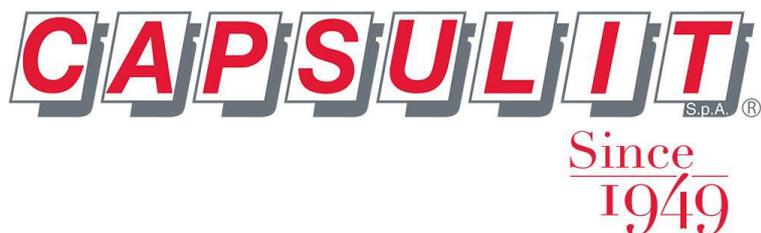


# SUSTAINABILITY REPORT 2022



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# Letter to Stakeholders

Dear stakeholders,

*“Every person is the right person to act. Every moment is the right moment to begin”*

Taking inspiration from the quote written by Jonathan Schell, a well-known American author, Capsulit S.p.A. has opted for the introduction of a Sustainability Report aimed at documenting the efforts of the Company for a real and concrete contribution to the protection and safeguard of our Planet.

In line with the values of transparency and fairness, which are some of the Company’s hallmarks, Capsulit has decided to process and share its data and information for what concerns its economic, social and environmental impact both on people and environment. In particular, the Company adopted the 3Ps strategy, ensuring a development process focused on the maximization of People, Planet and Profit.

Throughout this Report, you will get familiar with the short and long-term objectives of the Company, as well as with the initiatives concretely taken up in order to address our development path towards an even more sustainable future, in line with the goals defined in the 2030 Agenda of the United Nations.

Despite the period of difficulty due to the Covid 19 pandemics, the financial crisis and the increase in the price of raw materials, Capsulit has incessantly engaged in the improvement of its impact on environmental, social and economic spheres.

In particular, Capsulit invested in the use of renewable energy, reduction of energy consumption and use of recycled materials – always in compliance with safety rules. In addition, the Company does its best to reduce the environmental impact on its neighbors and to guarantee the correct recycling and disposal of material waste.

For what regards the social scope, Capsulit is engaged in several initiatives in favor of the local community – such as the creation of parking areas for neighboring residents and cycle lanes, green maintenance, support for local sport activities and organization of student visits.

These initiatives and projects taken up to improve the Company’s impact on people and planet guarantee that we are building a more sustainable brand for generations to come.

# 1. Capsulit S.p.A.

## 1.1 Historical background

Founded in 1949 by three friends who started their adventure in the mechanical industry, Capsulit S.p.A immediately stood out through the production of aluminum safety closures for flacons and the introduction of high-tech machineries for their application and sealing.

The rapid success in the pharmaceutical as well as in the chemical, food and liquor sectors led to an exponential expansion, to the extent that in 1964 the industrial production – and few decades later also the headquarters – was relocated in Roncello, a small town in the province of Monza Brianza.

In 1974, Capsulit made its way on the global scenario through the foundation of a branch named Capsulit Iberica, which is engaged in the distribution of the Company's products in the Spanish market. Besides, about 50 years later, Capsulit acquired the majority of the shares of another company, Fabrizio Giglioli S.r.l. (now Capsulit Giglioli S.r.l.), specialized in the production of PET flacons and goods intended for the nutraceutical market.

As a result of these initiatives, Capsulit was able to diversify its core business, which is nowadays based on the production of safety closures in both aluminum and plastics, such as pilfer-proof safety closures, droppers, measuring cups, and flacons.

## 1.2 Capsulit Today: some Figures

Nowadays, Capsulit has maintained its original shape of private family business owned by two of the three initial founders' heirs, although it was able to substantially increase its production volumes.



**4 billion**  
*units produced*



**€ 33 million**  
*revenue (+ 44% compared to FY2021)*



**€ 2,6 million**  
*re-invested capital*

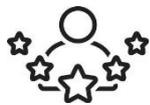


*Figure 1.1 – Capsulit Presence worldwide*

The Company’s activities are prevalently focused in Europe, but it is currently gaining a foothold in Middle East, North Africa and Latin America. As shown in Figure 1.1, about 87% of the revenue is generated in Europe and, in particular, 43% of this share comes from Italian deals. As for the remaining revenue, 10% is equally divided between Middle East and North Africa, while a smaller share is attributable to Latin America.

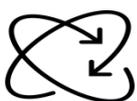
### 1.3 Capsulit Pillars

The Company can count on a strong corporate culture based on four hallmarks:



#### **EXPERIENCE**

Thanks to its more than 70-year history, Capsulit can rely on a long-term commitment with a broad network of clients, among which multinational groups, as well as SMEs operating in the pharmaceutical field. Moreover, its remarkable expertise allows the Company to sell high-quality and safety products.



#### **FLEXIBILITY**

The Company offers a wide range of products, as well as an agile delivery and service management which is able to meet the needs of the customers.



## QUALITY

Capsulit sells high-quality products which guarantee optimal performances thanks to the implementation of sophisticated vision systems on its production lines and a well-developed Quality, Safety and Environment Management Integrated System.



## PARTNERSHIP

Capsulit commits to meeting the specific needs of each client by means of the internal Planning Center, Customer Service and R&D Department.

### 1.4 Stakeholders' Involvement and Materiality Assessment

In order to listen to the needs and interests of all the subjects which are involved in the Company's activity, Capsulit has investigated on the topics considered relevant for the stakeholders. Among these, it is worth mentioning:



#### INVESTORS

Regularly updated on performance indicators published in financial statements.



#### SUPPLIERS

Informed on the protocols on quality and encouraged to actively contribute to the improvement of the supply chain.



#### WORKERS AND EMPLOYEES

Involvement in information management and training programs, as well as in the accomplishment of the employment contractual terms.



#### LOCAL COMMUNITY

Actively contributing to social initiatives.



#### PUBLIC ADMINISTRATION

Through the engagement in projects for local community.

