

LABOMAR GROUP ESG SUMMARY REPORT

LABOMAR
GROUP

2024



Statement from the President and CEO

Dear Stakeholders,

With great pride, we present the first ESG Summary Report of our Group, a milestone that marks the beginning of a structured and shared journey towards a more responsible and conscious future. This document is not only a transparent account of our activities and progress but also a declaration of intent: we aim to strengthen our role as an innovative and sustainable entity, capable of generating value for people, the environment, and the community.

2024 has been a year of transformation and growth. Among the main achievements, the transition of Labiotre and Welcare to benefit corporations stands out, confirming our commitment to a business model that integrates economic objectives with common benefit purposes. This is a fundamental step in our ambition to transform the entire Group into an ecosystem of benefit corporations, enhancing our positive contribution to society and the planet.

We have also obtained the EcoVadis Gold rating, an acknowledgment that rewards our commitment to ESG (Environmental, Social & Governance) issues and allows us to better meet our clients' sustainability needs, consolidating our position in the international market. In parallel, we have initiated important strategic projects to integrate the various entities within the Group, fostering the creation

of synergies that enable us to optimize processes, share know-how, and strengthen our capacity for innovation. In particular, research & development has been confirmed as a transversal reference point, supporting all the companies in the Group in the ideation and realization of increasingly advanced and sustainable solutions.

We are aware that the path to sustainability is a journey in continuous evolution. Therefore, we will continue to set ambitious goals, integrating sustainability into every aspect of our business strategy and transforming challenges into new opportunities for responsible growth. We look to the future with determination and confidence, ready to build a better tomorrow together.

The following is a snapshot of our 2024 progress on Labomar Group sustainability results. Our full 2024 Sustainability Report can be found at [Link](#)



Walter Bertin
President and CEO Labomar S.p.A. with sole shareholder

Please note that the sustainability data and information contained in this 2024 ESG Report refer to the parent company Labomar S.p.A. (sole shareholder) and its subsidiaries Labomar Canada Inc., Welcare Research S.r.l., Welcare Industries S.p.A., and Labiotre S.r.l. Any additional scope limitations are indicated directly where the indicator is presented. Sustainability information for Entema Invest., S.I. and Laboratorios Entema, S.L.U. will be integrated starting from the next reporting period, as the acquisition was completed during the last quarter of the previous year.



Sustainability as a corporate value

MISSION

We improve people’s well-being and quality of life.

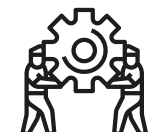
VISION

We work together with passion to conceive and manufacture products and services for wellness, respecting the environment. We innovate with courage, proud to belong to a big family.

