

SUSTAINABILITY REPORT





MESSAGE TO THE STAKEHOLDERS

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MESSAGE TO THE STAKEHOLDER

THE PRESIDENT
Umberto De Marco

Coronet S.p.A. considers corporate social responsibility a central element of its strategic development and adopts an approach that values people by integrating them into a business model focused on economic, environmental, and social sustainability. This commitment is translated into the creation of innovative products while pursuing greater environmental sustainability through initiatives aimed at reducing impacts, monitoring energy resource use, actively employees involvement, and maintaining a transparent dialogue with all stakeholders.

Thanks to this commitment and the continuous pursuit of ever-more energy-efficient production processes and emission reductions, Coronet S.p.A. has, in recent years, developed its innovative and sustainable product lines: BioVeg, H2O, and Yatay™. In particular, the company is proud to announce the production launch of Yatay Z—a patented, cutting-edge line that marks a decisive step toward sustainability. For this innovation, an entire facility has been dedicated exclusively to the production of completely solvent-free materials, reaffirming the company's commitment to reducing environmental impact. Moreover, an in-depth study on acid coagulation has been started, a new technology that represents a potential revolution in the sector and a further contribution to sustainability.

Coronet S.p.A. strategic vision is built on a set of values consolidated over more than half a century of activity. These values inspire the company to promote responsible behaviour, contributing to community well-being and the country development in line with the expectations of current and future generations.

For the 2023 fiscal year, Coronet S.p.A. has again undertaken the drafting of its Sustainability Report, confirming its commitment to making its achievements, evaluated performance, and future objectives transparent and measurable. Innovation, Research and Development, environmental respect, ethics, and transparency are the pillars on which the company intends to face tomorrow's challenges.

A special thank you is extended to all collaborators, in every role and function, whose contributions are fundamental to achieving the company's objectives and the success of this sustainability journey.



HIGHLIGHTS

58

YEARS OF ACTIVITY

5

PRODUCTION FACILITIES
IN ITALY

4%

increase in revenue compared to 2022

5%

of the revenue from Yatay™ line sales is directly reinvested in the Yatay™ Lab, the R&D facility dedicated to developing increasingly innovative and sustainable solutions

31%

of electricity production from photovoltaic systems compared to total consumption

LAUNCH OF THE LINES



2023

27.791.657

in revenue for Coronet S.p.A.

92

employees (of which 7 are women and 85 are men), all on permanent contracts

79%

of the generated economic value is distributed

69%

of purchases come from Italian suppliers

71%

of non-hazardous waste—with 88% of it being recovered

COMPANY PROFILE

One Company, a Long History, and
a Future of Innovation and Sustainability

01



Our identity

Coronet was founded more than 58 years ago and is today a company active in the production of alternative materials to tanned leather, intended for the footwear, leather goods, furniture, clothing and automotive sectors. Thanks to the skills and entrepreneurial spirit of the founder Enrico De Marco, Coronet has established itself as one of the most innovative companies in the polyurethane coating sector, positioning itself among the leading companies worldwide. The constant search for quality has led the company to develop innovative, high-quality and sustainable products, thanks to materials with ever-decreasing environmental impacts.

In recent years, Coronet's path of consolidation and growth has taken on international importance, with investments in its own plants in southern China (Huizhou) and southern Vietnam (Ben Tre) and a constant commitment to reducing environmental impact. This commitment has turned into the design and development of BioVeg, the first line of bio-based products made with certified raw materials, to arrive today at the YatayTM line which is the evolution of the bio-based concept always combined with certified supports and finally certifiable by Coronet. The latter also leads to completely solvent-free versions with the latest addition: YatayTM Z.

With the acquisition of the Synt3 company, Coronet controls an international group with seven production plants, 5 of which are in Italy. Synt3 S.r.l. is an Italian company, founded in 1971, a leader in the production of materials mainly intended for the paper and book covering sectors.

Coronet is today present with its own commercial structure in the European market, in particular in Spain, Portugal, Germany, Holland and Finland, in the United States, in the United Kingdom, in the Far East market and in Brazil.



Headquarters and production plants: an international group

Coronet S.p.A. has two production plants: the first in the Cisterna di Latina (LT) and the second in Velletri (RM). While maintaining its Italian roots and continuing to invest in local production plants to serve European markets, the company has started an internationalization process to access international markets that have shown significant development in recent years. Starting in 2006 in China and 2014 in Vietnam, the company has established production plants in Asia. Furthermore, as mentioned, in 2022 the company Synt3 S.r.l. was acquired, based in Erba (CO), where today the administrative and management headquarters of Coronet are also located.

Below is the list of company plants and their functions in reference to the production process and the creation of the finished product.



01

Cisterna di Latina ^(LT)

8.000.000 linear metres

This is the plant dedicated to the production of supports and the creation of bases for sustainable lines. An entire industrial building has been reserved exclusively for solvent-free processes. The plant is also specialized in the “wet process” and “direct coating”, which are essential for the direct coating process. A special “solvent free” area has also been set up in the plant, where the self-made Coronet lines for the production of solvent-free materials have been located.

02

Velletri ^(RM)

6.000.000 linear metres

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

03

Erba ^(CO) – Synt3 S.r.l

14.000.000 linear metres

The reality is made up of three very close factories with a number of plants equal to those of the Cisterna di Latina and Velletri factories

04

Huizhou ^(China)

3.500.000 linear metres

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

05

Ben Tre ^(Vietnam)

13.000.000 linear metres

The Vietnamese factory carries out all the activities of the production process, from the processing of raw materials to the creation of the finished product (transfer coating, printing, lamination, tumbling and embossing) of products mainly intended for factories that produce in Vietnam and throughout South East Asia.



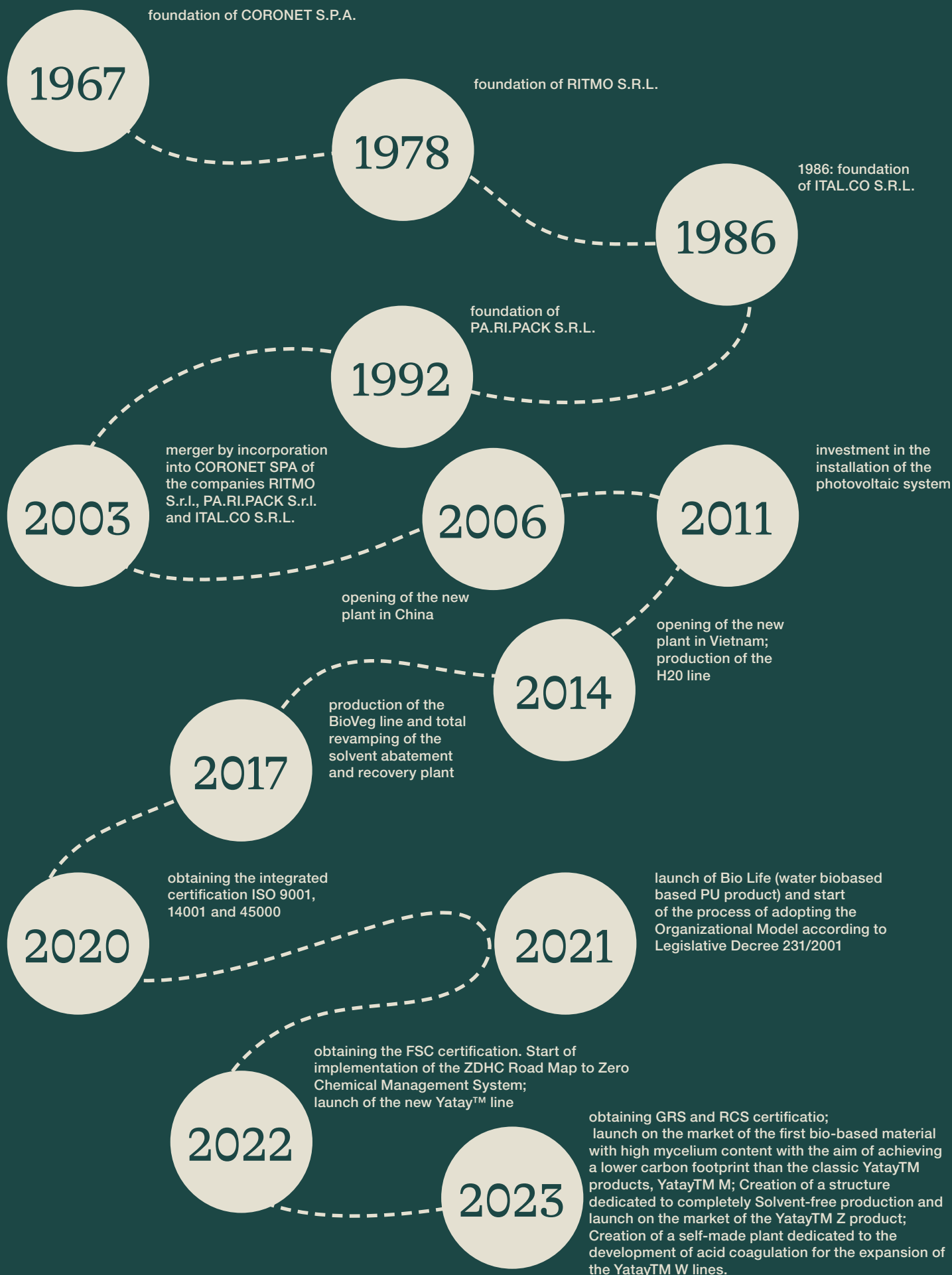
Our path

Coronet was founded in 1967 thanks to the intuitions of the founder Enrico de Marco, who led the company until the generational handover to his son Umberto De Marco. Thanks to their long experience in the sector of alternative materials to tanned leather and their determination, Coronet was able to immediately propose solutions of the highest quality level and with unique performances, 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 subsequently - in 2003 - were incorporated into the company Coronet S.p.A. through an extraordinary transaction. Since then, Coronet has operated through the offices of Corsico (Milan), Velletri and Cisterna di Latina. At the end of 2022, the administrative headquarters were transferred from the original headquarters in Corsico to the new headquarters in Erba, opened at the facilities of the acquired Synt3 S.r.l.

Coronet has always been a company strongly oriented towards exports and the international market. In order to maintain contact with historical customers in the United States and the United Kingdom, and to exploit expansion opportunities in the Asian market, in 2006 the company acquired its first industrial plant in China, followed in 2014 by the opening of a further plant in Vietnam. These investments allowed Coronet to strengthen its commercial offer towards a flourishing and rapidly expanding market. Despite the opening to international markets, Coronet has always maintained its typically Italian identity, with pride in the “Made in Italy” brand. This commitment has driven the company to further invest in the research and development of new materials with very low environmental impact and free of solvents.

TIMELINE OF RELEVANT EVENTS



The company's values, vision and mission

Deeply convinced that growth must be harmonized with respect for environmental and social values and with corporate governance based on clear and shared principles, Coronet has adopted its own Code of Ethics. This document highlights the fundamental values recognized, accepted and shared by the Group, as well as the set of responsibilities it assumes inspired by the principles of correctness, transparency and integrity.



LEGALITY

Coronet complies with national and community laws and regulations, and any other legislation in force in the countries where it carries out its activities.



IMPARTIALITY

Coronet avoids any discrimination based on nationality, race, health status, sexuality, political opinions and religious beliefs.



EQUITY OF AUTHORITY

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



BEHAVIORS REGARDING ENVIRONMENT AND SAFETY

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 carries out its business and organizes its business and economic management in compliance with them. Furthermore, the company works to preserve the health and safety of workers with preventive actions, guarantees the physical integrity of personnel and working conditions that respect individual dignity. Coronet is committed to complying with the regulations in force regarding health and safety in the workplace, to disseminating and consolidating a culture of safety, developing awareness of risks and promoting responsible behaviour by all employees



COMPETITION AND CONFLICT OF INTEREST

Coronet undertakes to comply with current legislation on fair competition and to avoid the manifestation of any conflict of interest between personal economic activities and professional duties.