The methodological approach implemented for the context analysis through the involvement of the stakeholders consists in the Materiality Assessment. Delving deeper into this approach, the Materiality Assessment aims at identifying and evaluating the topics judged as fundamental for the stakeholders of the Company, including those matters regarding the social and environmental spheres. After identifying the themes which might have a significant impact on the Company's performance, they should be classified according to the importance assigned both by Capsulit and its stakeholders.

## 1.5 Sustainable Development Goals (SDGs)

Capsulit S.p.A. resolutely believes in the sustainable development of the Company in order to achieve a long-term economic growth in respect of mankind and environment.

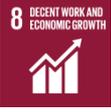
The primary objectives of the Company for what concerns the medium-long term growth consist of:

- The satisfaction of requirements, needs and expectations of the customer;
- The safety and health of employees, workers and all the parties which operate with or on behalf of the firm;
- The respect and preservation of the environment;
- The incessant research and development aimed at further improvements.

In order to pursue these goals, Capsulit implemented an Integrated System of the Management for Quality, Safety and Environment, in compliance with ISO rules. This system shall be documented, implemented and regularly revised as to ensure its validity, efficiency and appropriateness in line with the Company's evolution. The policy of the Company implies the achievement of these objectives through the analysis and assessment of the risks, the accurate control of the production processes, the prevention from defectiveness, injuries and pollution, the assurance of safety and reliability of the products, and the empowerment and involvement of the entire personnel.

In this way, Capsulit S.p.A. aims at making its own contribution to the achievement of the following Sustainable Development Goals (SDGs) included in the 2030 Agenda of the United Nations:

SDG DESCRIPTION	MATERIAL TOPICS	ACTIONS TAKEN
 <p>3 GOOD HEALTH AND WELL-BEING</p> <p>Good Health and Wellbeing</p>	<ul style="list-style-type: none"> <li>• Health and safety at work</li> <li>• Safety assurance for clients</li> </ul>	<ul style="list-style-type: none"> <li>• ISO 45001 - Occupational Health and Safety Management Systems</li> <li>• ISO 15378 - Certified Quality System in compliance with GMP rules</li> </ul>
 <p>6 CLEAN WATER AND SANITATION</p> <p>Clear Water and Sanitation</p>	<ul style="list-style-type: none"> <li>• Use of natural resources</li> </ul>	<ul style="list-style-type: none"> <li>• Efforts for water consumption optimization</li> <li>• Closed circuit press cooling system for water saving</li> <li>• Safe disposal of waste water</li> </ul>

SDG DESCRIPTION	MATERIAL TOPICS	ACTIONS TAKEN
 <p>Affordable and Clear Energy</p>	<ul style="list-style-type: none"> <li>• Use of natural resources</li> <li>• Energy efficiency and development of renewable sources</li> </ul>	<ul style="list-style-type: none"> <li>• Use of renewable energy (photovoltaic panels)</li> <li>• Reduction of energy consumption</li> <li>• Insulation interventions for energy saving</li> </ul>
 <p>Decent Work and Economic Growth</p>	<ul style="list-style-type: none"> <li>• Responsible governance</li> <li>• Economic growth and financial strength</li> </ul>	<ul style="list-style-type: none"> <li>• Adoption of the Code of Ethics</li> <li>• Maximization of financial profit</li> <li>• Distribution of value added to stakeholders</li> </ul>
 <p>Industry, Innovation and Infrastructure</p>	<ul style="list-style-type: none"> <li>• Innovation, research and development</li> </ul>	<ul style="list-style-type: none"> <li>• New innovative patents</li> <li>• Investment in cutting-edge technologies</li> </ul>
 <p>Reduced Inequalities</p>	<ul style="list-style-type: none"> <li>• Creation of an inclusive and non-discriminatory work environment</li> </ul>	<ul style="list-style-type: none"> <li>• Prevention from human rights violations</li> </ul>
 <p>Responsible Consumption and Production</p>	<ul style="list-style-type: none"> <li>• Product quality</li> <li>• Waste management</li> <li>• Use of natural resources</li> </ul>	<ul style="list-style-type: none"> <li>• Efficient management of natural resources</li> <li>• Availability of materials from biological sources</li> <li>• Use of FSC certified cardboard boxes and pallets</li> </ul>
 <p>Climate Action</p>	<ul style="list-style-type: none"> <li>• Circular economy</li> <li>• Carbon footprint</li> </ul>	<ul style="list-style-type: none"> <li>• 14001 - Environmental Management System</li> <li>• Use of recycled aluminum</li> </ul>

## 2. Environment

### 2.1 Raw Materials

For the provision of raw materials, Capsulit relies only on qualified suppliers which are able to live up to the company's quality standards. As a matter of fact, suppliers undergo an accurate selection and assessment process in order to ensure that all the Company's preconditions are met. In addition, they are required to disclose and share the information regarding sustainability matters, as well as production and provision processes.

Being Capsulit's core business focused on the production of aluminum and plastic pharmaceutical items, the manufacturing process primarily uses plastic and aluminum. In particular, the Company adopts a sustainable approach in the aluminum supply, since 30% of the purchased material comes from recycled scraps. Here are some data about the use of these materials at the production stage:

Consumption	Year 2022		Year 2021		Year 2020
Plastic Consumption	1.606.524	<b>(+54%)</b>	1.043.931	<b>(-22%)</b>	1.330.109
Aluminum Consumption	1.452.288	<b>(+16%)</b>	1.253.520	<b>(-10%)</b>	1.386.996

*Table 2.1 – Plastic and Aluminum Consumption (expressed in kg)*

Both aluminum and plastic experienced a slight decrease in 2021, while resuming their expansion in 2022. The reason behind this situation can be found in the contraction of production due to the long-lasting effects of Covid 19 pandemics, but which was soon recovered thanks to the rapid expansion on the global market.

As to be consistent with its sustainable approach, Capsulit tries to reduce its raw material consumption by defining stringent targets on resource waste. Hereafter the most relevant indicators regarding raw material waste:

Indicator	Target	2022	2021	2020
Aluminum waste / Aluminum consumed	< 30%	26,03%	25,57%	26,14%
Plastic waste / Plastic consumed	<5%	3,57%	3,93%	4,49%

*Table 2.2 – Reduction of Raw Material Consumption*

These figures confirm the success of Capsulit’s measures with regards to sustainability issues. As a matter of fact, both indicators are kept within the target range, while still improving through the years.

