



## **B Lab Statement on Gesta's B Corp Certification**

B Lab's independent Standards Advisory Council has rendered the following decision and guidance regarding eligibility for B Corp Certification for Companies with Clients in the Defense Sector:

*"B Lab and its independent Standards Advisory Council have determined that companies that derive more than 5% of their annual revenue by providing services to clients in the defence sector are eligible for B Corp Certification as long as their services have low-severity impacts and meet specific requirements to manage their potential harm. Companies that provide services to clients in the defence sector and derive less than 5% of their annual revenue from the sector are eligible for B Corp Certification with incremental disclosure on their B Corp Profile regarding material sensitive issues in the industry and historic % revenue from the defence sector as long as their executed projects have low severity impacts."*

Gesta Srl is required to disclose a summary of how it complies with these industry requirements as a part of its B Corp Certification. For more information on the specific requirements, please refer to B Lab's position statement on Companies with Clients in the Defence Sector [here](#).

### **Summary of Company**

Gesta is an Italian Social Benefit company offering training and management, legal and business consulting services. The company specializes in health and safety in the workplace as well as environmental and regulatory consulting (covering environmental analysis, compliance, ESG, processing of personal data, digital transformation and more. They also offer strategic consulting, risk management, organizational development, financial consultation, innovation support, quality management, anti-corruption measures, training, cybersecurity, and assistance for start-ups. Gesta is not involved in the supply or trade of arms and artillery. For more information, visit the Gesta corporate website: <https://gestaconsulenza.it/>

In the 2022 fiscal year, more than 9% of the company's annual revenue came from electromechanical companies that serve the defense industry (in addition to other industries) Only one of the company's clients, representing 0,72% of Gesta's 2022 fiscal year revenue. Clients operating in this industry have represented on average 13% of the company's revenue over the past 5 years; an activity that has represented a declining percentage of revenue since 2018.

B Lab has concluded that providing services to the defence sector has inherent potential risk; namely ethical implications of these services that could be used in a way that harms others and/or are misused, a lack of transparency, and other risks pertaining to private sector involvement in activities related to warfare.



Gesta's services to these clients include obtaining and maintaining the AS/EN 9100 standard; the latest standard for organizations that design, develop or provide products or services for the aviation, space or defense industry, including parts, components and assemblies. Revenue from this Certification has represented 8.52% of the company's total revenue from clients serving the defense industry.

The support in obtaining the AS 9100 Certification has been used by electromechanical clients to certify products used in the Defense industry, such as electrical equipment sold to the Italian Navy and Military such as: frequency conversion station switchboards, automation and remote control panels, power distribution cabinets, degaussing equipment for ships, power supply, monitoring, signal amplification, distribution, and various specialized systems for Navy, radar, avionics, and missile-related applications (testing systems, rudders, wiring and assembly).

### **Gesta's Disclosure on Required Best Practices**

***1. Formal policies and procedures related to anti-corruption such as internal monitoring, periodic training and whistleblower programmes and transparency on the company's position on lobbying and political contributions.***

Gesta has a zero-tolerance approach to bribery and corruption in all areas of its business and is committed to carry out their activities according to criteria of objectivity, impartiality and professional rigor and to never accept compensation or gifts of any kind from third parties.

To address the risk of corruption, the company has an anti-corruption and bribery policy included in their Code of Ethics that is signed and accepted by all employees. The Code of Ethics is available on the intranet and on the Gesta website and principles are reminded during corporate meetings. Moreover, the company's work related to the Defense sector in relation to the AS 9100 standard is a standard developed and monitored by the International Aerospace Quality Group (IAQG).

Gesta's has a strict guideline on lobbying activities, committing within their Quality Management System Manual to refuse political contributions and any lobbying activity. This Manual is given to all employees at the time of hiring in the Welcome Kit and the prescriptions indicated therein are subject to periodical internal auditing and verified annually from an independent third party.

