of encouraging the reduction of resource consumption (virgin raw materials, water and energy).



² <https://www.roadmaptozero.com/?locale=it>



1.6 Yatay™, Bioveg and H2O lines

Coronet has launched a number of new product lines over the past few years that are the daughters of a corporate strategy focused on technological innovation, reducing the environmental impact of production processes, and researching and creating materials with better environmental performance.



Yatay™ is Coronet's new line that **combines sustainability and innovation**. It was born from the co-action platform between Coronet and Golden Goose (the well-known Italian high fashion sneaker brand).

Yatay™ is based on the idea that quality materials make quality products and focuses on the environmental and social impacts of the material, incorporating a responsible approach to innovation: a wide range of materials designed to make environmentally friendly, sustainable and ethical end products.

With its multiple fields of application (footwear, leather goods, automotive, furniture and apparel), Yatay™ is changing the landscape of innovative solutions with formulas that can help rebuild a more equitable and sustainable fashion industry that continues to maintain its reputation for beauty, creativity and quality.

The new line includes several products: Yatay™ Zero, Yatay™ B, Yatay™ R and Yatay™ W, each with unique features.



Yatay™ Z includes all solvent-free items composed of selected raw materials (the entire supply chain is free of Volatile Organic Compounds) and made by a patented process using FSC or GRS certified media.

In the wake of changing consumer demands, Coronet has made great strides and focused its efforts on completely solvent-free biomaterials. Thanks to a unique manufacturing process, Yatay™ Z products can be made entirely without solvents.

These products not only benefit the environment and the economy but also the lives of those who use them—a true winning formula.



Yatay™ B includes all bio-based items made from advanced second-generation biopolys, using FSC- or GRS-certified substrates. The transition from first-generation to second-generation bio-based products has become a must, with the aim of improving the product with a **focus on environmental issues** such as deforestation, biodiversity loss, or worsening water scarcity.

The items that fall into this family are made from recycled PES from plastic bottles and biopolys from non-food, non-GMO corn crops. These items are USDA certified with more than 25 percent organic and some even exceed 80 percent.



Yatay™ W includes all water-based materials made from aliphatic PU (Polyurethane) on recycled and GRS-certified PES substrates. Water-based PUs are excellent alternatives that help develop Coronet's green philosophy.

Chemicals used in dyes and processing pollute rivers and damage ecosystems and people's health. The materials included in this range, on the other hand, are technically versatile, have a very soft hand and excellent wear resistance, not to mention breathability properties.

Yatay™ R includes all items from GRS-certified raw materials recycled pre- and post-consumer for **better performance**.

Recycled polyester gives a second life to a material that is not biodegradable and would otherwise end up in landfills or the ocean.



Yatay™ product certifications





The collaboration with **GOLDEN GOOSE** ★³

The partnership between Coronet's green soul, a benchmark for the Made in Italy sustainable luxury market, and Golden Goose's passion for all things "Yunique," brought the best from this encounter: the **Yatay™ Model 1B** sneaker.

Yatay™ B, the perfect combination of green technical performance and cutting-edge aesthetics, was chosen for this collaboration.



³ Jointly with the client company Golden Goose S.p.A., the company Yatay S.r.l., in which Coronet S.p.A. holds a 60 percent stake, was established on May 31, 2022, whose activity consists of research and development of innovative and environmentally sustainable products that can be used for footwear production. More information on the partnership can be found at the following site: www.goldengoose.com/ca/it/forward/we-innovate.html



YATAY™ LAB

A hub of innovation

Research and Development is at the heart of the company's commitment to provide new cutting-edge solutions with a view to collaborative exchange with various brands and small-scale manufacturers. Coronet has decided to invest together with Golden Goose in a new action platform called **Yatay™ LAB**.

This inspirational hub aims to become the hub for sustainable innovators from around the world who are looking for technical expertise to turn their green creations into industrializable materials.

To demonstrate Coronet's commitment to this project, approximately 5 percent of the revenues resulting from the sale of Coronet's Yatay™ materials will be allocated annually in the investment of technical know-how.

The R&D Yatay™ LAB is not only concerned with the creation of new products, but is also oriented toward pioneering solutions through the search for new raw materials suitable for the development of increasingly sustainable items.

Yatay™ LAB is the quintessence of innovation, a strategic laboratory equipped with the most sophisticated tools to study/make high-quality sustainable materials and dedicated to investing time and money in revolutionary creations.

A new generation of designers has decided to put organic materials at the center of their collections, these art objects are made with Yatay™. Creativity and sustainability are two important characteristics for humanity and are closely related to each other.



One of the product lines is made from post-consumer recycled polyester and bio polyols derived from corn crops, with no food competition and no GMOs⁴. These materials have the highest percentage of raw material from natural renewable sources on the market, and represent a perfect balance between high technical performance, aesthetic appearance and high quality standards. The production technology developed specifically for these products, the result of investment in R&D, makes it possible to significantly reduce the environmental impact compared to the use of traditional raw materials.

BioVeg materials have been analyzed by specialized institutes according to the Life Cycle Assessment (LCA) analysis method, which assesses environmental impact based on individual stages of the production process according to ISO 14040 and ISO 14044 standards. The LCA methodology demonstrates that the BioVeg line is particularly sustainable for health, environmental quality, impact on climate change, global warming, and use of natural resources. The BioVeg collection has a wide range of applications, adapting to different sectors, including footwear, leather goods, apparel, automotive, labels and coatings.



This line is the result of the intensive efforts of the Research and Development function. The peculiarity of this collection is the total absence of chemical solvents in the production process, which uses only innovative water-based resins. This makes it possible to reduce emissions both in the working environment and in the atmosphere.

Thanks to the presence of completely solvent-free raw materials and waterborne aliphatic resins, together with the most advanced manufacturing technologies, this new product range significantly reduces emissions without compromising the feel, softness and durability of the materials.

⁴ You can review the environmental performance that attests to the sustainability level of BioVeg at the following link: <https://bioveg.coronetspa.it/>



.02

Organization structure and governance

Transparency and accountability
in company management



Coronet S.p.A. is a joint-stock company with share ownership consisting of 1% of ordinary shares owned by Enrico De Marco and 99% of ordinary shares owned by Umberto De Marco.

The Board of Directors of the company is composed of Umberto De Marco (Chairman of the Board of Directors), Jarno Tagliarini (CEO), and Massimo Bonomi (member of the Board of Directors). Two of the directors are between the ages of 30 and 50, while one director is over 50. One member of the Board of Directors is also an employee of the company in a managerial position.

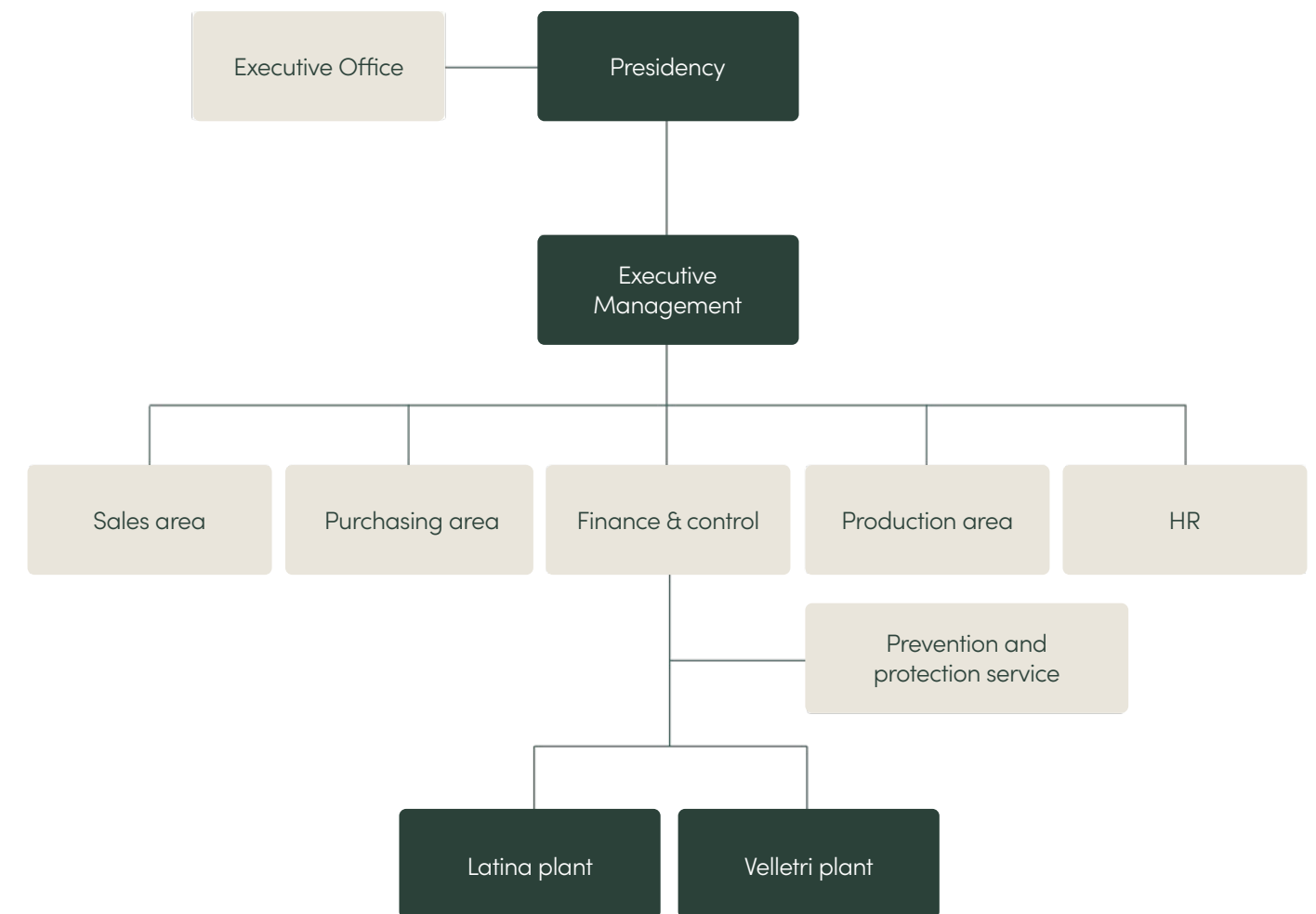
As for the control bodies and auditors, the company's board of statutory auditors currently consists of Chairman Andrea Enrico Pignataro,

Auditors Ferruccio Amenta, Marco Giulio Sabatini, Cristina Falcone, and Substitute Auditor Andree Luraghi.

In addition to its registered office, CORONET S.p.A. has several branches and subsidiaries both in Italy and abroad. Three mergers by absorption of the company took place on May 12, 2003, with RITMO S.r.l., PA.RI.PACK S.r.l., and ITAL.CO S.r.l., marking significant moments in the evolution of governance and corporate organization. On June 15, 2022, the administrative bodies of Coronet S.p.A. and its parent company Alteria S.r.l. approved the reverse merger with the incorporation of the latter into the former, resolved by their respective assemblies on September 15, 2022, and executed by notarial deed on December 12, 2022, registered with the Companies Register on December 15, 2022.