CORPORATE VALUES



CUSTOMER
ORIENTATION



TEAM SPIRIT



PASSION FOR
EXCELLENCE



CONSISTENCY



WELL-BEING AND
SUSTAINABILITY

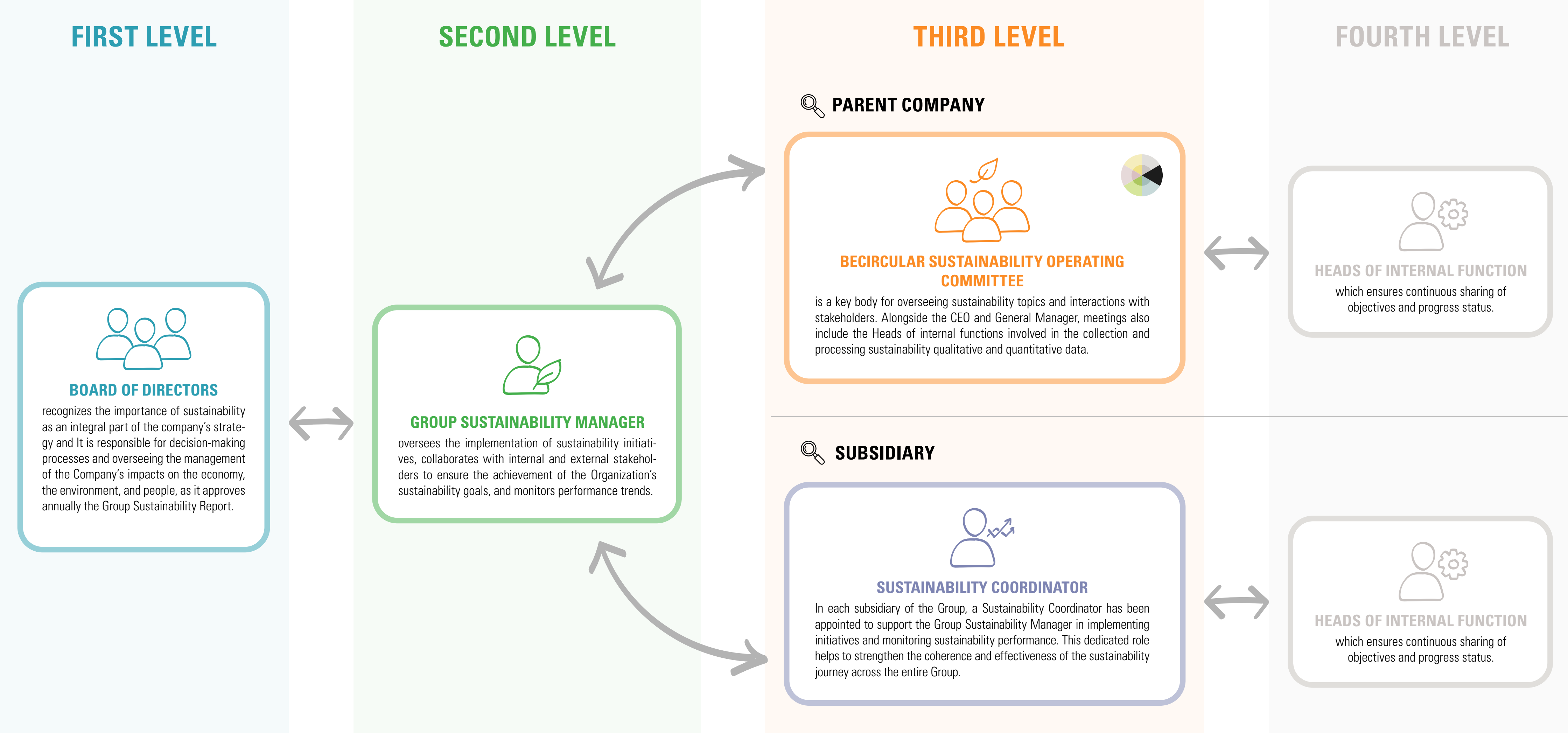
SDG 3: Health and Well-being

Labomar Group fully integrates into this SDG 3 by contributing to the promotion of health and well-being through the study and creation of cutting-edge and personalized nutraceutical solutions for its customers. This is achieved through the integration of a comprehensive service, from Research and Development to the industrial-scale production of safe, effective, and distinctive food supplements, medical devices, cosmetics, and foods for special medical purposes.



Sustainability Governance

Labomar Group has established a governance structure dedicated to outlining the strategy and sustainability path, aiming to pursue sustainable development across all its entities. The Board of Directors of the parent company recognizes the importance of sustainability as an essential element of the corporate strategy. The preparation of the Sustainability Report is carried out through a participatory process that involves, in addition to the subsidiaries, various internal corporate functions and stakeholders, ensuring an inclusive view of the impacts.



Benefit Corporation

As a Group of Benefit Companies, each company seeks to pursue one or more shared benefit goals and to operate in a responsible, sustainable and transparent way towards people, communities and the environment, and with regard to cultural and social heritage and activities, bodies and associations, and other stakeholders.



- **PRODUCTS**
- **ENVIRONMENT**
- **PEOPLE**
- **COMMUNITY**

Taking care of people’s well-being through a continuous, ethical, and sustainable improvement process represents Labomar’s primary objective, accompanied by the desire to contribute to making the world a better place. As a Benefit Corporation, Labomar aims to pursue one or more common benefit purposes.



- **PRODUCTS**
- **ENVIRONMENT**
- **STUDENTS**

In its journey of growth and responsibility, Labiotre took a significant step towards a more sustainable and community-oriented business model in October 2024 by becoming a Benefit Corporation.



- **PATIENTS**
- **ENVIRONMENT**
- **PEOPLE**
- **COMMUNITY**

Welcare Research and Welcare Industries became Benefit Corporations in September 2024, thus re-affirming their commitment not only to economic objectives but also to achieving a positive impact on society and the environment.



Labomar Canada followed the example of the parent company by amending its founding documents to adopt the legal form of a Benefit Corporation. This transformation formally integrates the interests of all stakeholders into the company’s decision-making process through the inclusion of specific clauses in its bylaws.

→ Topics on which the common benefit purposes identified in the bylaws are focused

A B Corp® certified Group



Being a B Corp® means being part of a global movement of companies that adhere to high standards of social and environmental impact, promoting an inclusive, equitable, and regenerative socioeconomic model. This milestone, achieved in 2023, once again attests to the strong commitment of the Labomar Group to the well-being of people, clients, communities, and the environment. With the attainment of this milestone, the Group has embarked on a journey that sees it enthusiastically pursuing even more ambitious horizons, because sustainability is a path of value creation that never stops.

