



SUSTAINABILITY REPORT 2022

Creating well-being through nature.
ESI, an authentic approach for a more
sustainable future.





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Methodological note

GRI 2-1 | GRI 2-2 | GRI 2-3

REPORTING BOUNDARY

Company name
ESI

Nature of the property
Private

Legal form
Limited Liability Company

Location of head office
Registered office: Corso Ferrari 74/6,
Albisola Superiore (SV)
Secondary location: Via delle industrie 1,
Albisola Marina (SV)

Countries served
54

THE REPORT

This document is the first Sustainability Report of ESI S.r.l. (hereinafter also 'the company' or 'ESI'). The information in the report has been collected and processed in order to ensure a clear understanding of the company's activities, performance, results and impact. The reporting boundary used in this document includes information on the activities carried out in the year 2022 by ESI S.r.l. The Sustainability Report was prepared on a voluntary basis and is not a consolidated Non-Financial Disclosure (NFD); the company is not in fact subject to Italian Legislative Decree no. 254 of 30 December 2016, under which, in implementation of Directive 2014/95/EU, preparation of an NFD is a mandatory requirement for public-interest entities exceeding certain quantitative thresholds.

REFERENCES USED

The Sustainability Report was prepared by selecting the indicators contained in the *GRI Sustainability Reporting Standards* published by the Global Reporting Initiative (GRI), according to the "Referenced" reporting option. The set of GRI indicators used for reporting purposes is indicated in the GRI Content Index of this document.

The general principles applied in preparing the Sustainability Report are those set out in the GRI Standards, namely: *relevance, inclusiveness, sustainability context, completeness, balance between positive and negative aspects, comparability, accuracy, timeliness, reliability, clarity*.

The performance indicators selected are those set out in the reporting principles adopted, which represent the specific areas of sustainability analysed in line with the activity carried out by the company and the related impacts.

The Sustainability Report is prepared annually and published on the company's official website: www.esi.it

For further information on the contents of this document, please contact the following e-mail address: esi@esi.it

The indicators were selected on the basis of a materiality analysis of key issues for the organisation and its sector of operation, as described in the section "*Internal materiality analysis: our strategy*". This assessment, which forms part of the sustainability journey, involved top management whose members assessed the topics and, accordingly, assigned a value based on two different aspects: the importance and priority of action for the company.

This assessment will be further developed and investigated in subsequent periods by conducting one or more stakeholder listening activities and reporting on the company's contribution to achieving the defined objectives.

This Sustainability Report has been prepared with the methodological support of



Letter to Stakeholders

GRI 2-22

We are inspired every day by the well-being of the nature around us; a greatness from which we draw our strength.

Dear Stakeholders,

it is with great enthusiasm that we share with you our first Sustainability Report. Drafting it has enabled us to strengthen our awareness of what we have done and the goals we intend to achieve, in order to make our commitment to sustainable development and combating climate change even more concrete. This is an important milestone on the path of responsible, structured and tangible sustainability led by the management of the Sodalis Group.

We know how fleeting time is, and we are aware of its value. It is unique because it is unrepeatable. We strive to take care of ourselves, our time on this earth and that which will fall into the hands of future generations.

The sustainability path undertaken represents a significant growth for ESI; it is confirmation of the concrete will to put environmental, social and economic issues at the centre of our business.

We have identified and enhanced our strengths, while at the same time focusing on our weaknesses with greater awareness.

We began the process of assessing our ESG performance, using a careful Assessment tool, and involving our people to make them active participants in this new scenario brimming with opportunities and challenges. We have also initiated the Organisational Carbon Footprint project, so that we can accurately and effectively understand the emissions generated by our processes and analyse how we can take action to reduce their negative impacts.

We are proud to have consolidated our position as a leading operator in the field of phytotherapeutic products, food supplements and natural-based cosmetics, offering high quality products and natural wellness solutions. Our journey in the phytotherapeutic sector has been characterised by an unparalleled passion for health and wellness, and the constant pursuit of excellence.

Over the years we have reached several significant milestones, thanks to the trust and support we have constantly received.

Contributing to the protection of the planet is a shared responsibility at ESI; the actions we take chart a clearly defined path throughout society, so that everyone can feel that they are playing a part in the constructive and positive change we are facing.

Reducing the use of plastics, responsible energy management, research and development, responsible paper use, community involvement, continuous innovation, transparent communication: these are just some of the initiatives implemented, which, together with many others, are presented in detail on the following pages.

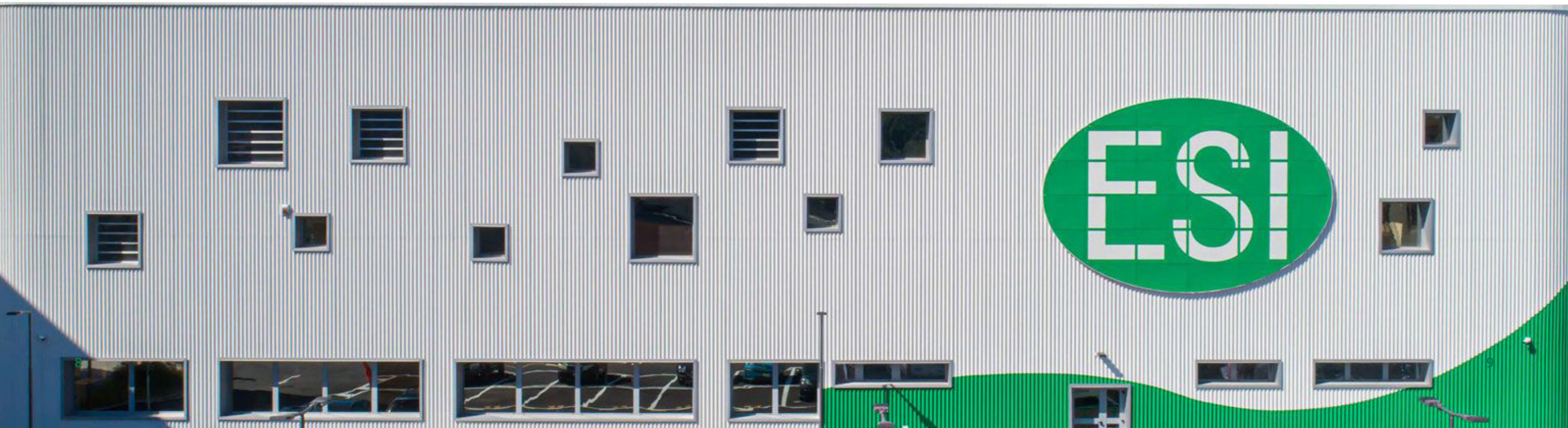
In this first Sustainability Report we tell you about us, our roots, our growth and our evolution; an exciting project from which, we hope, you will be able to grasp the characteristics that distinguish us, essential elements of our sustainability journey. Only with determination and passion can we all contribute to living our time on this earth better, to building a sustainable future that can resist and re-exist.

We will continue to share the value of our progress, our experiences, our projects with the aim of plotting together the next steps of this ambitious journey.

Enjoy the report.

Fabio Granata

Chairman of the Board of Directors



Highlights



1975
Year of incorporation



321,406 kg
of raw materials used



€ 59,145,058
Economic value generated



783 tCO₂e
Emissions produced (Scope 1 + Scope 2)



140 tons
Waste generated 87% sent for recovery



114 employees
99% with open-ended contract



400 hours
of training provided to employees



1,607,611 kWh
electricity consumption



Quality Management System
UNI EN ISO 9001:2015



Our origins,
our **identity**

ESI: a long history of growth and success

Since 1975 we have been operating in the field of phytotherapeutic, dietetic and natural food products. The strength of our products has deep roots; a history that has made it possible for quality products to be recognised by the end consumer.

BIRTH

Our company was founded in **1975** based on the intuition of the former Chairman, Antonio Maria Galleano; his inspiration took shape from the Swiss market, which brought home to him **the importance of offering products that, through the benefits of herbs, could be an effective natural remedy** for certain diseases; an inspiration that led to the idea of marketing food supplements that were not drugs.

In those days, in fact, food supplements did not exist; people frequently resorted to the use of drugs or foods to make up for any deficiencies or ease ailments.

Le Dieci Erbe is one of our first products to be introduced to the market; a dietary supplement, 100% natural origin, aimed at promoting the intestinal functions.

The product was such a great success that it still has a significant response from consumers today. The first years of our history were characterised by a very small structure, where products were packaged by hand and sales were door-to-door. Over the years, we managed to establish a small business, buying the first production machinery and hiring several employees.

GROWTH

In its early years, the ESI brand identified a line of patented formulations imported directly from Switzerland. Over time, we have focused **on researching remedies for other diseases, to enrich our product range.**

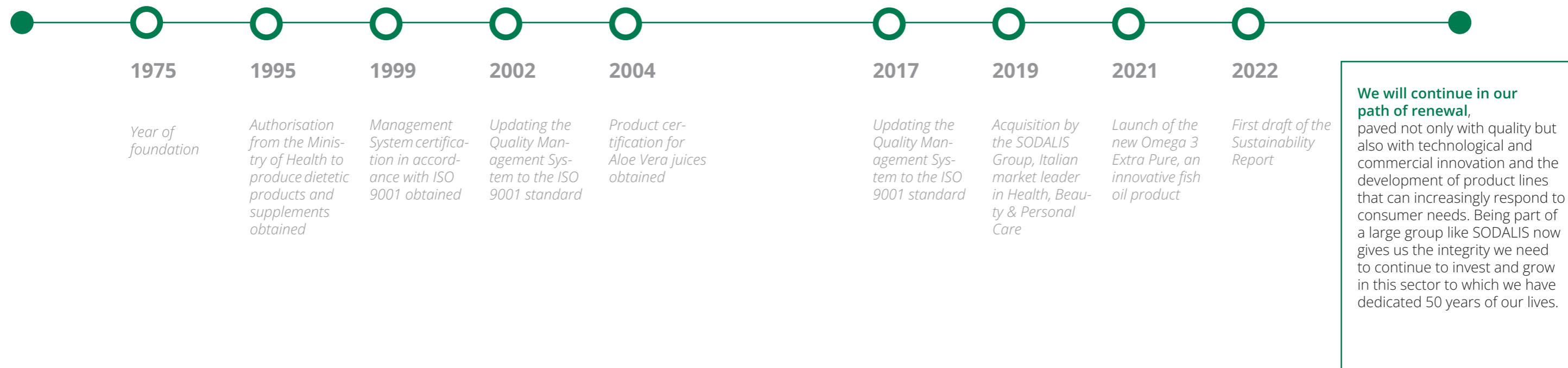
The dietary supplement industry presented us with a major regulatory challenge: our founder had to go through a major battle to gain recognition as a manufacturer of dietary supplements.

EVOLUTION

With determination we looked for new potential distributors in order to serve more and more countries. We were **attracted to new markets**, especially those outside the EU, while remaining aware of the need to study and monitor national markets and regulations for the sale of phytotherapeutic products and its importance. Today, our perseverance has allowed us to be, **present in 54 countries around the world**, with a sales force managed from Italy, which monitors the work of its distributors.

In 2019, we were acquired by the **SODALIS Group**, an Italian leader in the Health, Beauty & Personal Care market, with over 20 proprietary brands, 1164 employees, 4 research laboratories, 4 production facilities and 4 foreign subsidiaries. Thanks to this new set-up we now have important new know-how in the world of high-end dermocosmetics.

In 2020 we inaugurated the **new production facility** covering an area of 5,000 square metres, which houses state-of-the-art production facilities for both solid oral products (tablets, opercula) and liquids, in various formats.



Phytotherapy and nutraceuticals: the sectors in which we operate and the evolutionary dynamics

The phytotherapeutic and nutraceutical sectors include natural substances, such as medicinal plants and food supplements, aimed at promoting people's health and well-being. Two often related fields that differ in both application and approach.

PHYTOTHERAPY

Phytotherapy is a medical practice based on the use of medicinal plants (herbs) to prevent, alleviate or treat a variety of ailments and health conditions.

Medicinal plants can be used in many ways and have become increasingly popular: herbal teas, tinctures, capsules and creams are only some of the various types available.

Phytotherapy has a long history of use in various cultures and medical traditions, including traditional Chinese medicine, Indian Ayurveda and European herbal medicine.

Many modern medicines originated from compounds isolated from medicinal plants, which is why research on phytotherapy, with its high therapeutic potential, continues today.

NUTRACEUTICALS

Nutraceuticals is a discipline that focuses on the use of food substances or food supplements to provide basic nutrition and human health benefits. Nutraceutical supplements may contain vitamins, minerals, amino acids, antioxidants, herbs, enzymes or other natural compounds.

The popularity and increasingly pervasive use of phytotherapeutic and nutraceutical products is representative of the growing number of people relying on natural options in order to stay healthy and treat a variety of ailments.

MAIN CHALLENGES

Regulation

Both sectors are subject to complex regulations in different jurisdictions; companies must act within specific rules and standards, enabling them to be compliant with government requirements; the costs of compliance can be significant.

Consumer education

Many consumers may not have a complete understanding of herbal medicine and nutraceuticals; consumer education is an important aspect of gaining trust and customer loyalty.

Quality Standards

Ensuring the quality of the herbs and extracts used in phytotherapeutic products is essential, but can be a challenge given the variability of plants and how they are harvested.

Competition

The market is highly competitive, with numerous companies offering competing products; differentiation is crucial for long-term success.

MAIN OPPORTUNITIES

Research and Innovation

Continued scientific research could lead to a better understanding of the benefits and risks associated with herbs and dietary supplements, paving the way for new developments in the field.

Customisation

The trend towards personalised therapies could lead to the development of phytotherapeutic and nutraceutical products tailored to individual needs.

Partnership between traditional medicine and phytotherapy

Collaboration between doctors and herbalists could become more common, enabling an integrated approach to health.

Responsible agricultural practices

The increasing focus on sustainability may provide the impetus for the development of farming and herb harvesting practices with a lower environmental impact.

Our business model: a shared project

GRI 2-6

Our mission is to offer quality products that meet the health and wellness needs of consumers and provide them with the information they need to make informed decisions about their health.

We develop and produce our own food supplements, medical devices and cosmetics under the ESI brand in-house.

Our business focuses on the development, distribution and marketing of quality products, created and formulated with the aim of offering a comprehensive solution to consumers' health and wellness needs.

By choice, we have an **exclusive distribution in sales channels such as physical and online pharmacies, parapharmacies and herbalist shops**; a choice dictated by the desire to position our products in outlets that are attentive to the needs of consumers, with whom we can create a relationship of trust.

Our **products are recognised at international level for their quality, safety and effectiveness**. Our services also include pharmaceutical consulting, training and scientific support services for doctors, pharmacists, researchers and consumers.



Since our founding year, we have been committed to maintaining ties with the region and promoting its industrial and social development. We recently inaugurated our **new production facility**, located on the western Ligurian Riviera in Albissola Marina, just 800 metres from the sea, with the aim of offering a positive and welcoming place to work.

THE PILLARS OF OUR BUSINESS MODEL

Research

A constant research activity, which we carry out in collaboration with leading Italian universities and national and international research centres; an added value, which allows us to always be at the forefront of product development.

Selection

Stringent selection and careful control of raw materials have made it possible for us to rank among the top manufacturers in the natural products sector, allowing us to be the Italian supplement company with the widest distribution today.

Production

We are one of the few companies that has an in-house R&D laboratory and manufactures products in-house. Thanks to the use of state-of-the-art production and control equipment, we are able to achieve production in line with the highest quality levels, guaranteeing flexibility and production capacity.