BOARD OF DIRECTORS	07/08/20 - 31/12/22	President of the Board of Directors	De Marco Umberto
		Chief Executive Officer	Tagliarini Jarno Paolo Corrado
		Councillor	Bonomi Massimo
BOARD OF STATUTORY AUDITORS	07/08/20 - 31/12/22	President of the Board of Statutory Auditors	Pignataro Andrea Enrico
		Auditor	Amenta Ferruccio
		Auditor	Sabatini Marco Giulio
		Alternate Auditor	Falcone Cristina
		Alternate Auditor	Luraghi Andrea
AUXILIARIES	08/02/12 - until revocation	Legal Representative	Taddei Cristina Simona
	12/02/16 - until revocation	Legal Representative	De Martin Gianluca
	28/03/18 - until revocation	Legal Representative	Beraldi Domenico

Coronet S.p.A. Organization chart





2.1 The acquisition of SYNT3 s.r.l.

In order to enhance competencies and improve the commercial offering, on April 20, 2022, Coronet S.p.A. acquired 100% of the shares of the company Synt3 S.r.l., a historic Italian company that is a leader in the production of materials in PU (polyurethane), based in the municipality of Erba and mainly operating in the bookbinding sector.

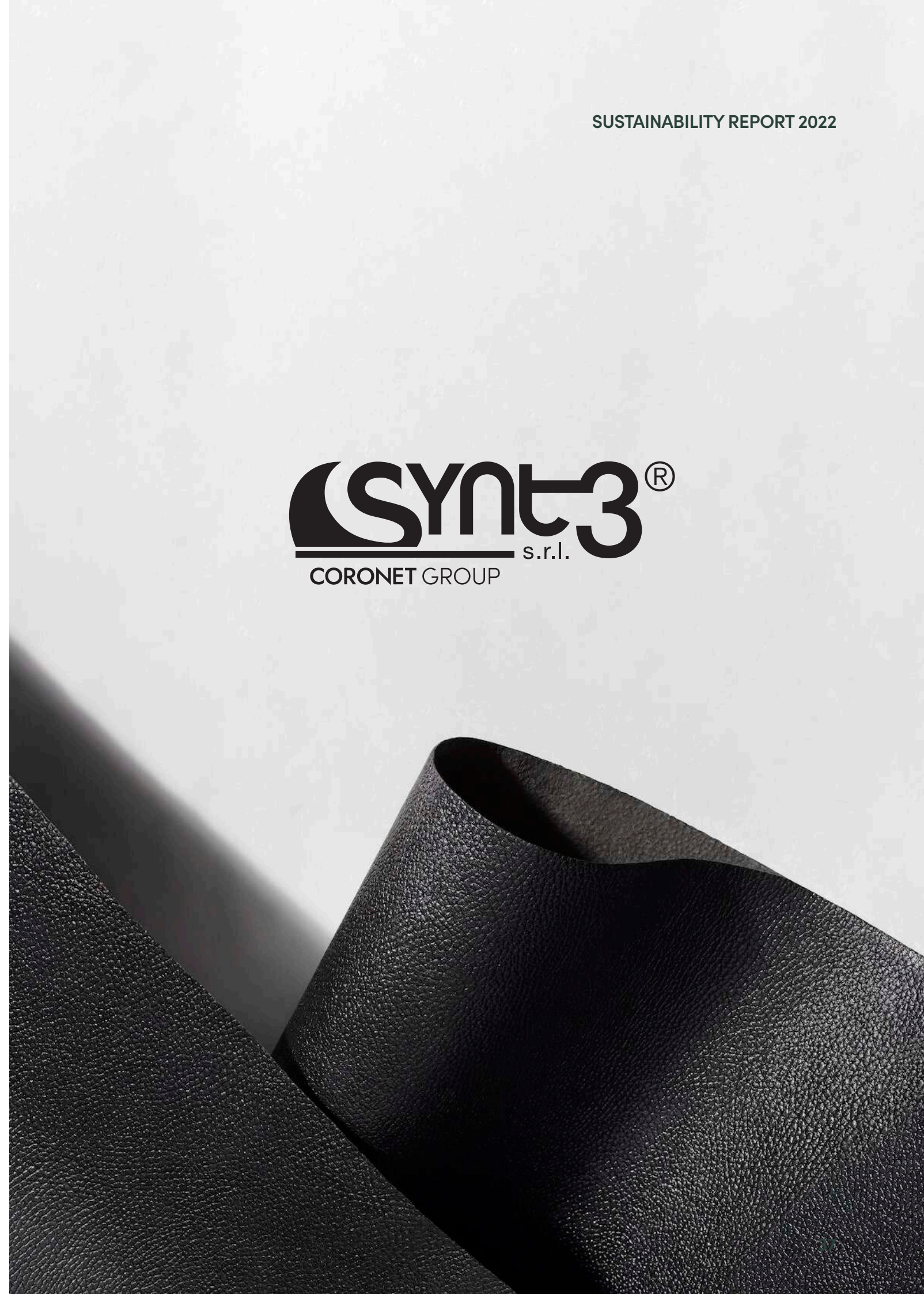
The operation represents a crucial chapter in the company's history, marking a new and decisive milestone for a future of growth and expansion that positions Coronet as one of the main multinational companies in Italy in its market sector.

Through the acquisition of Synt3, Coronet can organize production more efficiently to free up

production capacity for new orders and better meet the demands of existing customers. This allows Coronet to achieve significant synergies and economies of scale in terms of both business and material sourcing.

This strategic decision, strongly desired by Coronet, is the result of a long journey that prioritizes increasing production capacity and a commitment to a future of greater environmental responsibility.

Coronet is expanding its horizons by choosing partners with whom to accelerate innovation in the production of cruelty-free and environmentally friendly materials. This decision reflects a shared commitment to innovation, philosophies, and shared values.





.03

The business model and sustainability

**A company focused on quality, innovation,
and environmental sustainability**



3.1 The context

Coronet carries out its production activities in a market sector where the constant pursuit of innovation and quality is a prerequisite for remaining competitive.

Its longstanding experience and expertise in the production of technical materials are now undergoing rapid development through a commitment to increased environmental and social responsibility.

This means that the company must demonstrate its ability to manage, mitigate, and avoid impacts that are characteristic of its sector in general.

These include those related to the use of plastic materials, consumption of energy from fossil sources, resulting emissions of environmentally harmful gases, water consumption, pollution emissions, the use of harmful chemicals in production processes, and the generation of significant waste.

The potential production of negative impacts may also depend on the potential consequences of business relationships that characterize this market, relating to supply chain management and the relationship with direct customers.

3.2 Our **sustainable** choice

The company is committed to producing materials with a low environmental impact and, in general, to minimizing the impacts in its production processes. Furthermore, it places great importance on respecting customers, suppliers, collaborators, and other stakeholders.

Under the leadership of Umberto De Marco, Coronet has expedited the production of lines such as BioVeg, which aims to achieve a low environmental impact using innovative technologies, the H2O line, which avoids the use of environmentally harmful solvents, and the new Yatay™ line that features unique sustainability characteristics, as described in paragraph 1.6.

The company has also targeted growth in the luxury market and has adopted a faster

technological process to promote corporate, cultural, and organizational change. Coronet, ultimately, intends to continue implementing efficient processes based on digital technologies.

One of the upcoming steps will be the launch of the world's first Research and Development (R&D) global hub, called Yatay™ LAB, for the creation of sustainable materials in all applications. This hub aims to be a meeting point for fashion brands and researchers interested in sustainable development. Yatay™ LAB is set to launch in September 2023, through the new partnership initiated by Coronet with Golden Goose, a pioneering brand in the luxury sneaker market, for the establishment of an R&D hub.

The strategic goals of Coronet





3.3 Stakeholders

The ability to understand and meet the interests of various stakeholders is a fundamental aspect for the company, which is committed to adopting a governance based on corporate social responsibility. To ensure effective management of external and internal factors influencing corporate strategies, Coronet adopts a collaborative and long-term approach with all its stakeholders. Coronet's commitment to embark on a path of sustainable development is highlighted in this document, representing the company's dedication to promoting responsible and sustainable management. Collaboration with stakeholders is a key element in achieving this goal, as it allows for consideration of a wide range of perspectives and the adoption of informed decisions that respect the interests of all parties involved.

Stakeholder's map



*A shared
commitment
towards a
common goal*



3.4 The identification of impacts

With the aim of verifying, assessing, and updating the issues previously reported in the Sustainability Reports, the company has revised its process for identifying material topics, starting from the main positive and negative impacts that the company actually or potentially generates.

The company intends to adopt a constantly updated process for identifying material topics, making the analysis of its economic, environmental, social, and human rights impacts structured and periodic. Below is a tabular representation of the material topics identified based on the priority impacts for the company.

Priority Topics	Primary Impact Generated (Potential/Actual)	Sign of the Impact
Ethical and responsible governance	Implementation of corporate transparency and integrity policies to ensure ethical and responsible decision-making.	+
	Possible Cases of Non-Compliance with Ethical and Corporate Responsibility Regulations.	-
Creation of shared value	Economic Performance - The company allocates a portion of its generated value to stakeholders (employees, suppliers, public administration, local community, etc.).	+
Innovative products and environmentally responsible initiatives	Development of innovative technical products with a reduced environmental footprint.	+
	Possibility of negative environmental impact resulting from production.	-
Efficient production and use of electrical energy	Adoption of practices and technologies to improve the use of electrical energy.	+
	Potential for excessive energy consumption or dependency on non-renewable energy sources.	-
Water and wastewater discharge	Possibility of inadequate water discharges or water wastage.	-
Reduction of CO ₂ emissions	Implementation of measures to reduce CO ₂ emissions, for example, through the use of renewable energy.	+
	Potential for high CO ₂ emissions due to production processes or business operations.	-

Priority Topics	Primary Impact Generated (Potential/Actual)	Sign of the Impact
Waste and waste reduction	Adoption of policies and practices for the reduction, recycling, and proper disposal of generated waste.	+
	Possibility of inadequate waste generation and management.	-
Career and skill development	Care for employees' skills and career development.	+
Health and safety in the workplace	Presence of a certified Occupational Health and Safety Management System.	+
	Possible workplace injuries or occupational illnesses.	-



3.5 Coronet's UN Agenda

The need for economically sustainable growth, respectful of the planet's future and future generations, emerged with the 1997 Kyoto Protocol, one of the early expressions of awareness highlighting how the traditional model of economic development would lead to the collapse of the Earth's ecosystem in the long run.

The concept of sustainable development encompasses three dimensions: economic, environmental, and social. In 2015, this integrated vision led to the creation of the 2030 Agenda for Sustainable Development, a commitment shared by 193 United Nations member countries, including Italy, to ensure long-term economic growth, social cohesion, and environmental protection.

The 2030 Agenda is an action plan consisting of 17 Sustainable Development Goals (SDGs) that apply universally to participating countries, divided into 169 specific sub-goals and over 240 indicators. The goal is to end poverty, combat inequality, promote social and economic development, with a focus on addressing climate change and building a sustainable society by 2030.

Coronet is aware that every company, individual, and region can make a difference, and for this reason, it is committed to contributing to specific goals of the 2030 Agenda, as shown in the infographic below.



5.1 'End all forms of discrimination against all women (...)':

5.5 'Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making (...)':

Coronet promotes respect for equal opportunities, social inclusion and diversity and considers it fundamental to achieving an appropriate business climate.

In fact, women also occupy decision-making roles in the company.

