

LABOMAR
GROUP

SUSTAINABILITY REPORT LABOMAR GROUP

2024



Statement on sustainable development strategy



[GRI 2-22]

Dear Stakeholders,

It is with great pride that we present the first Sustainability 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 the progress made, 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.

The year 2024 has been one 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) topics and allows us to better meet our clients' sustainability needs, consolidating our position in the international market.

Simultaneously, 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 Group's companies in the conception and realization of increasingly advanced and sustainable solutions.

We are convinced that sustainability is an opportunity to innovate and grow ethically and with foresight. For this reason, we actively collaborate with universities and research institutes, invest in the education of new generations, and promote the well-being of our people, aware that human capital is the true engine of our success. At the same time, the bond with the territory and the community remains a central pillar of our commitment. The charitable initiatives carried out – from collecting clothes for families in need to supporting local associations and volunteer projects – are concrete examples of our desire to be a responsible and supportive company, capable of generating a positive impact on society.

This first Sustainability Report is the result of the commitment and passion of all the people in the Group,

to whom we extend our heartfelt thanks. A special thanks also to our stakeholders – clients, partners, institutions, local communities – who accompany us on this journey and encourage us to constantly improve.

We are aware that the path to sustainability is a journey in continuous evolution. For this reason, we will continue to set ambitious goals, integrating sustainability into every aspect of our business strategy and turning challenges into new opportunities for responsible growth.

We look to the future with determination and confidence, ready to build a better tomorrow together.

Enjoy,

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



Methodological note

[GRI 2-2; GRI 2-3; GRI 2-4; GRI 2-5]

This document constitutes the first Sustainability Report of the Labomar Group (hereinafter also referred to as the “Report” or “Document”) prepared with the aim of communicating to stakeholders the performance achieved in economic, environmental, and social areas. This Report has been prepared to demonstrate our commitment to reporting that allows for an understanding of the business, its progress, its results, and the impact of activities on the community and the environment. It should be noted that Labomar S.p.A. with sole shareholder is consolidated by LBM Next S.p.A. and that the Group, at the level of the Consolidated Financial Statements as of 31.12.2024, is represented by the parent company Labomar S.p.A. with sole shareholder, Labomar Canada Inc., Labovar S.r.l. in liquidation, Welcare Research S.r.l., Welcare Industries S.p.A., Labiotre S.r.l., Entema Invest., S.I., and Laboratorios Entema, S.L.U.

With reference to the consolidation area above, it is specified that the sustainability data and information contained in this 2024 Sustainability Report refer solely to the parent company Labomar S.p.A. with sole shareholder and the subsidiaries Labomar Canada Inc., Welcare Research S.r.l., Welcare Industries S.p.A., and Labiotre S.r.l. Any further limitations of scope are noted directly where the KPI 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. For economic and financial aspects, please refer to the 2024 Consolidated Financial Statements of the Labomar Group.

In preparing this report, Labomar has considered the reporting principles of the Global Reporting Initiative Sustainability Reporting Standards defined in 2021 by the Global Reporting Initiative, such as: accuracy, balance, clarity, comparability,

completeness, sustainability context, timeliness, and verifiability, which have ensured the quality of the reported information. This Report has been prepared in accordance with the GRI Standards 2021 and refers to the period from January 1, 2024, to December 31, 2024, the same of the annual financial report. Additionally, it is noted that the publication frequency is set on an annual basis.

At the end of the document, the [GRI Content Index](#) is provided, which offers an overview of the reported indicators and their respective reference pages.

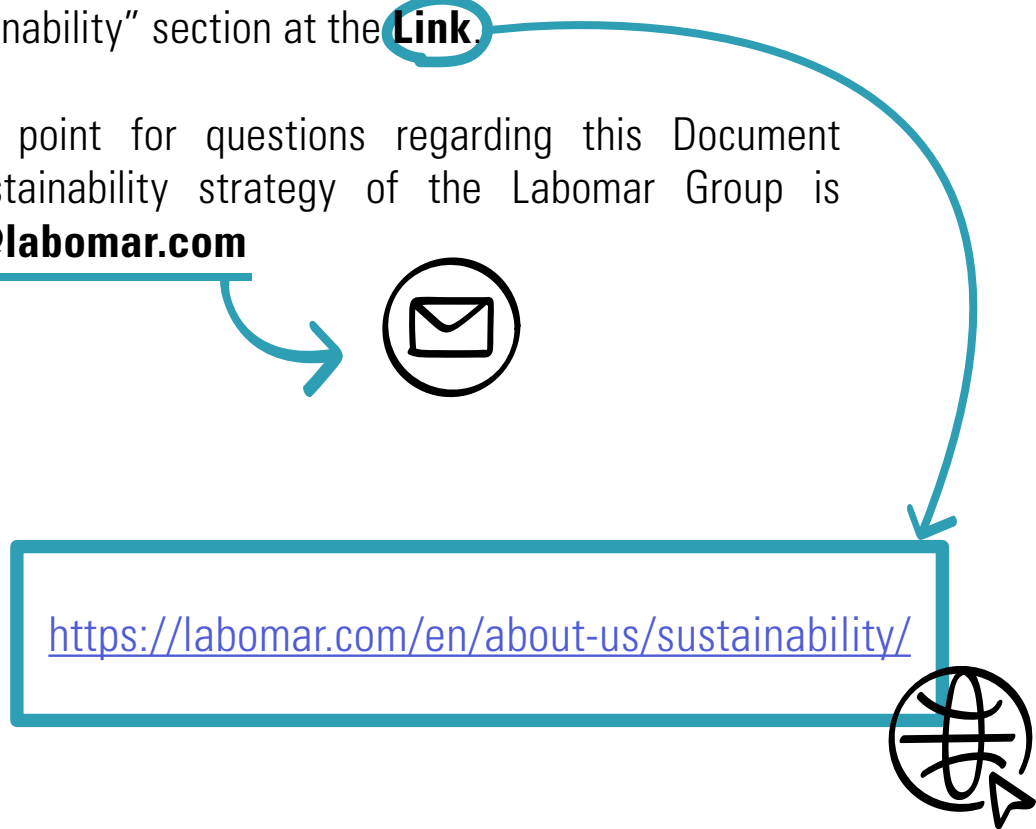
The purpose of this document is to clearly and transparently report the results achieved and the objectives that the Group intends to achieve with the sustainability path it has undertaken in relation to the results of the materiality analysis process.

In this regard, it is noted that the key performance indicators used are those required by the standards and are representative of the various areas, as well as consistent with the business and the impacts generated. The choice of these indicators took into account the materiality analysis process conducted in the second half of 2023, the output of which, concerning the list of material topics, was approved by the Board of Directors of Labomar in the meeting of February 22, 2024.

During 2024, the materiality analysis was progressively extended to a larger number of stakeholders, in order to integrate diverse perspectives and ensure an increasingly inclusive and representative approach. The updated results, presented in the paragraph [“The Materiality Process”](#), were supervised by the CEO in February 2025, confirming Labomar Group’s commitment to strategic sustainability management. Additionally, in March 2025, information was provided to the Board of Directors.

For the correct representation of performance and to ensure the reliability of the data, the use of estimates has been limited as much as possible, and if present, they are based on the best available methodologies and appropriately noted. Where possible, the information within the Report has been provided with a comparison to the 2023 fiscal year. Additionally, any revisions made concerning previous reporting periods are specifically noted in the respective footnote. This document was approved by the Board of Directors of Labomar S.p.A. with sole shareholder on March 24, 2025; it is noted that this Group Sustainability Report will be published on the parent company’s institutional website in the “Sustainability” section at the [Link](#).

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



Labomar production department

Index

- 01 Labomar Group** 5
 - Who we are 6
 - History 16
 - Mission, Vision and Values 17
 - Corporate Governance 18
 - Ethics, Business Integrity, and Anti-Corruption 20
 - Economic Performance 21
 - Cybersecurity and privacy protection 22
- 02 Sustainability** 23
 - Sustainability Governance 24
 - A Group of Benefit Corporation 26
 - Labomar Group is B Corp 30
 - Stakeholders 31
 - The materiality process 34
 - Double materiality assessment 38
 - SDGs 39
 - EcoVadis 41
- 03 People** 42
 - Employee management and development 43
 - Employee well-being and corporate welfare 49

- Attraction and Retention of Talent 51
- Diversity, Equal Opportunities, and Human Rights 53
- Health and Safety 56
- 04 Environment** 58
 - Uses of raw materials and waste management 59
 - Sustainable Packaging Management 62
 - Climate change mitigation and efficient energy use 63
 - Water resource management 67
- 05 Product** 69
 - Quality and Product Safety 70
 - R&D and Innovation 73
- 06 Suppliers** 77
 - Sustainable management of suppliers 78
- 07 Community** 80
 - Collaboration and partnership with universities 81
 - Membership associations 83
 - Local Community 85
- Appendix** 86
- GRI Content Index** 87



01

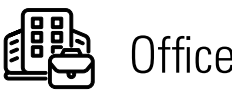
Labomar Group

- Who we are
- History
- Mission, Vision and Values
- Corporate Governance
- Ethics, Business Integrity, and Anti-Corruption
- Economic Performance
- Cybersecurity and privacy protection



Who we are

[GRI 2-1; GRI 2-6]



Office



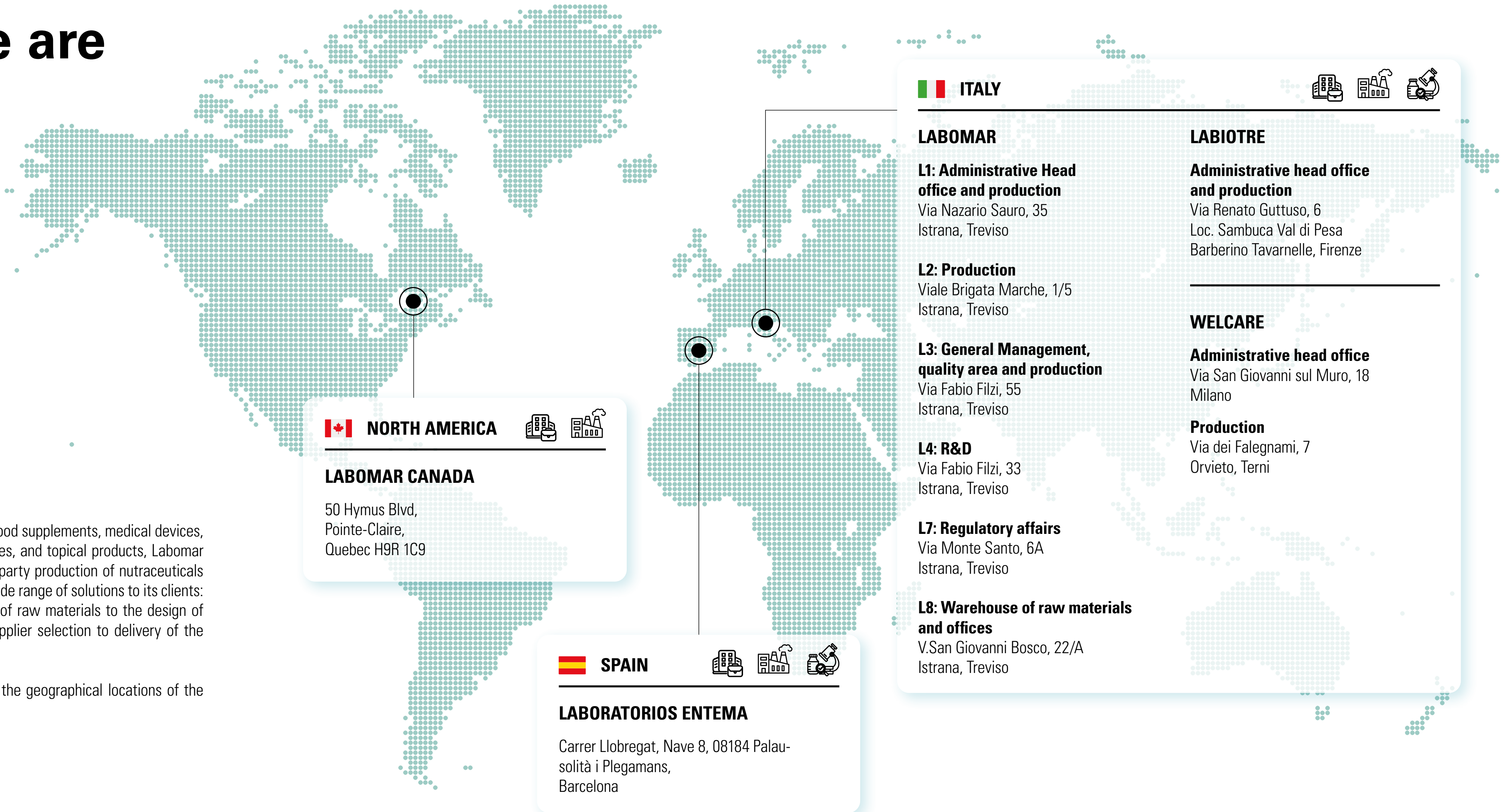
Production



R&D

Specialized in the production of food supplements, medical devices, foods for special medical purposes, and topical products, Labomar Group is now active in the third-party production of nutraceuticals and cosmeceuticals, offering a wide range of solutions to its clients: from research and development of raw materials to the design of innovative formulations, from supplier selection to delivery of the finished product.

Below is a detailed overview of the geographical locations of the Organization's facilities:





Labomar



Labomar is a CDMO with over 25 years of experience, specializing in the development and production of innovative and high-quality food supplements, medical devices, probiotics, foods for special medical purposes, and topical products. Labomar offers comprehensive support to its clients, from the selection of raw materials to the delivery of the finished product. Labomar team works with passion, carrying out projects with ethics and responsibility, promoting high scientific value services and innovative products.

Labomar S.p.A. with sole shareholder, a benefit corporation established on November 27, 1998, is today the parent company of a group of entities that operate with innovation, safety, and strategic vision in the creation of high scientific value nutraceuticals and cosmeceuticals. Regarding ownership structures, it is noted that LBM Next S.p.A. holds 100% of the share capital of Labomar S.p.A. with sole shareholder.

Product Categories

Food supplements, medical devices, probiotics, foods for special medical purposes, cosmetics

Galenic Forms



Liquid



Powder



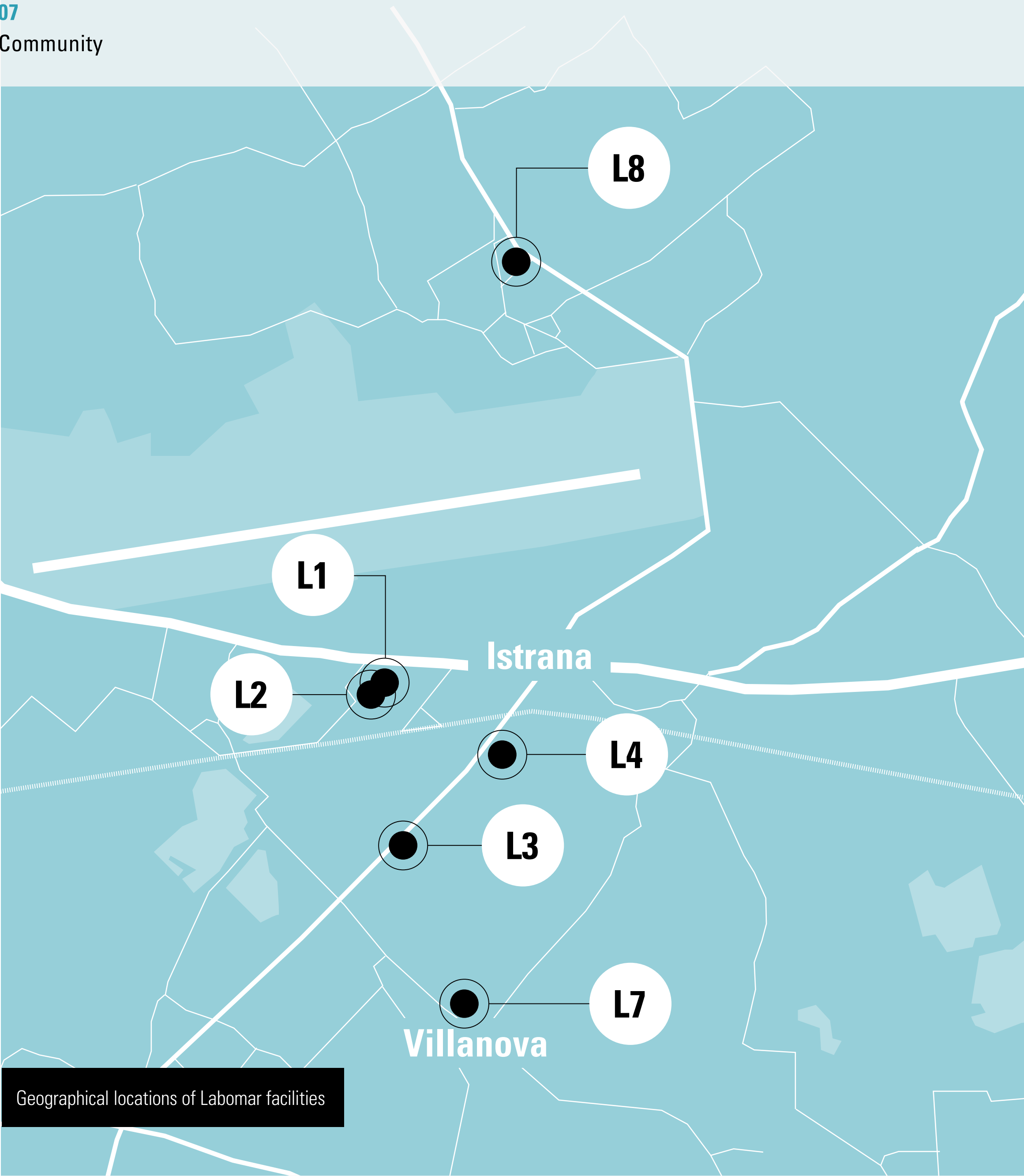
Pills



Capsules



Topical Formulations





Labomar Canada



Labomar Canada, previously Importfab, is an established third-party manufacturer based in Montreal, Canada, active since 1990. Today, it boasts over 50 clients and is considered a benchmark in the production of high-quality pharmaceutical products, specializing in the production and packaging of semi-solid and liquid products. Thanks to advanced technologies and optimized production processes, Labomar Canada ensures high-quality standards and competitiveness in the North American market.

Labomar’s R&D department develops innovative solutions for Labomar Canada, which will be produced and distributed in Canada and North America through the network of current and potential clients. This synergy allows Labomar to support its regular clients in North American distribution, leveraging Labomar Canada’s production capabilities and certifications.

During the last months of 2024, Labomar Canada completed a significant expansion and enhancement project of its facility to support the Group’s growth and address new challenges. Among the completed works are an enhancement of the production plant and the introduction of advanced technologies to improve efficiency and automation. These interventions will lead to the optimization of production lines, greater product traceability, and the automation of previously manual processes.

Through these investments, Labomar Canada confirms itself as a reliable, future-oriented technological partner, ready to provide innovative solutions to clients worldwide.

Product Categories

Food supplements, cosmetics, pharmaceuticals

Galenic Forms



Liquid



Cream



Gel



Production Department at Labomar Canada’s Facility



Welcare



Welcare is an Italian company founded in 2001, headquartered in Orvieto (Umbria). Its core business is proprietary medical devices for the treatment of irritated or damaged skin. The offering also includes innovative solutions for the management of acute and chronic wounds, such as diabetic foot ulcers and skin lesions from radiotherapy. The effectiveness and efficiency of these devices have facilitated the company’s expansion into over 20 countries, both in Europe and other continents, with a significant presence in the Persian Gulf States.

Thanks to the acquisition of Welcare, Labomar boasts a clear cross-selling synergy with a branded company; Welcare is involved in product research and development, regulatory assistance, and production for a wide number of foreign markets and has a strategy that allows it to best serve hospital, hospice, home care, and pharmacy channels, ensuring effective and high-quality solutions for the care of fragile skin. Additionally, Welcare stands out as the only entity within the group to market products under its own brand, while also operating as a CDMO, in line with the other companies in the Group.

Product Categories

Medical devices, surgical medical aids, cosmetics

Galenic Forms



Wipe



Glove



Cream



Gel

Production Department at Welcare’s Facility

Labiotre




Founded in 2011 from the merger of the extensive experience of professionals operating in the field of medicinal herb extraction and food supplement formulation. Located in Tuscany, in the heart of Chianti, it produces plant extracts using innovative techniques, standardized in active ingredients with documented physiological action. It conducts exclusive clinical studies on specific extracts or fractions at the discretion and request of clients and is capable of working on the active ingredients of the extract from a technological perspective and on specific client requests, using the most modern pharmaceutical techniques. Labiotre also produces soft gels made of bovine, fish, and vegetable gelatine, adhering to the highest quality standards. Labomar is one of the founding partners of Labiotre and, in November 2021, acquired the entire share capital, with a view to high value-added supply chain integration.


Product Categories

Botanical extracts, cut herbs

Galenic Forms



Bulk



Softgel



Extract produced at Labiotre



Entema Laboratorios



With over 25 years of experience in the development and production of products for the pharmaceutical and cosmetic industries, Entema Laboratorios is a reliable CDMO, specializing in third-party production of functional cosmetics, sanitary products, hygiene products, antiseptics, and medical devices. The Entema team offers comprehensive support to its clients, from formulation and sample development to delivery of the finished product. The acquisition of a stake by Labomar was completed in August 2024 with the aim of gaining further access to the Spanish nutraceutical market and strengthening its position in the functional cosmetics sector, leveraging the state-of-the-art facilities of Laboratorios Entema.

Product Categories

Cosmetics, food supplements, medical devices, biocides

Galenic Forms



Liquid



Cream



Gel

FOCUS ON



Labomar takes a stake in the innovative SME Sphera Encapsulation

Founded in 2016 as a spin-off from the Department of Biotechnology at the University of Verona, Sphera is the first Italian company entirely dedicated to the research and development of encapsulation technologies applied to functional nutrition, nutraceuticals, and agrochemicals. A set of processes aimed at incorporating one substance within another to protect, isolate, or simply improve the dispersion of active ingredients.

Labomar will be able to use the technologies developed by Sphera to increase the bioavailability of the active ingredient at the absorption site - the point where it is called to act in the body - and promote controlled release, thus optimizing its benefits. Sphera's drive for innovation is also realized through constant collaboration with the academic world, where it has its roots, and in patenting activities. This latter element is shared with Labomar, which has always been committed to implementing and patenting new technologies. The affinity between the two entities also concerns respect for the environment, which translates into the total sustainability of the formulas, and for people, through customer care and attention to well-being.





The Labomar Group is a benchmark in the industry, offering ONE-STOP-SHOP solutions with customized and ready-to-sell products in a wide range of galenic forms. Thanks to regulatory expertise, the Group is able to guide clients in compliance with regulations for medical devices, dietary supplements, foods for special medical purposes, cosmetics, and biocides.

The solutions available to clients include:



Short term | Ready to sell

with a portfolio of over 100 formulations designed and developed following the main industry trends.

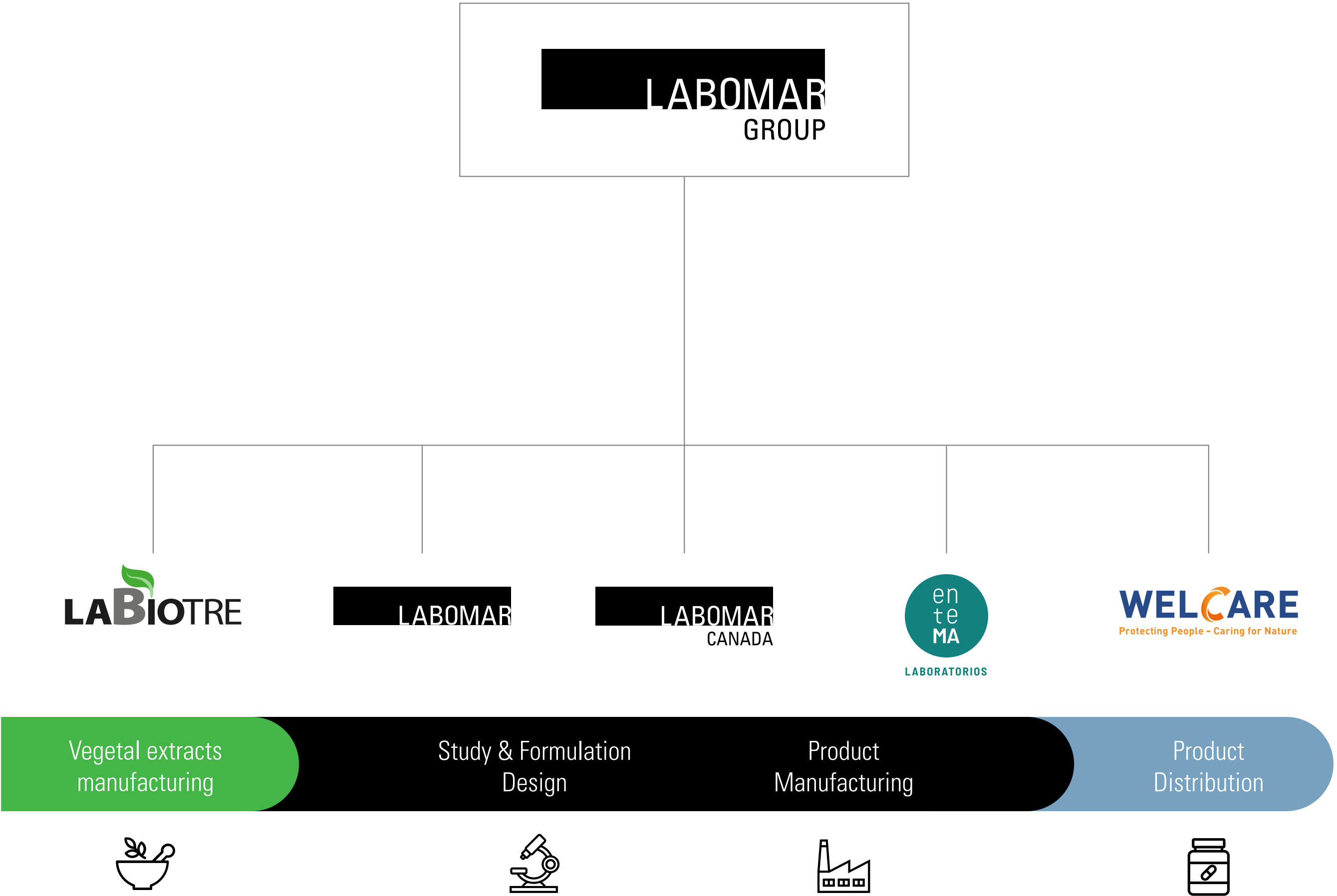
This solution allows for quick market entry with one’s own brand.



Medium term | Tailor Made

Tailor-made solutions resulting from scientific know-how and experience to support the client in all development phases.

This solution enables the launch of new, unique, and distinctive products on the market.





Innovation is at the heart of Labomar Group’s mission, with a strong emphasis on scientific research and the development of new patented technologies. Additionally, thanks to production facilities in Europe and North America, Labomar continues to grow and expand its global presence.

A distinctive feature of the Group compared to companies operating in the same sector lies in the oversight of the entire production process: from the procurement of raw materials and the research of new formulations, to the release of the finished product and the proactive proposal of “ready-to-market” products. The procurement of these raw materials is carried out through carefully selected and highly qualified third-party suppliers, most of which are long-established supply relationships. The Group’s integrated value chain is therefore one of its strengths, ensuring quality and innovation at every stage of the production process.

