

Sustainability **Report**

Sustainability report edited by Esaote S.p.A.

Reference period: January 2022 – December 2022

Esaote S.p.A.

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Letter to Stakeholders

Business management in the name of sustainability is a medium- and long-term process, whereby the Company faces new challenges on a daily basis, driving it towards constant action and thus offering a wide range of opportunities for development.

By signing up to the UN Global Compact, Esaote S.p.A. has decided to take a step further: to declare its commitment to an inclusive and sustainable economic model. At the same time, it has committed to implementing and encouraging – within its own sphere of influence – the social and ecological standards set out in the Ten Principles.

Esaote makes transparency a key component of the management of its effective stakeholder relations, investment decisions, and other market relationships.

The Sustainability Report represents the company's commitment to sustainability issues and is a voluntary fulfillment consisting of the measurement and communication of its performance with respect to sustainable development, and its relative accountability to internal and external stakeholders.

In particular, the most significant themes in Esaote's Sustainability Report are integrity, the social sphere, and initiatives towards employees and the environment: Its integrity

was confirmed when it obtained the highest score in the Legality Rating issued by the Competition and Market Authority. Its social commitment and the initiatives staged for employees, include those focusing on welfare, health and training, perceived both as lifelong learning and as collaboration with the Academy. Then, it strives to protect the environment, through regeneration projects, the rational use and optimization of resources and a focus on the environmental impact of logistics, with a pledge to improve in the medium and long term. The materiality topics in the Sustainability Report are objectives consistent with the Sustainable Development Goals of the United Nations Global Compact relevant to Esaote.

Alongside the relevant topics, the key words on which to build Esaote's path toward sustainability are: involvement and sharing both within the company and externally, awareness with respect to a clear strategic commitment, and growth that aims to foster the continuous creation of shared value.

Esaote drafts the Sustainability Report according to the Global Reporting Initiative Standards 2021, which are the main international benchmarks for sustainability performance reporting.



"Esaote's commitment to sustainability starts from a clear awareness of the responsibility we have to our people and to the communities in which we operate to achieve ambitious growth targets and by operating as active social agents for the desired change of course towards sustainable models. We are aware of the participation of companies in the collective effort toward achieving specific economic, social and sustainability development goals. By taking this first voluntary reporting initiative, we want to confirm our commitment to transparency by measuring and monitoring our impact against the company's mission, and so embark on a path of continuous learning."

Franco Fontana
CEO, Esaote Group

Methodological Note



Objective of the document

With this edition of the Sustainability Report, prepared on a voluntary basis, Esaote S.p.A. (hereafter also "Esaote" or the "Company") intends to initiate an annual path of sustainability reporting.

The Sustainability Report is not only a way to maximize transparency in communication to its stakeholders, but also the main tool for managing and reporting on ESG (environmental, social and governance) initiatives and performances.

For more information regarding the Esaote Sustainability Report, you can email sustainability@esaote.com.

Scope and reporting period

The reporting scope of this Sustainability Report is limited to the parent company Esaote S.p.A. and, in particular, to the Italian offices in Genoa and Florence.

In order to ensure the principle of comparability, the data and information contained within this document refer to fiscal years 2022 and 2021 (the period from January 1 to December 31). In addition, data for fiscal year 2020 have also been provided where possible.

Please note that the environmental data (energy consumption, emissions, and waste) of Esaote S.p.A. refer only to fiscal years 2022 and 2021, as their collection and management methods have changed since 2020.

Any additional exceptions are highlighted in the text of the document.

Document drafting process and reporting standards

For the purpose of drafting the sustainability report, a dedicated in-house Working Group was identified at Esaote (hereinafter also referred to as "WG"), composed of the heads of the individual areas involved coordinated by the Company's Chief Legal, Compliance and Corporate Tenders Officer. The Working Group carried out the following activities for the purpose of drafting this document:

- determination of the reporting scope;
- identification of the key stakeholders based on the contents of the Group Code of Conduct and the benchmarking activity conducted on its main peers and competitors;
- identification, based on the benchmarking activity indicated above and analysis of the internal context and Market requirements (e.g., tender requirements), of issues relevant to Esaote;
- validation and prioritization of the issues identified, through the performance of an internal stakeholder engagement activity aimed at identifying the most relevant and priority issues for the Company and its stakeholders. In particular, as part of this activity, the identified issues were prioritized by the company's top management, considering both Esaote's point of view and the perspective of the relevant stakeholders and, subsequently, the so-called "materiality matrix" was constructed on the basis of the results obtained;
- identification of the non-financial indicators to be reported and definition of the structure of the Sustainability Report;

- sharing with top management the results obtained as a result of carrying out the previous activities (stakeholder list, materiality matrix, performance indicators and document structure) and the timeline for drafting the document;
- setting up the reporting system and initiating qualitative-quantitative data collection;
- preparation of the Sustainability Report, to be submitted for validation by the Board of Directors.

The Sustainability Report was drafted using the Global Reporting Initiative Sustainability Reporting Standards (hereinafter GRI Standards) published by the Global Reporting Initiative in 2021 as a technical-methodological reference.

Specifically, Esaote has chosen to prepare the document according to the "With reference to" reporting mode provided by the GRI guidelines, using a selected set of GRI Standards to report the information contained within this Report.

In preparing the document, the reporting principles set forth in the section "GRI 1: GRI 2021 Core Principles" were considered.

Reporting period principles:

- context of sustainability;
- completeness;
- accuracy;
- balance;
- clarity;
- comparability;
- verifiability;
- timeliness.

This document was approved by the Board of Directors on March 30, 2023.

It should be noted that for 2023, the Company has planned some specific training initiatives on sustainable development issues for the Management Body, the Executive Team and the entire corporate population.

Finally, it should be noted that this Sustainability Report has not been subjected to Assurance activities by third parties.

Esaote's stakeholders

Esaote sees constant dialog and discussion with its stakeholders as key priorities, and to this end, it strives hard to ensure its communication with them is as transparent as possible.

Below is a graphical representation of the ten key stakeholder categories for Esaote, broken down according to their importance for the Company.



Figure 1 Key Stakeholders

Esaote is committed to the constant involvement of its stakeholders through the activation of dedicated dialog and listening channels, as shown in the table below.

Stakeholder	Main modes of involvement
Employees	Quarterly employee meetings to explain company trends and projects, articles, interviews, videos featuring employees, surveys, training courses, events.
Clients¹	Open days, workshops, webinars, training courses, events.
Regulatory Bodies, Institutions & Supervisory Authorities	Meetings on a regular basis.
Shareholders & Investors	Meetings on a regular basis.
Commercial Agents & Partners	Institutional events and activities related to product promotion, training courses.
Technology Suppliers & Partners	Meetings on a regular basis.
Scientific Community	Open days, workshops, webinars, training courses, events.
Local Communities & NGOs	Sponsorships and donations.
New Generations	Establishment of a corporate academy dedicated to new graduates in STEM disciplines, corporate communication activities in which the new talents actively participate, support for events and sports clubs; participation in events dedicated to youth guidance; support for schools and training institutions, open days.
Media	Press conferences, Invitations to corporate events, collaborations.

Table 1 Stakeholder categories and related dialog/listening channels

¹ Esaote's main customers are public hospital companies, private clinics, practices or individual medical professionals who provide diagnostic-therapeutic radiology services. The company has no B2C customers.

Materiality analysis

As a result of the internal stakeholder engagement and materiality analysis activities carried out, described in the section "Document drafting process and reporting standards," Esaote has identified, as material, the issues included in the upper right quadrant of the materiality matrix below (highlighted in blue), which are the subject of specific reporting within this document.

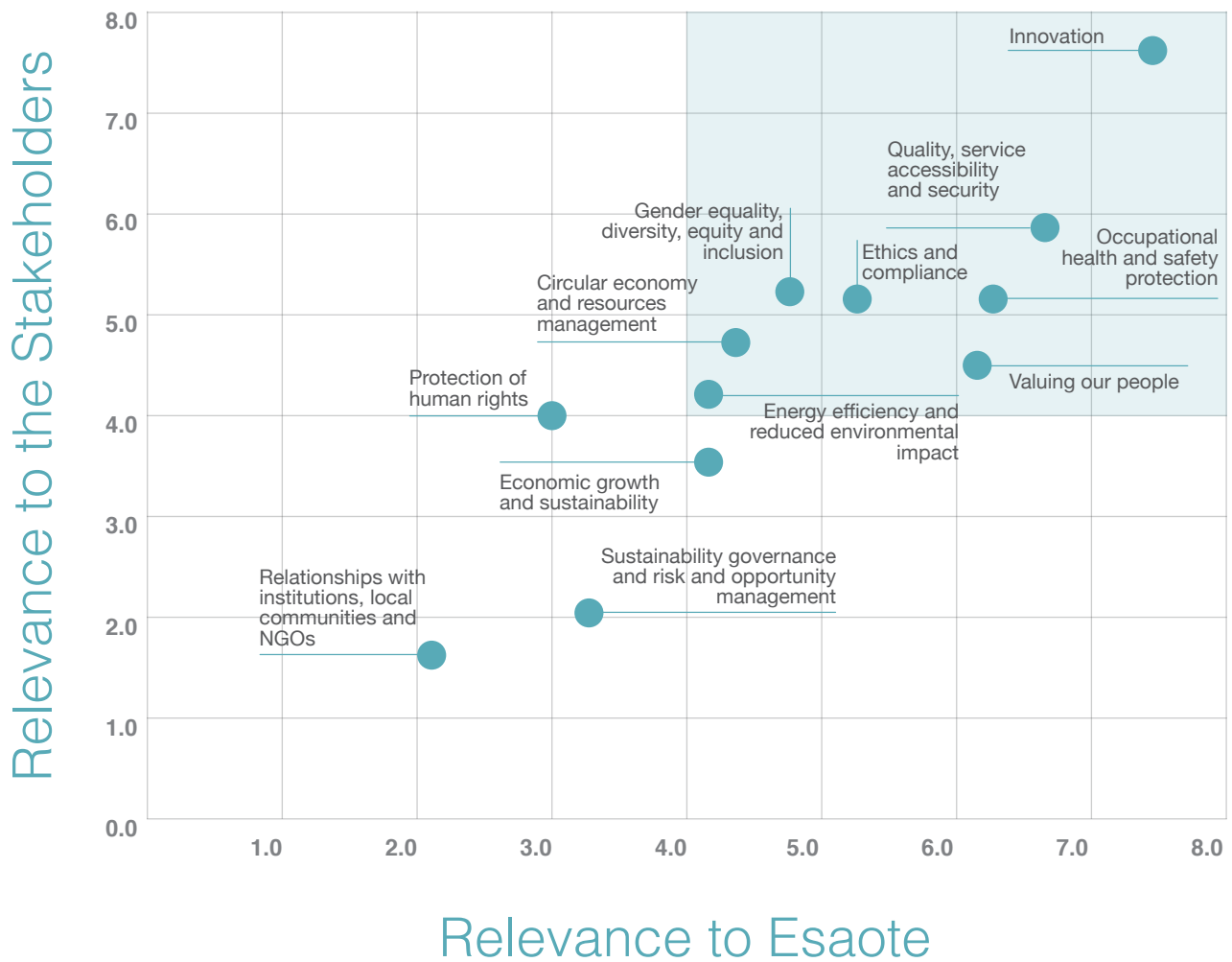


Figure 2 Esaote Materiality Matrix

In the materiality matrix, in addition to the material topics, all issues considered relevant to the Company are shown. For each topic, the degree of materiality attributed according to the internal perspective of the Company (horizontal axis) and according to the external perspective of the relevant stakeholders (vertical axis) is highlighted.

Let's design a better future together

In 2015, Agenda 2030, an action agenda for people, planet and prosperity, was launched by the United Nations.

It incorporates 17 *Sustainability Development Goals* (SDGs) expressed in turn in the form of 169 targets.



Figure 3 The Sustainable Development Goals of the 2030 Agenda

Implementing the Agenda requires strong involvement from all members of society, from businesses to the public sector, civil society, philanthropic institutions, universities, research centers and workers in the fields of information and culture.




For this very reason, Esaote wanted, as part of the sustainability journey it has undertaken, to analyze in detail the requirements of the 17 goals and related targets in order to identify those to which it can contribute most through its business activities.

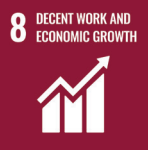
As a result of the analysis conducted, Esaote identified the following eight goals, as follows.




Figure 4 SDGs identified by Esaote


Below is the table showing the correlations between the SDGs, the selected targets and the identified material topics.

SDGs	Target	Material topic	What Esaote is doing
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>3.4 By 2030, reduce premature mortality from noncommunicable diseases by one third through prevention and treatment, and promote mental wellness and health.</p>	<ul style="list-style-type: none"> • Quality, service accessibility and security 	<p>Product quality and safety are the heart of activities at Esaote, which aspires to provide all professionals in the health sector with useful solutions to achieve the best results both in terms of efficiency and reliability of clinical performance, and of experience, not only for the doctor but also for the patient. To ensure high standards of quality and effectiveness of its products and services, Esaote has established procedures as part of its QMS (<i>Quality Management System</i>), monitoring its organizational adequacy and managing the regulatory aspects necessary to ensure proper compliance with current regulations and their evolution.</p>
 <p>4 QUALITY EDUCATION</p>	<p>4.3 Ensure equitable access to cost-effective, quality technical, vocational and tertiary education, including university education, to every woman and man by 2030.</p>	<ul style="list-style-type: none"> • Valuing our people 	<p>Esaote considers the continuous training of its employees as a strategic objective for investment. As such, a process has been created, taking skills analysis as a starting point to plan both standardized and personalized training sessions, forming part of a broad educational syllabus. (<i>Training Hub</i>).</p> <p>About 9,500 hours of training were provided in 2022 with a focus on technological innovation, occupational health and safety protection, and soft skills. In addition, in partnership with several universities, in 2021 Esaote launched the egeneration project, a real Academy for talented young graduates in STEM disciplines.</p>
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>7.2 Substantially increase the share of renewable energy in total energy consumption by 2030.</p>	<ul style="list-style-type: none"> • Energy efficiency and environmental impact reduction 	<p>Esaote has equipped all its offices and sites with modern, sustainable plants to curb emissions and costs while making consumption more efficient. In fact, in its Genoa Muledo site, there is a thermal and photovoltaic plant, equivalent to 66.5 kW, while at the Florence site, Esaote completed the installation of photovoltaic panels with a total capacity of 350 kW.</p>

SDGs	Target	Material topic	What Esaote is doing
	<p>8.5 Ensure full and productive employment and decent work for women and men by 2030, including young people and people with disabilities, and equal remuneration for jobs of equal value.</p> <p>8.8 Protect the right to work and promote a healthy and safe working environment for all workers, including immigrants, especially women, and workers without a fixed contract.</p>	<ul style="list-style-type: none"> • Occupational health and safety protection • Gender equality, <i>equity and inclusion</i> • Valuing our people 	<p>Esaote has further implemented Welfare initiatives (<i>work-life balance</i>, company canteen, health insurance) aimed at improving the quality of its employees' working life and well-being. In the area of health and safety management, Esaote not only averts accidents and hazards and guarantees a safe workplace, but also includes a number of preventive measures to protect the health of its employees and enhance their individual well-being. In addition, each employee is encouraged to report violations of the principle of equality, discrimination or non-compliance with labor regulations. No violations were recorded in the three-year period.</p>



SDGs	Target	Material topic	What Esaote is doing
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>9.4 By 2030, improve infrastructure and sustainably reconfigure industries, increasing efficiency in resource use and adopting cleaner and more environmentally sound industrial technologies and processes, with all states taking action within their respective capabilities.</p> <p>9.5 Increase scientific research, improving the technological capabilities of the industrial sector in all states- particularly in developing states- as well as encouraging innovations and substantially increasing, by 2030, the number of employees per million people, in research and development and spending on research- both public and private</p>	<ul style="list-style-type: none"> Innovation 	<p>Esaote works to make modern machines in which materials and processing do not pollute and consume more than is strictly necessary at the source to ensure quality performance. It also implements processes designed to increase efficiency during the production and transportation phases. Esaote employs 25% of its staff in R&D and has recorded a 23% increase in R&D investment compared to 2020.</p>

SDGs	Target	Material topic	What Esaote is doing
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.</p> <p>12.6 Encourage companies, particularly large multinational corporations, to adopt sustainable practices and integrate sustainability information into their annual reports.</p>	<ul style="list-style-type: none"> • Circular economy and resources management • Energy efficiency and reduced environmental impact 	<p>Esaote follows international standards for environmental protection and has an environmental policy in which it commits to protecting the environment in which it operates. The Company, over the past few years has launched the following projects:</p> <ul style="list-style-type: none"> • progressive dematerialization of paper documentation for administrative use and user manuals; • installation of separate waste collection systems at locations in Italy, promoting proper waste management; • expanding the car fleet by introducing the option for traveling personnel to choose electric or hybrid cars; • equipping employees at all Italian locations with reusable water bottles and ceramic mugs in order to reduce the impact due to the use of plastic in food courts; • reuse and optimization of packaging materials; launch of the “<i>Renaissance</i>” program to implement <i>circularity</i> measures aimed at the responsible consumption of its products through the adoption of practices and processes to recondition its used systems.





