



2022 SUSTAINABILITY REPORT

DIESE
DIESE

DIESE Diagnostica Senese S.p.A.
Società Benefit

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Planet, People and Prosperity

Dear Readers,

last July 2022 we became a Benefit Company to strengthen the “PURPOSE” of our Company. Our organisation exists to contribute concretely and positively to patient health through innovative diagnostic solutions for the immune system. We do this whilst generating positive effects on the community which hosts us and on our colleagues, to ensure a better quality of life and work and an inclusive work environment that allows everyone to express themselves at their best. According to Simon Sinek, as we pursue this “infinite game” it is “the compelling higher purpose that inspires us and acts as the source of all we do”.

Around the same time we were making this major statutory change, a startling report from the Association of National Advertisers appeared: ‘The B2B Purpose Paradox. How Purpose powers Business-to-Business growth’. Research by this American industry organisation (which accounts for \$400 billion annually in marketing communication) shows that purpose is defined as “a company’s reason for going beyond profits, which drives its business growth and the impact on society”. 82% of my fellow CEOs surveyed believe that purpose is essential to the success of their business.

With regard to macroeconomic

developments and scenarios, last January 2023, the European Community issued a guideline document on the concept of Industry 5.0, which attributes a regenerative purpose and a new direction to technological development in industrial production, aiming at prosperity for people and the Planet.

The European Commission sees Industry 5.0 as a catalyst for resilience projected towards sustainability, which assigns a central role to people in the creation of value.

This transformative and human-centred vision implies rethinking the production system, adopting automation technologies as a support to human work and not as a replacement. If applied correctly, technological progress and dedicated solutions make workplaces more inclusive and safer for workers, as well as increase their job satisfaction and well-being.

It is no coincidence that the last G20-B20 Summit in Rome, which I attended at the health table, named the event “Planet, People and Prosperity” and defined the transition to Industry 5.0 as a priority for European industry.

This year, Business Europe also confirmed its

commitment to the European project and to Europe as an important global player to offer a better world for all and has itself confirmed that prosperity, people and the planet are three pillars for a successful European Union, advocating that they should be a source of inspiration for future political and industrial decisions.

Now that we are about to complete the DIESSE Biotech Campus, the largest and most futuristic biotech plant dedicated to IVD (In-Vitro Diagnostics) in Europe, built according to criteria of connectivity, automation, energy efficiency and technological innovation and which will finally host all our colleagues in a single location, our path lies in the Industry 5.0 revolution and its three cornerstones:

People. At Diesse, we have always put people first, despite the strong technological and product impulse of the market in which we operate. Where industry 4.0 placed mechanisation linked to computer systems at the centre of production processes, at DIESSE industry 5.0 has a human centric approach, where technology is at the service of men and women to enhance their abilities, but never to replace these.

Planet. Whilst placing the well-being of workers at the heart of the production process and using new technologies to provide prosperity as well as to generate jobs and growth, we respect the planet's production limits. In fact, the Diesse Biotech

Campus was built with the lowest possible environmental impact and using recycled materials in a circular economy perspective. Our production does not consume much energy and waste is managed with the utmost respect for the environment that surrounds us, which we recognise as being unique in the world: the Tuscan countryside.

Prosperity. The generation of profit and of economic return for our shareholders also becomes a fundamental means through which the company grows whilst improving the quality of life of citizens, promoting the reduction of poverty, aiming for a fair, resilient society capable of providing the same opportunities to all, without distinction.

Hence, Industry 5.0 is an effective and concrete tool to support the achievement of DIESSE's corporate objectives, in line with those defined in the UN 2030 Agenda, which aims to find common solutions to the great challenges of the planet, such as extreme poverty, climate change, environmental degradation and health crises.

Together and with the inspiration of its shareholders, the commitment of our colleagues who work intensely every day inspired by our "Purpose", the support of the community and the institutions, DIESSE enthusiastically continues its "infinite game" to achieve extraordinary goals.


Massimiliano Boggetti
Chief Executive Officer



ABOUT US



DIESSE Diagnostica Senese S.p.A. Società Benefit

Since its foundation in 1980, DIESSE has developed, produced and marketed innovative systems mainly in the field of immunodiagnostics and of automatic measurement of ESR (erythrocyte sedimentation rate, internationally called “ESR”).

At the end of 2022, DIESSE employees were 206 in Italy and 2 in the newly established Chinese branch. With its network of agents and distributors, the company has a global presence in over 100 countries, three production sites in the province of Siena and a research centre where the design and implementation of tests and new automated diagnostic detection tools meet Italian design and state of the art technology. Historically, the registered office is in Milan, while the aforementioned Chinese branch was opened in December 2021 in Shanghai, Diyashi Medical Equipment (Shanghai) Co. LTD, and is currently in a ramp-up phase.

In July 2022, DIESSE became a Benefit Company, reinforcing its commitment to making a concrete and positive impact in the social, environmental and governance fields.

A special feature of DIESSE is the completely in-house and Made in Italy production. A BLS 3 area is dedicated to the production of bacterial and viral antigens and monoclonal antibodies. A class III Biobank for storage of bacterial and viral components is for the exclusive use of the plant. Following the entry into the company of the ArchiMed investment fund in 2019, a strong re-launch activity began which started with the DIESSE rebranding, followed by registering the new DIESSE logo during 2020.

At the end of 2022, DIESSE boasts 6 patents, 5 for instrumentation technologies and 1 for biotechnology in COVID-19 kits.

In addition to these, 5 patents, 1 Utility Model and two Designs (respectively for the test tube tray of the VES Matic Original instrument and for the design and GUI of the VES Matic 5 instrument) were filed in 2022.

15 biotech research projects and 3 change processes with an impact on the product were completed in 2022. As regards instrumental research and development, three software validations were completed (software 2.01.00 CUBE 30 TOUCH, Vesmatic Original, Minipet), while a further 3 projects relating to Vesmatic 5, software 2.02.00 CUBE 30 TOUCH and Soft Ves are on-going.

In summary, the products developed to date range between immunological tests, agglutination tests, ESR (human and veterinary) and seven different analytical systems that are aimed at laboratories with different sizes and types of services offered.

Our greatest commitment is to continue to evolve, offering quality solutions for monitoring the immune system.

The commitment and professionalism of our people are the basis of this promise.

DIAGNOSTIC SOLUTIONS FOR THE IMMUNE SYSTEM

ESR

Infectious Diseases

Biological Drugs

Autoimmunity

Allergy

Serodiagnosis

Stool Antigens



OUR MISSION

We use our history and our skills in everyday work, integrating advanced research, Made in Italy production and global marketing, to develop diagnostic systems for the medicine of the future in a sustainable, ethical and transparent way



VALUES

Our Values constitute the principles that guide and inspire our conduct, within the corporate vision and mission.

Expertise

We operate with the best set of skills, knowledge and experience in order to ensure the quality of the service offered to the customer and we strive to keep them constantly updated.

Research and innovation

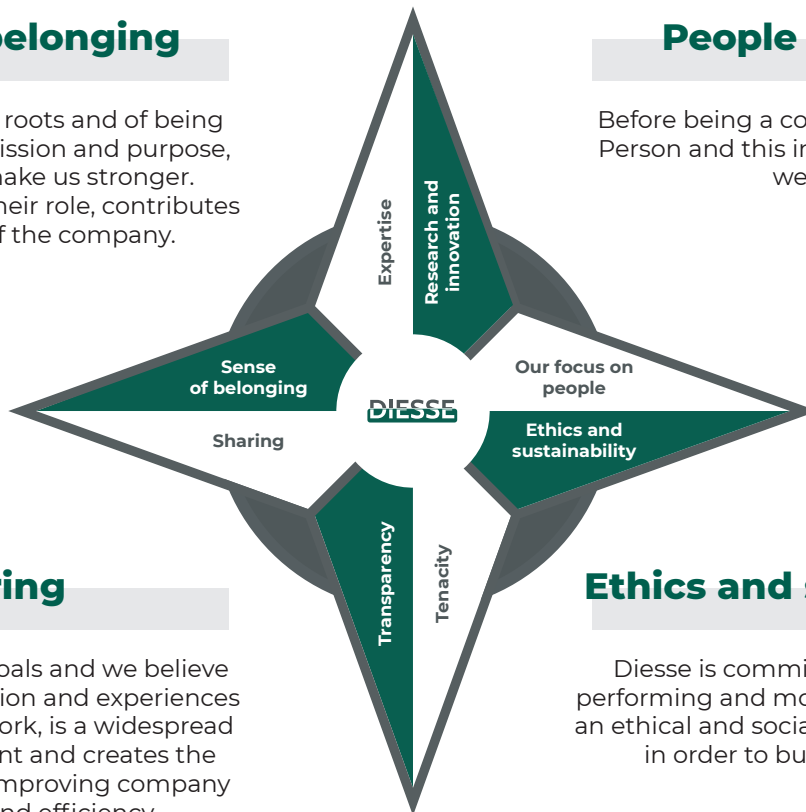
They are part of our DNA and the key to today's and tomorrow's success. We constantly invest to improve our solutions and our services, offering concrete benefits to people's health.

Sense of belonging

We are proud of our roots and of being part of a common mission and purpose, which together make us stronger. Everyone, whatever their role, contributes to the success of the company.

People centricity

Before being a colleague, everyone is a Person and this inspires every decision we make.



Sharing

We have common goals and we believe that sharing information and experiences is the basis of teamwork, is a widespread source of enrichment and creates the ideal conditions for improving company effectiveness and efficiency.

Ethics and sustainability

Diesse is committed to carrying out, performing and monitoring its activities in an ethical and socially responsible manner in order to build a better world.

Transparency

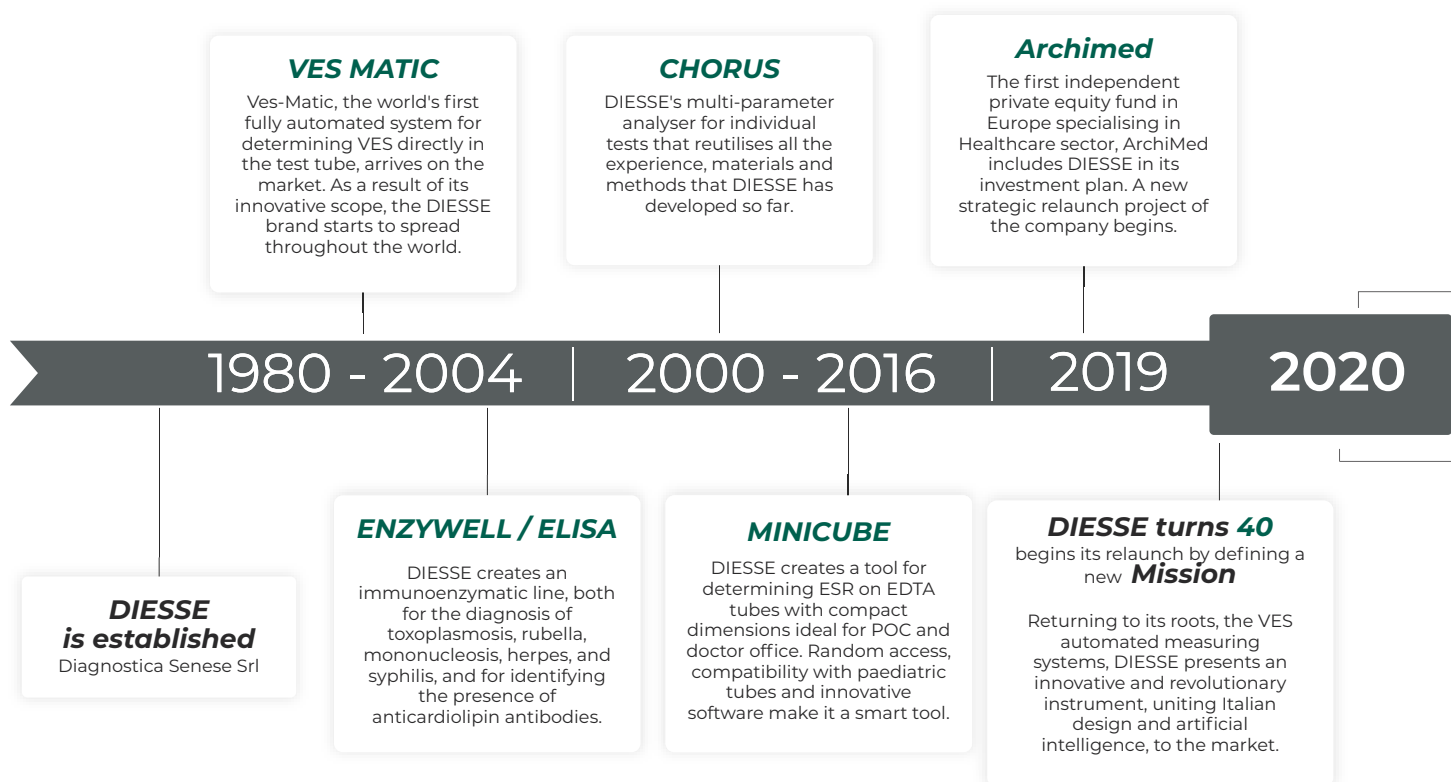
At Diesse, transparency in relations with colleagues, cross functional teams, customers and suppliers is the basis of healthy and sustainable relationships over time.

Tenacity

Nothing discourages us from achieving the goals we set ourselves. We face daily challenges with determination, constantly finding new motivation from these.

Developed in the autumn of 2019 by the middle and top management team, the mission and values are also the basis of a model of skills and behaviours which, acted upon daily by everyone, steer the entire organisation in the same direction and contribute to the growth of the business performance.

OUR HISTORY



Since its foundation in 1980, the company has developed, produced and marketed innovative diagnostic systems mainly in the field of immunoassays and automatic ESR measurement, actively positioning itself in the diagnostics of the immune system.

A milestone in the company's history was the development of the world's first system for determining ESR fully automatically and the subsequent versions up to the latest VES MATIC 5. On the Immunochemistry front, starting from the development of manual ELISA solutions, we arrive at 2004 with CHORUS TRIO, the multi-parametric analyser for mono-tests, with the latest innovative instrument of the line which will be launched in 2023.

DIESE is part of the Toscana Life Sciences district with which it constantly collaborates on the development of new diagnostic solutions, offering continuous innovation at the service of patient/people health.



DIESSE becomes part of an important investment plan by ArchiMed, the first independent private equity fund in Europe, specialised exclusively in the Healthcare sector. A new strategic, organisational, productive and commercial re-launch plan for the company begins.

The onset of the COVID-19 pandemic has seen a strong involvement of DIESSE through its research and solution development activities, making more than 11 different kits for diagnosing and monitoring SARS Cov-2 available on the market. In 2021, the last of the ambitious company development projects started, the construction of the DIESSE BIOTECH CAMPUS, the new headquarters that will host all its people and which is once again characterised by innovation, state of the art systems and specific care of sustainability aspects. 2022 was marked by all the site's construction and project management activities and should be inaugurated in the summer of 2023.

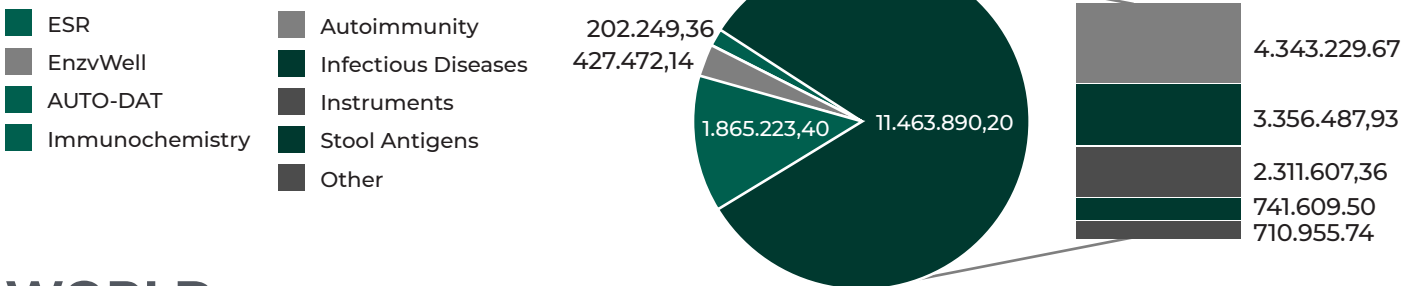
DIESSE IN ITALY AND IN THE WORLD

ITALY

DIESSE's heart throbs in Italy, in the province of Siena, where once again in 2022 all three production sites hosted the greatest number of employees and collaborators. In 2022, the Italian market represented 33% of turnover and was made up of both public sector customers (hospitals, universities) and private ones (private laboratories, resellers, companies that resell as OEM), managed directly by our Area Managers and by a network of agencies.

The important change in the % of Italian turnover on the total, which went from 38% to 33%, is mainly linked to the decrease in Italian sales volumes, primarily to the COVID-19 tests, which dropped drastically in 2022 by virtue of the epidemiological situation connected to COVID-19.

Main diagnostic areas in Italy



WORLD

Abroad, as already mentioned, DIESSE is present in more than 100 countries thanks to a solid network of distributors, which ensures global coverage of customers. In relation to these locations, the European area extending to the regions of Russia plays a leading role. As regards the type of best-selling products, 74% of turnover derives from the sale of reagents, the remainder from instruments (23%) and spare parts (3%).

Looking at the products by product line, 57% of sales is attributable to the immunoassay line, 33% to the ESR line and 10% to minor lines. 155 distributors operate worldwide through a partnership with DIESSE, with a large concentration in the "EURASIA" area. The main diagnostic areas of Italian sales are those of immunoassays and specifically of autoimmunity and infectious diseases. Abroad, the main diagnostic sales area is ESR, which alone represents about 44%. The main product lines sold abroad in 2022 are represented in this graph.

Export main diagnostic areas

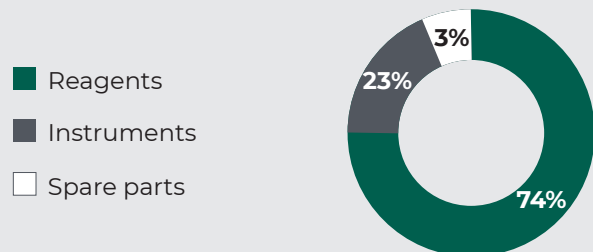


* values in €

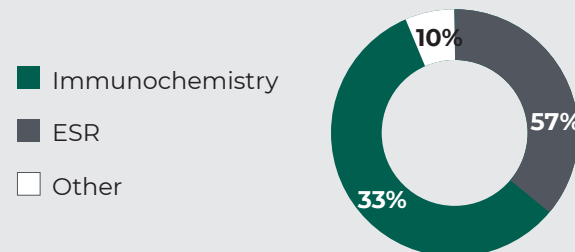
GENERAL INFORMATION

Over 60% of turnover is generated abroad; the target markets contributes to sales as follows:

SALES BY PRODUCT LINES - 1



SALES BY PRODUCT LINES - 2



Area	2022	2021
ITALY	33%	38%
EURASIA	23%	22%
AMERICAS	12%	10%
APaC	14%	13%
Middle EAST & AFRICA	18%	17%

Active Distributors	u.m.	2022
ApaC	no.	21
South America		18
EurAsia		61
Arabia Africa East EU		49
North America		6
Total		155

There are 155 active distributors outside Italy.

In the context of commercial relations, in 2022 it's worthy to mention the new partnership with distributor Menarini to cover the geographical area of the United States.