GOAL SDGs



SPECIFIC TARGET SDGs

6.4 'substantially increase water efficiency across all sectors (...)':

7.2 'increase substantially the share of renewable energy in the global energy mix':

8.8 'Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment':

9.4 'upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes (...)':

COMPANY ACTION

Water does not enter and is not consumed in the production process.

- Power generation through photovoltaic systems.
- Implementation of LED bulbs.

UNI ISO 45001: occupational health and safety.

- Pilot plant designed to switch to semi-industrial production.
- Digitization of production and production lines.
- Investment in research and development aimed at obtaining a renewable raw material with biological and natural components that respect the environment and the ecosystem.



GOAL SDGs



SPECIFIC TARGET SDGs

12.2 'By 2030, achieve the 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, especially large and transnational companies, to adopt sustainable practices and integrate sustainability information into their reporting cycle.'

COMPANY ACTION

- UNI ISO 14001:2015 – Environmental Management System.
- Life Cycle Assessment (LCA) approach.
- Product lines with low environmental impact.
- Production of items with very low solvent content.
- Making materials from bio-plastic compounds produced from renewable resources.
- Sourcing the highest quality and GRS-certified raw materials.
- Reuse processes of solvent used in production.
- Publication of the Sustainability Report.

GOAL SDGs



SPECIFIC TARGET SDGs

13.1 'Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.'

15.2 'By 2020, promote the implementation of sustainable management of all types of forests (...).'

COMPANY ACTION

Use of fuels to power production plants with a lower environmental impact than in the past.

Sourcing the highest quality and FSC (Forest Stewardship Council) certified raw materials.





.04

Economic, social and environmental performance

Seeking results for responsible growth



4.1 Economic management and value distribution

In 2022, Coronet recorded a significant increase in revenue, surpassing €26 million in sales, representing a 61% increase compared to 2021. The growth in orders, particularly in the Italian market (a 71% increase, generating €16 million in revenue), was driven by the company's strategy to focus on the production of high-value-added products characterized by environmental sustainability and high quality, attracting interest from a selected clientele. Sales abroad also reported significant growth (18%, with sales exceeding €7 million).

Regarding operating costs, raw material purchases, net of inventory changes, increased by 60.9% compared to 2021. Raw materials accounted for 53.25% of sales revenue in 2022, in line with the 53.34% of the previous year.

This result was achieved thanks to a favorable mix of products sold, as highlighted, focusing on higher value-added items with higher margins.

Additionally, the increase in selling prices forced by the 'energy dear' situation resulting from the Russia-Ukraine conflict contributed. Furthermore, the company invested in energy efficiency during the year at the Cisterna di Latina and Velletri facilities. Energy costs in 2022 amounted to €4.2 million, an increase of €2.6 million (+156.6%) compared to 2021.

Personnel costs, totaling €5.2 million, increased by €474 thousand compared to 2021 to cope with increased orders but represented 19.4% of Sales Revenues, down from 28.5% the previous year. This data highlights the company's efforts in seeking production efficiency.

Expectations for 2023, in terms of sales revenue, indicate a continuation of the positive trend observed in 2022. In the early months of 2023, there is a notable improvement in sales with a substantial enhancement in operational margin (EBITDA). For further details, please refer to the 2022 Financial Statements and the corresponding Management Report.

The distributed economic value

In this paragraph, a reclassification of the Income Statement of the 2022 Financial Statements is proposed through the framework of the directly generated and distributed Economic Value. In the assessment, the categories considered include: suppliers, through operating costs, personnel, credit institutions, and the Public Administration. Coronet has operated within a balanced economic and financial management and has succeeded in distributing approximately 92% of the directly generated value for 2022. The distributed value is allocated as follows:

81% to suppliers

18% to employees

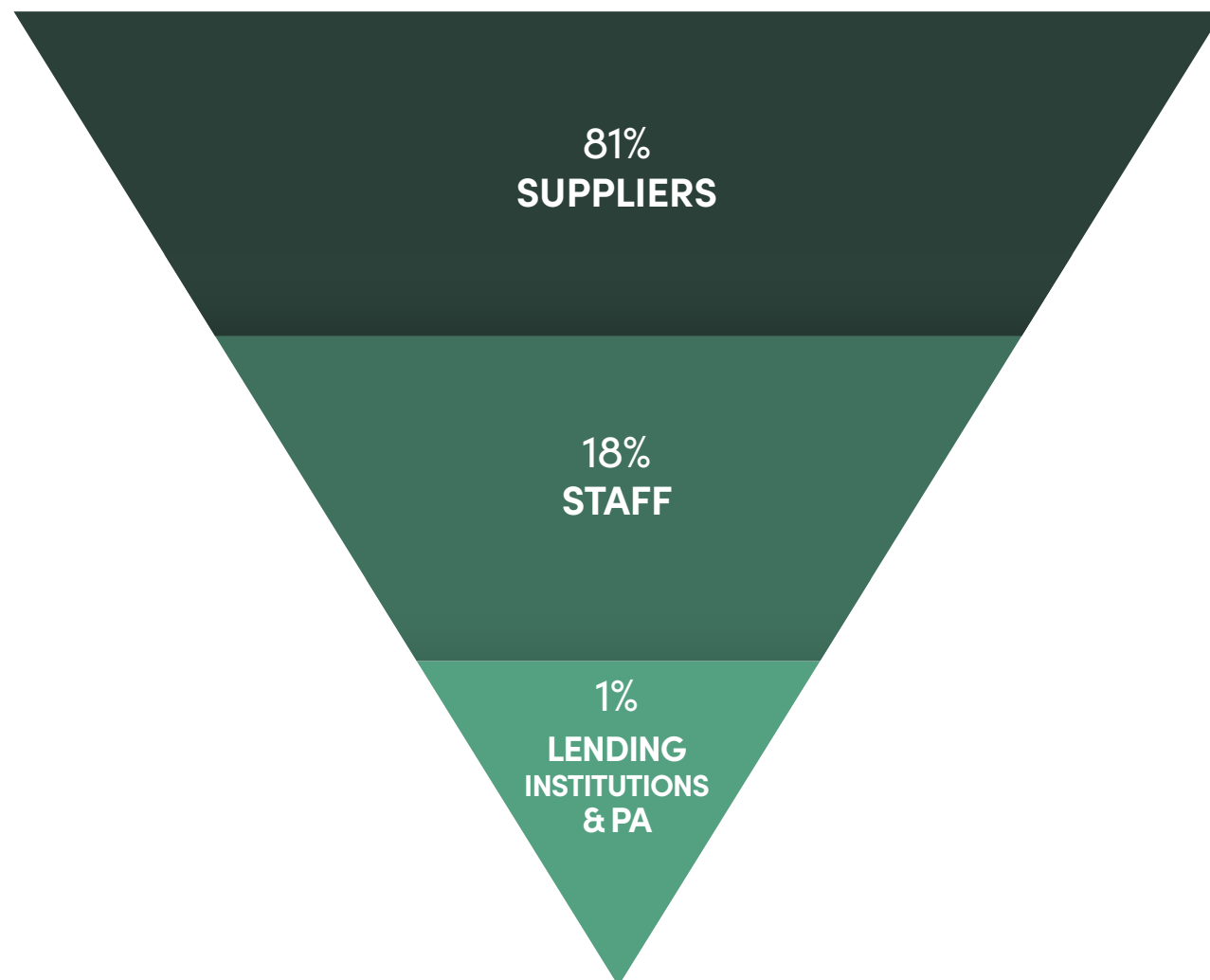
1% to credit institutions and the Public Administration

	2021	2022
The directly generated economic value	20.440.346	31.013.336
Sales revenue	16.857.800	27.311.778
Other revenue	3.582.546	3.701.558
Distributed economic value	19.282.495	28.497.297
Operating costs (for raw materials, services, leased assets of third parties and other operating costs)	14.406.936	23.006.186
Staff costs	4.735.007	5.209.308
Payments to lending institutions	108.328	115.073
Payments to the PA	32.224	166.730
Economic value retained	1.157.851	2.516.039
• of which net profit	212.320	971.674
• of which depreciation	945.531	1.544.365

New investments to generate economic sustainability and shared value.



2022
The distribution of the generated economic value



4.2 Customer relations

Coronet's clientele primarily consists of the luxury market, with a particular focus on the environmental sustainability features of the products. Below are tables illustrating the revenue distribution by product category (H2O, BioVeg, and traditional line) and by geographic market, referencing the four main business areas (Footwear and Leather

Goods, Automotive, Paper and Clothing) for the years 2022 and 2021, considered for the entire Coronet group. In 2022, there is an increase in the net revenue of sustainable product lines, reaching a total of 7.247.000 euros compared to the previous year's 5.616.000 euros.

2021

Net revenue⁵ according to geographic market

MERCHANDISE CATEGORY	ASIA	ITALY	EUROPA (Italy excluded)	AMERICA	TOTAL
H2o	19.988	383.155	49.890	49.755	502.788
BioVeg	635.651	5.063.498	2.023.107	1.390.771	9.113.027
Other	1.227.760	4.234.272	4.183.531	23.337.696	32.983.259
Total	2.183.398	8.780.925	5.656.528	25.978.221	42.599.074

*Customer listening:
a key to success*

⁵ The revenue data refers to the Coronet Group and takes into account sales made by the Asian subsidiaries. The semi-finished product is produced in Italy using a 'plant-based' approach and shipped to the Vietnamese subsidiary, which finishes it with the innovative spreading process (still using plant-based PU). Subsequently, the finished product is sold to international brands that manufacture in Asia.



2021

Net revenue broken down by product lines and end markets

PRODUCT / BUSINESS	FOOTWEAR/ LEATHER GOODS	AUTOMOTIVE	PAPER GOODS	CLOTHING	TOTAL
H2o	1.098.894	0	0	33.085	1.131.980
BioVeg	3.410.708	0	847.726	86.880	4.345.315
Other	35.225.585	1.630.526	78.951	186.716	37.121.779
Total	39.735.188	1.630.526	926.677	306.682	42.599.075

2022

Net revenue according to geographic market

MERCHANDISE CATEGORY	ASIA	ITALY	EUROPA (Italy excluded)	AMERICA	TOTAL
H2o	5.225	381.766	164.356	6.236	557.583
BioVeg	62.692	4.580.404	1.971.934	74.817	6.689.846
Other	7.252.449	16.294.783	11.513.063	22.730.509	57.790.804
Total	7.320.366	21.256.953	13.649.353	22.811.561	65.038.233

2022

Net revenue broken down by product lines and end markets

PRODUCT / BUSINESS	FOOTWEAR/ LEATHER GOODS	AUTOMOTIVE	PAPER GOODS	CLOTHING	TOTAL
H2o	398.416	145.567	3.401	10.199	557.583
BioVeg	4.780.170	1.746.507	40.800	122.368	6.689.846
Other	44.196.760	4.216.341	9.067.059	310.644	57.790.804
Total	49.375.346	6.108.416	9.111.260	443.211	65.038.233

Considering only Coronet S.p.A., the net revenues from the sale of low-impact environmental products represent 48% of the total revenues to third parties, marking a significant improvement compared to 2021 when these revenues constituted 26% of the total.

Regarding future objectives, Coronet S.p.A. aims to achieve a revenue composition where low-impact environmental products represent at least 70% of the total revenue.