The Group’s main clients are large companies in the pharmaceutical and nutraceutical sectors active in the Italian and international markets, which market products under their own brand. Listening, professionalism, reliability, and transparency guide the daily actions of Labomar Group, with the aim of promptly meeting clients’ needs to create effective relationships and seek better solutions and services.

FOCUS ON

Reference Market:
Trends and Perspectives



The food supplements market is experiencing strong growth, driven by increasing attention to wellness, prevention, and longevity. In particular, there is a rising demand for products dedicated to general health, the immune system, mental well-being, and probiotics for menopause. Innovation remains the main driver of development, with new formulations and delivery technologies. In Europe, vitamins and minerals dominate the market, accompanied by expanding segments such as beauty & wellness, gastrointestinal health, and probiotics, with an estimated growth between 3% and 8%.

Italy is the leading European market, with over half of the population using supplements, a figure that rises to 70% among Millennials. Among the formats, capsules, tablets, and liquids represent 60% of the market, while emerging technologies such as softgels, powders, and gummy candies are gaining ground. Probiotics are also experiencing significant growth: 51% of Italian adults consume them regularly, consolidating the country as the European leader in the sector. This trend extends globally, with an estimated demand increase of over 139 million units by 2028.

At the same time, the aging population and the increase in chronic diseases are driving the market for wound care supplements, with a projected growth of 10% over the next five years. The Asia-Pacific region is the fastest-growing area, while Europe will maintain a key role, covering 30% of the market. In this context, technological innovation will be crucial to developing increasingly effective and targeted solutions.

Tablets produced by Labomar



ONE-STOP-SHOP CDMO

Labomar Group is capable of providing almost all the pharmaceutical forms currently available on the market, covering various therapeutic areas.

Sales by business line

84%

White Label

12%

Branded products

2%

Raw materials

2%

Other

Sales by geographic area

Italy



46%

Europe



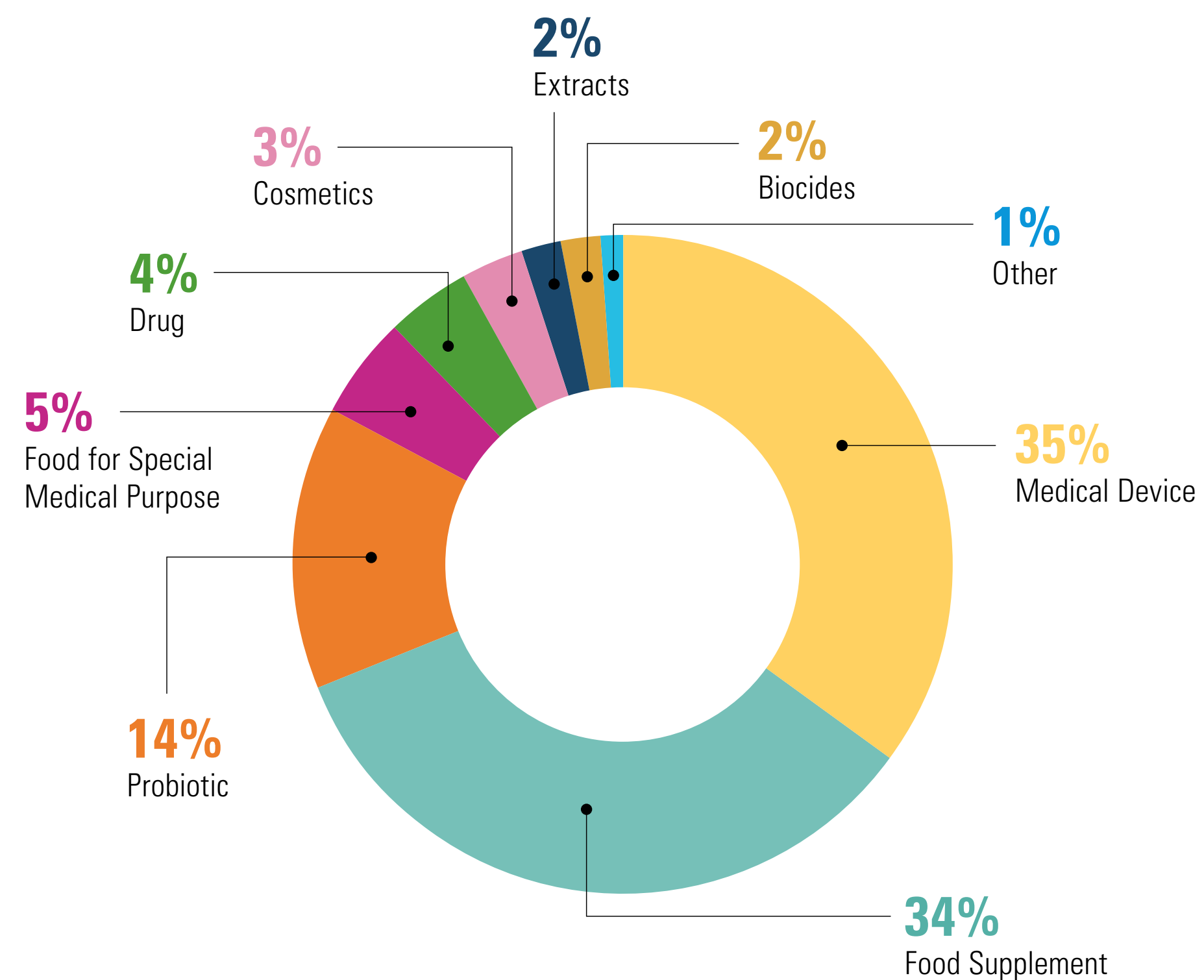
24%

Rest of the world



30%

Sales by product categories



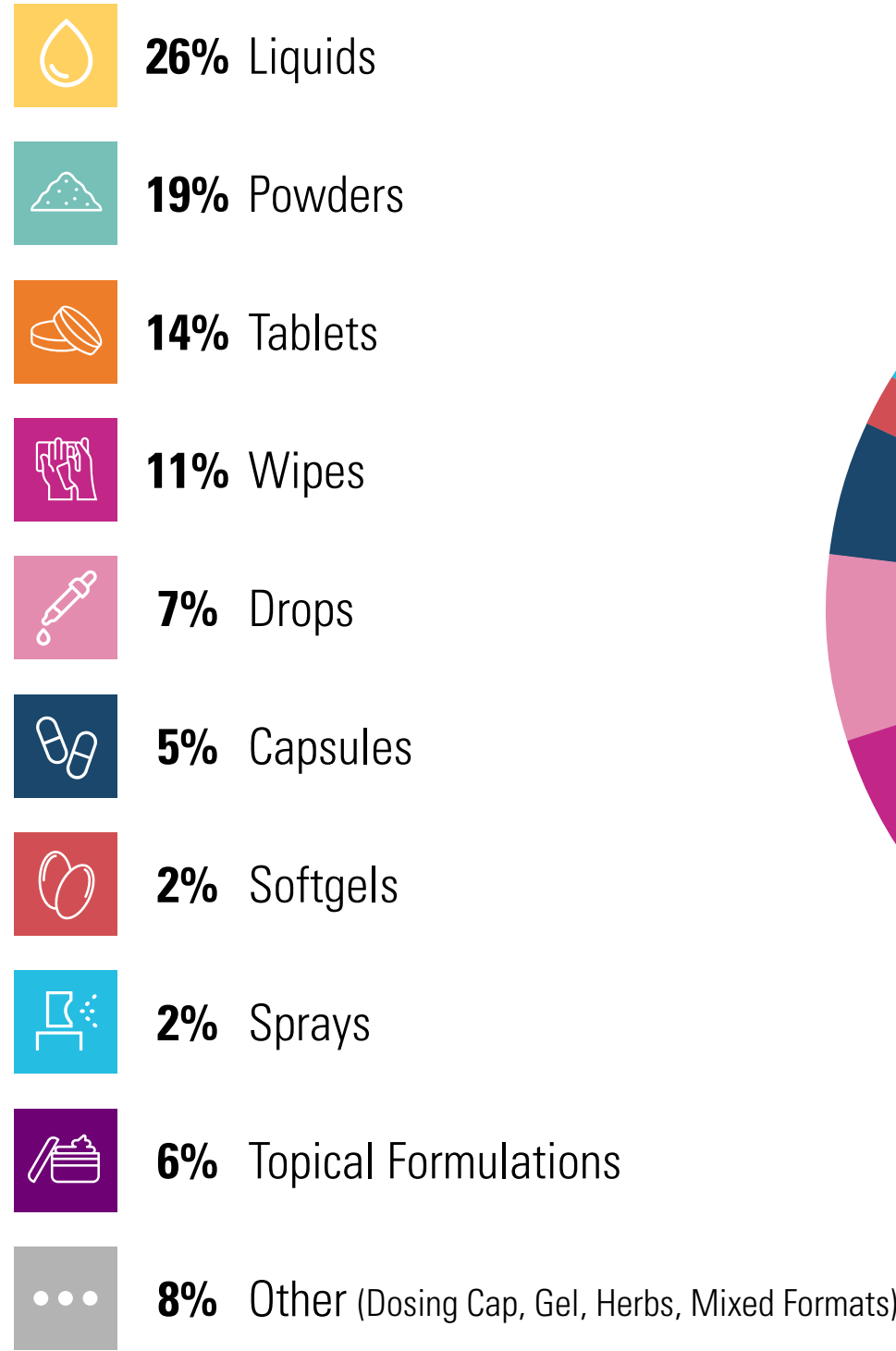
Note: The data presented above does not include Entema Invest., S.L. and Laboratorios Entema, S.L.U.



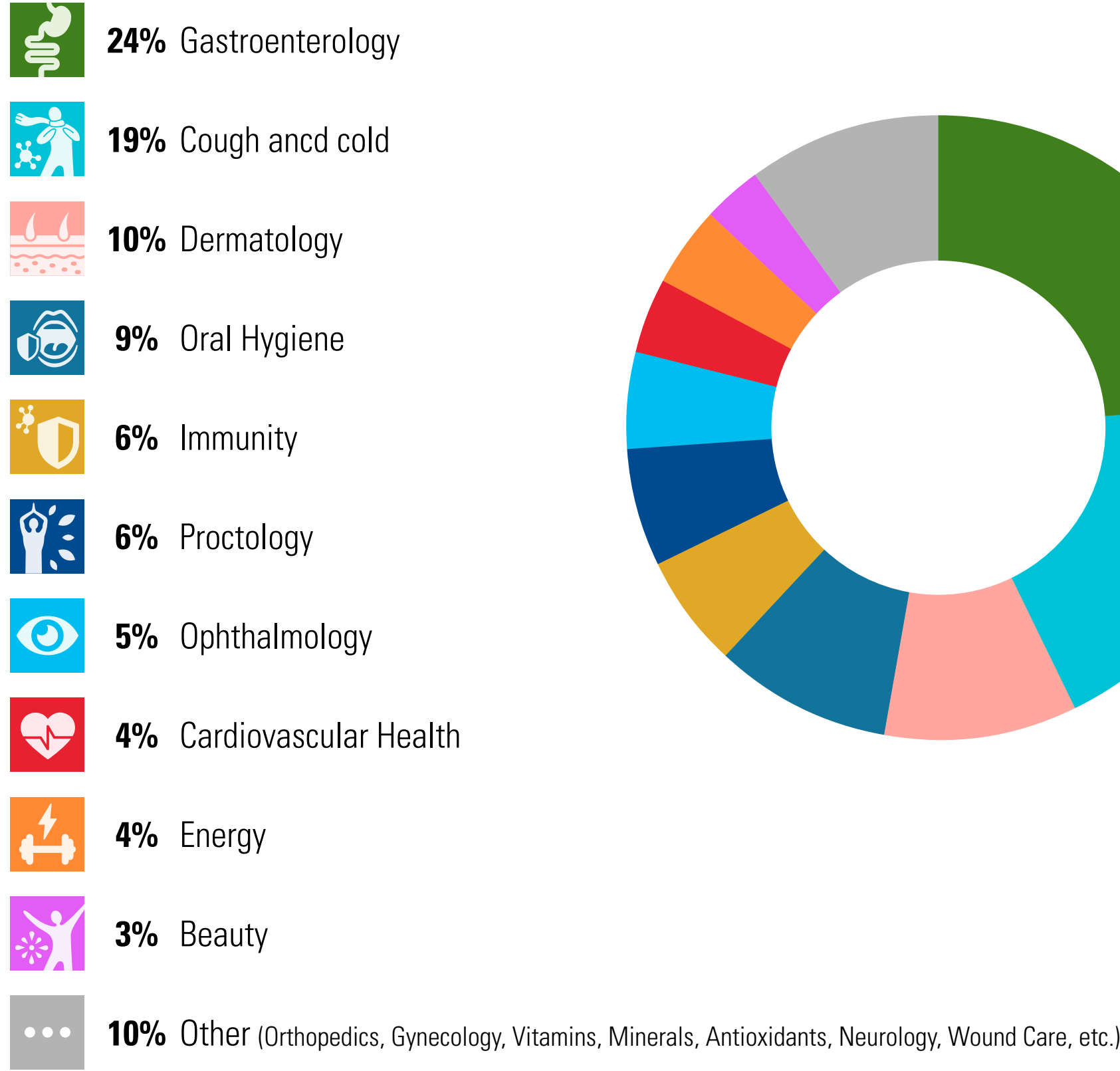
ONE-STOP-SHOP CDMO

Labomar Group is capable of providing almost all the pharmaceutical forms currently available on the market, covering various therapeutic areas.

Sales by Pharmaceutical Forms



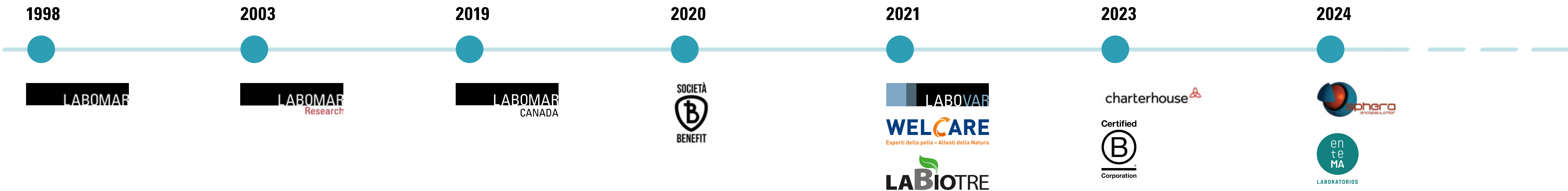
Sales by Therapeutic Areas



Note: The data presented above does not include Entema Invest., S.L. and Laboratorios Entema, S.L.U.



History



The history of Labomar begins in 1917, when the Bertin family purchased the pharmacy in Istrana, a small town near Treviso. Walter Bertin, a third-generation pharmacist with a lifelong passion for natural raw materials and an interest in understanding the secrets of galenic formulations, joined the family business as soon as he finished his university studies. His innate curiosity and entrepreneurial spirit led him to explore the field of phytotherapy. He began studying, experimenting, and eventually creating small lines of dietary supplements, which he made available to his customers, receiving immediate positive feedback. He then decided to expand his space, and on November 27, 1998, Labomar was born with the implementation of the first production line.

In 2003, Labomar Research was founded, an avant-garde center that allows the company, thanks to ever-new technologies and internally developed patents, to improve the effectiveness of products and design unique formulations. Ten years after the founding of Labomar Research, the new R&D center was inaugurated. Labomar's strategy today involves directing its investments both internally, consolidating its production structure, and externally through strategic operations aimed at ensuring the maintenance of two key factors particularly relevant to the sector: innovation orientation and product quality. In October 2019, Labomar acquired the Canadian company Enterprises Importfab Inc., based in

Montreal, now Labomar Canada. This operation allows the company to benefit from direct access to the North American market, the world's leading market for the nutraceutical sector. In early October 2020, the company was listed on the AIM market of Borsa Italiana. The listing is the result of long and demanding work, which over more than 20 years has led the company to grow rapidly and steadily both in internal structure and production capacity, also through the development of new technologies and internationalization. In the same year, Labomar achieved an important milestone by becoming a Benefit Corporation, as part of a path that leads to fully expressing and centralizing the sustainability inherent in its DNA. Through the change of statute, the commitment to creating value and positive impact on people and the environment is made explicit and formalized.

2021 was a year characterized by new high-value strategic operations: the acquisition of Welcare Research S.r.l. and its subsidiary Welcare Industries S.p.a., an excellence of Made in Italy that develops, produces, and markets medical devices for the prevention and treatment of infections, and for the management of skin lesions of various etiologies, based in Umbria, and Labiotre S.r.l., specialized in the production of plant extracts with innovative techniques, titrated in active ingredients with documented physiological action, based in Tuscany. Finally, the establishment of

Newco LaboVar, now in liquidation, thanks to a partnership with the Sesa Group, for the sale of nutraceutical products through digital e-commerce platforms on the Chinese market.

In 2023, Charterhouse - one of the oldest private equity firms operating in Europe, entered the company's capital. Through a bilateral off-market agreement with the founder and CEO of Labomar Walter Bertin and Cleon Capital, the current minority shareholder, with the aim of supporting the next stages of the company's development, on September 6, 2023, the delisting of Labomar S.p.A shares from the Milan Stock Exchange was made official. The partnership between Charterhouse and Labomar will allow the company to pursue its ambitious development strategy with greater speed and flexibility, seizing new opportunities for innovation and expansion. Also, in 2023, Labomar Group obtained B Corp certification.

In 2024, Labomar continues its growth and consolidation path, strengthening its reference position in the nutraceutical and health sector. The year promises to be a key moment for the company, with new strategic investments and targeted acquisitions. The acquisition of Sphera Encapsulation and Entema Laboratorios into the Group represents a significant step towards expanding innovation and enhancing the product categories in the portfolio. These operations are part of Labomar's strategy to consolidate

its global presence, further improving the effectiveness and quality of the solutions offered. Additionally, in 2024, the subsidiaries Welcare, Industries and Research, and Labiotre became Benefit Corporations, confirming a responsible, sustainable, and transparent development model that integrates economic and income objectives with social and environmental aspects.



Mission, Vision and Values

MISSION

We work together with passion, to conceive and manufacture products and services for well-being, in respect of the environment.

We innovate with courage, proud to belong to a great family.

VISION

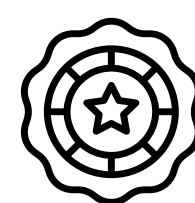
We improve well-being and the quality of People life.

VALUES



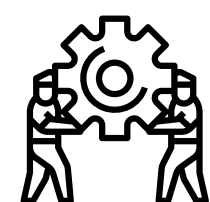
Customer orientation

Listening, professionalism, reliability, and transparency guide all our activities, with the aim of promptly meeting our customers' needs, establishing an effective relationship with them, and seeking better solutions and services.



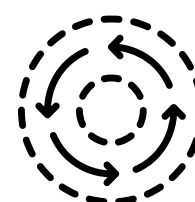
Passion for Excellence

With consistency and awareness, we commit ourselves every day to improving products and processes to generate value. Our strong sense of responsibility promotes a high standard of quality in results and professionalism, thus encouraging the sharing and expression of innovative ideas from everyone.



Team spirit

We collaborate, share information through always honest communication, and the willingness to support each other. Every small step we take pushes us to be an increasingly cohesive team, capable of growing with courage and dedication, to achieve the goals we have set.



Consistency

Being consistent, concrete, and transparent is the foundation for developing trustful relationships. Our ability to act, the determination with which we achieve results, and the alignment of corporate, functional, and personal goals are the driving force behind all our internal and external actions.



Well-being and sustainability

We firmly believe in a corporate system founded on product safety and respect for the environment and people, fostering enduring relationships that value diversity. Promoting sustainable actions, initiatives, and projects from all angles is a crucial step towards collective well-being.

Granular Extracts Produced by Labiotre

Corporate governance

[GRI 2-9; 405-1; 2-10; 2-11; 2-19; 2-20; 2-15; 2-16]

Adequate distribution of responsibilities and powers, as well as balance between management and control functions, are the principles guiding the corporate governance of the Group. To effectively respond to the interests of its stakeholders, the adopted administration and control model is traditional; the structure of the corporate bodies as of December 31, 2024, with specific reference to the Parent Company, includes:

- The Board of Directors: is vested with full powers for the ordinary and extraordinary management of the company, with the authority to adopt all measures deemed necessary for achieving the corporate purpose, except for those reserved by law to the shareholders’ meeting;
- The Board of Statutory Auditors: is responsible for ensuring compliance with the law, the statute, and the principles of proper administration;
- The Supervisory Body: established pursuant to Legislative Decree 231/01, is responsible for overseeing the effectiveness, efficiency, maintenance, and updating of the organization, management, and control model pursuant to Legislative Decree 231/01;
- The Independent Auditing Firm: is responsible for the legal audit of the financial statements.

The members of the Board of Directors, in office until the date of the Shareholders’ Meeting convened for the approval of the Financial Statements as of December 31, 2025, are represented in the following table:

BOARD OF DIRECTORS AS OF DECEMBER 31, 2024 ¹			
Member	Appointment	Gender	Executive or not
Walter Bertin ²	Chairman and CEO	♂	Executive
Sabrina Gasparato	Vice Chairman	♀	Not executive
Claudio De Nadai	Director	♂	Executive
Alberto Baban	Director	♂	Executive
Lorenzo Zambon	Director	♂	Not executive
Antonio Di Lorenzo	Director	♂	Not executive
Leone Pattofatto	Director	♂	Not executive

¹With reference to the composition of the highest governing body, it is specified that no committees are in place.
²It is noted that the Chairman of the Board of Directors is not a senior executive of the organization.

♂ Man ♀ Woman



For the number of other main positions held and commitments undertaken by each member of the Board of Directors of Labomar, please refer to what is published in the Business Register in relation to each member; while with reference to underrepresented social groups, stakeholder representation, and the main skills regarding the impacts of the organization, please refer to the profiles of each member published in the “Governance/Corporate Bodies” section of the institutional website.

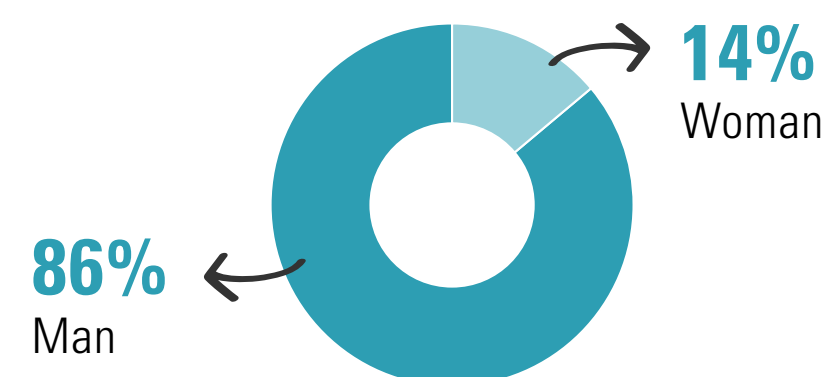
It should be noted that the Board of Directors is also responsible for decision-making processes and the control of the Group’s impact on the economy, the environment, and people.

The members of the Board of Directors are appointed by the ordinary shareholders’ meeting, which resolves according to the legal majorities, and remain in office, except in cases of revocation and resignation, for a period of three financial years each, expiring on the date of the ordinary shareholders’ meeting convened for the approval of the financial statements for the last financial year. In the event that one of the directors ceases to hold office for any reason, the appointment of the replacement must take place in accordance with the procedures set out in Article 2386 of the Civil Code, whereas if two or more directors cease to hold office for any reason, the Board of Directors is considered dissolved and the shareholders’ meeting for the appointment of the new Board of Directors must be urgently convened by the Board of Statutory Auditors, which may meanwhile carry out acts of ordinary administration. With reference to the appointment of the currently serving directors, both the views of stakeholders, including shareholders, were taken into account to understand their perspectives and opinions, as well as the presence of important skills possessed by the directors in relation to the impacts of the organization. Consider, for example, the presence of the partner Charterhouse Capital Partner.

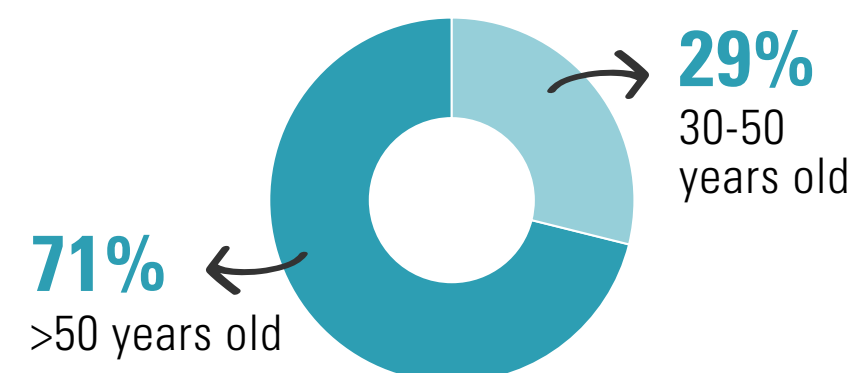
Directors are entitled to reimbursement of expenses incurred in the performance of their duties and to the compensation that will be determined by the shareholders’ meeting. The remuneration of directors holding special offices is the responsibility of the Board of Directors, after hearing the opinion of the Board of Statutory Auditors. The shareholders’ meeting may determine a total amount for the remuneration of all directors, including those holding special offices, to be divided by the Board of Directors.

In carrying out every activity, the Group operates by avoiding situations of conflict of interest, both real and potential, that could compromise the impartiality of corporate decisions. The organization is committed to

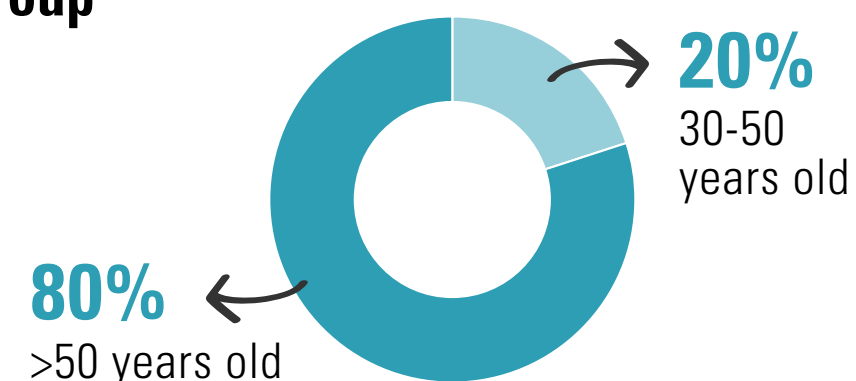
Composition of the Board of Directors by gender



Composition of the Board of Directors by age group



Composition of the Board of Statutory Auditors by age group



maintaining an ethical and transparent work environment, managing conflicts of interest effectively and in line with best corporate governance practices. Communications of critical issues are conveyed to the highest governing body by the executive directors, who have the duty to inform the board comprehensively about the adequacy of the company’s organizational and administrative structure and its general performance; during the reporting period, no critical issues were reported to the highest governing body.

The Board of Statutory Auditors represents a fundamental part of Labomar’s Corporate Governance system, as it plays a crucial role in supervision and control to ensure transparency, integrity, and compliance with regulations; it consists of a president, two statutory auditors, and two alternates. All members of the Board of Statutory Auditors possess the eligibility, honorability, and professionalism requirements provided by law. The members of the Board of Statutory Auditors in office until the date of the Shareholders’ Meeting convened for the approval of the Financial Statements as of December 31, 2025, are represented in the following table.

