WIRUTEX S.R.L SUSTAINABILITY REPORT 2024

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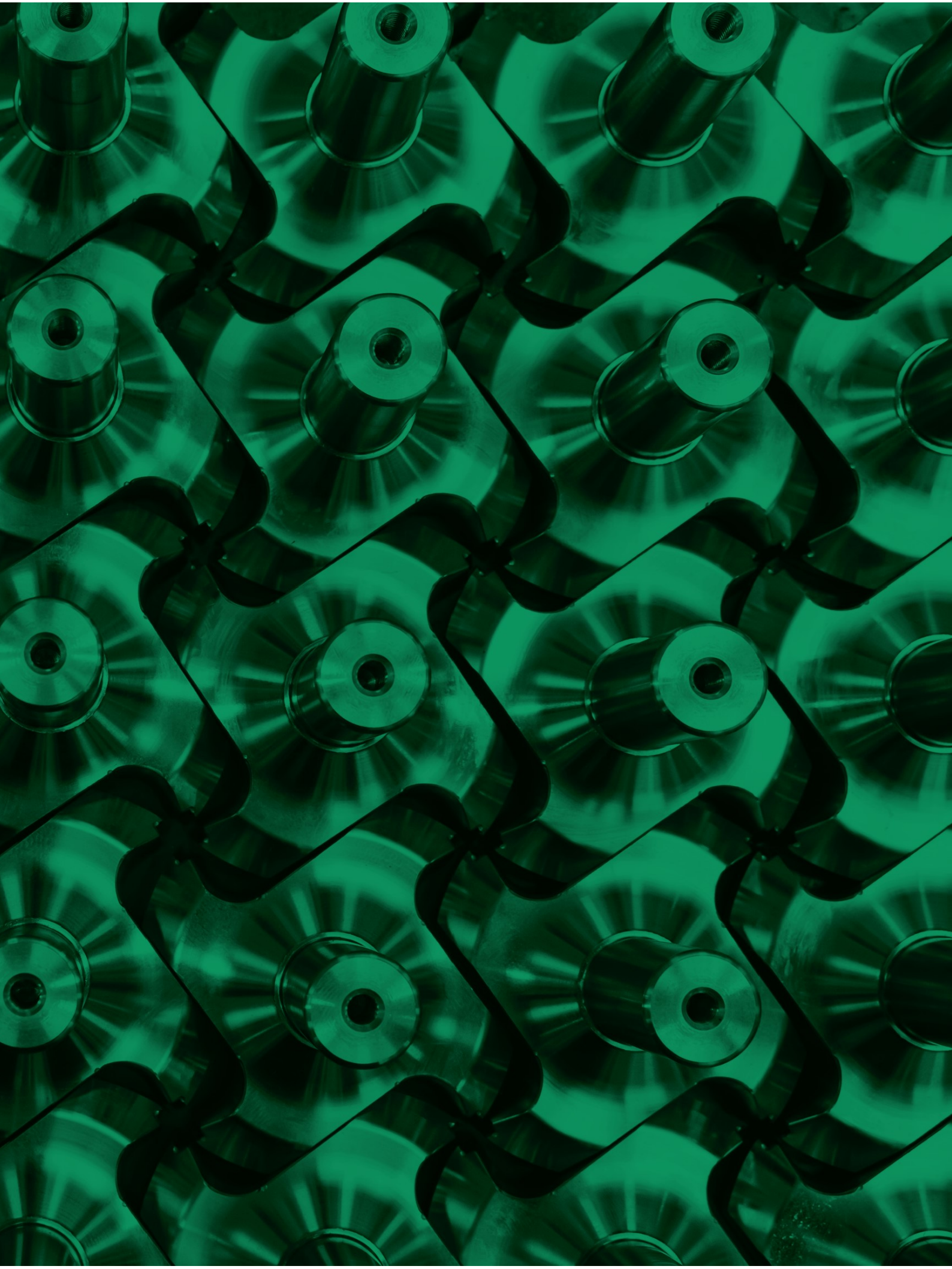

INTRODUCTION

WIRUTEX srl affirms its commitment to sustainability and transparency through the presentation of this sustainability report. This document has been prepared for the reporting year 2024 in accordance with the EFRAG VSME (Voluntary Sustainability Reporting Standard for non-listed SMEs) Standard, December 2024 version.1 This report encompasses both the Basic Module (Disclosures B1-B11) and the Comprehensive Module (Disclosures C1-C9), reflecting a thorough approach to sustainability disclosure. This is the first year WIRUTEX srl is preparing a VSME report; consequently, comparative data for the previous year under this specific standard is not available.[1]

BASIC MODULE

B1: Basis for Preparation

WIRUTEX srl has selected OPTION B: Basic Module and Comprehensive Module for its 2024 VSME sustainability report, indicating a commitment to a comprehensive level of disclosure from the outset of its VSME reporting journey.[1] No disclosures have been omitted due to being classified or sensitive information, demonstrating transparency within the scope of the VSME standard and the provided data.[1]

The sustainability report has been prepared on an individual basis (SINGOLA), covering WIRUTEX srl only.[1] Although WIRUTEX srl is part of the UC HOLDING group, this report is specific to WIRUTEX srl's operations and does not include consolidated information from other entities within the holding.[1]

The choice of "COMPREHENSIVE" reporting in this inaugural VSME year establishes 2024 as a crucial baseline for detailed sustainability performance tracking and future comparison.[1] This represents an ambitious first step in formalizing its sustainability disclosures.

