



legero united
the shoemakers

Sustainability Report 2022 of the legero united group of companies

Legero Schuhfabrik GesmbH



legero

superfit

Think!





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"I HAVE ALWAYS BEEN DRIVEN BY THE DESIRE TO DESIGN AND MANUFACTURE BEAUTIFUL SHOES. SHOES YOU DON'T HAVE TO WORRY ABOUT. THE BEST SHOES IN THE SENSE OF TIMELESS BEAUTY, OUTSTANDING WEARING COMFORT AND COMPLETE SUSTAINABILITY."

Stefan Stoltzka,
Owner and CEO of legero united

Reporting format and standards

This is the legero united sustainability report which is published annually. In it, we present the legero united sustainability agenda, or luna for short, and our goals.

The report also describes the progress we have made in achieving these goals and the challenges we are facing in doing so. This sustainability report is the consolidated non-financial report of the Legero Schuhfabrik Gesellschaft m.b.H.

and was prepared for the period 2022 in accordance with the GRI standards. A detailed GRI index for reference can be found on pages 52-53 of this report. We have had an annual reporting cycle since 2022.



The Sustainability Report 2022 can be downloaded from our corporate website legero-united.com/en/downloads in German and English, just like our Sustainability Report 2021.

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Foreword by the Executive Board

As an internationally operating shoe manufacturer based in the heart of Europe, sustainability is at the centre of how we act and improve the environment we live in. Our headquarters in Feldkirchen near Graz has been awarded numerous prizes for its' sustainable construction and design and bears witness to our value compass.

For more than 150 years, we have been a reliable partner to the worldwide shoe retail trade as an independent, owner-managed Austrian shoe production company.

We are proud that legero united grows in a sustainable way by managing and controlling the entire value chain – from design to production to sales – with own logistics centres and production facilities in Austria, Hungary, Romania and India, and an international presence via global distributors. We design all of our shoe collections ourselves and manufacture most of them at our own production sites, which are all EMAS (European Eco-Management and Audit Scheme) or ISO-14001 certified. In case of any production outsourcing, we work exclusively with long-term partners without any intermediaries who all must commit to our Code of Conduct. This guarantees maximum transparency, high quality, and shared goals across the entire value chain.

Focusing on people, the environment, and the climate is rooted in our company values. Our mission is to “genuinely care”. For us, sustainability is not a trend but a fundamental belief.

To achieve our long-term goal of being CO₂ neutral by 2030, we have further strengthened our focus in 2022 and have completed several important measures. Some of these initiatives have also been recognised externally such as:

- More than 60 designs in our current superfit, legero and Think! collections have been certified with the renowned “Blue Angel” ecolabel
- Think! was voted No. 1 brand in the category “sustainability” in a survey of German shoe retailers
- The Austrian Federal Ministry for Climate Action and Environment awarded us with the Environmental Management Prize for our proprietary eco-database as best environmental and climate protection measure
- The Think! shoe model “Hauki” was nominated for a Green Product Award
- In 2023, we were awarded the German Innovation Award for our proprietary eco-database

It is important for us to know and analyse the impact that our products have on the environment, so that we can take



The legero united Executive Board: Stefan Stolzka, owner and CEO (left), Morten Bay Jensen, COO (right)



the right measures. Therefore, we are particularly proud of establishing our proprietary eco-database, which helps us to continuously optimize and improve the CO₂ footprint of our products, a process that starts already at the design phase.

We will continue to focus on improving the CO₂ impact that our products and our company have on the environment and aim to certify even more products

with the “Blue Angel” ecolabel. Another large focus in the coming period is the implementation of SA8000 at our facilities as well as closely monitoring future legislations such as the EU’s Green Deal, which we are well prepared for.

This sustainability report displays our progress, the impact we make and that we are on a very good way to achieve our long-term goal of being CO₂ neutral by 2030.

Stefan Stolzka, CEO

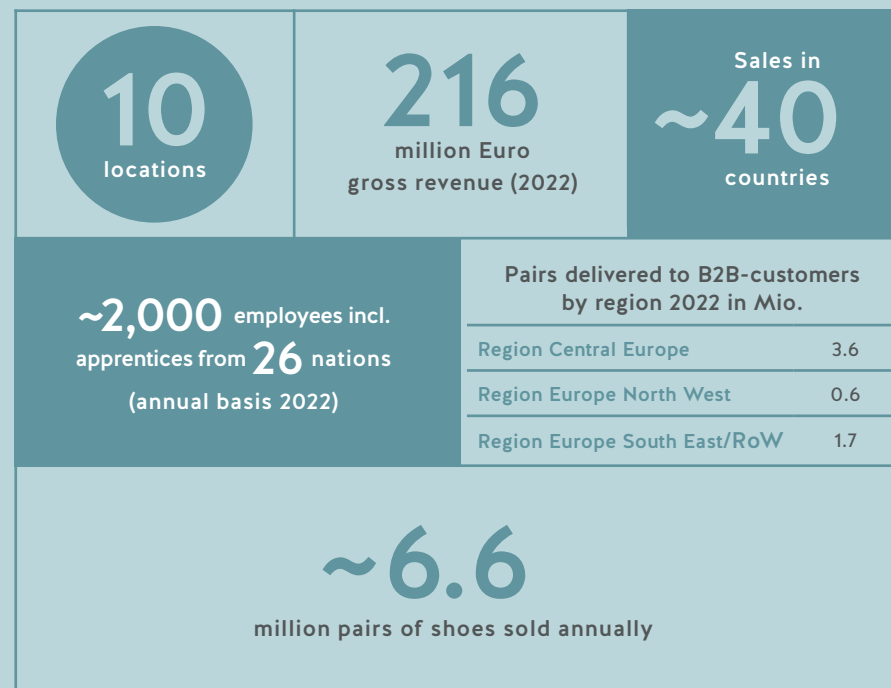
Morten Bay Jensen, COO

Corporate structure and trade investment

- ➔ The LEGERO Schuhfabrik Gesellschaft m.b.H. is 100% owner of all subsidiary companies with the exception of the legero united Campus GmbH (94,9%), the Legero Ayakkabicilik Ltd (Turkey, 75%) and the ara Legero Shoes Polska (Poland, 50%).
- ➔ There are six distribution companies in Austria, Germany, Switzerland, Poland Sweden and Turkey.
- ➔ The legero united digital GmbH in Austria operates our online brand stores.
- ➔ The Legero Verwaltung GmbH holds our trademark rights.
- ➔ The legero united Campus GmbH has planned, financed and built our legero united campus and rents it to the Legero Schuhfabrik Gesellschaft m.b.H.
- ➔ The Legero Schuhfabrik Gesellschaft m.b.H. is owned to 50.1% by SLE Schuh GmbH, which in turn is owned by a private foundation. The ara AG, which has its registered office in Germany, holds 49.9% of the Legero Schuhfabrik Gesellschaft m.b.H.

Supplementary information on group relations can be found in detail in our previous year's report at: legero-united.com/en/downloads

The company in figures



Locations in Austria

Feldkirchen near Graz, Austria
legero united campus, the headquarters

Kopfing, Austria
Location of Think Schuhwerk GmbH

Own production facilities and warehouse

SC Legero Shoes Romania SRL, Valea lui Mihai, Romania
Production

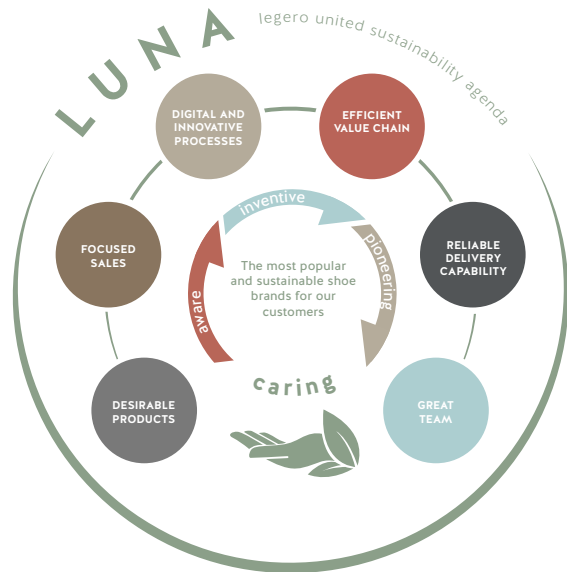
Legero Hungaria Kft, Martfü and Körmend, Hungary
Production and warehouse

Legero United Shoes India Pvt. Ltd., Vallore, India
Production

International distribution companies

Strategy, policies and practices: corporate values

The dominant corporate value of legero united is genuine care: for team members, business partners, customers, people who wear our shoes, fellow human beings. Likewise, our code of values includes a genuine concern for the environment, the climate and society as a whole. Our pretension is to always pose this question in our daily dealings with each other and in all decisions, both large and small: What is best for human-kind and the environment?