Board of Statutory Auditors as of December 31, 2024	Appointment
Michele Graziani	Chairman
Tiziano Cenedese	Standing auditor
Mirko Pozzobon	Standing auditor
Giuseppe Bacchin	Alternate auditor
Lorenzo Fracasso	Alternate auditor



Ethics, Business Integrity, and Anti-Corruption

[GRI 2-23; 2-24; 2-25; 2-26; 2-27; 205-3; 206-1]

Ethics and integrity are fundamental values for the Labomar Group and constitute essential pillars of its organizational culture. Operating with honesty, transparency, and responsibility is crucial to consolidating stakeholder trust and ensuring sustainable long-term growth.

The Parent Company Labomar has adopted an organizational, management, and control model in accordance with the provisions of Legislative Decree no. 231/2001, aimed at preventing the commission of specific categories of crimes that could result in, in addition to individual criminal liability, administrative liability for the company. This model is periodically updated by the Board of Directors. For the current version, please refer to the [“Governance/Corporate Bodies”](#) section of the institutional website. Additionally, the Parent Company adopts a Code of Ethics, which is an integral part of the organizational, management, and control model of the Company as provided by Articles 6 and 7 of Legislative Decree no. 231/2001. It is an instrument for implementing ethical-social and environmental responsibility and sets out the rights, duties, and responsibilities towards all stakeholders. Through the [Whistleblowing Procedure](#), the methods for reporting any violations of national or European Union regulations that harm the public interest or the integrity of Labomar, as well as unlawful conduct relevant under Legislative Decree June 8, 2001, no. 231 by anyone who has become aware of it within the context of the employment, collaboration, or professional relationship with the Group or, in any case, in the work context, are regulated.

The Labomar Group confirms full compliance with applicable laws and regulations during the reporting period. In 2024, no significant cases of non-compliance with current regulations were found. The organization is constantly committed to operating in compliance with current regulations and maintaining high standards of legal compliance in all its activities; this commitment reflects the constant focus on integrity, transparency, and corporate ethics, as well as dedication to serving customers in compliance with laws and regulations. The Group will continue to actively monitor compliance with regulations and will adopt corrective and preventive measures if necessary.

The Labomar Group adopts a zero-tolerance policy towards corruption practices, illegitimate favours, and collusive behaviours. It is absolutely forbidden to solicit, directly or through third parties, personal advantages for oneself or others, in contrast with the principles of fairness, honesty, respect, and professionalism. Acts of commercial courtesy, such as gifts or forms of hospitality, are only allowed if of modest value and do not compromise the integrity or reputation of the parties involved, avoiding any interpretation of impropriety by an impartial observer. During 2024, no episodes of corruption were found. No employees were disciplined or dismissed for reasons of corruption, and it was not necessary to terminate or not renew contracts with business partners due to violations related to corruption events. Furthermore, there are no public legal cases concerning episodes of corruption against the Group or its employees during the reporting period.

Recognizing fair competition as a determining factor for growth and continuous improvement, the Group confirms that in 2024 no legal actions were initiated regarding anti-competitive behaviour or antitrust law violations involving the Group’s companies.

During 2025, the Labomar Group will continue to work with its Italian companies to further strengthen compliance and align them with the Parent Company’s standards in terms of business ethics and integrity. In this direction, during 2024, an integration project was launched aimed at standardizing internal practices and protocols, ensuring increasingly effective application of the principles of transparency, fairness, and responsibility in all the Group’s corporate entities.

Labomar office

Economic Performance

[GRI 201-1]

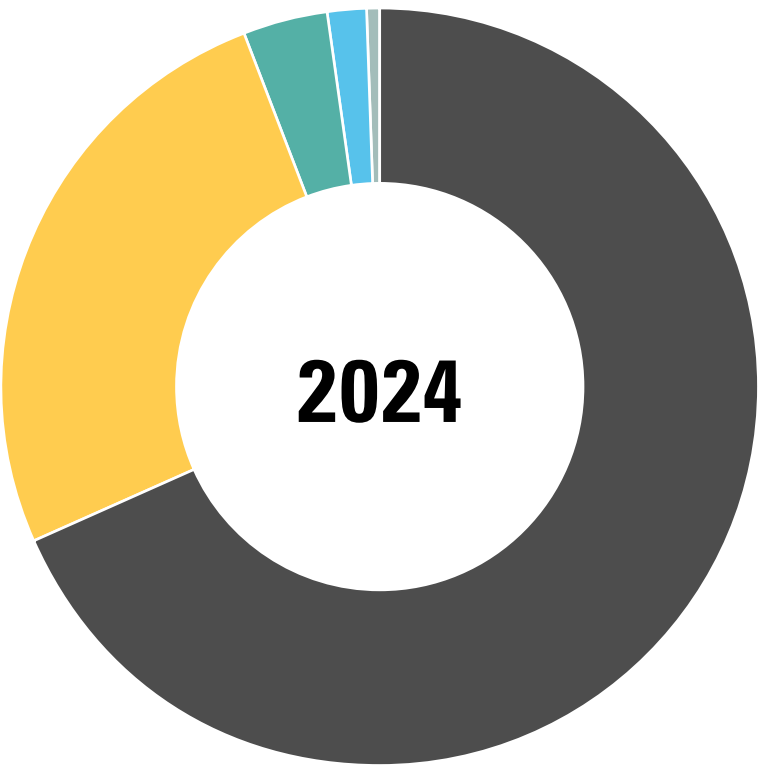
The table below, economic value generated and distributed, constitutes a key tool for measuring the value distributed to the Organization’s stakeholders.

For further details on the economic performance and the financial position of the Group, please refer to the Consolidated Financial Statements of Labomar S.p.A. as of December 31, 2024.

Direct economic value generated and distributed³

€	2024	2023
Direct economic value generated	103,336,551.06	104,782,299.11
Economic value retained	11,027,644.45	14,217,038.72
Economic value distributed	92,308,906.61	90,565,260.40
<div>●</div> Operating costs	64,405,866.15	64,286,805.89
<div>●</div> Employee wages and benefits	23,450,835.31	20,937,601.70
<div>●</div> Payments to providers of capital	3,466,727.31	1,671,133.81
<div>●</div> Payments to government	727,649.53	3,291,729.20
<div>●</div> Community investments	257,828.30	377,989.79

³ The data referring to 2024, being related to the Consolidated Financial Statements of Labomar S.p.A. as of December 31, 2024, include Entema Invest., S.I. and Laboratorios Entema, S.L.U.
Community investments refer to voluntary donations as well as the allocation of funds to support initiatives that benefit the broader community



- 69.77%

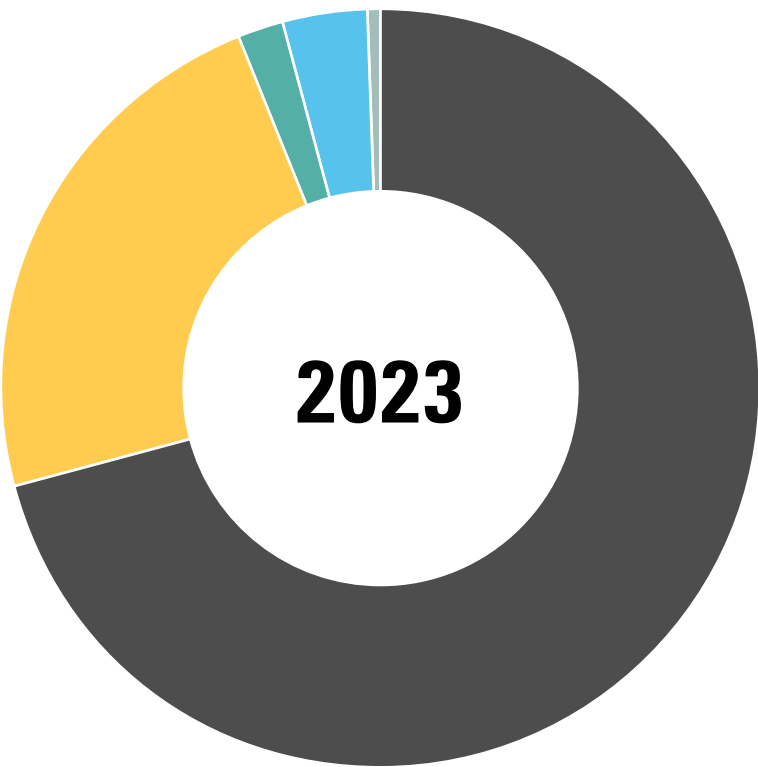
Operating costs
- 25.40%

Employee wages and benefits
- 3.76%

Payments to providers of capital
- 0.79%

Payments to government
- 0.28%

Community investments



- 70.98%

Operating costs
- 23.12%

Employee wages and benefits
- 1.85%

Payments to providers of capital
- 3.63%

Payments to government
- 0.42%

Community investments



Cybersecurity and privacy protection

[GRI 418-1]

During 2024, Labomar Group strengthened and expanded its initiatives in the field of cybersecurity and data protection, extending the protection umbrella originally adopted by the Parent Company to all Group subsidiaries, including Labiotre, Welcare, and Labomar Canada. In line with the path undertaken in 2023, numerous activities were implemented to enhance cybersecurity and ensure the security of corporate data.

On the Parent Company front, a comprehensive internal and external vulnerability assessment was initiated, accompanied by a mandatory training plan for all personnel, with courses dedicated to cybersecurity and privacy topics. To continuously monitor employee awareness levels, a phishing test platform was also implemented to assess and improve staff's ability to identify malicious emails.

At the Group level, the essential protection service, which includes centralized backup, cybersecurity, and the Office 365 collaboration platform, was extended to all controlled companies. In particular, the Security Operation Center (SOC) and the Cyber Threat Intelligence (CTI) service are now operational for the entire Group, ensuring the protection of information systems, sensitive data, and public data of the various entities. The fine-tuning of the XDR system, which allows for the rapid identification of abnormal behaviors and the activation of the 24/7 security operations center, and the implementation of the SIEM service for timely anomaly detection, were extended to all the Group's corporate entities.

Regarding privacy, as of December 31, 2024, no substantiated complaints related to violations or incidents of data breaches, theft, or loss of customer data were found, confirming the effectiveness of the measures adopted. Starting in 2025, the Group plans to adopt a centralized platform for the Data Protection Officer (DPO) and implement IT on-boarding and exit procedures at the Group level to further strengthen security and privacy governance.

This series of initiatives demonstrates the Labomar Group's constant commitment to investing in cybersecurity and data protection, thus ensuring a secure and resilient digital environment capable of supporting the growth and expansion of activities globally.

Labomar L3 Offices



02

Sustainability

- Sustainability Governance
- A Group of Benefit Corporation
- Labomar Group is B Corp
- Stakeholders
- The materiaility process
- Double materiaility assessment
- SDGs
- EcoVadis

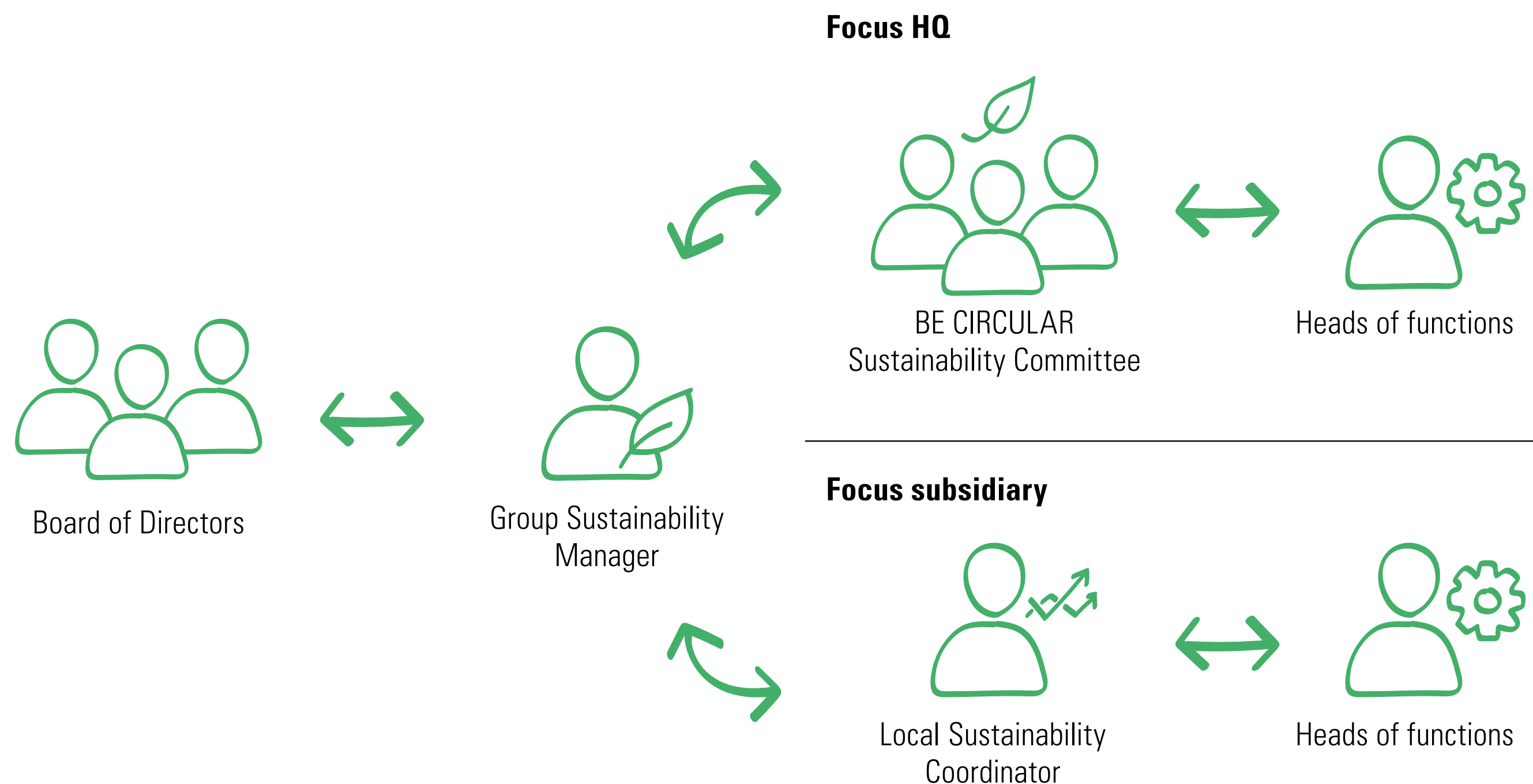


Sustainability governance

[GRI 2-12; GRI 2-13; GRI 2-14; GRI 2-17]

Labomar Group has established a governance structure dedicated to outlining the strategy and sustainability path, in order to pursue sustainable development in 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, the various internal corporate functions and stakeholders, ensuring an inclusive view of the impacts.

This process, based on the collection and analysis of data related to activities, business relationships, and internal initiatives through the Sustainability Reporting Package, involves the direct engagement of stakeholders and the subsequent approval of the document by the Board of Directors, in conjunction with the Financial Statements Project. During this session, the Board carefully evaluates the results achieved and uses them to guide strategic decisions, highlighting the commitment of the highest governing body to integrate sustainability into the business model to create long-term value for all stakeholders involved.

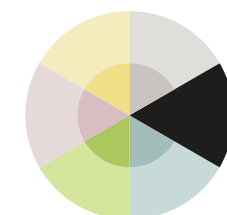




The Board of Directors has delegated the responsibility for managing sustainability impacts to the Group Sustainability Manager, who oversees the implementation of initiatives, collaborates with internal and external stakeholders, and monitors performance. The sharing of information and results related to the management of sustainability impacts occurs regularly, in line with the Group's monitoring and evaluation needs, providing the Board with a clear view of challenges, opportunities, and progress made.

The active involvement of the Board of Directors in sustainability-related topics is essential to guide the entire Group towards responsible and sustainable long-term growth. Sustainability governance has been an integral part of the corporate culture since the founding of the Parent Company Labomar over 25 years ago. The founder and Chairman of the Parent Company, a long-time promoter of the sustainability paradigm, constantly ensures that the Board remains updated and actively involved in initiatives, transmitting a top-down approach that permeates all corporate functions and involves a multitude of stakeholders.

The **BECIRCULAR** Sustainability Operations Committee, governed by dedicated regulations that define its appointment, composition, operating methods, tasks, functions, and means, constitutes a solid foundation to ensure the effectiveness and consistency of activities aimed at achieving corporate sustainability goals. This body, which plays a key role in overseeing sustainability topics and interactions with stakeholders, meets regularly in the presence of the CEO, the General Manager, and the Group Heads of the internal functions involved in the collection and preparation of the Sustainability Report. The active participation of the CEO during the Committee meetings ensures constant monitoring and effective evaluation of progress, providing important support to the Board in defining and implementing the Group's sustainability strategy.



BECIRCULAR

Additionally, in each Group subsidiary, a Sustainability Coordinator has been identified to support the Group Sustainability Manager in implementing initiatives and monitoring sustainability performance. This dedicated role helps to strengthen the consistency and effectiveness of the sustainability path across the entire Group.



Extracts produced by Labiotre



Labomar Group Benefit Company

Labomar is a Benefit Corporation

Benefit Corporations define a new way of doing business with the aim of generating a positive impact on the environment and the society in which they operate. Specifically, a Benefit Corporation is a new legal form of business introduced in Italy through the Stability Law of December 28, 2015, articles 376-384, characterized by the pursuit of a dual purpose: economic-profit and the creation of a common benefit or one or more positive impacts towards people, society, and the environment. Labomar deeply believes in a corporate system based on sustainability, attention to people, the environment, and the community, and for this reason, it has changed its statute to become a Benefit Corporation. In compliance with the regulatory requirements provided by the aforementioned Law and Annexes 4-5, the Company has decided to measure its impacts using the B Impact Assessment tool. Taking care of people’s well-being by implementing a continuous, ethical, and sustainable improvement path represents Labomar’s main 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 purposes of common benefit and operate responsibly, sustainably, and transparently towards people, communities, territories and the environment, cultural and social goods and activities, entities and associations, and other stakeholders.

The Society has for its purpose the specific common benefit purposes described below:

FIRST COMMON BENEFIT PURPOSE

- ETICS
- QUALITY
- EFFICIENCY

The constant focus on sustainable innovation of processes to create products that are ethical, of quality, safe, and effective, meeting the needs of our customers and, accordingly, of end consumers.



SECOND COMMON BENEFIT PURPOSE

- COMMITMENT
- TRANSPARENCY
- ENVIRONMENT

A concrete and transparent commitment to environmental protection through monitoring the generated impacts, the implementation of virtuous practices within the company, the selection of safe and sustainable raw materials, and the pursuit of valuable partnerships with customers and suppliers.



THIRD COMMON BENEFIT PURPOSE

- WELL-BEING
- COMMUNITY
- RESPECT

Ensuring the well-being of workers, their families, and the community through the development of initiatives that promote skill growth, awareness, and the dissemination of healthy lifestyles and principles of respect and diversity.



FOURTH COMMON BENEFIT PURPOSE

- BEAUTY
- CULTURE
- SOCIAL
- TERRITORY

Promoting the culture of beauty, supporting cultural and social initiatives, and enhancing the territory.





Labomar Group Benefit Company

Labomar Canada is a Benefit Corporation

In the Group's sustainability journey, Labomar Canada has 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 the statute. In particular, the management is required to consider, in addition to the interests of the company and shareholders, those of employees, suppliers, creditors, consumers, the environment, and the community in which the company operates. This amendment, considered a fundamental change under the Canadian Business Act, required approval by a "special resolution" from the shareholders (at least two-thirds of the votes cast or, alternatively, in writing with the signature of all voting shareholders). In this way, Labomar Canada strengthens its commitment to generating a positive impact on society and the environment, integrating sustainability into its corporate DNA.



Production department of Labomar Canada



Labomar Group Benefit Company

Walcare is a Benefit Corporation

Welcare Research S.r.l. is active in the field of scientific research and technological innovation, with a strong specialization in the development of medical devices and personal care products. In 2024, the company undertook a significant evolution by becoming a Benefit Corporation, thus confirming its commitment not only to economic objectives but also to achieving a positive impact on society and the environment. It should be noted that Welcare Research S.r.l. holds full control of Welcare Industries S.p.A., a leader in the production and distribution of Medical Devices, Medical-Surgical Devices, and Cosmetics, which also became a Benefit Corporation last September 2024.

Companies have as their object the specific purposes of common benefit described below:

FIRST COMMON BENEFIT PURPOSE

Welcare Research S.r.l.
Support the operating subsidiary by fostering its growth in the sustainability environment in which it operates.

Welcare Industries S.p.A.
The constant focus on research and innovation aimed at developing and creating safe, effective, and innovative solutions for the care, treatment, and well-being of patients and the health of consumers.



SECOND COMMON BENEFIT PURPOSE

Welcare Research S.r.l.
Continuous improvement of the sustainability profile through the development of sustainable innovation practices and processes.

Welcare Industries S.p.A.
A commitment to protecting and improving the environment through the optimization of environmental performance in all business processes, recognizing the importance of acting sustainably to preserve the planet for future generations.



THIRD COMMON BENEFIT PURPOSE

Welcare Research S.r.l.
The dissemination, enhancement and promotion of the use of scientifically advanced products that are safe for the patient and the environment and at the same time effective.

Welcare Industries S.p.A.
Ensuring a positive work environment, aimed at the enhancement and well-being of people, with the desire to grow the satisfaction of working with the company, promoting the value of human capital.



FOURTH COMMON BENEFIT PURPOSE

Welcare Industries S.p.A.
Ensuring support for cultural and social initiatives to enhance the area in which company operates.





Labomar Group Benefit Company

Labiotre is a Benefit Corporation

Labiotre, in the course of its journey of growth and responsibility, in October 2024 took a significant step toward an even more sustainable business model oriented to the common good: it became a Benefit Corporation. This enshrines a formal commitment to promoting corporate practices that generate value for all stakeholders, including employees, local communities and the environment.

The Society has for its object the specific purposes of common benefit described below:

FIRST COMMON BENEFIT PURPOSE

The constant focus on innovation aimed at producing extracts and soft capsules of high-quality standards.



SECOND COMMON BENEFIT PURPOSE

A commitment to protecting and improving the environment through mapping environmental performance.



THIRD COMMON BENEFIT PURPOSE

Ensuring a positive work environment aimed at enhancing and promoting the well-being of people, while fostering the value of human capital.



FOURTH COMMON BENEFIT PURPOSE

Making one's expertise available to students in educational programs useful for career orientation and the development of transversal skills.





Labomar Group is B Corp

Being B Corp certified means being part of a global movement of companies that adhere to high standards of social and environmental impact in favour of an inclusive, fair, and regenerative socioeconomic model. This achievement, reached in 2023, once again attests to Labomar’s strong commitment to the well-being of people, customers, communities, and the environment, and it is an important initial result that makes tangible the work carried out through the BECIRCULAR Sustainability Operating Committee, which promotes a path of corporate change by turning common benefit goals into concrete actions. With the attainment of this certification, Labomar has embarked on a journey that sees it enthusiastically pursuing even more ambitious horizons because sustainability is an ongoing value creation journey that never stops. Sustainability is more than an abstract concept; it is a daily commitment that involves all stakeholders, in various aspects.

LABOMAR GROUP’S 5 B CORP IMPACT AREAS

Certification as of December 31, 2021

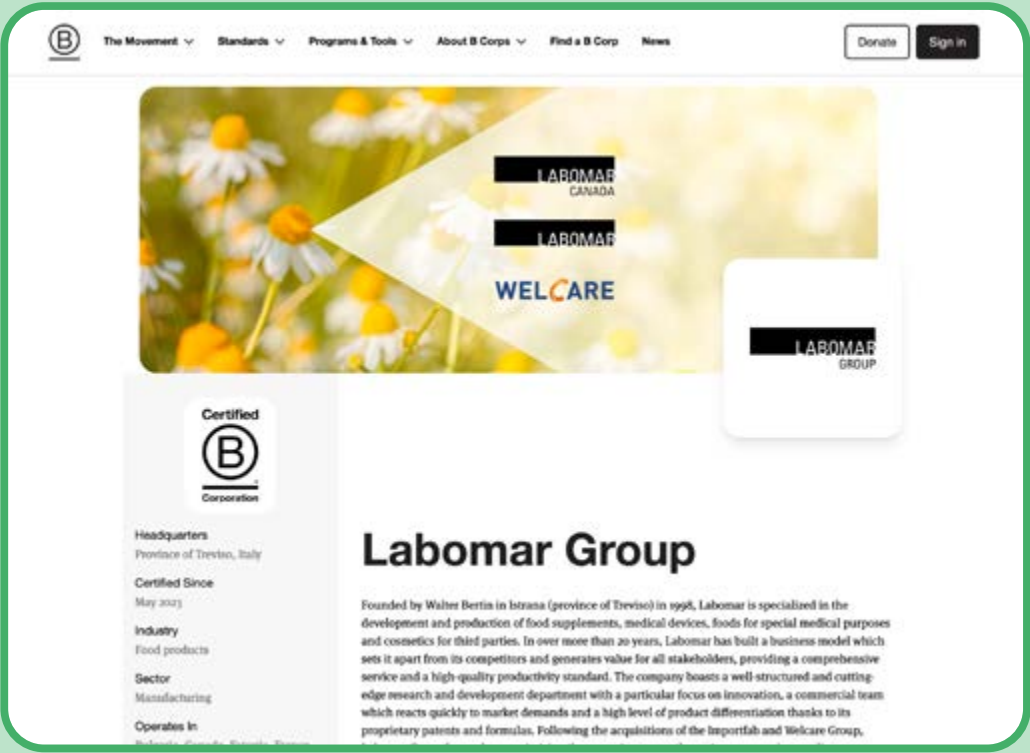
Overall B Impact Score⁴

88.3

⁴ It is intended as a consolidated weighted score; the Group companies included in the certification scope are Labomar, Welcare Group and Labomar Canada.

FOCUS ON

Looking for a B Corp? On the portal at the [Link](#), searching for Labomar Group will show the page dedicated to the achieved B Corp certification.



Breakdown by area



17.3
Governance

Governance evaluates the overall mission of a Group, its commitment to social/environmental impact, ethics, and transparency.



25.3
Workers

Workers assesses a company’s contributions to security financial, health and safety, well-being, career development, commitment and satisfaction of its employees.



19.0
Community

Community evaluates the commitment and impact of a company on the communities in which it operates, from which it hires, and from which it sources its supplies.



18.7
Environment

The environment evaluates a company’s overall environmental management practices, as well as its impact on air, climate, water, soil, and biodiversity.



7.9
Customers

Customers evaluate a company’s management of its clients through the quality of its products and services, ethical marketing, data privacy and security, and feedback channels.



