

Sustainability Report

2023



esaote
HEALTH WITH CARE

Sustainability Report prepared by Esaote S.p.A.
Reference period: January 2023 - December 2023

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Letter to stakeholders

Dear Stakeholders,

This is the second Sustainability Report that Esaote has drawn up since, in 2022, it joined the United Nations Global Compact, thereby formalizing its intention to commit to creating an inclusive and sustainable model, in line with the goals of the UN Agenda 2030. Consistently with this commitment, Esaote has decided to undertake a path of voluntary reporting.

The purpose of the Report is then to continue to represent the results achieved and the activities implemented in order to act ethically, reduce environmental impact and promote social well-being.

We are aware that sustainability has become an absolute priority and for us at Esaote being sustainable means implementing good practices in everything at the base of our daily behavior: **innovation, technology, people** and **quality**. *"Health with care"* is our motto and our idea of care is also expressed through the transparency, correctness and evolution of our behavior, for safeguarding the environment, creating a safe, fair and inclusive workplace and applying increasingly more responsible corporate governance policies.

We develop our products and services in line with customer needs and in step with techno-

logical progress, always trying to combine performance quality with minimum consumption of energy and materials: an ethical objective and at the same time an innovation challenge.

We are convinced that carrying on work does not regard only the economic sphere, but is a factor in social promotion and improvement in the quality of life. For this reason, besides the various programs dedicated to the well-being of our people, we have undertaken a demanding path to formalize and develop actions protecting gender equality, respect for diversity and inclusion: in 2023, the parent company Esaote S.p.A. and its subsidiary Ebit S.r.l. obtained the Uni PDR 125-2022 certification on gender equality.

In addition, we have defined a Strategic Sustainability Plan with a five-year time frame (2024-2028) that has allowed us to identify the areas in which our organization can improve its performance in terms of sustainability and of identifying the actions to take, monitoring their effectiveness. It is Esaote's aim moreover to act all along the value chain of the Supply Chain, getting all the Group's employees, worldwide, and its trading and technology partners involved.

This is why, in 2023, we continued to make a

great commitment to the training and development of those working within the organization, starting from the Parent Company, with the aim of creating a veritable culture of sustainability, to then extend it, with specific dedicated actions, also to our external stakeholders.

The intensity of this path, which involves all the Group's Functions, has also entailed organizational changes, aimed at strengthening our structure of governance as well: the establishment of the Committee for Sustainability, Equality and D&I and the Charter governing the appointment, operating modes and tasks of the Committee itself, whose range of action extends

to all the companies in the Esaote Group and the appointment of a Chief Sustainability Officer as well as a Gender Equality Manager.

We are only at the start of this "journey", which we want to take together with all our staff, with commitment and enthusiasm to build a culture in which respect, diversity and opportunities are the best guarantees for the future generations. Thank you to those who work with us, those who contribute to our growth and those who help us improve.

Franco Fontana
CEO, Esaote Group



METHODOLOGICAL NOTE

Objective of the document

This edition of the Sustainability Report, prepared on a voluntary basis, of Esaote S.p.A. (hereafter also “Esaote” or the “Company”) is the continuation of its annual reporting path on the topic of sustainability, initiated in 2022.

The Sustainability Report is not only a way to maximize transparency in communication to its stakeholders, but also the main tool for managing and reporting on ESG (environmental, social and governance) initiatives and performance in relation to the indicators. For more information regarding the Esaote Sustainability Report, you can email sustainability@esaote.com.

Scope and reporting period

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

In order to ensure the principle of comparability, the data and information contained within this document refer to the fiscal years of the last three years of business 2021-2023 (the period from January 1 to December 31).

Any exceptions are highlighted in the text of the document.

Document drafting process and reporting standards

As last year, the project of drafting the document was carried on by the Work Group designated by Esaote, composed of the managers of the single functional areas involved in sustainability reporting, coordinated by the Company's Chief Sustainability Officer. In particular, the Work Group carried out the following activities:

- determination of the reporting scope;
- identification of the key stakeholders based on the contents of the Group Code of Conduct and the benchmarking activity conducted on its main peers and competitors and international reporting standards with particular reference to the sector;
- validation of the analysis of the context of sustainability based on the above-mentioned ben-

chmarking and of the Market requirements (e.g., tender requirements) and of the analysis of the existing standards for Esaote's sector (Sustainability Accounting Standards Board¹);

- validation of the material issues previously identified by Esaote and confirmation of them by the company's Top Management;
- identification of the non-financial indicators to be reported and update of the structure of the Sustainability Report;
- sharing with Top Management the results obtained as a result of carrying out the previous activities (stakeholder list, material themes, performance indicators and document structure) and the timeline for drafting the document;
- setting up the reporting system and initiating qualitative-quantitative data collection;
- preparation of the Sustainability Report, to be submitted for validation by the Board of Directors.

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

It should be noted that the Company has not done its materiality analysis in accordance with the steps contemplated by the GRI Standards 2021, but rather it chose to perform this analysis in accordance with the methods contemplated by their previous version (GRI Standards 2016).

Esaote chose to prepare the document according to the "with reference to" methods contemplated by the GRI Standards 2021, using a selected set of indicators. The Company, moreover, chose to use additional internal KPI for reporting the information provided in this Report.

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

Reporting principles:

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

This document was approved by the Sustainability Committee on 07/03/2024 and, afterwards, by the Board of Directors, on 28/03/2024.

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

¹ It is a not-for-profit independent organization that develops and publicizes accounting standards of sustainability that companies can use to disclose their environmental, social and governance (ESG) performance. These standards help companies identify, measure and report the most relevant ESG questions for their sector. The SASB standards are specific for the sector and aim at providing investors with accurate and comparable information for taking informed investment decisions.



ESAOTE AND SUSTAINABILITY

Esaote, active in sustainability issues, is continually involved in planning that aims at strengthening its commitment and improving its performance in that sphere.

1.1 The Company

Esaote was established in Genoa in the early 80s and is the parent company of the Esaote Group, an international company that for over forty years has been designing, manufacturing and marketing medical diagnostic systems. It is a leader in the field of Dedicated Magnetic Resonance Imaging and one of the main players in Information Technology in healthcare. Ultrasound is its core business, and since 2002 it has also entered the interventional sector with innovative guidance technologies using ultrasound images of minimally invasive ablation procedures.

Esaote headquarters are located at Great Campus, the Genoa Science and Technology Park on the Erzelli hill, alongside the Ultrasound Research & Development and Medical IT laboratories. The recent Genoa Multedo plant is the focus of R&D and production of Magnetic Resonance Imaging systems, the repair center for all the devices - US and MRI - produced by the Group and the worldwide logistics center for spare parts.

Florence is home to the Center of Excellence for the production of ultrasound probes and the international logistics hub for the production and shipment of ultrasound systems all over the world.

We also have production sites in Sittard, the Nether-

lands, where there is the second site for the production of ultrasound probes, and in Danyang in China's Jiangsu province, dedicated exclusively to the production of ultrasound systems for the Chinese market, with the intention to cover this area and increase proximity to end clients in terms of logistics too.

Through subsidiaries, the Group now maintains a presence in the USA, China, Germany, the Netherlands, France, Spain, Argentina, India, Mexico, and Brazil, and has offices in the United Kingdom and Moscow. Its international distribution network means it now operates in 100 countries around the world.

Esaote moreover assures a complete after-sales service—from installation to repair and maintenance of the systems—such as a consulting service and training on using the equipment to ensure an optimal level of performance and support customers in their daily activities.

Following the logic of the circular economy and of reducing environmental impact, Esaote has, moreover, dedicated a specific program, called *Renaissance*, to reconditioning its used diagnostic imaging equipment and its reintroduction on the market, with all the guarantees of Esaote quality and safety. The Company, which boasts collaborations with clinical and scientific research centers and universities

around the world, has received numerous awards for its performance in terms of innovation, for investments in research, human capital and technology, and also for the extraordinary design of its products.

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

Ultrasound:

In this field, the Company studies, designs, produces and markets ultrasound systems, both on trolleys and portable. Ultrasound for diagnostic use is the Group's core business, covering a wide range of clinical applications: musculoskeletal, vascular, obstetrics/gynecology and cardiology. In recent years, systems have been developed for specific applications in orthopedics, rheumatology, anesthesia and first aid, as well as minimally invasive surgery.

Magnetic Resonance Imaging (MRI):

The first company to develop dedicated MRI systems for knee, shoulder and limb imaging, Esaote is now a leader in the field. Over 3000 of our MRI systems have been installed worldwide, in large hospitals, private clinics, sports medicine centers, rheumatology laboratories and trauma departments. With the experience gained over the years, Esaote has also developed an innovative magnetic resonance imaging system dedicated to the spinal column in orthostasis and, more recently, has entered the world of total body magnetic resonance imaging with the system called "Magnifico Open". Like all the range of MRI equipment designed and produced by Esaote, this new system is also based on an open, low-field, permanent magnet, which permits combining high performance with a high level of patient comfort (no claustrophobia) and operating cost containment. In addition, the use of permanent technology also offers the chance to implement strategies of circular economy thanks

to the possibility of reusing the magnetic material after suitable treatment, thereby facilitating disposal of the raw material at the stage of product end of life.

Global Service:

Constantly supporting its customers, the Esaote Global Service, in a rapid, smooth and excellent manner, offers on-site and remote support services, which can be customized, in order to be able to guarantee the utmost performance of the devices throughout their life cycle, prevent faults and reduce machine downtime.

Digital Radiography (DR):

Following the agreement for Digital Radiography with Beijing Wandong Medical Technology Co., Ltd, the biggest listed Chinese manufacturer of medical equipment, Esaote markets X-ray systems for digital radiography in both fixed and mobile configurations.

Esaote in the world



<p>3 R&D Centers Genoa, Florence, Maastricht</p>	<p>4 Production sites Genoa, Florence, Sittard, Danyang</p>
<p>14 Subsidiaries Belgium, Netherlands, France, Germany, Spain, United Kingdom, Russia, China, India, Argentina, Mexico, United States</p>	
<p>1250 Global employees²</p>	<p>250 Global distributors</p>
<p>+ 50 product families products/services sold</p>	<p>+100 countries where products/services are offered</p>
<p>+273 million turnover from product and service sales</p>	<p>ca 54% of the production sold in EU</p>

² The number of global employees does not include those in the categories of contingent workers, contractors and mini-jobs.

Supply Chain	UoM	2023	2022
Italy			
Number of suppliers	no.	896	1,012
Direct suppliers	no.	192	312
Indirect suppliers	no.	704	700
Total value of supplies		105,376,882	95,768,000
Value of supplies from EU	€	68,902,911	53,768,000
Value of supplies from outside EU	€	36,473,971	42,000,000

Table 3. Supply Chain

Characterized by an international presence, the Company's supply chain appears to be particularly focused on sourcing from indirect suppliers, which amount to 704, versus 192 direct suppliers. On the other hand, in relation to indirect supplies, a much broader spectrum is favored in order to capture the specific service needs of the various requesting sources.

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

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

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

Assolombarda

Association of companies operating in the Metropolitan City of Milan and the provinces of Lodi, Monza and Brianza, Pavia. In size and representation, it is the most important association in the entire Confindustria System. It expresses and protects the in-

terests of 6,900 enterprises of all sizes, national and international, producing goods and services in all commodity sectors.

COCIR

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

Comitato Elettronico Italiano (Italian Electronic Committee -IEC)

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

Confindustria Dispositivi Medici (Confindustria Medical Devices)

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

Confindustria Genoa

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

Distretto Toscano Scienze della Vita (Tuscan District Life Sciences)

Regional cluster that aggregates public and private stakeholders operating in various capacities in the fields of Biotechnology, Pharmaceuticals, Medical Devices, ICT for Health, and Nutraceuticals. The District works to facilitate, monitor, promote and coordinate the creation and development of opportunities for interaction, integration and innovation among its stakeholders. The goal is to grow and sustain the competitiveness, and the market and research potential of the regional territory through the development of support services and technology transfer, targeted initiatives and actions.

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

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

Campania Bioscience

The Campania Bioscience High Technology District was established in 2013 to meet the need to coordinate and strengthen the scientific know-how and the supply of the industrial players operating in the region of Campania within the framework of life sciences, in the European perspective of smart specialisation. The Campania Bioscience Technology District is composed of 55 partners of which 7 research bodies, 46 enterprises and 2 Technology Transfer Facilities.



1.2 Mission, vision and values

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

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

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

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

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

1.3 Esaote’s commitment to sustainability

Esaote’s business strategy has always been based on principles such as **transparency, fairness, reliability, trust and honesty**. The utmost importance is attached to relationships based on mutual esteem and to long-term relationships with customers, suppliers and business partners, as well as the application of corporate management criteria based on sustainability.

For this reason, the Company has strengthened its corporate governance structure covering the strategy for sustainability by establishing a **Sustainability, equality and D&I Committee**

(i.e., “*Diversity & Inclusion*”) and appointing a **Chief Sustainability Officer**, supporting the Committee itself and the Chief Executive Officer, continuing along its path of integrating sustainability into the business strategy to create value over the long term.

In order to further strengthen the path undertaken in the field of sustainability, Esaote decided, in 2023, to equip itself with a specific ESG strategy, reported in a specific sustainability plan that defines the main objectives the Company intends to reach for the future, as well as the actions, KPI and timelines for their accomplishment.

1.3.1 Esaote Sustainability Plan

As already mentioned above, in 2023 Esaote initiated an important path aimed at integrating the sustainability aspects within its business strategy. This led to the definition of the 2024-2028 Sustainability Plan of the Esaote Group.

The process of defining the 2024-2028 Sustainability Plan of the Esaote Group involved the main company functions and as an initial key activity envisaged defining strategic pillars and the macro-objectives of sustainability.

Afterwards, for each sustainability macro-objective, the following aspects were defined:

- operative goals;
- actions to be carried on in order to achieve the operative goals;
- time span within which each action is planned to be accomplished;

- target to be achieved each year for each action;
- KPIs with which to monitor the accomplishment of the defined targets.

