



SODALIS
GROUP

Creators of Wellbeing

CONSOLIDATED
SUSTAINABILITY
REPORT 2023

Creating Wellbeing to improve
life today and tomorrow



Index

2 TABLE OF CONTENTS

4 KEY NUMBERS

8 LETTER TO STAKEHOLDERS

10 WE ARE SODALIS GROUP: OUR IDENTITY

12 About us

16 Our path, Our evolution

20 Our Wellness Creation Philosophy

22 Vision & Mission

24 Values

26 Our business model

26 Our organisation

32 Group Companies

34 Our locations, our markets

36 Our business units

44 OUR COMMITMENT TO SUSTAINABLE GROWTH

46 Our approach to sustainability

52 ESG assessment: towards greater awareness

54 Responsibility and transparency: the approach of ESI & BioNike

56 Stakeholder Engagement: an open dialogue to achieve common goals

61 Materiality assessment: priority ESG issues

70 Action Plan: from strategy to concrete action

78 THE PRINCIPLES OF OUR GOVERNANCE MODEL

82 Our journey

86 Organisational structure

88 Economic performance and development prospects

90 Direct economic value generated and distributed

93 Projects and investments

94 Innovation, research and development: our business drivers

100 Quality and customer satisfaction: our winning combination

100 Quality Management

104 Customers and consumers: the hallmarks of our relations

108 Our suppliers: the importance of trust and long-standing relations

114 SOCIAL RESPONSIBILITY INSIDE AND OUTSIDE THE GROUP

118 Our journey

122 Our Team: The heart and soul of the Group

122 The creation of a unique management process

124 Key numbers

128 Turnover

130 Our Sodalis People

134 Developing and enhancing human resources

138 Education of the younger generations: our pPartnerships with specialised institutes

140 Welfare, wellbeing, wellness: putting people first

142 Sodalis Home

144 Communication with Sodalis People

146 Health and safety: constant attention to our people

147 Risk assessment and promotion of safety

148 Training and occupational health services

149 Work-related injuries and ill health

150 The value of inclusion and diversity

152 Gender equality among our people

155 Ratio of basic salary women to men

155 Protected categories and incidents of discrimination

156 Social activities for the community and territory

162 OUR COMMITMENT TO THE ENVIRONMENT

166 Our journey

170 Our formulations: careful, responsible choices

174 Our efforts to eliminate microplastics

176 Management of water

179 The importance of ecodesign packaging: our virtuous solutions

179 Bottle production

179 Use of recycled and recyclable materials

188 Waste generation and good circular economy practices

190 Waste generated

192 Energy management

192 Good energy governance

194 Energy consumption

196 GHG emissions: initiatives and action plan

196 The Group Scope 1 and Scope 2 carbon footprint

200 Good practices implemented and results

204 Our initiatives to support the environment

212 ANNEX 1 Methodological Note

214 ANNEX 2 GRI STANDARDS

214 Reporting package

222 GRI Content Index

Key Numbers



12
companies



5
countries with
direct subsidiaries



1,003
employees



1,463
new products

4
production sites

48
export countries

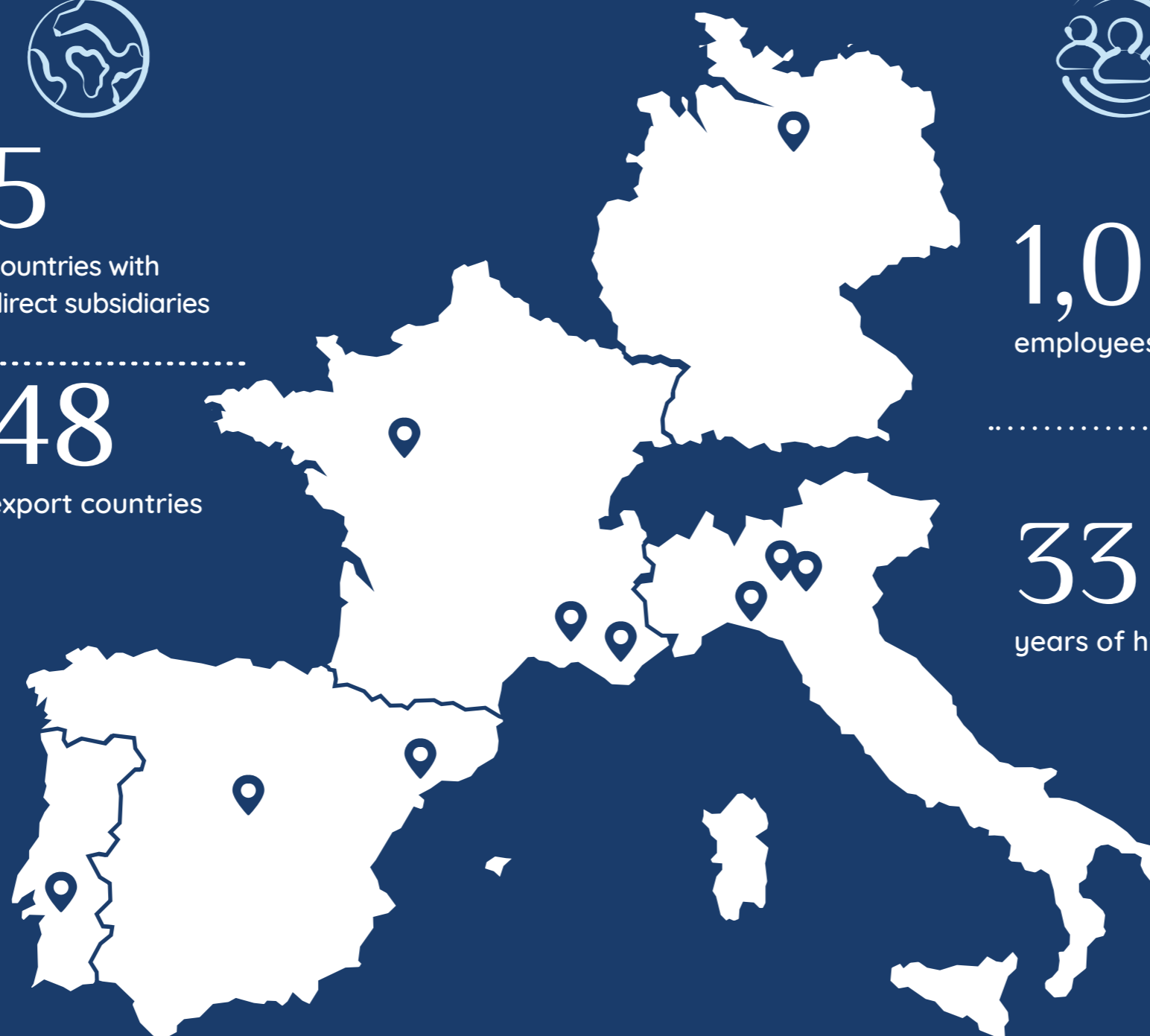
33
years of history

416 M
products manufactured at
our production sites

4
in-house
laboratories

10
offices

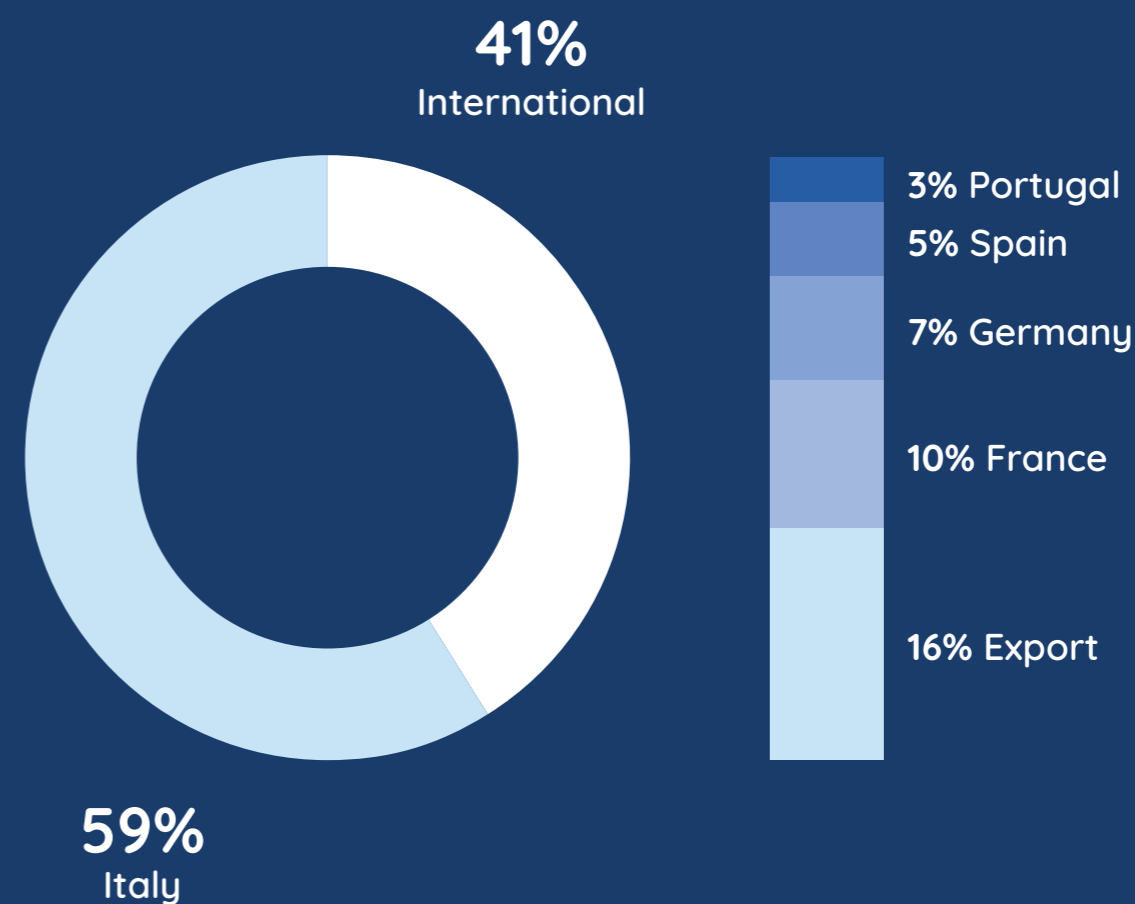
€ 694 M
consolidated net revenue



Key Numbers

TURNOVER BREAKDOWN BY PRODUCT CATEGORY

PERCENTAGE SHARE PER COUNTRY



Letter to stakeholders

GRI 2-22

‘Our first Group Consolidated Sustainability Report: a starting point for new horizons of Wellbeing in the Sodalis galaxy’

Dear Stakeholders and Partners,

It is with great pride and sense of responsibility that we’re sharing with you **Sodalis Group’s First Consolidated Sustainability Report**, which represents a symbol of our commitment towards a more virtuous, transparent and structured management of ESG (Environmental-Social-Governance) topics.

Sodalis vision is to **Create Wellbeing through our brands for people and planet**, now and tomorrow.

We consider **Sustainability as a relevant commitment to be true and authentic to our vision**: a path that brings us beyond strictly-related business goals and enables our brands to foster a positive impact to present and future lives, contributing to a better world.

Sodalis is an outstanding entrepreneurial reality in the European Health & Beauty, Personal & Home Care market, an extraordinarily dynamic business experience with a strong track record of acquisitions and very fast growth. We have always worked hard and channeled all our passion to build the results achieved so far and **we look at the Group future with great ambition and a deep desire of constant improvement**.

At the same time, since always but even more consciously in the recent past, we deeply believe that true success is measured by not only by brilliant financial performance, but also by the ability to be an **engine of quality, innovation and prosperity in our context**: in short, to be **Creators of Wellbeing**.

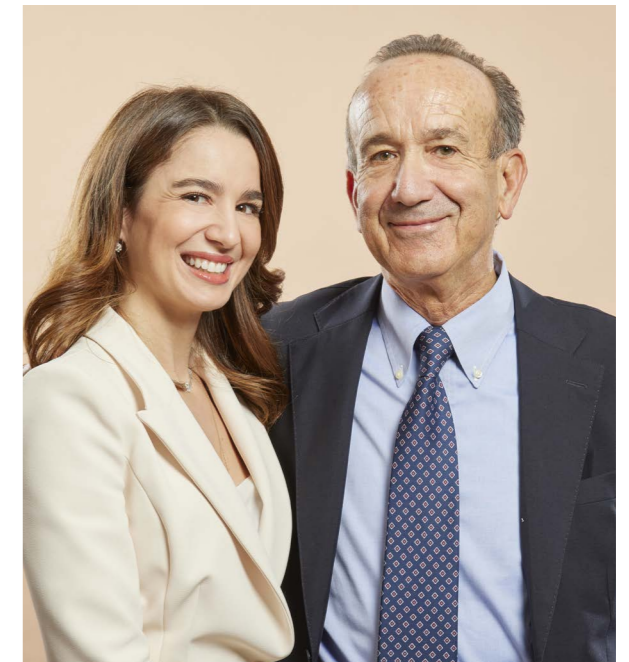
2023 marks an important milestone in our Sustainability path: we decided to follow a more structured approach and to be continually supported by an external specialized partner. We appointed an ESG Manager, fully dedicated to coordinate our road to Sustainability and to communicate it internally and externally, and gave life to a team of Sustainability Champions across all our functions and companies.

We had already implemented excellent ESG projects in some of our companies or for some specific brands in the previous years, but in 2023, for the first time, we decided to **align all Sodalis galaxy to common and shared Sustainability objectives**, acting as a truly integrated Group.

This first Group Consolidated Sustainability Balance Sheet is for us an important step to be more aware of our ESG performance thanks to solid quantitative analysis and reporting, and to transparently share our achievements and goals.

As in every area in Sodalis, we strive for continuous improvement: that’s why we are working on an **ambitious 3-years Action Plan** with significant initiatives aimed at reducing our environmental footprint, promoting social wellbeing and fostering ethical business practices. We are committed to manage it in the **Sodalis way: with concreteness, determination and respect**.

As you navigate to the pages of this report, we invite you to join us on our journey towards Sustainability and responsible growth. Your support and feedback are precious as we do our best to make a meaningful difference in the world.



I would like to **express my gratitude to all Sodalis people** across our markets for their valuable work and extraordinary enthusiasm. Their dedication makes every day small and great wins possible that lead over time to incredible outcomes.

We are all together in this journey towards Sustainability. I know, it is quite a looong one and challenging one, but it’s essential we all believe in it to make every result achieved a starting point towards new horizons of Well-being.

Thank you for your trust in Sodalis Group.

Fabio Granata
Chief Executive Officer

Marianna Granata
Marketing & Communication Director

We are Sodalis Group: Our identity



About us

At Sodalis Group, we are Creators of Wellbeing: our focus every day is on designing, realising and developing small yet great wellbeing products, for a better present and future.

We are committed to **creating Well-being through the quality, research and innovation of our brands** in the health & beauty and personal & home care sectors.

Constantly driven by an innate passion for what we do and a strong desire for constant improvement, today we **are the leading player on the Italian cosmetics and nutraceuticals market** with a multi-brand, multi-channel, dynamic and international business that is constantly expanding.

We attract millions of consumers every day through our extensive range of highly attractive, well-known proprietary brands, with **strong positions in pharmacies, mass retail, e-commerce and perfumeries.**

Our business units include:

PHARMA HEALTH & BEAUTY, with the brands **BioNike**, a leader in pharma dermocosmetics, **ESI**, a leading Italian nutraceutical company, and **Goovi**, a digital-native wellness brand.

PERSONAL CARE, with **Tesori d'Oriente**, **Vidal Lycia**, **Fresh & Clean**, **Leocrema**, **CD**, **Natural Honey** and **Wash & Go** as the most important brands.

CONSUMER BEAUTY, with make-up, hair-care and skin-care brands such as **Deborah Milano**, **Biopoint**, **Dermolab** and **Debby**.

HOME CARE, whose main brands include **L'Arbre Vert**, France's no. 1 eco-friendly brand, along with **Super Pop**, **Mistolin** and **Cristasol**, market leaders in Spain and Portugal.



In business for 33 years and always under Italian family ownership,

our Group has developed quickly through the organic growth of proprietary brands and the acquisition of new brands.

Our acquisition strategy initially targeted brands owned by global corporations, followed by promising independent companies in the health & beauty and personal & home care sectors. Over the past ten years, we have mainly focused on acquisitions in the international European market, pharmaceuticals and e-commerce.

Our Group is the result of an ability not only to effectively integrate new businesses, but especially to develop them substantially to achieve continuous growth.

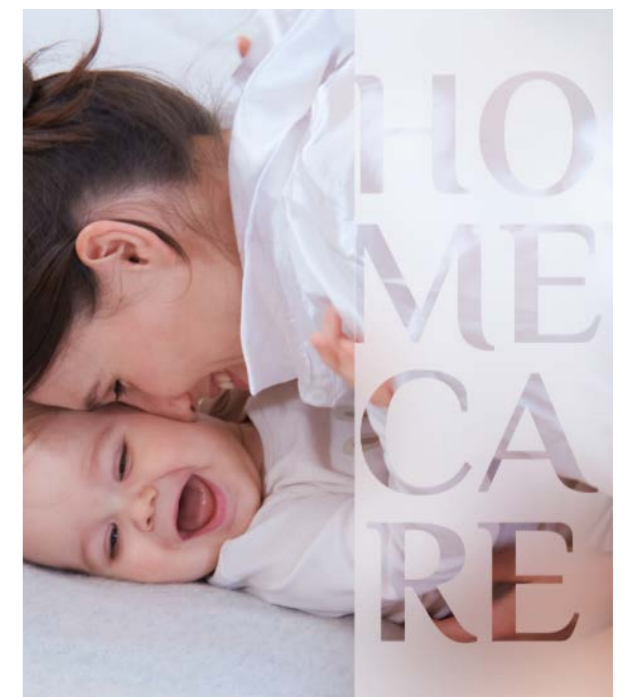
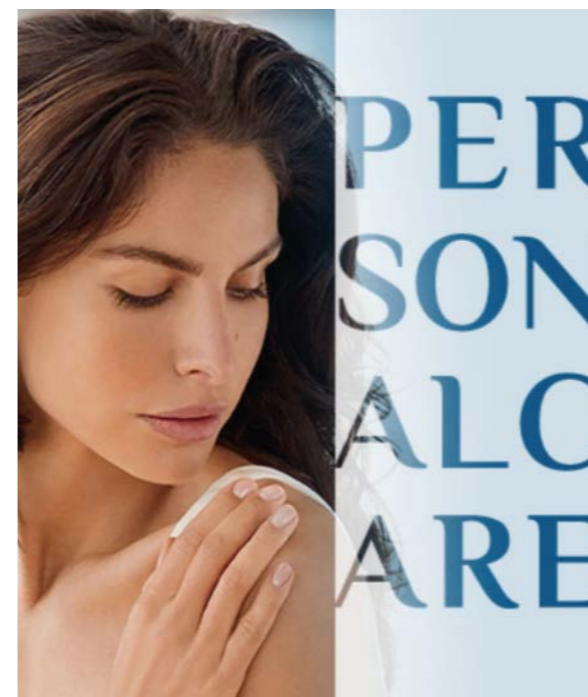
Today, we have a **portfolio of more than 20 strategic brands, a team of 1003 people, 4 research laboratories and 4 state-of-the-art production sites** located in Italy and France, where we continuously develop new formulations and create products to provide true wellbeing.

In 2023 we had a **double net turnover of € 694 million**. Our CAGR in the last 5 years was 12%, driving an 80% increase in turnover compared to 2018. Of total turnover, 59% is generated in Italy, 25% from subsidiaries in France, Germany, Spain and Portugal, and the remaining 16% comes from exports.

We believe in **continuously upgrading our performance**, our business and our organisation. We focus on constant improvement, one step at a time, because there is always something to learn from experience, and perseverance can lead to truly outstanding results. We continually invest to develop our brands, expand our business, research new products and evolve in the way we work.

We feel a strong responsibility to contribute to a healthier and more harmonious future for all forms of life, and we aim to promote a real culture of sustainability both within and outside our organisation.

Our vision: To create Wellbeing through brands that care for people and the planet.



Our path, Our evolution

Thirty-three years that have taken us to a position as a leading independent European group in the sector and a key player in M&A in terms of expansion capacity, solidity and agility.

Our **story is founded on passion, courage and dedication**: a passion for what we do, the courage to continuously push ourselves and a dedication to constant effort in our work, every day.

Our development has been extremely dynamic, as demonstrated by our **extraordinary track record of acquisitions** in strategic markets, which has significantly accelerated our growth and fuelled the continuous evolution of the Group.

The story of Sodalis began in 1990, when two Italian entrepreneurs, Fabio Granata and Paolo Bergamaschi, decided to set up a business with the goal of carving out a space in a highly competitive market dominated by large global corporations.

To this day, the founders play a very active role in the organisation, and their extraordinary cohesion, mutual trust and constant dedication are undoubtedly key ingredients in the solid growth we have achieved.

A milestone in our early years was the **creation in 1998 of Tesori d'Oriente**, a personal care brand that is still among the most important and representative of our Group. Tesori d'Oriente grew out of a vision of giving everyone an opportunity to turn the small gestures of our daily routines into rituals of pure wellbeing. The success of Tesori d'Oriente laid the foundation for subsequent expansion through the development of proprietary brands with a strong distinctive position in their respective markets.

1998
Launch
Tesori d'Oriente

2000
Acquisition
VIDAL Leocrema

2008
Acquisition
Strep

2010
Acquisition
BIOPPOINT

2015
Acquisition
Wash & Go

2016
Acquisition
LYCIA

2017
Acquisition
BioNive
SALUTE E BELLESSERE

2017
Acquisition
brandcare

This was the start of a series of successful **acquisitions of brands and companies in the health & beauty and personal & home care sectors**. Initially the focus was on historic Italian brands owned by global corporations, such as **Leocrema** and **Vidal** in **2000**, two iconic personal-care brands loved by generations of families, and **Biopoint** in **2010**, a premium brand with a strong legacy in hair care.

In **2015**, we began to focus on the international market, completing the acquisitions of **L'Arbre Vert**, a pioneering brand and leader in the French eco-friendly home-care market, and **Wash & Go**, a haircare brand with a strong reputation and presence in Eastern Europe and Central Asia. **Novamex**, the parent company

of L'Arbre Vert, became the **first foreign subsidiary** of Sodalis Group.

We welcomed **Lycia** in **2016**, strengthening our position in the Italian personal-care market, and continued our international development in **2017** with the acquisition of **BrandCare**, a company based in Portugal and Spain that became our **third international subsidiary**.

Another milestone in **2017** was the acquisition of **BioNike**, a leading brand in Italian pharma dermo-cosmetics. This introduced Sodalis Group into the highly strategic **pharmacy channel** with a very prestigious brand, a pioneer in the concept of dermatological cosmetics that is highly regarded recognised for its formulation philosophy.

Deborah Group, a leading Italian company in mass-market make-up, joined Sodalis Group in **2018**. Deborah Milano is a historical brand that embodies Made in Italy beauty, making innovation and excellence in fashion make-up accessible to millions of women.

In **2019**, we strengthened our position in the pharmaceutical channel and entered the nutraceutical market through the ambitious acquisition of **ESI**. With its broad, diverse portfolio of high-quality food supplements and herbal medicines, the company is a leader at pharmacies, health product stores and herbal medicine shops.

In **2020**, we acquired **Natural Honey**, allowing us to further develop our

share in the Spanish personal care market and strengthening the business of our subsidiary on the Iberian Peninsula.

The Group's position in Europe was strengthened in late **2021** with the launch of our **fourth international subsidiary** through the acquisition of the German-based **Lornamead**, continuing our international expansion strategy in one of the largest beauty & personal care markets in Europe.

In **2023** we welcomed our **first digital native brand, Goovi**. This wellness brand was co-founded by Michelle Hunziker with a desire to bring good vibes to people's daily lives, encouraging them to take care of themselves with natural products, inside and out.

In **2024**, we strengthened our beauty business in Germany and established ourselves as an increasingly important European cosmetics group through the acquisition of **Artdeco**, a German leader in selective make-up, with a very strong reputation and presence in perfumeries.

And for us, this is only the beginning!

We look to the future with ambition and a desire to constantly improve, not only in terms of economic performance but also in terms of quality, research and innovation, bringing real value to our industry.

One thing is certain: at Sodalis Group, we never stop!

Our Wellness Creation Philosophy

For us, wellbeing means taking care of ourselves and others. The comfort of a cream that melts into the skin, the confidence of high-performance make-up, the positive energy of a food supplement, the welcoming scent of cleanliness: wellbeing consists of sensations that we perceive and share.

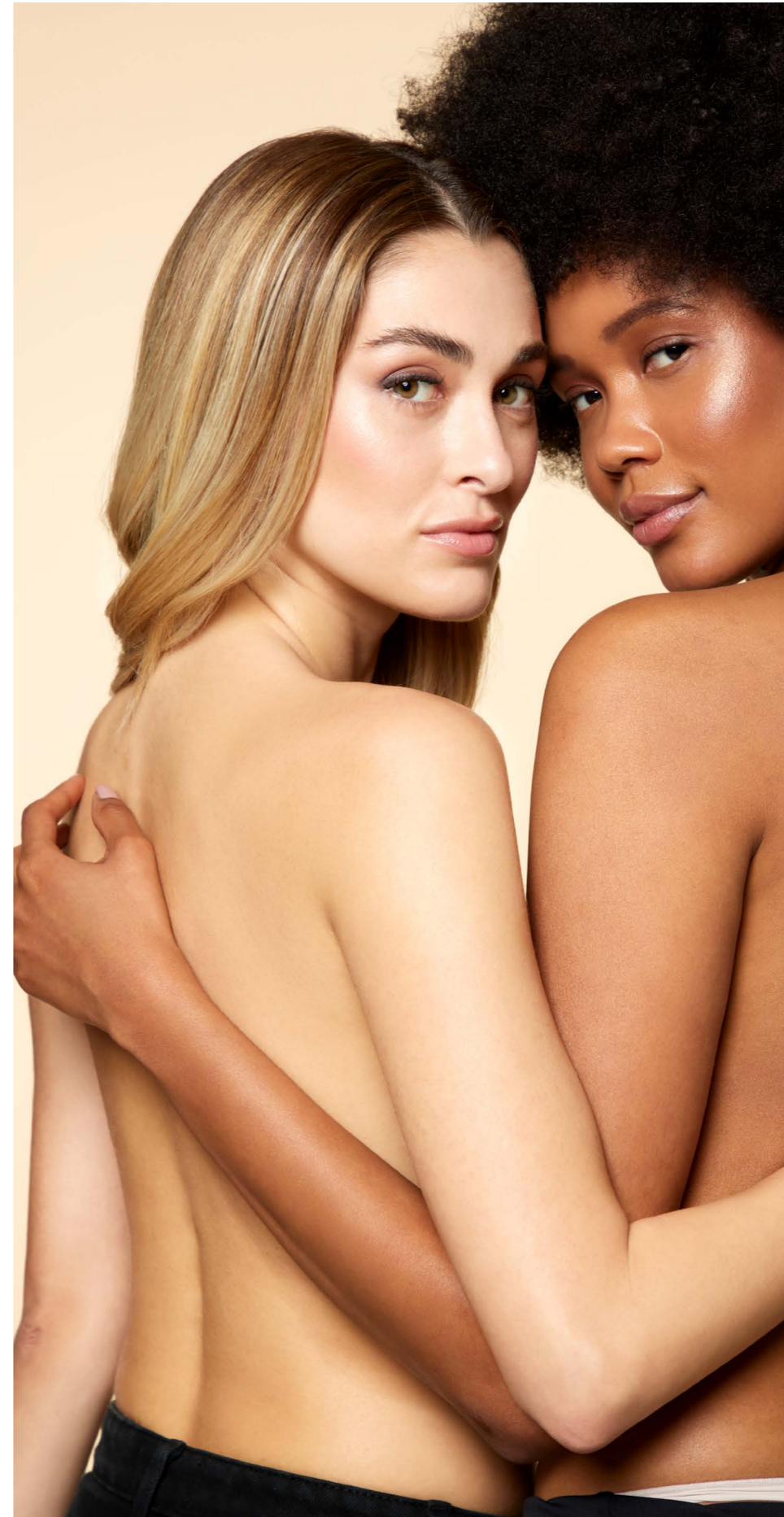
At Sodalis Group, we work hard every day to **create wellbeing through our brands and business.**

We call ourselves Creators of Wellbeing.

Creators, because we Sodalis People love to create, starting from an idea and carefully managing each step to turn it into reality. We believe strongly in the power of creativity to find new and distinctive solutions.

Wellbeing, because this is the common factor in all our markets: health, beauty, personal and home care.

For us, wellbeing means taking care of ourselves, the people we love and our environment.



We create wellbeing through our products, which we manufacture with great passion and attention to every detail.

We have always invested constantly in research, innovation and the quality of our laboratories and production sites to achieve even better performance standards.

We create wellbeing for people:

- our consumers, for whom we work every day so that they can feel good and safe in their body and can improve their daily lives;
- our Sodalis People, offering a stimulating, dynamic, fair and inclusive working environment where everyone feels valued and a part of the project;
- our wider community, with activities related to support, training and social responsibility.

We create wellbeing for the planet, by monitoring our environmental impact and working for an increasingly sustainable development model.

As we are aware, this is a very ambitious path, but we believe in it with real conviction, and we are committed to making every milestone a starting point for new wellbeing horizons.

Vision & Mission

Vision

Creating Wellbeing through brands that can care for people and the planet.

Mission

Develop brands of health, beauty, personal and home care products that can improve the daily lives of our consumers and create value in our economic, social and environmental context.



Values

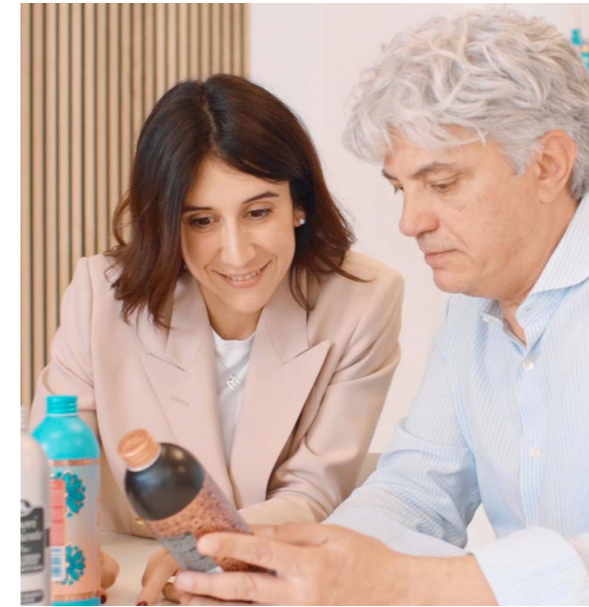


Down-to-earth Dreamers

We set ambitious goals to shape the future of our Group. At the same time, we work extremely hard, every day, to give our all and overcome the challenges of the market. We have a pragmatic and concrete attitude, which allows us to focus on the key factors in achieving excellence.

Constant improvement

We believe in continuously upgrading our performance, our business and our organisation. Our focus is to constantly improve so that, over time, we can achieve truly extraordinary results.

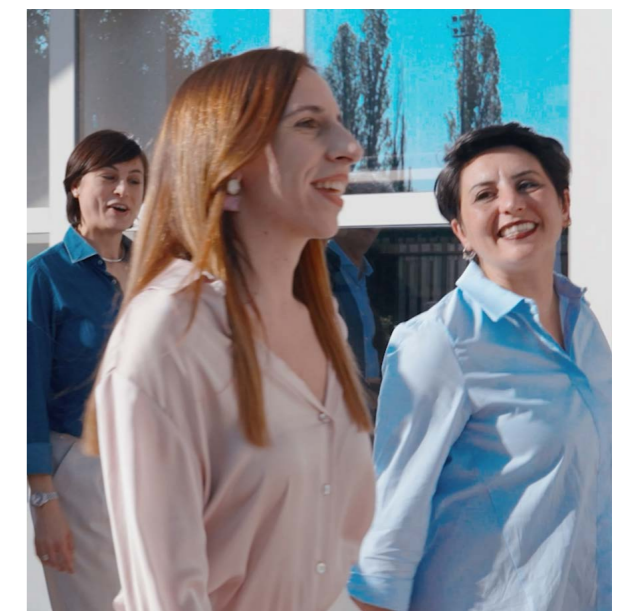


Entrepreneurial mindset

Entrepreneurship is in our DNA. We are always enthusiastic about evaluating and seizing development opportunities and encourage an entrepreneurial approach in all of our talented employees, who have the chance to broaden their perspectives and really make a difference.

Agility and dynamism

We continuously invest to develop our brands, expand our business, drive research into new products and evolve the way we do business. Our approach allows us to anticipate market trends and implement our strategic moves at maximum speed.



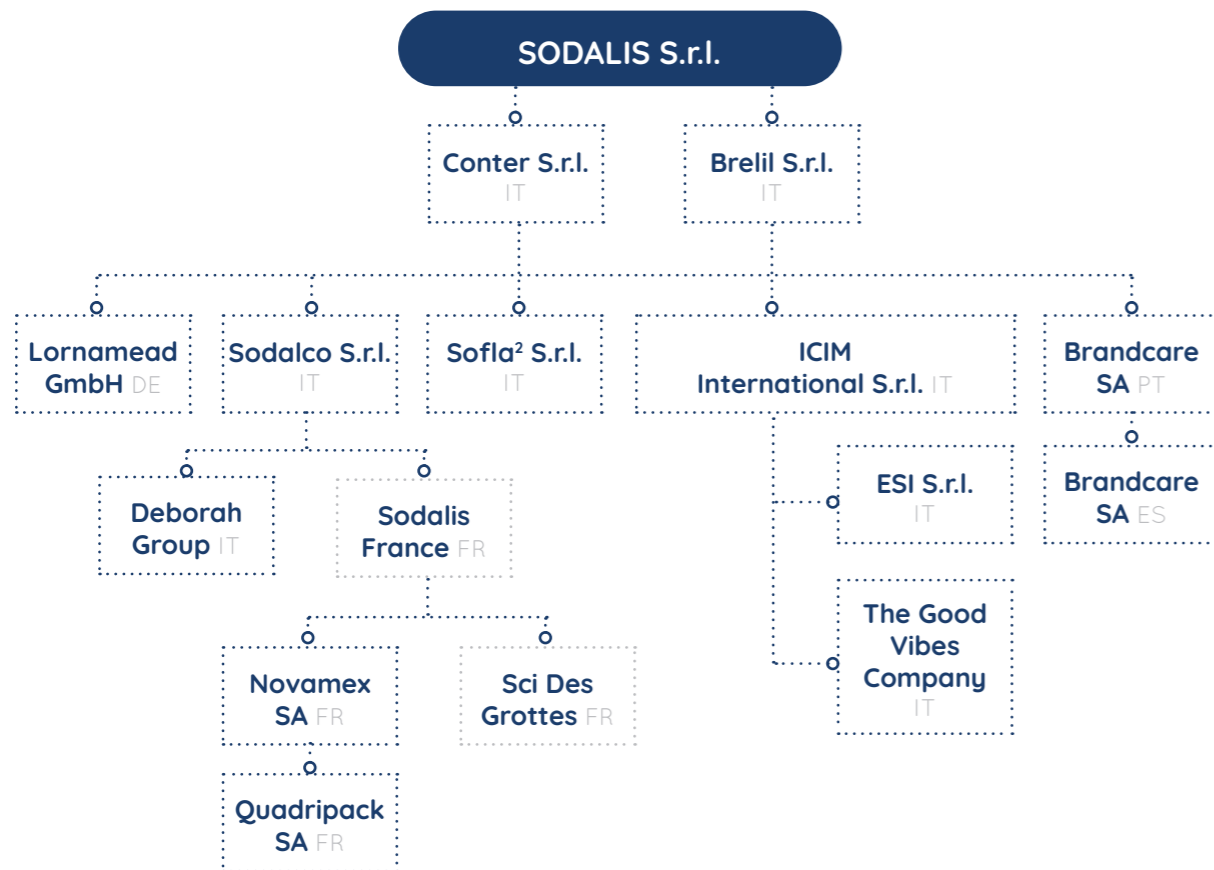
Integrity and respect

We feel a strong corporate responsibility to guarantee lasting benefits for all stakeholders. We want to make our best contribution to develop relationships based on fairness and transparency with all our employees, consumers, customers, suppliers and collaborators, support the community and protect the environment.

Our business model

Our organisation

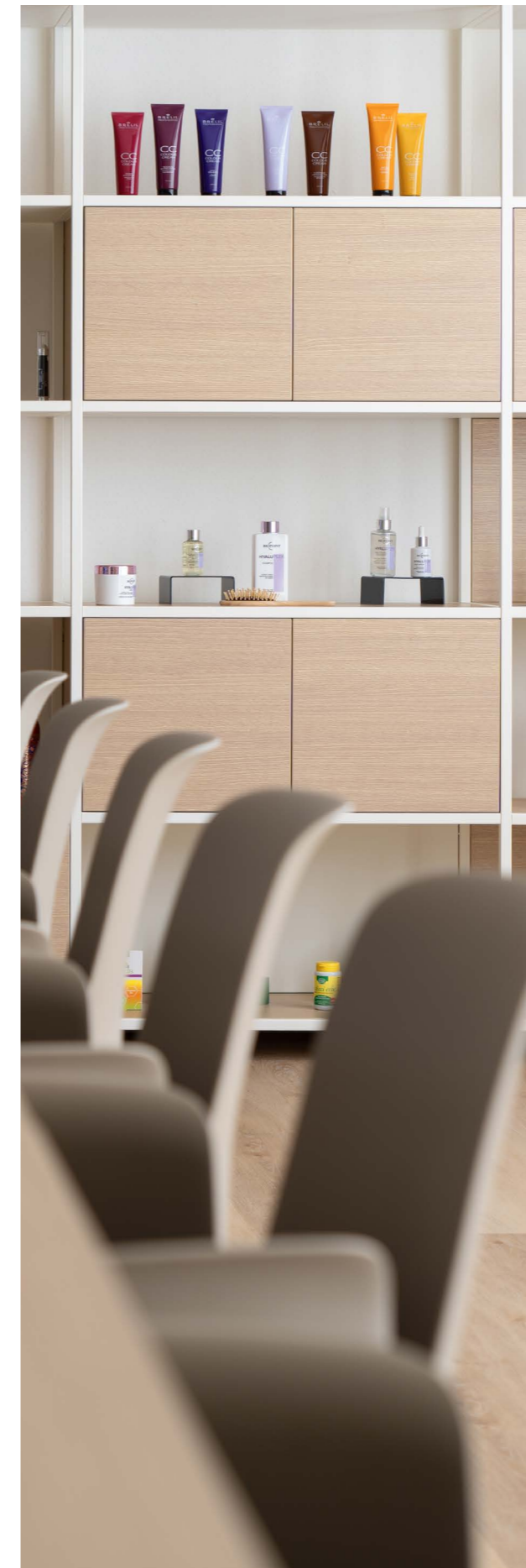
Our Group currently operates through **12 companies**¹, which work autonomously in their respective areas but in close coordination. This broad portfolio of expanding companies allows us to be active in the health & beauty and personal & home care markets **in different geographic areas and in different distribution channels** (mass distribution, pharmacies, perfumeries, professional channels, ...) with specific specialised skills.



1. Sodalis France is a holding company with shares in Novamex S.A. and SCI des Grottes. The latter manages the real estate of the French subsidiaries and, like Sodalis France, is excluded from the scope of this Report.

The acquisition of The Good Vibes Company S.r.l. was finalised in 2023, so the data and information in this document only consider the year 2023.

2. Sofla is a blow moulding company that produces caps and bottles used in the manufacturing process. It operates exclusively for Sodalis Group, and its revenue services Group activities relating to the sale of Conter and Quadripack products. Quadripack is almost wholly owned by the parent company Novamex, through which its revenue is expressed as a percentage of total Group revenue.



