



NOVA VISION
MAKING FUTURE

**SUSTAINABILITY
REPORT
2023**



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Sustainability Report 2023

Index

Letter to stakeholder	6	4. HUMAN CAPITAL	54
HIGHLIGHTS 2023	8	4.1 PERSONNEL	58
METHODOLOGICAL NOTE	9	4.2 TURNOVER	60
1. SUSTAINABILITY AND VALUE CREATION	12	4.3 DIVERSITY AND EQUAL OPPORTUNITIES	62
1.1 STRATEGIC APPROACH AND DIRECTION	14	4.4 TRAINING AND DEVELOPMENT NOVAVISION ACADEMY	64
1.2 STAKEHOLDER MAP AND WAYS OF INVOLVEMENT	16	4.5 SMART WORKING	65
1.3 MATERIALITY	18	4.6 HEALTH AND SAFETY	66
1.4 CONTRIBUTION TO THE SDGs	24	4.7 WELFARE	67
1.5 POLICY AND SUSTAINABILITY PLAN	26	5. SOCIAL AND RELATIONAL CAPITAL	68
2. IDENTITY AND GOVERNANCE	28	5.1 PRODUCTS AND BRANDS	70
2.1 NOVAVISION GROUP	30	5.2 MARKET POSITIONING AND NEW LAUNCHES	76
2.2 OUR 100% ITALIAN STORY	31	5.3 CUSTOMER EXPERIENCE	78
2.3 WORLDWIDE PRESENCE	32	5.4 PRODUCT QUALITY AND SAFETY	80
2.4 OUR VALUES	33	5.5 PROJECT NOVACERT	84
2.5 CODE OF ETHICS	35	5.6 NOVAVISION COMMUNITY INVOLVEMENT	85
2.6 STRATEGY AND BUSINESS MODEL	36	5.7 FAI MEMBERSHIP (ITALIAN ENVIRONMENTAL FUND)	86
2.7 INNOVATION, RESEARCH AND DEVELOPMENT	38	6. NATURAL CAPITAL	88
2.8 CERTIFICATIONS AND QUALIFYING MANAGEMENT SYSTEMS	39	6.1 ENVIRONMENTAL POLICY AND MANAGEMENT SYSTEM (SGA)	90
2.9 CORPORATE GOVERNANCE SYSTEM	40	6.2 ENVIRONMENTAL ASSESSMENT	91
2.10 CORPORATE BODIES	41	6.3 ENERGY EFFICIENCY	92
2.11 ORGANIZATIONAL SET-UP	42	6.4 USE OF THE WATER RESOURCE	94
3. ECONOMIC CAPITAL	44	6.5 MANAGEMENT OF CHEMICALS	94
3.1 ECONOMIC PERFORMANCE	46	6.6 ATMOSPHERIC EMISSIONS	95
3.2 SUPPLY CHAIN PROFILE	49	6.7 WASTE MANAGEMENT	96
3.3 SELECTION AND QUALIFICATION OF SUPPLIERS	50	6.8 PROJECT GAIA	97
3.4 RESPONSIBLE PROCUREMENT	52		



Letter to stakeholder

Danilo **Crapelli**
CEO **NOVAVISION** GROUP

Dear Readers, I am pleased to present to you the fourth edition of Novavision Group's Sustainability Report, the expression of our dedication to reporting on the social and environmental, as well as economic, performance of our activities and our desire to establish an ongoing dialogue with key stakeholders. The Annual Report represents a voluntary, non-financial statement addressed to our people, suppliers and partners, as well as customers wishing to know and learn more about the activities that we have been carrying out for more than 30 years in the field of integrated communication systems, electro-medical and electro-aesthetic devices, dermocosmetic products and training in the field of aesthetic medicine and professional treatments. Sustainability is an integral part of our corporate vision and mission, responsible management of the entire organization and a corporate culture based on fairness and transparency in our operations have always been at the core of our approach, all the while ensuring soundness and continuity, preventing risks and creating value for all our partners.

In 2023, Novavision Group produced fulfilling results in terms of economic and financial dimen-

sions, ending the year with sales and service revenues worth more than 7 mln € - an increase of 8.4 percent over the previous year - of which as much as 7.3 percent was allocated to investments in R&D activities. Innovation remains a relevant strategic component in Novavision Group's medium- and long-term growth.

Each analysis, development, design and production phase takes place within our company structure, where our specialized personnel is dedicated to designing and realizing new high-performance products and the continuous improvement of existing platforms.

The acknowledgement for the valuable contribution provided by our intellectual capital is highlighted by the distribution of our overall value added: as much as 85.6 percent is destined for our employees, between wages and social security charges. Our intention is to continue on this path, confident that these efforts will pay off in terms of generating value for the company as a whole as well as for our key stakeholders.

We hope you enjoy reading our report and look forward to your support and trust.



Highlights 2023

35 Years of activity
100% Italian production
35 patented technologies
25 Countries Worldwide presence
368 Devices manufactured
€ 7M Total revenue
€ 3.6M Revenues from Italy
€ 2.4M distributed value added
84% Suppliers from Italy
60% in Lombardy
€171,274 Investments
38 employees
58% Women incidence
33.3% Women managers
182 Total training hours
4.79 hours of training per employee
82 hours of HSE training
825.5 GJ Energy consumption
458 mc Water consumption
163.5 tons Waste managed

Methodological note

This Sustainability Report provides a description of the company's performance, to the extent necessary to ensure an understanding of its activity, its results and the impact of the product itself on the issues deemed relevant, with reference to the year 2023 (from January 1st, 2023 to December 31st, 2023).

The Sustainability Report is a fundamental tool for the interaction with our Stakeholders, promoting dialogue and opportunities for mutual improvement and growth. Novavision Group S.p.A. considers the Sustainability Report one of its primary tools for managing and reporting on activities and results in the social and environmental sphere, as well as a fundamental informative and dialogue tool with all those with whom it relates, directly or indirectly.

In addition to the results and achievements, the Report outlines the principles and values that shape Novavision Group S.p.A. activities and its future goals. Particular importance was placed on the initiatives implemented during 2023, which demonstrate the company's commitment to sustainability and the creation of shared value, as well as the results achieved in these areas.

The perimeter of social and environmental data and information includes the company Novavision Group S.p.A. as sole shareholder, operating in the following locations:

- Registered office in Via di Porta Vercellina n. 9, 20123 Milan (MI) - Italy
- Local Unit in Via dei Guasti, 19, 20286 Misinto (MB) - Italy
- Local Unit in Via dei Guasti, 29, 20826 Misinto (MB) - Italy
- Local Unit in Nuova Poggioreale, 60 80143 Naples (NA) - Italy

The perimeter does not include subsidiaries, associates and parent companies: Guangzhou Haozhi Biological Technology Co. Ltd and Guangzhou Haoyun Biological Technology Co. Ltd and Novabee S.r.l., created in October 2020. Novavision Group S.p.A. has no branch offices.

The following technical-methodological references have been adopted for this Sustainability Report:

- the "Global Reporting Initiative Sustainability Reporting Standards" defined by the Global Reporting Initiative (GRI);
- the guidelines and contents provided for by the International Integrated Reporting Framework (hereinafter also "IIRF" or "IR Framework") issued by the International Integrated Reporting Council (IIRC) and updated in January 2021;
- the "GBS Standard 2013 - Principles for drafting the social report" prepared by the Study Group for the social report (GBS), for the preparation of the statement for the determination and distribution of the added value.

The gathering and validation of the information and data reported here has been carried out through the updating of the Sustainability Accounts Plan, which was prepared in the first quarter of 2024 with the participation of the Management. The process of identifying and defining the relevant issues was assessed by examining the various company issues, and analyzing data and documents relevant to sustainability and that affect the expectations and decisions of the company business and stakeholders.

The Report is divided into the following chapters:

1. Sustainability and creation of value;
2. Identity and governance;
3. Economic Capital;
4. Human Capital;
5. Social and relational capital
6. Natural capital.

These chapters are preceded by the Letter to Stakeholders. The section 'Sustainability and Value Creation' contains a description of the Company's strategic approach to sustainability and the stakeholder map, defined through direct involvement of the CEO and a number of heads of various organizational units as well as various corporate contacts, thus reaching a census of the stakeholders who interact with the Company. Each identified category presents particular interests and expectations, and their opinions are collected through specific dialogue and involvement initiatives. Finally, the same chapter contains the issues considered relevant for the Company and the contribution made with reference to the SDGs (Sustainable Development Goals), and the commitments undertaken by the Company as set out in the Policy and Objectives Declaration document drawn up by the Management. The 'Identity' chapter contains a description of the Company, in terms of: market and global presence, ethics and values, strategy, R&D activities, management systems and certifications. It also includes information related to governance, shareholder structure, corporate bodies and organizational set-up.

The 'Economic Capital' chapter describes economic performance (total revenues, revenues by division and revenues by geographical area) and the calculation and distribution of added value. The same chapter contains information on the profile of the supply chain, the selection and qualification methods for suppliers, the features of procurement and the impact on Italy and on the territory. The 'Human Capital' chapter focuses on the Company's human resources, detailing the management criteria, the quality and safety of the working environment, training activities to develop people's talent and creativity, and attention to inclusion and equal opportunities.

The chapter 'Social and Relational Capital' describes the products, brands and services offered by the various business units, the strategy and market positioning, the customer experience, the quality and safety features of the products, with particular regard to electro-medical and electro-aesthetic de-

VICES. The main marketing events and main social initiatives (VisionS project, for the promotion of the arts and culture in all their forms, membership to FAI-Fondo Ambiente Italia) are also shown the same chapter.

Finally, the chapter 'Natural Capital' describes the environmental policy and management system, the company's energy consumption, the use of water resources, the management of chemicals, emissions into the atmosphere and waste management.

Emphasis is also placed on the Gaia project, launched by the Company with the intention of undertaking various initiatives and partnerships in its sustainability path.

The document is widely distributed to all Stakeholders of Novavision Group S.p.A. through publication on the Company's institutional website <https://www.novavision.net/> as well as distribution and presentation to all its collaborators.





1

**Sustainability
and value
creation**

1.1 Strategic approach and direction

Responsibility

Assuming responsibility towards the group's stakeholders

Innovation

Sustainability as an innovation accelerator

Concrete actions

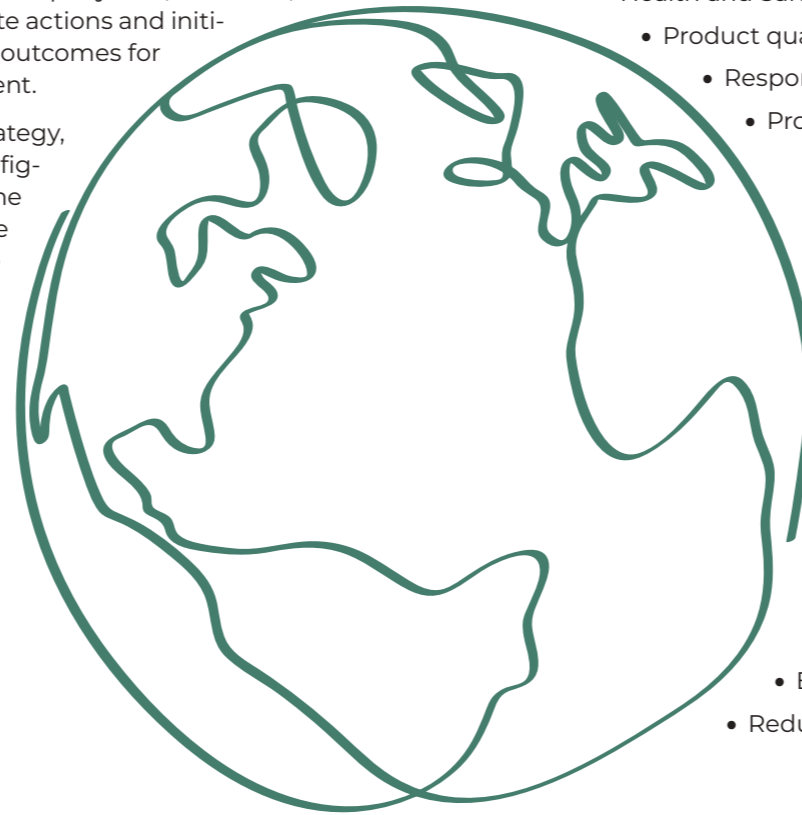
Concrete actions and initiatives to produce positive effects on people and the environment.

