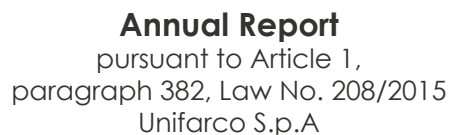


———— we care for care ————



We care for care - we care for science - **we care for planet** - we care for health & beauty - **we care for knowledge** - we care for care - **we care for science** - we care for planet - **we care for health & beauty** - we care for knowledge - **we care for care** - we care for science - **we care for planet** - we care for health & beauty - **we care for knowledge** - we care for care - **we care for science** - we care for planet - **we care for health & beauty** - we care for knowledge - **we care for care** - we care for science - **we care for planet** - we care for health & beauty - **we care for knowledge** - we care for care - **we care for science** - we care for planet - **we care for health & beauty** - we care for knowledge - **we care for care** - we care for science - **we care for planet** - we care for health & beauty - **we care for knowledge** - we care for care - **we care for science** - we care for planet - **we care for health & beauty** - we care for knowledge - **we care for care** - we care for science - **we care for planet** - we care for health & beauty - **we care for knowledge** - we care for care - **we care for science**



BENEFIT CORPORATIONS
IMPACT
REPORT
2023

Document approved by the Board of Directors of Unifarco S.p.A. on 28/03/2024

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1. UNIFARCO

we care for care



About us

Unifarco is a unique Italian entrepreneurial story.

It is the story of a friendship, of an intuition born from a group of pharmacists who decide to dedicate their lives to making this noble profession a true community.

Founded in 1982 at the foot of the Belluno Dolomites Park, Unifarco is a **joint-stock company founded and formed by pharmacists** who actively participate in the company's strategy.

The company is **a leader in Italy in the research, development, production and distribution to pharmacies of cosmetics, nutraceuticals, dermatological products, medical devices, make-up and functional foods.**

With offices in Italy, Germany, Spain and France and developed sales networks in Austria, Belgium and Switzerland supports the largest Scientific Community of Independent Pharmacies in Europe.

we care for care

"We Care for Care", we believe that every pharmacy should not only sell quality products, but accompany people in choosing the **best solution for their care and beauty**. Because everyone has the **right to be well** and well-being cannot be considered a privilege.



133 mIn EUR

Turnover 2023
Unifarco S.p.A.



25,500

sqm production plant, office and industrial area in Santa Giustina

5,600

sqm logistics hub in Alpagio



575

Independent Contractors
(+7.9% over 2022)

62%

female staff



25 mln

of units sold to pharmacies in 2023



BIOMALIFE

DOLOMIA

MyCli

KEYLIFE

GENAGE

we care for science

Never stopping innovating is in our DNA.

In our 6 in-house laboratories, more than 40 researchers **design and formulate all our products, in a constant dialogue with doctors and experts**, the best **universities** and the most prestigious **research centres**.

We produce **thousands of prototypes, constantly file new patents** and participate in the most important international congresses.

we care for knowledge

We believe that knowledge is the basis of all success. That is why **we are constantly investing in the training of pharmacists** who are good health advisors for us and a point of reference for entire communities.

Our commitment alongside the pharmacies in **spreading the culture of wellness and pharmaceutical tradition** is also reflected in the dissemination of **dedicated periodicals, publications and websites**.

we care for the planet

We are aware of how important it is to **take care of the environment around us** and we make daily efforts to monitor, manage and reduce our energy consumption and environmental impact.

In **2021** we became a **Benefit Corporation** and have since then published an annual **Impact Report**, which constantly spurs us on to improve in order to leave a legacy of a more sustainable world.

we care for health & beauty

Through an ethical, conscious and sustainable approach, we have developed over the years **a differentiated offer to meet the needs of those who come into the pharmacy every day**.

PREPARATORY PHARMACISTS:

Cosmetics and supplements formulated in a perfect balance between nature and science and guaranteed by the pharmacy brand

CERAMOL: Medical devices and dermocosmetics for repairing and protecting the skin barrier

BIOMALIFE: Supplements for balancing the microbiome and repairing the intestinal barrier

DOLOMIA: Natural phytocosmetics

with detoxifying action to prevent skin ageing.
Make-up treatment

MYCLI: Cosmeceuticals for skin rejuvenation

KEYLIFE: Protocols for a low-carb, anti-inflammatory diet and for controlling metabolic parameters

GENAGE: Genetic testing and supplements for a scientific and customised approach that prolongs youthfulness and mind.

* The brand belongs to the subsidiary Perlappelle S.r.l.
** The brand belongs to the subsidiary KeyLife S.r.l.

Pharmacies at the centre of our world

“ We are a company founded and formed by pharmacists. ”

We believe in the same values and share the same ideas with them: we talk constantly about product development, training events and numerous annual meetings. For this reason, today **our pharmacists are not only customers, but also partners and members of our Advisory Board**, a select group of pharmacists who actively cooperate in the development of the products.



We are the Italian leader in the research, development, production and distribution to pharmacies of cosmetic, nutraceutical, dermatological, medical device, make-up and functional food products.

This is thanks to a unique business model based on a supply chain integration project that guarantees maximum quality and flexibility at all stages: from product design to delivery to pharmacies.



The Unifarco Group

Unifarco S.p.A. is also the “parent company” of a **Group of** companies structured along three lines: the core **Health & Personal Care**, the Development **Support** structure of the subsidiaries and the **Retail of pharmacies**.

UNIFARCO

— we care for care —



2. BENEFIT CORPORATION framework and aims



From a school of thought...

The relationship between “ethics” and “business” has always been and will inevitably continue to be the subject of special attention on various levels, not excluding the philosophical, sociological and political.

The debate on the subject has come back into the limelight in recent decades, ever since the development model based on the “capitalist economy” began to show increasingly pronounced limitations and contradictions.

If, in the prevailing economic thinking until a little over fifty years ago, “doing business”, i.e., organising the factors of production to generate products or services for “exchange” (i.e., to “create value”), seemed to have as its almost exclusive purpose the “maximisation of profit” (“In a free society, the only responsibility of businesses is to increase the profits of owner-shareholders” Milton Friedman¹), in more recent years a different orientation has begun to make its way and gain ever more consensus.

The most effective synthesis of this renewed “vision” is widely attributed to the economist and philosopher R. Edward Freeman², whose teachings contributed to the establishment of the “vision”.

“Stakeholder Theory” from US academic circles: “companies are only able to create long-term value, and thus survive, by maintaining positive relationships with various stakeholders, including shareholders, customers, employees, suppliers and the communities with which the company interacts”³.

In a nutshell, the Theory places an ethical approach to business at the heart of the company's operations (as a fundamental factor in ensuring its long-term success), understood as due attention to what is the “true good” and the means to achieve it, as well as what are the “moral duties” towards oneself and towards others, i.e., towards all stakeholders, including, as we have seen, not only shareholders.

And, to implement this, one must resort to the system of self-regulation, i.e., the system hinged on the concepts of self-disclosure, conscious intention, prevention, responsibility, self-control. Therefore, not mere subjection to external rules (laws, regulations, directives, etc.) but analysis of the problems by each company and adoption of operational solutions resulting from a moral choice shared with the communities of reference.

... to a business model recognised by law

The aforementioned reading of a more modern business model (whose activity must not be exclusively aimed at maximising shareholder profit but also oriented towards “common benefit”: “shared value”), by virtue of its particular significance, has begun to find recognition in the legislative systems first in some US federal states (Maryland in the lead in 2010), then in Europe with Italy virtuously leading the way (Law no. 208/2015, containing provisions on “Benefit Corporations”), followed by France (“Entreprise à mission” in 2019) and Spain (“Sociedades de Beneficio e Interés Común - SBIC” in 2022⁴).