20
power brands

4
business units

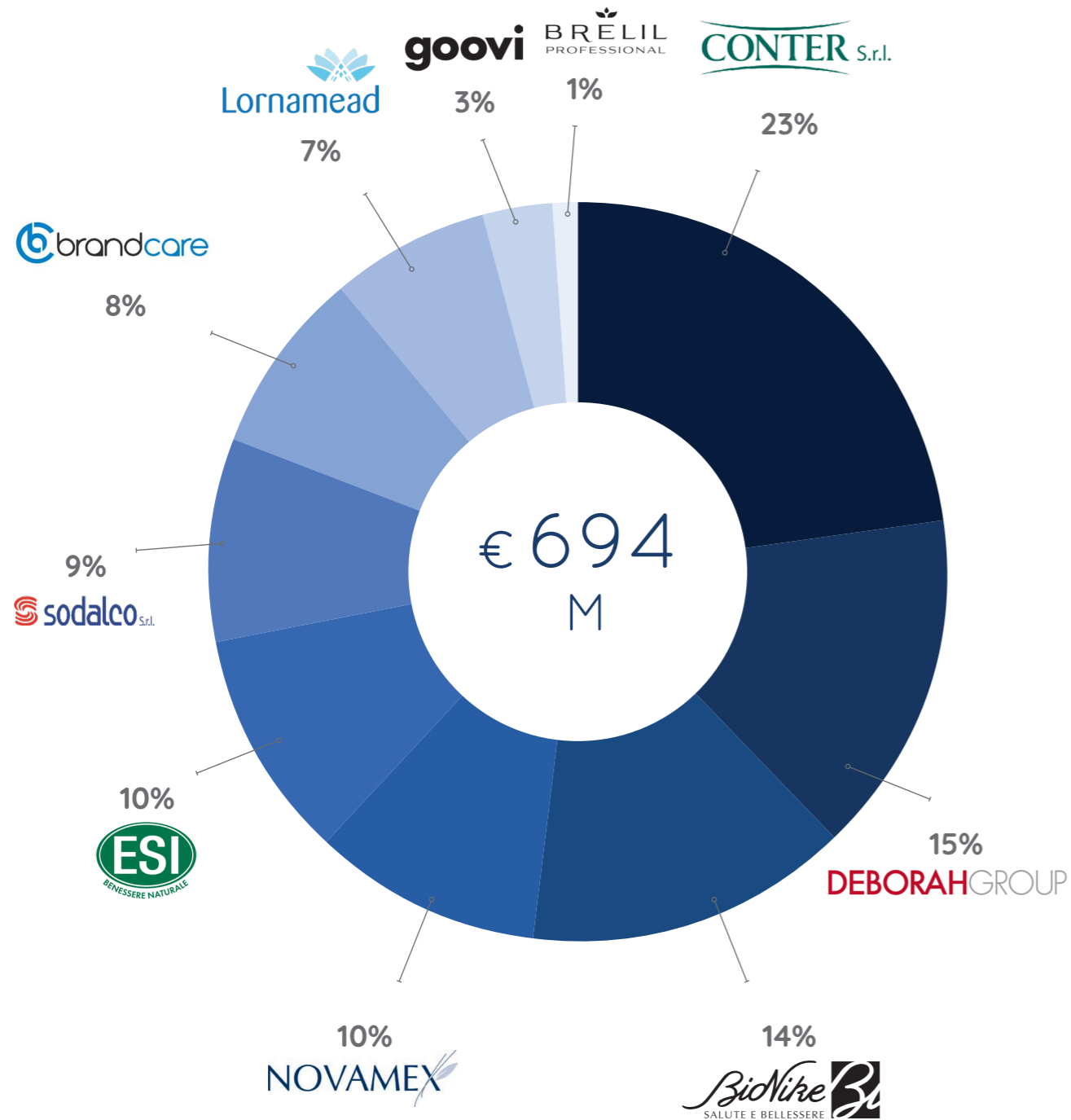
4
production sites

12
operating companies

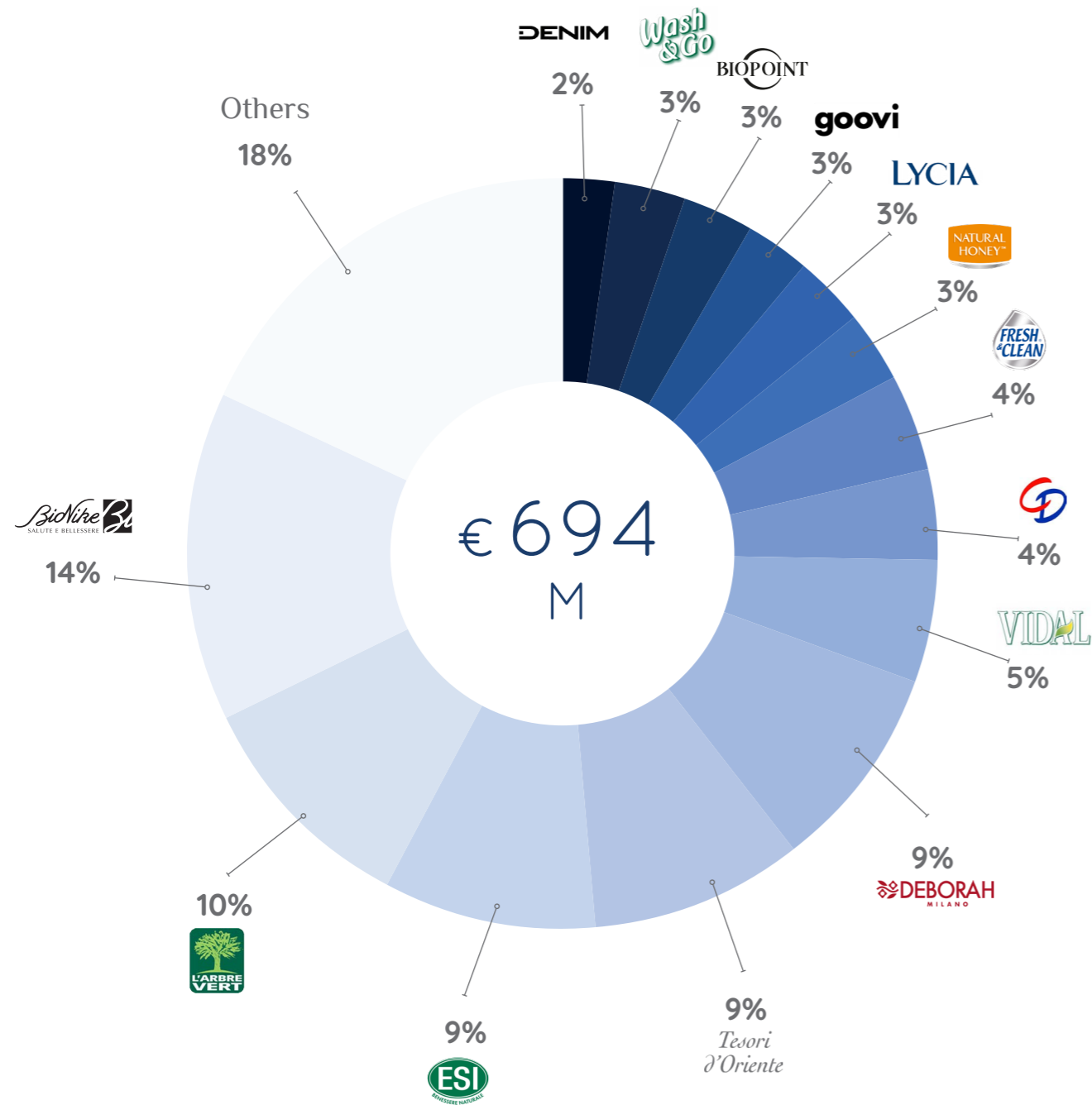
8
offices

48
export countries

Revenue per Group company



Revenue per brand



Group Companies

ESI – Founded in 1975, ESI is a leader in the Italian nutraceutical market. The company has a broad and diverse product portfolio consisting of **over 200 high-quality food supplements, herbal medicines, nutraceuticals and dietary products** distributed in pharmacies, health product stores and herbal medicine shops. ESI joined the Pharma division of Sodalis Group in March 2019.

ICIM International – An Italian pharmaceutical company founded in Milan in 1930, known today through **BioNike, the leading brand of pharma dermocosmetics**. It has been a pioneer in dermatological cosmetics since 1960, specialising in the research, formulation and production of dermocosmetic health and beauty treatments for even the most sensitive, allergic and reactive skin. It joined Sodalis Group in 2017 as the Sodalis Pharma division.

Goovi – The Good Vibes Company oversees **Goovi, a digital native wellness brand** founded in 2018 by Michelle Hunziker to share her lifestyle based on natural wellness and self-care. Goovi's mission is to bring good vibes to people in their daily lives, promoting authenticity and self-love. Goovi products are natural, effective and simple, and made with clean, vegan ingredients. Goovi has been part of Sodalis since February 2023.

Deborah Group – Founded in 1903, Deborah Group is an Italian company that owns the make-up, hair-care and skin-care brands **Deborah Milano, Biopoint, Debby and Dermolab**. It joined Sodalis in 2018, later incor-

porating the Biopoint brand, which had been owned by the Group since 2010.

Conter – Active in the industry since 1976 and acquired by Sodalis Group in 1995, Conter produces, markets and distributes personal and home-care products. Conter's most important brands are **Tesori d'Oriente, Vidal and Leocrema**, which are recognised for offering consumers high-quality products at affordable prices. The brands can be found at major Italian mass-market chains and in numerous international markets.

Sodalco – Founded in 1969 as a specialist in the sale of mass-market consumer goods, this company became part of Sodalis Group in 2006. Today it has its own portfolio of pro-

prietary brands, the most important of which are **Lycia, Fresh & Clean and Strep**.

Lornamead – Based in Hamburg, Germany, Lornamead GmbH was founded in 2004 with the acquisition of the **iconic brand CD**. Since then, the company has experienced strong organic growth, further acquisitions and the successful launch of new beauty and personal-care brands. Lornamead mainly focuses on the German and Austrian markets. It became part of Sodalis at the end of 2021 as the Group's fifth subsidiary in Europe.

Brandcare – A company active in the **home & personal-care** sector in Portugal and Spain. With offices in Lisbon and Madrid, Brandcare started operations in 2013 following

the acquisition of a portfolio of well-known classic brands previously owned by American multinational companies. It was acquired by Sodalis Group in January 2017. Today, Brandcare brands perform strongly in the **Spanish and Portuguese markets**, with leading positions in various home-care categories. Its main brands are Super Pop, Cristasol, Mistolin, Xampa, Fascinante and Feno de Portugal.

Brelil – Founded in 1973 and a member of the Group since 1990, Brelil creates and distributes a complete line of **professional hair-care products** exclusively for hairstylists. Brelil products, recognised for their high level of innovation and 100% Made in Italy quality, are sold in more than 40 countries.

Novamex – Created in 1986 and based in Cavaillon (Provence, France), Novamex has been part of Sodalis Group since 2015. The company is a leader in the French eco-friendly market with its prestigious brand, **L'Arbre Vert**, which covers a wide range of eco-friendly and hypoallergenic home and personal-care products.

Quadripack – The Quadripack plant is located in Saint-Benoît, France. This company develops and manufactures the **L'Arbre Vert** products marketed by Novamex, which owns a 99% share in Quadripack.

Sofla – Founded in 2011 and based in Lodi Vecchio, this company produces the bottles used by the Group. Sofla plays an important role in creating our product packaging.



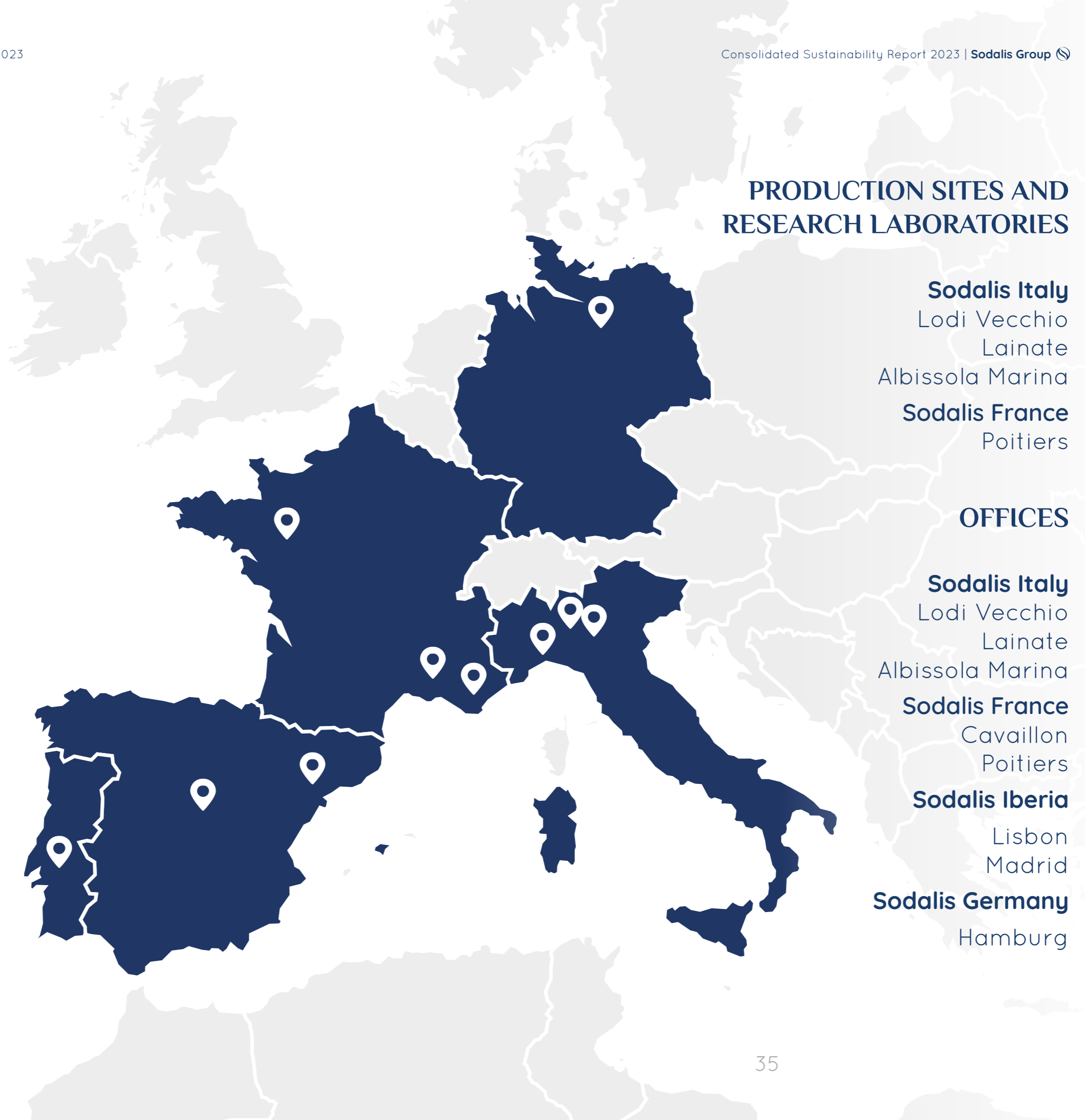
Our locations, our markets

GRI 2-6

Sodalis has **locations in Italy, France, Germany, Spain and Portugal**. Our headquarters are in Lodi Vecchio (Lodi), while other Italian offices are located in Lainate (Milan) and Albissola Marina (Savona). Our other European offices are in Cavaillon (Avignon), Poitiers (Vienne), Hamburg, Lisbon and Madrid.

We have always invested in the quality of our research and development laboratories and production sites, which are a great strength for the Group in terms of scientific and industrial know-how. Today, the Group has **4 research and development laboratories and 4 state-of-the-art production sites** in Italy and France, where the focus is on continuously improving our formulations and manufacturing our creations using advanced technology. The production site in Lodi Vecchio is geared towards the mass market, the Lainate site is dedicated to pharma dermocosmetics, the Albissola Marina site is focused on nutraceuticals and Poitiers deals with eco-friendly home care.

Increasingly, however, our sights are set on the global market. We have reached 48 countries worldwide with our brands through a strong network of distributors and strategic partnerships, and we are constantly expanding.



PRODUCTION SITES AND RESEARCH LABORATORIES

- Sodalis Italy**
- Lodi Vecchio
- Lainate
- Albissola Marina
- Sodalis France**
- Poitiers

OFFICES

- Sodalis Italy**
- Lodi Vecchio
- Lainate
- Albissola Marina
- Sodalis France**
- Cavaillon
- Poitiers
- Sodalis Iberia**
- Lisbon
- Madrid
- Sodalis Germany**
- Hamburg

Our business units

Pharma Health & Beauty

The Pharma Health & Beauty division targets the pharmaceutical and e-commerce channels with high-profile dermocosmetic and nutraceutical brands.



BioNike is the **brand partner of Italian dermatologists** and a leader in pharma dermocosmetics, with **more than 60 years of research** on the wellbeing of sensitive skin.

BioNike represents dermatological expertise and scientific innovation. It is committed to guaranteeing high performance and dermo affinity in accordance with the **'free of' formulation philosophy** underlying all its creations.

This philosophy stresses the use of pure active ingredients that are beneficial to the skin, totally eliminating ingredients that can cause allergic reactions.

BioNike formulations are **free of preservatives, gluten and fragrances (or contain allergen-free fragrances), and they are nickel tested.**

The BioNike vision is **to create the science of wellbeing: beauty** that comes from within and is not just surface deep. It starts by feeling good in our skin and is therefore authentic, timeless and ageless.



Since 1975, ESI has been combining **the best of nature** and science by developing high-quality food supplements, herbal medicines, nutraceuticals and dietary products for daily wellbeing.

The company's research leads to **formulations based on innovation and safety**, while remaining at the forefront of product development through the use of analytical methods recognised by the official pharmacopoeia and studies on the chemical and herbal properties of its ingredients.

The rigorous selection and careful control of raw materials have led ESI to a prominent position among producers of natural products and one of the most widely distributed Italian dietary supplement companies in the world.

With ESI, feeling good is natural!



Naturalness and good vibes: this is the world of Goovi! This wellness brand brings positivity into our daily lives, encouraging us to love ourselves as we are and take care of ourselves with natural products, inside and out.

For Goovi, wellbeing is the result of a **holistic path acting from within** through food supplements **and from the outside** with skincare, body-care and make-up products.

Goovi's philosophy is **Good, Easy, Natural**. Good: effective products with a clean, vegan philosophy for wellbeing inside and out. Easy: easy-to-use formulas suitable for everyone. Natural: natural ingredients selected for their quality, effectiveness and sustainability.

Goovi is not just a brand but a lifestyle! Goovi conveys the values of positivity, authenticity and self-love to Goovi lovers everyday through co-founder Michelle Hunziker and extensive content on social media.

Goovi's strength lies in its social-first approach, which has enabled it to quickly build a community that forms the brand's primary source of daily inspiration.

'Scientific research, constant innovation and high performance: we care for health and beauty with highly specialised dermocosmetic and nutraceutical treatments.'



Consumer Beauty

The Consumer Beauty business unit serves the Make-up, Hair Care and Skin Care markets at perfumeries, pharmacies and specialised beauty and personal care shops.



Deborah Milano is a historic Italian brand established in 1962. It was created with a vision — which is as relevant as ever — of **making fashion make-up accessible to all women**, and it is still a leader in its market today. An extraordinary sensitivity to colour, a passion for design, attention to detail and Made in Italy taste represent the brand's DNA.

Deborah Milano dedicates its products to **independent, dynamic women who never forgo ultra-glam make-up**, highlighting their femininity without betraying their authenticity.

The great **expertise of its research and development laboratories**, continuous attention to the needs of consumers and constant study of the latest trends have always guaranteed cutting-edge high-performance formulations, which have been chosen by millions of consumers for generations.



Established at professional Italian beauty salons, Biopoint has been caring for women's beauty and hair since 1954, investing in three core values: **quality, innovation and safe results**.

Biopoint offers **specific cutting-edge programmes in fine cosmetics with professional performance standards** adapted to the needs of the most discerning consumers. Excellent treatments with sophisticated ingredients and fine textures guarantee not only high performance but also sensory pleasure.

Today Biopoint is an **ode to feminine beauty**, a statement addressing every woman looking for hair and body-care treatments that offer tangible, high-performance results to enhance their natural beauty and highlight their strengths.



Debby is inspired by the new generation of young women, offering **high-quality, trendy make-up at affordable prices**. Debby is young in style but experienced in efficiency and technology: the make-up for girls who understand make-up. Debby meets their expectations with unique performance and the best solutions for their needs, so they can feel beautiful from morning to night, without a touch-up.



Dermolab is a skin-care brand whose anti-ageing strategy is based on moisturising **hyaluronic acids with multilevel action**.

Dermolab products are formulated to ensure visible results and supported by rigorous studies, while offering an excellent, gratifying sensory perception for the consumer. High-quality cosmetic treatments accessible to everyone, so that every woman can choose effectiveness for her skin care.

'With a broad portfolio of make-up, hair-care and skin-care products, our beauty brands share the vision of making high-quality contemporary Italian cosmetics accessible to everyone.'



Consumer Personal & Home Care

This business unit targets the mass market channel with personal and home-care products designed for the wellbeing of the entire family.

Tesori d'Oriente

Created in 1998, Tesori d'Oriente is the only Group brand that was 'created' at Sodalis and not 'adopted' like all the others. Tesori d'Oriente grew out of a vision: to offer everyone the chance to **turn the small gestures of our daily routines into rituals of pure pleasure**, inspired by the spiritual wisdom and ancient traditions of Oriental culture.

The Tesori d'Oriente philosophy is based on the **holistic concept of wellbeing through physical and mental balance**. Care of the body becomes an opportunity to dedicate a moment to ourselves to rediscover our inner harmony.

Each body- and home-care ritual is inspired by a particular **Oriental tradition that is reflected in every product detail**, from the selection of the most evocative fragrances to the search for the finest ingredients, from the choice of sensory textures to fine packaging details, offering customers a unique sensory experience every day.

VIDAL

Vidal: Italians' favourite shower gel! Intense, vibrant fragrances that instil energy and vitality, **cleansing formulations with 95% natural ingredients for the entire family**. At the heart of Vidal products lies a careful search for the most captivating scents to convey a unique feeling of wellbeing and transform each shower into a charge of energy and positivity.

Leocrema

An Italian brand with more than 90 years of history, Leocrema **cares for the skin of the entire family**, leaving it soft and moisturised. Its body, hand and sun creams have been cherished from generation to generation. Dermatologically tested formulations respect the skin's balance using effective ingredients carefully selected to pamper the entire family. With its silky textures and delicate yet captivating fragrances, Leocrema caresses the skin in a loving embrace.

LYCIA

Founded in Italy in 1979, Lycia is the **Friend of Wellbeing**, with high-quality, innovative formulations for personal care and hygiene. Lycia offers wellbeing solutions for all women, with products that combine effectiveness and delicacy to enable every woman to feel safe and secure every day.

FRESH CLEAN

When hygiene calls, Fresh & Clean answers! For over 40 years, Fresh & Clean has looked after personal hygiene, especially outside the home, with its well-known disinfectant and baby wipes. Today it is the leading brand of wet wipes in Italy.

'From international brands undergoing constant development to iconic national brands, each one has a unique identity and distinctive positioning in its target market.'





Strep is the **hair removal specialist** with a complete range of depilatory products, combining effectiveness and gentleness for easy home use and professional results.



For over 60 years, CD has been **synonymous with purity and transparency** in Germany. Its deodorants and body washes are formulated according to the CD **Purity Law**: rich in natural ingredients and gentle on the skin, entirely free of mineral oils, synthetic dyes, silicones, aluminium salts, animal-based ingredients and microplastics. CD products are created for informed consumers who want to make the right choice for their skin and for the planet.



Much more than a shampoo! Just Wash & Go! Since 1987, Wash & Go has offered hair-care solutions for people who want easy, effective results at affordable prices. Wash & Go shampoo is enriched with conditioning ingredients that lead to soft, strong hair in just one step. The **formulations are vegan, biodegradable and use 95% natural ingredients.**



Natural beauty for your skin! Since 1933, Natural Honey has been the nature-inspired brand of personal care products in Spain, present in the daily lives of consumers with its popular body washes. Natural Honey offers gentle formulations enriched with natural ingredients and delicious fragrances for the wellbeing of the entire family.



Since 2003, L'Arbre Vert has been a **pioneer in the French eco-friendly market**, committed to placing environmental protection and personal health at the heart of every activity. L'Arbre Vert is an eco-friendly brand with a broad portfolio of products, including hypoallergenic home-care (Ecolabel certified) and personal-care products, all based on a philosophy of sustainability and responsibility. Today, it is the leading brand in France for eco-friendly household products.



Founded in 1949, Cristasol is the leading brand in glass cleaning products in Spain. **Guaranteed brilliance**, always! Its effective stain-free formulas with an unmistakable fragrance make Cristasol the preferred choice of Spanish consumers.



Mistolin is **Portugal's leading brand of degreasers**. Mistolin products are developed to simplify consumers' lives and optimise the most difficult household tasks.



Super Pop is the washing-up ally of Portuguese households. **Its mission is to be the preferred choice of consumers seeking high-quality washing-up liquids and dishwasher detergents** that are effective and affordable.



'Our home-care brands are allies for home hygiene and the wellbeing of the people living there. Each product is part of a sustainable, responsible and eco-friendly approach.'

Our commitment to sustainable growth



Our approach to sustainability

At Sodalis, sustainability is embedded in our mantra 'Creators of Wellbeing'. It constitutes an important commitment to making our vision real and authentic, leading us beyond strictly business-related corporate objectives to allow our brands to contribute to a more harmonious world and create wellbeing to improve life today and tomorrow.

Sustainability is an important element of our strategic decisions and actions. It is a key factor in strengthening the positioning of our brands and aligning ourselves with the needs and sensitivities of younger generations. It is a strategic lever that drives the development of cutting-edge products synonymous with quality, ethics and innovation, propelling us towards a responsible and innovative future.

We nurture this commitment a daily basis, led by the ambition and determination to turn goals into concrete actions. Each stage of our sustainability journey reflects a vision that integrates social, environmental and economic responsibility, in line with the company's mission.

The creation of wellbeing involves the entire Sodalis ecosystem in its economic, social and environmental aspects.



THE STEPS OF OUR SUSTAINABILITY JOURNEY

ANALYSE

We carefully analyse key trends, comparing ourselves with other companies in the industry and assessing international frameworks. We position ourselves strategically in the global landscape, **to ensure that our practices not only meet the highest standards, but also anticipate future trends, reinforcing our leadership.**

ALIGN

We align the results of the materiality analysis with the objectives of our Sustainability Action Plan. Through this strategic process, we orient sustainable actions around the growth of our business and effectively integrate virtuous practices **to consolidate the Group's position as a Creator of Wellbeing and increase the consistency of our business and sustainability objectives.**

IDENTIFY

We identify the most important sustainability and operating topics to ensure that our actions are relevant and impactful, **to create lasting wellbeing and improve the quality of life of communities and ecosystems.**

EVALUATE

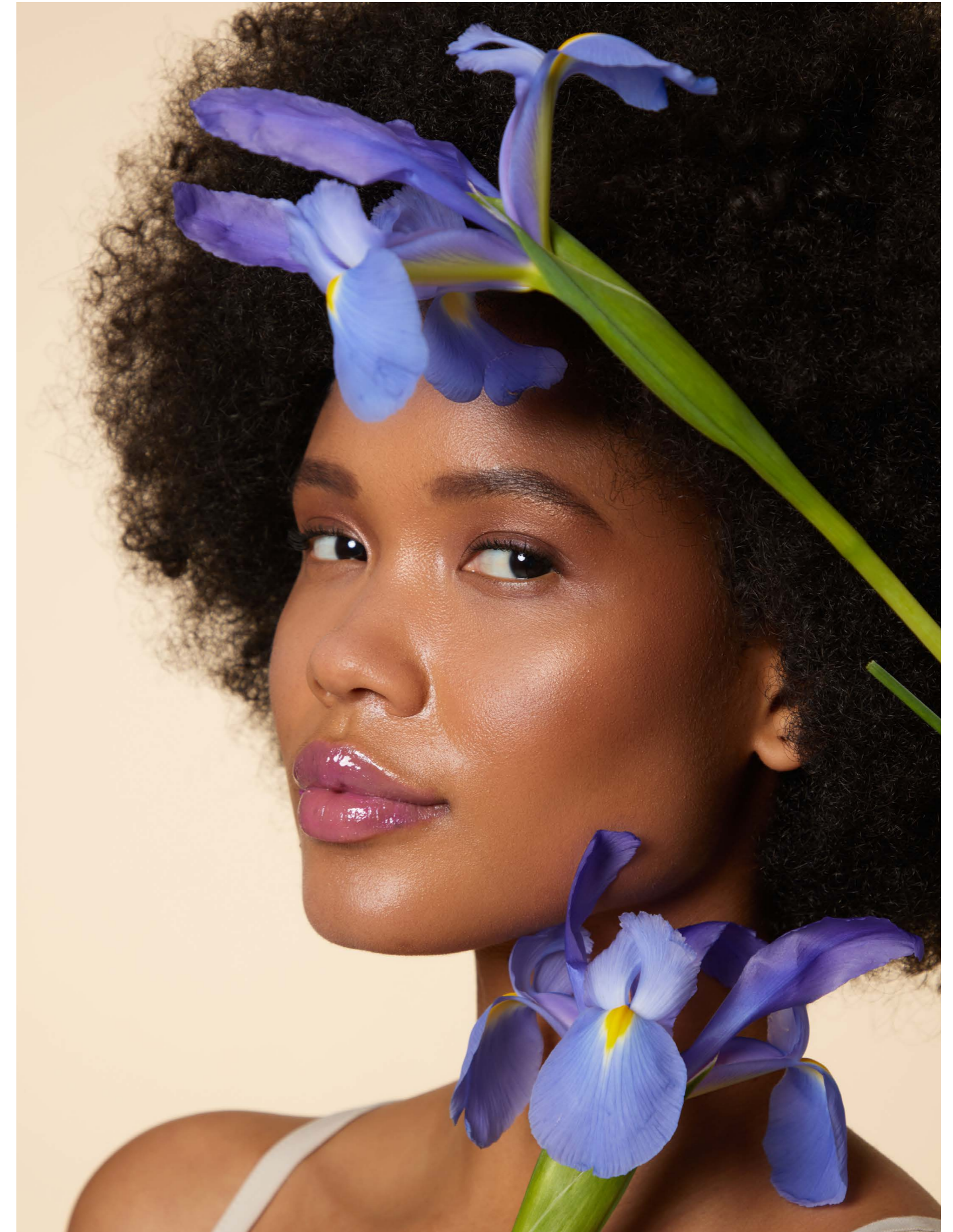
We assess the impact of ESG topics on key stakeholders and then validate the materiality matrix. In this way, we establish priorities that allow us to implement initiatives according to urgency and significance, **maximising the positive impact on collective wellbeing and using resources effectively.**

MAPPING

We identify stakeholders and means of engagement so that we can get to know them and the ways that they can influence or be influenced by our activities. **This ensures an inclusive approach and creates an open, constructive working environment based on communication.**

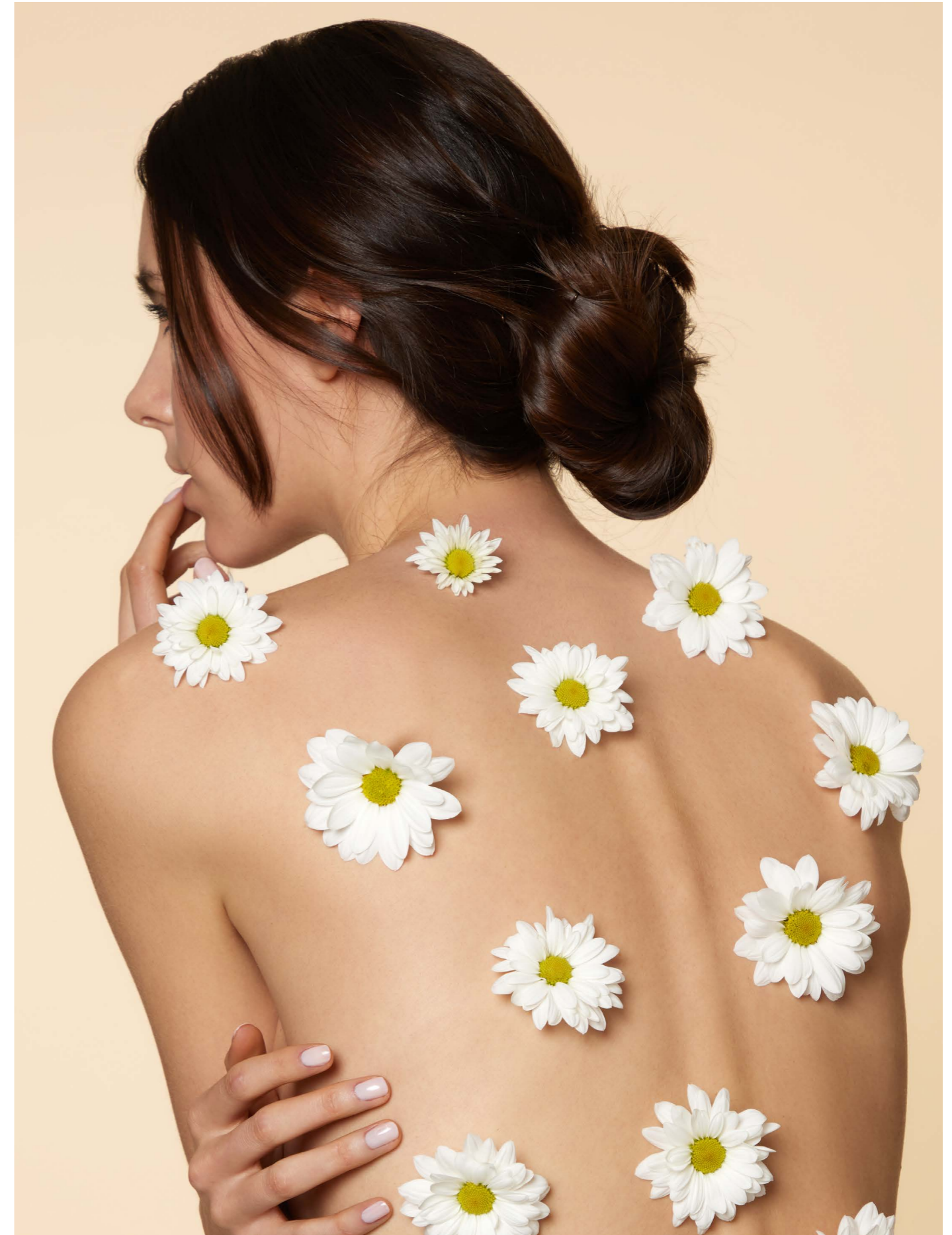
REPORTING

We report ESG performance with reference to the material topics we have identified. We want our impact to be measurable and our progress and future goals to be shared and inspiring, **to strengthen stakeholder trust and continue on the road to sustainable prosperity, with transparency and renewed awareness.**



Our priority is to drive cross-cutting growth and create long-term value. This approach towards continuous evolution lays the foundations for a more sustainable future in which wellbeing — in every sense of the word — is truly integrated into our operations and organisation. To do this, we have embarked on a well-defined, organised journey that has allowed us to build a **concrete, ambitious and measurable sustainability strategy** over time.

These are the main steps for the integration of sustainability in the Group.



ESG assessment: towards greater awareness

The first step of any journey is awareness. This is why we began by reviewing our ESG performance across the entire Sodalis Group according to rigorous scientific criteria.

In 2023, we therefore voluntarily underwent an ESG Assessment, an evaluation tool that measured our environmental, social and governance performance, while trying to understand how we could contribute to the sustainable development goals of the 2030 Agenda. The areas of analysis and fields of investigation in the Assessment are divided into the 3 dimensions of sustainability (ESG), and the requested information is processed in accordance with the UNI ISO 26000 standard (UNI/PdR 18:2016) and the **GRI Standards**® on reporting.



The assessment allowed us to:

- 1 **identify the main sustainability trends** and prepare a preliminary analysis of material topics to guide the Group's future actions;
- 2 **create a tool to continuously monitor our sustainability performance**, to assess the effectiveness of the strategies adopted and proactively integrate any adjustments;
- 3 **provide operational guidance to our subsidiaries** to align environmental, social and governance (ESG) performance over time, ensuring consistency and integration of policies across the board;
- 4 **establish the Group's strategic priorities and develop a detailed Action Plan** to effectively implement sustainability initiatives.

The assessment process establishes a solid basis for defining a strategic path to sustainability. By strengthening our brand positioning and corporate identity, we ensure consistency between our approach to business and our vision of creating wellbeing, while respecting the environment and society.



Responsibility and transparency: the approach of ESI & BioNike

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. In 2023, we quantified the equivalent CO₂ emissions for ESI and BioN-

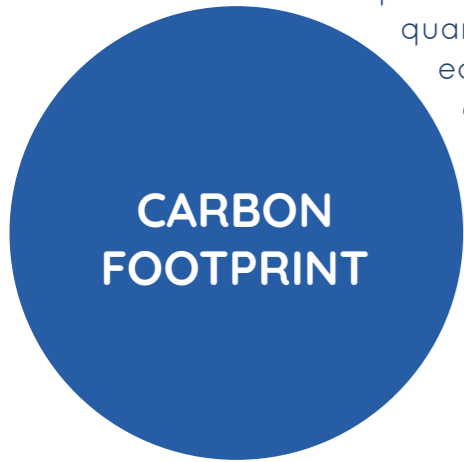
ike through a certified study based on the **UNI EN ISO 14064-1: 2019³** standard. The goal is to present a snapshot of the carbon footprint associated with our business operations, tied directly and indirectly to the production process. The initiative is not only an important step towards understanding and reducing our CO₂ emissions, but it also marks the start of a strategic journey towards vertical emissions management.

Continuing with ESI and BioNike, our commitment was endorsed with the

first Sustainability Report, a voluntary document that reflects our desire to act responsibly, with the goal of stimulating a cross-cutting approach to ESG issues while transparently presenting the sustainability performance of these two companies to our stakeholders .

Using a **bottom-up approach**, we began a process to build awareness and responsibility within the Group, extending the best practices established by the two companies to all the other Sodalis units. Through

these initiatives, we have strengthened our environmental awareness to take action. Our goal is to build a clear roadmap to reduce our environmental impact and continuously improve our standards by promoting a corporate culture aimed at creating shared value.



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

Please refer to the section TITLE TO BE DEFINED for more details on the results achieved and the initiatives planned for ESI and ICIM International.



Stakeholder Engagement: an open dialogue to achieve common goals

GRI 2-29

We are committed to maintaining a collaborative and transparent relationship with all our stakeholders, considering their point of view and making them feel part of our project to create wellbeing.

Involvement and interaction with stakeholders (stakeholder engagement) allows us to formulate objectives on a more informed basis, with a positive impact on the decision-making process.

The main categories of stakeholders that we interact with are shown below, along with the type of engagement for each one.



Customers and distributors are engaged through regular meetings and communications, and assisted by a customer service to handle complaints and disputes. We communicate with our **consumers** on a daily basis through newsletters, the consumer service, complaints management and interaction on social media, listening carefully to their needs.

With regard to **human resources**, our Sodalis People, we communicate via multiple channels: newsletters and email, individual evaluation meetings and corporate events. These activities are organised as needed to promote and foster a sense of belonging to the Group, share corporate values and support the professional growth of the people in Sodalis.

Collaborators and **trade unions** participate in regular meetings organised as needed to help them share in our journey.

Trade associations are involved in regular meetings and communications to ensure that the Group's objectives are shared.

Suppliers and partners, divided further into goods suppliers and service providers, participate in regular meetings and communications organised as needed to promote and encourage a culture of sustainability among all Group partners.

The **financial community**, which includes banks and shareholders, is primarily involved through direct support channels such as service desks, call centres, digital desks and email for members outside the organisation, as well as regular participation in shareholder meetings for internal members. The financial community is involved on a weekly basis so that everyone is engaged in the Group's journey.

Public administration bodies, including central and local government agencies, national welfare and social service bodies, European institutions and public regulators, are involved through communications and regular meetings organised as needed.

The local **community**, including non-profit organisations, consumer associations and local authorities, interacts with the Group through digital channels and portals, receiving assistance and digital communications for joint development of activities and projects with an increasingly sustainable approach.

The **academic and scientific community**, which includes universities and research centres, is involved in regular meetings focusing on regional economic and social development, product quality and performance, and research activities and instrumental assessments.

Certification bodies participate in regular meetings and audits to ensure compliance with regulations

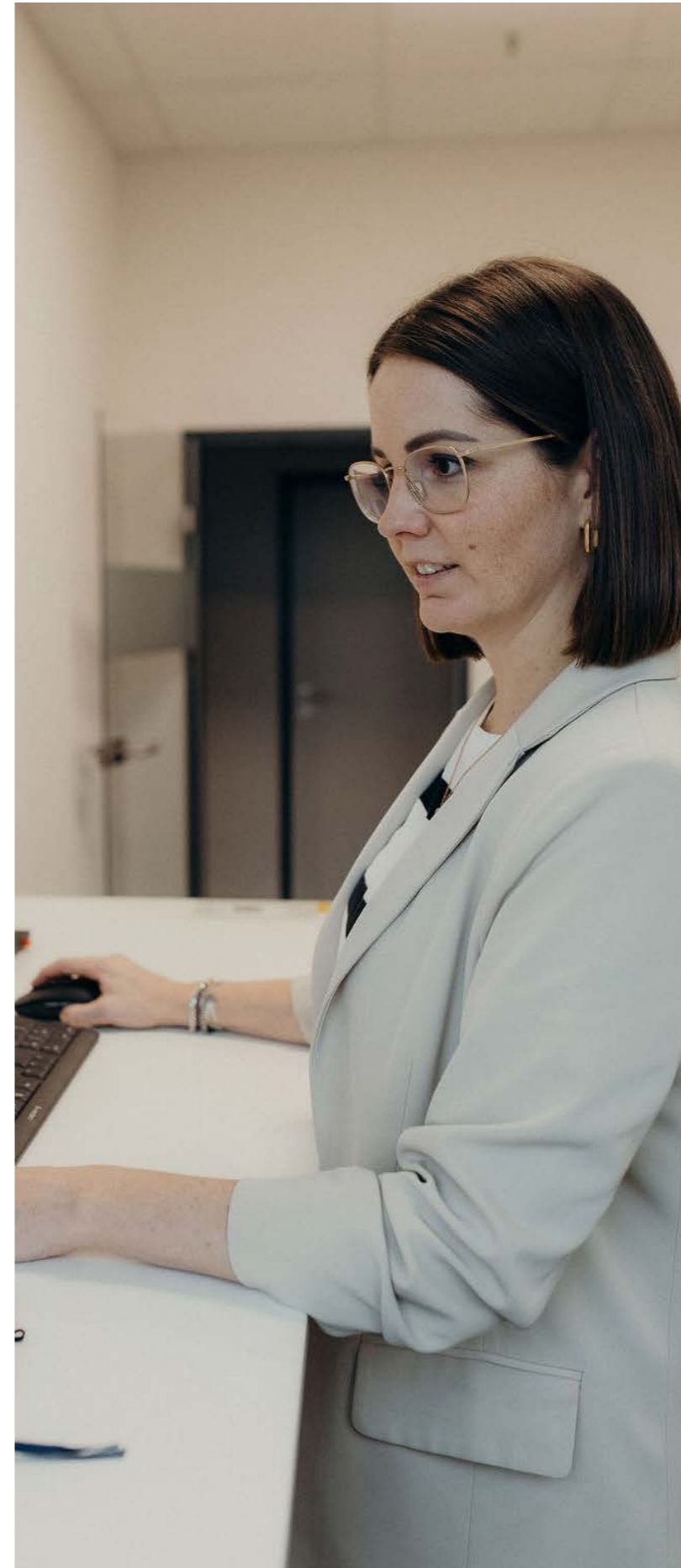
and procedures as well as product quality and performance.

