

Voluntary report 2022

INNOVATION AND SUSTAINABILITY





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Letter to stakeholders

Dear Stakeholders,

We are pleased to present to you our fifth Sustainability Report, a document that narrates ROELMI HPC's renewed commitment towards sustainable development.

2022 has been a year of significant strategic decisions for the Company, aimed at better addressing the needs of our stakeholders and supporting business growth in the most appropriate manner.

The main decision concerned the realm of corporate governance, which was entrusted to an extended Board of Directors with three members, including two external members not part of the Ownership.

This is a crucial step for ROELMI HPC's growth, gradually establishing a structure more suited to international expansion and the increasingly complex dynamics of the market. This decision is strategic as the three members operate with direct mandates, leveraging their individual skills and past experiences. They work horizontally across all departments, fully sharing the company's decisions, and operate vertically within their own responsibilities.

To more promptly meet market demands, we have also strengthened our foreign subsidiaries by investing in local human capital. We introduced a dedicated role for distributor relationships to enhance our presence in the network. Lastly, we decided to spin off the probiotic product development activity, creating a dedicated spin-off for this business. This strategic shift stems from the need to facilitate the company's growth within a highly specialized market, both in terms of R&D investments and technical-scientific expertise.

In January 2022, SynBalance S.r.l. was established, and in its first year of operation, it has already exceeded expectations by increasing turnover and research and development investments. 2022 also marked a significant realization regarding the Company's role in terms of social and environmental impact, a consideration that has always been deeply embedded in our corporate culture.

The growing challenges posed by the increasingly pervasive impact of human activity on environmental health and the well-being of the populations residing within it led us to further reflect on the actions we, as a Company, can undertake to reduce such impacts.



In light of this reflection, we initiated a project to calculate our emissions, aiming to gain greater awareness of our environmental impact and develop a plan for its reduction and mitigation.

Furthermore, we have enhanced our engagement with the individuals who contribute to our Company, striving to meet their needs through a series of measures aimed at improving work-life balance.

We have introduced flexible working hours, enriched the break area with leisure elements for colleagues to use outside of office hours, and are planning the opening of a company gym. Complementing these efforts focused on our personnel are targeted training programs and investments dedicated to enhancing production activities.

Rosella Malanchin
CEO

A handwritten signature of Rosella Malanchin in black ink.

Methodological Note

The publication of the Sustainability Report aims for ROELMI HPC to communicate its environmental, social, and economic responsibilities and performances to all interested stakeholders with full transparency, as an integral part of the sustainability journey undertaken by the Company since its inception.

This report pertains to the activities of ROELMI HPC S.r.l. for the year 2022. Foreign subsidiaries are included in the reporting scope, while the subsidiary SynBalance S.r.l., which received the spin-off of the probiotic product development business during 2022, is excluded.

For a correct understanding of the document, the term "Company" refers to the aforementioned scope.

Where relevant, information has been provided with explicit reference to individual subsidiaries, as well as the markets in which the Company operates.

The reporting has been conducted, similarly to the two previous years, applying the ESG-RR methodology developed to assist SMEs in preparing sustainability reports, simplifying the reporting of ESG topics.

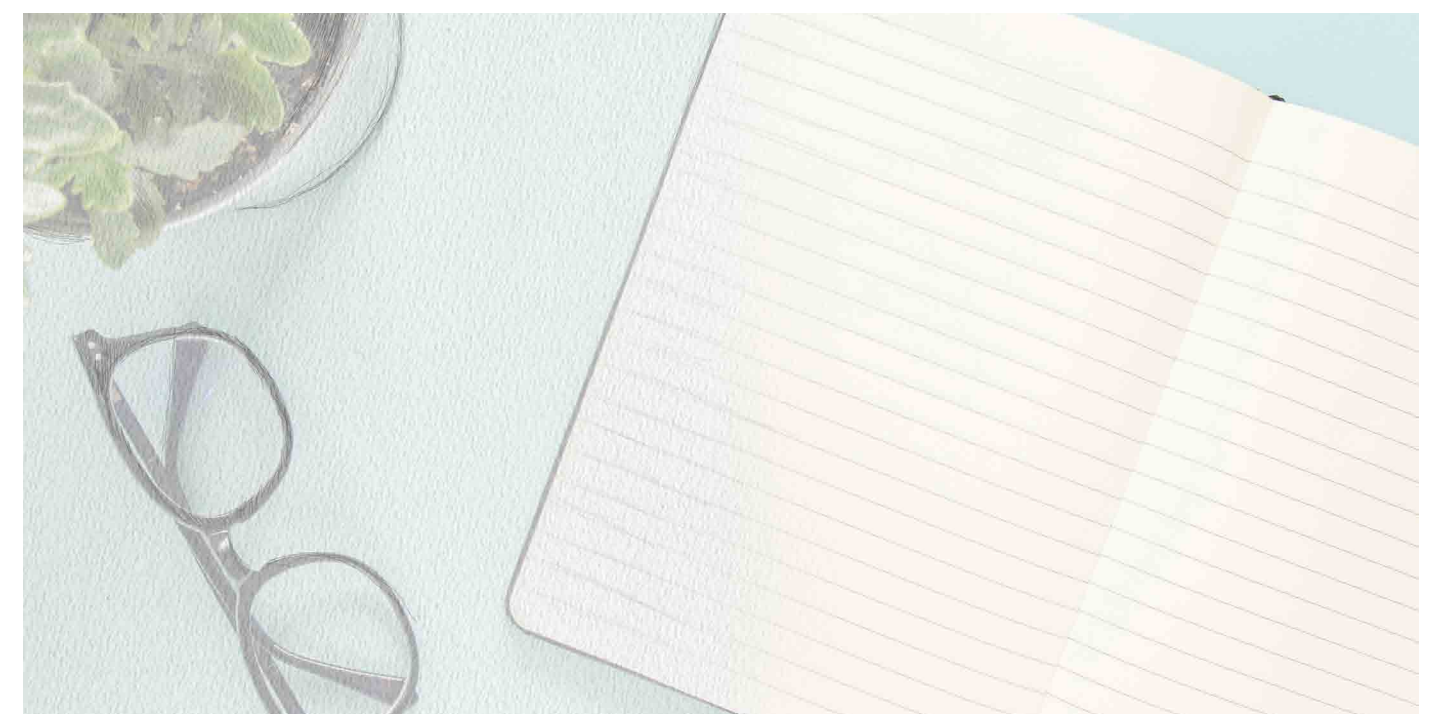
The methodology estimates a company's "ESG assets" through a series of requirements evaluated based on a questionnaire structured across three dimensions: Environmental, Social, Governance.

It's worth noting that refinements have been made to the reporting methodology by the methodology's custodian company, with a view to continuously improving data monitoring and ESG asset calculation.

The document comprises an introductory section on ROELMI HPC and its commitment to Sustainable Development, followed by a section illustrating the corporate governance system, and three chapters dedicated to the economic, social, and environmental dimensions of Sustainability. Concerning these dimensions, the main initiatives undertaken by the company during the year 2022 will be presented, along with, where possible, comparisons with the previous year and targets for the following year.

Regarding the economic dimension, key information about the Company's achieved results is provided, and reference is made to the Integrated Management Report accompanying the financial statements for the year ended December 31, 2022.

The preparation of the 2022 Financial Statements was coordinated by the CSR & Sustainability Manager, in conjunction with Rediva Audit Srl, under the supervision of the Management.



THE FUTURE LOOKS BRIGHT.

A leap into the past, discover the key achievements of ROELMI HPC Group during 2022.

HIGHLIGHTS 2022

4 New
Launches
Ingredients

23 R&D
Projects
Related to customer requests

12 R&D
Projects
Long-term

2 Awards
› Finalist BeautyMatter
NEXT Awards
› Deloitte Best
Managed Companies

50 Employees

20 Turnover
2022
MLN

CERTIFICATIONS

OBTAINED IN 2022

ISO 22000:2018 (Italy)
ISO 9001:2015 (France and USA)

Roundtable on
Sustainable Palm Oil

ecovadis
EcoVadis platinum rating (76/100)



1.0

Sustainable development

The ROELMI Group

The business model

The ROELMI Group traces its origins back to the early 2000s as a collection of companies focused on research and development, production, and distribution of ingredients for the health and beauty market.



The group grows and develops through a strategic activity of creating and acquiring companies operating in the personal care sector, with the main objective of optimizing infrastructure to support business processes, as well as maximizing synergies between the specialized areas of individual companies.



In 2016, ROELMI Holding was established, along with its respective sub-holdings ROELMI HPC, ROELMI DS, and ROELMI RE.



ROELMI HPC focuses its activities on Research and Development and the production of active and functional ingredients for personal care and beauty, combining high product performance with attention to the environment and the use of resources.

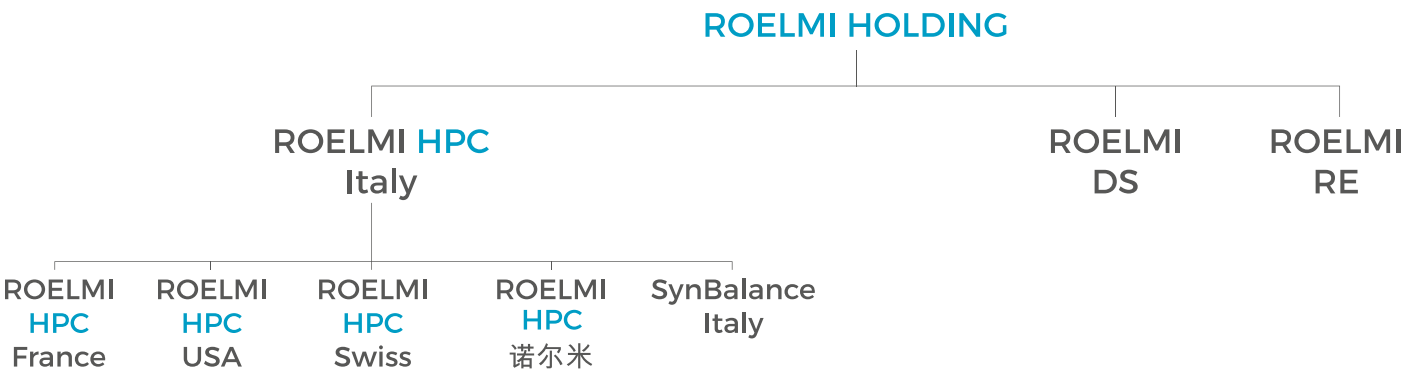


Subsequently, the 4 foreign subsidiaries (France, Switzerland, China, USA) become operational, thus reaching the markets of Europe, United States, Asia, and Australia.