The definition of the actions initially envisaged mapping what Esaote had already implemented and, afterwards, identifying new ones

to be developed in relation to the set goals.

The strategic pillars and sustainability macro-objectives defined in the Esaote 2024-2028 Sustainability Plan are given below, to which are connected the applicable Sustainable Development Goals (SDGs) of the United Nations:



Responsible business management

The first pillar at the base of the Esaote sustainability strategy is “Responsible business management”.

Esaote is strongly committed to carrying on a business activity with strong ethical values of correctness, transparency, integrity and honesty. In addition, it promotes full compliance with the regulations in effect and rejects every form of active and passive corruption.

On the basis of these conditions, this year Esaote has continued to work in this direction, strengthening its prevention system on the subject of Antitrust with the appointment of the Antitrust Compliance Program – ACP Manager and the development of the Antitrust Compliance Program – ACP Project (which contemplates carrying it on for the following years too).

In addition to this program, Esaote has developed a Tax Control Framework (TCF) to identify, prevent and mitigate tax risks.

Esaote pays constant attention to responsible management of data and information and is directing its strategic choices in order to implement measures to ensure full observance of privacy. In particular, it intends to obtain ISO 27001 certification to ensure an information security management system.

Lastly, the Company undertakes to carry on awareness-raising actions for its employees by regularly providing training courses on privacy, cybersecurity, antitrust and anti-corruption.

Attention to people

Esaote has the well-being of its employees close to its heart with the conviction that, above all thanks to them, it is possible to carry on a sustainable and responsible business. It therefore undertakes to ensure conditions of fairness by creating an inclusive work environment in which each employee

can feel comfortable and appreciated. It is for this reason that this year, too, Esaote has put effort into obtaining the Certification on Gender Equality in line with the UNI/PdR 125:2022 regulations and will also undertake to carry on various actions aimed at facilitating and promoting diversity.

Esaote has always paid attention to the quality of the products and services it offers with the goal of safeguarding the health of its customers as well as ensuring their satisfaction. It is in fact working in order to strengthen partnerships with universities and research bodies that allow it to increase the innovation, quality and safety of the products it offers.

It is furthermore committed to regularly preserving the certifications on the quality management systems (certification ISO 13485 and certification ISO 9001).

The attention Esaote pays to sustainability is expressed in all the company’s activities and operations and also expands to the supply chain.

The development of a supply chain geared more and more to the integration of ESG aspects has in fact by now become a fundamental principle for Esaote. To this effect, it undertakes, and will continue to be committed also for the future, to regularly perform audits on its suppliers as well as in purchasing increasingly more sustainable materials.

Respect for the environment

The strategic actions in the sphere of sustainability carried on by Esaote start first of all with its commitment to an effective management of the environmental impact within its production processes, including its supply chain.

For the coming years Esaote has set the goal of reducing its emissions—including scope 3 as well as scope 1 and 2 emissions—by implementing a decarbonization plan. In addition, it is planning to examine

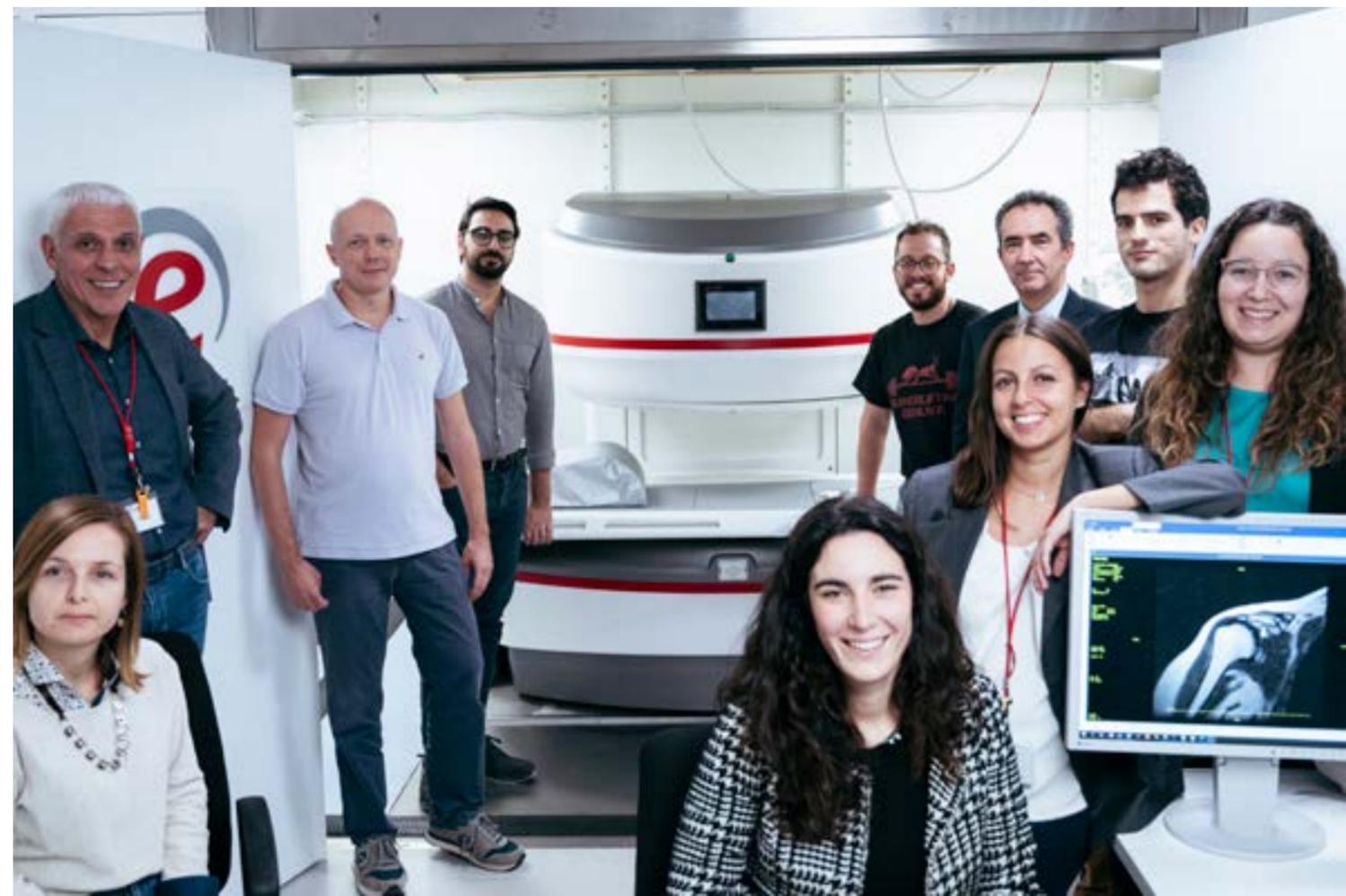
the Life Cycle Assessment aimed at environmental labeling and product Carbon Footprint assessment.

Esaote has always paid attention to responsible management of the natural resources and materials, both in the offices and in the production plants. To this effect, Esaote has developed and planned actions and initiatives aimed at reducing waste and facilitating the circular economy such as reusing packing and selling reconditioned machinery.

Confirming the constant commitment and aiming for continual improvement, Esaote has obtained and maintains voluntary certification in relation to the requirements of the international standard ISO 14001 *Environmental Management System* for the production plants of Genoa Multedo and Florence.

Within the framework of taking part in and making tenders and PNRR financed projects, Esaote undertakes to observe the principle of “Do No Significant Harm” (DNSH) to contribute to the ecological transition as required by the PNRR measures that, among other things, contemplate the obligation for public administrations to verify that public investments cause no significant harm to the environment.

The 2024-2028 Sustainability Plan of the Esaote Group will be subject to approval by the Board of Directors in March 2024. In addition, it will be updated on an annual basis both to monitor its progress and to integrate new strategic aspects.



1.3.2 Esaote stakeholders and materiality analysis

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

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



Figure 1. Key stakeholders

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

Stakeholders	Main modes of involvement
Employees	Quarterly employee meetings to explain company trends and projects, articles, interviews, videos featuring employees, surveys, training courses, events.
Customers¹	Open days, workshops, webinars, training courses, events.
Regulatory Bodies, Institutions & Supervisory Authorities	meetings on a regular basis.
Shareholders & Investors	meetings on a regular basis.
Commercial Agents & Partners	Institutional events and activities related to product promotion, training courses.
Technology Suppliers & Partners	meetings on a regular basis.
Scientific Community	Open days, workshops, webinars, training courses, events.
Local communities and NGOs	Sponsoring and donations.
New Generations	establishment of a corporate academy dedicated to new graduates in STEM disciplines, corporate communication activities in which the new talents actively participate, support for events and sports clubs; participation in events dedicated to youth guidance; support for schools and training institutions, open days.
Media	Press conferences, invitations to corporate events, collaborations.

Table 1. Stakeholder categories and related dialog/listening channels

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

During 2023, referring specifically to its employees, the Company launched a stakeholders engagement campaign dedicated to the Heads of Functions (HoFs).

The project was structured in two phases: an initial phase in which all the HoFs were invited to complete some training sessions on themes pertaining to sustainability in relation to the three components of ESG (Environment, Social and Governance); a second phase in which four workshops were organized in the setting of which, applying an idea creation method, the internal culture toward sustainability was strengthened and some design settings were defined that will be developed in the strategic sustainability plan.

In particular, the workshops carried on regard the ultrasound platform processing chain, implementing modern equipment, raising the awareness of vendors in the ESG setting and improving the efficiency of the method of shipping products to the benefit of the Company's environmental impact.

With specific reference to sustainability reporting, Esaote, as already reported under "Document drafting process and reporting standards", carried out a validation activity together with its top management on the material themes identified over the previous years, with no particular changes compared to the previous year. A list of the identified material themes is then given below, as well as a graphical representation through the materiality matrix.

List of materiality themes of Esaote S.p.A.

Innovation	Energy efficiency and reduced environmental impact
Quality, service accessibility and security	Valuing our people
Ethics and compliance	Gender equality, diversity, equity and inclusion
Circular economy and resources management	Occupational health and safety protection

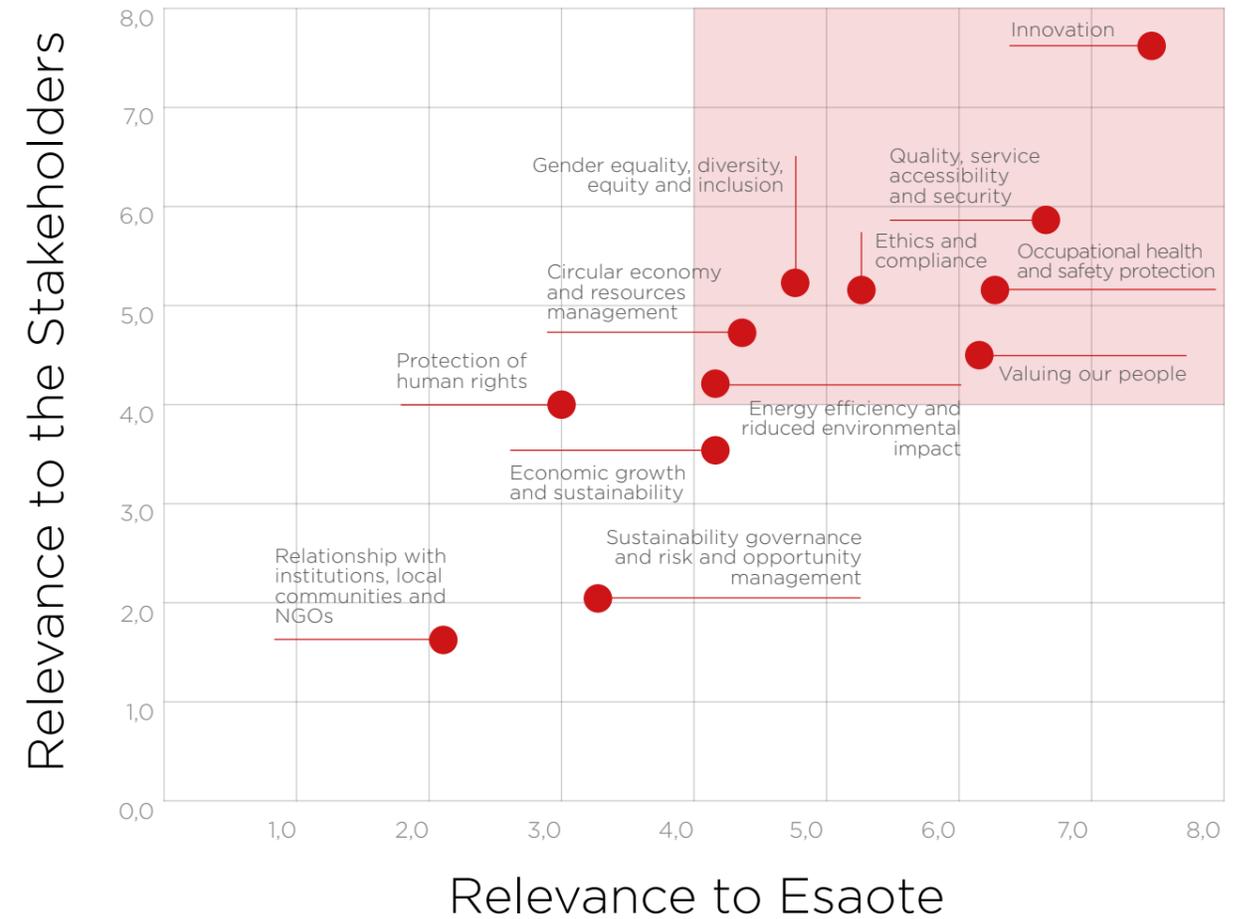


Figure 2. Esaote Materiality Matrix

In the materiality matrix, in addition to the material topics, all issues considered relevant to the Company are shown.