Finally, the **media**, including digital properties and platforms, national and local newspapers, trade magazines, TV and radio, receive regular updates through communications and meetings designed to share the Group's journey, promote brand reputation and announce company news and innovations.

This structured approach allows us to align Group strategies with stakeholder expectations, promoting a more responsible and sustainable corporate culture. In 2024, a materiality analysis was conducted through an **organised and integrated stakeholder engagement initiative**, where we asked stakeholders to express their opinion of the sustainability issues identified by top management in terms of their interest and expectations.

The stakeholder engagement initiative enabled us to:

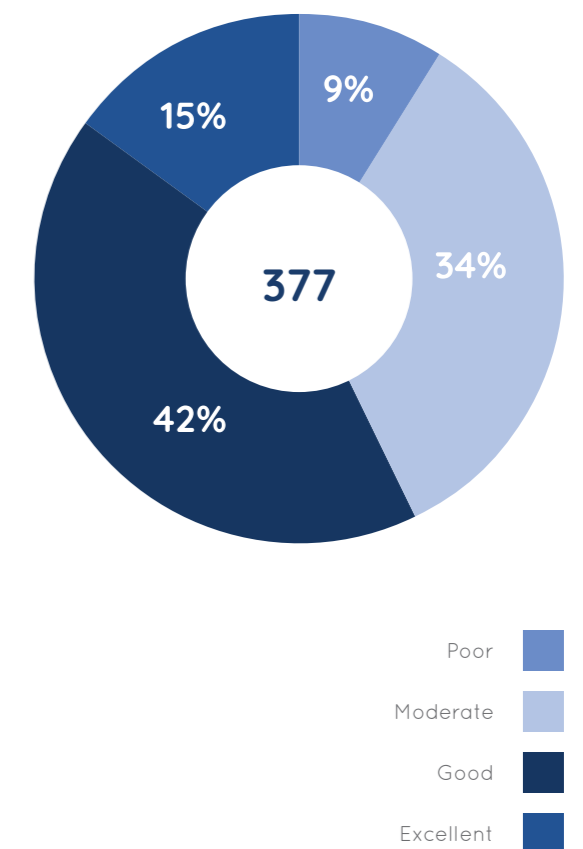
- 1** **map strategic priorities** with reference to key stakeholders;
- 2** **validate our sustainability actions** in relation to the stakeholders' perceptions;
- 3** **reinforce our ability to listen** and interact with stakeholders.



The **engagement process** involved all the major stakeholder categories, including human resources, suppliers and partners, customers, consumers, the financial community, local communities, associations, the media and certification bodies, with the goal of taking on the stakeholders' overall views, with a particular focus on key stakeholders⁴.

Through the survey, stakeholders were asked about their **perception of the Group's commitment to sustainability**. The results show that more than half of the sample gave a medium-high rating.

SUSTAINABILITY COMMITMENT



4. Thanks to a significant response rate, the analysis led to the creation of the materiality matrix discussed in the following section.

The analysis indicates the need to act pragmatically on our engagement system to reflect the Group's commitment to maintaining transparent, continuous and targeted communication with all stakeholders, promoting a culture of sustainability and shared responsibility while pursuing specific objectives:

Strengthening communication and transparency by implementing a communication strategy that highlights specific sustainability actions, using different channels to reach all stakeholders;

Educating and engaging stakeholders by organising concrete initiatives and events to tell stakeholders about the Group's sustainability practices and gather direct feedback;

Assessing the effectiveness of initiatives by monitoring and evaluating the effectiveness of current sustainability initiatives in order to identify areas for improvement and optimise the use of resources;

Detailed, regular reporting through publication of sustainability reports that illustrate progress, challenges and future goals, increasing transparency and strengthening stakeholder confidence.



Materiality assessment: priority ESG issues

GRI 3-1 | GRI 3-2

Material topics reflect the significant economic, environmental and social impacts of an organisation and substantially influence stakeholder assessments and decisions. The use of the term "material" indicates topics that, on one hand, are perceived as significant by stakeholders — they could influence their decisions, expectations and actions — and, on the other, can generate significant economic, social and environmental impacts on the company's activities.

The activities of our **materiality analysis** are described below. Top management, assisted by the Sustainability Team and with the support of external consultants, analysed the ESG topics of importance in the Group's business sector. The topics were then investigated further in terms of their significance for our organisation and their intervention priority.

Following this, the topics underwent a **quantitative assessment** through a survey distributed to a sample of over 600 stakeholders. The stakeholders evaluated the topics in terms of interest on a scale from 1 (no interest) to 4 (priority).

The process led to the identification of **13 material topics**⁵ and **6 emerging topics**⁶. The ESG topics assessed and the main findings are shown below.



5. Topics that exceeded the materiality thresholds for stakeholders and top management, as well as the topics featured in our first consolidated Sustainability Report.

6. Topics that exceeded the materiality threshold for stakeholders but were less significant and/or monitored by top management. Reporting on these topics will be organised at a later date in line with the progressive development of the business, in the light of an increased focus on the individual topics and the corresponding level of monitoring by the business.

ENVIRONMENTAL

MATERIAL TOPICS

WASTE MANAGEMENT

Properly managing and reducing waste generated during production and packaging.

ENERGY MANAGEMENT

Optimising energy consumption and using energy from renewable sources to minimise environmental impacts.

ATMOSPHERIC EMISSIONS AND CLIMATE CHANGE

Analysing emissions that contribute to climate change and developing strategies to reduce environmental impacts.

MATERIAL MANAGEMENT

Efficiently managing the procurement, use and disposal of raw materials and ingredients, in line with sustainability.

EMERGING TOPICS

WATER AND WATER SCARCITY

Managing and conserving water resources, given the crucial role water plays in product formulation and production.

BIODIVERSITY PROTECTION

Preserving and protecting natural ecosystems and biodiversity that may be affected by the organisation's activities.



SOCIAL

MATERIAL TOPICS

EMERGING TOPICS

TALENT ACQUISITION AND RETENTION

Attracting and retaining qualified employees while creating a positive and inclusive work environment.

PRODUCT QUALITY AND SAFETY

Ensuring product quality and safety, as well as compliance with industry standards and regulations.

OCCUPATIONAL HEALTH AND SAFETY

Prioritising employee health and safety, providing a safe working environment and complying with safety regulations.

DEVELOPMENT OF EMPLOYEE SKILLS

Improving employee skills, knowledge and capabilities through training and development programmes.

WELFARE AND OCCUPATIONAL WELLBEING

Implementing programmes to improve the wellbeing and quality of life of employees in the workplace.

DIVERSITY, INCLUSION AND EQUAL OPPORTUNITIES

Promoting diversity, inclusiveness and equal opportunities to create a diverse and representative workforce.

PROTECTION OF HUMAN RIGHTS

Supporting and respecting human rights, both within the organisation and across its global operations.

RELATIONS WITH THE TERRITORY AND LOCAL COMMUNITIES

Fostering positive relations with local communities and contributing to their wellbeing.



GOVERNANCE

MATERIAL TOPICS

RESPONSIBLE GOVERNANCE

Implementing transparent and ethical corporate governance practices to maintain trust and credibility.

SUPPLY CHAIN MANAGEMENT

Ensuring ethical and sustainable practices throughout the supply chain, including sourcing, production and distribution.

INNOVATION, RESEARCH AND DEVELOPMENT

Continuously improving and bringing innovations to product formulations and production processes from an ESG perspective.

CUSTOMER SATISFACTION

Focusing on meeting customer needs and expectations while addressing product sustainability and performance concerns.

EMERGING TOPICS

BUSINESS TRANSPARENCY AND INTEGRITY

Maintaining transparent and ethical business practices to build and maintain stakeholder trust.



The results of the analysis are based on responses from **377 participants** with a **response rate of 56%**, which is considered representative of the expectations of the Group's stakeholders. The stakeholder categories involved in the analysis included a sample of over **2,800 end consumers** of some of our power brands in order to survey their perceptions in terms of interest and expectations.

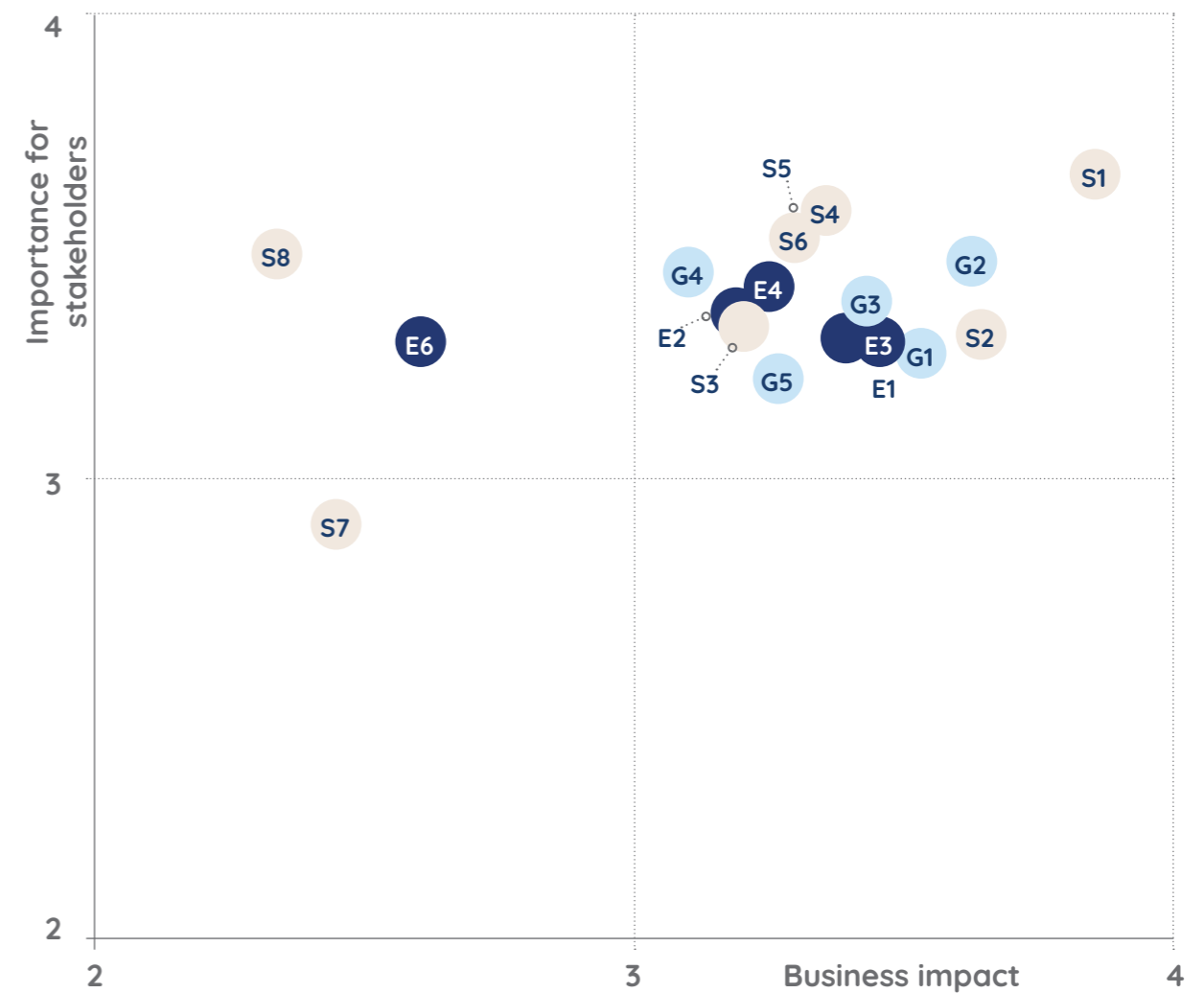
The results of this engagement activity are shown in the **materiality matrix**, a graphical illustration of the importance of each topic to our stakeholders and top management, as well as their alignment.

ENVIRONMENTAL	SOCIAL	GOVERNANCE
E1 Energy management	S1 Product quality and safety	G1 Responsible governance
E2 Atmospheric emissions and climate change	S2 Talent acquisition and retention	G2 Innovation, research and development
E3 Material management	S3 Diversity, inclusion and equal opportunities	G3 Customer satisfaction
E4 Waste management	S4 Welfare and occupational wellbeing	G4 Business transparency and integrity
E5 Water and water scarcity	S5 Occupational health and safety	G5 Supply chain management
E6 Biodiversity protection	S6 Development of employee skills	
	S7 Relations with the territory and local communities	
	S8 Protection of human rights	

For most of the topics that were assessed, the materiality matrix shows close alignment between the importance attributed by top management and the interest of stakeholders. The matrix topics were used to identify the related **GRI indicators**, which are referenced in this Report on sustainability performance

The engagement analysis and a careful review of our strategic priorities in terms of sustainability enabled us to draw up and organise our **ESG Action Plan**, a Strategic Sustainability Plan that identifies specific actions to implement in the three areas of sustainability. These actions are directly related to the material and emerging topics, as detailed in the next section.

MATERIALITY MATRIX



Action Plan: from strategy to concrete action

GRI 2-22

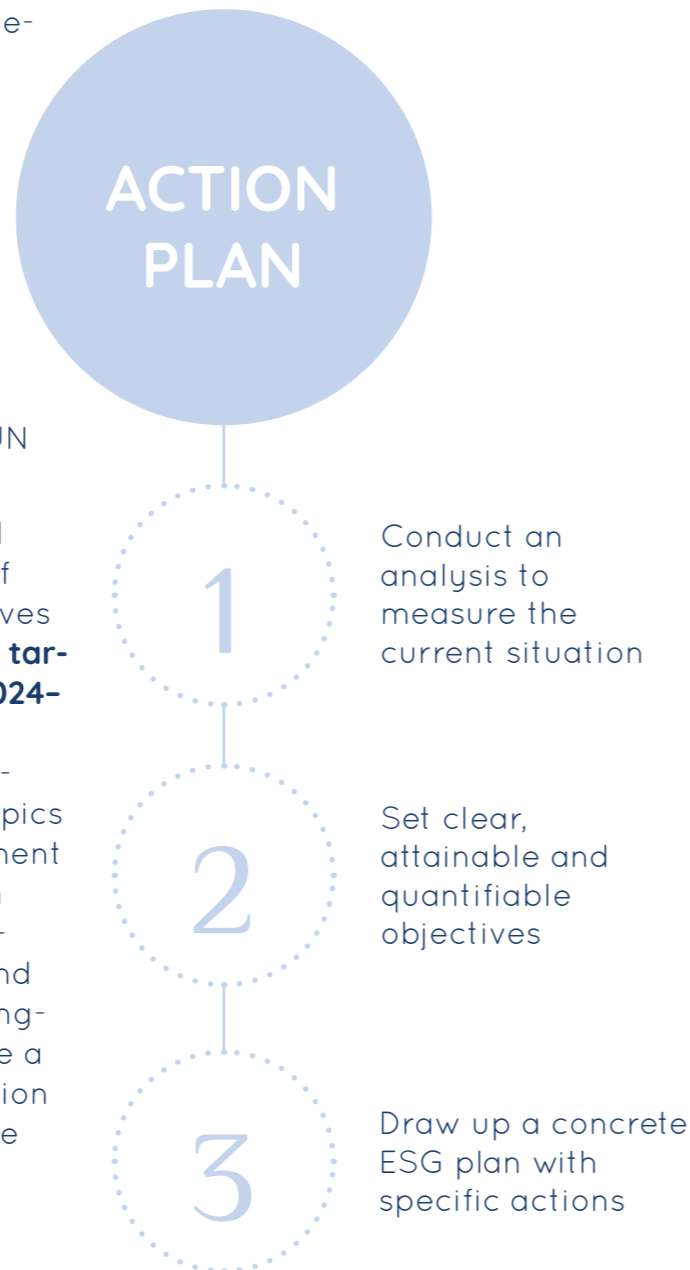
With a view to developing a sustainability journey consistent with our core business, industry trends and stakeholder needs, we have formalised an **ESG Action Plan** resulting from a journey that began with a desire to integrate the sustainability topics identified through the materiality analysis with our strategic policy. The plan was drafted through a process involving company management with regard to the impact on the key stakeholders.

In identifying the material ESG topics, we considered their correlation with the Sustainable Development Goals (SDGs) of the UN 2030 Agenda⁷.

The formalisation of the plan and subsequent regular monitoring of progress in achieving the objectives it sets out allowed us to **establish targets and actions for the period 2024-2026** with a view to continuous, progressive development and enhanced control of the material topics we have identified. Our commitment to act on these pillars through an increasing focus on key sustainability topics will help us pursue and meet global sustainability challenges. This is an opportunity to make a proactive and concrete contribution to sustainable development in the

areas of intervention directly related to our business.

Our ESG Action Plan is an important step in realising our desire to improve our environmental impact, foster social wellbeing and promote ethical business practices. It is the first step in a long and important journey that will carry us **to ever more ambitious sustainability objectives**.



7. The correlation with the Sustainable Development Goals of the 2030 Agenda is based on the guidelines indicated in the 2022 document 'GRI - Linking the SDGs and the GRI Standards'.



ENVIRONMENTAL

Action Plan objectives	Stakeholder priorities	Pillars	Actions
Creating products with a lower environmental impact (ecodesign and circular economy practices)	H	CARE Enhancing water resources	<ul style="list-style-type: none"> Analysing our WATER FOOTPRINT and taking action to reduce water use
		OPTIMISATION Analysing and redesigning the end-of-life of materials	<ul style="list-style-type: none"> Implementing a monitoring system for renewable and non-renewable materials and setting targets for the use of recycled materials Performing a LIFE CYCLE ASSESSMENT on 15 products
		RECYCLING Managing waste responsibly	<ul style="list-style-type: none"> Strengthening the WASTE MANAGEMENT system and setting waste reduction targets
A commitment to reducing emissions arising from our corporate processes	H	RATIONALISATION Using energy resources responsibly	<ul style="list-style-type: none"> Conducting an ENERGY ANALYSIS and implementing efficiency measures Expanding the use of energy from renewable sources
		PLANNING Counteracting climate change	<ul style="list-style-type: none"> Analysing the CARBON FOOTPRINT across the Group Plan to reduce, mitigate and offset emissions

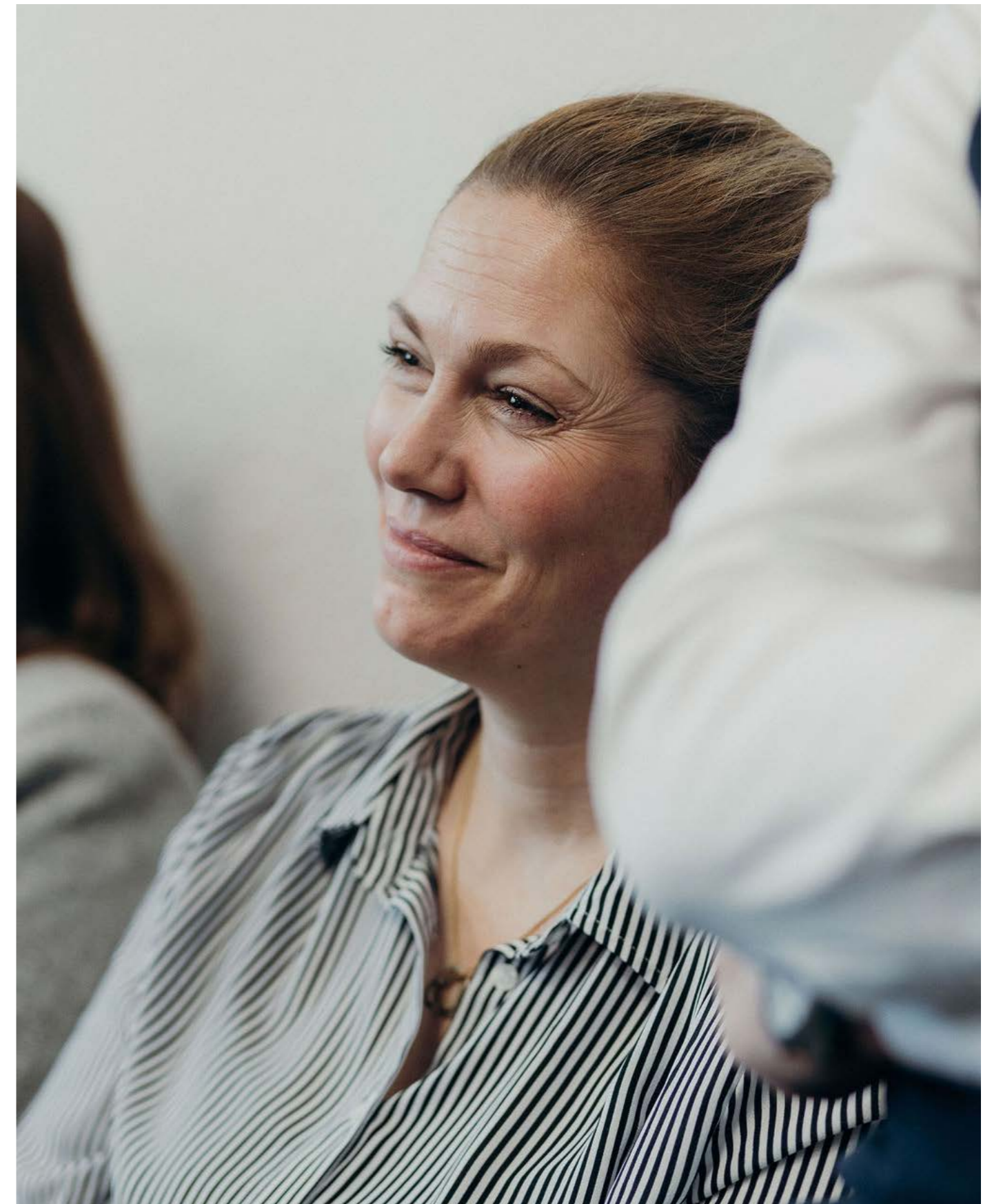
H = high MH = medium-high M = medium



SOCIAL

Action Plan objectives	Stakeholder priorities	Pillars	Actions
Employee involvement and training on ESG topics	MH	EQUALITY Promoting fair paths for personal growth	<ul style="list-style-type: none"> • Implementing a gender equality management system and formulating monitoring and improvement policies to ensure equity and inclusion within the Group • Planning people engagement initiatives
		GROWTH Strengthening potential, enhancing human capital	<ul style="list-style-type: none"> • Providing training on ESG topics for Sodalis People • Drawing up growth plans for each department team
		MOTIVATION Attracting and retaining talent	<ul style="list-style-type: none"> • Implementing the Sodalis Ambassadors Programme • Creating a partnership network with universities through internship programmes and participation at career days
Wellbeing and inclusion in the working environment	M	EMPATHY Promoting work-life balance and corporate welfare	<ul style="list-style-type: none"> • Renovation of headquarters • Strengthening internal communication

H = high MH = medium-high M = medium



GOVERNANCE

Action Plan objectives	Stakeholder priorities	Pillars	Actions
Formalising corporate principles and values and sharing them with key stakeholders	MH	HONESTY Guaranteeing and encouraging ethical and responsible behaviour	<ul style="list-style-type: none"> Formalising principles and values in the Code of Ethics Implementing stakeholder engagement initiatives and expanding the materiality analysis (double materiality) Formalising the Sustainability Champions Team and MBO mechanisms based on the ESG objectives of the Action Plan
		RECIPROCITY Prioritising responsible and controlled procurement	<ul style="list-style-type: none"> Raising awareness among key stakeholders through the Code of Conduct Creating supplier evaluation and awareness mechanisms through the Code of Conduct and ESG ratings
Implementing a responsible and innovative business model	M	EVOLUTION Investing in research and development projects	<ul style="list-style-type: none"> R&D investments focused on improving the sustainability of product formulations and packaging
Clear and transparent communication on business impacts	M	CLARITY Acting and communicating according to strict principles and values	<ul style="list-style-type: none"> Strengthening Group sustainability reporting to meet the requirements of the Corporate Sustainability Reporting Directive

H = high MH = medium-high M = medium

The pillars of the strategic plan reflect our commitment to ESG topics, which are embodied in measurable goals and actions. In this Report, we detail our performance using the GRI indicators, illustrating our goals and the strategies implemented to achieve them.



The principles of our Governance model



Governance

Key Highlights



€ 694 M
consolidated net revenue

88%
of generated economic value
distributed to stakeholders

57%
women in governance bodies

370
stakeholders participating
in the Group engagement
activity

12
Group subsidiaries subjected
to a GRI-certified ESG
assessment



€ 16 M
of investments to optimise
production and improve
management and our people's
wellbeing

99.6%
of products assessed for health and
safety impacts

4
registered patents

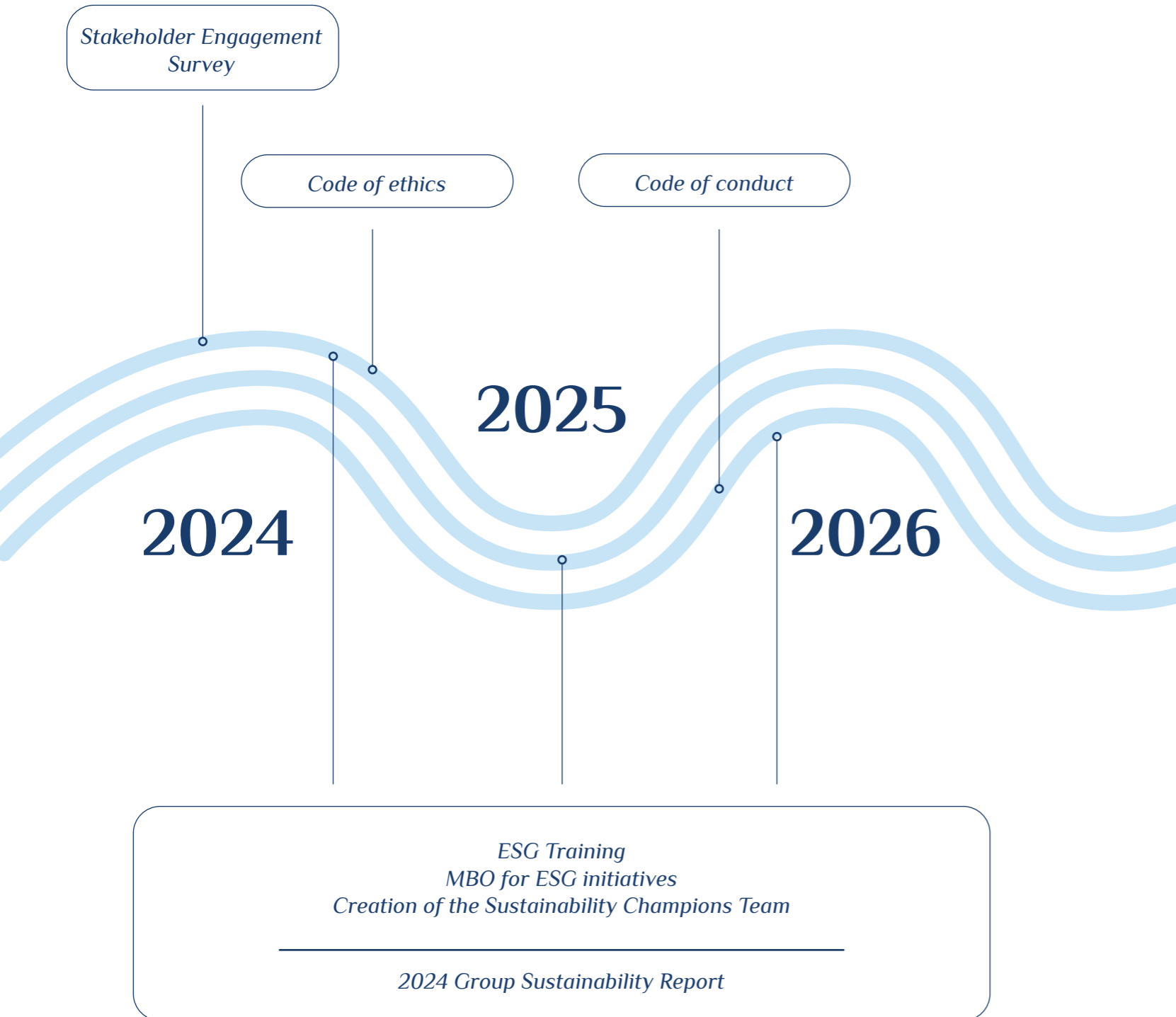
ISO 3
9001:2015
certified production sites




88%
of the budget for suppliers operating
at Group-operated locations

Governance

Our journey



Pillar	Where we are	SDGs	Future targets	Target year	
<p>HONESTY – Ensuring and encouraging ethical and responsible behaviour. Implementing transparent and ethical corporate governance practices to maintain trust and credibility.</p>	<p>First Group Sustainability Report; Materiality analysis through mapping and stakeholder engagement; Analysis of stakeholder expectations and incorporation in the ESG Action Plan.</p>		<p>Strengthen Group sustainability reporting to meet the requirements of the Corporate Social Reporting Directive (CSRD);</p> <p>Implement stakeholder engagement initiatives and expand the materiality analysis (double materiality);</p> <p>Formalise the Sustainability Champions Team and MBO mechanisms for ESG objectives in the Action Plan;</p>	<p>Develop the Code of ethics to promote the principles and values underpinning the corporate culture, increase employee motivation and engagement and strengthen their sense of belonging, to achieve better cooperation and reduce conflicts;</p> <p>Improve Group governance so that corporate decision-making and procedures are transparent and responsible, ensuring that actions align with the Group's values.</p>	2024-2026
<p>EVOLUTION – Investing in research and development projects. Continuously improving and bringing innovations to product formulations and production processes.</p>	<p>4 patented solutions to protect intellectual property;</p> <p>4 research laboratories to contribute to the innovative growth of the Group, promoting effective, cutting-edge solutions.</p>		<p>R&D investments focused on improving the sustainability of product formulations and packaging;</p> <p>Reinforce investments to continuously improve the sustainability of our products.</p>		2024-2026
<p>SATISFACTION – Implementing effective communication strategies. Focusing on meeting customer needs and expectations while addressing product sustainability and performance concerns.</p>	<p>Constant monitoring and analysis of customer satisfaction;</p> <p>Engagement initiatives for customers and consumers.</p>		<p>Integrate consumers' ESG needs in our strategic decisions on products and processes.</p>		2024-2026
<p>RECIPROCITY – Favouring responsible and controlled procurement. Ensuring ethical and sustainable practices throughout the supply chain, including sourcing, production and distribution.</p>	<p>Stable, trust-based relationships;</p> <p>Vendor ratings on technical-qualitative criteria;</p> <p>88% of the expenditure budget for finished products, raw materials and packaging for suppliers operating at Sodalis Group European locations.</p>		<p>Assess suppliers on sustainability criteria using verified ESG ratings and have them sign the Code of conduct to raise awareness along the supply chain and enable alignment with the Group's sustainability criteria.</p>		2025-2026
<p>CLARITY – Acting and communicating according to strict principles and values. Maintaining transparent and ethical business practices to build and maintain stakeholder trust.</p>	<p>Clear and incisive communication.</p>		<p>Reinforce an informed corporate culture to minimise non-compliance in terms of communication and labelling and counteract greenwashing.</p>		2024-2026

Organisational structure

GRI 2-9 | GRI 2-11 | GRI 405-1

The organisational structure of the holding company is based on a traditional model consisting of the Board of Directors, the Board of Auditors and an independent auditing firm for the statutory audit⁸.

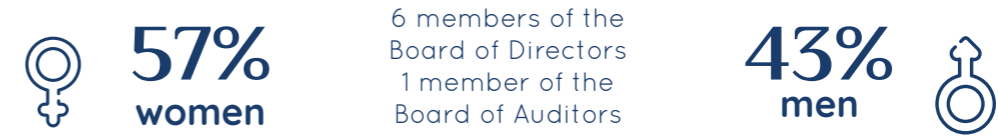
The **Board of Directors** (BOD) holds full powers for the ordinary and extraordinary management of the company; it may perform any act deemed appropriate for pursuing the corporate purpose. It is the executive body entrusted with **implementing the decisions taken at the shareholders' meeting** in the course of its deliberations and business activities. The BOD has a number of responsibilities in addition to its legal responsibility before the authorities: approving organisational strategies, developing management policies and recruiting, supervising and remunerating managers.

The **family nature of the company is also reflected in its leadership**: Fabio Granata is Chair of the Board of Directors and the legal representative of the company, supported by Paolo Bergamaschi, who holds the position of CEO. Riccardo, Marianna and Vittoria Granata, together with Lisa Denti, serve as directors. The Board of Auditors supports the BOD, supervising the Board's activities and controlling company management and administration. The goal is to ensure that functions are performed in accordance with the law and the Articles of Association. The Board of Auditors consists of a single statutory auditor who meets the legal requirements of integrity and professionalism.



8. The organisational structure refers to the holding company Sodalis S.r.l.

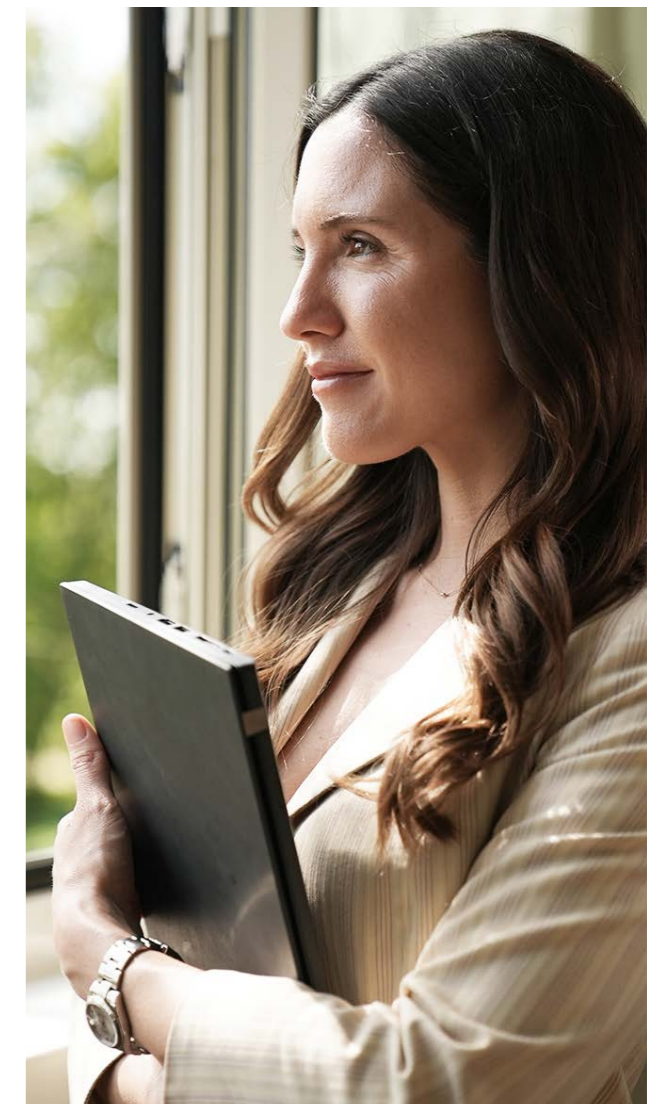
COMPOSITION OF SODALIS S.r.l. GOVERNANCE BODIES



The various functional areas of the Group⁹, each of which is overseen by the C-suite, report to the governance bodies of the holding company. Within their specific areas of expertise, they support the department heads at the individual subsidiaries, providing the strategic guidelines outlined by the parent company while respecting their operational independence. The department heads draw on their technical skills and know-how to manage, supervise and optimise strategic resources and relations with stakeholders involved in the value-creation process. This pragmatic approach has driven the vertical growth of the Group, supporting the acquisitions of subsidiaries over time and ensuring that the objectives are achieved more efficiently.

The **strategic integration of sustainability** will be reflected in the organisational structure through the creation of the **Sustainability Champions Team**, which will be assisted by top management. The team will be responsible for drawing up, implementing and governing sustainability policies and initiatives, building greater awareness among all managerial and operational personnel. The team will ensure regular reviews of the strategic sustainability plan, overseeing and promoting objectives

and good practices to be strengthened across the organisation. It will be motivated and supported by an **MBO (Management By Objectives) mechanism** based on qualitative and quantitative objectives set in the ESG Action Plan.



9. For more details on the composition of the governance bodies of the subsidiaries, see 'Annex 3 – Subsidiaries'.

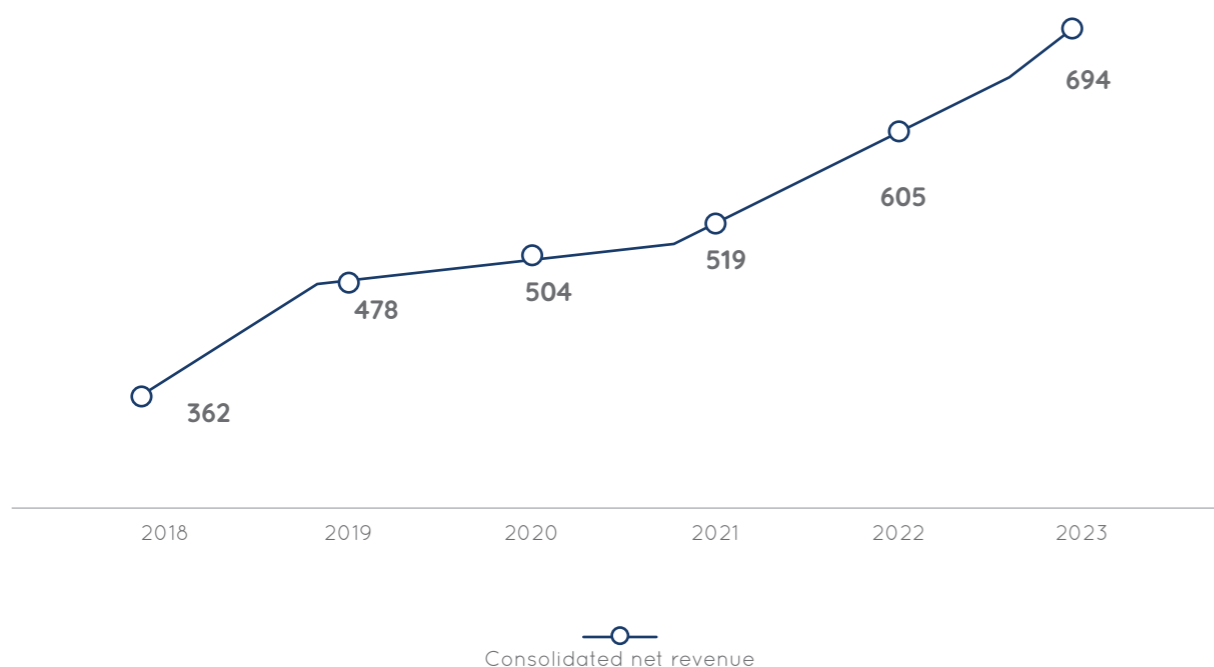
Economic performance and development prospects

At Sodalis, we work in line with the principle of **economic responsibility towards all our stakeholders**. We are also committed to regular disclosure of our financial position, activities, development and business outlook in compliance with applicable regulations and the principles of clarity, truthfulness and transparency.

2023 was a year of significant growth for our Group, with a double-digit increase in revenue, showing a strong recovery over the previous year. 2023 generated consolidated net revenue amounting to approximately **€ 694 million** (+13% over 2022), and closed with EBITDA of **€ 145.3 million** (+31% over 2022).

Our **continuous focus on customers, channel diversification** and **growing internationalisation** contributed considerably to this success, with constant growth in terms of turnover and margins in the various sales channels, as well as solid financial stability.

REVENUE TREND 2018-2023



Specifically, the **positive results of 2023** were supported by several external and internal factors:

- 1 **Extraordinary growth in international exports** which, thanks to the direct contribution of the foreign subsidiaries and distribution partnerships, exceeded 40% of turnover in 2023;
- 2 **Reinforcement of the Beauty division**, which is benefiting from both the sharp market recovery following COVID and increased marketing investments;
- 3 **Consolidation of the Pharma division** in cosmeceuticals and nutraceuticals, which hold great strategic value for the Group;
- 4 **General growth in the mass-market channel**; inflation has not adversely affected volumes, due to optimised cost management;
- 5 **Development of proprietary e-commerce** through the acquisition of the Goovi digital native brand, which strengthened the Group's presence online.



Direct economic value generated and distributed

GRI 201-1

The charts set out below show **value generated and distributed**, based on the income statement for the period under review. They indicate the **economic value generated directly by Sodalis** and its **distribution to stakeholders**.

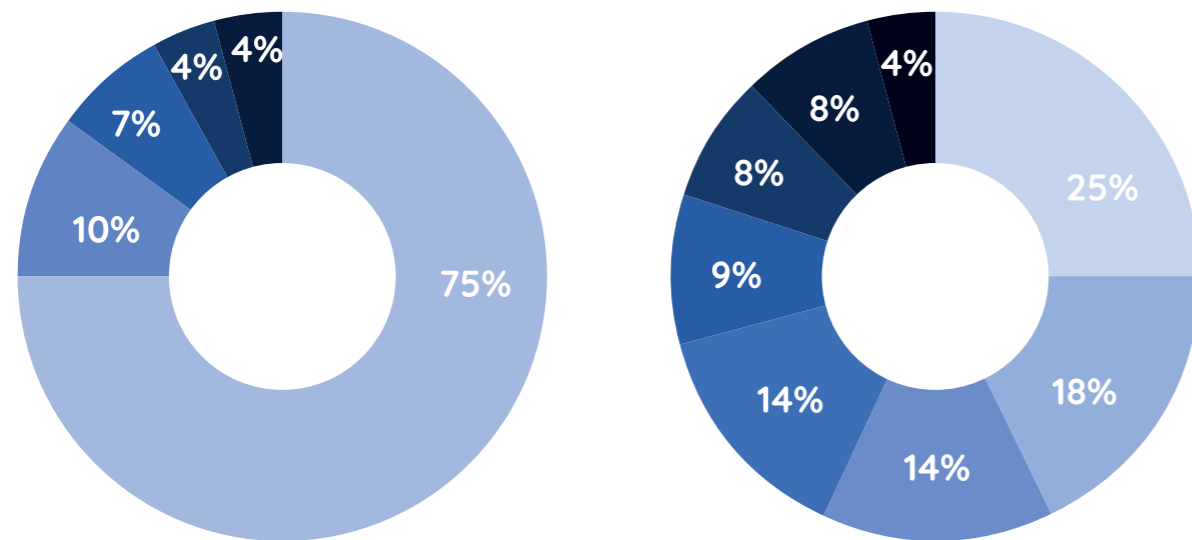
For 2023, **economic value generated** refers to revenue from the sale of products (**98.3%**), as well as other revenue and financial income from investments in subsidiaries (1.6%)¹⁰.