For the Italian legislator, the legal status of a **Benefit Corporation** can be acquired, **voluntarily**, by a company that

1. incorporates in its **Articles of Association**, in addition to the purpose of profit, one or more **purposes of common benefit**, thereby obliging itself to pursue them in the exercise of its activity;
2. directs its management towards **balancing** the interests of its shareholders with those of all other stakeholders and **achieving** the above-mentioned aims of common benefit;

3. transparently communicates the pursuit of the common benefit through the publication of an **annual report** containing:
 - a. description of the **specific objectives** with the methods and actions implemented to achieve the common benefit, as well as a description of the new objectives it intends to pursue in the next financial year;
 - b. **measuring the impact** generated, using an external standard that considers its governance, workers, external stakeholders, the environment;
4. identifies within itself a **person entrusted with the responsibility** of pursuing the common benefit.



1. Nobel Prize in Economics 1976; “The Social Responsibility of Business Is to Increase Its Profits”, NYT Magazine, 1970.
2. Lecturer in business administration at the Darden School, University of Virginia (USA).
3. “Strategic management: a stakeholder approach” aut. cit., Ed. Boston Pitman, 1984.

4. After Maryland, a further 34 US federal states have regulated the matter. Outside the US and after Italy, other parliaments have legislated on the subject in Canada and Latin America.



3. THE ARTICLES OF ASSOCIATION OF UNIFARCO

the three purposes of common benefit

In 2021, at the proposal of the Board of Directors and in keeping with what has always been its vision, the Extraordinary Shareholders' Meeting of Unifarco unanimously resolved to amend its Articles of Association, supplementing its corporate **purpose with three purposes of common benefit**:

Article 3.02 Articles of Association

As a **Benefit Corporation**, the company also has the following purposes of common benefit:

- 1** Spreading the culture of health and wellbeing of people by promoting initiatives that stimulate the adoption of correct behaviour and lifestyles, emphasising the significance of prevention.
- 2** Orienting research and development activities towards product and process solutions that minimise environmental impacts by considering the entire product life cycle and with a view to maximum circularity in the use of resources in order to reduce waste.
- 3** Promoting sustainable development as a whole, in its environmental, social and economic declinations, within the business activity and in direct or indirect relations with consumers, customers, suppliers of goods and services, local and non-local communities, institutions at all levels, as well as with their various forms of representation.

In addition to this, the Board of Directors appointed its Chairperson, Mr Ernesto Riva, as the **responsible party**, entrusting him with the functions and tasks related to the achievement of the aforementioned goals.

Awards 2023

Financial Statement Oscar 2023 - Benefit Corporation category

The Sustainability Report of the Unifarco Group and the Impact Report of Unifarco Spa, among the Oscar nominees, have been recognised by FERPI, Università Bocconi and Borsa Italiana as one of the best three non-financial reporting documents published in Italy.



Sustainability Award 2023

Unifarco is among the 100 Italian "Top Performance" companies: those that have most significantly improved their ESG* scoring between 2021 and 2022, according to Kon Group Spa and ELITE Spa.



*Evaluation system that measures a company's performance against criteria related to sustainability and social responsibility.

4. THE FIRST PURPOSE of common benefit

Spreading the culture of health and wellbeing of people by promoting initiatives that stimulate the adoption of correct behaviour and lifestyles, emphasising the significance of prevention.



Our Commitment

We want to accompany people in their choice of the best solution for their care and beauty, and we are committed to this, above all by **enhancing the role of the pharmacist** as an advisor on **good health**, by providing him or her with **acomprehensive range of training** aimed at facilitating continuous, high-level professional development. Our commitment to spreading the culture of wellbeing is also reflected in the **sharing of our knowledge and expertise with the scientific community**, through participation in the most important international congresses, and in the **dissemination of dedicated periodicals, publications and websites**.

We believe that **continuous training is the basis of a qualified relationship** between the **pharmacist and those who come to**

him every day, which is why we invest considerable energy and resources every year to provide **acomprehensive educational offer**.

The training initiatives offered by Unifarco are in the following formats:

- **In-store training** - carried out by our representatives directly in the pharmacy;
- **Lab Live** - in-presence courses with broad participation;
- **Webinars** - courses delivered live on the web;
- **Online courses** - video courses available in streaming, in the reserved area of the [unifarco.it](https://www.unifarco.it) website, with different durations: from 3 min. (training "pills") to an hour or more.

In the course of 2023 , the educational offerings provided directly by Unifarco⁵ recorded these results:

UNIFARCO training	TOTAL	IN-STORE	LAB LIVE	WEBINAR	ONLINE
no. of proposed activities	2,865	2,306	121	87	351
no. Participating pharmacies to at least 1 activity	2,108	1,286	1,219	976	1,356
no. of individual Pharmacists participating (unique users) in at least 1 activity	6,031*	n.a.	3,055	2,900	3,249
Total shareholdings out of total assets	87,290*	n.a.	4,369	19,675	63,246
no. of training hours provided or available on the web	297			123	174

* net of no. of participants/participants in IN-STORE training courses: not collected

5. Net of the training run by Pharma Health Institute (see below).

In addition to the courses offered by our trainers, we have set up the **Pharma Health Institute (PHI)** school of advanced training with the aim of accompanying the pharmacist on a complete post-graduate training course in Functional Medicine, in order to build and evolve a highly qualified professional figure, convinced that his or her role is fundamental in supporting the individual in the quest for an optimal and lasting state of health. We call this figure the **“Functional Pharmacist”**.

Taking the courses allows the recognition of **CME** (Continuing Medical Education) **credits** governed by the relevant statutory provisions.

In the course of 2023 Pharma Health Institute, through its web platform, provided its trainees with **59 training courses** totalling **210 hours of online learning content**. Two in-presence courses were also realised followed by 229 students.

PHI Training	TOTAL	ONLINE	PRESENCE
no. of proposed activities	59	57	2
no. Participating pharmacies to at least 1 activity	1,028	1,020	130
no. of individual participating Pharmacists (unique users) to at least 1 activity	2,387	2,306	229
Total shareholdings out of total assets	18,063	17,834	229
no. of training hours provided or available on the web	210	210	

The Institute's educational proposal has also found increasing interest among the **medical profession**. In 2023, **40** specialised physicians (mainly gastroenterologists, dermatologists and nutritionists) benefited from Pharma Health Institute's online courses and **100** participated in the in-person courses.

In total, the training opportunities promoted by **Unifarco** and **Pharma Health Institute** for the benefit of the client pharmacist community registered over 105,000 participants during the year.

105,000
participations
to the educational
bid

For Unifarco, “spreading the culture of wellbeing” also means sharing its experience and expertise first and foremost with the national and international **scientific community**, with a view to full willingness to compare and cooperate synergistically in the search for increasingly effective solutions to people's problems.

Opportunities to disseminate good practice, advice and basic knowledge to

a **wider**, less specialised **audience** are not overlooked.

Also **during 2023** the contributions of Unifarco's experts⁶, in this respect, involved the presentation of analyses, studies and reports at conventions, conferences, academic courses and other initiatives, or through their publication in scientific and other journals.

Here are some examples:




in-cosmetics® global

in-cosmetics® global
Barcelona, March 2023

Unifarco contribution:

"The key role of eco-design for an effective sustainable beauty".



