

Impact Report 2020



BECIRCULAR
The Sustainability in Labomar



TAKE CARE
OF YOURSELF,
RESPECT
THE PLANET.

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LET'S BUILD
A SUSTAINABLE
FUTURE
TOGETHER.

Letter from the Chairman

It is with great pleasure that I present to you our very first Impact Report.

The Third Millennium is presenting us with a number of challenges that look set to forever change the way we live and do business.

The frantic rush to consume, the excessive exploitation of resources, the growth of economic indicators as the only measure of a company or a country's state of health appear, today more than ever, to be the remnants of an increasingly distant past.

The global events of the past year have taught us just how much our world is changing. Humankind, our health, the environment and the economy belong to the same system and they are sustained by the same breath. It is as though we have been asked to slow down, not to stop completely, but to pause, reflect and learn to look around us and understand what our true values are, beyond our immediate needs.

Well-being has been key to Labomar's mission since its foundation twenty-two years ago. We look after people's health with our products. We use natural raw materials, and, despite our international scope, we are strongly rooted in the local region and remain committed to promoting a healthy lifestyle and to creating social harmony around the values of solidarity, commitment, and the environment. During the pandemic we felt the need to give greater weight to this vocation and to embark on a structured path towards becoming sustainable.

The term "sustainability" has very broad implications and permeates every aspect of business. To us, sustainability is about natural resources, working conditions, and the environmental impact of production. Most importantly, for Labomar, it goes hand in hand with the concept of responsibility. It is about generating value beyond economic wealth, integrating into a region while respecting its resources, generating work and well-being, and striving to change things for the better. Striving for growth, yes, but qualitative growth first and foremost. Our decision has resulted in a change of pace, accelerating a process that was already underway, and giving more impetus to a mammoth task that is far from complete. Thanks to the advice of a professional team at Ca' Foscari University, we have analysed and assessed every aspect of our business activities.

During this important and strategic year, which saw Labomar list on the stock exchange, we have made a concrete commitment to engage in economic activities that generate value for society as a whole, and for the environment. The first, most important step has been to change the company's legal form and to modify our By-Laws to become a Benefit Corporation. Our commitment to sustainability is no longer merely written in black and white but has permeated our way of thinking and acting, along with every area of our business, and every working relationship. It is a work in progress – because we can and must do better – towards an even more challenging ethical goal: pursuing B Corp certification, the highest recognition of a company's positive impact on the community and the environment.

The fruits of our achievements in 2020 are detailed in this Impact Report.

You will learn about the progress we have made and our commitment to sharing our future objectives with the utmost transparency.

I hope you enjoy the report,

Walter Bertin
CEO Labomar S.p.A.



About Us



Labomar's story begins in 1933, when the Bertin family bought a pharmacy in Istrana, a small town on the outskirts of Treviso.

Walter Bertin, a third-generation pharmacist, had always been an enthusiast of natural raw materials and interested in understanding the secrets of Galenic formulations. He began work at the family pharmacy as soon as he completed his university studies.

Spurred on by curiosity and resourcefulness, he started to explore the world of herbal medicine. He returned to school, experimented, and finally created and began to sell dietary supplements, which received very positive feedback from customers.

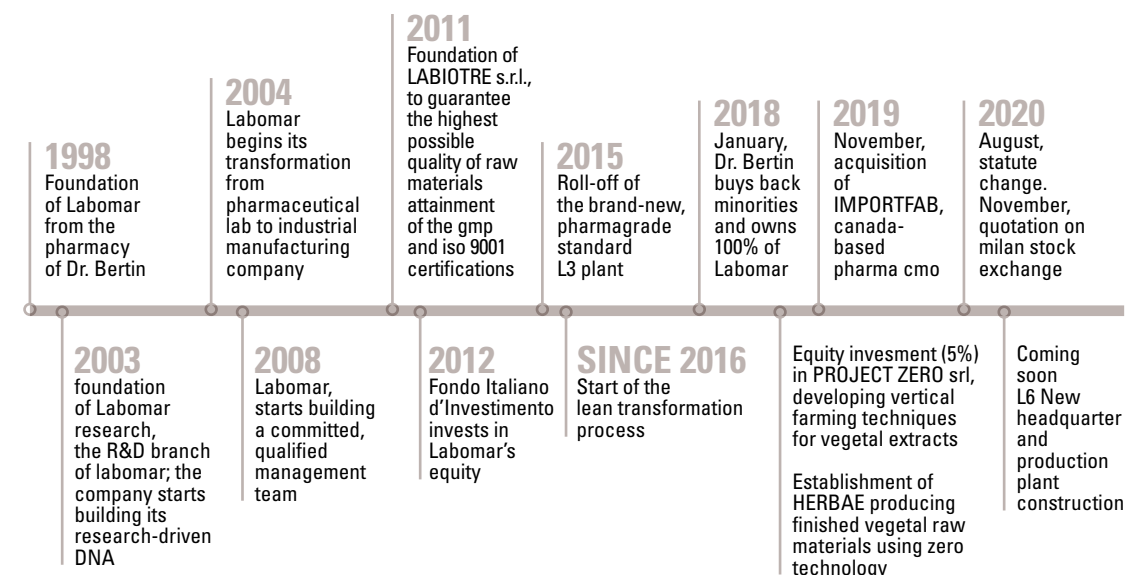
He took steps to transform the family shop and in 1998, he founded Labomar, a highly innovative company specialising in the third-party development and production of dietary supplements, medical equipment, food for special medical purposes, and cosmetics, falling within the broader sector of nutraceuticals. Today, Labomar offers a comprehensive customer service, ranging from the selection of raw materials to the delivery of finished products. The company adopts an ethical, responsible approach and promotes innovative products and services of high scientific value.

Labomar's strategy involves investing internally to consolidate its production structure and externally through strategic operations to foster two key factors that are particularly relevant to its sector: innovation and product quality.

In October 2019 Labomar acquired the Canadian company Enterprises Importfab Inc., based in Montreal. The acquisition gave Labomar direct access to North America, the world's leading nutraceuticals market.

In early October 2020, Labomar listed on the Milan Stock Exchange. The listing was the result of a long and demanding process that saw the company grow rapidly and steadily over the course of twenty-two years in terms of its internal structure and its production capacity, thanks in part to the development of new technologies and the pursuit of internationalisation.

One of Labomar's most important milestones in recent years has been its conversion into a Benefit Corporation in 2020. This came as part of a journey towards fully expressing and focusing on the drive towards sustainability that sits at the heart of the company. This legal change explicitly formalised the company's commitment to generating value and a positive impact on people and the environment.



In the near future, Labomar intends to build a new production plant that abides by certain sustainability criteria, which will allow the company to continue its journey and to pursue even more ambitious goals and opportunities in new markets.



Our Mission



Labomar’s journey towards sustainability is based on a desire to become a forward-thinking company whose values, ideals and aspirations form an integral part of the social community and the region in which the company operates.

As such, Labomar supports various health initiatives and pays careful attention to personal well-being, from the customers who love its effective, high-quality products, to its employees. Labomar’s transformation into a Benefit Corporation expressly and legally demonstrates its environmental and social commitment.

Convinced of the strong interdependence between companies and their local community, between productivity and the environment, and between success and personal well-being, Labomar has devised a far-sighted initiative that involves everyone in the adoption of new ethical conduct.