Potential for growth

Sustainability as a competitive lever to sustain company growth and value

We have a strong and deep-rooted culture of values and a natural inclination toward social issues, and we have always paid close attention to the following key issues: product quality and safety, product innovation, operational efficiency, supplier and partner relations. Sustainability means manifesting our identity and therefore represents an opportunity to organically collect elements that are already present in our company, which we intend to communicate to stakeholders and the Community. For us, sustainability must translate into taking responsibility for all our stakeholders, being linked to innovation, representing a competitive lever to support the growth and value of the company and, above all, expressing itself in concrete actions and initiatives to produce positive outcomes for people and the environment.

Our sustainability strategy, as represented in the figure below, is based on the following four pillars: the adoption of responsible business practices, the empowerment of our collaborators and suppliers, the creation of valuable relationships with the community and with the many actors of the territory, as well as the preservation and protection of the environment.



Adopting responsible business practices

- Responsible governance
- Integrity and Business Ethics
- Operational efficiency
- Economic growth and financial strength
- Management of extra-financial risks

Empowering our people and suppliers

- Staff development and involvement
- Health and Safety at Work
 - Product quality and excellence
 - Responsible sourcing
 - Profitable relations with our partners

Building constructive relationships with the community and the territory

- Culture-Business Dialogue
- Promoting 'Made in Italy'
- Novavision Community involvement
- VisionS

Protecting and preserving the environment

- Reducing the environmental impacts of company activities
- GAIA project
- Efficient use of energy resources
- Reducing CO2 emissions



1.2 Stakeholder map and ways of involvement

Our relationships with the people and organizations that are directly or indirectly involved in our activities are of great value to us, in terms of trust and collaboration that stimulate continuous improvement and the realization of projects of common interest.

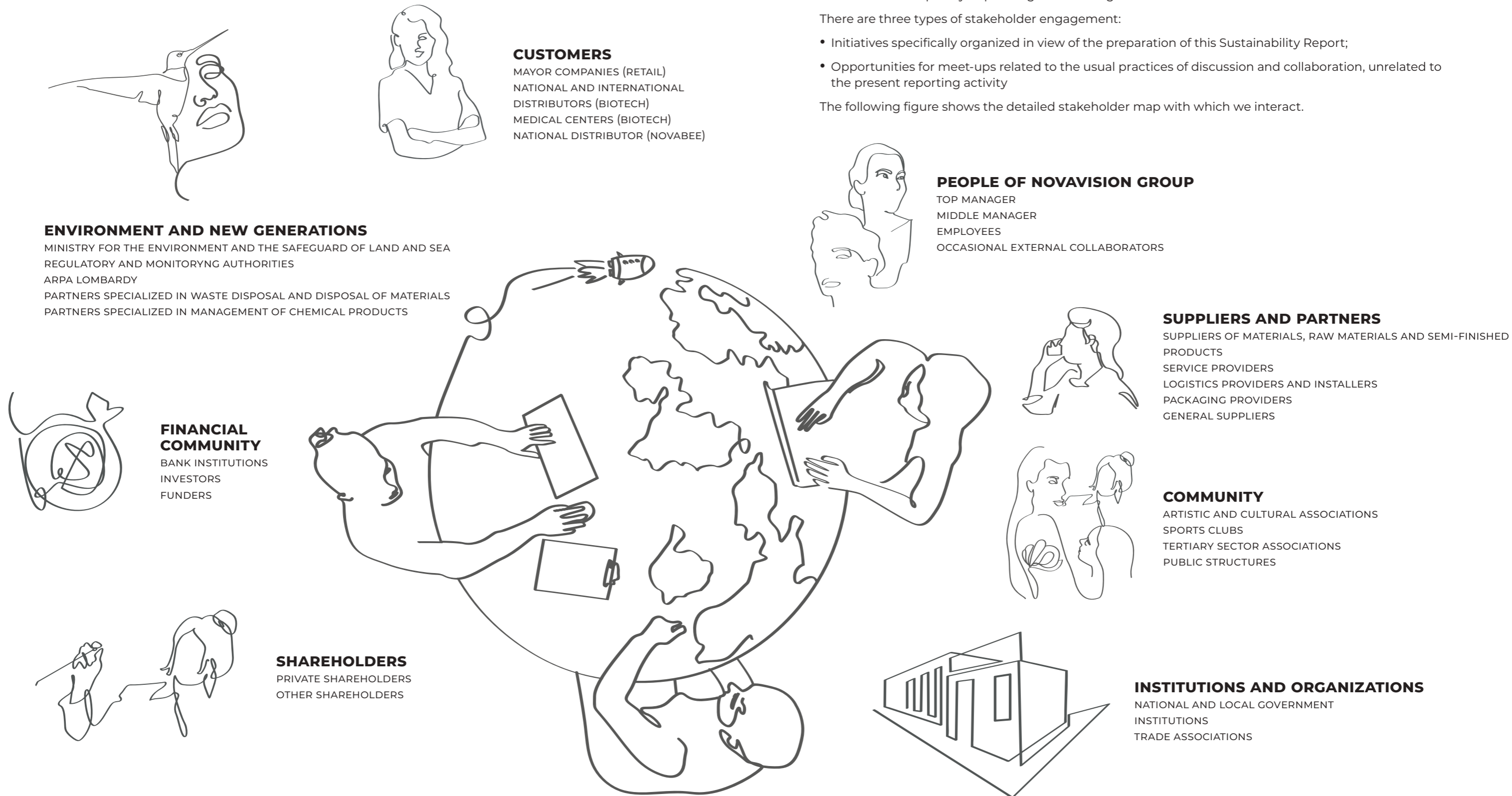
Stakeholders are all the actors who have legitimate expectations and interests toward us, or who may affect the operations of the Group companies.

We maintain regular communication with our stakeholders. Contacts are made in different ways and with different frequency depending on the categories involved.

There are three types of stakeholder engagement:

- Initiatives specifically organized in view of the preparation of this Sustainability Report;
- Opportunities for meet-ups related to the usual practices of discussion and collaboration, unrelated to the present reporting activity

The following figure shows the detailed stakeholder map with which we interact.



1.3 Materiality

Materiality refers to all aspects that have a concrete impact on a company's ability to create value over time.

In the last two years, several standardization and regulatory bodies have begun to refine the concept of the materiality of sustainability. In particular, the Corporate Sustainability Reporting Directive (CSRD) proposed by the European Union and the International Sustainability standards Board (ISSB) recently established by the International Financial Reporting Standard (IFRS) Foundation distinguish between "single materiality" and "double materiality".

Although Novavision Group is not subject to the new European regulations in Sustainability Reporting, we decided to follow the principle of double materiality in this fourth Sustainability Report, providing information necessary to understand the impact we, as a company, have on society and the environment as well as the impact of ESG issues. In other words, the company reports on how ESG criteria affect its Enterprise Value and, on the other hand, how its business activities impact the outside world in relation to material sustainability issues.

Two main parameters are taken into consideration by the principle of double materiality: Impact materiality with an inside-out approach and materiality with an outside-in approach. The first aspect focuses on the outward impacts of the organization's activities from the social and environmental point of view, which customers, consumers and society as a whole should be able to understand. The second concerns the impact of potential social and climate risks on the Novavision Group, which could also translate into financial consequences, influencing strategic governance decisions. This concept of "double materiality" recognizes the concept that risks and opportunities can be both financially and non-financially significant.

MATERIALITY ASSESSMENT

Materiality assessment is the basis of Novavision Group's sustainability strategy, helping to ensure that the company's efforts remain focused on the areas with the greatest impact and ensuring appropriate relationships with stakeholders.

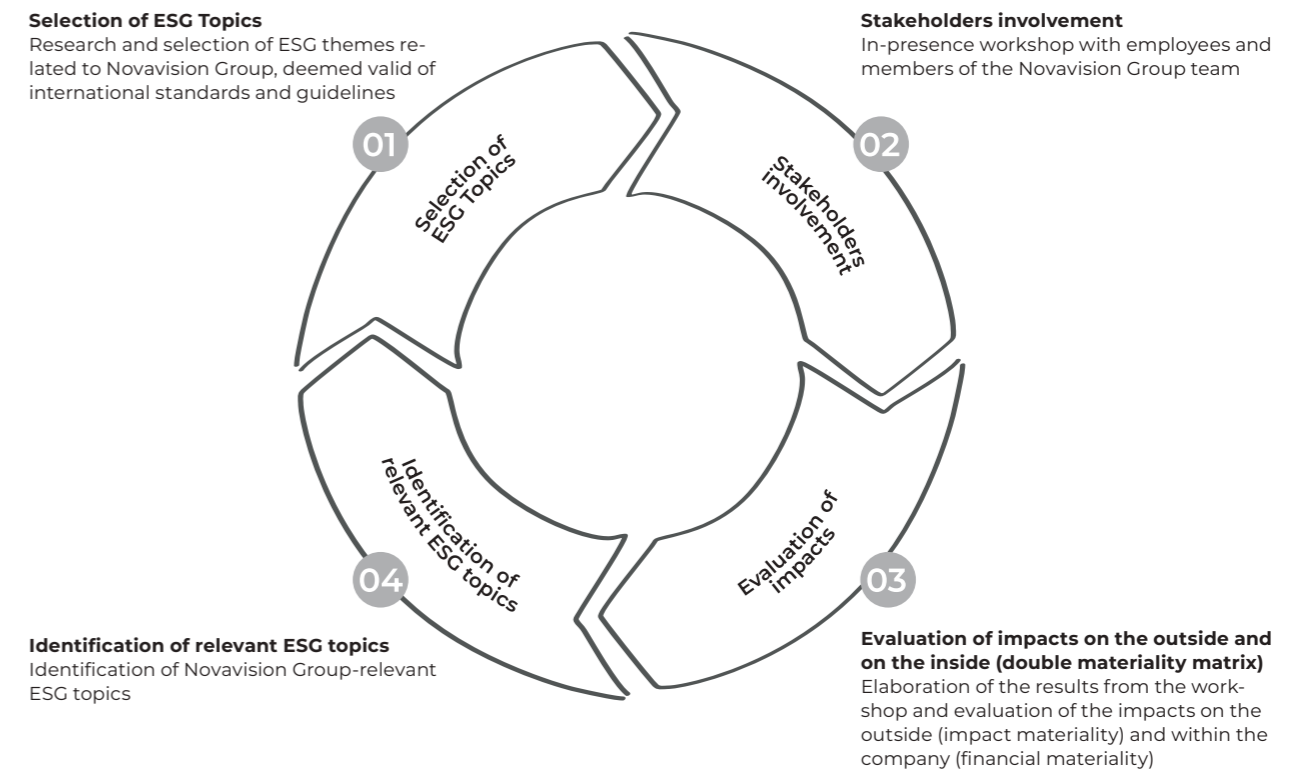
In this fourth edition of the Sustainability Report, Novavision Group opted not to proceed with a new materiality analysis, the former being conducted in September 2022 with the aim of deepening the understanding of business impacts by further integrating sustainability within the Company.

The evaluation process took into account internal developments related to the fast-paced progress of business evolution, the ambition to pursue its own growth and development path.

The materiality assessment from 2022 took into account emerging best practices in the field of sustainability, European and international ESG policies and regulations, emerging trends and megatrends that will become relevant in the coming years.

As a global company in a rapidly changing world, Novavision Group believes that its long-term success requires continuous monitoring and adaptation to significant social, environmental, economic, political and technological changes.

The figure below shows the methodological approach followed for the materiality assessment analysis.



The first step was to prepare a list of potentially relevant ESG topics, which were assessed against three different perspectives:

- **Stakeholder perspective:** the perspective of the main actors that can influence business operations and decisions;
- **External impact (inside-out):** The impact on society and on the planet at different stages of the Novavision Group value chain;
- **Internal impact (outside-in):** The impact on the overall performance and activity of Novavision Group in terms of risks and opportunities that have or will have an impact on business value.

The results of these three perspectives were then integrated to build the double materiality matrix and identify the topics on which Novavision Group needs to focus to achieve maximum impact.