In 2022, there was the strategic spin-off of SynBalance S.r.l., a company dedicated to the development of high-quality probiotic bacteria. This spin-off capitalizes on the expertise gained from years of experience in the field by the individuals entrusted with the business development.





ROELMI HPC develops high-performance ingredients for the cosmetic and nutraceutical markets, combining the development and scientific research of innovative products with the preservation of the environment and natural resources, aiming for responsible growth of its business.

At the company's main headquarters in Origgio, Varese province, Research and Development operates, creating and developing innovations in cosmetic ingredients by harnessing the potential of circular bioeconomy.

In a secondary location in Solaro, a production facility is dedicated to the development of food and nutraceutical lines.

At the foreign location in Shandong, China, there is a facility dedicated to biofermentation processes.

In 2022, in line with the objectives of the previous year, ROELMI HPC inaugurated a laboratory dedicated to green chemistry. Furthermore, the company increased its operations at the research laboratory in Novara, introducing a specialized dedicated role, aiming to strengthen its presence in biofermentation processes.

Beyond providing environmentally conscious ingredients to its clients, ROELMI HPC offers them support through ancillary services such as Formula Development and Formula Protection, leveraging the integration of Quality Control, Regulatory, Research and Development, and Formulation departments.

Formula Development: assisting clients in developing their own formulas to reduce time-to-market.

Formula Protection: creating safe and effective preservative systems characterized by comprehensive dossiers.

Mission e Vision

ROELMI HPC was founded with the goal of developing cosmetic and nutraceutical ingredients that contribute to improving people's quality of life. The company is committed to conducting its activities responsibly and transparently on a daily basis, ensuring high standards of quality and safety, while minimizing potential negative impacts on the environment.

ROELMI HPC aspires to achieve sustainable development of its business by combining high product quality

with a deep focus on its triple bottom line: environmental, social, and economic impact.

Investment in research and process innovation is crucial to provide the market with ingredients that have a reduced negative impact.

Similarly, the training of individuals, both in technical aspects and in sustainable development, is essential to achieve the Company's 2030 goals.



Culture of Sustainable development

ROELMI HPC's approach to responsible innovation is deeply rooted in the company's culture and values, which can be summarized as ethics, integrity, passion, responsibility, respect, and awareness.

Sustainability in all its facets guides the development of ROELMI HPC, encompassing every aspect of the company through the N.I.P.® - Nature is People program.

The program represents the very essence of the company's culture, originating with the group's founders as a corporate guide enabling everyone to actively contribute to the company's commitment to operate with respect for social and environmental ethics. The program is built on three fundamental pillars that guide business development: Nature, Innovation, People.

Nature

Developing eco-friendly ingredients that have a lower impact on the environment and consistently informing our customers about the importance of choosing such ingredients.

Innovation

Producing high-performance ingredients recognized for their technological content and effectiveness through continuous investment in Research and Development.

People

Ensuring the safety of individuals as a key component of our philosophy: from workplace safety to formulation safety for our customers, and ultimately the safety of end consumers.

Discover more on www.natureispeople.com

In 2022, thanks to the use of the drinking water dispenser, we saved:

14.186 plastic bottles,
which is equivalent to: **397.21** kg of PET.

In addition to these principles, N.I.P.® translates into a series of good behavioral practices to help collaborators reduce and improve their personal health and environmental impact, starting from simple daily actions. These practices are made accessible through:

- › Infographics displayed in company areas of interest (e.g., using stairs instead of elevators, using printers judiciously, refilling water bottles from dispensers rather than purchasing plastic bottles, proper waste disposal, etc.)
- › Informative circulars (e.g., adopting proper use of lighting and blinds according to the season and time of day, participating in initiatives promoted during national/worldwide events, etc.)
- › Informative newsletters written by employees on specific topics of general interest, with implications for health, society, and the environment, not necessarily related to the company's activities.

Since 2018, ROELMI HPC has embarked on a path aligned with the United Nations' Sustainable Development Goals from the 2030 Agenda, selecting objectives where it can actively contribute through its actions.

The company has also signed the Lombard Protocol for Sustainable Development and consistently commits to actively contributing to the Sustainable Development Regional Strategy of Lombardy through its activities.

Continuing its commitment, in 2022, the company renewed its participation in the Responsible Care program, a voluntary initiative promoting Sustainable Development within the global Chemical Industry, guided by values and behaviors oriented towards Safety, Health, and the Environment, under the broader context of Corporate Social Responsibility.

To further strengthen its commitment to Sustainable Development, in 2023, ROELMI HPC plans to join the Italian Alliance for Sustainable Development (ASviS) and endorse the 10 principles of the United Nations Global Compact.

Goal	ROELMI HPC's actions
3 SALUTE E BENESSERE 	Development of highly effective tested ingredients for the well-being and health of individuals in the nutraceutical and cosmetic fields.
5 PARITÀ DI GENERE 	Assurance of equal opportunities for hiring and advancement within the company regardless of gender affiliation.
8 LAVORO DIGNITOSO E CRESCITA ECONOMICA 	Assurance of dignified economic conditions and development of supplementary packages to meet the needs of employees.
9 IMPRESE, INNOVAZIONE E INFRASTRUTTURE 	Investments in maintaining SSL standards and continuous improvement of environmental impact performance.
12 CONSUMO E PRODUZIONE RESPONSABILI 	Research and Development of low environmental impact solutions that decouple production from the consumption of non-renewable virgin resources.
13 LOTTA CONTRO IL CAMBIAMENTO CLIMATICO 	Analysis of one's own climate impact in order to develop an action plan aimed at reducing it.
14 VITA SOTT'ACQUA 	Development of solutions that enable the market to reduce ocean pollution while maintaining high product performance.
15 VITA SULLA TERRA 	Development of solutions that respect natural resources, including supplier selection considerations.
17 PARTNERSHIP PER GLI OBIETTIVI 	Participation in technology transfer activities, both with public and private entities, for the creation of solutions oriented towards sustainable development.

Analysis of materiality

In 2022, ROELMI HPC deemed it appropriate to introduce a new material theme while conducting the materiality analysis, while retaining all the themes identified in the previous year. Considering market dynamics, sector-specific aspects, as well as the Company's strategic development directions,

the theme of "supply chains" was introduced. This theme pertains to the importance of having secure and traceable supply chains that share ROELMI HPC's values, both in terms of quality and ethical and social responsibility, as well as environmental awareness. This perspective is in line with a supply risk management system.

Material Themes 2022	SDGs	Description
Product development and sustainable innovation.	912	Investing in Research and Innovation to maintain a product portfolio that consistently meets market demands and pursuing the development of all new projects through circular bioeconomy, green chemistry, and low environmental impact technologies and processes.
Health and safety at work.	38	Creating and maintaining a safe and healthy work environment, free from injuries, fatalities, and both chronic and acute illnesses, through the implementation of a safety management plan, specialized training, and conducting regular third-party independent assessments of adopted practices.
Product quality.	312	Providing products that consistently meet customers' expectations in terms of health and safety characteristics, placing utmost attention on partner selection for raw material supply and managing product testing and effectiveness.
Customer satisfaction.	91112	Facilitating our customers' time-to-market through high-value-added services that include the preparation of comprehensive dossiers accompanied by efficacy tests and regulatory documentation beyond the mandatory requirements, as well as formulation services.
Investments in human capital.	35810	Ensuring that the company culture and hiring and promotion practices embrace the building of a diverse and inclusive workforce, ensuring continuous skill development, personal and professional growth, and daily well-being through training and welfare initiatives.
Production technology	9	Possessing in-house intellectual property, knowledge, core processes, and production technologies of our products through the enhancement of internal capabilities and investment in specific assets.
Compliance	37121316	Ensuring the correctness of procedures and adherence to regulations, from the broader dimension of legality to the sector-specific standards and specific provisions, as well as a voluntary declaration of the company's code of values, imposing strict ethical rules for behavior both within and outside the company.
Ethical and responsible governance.	16	Maintaining a responsible and transparent approach to risk and opportunity management surrounding the ethical conduct of business, including fraud, corruption, fiduciary responsibilities, and other behaviors that may have an ethical component, including social and environmental aspects.
Transparent marketing and communication.	16	Ensuring fair, accurate, truthful, complete, and transparent commercial and institutional communication, including with respect to the "environmental virtues" of the products offered and the conducted initiatives.
Supply chains.	9121316	Having secure and traceable supply chains that share our values in terms of quality, ethics, and social and environmental responsibility, also within the framework of a supply risk management system.

To gather stakeholders feedback, a questionnaire was prepared and sent to a panel of identified actors to best represent the Company's scope of activities.

First and foremost, employees were involved, engaging them in a strategic moment to define the pillars upon which to build the Company's sustainability journey. The panel was selected to encompass all functions and levels within the organization.