DONATIONS AND SPONSORS

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

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

The main purpose that unites the company’s objectives, in line with the company’s Mission, is the achievement of low environmental impact production. This objective is achieved through research, the use of cutting-edge technologies and the use of ecological

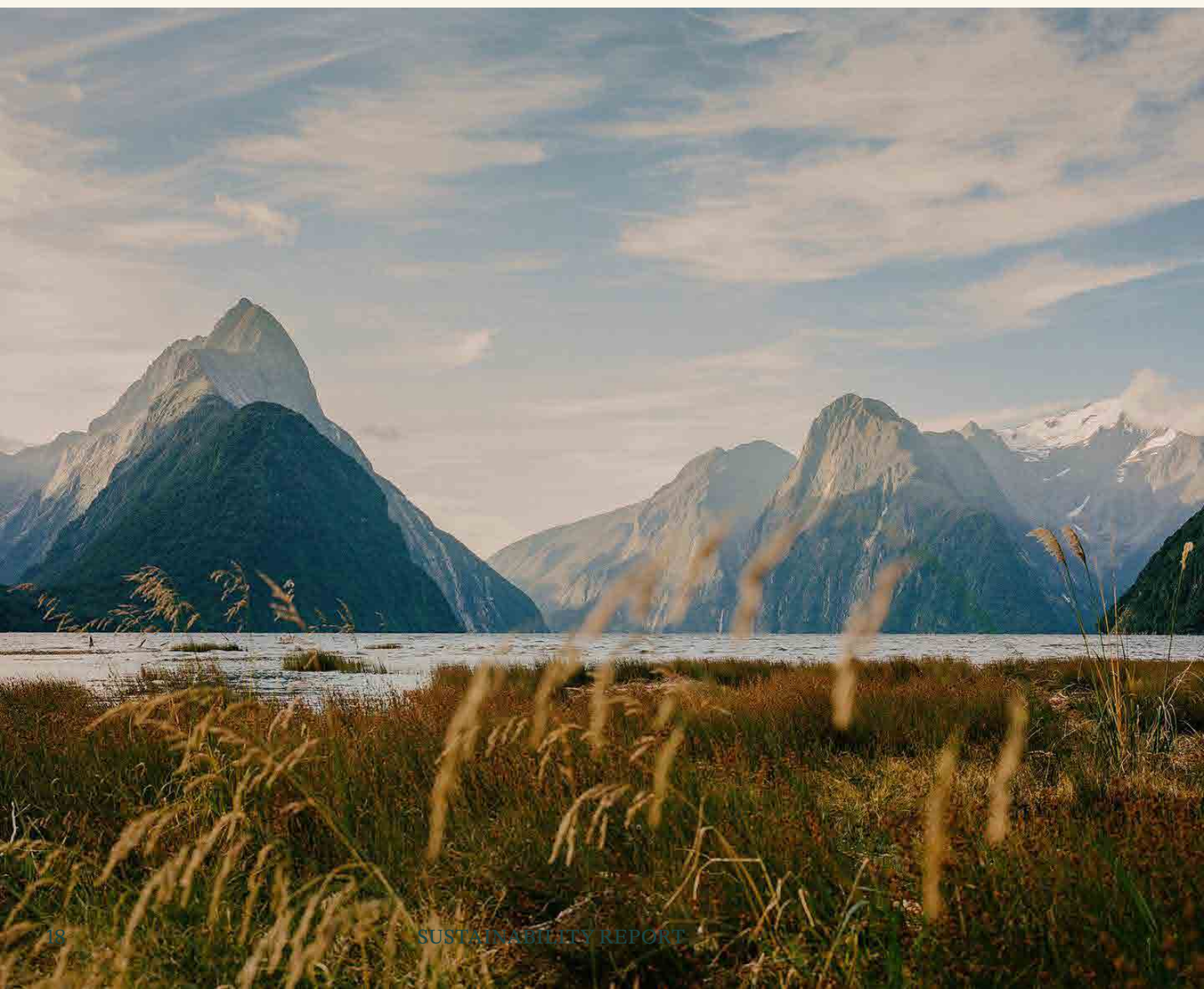
materials with high percentages of biomass. In addition to the consolidated commercial strength based on service and quality for customers, the company is also committed to innovation, the search for sustainable solutions for products and efficient processes that increasingly make use of digital technologies.

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

Certifications and certificates

Coronet has implemented an integrated management system certified according to ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 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 the FSC Chain of Custody certification, which certifies the traceability of its material from sustainably managed forests.

The GRS certification guarantees the origin of the recycled polyester from post-consumer recovery, ensuring the content of recycled materials and the limitation of the use of chemical products. In addition, the USDA certification confirms that the products contain a percentage of at least 25% of Bio Based material, with some items (from the Yatay™ and Bioveg lines) exceeding 80%. Finally, Coronet has obtained the PETA - People for Ethical Treatment of Animals certifications, awarded to companies that commit to not using raw materials of animal origin.



OUR CERTIFICATIONS¹

ISO 9001: 2015 CERTIFICATES NUMBER (Cisterna di Latina, Velletri): IT/0689IQ/0614 IT/0689IQ/0614-1 IT/0689IQ/0614-2 It defines the requirements for the implementation of a quality management system within an organization to conduct business processes, improve effectiveness and efficiency in product manufacturing and service delivery and obtain and increase customer satisfaction.	ISO 14001: 2015 CERTIFICATES NUMBER (Cisterna di Latina, Velletri): IT/0689IE/0614 IT/0689IE/0614-1 IT/0689IE/0614-2 It is the regulatory reference point 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 evaluating risks, and opportunities.
ISO 45001: 2018 CERTIFICATES NUMBER (Cisterna di Latina, Velletri, Corsico Erba): IT/0689IHS/0614 IT/0689IHS/0614-1 IT/0689IHS/0614-2 Specifies the requirements for an occupational health and safety management system and provides guidance for its use, to enable organisations to provide safe workplaces by preventing occupational accidents and ill-health.	FSC – Chain of Custody Certification CERTIFICATES NUMBER (riferito alle 3 sedi): INT-COC_001689 INT-CW-001689 International certification that guarantees the use of products containing wood from forests managed correctly and responsibly according to rigorous environmental, social and economic standards
PETA People for Ethical Treatment of Animals It is the largest global organization that defends animal rights through important initiatives. The “PETA-approved Vegan” logo therefore becomes a recognition that guarantees a reality guided by strong ethical values.	USDA BioPreferred The BioPreferred Program is a USDA-led initiative that aims to assist in the development and expansion of markets for biobased products. The program purpose is to stimulate economic development, create new jobs, and provide new markets for agricultural products. Increasing the development, purchase, and use of biobased products reduces dependence on petroleum, increases the use of renewable agricultural resources, and helps reduce negative environmental and health impacts.
	GRS (Global Recycle Standard) The GRS requires the release of an environmental declaration verified by a third party, which guarantees the content of recycled materials in products, both intermediate and finished, the maintenance of traceability throughout the entire production process, compliance with restrictions on the use of chemical products and the adoption of environmental and social criteria in all phases of the supply chain, from the recycling of materials to manufacturing processes, up to the labelling of the finished product.

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

With regard to the Synt3 company, it has the RCS (Recycled Claim Standard) certification, which recognizes the importance of recycling for the growth of a sustainable production and consumption model, with the aim of promoting the reduction of resource consumption (virgin raw materials, water and energy).

For more information regarding Coronet certifications and ratings please refer to the following websites:

1. <https://www.biopreferred.gov/BioPreferred/>
2. <https://www.peta.org/international/>

The Yatay™, Bioveg and H2O

Over the last few years, Coronet has launched some new product lines resulting from a corporate strategy focused on technological innovation, on reducing the environmental impact of production processes and on research and creation of materials with better environmental performance.

Yatay™ is the new line of Coronet that combines sustainability and innovation. It is born from the co-action platform between Coronet and Golden Goose (the famous Italian brand of high fashion sneakers).

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 with its multiple fields of application (footwear, leather goods, automotive, furniture and clothing), Yatay™ is changing the landscape of innovative solutions, with formulas that can help rebuild a more equitable and sustainable fashion industry, which continues to maintain its reputation for beauty, creativity and quality. The new line includes several products: Yatay™ Z, Yatay™ M, Yatay™ B, Yatay™ R and Yatay™ W, each with unique characteristics.





I PRODOTTI DELLA LINEA YATAY™



Yatay™ W includes all water-based materials made with aliphatic PU (Polyurethane) on recycled and GRS certified PES supports. Water-based PUs are excellent alternatives that help develop Coronet's green philosophy. Chemicals used in dyes and manufacturing 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, as well as excellent breathability properties.

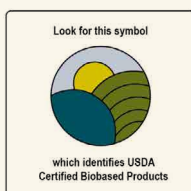
Yatay™ Z includes all solvent-free items made from selected raw materials (the entire supply chain is free from Volatile Organic Compounds) and made thanks to a patented process using FSC or GRS certified supports. Following the changing consumer demands, Coronet has taken great steps forward and focused its efforts on biomaterials completely free of solvents. Thanks to a unique production process, Yatay™ Z products can be made entirely without solvents. To ensure the total absence of any environmental contamination, the group has chosen to dedicate an entire building exclusively to the production of completely solvent-free materials, such as those of the Yatay™ Z line.

Yatay™ M includes all bio-based items made with advanced second-generation biopolyols, using FSC or GRS certified supports. With the integration of mycelium. Coronet mycelium is a by-product, derived from the only industrial process still carried out with a completely natural system for the production of Citric Acid. This production involves the fermentation of sugar with the consequent development of mycelium. Today this mycelium was only used in the animal feed industry or was disposed of in landfill. Thanks to Coronet's collaboration with the citric acid producing company, through the processing of mycelium, always with natural processes, we have managed to incorporate it into our Yatay™ B formulations. This allows us to increase the performance of our products in terms of environmental impact thanks to the large contribution to the Climate Change Indicator (measured through the study of the product's LCA) made by the mycelium. These products therefore maintain all the certifications as well as Bio Mass contents even higher than 80% generating a more performing LCA.

Yatay™ B includes all bio-based items made with advanced second-generation biopolyols, using FSC or GRS certified media. The transition from first-generation to second-generation bioproducts has become an essential goal, with the aim of improving the product with particular attention to environmental issues such as deforestation, biodiversity loss or worsening water scarcity. Items in this family are made with a portion of recycled PES from plastic bottles and biopolyols from non-food and non-GMO corn crops. These items are USDA certified with a bio percentage of over 25% and some of them even exceed 80%.

Yatay™ R includes all items made 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 Goose³

The partnership between the green soul of Coronet, a point of reference for the Made in Italy sustainable luxury market, and Golden Goose's passion for everything "Younique", brought the best of this encounter: the Yatay™ Model 1B sneaker. For this collaboration, Yatay™ B was chosen, the perfect combination of green technical performance and cutting-edge aesthetics.



GOLDEN GOOSE ★

3 Together with the client company Golden Goose S.p.A., the company Yatay S.r.l. was established on 31 May 2022, of which Coronet S.p.A. holds a 60% stake, whose activity consists in the research and development of innovative and eco-sustainable products that can be used for the production of footwear. For more information on the partnership, please refer to the following website: www.goldengoose.com/ca/it/forward/we-innovate.html



YATAY™ LAB

An innovation hub

Research and Development are at the heart of the company's commitment to providing new cutting-edge solutions with a view to collaborative exchange with various brands and small production companies. Coronet has decided to invest together with Golden Goose in a new action platform called Yatay™ LAB. This inspirational hub aims to become the centre of attraction for sustainable innovators from all over the world, who are looking for technical skills to ensure that their green creations become industrializable materials.

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

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



One of the product lines is made with a percentage of post-consumer recycled polyester and bio polyols derived from corn crops, without food competition and without GMOs. These materials have the highest percentage of raw material from renewable natural 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 investments in Research and Development, allows for a significant reduction in environmental impact compared to the use of traditional raw materials. BioVeg materials have been analyzed by specialized institutes according to the LCA (Life Cycle Assessment) analysis method, which evaluates the environmental impact based on the individual phases of the production process according to the 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 the use of natural resources. The BioVeg collection has a wide range of applications, suitable for different sectors, including footwear, leather goods, apparel, automotive, labels and coatings.

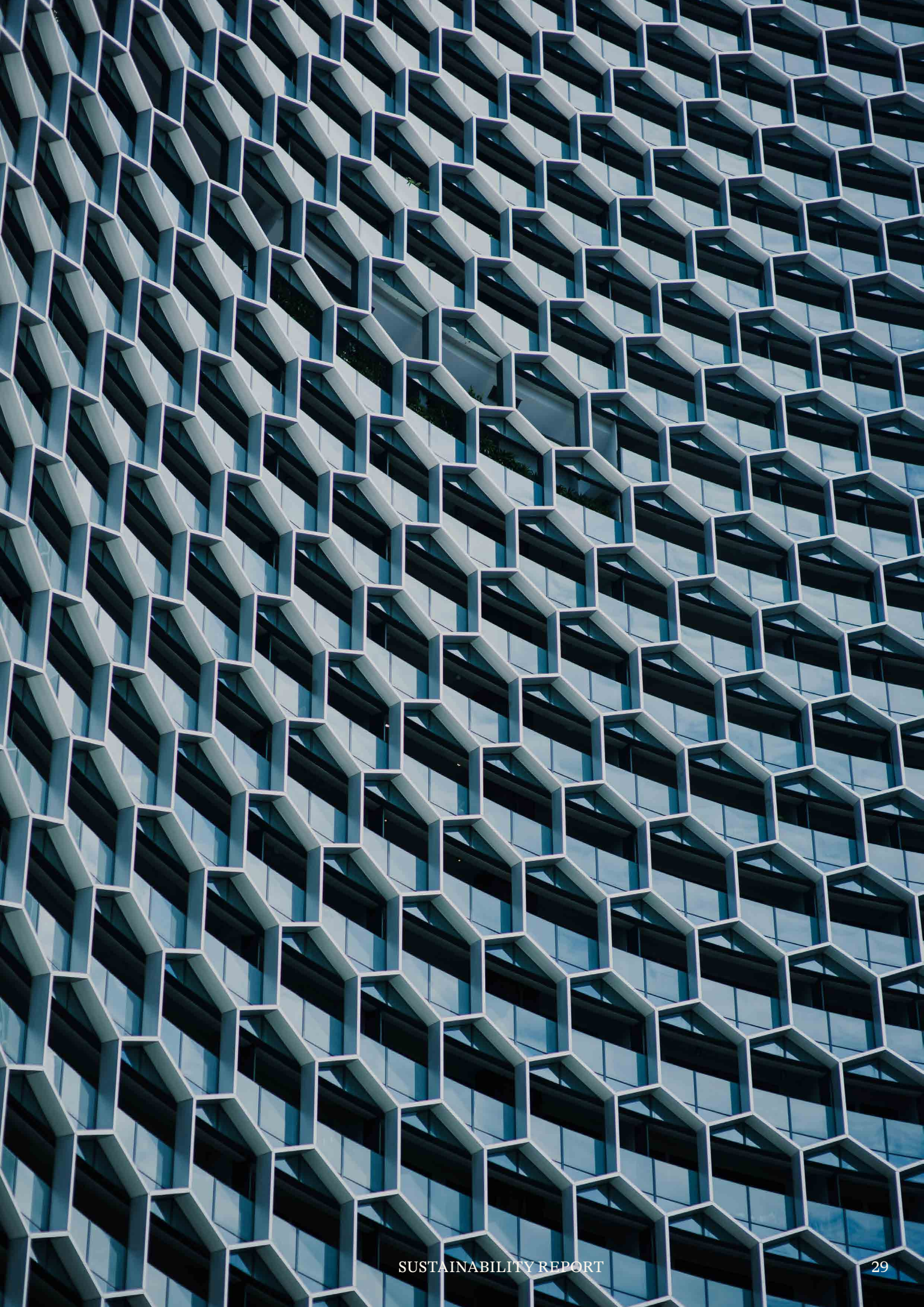


This line is the result of intense efforts by the Research and Development department. The peculiarity of this collection is the total absence of chemical solvents in the production process, which uses exclusively innovative water-based resins. This allows to reduce emissions both in the working environment and in the atmosphere. Thanks to the presence of raw materials completely free of solvents and waterborne aliphatic resins, together with the most advanced production technologies, this new range of products significantly reduces emissions without compromising the feel, softness and durability of the materials.