Dermatitis®

Ed. March 2023

Unifarco contribution:

"Effectiveness of a skin care (...) containing ceramide C (...) for secondary prevention of hand contact dermatitis"



Sanis Accademy

Certification Course
Sport Nutrition Expert
online, April 2023

Unifarco contributions:

"Regulatory framework of the dietary supplement world. Differences between supplement and supplement"

"Physical activity and performance in the senior mid- and high-level athlete"



Functional Foods

Ed. June and September 2023

Unifarco contributions:

"Sun protection, IN & OUT approaches"

"Joint well-being"

6. in some cases and initiatives were managed in cooperation with Unired Srl, a subsidiary of Unifarco Spa and a spin-off of the University of Padua specialising in research and development.



**13th George Rajka Int. Symposium
on Atopic Dermatitis
(ISAD - International Society
of Atopics Dermatitis)**
Gdansk, August/September 2023

Unifarco contribution:
"Atopic Dermatitis:
Emollient Formulation Design"



**33th IFSCC Congress
(International Federation of Societies
of Cosmetic Chemists)**
Barcelona, September 2023

Unifarco contributions:
"Reformulation of cosmetics products in an
eco-design perspective: how to replace
non-ecofriendly ingredients without affecting
the applicative properties"
"Skin disorders: new effective treatments
from sustainable resources"



**UNIVERSITÀ
DEGLI STUDI
DI PADOVA**

**University of Padua
ev. Mega Salute - Innovation
for Global Health**
Padua, September 2023

Unifarco contribution:
"Salute globale, lavoro e nuove
competenze: l'esperienza di Unifarco"



Polyphenols Applications
Ed. September 2023
Unifarco contribution:
"Longevity ed estratto di Melograno"



Nutra Horizons
Ed. October 2023
Unifarco contribution:
"Active healthy ageing:
Focus su Sarcopenia"



Beauty Horizons
Ed. October 2023
Unifarco Contribution:
"Saffron petals-extract upcycling and
euthectif extractions with cosmetic activity"

The editorial activity of popularising topics of more general interest also extended to articles published in our journal:

Farmacisti Preparatori: four-monthly periodical offering beauty and wellness advice distributed free of charge in a large number of our "Farmacisti Preparatori" pharmacies;



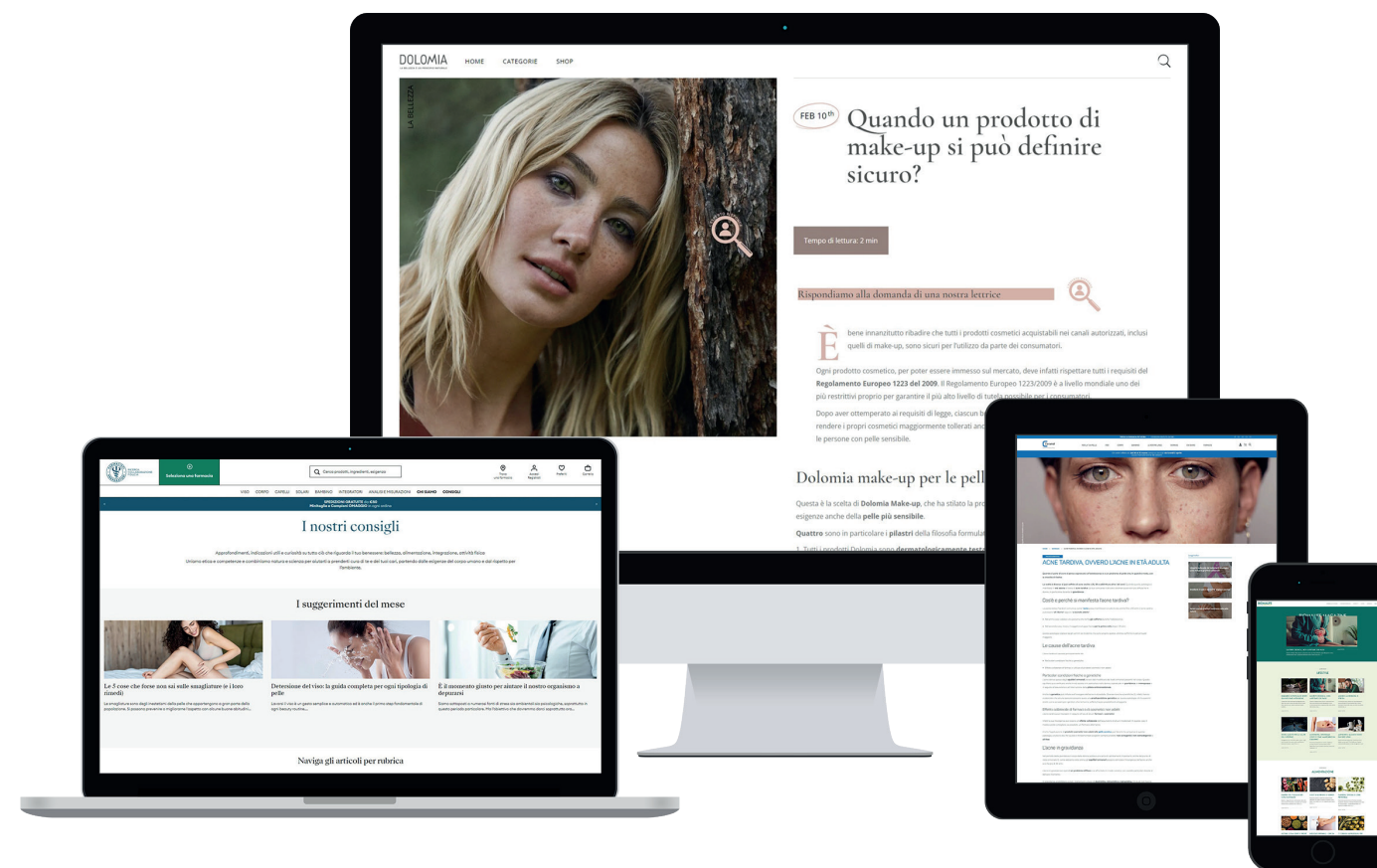
and in our **online magazines:**

Advice from Farmacisti Preparatori www.farmacistipreparatori.it

Dolomia Magazine www.dolomia.it

SkinMag by Ceramol www.ceramol.it

Biomalife Magazine www.biomalife.it



Finally, in 2023, we confirmed our collaboration with the **Accademia Italiana di Storia della Farmacia**, taking over all editing and publishing activities of its four-monthly scientific periodical (ISSN reg.) **"ATTI E MEMORIE - Rivista Italiana della Storia della Farmacia"**.

We send the journal, in a printed edition, free of charge to Academy members, client pharmacies, major libraries, pharmacy faculties and anyone else who specifically requests it.



2023 OBJECTIVE

Editing, editing and publishing the periodical **"ATTI E MEMORIE - Rivista Italiana della Storia della Farmacia"** (ISSN registered), available free of charge both in print and online editions



RESULT

Unifarco ensured all activities related to the publication of the Review promoted by the Italian Academy of **Accademia Italiana di Storia della Farmacia**, bearing the related direct costs (EUR 5,300) as well as those of personnel and facilities dedicated to editing activities

You can also consult the issues of the magazine on the **Unifarco Museum** portal (www.museo.unifarco.it) where anyone interested can access a **digital collection** of all **historical documents on pharmaceutical culture and tradition** in our possession.

The portal also provides a **virtual tour of the Antica Farmacia**, a reconstructed environment (inside our premises in Santa Giustina), with original furnishings and equipment from the 19th century, with the intention of preserving and representing the ancient art of the pharmacist.