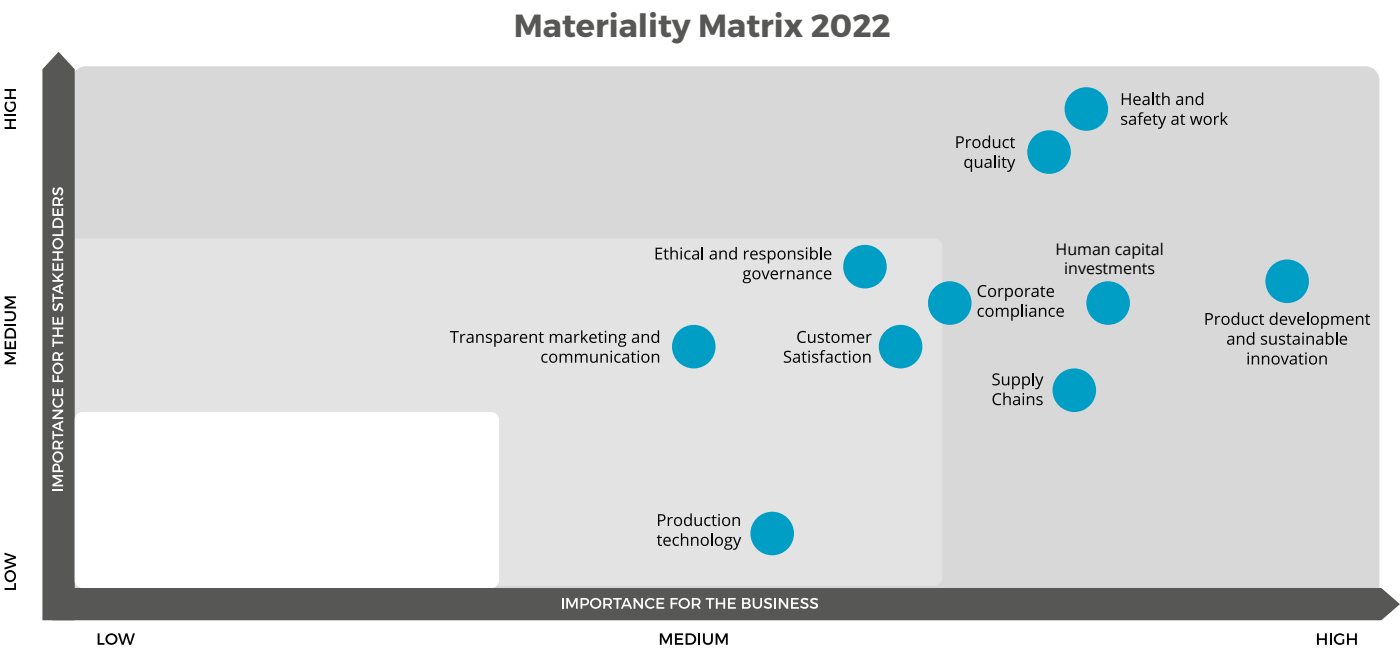
The customer panel was identified based on revenue, geographical area, market sector (Nutraceutical and Personal Care), and category (direct customer and distribution partner), along with strategic importance indicated by on-

going collaboration and developments.

Similarly, suppliers were identified based on revenue and strategic importance.

Finally, the questionnaires were also distributed to the banks the Company partners with, as well as to universities and consultants engaged in various collaborations.

To maintain the highest level of transparency in responses, the questionnaire was submitted anonymously, and the number of received responses meets the anticipated statistical significance.



ROELMI HPC'S STAKEHOLDERS



Internal collaborators



Suppliers



Press & Media



Consumers



Community



2.0

Governance

Corporate governance

The corporate governance system of ROELMI HPC is characterized by a set of procedures and policies aimed at ensuring proper and transparent corporate management and effective functioning of control systems.

The primary governing body of ROELMI HPC is the Board of Directors, composed of two individuals with a 50% female representation, including the founder and CEO of the Company.

The Shareholders' Meeting convenes quarterly with the objective of overseeing the company's economic, strategic, and operational performance. Meetings can also be conducted through audio/video conferencing, provided that a collegial approach is maintained, and principles of good faith and equality among shareholders are observed, as described in the Company's Bylaws.

The strategic direction of the company is entrusted to a Board of Management (hereinafter also referred to as the "Board"), consisting of the Chief Executive Officer, Chief Operations Officer, and Chief Commercial Officer.

The decision made in 2022 to create a Management Board extended to members beyond the ownership marks an important turning point in the history of ROELMI HPC, no longer solely governed by the founders of the Company.

Moreover, the specific expertise of each Board member will help guide the Company's strategic development and global positioning in the years to come.



The Board oversees the group of managers responsible for the operational management of specific business areas. These managers have the responsibility to contribute to the definition of objectives in line with the strategic directions set by the Board.

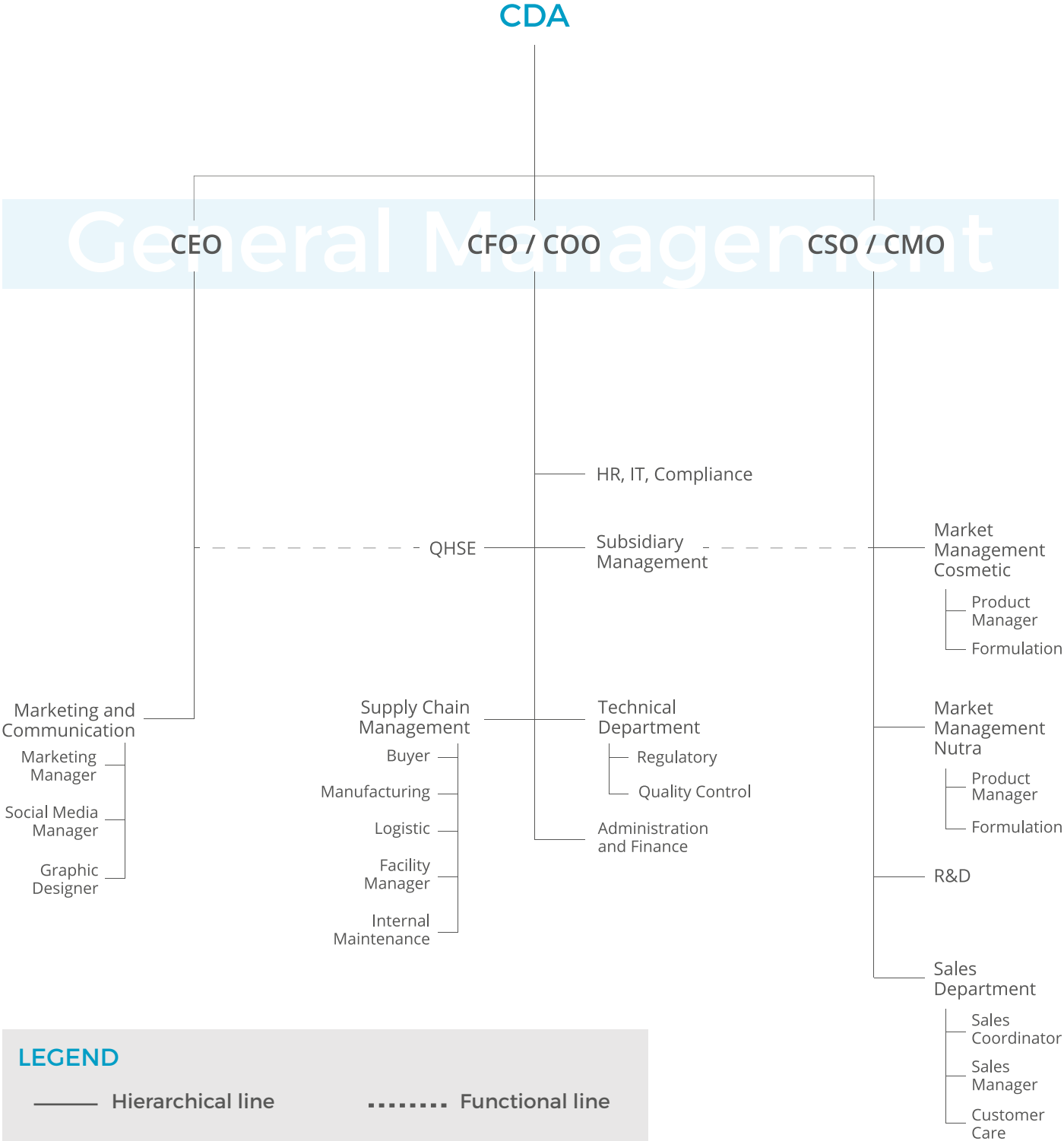
These objectives are to be shared with the Board for approval, and the managers are responsible for guiding the achievement of the expected results.

Currently, the Company has not established dedicated bodies for the governance of sustainability issues, which are overseen by the CEO.

In 2022, the following resources were added:

- Distribution Manager Personal Care
- Team sales nutra France
- Country Manager China

Furthermore, the ROELMI ASIA PACIFIC office was relocated from Beijing to Hangzhou. According to the current legislation of the country, this change necessitates the establishment of a new company and the subsequent closure of the original company.



The company has established an Integrated Management System (IMS) from the very beginning, the guidelines of which are outlined in the respective Manual, in accordance with the current editions of ISO 9001, ISO 13485, UNI EN ISO 22716, UNI ISO 45001, UNI EN ISO 14001, ISO 22000 standards, and the GMP guidelines of EFCI (European Federation for Cosmetic Ingredients).

The analysis of risks for the health and safety of workers is carried out by the figure of the Prevention and Protection Service Manager (RSPP) in conjunction with the figures of RLS (Workers' Safety Representative), the occupational physician, and the employer. The analysis of risks related to food safety is entrusted to the specific group identified by the Management.

The analysis of risks and opportunities is summarized in the document "Analysis of the Context and Expectations of Interested Parties". Additional risks and opportunities associated with negative environmental impacts, positive environmental impacts, and other effects on ROELMI HPC's activities are analyzed and synthesized in the "Document of Analysis of Environmental Aspects". This document also lists the compliance obligations in environmental matters that the organization must meet.