ORGANIZATIONAL STRUCTURE AND GOVERNANCE

Transparency and responsibility
in company management

02



Coronet S.p.A. is a joint stock company with a shareholding composition owned by De Marco Enrico for 1% of the ordinary shares and by De Marco Umberto for 99% of the ordinary shares.

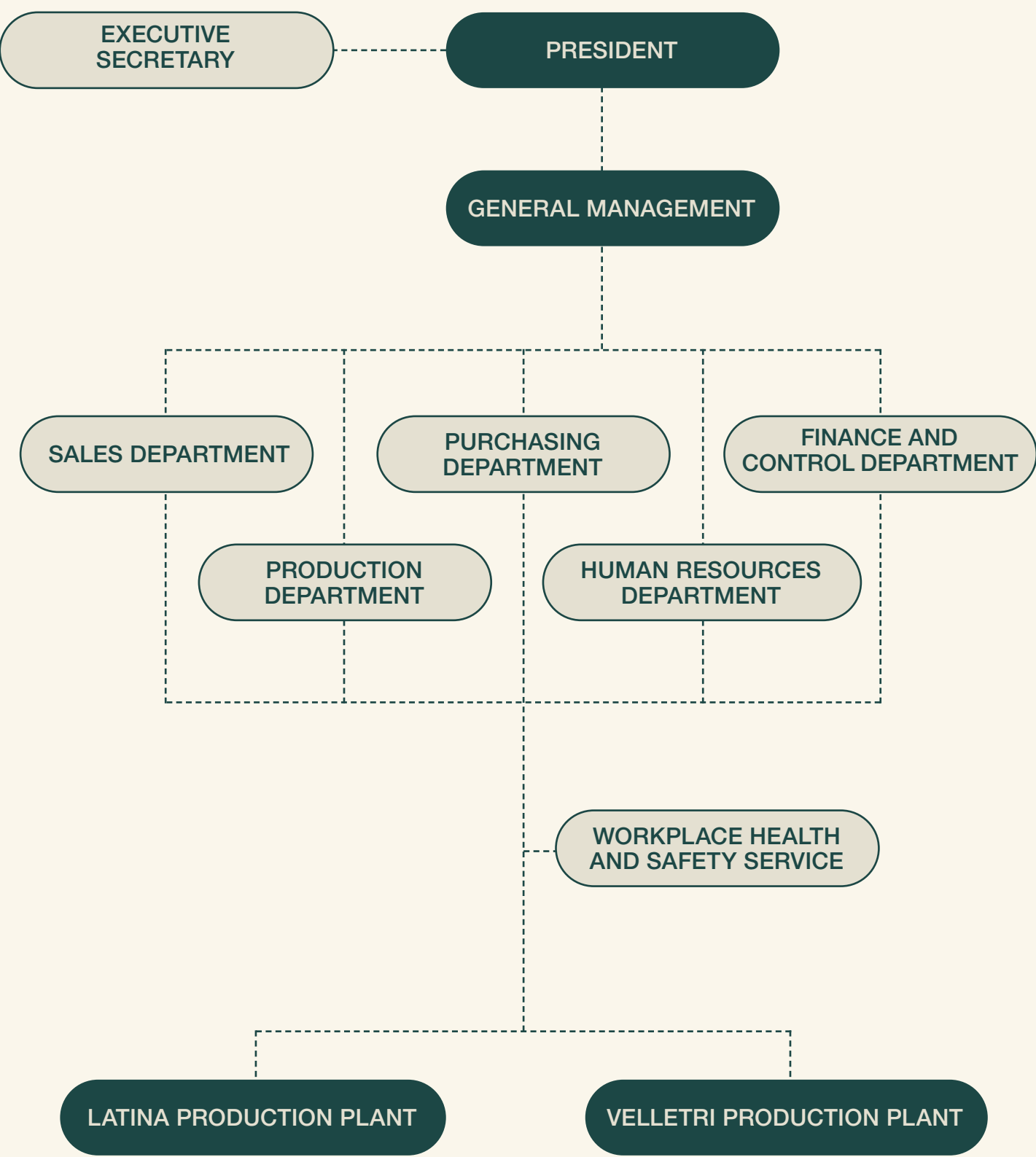
The Board of Directors of the company is composed of Umberto De Marco (Chairman of the Board of Directors), Jarno Tagliarini (Chief Executive Officer) and Massimo Bonomi (member of the Board of Directors). Two of the directors are between 30 and 50 years old, while one director is over 50 years old. One of the members of the Board of Directors is also an employee of the company with a managerial position.

Regarding the control bodies and auditors, the board of auditors of the company is currently composed of the President Pignataro Andrea Enrico, the Auditors Amenta Ferruccio, Sabatini Marco Giulio, Falcone Cristina and the Deputy Auditor Luraghi Andree.

CORONET S.p.A., in addition to its registered office, has several offices and branches both in Italy and abroad.

BOARD OF DIRECTORS	In power from 18/09/2024 – to 31/12/2025	Chairman of the Board of Directors	De Marco Umberto
		CEO	Tagliarini Jarno Paolo Corrado
		Managing Director	Dendi Massimiliano
BOARD OF AUDITORS	In power from 10/08/2023 – to 31/12/2025	Chairman of the Board of Auditors	Pignataro Andrea Enrico
		Statutory Auditor	Falcone Cristina
		Statutory Auditor	Sabatini Marco Giulio
		Deputy auditor	Luraghi Andree
		Deputy auditor	Paltrinieri Francesco
AUXILIARIES	In power from 12/02/2016 until revocation	Legal representative	De Martin Gianluca
	In power from 03/28/2018 until revocation	Legal representative	Beraldi Domenico

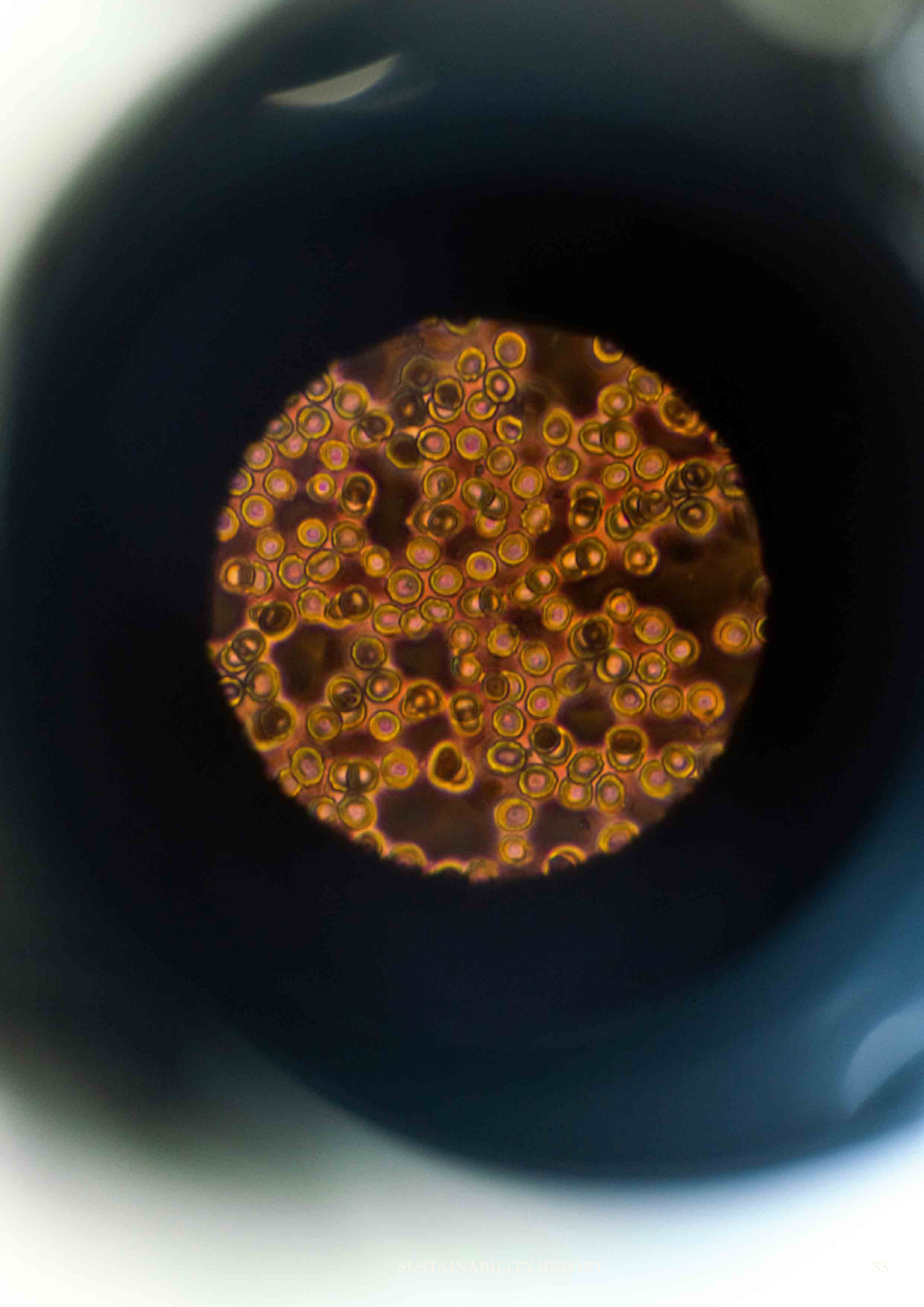
Coronet S.p.a organizational chart



THE BUSINESS MODEL AND SUSTAINABILITY

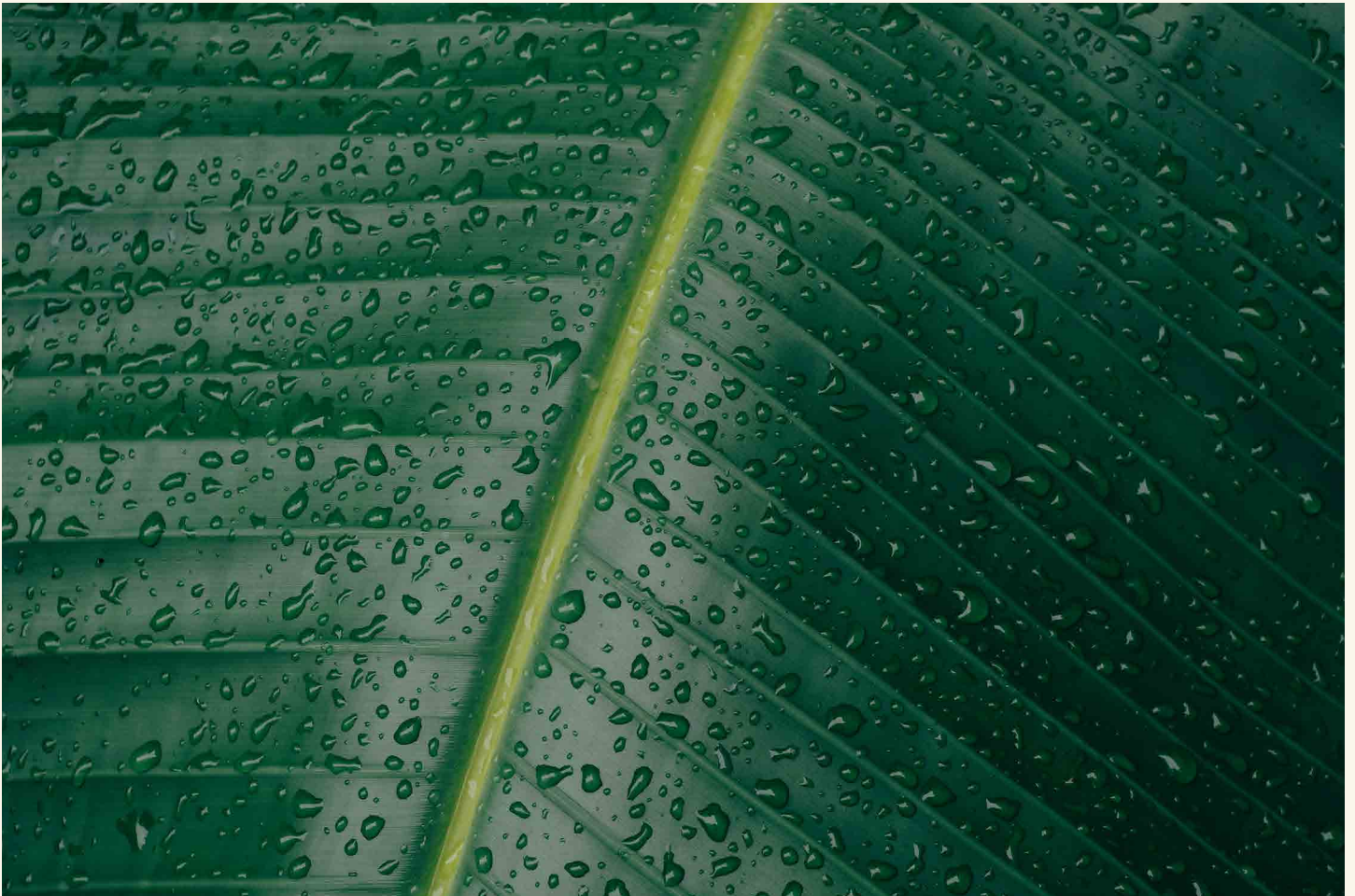
A company focused on quality,
innovation and sustainability

03



The context

Coronet carries out its production activity in a market sector that places the constant search for innovation and quality as a condition for remaining competitive. Its historical experience and expertise in the production of technical materials is now rapidly developing through the search for greater environmental and social responsibility. This means that the company must demonstrate its ability to manage, mitigate and avoid impacts that generally characterize its sector; among these, we find those attributable to the use of materials of plastic origin, to the consumption of energy from fossil sources, to the consequent emissions of gases harmful to the environment, to water consumption, to polluting emissions, to the use of harmful chemical substances in production processes and to the high production of waste. The possible production of negative impacts may also depend on the possible consequences of the business relationships that characterize this market and related to the management of the supply chain and the relationship with direct customers.



