



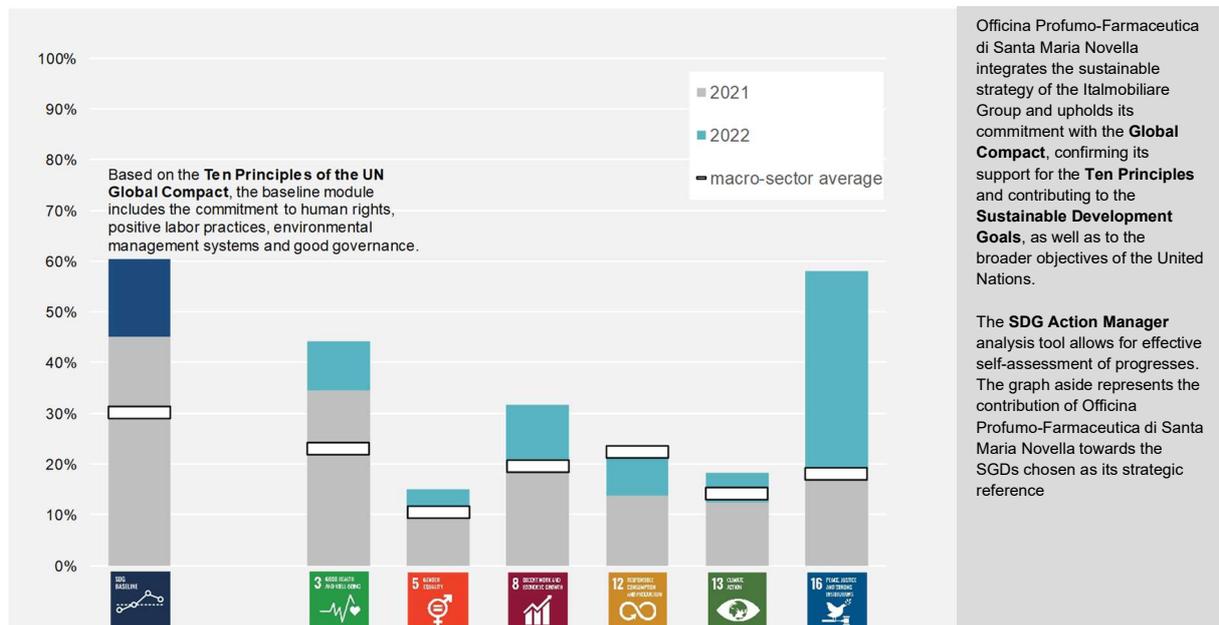
Officina Profumo-Farmaceutica di Santa Maria Novella

In Florence, for eight centuries and always in the same places, Officina Profumo-Farmaceutica di Santa Maria Novella creates, produces and distributes high-end perfumes and cosmetics, and products for health and well-being. It has been part of Italmobiliare Group since January 2020, as a **subsidiary with a 95% stake**.

HIGHLIGHTS

	Governance and supply chain	Strategy climate	Health, safety and well-being	Gender and human capital development
<i>The foundation</i>	Adoption of Code of Ethics and Sustainability Policies, with application extended to the entire value chain.	Monitoring with analytical detail of carbon footprint (scopes 1, 2 and 3).	Actively supporting people in addressing emerging social challenges.	Adoption of the Women Empowerment Principles (WEPs), incorporating them into identity documents.
<i>The 2022 key results</i>	>75% Qualifies suppliers With the adoption of the Supplier Charter, all supply chain partners were sent a detailed ESG pre-qualification questionnaire.	70% Renewable/recycled Raw materials used for packaging with renewable or recycled origin help reduce the carbon footprint.	81% Renewables The pursuit of well-being begins with the selection of ingredients of renewable origin, in line with society's expectations.	+17 h/pp Training Training activities resumed at full capacity after the lock-down period, with new initiatives to develop competences.
<i>Next challenges</i>	100% Value chain aligned with Officina Profumo-Farmaceutica di Santa Maria Novella's model, including through increasing certified coffee supplies.	100% Products aligned with carbon footprint mitigation and offset plans.	100% People with full safety culture as a model of ethics and business efficiency.	100% People covered by development plans aimed at growth, inclusion and gender equality.