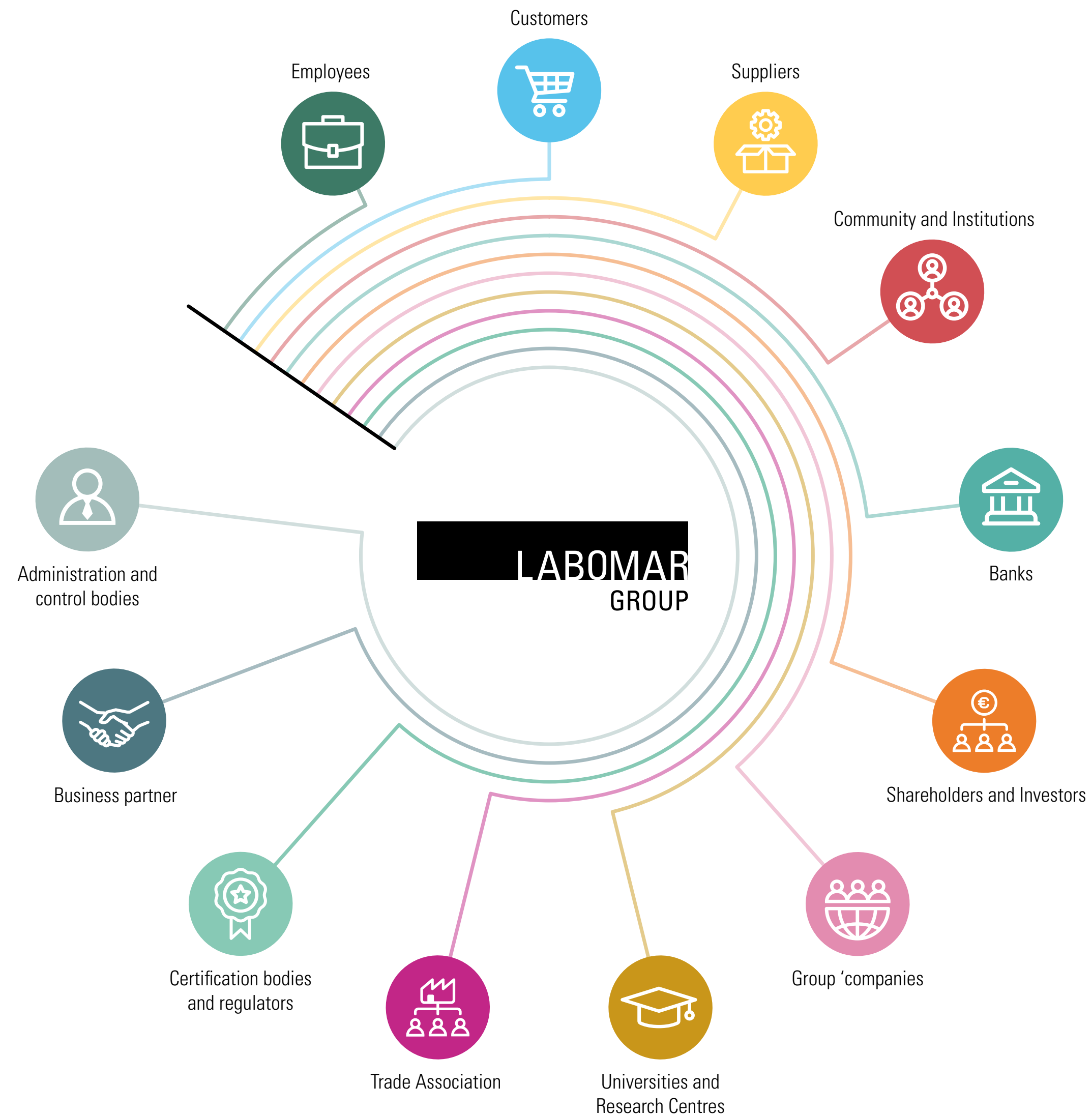
Stakeholders

[GRI 2-29]

The constant dialogue and active engagement with stakeholders, both internal and external, highlight the Group's commitment to the social and economic context in which it operates. Engaging internal stakeholders allows for a comprehensive understanding of the needs and perspectives within the entire Organization, while interaction with external stakeholders—such as customers, suppliers, trade associations, and local communities—provides an integrated view of market dynamics and social and economic challenges.







Through this ongoing dialogue, the Group is able to identify emerging opportunities and potential risks, promptly adapting its development and market strategies. This approach promotes transparency, trust, and long-term sustainability, contributing to overall success and the well-being of society in general.







The categories of stakeholders were identified through a thorough analysis, which included mapping the interested parties and assessing the impact of the Group's activities on them.





Production department in Labomar

Stakeholder	Objective	Methods of involvement
<div>Employees</div> <div></div>	Promoting the well-being, engagement, and satisfaction of employees, as well as fostering an inclusive and collaborative work environment	<ul style="list-style-type: none"> Onboarding Program BE Labomar Group Magazine and Channel Internal communication (meetings, emails) Institutional Website Corporate Events Shared Server Intranet News on Major Social Media Platforms
<div>Customers</div> <div></div>	Customer satisfaction improvement, gathering feedback to enhance service and maintaining positive and constructive relationships	<ul style="list-style-type: none"> Institutional website Participation in trade shows Events Voice of Customer (marketing) Interaction with KAMs and Customer Service
<div>Suppliers</div> <div></div>	Maintaining collaborative relationships, ensuring the quality and reliability of supplies, promoting sustainable and responsible practices	<ul style="list-style-type: none"> Events Audits Interaction with Quality Control Code of conduct ESG assessment
<div>Community and Institutions</div> <div></div>	Contributing to the well-being of the local community, building positive relationships with institutions, supporting social and environmental initiatives	<ul style="list-style-type: none"> Support for social initiatives Presence in the territory Meetings with institutions
<div>Banks</div> <div></div>	Maintaining solid financial relationships, ensuring access to credit and financial resources necessary to support business operations	<ul style="list-style-type: none"> Periodic meetings to assess financing opportunities Involvement in financial negotiations and discussions Financial reporting Rating
<div>Shareholders and Investors</div> <div></div>	Transparent information on the financial and strategic performance of the company, ensuring effective communication, and building trust relationships with investors	<ul style="list-style-type: none"> Shareholders' meetings Board of Directors Press releases Institutional website Workshop

Stakeholder	Objective	Methods of involvement
<div>Group 'companies</div> <div></div>	Promoting cooperation and knowledge sharing among the various companies within the group, coordinating common strategies and actions to achieve shared business objectives	<ul style="list-style-type: none"> • Group Labomar integration activities • Management meetings • BE Labomar channel and magazine • Internal communication (meetings, emails) • Institutional website • News on Major Social Media Platforms
<div>Universities and Research Centers</div> <div></div>	Promoting cooperation in research and development of new technologies and innovative solutions, access specialized resources and expertise to support the growth and innovation of the company	<ul style="list-style-type: none"> • Collaborations in scientific research • Participation in academic conferences or workshops • Sponsorship of academic programs • Internships and post-graduate programs
<div>Trade Associations</div> <div></div>	Representing the company's interests within the industry, participating in initiatives and discussions aimed at influencing the definition of standards, regulations, and sectoral policies	<ul style="list-style-type: none"> • Participation in events, conferences, and meetings organized by industry associations to discuss relevant sectoral topics • Cooperation with technical committees or working groups to influence the definition of sectoral standards and regulations • Contribution to studies and research conducted by the association to share knowledge and best practices
<div>Certification bodies and regulators</div> <div></div>	Ensuring compliance with industry regulations and standards, cooperating with certification bodies to obtain and maintain necessary certifications, actively participating in validation processes	<ul style="list-style-type: none"> • Participation in audits and regulatory reviews • Cooperation in defining industry standards • Updates on regulations
<div>Business Partner</div> <div></div>	Facilitating strategic cooperation and mutually beneficial partnerships with business partners, developing and implementing joint projects, sharing resources and expertise to achieve shared goals	<ul style="list-style-type: none"> • Regular meetings • Cooperating on joint projects • Sharing information and knowledge relevant to the success of the partnership
<div>Administration and control bodies</div> <div></div>	Ensuring effective and transparent governance of the company, ensuring compliance with regulations and internal policies, providing oversight and support for the management and control of business activities	<ul style="list-style-type: none"> • Board of Directors • Regular reports and updates on company activities • Involvement in audits and reviews to assess the effectiveness of business processes and compliance with regulations

Labomar packaging office



The materiality process

[GRI 3-1; GRI 3-2; GRI 3-3]

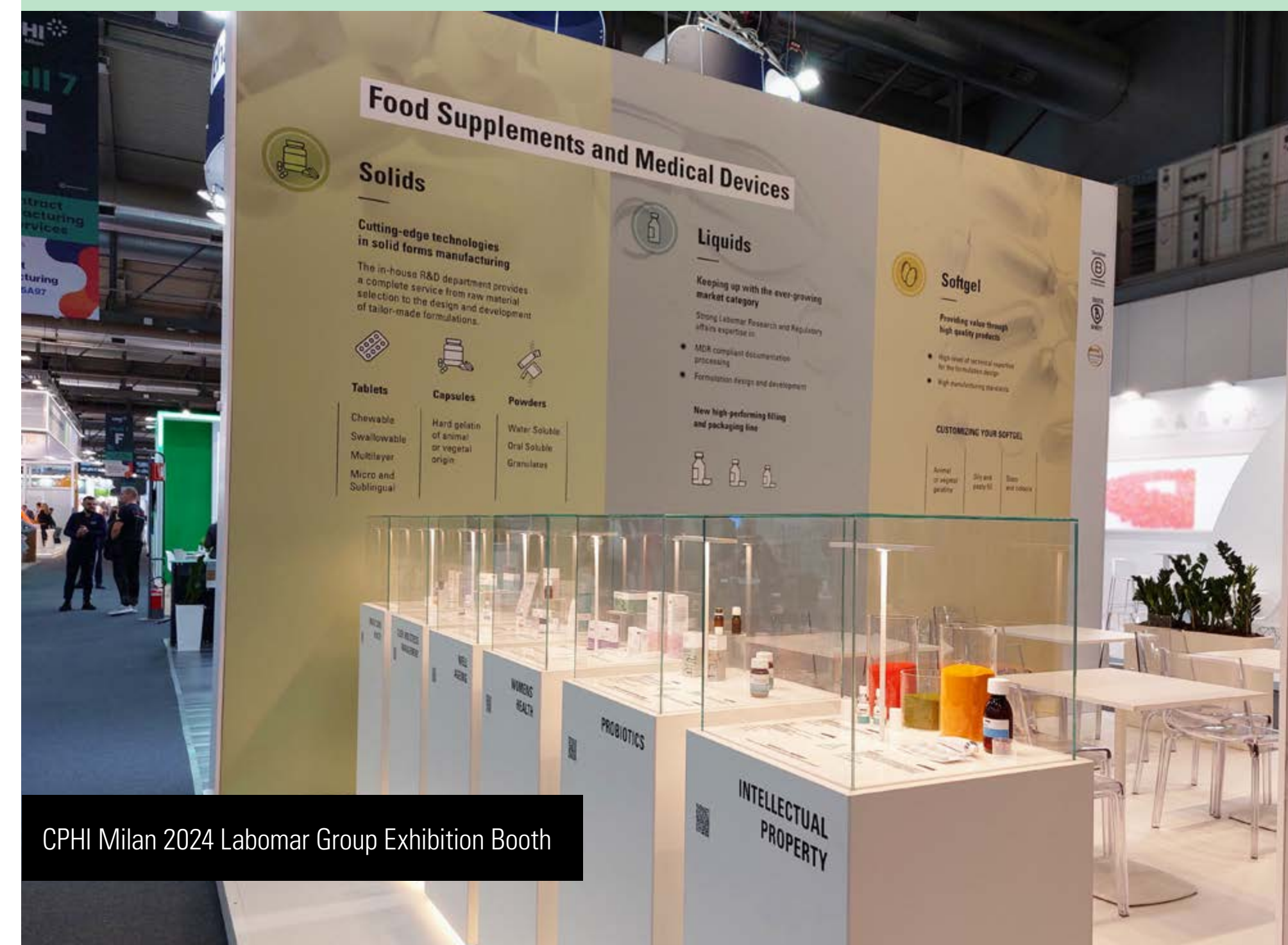
During 2023, Labomar conducted a new materiality analysis in accordance with the updated 2021 version of the GRI Standards, which introduced significant changes in the collection and presentation of sustainability information. One of the key aspects of these changes pertains to the materiality analysis process: Labomar identified material information on impacts, risks, and opportunities related to sustainability, successfully determining a list of prioritized material topics compliant with the new reporting standards. Throughout 2024, this process was further extended to include all employees of subsidiaries and customers, aiming to make it as inclusive and representative of the entire now consolidated perimeter as possible. Below are the four phases of the process carried out:

- **Phase 1.**
Understanding the Sustainability Context
A preliminary benchmark analysis was conducted regarding the main sustainability impacts on a panel of Labomar Group peers through desk analysis of available documents and an examination of key sustainability publications related to the sector, focusing on trends.
- **Phase 2.**
Identification of Impacts
In this phase, the main actual and potential impacts on the economy, environment, and people, including human rights impacts, were identified within the activities and business relationships undertaken by the Labomar Group.
- **Phase 3.**
Evaluation of Impact Significance
Considering that the evaluation of impact significance is the sole criteria for determining whether a topic is relevant for reporting, a stakeholder engagement activity was carried out, which allowed for multiple evaluations.
- **Phase 4.**
Prioritization of the Most Important Impacts for Reporting
The impacts were ranked from most to least important, and a cutoff threshold was established to determine which impacts would be the focus of reporting. To facilitate prioritization, the impacts were grouped into themes. The prioritization process enabled the Group to determine the list of material topics to report. The updated results were supervised by the CEO and communicated to the Board of Directors during the meeting on February 13, 2025.

FOCUS ON

Stakeholder engagement with customers and business partners

During the CPHI industry fair, the Group implemented a strategic engagement initiative aimed at customers and partners. Prior to the start of the fair, a targeted communication was sent, inviting them to participate in a materiality survey designed to assess the impact of Labomar Group's activities in relation to ESG areas. To thank participants for their time in completing the questionnaire, a gift was offered to be collected at the Group's stand during the event.








CPHI Milan 2024 Labomar Group Exhibition Booth

Prioritized list of material topics

Material Topics (ordered by priority)	Impact	Type	ESG Area
Health and Safety	Implementation of rigorous safety policies to protect workers, minimizing potential health risks in production operations	✓	S
<div> <div></div> <div>Product quality and safety</div> </div>	Risk of damaging the company’s reputation due to continuous and repeated product quality issues, as well as the issuance of new regulations and/or regulatory publications requiring increased compliance or product quality with a concurrent increase in costs	✗	S
<div> <div></div> <div>R&D and Innovation</div> </div>	Investments in research and development, coupled with strong sustainable innovation in processes, foster the development of new products and services that are ethical, high-quality, safe, and effective, meeting the needs of customers and protecting innovations through licenses, patents, trademarks, and confidentiality agreements. All of this should be accompanied by a proactive approach by the R&D team, serving as a promoter and guide of the concept of sustainable innovation	↘	S
<div> <div></div> <div>Cybersecurity and privacy protection</div> </div>	Protection of company data and sensitive customer information from cyber threats, resulting in increased trust and satisfaction while simultaneously avoiding damage to the company’s reputation	✓	G
Employee well-being and corporate welfare	Presence of competitive benefits aimed at increasing employee satisfaction, improving their morale, and commitment. Happy employees tend to be more productive and contribute positively to the work environment	↘	S
Employee management and development	Opportunities for training and professional development aimed at ensuring increased satisfaction through targeted development program	↘	S
Utilization of raw materials and waste management	Risk of raw material shortages due to climate change or catastrophic extreme events; as well as failure to adopt practices that minimize raw material waste and reduce the environmental impact of products (Life Cycle Assessment), resulting in excessive and uncontrolled use of resources in the production process	✗	E

Prioritized list of material topics

	Material Topics (ordered by priority)	Impact	Type	ESG Area
	Water resource management	Chemical discharge into water due to the production process and the lack of water recycling practices resulting in irresponsible water usage in production operations	×	E
	Sustainable Packaging Management	Despite the pressures from green policies and ongoing regulations on packaging, there's a failure to utilize packaging with verified sustainability performance, resulting in environmental impact issues related to non-sustainable packaging	×	E
	Attraction and retention of talents	Inability to consolidate processes due to high turnover and, at the same time, difficulty in attracting talent due to the lack of flexible policies (such as smart working) and/or low remuneration	×	S
	Ethics, business integrity, and anti-corruption	Adoption of ethical policies and responsible business practices as well as consistency, concreteness, and transparency in developing relationships with various stakeholders	✓	G
	Fight against climate change and efficient energy use	Concrete and transparent commitment to environmental protection through monitoring of generated impacts and the introduction of virtuous practices in the company, with the development of new technologies or green production practices to reduce environmental impact	↗	E
	Collaboration and partnerships with universities	Collaborations with research institutes to enhance the scientific foundation of nutraceutical products, as well as seeking new technical roles to be integrated into the R&D and Regulatory areas	✓	S
	Diversity, Equal Opportunities, and Human Rights	Promotion of an inclusive and fair working environment for all, as well as certifications attesting to gender equality and social inclusion. Additionally, listening to the needs arising from diversity	↗	S

Production department in Labomar

Prioritized list of material topics

	Material Topics (ordered by priority)	Impact	Type	ESG Area
Cutoff	 Economic performance	The organization, through its expansion into international markets and the increase in market share, significantly contributes to the development of the economy and the well-being of stakeholders and the community, generating value through its activities	✓	G
	Integration of sustainability into the business	Strong integration of sustainability into the business, creating excellent prospects for corporate stakeholders. Additionally, this integration complies with the legal requirements of Benefit Corporations	✓	G
	Stakeholder engagement and involvement	Seeking valuable partnerships with business partners, customers, and suppliers, characterized by listening, professionalism, reliability, and transparency, with the aim of prioritizing the needs and requests of these partners	✓	G
	Sustainable management of the supplier ⁵	Adoption of sustainable criteria and/or standards in supplier selection, while promoting responsible practices to mitigate the risk of potential social (anti-discriminatory practices and/or human rights violations) and environmental violations in contractor-subcontractor relationships	↘	G
	Biodiversity	Negative impacts on intensive agricultural use with specific regard to the production of raw materials that are used in nutraceuticals (e.g., botanical extracts).	✗	E
	Involvement of the local community and social commitment ⁵	Promotion of actions, cultural initiatives, and sustainable projects aimed at fostering collective well-being and the community in which the organization operates; as well as strong social commitment linked to contributing to the growth of the local economy through job creation for the enhancement of the territory	✓	S

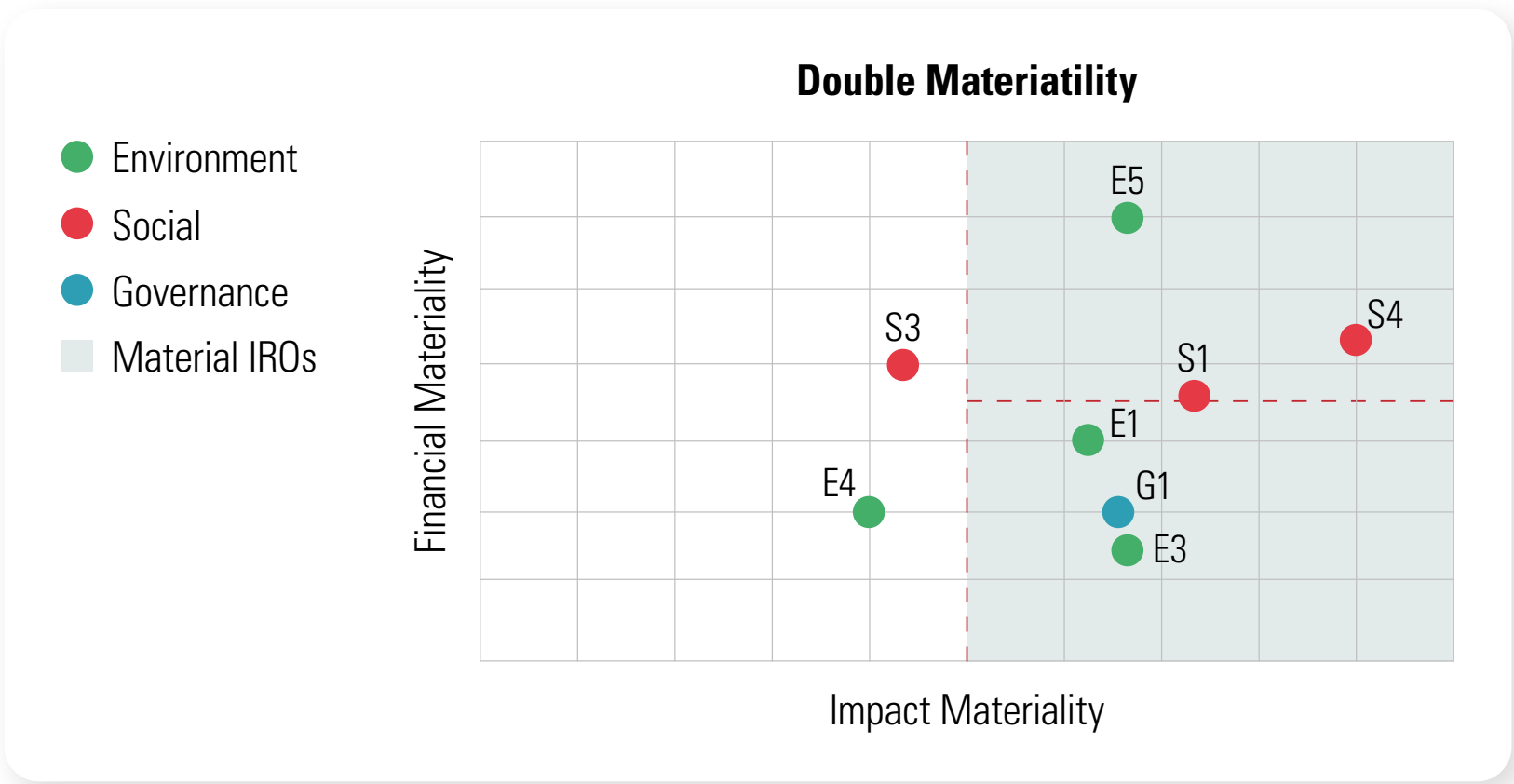
⁵ Although below the cutoff threshold, this topic is considered material due to its strategic importance

It is noted that the topics “stakeholder engagement and involvement” and “biodiversity” were not considered material for the purposes of the analysis conducted.

Production department in Labomar

Double materiality analysis

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 (ESRS 1) to determine the material sustainability topics for the entire Labomar Group. The assessment considered both the impacts identified in the previous paragraph, with reference to impact materiality, and how sustainability impacts influence the Group in terms of business risks and opportunities. The IG1 guideline released by EFRAG was used as a reference. The double materiality assessment began by combining the list of sub-themes provided by ESRS 1 with additional sustainability aspects relevant to the Labomar Group, based on its sector. The preliminary results were aggregated and discussed with the CEO. Regarding impact materiality, the impacts were integrated with the ESRS sub-themes; while for financial materiality, the finance department was involved, enabling the evaluation of the contribution of identified risks and opportunities to financial effects in the short, medium, and long term.





SDGs

In the global context of the 2030 Agenda for Sustainable Development, Labomar Group is firmly committed to promoting a responsible and sustainable business model that aligns with the ideals and objectives of the United Nations’ Sustainable Development Goals (SDGs). With a clear recognition of the challenges and opportunities that define our time, the Group embraces the mission of making the world a better place for present and future generations, leveraging the sector in which it operates. With a deep commitment to excellence and sustainability, the Group positions itself as a positive catalyst for change, demonstrating that business success and social impact can go hand in hand.

SDG 3: Health and Well-being

To achieve sustainable development, it is essential to ensure healthy lives and promote well-being for all at all ages. Significant progress has been made in increasing life expectancy and reducing some of the most common causes of death related to infant and maternal mortality. The Labomar Group fully aligns with this goal by contributing to the promotion of health and well-being through the study and creation of cutting-edge, personalized nutraceutical solutions for its clients. This is achieved through the integration of a comprehensive service from Research and Development to industrial-scale production of safe, effective, and distinctive food supplements, medical devices, cosmetics, and foods for special medical purposes.



To oversee multiple [therapeutic areas](#)





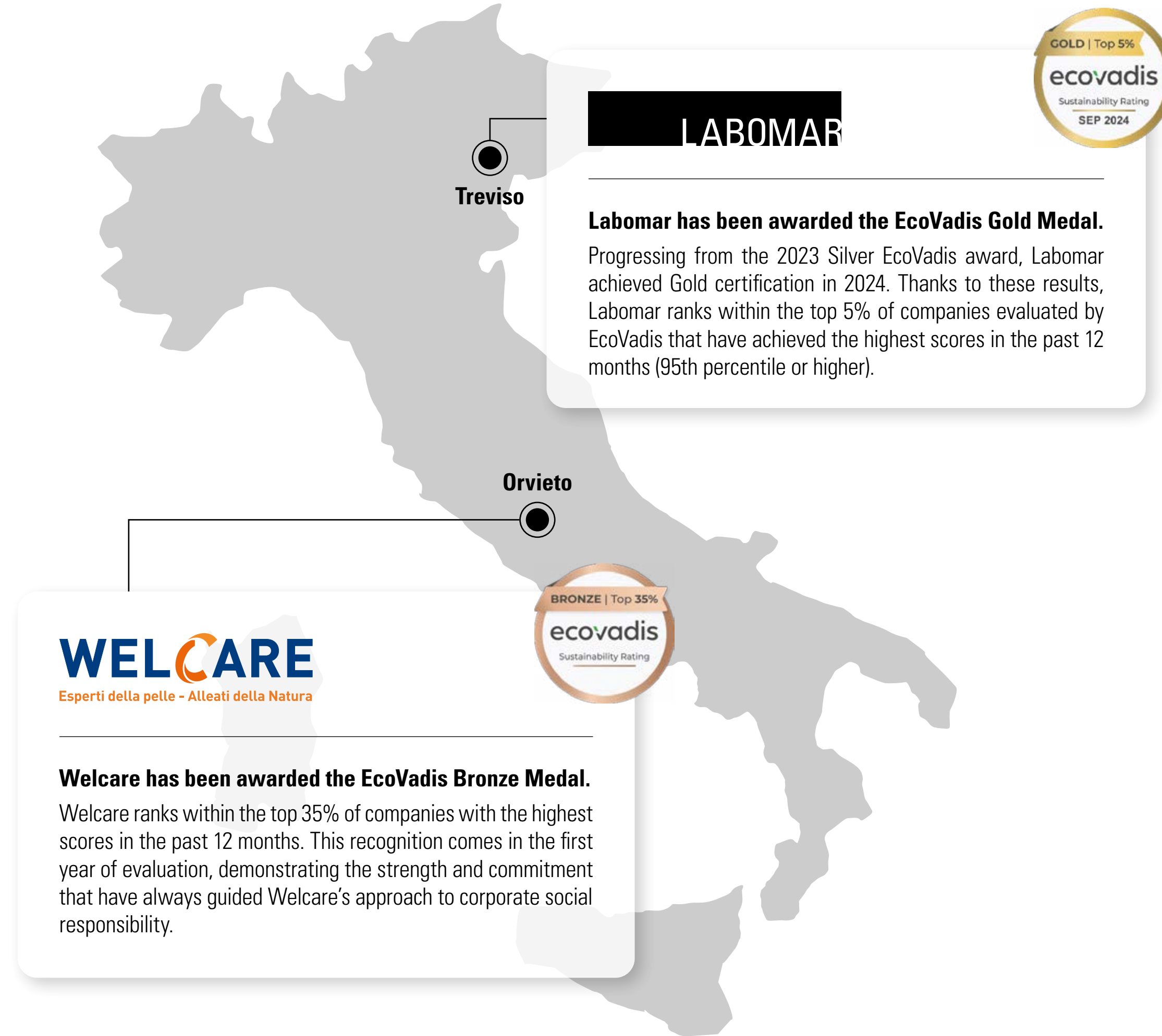
Material Topics (ordered by priority)	ESG Area	1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS
Health and Safety	S			✓					✓									
Product quality and safety	G																✓	
R&D and Innovation	S																✓	
Cybersecurity and privacy protection	S			✓						✓								
Employee well-being and corporate welfare	S			✓		✓			✓									
Employee management and development	S								✓									
Utilization of raw materials and waste management	E			✓			✓		✓			✓	✓					
Water resource management	S					✓			✓		✓							
Sustainable Packaging Management	S				✓													✓
Attraction and retention of talents	G								✓	✓								
Ethics, business integrity, and anti-corruption	E						✓						✓					
Fight against climate change and efficient energy use	E			✓				✓	✓					✓	✓	✓		
Collaboration and partnerships with universities	E			✓									✓					
Diversity, Equal Opportunities, and Human Rights	S					✓			✓									
Economic performance	G																✓	
Integration of sustainability into the business	G									✓								✓
Sustainable management of the supplier ⁶	G								✓									
Involvement of the local community and social commitment ⁶	S	✓	✓															

⁶ Although below the cutoff threshold, this topic is considered material due to its strategic importance



EcoVadis

EcoVadis is one of the most globally recognized platforms for assessing corporate sustainability. Through a structured analysis based on international sustainability standards, EcoVadis evaluates companies in four key areas: environment, labour practices and human rights, ethics, and sustainable procurement. Companies that achieve excellent scores in these areas are rewarded for their commitment and responsible practices.



