



SUSTAINABILITY REPORT

FIRST REPORT
referable to the financial years
2023 - 2024

With reference to

VSME (Voluntary reporting standard for SMEs – Draft EFRAG)

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REPORTING FRAMEWORK

The contents of this Sustainability Report refer to the Voluntary reporting standard for SMEs (VSME - *Voluntary standard for non-listed small and medium-sized undertakings*) issued in draft form by EFRAG (*European Financial Reporting Advisory Group*) and supplemented with any references to the EU ESRS Delegated Regulation 2772/2023, or other internationally recognized regulatory frameworks and reference standards where deemed necessary.

Basic Module
Disclosure B 1 – Basis for Preparation
Disclosure B 2 – Practices for transitioning towards a more sustainable economy
Basic Metrics - Environment
B 3 – Energy and greenhouse gas emissions
B 4 – Pollution of air, water and soil
B 5 – Biodiversity
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B 7 – Resource use, circular economy, and waste management
Basic Metrics – Social matters
B 8 – Workforce – General characteristics
B 9 – Workforce - Health and Safety
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Principles of Materiality to be applied for the Narrative-PAT and Business Partners Modules
Impact materiality
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Stakeholders and their relevance to the materiality analysis process
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Disclosure N 1 – Strategy: business model and sustainability related initiatives
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Disclosure N 3 – Management of material sustainability matters
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Business Partners Module
Disclosure BP 1 – Revenues from certain sectors
Disclosure BP 2 – Gender diversity ratio in governance body
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Disclosure BP 4 – Transition plan for climate change mitigation
Disclosure BP 5 –Physical Risks from climate change
Disclosure BP 6 – Hazardous waste and/or radioactive waste ratio
Disclosure BP 7 – Alignment with internationally recognized instruments
Disclosure BP 8 – Processes to monitor compliance and mechanisms to address violations
Disclosure BP 9 – Violations of OECD Guidelines for Multinational Enterprises or the UN Guiding Principles (including the
Disclosure BP 10 – Work-life balance
Disclosure BP 11 – Number of apprentices

The data reported are compiled with the aim of delivering information on how the company contributes to a more sustainable and inclusive economy, improves the management of the sustainability issues that must be addressed and integrates, in its strategy, environmental and social challenges such as pollution, health and safety of workers.

The drafting principles, where applicable, will refer to the contents of Delegated Regulation 2772/2023, and refer to the following qualitative characteristics: Relevance, Faithful representation, Comparability, Verifiability, Comprehensibility.

GENERAL INFORMATION

INTRODUCTION

VENISTON S.r.l. is an Italian company that with a team of expert craftsmen combines tradition and modern technology, with the aim of creating cement base terrazzo tiles and complements that include a wide range of colors, shades and shapes, offering infinite possibilities for customization.

The company, managed by a family-run business with attention to detail, embraces among its values the dictates that include sustainability and is aimed at the use of materials with a reduced impact on the environment, such as marble chips and grits and natural stones, recycling where and when is possible the waste of other processes.

Over time, this attention has expanded to the entire production cycle, including not only attention to energy factors and the re-use of water resources, but also the pursuit and measurement through punctual certifications of KPIs, in order to evolve the company towards internationally recognized sustainability models.

It is precisely in this context that the following Sustainability Report is presented, which - being the first for the company - will take as a reference periods that are also inhomogeneous with respect to the accounting year, but with the desire to standardize them as early as the year 2025.

Information B 1 – Criteria for drafting

This report is prepared with the following characteristics:

- With reference to the Basic Module of the VSME, for the part that includes the information in paragraphs B1 to B12
- With reference to the Basic Module and Narrative Module-PAT, for the part that includes the information in paragraphs N1 to N5, where applicable
- With reference to the Basic Form and Business Partners Form, for the part that includes the information in paragraphs BP1 to BP11, where applicable
- With reference to the set of the three, where applicable and specifically detailed

The company prepares this report on an individual basis, as it does not have subsidiaries.