Labomar’s legal transformation into a Benefit Corporation represents an opportunity to involve its employees in the re-visitation and sharing of its corporate values, through a strategic project that will be implemented in 2021 and will help to redefine Labomar’s vision and mission through the lens of sustainability.



Labomar is a Benefit Corporation



Benefit Corporations engage in a new way of doing business with the goal of generating a positive impact on the environment and on the societies in which they operate. Specifically, Benefit Corporations are a new legal form of business introduced in Italy through Articles 376 and 384 of Stability Law of December 28, 2015. They centre around a dual purpose: the pursuit of traditional business purposes alongside new purposes aimed at creating shared benefits or one or more positive impacts on people, society, and the environment. Labomar sincerely believes in operating as a business focusing on sustainability and the well-being of the individual, the environment and the community. It has therefore amended its By-Laws to become a Benefit company. This new legal status formalises the decision to develop a responsible development model, which marries operating-earnings objectives with social and environmental aspects. With this in mind, Labomar has launched the Be Circular improvement programme, which establishes concrete improvement actions for all of its corporate stakeholders.

Labomar's shared benefit goals

Labomar's main goal is to foster personal well-being by embarking on a journey towards continuous, ethical and sustainable improvement, accompanied by the desire to help make the world a better place.

As a Benefit Corporation, we seek to pursue one or more shared benefit goals and to operate in a responsible, sustainable and transparent way towards people, communities, regions and the environment, and with regard to cultural and social heritage and activities, bodies and associations, and other stakeholders.

The company's shared benefit goals are as follows:

1. to dedicate careful attention to the sustainable innovation of production processes in order to create products that are ethical, high in quality, safe, and effective in response to the needs of our customers and final consumers;
2. to establish a concrete and transparent commitment to protecting the environment by monitoring our impact, introducing beneficial company practices, selecting safe and sustainable raw materials, and looking to form valuable partnerships with customers and suppliers;
3. to guarantee the well-being of employees, their families and the local community by developing initiatives that promote the growth of skills, awareness and the concept of a healthy lifestyle and the principles of respect and diversity;
4. to promote a culture of beauty, support for cultural and social initiatives, and the promotion of value in the local area.

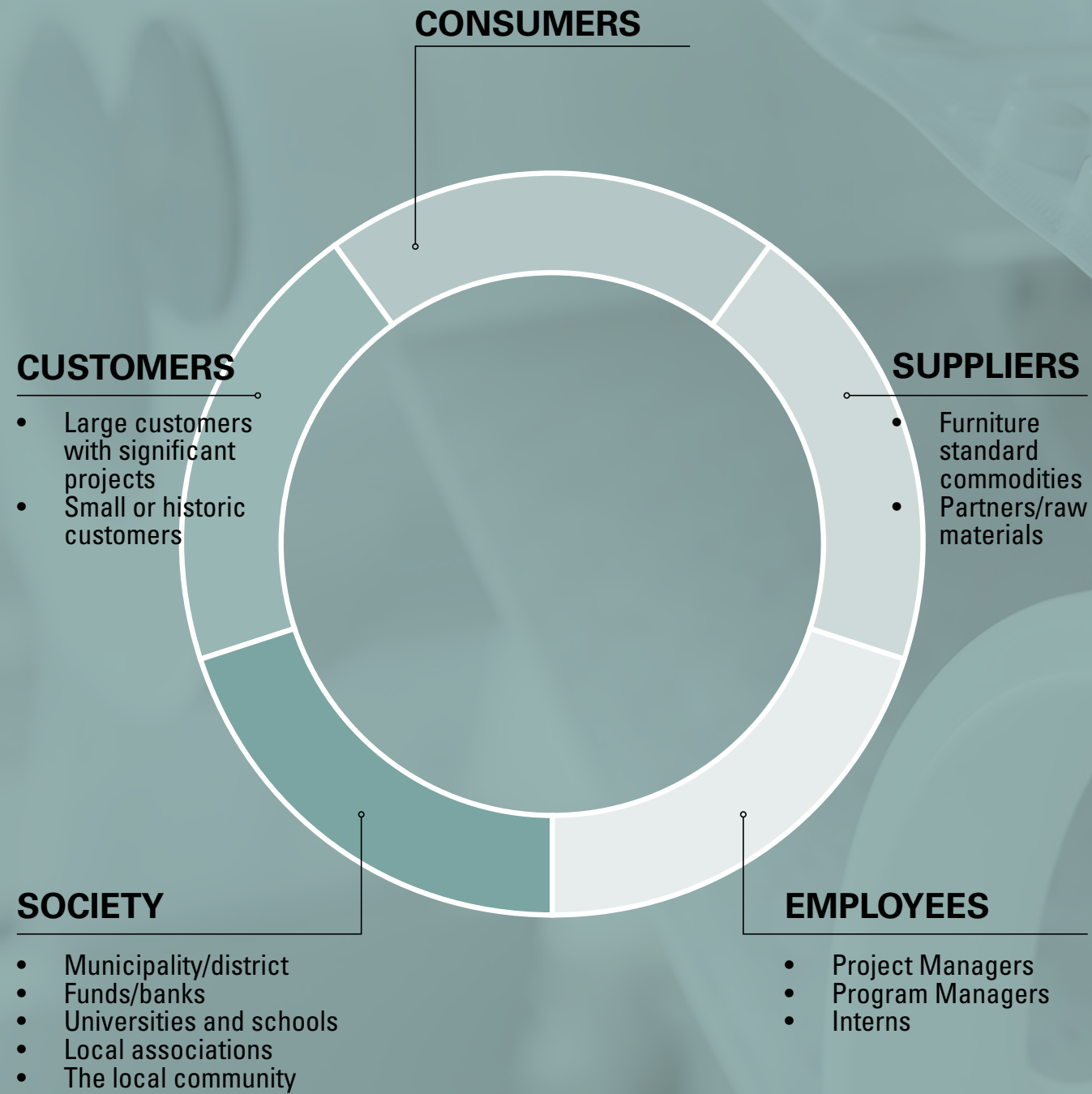
Materiality Matrix

Materiality analysis is an essential tool for involving the company's stakeholders in its progress towards sustainability. It serves to better define the sustainability topics that should receive the most attention from the senior management team, and precisely defines the concrete meanings of sustainability for Labomar.