FOCUS ON

Labomar and SMETA audit 4 pillar

Sedex is a non-profit organization dedicated to promoting the spread of ethical principles along global supply chains. It constitutes the largest platform in Europe that collects and processes data on the ethical behaviour of supply chains. The Sedex methodology has not created a new certification standard but has proposed a procedure (SMETA) for conducting audits at its suppliers, which gathers best practices regarding ethical and social audit conduct. During 2024, Labomar conducted the SMETA 4 Pillar audit in the areas of working conditions, health and safety, work environment, and business practices.

Company reference:
ZC5000003940
Site reference:
ZS1000004088





03

People

- Employee management and development
- Employee well-being and corporate welfare
- Attraction and Retention of Talent
- Diversity, Equal Opportunities, and Human Rights
- Health and Safety





Employee management and development

[GRI 2-7; GRI 2-8; GRI 2-30; GRI 402-1; GRI 404-1]

Labomar Group recognizes that people are the fundamental resource for the success and sustainability of the entire organization. Regarding employee management and development, the Group is committed to enhancing human capital in all its dimensions through the principles of continuous training, inclusion, well-being, and workplace safety, with the aim of fostering personal and professional growth of employees and ensuring a stimulating work environment.

At the central level, the Parent Company launched an ambitious group integration project in 2024, aimed at sharing and standardizing policies, operational practices, ongoing projects, and numerical data related to human resource management. This project will enable the Group to constantly monitor the effectiveness of employee management and development initiatives, promoting the sharing of best practices and ensuring consistency across the entire scope. The various subsidiaries of Labomar Group have also developed specific initiatives to meet the peculiar needs of their respective operational contexts. For example, Labiotre has implemented a new HR application for attendance management, enhancing its structure and optimizing operational processes. The Parent Company, within the context of its human resource management strategy, has a consolidated procedure that ensures planning in line with the industrial evolution of the organization, customer needs, and the regulatory context. Similarly, Welcare has developed a general human resources procedure aimed at defining the necessary competencies for personnel involved in activities impacting product quality, establishing responsibilities and methods for identifying training needs, planning targeted interventions, and evaluating their effectiveness. At Labomar Canada, the company regulations, which define the rules, operational procedures, and guidelines for employees, are currently being updated.



Production department in Labomar



In general, Labomar Group is committed to managing human resources with the utmost accuracy, adopting policies and practices that ensure respect for the fundamental rights of its employees. This commitment translates into strict compliance with working hours established by current regulations, ensuring adherence to the laws of the countries in which it operates, and particularly, for Italian subsidiaries, to the relevant National Collective Labor Agreement.

Furthermore, the Group strives to ensure that workers’ needs are respected at all stages of their employment relationship, considering various aspects of life such as maternity, paternity, and personal and family health topics. At the same time, it is committed to ensuring adequate remuneration—at least equal to the mandatory national minimum wage—so that employees are compensated fairly and competitively, in relation to their levels of competence and responsibilities assumed.

FOCUS ON

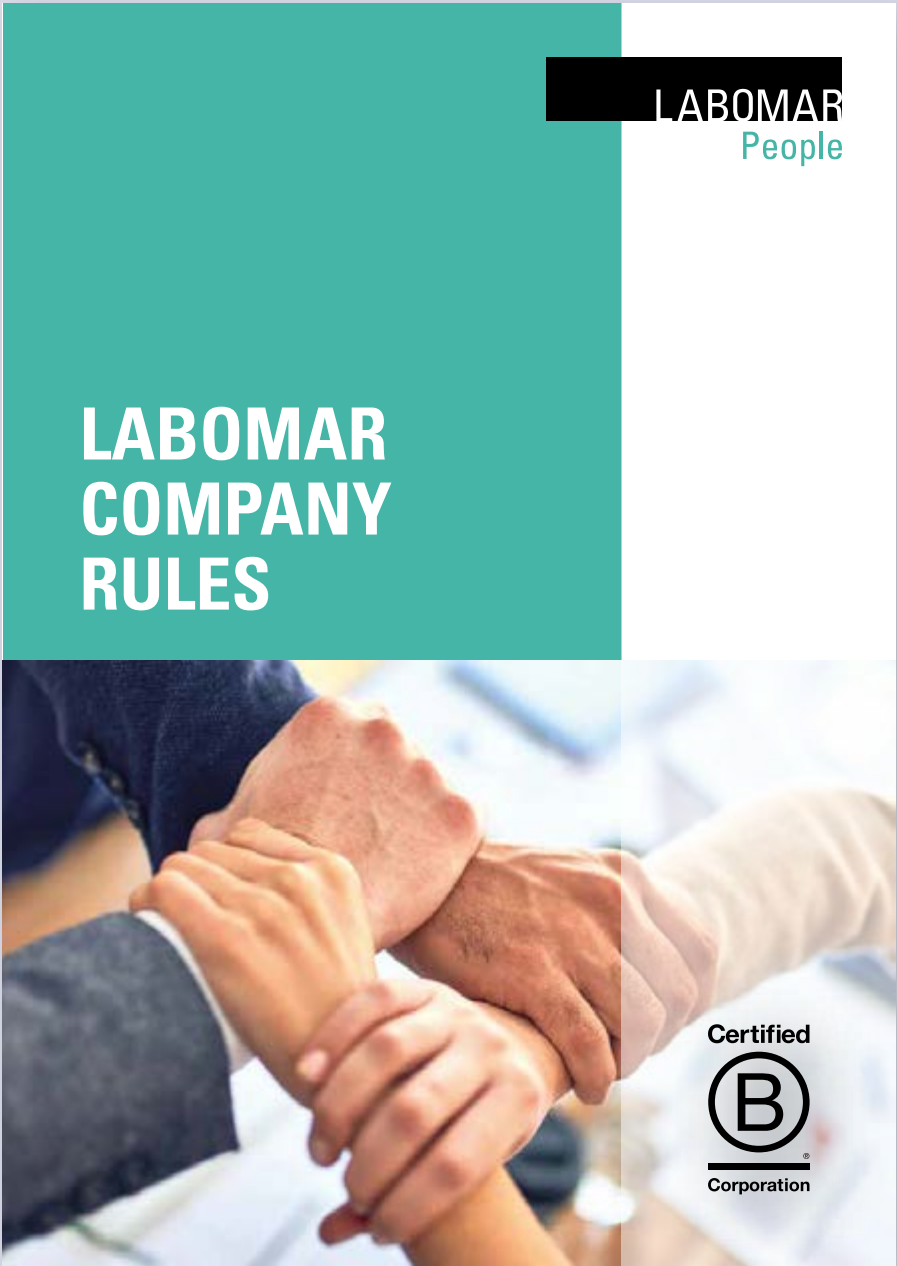


New corporate regulations
for Labomar

Starting from May 1st, the Parent Company has formalized the new corporate regulations, a strategic document that embodies Labomar’s core values—customer orientation, team spirit, passion for excellence, consistency, well-being, and sustainability—and serves as the foundation for all decisions and behaviours within the company.

The new regulations integrate, for example, the National Collective Labor Agreement for Food Industry Workers, the Organizational, Management, and Control Model pursuant to Legislative Decree no. 231/01, and the Corporate Code of Ethics, inviting all personnel to familiarize themselves with the professional conduct standards and rules related to the employment relationship. The document is structured into several main sections: confidentiality and workplace safety, work-life balance, and sustainability, with the aim of promoting a responsible, inclusive, and continuously improving work environment.

This new regulation represents an important step in modernizing work practices, ensuring transparency and consistency, and reinforcing Labomar’s commitment, as a benefit corporation, to operate responsibly and sustainably, placing the strategic value of its people at the heart.



Meeting room in Labomar’s L3 office



Labomar Production Department

Employees

Employees	December 31st, 2024						December 31st, 2023					
	U	%	D	%	Totali	%	U	%	D	%	Totali	%
Permanent	165	97.06	181	96.28	346	96.65	167	95.43	180	96.26	347	95.86
Temporary	5	2.94	7	3.72	12	3.35	8	4.57	7	3.74	15	4.14
Italy	170	47.49	188	52.51	358	87.96	175	48.34	187	51.66	362	88.08
Permanent	29	100.00	20	100.00	49	100.00	24	96.00	22	91.67	46	93.88
Temporary	-	-	-	-	-	-	1	4.00	2	8.33	3	6.12
North America	29	59.18	20	40.82	49	12.04	25	51.02	24	48.98	49	11.92
Permanent	194	97.49	201	96.63	395	97.05	191	95.50	202	95.73	393	95.62
Temporary	5	2.51	7	3.37	12	2.95	9	4.50	9	4.27	18	4.38
Total	199	48.89	208	51.11	407	100.00	200	48.66	211	51.34	411	100.00

Employees	December 31st, 2024						December 31st, 2023					
	U	%	D	%	Totali	%	U	%	D	%	Totali	%
Full-time	168	98.82	167	88.83	335	93.58	172	98.29	167	89.30	339	93.65
Part-time	2	1.18	21	11.17	23	6.42	3	1.71	20	10.70	23	6.35
Italy	170	47.49	188	52.51	358	87.96	175	48.34	187	51.66	362	88.08
Full-time	29	100.00	19	95.00	48	97.96	24	96.00	22	91.67	46	93.88
Part-time	0	0.00	1	5.00	1	2.04	1	4.00	2	8.33	3	6.12
North America	29	59.18	20	40.82	49	12.04	25	51.02	24	48.98	49	11.92
Full-time	197	98.99	186	89.42	383	94.10	196	98.00	189	89.57	385	93.67
Part-time	2	1.01	22	10.58	24	5.90	4	2.00	22	10.43	26	6.33
Total	199	48.89	208	51.11	407	100.00	200	48.66	211	51.34	411	100.00

It should be noted that in the reporting years 2023 and 2024, there are no employees with non-guaranteed hours in the workforce. Additionally, it is specified that the above data is in headcount at the end of the reporting period.



The variations in the number of employees between the reporting periods of 2023 and 2024 primarily reflect the business trends in which the Group operates.

88% of Labomar Group employees are covered by collective bargaining agreements, ensuring fair working conditions and compliance with industry regulations. This commitment reflects the Group's dedication to ensuring the well-being and rights of its employees, maintaining a work environment that adheres to the highest standards.

In the case of Labomar Canada, working conditions are established by provincial labour standards—such as those defined by CNESST—and Canadian labour legislation, thus guaranteeing adequate protections and rights for employees.

At all Italian locations of the Group, the right to free association in trade unions is guaranteed, recognizing the fundamental value of individual rights enshrined in major international conventions and national regulations. This commitment is a testament to the Organization's respect and dedication to promoting an inclusive work environment where employees can express their opinions and defend their interests through membership in recognized trade unions. In accordance with various local regulations, Labomar Canada does not currently have a union presence, as not all companies in Canada are unionized.

Labomar Group is committed to providing employees with adequate notice in case of significant operational changes, in accordance with internal corporate regulations, locally applicable agreements, and contractual provisions. Before any official communication, changes are discussed with company management, worker representatives, and, where applicable, recognized trade unions, ensuring a transparent and participatory decision-making process. This approach, tailored to the specific regulatory and contractual requirements of each entity within the Group, reflects the desire to operate responsibly and respectfully towards its collaborators. Ensuring clarity and timeliness in communications is a key element of the corporate culture, aimed at fostering a work environment based on mutual trust and valuing each employee's contribution. Labomar Group effectively manages production peaks and market demands through the use of external workers, ensuring

operational flexibility and continuity in production processes. The most common type of non-employee workers are production operators with temporary contracts, whose tasks are supervised and coordinated by the Organization. Additionally, the Group welcomes interns in specific corporate functions, offering growth and learning opportunities to young talents.

During 2024, Labomar optimized the management of labour supply by selecting a single top-tier provider, a strategic choice aimed at consolidating the trust relationship and improving efficiency. On average, 22 temporary workers were involved in the production area, 1 intern per month in the R&D, Supply Chain, and Sustainability areas, and one external collaborator in the Sales area. Labiotre, in 2024, strengthened its internal structure by transitioning a production operator from a temporary contract to a direct contract, thus consolidating its production team. Welcare, on the other hand, did not employ external labour, managing all its operational needs internally. Labomar Canada, similar to the Parent Company, uses external workers to handle production peaks, ensuring flexibility in resource management and promptly responding to market demands. This strategy allows the Group to maintain a balance between operational continuity, valuing internal personnel, and adapting to changing production needs.

⁷ For the minimum number of weeks' notice generally given to employees and their representatives prior to the implementation of major operational changes that could materially affect them, please refer to the relevant local regulations in force.



Welcare production department

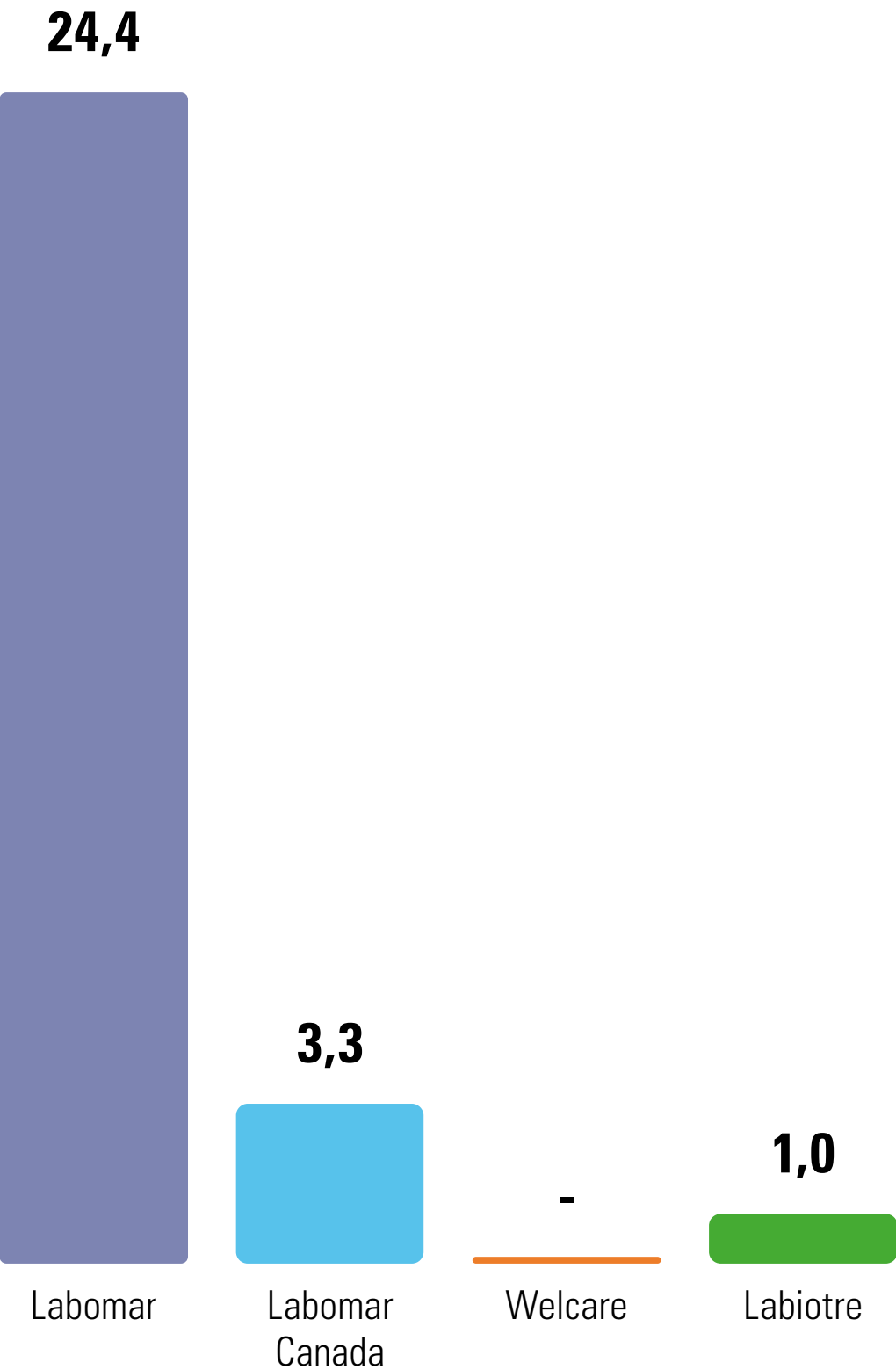
Below are the data regarding non-employee workers, whose tasks are under the control of the Group. The workforce data are presented not at the end of the reporting period but rather as an average of employment during 2024.

Labomar Group recognizes continuous training as a strategic element for individual growth and the overall success of the organization. Investing in the improvement of employee skills not only increases productivity but also strengthens the sense of belonging and engagement in business processes. Training is thus a fundamental pillar for business success, aimed at transforming the workplace into an environment where each individual can fully express their potential, leveraging their inclinations and motivations. The Group’s goal is to foster professional growth that allows employees to feel fulfilled and valued for their uniqueness.

In 2024, training activities were primarily focused on three key areas: On-the-Job training, which enabled employees to acquire practical skills directly in the field; training on transversal skills, which included the development of relational, managerial, and leadership abilities; and mandatory health and safety training, essential for ensuring a safe work environment and compliance with regulations.

Involvement of external workers

Data below in headcount as an average across the reporting period 2024



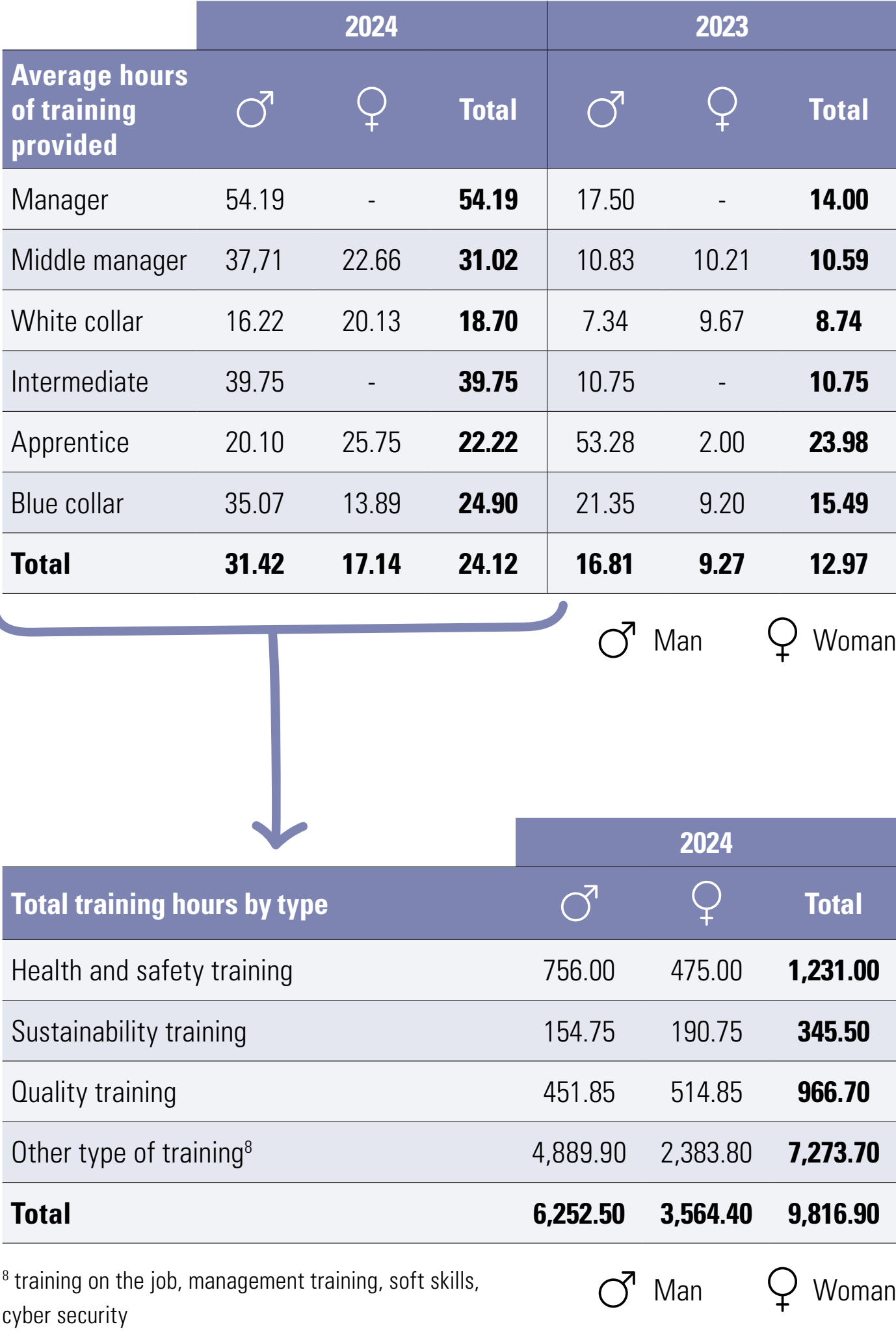
Labomar R&D department

In particular, the Parent Company initiated a managerial training program in 2024 that involved 18 managers, divided into two phases: the first phase included an assessment with all participants, while the second phase, which began in May 2024, consisted of classroom training sessions. Additionally, throughout 2024, monthly training sessions were conducted for Department Heads, strengthening their managerial and operational skills.

During 2024, Labiotre organized numerous training courses, including personalized coaching sessions for managers, internal courses led by Soft Gel production managers, and 10 safety update courses, including specific training for RLS, fire safety, and forklift use. A cybersecurity training course was also organized to protect company data and ensure the conscious use of technology.

At Welcare, training focused primarily on health and safety, quality, and regulatory areas, with specialized courses based on job roles. The regulatory department, in particular, participated in update courses on the Risk Management System in compliance with EU Regulation 2017/745, as well as courses on preparing the technical documentation required for medical devices.

Labomar Canada, finally, focused its training on quality and product regulatory topics, ensuring that its employees were up to date with current regulations. Payroll courses, French language courses to improve communication in a bilingual context, and specific training on product regulatory standards were also organized to support the company in maintaining high standards of quality and compliance. Through these numerous initiatives, the Labomar Group demonstrates its commitment to valuing human capital and ensuring that every employee has the necessary skills to contribute to business success, creating an increasingly inclusive, safe, and competitive work environment.



FOCUS ON

Labomar and the promotion of sustainability culture

In 2024, the Group Sustainability Manager coordinated and conducted an extensive training program on sustainability, with a particular focus on ESG (environmental, social, and governance) topics and the crucial role that sustainability plays within the company.

The program involved over 150 employees from various corporate functions at the Parent Company, with the aim of integrating and disseminating sustainability principles across all operational areas. This commitment demonstrates the company’s ongoing effort to raise awareness and educate its teams on key sustainability topics and promote a responsible approach at the corporate level.

Among the main KPIs of the training program undertaken are:

208 total hours of training provided during 2024

150 employees involved

Main internal areas trained:
IT, Sales, Customer Service, Purchasing, HSE, Regulatory, Production, Supply Chain, Administration Finance and Control, Engineering, Pharma Technologies, Quality Control, Quality Assurance, HR, R&D.

1 hour & 25 minutes
average session duration



Employee well-being and corporate welfare

[GRI 401-2]

The well-being of people is a foundational value present in every aspect of the organization: from product offerings to production and organizational processes, from relationships with customers and suppliers to the direct involvement of employees’ families and local communities. Corporate well-being is built through the collaboration and active participation of everyone, adopting a continuous improvement approach, both individually and collectively.

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

Labomar offers its employees several solutions to facilitate the balance between private and professional life. For compatible positions, and subject to positive manager evaluation, there is the possibility of working one day a week in a flexible mode, always ensuring the right to disconnect. The company canteen service, available to all employees, including temporary workers, provides a complete and varied meal, catering to different dietary preferences. Since 2023, all employees have access to the Corporate Benefit platform, which offers exclusive advantages on products and services, from consumer goods to travel, and even healthcare assistance. Additionally, through the TreCuori welfare

platform, employees can convert their performance bonuses into useful services for themselves and their families, also contributing to local community support. Since 2023, the MBO (Management by Objectives) has been enriched with a common sustainability goal, reviewed annually, which strengthens the importance of sustainability in the corporate culture. Furthermore, to protect the health of its employees, since 2022, Labomar has subscribed to a collective policy with Intesa San Paolo RBM Salute, offering free specialist medical visits at affiliated facilities and financial compensation in case of serious illnesses. Finally, in line with the collective agreement for the food industry, every employee benefits from the FASA Fund.

FOCUS ON

LABOMAR
People

Parenting Project 2024: Launch at Labomar Headquarters

With the aim of concretely addressing the needs related to parenting and improving the quality of life for its employees, the Parent company Labomar actively supports parenting through a series of initiatives. For each newborn, every Labomar parent receives a **voucher worth €500** to be spent at a selected pharmacy. The new regulation provides for the activation of **continuous working hours upon request by new mothers**, compatible with their duties, until the child reaches three years of age. Additionally, upon returning from parental leave, the book **“Mamma rimettiti al primo posto”** is given, a personal growth essay designed for mothers and fathers (and their partners), reinforcing Labomar’s commitment to promoting family and personal well-being.





Labiotre, with the aim of improving corporate well-being, has implemented a feedback collection system through a dedicated box, promoting dialogue and identifying areas for improvement. In 2024, it also introduced a corporate climate survey, involving 25 employees to identify potential issues and adopt targeted corrective actions. The company has strengthened flexible working measures by introducing smart working and more flexible entry times. Regarding welfare, employees receive meal vouchers, and for managers, additional insurance coverage is provided.

Welcare is committed to ensuring a motivating work environment, offering, in accordance with the provisions of the National Collective Labor Agreement (CCNL), a supplementary health care fund, electronic meal vouchers, and a variable performance bonus, thus enhancing employee engagement and job satisfaction.

Labomar Canada ensures solid insurance coverage for its employees, including life insurance, accident and disability insurance, health care, and a company pension plan.

In all Labomar Group entities, benefits granted to full-time employees are also extended to part-time or fixed-term contract staff, ensuring equity and uniform access to welfare opportunities⁹.

⁹ At Labomar Canada, the eligibility criteria for benefits are differentiated: office employees qualify after three months of employment, while production workers qualify after twelve months.

FOCUS ON



International Women’s Day at Labomar Group

On the occasion of International Women’s Day, Labomar Group celebrated the value and commitment of its female employees – and, more generally, all its staff – by distributing a **special gift at all locations. The Labomar Research team conceived and developed an innovative product**, dedicated not only to women but to the entire Group, as a symbol of an **inclusive approach and attention to collective well-being**.

Delivered on March 8th, the product represents a tangible recognition of diversity and the unique contribution of each individual, highlighting the company’s ongoing commitment to valuing people and promoting a fair and stimulating work environment.