1.3.3 Let's design a better future together

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

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



Figures 3. The Sustainable Development Goals of the 2030 Agenda

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

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

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



Figure 4. SDGs identified by Esaote

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

SDGs	Target	Material topic	What Esaote is doing
	3.4 By 2030, reduce premature mortality from noncommunicable diseases by one third through prevention and treatment, and promote mental wellness and health.	Quality, service accessibility and security	Product quality and safety are the heart of activities at Esaote, which aspires to provide all professionals in the health sector with useful solutions to achieve the best results both in terms of efficiency and reliability of clinical performance, and of experience, not only for the doctor but also for the patient. To ensure high standards of quality and effectiveness of its products and services, Esaote has established procedures as part of its QMS (Quality Management System), monitoring its organizational adequacy and managing the regulatory aspects necessary to ensure proper compliance with current regulations and their evolution.
	4.3 Ensure equitable access to cost-effective, quality technical, vocational and tertiary education, including university education, to every woman and man by 2030.	Valuing our people	Esaote considers the continuous training of its employees as a strategic objective for investment. As such, a process has been created, taking skills analysis as a starting point to plan both standardized and personalized training sessions, forming part of a broad educational syllabus. (Training Hub). About 9,500 hours of training were provided in 2022 with a focus on technological innovation, occupational health and safety protection, and soft skills. In addition, in partnership with several universities, in 2021 Esaote launched the egeneration project, a real Academy for talented young graduates in STEM disciplines.

SDGs	Target	Material topic	What Esaote is doing
	7.2 Substantially increase the share of renewable energy in total energy consumption by 2030.	Energy efficiency and environmental impact reduction	Esaote has equipped all its offices and sites with modern, sustainable plants to curb emissions and costs while making consumption more efficient. In fact, in its Genoa Multedo site, there is a thermal and photovoltaic plant, equivalent to 66.5 kW, while at the Florence site, Esaote completed the installation of photovoltaic panels with a total capacity of 350 kW.
	8.5 Ensure full and productive employment and decent work for women and men by 2030, including young people and people with disabilities, and equal remuneration for jobs of equal value. 8.8 Protect the right to work and promote a healthy and safe working environment for all workers, including immigrants, especially women, and workers without a fixed contract.	Occupational health and safety protection Gender equality, equity and inclusion Valuing our people	Esaote has further implemented Welfare initiatives (work-life balance, company canteen, health insurance) aimed at improving the quality of its employees' working life and well-being. In the area of health and safety management, Esaote not only averts accidents and hazards and guarantees a safe workplace, but also includes a number of preventive measures to protect the health of its employees and enhance their individual well-being. In addition, each employee is encouraged to report violations of the principle of equality, discrimination or non-compliance with labor regulations. No violations were recorded in the three-year period.

SDGs	Target	Material topic	What Esaote is doing
	9.4 By 2030, improve infrastructure and sustainably reconfigure industries, increasing efficiency in resource use and adopting cleaner and more environmentally sound industrial technologies and processes, with all states taking action within their respective capabilities. 9.5 Increase scientific research, improving the technological capabilities of the industrial sector in all states- particularly in developing states- as well as encouraging innovations and substantially increasing, by 2030, the number of employees per million people, in research and development and spending on researchboth public and private.	Innovation	Esaote works to make modern machines in which materials and processing do not pollute and consume more than is strictly necessary at the source to ensure quality performance. It also implements processes designed to increase efficiency during the production and transportation phases. Esaote employs 25% of its staff in R&D and has recorded a 23% increase in R&D investment compared to 2020.

SDGs	Target	Material topic	What Esaote is doing
	<p>12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.</p> <p>12.6 Encourage companies, particularly large multinational corporations, to adopt sustainable practices and integrate sustainability information into their annual reports.</p>	<ul style="list-style-type: none"> • Circular economy and resource management • Energy efficiency and environmental impact reduction 	<p>Esaote follows international standards for environmental protection and has an environmental policy in which it commits to protecting the environment in which it operates.</p> <p>The Company, over the past few years has launched the following projects:</p> <ul style="list-style-type: none"> • progressive dematerialization of paper documentation for administrative use and user manuals; • systems at locations in Italy, promoting proper waste management; • expanding the car fleet by introducing the option for traveling personnel to choose electric or hybrid cars; • equipping employees at all Italian locations with reusable water bottles and ceramic mugs in order to reduce the impact due to the use of plastic in food courts; • reuse and optimization of packaging materials; • continuation of the “<i>Renaissance</i>” program to initiate circularity measures aimed at the responsible consumption of its products through practices to recondition its used systems.
	<p>16.5 Significantly reduce corruption and abuse of power in all their forms.</p> <p>16.7 Ensure accountable, open to all, participatory and representative decision-making at all levels.</p> <p>16.10 Ensure public access to information and protect fundamental freedoms in accordance with national legislation and international agreements.</p>	<ul style="list-style-type: none"> • Ethics and compliance 	<p>In 2023, Esaote obtained the highest score in the Legality Rating, according to the criteria set by the Italian Competition Authority (AGCM). Esaote has chosen to comply with all the applicable laws and regulations on anti-corruption in the areas in which it operates. In addition, it pursues ethical principles of governance inspired by the protection of the dignity and rights of all people and strives to create a welcoming and serene work environment in which its employees can operate autonomously and responsibly.</p>

SDGs	Target	Material topic	What Esaote is doing
	<p>17.16 Intensify the global partnership for Sustainable Development, assisted by plurilateral collaborations that develop and share knowledge, expertise, technological and financial resources, to achieve the Sustainable Development goals in all countries, especially emerging countries.</p> <p>17.17 Encourage and promote effective partnerships in the public sector, between the public and private sectors, and in civil society by building on the experience of the partnerships and their ability to find resources.</p>	<ul style="list-style-type: none"> • Ethics and compliance • Quality, accessibility, and safety of service 	<p>In addition to its adherence to the <i>UN Global Compact</i> initiative, Esaote has entered into numerous collaborations with non-profit organizations and medical/healthcare personnel who volunteer to improve the living conditions of particularly disadvantaged populations in need of healthcare, in terms of diagnosis, treatment and therapy. In 2023 Esaote also committed to support training and research to meet requirements created following extraordinary events. Some of the activities carried out include:</p> <ul style="list-style-type: none"> • Joining the Fondazione Gaslininsieme, an organization created to support the scientific research and care at the Istituto Giannina Gaslini in Genoa, one of the biggest children’s hospitals in Italy and in Europe. The Fondazione also contributes to the hospital’s structural, technological and digital improvement, to improving comfort in its spaces, and to providing families with a warmer welcome. • Joining the “University of Benguela, Angola” project, led by the Faculty of Engineering at the University of Genoa, the aim of which is to contribute to the training of healthcare professionals in Angola (doctors, radiographers and nurses). Held in the Genoa suburb of Miltedo, the training course focused on the use of ultrasound systems and all related activities, including those related to service. • Donation – at the request of the AIV Volunteer Engineers Association in Verona – of a MyLabT-MSigma portable ultrasound scanner complete with 4 probes (convex, linear, endocavitary and pediatric) to a local hospital in Igbedor, Nigeria. The clinic is run by nuns from the Palermo-based NGO Emmanuel Family, for pregnant women, routine appointments, and for obstetrics and neonatal support. • Donation of a WDM portable digital radiological system and 2 ultrasound scanners, to be installed in a low-dependency ward, useful for providing care to people hit by the tragic earthquake that hit the southern area of the Republic of Turkey and the northern area of the Arab Republic of Syria on 6 February 2023.

CORPORATE GOVERNANCE, ETHICS AND COMPLIANCE

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

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

It does so with a **Board of Directors** (hereinafter also "BoD") consisting of 7 members, appointed for a term of one year, which among its other functions, plays a role in guiding and evaluating the adequacy of the internal control and risk management system. The Board of Directors has chosen a Chief Executive Officer (hereinafter also "CEO") from its members, responsible for the establishment and maintenance of a control system suitable for pursuing the company's objectives in relation to the operational areas set forth by the respective delegated authority and also a **Chief Operating Officer** (hereinafter also "COO") with specific delegated authority over the following operational areas: R&D, Business Development, Global Marketing, Global Service, Operations and Supply Chain, Quality and Regulatory.

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

2.1 Business ethics

In 2016 Esaote adopted its own **Code of Conduct**. The ethical principles contained in the Code of Conduct establish a binding regulatory framework for all employees and bodies of the Company and is an integral part of the **Organization, Management and Control Model pursuant to Legislative Decree No. 231/2001** (hereinafter also "Model" or "Mod 231"), lastly updated in July 2023 and representing the reference point for conducting business and corporate activities in full respect of all stakeholders. Among other aspects, the Code of Conduct sets out in writing the ethical principles governing the relationship with commercial partners, suppliers and subcontractors, with the Government and political and trade union institutions, with competitors and professional associations and, finally, with the communities.

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

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

Mutual respect, tolerance and open-mindedness are the basis for building human relationships with the

different cultures of the world, in all countries where the Company is present. In addition, respect for the protection of human rights is another indispensable aspect by which the Company is inspired, appropriately expressed within the Code of Conduct.

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

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

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

Also within the Code of Conduct, Esaote has in-

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

The Code of Conduct shall be subjected to updating in 2024 in order to more clearly and explicitly integrate the commitment to sustainability.

2.2 Compliance

Esaote requires its business to be based on high levels of transparency, integrity and legality.

For this reason, the Company has in place an attentive monitoring system for processes in which there is a risk of committing the offenses contemplated by Legislative Decree No. 231/2001, by presiding over all the related functional areas from a preventive perspective. This internal control system, approved by the Board of Directors, consists of rules, procedures and organizational structures, which enable Esaote to identify, measure, manage and monitor the main business risks.

The system consists of tools such as internal proxies, the Organization, Management and Control

Model as per Legislative Decree No. 231/2001, Code of Conduct, Anti-Corruption Compliance System (Management System Guidelines Anti Corruption - MSGA), organizational documents such as organizational charts, procedures and job descriptions.

The procedures contained in Model 231 are subject to regular monitoring to ensure their consistency with the internal processes.

For this purpose, a Group Compliance Officer has been appointed, a role assigned to the Chief Legal, Governance and Compliance Director who also serves as an internal member of the Supervisory Board (hereinafter also "SB") appointed in accordance with the provisions of Legislative Decree No. 231/2001. This corporate figure is responsible for the following aspects:

- identifying policies, in order to ensure compliance with the regulations to which Esaote is subject;
- implementing training and internal communication activities on issues of legality, compliance and ethics;
- verifying, controlling, applying and updating the preventive protocols related to Model 231.

Thanks to close cooperation between the Compliance Officer, SB and the Supervisory Bodies (Statutory Auditors and Auditing Companies), Esaote guarantees high levels of transparency, integrity and legality.

All employees who are victims or witnesses of discriminatory behavior must communicate it immediately, even in an anonymous form, through the platform implemented by the Company in observance of Legislative Decree No. 24/2023. An investigation is carried out for each report and appropriate disciplinary measures are taken in case of incidents of discriminatory behavior or violation.

In the event of any violations of the principles and provisions of the Code of Conduct and Model 231,

sanction procedures are provided within the Company, with appropriate disciplinary measures of which its employees and collaborators are aware.

Also during 2023, Esaote carried out close monitoring of the application of the measures contained in Model 231 through periodic update sessions with the SB and the Board of Auditors.

During 2023, the Company received no reports referring to:

- suspected violations or breaches related to the application of Model 231;
- cases of non-compliance with laws and regulations;
- cases of non-compliance regarding marketing communications;
- reports on the topic of violations of human rights and discrimination;
- reports on the topic of equality and D&I.

In addition, during 2023 the Company implemented a **Whistleblowing system** that observes the requirements of Legislative Decree No. 24/2023 and that, by using a digital platform, allows both employees of the Company and all subjects entertaining relations with the Company, for whatever reason, to report, even anonymously, any violations or suspected violation of laws and/or regulations.

The Whistleblowing System implemented by Esaote explicitly includes spheres related to corruption together with reports related to gender harassment, diversity and antitrust regulations and procedures.

Esaote has implemented a governance system that allows covering specific areas of observance of the regulatory obligations and risk management, especially in the antitrust setting and as regards tax offenses.

Concerning the antitrust discipline, Esaote has decided to define and implement an *Antitrust Compliance Program* (“ACP”), also appointing, on 13 June 2023, an ACP manager, in the person of the Chief Legal Officer, with the task of performing all the activities required for implementing, actuating and updating the ACP in relation to the Group's requirements.

The ACP performs a fundamental organizational and procedural function. This program plans for a whole set of compliance measures that, on the one hand, are aimed at raising the awareness of their employees on issues of the right of competition and, on the other hand, support the employees themselves in avoiding falling afoul of conduct or situations that can represent antitrust risks.

The ACP, within the framework of which specific guidelines and procedures have been outlined, is to be launched in 2024 with widespread training campaigns both for the corporate population and for the external sales network.

With reference to the management of any conflicts of interest, the Company's Board of Directors has approved specific “Guidelines on the Management of Conflicts of Interest” that are an integral part of Organizational Model 231 (Annex 2.14.9) (hereinafter the “Conflicts of Interest Guidelines”). The Conflicts of Interest Guidelines include specific provisions for situations in which there is a conflict of interest (either their own or of third parties) of Board Members and/or Effective Statutory Auditors with the obligation for them to promptly inform the Company's Board of Directors. The body of which the Board Member or Statutory Auditor in a situation of conflict forms part will then perform a thorough and documented examination in order to assess the Company's interest as well as the possible economic and financial benefits and the appropriateness of the relevant terms and conditions. In addition,

the Conflict of Interest Guidelines stipulate that before each item on the agenda of the meeting of the corporate body of which he or she is a member can be discussed, each Board Member and/or Statutory Auditor must disclose any interest (his or her own or that of third parties) that he or she may have in the matters or issues to be discussed, specifying their nature, terms, origin and scope. Upon occurrence, a case of conflict of interest is handled individually, as required by the Guidelines, with specific assessment of the aspects related to stakeholder disclosure.