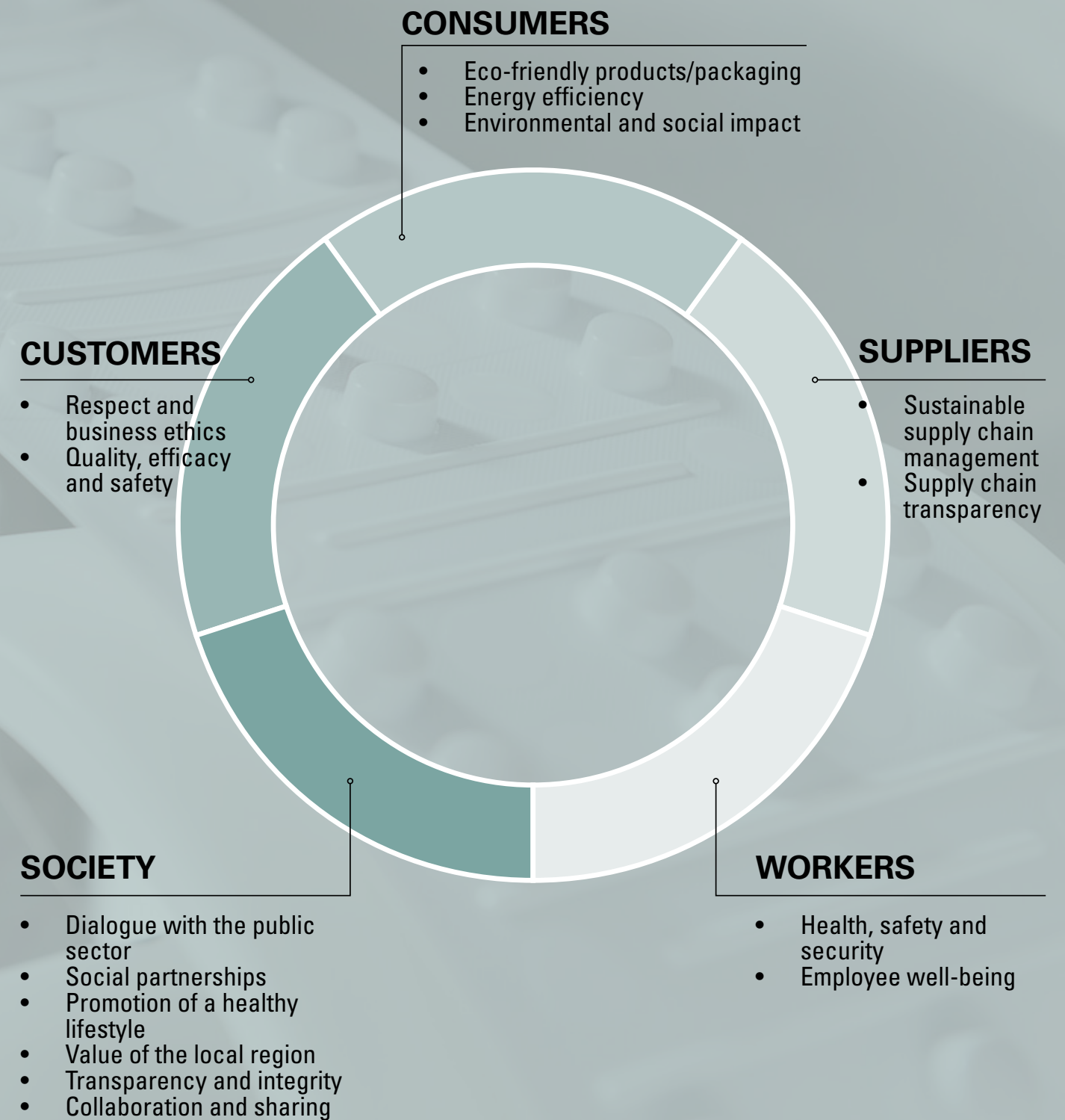
In 2020, Labomar completed a detailed internal mapping process to identify its material sustainability topics. An external survey was subsequently conducted to identify the importance of each topic for the company's stakeholders. An internal Be Circular team was established in 2020 to analyse and report on the company's impact and to oversee the process. The materiality analysis was then submitted for the approval of the CEO and the Board of Directors. The team identified fourteen material topics, shown in the matrix below, as a result of its internal analysis and stakeholder engagement activities.



Labomar's Stakeholders

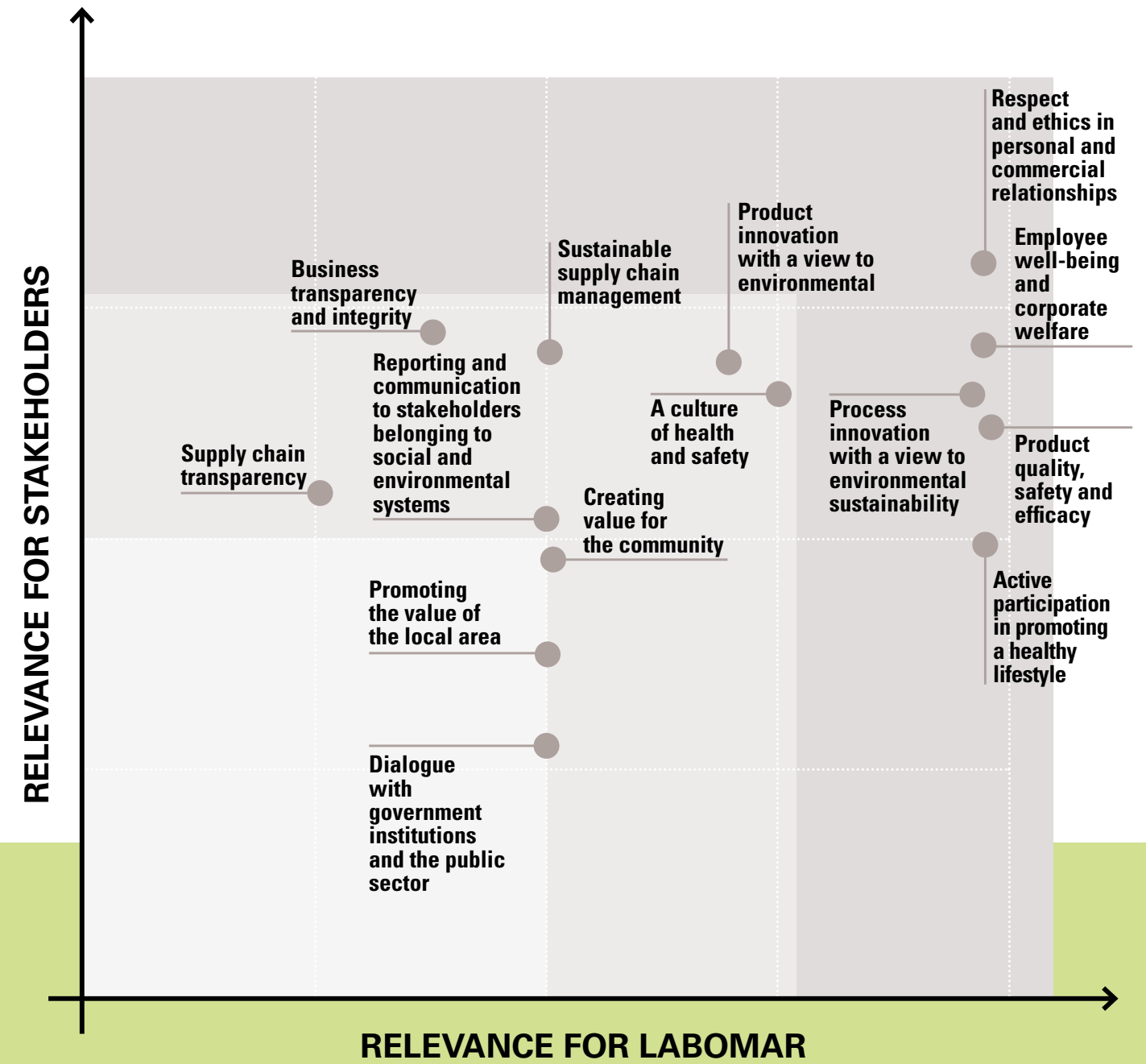


Labomar's Material Topics





The Materiality Matrix





Glossary and definition of Labomar's material sustainability topics

GOVERNANCE	Business transparency and integrity	Labomar's ability to grow its business with integrity, ethics, loyalty and transparency.
	Reporting and communication to stakeholders belonging to social and environmental systems	Labomar's ability to communicate and keep track of results and objectives that contribute to creation of value for society.
	Sustainable management of the supply chain	A portion of the value of each manufactured product depends on materials, components and services provided by third parties. Labomar's ability to actively manage its procurement strategies with regard to its stakeholder relationships by monitoring and qualifying its supply chain according to certain social and environmental sustainability criteria (employee health and safety, respect for human rights, respect for the environment).
	Supply chain transparency	Labomar's ability to increase the availability and communication of information regarding direct and indirect supplier compliance with environmental and social topics.
THE ENVIRONMENT	Process innovation with a view to environmental sustainability	Labomar's ability to take a proactive approach to minimising its environmental impact. Examples include energy efficiency and renewable energy, the reduction of polluting emissions and waste, and the management of water resources, waste, and wastewater.
	Product innovation with a view to environmental sustainability	Labomar's ability to adopt a "life cycle" design approach in order to reduce the environmental and social impact of its products from the design stage through to their eventual disposal.

