



SUSTAINABILITY REPORT 2023

Research for natural wellbeing,
our commitment for a better future

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Letter to stakeholders

GRI 2-22

We are committed to turning the power of nature into everyday wellbeing through continuous innovation and high quality.

Dear stakeholders,

We are delighted to present our **second Sustainability Report**.

More than a mere account of the work we have done in the environmental, social and governance spheres over the past year, this report is, for us, a transparency and communication tool in which we explain who we are, what we are building and what motivates us to achieve goals both big and small.

Our company has established itself in the phytotherapeutic sector with an unwavering passion for health and the pursuit of excellence that translate into **high quality products and natural wellness solutions**.

As part of the Sodalis Group, we are committed to an ambitious strategic sustainability plan encompassing significant projects that will enable us to implement concrete and effective actions in the three areas of sustainability (environment, social and governance).

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.

We are proud of the work we have done this year and the significant strides forward we have made.



In 2023, our **workforce grew by 5%** on 2022, with an **increase in the number of employees under the age of 30**. We invested in professional growth and training to develop skills and talent, **dramatically expanding the hours of training delivered**.

We implemented a **Food Safety Management System, certified according to UNI EN ISO 22000:2018** to maintain the high quality and safety standards we have reached.

We upheld our **commitment to the area and local community** by promoting and sponsoring associations and foundations, and we continue to support cultural and social events by donating our products.

We had set **a series of environmental goals** for 2023, which we are **proud to have achieved**. We carried out the **Organisation Carbon Footprint Study**, which we verified in 2024¹, the year in which we plan to formalise a mitigation plan. We also installed a **photovoltaic system** on the roof of the production facility in 2023, and it is currently operating.

Sustainability is a cardinal principle of our business, a **shared responsibility** that bolsters the growth of our business in terms of brand recognition, brand reputation and long-term value creation.

We are aware of how challenging the path to full sustainability integration is, but we are confident that, **together with our people, we will be able to achieve significant milestones**, benefiting our growth and future generations.

Enjoy the report

Fabio Granata

Chairman of the Board of Directors

1. This report was prepared in 2024.

Key numbers



49

years of history



54

countries served



€60 million

2023 net revenue



2

in-house laboratories



1

site with offices and production plant



120

employees



12

new products launched in 2023

Our story



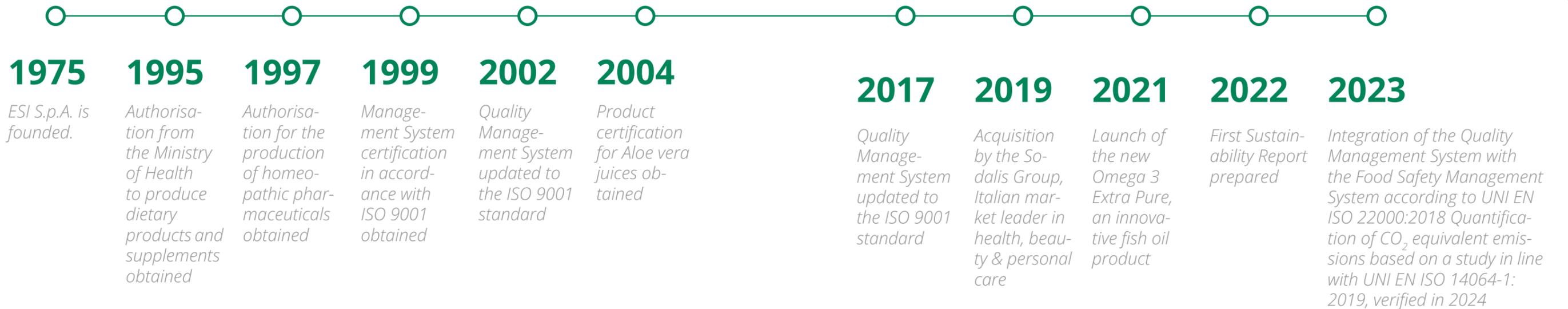
ESI: a success story

Since 1975 we have been operating in the field of phytotherapeutic, dietary and natural food products.

The strength of our products has deep roots, a history that has led end consumers to recognise the quality of our products.



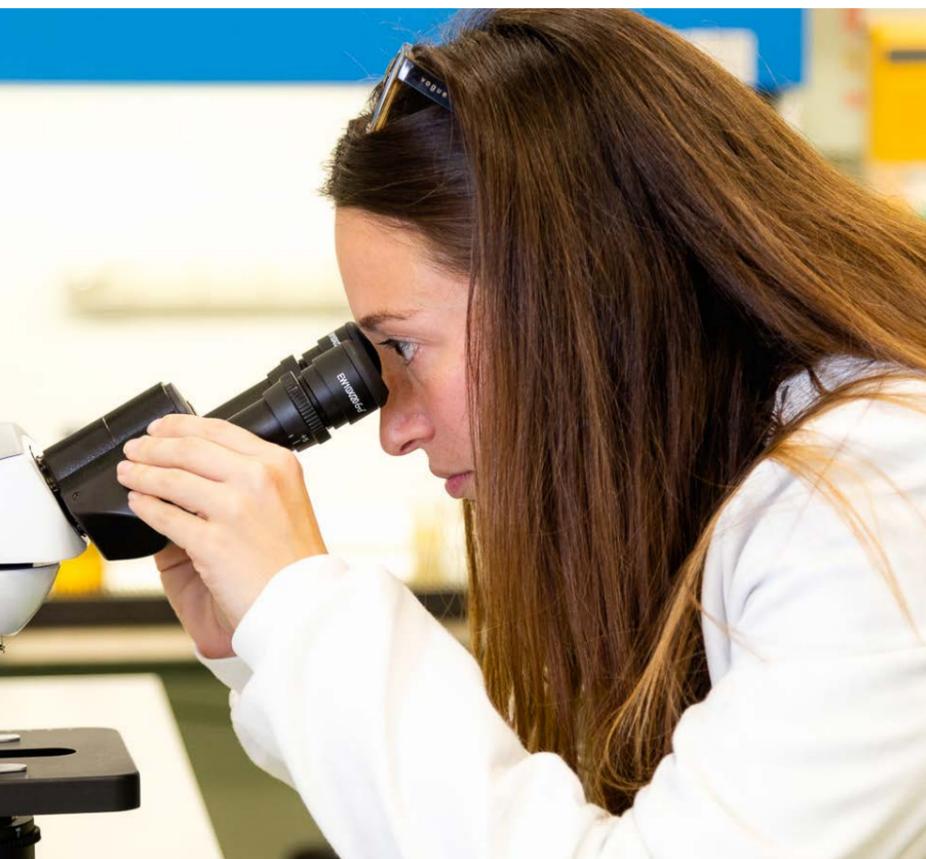
TIME LINE



A business based on **health and wellbeing**

GRI 2-6

Our products are recognised for their quality, safety and effectiveness. Our goal is to meet people's health and wellbeing needs.



We are a leading producer of food supplements, medical devices and cosmetics in Italy.

Our products are mainly distributed through pharmacies, parapharmacies and herbalist shops, which strengthens the trust consumers place in us.

ESI's pillars

RESEARCH

Avant-garde product development through research conducted with universities and national and international research centres.

SELECTION

Stringent selection and careful control of raw materials have positioned us among the top manufacturers in the natural products sector, making us 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. The use of state-of-the-art production and control equipment ensures production at the highest quality levels.

QUALITY

The quality of product design, production and marketing is guaranteed by the Quality Management System certified according to UNI ISO 9001:2015.

INTERNATIONAL FOOTPRINT

Our products are distributed in over 50 countries in Europe and beyond. All products leaving the production site in Albissola Marina undergo stringent analytical controls which certify that the quality parameters correspond to the standards set by various national and international directives.

Product categories

We operate in the **phytotherapeutic and nutraceutical sector**. 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. Nutraceuticals is a discipline that focuses on the use of food substances or food supplements to provide basic nutrition and human health benefits.

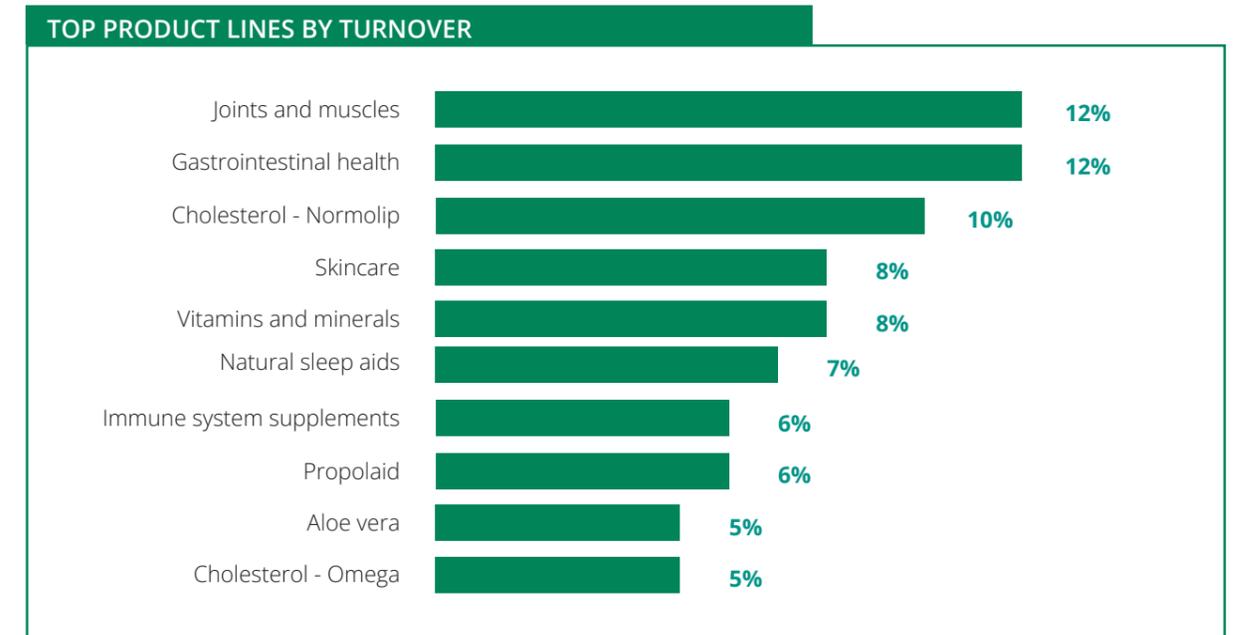
At ESI, **we develop food supplements and produce them in-house** in the form of tablets, capsules, softgels and liquids, **natural-based cosmetics and medical devices**.



Our product lines

- Gastrointestinal health
- Joints and muscles
- Natural sleep aids
- Cholesterol - Normolip
- Cholesterol - Omega
- Energy
- Vitamins and minerals
- Aloe vera
- Tea tree remedies
- Weight loss
- Diuretics
- Legs and circulation
- Eye care

- Skincare
- Trichology
- Immune system supplements
- Propolaid
- Echinad
- Women's wellbeing
- Biocollagenix
- Natural sweeteners
- Herborium
- Oral hygiene
- Marseille soap
- Cough relief



[Click on the product line for additional information](#)

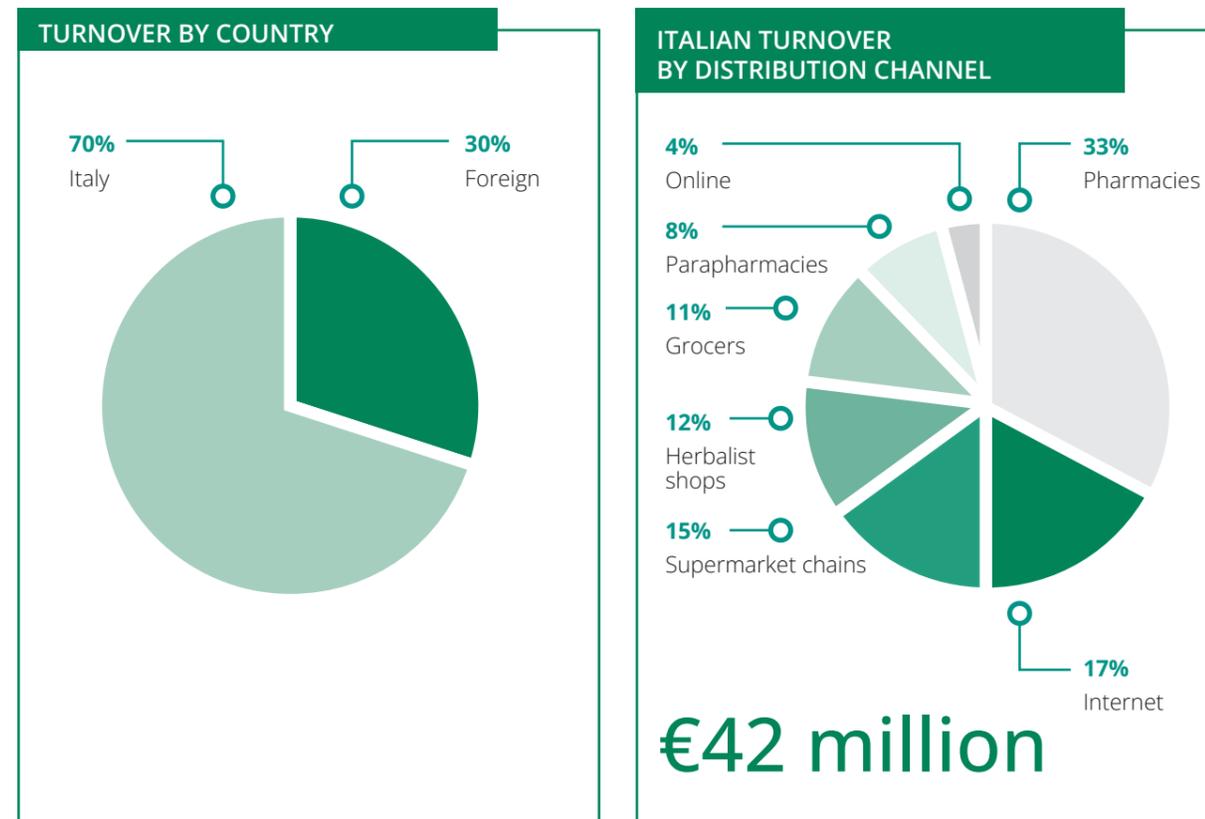
Customer and supplier relationships

GRI 2-6 | GRI 204-1

Customers: our strategic partners

We generate 70% of our turnover on the Italian market and the remaining 30% on foreign markets. Spain is our most profitable foreign market, accounting for **30% of total turnover generated abroad, followed by Serbia and Lebanon.**

In **Italy, pharmacies** generate most of our turnover (**approximately 33%**), followed by **the Internet (approximately 17%)**, **supermarket chains (approximately 15%)**, **herbalist shops (approximately 12%)**, **grocers (approximately 11%)**, **parapharmacies (approximately 8%)** and, lastly, **online channels (approximately 4%)**.