Table B1.1: Company Profile and Reporting Basis

Parameter	Details	Source
Legal Form	SRL	1
NACE Sector Classification	25.63 (ATECO 25.63.1	1
Balance Sheet Total(Year-end)	€5.8 million	1
Turnover (Financial Year)	€5.0 million	1
FTE Employees (31/12)	29	1
Country of Primary Operations	ITALIA	1
Registered Office Address	VIA MARIO RICCI, 28	1
Geolocation (Registered	43.887306, 12.835148	1
VSME Reporting Option	OPTION B: Basic and	1
Reporting Basis	Individual (Singola)	1
Omitted Sensitive Information	No	1
Prior Year VSME Data	No	1

The company's NACE code 25.63 (Manufacturing) places it within sectors often characterized by significant environmental interactions, particularly concerning energy consumption, material use, and waste generation.1 This industrial context is important for interpreting the environmental data presented later in this report and understanding its relevance for certain Comprehensive Module disclosures, such as those pertaining to "high climate impact sectors." The precise geolocation of the company's site is vital for assessing site-specific environmental considerations, including proximity to biodiversity-sensitive areas or regions experiencing water stress.

WIRUTEX srl holds several sustainability-related and quality certifications, which underscore a foundational commitment to recognized management standards.

Table B1.2: Sustainability-Related Certifications

Certification Name	Issuing Body	Brief Description	Source
ISO 14001	AUDISO 1	Environmental Management System	1
ISO 9001:2015	RINA 2	Quality Management System	2
Brazing Procedure Certification	Istituto Italiano della Saldatura	Certified brazing processes	2
Qualified Brazing Operators Certification	Istituto Italiano della Saldatura	Certified operators for brazing	2

The existing ISO 14001 certification implies that WIRUTEX srl has implemented systems for managing its environmental aspects. This internationally recognized certification highlights WIRUTEX srl's structured approach to reducing environmental impact, ensuring compliance, and promoting continual improvement. This foundation supports WIRUTEX's ability to measure and enhance environmental performance while also facilitating alignment with the VSME standard.

B2: Practices, Policies and Future Initiatives for Transitioning Towards a More Sustainable Economy

The VSME Standard requires undertakings to state whether they have specific practices, policies, or future initiatives for transitioning towards a more sustainable economy. Based on the information provided for WIRUTEX srl [1], the status across various sustainability areas is detailed in Table B2.1.

Table B2.1: Overview of Sustainability Practices, Policies, and Initiatives (2024)

Scope	Presence of Practices, Guidelines and Initiatives (Y/N)	Publicly (Y/N)	Target set (Y/N)
Climate Change	N	N	N
Climate Risk	N	N	N
Waste & Pollution	N	N	N
Water & Marine Res.	N	N	N
Biodiversity	N	N	N
Circular Economy	N	N	N
Workforce - internal	N	N	N
Supply Chain Wrk	N	N	N
Affected Communities	S	S	S

Customers	S	S	S
Code of Ethics	N	N	N

Source:.[1] S = Yes (Sì); N = No.

A noteworthy observation is the current status regarding formally documented and reported practices, policies, and targets.

Although WIRUTEX srl has opted for "COMPREHENSIVE" VSME reporting, the information provided indicates that for many key sustainability areas—such as climate change, waste, water, biodiversity, circular economy, internal workforce aspects, and a code of ethics—formal practices, their public disclosure, and associated targets are reported as not in place ("N") for purposes of this VSME statement. Affirmative responses ("Y") are limited to engagement with affected communities and customers/end-users. This suggests that current formalized sustainability efforts, with declared targets, are more oriented towards external stakeholders.

The company's website mentions an "Environmental Policy" associated with its ISO 14001 certification. However, the specific content of this policy was not accessible through the materials provided. While its existence is acknowledged, it is not possible to delve into details regarding specific practices or targets of such policy beyond the generic ISO 14001 certification. ISO 14001 standard itself requires certain environmental practices and objectives. The "N" responses in Table B2.1 might therefore reflect what has been formally prepared and documented specifically for this VSME report, rather than a complete absence of any operational environmental management activities.

This could indicate the need to more explicitly align existing activities, driven by ISO 14001, with VSME disclosure expectations in future reporting cycles.

B3: Energy and Greenhouse Gas Emissions

WIRUTEX srl's total energy consumption in 2024 was 681.1 MWh.[1] A breakdown of this consumption by source and renewability is provided below.

Table B3.1: Total Energy Consumption by Source (2024)

Energy Source	Consumption (kWh)	Consumption (MWh)	% Renewable	% Non-Renewable	Total (MWh)	Source(s)
Electricity	662,556	662.56	14.7%	85.3%	662.56	1
Renewable Electricity	97,395.73	97.40				1
Non-Renewable Electricity	565,160.27	565.16				Calculated
Fuels						
Natural Gas (heating)	6,547	6.55	0%	100%	6.55	1
Diesel (Euro 6+, vehicles)	11,989	11.99	0%	100%	11.99	1
Total Energy Consumption	681,092	681.10	14.3%	85.7%	681.10	1

Note: Diesel kWh calculated from 1,211 units (assumed liters) using a conversion factor of 9.9 kWh/l from.[1] Percentages for total renewable/non-renewable are based on total MWh.