- Legal address: Via A. Volta n.24, 37023 Grezzana (VR)
- VAT 03128050238
- Corporate Purpose: Production of floor tiles, accessories and coverings
- ATECO Code: 23.31
- LOCAL UNIT: Via A. Volta n.24, 37023 Grezzana (VR). Production site

Notice B 2 - Practices for the transition to a more sustainable economy

VENISTON, by its nature, since its origin, has paid attention to the balance of processes, implementing attentions that are related to corporate sustainability.

This report therefore aims to convey to the reader how the company implements the aforementioned attentions, which can be traced back to the following macro-aspects:

- Optimization and circularity of raw materials
- Energy efficiency and attention to water resources

- Attention to social aspects for employees and business stakeholders

With this in mind, the evolutionary elements to respond in an integrated way to the market in which it operates, have led VENISTON to carry out its own LCA (*Life Cycle Assessment*) analysis in order to see the efforts undertaken in this regard recognized.

The next step will be to pursue EPD (*Environmental Product Declaration*) certification, so that partners, customers and stakeholders can also find timely information on the environmental and social aspects that distinguish the company's way of operating.

BASIC METRICS - ENVIRONMENT

B 3 - Energy and greenhouse gas emissions

The energy and CO2 emission factors refer to the following values:

- **Total energy** consumed during the exercise of the Report:
 - 13679 kWh monthly average (Referring to the period November 2023 - October 2024)
- Energy mix: the energy service company currently relied on, ENEL ENERGIA, does not provide precise information on the sources of supply in the bill, but from a market research it declares the data shown in the table below.

Composition of the energy mix used for the production of electricity sold by ENEL ENERGIA S.p.A. (%)

- Renewable Sources 52.28
- Coal 9.73
- Lignite ND
- Natural gas 31.98
- Petroleum products 0.85
- Nucleare 1,53
- Other Sources 3.62

- **CO2 emissions**, with reference to the LCA study:

Categoria d'impatto	Unità	Total A1-A3	C1	C2	C3	C4	TOTALE	D Benefici oltre i confini del sistema
Global Warming Potential - total (GWP-total)	kg CO2 eq.	9,10E+00	8,59E-02	4,27E-01	9,06E-02	8,76E-01	1,06E+01	-2,83E+00
Global Warming Potential - fossil fuels (GWP-fossil)	kg CO2 eq.	1,31E+01	8,58E-02	4,26E-01	9,00E-02	8,71E-01	1,45E+01	-2,82E+00
Global Warming Potential - biogenic (GWP-biogenic)	kg CO2 eq.	-3,98E+00	3,73E-05	2,20E-04	5,93E-04	4,53E-03	-3,97E+00	-1,81E-03
Global Warming Potential - land use and land use change (GWP-luluc)	kg CO2 eq.	6,83E-03	8,08E-06	1,46E-04	2,04E-05	5,13E-04	7,52E-03	-1,34E-03
Depletion potential of the stratospheric ozone layer (ODP)	kg CFC-11 eq.	2,04E-06	1,40E-09	8,57E-09	1,81E-09	2,10E-08	2,07E-06	-8,92E-08
Acidification potential, Accumulated Exceedance (AP)	mol H+ eq.	5,49E-02	3,56E-04	1,38E-03	6,71E-04	5,83E-03	6,31E-02	-1,43E-02
Eutrophication potential - freshwater (EP-freshwater)	kg P eq.	2,55E-03	1,84E-05	2,90E-05	2,79E-05	2,22E-04	2,85E-03	-6,33E-04
Eutrophication potential - marine (EP-marine)	kg N eq.	1,20E-02	5,94E-05	4,68E-04	2,62E-04	2,16E-03	1,50E-02	-2,55E-03
Eutrophication potential - terrestrial (EP-terrestrial)	mol N eq.	1,35E-01	6,27E-04	5,09E-03	2,86E-03	2,35E-02	1,67E-01	-2,89E-02
Photochemical Ozone Creation Potential (POCP)	kg NMVOC eq.	4,89E-02	2,38E-04	2,24E-03	9,25E-04	8,18E-03	6,05E-02	-1,19E-02
Abiotic depletion potential - non-fossil resources (ADPE)	kg Sb eq.	1,59E+02	1,21E+00	6,17E+00	1,44E+00	1,85E+01	1,86E+02	-4,05E+01
Abiotic depletion potential - fossil resources (ADPF)	MJ, net calorific value	9,96E-05	1,18E-07	1,15E-06	2,84E-07	2,01E-06	1,03E-04	-6,33E-05
Water (user) deprivation potential (WDP)	m3 world eq. deprived	3,25E+00	2,11E-02	2,94E-02	-1,76E-01	7,78E-01	3,90E+00	-9,57E-01
Global Warming Potential (GWP-GHG)	kg CO2 eq.	1,30E+01	8,52E-02	4,24E-01	8,94E-02	8,65E-01	1,45E+01	-2,81E+00