Economic value received reflects the share of other revenue received from the public administration in the form of operating grants (0.2%), mainly intended to strengthen the organisation's investment activities.

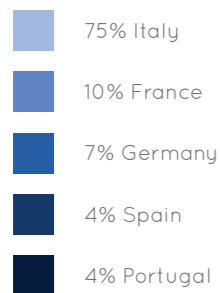
About **87%** of 2023 directly generated value was distributed; **economic value distributed** includes costs, classified by the main benefiting stakeholder categories. In 2023, a large part of value generated was used to remunerate and support businesses in the supply chain and our employees (about 83%). The remainder was distributed to **directors** and **auditors** in the form of remuneration, to the

public administration through taxes, to **banks and lenders** in the form of interest and financial charges, and to the local community through contributions and donations.

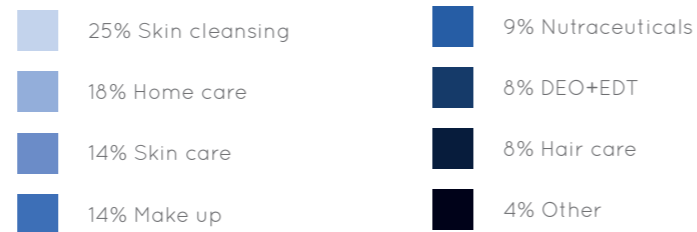
DIRECT ECONOMIC VALUE GENERATED € 694 MILLION



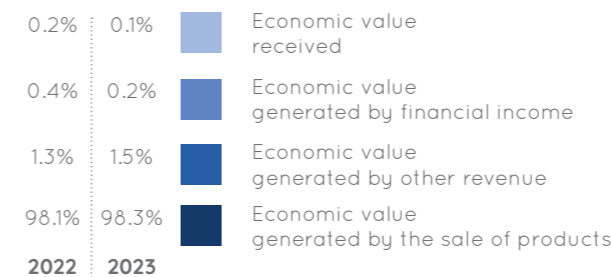
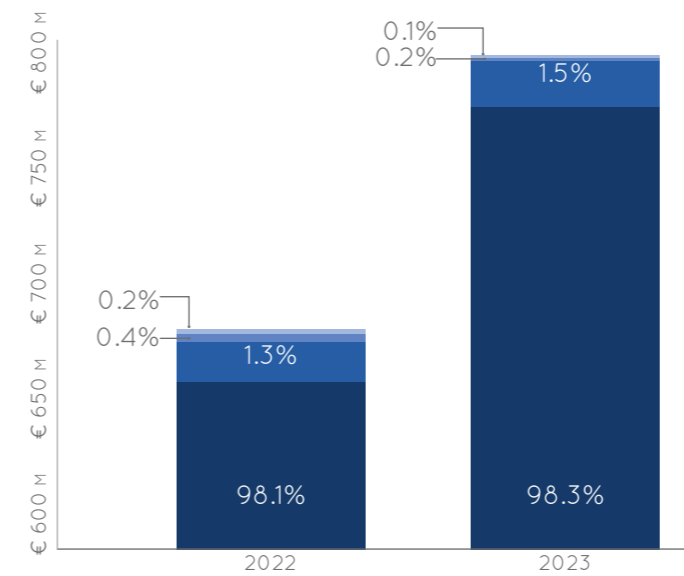
Percentage share by country



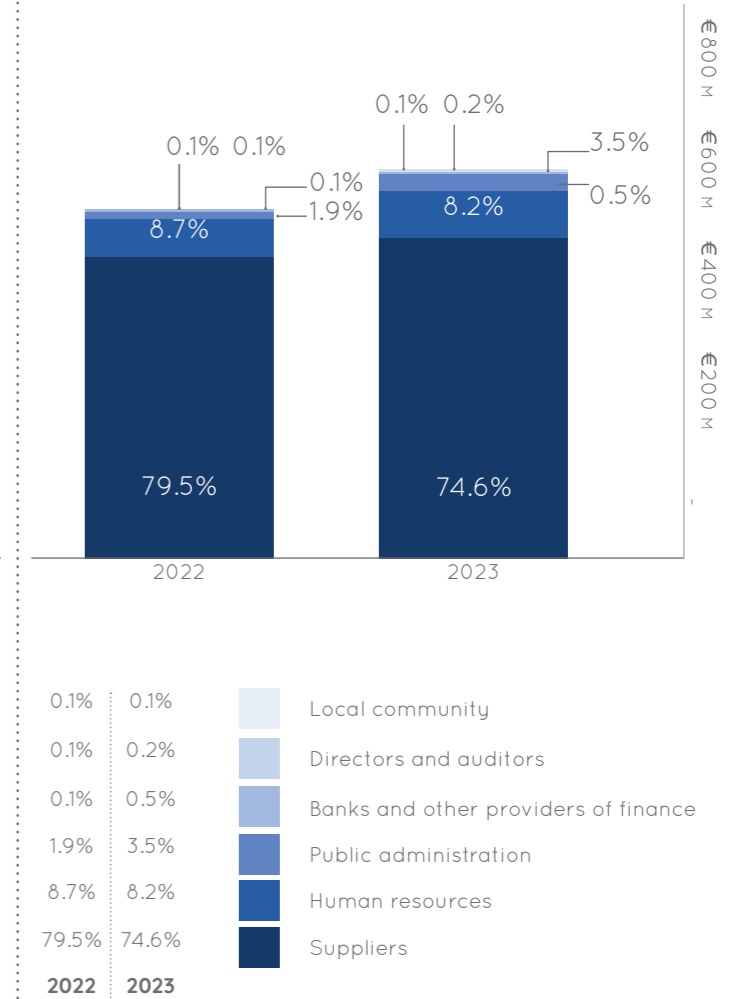
Percentage breakdown by product category



COMPOSITION OF ECONOMIC VALUE GENERATED AND RECEIVED



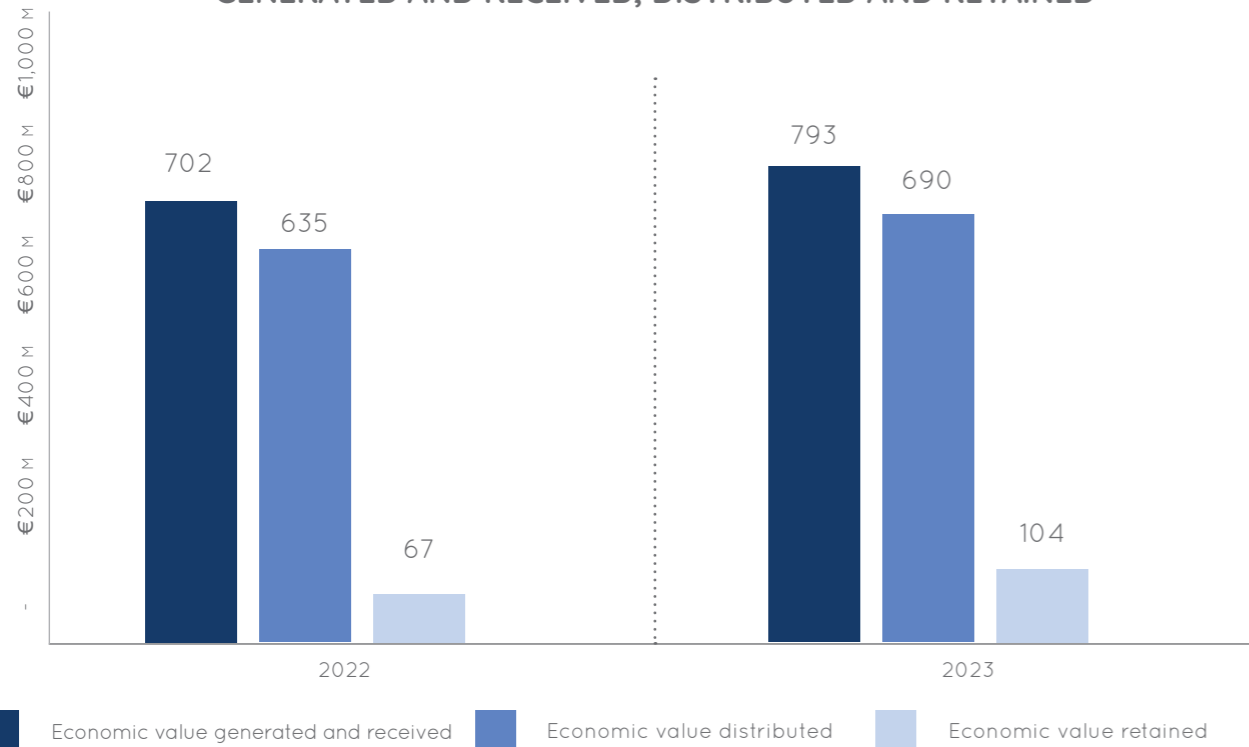
COMPOSITION OF ECONOMIC VALUE DISTRIBUTED TO STAKEHOLDERS



10. See 'ANNEX 1 - GRI Indicators' for a more detailed discussion of the indicators relating to direct value generated and distributed and its reconciliation with the Annual Report for the period under review.

Economic value retained is the difference between economic value generated/received and economic value distributed to the various stakeholder categories, and includes consolidated profit for the year.

COMPOSITION OF ECONOMIC VALUE GENERATED AND RECEIVED, DISTRIBUTED AND RETAINED



Projects and investments

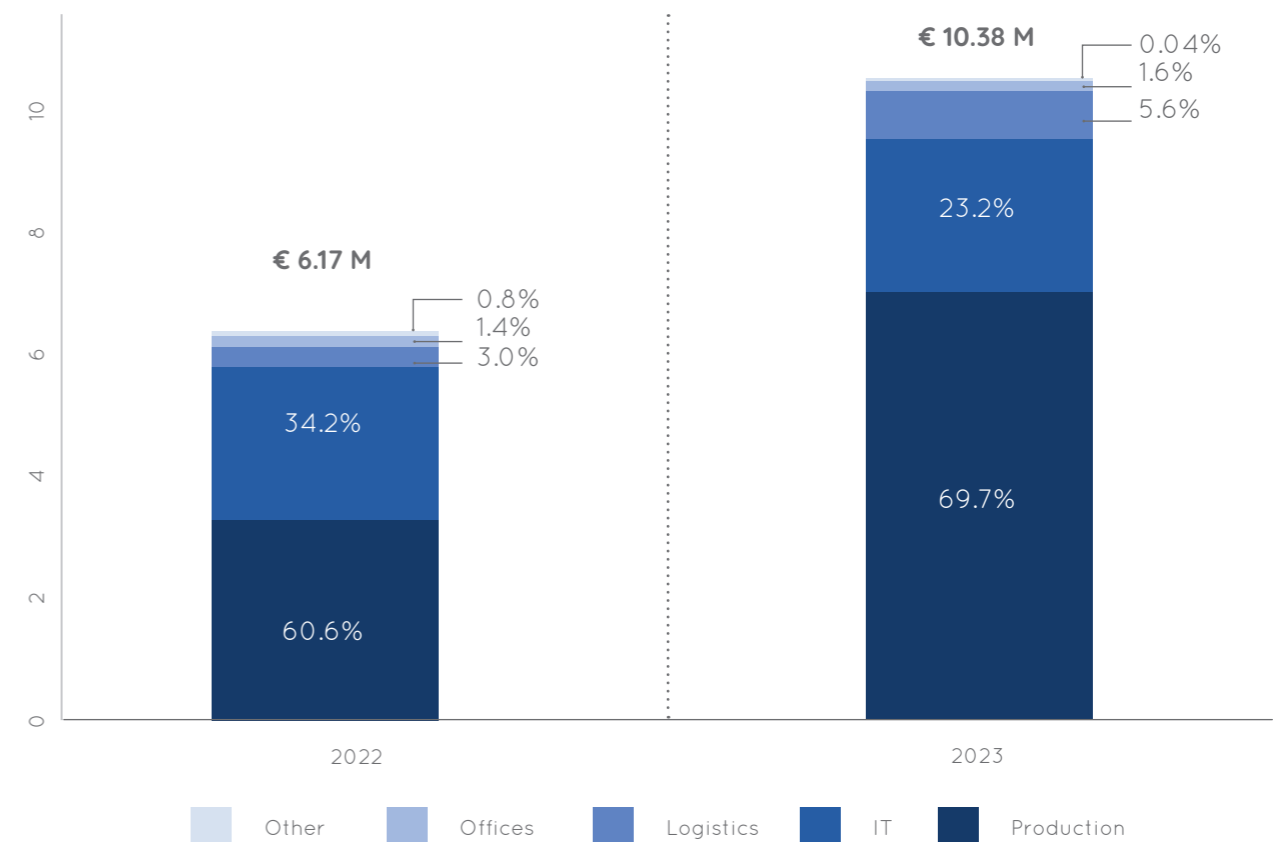
In an environment where markets are constantly evolving, we keep a constant focus on innovation, not only in products, but also in our organisation and processes. In the two-year period under review, we **invested more than € 16 million** in specific improvement projects, production facility expansions and greater process management efficiency through equipment purchases and revamps. Among these, the most important were:

Purification plant: the plant was built in Lodi Vecchio at the end of 2022 and went into operation in mid-2023. Thanks to a cogeneration system, we have optimised use of reusable water through osmosis, avoiding liquid waste from the production process;

SAP project: the growth of the organisation and workforce as a result of the various acquisitions led us to implement a new integrated human resources management platform: the SAP SuccessFactors Human Experience Management suite;

New locations and offices: we purchased a new building in Lodi Vecchio to create new rooms and offices; in 2024 we will complete the renovation and modernisation of the offices, to create a welcoming working environment. We are also building a special floor for Goovi's offices at our Lainate site.

INVESTMENTS BY AREA



Innovation, research and development: our business drivers

Innovation is in our DNA. We have always invested in the quality of our in-house research and development labs to achieve ever better performance standards.

Our **passion for research** translates into **innovation in our products and processes** and the **development of motivated and expert personnel**.

Our R&D centres work to develop excellent formulations in terms of efficacy and tolerability, as well as environmental compatibility. In recent years, we have focused on research and product innovations, on **new formulations and innovative technologies** to develop products that **satisfy consumers** who are increasingly attentive to quality, the user experience and results.

Internal research starts with the Marketing Team, which gathers customer and consumer needs from the market and assesses the main trends. **Development is where value creation begins.**



The Marketing Team collects feedback, which we use to evaluate and validate new products in **state-of-the-art labs**, where our experts develop **new formulations and innovative technologies**. We ensure scrupulous selection of raw materials and rigorous control of each production batch.

The regulatory phase ensures that all products comply with local and international regulations, so that they **meet the required safety and quality standards**, minimising risks for consumers and the organisation. Our close attention in this area allows us to address our consumers with effective, credible claims that tell the story of our products through science.

Over time, we have established solid **ties with external labs, universities and research institutes** for testing and development. We also involve universities and doctors and we conduct clinical studies to verify the validity and effectiveness of our products.

At every stage of the process, we keep our eyes on the fundamental goal: creating products that our consumers will love and use to improve their daily lives, that offer true well-being.

In recent years, our research has been strongly focussed on **environmental friendliness**, and this will continue in the years to come. We are committed to **continuously improving the sustainability of our products**, mainly through their formulation and packaging.



BioNike

The **BioNike** laboratories ensure scrupulous selection of raw materials and rigorous control of each production batch to guarantee compliance with the chemical/physical and microbiological specifications. During development, the formula of each product is subjected to several extremely thorough tests to validate tolerability and effectiveness. The usual tests include challenge tests to ensure microbiological stability, a skin tolerability test, a use test, an in-vitro skin irritation test and an instrumental and clinical efficacy test to guarantee the declared effectiveness. With respect to dermocosmetics, ICIM International, a market pioneer, has **patented three formulas**.

In recent years, the BioNike research team has devoted considerable energy to developing **formulations with an optimal eco-compatibility profile**. All BioNike sun creams are tested for environmental compatibility with the marine habitat and the entire range of skin-care and make-up products is continuously upgraded to constantly improve its environmental impact.



ESI has obtained a patent for the **NATURCAPS® RETARD BIFASIC** technology, solid evidence of its commitment to research and innovation, which reflects the identity of the company and the entire Group.



With **L'Arbre Vert** we bring our dedication to environmental and health protection to France. We have conducted significant research and development to rework our formulas to replace allergenic elements. Since 2013, most L'Arbre Vert cleaning products have had approval for controlled allergens from ARCAA – Association of Clinical Research in Allergology and Asthmology. In addition, all of the brand's products are **Ecolabel certified**. This European label guarantees compliance with strict environmental criteria throughout the product life cycle.





'We strongly believe in the value of research and innovation to create distinctive, market-leading solutions for wellbeing that can improve our daily lives.'

DEBORAH MILANO

deBBY

Our research and development work also includes the activities of the **Deborah Group** Innovation Lab, which promotes innovation in the beauty sector. The main focus is on make-up and skin-care treatments, with attention to the performance of the formulas, their enjoyability, tolerability and safety.

The team of experts works in close synergy to create exclusive products, using cutting-edge technologies and innovative raw materials and formulas. In-house experience, constant monitoring of consumer needs and analysis of market trends have led to the development of **FORMULA PURA**, a line of 'FREE FROM' products created with attention to the origin of the ingredients and formulations while maintaining a high cosmetic performance.

In 2023, the Debby **100% CLEAN** line was created to make clean make-up formulas accessible to the younger generations.

VIDAL

NATURAL HONEY™ Wash & Go

FRESH & CLEAN

mantovani

In 2022-2023, we invested significantly in research and in-depth analysis to improve the eco-compatibility of the formulations of some of our Personal Care products, including **Vidal, Natural Honey, Wash&Go, Fresh&Clean and Mantovani**. Working with a specialised external body, we tested and verified the biodegradability of our formulations, ensuring that our products not only meet the highest quality standards, but also actively contribute to the protection of the environment.

Quality and customer satisfaction: our winning combination

GRI 416-1 | GRI 416-2 | GRI 417-1

We create products with the conviction that they can help people feel better about themselves and care for their wellbeing in the small gestures of everyday life.

Our goal is to offer the highest quality standards and provide consumers with the most rewarding experience possible. This is why quality and customer satisfaction are at the heart of all our business.

Quality Management

Our four production sites in Italy and France implement a strict **Quality Management System**¹¹. At the Lainate and Lodi Vecchio sites, this also extends to the application of good manufacturing practices (GMP) in cosmetics and regulatory requirements for medical devices, in accordance with the **UNI EN ISO 22716:2008** standard.

The Albissola Marina production site is also equipped with a Quality Management System. In 2023, the site obtained **FSSC 22000** food safety certification, based on the internationally recognised ISO 22000 standard for the certification of food hygiene along the entire supply chain.

Our **UNI EN ISO 9001:2015** Management System¹² certifies our ability to effectively manage business processes, ensuring a high quality standard for our products. This includes activities such as constantly evaluating customer feedback, monitoring production processes and adopting continuous improvements to meet customer expectations.

UNI EN ISO 22716:2008¹³ certification concerns good practices in cosmetics manufacturing. It sets standards for the production, labelling and distribution of cosmetic products. This certification shows that we have a solid basis to guarantee that our products are safe, effective and comply with the applicable regulations.



11. Adopted by Conter, Sodalco ESI and ICIM International
 12. Adopted by Conter, Sodalco, ICIM International and ESI
 13. Adopted by Conter and ICIM International



OBJECTIVES

The Group's agreed objectives are to:

- 1 ensure excellent products and services that meet customer and consumer needs and comply with the requirements of the applicable laws and regulations;
- 2 increase customer and consumer satisfaction through the effective application of the quality management system and continuous improvement processes.

The scope of the Quality Management System covers the design, development, production and marketing of our products. It is supported by the Quality Manual, which illustrates and helps people implement and uphold the principles, commitments and objectives established in the Quality Policy, ensuring effective application of the System.

Compliance with legal and regulatory requirements is crucial for us, as is respect for obligations and their enforcement. We constantly monitor updates to the **legal and regulatory requirements governing product compliance**, promptly circulating them to all levels of the organisation. This ensures that we are always aligned with the latest regulations and anticipate their application whenever possible ahead of our competitors.

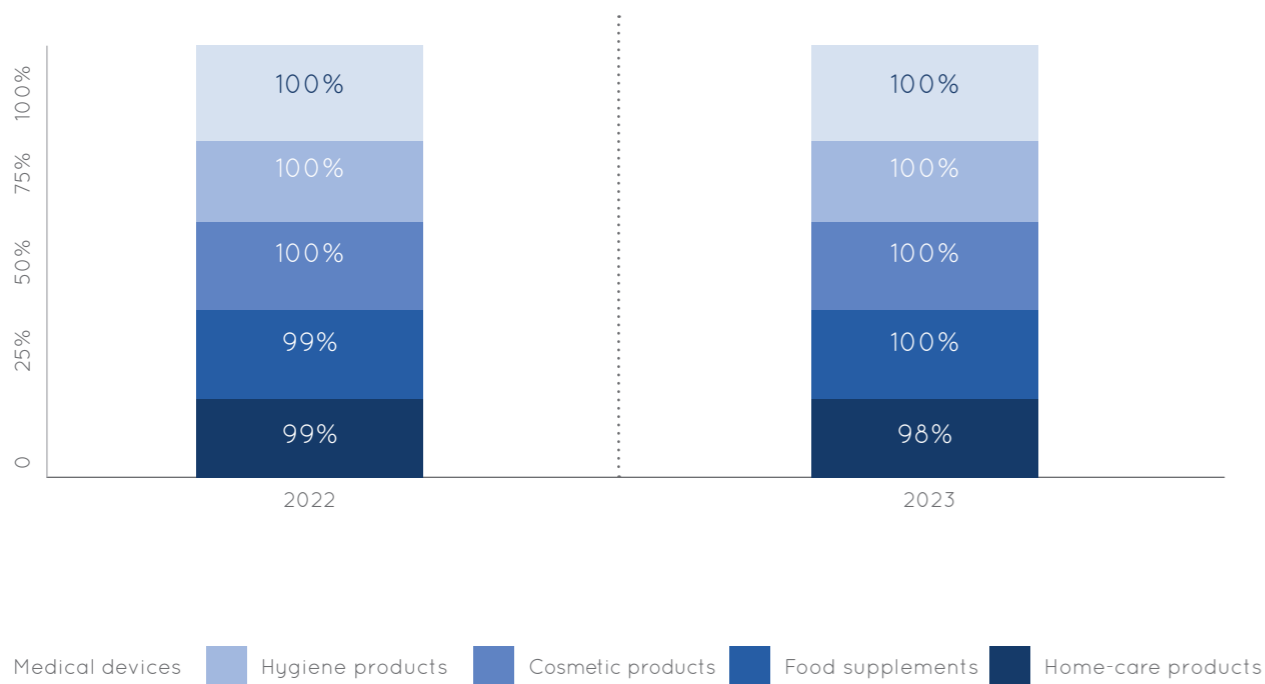
We promote a culture of risk prevention throughout the Group.

To ensure product safety, we conduct safety assessments based on a software common to all Group companies, assigning a hazard coefficient to each raw material. To place a product on the market, the sum of these risks must be acceptable, thus ensuring product safety and conformity as stated in the PIF (product information file).

Systematic evaluation of each product category is evident in our monitoring system to maintain high safety standards for the different product categories.

We place the utmost importance on managing non-conformities and guaranteeing quality for our customers.

PRODUCT CATEGORIES SUBJECT TO HEALTH AND SAFETY IMPACT ASSESSMENTS

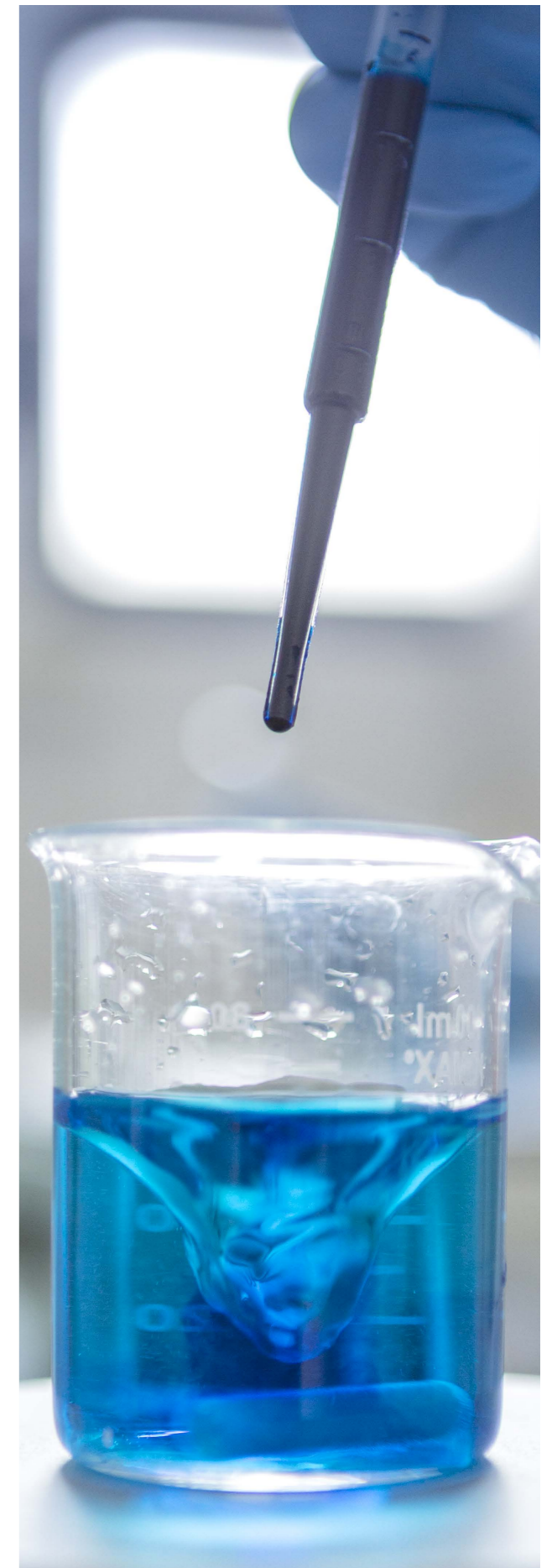


All the Group production companies adopt an integrated and rigorous approach to quality, ensuring full compliance with the best standards in the cosmetics and nutraceutical industries. Thanks to our quality management system, we have built up a quality model through regular audits and meticulous checks. Handling customer reports and complaints is an integral part of the quality process, with thorough analysis of every incident and non-conformity. In addition, we conduct pre-release checks on production batches and scheduled checks during the entire product life cycle.

The commercial subsidiaries extend our quality approach to their contractor networks through front-line audits and regular checks, ensuring that all standards are met and that any non-conformities are promptly addressed.

During the reporting period, there were 71 episodes of regulatory non-compliance and only 1 in 2022, for which the necessary inspections were made and action taken¹⁴.

14. The episodes mainly related to the presence of lilial (butylphenyl methylpropional) in products; the compound was banned as from 1 March 2022. The Group stopped marketing products containing lilial and informed customers of the new regulations, but some products remained on the shelves, leading to RAPEX rapid alerts. The regulators conducted extensive checks to ensure compliance with the ban. Lornamead handled three cases in which the safety assessment of a product was questioned by the authorities. Following a report that found traces of heavy metals in some products, the company demonstrated that the traces were technically unavoidable, thus closing the investigation without further consequences.



Customers and consumers: the hallmarks of our relations

We devote the utmost attention and support to our customers and strive every day to strengthen our bond with them.

Customer relations, based on constant listening and interaction, are managed by our sales force, which operates through a variety of sales networks depending on the products in our portfolio.

We have a **multi-channel business model** so our target customers are:

Mass distribution and **drugstores** as the main channel for Consumer Personal & Home Care products.

Pharmacies and **health product stores** as the chosen channel for the Pharma Health & Beauty division.

Perfumeries and **specialised beauticians** for the Consumer Beauty unit.

Digital platforms and **online marketplaces** for e-commerce sales.

End consumers for proprietary e-commerce brands (D2C - direct-to-consumer).

Herbal medicine shops for herbal products.

Hair stylists for the professional hair care lines.

Wholesalers and **retailers** as intermediaries for widespread territorial distribution.



The different sales channels are managed and supported by a network of sales agents, consultants, trainers and medical representatives, who cultivate trust-based relationships with customers by involving them in training/information activities, new products launches, technical/scientific support and special events.

Special activities for customers are organised regularly inside the Group. The following are some examples:

BioNike stands out for effective engagement of pharmacists in high-profile training sessions. Through its network of representatives, it is also in continuous contact with dermatologists, paediatricians, cosmetic surgeons and gynaecologists, offering dermocosmetic and nutraceutical solutions for skin conditions. For the launch of the BioNike Cosmeceutical protocols, 17 in-person training sessions and 5 on-demand webinars were organised in 2023.

Brelil, which works with professional customers, hair stylists and specialised hair-care professionals, organises an annual conference for about 70 key clients to present new product lines and encourage customer engagement.

‘Sodalis Dream – Wellbeing Creations’, a multi-brand interactive event, was held in July 2023, where we presented the innovations of the second half of the year. The event involved customers, journalists, influencers and figures in the beauty, pharmaceuticals and lifestyle sphere, along with key stakeholders, creating a memorable immersive experience for all participants.

Using innovative displays, we presented the new products for our brands, including Biopoint, BioNike, Deborah Milano, deBBY, Dermolab, Tesori d’Oriente, Goovi, ESI, Lycia and Leocrema. Each thematic room offered a unique experience: hair styling and massage stations for Biopoint, skin-care analysis and consultation for BioNike, and aromatherapy

and silent disco sessions for Tesori d’Oriente. The Social Room provided interactive touchpoints, including whiteboard panels for dedications and photo stations. In addition, the Goovi veranda presented new launches with a tasting of cocktails created with our liquid supplements.

We address consumers with major **integrated cross-media communication campaigns**, reaching millions of direct customers every day through digital media, TV, radio, the press and local events. Our social properties and the customer care services on our websites are the main channel of contact and interaction with our **consumer community**, which in many cases is a great source of inspiration for innovation and product upgrades.



LABELLING

Clear information for correct product use

Our product **labels** are an essential element for informing end consumers about the basic claims of our formulations and providing information about optimal product use. We pay close attention to the transparency and clarity of the information on our product labels, to enable consumers to make informed choices.

In particular, we provide information on the sourcing of components and directions for safe use. We also describe the contents in detail, with a particular focus on the benefits of the ingredients and the presence of substances that may have environmental or social impacts. In addition, we include guidance on product disposal to minimise negative impacts on the environment and society.

Our suppliers: the importance of trust and long-standing relations

GRI 204-1

Quality, reliability, solidity: these are the basic principles governing our relationship with the supply chain.

Sustainability lies at the heart of the cosmetics industry, combining the economic results of production activities with attention to environmental and social issues. This commitment involves the entire supply chain and, by creating solid partnerships with our suppliers, ensures that our products are manufactured according to the principles of quality, safety and respect for the environment.

The procurement process is designed to respond promptly to the technical characteristics demanded by consumers and their expectations. It involves careful **planning** during which the purchasing department identifies the supply requirements needed to meet production demand based on sales forecasts. Supplier mapping involves meticulous searches for partners who best match our technical and production requirements.

Based on the technical specifications of our products, we prefer suppliers with **organisational and product certifications**, which confirm their

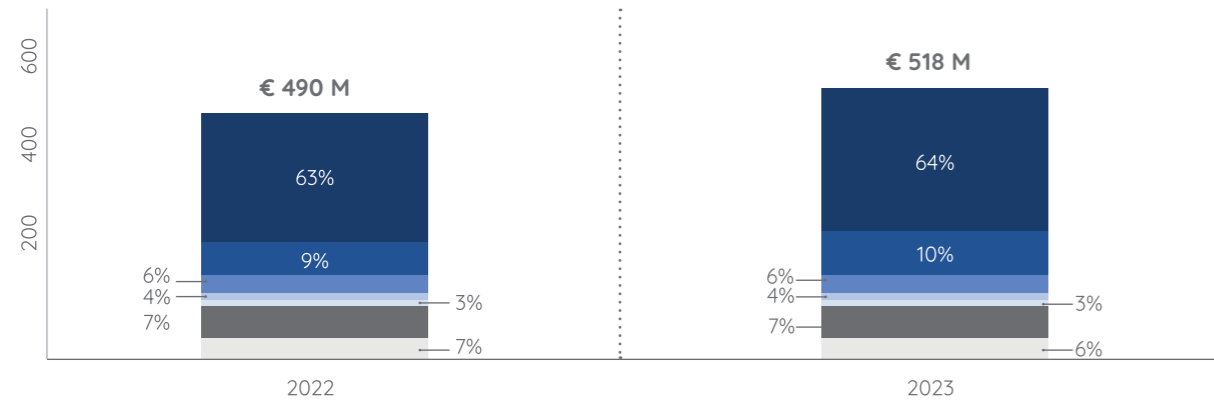
reliability and allow us to make an objective assessment of the match between their operations and our quality management systems. Manufacturing operations handled by contractors are planned and assessed with the purchasing team, to ensure compliance with the quality standards we guarantee for our customers and consumers. Relationships with suppliers are often strengthened through meetings and in-person audits.

We are always looking for **packaging solutions that follow low-impact ecodesign criteria**. We favour bottles, cases and packaging made from recycled and recyclable materials, and we try to reduce the amount of material used while guaranteeing the ability to preserve the intrinsic characteristics of the formulations.

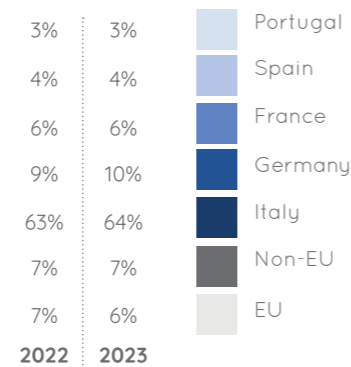
Manufacturing operations handled by contractors are planned and assessed with the purchasing team, to ensure compliance with the quality standards we guarantee for our customers and consumers. Relationships with suppliers are often strengthened through meetings and in-person audits.



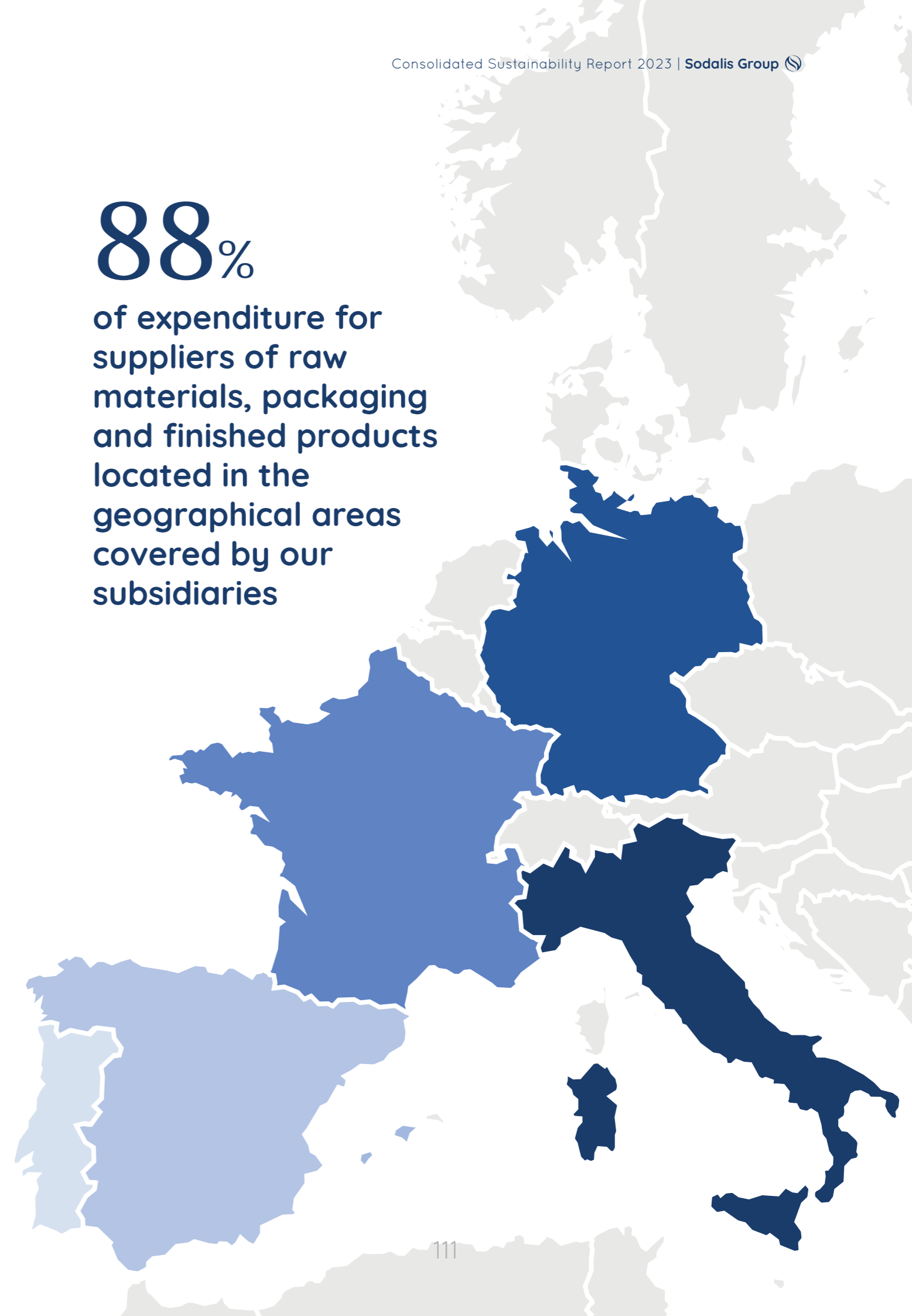
BUDGET EXPENDITURE ON LOCAL SUPPLIERS



Consistently with the geographic areas where we operate, we give preference to companies in the economic/commercial supply chain overseen by the Group. The prevalence of local suppliers¹⁵ is significant: 88% of the procurement budget¹⁶ is spent in Italy, Germany, France and the Iberian Peninsula. For certain categories of packaging and specific components, we rely residually on European and non-European companies. External supplies are complemented by intra-group collaborations and purchasing flows between the production and sales subsidiaries, strengthening the distribution network for Sodalis products in the markets we serve.



88%
of expenditure for suppliers of raw materials, packaging and finished products located in the geographical areas covered by our subsidiaries



15. The definition of 'local supplier' considers the Group's primary locations, i.e., Italy, France, Germany, Spain and Portugal.

16. The evaluation refers to the Group's direct suppliers of raw materials, finished products and packaging.

Downstream from production, our logistics processes are dedicated to the efficient distribution of finished products, through distribution chains whose length depends on the product and the outlets. This includes warehouse management, transport and delivery, with the goal of ensuring that products arrive on time and in excellent condition.

In Italy, the central location is in Borgo San Giovanni. This is a state-of-the-art centre in terms of technology and automation, located just a few kilometres from the production sites in Lodi Vecchio to ensure optimised distribution downstream from production. At the same time, our foreign subsidiaries rely on strategic hubs to guarantee efficient and widespread distribution of production batches.

Looking to the future, responsible sourcing decisions will increasingly extend beyond regulatory compliance, working to **raise awareness along the entire value chain**. To do this, we have undertaken a concrete, measurable approach to mapping and evaluating suppliers, with the aim of integrating sustainability criteria in our sourcing choices in an organised way. We intend to adopt verified and recognised **sustainability ratings** in order to assess and compare the sustainability performance of our supply chain over time.

To ensure compliance with specific requirements and the sustainability principles that guide our future performance, our suppliers will be asked to endorse their commitment by signing the **Code of Conduct envisaged by our ESG Action Plan**.