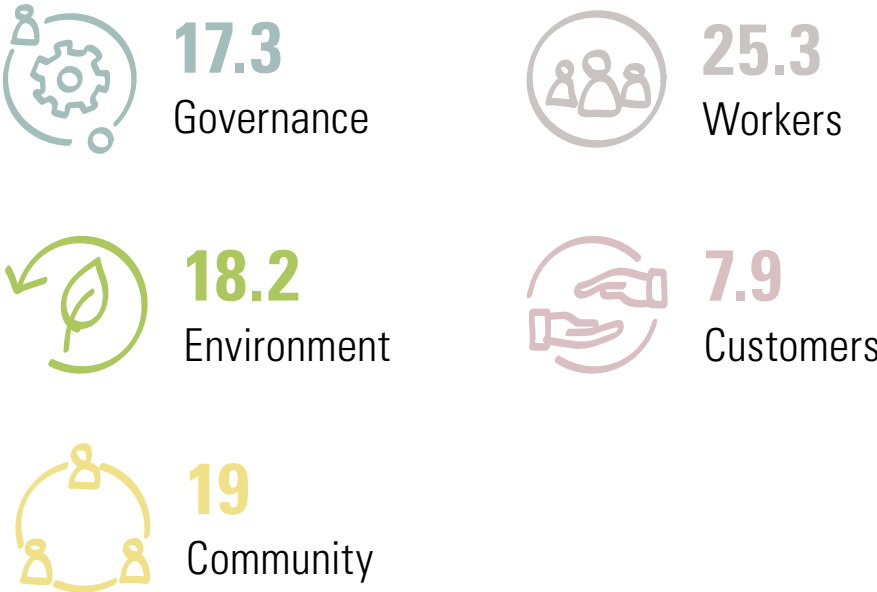
B Corp® Impact areas

Certification as of December 31, 2021

Total score for Labomar Group

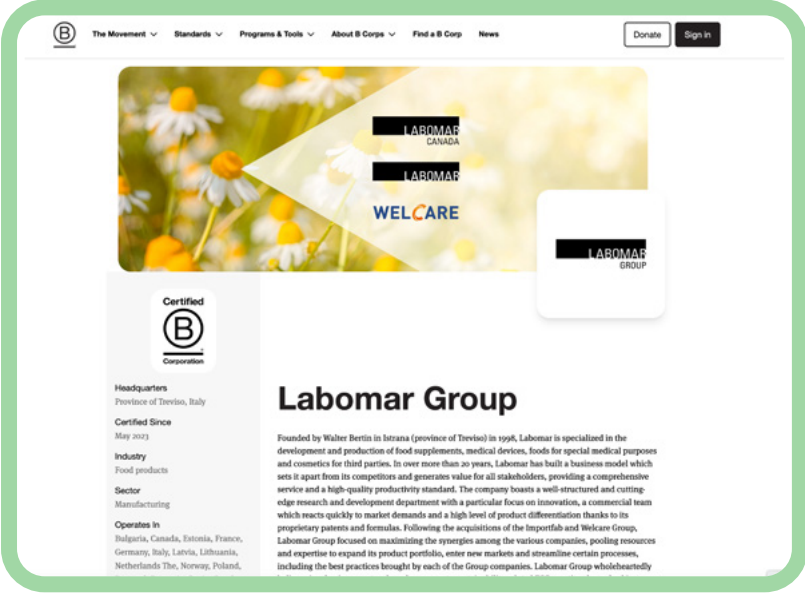
88.3

Breakdown by area



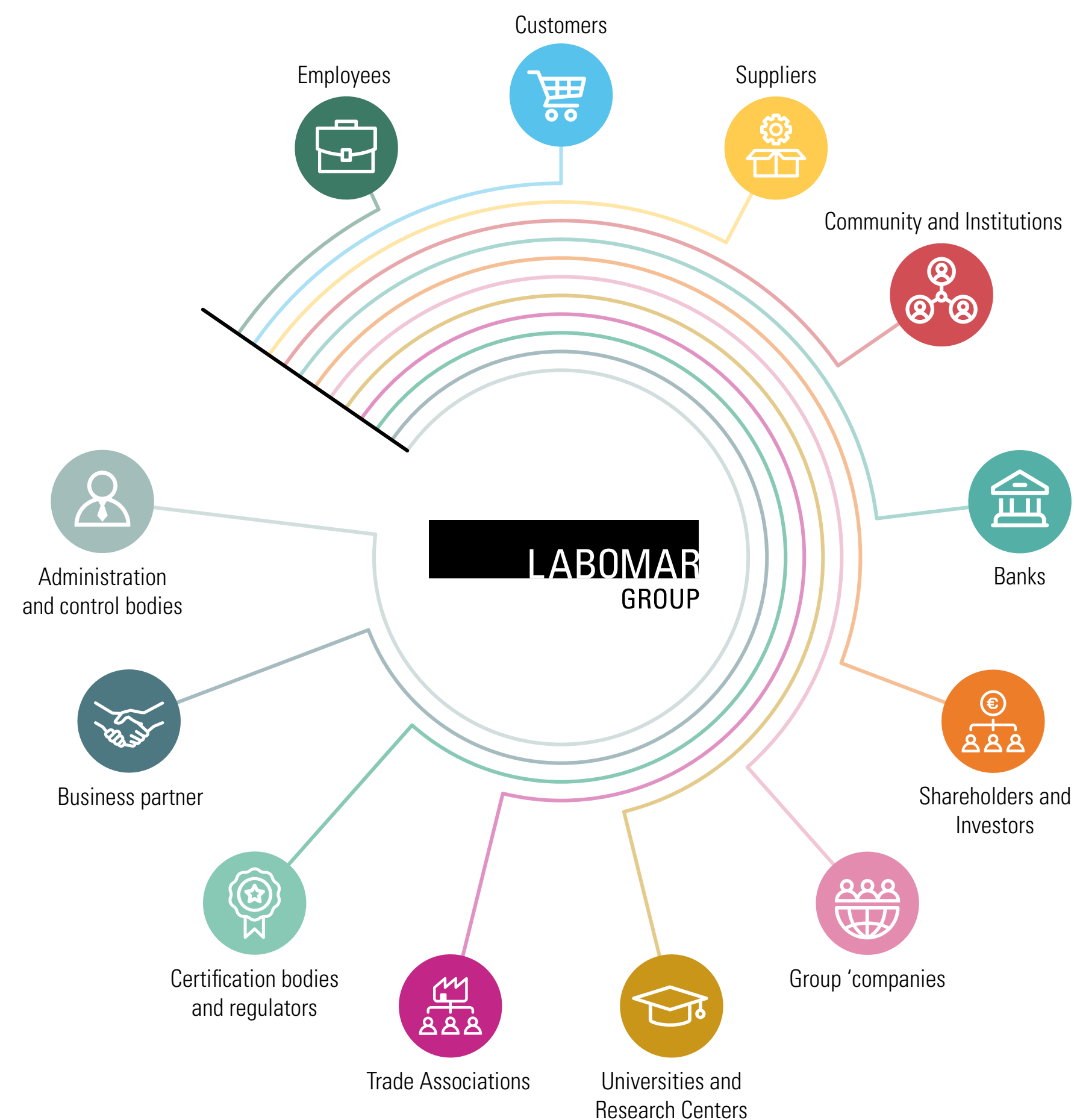
GO TO INTERNATIONAL PORTAL

On the international portal, the total score of Labomar Group is reported, considering that the companies within the Group that have obtained certification, surpassing the threshold score of 80, are, besides Labomar, Welcare and Labomar Canada.