Our sustainable choice

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

Under the leadership of Umberto De Marco, Coronet has accelerated 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 solvents harmful to the environment and the new Yatay™ line which presents particular characteristics in terms of sustainability, described in paragraph 1.6. The company has also aimed at growth in the luxury market and has adopted a faster technological process to promote corporate, cultural and organizational change. Finally, Coronet intends to continue implementing efficient processes based on digital technologies.

In September 2023, the first global research and development (R&D) hub, Yatay™ LAB, was launched 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 born through the new partnership started by Coronet with Golden Goose, a pioneer brand in the luxury sneaker market, for the creation of an R&D hub.

The application study was also started in the 2023 financial year, through the creation of a “self-made” industrial plant for the production of coagulated support through a new “acid coagulation” technology. The plant was installed in the building built with the aim of starting solve-free technologies avoiding any type of environmental contamination. The purpose of this development is to expand the articles of the Yatay™ W line by widening the spectrum of possible uses.

CORONET’S STRATEGIC OBJECTIVES



Our stakeholder

The ability to understand and satisfy the interests of different 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 that influence corporate strategies, Coronet adopts a collaborative and long-term approach with all its stakeholders. Coronet's willingness to undertake a path of sustainable development is highlighted by this document, which represents the company's commitment to promoting responsible and sustainable management. Collaboration with stakeholders is a key element to achieving this goal, as it allows a wide range of perspectives to be considered and informed decisions to be made, which respect the interests of all parties involved.



A shared commitment
for a common goal

I NOSTRI STAKEHOLDER

CUSTOMERS

**HUMAN
RESOURCES**



SUPPLIERS

TERRITORY















ENVIRONMENT

Identifying the impacts



With the aim of verifying, evaluating and updating the topics already reported in the previous Sustainability Reports, the company has updated its process for identifying material topics, identifying them starting from the main positive and negative impacts that the company actually or potentially produces.

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 starting from the priority impacts for the company.

Priority topics	Main impact generated (potential/actual)	Sign of impact
ETHICAL AND RESPONSIBLE GOVERNANCE	Implementation of transparency and corporate integrity policies to ensure ethical and responsible decisions.	
	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, territory, etc.).	
INNOVATIVE AND ENVIRONMENTALLY RESPONSIBLE PRODUCTS	Development of innovative technical products with a reduced environmental footprint.	
	Possibility of negative environmental impact resulting from production	
EFFICIENT PRODUCTION AND USE OF ELECTRICITY	Adoption of practices and technologies to improve the use of electricity.	
	Possibility of excessive energy consumption or dependence on non-renewable energy sources.	
WATER AND WATER DRAINAGE	Possibility of inadequate water drainage or water waste	
REDUCTION OF CO ₂ EMISSIONS	Implementation of measures to reduce CO ₂ emissions, for example through the use of renewable energy.	
	Possibility of high CO ₂ emissions due to production processes or business operations.	
WASTE AND WASTE REDUCTION	Adoption of policies and practices for the reduction, recycling and correct disposal of waste produced.	
	Possibility of inadequate waste generation and management	
CAREER AND SKILLS DEVELOPMENT	Taking care of employees' skills and career development.	
HEALTH AND SAFETY IN THE WORKPLACE	Presence of a certified management system for health and safety at work	
	Possible injuries or occupational diseases	

Coronet ONU Agenda

The need for economic growth that respects the future of the planet and future generations emerged with the Kyoto Protocol of 1997, one of the first manifestations of awareness that highlighted how the traditional model of economic development would lead to the collapse of the Earth's ecosystem in the long term.

The concept of sustainable development includes 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 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 (Sustainable Development Goals - SDGs) that apply universally to the adhering countries, divided into 169 specific sub-goals and more than 240 indicators. The goal is to end poverty, fight inequality, promote social and economic development, while maintaining a focus on the fight against climate change and building a sustainable society by 2030.

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





GENDER EQUALITY

- 5.1 End all forms of discrimination against all women (...)
 5.5 Ensure women's full and effective participation and equal leadership opportunities at all levels of decision-making (...)"

Coronet respects equal opportunities, social inclusion and diversity and considers them fundamental to achieving an adequate corporate climate. In the company, women also occupy decision-making roles



SUSTAINABLE MANAGEMENT OF WATER RESOURCES

- 6.4 substantially increase water efficiency in all sectors (...)

The water resource does not enter and is not consumed in the production process.



CLEAN AND AFFORDABLE ENERGY

- 7.2 significantly increase the share of renewable energy in the global energy mix

Electricity generation through photovoltaic systems.

Implementation of LED bulbs.



FAIR WORK

- 8.8 Protect labour rights and promote a safe and secure working environment for all workers, including migrant workers, in particular migrant women, and those in precarious employment

UNI ISO 45001:2018 health and safety at work .



BUSINESS, INNOVATION AND INFRASTRUCTURE

- 9.4 upgrade infrastructure and modernise industries to make them sustainable, with greater resource efficiency and greater adoption of clean and environmentally friendly technologies and industrial processes (...)

Digitalization of production and production lines

Investments in Research and Development aimed at obtaining a renewable raw material, with biological and natural components respecting the environment and the ecosystem.



RESPONSIBLE CONSUMPTION AND PRODUCTION

- 12.2 By 2030, achieve sustainable management and efficient use of natural resources
- 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
- 12.6 Encourage enterprises, especially large and transnational enterprises, to adopt sustainable practices and integrate sustainability information into their periodic reporting

UNI ISO 14001:2015 - Environmental Management System

LCA (Life Cycle Assessment) approach

Product lines with low environmental impact

Production of products with very low bi-solvents content

Production of materials composed of bio-plastic compounds produced from renewable resources

Research of raw materials of the highest quality and GRS certified

Processes for reusing the solvent used in production

Publication of the Sustainability Report



FIGHTING CLIMATE CHANGE

- 13.1 Strengthen resilience and adaptive capacity to climate-related risks and natural disasters in all countries

Increase in the use of fuels with a lower environmental impact to power production plants



LIFE ON EARTH

- 15.2 By 2030, promote the implementation of sustainable management of all types of forests (...)

Research of raw materials of the highest quality and FSC (Forest Stewardship Council) certified

ECONOMIC, SOCIAL AND ENVIRONMENTAL PERFORMANCE

Pursuing results oriented
towards sustainable growth

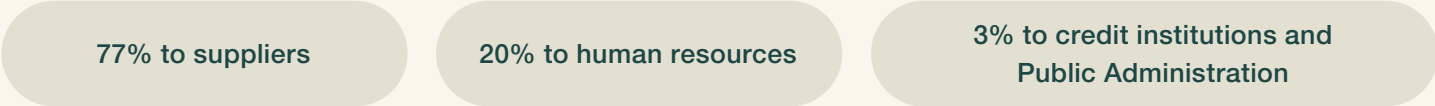
04



The distributed economic value

This paragraph proposes a reclassification of the Income Statement of the 2023 Financial Statement through the scheme of the Economic Value directly generated and distributed. In the evaluation, the categories taken into consideration are: suppliers, through operating costs, personnel, credit institutions and Public Administration.

Coronet operated within a balanced management from an economic and financial point of view and managed to distribute approximately 79% of the directly generated value for 2023. The distributed value presents the following percentage breakdowns:

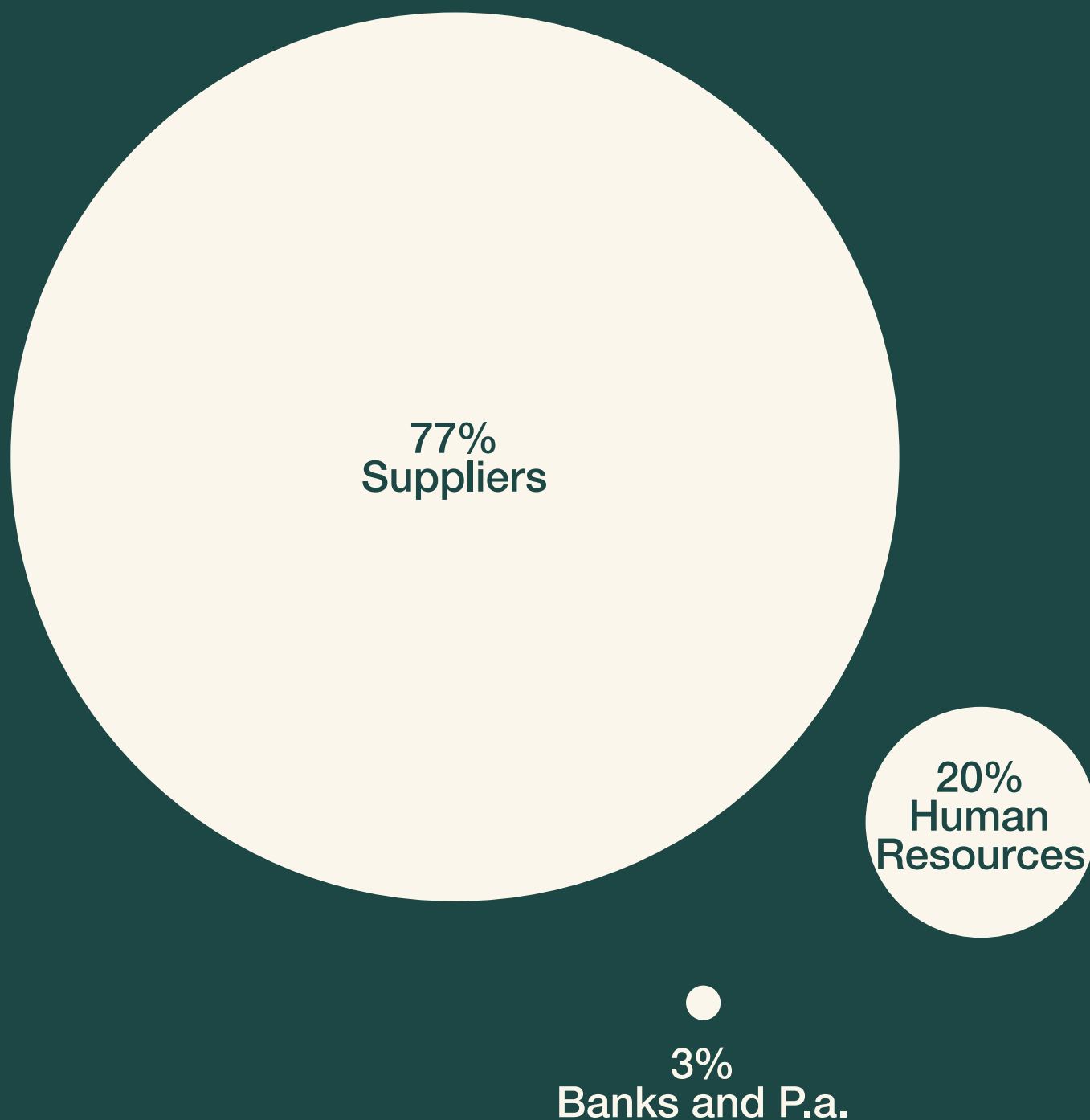


ECONOMIC VALUE DIRECTLY GENERATED AND DISTRIBUTED

	2023
DIRECTLY GENERATED ECONOMIC VALUE	31.743.748
Sales revenue	27.605.079
Other income and adjustments	4.138.669
DISTRIBUTED ECONOMIC VALUE	24.983.403
Operating costs (for raw materials, services, use of third party assets and other operating costs)	19.346.152
Personnel costs	4.892.313
Payments to credit institutions	129.182
Payments to Public Administration	615.756
ECONOMIC VALUE RETAINED	6.760.345
of which profit for the financial year	5.160.754
of which depreciation	1.599.591

YEAR 2023

THE DISTRIBUTION OF THE ECONOMIC VALUE GENERATED



Customer relations

Listening to the customer: the key to achieving success

Coronet customers mainly belong to the luxury market and pay particular attention to the environmental sustainability characteristics of the products. Below are the tables showing the breakdown of revenues by product category (H2O, BioVeg and traditional line) and by geographic market, in reference to the four main business areas (Footwear and Leather Goods, Automotive, Paper and Clothing) in 2022 and 2023 considered for the entire Coronet group.