Social responsibility inside and outside the Group



Social

Key Highlights



SODALIS PEOPLE

1,003
employees as of 31/12/2023

+4%
employees compared to 2022

99%
of employees have permanent contracts

92%
of employees are hired under a collective bargaining agreement

94%
of employees are employed full time

+17%
positive turnover (165 hires)



SKILLS DEVELOPMENT & ENGAGEMENT

8,331 hours
of training provided about 8 hours average per employee



DIVERSITY & INCLUSION

55%
of employees are women

43%
of management staff (senior managers + middle managers) are women



COMMUNITIES

2
funded scholarships + 1 awaiting funding

5
Corporate Social Responsibility projects initiated

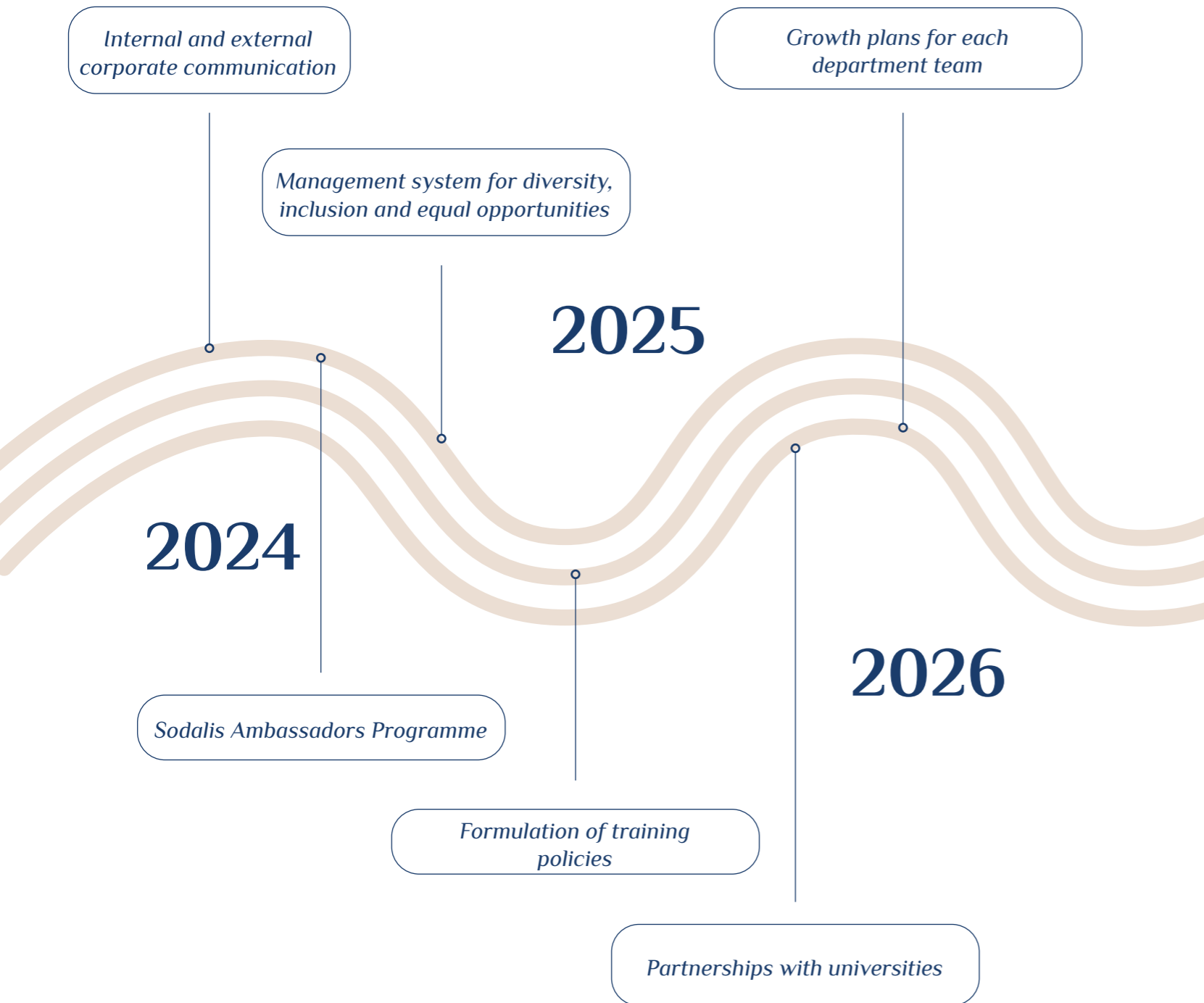
9
non-profit organisations/initiatives supported















+3%
training hours provided compared to 2022

78%
of senior managers hired from the local community

Social

Our journey



Pillar	Where we are	SDGs	Future targets	Future targets	Target year
<p>EMPATHY – Promoting work-life balance and corporate welfare. Implementing programmes to improve the wellbeing and quality of life of employees in the workplace.</p>	<p>94% of employees have a full-time contract, but we also envisage part-time contracts for greater work-life balance and to respond to the need for flexibility (6% of employees in 2023);</p> <p>92.3% of employees are hired under a collective bargaining agreement;</p> <p>Each Group company has a specific welfare plan, health care, disability coverage and meal vouchers, as well as a company portal for employees, who can save money on a variety of products and services.</p>	  	<p>HEADQUARTERS RESTRUCTURING</p> <p>We plan to gradually renovate our headquarters to create a more welcoming and enjoyable environment.</p>	<p>ENHANCING INTERNAL AND EXTERNAL CORPORATE COMMUNICATION</p> <p>We aim to strengthen internal employee engagement through a weekly corporate newsletter designed to increase staff awareness about the path taken by the Group, and regular publication of content on our digital corporate properties (website, LinkedIn, Instagram, YouTube).</p>	<p>2024</p>
<p>EQUALITY – Promoting fair growth paths. Promoting diversity, inclusiveness and equal opportunities to create a diverse and representative workforce.</p>	<p>55% of employees are women;</p> <p>43% of management staff (senior + middle management) are women;</p> <p>The average female-to-male pay ratio stands at 91%.</p>	  	<p>ESTABLISHING A GENDER EQUALITY MANAGEMENT SYSTEM</p> <p>We aim to establish a corporate gender equality management system to create an inclusive and respectful environment that reinforces a positive working climate, so reducing conflicts and fostering personal and professional growth.</p>	<p>We are committed to aligning our business strategies with contributions to the UN's Sustainable Development Goals, including gender equality, the fifth goal of Agenda 2030.</p>	<p>2025</p>
<p>GROWTH – Strengthening potential, enhancing human capital. Improving employee skills, knowledge and capabilities through training and development programmes.</p>	<p>8,331 hours of training provided: +3% compared to 2022;</p> <p>8 hours of training per employee on average.</p>	   	<p>PROVIDING ESG TRAINING FOR EMPLOYEES</p> <p>We aim to provide employees with a clear, in-depth understanding of sustainable and responsible tools and practices, promoting a sense of awareness and responsibility regarding the impact of the organisation's activities on society and the environment. Engaging with our employees is crucial so that they understand how their work fits into the Group's sustainability strategy.</p>	<p>DEFINING PLANS FOR GROWTH FOR EACH DEPARTMENT TEAM</p> <p>We have set the goal of drawing up growth plans for each department team. We aim to improve the skills of our employees, the basis of our success, increase their motivation, promote innovation and ensure alignment with the Group's strategic objectives.</p>	<p>2024-2026</p>
<p>MOTIVATION – Attracting and retaining talent. Attracting and retaining qualified employees while creating a positive and inclusive work environment.</p>	<p>For the 25th anniversary of Tesori d'Oriente, we have decided to fund a scholarship for the next Executive Master's in Fragrance & Cosmetic Management, scheduled for 2024 at the Italian Perfumery Institute (IPI).</p>	   	<p>SODALIS AMBASSADORS PROGRAMME</p> <p>By the end of 2024</p> <p>In 2024, we will be launching the Sodalis Ambassadors programme. The goal is to create a team to spread the Group's values and convey a sense of belonging, helping to strengthen the Sodalis Way and the corporate culture inside and outside the organisation.</p>	<p>PARTNERSHIPS WITH UNIVERSITIES</p> <p>In today's highly competitive labour market, we aim to focus on creating lasting partnerships with universities to attract new talent. We believe that this will lead to significant benefits by creating a bridge between education and the working world, so that we can identify and recruit the best students to specialise in our field.</p>	<p>2024-2026</p>

Our Team: The heart and soul of the Group

GRI 2-7 | GRI 2-8 | GRI 401-1 | GRI 405-1

Sodalis People are the key to the organisation's success and an essential asset for building sustainable growth and spreading the Group culture.

At Sodalis, we are committed to providing a **stimulating, fair and inclusive working environment** where everyone feels valued, respected and part of the project. We care about our people and are committed to focusing on their wellbeing and fostering a sense of belonging to the Group, with an awareness that their motivation underpins the performance and quality of our business.

The creation of a unique management process

The Group's evolution through the acquisition of a series of structured entities has required extensive work to establish personnel management processes that ensure uniform conditions for all employees. We have focused on developing an **equitable approach to human resources management**, which has and will continue to entail the rigorous formalisation of policies and processes, both nationally and internationally.

On the corporate level, the alignment and integration process follows three main lines:

- 1 Analysing and understanding Group companies across the board to create a common language;
- 2 Aligning and standardising protocols;
- 3 Implementing shared management systems such as SAP HR to integrate processes and develop a uniform approach to data monitoring (ongoing).



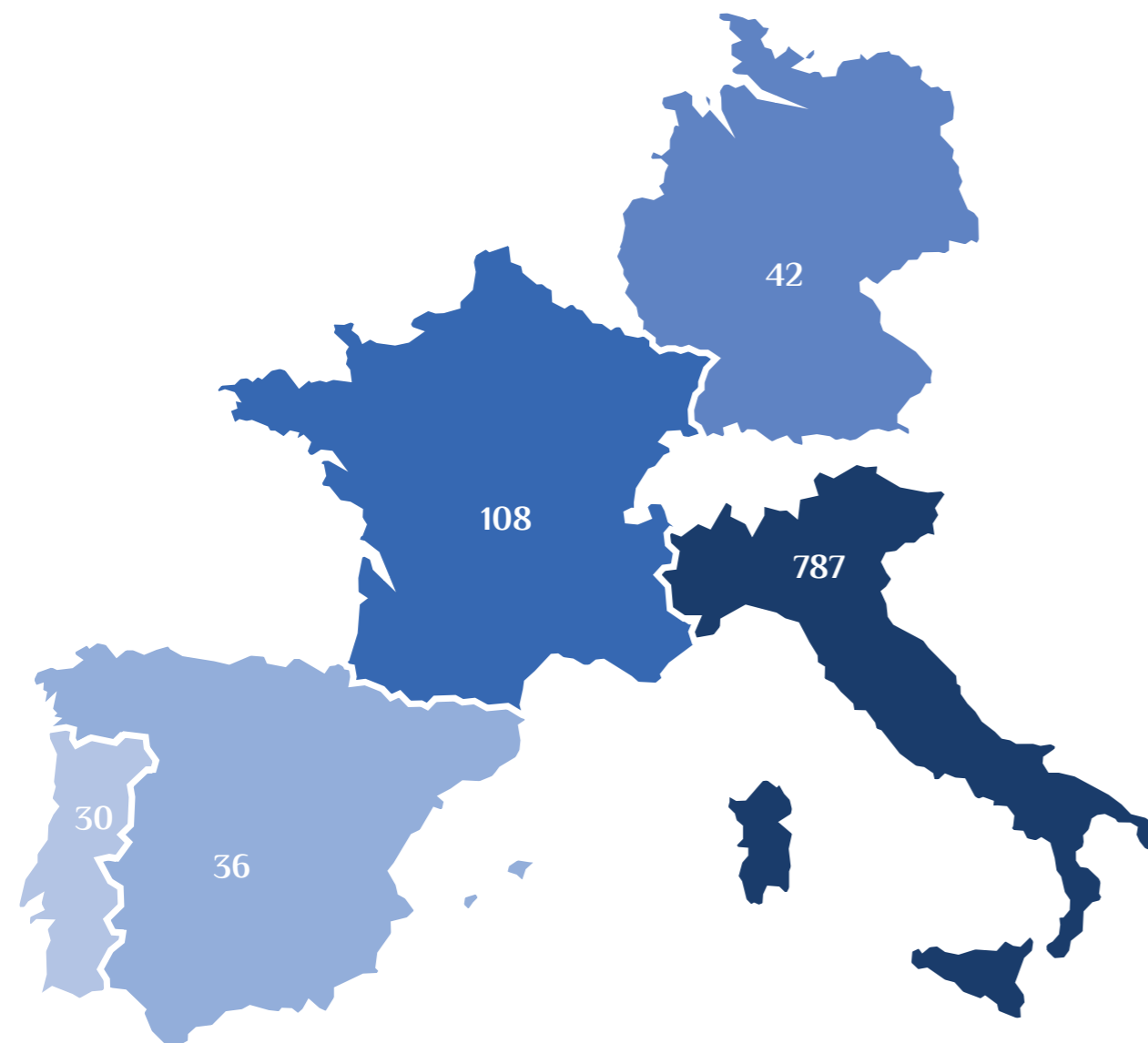
SODALIS GROUP TEAM COMPOSITION



Key numbers

At the end of 2023, the Group's workforce had grown by 4% compared to 2022 (964), with **1,003 employees** almost equally distributed between men (45%) and women (55%).

Sodalis People cover the five countries where our Group operates. In line with this trend, the largest share of employees is in Italy (78%), followed by France (11%), while the remaining 11% is evenly split between Germany, Spain and Portugal.

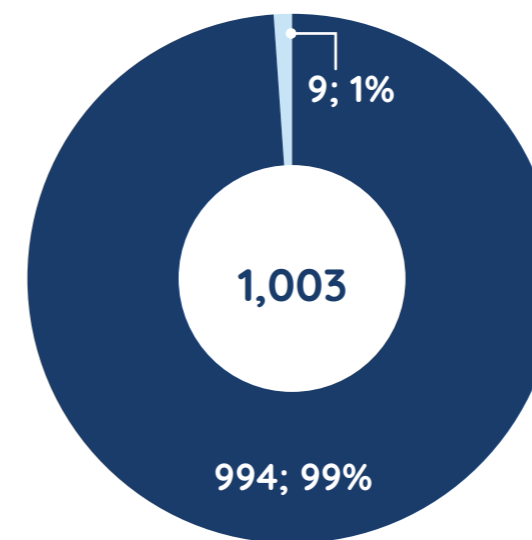


We are committed to creating lasting and stable relationships with our personnel, as reflected in the large number of employees with **permanent contracts: 99% of all staff**. This percentage increased compared to the previous year, when 98% of employees were on permanent contracts.

TEAM BREAKDOWN BY COUNTRY AND TYPE OF CONTRACT

Permanent contracts
Fixed-term contracts

TYPE OF CONTRACT 2023



Permanent contracts
Fixed-term contracts

	2022	2023
Italy	99% 1%	99% 1%
France	97% 3%	98% 2%
Germany	94% 6%	100% 0%
Portugal	100% 0%	100% 0%
Spain	100% 0%	100% 0%

Although full-time employment is preferred across the Group, given our type of business, we offer employees the possibility of part-time employment to meet specific needs. At the end of 2023, **94% of employees had full-time contracts**. With the inclusion of new recruits, this percentage increased by about 7% compared to 2022.

The diversification of skills within the Group is crucial because every individual can make a difference.

Senior managers, who account for 3% of all employees, play a key role in defining the Group's long-term vision and developing strategies that drive growth, innovation and market competitiveness.

Middle managers (around 16%) are of strategic importance for business management. These positions are essential in formulating corporate policies and providing strategic orientation and team management, and make a significant contribution to the success of the organisation.

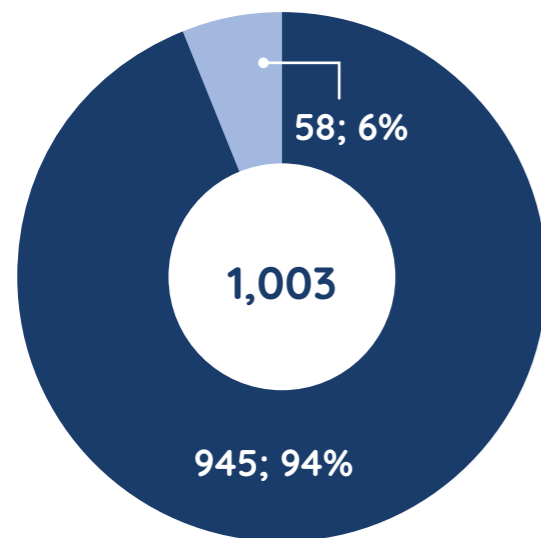
Office workers make up nearly the majority of our workforce (46%). They play a central role in day-to-day operations, maintaining operational efficiency and supporting strategic and decision-making activities.

Factory workers make up 35% of our workforce. Technical skills and a sense of responsibility are the key elements of their work and are reflected in production, through which we meet customer needs. We constantly strive to ensure their safety and engagement, offering opportunities for professional growth.

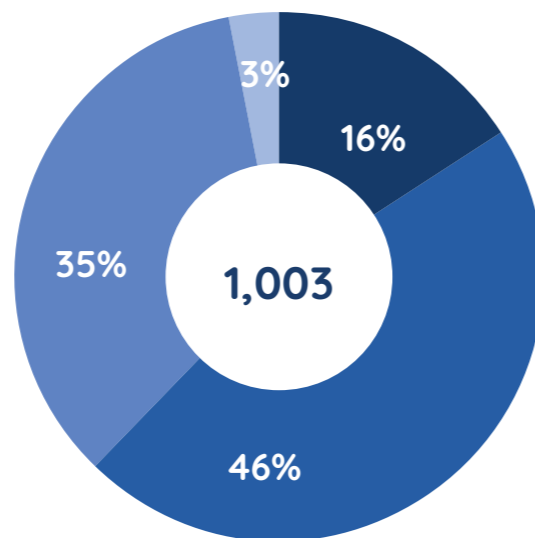
We frequently employ contract workers for various activities. In 2023, the **number of contract workers employed by the Group was 420**, an increase of 9% compared to 2022. Of contract workers, 46% are freelancers, primarily agents who work by appointment, enabling us to guarantee nationwide coverage through our sales network, and 45% are temporary workers (selected through employment agencies) who work in packaging and, to a lesser extent, mass production. The remaining contract workers are con-

tractors (7%), mainly employed for external services, and apprentices (2%), young people from the local area for whom extracurricular internships in the production department are established with a view to future employment.

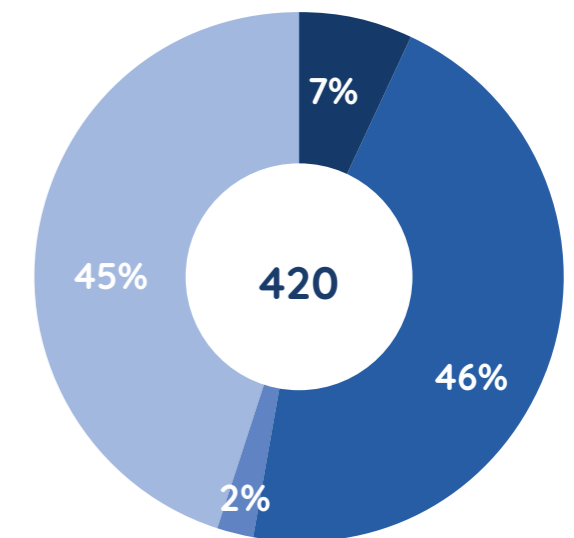
TYPE OF EMPLOYMENT 2023



EMPLOYEES BY ROLE 2023



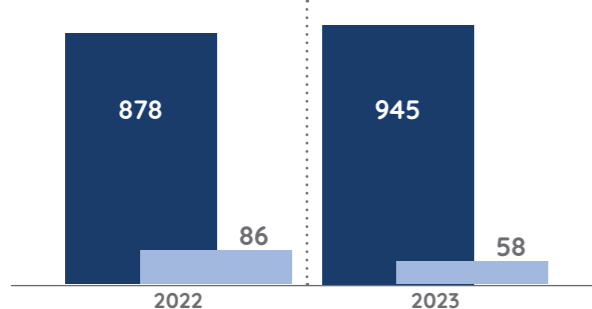
CONTRACT WORKERS 2023



- Full-time contracts
- Part-time contracts

- Senior managers
- Middle managers
- Office workers
- Factory workers

TYPE OF EMPLOYMENT 2022-2023

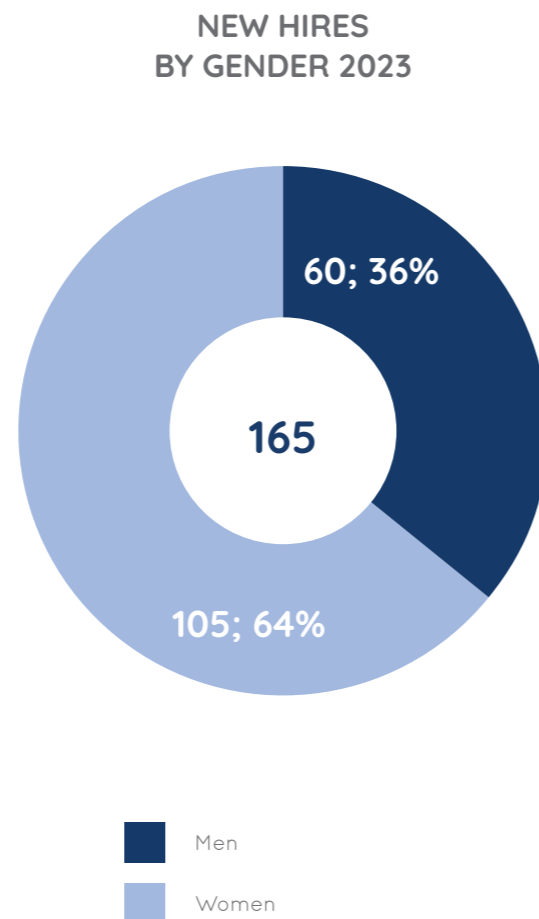


- Contractors
- Freelancers
- Interns
- Temporary workers

Turnover

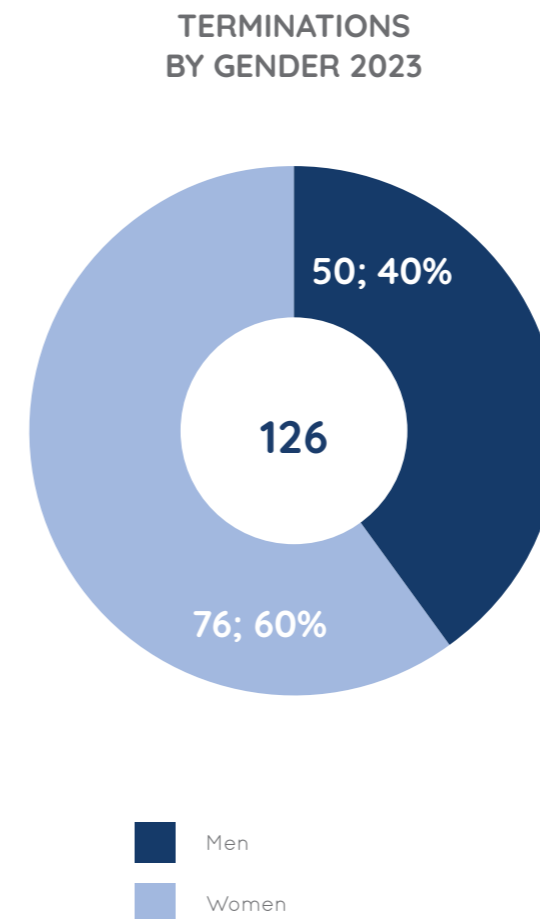
Our goal is to ensure that our employees always feel part of the Group and stimulated to continue their growth with our organisation. We are aware that turnover has significant costs in terms of recruiting and training new employees, but especially in terms of the loss of the greatest value: the know-how, wealth of experience and prospects offered by each individual.

This is why we focus on professional development through specific and continuous training activities and the creation of a positive and healthy environment. We involve employees in company decisions through open and clear communication, to increase their sense of belonging to the Group and promote its culture and values. Looking at the numbers set out below, we believe that we are headed in the right direction. In 2023, the **positive turnover rate** — the number of new employees compared to the total number of employees the previous year — was **17%**, as a result of **165 new hires**. To strengthen the presence of women and young people, **64% of new hires were women** and **47% were people under the age of 30**. New hires were recorded in all countries where the Group operates. In line with the distribution of the workforce, the largest share was in Italy (about 86%).



In 2023, there were also **126 terminations**, 57% of which were in Italy.

Terminations involved women (60%) and men (40%), the majority of whom were in the 30-50 age range. As a result, we recorded a **negative turnover rate of -13%** in 2023, given by the number of new employees to the total number of employees the previous year.



We are **confident that the 4% growth of 2023 will allow us to grow in terms of innovation and development**. At the same time, we are aware that close attention must be paid to ensuring the integration of new employees while maintaining stability and efficiency.

Preventing the loss of personnel is a fundamental strategy for us. Because of this, we have introduced a specific index in Spain and Portugal through Brandcare, **'Regretted Losses'**, which we use to analyse the loss of resources that have high added value for the company. The company sets specific annual targets for this index, to prevent the loss of valuable people.

Furthermore, to ensure constant improvements in human resources management, we conduct **interviews** with employees who decide to leave the organisation. In this way, we gather feedback and insights that allow us to grow. Their thoughts are very important and the time we dedicate to them helps us understand their experience with the organisation and the reasons why they stopped working with us. Our continuous improvement approach is present in every area of the Group. We do our utmost to constantly optimise the skills, motivation and satisfaction of our Sodalis People.

Our Sodalis People

What makes working at Sodalis special?

- At Sodalis, we like to **develop know-how within the Group** and internalise strategic skills that many other companies outsource. This is why our Sodalis People are able to develop authentic skills and have a 360° view of business processes.
- We are a **family-owned company with long-term development prospects**. We create a people-friendly and people-oriented environment, where everyone has the opportunity to contribute to ambitious and challenging results, participate in large international projects and manage important resources.
- Our Group has a **dynamic organisational structure and agile decision-making process**, allowing each individual to make a real difference and grow with the company.
- We look ahead, rewarding courage and a proactive approach. We love innovation, embracing new ideas and being at the forefront in interpreting industry trends. Working at Sodalis means being part of a **solid and concrete organisation that is always evolving** towards new horizons.

'We believe in the value in our talents. We are a great team that is constantly evolving, dreamers yet down to earth, ambitious and pragmatic.'



What are we like at Sodalis?

The 'Sodalis Attitude' is a winning mix of passion, ambition, solidity and creativity, combined with great dynamism.

ENTHUSIASTIC

For us, our industry is the best, and our brands provide endless possibilities to express and fulfil our potential. Sodalis People love the Group's products and have a natural desire to channel their enthusiasm to contribute to product development.

AMBITIOUS

Sodalis People always look ahead and believe that there is never a limit on learning, doing better and growing qualitatively and quantitatively to reach ever higher goals.

CONCRETE

The 'Sodalis Way' is a pragmatic approach that aims to simplify even the most complex activities and turn challenging objectives into concrete results.

CREATIVE

Sodalis People love creating, starting with an idea and owning all the steps to make it a reality. We love beauty, wellbeing and the fine details that make a difference, and we strongly believe in the power of creativity to find innovative and distinctive solutions on the market.

WE NEVER STOP

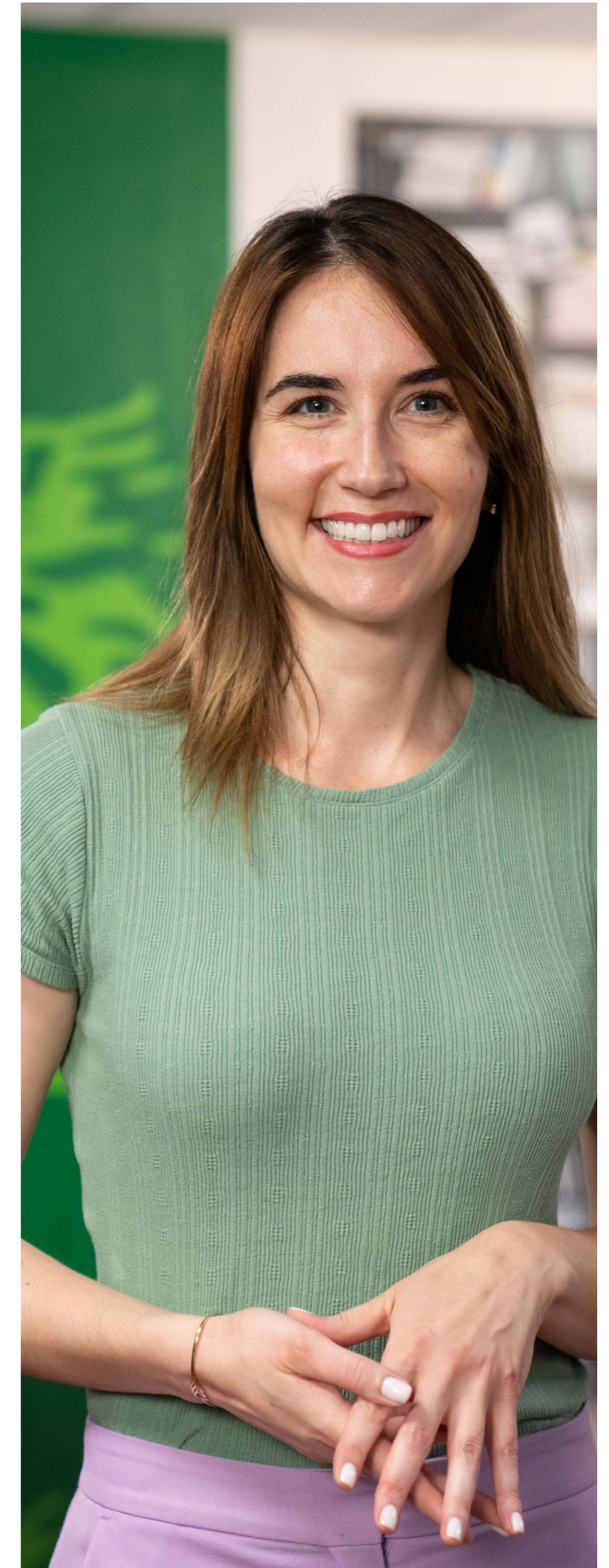
There is a strongly dynamic and constantly evolving atmosphere in our organisation. We are always active and ready to dive into new projects and explore new development opportunities.



CORPORATE COMMUNICATION AND EMPLOYER BRANDING

We are committed to strengthening the image and reputation of our Group in order to attract and retain the best talent.

Our main corporate communication and employer branding activities are digital campaigns through our corporate properties, participation in industry summits and conferences, and corporate events that convey our values and present the Sodalis world.



Developing and enhancing human resources

GRI 404-1

As a highly dynamic and constantly evolving Group, it is important for us to invest in training and professional development for our Sodalis People.

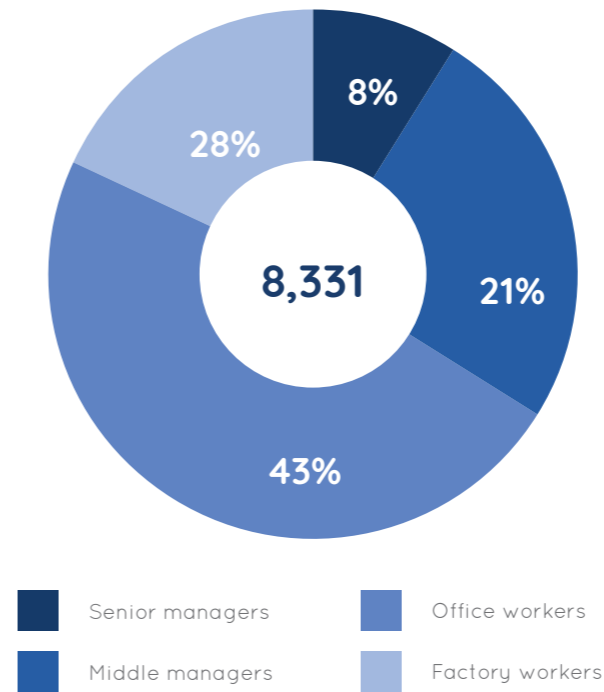
At Sodalis, we devote considerable energy to building **unique and distinctive know-how within the Group**, empowering our people to express their talents to the full.

In addition to compulsory health and safety training, we offer targeted training in several areas to strengthen technical, managerial and interpersonal skills at all levels of the organisation.

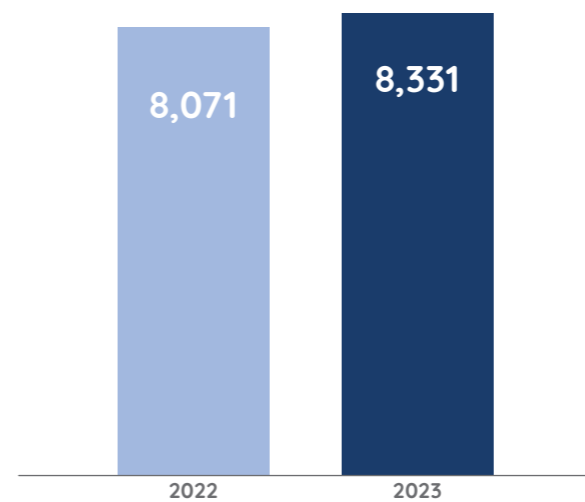
The training hours provided during the 2022–2023 period were mapped only partially, due to the absence of a single management system¹⁷. However, **8,331 hours of training** were provided at all company levels in 2023, according to role-related needs and opportunities. Specifically, training targeted office workers (43%), middle managers (21%), factory workers (28%) and senior managers (8%). An average of about 8 training hours were provided per employee in 2023.

There was a **3% increase in the number of training hours provided** in 2023 compared to 2022. In 2023, 52% of training hours were allocated to women, who are the predominant gender in the organisation. For factory and office workers, average hours of training were fairly evenly split between men and women. Most training for male senior managers consisted of language courses offered at the German subsidiary.

% OF TRAINING HOURS BY ROLE 2023

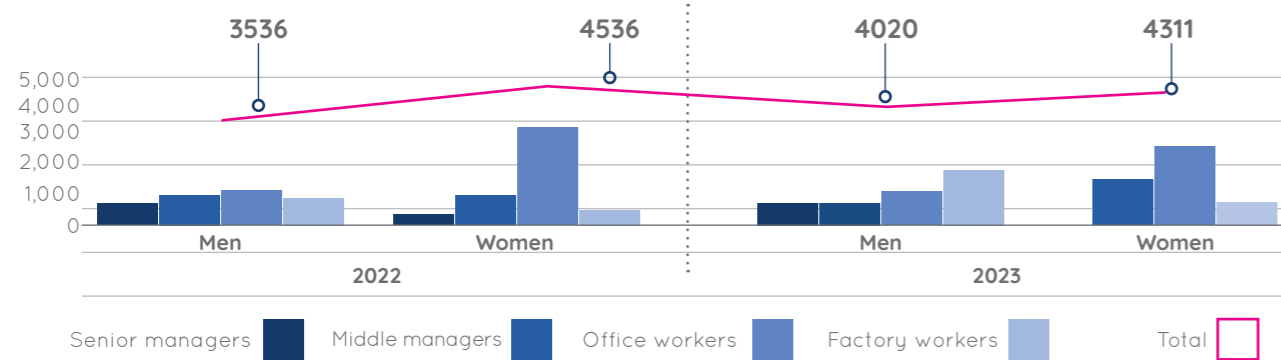


TRAINING HOURS MAPPED IN 2022–2023



17. The number of training hours does not include training provided by Quadripack in 2022, the data for which is not available.

TRAINING HOURS BY ROLE 2022-2023



	2022		2023	
Average hours of training	Men	Women	Men	Women
Senior managers	34	17	32	6
Middle managers	9	15	7	17
Office workers	9	9	8	8
Factory workers	4	4	8	4

The courses organised for our employees cover:

quality & compliance, to provide detailed training and information on the Quality Management System and specific regulations in the cosmetics and medical sectors;

environmental training, to implement regulatory updates on environmental labelling and regulations under CONAI guidelines, COSMOS certification and VEG specifications;

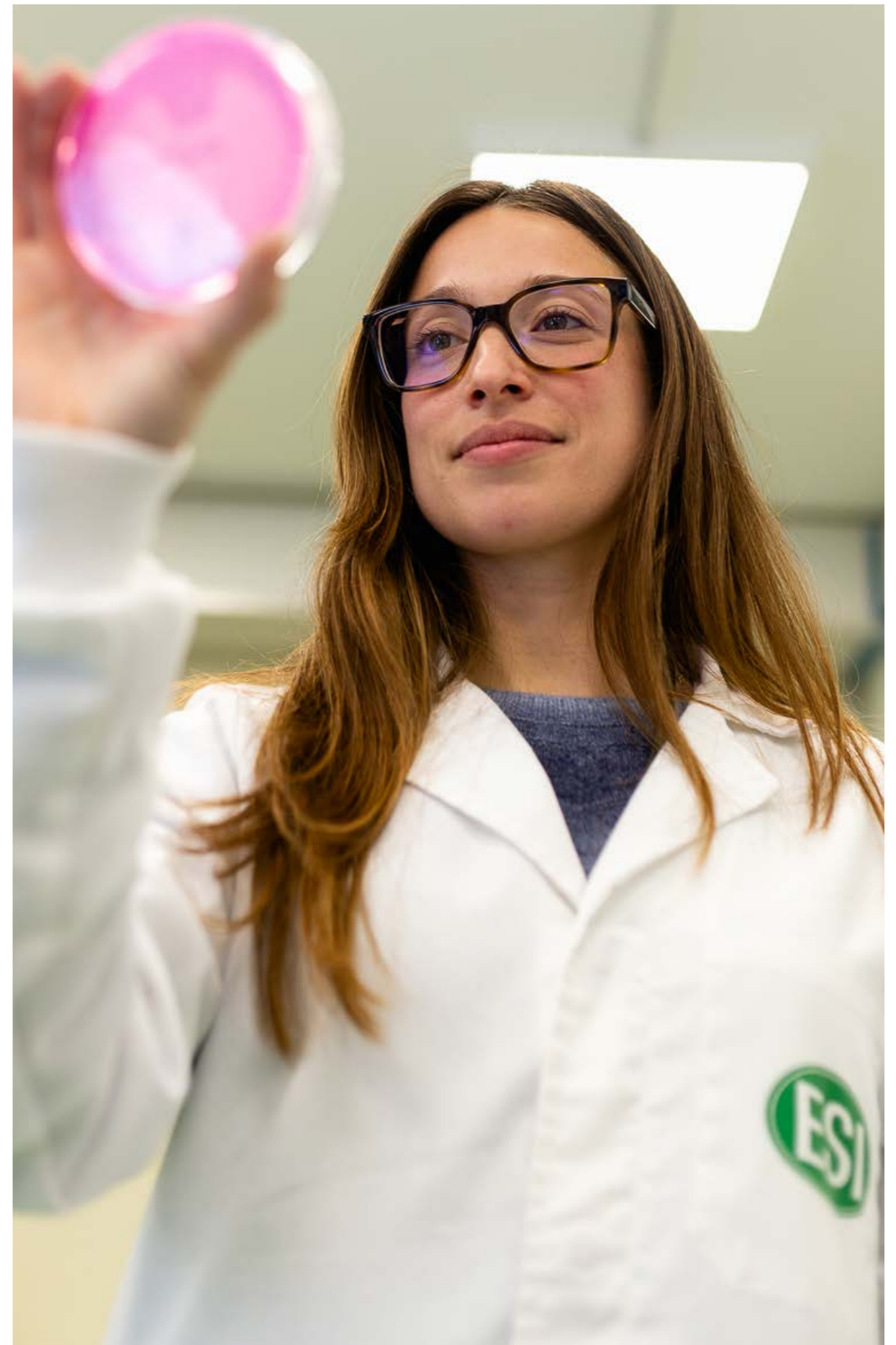
gender equality, for the drafting of the new biyearly report on male and female employees in companies with more than 50 employees;

soft skills and team management, to give employees the opportunity to improve their interpersonal skills and develop personal management skills;

IT skills updating for clerical staff through Excel courses implemented at different levels;

English, to improve language skills and foster communication with colleagues at foreign subsidiaries and contacts on international markets;

occupational health and safety, with general and specific training to keep the entire team and specific supervisory figures up to date on relevant issues.



Education of the younger generations: our pPartnerships with specialised institutes

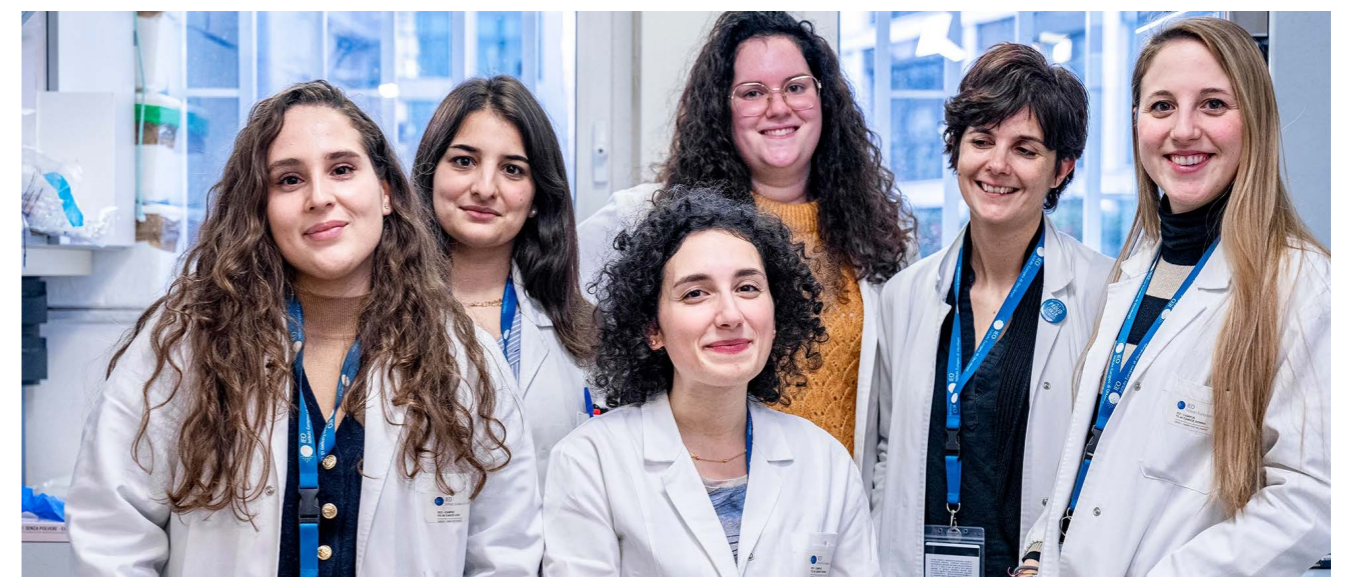
We also aim to contribute to education outside the organisation, which is why we are happy to fund scholarships in areas of interest to the Group.

For the 25th anniversary of **Tesori d'Oriente**, we have decided to contribute to the creation of a solid and exciting opportunity for young people to enrich their knowledge and skills. The Italian Perfumery Institute (IPI) is an advanced training school founded to enhance Italian excellence in perfume, beauty and the culture of scent through a qualified course of study.