THE DIESSE SUPPLY CHAIN

As regards the Diesse supply chain, our suppliers can be divided into five main types:

- 1) “critical”: all suppliers of a raw material that impacts on the quality of the finished product, and whose failure to deliver would block the production system, are classified as critical;
 - 2) “fixed”: i.e. all suppliers with whom an on-going supply relationship of various products has been established but without commitment, as the supply can also be found elsewhere on the market after an in-depth research;
 - 3) “maintenance or service providers”: in this case the usual suppliers who operate to maintain our plants and machinery.
 - 4) “medical-scientific consultancy providers”: DIESSE also makes use of fixed collaborations contracted with Framework Agreements, which are then developed into individual Project Contracts, mainly in the field of R&D. We also collaborate with various universities and hospitals to develop and study new kits or for tests and trials on new products.
 - 5) “occasional suppliers”, for purchasing products and services when necessary and not habitually.
- At the time of establishing a relationship with a “critical” supplier, whose material has a potential impact on the quality of the DIESSE product, certifications are requested (specifically, ISO 9001 and ISO 13485).

The internal procedure for qualifying and monitoring suppliers was reviewed and approved in November 2022, with a view to strengthening control over suppliers having a possible impact on the quality of goods and services.

In 2022, over 60 contracts were signed, of the following types:

- 15% fixed collaboration contracts;
- 15% occasional collaboration contracts;
- 56% various supply, consultancy and rental contracts;
- 14% consultancy contracts with Hospitals, Universities, Laboratories.

Active suppliers of goods, services and work services	um	2022	2021	2020
No. of Suppliers	no.	758	802	812
Overall value of the supply of goods, services and work performed by geographical area	um	2022	2021	2020
Italy	€	87,2%	90,9%	90,6%
Europe (excluding Italy)		9,0%	6,9%	6,6%
Asia		1,8%	1,0%	1,2%
America		2,0%	1,2%	1,6%
Total		100%	100%	100%

The largest number of DIESSE suppliers is based in Italy, in line with the company choice to prefer Made in Italy; orders placed abroad are often “critical”, i.e. for products supplied exclusively by specific companies or related to marketing services abroad.

The main suppliers by turnover to DIESSE in 2022 were:

TANZINI QUINTILIO & FIGLIO	MERCK LIFE SCIENCE s.r.l.	EDENRED ITALIA S.R.L.
EVEREX S.R.L.	DHL Global Forwarding	Eurodifarm s.r.l.
ENEL ENERGIA SPA	FLORENCE SHIPPING	UFFICIOSTILE SpA
EUROSPITAL S.p.A.	ARVAL SERVICE LEASE ITALIA S.P.A.	MATRAS INTERPLASTIC S.P.A.
DE LAGE LANDEN INTERNATIONAL BV	CHIMERE S.A.S. DI CARUSO MAURIZIO	ITALIA CONSULT CHEMICALS S.p.A.
DOGANE	STUDIO TECNICO ASSOCIATO	CARLO ERBA REAGENTS s.r.l.
GIROTONDO SAS	ALL CLEAN SANEX SRL	FISHER SCIENTIFIC SAS ITALIA

As 2022 is the year of realising the DIESSE BIOTECH Campus, a large part of the suppliers’ turnover is allocated to builder Tanzini Quintilio & Figlio.

Almost half of the total supplier turnover 46.42% is in fact generated by the two suppliers:

- TANZINI: the contractor who is working on the construction of the new DIESSE Biotech Campus
- EVEREX: the partner who supplies us with the instruments and most of the spare parts

The orders for the purchase of systems, furnishings, equipment and IT infrastructure for the new DIESSE Biotech Campus were placed in 2022.

Total investments managed amounted to approximately 2,300K.

Acceptance of the Organisation, Management and Control model for the purposes of L. Decree no. 231/2001 and the code of ethics has been included in all new contracts and orders starting from 2021.

OUR LEADERSHIP

As previously mentioned, ArchiMed, the first independent private equity fund in Europe specialised in the Healthcare sector, has been investing in DIESSE since 2019.

Minority shares are held by the CEO, by some members of the Board of Directors and by some of the company executives.

As at 31/12/2022, the Board of Directors is composed of 6 members – 1 of whom is independent - and is involved in strategic issues, corporate development and for everything required by law.

As concerns the BOD, a change in the chair took place in July 2022.

The management of the company is entrusted to the CEO, with the support of the Steering Committee.

The company also controls the newly formed Chinese company, Diyashi Medical Equipment (Shanghai) Co. LTD.

Please note that the ArchiMed fund has a sustainability team within its organisation. This, combined with the periodic sharing of company initiatives, contributes to the progressive growth of the BoD members' expertise in this area.



OUR COMMITMENT TO CREATING VALUE

Investments in scientific innovation and activities to preserve the intellectual property of our products in the markets in which we operate continued in 2022.

Item	Unit of measurement	2022	2021	2020
Economic value generated		33.456.093	30.494.511	27.413.900
Production value	€	33,456,093	30,494,511	27,413,900
Income from equity investments	€			
Other financial income	€			
Extraordinary income - specify	€			
Economic value distributed		27.536.155	24.997.691	22.207.230
Operating costs		15.982.645	14.682.794	12.456.225
Costs for raw materials	€	9.135.995	8.347.264	6.744.051
Costs for services	€	6.293.881	5.687.270	5.487.513
Changes in inventories of raw materials	€	(504.920)	(391.021)	(657.826)
Other operating costs (net of taxes)	€	1.057.689	1.039.281	882.487
Extraordinary charges - specify	€	252,660	549,787	616,871
Value distributed to employees		9.316.258	8.586.818	7.825.419
Personnel costs	€	9.316.258	8.586.818	7.825.419
Value distributed to capital providers		988.559	938.096	1.167.629
Interest and other financial charges	€	988.559	938.096	1.167.629
Value distributed to the Public Administration.		1.187.236	719.176	706.091
Income taxes (current and prepaid)	€	1.123.558	662.750	654.840
Other operating costs (only the value of taxes)	€	63.678	56.425	51.251
Value distributed to shareholders		0	0	0
Distributed dividends	€	-	-	-
Value distributed to the community		61.457	70.807	51.866
Donations	€	17.092	20.484	16.020
Universities and research centres	€	-	10.000	0
Sponsorships	€	14.266	12.000	12.000
Trade or Professional Associations membership fees	€	30.099	28.323	23.846
of which others		226	1,517	83
Economic value withheld		5.919.937	5.496.820	5.206.671
Profit (or loss) for the year (net of dividends)	€	1.643.053	1.600.142	1.446.907
Depreciation/Provisions/Write-downs/Revaluations	€	4.494.138	3.786.991	3.931.217
Deferred taxes	€	(217.254)	109.687	(171.453)

Additional economic growth KPI

The total economic value generated in 2022 exceeded 33 million euro, with a growth of 9.7% compared to the previous year.

Value Breakdown	2022	2021	2020
Economic value generated	33.456.093	30.494.511	27.413.900
Economic value distributed	-27.536.155	-24.997.691	-22.207.230
Operating costs	-15.982.645	-14.682.794	-12.456.225
Value distributed to employees	-9.316.258	-8.586.818	-7.825.419
Value distributed to capital providers	-988.559	-938.096	-1.167.629
Value distributed to the Public Administration	-1.187.236	-719.176	-706.091
Value distributed to the community	-61.457	-70.807	-51.866
Economic value withheld	-5.919.937	-5.496.820	-5.206.671

*in €

Much of the value generated is distributed between employees and suppliers.

The net financial position as at 31/12/2022, is as follows (in €):

	31/12/2022	31/12/2021	Variazione
Cash and cash equivalents	3.858.513	3.726.098	132.415
Other current financial assets (C3)			
Current financial receivables (B3 II within 12 m)			
Current bank payables (D4 within 12 m)	4.285.684	3.266.881	1.018.803
	115.583	40.715	74.868
Current financial lease payables			
Net current financial debt	(542.754)	418.502	(961.256)
Bonds and convertible bonds (beyond the next financial year)			
Due to banks (D4 beyond 12m)	15.726.000	11.994.400	3.731.600
Other non-current financial liabilities (D, beyond 12 m)	(7.680.000)		(7.680.000)
Non-current financial lease payables			
Non-current financial debt	(8.046.000)	(11.994.400)	3.948.400
Net financial position	(8.588.754)	(11.575.898)	2.987.144

In order to better describe the financial situation, the table below shows some balance sheet indices, compared with the same indices relating to the balance sheets of previous years.

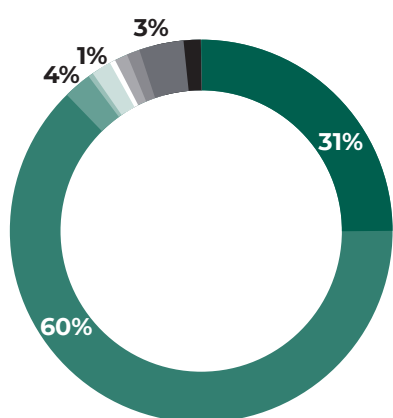
	31/12/2022	31/12/2021	Variazione
Primary liquidity	0,87	0,87	1,11
Secondary liquidity	1,32	1,42	1,79
Debt	2,89	2,85	2,76
Equity-to-fixed-assets ratio	1,09	1,15	1,21

Compared to the previous year, secondary liquidity decreased slightly as did the equity-to-fixed-assets ratio, the other indices remained unchanged, debt improved slightly.

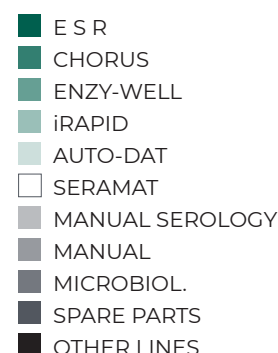
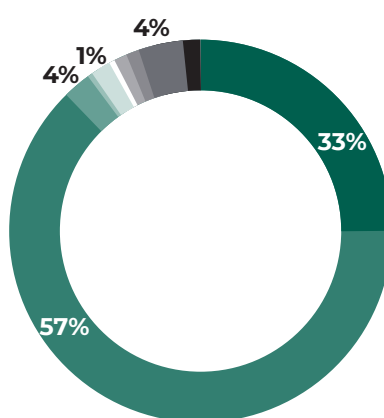
As regards the evolution of the turnover in the various markets, in Italy the turnover was over 10 million euro, with an increase of 10% compared to the previous year. Sales of products for the diagnosis of COVID represent around 13% of the total.

In order to better understand the evolution of the composition of turnover by product line, two diagrams are provided below, relating to the percentage data of sales distribution in 2022 compared to 2021:

CUMUL. SALES DECEMBER 2021



CUMUL. SALES DECEMBER 2022



As can be seen, sales of diagnostic tools and kits of the first two product lines cover over 80% of the 2022 turnover and both lines recorded a good increase compared to the previous year.

As regards emerging markets, the Chinese branch is considered strategic for the future development of sales of products and represents a fundamental objective achieved along the company's evolutionary path. During 2022, implementing the branch was critical, mainly due to the persistence of the COVID pandemic in China and the continuing restrictions; however, the official headquarters in Shanghai were completed and equipped, and the organisation and training of local personnel with the first, limited, sales related to MINICUBE and CUBE 30 TOUCH were finalised. The Company's presence in other emerging markets remains constant, through the network of its distributors.



OUR APPROACH TO SUSTAINABILITY

We embarked on our sustainability journey 3 years ago. Many steps have already been taken and many challenges lie ahead.

The nature of what we do, our patient focus and our commitment to a better world naturally guide us in this direction.

For details of the objectives and results achieved in 2022 and of the new 2023 objectives, please refer to the summary table attached at the end of the document.

We have carried out the B Corp impact assessment available for companies that wish to measure their ESG impact and our score is 100.1, higher by 28 points compared to the same assessment carried out in 2021 (minimum threshold for B Corp certification 80, maximum score achievable 200).

This demonstrates the strides made over the reporting period and confirms our desire for an ever-increasing impact.

STAKEHOLDERS AND RELEVANT TOPICS

The stakeholders, identified by a cross-functional team and then validated by the Steering Committee and the board of Directors, have remained unchanged compared to 2021. They are listed below.



The usual methods of relating and discussing with the individual identified stakeholders are reported.

Stakeholders	Interaction Mode
Investors	monthly meeting with updates on business performance and site visits
Customers/Patients	two annual meetings with distributors and agents; direct and constant customer care relationship for complaint management
Suppliers	periodic meetings and sharing of purchasing budgets with "critical" suppliers, telephone/mail relations with others
Employees/Collaborators	company magazine DFocus, annual Engagement Survey to measure the corporate climate; monthly video with messages from the CEO
Universities and research centres	we regularly host students for theses and curricular and extra-curricular internships, mainly in the R&D field, we work on the design of our instruments with the Architecture Faculty of the University of Florence
Companies, communities and institutions/regulatory bodies	relationship managed by the Regulatory Affairs and Quality Assurance team and strong involvement of our CEO in institutional round tables;
Scientific community and laboratories	close collaboration in scientific research projects (e.g. with the Spallanzani Institute on COVID tests, with the University of Padua on developing and testing a new instrument).

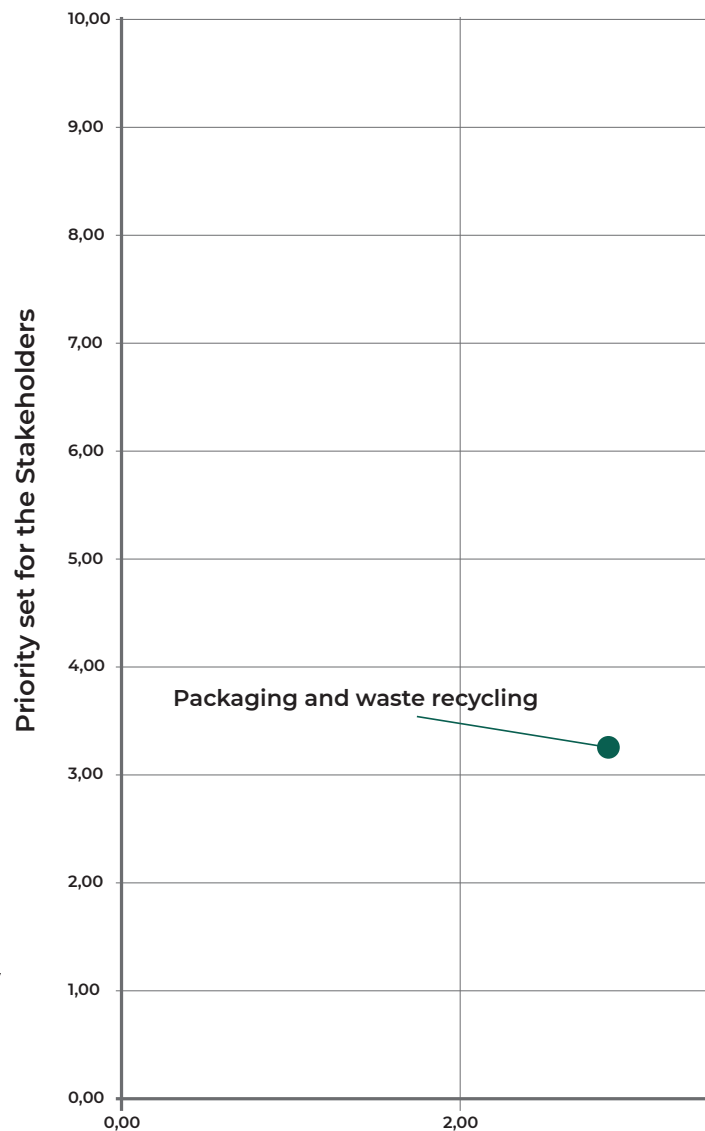
With respect to the 7 stakeholders, the 10 material topics identified in 2021 were also confirmed. These are relevant to us as they reflect the company's impact on the economy, society and the environment.

THE DIESSE MATERIALITY MATRIX

The company has carried out a materiality assessment, in order to identify the most significant non-financial issues, defining a threshold beyond which a topic acquires such an importance as to have to be reported.

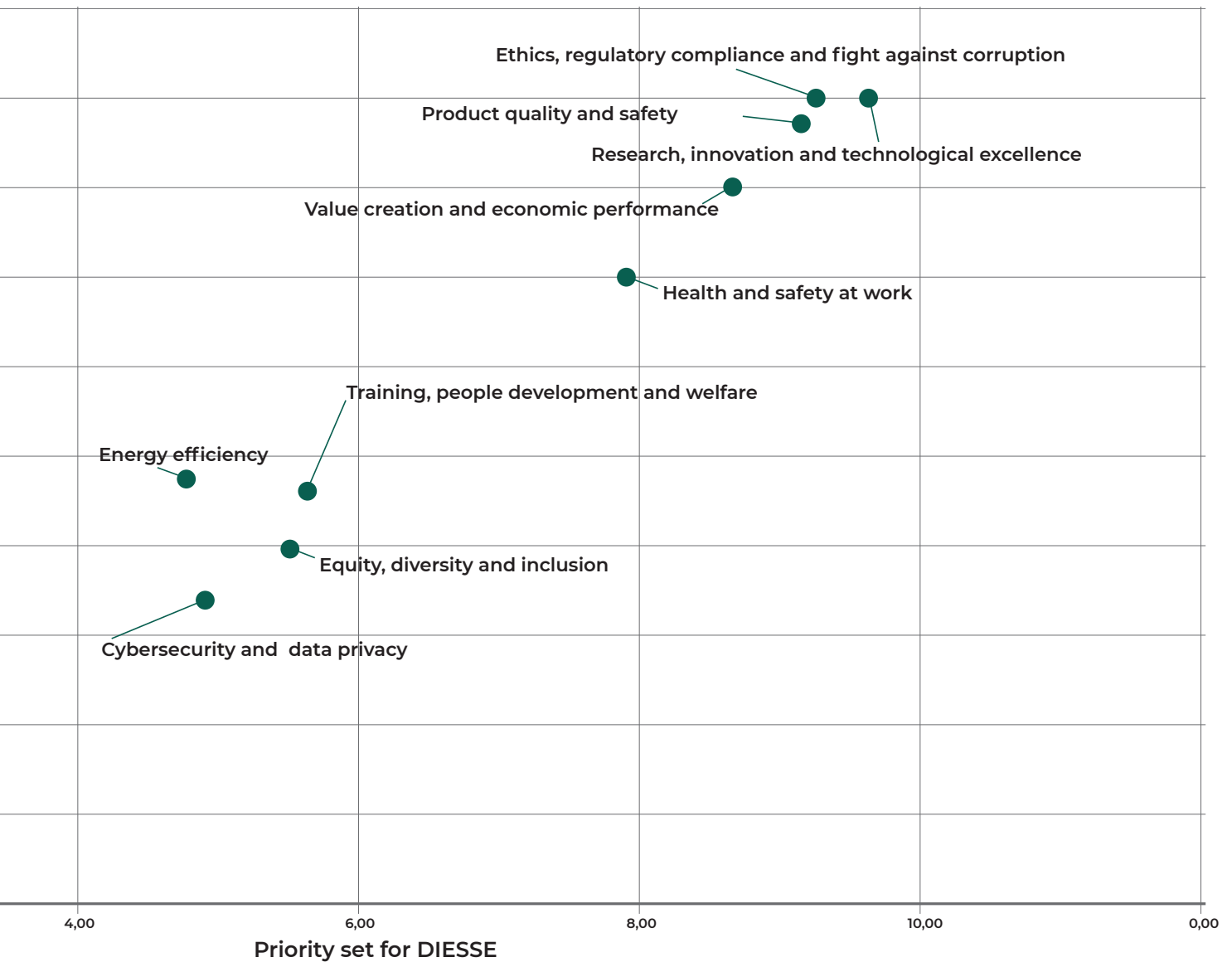
DIESSE's materiality assessment was prepared in accordance with the requirements of the GRI (Global Reporting Initiative Standards) and took into account the following factors:

- Reasonably estimable economic, environmental and/or social impacts with respect to our business sector;
- The interests and expectations of the stakeholders directly involved in the organisation, such as employees and shareholders, also by means of instruments such as engagement surveys and consultancy provided by a company appointed by the ArchiMed fund to guide the company through the process of defining the CSR;
- Contacts and relations with civil society, in particular with the world of universities and of scientific research;
- The main topics and the future challenges of our sector, identified within the corporate associations of Confindustria and specifically of Confindustria Medical Devices;
- Main values, policies, strategies, operational management systems, objectives that the organisation has set itself.