Coronet pays particular attention to customer relationship management. CRM (Customer Relationship Management) activities are applied in various profiles and areas with the goal of building long-lasting relationships with customers. To achieve this, Coronet's strategy involves actively seeking collaborations with suppliers that can become long-term partnerships. 90% of the company's revenue comes from the sale of highly

customized items created to meet the specific needs of end customers. The continuous pursuit of excellence drives all business activities, including the search for raw materials from sustainable supply chains, expansion into new markets and geographical areas, as well as the implementation of sustainability communication and promotion initiatives directed towards customers.

The constructive and engagement-based relationship with customers is nurtured through various activities, including:

- 01 Specific meetings with customers
- 02 Information initiatives
- 03 Multi-themed workshops in co-presence with customers and suppliers
- 04 Organization of guided tours



Coronet pays special attention to informative initiatives and customer training on the theme of responsible consumption. Specific actions such as in-depth discussions with sales agents, sending content via email, ad-hoc meetings with customers, and the publication of articles and informative material on the news section of the company website are employed. Additionally, Coronet is active on social channels like Facebook and Instagram, posting content targeted at followers.

A noteworthy aspect in terms of quality and customer focus is the organization of co-design tables for the final product, involving both customers and suppliers. These meetings

allow listening to improvement requests in the production and design of items and jointly defining the final characteristics of the products, which are then communicated and implemented in the laboratory. Through these various customer relationship management activities, Coronet consistently aims to build customer loyalty and enhance long-term customer satisfaction. To achieve this, the company has a structured, highly qualified, and specially trained sales network responsible for promoting, identifying, and implementing customer-specific offers, ensuring a fast and quality service to promptly address customer needs.

Customer Relationship Management

Product customization is achieved through Research and Development activities based on proposals received during discussions with the customer.

Typically, the process begins with the selection of an existing Coronet product that can be modified to meet the additional requirements. The company is particularly active in organizing guided tours, especially to showcase the features of innovative products that generate more curiosity and interest compared to traditional ones.

To promote accurate and transparent information

about the safety and integrity of products, Coronet pays special attention to control management.

Through a detailed procedure, the company can identify any anomalies and discrepancies in production, which are communicated daily to the entire technical team to promptly address the issue as a team. This process is preceded and accompanied by a robust internal procedure for handling complaints. Below are some statistics related to complaints over the past three years, which have remained within normal levels in the last two years.

	2020	2021	2022
Statistics related to complaints	62	70	68

4.3 Supplier relationships

Procurement policies and supplier relationship management play a fundamental role in Coronet's success. In the selection of suppliers, the company is committed on a daily basis to choosing innovative products with high-quality performance, environmentally friendly features, and advanced technical characteristics, following the quality management system process.

The presence of a large group of historical and loyal suppliers with whom Coronet maintains long-term partnerships, some lasting for decades, is of strategic importance.

This high rate of supplier loyalty is mainly due to the application of fairness policies in information

management and the adoption of consistently updated and transparent communication. Numerous meetings with suppliers are organized for this purpose, including discussions, phone calls, and video conferences, to establish goals and outcomes to be achieved regarding the specific characteristics and peculiarities of products and services.

As for payment terms, the company applies appropriate payment terms to all suppliers.

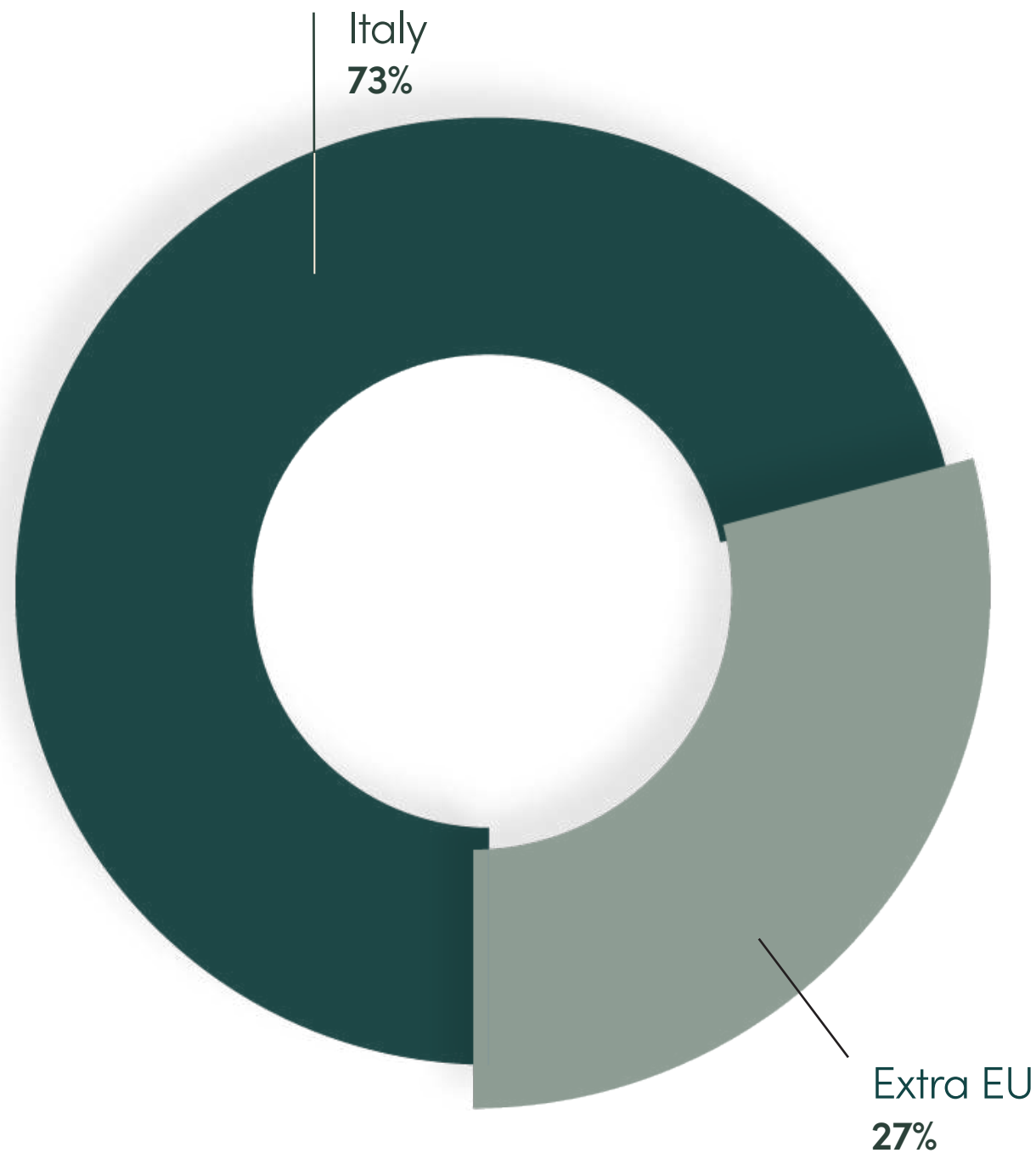
The graph and table below present the percentage of Italian suppliers compared to those from other geographical areas for the year 2022.

The suppliers are reliable partners with whom we share the goal of creating excellence



2022

Suppliers' country of origin



4.4 The management of human resources

Coronet considers it essential to promote the professional development of its employees within a positive work environment, aiming to enhance skills and foster a customer satisfaction-oriented culture of change. Health and safety at work have always been a priority for the organization, which has adopted ISO 45001:2018 certification as a specific management system for all its operational sites.

Employment relationships at Coronet are governed by a collective bargaining agreement

that covers the rubber, plastic, electrical cable industry, and related sectors, encompassing the entire 100% of the workforce. As of December 31, 2022, the company had 94 employees, including 10 women.

In Milan, 16 people worked (8 women), in Velletri 53 (2 women), and in Latina 25 (all male). In 2022, 12 agency workers, all male, worked within the company, while in 2021, 8 agency workers (7 men and 1 woman) were employed. All agency workers operate on a full-time basis and work as production employees or line workers.

Number of employees at year-end

	2020		2021		2022	
Women	11	12%	13	13%	10	11%
Men	82	88%	84	87%	84	89%
Total	93	100%	97	100%	94	100%

The work environment: a place where people feel valued and motivated

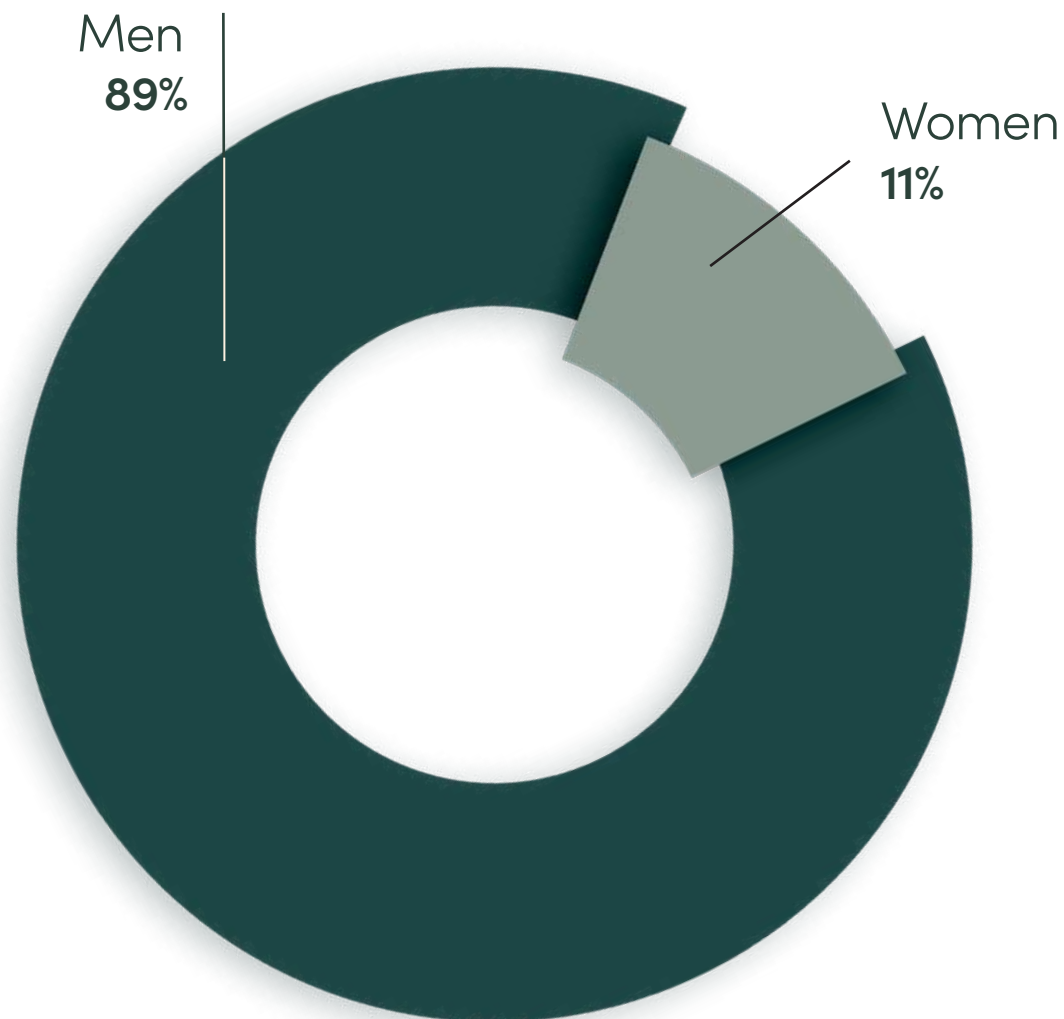


(as of 31/12/2022)

Total number of employees by gender per location

	Milan	Velletri	Latina
Total	16	53	25
Of which women	8	2	0
Of which men	8	51	25

Gender composition of the workforce



The company seeks a working relationship based on mutual trust and continuity. All employees are hired through permanent contracts, and in the last three years, there has been only one male employee with a part-time contract. In 2022, a female individual was included in internship activities.