Complementarily with aluminum and plastics intensively employed throughout the production process, the Company makes use of a moderate quantity of cardboard, plastic bags and wood pallets for packaging. In order to be completely transparent with its stakeholders, Capsulit discloses accurate information about the amount of these materials consumed.

Consumption	Year 2022		Year 2021		Year 2020
Consumption of Materials for Packaging	873.315	(+46%)	597.208	(-27%)	817.930

*Table 2.3 –Consumption of Materials for Packaging (expressed in kg)*

Also in this case, it is evident that the amount of materials used at the production stage followed a positive trend throughout the years. As a matter of fact, since these materials are used for the packaging and transportation of the merchandise, these data consists of a further reconfirmation that production volume increased from 2021 to 2022. Although the amount of these materials is sensitively limited if compared to the use of plastics and aluminum, the Company does its best to implement a responsible strategy in the management of these resources.

Indicator	Target	2022	2021	2020
Materials for Packaging consumed (in kg) / Items Produced (in kg)	< 37%	31,08%	28,19%	32,55%

*Table 2.4 - Reduction of Raw Material Consumption*

Table 2.4 represents clear evidence of the efforts implemented by the Company to reduce the use of raw materials. As it is depicted in the Table 2.4, the situation is nearly stable and does not represent cause for concern for the Company, which nevertheless continues to put great effort in the implementation of initiatives for the limitation of the use of raw materials.

## 2.2 Water Consumption

In addition to the substantial efforts in reducing raw material consumption, Capsulit pays specific attention to its water use and waste in order to implement a 360-degree sustainability program.

Another measure implemented to reduce water and energy consumption consists in the implementation of closed-circuit refrigeration systems for presses. As a matter of fact, machineries are equipped with convector heaters which allow them to cool down without water consumption and with limited use of refrigerating systems.

The Company has substantially no polluting impact on water, because it does not dispose of an industrial water discharge system. On the contrary, Capsulit has a limited discharge of waste water, which is similar to domestic waste. The restricted remains of emulsions released during the production process are separately disposed of as waste.

Description	Year 2022		Year 2021		Year 2020
Water Consumption (in m <sup>3</sup> )	2.550	(-5%)	2.684	(+14%)	2.364
Water Consumption (in m <sup>3</sup> )/ Total Production (in kg)	0,1%		0,1%		0,1%

*Table 2.5 – Water Consumption Data*

The above-presented figures clearly show the commitment of the Company in the maintenance of a low incidence of water use in the production process. As demonstrated by these data, Capsulit was able to keep its consumption-to-production ratio at 0,1%, which is substantially irrelevant.

### 2.3 Energy Consumption

Despite the significant consumption of energy sources, in particular for the functioning of production machineries, air change and conditioning, Capsulit insists in carrying out initiatives for the reduction of the harmful impact on the environment. For instance, the Company implemented photovoltaic panels for the production of electricity from renewable resources. The current project involves the addition of 446 kWp solar panels to the already existent 186 kWp one, as well as the implementation of a 380 kWp system for the new production plant that will be built within two years. Besides, many plants underwent an insulation intervention as to reduce electricity and gas consumption, while some other interventions are planned for the next future.

Many measures put into practice in recent years consists in the gradual substitution of machineries with energy-saving ones. The Company has already replaced the 85% of its hydraulic presses and compressors with electric high-efficiency equipment.

In general, consumption trends are experiencing an upward trend due to the gradual expansion of the company, as well as the relative implications in terms of industrial plants, volumes and workforce.

Description	Year 2022		Year 2021		Year 2020
Electricity Consumption (in kWh)	4.216.954	<b>(+31%)</b>	3.212.337	<b>(-16%)</b>	3.813.775
Electricity Production (in kWh)	177.747	<b>(+11%)</b>	160.546	<b>(-5%)</b>	168.619
Gas Consumption (in m <sup>3</sup> )	46.386	<b>(-23%)</b>	59.874	<b>(+7%)</b>	56.082

*Table 2.6 – Electricity and Gas Consumption and Production Data*

As depicted in Table 2.6, Capsulit decreased its electricity consumption in 2021, but experienced an exponential peak in 2022. Despite the increase in energy consumption, it is relevant to underline that 46% of the purchased electricity is generated through renewable resources.

A different trend can be assessed for gas consumption. Indeed, the Company was able to further reduce its use of methane gas after suffering from an increase of 7% in 2021.

In order to monitor its environmental impact and identify its improvement areas, the Company imposes some targets to be achieved in the short and medium term.

Description	Target	Year 2022	Year 2021	Year 2020
Electricity Consumption (in kwh) / Total Production (in kg)	< 1,50	1,50	<b>1,52</b>	<b>1,52</b>
Electricity Production (in kwh) / Electricity Consumption (in kwh)	> 5%	<b>4,22%</b>	5%	<b>4,42%</b>
Gas Consumption (in m <sup>3</sup> ) / Total Production (in kg)	< 0,04	0,02	0,03	0,02

*Table 2.7 – Electricity and Gas Consumption Indicators*

The data in Table 2.7 show that the incidence of electricity remains constant over the years, meaning that the use of a greater amount of resources is anyway justified by the growth of the business activity. In 2022, the amount of electricity produced by the Company by means of renewable resources, if correlated to the quantity consumed, does not live up to the target. The important investments made in 2022 and planned to be implemented in 2023 and 2024 will undoubtedly allow to abundantly overcome the targets. As for gas consumption, the scores are approximately constant and do not represent cause for concern.

## 2.4 Atmospheric Emissions

The energy need of the Company is partially covered by the use of petrol and diesel oil, in particular for fueling transportation vehicles. These greenhouse gas emissions can be classified Scope 1, since they result from the direct combustion of fossil fuels.