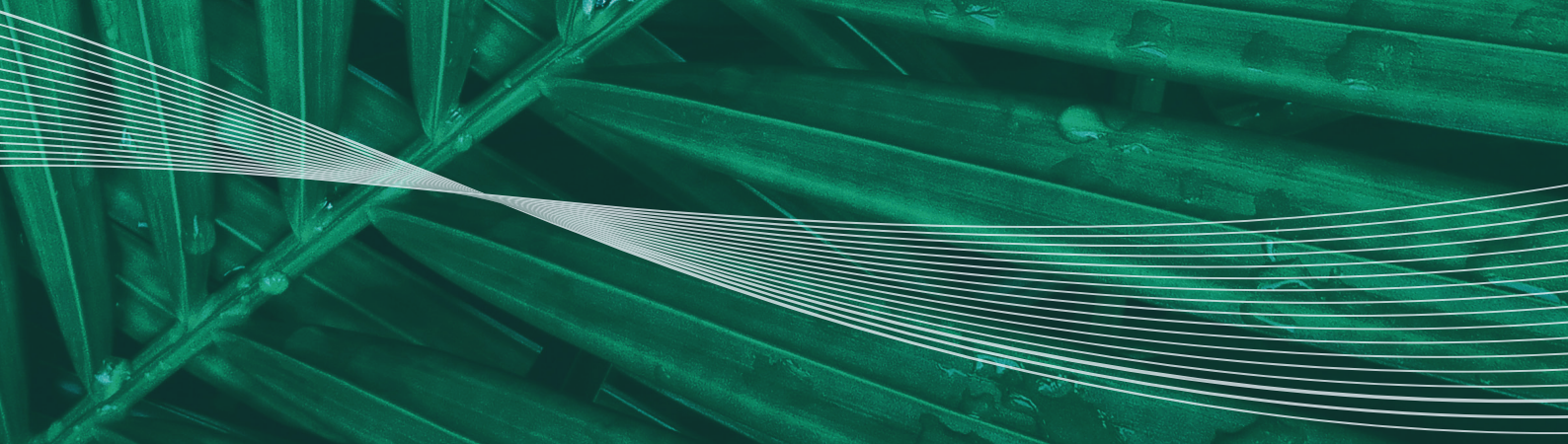
SDGs	Target	Material topic	What Esaote is doing
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<p>16.5 Significantly reduce corruption and abuse of power in all their forms.</p>	<ul style="list-style-type: none"> • Ethics and compliance 	<p>In 2021, Esaote obtained the highest score in the Legality Rating, according to the criteria set by the Italian Competition Authority (AGCM). Esaote has chosen to comply with all the applicable laws and regulations on anti-corruption in the areas in which it operates. In addition, it pursues ethical principles of governance inspired by the protection of the dignity and rights of all people and strives to create a welcoming and serene work environment in which its employees can operate autonomously and responsibly.</p>
	<p>16.7 Ensure accountable, open to all, participatory and representative decision-making at all levels.</p>		
	<p>16.10 Ensure public access to information and protect fundamental freedoms in accordance with national legislation and international agreements.</p>		
 <p>17 PARTNERSHIPS FOR THE GOALS</p>	<p>17.16 Intensify the global partnership for Sustainable Development, assisted by plurilateral collaborations that develop and share knowledge, expertise, technological and financial resources, to achieve the Sustainable Development goals in all countries, especially emerging countries.</p>	<ul style="list-style-type: none"> • Ethics and compliance • Quality, service accessibility and security 	<p>In addition to its adherence to the <i>UN Global Compact</i> initiative, Esaote has entered into numerous collaborations with non-profit organizations and medical/healthcare personnel who volunteer to improve the living conditions of particularly disadvantaged populations in need of healthcare, in terms of diagnosis, treatment and therapy. In September 2021, Esaote S.p.A. donated two ultrasound equipment for performing diagnostic examinations to Soleil d'Afrique - a non-profit organization of social utility (O.N.L.U.S) based in Italy which has been operating in Benin since 2007.</p>
	<p>17.17 Encourage and promote effective partnerships in the public sector, between the public and private sectors, and in civil society by building on the experience of the partnerships and their ability to find resources.</p>		

Table 2 Table showing correlation between the Sustainable Development Goals, targets, and material topics identified

Esaute S.p.A.



1.1 The Company

Esaote, founded in Genoa in the 1980s and parent company of the Esaote Group, is an international company that manufactures medical diagnostic systems.

Operating in about 100 countries around the world, the Company is one of the world's leading manufacturers of biomedical diagnostic imaging equipment, particularly Ultrasound and Magnetic Resonance Imaging Systems as well as a leading manufacturer in *Information Technology* for healthcare, through Ebit, another Group Company. In addition to the sale of systems, the Company performs Service activities such as installation, repairs or maintenance of the systems.

As of today, Esaote has research centers and production facilities in Italy (Genoa and

Florence) and the Netherlands (Maastricht and Sittard), as well as subsidiaries and offices in France, Germany, Spain, the United Kingdom, Russia, the United States, China, Argentina, India, Mexico and Australia, thus guaranteeing a high quality service to its customers.

In addition, over the years Esaote has collaborated assiduously with the academic and medical world, including Research Centers, Universities and Public Institutions, leading the Group to be one of the top 10 global players in diagnostic imaging.

Esaote, which has always focused on innovation and technological advancement, has set itself the goal of creating highly innovative products based on a thorough analysis of clinical needs and market trends.

Esaote's range of products and services is described below:

Ultrasound:

For Esaote, ultrasound for diagnostic use is its core business; therefore, the Company in this sector carries out the study, design, production and marketing of ultrasound machines, wheeled and portable. Thanks to these machines, Esaote, together with the other Companies in the Group, is able to cover a wide range of clinical applications with a single instrument, including: musculoskeletal, vascular, cardiology obstetrics-gynecology, and thanks to the innovative R&D department, the Company has also developed the above systems for specific applications in orthopedics, rheumatology, anesthesia and emergency rooms.

Magnetic Resonance Imaging (MRI):

The first company to develop dedicated MRI systems for knee, shoulder and limb imaging, today Esaote is a leader in this field. With the experience gained over the years and more than 2,800 MRI systems installed worldwide, including large hospitals and private clinics, in trauma departments, trauma laboratories and sports medicine centers, Esaote has developed an innovative MRI system dedicated to the spine in orthostasis. It also entered the world of total body MRI in 2021 with an innovative system based on the latest technology.

Global Service:

Through *Global Service*, Esaote offers its customers fast, smooth and excellent service to support their installed equipment and schedule their daily activities. In addition to offering on-site and remote support services, the company provides customized support services, including scheduled maintenance, corrective actions and safety checks. All in order to be able to ensure the maximum performance of its devices throughout their life cycle, prevent failures, and reduce downtime.

Characterized by an international presence, the Company's supply chain appears to be particularly focused on sourcing from indirect suppliers, which amount to 700, versus 312 direct suppliers. On the other hand, in relation to indirect supplies, a much broader spectrum is favored in order to capture the specific service needs of the various requesting sources.

Esaote in the world



3 R&D Centers

Genoa, Florence, Maastricht

3 Production sites

Genoa, Florence, Sittard

14 Subsidiaries

Belgium, Netherlands, France, Germany, Spain, United Kingdom, Russia, China, Hong Kong, India, Argentina, Mexico, United States

1200

employees

100

local distributors

+ 50 product families

products/services sold

+100

countries where products/services are offered

+256 million

turnover from product and service sales

ca 53%

of the production sold in EU

**It should be noted that the above data refer to the Esaote Group.*

Supply chain	UoM	2022
		Italy
Number of suppliers	no.	1,012
Direct suppliers	no.	312
Indirect suppliers	no.	700
Total value of supplies	€	95,768,000
Value of supplies from EU	€	53,768,000
Value of supplies from outside EU	€	42,000,000

Table 3 Supply Chain

Always active in the association scene, over the years, Esaote has joined the following different associations operating locally and nationally:

- **Associazione Italiana per la Direzione del Personale (Italian Association for Personnel Management -AIDP)**

An association that promotes serious and responsible development of the managerial culture in human resources through the organization of events, projects, research and publications.

- **Assolombarda**

Association of companies operating in the Metropolitan City of Milan and the provinces of Lodi, Monza and Brianza, Pavia. In size and representation, it is the most important association in the entire Confindustria System. It expresses and protects the interests of 6,900 enterprises of all sizes, national and international, producing goods and services in all commodity sectors.

- **COCIR**

A European association representing the diagnostic imaging, radiation therapy, ICT and electromedical industries. It is a non-profit association based in Brussels, Belgium, with a China Desk in Beijing.

- **Comitato Elettronico Italiano (Italian Electronic Committee -IEC)**

A private, non-profit association, responsible at national level for technical standardization in the field of electrotechnology, electronics and telecommunications, with direct participation, on behalf of the Italian state, in the corresponding European (CENELEC - Comité Européen de Normalisation Electrotechnique) and international (IEC - International Electrotechnical Commission) standardization organizations.

- **Confindustria Dispositivi Medici (Confindustria Medical Devices)**

Confindustria federation that unites, represents and enhances companies operating in the medical device industry in Italy.

- **Confindustria Genoa**

Association of enterprises adhering to the Confindustria system inspired by the value of free enterprise and free exercise of economic activity. Its members are businesses with registered offices or operating units in the metropolitan city of Genoa, which carry out activities in the production of goods or services, as well as business realities and associations that present elements of complementarity with the companies represented.

- **Distretto Toscano Scienze della Vita (Tuscan District Life Sciences)**

Regional cluster that aggregates public and private stakeholders operating in various capacities in the fields of Biotechnology, Pharmaceuticals, Medical Devices, ICT for Health, and Nutraceuticals.

The District works to facilitate, monitor, promote and coordinate the creation and development of opportunities for interaction, integration and innovation among its stakeholders. The goal is to grow and sustain the competitiveness, and the market and research potential of the regional territory through the development of support services and technology transfer, targeted initiatives and actions.

- **Polo Ligure Scienze della Vita (Ligurian Life Sciences Center - PLSV)**

A Research and Innovation center established through the initiative of the Liguria Region that aims to establish itself as a model of development and competitiveness for industrial, production and research systems in the field of Life Sciences. It does so by stimulating the demand for innovation and technology transfer, and building a connective tissue that supports and increases the operations of the companies involved.

1.2 Mission, vision and values

“*Complexity is simple*” is how Esaote defines its mission.

By combining advanced software with ultrasound and MRI systems, the Company can achieve the highest quality images and provide healthcare professionals with the best tools for deciding on the optimal therapy.

“*More in less*” is the *vision* of Esaote.

The Company believes in a future where highly accurate diagnoses will be made and treatment will be given using our own simple yet powerful medical devices as the first choice to support patient care.

Esaote's core values are the belief in teamwork, commitment, integrity, results and customer focus.

Ethics and compliance

The image features a vibrant teal background with a complex pattern of white, thin, curved lines that create a sense of motion and depth. The lines are most prominent in the lower half of the frame, where they form a series of overlapping, wavy bands that sweep across the bottom. The overall aesthetic is clean, modern, and professional.

The Company, aware of its responsibilities and duties, pursues ethical principles of governance, inspired by the protection of everyone's dignity and rights.

With this in mind, Esaote pursues and supports the Universal Declaration of Human Rights adopted by the UN, as well as the fundamental conventions of the International Labor Organization (ILO), making an active contribution in order that these principles are respected and implemented within its sphere of influence.

Since the Company was founded, Esaote's business strategy has been based on such cardinal principles as fairness, reliability, trust and honesty. It has attached the utmost importance to relationships based on mutual esteem and to long-term relationships with customers, suppliers and business partners, as well as the application of corporate management criteria under the banner of sustainability and the human factor.

The Company intends to gradually strengthen its corporate governance structure with a view to including a sustainability governance model by establishing a Sustainability Committee and a Sustainability Officer to support the CEO. This will enable it to progress on the path of raising awareness on the subject and to continue the path of integrating sustainability into the business strategy by creating long-term value.

2.1 Business ethics

As a multinational company with a worldwide presence, the Company has made it a point to comply with all the laws and regulations in force in each country where it conducts business.

It does so with a Board of Directors ("BoD") consisting of 6 members, appointed for a term of one year, which among its other functions, plays a role in guiding and evaluating the adequacy of the internal control and risk management system. The Board of Directors has chosen a Chief Executive Officer (hereinafter also "CEO") from its members, responsible for the establishment and maintenance of a control system suitable for pursuing the company's objectives in relation to the operational areas set forth by the respective delegated authority and also a Chief Operating Officer (hereinafter also "COO") with specific delegated authority over the following operational areas: R&D, Business Development, Global Marketing, Global Service, Operations and Supply Chain, Quality and Regulatory.

Board of Directors

Shuang Wu

Chairman

Franco Fontana

Chief Executive Officer

Guangming Wu

Member

Xie Yufeng

Member

Eugenio Biglieri

Member

Ombretta Faggiano

Secretary of the Board

In support of the Board of Directors, the Company also has a Board of Statutory Auditors composed of five members, two of whom are alternates. This supervises the adequacy of the organizational, administrative and accounting structure adopted by the Company and its actual functioning.