Periodically, a Review is conducted by the Management, which is documented accordingly. Through this process, the adequacy of the IMS is evaluated, and activities are identified to define objectives consistent with the integrated policy for quality, environment, occupational health and safety, and food safety. The effectiveness of the system is verified, quality control checks are monitored, different types of non-conformities are analyzed (statistical data analysis), and the causes of these non-conformities are removed.

ROELMI HPC ensures the performance of internal audits of the IMS through an annual planning process and in accordance with the dedicated procedure.

The purpose of internal audits is to verify, at various stages of a process, the conformity, at both the documentation and application levels, of the Integrated Management System with the requirements of UNI EN ISO 9001, 14001, and 45001, ISO 22000, ISO 13485, cosmetic GMPs (ISO 22716), and EFCI GMPs.

The planning of audits is ensured through the "Annual Internal Audit Program," and the detailed scheduling of individual internal audits is activated to identify auditors to be assigned for internal inspections and to communicate to the involved area the objectives and methods of inspection.

There is also the possibility of conducting unannounced internal inspections. Audit activities are conducted by the QHSE Manager or personnel appointed by them, who are not directly involved in the process under inspection.

The verifiers appointed by the organization must have the appropriate competencies and meet the requirements described in the Manual.

The responsibilities related to each organizational role are adequately communicated, and all ROELMI HPC personnel are involved in the application of the Integrated Management System, assuming responsibilities consistent with their competencies and roles.

During the onboarding or change of position, each resource is provided with a job description that outlines their tasks, responsibilities, and interconnections with other departments.



ISO 14001:2015
Environmental Management System

ISO 22716:2007
Good Manufacturing Practices (GMP) for Cosmetics

HALAL
Certification of products in accordance with Islamic (Halal) standards in the agri-food, cosmetic, and healthcare sectors.

ATS CERTIFICATION (REG. (CE) 1069/2009) - IX SECTION
Authorization of the facility for handling animal by-products (beeswax) or derived products for purposes outside the food chain.

RSPO
Certified sustainable palm oil.

ISO 45001:2018
Health and Safety Management System

ISO 22000:2022
Food Safety Management System

KOSHER
Certification of products in accordance with Jewish (Kosher) standards in the nutraceutical and cosmetic sectors

FOOD SUPPLEMENTS AND FSMP - REG. CE 852/2004
Authorization of the facility for the production and packaging of dietary supplements and foods for special medical purposes.

ISO 9001:2015
Quality Management System

GMP EFCI
Quality standards for cosmetic ingredients

HACCP
Internal self-control HACCP procedure according to Regulation EC 178/2002 and Regulation EC 852/2004 for Nutraceutical & Food Raw Materials

ORGANIC REGULATION
Products certified organic according to Regulation (EU) 2018/848.

CORPORATE CULTURE

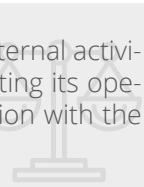
CODE OF ETHICS
Adoption of a voluntary Code of Ethics executed with a proactive behavior.

MODEL 231
Adoption of a Management, Organization, and Control System in accordance with Legislative Decree No. 231/2001.

INTEGRATED POLICY
Adoption of an integrated policy for quality, environment, and safety.

Ethics and transparency

The Company bases its internal and external activities on the belief that ethics in conducting its operations should be pursued in conjunction with the success of the business.



Therefore, from its inception, ROELMI HPC adopts an "Organization, Management and Control Model" pursuant to Legislative Decree 231/2001 and has established a Code of Ethics, which is an integral part of it, in order to ensure effective prevention and contrast of violations of laws and regulatory provisions applicable to its activities.

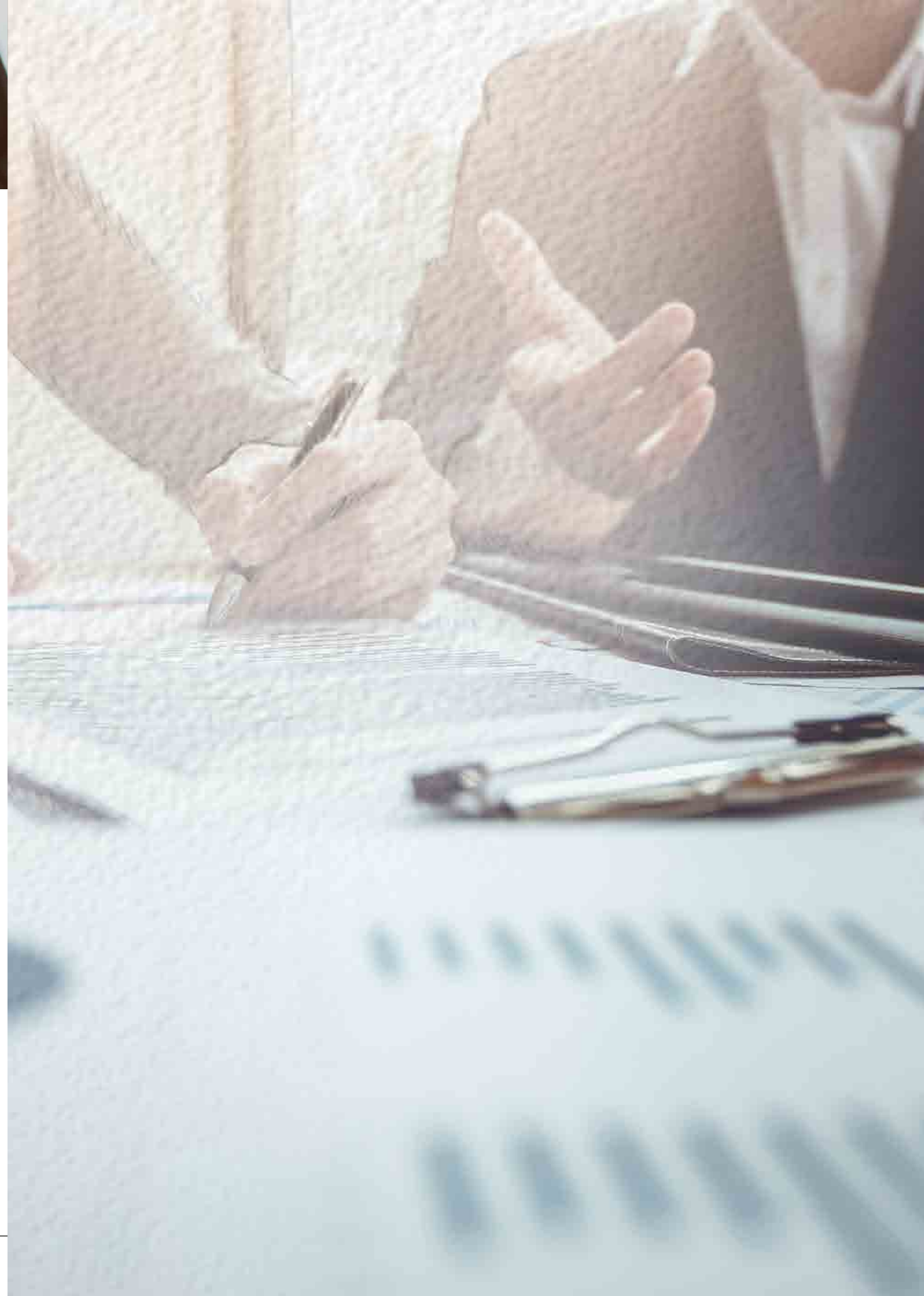
In accordance with the provisions of Legislative Decree 231/01, the Company's Board of Directors, in implementing the aforementioned Model, has entrusted the Supervisory Body (SB), represented by an external entity, with

the task of supervising its functioning, effectiveness, and compliance.

Regarding the management of sensitive data, reference is made to the current data protection legislation (GDPR - General Data Protection Regulation, Regulation (EU) No. 2016/679) to acquire, retain, and use authorizations for the management of sensitive and non-sensitive data by all those who come into contact with the ROELMI HPC environment.

ROELMI HPC is committed to keeping internal resources updated on the above-described topics through periodic communications and training provided by an external consultant.

All communication and advertising activities, finally, adhere to rules of transparency in the drafting and dissemination of messages conveyed to customers and the public.



The background of the slide is a close-up, slightly blurred image of an open notebook. The left page shows a hand-drawn graph with several intersecting lines on a grid. The right page contains some printed text, which is partially visible and out of focus. The overall lighting is soft and natural, suggesting a desk or study environment.

3.0

Economic responsibility

Economic responsibility

ROELMI HPC recorded a positive growth in revenue in 2022, reaching a total of 16.5 million Euros (a 4% increase compared to 2021). The consolidated revenue, considering all subsidiaries and the SynBalance spin-off, amounts to 20.2 million Euros (a 20% increase compared to 2021). Italy remains the primary market for ROELMI HPC, accounting for 58% of the revenue (32% when adjusted with SynBalance revenue), followed by Germany (8% of revenue, 20% adjusted), the United Kingdom (4%, 8% adju-

sted), and France (4%, 7% adjusted). Other markets (USA, UAE, Asia) have a smaller impact on revenue. The nutraceutical sector contributes to 55% of the total revenue (61% adjusted with SynBalance revenue), showing a slight advantage over the cosmetic sector.

Further details regarding the economic responsibility of ROELMI HPC can be found in the Notes to the Financial Statements, submitted on May 26, 2023.