Description	Year 2022	Year 2021	Year 2020
Diesel Oil Consumption (in l)	22.116	20.879	19.002
Petrol Production (in l)	5.567	4.763	3.674
Natural Gas (in Smc)	46.386	59.874	56.082
Electricity (in kWh)	4.191.722	3.185.849	3.795.355

*Table 2.8 – Fuel Consumption*

In order to carry out a complete and detailed analysis of the environmental impact of the Company, it is necessary to assess the carbon footprint, taking into consideration the emission of GHGs. Hereafter, the data of Scope 1 and Scope 2 emissions are presented in accordance to DEFRA regulation:

Category	Description	Year 2022	Year 2021	Year 2020
SCOPE 1 (Direct)	Petrol CO <sub>2</sub> Emissions (in t)	13,03	11,15	8,60
	Diesel Oil CO <sub>2</sub> Emissions (in t)	59,14	55,83	50,81
	Natural Gas CO <sub>2</sub> Emissions (in t)	124,17	160,28	150,13
SCOPE 2 (Location-based)	Electricity CO <sub>2</sub> Emissions (in t)	1.170,74	889,80	1.060,04

*Table 2.9 – Carbon Footprint Scope 1 and Scope 2 (Direct and Indirect Emissions)*

Direct emissions are mostly related to the fuel used for transportation purposes with the Company's vehicles, while indirect location-based emissions are released by the consumption of imported electricity. In order to limit the impact on the atmosphere, the Company is gradually adopting innovative solutions and approaches.

Description	Year 2022	Year 2021	Year 2020
Petrol CO2 Emissions (in kg)/ Total Production (in kg)	0,46	0,53	0,34
Diesel Oil CO2 Emissions (in kg)/ Total Production (in kg)	2,11	2,64	2,02
Natural Gas CO2 Emissions (in kg)/ Total Production (in kg)	4,42	7,57	5,97
Electricity CO <sub>2</sub> Emissions (in kg) )/ Total Production (in kg)	41,67	42,00	42,19

*Table 2.10 – Carbon Footprint in relation to kilogram produced in 2022-2021-2020*

As depicted in Table 2.10 emissions in relation to kilograms produced decreased from 2021 to 2022.

## **2.5 Waste Management and Disposal**

The company follows a detailed procedure for waste management and disposal at production stage. In particular, aluminum scraps are separately collected and compressed into bales in order to be 100% recyclable as secondary raw materials. For what concerns plastic scraps disposal, these are separately collected as far as possible, depending on the specific material (PP, PE, etc.) so that it can be 100% recycled as secondary raw material.

Besides, every Capsulit’s production department and office is equipped with specific bins which are appropriately labeled and differentiated depending on the type of waste that is supposed to be disposed. These containers are located in proximity of production machineries and near the offices in order to put both workers and employees in the condition to adhere to waste sorting, as detailed in a specific procedure.

In addition, the Company has to handle the use of few materials – such as lubricants or detergents – which might be potentially dangerous for both environment and human beings. For this reason, in recent years, Capsulit made an accurate choice of less impactful materials and introduced clear protocols for the disposal of dangerous substances employed in its production process as to avoid their dispersion.

The most significant data about waste production are presented hereafter:

Description	Year 2022		Year 2021		Year 2020
Non-Dangerous Waste (in kg)	139.134	(+31%)	106.181	(-13%)	122.638
Dangerous Waste (in kg)	13.425	(+16%)	11.623	(-3%)	11.949

*Table 2.11 – Waste Production Data*

In relation to the outstanding growth of the business volume exported worldwide, the percentage of waste produced during the production process inevitably increased. Nevertheless, Capsulit is officially certified ISO 14001, which attests the presence of an efficient environmental management system. In order to ensure the correct disposal of waste, the Company relies on specialized operators authorized by the law. In addition, procedures of internal control that monitor the regularity of this process undergo periodic tests carried out by external authorized institutions.

The figures listed below are supervised and regularly compared to standard targets in order to identify potential red flags and implement corrective actions. More precisely, these ratios correlate the amount of waste with the volume of production.

Description	Target	Year 2022	Year 2021	Year 2020
Non-Dangerous Waste (in kg) / Total Production (in kg)	< 7%	4,95%	5,01%	4,88%
Dangerous Waste (in kg)/ Total Production (in kg)	< 1%	0,48%	0,55%	0,48%

*Table 2.12 – Waste Production Indicators*

As far as waste management is concerned, particular attention is paid to the disposal of dangerous materials, since their dispersion might provoke irreparable damages to both people and environment. However, as demonstrated by these data, the percentage of dangerous waste on total production is almost negligible, meaning that the Company does its best to avoid the use of dangerous material.

## **2.6 Other Relevant Environmental Impacts**

The Company pays also particular attention to the atmospheric emissions generated from its production process. For this reason, a qualified external laboratory carries out regular emission checks, which have not detected concerning figures so far. Indeed, all the parameters widely remain within the thresholds imposed by AUA (Autorizzazione Unica Aziendale, or Business Single Authorization in English).

Regarding noise pollution, Capsulit commissioned the assessment of the acoustic impact to external consultants. In 2013, the detection recorded an excess of emission and inflow noise, forcing the Company to implement an acoustic recovery plan the following year as to remain under the threshold imposed by law. After the interventions carried out in the previous years, the levels of emission and inflow noise dropped under the limits imposed by the acoustic zoning of Roncello. Indeed, there are no complaints from neighbors about the Company's activities.

As to have a complete overview of the environmental impact, Capsulit identifies external conditions that might affect business activities. In particular, the Company, which is located in a class 3 seismic zone, might suffer from intense but rare earthquakes. For this reason, an intervention on non-compliant and thus vulnerable buildings was implemented. Moreover, being the area subject to whirlwinds, Capsulit replaced the covering of the production plants as to secure the company.

## **3. People**

### **3.1 The Value of People**

The value of the Company is closely linked to the value of the people who work there. For this reason, each component of Capsulit's workforce is considered fundamental for the correct functioning of the company, and is thus enhanced for its contribution to the business goal. It is thus extremely important that all the staff is motivated and aware that the activities they perform are relevant and decisive for the achievement of the Company's objectives.