The company's gross greenhouse gas (GHG) emissions for 2024 are detailed below. The total Scope 1 and Scope 2 emissions are derived from the detailed calculations within the ECOVSME_GHGCALC_WIRUTEX_2024.pdf document.[1]

Table B3.2: Gross Greenhouse Gas Emissions (2024)

GHG Emission Category	Emissions (tCO2e)	Source(s)
Scope 1 GHG Emissions	117.4	1
Scope 2 GHG Emissions (Location-based)	278.8	1
Total Gross GHG Emissions	396.2	1

Note: Scope 1 emissions include contributions from natural gas combustion (approx. 1.32 tCO2e), diesel combustion (approx. 2.97 tCO2e), refrigerant losses (R-32: 1.354 tCO2e from 2.00 kg usage [1]), and a significant portion attributed to the Global Warming Potential (GWP) of NOx emissions from these combustion sources (approx. 113.13 tCO2e). Scope 2 emissions primarily arise from purchased electricity (approx. 165.64 tCO2e) and a similarly significant portion attributed to the GWP of NOx emissions associated with that electricity generation (approx. 113.13 tCO2e).[1] The summary values from [1] are used.

A substantial component of both Scope 1 and Scope 2 emissions, as calculated in the ECOVSME_GHGCALC_WIRUTEX_2024.pdf [1], is attributed to "GWP per emissioni da NOx" (GWP for NOx emissions). This accounts for approximately 113.13 tCO2e within Scope 1 and another 113.13 tCO2e within Scope 2, totaling 226.26 tCO2e. The inclusion of NOx emissions converted to CO2e using a GWP factor (identified as 298 g CO2e/kWh for NOx in the calculation sheet [1]) significantly influences the total GHG figures. While the VSME Standard refers to the GHG Protocol Corporate Standard [1], which primarily focuses on direct emissions of CO2, CH4, N2O from combustion and F-gases, the methodology applied by the ECOVSME_GHGCALC tool incorporates this NOx GWP. This specific calculation choice markedly increases the reported carbon footprint compared to an inventory focused solely on the more common GHGs.

The company's GHG intensity for 2024 is calculated as follows:

Table B3.3: GHG Intensity (2024)

Metric	Value	Source(s)
Total Gross GHG Emissions	396.2 tCO2e	[1]
Turnover	€5.0 million	[1]
GHG Intensity	**79.24 tCO2e per million EUR turnover**	Calculated

The electricity consumed by WIRUTEX srl is only 14.7% renewable.[1] Given that Scope 2 emissions, predominantly from electricity consumption, constitute the largest portion of the company's GHG footprint (278.8 tCO2e compared to 117.4 tCO2e for Scope 1 [1]), an increase in the procurement of renewable electricity presents a significant opportunity for GHG emission reduction. Diesel consumption for company vehicles also contributes to Scope 1 emissions [1]; while not the largest single source, optimizing fleet efficiency or transitioning to lower-emission vehicles could further reduce direct emissions.

Refrigerant usage contributing to Scope 1 GHG emissions in 2024 involved R-32, with

2.00 kg used, corresponding to 1,354 kg CO2e (or 1.354 tCO2e).[1]

B4: Pollution of Air, Water and Soil

WIRUTEX srl reports emissions to air from its operations for 2024. The VSME Standard requires disclosure of pollutants if already mandated by law or reported under an Environmental Management System (EMS).[1] The inclusion of this data in the ECOVSME_GHGCALC_WIRUTEX_2024.pdf [1] suggests it is part of the company's current environmental data collection, likely facilitated by its ISO 14001 EMS.

Table B4.1: Emissions of Pollutants to Air (2024)

Pollutant	Scope 1 Emissions (kg)	Scope 2 Emissions (kg)	Total Emissions (kg)	Source
Nitrogen Oxides (NOx)	1.236	379.645	380.9	[1]
Sulphur Dioxide (SO2)	0.090	227.919	228.0	[1]
Particulate Matter (PM)	0.105	27.165	27.3	[1]

Totals may vary slightly from summary in [1] due to rounding

A significant observation is that the vast majority of NOx, SO2 , and PM emissions are attributed to Scope 2 (indirect emissions from purchased energy, primarily off-site electricity generation) rather than Scope 1 (direct, on-site operational emissions).[1] This indicates that the environmental burden from these specific air pollutants is predominantly linked to the energy mix of the electricity grid supplying WIRUTEX srl, rather than its direct manufacturing processes. The substantial NOx emissions, particularly from Scope 2 sources, are directly related to the large "GWP per emissioni da NOx" component included in the GHG calculations under disclosure B3, reinforcing NOx as a key pollutant influencing the company's indirect carbon footprint.

Information on pollution to water and soil from the company's direct operations, beyond wastewater discharge parameters (see B6), was not detailed in the provided documents in a manner that aligns with specific pollutant quantities released to these media.