ESI is international, with products sold in over 50 countries across Europe and beyond.

Consumers: a relationship based on communication

Direct customers (pharmacies, parapharmacies and herbalist shops) may report any issues related to our service, which are handled by the Orders Office.

We have implemented a complaint handling system in which transport and delivery complaints are handled by the sales department, while any product complaints are handled by customer service.

The customer service office enters every product complaint into the system using a special programme to track each one. The complaint is then forwarded to the quality control and laboratory personnel, who check the counter-samples, reply to customer service and take any necessary corrective action.

Finally, customer service responds to the customer and, if necessary, replaces the faulty product.

Consumers who choose natural products look for and trust **the quality and origin of their ingredients**, two elements for which the ESI brand is known.

We have set up telephone and email **communication channels dedicated to our consumers** to ensure that we can always listen to their concerns and respond immediately. They can ask questions, report complaints or any product non-conformance and request clarifications or information about the possible side effects of a specific product.

We raise awareness and engage consumers indirectly in a special section of our website, **ESI informa**, where we publish informative articles on health, nutrition, wellness, natural beauty and how to improve quality of life, with tips from our team of experts. We firmly believe it is **important to create a knowledgeable community and improve the wellbeing** of our consumers.

Suppliers: reliability and quality come first

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

We have prepared a **Supplier Management Procedure** detailing the activities for the selection, assessment, monitoring and re-assessment of suppliers of products and services that affect product creation and the products themselves. **Supplier performance is monitored through systematic checks on supplies and the periodic processing of non-conformance** in order to take corrective action if necessary. Every supplier undergoes **careful screening and controls**.

Achievements in 2023

In line with our increased focus on food safety, in 2023 we committed to **preferring suppliers with food safety system certification recognised by the GFSI (Global Food Safety Initiative)**.

The purpose of GFSI certification is to establish a global food safety standard so companies can sell safer food in their markets. A GFSI-certified system must meet the basic requirements of compliance with a food safety standard. The food safety standards approved by the GFSI include BRC, IFS, SQF and FSSC 22000.

As of 2023, 25 of our raw material suppliers - accounting for 40% - hold GFSI-recognised certification (e.g. FSSC 22000).

We have carried out risk assessments on those of our suppliers without GFSI-recognised certification and did not find any particular critical issues, as all suppliers were assessed as low risk.

To eliminate the risk of selling products that do not meet the **“zero deforestation”** objective under EU Regulation No. 1115/2023 and to uphold the principle of due diligence, in 2023 we asked our suppliers to provide statements certifying that all the material we purchase from them – for every item supplied – is:

- zero deforestation;
- produced in compliance with the relevant legislation applicable in the country where it is produced;
- covered by a due diligence statement, where applicable.

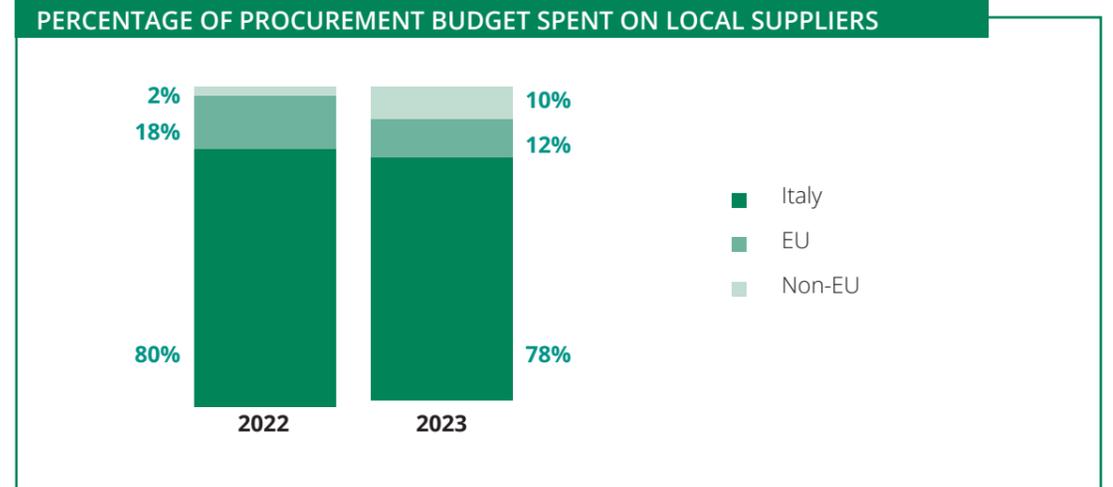
The wide range of raw materials we source means that we have a large number of suppliers in Italy and abroad.

Most of our procurement expenditure in 2023 was for raw materials and packaging material.

In 2023, the procurement budget totalled €20,872,868.30. Seventy-eight per cent of the procurement budget was spent in Italy, with the remainder distributed across the EU and outside the EU².

In 2023, our spending on suppliers based outside Europe rose as a result of the increased sales volumes of certain products, such as lozenges and cosmetics, which are produced with raw materials mainly sourced in South Korea.

Where possible, geographical location is a key criterion in supplier assessment, as it enables us to optimise transport and shipping costs, limiting the impact of supplies in terms of transport.



2. The methodology for calculating the proportion of spending on local suppliers indicator was revised for alignment with the group monitoring system following the Sodalis Group's reporting project. Therefore, the data presented refer to suppliers of raw materials, packaging and finished products. "Local" is defined as Italian.

Sustainability at ESI

The company's approach to sustainability

GRI 2-22

Vision

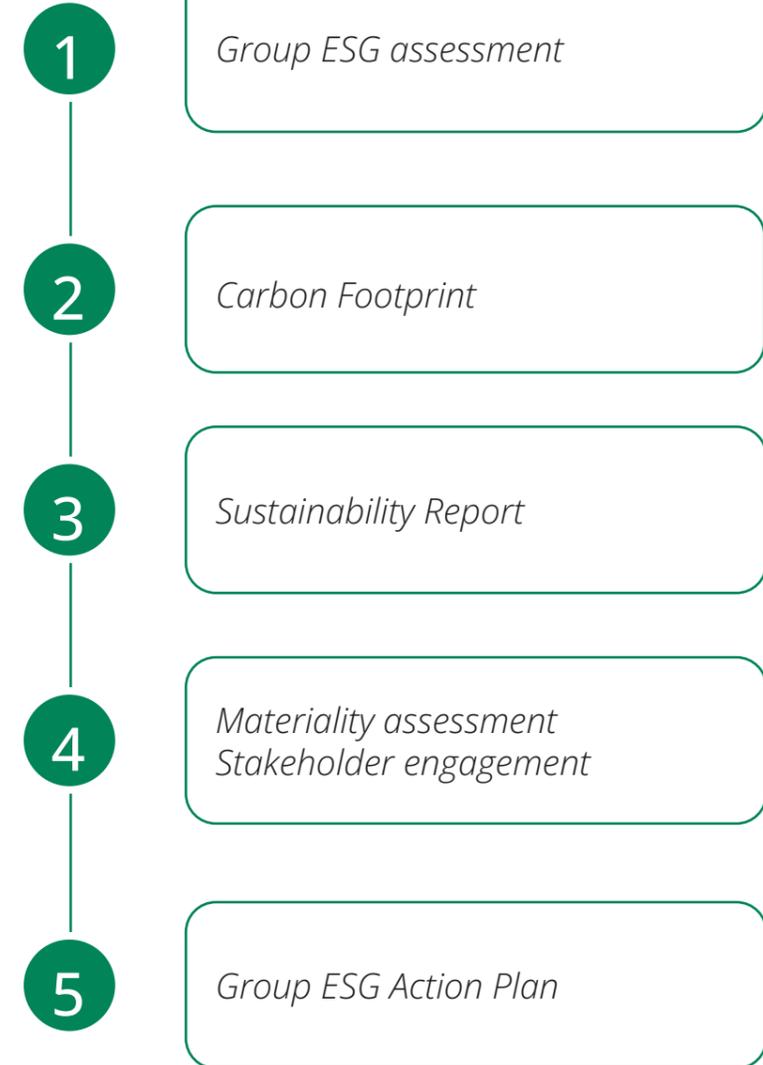
We have undertaken a path to sustainability based on two elements that we consider essential for long-term value creation: **commitment** and **transparency**.

Our approach enables us to implement a **measurable, verifiable, tangible, virtuous strategy**. In keeping with this vision, in 2023, we embarked on a structured and concrete journey that will frame our contribution to the Sodalis Group's sustainability strategy in a manner that is increasingly synergistic with the Group.

Our approach to sustainability reflects the **Action Plan developed by the Sodalis Group**. It is a strategic sustainability plan establishing tangible environmental, social and governance actions identified through a materiality analysis³.



2023



3. In identifying the ESG topics that are significant for ESI, we also considered their links with the Sustainable Development Goals (SDGs), defined in the United Nations 2030 Agenda. By committing to take action on these topics, we will contribute – insofar as possible – to overcoming global sustainability challenges. This linking is the result of an analysis of the GRI indicators reported in this document and the objectives set, in relation to the SDGs and the targets according to the Linking the SDGs and the GRI Standards framework.



2024

GOVERNANCE

Pillar	Where we are	Future targets	Target year	SDGs
HONESTY <i>Guaranteeing and encouraging ethical and responsible behaviour</i>	2nd Sustainability Report	370 stakeholders involved in the materiality analysis Analysis of stakeholder expectations and their incorporation in the ESG Action Plan.	Double materiality analysis and IRO mapping Formalise the Sustainability Champions Team and MBO mechanisms based on the ESG objectives of the Action Plan Compliance with the Group Code of Ethics	2024 - 2026 
EVOLUTION <i>Investing in research and development projects</i>	1 registered patent	100% of product categories assessed for health and safety impacts	R&D investments focused on improving the sustainability of product formulations and packaging	2024 - 2026 
SATISFACTION <i>Implementing effective communication strategies</i>	Constant monitoring and analysis of customer satisfaction	Engagement initiatives 114 consumers involved	Integrate consumers' ESG needs in our strategic decisions regarding products and processes Improve brand recognition	2024 - 2026 
RECIPROCITY <i>Prioritising responsible and controlled procurement</i>	Stable, trust-based relationships and vendor ratings based on technical-quality criteria UNI EN ISO 22000:2018-certified food safety management system	78% of procurement budget spent on Italian suppliers	Supplier sustainability assessments with verified ESG ratings Compliance with the Group Code of Ethics	2025 - 2026 
CLARITY <i>Acting and communicating according to precise principles and values</i>	Clear and incisive communication	All products are labelled with their ingredients, directions for use and disposal methods	Reinforce a knowledgeable corporate culture for effective communication on social and environmental impacts	2024 - 2026 

SOCIAL

Pillar	Where we are		Future targets	Target year	SDGs	
EMPATHY <i>Promoting work-life balance and corporate welfare</i>	92% of employees have full-time contracts 100% of employees have permanent contracts	8% of employees have part-time contracts in 2023 Specific welfare plan and company portal for employees	Strengthen internal corporate communication To create a positive climate centred on employee engagement	2024	  	
EQUALITY <i>Promoting fair growth and development paths</i>	63% of employees are in the 30-50 age group	90% is the average female-to-male pay ratio	Create a gender equality management system To strengthen an inclusive and respectful working environment	2025	  	
GROWTH <i>Strengthening potential, enhancing human capital</i>	+7% employee turnover (8 new hires) 2,600 hours of training delivered	+5% employees compared to 2022 21 average hours of training per employee	Provide ESG training to employees To promote a sense of awareness and responsibility for the social and environmental impacts of activities	2024 - 2026	   	
MOTIVATION <i>Attracting and retaining talent</i>	Participation in industry conventions and corporate events		Sodalis ambassadors program Assemble a team of talented people to spread the Group's values and share their own sense of belonging, helping to strengthen the Sodalis Way	Partnerships with universities We aim to create long-lasting partnerships with universities in order to attract new talent	2024 - 2026	   

ENVIRONMENT

Pillar	Where we are	Future targets	Target year	SDGs
<p>PLANNING <i>Counteracting climate change</i></p>	<p>Carbon Footprint Analysis</p> <p>932t CO₂ avoided in the two-year period through the use of renewable energy</p>	<p>Group Carbon Management</p> <p>Conduct a Scope 3 inventory, a study of GHG emissions to implement potential improvements and set emission reduction targets</p>	2025	  
<p>CARE <i>Making the most of water resources</i></p>	<p>-25% water consumption</p>	<p>Group Water Footprint</p> <p>We will measure our water impact in order to optimise water use</p>	2025	 
<p>RATIONALISATION <i>Using energy resources responsibly</i></p>	<p>100% Electricity from renewable sources</p>	<p>Group Energy Analysis</p> <p>Analysis of the energy consumption of each production facility to identify waste points and potential opportunities to save energy</p>	2025	  
<p>RECYCLING <i>Managing waste responsibly</i></p> <p>OPTIMISATION <i>Analysing and redesigning the end-of-life of materials</i></p>	<p>-2% waste generated</p> <p>Studies on the use and optimisation of packaging</p>	<p>Life Cycle Assessment (LCA)</p> <p>Objective and technically-supported assessment of the environmental performance of each production cycle, followed by the appropriate evaluations</p>	2024 - 2026	

Materiality analysis and stakeholder engagement

GRI 2-29 | GRI 3-1 | GRI 3-2

We always consider our stakeholders' concerns, and we endeavour to maintain collaborative and transparent communication with them.