Cultural funding: To every age its art. To art its freedom.

In responsibility for the promotion of a free and democratic society, the support of culture and the arts is a matter of great concern to us.

In 2011, legero united bundled all initiatives in the con-tempus cultural platform. Support is provided to contemporary art institutions, which are locally anchored and internationally received. And which are sustainable and independent in every context. To ensure planning security, we provide long-term financial support as a donation. In the past, the freedom of the arts was often

the first thing to be restricted in uncertain times. Because art exposes problems, takes social issues with a critical eye, influences and sometimes even shapes them. An evolving society needs the discourse with art in order to develop further in exchange with it. That is why con-tempus works according to the motto of the Viennese Secession: "To every age its art. To art its freedom."

Read more about our values and corporate philosophy here:
legero-united.com/en/philosophy-and-pioneering



More about the cultural funding initiatives of legero united:
legero-united.com/en/cultural-engagement



VIOS®

VIOS® is our development platform for sustainable materials and products. We already established it back in 2013. The word VIOS is a combination of the Greek word BIOS and the Latin words VIVO and VIA: nature, life, path. With VIOS®, we are addressing the issue of sustainability comprehensively and on the basis of sound science.

We have created our own standard for this with the VIOS® Restricted Substance List: It sets far higher standards than those required by legislation or quality seals. The aim is to guarantee that the materials that are used to manufacture shoes have the highest level of sustainability possible. We conduct comprehensive chemical tests on materials with strict limit specifications. Only after we have received the results, do we start a development process with

the material suppliers with the aim of using fewer additives each time. We do this without lowering the benchmark of our physical specifications. Because our shoes must remain hard-wearing, and as a result, long-lasting. In other words, we are constantly researching, designing and rethinking sustainable solutions. And, by doing so, we want to continuously improve our environmental performance.

**WE ARE PLEASED TO SEE THAT
THROUGH OUR VIOS® STANDARDS
WE ARE ALSO MOTIVATING OTHER
COMPANIES TO REVIEW AND
REDEFINE THEIR CHEMICAL
STANDARDS.**



Leadership and organisation: Management

At legero united, the highest governance body is the shareholders' meeting. The Advisory Board is the voluntary supervisory body of legero united. It provides support for the Executive Board. The Executive Board reports formally to the Advisory Board twice a year at Advisory Board meetings and once a year to the General Assembly. The Executive Board of legero united manages the company both strategically and operationally and consists of:

Stefan Stoltzka CEO, Chief Executive Officer	has been contributing his extensive knowledge about shoes since 1991 as Managing Director and since 1994 as owner of Legero Schuhfabrik GesmbH. In 2001, he took over the Austrian company Think Schuhwerk GmbH and then formed legero united as an umbrella company for the three brands legero, superfit and Think!. He is responsible for the product development for superfit, legero and Think! as well as for HR and Sales.
Morten Bay Jensen COO, Chief Operation Officer	has been a team member of legero united since 2016. As COO, he is responsible for Finance, IT, Quality Assurance and Sustainability, Complaint Management as well as Production, Technical Development, Customer Sales Service and Logistics.

You can find more information about luna at:
legero-united.com/en/management/

Leadership and organisation: sustainability

At legero united, the topic of sustainability is being promoted by a dedicated core team within the framework of "luna", the legero united sustainability agenda. It has the following functions:

Environmental Officer	represented by the COO, who has the overall responsibility
Quality Assurance and Sustainability Lead	responsible for strategic and operational issues
Sustainability Manager/ Environmental Manager	providing operational support for the management
Sustainability Coordinators/ Environmental Coordinators	providing support for the implementation at the respective locations
Ambassadors	support activities to raise awareness in the departments and pass on information directly

Our ambassadors play an important role in our sustainability agenda. Each department nominates at least one employee as a "luna ambassador" to raise awareness for sustainability among colleagues and to ensure a smooth information flow to the department. They are informed about current developments by the core team six times a year. Management reviews with the Executive Board and the core team take place four times a year, and a

site-specific management review with the respective Directors takes place once a year. Discussions are held on the achievement of our goals, the need for adjustments, key figures and developments. In addition, new goals are set jointly. We also set up project groups on specific topics and measures as the need arises. For 2023, for example, interdisciplinary project groups have been established for the topics of mobility and packaging.

luna sustainability management: our legero united sustainability agenda

The legero united sustainability agenda, known to us as luna for short, is our approach to advancing the topic of sustainability in an all-encompassing manner. The whole team is highly committed and uses its expertise to ensure the overall success of the company.

Doing business successfully also means living up to our social and environmental responsibilities. It isn't just about the environment and our climate, after all. For us, sustainability includes social justice and economic manage-

ment. Above all, our customers expect us to deliver high-quality, eco-friendly shoes and transparency along the value chain.



More about luna on our webpage:
legero-united.com/en/luna

Our major luna goals

- Implementation and maintenance of an environmental management system in accordance with EMAS at all European sites
- Implementation and maintenance of an environmental management system in accordance with ISO14001 at our Indian location
- Implementation of a social management system according to SA8000 at all own production and warehouse sites in Hungary, Romania and India by 2024
- Carbon offsetting of non-avoidable emissions at our own operating sites by 2023
- Carbon offsetting for all non-avoidable emissions caused by the company (Scope 1-3) by 2030
- Annual publication of a sustainability report, after receipt of the EU CSRD in the required format
- Ongoing implementation and updating of our sustainability standards in force, for people, nature and products
- Verifiable transparency throughout the value chain
- Sharing our data with upstream suppliers and supporting the implementation of our standards along the entire value chain

luna documents and principles

The following documents are available to our employees and partners to enable them to use basic information in their day-to-day business that is environmentally friendly and socially just:

- **ENVIRONMENTAL GUIDELINES**
- **ENVIRONMENTAL STATEMENT**

They are available for download on the intranet and on our web legero-united.com/downloads.

Extensive specifications on sustainable procurement, sustainable travel, proper waste separation and disposal, proper handling and use of environmentally relevant substances, etc. are also made available for internal use.

luna analysis

In the course of setting up the EMAS environmental management system, the luna core team has identified stakeholders, weighed up risks and opportunities and summarised environmental aspects.

Further details can be found in the Annexes A and B of our Sustainability Report 2021 in the download section of our webpage legero-united.com/en/downloads.

luna fields of action

Superordinate topics were assigned to the following four fields of action:

legero united fields of actions			
 Focus on people (PEOPLE)		 Commitment for the environment (PLANET)	
 The best shoe (PRODUCT)		 Reliable business partner (PROFIT)	

Subsequently, the topics were assigned to the Sustainable Development Goals (SDGs) of the United Nations.