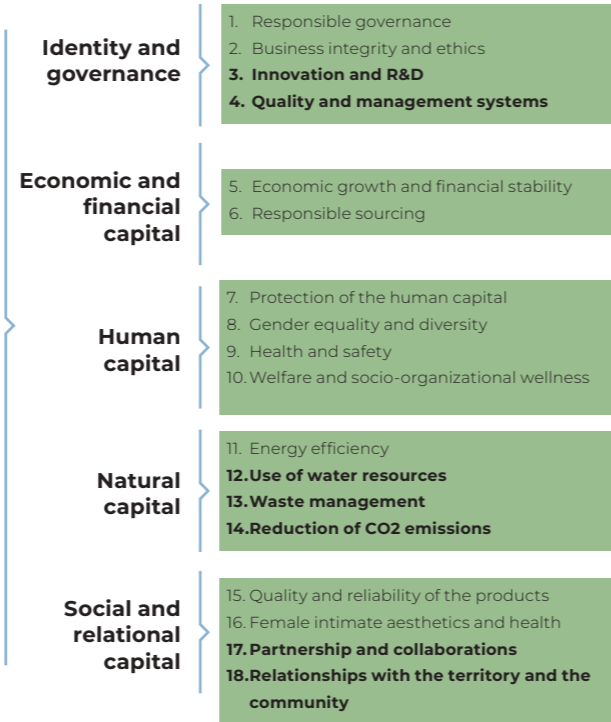
STEP 1

SELECTION OF ESG TOPICS

It is essential that the materiality assessment is based on an exhaustive list of ESG topics, covering all potentially relevant areas in relation to the Novavision Group value chain. The starting point of the materiality analysis was therefore to identify the sustainability issues that could be relevant to society.

In the previous reporting period, a desk analysis was conducted to define a list of topics covering ESG aspects. The list of sustainability topics was obtained by examining Novavision Group's internal and external sources of communication, including the list of topics defined in the previous report, ESG investor opinions, media reports, sustainability standards and frameworks (e.g. GRI and SASB, ISO 26000 Guidelines), the United Nations sustainable Development Goals (SDGs).

This in-depth analysis led to the creation of a list of **18 ESG themes**.



It is therefore crucial for Novavision Group to have clear objectives, to have active management, to monitor them and to report on their achievements.

In order to avoid all subjects having a high relevance assessment, we were asked to set a priority, asking each participant to place the objectives in descending order of priorities.

During the assessment, participants were asked to express their vision, taking into account:

- The impact Novavision Group has on the following stakeholder categories: Customers, Suppliers/Business Partners, Banks and Financial institutions, Communities and public institutions, Universities and Scientific Communities;
- The influence that stakeholder categories have on Novavision Group's business processes.

In addition, an open question was asked to all workshop participants in order to explore any additional sustainability issues that were not included in the questionnaire and were still considered potentially material in the context of Novavision Group.

STEP 2

STAKEHOLDER ENGAGEMENT

The involvement of key stakeholders in the materiality assessment and, more generally, in the process of identifying business priorities, it is a crucial step in gathering inputs and feedback to better understand and direct Novavision Group's efforts toward shared sustainability goals.

Engaging with stakeholders in an open and transparent manner provides an opportunity to understand their expectations and concerns, enabling the company to address the environment in which it operates, characterized by continuous transformations and industrial challenges.

The materiality assessment from 2022 focused on gathering constructive, informed and critical voices, seeking objective and representative opinions, rather than opening up to a wider and freer stakeholder audience.

The collection of qualitative and quantitative data and the subsequent evaluation of materiality took place in the following way: A workshop was organized, in which 20 people, including CEOs, Directors and function managers, participated.

The participants were then divided into four groups and each produced a matrix whose results were consolidated for the elaboration of the double materiality matrix.

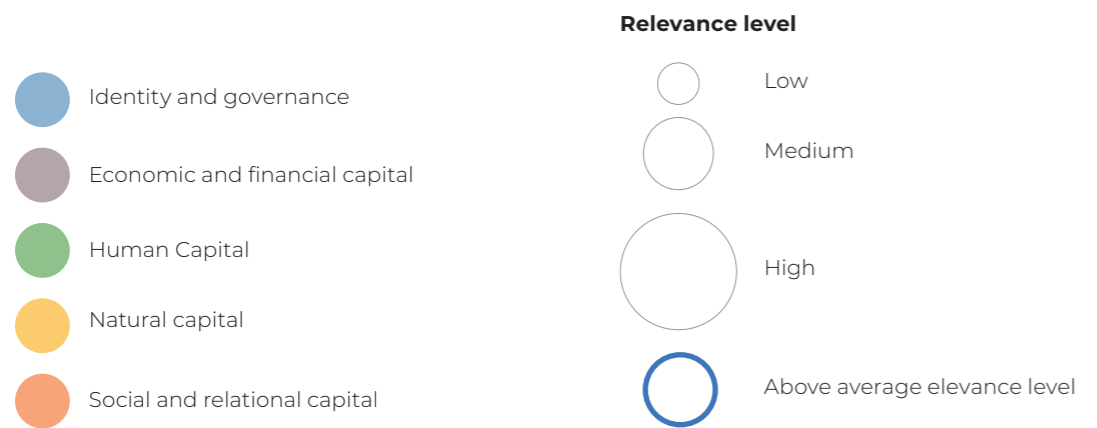
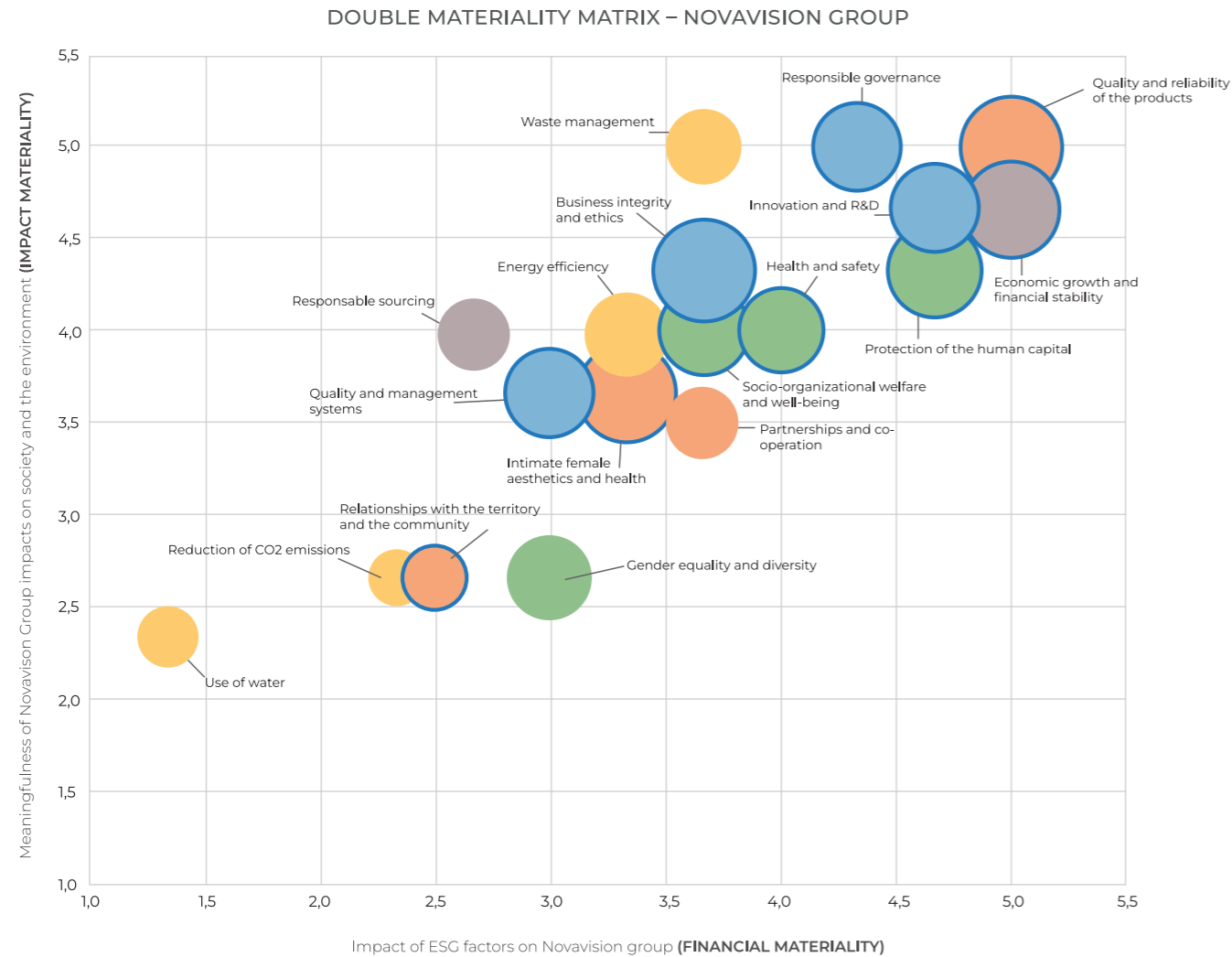
The workshop asked for a qualitative and quantitative assessment of the above-listed sustainability issues, which were considered relevant and of greatest interest to Novavision Group. A scale of 1 to 5 was used for the assessment: Not relevant, little relevance, relevant, very relevant, extremely relevant. The latter, in particular, indicates that the issue is of extreme importance and it strategically contributes to creating sustainable value.



STEP 3

IMPACT ASSESSMENT AND DOUBLE MATERIALITY MATRIX

The double materiality matrix was generated using all inputs collected through the workshop carried out in 2022.



Looking at the matrix, it is possible to see that:

- topics are highlighted in a different color by type of capital;
- On the “X” axis of the matrix, the themes that present the most significant risks and opportunities for the value creation of Novavision Group (outside-in) are represented;
- The significance of the impacts of Novavision Group on society and the environment (inside-out) has been represented on the “Y” axis;
- the internal stakeholder perspective was represented by assigning different dimensions to each bubble, depending on the relevance given by the workshop participants.

The theme ‘Product quality and product reliability’ ranked significantly higher than all other ESG themes compared to the average of the three proposed evaluations in terms of external impact, internal impact and relevance of the theme.

Eight other themes located at the top right of the matrix (those that received the altogether highest score in both the incoming and outgoing impact assessments) were identified as the most relevant: ‘Responsible Governance’, ‘Innovation and R&D’, ‘Economic growth and Financial stability’, ‘Human Capital Protection’, ‘waste Management’, ‘Business Integrity and Ethics’, ‘Social and organizational Welfare and well-being’ and ‘Health and Safety’.

From the matrix we can see two other themes that have received a medium-high score both inwards and outwards, and in terms of relevance (bubble size): ‘Women’s Ethics and intimate Health’ and ‘Quality and Management Systems’.

Finally, the theme ‘Gender equality and diversity’ should be noted, although it is not currently considered significant in terms of external and inward impacts, as it has reached a medium to high score in terms of perceived relevance, thus showing that it is an emerging and extremely interesting topic for the Novavision Group.

STEP 4

SUMMARY OF RESULTS

Overall, the results of the workshop confirmed that sustainability continues to grow in importance and that ESG factors play an increasingly important role for all stakeholders, regardless of the group they represent.

Finally, the list of material themes was created by elaborating the workshop results from the score given by external stakeholders (customers and suppliers) and the score given by internal stakeholders (Leadership teams).

The positioning of material topics is the result of the relevance attributed to each of them in relation to internal stakeholders (relevance to Novavision Group) and external stakeholders (relevance to stakeholders).

Applying a threshold value of 3.5 for the dimension of Financial materiality and 3.9 for the dimension of impact materiality, 9 material themes can be identified for Novavision Group:

Identity and Governance: Responsible governance / Integrity and business ethics / Innovation and R&D

Economic and financial capital: Economic growth and financial strength

Natural capital: Waste management

Human capital: Health and safety / Welfare and social-organizational wellbeing / Protection of human capital

Social and relational capital: Product quality and product reliability

1.4 Contribution to the SDGs

As previously stated, the non-financial issues that are most relevant to us have been identified by taking into account the type of market – the elements of the scenario that most influence the business areas in which we operate – and the interests and expectations of internal stakeholders. intercepted through interviews with managers and project stakeholders.

In 2015, with the approval of 2030 Agenda – an action program signed in 2015 by 193 nations – the UN set 17 Sustainable Development Goals (SDGs), translated into 169 sub-objectives, with the aim of ending poverty, combating inequalities and promoting social and economic development. They also focus on combating climate change, setting targets to be achieved by 2030. The Agenda aims to engage and win the support of everyone – from individuals to entire countries, private and public-sector companies, pursuing the common goal of “leaving no one behind.”

The figure shows the material issues associated with the sections of this Report and the relevant SDGs, demonstrating the contribution we can offer to achieving the Sustainable Development Goals.