In 2023, Esaote, in line with the previous year, confirmed the **highest score (***) in the Legality Rating**, according to the criteria set by the Italian Competition Authority – AGCM. This Rating represents an indicator of compliance with high standards of legality and therefore confirms the Company's commitment to the highest level of integrity and adherence to ethical principles.

With reference to the fight against corruption, each initiative promoted by the Company in this area is guided by a long-term strategy featuring the progressive involvement of suppliers, the analysis and verification of the supply chain value chain, and the provision of specific training for business partners.

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

All anti-corruption policies are approved and communicated to the Board of Directors. With reference to its workforce and in support of corporate communication and knowledge, Esaote communicates to all its employees the publication of new anti-corruption policies also through training activities.

Indeed, during 2023, the updating of Model 231, which includes the policies on anti-corruption, was communicated to the entire corporate population.

Important new legislation has accordingly affected the administrative responsibility of corporations.

Esaote initiated activities of mapping the risk of committing offenses introduced in Legislative Decree No. 231/01 in order to adopt and update the Organizational, Management and Control Model. On the basis of the results of the mapping, specific actions were taken both on the existing and current procedures and to define new procedures covering the risks. The updated Organizational, Management and Control Model shall be approved by the Board of Directors and communicated to the employees. Training sessions shall be subsequently administered to the population according to the approved training plan.

In the connection, in particular, of tax risk management, in 2023 Esaote initiated a path of transparency and control through the project for implementing a Tax Control Framework, establishing a set of rules, procedures, organizational structures and centers, aimed at detecting, measuring, managing and controlling the tax risk, understood as the risk of breaching tax regulations or contrary to the principles and aims of the regulations. The essential elements of this project are listed below:

1. *Control Environment*: implementation of a tax strategy for defining the principles and limits inspiring tax risk management;
2. *Risk Assessment*: identification of the potential tax risks, including fraud, impacting the Company, and introduction of the appropriate covering aimed at intercepting their presence and mitigating their effects;

3. *Governance*: identification of roles and responsibilities of the subjects involved in the management of the tax variable, definition of the streams of information between these players and of the processes for effective control and, where possible, preventing the tax risk;

4. *Monitoring*: checks continually carried on in order to assess the adequacy and effectiveness of the implemented tax control framework;

5. *Reporting*: regular reports to the Board of Directors.

Esaote contemplates mass training programs on the subject of anti-corruption every two years. In addition, depending on the identified areas of risk also with the Supervisory Board appointed by Esaote in accordance with Legislative Decree No. 231/01, training sessions are regularly carried out on specific issues and procedures for the selected population based on the exposure to the risk of committing offenses.

In addition, Esaote continues to educate newly hired people on awareness and knowledge of business ethics and the protocols and procedures implemented for preventing crime.

Indeed, in 2023 the newly hired corporate population was trained and, in particular, 75% (39 out of 52) of the newly hired people completed at least one course on ethics and anti-corruption.

Employees	2023		2022		2021	
	No.	%	No.	%	No.	%
Executives	1	4%	26	84%	-	0%
Middle managers	6	6%	96	94%	1	1%
Office workers	32	7%	437	92%	59	13%
Manual workers	0	0%	39	72%	2	4%
Total	39	6%	598	90%	62	10%

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

On the topic of training, the Company will continue training and awareness-raising initiatives for all employees on anti-corruption, ethics, and compliance with Legislative Decree No. 231/2001, Management and Control Organizational Model, and the principles of the Global Compact, in order to continue to disseminate a corporate culture marked by legality, through the sharing of ethical principles, as well as behavioral and operational indications.

In addition, in 2023 an awareness-raising and training program was launched for strategic vendors and distributors worldwide in order to

strengthen the ethical culture and observance of the principles contained in the Code of Conduct of the Esaote Group.

The training program comes within a number of activities that are to be progressively implemented with the aim of sharing with business partners the transformational path undertaken by Esaote toward sustainability with a collaborative approach.

Indeed, Esaote believes that full cooperation with its business partners can accelerate the creation of shared value.

Project for obtaining ISO 27001 certification

In order to increase the level of security of its data and information, during 2023 Esaote S.p.A. initiated a company project aimed at obtaining, in 2024, **ISO 27001 Certification**.

ISO 27001 Certification defines the requirements for an Information Security Management System (ISMS) and is designed to ensure selecting adequate security checks proportional to the processes and the areas of risk of the Company.

This certification, by means of independent and qualified controls, will permit certifying that the security of Esaote information is managed in line with the international best practices and company goals.

This project comes under the ICT Corporate Function and, where necessary, involves other Corporate Functions as well.

In order to strengthen the culture of information security, in 2024 there are going to be training sessions for a selected base of employees most exposed to processes at risk on the topic of information security.





VALUING OUR PEOPLE

For Esaote, the appreciation of human capital, which starts with recruiting and, on an ideal path, ends with retirement, is increasingly more a part of the strategy the Company is implementing for its sustainable development.

The fundamental mission of the Human Resources Function is that of helping create the conditions for the personal and professional growth of each staff member, generating individual and social well-being, observing a correct balance between work commitments and private life. Therefore, Esaote places constant attention on its people in order to stimulate, enhance, reward and encourage them, in order to ensure they can feel fulfilled within a sustainable organization and ensuring full awareness of the relevance of their contribution to the success of the enterprise. The culture of innovation, development of expertise and technology as an ally are some of the cornerstones of the HR strategy.

Creating shared value is a fundamental piece of the Esaote operating model. An environment in which each member is encouraged to explore, think out of the box and conceive innovative solutions. The layout of our offices reflects the dynamism of innovation, with open spaces that stimulate creativity and research laboratories that become fertile ground for new ideas.

People, in their individuality and diversity, are the capital on which the Company invests, undertaking to ensure a positive and stimulating work environment geared to trust, autonomy, error tolerance, willingness to listen and take part. This is why Esaote constantly monitors the involvement and sati-

sfaction of its staff members with regular surveys.

These prerequisites apply right from the resource selection stage, where Esaote concentrates on identifying the people who have the right expertise and are aligned with its corporate values.

In relation to its employees, Esaote is committed to the following three aspects:

- appreciation of human capital, investing in development, growth of expertise and know-how of staff members and sponsoring the approach to **continuous learning**;
- **employee experience** and **sharing culture**, in order to build a work environment that is increasingly smarter and made to measure for the people;
- **inclusion**, enhancing the uniqueness of everyone and encouraging exemplary behavior guided by respect and by non-discrimination.

3.1 Our people

Esaote perseveres in the intention to manage support for the business continuity despite a complex scenario, counting on the sense of responsibility.

The Company develops processes of attracting and recruiting resources aimed at the effectiveness of talent acquisition, implementing a search and selection process in line with the business requirements and

with the dynamics of the labor market.

Esaote constantly invests in communication and in sharing both individual and team goals, also thanks to the support provided by its *performance appraisal* system and by its expertise assessment system. Indeed, the Company incentivizes teamwork and understanding of company processes by sponsoring targeted training courses for all personnel, as well as implementing remuneration policies that are fair and competitive compared to the market. An assessment of the skills of each employee is then the basis for creating and developing advanced training programs, interactive workshops, partnerships with research institutions and customized courses for adequate skills development.

As of December 31, 2023, Esaote has 676 employees, an increase of 13 compared to 2022 and of 30 compared to 2021. All employees are covered by collective bargaining agreements, with women accounting for about 29%, in line, in terms of percentages, with the previous year. Most of Esaote's workforce has a full-time permanent contract, accounting for about 97% of the company's population, an increase of one percent compared to the previous year. In addition, during the year, Esaote used the services of 21 freelancers (nine more than in 2022), of whom 15 men and 6 women, who were employed to replace employees on maternity leave and to ease peak workloads in production departments.

Employees by contract ³	UoM	2023 Italy			2022 Italy			2021 Italy		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Number of employees	no.	482	194	676	472	191	663	460	186	646
Permanent contract	no.	481	194	675	471	190	661	446	173	619
Fixed-term contract	no.	1	0	1	1	1	2	14	13	27
Full-time	no.	481	172	653	471	168	639	459	160	619
Part-time	no.	1	22	23	1	23	24	1	26	27

Table 5. Employee breakdown by employment contract and type of employment

³ The number of Esaote employees is expressed in Head Count. In addition, for the years of the reporting period, the gender and contract type categories are the only ones reported in the tables pertaining to personnel.

Non-employee workers	UoM	2023 Italy			2022 Italy			2021 Italy		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Number of workers	no.	15	6	21	10	2	12	9	1	10

Table 6. Breakdown of non-employee workers

With reference to the topic of talent acquisition, there are two main goals Esaote aims to achieve:

- find and hire the most suitable person for the role in the shortest time possible;
- attract the best candidates, thinking of the Organization over the medium-long term.

The personnel search and selection model today identify two key moments: search and selection. The process is sufficiently slim to ensure speed, flexibility and effectiveness.

In order to support the Organization in observing the principles of Diversity and Inclusion and to reduce the risk of potential discrimination, specific guidelines have been introduced and distributed to everyone entering the process, to be followed during the management of selection interviews. In addition, the candidate aptitude tests have moreover been refined and the questionnaires for hiring updated. Esaote has, lastly, started working on targeted projects, designated for clusters of specific candidates (R&D), that contemplate both an attraction and a targeted selection stage.

In addition, the amount of information required has been expanded and refined by adding, for example, questions on potential conflicts of interest that, when present, must be analyzed and managed.

2023 also saw the launch of Living Esaote, the new collaborative program for Esaote employees that consists of a platform giving the opportunity to each employee to get in touch with colleagues all over the world and to create an even stronger internal community. **Living Esaote** is the expression of technology as an ally, to be shared, providing services for a global population such as fitness lessons or the opportunity to swap homes

or even a language exchange platform, in order to increase the productivity, health and well-being of employees. It is a secure portal that can be accessed over the company Intranet and is available in Italian, English and Chinese. During 2023, Esaote invested a great deal in searching for new personnel and in its own resources, offering jobs to 52 people (+10% compared to 2022), composed for 54% by people in the 30-50 age range and 35% by people under 30 years of age.

In 2023, the number of people leaving was in line with 2022 recording a slight increase of 8 units. This increase occurred in both genders, with a greater increase registered in the 30-50 age range. Over the three-year period, about 39% of employee departures were mainly due to retirements and about 52% to staff resignations.

In general, Esaote's turnover rate has remained roughly stable over the three-year reporting period, passing from 14.71% in 2021 to 11.61% in 2022, and finally to 13.31% in 2023. The largest percentage increases are registered within the <30 age group of men, which is on the upturn compared to 2022. In addition, an increase is recorded in the >50 years age group, again for the male gender, since 2021 (from 3.91% in 2021 to 6.12% in 2022 and 6.67% in 2023).

With reference to the female gender, it can be seen that, over the three-year period, the turnover rate increased only in the <30 age group in 2021, a trend in contrast to the other age groups reported, before returning to standard levels in 2022 and in 2023.

Hirings	UoM	2023			2022			2021		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
<30	n.	15	3	18	10	7	17	21	16	37
30-50	n.	16	12	28	17	9	26	27	13	40
>50	n.	5	1	6	4	-	4	3	-	3
Total	n.	36	16	52	31	16	47	51	29	80
Inbound turnover	%	69%	31%	100%	66%	34%	100%	64%	36%	100%

Table 7. Number of incoming employees by age group and gender

As a testament to how much Esaote cares about investing in its local area, an unparalleled resource, during 2023 Esaote's total workforce included about 14% of Senior Managers hired from the local community in which the Company operates, split between 10.06% in the Genoa site and 3.85% in the Florence site, respectively.

Terminations	UoM	2023			2022			2021		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
<30	n.	4	1	5	1	2	3	1	-	1
30-50	n.	10	7	17	7	5	12	5	-	5
>50	n.	12	4	16	11	4	15	6	3	9
Totale	n.	26	12	38	19	11	30	12	3	15
Outbound turnover	%	68%	32%	100%	63%	37%	100%	80%	20%	100%

Table 8. Number of staff departures by age group and gender

Turnover rate	UoM	2023			2022			2021		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
<30	%	55.88%	21.05%	43.40%	32.35%	37.50%	34.48%	66.67%	69.57%	67.86%
30-50	%	13.47%	20.00%	15.63%	12.44%	15.05%	13.29%	16.24%	14.44%	15.68%
>50	%	6.67%	6.25%	6.57%	6.12%	5.41%	5.96%	3.91%	4.11%	3.96%
Total	%	12.86%	14.43%	13.31%	10.59%	14.14%	11.61%	13.70%	17.20%	14.71%

Table 9. Turnover rate by age group and gender

3.2 Our commitment to gender equality certification

The diversity and inclusiveness of the Esaote workforce have a positive impact on the company and society in general. This is why all HR processes are based on enhancing and developing skills with a perspective focusing on inclusion.

In the month of November 2023, Esaote obtained the **Certification on Gender Equality UNI/PdR 125:2022**, successfully completing the path begun starting from May 2023. It is a **major achievement**, which is part of the sustainability journey that **began in 2021** by **signing up to the United Nations Global Compact** and **implementing a transformative innovation strategy**, the aim of which is to make an effective **contribution that is measurable using ESG metrics in key areas**, which naturally include enhancing human capital, ensuring occupational health and safety, improving people's well-being, inclusion, and promoting a culture of sustainability.

The process that led to obtaining the Gender Equality Certification provided an opportunity to further enhance the **Esaote People Strategy** processes and policies, whereby the long-term goal is to continually improve and ensure inclusion and well-being.

In fact, alongside a number of measures that have been in place for several years now, such as corporate welfare, remote work, contributions for parents and for supporting work-life balance, and flexible working hours, **new measures** have been introduced, such as the **Parental Policy**, aimed at promoting parenting while valuing professional skills.