PEOPLE	The quality, safety and efficacy of products and services	Quality has always been one of the company's inalienable values, and excellence is not a topic up for discussion or compromise. The sector itself also demands high production standards. As such, Labomar applies a strict system of measures to its value chain to eliminate the risks associated with products and/or services used by customers or end users and will continue to make improvements in this regard.
	Respect and ethics in personal and commercial relationships	Labomar's ability to dedicate time and attention to human relationships and personal dignity, regardless of considerations linked to the nature of relationships (be they contractual or otherwise) or corporate proximity (both in geographical and other terms).
	Employee well-being and corporate welfare	The promotion of interest in the personal needs of employees by implementing policies and initiatives to improve work-life balance and to improve the well-being of employees both at and away from the office.
	A culture of health and safety	Labomar's ability to promote healthy living at the company by raising internal and external awareness of the need to look after one's mental and physical health.
	Creating value for the community	Labomar's ability to promote partnerships in active social projects with local people in order to distribute value to the community.
	Promoting the value of the local area	The company's desire to promote projects that help support and develop local entities.
	Active participation in promoting a healthy lifestyle	The external promotion of healthy, balanced behaviours and habits is relevant for Labomar with regard to its stakeholder relationships.
	Relationships and dialogue with government institutions and the public sector	The company's commitment to cultivating and building constructive relationships with public bodies and institutions with a view to creating added value and sharing it with the community and stakeholders.



BeCircular is Labomar's sustainability programme and it provides for the creation and implementation of an activity plan to achieve measurable and tangible objectives. The objective of BeCircular is to implement an ongoing business change process with annual targets that turn Labomar's shared benefit goals into tangible actions.

Creating value as a company means having a clear vision of one's contribution towards a better environment and society. It entails a daily commitment to achieving this vision and implementing an agenda for change that consists of small but clear steps. These small steps will allow the company to achieve its goal of promoting and ensuring the well-being of people, the environment, and the local area in the long term. BeCircular demands ongoing responsibility and effort. It is not possible to become a sustainable business by simply declaring good intentions, and without seeking feedback on everyday operations. Sustainability means committing fully to corporate transformation, which requires an ability to overcome consolidated thinking styles and internal resistance to make room for new ways of improving. BeCircular is in only its first year, and as such, has thus far been characterised by the word 'opportunity'. The opportunity to create greater awareness, to complete training, and to collaborate with other people and entities who are embarking on the same journey. Finally, it is an opportunity to define and breathe life into action objectives through sustainability projects. The BeCircular programme is run by eleven team leaders involved in every phase of its implementation, and relies on the collaboration of five external professionals who are members of the Strategy Innovation spin-off at Ca' Foscari University in Venice.



Team BeCircular



Amadio Emanuele
Angeloni Alessandra
Berto Chiara

Bettin Cristina
Da Riva Francesco
Di Marco Chiara

Girolami Giuseppe
Pavan Francesca

Roccato Anna
Schiavina Gabriele



LABOMAR

SHARED BENEFIT GOALS



ETHICS, QUALITY, EFFECTIVENESS

*“Quality is meeting
and exceeding
the customer’s needs
and expectations
and then continuing
to improve.”*

William Edwards Deming

“Paying careful attention to the sustainable innovation of production processes in order to create products that are ethical, high in quality, safe, and effective in response to the needs of our customers and final consumers”

Scientific research and the development of new patented technologies are the beating heart of Labomar’s operations. The Research and Development team works with high-quality raw materials and innovative formulations, and produces precise scientific documentation on a daily basis. We collaborate with customers on new projects, from their conception through to their implementation, providing laboratory services and formulating innovative ideas and patented technologies.

Labomar focuses on high-quality production, relying on three production plants equipped with cutting-edge technologies and offering a wide range of packaging options. From the preparation of raw materials through to the creation of finished products, Labomar always conducts precise quality controls on its premises, processes and products in line with the GMP standards.

By monitoring every stage of the production chain, maximum attention can be paid to the selection of partners and suppliers, ensuring they scrupulously respect the quality standards put in place by Labomar and guaranteed to its customers. Finished products are the result of a meticulous process and the commitment of a team comprising competent and passionate professionals.

Quality, safety and efficacy define every product leaving Labomar’s production facilities.

Units produced/year	30 million
Transformation centres	16
Comprehensive packaging lines	15
No. Of formulas	800/year
Clinical trials	2
Investments in r&d	4% of revenues
Platform patents	8
Formula patents	5
New patents under development	2
Publications	16



COMMITMENT, TRANSPARENCY, THE ENVIRONMENT

*“The world
is a fine place
and worth
fighting for.”*

Ernest Hemingway

“A concrete and transparent commitment to protecting the environment by monitoring our impact, introducing beneficial company practices, selecting safe and sustainable raw materials, and looking to form valuable partnerships with customers and suppliers”

ENVIRONMENT PROGRAMME

To protect the environment, we must respect the delicate balance of ecosystems and establish a concrete and ongoing commitment to improving the well-being of the people who populate that ecosystem.

Climate change and the over-exploitation of our planet's resources may not seem like pressing problems to some, but Labomar has decided to eschew this short-sighted approach and take action now. Our Environment Programme establishes the long-term path we intend to take, and the first port of call is to measure our environmental impact. This process will identify critical issues in the use of resources and will allow us to plan necessary interventions using the Life Cycle Thinking model.

In 2020 Labomar launched a series of initiatives to measure and transparently communicate the environmental impact of its business activities, setting the necessary foundations to make reductions. In 2020 and 2021 activities will span three areas of analysis: organisation, production, and the supply chain.