***2. Formally acknowledge (e.g. in their code of ethics) that their services are utilized by militaries of their home country or other countries and recognizing that these services could be utilized to inflict harm on civilians and the environment.***



*The company is aware of the risks associated with working with clients in the defence industry. In its Code of Ethics and Conduct, Gesta plans to consider the issue of corporate social responsibility in all corporate choices. Gesta does not operate for the Armed Forces either in Italy or abroad. Gesta does not provide services and products that can be used to harm people or the environment.*

- 3. Assessment of potential clients during the project bidding process, including consideration for factors such as ownership status of client, the human rights performance of the client regime (if they're a government), stability of the regime, responsible utilisation of military equipment by the regime. Assessment of specific projects, including consideration of whether the project could be used for maleficent purposes (e.g. ascertaining that the project will not be used for controversial weapons or offensive weapons that can have a disproportionate and indiscriminate impact on civilian population).**

Gesta does not work for any government and should it participate in government tenders it will evaluate in advance all aspects relating to the regime and the respect for human rights.

Potential new clients are evaluated through a preliminary questionnaire evaluating the following criteria:

- Existing certifications held by the company in relation to management systems (ISO 14001, ISO45001, ISO 20000, ISO28001 etc).
- Legal, administrative and governance measures (Supervisory body, cybersecurity, Data Protection Officer etc)
- Measures or certifications undertaken by the company related to sustainability
- Industry and company specific activities and products.
- Company ownership information, beneficial ownership and corporate structure
- Company financial information.

The company also evaluates the Code of Conduct of potential customers and verifies their web reputation.

Gesta is committed to not work with customers who do not respect human rights and/or who use their products for purposes harmful to people and the environment and periodically evaluates the risks and opportunities of its business activities. Gesta verifies, through the Codice Ateco (NACE codification: <https://codice-ateco.com/>) the activity of the potential client and each potential client is visited before the issuing of a bid.

- 4. During the execution phase of the project, exploring the possibility of deliberately designing for considerations such as proportionality, discrimination, prevention of illegal use and environmental conservation.**



Gesta's first three principles as established in its Code of Conduct are to: Respect the Laws, Be transparent, and do not discriminate based on sex and sexual preferences, religion, ethnicity, political and trade union preferences.

The AS/EN 9100 standard (including 9001) offered by the company dictates the quality and reliability requirements of the processes of companies working in the aerospace/defense sector, employees carry out a risk assessment involving the supply chain, as part of the process; evaluating that their clients are not designed to cause harm.

Assessing risk and mitigating possible externalities is inherent in the activities carried out by the company in serving the Defense industry. In addition, Gesta procures to avoid harm through their activities, establishing the following in their Code of Conduct as well as their Quality Management System Manual:

- Respect the policy for quality, environment, health and safety, social responsibility and sustainability
- Ensure compliance of the activities carried out with current regulations (voluntary and mandatory) and with the economic offer
- And. Periodically evaluate the internal and external corporate context, the influence of interested parties and anything else necessary to promote, improve and, if necessary, correct the company policy guidelines
- Draw up the Common Benefits Management Plan and monitor the results
- Increase the satisfaction of human resources by ensuring the availability of suitable means to carry out their work
- Maintain the Quality Management System Certification over time with a process approach evaluating risks and opportunities for the business
- Consider and mitigate the environmental impacts of the activities carried out
- Prioritize transport solutions with lower environmental impact
- Manage health and safety in the workplace, internal or external, throughout the phase of the process starting from the economic offer
- Consider the issue of corporate social responsibility in all choices

#### ***5. Availability of mechanisms for employees to report on ethical concerns related to the projects during the project execution phase***

With regards to the company's mechanisms for whistleblowing, under Italian Legislative directive Decree no.24 of 10 March 2023 (containing the *"Implementation of directive (EU) 2019/1937 concerning the protection of persons who report violations of Union law and containing provisions concerning the protection of persons who report violations of national regulatory provisions"*), protection is not offered to whistleblowers for companies with less than 50 employees.



As Gesta does not fall within the scope of the whistleblowing legislation, it does not currently have a whistleblowing policy in place. However, the company maintains constant monitoring by the internal compliance manager who reports to the Board of Directors and keeps communication channels constantly open.

***6. Training and education on the practices mentioned above to help put them into practice and facilitate a corporate ethos that manages concerns in the industry***

The Company's Quality Management Manual and Code of Conduct are given to all employees at the time of induction and the prescriptions indicated therein are subject to periodic internal auditing and verified annually from an independent third party. Moreover, during the company's monthly meetings they verify employee awareness regarding the application of the Code of Conduct and address possible critical issues.