Stakeholder engagement is essential to understanding stakeholders' expectations, interests and opinions.

We interact attentively and positively with our stakeholders to receive constructive feedback on the conduct of the business from them.

The table below lists the main categories of stakeholders with whom we interact and shows, for each, the engagement methods we have used to date and the interest on which our relationship with the stakeholders is based:

<p>FINANCIAL COMMUNITY</p> <p>Banks Shareholders</p> 	<p>HUMAN RESOURCES</p> <p>Employees Collaborators Management Trade unions</p> 	<p>PARTNERS & SUPPLIERS</p> <p>Suppliers of goods Service providers Business partners</p> 	<p>CUSTOMERS</p> <p>Pharmacies Herbalist shops Parapharmacies Distributors</p> 	<p>PUBLIC AUTHORITIES</p> <p>Central and national administrations Local authorities Public control bodies European institutions</p> 
<p>SCIENTIFIC COMMUNITY</p> <p>Research centres</p> 	<p>MEDIA</p> <p>National and local newspapers Trade magazines TV</p> 	<p>CERTIFICATION BODIES</p> <p>Certification bodies</p> 	<p>TRADE ASSOCIATIONS</p> <p>Trade associations</p> 	<p>COMMUNITY AND LOCAL AREA</p> <p>Non-profit organisations Consumer associations</p> 

FINANCIAL COMMUNITY
Economic performance

Direct assistance channels: front-office, call centres, digital front-office, e-mail
Systemic meetings-shareholder meetings

Weekly

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

SUPPLIERS AND PARTNERS
Economic performance and product quality

Regular meetings and communications

Ad hoc

CUSTOMERS
Economic performance, market share and sell out

Regular meetings and communications
Customer service
Complaint and dispute management

Ad hoc

SCIENTIFIC COMMUNITY
Innovation and research

Contractualisation of services

Ad hoc

LOCAL COMMUNITY AND AREA
Brand reputation
Economic support
Consumer protection
Product quality and performance

Regular meetings
Customer service
Complaint handling
E-mail

Ad hoc

TRADE ASSOCIATIONS
Forging relationships

Meetings
Communications

Ad hoc

MEDIA
Brand awareness
Brand reputation
Market share
Sell out

Contractualisation of services

Ad hoc

CERTIFICATION BODIES
Compliance with regulations and procedures
Product quality and performance
Company & brand reputation

Audits
Instrumental tests

Ad hoc

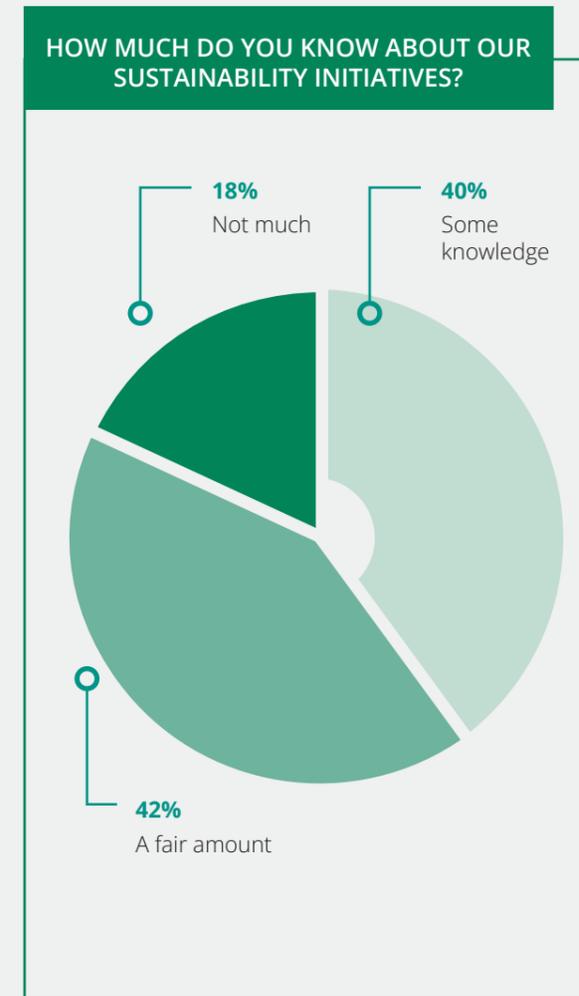
PUBLIC AUTHORITIES
Regulatory compliance

Regular meetings and communications
Digital channels/portals
Digital assistance/communications

Ad hoc/monthly

Engagement activities: our consumer survey

As part of our stakeholder engagement activities, in 2024 we **directly surveyed the consumers** subscribed to our newsletter. The survey allowed us to explore consumers' perceptions of our commitment to sustainability, their knowledge of the sustainability initiatives we have implemented, the environmental and social aspects that most affect them and the issues they would like to see us focus on in the near future.



114 consumers responded to the survey, 80% of whom were women over the age of 45. **Over 60%** of respondents rated **our commitment to sustainability as GOOD** and said they had **had SOME knowledge of the initiatives** we carry out.

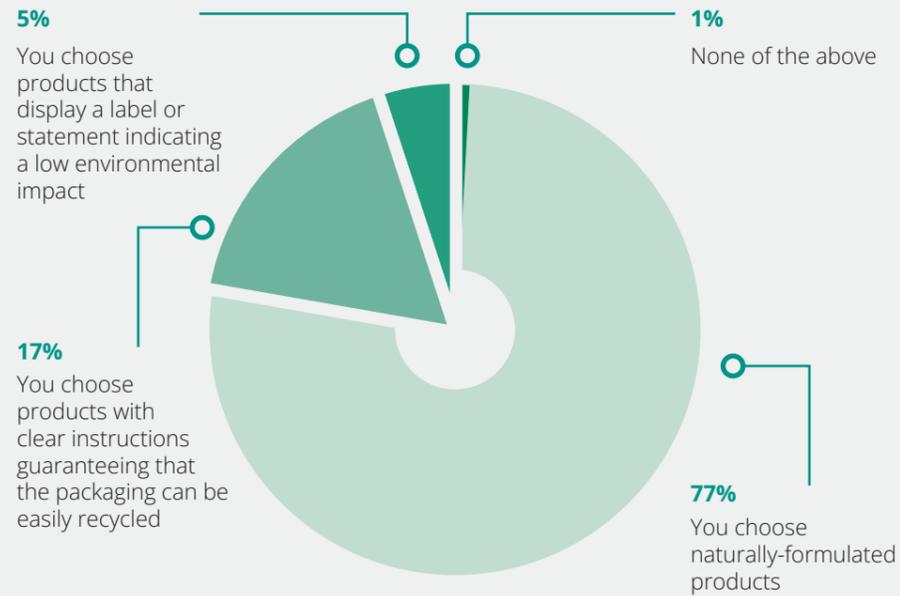
83% of respondents said they **appreciate the use of natural formulations** in our products, while **42% appreciate the use of recycled and/or recyclable materials in our packaging.**



WHICH OF THE ENVIRONMENTAL AND SOCIAL ASPECTS THAT WE ADDRESS IMPRESSED YOU THE MOST?

- 1%** I can't think of any
- 10%** The use of inclusive language
- 42%** The use of recycled and/or recyclable materials
- 83%** **The use of natural formulations**
- 18%** Support for social initiatives
- 3%** None of the above

WHEN YOU BUY COSMETICS AND FOOD SUPPLEMENTS



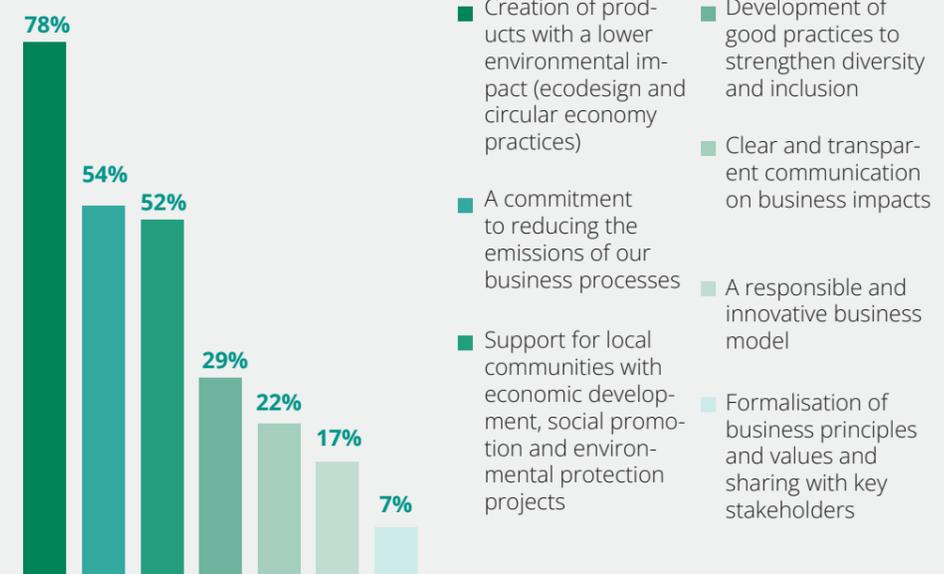
Quality and natural formulations are the top drivers behind the purchase of cosmetics and food supplements, guiding our consumers' choices.

We are committed to **surpassing consumer expectations** by creating products that meet their needs with a smaller environmental impact, while generating economic value shared with the communities in which we operate.

We also surveyed our consumers about their expectations so as to chart our course in line with what they expect. **78% would like to see us develop products with a lower environmental impact through ecodesign and circular economy practices, and 54% would like to see us**

committed to reducing the emissions of our business processes. We are delighted that our consumers share our sensitivity and attention to environmental issues and that the projects we have undertaken align with their expectations of us.

CONSUMER EXPECTATIONS

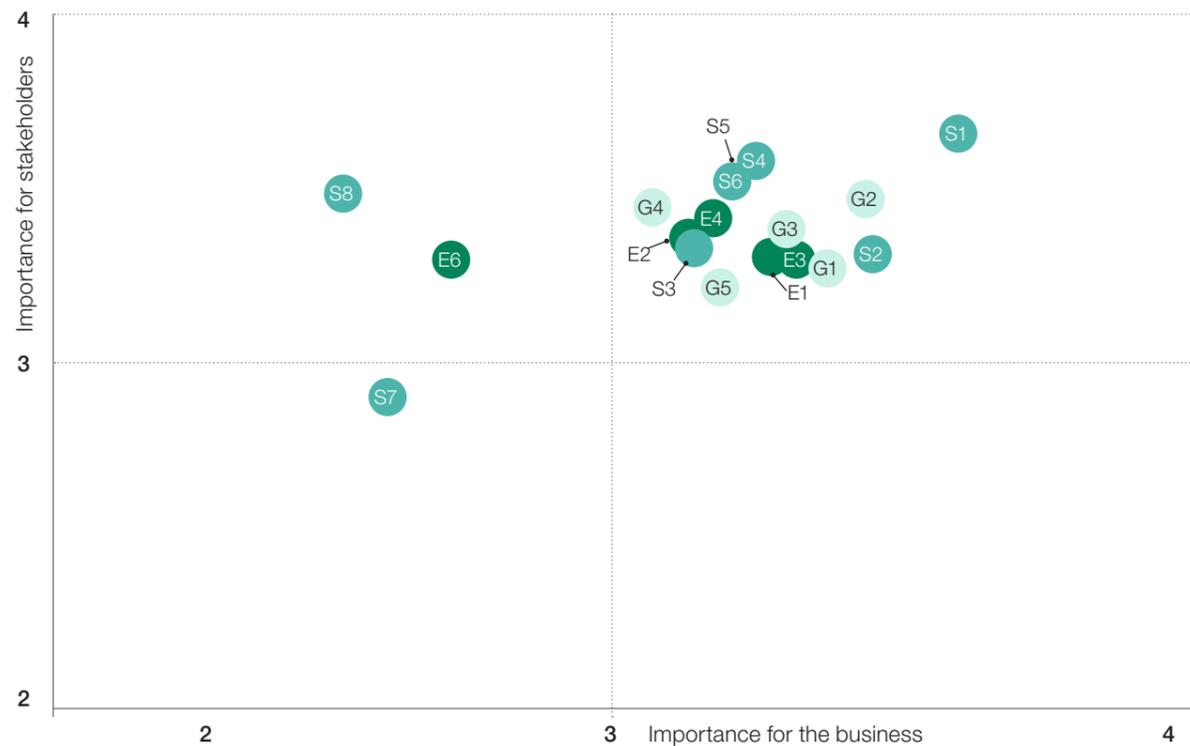


Material topics

Materiality Analysis – Stakeholder Survey

In view of the growing awareness that stakeholders should be involved in our sustainability journey, in 2024 we participated in a structured engagement initiative with the Sodalis Group’s key stakeholders in order to gather their perceptions of the material topics that we have identified and to align the Group’s strategies with our future objectives.