1. Environmental Management Project

2. Sustainable Packaging Project

3. Sustainable Supply Project

4. Zero Waste Project



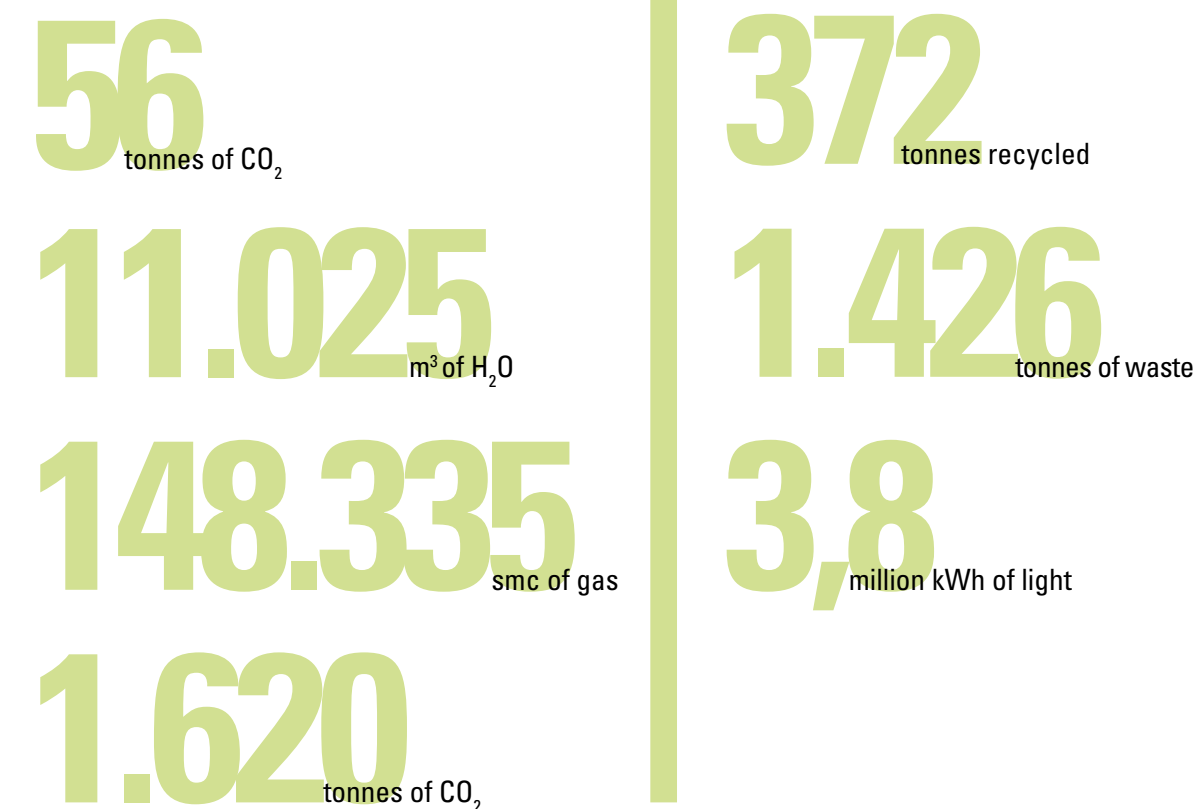
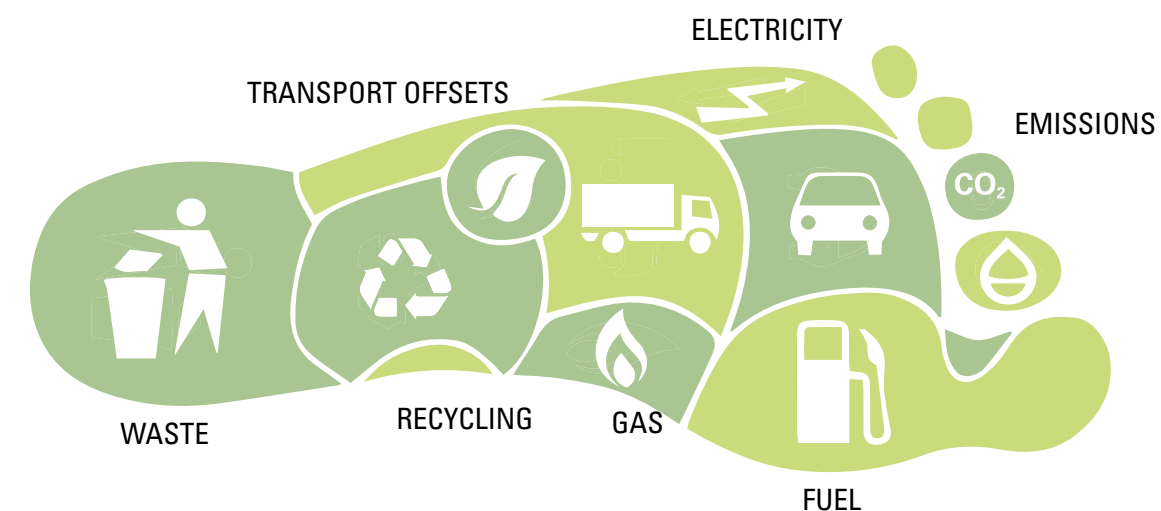
1. Environmental Management Project

This project focuses on the company's environmental impact and its production processes, adopting a Life Cycle Thinking approach.

The aim of this process is to achieve ISO 14001 certification. Labomar began three activities in 2020: initial data collection, environmental impact measurement, and the launch of an in-house training scheme covering environmental management techniques and methods. Labomar also demonstrated its deep desire to change by making plans to transition its electricity supply to 100% renewable energy. In 2021, Labomar intends to implement an Environmental Management System inspired by internationally recognised standards. This will enable the company to identify critical issues relating to its environmental impact, action areas and the necessary reduction objectives. This represents the first step towards defining the processes required to achieve its proposed targets in harmony with its pre-established environmental policy, and to devise systems for monitoring and measuring results and providing for their communication. The final step will entail the definition of a process to continuously improve the efficiency of its business processes in order to reduce its environmental impact.



Labomar's environmental impact is as follows:





The results of the initial data mapping process are shown in the following table. The data have been calculated on the basis of consumption and the information collected in relation to the company's production facilities in Istrana (TV). The conversion coefficients available in the literature have been used:

ENERGY	Total consumption of primary energy by the organisation - kWh	2019: 4.791.616 [electricity + gas] 3.401.114 [electricity] 2020: 5.407.589 [electricity + gas] 3.881.134 [electricity]
	Total consumption of primary energy from renewable sources - kWh (*)	2019: 1.054.345 kWh 2020: 1.203.152 kWh
WATER	Total water consumption - m ³ (*)	2019: 7.502 2020: 11.025
AIR	Total CO ₂ emissions from primary energy sources – t	2019: 1.430 2020: 1.620
	Total CO ₂ emissions from company vehicles – t	2020: 56
WASTE	Total waste generated - t	2019: 1.236 2020: 1.426
	Hazardous waste generated - t	2019: 1,34 2020: 4,9
	Total waste recycled – t	2019: 304, 26 2020: 372,16
GAS	Total gas used – scm (*)	2019: 149.611 2020: 148.335

The data have been calculated for the company plants in Istrana (TV) using the conversion coefficients available in the literature.

The data are not certified and are subject to potential revisions.

() estimates have been obtained using the information available when writing this report; data is subject to change following receipt of the supplier's final data.*

Consumption and the generation of waste generally increased in 2020 compared to the previous year, but this is largely proportional to the increase in company production and turnover. Labomar's goal is to clearly map its processes and consumption to define its actual environmental performance net of the effects of variations in production. From here the company will proceed to reduce its impact.