Number of employees by contractual type and gender

	2020	2021	2022
Open-ended	93	97	94
of which women	11	13	10
of which men	82	84	84
Fixed-term*	0	0	0
of which women	0	0	0
of which men	0	0	0
Total	93	97	94
of which women	11	13	10
of which men	82	84	84

* including apprentices

Number of employees by contractual type and gender as of 31/12/2022 by location

	Milan	Velletri	Latina
Open-ended	16	53	25
of which women	8	2	0
of which men	8	51	25
Fixed-term*	0	0	0
of which women	0	0	0
of which men	0	0	0
Total	16	53	25
of which women	8	2	0
of which men	8	51	25

* including apprentices



Number of employees by length of service and gender

	2020	2021	2022
Full-time	92	96	93
of which women	11	13	10
of which men	81	83	83
Part-time	1	1	1
of which women	0	0	0
of which men	1	1	1
Total	93	97	94
of which women	11	13	10
of which men	82	84	84

Number of employees by length of service and gender as of 31/12/2022 by location

	Milan	Velletri	Latina
Full-time	16	52	25
of which women	8	2	0
of which men	8	50	25
Part-time	0	1	0
of which women	0	0	0
of which men	0	1	0
Totale	16	53	25
of which women	8	2	0
of which men	8	51	25

The personnel at Coronet consists of 57% workers, 28% clerks, 13% managers, and 2% executives. The majority of employees are over 50 years old; thus, the company continues its commitment to implementing policies to renew its workforce and ensure adequate generational turnover.

New hires are provided with specific training to acquire the necessary skills for their roles. The company initiates a training program called Welcome Training, where new employees are mentored by department heads or

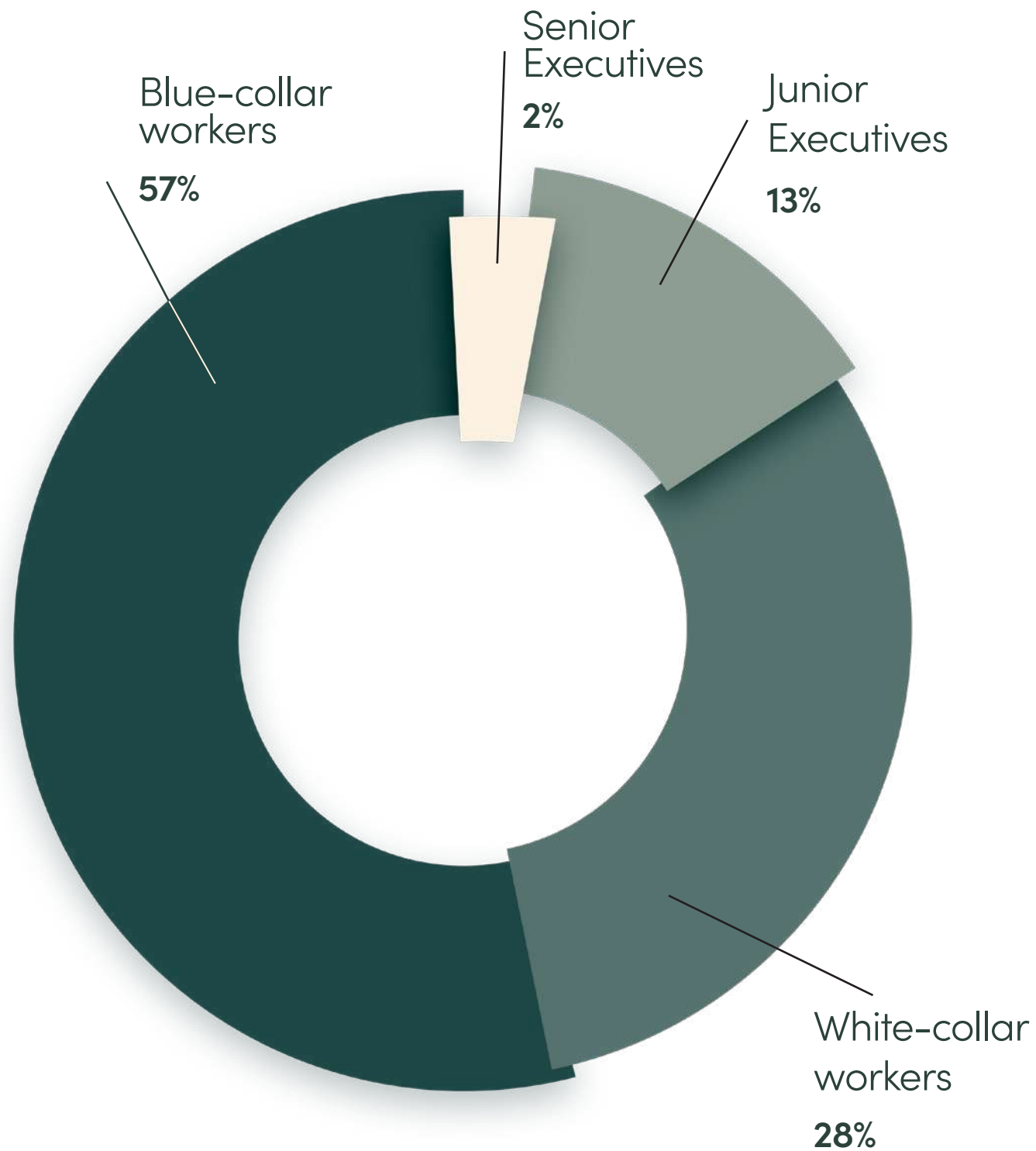
production managers, guiding them in learning operational activities that require specificity and craftsmanship. They are often rotated through various departments to understand different processes and gain a comprehensive view of the entire production process. It is worth noting that, particularly in the administrative area, the company has trained a young and dynamic staff capable of taking on roles with medium responsibilities.

Breakdown of personnel by professional qualification and gender

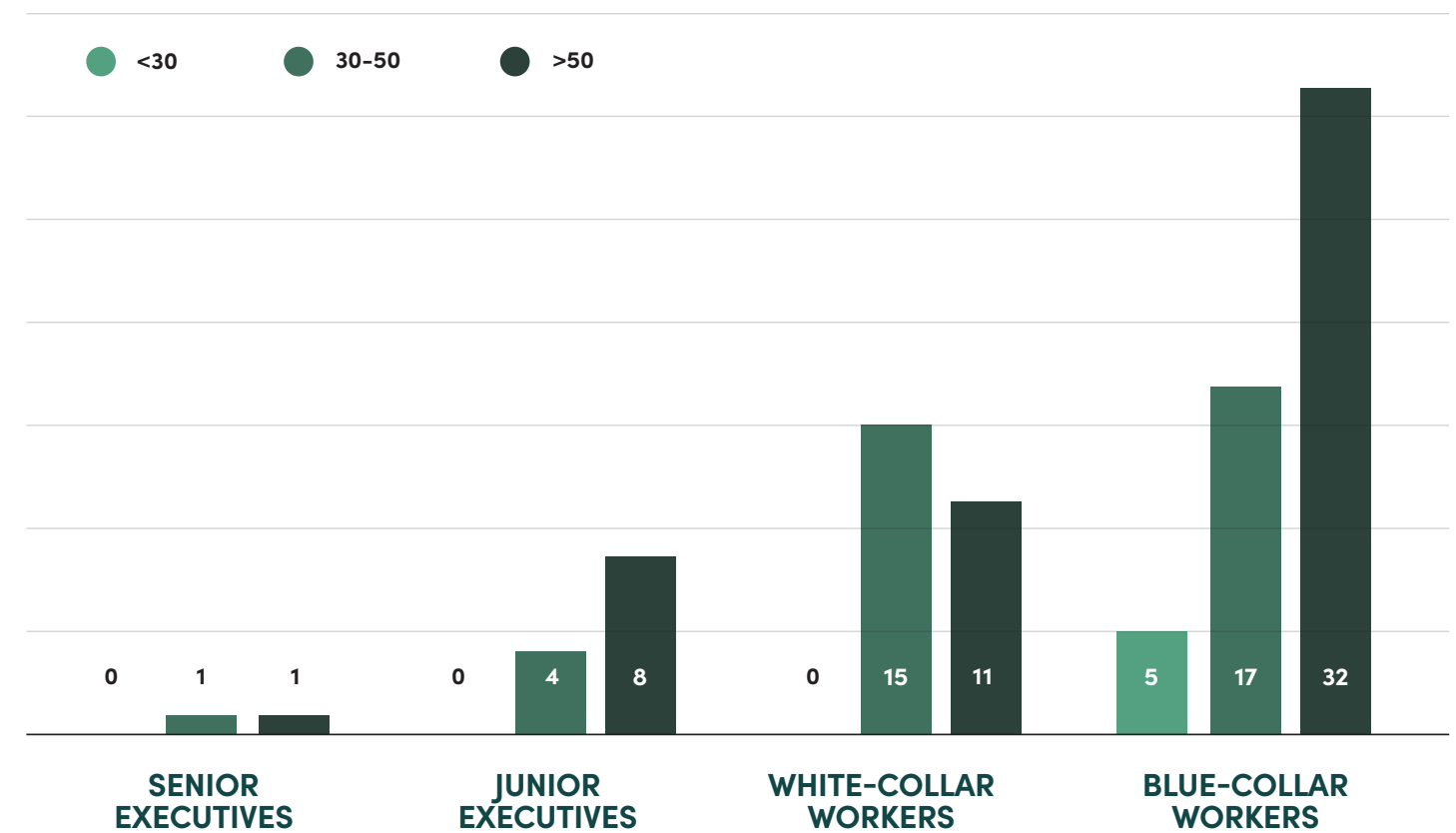
	2020	2021	2022
Senior Executives	2	2	2
of which women	0	0	0
of which men	2	2	2
Junior Executives	12	14	12
of which women	3	3	3
of which men	9	11	9
White-collar workers	29	36	26
of which women	8	12	19
of which men	21	24	7
Blue-collar workers	51	50	54
of which women	0	0	0
of which men	51	50	54



Distribution by professional qualification



2022 Distribution by qualification and age





There is an increase in the overall turnover rate compared to the previous year. Below are the data related to employee arrivals and departures, divided by age groups, and the turnover rates.