The definition of the main material topics took place through interviews with top management and the heads of various corporate departments. The participants in the survey were asked to assess the topics proposed in order of importance, both from an internal point of view (defining the so-called “Relevance for DIESSE”) and by taking on the role of external stakeholders (and defining the “Relevance for stakeholders”), assigning a ranking from 1 to 10.

Materiality matrix



By ordering the material topics on the basis of their score, it was possible to prepare a graph which takes into account the importance attributed on average to the topics assessed. The result is the “materiality matrix” which shows the order of priority assigned by management on the abscissa and the order of priority expressed by all stakeholders on the ordinate.

The topics already identified in 2021 were confirmed, reviewing only a few significant placements, which however did not impact the overall distribution.

THE MATERIAL TOPICS

ETHICS, REGULATORY COMPLIANCE AND FIGHT AGAINST CORRUPTION

Ethics, regulatory compliance and the fight against corruption represent one of the most significant topics in the DIESSE materiality matrix. The objectives that define DIESSE's commitment in relation to the ethical aspects are given in the Code of Ethics, which contains the basic principles that represent an indispensable and fundamental asset of the company, which must base its development on a solid reputation, true to these values. DIESSE people, suppliers, customers, candidates for employment and all other possible recipients are required to strictly comply with these principles when carrying out their activities. The general commitment of the organisation in relation to ethical aspects is also reported in the CSR policy; finally, the Organisation, management and control model for the purposes of L. Decree no. 231/2001 identifies the processes at potential risk of crime, the methods of managing the financial resources, the disciplinary system and the preventive and corrective actions, as well as the measures to be implemented in the area of personnel selection, information and training. The topic is relevant in particular as concerns the fight against corruption due to the potential impact on the community, as it is part of the business developed with the public administration, mainly in Italy.

CYBERSECURITY AND DATA PRIVACY

The protection of the data of all stakeholders and IT security are relevant topics and in the limelight particularly in relation to the recent and continuous episodes of crimes on the matter at a global level.

The scope of their potential impact concerns employees, sensitive business data and data relating to customers and suppliers. Ensuring data security and privacy means avoiding negative impacts on these areas.

RESEARCH, INNOVATION AND TECHNOLOGICAL EXCELLENCE

Research, innovation and technological excellence constitute the most relevant topic in DIESSE's materiality matrix. Starting from 2020, the company has invested approximately 10% of its revenues in research and development every year, a percentage that is almost double the market average (6%). Scientific research represents one of the strategic pillars of growth and differentiation. We also see this as the main road for significantly creating value on patient health, through innovations and the continuous offer of state of the art diagnostic solutions. For this reason, the in-house R&D team has also grown in recent years and will continue to do so over the coming ones. Since Siena is one of the world's centres of excellence in the research and production of vaccines, we consider our contribution to the development of the territory and to the wealth of scientific knowledge present therein to be significant. The scope of impact is therefore extended to the scientific community, universities, our customers, the patient.

VALUE CREATION AND ECONOMIC PERFORMANCE

The topic is relevant with respect to the economic and financial impact which mainly concerns investors-shareholders, but it transversally impacts the well-being of our employees and collaborators, of the community and of the territory in which we operate and ultimately the scientific development and innovation, carried out also thanks to the possibility of allocating part of the profits to research activities.

PRODUCT QUALITY AND SAFETY

The quality and safety of the product are an essential aspect for DIESSE, which guarantees these through a system of procedures and operating instructions aimed at clearly defining responsibilities and at ensuring controls during all production phases. A surveillance system of the product placed on the market allows assessing the performance of the products, carrying out their risk assessments and improving their design. Another aspect that contributes to monitoring quality and production safety is the management of the "changes" of the diagnostic test, i.e. changes to an existing product or production process which allow the essential requirements to be kept unchanged. The topic is extremely relevant due to the nature of our products and to the impact they could generate in the field of diagnosis and ultimately in patient care and health.



TRAINING, ENHANCEMENT AND WELFARE OF PERSONNEL

People are the key to the success of everything we do. Strong schooling, especially in the scientific field, diversity of gender and of generations characterise the human capital of DIESSE. Long life learning, continuous study, contamination of skills represent how we carry out employee training, which includes the training necessary to ensure product quality and safety, but also soft skills courses aimed at increasing the culture of collaboration and of corporate management. Enhancement includes both internal communication initiatives aimed at highlighting projects and events, and a widespread performance management process, which enables recognising and rewarding merit and steering the organisation towards common objectives.

In recent years, employee well-being has been one of the highest cared-for areas, whose pinnacle is represented by the DIESSE Biotech Campus, DIESSE's "new home". Initiatives to raise awareness towards topics of health, prevention, nutrition and sport have been carried out both with internal communication tools and by involving the company doctor in prevention campaigns, not just on the COVID issue.

It is worth mentioning that over the last two years agreements have been activated with the three Tuscan universities and with technical schools in the area to facilitate the entry into the world of work of young high school graduates and recent graduates.

The main impact of the topic therefore refers to employees and to the local community and schools.

EQUITY, DIVERSITY AND INCLUSION

The relevant aspects for our company with respect to this topic can be traced back to 3 elements: gender, generation, inclusion of people with different skills and expertise-

Lastly, inclusion means attention towards different forms of flexibility, types of duties, special permits that allow everyone to best express themselves.

OCCUPATIONAL HEALTH AND SAFETY

When carrying out its activities, DIESSE considers human health, environmental protection and occupational safety an indispensable duty, a continuous commitment and a constant component of its mission. The topic of occupational health and safety is relevant due to the impact it has on our most important resource, human capital, and is therefore totally integrated into our conduct and business management models.

PACKAGING AND WASTE RECYCLING

The issue of packaging and waste recycling is especially relevant from the point of view of environmental sustainability and of the possible impacts that the activity that DIESSE carries out could have on the environment. In the field of waste disposal and recycling, we are compliant with current legislation and promote virtuous behaviour with internal communication initiatives.

The topic is relevant due to the potential impact of the type of potentially dangerous waste and production material on the community and on public health in view of the type of products, as well as to the contribution that we feel we can provide as a company and as a group of individuals to the objectives of the UN 2030 agenda

ENERGY EFFICIENCY

The relevance of the topic of energy efficiency is linked to the desire to reduce the impact of our production activities in terms of energy procurement and consumption.

The DIESSE Biotech Campus, under construction since 2021 and due for delivery at the end of 2022, represents the largest investment in this sense, since it will combine the latest generation plant engineering and lighting with a photovoltaic system (installed power 600 kW), which together with the one already installed at the Rigoni site will almost totally cover our energy needs [monitoring and KPIs will be defined once the transfer to the new site has taken place]. Consideration is also being given to an internal water supply system, through an artesian well and bio-lake which will channel rainwater and from which the water subsequently used for services to support the business will be drawn.

IMPACTS IDENTIFIED

The tables below represent the potential and current, negative and positive impacts identified and, in the notes/mitigation field, the actions in place to reduce the current or potential negative impacts and the information relating to the current or potential positive impacts.

Macro-area	Material Topic Hypotheses	Impacts	Positive/Negative	Current/Potential	Notes - Mitigations	
Environment	Efficiency	Waste associated with the use of electricity	Negative	Current	Awareness-raising in the company magazine (October 2022)	
		Paper consumption in product kits and when carrying out internal processes and procedures	Negative	Current	Project 2023: digitisation of manuals and instructions, delivered via USB and no longer on paper; WAM project for digitising Quality system procedures	
		Use of water resources in the plate production cycle (a process that involves three micro-plate washing cycles)	Negative	Current	Project 2023: reduction in the number of washes and consequent reduction in the volumes of water consumed Project 2023: Future commitment: organisation of a water collection process in the DIESSE Biotech Campus	
		Production of greenhouse gas emissions deriving from production activity	Negative	Current	production of renewable energy Diesse Biotech Campus electrical systems with energy saving features and instruments (see dedicated paragraph) Replacement of plastic production department presses (2022): reduction of consumption from 10Kwh to 3Kwh per machine.	
	Packaging and waste recycling	Production of hazardous waste in the production process	Negative	Current	On-going project to reduce the material destined for disposal (retesting and internal use of expiring kits)	
		Promotion of good circular economy practices for waste reduction and correct disposal of materials and packaging.	Positive	Current	Internal operating procedures and instructions for the correct management of waste disposal. Communication initiatives on food waste in break areas. Reprocessing and use assignment initiatives for non-compliant or out-of-date materials destined for disposal. Project 2023: procedure and KPI % recovery of total expired or non-compliant material destined for disposal. Project 2023	
		Reduction of waste and in particular of plastic (CUBE line)	Positive	Current	The instruments enable avoiding the use of dedicated reagents (and the relative sample collection plastic material), as they work on the primary sample. They are also easily reconditioned and therefore suitable for recycling.	
	Respect for the environment	Safeguarding animal life and the environment	Positive	Current	Replacement of hyper-immune goat serum for human IgG with recombinant G protein; replacement in the TPHA test of the native antigen (syphilis) produced in vivo with recombinant proteins (R&D project within the framework of the development of the new AUTODAT instrument); use of serum-free media to eliminate the use of FCS	
		Use of raw materials of animal origin - such as treponema pallidum - for TPHA testing	Negative	Current	See above, on-going project	
		Use of hazardous raw materials in the production process	Negative	Current	Project 2023: use of raw materials with reduced toxicity (e.g. avoiding the use of triton)	
	Social	Occupational health and safety	Promotion of a safe working environment for employees and collaborators of external companies	Positive	Current	Additional health and safety training plans with respect to legal provisions
			Accidents at work due to lack of attention/ failure to disseminate health and safety issues within the company	Negative	Potential	Procedures and processes for monitoring working conditions and environments, for managing near misses and for their prevention. Identification of a clear safety organisational chart, with all team Managers appointed in charge, to strengthen their attention when managing day-to-day operations.
Training, enhancement and welfare of personnel		Improvement of work-life balance by increasing welfare policies (flexible hours, smart-working...)	Positive	Current	Individual smart working agreements, special permits for school placements, special permits for diagnostic visits for themselves and for family members; flexible start and finish times and for lunch breaks	
		Development of the skills of all personnel through training programs and individual development plans	Positive	Current	Training catalogue project, containing ad hoc training plans linked to the development of new skills, partly financed through inter-company funds (fondimpresa, Fondirigenti); implementation of individual development plans related to language skills and soft skills.	
		Corporate Welfare	Positive	Current	Dwell project with company welfare platform implementation	

Macro-area	Material Topic Hypotheses	Impacts	Positive/Negative	Current/Potential	Notes - Mitigations
Social		Total transparency in communication and application of procedures for assessing employee career paths	Positive	Current	Performance review process applied to the entire employee workforce
	Equity, diversity and inclusion	Ensuring a fair and inclusive working environment	Positive	Current	% of female population at any company level
		Incidents of discrimination within the company and inequalities in personnel and governing bodies	Negative	Potential	Reduction of inequalities through specific initiatives (internal training) and implementation of policies on Diversity & Inclusion topics
Governance	Ethics, regulatory compliance and fight against corruption	Non-compliances with the regulatory system within which the company operates	Negative	Potential	Policy drafting - SB - Specific training
		Stability and Prosperity of suppliers	Positive	Current	Responsible and timely management of supplier payments
		Suppliers potentially not in line with ethics regulations, compliance	Negative	Potential	Cyclical mapping of suppliers and distributors for timely checks on geopolitical risk and corruption
	Cybersecurity and Data Privacy	Possible violations of customer privacy and data loss	Negative	Potential	Adequate IT system to ensure Business Continuity and Disaster Recovery
	Research, innovation and technological excellence	Investments in research and development	Positive	Current	R&D investment rate higher than the market average in the last 3 years
		Placing new products on the market (diagnostic devices)	Positive	Current	14 new kits launched in 2022 and 4 new releases in the instrument field
	Product quality and safety	Use of paper instructions to be included in each packaged instrument	Negative	Current	Project 2023: digitisation of manuals and instructions, delivered via USB and no longer on paper; WAM project for digitising the Quality system procedures
		Use of non-recycled plastic to maintain the quality of the finished product (plastic test tubes)	Negative	Current	Project 2023: reintegration of non-compliant plastic product within the production process for new casting and moulding
		possible impact on the quality of the diagnosis, against product quality shortcomings	Negative	Potential	Structured post-market surveillance process, with preventive and post-sales laboratory analyses to ensure product quality
		Possible cases of products not complying with regulations and/or self-regulatory codes concerning the impact of products and services on health and safety	Negative	Potential	internal operating procedures and identification of key roles for verifying compliance with sector regulations
		Production of pathogens with potential negative impact on public health in case of theft	Negative	Potential	Biobank with biological security features and high level 24/7 access and surveillance systems
	Value creation and economic performance	Creation of jobs in the area thanks to the DIESSE BIOTECH CAMPUS and to the company expansion plan	Positive	Current	Choosing a local supplier, whose subcontracts are all local suppliers
		Creation of economic-financial value	Positive	Current	The growth trend of the company's economic performance compared to previous years continued in 2022
		Support to Made in Italy, preferring suppliers based in Italy	Positive	Current	87.2% of suppliers is Italian
		Dissemination of scientific culture and solidarity through agreements with universities and support to social initiatives	Positive	Current	Agreements with 4 universities and a high school to host training internships; dissemination of articles in scientific journals, participation in scientific congresses
		Donations, sponsorships and funding	Positive	Current	Support for non-profit charity initiatives, such as Dynamo Camp
		Creation of the Diesse Biotech Campus at the cutting edge of technology	Positive / Negative	Potential / Current	Positive: creation of new opportunities, new jobs Negative: construction waste

The BoD took part in defining the organisation's purpose, value and mission declarations and is involved in defining the strategies and policies within the scope of the impacts and goals related to sustainability. The BoD itself annually approves the impact report, envisaged since it is a Benefit Company, assessing the progress of the defined goals, the material topics, the potential risks and the mitigation actions. With the transformation into a Benefit Company, an Impact Manager was appointed. Responsibility lies with the CSR Manager.

As part of the company's operations, the Steering Committee, the company's internal management committee, takes part in defining the actions and the follow-ups of the defined initiatives, on a monthly basis.

OUR CONTRIBUTION TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

At the time of the transformation into a Benefit Company, we made specific commitments in our articles of association:

“As a Benefit Company, the Company will therefore have to operate in a responsible, sustainable and transparent manner towards its stakeholders and specifically towards investors, employees and collaborators, the scientific and university world, the community, regulatory bodies and institutions, suppliers and in general towards stakeholders in order to pursue the following purposes for the common benefit:

- (i) To operate towards developing the human person in the social organisation and towards developing social inclusion aimed at the effective achievement of integration, according to a line of gradual, possibly harmonious growth, the elimination of any discrimination and of any unjustified distinction;*
- (ii) To generate sustainable economic growth, for the benefit of all its stakeholders;*
- (iii) To operate to guarantee access to justice for all, create effective, responsible and inclusive institutions at all levels, encouraging and supporting cultural, social and charitable initiatives, even if they have a profit-making purpose, which undertake to disseminate education for disease prevention and a healthy life and which encourage respect for the environment and its more conscious use as a health factor;*
- (iv) To operate to promote and disseminate a culture of ethics, compliance and anti-corruption at all levels and towards all stakeholders.*
- (v) To operate to make the workplace healthy and safe for employees and collaborators and for the employees of investee or associated companies, so as to promote the harmonious development of the person in the workplace;*
- (vi) To operate in order to reduce the environmental impact of operations, but also to positively influence customers and investee or associated companies to behave responsibly towards the environment.*
- (vii) To contribute to scientific progress and to the treatments available for the patient, by means of adequate research and innovation activities in the business area, in order to have a positive impact on health and well-being, with a particular focus on the quality of the products.”*



In the CSR Policy, we have identified the 5 sustainable development goals of the United Nations 2030 agenda on which we believe we have a significant impact. For DIESSE, all the material topics can be included in one of the five objectives of the 2030 agenda and are consistent with what is indicated in the Benefit Company articles of association.



- Well-being initiatives in the company; Investments and training in occupational health and safety
- Medical monitoring of the main risk factors
- Contribution to the fight against COVID and against emerging infections
- Research, development and production of tests that aim to improve patient care.



- Transparent and fair HR processes
- Investments in training
- Management development courses
- Climate Surveys
- Flexibility and work-life balance policies
- Value generated and distributed to stakeholders



- Extraordinary maintenance interventions for more energy efficient buildings
- Construction of DIESSE Biotech Campus for a more responsible production
- Education projects aimed at responsible consumption
- Revision of instruments in the production field, to reduce the use of paper/cardboard



- Photovoltaic installation
- Campaigns to disseminate good individual consumption practices
- Choice of planet friendly materials and technologies in the construction of the DIESSE Biotech Campus



- Second level corporate agreement
- Involvement of the corporate workforce in social and solidarity initiatives
- D&I focus
- Close collaboration with scientific institutions and the world of associations and universities



GOVERNANCE AND BUSINESS



OUR APPROACH

DIESSE Diagnostica Senese S.p.A. undertakes to conduct, carry out and monitor its activities in an ethical, socially responsible and transparent manner to ensure respect for and preservation of the environmental, cultural and social heritage, safeguarding the current generation and future generations.

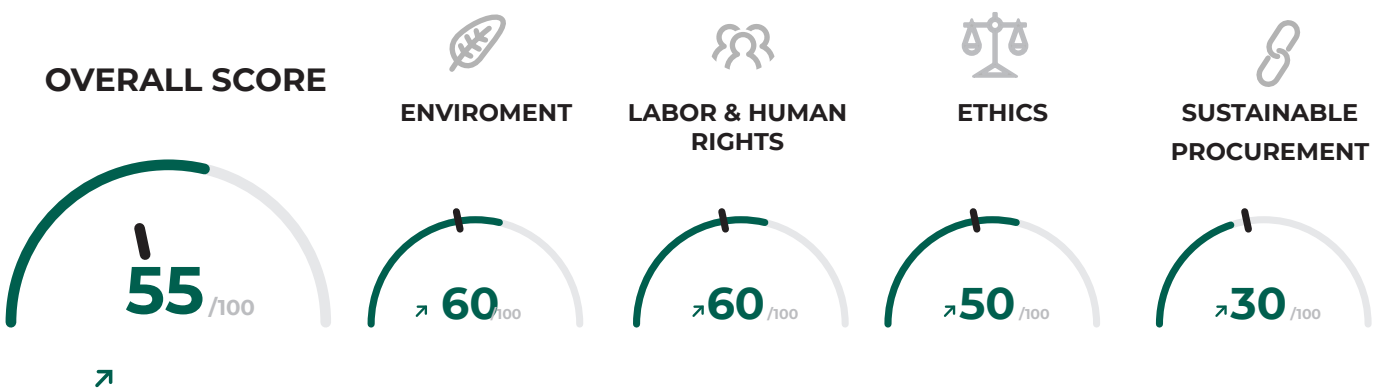
The principles that inspire DIESSE are clearly defined in its Code of Ethics, whose observance is required by the corporate bodies, its employees and all those who cooperate in any capacity in the pursuit of the company goals. DIESSE, in fact, wishes to state its firm conviction of basing its behaviour not only on compliance with laws and regulations, but also on compliance with the moral principles which govern all aspects of civil coexistence, all relationships between individuals, private and public companies and institutions.