Quality

Our quest for quality has led us to the development and implementation of a Quality Management System, certified according to UNI ISO 9001:2015; in this way, we guarantee total quality, from design to production and product marketing.

Internationality

Our internationality is evidenced by the presence of our products in more than 50 European and non-European countries. All products leaving the new production site in Albissola Marina undergo stringent analytical controls which certify that the quality parameters correspond to the standards set by the various national and international directives.



Becoming part of the SODALIS Group has enhanced our growth and innovative approach, allowing us to benefit from the latest technologies in the field of Health, Beauty & Personal Care and to launch several products at the forefront of innovation, technology and quality.

ESI-FIT



In spite of the impacts of the Covid-19 pandemic, with the courage that distinguishes us, in 2021 we launched **ESI-FIT**, a new slimming product line, based on direct and simple concepts that would reach the consumer clearly; we used the first letters of the alphabet to have more impact: *Activates metabolism, Balances absorption, Controls hunger, Drains fluids.*

Omega 3 Extra Pure

The year 2021 also saw the birth of the new **Omega 3 Extra Pure**, an innovative fish oil product boasting several international certifications and the special TriPhase technology, which eliminates the return of a fishy taste and any fishy smell (issues that are very common in this type of product, often discouraging consumers from using them). Omega 3 Extra Pure was presented with a significant advertising campaign in collaboration with the athletes of the National Synchronised Swimming Team.



The end of 2021 was marked by a major advertising campaign for a totally new line, **SerenESI**: products made with Ashwagandha and various plants useful for regulating mood, reducing states of agitation, fostering relaxation, mental wellbeing and regular sleep.



SerenESI

DISTRIBUTION AND MARKETING: OUR EXPANSION PLAN

For 2024, we have set ourselves a twofold goal:



Increasing distribution and coverage in Italian pharmacies, parapharmacies and herbalist shops

Today, we are present in about 4,000 pharmacies, corresponding to about 20% of all pharmacies nationwide.



Strengthening brand recognition

We want to focus on increasing our brand promotion, through an effective communication plan, to make it easier for consumers to recognise.

The **Le Dieci Erbe** line was expanded with the development of new products to address various gastrointestinal problems; new products with special patented formulations, each designed to perform a targeted action, were included in the NoDol line, allowing for the creation of a complete line of supplements for joint and muscle function, with ingredients of natural origin and plant extracts.

The Ten Herbs



Customers, consumers and suppliers: from relationship to value creation

GRI 2-6 | GRI 2-25 | GRI 204-1

Suppliers: reliability and quality as selection criteria

The supply chain of herbs and extracts is essential for the production of phytotherapeutic products and food supplements. Harvesting, cultivation and production must all be carefully managed to ensure the high quality of the end products.

In the **Supplier Management Procedure** we have detailed the activities to be conducted for the selection, evaluation, monitoring and re-evaluation of suppliers of products and services having an influence on the product realisation and the product itself. **Supplier performance is monitored through systematic supply control and periodic processing of non-conformities**, in order to take corrective action if necessary. All supplier-related non-conformities constitute an objective and systematic reference used to effectively assess supplier reliability.

Before validating a partner as a supplier, we carry out a **careful selection and verification activity**.

The analysis activity differs according to the type of supplier, specifically:

Suppliers of non-food, non FCM (food contact materials) products selected and evaluated according to the following requirements:

- supplier whose quality system is certified by a nationally or internationally recognised body;
- supplier for whom historical data on the compliance of the products or services supplied previously are available;
- supplier for whom a positive judgement has been made on one or more test supplies;
- supplier for whom references are available as guarantee of its reliability.

Suppliers of raw materials, finished products, semi-finished products, FCM (food contact materials) that undergo the process summarised below:

- food/food contact materials supplier

CERTIFIED
according to the recognised GFSI standard
> Supplier approved, following submission of documentation and delivery of test supply

NOT CERTIFIED
according to the recognised GFSI standard
> **Risk assessment**

HIGH RISK
> Audit

- *Negative outcome: supplier not approved*
- *Positive outcome: supplier approved*

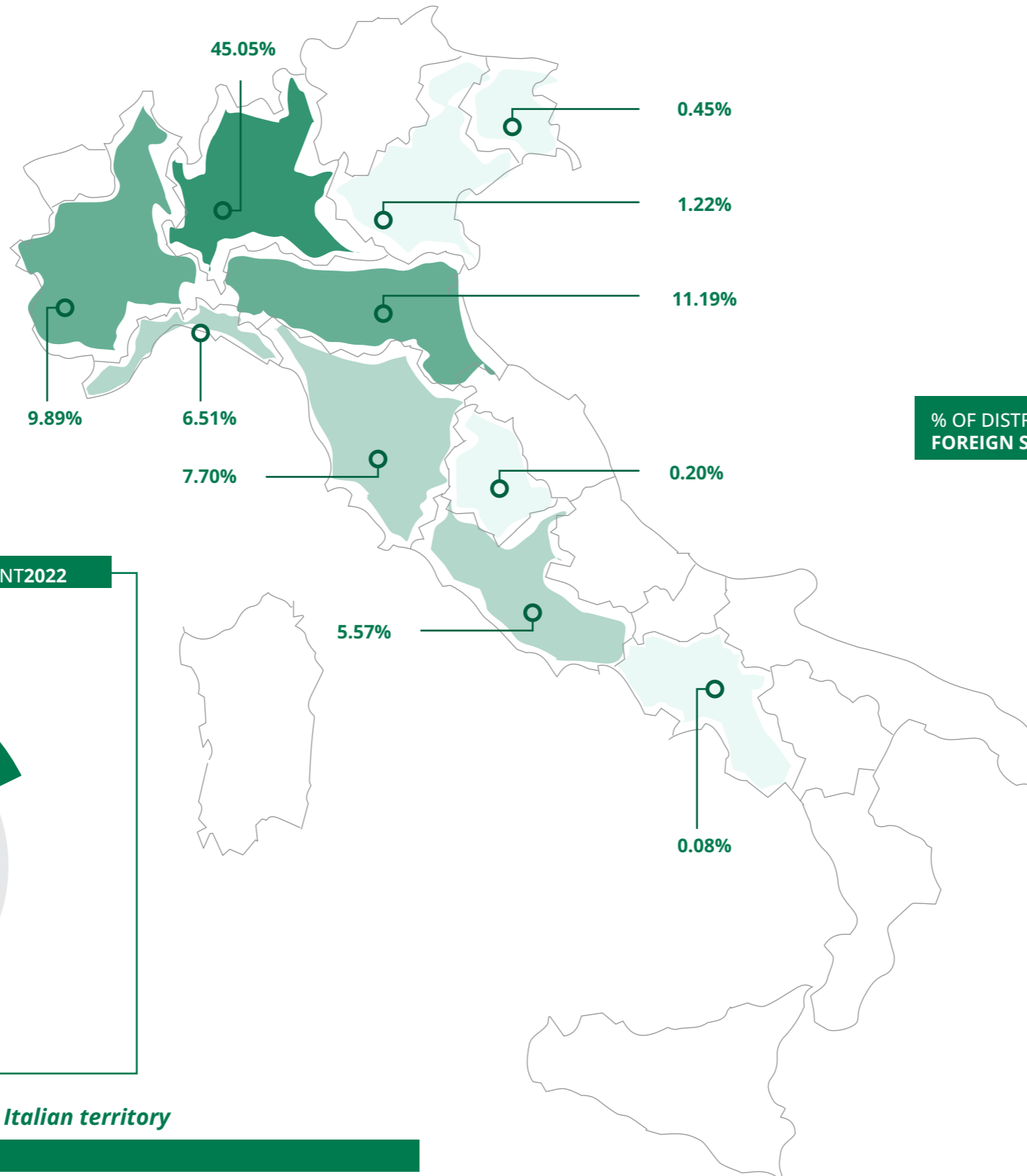
LOW RISK
> Information questionnaire, collection of documentation, subsequent test supply

- *Questionnaire score <70%: unapproved supplier*
- *Questionnaire score >70%: approved supplier*

Realizing the importance of selecting suppliers who share our principles, we are seeking to include additional selection criteria; in this regard, we are also considering including possession of **ISO 22000** certification for food safety management as one of the evaluation criteria.

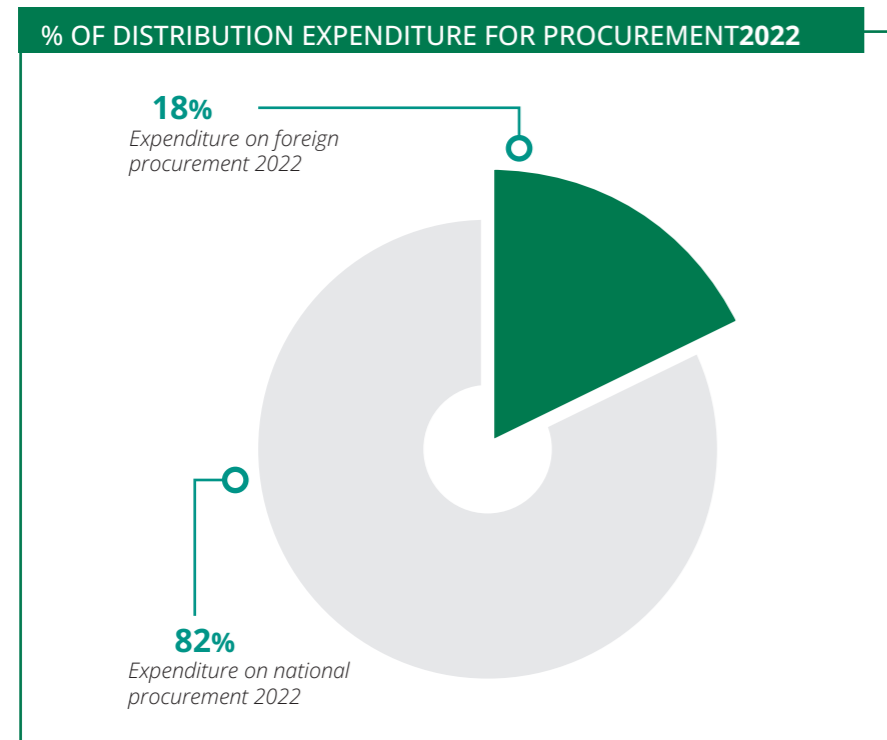
The wide range of raw materials we source means that we have a large number of suppliers located in Italy and abroad. The main share of the procurement expenditure in 2022 was for raw materials and packaging material.

In 2022 **the share of our national procurement was 82%** of our total expenditure.



Of the procurement in Italy, approximately **7% comes from Liguria**, the region in which we operate; the main share of national procurement expenditure is in Lombardy (approximately 45% of national procurement).

With regard to foreign procurement, the main share of expenditure is related to the countries of Central and Northern Europe, specifically **28% is spent in Switzerland, 21% in France, 17% in Belgium and 15% in the Netherlands**.



% OF DISTRIBUTION EXPENDITURE FOR PROCUREMENT 2022 FOREIGN SUPPLIERS

28.61%	Switzerland
21.38%	France
17.89%	Belgium
15.15%	The Netherlands
6.55%	Mexico
5.27%	San Marino
1.70%	Germany
1.56%	South Korea
0.93%	Spain
0.53%	Slovakia
0.27%	Luxembourg
0.16%	Denmark

Percentage of the local procurement budget Italian territory

	2022	
	€	%
Total expenditure for suppliers	€ 21,955,261.40	100%
Budget spent on local suppliers	€ 18,048,836.65	82%

Customers: listening as a priority objective

The internationality of the company is demonstrated by the presence of our products, which are sold in more than 50 European and non-European countries.

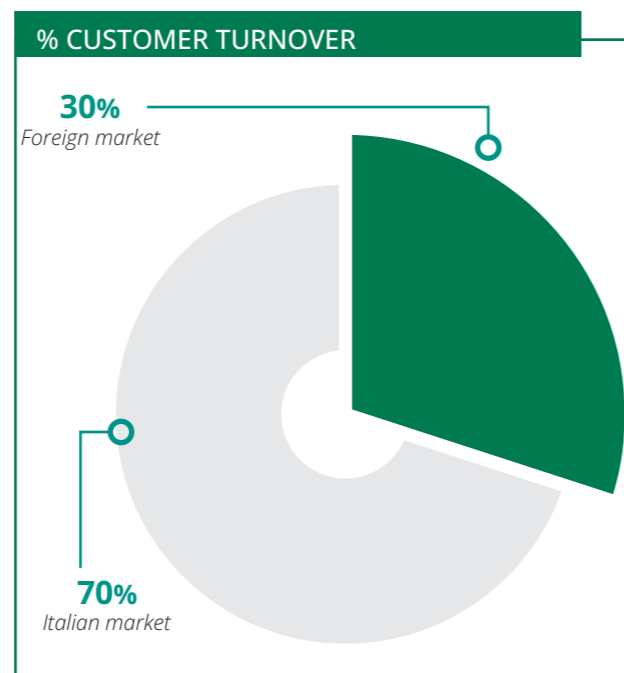
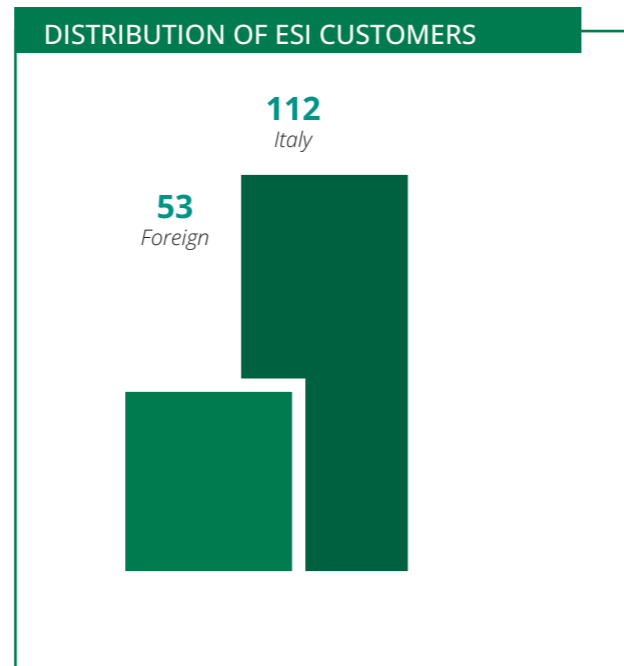
Our customers are mainly **pharmacies (approx. 61%), herbalist shops (approx 22%) and parapharmacies (approx 10%)**. The remaining **7% is divided between large retailers, online sales channel (Amazon) and foreign countries**.

70% of our turnover comes from the Italian market, while the remaining 30% comes from foreign markets. In the foreign turnover share, **Spain** is the most profitable country, contributing **34% of the total turnover**.

We periodically issue questionnaires to assess the level of customer satisfaction with our products and services. The questionnaire is submitted to pharmacies, parapharmacies and herbalist shops. The latest survey, carried out in 2017, showed an alignment in customers' considerations; **approximately 67% of respondents considered the quality of ESI's products to be good and 28% considered it to be very good**.

We have an in-house customer service department, whose main tasks are:

- sending documentation and samples to doctors;
- communicating via e-mail, fax or telephone regarding requests for information from individuals, customers (herbalist shop and pharmacy owners), agents and medical personnel in general;
- sending documentation (lists of sales outlets, brochures, information) and samples to private individuals who request them; in this case we proceed by sending coupons for the various ESI products.



Consumers: communication as a strategy for improvement

The growth of the phytotherapy sector has been truly remarkable: in fact, the last few years have been marked by a turnaround in purchases by consumers, who have become more attentive, aware and demanding. Many consumers are looking for more natural alternatives to synthetic drugs and are interested in exploring herbal and plant-based therapeutic options.