The IPI is closely associated with Tesori d'Oriente, which plans to provide funding for a scholarship for the next **Executive Master's in Fragrance & Cosmetic Management**, scheduled for 2024.



In 2023, we financed a scholarship through the **BioNike** brand for research on alopecia-related diseases at La Sapienza University in Rome. Our support reflects the importance of quality and scientific research as indispensable elements of our products. We are also developing membership of the **Fondazione IEO-MONZINO Partner for Research** programme, with a commitment to fund a medical research scholarship for a female scientist.



Welfare, wellbeing, wellness: putting people first

GRI 2-30 | GRI 401-2 | GRI 401-3

Our welfare programmes include supplementary benefits and support services. We support the work-life balance to promote a peaceful and satisfying working environment.

92.3% of employees are hired under a **collective bargaining agreement**; In relation to the individual sectors and countries where the Group operates, these agreements can be broken down into the following specific categories: Chemical, Trade, Plastic Rubber, Food and Industry Managers. In Germany and Portugal, no specific bargaining agreement applies. The companies comply with the requirements of law.

In addition to contractual assistance systems, we are committed to improving the quality of working life by offering various types of welfare. Each Group company has developed its own **welfare plan**, but they all guarantee health care, disability coverage, meal vouchers and a corporate portal offering the opportunity to save money on a variety of products and services. Depending on geographical location, some companies offer employees transport bonuses to facilitate travel and reduce the use of private vehicles.

We strive to ensure a good balance between work and family life for all our employees. In this respect, we guarantee the availability of **smart working**, providing at least one day of remote work per week, according

to the employee's role and in line with the Group's specific business.

Parental leave is particularly important to us. It is a fundamental right and an important aspect of our commitment to the wellbeing of our people.

In Italy, parental leave is regulated by Legislative Decree 151/2001 (Consolidated text on maternity/paternity); it can be requested by both working parents until the child turns 12. Employees must submit a written request at least 15 days before the start of the leave, specifying the start and end dates of the requested period. For our foreign locations, the local human resources department is responsible for ensuring compliance with national regulations. By implementing clear and inclusive policies, we aim not only to comply with legal regulations, but also to promote a positive working environment that values the importance of family and a complete and fulfilling personal life. In 2023, **44 people** (17 men and 27 women) took parental leave. We are happy to confirm that to date, **95% of employees have returned to work after their leave.**



Sodalis Home

We also want to create **wellbeing in our everyday working life** and we believe that the workplace can contribute to this. For this, we have started an **upgrade of our workspaces** to create welcoming new workplaces designed in line with our vision. The new entrance and meeting rooms have a modern design, with bright rooms and relaxing, harmonious colours to convey a sense of wellbeing and care. Work on this first step started at the end of 2023 and was completed in the first half of 2024.

At the ESI site in Albissola Marina, we recently inaugurated our new production plant, located just 800 metres from the sea, which offers a pleasant as well as efficient and functional workplace. The L'Arbre Vert site, located in a beautiful mill in Cavailon (Avignon, Provence), is a relaxing and charming place to work in contact with nature.

Over the next few years, we plan to create a Sodalis Lounge at our headquarters, a positive space for sharing, creative co-working and work breaks. We will also be forming new spaces for content creation, such as a Shooting Room and a Beauty Room, and new outdoor areas, and refurbishing existing meeting rooms and offices. So **our Sodalis Home will be constantly evolving** towards new wellbeing horizons!



Communication with Sodalis People

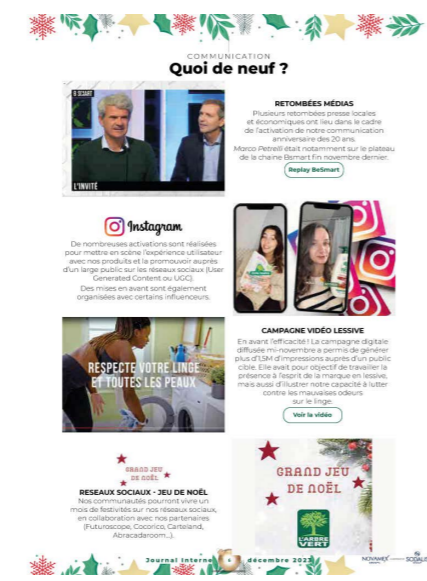
Internal communications are a means for us to build engagement and cohesion by spreading the Group culture throughout the Sodalis world.

We organise **conventions in cooperation with the sales and marketing team** for all our companies, to make the most of our innovations and motivate the sales force by involving them in company projects as much as possible. These events also include team building to strengthen team spirit and the sense of belonging to the Group.

We send out a **corporate newsletter** about once a week to all Sodalis People to update them on Group news and developments. We also circulate brand-specific newsletters related to our communication campaigns.

Our subsidiaries in France, Spain and Portugal share an **internal quarterly magazine** to present current initiatives, achievements and future goals, and illustrate how the people involved help to make it all possible.

In the next few years, we plan to intensify internal communication across the organisation, involving all corporate figures and creating **specific moments for engagement and sharing**.



Health and safety: constant attention to our people

GRI 403-2 | GRI 403-3 | GRI 403-5 |
GRI 403-9 | GRI 403-10

Although we do not have a Worker Safety Management System (with the exception of Quadripack, which has a UNI ISO 45001:2018-certified system), we comply with the regulations in the countries where we operate. We strive to ensure a safe working environment by providing appropriate education and comprehensive training to all departments, so that they can perform their tasks and optimise management of risks.

Given the many activities carried out by the companies in the Group, we consider it necessary to align our health and safety documents and create consistent operating instructions and procedures for our different sites and workplaces.



Risk assessment and promotion of safety

In accordance with their activities and local regulations, each company in the Group conducts a detailed assessment of the risks to worker safety and health by drafting and continuously updating a **health risk assessment**, which considers the probability of occurrence and severity of the risk in relation to the specific tasks and departments.

In addition to assessing general risks related to ordinary activities, such as stress, fatigue and ergonomics, we conduct detailed analyses of sector-specific risks: exposure to toxic, irritating or allergenic substances during production, packaging and product handling (chemical risks) and risks associated with the use of specific machinery and equipment. Depending on the different tasks and operating departments, these risks are classified and monitored to identify their causes and take appropriate preventive measures.

The creation and promotion of a culture of safety are fundamental guiding principles for achieving our goals.

We share values and good practices, encouraging responsible behaviour to **preserve the physical and mental health** of each employee. We involve workers in various ways, including initial safety training, regular meetings, accident and injury reports, information boards and consultations with safety managers.

During recruitment and onboarding, as well as during subsequent work, staff complete training on regulations and are made aware of any critical issues detected at work, which are promptly and properly addressed by the organisation. Meetings are held annually to analyse issues raised by workers, who may approach the designated figures to report safety issues that have not been resolved by the relevant bodies.

Some Group companies, such as Novamex and Quadripack, have formed an occupational **Health and Safety Committee** to guarantee employee safety and propose solutions to reduce work-related risks.

Training and occupational health services

To create and spread an occupational health and safety culture, we provide continuous training.

We draw up an annual training plan related to the results of the risk assessment, which is intended for both employees and contract workers.

In particular, we offer education and training courses for new hires, general and specific training under the State-Regions Agreement, emergency management, first aid courses, training for forklift drivers, and constant updates on company-specific risks, such as those related to work equipment for our factory workers. In line with their activities and local regulations, each company aims to offer their employees regular health and safety check-ups.

The companies based in Italy have appointed a **qualified physician** who is responsible for **regular medical examinations and workplace inspections**. The physician also helps to prepare the Risk Assessment Document and presents the results at the annual meeting with the Workers' Safety Representative (RLS). Annual check-ups and medical examinations are organised for factory workers, depending on the risks assessed for specific tasks.

Employees may request an appointment with the physician in the event of a medical condition, and their fitness for work may be updated depending on the result. The Group always works actively to find positions that are compatible with any limitations that emerge.

A precise health protocol is also in place for the foreign subsidiaries. A company doctor is appointed and some companies also rely on external facilities to provide regular medical examinations for employees. In addition, regular inspections and updates on the risk assessment document are organised.



Employee health information is handled confidentially by the qualified physician, who only communicates the employee's fitness for work, thus guaranteeing personal privacy. We have no access whatsoever to information on the health of employees; this is known only to the physician, who provides us with the necessary guidance if positions need to be adapted to meet an employee's needs.

In line with collective bargaining agreements and with respect to the welfare plan, employees are provided with health care and disability coverage.

Work-related injuries and ill health

In 2023, there were 21 minor injuries in the workplace¹⁸. Compared to the number of hours worked, this yields an occupational injury rate of 15.11, in line with the figure for 2022, given the increase in hours worked¹⁹.

Specific follow-up activities and corrective actions were taken in response to the injuries, and additional PPE was provided where necessary.

We also intervened with personnel who were potentially unfit to work in certain locations, reassigning them where necessary to avoid hazardous situations.

To reduce the risks associated with manual load handling, we will install manipulators to handle sacks at the Lodi Vecchio site in 2024. We have purchased a reel lifter to facilitate loading of the sleeve reels.

In 2022-2023, there were no cases of work-related ill health or deaths.

RATE OF RECORDABLE WORK-RELATED INJURIES

	2022	2023
Total number of recordable work-related injuries (employees)	19	21
No. of hours worked	1,294,120.05	1,389,921.82
Rate of recordable work-related injuries	14.68	15.11

18. The recorded work-related injuries were cuts on the hand caused by the sharp edge of a ladder not intended to be grasped; injuries from moving parts due to disabled safety devices; lacerations/contusions caused by cutters and falls.

19. The 2022 and 2023 injury rate does not include the hours worked by some companies (Lornamead and Novamex), who were unable to reconstruct the data.

The value of inclusion and diversity

Diversity and inclusion are not only a social responsibility, but also a valuable competitive driver: each person's uniqueness allows them to become catalysts for positive change and social progress.

GRI 405-1 | GRI 405-2 | GRI 406-1

The focus on diversity, equity and inclusion (D&I) is not just an industry trend; it reflects a global shift by consumers towards increased awareness of gender equality and inclusiveness.

We want to play our part by strengthening D&I internally, ensuring an inclusive and positive working environment for everyone. To do so, **we will adopt a gender equality management system** by the end of 2025. With reference to national and international guidelines, our goal is to integrate the principles of gender equality and respect for diversity in the Group's objectives in order to overcome gender stereotypes — both at work and in the family — and break down the sources of inequality.

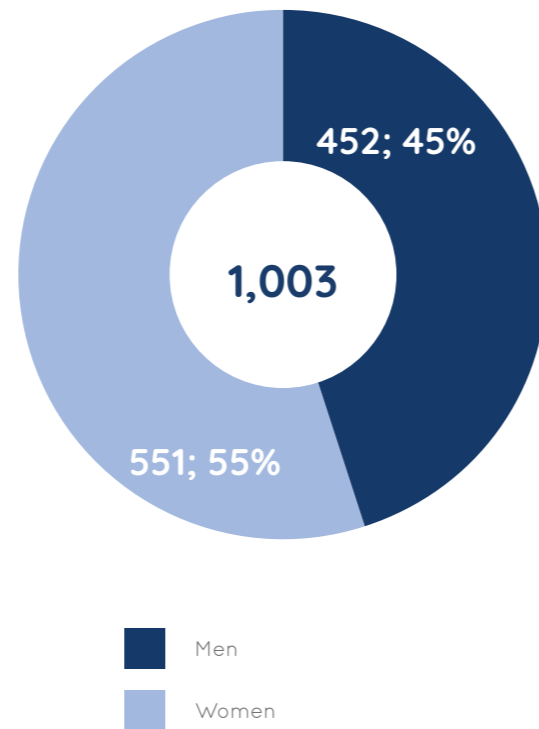


Gender equality among our people

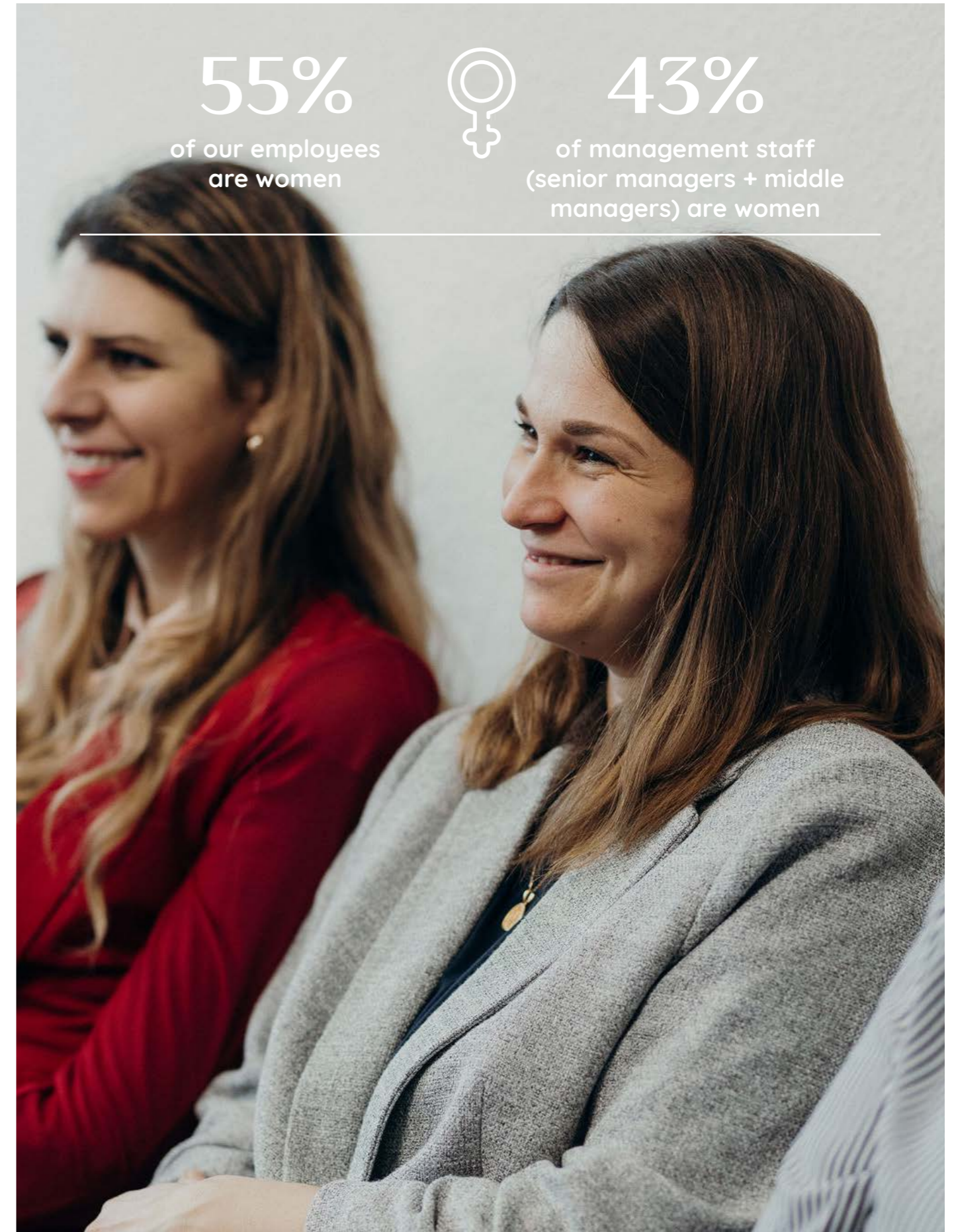
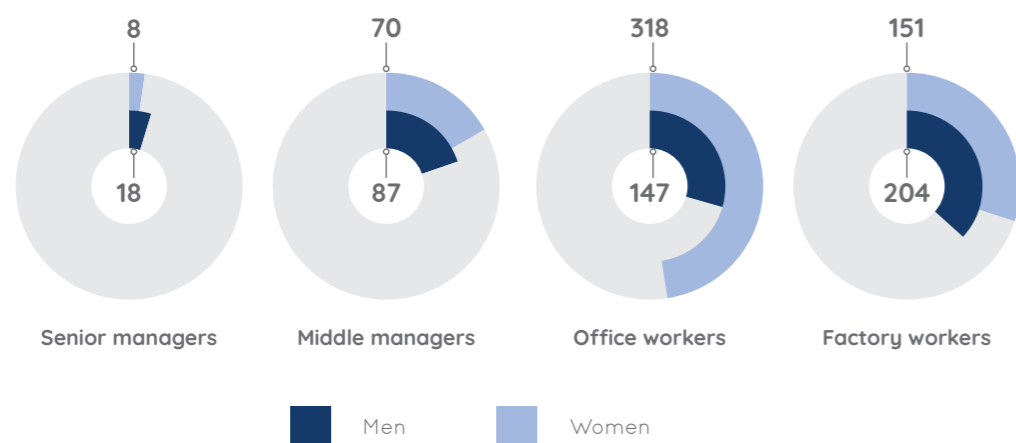
By 2023, our team was almost equally represented by women and men. Women also have a strong presence in management positions: **43%** (women as senior managers and middle managers).

We are proud to say that there is also a strong female presence (**43%**) in roles generally held by men, i.e., factory workers. The value provided by our female workers, their precision and their dedication to their work contribute to our productivity.

SODALIS GROUP
TEAM BREAKDOWN BY GENDER
2023



PEOPLE BY ROLE AND GENDER 2023



55%
of our employees
are women



43%
of management staff
(senior managers + middle
managers) are women



Ratio of basic salary women to men

The nature of the Group, with companies located in different countries, and growth through the acquisition of already structured entities, means that staff remuneration needs to be aligned as much as possible. Given our focus on inclusion and equality, we are on of working on the gender pay gap across the Group. The average female-to-male pay ratio currently stands at 91%. Therefore, women in the Group on average earn 9% less than men in the same role. This is in line with the gender pay gap in Italy in 2022 (11.5%) and 2023 (7.3%)²⁰.

BASIC SALARY RATIO BY CATEGORY

	2022	2023
Middle managers	91%	93%
Office workers	90%	87%
Factory workers	95%	93%
Media gender pay gap	91%	91%

Protected categories and incidents of discrimination

With respect for diversity and inclusion in all its forms, and in compliance with Italian law 68/99, for people employed in Italy we are

committed to meeting the quota of personnel in the protected categories. We guarantee support services, assistance and technical support to help them perform their assigned tasks. In 2023, we had 37 employees in protected categories, classified as factory workers, office workers and middle managers. Because we are unable to fully meet the numbers required by the regulations due to the specific activities at our production sites and night shifts, we have signed an agreement with the provinces of Lodi and Milan, which have an agreement with a cooperative that identifies personnel to perform certain activities, mainly packaging, on an outsourcing basis on behalf of the Sodalis Group companies.

To ensure greater employee protection, we monitor and examine any incidents of discrimination that may occur during working hours and take corrective measures if necessary. In 2023, only one case of discrimination (verbal harassment) was reported, at the Lodi Vecchio office. We analysed the event and talked to the people involved through interviews at which the union representative was also present. Once the facts of the disputed circumstances were ascertained by cross-examination, the employment contract of the person responsible was terminated.

20. Statista Research Department - March 2024 - <https://www.statista.com/statistics/684293/gender-pay-gap-in-italy/>

Social activities for the community and territory

As an organisation, we are aware of our responsibility to contributing to a healthier and more harmonious future. We are committed to creating wellbeing through our business in the economic, social and environmental context in which we operate.

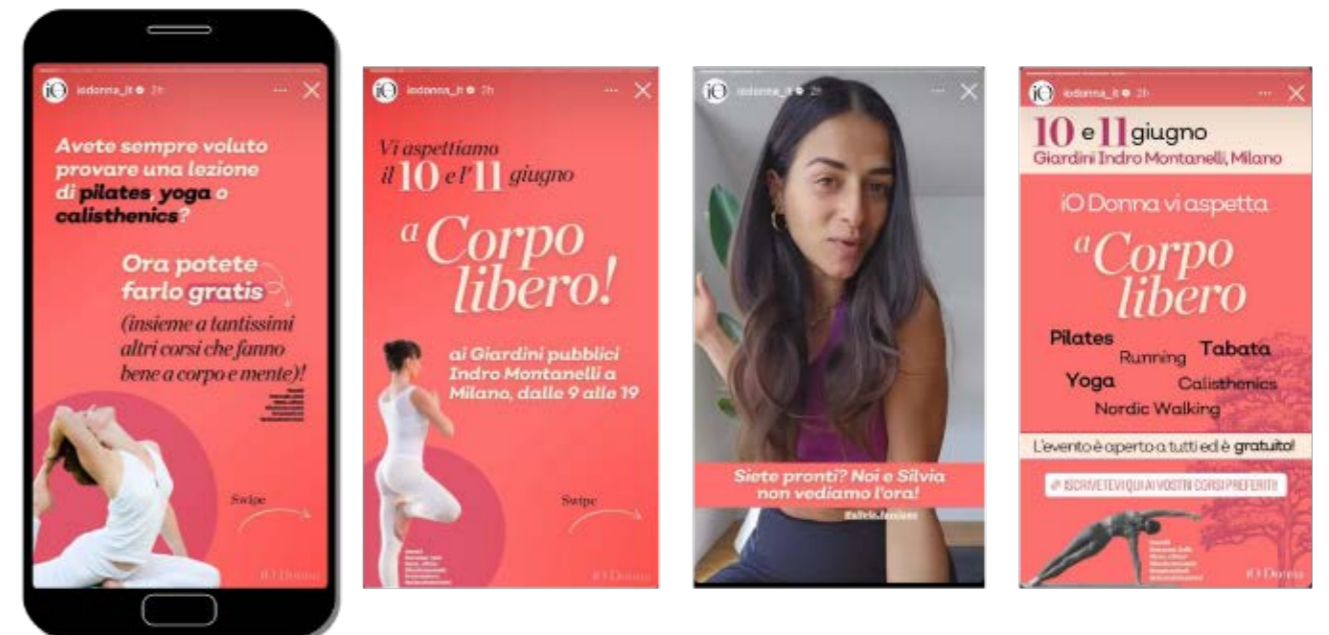
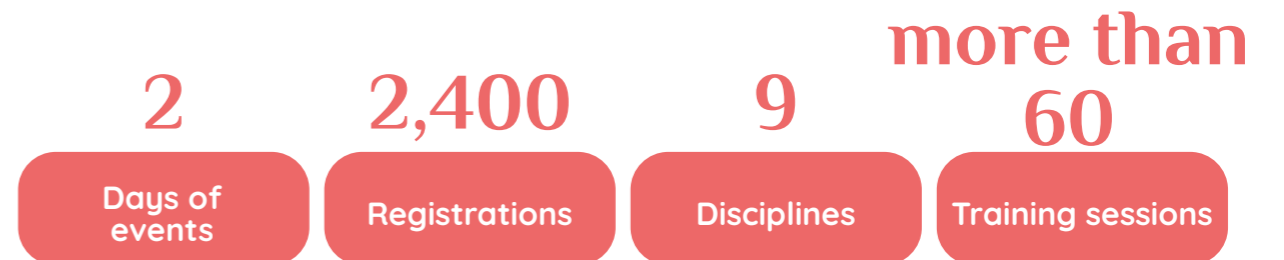
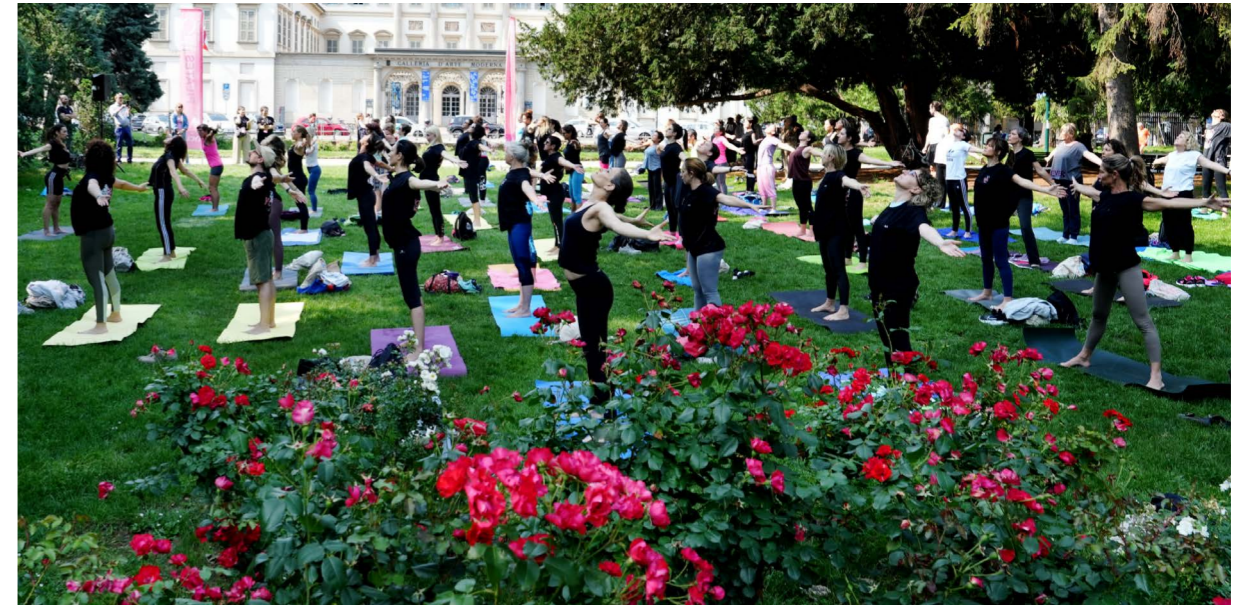
Sustainability, awareness and innovation: through these three aspects we engage in projects we believe in, which reflect our identity and our idea of social responsibility. Promoting a sustainability culture involves teamwork and shared goals, whose achievement is indispensable for the future of people and the planet. The projects we support aim to spread wellbeing and build a society that embraces the uniqueness of each individual, supports the most vulnerable and offers more opportunities. We participate in various causes by donating our products, purchasing useful goods, making financial contributions and supporting sports and cultural associations and activities.

Below are just some of the initiatives carried out by our brands in 2023.

LYCIA

In June 2023, we were a Premium Partner of the iO Donna initiative held at the Indro Montanelli Public Gardens in Milan. The event is dedicated to sport and **wellbeing through movement outdoors**, the discovery of new sports and group practice under the guidance of specialised trainers.

For the **'A Corpo Libero' event by iO Donna**, Lycia sponsored two days of sport for the community, with free outdoor training sessions with specialised personal trainers. As a partner in the initiative, we sponsored several pilates and family yoga classes for physical and mental wellbeing. Through the initiative, the participants also discovered the world of Lycia on a stand displaying our most important products.





The survey conducted by SWG for the 35th anniversary of Donna Moderna magazine showed that health ranks first among women's interests and values. Health is often compromised by the hectic pace of life and the performance culture. In collaboration with other publications in the SEI S.P.A. publishing group, Donna Moderna promoted the **I feel good** initiative in October 2023, with an invitation to people to **take care of themselves inside and out** by rediscovering their mental/physical equilibrium. A two-day event was organised dedicated to wellbeing, acceptance and feeling good, of which Deborah Group was one of the sponsors.



Each year from 2021 to 2024, we distributed 400,000 leaflets and samples of baby comfort & paediatric wipes in **birthing packs**, covering 90% of births across the country.

We organised shipments to all hospitals in Italy, from the largest — such as the Policlinico Gemelli in Rome, the Gaslini in Genoa, the Buzzi in Milan, the Maggiore in Bologna — to smaller, provincial facilities, as well as private facilities.

In addition, we organised the **Linea Mamma event** in April 2023, for parents with children up to the age of three. We asked influencer and promoter Martina Panagia to act as moderator. For the occasion, we scheduled meetings with four experts who responded to doubts and questions from the mothers.





In 2023, ESI supported the **Fondazione Pace e Bene**, which helps people in difficult situations achieve **physical, psychological, economic, cultural and social wellbeing**. Through donations of our products, we made a direct tangible contribution to people's livelihoods.

We also donated products and financial aid to sponsor the **Acqua Scooter Therapy** day, where Fabio Incorvaia, a former World Jet Ski Champion, helped **young people with disabilities** to enjoy a day on a jet ski. The day also involved the children's parents and was provided totally free of charge thanks to financing from several sponsors.

In 2023 we donated our products to support the **Associazione Tutti per Atta**, which assists **hospitalised children** at the Gaslini hospital in Genoa. Since 2015, the association has organised solidarity events, notably the Attatrail, a charity walk for runners and families in the Arenzano mountains.



In 2023, Lornamead made a financial donation to UN Women, a UN agency established in 2010 to support the fight for **gender equality and female empowerment**.



In 2023, BioNike donated its products to the **Centro di Accoglienza Ambrosiano Onlus**. Since 1983, this organisation has provided shelter and support for single **mothers** and their children experiencing **situations of serious family hardship**, isolation or problems with housing and unemployment.

BioNike has also become Executive Partner of the **'Women for Women against Violence'** campaign, a project aimed at combating gender-based violence and promoting breast cancer prevention.



In 2023, Brandcare provided financial donations to several non-profit organisations, in particular the Centro Social e Cultural da Paróquia da Portela in Lisbon, which runs social initiatives to support **disadvantaged people**, and the Comunidade Vida e Paz, also located in Lisbon, which assists **homeless people** to improve their quality of life and treats and rehabilitates **people with addictions** by promoting therapy, education and occupational activities.



Our commitment to the environment



Environment

Key Highlights



ENERGY & GHG EMISSIONS



Certified organisation carbon footprint for ESI & ICIM International

1,193 tCO₂ eq

avoided in 2022-2023 through the use of electricity from renewable sources

75%
of production sites covered by photovoltaic systems

+57%
electricity consumption from photovoltaic systems



CERTIFICATIONS AND MEMBERSHIPS



WASTE & WATER

-18%

waste produced per units sold, 2022 vs 2023

-14%

total waste produced compared to 2022

-7%

water consumed per units sold, 2022 vs 2023

-34%

waste sent to landfill compared to 2022



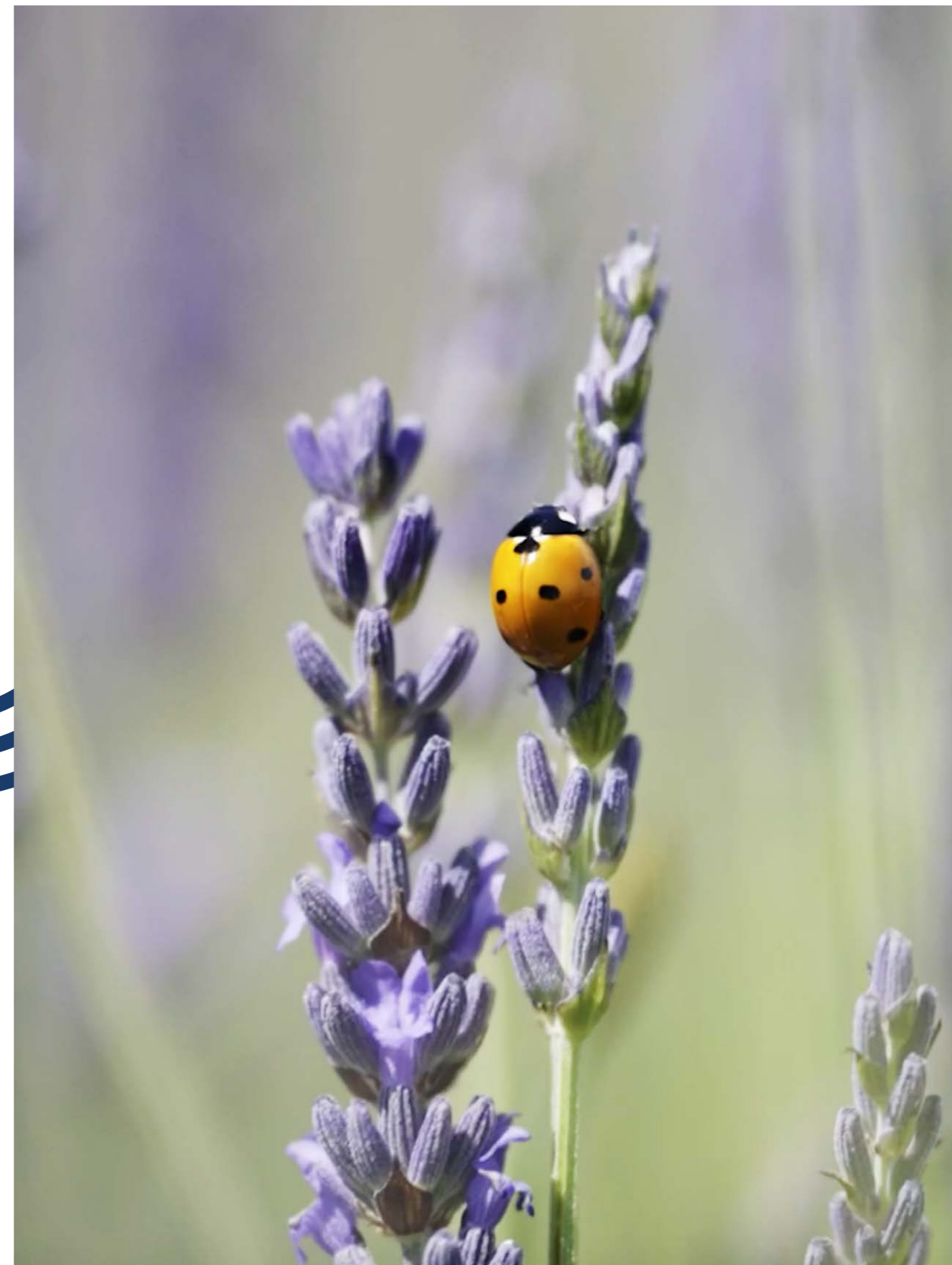
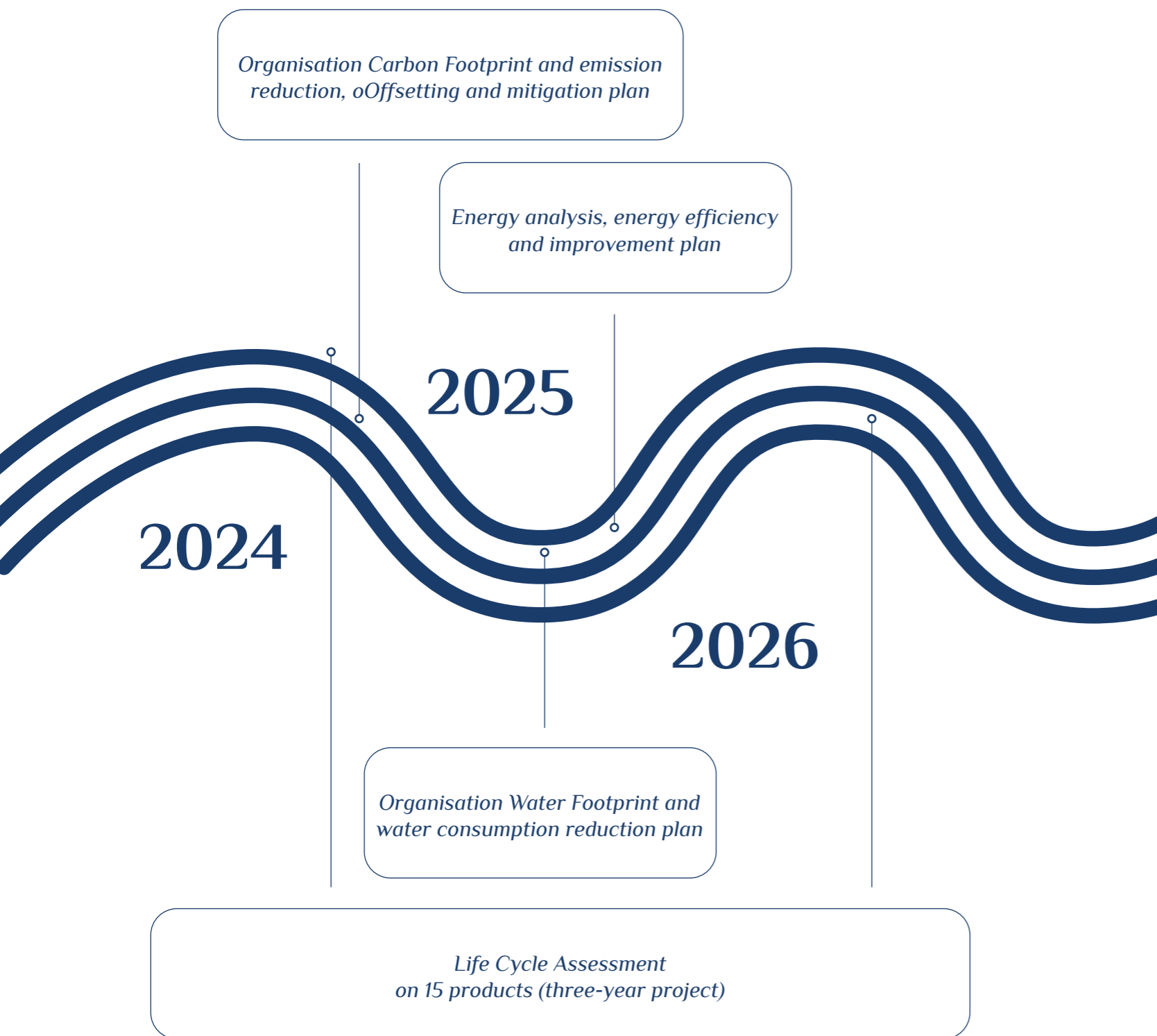
INITIATIVES








11

environmental protection projects promoted

Environment

Our journey



Pillar	Where we are	SDGs	Future targets	Target year
<p>PLANNING – Counteracting climate change. Analysing emissions that contribute to climate change and developing strategies to reduce environmental impacts.</p>	<p>We have embarked on an awareness journey by analysing the Carbon Footprint for ESI and BioNike;</p> <p>We adopt good practices aimed at lowering our environmental impact from the energy we use.</p>	  	<p>GROUP CARBON MANAGEMENT</p> <p>We intend to conduct an Organisation Carbon Footprint study at corporate level. Our roadmap starts with the formulation of a Scope 3 inventory in 2024 and a comprehensive study of GHG emissions by the end of 2025, with the aim of implementing potential improvements and setting short-, medium- and long-term emission reduction targets.</p>	2025
<p>CARE – Enhancing water resources. Managing and conserving water resources, given the crucial role water plays in product formulation and production.</p>	<p>We have implemented a reverse osmosis system at the Lainate production plant to treat water as the main ingredient in our product formulations;</p> <p>For the production sites in Lodi Vecchio, we have completed the purification plant for cleaning water, which went in the second half of 2023.</p>	 	<p>GROUP WATER FOOTPRINT</p> <p>We plan to analyse the Organisation Water Footprint in accordance with the UNI EN ISO 14046:2016 standard at the Group's production facilities, to measure our water impact.</p>	2025
<p>RATIONALISATION – Using energy resources consciously. Optimising energy consumption and using energy from renewable sources to minimise environmental impacts.</p>	<p>We monitor and analyse energy consumption, organised targeted interventions to reduce and optimise energy use;</p> <p>We have installed a photovoltaic system at the production sites in Lainate and Saint Benoit. In 2024, the photovoltaic plant at the Albisola Marina site will come online, allowing the Group to reach a power output of more than 1000 kWp;</p> <p>Some of our companies have opted to purchase Guarantees of Origin, making a positive contribution to the energy transition of the entire Group.</p>	  	<p>GROUP ENERGY ANALYSIS</p> <p>In the next two years, we will establish a systematic procedure to gain adequate knowledge about our energy consumption, so that we can identify areas of waste and potential opportunities for savings.</p>	2025
<p>RECYCLING – Managing waste responsibly. Properly managing and reducing waste generated during production and packaging.</p> <p>OPTIMISATION – Analysing and redesigning the end-of-life of materials. Efficiently managing the procurement, use and disposal of raw materials and ingredients, in line with sustainability.</p>	<p>We have conducted studies to improve the use of materials and optimise packaging;</p> <p>We have replaced product lines with lower-impact alternatives, such as eco-refills, solid products and secondary raw materials diverted from disposal.</p>		<p>LIFE CYCLE ASSESSMENT (LCA)</p> <p>We intend to study and assess the environmental impacts of our most popular products during their entire life cycle, through a life cycle assessment (LCA) in accordance with the UNI EN ISO 14040:2006 standard. This will help us form an objective and technical understanding of the environmental performance of each production cycle, and make the appropriate evaluations.</p>	2024-2026

Our formulations: careful, responsible choices

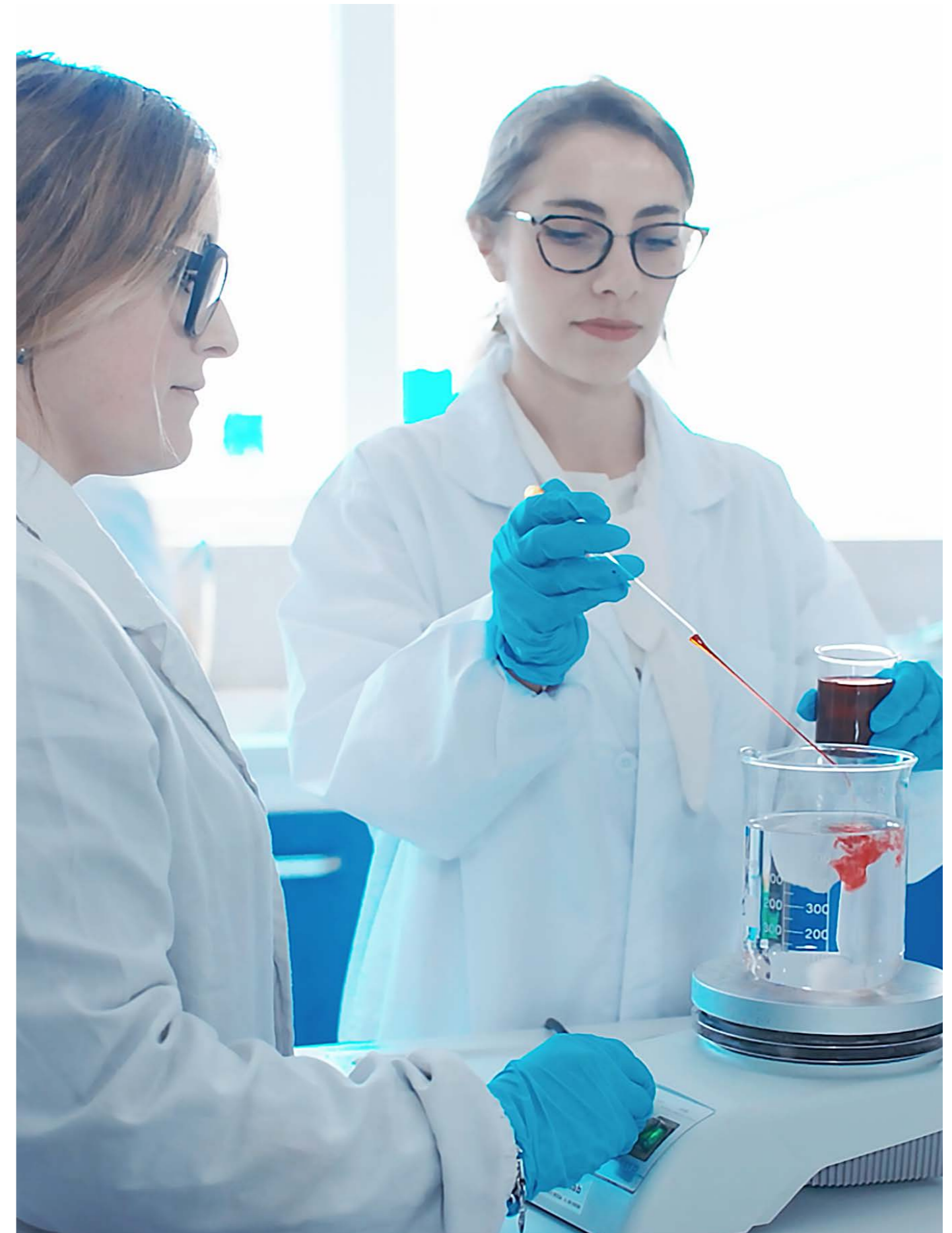
We devote the utmost attention to the formulation of our products, carefully selecting ingredients based on their efficacy, tolerability, sensory feeling and ecological profile, following the philosophy of each brand.