Esaote has its own Code of Conduct, approved by the Company's Board of Directors with a resolution dated February 2, 2016. It forms part of a regulatory framework that is binding for all employees and corporate bodies of the Company and is an integral part of the Organization, Management and Control Model pursuant to Legislative Decree No. 231/2001 (hereinafter also "Model" or "Mod 231"), representing the reference point for conducting business and corporate activities in full respect of all stakeholders.

Among other aspects, the Code of Conduct sets out in writing the ethical principles governing the relationship with commercial partners, suppliers and subcontractors, with the Government and political and trade union institutions, with competitors and professional associations and, finally, with the entire social fabric.

The Code of Conduct is inspired by the principle of upholding and respecting human rights as universally declared.

To this end, Esaote categorically rejects all forms of forced or child labor, both in its own facilities and throughout its value chain, progressively involving suppliers and subcontractors, as well as all discriminatory attitudes related to employment and occupation.

Mutual respect, tolerance and open-mindedness are the basis for building human relationships with the different cultures of the world, in all countries where the Company is present. In addition, respect for the protection of human rights is another indispensable aspect by which the Company is inspired, appropriately expressed within the Code of Conduct.

By adopting a participative management style, with well-defined responsibilities and based on peer-to-peer discussion and mutual respect and esteem, Esaote is committed to creating a welcoming and serene work environment in which its employees can operate independently and responsibly.

In addition, Esaote is committed to safeguarding the physical, psychological and moral integrity of its human resources and of those who, in any capacity, collaborate and/or have relations with the Company, including, to the extent applicable to them, suppliers and business partners, as follows:

- by protecting their privacy, as established by law and by the GDPR, minimizing the sensitive information that may be collected, divulged and held;
- by preventing any *bullying* or behavior that may cause psychological suffering, thus ensuring a healthy and cooperative work environment;
- by taking action to provide safeguards against any form of sexual harassment and gender discrimination. Indeed, Esaote pays particular attention to the processes of recruitment, hiring, training, promotion, growth and remuneration of its staff, condemning any distinction of race, religion, age, color, sex, nationality, disability or any other protected condition;
- adhering to a thorough system for safety at work, aimed at reducing the risk of personal accidents among employees and collaborators;

- only working with suppliers and commercial partners who share Esaote's values and its high ethical standards.

Also within the Code of Conduct, Esaote has included a section governing the prohibition for employees to accept any offer, payment, promise of payment, or authorization for payment of any sum of money, gift, loan, or any other thing of value offered directly or indirectly by any person, whether a public official or a private entity, for the purpose of influencing their actions or decisions in order to create or maintain business relationships or obtain any business advantage. Therefore, it prohibits its employees and collaborators from accepting any valuable items from suppliers, vendors or other persons who may be seeking to influence their actions or decisions in that way. In addition, employees are also required, within their own sphere of responsibility, to check that suppliers and subcontractors also comply with the principles and provisions of the Code of Conduct wherever applicable. In addition, the Code of Conduct requires all recipients to act without conflicts of interest, following the specific Company Guidelines.

2.2 Compliance

Through the close cooperation between the Compliance Officer, the Supervisory Board (hereinafter also referred to as "SB"), appointed in 2014 to strengthen Esaote's governance, and the Supervisory Bodies (Statutory Auditors and Independent Auditors), Esaote requires that the conduct of its business be based on high levels of integrity and legality.

For this reason, the Company has in place an attentive monitoring system for processes in which there is a risk of committing corruption offenses, by presiding over all the related functional areas from a preventive perspective.

³ Esaote's SB has a collegial composition with three members, two of whom are external.

This internal control system, approved by the Board of Directors, consists of rules, procedures and organizational structures, which enable Esaote to identify, measure, manage and monitor the main business risks.

The system consists of tools such as internal proxies, the Organization, Management and Control Model as per Legislative Decree 231/2001, Code of Conduct, Anti-Corruption Compliance System (*Management System Guidelines Anti Corruption - MSGA*), organizational documents such as organizational charts, procedures and job descriptions.

As provided for by Model 231, employees are invited to report, via a special whistleblowing procedure, any suspected or ascertained breaches of the law and/or regulations.

The procedures contained in Model 231 are subject to regular monitoring to ensure their consistency with the internal processes. In addition, a Group Compliance Officer has been appointed, a role assigned to the Chief Legal, Governance and Compliance Director who also serves as an internal member of the SB appointed in accordance with the provisions of Legislative Decree 231/2001. The role and responsibilities of this corporate figure are: identifying policies, thus guaranteeing compliance with the regulations to which Esaote is subject, supporting the application and monitoring of Model 231, training initiatives and internal communication activities on issues of legality, compliance and ethics. In addition, the Compliance Officer is responsible for the verification, control, application and updating of preventive protocols related to Model 231.

With reference to the management of any conflicts of interest, The Company's Board of Directors has approved specific "Guidelines on the Management of Conflicts of Interest" which form an integral part of the 231 Organizational Model (Annex 2.14.9) (hereinafter the "Conflicts of Interest Guidelines"). The Conflicts of Interest Guidelines include specific provisions for situations in which there is a con-

flikt of interest (either their own or of third parties) of Board Members and/or Effective Statutory Auditors, with the obligation for them to promptly inform the Company's Board of Directors. The body of which the Board Member or Statutory Auditor in a situation of conflict forms part will then perform a thorough and documented examination in order to assess the Company's interest as well as the possible economic and financial benefits and the appropriateness of the relevant terms and conditions. In addition, the Conflict of Interest Guidelines stipulate that before each item on the agenda of the meeting of the corporate body of which he or she is a member can be discussed, each Board Member and/or Statutory Auditor must disclose any interest (his or her own or that of third parties) that he or she may have in the matters or issues to be discussed, specifying their nature, terms, origin and scope. Upon occurrence, each case of conflict of interest is handled individually, as required by the Guidelines, with specific assessment of the aspects related to stakeholder disclosure.

With specific reference to corruption, Esaote applied for - and obtained on October 20, 2021 - the maximum score (***) related to the Legality Rating, according to the criteria set by the Italian Antitrust Authority - AGCM. This Rating represents an indicator of compliance with high standards of legality and therefore confirms the Company's commitment to the highest level of integrity and adherence to ethical principles.

Each initiative promoted by the Company in the area of anti-corruption is part of a long-term strategy, featuring the progressive involvement of suppliers, the analysis and verification of the supply chain value chain, and the provision of training for business partners.

As with the Code of Conduct, Esaote requires its main suppliers to comply with its AMSG Anti-Corruption Compliance System wherever applicable, and to require the same commitment from its partners and subcontractors.

All anti-corruption policies are approved and communicated to the Board of Directors. During 2020, a dedicated training activity was delivered to the Board of Directors, with 40% of its members participating.

With reference to its workforce and in support of corporate communication and knowledge, Esaote communicates to all its employees the publication of new Anti-Corruption Policies also through training activities.



Employees	2022		2021		2020	
	no.	%	no.	%	no.	%
Executives	26	84%	-	0%	26	87%
Middle managers	96	94%	1	1%	98	96%
Office workers	437	92%	59	13%	376	94%
Manual workers	39	72%	2	4%	47	100%
Total	598	90%	62	10%	547	94%

Table 4 Total number and percentage of employees who have received anti-corruption training

During the reporting period (2020, 2021 and 2022), the policies on anti-corruption were communicated to the entire corporate population.

In terms of training, the Company will continue to organize days dedicated to the topic of corruption prevention to stimulate its employees and collaborators.

The Company will continue training and awareness-raising initiatives for all employees on anti-corruption, ethics, and compliance with Legislative Decree 231/01, Management and Control Organizational Model, and the principles of the Global Compact, in order to continue to disseminate a corporate culture marked by legality to a mass audience, through the sharing of ethical principles, as well as behavioral and operational indications.

During the reporting period, in 2022, approximately 90% of the corporate population received training during a mass training initiative that is launched every two years and alternates customized training with training on specific risk areas or new hires.

In the event of any violations of the principles and provisions of the Code of Conduct and Model 231, sanction procedures are provided within the Company, with appropriate

disciplinary measures of which its employees and collaborators are aware.

All employees who are victims or witnesses of discriminatory attitudes are required to report these immediately to one of the persons specified in the procedures, such as the Chairman of the SB, the Compliance Officer, the SB, the Company's internal managers or the Human Resources (HR) Department. An internal investigation is carried out for each report and appropriate disciplinary measures are taken in case of incidents of discriminatory behavior or violation.

During 2022, Esaote carried out close monitoring of the application of the measures contained in the Organizational Model through periodic update sessions with the SB and the Board of Auditors.

In addition, in November 2022, Esaote together with the SB engaged a specialized consulting firm to carry out a specific audit on "Sponsorships, Donations, and Relations with Key Opinion Leaders (hereinafter also "KOLs")" in order to map any areas of risk.

Also in 2022, the Company put in place a series of initiatives aimed at raising its employees' awareness of the issues

contained in the Organizational Model, such as training sessions aimed at the entire corporate population, divided by function. In addition, the content of the Organizational Model was updated, and the updated text was communicated to the entire corporate population and uploaded to the Company's website.

In addition, the Company has not received any reports concerning suspected violations or breaches related to the application of Model 231, nor cases of non-compliance concerning marketing communications.

The Company, with reference to the three-year reporting period, has not received any reports on the subject of human rights violations.

The Company aims to consistently maintain high levels of integrity and legality in the conduct of its business.

As proof of this, during 2023, Esaote intends to progressively launch an anti-corruption training program to its distributors and key suppliers on a global scale.

Trained personnel in corruption matters:

84%
executives

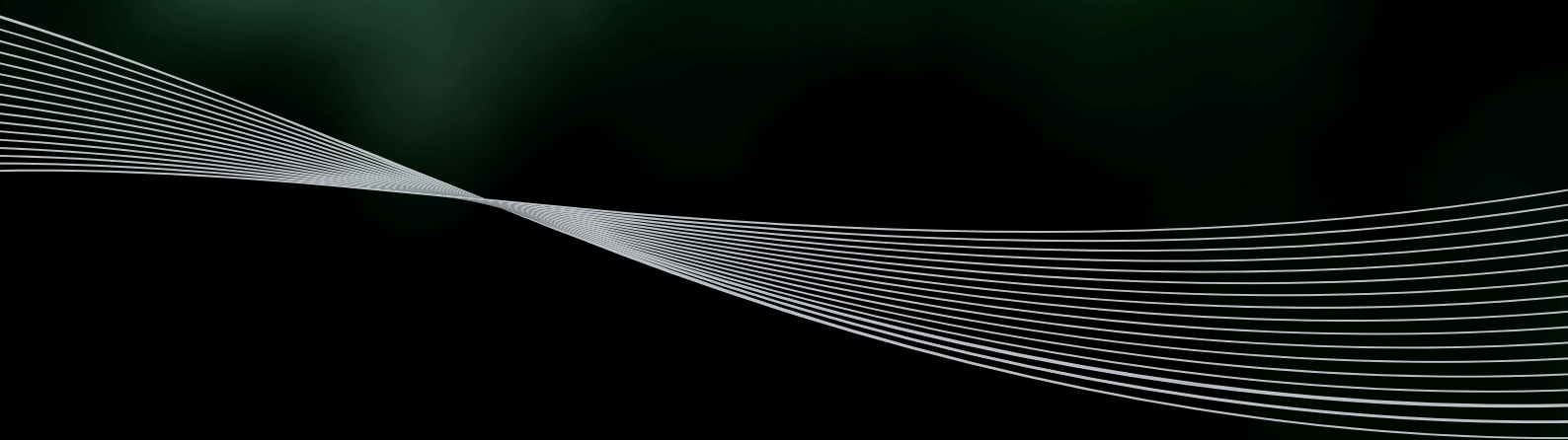
94%
middle
managers

92%
office
workers

72%
manual
workers



Valuing our people



For Esaote, the development of its human capital is part of the strategy the Company is implementing to foster its sustainable development.

Ensuring health and safety within the workplace and increasing people's well-being, through welfare initiatives and the creation of an adequate work-life balance, are the Company's foundations for creating a healthy work environment based on mutual respect and trust. Esaote has set itself these goals in order to be increasingly competitive and attractive to both internal resources and potential candidates.

The general global crisis in the world of work, marked by the "Big Quit" phenomenon in recent years, has led Esaote to reflect on its approach to Human Resources. Therefore, having as its primary objective the allocation of the Company's resources in such a way that their combination ensures Esaote's competitive advantage, the Company has adopted two main directions, enhancing internal resources by creating ad hoc training programs supported by welfare support tools and increasing its selection policies in terms of both brand enhancement and efficiency.

In fact, in keeping with an open *Smart Working* policy, Esaote has initiated a project to revisit the office layout, with a work desk reservation system and the placement of individually assigned lockers, in the perspective of a clean desk approach, thus encouraging collaboration among staff, while also promoting teamwork.

Over the past few years, Esaote has created a corporate climate in which its employees can operate independently, which presupposes for each person the active assumption of responsibility in his or her own sphere of operation and according to his or her competencies. The personal and professional growth of its employees is essential for Esaote, supported also by specific training and refresher courses.

For the future, Esaote has set as its goal the continuation of its work in supporting and enhancing its people, by carrying out more and more training and personal-professional development actions.

The Company will focus in particular on corporate welfare programs, with the introduction of new tools and services in order to ensure the continuation of an inclusive environment and to enable employees to find a proper work-life balance. Esaote will also work in 2023 to ensure that employee experience is understood as the set of activities and strategies implemented by an organization aimed at giving employees the best possible work experience. Since Esaote's employees embody the ultimate expression of the company's core values, in 2023 the Company will launch the "WW" collaboration platform, which provides integrated services in areas ranging from welfare to language exchange.

3.1 Our people

The Human Resources function (hereinafter also referred to as "HR" or "HR function"), has long been at the forefront in the defense of human rights and in the development of human capital, guaranteeing all workers equal pay and equal opportunities for professional growth.

This Function engages by carrying out a variety of actions designed to:

- foster, for example, the work-life balance through internal or external services, promoting and implementing Welfare initiatives to improve worker well-being;
- constantly update the existing company policies;
- establish internal and external programs aimed at developing the soft and hard skills of all employees.

Since each person is considered as a whole (mental, physical and social health): the HR Function coordinates

health protection measures, aided by the Occupational Safety department, occupational physicians, workers' safety representatives and members of the Company Management.

As of December 31, 2022, Esaote has 663 employees, an increase of 17 compared to 2021 and of 82 compared to 2020. All employees are covered by collective bargaining agreements, with women accounting for about 29%, up one percentage point from the previous year. Most of Esaote's workforce has a full-time permanent contract, accounting for about 96% of the company's population. In addition, during the year, Esaote used the services of 12 freelancers (two more than in the previous fiscal year), 10 men and 2 women, who were employed to replace employees on maternity leave and to ease peak workloads in production departments.

Compared to the previous year, there was a decrease of about 93% in fixed-term contracts, attributable to the conclusion of the company's Academy project, which generated the placement of 19 young recent graduates on fixed-term contracts in 2021.

Employees by contract ⁴	UoM	2022 Italy			2021 Italy			2020 Italy		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
No. of employees	no.	472	191	663	460	186	646	421	160	581
Permanent	n	471	190	661	446	173	619	420	159	579
Temporary	n	1	1	2	14	13	27	1	1	2
Full time	n	471	168	639	459	160	619	420	129	549
Part-time	n	1	23	24	1	26	27	1	31	32

Table 5 Employee breakdown by employment contract and type of employment

⁴ The number of Esaote employees is expressed in Head Count. In addition, for the years of the reporting period, the gender and contract type categories are the only ones reported in the tables pertaining to personnel.