Phytotherapeutic products are mainly consumed by people seeking natural solutions with the aim of addressing specific health problems, reducing symptoms of certain diseases or improving general well-being.

The consumer who chooses natural products looks for and relies on the quality and origin of the ingredients, elements that are strongly recognised in the ESI brand.

With the aim of ensuring that we listen and take immediate action, we have set up a communication channel, both by phone and e-mail, to allow our consumers to report any product complaints or non-conformities. This gives consumers the opportunity to contact us more quickly if they have questions, doubts or need information about the possible side effects of a specific product. Our customer focus is matched by our commitment to monitoring reports and any interventions that have been implemented.

Complaint Service

Direct customers (pharmacies, parapharmacies and herbalist shops) can report any discrepancies in the service, which is managed by the Orders Office.

A complaint handling system has been introduced; complaints about transport and delivery are handled by the sales department, while any product complaints are handled by customer service.

The product complaint is registered by the customer service using a special programme to keep track of each complaint. The complaint is then forwarded to the responsible Quality Control and laboratory personnel, who verify the counter-samples, respond to customer service and take corrective action if necessary.

Finally, customer service formulates a response to the customer and, if necessary, replaces the reported product.



Unfiltered:

our sustainability
journey

The corporate approach to sustainability

GRI 2-22

Sustainable development is by definition the right to live, produce and consume freely without compromising the right of future generations to live, consume and produce in the same way.

We have embraced this very important concept and have decided to take on an active role in protecting the environment and reducing the use of polluting materials such as plastic, for example.

Consumer centricity, digital development and sustainability are three fundamental aspects of our corporate culture.

The integration of sustainability into people's lives and business strategies is a long and sometimes complex journey, involving a conscious change in one's actions and habits.

The **path to sustainability** that we have embarked upon is based on two essential elements, namely **transparency and commitment**; this is how we achieve the goals we have set ourselves, both for the short and long term. Our approach allows us to implement a virtuous strategy that is measurable, verifiable and concrete, involving key business leaders.

The SODALIS Group has decided to embark on a path of sustainability that actively involves all Group companies. This pathway saw as its first step the **assessment of the environmental,**

social and governance performance of each company in the Group, through the use of a digital assessment tool. The scope of the analysis and investigation covered by the assessment refer to the information contained and requested in the **UNI ISO 26000** standard (UNI/PdR 18:2016) and the **GRI Standards®** reporting standards.

This has enabled us to measure the practices we implement on a daily basis and to understand the issues on which to focus our efforts in order to align ourselves with the SODALIS Group's sustainability path.

The initiatives we have implemented represent some of the goals we have set ourselves, and many more will follow. We have a long way to go, but we are sure it will fill us with satisfaction.



Elimination of plastic cups and spoons



Elimination of plastic coffee pods



Elimination of plastic water bottles



Use of FSC® paper and cardboard



Reducing the use of plasticised paper in promotional material



Fully computerised management of our customers' orders, with considerable paper savings



Use, in production processes, of energy certified as 100% from renewable sources



Replacement of inflatable bags with paper material in parcels



Replacement of plastic-coated 'parcel closing' tape with paper tape



Gradual replacement of conventionally powered cars with hybrids

Internal materiality analysis: our strategy

GRI 3-1 | GRI 3-2

Material topics are topics that represent an organisation's most significant impacts on the economy, environment, and people and substantially influence stakeholder assessments and decisions.

Material is defined as those aspects that, on the one hand, are perceived as relevant by stakeholders - as they could influence their decisions, expectations and actions - and, on the other hand, can generate relevant economic, social and environmental impacts on the company's activities.

The materiality analysis process undertaken during the reporting period in question involved in-house work in the company involving top management and its technical managers in the following steps:



MATERIALITY ANALYSIS PROCESS

With the help of external consultants, top management analysed ESG issues relevant to the sector in question. These were further examined in detail in view of their relevance to our company and their priority of action. This process led, therefore, to a skimming and re-analysis of the issues themselves and the identification of **7 themes**, on which it was decided to focus in this first Sustainability Report.

Reporting on these material topics will be developed over the years to come, as this type of action gradually grows.

MATERIAL TOPICS AND SUSTAINABLE DEVELOPMENT GOALS (SDGs)

In identifying the ESG topics that resulted significant for our Group, we also considered their link with the Sustainable Development Goals (SDGs), defined in the United Nations 2030 Agenda. By committing to act on these topics, we are and will continue seeking to contribute to overcoming - as far as possible- the global challenges relating to sustainability.



Reducing emissions and combating climate change

Analysis of the carbon emissions produced by the company's activity through international certification schemes in order to gain awareness of its environmental footprint; in this way, actions to reduce, adapt and/or mitigate emissions can be defined.



Energy efficiency - conscious use of resources

Initiatives, activities and policies adopted with the aim of reducing energy consumption and its environmental impact through the following actions: signing contracts for the purchase of electricity from renewable energy sources, real-time monitoring of consumption, training and awareness-raising of employees on energy efficiency issues.



Product and service quality and safety

Accurate policies and procedures governed by international standards (ISO 9001) to ensure high standards of product quality and market recognition with the aim of meeting the needs and expectations of end customers.



Risk reduction - making the working environment safe and healthy

Awareness-raising of the safety culture, through the involvement of all operators; implementation of systemic monitoring to prevent occupational risks by ensuring a healthy working environment. Promotion of a welcoming, stimulating and positive working environment through programmes aimed at ensuring full respect for the right to health and the protection of well-being.



Corporate welfare - promoting employee welfare

Promotion of a welcoming, stimulating and positive working environment through programmes aimed at ensuring full respect for the right to health and the protection of well-being.



Innovation, research and development

Procedures related to product and process innovation through investment in Research and Development aimed at continuous improvement with a focus on socio-environmental impacts.



Customer centricity

Maximising the degree of customer satisfaction in order to build long-lasting and stable relationships over time, through feedback collection and monitoring activities.

Stakeholder mapping and engagement

GRI 2-29

Stakeholders are entities or individuals who can be expected to be significantly affected by an organisation's activities, products and services or whose actions can reasonably be expected to affect the organisation's ability to successfully implement its strategies and achieve its objectives.

Stakeholders are all those with whom a company deals in order to create, maintain and develop relationships with the aim of understanding their needs and expectations, and consequently guide strategic choices in a coherent manner.

We constantly consider the concerns of our stakeholders and try to act proactively in order to avoid potential risks and possible negative impacts; we constantly strive to maintain a collaborative dialogue with the various stakeholders.

The following chart shows the main categories of stakeholders with whom we interface:

FINANCIAL COMMUNITY Banking Institutions Members and shareholders 	HUMAN RESOURCES Employees Co workers Management Unions 	PARTNERS & SUPPLIERS Suppliers of goods Service providers Business partners 	CUSTOMERS Pharmacies Herbalist shops Parapharmacies Distributors 	PUBLIC AUTHORITIES Central and national administrations Local administrations Public control bodies European institutions 
SCIENTIFIC COMMUNITY Research centres 	MEDIA National and local newspapers Trade magazines TV 	CERTIFICATION BODIES Certification bodies 	TRADE ASSOCIATIONS Trade associations 	COMMUNITY AND TERRITORY Non-profit organisations Consumer associations 

STAKEHOLDER ENGAGEMENT ACTIVITIES

The involvement of and discussion with stakeholders (stakeholder engagement) is essential to understand their expectations, interests and opinions. We interface carefully and positively with our stakeholders in order to get constructive feedback on the conduct of business.

In view of the growing awareness of the importance of involving them in our sustainability journey, during 2023 we will undertake a structured engagement initiative with the SODALIS Group's key stakeholders, in order to capture perceptions inherent to the material topics we have identified and to consistently and strategically target our future objectives.

The table below lists the main categories of stakeholders with whom we interface; for each of them, the involvement methods adopted to date and the interest on which the relationship is based are indicated:

CATEGORY
 Interests
 Modalities of involvement
 Frequency

FINANCIAL COMMUNITY Economic performance Direct assistance channels: counters, call centres, digital counter, e-mail Systemic Shareholder Meetings Weekly	COMMUNITY AND TERRITORY Brand reputation Economic support Consumer protection Product quality and performance Periodic meetings Customer service Complaint handling E-mail Ad hoc
HUMAN RESOURCES AND TRADE UNIONS Economic performance Work-life balance Corporate welfare Equal opportunities Career development and training Newsletter/email communications Individual evaluation meetings Corporate events Code of Ethics Training and awareness-raising activities, professional development opportunities Ad hoc	TRADE ASSOCIATIONS Forging relationships Meetings Communications Ad hoc
SUPPLIERS AND PARTNERS Economic performance and product quality Regular meetings and communications Ad hoc	MEDIA Brand awareness Brand reputation Market share Sell out Contractualisation of services Ad hoc
CUSTOMERS Economic performance, market share and sell out Regular meetings and communications Customer service Complaint and dispute management Ad hoc	CERTIFICATION BODIES Compliance with regulations and procedures Product quality and performance Company&brand reputation Audits Instrumental tests Ad hoc
SCIENTIFIC COMMUNITY Innovation and research Contractualisation of services Ad hoc	PUBLIC AUTHORITIES Regulatory compliance Regular meetings and communications Digital channels/portals Digital assistance/communications Ad hoc/monthly



Governance and
Organisation Model

Our organisational structure

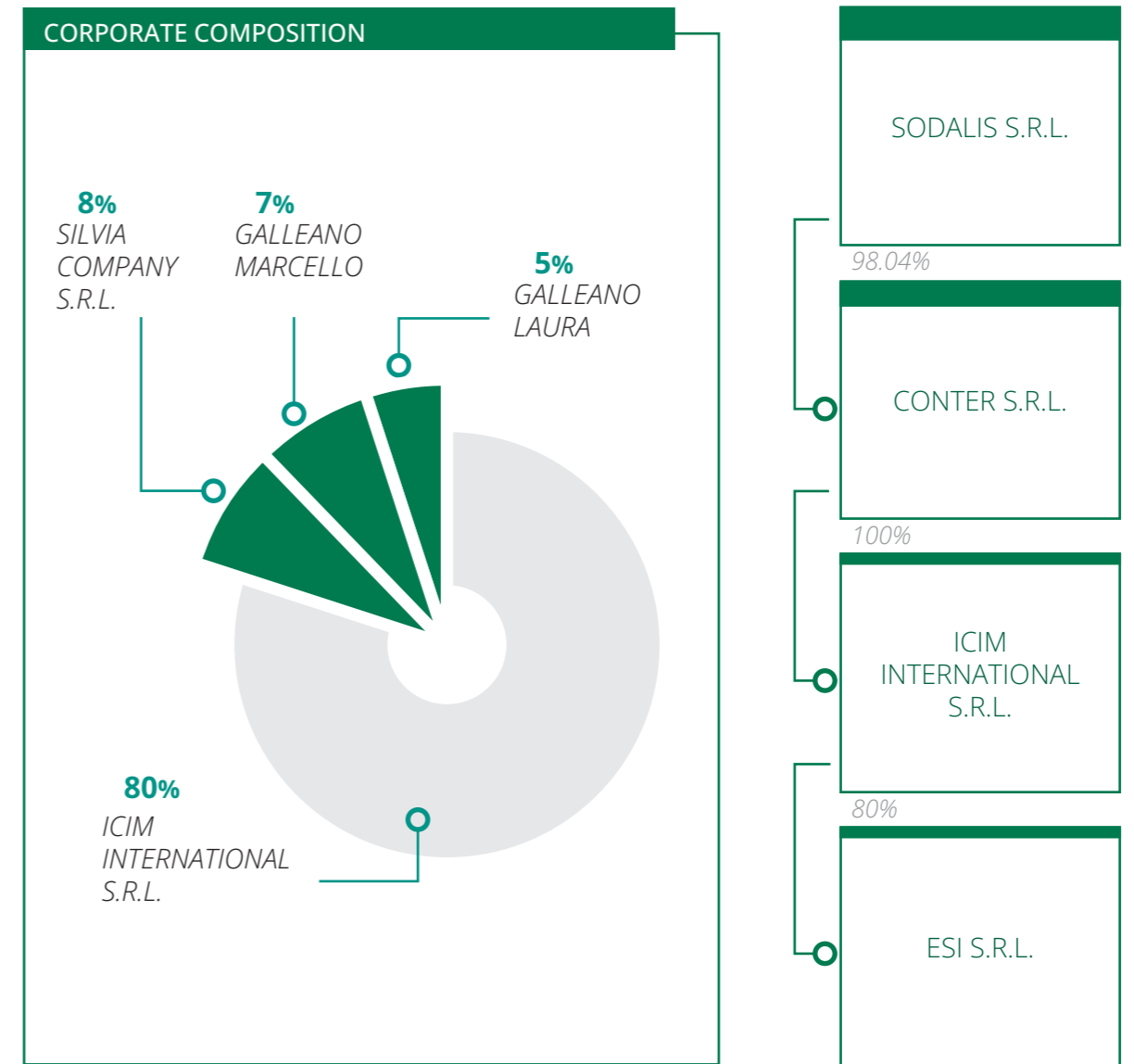
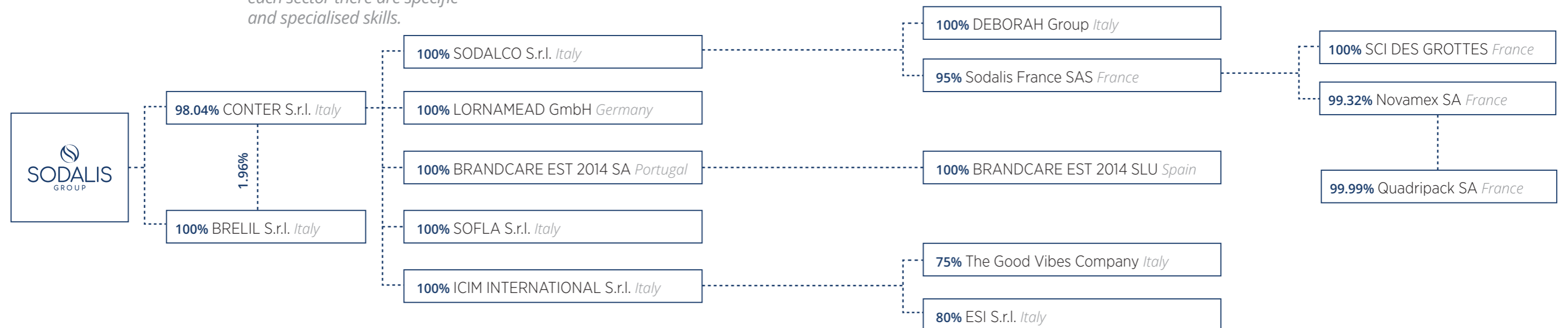
GRI 2-9 | GRI 405-1

The composition of the group

As of 2019, we are part of the SODALIS Group. The Group currently operates through sixteen companies; each of them works in its area independently, aligning with the Group's values and benefiting from synergic relationships.

Over the past fifteen years, the Group has developed by acquiring several companies, thus expanding its portfolio of expertise that has allowed it to be active in the **Beauty, Personal and Home Care** market in different geographic realities and in different distribution channels. These include large-scale distribution, pharmacies, perfumeries, e-commerce and professional channels. In each sector there are specific and specialised skills.