The definition of the aforementioned CSR corporate policy dates back to 2020, has been disseminated internally and to stakeholders on the company website and, as reported in the previous paragraph, focuses on five main objectives, among the 17 defined by the UN 2030 Agenda.

The company monitors its progress with respect to these goals, also by proactively participating in the sustainability report project of the Comparto Chimico Toscano, the Ecovadis assessment, the ESG reporting of all the companies in the ArchiMed fund.



The ECOVADIS 2022 assessment obtained a score of 55% and DIESSE was therefore awarded a bronze medal in terms of sustainability.



This new culture of responsibility and civic sense is integrated into a quality management system, which aims to monitor all business processes, promoting continuous improvement. All the activities that make up the various business processes are aimed at maximum customer satisfaction and are planned and implemented by DIESSE in compliance with the major standards for quality management systems, ensuring traceability, transparency, maximum quality of its processes, products and services. To date, in fact, the Company is certified in accordance with UNI EN ISO 9001:2015 and EN ISO 13485:2016, also in compliance with the MDSAP Program (Medical Device Single Audit Program).

In addition, all products are CE marked.

The impact goals are integrated into the company procedures and processes and the KPIs. Consequently, each Department Manager is responsible for ensuring their progress and implementation, whilst reporting is guaranteed by the Impact Manager.

OUR GOVERNANCE

The ISO 9001:2015 standard defines our governance model, attributing a central role to Leadership; the quality management system is integrated with the corporate processes.

Leadership in DIESSE is assumed by the Board of Directors (BoD), with the support of the Board of Statutory Auditors and takes on the central role of planning, verifying and improving processes.

As at 31/12/2022, the Board of Directors is composed of 6 members - 1 of whom is independent; there is therefore one more member than in 2021. The new member took on the office of Chairman of the Board from July 2022. The members of the BoD are also involved in the boards of other companies that operate in the healthcare sector and have a specific expertise profile in financial management and in companies in the reference sector. It is because of this expertise that they have been chosen as members of the Board by the ArchiMed fund. No fees are envisaged for the members of the BoD, with the exception of the Chairman.

The 6 members are male, 2 are in the 30-50 age group, the remainder over 50 years of age. The board of statutory auditors is made up of 3 members, all three are male and all are over the age of 50. There are also 2 alternate members, male and over 50 years of age.

Massimiliano Boggetti holds the office of Chief Executive Officer (CEO) on behalf of the BoD, with a renewable 4-year mandate. The CEO of DIESSE has in turn appointed a Management Representative for the Quality Management System within the corporate governance.

The Steering Committee, made up of department managers, manages the company operationally, together with the CEO and based on the defined strategies. Gender mix (43% men, 57% women), diversified skills, seniority and backgrounds ensure a fruitful dialogue with a view to continuous improvement and a highly performing team.

Governance is responsible for:

- Strategic planning and quality policy: Governance plans and Quality Assurance carries out the activities envisaged by continuous improvement in order to implement the Quality Management System and to adapt it to the internal organisational context and to the requirements set out in the mandatory standards and regulations for DIESSE products. Governance and Quality Assurance work to ensure the conservation and integrity of the Quality Management System.
- Management of the quality policy and company goals: the Governance defines and approves the company quality policy and the objectives of the Quality Management System.
- Convening the Management Review, whose purpose is to periodically verify that the Quality Management System is always suitable, adequate, efficient and produces the planned results.

THE ORGANISATION, MANAGEMENT AND CONTROL MODEL

In addition to the Code of Ethics, DIESSE has adopted the Organisation, Management and Control Model as an instrument for awareness-raising and ethical training for all those who operate in the name and on behalf of the company, so that they behave correctly and linearly when carrying out their activities, thus preventing the risk of committing the crimes envisaged by L. Decree 231/01.



This is because the company is sensitive to the need to ensure a correct and transparent conduct when carrying out its business and corporate activities, to protect its position and image, the expectations of its shareholders and the work of its employees and is aware of the importance of adopting an internal control system suitable to prevent its directors, employees, collaborators, representatives, partners and agents from acting unlawfully. Furthermore, DIESSE has set up a Supervisory Body with the task of supervising the operation, effectiveness and observance of the Model itself, as well as of taking care of its updating.

The Model consists of:

- a “General Part”, which describes the relevant legislation and the general operating rules of the Model and of the Supervisory Body;
- a “Specific Part”, focused on the areas of activity and the instrumental processes deemed “sensitive”, the rules of conduct and the other control instruments deemed relevant in relation to the crimes to be prevented.

Reports of breaches or suspected breaches of the Organisation, Management and Control Model pursuant to L. Decree 231/2001, its general principles and the principles laid down in the Code of Ethics, or of relevant unlawful conduct pursuant to L. Decree 231/2001, must be made in writing and not anonymously. The Body acts in such a manner as to safeguard the authors of the reports from any form of retaliation, discrimination, whether direct or indirect, or penalty or any consequence deriving from these, ensuring confidentiality of their identity, without prejudice to the legal obligations and the protection of the rights of DIESSE or of persons accused erroneously and/or in bad faith; the Body assesses the reports received and any

consequent measures at its reasonable discretion and responsibility, possibly hearing the author of the report and/or the person responsible for the alleged breach and adopts the measures it may deem necessary for the purposes of complying with the Model, initiating the communications required for applying any sanctions. It must justify in writing the reasons for the decisions and any refusals to proceed with an internal investigation.

There is also a mechanism and a structured management procedure for complaints from customers or end users.

Critical issues are shared during monthly meetings or in meetings of the Board of Directors. Any critical issues raised by the SB have a communication flow defined by the OMC Model. No critical issues relating to conflicts of interest or non-compliances with laws and regulations were identified during 2022.



ANTI-CORRUPTION

In line with the provisions contained in L. Decree 8/06/2001, no. 231 and after having identified the corporate areas at risk of crime by mapping its activities and processes, the Company has prepared the Organisational, Management and Control Model. DIESSE has also established the Supervisory Body (hereinafter SB) for a period of 3 years, composed of two professionals, business consultants experienced in L. Decree 231. In order to prevent crimes relating to ethics, integrity and the fight against corruption, the external supervisory body conducts two audits a year to verify the model's integrity.

As a further commitment, top management and next in line employees also carry out specific training sessions on the code of ethics and on the organisation, management and control model.

During the reporting period, no episode of corruption by employees or business partners was ascertained and therefore no dismissals or contractual terminations were made due to violations related to this aspect.

CYBERSECURITY AND DATA PRIVACY

DIESSE has a GDPR compliant Privacy Policy and a procedure that ensures compliance with the regulations on the protection of personal data of natural persons pursuant to art. 13 EU Regulation no. 2016/679 (hereinafter, "GDPR"), as well as to L. Decree no. 196/2003 amended by L. Decree 10 August 2018 no. 101. In accordance with the procedure, the following have been drawn up:

- information notes on the processing of personal data of employees and visitors.
- information note for employees, with respect to the use of employee images.
- appointment of a person designated to process personal data, of system administrators and of persons authorised to process data.

As far as Cyber security and IT management are concerned, computer accesses, restrictions and authentication methods take place according to two different approaches: physical and logical security. By physical security we mean all the activities aimed at ensuring continuity of service (electricity, data transmission, etc.) while by logical security we mean a backup structure built to protect the virtual machines and the data contained therein. Through diversified backup lines, the risk of data loss is minimised and rapid recovery times are guaranteed.

In the event of a data breach, the events are classified as major non-compliances and managed according to strict deadlines. In 2022 there were no data breaches.

These were the top process or instrument improvement implementations in 2022:

- optimised the backup process, unifying everything on a single market-leading software (Veeam).
- Introduction of LAPS, i.e. a centralised management of the password of the local administrator of the company PCs which is automatically changed every 15 days for 100% of clients;
- Removal of all no longer needed virtual machines, which generated possible security failure points;
- Replacement of 2 Internet connection devices (Routers) in the Rigoni and San Martino offices, to adapt them to new technologies;
- The activity of removing machines with OS prior to windows 10 has continued
- Start of space optimisation activities on the file server (removal of obsolete files or files that are irrelevant for the work activity), thereby recovering about 5% of space;
- Implementation of a new power supply unit in the machine room at the Tognazza site, which has allowed a 90% reduction in lock outs due to electrical surges

The effectiveness assessment of these implementations found no deviations on cyber security.

% server coverage with antivirus: 100%	% reduction of administrator users - KPI: target 0 within 2022 – achieved	% anti-spam/anti-phishing coverage on company equipment: 100%
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During the reporting period, we received no complaints from external parties and regulatory bodies regarding the violation of customer privacy.



PEOPLE IN
DIESSE





OUR APPROACH

As already described in the previous chapters, the corporate values, our CSR policy, the code of ethics and the organisational model (MOG231) according to L. Decree 231/2001 are the basis of the processes that support our management of human resources.

An internal procedure defines the operating methods in all phases of corporate life, defining principles that ensure fair treatment and clear and transparent rules. The selection process has been reviewed in order to implement the principles of diversity, non-discrimination and the involvement of multiple players in the selection phases during this very delicate stage of hiring new resources, to ensure diminishing the subjective factor and identifying the best resources for the organisation, also ensuring regulatory compliance and for the purposes of 231/2001.

We have also integrated into the procedure the provisions regarding foreign citizens, child labour, potential conflicts of interest of the candidate, as per the organisational model (MOG231) of L. Decree 231/2001.

Loyalty, correctness, professionalism and independence of judgment are the principles on which we base the activities carried out by the HR Department, the consultants and the external collaborators involved in the search for personnel.

Training is a fundamental aspect for occupational health and safety but also for supporting the development of the personnel's technical skills and soft skills and in 2022 a very extensive training program was implemented within the organisation, which has been successful.

A job description, updated periodically, clearly defines the responsibilities of each person within the organisation.

An integral part of our Code of Ethics is the topic of human rights. All our employees undertake to know and respect this Code during the hiring phase, as provided for in the Organisational, Management and Control Model (OMC) for the purposes of 231/2001. Our code of ethics and the OMC Model have been implemented since 2020; both documents are available on the company website: www.diesse.it.



Finally, it is worth mentioning the collaborative and constructive dialogue with the workers' representatives, a dialogue which in 2021 enabled renewing the second-level contract, containing various measures to support the well-being of employees and improvements with respect to the provisions of the national collective bargaining agreement.

PEOPLE IN DIESSE

In 2022, the number of DIESSE people has grown further.

In support of the growth of the business, hiring was mainly concentrated in Research and Development, Commercial Operations and Production.

Employees by qualification break down by gender	u.m.	2022			2021			2020		
		men	women	total	men	women	total	men	women	total
Executives	no.	2	2	4	2	2	4	1	2	3
Middle management		9	10	19	7	11	18	8	9	17
Office workers		32	66	98	31	64	95	27	57	84
Workers		38	47	85	37	47	84	29	40	69
Total		81	125	206	77	124	201	65	108	173

Employees by qualification break down by gender	u.m.	2022			2021			2020		
		men	women	total	men	women	total	men	women	total
Executives	%	2	2	2	3	2	2	2	2	2
Middle management		11	8	9	9	9	9	12	8	10
Office workers		40	53	48	40	52	47	42	53	49
Workers		47	38	41	48	38	42	45	37	40
Total		100	100	100	100	100	100	100	100	100

Employees by qualification break down by age groups	u.m.	2022			2021			2020		
		< 30	30-50	> 50	< 30	30-50	> 50	< 30	30-50	> 50
Executives	no.	0	1	3	0	1	3	0	1	2
Middle management		0	12	7	0	11	7	0	8	9
Office workers		16	58	24	9	61	25	6	58	20
Workers		15	38	32	16	39	29	7	34	28
Total		31	109	66	25	112	64	13	101	59

Employees by qualification break down by age groups	u.m.	2022			2021			2020		
		< 30	30-50	> 50	< 30	30-50	> 50	< 30	30-50	> 50
Executives	%	0	1	5	0	1	5	0	1	3
Middle management		0	11	11	0	10	11	0	8	15
Office workers		52	53	36	36	54	39	46	57	34
Workers		48	35	48	64	35	45	54	34	47
Total		100	100	100	100	100	100	100	100	100

Minorities (e.g. protected categories) If applicable	u.m.	2022			2021			2020		
		men	women	total	men	women	total	men	women	total
Executives	no.	0	0	0	0	0	0	0	0	0
Middle management		0	1	1	0	1	1	1	1	2
Office workers		2	2	4	2	2	4	2	1	3
Workers		3	4	7	3	4	7	3	4	7
Total		5	7	12	5	7	12	6	6	12

Minorities (e.g. protected categories) If applicable	u.m.	2022			2021			2020		
		men	women	total	men	women	total	men	women	total
Executives	%	0	0	0	0	0	0	0	0	0
Middle management		0	14	8	0	14	8	17	17	17
Office workers		40	29	33	40	29	33	33	17	25
Workers		60	57	58	60	57	58	50	67	58
Total		100	100	100	100	100	100	100	100	100

With regard to the trend broken down by gender, there has been an increase in the workforce, which in 2022 was concentrated more on men, but the number of women remains significantly higher (the overall % of men within the company grew by only a 1% compared to the previous year). For the trend related to the age groups, there was an increase in the workforce under the age of 30, especially for office workers. As regards minorities the data are unchanged compared to 2021.

Over the last three years, the new recruitment policy has preferred direct contractual forms, with a sharp drop in the number of personnel on agency leasing contracts compared to the past and an increase in open-ended hires and the conversion of fixed-term contracts into open-ended ones.

Employees broken down by employment contract	u.m.	2022			2021			2020		
		men	wo-men	total	men	wo-men	total	men	wo-men	total
Open-ended contract	no.	72	121	193	69	115	184	64	106	170
Fixed-term contract		9	4	13	8	9	17	1	2	3
Total		81	125	206	77	124	201	65	108	173
Contracts converted from a fixed-term type to an open-ended one		1	4	5	0	3	3	0	0	0

In general, we prefer guaranteeing a greater peace of mind through direct contracts and, where sustainable, directly with open-ended ones. The portion of fixed-term contracts relates to the physiological need for flexibility in the production sector.

Employees broken down by type	u.m.	2022			2021			2020		
		men	wo-men	total	men	wo-men	total	men	wo-men	total
Full-time	no.	77	102	179	73	97	170	61	83	144
Part-time		4	23	27	4	27	31	4	25	29
Total		81	125	206	77	124	201	65	108	173

DIESSE supports parenthood and the needs of caregivers through part-time contract forms tailored to personal needs, without prejudice to the compatibility with the job performed.

Employees broken down by educational qualification	u.m.	2022			2021			2020		
		men	wo-men	total	men	wo-men	total	men	wo-men	total
Bachelor's degree/Master's degree	no.	22	51	73	22	49	71	20	36	56
High School Diploma/Qualification		44	50	94	40	51	91	31	46	77
Middle school diploma		15	24	39	15	24	39	15	25	40
Total		81	125	206	77	124	201	66	107	173

The number of graduates is significant in all directions; in particular the research staff also includes PhD holders. This represents a valuable support to scientific innovation.

Employees + collaborators	u.m.	2022			2021			2020		
		men	wo-men	total	men	wo-men	total	men	wo-men	total
Employees	no.	81	125	206	77	124	201	65	108	173
Personnel on agency leasing contracts		1	1	2		0	4	3	2	5
Other types of contracts		1	0	1	1	0	1	1	0	1
Total		83	126	209	82	124	206	69	110	179

The number of workers on agency staff leasing has been drastically reduced in favour of direct forms of contracts. Currently, agency leasing is only used if the identified candidate, mainly in the production/supply chain, already has a permanent contract with a temporary work agency and prefers to keep this in place.

The link with the territory in which we operate (our three main offices are located in Monteriggioni – Siena) is strong and enables us to attract local human resources, thus significantly contributing to the employment of those who live in the province of Siena and more generally in Tuscany. Thanks to the close collaboration with the three Universities of Tuscany and in particular with that of Siena, the company provides employment opportunities to highly specialised figures in scientific areas, enabling them to set up their professional path in the region of origin. On the other hand, over the last 3 years we have also attracted people from elsewhere, who have embraced the DIESSE project and its evolution and are now living in Tuscany.



employees broken down by region and gender	u.m.	2022			2021			2020		
		men	women	total	men	women	total	men	women	total
North	no.	1	0	1	1	0	1	1	0	1
Centre		80	125	205	76	124	200	64	108	172
South and Islands		0	0	0	0	0	0	0	0	0
Total		81	125	206	77	124	201	65	108	173

Employees hired (by age group)	u.m.	2022			2021			2020		
		< 30	30-50	> 50	< 30	30-50	> 50	< 30	30-50	> 50
Employees hired	no.	17	11	1	18	20	1	11	22	4

Employees hired (by gender)	u.m.	2022			2021			2020		
		men	women	total	men	women	total	men	women	total
Employees hired	no.	15	14	29	18	21	39	20	17	37

In 2022, the trend of hiring resources under the age of 30 continued, consistent with an age management policy and a containment of the increase in the average age, whose value in 2022 remained stable at 44 years. The hiring trend by gender shows a slightly higher value for men, but the overall number of female resources in the company is still considerably higher than that of the male resources. All hiring is carried out in Central Italy, as the three main offices are in the municipality of Monteriggioni.

Employees terminated (by age group)	u.m.	2022			2021			2020		
		< 30	30-50	> 50	< 30	30-50	> 50	< 30	30-50	> 50
Employees terminated	no.	2	10	3	4	2	5	1	6	4

Employees terminated (by gender)	u.m.	2022			2021			2020		
		men	women	total	men	women	total	men	women	total
Employees terminated	no.	7	8	15	6	5	11	4	7	11

The turnover trend is increasing compared to 2021, partly linked to some resignations mainly in the commercial area during the months of September-October 2022. Since this is a growth figure, we monitor the trend and the reasons in the case of voluntary resignations, in order to have a healthy turnover of resources, without dispersing key skills.

Turnover rate by gender	u.m.	2022			2021			2020		
		men	women	total	men	women	total	men	women	total
Turnover by gender	%	8,6	6,4	7,3	7,8	4,0	5,5	6,2	6,5	6,4

Turnover rate by age	u.m.	2022			2021			2020		
		< 30	30-50	> 50	< 30	30-50	> 50	< 30	30-50	> 50
Turnover by age group	%	6,5	9,2	4,5	16,0	1,8	7,8	7,7	5,9	6,8

Categories of vulnerable resources are present in the workforce of workers, office workers and managers.

Average age	u.m.	2022	2021	2020
Average age	no.	44	44	45

The average age in the company has remained unchanged compared to last year.