SHORT-TERM ACTIVITIES	2022 (€)	2021 (€)
Rimanenze	3.023.015	2.211.195
Crediti	4.366.820	2.875.210
Disponibilità	49.935	710.166
Ratei e risconti	151.289	95.687
Totale attività a breve termine	7.591.059	5.892.258
FIXED ASSETS		
Intangible fixed assets	1.640.298	1.605.495
Tangible fixed assets	1.588.509	1.390.001
Financial fixed assets	544.823	301.033
Total gross fixed assets	3.733.630	3.296.529
(-) Depreciation funds	(1.847.934)	(1.669.573)
Total fixed assets net of depreciation	1.925.695	1.626.956
ESG ACTIVITIES		
E - Environmental activities	1.023.077	670.466
S - Social activities	1.221.391	725.758
G - Governance activities	855.363	855.363
Total gross ESG assets	3.099.831	2.251.586
(-) Depreciation funds	(2.994.187)	(2.121.738)
Total gross ESG assets net of amortization	105.644	129.849
TOTAL ASSETS	9.622.398	7.649.063

SHORT-TERM LIABILITIES	2022 (€)	2021 (€)
Provisions for risks and charges	18.100	270.327
Due to banks	1.298.074	790.242
Accounts payable to third parties	3.054.223	1.926.382
Treasury and agencies social security	94.641	310.645
Accruals and deferrals	-	18.273
Total short-term liabilities	4.465.039	3.315.869
LONG-TERM LIABILITIES		
Payables for shareholder loans received	275.000	-
TFR	282.009	305.135
Total long-term liabilities	557.009	305.135
EQUITY		
Capital stock	120.000	120.000
Legal reserve	35.360	35.360
Extraordinary reserve	2.698.943	1.623.023
Merger surplus	119.273	119.273
Revaluation reserve	924.635	924.635
Profit (loss) for the year	596.496	1.075.919
STATUTORY NET WORTH	4.494.707	3.898.210
NET WORTH ESG	105.644	129.849
INTEGRATED NET WORTH	4.600.351	4.028.059
TOTAL LIABILITIES AND NET	9.622.398	7.649.063

Below is a mirror summarizing the investments dedicated by the company to the most sensitive and important sustainability issues:

SECTOR	INVESTMENTS 2022 (€)
Environment	-
Product and process certification	49.413
Technical-scientific consultancy and other internal and external costs for participation in calls aimed at improving product quality and safety	13.082
Product research, development and promotion with use of sustainable raw materials	218.460
Safety and welfare of workers	64.072
Rewards to employees	132.011
Non-mandatory staff training	51.568
Support for charitable projects and other liberal disbursements	5,758
Use of electricity from sources totally renewables	154,921
Use of gas from renewable sources	22.640
Car rental with low environmental impact	119.638
Other sectors	154,921

A close-up photograph of four hands stacked vertically, representing diversity and unity. The hands are of different skin tones: two are light-skinned and two are dark-skinned. Each hand is wearing a simple ring on the ring finger. The background is a warm, textured orange-brown color.

4.0

Social responsibility

Human resources

5 8

ROELMI HPC promotes a company culture and hiring practices that contribute to building a diverse and inclusive workforce and ensure continuous updating of skills, professional growth, and daily well-being.

The company promotes and respects diversity and inclusion, ensuring equal employment and career opportunities for all, without any distinction based on gender, opinions, religion, or other personal characteristics.

The compensation policy is established based on individual merits, in line with the remuneration framework set by collective bargaining agreements. In addition to the fixed salary, a Performance Bonus is provided to certain roles based on the achievement of goals defined with the Management at the beginning of the year; currently, these incentives are not tied to ESG objectives.

As a result of the company's achievements in 2022, a bonus of €1,000 per person has been awarded to all employees in the form of Ticket Top Premium, which can be used at partner establishments affiliated with Edenred.

The company ensures its employees have the opportunity to participate in healthcare assistance funds and supplementary pension schemes, in addition to mandatory social security contributions as required by law.

As a recognition of the effort put forth by each individual for the continuous improvement of company results, the company commits to providing benefits to its employees. In 2022, a flexible working hours arrangement was introduced, allowing employees to manage their entry and exit times with greater flexibility and better balance personal commitments with work.

Also in 2022, the amount of the meal vouchers was increased from €5.29 to €8.00, and agreements were made with nearby restaurants for the benefit of employees.

These initiatives complement the previous establishment of a break room where employees can spend their lunch break. Starting in 2022, this room is also made available free of charge for private events organized by employees. Continuing from previous years, fresh fruit is also provided daily in break areas, in line with the company culture aimed at promoting a healthy lifestyle.

A fundamental aspect within a company like ROELMI HPC is training. In-house training activities cover themes related to health and safety, training and updates for personnel on quality procedures, hygiene, and good manufacturing practices, as well as technical-scientific training.

All new hires have a training plan that covers both general topics and specific topics related to their role, including periods of mentorship with more senior figures within the same function.

In 2022, a total of 1,419 hours of training were provided (including 210 mandatory hours) to all employment levels and functions in the company.

In addition to mandatory training, specific courses were conducted to enhance skills relevant to daily work (such as English, Excel, etc.), and for foreign employees, an Italian language course was established. Although specific sustainability training had not been conducted, an internal training session on circular bioeconomy topics was provided during the *Bioeconomy Day* on May 26, 2022. This training is of paramount importance for ROELMI HPC's operations and is also of significant current and cross-sector relevance.

Furthermore, an internal training event was organized on the topic of food safety culture, aimed at raising awareness throughout the company about the culture of food safety and the importance of everyone's involvement in promoting it.

Lastly, all employees were given the opportunity to participate in a course on P.A.D (Public Access Defibrillation), which includes training on the use of an Automated External Defibrillator (AED) both in theory and practice. This course was provided by the Italian Red Cross, and all costs were covered by the company.

In the year 2023, a skills mapping process will be carried out to develop a tailored training path for each employee, with a particular focus on individual needs and talents.

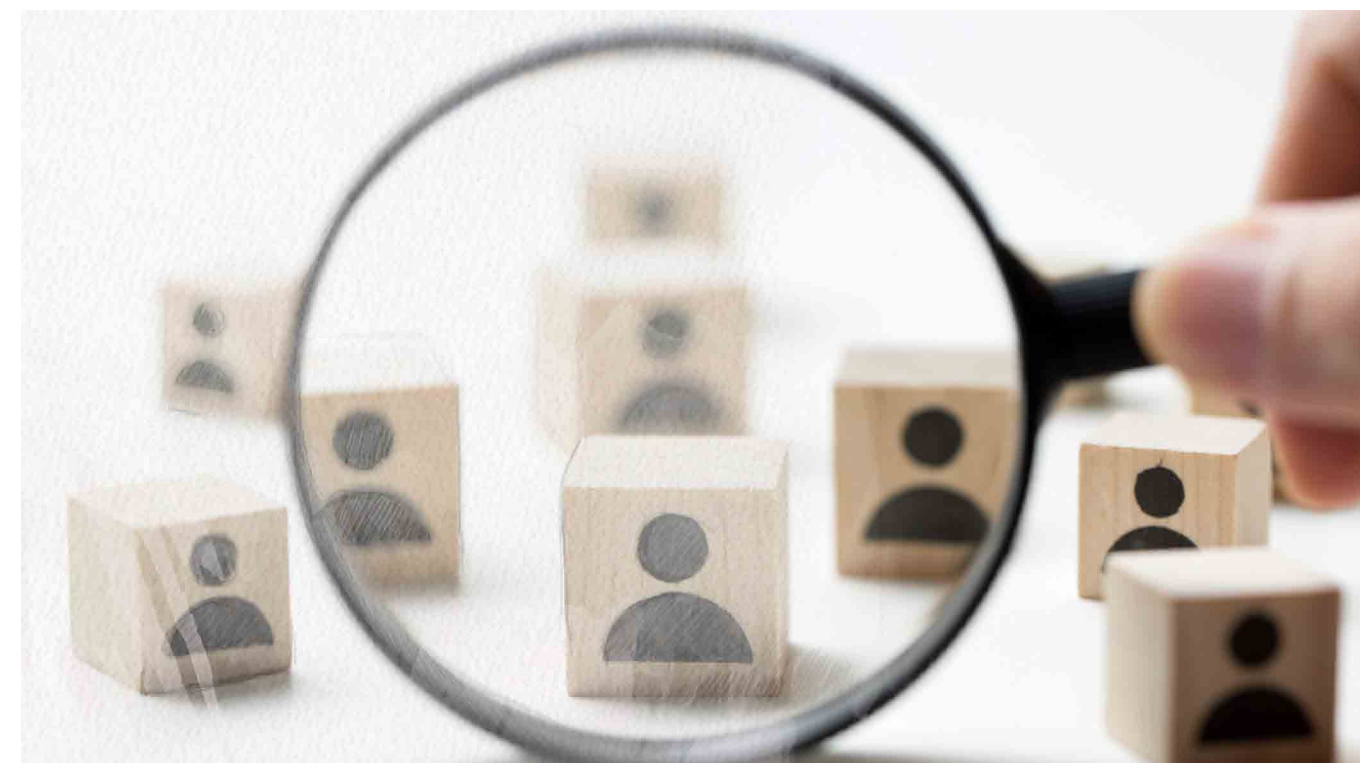
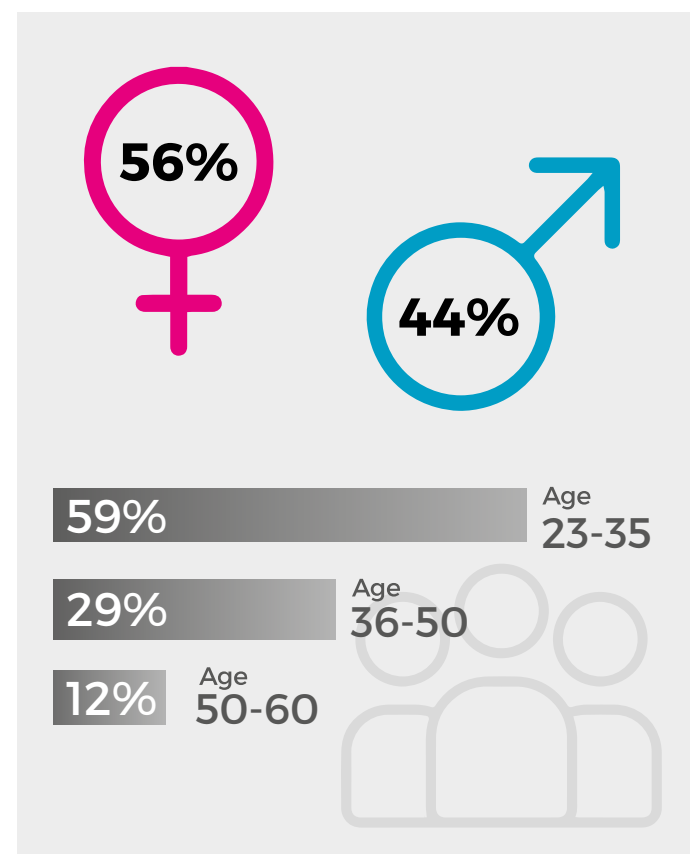
At ROELMI HPC, the creation of a shared corporate culture, both internally and in communication with partners and key stakeholders, has always been a significant theme, as demonstrated by the N.I.P.® program. The company frequently involves its workforce through internal surveys to gather their opinions on specific company activities.