SECTION	RELEVANT TOPICS	SGDs
IDENTITY AND GOVERNANCE	Responsible Governance Business Integrity and Ethics Innovation and R&D.	  
ECONOMIC AND FINANCIAL CAPITAL	Economic growth and financial strength	
HUMAN CAPITAL	Protection of human capital Welfare and socio-organizational wellbeing Health and safety	   
SOCIAL AND RELATIONAL CAPITAL	Product quality and product reliability	  
NATURAL CAPITAL	Waste management	 



1.5 Policy and sustainability plan

We have drawn up a Statement of Policy and Objectives, which represents the expression of the will of the General Management of Novavision Group S.p.A. to implement the continuous improvement of its processes, in order to guarantee products and services with a high technological and qualitative content, improve efficiency, to develop and implement policies to protect the safety/health of workers, to guarantee good product manufacturing practices for the cosmetics that are marketed, to guarantee the efficiency of environmental aspects, to define the ethical values to which the behavior of the subjects who work within and interact with our organization must conform.

Environment

- We protect the environment by minimizing the impact of our activities through the adoption of the best available technologies;
- Environmental awareness of our staff, effort to reduce the release of pollutants into the environment and, where possible, to avoid it;
- Adoption of the most appropriate environmental monitoring and control systems.

Company

- Fairness and transparency in the conduction of business and corporate activities;
- Culture based on data confidentiality, specifically in relation to personal data and respect for the privacy of the various parties interacting with the Company
- Culture of Social Responsibility;
- Constant monitoring of the parameters of production and management process;
- Constant and timely monitoring of all regulatory requirements;
- Collaborators, suppliers and customers working with Novavision Group S.p.A. and its associated companies abide the same standards of Quality, Environmental Awareness and Safety and Social Responsibility established by the Organization;
- Leadership of the Board of Directors for the achievement of Quality objectives, analysis of the related risk factors.

People

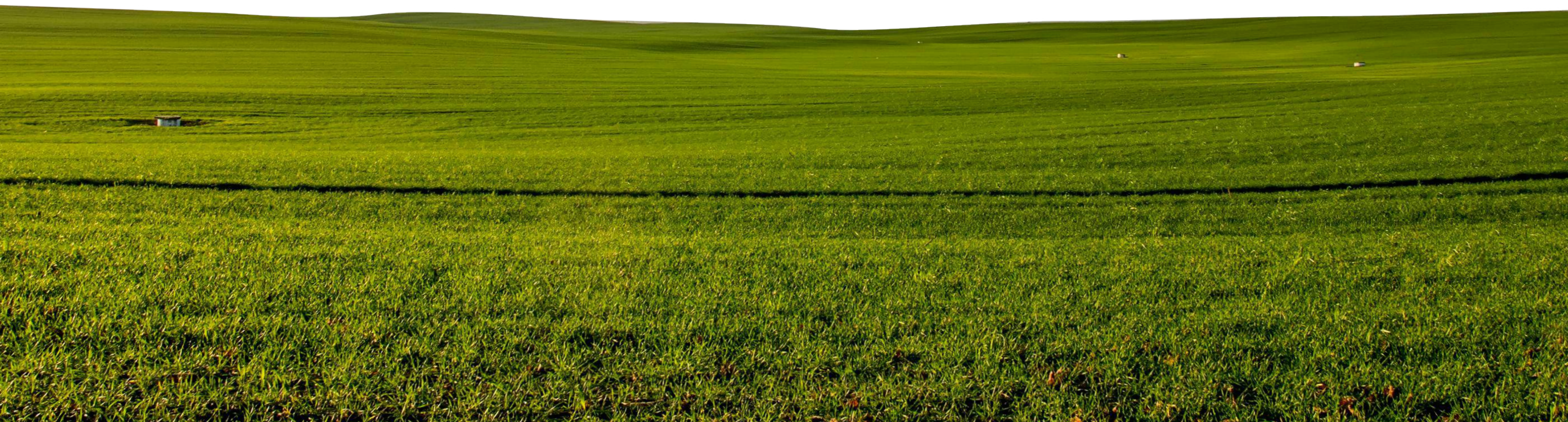
- Firm stand against the use of child and forced labour;
- No discrimination in employees management;
- Safe and healthy working environment;
- Work practices, contract and retribution standards consistent with trade union agreements and industry standards
- freedom of association and the right to collective bargaining;
- Prevention of major accidents and reduction of potential consequences for people, the environment and the property of others;
- Culture of safety and adoption of the adequate collective and individual protective measures, as required;
- Adequate and effective internal and external communication process.
- Enhancement of each employee's potential;
- Training and education at all levels.

Community

- All activities comply with State laws and Community Directives, particularly those regarding respect for the Environment, Worker Health and Safety and Social Responsibility;
- Open and cooperative relations with the local authorities and those living within a small distance from our premises, to make sure that a climate of mutual acceptance and trust is established and the respective areas of activity can coexist in a compatible and synergistic manner;.

Market

- Culture based on quality and the improvement of the marketed products image, through the improvement of their quality and reliability;
- Visibility and reputation of Novavision Group S.p.A. in the target market;
- Competitiveness achieved by preventing/reducing costs that do not add value to products;
- Constant improvement of the service offered, in terms of external and internal customer satisfaction;
- Complete and correct perception of the needs of the customer and stakeholders in order to meet and exceed their expectations;
- Periodical review of the Integrated Management System, in order to identify and take on any opportunities for improvement.
- Implementation and integration of all company resources in the optimization processes and in the improvement of products and services, in view of the customer expectations.





Identity and Governance

2.1 **Novavision Group**

We are a 100% made-in-Italy company with a high-tech profile, market leader for over 35 years in the production of advanced biotechnology equipment for aesthetic medicine and professional aesthetics, and high-quality dermocosmetic.

Established in Misinto since 1986, in the Brianza production district, we started our business with the production of video projectors and electronic boards, diversifying the activity since the end of the 90s in the two separate business units: Biotech and Novaretail.

The Biotech department, which includes Novaclinical, Novaestetyc and IO 'Skincare, develops electro-medical equipment, dermocosmetic products and training in the field of aesthetic medicine and professional treatments.

The Novaretail department operates in the field of integrated communication systems: shop in shop, emotional islands, corners, display walls, multimedia displays and applied electronics.

NOVAVISION
M A K I N G F U T U R E

biotech

retail

NOVA CLINICAL
M A K I N G F U T U R E

NOVA RETAIL
M A K I N G F U T U R E

NOVA ESTETYC
M A K I N G F U T U R E

IO
SKINCARE
BIOTECH FORMULA

2.2

Our 100% Italian story

We are a 100% Italian company. Style, design and taste for beauty, which have made our country famous in the world, blend harmoniously with the use of cutting-edge materials and technologies.

Novavision Group was founded in 1986 under the name of Boffi Audio Rack--a division developed within Boffi Cucine--dedicated to the design and production of acoustic speakers on behalf of major Japanese and American multinationals. Boffi Audio Rack soon became a reference point in the high fidelity market, with products made for the most relevant companies in the sector, including Pioneer, Technics, Panasonic, Grundig, Philips, Aiwa and Hitachi.

But also with the design and manufacture of high definition video projectors, as well as contributing to the creation of the first plasma screens on behalf of its subsidiary Vidikron, which has won seven awards between America, France and the Far East. Novavision Group supports its subsidiaries with innovative industrialization and production systems.

At the end of the 1990s, with the advent of the multinational giants, Vidikron was sold, and the Display Division and the Wellness-Beauty Division were created within Novavision Group (today respectively Novaretail and Biotech, with its brands Novaclinical, Novaestetyc, IO 'Skincare), which laid the foundation for its current identity.

The research activity, carried out in cooperation with the University of Pavia and the Policlinico San Matteo hospital in Pavia, adds the right prestige to Novavision Group S.p.A. which is recognized as one of the leading companies in its ever-expanding sector.

In 2017, the group was acquired by Guangzhou Haozhi Biological Technology Co. Ltd, which has maintained design and production in Misinto.



2.3 **Worldwide presence**

Thanks to an efficient distribution network, we export our electromedical equipment to more than 25 countries in the world (China, Middle East, Europe, Russia, South America and Australia), and we are currently exclusive owners of 35 technologies, with original patents and made-in-Italy style.



2.4 **Our Values**

Respect for the world, reliability, innovation and respect for customers and Partners are the core values that best express our purpose.

Respect for our customers and partners

Respect for the interests of our customers and partners.

Reliability

The reliability of our products and services.

Innovation

Constant innovation and improvement.

Respect for our world

Respect for our world: social responsibility, protecting environment, safety, quality.

Code of ethics

In September 2019, Novavision Group S.p.A. adopted the Code of Ethics, currently in its first edition.

The Code of Ethics:

- defines the fundamental ethical principles that guide Novavision Group S.p.A. in the pursuit of its objectives and interests, and the observance of which is considered essential for the proper conduct of company activities and to protect the reliability, reputation and image of the company;
- establishes the rules of conduct and the commitments to be respected by those who, for various reasons, collaborate with Novavision as well as the methods of communication, dissemination, control and monitoring of the Code of Ethics itself.

The principles and provisions of this Code of Ethics are examples of the general obligations of diligence, fairness, loyalty and moral integrity, which qualify the fulfillment of work performance and behavior in the workplace.

The principles and provisions of the Code are binding for Directors, for all persons linked by employment relationships with the Company and for all those who work for the Company regardless of the relationship, even temporary, that links them to it.

2.6 Strategy and business model

Novavision Group S.p.A. was born with the idea of using technological innovation and the quality of all-Italian design to offer a valid response to the growing demand of health and beauty professionals, and companies that want to engage in high-impact communication.

The goal is to contribute to the improvement of the quality of life by offering medical devices, beauty equipment, dermo-cosmetic products, and integrated communication systems.

To this end, the company has combined the style, design, quality and beauty that characterize Italy, with research and innovation, materials and technologies, to meet customer needs through complete solutions. The ability to develop and apply new tools that meet the needs of our users is the most important aspect of our work. The R&D department plays a key role in improving existing technology, introducing cutting-edge equipment and creating Novavision brand patents.

Novavision is a leader in aesthetic medicine devices based on energy emission using innovative technologies that allow a safe interaction with humans, to restore mental and physical well-being in a population whose average age is constantly increasing.

Our growth is characterized by six main strategic factors: growth and expansion at international level, a strict made-in-Italy approach, organizational efficiency that translates into organizational capacity, corporate culture oriented to social responsibility and relationships with the different stakeholders and a focus on design and innovation.

Made in Italy

Medical devices, beauty equipment and dermocosmetic products, rigorously Made in Italy manufactured in the Misinto (MB) plant

Execution

Organizational efficiency and close coordination between the Production Department and the Sales and Marketing Center

Excellence

Quality and excellence in our products and solutions, the result of knowledge and experience in biomedical technologies

Sustainability

Culture and corporate identity oriented towards relations with the local territory, the community and all our stakeholders

International expansion

International Growth and expansion

Innovation

Focus on product innovation and business-related R&D activities



2.7 Innovation, Research and Development

As a leading company in the sector, we are always striving for improvement and innovation.

The constant desire to innovate, the cutting-edge technological approach, the drive to achieve excellence and set goals, are the elements that distinguish us and have allowed us to consolidate our position on the domestic and international level. For this reason, we believe it is essential to continue to work, to perfect existing technologies and to always create new ones, promoting constant investment in the Research and Development fields.

At the heart of this process of continuous growth and innovation are our people, Novavision employees, whom we consider a strategic asset. We can count on an excellent team of biomedical and electronic engineers, with high professional profiles in continuous training, to conduct studying, designing and developing activities for new technologies. The specific skills of our team allow us to tackle all the ambitious projects we have set out, which aim to meet the needs of an increasingly competitive and constantly evolving market.

During 2023, we carried out research and development at the Misinto plant, focusing on the study, design and development of innovative systems and equipment. In particular, the following projects have been carried out:

Project 1: Study, design and development of an innovative data collection system and subsequent predictive analysis based on the Internet of things technology (N0108 IOMT);

Project 2: Study, design and development of an innovative body stimulation system (N0132 MSHAPE);

Project 3: Study, design and prototypical development of an innovative regenerative technology for vulvo-vaginal treatments (N0120 DAFNE);

Project 4: Activities of study, design and development of a graphene-based heating system for equipment for the aesthetic and medical market (N0133 EGO).

RESEARCH PROJECTS



2.8

Certifications and qualifying management systems

We take note of the continuous technological evolution of products and applications, of the specific needs of the Customer and of the market on a daily basis, and we want to promote "Quality" as one of the strategic objectives to be achieved and continuously improved, together with profit and good management of the Organization.

We have therefore decided to implement our Integrated Management System (IMS) by means of the Single Manual, considering the latter an integral part of the corporate culture in an objective form, able to disseminate and preserve the experiences of our organization.