When acquired by the SODALIS Group, our corporate structure changed. Sodalís S.r.l., the Group's holding company, controls 98.04% of the share capital of Conter S.r.l. which, in turn, holds 100% of the share capital of ICIM International S.r.l. **ESI S.r.l. is 80% controlled by ICIM International S.r.l., 8% by Silvia Company S.r.l. and the remaining share by the Galleano family, the company's founders.**



The governing bodies

Our administration is entrusted to a **Board of Directors consisting of 3 members**: Fabio Maria Granata - Chairman of the Board of Directors, Paolo Bergamaschi - Managing Director and Antonio Maria Galleano - Director.

The Board of Directors has been vested with all the **powers of ordinary and extraordinary administration**; it has the power to perform all the acts it deems appropriate for the implementation and achievement of the corporate purposes, excluding only those that the law strictly reserves for the decision of the shareholders.

BOARD OF DIRECTORS

Fabio Maria Granata

Chairman of the Board of Directors

Paolo Bergamaschi

Managing Director

Antonio Maria Galleano

Director



BOARD OF STATUTORY AUDITORS

Gabriele Gagliardo

Statutory Auditor

The **Board of Statutory Auditors** that we have appointed as the Company's auditing body consists of 1 member, Gabriele Gagliardo, who serves as an auditor.

GOVERNING BODIES by gender

	BoD	Board of Statutory Auditors	Total
Women	-	-	-
Men	3	1	4
Total	3	1	4

GOVERNING BODIES by age range

	BoD	Board of Statutory Auditors	Total
<30 years	-	-	-
30-50 years	-	-	-
>50 years	3	1	4
Total	3	1	4

Product quality and safety: an essential value for our consumers

The increasing competitiveness of markets and the needs of consumers, who are increasingly informed and selective, stimulate production and trade companies to operate under 'Quality Assurance' conditions.

At the forefront of companies in the industry, we have pursued the certification process of our quality management system, listening to consumer feedback.

We have great responsibilities, quality is one of them; a value that has always been present at ESI, creating a point of connection with our consumers.

We have fully complied with the regulations of the **HACCP** (Hazard Analysis and Critical Control Points) system, with the introduction of a Company Self-Control Plan that allows us to manage the production, storage and transport of products in full compliance with the regulations in force.

In 1999, we developed a **Quality Management System**, certified according to the standard **UNI ISO 9001:2015**, to guarantee the quality of our products and the supply chain, from formulation to production and marketing; a first testimony of our commitment to this process.

Operating through a certified quality management system means being able to offer products and services that comply with legislation and specific regulations but, above all, respond accurately and effectively to consumer expectations and needs.

Our Quality Policy is defined on the basis of precise guiding principles:

- provide a product/service that meets the customer's requirements and needs;
- ensure that all personnel operate according to the procedures laid down by the system;
- pay the utmost attention to the hygienic safety of the product;
- show the utmost attention to staff safety, motivation and efficiency.

The overall strategic objectives within this policy are to:

- achieve full customer satisfaction;
- consolidate the company's image on the market;
- increase the dissemination of our products;
- increase profitability through continuous product improvement.

The Management defines the quality policy and objectives in a document annexed to the review report, which expresses its commitment to the fulfilment of requirements and the continuous improvement of the effectiveness of the quality management system. This document is shared with all those involved, through publication on the company website.

CERTIFICATIONS AND AWARDS

With the aim of guaranteeing our consumers receive products with high standards of quality and reliability, over the years we have collaborated with universities, research centres and international organisations in order to create innovative products with a lower impact on the environment; our commitment and focus have enabled us to obtain various certifications and awards. Below are the initiatives and certifications obtained:



CLINICALLY TESTED:

ESI collaborates with universities, research institutes and hospitals, both in Italy and abroad, to test the efficacy and safety of its products. A rigorous approach, derived from the pharmaceutical industry, applied to the natural products sector to provide an additional guarantee to its consumers.



NATURCAPS® RETARD BIPHASIC:

a technology patented by ESI that guarantees the body's gradual and complete utilisation of nutrients. The special capsule contains 4 microtablets that can also be gastro-resistant; they break down at different times allowing a gradual and constant release of the principles they contain, giving the body sufficient time to assimilate and transport the active principles throughout the body and thus offer a prolonged action (called RETARD action). Patent No. 1413768.



GLUTEN FREE:

with respect to the ever-increasing prevalence of coeliac disease and gluten intolerances, all ESI products are declared 'gluten-free', i.e., according to Regulations EC/41/2009 and subsequently EC/828/2014, they have a gluten content of less than 20 ppm (0.002%) and are therefore suitable for coeliacs. On the packaging of ESI products, the absence of gluten is clearly indicated by an easily recognisable symbol.



VEGAN:

supplementing the information on ESI products, the consumer will find a small symbol on the packaging indicating whether the product is suitable for vegetarians and/or vegans based on the origin of the raw materials contained.



NOVASOL®:

in the formulation of its products, ESI employs modern technologies that increase the bioavail-

ability of the active ingredients by up to 185 times, thus enhancing the efficacy of NoDol supplements.

5-STAR IFOS CERTIFICATION:

the International Fish Oil Standards is the most important certification for Omega 3 products. A stringent testing protocol awarded Omega 3 Extra Pure the 5-star IFOS rating, assuring consumers of the quality, safety and purity of the product.



FRIEND OF THE SEA CERTIFICATION:

a project of the World Sustainability Organization, which carries out a humanitarian environmental protection mission. Friend of the Sea has become the leading certification standard for products and services that respect and protect the marine environment. The certification rewards sustainable practices in fishing, aquaculture and fish oil and omega-3 production. Friend of the Sea is the only certification programme for sustainable fishing that is internationally recognised and supervised by a national accreditation body. Our Omega 3 Extra Pure product obtained Friend of the Sea certification in 2021.



ORIVO CERTIFICATION:

laboratory located in Norway, Orivo offers the world's first and only certification of origin for food based on innovative laboratory testing. Ingredient manufacturers and brand owners worldwide have recognised ORIVO certification and its testing methodology as a new level of ingredient verification. A unique technology that guarantees the use of a precise fish species and its geographical origin: only anchovies, only from the South Pacific. It ensures the absence of other less valuable fish species (tuna, krill, salmon, cod, etc.), or protected species that could be caught along with anchovies. A guarantee of total transparency for consumers. Our Omega 3 Extra Pure product obtained Orivo certification in 2021.



Regulatory compliance: the principles of honesty and transparency

GRI 2-27 | GRI 205-3 | GRI 206-1 | GRI 417-2 | GRI 417-3 | GRI 418-1

REGULATION FOR THE USE OF COMPUTER SYSTEMS

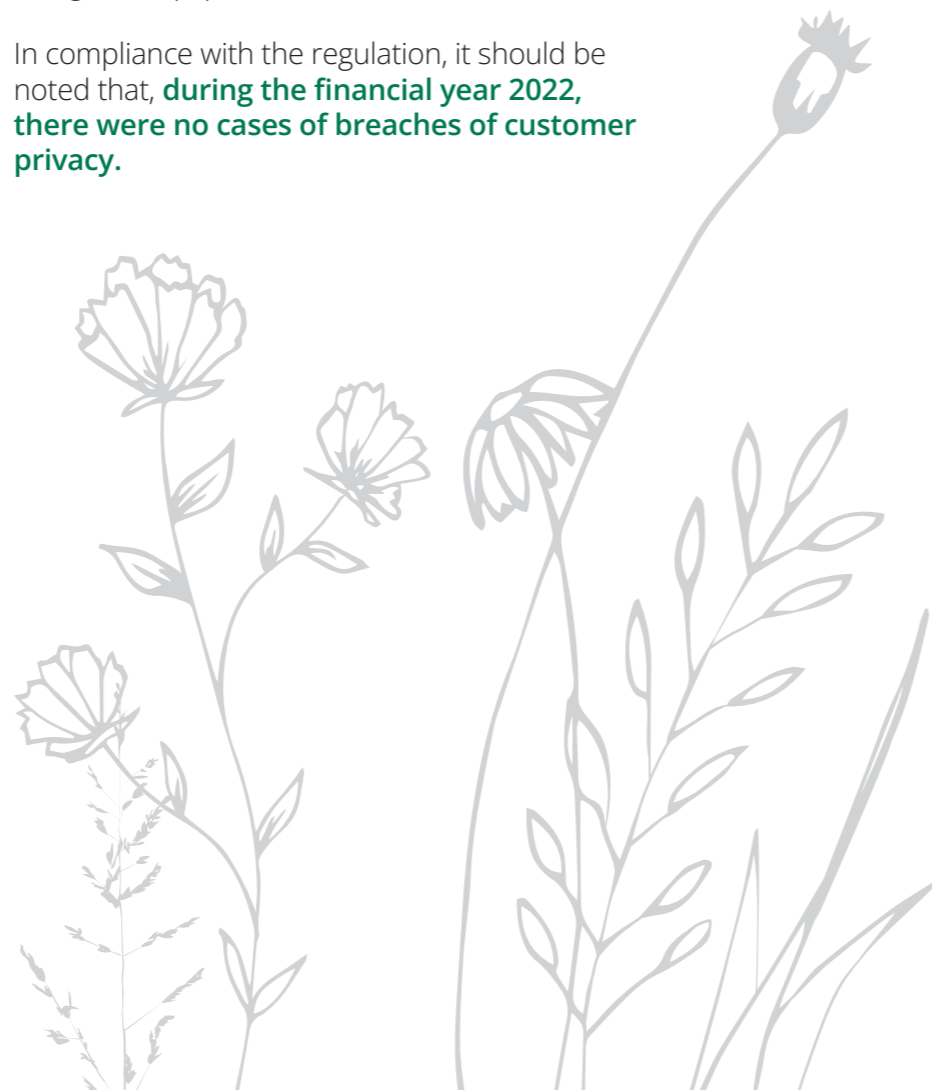
The gradual spread of new information technologies and, in particular, free access to the Internet from personal computers, exposes us as a company and as users (employees and collaborators) to risks of a financial nature, in addition to criminal liability resulting from the violation of specific legal provisions (copyright law and privacy law, among others), creating obvious problems for the security and image of the company itself.

Bearing in mind that the use of IT and telematic resources must always be inspired by the principle of diligence and fairness, we have adopted internal regulations **designed to prevent unconscious behaviour from triggering problems or security threats in data processing.**

The stipulated requirements supplement the specific instructions already provided to appointed data processors in implementation of the Legislative Decree. 30 June 2003 No 196 (and subsequent Reg. EU no. 679/2016, GDPR) and the Technical Regulations (Annex B to the aforementioned legislative decree) containing the minimum security measures; they also include the information already provided to the persons concerned regarding the reasons and methods of possible controls or the disciplinary consequences in the event of violation thereof.

With a view to ensuring the smooth and profitable conduct of our business, we have decided to provide employees who, depending on their duties, may need them, with various efficient means of communication (laptops, mobile phones, etc.); clauses have been included in the regulations concerning the modalities and duties that each employee must observe when using this equipment.

In compliance with the regulation, it should be noted that, **during the financial year 2022, there were no cases of breaches of customer privacy.**



During the financial year 2022, there were no significant instances of non-compliance with economic, environmental and social laws and/or regulations. No monetary or non-monetary sanctions were received, i.e. any restrictions imposed by governments, regulators or public bodies on the organisation's operations or activities.

Finally, there were no proven incidents of corruption in 2022, nor were there any legal actions concerning anti-competitive behaviour and violations of antitrust laws.

PRODUCT LABELLING

For all products, the contents, directions for use and a table with instructions for proper disposal are given.

The origin of the components of the product, on the other hand, is not always stated, except in some particular cases where the origin is a distinctive value for the product (e.g. aloe from Mexico or tea-tree from Australia).

In 2022, there were no incidents of non-compliance concerning labelling and product and service information; there was only one incident of non-compliance with marketing communications.

With regard to the latter, the Ministry sent a notice concerning the non-compliant description of No - Dol products on our website.

REGULATORY CHANGE

The year 2022 saw the materialisation of a major regulatory change and, in particular, on 1 June 2022 the publication of **Regulation (EU) 2022/860** restricting the use of monacolins from red rice fermented with *Monascus Purpureus*.

This regulation meant that one of our main products, the 'Normolip 5', could no longer be sold. The change in the Regulation had been foreseen for several years; therefore, well in advance, we reformulated the product (from a quantity of 10 mg of monacolines from red rice to a quantity of 3 mg) and created an anti-cholesterol product in line with the new European Regulation. The withdrawal of the previous version of 'Normolip' did not generate any loss of turnover; the replacement took place gradually without any impact.

Economic and financial performance

MAIN RESULTS

In 2022, we totalled **turnover** of **€59,079,453**, an increase of **6.3%** compared to the turnover recorded in 2021 (€55,542,081,), with a profit for the year of €11,357,159.00.

The **sales of dietary supplements** reported growing numbers, showing a **7.2% increase in turnover** in traditional channels compared to the same period last year. **The distribution channel** of reference continues to be the **pharmacy**, which alone **represents 39% of the total value of Italian turnover** and which recorded an important increase over the previous year, equal to 10.7%; other, just as important variations are seen in **intermediary distribution (+21%) and in pharmacies operating both the traditional sales channel and the web channel (+9.8%)**. The continued decline in the herbalist channel again this year recorded a **decline of 7.15%**; the opposite was true for the pure online channel which, after two years of double-digit growth, recorded a **decline of 5.8%**.

As usual, the year was marked by **activities aimed at researching, presenting and launching new products and product lines**, as well as activities of **graphic restyling, changing the formulations of some products** or lines already in the company catalogue.

We continued to focus on the **development of the foreign market**; in particular, in 2022 we acquired a new customer in Latvia and strengthened exchanges with two new possible customers, in Vietnam and Libya respectively.

During the year, activities aimed at communicating products among the various media channels continued, with more emphasis on television, websites and social channels. In this context, we invested in renewing and further improving our website in order to make browsing products and finding the nearest sales outlets easier and more enjoyable.

Directly generated and distributed economic value

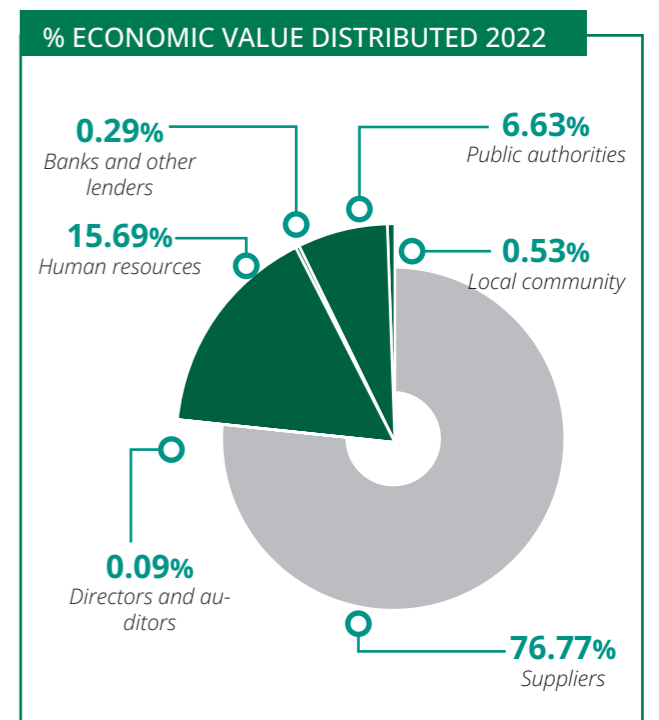
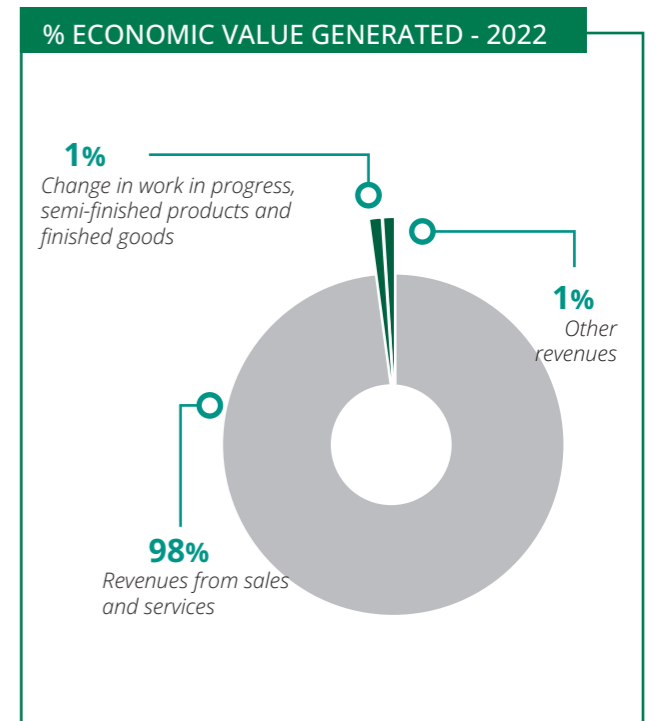
GRI 201-1 | GRI 201-4

In this section, we highlight the value generated and distributed, based on the income statement for the reporting period. The goal is to indicate the direct economic value generated by ESI and its distribution to stakeholders.