5. THE SECOND PURPOSE of common benefit

Orienting research activities and development towards product and process solutions that minimise environmental impacts considering the entire product life cycle and with a view to maximum circularity in the use of resources aimed at to reduce waste.



Our Commitment

We intervene constantly and articulately on this front, devoting great attention to identifying and developing the most effective and environmentally friendly solutions, both in terms of the contents of our **products** and the **packaging** through which we make them available to end users.

All our cosmetics are conceived in their formulation through an exclusive elaboration process, developed by our R&D area, which we have named **"Formulation Eco-design"**.

In short, its articulation consists of a prior mapping of a whole series of **impact indicators** that characterise, by unit of measurement, the production and availability of each **raw material** that

we might consider in the formulation of each product (e.g., greenhouse gas or harmful emissions, water acidification and eutrophication, air quality, overall resource consumption, etc.).

All the information collected is then managed by a software, specially developed by our experts, whose algorithm is able to release in real time **two synthetic performance indicators** that Unifarco researchers use to define, when formulating each product, the blend of ingredients that **guarantees the lowest overall environmental impact with the same cosmetic efficacy**.

During 2023, we mapped about **700 raw materials** with these criteria (about one hundred more than the previous year).

We also continue to make progress on the use of **recycled** packaging for the packaging of our cosmetics, although the priority remains **to ensure the absolute "compatibility" of the product** with its container.

For this reason, **before placing on the market**, we subject each type of product/container combination to rigorous tests (including long-term tests) to ensure the absence of any form of molecular exchange or reaction between one and the other and thus **ensure the integrity of** both over time and under varied storage conditions (temperature, humidity, etc.).

2023 OBJECTIVE

Increase the **use of recycled materials in the primary packaging** of our products by starting to use them:

- in the mini jars (25 ml) of all Farmacisti Preparatori cosmetics lines;
- in the packs of "Facial Scrubs" Farmacisti Preparatori;
- in the packs of Dolomia "Day Protecting Fluid 50+" and "Roll-on Eye".



RESULT

Mini jars (25 ml) Farmacisti Preparatori Care Lines: initiated the introduction of PET-PCR jars.

Farmacisti Preparatori "Face Scrub": all new packages are offered in tubes made of PE-PCR.

Dolomia "Day Protective Fluid 50+": all new packages are offered in tubes made of PE-PCR.

Dolomia "Roll-on eyes": all new packages are offered in tubes made of PE-PCR.

In addition to this, recycled plastic (PE-PCR) was introduced into the packaging of the Dolomia **"Rose Therapy Night Mask"** in 2023.

In 2024, we want to expand the range of products that allow the **sustainable reuse of packaging**, in line with the latest guidelines expressed on the subject in the EU7, by adding to our refill systems already available on the market the proposal of **refills for the articles of the Farmacisti Preparatori Hygiene Line and the Ceramol Washing Base**.

During 2023, moreover, and as we had set ourselves, we increased the number of products subjected to an environmental impact assessment over their entire life cycle, verified by a third party, applying the measurement criteria recognised by the international EPD (Environmental Product Declaration) standard.



2023 OBJECTIVE

Obtaining EPD® (Environmental Product Declaration) certification, certifying the environmental footprint of the entire product life cycle, for 20 new products belonging to the Dolomia and Ceramol lines



RESULT

EPDs® were obtained for a further 18 products from the Dolomia line and one from the Ceramol line. The process of obtaining the EPD® declaration on a further 6 Dolomia products is nearing completion.



7. European Commission; Proposal of 30 November 2022 for a “Regulation of the European Parliament and of the Council on Packaging and Packaging Waste”. The approval process is still ongoing.



In total, to date Unifarco, the first and only company in the world in the cosmetics industry, has obtained EPD® for 49 of its products: 4 best sellers from the Farmacisti Preparatori line, 44 from the Dolomia skincare line and one from the Ceramol line.

41 of these products are still on the market with valid EPD®8

The certification of CO2 emissions achieved for EPD® recognition (together with the measures put in place to reduce their quantity through appropriate packaging restyling), allowed us to put in place, in collaboration with our partner

rete clima a carbon offsetting operation on Dolomia products to make them de facto Carbon Neutral.

The zeroing of emissions through offsetting for these products started in 2022 and will continue in the years to come.

In addition to all this, during 2023 we wanted to extend our attention to the overall environmental impact of our commercial proposal by promoting a significant project in the area of materials used to present Unifarco products to pharmacy customers (the POP: point of purchase).

In this respect, the target we set ourselves for the year was largely achieved:

8. The list of Unifarco products with valid EPDs can be found at www.environdac.com.

2023 OBJECTIVE

Starting the process of taking back and replacing (by no less than 1,300 units in 2023 alone) the Dolomia Make-up product tester display units currently in stock at customer pharmacies, in order to properly manage their “end-of-life” and recover the plastic components to be used for the production of new displays (circular economy)



RESULT

The project, born from the desire to create a more sustainable and circular object, led us to turn to a partner expert in eco-sustainable production with whom we carefully selected materials and components.

In order to ensure the optimal disposal and recycling of the previous displays, we collected around 1,800 of them at the same time as delivering the new furniture to the pharmacies.

6. THE THIRD PURPOSE of common benefit

Promoting sustainable development as a whole, in its environmental, social and economic declinations, within the business activity and in direct or indirect relations with consumers and customers, suppliers of goods and services, local and non-local communities, institutions at all levels, as well as with their various forms of representation.



Our Commitment

Unifarco's focus on environmental sustainability

Consideration of all aspects affecting the environmental impact of our processes is constant and is oriented towards pursuing performance improvements in the short, medium and long term through **the common and responsible commitment of all company functions**.

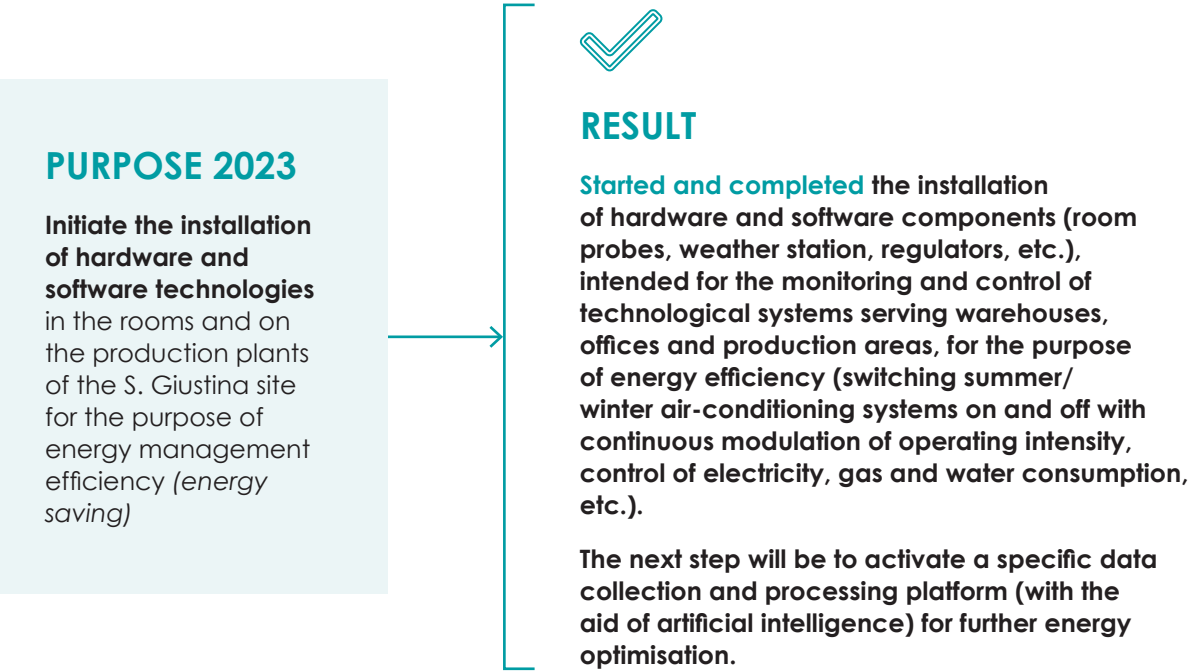
In **2023**, thanks to the constant rationalisation of our industrial processes, we have kept the company's requirements for the main **energy sources** we use largely **unchanged** in absolute terms (compared to the previous year): Natural Gas: -4.3%; Electricity: +2.2%) despite **the continued expansion of our business volume and company organisation** (+11.5% increase in turnover, +7.9% increase in workforce compared to 2022).