2021 OBJECTIVES

100% electricity from renewable energy sources (target already achieved following the identification of a new renewable energy supplier at the beginning of the year)

Implementation of an environmental management system inspired by the most authoritative and recognised international standards, including ISO 14001 and the Greenhouse Gas (GhG) Protocol

Definition of critical areas of impact and reduction objectives

Company electric car fleet: purchase of three cars and installation of charging points

Reduction of plastic used in dining areas, eliminating plastic bottles and introducing a water dispenser system

Double the percentage of paper used in the supply chain that is certified according to the sustainable management standards





2. Sustainable Packaging Project

The Sustainable Packaging project seeks to contribute to Labomar's efforts to reduce the environmental impact of its products. The project has a dual purpose. On the one hand, it represents an opportunity for Labomar to develop skills and knowledge relevant to the emerging green economy and on the other hand, it promotes an awareness of environmental issues along the production chain.

For this reason, in 2020 Labomar decided to complete an internal training course to acquire skills in the sustainable packaging field and to introduce the company to the concept of Life Cycle Thinking. In the future, Labomar intends to sustainably innovate its primary, secondary and tertiary packaging services by reformulating its market offer in line with three sustainable principles: Life Cycle Thinking, Sustainable Design and the concept of a Biobased Economy.

A.

THE "LIFE CYCLE THINKING" PRINCIPLE

This approach will provide the company with the basic information it needs to assess the environmental, social and economic implications of its products, taking into consideration all phases of a product's life cycle before it is designed, manufactured and sold on the market.

B.

THE CIRCULAR ECONOMY PRINCIPLE

Sustainable Design:

entails re-designing some packaging and favouring lighter formats, thereby allowing Labomar to reduce the use of raw materials. The company will also opt for single-material solutions to facilitate separate waste collection and recycling. Where eliminating multi-material packaging is not possible, we will try to use high-quality solutions to reduce waste.

Recyclability:

we suggest abandoning the use of virgin materials from fossil sources and ensuring that materials can be recycled at the end of their packaging life cycle. For some products, materials from fossil sources will be disposed of and replaced with 100% recycled and recyclable materials.

C.




THE BIOBASED ECONOMY PRINCIPLE

Origin of materials:

we will promote the biobased economy model, which is based on the efficient use of renewable resources and regional regeneration.

Biodegradability and Compostability:

biodegradable and compostable materials with a low environmental impact will be introduced into the company through partnerships with leading industrial companies

THE SUSTAINABILITY OF MATERIALS		THE SUSTAINABILITY OF RECYCLING
 BIO-PE	 PLA	 R-PET (50-100%)
Bio-based polymers From renewable sources Recyclable	Polylactic acid polymers (PLAs) From renewable sources Biodegradable and compostable	From recycled resources (PET): (e.g., from empty plastic bottles) It reduces energy and greenhouse gas emissions (>40%) when compared with virgin PET It helps prevent plastic from being released into the environment, where it would take hundreds of years to decompose naturally

2020 RESULTS	2021 OBJECTIVES
25 employees involved, split between the R&D, Supply Chain, Engineering and Industrialisation, Sales, Insurance, Quality, and Lean teams;	To increase the volume of packaging purchased to 5% according to the Life Cycle Thinking, Circular Economy and Bioeconomy principles;
130 hours of training; Product lines have been chosen for the sustainable packaging transformation process;	To select the product lines involved in the switch to sustainable packaging;
New partners have been scouted and selected to help develop the sustainable packaging project.	To launch new projects based on strategic partnerships with suppliers and customers who promote the ongoing reduction of the environmental impact of packaging.





3. Sustainable Supply Project

A company's environmental and social impact can never be contained using a gate-to-gate approach. To generate effective value, Labomar intends to involve its partners, and primarily, its suppliers in the process. The goal is to create a supplier management policy that entails a preference for and the consolidation of relationships with companies, products and services that generate social and environmental value. To achieve this aim, Labomar will integrate environmental and social criteria into the high-quality standards it has historically applied to its selection and evaluation processes. In 2021, this will involve collecting information and data from suppliers. Updated criteria will be applied to the entire supply chain in the long term. The information pool will allow us to identify critical areas and opportunities for future intervention.

2021 OBJECTIVES

50% of current suppliers to be assessed according to social and environmental criteria;
take action to increase total purchases from suppliers who stand out thanks to their focus on sustainability;

100% of new suppliers to be assessed according to social and environmental criteria;

Develop a code of conduct to be shared with suppliers;

20% of suppliers to agree to adhere to the code of conduct;

Two structured actions to improve transparency with regard to Labomar's indirect suppliers;

70% of secondary packaging supplied to be FSC-certified;

70% of packaging per shipping unit to be made from waste paper;

70% of packaging film supplied to be eco-friendly;



4. Zero Waste Project

The Zero Waste policy translates the organisation's commitment to environmental sustainability into concrete action. It defines the various areas of intervention on corporate waste and the purchase of products that meet sustainability criteria. In 2020 the Zero Waste Project looked specifically at waste occurring within the organisation, its offices, and the workplace environment. The future objective will be to include aspects relating to the production sector in this policy, expanding the company's activities to include increasingly relevant impacts, as detailed in the Environmental Management Project. Waste reduction and sustainable purchasing activities have been established in the following areas:

SCOPE OF REDUCTION	2020 TARGETS	2021 ACTIONS
Separated waste collection		Increased capacity to separate waste generated in refreshment areas and offices to be sent for recycling
		2 hours of training per employee
Plastic	Approx. 430kg plastic from water bottles and flasks	50% reduction in plastic from water bottles consumed in dining areas and offices
	2020 bottles donated	Installation of filtered drinking water dispensers
Paper		-10% paper use
	4,600kg of paper reams used for printing purposes	At least 70% of paper purchased possessed certified sustainability characteristics
Travel	Business travel policy	3 electric cars; 3 charging points
Other materials (office, cleaning)		8 eco-sustainable purchase management criteria



WELL-BEING,
THE COMMUNITY,
RESPECT

“Respect comes
from knowledge,
and knowledge
requires commitment,
investment, and effort.