Capsulit recognizes the centrality of human resources and the importance of establishing and maintaining relationships based on loyalty and mutual trust.

In order to build a safe business environment, the Company's actions are guided by the UN Universal Declaration of Human Rights and the International Labor Conventions and Recommendations issued by ILO (International Labor Organization), as stated in the Code of Ethics. Indeed, all the relationships with the staff are managed in compliance with national and international rules as far as human rights are concerned. For this reason, Capsulit constantly monitors the preservation of human dignity and respect in the relationships between colleagues and with third parties. In addition, any form of forced labor or child labor is excluded.

The staff with personnel management responsibilities is informed and acts in compliance with national labor legislation. As a matter of fact, the entire working

personnel is included in the Italian Collective Bargaining Agreement (Contratto Collettivo Nazionale di Lavoro or CCNL in Italian) of the mechanical sector. Thus, the economic and regulatory treatment of workers is subject to the rules established by law and by the national contract. In addition to the minimum remuneration envisaged by the national contract, Capsulit guarantees a substantial supplement to the whole Company personnel.

As far as trade unions are concerned, Capsulit is fully compliant with the national and international rules which safeguard the freedom to join a trade union organization and the right to collective bargaining. The Company thus guarantees the presence of a unitary trade union representation (RSU) regularly elected by its employees and workers. The RSU operates freely in accordance with the employment contract, takes advantage of the union permits provided for, and organizes union meetings for workers. Furthermore, a safety representative freely elected by the workers regularly operates in the Company. Both the trade union representation and the workers' safety representative maintain relationships based on collaboration with the Company management.

In addition, a supplementary contract is signed and thus in force with the trade union representatives. This contract provides for additional remuneration linked to the company results and is periodically revised and updated.

## 3.2 Personnel Profile

The following tables show the personnel profile of the Company:

Description	Year 2022		Year 2021		Year 2020
N° of Managers and C-Suite	8	(+33%)	6	(0%)	6
N° of White Collars	15	(-12%)	17	(0%)	17
N° of Blue Collars	87	(+24%)	70	(-7%)	75
Total n° of Workforce	110	(+18%)	93	(-5%)	98

*Table 3.1 – Staff Composition by Job*

Description	Year 2022	Year 2021	Year 2020
Temporary Contracts / Total Contracts	24%	14%	16%

Part-Time Contracts / Total Contracts	2%	1%	1%
---------------------------------------	----	----	----

*Table 3.2 – Staff Composition by Contract Typology*

The Company currently employs 110 people, among which 83 permanent and 27 temporary personnel. The total workforce slightly decreased in 2021, while recording a 18% growth in 2022 in order to satisfy the increasing demand from the global market. As it is clearly evident in Table 3.2, the Company raised the number of temporary workers in order to cover the rapid expansion of the core business. The data thus show that the small percentage of the workforce has a temporary contract or operates part-time, although the Company is open to grant this type of contract to whoever needs it.

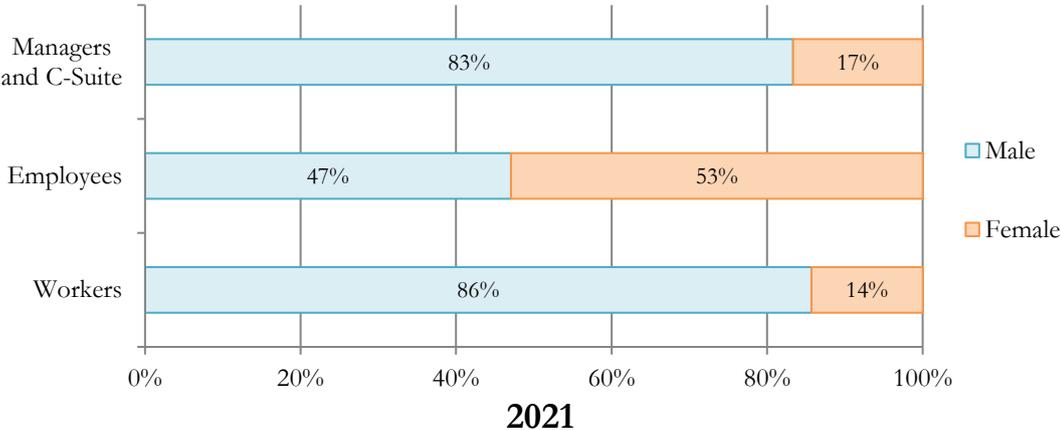
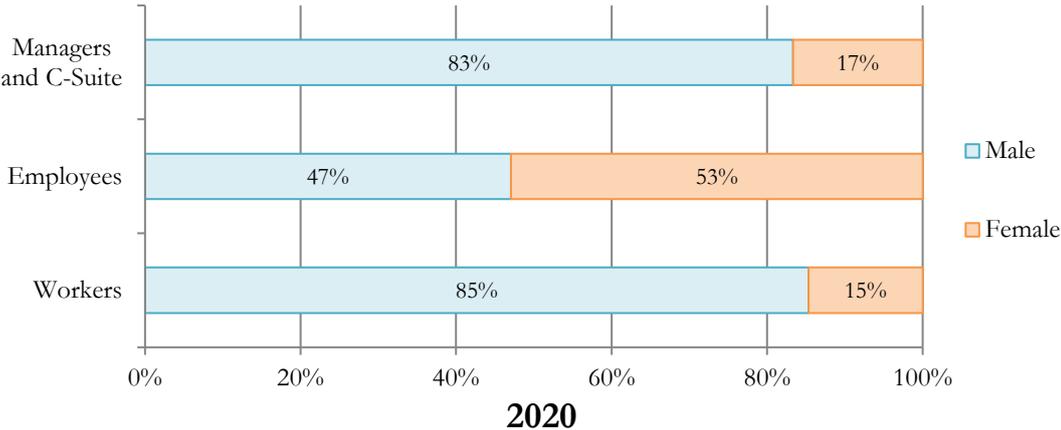
Description	Year 2022	Year 2021	Year 2020
Between 18 and 30 years old	20%	16%	21%
Between 30 and 50 years old	47%	53%	48%
Over 50 years old	33%	31%	31%

