

**SUSTAINABILITY
REPORT
2022**

Our commitment to
a better future.
For the skin.
For life.



TABLE OF CONTENTS

- 8 METHODOLOGICAL NOTE
- 10 LETTER TO STAKEHOLDERS
- 12 HIGHLIGHTS

14 BEAUTY AND SUSTAINABILITY: A RELATIONSHIP THAT RENEWS ITSELF

- 16 Challenges and opportunities of an increasingly demanding market
- 17 Our Commitment

17 OUR IDENTITY

- 20 Creating shared value: our business model
- 22 From our roots towards an ambitious future
- 24 Our idea of well-being
- 26 The Free-From Philosophy
- 28 Our product lines
- 34 Our customers: our strength
- 36 Supply chain: consolidated management
- 36 Our approach: we invest in long-term relationships
- 38 Supplier distribution

40 UNFILTERED: OUR SUSTAINABILITY JOURNEY

- 42 An incisive and tangible approach
- 43 Internal materiality analysis: our strategy
- 45 Sustainable Development Goals - SDGs
- 46 Stakeholder mapping and engagement

50 GOVERNANCE AND BEST PRACTICES: COMPANY POLICIES, STRATEGIES AND PERFORMANCE

- 52 Organisational and management structure
- 56 ECONOMIC PERFORMANCE
- 56 The results
- 56 The economic value directly generated and distributed
- 59 From research to innovation: a vision, a mission
- 60 Our dedication to quality and the uniqueness of our products
- 60 A recognised quality: our approach
- 61 A reliable production system
- 62 Quality management:

TABLE OF CONTENTS

65 OUR PEOPLE

- 66 Development of human capital
- 68 Welfare and well-being
- 71 Diversity: our uniqueness
- 76 Development of know-how
- 78 Occupational health and safety
 - 78 Our priority every day
 - 78 *Risk assessment*
 - 79 The impact on employees
 - 79 *Active participation and promotion*
 - 79 *Health and safety training*
 - 79 *Occupational health service*
 - 79 *Accidents at work and occupational diseases*
- 80 Social responsibility: commitment beyond organisational boundaries
 - 80 Community relations, actions for the territory
 - 82 *Protecting the marine environment*
 - 83 *Women's empowerment: with women, for women*
 - 84 *Art and sport: shaping emotions*
 - 85 *Membership of associations*

87 RESPECT FOR THE ENVIRONMENT: RESPONSIBLE FROM THE OUTSET

- 88 Environmental impacts: our action plan
- 89 Managing resources while respecting nature
 - 89 *Formulation: zero microplastic target*
 - 91 *Research at the service of sustainability: the scientific journey of Defence Sun*
 - 92 *Packaging: good practices and the Eco-Pack project*
 - 94 *Rational use of water resources*
 - 95 *Waste and scrap: collection, disposal, recovery*
- 96 Energy: the initiatives taken
 - 97 *Energy consumption*
 - 98 Climate change, climate protection: our carbon footprint
 - 100 *Carbon Footprint Organisation: the first results of the study*
 - 102 *Avoided emissions*
 - 103 *Mapping of employees' home-work journeys*
 - 104 Towards a more sustainable future: virtuous goals, concrete actions

106 TABLE OF CONTENTS GRI AND CORRELATION TABLE

METHODOLOGICAL NOTE

GRI 2-1 | GRI 2-2 | GRI 2-3 | GRI 2-5

THE REPORT

This document is the first Sustainability Report of **ICIM International S.r.l.** (hereinafter also “the company” and/or “**icim**” and/or “**BioNike**”). 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 scope used in this document includes information relating to the activities carried out by ICIM International S.r.l.; as of the date on which this Report was drafted, the Company holds 75% of the share capital of The Good Vibes Company S.r.l. and 80% of the share capital of ESI S.r.l., both of which are excluded from the reporting scope.

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 thresholds.

1. The acquisition by The Good Vibes Company S.r.l. took place during 2023, therefore it does not fall within the time frame covered by this Report. ESI S.r.l., in line with the sustainability path taken by the Sodalis Group, has decided to report its sustainability performance in a separate document, published on the company’s official website and accessible from this link

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 attached hereto.

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 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 indicators were selected on the basis of a materiality analysis of key issues for the company and its sector of operation, as described in the section “Materiality analysis: our internal 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.

The Sustainability Report is prepared annually and published on the company’s official website <https://www.BioNike.it/it/sostenibilita/>.

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

LETTER TO STAKEHOLDERS

GRI 2-22

Sustainability as new blood, new strength.
We are ready for change, for the creation of a more sustainable future.

Dear Stakeholders,

We are pleased to share with you our first Sustainability Report, a document that reflects our commitment to a more sustainable and responsible future; a testament to our desire to create value not only for our brand but also for the entire community and the environment in which we operate.

In the year of writing we recorded significant developments in many areas. In terms of sales channels, we saw strong growth in the pharmaceutical channel, which led to a diversification of the product mix in order to adapt to new consumer needs. From an economic point of view, we are pleased to share our turnover growth of +12%: a particularly significant result, considering that the business landscape and industry dynamics are undergoing substantial changes.

The values that guide our company are fundamental to our growth: "Research and Innovation", "Respect and Safety", "Wellness and Harmony" are the pillars on which our sustainability strategy is based. The name BioNike derives from the Greek Bio=Life and Nike=Victory. It carries within it a great promise, that of making life win by overcoming all adversity. We want to fulfil this important promise by working to enhance the health and beauty of our skin, but also of the world in which we live.

Improving our sustainability profile is one of our strategic priorities: to be ready for the challenges of today and tomorrow, to address the needs and demands of the markets in which we operate, to meet the new demands made by consumer awareness, and to develop ideas and projects in a more responsible way.

Our first Sustainability Report was drafted in line with the strong belief that sustainable development is crucial for our industry. We want to make the world of cosmetics a better place, for people and for the environment.

This document is an important step in our mission of transparency and accountability; we relate how we are building our sustainable future, focusing on what we have done so far, on the path we have taken and the targets we have set. We will continue to strive to improve our formulations and we also aim to use recycled and/or recyclable materials for our products. We will continue to use only electricity from renewable sources in our production plant. The activities we have implemented reflect our commitment to sustainability, and will be central to the development of strategies we will implement to reduce our environmental impact.

Commitment to sustainability has become an essential part of our mission. We want to be a leader in the Health&Beauty sector not only to ensure the quality of our products but also to make a contribution to sustainable development, so that new generations can live in a better world.

Positive thinking, determination and passion are elements that have always distinguished us; they are an integral part of the Group's philosophy and indispensable values that create a unique identity, in which we strongly believe.

Our sustainable growth is ongoing, and it is made possible thanks to all those who see themselves reflected in BioNike every day.

We will continue to share the value of our experiences, of the ambitious and at the same time challenging path we have embarked upon, in the certainty that our constant exchange of ideas with you will be an important factor for our activity

Enjoy the report.

Fabio Granata

Chairman of the Board of Directors

HIGHLIGHTS

1932
Year of incorporation



€ 103.9 mln
Economic value generated

UNI EN ISO 9001:2015
UNI EN ISO 22716:2007



€ 72.7 mln
Economic value distributed

103
*Employees as at
31.12.2022*



688 hours
*Training provided to
employees*

79%
Female employees



7 years
Average age of the workforce

55
Tonnes of virgin plastic saved



17%
*Electricity demand covered by
photovoltaic system*

96%
*Waste produced
and sent for recovery*



670 t CO₂eq
*Emissions saved through energy
supply from renewable sources*



BEAUTY AND
SUSTAINABILITY:
A RELATIONSHIP
THAT RENEWS ITSELF

Challenges and opportunities of an increasingly demanding market

In 2022, the Health&Beauty sector is characterised by a growing awareness among consumers and companies about sustainability and environmental impact. A rapidly changing environment, with its fair share of significant challenges and opportunities for our company.

CHALLENGES

The **challenges** of the market are manifold, as are the efforts made by companies to overcome them. The sector is subject to **increasingly stringent safety and sustainability regulations**; ensuring compliance with these involves a significant amount of work on the part of companies. The growing **demand for sustainable products** has led to increased competition among companies, prompting them to use as many sustainability initiatives as possible, requiring a constant and continuous commitment. **Ensuring the sustainable origin** of raw materials is not always easy to implement: this requires synergy and collaboration with suppliers and partners. This guarantees the traceability of the ingredients and makes the supply chain accountable.

OPPORTUNITIES

Consumers are increasingly interested in cosmetic products that are sustainable, with a high eco-friendly profile; **environmental and social awareness** increasingly accompanies their daily choices. This is why we have been reviewing our formulations and production processes for years to reduce their environmental impact. The use of packaging is also becoming a key driver in consumers' purchasing decisions: we increasingly favour the use of packaging made from recycled, recyclable and compostable materials, in order to reduce the amount of waste produced and encourage separate waste collection. A sense of responsibility guides us in every choice and decision we make. **Clarity** is a hallmark of our company: infor-

mation on product sustainability, whether on the label or conveyed through online and offline communication channels, is truthful, demonstrable, accurate and never misleading. In this way, we do not engage in greenwashing and we build trusting relationships with consumers who recognise our commitment and values such as integrity, transparency and honesty.



Our Commitment

The challenges facing us cannot be underestimated and we are ready to tackle them head on: we are aware of the **opportunities** the sector offers to companies that act responsibly, as we have always done. **Product innovation** offers the opportunity to distinguish oneself in the market; the development of sustainable products can help to retain customers who are increasingly aware of the importance of the environmental impact products can have. The adoption of **sustainable practices and materials** can streamline internal efficiency and reduce our operating costs in the long term.

Our commitment, which this first Sustainability Report promotes, is inherent in our identity and our way of doing business it is reflected in a tangible way

in the promotion of sustainability-conscious products that reduce environmental impact while meeting consumer expectations. A commitment on which we focus daily, setting ourselves continuous goals, including:

innovation and improvement: we invest in research and development to constantly innovate our products and processes, reducing their environmental impact;

collaboration for sustainability we will work closely with suppliers and partners to ensure the sustainable origin of ingredients and improve supply chain management;

communicating our sustainability: we will be transparent in communicating our sustainability

efforts and achievements, ensuring greater trust among consumers.

We are responsibly implementing the change towards more sustainable cosmetics; achieving the goals we have set ourselves is a guide to meeting the challenge of sustainability that affects our industry, people, and the planet.

OUR IDENTITY



Creation of shared value: our business model:

GRI 2-1 | GRI 2-6

*BioNike finds its roots in Greek etymology:
Bio = life and Nike = victory.*

ICIM International is known to key stakeholders as **BioNike, Italy's leading brand for dermo-cosmetics in pharmacies and parapharmacies.**

Our brand originated from the intuition of an enlightened entrepreneur and pharmacist who, in the 1960s, realised how useful cosmetics could be as a support to the treatments prescribed by dermatologists.

In those days, contact allergies due to heavy metals in product formulations were widespread; however, approaching this aspect of the use of cosmetics with dermatologists was not at all straightforward so, in the 1990s, in collaboration with accredited chemical laboratories, we refined a method capable of detecting even infinitesimal amounts of nickel. This has enabled us to **make "nickel**

tested" cosmetics suitable for even the most sensitive skin.

By virtue of our focus on the treatment of sensitive, allergic and hyper-reactive skin, we feel we can position ourselves as a pioneer in the field.

Thanks to the trust consumers have placed in us, we are now one of the leading companies in the pharmacy and parapharmacy channels; a significant stimulus that has led us to enter foreign markets, where the BioNike brand is continuously growing. We distribute our products in 37 countries worldwide.

Our path, characterised by **innovation, scientific research and quality**, has reached a milestone for the challenges we have faced, but it is also an important starting point that pushes us towards virtuous goals.



**NO. 1
BRAND
IN ITALY**

DERMOCOSMETICS



85%

**BRAND
AWARENESS**



€ 92.28 mln

**2022
TURNOVER**

From our roots towards an ambitious future

ORIGINS

1932
ICIM
International
S.r.l.
(Italian
Chemical
Institute Milan)
is established

Our history began way back in **1932** when I.C.I.M. (Italian Chemical Institute Milan) started as a small chemical laboratory. Since the 1960s, the original owner of the company, thanks to his network of contacts in the **world of dermatology** and through the activity of **medical information** looked far-sightedly at the great development opportunities in the pharmaceutical field, leading the company to the launch of the first BioNike branded product line in **1961**. A priority condition for the BioNike formulations has always been their respect for the skin, even the most sensitive types; therefore, we select ingredients primarily based on their skin tolerability profile.

CONSOLIDATION

1961
BioNike brand
product line
launched

Despite a change of ownership in the 1960s, the company remained true to the concept of **innovation** as an integral part of its identity, looking at the real needs of patients.

In 1986, a patent was filed for the use of liposomes in dermocosmetic formulations, ten years ahead of the use of this methodology by multinational brands.

In the late 1980s, for the first time in the world, the spotlight fell on the use of heavy metals, particularly nickel, as one of the triggers of allergic dermatitis. Having identified this requirement and the need to remedy it, in the 1990s, in collaboration with accredited chemical laboratories, we fine-tuned a method capable of detecting even infinitesimal quantities of nickel. **This enabled us to make "nickel tested" cosmetics suitable for even the most sensitive skin.**

We therefore see ourselves as pioneers in the treatment of sensitive, allergic and hyper-reactive skin.

1989
Triderm
launched

In 1989, the first product of the **Triderm line was launched**. Formulated to cleanse and treat sensitive and reactive skin, it sought to minimise any traces of **nickel** within it. The company's continuous affirmation in the medical world and the consolidation of the brand led ICIM to extend its offer to the general public, promoting and expanding its product portfolio; this drive led ICIM, in the 1990s, to transform itself from a small chemical laboratory in Lombardy to a well-established reality recognised for its medical-scientific approach thanks to its **"nickel tested"** product line. **This made the company** the point of reference for dermatologists, allergologists and paediatricians.

In **1997** we introduced the **"Free-From" philosophy**, a true formulation philosophy, the result of study and research. According to this formulation philosophy **all the BioNike products, in addition to being nickel tested, are free from substances indicated in dermatological literature as being the most frequent causes of contact allergies: preservatives, scent, gluten.**

The 2000s saw us pioneer the development of several products: in **2002** the Triderm line launches the first **topical medical device for the treatment of contact dermatitis and eczema**. The year **2004** saw us pioneer in Italy the development of the **Defence Color and Defence Cover lines, make-up products formulated to minimise the presence of heavy metals, including nickel, chromium and cobalt** which, even in residual content, can create possible allergic reactions and sensitisation, particularly in susceptible individuals. Finally, in **2005** we launched Defence Body, the first **topical medical device for the treatment of cellulite**.

In **2017** we joined the Sodalis Group, A two-year period dedicated to our complete integration followed.

THE EVOLUTION

The years of the COVID-19 pandemic were very difficult; however, we reacted resiliently, readjusting the mix of our portfolio to meet the demands of the market. In **2022** after about three years of work, we embarked on an ambitious plan to become the **leading company in the anti-ageing market**. BioNike's research and the experience of high-profile international dermatologists produced **COSMECEUTICAL: new corrective protocols inspired by dermo-aesthetic biorevitalisation**.

The year **2023** will be one of renewal for our brand image; our signature style in pharmacies will undergo a major change with regard to make-up. Ours is a story of deep roots, aimed at innovation. Our future is focused on sustainable and lasting growth: this is how we will meet the challenges ahead.

1997
Launch of the
"Free-From"
philosophy

2002
First medical
device for
the treatment
of contact
dermatitis and
eczema

2004
ISO 9001
certification
obtained

2005
First medical
device for the
treatment of
cellulite

2014
ISO 22716
certification
obtained

2017
Acquisition by
the SODALIS
Group, Italian
market leader in
Health, Beauty
& Personal Care

2022
First draft of the
Sustainability
Report

Our idea of well-being

One of the principles underlying the Sodalis Group's strategic and operational choices is **well-being** in its broadest sense. At BioNike we fully understand and agree with its importance, and in fact it is the defining element of our way of being and doing business. Well-being not only concerns our products, but also our employees, consumers and the communities in which we operate; it distinguishes us and determines our approach, which unites us as a Group.

Our **commitment to well-being** is the basis of our identity both as BioNike and as a member company of the Sodalis Group: it is the common thread that guides our work. We invest in scientific research and innovation to promote the well-being of the skin and to maintain high quality standards in our products; a commitment that allows us to offer advanced and cutting-edge solutions.

RESEARCH AND INNOVATION

We have **always invested in research, our strength. Skin is increasingly exposed to pollution and aggressive UV radiation, as well as numerous other factors that make it sensitive and intolerant.** Our Research and Development team not only keeps abreast of the latest international cosmetology news, but also liaises with the company's creative department (Product Marketing), opinion-leading specialists (dermatologists, paediatricians, trichologists, gynaecologists, aesthetic doctors) and customers, pharmacists and consumers in order to constantly develop advanced, cutting-edge solutions.

SAFETY AND TOLERABILITY

Our constant **formulation research** is supported by external specialist centres and universities. Our technical-scientific department ensures the safety and efficacy of all products, guaranteed firstly by the use of selected raw materials and subsequently by rigorous in vitro and clinical tests. For us, safety, in the sense of tolerability for the skin, including hypersensitive skin, is paramount. Our team of scientific marketing experts is constantly working to develop formulations that embrace the concept of 'free-from' products.

LOVE OF BEAUTY

We nurture a deep love for beauty, and at BioNike we strive to pursue it every day, starting naturally with our products, every detail of which is carefully thought-out. The Beauty in which we believe and which we promote is linked to being and not just to appearance, which is why we speak of 'Bellessere': a beauty that starts from our feeling good in our own skin and that is pure, authentic in its essence, ageless and timeless.

QUALITY

Everything we do revolves around quality, which translates into products and solutions that bring benefits, safely, without ever neglecting the sense of beauty that inspires us every day.