CONTRIBUTION TO SDGs



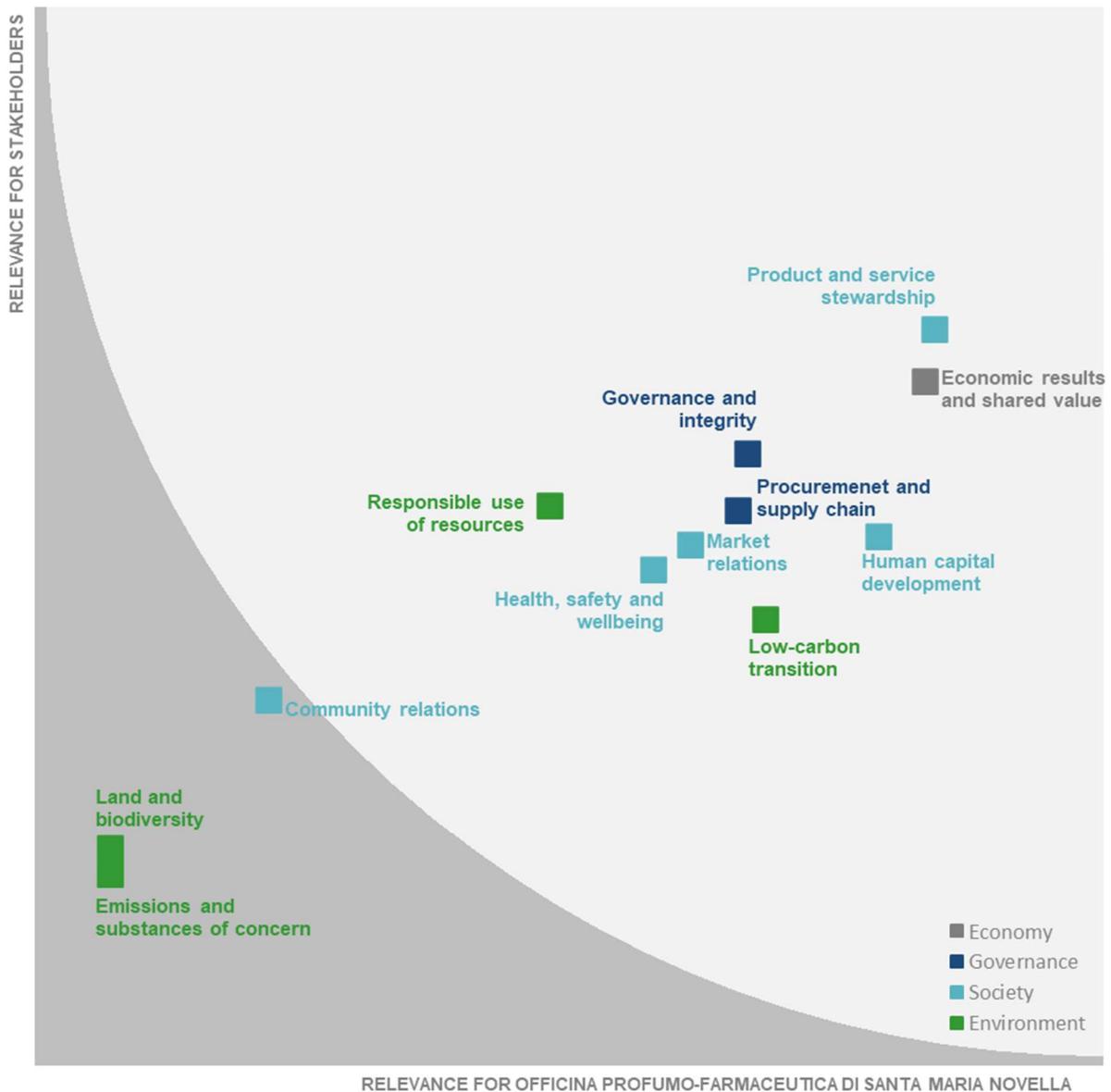
MATERIALITY

Italmobiliare and Officina Profumo-Farmaceutica di Santa Maria Novella recognize the sensitive aspects of the sector, highlighting important issues for the sustainable success of the business, economic, social and environmental issues, which cover the entire value cycle, from the procurement of raw materials to management of the products' end of life.