It follows that **the intensity⁹ of our energy consumption is, year on year, in further significant decline:**

Methane gas (Smc): -14.2%

Electricity (kWh): - 8.1%

also by virtue of the continued investment in our *energy-saving policies*:

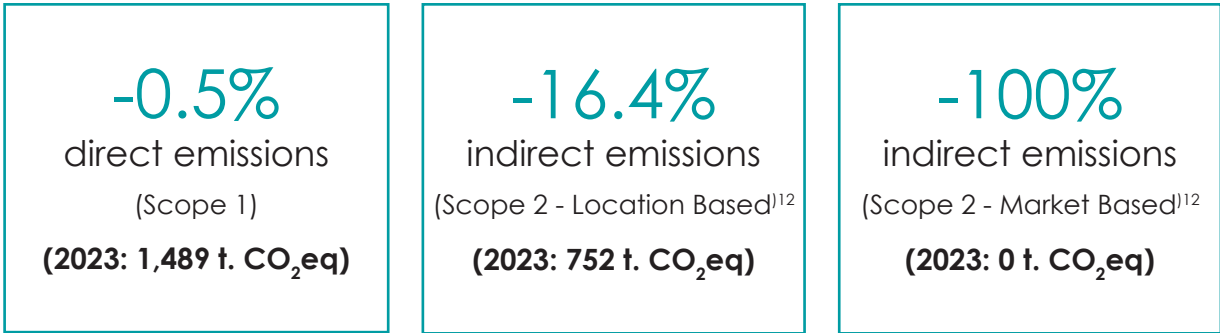


Against this trend, but almost entirely related to the expansion of the company vehicle fleet (+20% compared to 2022), was the trend in the consumption of ^{automotive} fuel¹⁰: +23.6% compared to the previous year.

⁹. Given by the ratio of consumption (Smc or kWh) to turnover (EUR) x 1,000.
¹⁰. The company vehicle fleet consists of 117 cars and 3 vans.

In order to address this sensitive issue, the effects of which inevitably affect the company's direct greenhouse gas emission values, the inclusion of vehicles equipped with **full-electric or hybrid**¹¹ motorisation instead of purely thermal motorisation has been initiated in the company fleet.

During 2023, in terms of **greenhouse gas emissions**, the overall management of energy sources, as summarised above, led to the following results (% change t. CO₂eq) compared to the previous year's values:



In particular, **we have achieved zero Scope 2 - Market Based emissions** from 2023 by **exclusively purchasing electricity from certified renewable sources** for all business needs.

Maximum attention in limiting the environmental impact of our activities has also been paid to the **more rational use of natural resources** indispensable in our industrial processes. First and foremost, **water**, which, besides being used in general civil services, is an essential component of every cosmetic product.

During 2023, technical interventions (such as the new water recirculation circuit used in the osmosis plant, inaugurated in 2021) and organisational measures implemented to contain **withdrawals from the public water network**¹³ led, once again, to keeping **total withdrawals unchanged** (-0.8% compared to the previous year¹⁴) but **reducing its net consumption**¹⁵ by

5.2%, given by the difference between the quantity of water withdrawn and that released into nature downstream of production processes and civil uses.

We also carefully monitor **waste management**.

In the **course of 2023**, while there will be an inevitable **increase** in absolute terms (+9.0% over 2022¹⁶, we have at the same time **increased the amount of waste sent for recycling by 9.0%**. The incidence of waste not treated at all (i.e., sent to landfill) on the total amount of waste produced increased slightly (**4.9%** from 4.3% in 2021) but remained at extremely low levels.

For their disposal, all waste is **entrusted exclusively to specialised operators** in possession of the legal authorisations, the control of which is entrusted to a third party as required by ISO 14001 procedures.

11. According to research (2020) by the European Commission's Joint Research Centre (JRC) into the CO₂ emissions of motor vehicles related only to their use (well to wheel), the emissions of full-electric vehicles would be 70 per cent lower than those of vehicles with purely thermal engines; the emissions of plug-in hybrid cars would be 25 per cent lower.
12. For the calculation of Scope 2 emissions, in line with the GRI Sustainability Reporting Standards, both of the following methods were used: the **Location Based** method is based on average emission factors related to energy generation for well-defined geographical boundaries, including local, sub-national or national boundaries (methodology used with Italy emission factor from the source "ISPRA - Atmospheric emission factors of greenhouse gases in the national electricity sector and in the main European countries"); the **Market-based** is based on CO₂ emissions emitted by energy suppliers from which the organisation purchases, through a contract, electricity and can be calculated considering: Energy Guarantee of Origin certificates and direct contracts with suppliers, supplier-specific emission factors, emission factors related to the "residual mix", i.e., energy and emissions not monitored or unclaimed (methodology used with emission factor from source "AIB - European Residual Mixes").

13. The only source of supply used for the company's needs.
14. From 13,889 cubic metres in 2022 to 13,779 cubic metres in 2023.
15. From 2,483 cubic metres in 2022 to 2,354 cubic metres in 2023.
16. Due to the progressive expansion of production and business organisation.

Our Commitment

Unifarco's focus on social sustainability

The protection and enhancement of employees

Taking care of the well-being of the people who work for us is vital.

In 2023, **575 workers were employed** by Unifarco, **62% of whom were women**. The **company's workforce is growing steadily, +7.9%**, compared to 2022, with the number of employees **aged 30 and under increasing by 11.6%**.



For the benefit of our personnel, in addition to the institutes governed by the Supplementary Company Agreement (renewed in 2022), the overall framework of company bargaining, among other aspects, defines and regulates:

- › the “participatory model” of labour relations in the company;
- › smartworking as a lever to improve the quality of work;
- › the worker's training ("training booklet");
- › the competence development-oriented evaluation system;
- › the solidarity hour bank and other solidarity instruments;
- › the economic welfare package, which includes among other things:
 - reimbursements for the purchase of school textbooks, nursery and kindergarten fees, and summer centres for employees' children;
 - agreements with suppliers of goods and services to increase purchasing power (30 currently in place);
 - Christmas shopping vouchers;
 - discounts for the purchase of products and services of Unifarco Group companies;
 - support for workers suffering from serious illnesses;
 - scholarships for the children and/or cohabitants of employees; a new measure implemented during the year in line with the "specific 2023 objectives" declared by Unifarco as a Benefit Corporation.

2023 OBJECTIVE

Allocating (through the “Fondazione Unifarco”) no less than EUR 10,000 to set up **scholarships to support post-diploma training courses** undertaken by children and/or cohabitantes of employees



RESULT

With 8 applications received by the Foundation, the awarding process for **8 scholarships** of EUR 1,000 each was completed.