The materiality analysis led to the identification of key material and emerging topics based on our current management capabilities⁴. The results of the analysis are based on responses from **377 participants** with a **response rate of 56%**, which is considered indicative of the expectations of the Group’s stakeholders. The results of this engagement activity are shown in the materiality matrix, a graphical illustration of the importance of each topic to our stakeholders and top management, as well as their alignment.



4. For additional details on the methodological approach to the materiality analysis, please refer to the consolidated financial report of the Sodalis Group, accessible via this [link](#).

GOVERNANCE	SOCIAL	ENVIRONMENT
<ul style="list-style-type: none"> E1 Energy management E2 Atmospheric emissions and climate change E3 Material management E4 Waste management E5 Water and water scarcity E6 Biodiversity protection 	<ul style="list-style-type: none"> S1 Product quality and safety S2 Talent acquisition and retention S3 Diversity, inclusion and equal opportunities S4 Welfare and occupational wellbeing S5 Occupational health and safety S6 Development of employee skills S7 Relationships with the area and local communities S8 Protection of human rights 	<ul style="list-style-type: none"> G1 Responsible governance G2 Innovation, research and development G3 Customer satisfaction G4 Business transparency and integrity G5 Supply chain management

Our governance



€60
million

in net revenue
(€)

+3%

increase in net
sales



2nd

Sustainability
Report
published

75%

of generated economic
value distributed to
stakeholders

114

consumers involved in
engagement activities

1

co-financing of a
PhD scholarship
with the University
of Trieste



New Quality and
Food Safety
Management
System

1

patent

TARGETS SET IN 2022

☑ *achieved*

⋯ *in progress*



Food Safety Management System
UNI EN ISO 22000:2018

Target set:

Implement a **Food Safety Management System**, certified according to UNI EN ISO 22000:2018.

Achieved

Maintenance of the quality management system certification (UNI ISO 9001:2015) and integration with the food safety management system certified according to UNI EN ISO 22000:2018.



Brand identity

Target set:

Improve brand recognition and strengthen the company's image in the marketplace. Consumers know the products but not the brand and its story. We plan to promote our Company and the entire Group more.

Achieved

Involvement of 114 consumers in the survey to gather expectations and perceptions on the ESG path undertaken.



GOVERNANCE

Pillar	Where we are	Future targets	Target year	SDGs
<p>HONESTY <i>Guaranteeing and encouraging ethical and responsible behaviour</i></p>	<p>2nd Sustainability Report</p> <p>370 stakeholders involved in the materiality analysis</p> <p>Analysis of stakeholder expectations and their incorporation in the ESG Action Plan.</p>	<p>Double materiality analysis and IRO mapping Formalise the Sustainability Champions Team and MBO mechanisms based on the ESG objectives of the Action Plan</p> <p>Compliance with the Group Code of Ethics</p>	2024 - 2026	   
<p>EVOLUTION <i>Investing in research and development projects</i></p>	<p>1 registered patent</p> <p>100% of product categories assessed for health and safety impacts</p>	<p>R&D investments focused on improving the sustainability of product formulations and packaging</p>	2024 - 2026	  
<p>SATISFACTION <i>Implementing effective communication strategies</i></p>	<p>Constant monitoring and analysis of customer satisfaction</p> <p>114 consumers involved</p>	<p>Engagement initiatives</p> <p>Integrate consumers' ESG needs in our strategic decisions regarding products and processes</p> <p>Improve brand recognition</p>	2024 - 2026	
<p>RECIPROCITY <i>Prioritising responsible and controlled procurement</i></p>	<p>Stable, trust-based relationships and vendor ratings based on technical-quality criteria</p> <p>78% of procurement budget spent on Italian suppliers</p> <p>UNI EN ISO 22000:2018-certified food safety management system</p>	<p>Supplier sustainability assessments with verified ESG ratings</p> <p>Compliance with the Group Code of Ethics</p>	2025 - 2026	   
<p>CLARITY <i>Acting and communicating according to precise principles and values</i></p>	<p>Clear and incisive communication</p> <p>All products are labelled with their ingredients, directions for use and disposal methods</p>	<p>Reinforce a knowledgeable corporate culture for effective communication on social and environmental impacts</p>	2024 - 2026	   

Our organisational structure

GRI 2-9 | GRI 405-1

Over the last fifteen years, the Group has grown through a series of acquisitions. This has **expanded its fields of expertise** enabling it to enter the **Beauty, Personal and Home Care** market in supermarkets, pharmacies, perfumeries and professional channels.

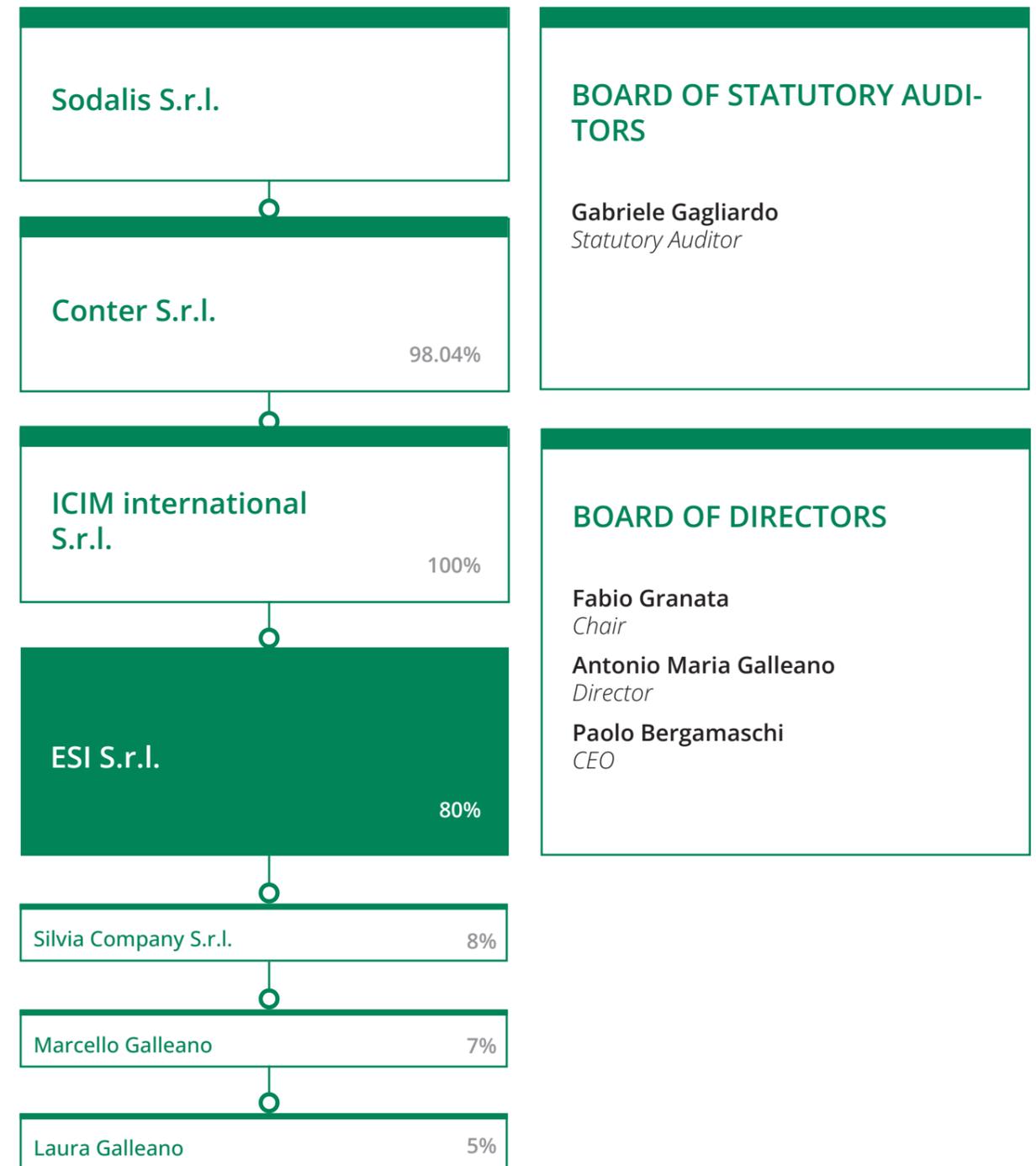
The company's ownership structure changed when it was acquired by the Sodalis Group in 2019.

Sodalis S.r.l., the Group's holding company, controls 98.04% of Conter S.r.l. which, in turn, owns 100% 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.**

Our organisational structure is based on a **traditional model**. Our corporate bodies are a Board of Directors and a Board of Statutory Auditors. Different functional areas correspond to the highest governance bodies.



Organisational structure



Economic and financial performance

The food supplement industry is booming globally, with projected growth of 84% by 2030 to USD 327 billion⁵. **Italy is seeing growth in this industry too**, with some 30 million consumers. According to a study by the international research institute Future Concept Lab, **73% of Italians took supplements at least once in 2023**. The nutraceutical market faces the challenge of offering ever more solutions for the management and improvement of overall health.

Probiotics are the most popular food supplement category, remaining the most purchased, even compared to ten years ago, with 26.5 million packages sold (+40% on 2013), followed by **mineral salts**, with 14 million packages sold, and **vitamins**, which, at 13.1 million packages, are the product that has seen the largest growth (+157% in ten years) among the main categories.

Rounding out the top five are **cough relief products**, with 11.8 million packages sold (+188%) and **laxatives**, with 11.3 million sold (+22%). This positive trend was also reflected in our economic performance. **In 2023**, we generated total **net revenue of €60,857,813, up 3%** on 2022 (€59,079,453) and 9% on 2021 (€55,803,575), with a net profit for the year of €8,575,755 in 2023.

In addition, in 2023, we carried out significant scientific research to develop highly innovative formulations for new products.

12

new products launched in 2023.

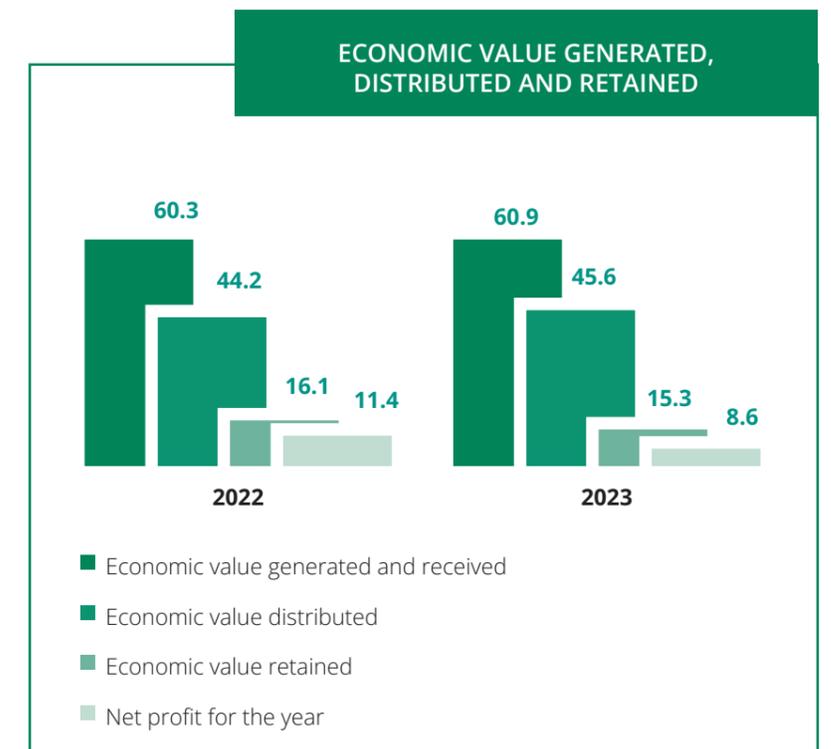
The most important new products were **Vitamin C sachets and Biocollagenix Botulin like face cream and serum** concentrate.

Economic value generated and distributed

GRI 201-1

In this section, we highlight the economic value generated and distributed, based on the income statement for each of the two years considered. Over the two-year period, the **economic value generated** grew, albeit slightly, mainly

due to the increase in net revenue⁶, of which **75% is distributed to our stakeholders** (+3% vs 2022)⁷, a large part of which goes to supporting the businesses that make up supply chains and remunerating and strengthening our workforce⁸.