Tabella 1: Impatti complessivi per categoria d'impatto

B 4 - Air, water and soil pollution

The polluting factors are managed according to the regulatory dictates in force in the territory in which it operates, and the following can be asserted:

- There are no emissions into the atmosphere that must comply with the legislative parameters in force, as no chimneys are used in the various production stages of processing.
- The waters are managed through the managing body in charge (Acque Veronesi), and do not present anomalous factors.
- The waste is managed in its entirety by disposal or recovery bodies, and traced according to the relevant regulations (see paragraph B7 below)

The company is available to show applicants the above supporting documents.

B 5 – Biodiversity

The company includes its production plant within an area prepared according to the Territorial Planning Plan (PAT) of the Veneto Region. It includes:

Type of land use	Sup (Sqm or Hectares) Previous year	Sup (Sqm or Hectares) Reference year	Sup (Sqm or Hectares) % change
Total waterproofed surface area	5,000 sqm	5,000 sqm	0%
Total area oriented towards nature on the site	0 sqm	0 sqm	0%
Total area oriented to nature off-site	0 sqm	0 sqm	0%
Sensitive area in terms of biodiversity	0 sqm	0 sqm	0%
Total land use	5,000 sqm	5,000 sqm	0%

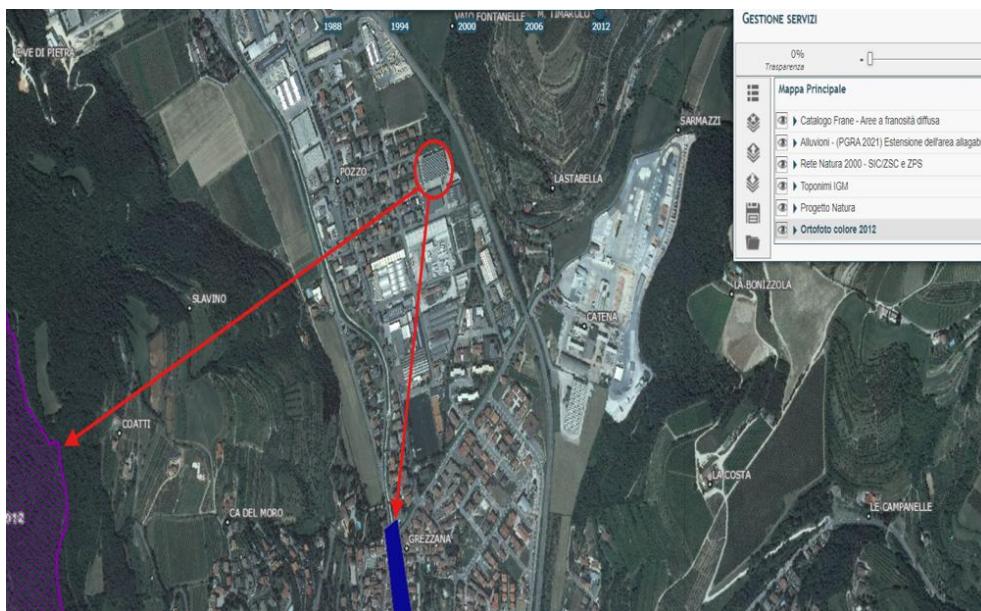
Notes: the shed occupies 3,296 square meters, fully waterproofed. In the area surrounding the farm, the use of the land is partly residential and partly artisanal/industrial. In the past, there have never been (from memory) environmental problems, fires, landslides or floods.

