

Smart Report 2022



Sustainability



Care



Air



Respect



Performance



Authenticity

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Letter to Stakeholders

Respect and care for our employees and the community, reducing the impact of our production processes, creating more durable products that pollute less, devising a circular alternative for the end-of-life management of our footwear, and testing fully-recycled and certified materials.

These are tangible and measurable commitments that **SCARPA** is putting into practice with a view to the future, to create new virtuous business models, while constantly striving to lower our environmental and social impact.

In our first "Smart Report" we aimed to inform our stakeholders about a selection of the initiatives we implemented in 2021, and announce our projects for the years to come.

This new 2022 Report highlights the tangible implementation of those very commitments and the rigour each programme is being implemented with.

Today, being sustainable for a company does not only mean reducing their environmental impact on the planet—it goes beyond that.

It also means implementing processes that aim to ensure economic and social well-being: this lies at the heart of the new business model, which must embrace every aspect of a company's business. In this regard, no company can feel exempt from such a responsibility: what is required is a new and extraordinary effort that has never been tackled before.

A profound respect for nature and the mountains has always been the cornerstone our choices were based on: **the quality, performance and durability of our products, innovation, and attention to environmental issues are the values that have led SCARPA's** business for decades and that guide it every day. Furthermore, close ties with the local community and a focus on the needs of our employees have always set us apart and are part of the company's very make-up.

These are the premises on which **SCARPA** wants to build a new idea of the future, today: a new approach to business oriented towards finding a balance between material desire and ethics, while respecting the environment and people.

Introduction to the company

SCARPA is an Italian company specialising in the production of outdoor footwear for mountaineering, rock climbing, trail running, trekking, urban wear, ski mountaineering and telemark.

Our Story

Founded in 1938 in Asolo (province of Treviso) as Società Calzaturieri Asolani Riuniti Pedemontana Anonima (hence the acronym S.C.A.R.P.A.), today **SCARPA** is based in the heart of Veneto's footwear manufacturing district, but operates internationally, with subsidiaries in Germany, the USA, China, Romania and Serbia.

Our Values

Quality, performance durability, innovation and a focus on environmental issues. These values constitute a link between the company's origins and history and its future.

The Green Manifesto

Sustainability is the keystone of **SCARPA**'s approach to production. In 2021 we launched our **Green Manifesto**, a systematic commitment that outlines the company's sustainability principles and actualises them in new initiatives geared to bringing our operations into line with the highest international standards.

S — Sustainability
C — Care
A — Air
R — Respect
P — Performance
A — Authenticity

Overview

2022 Sustainability Profile – Benefit Impact Assessment (BIA)

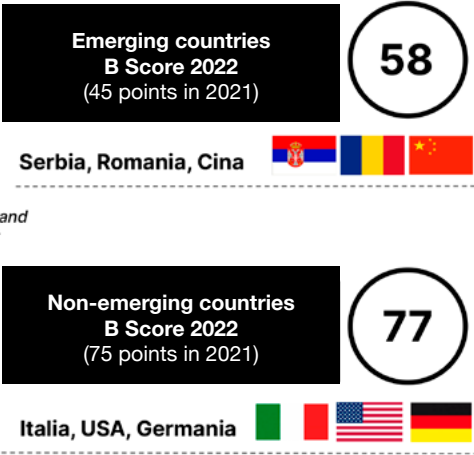
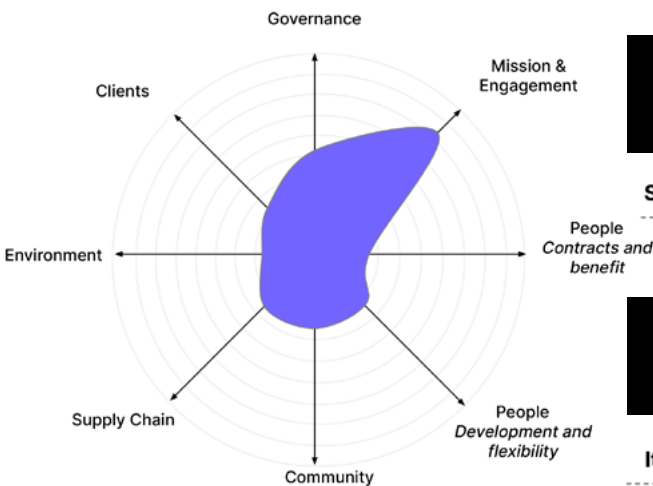
Calzaturificio **SCARPA** has continued to measure its economic, environmental and social sustainability performance principles through the Benefit Impact Assessment, one of the most robust, exhaustive and used impact measurement standards in the world.