The **economic value generated** refers to the value of production, which considers net revenues from sales and services (98%), changes in inventories of work in progress, semi-finished and finished goods (1%), and other revenues and income (1%).

In 2022, we generated an economic value of **€59,414,233**, an increase of **6.4%** over the 2021 values.

The **distributed economic value** includes costs, reclassified by stakeholder category. The economic value distributed, up 26.6% compared to 2021, and amounting to **€ 44,215,735**, was distributed 76.7% to suppliers, 15.7% to human resources, 6.6% to the public administration and the remainder to directors and auditors, banks and the local community.



The **retained economic value** is the difference between the economic value generated and the economic value distributed; it includes depreciation of tangible and intangible assets, provisions, reserves, profits and deferred/pre-paid taxes, as well as generated and distributed value that cannot be allocated to the main stakeholders.

The table below shows the composition of the economic value generated and distributed and its distribution among the various stakeholders.

Direct economic value generated and distributed	2021	2022
	% on tot.	% on tot.
Economic value generated and received	€55,820,829 100%	€59,414,233 100%
Economic value generated	€55,610,666 99.6%	€59,145,058 99.5%
Economic value received	€210,163 0.4%	€269,175 0.5%
Economic value distributed	€34,917,772 62.6%	€44,215,735 74.4%
Suppliers	€28,110,383 50.4%	€33,942,318 57.1%
Directors and auditors	€41,600 0.1%	€41,600 0.1%
Human resources	€6,573,393 11.8%	€6,936,529 11.7%
Banks and other lenders	€109,223 0.2%	€129,040 0.2%
Public authorities	€(22,746) 0.0%	€2,933,016 4.9%
Local community	€105,920 0.2%	€233,233 0.4%
Economic value retained	€20,903,057 37.4%	€15,198,498 25.6%

As required by GRI 201-4, we also report the financial assistance received from the Government and Public Administration during the financial year 2022, when the amount received was € 227,371.37. Details are given in the table below:

Type of financial assistance received

	2022
	% on tot.
Tax relief or tax credits	€ 203,694.42
Contributions for investment, research and development and other contributions	€ 14,677.20
Financial incentives	€ 8,999.75
Total value of monetary assistance received	€ 227,371.37

Research, development and innovation: our strategic assets

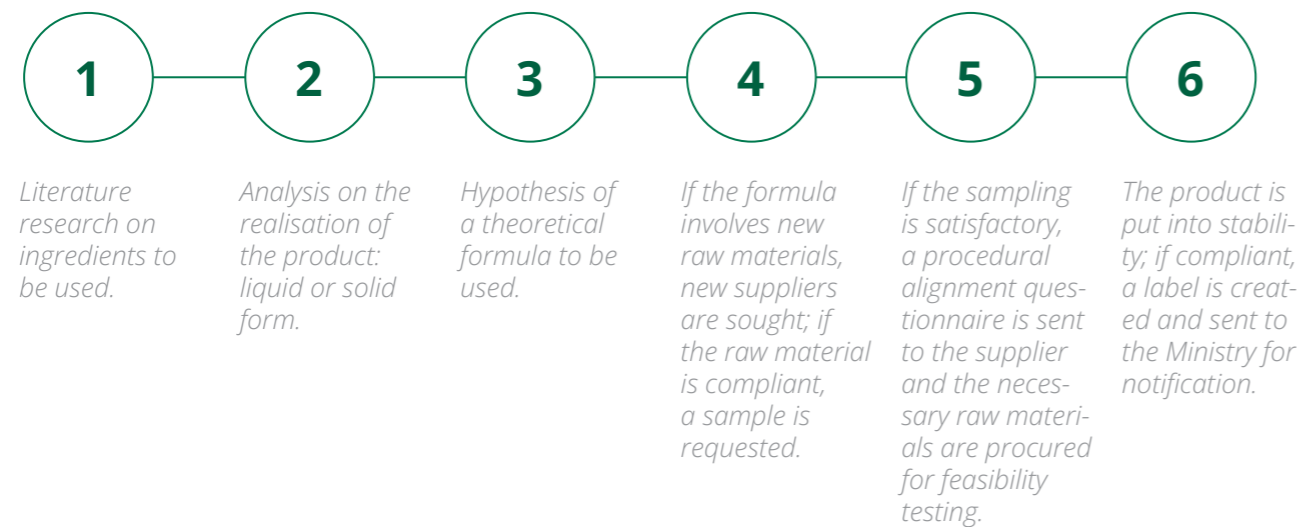
The experience gained in over 50 years of activity, thanks to our constant commitment to scientific research, product development and formulation innovation, as well as a stringent selection and careful control of raw materials, have led us to be one of the leading manufacturers in the field of phytotherapy. Production standards at the highest level are the result of state-of-the-art production facilities, and the research, development and control activities carried out in our laboratories. Our controls start with the raw materials; the Quality Control laboratory performs organoleptic, chemical-physical and microbiological analyses in-house. Research, both of ingredients and literature, is a key activity in our work. The raw materials we decide to use undergo several stages of analysis: Research, Feasibility Verification and Functionality Verification.

We have two in-house laboratories: one deals with **quality control activities** of raw materials and finished products; the other carries out **regulatory, research and development activities** aimed at product innovation. Research is mainly carried out in-house, but if further steps of analysis are needed, we use reliable external laboratories. We collaborate with universities and research institutes to develop innovative products and find new solutions to optimise production processes. We also involve universities, doctors and clinical studies to verify the validity and effectiveness of the product. A rigorous approach, derived from the pharmaceutical industry, applied to the food supplement sector to provide additional quality to consumers.

OBTAINING THE NATURCAPS® RETARD BIPHASIC PATENT

Our commitment to research and innovation made it possible for us to obtain the patent filed in 2015 on a new technology: **NATURCAPS® RETARD BIPHASIC**. An internally patented technology that guarantees the body's ability to utilise nutrients gradually and completely. The special capsule contains 4 microtablets that can also be gastro-resistant; they disintegrate at different times, allowing a gradual and constant release of the principles they contain, giving the body sufficient time to assimilate and transport the active principles throughout the body, offering a prolonged action (called RETARD action).

NEW PRODUCT DEVELOPMENT CYCLE



Growth starts with
people



Our valuable resources: composition of the workforce

GRI 2-7 | GRI 2-30 | GRI 405-1

We are aware of the importance of employee satisfaction in terms of work quality and productivity and know that this is also determined by the work-life balance; therefore, we have chosen to engage in implementing innovative incentive policies and tools, aimed at increasing personal and family well-being and improving work-life balance.

OUR WORKFORCE



114
employees



28%
female staff members



72%
male staff members



66%
employees in the 30-50 age group



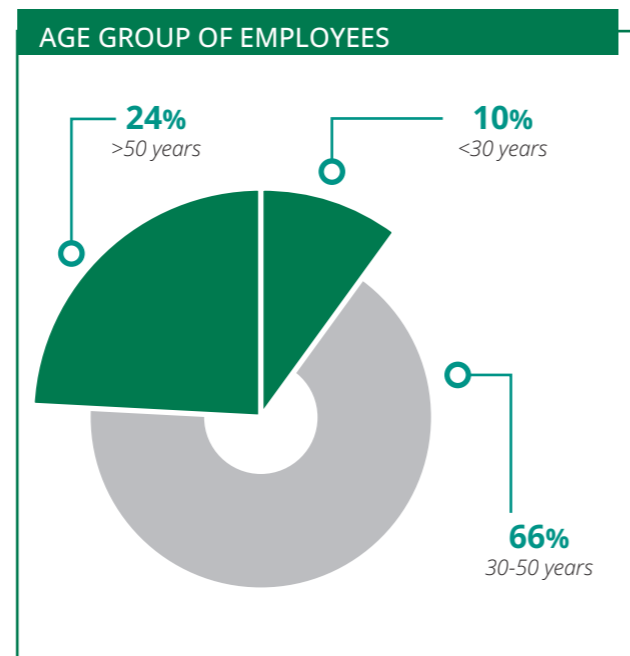
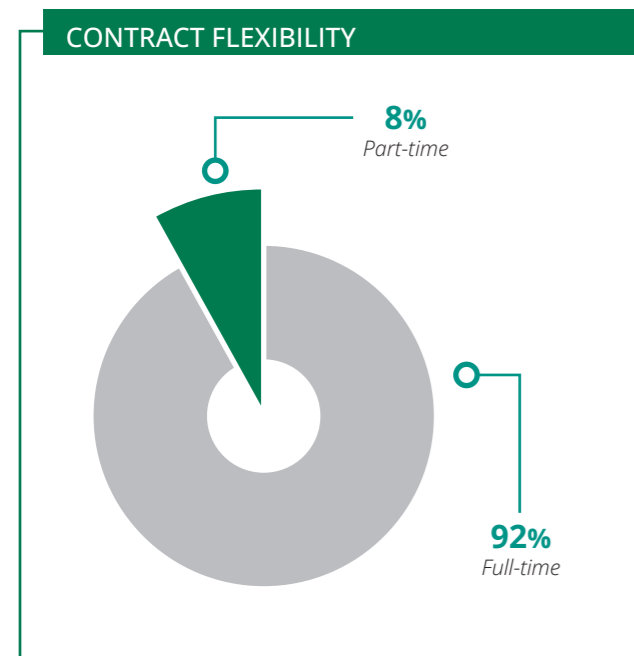
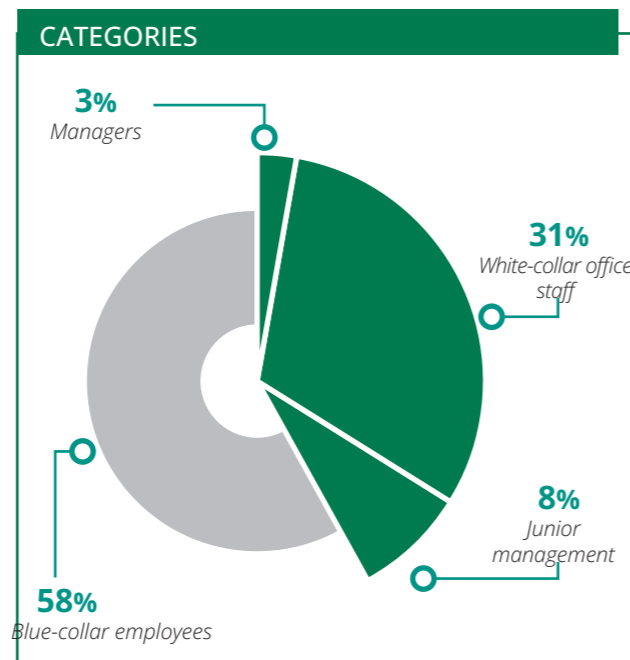
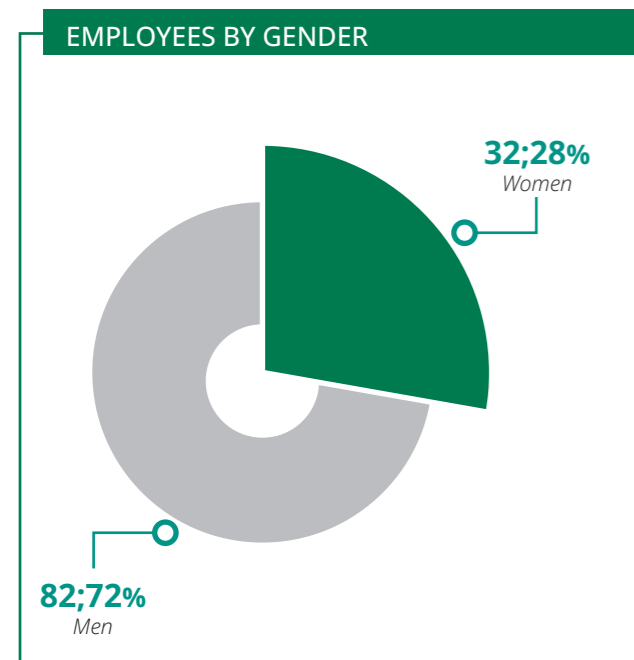
99%
of employees are hired with a permanent contract

70%
of our clerical employees are women

As of 31.12.2022, the workforce consisted of **114 resources**, of which 72% were men and 28% were women. The high presence of men is motivated by the need to have a large number of blue-collar workers (around 50% of the workforce), a role mainly filled by male workers. If we consider the role of clerical workers, the **presence of women in the company increases significantly, accounting for around 70% of the total.**

Employees are employed under the National Collective Bargaining Agreement (CCNL) for Food; the workforce consists of 58% blue-collar workers, 31% white-collar workers, 8% managers and the remaining 3% executives. Almost all the employees (99%) are employed on a permanent contract and 92% have a full-time contract.

The workforce is augmented by 6 interns, 83% of whom are men.



As required by GRI 2-7 and 405-1, details of the composition of the workforce for the financial year 2022 are given below:

Employees by gender

2022	
Female	32
Male	82
Total	114

Employees by profession and gender

2022			
	Women	Men	Total
Managers	-	3	3
Junior management	1	8	9
White-collar office staff	25	11	36
Blue-collar employees	6	60	66
Total	32	82	114
Percentage	28%	72%	100%

Employees by category and age group

2022				
	<30 years	30-50 years	>50 years	Total
Managers	-	1	2	3
Junior management	-	3	6	9
White-collar office staff	1	28	7	36
Blue-collar employees	10	43	13	66
Total	11	75	28	114
Percentage	10%	66%	24%	100%

Protected categories by profession and gender

2022			
	Women	Men	Total
Blue-collar employees	-	6	6
White-collar office staff	-	-	0
Total	0	6	6

Employees by type of contract

	2022
Temporary	1
Female	1
Male	0
Permanent	113
Female	31
Male	82
Total	114

Employees by form of employment

	2022
Full-time	105
Female	23
Male	82
Part-time	9
Female	9
Male	0
Total	114

Recruitment and turnover

GRI 401-1

The role we play in the local area and the ties we have created with the community make us attractive to the people who live near the site.