In 2023, the level of net revenues of the sustainable product lines was recorded at a total of 4,950,649.

Net revenues broken down by product lines and outlet sector – 2022

PRODUCT BUSINESS	Footwear/ leather goods	Automotive	Papermaking	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
More	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

Net revenues in Euros by geographic market – 2022

PRODUCT CATEGORY	Asia	Italia	Europe (ex- cluding Italia)	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
More	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

Net revenues in Euros by geographic market – 2023

PRODUCT BUSINESS	Asia	Italia	Europe (ex- cluding Italia)	America	TOTAL
H2O	-	174.291	23.888	29.879	228.059
BioVeg	121.067	3.373.867	1.148.247	79.409	4.722.590
More	7.502.253	22.114.563	9.922.270	22.803.059	62.342.145
TOTAL	7.623.320	25.662.721	11.094.405	22.912.347	67.292.794

Net revenues broken down by product lines and outlet sector – 2023

PRODUCT CATEGORY	Footwear/ leather goods	Automotive	Papermaking	Clothing	TOTAL
H2O	203.961	-	-	24.097	228.059
BioVeg	4.640.175	362	28.114	53.940	4.722.590
More	38.442.249	11.449.029	12.268.666	182.201	62.342.145
TOTAL	43.286.385	11.449.391	12.296.780	260.238	67.292.794

Considering only Coronet S.p.A., net revenues from the sale of low environmental impact products represent 57% of total revenues to third parties, with an improvement compared to 2022, when such revenues constituted 48% of the total.

With regard to future objectives, Coronet S.p.A. intends to achieve a turnover composition in which low environmental impact products represent at least 70% of the entire amount of revenues.

Coronet pays particular attention to customer relationship management. CRM (Customer Relationship Management) activities are applied in different profiles and areas, with the aim of creating long-lasting relationships with customers. To this end, Coronet strategy involves actively seeking collaborations with suppliers that can become long-term partnerships. 90% of the company turnover comes from the sale of highly customized items, created to meet the specific needs of end customers. The continuous search for excellence is the driving force behind all company activities, including the search for raw materials from sustainable supply chains, expansion into new markets and new geographies, as well as the implementation of sustainability communication and promotion initiatives aimed at customers.

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

- ① Specific meetings with customers.
- ② Information initiatives.
- ③ Multi-thematic discussion tables with the participation of customers and suppliers.
- ④ Organization of guided tours of the company.

Coronet pays particular attention to information initiatives and customer training on the topic of responsible consumption. Specific actions are used such as in-depth discussions with sales agents, sending content via email, ad-hoc meetings with customers and publishing articles and information material in the news section of the company website. Furthermore, Coronet is active on the social channels of Facebook and Instagram, with posts targeted to followers.

An aspect of particular importance in terms of quality and customer care is the organization of co-design tables for the final product, involving both customers and suppliers. These meetings allow us to listen to requests for improvement in the production and design of the items and to define together the final characteristics of the products, which are then communicated and implemented in the laboratory. Through these different customer relationship management activities, Coronet constantly seeks to retain its customers and increase customer satisfaction in the long term. To this end, the company has a structured, highly qualified and specially trained sales network, which deals with the promotion, identification and implementation of offers targeted to the customer, ensuring a fast and quality service to promptly respond to customer needs.

CUSTOMER RELATIONSHIP MANAGEMENT

Product customization is done through Research and Development activities based on the proposals received during the discussion with the customer. Usually, the process starts with the selection of an existing Coronet product that can be modified to meet the additional requirements requested. The company is particularly active in organizing guided tours, especially to present the characteristics of innovative products that arouse greater curiosity and interest, compared to traditional ones. To promote correct and transparent information on the safety and integrity of the products, Coronet pays particular attention to the management of controls. Through a detailed procedure, the company is able to identify any anomalies and discrepancies in production, which are communicated daily to the entire technical team to promptly address the problem in a team perspective. This process is preceded and accompanied by a solid internal procedure for managing complaints. Below are some statistics relating to complaints from the last three years, which remain within normal levels in the three-year period and record a decline during 2023.

Complaints Statistics

	2021	2022	2023
Complaints	70	68	47

Relations with suppliers

Suppliers are trusted partners with whom we share the goal of creating excellence

Procurement policies and supplier relationship management play a central role in Coronet's success. During supplier selection, the company is committed on a daily basis to favouring innovative products, characterized by high quality performance, attention to the environment and advanced technical characteristics, in compliance with the quality management system processes.

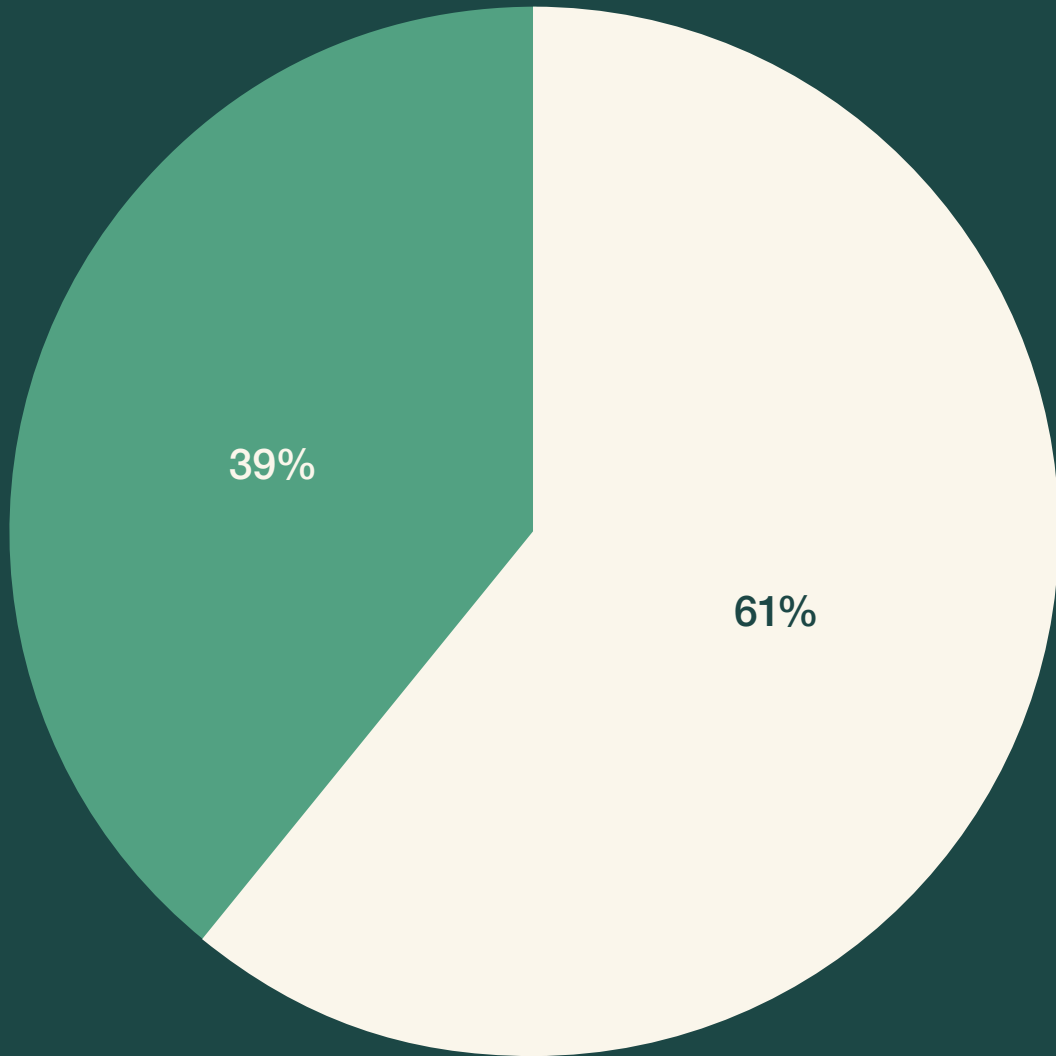
The presence of a large group of historical and loyal suppliers, with whom Coronet maintains consolidated partnerships, some active for decades, is of strategic importance. This high level of supplier loyalty is mainly attributable to the application of policies based on correct information management and the adoption of constantly updated and transparent communication. To this end, numerous meetings are organized with suppliers, including interviews, telephone calls and video conferences, in order to define the objectives and results to be achieved in relation to the specific characteristics and peculiarities of the products and services.

With regard to payment terms, the company applies adequate payment terms to all suppliers.

The following graph shows the percentage of Italian suppliers compared to those from other geographical areas for the year 2023.



2023 SUPPLIERS



● Italy

● Extra EU

Human resources management

A work environment where people feel valued and encouraged

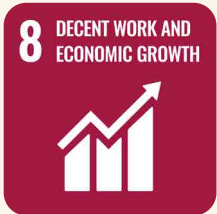
Coronet believes it is essential to foster the professional development of its employees within a positive working environment, to enhance skills and promote a culture of change oriented towards customer satisfaction. Health and safety at work have always been a priority for the organization, which has adopted the ISO 45001:2018 certification as a specific management system for all its operating sites. Employment relationships at Coronet are governed by a collective bargaining agreement that covers the rubber, plastic, electrical cable and related industries, covering all employees at 100%. As of 31/12/2023, the company had 92 employees, of which 7 were women and 86 men. In Erba, 13 people worked (of which 5 were women and 8 men), in Velletri 50 (of which 2 were women and 48 men) and in Latina 29 (all male). During 2023, 5 temporary workers worked within the company, 4 men and 1 woman, while in 2022 12 temporary workers worked, all male. All temporary workers work full-time and as employees (2) or as line workers ⁽³⁾.

Number of employees at the end of the year

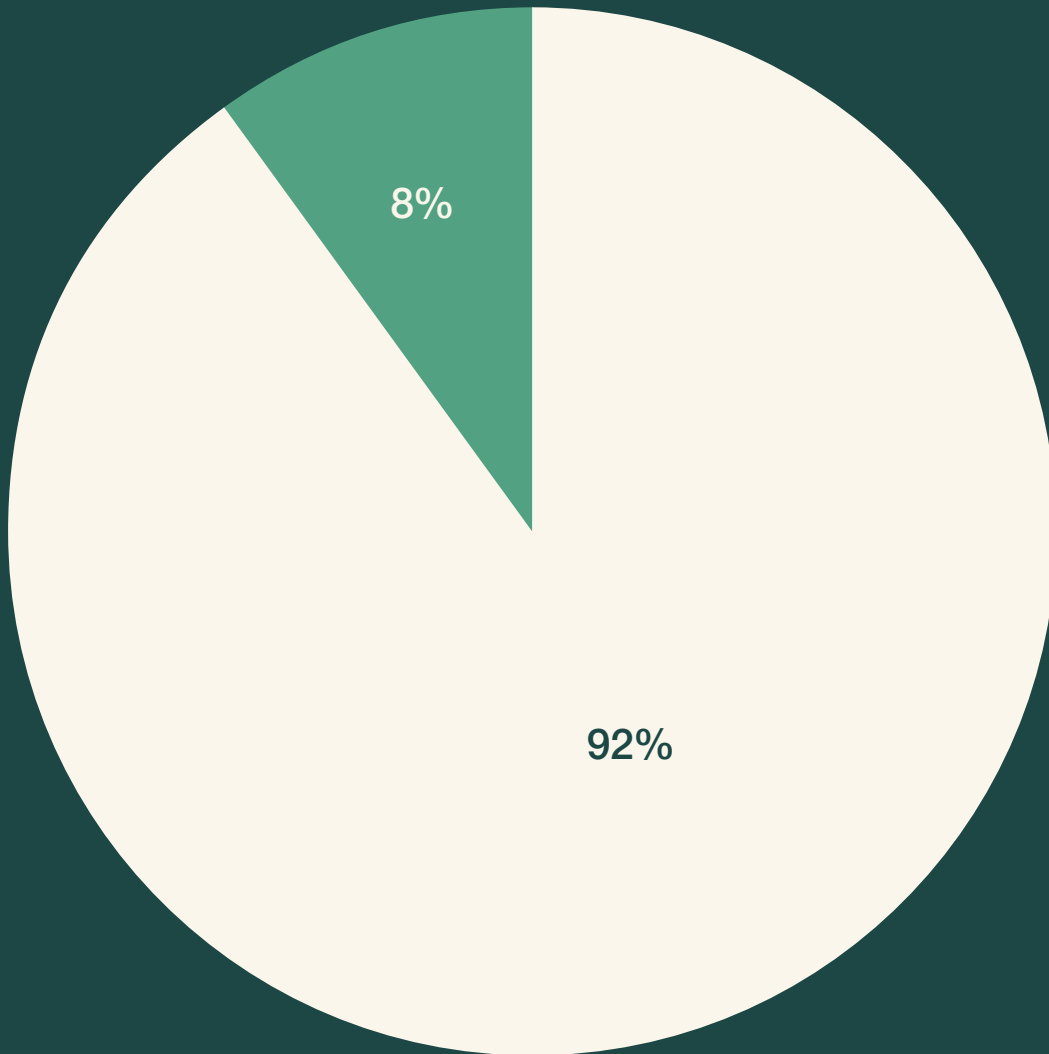
	2021		2022		2023	
Women	13	13%	10	11%	7	8%
Men	84	84%	84	89%	85	92%
TOTAL	97		94		92	

Total number of employees by gender (as of 12/31/2023) by location

	ERBA	VALLETTRI	LATINA
TOTAL	13	50	29
Women	5	2	0
Men	8	48	29



2023 STAFF COMPOSITION BY GENDER



● Men

● Women

The company seeks a working relationship based on mutual trust and continuity of the relationship. All employees are hired through a permanent contract and in the last three years in the workforce there has been only one male person with a part-time contract at the Velletri office.