The **Chief Human Resources Officer** was appointed **Head of Gender Equality Policy**.

In 2024 the HR team is to be involved in a further stimulating project, considering the decision of the **Esaote Group** to also undertake the **path for obtaining the Diversity & Inclusion certification ISO 30415:2021**, recognized worldwide, with the aim of analyzing and improving the procedures and practices for identifying gender prejudices

and implementing strategies to correct any pre-conceptions, as well as setting goals and monitoring their progress through specific indicators.

Meanwhile, in the last three years, Esaote has managed to not increase the gender gap in the

composition of its workforce, comprising 676 employees, which has increased by 3 female members, equal to nearly 29% of staff, rising from 191 female employees to a total of 194, as shown below.

Percentage of employees by occupational category, age group and gender

2023	UoM	<30			30-50			>50			Total		
		Men	Women	Total									
Executives	%	-	-	-	50%	50%	100%	96%	4%	100%	93%	7%	100%
Middle managers	%	-	-	-	79%	21%	100%	87%	13%	100%	85%	15%	100%
Office workers	%	63%	38%	100%	66%	34%	100%	71%	29%	100%	68%	32%	100%
Manual workers	%	80%	20%	100%	59%	41%	100%	64%	36%	100%	63%	37%	100%
Total	%	64.2%	35.8%	100.0%	67.0%	33.0%	100.0%	76.1%	23.9%	100.0%	71.3%	28.7%	100.0%

Table 10. Percentage of employees by occupational category, age group and gender in 2023

Percentage of employees by occupational category, age group and gender

2022	UoM	<30			30-50			>50			Total		
		Men	Women	Total									
Executives	%	-	-	-	75%	25%	100%	93%	7%	100%	90%	10%	100%
Middle managers	%	-	-	-	72%	28%	100%	89%	11%	100%	84%	16%	100%
Office workers	%	57%	43%	100%	68%	32%	100%	71%	29%	100%	68%	32%	100%
Manual workers	%	80%	20%	100%	58%	42%	100%	65%	35%	100%	63%	37%	100%
Total	%	58.6%	41.4%	100.0%	67.5%	32.5%	100.0%	76.8%	23.2%	100.0%	71.2%	28.8%	100.0%

Table 11. Percentage of employees by occupational category, age group and gender in 2022

Percentage of employees by occupational category, age group and gender

2021	UoM	<30			30-50			>50			Totale		
		Men	Women	Total									
Executives	%	-	-	-	71%	29%	100%	95%	5%	100%	90%	10%	100%
Middle managers	%	-	-	-	74%	26%	100%	88%	13%	100%	84%	16%	100%
Office workers	%	58%	42%	100%	69%	31%	100%	69%	31%	100%	68%	32%	100%
Manual workers	%	75%	25%	100%	59%	41%	100%	67%	33%	100%	63%	37%	100%
Total	%	58.9%	41.1%	100.0%	68.6%	31.4%	100.0%	75.9%	24.1%	100.0%	71.2%	28.8%	100.0%

Table 12. Percentage of employees by occupational category, age group and gender in 2021

All employees are also offered the opportunity to balance work and family through part-time employment models. Esaote is also committed to providing a fully inclusive work environment for people with disabilities. In fact, about 6% of the company population belongs to the protected categories⁴, in line with 2022.

Total employees in protected categories

UoM	2023			2022			2021			
	Men	Women	Total	Men	Women	Total	Men	Women	Total	
Executives	n	-	-	-	-	-	-	-	-	
Middle managers	n	4	1	5	4	1	5	4	1	5
Office workers	n	14	14	28	14	14	28	13	12	25
Manual workers	n	4	1	5	4	1	5	3	1	4
Total	n	22	16	38	22	16	38	20	14	34
Percentage by gender	%	5%	8%	6%	5%	8%	6%	4%	8%	5%

Table 13. Number of employees in protected categories

⁶ The data of the protected categories considers all employees in the Disabled and Protected categories hired or calculated via the local mandatory employment offices and present in the annual report "Information Prospectus for People with Disabilities".

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

The ratio of women's basic salary to men's basic salary in the Company sees a greater variance for

the professional category of office workers. In fact, the ratio of women's basic salary to men's basic salary for the categories of middle managers and manual workers is near to parity, respectively 96.78% and 98.03%. In 2023 it can be seen, from the table below, how the greater increase in the ratio of women's basic salary to men's basic salary mainly occurred in the professional category of manual workers, an increase of almost eight percentage points compared to 2022.

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

	UoM	2023	2022	2021
Executives	%	n.a.	107.56%	105.53%
Middle managers	%	96.78%	99.58%	97.56%
Office workers	%	92.84%	90.30%	91.68%
Manual workers	%	98.03%	90.27%	88.49%

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

On the other hand, when analyzing the total salary ratio of women to men, within Esaote it can be seen that the numerical inherent in the middle manager class varies, increasing by almost 2 percentage points compared to the basic salary ratio, thus being equal to 98.46%.

However, the largest difference in salary within Esaote occurs in the office worker category, at 83.65%, although this is nonetheless up from the trend in the previous two-year period when it was just over 79%.

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

	UoM	2023	2022	2021
Executives	%	n.a.	110.15%	108.20%
Middle managers	%	98.46%	94.95%	95.42%
Office workers	%	83.65%	81.24%	78.59%
Manual workers	%	94.41%	95.48%	89.02%

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

3.3 Corporate development and welfare of our staff

Esaote provided 12,113 hours of training in 2023, slightly higher than the 11,925 hours in 2022, with an average of 18 hours per year, focusing on product, health and safety and soft skills, higher compared to 2022. The particular increase in the number of hours and participants in the courses in the "soft skill" category is tied to the training initiative on themes of Sustainability and Diversity & Inclusion, which during 2023 represented approximately 38% of the total hours of training provided to employees by Esaote.

Average hours of training per employee

	UoM	2023			2022			2021		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	hours	10	13	10	7	4	7	5	15	6
Middle managers	hours	17	16	17	7	4	7	17	40	20
Office workers	hours	20	18	19	24	14	21	14	18	16
Manual workers	hours	15	9	13	25	17	22	58	17	43
Total	hours	18	17	18	20	13	18	18	20	18

Table 16. Average hours of training per employee

The investment in the Company's talents, the approach of **internal employer branding** and the appreciation of persons with potential already in the Group are strategic elements for Esaote, which at the same time focuses on improving the employee experience.

Charged with the positive experience of past years and aware of the need to plan succession programs, Esaote has continued to offer training programs such as Miniacademy, intended for young people to be hired by the company both in positions of R&D and in post-sales of the Medical IT Function. The primary goal is to support and develop qualified school leavers and young graduates who are to cover strategic roles for the Group's future.

Esaote's commitment to **training continues with training plans diversified by function** to be performed through the **Training Hub platform**. The activities of professional development and training of its employees are an additional pillar of human resource management. Like every year, also in 2023 there were many types of training for employees, including: specialist and managerial (43%), on the subject of health and safety (22%), product (17%) and technique (13%). To keep on ensuring the safety of participants and the flexibility of provision, many of the courses were provided in web mode, thanks to the training HUB. As regards the Italian companies, the training activities continued as always taking advantage of the financing of interprofessional funds for continual training (Fondimpresa and Fondirigenti).

On the occasion of obtaining the Gender Equality certification, Esaote carried out a targeted training initiative on themes of Sustainability and Diversity & Inclusion. Starting from May 2023, several newsletters were launched aimed at encouraging use of these contents, available

on the Training Hub platform.

As in recent years, also in 2023 Esaote organized training initiatives for middle management or recently hired or appointed staff managing resources, focused on themes of Team management in a smart organizational context thanks, in particular, to widespread use of Remote Working. This moment of training is understood as a moment of "support" for the managerial role, which promotes discussion among people. The purpose is to accompany new managers on a path leading them to be active key players in the changes underway at Esaote, in the desired collective direction, so that they fulfill consistent and inclusive managerial styles, ensuring an appropriate management of the relations and communication between people.

In particular, this year the focus has been on the topic of management of the so-called "Widespread Team", in other words a Team alternating physical presence in the office with remote work, integrating synchronous and asynchronous working methods, needing constant and regular alignment over time, performing adequately when there are effective and efficient collaborative and communicative processes, and continually learning from diversified sources not only from work.

The Company, moreover, has continued to invest in the technical training of its employees, in a perspective of continuous improvement, with the goal of generating a virtuous mechanism of growth of skills at every level, also developing specific training paths for groups operating in specific sectors/projects, and facilitating training paths aimed at allowing employees to obtain specific technical certifications that are essential for carrying out their duties.

Esaote has also strongly invested in training

production personnel, organizing a course, covering a number of days, involving all the colleagues of the function, offering a transversal, multidisciplinary plan, not only focused on technical skills, since it is focused on the lean pro-

duction method implemented by Esaote, also with on-site practical activities geared also to fostering cooperation, team building, and developing the concept of problem solving as a process.

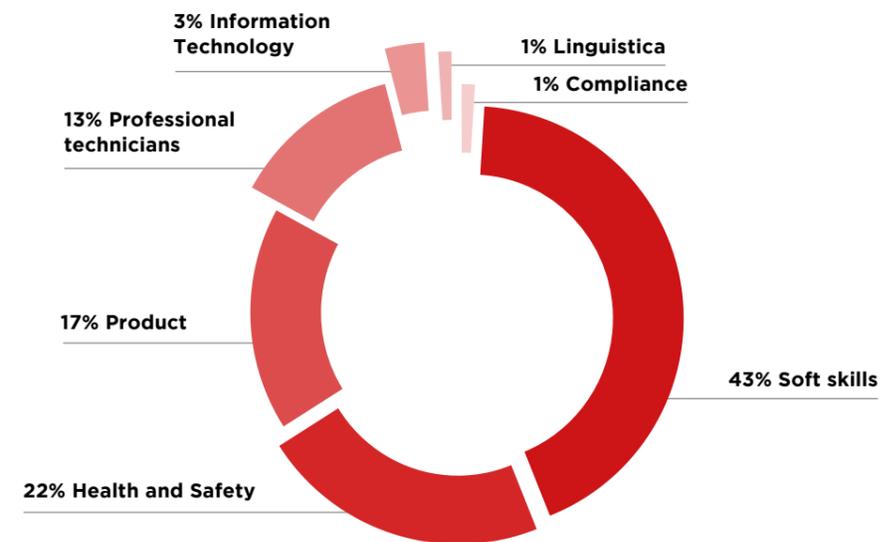


Figure 5. Training courses delivered in 2022 by topic

In July 2023 Esaote signed the tier-two company supplementary three-year agreement with the Trade Union Organizations (hereinafter also "TU").

On that occasion the Company, besides having reiterated that industrial relations are considered the main instrument of dialog with its employees, for all the issues that, with a direct and transparent discussion, assure the effectiveness of the production processes, safety at the workplace and the health of all workers, reiterated how training is acknowledged as a fundamental tool for maintaining an adequate level of expertise, considering the continual digital evolution, the need to learn soft skills in line with the changes underway within the organizations and the requirement to

maintain a high level of training on the issues of occupational health and safety.

Esaote, in agreement with the Trade Unions, has wanted to underline the importance and the centrality of the general principles of sustainability, diversity & inclusion, and gender equality as key elements to promote a fair, respectful and inclusive work environment, and undertakes to cooperate actively to integrate these principles within the corporate practices and policies.

In this framework, aimed at continuing along a path that already contemplates a **corporate Welfare system** designed to foster inclusiveness and work-life balance, in addition to what is already present in the Company, new institutions have

been refined or introduced that enrich the existing Welfare system.

In particular:

1. on the topic of training on health & safety, Esaote has confirmed its willingness to organize targeted training breaks in the case of any near misses;
2. for those who have a company car, there is a contribution toward the purchase of a lumbar support;
3. the compensation contemplated by a specific Policy in the event of death due to professional or non-professional injury has been increased;
4. the form of support for new parents already introduced in 2022 has been adopted within the tier-two supplementary agreement;
5. a form of support, with partial reimbursement, has been introduced for the costs of schooling the children of employees for the length of time from middle school up to and including secondary school;
6. the possibility of using 2 leaves a year, of 8 hours each, for medical examinations in addition to the ones already envisaged has been introduced;
7. the sum paid to the Assistance and Solidarity Fund has been increased.

In addition to the above, the Company has introduced the possibility for workers who are beneficiaries of a performance bonus to be able to choose to substitute the value of the accrued bonus with goods, works and services, within the limit of the tax-exempt amount based on the applicable regulations at the time of paying out the Bonus. The conversion of the accrued bonus into welfare will only be possible in predefined percentage amounts. In addition, the amount selected for conversion into welfare will moreover be increased by a percentage amount, calculated on the amount the

employee will decide to convert.

The choice of the conversion will be made through the Welfare Portal already used in the Company for managing contractual Welfare and the additional amount contemplated by Esaote. Through the Portal, employees will be able to manage the choice to access a wide range of available services based on the limits of the applicable regulations on the matter.

3.4 Our commitment to occupational health and safety

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

- health and safety as a life and professional value;
- promotion of work behaviors and procedures that respect health and safety and the pursuit of continuous improvement in these areas;
- responsabilization of the workers at various levels regarding personal safety and of anyone performing work for the Company ;
- health and well-being as a requirement for a stimulating and peaceful work environment.

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

Within Esaote, all business processes comply with nationally and internationally recognized standards, far exceeding the minimum requirements regarding labor standards. Therefore, Esaote not only averts accidents and risks and ensures a safe workplace, but also includes a number of preven-

tive measures aimed at protecting the health of its employees and enhancing their individual well-being. As such, Esaote periodically conducts workplace inspections to verify the proper implementation of these intentions: for example, checks are carried out both in the administrative environment, on whether office workstations are set up ergonomically, and in production departments, in order to reduce health risks.