Attraction and Retention of Talent

[GRI 401-1]

In an increasingly competitive and dynamic market context, attracting and retaining talent is a fundamental pillar for business success. Labomar Group is committed to adopting strategies aimed at ensuring a constant flow of qualified professionals and retaining its most valuable resources. The long-term goal is to create a corporate culture focused on recognizing individual value and developing skills, transforming the company into an environment where every employee can excel and contribute to achieving ambitious business objectives.

The recruitment process is based on matching expected profiles with required ones, rigorously evaluating candidates’ experience, attitude, and competence. During 2024, all Group entities worked on defining and refining onboarding and exit processes, with the aim of improving the entry and exit phases of employees.

Total number and percentage of new employees hired¹⁰

	2024						2023					
Employees	♂	%	♀	%	Totale	%	♂	%	♀	%	Totale	%
<30 year	6	31.58	11	52.38	17	36.96	15	48.39	12	48.00	27	48.21
30-50 year	9	47.37	10	7.58	19	7.88	23	20.72	24	18.05	47	19.26
>50 year	4	21.05	2	5.71	6	8.45	3	9.09	1	3.45	4	6.45
Italy	19	45.24	23	12.23	42	11.73	41	23.43	37	19.79	78	21.55
<30 year	2	50.00	1	50.00	3	50.00	1	50.00	2	100.00	3	75.00
30-50 year	6	42.86	1	25.00	7	38.89	8	61.54	3	37.50	11	52.38
>50 year	-	0.00	-	0.00	-	0.00	3	30.00	3	21.43	6	25.00
North America	8	27.59	2	10.00	10	20.41	12	48.00	8	33.33	20	40.82
<30 year	8	27.59	12	52.17	20	38.46	16	48.48	14	51.85	30	50.00
30-50 year	15	12.20	11	8.09	26	10.04	31	25.00	27	19.15	58	21.89
>50 year	4	8.51	2	4.08	6	6.25	6	13.95	4	9.30	10	11.63
Total	27	13.57	25	12.02	52	12.78	53	26.50	45	21.33	98	23.84

¹⁰ For the calculation methods used to determine the percentages in the table, please refer to the GRI 401-1 Reporting Standard

♂ Man ♀ Woman



Labomar production plant

Total number and percentage of employee turnover¹¹

	2024						2023					
Employees	♂	%	♀	%	Totale	%	♂	%	♀	%	Totale	%
<30 year	5	20.00	5	23.81	10	21.74	6	19.35	6	24.00	12	21.43
30-50 year	15	13.76	13	9.85	28	11.62	12	10.81	12	9.02	24	9.84
>50 year	4	11.11	3	8.57	7	9.86	2	6.06	2	6.90	4	6.45
Italy	24	14.12	21	11.17	45	12.57	20	11.43	20	10.70	40	11.05
<30 year	1	25.00	0	0,00	1	16.67	1	50.00	1	50.00	2	50.00
30-50 year	6	42.86	3	75,00	9	50.00	3	23.08	2	25.00	5	23.81
>50 year	1	9.09	3	21.43	4	16.00	2	20.00	6	42.86	8	33.33
North America	8	27.59	6	30.00	14	28.57	6	24.00	9	37.50	15	30.61
<30 year	6	20.69	5	21.74	11	21.15	7	21.21	7	25.93	14	23.33
30-50 year	21	17.07	16	11.76	37	14.29	15	12.10	14	9.93	29	10.94
>50 year	5	10.64	6	12.24	11	11.46	4	9.30	8	18.60	12	13.95
Total	32	16.08	27	12.98	59	14.50	26	13.00	29	13.74	55	13.38

¹¹ For the calculation methods used to determine the percentages in the table, please refer to the GRI 401-1 Reporting Standard

♂ Man ♀ Woman

Diversity, Equal Opportunities, and Human Rights

[GRI 405-1; GRI 405-2; GRI 406-1]

Labomar believes that diversity and inclusion are not issues to be managed, but opportunities to invest in. A diversified team, founded on the value of inclusivity, is richer and more performant than one dominated by uniformity. The organization is committed to ensuring full and productive employment and decent work for all, while simultaneously promoting diversity and inclusion among its employees. For this reason, the Group has set the objective of monitoring a series of diversity-related metrics.

	31.12.2024			31.12.2023		
% of Employees by category and gender	♂	♀	Totale	♂	♀	Totale
Manager	4.02%	-	1.97%	1.98%	0.48%	1.22%
Middle manager	10.05%	7.69%	8.85%	10.40%	6.70%	8.52%
White collar	23.12%	38.46%	30.96%	26.73%	38.28%	32.60%
Intermediate	1.01%	-	0.49%	0.99%	-	0.49%
Apprentice	2.51%	1.44%	1.97%	1.49%	1.91%	1.70%
Blue collar	59.30%	52.40%	55.77%	58.42%	52.63%	55.47%
Total	48.89%	51.11%	100.00%	49.15%	50.85%	100.00%

	31.12.2024				31.12.2023			
% of Employees by category and age range	<30	30-50	>50	Totale	<30	30-50	>50	Totale
Manager	-	2.32%	2.11%	1.97%	-	1.17%	2.08%	1.22%
Middle manager	1.89%	10.81%	7.37%	8.85%	3.39%	10.55%	6.25%	8.52%
White collar	30.19%	34.75%	21.05%	30.96%	32.20%	35.94%	23.96%	32.60%
Intermediate	-	0.39%	1.05%	0.49%	-	0.39%	1.04%	0.49%
Apprentice	15.09%	-	-	1.97%	13.56%	-	-	1.95%
Blue collar	52.83%	51.74%	68.42%	55.77%	50.85%	51.95%	66.67%	55.23%
Total	13.02%	63.64%	23.34%	100.00%	14.36%	62.29%	23.36%	100.00%

♂ Man ♀ Woman

The Group recognizes the importance of its employees and collaborators as one of the fundamental factors for achieving business objectives and adopts practices to ensure maximum fairness and equal opportunities without discrimination based on gender, race, age, sexual orientation, religious beliefs, or any other factor. All Group companies are committed to offering all their collaborators the same opportunities, ensuring that everyone enjoys fair treatment based on strictly professional merit criteria for any decision related to professional life, without any discrimination. In line with this commitment, the importance of pay equity is recognized as a pledge to ensure fair and equal treatment for all collaborators. One of the Group’s primary objectives is to report on gender pay diversity, with the intent to highlight the principle of transparency and subsequently implement supportive initiatives should critical situations arise.

Conducting pay analyses is necessary to identify and correct any gender disparities, ensuring that each employee is adequately compensated for their work and responsibilities.

Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.

Ratio of the average basic salary ¹²	31.12.2024	31.12.2023
Ration woman / man %		
Italy		
Middle manager	100.00	85.04
White collar	89.60	90.33
Blue collar	96.93	98.44
North America		
Middle manager	97.01	79.76
White collar	94.62	82.69
Blue collar	73.33	69.44

Ratio of the average remuneration ¹²	31.12.2024	31.12.2023
Ration woman / man %		
Italy		
Middle manager	94.78	81.87
White collar	84.80	91.89
Blue collar	92.84	84.64
North America		
Middle manager	91.92	79.76
White collar	94.62	82.69
Blue collar	73.33	69.44

¹² The calculation included all full-time employees who worked from January 1st to December 31st.

R&D laboratory



Labomar Group is committed to respecting and defending fundamental human rights by adopting policies and procedures in line with national and international regulations, and preventing any form of human rights violations. The Group firmly believes in respecting the dignity of every individual, as established by the United Nations Universal Declaration of Human Rights. For this reason, Labomar Group is committed to not using or favouring child labour, defined as any form of work performed by minors below the legal minimum age, which varies from country to country. Additionally, the Group refrains from using any form of forced, compulsory, or bonded labour, and strives to prevent any behaviour involving threats, use of force, coercion, abduction, intimidation, retaliation, or abuse of power for exploitation purposes.

The Group also adopts a non-discrimination rule, avoiding any form of discrimination based on age, ethnic or racial origin, nationality, political opinions, religion, gender, union membership, or health status.

During the reporting period, no incidents of discrimination were found, nor any forms of discrimination involving internal and external stakeholders. Labomar Group’s commitment to diversity, inclusion, and respect for human rights is a cornerstone of its strategy, recognizing diversity as a valuable resource and promoting a work environment free from discrimination, which is essential for the success and sustainability of the entire organization.



Greenhouses of Welcare



Health and Safety

[GRI 403-1; 403-2; 403-3; 403-4; 403-5; 403-6; 403-7; 403-9]

Every entity within the Labomar Group is committed to promoting a safety culture where prevention is a priority, continuously seeking to identify and mitigate workplace risks. Labomar Group places the health and safety of its employees at the core of its operational strategy, implementing policies, management systems, and training programs aimed at ensuring safe and secure working environments across all its entities.

At Labiotre, the commitment to health and safety was further confirmed with the achievement of ISO 45001:2018 certification at the end of 2023, attesting to the adoption of high international standards and company policies aimed at ensuring continuous training, well-being, and workplace safety.

The policies and procedures of the Italian companies within the group, which constitute the occupational health and safety management system, have been designed in compliance with current regulatory provisions, meeting the requirements of Legislative Decree 81/2008 and the standards currently in force. Every report of an incident, near miss, or workplace injury is systematically recorded. This includes the detailed collection and documentation of each event, along with the related investigations and corrective actions taken to prevent the recurrence of similar situations in the future. Labomar Canada, in line with the regulatory

provisions of the country in which it operates, has a health and safety procedure, thus ensuring adequate standards and an operational environment in compliance with local regulatory requirements.

The Italian companies have drafted a risk assessment, in reference to current legislation, and have identified all possible sources of risk for their collaborators through a detailed risk analysis, implementing appropriate actions to prevent, reduce, and, where possible, eliminate such risks. Where necessary, external figures are involved in the process to support the company in conducting instrumental investigations aimed, for example, at assessing physical risks. Once risks are identified, they are placed on an evaluation scale that allows for the identification of the risk level and the priorities of the control actions to be undertaken.

All companies within the Labomar Group adopt a proactive strategy in risk management and accident prevention in the workplace, with the aim of eliminating hazards and minimizing risks. The processes of hazard identification, risk assessment, and incident investigations are managed with rigor and competence, ensuring maximum safety for all workers.

In compliance with Legislative Decree 81/08, mandatory periodic medical examinations are carried out by the competent doctor for employees in the Italian entities of the group, in order to assess their fitness for the job. Additionally, relevant information on occupational health and safety is constantly shared, ensuring

that all personnel are always informed and aware of the safety procedures and regulations in force.

To prevent accidents as much as possible, each company within the Group pays particular attention to training and raising awareness among personnel on health and safety matters. Specific training modules are offered for managers, supervisors, workers, and specific personnel, tailored to the role and duties of each employee, scheduled annually, and provided based on legal requirements.

To facilitate access to medical and health services for its workers, each company has developed specific welfare programs and health coverage aimed at promoting workers' health.



Each group company, in accordance with legal requirements, actively engages in the prevention and mitigation of health and safety impacts at work, including those arising from business relationships. In this context, various practices and procedures are adopted to ensure maximum safety for all those operating within the company. The technical-professional suitability of contractors is constantly verified by monitoring the use of subcontracting and the adequacy of the documents provided.

Regarding the management of external workers whose work takes place within the company premises, they are coordinated and involved in the management of prevention and protection measures through the monitoring of interfering risks in compliance with legal regulations.

During the reporting period, Labiotre and Welcare did not record any injuries, highlighting an excellent level of workplace safety. In Labomar Canada, however, an incident occurred resulting in a head injury, while at the headquarters, two injuries occurred, both related to hand crushing cases. Regarding non-employee workers, the only incident was related to lumbar sciatica due to strain at the headquarters. Generally, each company has implemented corrective actions to prevent such occurrences even where potential risk situations are present.

Work-related injuries	2024	2023
For all employees		
The number of fatalities as a result of work-related injury	-	-
Rate of fatalities as a result of work-related injury	-	-
The number of high-consequence work-related injuries ¹³ (excluding fatalities)	-	-
Rate of high-consequence work-related injuries (excluding fatalities)	-	-
The number of recordable work-related injuries	3	7
The rate of recordable work-related injuries ¹⁴	4.51	11.15
The number of hours worked	664,972	627,624
For all workers who are not employees but whose work and/or workplace is controlled by the organization ¹⁵		
The number of fatalities as a result of work-related injury	-	-
Rate of fatalities as a result of work-related injury	-	-
The number of high-consequence work-related injuries (excluding fatalities)	-	-
Rate of high-consequence work-related injuries (excluding fatalities)	-	-
The number of recordable work-related injuries	1	3
The rate of recordable work-related injuries	23.76	32.41
The number of hours worked ¹⁶	42,073	92,574

¹³ Definition of 'high-consequence work-related injury': work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months.

¹⁴ The number of recordable work-related injuries / The number of hours worked * 100,000,000

¹⁵ The category of non-employees includes interns.

¹⁶ The working hours performed by all non-employee workers whose activities and/or workplace are under the control of the organization refer only to Labomar and Labomar Canada. The latter provided an estimated figure considering the agency workers involved during the relevant fiscal year.



Labomar production department



04

Environment

- Uses of raw materials and waste management
- Sustainable Packaging Management
- Climate change mitigation and efficient energy use
- Water resource management



Uses of raw materials and waste management

[GRI 301-1; 306-1; 306-2; 306-4; 306-5]

The Labomar Group is committed to promoting sustainable management of natural resources, thereby reflecting its deep respect for the environment and the various communities in which each entity within the Group operates. In pursuing its mission to provide superior quality products in the health and wellness sector, the Group recognizes the crucial importance of a holistic approach that extends from the selection of raw materials to waste management.

Within its operations, the Group is committed to responsibly using all raw materials, associated processing materials, packaging materials, and semi-finished products through an effort that translates into careful selection of raw materials and the adoption of efficient production processes aimed at minimizing waste. In pursuing this latter goal, each company within the Group embraces innovation and the search for sustainable solutions and/or processes, striving to increasingly integrate renewable materials into its production lines, aiming to reduce dependence on non-renewable resources and mitigate the environmental impact of its activities.

Below, detailed information is presented on the percentage weight of materials used in a high-selling product, with reference to the formulation, for each entity within the Group, distinguishing

between non-renewable and renewable materials. It is important to specify that with reference to the downstream value chain, the supply chain can be identified by suppliers of raw materials for the formulation part of the product, primary packaging in contact with the product, secondary packaging, and tertiary packaging. With reference to the materials for the formulation part of the product, these can be identified as raw materials of natural origin such as extracts, polyols, and thickeners, and synthetic or other raw materials, such as additives, purified water, and flavours.

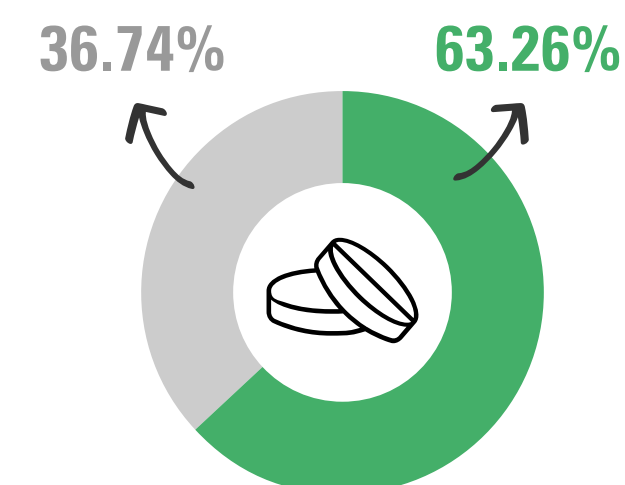
¹⁷ For the type of materials for the formulation part of the product, the company does not have the ability to make changes to the raw materials because they are authorized by notified bodies, and it is a priority to follow the safety and efficacy requirements of products intended for personal care.

¹⁸ For the definition of renewable and non-renewable material, refer to the Organization for Economic Cooperation and Development (OECD) Report , Resource Productivity in the G8 and the OECD - A report in the Framework of the Kobe 3R Action Plan, <http://www.oecd.org/env/waste/47944428.pdf>

Weight percentage of total by product composition materials¹⁷

Labomar

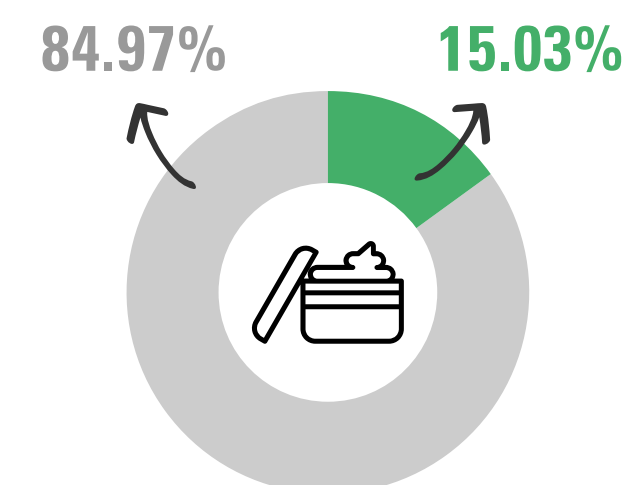
Galenic form: tablet



Of which renewable¹⁸
63.26%

Welcare

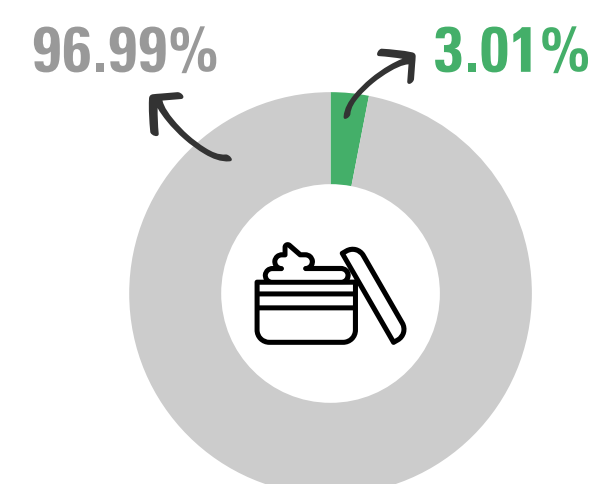
Galenic form: topical formulations



Of which renewable¹⁸
94.00%

Labomar Canada

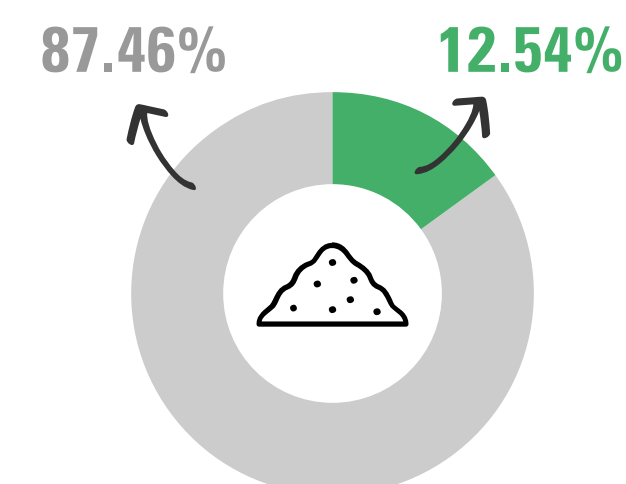
Galenic form: topical formulations



Of which renewable¹⁸
96.85%

Labiotre

Galenic form: 1 kg of botanical extract



Of which renewable¹⁸
100.00%

● Materials of natural origin ● Other materials (water and/or synthetic)



Through an approach based on innovation, responsibility, and collaboration, Labomar Group aims to achieve its goal of reducing the environmental impact of its activities and contributing to a more sustainable future for all. All entities within the Group are committed to responsibly managing the waste generated by their activities, recognizing that the quantity, type, and quality of waste are directly related to the operations necessary for the production of their products.

Whenever possible, waste is directed towards recycling; if recycling or reuse is not feasible, waste is disposed of according to its type.

In 2024, the Parent Company conducted over 80 hours of training focused on the important topic of waste management and collection. This activity highlights the company’s significant investment in educating and raising awareness among staff regarding sustainable waste management practices.

The waste generated by the Labomar Group primarily consists of aqueous liquid waste, packaging, exhausted and/or scrap raw materials and production residues, cleaning chemicals, packaging containing residues of hazardous substances, laboratory chemicals, absorbents, and filtering materials.

Most of the waste originates from production processes in the plants, except for packaging and raw materials, which largely come from the supply chain.

The waste management process involves collecting and storing waste in designated areas and specific containers according to the type of waste. The volumes managed are controlled by measuring the masses delivered to recovery and disposal facilities; the related data is kept in a register to allow monitoring by the locally responsible functions, and all copies of the related forms (digital or paper) are archived according to legal limits.

Each entity is committed to adopting preventive and management measures to address the significant impacts related to the waste generated by their activities. These measures aim, in part, to reduce the environmental impact resulting from waste management upstream and downstream in the company’s value chain. Specifically, Welcare has a constant commitment to

optimizing production to limit waste generation, which has led to the strategic implementation of several measures, including:

- Optimization of weekly production planning for each line by reducing format changes and thus machine setup operations.
- Increasing the size of individual batches by installing larger tanks, limiting end and start-of-batch activities;
- Stabilizing all sterilization and thermal treatment processes by finalizing the adaptation of primary packaging.

These activities have reduced the incidence of waste, demonstrating the effectiveness of the actions taken.

In general, each Italian company within the group collects and monitors waste-related data at least annually, also in relation to the pieces produced, to evaluate the progress of the actions taken in terms of the effectiveness of the preventive and corrective measures implemented. All waste generated is managed by third parties (external sites); each Italian company locally ensures that these third parties are qualified and comply with contractual and legal standards and regulations regarding waste management, through the adoption of specific practices that allow annual verification of compliance with these obligations, thus ensuring that waste is managed responsibly and in accordance with regulatory provisions.

FOCUS ON

Labiotre’s Commitment to the Valorization of By-products

Labiotre stands out for its innovative approach aimed at transforming industrial waste into resources, applying circular economy principles that reduce waste and generate economic and environmental value. The company produces plant extracts using cutting-edge techniques to obtain active ingredients with documented physiological action from virgin and semi-processed agricultural biomass, intended for the synthesis of foods, functional foods, and supplements. This process results in the production of by-products, which, if managed in accordance with current regulations, can be marketed as goods. The identifiable types of “by-products” are:

- By-products from the processing of fruits and vegetables: Derived from processes of extracting active ingredients, fragrances, and high-value-added elements from raw or pre-processed fruits and vegetables at other agri-food industries. These by-products are commercially known as “Exhausted Drugs”;
- Water with high organic load: Derived from the recovery phase of the extract concentration production process and the recovery and regeneration phase of the production process. These by-products are commercially known as “Organic Waters”;
- By-products from the processing of cereals, algae, oilseeds, and animal by-products as per Article 10, letter f) of Regulation (EC) 1069/2009 processed in accordance with Article 2, paragraph 1, letter m) of Regulation (EC) 852/2004: Derived from cutting operations of food-grade glyco-gelatins produced at the company for the production of soft capsules. These by-products are commercially known as “Glyco-gelatin Cuttings”.

These by-products are sold to a company that, through an anaerobic digestion plant, transforms them into biogas—a mixture of methane and carbon dioxide—while the residual digestate, rich in nutrients, is used as fertilizer, thus contributing to closing the production cycle. Additionally, waste from the production of soft gel capsules, such as animal gelatin, is sold to a local company to be reused in glue production, further promoting sustainability and the circular economy.

Waste diverted from disposal in metric tons ¹⁹	2024			2023		
	Onsite	Offsite	Tot	Onsite	Offsite	Tot
Total weight of hazardous waste diverted from disposal in metric tons	-	5.48	5.48	-	8.77	8.77
Preparation for recovery and/or recycling	-	5.48	5.48	-	8.77	8.77
Total weight of non-hazardous waste diverted from disposal in metric tons	-	504.08	504.08	-	609.73	609.73
Preparation for recovery and/or recycling	-	504.08	504.08	-	609.73	609.73
Total weight of waste diverted from disposal in metric tons	-	509.56	509.56	-	618.49	618.49

Waste directed to disposal in metric tons ¹⁹	2024			2023		
	Onsite	Offsite	Tot	Onsite	Offsite	Tot
Total weight of hazardous waste directed to disposal in metric tons	-	7.81	7.81	-	13.72	13.72
Preparation for disposal	-	7.81	7.81	-	13.72	13.72
Total weight of non-hazardous waste directed to disposal in metric tons	-	1,731.71	1,731.71	-	1,315.23	1,315.23
Preparation for disposal	-	1,731.71	1,731.71	-	1,315.23	1,315.23
Total weight of waste directed to disposal in metric tons	-	1,739.52	1,739.52	-	1,328.95	1,328.95

¹⁹ The waste generation data do not include for the years 2023 and 2024 the subsidiary Labomar Canada, because operating in a leased space, shared with other companies in the entire building, it is complex to accurately attribute the total waste generated by its activities.

Main KPIs on waste

2,249.08
tons of total waste generated in 2024

22.66%
of waste diverted from disposal in 2024

99.41%
total weight of non-hazardous waste in 2024



Sustainable Packaging Management

Labomar Group strives, whenever possible, to guide customers towards more sustainable choices, including a particular focus on responsible packaging management. Through proactivity and strong relationships with suppliers, each company within the Group is able to provide its customers with accurate advice on packaging characteristics that reflect sustainable solutions, which also ensure production efficiency standards. This commitment demonstrates the constant search for solutions that harmonize environmental and business needs, reflecting the Group's distinctive philosophy of sustainability and innovation. The goal is to offer customers the concrete possibility of choosing sustainable packaging solutions with a reduced environmental impact. To date, the solutions implemented are:

- Primary packaging: Bottles in RPET, and studies are currently underway to validate the effectiveness of sustainable solutions for blister packs;
- Secondary packaging: Boxes with FSC® certified paper, boxes with water-based varnish (with reduced environmental impact), and FSC® certified leaflets;
- Tertiary packaging: Corrugated cartons for shipping boxes made from recycled fiber and FSC® certified.

Additionally, the Parent Company has proactively proposed environmentally friendly solutions to customers, increasingly ensuring sustainability in packaging solutions, specifically:

- Permanent removal of the leaflet;
- Solutions for resizing primary and secondary packaging, which have allowed for logistics optimization;
- Solutions for replacing UV varnish with water-based varnishes directly on the box;
- Solutions for reducing the weight of secondary packaging paper while maintaining the same thickness.

In the context of distinguishing itself in offering sustainable solutions to customers, Welcare has also adopted sustainable solutions that demonstrate the company's commitment to reducing the environmental impact of packaging. Specifically, the dimensions of the primary packaging have been designed to minimize the use of film, while the labels on the shipping boxes have been resized to maintain the information unchanged, allowing the supplier to optimize printing and reduce waste. For secondary and tertiary packaging, Welcare opts for corrugated cardboard made from recycled or FSC® certified paper, while the non-woven fabric is chosen from suppliers certified according to STANDARD 100 by OEKO-TEX®. These choices

highlight an integrated and responsible strategy aimed at combining efficiency and sustainability at every stage of the packaging process.

It is important to emphasize that sustainable solution proposals are formulated based on the specific needs of customers and their willingness to implement them, thus ensuring a personalized and flexible approach that respects both environmental and business requirements.