In defining the sustainable strategy and related action plans, the materiality analysis offers an effective tool for identifying the relevant governance, economic, social and environmental issues, matching the interests of the business with the expectations of stakeholders.

The materiality matrix is built by systematically evaluating risks, opportunities, positive or negative impacts, analysing all the aspects relevant for the business with the contribution of the first line of management, the majority shareholder and finally collecting the positions expressed by the most representing stakeholders.

The result is graphically represented in the graph hereunder.



GOVERNANCE

GOVERNANCE AND INTEGRITY

The composition and management of the governance bodies, starting with the **Board of Directors**, ensure representativeness, competence and the absence of conflicts of interest, aiming at maximum operational efficiency and integrity. Women participation in the Board of Directors is at 29% (2 directors out of 7).

In line with the Group's approach, the **Code of Ethics** and the **Sustainability Policies** adopted by Officina Profumo-Farmaceutica di Santa Maria Novella explicitly recall the Ten Principles of the United Nations Global Compact and inspired by the highest global references. Through a sustainable approach aimed at creating shared value for the society and for the environment, Officina Profumo-Farmaceutica di Santa Maria Novella intends to explore further levers of success to increase turnover and profit margins, mitigate business risk, attract capital and investors, motivate its people and consolidate the brand.

Based on that of the Parent Company and considering the specificities relating to the nature, size, type of activity or structure of internal powers, Officina Profumo-Farmaceutica di Santa Maria Novella has adopted an **Organisation, Management and Control Model**, which is foreseen by law but not mandatory. It is designed to limit the risk of committing specific relevant crimes. The Supervisory Body, appointed on the basis of autonomy and independence, is responsible for the control activity. In addition to specific periodic training, the approach adopted includes the whistleblowing procedure for reporting unlawful behaviour, in order to offer employees and third parties confidential channels to raise concerns or violations of the procedure, without fear of retaliation, discrimination or disciplinary action.

More generally, Officina Profumo-Farmaceutica di Santa Maria Novella implements and strengthens the **Enterprise Risk Management** system over time, according to the management framework and the risk catalogue defined at Group level, which integrate ESG issues. The process adopted allows the identification, measurement, monitoring and management of the risks, including climate risks, and helps consolidating the Group's approach.

At an operational level, the ongoing implementation of **management systems** represent an additional asset to guarantee activities that are fully aligned with the corporate strategy, in a logic of continuous improvement. The integration with business processes helps to consolidate the organisational, technological and behavioural methods.

PROCUREMENT AND SUPPLY CHAIN

The supply chain of Officina Profumo-Farmaceutica di Santa Maria Novella mainly includes the basic raw materials, ingredients and fragrances that enter the formulation of a complex range of products. Equally significant are the supplies of packaging materials and logistic-distribution services.

In 2022, the **Supplier Charter** was adopted, defining the principles to which the suppliers of goods or services and contractors shall align, in their direct activities, in contractual relations with their possible sub-suppliers or subcontractors and, in general, in the creation and management and of their respective value chains. In the prequalification process all suppliers were asked to complete an online questionnaire covering human and labour rights, respect for the environment and business integrity.

In the following selection of suppliers and supplies, with the same characteristics, ingredients from the national or European territory and from recovery are preferentially selected, made by companies with certifiable processes according to international standards for the quality and safety of products. The ingredients identified as critical for aspects of product quality or safety, but also for social aspects, including risks connected to human and labour rights, or environmental aspects in the supply chain are replaced with alternative products.