Activities and memberships

We believe that the more companies join established initiatives, the more we can achieve in the market. For the benefit of human beings and the environment. For this reason, we have committed ourselves to participating in the following initiatives:

Initiative	legero united status	further links
cads	Member	https://www.cads-shoes.com/de
HIGG	Use of the Higg index to calculate our carbon footprint	https://apparelcoalition.org
IVN	Membership	https://naturtextil.de
LWG	Member. We prefer tanneries that are LWG certified in gold and silver.	https://www.leatherworkinggroup.com
respACT	Membership	https://www.respect.at
SBTi	Participation as of 2021	https://sciencebasedtargets.org



Awards and certifications

Our brands and locations have already received several awards. These awards and certifications are current at the time of publication of this report:

Awards/certifications	year	for	further links
ÖGNI. Austrian society for sustainable real estate management	2020	Site Feldkirchen near Graz	https://www.ogni.at/aktivitaten/andere/oegni-platin-und-kristall-fuer-legero-united-campus/?cn-reloaded=1
Timber Construction Award of the guild Styria WKO	2021	Site Feldkirchen near Graz	https://holzbaupreis-stmk.at/preistraeger-hbp21/
Austrian Ecolabel	since 2021	For all three company brands: superfit, legero, Think!	https://www.umweltzeichen.at/de/produkte/schuhe-textilien#guideline=UZ65
EMAS	since 2021	All European locations of the company	https://webgate.ec.europa.eu/emas2/public/registration/view/12248
Blue Angel	since 2022	For all three company brands: superfit, legero, Think!	https://www.blauer-engel.de/de/produktwelt/schuhe-und-einlegesohlen
ISO14001	since 2022	Site India	Siehe Anhang F unseres Nachhaltigkeitsberichts 2021 im Downloadbereich unserer Webpage www.legero-united.com
Award winner Environmental Management, Austrian Federal Ministry for the Environment and Climate Protection	2022	Best measure environmental and climate protection	https://www.umweltbundesamt.at/veranstaltungen/veranstaltungen2022/umweltmanagement-preis-2022
Award winner of the German Innovation Award	2023	Excellence in Business to Business – Information Technology	https://www.german-innovation-award.de/preistraeger/preis-gewinner/eco-datenbank-co2-fussabdruck-auf-knopfdruck/



www.blauer-engel.de/uz155



Awarded with the Austrian Ecolabel and the Blue Angel

We are happy to receive confirmation that our shoes are sustainable from acknowledged external bodies. We focus on 3 product seals in particular. The Austrian Ecolabel, the Blue Angel and the vegan label from the PFI testing institute.

The Austrian Ecolabel is one of the strictest ecological quality labels in the world. The ecolabel criteria for shoes range from the source materials (no toxic dyes, high durability), which are demonstrably environmentally friendly, to the manufacturing and finishing processes. Think! as pioneer was the first shoe brand and superfit the first shoe brand for children, to be awarded this prestigious seal of quality. Our shoes are currently the only ones on the market that meet the high standards and carry the Austrian Ecolabel.



The models that bear the Austrian Ecolabel can be found at www.umweltzeichen.at or by clicking on the links below:

- [Certified shoes of the legero and superfit brands](#)
- [Certified shoes of the Think! brand](#)

Numerous models in our collections have also been awarded the renowned German Blue Angel eco-label, the criteria of which are largely the same as those of the Austrian Ecolabel. As of 2024, some of our models manufactured in India will also receive the Blue Angel. This is evidence that we work in a sustainable and environmentally friendly manner at all our locations and that our partners also meet these standards. Excellent sustainability in all areas.



www.blauer-engel.de/uz155

The models that bear the Blue Angel can be found at www.blauer-engel.de or by clicking on the links below:

- [Certified shoes of the legero and superfit brands](#)
- [Certified shoes of the Think! brand](#)



As consumer interest in vegan shoes is growing, we have decided this year to have some of our models that already meet vegan criteria externally certified and labelled accordingly for the first time. This way, we can draw attention in a transparent manner to the fact that we have shoes in our range that are made without the use of animal products. However, we deliberately refrain from using vegan leather substitutes made of plastic or resources from the food industry. Instead, we want to focus on our existing range which is already vegan.

Our employees

Genuinely caring, aware, inventive, pioneering. These are the corporate values at legero united.

And that's what working at legero united is like. We see ourselves as an international team of like-minded people in which every employee can make a contribution with his or her skills. We consider commitment to be very important. We are committed to producing the best shoes! We are committed to human interaction and to the

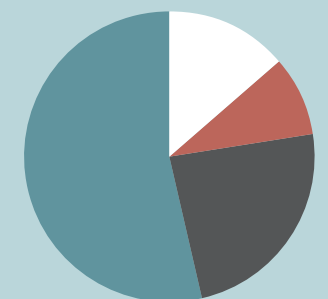
world in which we live. Not because it is simply trendy, but out of conviction. Because only by working together can we create the environment that inspires us and spurs us on to achieve top performance. An environment in which we continue to grow. As a company and as individuals.



Employees by region

In the reporting year 2022, our employees work at our locations in a total of eight countries. The average number of active employees * at the larger locations in 2022 is 2033, which is roughly the same as in the previous year. The breakdown is as follows:

Country	Active employees 2022
Austria	275
Hungary	176
Romania	491
India	1,091
Sum	2,033



	Austria	Hungary	Romania	India	Total
Active employees	275	176	491	1,091	2,033
Full-time employees	196	167	491	1,091	1,945
Part-time employees	79	9	0	0	88
Part-time quota in percent	40	5	0	0	5

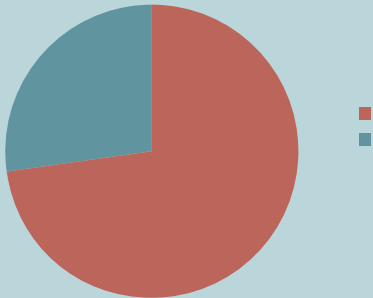
* Active employees exclude employees on parental and educational leave.

Employees by gender

Country	Share of women in %	Share of men in %
Austria	71	29
Hungary	66	34
Romania	65	35
India	90	10

Active Employees

	Women	Men
Active employees	1,488	545
Full-time employees	1,405	540
Part-time employees	83	5
Part-time quota in percent	6	1



Workers' representations at the locations

Location	Workers' representation	Next election
Austria	Works council elections take place in Feldkirchen near Graz every 5 years	2025
India	Representation is elected every year. It includes committees for sexual harassment, health and safety, complaints, canteen	2024
Romania	Representation is elected every 4 years. There is a representative for each production line/ production workshop	2023
Hungary	Representation is elected every 4 years: Five representatives in various areas	2023



Code of Conduct

For many years now, legero united has maintained global business relationships and has employees from all over the world.

The whole team of shoemakers is highly committed and uses its expertise to ensure the overall success of the company. The company is well aware of its responsibility to care for everyone. This applies to all employees, regardless of whether they are directly employed by legero united or not. Our Code of Conduct defines the basic requirements of legero united on all production sites and all other business relationships of the company. It forms the basis of all business relationships in connection with all production processes as well as all national and international produc-

tion locations. It is just as applicable to legero united itself, including all executives, members of the Executive Board and employees, as well as to all direct partners and all persons commissioned or employed by direct partners and, as a result, involved in the production process or in other business relationships with legero united. With their signature, all partners undertake to comply with the principles set out in this Code of Conduct.

Our Code of Conduct can be downloaded from our website:
legero-united.com/en/downloads



SA8000 certification

In 2023, all legero united sites will be SA8000 certified. Already in 2018 and 2019, a Workplace Condition Assessment (based on ILO) was carried out by an independent external auditor (Intertek) at the Mihai, Romania and Vellore, India locations.

Legero Shoes Romania
SRL

Overall
Facility Score
96 %

Legero United Shoes India
PVT. LTD

Overall
Facility Score
89 %

The detailed results of our workplace assessments can be found in in Annexes D and E of our sustainability report in the download section of our webpage: legero-united.com/en/downloads

We have already started the SA8000 process at all locations. After a comprehensive initial check of the situation together with external support, we are now working on the specific drafting of regulations and measures for improvement. In this context, it is particularly important for us to be able to demonstrate our performance and make comparisons over the coming years, as well as to define specific processes and procedures. This is the only way we can guarantee that our performance in the

social area will improve continuously and that all existing requirements will be met.