For instance, in 2022, employees were engaged in deciding the names of the new R&D laboratories and the break room:



Since 2021, the company has established an internal Sustainability Committee, whose main objective is to promote the culture of ROELMI HPC and apply the principles of N.I.P.® in all aspects of company life, as well as in responsible lifestyle choices regarding individual health, the environment, and the community.

The creation of this internal body has enabled us to strengthen the shared corporate culture, involving almost all departments within the company, who then act as advocates to various stakeholder groups.



Health and safety at work

9

ROELMI HPC is committed to maintaining a healthy and safe workplace for its employees, in full compliance with current regulations and the company's values outlined in the Code of Ethics.

The health and safety of workers in the workplace are fundamental to the work culture at ROELMI HPC. Decisions in this regard, from planning to execution, are made in adherence to the general protection principles and measures provided by current laws, particularly Legislative Decree 81/08 and Legislative Decree 231/2001.

The company's organizational structure concerning health and safety at work includes a hierarchical arrangement with the Employer (DL) at the top, supported by Managers and Appointed Persons for implementation and oversight.

The Health and Safety Management System is overseen by the Management, which reviews various topics to ensure the system is effectively implemented and maintained. The Management collaborates in coordinating the Risk Prevention and Protection Service (RSPP) responsible for risk protection.

The Workers' Representative is elected by all employees. The current Workers' Representative also coordinates the internal safety committee, which includes the employer, the safety manager, and the appointed persons.

The Employer also appoints a Medical Expert for the health surveillance of workers. Additionally, there are teams of personnel responsible for fire prevention, evacuation, emergencies, and first aid. Following the 2022 training, the majority of ROELMI HPC employees are trained to use the Automated External Defibrillator (DAE).

Monitoring and evaluating the risks in the company, for their minimization and control, as well as employee training, are carried out in accordance with legal provisions.

In 2022, a risk assessment related to work-related stress was conducted in accordance with current regulations (Article 28 of Legislative Decree 81/08). The analysis revealed a low level of risk for all company departments, indicating no particular organizational situations that could result in work-related stress.

With a focus on continuous improvement in health and safety for workers, areas of intervention were identified to further lower the level of risk associated with work activities.

The incidence of accidents, near misses, and work-related injuries is constantly monitored and managed to keep them as low as possible. In 2022, no accidents involving employees or non-employees working under our control were recorded.

No occupational diseases were reported among company personnel. In cases where subcontracted companies are present on company premises, a Unified Risk Assessment Document (DUVRI) is prepared and signed. This document informs subcontractors about the risks for workers on-site and the preventive and protective measures to be adopted to mitigate them.

In 2022, ROELMI HPC joined the "Objective 18" campaign promoted by the LHS Foundation, a non-profit organization established by Saipem in 2010 to promote a culture of health and safety in industry and society. The campaign aims to reduce fatal workplace accidents in Italy by 50% by 2030. On average, three people die each day due to workplace accidents in Italy.

The comfort of workstations is also taken into consideration to enable everyone to carry out their activities effectively, especially since the majority of employees work with video terminals. Accordingly, in 2022, interventions were carried out to improve visual comfort in offices, including the application of anti-glare films and the replacement of video devices.

Following the results of the Manual Handling of Loads (MMC) analysis, the company aims to adopt a box lifting system for the Origgio facility and a drum lifter for the Solaro facility.

Objective 18: Safety culture

LHS Foundation, with the support of the Italy Loves Safety movement, will launch the "Goal 18" communication campaign, which aims to symbolically add within the **2030 Agenda** an 18th goal, focused precisely on the theme of **health and safety** culture, at work and in daily life.

The ultimate target, to be reached by 2030, is a **50 percent reduction** in accidents at work, on the roads and in our homes.

DISCOVER MORE



Product safety

3

Consumer health and safety are key drivers for the development of new products at ROELMI HPC, as evidenced by the numerous certifications obtained over the years.

All incoming raw materials undergo quality control checks, as do all outgoing products and blends. The latter are subjected to chemical, physical, and microbiological tests to ensure safety and efficacy. These tests contribute to the creation of the product dossier.

During ROELMI HPC's regular activities, certain substances and mixtures classified as hazardous under the CLP Regulation are used. Safety Data Sheets are available and accessible to all stakeholders for each of these substances and mixtures. This ensures clear and comprehensive information for handling during production and in case of accidental spills.

To ensure product safety and quality, the company has long implemented an integrated system for managing complaints and non-conformities related to product health and safety. This procedure enables continuous monitoring of compliance with standards and certifications, as well as tracking any negative externalities.

The evaluation of internal non-conformities, supplier non-conformities, and customer complaints reveals a very positive trend, especially when compared to the increase in sales and purchases. In 2022, no situations were identified that posed a product safety risk.

SelectSIEVE® OptiChol
Phytochemical complex derived from the Olive by-products, for cholesterol control

Ener-GY plus
"Microbiota-friendly" ingredient designed to optimize mitochondrial activation

ExceptionHYAL® Blossom
Sodium Hyaluronate with a broad spectrum of effectiveness to alleviate menopause discomfort

ExceptionHYAL® Wink
Sodium Hyaluronate with a broad spectrum of effectiveness to support ocular well-being

Community

9 13 17

The impact of ROELMI HPC's activities on the community is primarily expressed through actions of support for non-profit organizations, associations, and relationships with the education sector.

In 2022 as well, the company renewed its support for the non-profit associations and organizations it has actively been backing for years, including the **Renato Piatti Foundation, the Italian Association for Cancer Research (AIRC), the Association for Blood Diseases (AMS) and Save the Children.**

Furthermore, employees participate in collecting plastic bottle caps which are recovered by the Blood Diseases Foundation Onlus to fund medical research scholarships. In 2023, this activity will also be expanded to include the collection of cork bottle caps.

In 2022, employees also actively participated in a food drive organized by the Banco Alimentare Foundation to support people in need and those facing extreme poverty, as well as in a collection of medicines to support the Ukrainian population, organized by the Italian Red Cross with the support of the Civil Protection, with the Olgiate Comasco branch serving as the main interface with ROELMI HPC. The participation in both initiatives was significant, demonstrating the company's commitment to ethical values and social responsibility.

Collaborations with Italian universities in 2022:

- › CNR
- › Polytechnic University of Turin
- › SSOG Innovhub
- › IULM
- › University of Eastern Piedmont
- › University of Milan
- › University of Milan Bicocca
- › University of Calabria
- › University of Bologna
- › Catholic University

5 School/work alternations

3 Thesis graduations

The collaboration with the education sector takes various forms, from classroom training to opportunities for theses, internships, and doctoral activities, to joint Research and Development efforts.

In 2022, several managers contributed their expertise to university and master's programs. Additionally, 3 theses were initiated, along with 5 internships within the school-work alternation program.

Finally, 12 projects were launched to advance research into a trial phase oriented towards the industrial development of new technologies and products, with a focus on environmental impact and the responsible use of resources. ROELMI HPC's contribution to producing useful knowledge for technological advancement and responsible innovation oriented towards sustainability is also evident through its active participation in industry associations and clusters.

Network



European Federation for Cosmetic Ingredients



Cosmetic division of the national chemical industry group



Nutraceutical division of the national chemical industry group



Swiss Association for Cosmetic Ingredients



Lombardy Association for Green Chemistry



Italian Cluster for Green Chemistry



Italian Society of Nutraceutical Formulators



Association of Lombard Companies Representing the Cosmetics and Makeup Market Supply Chain

In 2022, ROELMI HPC was among the early adopters of Assointegratori, a non-profit organization established with the aim of promoting the association of companies that make up the entire supply chain related to the world of dietary supplements. The organization's goal is to protect the relevant market, safeguard consumers, well-being, and health, while promoting a rational and safe use of dietary supplements. Within the association, ROELMI HPC is also a part of its Ethical Committee.

In line with previous years, ROELMI HPC continued its support for Biorfarm, the first digital agricultural community aimed at assisting numerous small farmers across the national territory.

On one hand, this initiative provides fresh fruit to the company's employees on a daily basis, while on the other hand, it demonstrates ROELMI HPC's attention to supporting Italian production supply chains.

Through its contribution, the company supports small agricultural businesses located throughout the national territory that engage in environmentally respectful practices and are focused on the preservation and enhancement of the agricultural heritage of the region.

5.900

It's the annual kg amount of CO₂ offset by the ROELMI HPC field in collaboration with Biorfarm.

[DISCOVER MORE](#)

biorfarm



A hand holding a small plant with green leaves and a brown stem against a watercolor background. The hand is positioned in the lower left, with the thumb and index finger gripping the stem. The plant has several green leaves and a thin, brown stem. The background is a soft, watercolor-style wash of green and white. The text '5.0' is located in the upper right area, and 'Environmental Responsibility' is below it.