With the aim to mitigate the dependence on a small number of suppliers, in recent years Officina Profumo-Farmaceutica di Santa Maria Novella has internally reformulated some fragrances not covered by intellectual property rights, starting their direct production.

Moreover, the company maintains partnerships with suppliers of selected packaging materials, with the aim of increasing the share of recyclable and recovered packaging.

SOCIETY

HUMAN CAPITAL DEVELOPMENT

Officina Profumo-Farmaceutica di Santa Maria Novella benefits from the value of 187 specialized and motivated people (overall turnover 67%, 86 new hires and 40 exits). 2022 saw a strong restructuring of the headquarters staff and the opening of new owned stores. The direct employees, who work mainly in the production plant and in the shops on the Italian territory, are fully covered by a collective bargaining agreement. The 35 employees of businesses in France, UK and US comply with local labor regulations. 60% of managerial positions are held by women.

A significant use of non-employee workers was made. In 2022, there were 84 temporary workers, self-employed workers and interns. The social dialogue, even in the absence of trade union organizations, flows in an open and constructive way, ensuring the protection of workers' health and the continuity of production activities, and supporting the delivery of training at all levels.

	2020			2021			2022		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Personnel	--	--	--	98	43	141	131	56	187
<i>Managers</i>	--	--	--	1	4	5	2	5	7
<i>Middle managers</i>	--	--	--	9	3	12	12	10	22
<i>Office workers</i>	--	--	--	68	19	87	97	19	116
<i>Production workers</i>	--	--	--	20	17	37	20	22	42
Permanent contracts	--	--	--	89%	98%	91%	82%	88%	83%
Full time contracts	--	--	--	59%	98%	71%	66%	96%	75%
Training (hours per capita)	--	--	--	14.4	11.7	13.6	27	41	31
<i>Managers</i>	--	--	--	8.0	6.5	6.8	19	10	12
<i>Middle managers</i>	--	--	--	13.2	2.7	10.6	25	11	18
<i>Office workers</i>	--	--	--	16.7	17.2	16.8	28	28	28
<i>Production workers</i>	--	--	--	7.7	8.3	8.0	25	72	50
Performance assessment (%)	--	--	--	1%	5%	2%	8%	13%	10%
<i>Managers</i>	--	--	--	100%	50%	60%	100%	60%	71%
<i>Middle managers</i>	--	--	--	0%	0%	0%	67%	30%	50%
<i>Office workers</i>	--	--	--	0%	0%	0%	1%	5%	2%
<i>Production workers</i>	--	--	--	0%	0%	0%	0%	0%	0%

	2020	2021	2022
Gender pay gap	--	--	-34%
<i>Managers</i>	--	--	-11%
<i>Middle managers</i>	--	--	-1%
<i>Office workers</i>	--	--	-29%
<i>Production workers</i>	--	--	-10%

HEALTH, SAFETY AND WELLBEING

Officina Profumo-Farmaceutica di Santa Maria Novella promotes the health, safety and wellbeing of all employees, including companies, suppliers, visitors, customers and the local community in the approach.

The approach adopted is aligned with the applicable national regulations, starting with a solid risk assessment, updated periodically with the support of qualified third parties. The interaction between people and mobile vehicles, process machines with moving mechanical parts and the presence of flammable materials are the prevailing risk conditions identified. A dedicated internal contact, the availability of a doctor for both institutional and voluntary health promotion activities and the formal involvement of the social partners constitute the support organisation. Preventive reporting of anomalous or risk conditions by everyone, an accurate analysis of accidental events, even if not serious, and adequate training activities ensure continuous improvement.

In line with the adopted Sustainability Policies, Officina Profumo-Farmaceutica di Santa Maria Novella intends to further develop the safety management, starting from management leadership that supports a motivational, organisational, and operational system. Far beyond simple legislative compliance, this approach aims to build a true culture of safety, protecting the safety of anyone involved in operational activities and, at the same time, improving managerial skills and motivations for achieving broader results objectives.