We offer high quality products whose performance is evaluated and attested by the numerous tests we carry out such as:

- in vitro skin tolerability test on a model that mimics human skin characteristics and reactions;
- in vivo tolerability test (patch test) also on subjects with sensitive skin;
- in vivo instrumental and dermatologically controlled tests;
- use tests on a panel of volunteer subjects to assess cosmetic compliance.

Only in this way do we ensure the quality, innovation and reliability of our formulations.

These aspects express our corporate philosophy, an integral part of our identity, fully understood and shared by all employees. Our business is based on a strong and well-established value system that is a guide on the path to strengthening our brand identity.

Driven by the desire to adopt a more responsible approach aimed at continuous improvement, we are working on the creation of the Code of Ethics, in which the principles that guide our way of doing business are highlighted in a clear and transparent manner.

Once we have completed the Code of Ethics, we will share it with our stakeholders, so that there is an alignment in the principles pursued.

The Free-From Philosophy

Preservative-free, perfume-free, gluten-free and nickel tested: all these are BioNike's "FREE-FROMS". These FREE-FROMS make up our formulation philosophy: a distinctive trait, our strength, our identity, the priority condition for our formulations, respecting the skin, even the most sensitive skin.

PRESERVATIVE-FREE

Our formulation strategies (control of free water in the formula, osmotic systems) replace traditional preserving agents while guaranteeing protection against microorganisms.

PERFUME-FREE

Perfume is a major cause of allergic reactions, which is why the focus on consumer safety is so high. Our cosmetics are formulated without perfume, and we also select and evaluate the quality of raw materials from an olfactory point of view. Where the addition of perfume is necessary - to make products more pleasant to use - we evaluate carefully selected fragrances with regard to their potential allergen content.

GLUTEN-FREE

The claim 'does not contain gluten or its derivatives' allows those with a 'gluten sensitivity' to make an informed decision. Scientific studies show that the presence of gluten in products for topical use can lead to skin intolerance and allergic reactions in predisposed individuals with an altered skin barrier or 'non-coeliac gluten sensitivity'.

NICKEL TESTED

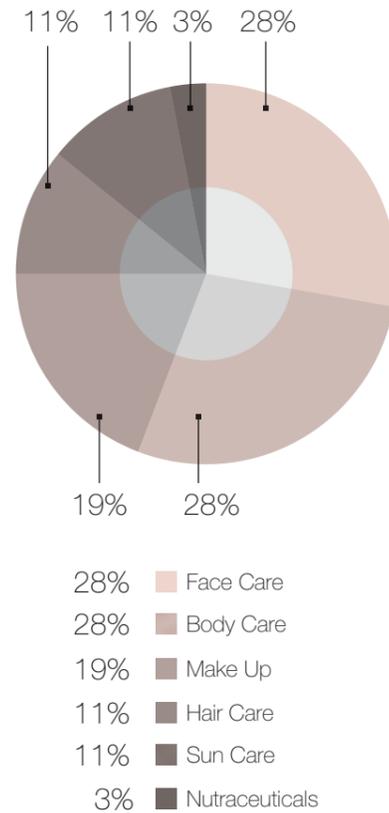
We have defined specific parameters within which to operate: we carry out a specific test on each production batch to monitor production progress and any traces of nickel that could trigger allergy. Allergic contact dermatitis (ACD) to nickel, in fact, is the most common form of dermatitis in western industrialised countries. This is why, for each production batch, we guarantee a trace nickel content of less than 0.1 ppm (0.00001%): a percentage 10 times lower than the amount scientifically indicated as the threshold content likely to cause an allergic reaction. For BioNike Defence Color and Defence Cover make-up products, in addition to nickel, we also test for the presence of other heavy metals such as cobalt and chromium. Even if these are contained in residual percentages, they can create possible allergic reactions and sensitisation, particularly in susceptible individuals.



Our product lines

With six different **key product categories** (face care, body care, make-up, hair care, sun care and nutraceuticals) and over **400 references** we accompany consumers in every daily gesture, responding to a wide variety of needs.

Thanks to our focused approach in the research, formulation and production of dermocosmetic treatments for the health, well-being and beauty of the skin, especially sensitive, allergic and reactive skin, we are leaders in pharmacy dermocosmetics, and have been pioneers in dermatological cosmetics since 1986.



FACE CARE

Complete treatment and cleansing programmes with high efficacy and high tolerability, highly specialised according to biological skin age and skin need.



DEFENCE HYDRACTIVE

New generation active hydration

Innovative moisturising treatments with anti-oxidant, anti-pollution and anti-blue light protection. With the HYALURON PRO line, the skin has 48 hours of continuous hydration, preventing skin ageing, thanks to the 5-molecular-weight Hyaluronic Acid complex.



DEFENCE XAGE

Preserve the youthfulness of your skin

Anti-ageing treatments formulated to prevent and counteract all types of wrinkles and signs of ageing, whether mild or pronounced.

Lifting, reshaping and redensifying action for skin that reveals new youthfulness. Defence Xage treatments are based on REJUVENATE SGF™: an exclusive complex capable of stimulating the release of the skin's main growth factors, increasing fibroblast activity and the natural availability of collagen, elastin and hyaluronic acid.

The entire line favours the use of natural rubbers instead of polymers potentially classifiable as microplastics. The line includes:



DEFENCE MY AGE

The value of a new beauty

A new era of anti-ageing, a new approach to the passage of time inspired by RESILIENCE: the ability to cope positively with a period of change.

Specially formulated for women going through the menopausal phase, this innovative treatment with SKIN RESILIENCY COMPLEX strengthens the skin's natural ability to cope with hormonal changes. Defence My Age acts on the 4 parameters of WELL-AGING (hydration - elasticity - firmness - radiance) improving the quality of the skin and enhancing its beauty.



DEFENCE MY AGE GOLD

Defend the strength of your beauty

A new chapter in life in which women rediscover freedom and awareness. Specifically formulated for the biorhythm of women in the post-menopausal phase, this treatment with SKIN REPLENISH COMPLEX, a source of calcium, revitalises and supports mature skin. Specifically designed for the mature skin of women who, after menopause, experience a strong hormone deficiency and an acceleration of the skin's ageing process. Defence My Age Gold works to improve the three key aspects of mature skin: nourishment, radiance and skin firmness.

COSMECEUTICAL

BioNike's research combined with the experience of high-profile international dermatologists has resulted in Cosmeceutical: the new treatment with high percentages of bioactive ingredients for global efficacy on the entire skin structure.



The new corrective protocols inspired by dermo-aesthetic biorevitalisation.

BioNike Cosmeceutical is formulated with a selection of bioactive ingredients at high percentages for progressive biorevitalising effects. The phases of the protocols are: cleansing, exfoliation, stimulation, treatment, complementary phases. Cosmeceutical protocols have a multilevel action: they are formulated to promote biostimulating effects on all layers of the skin such as the epidermis, dermoepidermal junction and dermis. We are inspired by the biorevitalisation procedures and techniques of modern aesthetic medicine. The formulation know-how of our dermocosmetic laboratories merges with the expertise of a board of high-profile international dermatologists to create a new standard of treatment.

NUTRACEUTICAL

Innovative food supplements formulated to improve skin quality and care for beauty from within. Cutting-edge nutraceuticals designed to act in synergy with cosmetic treatments and enhance their results.



NUTRACEUTICAL WELL-AGE

The beauty within me

A holistic approach to Health, Beauty and Well-being: cutting-edge nutraceuticals created to work in synergy with cosmetic treatments and enhance their results. These innovative food supplements are formulated with meticulously selected active ingredients to improve the overall quality of the skin and nourish beauty from within. They contain highly selected active ingredients, whose effectiveness is validated by scientific literature, clinical studies and self-assessment tests.



MAKE UP

Formulated to enhance beauty while offering maximum comfort, and fully respecting even the most sensitive, allergic or intolerant skin; because healthy skin is the source of beauty.



DEFENCE COLOR

*The latest generation of make-up
For the health and beauty of sensitive skin*

HIGH TOLERANCE + HIGH PERFORMANCE

High-performance formulas tested for maximum tolerability and optimal comfort. Our make-up enhances beauty by defending the well-being of even the most sensitive, allergic and intolerant skin day after day.

SUN CARE

A state-of-the-art photo-protection created to offer comprehensive defence against the short- and long-term damage caused by sun exposure, specially formulated to protect even the most sensitive skin and preserve the precious marine ecosystem.



DEFENCE SUN

Love your skin, save the sea

Our dermatological research and commitment to a sustainable future combine in **Defence Sun** the cutting-edge photoprotection created to defend the most sensitive skin while respecting natural resources.

A **triple photoprotection** for the skin of adults and children: from UVA-UVB rays, from free radicals generated by IR rays, from long-term biological damage thanks to Pro-Repair Complex that strengthens the skin's natural biological protection and repair mechanisms.

The Defence Sun body and face formulations are tested for compatibility with the marine ecosystem to preserve its biodiversity².

² Please refer to the section 'Research at the service of sustainability: the Defence Sun path' for more details on the eco-friendly path followed in the development of the line.

BODY CARE

Targeted products designed for every need, optimally combining effectiveness with respect for the skin: so that every woman can feel fully confident about her body.



DEFENCE BODY

Reactivate your wellbeing

A complete range of treatments created for every need of the female body: designed to treat cellulite, drain, help reshape the silhouette, moisturise and soothe heavy legs and combat stretch marks. Our best-seller is the highly effective and reliable medical device for treating cellulite.

For a complete wellness path, the Defence Body products are combined with Reduxcell and Depurd-rain food supplements from our Nutraceutical line.



HAIR CARE

Cleansing, treatment and hair colouring products formulated with the utmost respect for sensitive, allergic, reactive and intolerant skin.



DEFENCE KS

Reignite the active growth of your hair

The global anti-hair loss treatment with the patented KETO SYSTEM formula to restart active hair growth. Clinically proven efficacy: the lotion increases hair diameter and density; the food supplement strengthens the body's defences against oxidative stress.



SHINE ON

Hair colouring tested on women with allergies

Hair colouring products tested on allergy sufferers to ensure long-lasting colour and excellent coverage of grey hair, while gently protecting very sensitive hair and scalps. Maximum tolerability thanks to tested formulations:

- presence of nickel minimised
- ammonia-free
- resorcinol-free
- paraphenylenediamine-free
- preservative-free
- gluten-free



DEFENCE HAIR

Cleansing for beautiful hair and healthy skin

Taking care of the scalp is the first step to healthy, beautiful hair. This is why BioNike offers a hair cleansing line that protects even the most sensitive and irritation-prone scalp and enhances the natural beauty and wellbeing of the hair. An ideal line for daily use and for every specific treatment need.

Our customers: our strength

GRI 2-6 | GRI 418-1

+6000

Customers Italy

+36

Foreign markets

+110

Dedicated sales figures

+50

Medical sales reps

Customers play a priority role in our growth, since they are the main stakeholders with whom we constantly interface. We give them our utmost attention and support to strengthen our bond; we do this through listening and dialogue, offering quality products and services that live up to their expectations and meet their needs.

Our nationwide presence allows us to serve over **6,000 customers** including pharmacies, parapharmacies and health care units, evenly distributed in all regions, with a particular density in northern Italy.

The products are recognised and appreciated abroad, particularly in Spain, Portugal, Greece and Malta, and overseas in countries such as Hong Kong, China, Singapore, Korea and South Africa.

The customer network is supported by a team of over **50 medical sales reps and 110 external collaborators** dedicated to sales management, as well as several in-house specialists.

The **relationship with customers** is handled with great care by our sales force, operating through three separate sales networks:

- **medical information** dedicated to doctors whose dialogue activity involves more than 13,500 doctors for coadjuvants related to therapies. The main activity is the sharing of product information, through the support of sample distribution and information material;

- **agents in direct relationship with pharmacies, parapharmacies and wholesalers;**

- **consultant trainers to provide customised experiences for pharmacists and consumers.**

In 2023 we will develop our own e-commerce, a direct channel to end consumers.

The **direct feedback** we receive from end consumers, who have the possibility to contact us by e-mail to report complaints or provide suggestions, is a cornerstone of our customer management approach. Consumers can turn to our scientific and technical staff for support in the use of skin-improving treatments or if they would like to receive personalised suggestions on how to use BioNike products. In addition, if they have any doubts or specific requests, they can turn to the pharmacists, who act as intermediaries and report back to us on the feedback received. Our corporate philosophy means that we are always at the customer's side and can react promptly to any feedback. In many cases, no corrective measures are needed; if there is a need, we involve the relevant teams (Quality, R&D and Scientific Marketing) in order to make the necessary changes.

The activity of **awareness raising by sales representatives and sales agents** has taken on a strategic role over the years and, thanks to this, today BioNike is a well-known brand throughout Italy. All the benefits of BioNike brand

products were clearly and effectively communicated to consumers through medical specialists and pharmacists. These training and information activities have allowed - and continue to allow - us to collect constructive feedback by distributing targeted questionnaires. Cosmetovigilance services are an additional element for collecting and managing any reports, used to ensure the maximum safety and protection we want to guarantee to consumers.

Customer involvement includes several events organised locally; activities, including product try-ons and training, are carried out mainly in pharmacies and parapharmacies, led by our Trade Marketing team. In line with our focus on sustainability, we ensure that environmental impacts are kept to a minimum during events by not using printed materials, such as folders and catalogues, and rather digitisation systems. We are constantly working on creating digital communication plans that engage both customers and end consumers; the goal of our cutting-edge campaigns is to make them protagonists in the process of creating value, promoting the brand and the entire Group.

With the activity of **Medical Information** we place the medical specialist at the centre of our proposal to the market, offering dermatological solutions as an adjunct to pharmacological therapy for dermatological

symptoms; we were one of the first companies to do so. We have a nationwide network of **50 medical sales reps** who annually visit **4,275 dermatologists, 2,035 aesthetic doctors, 2,025 gynaecologists and 6,100 paediatricians;** visits take place on average 5 times a year for a total of approximately 70,000 potential visits. The information shared with physicians concerns dermatocosmetics, medical devices and nutraceuticals, which offer concrete answers to common dermatological conditions such as psoriasis, acne, atopic dermatitis, seborrheic dermatitis, allergic and irritant contact dermatitis, actinic keratosis and alopecia.

With regard to pharmacists, in the last two years of pre-pandemic organisation (2018/2019) we have organised approx **50 meetings each year** aimed at updating and training them on the new products being launched. In 2020 we invested in **customer-partner training** by transmitting and enriching the range of skills that can be used on all product lines in the pharmacy. We opened the doors of our Milan office to a limited number of pharmacists, offering them the opportunity to gain insights into our R&D modus operandi and all the stages of the creation of a 100% made in Italy cosmetic product of the highest quality and aimed in particular at the most sensitive and intolerant skins. In 2023, when the in-presence courses resumed, for the launch of the new BioNike Cosmeceutical line we held **17 meetings plus 5 webinars,** avail-

able on demand on our training portal.

Our commitment to training activities has also been formalised over the years through projects of **cooperation with Italian university clinics and foreign medical organisations with the organisation of conferences and scientific updates.**

We participate as sponsors in all major **Dermatology Congresses** organised by the various national and regional associations Sidemast, Sidapa, Adoi, Aida. In the programme of the various congresses, we disclosed, with the help of key opinion leaders, the clinical studies carried out on our innovative and/or patented formulations.

Supply chain: consolidated management

GRI 2-6 | 204-1

Our approach: we invest in long-term relationships

Efficient supply chain management is a key pillar to ensuring the quality of our products. Our approach is based on **long-term relationships with suppliers**, many of whom are historical partners who share our dedication to quality. The selection and evaluation of suppliers actively involves our Research and Development (R&D) and quality control department, ensuring a systematic and rigorous method of managing this important aspect.

Before purchasing raw or packaging materials, we determine, in cooperation with the internal Quality Control department, the requirements we consider indispensable for careful production. For each purchased item, we define a purchase specification or set out its characteristics clearly, outlining the quality, regulatory and technical requirements that the item must meet; this documentation is agreed upon with the supplier, who undertakes to ensure continuity of supply, as stipulated.

Our suppliers fall into two main categories: primary suppliers

(to which Italian, European and non-European producers belong) are partners with whom we have direct relationships, and that are essential for the production process as we source raw materials, extracts, dyes, packaging and logistics services from them. Secondary suppliers contribute to diversifying our supply base: they operate through several production sites, based either locally or outside the European Union.

Our procurement process is aligned with our production and sales requirements; the raw materials required are determined on the basis of requests from the Lainate planning department and managed from the Lodi Vecchio site. Our operating system follows a “make to stock” model, and production is driven by the demand created by the sales network.

Planning is supervised by the production manager, who makes decisions after full discussions with the sales and marketing department. We make annual forecasts, distinguishing between

domestic and foreign demand, in order to ensure monthly alignments and proper order management, a fundamental step in the sales process. We use a management system to place orders with suppliers and monitor their stock.

Orders for goods from outside the EU are almost always placed through intermediaries based in Italy or Europe; in this way, we are able to guarantee efficient supply chain management. For the purpose of declaring packaging material to CONAI, we carefully map the type of packaging purchased to ensure its proper recycling and/or recovery at the end of its life.

The Research and Development (R&D) department creates our product formulas, identifying the necessary raw materials. **Suppliers are identified taking into account the required input materials, then evaluated according to strict quality standards and verified through detailed documentation of the raw material composition.** We periodically subject our suppliers to **monitoring audits** in order to

ensure compliance with quality standards. Our Quality Control department thus checks each batch supplied to ensure compliance with the agreed specifications prior to purchase. This also allows us to guarantee our customers high quality production processes. If non-conformities emerge, the Quality Assurance team promptly contacts the supplier to update him or her on the situation; the process involves collaboration with the technical department (TD), with whom the necessary remedial actions are evaluated, as provided for in our Quality Management System (QMS).