We are building on the Workplace Condition Assessment of previous years. Nevertheless, the implementation of such a comprehensive management system is challenging because it is currently difficult to find certifying institutions. This is another example of the shortage of skilled workers that many companies are currently facing.

Social commitment

Our concern for the world that surrounds us is part of our corporate philosophy. This includes, on the one hand, nature, which provides us with the basis for our lives. And on the other, people.

We support a number of social organisations and initiatives: projects financed by us support children in all aspects of life, people in difficult situations and all those who are committed to helping them. We have been supporting many of the initiatives we sponsor for years or even decades. In addition, we fund special individual initiatives from Austria and around the world that are close to our hearts.

Social commitment in India

In our own production plant in India, for example, we make sure that our shoe-makers are picked up from home in the morning and brought home again in the evening. The shifts are coordinated with them so they can optimally find a balance between their private lives and work. On Family Day, which takes place

every Saturday, family members can get a better picture of their loved ones' work and workplace. Lunch and Q&A sessions are all part of this.

We are especially committed to the children of our employees. We support the local kindergarten as well as a 10-grade school, which educates 500 children from the age of 4 until they obtain their secondary school leaving certificate. For the tiny tots, we also have a separate crèche.

As the school mainly depends on donations, for each pair of shoes or upper produced by legero united India, around 4.5 Indian rupees go to maintenance. Other companies and communities in the vicinity also contribute to ensure that the education of the children continues.



Further information on our social commitment can be found on our webpage at: legero-united.com/en/social-responsibility

© Loren Joseph Unsplash



Our CO₂ emissions

As part of luna, we make our CO₂ emissions visible and measurable so that we can track progress transparently and in a comparable manner to consistently improve our environmental performance. We calculate our emissions with the help of databases and indices:

EQO-base Our database for general calculations. This database helps us to document our general environmental indicators (energy, refrigerants, transport), to record measures and to make progress systematically visible. eqocon.com

Eco-database Our company's propriety database to calculate the carbon footprint of our shoes. It is specially linked to the existing software system for series production for legero united. The data from the Higg index and the material requirements of our shoes is stored in the eco-database. This means that we can calculate the individual carbon footprint for each of our shoes. Should the material index change, it can be immediately updated in the database and recalculated.

Higg-Index At the moment, this is the most suitable variant for us to evaluate constituents. We are constantly monitoring the development of indices. [Sustainable Apparel Coalition \(apparelcoalition.org\)](http://apparelcoalition.org)



Our own eco-database links scientific emission factors directly to our parts lists and allows us to quickly calculate the carbon footprint of our shoes during the design phase. Changes to the product or materials can also be simulated with just a few clicks. With our in-house eco-database, we have developed a unique tool that already illustrates the environmental performance of each of the far over 3,500 products our collec-

tions feature every year at the product level. With the aid of the eco-database, the carbon footprint of each individual shoe can already be calculated at the initial new model design stage, and then be reduced in a targeted way. The eco-database is based on ingredients, material consumption and environmental aspects such as carbon, water and resource consumption.

CO₂ footprint at the touch of a button: our slipper “Bill” as an example



Our eco-database is fed directly with the data from our ERP system. For each article all relevant data such as production sites, parts lists, material compositions as well as the CO₂ footprint of the selected material is taken over.

Based on this data, the CO₂ footprint per pair is calculated, for example for our slipper model "Bill" listed in the adjacent table on the next page. An overview also informs about how each individual material from the parts list affects the carbon footprint. So that those materials that cause high CO₂ emissions can be identified and replaced. A differentiation is also made between the material impact and the transport impact. These two values are shown separately. This tells you for each item whether the material itself or the transport routes are

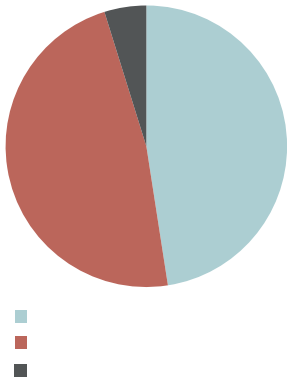
the main causes of the CO₂ footprint. As we always source our materials as close as possible to our production site, the transport, as in this example, usually has a smaller share. The diagram on the right page also shows, which part of the shoe has the greatest influence on the total carbon footprint. In this case the sole and the upper material balance, but depending on the choice of material, this can change in one direction or the other.

CO₂ footprint

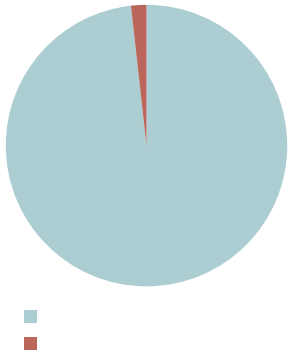
Shoe part	Material consumption (in kg)	CO ₂ footprint material (in kg)	CO ₂ footprint transport* (in kg)	CO ₂ footprint total (in kg)
Upper material	0.12	1.12	0.014	1.13
Sole	0.25	1.11	0.023	1.13
Packaging	0.10	0.11	0.005	0.12
Total	0.47	2.34	0.042	2.38

* includes the emissions caused by the delivery of materials to the production sites and by the delivery of the finished products to the final storage facility. The route to the end customer is not included here, as the emissions are strongly dependent on the delivery distance.

Allocation of the CO₂ footprint



Allocation of the CO₂ footprint



Effective contribution to climate protection with myclimate

Our goal is to maximise the reduction and avoidance of the CO₂ emissions until we finally achieve carbon neutrality. To achieve this, we have implemented a large number of measures and improvements along our entire value chain. A small excerpt on this can be found, for example, in our Environmental Statement at: legero-united.com/downloads



As things stand today, we are not yet able to operate completely CO₂-free. This is why we support carbon offset projects to the extent of our non-avoidable in-house emissions in order to assume responsibility for our current CO₂ emissions into the atmosphere.

To achieve this, we have partnered with the non-profit foundation myclimate, which has been active in Switzerland since 2006. An important factor in our decision to enter into this partnership was that the majority of the offsetting payments flow directly into climate protection projects. And that these projects provide measurable and long-term successes, both for the environment and for the population living in the vicinity of the projects. As a non-profit foundation, myclimate guarantees that at least 80 %

of the contributions are used for carbon offset projects. The remaining 20% are required to cover administrative and internal foundation costs.

We consider it important to be present with such climate protection projects in the countries in which we ourselves are primarily active as a company. That is why we have decided to support two projects, both of which meet the international "gold standard". Both projects also contribute to the Sustainable Development Goals (SDGs). In our materiality analysis (Annex C), we also refer to the SDGs within the framework of our four fields of action (People, Planet, Product, Profit) and are now happy to promote them through the climate protection projects we support.

Project 1: Circular economy through plastic recycling in Romania

This climate protection project promotes the recycling of used PET bottles and other plastic waste. The recycled PET flakes and granulates are reused, for example, in the packaging industry or for insulation materials in the construction sector. This saves resources and reduces the negative impact on the climate.