Among other initiatives launched during the year, it is worth mentioning the testing of the **bottom-up approach to personnel appraisal**, in addition to the top-down approach already practised for some time.

In a nutshell, the objectives of the new project are to provide those in **middle or top positions** in the hierarchical pyramid of the corporate organisation with greater awareness of the aspects for which they are most valued by their direct collaborators, as well as the related areas for improvement. To this end, each “manager” receives a qualitative/quantitative report that does not allow the assessment to be individually associated with the individual employee who made it.

All this is further aimed at ensuring that top management has **more information** to better guide the development of their “team” and that employees have **the opportunity to contribute** to the overall development of the Unifarco team.

Completed during the year the “feedback process” to all staff members of the results of the **Climate Survey**, carried out in 2022, to which about 80 per cent of staff had signed up.

During 2023, as usual, we reserved ample space for training activities for our personnel aimed at professional and personal growth. In addition to those of a “compulsory” nature (provided for by law mainly in the field of health and safety at work), we **promoted no less than 136 training courses**, which registered a total of more than **1,800 participants** for more than **7,400 hours of lessons** on the most diverse subjects: from managerial coaching to technical-scientific aspects relating to cosmetology and nutraceutics, from language training to computer training at all levels.

There was no lack of educational proposals aimed at raising awareness and attention on aspects of social sustainability:

2023 OBJECTIVE

Launching the “**Diversity & Inclusion**” and “**Social Responsibility**” training and awareness-raising programme for employees



RESULT

12 training courses were held on the two topics, **488 participants** attended in total for a total of **1,134 hours of lessons** attended by employees of all kinds, categories and levels.

In the **course of 2023**, through the 'Wellness 365' project , **which is** intended to **promote a correct and balanced lifestyle among our employees** as the key to healthy ageing by preventing problems that can lead to illness, activities and initiatives have been provided in various areas:

- Nutrition:** the menus offered by the company canteen are inspired by the "Harvard Plate"¹⁷;
- Movement:** as part of the "Sport Lovers" programme , "functional training" courses are directly available, as well as conventions with gyms and swimming pools in Santa Giustina and Pedavena. Green-volleyball and 'football-tennis' courts were set up throughout the summer season and related corporate team tournaments were organised, involving a

- total of over 100 "athletes".
- Health:** guaranteed 55% discount for the purchase of analysis services (body mass and food intolerances) through affiliated pharmacies.
- Psychological support:** made available Life Coaching courses with the assistance of contracted experts.
- During 2023**, Unifarco paid out incentives and bonuses to its staff totalling about **EUR 2 million**.



17. "Healthy Eating Plate", created by nutrition experts from the Harvard TH Chan School of Public Health, USA.

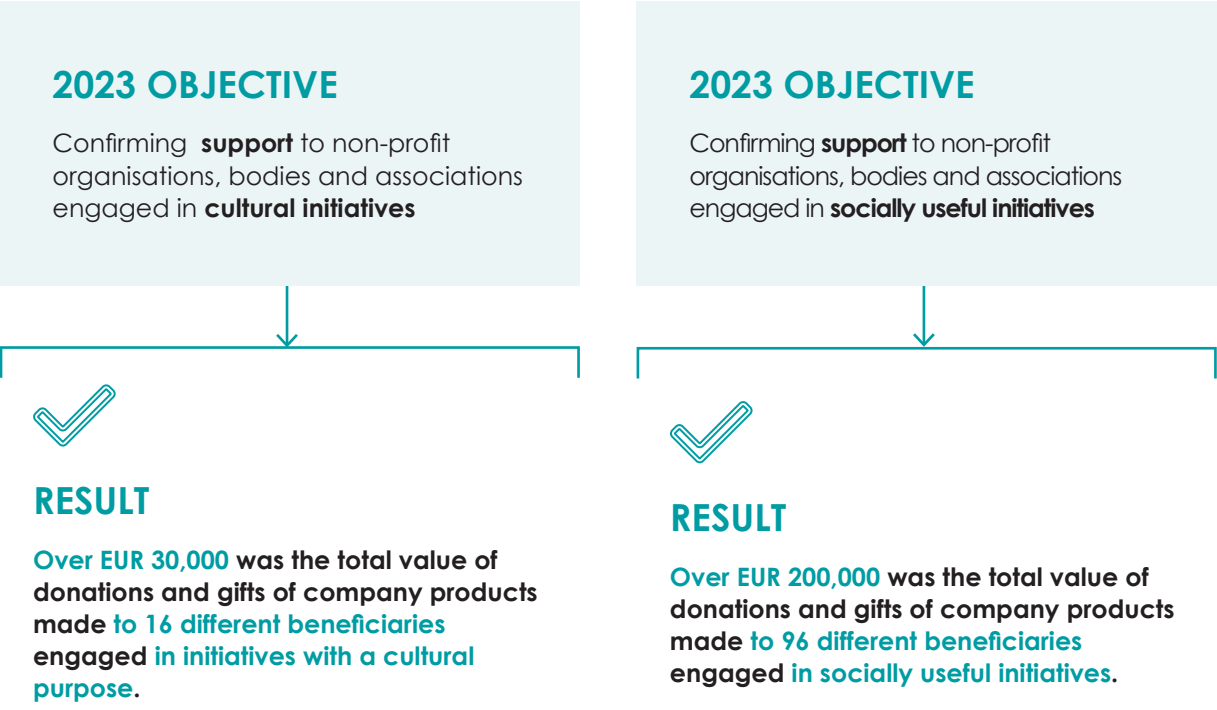
Relationships with local communities and institutions

For more than 40 years, Unifarco has been strongly rooted in the Belluno region that gave it birth and has been able to accompany it, with the availability of human capital, resources and means, in the progressive development of its activities.

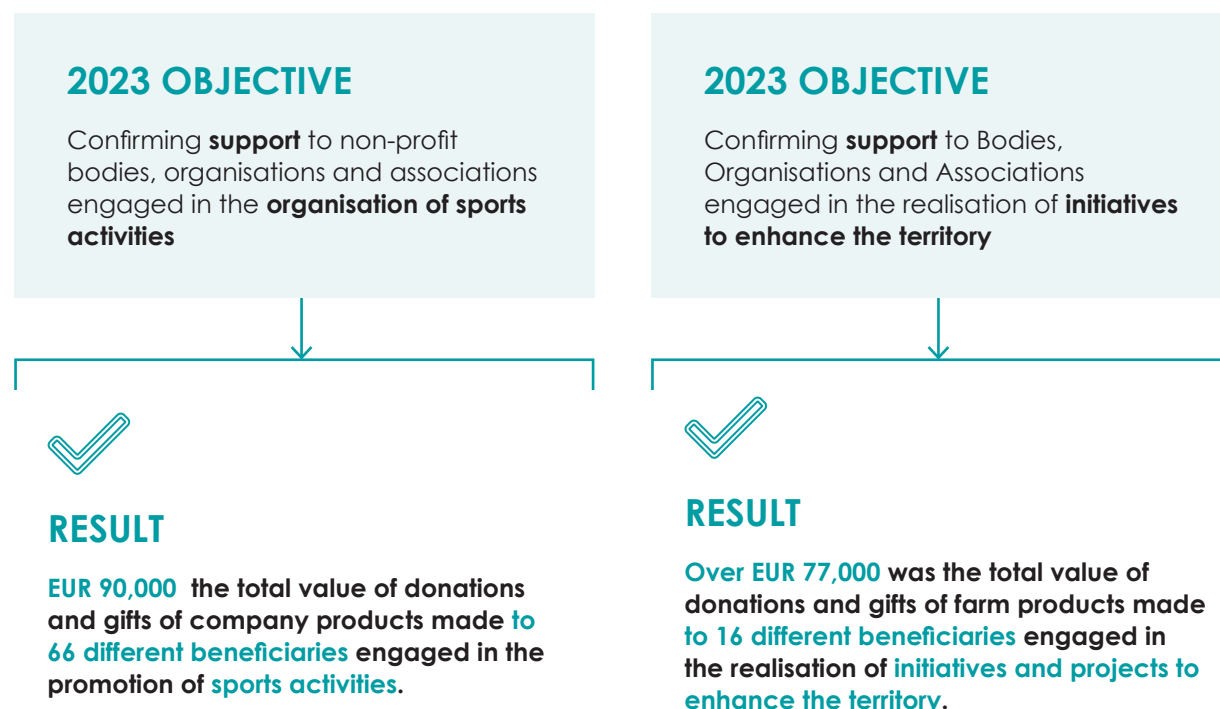
Based on these assumptions, we maintain intense and continuous relations with local communities, organisations and institutions engaged in the implementation of initiatives aimed at supporting people in situations of **disadvantage** or social **hardship**, or aimed at alleviating critical situations due to **precarious health conditions**. We also cooperate with them to support **cultural activities** or projects to **enhance the area**, and we do not fail to offer our contribution to those involved in the promotion of **sports**, all the more so if of an amateur nature and for the benefit of young and old.