6. **Economic value generated** includes revenue from the sale of finished products, revenue generated by the company's financial activities and other revenue.

Economic value received corresponds to the share of other revenue received from the public authorities in the form of grants, mainly to support the company's R&D investments.

7. **Economic value distributed** includes costs, which are classified according to the main categories of stakeholders that benefited from them.

8. **Economic value retained** is the difference between the economic value generated and received and the economic value distributed, which includes the net profit for the year and items that cannot be allocated to the different categories of stakeholders.

5. Source: Grand View Research.

Food quality and safety: an essential value for our consumers

GRI 416-1 | GRI 416-2

We use **carefully selected ingredients** to guarantee high-quality phytotherapeutic products. Every raw material we use undergoes **rigorous quality control** in specialised laboratories. We comply with the highest standards of raw material quality thanks to **state-of-the-art production and control facilities**. Organoleptic, chemical-physical and microbiological analyses are carried out in the Quality Control laboratory.

We evaluate health and safety impacts by product category: our food supplements are evaluated in-house, while medical devices and cosmetic products are evaluated by manufacturers.

We are in complete compliance with the regulations of the **HACCP** (Hazard Analysis and Critical Control Points) system.

Through our self-monitoring plan, we manage the production, storage and transport of products in full compliance with current regulations.

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, the first concrete example of our commitment in this process.

In 2023, we integrated our quality management system, creating the Quality and Food Safety Management System in accordance with the international standards UNI EN ISO 9001:2015 and UNI EN ISO 22000:2018.

The integration of the management system reflects our commitment to food safety

and quality with the conviction that it is a fundamental tool to guarantee the levels we have reached and to strengthen the Company's and the Group's reputation.

100%

of product categories assessed for health and safety impacts⁹

0

incidents of non-compliance associated with the health and safety impacts of products and services

9. The product categories evaluated include: cosmetics, supplements and medical devices. Medical devices and cosmetics are assessed by manufacturers.



Certifications and awards

We aim to **offer innovative products that meet high standards of quality and reliability with a smaller environmental impact.** This is why we partner with universities, research centres and international organisations.

We have undertaken or received the following initiatives, awards and certifications as a result of our dedication.



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



patent n° 1413768

NATURCAPS® RETARD BIPHASIC PATENT 1 PATENTED FORMULA

In 2015, we patented a new, internally-developed technology: NATURCAPS® RETARD BIPHASIC, which guarantees the body can utilise nutrients gradually and completely. The special capsule contains 4 microtablets that can also be gastro-resistant; they dissolve at different times for a steady, gradual release of the principles they contain, giving the body sufficient time to assimilate and transport the active principles throughout the body for a prolonged effect (called RETARD action, patent no. 1413768).



GLUTEN FREE:

In response to the ever-increasing prevalence of coeliac disease and gluten intolerance, all ESI products are gluten-free, i.e., in accordance with Regulation EC/41/2009 and Regulation EC/828/2014, they have a gluten content of less than 20 ppm (0.002%) and are therefore suitable for people with coeliac disease.



VEGAN:

In addition to the product information, ESI packaging bears a small symbol indicating whether the product is suitable for vegetarians and/or vegans based on the origin of the raw materials contained.



NOVASOL®:

ESI uses modern technologies to formulate its products that increase the bioavailability of the active ingredients by up to 185 times, thus enhancing the efficacy of NoDoI supplements.



5-STAR IFOS CERTIFICATION:

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



FRIEND OF THE SEA CERTIFICATION:

This certification rewards sustainable practices in fishing, aquaculture and fish oil and omega-3 production, and is the only certification programme for sustainable fishing that is internationally recognised and supervised by a national accreditation body. Several of our products, such as Omega 3 Extra plus, have been awarded Friends of the Sea certification.



ORIVO CERTIFICATION:

Orivo offers the world's first and only certification of origin for food based on innovative laboratory testing. 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.



Transparency as a cardinal principle

GRI 417-1 | GRI 417-2 | GRI 417-3

Regulation for the use of computer systems

Bearing in mind that computer and digital resources must always be used in accordance with the principles of diligence and proper conduct, we have adopted an **internal regulation to prevent unintentional actions from creating problems or threats to the security of data processing**¹⁰.

¹⁰. In accordance with the regulation, we report that there were no customer data breaches in 2022-2023.

¹¹. In 2023, there were no incidents of labelling or product and service information non-compliance, and there was only one incident of non-compliance regarding marketing communications. With regard to the latter, the Italian Ministry sent a notice concerning the non-compliant description of NoDol products on our website, which cannot be classified as cosmetics.

Product labelling

Food supplement labels indicate¹¹:

- the contents, particularly for substances that may have an environmental or social impact;
- a product description and claims that can be made about the ingredients;
- directions and methods of use and storage;
- how to dispose of the products and their environmental or social impacts;
- voluntary product information (vegan/gluten-free);
- The name and address of the food system operator.



However, the origin of the product components is not always stated, except in certain cases when it adds distinction (e.g. Aloe vera from Mexico or tea tree oil from Australia). Suppliers are responsible for the labelling of cosmetics and medical devices.

Research, development and innovation: our **strategic assets**

We are **one of the top producers of phytotherapeutic products**, a leadership position we have achieved thanks to **almost 50 years of experience**.

At ESI, we have always been committed to **scientific research, product development, innovative formulations and the rigorous selection and control** of raw materials.

We research and develop customised formulations to comply with the regulations of the different countries where we sell our products.

Research, both of ingredients and literature, is a fundamental part of what we do. The raw materials that we decide to use undergo controls consisting of three stages of analysis: Research, Feasibility Study and Functionality Study.

We have two in-house laboratories: one handles **quality control** of raw materials and finished products while the other performs **regulatory and research and development activities** for product innovation.

Research is mainly carried out in-house, but if further steps of analysis are needed, we use reliable external laboratories. We work 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 products.

This is a rigorous approach, based on pharmaceutical industry practices, applied to the food supplement sector so we can offer consumers even greater quality.

In 2023, we activated an agreement with the University of Trieste for the co-financing of a PhD scholarship in the Department of Chemical and Pharmaceutical Sciences, focused on the following research topic: "Advanced formulations for cosmetics, medical devices and pharmaceutical products".

We aim to **increase clinical studies in collaboration with research organisations, universities and hospitals.**

New product development cycle

Literature research on ingredients to be used.

1



Analysis on the realisation of the product: liquid or solid form.

2



Hypothesis of a theoretical formula to be used.

3



If the formula involves new raw materials, new suppliers are sought; if the raw material is compliant, a sample is requested.

4



If the sampling is satisfactory, a procedural alignment questionnaire is sent to the supplier and the necessary raw materials are procured for feasibility testing.

5



The product is put into stability; if compliant, a label is created and sent to the Ministry for notification.

6

Growth **starts** with people



+5%
in the workforce
compared to 2022



100%
of employees hired with a
permanent contract

50%

of senior managers hired
from the local community

2,600

hours of training delivered

+36%

employees under the age
of 30 compared to 2022

21

average hours of training
per employee

TARGETS SET IN 2022

☑ achieved ⋯ in progress



Workforce

Target set:
Increase in-house know-how by hiring new resources with specific skills.

- Achieved*
- +5% growth in the workforce on 2022;
 - recruitment of a new Medical Marketing Director and a trade marketing resource.



Work-life balance

Target set:
Integrate a work-life balance programme to improve our employees' wellbeing.

- Achieved*
- Improvement in how the corporate welfare plan is used.



Training

Target set:
Continue to deliver training to increase employees' skills.

- Achieved*
- 2,600 hours of training delivered;
 - mandatory training on health and safety and food safety, English language courses and training on people management and the use of new machinery.



SOCIAL

Pillar	Where we are		Future targets	Target year	SDGs	
EMPATHY <i>Promoting work-life balance and corporate welfare</i>	92% of employees have full-time contracts 100% of employees have permanent contracts	8% of employees have part-time contracts in 2023 Specific welfare plan and company portal for employees	Strengthen internal corporate communication To create a positive climate centred on employee engagement	2024	  	
EQUALITY <i>Promoting fair growth and development paths</i>	63% of employees are in the 30-50 age group	90% is the average female-to-male pay ratio	Create a gender equality management system To strengthen an inclusive and respectful working environment	2025	  	
GROWTH <i>Strengthening potential, enhancing human capital</i>	+7% employee turnover (8 new hires) 2,600 hours of training delivered	+5% employees compared to 2022 21 average hours of training per employee	Provide ESG training to employees To promote a sense of awareness and responsibility for the social and environmental impacts of activities	2024 - 2026	   	
MOTIVATION <i>Attracting and retaining talent</i>	Participation in industry conventions and corporate events		Sodalis ambassadors program Assemble a team of talented people to spread the Group's values and share their own sense of belonging, helping to strengthen the Sodalis Way	Partnerships with universities We aim to create long-lasting partnerships with universities in order to attract new talent	2024 - 2026	   

Workforce

GRI 2-7 | GRI 2-8 | GRI 2-30 | GRI 202-2

We devote special attention to employee satisfaction so as to ensure employees' wellbeing inside and outside the company. **We support a healthy work-life balance** and are therefore committed to implementing innovative incentive policies and tools.

The headcount grew 5% to 120 at 31 December 2023, with men accounting for 73% and women 28%. The predominance of men in the workforce is due to the need for a large number of blue-collar workers, who are usually men. An analysis of white-collar workers only shows **a much larger percentage of women, who account for around 70% of the total.**

Employees are employed under the National Collective Bargaining Agreement (CCNL) for the Food Sector. The workforce consists of 57% blue-collar workers, 33% white-collar workers, 8% middle managers and the remaining 3% senior managers.

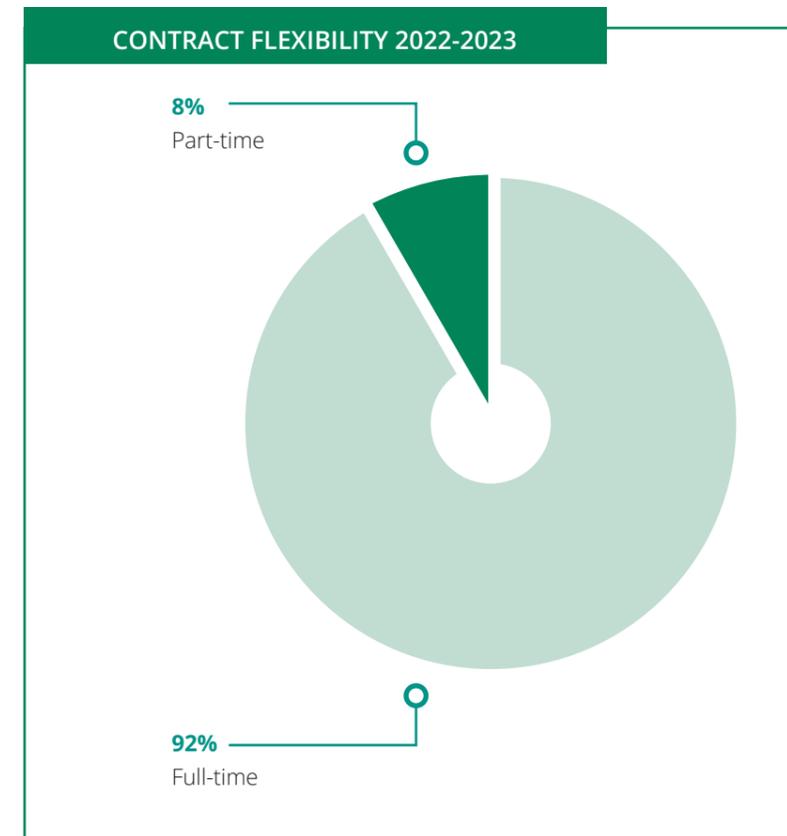
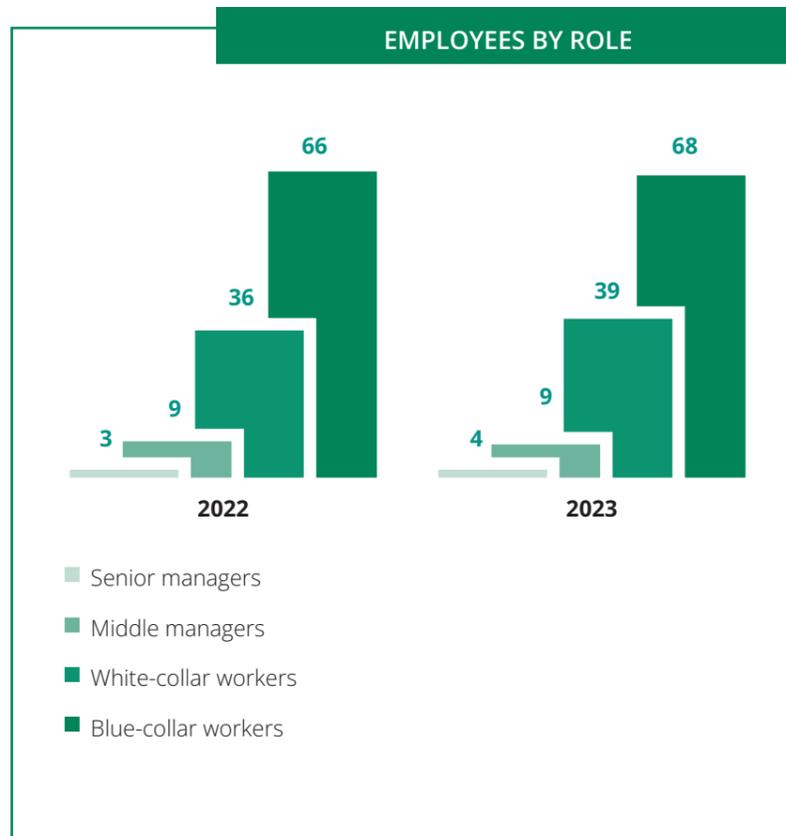


All employees have permanent contracts and **92% have full-time contracts**. In addition to employees, there are 8 additional resources, including 4 interns and 4 contractors.