In the case of **outsourced processes and production**, suppliers are instructed on the requirements that products must meet, including quality standards, operating procedures and controls necessary to ensure the production of a compliant and high-quality product, compliance with legislative and regulatory requirements, and social and environmental performance standards.

We aim to provide products of excellence that meet our customers' expectations and, at the same time, comply with applicable regulations; supply chain management is therefore a key element of our corporate mission.



Supplier distribution

In 2022 we had **227** suppliers for raw materials, packaging material and subcontractors; **84% of these were located in Italy** (190) and they accounted for approximately **93% of the expenditure budget**, with the remainder distributed across the EU and outside the EU.

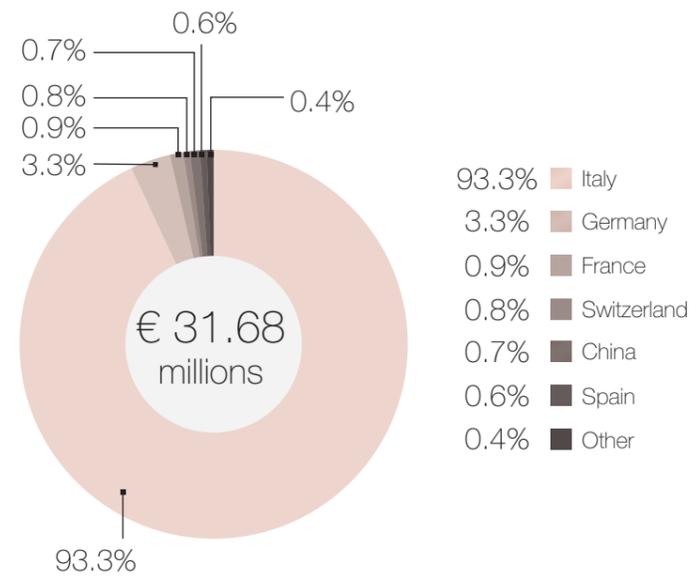
Expenditure budget for local suppliers - 2022

227
Total suppliers (No.)

31,682,298
Expenditure for suppliers (€)

93.3%
Expenditure to local suppliers (%)

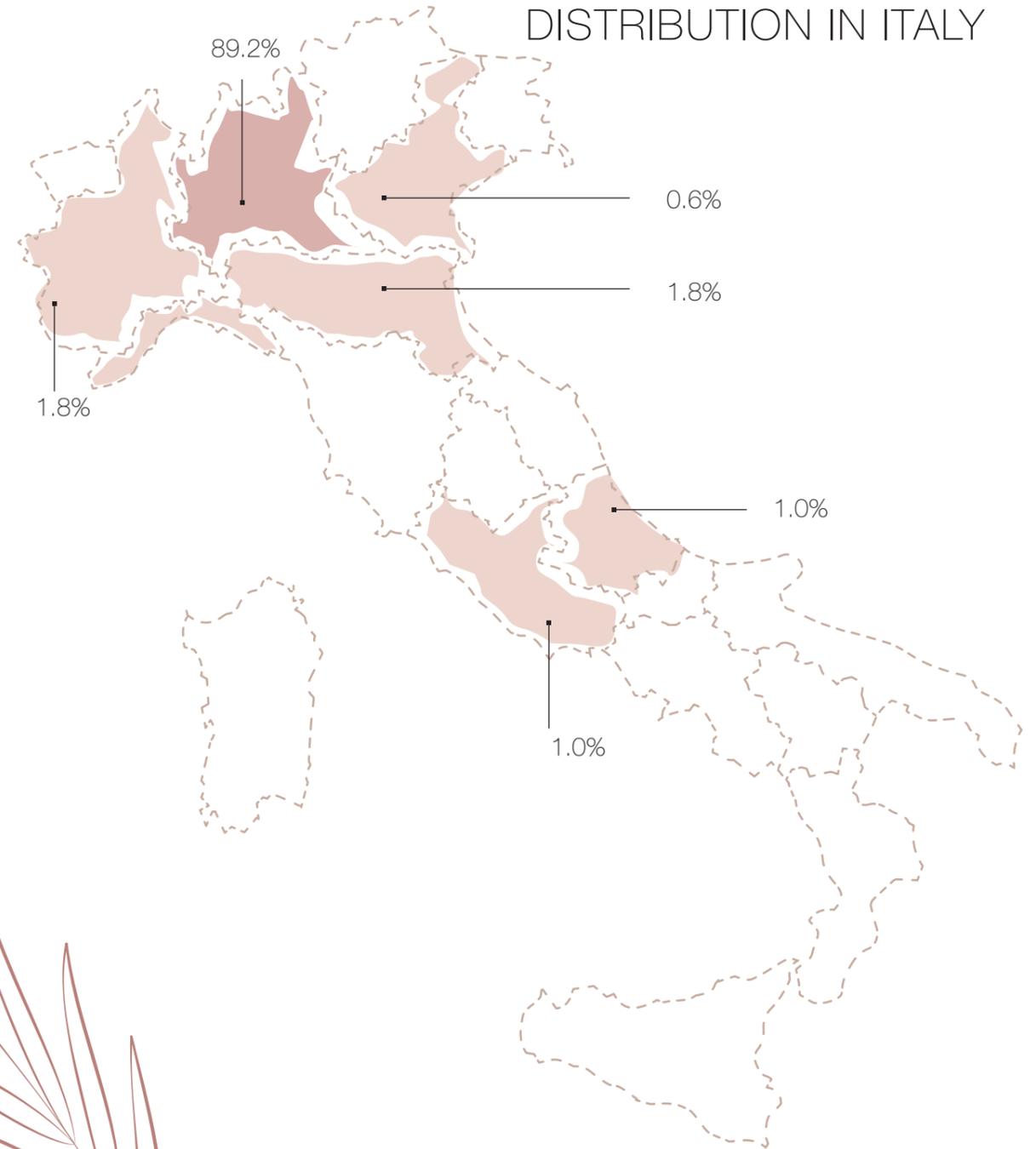
2022 EXPENDITURE FOR SUPPLIERS - %



Italian suppliers and subcontractors are selected on the basis of several criteria. Geographical location is one of the components we consider crucial when evaluating suppliers in order to optimise transport and shipping costs, limiting the negative impact on the environment. In particular, we prefer subcontractors and co-packers located close to the production site in order to streamline the supply chain.

Approximately 89% of the expenditure on goods from the 190 suppliers located in Italy is concentrated in the Lombardy region; the remainder is spread across central and northern Italy.

SUPPLY CHAIN DISTRIBUTION IN ITALY





UNFILTERED:
OUR SUSTAINABILITY
JOURNEY

An incisive and tangible approach

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.

We believe in the importance of sustainable development, which is why we are actively engaged in creating a better future, for the well-being of our skin, for improving our quality of life and for the health of the planet. In line with this vision, our Research & Development laboratory is constantly dedicated to improving the environmental impact of our cosmetic formulations, continually seeking updates on international cosmetology and working in close collaboration with the company's creative department, specialists such as dermatologists, paediatricians, trichologists, gynaecologists, aesthetic doctors, as well as pharmacists, customers and consumers.

The key **values** that have guided us since the company began are the representative elements of the sustainability path we have taken: **innovation, quality and cutting-edge formulation** are, and always have been, our strengths. Our approach enables us to achieve the goals we set ourselves, for the short and long term, and to implement a virtuous

strategy that is measurable, verifiable and concrete.

The Sodalis Group has decided to embark on a path of sustainability that actively involves all Group companies; concrete activities that take shape from the responsibility and awareness gained over time. All Group companies underwent an assessment of their environmental, social and governance performance using a digital assessment tool. The scope of the analysis and investigation carried out in the assessment refer to the information contained in and required by the **UNI ISO 26000** standard (UNI/PdR 18:2016) and the **GRI Standards®** reporting standards.

We measured our daily practices and understood the issues on which we need to focus our efforts in order to align with the Group's sustainability path.

Research and innovation are the guiding principles that enable us to pursue our commitment to maintain the quality of our products, to enhance concepts such as beauty and feeling good about ourselves and with others. Our activities affect the well-being of people and the environment, which is why we undertake initiatives that can protect it as much as possible; we want to help im-

prove quality of life, starting with small everyday gestures.

Environmental, social and economic sustainability: we continue on the path to sustainable development, with a programme of actions that aim to make our activities as low impact as possible. We want to assign value to every single past, current and future experience.



Internal materiality analysis: our strategy

GRI 3-1 | GRI 3-2

Material topics are topics that reflect a business'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 significant economic, social and environmental impacts on the company's activities.

The **materiality analysis process** undertaken during the reporting period in question saw the performance of in-house work in the company involving top management and its technical managers in the following steps: An initial internal activity involved the senior management and its technical officers.

The Company's Top Management, flanked by the main representatives of the functional areas and external consultants, analysed the significant ESG issues for the reference sector during the reporting activity; these were further investigated, considering their significance for our company and the priority of intervention. This process led to the identification of **9 material topics**. The material topics are the protagonists of our first Sustainability Report, and they will be detailed in the following pages; the emerging topics, on the other hand, represent the aspects that we know we need to investigate in order to succeed in achieving the integrated management of sustainability in the company, with respect to the requirements of our stakeholders and our sector.



ANALYSIS

Analysis of key trends, benchmarking comparables, comparison with international frameworks (GRI, SASB, etc.)



REVIEW

Review and update of identified ESG topics



STAKEHOLDER MAPPING

Mapping and evaluation of degree of stakeholder engagement



MATERIALITY ASSESSMENT

Setting and validation of material topics



REPORTING

Reporting on ESG performance related to the identified material topics

MATERIAL TOPICS



Environment



Water stress management: the value of water - responsible water management through monitoring mechanisms and consumption reduction targets.



Reducing emissions and combating climate change - analysis of carbon emissions from company activities using international certification schemes. In this way, we become more aware of our environmental footprint and can define actions to reduce, adapt and/or mitigate emissions.



Biodiversity: safeguarding ecosystems - implementation of activities and initiatives to avoid contaminating natural environments and reduce the environmental impacts of our products.

Social



Attracting, retaining and developing talent - integration of initiatives aimed at talent retention and the development of in-house know-how.



Quality and safety of the products-services - implementation of accurate policies and procedures governed by international standards to ensure high standards of product quality and market recognition to meet the needs and expectations of end customers.



Health and safety in the workplace - awareness-raising on safety culture through the involvement of all operators and the implementation of systemic monitoring in order to prevent occupational risks and ensure a healthy environment.



Diversity, inclusion and equal opportunities - enhancement of resources in full respect of core values such as diversity, equity and inclusion. Monitoring discrimination cases and ensuring professional and personal development in a safe and fair working environment.

Governance



Innovation, research and development - innovation of products and processes, with particular attention to socio-environmental impacts, through investment in research and development.



Customer satisfaction - creation and maintenance of long-lasting and stable relationships with our consumers, through the collection and monitoring of feedback, with the aim of maximising the degree of customer satisfaction.

The reporting of material topics will gradually be more developed in line with the strategic path of sustainability undertaken by the Sodalis Group: a path that defines how sustainable growth is the defining element of the corporate vision, with solid and far-sighted foundations, and the importance of experiencing change in order to drive continuous improvement and the creation of shared value.

Sustainable Development Goals SDGs

GRI 2-22

In identifying the ESG topics that resulted significant for BioNike, 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 will seek to contribute - as far as possible- to overcoming the global challenges relating to sustainability.

The link is the result of an analysis of the GRI indicators reported in this document, and the goals defined in relation to the SDGs and targets according to the *Linking the SDGs and the GRI Standards* framework.



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 interacts 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 views of stakeholders, seeking to act in a way that avoids potential risks and possible negative impacts; we actively strive to maintain a collaborative and transparent dialogue with them.

Below are the main categories of stakeholders with whom we interface, and a brief description of how we engage them.

- 

CUSTOMERS
Consumers
Distributors
- 

FINANCIAL COMMUNITY
Banking Institutions
Directors
- 

HUMAN RESOURCES AND TRADE UNIONS
Employees and collaborators
Management
Unions
- 

ACADEMIC WORLD AND SCIENTIFIC COMMUNITY
Universities
Research centres
- 

CERTIFICATION BODIES
Certification bodies



TRADE ASSOCIATIONS



Trade associations

COMMUNITY AND TERRITORY



Non-profit organisations
Cultural and/or sports associations

MEDIA



National and local newspapers
Trade magazines
TV

PUBLIC AUTHORITIES



Local administrations
National insurance and welfare institutions
Public control bodies

SUPPLIERS AND PARTNERS



Suppliers of goods
Service providers
External Contractors
Business partners

The **involvement of and dialogue** with stakeholders (stakeholder engagement) enables us to define objectives more consciously, which positively supports the decision-making process.

We create and maintain a strong relationship with our **customers and distributors**: appointments at the point of sale with agents and image consultants and at doctors' surgeries/clinics with sales reps, as well as site visits. Communications with **end consumers** are managed via our website, with press releases and newsletters; the production of advertisements on the various available platforms is a communication method we use to approach, engage and stimulate consumers.

Every year, an assembly with the **financial community** is convened, which aligns them with the directors; quarterly updates are also planned.

The transparency of our reporting is demonstrated by the presentation of the annual report and the frequency of our communications on official channels such as the website, social media, press releases and newsletters.

We dedicate internal and external training activities to our **employees**; written communication takes place via e-mail and noticeboards. **Trade union representatives** external and internal (RSU) trade union representatives are involved in company decisions and with the workers' safety managers; several conventions are organised every four months for the sales network, sales representatives and make-up artists.

Our relationship with **suppliers** plays a highly significant role in our business, which is why we follow strict selection and qualification procedures, establish contracts and Quality Agreements/Specifications, and perform regular audits. Meetings, very often, take place at trade fairs.

We periodically undergo surveillance and/or renewal audits for system certifications and CE markings for Medical Devices; we have demonstrated our willingness to also receive unscheduled inspections by the **Certifying Bodies**.

We actively collaborate with the **the academic world** and the **scientific community** through educational meetings, research and testing activities.

Thanks to our relations with **Trade associations** we participate in Information Days; we use Cosmetica Italia for regular updates on industry trends. We attend trade fairs and medical-scientific congresses.

In support of the **community** in which we operate, we sponsor local activities and initiatives of civic, cultural and environmental value. We share contingency plans with neighbouring companies to ensure

the safety of local communities. We support social responsibility activities in various areas for the benefit of society and the environment.

We welcome visits from the **Public Administration** and authorities in charge of controlling production, industrial and tax activities, in the context of issuing authorisations and/or regulatory compliance.

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 their perceptions inherent to the material topics we have identified and to consistently and strategically target our future objectives.

CATEGORY	INTEREST(S)	MODALITIES OF INVOLVEMENT	FREQUENCY
Customers and distributors 	Economic performance, market share and sell out	Regular meetings and communications	Ad hoc
Financial community 	Economic performance	Systematic meetings Shareholders' meeting	Weekly
Human resources and trade unions 	Work-life balance Corporate welfare Equal opportunities Inclusion Remuneration policy Career development	Newsletter/email communications Individual evaluation meetings Corporate events Training and awareness-raising activities Opportunities for career growth	Ad hoc
Certification bodies 	Compliance with regulations and procedures Product quality and performance Company & Brand reputation	Audits Instrumental tests	Ad hoc
Academic world and scientific community 	Quality and performance of the product Research activities	Events Training Meetings and communications	Ad hoc

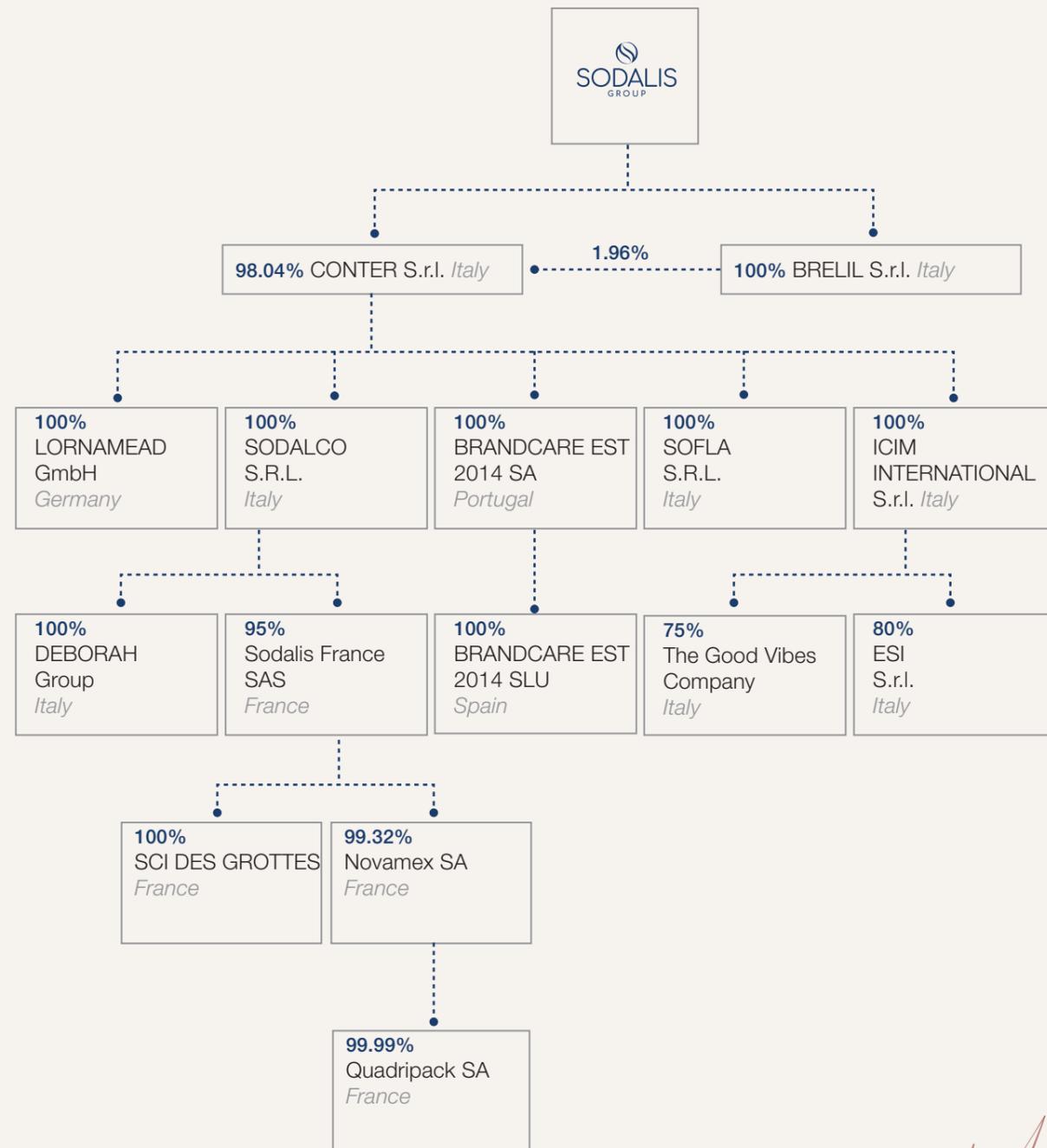
CATEGORY	INTEREST(S)	MODALITIES OF INVOLVEMENT	FREQUENCY
COMMUNITIES AND TERRITORY 	Well-being of the planet and people Brand reputation and positioning	Regular meetings and communications	Ad hoc
Public authorities 	Regulatory compliance	Digital channels/portals Digital assistance/communications	Monthly
Media 	Brand awareness Brand reputation Market share Sell out	Contracts	Monthly
Trade associations 	Industry trends Networking	Meetings and communications	Ad hoc
Suppliers and partners 	Economic performance and product quality	Regular meetings and communications	Ad hoc

GOVERNANCE
AND BEST
PRACTICES:
COMPANY
POLICIES,
STRATEGIES
AND
PERFORMANCE



Organisational and management structure

GRI 2-9 | GRI 405-1



Since 2017, Icim has been part of the Sodalis Group, a leading Italian group in the Health, Beauty & Personal Care market, through its subsidiary Conter S.r.l., which holds 100% of the capital; a new structure that has allowed it to respond to the exponential growth of the business, both in commercial and organisational terms. Our organisational structure is based on a **traditional model**. Our corporate bodies are a Board of Directors and a Board of Statutory Auditors.