Stakeholders

The stakeholder categories were identified through a detailed analysis of Labomar Group’s context, including stakeholder mapping and assessment of the organization’s impact on them. The analysis was twofold: (1) benchmarking against key peers and (2) internal document analysis concerning ISO 9001 contextual documents. Below Labomar Group Stakeholder Map.



Double materiality

In 2024, an initial assessment of double materiality was completed in accordance with the requirements of the cross-cutting principles of the European Sustainability Reporting Standards 1 to determine the material sustainability topics for the entire Labomar Group. Below is an overview of the Impacts, Risks, and Opportunities (IRO) considered material and their position within the Labomar Group's business model across different time horizons.

ESRS	Upstream	Own operation		Downstream	Time horizon
	Suppliers	R&D	Production	Customers	
E1	Fight against climate change and efficient energy use				<input type="checkbox"/>
E3	Water resource management				<input type="checkbox"/>
E5	Utilization of raw materials and waste management				<input type="checkbox"/>
	Sustainable Packaging Management				<input type="checkbox"/>
S1	Health and Safety				<input type="checkbox"/>
	Employee well-being and corporate welfare				<input type="checkbox"/>
	Attraction and retention of talents				<input type="checkbox"/>
	Employee management and development				<input type="checkbox"/>
	Diversity, Equal Opportunities, and Human Rights				<input type="checkbox"/>
S4	R&D and Innovation				<input type="checkbox"/>
	Product quality and safety				<input type="checkbox"/>
	Cybersecurity and privacy protection				<input type="checkbox"/>
G1	Sustainable management of supplier				<input type="checkbox"/>
	Ethics, business integrity, and anti-corruption				<input type="checkbox"/>

It is reported that the impacts 'Stakeholder engagement and involvement,' "Integration of sustainability into the business", and 'Economic performance' were not considered in the double materiality analysis because they are not included in the architecture of the ESRS standards.

Ethics, integrity and anti-corruption



Labomar has implemented an Organizational, Management, and Control Model in compliance with Legislative Decree No. 231/2001



Empowering all group companies through dynamic internal knowledge sharing on ethics and compliance



In 2024, the Group proudly reports zero significant cases of non-compliance with current regulations, no incidents of corruption, and no legal actions related to anti-competitive behavior or antitrust violations involving Group companies



OBJECTIVE

In 2025, Labomar Group will work with its Italian companies to strengthen compliance and align them with the parent company’s standards of business ethics and integrity

Cybersecurity and privacy protection



The Security Operation Center (SOC) and Cyber Threat Intelligence (CTI) services are now operational for the entire Group, ensuring the protection of information systems and sensitive data



The XDR system fine-tuning and SIEM service implementation were extended to all Group entities for rapid anomaly detection and 24/7 security operations



No substantiated complaints regarding data breaches or loss were reported, confirming the effectiveness of the measures adopted

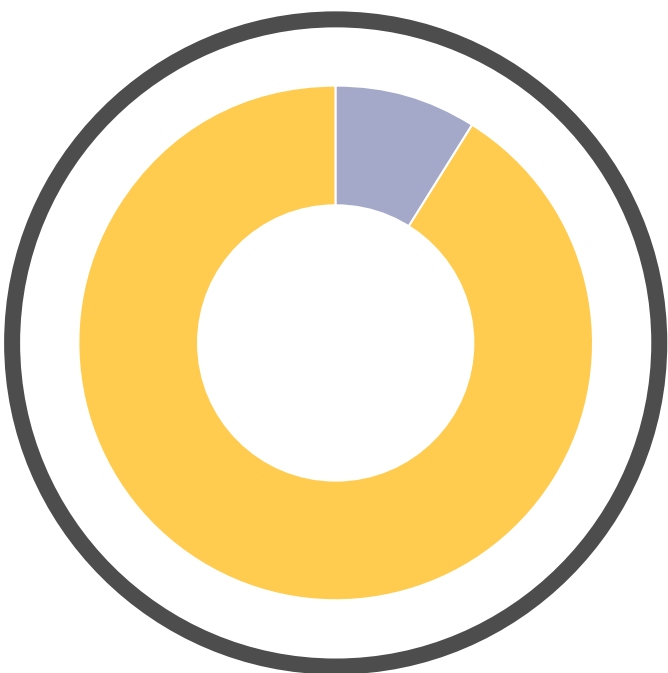


OBJECTIVE

Starting in 2025, a centralized platform for the Data Protection Officer (DPO) and Group-wide IT onboarding and exit procedures will be adopted to further strengthen security and privacy governance