Non-employee workers	Unit of measurement	2022 Italy			2021 Italy			2020 Italy		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
No. of manual workers	no.	10	2	12	9	1	10	6	3	9

Table 6 Breakdown of non-employee workers

663
total employees

96%
full-time permanent

47
incoming employees

The personnel selection process is managed directly at Corporate level and then passed on to local managers following a request from the Head of Function to hire new personnel. The job opening process is successfully concluded following approval by the top management of the Corporate HR Function, which assesses its economic feasibility and human capital needs. Thereafter, the relevant HR Manager is tasked with creating the most appropriate strategy in order to meet the need of the requesting Function. This strategy may involve either opening a job posting or working with a partner such as a headhunter or recruitment firm, or deciding to manage the vacancy internally with the most appropriate tools.

In 2022, the Company activated initiatives aimed at enhancing its appeal to potential staff and increasing its recruitment through collaborations with schools and training institutions. These included activating not only refining tools,

such as digital questionnaires or psychometric tests for key positions, and for the selection of candidates, but also setting up a recruitment strategy that includes new online steps, thus redefining the tone of voice to be maintained for the communication to ensure Esaote remains more attractive in the market. In fact, the Company plans to launch a new digital on-boarding initiative in the short term, in order to increase its appeal to the new generations.

During 2022, Esaote invested heavily in recruiting new staff and in its own resources, offering jobs to 47 people, mostly between 30 and 50 years old and under 30 years old, representing 55% and 36%, respectively, of the 47 employees who joined Esaote.

Compared to 2020, there was a decrease in recruitment of about 8 percent, due to the fact that the Academy project ended in 2021.

With reference to the number of staff departures, during 2022 the number of employees returned to standard levels due to the recovery of the labor market from the “Big Quit” phenomenon, going from 15 in 2021 to 30 in 2022. This reduction occurred in both genders, with a greater decrease registered in the >50 male age group. Over the three-year period, about 48% of employee departures were mainly due to retirements and about 39% to staff resignations.

In general, Esaote's turnover rate has remained roughly stable over the three-year reporting period, passing from 13.77% in 2020 to 14.71% in 2021, and finally to 11.61%

in 2022. The largest percentage increases are registered within the 30-50 age group of men, which is on the upturn compared to 2020. In addition, a decrease is recorded in the >50 years age group, again for the male gender, since 2020 (from 10.90% in 2020 to 3.91% in 2021 and 6.12% in 2022).

With reference to the female gender, it can be seen that, over the three-year period, the turnover rate increased only in the <30 age group in 2021, a trend in contrast to the other age groups reported, before returning to standard levels in 2022.

Hirings	UoM	2022			2021			2020		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
<30	no.	10	7	17	21	16	37	12	6	18
30-50	no.	17	9	26	27	13	40	19	10	29
>50	no.	4	-	4	3	-	3	3	1	4
Total	no.	31	16	47	51	29	80	34	17	51
Outbound turn-over by gender	%	66%	34%	100%	64%	36%	100%	67%	33%	100%

Table 7 Number of incoming employees by age group and gender

As a testament to how much Esaote cares about investing in its local area, an unparalleled resource, during 2022 Esaote's total workforce included about 20% of *Senior Man-*

*agers*⁵ hired from the local community in which the Company operates, split between 10.56% in the Genoa site and 4.07% in the Florence site, respectively.

Terminations	UoM	2022			2021			2020		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
<30	no.	1	2	3	1	-	1	1	-	1
30-50	no.	7	5	12	5	-	5	1	4	5
>50	no.	11	4	15	6	3	9	20	3	23
Total	no.	19	11	30	12	3	15	22	7	29
Inbound turnover by gender	%	63%	37%	100%	80%	20%	100%	76%	24%	100%

Table 8 Number of staff departures by age group and gender

Turnover rate	UoM	2022			2021			2020		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
<30	%	32.35%	37.50%	34.48%	66.67%	69.57%	67.86%	72.22%	60%	67.86%
30-50	%	12.44%	15.05%	13.29%	16.24%	14.44%	15.68%	10.42%	16.09%	12.19%
>50	%	6.12%	5.41%	5.96%	3.91%	4.11%	3.96%	10.90%	6.35%	9.85%
Total	%	10.59%	14.14%	11.61%	13.70%	17.20%	14.71%	13.30%	15%	13.77%

Table 9 Turnover rate by age group and gender

³ The term Senior manager refers to executives and middle managers relating to the workforce as of 31.12 in Esaote S.p.A.

⁴ The term local community refers to the company's two main sites, Genoa and Florence, and counted staff who have residences in the two provinces.

FOCUS

Covid-19: the proactive approach demonstrated by Esaote

Following the Covid-19 pandemic, Esaote has activated a flow of information and training communication towards its resources, such as: activities, press releases, internal notes regarding operating procedures and any rules of conduct to be observed, as well as specific communications on the methods of access to corporate offices. Thanks to the investments made over the years in technology, Esaote has ensured that its people are always aligned with the legal and regulatory requirements on the subject of Covid-19, with decisions regarding strategies to contain the pandemic at its offices, thus guaranteeing a adequate level of support for customers also in *work from home* mode.

The measures listed below were discussed and agreed in the committee. The committees were established on 18/03/2020 for Florence and on 28/04/2020 for Genoa, as indicated in paragraph 13 of the "Shared protocol for regulating measures to contrast and contain the spread of the Covid-19 virus in workplaces" of March 14, 2020 signed between the Government and the Social Partners.

The main measures were:

- distancing and sanitation rules (March 2020);
- dedicated *e-learning* training modules (June 2020);
- agile working methods (March 2020);
- division of activities into departmental shifts (Florence, March 2020);
- segregation of departments (Multyedo April 2020);
- obligation to use specific PPE (April 2020);
- extraordinary and periodic sanitation program (March 2020);
- installation of transparent barriers in offices and canteens (canteen Florence and Multyedo April 2020);
- input temperature detection (April 2020);
- proceduralization of the measures to be implemented in the event of covid-19 in presence (April 2020);
- health surveillance and involvement of the Company Doctor (April 2020);
- maintenance and sanitization activities of the aeraulic systems according to the guidelines of the Istituto Superiore di Sanità (April 2020);
- additional information for external workers and visitors (April 2020)

To date, the surveillance of any exacerbation phenomena of Covid-19 remains unchanged and constant, as well as the variation of the regulations given by the responsible bodies.

3.2 Gender equality, diversity and inclusion in Esaote

Esaote is committed to hiring employees regardless of their gender, background, religion, culture, sexual orientation, language, nationality, age or disability. All employees are also offered identical employment and promotion opportunities, as well as career opportunities in management and technical areas, through a standardized process.

In its ESG transformation journey, Esaote focuses, among other things, on social issues and attention to people by emphasizing the concept of work not only as an economic factor but also as a factor for social advancement and for improving the quality of one's own and one's family's life.

The richness of Esaote's human capital is also due to the existence of different generations in the company who are stimulated and incentivized to work collaboratively and openly so as not to lose the value of experience yet allowing younger people to make their own contribution of ideas and renewal strategies.

Also thanks to concrete inclusive and flexibility policies supported by specific projects developed by Esaote in recent years such as the Academy of 2021, the “smart organization” project launched in 2019, and the Ebit Academies of 2022 and 2023, Esaote succeeds in making the most of specific human capital, both female and male, while respecting individual personal and family prerogatives.

Esaote's commitment to diversity is also evident from the trend in the composition of its workforce. In the last three years, the female component of its total workforce (663 employees) has increased by one percentage point, and accounts for nearly 30%, rising from 186 female employees to a total of 191, as shown below.

Percentage of employees by occupational category, age group and gender													
2022	UoM	<30			30-50			>50			Total		
		Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	%	-	-	-	75%	25%	100%	93%	7%	100%	90%	10%	100%
Middle Managers	%	-	-	-	72%	28%	100%	89%	11%	100%	84%	16%	100%
Office Workers	%	57%	43%	100%	68%	32%	100%	71%	29%	100%	68%	32%	100%
Manual Workers	%	80%	20%	100%	58%	42%	100%	65%	35%	100%	63%	37%	100%
Total	%	59%	41%	100%	67%	33%	100%	77%	23%	100%	71%	29%	100%

Table 10 Percentage of employees by occupational category, age group and gender in 2022

Percentage of employees by occupational category, age group and gender

2021	UoM	<30			30-50			>50			Total		
		Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	%	-	-	-	71%	29%	100%	95%	5%	100%	90%	10%	100%
Middle Managers	%	-	-	-	74%	26%	100%	87%	13%	100%	84%	16%	100%
Office Workers	%	58%	42%	100%	69%	31%	100%	69%	31%	100%	68%	32%	100%
Manual Workers	%	75%	25%	100%	59%	41%	100%	67%	33%	100%	63%	37%	100%
Total	%	58.9%	41.1%	100%	68.6%	31.4%	100%	75.9%	24.1%	100%	71.2%	28.8%	100%

Table 11 Percentage of employees by occupational category, age group and gender in 2021

Percentage of employees by occupational category, age group and gender

2020	UoM	<30			30-50			>50			Total		
		Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	%	-	-	-	71%	29%	100%	96%	4%	100%	90%	10%	100%
Middle Managers	%	-	-	-	81%	19%	100%	87%	13%	100%	85%	15%	100%
Office Workers	%	59%	41%	100%	69%	31%	100%	70%	30%	100%	69%	31%	100%
Manual Workers	%	83%	17%	100%	52%	48%	100%	72%	28%	100%	64%	36%	100%
Total	%	64%	36%	100%	69%	31%	100%	77%	23%	100%	72%	28%	100%

Table 12 Percentage of employees by occupational category, age group and gender in 2020

All employees are also offered the opportunity to balance work and family through part-time employment models. Esaote is also committed to providing a fully inclusive

work environment for people with disabilities. In fact, about 6% of the company population belongs to the protected categories⁷.

⁷ The data of the protected categories considers all employees in the Disabled and Protected categories hired or calculated via the local mandatory employment offices and present in the annual report "Information Prospectus for People with Disabilities"

Total employees in protected categories

	UoM	2022			2021			2020		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	no.	-	-	-	-	-	-	-	-	-
Middle Managers	no.	4	1	5	4	1	5	4	-	4
Office Workers	no.	14	14	28	13	12	25	14	11	25
Manual Workers	no.	4	1	5	3	1	4	3	1	4
Total	no.	22	16	38	20	14	34	21	12	33
Percentage by gender	%	5%	8%	6%	4%	8%	5%	5%	8%	6%

Table 13 Number of employees in protected categories

Esaote S.p.A. pays its staff in strict compliance with the collective bargaining agreements established by the national employment contracts for the metalworking category (private sector), and complies with the social security and welfare obligations in force across Italy. No distinction is made between part-time and full-time workers in relation to supplementary benefits.

With a view to developing the value of its resources, Esaote's compensation policies undergo a salary review process that generally starts at the beginning of each year. The scope of this review is the entire company population and it takes into consideration several variables, such as: market benchmarks, position grading, individual and group performance, fixed and variable compensation. All Heads of Function are included in variable incentive systems, managed annually and formalized in special procedures, which evaluate the corporate, function and individual performanc-

es. Specifically, the Heads of Function submit their proposals to the Human Resources function, which assesses compliance with the general criteria used for compensation policies and the conformity of the overall amounts approved in the budget. The overall proposal is further evaluated by the CEO and COO, who approve the final implementation of the plan. Only any actions in favor of the COO, or those for whom compensation is expected to exceed a certain salary threshold, require formal validation by the BoD.

As an alternative to salary increases, another tool used within the salary review process, and one that follows the same approval process, is lump sums.

With specific reference to Senior Managers, these too are included within the annual salary review process applied to all Esaote employees. The variable systems for Senior Managers are composed of the *Management by Objectives*

rating (hereinafter also referred to as "MBOs"), attributed to Non-Managerial Executives, the *Company awards* attributed to Non-Managerial figures, and the *Sales incentives Plan* attributed to sales personnel, including Executives.

With reference to severance pay (hereinafter also referred to as "TFR"), there is a supplementary pension scheme applied to the senior positions, as well as a form of supplementary health care.

The positions held by members of the Board of Directors do not provide for specific compensation, while any com-

pensation measures concerning the CEO are defined by the Board of Directors itself through amendments to the *Director Service Agreement*.

Currently, the ratio of women's salary to men's salary within the Company sees a greater variance in almost all professional categories, with the exception of that of the middle managers, which is almost equal. In fact, the ratio of the base salary of female to male middle managers turns out to be 99.58%, an increase of about one percentage point from the previous two-year period.

Ratio of women's basic salary to men's basic salary

	2022	2021	2020
Executives	107.56%	105.53%	105.52%
Middle Managers	99.58%	97.56%	97.20%
Office Workers	90.30%	91.68%	93.18%
Manual Workers	90.27%	88.49%	89.36%

Table 14 Ratio of women's basic salary to men's basic salary

On the other hand, when analyzing the total salary ratio of women to men, within Esaote it can be seen that the numerical inherent in the middle manager class varies, decreasing by 4 percentage points compared to the basic salary ratio, thus resulting in about 95%. However, the largest difference in salary within Esaote occurs in the office worker category, at 81.24%, although this is nonetheless up from the trend in the previous two-year period when it was just over 78%.

Ratio of women's total compensation to men's total compensation

	2022	2021	2020
Executives	110.15%	108.20%	106.98%
Middle Managers	94.95%	95.42%	98.00%
Office Workers	81.24%	78.59%	78.85%
Manual Workers	95.48%	89.02%	86.96%

Table 15 Ratio of women's total compensation to men's total compensation

3.3 People training and development

Despite the pandemic emergency situation, Esaote provided about 23,630 hours of training between 2022 and 2021 with an average of 18 hours per year, specifically 11,925 in 2022 and 11,705 for 2021, with a focus on technological innovation and soft skills, up about 5% from 2021.

Average hours of training per employee										
	UoM	2022			2021			2020		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	hours	7	4	7	5	15	6	16	11	16
Middle Managers	hours	7	4	7	17	40	20	14	19	14
Office Workers	hours	24	14	21	14	18	16	18	14	17
Manual Workers	hours	25	17	22	58	17	43	8	6	7
Total	hours	20	13	18	18	20	18	17	14	16

Table 16 Average hours of training per employee

Since people are one of the pillars on which Esaote bases its business, the Company requires that all employees take or have taken an **all-inclusive basic course in occupational safety and health**. The training and refresher program offers a variety of courses in the area of prevention and health, specifically on topics such as work-life balance, ergonomics in the workplace, time management, and the management of the ongoing activities.

In addition, Esaote has planned ad hoc training courses for the development of all employees' **soft skills** and **hard skills**, through structured programs and procedures. When preparing the budget, the functions are asked in advance to indicate the topics and possible content on which to focus the HR function's training activities for the following year. Annually, Esaote assesses the competencies of all professional profiles with the aim of identifying different training

gaps. By doing so, the Company is able, depending on the budget drafted, to prepare ad hoc training for its employees. The budget for resource training is subsequently approved by the CEO and the training offering is implemented accordingly.