B5: Biodiversity

WIRUTEX srl's registered office and operational site is located at VIA MARIO RICCI,

28, Pesaro, Italy, with geographical coordinates 43.887306, 12.835148.1 The VSME Standard requires disclosure of sites owned, leased, or managed in or near biodiversity-sensitive areas.1 Based on a review of the provided general search snippets regarding Natura 2000 sites in Italy 4, a definitive assessment of whether WIRUTEX's specific location is in or near such an area cannot be conclusively made without recourse to specialized mapping tools (e.g., the Natura 2000 online viewer), which were not part of the provided information set[7] .

Land-use metrics for WIRUTEX srl in 2024 are presented below.

Table B5.1: Land Use (2024)

Metric	Value	Unit	Source(s)
Total use of land (plot area)	0.2	ha	1
Total building area	1,732	m^2	1
Total occupied area (incl. exteriors)	2,230	m^2	1
Total sealed area	N/S*	m^2	
Total nature-oriented area on-site	0.00	m^2	1
Total nature-oriented area off-site	0.00	m^2	1

N/S = Not Specified. A significant portion of the 2,230 m^2 occupied area is sealed, common for industrial sites. The building footprint of 1,732 m^2 is inherently sealed.

Given the total occupied area of 2,230 m^2, Wirutex srl demonstrates efficient land use for its operations, although the space currently dedicated on site to biodiversity enhancement remains limited. The “0 ha” reported for “Total land plot area” indicates that the company leases its facility within a larger industrial area, and that its definition of operational land refers primarily to the building and its immediate surroundings rather than ownership of a larger land

parcel. This context influences the interpretation of the company's direct land-management responsibilities and the opportunities for biodiversity initiatives.

B6: Water

In 2024, WIRUTEX srl's total water withdrawal was 735 m^3, sourced entirely from the public water supply, at a cost of €2,644.00. Regarding operations in high water-stress areas, the company is located in Pesaro, Italy, which is not a high water-stress area.

Water consumption—defined as water withdrawal minus water discharge—is calculated based on the reported data. Total water withdrawal is 735 m^3. Internal documents indicate 735 m^3 of sanitary wastewater discharged to the public sewer (cost: €317.31) and also mention company treatment of 735 m^3 of sanitary wastewater (cost: €564.11). It is interpreted that the total volume of water discharged is 735 m^3, equal to the withdrawal, with costs incurred both for public sewer services and for on-site treatment aspects. Consequently, water consumption is 0 m^3 (735 m^3 withdrawn − 735 m^3 discharged).

This is plausible if water is used mainly for sanitary purposes and non-consumptive processes, with full discharge to the sewer system. Additional costs related to water use and discharge total €881.42. The relatively low total withdrawal of 735 m^3 for a manufacturing entity with 29 full-time equivalent employees suggests that water is not a primary input for its core production processes and is likely used predominantly for sanitary needs and potentially some minor, non-consumptive operational uses.

However, the identifiable costs associated with water withdrawal and treatment provide a financial basis for assessing the economic feasibility of future water-conservation measures.

Table B6.1: Water Withdrawal and Consumption (2024)

Metric	Value	Unit	Source(s)
Total Water Withdrawal	735	m^3	1
Cost of Water Withdrawal	2,644	€	1
Water Withdrawal in High Water-Stress Areas	N/A*	m^3	
Total Water Discharge	735	m^3	1
Total Water Consumption	0	m^3	Calculated
Additional Costs (Discharge/Treatment)	881	€	1

N/A = Not Applicable to Wirutex.

B7: Resource Use, Circular Economy and Waste Management

WIRUTEX srl's approach to circular economy principles is an area for development, as the company reported "N" (No) for existing practices, policies, or objectives related to "Economia Circolare" for VSME disclosure purposes in 2024.[1] The quantitative data on material use and waste generation reflect current operational realities.

Waste Generation and Diversion (2024)
In 2024, WIRUTEX srl generated a total of 61 tonnes of waste, comprising 50 tonnes of non-hazardous waste and 11 tonnes of hazardous waste.[1]

Table B7.1: Waste Generation and Diversion (2024)

Waste Category	Generated (t)	Diverted to Recycling/Reuse (t)	Source(s)
Non-Hazardous Waste	50	0	[1]
Hazardous Waste	11	N/S*	[1]
Total Waste	61	0 (for non-hazardous)	[1]

N/S = Not Specified for hazardous waste recycling/reuse in.[1] It is assumed to be 0 unless otherwise indicated, as hazardous waste typically undergoes specialized treatment or disposal.

Key non-hazardous waste streams by EWC code include general industrial wastes such as 120101 (ferrous metal filings and turnings, 21.2 t) and 161002 (aqueous liquid wastes other than those mentioned in 16 10 01, 26.4 t).[1] Key hazardous waste streams include 120109 (machining emulsions and solutions free of halogens, 4.1 t) and 120117 (waste blasting material other than those mentioned in 12 01 16, 4.4 t).[1]

The fact that 0 tonnes of non-hazardous waste are reported as diverted to recycling or reuse [1] points towards a predominantly linear "take-make-dispose" model for these waste streams. This presents a significant opportunity for WIRUTEX srl to implement circular economy practices, such as improved waste segregation, recycling programs, and exploring options for reuse, despite the current absence of formally reported policies in this domain.[1]

Annual Mass-Flow of Relevant Materials Used (2024)

The primary materials directly purchased and consumed in production during 2024 are detailed below.