We are convinced that the Integrated Management System (IMS) is a necessary and qualifying element as well as a strategic factor to maintain and consolidate our position in the reference market, but above all, management must be the tool to achieve, maintain and enhance the objectives with better efficiency. The Novavision Group S.p.A. Single Manual applies to all the main processes of the organization and it is also integrated, for the development of detail, by the basic documentation such as Management Procedures and Operating Instructions.

Novavision Group S.p.A., in accordance with UNI EN ISO 9001, identifies the object of its activities as:

- **"Design and development, manufacture and technical assistance of electro-aesthetic and electro-medical devices; design and manufacture of displays for point-of-sale and G.D.O. displays; provision of training service for the products/devices manufactured; marketing of cosmetic products; logistics and installation service for G.D.O. points of sale."**

Novavision Group S.p.A., in accordance with UNI EN ISO 13485, identifies the object of its activities as:

- **"Design and development, manufacture and technical assistance of electro-medical equipment and accessories for therapeutic applications in the dermatological, gynecological and physiotherapy fields."**

Novavision Group S.p.A., in accordance with the UNI EN ISO 14001 standard, identifies the object of its activities as:

- **"Design and development, manufacture and technical assistance of electro-aesthetic and electro-medical devices through the stages of assembly, testing and shipping. Design and manufacture of point-of-sale and G.D.O. displays through assembly, testing and shipping. Marketing of cosmetic products. Logistics and installation service for points of sale and G.D.O."**

Novavision Group S.p.A. is also currently compliant with the applicable requirements of Directive 93/42/EU, pending alignment with the provisions of Regulation (EU) 2017/745 which repealed the aforementioned Directive and the European Community's Rolling Plan, for the following types of medical devices:

- **Radio frequency device;**
- **Device for carboxytherapy**
- **Fotobiostimulation and electrostimulation device;**
- **Device for incoherent light treatment**
- **Device for sonication treatment.**

Corporate bodies

Novavision has the legal form of Spa with sole shareholder, and as of 12 March 2019 the company is subject to management and coordination by the sole shareholder Guangzhou Haozhi Biological Technology Co. Ltd located at Yong an Avenue, 63 Huangpu District in Guangzhou, Guangdong – China.

BOARD OF DIRECTORS ⁽¹⁾	
PRESIDENT	Yonglin Xiao
DIRECTOR	Tenghui Huang
CHIEF EXECUTIVE OFFICER	Danilo Crapelli

(1) The Board of Directors was renewed on April 24, 2024, as the mandate conferred on the members of the BoD expired on December 31, 2023.

BOARD OF AUDITORS	
PRESIDENT	Filippo Verzini
STATUTORY AUDITOR	Federico Mottola
STATUTORY AUDITOR	Roberto Polidoro
DEPUTY AUDITOR	Luca Breveglieri
DEPUTY AUDITOR	Cecilia Elena Mottola

AUDITING COMPANY	
	BDO Italia S.p.A.
MANAGER RESPONSIBLE FOR PREPARING THE FINANCIAL REPORTS	
	Stefano Donini

In 2023, the gender breakdown of the components belonging to the corporate bodies described above is as follows.

COMPOSITION OF CORPORATE BODIES BY TYPE OF QUALIFICATION	2023			2022			2021		
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
BOARD OF DIRECTORS	-	3	3	-	3	3	-	3	3
BOARD OF AUDITORS	1	4	5	1	4	5	-	3	3

66% of the members of the Board of Directors fall between the ages of 30 and 50, while the third member is under 30. By contrast, 100% of the members of the Board of statutory Auditors fall into the over-50 category.

26 May 2021 is formally the date from which **Regulation 2017/745 becomes fully applicable**¹, but there is a derogation period in which some of the devices that comply with the Directives may continue to be placed on the market lawfully (legacy devices).

Regulation (EU) 2017/745 provides, among others, some potential critical aspects worthy of attention such as:

- **provisions on the execution of Clinical Investigations on Devices and accessories within the European Union;**
- **increase Patient Safety by introducing stricter procedures for conformity assessment (ensuring that unsafe or non-compliant Devices are not placed on the market) and post-marketing surveillance;**

In this regard, Novavision Group S.p.A. has decided to start the associative process with Confindustria Medical Devices (www.confindustriadm.it), in order to have an additional qualified professional partner who can guide the Organization in the correct application of the aforementioned Regulation.

Membership as an Ordinary Member was approved by Confindustria Medical Devices on November 8, 2021.

2.9 Corporate governance system

Our corporate governance system is based on the 'traditional' organizational model and is developed in accordance with the regulations in force and applicable to the sector. We also take into account the best practices obtainable from the comparison at national and international level.

Main bodies of governance

Shareholders' Meeting	Board of management	Board of Statutory Auditors	Board of directors	Appointed manager
Composed by the shareholders of Novavision S.p.A., it expresses the company's will, deliberating in the manner and on the matters provided for by the Law and the Articles of Association, in ordinary and extraordinary form.	Together with the Board of Statutory Auditors, it is the body at the top of the Company's governance. It is vested with all powers for ordinary and extraordinary administration, except for those that the law explicitly attributes to the Shareholders' Meeting.	Its task is to monitor compliance with the law, the Articles of Association and the principles of proper administration of the Company.	It consists of the front line of the organisation. It has the task of monitoring projects and making appropriate decisions.	Is responsible for the preparation of the company's accounting documents.

The office of Chief Executive Officer has been held since March 28, 2018 by Danilo Crapelli, who also holds the position of General Manager, with the power to supervise, coordinate and implement all the activities related to the fulfillment provided for by the regulations in force regarding hygiene, safety and protection of the health of workers in the workplace, environmental impact, hygiene and safety of food products, as well as all general fulfillments provided for the production, purchase and distribution of all products manufactured, purchased and marketed by the Company.

¹ EU regulation 2017/745 aims to raise standards of product quality and safety while creating a sustainable, innovation-friendly legislative framework that positions the EU as the guarantor of overall health and the smooth functioning of the internal market in the medical device field.



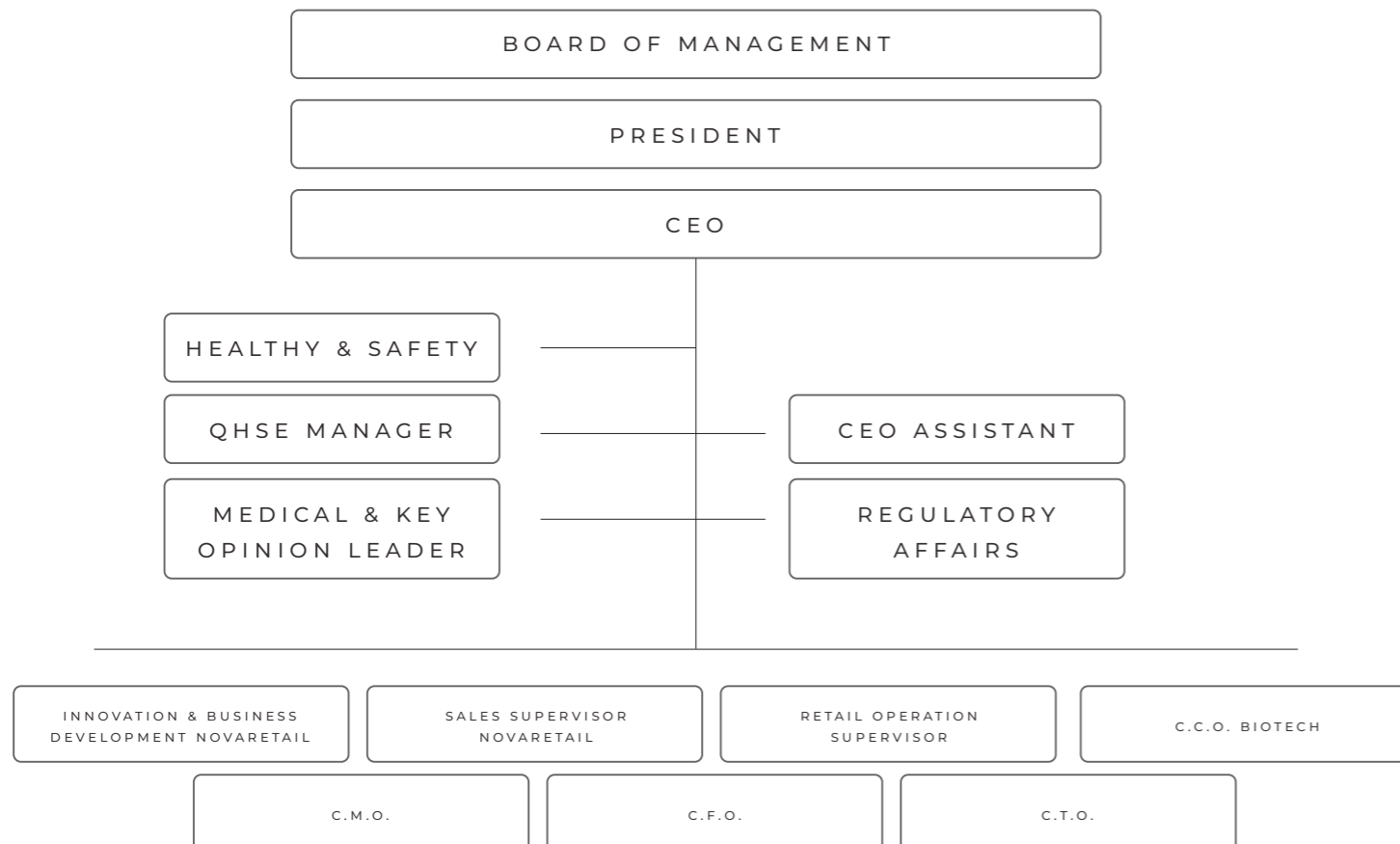
2.11 Organizational set-up

Our organizational model is based on three main activities:

- distribute and allocate objectives and responsibilities among managers;
- grouping units in order to allow the best use of resources and to meet customers' needs more effectively, differentiated by products and markets;
- choosing the most appropriate integration and control mechanisms, as well as the most useful organizational arrangements to ensure the effective functioning of the entire structure.

The development guidelines of the organizational model are based on macro-processes that operate in an integrated manner with the ultimate aim of meeting market needs:

- **Industrial process** ensured by the Retail Operation and Production Departments, which respectively contain the Logistic and Project Management units, as well as the Production Operation, Testing, Warehouse, Production Warehouse, Logistic Warehouse units, all characterized by efficiency, optimization and time-to-market objectives.
- **Market and customer management process** (C.C.O. Novaretail, Innovation & Business Development, C.C.O. Biotech, C.M.O.), characterized by an organization by line of business and distinguished by objectives of effectiveness, customer satisfaction, growth and marginality.
- **Central processes or central line functions** (Health & Safety, Quality System, Regulatory Affairs, Medical Key & Opinion Leader), which oversee certain processes and ensure consistent integration between the industrial process and the Markets and Customers management process.
- The **Corporate Processes** that oversee or supervise the support and staff processes (CFO, Procurement and R&D). The organizational model then declines into an organizational structure as follows.



Note: Organisational structure updated as of April 2024.



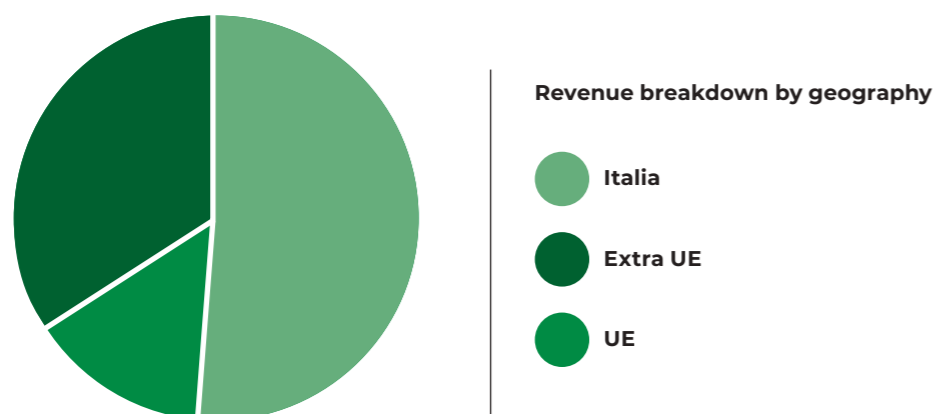
A hand is reaching out of the water, palm up, in a turquoise sea. The water is clear and rippling. In the background, there is a clear blue sky and a distant landmass with green vegetation. A large, light blue, stylized letter 'S' is overlaid on the left side of the image, partially obscuring the text.