Interns	u.m.	2022	2021	2020
Number of interns and internships for theses	no.	20	13	9

The number of internships (which includes extra-curricular internships, curricular internships and thesis internships) increased in 2022. The agreements in place with the University of Siena, the University of Florence, Pisa, Perugia, the Vita Foundation and the Employment Centre allow us to provide training experience as internships, providing the opportunity of carrying out thesis internships or of obtaining ECTS Credits, or of implementing training and orientation projects in the post-graduate employment market. It is a source of great pride for us to be able to host young resources, still in an orientation phase.

We promote the enhancement of human capital

The people centricity is one of our values. We are committed every day to ensure that the choices in defining company strategies and policies reflect this value, ensuring fair treatment and the inclusion of all collaborators.

During 2022 there were various initiatives to support the professional and personal growth of DIESSE resources.

In particular, we mention the 2022 Training Catalogue, an initiative which has allowed providing a significant number of hours of training in the field of soft skills and hard skills, thereby strengthening the cultural and professional heritage.

Out of 206 employees, 95% took at least one training course during the year 2022.

2022 can be summarised and described from a development and training point of view with the data indicated below:

- 201 technical education and training activities
- 25 training plans organised for new resources, of which 15 completed on time and 10 still on-going.
- 10 training plans organised for a job change of the resources, of which 8 completed and 2 still on-going.
- 47 training initiatives on soft skills and well-being, involving 106 users.
- 5 training initiatives on hard skills involved 22 managers.
- 5 soft skills initiatives not carried out will be reviewed and re-planned if necessary

Hours of training provided by professional category and gender	u.m.	2022			2021			2020		
		men	women	total	men	women	total	men	women	total
Executives	h.	42	48	90	17	20	37	0	47	46,5
Middle management		353,33	474,75	828,08	175	388	562,5	95	241	336
Office workers		746,08	3265,49	4011,57	698	1196	1893,94	526	720	1245,9
Workers		4899	993,49	5892,49	668	825	1492,88	582	847	1428,3
Total		6040,41	4781,73	10822,73	1558,35	2427,97	3986,32	1202	1854,7	3056,7

Employee workforce by professional category and gender	u.m.	2022			2021			2020		
		men	women	total	men	women	total	men	women	total
Executives	no.	2	2	4	2	2	4	1	2	3
Middle management		9	10	19	7	11	18	8	9	17
Office workers		31	67	98	31	64	95	27	57	84
Workers		39	46	85	37	47	84	29	40	69
Total		81	125	206	77	124	201	65	108	173

Average hours of training per year	u.m.	2022			2021			2020		
		men	women	total	men	women	total	men	women	total
Executives	h.	21,0	24,0	22,5	8,6	9,9	9,3	0,0	23,3	15,5
Middle management		39,3	47,5	43,6	25,0	35,2	31,3	11,9	26,8	19,8
Office workers		24,1	48,7	40,9	22,5	18,7	19,9	19,5	12,6	14,8
Workers		125,6	21,6	69,3	18,0	17,6	17,8	20,1	21,2	20,7
Total		74,7	38,3	52,5	20,2	19,6	19,8	18,5	17,2	17,7

The number of training hours provided in 2022 shows a strong growth compared to the past for all professional categories and for both genders, with a consequent increase in average annual training hours. The figure confirms the company's attention to training. The hours of training in the training catalogue are therefore added to the hours of training. The company's goal is to enhance the development of resources through a constant growth of skills. The number of hours of training for male operators is particularly high compared to that of female operators since it is mainly training for the specific task and is therefore affected by the mix of resources hired, which in 2022 tilted towards the male population.

In 2022, the annual Performance Review process was extended to the entire white collar population. This provides for continuous manager-collaborator exchanges throughout the year, so as to guide performance and the conduct adopted to achieve this. To support the extension of the process, workshops and sharing moments were organised with both Managers and Collaborators, with a view to an improved understanding and a shared vision of the goals to be pursued. Individual development is also supported by an IDP (Individual Development Plan), a sort of journal, shared between the collaborator and his/her manager, which identifies the strengths and the potential areas for improvement and the actions with which to support their growth.

Overall, the training, development and Performance Review initiatives continue to support the company's cultural change, in its evolution towards a modern organised company.

Hours of training by training area	u.m.	2022	2021	2020
Managerial	h.	469	470	335
Quality		808	748	174
Safety/Technical		7.455	2.711	2.320
Linguistics		253	-	-
IT/Technology		8	25	8
Other		1.830	33	220
Total			10.822	3.986

Legend:

Management training: paths for the development of people management skills, aimed at managers and top managers

Quality: all training related to the procedures and instructions required for product and process quality, as well as training related to process/product changes

Safety/Technical: on-board training and cyclical refresh of the technical skills for the position held

IT/Technology: training on the use of IT instruments

Expenses and investments for training	u.m.	2022	2021	2020
Expenses and investments for training	€	46.484	63.774	54.281



The decrease in training expenditure, in contrast to the increase in training hours, compared to previous years, is due to the activation of 2 Fondimpresa Training Plans, through which we have obtained funding for providing the courses and which are not yet concluded, as a part of the training courses is scheduled for 2023. Furthermore, with the help of Assoservizi, it was possible to participate in two Fondimpresa inter-company tenders and to activate a fully funded linguistic training course and a course in the soft skills area.

Methods of providing training	u.m.	2022			2021			2020		
		men	women	total	men	women	total	men	women	total
E. learning training hours	h.	557,16	1321,91	1879	767	896	1663	595	1129,95	1724
Hours of mixed training		123,25	1379,83	1503	-	-	-	-	-	-
Hours of classroom training		5360	2079,99	7440	802	1519	2323	608	725	1333

As far as health and safety training is concerned, we have continued our commitment towards providing not only the mandatory courses required by law, but also courses with an impact on risk mitigation in daily operations, especially in the manufacturing area. The information campaigns and the dissemination of good practices in the areas of health, nutrition and well-being also continued.

The annual remuneration policies are based on rewarding merit, with a process that takes into account the Performance assessments of the previous year.

Benefits are allocated according to considerations of an organisational nature, the specificity of the position held, to attracting new resources from the market.

Shareholders are involved in the remuneration policies exclusively for top management figures.

Among the internal communication and dialogue initiatives with collaborators, we mention “Col Capo (With the Boss)”, a series of appointments with the CEO, in which anyone who signed up for the initiative was able to have a chat over breakfast about strategies, projects, company initiatives.

The activities of the new technical and scientific training Academy started in 2022, managed by the Customer Care team (Commercial Operations Department), which included 20 product training sessions and 19 workshops held during the year.

This is a further ambitious project that allows DIESSE to keep customers, distributors, agents and colleagues, whether new hires or undergoing a career development, constantly updated and trained.

**col
CAPO**

**A COLAZIONE PER
RAGIONARE INSIEME**



WE PROMOTE DIVERSITY AND EQUAL OPPORTUNITIES

The topic of equal opportunities and of diversity and inclusion in general is strongly felt and experienced in our organisation and permeates corporate life and our main management documents (Code of Ethics, OMC Model, CSR policy, personnel management regulation).

Dignity and equality are principles enshrined in our Code of Ethics, which clearly bans any discrimination based on age, language, gender, sexual orientation, state of health, race, nationality, political opinions and religious beliefs. We uphold respect for the personal dignity, privacy and personality rights of each individual.

We have concretely promoted these principles through some of the courses included in the 2022 Training Catalogue, intended for managers and collaborators. We monitor the evolution of the distribution KPIs by gender, age and level of education on a monthly basis, in order to guide the organisation on the topic and to take any necessary action.



The distribution by gender shows that, from the point of view of equal opportunities, 61% of resources consists of women, in contrast with the Italian landscape. This percentage grows in the managerial population.

In order to favour the work-life balance, DIESSE has work time schedules based on flexible start and end times (with the possibility of ending the working day by 4.30pm and by 3.30pm on Fridays) and for the lunch break.

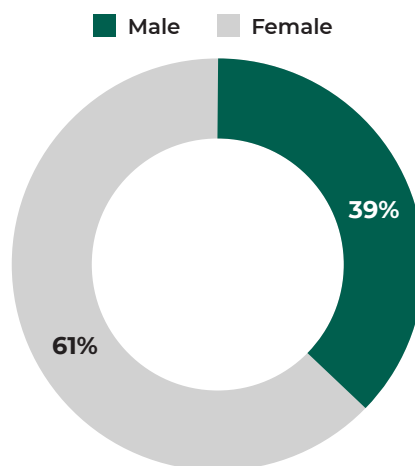
The data on women’s vs. men’s part-time contracts show that this request still comes mainly from women, not only for childcare but also, and increasingly, as caregivers for family elders.

Smart working has continued since April 2020, and concerns around 40% of DIESSE resources.

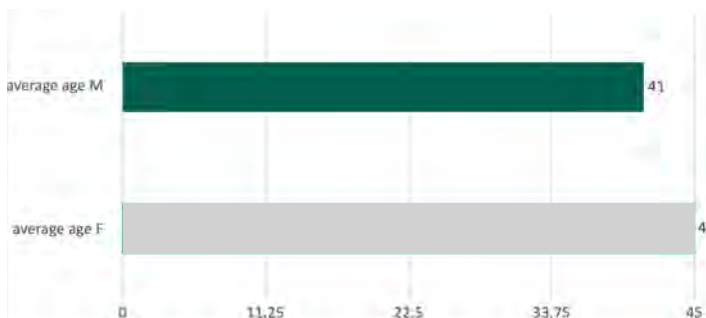
The company is compliant with the legal obligations regarding the inclusion of disabled workers.

In the field of age management, the previously mentioned curricular and post-curricular internships allow meeting young high school/university graduates with a progressive recruitment into the company.

DISTRIBUTION BY GENDER AND AVERAGE AGE BY GENDER AS AT 31.12.2022:



DISTRIBUTION BY GENDER/AGE AT 31.12.2022:



The analysis of salaries by homogeneous levels of responsibility does not show significant gaps between men and women.

The annual total compensation ratio, calculated as the ratio between the highest salary and the average of all the other workers is equal to 13.48.

WE PROTECT THE HEALTH AND SAFETY OF OUR WORKERS

In pursuing its activities, Diesse considers human health, environmental protection and occupational safety an indispensable duty, an on-going commitment and a constant component of its mission, the keystones of the Safety Policy (as required by the ISO standard 45001 - point 5.2)

The focus is on awareness and information not only for the DIESSE people, but for all the collaborators of external companies who come into contact with us, on the need to comply with the safety and hygiene standards applicable to site activities, on training collaborators to intervene in anomalous and emergency situations, to minimise any consequences.

The RAD (Risk assessment document) document defines the objectives to be pursued in the field of prevention and control of accidents and injuries, for the protection of workers, the population and the environment.

The Annual Safety Report drawn up by the prevention and protection service manager, attached to the Annual Meeting (art 35 of L. Decree 81.08), shares the progress of activities, the KPI monitoring and any action plans with all safety managers; everything is also reported in the Management Review document drawn up by Quality Management in accordance with the ISO 9001 and ISO 13485:2016 IVD Quality Certifications and with the next certification planned for 2023, ISO45001.

Diesse shares with its people the goal of maintaining conditions for health and safety in the workplace and its mission takes the form of a commitment to ensure working methods that promote a culture of safety in the workplace, by effectively implementing a health and safety management system that complies with the requirements of the model promoted by the Ministerial Decree of the Minister of Labour and Social Policies of 13 February 2014, as an instrument for medium and small businesses, in order to incorporate the obligations referred to in art. 30 of L. Decree 81/2008 and the codes of conduct adopted pursuant to the provisions of article 6 of L. Decree no. 231/01.

Furthermore, where possible, voluntarily, further measures deemed necessary even in the absence of legislative obligations are applied to:

- promote every initiative to prevent, in every activity, the occurrence of accidents, whether significant or not, which could compromise the safety of collaborators and of neighbouring communities; promote a transparent and collaborative relationship with public and private entities and local communities;
- provide the resources necessary to ensure a Security Management System appropriate to the reality of the Site;
- sensitise and inform all employees and collaborators of external companies on the need to comply with the safety and hygiene standards applicable to the activities of the Site;
- train collaborators to intervene in anomalous and emergency situations to minimise any consequences;

- pursue continuous improvement of the Site's safety management, also by identifying the risks associated with the activities carried out and defining the objectives for their reduction, in accordance with the development plans and with the available budget;

All risk assessments aim to allow the necessary measures to be taken to safeguard the health and safety of workers and/or of other people present in the workplace as well as the necessary measures to protect the environment.

The processes and methods for identifying possible workplace hazards and the related risk assessment are:

- hierarchy of controls - Supervisors, Workers' Health and Safety Representative, Prevention and Protection Service Manager, Company doctor (Organisation Chart and Appointments);
- reports of dangerous situations via email to the PPSM, site inspections and relative report by the PPSM, the company doctor and the Workers' Representative;
- incident investigation, specific near-miss procedure, recording, trend and statistics, with final report inclusive of improvement actions;

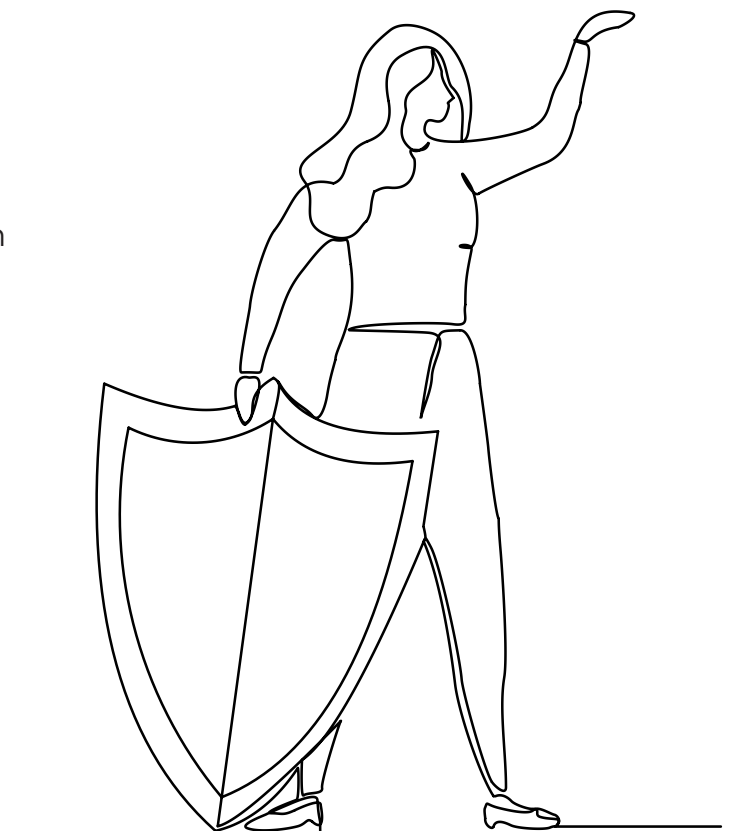
It should also be noted that the identification of potential hazards is generally developed through some survey instruments, such as for example:

- checklists;
- check of compliance with standards;
- check of compliance with the criteria of good technique;
- compliance with the general precautionary rules (Article 15 of Legislative Decree 81/08);
- systematic techniques and methodologies

The Safety Management System documentation is updated for each process, just as the training of individual managers and collaborators is constantly implemented as a crucial element for keeping a high level of control over health and safety.

Beyond the specific procedure for managing near misses, there are specific procedures, included in the quality system, for managing emergencies from chemical, biological, environmental risks and related to events such as fires, earthquakes, attacks, bombs (according to the emergency and evacuation and first aid plans).

All the assessment of workplace hazards (identification and actions taken) are reported in the "Diesse 2022 risk





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assessment update” file in section 3, points 2 and 3.

The occupational health service carries out a set of health checks, performed on site by an appointed company doctor, aimed at protecting the health and safety of workers. Their frequency and type are diversified according to the risk factors and the reference environment. The company doctor also carries out an annual inspection to check the work environments, with a focus on PPE and workstation ergonomics. In 2022, 217 health visits were carried out, during which, in addition to what is required by law, other elements that impact the health and well-being of workers were monitored:

- body mass index
- abdominal circumference
- physical activity carried out
- smoking habit
- use of alcohol by gender
- vaccination status of the worker (vaccinations and boosters carried out as well as antibody coverage checks, depending on the risk related to the job; the company has also implemented a vaccination campaign for seasonal flu for all workers and family members)
- monitoring the therapies followed by workers (subdivided by gender)

The worker has the right to request a medical examination; planning is in any case scheduled, to ensure the frequency established by the health protocol for all collaborators.

During the pandemic period, the COVID Prevention Committee was activated, which included the Prevention Manager, CEO, HR Director and Union Representative, with the Workers’ Health Representative, with the aim of exchanging information regarding the COVID situation both inside and outside the Company. The Committee remained active throughout 2022, in order to supervise its evolution and be ready to intervene if necessary.

CEO, HR Director and Prevention Manager meet periodically to assess the progress of prevention activities in the health and safety area and to define any actions regarding the problems encountered.

All training is carried out in compliance with the State-Regions Agreement.

The training is carried out partly internally and directly by the Prevention and Protection Service Manager and partly by external training companies:

To meet the criteria for the qualification of trainers as established by law, the Prevention and Protection Service Manager carries out some specific courses:

- Course on the use of laminar flow hoods (biological safety cabins)
- Biological risk course and specific emergency safety procedures
- Risk course for nitrogen and cryogenic containers
- Course on centrifuges and use of safety containers for centrifugation
- PPE course - choice and use, with specific training for masks and half masks

Updates of the First Aid Courses have been regularly carried out for the year 2022 by the Prevention and Protection Service Manager in his capacity as a Doctor Registered with the Medical Association of Siena and as a qualified teacher (Instructor Qualification Course -IQC) for the BLS-D.

Training is recorded in specific digital documentation, thus ensuring traceability for each worker and is updated with each new training and information session.

The workforce involved in the various types of safety training in 2022 in percentage terms is as follows:

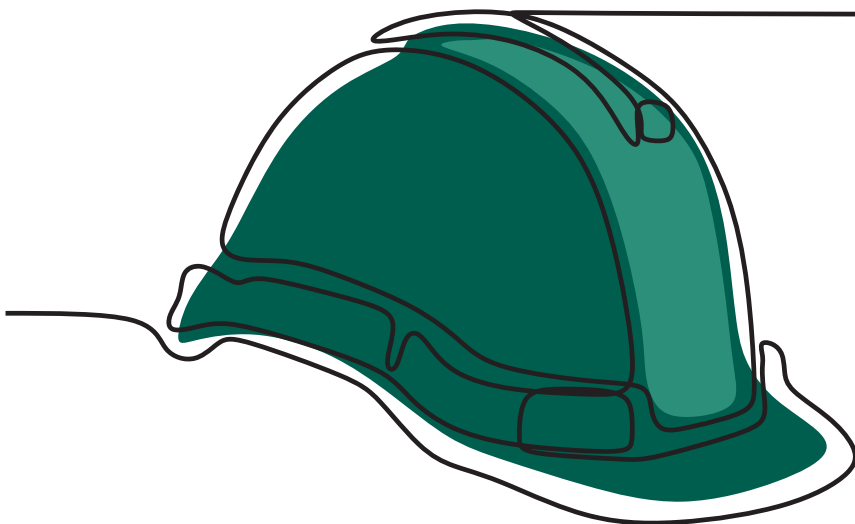
- Safety (L. Decree 81/08): 57%
- Electrical Safety (PES and PAV): 2%
- Warehouse Logistics Shelving Safety by the Warehouse Safety Manager and Relative Appointment: 2%
- Forklift Traffic Management: 2%
- Work at height: 2%
- Supervisors: 23%
- Elevating Work Platforms: 4%
- Workers' Health and Safety Representative: 2%

Prevention and Protection Service Manager: 6%

Compared to 2021, all mandatory safety courses have been carried out as per L. Decree 81, with a 100% attendance rate.