Table B7.2: Annual Mass-Flow of Key Materials (2024)

Material	Quantity Used (t)	Cost (€ '000)	Source(s)
DIAMANTE INDUSTRIALE	0.01	184.4 (combined)	[1]
LEGA TUNGSTENO CARBURO	0.15	184.4 (combined)	[1]
ACCIAIO (Steel)	25.95	37.7	[1]
NASTRO TRIMETALLICO	0.04	18.8	[1]
Total Direct Materials	25.99	241.0	[1]

Industrial diamond represents a very high-cost, low-volume critical raw material, with over €184,000 spent on approximately 10 kg[1]. This material comes bundled with approximately 148 kg of tungsten-carbide alloy (costs and quantities are shown for the combined procurement). Steel is the most significant material by mass. The efficient utilization, and potential for recovery or recycling of these materials, particularly high-value ones like industrial diamond and high-volume ones like steel, could yield substantial economic and environmental advantages. The total volume of production for the year was 28.9 tonnes [1], while the input of these three listed raw materials alone accounts for 25.99 tonnes.[1] This indicates that these materials constitute the vast majority of the physical mass of the products manufactured by WIRUTEX srl, focusing attention on their sourcing, in-process efficiency, and end-of-life considerations for both the products and any manufacturing scrap.

B8: Workforce - General Characteristics

As of December 31, 2024, WIRUTEX srl employed 29 Full-Time Equivalent (FTE) individuals.1

Table B8.1: Employee Demographics by Contract and Gender (2024)

Category	Number of Employees (FTE)	Source(s)
Permanent Contract	28	1
Temporary Contract	1	1
Total Employees	29	1
Male	19	1
Female	10	1
Not Declared	0	1

All 29 employees are based in Italy, the company's primary nation of operation.[1]

During the last 12 months, 2 employees left the company.[1] The employee turnover rate is therefore 6.9% (calculated as (2 departures / 29 year-end FTE) * 100). This relatively low turnover rate, coupled with the high proportion of permanent contracts (28 out of 29 employees), suggests a stable workforce and potentially good employee retention, although the specific reasons for the two departures (voluntary or involuntary) were not provided.

B9: Workforce - Health and Safety

WIRUTEX srl reported a strong health and safety record for the last 12 months.

Table B9.1: Workforce Health and Safety Performance (2024)

Metric	Value	Source(s)
Number of recordable work-related accidents	0	[1]
Rate of recordable work-related accidents (per 200,000 hrs)	0	Calculated
Number of work-related fatalities	0	[1]

The rate of recordable work-related accidents is calculated as (Number of accidents / Total hours worked) * 200,000. Assuming 2,000 standard working hours per FTE per year (29 FTE * 2,000 hrs = 58,000 total hours), the rate is (0 / 58,000) * 200,000 = 0. Achieving zero work-related accidents and fatalities is a significant positive indicator of the company's health and safety management effectiveness.

B10: Workforce - Remuneration, Collective Bargaining and Training

WIRUTEX srl demonstrates strong practices in several key areas of workforce remuneration, rights, and development.

Table B10.1: Workforce Remuneration, Collective Bargaining, and Training (2024)

Metric	Value / Status	Source(s)
Employees receive pay ≥ applicable minimum wage	Yes (100% collective bargaining coverage)	[1]
Gender Pay Gap	N/A (FTE < 150)	[1]
Percentage of employees covered by collective bargaining agreements	100%	[1]
Average annual training hours per male employee	40 hours	[1]
Average annual training hours per female employee	40 hours	[1]

All employees (100%) are covered by collective bargaining agreements.[1] In Italy, such agreements typically ensure that wages meet or exceed the legal minimums for the relevant sector, allowing for the inference that WIRUTEX srl complies with minimum wage requirements. The disclosure of a gender pay gap is not applicable as the company employs fewer than 150 FTEs, consistent with VSME Standard guidelines.[1]

The provision of equal average training hours (40 hours annually) for both male and female employees is indicative of an equitable approach to skills development and professional growth opportunities within the company.[1] The 100% collective bargaining coverage is a particularly strong positive social indicator, often associated with fair wages, structured working conditions, and established mechanisms for employee representation and dispute resolution.

B11: Convictions and Fines for Corruption and Bribery

In the reporting period of 2024, WIRUTEX srl has not incurred any convictions, nor has it been subject to any fines, for the violation of anti-corruption and anti-bribery laws. This is based on the absence of such information in the provided documentation.[1]

While the absence of convictions and fines is a positive outcome, it is noted that the company reported "N" (No) for having existing practices, policies, or objectives related to a "Codice etico per la conduzione dell'attività" (Code of ethics for business conduct) within its VSME disclosures.[1] The development and implementation of a formal code of ethics and specific anti-corruption/bribery policies could serve as proactive measures to further strengthen governance and mitigate such risks in the future.