**Economic
capital**

3.1 Economic performance

In 2023 we recorded sales and performance revenues of **7.08 million €** (an increase of 8.44% compared to 6.52 million € in 2022), of which **3,620,458 € (51.13%) in Italy, 2,389,730 € in non-EU territory (33.75%), and 1,070,289 € in EU (15.12%)**.

During the current reporting period, a recovery can be seen in the Italian market, which had not initially recovered following the Covid-19 emergency. By contrast, growth in foreign markets continues.



Of the above revenues, 78.09% can be attributed to product sales, the remainder to the provision of services. As for business continuity, the budget prepared and submitted to the board of directors for the year 2024 shows a positive ability to face the market in both economic and financial terms.

Market expansion

In 2021 we launched new business collaborations and partnerships to enter new markets, mainly Africa and India, and 2022 continued under the banner of expansion for the company, particularly in North Africa (Egypt). In addition, despite the geopolitical developments that characterized 2022, we have seen a strong increase in demand from Russia, where, thanks to the collaboration with our distributors, we have positioned ourselves at a mid-high level of the market and are well known. These results really express our desire to achieve our goals of improving competitive positioning in international markets and creating long-term value through responsible management of business, continuous monitoring and effective management of risks and opportunities. In 2023, Russia was confirmed as the first distributor. On the other hand, the North African market is growing, with an important increase in orders from the Far East as well. Good results are also attested in Saudi Arabia in the dermatological radiofrequency market segment.

In addition, as a Group, and as a diagnostic innovation hub, we have entered into a partnership with Demetra Lifecare, a health care facility specializing in women's health care and couple's wellness. The Holding manages and develops health care facilities, research institutes, laboratories and rehabilitation centers in Italy, offering a wide range of services, including gynecology, obstetrics, psychology and osteopathy related examinations; the facility also specializes in issues related to the female lower genital tract, vulvar pathologies and, in particular, vulvodynia.

In the first half of 2024, Novavision expanded its reach abroad, exploring new countries.

Prospect for determining the Global Added Value

The Global Added Value is a socially informative dimension that measures the (economic and financial) wealth produced by the Company with reference to the subjects participating in its distribution.

The Global Added Value is determined by subtracting the costs of services and the consumption of materials, provisions and other operating expenses from the production value, including revenues from sales and other additional income. The extraordinary and incidental components are subtracted from the resulting gross characteristic added value.

In 2023, the total value added was 2.376.354 €, a recovery from the value found in 2022 (2.338.706 €).

DESCRIZIONE	31/12/2023	31/12/2022	31/12/2021
Net operating revenues (turnover)	7.274.087	6.767.611	7.365.561
Change in inventories of work in progress and finished goods, semi-finished products, contract work in progress	49.044	12.086	6.152
Increments in fixed assets as a result of internal work	0	0	0
ACTUAL VALUE OF PRODUCTION	7.323.131	6.779.697	7.371.713
Initial inventories	631.749	580.975	600.127
Purchases	1.795.941	1.679.149	1.755.890
Closing balance	544.069	619.181	596.913
CONSUMPTION OF RAW, ANCILLARY AND CONSUMABLE MATERIALS	1.883.621	1.640.942	1.759.104
Commercial costs	537.214	599.757	559.321
Administrative costs	134.960	85.226	141.881
General costs	2.230.568	1.958.215	2.547.244
SERVICE EXPENSES	2.902.742	2.643.199	3.248.446
ADDED VALUE (FROM ORDINARY OPERATIONS)	2.536.768	2.495.557	2.364.163
Revenues and income from non-ordinary operations	34.913	41.715	165.962
Non-ordinary operations expenses and charges	49.388	40.003	53.097
OVERALL GROSS ADDED VALUE	2.552.293	2.497.269	2.477.028
Depreciation of fixed assets	145.939	158.563	186.762
OVERALL NET ADDED VALUE	2.376.354	2.338.706	2.290.266

Distribution of Global Added Value

The added value, expressed as the economic increase produced by Novavision's activities and distributed to key stakeholder groups, allows the sustainability report to be linked to the annual report.

STAKEHOLDER	TYPE OF REMUNERATION	31/12/2023	%	31/12/2022	%	31/12/2021	%
EMPLOYEES	Wages and salaries, social security contributions	2.033.932	85,59%	2.025.326	86,6%	2.299.004	100,38%
	Annual portion of severance TFR-IFR	121.586	5,11%	177.092	7,57%	150.579	6,57%
GOVERNMENT	Taxes	59.469	2,50%	-56.456	-2,41%	-4.422	-0,19%
THIRD-PARTY FINANCIERS	Financial charges	44.222	1,86%	12.601	0,53%	22.223	0,97%
PARTNERS AND STAKEHOLDERS	Profit	117.145	4,92%	180.143	7,7%	-177.118	-7,73%
DISTRIBUTED ADDED VALUE		2.376.354	100%	2.338.706	100%	2.290.266	100%

Supply chain profile

The sustainability of a product is not only given by the impact deriving from its production and disposal, it begins with a conscious choice of materials and raw materials.

For this reason, the procurement process and the responsible use of natural resources, materials and raw materials represent the backbone of the sustainability strategy that we began to set up in the second half of 2020.

We have a small network of high-profile suppliers: over time, we built transparent relationships with them, creating value not only in the short term but also in the long term. All our suppliers are referred to as "Partners" because what matters to us is the achievement of both our objectives and those of our suppliers, in order to achieve a competitive advantage for both parties.

We work with local suppliers, who ensure the highest standards of quality and reliability, and who show a strong focus on issues relating to respect for human rights, health and safety, the fight against corruption and respect for the environment. We like to define our supply chain as 'Km zero', since our main suppliers are mostly located within a few kilometers of our premises. This choice is dictated by the intention to make our products stand out as 100% Made in Italy, as well as by the desire to support the local economic ecosystem of which we are part.

Even with regard to materials and components that come from outside Europe, where possible we prefer to buy them from local suppliers that can certify the product. During 2023, there were no changes in the profile of the supply chain, and the number of suppliers also remained stable.

Investments

During 2023 Novavision Group invested in research and development for a total amount of 516.038 €, representing 7.29% of total turnover. These investments reaffirm the key role that the R&D laboratory occupies within the Brianza-based company: it is entrusted with the best engineers and specialized designers, who develop and design integrated communication systems for retail chains, while an ethics committee, composed of doctors, engineers and technicians-for the "Medical Aesthetic Division"-is engaged in the study and realization of new, high-performance advanced equipment, mainly intended for the traditional sectors of aesthetics and aesthetic medicine and new sectors such as fitness, wellness and wellness centers.

With regards to fixed assets, 78.16% of investments are for intangible assets (€133,875), including software and intellectual property rights, and the remaining 21.84% for tangible assets (€37,399), such as industrial and commercial equipment.

Efficiency of processes

In 2023, business productivity improved significantly compared with last year, in line with the positive trend already seen in the transition between 2022 and 2021, with an increase in equipment produced by 33.82%.

Equipment production as of 31/12	2023	2022	2021	Difference
Number of devices	368	275	223	+93



3.3 Selection and qualification of suppliers

A quality product is the result of shared standards, cooperation, joint efforts, stable and trust-based relationships with all partners in the supply chain. We believe in the importance of developing ever closer and more profitable synergies and collaborations with those who not only guarantee reliability in production performance but also share our values and expectations in terms of ethical, environmental and social standards.

All suppliers undergo a fast-track qualification process: during the application phase, suppliers commit to the principles and values we hold dear and to ensuring quality and respecting agreements on delivery methods and times. This system is essential to protect ourselves from risks related to the health and safety of workers, and from social, environmental and reputation-related risks associated with non-responsible management of the supply chain.

Purchasing processes follow a well-established operating practice, consisting of the following steps:

- **scouting** (this also includes on-site visits to verify the aspects related to the quality of raw materials and services in supply relationships consolidated over time),
- **internal qualification** (verification of certain prerequisites, critical for Novavision Group, including those related to sustainability),
- **issuing of the purchase order** (this phase possibly involves the signing of contracts and clauses).

In particular, the scouting activity is also conducted to identify new possible suppliers, in order to ensure alternative supplies in the event of supply risks.

There are 318 suppliers involved in the production of our products and services during 2023. The total value of supplies was 3.735.000.00 € of which 62% was the value of supplies from strategic suppliers (28)², of which 65% was located in Lombardy.

Strategic suppliers are those to whom we procure goods and services that Novavision then incorporates into its products and services, which are essential to ensure the company's business. We identify as strategic suppliers those who have stipulated a contract with our company.

Suppliers	2023	2022	2021
Suppliers (no.)	318	360	380
Total value of supplies subject to qualification (mln. €)	3,7	3,6	4,6
Strategic suppliers (no.)	28	31	13
% of total value of supplies from strategic suppliers (%)	62%	73%	24%

The table below shows the breakdown of the budget spent in suppliers by purchase type.

Supplier budget by type (€)	2023
Finished products	1.730.000
Raw materials	550.000
Semi-finished products	850.000
Semi-finished products ⁽¹⁾	575.000
Other	30.000
Total	3.735.000

(1)) Includes consultancy, device design support services, and utilities.

2_ Suppliers with revenues greater than 25k/year are considered strategic for Novavision's business.

Suppliers of materials, raw materials and semi-finished products provide catalog or customised products, which are necessary for the production of both electronic equipment and dermocosmetic products, as well as display areas in some of the most renowned points of sale throughout Italy.

They are mainly located in our area, where very high technical expertise and adequate production capacity is available.

Service providers are those suppliers with high technical know-how to whom we entrust strategic services that we subsequently incorporate into our offers. For this reason, we consider them to be our "Partners", as they assist us in projects and give a significant contribution to improving the quality of our products.

The logistics and installation suppliers provide transport and logistics services, as well as installation activities on the Italian territory at all the locations requested by our customers.

Novavision adopts internal procedures to qualify its suppliers, strategic and otherwise, to ensure a high quality of the offered services at all times. Strategic suppliers are required to sign a contract that regulates their professional relationship. Among the criteria chosen for the qualification of suppliers are timeliness of services provision, the lowest number of non-conformities attributed in the current year and the validation by external certification bodies of compliance with ISO procedures.

Starting from 2020, the internal qualification criteria of suppliers follow the green strategy that the company wants to adopt: suppliers are asked to submit, by means of a specific questionnaire, the sustainable initiatives that they carry out internally. Suppliers who have an environmental certification are given preference when assigning of new projects.

Most suppliers are concentrated in Italy (84%), specifically in Lombardia (60%).

Suppliers by geographical area (no.)	2023	2022	2021
Italy	266	318	332
<i>located in Lombardia</i>	190	212	295
Europe (excl. Italy)	22	21	19
USA	3	2	5
Rest of the world	27	19	24
Total	318	360	380

Environmental and social criteria are also adopted for the assessment of suppliers. From an environmental point of view, we verify that the environmental systems adopted are adequate in relation to the processes carried out by the supplier in his business (adequacy of the management system, measures implemented). From a social point of view, however, checks are carried out regarding the treatment of employees along the value chain, with particular attention being paid to compliance with occupational safety regulations.

Suppliers assessed according to environmental/social criteria (n.ro)	2023
Total Suppliers	318
<i>Of which total of new suppliers</i>	79
Suppliers assessed according to environmental/social criteria	105
<i>of which new suppliers assessed according to environmental/social criteria</i>	59
% of suppliers assessed according to environmental/social criteria	33%
% of new suppliers assessed according to environmental/social criteria	75%

Although the number of suppliers assessed on environmental or social criteria is low compared to the above total, 100% of all strategic suppliers have been assessed among those identified in 2023³. These are suppliers who cover a large proportion of the revenue they spend on purchases and who wholly embrace Novavision's value system and our vision of sustainability as a strategic lever for the future.

3.4 Responsible procurement

The concept of quality also brings along aspects such as health and safety, respect for human rights, environmental protection and, in general, an ethic business conduct along the entire value chain. Being a socially responsible company implies taking on a commitment that extends well beyond one's own borders, embracing the entire supply chain.

Most of the suppliers are strategic partners and that is why the relationship we establish with them goes beyond the economic-commercial sphere. For Novavision Group, in fact, excellence means quality, style and innovation, but also a commitment to promoting a supply chain that is careful and respectful of workers' rights as well as the environment.