Last year, after running a self-assessment on the Italian perimeter, which was not verified by B Lab, **SCARPA** scored above 80 points, the threshold of excellence, attesting to the positive impact generated. This year, **SCARPA** undertook

to broaden its scope through an evaluation of the sustainability performance of all the branches assessed, with the aim of drafting an improvement plan for the Group.

Specifically, the Group has conducted two separate BIAs for non-emerging countries (branches in Italy, USA and Germany) and emerging countries (branches in Serbia, Romania and China) in order to define a more targeted improvement strategy.

Sustainability profile 2022



Source NATIVA

People

BENEFIT CORPORATION

The parent company defines the purposes of common benefit on the path to adopting the legal status of a benefit corporation.

PERFORMANCE BENEFITS

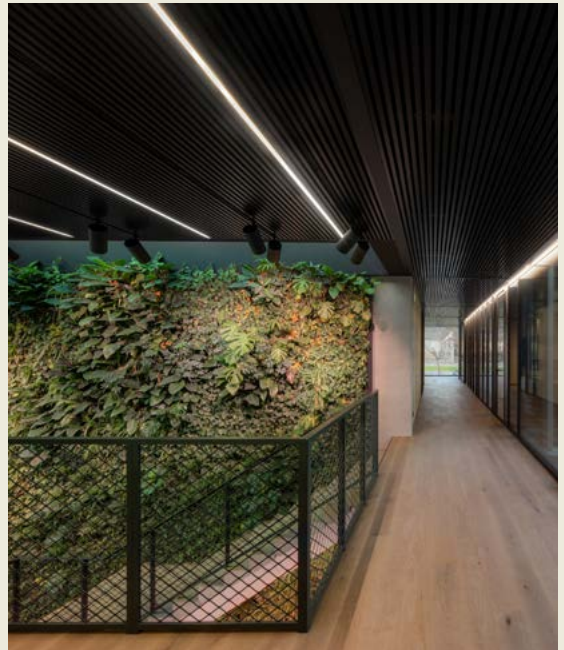
The Group sets an MBO model on social and environmental performance for all managers in the parent company and those in emerging countries.

EMPLOYEE DIVERSITY

The Group undertakes to guarantee diversity in the workplace, with at least 30% female employees in non-emerging countries and at least 50% in emerging countries.

CUSTOMER SATISFACTION

The Parent Company is committed to maintaining the level of customer satisfaction above 60%. Target achieved since 2021. In 2022, the customer satisfaction level was 76%.



Environment

GREENHOUSE GAS EMISSIONS - GHG

The Group is committed to reducing its GHG emissions in categories 1 and 2 by at least 1%.

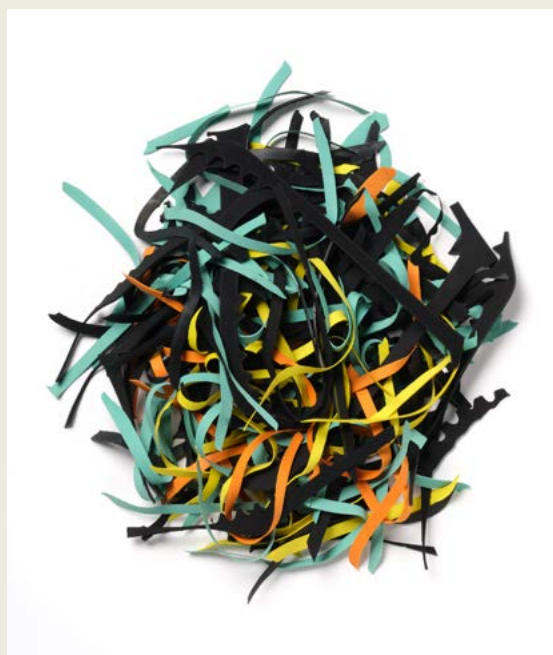
Target already achieved in 2022 compared to 2021 figures. In 2022, the GHG reduction taken into account was 36%.