The Board of Directors (BoD) is the company's executive body responsible for implementing the

decisions passed by the shareholders during their meetings and for conducting the business. The Board of Directors is chaired by Fabio Granata who is also an operating director and responsible for the areas of Operations, PR & Communication, Foreign Trade, Marketing and R&D; Roberto Arui and Walter Giacchi, long-standing members of the ICIM Board of Directors, are directors and, respectively, preside over the areas of Finance & Administration and Trade for the Italian market. Paolo Bergamaschi holds the position of board member. In addition to legal responsibility, board members define and approve organisational

strategies, the development of management policy, and the hiring, supervision and remuneration of management lines.

The Board of Statutory Auditors works alongside the Board of Directors, supervising the work of the directors and checking the company's management and administration. The aim is to ensure that the above tasks are carried out in accordance with the law and the articles of association. It is chaired by Ombretta Anelli in the role of Statutory Auditor.

ORGANISATIONAL STRUCTURE

Board of Statutory Auditors

Ombretta Anelli
Statutory Auditor

BOARD OF DIRECTORS

Fabio Granata
Chair

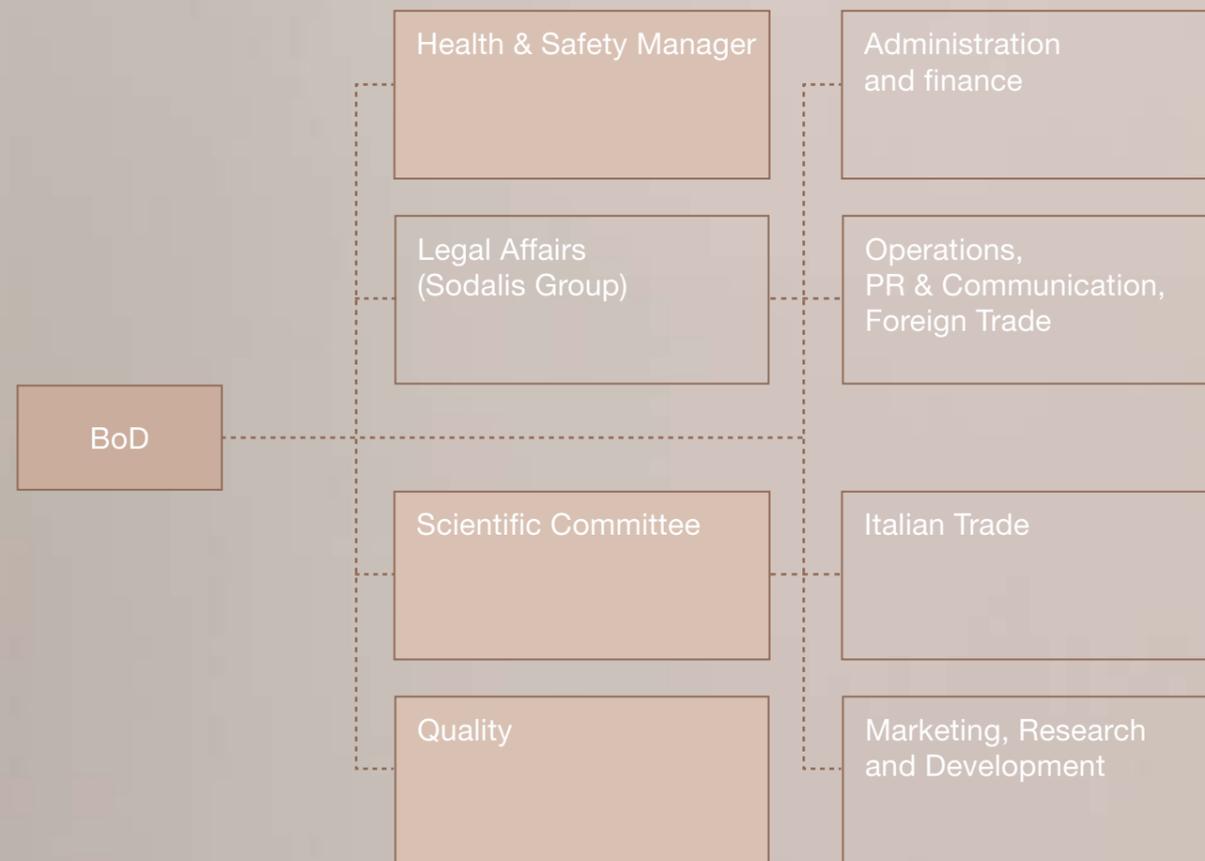
Roberto Arui
Managing Director

Paolo Bergamaschi
Managing Director

Walter Giacchi
Director

The highest governing bodies correspond to different functional areas, each of which is overseen by the c-suite: the heads of function are supported by an internal Sodalis management figure, whose task is to indicate the general guidelines without entering into operations. The managers perform various tasks, aimed at guaranteeing conditions that ensure, first and foremost, quality and continuous

improvement; this is made possible thanks to the technical skills and know-how acquired, which puts them in a position to manage, supervise and enhance the strategic resources and relations with the stakeholders involved in the value creation process. Below is the structure:



In recent years, the production area has undergone a major transformation: with ICIM's entry into the Sodalis Group, the production plant in Lainate no longer only handles BioNike brand products, but has been transformed into a true central production unit, in which it produces for the Group's other brands

according to requirements, production affinities and quantities. Most of the management figures are distributed between the Lainate site and the Lodi Vecchio site, headquarter of the Sodalis Group.



Economic performance

GRI 201-1 | GRI 201-4

At Icim, we operate according to criteria of economic responsibility towards all stakeholders with whom we interface, taking into consideration the applicable laws and regulations. We strive to regularly communicate our financial position, activities, developments and business forecasts in compliance with the applicable regulations and the principles of clarity, truthfulness and transparency.

The results

Icim is of significant value to the Sodalis Group as, of all the subsidiaries, it is one of the most important companies in terms of results and brand prestige. During the last financial year (2022), net revenue exceeded EUR 92 million (+12% compared to 2021), closing with an operating profit of EUR 22,579,312 (-4% compared to 2021, due to a higher impact of supply costs on margins). The increase in turnover has been possible thanks and above all due to the continuous attention paid to customers, which has made it possible to retain and enhance the relationship forged over time.

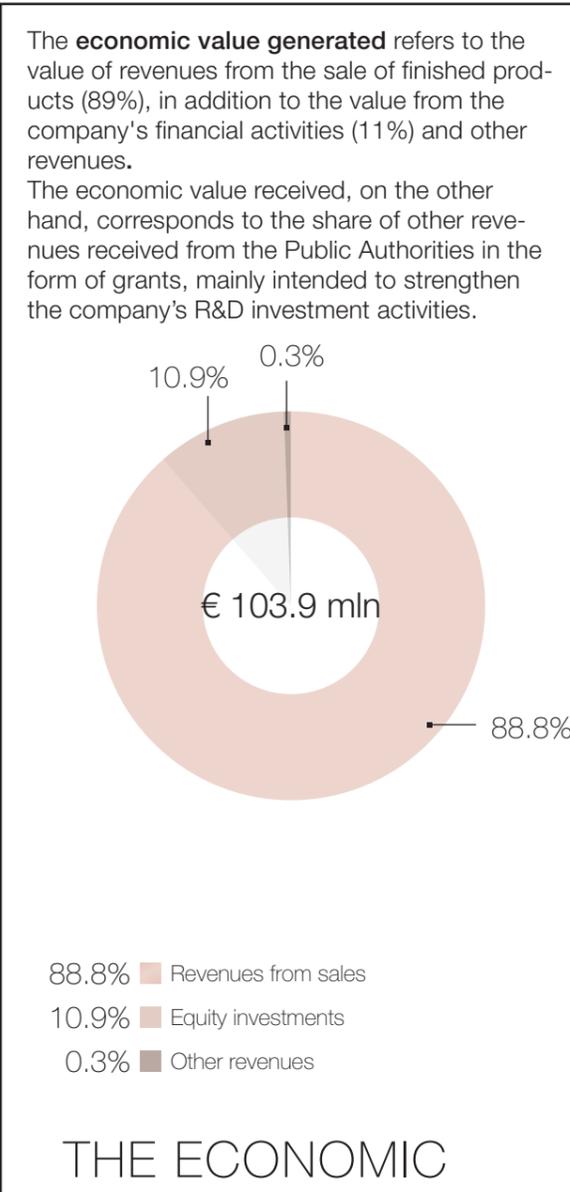
The lines that make up the main source of value generation are **Face Care and Body Care** followed by Make-Up, Hair Care, Sun Care and Nutraceuticals.

Around 90% of the turnover comes from direct customers in the Italian market: pharmacists, wholesalers and large-scale retail trade.

In addition to the production activities related to the BioNike brand, Icim is permanently engaged in manufacturing, filling and packaging for the other Group companies. In 2022, this accounted for more than 20% of our total production. Therefore, in view of the high significant of 'third party' business, work was carried out involving the planning and operations area in order to optimise the machine and line loading operations and increase productivity.

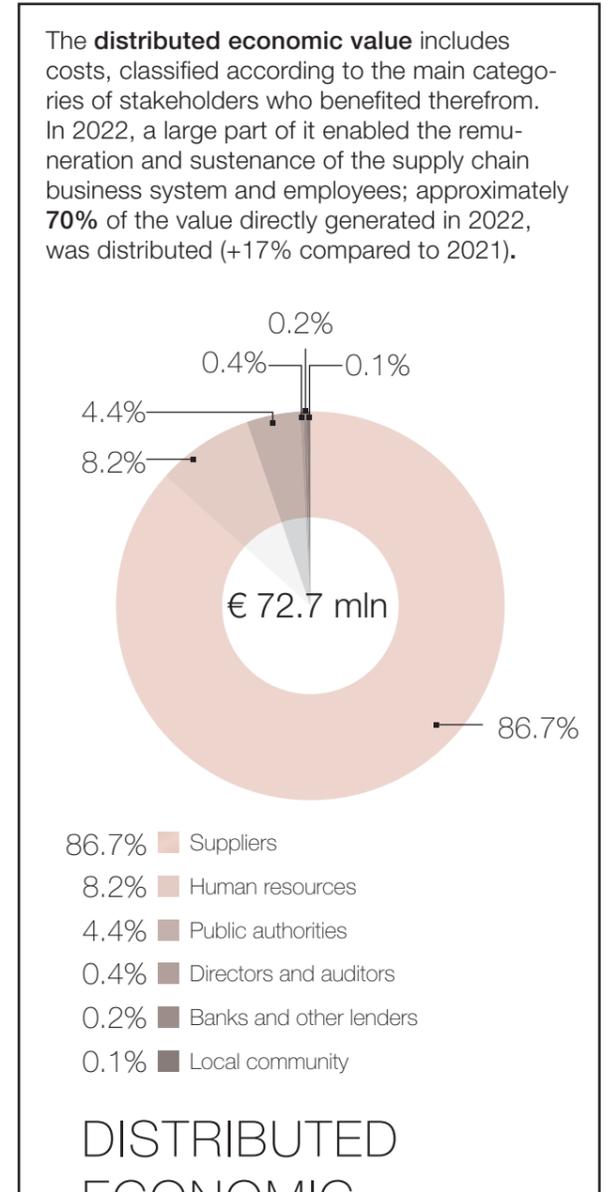
The economic value directly generated and distributed

The tables below 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 Icim and its distribution to stakeholders.



THE ECONOMIC VALUE GENERATED

The distribution of this value among stakeholders is broken down as follows: 86.7% to suppliers, 8.2% to employees, 4.4% to Public Authorities (through the flow of taxes accrued) and the remaining 0.7% to Directors and Statutory Auditors through annual remuneration, the local community through donations and donations, and banking institutions and lenders in the form of interest.



DISTRIBUTED ECONOMIC VALUE

The economic value retained is the difference between the economic value generated and received, and the economic value distributed to the different categories of stakeholders.

Below is a breakdown of the economic value directly generated and distributed, in accordance with the GRI standards.

Economic value directly generated and distributed	2021	% on tot.	2022	% on tot.
The economic value directly generated and received	95,896,444	100%	104,226,137	100%
Economic value generated	95,732,160	99.8%	103,919,421	99.8%
Economic value received	164,284	0.2%	306,716	0.2%
Economic value distributed	62,349,234	65.0%	72,728,185	69.8%
Suppliers	53,282,878	55.6%	63,052,817	60.5%
Human resources	5,737,003	6.0%	5,997,592	5.8%
Public authorities	2,867,311	3.0%	3,167,865	3.0%
Directors and auditors	254,480	0.3%	257,230	0.2%
Banks and other lenders	145,217	0.2%	104,952	0.1%
Local community	62,345	0.1%	147,729	0.1%
Economic value retained	33,547,210	35.0%	31,497,952	30.2%

To present the situation more clearly, the table below sets out a reconciliation between the value retained and the net profit for the period. The classification of unallocated economic value includes depreciation of tangible and intangible assets, provisions, value adjustments of financial assets and deferred tax assets/liabilities.

Balance Sheet Reconciliation	2021	2022
Economic value retained	33,547,210	31,497,952
Economic value not allocated	10,067,367	8,918,639
2) changes in work in progress, semi-finished products and finished goods inventories of which others	409,105	1,298,449
10 a) amortisation of intangible fixed assets	11,052,968	1,082,0753
10 b) amortisation of tangible fixed assets	482,280	518,307
10 d) write-downs of receivables included in current assets and cash and cash equivalents	210,932	174,361
11) changes in inventories of raw, ancillary and consumable materials and goods	841,863	963,970
13) Other provisions	-	32,684
14) Sundry operating expenses	76,266	57,203
17bis) Foreign exchange gains and losses	-	3,166
Operating profit	23,479,844	22,579,313

From research to innovation: a vision, a mission

We believe that **research, development and innovation** are essential tools for meeting new global challenges. Our strategic vision has a solid and forward-looking foundation; it has guided us since our origins, today representing the spirit with which we approach the future and the world. We have always carried out research and development related to the formulation of cosmetic products and completed medical devices. Over the years, we have continuously invested in our in-house R&D laboratory. Constant research into skin health and well-being, as well as innovation in our formulations, has been fundamental to our growth.

Over time, we have established and consolidated agreements with university laboratories and leading multinational companies operating in the synthesis of innovative raw materials and the isolation of active ingredients with high cosmological content. We collaborate with experts, both internal and external, including dermatologists, trichologists, paediatricians, gynaecologists and aesthetic doctors, to ensure the highest quality of our formulations. We devote a significant part of our resources to maintaining and improving quality standards, with a constant focus on satisfying the different needs of the end customer.

Between 2011 and 2021 we undertook **1,040 projects** dedicated to product development; we have conducted around **200 efficacy studies, including 22 clinical studies**. Our determination and commitment are an essential part of our growth: they allow us to maintain a leading position in the industry, providing our customers with high quality products based on solid scientific evidence.

In 2022, we focused our efforts on analysis, feasibility studies and research into new raw materials for innovative formulations to be used for prototyping and the experimental development of new products.

To date, ICIM International has registered three **patents**, the results of our research, to protect our intellectual property and contribute to the growth of the industry and the promotion of effective solutions:

2004

combination of l-carnosine and beta-glucan and compositions containing them: the solution harnesses two key components for health and well-being. Their combination offers powerful solutions by stimulating the skin's natural biological defences and counteracting the action of free radicals.