Esaote has provided for the use of the aforementioned training courses both in-person and online in e-learning, distance learning (hereinafter also "DL") and Masterclasses, i.e. virtual classrooms in which a senior resource shares his or her know-how on a specific topic, which can be useful across different functions. Note that the training courses are taught both by specialized external providers and by internal Company personnel. In case the training course is taught by an internal resource, the staff delivers the training with or in the form of *Masterclasses*.

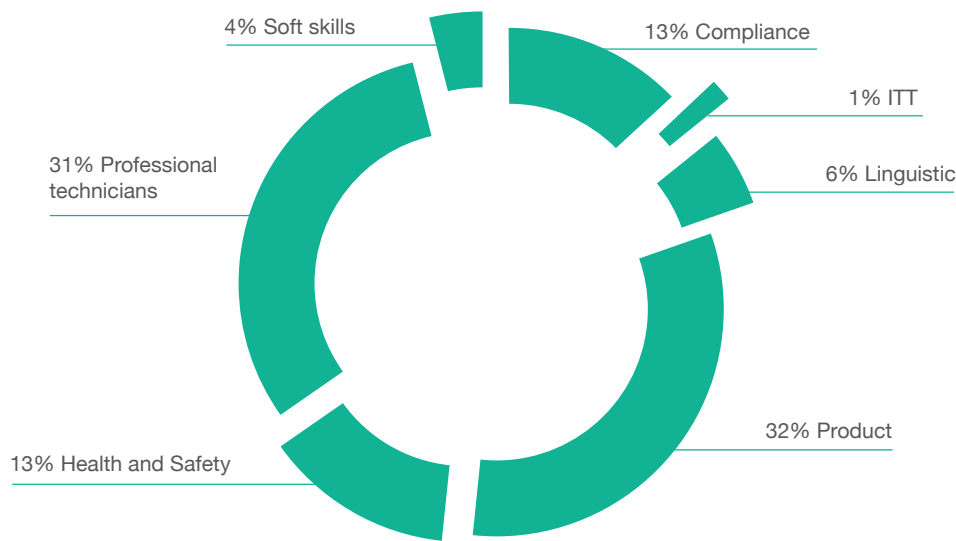


Figure 5. Training courses delivered in 2022 by topic

Since all Esaote employees attend special training courses to ensure that they perform duties and roles in a professionally correct manner thereby fulfilling both the Code of Conduct and all the legal provisions, the Company has committed to the establishment of the following projects:

Egeneration Academy project

To meet the needs for integration and training of young people specialized in the sector of advanced technology dedicated to diagnostic systems and *Information Technology* for healthcare, in 2021 Esaote launched this project, so establishing a veritable *Academy* for talented young graduates in the STEM subjects (science, technology, engineering and maths), concluded in 2022. Carried out with several universities in the Genoa and Tuscan local communities and thanks to the collaboration with *Synergie*, a training and personnel selection company, Esaote placed 19 young people, selected according to the procedure described in the University's Call for Applications, which included the provision of a 5-week general training course: technical training courses delivered by Esaote and soft skills development courses delivered by *Synergie* in addition to a series of specialized notions. Having proved very well-prepared and suitable to continue the training course

at the company, all 19 young people were hired on specialist pathways in the various departments of Esaote, initially on a paid contract lasting six months, which was converted to a permanent contract at the end of this period of theoretical and practical study.

A survey carried out among the participants collected decidedly positive opinions on the Academy, rating the experience as extremely relevant and useful for entering the world of work. Feedback from the Heads of Function was also collected. This experience had a positive impact on the Company, helping to intensify the actions and investments aimed at strengthening the corporate culture in terms of human capital, by promoting diversity, skills and the spirit of integration.

Training Hub

Training hub is a platform applied to all legal entities at the Group level, providing a vast range of wide-ranging courses with a focus on soft skills. Given Esaote's strategic goal of having highly trained and qualified personnel in the work environment, such a system makes it possible to support the development of the resource's skills by planning training interventions.

The courses are delivered online through *e-learning*, training videos, *webinars* or digital classrooms to facilitate all users, wherever they are. This new initiative links the individual worker's desire for professional and personal growth with the need to maintain a high level of competitiveness within the Company. Esaote has put a great deal of emphasis on the fact that this project was not only aimed at filling training gaps, also placing itself in a proactive perspective and aiming to train people according to the company's needs, redesigning career paths according to more open and agile logics, based on sharing, real-time data collection and analysis, and continuous feedback: the resource that can also be a protagonist in the training proposals, will thus end up playing a crucial role in achieving the Company's business objectives, so playing an active role in Esaote's business strategy.

Through the Training Hub platform, Esaote can enhance the mapping of the skills of each Company resource in order to be in a position to ensure their professional development. Thanks to such a tool, it is possible, for example, to monitor the career paths and targeted training that the resource has embarked on and completed, but also to calibrate the different training activities and strive to make them the best fit for the resource. In 2022 the Company introduced a "*Gamification*" initiative, a competition offering additional hours of individual language training as a prize.

The subject areas covered by this platform are as follows:

- **Professional:** Esaote supports all resources eager to improve their professional skills, i.e., wide-ranging skills that can make a difference and implement the quality of work.



- **Leadership & Managerial:** Esaote aims to increase managerial skills for all managers at all levels, making them inspire their teams and achieve outstanding business results.
- **Sales Effectiveness:** this course serves to instruct the resource how to pro-actively provide satisfactory responses to customer inquiries.
- **In-House Masterclass:** this is an innovative mode of training and development, in which the employees teach other colleagues a particular discipline in which they are "experts," spreading their know-how and increasing solidarity in the work team.
- **Language:** all employees have access to a multilingual, multidisciplinary platform for 12 months, with the possibility of extending that access to a friend or relative.
- **On-boarding:** courses to provide new employees with all the tools they need to become fully operational, to integrate with the company structure and to become productive immediately.
- **Sustainability:** the courses included in the sustainability container pertain to sustainability in the broadest sense of the term. Sustainability refers to the ability to manage or support a process with continuity: it assumes that resources are finite and must be used sparingly and in a balanced way, taking into consideration long-term priorities and the consequences of the methods by which each resource is used. The courses contain insights, and suggestions for developing a long-term reconciliation of environmental and economic prosperity.
- **Self efficacy:** The term Self-efficacy refers to an individual's confidence in his or her ability to adopt the behaviors necessary to achieve certain goals. Self-efficacy affects every area of human activity: by determin-

ing an individual's confidence in his or her own power to change situations. It strongly influences both his or her ability to competently deal with the challenges that arise and the decisions the individual will make. This type of training aims to support the individual in better mastering work and non-work situations.

- **Performance Management:** this container includes all the information regarding the *Performance management* process implemented in Esaote. It is a system implemented to align each employee with expectations, goals and career progression. The aim is to converge individuals' work with the Company's overall vision, creating an environment where people can express the best of their skills within their role and thus do the best they can. With this in mind, Esaote, paying increasing attention to resources and the enhancement of the individual's skills, has launched this *Performance Management* project, linked with other tools in the company such as skills assessment.

3.4 Company welfare

Esaote has implemented *Welfare* initiatives aimed at improving the quality of its employees' working life and well-being. In these years of uncertainty and instability, the Company wanted to offer more security to its staff; in fact, Esaote signed a union agreement aimed at strengthening measures to support families and new parents by offering a one-time payment for birth and/or adoption, a contribution for daycare, and the extension of the leave due for a happy event over and above that provided by Italian law.

Specifically, these initiatives have focused on the following lines of action:

- promoting a healthy work-life balance;
- the organizational climate and the sustainability of the work environment;
- technology infrastructure and applications to support *Smart Working*;
- skills development by means of webinars and continuing training
- adoption of hybrid organizational models to ensure a return to work in person with adequate space and safety measures.

Specifically, the Company offers its employees the following services:

- **working hours:** since elasticity is considered a facilitating element for the worker, the employee will have to adhere to the average of 40 working hours per week, being able to balance work and personal commitments;
- **leave for particular events:** 3 days per year and one additional day in case of bereavement;
- **leave for happy events:** one additional day is granted beyond the leave envisaged by law;
- **loyalty bonus:** Esaote awards financial bonuses for seniority;
- **purchase of glasses:** the Company offers a financial contribution for the purchase of a pair of spectacles;
- **free children's magazine subscription:** this is provided to all employees with children aged under 10 years;
- **canteen service:** in the Company's locations where such a service is guaranteed, in case there is no such service, meal vouchers are provided;
- **insurance for permanent disability due to illness:** insurance with life annuity is provided in case of permanent disability due to illness;

- **life insurance policy:** this is an additional form of social security, which applies in the event of an accident at work or death due to illness.

In addition, as well as the provisions of the National Collective Bargaining Agreements for the metalworker category, Esaote provides an amount that can be used for welfare that exceeds the provisions of said Agreement, which also guarantees healthcare through the Metasalute fund. Esaote contributes financially to the Assistance and Solidarity Fund (FAS), a nonprofit association that embraces the principles set forth in the Universal Declaration of Human Rights. The purpose of this association is to reimburse all or part of the ordinary and specialized healthcare expenses incurred by its members. In addition, Esaote also makes available specific agreements with testing institutions.

Esaote aims to ensure a flexible and dynamic work environment, thus developing a work culture based on responsabilization, autonomy and trust. In fact, the Company has an "open Policy" in place based on the managerial responsibility of the manager, who has the task and duty of ensuring and verifying that the work of its employees takes a new approach, oriented towards flexibility, innovation and process oversight, the promotion of delegation and decision-making, and group accountability for results. Also for this purpose, a hybrid workspace has been created, combining remote work and in-presence work to bring about for a significant reduction in consumption and thus emissions in terms of environmental impact. This *Policy* applies to all Italian offices and all workers in Offices and Functions in which Agile Work can be applied, as defined with a policy in force from the beginning of 2022, which has been specifically adopted as an opportunity, thus allowing workers wide discretion, and so recognizing the value of each individual, and his or her specific needs.

Esaote already had an Agile Work *Policy* in place prior to the pandemic emergency, part of a broader strategic strand of corporate policies of "flexibility" applicable to work times and organization.

This initiative confirms Esaote's ongoing commitment to promoting innovative solutions in order to ensure a better work-life balance for its employees.

In addition, Esaote, with a view to evaluating the progress of the new *Policy*, is working to introduce periodic monitoring tools such as: mini-surveys or self-assessment and evaluation forms, with respect to various aspects, listed below:

- ratio between attendance at the office in person and days spent Agile Working
- promoting a healthy work-life balance;
- experiences, skills and autonomy gained and acquired
- effectiveness of the working performance and policy in terms of the organization and Company activities;
- impact of Agile Working on the use of vacation, leave and overtime accrued annually;

- impact of activities carried out outside their usual time slot
- impact on the environment
- meetings management.

3.5 Occupational health and safety protection

Esaote has a health and safety policy based on the four pillars below:

- health and safety as a life and professional value;
- the promotion of work behaviors and procedures that



respect health and safety and the pursuit of continuous improvement in these areas;

- responsabilization of the workers at various levels regarding personal safety and of anyone performing work for the company;
- health and well-being as a requirement for a stimulating and peaceful work environment.

In observance of this policy, Esaote is committed to eliminating all injuries and minimizing accidents: with reference to health hazards of a physical, chemical, biological and ergonomic nature, the primary objective is to minimize them according to current standards.

Within Esaote, all business processes comply with nationally and internationally recognized standards, far exceeding the minimum requirements regarding labor standards. Therefore, Esaote not only averts accidents and risks and ensures a safe workplace, but also includes a number of preventive measures aimed at protecting the health of its employees and enhancing their individual well-being. As such, Esaote periodically conducts workplace inspections to verify the proper implementation of these intentions: for example, checks are carried out both in the administrative environment, on whether office workstations are set up ergonomically, and in production departments, in order to reduce health risks.

The Company has an occupational health and safety management system in place so that there is constant monitoring and improvement of occupational safety and health protection. Esaote has set up an ad hoc organization for each individual site, including health and safety managers and employees; these work to implement preventive measures and enforce compliance.

Esaote, pursuant to Legislative Decree 81/2008, has in place the process of **risk assessment** as a central and foundation-

al element of the activities of verification and implementation of safety systems or more generally of the safety of work environments. Such work is always kept under constant control by the internal Health and Safety Officer. Note that the hazard identification and risk assessment procedures for the explication and implementation of prevention and protection measures are described within the Risk Assessment Document drafted in accordance with Legislative Decree 81/2008. The scope of these procedures covers all the work tasks carried out by the employees, the workplaces located at Esaote's premises and also the workplaces of third parties where specific activities are to be carried out (healthcare facilities, etc.).

In order to ensure compliance with the requirements of Legislative Decree no. 81/2008, improvements have been made to the occupational health and safety management system thanks to the **assignment of specific tasks** to the various company functions in relation to their roles in the company and consequently to their respective attributions and competencies.

An **organization chart** is defined within the Company in which the specific roles of each appointed resource (Employer, executives, designated workers, Workers' Health and Safety Representative, Health and Safety Officer, Safety Technician, coordinating physician, company physician, authorized physician, emergency management personnel, radiation protection experts) are indicated. In doing this, Esaote ensures that each figure receives the necessary training and support. The duties and responsibilities assigned to the individual company figures according to their roles and powers are enshrined and formalized in procedures and instructions. The designated workers and managers are also actively involved in risk control and continuous improvement. The efficiency of the system is maintained thanks to:

- analyses performed on accidents and possible injuries;

- the maintenance of systems for the analysis and evaluation of health and safety risk levels under the control of the internal H&S function, ensuring continuous improvement;
- a management and control system for contracted activities;
- any findings as a result of visits by inspection agencies;
- direct feedback from designated workers through checklists shared periodically with managers and the H&S function (which reports to the Site Manager);
- education and training in this area;
- instructions for carrying out activities at third parties;
- management of contracted activities;
- findings related to health surveillance activities.

In addition, note that for the management of activities carried out by third parties there is a detailed procedure that coordinates the concretization of the duties provided for in Title I and Title IV of Legislative Decree 81/2006 in cases falling within their respective fields of application, which take into account the originality of industrial, and more generally work processes.

On the subject of training in the field of health and safety, the HR Function is responsible for providing the following training courses in the field of Health and Safety at Work in the case of new hirings or job changes, as defined by specific company procedure, regulatory provisions (Legislative Decree 81/2008 and related standards) and in accordance with the relevant State-Regions Agreements:

- general training (duration of 4 hours);
- specific office worker training (duration of 8 hours);

- specific training for workers assigned to "operational" tasks (duration 12 hours);
- supervisor training (8-hour duration), additional to general and specific training for workers;
- executive training (total duration 16 hours);
- medium risk fire and emergency management training (duration 8 hours);
- high risk fire and emergency management training for emergency management officers according to the coordinated Emergency Plan (hereinafter also "EP") of the Genoa site (duration 16 hours);
- first aid training (12-hour training course).

Finally, training sessions are provided on topics deemed to be of higher risk, of interest to individual tasks or task groups, in addition to the specific training provided. Specifically, training sessions are provided on the following topics:

- ionizing radiation (by the qualified expert);
- Electro Magnetic Fields (hereinafter also referred to as "EMF");
- noise;
- hazardous substances;
- electrical hazard.