Incomings and outgoings by age group

AGE CLASSES	2020		2021		2022	
	Incoming	Outgoing	Incoming	Outgoing	Incoming	Outgoing
< 30	1	2	2	0	3	3
of which women	0	0	0	0	2	3
of which men	1	2	2	0	1	0
30-50	2	1	6	2	3	3
of which women	0	0	4	1	2	2
of which men	2	1	2	1	1	1
> 50	0	1	1	3	0	3
of which women	0	1	0	1	0	2
of which men	0	0	1	2	0	1
Total	3	4	9	5	6	9
of which women	0	1	4	2	4	7
of which men	3	3	5	3	2	2

Turnover rates

	2020	2021	2022
Average workforce for the period	94	97,08	97,06
Overall turnover rate*	7,45%	13,39%	15,45%

* (Incoming + outgoing staff/average headcount) x100

Overall turnover rate by gender

	2022
Average headcount for the period (men)	84,20
Average headcount for the period (women)	13,40
Overall turnover rate* for men	4,75%
Overall turnover rate* for women"	82,09%

* (Incoming + outgoing staff/average headcount) x100

Coronet actively promotes equal opportunities, social inclusion, and diversity, considering them fundamental for creating a suitable work environment. The company operates in compliance with Law No. 68 of 1999 regarding the employment inclusion of people with disabilities; by the end of 2022, Coronet had 6 employees belonging to protected categories.

Women hold decision-making roles within the company, with 3 women serving as executives. No episodes of discrimination were recorded in the last year. During the reporting period, no employee took parental leave. Coronet takes into account the work-life balance needs of its employees, carefully planning work shifts. Travel between company locations is scheduled, and employees are informed at least 30 days in advance.

For two individuals residing far from the workplace, one in Lombardy and one in Prato but

working at the facilities in Lazio, accommodation and weekly round-trip travel to reach their families are provided. Coronet adopts a participatory personnel management approach, communicating its production goals and regularly sharing results through periodic reporting to stimulate and engage collaborators.

The company holds ongoing discussions with union representatives (RSA and RSU) to share semi-annual results and monitor developments over time. Additionally, production bonuses and incentives are provided to promote commitment to work in a motivating and meritocratic environment.

Coronet prefers hiring workers from the local communities in which it operates, thus contributing to the growth of employment and income in the region and reducing environmental impact through shorter commutes.



Health and safety at work

Coronet considers it fundamental to demonstrate attention and sensitivity to the psycho-physical well-being of employees in the workplace, as this contributes to reducing accidents and absenteeism due to illness, thereby increasing overall productivity.

To underscore the seriousness with which the company addresses this issue, it is highlighted that Coronet fully complies with legal provisions regarding health and safety at work. In 2020, the management implemented an ISO 45001:2018 certified Management System across all company locations. This system is continually updated and improved to eliminate potential causes of workplace accidents and prevent harm to employees' health. The system applies to all employees, temporary workers, trainees/interns, and occasional external company operators present on-site.

The System includes activities such as continuous monitoring by the Responsible for Prevention and Protection Services (RSPP), the preparation and dissemination of documents pursuant to Legislative Decree No. 81/08, employee and collaborator training, regular medical check-ups, and the organization and training of intervention teams as required by regulations.

The Risk Assessment Document (DVR) analyzes and considers specific risks related to each job, categorizing them into physical, chemical, and

ergonomic risks. The DVR establishes objectives and activities that contribute to the establishment of a continuous improvement plan for the company.

Health and safety in the workplace are monitored daily by managers in different areas of the company. A company health and safety delegate is present within the organization. Coronet has an internal RSPP (and an external consulting firm) identifying the need for new personal protective equipment (PPE), developing emergency and evacuation plans, and formulating a training plan for all employees. The company collaborates with the Workers' Representative for Health and Safety (RLS).

In accordance with Legislative Decree No. 81/2008, annual medical check-ups are conducted. The company-appointed occupational physician collaborates with the RSPP, following a health protocol that considers the specific activities at risk and hazards to employees' health, providing guidance on health surveillance to be implemented.

Among the adopted initiatives, there is a scheduled calendar of health and safety training courses. It is also important to mention a specific health fund for employees engaged in high-risk activities at the facilities. Regular meetings are held between the RLS and workers. To communicate with employees on health and safety at work, Coronet

uses tools such as:

- the company bulletin board
- the company email
- some specific WhatsApp groups

although increased, remains at low levels. No cases of occupational diseases, deaths, or serious workplace injuries were recorded. There were 2 non-serious workplace injuries in 2022 (hand injury, knee sprain).

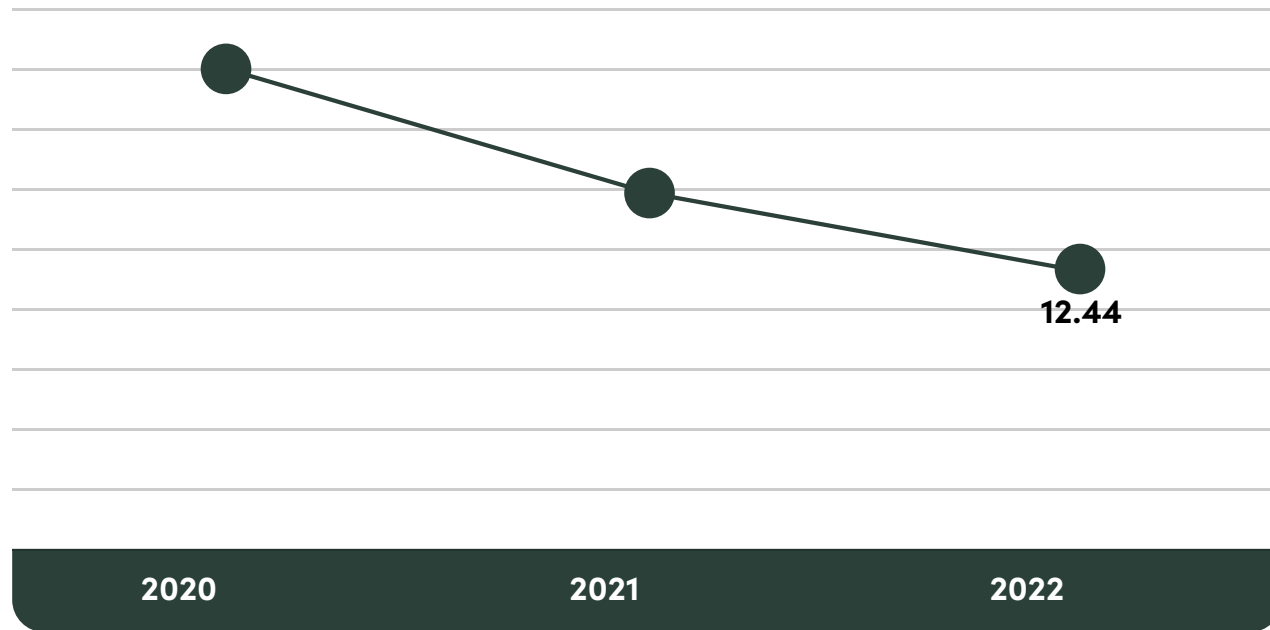
The following tables illustrate the main data and indicators related to workplace injuries. The frequency rate in 2022 has decreased compared to the previous year, while the severity rate,

Main statistics related to employee injuries

	2020	2021	2022
Number of hours worked	137.791	160.145	160.689
Total number of workplace injuries	4	4	4
On the workplace	4	3	2
In itinere	0	1	2

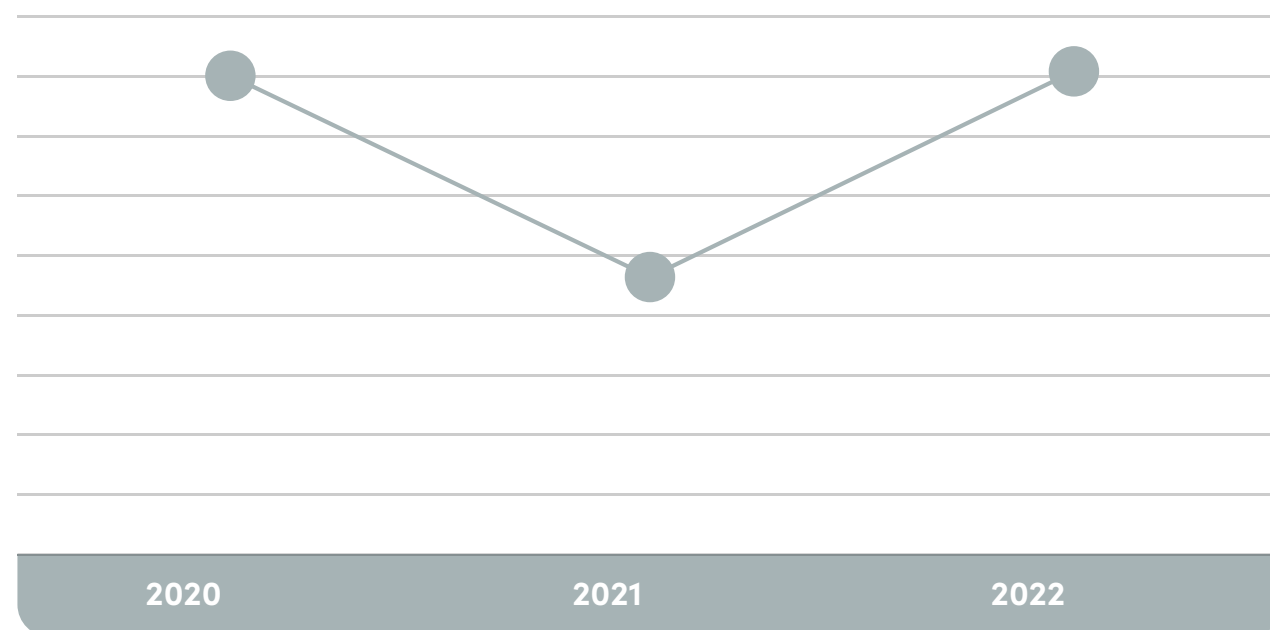


Injury Frequency Index*



* number of work-related injuries per 1 million/hours worked

Injury Severity Index*



* number of injury days per 1000/hours worked per employee

Training and skill development

The company periodically organizes specialized training and development programs by field and type to enhance the skills and abilities of employees, focusing on team motivation and ICT skills. The following are the data related to occupational health and safety training courses in 2022 and general indicators on training hours.

Occupational health and safety training courses 2022

CISTERNA DI LATINA	Course duration	Participating staff	Total hours
Course (General Fire Safety High-Risk)	8	1	8
Course for RLS	16	1	16
Total employee hours			24

VELLETRI	Course duration	Participating staff	Total hours
Course (General Fire Safety, Medium Risk)	8	11	88
Course for RLS (Representative for Workers' Safety) Update	8	1	8
Course (General and High-Specific Risk)	8	1	8
Course for New RLS	32	1	32
Supervisors Course	16	7	112
Total employee hours			248



Hours of training delivered

	2021		2022	
	Total hours	Average hours	Total hours	Average hours
Staff with administrative and commercial tasks	124	11,27	144	4,00
of which women	16	16,00	8	4
of which men	108	10,80	136	13,60
Operational staff	438	11,23	128	10,67
of which women	0	0,00	0	0,00
of which men	438	11,23	128	10,67
Total	562	22,50	272	36,00
of which women	16	16,00	8	8,00
of which men	546	22,03	264	36,67

4.5 Production, Research, and innovation



Coronet is committed to innovation through an approach that focuses on three main areas: processes and production, digitization, and Research and Development. These sectors are essential for promoting greater environmental responsibility.



Processes and production

Coronet is committed to developing products with an extremely low solvent content and is working towards the goal of creating materials completely free of solvents and of biological origin. To achieve this, the company is conducting tests on new application technologies through the implementation of an in-house designed pilot plant. This plant will facilitate the transition from prototype to industrial production (at the Cisterna di Latina headquarters), enabling the realization of products from the Yatay™ Zero line.