2015

antioxidant combination and compositions containing it: with this patent we enhance the use of antioxidant properties in innovative compositions that enable their use in various contexts, from dermocosmetics to nutrition.

2020

food formulations with improved intra- and extracellular antioxidant activity: developed with the improved antioxidant formulation we offer more effective solutions for the reduction of long-term health problems.

Our dedication to quality and the uniqueness of our products

A recognised quality: our approach

Over the years, we have strengthened our commitment to the development of the structural and operational resources necessary to position ICIM as a company that is highly prepared and attentive to the needs, requirements and demands of the market, in order to cope with the profound transformations that have affected the sector. Our offer includes a wide range of dermocosmetic products, all formulated in-house, with special emphasis on skin-care, which is the core of the company's offer and expertise.

In the **Lainate** laboratories, the technical-scientific staff is committed to **researching and developing formulations**. Scrupulous attention is paid to the **selection of raw materials and to the strict control** of each production batch, ensuring compliance with chemical-physical and microbiological specifications.

In the **development** process, product formulas are subjected to several extremely thorough tests in order to validate the tolerability and effectiveness of each product. The tests normally carried out include a *challenge test* to ensure microbiological stability, a skin tolerability test, a use test, an in vitro epidermis test and an efficacy test, the purpose of which is to guarantee the claimed efficacy.

The **design** process plays a delicate role, as it is dedicated to the choice of packaging. Our packaging philosophy is based on the principle of **guaranteeing quality, safety, complete formulation preservation, convenience and gratification for the end consumer while avoiding waste of resources and materials**. The efficiency of the machines and plants, the training of personnel, and the presence of operating procedures and instructions, ensure the competitiveness of our product range **in terms of quality and reliability** for every use.



A reliable production system

The quality of our products, besides being one of the cornerstones of our operations, is an operational framework that guides our activities, supported through the long-term maintenance of the **Quality Management System**, the constant application of the so-called Good Manufacturing Practices (GMP) in cosmetics and the regulatory requirements for medical devices. The reported good practices refer respectively to three pivotal standards, **UNI EN ISO 9001:2015, UNI EN ISO 22716:2008 and UNI CEI EN ISO 13485:2021**. These are of crucial importance for the sectors in which our company operates and, at the same time, highlight our commitment to product quality.

The ISO 9001-certified Management System certifies our ability to effectively manage business processes, ensuring a high standard of product quality; this includes activities such as constantly evaluating customer feedback, monitoring production processes and adopting continuous improvements to meet customer expectations.



ISO 22716 certification covers good cosmetic manufacturing practices. The standard sets standards for the production, labelling and distribution of cosmetic products. Having this certification provides a solid basis for ensuring that our products are safe, effective and compliant with the applicable regulations.



Although not certified, we operate in accordance with the ISO 13485 Management System, the international standard that sets the requirements for quality management in medical devices, ensuring safety and regulatory compliance.



These standards enable us to offer high quality products in the markets in which we operate, guaranteeing our customers a real commitment to continuous improvement.

Quality management:

The **Quality Management System** in accordance with ISO 9001:2015 aims to provide products that are consistently suitable for their intended use and comply with customer requirements, as well as current regulations. Through the Quality Management System, we have the opportunity to collect data with which we can identify points for improvement. Once implemented, these help to increase customer satisfaction and refine our business processes.

Every year, during the Management Review, we define specific **objectives**, aimed at establishing the corrective measures to be taken in the current year and the targets for the following year. Where possible, we outline action plans for the objectives we want to achieve, specifying the resources, responsibilities, timeframes and measurements needed to monitor our progress.

Our **Quality Manual** illustrates how ICIM adheres to the requirements of the ISO 9001:2015

standard and meets all the mandatory requirements of the industry regulations; the document follows the model proposed by the standard and serves as a tool to provide staff with the information they need to understand, implement and support the principles and commitments defined in our Quality Policy.

Leadership and internal **engagement** are key elements for our commitment to maintaining a Quality Management System involving all company components that influence the quality of products and services.

The General Management has defined and implemented the Quality Management System, ensuring that all personnel are adequately sensitised and trained on its principles and methodologies.

Leadership and **internal engagement** are essential for the involvement of all company components that influence the quality of products and services.

The Management System covers various business processes,

including general processes related to business risk management, market analysis and human resources, instrumental and infrastructural processes, performance analysis of the Quality Management System, contracts with external companies and the Management Review for continuous improvement.

Customer satisfaction is an indispensable element. By monitoring it, we can take care of the relationships we establish, maintain them over time and strengthen the trust on which they are built. We identify the needs and expectations of each individual customer and convey them to all levels of the organisation, so that complaints and reports of undesirable events can be monitored and acted upon promptly and effectively.

Customer satisfaction is an experience of positive interaction.

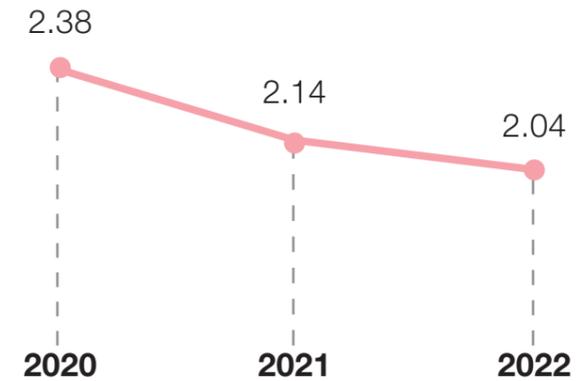
Compliance with legal and regulatory requirements is a crucial element for us; it includes compliance with obligations and their

enforcement. We constantly monitor any updates, so that we are always act in compliance with the latest regulations that affect us; moreover, in this way we can readily share them at all levels of the organisation.

The **risk-based** approach we adopt allows us to proactively address the issues we may encounter; we recognise the importance of risk management, which is why we are able to focus on critical issues that may arise. The culture of prevention that we promote affects the entire company, characterising its relationships and success.

The **management of non-conformities** and the quality we assure our customers are fundamental aspects of our approach. All data relating to **complaints** are carefully logged in a **call tracking** system, classified and subjected to management review each year in terms of their incidence to the number of orders, average settlement time and type, so as to ensure constant improvement

INCIDENCE OF COMPLAINTS ON THE NUMBER OF ORDERS - %



of the products and services offered³. In accordance with the type of complaint, requests are sorted internally, in order to direct them to the relevant figures who consistently handle them. Over the years, the incidence of the number of complaints in relation to the orders received has gradually decreased, consistent with an increasing focus on the subject.

³In compliance with the request of standard GRI 418-1, it should be noted that, during the financial year 2022, no breaches of customer privacy occurred.



OUR PEOPLE

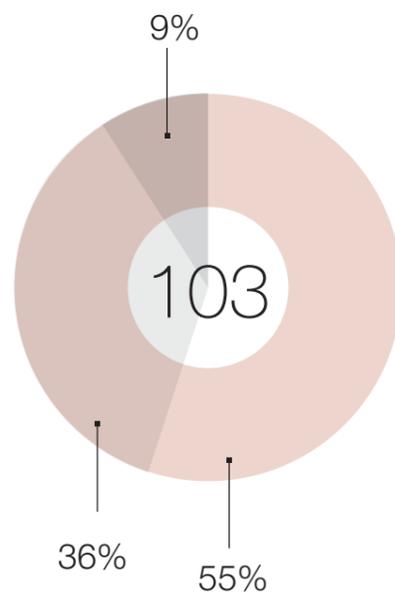
Development of human capital

GRI 2-7 | GRI 2-8 | GRI 2-30 | GRI 401-1 | GRI 401-2 | GRI 404-1

We are constantly striving to promote a safe, cohesive, innovative and inclusive working environment where people feel rewarded and stimulated. People are our strength; every day they carry our values forward, contribute to the growth of the company and to the creation of a more sustainable future. The engagement of the staff working for ICIM, combined with our workers' positive sense of belonging, allows continuous consolidation of the company's awareness and know-how, with a consequent growth in performance that is reflected in the delivery of the products.

The presence of **junior managers** within the organisation is of strategic importance to the company's management, and their positions play a decisive role in the formulation of the company policies, in strategic orientation and team management. These aspects contribute to the company's long-term success.

At the end of 2022, ICIM had **103 employees** all employed on permanent contracts. Below is the composition of the workforce by professional figure:



CATEGORIES

- 55% White-collar office staff
- 36% Blue-collar employees
- 9% Junior managers

Sustainability Report 2022



White collar workers account for the majority of our workforce, whose roles and responsibilities cover a wide range of activities, including managing day-to-day operations, customer care, product research and development.

Blue collar workers play a crucial role in the production of our products. Their skills, commitment, expertise and passion are key characteristics, as they help to meet the needs of all customers. We constantly strive to ensure the safety and well-being of our workers, as well as providing them with opportunities for professional development.

Skill diversification is essential as each employee makes unique contributions to long-term growth and success.

The technical-scientific staff is composed of graduates in scientific disciplines (Pharmacy, Pharmaceutical Chemistry and Technology, Chemistry, Biology), three laboratory technicians and a number of external consultants with expertise spanning several areas (biochemical, medical, microbiological, etc.)

OUR WORKFORCE

100% of employees hired with a permanent contract

73% female staff members

7 years average seniority

Sustainability Report 2022

Welfare and well-being

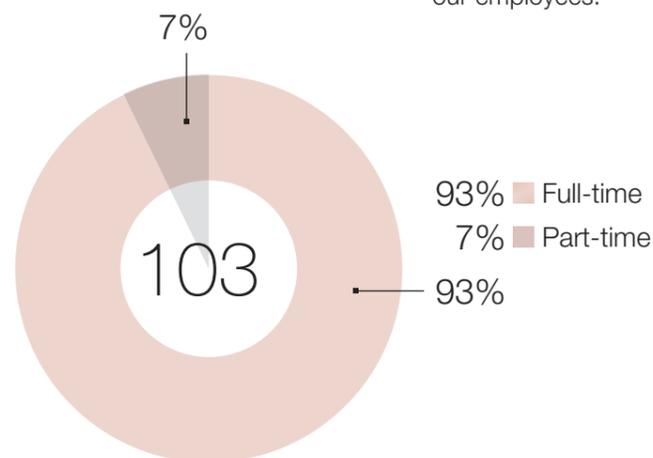
Attention to quality of life, people's well-being, equal opportunities and training are indispensable factors for our company, in which people play a priority role. We invest in **welfare programmes** which include supplementary benefits and support services; we actively support the work-life balance and promote a working atmosphere that fosters employee serenity and satisfaction. Almost all of our staff have a **full-time contract**; we provide for **part-time** contracts, meeting employees' requests for flexibility.

The management of labour policies and working conditions is

governed by the national regulations of the category bargaining agreement (CCNL for Chemists), covering 100% of the workers, regardless of the type of contract in place. We respect the right of workers to associate freely, to form and join the organisation of their free choice, and to seek representation and collective bargaining, in accordance with the applicable laws and regulations.

Our CCNL provides two contractual welfare mechanisms: contractual health care through membership of **Faschim** and a supplementary insurance system with **Fonchim**. The former guarantees a quality health care system for our employees, while the latter is an additional means of financial support aimed at contributing to the economic stability of our employees.

CONTRACT FLEXIBILITY



In addition to contractual assistance systems, we are committed to improving the quality of life of our employees by offering them various mechanisms that make up our welfare offer, including:

- **restaurant tickets:** a tax-free income supplement instrument that employees can use to cover food expenses;
- **company discount portal:** access to the portal is reserved for all employees of the Sodalis Group. With this initiative we intend to support their purchasing power by offering the opportunity to save money on a variety of products and services;
- **company cars:** are allocated in the form of fringe benefits to senior figures;

- **smart working:** introduced during the COVID-19 pandemic, we have retained the possibility of working remotely one day a week, depending on the tasks performed.

As part of the management of relations with the trade unions, we defined a **production bonus** paid on the achievement of certain company objectives. This bonus is for all employees and is part of a second-level agreement established with the trade unions for the three-year period 2022-2024. In addition, for senior figures, we have provided for the inclusion of **mBO mechanisms** (Management By Objectives) based on qualitative and quantitative objectives. To support our focus on employees, we have implemented numerous **team building activities** with the goal of strengthening ties, improving team spirit and communication.

We believe that these initiatives contribute to employee satisfaction and retention, acting positively on motivation and cooperation. We will continue to evaluate and adapt our labour welfare programmes taking into account the needs of our employees, and their well-being inside and outside the company.

The **labour market** is undergoing a major transformation, a change on a global scale that began in the period of the COVID-19 pandemic. In particular, the younger generation focuses mainly on aspects such as work life balance, engagement, productivity growth and corporate goals related to sustainability. The high competition in the sector and the geographical location are elements that, in most cases, have a negative impact on employment.

In 2022, we recorded the entry of 8 new employees and 17 exits, as detailed in the table. These figures are representative of the scenario we are experiencing, which is why we are constantly reinforcing our commitment to attract and retain employees, and the activities we implement to do so, also in view of the impact that well-being, gratification and work-life balance have on the overall company objectives.

New employee hires

2022			
	Women	Men	Total
Up to 29 years	2	0	2
30-50 years	4	1	5
50 years	1	0	1
Total	7	1	8

Terminations

2022			
	Women	Men	Total
Up to 29 years	0	0	0
30-50 years	8	2	10
50 years	5	2	7
Total	13	4	17

Reason for termination

2022			
	Women	Men	Total
Employees who left voluntarily	8	3	11
Dismissal	2	0	2
Other	3	1	4
Total	13	4	17

The matter of turnover goes beyond simple numerical metrics; it is a direct reflection of our ability to attract and retain talent in the long term. We recognise that a stimulating work environment can influence the well-being of employees and, consequently, affect productivity and corporate cohesion.

Working on the company's appeal is crucial, not only to reduce staff turnover but also to consolidate our position in the dermocosmetics sector. A solid **employer branding** attracts quality talent and helps build a positive reputation in the labour market.

Investing in creating a more stimulating and rewarding working environment is therefore an integral part of our corporate strategy, ensuring that our company is recognised not only for the quality products we offer, but also as a management that values and invests in its human capital.

Diversity: our uniqueness

GRI 405-1 | GRI 416-1

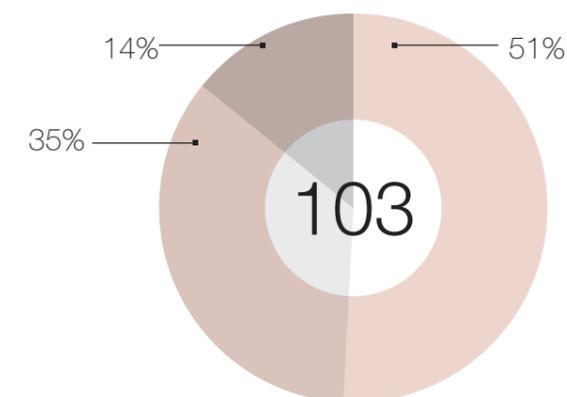
Diversity for us is uniqueness: the core element of our corporate culture, with which we build an environment centred on trust and participation, which creates common values. We believe that a diverse group can bring a wide variety of perspectives and help to make better business decisions. We are constantly striving to ensure an **inclusive working environment** in which every individual feels respected and valued, regardless of origin, gender, sexual orientation, ability or background. This is why we work hard to ensure **equal opportunities for the professional growth and development for all employees.**

We believe in young talent, which is why we strive to provide them with adequate training and a real job opportunity. In 2022, the average age of our workforce is 43 years; people under 30 years old account for 14%. The composition of the company workforce, in terms of age, can be classified as follows:

the presence of employees **under 30** has a positive impact, young people have the ability to bring new ideas, they experiment more boldly with creative potential, and they share perspectives and innovative solutions that can enrich and foster our development;

THE AGE GROUPS 2022

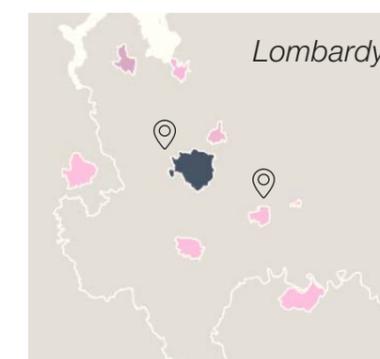
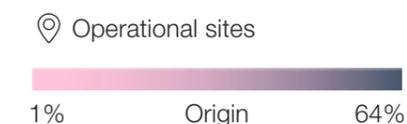
51% 30-50 years
35% >50 years
14% <30 years



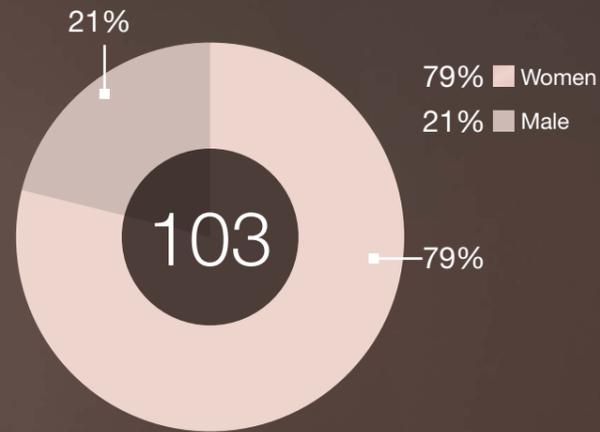
the majority of our employees are in the age group **30-50 years old**: the experience and skills they have gained over the years combine perfectly with the vitality and planning-based approach we need in order to embrace innovation and change;

employees of **over 50 years** of age are a valuable resource that we could not do without; the knowledge and experience they have gained have contributed, and continue to contribute, to the company's growth and success.

Most of our employees come from the areas in which we operate: we attach particular importance to this, because in this way we promote the growth of local employment and the development of know-how in our region.