Economic Performance

2024



Direct economic value generated

103,336,551.06 €

Direct economic value generated

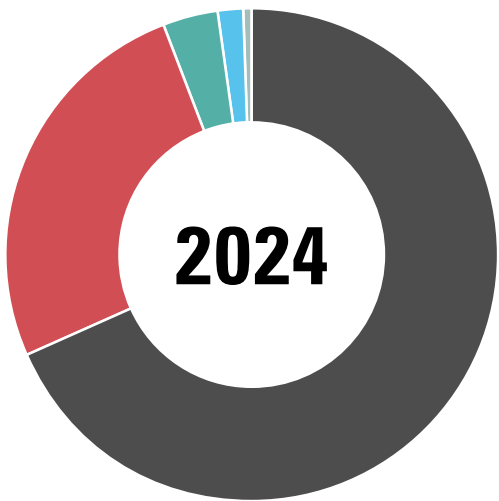
• 11,027,644.45 € → 8.9%

Economic value retained

• 92,308,906.61 € → 91.1%

Economic value distributed

Economic Value Distributed



2024

→ 69.77%
operating costs

→ 25.40%
employee wages and benefits

→ 3.76%
payments to providers of capital

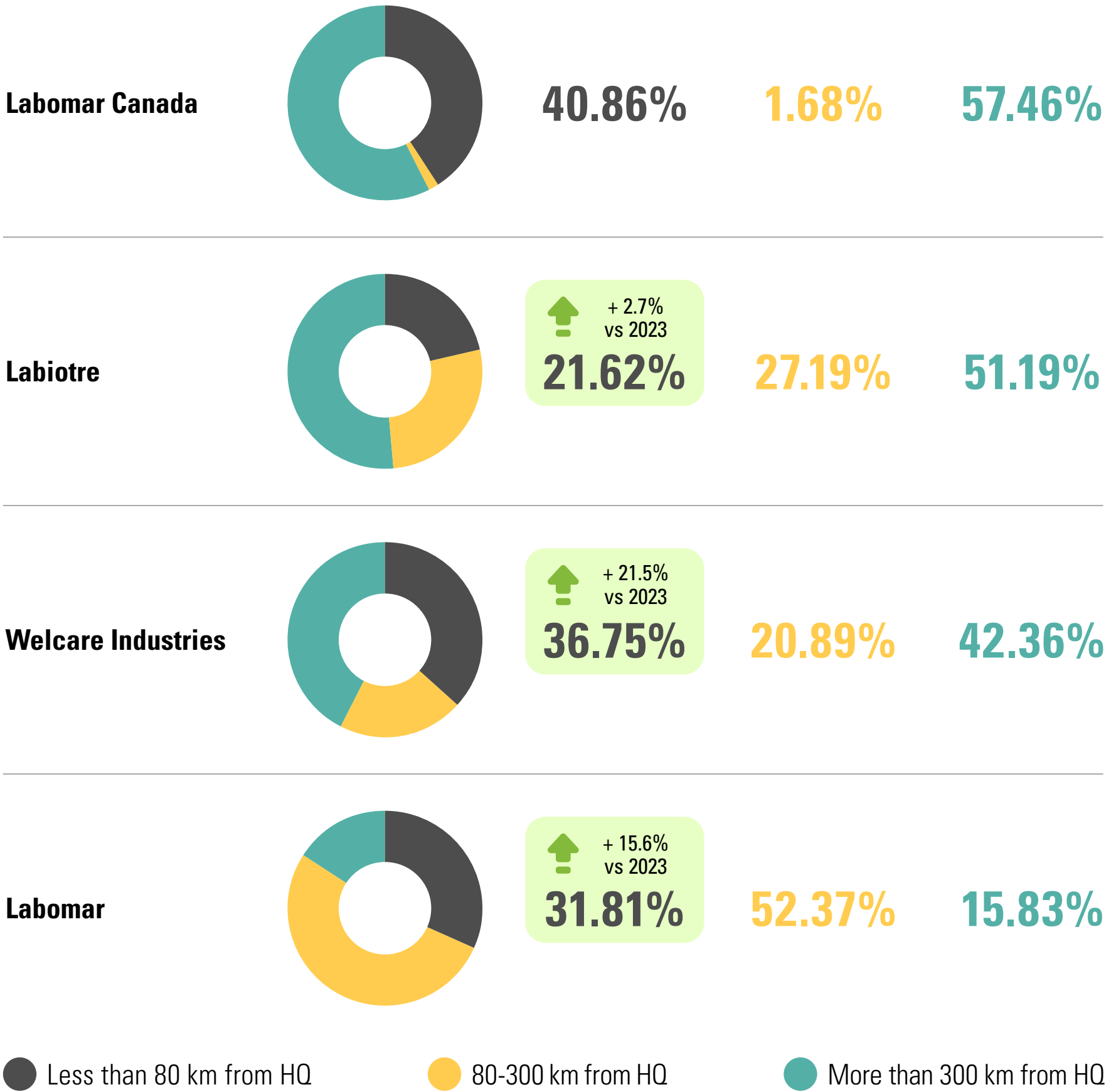
→ 0.79%
payments to government

→ 0.28%
community investments

The data referring to 2024, as included in the Consolidated Financial Statements of Labomar S.p.A. (sole shareholder) as of December 31, 2024, include Entema Invest., S.I. and Laboratorios Entema, S.L.U.

Proportion of spending on local suppliers

Each company within the Group has developed its own supplier Code of Conduct to best manage relationships with its suppliers, aiming to promote a fair, transparent, and socially, environmentally, and economically sustainable supply chain. This Code extends to working conditions and human rights, ethics, transparency, anticorruption, and environmental impact