5.0

**Environmental
Responsibility**

Research and development

9 12

The Research and Development Department is the driving force behind ROELMI HPC's activities, playing an essential role in pursuing many of the company's sustainable development goals.

ROELMI HPC invests between 5% and 6% of its annual turnover in research activities, in addition to participating in various projects funded in partnership with other companies, research centers, and universities.

In 2022, as previously mentioned in the "business model" paragraph, the company invested in the development of new technologies in its green chemistry laboratory and strengthened its operations at the research laboratory in Novara. A dedicated position was introduced to enhance the company's expertise in biofermentation processes.

The Research Team is also focused on identifying continuous improvements within processes. For example, the design of the green chemistry laboratory allows for the recovery of approximately 80% of the organic solvents used during laboratory activities, which has a positive impact on both the environment and economics.

The Novara laboratory was also designed with a circular approach. For instance, the installation of a state-of-the-art vertical autoclave enables the reuse of most of the working material without the need for non-degradable plastic materials.

This approach, rooted in industrial ecology, reaffirms ROELMI HPC's commitment to developing high-quality ingredients while respecting the environment.

Supply chains

15

For a company like ROELMI HPC that relies on open innovation approaches applied to circular economy or white biotechnology production methods, technological partners, particularly those providing raw materials, are essential for sustainable business development.

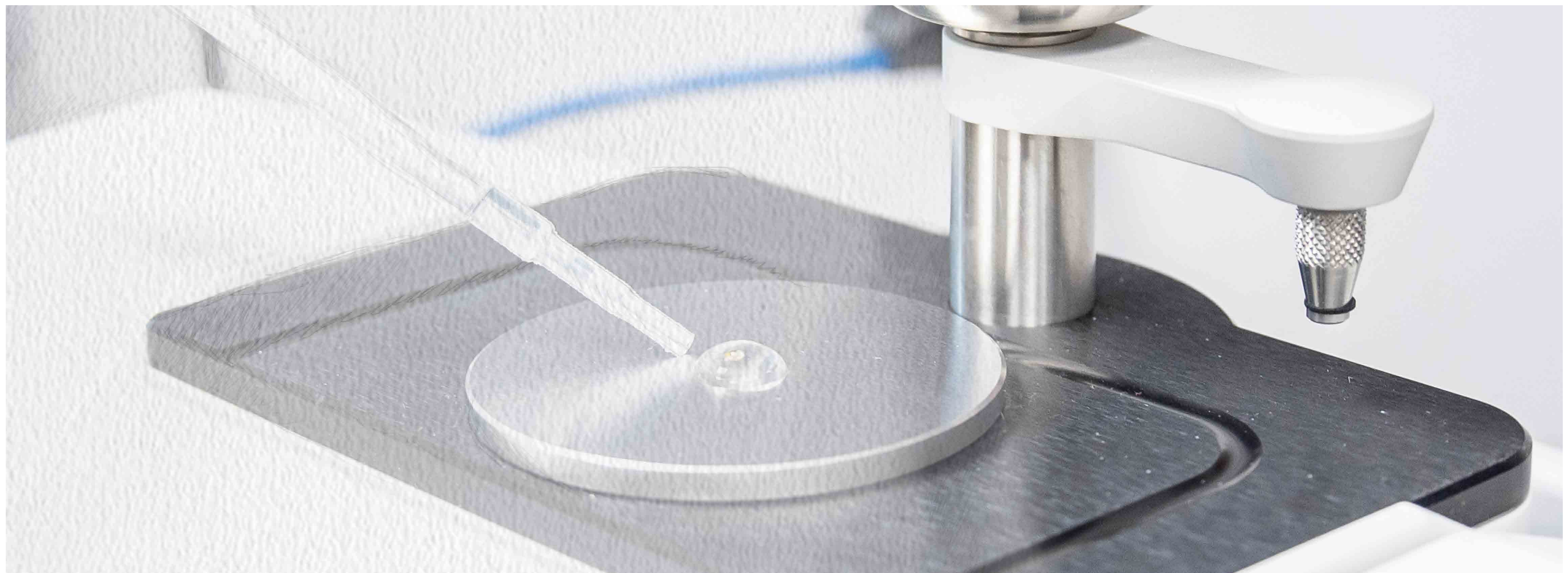
Throughout 2022, a supplier mapping system was implemented based on criteria such as strategic relevance, financial strength, technical expertise, quality standards, and regulatory compliance.

Social and environmental responsibility issues, among others, are considered within a questionnaire that is provided to all suppliers and contributes to their selection process.

Suppliers are also requested to share their own Code of Ethics or subscribe to that of ROELMI HPC if they do not have one. This procedure is part of the audit process that all suppliers undergo for both initial qualification and ongoing eligibility.

In 2022, ROELMI HPC obtained the RSPO Supply Chain Certification Standard, a global certification system for sustainable certified palm oil. The RSPO certification demonstrates and assures the market or consumers that RSPO-certified members produce or physically handle sustainable RSPO-certified palm oil.

Regarding consumable materials, the company continues to procure FSC-certified paper for restroom facilities and printing. Starting from 2022, this purchasing criterion has also been extended to shipping envelopes.



Water resources

14 15

At our production sites, none of which are located in water-stressed areas, we use water from the municipal water supply, with a total annual withdrawal of 5,510 liters for 2022.

The withdrawn water enters the production processes as an ingredient, albeit in a minimal amount, and as a necessary component for the operation and cleaning of the facilities, as well as for sanitation services, irrigation, and supplying the water column.

Given the nature of ROELMI HPC's production, water recycling and reuse interventions are rather difficult to implement to avoid any potential risk of contamination.

Nevertheless, mechanisms are in place for the recovery and recycling of certain process waters for specific industrial uses (closed-loop heating/cooling waters).

For instance, the green chemistry laboratory has been designed to avoid the consumption of tap water by utilizing a water recirculation mechanism for cooling water, which also allows for more precise temperature control of the fluid.

Furthermore, regular monitoring of water consumption and subsequent analysis allows for bringing to the attention of the Management any exceedances of critical thresholds, leading to corrective interventions or structural actions, as necessary.

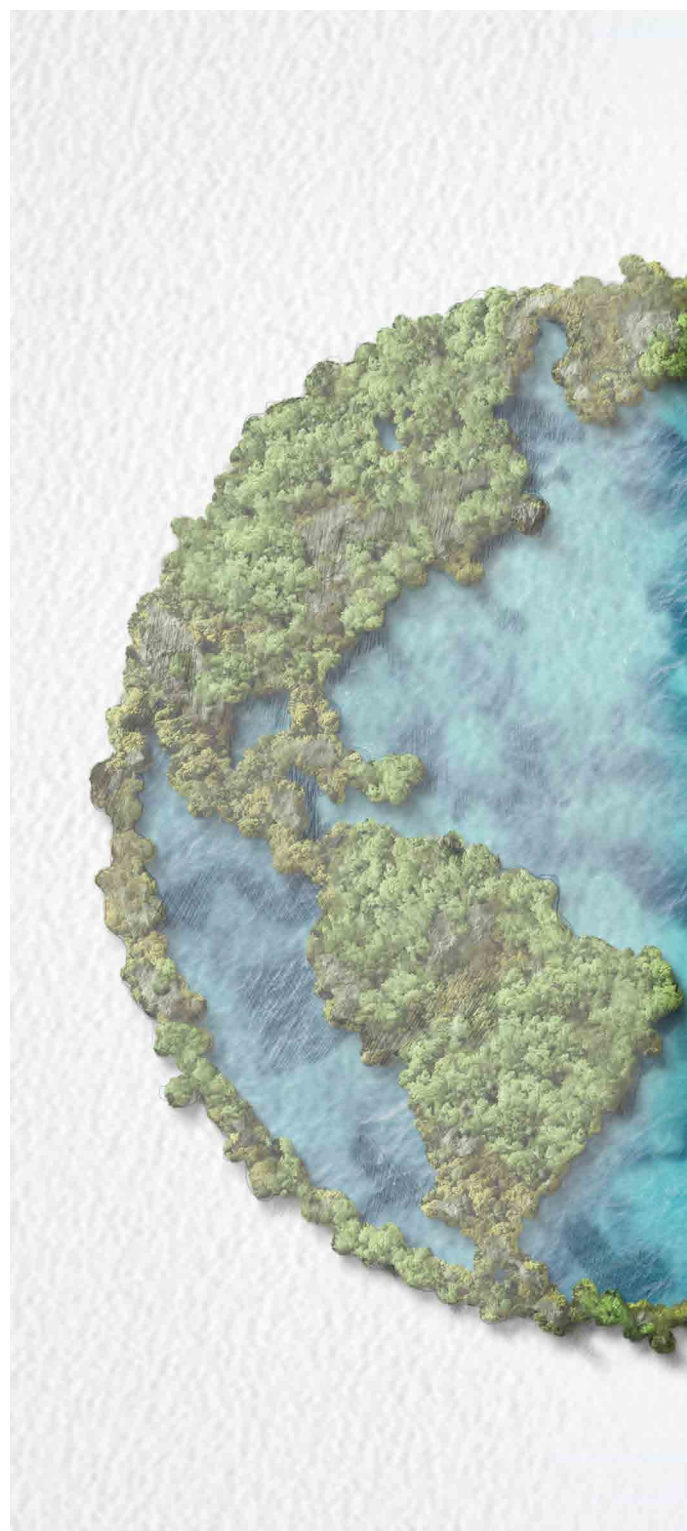
For example, in 2022, washing cycles were reduced, and the cycles of the reverse osmosis plant were standardized, resulting in a 28% reduction in consumption compared to the previous year.

Additionally, faucet aerators in all sanitary facilities were replaced with models designed not only to save water but also to have an extended lifespan.

In order to further improve water consumption, the supply chain department sets the objective of further optimizing the management of production campaigns. Furthermore, considering the significant impact of reverse osmosis in terms of water consumption, and due to the limited amount of osmotized water used in production processes, an assessment of risks and benefits associated with potentially putting the reverse osmosis plant on standby has been initiated, with the option of purchasing from an external supplier.