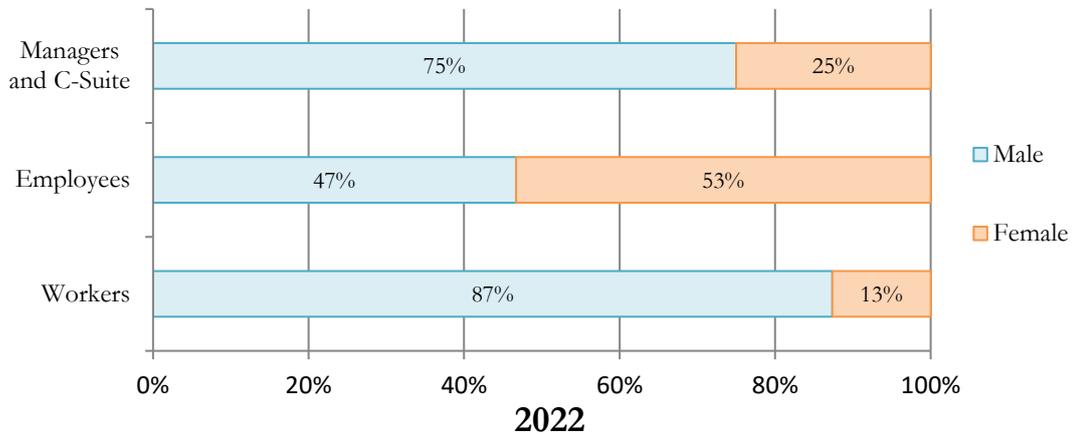
*Table 3.3 – Staff Composition by Age*

As depicted in the table above, the Company’s personnel is quite heterogeneous. Almost half of the workforce is between 30 and 50 years old, one third is older than 50 and the remaining part is between 18 and 30. In particular, the Company is fully compliant with the national and international regulations currently in force, thus forbidding the employment of people younger than 16 years old (child labor). In addition, Capsulit did not record any case of youth work either (employment of people between 16 and 18 years old). The figures presented in Table 3.3 demonstrate that Capsulit can rely on a strong sense of loyalty and retention from its workers and employees. Moreover, the Company strives to give job opportunities to senior people in order to fight against age discrimination. On the other hand, the Company is investing time and money in the integration of young people, who might easily acquire seniors’ expertise.

### 3.3 Culture of Inclusion and Integration

The Company has zero tolerance for any kind of discrimination or privilege concession based on diversity of race, language, physical appearance, faith and religion, opinion and political orientation, nationality, age, gender and sexual orientation. Indeed, the Company’s commitment to equality, inclusion and diversity is part of a broader effort for the respect of fundamental rights across the value chain. As a matter of fact, all the workers and employees can enforce the right to receive equal treatment as far as hiring, work conditions, promotions, remuneration, access to training, retirement and firing are concerned. For instance, Capsulit strives for recruiting an heterogeneous range of talents in order to enhance the integration of underrepresented groups and thus to enrich the Company’s culture with different experiences and perspective. The primary aim is thus minimizing barriers and maximizing the Company’s potential for success. Being the Company able to rely on a strong business culture based on equality and balance, no episodes of discrimination or corruption were reported.





*Graphs 3.4 – Staff Composition by Gender and Role*

Description	Year 2022	Year 2021	Year 2020
Italy	82%	81%	80%
EU	3%	4%	6%
Extra EU	15%	15%	14%

*Table 3.5 – Staff Composition by Origin*

Graphs 3.4 show the composition of the Company’s personnel divided by gender and role. Here it is clearly observable that the workforce is prevalently masculine. However, analyzing the different situations, it is possible to realize that this “disparity” is mainly determined by a prevalence of male workers employed in the production plant, since the production process involves the lifting of weights. As for employees, the percentage of women and men is approximately balanced, while the female presence in C-Suite category increased in 2022.

Particularly interesting data regard the Gender Pay Gap, namely the comparison between the average remuneration of men and women for the same category. Indeed, evidence shows that women remuneration is on average 4% higher than men wage.

As to support the values of integration and inclusion, 5% of the Company’s personnel belongs to legally protected statuses. All these people are thus defended against employment discrimination based on disability.

Finally, considering Table 3.5, the majority of the staff has Italian origins. Nevertheless, almost one fifth of Capsulit’s personnel originates from other EU or even extra-EU countries. In general terms, the Company strives for giving equal opportunities to everyone, without considering the conditions which fall outside the scope of competences of the candidates.

### 3.4 Workforce Training

Capsulit supports workforce training as fundamental piece for both personal development and company’s growth. These activities are thus planned and managed according to emerging needs and business goals. Being the Company particularly attentive to the safety and wellbeing of its workers and employees, it invests a substantial amount of resources for training in the forms of shadowing, internal and external courses, and participation to conferences and exhibitions.

Description	Year 2022		Year 2021		Year 2020
N° of Training Hours	380	(-49%)	745,5	(+26%)	590,5

Table 3.6 – Training Hours

These data presented in Table 3.6 include only the courses previously arranged in the training plan. However, these figures should include specific training hours related to procedure revisions and updates, new hires training, new job assignments and courses following non-conformity complaints. Indeed, taking into consideration the just-mentioned activities, the total amount of training hours would undoubtedly double.

As it is shown in Table 3.6, in 2022 less training courses took place due to a strong increase in the demand, which resulted in particularly high volume of work.

### 3.5 Safety Management

Delving deeper into the topic of health for workers and employees, Capsulit gives great importance to investments in safety in order to guarantee a secure work environment and to eliminate or reduce injuries occurred during working hours as far as possible. As a matter of fact, the Company is provided with a certified Occupational Health and Safety Management System, which is compliant with UNI EN ISO 45001.