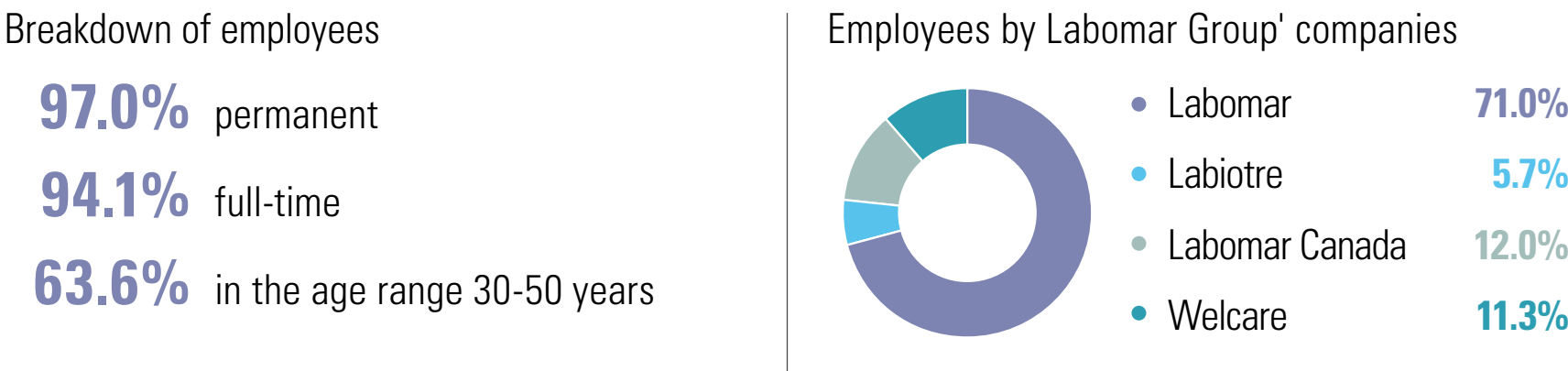
Proportion on spending can include intercompany transactions and for Labomar Canada only purchases of untracked materials, such as tools, maintenance items, or services, are not included

Management and development

407

Employees in heacount as of december 31, 2024




Employees by Labomar Group¹ companies




- Labomar 71.0%
- Labiotre 5.7%
- Labomar Canada 12.0%
- Welcare 11.3%

24.12


Average hours of training as of december 31, 2024



- 9.8% on quality
- 12.5% on health & safety
- 3.5% on sustainability
- +86% compared to 2023 

7.1


Average value of the external workforce mainly involved to handle production peaks



87.9

Of total employees covered by collective bargaining agreements

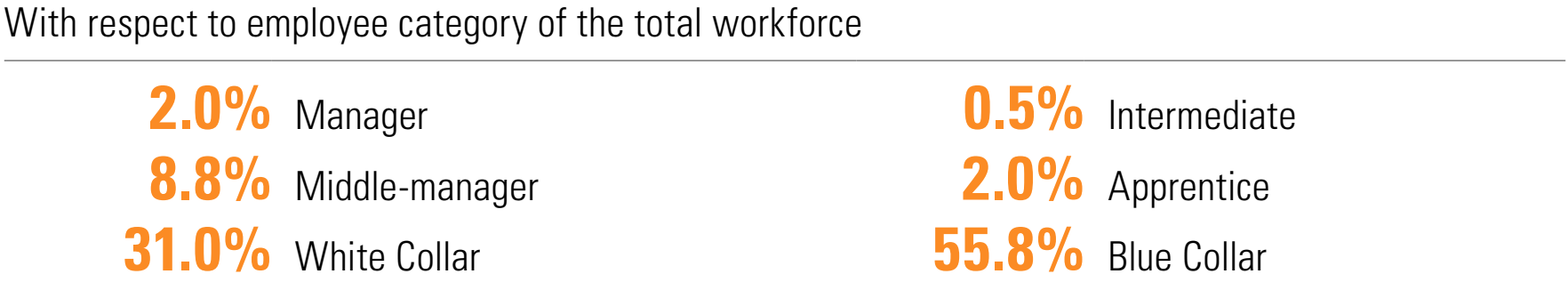


 In 2024, all Group entities worked on defining and refining onboarding and exit processes to improve employee in and exit phases

Diversity, Equity & Inclusion (DEI)

51.1%





Compensation



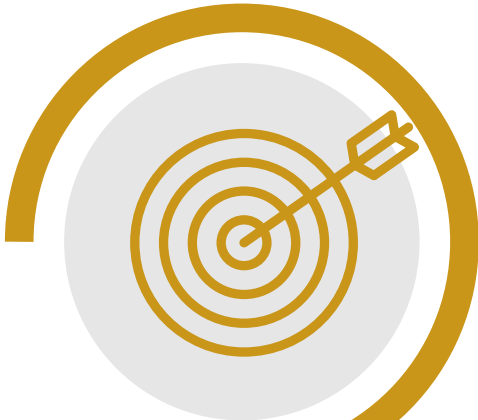
Compensation analyses has been performed to identify any gender disparities

Inclusion



During the reporting period, no incidents of discrimination were found, nor any forms of discrimination involving internal and external stakeholders

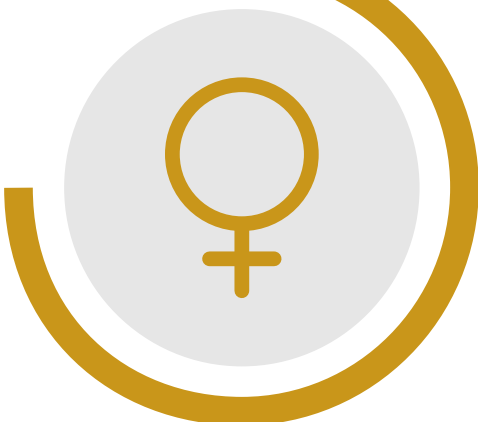
Well-being and welfare



To promote a culture of well-being and address the diverse needs of its employees, the Group has developed specific initiatives and benefits across its local entities



Since 2023, the MBO (Management by Objectives) for Labomar has been enriched with a common sustainability goal, reviewed annually, which strengthens the importance of sustainability in the corporate culture