REUSING RUBBER

The Parent Company is committed to reducing its rubber consumption and to reducing the waste generated per shoe by at least 1% compared to the previous year. Target achieved in 2022 compared to 2021 in the main factory. In 2022, the waste reduction in relation to footwear produced was 6% in Via E. Fermi 1, Asolo, Italy.

SUPPLY CHAIN INVOLVEMENT

The Group is committed to reducing the greenhouse gas emissions generated in its supply chain by at least 1% for emerging and non-emerging countries by 2022.



Sustainability



Life RE-SHOES

Life Re-Shoes is a circular economy project that can obtain raw materials from used footwear and production waste to manufacture new footwear of the same type and quality.

Every year, 24 million new pairs of shoes are produced worldwide, most of which end up in landfills at the end of their life cycle.

This is because **footwear cannot be recycled easily as it is made up of a mix of materials that are very difficult to separate.**

With this project, which is co-financed by the European Union, **SCARPA** — as coordinator of a group of supply chain companies — intends to provide an alternative, circular and sustainable solution to the "end-of-life" management of used shoes.



**TO GIVE
NEW LIFE
TO WORN
FOOTWEAR.**

LIFE RE-SHOES
ID:101074529



PHASE 1

Phase 1 envisages the involvement of the **SCARPA** distribution network to collect 15,000 used pairs of its **MOJITO** style, which will give life to a new generation of green products.

PHASE 2

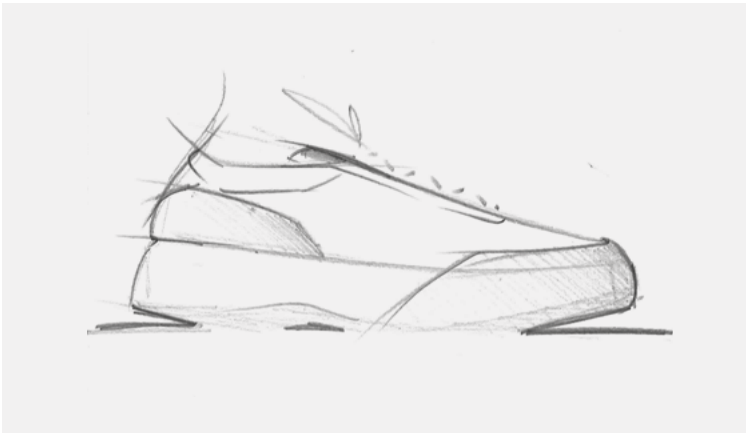
In phase two, the collected footwear will be transformed into new raw materials, aiming to lessen the environmental impact compared to regular production methods.

PHASE 3

During the last phase of the project, a completely new, high-quality shoe will be produced and introduced to the market.



SDGs	
9	INDUSTRY, INNOVATION AND INFRA-STRUCTURE
12	RESPONSIBLE CONSUMPTION AND PRO-DUCTION
13	CLIMATE ACTION



Carbon footprint of the organisation

How we quantify the impact of our business.

Greenhouse gases (GHG) are vital natural elements that regulate heat and keep our planet habitable. However, human activities have altered this delicate harmony, pushing our planet towards a critical phase.

The challenge now is to reduce emissions in order to limit the rise in global temperatures by 1.5 degrees by 2050.

Our corporate philosophy is based on a commitment to a low-emission future, achieved by decoupling economic growth from climate impact. Our strategy aims to concentrate our efforts on the areas of greatest relevance.

In 2022, we identified the main sources of emissions and defined a decarbonisation pathway.

In accordance with the UNI EN ISO 14064 standard, we examined all steps in our production process, from raw material to packaging, including the transport of raw materials and the distribution of the finished product. The involvement of the entire network of production and sales locations ensured a comprehensive overview and detailed group analysis. This focused effort was crucial in order to fully explore the different nuances and distinctive features that distinguish **SCARPA**.