On a voluntary basis, the employee can activate the Faschim health insurance, which allows discounted rates or partial reimbursement for accessing health and preventive health services which go beyond the specific needs of the company health protocol.

The company makes the annual flu vaccination campaign available to all workers free of charge, as well as any boosts for all mandatory vaccinations for new hires and employees. The company's internal magazine - Dfocus – also has a section dedicated to Well-being, which, for example, has dealt with topics related to sports, nutrition and prevention over the last year.



Our OMC Model pursuant to L. Decree. 231/01 at point “4.2 Specific management protocols” illustrates the management methods and the obligations both in the field of occupational health and safety and in the context of relations with public bodies and the Ministry of Health for complaints and reports.

No accidents were recorded in 2022, neither for employees nor for external workers, thanks to all the training and information activities described in the previous paragraphs.

On the other hand, there was an accident whilst commuting, resolved with a few days of prognosis.

Accidents	u.m.	2022			2021			2020		
		men	women	total	men	women	total	men	women	total
Total hours worked by employees	h.	127162	196749	323912	117342	191452	308794	103516	168894	272410
The number of accidents* at work (enter the type of accident in the note)	no.	0	0	0	0	1	1	0	2	2
The number of occupational accidents with serious consequences (excluding	no.	0	0	0	0	1	1	0	0	0
Number of days of absence due to accidents	days	0	0	0	0	49	49	0	8	8
Deaths	no.	0	0	0	0	0	0	0	0	0
Number of employees	no.	81	125	206	77	124	201	65	108	173

Indexes	2022			2021			2020		
	men	women	total	men	women	total	men	women	total
Incidence rate	0	0	0	0	1,61	1,00	0	1,85	1,16
Severity rate	0	0	0	0	0,26	0,16	0	0,05	0,03
Recordable occupational accident rate	0	0	0	0	5,22	3,24	0	0,00	0,00
Rate for occupational accidents with serious consequences (excluding fatalities)	0	0	0	0	5,22	3,24	0	11,84	7,34
Rate of deaths resulting from accidents at work	0	0	0	0	0,00	0,00	0	0,00	0,00

The main risk for the health and safety of the resources is the chemical-biological one, by virtue of the processes carried out. Further areas of attention are connected to electrical risk, risk from manual and non-manual handling of loads, video terminal risks.

The Health and Safety document system is being migrated to software that will simplify and automate the entire process of planning visits, scheduling and recording training and information.

Another goal for 2023-2024 is the single certification, Quality, Safety, Environment - ISO 45001 Certification.



ENVIRONMENT





OUR APPROACH

Our OMC Model pursuant to L. Decree no. 231/2001 at point 4.2.10 Sensitive activity no. 23 illustrates: Management of activities and processes that are relevant for environmental purposes, including in relation with third parties.

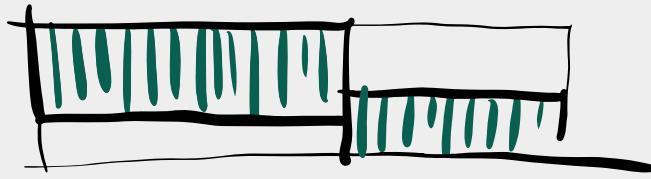
The effectiveness of the management model is verified through audits by the Supervisory Body, generally with two cycles each year.

In 2022, health, safety and environmental audits were carried out by the Supervisory Body, as a follow up measure to the findings which emerged in the previous audit cycle, as also mentioned in the previous Sustainability Report 2021. In view of the new evidence, a timely assumption of the anomalies found and a correct management of the documentary aspects relating to health and safety in the workplace were noted. The documentary check shows the updates and additions required relating to the risk assessment; the insights that are still missing are coherently linked to the imminent transfer of activities to the DIESSE Biotech Campus.

The initiatives in favour of a cultural and behavioural change in the protection of the environmental heritage have continued. As an example, the October 2022 edition dedicated a section of Dfocus to individual actions having an impact on energy consumption in the company and in private.

An internal awareness-raising activity was also carried out with indications on how the separate collection of non-hazardous/urban waste must be managed and on how the handling, labelling and storage of hazardous waste must be carried out (internal operating instruction IO AA 014).

Before proceeding with the disposal of semi-finished materials that have expired, if possible, a retesting is carried out, which allows assessing an extension of the expiry date of the material (in line with the internal organisational procedure POI 09-04 for semi-finished products).



BIOTECH CAMPUS

Insight on the DIESSE Biotech Campus (DBC)

Internal lighting: a home automation system with KNX-Da-li protocols has been adopted. The system consists of installing sensors that detect both the brightness in the environment and the presence of people in rooms equipped with windows. The lamps, all with a LED light source, are equipped with Da-Li drivers that allow dimming the light flow. Energy saving is obtained both by switching off the lights when no presence of people is detected, and by regulating the lighting according to the light coming in from outside. In rooms without an opening, the sensors only detect presence, turn on the lights and turn them off with a delay time to allow fully exiting the area in safety. The lighting is also connected to the burglar alarm system, which, via a second control, switches off all the lights when it is turned on. In the event of an alarm, the system switches on automatically.

External lighting: a home automation system with KNX-Da-li protocols has been adopted. The lamps switch on via a command from the web server, where an astronomical clock is installed with sunrise and sunset set every day by software. The lights come on after sunset, in order to ensure a correct use of the area and they stay on at most for the working hours. They undergo an initial reduction (20-30%), to be agreed with the management, at the end of the work schedule and are then reduced again after midnight. Shutdown is automatic at dawn.

Power factor correction: an automatic power factor correction system has been inserted to contain costs, avoiding the penalties imposed by ENEL and lowering consumption.

Primary air exchange; the primary air system is equipped with a frequency-adjusted inverter, which reduces the power of the motor according to both people and working hours. In the morning, the system becomes active before working hours to allow “cleaning” the premises before occupation and then it is modulated during the day, with an almost complete shutdown at night and weekends.

A heat recovery system with cross-flow exchanger and damper for the free cooling system has been implemented, with automatic operation controlled by the BMS for night cooling.

Control of the distribution pumps: the dripping pumps of the secondary circuits have been divided into several circuits and are all equipped with automatic regulators with variable flow rate for varying the heat transfer fluid, ensuring both a saving of traction energy and of generation fuels. Temperature control completes the efficiency improvement. By means of energy storage, the system avoids a non-continuous operation of the generator, preventing the reduction of yields.

BMS: the entire mechanical ventilation part of the laboratories is controlled by a BMS supervisory system which, in addition to ensuring compliance with the parameters required for production, also implements shutdown and speed variation interventions that allow energy savings.

Office heating/air conditioning system. The system used is the VRF type with 4 pipes (independent heating/cooling in each room) connected to a heat pump; it envisages local temperature control in all closed rooms and in the open space, with on and off control managed by home automation via the web server (with control also on the BMS). The system also allows activating the possibility of in-presence control (in small offices and meeting rooms) using the information from the sensor used for lighting. This feature will not be implemented for the time being.

Building materials: the embankment of the car park and the ground floor of the Biotech Campus have been filled with recycled material from other construction sites; the floors of the external areas (terraces and internal cloister) are in certified recycled "Novawood" material; the roof is made entirely of aluminium, 100% recyclable.

The project includes a 920 m² photovoltaic system, with an estimated production of 225 MWh, which adds to the 1476 m² already installed on the adjacent building which generated a production of 322 MWh in 2022.

Instrumentation and production machines: replacement of 14 latest generation fridge-freezers, with disposal of the old F/G class fridge-freezers; replacement of 5 presses with 3 new generation presses with greater efficiency - consumption of old presses 10 KWh vs. consumption of new presses 3 KWh. Furthermore, thanks to the replacement of the moulds, we have achieved an optimisation of the hourly cost and overall it has been possible to decommission 2 presses without the need for replacement.

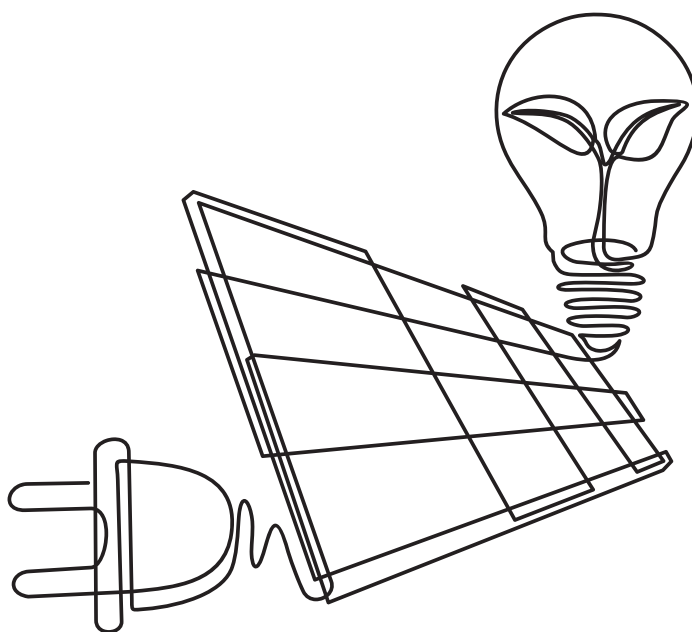
COMMITMENT TO REDUCING ENVIRONMENTAL IMPACTS

The DIESSE Biotech Campus (DBC) undoubtedly represents a significant step forward in terms of reducing the environmental impacts related to production and in general to the corporate life of DIESSE. With the transfer to the DIESSE Biotech Campus, a structured management guided by KPIs will be implemented. Please refer to the focus dedicated to the DBC in the following pages to find out the actions implemented in the design and construction phases with the aim of reducing our current environmental impact.

As far as water consumption is concerned, we comply with the AUA (Single Environmental Authorisation) certification with annual self-assessment of the water discharged into the sewer, carried out with an external supplier, which has not shown any anomalies in the last three years; according to the requirements of the AUA, at the Rigoni production site the emission of fumes from the 3 chimneys into the atmosphere is monitored with ad hoc measurements and the assessment of volatile SOV particles within the Plastic Moulding department is carried out.

From 2020, the instructions for use of our products have been made available in digital version on our website and no longer printed and inserted in product packaging, with the aim of reducing paper consumption and therefore of having a lower environmental impact.

From 2021, all the boxes for moving the semi-finished products between sites have been replaced by reusable containers, a measure that has allowed the multiple reuse of the transport boxes and the reduction in the use of cardboard.



ENERGY EFFICIENCY AND EMISSIONS CONTAINMENT

During the 2020-2021 renovation works, one of the actions carried out at the Rigoni site was the replacement of all the lights with LED lighting, to reduce energy consumption. The evolution of electricity consumption between 2021 and 2022 shows an increase. This is the combined effect of the 2020 lockdown period with related prevention measures in the workplace, including the significant use of smart working for office staff, and of the 2021 growth in the turnover volume and therefore in production, as well as of the growing recovery of commercial activities throughout the territory which has also led to an increase in fuel consumption. We are currently evaluating the renewal of the company car fleet with hybrid models starting from spring 2023, with the installation of electric charging stations at the new DIESSE Biotech Campus. Currently, water is taken from the public water network. Wastewater is discharged into the sewer. Potentially infected liquids, linked to the production cycle, are collected and disposed of by third-party providers, in line with the internal waste management procedure and with legal provisions.

To date, there is no monitoring and management system for water resources, nor the involvement of providers on the subject. Monitoring and the definition of KPIs will take place after the transfer to the DIESSE Biotech Campus in 2023.

Diesel consumption is mainly attributable to the company vehicle fleet, while methane consumption refers to use for production activities.



Direct energy consumption (offices and sites)	u.m.	2022	2021	2020
Non-renewable	m3	26.854	29.178	21.069
Methane (room heating)		26.854	29.178	21.069
Other (specify)				
Renewable				
Total		26.854	29.178	21.069

Direct energy consumption (company cars)	u.m.	2022	2021	2020
Non-renewable				
Methane	kg			
Other				
Petrol	l.	6.133		
Diesel	l.	31.705	40.341	29.000
LPG	l.			
Renewable				

We have implemented a monthly monitoring of the consumption of the company vehicle fleet.

We note an error in the diesel consumption for the year 2020 reported in the 2021 sustainability report, shown as 21832 GJ; the correct figure is 1164 GJ.

	u.m.	2022	2021	2020
Total direct energy consumption	GJ	2.551	2.778	2.001

Indirect energy consumption	u.m.	2022	2021	2020
Electricity	Kwh	1.358.162	1.597.630	1.568.383
from renewable sources				
Heating				
from renewable sources				
Cooling				
from renewable sources				
Steam				
from renewable sources				
Total indirect consumption of energy		1.358.162	1.597.630	1.568.383
Total indirect consumption of energy from renewable sources		-	-	-

Note: in its bills, the provider declares that 45.82% comes from renewable sources on a national basis, but we are unable to certify the exact percentage of renewable energy supplied to us

Some actions implemented in 2021 brought a clear benefit to the 2022 consumption: replacement of the lamps at the Rigoni site with LEDs, replacement during the year of old generation presses with new generation presses (consumption went from 10 kWh per press to 3 kWh per press), with a significant impact on consumption.

In 2022, the photovoltaic system installed on the roof of the Rigoni site also became fully operational, producing 322,794 kWh of energy re-injected into the national electricity system.

Total energy sold	u.m.	2022	2021	2020
Electricity sold	kwh	322.794	0	0
Heating energy sold				
Cooling energy sold				
Steam sold				
Total energy sold		322.794	-	-

Total energy consumption	u.m.	2022	2021	2020
Total direct energy consumption	Gj	1.484	1.620	1.164
Total indirect energy consumption		-	-	-
Total energy sold		1.162	-	-
Total energy consumption		322	1.620	1.164

Direct GHG emissions	u.m.	2022	2021	2020
CO2 emissions (offices and sites)	kg CO2e	54.281,33	58.978,95	70.391,49
Total (offices and sites)		54.281,33	58.978,95	70.391,49
CO2 emissions (methane)		-		
CO2 emissions (petrol)		13.452,86	-	-
CO2 emissions (Diesel)		79.653,42	101.349,90	72.857,57
CO2 emissions (LPG)		-	-	-
Total (company cars)		93.106,28	101.349,90	72.857,57

Conversion source DEFRA

Indirect GHG emissions	u.m.	2022	2021	2020
Indirect CO2 emissions	kwh	288.379	339.225	333.015

The trend in indirect emissions reflects a falling energy consumption, mainly linked to:

- press replacements in the moulding department
- actions to reduce and contain wastefulness at the three production sites
- closure of the Milan office

WASTE MANAGEMENT

The waste management activity is structured to ensure that different types of waste are managed in accordance with the law, based on the characteristics of the waste. An internal operating instruction has been defined and is in force which establishes the management of each type of waste produced in the company from the moment of arrival - in the case of raw material or packaging - to the moment of disposal.

Downstream of the process, all the companies involved in the collection and disposal issue a specific form as required by law.

The entire process is managed by the Share Services department through a database, which contains all the information and is constantly updated and monitored throughout the year.

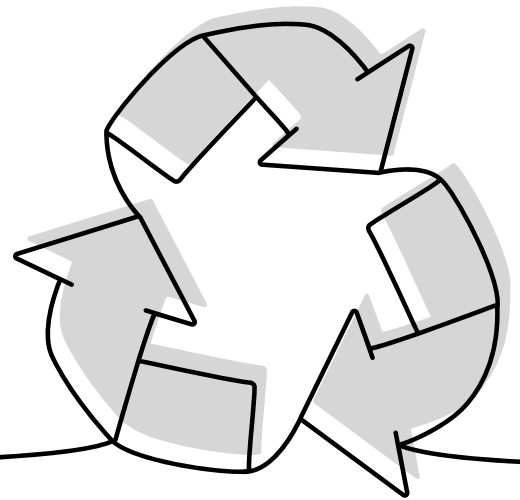
By management we mean the activities of collection, handling inside the company, storage in temporary deposit and subsequent disposal of the waste produced, including the control of the aforementioned operations.

The rationalisation operations for managing the waste generated within the company can be summarised as follows:

1. minimisation of risk for the operators carrying out the disposal, for public health and for the environment;
2. minimisation of the amount of waste produced;
3. separate collection according to the type of waste characterisation;
4. recycling through a third party.

Waste can be divided into two categories:

- hazardous: deriving from research, production and quality control laboratories;
- non-hazardous: this is municipal waste that originates in the canteens and offices and is subject to separate collection.

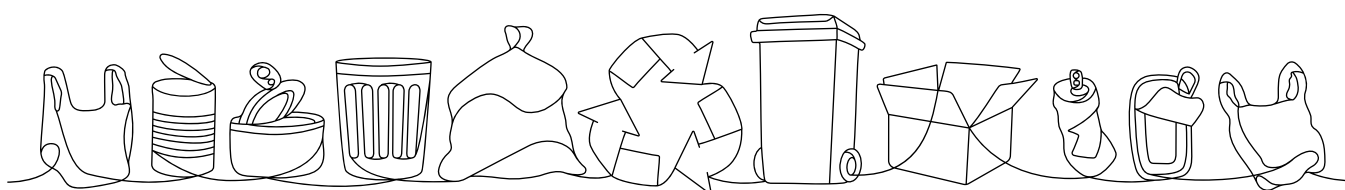


For all other waste, the disposal, loading and unloading register and the relative annual Environmental Declaration Form are available.

In addition to the ordinary waste generated within the DIESSE organisation and production, there are other types of products which we dispose of such as:

- material purchased from a supplier, stored in the warehouse, partially used and no longer usable by the department because it has expired;
- internally produced semi-finished product that is disposed of because it is not compliant for the final transformation into kits (semi-finished products that have not passed quality control);

- internally produced semi-finished product that is not transformed into a finished product and has expired;
- finished products that have reached their expiry date due to not being sold;
- instrumentation that is returned at the end of leasing to a customer and which initially undergoes a disinfection process, subsequently it is reallocated as a “used” instrument; if it is considered obsolete and unusable, before proceeding with disposal, its components are recovered and classified as spare parts (in line with internal procedure POI 13-02).



For waste management we make use of authorised companies according to the type of waste characterisation (European Waste Code).

All companies involved in waste management undergo precise checks of the certifications required by law, as well as concerning their expiry. The legal requirements with respect to the means of transport used are also verified.

The EWC 180103 code is taken into account: in case of exceeding 333 kg at a time, we turn to a consultant specialised in ADR (European Agreement that regulates the transport of dangerous goods and waste on public roads) who annually draws up a report which establishes how to label, move, handle potentially infected waste according to the legislation (Decree no. 35 dated 27/01/2010, relating to the implementation of legislation 2008/68/EC, according to art. 11 paragraph 5.)

The report is issued only for the Tognazza site as most of the departments that produce this type of waste are located there.

In the other sites the quantity of 333 kg is not exceeded; therefore, only an annual communication is provided to the Ministry of Infrastructure and Transport (Communication of exemption pursuant to article 6 of Circular no. A26/2000/MOT of 14/11/2000 relating to art. 3 paragraph 6 letter b) of L. Decree 40/2000 of 04/02/2000 and subsequent amendments L. Decree 35/2010 of the consultant for transport of dangerous goods).

The MUD (Unique Environmental Declaration Model) is drawn up annually through an external supplier and indicates the quantity and type of waste we produced and/or managed during the preceding year.