Number of employees by contract type and gender (as of 12/31/2023) by location

	2021	2022	2023
INDEFINITE PERIOD	97	94	92
women	13	10	7
men	84	84	85
FIXED TERM*	0	0	0
women	0	0	0
men	0	0	0

* including apprentices

Number of employees by contract type and gender (as of 12/31/2023) by location

	ERBA	VELLETRI	LATINA
INDEFINITE PERIOD	13	50	29
women	5	2	0
men	8	48	29
FIXED TERM*	0	0	0
women	0	0	0
men	0	0	0

Number of employees by length of employment and gender

	2021	2022	2023
FULL-TIME	96	93	91
women	13	10	7
men	83	83	84
PART-TIME	1	1	1
women	0	0	0
men	1	1	1

Number of employees by length of employment and gender as of 12/31/2023 by location

	ERBA	VELLETRI	LATINA
FULL-TIME	13	49	29
women	5	2	0
men	8	47	29
PART-TIME	0	1	0
women	0	0	0
men	0	1	0

Coronet’s staff is made up of 59% workers, 27% office workers, 11% executives and 3% managers. Most employees are over 50 years old; however, the company continues to be committed to implementing policies to renew its workforce and ensure adequate generational turnover; there are two more employees under 30 years old compared to the previous year. New hires are guaranteed specific training to acquire the skills necessary for their role.

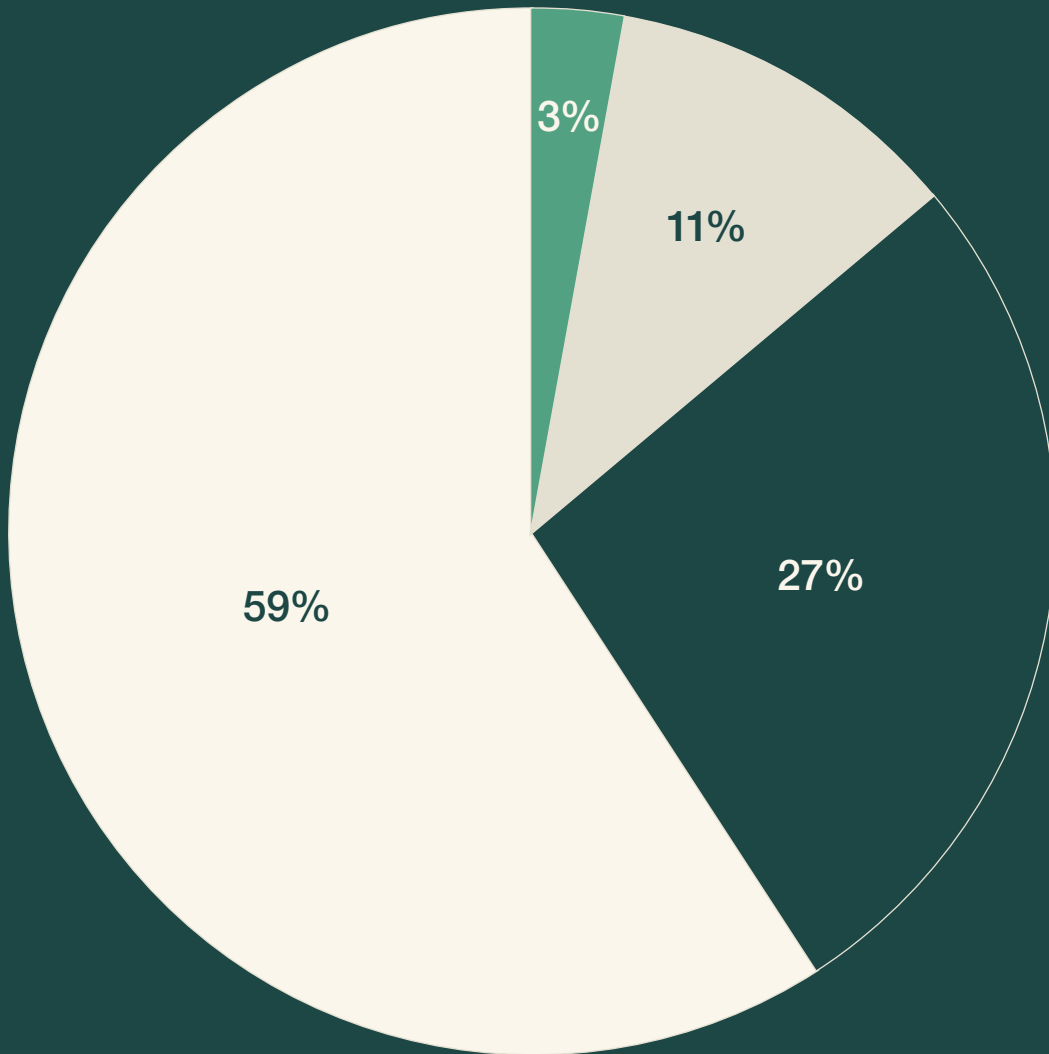
In fact, the company launches a training program called Welcome Training, in which new employees are supported by department heads or production managers, who guide them in learning operational activities that require specificity and craftsmanship. They are also often placed in various departments on a rotation basis to understand the different processes and obtain a complete vision of the entire production process. It should be noted that, particularly in the administrative area, the company has formed a young and dynamic team, capable of covering roles of medium responsibility.

Breakdown of staff by professional qualification and gender

	2021	2022	2023
MANAGERS	2	2	3
women	0	0	0
men	2	2	3
MIDDLE MANAGERS	14	12	10
women	3	3	2
men	11	9	8
EMPLOYEES	36	26	25
women	12	19	5
men	24	7	20
WORKERS	50	50	54
women	0	0	0
men	50	50	54

2023

BREAKDOWN OF STAFF BY PROFESSIONAL QUALIFICATION



● Workers
○ Employees

● Managers
● Middle managers

2023 BREAKDOWN OF STAFF BY PROFESSIONAL QUALIFICATION AND GENDER



● <30

● 31-50

● >50

There is a slight increase in the overall turnover rate compared to the previous year. Below are the data relating to personnel incoming and outgoing, divided by age groups and the turnover rates.

Staff entries and exits by gender and age group

	2021		2022		2023	
AGE GROUP	Entries	Exits	Entries	Exits	Entries	Exits
<30	2	0	3	3	4	2
Women	0	0	2	3	0	1
Men	2	0	1	0	4	1
30-50	6	2	3	3	5	3
Women	4	1	2	2	0	1
Men	2	1	1	1	5	2
>50	1	3	0	3	0	6
Women	0	1	0	2	0	1
Men	1	2	0	1	0	5
TOTALE	9	5	6	9	9	11
Women	4	2	4	7	0	3
Men	5	3	2	2	9	8

Overall company turnover rate

	2021	2022	2023
AVERAGE STAFF FOR THE PERIOD	97,08	97,06	93,91
OVERALL TURNOVER RATE*	13,39%	15,45%	21,30%

*incoming + outgoing/average workforce) x100

Overall turnover rate by gender

	2023
AVERAGE STAFF OF THE PERIOD MEN	85
AVERAGE STAFF OF THE PERIOD WOMEN	8
OVERALL TURNOVER RATE* MEN	20
OVERALL TURNOVER RATE* WOMEN	37,5

*incoming + outgoing/average workforce) x100

Coronet actively promotes respect for equal opportunities, social inclusion and diversity, considering them fundamental to creating an appropriate business environment. The company operates in compliance with Law No. 68 of 1999 regarding the employment of people with disabilities; at the end of 2023, Coronet had 5 employees belonging to protected categories.

Some women hold decision-making roles within the company, with 2 women working as managers. No incidents of discrimination have been recorded over the past year.

During the reporting period, no employee took advantage of parental leave. Coronet takes due account of its employees' work-family balance needs, carefully planning work shifts. Travel between company offices is scheduled and employees are informed at least 30 days in advance. The two people who live far from their workplace, one in Lombardy and one in Prato, but who work at the plants in Lazio, are guaranteed accommodation and weekly return trips to their families. Coronet adopts a participatory personnel management approach, communicating its production objectives and regularly sharing the results achieved through periodic reporting, in order to motivate and involve employees. The company holds continuous discussions with union representatives (RSA and RSU) to share half-yearly results and monitor developments over time. Corporate production bonuses and incentives are also provided to promote commitment to work, in a motivating and meritocratic context. Coronet favours the hiring of workers from the local communities in which it operates, thus contributing to the growth of employment and income in the region and reducing the environmental impact thanks to a reduced home-work commute.

HEALTH AND SAFETY AT WORK

Coronet believes it is essential to show attention and sensitivity to the psychological and physical well-being of employees in the workplace, as this contributes to the reduction of accidents and sick leave, while improving company productivity.

Coronet fully complies with the provisions of the law on health and safety at work. During 2020, the management implemented an ISO 45001:2018 certified Management System in all company offices. This system is constantly updated and improved to eliminate the possible causes of accidents at work and prevent damage to the health of employees. The system is applied to all employees, temporary workers, trainees/interns and operators of external companies occasionally present in the company.

The System includes activities such as continuous monitoring by the Prevention and Protection Service Manager (RSPP), the preparation and dissemination of documents under Legislative Decree no. 81/08, training of employees and collaborators, periodic medical visits and the organization and training of intervention teams required by law. The Risk Assessment Document (DVR) analyses and considers the specific risks related to each job, dividing them into physical, chemical and ergonomic risks. The DVR establishes the objectives and activities that contribute to the creation of a continuous corporate improvement plan.

Health and safety in the workplace are monitored daily by managers in the various

company areas. There is a company delegate for health and safety at work within the company. Coronet uses an internal RSPP (and an external consultancy firm) that identifies the need for new personal protective equipment (PPE) and technologies, develops emergency and evacuation plans and formulates a training plan for all employees. The company collaborates with the Workers' Representative for Health and Safety (RLS).

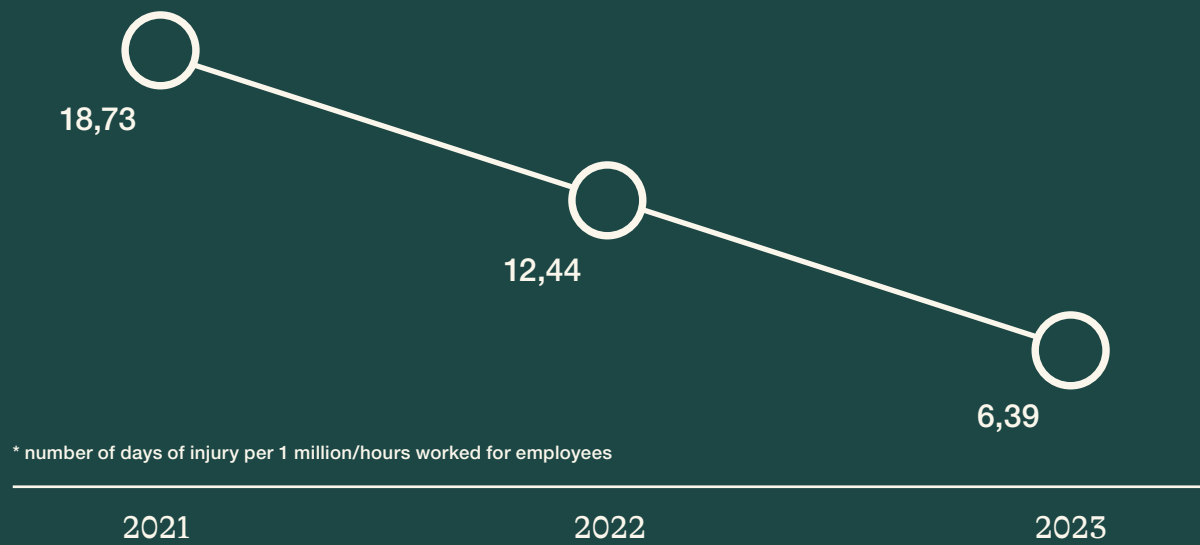
In accordance with Legislative Decree no. 81/2008, annual medical check-ups are carried out. The competent doctor, appointed by the company, collaborates with the RSPP in compliance with a health protocol that takes into account the specific risk activities and dangers to the health and safety of employees, providing indications on the health surveillance to be implemented. Among the initiatives adopted, a scheduled programme of training courses on health and safety at work is planned.

It is also important to mention a specific health fund for employees who carry out high-risk activities in the factories. Periodic meetings are held between the RLS and the workers. To communicate with employees on matters of health and safety at work, Coronet uses tools such as the company noticeboard, company email and some specific groups on WhatsApp. The following tables illustrate the main data and indicators relating to accidents. In 2023, there were no cases of occupational diseases, deaths or accidents at work with serious consequences; there was 1 recordable accident at work without serious consequences in 2023 (contusion to the head).