As highlighted in the paragraph “3.2 Our Sustainable Choice,” the company is launching the Yatay™ LAB Research and Development Hub in the second half of 2023.

Safety and ergonomics in the company spaces are of utmost importance. Special attention is given to ensuring that all facilities are accessible and provide the necessary efficiency for compliance with products and services. Additionally, in the planning of facilities and work activities, Coronet identifies and manages risks and opportunities

for effective and efficient management.

In 2022, Coronet made significant investments, primarily to improve plant and production processes.

It mentions:

- Improvements to the Coating plant
- Enhancements made to the Coagulation plant
- Investments in the Thermal Oil Piping plant
- Investments in the Scrubber at the Velletri plant
- Investments in additional costs for the purchase (including related expenses) of the “self-made” plant for the production of solvent-free sustainable materials (operational since April 2023)



Digitalization

A digitalization plan for the production lines in Italian facilities is underway, with subsequent plans to replicate the same model in Asian countries. The objective is to connect all production lines to a common system of remote workstations and barcodes. This will enhance the ability to monitor production quality and increase productivity.

Simultaneously, corrective actions can be implemented more swiftly, improving the

effectiveness of strategies aimed at optimizing production and increasing customer satisfaction.

In 2021, an investment of 175,491 euros was made to continue the migration project to the new corporate information system, which became operational on January 10, 2022. This investment underscores Coronet's commitment to modernize and enhance its business processes through the use of advanced technologies.

Research and Development

The Research and Development function plays a central role in the company's future, as it is through the results of this area that Coronet can develop new production technology capable of ensuring the creation of finished products completely free of solvents. The goal is to obtain a renewable raw material, with biological and natural components, in respect of the environment and the ecosystem.

As part of the company's strategy to acquire new and innovative knowledge to increase competitiveness in national and international markets, Coronet continued its Research and Development activities in the areas of

Technological Product and Process Innovation, Design, and Aesthetic Ideation throughout 2022. Special attention was given to the use of raw materials from renewable and recycled sources and to production streamlining.

Regarding projects for the development of new collections, after launching the "INNOVATIVE COLLECTION 2021" in 2022, confirming its constant commitment to introducing innovative and sustainable solutions to the market, Coronet launched the Yatay™ line.

4.6 Environmental responsibility at Coronet

Due to its characteristics, Coronet's production process has environmental impacts in terms of raw material consumption, solvents, water, energy, and the resulting waste production. The company is aware of the importance of limiting these negative impacts and is committed to achieving greater environmental sustainability.

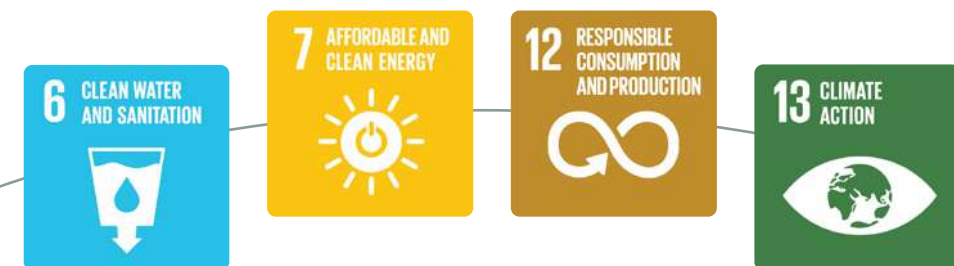
Coronet holds ISO 14001:2015 certification for all three of its facilities, defining an "Environmental Management System" aimed at managing environmental aspects, complying with legislative obligations, and addressing risk and opportunity assessments.

Since 2014, Coronet has developed and launched two new sustainable production lines, BioVeg and H₂O, recently followed by the new Yatay™ line, characterized by careful raw material selection and reduced environmental impact compared to traditional lines. In production, the use of solvents

such as DMF (dimethylformamide) and water occurs in closed circuits, minimizing the dispersion of these substances.

Significant efforts have been made by Coronet to limit the use of polluting fuels. In 2017, the Velletri plant replaced BTZ (Low sulfur content heavy oil) with LNG (Liquefied Natural Gas), and connection to the methane network is planned for 2025. In 2021, the Cisterna di Latina plant switched from BTZ to methane. Additionally, the company generates electricity through photovoltaic plants and uses LED lighting at its locations, contributing to the reduction of pollutant emissions and energy consumption.

Coronet's commitment to reducing emissions and mitigating environmental impacts will continue in the coming years, with the goal of becoming a Carbon Neutral company by 2030.



Crafted by nature



Productions in environmental compliance

Coronet's products are manufactured in full compliance with legal standards. The Bioveg, H₂O, and Yatay™ lines stand out for their innovative and sustainable characteristics. All product lines are PETA (People for the Ethical Treatment of Animals) certified. The "PETA-approved Vegan" logo represents recognition of the company's

ethical commitment.

Coronet seeks high-quality raw materials, certified according to the GRS (Global Recycle Standard) and FSC (Forest Stewardship Council) standards. For this reason, every supplier is required to provide a copy of process certifications and batches related to the purchased materials.



The use of solvents

The production process of all material lines manufactured by Coronet is based on the use and recovery of the DMF solvent and water. The company adopts a closed production cycle for DMF, in which the used solvent is recycled.

For recovery, a solvent stripping process with water is used, which is then sent, through a closed system, to a distillation tower. This process allows for the recovery of up to 98% of the solvent and water, which are then reintroduced into the production process.

The waste cycle

The main waste produced by Coronet comes from its production activities and consists mainly of waste from composite materials (impregnated fibers, elastomers, plastomers), bottoms and reaction residues, plastic waste, filtration residues, used absorbents, filters, absorbents, filtering materials (including unspecified oil filters), rags, and protective clothing, various packaging, etc. The following is the detailed information for 2021 and 2022 in tons related to waste by type, distinguished by destination (recovery and disposal) for the company's two production facilities.

Waste by composition in tons

Waste not intended for disposal - R

Waste intended for disposal - D

	2021		2022	
	R	D	R	D
Waste from composite materials (impregnated fibres, elastomers, plastomers)	176.900		134.860	
Waste from finishing, other than those mentioned in 04 02 14		3.380		6.880
Aqueous washing solutions and mother liquors		3.094		2.420
Other organic solvents, washing solutions and mother liquors	190	7.180		20.540
Other reaction funds and residues	16.200	37.160	42.140	22.580
Other filtration residues and spent absorbents		20.640	3.790	26.440
Plastic waste	64.720		94.320	
Light ashes from combustible oil and boiler powders		1.145		
Aqueous washing solutions		15.800		
Other engine, gear and lubrication oils	1.260			
Insulating and thermally conductive synthetic oils			170	
Other emulsions			2.450	
Chlorofluorocarbons, HCFCs, HFCs	240			
Paper and cardboard packaging	11.560		22.410	
Wood packaging	18.270		18.520	
Mixed material packaging	62.500		78.570	
Packaging containing residues of or contaminated by hazardous substances	5.200	2.129	8.440	
Absorbents, filter materials (including oil filters not otherwise specified), rags and protective clothing, contaminated with hazardous substances	10.470	61.760	58.120	41.930
End-of-life tires			90	
Discarded equipment containing hazardous components (2) other than those mentioned in 16 02 09 and 16 02 12	15		119	
Out-of-use equipment, other than those covered by entries 16 02 09 to 16 02 13	65		95	



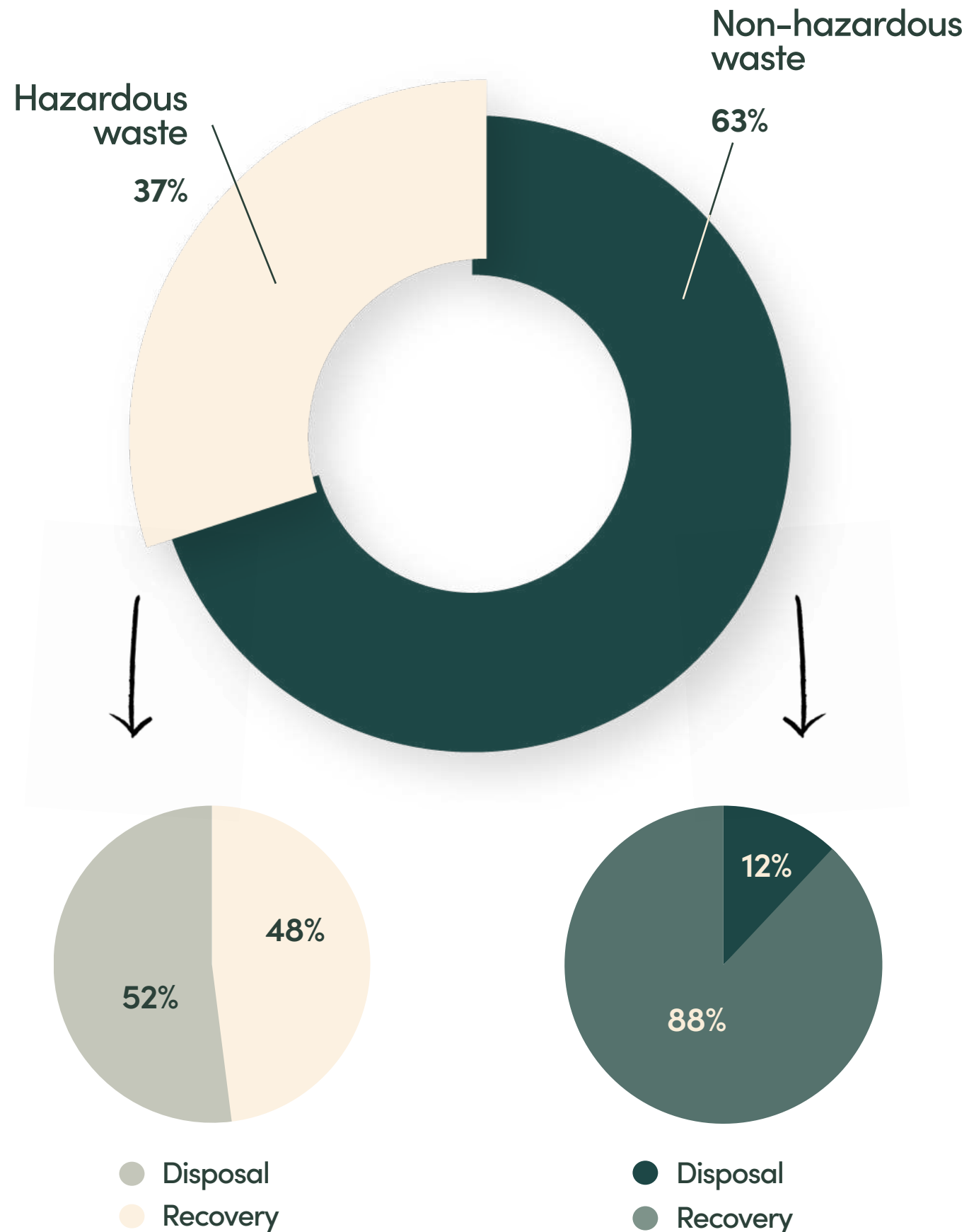
	2021		2022	
	R	D	R	D
Components removed from discarded equipment, other than those mentioned in 16 02 15	35			
Lead-acid batteries	55		46	
Nickel-cadmium batteries	20			
Aqueous waste solutions containing hazardous substances		7.977		13.250
Aqueous waste solutions other than those mentioned in 16 10 01		78.900		28.880
Bituminous mixtures containing coal tar		1.310		
Bituminous mixtures other than those referred to in entry 17 03 01				300
Iron and steel		42.990		12.170
Metal waste contaminated with hazardous substances		3.445		
Other insulation materials containing or consisting of hazardous substances		530		130
Other construction and demolition waste (including mixed waste) containing hazardous substances		5.140		
Waste that must be collected and disposed of with special precautions to avoid infection	15	45		
Sludge from urban wastewater treatment		9.520		12.480
Fuorescent tubes and other mercury-containing waste	15		19	
Biodegradable waste			1.490	
Total waste	410.720	259.155	478.971	175.530

Waste composition*

	2020	2021	2022
Hazardous	163.682	201.035	242.584
Non hazardous	210.143	468.840	411.917
Total waste	373.825	669.875	654.501

* The data for 2020 refers only to the Velletri plant, while 2021 and 2022 report the overall figure, which also includes waste from the Latina plant. Operations of type R are provided in the list in Annex C to Part IV of Legislative Decree 152/06, while operations of type D are provided in the list in Annex B to Part IV of Legislative Decree 152/06.