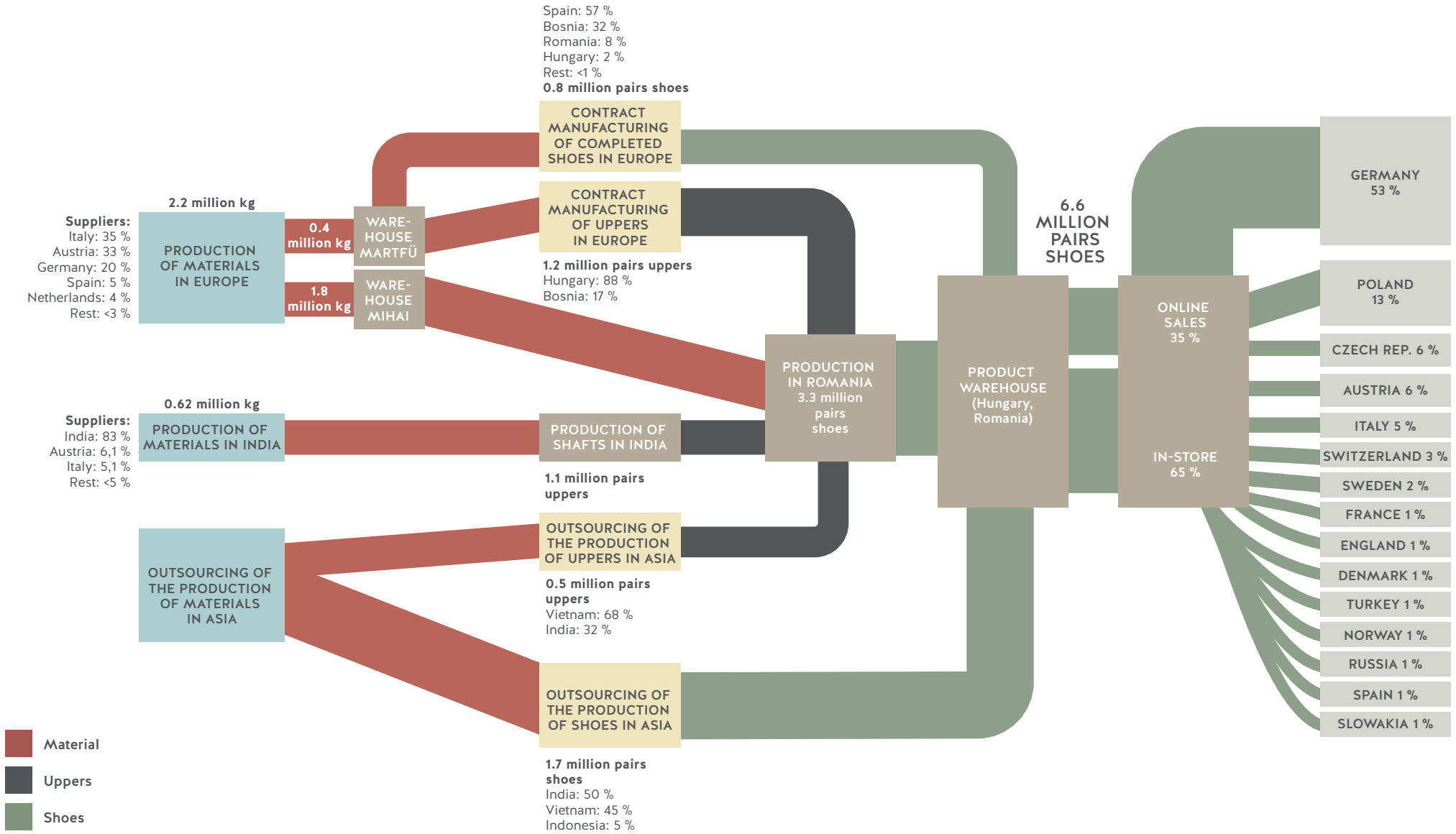
Project 2: Forest protection through efficient cookers in the Himalayas

This carbon offset project installs and maintains improved cookers in households in remote areas of the Garo Hills in India. The cookers achieve better combustion so that less wood is used for cooking and less carbon is emitted. At the same time, indoor air pollution and deforestation are reduced.



Value chain

The chart illustrates the value chain for the pairs of shoes we produced in 2022. An illustration of the value chain in the past years can also be found in the previous year's Sustainability Report at: legero-united.com/en/downloads



Our Scope 3 Emissions

The following data shows why we need to concentrate on the issue of the CO₂ impact of materials in the coming years in order to achieve our goal of becoming carbon neutral by 2030. In other words, in order to improve the company's overall environmental performance.

Emissions

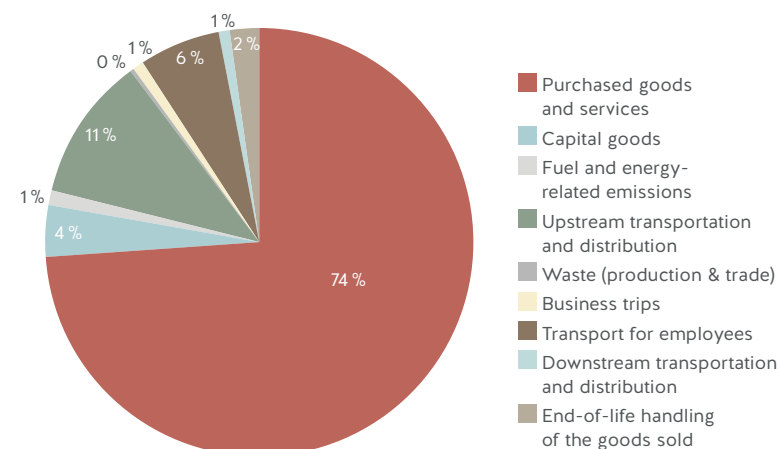
Scope 1, 2 and 3 from 2019 to 2022
in tonnes of CO₂ equivalent:

	2019	2020	2021	2022
Scope 1	870	871	1,197	765
Scope 2	1,089	977	1,171	1,681
Scope 3	75,766	64,741	65,652	73,127

The table clearly shows that the majority of our CO₂ emissions are attributable to Scope 3, i.e. the emissions that are indirectly caused by us; for example, by the materials we use. Or the transportation we cause. If we take a closer look at the breakdown of emissions within Scope 3, it also becomes clear that one sub-area of this Scope is particularly relevant for us: namely, purchased goods and services. Specifically, these are the materials that we buy and process for our shoes.

Since this share accounts for around 74% of total Scope 3 emissions, reducing these emissions is a priority for us as a company, even if it is not always within our direct sphere of influence. Offsetting can only be a necessary alternative, should we not succeed in a further reduction.