COMPREHENSIVE MODULE

C1: Strategy: Business Model and Sustainability-Related Initiatives

WIRUTEX srl designs, manufactures, and distributes polycrystalline diamond (PCD) and hard metal (HM) tools. These tools are engineered for processing wood, plastics, and aluminum, serving both high-quality craftsmanship and the broader furniture industry.[1] Key product categories include router cutters, boring bits, cutters with bore, saw blades, hoggers, chucks, and specialized tools developed for Biesse machines, alongside W_Kits (tool kits for CNC machines).[1] In 2024, the company produced 64,304 individual tool pieces, with a total production volume of 28.9 tonnes.[1] The top five products by turnover contribution represent a relatively small percentage of total turnover individually (ranging from 0.04% to 0.84%), suggesting a diversified product

portfolio.[1]

The company primarily operates in Italy, with a commercial office and warehouse in the United States indicating an international market presence.[1] Distribution is managed through direct sales and an extensive global network of distributors.[2] A significant business relationship is a consolidated partnership with Biesse, a major woodworking machine manufacturer, for whom WIRUTEX develops specific tooling solutions.[2] Key raw material inputs include industrial diamond, steel, and trimetallic strip [1], and the company emphasizes developing tools through daily interaction with its suppliers.[2]

Several elements of WIRUTEX's strategy relate to or affect sustainability issues. The company maintains an Environmental Management System certified to ISO 14001 [1] and possesses an Environmental Policy, though its specific contents were not accessible for this report.[2] A commitment to "Total Quality" is evidenced by its ISO 9001:2015 certification and compliance with the European standard EN 847-1 for tool safety.[2] Innovation is a core strategic value, demonstrated by ongoing investments in new technologies and collaborative product development with clients, such as the Q-System® with BIESSE and the Gladio milling cutter with Colombini Group.[2] Furthermore, WIRUTEX has established practices, policies, and objectives concerning its engagement with "Comunità Interessate" (Affected Communities) and "Clienti ed Utilizzatori Finali" (Customers and End-Users), which are reported as publicly available.[1]

The business model's reliance on specialized, high-precision tools often involves critical and high-cost raw materials like industrial diamonds.[2] The sustainability of the supply chain for these materials, including ethical sourcing and environmental impact of extraction, could represent a key area of focus for risk management and opportunity creation. The established partnerships with major clients like BIESSE [2] provide a valuable channel for co-developing and promoting more sustainable tooling solutions.

This could include designing tools with extended lifespans, tools optimized for processing recycled or alternative materials, or tools that enable end-users to achieve greater material efficiency in their own operations. While the ISO 14001 certification provides a solid foundation for environmental management, the broader strategic integration of sustainability principles—for example, into product design for enhanced circularity or the development of a comprehensive climate action strategy—is not yet fully evident from the "N" (No) responses for policies and objectives in many sustainability areas detailed in.[1]

C2: Description of Practices, Policies and Future Initiatives for Transitioning Towards a More Sustainable Economy

This section elaborates on the information presented in B2, providing further context on WIRUTEX srl's formally reported framework for managing sustainability issues. The company has designated Manuele Bartolini as responsible for VSME reporting and Francesca Rinaldo as ESG Responsible. Ms. Rinaldo also holds responsibility for managing non-hazardous and hazardous waste, and for Administration.[1] These appointments indicate a formal commitment to sustainability governance and reporting. However, for several other key environmental roles, such as "Responsabile approvvigionamento energetico" (Head of energy procurement), "Responsabile approvvigionamento idrico" (Head of water procurement), and "Responsabile impatto ambientale" (Head of environmental impact), no specific individuals were named in the provided information.[1] This may suggest distributed responsibilities or present an opportunity to strengthen dedicated oversight in these operational areas.

Table C2.1: Sustainability Practices, Policies, Initiatives, and Targets (2024)

Sustainability Issue	**Brief description of practices/policies/future initiatives (and if they cover suppliers/clients)**	**Future initiatives / targets specified (Y/N, details if available)**
Climate Change	No formal practices, policies, targets reported under this VSME disclosure. [1]	N
Climate Risk	No formal practices, policies, targets reported under this VSME disclosure. [1]	N
Waste & Pollution	Company has ISO 14001 EMS & Environmental Policy (existence noted [2] [3], content inaccessible). No specific initiatives or targets reported under VSME. [1]	N
Water & Marine Res	Company has ISO 14001 EMS & Environmental Policy. No specific initiatives or targets reported under VSME. [1]	N
Biodiversity	Company has ISO 14001 EMS & Environmental Policy. No specific initiatives or targets reported under VSME. [1]	N

Circular Economy	No formal practices, policies, targets reported under this VSME disclosure. [1]	N
Own Workforce - internal aspects	No formal practices, policies, targets reported under this VSME disclosure beyond general H&S, collective bargaining, training. [1]	N
Workers in Value Chain	No formal practices, policies, targets reported under this VSME disclosure. [1]	N
AffectedCommunities	Practices, policies, initiatives exist and are public. Specific details beyond this affirmation not provided. [1]	S (objectives exist)
Customers/End-users	Practices, policies, initiatives exist and are public (likely related to product quality/safety e.g. ISO 9001, EN 847-1 [2]). Specific sustainability-focused details beyond this affirmation not provided. [1]	S (objectives exist)
Code of Ethics	No formal practices, policies, targets reported under this VSME disclosure. [1]	N

As indicated in Table C2.1, for many critical sustainability areas WIRUTEX srl reported “N” (No) for existing practices, policies, or future initiatives specifically for this VSME report. Although the ISO 14001 certification and the referenced Environmental Policy suggest that some environmental management practices are in place, the positive (“YES”) statements for Interested Communities and Customers/End Users indicate that, where formal sustainability frameworks are established and published, they are currently more oriented toward engagement with external stakeholders and product users. The company therefore has ample room for improvement in this area.