STAFF DIVERSITY



Women are an important part of our company; we believe in female talent and in their ability to contribute significantly to the success of the business. Passion, energy, determination and sensitivity are qualities that make women a fundamental pillar of the dermocosmetics sector in Italy and this is certainly an added value for our company.

The extraordinary results we have achieved in our market can largely be attributed to the women who have found in our company a place to develop their professional fulfilment; valuable resources that have enabled BioNike to position itself as the number one brand in the industry. Women account for **79% of our workforce and 67% of those classified as junior managers**, playing a significant role at both

operational and strategic-decision-making levels.

At BioNike, we promote a working environment free of gender discrimination in which women feel free to express their abilities. We believe in the possibility of pursuing a challenging and dynamic professional career without having to give up the possibility of a fulfilling personal, family and emotional life.

The principle of **Gender Pay Equality** is one of our cornerstones. We guarantee the same level of pay to women and men in equivalent positions; overall, the gender pay ratio⁴ is around 97%. With respect for diversity and inclusion in all its forms, in compliance with Law 68/99, we cover the quota of personnel belonging to the **protected categories**, to

Gender Pay Gap

	2022
Junior managers	101%
White-collar office staff	93%
Blue-collar employees	92%
Total	97%

whom we guarantee support services, assistance and technical support tools, so as to facilitate the performance of the tasks assigned; in 2022 we have five employees classified as blue-collar and white-collar workers, with a permanent contract.

Consistently with the sanctions system provided for in the CCNL, we monitor cases of discrimination in the company in order to manage them to foster a fair and welcoming working environment⁵.

⁴ 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 figure, only comparable contractual levels.
⁵ There were no established cases of discrimination during the reporting period.



Below we detail the composition of our workforce, in line with the GRI standards:

Breakdown of employees by form of employment

2022	
Full-time	96
Female	75
Male	21
Part-time	7
Female	6
Male	1
Total	103

Employees by gender

2022	
Female	81
Male	22
Total	103

Breakdown of employees by profession and gender

2022			
	Women	Men	Total
Junior managers	6	3	9
White-collar office staff	51	6	57
Blue-collar employees	24	13	37
Total	81	22	103
<i>Percentage</i>	79%	21%	100%

Employees by profession and age group

2022				
	<30 years	30-50 years	>50 years	Total
Junior managers	-	2	7	9
White-collar office staff	9	31	17	57
Blue-collar employees	5	20	12	37
Total	14	53	36	103
<i>Percentage</i>	14%	51%	35%	100%

Protected job categories broken down by category and gender

2022			
	Women	Men	Total
Junior managers	1	2	3
White-collar office staff	2	0	2
Total	3	2	5
<i>Percentage</i>	60%	40%	100%

Employees by geographical area

2022	
	Total
Lainate (Mi), Lombardy	81
Lodi Vecchio (LO), Lombardy	22
Total	103

Development of know-how

Our success depends directly on the people we take care of every day. Therefore, we apply rigorous selection processes to ensure that we have the most suitable talent for our business needs. We invest in training and continuous development to foster the professional growth of our employees; employee retention is a challenging priority, which is why we strive to create a working environment where employees feel appreciated, valued and motivated to stay for a long time.

In addition to the mandatory health and safety training courses under Legislative Decree No. 81/08⁶, we have trained our employees on various aspects with the dual aim of strengthening hard and soft skills throughout the company at all organisational levels. The training activities included theoretical and hands-on courses in order to correctly apply the lessons learnt.

In 2022 we delivered a total of **688 training hours** in the following areas:

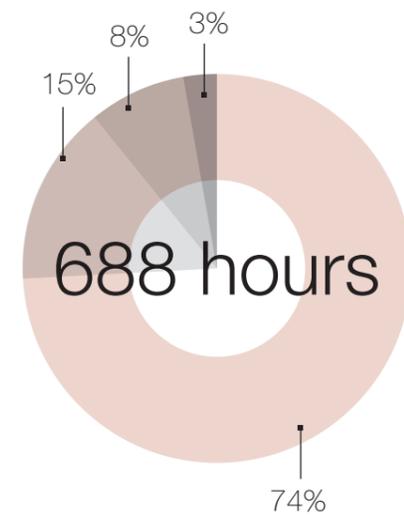
quality & compliance training and information on the **Quality Management System** and on specific regulatory applications in the cosmetics and medical fields, including Regulatory Affairs and Disciplinary Affairs;

health and safety at work general and specific training activities, with the aim of keeping all staff and specific figures in charge of these issues up-to-date;

onboarding, a process dedicated to the welcoming and accompaniment of newly recruited professionals;

environmental training in order to implement regulatory updates on environmental labelling, the implementation of regulations through CONAI guidelines and COSMOS certification.

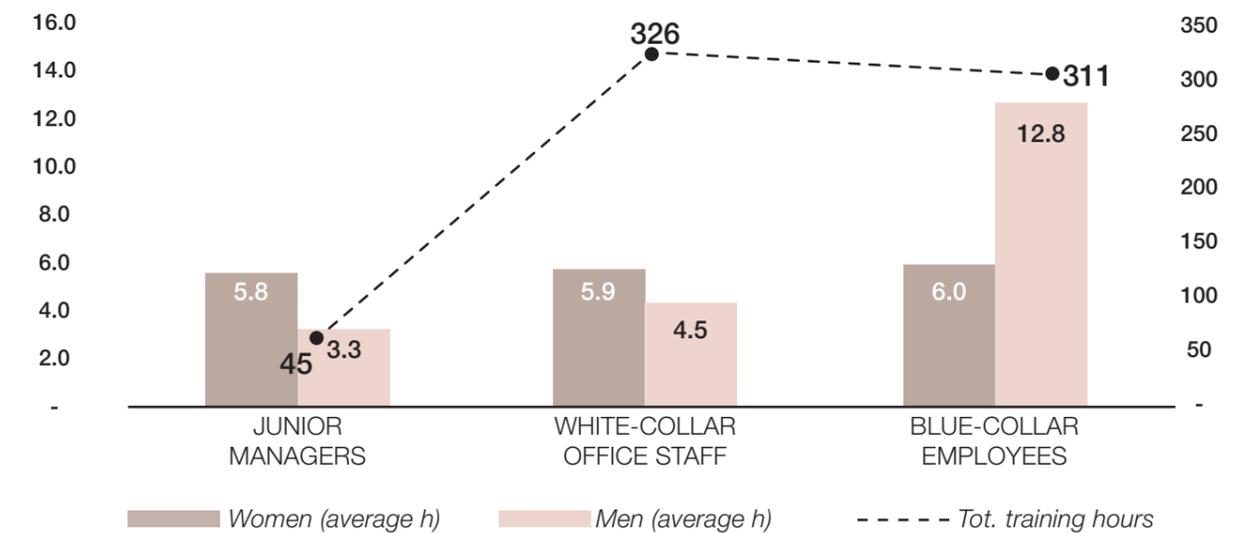
TRAINING PROVIDED 2022 - %



- 74% Occupational health and safety
- 15% Quality & Compliance
- 8% Onboarding
- 3% Environmental

Below is a breakdown of the training provided, presented in terms of average training hours in relation to the number of employees, as required by GRI standards:

TRAINING BY PROFESSIONAL FIGURE



Average hours of training

2022			
	Women	Men	Total
Junior managers	5.8	3.3	5.0
White-collar office staff	5.9	4.5	5.7
Blue-collar employees	6.0	12.8	8.4
Total	5.9	9.3	6.6

⁶ Health and Safety training will be discussed in more detail in the next section.

Occupational health and safety

GRI 403-1 | GRI 403-2 | GRI 403-3 | GRI 403-4 | GRI 403-5 | GRI 403-6 | GRI 403-8 | GRI 403-9 | GRI 403-10

Our priority every day

The well-being and safety of people is a top priority for us: although we do not have a Worker Safety Management System in place, we are committed to providing a safe working environment, ensuring adequate education and training for all departments so that they can carry out their tasks in the best risk management manner. We carefully monitor our occupational health and safety policies and procedures, constantly acting to minimise workplace hazards.

Our focus on this issue is formalised in the **Safety Policy** containing the **guiding principles** which we undertake to follow, in accordance with Articles 28 and 30 of Legislative Decree 81/08; these aim to

- comply with all occupational health and safety laws and regulations;
- eliminate and/or reduce potential hazards at work;
- constantly look after the environment, machinery and protective equipment;

- use the best technologies and practices to optimise business processes and ensure a healthy and healthy working environment.

RISK ASSESSMENT

Through the drafting and continuous updating of the Risk Assessment Document (DVR), we conduct a careful assessment of risks to workers' health and safety, considering their likelihood of occurrence and severity according to different tasks and individual departments. In addition to assessing the general risks associated with ordinary business activities (stress, fatigue, ergonomic risks, etc.), we carefully consider the risks specific to our sphere, including exposure to toxic, irritating or allergenic substances during production, packaging and handling of products (chemical risk) or risks related to the operation of specific machinery and equipment; these are classified and monitored with respect to the tasks and the various operating departments, in order to identify their causes and take appropriate measures to prevent them.



SAFETY AT WORK TRAINING

508
hours of training provided

98
employees involved

14
courses delivered

The impact on employees

ACTIVE PARTICIPATION AND PROMOTION

The promotion of a safety culture is one of our fundamental guiding principles. We share values and good practices, encouraging responsible behaviour. Our aim is to preserve the physical and mental integrity of each employee. We involve workers in a variety of ways, including initial safety trainings, regular meetings, accident and incident reports, noticeboards and consultations with Workers' Safety Representatives (RLS). In order to raise employees' awareness of prevention and health management, we encourage them to join the FASCHIM Fund.

training for forklift drivers. We also devoted ourselves to updating the company-specific risks.

OCCUPATIONAL HEALTH SERVICE

We have appointed a Company Physician who carries out periodic medical examinations and inspections of workplaces; this figure participates in the drafting of the Risk Assessment Document and communicates the results during the annual meeting with the Workers' Safety Representative (RLS).

HEALTH AND SAFETY TRAINING

In order to create and share a corporate culture on occupational health and safety, we continuously provide training on the subject. During 2022, we provided 508 hours of health and safety training, involving 98 resources; specifically, this involved incoming training and onboarding courses for new recruits, general and specific training as per the State-Regions agreement, emergency management and first aid plan, and

ACCIDENTS AT WORK AND OCCUPATIONAL DISEASES

During 2022 there were two non-serious occupational accidents⁷ which, when related to the number of hours worked, generate an occupational accident rate of 11.8, as detailed in the table below. No occupational diseases were recorded during the year.

Rate of recordable work-related injuries

2022
Total number of recordable work-related injuries
2
Falling and slipping
1
Eye irritation
1
No. of hours worked
169,702
Rate of recordable work-related injuries
11.8

⁷ The two work-related accidents refer, in the first case, to an accidental trip over an empty pallet placed on the ground, which led to a five-day absence from work; in the second case, the employee suffered an eye injury following the pouring of a drum of caustic soda after removing his protective goggles, which led to a 37-day absence from work.

Social responsibility: commitment beyond organisational boundaries

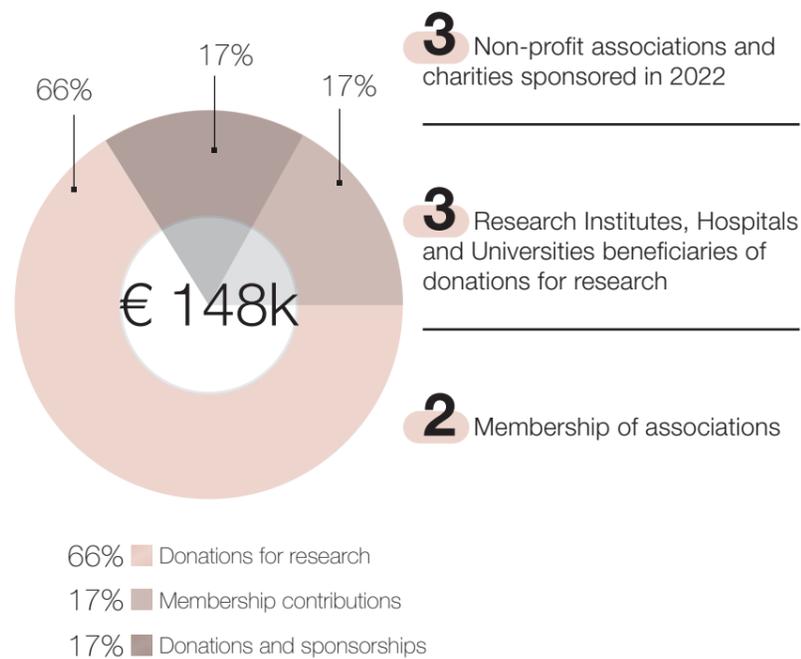
GRI 2-28

Community relations, actions for the territory

Caring for people extends beyond the corporate community and is an integral part of our way of being and doing business. We care about and respect our surroundings, which is why we carry out various initiatives with the aim of contributing to the distribution of value. We perform these activities by creating lasting partnerships, through donations and sponsorships and through specific initiatives for people and the environment.

Research and development projects are the beating heart of our social responsibility initiatives. Our vision revolves around beauty, understood as uniqueness, as the appreciation and promotion of differences, as a source of inspiration; the beauty of people, of quality, of environments, of places. It is a value that guides our choices, as it meshes perfectly with the philosophy we have always pursued; we focus on ensuring that our activities have a

DISTRIBUTION OF VALUE TO THE COMMUNITY - 2022



Sustainability Report 2022



positive impact on people's lives and on the health and wellbeing of the community.

Our commitment is reinforced by the involvement of leading research institutes and charitable organisations, with which we aim to contribute to the advancement of skin and personal health projects.

In 2015 we supported the **Frecciarosa campaign** of the non-profit organisation **Incontra-donna** aimed at preventing breast cancer, with the aim of raising women's awareness of the value of prevention and early diagnosis.

In 2016 we supported **ONDA**, the National Observatory on Women's Health, helping to inform and raise awareness among women about the importance of leading a healthy lifestyle.

In 2018 we supported **the Italian Cancer Research Association (AIRC)** to fund research and raise awareness of the behaviours needed to fight skin cancer.

In 2020, we contributed to supporting research on the prevention of melanoma, one of the most serious forms of skin cancer, through the **Umberto Veronesi Foundation**.

In 2021 we financed the creation of an application developed by the Italian League for the **Fight Against Cancer (LILIT)**, with the aim of raising awareness among Italians about proper sun exposure and supporting melanoma prevention.

In 2023, we funded a scholarship for research on alopecia-related diseases at **the University La Sapienza** of Rome.

Sustainability Report 2022

PROTECTING THE MARINE ENVIRONMENT

We are aware of how the sea is the lifeblood of our planet, responsible for producing 50% of the oxygen and absorbing about one third of the excess CO₂ in the atmosphere. The sea is our ally in mitigating climate change and a pillar of livelihood for the world's population. We must implement actions that protect the marine environment so as to ensure its functionality and productivity while preserving its health.

Our initiatives in favour of sustainable development took shape with the project **"A SEA OF STARS"** project, carried out in collaboration with the association **Worldrise ONLUS** with the ambitious goal of contributing to marine reforestation.

The Worldrise association was founded in 2013 and has since been a driving force in the conservation and enhancement of the marine environment. Its aim is to raise awareness and educate people about the importance of our sea, an extraordinary ecosystem that is home to a vast biodiversity.

In 2022, we collaborated with Worldrise in the project *"A sea of stars"* which aims to preserve gorgonians and their guests, starfish. Our support includes the identification and photographic geolocation of five different species of starfish, some of which are little known but of extreme naturalistic importance; a pathway with which we promote knowledge of the sea, emphasising the importance of the Protected Marine Areas as privileged places for the sighting of these species. Starfish play

a fundamental role as sentinels of the sea and are very sensitive to pollution; being known to the public more for their beauty than for the benefits they generate, they are very often caught for use as ornaments. Our support takes the form of monitoring and recovering waste and ghost nets in the densely populated areas of gorgonians in Capo Mortola and Golfo Aranci. Lost nets pose a constant threat to the marine ecosystem, as they damage the seabed and trap marine organisms. Gorgonians, known as "sea fans" because of their arborescent shape, create veritable underwater forests that serve as a refuge and food source for hundreds of different species. Complex net retrieval operations allow these extraordinary organisms to be released, thus preserving the rich marine heritage that surrounds them.



In 2023 we will renew our collaboration with Worldrise: we will be supporting partners of the **30x30 Italy Campaign** which aims to protect 30% of the seas by 2030. The target of the campaign is to ensure the functionality and productivity of the Mediterranean Sea through a network of 'highly and fully' Protected Marine Areas. In addition, we will support the Portofino Marine Protected Area with Worldrise's AMPlification project, to support the awareness of citizens and local communities about the importance of Marine Protected Areas (MPAs), stretches of sea where biodiversity is protected with a view to fostering sustainable development.



WOMEN'S EMPOWERMENT: WITH WOMEN, FOR WOMEN

Our commitment to women's empowerment extends beyond the company. We have supported, and continue to support, important Social Responsibility projects.

Aware of how important it is to promote the respect and safety of women in society, in 2015 we offered our support to the campaign **"White Page" campaign by the FareXBene** non-profit organisation with the aim of raising awareness against all forms of violence and abuse against women.

In 2019 we established the **"BioNike Award"** to support female entrepreneurship. This initiative brought to light stories of extraordinary women who believed in their dreams and with determination, courage and passion made them come true; a special occasion in which their strong entrepreneurial skills emerged. The prize was important economic support for the development of the winner's business. For 2023 we have planned our support for the campaign **"Women for Women against Violence" campaign** a project aimed at combating gender-based violence and promoting breast cancer prevention. We recognise the need for continued efforts to create a safer world and support women's health. The initiatives we put in place to promote and support women's empowerment are part of our mission and principles that we pursue with commitment and perseverance, not only with regard to the women in our company, but in society as a whole. We are proud to be able to contribute to the progress and well-being of women, and to creating a world in which they feel safer and more secure.