Scope 3 Emissions 2022





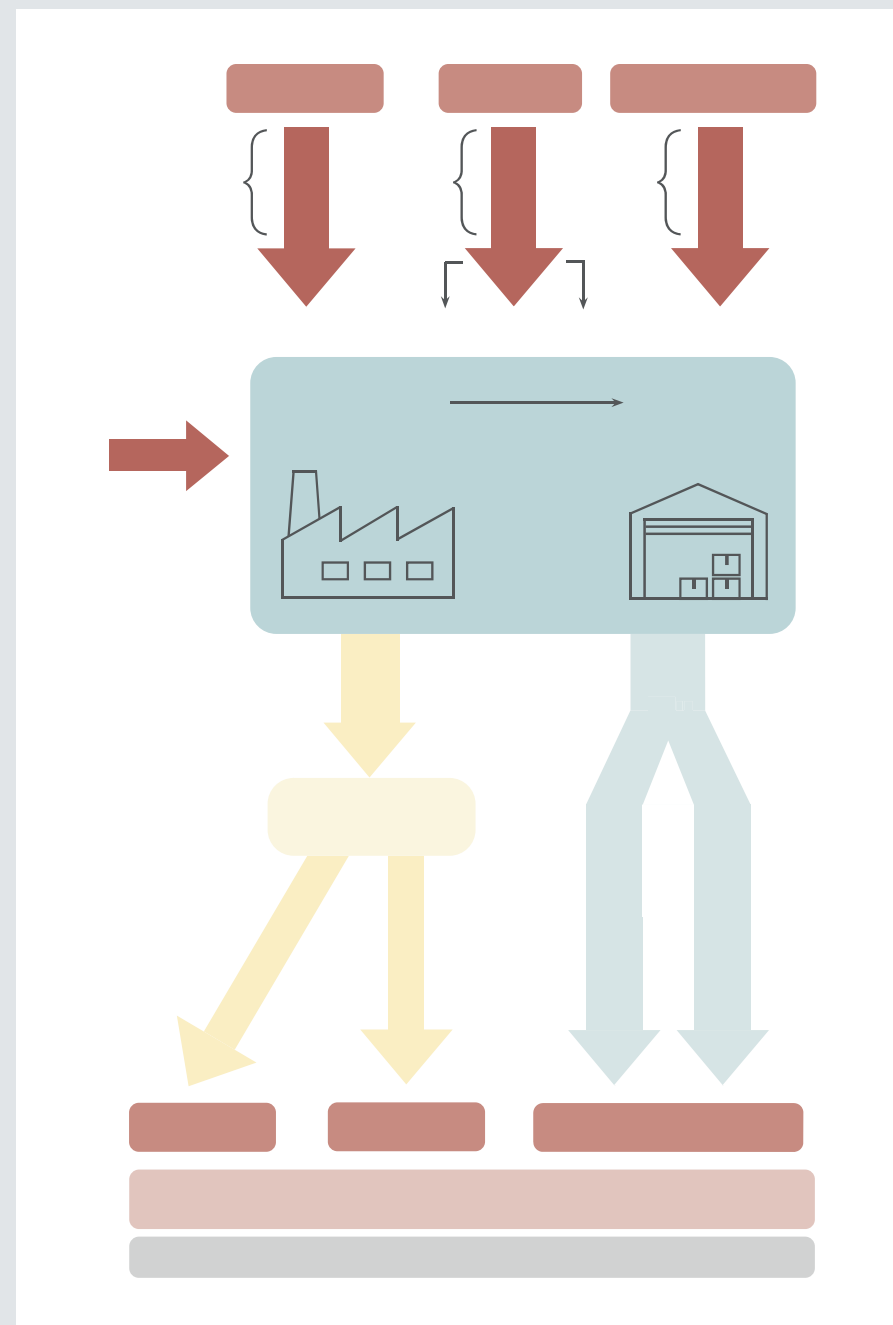
Transportation

The second largest contributor, which accounts for around 11% of our Scope 3 emissions, is the transportation and distribution of our materials and products, as well as warehousing that does

not take place in our own warehouses. The adjacent table illustrates the points at which particularly high emissions occur in this respect.

As with materials, transport can only be indirectly influenced by us. This is why we are already in active discussion with our transport service providers in order to find possible options for reducing CO₂ emissions.

At the same time, we are, of course, always keen to buy materials locally so that the distances between suppliers and production sites are as short as possible. Of course, this is also defined as a basic requirement in our procurement guideline.



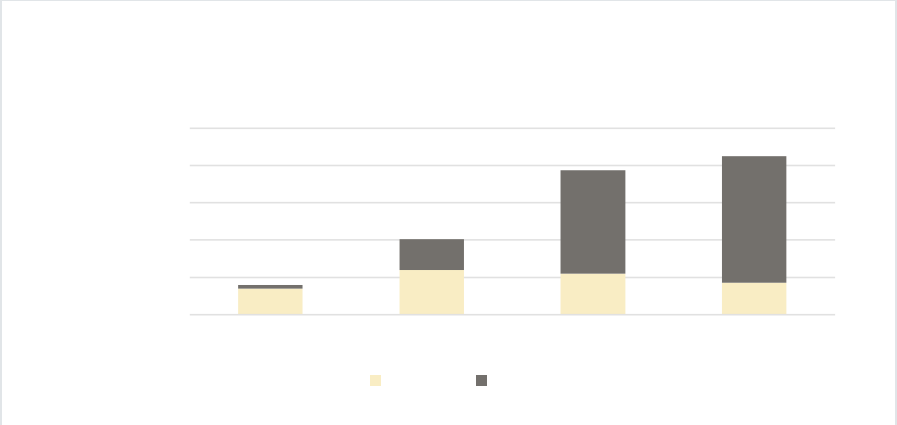
Our environmental indicators

Since the implementation of our environmental management system at our own sites in 2022, the recording and management of relevant environmental aspects is of particular concern to us. The charts below show the most important key figures that have been collected.

Emissions

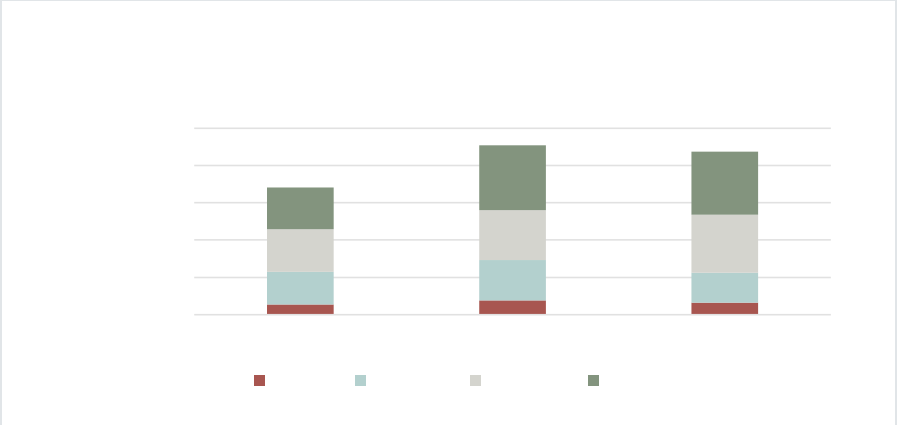
In addition to reducing our Scope 3 emissions, minimising our direct emissions at our operating sites is also an important goal. Although Scope 1 and 2 emissions each only account for 1-1.5% of total emissions, we must also tackle them in order to achieve an improvement. This is especially the case because here we can have the greatest impact.

A comparison of different countries shows that electricity consumption at the two production sites in India and Romania is a major source of CO₂ emissions. As a result, we are already evaluating projects for installing a photovoltaic plant in India. In addition, a switch to green power suppliers for Romania is being examined extensively.



If we compare the past three years, we can clearly see the influence of the Corona pandemic. There is a clear jump in emissions from 2020, when production was not operating at full capacity, to 2021, when production was running

at full capacity. However, we were able to achieve a reduction again last year despite production volumes growing again.





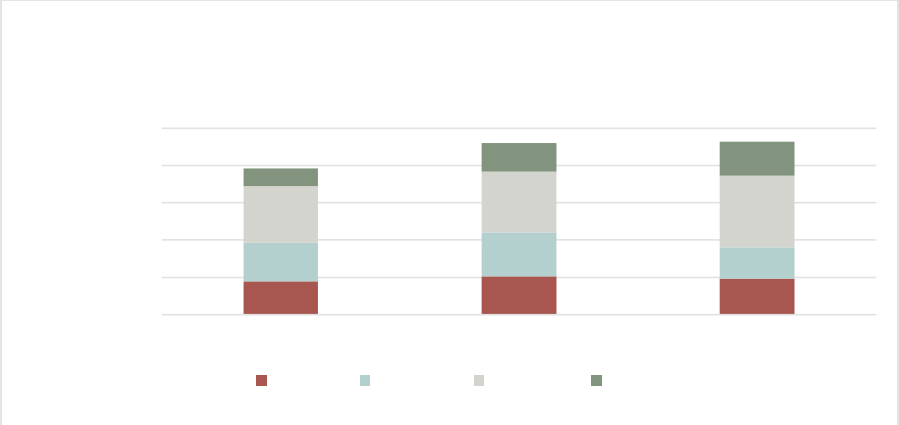
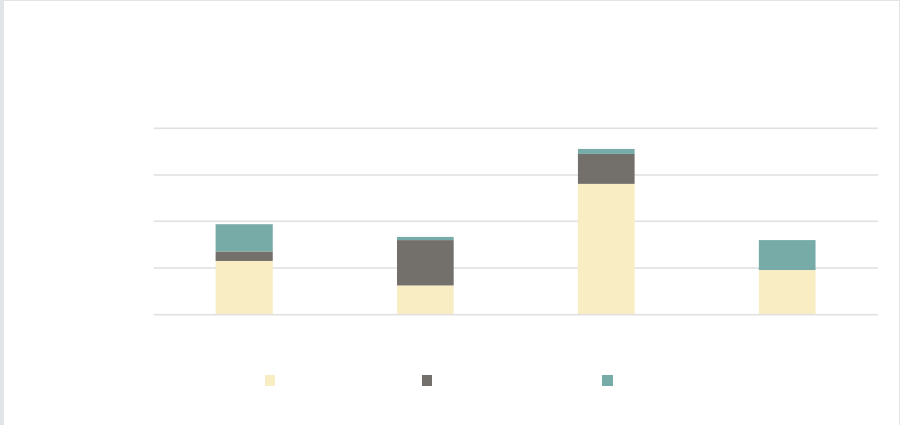
Energy