Suppliers are required to sign the Novavision Group S.p.A. Code of Ethics, which outlines the principles and guidelines that inspire our activities and guide the behavior and actions of all those with whom we relate. By signing the Code, suppliers agree to abide by these principles and to enforce them on their subcontractors. Violation of the principles established therein constitutes a breach of contract, with the right by Novavision Group S.p.A. to immediate termination of the existing contract, depending on the severity of the breach.

3_With a purchase budget higher than €5,000



A large green number '4' is overlaid on the left side of the image. The background is a vast, mountainous landscape with brown, rocky terrain and patches of snow. Two hikers are visible in the distance, walking along a path. The sky is overcast and grey.

Human capital

Our approach does not only concern the production process, but also the way we work and relate to each other within the company. Corporate well-being is in our DNA, and we give great value to the professional activity of our employees and their ability to contribute to the company's results. We pay attention to the working environment, constantly renewing it so that it is always suitable to meet the needs of our employees.

With regard to the management and development of our collaborators, we have identified a number of material aspects to support business development and competitiveness:

- sense of belonging and motivation;
- growth and talents development;
- technological innovation.

Personnel management policies are aimed at supporting growth in terms of skills, motivation and sense of belonging.

In order to better address the most relevant aspects of human capital management, organizational development initiatives are being continued to accompany the evolution of the organization and people.

These initiatives resulted in specific actions shared within the Management Committee, and implemented through direct actions by the Managers and the Human Resources function, with the support of external consultancy.

In particular, the focus was on:

- growth paths for key resources, for which a technical and management training course is envisioned;
- listening and communication actions;
- process re-qualification and company reorganization projects, also supported by technological innovations.

As also expressed in the Code of Ethics, we recognize that human resources are a factor of fundamental importance for our development, and we therefore guarantee a working environment inspired by respect, fairness and cooperation, enabling the involvement and empowerment of people. The human resources management policy promotes respect for the personality and professional expertise of each person, en-

suring open communication, equal opportunities and impartiality.

Our approach to human resource management focuses on our employees and their integration into the corporate organizational culture, which is essential for their contribution in terms of innovation and flexibility, that are essential for the company's competitiveness in a market in constant evolution. Particular attention is paid to the introduction process of new resources, which does not end with the selection of the candidate, but rather continues with the definition of an introduction program that includes theoretical or on-the-job training and continuous coaching so that the new resource reaches the desired degree of autonomy.

Skill development is a strategic factor for us, so we organize annual training activities with the aim of enhancing both technical and soft skills. In addition to health, safety and privacy, the constant training focuses on both technical and management-related topics of broad interest.

Employee survey

In the previous year, we proposed a company climate survey, with the aim of:

- **assessing the level of employee satisfaction** related to the following three issues: working conditions, quality of relationships, organizational well-being;
- **collecting ideas and suggestions** to improve the company climate and people's satisfaction.

The survey was conducted through a questionnaire consisting of 36 questions, of which 8 on working conditions, 10 on the quality of relationships and 18 on organizational well-being. About 82% of our employees participated in the survey (31 questionnaires returned out of 38 questionnaires delivered). Compared to the 'working conditions' section, 40.3% of the feedback was positive (up from 2021, where the ratio was 35.1%). Positive evaluations were found to be prevalent with regards to the alignment of professional skills with the tasks performed and the appropriateness of working hours in relation to the achievement of objectives.

As for the 'Quality of relationships' section, 49% of the feedback was positive in relation, as with the previous edition, to the existence of friendly environment in interpersonal relationships in the company, the transparency and integrity of the hierarchical managers, the fairness of the managers with tasks assignment and the management and pro-

fessional skills of the managers. Finally, with regard to the section of the questionnaire dedicated to the theme of 'organizational wellbeing', 40.3% of the feedback was positive and concerned aspects related to the company's focus on technological and cultural innovation, the balance between work and personal and family needs, respect for the principles of equal opportunities and organizational well-being, the pleasantness and hygiene of the working environment and the adequacy of occupational safety measures. 33.3 % made remarks on the improvement made regarding the lack of resources and means made available by the company to do their work, the level of dissemination of teamwork culture, and the recognition and enhancement of personal skills.

Novavision is working towards gradually converting the above mentioned feedback into concrete action.

4.1 Personnel

38 people contributed to our results in 2023, of whom 8% were directors, 8% were managers, 63.2% were employees and 21.1% were workers. Compared with the figure at the end of 2022, the total number of employees remained unchanged.

Breakdown of staff by job title and gender as at 31/12/2023	Female	Male	Total
Directors	1	2	3
Managers	1	2	3
Employees	15	9	24
Workers	5	3	8
Total	22	16	38

Breakdown of staff by job title and gender as at 31/12/2022	Female	Male	Total
Directors	1	2	3
Managers	1	2	3
Employees	14	10	24
Workers	5	3	8
Total	21	17	38

Breakdown of staff by job title and gender as at 31/12/2021	Female	Male	Total
Directors	1	2	3
Managers	2	1	3
Employees	13	14	27
Workers	5	4	9
Total	21	21	42

All of our 38 employees work in Italy in the sole Misinto headquarters.

The majority of the contracts are permanent, almost all contracts (92%) are full time. The incidence of open-ended contracts shows our propensity for stable, long-term placement.

Number by contract type as of 31/12	2023			2022			2021		
	Full Time	Part Time	Totale	Full Time	Part Time	Totale	Full Time	Part Time	Totale
Directors	3	0	3	3	0	3	3	0	3
Managers	3	0	3	3	0	3	3	0	3
Employees	21	3	24	21	3	24	22	5	27
Workers	8	0	8	8	0	8	9	0	9
	35	3	38	35	3	38	37	5	42

Number by contract type as of 31/12	2023			2022			2021		
	Tempo Indeterm.	Tempo Determ.	Totale	Tempo Indeterm.	Tempo Determ.	Totale	Tempo Indeterm.	Tempo Determ.	Totale
Directors	3	0	3	3	0	3	3	0	3
Managers	3	0	3	3	0	3	3	0	3
Employees	21	3	24	24	0	24	26	1	27
Workers	8	0	8	8	0	8	9	0	9
	35	3	38	38	0	38	41	1	42

The connotation of our people continues to be that of a young population, the average age in fact is about 40 years.

Breakdown of staff by age group as of 31/12/2020	2023					
	Directors	Managers	Employees	Workers	Total	%
< 30 years	0	0	2	0	2	5,3%
30-50 Age range	2	1	19	1	23	60,5%
> 50 years	1	2	3	7	13	34,2%
Total	3	3	24	8	38	100%

Breakdown of staff by age group as at 31/12/2022	2022					
	Directors	Managers	Employees	Workers	Total	%
< 30 years	0	0	2	0	2	5,3%
30-50 Age range	2	1	19	3	25	65,8%
> 50 years	1	2	3	5	11	28,9%
Total	3	3	24	11	38	100%

Breakdown of staff by age group as of 31/12/2021	2021					
	Directors	Managers	Employees	Workers	Total	%
< 30 years	0	0	3	0	3	7,1%
30-50 Age range	2	3	23	5	33	78,6%
> 50 years	1	0	1	4	6	14,3%
Total	3	3	27	9	42	100%

The majority (about 60%) of our employees is in the average age group 30-50 years.

4.2 Turnover

In 2023, the turnover rate⁴ was 36.8.

In the table below, the figures taken into account were the number of employees recruited during 2023 and the number of employees who left the organization voluntarily, either through retirement or termination of employment.

New hires and turnover	2023				
	No. of employees	No. of new hires	No. discontinued	Positive turnover rate	Negative turnover rate
Women	22	2	1	9,1%	4,5%
< 30 years	2	1		50,0%	0,0%
30-50 years	13	1	1	7,7%	7,7%
> 50 years	7			0,0%	0,0%
Men	16	2	3	12,5%	18,8%
< 30 years	0	0	0	0,0%	0,0%
30-50 years	10	2	3	20,0%	30,0%
> 50 years	6	0	0	0,0%	0,0%
TOTAL	38	4	4	10,5%	10,5%
Total < 30 years	2	1	0	50,0%	0,0%
Total 30-50 years	23	3	4	13,0%	17,4%
Total > 50 years	13	0	0	0,0%	0,0%

New hires and turnover	2022				
	No. of employees	No. of new hires	No. discontinued	Positive turnover rate	Negative turnover rate
Women	21	7	7	33,3%	33,3%
< 30 years	1	3	5	300,0%	500,0%
30-50 years	14	3	3	21,4%	21,4%
> 50 years	6	1	0	16,7%	0,0%
Men	17	2	7	11,8%	41,2%
< 30 years	1	0	0	0,0%	0,0%
30-50 years	11	0	6	0,0%	54,5%
> 50 years	5	2	1	40,0%	20,0%
TOTAL	38	9	14	23,7%	36,8%
Total < 30 years	2	3	5	150%	250,0%
Total 30-50 years	25	3	9	12,0%	36,0%
Total > 50 years	11	3	1	27,3%	9,1%

The figures for 2021 were not reported since, starting from 2022, we chose to use the calculation method provided for by GRI 2021 401-1.

4_ The turnover rate is calculated as the ratio between the number of employees who left the company and the total number of employees

4.3 Diversity and equal opportunities

We promote respect for equal opportunities and diversity as elements of value to be cultivated in line with the principles and values expressed in the Code of Ethics and the regulations governing the issue of human rights.

In 2023, in line with the previous year, no reports of possible discrimination were received. To date, we have not deemed it necessary to carry out specific human rights assessments in consideration of the fact that company activities are not carried out in areas defined at risk.

As for the protected categories, we are committed to fulfill the obligations established by the regulations in force on the subject. In our company the female presence is 58%, an increase of 3 percentage points compared to the previous period, with relative percentages of 33.3% among directors, 33.3% among managers, 62.5% of employees and 62.5% of workers.



Female staff by qualification, as of 31/12	2023		2022		2021	
	Number	%	Number	%	Number	%
Directors	1	4,55%	1	4,76%	1	4,76%
Managers	1	4,55%	1	4,76%	2	9,52%
Employees	15	68,18%	14	66,7%	13	61,90%
Workers	5	22,73%	5	23,8%	5	23,82%
	22	100%	21	100%	21	100%

Women incidence (%), as of 31/12	2023	2022	2021
Female directors/ Total directors (%)	33,3%	33,3%	33,3%
Female managers/ Total managers (%)	33,3%	33,3%	66,6%
Female employees/ Total employees (%)	62,5%	58,3%	48,1%
Female workers/ Total workers (%)	62,5%	62,5%	55,6%

Female staff by qualification and contract type, as of 31/12	2023			2022			2021		
	Full Time	Part Time	Total	Full Time	Part Time	Total	Full Time	Part Time	Total
Directors	1	0	1	1	0	1	1	0	1
Managers	1	0	1	1	0	1	2	0	2
Employees	12	3	14	11	3	14	8	5	13
Workers	5	0	5	5	0	5	5	0	5
	19	3	22	18	3	21	16	5	21

Female staff by qualification and age group, as of 31/12	2023			2022			2021		
	< 30 years	30-50 Age range	>50	< 30 years	30-50 Age range	>50	< 30 years	30-50 Age range	>50
Directors	0	1	0	0	1	0	0	1	0
Managers	0	1	0	0	1	0	0	2	0
Employees	2	11	2	1	13	0	2	11	0
Workers	0	0	5	0	0	5	0	2	3
	2	13	7	1	15	5	2	16	3



4.4 Training and development Novavision academy

We constantly strive to develop our skills through continuous technical, professional, managerial and/or transversal training processes in order to keep the skills of our resources competitive and activate new ones.

Considering that in recent years the company has been undergoing a **generational transition related to the key figures in the plant management**, over the last two years we implemented development programs for the second line through shadow paths, which already implemented in the previous years, but have now been increased.

The inclusion of consultants has enabled the new generation to consolidate their skills, working on self-awareness of their role and experimenting with ways of managing their collaborators through the levers of motivation and feedback.

Training resumed at full capacity after the 2020-2021 period, when the health emergency slowed the process, albeit only partially. The adoption of technological tools allowed us to carry out several training sessions in remote mode.

Thanks to an in-depth course on innovation held in 2019, which involved 26 resources, the skills acquired on the continuous generation of the creative process made it possible to organize weekly calls focused on this theme during the lockdown period, in order to keep the relationship with collaborators alive.

A total of 182 hours of training were delivered in 2023.

Training hours, as of 31/12	2023	2022	2021
Total training hours	182	365	362

In the same period, the average training rate (average hours of training per employee) was **4,79**.