C3: GHG Reduction Targets and Climate Transition

For the reporting year 2024, WIRUTEX srl has not reported any formally established

Greenhouse Gas (GHG) emission reduction targets for its Scope 1, Scope 2, or Scope 3 emissions. This is consistent with the information in [1], which indicates "N" (No) for existing practices, policies, or objectives related to "Cambiamento Climatico" (Climate Change).[1]

WIRUTEX srl operates under NACE code 25.63 (Machining), falling within Section C -

Manufacturing.[1] According to the VSME Standard (paragraph 55, footnote 6), NACE Sections A to H and Section L are considered "high climate impact sectors".[1] As a company operating in such a sector, the VSME Standard suggests that it should provide information about any transition plan for climate change mitigation or, if no such plan exists, indicate whether and when one will be adopted.[1]

Given the absence of reported policies or objectives for climate change 1, it is inferred that WIRUTEX srl does not currently have a formal, reported climate transition plan in place for 2024 under this VSME framework. The provided documentation does not contain a statement from the company regarding its intentions or timeline for adopting such a plan.

Operating in a designated "high climate impact sector" without formally reported GHG reduction targets or a climate transition plan is a notable aspect, particularly given the company's choice of "COMPREHENSIVE" VSME reporting. This represents a significant area for future strategic development. The GHG emissions data calculated under disclosure B3 provides a quantitative baseline; however, without targets or a transition plan, there is no formally articulated trajectory for reducing these emissions or aligning the business strategy with broader decarbonization goals. Stakeholders, including banks, investors, and large clients, are increasingly expecting such strategic commitments from companies in manufacturing and other high-impact sectors.

C4: Climate Risks

Consistent with the information reported for climate change policies and targets, WIRUTEX srl also indicated "N" (No) for existing practices, policies, or objectives related to "Rischio Climatico" (Climate Risk) for the year 2024.[1] This implies that, for the purposes of this VSME report, the company has not disclosed a formal identification or assessment of climate-related physical hazards (such as those arising from extreme weather events or long-term climatic shifts) or climate-related transition events (such as policy changes, technological shifts, or market responses to climate change).

Consequently, no specific climate change adaptation actions undertaken in response to identified risks are reported.

The absence of a disclosed climate risk assessment (covering both physical and transition risks) suggests that WIRUTEX srl may not have yet systematically evaluated the potential direct and indirect impacts of climate change on its operations, assets, supply chain, or market position. Similarly, its own contributions or exposure to transition risks may not have been formally assessed. For a manufacturing company, which can be exposed to disruptions in supply chains, operational impacts from extreme weather, or shifts in market demand towards lower-carbon products and solutions, undertaking such a risk assessment would be a crucial step in building resilience and strategic foresight.

C5: Additional (General) Workforce Characteristics

Regarding the female-to-male ratio at the management level, the company's highest governance body, the Consiglio di Amministrazione (CDA), consists of 2 male members and 0 female members.[1] If the CDA is considered the primary "management level" for this disclosure, the ratio is 0 females to 2 males. Data for broader management levels below the CDA was not provided in the available documents. The current composition of the CDA indicates a lack of gender diversity at the company's highest governance level.

The company employs 1 individual on a temporary contract.[1] Specific data on the number of "self-employed without personnel working exclusively for the undertaking" or temporary workers provided by employment agencies (NACE Code N78) was not explicitly detailed in the provided information.

C6: Additional Own Workforce Information - Human Rights Policies and Processes

WIRUTEX srl reported "N" (No) for having existing practices, policies, or objectives related to a "Codice etico per la conduzione dell'attività" (Code of ethics for business conduct) for VSME disclosure purposes.[1] This implies that an overarching, formally reported code of conduct or a dedicated human rights policy covering its own workforce—addressing issues such as child labour, forced labour, human trafficking, discrimination (beyond general equality principles potentially covered by law or collective agreements), or specific accident prevention protocols (beyond the general health and safety performance reported in B9)—is not disclosed for 2024.

Furthermore, information regarding the existence of a formal complaints-handling or grievance mechanism specifically for its own workforce to address human rights or ethical concerns was not provided in the source documents.[1] The absence of a formally reported code of conduct, a human rights policy, and a dedicated grievance mechanism represents a gap in establishing and communicating clear commitments to human rights and ethical conduct within the workforce. Such formal frameworks are foundational for identifying, preventing, mitigating, and remediating adverse human rights impacts and ensuring ethical behavior.

That said, ethical conduct and care for employee well-being are deeply embedded in the company’s culture and day-to-day management. While not yet codified in an official document, these principles are implicitly upheld through the actions and decisions of the leadership team.

A recent adjustment to working hours, made in response to employee feedback, illustrates the company's commitment to maintaining fair and respectful working conditions. Management consistently engages with staff and acts when necessary—demonstrating a proactive, people-centered approach rooted in responsibility and respect.

WIRUTEX srl continues to explore how to further formalize these values through structured policies and transparent governance frameworks, in alignment with evolving stakeholder expectations and international best practices.