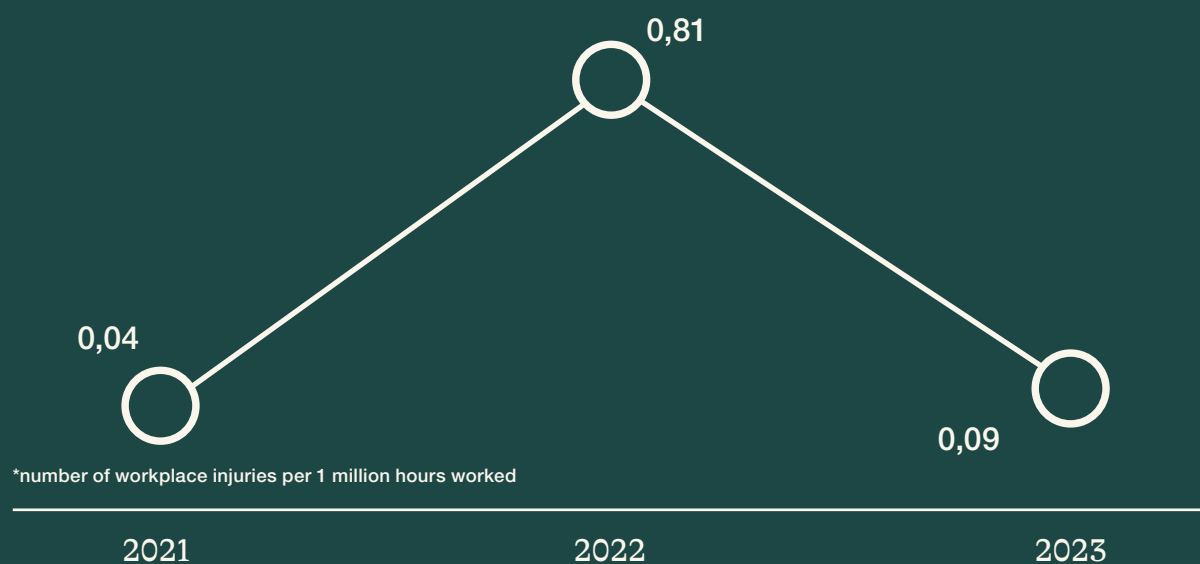
Key statistics on employee injuries

	2021	2022	2023
NUMBER OF HOURS WORKED	160.145	160.689	156.489
Total number of accidents at work	4	4	1
At the workplace	3	2	1
On the way	1	2	0

INJURY FREQUENCY INDEX*



INJURY SEVERITY INDEX*



TRAINING AND SKILLS DEVELOPMENT

The data relating to training courses on health and safety at work in 2023 and the general indicators on training hours are shown below.

Training courses in health and safety at work (factory in Cisterna) – 2023

	Course duration in hours	Staff attending	Total Hours
Isocyanates	4	12	48
PES&PAV	16	2	32
First Aid	16	1	16
Supervisors	6	5	30
New RLS	32	1	32
TOTAL EMPLOYEE HOURS			158

Training courses in health and safety at work (factory in Velletri) – 2023

	Course duration in hours	Staff attending	Total Hours
RLS update course	4	4	1
Isocyanates	4	12	48
PES&PAV	16	2	32
TOTAL EMPLOYEE HOURS			84

Training hours provided

	2022		2023	
	Total hours	Average hours	Total hours	Average hours
Staff with administrative and commercial roles	144	3,60	48	1,63
Women	8	8	0	0
Men	136	4,53	62	2,00
Staff with operational roles	128	2,37	180	3,33
Women	0	0	0	0
Men	128	2,37	180	3,33
TOTAL	272	2,89	242	2,63
Women total	8	0,8	0	0
Men total	264	3,14	242	2,88

Production, research and

Innovation and research to generate new value

Coronet is committed to innovation by adopting an approach focused on three main areas: processes and production, digitalization and research and development. These areas are essential pillars for promoting greater environmental responsibility.

PROCESSES AND PRODUCTION

Coronet is committed to developing products with extremely low solvent content, and is pursuing the goal of creating completely solvent-free and bio-based materials. To this end, it is conducting tests on new application technologies through the implementation of an internally designed pilot plant with continuous fine-tuning operations. This plant will allow the transition from prototype to industrial production (at the Cisterna di Latina site) which will allow the production of the Yatay™ Zero line products.

As already highlighted in the paragraph “3.2 Our sustainable choice”, the Company launched the Yatay™ LAB research and development hub during the second half of 2023.

The safety and ergonomics of company spaces are a priority for the company. Particular attention is paid to ensuring that all infrastructures are accessible and ensure the efficiency necessary for the compliance of products and services. Furthermore, in the planning of plants and work activities, Coronet identifies and manages risks and opportunities to ensure effective and efficient management. During 2023, Coronet made significant investments, mainly to improve production plants and processes. For example:

- improvements to the coating plant;
- investments for additional purchase costs (including ancillary costs) of the “self-made” plant for the production of sustainable solvent free materials (entered into operation in April 2023).

DIGITIZATION

The digitalization system has been improved and implemented in the Velletri and Cisterna di Latina factories. The digitalization plan for the production lines in the other Italian plants and the subsequent transfer of the same model to Asian countries is planned from 2026. The goal is to connect all production lines to a common system of remote workstations and barcodes. This will improve the ability to monitor production quality and increase productivity. At the same time, any corrective actions can be implemented more quickly, improving the effectiveness of strategies aimed at optimizing production and increasing customer satisfaction.

During 2021, an investment of 175.491 euros was made to continue the migration project to the new company information system, which came into operation on January 10, 2022. This investment demonstrates Coronet's commitment to modernizing and improving its business processes through the use of advanced technologies.

RESEARCH AND DEVELOPMENT

The Research and Development function plays a central role for the future of the company, since it is thanks to the results of this area that Coronet will be able to develop a new production technology capable of guaranteeing the creation of finished products completely free of solvents. The goal is to obtain a renewable raw material, with biological and natural components, respecting the environment and the ecosystem.

In the context of the company strategy aimed at acquiring new and innovative knowledge to increase competitiveness on national and international markets, Coronet continued its path of Research and Development activities in the sectors of Product and Process Technological Innovation, Design and Aesthetic Ideation during 2022. Particular attention was paid to the use of raw materials from renewable and recycled sources, and to production efficiency.

In relation to the projects for the development of new collections, Coronet, after launching the "INNOVATIVE COLLECTION 2022" during 2023, confirming its constant commitment to introducing innovative and sustainable solutions to the market, has launched the Yatay™ line.



Environmental responsibility in Coronet

Inspired by nature

Coronet production process, due to its characteristics, generates environmental impacts related to the consumption of raw materials, solvents, water, energy, as well as the consequent production of waste. Coronet has ISO 14001:2015 certification for all three of its plants, which defines an “Environmental Management System” aimed at managing environmental aspects, fulfilling legislative obligations and addressing risk and opportunity assessments. Since 2014, it has developed and launched two new sustainable production lines, BioVeg and H2O, recently followed by the new Yatay™ line, characterized by a careful selection of raw materials and a 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.

Coronet has made significant efforts to limit the use of polluting fuels. In 2017, the Velletri plant replaced BTZ (Low Sulfur Heavy Oil) with LNG (Liquefied Natural Gas) and is scheduled to connect to the methane grid in 2025. In 2021, the plant in Cisterna di Latina switched from BTZ to methane. In addition, the company produces electricity through photovoltaic systems and uses LED lighting in its facilities.

ENVIRONMENTALLY FRIENDLY PRODUCTION

Coronet products are manufactured in full compliance with the law. 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 a recognition that attests to the company’s ethical commitment.

Coronet searches for raw materials of the highest quality, certified according to the GRS (Global Recycle Standard) and FSC (Forest Stewardship Council) standards. For this reason, each supplier is asked for a copy of the process certifications and batches relating to the materials purchased.

THE USE OF SOLVENTS

The production process of all the lines of materials produced by Coronet is based on the use and recovery of the solvent DMF and water. The company uses a closed production cycle for DMF, thanks to which the solvent used is recirculated. For recovery, a process of abatement of the solvent 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 fibres, elastomers, plastomers), reaction left-overs and residues, plastic waste, filter residues and exhausted absorbents, absorbents, filter materials (including oil filters not otherwise specified), rags and protective clothing, various types of packaging, etc. The following is a breakdown of 2022 and 2023 waste in tonnes by type, broken down by destination (recovery and disposal) for the company two production plants.



Waste by type in tons (2022-2023)

	2021		2022	
COMPOSITION OF WASTE	Waste not intended for disposal - R	Waste destined for disposal – D	Waste not intended for disposal – R	Waste destined for disposal – D
waste from composite materials (impregnated fibres, elastomers, plastomers)	134.860		240.290	
wastes from finishing operations other than those mentioned in 04 02 14		6.880		7.380
water washing solutions and mother liquors		2.420	3.360	980
other organic solvents, washing solutions and mother liquors		20.540		
other reaction residues and grounds	42.140	22.580	27.240	
other filter residues and spent absorbents	3.790	26.440	16.810	
plastic waste	94.320		11.075	20.940
Oil fly ash and boiler dust				
water washing solutions				
other engine, gear and lubrication oils			450	
Synthetic insulating and heat-conducting oils	170			
Other emulsions	2.450			
chlorofluorocarbons, HCFC, HFC				
paper and cardboard packaging	22.410		22.220	
wooden packaging	18.520		15.250	
mixed material packaging	78.570		63.843	
packaging containing residues of hazardous substances or contaminated by such substances	8.440		5.642	1.100
absorbents, filter materials (including oil filters not otherwise specified), rags and protective clothing, contaminated by hazardous substances	58.120	41.930	24.760	55.440
end-of-life tyres	90			
end-of-life equipment containing hazardous components (2) other than those referred to in 16 02 09 and 16 02 12	119		30	

	2021		2022	
COMPOSITION OF WASTE	Waste not intended for disposal - R	Waste destined for disposal – D	Waste not intended for disposal – R	Waste destined for disposal – D
end-of-life equipment, other than those referred to in 16 02 09 to 16 02 13	95		510	
components removed from end-of-life equipment, other than those referred to in 16 02 15				
lead acid batteries	46			
nickel-cadmium batteries				
water waste solutions, containing hazardous substances		13.250		
water waste solutions, other than those mentioned in 16 10 01		28.880		36.830
mixtures or slag of cement, bricks, tiles and ceramics, other than those mentioned in 17 01 06	800		960	
plastic	51			
bituminous mixtures containing coal tar				110
miscela bituminosa diversa da quelle di cui alla voce 17 03 01	300			
iron and steel	12.170		16.230	
metal waste contaminated by hazardous substances				
other insulating materials containing or consisting of hazardous substances		130		40
other construction and demolition wastes (including mixed wastes) containing hazardous substances				
waste that must be collected and disposed of applying special precautions to avoid infections				
sludge produced by the treatment of urban wastewater		12.480		6.260
fluorescent tubes and other mercury-containing waste	19		5	
biodegradable waste	1.490			
Total Waste	478.971	175.530	448.675	143.440

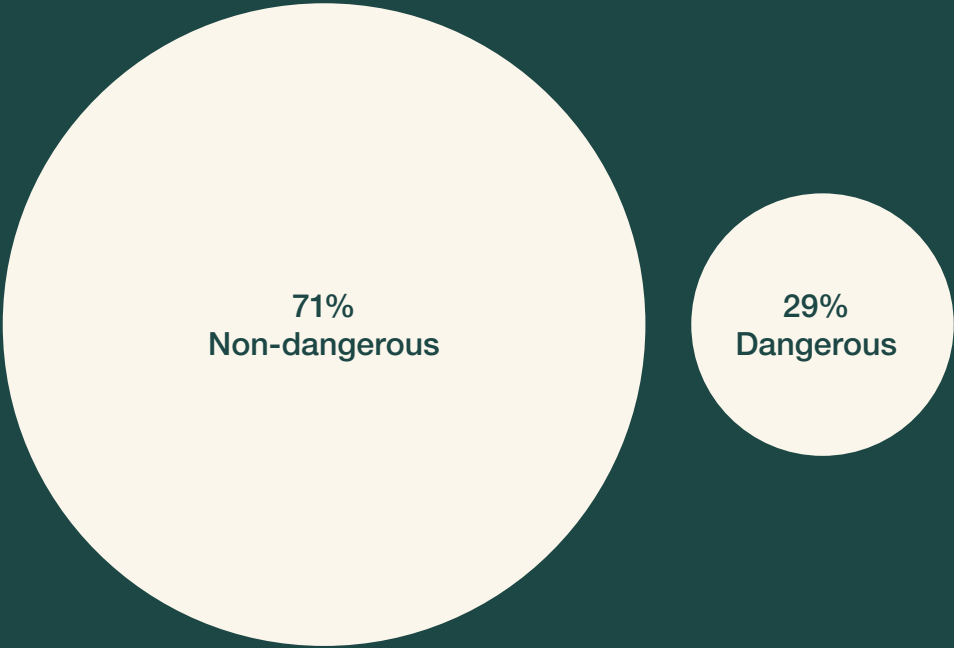
Waste composition*

	2021	2022	2023
Hazardous	201.035	242.584	172.797
Non-hazardous	468.840	411.917	419.318
TOTAL WASTE	669.875	654.501	592.115

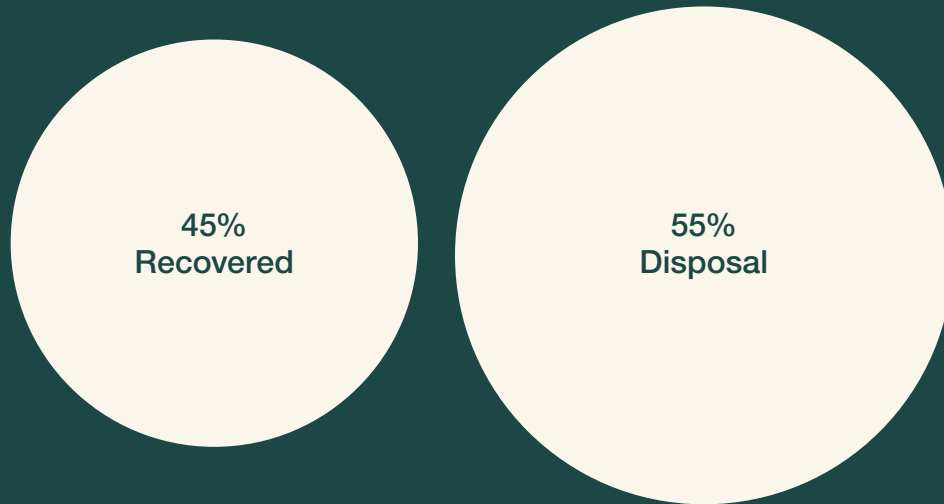
Type R operations are provided for in the list in Annex C to Part IV of Legislative Decree 152/06 while type D operations are provided for in the list in Annex B to Part IV of Legislative Decree 152/06.