Energy consumption at our locations mainly consists of electricity use, heat supply and fuel use. While electricity consumption accounts for the majority of the energy used at the production sites in Romania and India as well as at the office sites in Austria, in Hungary it is mainly the provision of heat with gas.

Fuel use is an issue in Austria and India in particular. In India, diesel for the emergency generator is of particular importance.

In the annual comparison, the influence of the Corona pandemic is also clearly visible here. Energy consumption in 2022 was kept at the previous year's level despite large increases in production. The environmental management system has only been implemented at all of our locations since 2022, so we

expect further significant savings in the coming years. A pilot project has also been launched at our location in Romania. It will facilitate the collection of data on the electricity consumption of the individual production lines and machines and identify potential savings.



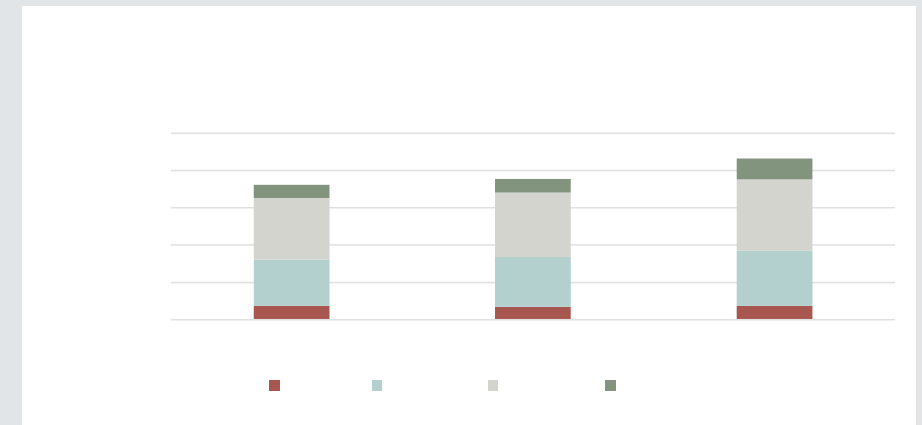
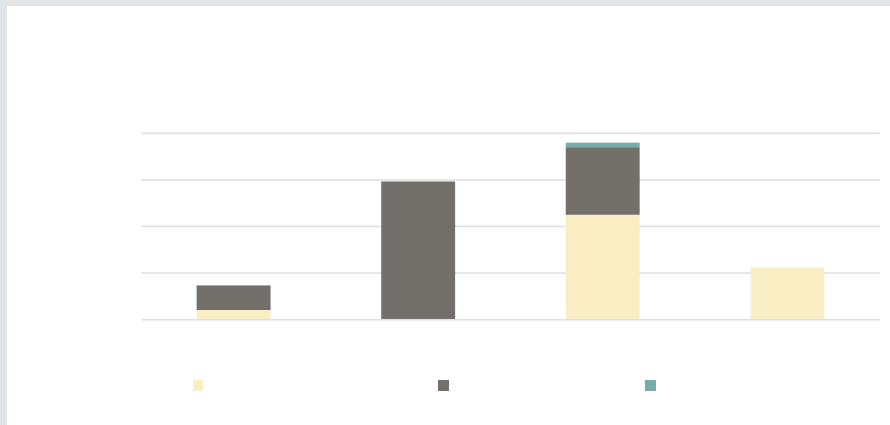
Waste

We produce both hazardous and non-hazardous waste, as well as recyclable waste materials. Hazardous waste is mainly generated at the site in Romania, where the shoes are soled generating chemical residues. Non-hazardous waste in Romania, India and Austria consists primarily of leather and textile waste, and in Romania of plastic waste from the soling process. The largest proportion of waste materials is gene-

rated at the sites in Hungary. Our central warehouse is located here, resulting in an increased amount of packaging material, which is also disposed of.

The volume of waste has increased slightly in recent years, especially at the locations in Romania and India. This is mainly due to an increase in production since the Corona pandemic in 2020. In the course of introducing the environmental management system at all sites, a series of measures were developed last year to reduce the amount of waste generated at all locations. Possible approaches include the reuse of leather and textile waste in reprocessing pro-

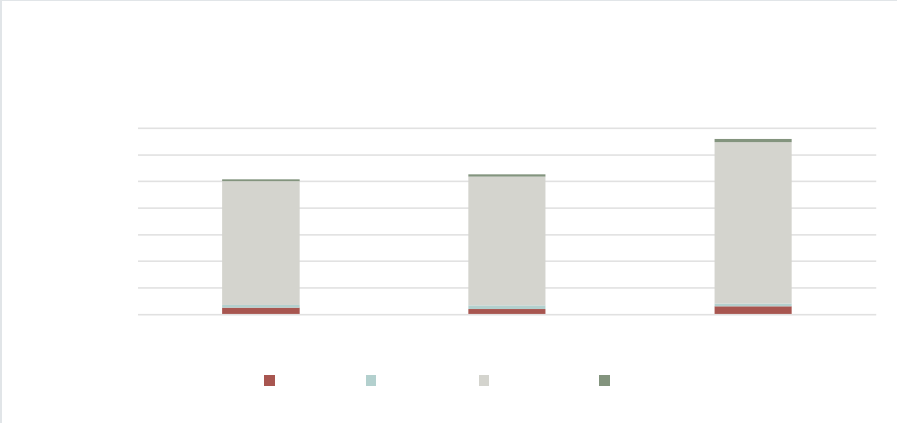
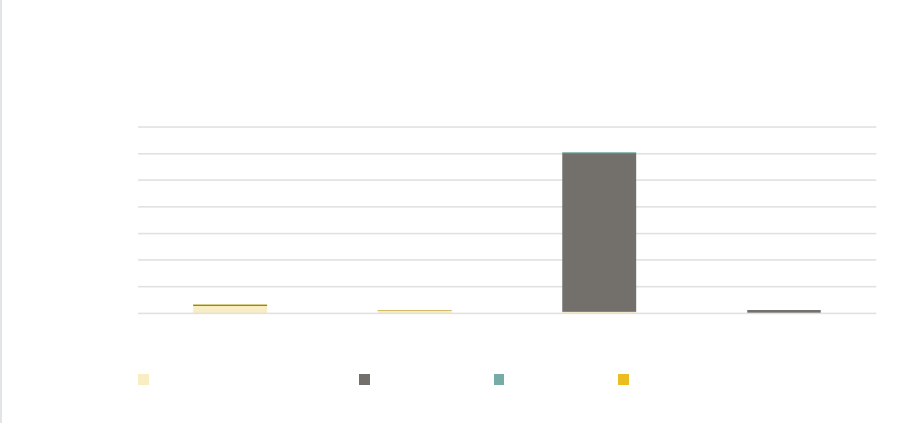
jects or the regranulation and admixture of PVC and TPU scraps in soling. A separate project group has been established to optimise packaging waste and will develop appropriate measures in the coming year. Projects are already underway this year to optimise both shoe packaging and outer packaging.