The role we play in the local area and the ties we have created with the community make us an attractive employer to the people who live near our site. **50% of senior managers are hired from the local community.**

Over the years, we have implemented control and verification procedures to assess the turnover rate, although it is very low. In addition, we have established 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.

We have hired a new Medical Marketing Director in order to drive increasingly attentive science-based communications. We have also hired a resource dedicated to trade marketing, as well as other new recruits to fill existing positions or join teams where necessary.

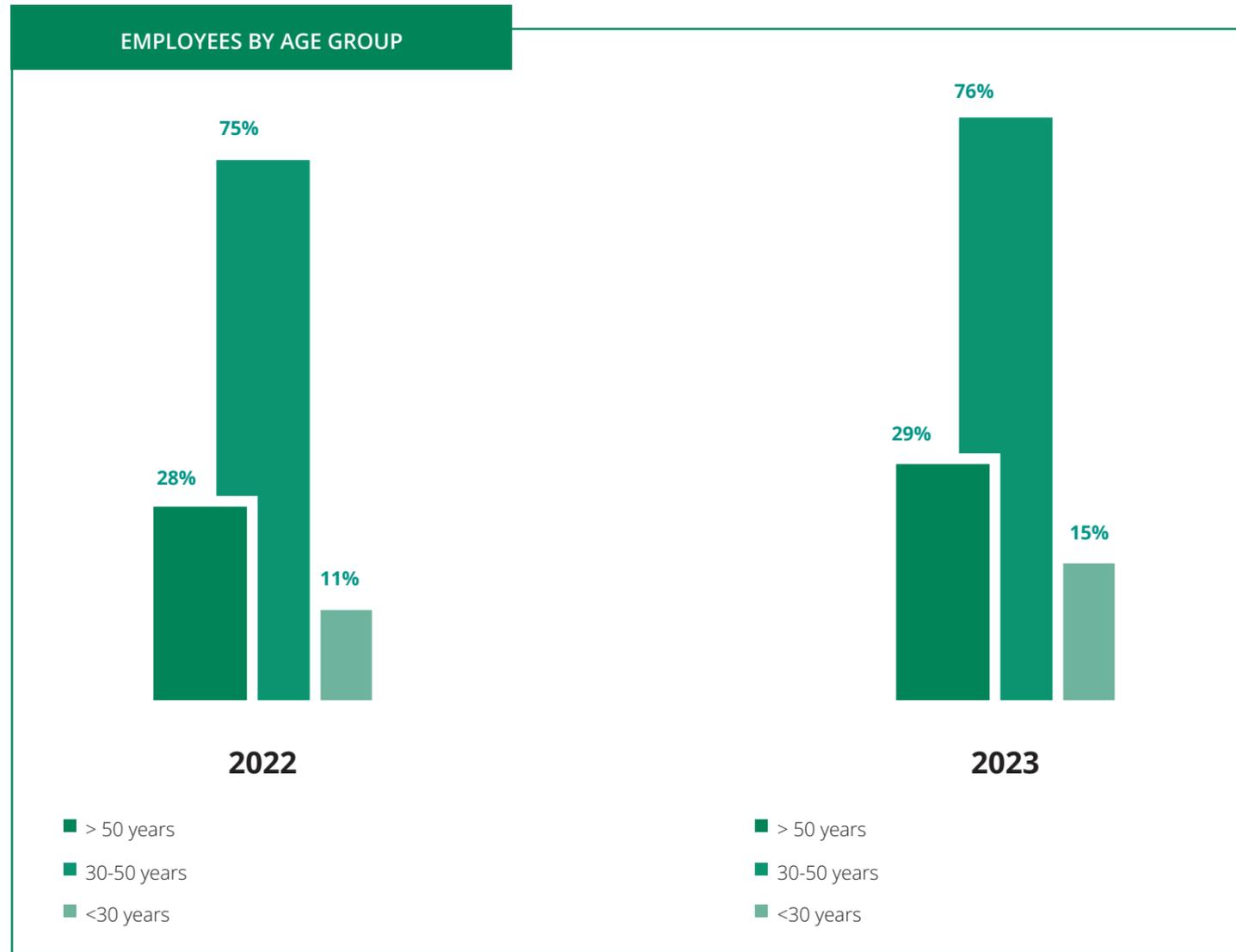


Diversity and inclusion

GRI 405-1 | 405-2

At ESI, we believe that **people are the drivers of our growth and success**, so promoting a culture of diversity and inclusion is a priority in addition to a moral responsibility. We are committed to ensuring that our people feel respected and valued and that there are **equal opportunities for professional growth and development for all employees**, regardless of their origin, gender, sexual orientation, abilities or background.

73% of our employees are men, which is mainly due the types of functions within our organisation. Indeed, 52% of our employees perform manual labour, which is usually performed by men (81%) considering the specific requirements of the job. At the same time, 64% of white-collar workers are women, who play a key role in day-to-day operations, maintaining operational efficiency and supporting strategic and decision-making activities.



Gender pay equality is one of our cornerstones. We guarantee the same level of pay to women and men in equivalent positions. **The overall female-to-male pay ratio¹² is 90%.**

We believe in young talent, which is why we strive to provide young employees with adequate training and real job opportunities. **12% of our workforce is under the age of 30.**

Because we respect all forms of diversity and inclusion, in compliance with Italian Law 68/99, we meet the required quota of employees belonging to **protected categories** of workers, offering them support services, assistance and technical support tools to facilitate the performance of their tasks. In 2023, our workforce includes six protected-category employees in blue-collar positions¹³.

12. The overall gender pay gap is calculated as the ratio of the average annual salary received by female and male employees within the company considering, for each professional position, only comparable contractual levels.

13. There were no incidents of discrimination in 2022-2023, i.e. there were no legal actions or complaints filed with the organisation or the competent authorities.

Our people's wellbeing comes first

GRI 401-2 | GRI 406-1

We strongly believe in the importance of **fostering a welcoming, stimulating, positive and 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 **a company welfare plan** in line with the employee development strategies coordinated by the Sodalis Group. The plan includes goods and services that support employees' in their personal and family lives, while also improving their pension and healthcare coverage.

The welfare plan, launched in 2022, assigns employees a pre-determined notional value to use for welfare services. These include:

1. shopping cart: 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;
6. contributions to supplementary pension schemes.

Achievements in 2023

- We **improved how the company welfare plan can be used**. Now employees can choose to use the services of unaffiliated entities and request reimbursement for the cost of the services used.
- We currently **cover the cost of the health insurance** provided for under the National Collective Bargaining Agreement (CCNL) for the Food Sector through the Fasa Fund.
- We have entered into an **agreement with a medical centre** near our site to offer employees **reduced prices for various types of medical services**.



Skill development and employee empowerment

GRI 404-1

2,600

hours of training were delivered in 2023

21

average hours per employee

We invest in training and professional development to enhance skills and talent. In the last three years we have implemented a training programme, which in 2023 included not only compulsory health and safety and food safety courses, but also English language courses and training on people management and the use of new machinery.

In 2023, in light of our activities, we delivered 2,600 hours of training for an average of 21 hours per employee. This was a significant increase over the 400 hours delivered in 2022. This reflects our concrete commitment to the various objectives we have set, including increasing the skills of our resources.

Investing in training translates into highly qualified people who are always up-to-date, promotes company growth, improves motivation and fosters a sense of belonging.

In addition, we carry out continuous on-the-job training for experienced workers according to the pathways outlined for each individual. This training is offered when they begin a new job, but also continues after initial training.

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. This is an opportunity for discussion in which we gather feedback and learn about any issues.

When appraising employees, we look at three specific criteria: productivity, readiness, respect.

In connection with the management of relationships with trade unions, we have established a production bonus that is paid on the basis of employees' performance appraisal forms with respect to both work and compliance with internal rules. This bonus is for all employees and is part of a second-level agreement with the trade unions.

Productivity
Readiness
Respect



Occupational health and safety: a top priority

GRI 403-2 | GRI 403-5 | GRI 403-9 | GRI 403-10

1,654
hours of health and safety training delivered in 2023

208
employees involved

We have established a **Health and Safety Management System** in accordance with Italian legislation, specifically Legislative Decree No. 81 of 9 April 2008 and other regulations referred to by the same.

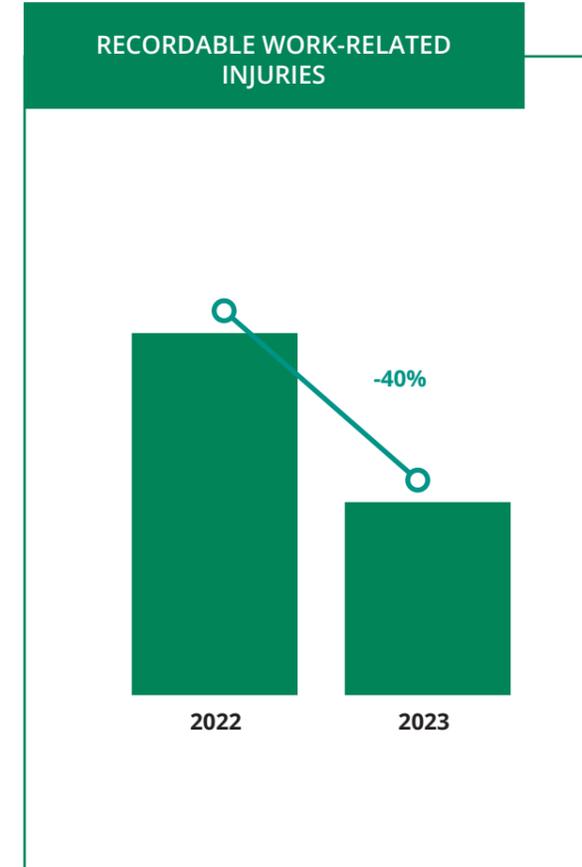
To carry out operations safely, protecting the health of employees, we have established several internal procedures that have been readily shared.

The **risk assessment** pursuant to Article 17(1)(a) of Legislative Decree No. 81/08 covered all risks to workers' health and safety, including those particular risks related to work-related stress, in accordance with the contents of the European Agreement of 8 October 2004, and those concerning pregnant workers, in accordance with Legislative

Decree No. 151 of 26 March 2001, as well as risks related to gender differences, age, and origin in other countries.

In 2023, we recorded 3 injuries at work, none of which were classified as serious, with a **40% reduction in the number of injuries** compared to 2022. In response to these injuries, specific checks were carried out and corrective actions were implemented. Additionally, we took preventive steps with personnel who might not be considered fit to work in certain locations, with subsequent reassignments, where necessary, in order to avoid dangerous situations.

In the 2022-2023 period, we did not record any incidents of work-related ill health.



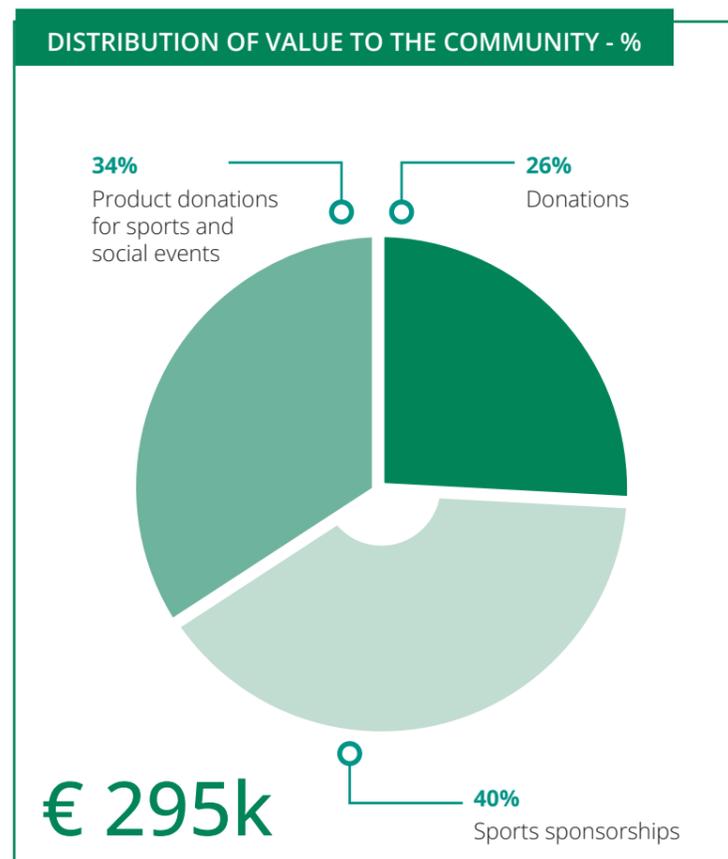
IMPROVEMENT ACTIONS

We are evaluating the purchase of equipment to handle raw materials and goods that would minimise physical strain on workers.