From a further analysis - carried out through the National Geoportal of the Ministry of the Environment (<http://www.pcn.minambiente.it/viewer/index.php?project=natura>) - the sensitive areas of the territory in which VENISTON produces were verified.

These areas were evaluated according to the following impact criteria:

- Areas with widespread landslides
- Flood areas
- Areas that respond to the Nature Project and/or SCI, SACs and SPAs (Sites of Community Importance, Special Areas of Conservation and Special Protection Areas)

The map below does not highlight any particular critical issues. The company is in fact located in a production context that is several hundred meters away from flood areas (in blue) or from areas that respond to Progetto Natura (in purple).



B 6 – Water

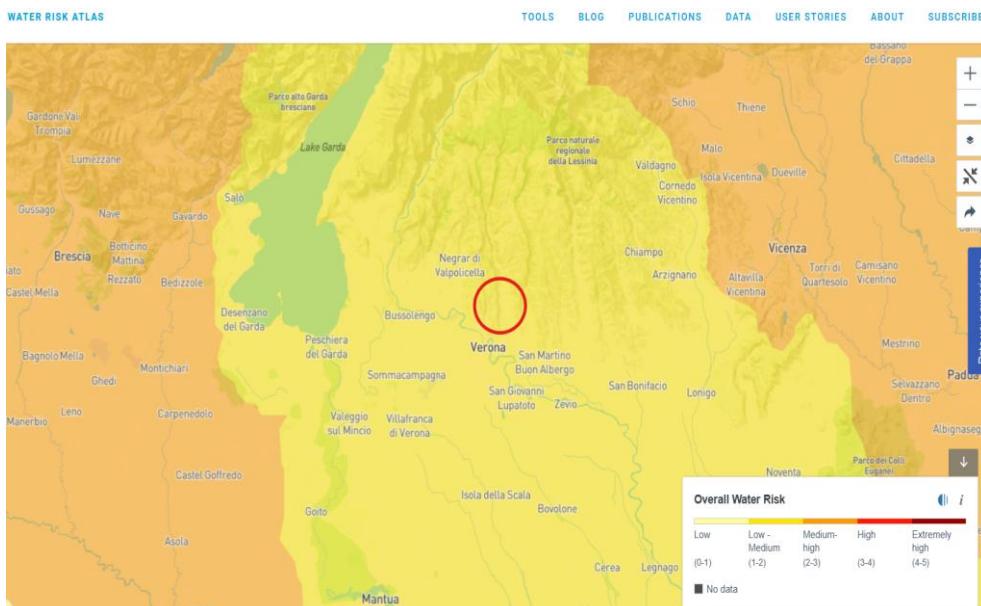
VENISTON's water consumption is mainly used in plants for transformation processes, while only a small part is used for in-house sanitary services.

Around 7% of the water within the production processes is reused for the production processes.

The site is a single site, and the water withdrawals are as follows:

Water consumption	Water withdrawal, m3	Water consumption, m3
All sites (ONLY SITE in GRAVEZZANA)	1.489	1.489
Sites in water-stressed areas (None)	0	0

An analysis performed with WRI's Aqueduct Water Risk Atlas ([Aqueduct | World Resources Institute \(wri.org\)](https://www.wri.org)) shows how the company is in a context of medium-low water stress.



B 7 - Resource use, circular economy and waste management

One of the peculiarities that distinguishes VENISTON is the use of the main raw material. The use of the raw material takes place without resorting to direct extraction, as these are waste materials of the main raw material, recycled, rather than regenerated to give new life to the products.

These fit well into the dictates of the use of resources and the circular economy, as follows:

- Eliminate waste and pollution
- Movement of products and materials
- Regenerating nature

The data referring to recycled and recyclable are as follows:

- 90 % Recycled material in products
- 0 % Recyclable material in products

Note: 10% of the remaining material in the final product is basically represented by adhesive materials.