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

Esaote, pursuant to Legislative Decree 81/2008, has in place the process of **risk assessment** as a central and foundational element of the activities of verification and implementation of safety systems or more generally of the safety of work environments. Such work is always kept under constant control by the internal Health and Safety Officer. Within the Risk Assessment Document drafted in accordance with Legislative Decree No. 81/2008 hazard identification and risk assessment procedures for the explication and implementation of prevention and protection measures are described. The scope of these procedures covers all the work tasks carried out by the employees, the workplaces located at Esaote's premises and also the workplaces of third parties where specific activities are to be carried out (healthcare facilities, etc.).

With the **assignment of specific tasks** to the various company functions in relation to the role performed in the company and as a result of the related assignments and skills, improvements have been made to the occupational health and safety system, so as to ensure compliance with the requirements of Legislative Decree No. 81/2008.

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

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

With particular reference to the management of activities carried out by third parties there is a detailed procedure that coordinates the concretization of the duties provided for in Title I and Title IV of Legislative Decree No. 81/2008 in cases falling within their respective fields of application, which take into account the originality of industrial, and more generally work processes.

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

- general training (duration of 4 hours);
- specific office worker training (duration of 8 hours);
- specific training for workers assigned to “operational” tasks (duration 12 hours);
- supervisor training (8-hour duration), additional to general and specific training for workers;
- executive training (total duration 16 hours);
- medium risk fire and emergency management training (duration 8 hours);
- high risk fire and emergency management training for emergency management officers according to the coordinated Emergency Plan (herei-

nafter also “EP”) of the Genoa site (duration 16 hours);

- first aid training (12-hour training course).

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

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

Below is the table of injuries for the three-year period 2021-2023.

It is specified that the injury that occurred in the year 2023 refers to a road accident and an upper limb injury, furthermore the data collected refer to the length of time between 01/01/2023 and 30/11/2023. In 2023, the actions undertaken following reports of near misses concerned the safety implementation of false ceilings and flooring at the Genoa sites. The data have been obtained from the statements the HR function communicates to the agencies for the dynamics and activities following accidents.

Employee injuries						
	2023		2022		2021	
	No.	rate	No.	rate	No.	rate
Number of hours worked	1,069,055		1,051,098		1,000,048	
Number and rate of deaths as a result of occupational injuries	-	-	-	-	-	-
Number and rate of occupational injuries with serious consequences (excluding fatalities)	-	-	-	-	-	-
Number and rate of occupational injuries	1	0.94	3	2.85	2	2.00

Table 17. Number and rate of occupational injuries

Average injury duration								
2023			2022			2021		
no. Days lost due to injury	no. Injuries	Average injury duration	no. Days lost due to injury	no. Injuries	Average injury duration	no. Days lost due to injury	no. Injuries	Average injury duration
34	1	34	57	3	19	15	2	7,5

Table 18. Average duration of injuries

Severity index								
2023			2022			2021		
no. Days lost due to injury	no. hours worked	Severity index	no. Days lost due to injury	no. hours worked	Severity index	no. Days lost due to injury	no. hours worked	Severity index
34.00	1,069,055	0.00003	57	1,051,098	0.00005	15	1,000,047	0.00001

Table 19. Injury severity index

OUR ENVIRONMENTAL PERFORMANCE

Due to the nature of the business, Esaote is not a particularly “energy-intensive” entity. The greatest environmental impact is concentrated in the Italian production regions, especially between Genoa and Florence.

On the topic of sustainability, Esaote has implemented specific actions tied to its core business with the goal of obtaining greater efficiency at the environmental level.

In addition, aware of its role, the Company is engaged in a number of projects aimed at reducing its environmental impact in order to involve and raise the awareness of its suppliers, reducing the impact of its technical support on site by implementing new systems for remote support and integrating new machinery.

As further proof of the commitment of Esaote to sustainability, during 2023, the Company introduced **seminars** for its employees in the **framework of training on environmental and sustainability topics**. In particular, the study focused on the safe and sustainable supply of raw materials, on the diversification of the sources of supply, on the optimization of the use of resources and on the increase in internal production.

With particular reference to specialist training, courses have been provided on the REACH, RoHS and CLP standards (CLP Regulation (EC) no. 1272/2008) and on the Environmental Labeling of the product packaging. In addition, specialist seminars have been organized on per- and polyfluoroalkyl substances (PFAS) and on the new Batteries Regulation ((EU) 2023/1542)

relating to batteries and battery waste, and on Critical Raw Materials (CRM) as they constitute a strong industrial base and reliable obstacle-free access to certain raw materials is a growing concern within the EU and worldwide. To face this challenge, the European Commission has created a list of CRM for the EU, subject to periodic updating and revision. The CRM combine raw materials of great importance for the economy of the EU and with a high risk associated with their supply.

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

4.1 Energy efficiency and reduced environmental impact

During 2023 activities continued to reduce Esaote's environmental impact at all Italian plants and sites.

The agreement for using the regeneration plant for the Esaote central headquarters, located in the Genoa Science and Technology Park on the Erzelli hill, in the spaces leased from Genova High Tech S.p.A..

With reference to the Esaote plant in Genoa Mul-tedo, used for the production of magnetic reso-nance imaging systems, the thermal and photo-voltaic plant is constantly in use, equal to 66.5 kW to meet the energy demand, which Esaote uses thanks to its membership in a consortium called the “Lanterna Consortium,” which is re-sponsible for identifying and proposing to its member companies an offer related to “collecti-ve bargaining”. During 2023, new bargaining ses-sions were initiated with the owners for a pos-sible expansion of the photovoltaic system on the terrace so as to increase the “self-generated” component.

With regard to the actions implemented during 2022 for the Florence site in order to improve its environmental performance, during 2023 it was possible to monitor the first expected results. Specifically:

- gas consumption for the production of hot water used for heating (winter cycle) and cold water for cooling (summer cycle), based on im-proved insulation and significant reductions in the supporting hydraulic system: led to savings of approximately 12% of gas usage during 2023 with reference to the period from January to De-cember 2019 and June 2021 to June 2022;

- the consumption of electrical energy drawn from the grid to produce cold water used for co-oling (summer cycle) and for the power supply in the plant and offices, thanks to the self-ge-neration of approximately 50% of the total need coming from solar panels with a power of 395 kW and thanks to the greater insulation and the significant reduction of the supporting plumbing system: led to a saving of approximately 37% of electrical energy used during 2023 with referen-ce to the period from January to December 2019 and June 2021 to June 2022.

Moreover, Esaote is also active in the following projects:

- **Plastic Free:** Esaote, continuing its commitment to reduce plastics and as a result the ensuing im-pact, has recently initiated a project to reduce plastics in the packing of its probes. This project, also verified during 2023, is going to be fully im-plemented during 2024.

- **Waste reduction and recycling:** the company continues to subdivide waste materials into speci-fic categories for recycling by adopting separated collection at all its Italian sites.

- **Paperless project:** initiated in the later months of 2021, with the goal of dematerializing docu-mentation, the dematerialization of the Device History Records, which contain information about equipment, was also completed;

- **Energy efficiency project:** also during 2023, Esaote has kept the project active with the coo-peration of the same “Cost Killers” used in 2022, continuing to seek and implement additional actions to rebalance the allocations of electricity contracts among the various locations and also containing the related waste. Again in 2023, as already for 2022, it should be noted that for gas the Company has not carried out similar actions adopted for energy since the contracts appear to be well distributed among the companies.

Thanks to all the actions taken by Esaote, during the last three years energy consumption has de-creased by approximately 12%, with an energy in-tensity equal to 3.9 GJ/unit of product, in line with last year, as can be seen from the tables below.

Most of the energy consumption is ascribable to diesel for motor vehicles, equal to approximately 64%, followed by the consumption of electrical energy purchased from non-renewable sources.

Esaote energy consumption				
Direct energy consumption	UoM	2023	2022	2021
Natural gas -heating	GJ	1,805.33	2,036.60	5,116.06
Diesel - self-propelled	GJ	14,616.78	15,060.62	13,112.69
LPG - motor vehicles	GJ	50.51	-	-
Indirect energy consumption				
Electric energy acquired from non-renewable sources	GJ	7,405.38	8,533.62	8,073.29
Self-produced electrical energy				
Self-produced electrical energy total	GJ	834.46	272.31	240.00
of which consumed	GJ	834.46	272.31	240.00
Total energy consumed	GJ	24,712.47	25,903.15	26,542.04

Table 20. Esaote energy consumption

In line with the energy consumption, most of Esaote’s emissions derive from the consumption of diesel for motor vehicles. Below are the company’s emissions.

Esaote emissions ⁵				
Direct emissions (Scope 1)	UoM	2023	2022	2021
Natural gas -heating	tCO2	102.04	114.47	287.55
Diesel - self-propelled	tCO2	1,080.41	1,113.22	969.24
Petrol - motor vehicles	tCO2	3.69	-	-
Total direct emissions (Scope 1)	tCO2	1,186.14	1,227.69	1,256.79
Indirect emissions (Scope 2) - location based				
Electrical energy acquired from the grid for consumption	tCO2	551.29	616.32	583.07
Total indirect emissions (Scope 2)	tCO2	551.29	616.32	583.07
Total emissions	tCO2	1,737.43	1,844.01	1,839.86

Table 21. GHG 2022 emissions

⁵ It is specified that for the year 2023 the ISPRA 2023 conversion factors have been used, in particular for electrical energy the factors present in the ISPRA report “Italian Greenhouse Gas Inventory 1990-2021 National Inventory Report 2023”. With reference to the years 2022 and 2021, the ISPRA 2021 conversion factors were used, in particular for electrical energy the factors present in the ISPRA report “Italian Greenhouse Gas Inventory 1990-2021 National Inventory Report 2022”.

Energy intensity				
	UoM	2023	2022	2021
Absolute energy consumption	GJ	24,712.47	25,903.15	26,542.04
Total of all the new and used units produced and sold, both MRI and Ultrasound	no.	5,824	6,707	6,250
Energy intensity	GJ/unit	4.2	3.9	4.2

Table 22. Esaote energy intensity

Esaote emission intensity				
	UoM	2023	2022	2021
Absolute GHG emissions	tCO2	1,737.43	1,844.01	1,839.86
Total of all the new and used units produced and sold, both MRI and Ultrasound	no.	5,824	6,707	6,250
Emission intensity	tCO2/unit	0.30	0.27	0.29

Table 23. Esaote emission intensity

During 2023 there was an increase in “high” end products and a decrease in “medium and low” end products with consequent total volumes lower than in 2022, as can be seen from the above tables; however, this production has led to higher unit amounts.

4.2 Circular economy and resources management

Always attentive to the conscious use of resources starting from the design stage, Esaote complies with current directives on the selection of materials and their compliance with, among others, the RoHS⁶ and REACH⁷ criteria. The use of materials from renewable sources is of inte-

rest whenever this choice proves to be compatible with the stringent safety and hygiene standards that are dictated by the certifying bodies of the medical products that Esaote deals with, especially with regard to plastics and all materials in contact with skin and/or organs. For this reason, more and more principles related to the circular economy are being applied to packaging materials, which by nature are “external” to the product but nevertheless account for part of Esaote’s environmental impact. For years now, Esaote has replaced the plastic packaging of its probes with appropriate cardboard packaging (with cardboard also sourced from recycling); as mentioned above, during 2023 this commitment was greatly confirmed with the start of a new project for the substantial elimination of plasti-

cs and a consistent reduction in the cardboard in the packing of probes, leading to savings of approximately €95,000 during the later months of 2023.

During 2023 the Esaote **Renaissance Program** continued, with the aim of reducing environmental impact through actions of circularity, by reconditioning its used systems. This program in fact involves putting back on the market only those machines that prove they can still ensure the best standards in terms of safety and performance.

Below is the figure of the percentage of products recovered or regenerated by Esaote; even thou-

gh the figure shows an increase for 2023 in the percentage of recovered/generated products, especially for the packing category, it also shows a maturity that has not yet been reached on the issue of opportunities related to the recovered/regenerated products business. Esaote’s commitment to recovering and reusing packing has led to savings of approximately €2,400 during 2023.

In addition, again in 2023, the activity of selling Renaissance reconditioned products maintained an increase in growth of 15% year on year. Esaote’s goal for the future is to boost its work to improve its circularity indicators.

Percentage of recovered or remanufactured products				
	UoM	2023	2022	2021
Products recovered in the reporting period ⁸	no.	460	400	347
Packaging recovered in the reporting period	no.	30	5	N/A
Products sold in the reporting period	no.	5,824	6,707	6,250
Percentage of recovered/remanufactured products	%	7.90%	5.96%	5.55%

Table 24. Percentage of recovered or remanufactured products

Esaote demonstrates its ongoing commitment to a circular economy and efficient waste management also by selling reconditioned machinery, which is done both through the traditional sales channels and through its e-commerce platform, in which 73% of sales is represented by reconditioned machinery alone.

⁶ The “RoHS” Restriction of Hazardous Substances directive, also known as Directive 2011/65/EU, limits the use of specific hazardous materials in electrical and electronic products.

⁷ The “REACH” Registration, Evaluation, Authorisation and Restriction of Chemicals Regulation, also known as Regulation (EC) no.1907/2006, is used for the registration, assessment and authorization of chemicals in order to ensure a high level of protection of human health and the environment while strengthening the innovative capabilities of the chemical industry.

⁸ It should be noted that, with reference to the 2022 data, the value indicates exclusively the number of “reconditioned” systems, since to date the data relating to systems resold as “used as seen” present for the years 2021 and 2020 is not available.

As can be seen from the tables below, during 2023 Esaote had a sales rate of 6% for its reconditioned machinery compared to the total sales during the year.