BioNike Award
Premio all'imprenditorialità femminile

ART AND SPORT: SHAPING EMOTIONS

Art is beauty, which in turn is respect for art. **We support art in all its forms:** as promoter of change, as a vehicle for messages of equality, as a boost to the emotions, as an expression of creativity, as a manifestation of love and kindness. Over the years we have sponsored exhibitions, theatres and restorations.

As the Italian leader in pharmacy dermocosmetics, we were the "Official Sponsor and Beauty Partner" of the National Rhythmic Gymnastics Team, the Blue Butterflies. The **Blue Butterflies**, bronze medal winners at the last Olympic Games in Tokyo, are a symbol of Italian excellence. Their performance is a perfect combination of elegance, talent and beauty; a beauty that takes shape through every single movement, a perfect expression that combines technical and artistic gesture.

The partnership with the gymnasts of the national team came about naturally in 2020, the year in which we celebrated BioNike's 60th anniversary as the leader in pharmacy dermocosmetics.



MEMBERSHIP OF ASSOCIATIONS

In 2022 we decided to join the Round Table on Sustainable Palm Oil (**RSPO**): raw materials from palm oil were replaced - where possible in terms of availability - with similar raw materials from sources certified as sustainable by RSPO.

As members of **Cosmetica Italia** we collaborate and share our knowledge within the cosmetics industry.





RESPECT FOR THE
ENVIRONMENT:
RESPONSIBLE
FROM THE OUTSET

Environmental impacts: our action plan

One of the aspects we constantly focus on is the environmental compatibility of our products, throughout their life cycle, acting within a vision of continuous improvement. Our choices are dictated by our meticulous attention to product formulation, monitoring of the resources used and the associated impacts. Our sustainable and responsible vocation guides us towards a path in which we want to play a leading role in the regenerative economy, in which human development and nature conservation can be combined and live in harmony, for the well-being of people and the planet.

The focus on sustainability not only covers the production processes, but also the product itself; a sensibility developed together with consumer awareness and expectations, which we always try to satisfy. For about a year now we have shared a “**sustainability manifesto**” at BioNike, in which we describe the most responsible actions taken, in terms of packaging and choice of raw materials.

In line with the environmental issues identified as material topics and the requirements of the GRI standard used, we report on our environmental performance concerning the use of materials and the related waste, energy consumption and GHG emissions. The performance and progress presented are only the beginning of our commitment to sustainability; our action plan for the short and long term includes the adoption of measures to reduce our environmental impact and to promote more responsible cosmetics.

Managing resources while respecting nature

**GRI 2-27 | GRI 306-3 | GRI 306-4 | GRI 303-3 |
GRI 303-4 | GRI 303-5 | GRI 306-5**

FORMULATION: ZERO MICROPLASTIC TARGET

Plastic pollution is a major environmental challenge, involving institutions, governments, businesses and individuals; in recent years, the actions taken to reduce this problem have intensified, raising awareness of the urgency to act. The focus is not only on packaging and disposables, but also on microplastics, solid particles composed of polymers and additives, insoluble in water with a size of less than 5 mm⁸.

Over the years, the use of microplastics has led to a considerable environmental impact, with an estimated 176,000 tonnes released into European surface waters through wear and tear, and approximately 42,000 tonnes released into the environment through a wide variety of products, such as fertilisers, plant protection products, cosmetics, industrial and household detergents, cleaning products, paints, and granular fillers used in artificial turf fields.

In the cosmetics sector, microplastics have also been widely used, in particular in scrubs, exfoliants, toothpastes, sunscreen products and make-up; their widespread use concerns leave-on and rinse-off products.

Law 205/2017 implemented the ban on the use of microplastics in *rinse-offs* contributing significantly to the reduction of this type of pollution in Italy. A further boost came from the strict sanctions applied: at European level, it was shown that over a five-year period there was a drop of around 98% in the use of microbeads in exfoliating and rinsing products, clear proof of how committed the entire industry is to reducing the impact and environmental damage caused by microplastics, in an increasingly green vision of the cosmetics world. Microplastics can release emissions into waste water, easily reaching the sea and aquatic species; therefore, in view of the environmental impact caused

by microplastics, a ban on their use in rinse-off cosmetics was introduced. The ban has generated a significant reduction in the use of microplastics in cosmetic products in Europe, reflecting a growing awareness of environmental sustainability on the part of the cosmetics industry.

The problem of the presence of microplastics in cosmetic products is a priority on which we feel we must take action with respect for nature and people. The emission potential of microplastics in cosmetics represents less than 2% of all microplastics in the environment⁹; however, in order to identify viable alternatives to polymers potentially classifiable as microplastics, even before the **Regulation 2023/2055 came into force** we undertook a significant **pathway of formulation research to exclude their use in new and existing product formulations**.

⁸ ECHA - European Chemical Agency.

Indeed, the latest regulatory updates have lifted the curtain on a new phase that puts an end to the use of microplastics in cosmetic products. During the reporting period covered herein, the landscape of products containing microplastics changed dramatically.

The measure entered into force on 17 October 2023 and bans the use of Synthetic Polymer Microparticles (SPM) from cosmetic product formulations according to the following timeline

- RINSE OFF cosmetics from 17 October 2027;
- LEAVE ON cosmetics from 17 October 2029,
- MAKE UP products from 17 October 2035.

Our commitment in this direction goes back to **2020** when, guided by a growing sense of responsibility, we **eliminated microplastic particles from our scrub products** and replaced them with cellulose microgranules, jojoba wax or mineral perlite. Again in **2020** we **completely excluded the potential use of microplastics in the development of all newly created products wherever possible, while also working towards their elimination from the formulations of the products currently on sale:** as of today,

70% of BioNike products do not contain microplastics. This demonstrates our pioneering role in anticipating and embracing emerging regulations for a more sustainable future.

These **targets** are part of a forward-looking, virtuous action plan that we are working towards in order to contribute to increasingly sustainable development; our aim is to improve the environmental impact of products throughout their life cycle.

OBJECTIVES

By 2024

we aim to eliminate ingredients classifiable as microplastics from 100% of rinse-off products as per Regulation No. 2023/2055.

By 2025

100% of face and body skin care and photoprotection formulations will not contain ingredients classifiable as microplastics as per Regulation No. 2023/2055.

By 2027

we intend to eliminate ingredients classifiable as microplastics from all make-up formulations and replace them with alternatives with a lower environmental impact - such as so-called biopolymers - as per Regulation 2023/2055.

RESEARCH AT THE SERVICE OF SUSTAINABILITY: THE SCIENTIFIC PATH OF DEFENCE SUN

In the area of formulation, our credo is embodied in our increasing commitment to skilfully combining elements and raw materials, with a focus on the sustainable development of the environment. Our research laboratory is constantly working to improve formulations to protect biodiversity.

This awareness generated the new **Defence Sun** photoprotection products, designed to respect the marine environment.

DEFENCE SUN¹⁰ skincare formulas are **certified as compatible with the marine ecosystem through an eco-toxicological test conducted by a prestigious independent research institute specialising in ecotoxicology studies. The test carried out was performed on 3 species representative of the marine biodiversity** of the Mediterranean Sea and belonging to different functional trophic levels (phytoplankton, zooplankton). **The results demonstrate that the DEFENCE SUN formulas show no signs of toxicity for the aquatic environment.**

In addition, the **UV filters** contained in the new DEFENCE SUN formulas are the result of a **rigorous selection** on the basis of skin compatibility and a **high respect for marine biodiversity.**



Thus, our formulas are:

- free from OXYBENZONE and OCTOCRYLENE: UV filters sometimes responsible for skin intolerance;
- free from OCTINOXATE*: efficient UVB filter but not very compatible with the marine ecosystem;
- free from NANO-FILTERS: nano-particles of mineral filters - Titanium dioxide, Zinc oxide - cause bio-accumulation with harmful effects on the marine ecosystem.

Filters are also present in the formulations in an optimised concentration thanks to **SPF BOOSTER**, a polymer that amplifies filtering efficacy: with the same SPF, the percentage of filters in the formula is reduced.

¹⁰ Excluding the DEFENCE SUN references: Stick SPF50+, Spray (can) SPF50+, Spray (can) SPF 30, Baby&Kid Spray (can) SPF50+.

PACKAGING: GOOD PRACTICES AND DESIGN ECO-PACK

Our philosophy is based on sound principles that are reflected in the good practices we put in place. When it comes to packaging, we promote elements such as quality and safety: we believe in convenience and a positive experience for end consumers, while at the same time striving to avoid wasting resources and materials. Every day we work to ensure that there is continuous improvement in the production and packaging processes in order to reduce the consumption of input resources.

The growing focus on the **circular economy** is strongly felt in our industry, calling our attention to our duty to take action. In line with our philosophy and the needs of the industry, in 2021 we launched the **Eco-Pack project**, an expression of our commitment to some of the pillars of the circular economy: **Recycle, Reuse, Reduce**.

The most effective measure designed to reduce the environmental impact of packaging is **limiting the amount of materials used**. At BioNike, we reduce unnecessary packaging, ensuring that every component is able to preserve the quality and safety of our products. Material reduction contributes to a decrease in resource consumption, the energy required for upstream production and the

amount of waste generated. **We favour packaging from recycled material and/or with higher recyclability and reusability properties**; in this context, we have strategically rethought our products, promoting the use of materials with a lower environmental impact, with the aim of maximising the use of existing materials, thus reducing the demand for new resources and the amount of waste sent for disposal.

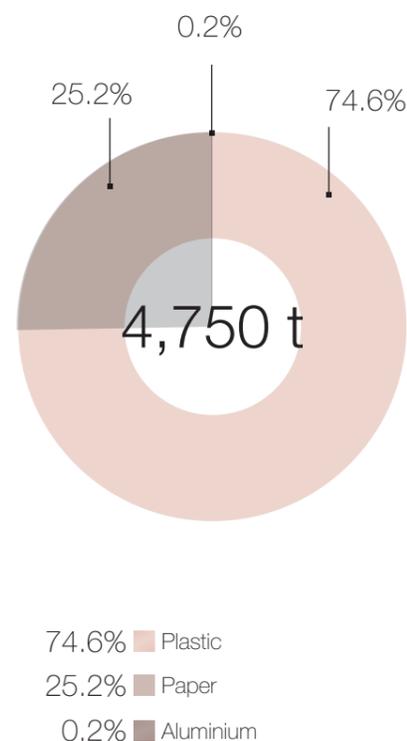
Below are the main milestones of our Eco-Pack project, the results achieved and the objectives set.

From **2021** the plastic wrap around our **boxes** has been replaced with **recyclable and biodegradable laminates**. **We use 100% recyclable paper pulp thermoforms and have removed the protective cellophane**. Through these initiatives we have reduced material consumption by about 6 tonnes (4.5 tonnes of virgin plastic and 1.5 tonnes of cellophane). To date, approximately **78% of our packaging is fully recyclable** the only exceptions are multi-material pumps, multi-material tubes, multi-material sticks and applicators.

In **2022** we will have used **recycled materials (plastic and aluminium) for all our bottles**

of face, body and hair cleansing, photoprotection and body care products. Currently, all our **boxes** are made with **recycled or FSC-certified**¹¹ paper, guaranteeing their origin and traceability.

RECYCLED PACKAGING



These efforts have enabled us to achieve an important milestone **reducing the use of virgin materials for our product packaging by 54%**, in particular by saving **55 tonnes of virgin plastic** with a consequent reduction in environmental impact in terms of emissions produced. In total, in 2022 we used **4,750 tonnes of recycled material** of which about 74.6% was plastic, followed by paper (25.2%) and aluminium (0.2%).

Consistent with our scientific approach, to reinforce the solidity of our commitments on this topic, we have undertaken the **Organisational Carbon Footprint**¹² path. Supported by international ISO standards, this will allow us to create a solid baseline on which to calculate and certify the impact in terms of reducing the tonnes of CO₂ produced by our packaging initiatives.



2021

- 1.5 t cellophane
- 4.5 t virgin plastic used

- Elimination of the use of cellophane as protection for our boxes, reducing consumption by 1.5 tonnes.
- Total elimination of plastic wrap from boxes through the use of fully recyclable and biodegradable ecological laminates, thermoformed from 100% paper pulp, so generating a reduction of virgin plastic by 4.5 tonnes compared to 2020.

2022

- 54% virgin materials used
- 55 t virgin plastic used

- Use of recycled materials (recycled plastic and aluminium) for all bottles of cleansing products, resulting in a 54% reduction in the use of virgin materials for product packs; placing 55 tonnes less virgin plastic on the market by 2021.
- Production of boxes with recycled or FSC-certified paper.

2023

- 5.1 t paper used
- 7 t plastic used

- Elimination of the package insert from all face, body, sun and make-up products, reducing the use of paper by 5.1 tonnes compared to 2022.
- Elimination of sleeve from face, body and hair cleansers, reducing plastic use by 7 tonnes.
- Realisation of the Glam & Green Make-up Trousse, characterised by a decomposable and recyclable eco-pack.

2024

- 50% Plastic used

- Use of new eco-caps, bottle caps and tubes designed to reduce plastic use by 50%.

2025

- 90% fully recyclable pack
- 85% recycled materials used

- Gradual reduction in the amount of plastic used for bottles, opting for packaging with lower weights.
- 90% of packaging is fully recyclable.
- 85% use of recycled materials in packaging and consequent reduction in amount of virgin plastic used.
- Extending the use of recycled plastic to pumps, labels, sleeves, and progressively also to make-up packs.
- Only purchasing of pumps made of mono-material (100% recyclable) and partly made of recycled material.
- Development of new technologies for mono-material tubes (100% recyclable).
- Maximising the use of recyclable make-up packaging.

¹¹ (Forest Stewardship Council, a label certifying that it is sourced from forests managed according to stringent environmental, social and economic standards).

¹² Please refer to the section 'Climate change, climate protection: our carbon footprint' for further details on the path taken.

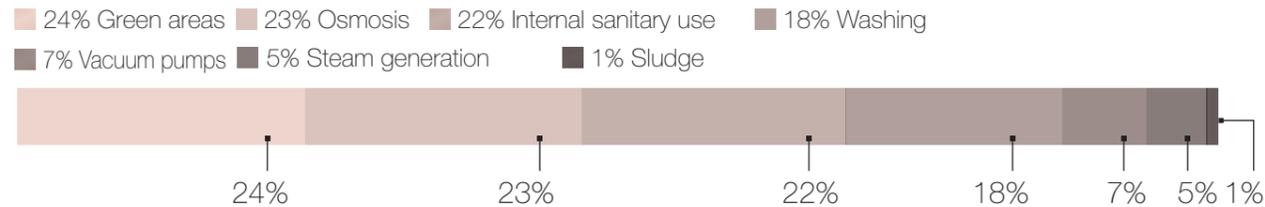
RATIONAL USE OF WATER RESOURCES

Water is a precious resource that must be managed responsibly. In our production process, water, in the form of steam, contributes strongly to the quality of the finished products; over the years, we have dealt with various issues related to the use of resources that have prompted us to rethink our processes and investment strategies, reinforcing the importance of the topic. Therefore, we take care to manage their use as efficiently as possible in terms of both consumption and treatment.

In the solutions we adopt for water treatment in our facility, we use advanced technologies, including a **reverse osmosis device** which allows us to use water, treated as the main ingredient, in our product formulations; the plant, following organisational changes in the production cycle, was renovated during 2022.

In terms of **water supply** we withdraw water from two main sources: the aqueduct and the well. We have one water supply which is only for use by the offices, connected to a dedicated sewage system; the other supply is used for fire fighting. The two wells are used for cooling the production process and for heating the environment with heat pumps.

USE OF WATER WITHDRAWN FROM AQUEDUCT (m³)



We are aware of the importance of properly treating residual water generated in the industrial process, so we ensure that the **discharges** are managed in a responsible manner, respecting the environment and current regulations. Our effluent discharged into the sewerage system is derived from several components, including vessel washing water, reactor washing water, pump vacuum system and effluent from the reverse osmosis plant, which is considered as part of the domestic effluent.

The volumes of water withdrawn and discharged are summarised below.

Water balance (m³)

2022					
Water withdrawal	517,945	Water discharge ¹³	12,532	Water consumption ¹⁵	10,847
from well	494,566	from well ¹⁴	494,566		
from aqueduct	23,379	from sanitary use	5,200		
		from industrial use	7,332		

In order to favour a circular approach also in the use of water resources, we have embarked on a major investment which, in 2024, will take the form of an expansion of the water recovery and purification plant for washing water, in order to optimise its use.

¹³ Following analysis of the discharges, the disposed water is characterised as waste with the code EER 06 05 03.

¹⁴ It is estimated that the water withdrawn from the well, following its use in the heating and cooling system, is discharged in equal quantities.

¹⁵ Water consumption is the difference between total water withdrawal and total water discharge.

WASTE AND SCRAP: COLLECTION, DISPOSAL, RECOVERY

Our company pays great attention to waste and scrap management, recognising the significant impacts they can have on the environment. To meet this challenge in a responsible manner, we have implemented several practices.

We closely monitor the volume of materials used in order to assess the efficiency of our processes and identify opportunities to reduce resource consumption. Starting with **packaging** we have developed ways to recover and recycle the materials used in our products, promoting circular economy activities.

In line with current legislation, we have an internal monitoring system that collects detailed information, including the EER code of the waste, its characterisations and the expected amount to be accumulated before collection by authorised transporters.

Waste generated by the company's activities is stored and deposited in specific areas.

Waste management and disposal are entrusted to authorised waste transporters and disposers, in accordance with provincial legislation. We use the Single Environmental Declaration Form (MUD) and the Waste Identification Form (FIR) to report the quantities of waste produced during the year.