Production waste is also treated according to the rules provided for by the legislator, applied to the production sites where the company operates, and refers to the data in the table below.

Waste produced (tons)	Waste for recycling or reuse	Waste for disposal
NON-hazardous waste	19.200 Kg	368,400 Kg
Delivered for primary building works or road foundations	19.200 Kg	0
Stone sawdust cutting, conferred through the Valpantena Marble Consortium	0	21.970 Kg
Sludge	0	346.430 Kg
Hazardous Waste	0	0
Type of waste 1	0	0

BASIC METRICS - SOCIAL ISSUES

B 8 - Workforce - General characteristics

VENISTON, due to the artisanal nature of the company and its size, has a management very close to people. The data in the table below show the peculiarities of the workforce. The contract to which the company refers is the CCNL - National Contract for the Stone Sector and the characteristics of the company's internal collaborators are shown in the following table.

Staff Characteristics	Nr.
Gender	
Man	3
Woman	1
Not declared	0
Contract	
Fixed-term	0
Indefinitely	4
Full-time	0
Part-time	0

Distribution by qualification	
Apprentice	0
Worker	2
Employee	2
Picture	0
Leader	0
Country of Origin	
Italy	4
Other	0

B 9 – Workforce – Health and Safety

VENISTON applies the provisions on Health and Safety in the workplace within its production plant. In this regard, it has prepared a Risk Assessment Document (DVR) and finds in an external appointee (an Industrial expert, consultant specialized in Safety and Health in the Workplace in the area) the Head of the Prevention and Protection Service (RSPP).

- The rate of recordable occupational accidents is **0 (zero)**
- The number of deaths due to occupational accidents and diseases is **0 (zero)**

B 10 – Workforce – Pay, collective bargaining and training

The company applies the provisions of the CCNL to which it adheres to the remuneration factors.

These are configured as per the notes below:

- Staff are not subject to minimum wage rules, but the same is configured on the current CCNL and reports a higher percentage than the parameters of € 1,312.96 per month for the Veneto Region - ITA, in December 2024. These were found in the Iltuosalario.it portal, which, to calculate the living wage, designed a basket of region-specific goods and their cost, calculated through face-to-face interviews and online shops. Every quarter, over 250 data collectors around the world conduct these surveys. The data collected in this way is used to update the database every quarter.
- The percentage pay gap between male and female internal employees is not applicable for the size of the company.
- Staff is 100% covered by CCNL
- The average number of training hours is 16 hours per person per year

B 11 - Workers in the value chain, affected communities, consumers and end-users

The company, due to its size and nature, is unable to apply structured controls in the supply chain, but this does not exempt it from informal audits that are able to deliver assessments of the reliability of partners.

Due to the values on which VENISTON itself is based and which distinguish it in its work, there are no detrimental acts of the good conduct of the more structured partners.

This does not distract her from constant and active attention in this regard.

BASIC METRICS - BUSINESS CONDUCT

B 12 - Convictions and penalties for active and passive corruption

In the last financial years, the company has not presented any convictions or sanctions for active and passive corruption.

SUSTAINABILITY REPORT (NARRATIVE-PAT, BUSINESS PARTNERS)

Time horizons:

This first Report takes the years 2023 and 2024 as a reference and is configured as such to have an initial reading of the data referring to the organization. For the next Reports, there is the desire that they refer to the financial year, from January to December.

Consistency and connection with financial statement disclosures:

Since this relationship is the first to overlap two accounting years, this point is not applicable.

PREPARATION OF NARRATIVE-PAT AND BUSINESS PARTNER MODULES

Relevance of the impact:

For this Report, the following has not been considered:

Financial relevance:

For this Report, the following has not been considered:

Stakeholders and their relevance to the materiality assessment process:

This chapter will be explored in depth in the Narrative – PAT module to follow, under the title Information N 4 - Main stakeholders.