Production department in Welcare



Climate change mitigation and efficient energy use

[GRI 302-1; GRI 302-3; GRI 305-1; GRI 305-2; GRI 305-4]

Labomar Group is actively committed to combating climate change and using energy efficiently, aware that safeguarding the environment means respecting the delicate balance of ecosystems and improving the well-being of the people. Since 2021, initiatives have been launched to monitor and transparently communicate the environmental impact of the Group's activities, in order to identify critical issues and define improvement actions. In this context, each entity within the Group adopts specific solutions to reduce energy consumption and promote the use of renewable sources.

Welcare, certified UNI EN ISO 14001 since 2012, installed a 77 KWp photovoltaic system on the roofs of two buildings at the Orvieto production site in 2021, and organizes its activities to maximize the use of the green energy produced. Additionally, starting from June 1, 2024, the company exclusively purchases electricity from renewable sources, highlighting its commitment to reducing indirect CO2 emissions. Regarding consumption trends, it is noted that in 2024 there was an increase in annual energy consumption due to the commissioning of new production machinery and an increase in night shift work. The significant decrease in self-produced electricity between 2023 and 2024 reflects the transition from low to medium voltage, which required long adjustment times for the existing photovoltaic system.

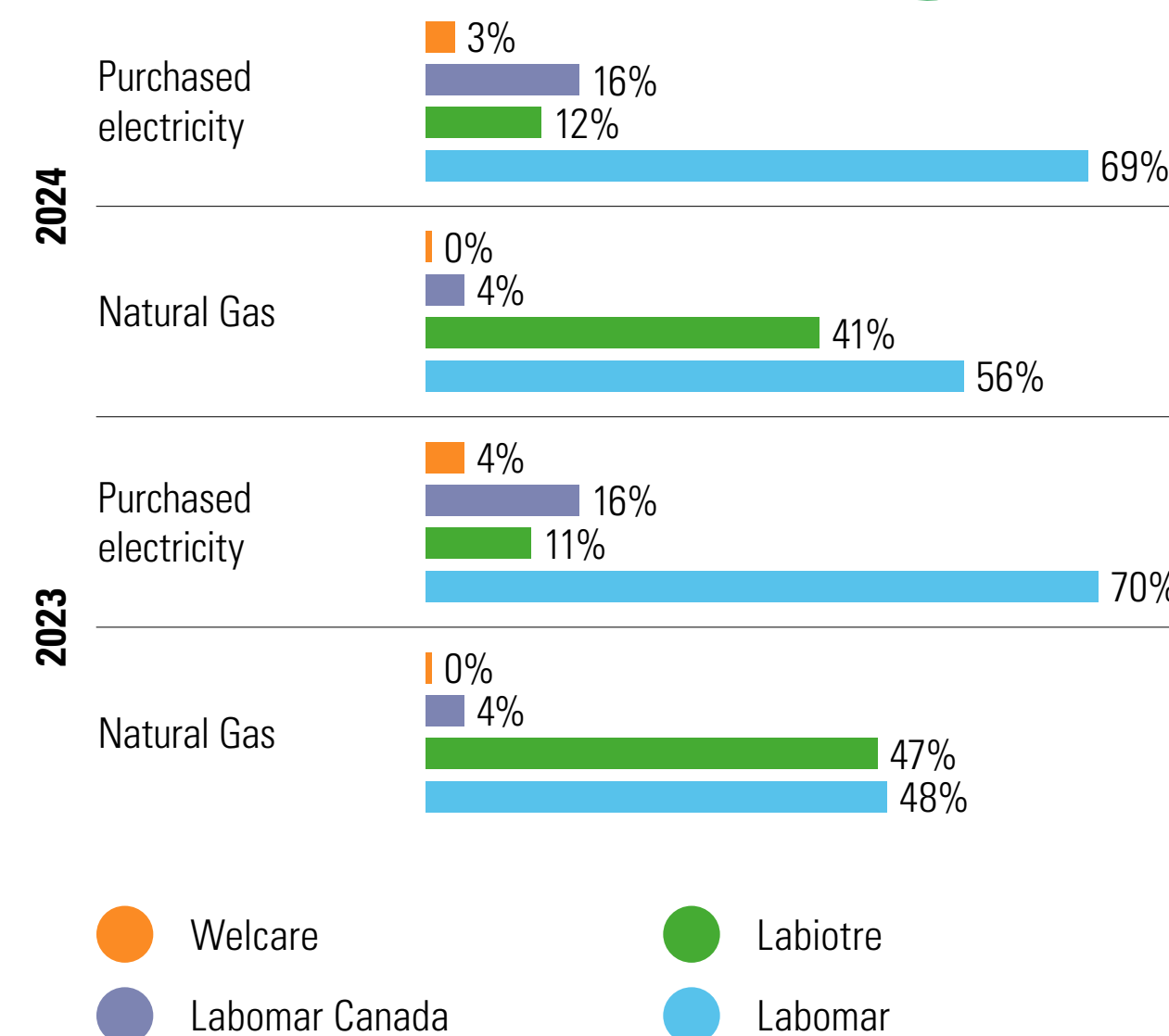
Labiotre, which obtained **ISO 14001 certification** at the end of 2023, confirmed the exclusive purchase of electricity from renewable sources starting from July 1, 2024. The company recorded a 7% reduction in energy consumption between 2023 and 2024, due to a decrease in the production of botanical extracts offset by an increase in the production of soft gels.

At Labomar HQ, an increase in consumption was recorded due to the activation of a new production line dedicated to liquid solutions, which will partially automate the production process and confirm the company as a leader in the sector, where liquid solutions are among the most appreciated forms. Its installation required the adjustment of the production area of the Labomar L3 plant with the transfer of part of the warehouse, thus recovering an additional 800 square meters to house the new line. For 2024, the Parent Company also confirms the exclusive purchase of electricity from renewable sources. The investment in purchasing electricity exclusively from renewable sources is certainly an important signal of Labomar's commitment to reducing indirect CO2 emissions.

The energy trend of Labomar Canada remains in line with the previous year, confirming the stability of energy performance.

For 2024, electricity remains the most used energy source by the Group.

Main energy vectors by Labomar Group



Photovoltaic panels
Welcare Industries

Energy consumption within the organization²⁰

	2024	2023	Δ
Natural Gas	13,912.25	12,972.82	+7.24%
LPG	354.49	302.89	+17.04%
Diesel for company cars (both as employee benefits with m/l-term leases and pool)	1,342.82	906.85	+48.08%
Gasoline for company cars (both as employee benefits with m/l-term leases and pool)	370.99	328.97	+12.77%
Total fuel consumption within the organization from non-renewable sources	15,980.55	14,511.54	+10.12%
Total fuel consumption within the organization from renewable sources	-	-	-
Electricity purchased	25,140.04	24,357.42	+3.21%
• Of which covered by cancellation statement	19,438.65	16,890.85	+15.08%
• Of which company car	3.50	-	-
Electricity self-generated	78.99	245.81	-67.87%
• Of which sold	-	82.02	-
• Of which internally consumed	78.99	163.78	-51.77%
Total energy consumption within the organization	41,199.58	39,032.74	+5.55%
• From renewable sources	19,517.64	17,054.63	+14.44%
• From non-renewable sources	21,681.94	21,978.11	-1.35%

²⁰ There is no consumption of heating, cooling and steam energy. In addition, self-produced energy (of which sold and consumed internally) refers only to Welcare. The source of conversion factors used is DEFRA 23 and DEFRA 24. It should be noted that, as far as Labomar S.p.A. is concerned, consumption at the L4 site is not included because it is not a site owned by the Organization. Finally, the increase in diesel and gasoline energy consumption reflects a higher allocation of cars in benefits.

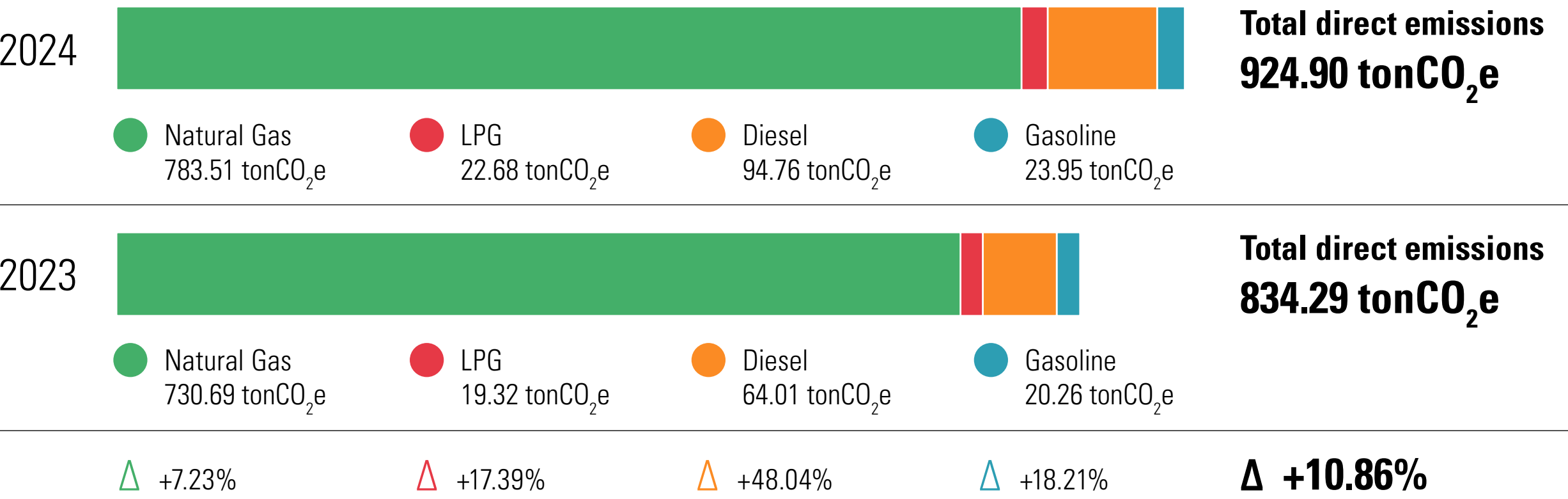


Labomar Canada production facility

Energy Intensity ²¹	Unità di misura	2024	2023
Total energy consumption within the organization as of December, 31	GJ	41,199.58	39,032.74
Total number of employees as of December, 31	N	407	411
Total revenues as of December, 31	€	101,035,817	103,613,500
Energy intensity ration on employees	GJ/N	101.23	94.97
Energy intensity ration on revenues	GJ/€ * 1000	0.41	0.38

²¹ There is no consumption of heating, cooling and steam energy. In addition, self-produced energy (of which sold and consumed internally) refers only to Welcare. The source of conversion factors used is DEFRA 23 and DEFRA 24. It should be noted that, as far as Labomar S.p.A. is concerned, consumption at the L4 site is not included because it is not a site owned by the Organization. Finally, the increase in diesel and gasoline energy consumption reflects a higher allocation of cars in benefits.

Direct (Scope 1) GHG emissions²²



²² These data are calculated using Defra 23 and 24 emission factors according to the GHG protocol methodology. The emissions consolidation approach is the operational control. The data refer to CO2 equivalent emissions, when available. Emissions data do not include the Labomar L4 site because it is not a site owned by the organization. Not are CO2 emissions biogenic. The increase in direct emissions reflects the increase in energy consumption between 2023 and 2024.

Main KPIs on energy and emission

77%

of the consumption of purchased electricity
come from renewable sources

+14%

of renewable energy compared to total energy
consumption between 2024 and 2023

-38%

Indirect greenhouse gas (GHG) emissions
(Scope 2) between 2024 and 2023

Energy indirect (Scope 2) GHG emissions²³

Scope 2	Udm	2024	2023	Δ
Location Based	tonCO ₂ e	1,982.68	1,925.51	2.97%
Market Based	tonCO ₂ e	366.83	590.68	-37.90%

²³ The emissions shown in the table were calculated with the market-based method using the European Residual 2023 and 2024 emission factors while with the location-based method using the TERNA 2019 factors. Some data may have been estimated or calculated. The 37.90 % reduction in market-based indirect emissions reflects the group’s strategy in seeking to decarbonize the share of electricity purchased from the grid through the purchase of guarantees of origin. The emissions consolidation approach is operational control. Data on emissions does not include Labomar L4 location because it is not a location owned by the Organization.

Emission intensity²⁴

	Measure unit	2024	2023
Total emissions location based	tonCO ₂ e	2,907.59	2,759.79
Total emissions market based	tonCO ₂ e	1,291.73	1,424.97
Total number of employees as of December, 31	N	407	411
Total revenues as of December, 31	€	101,035,817	103,613,500
Emission intensity market based on employees	tonCO ₂ e / N	3.17	3.47
Emission intensity marked based on revenues *1000	tonCO ₂ e / €	0.013	0.014

²⁴ The emission intensity ratio currently does not include other indirect GHG emissions (Scope 3).



Olive tree plant by Welcare Industries

Water resource management

[GRI 303-1; GRI 303-2; GRI 303-3]

Labomar Group recognizes the importance of responsible water resource management as an integral part of its corporate sustainability strategy. In this context, the Organization is committed to reporting its interactions with water, including water withdrawal methods and the related impacts directly caused by its activities. In general, water is used for both sanitary purposes and production purposes. In the latter case, water is treated by reverse osmosis plants.

At the production process level, each entity within the group generates liquid discharges containing chemicals and organic residues, which are adequately treated as waste and managed by the appointed disposal company. The sole source of water withdrawal for the various companies within the group is the public network.





In Welcare, during 2024, a significant increase in water withdrawal was recorded, attributable to multiple factors. Specifically, a malfunction in the purification system resulted in excessive water consumption; concurrently, the installation and testing of the new steam sterilizer, initiated from June, contributed to an increase in water withdrawals.

Labiotre recorded a 39% reduction in water consumption, due to a decreased use of water in extract production, offset by an increase in soft gel production.

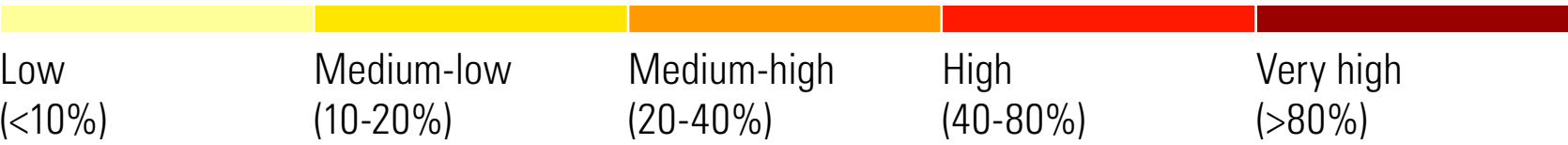
The Parent Company, on the other hand, recorded a 10% increase in consumption, in line with the expansion of the production line dedicated to liquid solutions.

To assess its impact in sensitive areas, the Aqueduct Water Risk Atlas tool from the World Resources Institute is used to evaluate the level of water stress. The details are presented below.

Given the high level of water stress in the areas where some companies operate, the Group recognizes water scarcity as a crucial challenge for the future of its activities. Therefore, targeted local actions will be initiated with the aim of reducing water dependency. This commitment translates into a series of initiatives aimed at mitigating the risks associated with water scarcity, ensuring the continuity of business operations, and contributing to a responsible and sustainable approach.

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

Level of water stress



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 for water discharge. For the assessment of effluent discharge quality standards, reference is made to the regulations currently in place. These standards take into consideration the physical, chemical, biological and organoleptic characteristics of the water, as well as the specific requirements of the industry and the area in which each company operates.

Water withdrawal ²⁵	UoM	2024		2023	
		All areas	Water stress areas	All areas	Water stress areas
Total water withdrawal from all areas	Megaliters	30.43	17.34	25.20	12.81
<i>Freshwater</i> <i>(≤1,000 mg/L Total Dissolved Solids)</i>	Megaliters	30.43	17.34	25.20	12.81
Total water withdrawal from third-party water	Megaliters	30.43	17.34	25.20	12.81
<i>Surface water</i>	Megaliters	30.43	17.34	25.20	12.81
Total water withdrawal	Megaliters	30.43	17.34	25.20	12.81

²⁵ Water withdrawal data do not include Labomar Canada, because operating in a rented space, it shares water use with other companies in the entire building-where restrooms and kitchens are also involved-making it difficult to accurately attribute exclusive consumption to its own activities. In addition, the withdrawal data do not include Labomar’s L4 location because it is not a location owned by the Organization. Water-stressed areas include Welcare and Labiotre.

Main KPIs on water withdrawal

30.43

megaliters of water withdrawn in 2024

100%

of water withdrawn from third-party



05

Product

- Quality and Product Safety
- R&D and Innovation



Quality and Product Safety

[GRI 416-1; GRI 416-2]

Labomar Group directs its investments both internally, consolidating its production structure, and externally through strategic operations aimed at ensuring innovation and quality in the products produced. The Group is committed to pursuing high-quality standards and ensuring that every product, from raw materials to finished products, complies with current regulations and best international practices in terms of quality and safety.

With specific reference to each individual company within the Group, Labiotre stands out for its rigorous control over raw materials, semi-finished products, and finished products, guaranteeing batch-by-batch certification in terms of active ingredient titrations and maximum residues compliant with the European Pharmacopoeia and community regulations. Labiotre's quality management system integrates, for example, acceptance procedures, document management, and staff training, ensuring high-quality standards at all stages of the production process.

Labomar Canada's production sites are designed in accordance with cGMP standards to deliver high-quality pharmaceutical and food products. Additionally, the company is registered and inspected by the FDA (Food and Drug Administration), the U.S. federal agency that regulates food and pharmaceutical products to authorize their production and subsequent commercialization in the USA. Further-

more, Labomar Canada has obtained authorization from Health Canada for both pharmaceutical products (DIN) and natural products (NPN). Generally, the company adopts a robust Quality Management System (QMS) that ensures compliance with quality, safety, and efficacy standards in accordance with international regulations, ensuring rigorous control over all production processes and product conformity.

Welcare adopts a quality policy defined and documented by management, which prescribes the possession of a quality management system compliant with UNI EN ISO 9001:2015, UNI CEI EN ISO 13485:2016/A11:2021, EU Regulation 2017/745, and other applicable regulations. This system promotes the prevention of non-conformities and continuous improvement through operational controls and quality audits, ensuring product safety through an optimal production process and a post-marketing surveillance system proportionate to risk, benefiting end users.

Labomar Parent Company has a Quality Manual in which the modalities and specifications are defined with which the organization demonstrates its ability to provide food supplements and medical devices compliant with applicable regulatory requirements and customer demands. The quality management system ensures high-quality standards in relation to ISO, GMP, and HACCP norms as

fundamental guidelines to guarantee product quality, efficacy, and safety. From the preparation of raw materials to the achievement of the finished product, meticulous product and process quality controls are carried out: quality, safety, and efficacy characterize every product that leaves the company's facilities.

Careful selection of partners and maximum control over the entire production chain to guarantee customers effective and safe products in compliance with the highest standards of conformity and quality—this is the spirit that guides the daily actions of the Labomar Group.

The Group's primary commitment is to **produce products with high and consistent quality characteristics** that meet customer needs and enable it to achieve and maintain a high position in terms of quality, key to continuity and growth.

Labomar production department



Focus on certified quality management systems

Labomar



UNI EN ISO 9001:2015

- Design, research, development, and contract manufacturing of food supplements and foods for special dietary purposes, including foods for special medical purposes, in authorized production types.
- Design, research, development, and contract manufacturing and/or manufacturing of medical devices in the forms of capsules, tablets, powders, liquids, gels, emulsions, suspensions, creams, and sprays.
- Design, research, development, and production of cosmetics in the forms of liquids, gels, emulsions, suspensions, creams, and sprays.



UNI EN ISO 13485:2016

- Design, research, development, and contract manufacturing and/or manufacturing of medical devices in the forms of capsules, tablets, powders, liquids, gels, emulsions, suspensions, creams, and sprays.
- Kosher certification, issued by the Chief Rabbi of Padua, Rabbi Adolfo A. Locci, for certain specific food supplements.
- Halal product certification, with reference to specific food supplements issued by Halal Italia, the Italian body for Islamic certification.
- Organic product certification, issued by Bios in accordance with Regulation (EU) 2018/848, for a specific food supplement.
- Production of cosmetics in compliance with UNI EN ISO 22716:2007.



UNI EN ISO 9001:2015 e UNI EN ISO 13485:2015

Design, production, and marketing of medical devices in the form of gauzes, cloths or impregnated mitts, solutions, creams, and gels, both sterile and non-sterile, intended for the care of fragile, irritated, reddened skin with various types of lesions such as wounds, sores, ulcers, also resulting from chemotherapy, radiotherapy, or trauma. Medical devices indicated for mucous membranes and peri-lesional areas. Medical devices for eye hydration and protection in the surgical field.



UNI EN ISO 22716:2007

Production, control, storage, and shipment of cosmetic products to ensure high safety and hygiene standards for consumers.

GMP CERTIFICATION FOR COSMETIC PRODUCTS

Following the adjustment of necessary documentation and a thorough inspection of production environments, Welcare has been evaluated as compliant with the Good Manufacturing Practices (GMP) guidelines for cosmetic products.

FOCUS ON

Labiotre and the Friend of the Sea Certification

In 2024, Labiotre achieved a significant milestone: obtaining the Friend of the Sea certification for the production of soft gel capsules based on Omega 3 fish oil from sustainable fishing practices. The certification, granted following the Friend of the Sea audit in June 2024, represents recognition of the company’s commitment to ensuring supply chain traceability and adopting practices that meet stringent environmental sustainability criteria and marine ecosystem protection, thereby consolidating its commitment to a responsible production model that prioritizes not only quality but also biodiversity conservation. This ensures a certified chain of custody for the production of soft gel capsules based on fish oil.

During 2024, 53.28% of the total soft gels produced were made using FOS (Friend of the Sea) certified raw materials.



Softgel from Labiotre’s production plant



The production process is examined starting from the receipt of various ingredients, proceeding with their processing, up to the storage of the finished product. The potential factors responsible for contamination identified in the production process are generally distinguished into microbiological, biological, chemical, physical, nutritional, and allergens. Through careful assessment of the possible risks identifiable in each phase of production, the risks that may compromise the food safety of the finished product are monitored. Following the identification of risks, they are characterized based on their impact on consumer health and safety. A non-conforming product is defined as a product that does not meet the quality requirements of the quality management system or violates regulatory or contractual prescriptions related to raw materials, packaging materials, semi-finished products, third-party semi-finished products, and finished products. All non-conformities detected during the entire manufacturing cycle are promptly managed locally by quality control teams. Each entity within the Group complies with specific regulatory and legislative provisions related to its operational location, ensuring that the production process consistently and integrally meets the highest safety and quality standards.

The Labomar Group adopts a systematic approach to assessing health and safety impacts across all significant product categories, demonstrating a constant commitment to continuous improvement and consumer protection.

At Labomar, each batch undergoes rigorous controls before release, including microbiological analyses, checks for potential allergens such as gluten and lactose, and efficacy tests upon request. These controls ensure that all batches sold are completely safe and compliant with standards.

At Welcare, all products are carefully monitored. Non-conformities are primarily detected through visual inspections, for example, to verify the presence of unsealed bags, misplaced labels, or unreadable stamps. This allows for maintaining a minimal level of waste and constantly monitoring health and safety aspects.

Labiotre, on the other hand, focuses its controls on specific parameters of its products, such as extracts and soft gels, monitoring factors like microbiological quality, the presence of contaminants or undesirable substances, and compliance with safety regulations. The tests aim to ensure that each product meets the expected quality and safety standards.

Finally, Labomar Canada applies continuous evaluation of products registered with a Drug Identification Number (DIN) and/or a Natural Product Number (NPN), complying with local and international health and safety regulations (Health Canada and FDA). Each batch undergoes contamination tests and other specific analyses to ensure that all products, including cosmetics and excipients, meet rigorous quality and safety standards.

In summary, the Labomar Group ensures that 100% of significant product categories are subject to accurate health and safety impact assessments, in line with the goal of continuously improving the quality and safety of products offered to consumers.

Regarding non-conformity incidents related to health and safety impacts, it is noted that in 2024 there were no non-conformity incidents to regulations that resulted in a sanction or penalty and notice; however, there were 10 non-conformity incidents to voluntary codes, all promptly resolved through the implementation of effective corrective measures. The actions taken included thorough

verification of raw materials with possible supplier replacement, improvement of production processes and cleaning procedures, as well as optimization of finished product storage conditions. These interventions ensured the immediate restoration of compliance with quality and safety standards.



Extracts produced by Labiotre



R&D and Innovation

The Research and Development division of the Labomar Group represents a cutting-edge center dedicated to the creation and refinement of innovative products in the fields of dietary supplements, medical devices, and cosmetics.

The mission is driven by a profound passion for science and well-being, combined with the strong expertise and capabilities of each member of the Labomar Research team.

Scientific research and the development of constantly new patented technologies are the beating heart of every activity. The Labomar Research team consistently works with high-quality raw materials, innovative formulations, and the production of rigorous scientific documentation.

For over 19 years, Labomar Research has been a beacon of innovation in the research and development landscape. Its capabilities range from market analysis to the completion of industrial scale-up of product prototypes, encompassing the following key areas:

- **Advanced Formulation:** At the core of the activity is the formulation of cutting-edge products, with hundreds of new references reaching the market on behalf of clients, demonstrating strong competence in creating tailored solutions for their needs. The Labomar Group offers its clients the possibility to incorporate their patented technologies into formulations to present innovative and original products in the market.

- **Constant Innovation:** The Labomar Research division works to implement and patent ever-new technologies.
- **Collaborations with Universities:** Labomar Research actively collaborates with various Italian universities. These partnerships allow for conducting clinical studies, in vitro tests, and research on product functionality, as well as supporting theses and doctorates in industrial laboratories.
- **Specialized and Advanced Laboratories:** The parent company hosts three scientific laboratories, known as Labomar Scientific Service, specialized in product design and development. In these laboratories, specific preclinical in vitro tests are conducted to provide evidence of the efficiency and safety of formulations, as well as laboratory analyses on the phytotherapeutic compositions of raw materials.
- **Various Pharmaceutical Forms:** Flexibility is reflected in the ability to produce a wide range of pharmaceutical forms, depending on client needs.
- **Various Therapeutic Areas:** The expertise covers all therapeutic areas of health.
- **Industrial Scale-Up:** Final prototypes undergo scale-up on the industrial plants of the various entities within the Group, thanks also to internally conducted stability studies to ensure product reliability and safety.



Production plant
Labomar



It should be noted that the Labomar R&D team represents the cornerstone of innovation for all entities within the Group, operating as a strategic and service competence center. Through a synergistic approach, it provides cross-functional support in research, development, and innovation.

Sustainable innovation has been characterizing the Labomar Group's business model in recent years: sustainability always begins at the design phase, which is why it is essential to conceive a product with sustainability features from its inception and ideation. These sustainability features may include aspects such as:

- Use of clean label raw materials, i.e., natural, additive-free, and minimally processed;
- Selection of clean label products, consisting of natural raw materials and characterized by a short and simple ingredient list;
- Optimization of processes with a sustainable perspective, following the life cycle thinking approach;
- Use of sustainable raw materials, with a short and controlled supply chain or equipped with certifications and/or traceability;
- Use of sustainable packaging, for this solution see the Paragraph ["Sustainable Packaging Management"](#).

FOCUS ON

Development of New Intellectual Property for Labomar

In September 2024, Labomar was granted the patent

"Liquid Crystal Emulsion Based on Natural or Naturally Derived Ingredients".