Tiziano Terzani

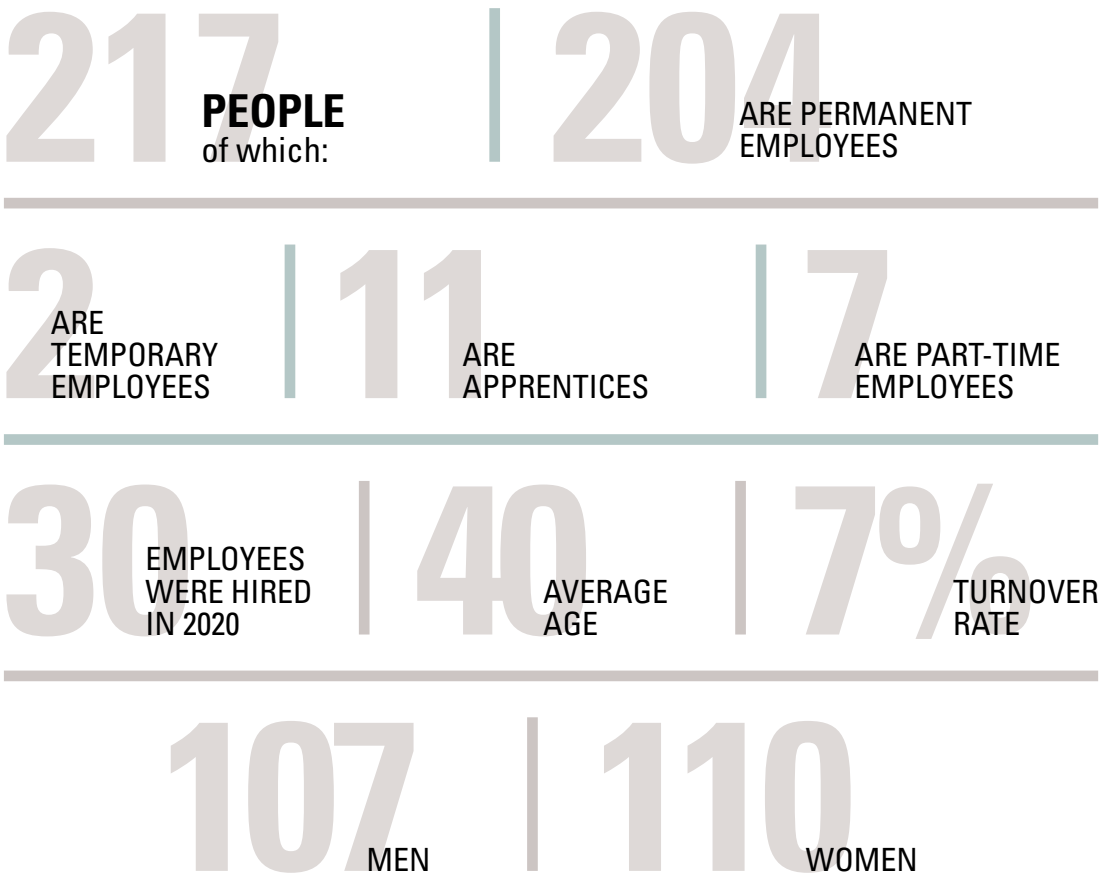
“Guarantee the well-being of employees,
their families and the local community
by developing initiatives that promote the growth
of skills, awareness, the concept of a healthy
lifestyle and the principles of respect and diversity”

THE PEOPLE & WELL-BEING PROGRAMME

Labomar sees well-being as a mission that involves everyone, not as a mere product-related objective. People and their well-being have always been key to Labomar’s product offer, to its relationship with its customers, its production and organisational processes, and to relationships that travel beyond Company walls and into the homes of the partners and citizens with whom Labomar has historically interacted in the local region.

The People & Well-Being Programme is a response to Labomar’s third shared benefit goal in its role as a Benefit Corporation. The programme comprises a series of activities rooted in the Company’s history and culture, but which nevertheless intend to establish progress in the area of personal development. It encompasses Labomar’s personal growth activities (the Grow at Labomar Project), attention to well-being within the company (the Well-Being Project), involvement and the sharing of values (the BE Labomar Book), and the themes of diversity and inclusion (the Diversity & Inclusion Project).

Labomar employees:





1. The “grow at Labomar” project

Labomar invests in personal growth and development. Devising professional development plans and training courses to improve skills is key to promoting well-being, a sense of belonging to the Labomar team, and productivity.

Training and development are the cornerstones of any personal growth journey, a journey that seeks to help people achieve their potential by identifying their personal inclinations and motivations. In this way, we want to transform the workplace into a place where everyone can fully realise their potential and be viewed as individuals with unique qualities. As such, the “Grow at Labomar” project seeks to increase the quantity and quality of training programmes and to develop increasingly personalised professional plans, which will accompany employees along their personal growth journey within the Company.

TARGET	2020	2021
Total training hours	9.511	10.000
Employees who have participated in <u>vocational training sessions</u> focused on building skills relating to their work duties	77,2%	80%
Total professional training hours	9.150	Total Production, Maintenance, Behaviour-Based, and Quality training hours
Employees who have participated in <u>soft skills training</u> in addition to their normal work duties	7,6%	Problem solving, Project Management, Lean Mailing, Lean Meeting, and TCO - Total Cost of Ownership training hours
Total hours of soft skills training	84	
Employees who have participated in <u>personal development</u> skills training	13,84%	CORPORATE WELL-BEING <ul style="list-style-type: none">• Company values• Ergonomic principles and health in production environments• Conflict management and providing positive feedback
Total employee training hours	234	
Hours of <u>sustainability</u> training	130 hours - sustainable packaging development 10 hours - corporate sustainability	SUSTAINABILITY <ul style="list-style-type: none">- separate waste collection and recycling12 hours - environmental management systems



2. The “Labomar Well-Being” Project

Well-being is cultivated by paying careful attention to key issues and working towards ongoing personal and collective improvement. The well-being project focuses in particular on issues of health and safety, corporate welfare, and wellness. Health and safety activities are both ongoing and in-depth. Health and safety played a vital role in 2020.

For some years now, corporate welfare has been fostered through a platform that provides employees with a choice of numerous benefits.

Furthermore, Labomar has historically supported the promotion and education of a healthy lifestyle as a natural extension of its corporate philosophy. Nutrition, exercise and healthy habits fall within the scope of the LABOFIT project, which makes sports facilities, training programmes and nutritional initiatives available to Labomar employees and to citizens, combining physical activity with healthy eating.

In recent years, LABOFIT has involved participation in local sporting events, such as “Camminare per la vita”, “Maggio in Corsa” and “Treviso in Rosa”.

Due to social distancing policies, it was impossible to expand or continue community and sporting activities in 2020, but they remain a target for 2021 depending on the evolution of the pandemic.

TARGET	2020	2021
Welfare	40/40 performance bonuses distributed	Inclusion of sustainability parameters in performance evaluations
	184 people entitled to access the company welfare platform	Linked to the number of employees
Labofit	8 educational insights into healthy lifestyles as part of the “COVID-19 - managing the crisis and seizing opportunities” campaign	10 recommendations and educational insights into the products we make and how best to use them to improve well-being
Health and safety during the pandemic	7 managers involved in anti-COVID protocols	Upkeep
	48 employees have adopted anti-COVID agile working methods	Upkeep
	Accident frequency rate: 5.68 incidents for every 1,000,000 hours worked	Upkeep



3. The “BE Labomar Book” Project

The sharing of values, objectives and best practices is a growth driver for everyone at Labomar. Establishing a shared path towards sustainability and business growth by relying on the strength of the community would not allow us to reach our goals if we did not share our success with others. The BELabomar project seeks to promote the involvement of staff through clear internal communication on company values and activities.

It includes an internal system for collecting and responding to employee recommendations on how to improve the way they work, working environments, and internal communication tools. BELabomar is also the name of the twice yearly company magazine and the twice monthly newsletter, which have both been running for more than three years and played a particularly important role during the pandemic in 2020.

The project seeks to expand and improve internal sharing activities, including those relating to sustainability processes through a new twice monthly newsletter entitled BeCircular. It also seeks to create and distribute an interactive employee handbook containing useful information on how to improve well-being, known as the BELabomar Book, in addition to implementing an internal digital comms tool (Labomar Channel) to share information on an ongoing basis using screens in various areas of the office, with the aim of improving employee engagement.





INTERNAL COMMUNICATION IS ONE OF LABOMAR'S KEY ACHIEVEMENTS



LABOMAR NEWSLETTER

Internal twice monthly newsletter



LABOMAR HOUSE ORGAN

Internal twice yearly employee magazine

TARGET	2020	2021
Recommendations system	71 ideas and recommendations submitted	Upkeep
	50% of recommendations implemented	Upkeep
BE Labomar newsletter	6 newsletters	12 newsletters, including the new twice monthly Be Circular newsletter to promote a culture of sustainability
BE Labomar magazine	2 publications	2 publications with the new Be Circular column
BE Labomar book	Conception and collection of materials	Production of the Be Labomar Book 100% of employees reached by the Be Labomar Book
Labomar Channel		Implementation of a digital publishing plan

4. Diversity & Inclusion Project

Labomar believes that diversity and inclusion are not problems to be managed but opportunities to invest in. Diverse work teams built on the value of inclusiveness are far stronger and boast better performance than those that aren't. Furthermore, if a company is hoping to take a proactive approach to values and personal well-being, it cannot apply one idea of well-being to all individuals. Labomar's Diversity & Inclusion Project seeks to give a formal structure to this topic.