NARRATIVE - POLICIES, ACTIONS AND OBJECTIVES (PAT) MODULE

Disclosure N 1 - Strategy: business model and sustainability initiatives.

Disclosure N 2 - Material sustainability issues

Disclosure N 3 - Management of material sustainability issues

The three titles N1, N2, N3 are included in the following explanation, which will find a more suitable distribution in future years.

The business model relating to sustainability initiatives is configured in the peculiarity of the management of the company, which draws its origin from the Family Business models that characterize Italian companies. This model is represented in the following operating modes.

Methods of construction of the accessories.

The construction method is unique, and this value is recognized by the end customers. The process has been refined thanks to the company culture and a strong sense of improvement, typical of the artisans of the area and of the Triveneto in general. The craftsman of the past has always been an excellence, constantly looking for improvement and optimization of production processes, constantly looking for technical and aesthetic improvements. The current result is the result of a real internal and external collaboration of all the people involved. The artifact is born from the relationship and participatory reflection, created thanks to moments of dialogue, meeting and comparison with the experiences of the territory, which always prove to be valuable for the search for the ideal final solution. Even today there is love for company among the people involved. Everyone feels free and stimulated to spontaneously propose solutions and/or ideas for improvement. A real team effort, in which everyone feels involved, responsible and proud to be able to be part of it. There is a real "We" between people, a real whole between employees and owners, regardless of role, age or anything else.

Use of electricity.

The goal is to be able to use renewable energy sources as much as possible, looking for market partners who operate in this sense, in a climate of trust and transparency. VENISTON is establishing commercial relationships with the desire to source 100% "certified clean" energy and has already identified some potential partners in this regard.

Recovery of process water.

Currently, a system for the reuse of water from the industrial process is already in place, through sludge filtration; this percentage is still considered "low" compared to the property's wishes. VENISTON is in fact preparing a feasibility study, with the desire to increase the percentage of recycled water while remaining within the parameters of cost-effectiveness.

Recovery of valuable material from the quarry.

Generally, a percentage of the material extracted in the quarry, the raw material of VENISTON's production process, is not suitable for the quality required by the customer who is looking for finishing marbles. One of the most striking cases is that relating to BIANCO DI CARRARA marble, where up to 50% of the mountain material can be unsuitable for use for coating or design processes. This material, on the other hand, is more than suitable for the realization of the product made by VENISTON, as it meets the levels of quality and technical specifications required by its market. In these cases, VENISTON selects, grinds and prepares the material for different needs, thus returning the value it deserves, ensuring a lower environmental impact when disposing of quarry waste and avoiding a waste of precious raw material.

Recovery of waste material.

Defective material within the production process, which is generally destined for landfill, is partly crushed and recovered to be reintroduced into the production cycle. This produces two direct beneficial effects: on the one hand, the residual value of the raw material is recovered, and on the other hand, the impact of company waste is reduced, generating an advantage also in reducing processing costs.

Urban waste recovery / POST CONSUMER.

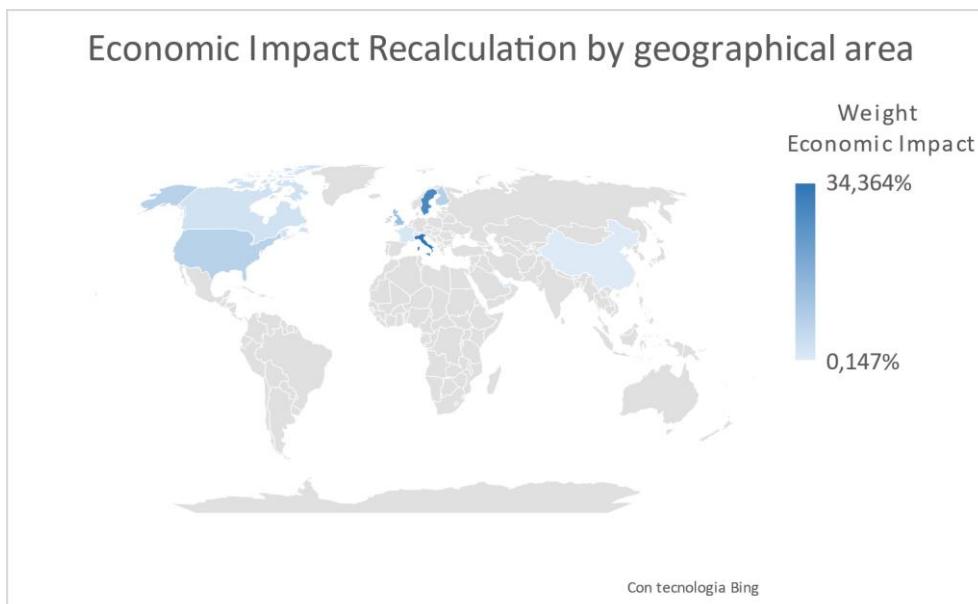
VENISTON, in collaboration with some administrative bodies, is evaluating the possibility of recovering part of the waste deriving from the cleaning of municipal roads, to be used in the production process.