In order to improve well-being and work-life balance, smart working has been introduced for all compatible functions.

		2020	2021	2022
Employees injuries		0	1	1
<i>Fatalities</i>		0	0	0
<i>Serious injuries</i>	<i>with absence from work for at least 180 days</i>	0	0	0
<i>Injuries</i>	<i>with absence from work between 1 and 180 days</i>	0	1	1
Frequency rate	number of injuries per million hours worked	0.0	5.3	3.4
Severity rate	lost days per thousand hours worked	0.0	0.1	0.3
Non-employees injuries		0	0	0
<i>Fatalities</i>		0	0	0
<i>Serious injuries</i>	<i>with absence from work for at least 180 days</i>	0	0	0
<i>Injuries</i>	<i>with absence from work between 1 and 180 days</i>	0	0	0
Frequency rate	number of injuries per million hours worked	0.0	0.0	0.0

PRODUCT AND SERVICE STEWARDSHIP

Officina Profumo-Farmaceutica di Santa Maria Novella operates in full compliance with the complex regulatory system applicable to the sector. The launch of new products is subjected to rigorous testing procedures, conducted in accordance with the law, which also concern the effects on health and those deriving from possible incorrect use. continuous quality and safety standards.

The continuous research and development activity of Officina Profumo-Farmaceutica di Santa Maria Novella has among the main drivers the reduction of the environmental footprint generated by the production, use and end-of-life of the products marketed. This happens both through a progressive reformulation of the recipes, aimed not only at improving the customer experience but also at increasing the presence of ingredients of natural origin or, in any case, with a higher environmental value, such as a lower carbon or water footprint, and the low water demand in the use phase.

Similar attention is paid to the evolutionary development of packaging, primary and secondary, through dimensional resizing, aimed at reducing its weight, or by introducing increasing quantities of materials of renewable origin, coming from recycling or in any case easily recyclable. Currently, the glass supplied contains on average 15% of material recovered directly in the production cycle. For some references, the satin-finished glass

has been replaced with transparent glass to reduce the necessary processing steps and the consequent energy consumption. On the main product lines, the plastics used are switching from PE to recyclable PET and, in a second step, to R-PET, that is recycled PET. The paper and cardboard are FSC certified.

Finally, R&D design formulations and packaging according to a specification for ESG footprint evaluation, which must return indications in line with the company's objectives for products under development and launch and clearly evolutionary results for updates to existing products.

MARKET AND COMMUNITIES

Compliance with the relevant regulations, quality and, for some product lines, even food safety, are ensured throughout the entire production process with constantly evolving management systems. In fact, for the production of cosmetics, the formal certification process of the management system adopted according to good manufacturing practices (GMP - ISO 22716), in terms of quality and safety for the consumer, is in progress. This harmonized standard, specially designed for the cosmetic industry, provides guidelines for the production, control, storage and shipping of cosmetic products.

The attention to customers and consumers is completed by the management of customer satisfaction and data protection, with the alignment and continuous improvement of the application of the applicable legislative and voluntary standards, including the optimization of the shopping experience through digital channels, in terms of usability and safety. The company constantly detects customer complaints, through customer care, digital channels and the distribution network, as a continuous stimulus for improvement

ENVIRONMENT

RESPONSIBLE USE OF RESOURCES

Cosmetic quality water and ethyl alcohol of agricultural origin are the main raw materials used. To these are added, according to the different product lines, a wide variety of ingredients, fragrances, and essences mainly of natural origin. Primary and secondary packaging, mainly in glass, plastic and paper, constitute a significant fraction of the material consumption.

Energy needs are limited. The electricity used is exclusively renewable, self-produced by a photovoltaic system or purchased with a guarantee of origin.