Finally, wastewater is correctly disposed of as special waste.

In 2022, the company began the process of evaluating the opening of an AUA application to request authorization for the discharge of industrial effluents into the sewage system.



Energy consumption

12 13

The energy sources used in ROELMI HPC's business activities include electricity, natural gas, and fuels for company vehicles (diesel and gasoline).

Electricity consumption is primarily attributed to the operation of equipment and machinery in production, followed by office lighting and cooling.

ROELMI HPC has an energy procurement policy focused on renewables; in fact, 100% of the purchased energy comes from certified renewable sources (European Energy Certificate System). Additionally, the company has a 150 kW photovoltaic system at the Origgio site, which powers the domestic hot water system.

Moreover, solutions and measures are adopted to limit energy consumption as much as possible. For instance, all laboratory electrical equipment purchased in 2022 allows for operation in ECO mode, reducing power demand when not necessary. The Novara laboratory is classified as energy class A1, solar-powered, and equipped with the latest generation, low-energy LED lighting.

Continuing the energy efficiency efforts, in 2022, the replacement of traditional lighting with LED lamps was extended to all offices, in line with the plan initiated in previous years.

Natural gas consumption is attributed to heating offices and workplaces. In 2022, ROELMI HPC committed to following the guidelines provided by authorities to address the global situation regarding this fuel. This commitment will be extended to subsequent years, recognizing the value of natural resources. Additionally, the gas supplier's contract includes a commitment to offset the CO2 equivalent to the amount of fossil fuel consumed by ROELMI HPC.

Regarding company vehicles, the company is gradually replacing its fleet with the goal of 100% hybrid and electric vehicles. In 2022, with 7 hybrid vehicles and 1 electric vehicle, 62% of the vehicles meet this requirement.

Furthermore, since 2019, ROELMI HPC has participated in DHL's GoGreen program, which involves offsetting greenhouse gas emissions generated by transportation. GoGreen also contributes to economic development in less developed countries and improves the lives of local populations.



Emissions

13

The air emissions generated by ROELMI HPC's activities fall under the category of "low relevance" according to Article 272 paragraph 1 (letters dd and jj), for both sites.

Machinery that generates emissions are duly reported to the relevant Municipality and Province through communication, and they undergo regular checks by designated companies.

The activities undertaken in 2022 resulted in a total equivalent CO₂ saving of 31,582 kg:

876 kg
Solar panels

7.550 kg
Use of water bottles with dispensers

1.500 kg
Water spouts in production and logistics

64 kg
Dispenser cups for hot beverages

2.618 kg
Use of hybrid cars

5.900 kg
Biofarm Orchard

13.074 kg
DHL GoGreen

31.582 kg
CO₂ saved in 2022 (+31% compared to 2021)

Waste management

12

ROELMI HPC srl produces waste generated from its own activities, which can be classified as both Municipal Waste and Special Waste, categorized as hazardous and non-hazardous.

The special waste, managed according to POS 07-09, mainly consists of plastic, metal, and mixed-material packaging, packaging containing residues of hazardous substances, aqueous washing solutions, and other waste and reaction residues.

For such waste, which is managed under temporary storage criteria, load/unload registers, transport forms, and the annual MUD declaration are compiled and maintained in accordance with current regulations (Legislative Decree 152/06, article 190).

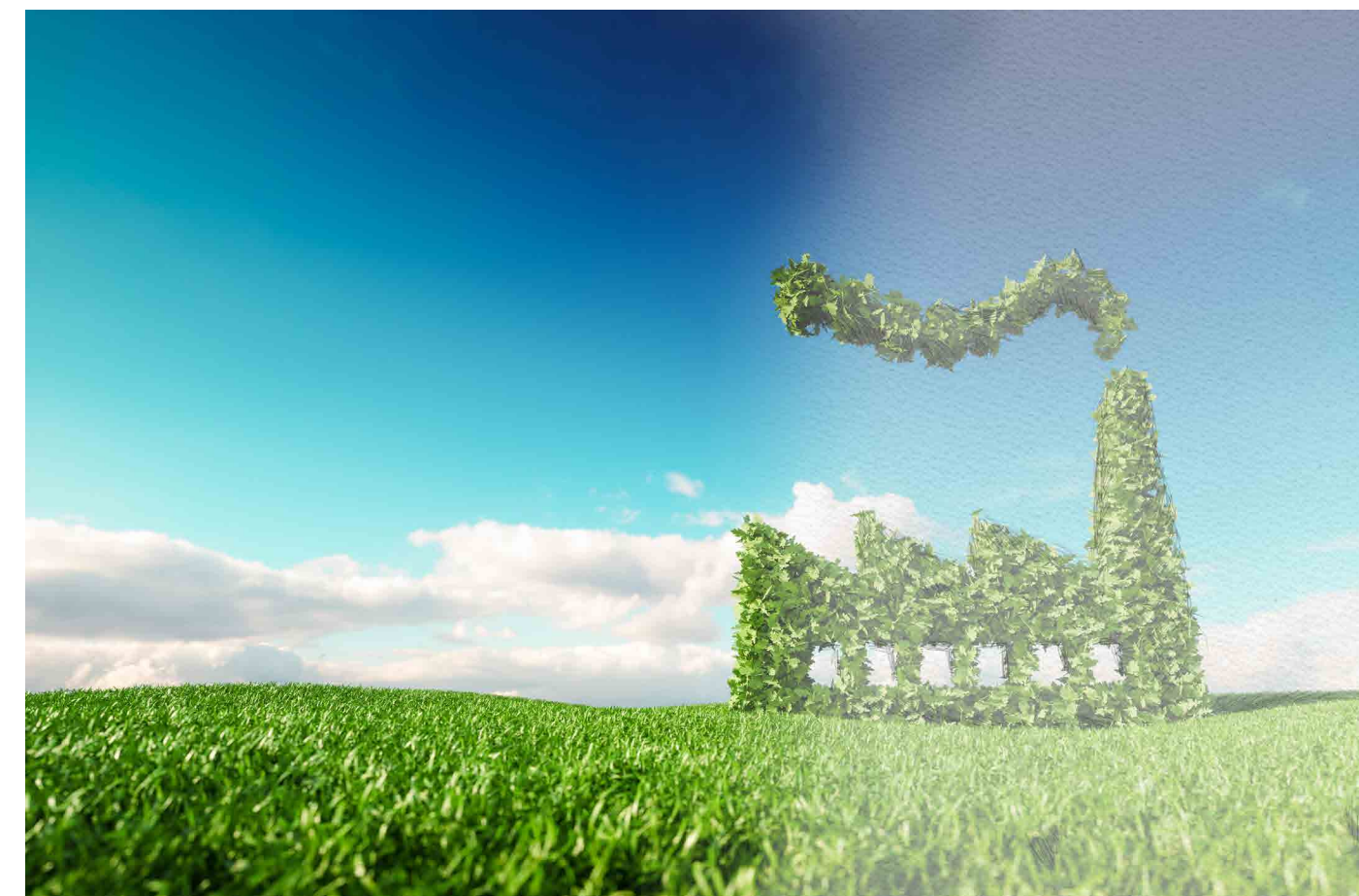
From the collected data, there is a 34% decrease in total waste produced in 2022 compared to the previous year at the Origgio site. While this decrease is attributed particularly to the optimization of equipment washing, it is also

partially due to the relocation of some production to the Solaro site. When relating the total quantity of waste to the total quantity of products produced, the percentage decrease is 46% between 2022 and 2021.

All non-hazardous waste, properly separated by EWC code, has been destined for recovery. In the temporary storage area, waste is identified by EWC code and hazard class (HP) if necessary.

The removal of this waste from the site is carried out by carriers registered in the National Environmental Managers Register, following internal procedure POS 07-09.

Currently, approximately 80% of the disposal facilities used have valid environmental certification.



6.0

Attachments



Rating report

ESG-RR Table

Dear Board of Directors of ROELMI HPC,

We have been tasked with assigning your company the Sustainability Rating for the year 2022 using the ESG-RR methodology, which encompasses the following activities:

- 1. ESG-RR Questionnaire
- 2. Materiality Matrix
- 3. Identification of highlighted information
- 4. Review in the areas of Environment (E), Social (S), and Governance (G)

The Directors of the company are responsible for preparing the financial statements in accordance with ESG-RR standards and for the functioning of the internal control system of the company, which ensures the production of reliable and truthful financial data, excluding the presence of intentional errors, as well as the identification of stakeholders and significant data to be highlighted.

Our responsibility is to provide an assessment of the sustainability rating, regarding the presence of errors that may significantly alter it. Our work was conducted by interviewing your company's staff, examining and comparing documentation to ascertain the completeness, accuracy, and validity of the data.

Due to the addition, starting from 2022, of certain questions to the questionnaire used for rating assignment, and the expansion of the range of achievable results, it was necessary to reprocess the rating already assigned for the year 2021 in order to ensure comparability with the current year, confirming its substantial correspondence.

In the course of our work, based on the questionnaire responses, we primarily assigned a partial rating to each ESG factor, with the following results:

- **Environment Area: AA+** (2021 recalibrated to AA+)
- **Social Area: AA+** (2021 recalibrated to AA+)
- **Governance Area: A+** (2021 recalibrated to AA)

Based on the work performed, the reliability of the internal control system framework, and the information received, we believe that the value of the ESG-RR Rating for your company for the examined fiscal year, on a scale from No rating to AAA, is as follows:

“AA+”

(2021 recalibrated to AA+)

Rediva Audit s.r.l, Milan, Italy

ESG-RR	DESCRIPTION	PAGE
E1-2	Environmental certifications	21
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G10	Code of ethics	22
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roelmihpc.com
info@roelmihpc.com
T: +39 02 3351 0150

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