Over the years, we have implemented control and verification procedures to assess the turnover rate, although it is very low; we have provided for long-term placement activities and training programmes for students and/or recent graduates. We invest heavily in young people and their training with the aim of employing skilled people who want to grow within our company. During 2022, there were two new hirings and five terminations of employment, due to voluntary departures or the end of employment contracts, details of which are given below:

New employee hires

	2022		
	Women	Men	Total
Up to 29 years	-	-	0
30-50 years	-	2	2
50 years	-	-	0
Total	0	2	2

Terminations

	2022		
	Women	Men	Total
Up to 29 years	0	0	0
30-50 years	1	3	4
50 years	0	1	1
Total	1	4	5

Reason for termination

	2022		
	Women	Men	Total
Employees who left voluntarily	-	3	3
Retirement	-	-	0
Dismissal	-	-	0
Other (e.g., end of fixed-term contracts)	1	1	2
Total	1	4	5

People at the centre: occupational well-being and corporate welfare

GRI 401-2 | GRI 406-1

We strongly believe in the importance of fostering a welcoming, stimulating, positive, attractive working environment; we do this by spreading an inclusive corporate culture that ensures the wellbeing of our people; our welfare programmes are designed to ensure working conditions that guarantee full respect of the right to health and protection of wellbeing.

To achieve these objectives, we have introduced, in line with the employee development strategies coordinated by the SODALIS Group, **a corporate welfare plan** with the aim of ensuring that employees can benefit from a series of works, goods and services aimed at supporting their personal and family life, as well as enhancing their social security and health coverage.

The welfare plan, launched in 2022, consists of the allocation to all employees of an imputed amount with a pre-determined value for the use of welfare services. These include:

1. shopping trolley: shopping vouchers/petrol vouchers;
2. reimbursement of education expenses for family members;
3. healthcare packages and reimbursement of healthcare costs;
4. reimbursement of welfare costs;
5. social, health, education and recreation services; in particular:
 - health and welfare services;
 - personal and vocational training courses and job orientation;
 - services for sport, culture and leisure;
 - social assistance services.
6. contributions to supplementary pension schemes.

In accordance with GRI 401-2, we report below the number of employees with permanent contracts and full-time employment, and the type of benefits used:

Number of employees in receipt of benefits

	% employees	2022
Life insurance	91%	104
Healthcare	91%	104
Pension Provisions	28%	32
Corporate discounts	91%	104
Meal vouchers	91%	104

The National Collective Bargaining Agreement (CCNL) for Food provides for health insurance through the Fasa Fund, which is currently paid for by the employer. The HR office is available to employees to provide support in using the fund. In addition, we have signed an agreement with a medical centre close to the company's headquarters that offers preferential prices for various medical services.

Finally, we would like to point out that during 2022, we did not record any incidents of discrimination, i.e. there were no legal actions or complaints filed with the organisation or the relevant authorities. According to the ILO, discrimination can occur on grounds such as race, colour, sex, religion, political opinion, national descent and social origin. Discrimination can also occur on the basis of factors such as, among others, age, disability, foreigner status, HIV and AIDS, gender, sexual orientation, genetic predisposition and lifestyle.

Skill development and employee empowerment

GRI 404-1

400 HOURS OF TRAINING PROVIDED

We invest in training and professional development in order to enhance skills and talents. Over the last three years, we have started a training programme aimed at department and production managers; we have set up coaching courses to create a more attentive and sensitive environment, with the aim of reducing the discomforts that have arisen from the evolution of certain figures, who have moved on to take on the role of coordinator or manager of colleagues who until recently had the same position in the company.

In addition to compulsory health and safety and technical courses, the training plan also included courses aimed at enhancing employees' leadership and coordination skills. In addition, courses on diversity and inclusion were included, with the testimony of Ilaria Galbusera, captain of the Italian national deaf volleyball team. We included this course in the training plan in order to raise staff awareness and protect resources. Below are the courses included in the training plan provided:

<p>Health and safety</p> <ul style="list-style-type: none"> > generic training; > course for Health and Safety Officer. 	<p>Soft skills</p> <ul style="list-style-type: none"> > business anthropology and work motivation; > management of employees.
<p>Quality</p> <ul style="list-style-type: none"> > supplements - legislation, definition, compliance, labelling, electronic notification; > regulation and quality control of plant products, phytochemical analysis and titration of plant preparations, biogenesis of plant secondary metabolites, etc.; > use of the forklift indoors without platform; > acquisition of autonomy in quality control laboratory work. 	<p>Technical skills</p> <ul style="list-style-type: none"> > industry 4.0 - social collaboration; > cybersecurity - prevention of cyber attacks using the main cybersecurity rules; > medical devices - Directive 93/42/ec vs mdr.
<p>Transparency</p> <ul style="list-style-type: none"> > label - correct preparation of the label; legislative aspects. 	<p>Gender equality</p> <ul style="list-style-type: none"> > Creation of the new biennial report on the situation of male and female employees in companies with more than 50 employees, as a start to gender certification.

In addition, we carry out continuous training (training on the job) with experienced workers on the basis of pathways outlined for individuals: this takes place at the beginning of the job, but also continues afterwards when the operator is trained. Our aim is to ensure a constant improvement in performance by increasing the knowledge and skills of each individual.

Training sheets on specific activities are also prepared; in this way, we can identify precise growth targets. Every three months, the department heads meet to evaluate the work done by the new resources and define the progress plan. As required by GRI 404-1, the average hours of training performed by employees during the financial year 2022 are shown below:

Number of employees

2022				
	Unit	Women	Men	Total
Managers	HC	-	3	3
White-collar office staff	HC	25	11	36
Junior management	HC	1	8	9
Blue-collar employees	HC	6	60	66
Total		32	82	114

Training hours - Total

2022				
	Unit	Women	Men	Total
Managers	h	-	154	154
White-collar office staff	h	71	60	131
Junior management	h	15	6	21
Blue-collar employees	h	5	90	95
Total		90	310	400

Average hours of training

2022				
	Unit	Women	Men	Total
Managers	h	-	51.33	51.33
White-collar office staff	h	2.8	5.45	3.63
Junior management	h	14.5	0.75	2.28
Blue-collar employees	h	0.8	1.50	1.44
Total		2.8	3.8	3.5

Employee appraisal for an effective growth plan

Annually, we provide employee appraisal forms in order to verify the alignment of resources with company objectives and their growth.

The appraisal form becomes a moment of discussion, which is carried out periodically with all employees, in order to receive feedback and problems.

When evaluating employees, we look at three specific criteria:

> PRODUCTIVITY

adherence to the timetables calculated by Management at the various stages of order processing and preparation, according to the set company parameters and protocols;

> READINESS

readiness to carry out the different tasks within the relevant department;

> COMPLIANCE

in the form of:

- compliance with company regulations;
- compliance in the use of the prescribed PPE, also in order to ensure compliance with the hygiene rules laid down within the company;
- absence of (written - verbal) complaints for inappropriate behaviour towards colleagues, external staff or behaviour contrary to the company spirit;
- absence of complaints by the manager regarding non-compliance with occupational safety regulations, for damage to company property or tools.

As part of the management of relations with trade unions, we have defined a **production bonus** paid out against an appraisal form relating to the employee's performance, both in the work environment and focused on compliance with internal rules. This bonus is for all employees and is part of a second-level agreement with the trade unions.

Occupational health and safety: a top priority

GRI 403-1 | GRI 403-2 | GRI 403-3 | GRI 403-8 | GRI 403-9 | GRI 403-10

Ensuring healthy and safe workplaces for all employees is an unparalleled commitment for us. A thorough analysis of the risks associated with the performance of company activities and their accurate assessment are essential tools for preventing, containing and counteracting possible dangers.

We are aware that the creation of a safety culture and its dissemination to all stakeholders is fundamental to the realisation of our goals.

HEALTH AND SAFETY MANAGEMENT SYSTEM

We have established a Health and Safety Management System in compliance with Italian legislation, in particular with Legislative Decree. no. 81 of 9 April 2008, and the regulations referred to therein.

The Health and Safety Management System covers all workers, including trainees; it refers to activities carried out in the production facilities and external areas subject to control and monitoring of risks and safety at work.

In order for the activity to be carried out safely, protecting the health of employees, we have defined several internal procedures that have been readily shared; specifically, they are aimed at the following activities:

- management of the Covid-19 emergency;
- use of photocells and safety resulting from the cardboard compactor;
- waste from plastic packaging containing hazardous waste;
- possible flooding;
- fire emergency - day and night;
- emergency for hoists;
- night-time anti-intrusion emergency;
- protection of stored products.

RISK ASSESSMENT

The **risk assessment** referred to in Article 17, paragraph 1, letter a) of Legislative Decree 81/08 covered all the risks to the safety and health of workers, including those relating to groups of workers exposed to particular risks. These included those related to work-related stress, according to the contents of the European agreement of 8 October 2004, those concerning pregnant workers, in accordance with the provisions of Legislative Decree No. 151 of 26 March 2001, as well as those related to gender differences, age and origin from other countries.

The assessment of the risks to which workers are exposed required a careful analysis of the situations in which employees at the various workstations may find themselves during the performance of their duties. The company involved workers in the development, implementation and evaluation of the occupational health and safety management system.

The risk assessment is:

- related to the choice of equipment, substances and workplace layout;
- aimed at identifying and implementing appropriate measures and measures to be implemented.

Therefore, risk assessment is linked both to the type of work phase carried out in the production unit and to situations determined by systems such as the working environment, facilities and equipment used, materials and products involved in the processes.

ESI's production cycle differs according to the product line considered:

- powder product lines;
- liquid product lines.

The presence of powders is one of the risks mainly highlighted in the Risk Assessment Document. In the design of the new plant, we focused on minimising this risk by installing a high-powered extraction system. Various tests and monitoring activities were carried out to check for powder deposits. Employees involved in these production phases are instructed to use appropriate and adequate PPE; a check is carried out periodically on the correct and constant use of the equipment provided.

OCCUPATIONAL HEALTH SERVICES

In compliance with current regulations, we appointed a company doctor who participated in the drafting of the Risk Assessment Document. The company doctor is in charge of carrying out periodic medical examinations and inspections of workplaces, presenting the results at the annual periodic meeting attended by the Workers' Safety Representative (RLS).

ACCIDENTS AT WORK AND OCCUPATIONAL DISEASES

In 2022 we recorded 5 occupational accidents, not identifiable as serious. In the face of these accidents, specific checks were activated and corrective actions were implemented. Additionally, we carried out preventive interventions on personnel potentially not considered suitable to work in certain locations, with subsequent reallocations, where necessary, in order to avoid dangerous situations.

Number of work-related injuries

	2022
Total number of fatalities due to work-related injuries	-
Total number of high-consequence work-related injuries (excluding fatalities)	-
Total number of recordable work-related injuries	5

Type of injury

	2022
Falling and slipping	-
Road accidents	3
Strikes from/Collisions with/against	2

The impact on the local community and the relationship with the territory

We have always been committed to maintaining ties with the local area and the community, fostering its positive development.

In 2022, we tried to contribute to several causes that are extremely relevant to us, by donating our products, making financial contributions, and purchasing useful products. Here are some of the main projects we focused on:



Pace e Bene Foundation

The foundation is committed to supporting individuals and groups, locally, nationally and internationally. The interventions implemented aim to develop concrete actions directed at the protection and enhancement of the environment and the integral development of the person, with every suitable tool for the realisation of the physical, psychological, economic, cultural and social wellbeing of those in distress. We chose to support this foundation by donating our products, worth € 79,761.68.

Italian Multiple Sclerosis Association (AISM)

One of the few organisations in Italy that deals, in a structured and organic manner, with all aspects related to multiple sclerosis (MS), through an overall perspective that embraces the rights of people with MS, health and social-health services, and the promotion, direction and funding of scientific research. We chose to support this non-profit organisation by donating some of our products, worth € 7,025.40.



Organisation of the Water Scooter Therapy day

During the summer period, former seven-time Jet Sky World Champion, Fabio Incorvaia devotes himself to organising days for young people with disabilities when he lets them experience a day on a jet ski in his company. The children's day also involves the participants' parents and is totally free of charge, financed by various sponsors. We contributed a cash sponsorship worth € 3,000.00 and donated some of our products.

Tutti per Atta Association

A voluntary association that supports children hospitalised at the Gaslini Hospital in Genoa. 'Tutti per Atta' was created to remember Agata, a young girl known to everyone as 'Atta', who fell ill with a childhood cancer, neuroblastoma, at the age of 18 months. Since 2015, the association has been organising solidarity events, in particular *the Attatrail*, a charity walk for runners and families in the Arenzano mountains. We chose to support this association by donating some of our products, worth € 7,293.00.

Membership of associations

We made financial contributions to support the activities carried out by Don Agostino, at the San Filippo Neri Parish (Savona). With the donation we contributed to Don Agostino's work to help and support disadvantaged people in the area.

We also supported Ukraine through a donation of products to the Red Cross and held a fundraiser for the purchase of basic necessities; this contribution was also due to our solidarity with one of our employees, part of whose family lives there.

Finally, we carried out sponsorship activities amounting to €94,658.00 for the Savona marathon, the synchronised swimming team, the Catanzaro football team, and the Ligurian sportsman's grand gala.

The total value of the support offered in the year 2022 is summarised below:

Type of intervention

	2022
Product donation	€ 102,139.91
Purchase of specific products	€ 2,606.53
Economic contribution	€ 4,000.00
Sports and cultural sponsorships	€ 94,658.00
Total	€ 203,404.44

GRI 2-28

We believe that networking is important for growth. This is why, since 2003, we have been members of the Industrial Union of the Province of Savona, whose objective is to promote growth and the production of wealth for the progress of the community.

The Industrial Union is a place where the interests of companies come together. Today, it brings together around 300 small, medium and large companies operating in different sectors. 80% of these companies have fewer than 50 employees; together, the companies belonging to the Industrial Union employ 12,000 people.



Our values inspire
our mission: daily
commitment to the
environment

Our approach to environmental protection

GRI 302-1 | GRI 306-3 | GRI 306-4

The management of the energy used for our production processes, and the consequent production of carbon dioxide emissions, is one of the environmental topics identified as material, and which we therefore recognise as a relevant aspect on which we must take more action. For this reason, within this chapter, we report on the impacts related to these topics through the quantitative reporting of consumption data.

Our activity also has an impact on the production of waste, especially that generated during the processing and packaging of products, and on the raw materials used. These topics, although not identified as material, are particularly relevant to our sector, which is why they will be addressed within the chapter in order to describe the qualitative approach.

We are aware of the impact we have on the environment, which is why the various objectives we have set ourselves include calculating our CO₂ emissions in order to evaluate a policy to reduce our environmental impact. During 2023, we decided to undertake the study of the Organisational Carbon Footprint, in compliance with UNI EN ISO 14064-1:2019. This study will be a tool for analysing in depth the impact in terms of CO₂ equivalent. At the time of writing, the Carbon Footprint study is in the processing stage; however, it has enabled us to set up an inventory of emission sources, broken down according to the GHG Protocol.



Monitoring energy consumption and efficiency-boosting measures

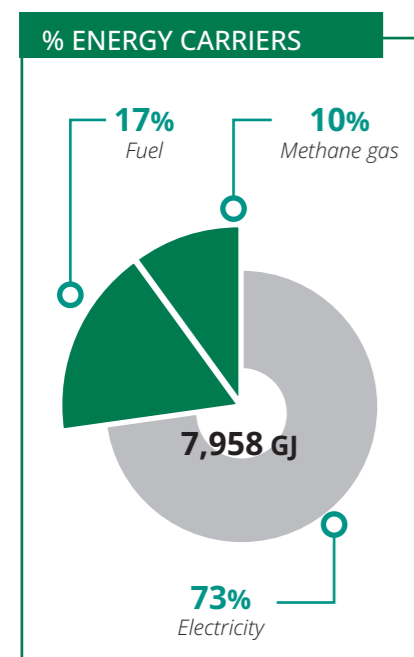
Reducing consumption and improving energy efficiency are goals that we have set ourselves and that we focus on daily, aware of their importance for the environment and the economy.