Below is the table of injuries for the three-year period 2020-2022.

The injuries that occurred in FY2022 refer to a traffic accident, an upper limb injury, and a sprained back injury, respectively. In addition, the absence of injuries that occurred in 2020 can be attributed to the reduced regime of activities in the field and in the various plants due to the various lockdowns during the pandemic.

Employee injuries

	2022		2021		2020	
	N.	rate	N.	rate	N.	rate
Number of hours worked	1,051,098	-	1,000,048	-	734,618	-
Number and rate of deaths as a result of occupational injuries	-	-	-	-	-	-
Number and rate of occupational injuries with serious consequences (excluding fatalities)	-	-	-	-	-	-
Number and rate of occupational injuries	3	2.85	2	2	-	-

Table 17 Number and rate of occupational injuries

Average injury duration

2022			2021			2020		
no. days lost due to injury	no. injuries	tot.	no. days lost due to injury	no. injuries	tot.	no. days lost due to injury	no. injuries	tot.
57	3	19	15	2	7.5	-	-	-

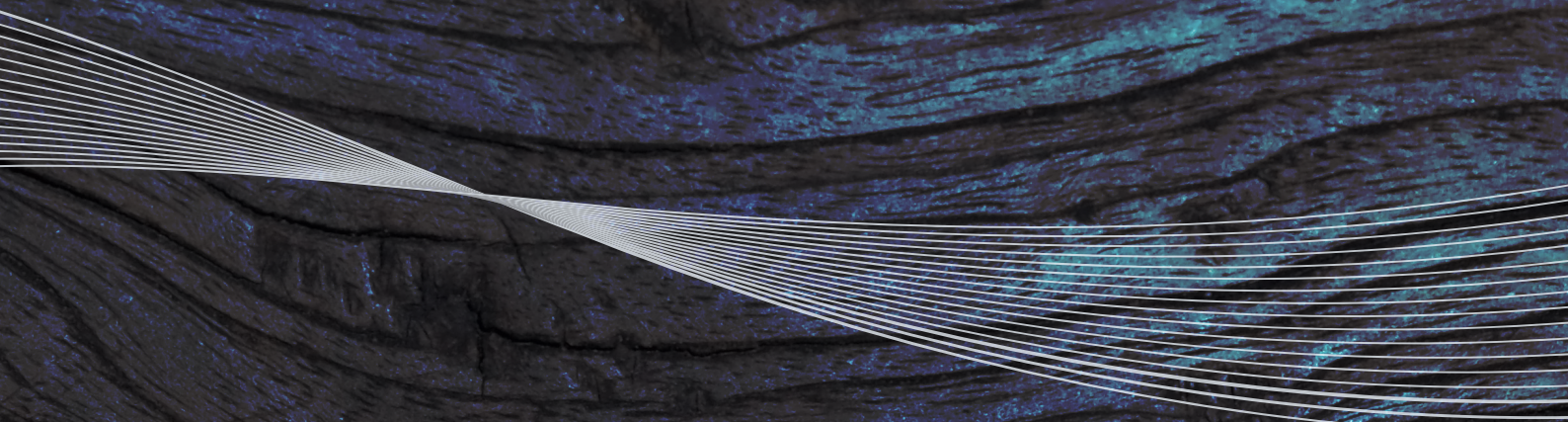
Table 18 Average duration of injuries

Severity index

2022			2021			2020		
no. days lost due to injury	no. hours worked	tot.	no. days lost due to injury	no. hours worked	tot.	no. days lost due to injury	no. hours worked	tot.
57	1,051,098	0.0001	15	1,000,047	0.0000	-	734,618.00	-

Table 19 Injury severity index

Our environmental performance



Esaote, given the nature of its business, is not a particularly "energy-intensive" entity; its main environmental impacts are concentrated in its production facilities in Italy, particularly between Genoa and Florence.

Esaote has always been sensitive to sustainability issues and operates in compliance with international principles and environmental standards, such as the ISO 14001 *International standard for environmental management systems*, in order to make its production systems more efficient and innovate them, achieving a better environmental impact and economic savings over time. Therefore, Esaote defines its strategy based on investments and activities that follow sustainable development criteria and principles and use the following environmental policy tools

- voluntary agreements with institutions and environmental/trade associations
- environmental management systems, certified according to the international standard UNI EN ISO 14001:2015 and aimed at the continuous improvement of performance and environmental organization
- a regular reporting system for environmental data, which ensures control of performance of the various industrial activities

- environmental awareness-raising and training activities for employees, with the aim of creating awareness within the Company of this issue and of increasing the skills and professionalism of employees;
- dissemination of the "culture of the environment" and promotion of local Esaote initiatives

With this in mind, Esaote acts with the aim of making modern machines whose materials and workmanship meet certain standards as well as being environmentally virtuous, yet still ensuring quality performance.

In order to maintain ISO 14001 certification, Esaote conducts audits to identify any non-conformities. Esaote has not received any significant fines or monetary penalties with regard to environmental regulations.

4.1 Energy efficiency and reduced environmental impact

Esaote has equipped all its offices and buildings with modern, sustainable installations to contain emissions and costs, making consumption efficient at the same time. Esaote has undertaken various activities to reduce its environmental impact in its different Italian production sites.

Esaote headquarters is located in Genoa, transferred in 2016 to the Science and Technology Park on the Erzelli hill; the park was created as a home for, apart from Esaote and other *high tech* companies, research centers, the Faculty of Engineering of the University of Genoa and residences for students and researchers. The site also includes a trigeneration plant that can simultaneously generate hot and cold water for all users of the Park. Occupying space leased from Genoa High Tech S.p.A., Esaote benefits from the agreement for the use of this system, via specific shared quotas for direct and communal services. Thanks to the nature of the power and light systems installed in the new site, Esaote could decrease its consumption and emissions and be able to keep them monitored so that further improvement activities could be carried out.

At Esaote's plant in Genoa Multedo, used for the production of magnetic resonance imaging systems, there is a thermal and photovoltaic plant, equivalent to 66.5 kW so as to meet energy demand, which Esaote uses thanks to its membership in a consortium called the "Lanterna Consortium," which is responsible for identifying and proposing to its member companies an offer related to "collective bargaining."

Lastly, the Florence site is owned by Esaote and is spread out over several buildings. Here the Company has decided to invest in energy efficiency measures (hot/cold line refurbishment, re-roofing, installation of photovoltaic panels) according to the needs of each building in order to improve its environmental performance. Specifically:

- gas consumption for producing hot water used for heating (winter cycle) and cold water for cooling (summer cycle), based on improved insulation and significant reductions in the supporting hydraulic system. Savings are expected to be approximately 20% of gas usage, to be measured annually from 2023 with reference to the periods from January to December 2019 and June 2021 to June 2022 (for the best possible offsetting of the considerable effects of lockdown and *smart working* as a result of Covid-19);
- consumption of electricity drawn from the grid to produce hot water used for heating (winter cycle) and cold water for cooling (summer cycle), based on improved insulation and significant reductions in the supporting hydraulic system. Savings are expected to be approximately 10% of electricity usage, to be measured annually from 2023 with reference to the periods from January to December 2019 and June 2021 to June 2022 (for the best possible offsetting of the considerable effects of lockdown and *smart working* as a result of Covid-19);
- as a result of production of its own power coming from the solar panels with 350 kW power, only 50% of total electricity requirements to supply the plant offices are drawn from the grid. Thus Esaote has optimized the plant's dimensioning by the use of solar panels, at the same time minimizing the amount of on-site exchange by using everything generated. Savings are expected to be approximately 40% of electricity usage, to be measured annually from 2023 with reference to the periods from January to December 2019 and June 2021 to June 2022 (for the best possible offsetting of the considerable effects of lockdown and *smart working* as a result of Covid-19).

Moreover, Esaote is also active in the following projects:

- **Plastic Free:** Esaote wants to reduce its consumption of plastics and the resulting impact, so it has provided all employees in the Italian sites with reusable water

bottles and also ceramic cups. Innovative dispensers have also been installed in the Genoa and Milan sites to further reduce plastic materials.

- **Waste reduction and recycling:** the company has subdivided waste materials into specific categories for recycling by adopting separated collection.
- **Car policy:** with the aim of reducing emissions from automobiles, Esaote has implemented its own fleet of cars; by doing so, traveling staff also have the opportunity to choose between electric or hybrid cars.
- **Project Paperless:** this project was started at the end of 2021, and with it Esaote aims to dematerialize

documentation, that is, transforming all documents into digital format; at the moment the Device History Records, which contain information about equipment, are being dematerialized, a project nearly completed.

- **Energy efficiency project:** in 2022, Esaote followed up the project with the so-called "Cost Killers," thus implementing actions to rebalance the allocations of electricity contracts among the various locations thus also containing related waste. It should be noted that for gas the Company has not carried out similar actions adopted for energy since the contracts appear to be well distributed among the companies.

Esaote's main energy consumption for the two-year period is shown below.

Esaote energy consumption				
Direct energy consumption	UoM	2022	2021	
Natural gas -heating	smc	57,725	145,009	
Diesel - self-propelled	l	420,700	366,287	
Indirect energy consumption				
Electric energy acquired from non-renewable sources	MWh	2,370.45	2,242.58	
Self-produced electrical energy^a				
Self-produced electrical energy total	MWh	75.64	66.67	
of which consumed	MWh	75.64	66.67	
Direct energy consumption				
Natural gas -heating	GJ	2,036.60	5,116.06	
Diesel - self-propelled	GJ	15,060.62	13,112.69	
Indirect energy consumption				
Electric energy acquired from non-renewable sources	GJ	8,533.62	8,073.29	
Self-produced electrical energy				
Self-produced electrical energy total	GJ	272.31	240.00	
of which consumed	GJ	272.31	240.00	

Table 20 Esaote energy consumption

^a Specifically, for the two-year reporting period only the photovoltaic system at the Genoa Miltedo site is completed and in operation.

Below are the company's emissions.

Esaote emissions⁹			
Direct emissions (Scope 1)	UoM	2022	2021
Natural gas -heating	tCO ₂	114.47	287.55
Diesel - self-propelled	tCO ₂	1,113.22	969.24
Total direct emissions (Scope 1)	tCO₂	1,227.69	1,256.79
Indirect emissions (Scope 2) - location based			
Electrical energy acquired from the grid for consumption	tCO ₂	616.32	583.07
Total indirect emissions (Scope 2)	tCO₂	616.32	583.07
Total emissions	tCO₂	1,844.01	1,839.86

Table 21 GHG emissions

⁹ We specify that for fiscal years 2022 and 2021, the ISPRA 2021 conversion factors have been used.

Energy intensity			
	UoM	2022	2021
Absolute energy consumption	Gj	25,903	26,542
Total of all the new and used units produced and sold, both MRI and Ultrasound	n.	6,707	6,250
Energy intensity	Gj/unit	3.9	4.2

Table 22 Esaote energy intensity

Esaote emission intensity			
	UoM	2022	2021
Absolute GHG emissions	tCO ₂	1,844	1,840
Total of all the new and used units produced and sold, both MRI and Ultrasound	n.	6,707	6,250
Emission intensity	tCO ₂ /unit	0.27	0.29

Table 23 Company emission intensity

4.2 Circular economy and resources management

Esaote pays special attention to the conscious use of resources starting from the design stage, by complying with current directives on the selection of materials and their compliance with RoHS and REACH criteria, among other standards. The "RoHS" *Restriction of Hazardous Substances* directive, also known as Directive 2011/65/EU, restricts the use of specific hazardous materials in electrical and electronic products, while Regulation (EC) No.1907/2006, also known as *Registration, Evaluation, Authorisation and Restriction of Chemicals* "REACH" is used for the registration, evaluation and authorization of chemicals in order to ensure a high level of protection of human health and the environment while strengthening the innovative capabilities of the chemical industry. The use of materials from renewable sources is of interest whenever this choice proves to be compatible with the stringent safety and hygiene standards that are dictated by the certifying bodies of the medical products that Esaote deals with, especially with regard to plastics and all materials in contact with skin and/or organs. For this reason, more and more principles related to the circular economy are being applied to packaging materials, which by nature are "external" to the product but nevertheless account for part of Esaote's environmental impact.

For years now, Esaote has replaced the plastic packaging of its probes with appropriate cardboard packaging (with cardboard also sourced from recycling).

In addition, Esaote is implementing the **Renaissance Program** aimed at reducing environmental impact through circularity actions. By reconditioning its used systems, the Company gives new value to the used asset, thus reducing the problem of disposal and extraction of raw materials needed for the production of medical technology components. This idea of "rebirth" involves putting back on the market only those machines that prove they can still ensure the best standards in terms of safety and performance. A team dedicated to the renewal of diagnostic tools has created a protocol for the remarketing of refurbished used equipment, giving these diagnostic systems a new cycle of use.

Below is the figure of the percentage of products recovered or regenerated by Esaote; the data shows a maturity that has not yet been reached on the issue of opportunities related to the recovered/regenerated products business, but that Esaote intends to strengthen its work to improve its circularity indicators.

Percentage of recovered or remanufactured products				
	UoM	2022	2021	2020
Products recovered in the reporting period ¹⁰	no.	400	347.00	433.00
Packaging recovered in the reporting period	n.	5.00	N/A	N/A
Products sold in the reporting period	n.	6,707.00	6,250.00	5,948.00
Percentage of recovered/remanufactured products	%	1.18%	5.55%	7.28%

Table 24 Percentage of recovered or remanufactured products

¹⁰ It should be noted that, with reference to the 2022 data, the value indicates exclusively the number of "refurbished" systems, since to date the data relating to systems resold as "used as they please" present for the years 2021 and 2020 is not available.

With regard to waste management, Esaote is committed to using standard legal forms for the declaration of individual deliveries by authorized entities through which it is always possible to indicate, by individual substance, the quantities produced and correctly delivered to individual compartments. The main actions indicated in the circular economy section are aimed at reducing the wood and cardboard content conferred while specific evaluations are underway on the limitation of electronic boards (RAE material) by applying the repair principle. In addition, where possible, Esaote proposes limiting multi-material packaging.