Sales of reconditioned machinery		
	UoM	2023
Total volume of reconditioned items sold	No.	331
Total volume of items sold	No.	5,640
Sales rate of reconditioned machinery	%	6%

Table 25. Percentage of sales of reconditioned machinery

Digitized offer and sales platform (E-shop)		
	UoM	2023
Total volume of reconditioned items sold on e-commerce	No.	44
Total volume of items sold on e-commerce	No.	60
Rate of sales on e-commerce	%	73%

Table 26. Sales percentage of reconditioned machinery through the e-commerce channel

With special reference to waste management, Esaote is committed to using standard legal forms for the declaration of individual deliveries by authorized entities through which it is always possible to indicate, by individual substance, the quantities produced and correctly delivered to individual divisions. Specifically, in 2023 Esaote continued its commitment to reduce the number of electronic boards delivered as WEEE, compatibly with the available repair techniques. In addition, where possible, Esaote proposes limiting multi-material packaging.

During 2023 the main two specific actions on the topic of circularity continued, mainly relating to packing; in detail:

- in the sphere of ultrasound, optimization was possible in the use of packaging by concentrating the weight/volume ratio of the goods and thus better occupying the space required for packaging and with it the packaging itself. These actions were applied to both inbound and outbound goods with interesting spin-offs also in the subsequent cost incurred in *inbound* and *outbound* shipments;
- as regards the MRI systems, Esaote instead aimed at recovering the packaging for subsequent cycles as much as possible. Actually the same packaging used for receiving, recovered by the end customer and adequately restored, is maximally reused for at least a second time. Reuse results in reduced waste

and also an economic benefit related to the difference between what is spent on new packaging and what is spent on restoring used packaging. In addition, during 2023 partnership initiatives were started with companies capable of specifically processing the magnetic material making up the MRI system in order to extract the main raw materials (so-called “rare earth”) for the purposes of their possible reuse.

As can be seen from the table below on the waste produced, recovered and disposed of by Esaote in the last three years, during 2023 the Company committed to recovering over half of its waste compared to the previous years. In fact, the percentage of waste generated in 2023 designated for recovery was approximately 61% of the total waste produced.

Type of waste produced ⁹							
		2023		2022		2021	
	UoM	Recovery	Disposal	Recovery	Disposal	Recovery	Disposal
Paper materials	ton	10.30	-	-	9.26	-	8.63
Wood	ton	15.63	-	-	25.49	-	23.75
Packaging ¹⁰	ton	42.51	-	-	56.35	-	52.51
Various liquid wastes ¹¹	ton	0.04	64.74	-	78.79	-	73.42
Other wastes ¹²	ton	19.56	0.08	-	16.06	-	14.97
HAZARDOUS electrical equipment	ton	2.25	-	-	2.93	-	2.73
NON-Hazardous electrical equipment	ton	10.59	-	-	67.46	-	62.86
Total waste produced	ton	100.87	64.82	-	256.33	-	238.87

Table 27. Type of waste produced

⁹ It should be noted that, with reference to the data pertaining to 2022, the waste produced is the result of estimates equal to the final 2021 figures reproporioned to the 2022 sales volumes compared to 2021, as the relevant data was not yet available.

¹⁰ Are part of the waste category below: Packaging in mixed materials, Hazardous packaging and Paper and cardboard packaging.

¹¹ Are part of the liquid waste categories below: Aqueous suspensions containing ceramic materials, Biological sewage, Septic tank sludge, Oily water from oil/water separators, Other solvents and solvent mixtures, and Aqueous liquid wastes other than those at 161001.

¹² Are part of the other waste category: Toner, Components removed from electrical and electronic equipment, Iron and steel, Bulky waste, Lead-acid batteries, Paper, rags and absorbent material soiled with hazardous substances, and Plastic.

QUALITY AND INNOVATION

Esaote aims to provide innovative solutions to all the players involved in the production and supply of medical devices. The goal is in fact to achieve excellent results in terms of both efficiency and effectiveness, as well as product quality.

The Company is constantly committed to understanding the customer's needs in order to provide the most suitable solutions and achieve full customer satisfaction, to improve the effectiveness of the quality system finalized at achieving excellence and creating value, as well as acting honestly and fairly in compliance with the laws and regulations of all those countries where Esaote operates.

5.1 Quality and safety of the products and services

For this reason, over the years, Esaote has obtained and maintains some certifications in terms of quality and environment, such as **ISO 13485** Medical Devices Quality Management Systems, **ISO 9001** Quality Management System, **ISO 14001** Environmental Management System (for the Genoa Multedo and Florence plant), as well as maintaining product safety certifications such as **cCSAus** (Canadian Standard Association) and **cNRTLus** (Nationally Recognized Testing Laboratory by TUV Sud and UL) for the Canadian and U.S. markets.

Esaote Group companies have the authority, and responsibility, to establish and maintain detailed quality system documentation that focuses on specific customer needs and expectations and regulatory requirements, all grouped in a Quality Management

System Manual. That document provides the basis for communicating and disseminating the company's quality policies, procedures, and supporting guidelines in order to contribute to the continuous improvement of product and process quality, safety, and effectiveness.

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

Following the initiation of the Industrial PhD in 2022, lasting three years, sponsored by Esaote with the Department of Mechanics, Energy, Management and Transportation at the University of Genoa, during 2023 the foundations were laid for starting a **Life Cycle Assessment - LCA study**, finalized at environmental labeling and the product Carbon Footprint assessment and lastly also for the assessment of sustainable design strategies.

The activities were concentrated on building a solid knowledge of themes of sustainability, European re-

gulations and laws on the environment, on materials and on product end-of-life management by means of extensive bibliographic research.

The review of the literature used a systematic and complete research strategy in order to ensure the inclusion of a wide range of relevant sources and the identification of an accurate set of keywords and search terms. The **Delphi Method** was used as a structured and iterative approach to collect opinions of experts and detailed studies on relevant specific questions for the research.

As further proof of the importance that Esaote places on circularity, the Company has established internal processes and finalized procedures related to managing the reconditioning of used systems in order to carry out and regulate the activities required for their subsequent marketing. These processes involve operating in accordance with appropriate quality standards and technical and regulatory audits to ensure that the required performance and safety are as expected.

In addition, a product/process compliance and sustainability program will be initiated during 2024 that will include the submitted LCA plan.

The *Environmental Regulatory* function during the year 2023 continued managing **compliance with the EU REACH standards** (Regulation EC 1907/2006) and **RoHS** (directive 2011/65/EU) in accordance with the established processes and procedures. The activity carried on permitted achieving many of the expected management results, but also the need to update some paradigms related to it. In particular, this requirement emerged in relation to the processes tied to the validation and involvement of the Supply Chain correlated to the company production strategies.

In fact, at the operational level, collecting updated conformity information vis-à-vis the Supply Chain

turned out to be especially complex. To mitigate this critical issue it was decided to update the process of validating and involving the direct suppliers, starting from January 2024, by defining suitable strategies and activities that include the assessment of the supplier's Organization in relation to the considered standards, training and alignment, and revision of the contracts.

The activities relating to updating the environmental Labeling of the product packaging were also initiated. In fact, as of 1 January 2023, for packaging manufacturers and users who put their products on the market, the new environmental labeling obligations came into effect for all packaging (Legislative Decree No. 116/2020), transposing the new EU rules on packaging that made environmental labeling mandatory. The management of packaging and packaging waste in Europe is currently governed by Directive 94/62/EC as amended (Directive 2004/12/EC and Directive 2018/852/EC).

Within the framework of the conducted gap analysis, a specific training course was organized for the main functions involved such as Research and Development (R&D), Operations (Supply Chain, Logistics, Industrialization) and Quality and Regulatory (QA/RA). In addition, in order to fulfill the obligation, for the purposes of packaging identification and classification, to state the nature of the packing materials used, information was collected on the materials used for all the product families and lines and for the service logistics (management of spare parts, accessories, etc.). These activities firstly led to drafting guidelines needed for updating the processes, establishing the operational implementation methods and for drafting and/or updating the QMS procedures affected.

Type of certification	UoM	2023			2022			2021		
		No. of audits	Audit passed (certification upheld)	Non compliances revealed by the audit	No. of audits	Audit passed (certification upheld)	Non compliances revealed by the audit	No. of audits	Audit passed (certification upheld)	Non compliances revealed by the audit
ISO 13485	No.	1	Yes	3	1	Yes	2	2	Yes	MNC ¹³
ISO 9001	No.	1	Yes	0	1	Yes	0	1	Yes	-
ISO 14001	No.	1	Yes	0	1	Yes	1	1	Yes	MNC 1
cCSAus ¹⁴	No.	4	Yes	0	4	Yes	³	4	Yes	1 ¹⁵
cNRTLus ¹⁶	No.	2	Yes	0	2	Yes	0	2	Yes	0
cULus	No.	2	Yes	0	-	-	-	-	-	-

Table 28. Product certification and safety in the 2021-2023 triennium

¹³ The minor non-compliances (MNC) are not certification blockers. In fact, the resolution was confirmed at the following audit.

¹⁴ Audits relating to the cCSAus mark are conducted on a quarterly basis. Therefore, 4 factory audits are conducted per year at HUB in Sesto Fiorentino, with the subject matter being Esaote-produced Ultrasound equipment.

¹⁵ Note that although there was 1 nonconformity during 2021 regarding one of the CSA inspections, the mark was retained because the non-conformity was resolved in a very short time, dealing with a critical component used on the MyLab Omega system that was fully equivalent to the one included in the CSA Description of the system itself, due to sudden obsolescence.]”

¹⁶ Audits relating to the cNRTLus mark are conducted every six months; therefore, 2 factory Audits are conducted per year at the factory in Genoa Multedo, covering Esaote-produced MRI equipment.

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

- ever more reliable development of systems and services that meet customers' needs;
- online solutions offered with market standards and beyond, wherever possible;

- conducting the present pathway in an ethical and responsible manner using partnerships with Key Opinion Leaders and industry experts.

The activities involve various Functions, including upstream and downstream marketing, Quality Affairs, and R&D, with specific actions including the compliance management process and DCS (Direct Customer Survey). By carrying out the activity as described above, Esaote is able to give continuity and effectiveness to the interactions between business functions, as well as being a way to constantly monitor organizational effectiveness and adequacy, enabling timely intervention where both process and organizational updates are needed.

Quality and Regulation are critical to the corporate sustainability program, both because it allows for the establishment and monitoring of how and how effectively corporate policies and strategies are shared and implemented, and because it allows for the proper identification of the roles, resources, responsibilities, and objectives necessary to assess the impact on internal and external stakeholders for the purposes of the program itself. The complaints management process is under the auspices of the

Quality Assurance (QA) division. Customer complaints are channeled through the Technical Service department. Complaint review includes an assessment of the impact on safety and on existing legislation. The Quality Assurance department assigns the task of taking charge of the problem underlying the recall to the functions involved and defines an action plan. Lastly, the complaint is closed when the actions are completed and the customer confirms that expectations have been met.

Complaints received and processed in the three-year period

Year		2023	2022	2021				
	Type of complaint	UoM	Complaints received	Complaints processed	Complaints received	Complaints processed	Complaints received	Complaints processed
	DOA: missing parts, cosmetic problems, mechanics, software and hardware	No.	152	152	162	162	146	146
	Complaint (other than to DOA): hardware, software, mechanics, performance problems	No.	319	315	294	287	267	260
	Total	No.	471	467	456	449	413	406

Table 29. Complaints received and processed in the three-year period

Esaote conducts annual customer satisfaction surveys. The survey is typically conducted on an annual basis and features phone interviews based on a questionnaire that collects information aimed at analyzing customer satisfaction with reference to product quality, annexed services and the definition of an NPS score.

In 2023 it was decided to run a pilot project by sending out questionnaires through digital channels to reach a greater number of interviewees. Indeed, it can be seen that there was an increase of approximately 87% of the total number of surveys completed.

The data come from 5 specific questions concerning the two business lines, US and MRI, split between Worldwide and Italy, with reference to: ease of use of Esaote products, quality of the products, reliability of the products, communication with Esaote staff, general quality assessment vs. competitors. The sample of interviewed customers was composed of 80% physicians/healthcare personnel and 20% other types.

After conducting the surveys, the responses provided are reprocessed by sharing them with the marketing, sales, service, and quality assurance

teams in order to act on processes to maximize customer satisfaction. The following is

data on the surveys delivered to monitor customer satisfaction over the past three years.

UdM	How many surveys have been filled out	How many negative surveys	How many have had a positive effect on service	How many surveys have been filled out	How many negative surveys	How many have had a positive effect on service	How many surveys have been filled out	How many negative surveys	How many have had a positive effect on service
Number of surveys carried out	No. 864	102	762	110	5	105	139	19	120

Table 30. Surveys conducted in the three-year period 2021-2023

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

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

In terms of quality and innovation, Esaote has a **Global Service** function, structured in the “Global” and “Local” components that deal with after-sales:

- installation, putting into service and functional testing;
- management of spare parts and parts to be repaired and/or replaced;
- maintenance and scheduled support contracts;
- support on call.

The Global component deals with all the “central” activities (spare parts management, central technical

support, training, service manuals) supporting the different Local geographic realities and distributors that work directly on the field, and the relationship with all the other company Functions such as R&D and Quality Assurance & Regulatory Affairs, for the introduction of new products and the process of feedback & improvement.

Operations are chiefly managed with a customization (Shape project) of Microsoft Dynamics 365 interfaced with the company ERP (SAP).

The **Shape project** (Service Harmonization Project Esaote), begun in 2016, had the primary purpose of creating a single operating system for the Esaote Service worldwide, which would allow central monitoring of all the information, optimizing human and material resource management, reducing operative and logistic inefficiencies. All with an economical, customer satisfaction and environmental benefit.

Already at the stage of the first implementation of Shape, a remote diagnosis system, with a phone call to the customer and a remote connection if available, was standardized in order to resolve the problem directly, in other words by identifying all the potentially necessary parts for resolving with the first action on the field.

A small modification to Shape is being implemented, by IT, that will permit accurately measuring the number of calls resolved remotely via a phone call, via the connection system or with action on the field. It is planned to be operational by the end of the first quarter of 2024.

Starting from the second half of 2023, it was made possible to upgrade the Software of the Ultrasound procedures completely remotely.