2020 TARGETS	2021 OBJECTIVES
Collection and systematisation of data, and gender and age diversity indices	Upkeep
Processes that confirm the company's commitment to guaranteeing diversity, equality and inclusion in all its recruiting activities	Mentoring and networking activities to streamline internal processes on issues relating to diversity and to increase the level of inclusivity in the workplace and among employees
The Company has appointed a specific employee or group responsible for diversity, equality and inclusion in the workplace	Upkeep





BEAUTY,
CULTURE
AND SOCIETY
THE LOCAL AREA

*The future belongs
to those who believe
in the beauty
of their dreams.*

Eleanor Roosevelt

**“Promotion of a culture of beauty,
support for cultural and social initiatives,
and the creation of value in the local area”**

THE LOCAL LOVE PROGRAMME

In an era marked by new and difficult challenges, it is important to find time to reflect on the bonds we often take for granted and the value they give to our daily lives. The Local Love Project seeks to define Labomar’s bond with the region in which it was “born and raised”. The local community in Istrana and Treviso is an important stakeholder both because of the physical presence of the company’s offices, and because Labomar sees itself as a living, breathing component of the local social fabric. As such, Labomar has always participated in local initiatives and established important relationships with local entities. Social benefits are thus generated by developing human, intellectual and cultural capital in the local area and by protecting environmental resources and existing assets. Local Love has existed for several years as a spontaneous, informal approach with regard to the local region. Labomar has always passionately sought to build relationships with associations, NGOs, schools, and institutions. However, as a Benefit Corporation, we wanted to give the Local Love project a longer-term purpose and objective and to measure and plan its value creation.

Charitable giving and sponsorships

New projects to generate value in 2021

1. The Corporate Solidarity Buying Conglomerate Project
2. The Social, Environmental, and Landscape Redevelopment Project
3. The Treedom Project



Charitable giving and sponsorships

Labomar has a history of donating funds and products to social, cultural and sporting entities in the local area.

Labomar's broad network of valuable business relationships is characterised by sponsorships and participation in events, roundtable discussions, and entrepreneurial exchanges.

2020

Euro 40,125 of hand gel donated to the following entities: the Arma dei Carabinieri, Canova State Senior High School, the Municipality of Istrana, the Marca Trevigiana Local Care and Social Care Service (Azienda ULSS 2), Treviso Prefecture, the Private Pension Fund, Assindustria Venetocentro - Imprenditori Padova Treviso (an association belonging to Confindustria), and the Istrana GSG Sports Club

Euro 2,350 donated to: Domus Nostra

Sponsorship of Treviso Basket and Calcio Istrana 1964 ASD

Sponsorship of the following events: Fondazione Oderzo Cultura, Camminare per la vita

Company events: second-level Master's degree in applied phytotherapy – online

2021

Support for Trevisatletica, an amateur sports association comprising 18 athletes between the ages of 15 and 35 with intellectual and social disabilities.

The team is highly motivated, trains on a weekly basis according to a sports event schedule, and is coached by qualified athletes who help develop individual motor skills and promote the importance of sharing and supporting team members. With support from Labomar, Trevisatletica has decided to build a small gym to integrate track and field training with strength activities.

Events sponsored:

Creativity Week, the "Innovation Future School" association seeks to involve young people, companies and institutions in a programme of events and activities throughout the year in order to establish a closer bond between the different groups. TCW intends to generate interest in young Italian creative innovators by awarding prizes to the most interesting entrepreneurial ideas in the local area, stimulating discussion, and engaging a diverse audience (young people, families, organisations, institutions and businesses) in the topics of innovation and sustainability. Labomar will sponsor the programme and take part as a co-organiser in order to actively contribute to the acceleration and awarding of new start-ups.

Labomar will also participate in the Assindustria roundtable thanks to the delegating of environmental topics to the CEO.



NEW PROJECTS TO GENERATE VALUE IN 2021

1. Corporate Solidarity Buying Conglomerate

Labomar will launch the Corporate Solidarity Buying Conglomerate (GAS) in 2021 through a partnership with a local Cooperative that grows and sells certified organic fruit and vegetables. The Cooperative also sells a range of other products made from organic crops.

The Cooperative plays an important role in the local community and will hopefully help solidify Labomar's existing values on nutrition and healthy lifestyles through the planning of social farming initiatives.

The fresh produce grown will be local to Treviso, and the Cooperative recently obtained official PGI certification for its red chicory from Treviso. At the same time, a small experimental vegetable patch will be planted to grow new produce, measuring both agricultural yield and customer appreciation. The Cooperative is a social enterprise that engages in therapeutic, rehabilitative and social integration work with socially vulnerable people, while also improving agricultural and environmental resources in the local area. Engaging in agricultural activities and looking after animals are important ways to foster the mental and physical recovery of individuals. Activities fall within the realm of rehabilitation, allowing capable but disadvantaged individuals to integrate or reintegrate into society.

Recovery programmes are devised according to individual needs, with the aim of fostering spiritual and professional growth. The problems faced relate not only to mental health, and their solutions seek to support and promote the social reintegration of people left to survive on social welfare.

Through this new relationship, Labomar is committed to periodically purchasing food and produce from the Cooperative as part of a shared agreement. In doing so, support is provided to an organisation that fosters social inclusion in the local area while providing a concrete service that promotes the well-being of Labomar employees and their families, who have the opportunity to contribute to a worthwhile cause.

2021 OBJECTIVES

Promotion and development activities of the Corporate Solidarity Buying Conglomerate

At least 10 group purchases

At least 30 people involved



2. The Social, Environmental and Landscape Redevelopment Project

This project will see Labomar engage in redeveloping 5,000m² of land in the Municipality of Istrana in 2021, in order to enhance its social function and role within the region. The project foresees numerous improvements in the area, including the construction of a pedestrian walkway and the planting of trees and plants. Once work is complete, the land will be donated to the Municipality of Istrana for its future management.

2021 OBJECTIVES

5.000 m² to be redeveloped

3. The Treedom Project

The Treedom Project is a web platform that allows people to plant trees all over the world. It works with farmers in the local area and supports them through the early stages of the tree planting process, when trees are still too young to yield produce. The project involves formalising a commitment to purchase trees in 2021:

2021 OBJECTIVES

200 trees in Cameroon





Conclusion

With this first Impact Report, Labomar hopes to start an ongoing conversation with its stakeholders, adopting the open and transparent approach that has always defined the company. This is our way of involving everyone in a shared effort to discuss and resolve future challenges.

We consider this report to be the very first step in a long and unceasing process, one that we hope will inspire other companies with the same vision to make urgent changes with regard to sustainability.

But the road ahead is long and we must walk it together, combining our efforts, ideas and enthusiasm so that we may edge ever closer to achieving our goals, for the good of the planet and for the future of all.





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