All waste produced by the company is treated in compliance with sector laws and regulations. During the year 2022, the production of waste amounted to 645,501 tons. 73% of these are destined for operations other than disposal, while 27% is disposed of.



Energy and emissions

Coronet's production chain utilizes various energy sources, including electricity, Liquefied Natural Gas (LNG), natural gas from the network, gasoline, diesel, and fuel oil. Electricity is used for the operation of machinery and equipment, while other energy sources are employed to achieve process temperatures in certain phases of production and in work environments. Gasoline is used for the movement of vans and traction vehicles.

Over the years, Coronet has implemented various measures to enhance efficiency in electricity usage. The company has invested in self-producing electrical energy through photovoltaic systems.

This energy is used both internally and fed into the grid. Additionally, Coronet purchases energy from local and national suppliers to ensure complete coverage of the energy needs, especially in the Latina and Velletri plants, where production occurs in shifts. In 2022, the self-production of photovoltaic energy amounted to 1,239,506 kWh, equivalent to approximately 27% of the total electricity consumption of the company.

Currently, the purchased energy does not originate from renewable sources; however, the company aims to acquire green energy quotas in the coming years.





All three Coronet facilities are equipped with LED lighting, allowing for reduced energy consumption compared to traditional systems.

Production and sale of electricity from photovoltaics (kWh)

	2020	2021	2022
Total self-production from photovoltaics	1.324.259,5	1.197.547	1.239.506
Of which sold	401.656	317.672	289.844

Coronet also pays particular attention to the choice of fuels for energy production. In recent years, within the Velletri plant, the decision was made to replace BTZ with LNG, adopting a sustainable solution that resulted in a significant improvement in CO₂, NO_x (nitrogen oxides), and particulate emissions. In 2022, the transition from

BTZ to natural gas was also completed at the Latina plant. Consequently, the consumption of fuel oil, which had already decreased in previous years, was completely eliminated in 2022.

Fuel and electricity energy balance (GJ)*

TYPE OF CONSUMPTION	PROVENANCE	2020	2021	2022
Fuel consumption	Diesel	267	368	476
	Petrol	42	32	41
	LNG	35.966	41.390	23.644
	Methane Gas	0	11.198	47.713
	Mazut Fuel Oil	19.919	7.578	-
Electricity consumption	Electricity purchased from third parties	11.284	12.048	13.196
	Self-generated electricity (PV plant)	3.321	3.167	3.419
Total energy consumption		70.799	75.782	88.489
Electricity sold	Electricità sold (FV plant)	1.446	1.143	1.043

* Sources of conversion factors: for fuels, we relied on the FIRE tables for conversion to toe (tonnes of oil equivalent) and the conversion factor between toe and gigajoules available from ENEA. <https://www.energiaenergetica.enea.it/glossario-efficienza-energetica/lettera-c/conversione-fattori-di.html>

Greenhouse Gas Emissions (ton CO₂ eq.)*

EMISSIONS	2020	2021	2022
Greenhouse Gas Emissions - Direct (Scope 1)	3.570	3.566	4.049
Greenhouse gas emissions - Indirect from electricity (Scope 2) location based	810	864	896
Total emissions	4.380	4.431	4.945

Emissions of CO₂ have been considered. For fuel emissions, the factor was obtained from the Table of National Standard Parameters UNFCCC - ISPRA 2021. For emissions from purchased electricity, the factor derived from ISPRA technical reports 343/2021 and 363/2022 was used.



Water consumption and water discharge

The water resource withdrawn by Coronet is mainly used for cooling the production facilities, as well as for civil purposes of employees and collaborators. Regarding supply, water is taken directly from wells owned by the company, two in Velletri and one in Cisterna di Latina.

Subsequently, the water passes through special cooling plants and is returned to the wells without

causing organoleptic or biological impacts on the water resource. Importantly, the water is neither used nor consumed in the production process.

In addition, the company holds a permit to demineralize the water withdrawn, using a plant that employs osmosis technology.

Water withdrawals from the well

	2020	2021	2022
m³ of water	88.621	103.771	103.351
Variation (%)	-15,98%	+17,09%	-0,40%
Total m³ of water withdrawn/ m² of material produced	0,040	0,0416	0,0301

4.7 The connection with the territory

The company is committed to developing a strategy aimed at cultivating relationships with the local area and the community. Also in 2022, the company is active in a number of Pro Bono initiatives including donations to Unicef, donations to the Red Cross, and the conversion of Christmas gadget spending into charitable handouts.

In order to implement a strong relationship with

stakeholders and promote the enhancement of a collective interest, the Society is considering changing its legal form by acquiring the name "Benefit Society" and subsequently acquiring "B-Corp" certification. Coronet could thus officially become an organization that, in addition to its profit goal, contributes to maximizing positive impact toward society, people and the environment.





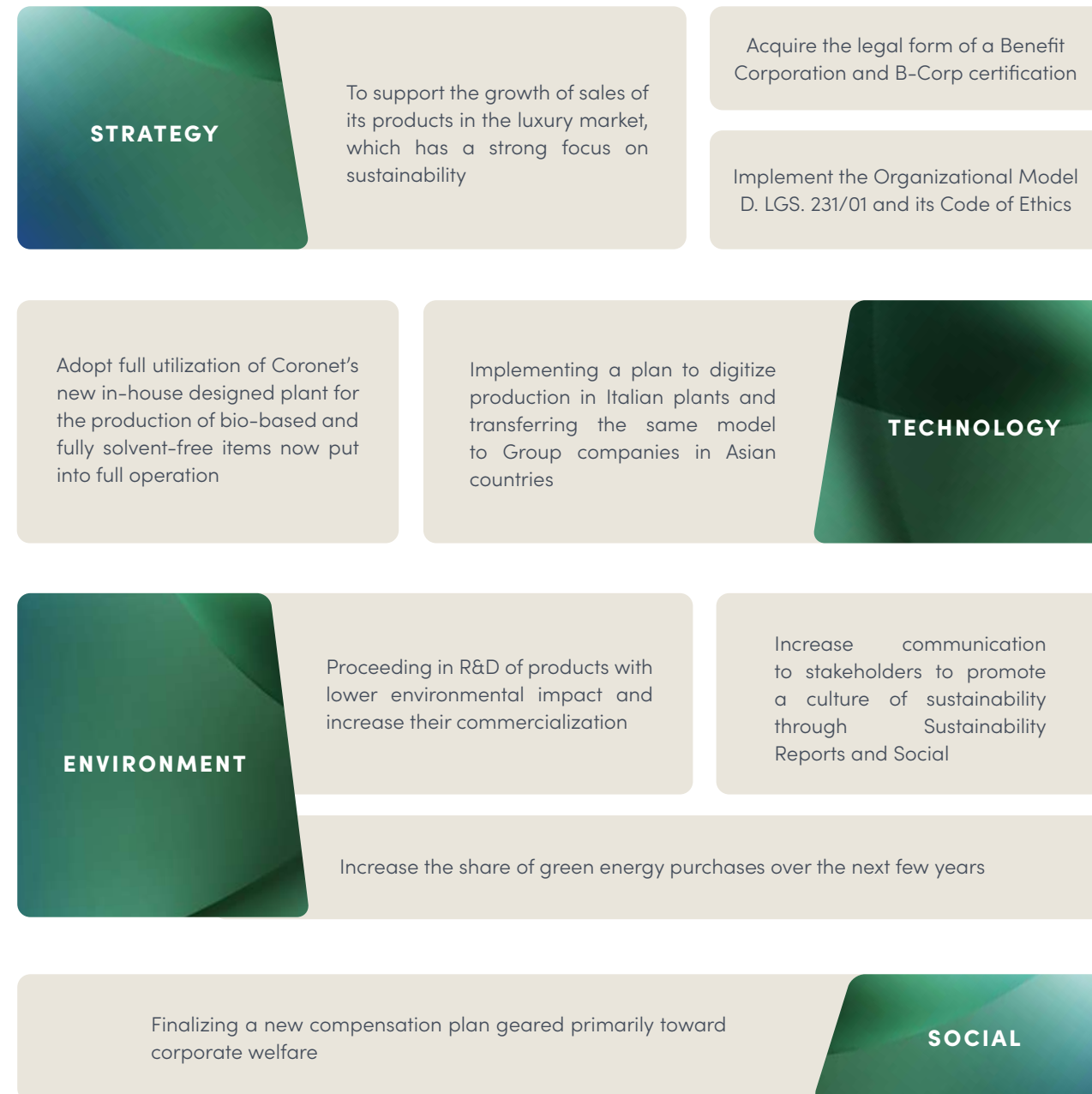
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Goals for the future

New ideas and new projects to be led with determination and responsibility



Coronet intends to continue to invest substantial resources to increase the Company's sustainability, especially in projects related to improving environmental impacts. For 2022 and future years, the company intends to pursue the goals described in the table below.



6 Methodological note

With this Sustainability Report, Coronet S.p.A. continues a path of reporting to provide stakeholders with a clear representation of its social and environmental performance, as well as its ability to generate value for the territory.

The reporting for 2022 improves on the content of previous years, and is a step forward on a path that will lead the company to definitively adopt European drafting guidelines over the next few years.

This Sustainability Report, which constitutes a valuable corporate communication tool as well as an additional useful means of information vis-à-vis all stakeholders, refers only to Coronet S.p.A. and considers the Italian organization as the scope of corporate reporting, unless otherwise indicated.

The impacts and issues on which the reporting in this edition of the document focused were identified through a variety of initiatives: discussions with members of the Board of Directors and key company contact persons, analysis of company documentation and analysis of press articles, and consideration of the main risks in the industry. This made it possible to arrive at an initial in-depth analysis of the negative and positive impacts involving the company, both in terms of actual effects produced and in terms of potential effects.

The information in the Sustainability Report refers to the activities carried out from January to December 2022 by Coronet S.p.A. in Italy, unless otherwise stated.

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CONSULENZA PER LA RENDICONTAZIONE

Hospitality Team S.r.l. Società Benefit

AGGIORNAMENTO DATI

31 dicembre 2022

PROGETTO GRAFICO

Estro Studio

Il report è consultabile anche all'indirizzo
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