SCARPA has full control over Category 1 and 2 emissions and already has strategies in place for them. Energy efficiency measures were implemented, investments were made in renewable energy and our photovoltaic park was expanded.

However, the main sources of our carbon impact come from the materials we use. Materials with a lower environmental impact are developed in constant collaboration with our suppliers and technical partners.

	SDGs
7	AFFORDABLE AND CLEAN ENERGY
12	RESPONSIBLE CONSUMPTION AND PRODUCTION
13	CLIMATE ACTION

Carbon footprint analysis is just the beginning. It demonstrates **SCARPA**'s commitment to reducing its environmental impact without compromising on performance.

2022 carbon footprint
22.755 Tons Co₂



% Greenhouse gas emissions by category

	Tco2EQ	
RAW MATERIALS	18.659	82%
TRANSPORT	1.365	6%
COMBUSTIBLES	910	4%
ELECTRICITY	683	3%
PRODUCTION	683	3%
WASTE	455	2%
TOTAL	22.755	

RAW MATERIALS
Emissions for the production of raw materials purchased by **SCARPA**.
(Category 1)

TRANSPORT
Emissions from transport for raw material procurement and finished product distribution.
(Category 3)

COMBUSTIBLES
Emissions from natural gas consumption in boilers.
(Category 1)

ELECTRICITY
Indirect emissions caused by the use of electricity from the national grid. (Category 2)

PRODUCTION
Emissions from the production process.
(Category 2)

WASTE
Emissions from the disposal of waste leaving our factories. (Category 4)

Care



Packaging

SCARPA has chosen to use only paper and cardboard from FSC-certified (Forest Stewardship Council) sources for its primary packaging.

This certification guarantees that the material comes from **responsibly managed forests**, which comply with environmental, social and economic sustainability criteria.

Adherence to this standard aids **forest conservation and the protection of biodiversity**. Furthermore, strategies have been adopted to **reduce the use of paper and cardboard in our packaging**. In collaboration with our suppliers, **SCARPA** has optimised packaging logistics, resulting in an estimated annual saving of 1400 kg of CO₂, compared to the previous system.

Each package presents clear and detailed information on how to dispose of the **packaging**

100%

FSC-certified
primary
packaging.

correctly, encouraging recycling and promoting proper disposal through the appropriate channels.
With a view to continuous improvement, **SCARPA** is constantly looking to identify new opportunities to reduce the impact of its packaging.

SDGs

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

15 LIFE ON LAND



The legal references are Italian Legislative Decree No. 115 of 3 September 2020, which transposes EU Directives 2018/851 (on waste) and 852 (on packaging and packaging waste), in particular paragraph 5 in Art. 219, concerning the criteria for waste management activities.

Factories in Europe

Our factories in Serbia and Romania employ 1,143 people who are trained to be able to produce complex, high-quality footwear.

The continuous exchange of expertise between Asolo (Italy), Alibunar (Serbia) and Timisoara (Romania), made through technicians who are specialised in all stages of production, ensures that standards are met and people work together effectively.

SCARPA is proud to have made a valuable contribution to local communities and to have spread an inclusive and supportive culture for those in need.

**MAJA, HR MANAGER
SERBIA FACTORY**

«We provide free health care to employees and their families and a doctor is present in the company three times a week. We give our employees charitable aid in the event of serious illness or the death of a family member and provide employees with interest-free loans. We sponsor humanitarian initiatives in the races our athletes participate in, raising funds for disadvantaged children. Together with the municipality of Tribunal, we are financing the construction of a playground».

**LARISA, HR MANAGER
ROMANIA FACTORY**

«We offer private health insurance to all our employees and provide a transport service for those who do not live in the city. An extra month's pay is paid on top of the 12 guaranteed by law. Every year, we choose a vocational school to donate to, we fund scholarships to deserving students from certain vocational schools and then host them in our factory for internships».