During 2023, the process of disposing of expired materials, semi-finished products that are non-compliant for transformation into end-of-life kits and instruments will be formalised in procedures. Before proceeding with the disposal, the Supply Chain Department will carry out an analysis with Production, Quality Control and R&D to assess whether the material can be recovered; this will allow a potential partial recovery and therefore a lower generation of waste.

Type of waste		u.m.	2022			2021			2020		
EWC code	Description		Waste produced	Waste recovered	Waste disposed of	Waste produced	Waste recovered	Waste disposed of	Waste produced	Waste recovered	Waste disposed of
080318	Finished printer toner	t	0,08	0,08		0,13	0,13		0,14	0,14	
080318*	Finished printer toner		0,01	0,01							
120105*	Filing and shavings of plastic materials		3,54	3,54							
130208*	Gear oils		1,26	1,26							
130802 *	Other motor oils		1,35	0,69	0,66	-	-		0,50	0,50	
150101	Paper and cardboard		11,50	11,55		9,31	9,31		12,83	12,43	0,40
150102 *	Plastic packaging		13,11	13,11		14,08	14,08		15,56	15,56	
150103	Wood		-	-		0,95	0,95		12,79	12,79	
150106	Mixed packaging		37,13	36,43	0,70	31,70	31,70		40,22	34,69	5,54
105107	Glass packaging		-	-		-	-		0,08	0,08	
150110 *	Packaging containing substance residues		0,45	0,45		0,31	0,31		0,39	0,32	0,01
150202	Absorbent materials		0,10	0,10		0,47	0,46	-	0,06	0,06	
150202*	Filter materials		0,02	0,02							
160104	End-of-life vehicles		-	-					1,40	1,40	
160211 *potentially hazardous	Discontinued equipment containing chlorofluorocarbons		0,19	0,19		1,84	1,84		0,50	0,50	
160213 *	Discontinued equipment hazardous components		0,06	0,06		0,10	0,10		0,49	0,49	
160213 *potentially hazardous	Electrical and electronic equipment (PCs, monitors, etc.)		0,10	0,10							
160214 *	Electrical and electronic equipment with hazardous components		4,35	4,35		6,55	6,55	0,15	5,77	5,77	
160504*	Gases in pressure vessels containing hazardous substances		0,06	0,06							
160601 *	Lead-acid batteries		0,01	0,01		0,09	0,09		0,02	0,02	
160601 *potentially hazardous	Lead-acid batteries		0,29	0,29							
160506 *	Laboratory chemicals		0,76		0,76	0,85	-	0,85	0,35		0,35
170202	Glass		-	-					0,10	0,10	
170204 *	Glass, plastic and wood containing hazardous substances		-	-					0,28		0,28
170301 *	Bituminous mixtures containing coal tar		-	-					0,04	0,04	
170405	Iron and steel		18,11	18,11		7,76	7,76		19,30	0,11	19,19
170409 *	Mechanical waste contaminated by substances		-	-		0,01	-	0,01	0,21	0,21	
170603 *	Other insulating materials		0,09		0,9	4,00	-	4,00	0,66		0,66
170603 *potentially hazardous	Other insulating materials		0,02	0,02							
170604	Different insulating materials		0,01	0,01					0,15	0,15	
170802*	Gypsum-based building materials	0,02	0,02								
180103 *	Potentially infected waste	41,26	-	41,26	44,51	-	44,51	35,75		35,75	
070514	Waste other than 070513	1,97	-	1,97	2,69	2,05	0,64	2,52	0,69	1,82	
200121 *	Fluorescent tubes	0,01	0,01		3,20	-	3,20	0,13	0,04	0,09	
200304	Septic tank sludge	-	-		2,90	-	2,90	2,14		2,14	
Total waste			135,87	90,48	45,44	131,60	75,33	56,26	152,38	86,09	66,23

The EWC codes identified with an asterisk (*) are classified as hazardous waste.

66.6% of the waste produced in 2022 was destined for recovery, a marked improvement compared to the percentage of waste recovered in previous years which was 57.2% for 2021 and 56.5% for 2020.



RELATIONS WITH THE TERRITORY AND LOCAL COMMUNITIES





OUR APPROACH

The forty-year history of DIESSE has developed in the “world cradle of vaccines”, Siena. For the company, the territory represents a wealth of skills from which to draw and at the same time a basin to whose development we contribute from the point of view of giving back.

The presence of DIESSE at Toscana Life Sciences, a non-profit organisation operating in the region to support research activities and encourage the creation of innovative companies in the field of life sciences, gives us the possibility of exchange and continuous osmosis with other local excellences.

We are aware of our important role in the entrepreneurial and social fabric of the area and are committed to a profitable development.



Local communities and the territory

The territory and local communities represent a value for DIESSE and our relationship with them continues to develop along three axes: the relationship with the world of research and universities, the relationship with higher education and technical schools, the relationship with non-profit associations.

The dynamics of exchange, collaboration and feedback started in recent years continue with each of these stakeholders.

INVOLVEMENT OF LOCAL COMMUNITIES

	u.m.	2022	2021	2020
Value distributed to the community	€	61.457	70.807	51.866
Donations	€	17.092	20.484	16.020
Universities and research centres	€	0	10.000	0
Sponsorships	€	14.266	12.000	12.000
Trade or Professional Associations membership fees	€	30.099	28.323	23.846
of which	€	226	1.517	83

In the university world, the three agreements set up during 2020-2021 with the Tuscan universities of Siena, Pisa and Florence were joined by the agreement with the University of Perugia in 2022.

The collaboration with the ITS Vita Foundation – the Higher Technical Institute for the new technologies of life, whose purpose is the training and practical application of learning in the two branches of study relevant to us, bioqualtech and biomedtech, also continues. In this context, we have carried out company presentations to make DIESSE

activities and production processes better known and to initiate the young resources to a better understanding of our company dynamics. In 2022, we hosted 4 students on internships to complete their ITS Fondazione Vita pathway.

We regularly host undergraduate Research & Development students for their theses. With the same aim, we actively participate in Career Days organised directly by Universities/University Departments.

During 2022, the company continued its social commitment, with charity initiatives, partly through a company quota and partly through employees' participation, in particular by taking part in the Medical Device Challenge and the 2 Million Km initiative, both supporting Dynamo Camp and with an AIL donation in support of Ukraine (for a total of €7192).

Management of relations with the community, particularly with respect to social initiatives, is based on the desire to give back and to make a liberal contribution to initiatives with a strong social value.

In terms of relations with Universities and technical schools, we have worked to increase our collaboration, making our managers available for lessons and presentations at Universities and the Fondazione Vita Technical school. The number of students and recent graduates hosted during 2022 was 20, of these, 3 are thesis students.



FONDAZIONE VITA
ITS NUOVE TECNOLOGIE DELLA VITA



Dynamo Camp
Right to happiness



PRODUCT



OUR APPROACH

The in-vitro diagnostics sector is a highly regulated sector: in order to place a new product on the market, it is necessary to obtain its registration from the Authorities in charge of authorising its distribution in the different countries:

Within the European Union, placing in-vitro diagnostic products on the market is governed by European Regulation 2017/746.

- The 98/79 EC Directive is no longer in force, but the CE marked in-vitro diagnostic products – which complied with it before 26 May 2022 - can remain on the market according to the timeframe defined in the 2022/112 Regulation.
- This new regulation does not change the requirements of Regulation (EU) 2017/746 in substance, but does change its transitional provisions (art.110). With this document we are moving towards a progressive introduction of Regulation (EU) 2017/746 which, depending on the risk class of the device, proposes a time span of a further 5 years.
- In accordance with the activities planned in 2021 and 2022, the Regulatory Affairs and Quality Assurance bodies have adapted the Quality Management system and the technical documentation of 13 products belonging to risk classes A, B and C. As a result, in June 2022 the TÜV-SUD certification body issued the IVDR certificate code V12 for products belonging to risk classes B and C, valid until 26-06-2027, and in July 2022 the IVDR certificate code V11 for class A sterile products, valid until 18-07-2027.

Outside Europe:

- in the United States of America, the body in charge of approving the marketing of diagnostic products is the FDA (Food and Drug Administration);
- in Canada it is Health Canada and in the UK the body in charge is the Medicine and Health Care Products regulatory agency.
- The registrations in these markets were managed directly by the Regulatory Affairs department except for the UK where there was the intermediation of a “UK Responsible Person”.

We also managed the registration activities for over 100 countries including 5 countries participating in the MDSAP project (Medical Device Single Audit Program): Australia, Brazil, Canada, Japan, US.

The performance of the activities described, indispensable for the business, involves maintaining a certified Quality Management System. And Diesse acts in accordance with the UNI EN ISO 9001:2015, EN ISO 13485:2016 standards, including the MDSAP programme.

In 2022, audits were successfully carried out by the Notified Body TÜV-SUD for renewing the certification in accordance with the ISO 9001:2015, ISO 13485:2016 standards including the MDSAP programme and the related surveillance audits in accordance with EU regulation 746/2017.

In July 2022, the unannounced audit was also carried out, according to Directive 98/79 EC.

Finally, DIESSE maintains compliance of a Quality Management System for “Korea Good Manufacturing Practices of In-Vitro Diagnostic Devices” and for “Taiwan Good Manufacturing Practice”.

OUR PRODUCTS



High quality standards, continuously improving, combined with Made in Italy design and innovation.

OUR PRODUCTS

VES MATIC 5



Automated system for the determination of ESR performed in blood count tubes with modified Westergren method. Loading up to 18 racks simultaneously and results in less than 30 minutes. Environmentally friendly with an innovative graphical interface, IoT with internal cameras for advanced remote assistance. Manufactured to ensure compatibility with the different types of cell counter racks on the market. Test performed on closed test tubes: no consumption of the blood sample, no reagents required, no production of waste liquids, maximum safety and operator protection. In 2022 the VES MATIC 5 instrument was selected as a finalist of the ADI Design Index 2022 award and will therefore participate in the selection for the Compasso d'oro award in 2024.

CUBE 30 TOUCH



Instrument for determining ESR in EDTA. Guarantees 30 results in 25 minutes with the modified Westergren method. No dedicated test tube, simple and easy to use, environmentally friendly. Test performed on closed test tubes: no consumption of the blood sample, no reagents required, no production of waste liquids, maximum safety and operator protection.

VES MATIC *Original*



Automatic instrument for the determination of ESR with dedicated citrate tube, up to 30 samples simultaneously and random access. Automatic mixing of samples for complete inversion. Automatic barcode reading and built-in printer.

MINI-CUBE



The smallest instrument for determining ESR with the modified Westergren method: maximum performance in mini format. It does not require dedicated test tubes, simple and easy to use with maximum safety and operator protection. Environmentally friendly and the ideal solution for small routines.

MINI-PET



Portable instrument for carrying out the ESR measurement in veterinary medicine. A simple but important test for animal health: the innovative solution for measuring ESR in dogs, cats and horses. A new simple test, able to check the clinical and physiological conditions completely automatically, ensuring the quality level of the DIESSE products.

ESR LINE

IMMUNO LINE



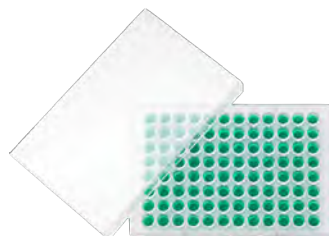
CHORUS TRIO

The immunoassay system is based on ready-to-use and single determination diagnostic devices. From the smallest to the largest, this system will easily adapt to the needs of any clinical testing laboratory. The ease of use and the broadest choice of tests available on the market (infectious diseases, autoimmunity, endocrinology and tumour markers, allergy, bone metabolism, inflammation) make it the ideal instrument for performing small series diagnostic tests, ensuring maximum flexibility in the organisation of the clinical laboratory workflow.



AUTO-DAT

Fully automated solution for serum agglutination testing. This system makes direct agglutination tests, previously performed manually and interpreted with the naked eye, standardised and traceable. Simplified procedure: determination of the antibody titre in a single well. It is not necessary to carry out double dilutions of the samples. Objective results: objectively processed results thanks to the analysis software of the images taken by internal cameras, thus avoiding any interpretative errors.



ENZYWELL

The ELISA line for serological diagnosis of infectious diseases was developed with automation processes in mind. Compliance with ready-to-use liquid reagents and methods makes it easy to apply our kits to all ELISA processors on the market. The “in-house” production of all the critical components of the kits, natural and recombinant antigens and monoclonal antibodies, creates added value, as does the continuous quality control along the entire production chain, from the raw material to the finished kit.

PRODUCT SAFETY

To ensure the quality and safety of the product, an internal operating procedure defines the process of tracking and tracing the product at all stages of its realisation, starting from the raw material up to the product distributed on the market to customers or distributors.

The correct traceability and trackability of the product depend on a complete identification of all phases of the manufacturing and distribution process. The identification aim is to ensure that products and manufacturing and distribution process steps are correctly identified with regards to production, change and quality status. The identification serves to mitigate the risk of cross-contamination of products, parts or materials of different origins or with different statuses. Traceability allows tracing and monitoring the manufacturing and distribution process of the product starting from the raw material up to the customer.

Trackability, on the other hand, allows tracing:

- the origin of the materials and components;
- the history of its realisation;
- the distribution and location of the product or service after delivery to the customer.

These processes are essential to ensure proper product recall from the market and/or to segregate the identified non-compliant product before or after delivery to the customer.

In the reporting period, no cases of non-compliance with regulations and/or self-regulatory codes regarding the health and safety impacts of products and services were found, and therefore no fines, sanctions or warnings were received.

In accordance with its internal Post Market Surveillance and Vigilance procedures, DIESSE periodically reviews complaints and non-compliances and verifies any requirements necessary for notifying the event to the competent authorities and also for “field safety corrective action” type actions, which were not carried out however due to the absence of the requirements (vigilance is activated only for class 1-3 complaints).

Quality KPIs 2022

All 2022 product quality KPIs have been achieved, with the exception of the following lines:

- **Bio reagents:** increase in the percentage of non-compliant batches; an antigen has been introduced, whose production process has been implemented in the controls during the various stages of production, to solve the deviation.
- **Ves:** increase in the percentage of non-compliance, due to a product whose packaging has been improved to solve the deviation.

Analytical Complaints		
KPI (% resolved complaints/total complaints)	Result 2022	Result 2021
>50%	74%	86%

Instrument Complaints	
KPI: (%n=sessions performed/n= sessions scheduled)	Result 2022
>=80%	82,6%

KPI (% number of interventions carried out (scheduled and extraordinary)/ total interventions requested (scheduled and extraordinary)	Result 2022
≥ 90%	94,68%



RESEARCH, INNOVATION AND TECHNOLOGICAL EXCELLENCE

Research & Development remains the heart of DIESSE's strategic development. In 2022, DIESSE invested approximately 9% of its turnover in R&D, dedicating 20 resources to Research & Development activities and one person to the Toscana Life Science Park, as well as continuing its collaborations with universities and networks of companies operating in the technological and scientific field.

R&D activities during 2022 were concentrated on the Chorus EVO project (a new instrument which will be launched in 2023), on the development of the new CLIA and Macro-array tests and on defining the ELISA test migration strategy to the new instrument.

The fervent activity has allowed placing on the market a further 14 new immunoassay tests to be performed on the Chorus instrument:

- CHORUS suPAR
- CHORUS Dengue NS1
- CHORUS Dengue IgM capture
- CHORUS Zika NS1
- CHORUS Zika IgM capture
- CHORUS suPAR Extended
- CHORUS West Nile IgG
- CHORUS West Nile IgM
- CHORUS UTK
- CHORUS aUTK
- CHORUS VDZ
- CHORUS aVDZ
- CHORUS VIT B12
- CHORUS FOLATE

During 2022, the change that allowed detachment from a critical supplier was also finalised; the panel was concluded with the last tests transferred to production:

- CHORUS RF-G
- CHORUS Intrinsic factor

On the R&D Instruments front, the releases of 2 instruments and 2 new software versions were finalised in 2022:

- MINI PET
- VES Matic Original
- VES Matic 5: release of SW version 1.02
- Cube 30T: release of SW 2.0 version

As part of the activity carried out, 9 papers were published in scientific journals with






high IF (Impact Factor) and a filing request was made for 5 patents, 1 Utility Model and two Designs (respectively for the test tube tray of the VES Matic Original instrument and for the design and GUI of the VES Matic 5 instrument). As mentioned in the paragraph relating to our products, the inclusion of the VES Matic 5 instrument among the finalists of the ADI Index 2022 Design Award (“Compasso d’oro 2024”) deserves mentioning.

As regards the “Unicum” and “Clia” research and development project, started in 2019 and co-financed by the Ministry of Economic Development and the Tuscany Region, it continued throughout 2022 and, upon company request, was extended to 24th October 2023.






This will allow Diesse and the project partner to complete the Project in its entirety, with further positive effects on the employment level of the two companies and of all the spin-off industries involved, with important investments in the area and with the pride of enhancing and exporting “Made in Italy” products, with an innovative and unique design in the reference sector.