With the aim of reducing our consumption and the resulting environmental and economic impacts, we conducted a number of studies that allowed us to identify several **energy efficiency measures** to be implemented during the construction of the new warehouse, including:

- heat recovery pump system for room air conditioning by means of a high-efficiency air handling unit (AHU), with energy recovery for production process heating;
- replacement of lamps with LED technology;
- introduction of new machinery using inverter technology.

We also engage in awareness-raising activities towards our employees so that they know and understand the actions implemented and those soon to be implemented; in this way, they are effectively informed of the path taken and can adopt practices aimed at reducing energy consumption.

In line with the requirements of GRI 302-1, we report the energy consumption recorded for the year 2022, also expressed in GJ, in order to allow comparability between the different energy carriers. As shown in the table below, **73% of consumption is related to the use of electricity** for which a total consumption of **1,607,611.00 kWh** was recorded in 2022. **17% of energy consumption is attributable to the fuel used for the company fleet, of which 86% is diesel and 14% petrol.** The remaining 10% of our consumption is methane gas, used for heating offices and production departments.



Fuel consumption

2022				
	UM	Consumption	UM	Consumption (GJ) ¹
Diesel consumption - stationary combustion safety generator set	L	20.00	GJ	0.71
Corporate fleet diesel consumption	L	33,429.93	GJ	1,189.44
Corporate fleet petrol consumption	L	5,666.94	GJ	185.31
Total fuel consumption	L	39,116.87	GJ	1,375.46

Methane gas consumption

2022				
	UM	Consumption	UM	Consumption (GJ)
Methane gas consumption for heating	m3	23,030.00	GJ	795.23

Electricity consumption

2022				
	UM	Consumption	UM	Consumption (GJ)
Low-voltage electricity consumption	kWh	120.00	GJ	0.43
Medium-voltage electricity consumption	kWh	1,607,491.00	GJ	5,786.97
Total electricity consumption	kWh	1,607,611.00	GJ	5,787.40

Total energy consumed		GJ	7,958.08
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1. Conversion factors used:
 Diesel: Table 1 EEN Resolution No. 9/11 - EN ISO 3675
 Petrol: Table 1 Resolution EEN No. 9/11 - ISO 1716
 Methane gas: Table 1 EEN Resolution No. 9/11
 Electricity: PCC 2021 GWP 100 Vers.1.00

Our carbon footprint

GRI 305-1 | GRI 305-2

In line with our values, aware of the need to implement a strategy to combat climate change, we have decided to formalise our commitment through an analysis of the emissions produced, the **Organisational Carbon Footprint**, according to the UNI EN ISO 14064-1:standard: 2019², the aim of which is to provide a snapshot of the climate footprint associated with our company's operations, directly and indirectly linked with its production process.

Anthropogenic greenhouse gas emissions - those generated by human activity - are the primary cause of global warming, a climate change that is completely anomalous in relation to the earth's natural climate cycles. The ability to respond to climate change by adapting one's business model is a true competitive factor and an effective strategic action.

The **Organisational Carbon Footprint** (OCF) is the outcome of the quantification and reporting of the greenhouse gas emissions associated with an organisation.

The emissions in question may be direct or indirect: the

former are those from the company's own sources or those controlled by it; the latter, on the other hand, derive from all those activities that the company does not directly control but for which it is, nevertheless, responsible, since they are emissions linked to the production process. The following report details the direct emissions and indirect emissions deriving from imported energy (Scope 2).

The Organisational Carbon Footprint study will be launched during 2023 using 2022 figures, consistently with the start of our strategic path and the preparation of this report; figures on emissions are therefore presented solely on the basis of findings for the year in question.

The resulting figures are baseline values that will enable us to measure performance over time. Accordingly, we can rigorously assess potential future scenarios for impact reduction and mitigation.

The study, which is in progress at the time of writing, will allow us to identify six different emission categories of ISO 14064 that can be attributed to Scope 1, Scope 2 and Scope 3 of the GHG Protocol. The sources of emissions are broken down as follows:

SCOPE 1

Direct emissions generated by the company's operations

- Combustion from fixed/stationary sources (consumption of natural gas used for heating or in the production process);
- fuel consumption from mobile sources (fuel consumption of the fleet of company-owned vehicles used to transport employees and goods in and out of plants);
- refrigerant gas leaks.

SCOPE 2

Indirect emissions from imported energy

- Indirect emissions from imported energy (taken from the grid).

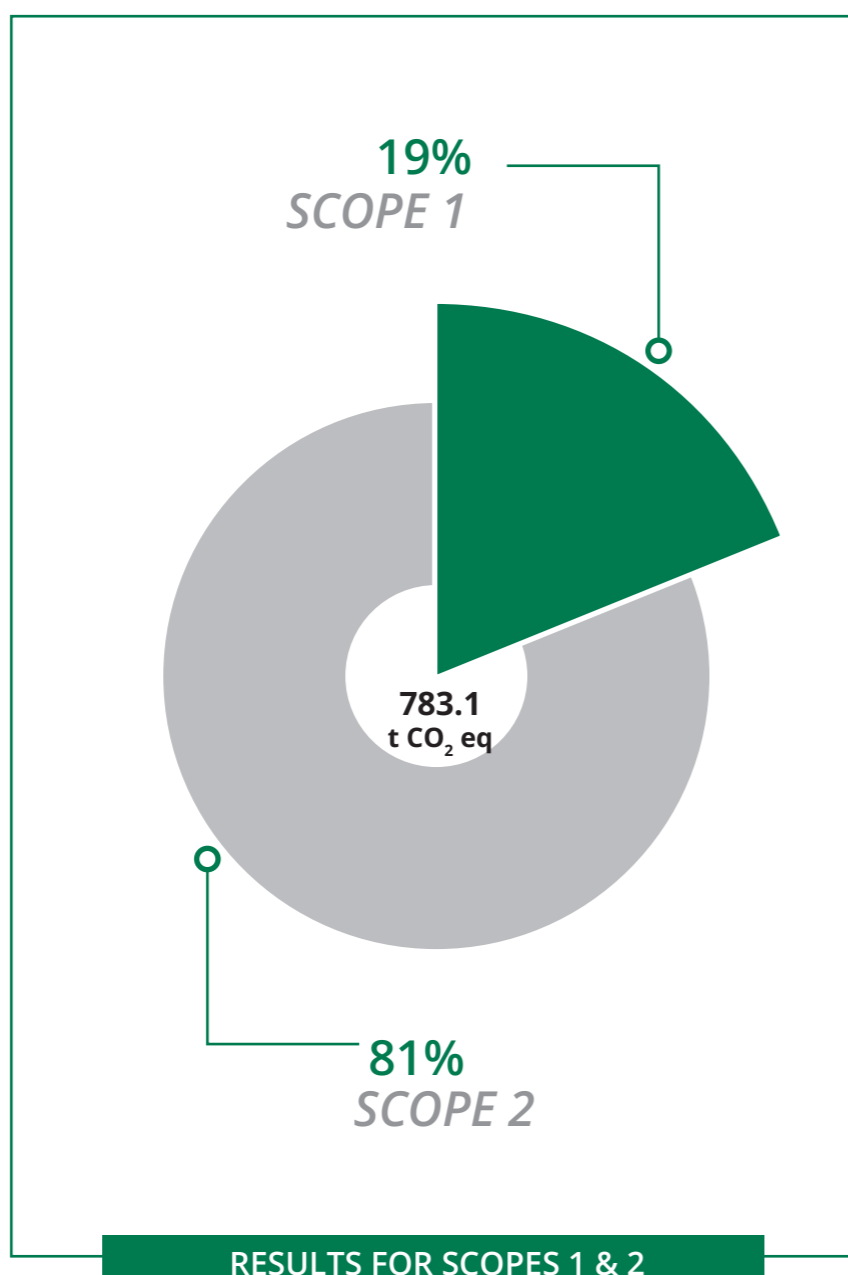
SCOPE 3

Other indirect emissions from the organisation's downstream and upstream activities

- **Indirect emissions from transport:**
 - *inbound logistics (transport of raw materials, round trips of semi-finished products);*
 - *outbound logistics (transport of finished products to customers, transport of company waste to treatment sites);*
 - *employee business travel;*
 - *employee commuting.*
- **Indirect emissions from products used by the Organisation:**
 - *purchased goods and services;*
 - *purchase of capital goods;*
 - *production and disposal of liquid and solid waste;*
 - *upstream part of the fuel used in company vehicles;*
 - *upstream part of electricity (production of fuels for electricity generation, transmission and distribution losses).*
- **Indirect emissions from other source.**

2. The study was conducted in accordance with standard UNI EN ISO 14064-1:2019: "Greenhouse gases - Specification and guidance for the quantification and reporting of greenhouse gas emissions and removals" and technical report UNI ISO/TR 14069 "Greenhouse gases - Quantification and reporting of greenhouse gas emissions for organisations — Guidance for the application of ISO 14064-1".

In the light of the data collected to date³, in 2022 we produced 783.1 t CO₂ eq⁴ relative to Scope 1 and Scope 2; of these, approximately 81% derive from the consumption of electricity (Scope 2) and the remainder is attributable to mobile and stationary combustion (respectively, the use of methane gas for heating and fuels to power the company fleet) that make up Scope 1, consistent with the energy requirements presented in the previous paragraph.



3. At the time of writing, the calculation of the Scope 3 emissions is still ongoing. The complete data will be the subject of the next reporting period.

4. The calculation of the emissions refers to the sum of tonnes of CO₂ equivalent produced in 2022, the base year. The gases included in the calculation are CO₂, CH₄ and N₂O. The approach used is one of operational control and the methodologies employed involve consulting national (ISPRA) and/or intergovernmental (DEFRA) databases. GWP stands for Global Warming Potential. In this analysis, the Global Warming Potentials reported by the IPCC (Fifth Assessment Report) were used, calculated with reference to a 100-year time interval and equal to 1 for the data in DEFRA. Emission factors used:

- Diesel: Ecoinvent 3.9
- Petrol: DEFRA 2021 FUEL_PETROL
- Methane gas: Natural Gas Italy - UNFCC National Inventory 2021

Electricity: Ecoinvent 3.9.1 - electricity, high voltage, production mix | electricity, high voltage | Cutoff, U

The table below provides a cross-section of Scope 1 and Scope 2 emissions according to the GHG Protocol, which correspond to the different categories set out in ISO 14064-1:2019. We assess our GHG emissions, applying both market-based and location-based methods.

- **Market-based method:** this requires the calculation

of the GHG emissions deriving from electricity and heat purchases by considering the specific emission factors reported by our suppliers. For purchases of electricity from renewable sources, covered by Guarantees of Origin, an emission factor of zero is assigned for Scope 2.

- **Location-based method:** this involves accounting for emissions deriving from electricity consumption by applying national average emission factors for electricity purchases.

Subcategory	Activity data	2022 Location-based GHG EMISSION VALUE [t CO ₂ eq]	[% of Total]	2022 Market-based GHG EMISSION VALUE [t CO ₂ eq]
Scope 1 Direct GHG emissions				
1.1 Direct emissions from stationary combustion	Diesel consumption - stationary combustion safety generator set	0.05	0.01%	0.05
	Methane gas consumption for heating	46.4	5.93%	46.4
1.2 Direct emissions from mobile combustion	Corporate fleet diesel consumption	90.2	11.52%	90.2
	Corporate fleet petrol consumption	13.3	1.69%	13.3
1.4 Direct emissions from leaks	Dispersed quantities of gas	0.0	0.00%	0.0
Total value of Scope 1		150.0		150.0
Category 2 Indirect emissions from imported electricity				
2.1 Indirect emissions from imported electricity consumption	Low-voltage electricity consumption	0.04	0.01%	0.00
	Medium-voltage electricity consumption	633.1	80.8%	0.00
2.2 Indirect emissions from other energy carriers	Consumption of other carriers	0.0	0.00%	0.0
Total value of Scope 2		633.1		0.00

Thanks to the signing of **contracts for the supply of energy from 100% renewable sources, and through the purchase of Guarantees of Origin** certifying the renewable origin of the sources used by IGO-qualified plants, we have managed to avoid **81% of the emissions produced.**

Emissions avoided by purchasing energy from renewable sources with Guarantees of Origin

Total emissions Scope 1 + Scope 2 <i>(calculated using the location-based method)</i>	783.08 t CO ₂ eq
Avoided emissions <i>(through Guarantees of Origin)</i>	633.1 t CO ₂ eq
Savings % CO ₂ eq	-81%

Within the Organisational Carbon Footprint study, which will be completed in 2023, CO₂ and Scope 3-related emissions will also be considered. We are aware that these will account for the largest share of our emissions.

MAPPING OF EMPLOYEES' HOME-WORK JOURNEYS

The emissions in Scope 3 include those related to the home-work commute of the company's employees.

In order to **monitor and assess the environmental impacts of staff commuting**, we have already started mapping the home-work journeys that our employees

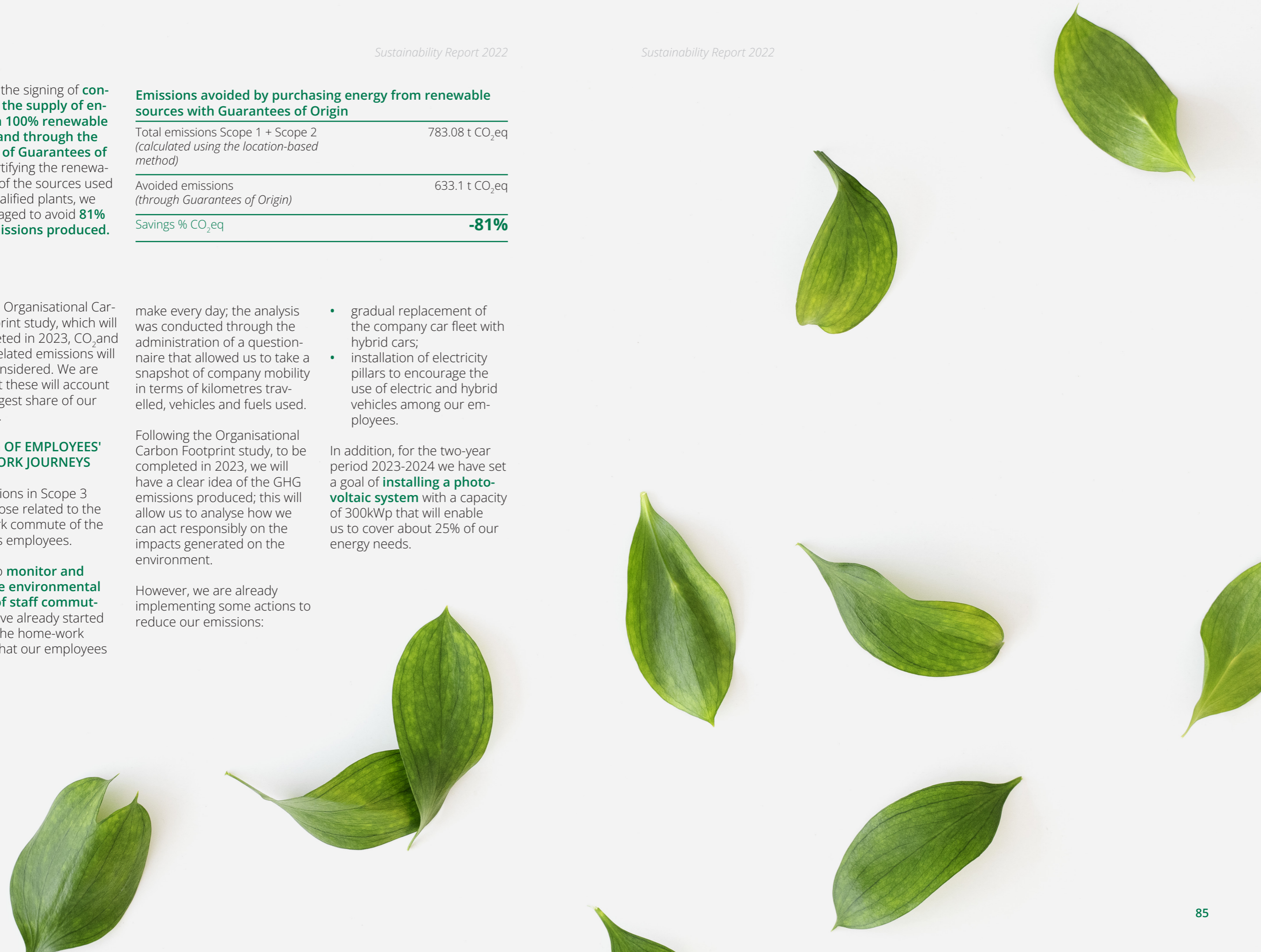
make every day; the analysis was conducted through the administration of a questionnaire that allowed us to take a snapshot of company mobility in terms of kilometres travelled, vehicles and fuels used.