C7: Severe Negative Human Rights Incidents

For the reporting year 2024, WIRUTEX srl reports no confirmed incidents of severe negative human rights issues (such as child labour, forced labour, human trafficking, or discrimination) within its own workforce. This is based on the absence of any such information in the provided documents.[1]

The company also reports no awareness of any confirmed incidents involving workers in its value chain, affected communities, consumers, or end-users related to these severe human rights issues during the reporting period.

C8: Revenues from Certain Sectors and Exclusion from EU Reference Benchmarks

Based on the description of WIRUTEX srl's activities—the design, manufacture, and distribution of tools for working with wood, plastic, and aluminum [1]—the company does not derive revenues from the following sectors as defined by the VSME Standard [1]:

- Controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, and biological weapons).
- The cultivation and production of tobacco.
- The fossil fuel sector (including exploration, mining, extraction, production, processing, storage, refining, or distribution of coal, oil, and gas).
- Chemicals production, specifically the manufacturing of pesticides and other agrochemical products (as per NACE Division 20.2).

This confirms that the company's core business operations are not situated in sectors that are frequently excluded by investors due to ethical concerns or high contributions to climate change.

Regarding exclusion from EU reference benchmarks, WIRUTEX srl is not aware of being excluded from any EU reference benchmarks that are aligned with the Paris Agreement. Given its status as a non-listed SME, direct inclusion or exclusion from such benchmarks is typically not applicable in the same way as for large, listed corporations.

C9: Gender Diversity Ratio in the Governance Body

The governance body for WIRUTEX srl is its Consiglio di Amministrazione (CDA) or Board of Directors.

Table C9.1: Gender Diversity in Governance Body (CDA) (2024)

Metric	Value	Source(s)
Number of Male Members on CDA	2	[1]
Number of Female Members on CDA	0	[1]
Gender Diversity Ratio (Female Members / Male Members)	0 / 2 (or 0.0)	Calculated

As shown in Table C9.1, the Board of Directors of WIRUTEX srl comprises 2 male members and 0 female members.[1] This results in a gender diversity ratio of 0 females to 2 males. This indicates a complete lack of female representation at the company's highest level of governance, highlighting a significant gender diversity gap. This is an area that may attract attention from stakeholders increasingly focused on governance practices and gender equality in leadership positions.

CONCLUSIONS

The inaugural 2024 VSME report from WIRUTEX srl, prepared at the "Full" level, establishes an important baseline for its sustainability performance and disclosure. The company demonstrates solid fundamentals, including ISO 14001 and ISO 9001 certifications, an excellent health and safety record with zero injuries or fatalities, 100% coverage by collective bargaining, and fair training hours for its workforce. Key environmental data for 2024 reveal total energy consumption of 681.1 MWh (14.3% renewable) and gross Scope 1 and 2 GHG emissions of 396.2 tCO_2e. A significant portion of these emissions is attributed to the GWP of NOx emissions— a methodological aspect of the calculation tool used that merits attention. Air pollutant emissions (NOx, SO_2, PM) are mainly linked to Scope 2 (purchased energy). Water withdrawal is modest at 735 m^3, with net consumption equal to zero. The company generated 61 tonnes of waste (corrected figure based on B7), with non-hazardous waste not reported as recycled, and used approximately 26 tonnes of key raw materials such as steel and industrial diamond. Land-use data indicate the absence of on-site areas dedicated to nature.

The report identifies several high-potential areas where WIRUTEX srl can further strengthen its sustainability strategy and governance, building on its existing foundations. By selecting the "Full" VSME reporting framework, WIRUTEX srl has demonstrated a clear commitment to transparency and continuous improvement. Although formalized disclosures for key sustainability areas—such as climate strategy, risk assessment, circularity, water and biodiversity management, and ethics—are still under development, this signals a solid roadmap for structured progress. The company's ISO 14001 certification reflects the presence of robust environmental management systems, which now serve as a strong platform to evolve toward a goal-oriented, fully integrated sustainability strategy aligned with VSME expectations. The governance structure shows commitment through designated roles for ESG and VSME reporting, while also revealing a lack of gender diversity on the Board of Directors.

Going forward, WIRUTEX srl has the opportunity to leverage this baseline report to:

Develop and Formalize Sustainability Policies and Targets: Close identified gaps by setting clear, measurable, time-bound targets for key areas such as GHG emissions reduction (particularly given its classification in a high-impact sector), waste reduction and recycling, water efficiency, and biodiversity.

Formalize a Code of Ethics and Human Rights Policies to strengthen its governance framework.

Integrate Sustainability into Strategy: Embed sustainability more deeply into the core business strategy, including product innovation (e.g., design for circularity, sustainable materials), supply-chain management, and operational efficiency.

Enhance Climate Action: Conduct a thorough climate-risk assessment (physical and transition) and develop a climate transition plan, including GHG-reduction targets aligned with science-based recommendations for its sector.

Increase the Share of Renewable Energy as a key lever.

Promote Circularity: Implement initiatives to increase recycling and reuse of non-hazardous waste and explore efficiency in the use of critical raw materials.

Strengthen Governance: Consider measures to improve gender diversity at board level and ensure clear accountability for all major environmental and social responsibilities.

This 2024 VSME report serves as a transparent account of WIRUTEX srl's current position on sustainability and provides a solid platform for future progress and enhanced stakeholder engagement.

This report has been prepared by **ECONOVA-AI S.R.L.**

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