Over time, we have broadened our horizon of intervention, paying ever greater attention to the requests coming from other territories (sometimes even outside national borders), also on the basis of the numerous reports regularly submitted to us by customer pharmacists and our partners, "spokesmen" of good practices and virtuous experiences in this area as well.

In the **course of 2023**, we devoted a total of about EUR 400,000 to supporting the above-mentioned activities, which generated an additional **indirect benefit to the recipients of about EUR 800,000** ¹⁸



18. The amount of EUR 400,000 is the sum of the cash and the counter-value (at ex-factory cost) of the donated products. The amount of the indirect benefit (EUR 800,000) is calculated by considering the countervalue of the donated products at the retail price.

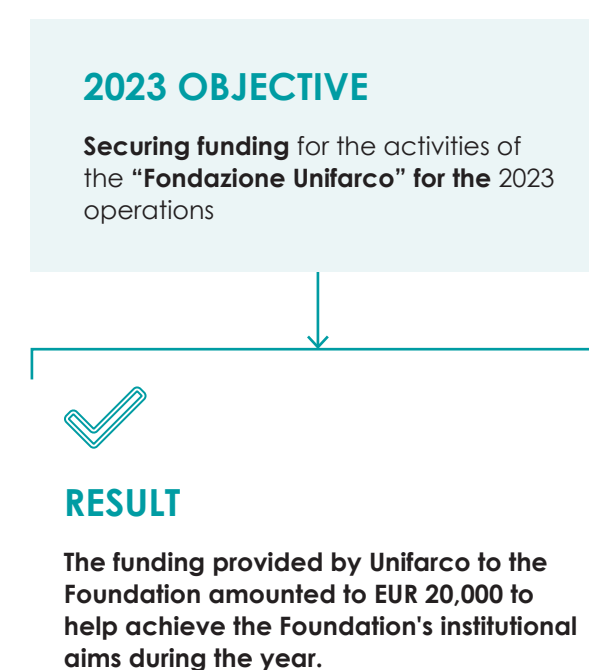


Here are just a few examples of organisations and initiatives supported during the year:

- › Grants given to the **Italian Red Cross** to support its institutional activities;
- › **HELP UKRAINE ODV** a newly established organisation (on the initiative of a few residents of the province of Belluno but of Ukrainian nationality) with the intention of collecting basic necessities to be allocated to the populations affected by the current serious war crisis;
- › **Centro Missionario Medicinali ODV** (Florence) which has been collecting unused medicines since 1977 to donate them to fragile people who could not obtain them otherwise;
- › **La Forza e il Sorriso - LGFB Italia Onlus** (Milan), which provides moral and psychological support to women undergoing cancer treatment by organising beauty workshops for them at hospitals and voluntary associations throughout Italy;
- › **AILI- Associazione Italiana Latto-Intolleranti APS** (Lucca) for supporting its institutional activities;
- › **the Associazione Italiana Persone Down (AIPD)** in particular the Belluno Section, set up in 1987, with the aim of guaranteeing psychological and social support to people with Down Syndrome (sdD) and their families from birth to adulthood; to promote and organise all activities aimed at **promoting the inclusion of all people with sdD** in schools, society and the world of work;
- › **N'altra ETS** (Belluno) promoter of the 1st **BIO-FILM Festival** held in Sospirolo (Belluno) in September 2023. The organisers of this initiative, which is also unique on an international level, have collected more than 2,000 video-cinematic contributions from all over the world, dedicated to the themes of safeguarding and protecting biodiversity in all its forms;
- › **Italian Federation of Athletics (FIDAL)**, in particular the Provincial Committee of Belluno, for its support of its activities to promote the practice of sport, especially for the benefit of the younger generations.

Finally, in **2023**, we secured the necessary resources to meet the institutional commitments of the **Fondazione Unifarco**, a non-profit private law body that we set up with the aim of:

- directly or indirectly carrying out works, services and initiatives with the exclusive aim of social and humanitarian solidarity in the fields of education, social and health care, education, recreation, as well as medical and scientific research.
- Identifying and implementing social welfare initiatives and projects, expressing themselves with humanity and confidentiality.



In 2023, too, we devoted attention and support to projects and initiatives to **enhance the territory**. Among others, on issues of **environmental protection**:

- › since its inception, we have ensured our support for the project **CanBe-Belluno Province Carbon Neutral**, an initiative whose promoters include the Province of Belluno, municipalities and other local authorities and schools in the province, trade associations and others, foundations and companies. The priority objectives of the project are to maintain and improve the condition (or status) of **Carbon Neutrality** of the Belluno territory¹⁹, assessed with the IPCC²⁰ measurement methods, and on the basis of this assumption, **to share the definition of policies and good public/private practices** for improving the **balance between emissions and removals of climate-altering gases**;
- › we reconfirmed our interest and willingness to coordinate and directly manage the activities related to the project **Salvaguardia dei Prati a Narciso of the Belluno Pre-Alpine ridge**. An initiative launched in 2019, in cooperation with the Borgo Valbelluna municipality and the Gruppo Natura of Lentiai (BL), aimed at promoting the **spontaneous growth of narcissi** that historically characterises the meadows on the northern slopes of the Veneto Pre-Alps. A marvellous example of the enormous heritage of biodiversity that characterises our territory, which we intend to protect and help make known to an ever wider public;
- › In addition, we kept our stated commitment in the Specific Objectives 2023 regarding:

2023 OBJECTIVE

Launching the "Naturalistic Beekeeping" project aimed at promoting beekeeping techniques that respect bees' wellbeing in the territory with a view to the primacy of safeguarding biodiversity



RESULT

Naturalistic beekeeping, while being characterised by a low use of technology and equipment, allows high efficiency in disease and pest control with organic techniques.

This "micro-beekeeping", or domestic beekeeping, which in some Anglo-Saxon countries is known as backyard beekeeping, and whose widespread diffusion we would like to encourage at local level, must not and cannot be an alternative or competitive activity to that of beekeepers, since it is essentially dedicated to the maintenance and diffusion of honey bees, with their flywheel action in the conservation of biodiversity and ecosystems (any products obtained - primarily honey - are for personal/family consumption only).