	2022	2021	2020
Tax incentives and tax credits	250.775,80	121.851,00	417.527,75
Subsidies	7.767,48	23.481,20	6.800,74
Investment, research and development grants, and other types of relevant grants	1.013.756,90		-
Awards		-	-
Exemptions from payment of royalties		-	-
Financial assistance from Export Credit Agencies (ECAs)		-	-
Financial incentives		-	-
Other financial benefits received or to be received from any Public Administration for any transaction		-	-
Total	1.272.300,18	145.332,20	424.328,49

2022 GOALS AND PROJECTS:

ESG Objective	Goals and projects	Results
<p>Health and well-being</p> 	<p>Well-being</p> <ul style="list-style-type: none"> D-Ebikes project, to promote sporting activities and well-being inside and outside the company (June 2022) Ergonomics and workstations in Diesse Biotech Campus (December 2022) Pilot project "frutta in azienda (fruit at work)": by December 2022 Definition of corporate welfare plan by December 2022 project defined with Workers' Representatives - implementation 2023 <p>Research and development</p> <ul style="list-style-type: none"> Number of immunoassay line kits launched on the market equal to or greater than 10 Launch of 2 new instruments and at least 2 new existing software releases Publications: 5 publications concerning immunoassay or ESR submitted by the end of 2022 Patents: at least 5 patents filed by the end of 2022 <p>Health & Safety</p> <ul style="list-style-type: none"> Health & Safety training: H&S 2022 training plan implementation =>95% ISO 9001 ISO 14001 ISO 45001 Integrated Certification Project (Quality, Environment, Safety): 2022: project development completed - 2023: certification 	<p>Well-being</p> <ul style="list-style-type: none"> D-Ebikes project: project with internal communication, regulation and methods of use released in May 2022 Ergonomics and workstations in Diesse: delivery of the DIESSE Biotech Campus postponed to mid-June 2023. Pilot project "frutta in azienda (fruit at work)": postponed until the moment of transfer to the DIESSE Biotech Campus Definition of corporate welfare plan: implementation defined and welfare platform opened in November 2022 <p>Research and development</p> <ul style="list-style-type: none"> 14 new immunoassay line kits launched on the market Released MINI pet, VES Matic Original and the two software VES Matic 5 version SW 1.02, Cube 30T version SW 2.0 Publications: 9 publications of papers in journals with a high Impact Factor Patents: filed 5 patents, 1 utility model and two designs <p>Health & Safety</p> <ul style="list-style-type: none"> Health & Safety training: H&S 2022 training plan 100% implementation ISO 9001 ISO 14001 ISO 45001 Integrated Certification Project (Quality, Environment, Safety): project development completed on time
<p>Decent work and economic growth</p> 	<p>Enhancement of resources</p> <ul style="list-style-type: none"> 1) Soft skills training catalogue project 2022: increase in training hours provided for soft skills vs. 2021 2) Individual Development plans project: KPI 2022: at least 25% of IDPs compiled on the HE Inaz portal - 2023: at least 50% of IDPs compiled on the HE Inaz portal 3) Implementation of the Performance Review process on the white collar population (No 3) roll out by 31.03.22 4) DIESSE Academy for partner and employee training: at least 6 training courses in 2022 5) "Seniority Celeb" project, for acknowledging company seniority - December 2022 <p>Economic growth</p> <ul style="list-style-type: none"> 1) Implementation of the new Chinese branch: €300k turnover 2022 Ebitda ≥ 100% 3) Definition of new partnerships for US development by September 2022 4) Transformation into a Benefit company: September 2022 	<p>Enhancement of resources</p> <ul style="list-style-type: none"> Soft skills 2022 training catalogue project: 2560 hours provided vs. 1056 hours in 2021. Individual Development plans project: training completed; implementation started in February 2023 Implementation of the Performance Review process on the white collar population: carried out February-March 2023 DIESSE Academy for partner and employee training: 20 product training courses and 19 workshops provided "Seniority Celeb" project: award ceremony for 5 senior colleagues (> 35 years of seniority) <p>Economic growth</p> <ul style="list-style-type: none"> Implementation of new Chinese branch: turnover target not achieved. Also due to the persistence of COVID prevention conditions in China with a great impact on the evolution of the business. <p>EBITDA 2022</p> <ul style="list-style-type: none"> Definition of new partnerships for USA development: agreement signed with Menarini Diagnostics Transformation into a Benefit company: took place in July 2022
<p>Responsible consumption and production</p> 	<p>Quality and production</p> <ul style="list-style-type: none"> Project: replacement of two plastic moulding presses, by December 2022, with presses with lower energy consumption (KPI saving 20% consumption in kWh compared to current consumption) Project to replace stock freezers with smart freezers - reduction of consumption in kWh. KPI to be defined. Suitable products/checked products ≥ 0.9 Instruments: estimated release time/actual release time ≥ 0.9 New IVDR compliance project: obtaining certificates for risk classes B and C and for class A sterile products by 30.09.2022 Post Market: 0 recall campaign. % resolved complaints/total complaints: > 80% 	<p>Quality and production</p> <ul style="list-style-type: none"> Project: replacement of two plastic moulding presses: replaced 5 presses with 3 new generation presses (consumption reduced from 10Kwh to 3Kwh) Project to replace stock freezers with smart freezers: 14 new cabinets purchased, which will be installed in the DIESSE Biotech Campus Suitable products/checked products: 99.6% Instruments: estimated release time/actual release time: with the exception of the VES Matic 5 (highly technological complex and new generation machine, KPI ≥ 0.9 New IVDR compliance project: obtaining certificates for risk classes B and C (June 2022) and for class A sterile products (July 2022) Post Market: 0 recall campaign. % resolved complaints/total complaints: 78% (Management Review target was 50% and not 80%)
<p>Climate action</p> 	<p>Environment</p> <ul style="list-style-type: none"> % increase in waste destined for recovery vs. 2021 Installation of the Diesse Biotech Campus photovoltaic system and definition of KPIs for the reduction of energy consumption from non-renewable sources Definition of the Diesse Biotech Campus internal water system and creation of a bio-lake for collecting grey water and rainwater collection by the end of 2022, Commissioning 2023 at least 1 "Green Education" internal communication initiative Electrical charge stations: installation of 2 charging stations in the DBS car park Car fleet overhaul project: definition of new models for 2022, implementation for 2023 	<p>Environment</p> <ul style="list-style-type: none"> 1) % waste destined for recovery 65% vs. 57.2% in 2021 2) Installation of the Diesse Biotech Campus photovoltaic system postponed to 2023 due to construction site delays 3) Definition of the Diesse Biotech Campus internal water system and creation of a bio-lake for grey water and rainwater collection postponed to 2023 due to construction site delays 4) at least 1 "Green Education" internal communication initiative: Dfocus internal magazine edition October 2022 5) Electric charge stations: postponed to 2023 due to construction site delays 6) Car fleet overhaul project: definition carried out. On-going implementation
<p>Peace, Justice and strong institutions</p> 	<p>Charity initiatives</p> <ul style="list-style-type: none"> Identification of an association operating in the field of immune system diseases and start of collaboration and solidarity support by the end of 2022 Participation in Dynamo Camp Challenge 2022 for solidarity support to Dynamo Camp % contracts and new orders with compliance clauses with our code of ethics on anti-corruption, human rights and regulatory compliance: 100% 	<p>Charity initiatives</p> <ul style="list-style-type: none"> 1) Identification of an association operating in the field of immune system diseases: identified, but collaboration in 2023 2) Participation in Dynamo Camp Challenge 2022 for solidarity support to Dynamo Camp: 2M km initiative and Medical Device Challenge % contracts and new orders with compliance clauses with our code of ethics: 100%

2023 GOALS AND PROJECTS

ESG Objective	Goals and projects
<p>Health and well-being</p> 	<p>Well-being</p> <ul style="list-style-type: none"> Ergonomics and workstations in Diesse Biotech Campus “Frutta in azienda (fruit at work)” project: implementation by September 2023 New ways of working project: completed by July 2023 Project: MeetEating: let’s get to know each other better Health, Nutrition, Sports Awareness Campaigns – at least 3 during 2023 <p>Research and development</p> <ul style="list-style-type: none"> Release of 10 CHORUS EVO and 10 AUTODAT by December 2023 Release of CHORUS EVO Applied Kits by December 2023: CLIA 1: 14 kits, ELISA 1, 70 kits Macroarray 1, 1 kit Project to replace hyper-immune goat serum anti Human IgG with recombinant G protein expressed in E. coli. Expected result in 2023: at least 4 of the first 24 kits transferred to production. <p>Health & Safety</p> <ul style="list-style-type: none"> Health & Safety training: H&S 2023 training plan implementation =>95% On-site Occupational Medicine implementation – by September 2023
<p>Decent work and economic growth</p> 	<p>Enhancement of resources</p> <ul style="list-style-type: none"> Soft skills 2023 training catalogue project: per capita training hours equal to or greater than 2022 Individual Development plans project: KPI 2023: at least 50% of IDPs compiled in the HE Inaz portal DIESSE Academy for partner and employee training: full deployment of product and application catalogue and training calendar “Seniority Celeb” Project: dedicated annual event <p>Economic growth</p> <ul style="list-style-type: none"> Implementation of the new Chinese branch: Installation of at least 130 ESR units Ebitda ≥ 100% Chorus launch in US (installation >14 instruments) Industry 5.0 Project: analysis and first assessment phase completed by September 2023
<p>Responsible consumption and production</p> 	<p>Quality and production</p> <ul style="list-style-type: none"> Compliance with IVDR of class B and C products (75 codes by December 2023) Suitable products/checked products ≥ 0.9 Instruments: estimated release time/actual release time ≥ 0.9 Post Market: 0 recall campaign. % resolved complaints/total complaints: > 80% DIESSE Biotech Campus Certification (CAPA closure July 2023) ISO 9001 ISO 14001 ISO 45001 Integrated Certification Project (Quality, Environment, Safety): project steps to be completed by 12/2023: lead auditor training and gap analysis procedure
<p>Climate action</p> 	<p>Environment</p> <ul style="list-style-type: none"> % increase in waste destined for recovery vs. 2022 Installation of the Diesse Biotech Campus photovoltaic system and definition of KPIs for the reduction of energy consumption from non-renewable sources Diesse Biotech Campus internal water system: commissioned by 12/2023 Casina dell’acqua (Water Point) project 2023 campaigns: EConsavevolmente (ECOAware): waste, waste, recycling, reuse. Energy consumption in the Plastic Moulding Department: >5% reduction in Kwh consumption/pieces produced Photovoltaic installation on new building by 2023
<p>Peace, Justice and strong institutions</p> 	<p>Solidarity initiatives</p> <ul style="list-style-type: none"> Fundraising and scientific support initiatives for Non-profit Associations operating in the field of healthcare Participation in Dynamo Camp Challenge 2023 for solidarity support to Dynamo Camp % contracts and new orders with compliance clauses with our code of ethics on anti-corruption, human rights and regulatory compliance: 100%

2022 GRI Content Index Sustainability Report

Area	Material topics	GRI	Description	Paragraph	Notes/Remarks/Limitations
2021 GRI Standards	GRI2: General Disclosure	2-1	Organisational details	About Us	
		2-2	Bodies included in the organisation's sustainability report	Methodological note	
		2-3	Reporting period, frequency and contact channel	Methodological note	
		2-4	Reclassification of information	Energy efficiency and emissions containment	
		2-5	External Assurance	Methodological note	
		2-6	Activities, value chain and other business relationships	Our history DIESSE in Italy and in the world Our products	
		2-7	Employees	People in DIESSE	
		2-8	Workers who are not employees	People in DIESSE	
		2-9	Governance structure and composition	Our leadership Our Governance	
		2-10	Appointment and selection of the highest governing body	Our Governance	
		2-11	Chairmanship of the highest governing body	Our leadership	
		2-12	Role of the highest governance body in overseeing impact management	Stakeholders and relevant topics	
		2-13	Delegation of responsibility for impact management	Stakeholders and relevant topics	
		2-14	Role of the highest governance body in sustainability reporting	Methodological note	
		2-15	Conflicts of Interest	The Organisation, Management and Control Model	
		2-16	Communication of critical issues	The Organisation, Management and Control Model	
		2-17	Collective knowledge of the highest governing body	Our leadership	
		2-18	Assessment of the work of the highest governing body		Omission - Information not available/incomplete
		2-19	Remuneration policies	Our Governance	
		2-20	Process for determining remuneration	We promote the enhancement of human capital	
		2-21	Total annual remuneration index	We promote the enhancement of human capital	
		2-22	Sustainable Development Strategy Statement	Letter from the CEO to stakeholders	
		2-23	Commitments/policies	Mission and Values	
		2-24	Incorporate political commitments	2 GOVERNANCE AND BUSINESS 2.1 Our approach	
		2-25	Processes for remediating adverse impacts	The Organisation, Management and Control Model	
		2-26	Mechanisms for asking for advice and raising concerns	The Organisation, Management and Control Model	
		2-27	Compliance with laws and regulations	The tools for a responsible business management	No reports
		2-28	Association memberships	5 RELATIONS WITH THE TERRITORY AND LOCAL COMMUNITIES 5.1 Our approach	
		2-29	Approach to stakeholder engagement	Stakeholders and relevant topics	
		2-30	Collective Bargaining Agreements	3 PEOPLE IN DIESSE 3.1 Our approach	

Area	Material topics	GRI		Paragraph	Notes/Remarks/Limitations
2021 GRI Standards	GRI 3: Material Topic	3-1	Process for determining material topics	Stakeholders and relevant topics	
		3-2	List of material topics	Stakeholders and relevant topics	
		3-3	Management of material topics	Stakeholders and relevant topics	
ENVIRONMENT	Packaging and waste recycling	3-3	Management of material topics	Stakeholders and relevant topics 4 ENVIRONMENT 4.1 Our approach	
		306-1	Waste production and significant waste-related impacts	Waste management	
		306-2	Management of significant waste-related impacts	Waste management	
		306-3	Waste produced	Waste management	
	Energy efficiency	3-3	Management of material topics	Stakeholders and relevant topics Commitment to reducing environmental impacts	
		302-1	Energy consumed within the organisation	Energy efficiency and emissions containment	
		305-1	Direct GHG emissions (Scope 1)	Energy efficiency and emissions containment	
		305-2	Indirect GHG emissions from energy consumption (Scope 2)	Energy efficiency and emissions containment	
GOVERNANCE	Ethics, regulatory compliance and fight against corruption	3-3	Management of material topics	Stakeholders and relevant topics The Organisation, Management and Control Model Anti-corruption	
		205-3	Confirmed episodes of corruption and measures taken	Anti-corruption	No reports
	Cybersecurity and Data Privacy	3-3	Management of material topics	Stakeholders and relevant topics Cybersecurity & Data Privacy	
		418-1	Substantiated complaints concerning customer privacy breaches and customer data loss	Cybersecurity and Data Privacy	No reports
	Value creation and economic performance	3-3	Management of material topics	Stakeholders and relevant topics Our commitment to creating value	
		201-1	Economic value generated and distributed	Our commitment to creating value	
	Product quality and safety	3-3	Management of material topics	Stakeholders and relevant topics 6 PRODUCT 6.1 Our approach	
		416-2	Episodes of non-compliance concerning the impact of products and services on health and safety	Product safety	No reports
	Research, innovation and technological excellence	3-3	Management of material topics	Stakeholders and relevant topics Research, innovation and technological excellence	
		201-4	Financial assistance received from the government	Research, innovation and technological excellence	

Area	Material topics	GRI	Description	Paragraph	Notes/Remarks/Limitations
SOCIALE	Training, enhancement and welfare of personnel	3-3	Management of material topics	Stakeholders and relevant topics People in DIESSE We promote the enhancement of human capital	
		401-1	New hires and turnover	People in DIESSE	
		404-1	Average hours of training per year per employee	We promote the enhancement of human capital	
	Diversity and inclusion	3-3	Management of material topics	Stakeholders and relevant topics We promote diversity and equal opportunities	
		405-1	Diversity in governing bodies and among employees	People in DIESSE We promote diversity and equal opportunities	
	Occupational health and safety	3-3	Management of material topics	Stakeholders and relevant topics We protect the health and safety of our workers	
		403-1	Occupational health and safety management system	We protect the health and safety of our workers	
		403-2	Hazard identification, risk assessment and accident investigation	We protect the health and safety of our workers	
		403-3	Occupational medicine services	We protect the health and safety of our workers	
		403-4	Worker participation and consultation and communication on occupational health and safety	We protect the health and safety of our workers	
		403-5	Worker training on occupational health and safety	We protect the health and safety of our workers	
		403-6	Promotion of workers' health	We protect the health and safety of our workers	
		403-7	Prevention and mitigation of occupational health and safety impacts within commercial relationships	We protect the health and safety of our workers	
		403-9	Accidents at work	We protect the health and safety of our workers	

Methodological note

This document represents the first Sustainability Report for the company Diesse Diagnostica Senese S.p.A. Benefit Company (hereinafter “Company” or “DIESSE”) and demonstrates the commitment and attention that the Company places towards integrating sustainability issues within its business. In this regard, it should be noted that this document is drawn up on a voluntary basis as the company is exempt from the obligation to report the Non-Financial Statement, according to L. Decree 254/2016 currently in force.

The Sustainability Report, approved on 26/05/2023 by the Board of Directors and subject to limited review by independent auditors KPMG S.p.A., is drawn up in compliance with the 2021 GRI Standard. The GRI Standards, published by the Global Reporting Initiative (GRI) in 2016 and updated in 2021, currently represent the most internationally recognised and widespread non-financial reporting standard. More specifically, the Report refers to the GRI Standards indicated in the “GRI Content Index” correlation table shown in the appendix to the document where, for each relevant (“material”) topic, the page reference of the Report or of the other corporate documents where you can find its content is clarified.

The BoD is responsible for reviewing and approving the information reported, including the material topics and the impacts identified by the organisation, through a process which provides for the pre-reading submission of the impact report, the management of any reservations/enquiry requests to be carried out by the Impact Manager and the final submission for approval.

This document deals with and explores the (relevant) material topics and the impacts for DIESSE, i.e. the topics capable of reflecting the economic, social and environmental impacts of the Group’s activities and/or capable of influencing the decisions of its stakeholders. This reflects the key element of the GRI Standards, the principle of materiality, detailed in the paragraph “The analysis of materiality” of this Report.

The information contained in the Report relates to the company DIESSE Diagnostica Senese S.p.A. Benefit Company (excluding the Chinese branch as it is in the start-up phase) and the reference time frame is 2022, i.e. the calendar year from 1 January 2022 to 31 December 2022. In order to easily compare the quantitative data for the various thematic areas analysed, the numerical values relating to the years 2021 and 2020 have also been reported.

Finally, it should be noted that this Report aims to transparently communicate DIESSE’s corporate performance in relation to the ESG, Environmental, Social & Governance, aspects and represents a first step for reporting non-financial information on an annual basis.

To request further information about this Document or to share comments and observations, you can write to: Vittorialoi@diesse.it.



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(Translation from the Italian original which remains the definitive version)

Independent auditors' report on the Sustainability Report

*To the Board of Directors of
Diesse Diagnostica Senese S.p.A.*

We have been engaged to perform a limited assurance engagement on the 2022 Sustainability Report (the "Sustainability Report") of the Diesse Diagnostica Senese S.p.A. (the "Company").

Directors' responsibility for the Sustainability Report

The Directors of the Company are responsible for the preparation of a Sustainability Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards", issued by GRI - Global Reporting Initiative, using the "in accordance - core" option (the "GRI Standards"), as described in the "Methodological remarks" section of the Sustainability Report.

The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of a Sustainability Report that is free from material misstatement, whether due to fraud or error.

They are also responsible for defining the Company's objectives regarding its sustainability performance and the identification of the stakeholders and the significant aspects to report.

Auditors' independence and quality control

We are independent in compliance with the independence and all other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our company applies International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditors' responsibility

Our responsibility is to express a conclusion, based on the procedures performed, about the compliance of the Sustainability Report with the requirements of the GRI Standards. We carried out our work in accordance with the criteria established by "International Standard on Assurance Engagements 3000 (revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 revised"), issued by the International Auditing and Assurance Standards Board applicable to



Diesse Diagnostica Senese S.p.A.

Independent auditors' report on the Sustainability Report

31 December 2022

limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance about whether the Sustainability Report is free from material misstatement. A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with ISAE 3000 revised, and consequently does not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures we performed on the Sustainability Report are based on our professional judgement and include inquiries, primarily of the Company's personnel responsible for the preparation of the information presented in the Sustainability Report, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

Specifically, we performed the following procedures:

- analysing the reporting of material aspects process, specifically how these aspects are identified and prioritised for each stakeholder category and how the process outcome is validated internally;
- comparing the financial disclosures presented in the "Our commitment to value creation" section of the Sustainability Report with those included in the Company's financial statements at 31 December 2022;
- understanding the processes underlying the generation, recording and management of the significant qualitative and quantitative information disclosed in the Sustainability Report.

Specifically, we carried out interviews and discussions with the Company's personnel and we conducted limited document reviews in order to gather information about the processes and procedures that support the collection, aggregation, processing, and transmission of non-financial data and information to the function responsible for preparing the Sustainability Report.

In addition, for the significant information, taking into account the Company's activities and characteristics:

- a) with reference to the qualitative information contained in the Sustainability Report, we conducted interviews and acquired supporting documentation to verify its consistency with available evidence;
- b) with reference to quantitative information, we have carried out both analytical procedures and limited verifications to ascertain on a sample basis the correct aggregation of data.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2021 Sustainability Report of Diesse Diagnostica Senese S.p.A. has not been prepared, in all material



Diesse Diagnostica Senese S.p.A.

Independent auditors' report on the Sustainability Report

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respects, in accordance with the requirements of the GRI Standards, as described in the “Methodological remarks” section of the Sustainability Report.

Florence, 13 June 2023

KPMG S.p.A.

(signed on the original)

Giuseppe Pancrazi
Director of Audit



DIESESE Diagnostica Senese S.p.A.
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