Benefits provided to full-time employees are the same provided to temporary or part-time employees



OBJECTIVE

In 2025, MBO with a common sustainability goal will be extended to the entire Group level

Health & Safety

Labomar Group is committed to employee health and safety by implementing policies, management systems, and training programs to ensure safe and secure work environments across all entities



For all employees

3

recordable work related injuries

4.5

rate of recordable work related injuries



-57.1%

compared to 2023



For all workers who are not employees

1

recordable work related injuries

23.7

rate of recordable work related injuries



-66.0%

compared to 2023

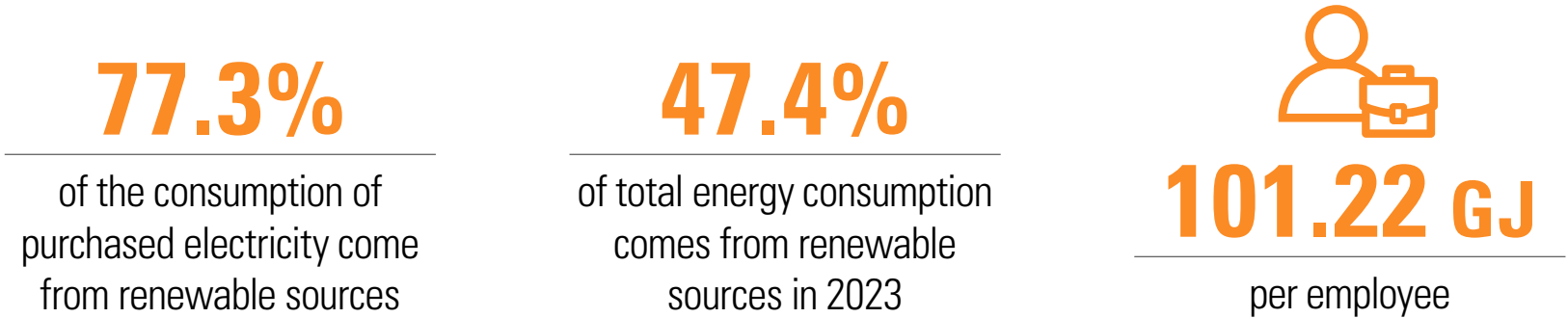


Energy use

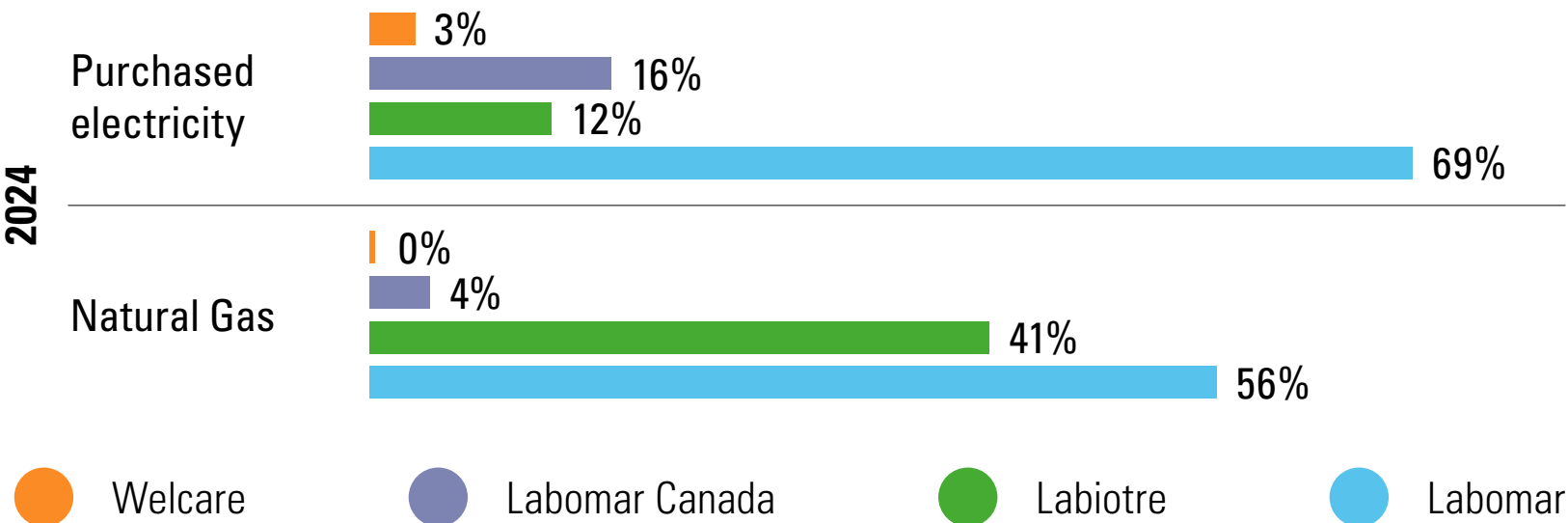
41,199.6 GJ


total energy consumption within the organization

15,980.6 GJ total fuel consumption 38.8%
25,219.0 GJ total electricity consumption 61.2%



Main energy vectors by Labomar Group



 +14% of renewable energy compared to total energy consumption between 2024 and 2023