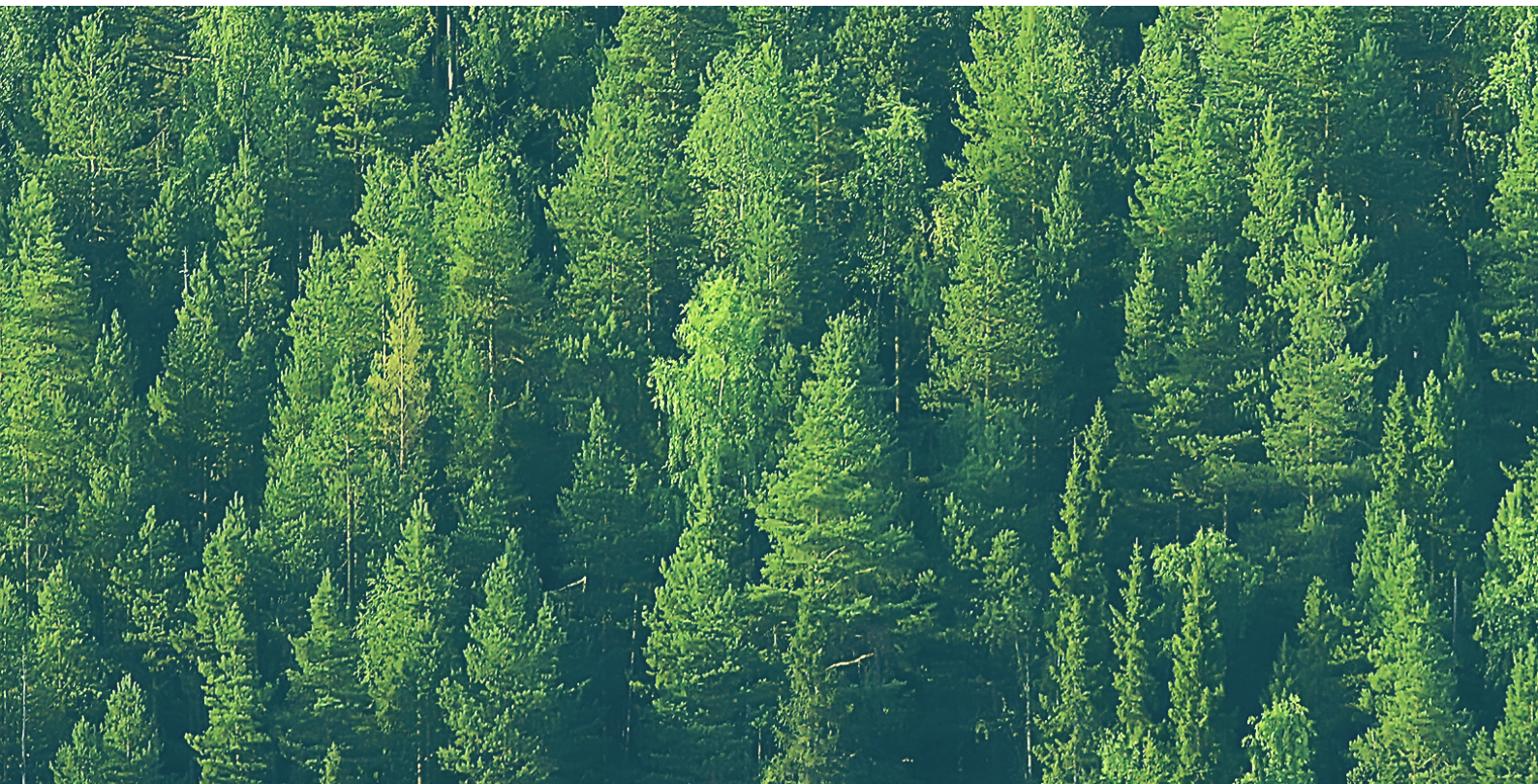
In relation to future exercises, Esaote is focusing on the issue of circularity, working on specific initiatives, related to packaging; in detail:

- in the world of ultrasound, the first relates to the concept of the absolute least use of packaging, and this has been achieved through optimizing packaging by concentrating the weight/volume ratio of its goods and thus better occupying the space required for packaging and with it the packaging itself. These actions

were applied to both inbound and outbound goods with interesting spin-offs also in the subsequent cost incurred in *inbound* and *outbound* shipments;

- the second initiative, in the world of MRIs, is instead aimed at recovering the packaging for subsequent cycles as much as possible. In fact, the same packaging used for receiving is maximally reused for shipping as well, but in this case the shipped packaging is actually recovered by the end customer and, properly restored, reused for at least a second time. Reuse results in reduced waste and also an economic benefit related to the difference between what is spent on new packaging and what is spent on restoring used packaging. This initiative was tested throughout the year of 2021; given the positive effects, Esaote decided in the second part of 2022 to make this practice official by making it operational.

Below is the total amount of waste generated and destined for disposal by Esaote in the last two years



Type of waste produced ¹¹	UOM	2022	2021
		To disposal	
Paper materials	ton	9.26	8.63
Wood	ton	25.49	23.75
Packaging ¹³	ton	56.35	52.51
Various liquid wastes ¹⁴	ton	78.79	73.42
Other wastes ¹⁵	ton	16.06	14.97
HAZARDOUS electrical equipment	ton	2.93	2.73
NON-Hazardous electrical equipment	ton	67.46	62.86
Total waste produced	ton	256.33	238.87

Table 25 Type of waste produced

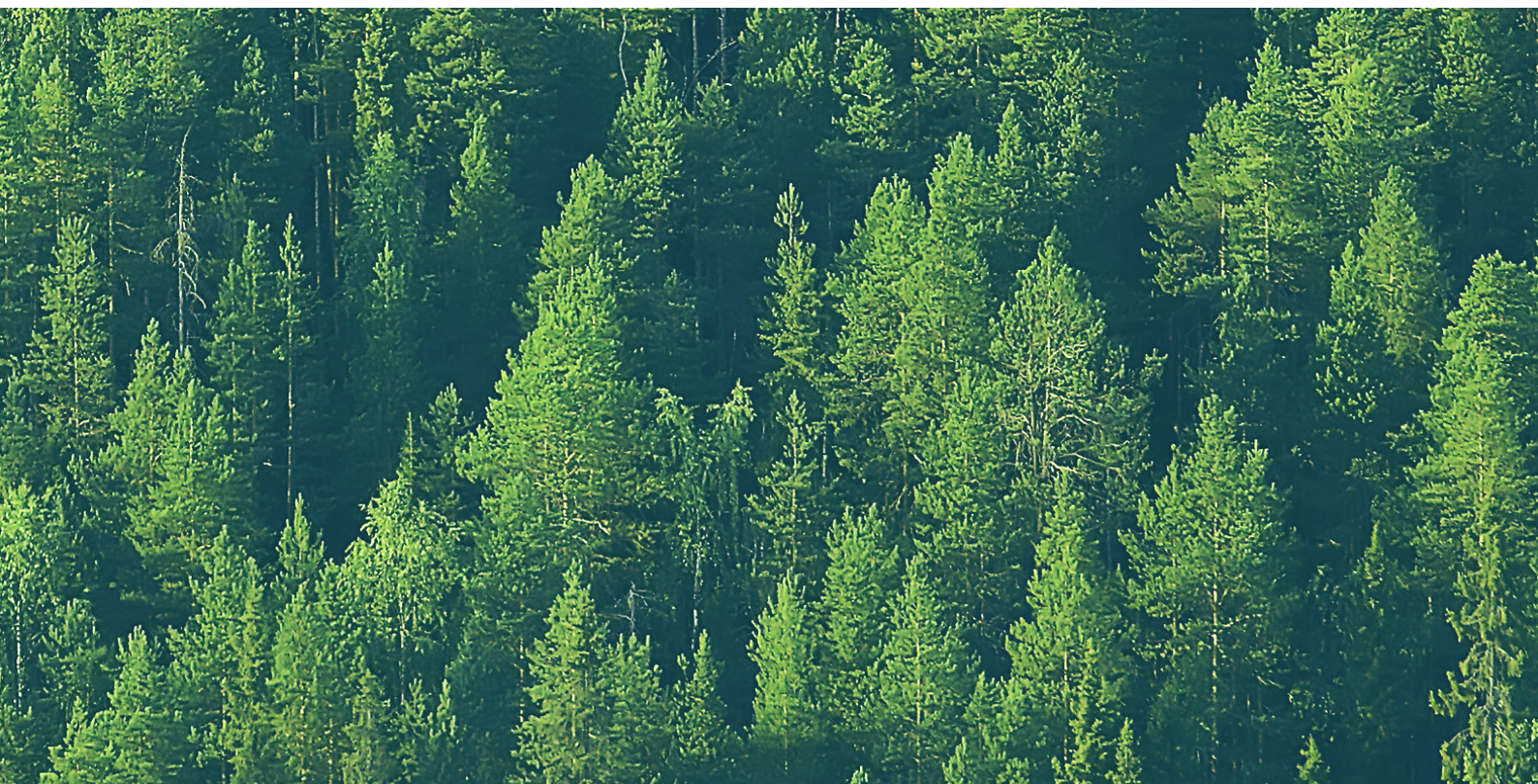
¹¹ It should be noted that, with reference to the data pertaining to 2022, the waste produced is the result of estimates equal to the final 2021 figures re-proportioned to the 2022 sales volumes compared to 2021, as the relevant data are not yet available to date.

¹² It should be noted that all waste produced by Esaote S.p.A. is destined for disposal.

¹³ Are part of the waste category below: Packaging in mixed materials, Hazardous packaging and Paper and cardboard packaging.

¹⁴ Are part of the liquid waste categories below: Aqueous suspensions containing ceramic materials, Biological sewage, Septic tank sludge, Oily water from oil/water separators, Other solvents and solvent mixtures, and Aqueous liquid wastes other than those at 161001*.

¹⁵ Are part of the other waste category: Toner, Components removed from electrical and electronic equipment, Iron and steel, Bulky waste, Lead-acid batteries, Paper, rags and absorbent material soiled with hazardous substances, and Plastic.



Quality



Esaote's goal is to provide innovative solutions to all healthcare professionals involved in the manufacture and supply of medical devices. Esaote aims to achieve excellent results both in terms of efficiency and effectiveness and in terms of product quality.

The Company is constantly striving to understand the customer's needs in order to provide the most suitable solutions and achieve full customer satisfaction, improve the effectiveness of the Quality Management System aimed at achieving results of excellence and value creation, and behave with integrity and honesty, in compliance with the laws and regulations of all those countries in which Esaote operates.

5.1 Product quality, effectiveness and efficiency

Since its inception, Esaote has been committed to ensuring a high standard by following market regulations. Therefore, Esaote, which provides diagnostic imaging instruments, follows complex procedures to maintain high product quality, operational effectiveness, and safety for both patients and clinical workers. To oversee issues related to quality and environmental management, Esaote has obtained and maintains certifications, such as ISO 13485 *Medical Devices Quality Management Systems*, ISO 9001 *Quality Management System*, ISO 14001 *Environmental Management System* (for the Genoa Multedo and Florence plant), as well as maintaining product safety certifications such as cCSAus (Canadian Standard Association) and cNRTLus (Nationally Recognized Testing Laboratory) for the Canadian and U.S. markets.

In mid-2022, Esaote hired an *Environmental Regulatory Specialist* dedicated to environmental compliance assessment and analysis to be included in the Quality

Regulatory & Medical Affairs function. In addition, during the year, Esaote updated its management and operational processes related to the management of compliance with European regulations REACH (EC Regulation 1907/2006) and RoHS (Directive 2011/65/EU) and related regulations such as Directive (EU) 2018/851 (WFD - Waste Framework Directive). During the same period, the Company updated the relevant QMS (Quality Management System) procedures and specialized training sessions were held to the main functions involved in the design and production of products placed on the market.

Esaote Group companies have the authority, and responsibility, to establish and maintain detailed quality system documentation that focuses on specific customer needs and expectations and regulatory requirements.

The entire scope of activities carried out by the Esaote Group is described in the Quality Management System Manual, which provides the basis for communicating and

disseminating the company's quality policies, procedures, and supporting guidelines in order to contribute to the continuous improvement of product and process quality, safety, and effectiveness. These activities include: design, development, manufacture, sales, installation, commissioning and service of medical systems and software for diagnosis and therapy aid in the following human and veterinary applications.

The Company's management is assisted by the Quality System in identifying processes or sets of activities that are part of specific processes that need to be documented, taking into consideration the complexity and criticality of the process and interactions with other processes, and the level of education and competence of personnel working on that process. The corporate bodies have implemented control mechanisms on the main processes of Product Development, Promotion and Sales, Production, Order Execution and After-Sales Service, so as to maintain the high level of products and services offered.

Also in 2022, the Company activated and sponsored an Industrial PhD with the Department of Mechanics,

Energy, Management and Transportation at the University of Genoa. This PhD lasts three years, its objective being carrying out a *Life Cycle Assessment* – LCA study, aimed at an environmental labeling and product Carbon Footprint assessment and finally also for the evaluation of sustainable design strategies. The Plan is being evaluated and is expected to start during 2023. In confirmation of Esaote's focus on circularity and in conjunction with the Renaissance Program, the Company has established internal processes and finalized procedures related to managing the reconditioning of used systems in order to carry out and regulate the activities required for their subsequent marketing. These processes involve operating in accordance with appropriate quality standards and technical and regulatory audits to ensure that the required performance and safety are as expected.

Finally, the Company has concluded The ENVI project, and a product/process compliance and sustainability program will be initiated during 2023 that will include the submitted LCA plan.

Type of certification	UoM	2022			2021			2020		
		No. of audits	Audit passed (certification upheld)	Non-compliances revealed by the audit	No. of audits	Audit passed (certification upheld)	Non-compliances revealed by the audit	No. of audits	Audit passed (certification upheld)	Non-compliances revealed by the audit
ISO 13485	n	1	Yes	2	2	Yes	MNC ¹⁶ 8	2	Yes	MNC 7
ISO 9001	n	1	Yes	0	1	Yes	-	1	Yes	-
ISO 14001	n	1	Yes	1	1	Yes	MNC 1	1	Yes	0
cCSAus ¹³⁻¹⁴	n	4	YES	3	4	YES	118	4	YES	0
cNRTLus	n	2	YES	0	2	YES	0	2	YES	0

Table 26 Product certification and safety in the 2020-2022 triennium

¹⁶ The minor non-compliances (MNC) are not certification blockers. In fact, the resolution was confirmed at the following audit.

¹⁷ Audits relating to the cCSAus brand are conducted on a quarterly basis. Therefore, 4 factory audits are conducted per year at HUB in Sesto Fiorentino, with the subject matter being Esaote-produced Ultrasound equipment. Audits relating to the cNRTLus brand are conducted every six months; therefore, 2 factory Audits are conducted per year at the factory in Genoa Multedo, covering Esaote-produced MRI equipment.

¹⁸ Note that although there was 1 nonconformity during 2021 regarding one of the CSA inspections, the brand was retained because the nonconformity was resolved in a very short time, dealing with a critical component used on the MyLab Omega system that was fully equivalent to the one included in the CSA [Description of the system itself, due to sudden obsolescence.]

Over the years Esaote has established procedures within its QMS (Quality Management System) and operationalized management processes to ensure the quality and effectiveness required for its products and services. Topic management involves the establishment and monitoring of KPIs, QMRs (Quality meetings), compliance management processes, and periodic meetings, fed externally and internally. The main objectives are:

- ever more reliable development of systems and services that meet customers' needs;
- online solutions offered with market standards and beyond, wherever possible;
- conducting the present pathway in an ethical and responsible manner using partnerships with KEY OPINION LEADERS and industry experts.

The activities involve various teams, including *upstream* and *downstream* marketing, Quality Affairs, and R&D, with specific actions including the compliance management process and DCS (Direct Customer Survey). By carrying out the activity as described above, Esaote is able to give continuity and effectiveness to the interactions between

business functions, as well as being a way to constantly monitor organizational effectiveness and adequacy, enabling timely intervention where both process and organizational updates are needed. Quality and Regulation are critical to the corporate sustainability program, both because it allows for the establishment and monitoring of how and how effectively corporate policies and strategies are shared and implemented, and because it allows for the proper identification of the roles, resources, responsibilities, and objectives necessary to assess the impact on internal and external stakeholders for the purposes of the program itself. The complaints management process is under the auspices of the *Quality Assurance (QA)* division. Customer complaints are channeled through the Technical Service department. Complaint review includes an assessment of the impact on safety and on existing legislation. The *Quality Assurance department* assigns the task of taking charge of the problem underlying the recall to the functions involved and defines an action plan. Lastly, the complaint is closed when the actions are completed and the customer confirms that expectations have been met.