Our project started with the installation in the company's **Giardino Oficinale** of a first dedicated "Top Bar" beehive (Kenya Top Bar Hive), now hosting over 40,000 bees, and the launch of a series of training activities (20 hours of lessons) and dissemination on naturalistic breeding techniques for the benefit of our employees and primary and secondary school pupils in the area.



on **social development** issues:

- › we have pledged our support, with an economic and organisational contribution, to the **RigeneraMontagna**²¹ project: a path of co-creation and individual and collective transformation for the **young generations** in looking at the future of the Veneto mountains from the perspective of regenerating natural and human resources, grasping the profound meaning of places, mobilising the creativity of the territory, and reconnecting with nature. Promoted by the **Giovanni Angelini Foundation** of Belluno, the project counts among its academic partners the Universities of Padua and Trento; among its institutional partners the local schools, the LAGs, Europe Direct as well as CAI, ISF, other local institutional and entrepreneurial actors;
- › **to make the area around us even more attractive**, we have confirmed our support for initiatives aimed at keeping "alive" **Nevegal**, a hill located in the **Belluno Pre-Alps**, a well-known summer and winter tourist resort, a quiet and uncontaminated area ideal for spending days dedicated to sport, fun and contact with nature throughout the year;
- › we joined the initiative "**Percorso Avanzato per le Competenze Imprenditoriali e l'Innovazione della Filiera Agricola e Agroalimentare**"²², promoted at a national level by Unioncamere and Re.N.Is.A., proposing to the students of the Istituto

Agrario "A. Della Lucia"

of Feltre (BL) the task of developing, from a *circular economy* perspective, a project for **the recovery of biowaste from the local area, for the production of a cosmetic and/or food grade raw material (extract)**.

More generally, but always with full willingness to share experiences, expertise and good practices for the overall promotion of sustainable development, Unifarco has accepted the invitation to bring its own testimony at various public debates on topics directly or indirectly related to ESG issues.

Examples of others include:

- › the meetings with students of some secondary schools in the province of Treviso, held by our **HR Director**, as part of the cycle of school/enterprise comparisons promoted by **Confindustria Veneto Est** (spring 2023) as well as his report presented at the conference "**Welfare, Bilaterality and Territory**" organised by **Veneto Lavoro** (Veneto Region Authority) in May 2023;
- › our **Managing Director**'s speech at the conference "**The evaluation of companies' creditworthiness and the effects of climate change**" organised by the **Bank of Italy** - Venice office - as part of the event "**Sustainability, Green Transition and Territories**" (Venice, 8/9 November 2023).

19. According to the most recent analysis carried out, referring to 2019, the greenhouse gas absorption capacity of the Belluno area (mainly due to its important forestry heritage) was **146%** of the emissions recorded within its geographical boundaries.

20. Intergovernmental Panel on Climate Change (www.ipccitalia.cmcc.it): "2006 Guidelines for National Greenhouse Gas Inventories" and "2019 Refinement".

21. For more information: www.angelini-fondazione.it/rigenera-montagna-3/

22. For more information: www.unioncamere.gov.it/comunicazione/primo-piano/percorso-avanzato-le-competenze-imprenditoriali-e-innovazione-della-filiera-agricola-e-agroalimentare

7. THE IMPACT OF UNIFARCO

the assessment



As seen ^{above23}, among the contents of the annual report prepared by each Benefit Corporation is an **assessment of the impact generated** by it, using an **external standard**

In compliance with statutory requirements, the latter must be: comprehensive and articulate, developed by an entity not controlled by or affiliated to the Benefit Corporation, credible and transparent.

For the proper preparation of this **Impact Report**, we chose to use the international **B Impact Assessment** standard, developed by B Lab, a non-profit organisation based in Pennsylvania (USA), and used by more than 150,000 companies worldwide.

The B Impact Assessment assigns an overall score (B Impact Score), on a scale from

0 to 200 points, with a threshold of 80 points as the minimum requirement for obtaining B Corp certification.

The platform managing the impact assessment process produces partial scores for each of the following areas of business management: **Governance, Workers, Community, Environment** and **Customers**. At the end of the evaluation, it also provides a **benchmark** on the company's positioning compared to the scores acquired by the other companies evaluated: in the same **country** (Italian only) or in the same **industry** (globally) or of the same **size** (by number of employees).

Governance

Unifarco	17.2
Italy	7.1
Area	5.9
Dimensions	6.5

Workers

Unifarco	25.9
Italy	14.4
Area	16.3
Dimensions	18.2

Community

Unifarco	19.9
Italy	10.1
Area	11.1
Dimensions	10.9

B Impact Score

Unifarco 97.2

Italy	67.9
Area	76.4
Dimensions	76.3

Fiscal year-end date 31 December 2023

Environment

Unifarco	20.5
Italy	10.0
Area	12.0
Dimensions	11.1

Customers

Unifarco	13.5
Italy	12.6
Area	15.4
Dimensions	14.2

23. Par. 2, "BENEFIT CORPORATION: framework and purposes".

8. SPECIFIC OBJECTIVES 2024

Below are the common benefit objectives that we, as a Benefit Corporation, intend to achieve during 2024:

INCREASE the use of **recycled materials in primary packaging** of our products by starting to use them for products:

Farmacisti Preparatori

- › Hand Cream
- › Baby Cream and Cream Paste
- › Purifying mask
- › Cleansing Mousse Face

Dolomia

- › Night Concentrate
- › Serum/oil with petals

LAUNCH the market introduction of packs (600/800 ml) for **refilling** the products of the **Farmacisti Preparatori Hygiene Line** and **Ceramol Washing Base**

CARRY OUT insulation work on the roofs of the buildings housing the production and packaging plants at the headquarters in Santa Giustina (BL) in order to **improve the efficiency of thermal management** in the working environments

COMPLETE AND APPROVE the executive design of the new building to be constructed in Loc. Gravazze, Santa Giustina (intended to house the company's second automated warehouse), including **technological solutions aimed at energy saving** (photovoltaic system for self-generation of electricity, heating/cooling of workplaces by means of heat pumps, exclusively LED lighting, etc.).

SUPPORT the project to establish a **decentralised headquarters of the University of Verona in Belluno** for the launch of a Bachelor of Science in Computer Science

ADOPT appropriate organisational measures designed to keep the proportion of staff using **smart working**, considering those employed at headquarters and classified as clerical staff/white collar workers, at **a level above 70%** of the total

START the experimentation of a **differentiated entry/exit time** regime, at the choice of the individual worker, for staff employed at headquarters

EXPAND dedicated ways and means to foster the use of **psychological support** by company personnel

INAUGURATING the "**company market**" to propose/facilitate the purchase of **organic agri-food products**, grown and/or processed by local companies, by staff employed at headquarters

EXTENDING the availability of **conventions** with gyms and other sports centres throughout the **country** to **encourage the practice of sports** for staff working permanently off-site

CONFIRMING direct or indirect support to Bodies, Organisations, Associations and other entities engaged in the realisation of **cultural initiatives**, of **social utility**, of **valorisation of the territory** or **sports activities**, with non-profit purposes

ASSURING the financing of the activities of the "**Fondazione Unifarco**" for Interventions 2024

MANAGING the direction, editing and publication of the "**Rivista Italiana della Storia della Farmacia**" (ISSN registered), available free of charge in both print and online editions





IMPACT REPORT 2023

For further information on the document, please contact us at sustainability@unifarco.it

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- we care for knowledge - **we care for care** - we care for science - we care for planet - **we care for health & beauty** - we care for knowledge -
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