Our four research & development centres – Lodi, Lainate, Albissola Marina and Saint-Benoit – work every day to create excellent formulations in terms of performance, skin affinity and sensory feeling, favouring natural biodegradable ingredients. Each brand has its own consistent formulation philosophy for its entire product portfolio, offering optimal wellbeing solutions for different consumer targets. We follow the ISO 16128-2:2016 **Cosmetics – Guidelines on technical definitions and criteria for natural and organic cosmetic ingredients**, and the OECD guidelines for declarations on the presence of biodegradable and naturally derived ingredients in our formulas.



WHAT THEY SAY ABOUT US

*In 2024, we conducted a survey among consumers of some of our brands (Goo-vi, BioNike, ESL and L'Arbre Vert) to gather their perceptions and expectations regarding sustainability. About 2,800 consumers participated in the survey, 74% of whom stated that of the environmental and social aspects we address, they particularly value **the use of natural ingredients**.*



In recent years, we have worked hard to reduce the environmental impact of our products by optimising formulations and packaging through targeted research and investments. The following are some examples.

ECO-COMPATIBLE SUN CREAM: **BioNike Defence Sun** sun creams are tested for environmental compatibility with the marine environment (by an independent research laboratory specialised in ecotoxicology). The formulations of the **Leocrema and Dermolab** sun creams comply with the 'Hawaii Reef Bill' by not containing octinoxate and oxybenzone. These filters were banned by Hawaii State Law SB 2571 and are some of the most dangerous ingredients for the marine ecosystem;

CLEAN MAKE-UP: **Deborah Formula Pura** make-up has been certified as an organic cosmetic by CCPB, a certification and inspection body for organic and eco-friendly products;

ORGANIC SKIN CARE: 14 products from the **Deborah Bioetyc** skin-care line have been certified as organic by ICEA. Another 11 products from the same line have obtained COSMOS ORGANIC²¹ certification;

NATURAL & CLEAN SKIN CARE: all **Goovi** formulations adhere to a **clean and natural philosophy** of using at least 95% natural ingredients;

21. COSMOS ORGANIC requires that at least 20% of all ingredients come from organic farming, with the exception of rinse-off products and products containing at least 80% mineral ingredients, in which case the requirement is 10%. Physically processed farm-derived ingredients in the formula must be at least 95% organic. COSMOS NATURAL requires compliance with all the parameters of the standard, except in the case of organic content, for which there is not a specific percentage. COSMOS CERTIFIED endorses physically and chemically processed agricultural ingredients with an organic content.

14
products in the **Deborah Bioetyc** line certified as organic cosmetics by CCPB

11
products in the **Deborah Bioetyc** line certified by COSMOS ORGANIC

95%
natural ingredients in **Goovi** products

'FREE FROM' DERMOCOSMETICS: all **BioNike** formulations comply with the **'free from' philosophy**: they are nickel tested and free of preservatives, fragrances (or they contain allergen-free fragrance) and gluten;

BIODEGRADABLE BATH WASHES, LIQUID SOAPS AND SHAMPOOS: the formulations of **Vidal, Natural Honey, Fresh&Clean** bath washes and liquid soaps and **Wash&Go** shampoos

80%
biodegradable ingredients in **Vidal, Natural Honey, Fresh&Clean** and **Wash&Go** products

95%
of ingredients in **Vidal** formulations are of natural origin



contain at least **80% biodegradable ingredients**, i.e., they decompose easily in 28 days or less;

PURITY LAW: our German brand **CD** develops formulations in accordance with the **Purity Law**: all products are free of microplastics, animal ingredients, synthetic dyes, silicones, mineral oils, parabens and PEG (polyethylene glycol);

ECO-FRIENDLY HOME DETERGENTS: in France, **L'Arbre Vert** home-care products are **Ecolabel certified**. This is the European Union's environmental quality mark (voluntary eco-label type 1 - ISO 14024), which distinguishes products and services with a reduced environmental impact throughout their entire life cycle.

The formulas developed by the French brand are allergen-free and combine effectiveness with environmental responsibility. **L'Arbre Vert** has in fact become **France's leading eco-friendly cleaning brand**. Its raw materials are selected primarily on the basis of their biodegradability potential and environmental impact;

SUSTAINABLE PALM OIL: **ICIM International (BioNike)** and **Novamex** have joined the Roundtable on Sustainable Palm Oil (**RSPO**). New raw materials derived from palm oil and those already in use have been replaced by similar **RSPO-certified** raw materials from certified sustainable sources, whenever available;

PETA APPROVED: **Conter** and **Sodalco** have also obtained **PETA** certification for some products, guaranteeing the purchase of ingredients that meet specific ethical standards for the treatment of animals.

Our efforts to eliminate microplastics

Product	Regulatory obligation	Effective date	Sodalis objective
<i>Rinse-off cosmetics</i>	Elimination of microplastics from formulations	By October 2027	Eliminating microplastics from rinse-off formulations by the end of 2025
<i>Leave-on cosmetics</i>	Elimination of microplastics from formulations	By October 2029	Eliminating microplastics from leave-on products by the end of 2027
<i>Make-up</i>	Elimination of microplastics from formulations	By October 2035	Roadmap being prepared

Plastic pollution is an extremely urgent environmental challenge. According to the European Commission, its reduction is a crucial factor in achieving a circular economy in the EU by 2050²².

In recent years, actions to tackle this problem have intensified, as has awareness of the need for swift intervention. The focus lies not only on packaging and disposable products, but also on microplastics contained in raw materials. These are small solid particles of polymers and additives that are insoluble in water and less than 5 mm in size.

Microplastics have also been used extensively in the cosmetics industry, particularly in scrubs, exfoliants,

toothpastes, sun-care products and make-up.

They are found in both leave-on (no-rinse) and **rinse-off** products. Italian Law 205/2017 banned the use of microplastics in **rinse-off** products, significantly reducing this type of pollution in the country. The latest regulatory updates mark a new phase, eliminating microplastics and glitter from fashion and cosmetics; consequently, other cosmetic products will also be subject to microplastic elimination requirements, under the following timetable:

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

22. Source: <https://www.europarl.europa.eu/topics/it/article/20210128STO96607/economia-circolare-in-chemodo-l-ue-intende-realizzarla-entro-il-2050>



To identify alternatives to polymers that can potentially be classified as microplastics, we began a significant **formulation research** programme even before the legislation came into force, excluding microplastics from the formulations of new and existing products.

Our commitment in this area dates back to 2017, when we removed microplastics from BioNike scrubs, replacing them with cellulose microgranules, jojoba wax or mineral pearlite. In 2023, we eliminated microplastics from Tesori d'Oriente rinse-off products, and in 2024 we began to eliminate them from Conter and Sodalco rinse-off lines, such as Vidal, Mantovani and Natural Honey. In Germany, in compliance with the **Purity Law**, we eliminated microplastics from our formulations some time ago, along with animal ingredients, synthetic dyes, silicones, mineral oils, parabens and PEGs (polyethylene glycol).

Our goal is to anticipate the 2027 obligation and eliminate microplastics from the vast majority of our rinse-off formulations by the end of 2025.

With respect to leave-on products, we are conducting research to rework our formulations while guaranteeing the same effectiveness and textures for our consumers. In this area too, we would like to anticipate the entry into force of the legal requirement by eliminating microplastics from the vast majority of our leave-on products by the end of 2027.

Management of water

GRI 303-1 | GRI 303-3 | GRI 303-4 | GRI 303-5

Water plays a leading role in our industry. It is present in our product formulations and determines their quality. Water is also used in production, for washing machinery and tanks, and for sanitary purposes.

Over the years, we have strengthened our position on the importance of conserving water, conducting reviews of our processes and investment strategies. Our commitment to efficient water management translates into optimised consumption and treatment.

At our production plant in Lainate, we have implemented **advanced water treatment technologies**. The **reverse osmosis system**, for example, allows us to treat water as the main ingredient in our product formulations, guaranteeing safety, stability and effectiveness. At the Lodi Vecchio production site, the **cleaning water recirculation system** was completed in 2022 and came online in the second half of 2023. The system reduces water withdrawal and waste production and is powered by a co-generation system.

With regard to water supplies, we draw water from the mains and from wells. These supplies are used for both sanitary purposes and plant cooling.

We have developed lines of solid and concentrated detergents and products

Less water in the production process

Reduced use of plastic

Optimised transport (more compact volumes)

Less packaging waste

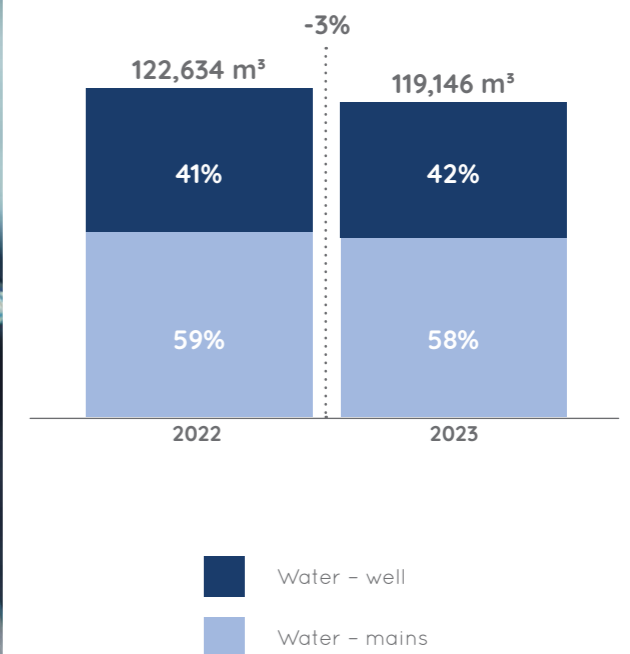
Despite a **5%**

increase in unit sales from 2022 to 2023 we reduced water consumption by

3%

Proper management of waste water from our industrial processes and discharges is a priority, which we handle responsibly and in compliance with regulations. Effluents discharged into the sewer system consist of several components, such as water used to wash vessels and reactors, water used in the pump vacuum system and reverse osmosis plant effluents, which are treated as domestic effluent.

WATER CONSUMPTION 2022-2023

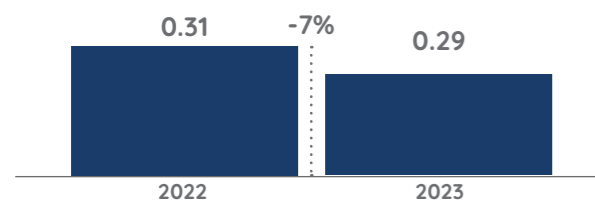


We measure²³ the total volume of water used in all stages of production, from raw materials to the final product, using high-precision monitoring systems that record consumption and identify peaks in use. The goal is to reduce overall water consumption by investing in water-saving technologies such as water recycling systems and low-consumption equipment, while promoting more efficient production practices.

In 2022-2023, we recorded an overall decrease in water consumption of 7% per item sold, as shown in the chart.



HOW MANY LITRES DO WE CONSUME PER ITEM SOLD?



Water withdrawal by the Group as a whole is significant, so our **goal** is to continue monitoring consumption, identifying any inefficiencies to be remedied. By the end of 2025 we will calculate the Group's **water footprint** in accordance with the UNI ES ISO 14046:2016 standard.

23. This refers to consumption at ESI, ICIM International, Novamex and Quadripack, as well as the production facility in Lodi Vecchio.



The importance of ecodesign packaging: **our virtuous solutions**

We constantly strive to optimise and improve the environmental impact of our packaging by using recyclable and/or recycled materials and avoiding resource wastage. Our packaging philosophy revolves around quality and safety. We guarantee our consumers convenience, aesthetic and sensory gratification and effective preservation of formulations, while doing our best to comply with ecodesign criteria.

Bottle production

Formulations for our best-selling products are contained in bottles produced in-house and packed with packaging produced at our manufacturing sites in Lodi Vecchio and Saint Benoit, thus eliminating emissions due to transportation of packaging.

Use of recycled and recyclable materials

We have achieved a significant increase in the use of recycled and recyclable materials for our packaging in recent years. Since 2020,

whenever possible, we have used **recycled plastic** and **recyclable materials such as glass and aluminium**. We are gradually implementing use of mono-materials in packaging to simplify disposal and increase product recyclability to 100%.

REDUCING PLASTIC CONSUMPTION

The following are some examples:

- **Lycia** and **CD** deodorant canisters are made of **recycled aluminium**.
- The bottles of **L'Arbre Vert** laundry and washing-up detergents and multi-purpose cleaners, **Leocrema** sun creams, **ESI** Marseille soaps, **Wash&Go** shampoos, **Lycia** make-up removers and **CD** shower gels are made of recyclable and **recycled plastic**. All CD products are assessed by Cyclos, a company that certifies the percentage of packaging recyclability.
- BioNike uses **54% recycled materials across its product portfolio**.
- By adopting **eco-refills for L'Arbre Vert, Vidal and Fresh & Clean products**, we have reduced our plastic consumption compared to the original bottles. Once finished, eco-refills can be completely flattened for a minimal footprint.
- At **L'Arbre Vert**, various products such as shower gels and laundry detergents are available in **solid form**, thus **fully eliminating plastic**.



ECO-REFILLS

L'ARBRE VERT
FRESH&CLEAN
VIDAL
CD



Reduced use of plastic
Reduction of emissions due to lower shipping volumes

Recycled plastic

CD
BATH WASHES & LIQUID SOAPS



Minimum 70% rPET

CRISTASOL



Use of 100% recycled plastic

BIONIKE



Use of recycled plastic and aluminium for face, body and hair cleansers, sun creams, deodorants and body care products

Plastic reduced or replaced

BIONIKE



Elimination of the outer sleeve from face, body and hair cleansers
Elimination of outer cellophane and plastic coating on skin-care treatment boxes
Replacement of thermoformed plastic in boxes with recyclable and biodegradable paper alternatives

REDUCTION OF PAPER CONSUMPTION



For products where it is not essential, **we have eliminated the package leaflet to avoid wasting paper, replacing it with a QR Code** that consumers can use with their smartphones to check product information. The CD line of DACH antiperspirants has eliminated the package leaflet in the boxes, digitising the information with a QR code on the packaging.

The same approach has been adopted for most BioNike products, excluding medical devices, food supplements and products for skin diseases where the package leaflet is essential.

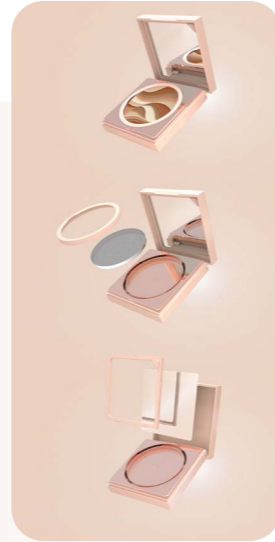
For BioNike, ESI and CD, we use **paper and cardboard with FSC certification**, attesting sourcing from forests managed in accordance with strict environmental, social and economic standards.



For ESI product shipments, **we have eliminated the use of plastic cushioning in cartons, and replaced it with similar paper systems.** We have also eliminated the use of plastic adhesive tape, replacing it with recycled paper tape.

EXAMPLES OF OUR ECODESIGN

In 2023 we introduced a major innovation to the make-up world through with the **BioNike Glam & Green kits, where beauty meets sustainability**. All bronzer, blush, compact foundation and powder eyeshadow kits were revamped with an exclusive new **modular and recyclable eco-pack**. This ecodesign, a cutting-edge innovation in our market, is designed to ensure that all components can be separated and facilitate material recovery, sorting and recycling.



Cristasol is also available in a practical **eco-refill**, produced with a smaller amount of recycled plastic. Our solution contains 50 ml of the usual formula in an ultra-concentrated form. The consumer simply places the contents in the original packaging, adds 700 ml of water and shakes. The product is then ready to use: the same formula and effectiveness with a lower environmental impact.

In 2023, we eliminated a distinctive element of our **Tesori d'Oriente shower gels: the chain at the top of the product** which made them easy to hang. The decision to eliminate this part of the packaging helps us make significant savings in the use of plastic.

The project started in 2023 for products marketed in Germany and will be implemented in Italy and extended to export channels in 2024.

For 2024, we have also planned to eliminate the seal label on the cap and the plastic tray in shipping cartons.

Given an annual forecast of 8.4 million units, our internal calculations show that this elimination will lead to:

- 58 tonnes of plastic saved per year;
- 196 tonnes of CO₂ avoided per year.



OBJECTIVES FOR 2024–2026:

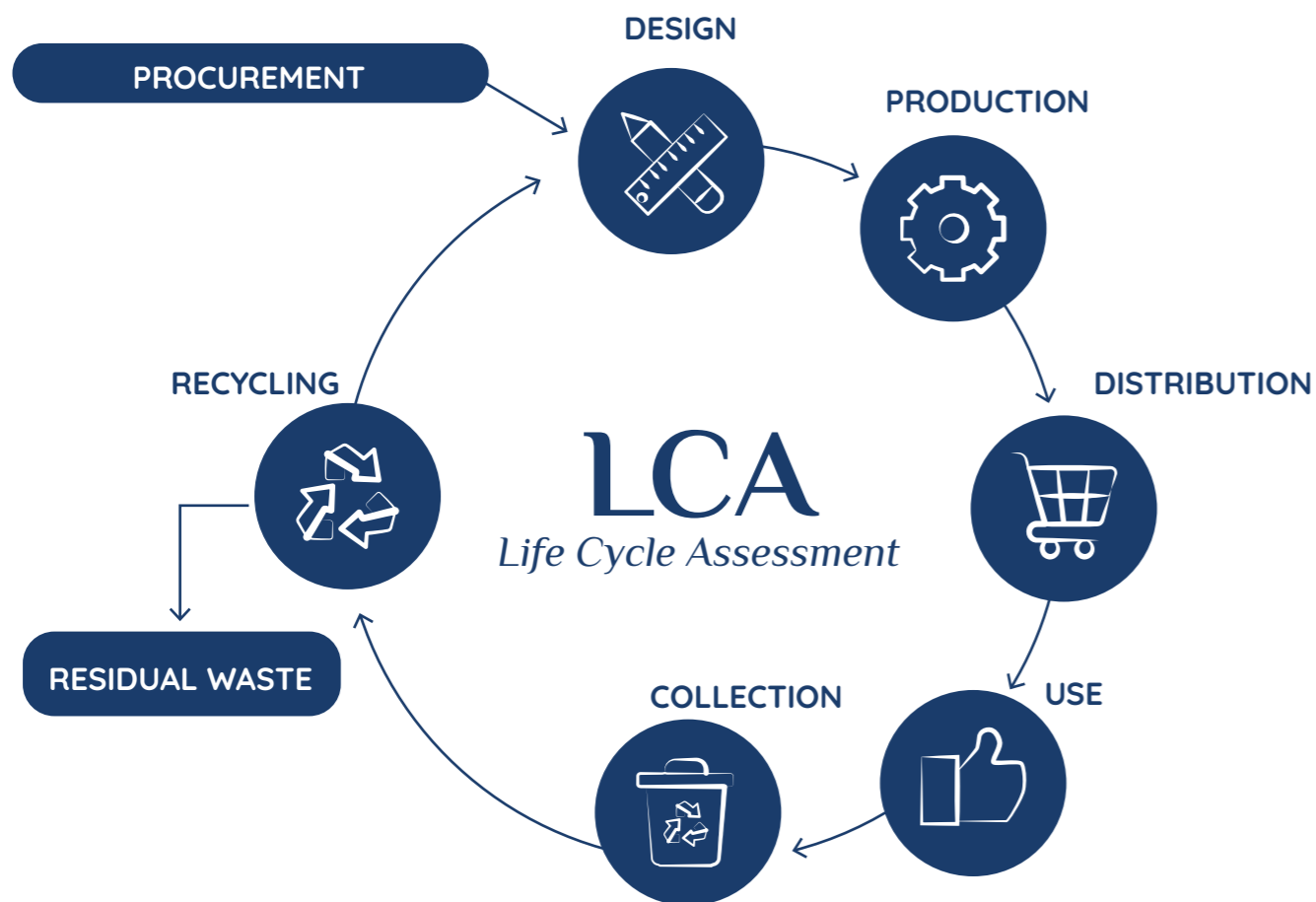
1 PACKAGING MANAGEMENT

- Monitor the percentage of recycled materials in packaging across the Group;
- Approach new launches and revamps from an ecodesign packaging perspective.

2 LCA STUDY

Our goal for next year is to conduct life cycle assessments for the Group’s most representative products.

LCA is useful to identify the most impactful steps and subsequently take action to improve environmental performance. The analysis is essential for laying strategic foundations when designing products from an eco-friendly perspective.



Waste generation and good circular economy practices

- 14%

waste generated

- 18%

waste generated in relation to items sold

-34%

waste sent to landfills from 2022 to 2023

GRI 306-2 | GRI 306-3 | GRI 306-4 | GRI 306-5

We recognise the impact that waste can have on the environment and ecosystems, so we are careful to adhere to best practices. This involves the proper handling and disposal of materials in our products, and also our production process and offices.



GOOD WASTE MANAGEMENT PRACTICES

MONITORING

We closely monitor the volume of materials we use in order to assess process efficiency and identify opportunities to reduce the consumption of resources and the generation of waste. In particular, we have equipped the Lodi Vecchio production site with a **waste management and monitoring system using Omnisyst software**, which collects detailed information, including the waste EER code, characterisation and expected volumes before collection by authorised transporters.

ACTIONS

1 In our bottle production facilities, we **collect and recycle tube and bottle waste**, recover excess plastic and grind clean, unused bottles to send them to disposal plants.

We have adopted compactors at some production companies to reduce the volume of waste and achieve better waste management.

Our investment in the **cogeneration plant has led to a lower environmental impact** in terms of waste produced. Through better use of water in the production process, the system has allowed us to reduce the production of liquid waste.

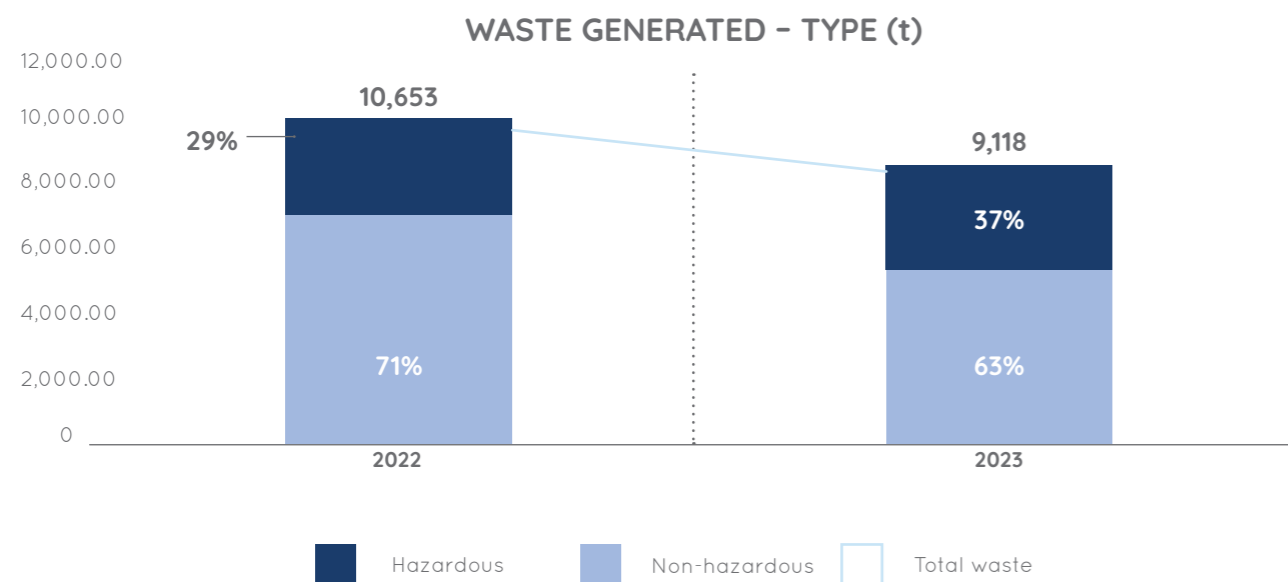
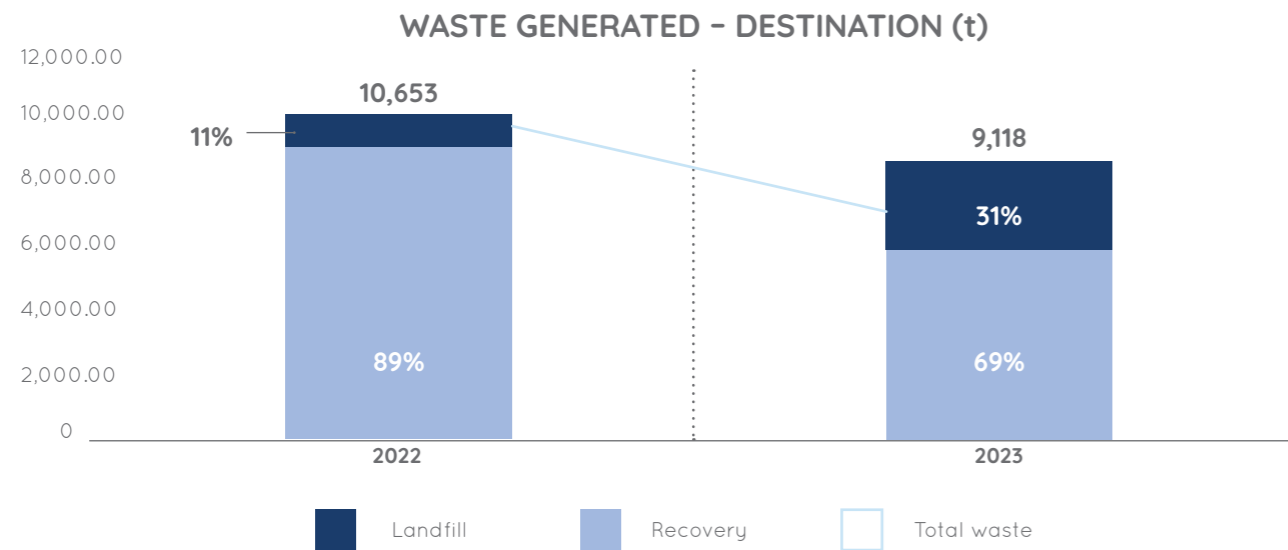
2 We also focus closely on waste generated along the value chain. In terms of packaging, **we have promoted and implemented a range of recovery and recycling methods to extend the lives of the materials used in our products**. The adhesive labels used on our products, for example, are often produced using a silicon-coated paper backing to protect and transport the labels. After use, the backing can be recycled as raw material in new processes and for new products. Meticulous collection and handling at Sofla's production facilities enables these raw materials to be reused for different types of applications. The **waste becomes recycled paper and silicone, which can be reused in various industrial applications**.

OBJECTIVES

We have found an effective method to **differentiate and recycle stretch film** and we are working to do the same with **empty bottles** of pure products. We are looking for facilities that can handle crushed bottles that still contain product residues, and are also developing procedures to empty bottles completely. This makes it possible to dispose of the bottles as waste or reuse them. We have been closely monitoring this waste since the second half of 2023. As part of quality control, we often recover bottles with incorrect labels, which we remove and replace.

Waste generated²⁴

In 2023, we produced **9,117.52** tonnes of waste (-14% vs 2022). The decrease in total waste generated over the two-year period is consistent with our initiatives.

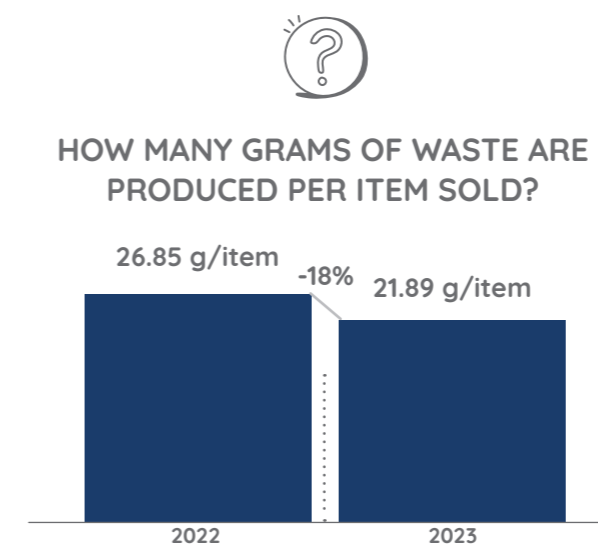


24. The quantitative data on waste do not include the amounts produced by the retail companies, as they are not considered significant in relation to the Group's overall production.

With regard to the destination of waste generated by our production companies, **31%** of the waste produced in 2023 was classified for **recovery**, an increase of 137% compared to 2022. In particular, waste from production scraps and packaging was largely recovered. The remaining **69%** was directed to **disposal**, mainly due to the inability to recover aqueous solutions and solvents. However, this was a decrease of 34% from 2022.

We are aware of how much more we can improve in terms of waste management, which is why we have set targets for the next three years. We intend to:

- 1 **Reduce** waste generation by promoting the recycling and recovery of materials used in **production**;
- 2 Continue to explore possible ways to **reuse soiled bottles** and bottle residues;
- 3 Increase **circular economy** projects that foster reuse of production waste as a new primary resource, downstream from planned LCA activities;
- 4 Create an alternative to finished products from **returns**, which are currently unrecoverable and directed to disposal.



Despite a **5%** increase in unit sales from 2022 to 2023 we reduced kilos of waste per item sold by **18%**.

Energy management

GRI 302-1 | GRI 302-3

Good energy governance

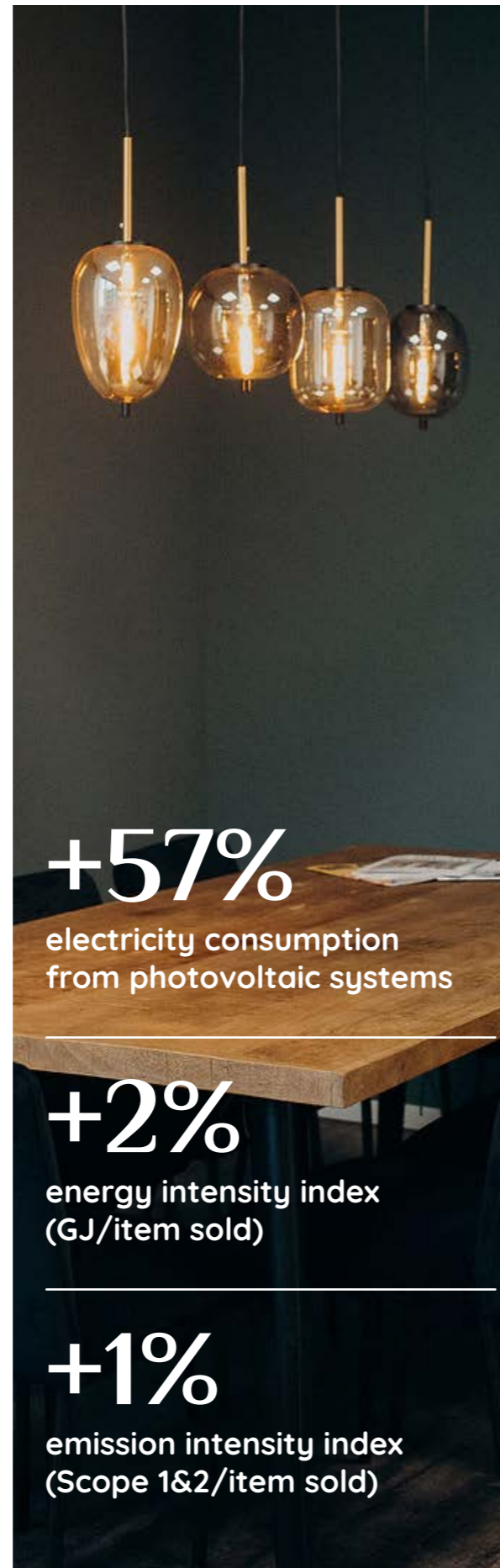
Responsible energy management plays an important role for the entire Group, especially in view of the high consumption at the production companies.

Based on applicability, we have undertaken several initiatives at our sites to improve energy performance, which have allowed us to establish strong governance of energy consumption and reduce environmental impact.

We monitor the production and consumption of different types of energy, with the associated estimated cost savings. In this way, we can assess our energy performance and identify any necessary interventions.

Sofla - a Group company that produces bottles - is an energy-intensive company. Since 2015, it has drawn up an energy diagnosis in accordance with Italian Legislative Decree 102/2014. It identifies and monitors KPIs on various environmental factors over time, including energy consumption in relation to production volumes.

The action taken mainly concern the production plants, in line with the management systems adopted by the subsidiaries, but they also cover energy savings and improvement of the energy mix.



The **transition to renewable energy sources** has been the focus of major strategic investments: several subsidiaries use **self-produced energy from photovoltaic systems**, for both production plants and offices.

2016

Installation of a photovoltaic system at the Lainate production site

2022

Construction of a new plant at the French site

2024

Further reinforcement in 2024 with the commissioning of the plant at the Albissola Marina site

TARGET

To reach a capacity of over 1000 kWp of self-generated electricity from photovoltaic systems across the Group

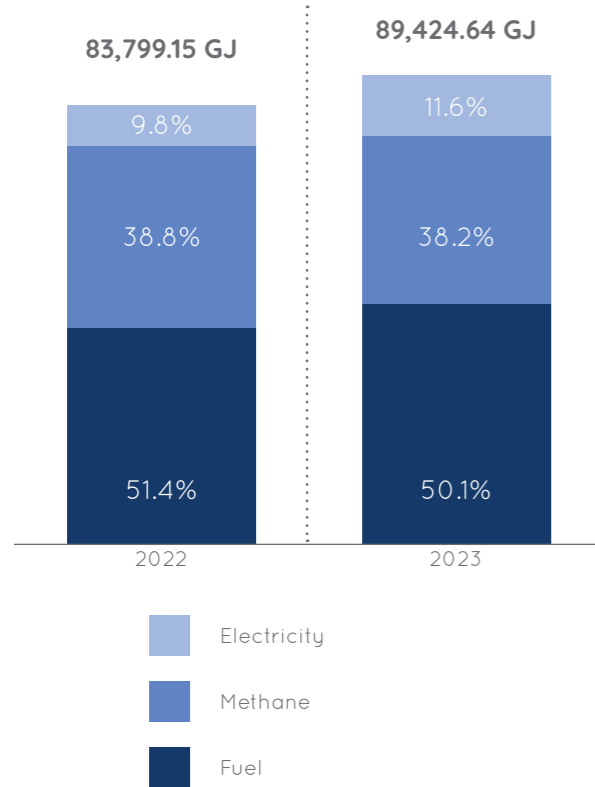
In addition to self-generation, the purchase of electricity from renewable sources is also a good practice for diversifying the energy mix with a view to improving our environmental impact. ESI and BioNike have opted to purchase Guarantees of Origin²⁵, **which certify that electricity comes from renewable sources**, making a positive contribution to the energy transition of the entire Group.

25. Guarantees of Origin (GO) attest to the renewable origin of the energy sources used by facilities with Guarantees of Origin. For further information, consult the portal at <https://www.gse.it/servizi-per-te/fonti-rinnovabili/garanzia-dorigine>.

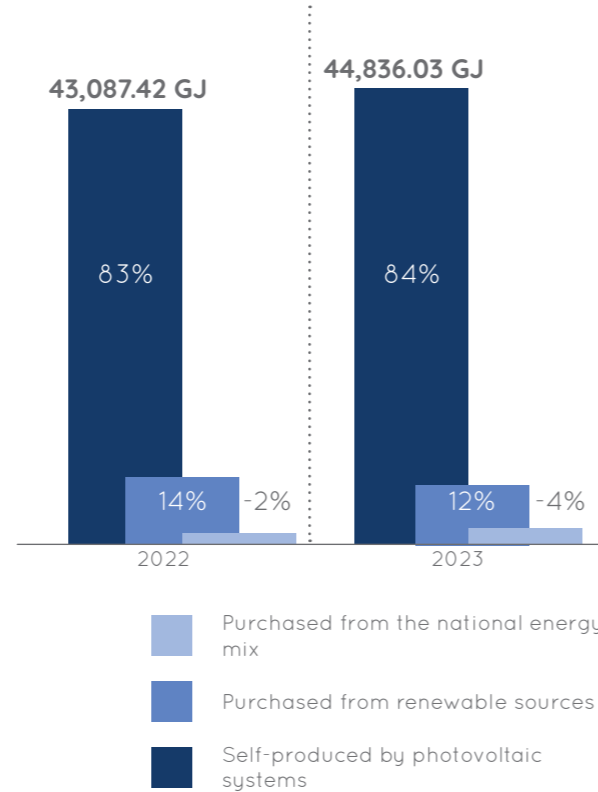
Energy consumption

In 2023, the Group consumed **89,424.64 GJ** (+7% vs 2022).

INTERNAL ENERGY CONSUMPTION - %



ELECTRICITY CONSUMPTION BY SOURCE - %



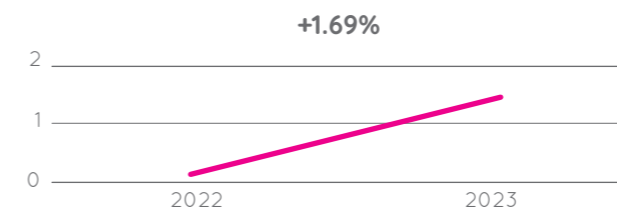
The chart provides a percentage breakdown of energy consumed in the Group in terms of **energy vectors**. Electricity is the most significant vector, used for illumination and to power systems and machinery, while methane is used for heating and in the cogeneration plant.

Fuel is mostly used for the internal fleet and – to a lesser extent – for vehicles provided to some employees as a fringe benefit.

The main electricity source is the national energy mix; however, the photovoltaic systems at some Group sites and responsible electricity procurement mean that **renewable sources covered 16% of the Group's total electricity requirement in 2023 (12% from Guarantees of Origin; 4% from photovoltaic systems)**.

OBJECTIVES

ENERGY INTENSITY INDEX (GJ/ITEM)



1 GROUP ENERGY ANALYSIS

2 ENERGY EFFICIENCY PLAN

Given the importance of proper energy management, in 2024-2025 we intend to implement a set of best practices based on a **Group energy management plan**. The plan will include a detailed energy analysis for all our production companies in order to identify areas for improvement.

We will then develop and implement energy efficiency measures to reduce consumption and improve overall efficiency. We will also increase our electricity coverage from renewable sources, both by extending our photovoltaic installations and by purchasing Guarantees of Origin for the electricity we purchase.