Every worker and employee shall be aware of the risks connected to the ordinary activities implied in each job. It is thus fundamental that all the people who are directly or indirectly involved in Capsulit’s business perfectly know the dangers related to all the activities carried out in the company.

Description	Target	Year 2022	Year 2021	Year 2020
Investments on Safety / Revenues	> 0,1%	1,56%	0,23%	1,15%
Expenditure for Safety / Average n° of Workforce	> €300	€1.467	€777	€1.187

*Table 3.7 – Safety Investment Indices*

As shown in Table 3.7, the Company increasingly invested in safety measures and courses for the prevention of injuries and incidents. The General Management requires that the whole organization makes the maximum effort in order to identify, assess and reduce injuries and illnesses connected to the work environment by implementing the necessary measures. In addition, the GM charges the Safety Manager with the tasks of update and verification of the laws related to health and safety.

Description	Target	Year 2022	Year 2021	Year 2020
N° of Injuries * 1.000.000 / Working Hours	0	<b>11,55</b>	0	0
N° of Inability Days * 1.000 / Working Hours	0	<b>0,27</b>	0	0

*Table 3.8 – Injuries Indicators*

Table 3.8 depicts the efficacy of Capsulit’s prevention plan and safety investments. The Company’s immaculate injury situation was compromised by two accidental injuries in 2022, characterized by a low degree of seriousness. As a matter of fact, after the prognosis period, the affected workers soon resumed their job. In general terms, it is possible to affirm that Capsulit is a safe place to work in. For instance, the Company guarantees an additional insurance for accidents and occupational diseases for all its employees and workers.

### **3.6 Welfare System**

Employees and workers are covered by the health insurance fund reserved to the companies operating in the mechanical industry (Metasalute), while managers are covered by FASI (Fondo Assistenza Sanitaria Integrativa, or Supplementary Health Care Fund in English). In addition, the Company assures remunerated permits for medical examinations to the whole staff. The Company has also a supplementary pension system linked to the national collective agreement.

Capsulit grants paid leave for maternity and parental care for both parents in accordance with the national laws and collective agreement regulating the parental leave. Besides, the Company recognizes a bonus for the marriage of its employees and the birth of their children.

Depending on their role and on their needs, the Company gives its employees the possibility to follow flexible working hours, as well as part-time schedules. In addition, Capsulit allows its employees to partially adopt smart-working when the characteristics of the performed job allow that.

For all the workers and employees, meals during working hours are free and provided by the Company with a canteen service.

Finally, Capsulit believes in the importance of culture and thus fosters the increase of the knowledge of its workers and employees. For this reason, in 1980s Capsulit set up a well-stocked library within the Company which freely available to its employees and workers for the consultation of books.

## **4. Governance**

### **4.1 Corporate Governance**

The company is administrated by a Board of Directors composed by three members representative of two of the three founding families, which are the shareholders of the company. Currently, the Board is composed by one woman and two men. According to the Italian law, the BOD determines the powers of the Chief Executive Officer, who usually coincides with one of the members of the Board. This shall perform all the acts considered necessary for the achievement of the Company's purpose, except for the actions reserved to the shareholders by law.

In addition, as prescribed by the Italian law, Capsulit has a Board of Statutory Auditors, which is a supervisory body and is composed of three standing and two alternating auditors. They ensure the compliance with the applicable law and Capsulit by-laws in order to verify its alignment with business best-practices and the adequacy of the accounting systems.

The Board of Statutory Auditors is also involved in the process of selection of the External Auditor Firm. In fact, approximately 40 years ago, Capsulit decided to appoint an independent External Auditor Firm as to certify its financial statements and thus to be completely transparent towards all the stakeholders.

## **4.2 Code of Ethics**

In line with the principles of transparency and fairness, Capsulit provides a Code of Ethics in order to make its inspiring ethical principles clear, unequivocal and understandable. In particular, this Code shall be observed not only by its employees and workers, but also by all the Third Parties which are directly or indirectly involved in the Company's business activities. The Company recognizes its compliance with laws and regulations in force in Italy, Europe and wherever it operates as an essential principle.

Honesty represents the fundamental principle for the whole Company's activity and constitutes a fundamental element of its management. Indeed, the Company shall be administered and managed according to the principles of transparency, fairness and thus fulfilling all the disclosure obligations prescribed by the law. In addition, the relationships with the stakeholders are based on fairness, collaboration, loyalty and mutual respect.

## **4.3 Management Systems and Certifications**

The General Management (GM) of the Company performs its leadership role and commitment for the Management System for Quality, Safety and Environment (MSQSE). In particular, it makes sure that the Policy for Quality, Safety and Environment is aligned with the corporate strategy, and the Company's objectives are consistent with its business approach.

The guarantee on the customer-oriented approach adopted by the Company, the campaign for the injury prevention and the reduction of the environmental impact are some of the main duties of the General Management.

In order to create an integrated culture within the Company, the General Management opted for the introduction of additional responsibility roles which might take peculiar aspects under control. Among these positions, the Environment Manager (EM), Safety Manager (SM) and Quality Guarantee Manager (QGM) are particularly relevant for the management, update, and improvement of the Company's policies concerning these topics.

The supervision of the MSQSE is entrusted to the advisory body of the Committee for Quality, Safety and Environment (CQSE). It aims at assisting the General Management in the assessment of the implemented measures as well as in the coordination of future actions.

Capsulit's efforts for further improvements in the matter of Quality, Safety and Environment have been recognized and rewarded over the years. Indeed, the production process is fully compliant with UNI EN ISO (International Organization for Standardization) and GMP (Good Manufacturing Practice) standards. In particular, the Company is certified for:



#### 4.4 Risk and Opportunity Management

Taking into consideration the industry in which the Company operates, the General Management puts particular emphasis on the identification of risks and opportunities for further improvements for the business.

In particular, for what concerns the environmental sphere, the Company determines the impact deriving from its activities as well as from the use of its products. Within the scope of this assessment, the General Management takes into account the seriousness and probability of a potential risk, as well as the compliance with environmental rules.