SDGs	
1	NO POVERTY
3	GOOD HEALTH AND WELL-BEING

Air



Plogging

For a few years now **SCARPA** has been the main sponsor of the World Plogging Championship, a discipline that combines running and picking up litter. The event sees around 100 male and female athletes competing for the World Champion title each year, who are called upon to run freely along the trails while picking up litter that has been left by the side of the road. This sport represents the very essence of the mountains, as it involves sensitivity for the environment and education for future generations.

SCARPA has always been an advocate for lifestyles that respect nature, and events such as this one are valuable because they combine sports with a strong message, for young people especially.

Last year's championship saw more than 70 male and female athletes from eight countries competing along the paths of the Chisone and Germanasca Valleys, running and clearing the mountains of litter at the end of the summer season, aware that they were all accomplishing a small, yet great, feat together.

1.152

Kg of waste collected.



SDGs

12 RESPONSIBLE
CONSUMPTION
AND
PRODUCTION

First African-American expedition to Everest

In May, for the first time, an expedition consisting of mountaineers of African-American and African descent reached the summit of Everest.

An event that will go down in the world mountaineering history books occurred in May: for the first time, an expedition composed entirely of **mountaineers of African-American and African descent reached the summit of Everest.**

This extraordinary achievement showed the tenacity and strength of these climbers, highlighting the challenges that still persist for black communities in the outdoor world.

Their success is an inspiration to future generations of outdoor enthusiasts, educators, leaders and mountaineers of colour, encouraging them to pursue their own personal achievements.

The values of this project and this group of athletes are perfectly in line with our company's mission.

It was exciting to get the opportunity to partner with **Team Full Circle Everest** and support their goal, along with other sponsors, like The North Face. At the heart of their endeavour, in addition to their love of the mountains, lies a **desire to promote inclusiveness and combat discrimination.**

These are values that **SCARPA** also embraces and promotes.

During the Everest ascent, Team Full Circle wore **PHANTOM 8000 HD, the brand's flagship product.**

↓ Eddie Taylor



SDGs
10 REDUCED
INEQUALITIES

Respect



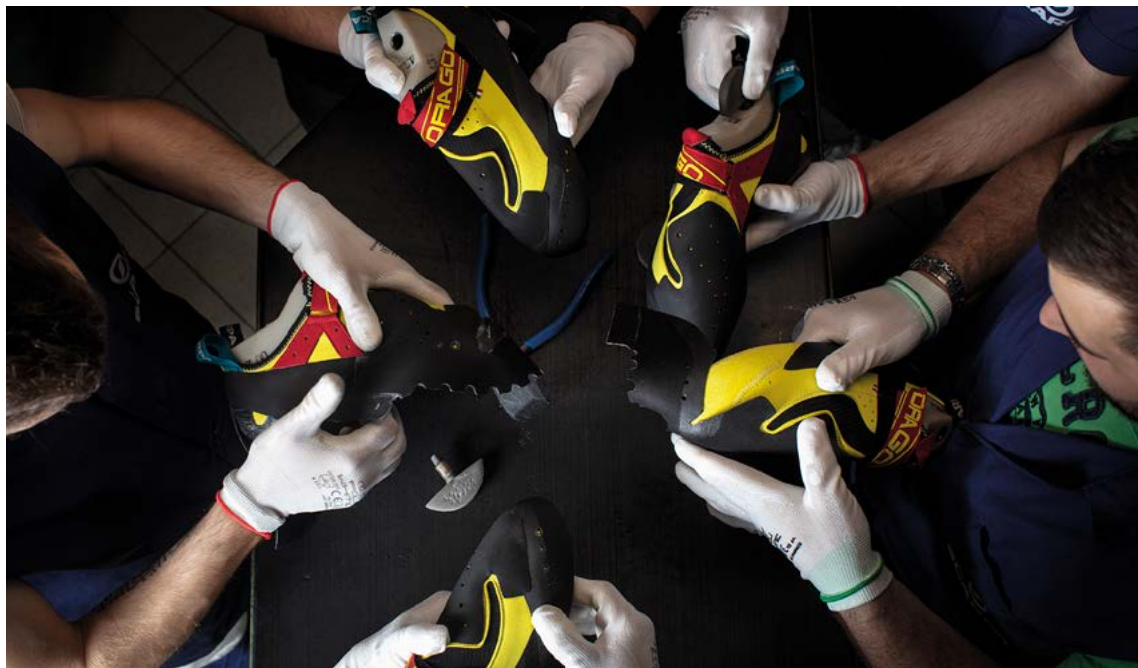
Code of Conduct

SCARPA recognises the importance of establishing close partnership with all its suppliers in order to promote social and environmental responsibility along the entire supply chain. In this context, **SCARPA** has implemented a code of conduct that focuses on four key topics, which all its suppliers are required to sign.