Following the Organisational Carbon Footprint study, to be completed in 2023, we will have a clear idea of the GHG emissions produced; this will allow us to analyse how we can act responsibly on the impacts generated on the environment.

However, we are already implementing some actions to reduce our emissions:

- gradual replacement of the company car fleet with hybrid cars;
- installation of electricity pillars to encourage the use of electric and hybrid vehicles among our employees.

In addition, for the two-year period 2023-2024 we have set a goal of **installing a photovoltaic system** with a capacity of 300kWp that will enable us to cover about 25% of our energy needs.



Resource management: water, materials and waste

GRI 303-3 | GRI 303-4 | GRI 303-5 | GRI 306-3 | GRI 306-4 | GRI 306-5

Use of water resources

In the company, water resources are mainly used within our recipes, for sanitary use, for production facilities, for washing machinery and pallets, and for irrigating flower beds.

We carry out monthly checks on the water meters in order to monitor consumption; in this way, we are able to take timely action on any leaks, anomalies or non-conformities.

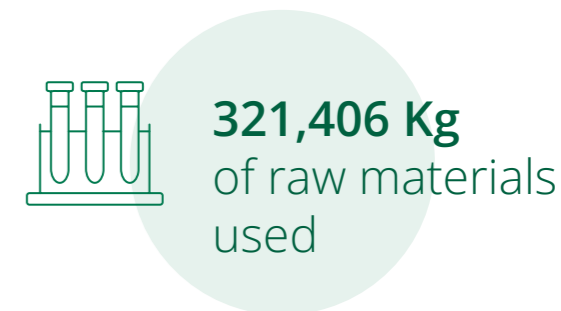
The water used is taken entirely from the aqueduct; once inside the plant, the water is subjected to reverse osmosis for food production and the remainder is subjected to a different treatment system. Specifically, water destined for sanitary and production use undergoes anti-legionella treatment, while the portion of water destined for air conditioning systems undergoes an abatement process.

In 2022 we recorded a **water withdrawal of 6,214 m³**. In the table below, we detail the amount of water withdrawn, a leak recorded and the amount of water discharged. The latter comes from the cleaning of equipment, tanks, drums used for the production of food supplements, plant extracts, as well as floor washing.

The water decants into a sump upstream of a pipeline with infrared flow meter and sampling pipe, and then flows into the public sewerage system together with the civil sewage.

Water Resources

	UM	2022
Industrial withdrawn	m ³	6,214
Loss	m ³	2,200
Industrial discharge	m ³	2,622
<i>of which industrial discharged by production site</i>	<i>m³</i>	<i>304</i>
<i>of which industrial discharged for civil settlement</i>	<i>m³</i>	<i>2,318</i>



The use and selection of raw materials

We want to continue to take action to optimise our water management; therefore, we have identified the following **objectives** for the near future:

- introduce flow reducers/aerators at taps: with this system, water mixes with air, generating an increase in the jet and a reduction in water consumption;
- collect rainwater for irrigation or non-HAC-CP washing: we are carrying out a study on a system capable of recovering water from the underground aquifer beneath our plant.

In keeping with the high standards of excellence we have set ourselves, the choice of raw materials becomes a crucial step. For this reason, we rely on manufacturers who meet strict reliability and quality standards, asking them to share with us precise information on the materials used, ensuring that they are in line with our sustainability principles.

Through the Single Environmental Declaration (AUA), we annually monitor the use of materials in the production process, recognising the importance of reducing the environmental impact of our business.

In 2022 we used a total of **321,406 Kg of raw materials**. The main materials, including glycerics (22%), dry plant extracts (14%) and vitamins (14%), form the basis of our products, which we handle with a careful and meticulous approach.

In addition, we engage in the use of secondary raw materials (SRM) whenever possible, thus helping to reduce waste and promoting circular material activities.

The focus on sustainability is a core value of our corporate philosophy; we will continue to look for innovative ways to improve materials management, responding to current and future environmental challenges.



The choice of packaging and waste management

For our packaging, the primary materials are PVC, PVCD, glass, laminated sachets; for secondary packaging, we use boxes, labels, films, sleeves and paper, the latter being FSC-certified.

As far as bottles are concerned, we have a supplier who is B-Corp certified; for us, this is an added value in the choice, as a guarantee of its commitment to the environment and society.

We are engaged in a reformulation of our packaging aimed at reducing the impact on the environment. For this reason, we have replaced inflatable bags inside the packages with paper material, and plastic-coated adhesive tape - known as 'parcel tape' - with paper tape.

Our commitment to the environment is also embodied in the responsible management of the significant waste-related impacts generated by our business activities. To ensure proper waste management, we have drawn up a specific procedure in which the rules to be followed for the different types of waste treated are identified:

- **waste represented by raw material processing residues:** the waste is collected in easily washable and sanitised containers, or disposable containers, distributed throughout the premises from which it is quickly removed in order to avoid attracting pests or prevent cross-contamination with food-stuffs;
- **waste consisting of expired products, products in a poor state of preservation or processing residues that cannot be assimilated with municipal solid waste:** storage takes place in a special area from which it is periodically collected by a specialised company that takes care of its disposal. Special hazardous waste from the testing laboratory is autoclaved and collected in safety containers; it is also periodically collected by the specialised company that disposes of it;
- **special, hazardous and non-hazardous waste (waste oil-neon, etc.):** comes from the maintenance department and is stored in special safety containers; it is periodically picked up by a specialised company that takes care of its disposal;
- **waste represented by packaging materials (paper-cardboard):** storage takes place in a special roll-off container; collection is carried out periodically by the specialised company that disposes of it;
- **waste represented by packaging materials (pvc-pet-pvdc):** storage takes place in a special roll-off container; periodically it is collected by a specialised company that disposes of it. The same procedure also involves wooden pallets and metal bins.

During 2022, we produced **140.5 tonnes of waste**, of which 1.3 tonnes was hazardous waste and 139.1 tonnes was non-hazardous waste, i.e. approximately 92% of the total. Of the waste produced, approximately 87% was sent for recovery, details of which are given below.

Hazardous waste

	Quantity (t/year)	% Waste
Sent for recovery	1.206	87%
Sent for disposal	0.182	13%

Non-hazardous waste

	Quantity (t/year)	% Waste
Sent for recovery	120.580	87%
Sent for disposal	18.532	13%

The following table shows details of the waste produced during the year 2022 classified by EWC code:

Hazardous waste

EWC Code	Description	Quantity (t/year)
08 03 12	ink waste containing hazardous substances	0.006
15 01 10	packaging containing residues of, or contaminated by, such substances	0.100
16 03 05	organic waste containing hazardous substances	0.020
16 05 06	laboratory chemicals containing or consisting of hazardous substances, including mixtures of laboratory chemicals	0.012
18 01 03	waste that must be collected and disposed of with special precautions to avoid infection	1.200
20 01 21	fluorescent tubes and other waste containing mercury	0.050
Total hazardous waste		1.388

In order to contribute to the reduction of waste, we have established an internal policy that prohibits the use of plastic bottles, glasses and spoons in the office; in addition, we have eliminated plastic coffee pods and reduced the use of plasticised paper in promotional material.

Non-hazardous waste

EWC Code	Description	Quantity (t/year)
02 03 04	waste unsuitable for consumption or processing	16.882
15 01 01	paper and cardboard packaging	77.100
15 01 02	plastic packaging	9.380
15 01 03	wood packaging	4.890
15 01 04	metal packaging	6.360
15 01 06	mixed material packaging	22.650
16 02 14	end-of-life equipment, other than that referred to in items from 16 02 09 to 16 02 13	0.150
16 10 02	waste aqueous solutions, other than those mentioned under heading 16 10 01	1.000
17 04 02	aluminium	0.200
17 04 09	metal waste contaminated with hazardous substances	0.500
Total non-hazardous waste		139.112

TOTAL WASTE GENERATED

140.500



Goals for
our future

A clear and effective roadmap

With our first Sustainability Report we were able and willing to illustrate our sustainability strategy to our stakeholders, sharing choices, projects, priorities, initiatives. Our story is already projected into the future, the elements that will characterise it are clearly outlined, because we know the direction in which we want to go.

The objectives we have defined reflect our desire to consolidate the ethical and responsible principles of our business:



Food Safety Management System

UNI EN ISO 22000:2018

Implementing a **Food Safety Management System**, certified according to UNI EN ISO 22000:2018. The ISO 22000 standard makes it possible to integrate and harmonise the safety management approach along the entire food chain at international level. With ISO 22000 certification, we can demonstrate our ongoing commitment to food safety management while gaining additional consumer confidence.



Organisational Carbon Footprint

UNI EN ISO 14064-1:2019

Develop an **Organisational Carbon Footprint (CFO)** study, according to UNI EN ISO 14064:2019, in order to measure our environmental footprint and analyse potential improvement actions.



Water efficiency and recovery interventions

Collect rainwater for irrigation or non-HACCP washing. We are carrying out a study on a system to **recover water from the underground aquifer** located under our factory.



Photovoltaic system

Install a **photovoltaic system**, with a capacity of 300 kWp, to be placed on the roof of the production facility.



Workforce

Increase in-house know-how by hiring **new resources with specific skills**; we will continue our process of valorisation, so that everyone's knowledge and skills will enable us to effectively achieve the company's set objectives.



Work-life balance

Integrating a work-life balance programme with the aim of **improving the well-being of our employees**. Work-life balance is an increasingly important element in business. We will continue to take care of everyone's needs and requirements with the aim of creating a healthy and more productive working environment.



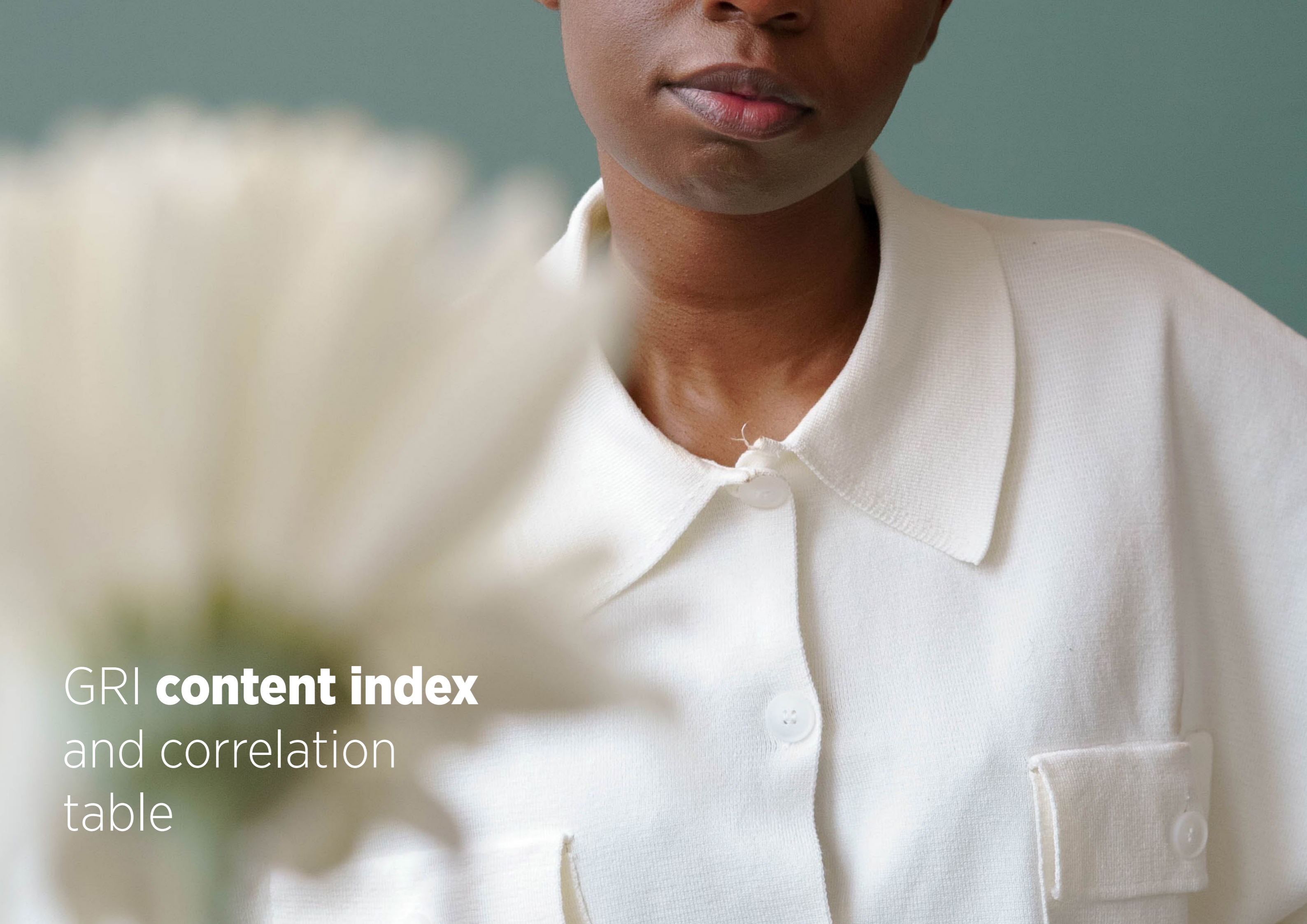
Training

Continue to provide training courses in order to **increase employees' skills**. Human capital is a strategic asset for us: we currently invest, and will invest more, in our people by involving them in the company's growth path, making them protagonists of the successes achieved.



Brand identity

Reinforce brand identity, thus building trust with consumers, through a sustainable development strategy that is clear and consistent with our values. We will focus more on the communicative approach and style, both internally and outside the company, in line with the path we have taken on issues related to environmental and social sustainability and governance.



GRI **content index**
and correlation
table

Declaration

ESI S.r.l. has reported the information mentioned in this GRI content index for the period 01/01/2022 – 31/12/2022 with reference to the GRI Standards.

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