In addition, Esaote cooperates with the R&D Function to include new products, hardware technologies, IT and AI that can permit even more effective diagnosis, as well as predictive capabilities regarding the need for system maintenance and the possibility of completely reinstalling the software with no need for physical action on site.

These potential features for the Company would permit further optimization of the service also to the benefit of the environment.

5.1.1 Systems supporting service security and accessibility

Esaote has always worked to ensure that its products meet high standards of quality through rigorous value chain management. The company's products are manufactured in conformity and monitored with the necessary legal requirements to ensure full compliance with the regulations currently in force and their further development.

To ensure the quality and effectiveness of its products and services, Esaote has implemented control processes and created procedures within its **QMS** (Quality Management System).

Key tools available, particularly in relation to the sustainability program, are software programs such

as **Enterprise Resource Planning** (ERP), the **Product Lifecycle Management** (PLM) and a **Product Compliance & Stewardship Management** (PC&SM) software solution called in the case **ASM** (Assent Sustainability Manager).

ERP is used to support supply chain management, customer interactions and relationships, risk management and compliance, as well as to automate and simplify certain activities such as accounting and purchasing.

Therefore, this tool helps plan, predict and accurately report the financial state of the company and various processes, making it possible to improve project management and performance.

Esaote has integrated PLM with its ERP to improve the efficiency of management processes. The software furthermore aims to enable multidisciplinary and geographically dispersed teams to collaborate strategically with partners and customers on a reliable and up-to-date product database.

Product Lifecycle Management (PLM) is defined as "using digital representations and tools to plan, assess and manage the life cycles" of the product and is a prerequisite for the development of agile supply chains and business continuity.

The governance and data provided by PLM software enable Esaote to optimize costs, reduce time to market and ensure the highest levels of product quality and conformity. The PC&SM ASM solution instead enables efficient management of compliance with product environmental regulations that underpin environmental sustainability. The ASM software has been integrated with ERP and PLM applications, ensuring consistent coordination between the data and making the identified processes effective. The tool is based on the concept of responsible product management. It is a strategy of environmental stewardship in which anyone who designs, manufactures, sells, or uses a component is responsible for minimizing en-

vironmental impact at all stages of the product life cycle, including end-of-life management. The greatest responsibility rests with those who can have the most impact on environmental aspects along the life cycle of a product: those who are involved in the supply chain.

In the perspective of continual improvement, also for the issues of environmental impact, Esaote undertakes to constantly assess and update processes, identify and implement the necessary tools and train personnel adequately.

5.2 Innovation and technology

Given the ever-evolving nature of the diagnostic imaging industry, Esaote must place innovation at the heart of its business strategy. In that perspective, the goal of the Esaote Research and Development Function is to develop new and innovative MRI and ultrasound diagnostic solutions that meet market needs. This can take place through the development of new products and continual improvement in the perfor-

mance of existing ones. In addition, the department is also responsible for ensuring that technological developments are carried out in line with the company's corporate strategies and intellectual property policies.

Patents granted over the years comprise 341 in 2021, 356 in 2022 and 373 in 2023 considering European patents as a single patent (each European patent has on average been validated in three states).

In the field of MRI, the patents comprehensively cover the main aspects of technology related to dedicated permanent magnet MRI, such as magnetic structures, coils, patient carriers, magnet shimming and electromagnetic shielding. As for the ultrasound field, patents mainly cover advanced signal processing technologies identified, for example, by the trade names CnTI, QElaxto, Shear Waves, XStrain, Virtual Navigator and state-of-the-art probes.

The number of people employed in the R&D Function is shown below, which, compared to the previous year, recorded a growth in employees. The reasons are attributable to the decision to boost the Ultrasound and MRI R&D Function in order to support the strategic goals of innovation.

	Personnel			
	UoM	2023	2022	2021
Number of people employed in R&D	no.	175	165	158

Table 31. Number of people employed in R&D

The Company's continuous investment in this Function ensures its ability to meet customer needs. Below is an overview of the expenses incurred in R&D in relation to the Esaote spa 2021, 2022 and 2023 turnover.

Also in 2023 the company's great effort in innovation continued with an overall expenditure in R&D of 9.84% of the turnover of Esaote SpA, in line with the previous year.

Expenses incurred				
	UoM	2023	2022	2021
Research and development laboratory expenses (US &MRI)	€ (amounts in thousands)	18,020.00	18,319.00	17,772.00
Turnover	€ (amounts in thousands)	183,045.00	171,480.00	145,921.00
Research and development expenses/Turnover	%	9.84%	10.68%	12.18%

Table 32. Research and development expenditure as a percentage of sales

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

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

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

- a *network* in connection with leading Academic Research Organizations and Centers in the technological fields of interest;

- assiduous participation in national and international research programs;
- participation in national and international industry conferences;
- a *network* of connection with authoritative clinical Key Opinion Leaders to guide developments toward the real needs of the clinic and validate the results.

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

- finalization of the **Fox program** that starting from early 2024 will lead to the launch of a new generation of mid-range ultrasound scanners on wheels (trade names MyLabA50 and MyLabA70 for human application and MyLab Fox for VET application) and portable. These products will feature high acquisition and processing capabilities characteristic of higher segment equipment;
- development of the **new high-end platform** that will be released in 2024 and will go to replace the present platform X8. This platform features new ergonomic solutions (new 15" touchscreen, keyboard and articulated arm) and increased processing capacity (new PC module) geared to improve the usability of the device and improve competitiveness and

compliance with tender requirements;

- release in 2023 of the **new** high-performance **MyLab X90 on wheels**. This product features a general performance improvement over today's MyLab X8/9 platforms due to new sophisticated processing algorithms and new high-performance ultrasound probes, thus improving workflow, system interface and better supporting the operator at diagnosis;
- the research and development of **artificial intelligence solutions** for diagnosis support, ultrasound image quality improvement and workflow improvement;
- finalization and commercial release of a **new generation of ultrasound probes** to support the launch of the new Fox ultrasound platform (C 1-8A and C 1-8E convex 3.5MHz R50mm, P 1-5A and P 1-5E phased-array 2.5MHz, L 3-15E linear 7.5MHz) and strengthen the offer in the high-end segment (IHX 6-25 hockey-stick 12MHz);
- development of the **high-performance probe program** that in the coming years is going to renew the offer in the high-end/premium segments.

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

- completing the **new Magnifico MRI platform** with Total Body functionality partly released in 2023 and partly to be released in the following years, which includes:
 - angiographic imaging and the diffusion imaging technique for diagnosis of specific brain pathologies (released in 2023);
 - abdominal application (release expected in 2024);
- the new **S-scan Open and S-scan MSK MRI products** (released in 2023) that represent a revamp of the S-scan product, which is set to go out of production in a couple of years, and which introduce

some new features such as a new, higher-performance knee RX coil;

- the new **G-scan Open and O-scan Smart products**, whose release is planned for 2024, that are going to constitute the evolution of the predecessor products G-scan Brio and O-scan (in its sales configurations), aligning them with the level of compliance with the new European regulation on Medical Devices (MDR) and preparing them to receive future application upgrades;
- the **SW Release MRI EVolution 23**, released in 2023, which introduces a revamped operator interface for the new product portfolio of the MRI line and supports the new Total Body application on Magnifico;
- the new **Magnifico Vet product** for the veterinary application (based on the Magnifico platform);
- The new **O-scan Vet product** of the dual-purpose type whose release is planned for 2024, geared to the veterinary application on small animals and the ends of horses (based on the O-scan platform);
- the **research and development of artificial intelligence solutions** for shortening capture times and improving MR image quality and optimizing and simplifying the workflow.

The two Research and Development departments, for Ultrasound and Magnetic Resonance, participate individually or in some cases jointly, in funded Research Projects. More specifically those initiated in previous years and still in the process of execution in 2023 (listed below):

- **MyLab 4.0 project**, "Generation of an integrated digital service facility for echo-guided radiology diagnostics and interventional procedures" (Ultrasound only)

Co-funded project under the 2014-2020 National Operational Programme on Enterprises and Compe-

titiveness (PON IC) – REACT EU Axis VI – R&D large project tender notices Revolving fund to support enterprises and investments in research (FRI). Project local code F/210010/00/X46

Actualizing subjects: Esaote S.p.A.

CUP B46G20001250005

Project completed on 30/6/2023;

• **UTMOST project**, “New Imaging methodologies and techniques for the diagnosis, evaluation and management of Sarcopenia in normal and pathological conditions” (Ultrasound only)

Project co-funded by F.E.S.R. - European fund for regional development, Axis 1 “Research and Innovation (OT1)”, Action 1.2.4

Liguria Regional Operational Programme 2014 - 2020

Tender notice - “Support for the fulfillment of complex projects of research and development for enterprises linked to research and innovation hubs”

Actualizing subjects: FlairBit s.r.l. (leader), Esaote S.p.A., Akronos Technologies S.r.l., ICS Maugeri S.p.A. and the DIBRIS, DINOEMI and DISSAL departments of UNIGE

CUP: G32C21000620007

Project completed on 31/3/2023;

• **PROMENAIDE project**, “PROgnostic Medical Equipment maintenance services eNabled by AI on Dlt and Edge” (Ultrasound and Magnetic Resonance Imaging)

Project co-funded by F.E.S.R. - European fund for regional development, Axis 1 “Research and Innovation (OT1)”, Action 1.2.4

Liguria Regional Operational Programme 2014 - 2020

Tender notice - “Support for the fulfillment of complex projects of research and development for enterprises linked to research and innovation hubs”

Actualizing subjects: Knowhedge s.r.l. (leader), Esaote S.p.A., Zenatek S.p.A., Swhard s.r.l., Innovina s.r.l., Logoil s.r.l.

CUP: G22C21000270007

Project completed on 31/3/2023;

• **MEDIA project**, “High efficiency Diagnostic Methods for the osteoarticular patient: Dedicated MRI for non-invasive pre- and postoperative imaging in prosthetic implantation and integrated systems to aid clinical/diagnostic data management.” (MRI only)

Project co-funded by the European Union -PON Research and Competitiveness 2007-2013 PAC, Research and Innovation Sub Plan 2015-2017, Fund for Development and Cohesion 2014-2020 – under D. D. MIUR no. 713/Ric. dated 29/10/2010 (Tender notice MIUR PON03)

Actualizing subjects: Esaote S.p.A., SynLab SDN S.p.A., SCAI S.p.A., Distretto Tecnologico Campania Bioscience Scarl, Consiglio Nazionale delle Ricerche – Institutions: IBB; ICAR; IAC, Università degli Studi della Campania Luigi Vanvitelli – Divisione di Radiologia del Dipartimento di Medicina di Precisione, Università di Salerno – Dipartimento di Informatica, Università di Napoli Federico II Dipartimento di Scienze Biomediche Avanzate, Biogem Scarl, Centro Regionale di Competenza in Biotecnologie Industriali BioTekNet SCpA

CUP: B64C12000370005

Project completed on 30/6/2023;

• **RAISE** “Robotics and AI for Socio-economic Empowerment” (Ultrasound and Magnetic Resonance Imaging)

Esaote, as an Affiliate partner of Spoke 2, coordinates the sub-project “AI tools for non-invasive imaging” that contemplates the study and development of prototypes of algorithms based on Artificial Intelligence

and Machine Learning for non-invasive diagnostic imaging solutions.

Project of Spoke 2, WP4, Project 1, co-funded within the framework of the Ligurian Ecosystem of Innovation “RAISE” (Robotics and AI for Socio-economic Empowerment) - National Recovery and Resilience Plan (PNRR), Mission 4 financed by the European Union with resources of the Revolving Fund for the actualization of Next Generation EU – Italy

CUP: B33D21019660004

Actualizing subjects: 25 Ligurian partners of the academic world, of research, institutions and enterprises, including Esaote S.p.A., coordinated by Università degli Studi di Genova (UNIGE), Consiglio Nazionale delle Ricerche (CNR) and Istituto Italiano di Tecnologia (IIT)

Project currently underway;

• **THE** “Tuscany Health Ecosystem” (Ultrasound only)

Esaote is an affiliate partner of Spoke 3 “Advanced technologies, methods and materials for human health and well-being”, coordinated by UNIFI.

Project co-funded within the framework of the Tuscan Ecosystem of Innovation “THE” (Tuscany Health Ecosystem) - National Recovery and Resilience Plan (PNRR), Mission 4 financed by the European Union with resources of the Revolving Fund for the actualization of Next Generation EU – Italy

Actualizing subjects: 22 Tuscan realities of which 7 universities, 6 public agencies and public research bodies, 9 enterprises or private subjects under the lead of Università di Firenze

CUP: B33D21019700004

Project currently underway;

• **IMAGINIS** “Non-invasive Imaging for Territorial Healthcare” (Ultrasound and Magnetic Resonance

Imaging)

Project co-funded under the Sustainable Growth Fund “Agreements for innovation” indicated in Ministerial Decree 31/12/2021 and Decree 18/03/2022

Proj. no.: F/310008/00/X56

Actualizing subjects: Esaote S.p.A.

CUP B39J23001140005

Project currently underway;

• **Nephele** “A lightweight software stack and synergistic meta-orchestration framework for the next generation compute continuum” (Ultrasound only)

Project co-funded within the framework of the European Union’s Horizon Europe research and innovation programme

Project number: 10107048

Call: HORIZON-CL4-2021-DATA-01

Topic: HORIZON-CL4-2021-DATA-01-05

Actualizing subjects: 18 European realities of the academic world, of research and enterprises, including Esaote S.p.A., coordinated by the National Technical University of Athens

CUP: B36G20000410007

Project currently underway.

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Statement of use Esaote reported the information mentioned in this GRI content index for the period 01.01.23 - 31.12.23 with reference to GRI Standards 2021¹⁷.

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²³ Excluding the materiality analysis conducted in accordance with GRI 2016, for which reference is made to the following table "Materiality analysis - GRI 2016".

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