The first point of the code concerns [working conditions](#) in line with the provisions of ILO Convention No. 138 of 1973. **SCARPA** is committed to ensuring that the workers involved in the production of its products are treated with dignity and respect,

and that the fundamental rights of workers, such as adequate wages, regular working hours and safety in the workplace, are respected.

The second point concerns [quality, health and safety at work](#). **SCARPA** requires its suppliers to adopt practices and measures to guarantee a safe and healthy working environment for their employees. This includes the provision of appropriate PPE, training on safety practices and constant monitoring of working conditions to ensure compliance with health and safety standards.



R — Respect

The third point focuses on **resource conservation and climate protection**. **SCARPA** requires suppliers to adopt environmental management practices in order to minimise the consumption of water, energy and other natural resources. It is also required to reduce waste generation and limit the presence of harmful chemicals in finished products, in accordance with the accepted levels defined in **SCARPA's** Restricted Substances List. The company is committed to complying with local environmental protection and conservation laws and regulations and to progressively reducing negative impacts on the environment.

The fourth point concerns **business management systems**. **SCARPA** encourages its suppliers to implement and maintain corporate management systems that promote social and environmental responsibility. This includes the adoption of internal policies and procedures that promote respect for workers' rights, environmental protection and performance monitoring regarding compliance with **SCARPA's** Code of Conduct.

**SCARPA
requires
suppliers to
guarantee
safe working
conditions,
dignity
and respect
for workers,
as well as
environmentally
responsible
production
processes.**

SDGs	
1	NO POVERTY
8	DECENT WORK AND ECONOMIC GROWTH
12	RESPONSIBLE CONSUMPTION AND PRODUCTION

75%

of purchases
come from
suppliers who
have signed
the Code
of Conduct.

Performance



R&D Method for materials research

SCARPA has developed a database of approved materials, which are subject to rigorous laboratory and usage tests in the field.

Two quantitative thresholds have defined in this process with respect to the amount of individual component recycled. The threshold is the maximum level of recycled material, above which performance standards may be compromised. This is not an absolute value but varies depending on the type of activity the footwear is designed for. The two different thresholds defined by **SCARPA** are 45% and 100%.

Thanks to our solid foundation of research into and experience with raw materials, we have established that for some materials, 45% of the recycled component is the maximum threshold beyond which an adequate level of performance cannot be guaranteed. For others, this level is maintained even with 100% of recycled material.

In addition to the design, cost and innovation objectives, the sustainability objective has been introduced into the product brief. In this way, the product development matrix outlines objectives of:

- **Durability**
(high-performance materials, reusable or repairable solutions to extend the use life).
- **Reducing our environmental impact**
(recycled, bio-based, efficient processes, concentration of materials or suppliers).

SDGs	
9	INDUSTRY, INNOVATION AND INFRASTRUCTURE
12	RESPONSIBLE CONSUMPTION AND PRODUCTION

It is important to note that not all our products contain recycled material, as the balance between sustainability and performance may vary according to specific needs. This makes it possible to maintain the excellence of performance in **SCARPA** products, even when recycled materials are incorporated, while guaranteeing a lower impact on the environment.

Planet, a commitment to sustainability

This collection represents the effort of the **GREEN LAB**, a laboratory dedicated to the research and experimentation of sustainable solutions.

What makes the **Planet Collection** shoes unique is the attention given to the **choice of materials**.

We have selected materials from renewable or recycled sources in order to reduce the environmental impact of our production.

This choice allows us to produce high-quality footwear without sacrificing the performance that sets the brand apart. Furthermore, collaborations have been established with selected partners who share our vision and desire to improve environmental impact.