All waste produced by the company is treated in compliance with industry laws and regulations. During the year 2023, waste production amounted to 592.115 tons. 76% is destined for operations other than disposal while 24% is disposed of.

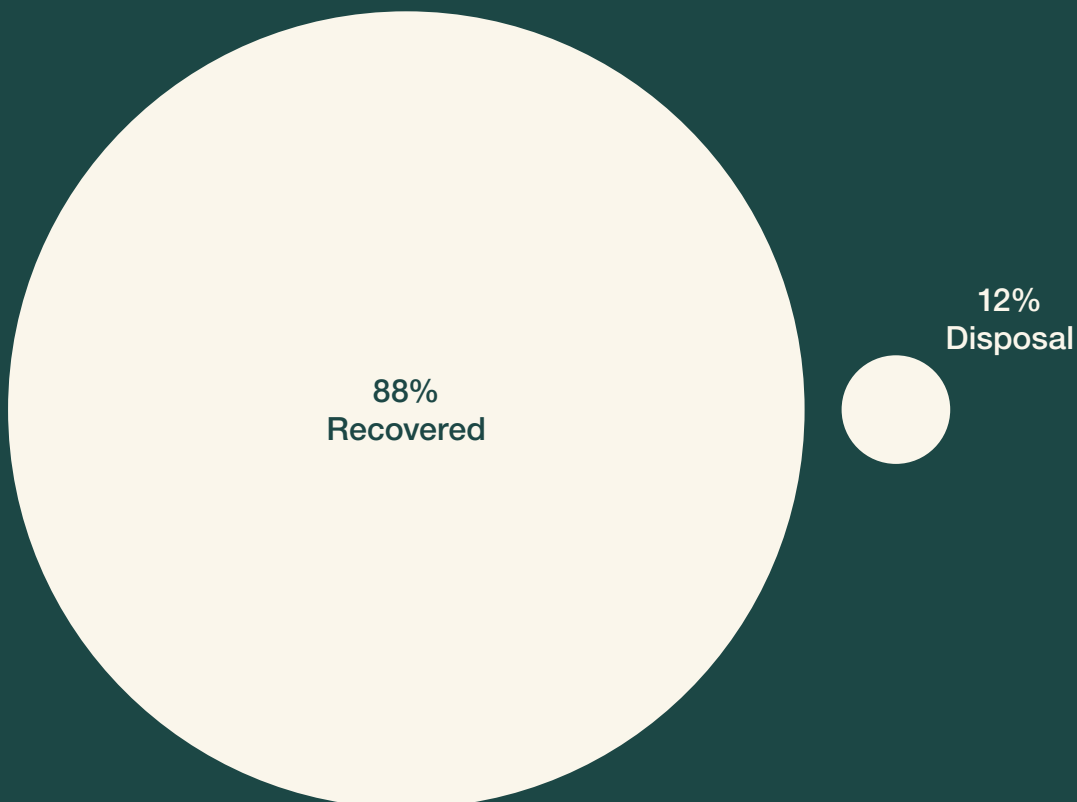
2023
WASTE COMPOSITION



2023 DESTINATION OF HAZARDOUS WASTE



2023 DESTINATION OF NON-HAZARDOUS WASTE



ENERGY AND EMISSIONS

Coronet’s production chain uses various energy sources, including electricity, Liquefied Natural Gas (LNG), Natural Gas network, petrol, diesel and fuel oil. Electricity is used to operate machinery and systems, while other energy sources are used to reach process temperatures in some stages of processing and in work environments. Petrol is used to move vans and traction vehicles.

Over the years, Coronet has made several interventions to improve the efficiency of its use of electricity. The company has invested in self-production of electricity through photovoltaic systems. This energy is used both internally and sold. In addition, Coronet purchases energy from local and national suppliers to ensure complete coverage of energy needs, especially in the Latina and Velletri factories, where production takes place in shifts. Self-production of photovoltaic energy in 2023 amounts to 1,081,436 kWh, corresponding to approximately 31% of the company’s total electricity consumption. Currently, the energy purchased does not come from renewable sources; however, the company aims to purchase shares of green energy in the coming years.

All three Coronet plants are equipped with LED lighting, which leads to reduced energy consumption compared to traditional systems.

Production and sale of electricity from photovoltaic (kWh)

	2021	2022	2023
Total self-production from photovoltaic	1.197.547	1.239.506	1.081.436
Sold	317.672	289.844	298.758

Coronet also pays particular attention to the choice of fuels for energy production. In recent years, within the plant in Velletri, it was decided to replace BTZ with LNG, adopting a solution with less impact on CO2, NOx (nitrogen oxides) and fine dust emissions. In 2022, the plant in Latina also switched from BTZ to methane gas. As a result, fuel oil consumption, which had decreased compared to previous years, was eliminated in 2022.

Energy balance of fuels and electricity (GJ)*

TYPE OF CONSUMPTION	Origin	2021	2022	2023
Fuel consumption	Diesel	368	476	477
	Petrols	32	41	21
	GNL	41.390	23.644	28.483
	Methane gas	11.198	47.713	34.497
	BTZ Fuel Oil	7.578		
Electricity consumption	Electricity purchased from third parties	12.048	13.196	9.876
	Self-produced (PV system) and consumed electricity	3.167	3.419	2.818
Total energy consumed		75.782	88.489	76.173
Electricity sold	Electricity sold (PV system)	1.143	1.043	1.076

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

Greenhouse Gas Emissions (ton CO2 eq.)*

	2021	2022	2023
Greenhouse Gas Emissions – Direct (Scope 1)	3.566	4.049	3.577
Greenhouse gas emissions – Indirect from electricity (Scope 2) location based	864	896	701
Totale emissioni	4.430	4.945	4.278

CO2 emissions were considered. For fuel emissions, the factor obtained was taken from the UNFCCC – ISPRA 2022 National Standard Parameters Table. For emissions from purchased electricity, the factor obtained from ISPRA technical reports 343/2021, 363/2022 and 286/2023 was used.

WATER CONSUMPTION AND WATER DISCHARGE

The water resource taken by Coronet is mainly used for cooling the production plants, as well as for civil purposes of employees and collaborators. As for the supply, the water is taken directly from the wells owned by the company, two in Velletri and one in Cisterna di Latina. Subsequently, the water passes through special cooling systems and is returned to the wells without causing organoleptic or biological impacts on the water resource. It is important to underline that the water is not used or consumed in the production process. Furthermore, the company has an authorization for the demineralization of the water, using a plant that uses osmosis technology.

Water withdrawals from the well

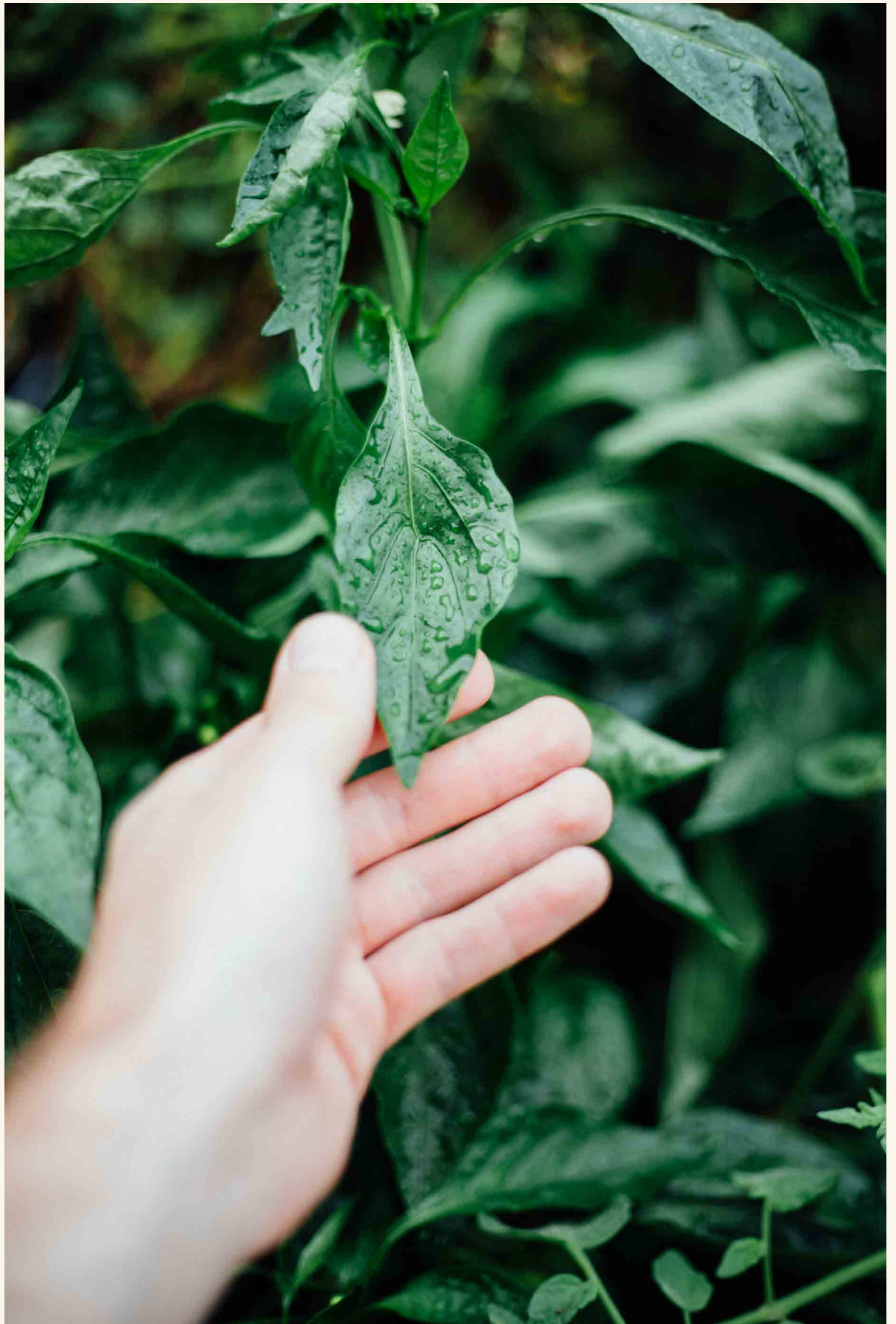
	2021	2022	2023
m3 of water	103.771	103.351	106.443
Variation (%)	+17,09%	-0,40%	+3,00%
total m3 of water withdrawn/m2 of material produced.	0,0416	0,0301	0,0331



The bond with the territory

Cultivate greater awareness of the territory that surrounds us

The company is committed to developing a strategy aimed at cultivating relationships with the territory and the community. Also in 2023, the company is active in some Pro Bono initiatives including donations to UNICEF, donations to the Red Cross and the conversion of spending on Christmas gadgets into charitable donations. In order to implement a solid relationship with stakeholders and promote the enhancement of a collective interest, the Company is evaluating the opportunity to change its legal form by acquiring the name of “Benefit Company” and subsequently to acquire the “B-Corp” certification. Coronet could thus officially become an organization that, in addition to the goal of profit, contributes to maximizing the positive impact on society, people and the environment.



GOALS FOR THE FUTURE

New ideas and projects to be carried out with
commitment and a sense of responsibility

05



Coronet intends to continue investing significant resources to increase the sustainability of the company, especially through projects aimed at improving environmental impacts. In 2023 and following years, the company is committed to pursuing the objectives indicated in the table below.

STRATEGY AND GOVERNANCE	Support the growth of sales of its products in the luxury market which has a great focus on sustainability
	Acquire the legal form of Benefit Company and the B-Corp certification
	Implement the Organizational Model Legislative Decree 231/01 and the related Code of Ethics
TECHNOLOGY	Adopt full use of the new in-house Coronet-designed plant for the production of bio-based and completely solvent-free articles working.
	Implement a production digitalization plan in the Italian plants and transfer the same model to the Group companies in Asian countries
ENVIRONMENT	Proceed with Research and Development activities of products with a lower environmental impact and increase their marketing
	Increase communication towards stakeholders to promote the culture of sustainability through Sustainability Reports and Social Media
	Increase the share of green energy purchases over the next few years
SOCIAL	Finalize a new remuneration plan oriented mainly towards corporate welfare



METHODOLOGICAL NOTE

06







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

The 2023 reporting represents an evolution compared to previous editions, introducing more in-depth content and constitutes a further step forward towards the definitive adoption of the European reporting guidelines, expected in the coming years.

This document, which is an effective corporate communication tool and an important source of information for all parties involved, refers exclusively to Coronet S.p.A. and takes into consideration only the Italian organization as the reporting perimeter, unless otherwise specified.

The impacts and topics covered in this edition have been identified through a series of initiatives, including: direct discussions with members of the Board of Directors and key corporate contacts, analysis of internal documentation and media coverage, as well as a careful assessment of the main risks in the sector. This process has allowed us to conduct a detailed analysis of the negative and positive impacts involving the company, considering both real and potential effects.

The information contained in the Sustainability Report refers to the activities carried out by Coronet S.p.A. in Italy in the period January-December 2023, unless otherwise indicated.

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