The invention pertains to an emulsion intended for topical use, characterized by a biomimetic multi-lamellar structure based on natural or naturally derived ingredients that remains stable over time and is effective in restoring hydration and barrier functionality. The liquid crystal emulsion is capable of hydrating the skin and maintaining its hydration over time, promoting the restoration of the protective functions of the skin barrier by reducing trans-epidermal water loss. The skin performs several roles within the body, the foremost being that of a protective organ. Indeed, the skin provides defense against chemical, microbiological, and mechanical aggressions, and prevents excessive water loss and dehydration. Therefore, the skin represents a physical barrier between the inside and outside of the body. This protective function is performed by the stratum corneum, the outermost layer of the epidermis. In the event of barrier alterations, the skin loses its normal protective functions. This can lead to non-pathological conditions such as sensitive, dry, and reactive skin, or pathological conditions such as atopic dermatitis, contact dermatitis, and eczema. It is thus very important to maintain or restore the normal functions of the skin with products capable of hydrating and repairing it. The particular biomimetic multi-lamellar structure and the presence of lipid-replenishing oils allow the liquid crystal emulsion to mimic the natural intracellular structure of the stratum corneum, ensuring an immediate and prolonged moisturizing effect.

Labomar R&D Laboratories



Throughout 2024, Labomar developed five research projects dedicated to sustainable solutions, focusing on the use of clean label raw materials and eco-sustainable packaging. Among these are the Primula project and the Echinacea syrup project, both aimed at using packaging materials with a lower environmental impact, as well as the Verbamed projects in tablets, spray, and syrup, which integrate innovative raw materials of natural origin from the Italian supply chain, such as mullein.

In parallel, Labiotre has strengthened its commitment to scientific innovation through the development of patented and branded raw materials, paying particular attention to the quality and sustainability of its extracts and soft gels. The research focused on the selection of new phytoactive ingredients, the evaluation of formulation quality, and the conduction of stability studies to ensure optimal shelf-life. In this context, 12.5% of the stability tests conducted in 2024 for soft gels involved sustainable primary packaging, such as bottles and pill containers made of R-PET.

Welcare has also reinforced its focus on sustainability, with 22% of its research projects dedicated to innovative sustainable solutions. Key initiatives include the commencement of research into plastic-free fabrics as alternatives to those containing plastic and the use of airless bottles made from materials compliant with pharmaceutical standards.

The sustainability orientation of the Group’s Research & Development activities extends beyond the selection of raw materials or the optimization of production processes to include the management of intellectual property and the supervision of product quality, ensuring compliance with international regulations, thanks to the presence of the regulatory affairs function, and consumer safety. The synergistic approach among the various corporate entities enables the development of cutting-edge solutions, actively contributing to the promotion of responsible innovation.

FOCUS ON

Publication of a New Clinical Study for Welcare

Title: Evaluation Study of the UCS® Debridement Medical Device in the Treatment of Chronic Skin Lesions.

Journal: Italian Journal of Wound Care

Authors: Giacinto F, Giacinto E, Giacinto M.

Key Points:
Demonstration of the effectiveness of the UCS Debridement medical device line as a wound debridement system in an observational study.

Article Summary:
The objective of the study is to demonstrate the effectiveness of the cloth and solution of the UCS Debridement line, used for debridement and treatment of chronic skin lesions. Specifically, it aims to reduce pain during and after the procedure, decrease operational times, reduce bleeding, improve perilesional skin, and treat wound edges thanks to active components such as Poloxamer (P188), Aloe Barbadensis leaf extract, and Allantoin. The study conducted is an observational study, enrolling 40 patients with chronic skin lesions of various etiology, size, stage, and condition. All analyzed parameters (pain, wound bed preparation, lesion area, xerosis/desquamation, perilesional skin maceration, inflammation, infection, bleeding during the procedure, procedural pain) showed consistent values, with a significant improvement in the overall clinical picture, with percentages even exceeding expectations. The analyzed medical devices demonstrated significant effectiveness, beyond expectations, in promoting ulcer progression towards healing. All obtained results indicate that the medical devices used are effective and advisable for the proper management and treatment of chronic skin lesions, regardless of etiology, condition, and stage of the lesion.



Ready to Sell: Labomar's Sustainable Products

Topical - HYDRALAYER

Thanks to its biomimetic multi-lamellar structure, it is an active emulsion with **100% natural ingredients**, according to ISO 16128 guidelines, capable of hydrating the skin and maintaining its hydration over time. HYDRALAYER™ promotes the restoration of the protective functions of the skin barrier, reducing trans-epidermal water loss (TEWL). Additionally, the barrier formed by HYDRALAYER™ reduces contact between external irritants and the skin, decreasing the likelihood of developing skin discomfort. HYDRALAYER™ is **87.7% biodegradable in 28 days**, compliant with OECD 301: 1992 standards



Food Supplement - LAXAMOV

Laxamov is a dietary supplement in syrup form that helps regulate intestinal movement without irritating effects and without causing dependency. Laxamov is **based on European Mallow**, known for its ancient use, which contributes to achieving the desired soothing activity. Considering the plant-based raw material, Labomar has decided to include a completely sustainable product in its catalog, also with reference to the **primary packaging made of 50% R-PET**, thus expanding its portfolio of Ready to Market proposals with sustainable products.



Food Supplement – Pure Immuno

Pure Immuno is a dietary supplement in chewable tablets, enriched with vitamins and *Echinacea purpurea* L. extract, designed to support the normal function of the immune system. In the production process, the use of solvents and pesticides has been eliminated, and the supply chain is short and entirely Italian. Additionally, great attention is paid to traceability, ensuring the origin of each component and the absence of environmental contaminants in the production process.



FOCUS ON

Regulatory Affairs of Labomar Group

Regulatory Affairs ensures that the products manufactured by Labomar Group comply with the mandatory safety and efficacy requirements and can therefore be regularly marketed in the target markets. The Department analyses and interprets the applicable regulations, harmonizing their requirements within the Organization and developing policies, processes, and systems to ensure that all licenses, registrations, certifications, and permits necessary for legal marketing are compliant, prepared, and monitored. The scope of Regulatory Affairs extends throughout the product's lifecycle, from design to post-sales activities, to ensure that the product's risk/benefit profile remains aligned with legal requirements and the state of the technical/scientific art.

The Department collaborates with all functions of the Labomar Group and represents the Organization in dialogue with the competent Authority. Labomar Group operates in a highly regulated and complex sector that requires high and specific levels of competence; for this reason, the Department is organized vertically by regulatory context.



06

Suppliers

- Sustainable management of suppliers



Sustainability management of suppliers

[GRI 204-1]

In pursuing its ‘Customer-oriented’ philosophy, Labomar Group recognizes the value of suppliers as indispensable partners in its path to success. By closely collaborating with suppliers, each entity within the group is committed to providing tailored solutions to meet customer needs and exceed market expectations.

Each company, in its relationships with partners and suppliers, commits to:

- Developing fair and cooperative relationships based on communication that allows for the mutual exchange of skills and information, fostering the creation of common value;
- Ensuring that every company meeting the required criteria has the opportunity to compete for a supply contract, adopting objective evaluation criteria in the selection process, according to declared and transparent methods;
- Observing the contractually agreed conditions.

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, anti-corruption, and environmental impact.

For companies certified according to UNI ISO 9001, such as Labomar and Welcare, the respective internal supplier qualification procedure outlined in the quality manual is followed for the validation of new suppliers. This includes initial evaluations, periodic re-evaluations, and monitoring of qualifications. Suppliers are classified based on the type of product and/or service provided and their criticality, with particular attention to suppliers providing products with a direct impact on the essential requirements of finished products. Supplier selection and purchasing conditions are based on an objective evaluation of quality, price, and the ability to provide adequate level services, with special attention to sustainability topics. The qualification criteria have been configured considering the need to evaluate:

Highlight

Labomar Canada

34.51%

of suppliers who have signed the supplier code of conduct out of total

Labiotre

43.18%

of suppliers who have signed the supplier code of conduct out of total

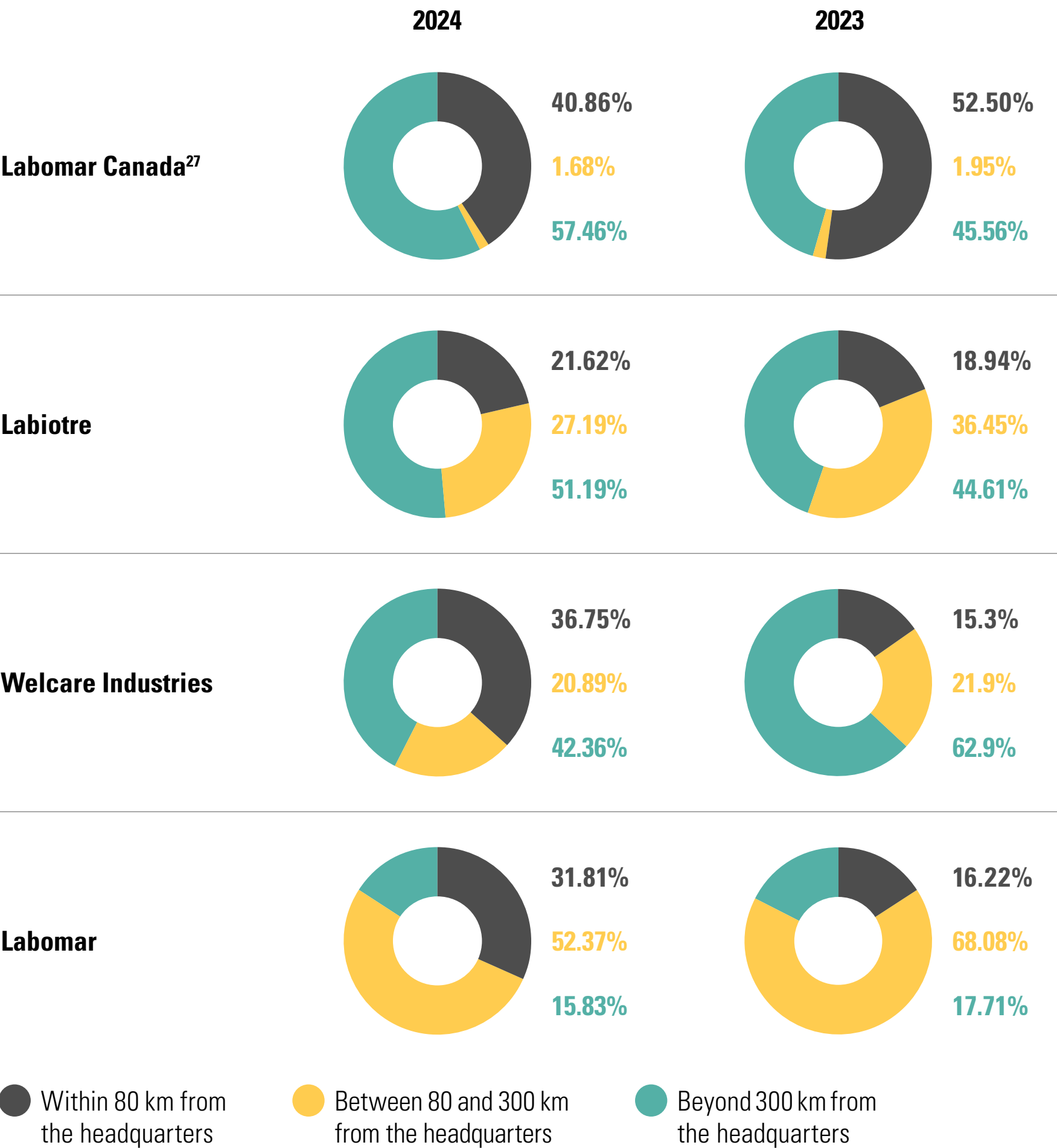


- Technical aspects: whether the supplier has the necessary skills and tools to provide a product and/or service that meets the specified requirements;
- Commercial aspects: to assess the supplier’s competitiveness based on the proposed conditions;
- Authorization aspects: to verify if the supplier has the necessary health and/or ministerial authorizations for the regular conduct of its activities.

The parent company has taken a significant step towards sustainable management of its supply chain through the implementation of a proprietary ESG performance evaluation tool for its suppliers. This innovative tool allows for the evaluation of suppliers from an integral sustainability perspective (Environment, Social, Governance), providing a synthetic rating for each evaluation area. The main objective of this tool is to measure the sustainability impact of Labomar’s suppliers, enabling the company to identify and promote sustainable practices throughout the entire supply chain. To date, Labomar has managed to evaluate 72 suppliers, both direct and indirect, using this tool. The Group aims to promote a sustainability-oriented supply chain, integrating social and environmental issues into its strategic vision. Labomar recognizes the importance of local procurement in supporting the local economy and maintaining strong relationships with the surrounding community. Local procurement not only contributes

to the economic stability of the area in which it operates but also represents a strategy to ensure adequate resource availability and promote sustainable development at the local level. Through careful management of purchases and a constant commitment to responsible procurement, each entity within the Group aims to contribute to the well-being of the communities in which it operates. Below are the data related to spending in favour of local suppliers.

Proportion of spending on local suppliers²⁶



²⁶ Proportion on spending can include intercompany transactions
²⁷ Purchases of untracked materials, such as tools, maintenance items, or services, are not included



07

Community

- Collaboration and partnership with universities
- Membership associations
- Local Community





Cooperation and partnership with universities and schools

Labomar Group's commitment to the community is manifested through a solid network of collaborations with universities, technical institutes, and schools. The synergy between academia and industry is a key element in stimulating innovation and fostering the professional growth of young talents. The Group collaborates with various universities and institutes through participation in events, training activities, and research projects, with the aim of supporting the development of new skills, promoting sustainability, and strengthening the link between education and business. Below are the main highlights.

Throughout 2024, Labomar has strengthened its relationship with the academic world by participating in various events and training initiatives. In April, the company took part in the XXIV Seminar on Employment Opportunities for Graduates in Pharmaceutical Sciences, organized by the Department of Pharmaceutical Sciences at the University of Padua. The event offered students an overview of career possibilities within the company, with a focus on technical-scientific roles for recent graduates.

Also in April, Labomar was a guest at the University of Ferrara, where it participated in a training day at the Department of Life Sciences and Biotechnology titled "From R&D to the Pharmacy Shelf: How a Product is Born in a Contract Manufacturing Company." This was an opportunity to illustrate the process of product development and commercialization, with particular attention to the role of research and development.

In May, the company took part in a working group on sustainability in the pharmaceutical sector, promoted by the Department of Pharmaceutical Sciences at the University of Padua. This meeting represented an important opportunity for discussion on best sustainability practices in the chemical-pharmaceutical and nutraceutical supply chain, fostering dialogue between companies, universities, and stakeholders.

Finally, Labomar hosted a training day with over 70 students from the ITIS Giorgi Technical Institute in Treviso, from four different classes. The meeting allowed students to get to know the world of the pharmaceutical and nutraceutical industry up close, providing them with useful tools for their studies and future entry into the workforce.

L3 Labomar Offices



Three-Year Doctoral Research Programs, Started in 2022 and Still Active, Co-Financed on Anti-Aging Topics

- 1
- Doctoral Research in Nutraceuticals and Functional Food and Human Health, XXXVIII cycle at the University of Naples
- 2
- Doctoral Research in Molecular Sciences - Pharmaceutical Sciences Curriculum, XXXVIII cycle at the University of Padua

2023 Thesis

1. Thesis Title: "Evaluation of the Interaction Between Probiotics and Botanical Extracts for the Design of Dietary Supplements: In Vitro Test of Metabolic Activity Inhibition," University of Padua, Department of Pharmaceutical Sciences



Welcare has reaffirmed its commitment to engaging with the academic world through participation in training and networking events. On May 8, 2024, the company took part in Testimonial Day, an event organized at the Santa Maria in Gradi Complex of the University of Tuscia. This initiative aimed to facilitate contact between students, graduates, and companies, offering a space for discussion on professional opportunities and the skills required by the market. The 2024 edition focused particularly on the Rome Technopole, an innovation ecosystem in Lazio created to promote synergies between universities, institutions, and businesses. Welcare's participation highlighted the company's central role in enhancing new skills and developing innovative solutions, with specific attention to energy, digital, and bio-pharma transitions. This initiative strengthens Welcare's position as an innovation and sustainability-oriented entity, capable of creating new professional growth opportunities for young people.

In 2024, Labiotre continued to invest in training and skill development, strengthening collaborations with technical institutes and advanced training schools. The company maintained its commitment with State Industrial Technical Institutes (ITIS) and the Vita-ITS Foundation for new life technologies in Pontedera (PI), contributing to student training through events and specialized lectures. In particular, Labiotre organized two lectures for the Profarmabio course, addressing key topics such as Lean Manufacturing and the production process. Additionally, in collaboration with ITS, the company hosted two school-work alternation events, involving classes of approximately 24 students. These activities provided students with a concrete experience in the working world, allowing them to acquire specific skills and interact with industry professionals.

Labomar Canada operates in synergy with Labomar and maintains active collaborations with Italian universities, contributing to research and development projects. The connection between Labomar Canada and the academic world represents a strategic element for the exchange of know-how and the development of innovative solutions in the pharmaceutical and nutraceutical sectors.



Laboratories in Welcare Industries



Membership associations

[GRI 2-28]

In the context of association membership, Labomar Group stresses the importance of actively collaborating with various organizations for charitable, cultural, and community development purposes. Through involvement in such initiatives, a deep connection with the local community is fostered and contributions to social and environmental progress are made. Such participation reflects an ongoing commitment to support projects and initiatives that promote the welfare of people and the environment.



Italian Packaging Institute

The Italian Packaging Institute is the reference network for the packaging supply chain, supporting companies in packaging innovation and sustainability.



Universo Treviso Basket

Universo Treviso - Treviso Basket is a consortium of companies established to sustain the continuity of basketball in Treviso, promoting sport as a social and territorial value.



IBC - Consumer Goods Industry Association

The Consumer Goods Industry Association brings together companies active in the food & beverage, personal care, home care, textile, and furniture sectors, representing Italian excellence in consumer goods.



Friends of the University of Padua Association

The Friends of the University of Padua Association fosters the connection between academia and business, promoting collaboration between research and industry.



Confindustria Medical Devices

Confindustria Medical Devices represents companies in the biomedical sector, promoting technological development, innovation, and compliance with health regulations.



CUOA Foundation

The CUOA Foundation is a center for advanced managerial training that supports the growth of skills in the entrepreneurial and industrial world.



AIDAF - Italian Family Business Association

AIDAF - Italian Family Business Association supports the growth and continuity of Italian family businesses, enhancing their role in the national economic fabric.



Cassa Previline Assistance

Cassa Previline Assistance offers corporate welfare solutions and assistance for companies, supporting employee social protection.



Confindustria Veneto Est

Confindustria Veneto Est represents companies in the Northeast, promoting economic development and innovation in the territory.



UniSMART Padova

UniSMART Padova is the University of Padua's company that promotes technology transfer and innovation between research and industry.



ASS SANINT

An association active in the healthcare sector that brings together companies and professionals to promote the advancement of medical and pharmaceutical technologies.



Competition Authority

The Competition Authority ensures compliance with antitrust regulations and market transparency, guaranteeing a fair competitive environment.



Ribes for the Health and Nutrition Ecosystem

Ribes for the Health and Nutrition Ecosystem is a collaboration network between companies, research institutes, and universities to promote innovation in the health and nutrition sector.



Italian Farmers Confederation

The CIA (Italian Farmers Confederation) is one of the main representative organizations in the agricultural sector, committed to promoting innovation and sustainability in the agri-food sector.



Italian Food Union

The Italian Food Union is the association of leading Italian food companies, committed to protecting quality, safety, and innovation in the food sector.



Soil and Health

Soil and Health is a certification body for organic farming and environmental sustainability.



EWMA SECRETARIAT

The European Wound Management Association (EWMA Secretariat) is an international network that promotes research and development in advanced wound treatment, facilitating the exchange of knowledge between professionals and companies in the medical sector.



Family Business Services

Family Business Services is a support platform for the management and growth of family businesses, focusing on governance and succession.



DAFNE Consortium

The DAFNE Consortium is the healthcare supply chain community that promotes digitalization and efficiency in the pharmaceutical and medical supply chain.



The Territory and the Community

The Group reaffirms its concrete commitment to the territory and the community through a series of initiatives aimed at promoting social inclusion and strengthening the sense of community. Attention to people and the desire to create a positive impact translate into projects that actively involve employees and local entities, consolidating the synergy between business and civil society.

In 2024, the Group's companies launched a significant charitable initiative to collect and donate clothing and toys for children and families in need, directly involving the territories where Labomar, Welcare, Labiotre, and Labomar Canada operate. Labomar chose to support the Association Uniti per la Vita, which provides assistance to women facing pregnancy difficulties. Welcare collaborated with the Association Senza Monete, a social promotion entity committed to supporting the most vulnerable people through solidarity actions and responsible consumption. Labomar Canada directed its collection to the Summerlea United Church, a religious entity that works to raise community awareness and support those in need. Finally, Labiotre developed a collaboration with the Municipality of Greve in Chianti, working in synergy with social workers to ensure the distribution of aid to families in need in the territory. The initiative saw wide participation from employees of the various entities, who actively contributed with donations and their time, supporting the project in the various phases of collection and distribution.

Labomar Canada further strengthened its social commitment through collaboration with The Old Mission Brewery, Montreal's leading charitable organization dedicated to assisting the homeless. Company employees actively participated in a volunteer day, preparing

and distributing meals to people in need. The initiative provided a significant opportunity to raise awareness among the corporate team on the issue of social marginalization, strengthening the bond between the company and the local community.

As part of community initiatives, Welcare started a collaboration with ASD TT Campomaggiore Terni, a table tennis club committed to promoting the sport among young people and adults. Sport represents not only physical activity but also a powerful tool for social inclusion, capable of conveying fundamental values such as fair play, determination, and collaboration. Supporting the association aligns with the company's vision of promoting well-being and quality of life, encouraging a healthy and active lifestyle.

Through these initiatives, the Group reiterates its commitment to building a more equitable and supportive society, where corporate success is accompanied by social responsibility and the enhancement of people and the territory. Attention to community needs and the desire to generate a positive impact remain guiding principles of the Group's actions, which will continue to invest in projects of inclusion and support for the most vulnerable segments of the population.



Extracts produced by Labiotre



Appendix

 GRI Content Index

GRI Content Index

Statement of use	Labomar has reported in accordance with the GRI Standards for the period January 1, 2023 to December 31, 2024
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	N/A

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
General Disclosures					
GRI 2 – General Disclosures 2021	2-1 Organizational details	3 , 6 , 14			
	2-2 Entities included in the organization’s sustainability reporting	3			
	2-3 Reporting period, frequency and contact point	3			
	2-4 Restatements of information	3			
	2-5 External assurance	This document is not subjected to limited assurance			
	2-6 Activities, value chain and other business relationships	12-13			
	2-7 Employees	45-46			
	2-8 Workers who are not employees	47			
	2-9 Governance structure and composition	18-19			
	2-10 Appointment and selection of the highest governance body	18-19			
	2-11 Chair of the highest governance body	18-19			
	2-12 Role of the highest governance body in overseeing the management of impacts	18-19			
	2-13 Delegation of responsibility for managing impacts	18-19			
	2-14 Role of the highest governance body in sustainability reporting	24-25			
	2-15 Conflicts of interest	19			
	2-16 Communication of critical concerns	19			
	2-17 Collective knowledge of the highest governance body	19			

GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 2 – General Disclosures 2021	2-18 Evaluation of the performance of the highest governance body	Currently, Labomar Group has not implemented formal procedures to evaluate the performance of its highest governing body regarding the management control of impacts on the economy, the environment, and people.			
	2-19 Remuneration policies	19			
	2-20 Process to determine remuneration	19			
	2-21 Annual total compensation ratio	88	2-21 Annual total compensation ratio	Confidentiality constraints	As Labomar is a private company, the management does not consider it appropriate to share that information.
	2-22 Statement on sustainable development strategy	2			
	2-23 Policy commitments	20			
	2-24 Embedding policy commitments	20			
	2-25 Processes to remediate negative impacts	20			
	2-26 Mechanisms for seeking advice and raising concerns	20			
	2-27 Compliance with laws and regulations	20			
	2-28 Membership associations	83-84			
	2-29 Approach to stakeholder engagement	31 , 34			
	2-30 Collective bargaining agreements	46			
Material topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	34-38			
	3-2 List of material topics	35-37			
Economic performance					
GRI 3: Material Topics 2021	3-3 Management of material topics	21			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	21			
Sustainable management of suppliers					
GRI 3: Material Topics 2021	3-3 Management of material topics	78-79			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	79			
Ethics, Business Integrity, and Anti-Corruption					
GRI 3: Material Topics 2021	3-3 Management of material topics	20			
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	20			

GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Ethics, business integrity and anti-corruption					
GRI 3: Material Topics 2021	3-3 Management of material topics	20			
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	20			
Uses of raw materials and waste management					
GRI 3: Material Topics 2021	3-3 Management of material topics	59			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	59			
Climate change mitigation and efficient energy use					
GRI 3: Material Topics 2021	3-3 Management of material topics	63-66			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	64			
	302-3 Energy intensity	65			
Water resource management					
GRI 3: Material Topics 2021	3-3 Management of material topics	67-68			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	67			
	303-2 Management of water discharge-related impacts	67 , 68			
	303-3 Water withdrawal	68			
Climate change mitigation and efficient energy use					
GRI 3: Material Topics 2021	3-3 Management of material topics	63			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	65			
GRI 302: Energy 2016	305-2 Energy indirect (Scope 2) GHG emissions	66			
	305-4 GHG emissions intensity	66			
Uses of raw materials and waste management					
GRI 3: Material Topics 2021	3-3 Management of material topics	60-61			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	60-61			
	306-2 Management of significant waste-related impacts	60-61			
	306-4 Waste diverted from disposal	61			
	306-5 Waste directed to disposal	61			

GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Attraction and Retention of Talent Employee well-being and corporate welfare					
GRI 3: Material Topics 2021	3-3 Management of material topics	51-52			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	51-52			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	50			
Employee management and development					
GRI 3: Material Topics 2021	3-3 Management of material topics	46			
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	46			
Health and Safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	56-57			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	56-57			
	403-2 Hazard identification, risk assessment, and incident investigation	56-57			
	403-3 Occupational health services	56-57			
	403-4 Worker participation, consultation, and communication on occupational health and safety	56-57			
	403-5 Worker training on occupational health and safety	56-57			
GRI 403: Occupational Health and Safety 2018	403-6 Promotion of worker health	56-57 , 49-50			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	56-57			
	403-9 Work-related injuries	57			
Employee management and development					
GRI 3: Material Topics 2021	3-3 Management of material topics	47-48			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	48			

GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Diversity, Equal Opportunities, and Human Rights					
GRI 3: Material Topics 2021	3-3 Management of material topics	53-55			
GRI 405: Diversità e pari opportunità 2016	405-1 Diversity of governance bodies and employees	19 , 53			
	405-2 Ratio of basic salary and remuneration of women to men	54			
Diversity, Equal Opportunities, and Human Rights					
GRI 3: Material Topics 2021	3-3 Management of material topics	55			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	55			
Involvement of the local community and social commitment					
GRI 3: Material Topics 2021	3-3 Management of material topics	81-82 , 85			
GRI 413: Local Communities 2016	413-2 Operations with significant actual and potential negative impacts on local communities	No actual and potential negative impacts are reported of Labomar’s operations against the local community			
Quality and Product Safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	70-72			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	72			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	72			
Cybersecurity and privacy protection					
GRI 3: Material Topics 2021	3-3 Management of material topics	22			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	22			

Labomar S.p.a. with sole shareholder

Via N. Sauro, 35/I - 31036 Istrana (TV)

P- Iva IT03412720264

tel: 0422 7312 - fax: 0422 836547

contact@labomar.com

www.labomar.com