The aim is to implement **sustainable practices** throughout our entire supply chain, constantly striving to reduce emissions, resource use and energy consumption.

The **Planet Collection** grew out of our desire to preserve our planet for future generations.

For a shoe style to be part of the **Planet Collection**, it must meet minimum sustainability requirements: in particular, **at least 17% of the total weight of the footwear is recycled**.

SCARPA recognises that international standards generally require at least 20% recycled material to be present in a product in order for it to be considered "sustainable".

However, to maintain high performance, **SCARPA** currently considers a slightly lower percentage (17%) in its Planet footwear line. This threshold allows for a significant reduction in our environmental impact, while still remaining a significant percentage in the context of the footwear industry.

SDGs

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION



Authenticity



Waste management

Since 2020, SCARPA has been pursuing an ongoing commitment to reducing its waste production.

The introduction of reusable containers for adhesives has led to a drastic decrease in the weight of hazardous waste, thereby preventing at least 3 tonnes of such waste each year. In addition to this well-established practice, other strategies are in place to improve the company's environmental impact.

Specifically, attention is being paid to the reduction of rubber waste, which is generated during the sheet cutting phase. **SCARPA** hasn't settled for using this waste for other applications (down cycling), but rather has invested — together with its supply chain — in creating innovative processes, such as devulcanisation, thereby reintroducing the material into the same production process. Furthermore, the R&D department is engaged in the reduction of textile waste, with the aim of reintroducing it into the footwear production process.

These processes require considerable effort in terms of research and testing, as **SCARPA** does not compromise on technical performance and high quality. Therefore, time is needed to integrate these materials into the collection.

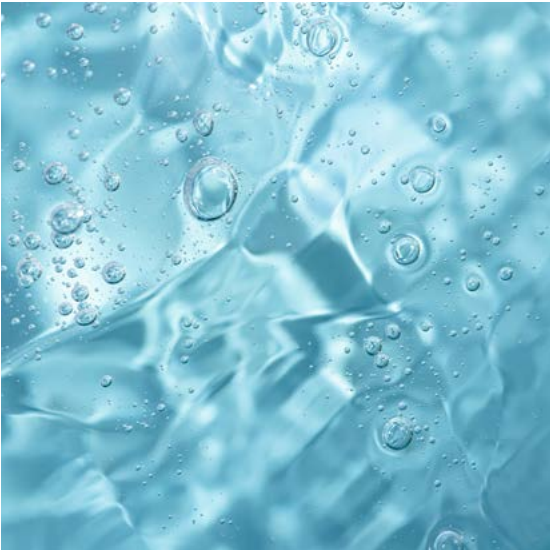
In the table on the next page, an increase in the total tonnes of waste generated is presented. This increase is caused by the disposal of equipment, machinery and racks that were accumulated over the years, for a total of 34 tonnes. Furthermore, waste increased together with the increasing shoe production and the increase in the number of employees.

-6%

Of waste generated per footwear produced at HQ.

	SDGs
12	RESPONSIBLE CONSUMPTION AND PRODUCTION
13	CLIMATE ACTION

Transparency



As a mouthpiece for our love of the mountains and the environment, a company such as **SCARPA** has a duty of transparency regarding the impact of its activities. Water consumption is optimised, as a closed-loop system allows for the **constant reuse of water without draining.**



Over the past 3 years, the company has enhanced its **energy efficiency** with an increasing installation of photovoltaic panels and the adoption of renewable energy, reducing category 1 and 2 greenhouse gas emissions by 36% compared to 2021.

Group Annual Data SCARPA				
Year	KWh	Smc Methane	Hazardous Waste Ton	Not Hazardous Waste Ton
2021	5.309.894	242.904	8,6	498,3
2022	6.481.346	187.988	17,3	629,6

SDGs

- 6**
**CLEAN
WATER AND
SANITATION**
- 7**
**AFFORDABLE
AND CLEAN
ENERGY**
- 13**
**CLIMATE
ACTION**

Discover more on
[world.scarpa.com/
green-manifesto.](https://world.scarpa.com/green-manifesto)

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