We are carrying out a preliminary analysis to evaluate the implementation of an Occupational Health and Safety Management System according to the UNI ISO 45001 standard.

Relationship with the area and the local community

We have always been committed to maintaining ties with the area and local community through sponsorships and product donations.



DONATIONS

For years we have sponsored **Fondazione Pace e Bene**, a foundation committed to supporting individuals and groups, locally, nationally and internationally. The foundation works to safeguard and champion the environment and the development of people for physical, psychological, economic, cultural and social wellbeing.

In addition, we support the local area through the **Croce d'oro di Albissola Marina** which, since 1992, has been a gathering place for residents to do activities together for the community.

EVENT SPONSORSHIPS

In 2023, we sponsored several sports activities, including the Ondine Savonese, the Savona synchronised swimming team of the amateur sports club **Rari Nantes di Savona**. Since 1986, they have won several championships and medals, bringing value to our area. In November, we sponsored the ninth edition of the **Savona Half Marathon International**, which ran through the city of Albissola Marina, with a series of different routes in terms of difficulty, length and rules, which made the competition as inclusive as possible. Several side events were held in conjunction with the race, including an important conference on combating gender violence.

PRODUCT DONATIONS

In 2023, we continued to support cultural and social events in the area through the donation of our products. Some of the social events we supported were the **Castano Race**, the **Trecate Half Marathon** and the **Bergeggi Swim the Island race**. In addition, we supported the **Attatrail, cammino con Agata**, an annual hike organised by the **TuttiperAtta** association in the Arenzano mountains to support children with cancer and their families.

Our commitment to the **environment**



CFO

ISO 14064-1:2019-certified
Organisational Carbon
Footprint



100%

Electricity from
renewable sources

-25%

water consumption

-6%

total energy consumption

-2%

waste generated
compared to 2022

932t co₂eq

avoided in the 2022-2023
two-year period
through the purchase of
Guarantees of Origin

TARGETS SET IN 2022

 *achieved*

 *in progress*



UNI EN ISO 14064-1:2019 certified Organisational Carbon Footprint

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

Achieved
The Organisation Carbon Footprint Study began in 2023 with certification received in 2024, when this report was prepared.



Photovoltaic system

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

Achieved
At the date of writing¹⁴, the plant has been completed and is in operation.

¹⁴. This report was written in December 2024



Water efficiency and recovery projects

Target set:
Introduce **flow regulators/aerators to taps** for a reduction in water consumption as the latter mix air with water to reduce consumption with no noticeable effect on water pressure.

Revision
We revised the targets mapped in the previous year as we are evaluating a larger project that will entail greater increases in water recovery than the amounts forecast in the initially identified projects.

Target set:
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 facility.

Ongoing
We are evaluating the implementation of a water treatment system.

ENVIRONMENT

Pillar	Where we are	Future targets	Target year	SDGs
PLANNING <i>Counteracting climate change</i>	Carbon Footprint Analysis 932t CO₂ avoided in the two-year period through the use of renewable energy	Good practices to reduce the environmental impact of the energy we use	Group Carbon Management Conduct a Scope 3 inventory, a study of GHG emissions to implement potential improvements and set emission reduction targets	2025 
CARE <i>Making the most of water resources</i>	-25% water consumption	Evaluation of the implementation of a system to recover water from the treatment system	Group Water Footprint We will measure our water impact in order to optimise water use	2025 
RATIONALISATION <i>Using energy resources responsibly</i>	100% Electricity from renewable sources	Energy consumption analysis and targeted actions to reduce and optimise consumption	Group Energy Analysis Analysis of the energy consumption of each production facility to identify waste points and potential opportunities to save energy	2025 
RECYCLING <i>Managing waste responsibly</i> OPTIMISATION <i>Analysing and redesigning the end-of-life of materials</i>	-2% waste generated Studies on the use and optimisation of packaging	Alternatives with a lower impact in product lines (Secondary Raw Materials)	Life Cycle Assessment (LCA) Objective and technically-supported assessment of the environmental performance of each production cycle, followed by the appropriate evaluations	2024 - 2026 

Steps we have taken to reduce energy consumption

GRI 302-1

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:

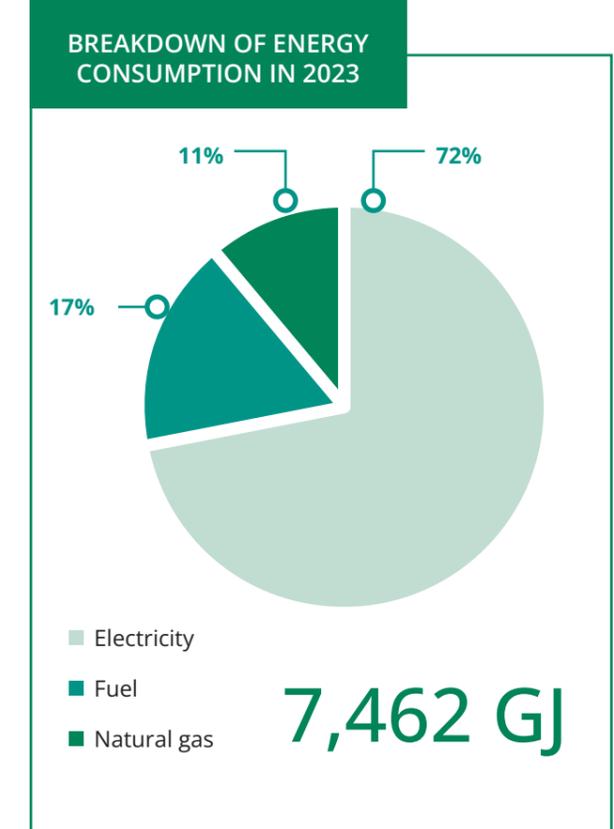
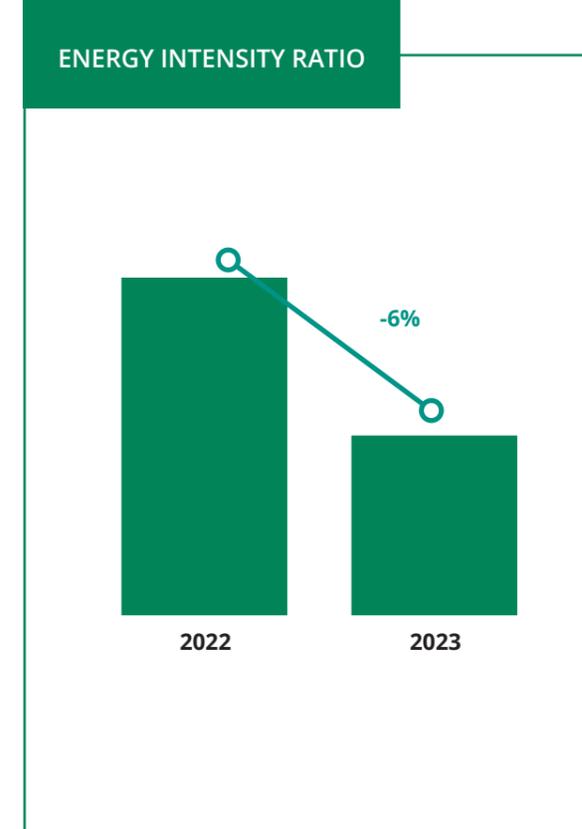
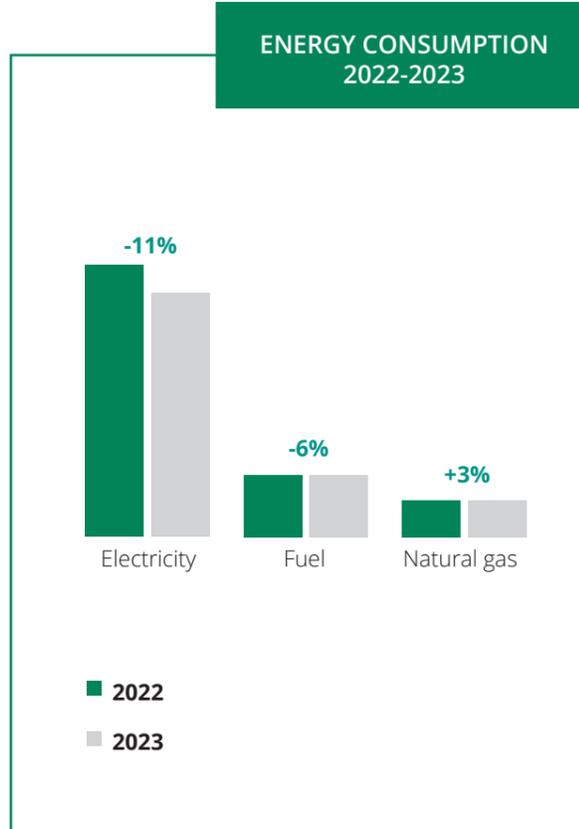
- heat recovery pump system for room air conditioning by means of a high-efficiency air handling unit (AHU), with energy recovery for production process heating;
- replacement of lamps with LED technology;
- introduction of new machinery using inverter technology.



In 2023, the organisation's total internal energy consumption was **7,462.25 GJ**.

Purchased electrical energy covered by **Guarantees of Origin**, is the energy vector with the greatest impact on total energy consumption in 2023, accounting for 71%. It is used for the operation of the plants. The next largest energy vector is fuel, accounting for 17% of consumption, which is used for the corporate fleet, and natural gas, accounting for 10.8% of consumption, used to heat offices and production departments.

Despite the increase in production volumes, there was a **6% decrease in overall energy consumption over the two-year period**.



Solid action to reduce our CO₂ footprint

GRI 305-1 | GRI 305-2

In line with our sustainability values and targets, we analysed and reported our environmental impact with the **Organisational Carbon Footprint Study for 2022**¹⁵.

For the overall analysis of the emissions produced, which also considers Scope 3, we present data for 2022, derived from the **ISO 14064-1:2019-certified Organisational Carbon Footprint Study** verified in 2024.

Most of the company's emissions in 2022 were **Scope 3**, which accounts for about 91% of its emissions. In particular, the **largest category** in the GHG inventory refers to the indirect emissions attributable **to the life cycle of purchased goods**. The remaining 7% relates to direct emissions (**Scope 1**) and indirect emissions from energy purchased from the grid (**Scope 2**).

This initial reporting of the company's emissions has motivated us to manage our various business activities even more responsibly.

In 2024, we will formalise our commitment with a **mitigation plan** of concrete, structured actions that encompass controlling internal energy consumption, raising employees' and consumers' awareness of the issue and implementing an increasingly rigorous management of our supply chain.

We are aware that decarbonisation is a complex and challenging path: our initiatives represent our commitment and determination to tangibly reduce our environmental impact along the entire value chain. **We will continue to take decisive action on our carbon footprint** with a focus on the quality of life of future generations.

In 2023, we produced **593 t CO₂eq¹⁶** of **Scope 1 and Scope 2 emissions, a 6% reduction on 2022**. Specifically, 75% of the emissions produced were from electricity consumption (Scope 2), while the remainder related to mobile and stationary combustion (respectively, the use of methane gas for heating and fuels



to power the corporate fleet), which make up Scope 1, as outlined in the previous section.

An analysis of our performance over the two-year period shows our organisation's **direct emissions (Scope 1)** totalled 146 tCO₂eq and showed a **3% drop over the two years**, achieved through reduced fuel consumption.

On the other hand, **indirect emissions (Scope 2)** totalled 448 tCO₂eq in 2023, showing a **reduction on 2022 (-7%)**, which was consistent with the reduction in electricity consumption.

The use of renewable energy sources is our main direct contribution in the fight against climate change. We have been able to do this by entering into **contracts for the supply of energy from 100% renewable sources, certified with the purchase of Guarantees of Origin** which attest to the renewable origin of the sources used by IGO-qualified plants.

Thanks to these choices, in 2022-2023 we avoided a total of **932 tonnes of CO₂e¹⁷**.

932 tonnes of CO₂e avoided

in 2022-2023 through the purchase of Guarantees of Origin

100%

of electricity purchased from renewable sources

15. Scope 1 – Direct emissions from company operations
 Scope 2 – Indirect emissions from imported energy
 Scope 3 – Other indirect emissions from downstream and upstream operations of the organisation

16. 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.

17. The avoided emissions are calculated as the difference between the emissions that would have been produced by purchasing electricity from the grid and the zero impact in the form of direct emissions of electricity generated from the photovoltaic installation.