Equipment

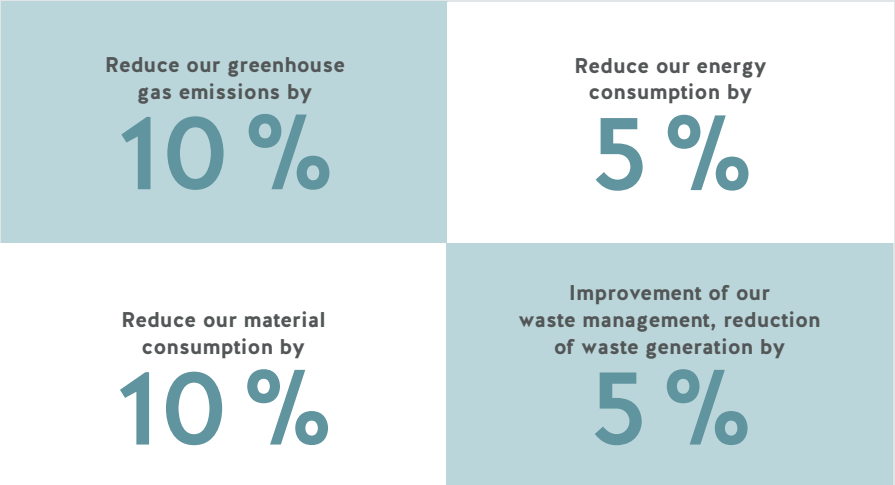
As part of the equipment survey, photocopying paper, chemicals, solvents and cleaning agents were recorded at all locations. The largest amount of equipment, especially chemicals, is generated in Romania, as this is where the soling of our shoes takes place. We can hardly reduce the use of these chemicals, because the production processes are already extremely efficient. We pay

special attention to the correct handling and storage of the materials available in order to avoid accidents and injuries to employees as well as any impact on the environment. The production increases of the last two years are also reflected in the annual comparison of operating supplies after the Corona pandemic.



Our environmental goals

We have set ourselves the following environmental targets for 2023:



An even more comprehensive description of our key environmental figures as well as a list of all measures and targets set can be found in our current environmental statement: legero-united.com/en/downloads

GRI Standards	GRI Disclosure	Titel
GRI 1: Foundation 2021		
GRI 2: General Disclosures 2021		
1. The organization and its reporting practices	2-1	Organizational details
	2-2	Entities included in the organization's sustainability reporting
	2-3	Reporting period, frequency and contact point
	2-4	Restatements of information
	2-5	External assurance
2. Activities and workers	2-6	Activities, value chain and other business relationships
	2-7	Employees
	2-8	Workers who are not employees
3. Governance	2-9	Governance structure and composition
	2-10	Nomination and selection of the highest governance body
	2-11	Chair of the highest governance body
	2-12	Role of the highest governance body in overseeing the management of impacts
	2-13	Delegation of responsibility for managing impacts
	2-14	Role of the highest governance body in sustainability reporting
	2-15	Conflicts of interest
	2-16	Communication of critical concerns

GRI Standards	GRI Disclosure	Titel
	2-17	Collective knowledge of the highest governance body
	2-18	Evaluation of the performance of the highest governance body
	2-19	Remuneration policies
	2-20	Process to determine remuneration
	2-21	Annual total compensation ratio
4. Strategy, policies and practices	2-22	Statement on sustainable development strategy
	2-23	Policy commitments
	2-24	Embedding policy commitments
	2-25	Processes to remediate negative impacts
	2-26	Mechanisms for seeking advice and raising concerns
	2-27	Compliance with laws and regulations
	2-28	Membership associations
5. Stakeholder engagement	2-29	Approach to stakeholder engagement
	2-30	Collective bargaining agreements
GRI 3: Material Topics 2021		
	3-1	Process to determine material topics
	3-2	List of material topics
	3-3	Management of material topics

Glossary

cads	Cooperation at DSI – Deutsches Schuh Institut. A cooperation for assured, defined standards for footwear and leather products. Promotes environmental sustainability and social responsibility.
CO₂	Carbon dioxide. CO ₂ is a gas with the chemical combination of carbon and oxygen and is an important greenhouse gas in the Earth's atmosphere. Ever since the beginning of industrialisation, the amount of carbon dioxide in the Earth's atmosphere has been rising sharply. This leads to global warming through an intensification of the greenhouse effect.
CO₂e	CO₂ equivalent. The greenhouse gases (methane, nitrous oxide, F-gases, etc.) contribute in varying degrees to climate warming; this is their greenhouse gas potential, which is given relative to that of CO ₂ . The emission quantity of a greenhouse gas multiplied by its GWP potential then results in its quantity in CO ₂ e.
CoC	Code of Conduct. A Code of Conduct is a self-commitment, in our case by a company, to follow or refrain from certain patterns of behaviour. It sets out how employees should behave within a company and includes guidelines on how employees should behave legally, ethically and socially. This is how social standards are implemented.
EMAS	Eco-Management and Audit Scheme. European environmental management system to save resources, make an effective contribution to environmental protection, save costs and show social responsibility.
FF	Outsourcing production.
GHG	Greenhouse Gas Protocol. The Greenhouse Gas Protocol is the most widely used standard for greenhouse gas inventories. A private, transnational series of standards coordinated by the World Resources Institute and the World Business Council for Sustainable Development.

Higg index	The Higg index is a set of instruments for the standardised measurement of sustainability in the value chain and was developed by the SAC. The Higg index consists of a core set of five instruments that together assess the social and environmental performance of the value chain and the environmental impact of products.
ILO	International Labour Organization. Specialised agency of the United Nations.
ISO14001	A globally recognised and accepted standard for environmental management systems, covering all aspects of continuous improvement of environmental performance.
LF	Contract manufacturing.
LUI	Legero United India.
LWG	Leather Working Group. A non-profit organisation that is responsible for the world's leading environmental certification of the leather industry.
ÖGNI	Austrian society for a sustainable property industry. The ÖGNI certifies sustainable buildings and neighbourhoods according to the European quality certificate DGNB system.
SA8000	Certification for social responsibility.
SAC	Sustainable Apparel Coalition. The SAC is a global, non-profit, multi-stakeholder alliance for the fashion industry. The stakeholders work to reduce environmental impact and promote social justice throughout the global value chain.
SBTi	Science Based Targets Initiative. The Science Based Targets Initiative tracks climate action in the private sector by enabling organisations to set science-based emissions reduction targets.

Scope-1-Emissions	The GHG Protocol differentiates emission sources according to three scopes in climate accounting. Scope 1 emissions are direct emissions from businesses, owned or controlled by the reporting company, for example emissions from a company's vehicle fleet.
Scope-2-Emissions	Scope 2 emissions are indirect emissions from the generation of purchased or acquired electricity, steam, heat or cooling consumed by the reporting company.
Scope-3-Emissions	Scope 3 emissions are all indirect emissions other than Scope 2 emissions that occur in the value chain of the reporting company, including upstream and downstream emissions.
SDG	Sustainable Development Goals. The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, is a shared blueprint for peace and prosperity for people and the planet. At its core are the 17 Sustainable Development Goals (SDGs), which are an urgent call to action for all countries. The SDGs aim to end poverty and other deprivations, while pursuing strategies to improve health and education, reduce inequality and boost economic growth - all while combating climate change and protecting our oceans and forests.
Environmental statement	The environmental statement is a prerequisite for a company's participation in the system for the introduction of an environmental management system. Its regular preparation and dissemination are intended to inform the public about corporate environmental protection at a particular site.
Environmental guidelines	Also called environmental policy. These are the guiding principles of a company for its fundamental strategic orientation in environmental issues. The environmental guidelines form the cornerstone on which the entire environmental management system is based.

Imprint

Publisher:

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 Legero Schuhfabrik GesmbH
 Legero-United-Straße 4
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September 2023