As far as safety is concerned, the organization assesses the risks related to the health of its own workers and employees, as well as of the Third Parties which intervene in

the Company's business. Depending on the typology, seriousness and probability, the risks are classified and reported in the Document of Risk Assessment. This process is then accompanied by the identification of prevention measures.

Regarding the topic of the quality, the Company regularly carries out an assessment of the risks related to all the articles produced and, in particular, to medical devices. More specifically, this assessment aims at identifying the qualitative and quantitative features which might compromise product safety, potential dangers and faults.

The Company commits to identifying and planning measures in order to prevent and reduce risks while optimizing the opportunities in accordance with the duties of compliance. The objectives for Quality, Safety and Environment are built on the analysis of data on business processes and take into consideration the customer satisfaction, the compliance with legal requirements and the definition of health and environmental impacts. For all these aspects, the Company always operates with a view to continuous improvement.

## **5. Methodological Note**

Capsulit's Sustainability Report represents a tool to disclose the results of the company's efforts as far as the environmental, social and economic spheres are concerned. As a matter of fact, the Company strives for the creation of value not only for itself, but also for its stakeholders.

This report is referred to data and information collected during 2022 in collaboration with the offices of the Company as to observe the principles of balance, comparability, accuracy, timeliness, clarity, and reliability. The account is drawn up in compliance with the GRI Sustainability Reporting Standards defined by the Global Reporting Initiative. All the indicators and KPIs disclosed throughout the document are ascribable to the just-mentioned standards, as shown in the following Appendix 1.

In order to give a clear idea of the efforts and improvements recorded by the Company, the data relative to the previous two years – namely 2021 and 2020 – have been used for comparisons wherever possible. In addition, as to ensure information reliability, the data here disclosed are not the result of estimates, but they are accurately recorded through official documents.

## 6. GRI Content Index

GRI Standard		Reference	
<b>GRI 102: General Disclosure</b>			
Organizational Profile	102-1	Name of the Organization	Paragraph 1.1
	102-2	Activities, Brands, Products, and Services	Paragraph 1.1
	102-3	Location of Headquarters	Paragraph 1.1
	102-4	Location of Operations	Paragraph 1.1
	102-5	Ownership and Legal Form	Paragraph 4.1
	102-6	Markets Served	Paragraph 1.1
	102-7	Scale of the Organization	Paragraph 1.1
	102-8	Information on Employees and other Workers	Paragraph 3.2
	102-11	Precautionary Principle or Approach	Paragraph 4.4
	102-12	External Initiatives	Letter to Stakeholders
Strategy	102-14	Statement from Senior Decision-Maker	Letter to Stakeholders
Ethics and Integrity	102-16	Values, Principles, Standards, and Norms of Behavior	Paragraph 1.3
Governance	102-18	Governance Structure	Paragraph 4.1
Stakeholder Engagement	102-40	List of Stakeholder Groups	Paragraph 1.4
	102-42	Basis for Identifying and Selecting Stakeholders	Paragraph 1.4
	102-43	Approach to Stakeholder Engagement	Paragraph 1.4
	102-44	Key Topics and Concern Raised	Paragraph 1.5
Reporting Practice	102-46	Defining Report Content and Topic Boundaries	Methodological Note
	102-47	List of Material Topics	Paragraph 1.5

GRI Standard			Reference
	102-50	Reporting Period	Methodological Note
	102-51	Date of most Recent Report	Methodological Note
	102-52	Reporting Cycle	Methodological Note
	102-54	Claims of Reporting in accordance with the GRI Standards	Methodological Note
	102-55	GRI Context Index	GRI Context Index
<b>GRI 200: Economic Performance</b>			
Economic	201-1	Direct Economic Value Generated and Distributed	Paragraph 1.2
<b>GRI 300: Environmental Performance</b>			
Materials	301-1	Materials used by Weight or Volume	Paragraph 2.1
Energy	302-1	Energy Consumption within the Organization	Paragraph 2.3
	302-4	Reduction of Energy Consumption	Paragraph 2.3
Water and Effluents	303-1	Interactions with Water as a Shared Resource	Paragraph 2.2
	303-2	Management of Water Discharge-Related Impacts	Paragraph 2.2
	303-5	Water Consumption	Paragraph 2.2
Emissions	305-1	Direct (Scope 1) GHG Emissions	Paragraph 2.4
	305-2	Energy Indirect (Scope 2) GHG Emissions	Paragraph 2.4
Waste	306-1	Waste Generation and Significant Waste-Related Impacts	Paragraph 2.5
	306-2	Management of the Significant Waste-Related Impacts	Paragraph 2.5
	306-3	Waste Generated	Paragraph 2.5
	306-5	Waste Directed to Disposal	Paragraph 2.5

GRI Standard			Reference
<b>GRI 400: Social Performance</b>			
Employment	401-1	New Employee Hires and Employee Turnover	Paragraph 3.2
	401-2	Benefits Provided to Full-Time Employees that are not provided to Temporary or Part-Time Employees	Paragraphs 3.1 – 3.6
	401-3	Parental Leave	Paragraph 3.6
Occupational Health and Safety	403-1	Occupational Health and Safety Management System	Paragraphs 3.5 – 4.4
	403-2	Hazard Identification, Risk Assessment, and Incident Investigation	Paragraphs 3.5 – 4.4
	403-3	Occupational Health Services	Paragraph 3.6
	403-5	Worker Training on Occupational Health and Safety	Paragraph 3.4
	403-8	Workers covered by an Occupational Health and Safety Management System	Paragraph 3.6
	403-9	Work-Related Injuries	Paragraph 3.5
Training and Education	404-1	Average Hours of Training per Year per Employee	Paragraph 3.4
Diversity and Equal Opportunities	405-1	Diversity of Governance Bodies and Employees	Paragraph 4.1
Non-Discrimination	406-1	Incidents of Discrimination and Corrective Actions Taken	Paragraph 3.3
Customer Health and Safety	416-1	Assessment of the Health and Safety Impacts of Product and Service Categories	Paragraph 4.4