Year	2022		2021		
	Unit of measurement	Complaints received	Complaints processed ¹⁴	Complaints received	Complaints processed ¹⁴
DOA: missing parts, cosmetic, mechanical and software and hardware problems	n	162	162	146	146
Complaint (other than to DOA): hardware, software, mechanics, performance problems	n	294	287	267	260
Total	n	456	449	413	406

Table 27 Complaints received and processed in the two-year period

Esaote conducts annual customer satisfaction surveys. The type of survey can be product or process or service focused. The in-depth contact method used to collect relevant data is based on direct telephone interviews with customers that can be conducted through third-party partners/suppliers or directly by Esaote staff.

After conducting the surveys, the responses provided are

reprocessed by sharing them with the marketing, sales, service, and quality assurance teams in order to act on processes to maximize customer satisfaction. The following is data on the surveys delivered to monitor customer satisfaction over the past three years.

Number of surveys carried out	UoM	2022			2021			2020		
		How many surveys have been filled out	How many negative surveys	How many have had a positive effect on service	How many surveys have been filled out	How many negative surveys	How many have had a positive effect on service	How many surveys have been filled out	How many negative surveys	How many have had a positive effect on service
n		110	5	105	139	19	120	206	22	184

Table 28 Complaints received and processed in the three-year period 2020-2022

Managing all product or process nonconformities is the responsibility of the *Quality Assurance* department, which coordinates the other departments involved. Product labeling is defined by the R&D department based on regulatory requirements identified by *Quality Assurance & Regulatory Affairs* in relation to the countries of commercial introduction of the product.

In Esaote there have been no cases of non-compliance with the various regulations in relation to health and safety aspects of products or services and labeling in the three-year reporting period.

5.2 Service accessibility and security

Esaote has always been committed to ensuring that its products meet a high standard of quality through rigorous

value chain management. The Company's products are manufactured by meeting and overseeing the necessary regulatory requirements to ensure proper compliance with current and evolving standards.

To ensure the quality and effectiveness of its products and services, Esaote has implemented management processes and created procedures within its QMS (Quality Management System). Therefore, the adequacy of the multifunctional organization and the adoption and accessibility of relevant tools are prerequisites for the proper effectiveness of goods and access to services.

Key tools available, particularly in relation to the sustainability program, include *software* programs such as *Enterprise Resource Planning* (ERP), the *Product Lifecycle Management* (PLM) and a *Product Compliance & Stewardship Management* (PC&SM) *software* solution

called in the case ASM (Assent Sustainability Manager). ERP is used to assist Supply Chain management, customer interactions and relationships, risk management and compliance, as well as to automate and simplify specific activities such as accounting and purchasing.

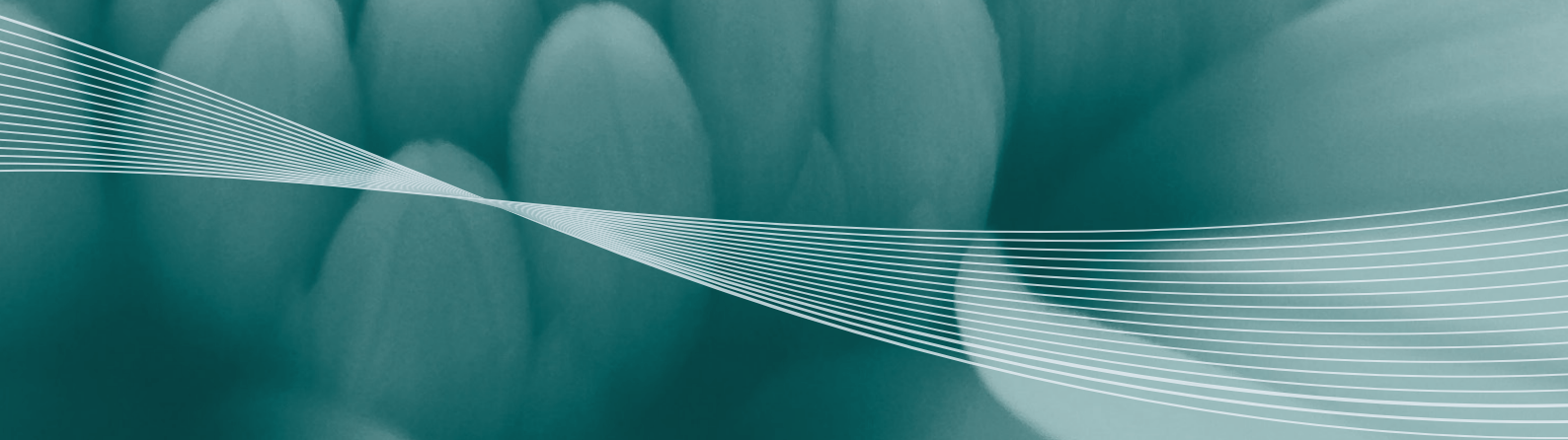
Such a tool thus enables better performance and project management by helping to plan, forecast and report accurately on the financial situation of the company and its various processes. Esaote has integrated PLM with its ERP to improve the efficiency of management procedures. The software also aims to enable multidisciplinary and geographically dispersed teams to collaborate strategically with partners and customers on a reliable and up-to-date product database.

Product lifecycle management (PLM), defined as "the use of digital tools and representations to plan, evaluate and manage the lifecycle," is a prerequisite for the digital product thread and enables agile supply chains as well as business continuity. The governance and data provided by PLM software enable Esaote to optimize costs, reduce time to market thus providing the highest levels of quality and compliance for its products.

As for PC&SM's ASM solution, it enables efficient compliance management with environmental product regulations that underpin environmental sustainability. ASM has been integrated with ERP and PLM applications (which are themselves integrated) to have constant alignment between data and to make identified processes effective. ASM is based on the concept of Product Stewardship.

It is a strategy on environmental stewardship whereby anyone who designs, manufactures, sells, or uses a component takes responsibility for minimizing environmental impacts at all stages of the product life cycle, including end-of-life management. The greatest responsibility rests with those who can have the most impact on environmental aspects along the life cycle of the product itself, namely those involved in the supply chain (supply chain). The integration and activation of the ASM in November 2021 is part of a multi-year project called ENVI, which ended in 2022 and will include being able to establish an update of processes, identification of tools and to the training of Esaote staff in order to improve the transposition of European regulations (including REACH (Regulation (EC) No 1907/2006) and RoHS (Directive 2011/65/EU) and later International ones.

Innovation and technology



The goal of the R&D department is to develop new and innovative MRI and ultrasound diagnostic solutions that meet market needs.

This can be done through developing new products and protecting existing ones. In addition, the department is also responsible for ensuring that technological developments are carried out in line with the company's corporate strategies and intellectual property policies.

Patents granted, referring only to first-filing applications and excluding their extensions, in force in 2020 total 262, 284 in 2021 and 288 in 2022, considering European patents as a single patent, although on average validated in 3 states. In the field of MRI, the patents comprehensively cover the main aspects of technology related to dedicated permanent magnet MRI, such as magnetic structures, coils, patient carriers, magnet shimming and electromagnetic shielding. As for the ultrasound field, patents mainly cover advanced signal processing technologies identified, for example, by the trade names *CnTI*, *QElaxto*, *Shear Waves*, *XStrain*, *Virtual Navigator* and state-of-the-art probes.

Given the ever-evolving nature of the diagnostic imaging industry, Esaote must place innovation at the heart of its business strategy. This is done through creating the R&D department, which is responsible for developing new and innovative products. The number of people employed in the R&D department is shown below, which, compared to the previous year, recorded a growth in employees. The reasons for this can be attributed to an increase in the number of employees, but also to corporate reorganization that brought together employees belonging to the *Global transducer technology* function in R&D US.

Personnel	Unit of measurement	2022	2021	2020
Number of people employed in R&D	n.	165	158	105

Table 29 Number of people employed in R&D

The company's continuous investment in this department ensures its ability to meet customer needs. Below is an overview of the expenses incurred in R&D by relating 2020, 2021, and 2022 turnover.

It shows a 20% increase in R&D spending in 2022 compared to 2020, with the proportion of turnover increasing from 9.9% in 2020 to 10.7% in 2022.

Expenses incurred	Unit of measurement	2022	2021	2020
Research and development expenses	€	18,319.00	17,772.00	14,841.00
Turnover	€	171,480.00	145,921.00	149,698.00
Research and development expenses/Turnover	%	10.68%	12.18%	9.91%

Table 30 Research and development expenditure as a percentage of sales

The R&D and Global Marketing departments jointly define the product development roadmap. Specifically, R&D contributes its view of technology trends, which, complemented by Global Marketing's direct view of the market, constantly keeping as a goal the use of materials with low environmental impact and possible component reuse solutions, defines the time plan for product development. Specifically, the R&D department:

- defines commitments by pursuing the strategic development *Roadmap* in terms of timing and content;
- sets goals and targets agreed with the Global Marketing department to guide the product development process in accordance with the Strategic Roadmap;
- monitors the impact on Esaote's revenues of new products introduced to the market carried out periodically (*Program Review*).

Esaote's innovation is managed through a series of initiatives in charge of the R&D and Global Marketing departments through:

- a *network* in connection with leading Academic Research Organizations and Centers in the technological fields of interest;
- assiduous participation in national and international research programs;
- participation in national and international industry conferences;

- a *network* of connection with authoritative clinical *Key Opinion Leaders* to guide developments on the real needs of the clinic and validate the results.

Regarding the Ultrasound departments, Esaote has a number of projects in place, including:

- development of the Fox program that will lead to the launch of a new generation of mid-range portable/on wheels ultrasound machines starting in 2023. These products will feature extensive acquisition and processing capabilities characteristic of higher segment equipment;
- the finalization of a new high-performance MyLab X90 on wheels. Such a product will feature a general performance improvement over today's *MyLab X8/9* platforms due to new sophisticated processing algorithms and new high-performance ultrasound probes thus improving workflow, system interface and better supporting the operator at diagnosis;
- further development to the Eagle program that will lead to the launch of a new class of *high-end/premium* ultrasound machines on wheels, equipped with a new refined image formation process (*RTB beamforming - Retrospective Transmit Beamforming*) starting in 2025, which will further increase the quality/diagnosticity of the produced images and support new methods of radiological investigation;

- the research and development of artificial intelligence solutions for diagnosis support, ultrasound image quality improvement and *workflow* improvement;
- lastly, the development of a high-performance ultrasound probe program.

With specific reference to the MRI department, the Company is developing a number of projects, among which:

- Completing the new Magnifico MRI platform with Total Body functionality to be released in 2023 and the following years, which includes:
 - The abdominal application
 - Angiographic imaging
 - Diffusion imaging techniques for diagnosis of specific brain pathologies
- delivery in 2023 of the new S-scan *Open* and S-scan *MSK* MRI products that represent a revamp of the S-scan product, which is set to go out of production in a couple of years, and which introduces some new features such as a new, higher-performance knee RX coil;
- delivery of the *Release MRI EVOLution 23 SW* that introduces a revamped operator interface for the Magnifico and S-scan *Open/MSK* systems and supports in the new Total Body application on the Magnifico;
- development of a new product for veterinary MR based on the Magnifico platform;
- initiation of design activities for the MRI system for intra-operative brain methodology.

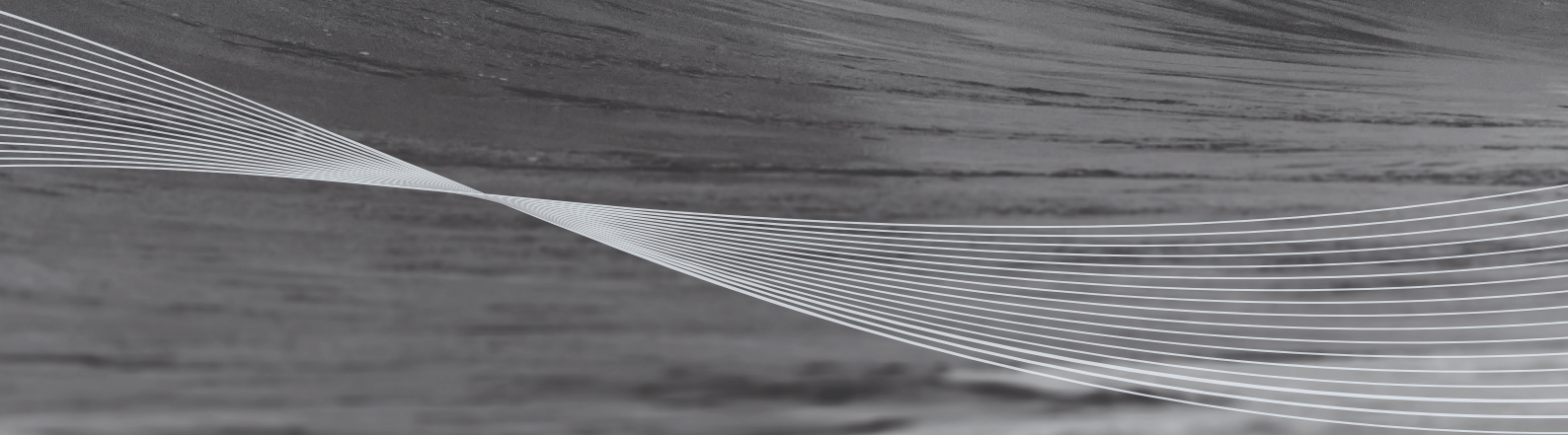
The two R&D departments, the Ultrasound and Magnetic Resonance departments, participate individually or in some cases jointly, in Funded Research Projects. More specifically to those initiated in previous years and still in the process of execution in 2022 (listed below):

- *MyLab 4.0* Project, "Generation of an integrated digital service facility for echo-guided radiology diagnostics and interventional procedures " (Ultrasound only);
- *A-PROMISE* Project, "Automation of Manufacturing Processes of Ultrasound Probes;
- *UTMOST* Project, "New Imaging methodologies and techniques for the diagnosis, evaluation and management of Sarcopenia in normal and pathological conditions" (Ultrasound only);
- *PROMENAIDE* Project, "*Prognostic Maintenance servitization of Medical Equipment using AI, DLT and Edge computing*" (Ultrasound and MRI);
- *MEDIA* Project, "High efficiency Diagnostic Methods for the osteoarticular patient: Dedicated MRI for non-invasive pre- and postoperative imaging in prosthetic implantation and integrated systems to aid clinical/diagnostic data management." (MRI only).

add the new Funded Projects for which Esaote has been awarded in 2022 and which are:

- *RAISE Spoke2* "Smart Devices and Technologies for Personal and Remote Healthcare" (Ultrasound and MRI);
- *THE Spoke2* "Tuscany Health Ecosystem"; (Ultrasound only);
- *IMAGINIS* "Non-invasive Imaging for Territorial Healthcare" (Ultrasound and Magnetic Resonance Imaging);
- *Nephele* "A lightweight software stack and synergetic meta-orchestration framework for the next generation compute continuum". (only ultrasound).

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Statement of use

Esaote reported the information mentioned in this GRI content index for the period 01.01.21 - 31.12.22 with reference to GRI Standards.

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