During 2022, Icim produced 639 tonnes of waste, of which 38 tonnes was hazardous waste and 601 tonnes was non-hazardous waste. Of the share of non-hazardous waste, approximately **97% was recovered**. In the following tables we present data on the waste disposed of and recovered by our company during 2022, classified by type and destination:

Waste generated

2022			
Type	Quantity (t)	Destination	Quantity (t)
Non-hazardous	600.61	Recovery	613.65
Hazardous	38.52	Disposal	25.49
Total	639.13	Total	639.13

Below is a breakdown of the waste produced by the company, showing that the main waste produced is sludge from production residues and packaging waste used in the process.

EER	Type of waste	Quantity (t)	% on tot.
060503	sludge from on-site effluent treatment other than those mentioned in item 06 05 02	452.83	70.9%
150106	mixed material packaging	74.22	11.6%
150101	paper and cardboard packaging	52.96	8.3%
150110*	packaging containing residues of, or contaminated by, such substances	33.64	5.3%
190904	spent activated carbon	18.38	2.9%
070608*	other funds and reaction residues	2.26	0.4%
070608*	other funds and reaction residues	2.23	0.3%
160306	organic waste other than those mentioned under heading 16 03 05	2.22	0.3%
070608*	other funds and reaction residues	0.40	0.1%
Total		639.13	100%

Energy: the initiatives taken

GRI 302-1

In our production sector, energy plays a crucial and strategic role. The transition to renewable energy sources is vital for our company and the entire industry. **Energy efficiency** and the adoption of **renewable energies** can generate significant energy cost savings, which can be reinvested in innovation and sustainable activities. ICIM has adopted a number of initiatives aimed at improving energy management and reducing environmental impact.

Over the years, the production plant in Lainate has undergone several adaptations to current reg-

ulations and has been the subject of major investments in structural GMP compliance. These activities concerned both the production plant, consistent with the Quality Management System, and the energy savings and the improvement of the energy mix used.

We are proud to say that **the electricity used at the Lainate site is completely green**. In terms of energy supply, ahead of our time, since 2016 we have had a **photovoltaic plant** with a capacity of 346 kWp installed in the production plant in Lainate; in addition to the self-consumption

possible from the photovoltaic plant, the energy taken from the grid comes from **renewable sources**.

We are currently evaluating projects aimed at reducing the energy requirements of our products and services; an initiative that will enable us to offer our customers more sustainable solutions.



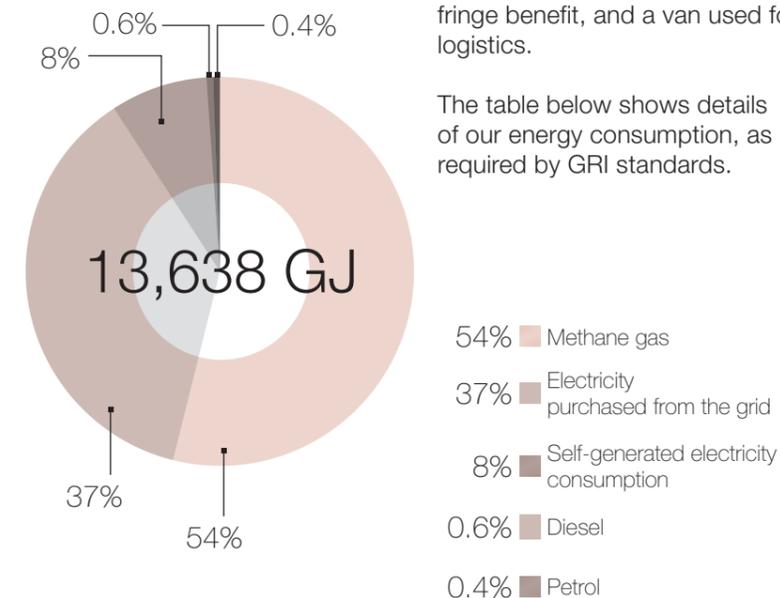
ENERGY CONSUMPTION

In 2022, the organisation's total internal energy consumption was **13,638 GJ**.

The diagram below reproduces, in percentage values, the different items included in the energy consumed within the organisation.

Considering the energy carriers used, methane gas is the one with the greatest impact on total energy consumption in 2022, used for office heating and steam generation; this was followed by the purchase of electricity from the grid (37%); the photovoltaic system through which we self-generate energy covered about 8% of the total energy requirements in 2022.

ENERGY CARRIERS



Finally, the fuel consumption covers the fuel used for the company fleet consisting of a fleet of four cars for hybrid use, as a fringe benefit, and a van used for logistics.

The table below shows details of our energy consumption, as required by GRI standards.

Energy consumption in the organisation¹⁶

2022			
	UM	Consumption	Consumption (GJ)
Methane gas consumption (heating)			
<i>Methane gas</i>	Sm ³	213,961	7,388.07
Electricity consumption			
<i>Electricity purchased from the grid (medium voltage)</i>	kWh	1,411,064.00	5,079.83
<i>Self-produced and consumed electricity¹⁷</i>	kWh	288,943.00	1,040.19
Fuel for corporate fleet			
<i>Diesel</i>	litres	2,165.90	77.06
<i>Petrol</i>	litres	1,624.46	53.12
Total energy consumed within the organisation			13,638.28

¹⁶ Source of the conversion factors used:
Methane gas: Table 1 EEN Resolution No. 9/11
Electricity: PCC 2021 GWP 100 Vers.1.00
Diesel: Table 1 EEN Resolution No. 9/11 - EN ISO 3675
Petrol: Table 1 Resolution EEN No. 9/11 - ISO 1716
¹⁷ Added to this are 16,277.00 kWh not consumed and fed back into the grid.

Climate change, climate protection: our carbon footprint

GRI 305-1 | GRI 305-2

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.

In line with our sustainability values and goals, and aware of the need to implement a strategy to combat climate change, we have formalised our commitment by analysing and reporting on our environmental impact; we have quantified our emissions through a certified study based on standard UNI EN ISO 14064-1: 2019, 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.

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

¹⁸ The regulatory references adopted in the development of the study those contained in 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".

The emissions in question may be **direct or indirect**: the former are those that come from the company's own sources or controlled by the company itself; the latter, on the other hand, are emissions indirectly controlled by the company, related to imported energy, transport, products used and their end-of-life.

The study was conducted 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 figures that emerged constitute baseline values which will allow us to measure our performance over time. In this way, we can rigorously assess potential future impact reduction and mitigation scenarios.



The study we undertook enabled us to identify six different categories of emissions as per ISO 14064, attributable 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

- Direct GHG emissions
- *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

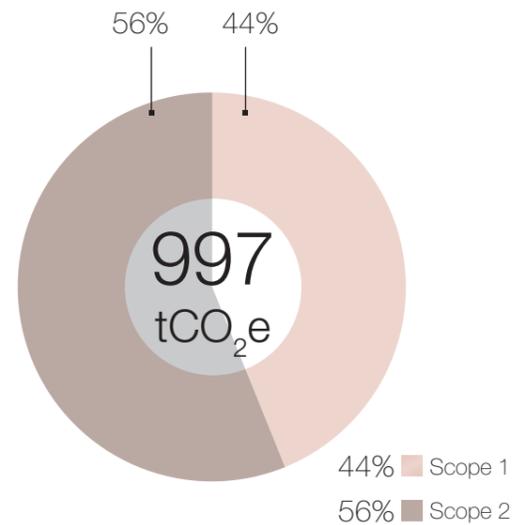
- Indirect emissions from transport:
 - *inbound logistics (transport of raw and packaging materials, round trips of semi-finished products);*
 - *outbound logistics (transport of finished products to customers, transport of company waste to treatment sites);*
 - *employee business travel;*
 - *employee 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 sources.

**ORGANISATIONAL CARBON FOOTPRINT:
THE FIRST RESULTS OF THE STUDY**

**RESULTS FOR
SCOPES 1 & 2**

In the light of the data collected to date 3, in 2022 we produced **997 t CO₂eq**²⁰ relative to Scope 1 and Scope 2; of these, approximately 56% 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.

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 purchases of electricity and heat by considering the specific emission factors reported by our suppliers. For purchases of electricity from renewable sources, 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.

¹⁹ 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.

²⁰ 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.

**Scope 1
Direct emissions
of GHG**

	Location-based GHG emission value (t CO ₂ e) ²¹	% tot	Market-based GHG emission value t CO ₂ eq
1.1 Direct emissions from stationary combustion			
<i>Methane gas consumption for heating</i>	431.3	43.3%	431.3
1.2 Direct emissions from mobile combustion			
<i>Diesel consumption for corporate fleet</i>	5.8	0.6%	5.8
<i>Petrol consumption for corporate fleet</i>	3.8	0.4%	3.8
Total value of Scope 1	440.94	44.2%	440.94

**Scope 2
Indirect emissions from
imported electricity**

	Location-based GHG EMISSION VALUE t CO ₂ eq	% tot	Market-based GHG EMISSION VALUE t CO ₂ eq
2.1 Indirect emissions from imported electricity consumption			
<i>Medium-voltage electricity consumption location-based</i>	555.7	55.8%	0.0
Total value of Scope 2	555.72	57.5%	0.0
Total value of Scopes 1 and 2	996.66	100%	440.94

²¹ Source of the 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

AVOIDED EMISSIONS

The use of renewable energy sources is our main direct contribution in the fight against climate change. We do this by procuring energy from the grid, certified by **renewable sources** and through **the self-production** of electricity²².

Thanks to these choices, in 2022 we will have avoided a total of **670 tonnes of CO₂e**²³. Below is a table detailing the emissions avoided.

CO₂ emissions avoided 2022

2022	
Subcategory	GHG EMISSION VALUE (t CO ₂ e)
by purchasing energy from renewable sources with Guarantees of Origin	555.72
from consumption of electricity from the photovoltaic installation	113.79
Total	669.52

²² This category falls under Scope 3 emissions.

²³ The avoided emissions are calculated as the difference between the emissions that would have been caused by purchasing electricity from the grid and the zero impact in the form of direct emissions of electricity generated from the photovoltaic installation.

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 anticipation of the Organisational Carbon Footprint study, which will be completed in 2023, we started an analysis in order to map the home-work journeys our employees make every day.

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

Thanks to the sharing of a **QR-Code** provided by Tecno ESG Società Benefit S.r.l., we administered an anonymous questionnaire to employees with simple and effective questions that enabled us to study our corporate mobility.





Towards a more sustainable future: virtuous goals, concrete actions

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:

MAXIMISING QUALITY STANDARDS

- Maintenance of existing certifications.
- Reduction of complaints in relation to the number of pieces sold.
- Optimisation of production methods in terms of time, quality, consumption.

UNI ISO 13485 CERTIFICATION

- Obtaining UNI ISO 13485 certification for the production of medical devices, although our company already operates in compliance with this standard.

REDUCTION OF MICROPLASTICS IN OUR FORMULATIONS

- Reformulation of our products according to the timeline indicated in the Report, in order to totally eliminate the use of materials containing microplastics.

RESPONSIBLE PACKAGING

- Maximising the use of recycled, recyclable and reusable materials in our product packaging.

ORGANISATIONAL CARBON FOOTPRINT UNI EN ISO 14064-1:2019

- Development of an Organisational Carbon Footprint (OCF) study, according to UNI EN ISO 14064-1:2019, to measure our environmental footprint for the year 2022 and analyse potential improvement actions.

WATER RECOVERY INTERVENTIONS

- Installation of a water recovery plant in 2024 to maximise, where applicable, the reuse of withdrawn water.

EMPLOYER BRANDING

- Promoting a positive company image with the aim of recruiting and retaining top talent, strengthening the brand reputation of BioNike and the Sodalis Group.

GRI CONTENT INDEX AND CORRELATION TABLE



Declaration
 ICIM 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.

Used		
GRI Standard	Notice	Page
GRI 1	FOUNDATION 2021	
GRI 2 GENERAL DISCLOSURES 2021		
2-1	Organisational details Chapter: Methodological note	8 - 20
2-2	Entities included in the organisation's sustainability reporting Chapter: Methodological note	8
2-3	Reporting period, frequency and point of contact Chapter: Methodological note	8
2-6	Activities, value chain and other business relations Chapter: Our idea of well-being Paragraph: Our customers: our strength Chapter: Supply chain: consolidated management	20 - 34 - 36
2-7	Employees Chapter: Our people Paragraph: Development of human capital	66
2-9	Governance structure and composition Chapter: Governance and best practices: company policies, strategies and performance Paragraph: Organisational and management structure	52
2-22	Statement on sustainable development strategy Chapter: Letter to Stakeholders	10 - 45
2-27	Compliance with laws and regulations Chapter: Respect for the environment: responsible from the outset	89
2-28	Membership in associations Chapter: Our people Paragraph: Social responsibility: commitment beyond organisational boundaries	80
2-29	Approach to stakeholder engagement Chapter: Unfiltered: our sustainability journey Paragraph: Stakeholder mapping and engagement	46
2-30	Collective agreements Chapter: Our people Paragraph: Development of human capital	66
GRI 3 INFORMATION ON MATERIAL TOPICS 2021		
3-1	Process of determining material topics Chapter: Unfiltered: our sustainability journey Paragraph: Internal materiality analysis: our strategy	43
3-2	List of material topics Chapter: Unfiltered: our sustainability journey Paragraph: Internal materiality analysis: our strategy	43

GRI 201 ECONOMIC PERFORMANCE 2016		
201-1	Direct economic value generated and distributed Chapter: Governance and best practices: company policies, strategies and performance Paragraph: Economic performance	56
201-4	Financial assistance received from the government Chapter: Governance and best practices: company policies, strategies and performance Paragraph: Economic performance	36 - 56
GRI 204 PROCUREMENT PRACTICES 2016		
204-1	Proportion of spending on local suppliers Chapter: Our idea of well-being Paragraph: Our customers: our strength Chapter: Supply chain: consolidated management	36
GRI 205 ANTI-CORRUPTION 2016		
205-3	Confirmed incidents of corruption and actions taken No proven cases of corruption occurred during the financial year 2022	
GRI 206 ANTI-COMPETITIVE BEHAVIOUR 2016		
206-1	Legal actions for anti-competitive behaviour, antitrust and monopolistic practices During financial year 2022, there were no legal actions concerning anti-competitive behaviour and violations of antitrust laws	
GRI 302 ENERGY 2016		
302-1	Energy consumption within the organization Chapter: Respect for the environment: responsible from the outset Paragraph: Energy: the initiatives taken	96
GRI 303 WATER AND EFFLUENTS 2018		
303-3	Water withdrawal Chapter: Respect for the environment: responsible from the outset Paragraph: Managing resources while respecting nature	89
303-4	Water discharge Chapter: Respect for the environment: responsible from the outset Paragraph: Managing resources while respecting nature	89
303-5	Water consumption Chapter: Respect for the environment: responsible from the outset Paragraph: Managing resources while respecting nature	89
GRI 305 2016 EMISSIONS		
305-1	Direct (Scope 1) GHG emissions Chapter: Respect for the environment: responsible from the outset Paragraph: Climate change, climate protection: our carbon footprint	98
305-2	Indirect (Scope 2) GHG emissions from energy consumption Chapter: Respect for the environment: responsible from the outset Paragraph: Climate change, climate protection: our carbon footprint	98

GRI 306	WASTE 2020	
306-3	Waste generated Chapter: Respect for the environment: responsible from the outset Paragraph: Managing resources while respecting nature	89
306-4	Waste diverted from disposal Chapter: Respect for the environment: responsible from the outset Paragraph: Managing resources while respecting nature	89
306-5	Waste for disposal Chapter: Respect for the environment: responsible from the outset Paragraph: Managing resources while respecting nature	89
GRI 401	EMPLOYMENT 2016	
401-1	New employee hires and employee turnover Chapter: Our people Paragraph: Development of human capital	66
401-2	Benefits provided for full-time employees, but not for part-time or fixed-term contract employees Chapter: Our people Paragraph: Development of human capital	66
GRI 403	OCCUPATIONAL HEALTH AND SAFETY 2018	
403-1	Occupational health and safety management system Chapter: Our people Paragraph: Occupational health and safety	78
403-2	Hazard identification, risk assessment, and incident investigation Chapter: Our people Paragraph: Occupational health and safety	78
403-3	Occupational health services Chapter: Our people Paragraph: Occupational health and safety	78
403-4	Worker participation, consultation and communication on occupational health and safety Chapter: Our people Paragraph: Occupational health and safety	78
403-5	Worker training on occupational health and safety Chapter: Our people Paragraph: Health and safety at work, Development of know-how	78
403-6	Promotion of worker health Chapter: Our people Paragraph: Occupational health and safety	78
403-8	Workers covered by an occupational health and safety management system Chapter: Our people Paragraph: Occupational health and safety	78
403-9	Work-related injuries Chapter: Our people Paragraph: Occupational health and safety	78
403-10	Work-related ill health No occupational diseases were recorded during financial year 2022	78

GRI 404	TRAINING AND EDUCATION 2016	
404-1	Average hours of training per year per employee Chapter: Our people Paragraph: Development of know-how	66
GRI 405	DIVERSITY AND EQUAL OPPORTUNITIES 2016	
405-1	Diversity of governance bodies and employees Chapter: Governance and best practices: company policies, strategies and performance Paragraph: Organisational and management structure Chapter: Our people Paragraph: Development of human capital	52 - 71
GRI 406	NON-DISCRIMINATION 2016	
406-1	Incidents of discrimination and corrective measures taken During financial year 2022, no cases of discrimination were recorded	
GRI 418	CUSTOMER PRIVACY 2016	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data During financial year 2022, no cases of customer privacy breach were recorded.	34

This Sustainability Report has been prepared with the methodological support of





BioNike **Bu**
SALUTE E BELLESSERE

Icim International Srl | Viale Italia, 60 | 20045 Lainate (MI) Italy