Disclosure N 4 - Main stakeholders

The stakeholders were analyzed according to a SWOT analysis cross-referenced with the economic weights and potential opportunities and critical issues they can deliver.

These are mainly configured as per the following data:

- Raw Material Suppliers: 100% Italy, reliable and structured in size to deliver sustainability indications
- Service Providers: 95% local, 5% foreign depending on the markets served
- Customers: 35% Italy, 65% Abroad – International, with a weight referable as shown in the map below
- Local community: it is configured as an important stakeholder for the company's activity, for the formal and informal relationships established with institutions and civil society



Disclosure N 5 - Governance: sustainability responsibility

VENISTON has a strong sensitivity towards respect for the environment in all its forms, even the simplest and most basic. For example, by maintaining a high level of cleanliness in the spaces, creating a healthy working environment not only in the offices but also at the production site, without dust, thanks to air filtration devices and systems.

All this takes place taking as a reference the indications collected in the European directives on the subject of the working environment and the commitment, as well as the will, to be fully compliant with them.

The owner's environmental sensitivity also has its roots in Japan, a country that he has known for work for about 20 years, thus managing not only to live, observe, learn and assimilate the most particular aspects of Japanese culture, but also managing to transmit it and transfer it to Italy within his own company and in his daily life.

Some of these examples can be found inside production premises, such as:

Methods of building houses and offices and the search for a constructive "well-being": the walls were made of raw earth - volcanic stone - which not only made it possible to reduce energy waste for the control of the internal temperature, but also allowed an activity of absorption of air humidity avoiding (or at least minimizing) the use of electric air conditioners. In the company offices to date, the atmosphere is controlled in a natural way, thanks to the construction of new raw earth walls (whose materials were brought specifically from Japan), thus avoiding - or at least limiting - the use of air conditioners and therefore the use of electricity.

Awareness Involvement and Availability towards the local community:

VENISTON has recently declared its willingness to hold meetings in the company and/or at local institutions (professional schools, institutions, etc.) in order to be able to make known its business model based not only on the pursuit of economic objectives, but also on an active, solid and profitable collaboration between employees and between them and local artisans, in the constant and continuous search for technological innovations and better production solutions than those adopted in the past. This openness and availability is due to the fact that it is known in the local community that in the company there have never been cases of staff malaise either on a physical or psychophysical or mental level (stress, burn out, etc.) and that, on the contrary, in the company there is an atmosphere of extreme harmony, affection and commitment that is quite rare in the workplace.

CONCLUSIONS

This Sustainability Report is a supplement to the Company Regulations, the Code of Ethics and others that contemplate the behaviors that characterize VERISTON and is renewed, presented and distributed on request, as well as recalled in its salient features on the company website.

VENISTON's Sustainability Report is intended to be a forward-looking guideline, which will be implemented over time to help define the company's strategies.

This document has been prepared in collaboration with a certified Sustainability Manager, registered in the register of accredited professional figures of ACCREDIA with no. TSA_PRO1_2022_008.

This document was issued by the Board of Directors on