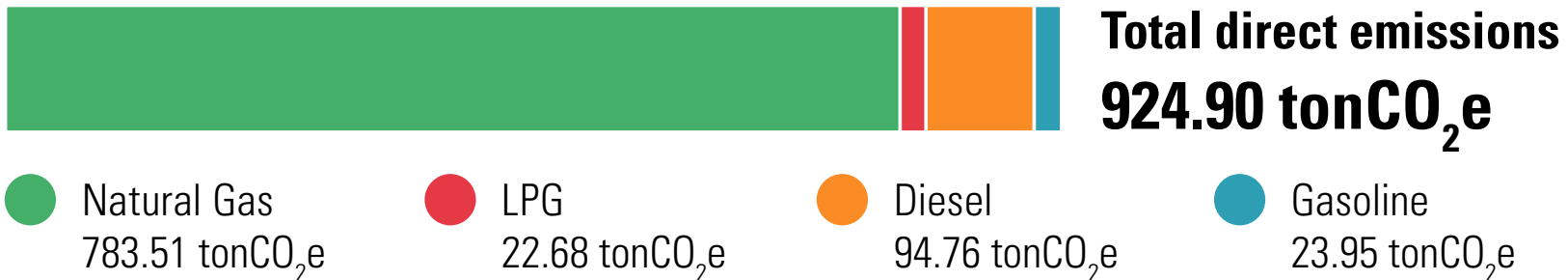
Climate change

2,907.59 tonCO₂e

total GHG emissions location based




Direct (Scope 1) GHG emissions



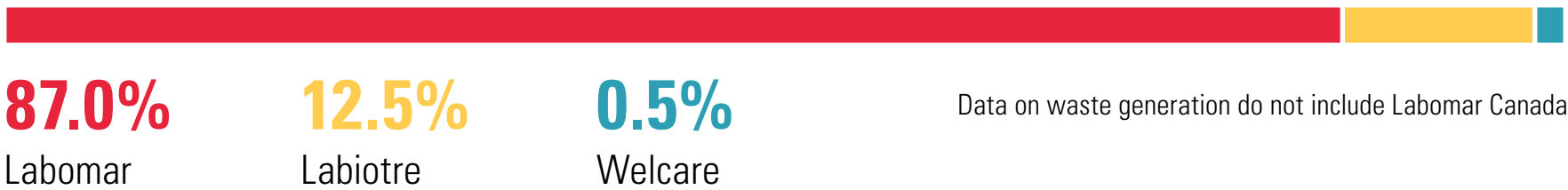
Energy indirect (Scope 2) GHG emissions



 -38% Indirect greenhouse gas (GHG) emissions (Scope 2) with market based between 2024 and 2023

Waste management

2249.1 metric tons of waste



22.6% of waste diverted from disposal

99.4% of total waste is non-hazardous

100.0% of waste is managed offsite

Sustainable Packaging



Primary packaging solutions include RPET bottles, with ongoing studies for sustainable blister solutions



Secondary packaging solutions include FSC® certified paper boxes, water-based varnish boxes, and FSC® certified leaflets



Tertiary packaging solutions include shipping boxes made from recycled and FSC® certified corrugated cardboard

Water resource

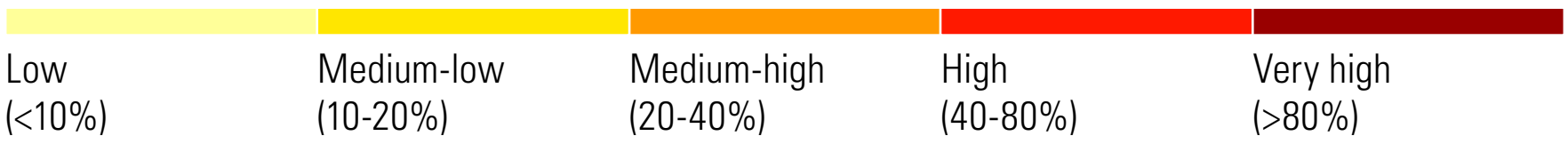
100.0% of water withdrawal come from third-party water

30.4 megaliters of water withdrawal

100.0% of water withdrawal are freshwater ≤1,000 mg/L Total Dissolved Solids

	Productive plant	Stress level	Basin
Labomar	Istrana, Treviso	<div></div>	Piave
Welcare	Orvieto, Terni	<div></div>	Paglia, Tevere
Labiotre	Tavarnelle Val di Pesa	<div></div>	Arno
Labomar Canada	Pointe-Claire, Québec	<div></div>	Montreal Island

Level of water stress from World Resources Institute



Each company in the Group is committed to sustainable water management practices and will monitor and improve its operations to ensure compliance with the highest standards

Product quality and safety

Labomar



Compliance with 

Welcare



Labiotre



Labomar Canada



100.0%

of batches produced undergo assessment at the time of release to ensure consumer health safety

R&D and Innovation

3 Internal Laboratories

- 2 Oral admn. formulations Topical solutions
- 1 Analytical method develop. pre-Clinical test

20 People Staff

- +800 Formulations developed per year
- +100 Ready to sell formulations

19 Patents

Publication of a new clinical study

"Evaluation Study of the UCS® Debridement Medical Device in the Treatment of Chronic Skin Lesions"

Development of a new intellectual property

"Liquid crystal emulsion based on natural or naturally-derived ingredients"

Partnership with academic world



Labomar has strengthened its relationship with the academic world by participating in various educational events and initiatives

Labiotre has invested in training and skill development, strengthening collaborations with technical institutes and higher education schools

Labomar Canada operates in synergy with Labomar and maintains active collaborations with Italian universities, contributing to research and development projects

Welcare has reaffirmed its commitment to engaging with the academic world through participation in educational and networking events





Read the full report

The contact point for questions regarding
this Document and the sustainability
strategy of the Labomar Group is
becircular@labomar.com