Efficient resource management

Use of water resources

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

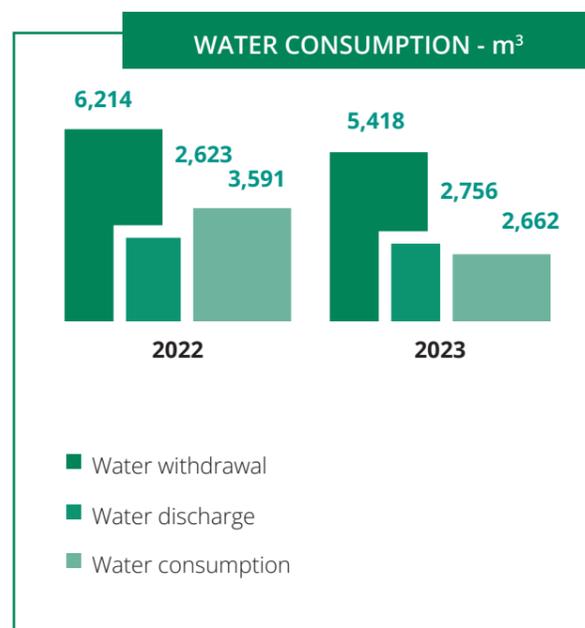
Our company mainly uses water resources to formulate products, for lavatories and production facilities and to wash machinery and pallets and irrigate flower beds.

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.

All the water used is withdrawn from the aqueduct. In 2023, we recorded **water consumption of 2,662 m³, a 25% reduction on 2022**. The chart shows the water withdrawn, consumed and discharged. Discharged water is from the cleaning of equipment, tanks and drums used for the production of food supplements and plant extracts, as well as floor washing.

We plan to continue optimising our management of water resources. Therefore, we revised the targets mapped in the previous year as we are evaluating a larger project that will entail greater increases in water recovery than the amounts forecast in the initially identified projects.



Objective for 2024-2025:

Reverse osmosis system: we intend to implement a new reverse osmosis system in the liquid department to demineralise and recover water discharged from the existing treatment system. Preliminary evaluations indicate a **potential recovery of approximately 50%** of the flow entering the treatment system that is ejected from the same system during the filling of the water treatment system serving the plant's liquids department.

The use and selection of raw materials

380,170 Kg

of raw materials used in 2023

The selection of raw materials is a crucial part of our process, in keeping with the high standards of excellence we have set for ourselves. This is why we rely on manufacturers who meet strict reliability and quality standards, asking them to share with us precise information on the materials they use to ensure 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 2023, we used a total of **380,170 kg of raw materials, an 18% increase on 2022**. This increase is due to the growth in the number of items sold (+2%), a change in product composition and new launches in 2023. The main materials, including glycerics (18%), dry plant extracts (14%) and vitamins (14%), form the basis of our products, which we handle carefully and meticulously.



The choice of packaging and waste management

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

Our primary packaging materials are PVC, PVCD, glass and laminated sachets. Our secondary packaging consists of boxes, labels, films, sleeves and paper, the latter being FSC-certified.

We are currently reformulating our packaging to reduce its environmental impact. For this reason, we have replaced the inflatable bags inside the packages with paper material and the plastic-coated 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

establishing the rules to be followed for the different types of waste handled.

In 2023, we produced **137 tonnes of waste**, a **2% reduction on 2022**. 99% of the waste generated was non-hazardous waste. Approximately 72% of this waste was sent for recovery¹⁸.

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 curtailed the use of plasticised paper in promotional material.

137 tonnes

of waste generated

-2%

waste generated compared to 2022

72%

of waste generated sent for recovery

	UoM	2022	2023
Hazardous waste	kg	1,388	1,167
Non-hazardous waste	kg	139,112	136,476
<i>of which sent to landfill</i>	<i>kg</i>	<i>18,714</i>	<i>39,043</i>
<i>of which recovered</i>	<i>kg</i>	<i>121,786</i>	<i>98,600</i>
Total waste	kg	140,500	137,643

18. In 2023, the percentage of waste sent for recovery decreased due a change in our supplier's disposal method in 2023.

2024-2026 Action Plan Packaging



PACKAGE INSERTS

Package inserts were replaced with QR codes to provide the necessary information



PLASTIC FILM

The use of internal and external film was reduced



R-PET

PET was replaced with R-PET where possible



SECONDARY PACKAGES

The use of partially-recycled cardboard was evaluated



CARTONS

Cartons were eliminated in the packaging of certain products

Methodological note

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

Scope of reporting

Company name

ESI

Type of ownership

Private

Legal status

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

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The report

This is the second Sustainability Report of ESI S.r.l. (hereinafter also 'the company' or 'ESI'). The information in this 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 2023 by ESI S.r.l.

The Sustainability Report was prepared on a voluntary basis and is not a consolidated Non-Financial Disclosure (NFD) because the company is not subject to Italian Legislative Decree no. 254 of 30 December 2016, which, in implementation of Directive 2014/95/EU, establishes the preparation of an NFD as a mandatory requirement for public-interest entities exceeding certain quantitative thresholds.

References

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

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

The indicators were selected on the basis of a significance analysis of material topics for the company and its sector, as described in the section "Materiality analysis and stakeholder engagement". 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 established objectives.

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 write to esi@esi.it.



GRI indicators

This section provides information on the GRI indicators used in the report for greater clarity and comparability of ESG performance over the two-year reporting period.

GRI 201-1 Economic value generated and distributed

Direct economic value generated and distributed

	2022	% of tot.	2023	% of tot.
Economic value generated and received	€60,333,596	100.0%	€60,908,693	100.0%
Economic value generated	€60,064,422	99.5%	€60,901,993	99.99%
Economic value received	€269,175	0.5%	€6,700	0.01%
Economic value distributed	€44,215,735	74.4%	€45,595,118	74.9%
Suppliers	€33,942,318	57.1%	€33,519,628	55.0%
Directors and statutory auditors	€41,600	0.1%	€41,600	0.1%
Human resources	€6,936,529	11.7%	€7,052,691	11.6%
Banks and other lenders	€129,040	0.2%	€132,503	0.2%
Public authorities	€2,933,016	4.9%	€4,620,031	7.6%
Local community	€233,233	0.4%	€228,663	0.4%
Economic value retained	€16,117,862	25.6%	€15,313,575	25.1%
<i>of which net profit for the year</i>	<i>€11,357,159</i>	<i>18.8%</i>	<i>€8,575,753</i>	<i>14.0%</i>

GRI 204-1 Procurement Practices

Proportion of spending on local suppliers

	2022	2023
Italy	80%	78%
EU	18%	12%
Non-EU	2%	10%
Total	100%	100%

GRI 2-7 Employees

Employees by gender

	2022	2023
Women	32	32
Men	82	88
Total	114	120

Breakdown of employees by type of contract

	2022	2023
Temporary	1	-
Female	1	-
Male	-	-
Permanent	113	120
Female	31	32
Male	82	88
Total	114	120

Employees by form of employment

	2022	2023
Full-time	105	111
Female	23	23
Male	82	88
Part-time	9	9
Female	9	9
Male	0	0
Total	114	120

GRI 2-8 Workers who are not employees

Workers who are not employees

	2022	2023
Contractors	-	4
Interns	6	4
Total	6	8

GRI 401-1 Employee turnover

New hires

By age group	2022	2023
Up to 29 years	-	5
30-50 years	2	2
50 years	-	1
Total	2	8

Separations

By age group	2022	2023
Up to 29 years	-	-
30-50 years	4	1
50 years	1	1
Total	5	2

Change

	2023
New hires	7.0%
Separations	1.8%
Total turnover	8.8%

GRI 403-9 Work-related injuries

Number of work-related injuries

	2022	2023
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	3

Type of injury

	2022	2023
Slips and falls	-	1
Road accidents	3	-
Strikes from/Collisions with/against	2	2

GRI 404-1 Training

Average hours of training

	UoM	2022			2023		
		women	men	total	women	men	total
Senior managers	h	-	51	51	-	46	46
Middle managers	h	14	1	2	122	17	29
White-collar workers	h	3	5	3	10.7	42	22
Blue-collar workers	h	1	1	1	36	17	19
Total		3	43.8	3	19	22	21

GRI 405-1 Diversity of governance bodies and employees

Governance bodies by gender

	2022			2023		
	Women	Men	Total	Women	Men	Total
Board of Directors	-	3	3	-	3	3
Board of Statutory Auditors	-	1	1	-	1	1
Total	-	4	4	-	4	4

Governance bodies by age group

	2022				2023			
	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total
Board of Directors	-	-	3	3	-	-	3	3
Board of Statutory Auditors	-	-	1	1	-	-	1	1
Total	-	-	4	4	-	-	4	4

Breakdown of employees by role and gender

	2022			2023		
	Women	Men	Total	Women	Men	Total
Senior managers	-	3	3	-	4	4
Middle managers	1	8	9	1	8	9
White-collar workers	25	11	36	25	14	39
Blue-collar workers	6	60	66	6	62	68
Total	32	82	114	32	88	120
<i>Percentage</i>	<i>28%</i>	<i>72%</i>	<i>100%</i>	<i>27%</i>	<i>73%</i>	<i>100%</i>

Employees by role and age group

	< 30	30-50	> 50	Total	> 30	30-50	> 50	Total
	Senior managers	-	1	2	3	-	1	3
Middle managers	-	3	6	9	-	3	6	9
White-collar workers	1	28	7	36	3	30	6	39
Blue-collar workers	10	43	13	66	12	42	14	68
Total	11	75	28	114	15	76	29	120
<i>Percentage</i>	<i>10%</i>	<i>66%</i>	<i>24%</i>	<i>100%</i>	<i>13%</i>	<i>63%</i>	<i>24%</i>	<i>100%</i>

Protected job categories broken down by category and gender

	2022			2023		
	Women	Men	Total	Women	Men	Total
Blue-collar workers	-	6	6	-	6	6
White-collar workers	-	-	0	-	-	0
Total	0	6	6	0	6	6

GRI 302-1 Energy consumption within the organisation¹⁹

Fuel consumption	UoM	2022	2023	UoM	2022	2023
Diesel consumption - stationary combustion safety generator set	L	20.00	20.00	GJ	0.71	0.71
Corporate fleet diesel consumption	L	33,429.93	28,303.89	GJ	1,190.11	1,007.05
Corporate fleet petrol consumption	L	5,666.94	8,839.16	GJ	185.31	289.04
LPG	L	-	25.54	GJ	-	0.61
Total fuel consumption	L	39,116.87	37,188.59	GJ	1,376.13	1,297.98
Methane gas consumption	UoM	2022	2023	UoM	2022	2023
Methane gas consumption for heating	m ³	23,030.00	23,632.00	GJ	785.32	805.85
Electricity consumption	UoM	2022	2023	UoM	2022	2023
Medium-voltage electricity consumption	kWh	1,607,611.00	1,488,449.00	GJ	5,786.97	5,358.42
Total energy consumed				GJ	7,958.08	7,462.25

GRI 302-3 Energy intensity

	UoM	2022	2023
Energy consumption	GJ	7,948.85	7,462.25
Finished products sold	pcs	16,392,331	16,716,632
Energy intensity ratio		0.00048	0.00045

303-3 Water withdrawal | 303-4 Water discharge | 303-5 Water consumption

Water Resources

	UoM	2022	2023
Water withdrawal - from the aqueduct	m ³	6,214	5,418
Water discharge	m ³	2,622	2,756
Total water consumed	m³	3,591	2.66

19. Conversion factors used:

- Diesel: Table 1 EEN Resolution 9/11 - EN ISO 3675
- Petrol: Table 1 EEN Resolution 9/11 - ISO 1716
- Natural gas: Table 1 EEN Resolution 9/11
- Electricity: PCC 2021 GWP 100 Vers.1.00

GRI 305-1 Direct (Scope 1) GHG emissions
GRI 305-2 Energy indirect (Scope 2) GHG emissions²⁰

CATEGORY		2022 ²¹	2023
SUB-CATEGORY	Activities	GHG EMISSION VALUE location-based (t CO ₂ eq)	GHG EMISSION VALUE location-based (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	0.05
	Methane gas consumption for heating	48.36	49.63
1.2 Direct emissions from mobile combustion	Corporate fleet diesel consumption	88.06	74.56
	Corporate fleet petrol consumption	13.70	21.37
Total value of Scope 1		150.17	145.65
SCOPE 2 - Direct GHG emissions			
2.1 Indirect emissions from consumption of imported electricity	Medium-voltage electricity consumption	483.50	447.66
Total value of Scope 2		483.50	447.66
Total value of Scopes 1 & 2		633.68	593.31

GRI 305-4 GHG emissions intensity

	UoM	2022	2023
Total Scope 1 and 2 emissions	t CO ₂ eq	633.68	593.31
Finished products sold	pcs	16,392,331	16,716,632
Energy intensity ratio		3.86571E-05	3.549E-05

20. • Natural gas: DEFRA 2023 Fuels - Gaseous fuels - Natural gas (100% mineral blend) - I

• Diesel - Corporate fleet: Ecoinvent 3.9.1 transport, passenger car, medium size, diesel, EURO 5 | transport, passenger car, medium size, diesel, EURO 5 | Cutoff, U

• Petrol - corporate fleet: Ecoinvent 3.9.1 transport, passenger car, medium size, petrol, EURO 5 | transport, passenger car, medium size, petrol, EURO 5 | Cutoff, U

• Electricity - mix - ISPRA - Emission factors for electricity production and consumption in Italy (Estimated greenhouse gas emission factors in the electricity sector for gross electricity production net of pumping. 2023).

21. 2022 data have been revised using updated emission factors for comparability with 2023.

GRI Content Index

ESI S.r.l. has reported the information referenced in this GRI content index for the period from 1 January 2022 to 31 December 2023 with reference to the GRI Standards.

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This Sustainability Report was prepared with the methodological support of:





ESI srl

Registered office
Corso Ferrari 74/6
17011 Albisola Superiore (SV) Italy