The withdrawal of water is mainly (over about 85%) intended for sanitary uses. The resource is managed with particular attention, as the plant is in an area at risk of water stress.

	units	2020	2021	2022
Raw materials		0	501	1,406
Renewable		0	137	352
<i>Water</i>		0	65	134
<i>Ethanol</i>		0	21	34
<i>Other</i>		0	51	184
Non-renewable		0	44	80
Packaging	t	0	320	974
<i>Glass</i>		0	188	422
<i>Paper</i>		0	80	454
<i>Ceramics</i>		0	22	37
<i>Plastic</i>		0	18	27
<i>Metals</i>		0	10	23
<i>Other</i>		0	2	11
	units	2020	2021	2022
Energy consumed		0	9,932	11,284
<i>Thermal: natural gas</i>		0	5,935	6,919
<i>Non-renewable energy purchased</i>		0	3,485	3,744
<i>Renewable energy self-produced</i>	GJ	0	420	433
<i>Automotive: diesel</i>		0	94	188
Energy sold to the grid		0	420	433
<i>Renewable energy self-produced</i>		0	1	1
Water		0	3,551	4,211
<i>Withdrawn from wells</i>	m3	0	43	42
<i>Withdrawn from an aqueduct</i>		0	0	0

The waste generated from the production process can become a resource for other consumption or production cycles. With this awareness, in 2022 almost 70 tons of waste were sent for valorisation. In any case, the remainder is sent to energy recovery or controlled disposal destinations, where further partial valorisation is possible.

	units	2020	2021	2022
Valorisation of waste generated		0	48	96
Hazardous waste		0	24	34
<i>% Materia recovery</i>		0%	35%	59%
<i>% Energy recovery or disposal</i>	t	0%	65%	41%
Non-hazardous waste		0	25	62
<i>% Material recovery</i>		0%	93%	92%
<i>% Energy recovery or disposal</i>		0%	7%	8%

LOW-CARBON TRANSITION

Officina Profumo-Farmaceutica di Santa Maria Novella supports Italmobiliare in his commitment to company-wide emission reductions in line with climate science with the Science Based Targets initiative (SBTi). The SBTi is a global body enabling businesses to set ambitious emissions reductions targets in line with the latest climate science, accelerating companies to halve emissions before 2030 and achieve net-zero emissions before 2050.

Direct emissions (Scope 1) are limited while indirect emissions (Scope 2) are already totally neutralised. The carbon footprint depends almost entirely on the emissions of the value chain (Scope 3), which Officina Profumo-Farmaceutica di Santa Maria Novella strives to analyse more and more in detail to highlight mitigation opportunities. The ongoing initiatives on packaging go in this direction.

	units	2020	2021	2022	2022
Carbon Footprint			6,984	11,372	
Scope 3 Upstream			557	1,463	13%
1. Purchased products and services			557	1,396	12%
2. Capital goods			n.m.	n.m.	0%
3. Fuel-and energy-related activities (not included in Scope 1 and Scope 2 emissions)			--	--	0%
4. Upstream transportation and distribution			n.m.	n.m.	0%
5. Waste generated by the sites			n.m.	n.m.	0%
6. Business travel			n.m.	67	0%
7. Employee commuting			n.m.	n.m.	0%
8. Upstream leased assets			--	--	0%
Scope 1	t CO₂		341	403	4%
Scope 2 market based			0	0	0%
<i>location based</i>			342	365	
Scope 3 Downstream			6,086	9,507	84%
9. Downstream transportation and distribution			2,814	4,937	43%
10. Processing of sold products			--	--	0%
11. Use of sold products			3,265	4,549	40%
12. End-of-life treatment of sold products			7	21	0%
13. Downstream leased assets			--	--	0%
14. Franchises			--	--	0%
15. Investments			--	--	0%
Emissioni evitate (location based)			342	365	
From photovoltaic production			37	38	
From hydroelectric production	t CO₂		0	0	
From renewable electricity purchased			305	328	
Carbon Intensity					
Scope 1+2 market based	t CO₂ / M€ Revenues		11.4	8.6	