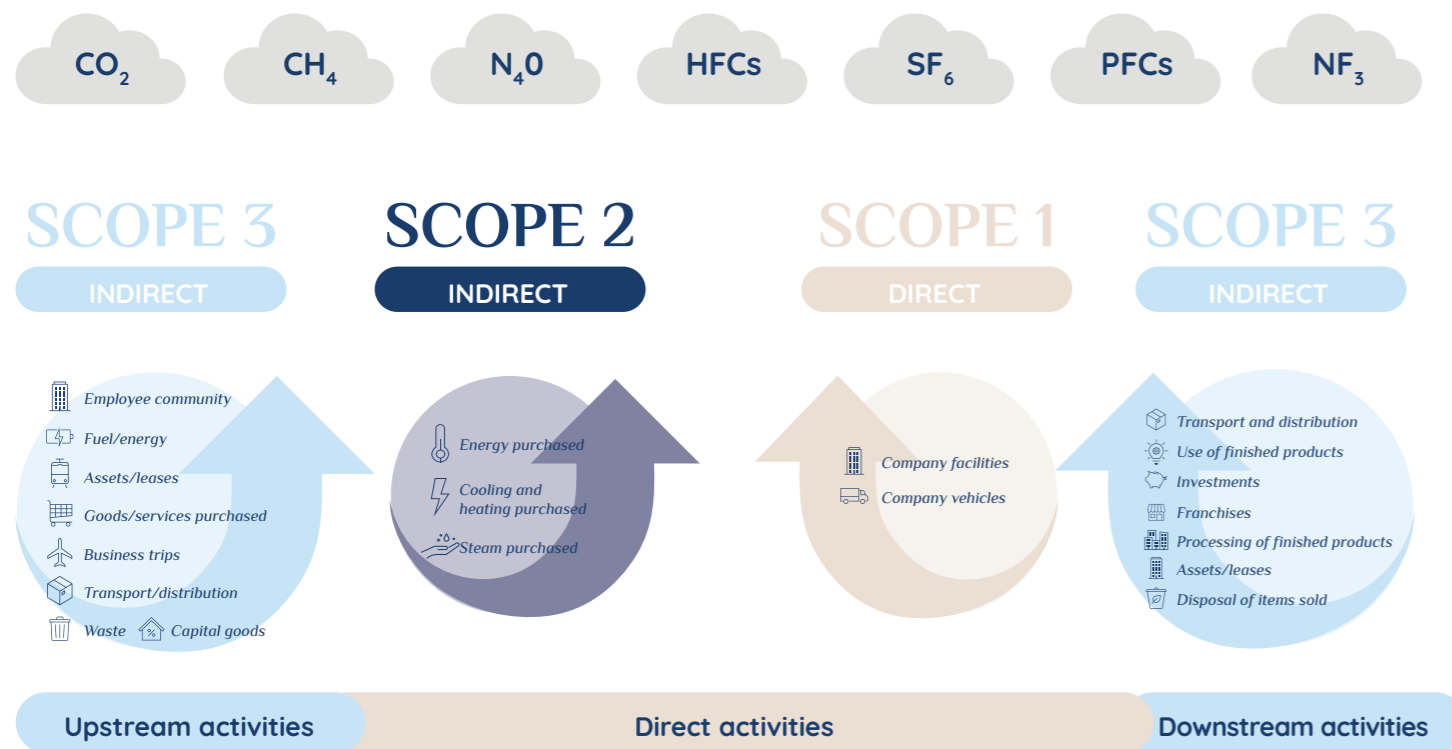
For a better understanding of our performance in terms of energy consumption, the **energy intensity index** measures the Group's average energy requirement in relation to items sold in 2022 and 2023.

The index shows an overall increase of 1.69% due to an increase in items sold in 2023.

GHG emissions: initiatives and action plan

GRI 305-1 | GRI 305-2 | GRI 305-4

The Group Scope 1 and Scope 2 carbon footprint



Reducing our carbon footprint in line with the goal of the European Green Deal to achieve carbon neutrality by 2050 plays an important role in combating climate change.

We are committed to using renewable energy in our production processes, improving energy efficiency in our plants, installing solar panels and adopting recovery systems to minimise energy consumption. This is reinforced with increased awareness in the use of low-impact company vehicles and better organisation of meetings and conferences to minimise travel and favour a digital approach in some cases.



Under the GHG Protocol, emissions can be classified into three categories:

SCOPE 1

Direct greenhouse gas (GHG) emissions from sources controlled or owned by an organisation;

SCOPE 2

Indirect greenhouse gas emissions from the generation of purchased energy;

SCOPE 3

The result of activities from assets not owned or controlled by the organisation, that have a direct impact on its value chain.

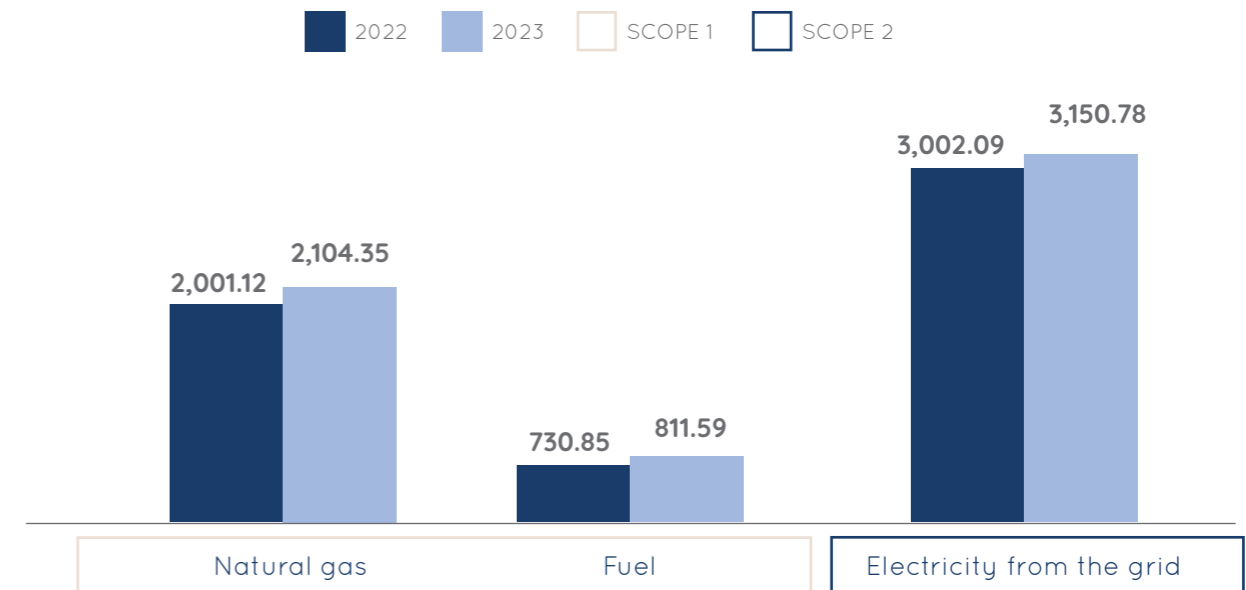
With a focus on emissions directly attributable to the Group's production, i.e., Scope 1²⁶ and Scope 2²⁷, we have analysed and compared the main changes in the two years under review²⁸.

26. Scope 1 – Direct greenhouse gas emissions from the combustion of fixed/stationary sources caused by natural gas consumption, fuel consumption by the organisation's vehicle fleet or refrigerant gas leaks from air conditioning systems.

27. Scope 2 – Indirect emissions from imported energy, i.e., electricity purchased from the grid or district heating.

28. The Group's GHG emissions were calculated by applying the market-based method, in which GHG emissions from purchased electricity and heat are determined by considering the specific emission factors reported by our suppliers. For electricity purchased from renewable resources, an emission factor of zero is attributed to Scope 2;

GROUP SCOPE 1 AND SCOPE 2 EMISSIONS – t CO₂ eq



	2022 [t CO ₂ eq]	2023 [t CO ₂ eq]	2023 vs 2022 (%)
SCOPE 1	2,731.97	2,915.94	+7%
SCOPE 2	3,002.09	3,150.78	+5%
TOTAL	5,734.06	6,066.72	+6%

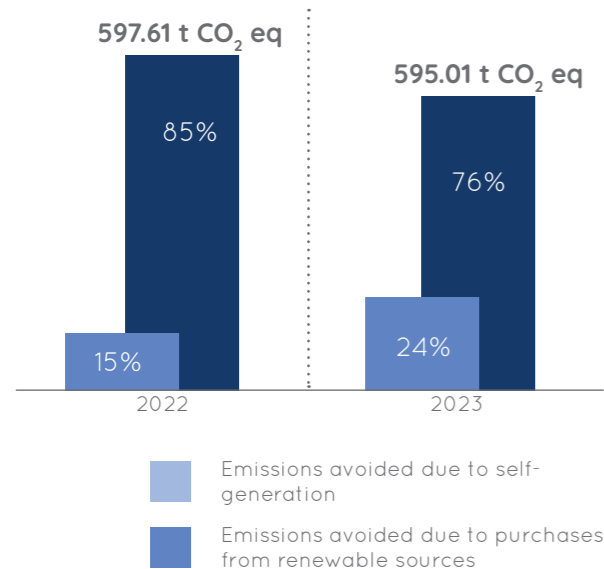
As reported in the previous section, Scope 1 equivalent emissions (t CO₂ eq) increased by 7% due to the increase in production and sales volumes.

With regard to Scope 2, CO₂ equivalent emissions increased (+5% compared to 2022), in line with the rise in electricity consumption and production volumes.

Good practices implemented and results

Efficient energy management involves the adoption of a range of good practices to achieve important benefits, including reduced emissions. By consuming self-produced electricity from photovoltaic plants and purchasing green energy, we were able to avoid approximately **1,192.63 t CO₂ eq** emissions in 2022-2023²⁹.

CO₂ eq EMISSIONS AVOIDED



29. Avoided emissions were 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 production from photovoltaic systems, using a market-based methodology.



GHG EMISSIONS AVOIDED

1,192.63
t CO₂ eq
avoided in
2022-2023



At the Conter production facilities, we monitored the impacts of waste-related emissions using Omnisyst, an advanced certified waste management program.

After quantifying the waste, the system helped us select partners to **offset** emissions, allowing us to invest in sustainability projects and initiatives for a positive environmental impact.

In 2023, we offset 23 tonnes of CO₂ emissions due to waste, a concrete step towards the positive and responsible transformation of our organisation's environmental impact.

Decarbonisation is an ambitious goal, which requires concrete actions and synergy with the value chain to produce long-term benefits. With this in mind, in the next two years we will **undertake a major decarbonisation plan to reduce our carbon footprint**.

Our analyses are the beginning of a journey of awareness and action during which we will consolidate our commitment along the entire value chain, from increased monitoring of input materials, through continuous boosting of production efficiency and the consequent reduction of waste, to increasingly responsible, optimised distribution of finished products.

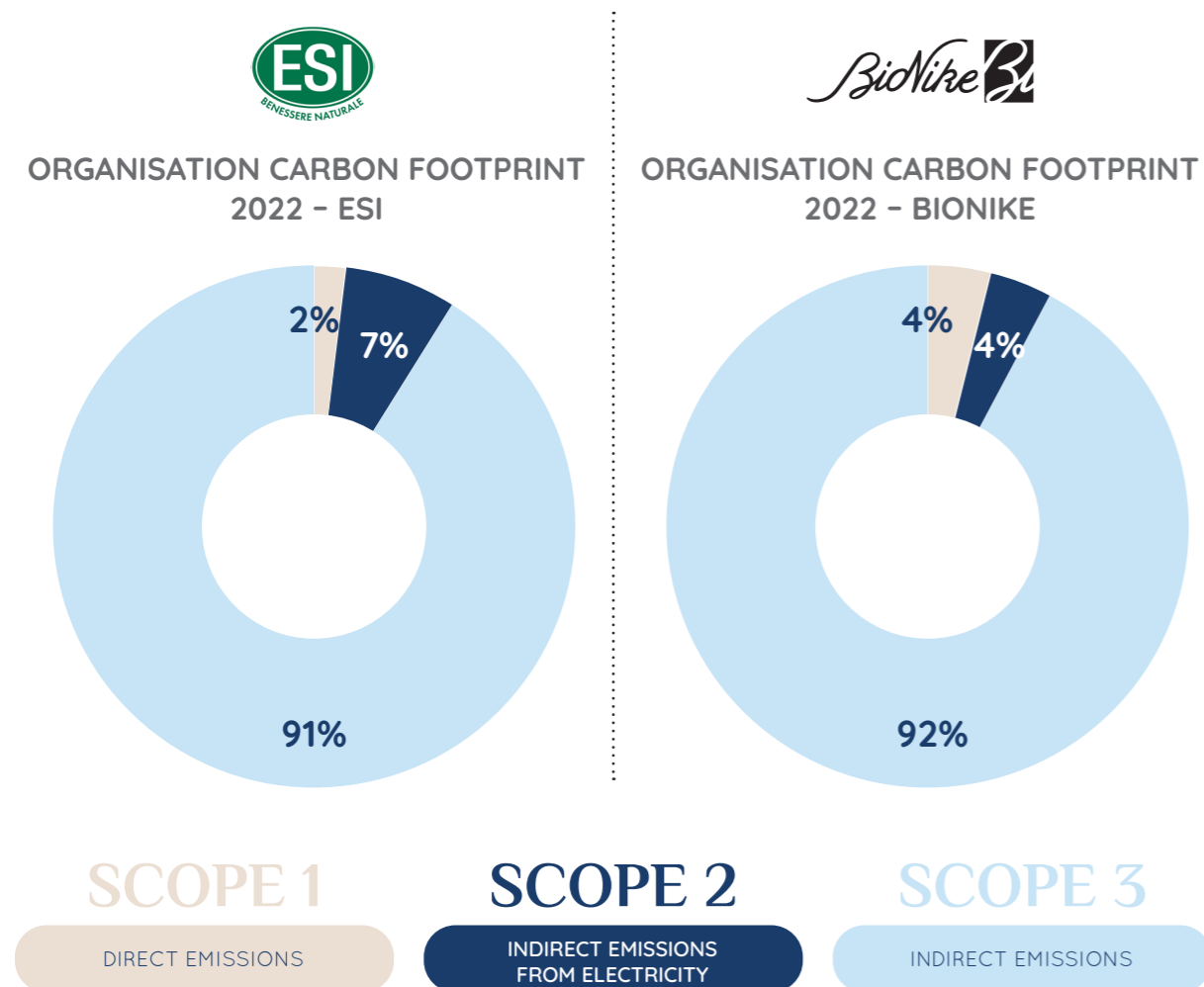
ORGANISATION CARBON FOOTPRINT: ESI & BIONIKE

As part of our sustainability journey, and awareness of the need to implement an effective and transparent action plan to fight climate change, we have formalised part of our environmental commitment by reporting the GHG emissions we produce.



Our **Organisation Carbon Footprint** study, conducted in accordance with the **UNI EN ISO 14064-1:2019** standard³⁰, yielded a snapshot of the climate impact of operations at ESI and BioNike, tied directly and indirectly to their production processes.

The pilot project began in 2023 by reporting 2022 data and ended with the verification process in the first half of 2024.



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

The studies showed that the majority of both companies' greenhouse gas emissions come from indirect **Scope 3** emissions, which account for over **90%** of the organisation carbon footprint. In particular, a large part relates to the purchase of raw materials, inbound and outbound goods transportation and investments.

The good practices implemented by ESI and BioNike in 2022 had a positive impact on overall emissions:

- The purchase of electricity with Guarantees of Origin enabled ESI to reduce its total emissions by 8% and its Scope 2 emissions by 100%;
- At BioNike, the photovoltaic system avoided 113 tonnes of CO₂ eq in 2022, which would have had an impact on Scope 2 emissions had the energy been purchased from the domestic energy mix.

OBJECTIVES

1

GROUP ORGANISATION
CARBON FOOTPRINT

2

DECARBONISATION PLAN

We will align emission inventories among our subsidiaries, consistently with their respective activities and particular features, to create a common environmental performance dashboard, which will allow us to identify the main emission hotspots, including **Scope 3 emissions**.

We will identify and analyse the main sources of emissions to identify operating inefficiencies that require attention.

We will implement a **reduction and mitigation plan** covering not only our production sites, but also our sales subsidiaries and supply chains.

We will work actively with suppliers to promote a greater commitment to environmental issues, encouraging the adoption of sustainable practices throughout the supply chain.

Our initiatives to support the environment

We also help to protect the environment through partnerships with non-profit organisations and projects to protect trees, the marine ecosystem and biodiversity.



PROTECTING TREES

Italy has a priceless natural heritage: centuries-old trees have accompanied our history and are a precious asset today, a source of wellbeing for the entire community.

The country's extremely diverse flora is a resource for biodiversity and the preservation of the soil and the environment. Many species that are now widespread in Italy have very ancient roots in the East. This extraordinary wealth is a treasure that belongs to us all, and it is crucial that we preserve it and communicate its value. **Tesori d'Oriente** promotes a **project to protect and enhance greenery**, conveying an important message: gratitude towards the environment translates into commitment and responsibility.

Tesori d'Oriente is committed to protecting and maintaining a selection of trees on the List of Monumental Trees in Italy compiled by MIPAAF. Its contribution helps fund operations dedicated to their preservation. Five different locations have been identified across the country. The recovery and enhancement interventions were agreed on a case-by-case basis and subsequently monitored at each stage of the project.

CENTURIES-OLD TREES PROTECTED BY TESORI D'ORIENTE

A thousand-year-old olive tree Santu Baltolu, Luras (Sardinia)

A Valonia oak, Tricase (Apulia)

Ginko Bilobas, Brera Botanical Garden, Milan (Lombardy)

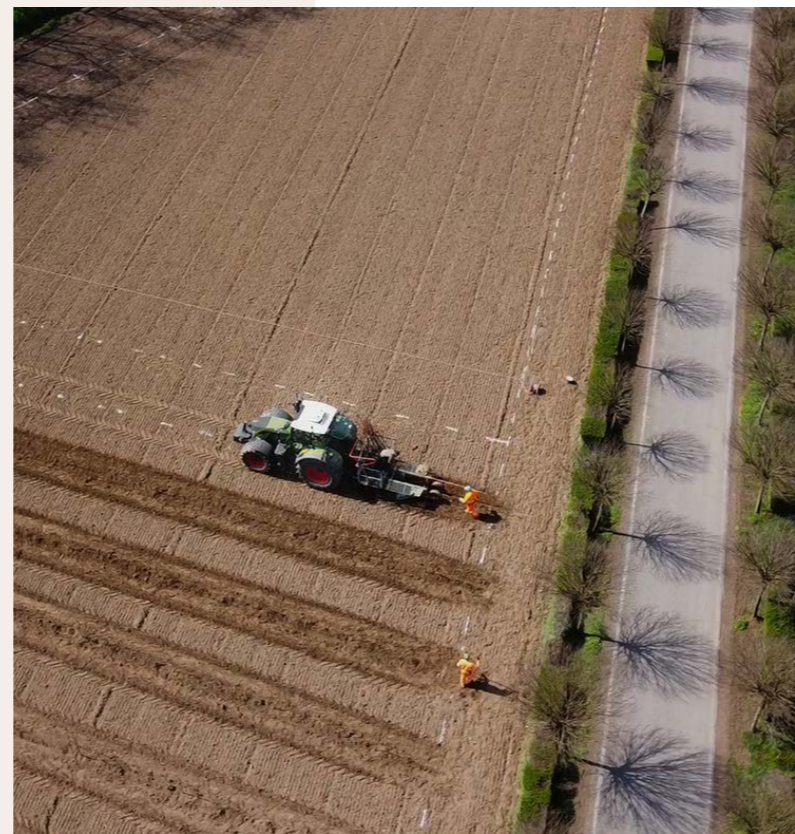
Mulberry trees at Villa Ghigi, Bologna (Emilia-Romagna)

The 100 horse chestnut, Sant'Alfio (Sicily)

THE TESORI D'ORIENTE CHERRY ORCHARD

Since 2023, Tesori d'Oriente has also supported the **Fondazione Italiana Ambiente** – a non-profit organisation that works to enhance nature and the environment – on one of its most important projects: **'The Cherry Orchard'**. Under the project, more than 200 cherry trees will be planted in the Municipality of Sospiro, in the Province of Cremona, to provide the Earth with new trees to absorb carbon and pollutants, regulate water run-off and create a cooling effect. Each cherry tree tells a story of inclusion, sustainability and social commitment, as it involves people with intellectual disabilities and autism in an entrepreneurial and agricultural activity. In this way, Tesori d'Oriente continues its 'Tesori per Natura' journey, approaching the community through a local organisation with a strong environmental and social impact.

L'Arbre Vert is also involved in reforestation activities. In 2018–2023, it planted more than 21,000 trees, many of them at the headquarters and factory in France (Senillé forest, Châtelleraut and Oyré).



PROTECTING THE MARINE ECOSYSTEM

The sea is the lifeblood of our planet: it produces 50% of oxygen and absorbs about one third of the excess CO₂ in the atmosphere; it is a crucial ally in the fight against climate change and an essential pillar for the livelihood of the world's population.

Since 2022 BioNike has supported the Italian non-profit organisation **Worldrise** to protect the sea and its ecosystem through the project '**A SEA OF STARS**', which carries out important activities every year to safeguard Italy's protected marine areas, promote research and raise public awareness.

Founded in 2013, Worldrise has become a driving force in marine conservation and enhancement. Its goal is to raise awareness and educate the public about the importance of the sea, an extraordinary ecosystem rich in biodiversity.

In 2023, we focused on two large, synergistic and cross-cutting projects for the protection of the marine ecosystem:

30x30 Italia campaign: in 2023, we became supporting partners of this campaign to protect 30% of the seas by 2030. The goal is to ensure the functionality and health of the Mediterranean Sea through a network of 'highly and fully' protected marine areas;

AMPLification project: we support the Portofino Protected Marine Area by financing its protection and activities to raise awareness among residents and local communities;

In addition to continuing our support for the 30x30 Alliance, we will implement a new project in 2024: **SEAtizen Science in the Golfo Aranci Protected Marine Area in Sardinia**, whose goal is to spread culture and generate new knowledge to protect the sea.



PROTECTING BIODIVERSITY

L'Arbre Vert is committed to projects to safeguard biodiversity. Since 2022, it has promoted a project to **install beehives** around its production site. In collaboration with Le Champs des Possibles – a company specialising in protecting the biodiversity of green spaces – it created an **eco-pasture** around the production site in early October 2022, which hosts two flocks of sheep for extensive grazing and herd rotation, ensuring favourable maintenance of the soil, flora and fauna.

Lornamead provided funding for the **Set Foundation**, which is committed to eliminating animal testing. The Foundation members are representatives from industry, **animal welfare** science and government. Its role is to allocate transparent, interdisciplinary funds to suitable projects to research and implement methods that replace and supplement animal testing.

WASTE COLLECTION IN NATURAL AREAS

On World Environment Day in 2022 and 2023, our team in Portugal organised an important initiative to **clear waste from a wooded area of Lisbon**. A group of colleagues met up to address the environmental challenge. Armed with gloves, bags and team spirit, they went through the woods, collecting rubbish and debris.

Their collective effort not only helped restore the natural beauty of the area, but also served as a reminder of the importance of environmental stewardship and community engagement.

For World Environment Day in Spain, we promoted the **Libera project**³¹, set up in 2017 to **contain the consequences of abandoned waste in natural spaces** by encouraging participation in various regions. We shared information about the project, including dates and how to participate in clean-up activities throughout Spain. By raising awareness and facilitating engagement, we promoted collective action for a cleaner, healthier environment.

31. <https://proyectolibera.org/>



ANNEX 1

Methodological Note

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

Scope of Reporting

Company name	SODALIS S.r.l.
Type of ownership	Private
Legal status	Limited Liability Company
Location of the main sites	Registered Office: via Solferino, Milan (MI)
Countries served	48

The scope of reporting in this document includes information on the activities of Sodalis S.r.l. and its subsidiaries, which are listed below³²:

Company name	Location
Conter S.r.l.	Italy
Sofla S.r.l.	Italy
Sodalco S.r.l.	Italy
Deborah Group S.r.l.	Italy
The Good Vibes S.r.l. ³³	Italy
Brelil S.r.l.	Italy
Lornamead GmbH	Germany
Novamex SA	France
Quadripack SA	France
Brandcare SA	Portugal and Spain

32. SCI des Grottes, which manages the real estate of the French subsidiaries, and Sodalis France, its holding company, are excluded from the scope of reporting.

33. The Good Vibes Company S.r.l. was acquired in 2023. It is therefore included in the scope of this Report as of that year. It is not included in the figures presented for 2022.

The report

This document is the first consolidated Sustainability Report issued by **Sodalis S.r.l.** (hereafter also 'the Group' and/or '**Sodalis**'). The information in the report was collected and processed to provide an understanding of the Company's activities, performance, results and impact.

The consolidated Sustainability Report was prepared on a voluntary basis and is not represent a consolidated Non-Financial Disclosure (NFD). The company is not in fact subject to Italian Legislative Decree no. 254 of 30 December 2016, which, in implementation of Directive 2014/95/EU, requires entities of public interest that exceed certain quantitative thresholds to prepare a NFD.

The analysis will be further developed and expanded in the future through the organisation of one or more stakeholder listening activities and reporting on the company's contribution to achieving its objectives.

The Sustainability Report is prepared annually and published on the company's official website <https://www.sodalisgroup.com/we-believe-sustainability>.

References

This consolidated Sustainability Report was prepared in accordance with the 'Referenced' reporting option by selecting the indicators in the **GRI Sustainability Reporting Standards** published by the Global Reporting Initiative (GRI).

The set of GRI indicators used for reporting purposes is set out in the GRI Content Index of this report.

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

The selected performance indicators are those indicated by the reporting standards, which represent the specific areas of sustainability analysed and consistent with the business of the Group and its impacts. The indicators were selected following an analysis of the material topics for the Group and its target sectors, as described in the section 'Materiality assessment: priority ESG issues'.

As part of our sustainability journey, the analysis involved top management in assessing the issues and consequently assigning a value based on two considerations: importance and priority for the Group.

Significant events after the 2023 reporting period

In 2024, the Sodalis Group consolidated its international development by reinforcing its position on the European beauty market with the acquisition of a majority stake in Artdeco Cosmetics Group, a German make-up company founded in 1985 and operating under the Artdeco, Make-up Factory and Anny brands. With net turnover of €72 million in 2023 and 680 employees, the group distributes its brands in perfumeries, beauty centres, spas and department stores in more than 60 countries. The acquisition consolidates the Group business in Germany, where Sodalis was already active through Lornamead, and strengthens its presence on the make-up market, a highly strategic sector historically covered by the Group in Italy.

The acquisition took place in May 2024, during preparation of this Sustainability Report. The newly acquired company and its sustainability performance will therefore be included in the scope of reporting of the next consolidated Sustainability Report.

ANNEX 2

GRI STANDARDS

Reporting package

GRI 2-7 Employees

Permanent contracts	2022			2023		
	Men	Women	TOTAL	Men	Women	TOTAL
Italy	338	372	710	362	418	780
France	57	51	108	53	53	106
Germany	16	28	44	13	29	42
Portugal	13	15	28	13	17	30
Spain	16	45	61	9	27	36
Total	440	511	951	450	544	994

Fixed-term contracts	2022			2023		
	Men	Women	TOTAL	Men	Women	TOTAL
Italy	1	6	7	2	5	7
France	0	3	3	0	2	2
Germany	2	1	3	0	0	0
Portugal	0	0	0	0	0	0
Spain	0	0	0	0	0	0
Total	3	10	13	2	7	9

Full-time contracts	2022			2023		
	Men	Women	TOTAL	Men	Women	TOTAL
Italy	338	343	681	363	390	753
France	57	50	107	53	50	103
Germany	17	16	33	12	17	29
Portugal	13	15	28	13	17	30
Spain	16	13	29	9	21	30
Total	441	437	878	450	495	945

Part-time contracts	2022			2023		
	Men	Women	TOTAL	Men	Women	TOTAL
Italy	1	35	36	1	33	34
France	0	4	4	0	5	5
Germany	1	13	14	1	12	13
Portugal	0	0	0	0	0	0
Spain	0	32	32	0	6	6
Total	2	84	86	2	56	58

GRI 2-8 Workers who are not employees by type of contract

Workers who are not employees by type of contract	2022	2023
Contractors	21	29
Subcontractors	0	0
Freelancers	187	193
Interns	8	10
Volunteers	0	0
Temporary workers	169	188
TOTAL	385	420

GRI 2-30 Collective bargaining agreements

Employees covered by collective bargaining agreements	2022	2023
Number of employees under collective agreements	890	930
Total number of employees	964	1003
Percentage of employees under collective agreements	92.32%	92.72%

GRI 201-1 Direct economic value generated and distributed

Economic value directly generated and distributed (€)	2022	2023
Economic value generated and received	701,724,772	793,488,181
Economic value generated by the sale of products	688,712,722	779,662,905
Economic value generated by other revenue	9,314,651	11,544,277
Economic value generated by financial income	1,201,202	407,522
Economic value received	2,496,197	1,873,477
Economic value distributed	635,171,772	689,956,823
Suppliers	557,849,600	592,100,093
Human resources	61,224,435	64,734,308
Public administration	13,625,401	27,854,209
Banks and other providers of finance	929,585	3,634,833
Directors and auditors	1,037,247	1,210,333
Local community	505,504	423,046
Economic value retained	66,553,000	103,531,358
of which operating profit	23,634,291	43,448,433

GRI 204-1 Proportion of spending on local suppliers

Budget spent on local suppliers (€)	2022	2023
Italy	310,640,783	333,842,714
Germany	46,453,720	54,019,850
France	28,104,485	28,875,545
Spain	19,069,015	20,397,099
Portugal	14,484,093	16,701,512
EU	36,270,148	29,540,744
Non-EU	35,095,498	34,413,109
TOTAL	490,117,743	517,790,574

GRI 302-1 Energy consumption within the organisation

Energy consumed within the organisation (GJ) ³⁴	2022	2023
Methane	32,494.34	34,170.65
Electricity consumption – TOTAL	43,087.42	44,836.03
of which: Electricity purchased from the grid (energy mix)	35,934.17	37,713.92
of which: Electricity purchased from the grid (renewable sources)	6,077.06	5,430.63
of which: Self-produced electricity consumption	1,076.19	1,691.48
Fuel – TOTAL	8,217.39	10,417.96
of which: Diesel – Generator	71.91	0.71
of which: Diesel – Company vehicles	7,694.76	9,570.66
of which: Petrol – Company vehicles	447.78	843.19
of which: LPG – Company vehicles	0.00	2.42
of which: CNG – Company vehicles	2.94	0.98
Energy consumed within the organisation – TOTAL	83,799.15	89,424.64
of which non-renewable	76,645.90	82,302.53
of which renewable	7,153.25	7,122.11

GRI 302-3 Energy intensity

Energy efficiency index (GJ/item)	2022	2023
Energy consumption (GJ)	83,799.15	89,424.64
Items sold	396,836,619	416,438,651
Energy intensity index (GJ/item)	2.11E-04	2.15E-04

GRI 303-3 Water withdrawal

Water withdrawal (m³)	2022	2023
Groundwater withdrawal (wells)	114,524.00	115,701.00
Third-party water withdrawal (mains)	612,683.00	512,120.00
Total water withdrawal	727,207.00	627,821.00

34. Conversion factors used:

- LPG – Liquefied petroleum gas – DIN 5162 – EN ISO 3993
- LPG – Liquefied petroleum gas – DIN 5162 – EN ISO 3993
- Natural gas – Gaseous – Table 1 EEN Resolution 9/11
- Diesel – EURO 5, EURO 6 – Table 1 EEN Resolution 9/11 – EN ISO 3675
- Petrol – (automotive benzene) Table 1 EEN Resolution 9/11 – ISO 1716
- Diesel – operating machinery – Table 1 EEN Resolution 9/11 – EN ISO 3675
- Electricity – Calculation with energy conversion factor kWh/GJ
- LPG – Liquefied petroleum gas – DIN 5162 – EN ISO 3993

GRI 303-4 Water discharge

Water discharge (m³)	2022	2023
Total water discharge from groundwater (wells)	540,775.00	442,756.00
Total water discharge from third parties (mains)	63,797.60	65,919.00
Total water discharge	604,572.60	508,675.00

GRI 303-5 Water consumption

Water consumption (m³)	2022	2023
Water withdrawal	727,207.00	627,821.00
Water discharge	604,572.60	508,675.00
Water consumption	122,634.40	119,146.00

GRI 305-1 Direct (Scope 1) GHG emissions

Direct (Scope 1) GHG emissions – tCO ₂ eq ³⁵	2022	2023
Natural gas	2,001.12	2,104.35
Diesel – generator	5.38	0.05
Diesel – for company vehicles	569.35	708.16
Petrol – for company vehicles	33.10	62.33
LPG – for company vehicles	0.00	0.16
CNG – for company vehicles	123.01	40.88
Diesel for cogeneration	0.00	0.00
TOTAL	2,731.97	2,915.94

GRI 305-2 Energy indirect (Scope 2) GHG emissions

Indirect (Scope 2) GHG emissions from energy consumption – tCO ₂ eq ³⁶	2022	2023
- of which certified with Guarantee of Origin (or equivalent)	0.00	0.0
-of which not certified with Guarantee of Origin (or equivalent)	3,002.09	3,150.78
TOTAL	3,002.09	3,150.78

35. Emission factors used – Scope 1

- **Natural gas** – DEFRA 2023 Fuels – Gaseous fuels – Natural gas (100% mineral blend) – I
- **Diesel – generator** – Ecoinvent 3.9.1 diesel, burned in diesel-electric generating set, 10MW | diesel, burned in diesel-electric generating set, 10MW | Cutoff, U
- **Diesel – company vehicles** – Ecoinvent 3.9.1 transport, passenger car, medium size, diesel, EURO 5 | transport, passenger car, medium size, diesel, EURO 5 | Cutoff, U
- **Petrol** – company vehicles – Ecoinvent 3.9.1 transport, passenger car, medium size, petrol, EURO 5 | transport, passenger car, medium size, petrol, EURO 5 | Cutoff, U
- **LPG – company vehicles** – Ecoinvent 3.10 transport, passenger car, medium size, liquefied petroleum gas (LPG), EURO 5 | transport, passenger car, medium size, liquefied petroleum gas, EURO 5 | Cutoff, U
- **CNG – company vehicles** – DEFRA 2023 Fuels – Gaseous fuels – CNG – I

36. Source of emission factors used – Scope 2

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

GRI 305-4 GHG emissions intensity

Emission intensity index	2022	2023
Scope 1 and Scope 2 emissions (tCO ₂ eq)	5,734.06	6,066.72
Items sold	396,836,619	416,438,651
Emission intensity index (tCO₂ eq/item)	1.44E-05	1.46E-05

GRI 306-3 Waste generated

Waste generated (kg)	2022	2023
Hazardous	7,516,076.00	5,743,205.00
Non-hazardous	3,137,399.00	3,374,319.00
TOTAL	10,653,475.00	9,117,524.00

GRI 306-4 Waste diverted from disposal

Waste diverted from disposal (kg)	2022	2023
- recovered	1,195,184.00	2,831,992.00

GRI 306-5 Waste directed to disposal

Waste directed to disposal (kg)	2022	2023
- to landfill	9,458,291.00	6,285,532.00

GRI 401-1 New employee hires and employee turnover

Hires by gender	2022	2023
Of which men	54	60
Of which women	76	105
TOTAL	130	165

Hires by nationality	2022	2023
Italy	93	142
France	17	9
Germany	16	8
Portugal	2	4
Spain	2	2
TOTAL	130	165

Positive turnover rate (%)	2023	
	Men	Women
Hires by gender	60	105
Total number of employees 2022	443	521
TOTAL	13.5%	20.1%

Terminations by gender	2022	2023
Of which men	48	50
Of which women	71	76
TOTAL	119	126

Terminations by nationality	2022	2023
Italy	98	72
France	8	12
Germany	12	13
Portugal	0	2
Spain	1	27
TOTAL	119	126

Negative turnover rate (%)	2023	
	Men	Women
Terminations by gender	50	76
Total number of employees 2022	443	521
TOTAL	11.2%	14.5%

GRI 401-3 Parental leave and rate of return to work

Employees entitled to parental leave and rate of return to work	2022		2023	
	Men	Women	Men	Women
Total number of employees who actually returned to work following parental leave	10	21	10	21
Total number of employees who should have returned to work following parental leave	10	23	10	23
Rate of return to work	100%	91.3%	100%	91.3%

GRI 403-9 Work-related injuries

Rate of recordable work-related injuries	2022	2023
No. of hours worked	1,294,120.05	1,389,921.82
Total number of recordable work-related injuries (Employees)	19	21
Rate of recordable work-related injuries	14.68	15.11
Work-related injuries with serious consequences (excluding fatalities)	0	0
Fatalities caused by work-related injuries	0	0

GRI 404-1 Average hours of training per year per employee

Average hours of training per employee	2022			2023		
	Men	Women	TOTAL	Men	Women	TOTAL
Total hours of training provided to senior managers	607	121	728	581	46	627
Total number of senior managers	18	7	25	18	8	26
Average hours of training per senior manager	33.7	17.3	29.1	32.3	5.7	24.1
Total hours of training provided to middle managers	827	879	1705	594	1165	1759
Total number of middle managers	89	58	147	87	70	157
Average hours of training per middle manager	9.3	15.2	11.6	6.8	16.6	11.2
Total hours of training provided to office workers	1,205	2,961	4,166	1,116	2,492	3,608
Total number of office workers	135	321	456	147	318	465
Average hours of training per office worker	8.9	9.2	9.1	7.6	7.8	7.8
Total hours of training provided to factory workers	897	575	1,472	1,729	608	2,337
Total number of factory workers	202	134	336	204	151	355
Average hours of training per factory worker	4.4	4.3	4.4	8.5	4.0	6.6
Total hours of training provided to employees	3,535.9	4,535.5	8,071	4,020	4,311	8,331
Total number of employees	444	520	964	456	547	1,003
Average hours of training per employee	8.0	8.7	8.4	8.8	7.9	8.3

GRI 405-1 Diversity of governance bodies and employees

Governance bodies by gender and age	2023			
	< 30 years	From 30 to 50 years	> 50 years	TOTAL
Board of Directors	1	3	2	6
Men	0	1	2	3
Women	1	2	0	3
Board of Auditors	0	0	1	1
Men	0	0	0	0
Women	0	0	1	1

Employees by classification and gender	2022			2023		
	Men	Women	TOTAL	Men	Women	TOTAL
Senior managers	18	7	25	18	8	26
Middle managers	89	58	147	87	70	157
Office workers	135	321	456	147	318	465
Factory workers	202	134	336	204	151	355
TOTAL	444	520	964	456	547	1,003

Employees by classification and age	2022				2023			
	< 30	30 - 50	> 50	TOTAL	< 30 years	30 - 50	> 50	TOTAL
Senior managers	0	12	13	25	0	13	13	26
Middle managers	5	77	65	147	2	86	69	157
Office workers	80	280	96	456	96	272	97	465
Factory workers	62	191	83	336	72	196	87	355
TOTAL	147	560	257	964	170	567	266	1,003

GRI 405-2 Ratio of basic salary and remuneration of women to men

Base salary by category	2022	2023
Middle managers	91%	93%
Office workers	90%	87%
Factory workers	95%	93%
Gender pay gap (average)	91%	91%

GRI 406-1 Incidents of discrimination and corrective actions taken

Incidents of discrimination and corrective actions taken	2022	2023
Total number of incidents of discrimination reported	1	1

GRI 416-1 Assessment of the health and safety impacts of product and service categories

Product categories for which health and safety impacts are assessed (%)	2022	2023
Cosmetic products	98.5%	98.1%
Home-care products	99.1%	100.0%
Hygiene products	100.0%	100.0%
Food supplements	100.0%	100.0%
Medical devices	100.0%	100.0%

GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services

Cases of non-compliance (no.)	2022	2023
Cases of non-compliance with regulations leading to a fine or penalty	0	0
Cases of non-compliance with regulations leading to a warning	1	71
Cases of non-compliance with self-regulatory codes	0	0

GRI Content Index

DISCLOSURE	GRI	REFERENCE IN THE REPORT
GRI 2: General Disclosures 2022	2-1 Organisational details	Methodological note
	2-2 Entities included in the organisation's sustainability reporting	Methodological note
	2-3 Reporting period, frequency and contact point	Methodological note
	2-6 Activities, value chain and other business relationships	Our locations, our markets;
	2-7 Employees	Our Team: the heart and soul of the Group
	2-8 Workers who are not employees	Our Team: the heart and soul of the Group
	2-9 Governance structure and composition	Organisational Structure
	2-11 Chair of the highest governance body	Organisational Structure
	2-22 Statement on sustainable development strategy	Letter to stakeholders; Action Plan: from strategy to concrete action
	2-29 Approach to stakeholder engagement	Stakeholder engagement: an open dialogue to achieve common goals
GRI 3: Material topics 2022	2-30 Collective bargaining agreements	Welfare and occupational wellbeing: people first
	3-1 Process to determine material topics	Materiality assessment: priority ESG issues
GRI 201: Economic Performance 2016	3-2 List of material topics	Materiality assessment: priority ESG issues
	201-1 Direct economic value generated and distributed	Direct economic value generated and distributed
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	Our suppliers: the importance of trust and long-standing relations
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	No cases of corruption were verified during the reporting period
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Energy management
	302-3 Energy intensity	Energy management
GRI 303: Water and water discharge 2018	303-1 Interactions with water as a shared resource	Management of water
	303-3 Water withdrawal	Management of water
	303-4 Water discharge	Management of water
	303-5 Water consumption	Management of water
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	GHG emissions: initiatives and action plan
	305-2 Energy indirect (Scope 2) GHG emissions	GHG emissions: initiatives and action plan
	305-4 GHG emissions intensity	GHG emissions: initiatives and action plan

DISCLOSURE	GRI	REFERENCE IN THE REPORT
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	Waste generation and good circular economy practices
	306-3 Waste generated	Waste generation and good circular economy practices
	306-4 Waste diverted from disposal	Waste generation and good circular economy practices
	306-5 Waste directed to disposal	Waste generation and good circular economy practices
	GRI 401: Employment 2016	401-1 New employee hires and turnover
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		Welfare and occupational wellbeing: people first
401-3 Parental leave		Welfare and occupational wellbeing: people first
GRI 403: Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment and incident investigation	Health and safety: constant attention to our People
	403-3 Occupational health services	Health and safety: constant attention to our People
	403-5 Worker training on occupational health and safety	Health and safety: constant attention to our People
	403-9 Work-related injuries	Health and safety: constant attention to our People
	403-10 Work-related ill health	There were no cases of work-related ill health during the reporting period
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	Developing and enhancing human resources
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Organisational structure Our Team: the heart and soul of the Group; The value of inclusion and diversity
	405-2 Ratio of basic salary and remuneration of women to men	The value of inclusion and diversity
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	The value of inclusion and diversity
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Quality and customer satisfaction: our winning combination
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Quality and customer satisfaction: our winning combination
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	Quality and customer satisfaction: our winning combination