Average hours of training per employee, as of 31/12	2023	2022	2021
Average hours of training per employee	4,79	9,61	7,69

The table below shows the average value of training hours by gender and category.

Average hours of training as of 31/12	2023	2022
Average training hours per employee	4,79	9,61
Average training hours per female employee	1,91	6,90
Average training hours per male employee	8,75	12,94
Average training hours per director	0,00	16,00
Average hours of training per manager	32,00	29,33
Average training hours per employee	3,00	7,46
Average training hours per worker	1,75	6,25

Novavision Academy was founded with the aim of constant training and update through courses, aimed at experts and professionals in the field. The goal is to transfer the basics of biology and anatomy thanks to the skills gained from years of collaboration with professionals in the medical field.

Novavision Academy provides training across the board and not just for the technologies developed by the company: the Academy also supports all stakeholders of the Novaretail division in their training and in the transfer of skills needed to carry out operations correctly and qualitatively at the points of sale on behalf of our customers.

4.5 Smart working

In 2023, a number of company-wide smart working days were contractually defined, along the lines of the project started in 2021 where, however, smart working was mainly used in cases of need.

However, employees typically prefer to work in-house where the exchange of information is much more vibrant and profitable compared to remote working condition.

This decision was taken, however, to facilitate a fair and balanced work-life balance and to increase motivation and involvement of employees.

4.6 Health and safety

We consider health and safety in the workplace a fundamental duty, an integral part of our business and a strategic commitment to the company's wider aims.

For this reason we have drawn up a specific occupational health and safety policy in which we undertake to make human, instrumental and economic resources available in order to ensure compliance with current legislation, prevent any situations of non-compliance and raise awareness among our staff in a spirit of cooperation.

The protection of workers, contractors and visitors is ensured through constant monitoring of the work environments, with the implementation of the highest safety standards on machinery and equipment and with the implementation of training programs and information activities. To this end, particular attention is paid to the choice of Personal Protective Equipment (PPE), in order to constantly check its efficiency and continuously improve its effectiveness in order to guarantee ever higher levels of protection and comfort.

In order to comply with all obligations and give greater scope to safety activities in the company, a workers safety representative and a prevention and protection representative have been appointed. We have a workplace safety management system and apply the safety management procedures with a view to future certification.

Every year we propose training plans throughout the company: In 2023, 82 hours of training were provided on the topic of health and safety, involving 12 employees.

The training sessions, for both new hires and employees, mainly covered mandatory aspects required by national legislation, such as risks related to duties and the consequent prevention and protection measures and procedures specific to the field, the use of work equipment, the management of emergencies and fires, first aid, the organization of company prevention and the rights and duties of the various company subjects.

Measurement of accident trends

Novavision monitors accident trends, with particular reference to the production plant, by means of a series of indices, the most significant of which are the Frequency Index (IF)⁵ and the Severity Index (IG)⁶. These data are not divided by gender because the female employees are mostly engaged with office activities and therefore scarcely significant for statistical purposes.

During 2023, in line with the previous two years, the number of accidents was zero, as was the number of cases of occupational diseases.

5_ Injury frequency index (IF): number of injuries/hours worked x 1.000.000 hours worked

6_ Injury severity index (per thousand hours worked) (IG): total number of days of absence due to injury/hours worked x 1.000

4.7

Welfare

We pay attention to the personal needs of our employees with regard to any health and/or family needs. Although there are currently no structured corporate welfare programs, we have launched several initiatives:

- the agreement with a kindergarten near the offices
- the opportunity to benefit from car wash service
- the possibility of using the washing and ironing service
- agreements with stores and shops near the plant (restaurants, hairdressers, etc.).

We also offer the opportunity to have flexible contracts with smart working mode, spaces dedicated to relaxation and fitness, and finally we organize aggregation activities. In 2023, 35 employees were able to benefit from health care at our company, while no employee applied for parental leave.





**Social and
relational
capital**



Products and brands

We operate in the market with the following business units: Novaclinical, Novaestetyc and IO Skincare (which belong to the Biotech Division), and Novaretail.



Design and manufacture of state-of-the-art electromedical equipment and medical devices.

EVA, 4PLUS, ANIKA, DAFNE, EVPLUS, DPL100, BODYKA PLUS, BODYKA, RADIO4.



Design and manufacture of advanced biotechnology devices in the field of aesthetic medicine and professional aesthetics.

IPERHUMAN, LENSED STAR ONE, EGO, ERA, RADIO4, JET SHAPE, OXYS, PLW, MSHAPE.



Design and production of point-of-sale communication systems.

SHOP IN SHOP, EMOTIONAL ISLANDS, CORNERS, DISPLAY WALLS, VISUAL MERCHANDISING.



Production of dermocosmetic product
BODY AND FACE PRODUCTS.

NOVA VISION GROUP
MAKING FUTURE

NOVA CLINICAL

NOVA ESTETYC

NOVA RETAIL

IO
SKINCARE

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Novaclinical

Leader in the field of aesthetic medicine, dermatology and gynecology, Novaclinical is our business unit that designs and manufactures cutting-edge medical devices (technologies for intimate health, women's well-being and beauty). Constant collaboration and research with universities allow us to play an important role in the reference market.

Our specialized staff follows all stages of in-house device development: from research and development to design and production. All this is done with the help of an ethics committee made up of doctors, engineers and technicians who devote themselves every day to the study and construction of new high-performance technological equipment and to the constant improvement of existing technologies.

To maximize the effectiveness of treatments on end customers, we offer a genuine training path that constitutes an added value for the company, which is now recognized on the domestic and international medical and scientific level.

Novaestetyc

Novaestetyc is our business unit, leader in the field of aesthetic medicine and professional aesthetics, which designs and manufactures advanced biotechnology devices for the domestic and foreign market (face and body treatments in total comfort and safety).

This Business Unit caters to the needs of a continuously evolving sector.

Novaestetyc devices offer face and body treatments in total comfort and safety, through major investments in research and development.

ÍÓ Skincare

After twenty years of experience in the aesthetic and electromedical sector, we decided to devote ourselves to cosmeceutics with the ÍÓ SKINCARE project.

ÍÓ Skincare stands for "I TAKE CARE OF MY SKIN", and skin care is the fil rouge of our project, the one we guarantee with our products, the one we discuss in our articles, the one we divulge in our posts. Taking care of your skin is an exact science, and our goal is to ensure that each individual does it in the right way, which is why the product is only part of a broader process that include information, expertise and innovation. In our daily work, we continuously seek the right balance between science and nature to develop products that can satisfy the needs of the skin.

2023 highlighted the consolidation of the market presence of Pure%, the first line of cleanroom concentrates produced by IO Skincare. All Pure% products are completely free from fragrances, allergens, synthetic antioxidants: 100% active ingredients. Designed to work in synergy with Novavision devices, the products multiply the benefits of electroporation and all the technologies designed to convey them.



Novaretail

Novaretail, leader in its field from 30 years, is a business unit that offers design and production services for point-of-sale communication systems: shop in shop, emotional islands, corners, display walls and visual merchandising.

It is active on the new frontier of Retail which envisages an integrated space where different elements and professions coexist, combining skills to create innovative communication systems.

Novaretail offers a true platform of services: from brainstorming and creative 3D design, prototyping and implementation to installation at the point of sale.

It is specifically aimed at the Italian market, with particular reference to the world of consumer electronics. In particular, it carries out 3D design, digital electronic design, prototyping and production. In addition, it offers logistics services, in particular: automated logistics management, installation with dedicated and qualified staff, 24h assistance and technical support for all facilities in the area, daily reporting with photographic documentation of the installations.

The team has set the goal of raising awareness and responsibility for the supply chain, with particular reference to its suppliers. Novaretail is fully invested in the theme of sustainability, always taking it into consideration with the management and processing of materials, starting from the design phase. In this context, customers are offered the realization of displays with interchangeable components to facilitate their reuse, following the principle of "Refresh, Rework, Restyling" of the structure. This means that the display base is maintained, and appropriate graphics are created on an ad hoc basis that can be exchanged according to the needs expressed by the customer.

This process is complemented by a modular design that can be easily assembled and disassembled so that the product can be easily recovered from the point of sale and restored in its damaged parts in order to give it new life or a new purpose or, where not possible, disassembled in its various parts, facilitating the correct disposal of the various materials.

A further virtuous aspect is the choice of green materials (FSC wood, Green Cast plastics, plastic free packaging, eco-prints) and the consequent choice of suppliers with specific certifications that can be attached to the project and then made known to the end customer. Aimed at raising awareness and empowering its customers, efforts are also being made to proactively propose "green" versions of previously implemented projects or parts thereof, using cardboard-based or environmentally friendly elements.

From a logistics point of view, Novaretail develops its own projects focusing on aspects such as weight and space, so as to optimize transport throughout Italy and avoid multiple journeys. The same attention is required from the logistics teams that support us, so that we can organize material handovers and settings in a unified way. The ultimate aim of this design, in addition to cost-effectiveness, is trying to keep CO2 emissions as low as possible.

The Novaretail team also participates in a round table on the issue of the incorporation of circular economy into the retail world. The aim of these meetings is to connect companies from different levels of the supply chain in order to raise awareness and highlight the needs of the market, to create a starting point for the launch of innovative projects.

To ensure an efficient and continuously improving service, we provide real-time information on logistics processes and point-of-sale satisfaction measurements in relation to the activity carried out by Novavision on behalf of our customers, thanks to an ad-hoc developed IT system developed called "INSIDE".

From October 4 to 6, 2023, the DIVA - Display Viscom Award competition was held, dedicated to display design, POP, packaging, taking place within the exhibition event Viscom Italia

The Novaretail project featured a modular and adaptable display solution to fit different spaces that can be encountered in the apparel industry and can be renewed according to seasonal campaigns.

The keys to the project were light weight of the structure, ease of assembly, but most importantly, the creation of a style signature characterized by easily interchangeable and renewable details for future seasonal campaigns planned according to a mission of environmental sustainability.

Through this project, Novaretail took first place and won two awards:

- **1st place diva 2023 durable display – woolrich by novavision**
- **Diva award 2023 best in show for design: woolrich by novavision (1°durable)**

Recently, we designed the Novaclinical exhibition booth for the Dubai Derma 2024 event.

Our Design Team played a key role in turning business ideas into reality by developing a photorealistic render that met the following requirements:

- Involvement of visitors in the NovaClinical experience;
- optimization of the visitors flow in the available spaces,
- Concrete translation of the Brand identity.

The project required communication and flexibility skills, as well as attention to detail, which we put at the heart of every collaboration.

5.2 Market positioning and new launches

We always focus on our customers and the positioning of our products. Therefore, target definition and positioning strategies form the basis of the work of our Business Units.

Great attention is paid to the dynamics of the offer, market trends and competition, and technological trends. The innovation process also originates from the markets and from customers/users and follows a structured flow that includes steps ranging from the verification of the idea (concept test) to the realization of the final product.

Within the market targeted by NOVARETAIL, customers are important Italian companies (Samsung, Dyson, Panasonic, Woolrich etc ..) with whom we have a long-standing relationship, and who constitute the main source of revenues. Given the very high potential of the Novaretail Business Unit in terms of know-how and expertise, our commitment for 2023 was to expand the number of customers in Italy and exploring the foreign market.

As far as the biotech sector is concerned (NOVACLINICAL, NOVAESTETIC, IO' SKINCARE), our relationship with end customers (Medical Centers, Beauty Centers, etc...) takes place exclusively through distributors, both in Italy and abroad.

In order to give ourselves a proper structure on the market and foster the growth of the Biotech sector in Italy, as well as to stabilize our position on the Italian and foreign market, the Novabee company was created, located in Naples, which took over direct relationships with distributors and end customers from January 1st, 2021.

Thanks to its commercial expertise, Novabee began to operate with the primary aim of expanding and developing Novavision Group S.p.A. products on the national territory, while ensuring a more dedicated focus on customer care.

Novabee has created an innovative business model for the electrical medical products field: as Novavision, we continue to design and produce state-of-the-art machinery, while Novabee is dedicated to their positioning and to adopting the best sales strategies, also to enhance the high technological innovation, the key principle of the products produced by the Group.

Novabee employs professionals from the pharmaceutical, para-pharmaceutical, marketing and e-commerce fields, with experience in managing sales networks. Their goal is to put together the knowledge acquired in their respective fields, in order to expand the market by improving our products and services.

The Novabee project envisaged an enhancement of the current offer through more complete and articulated product services, starting from the analysis of the customer's needs, certainly interested in the quality of Novavision devices, but also in the search for a partner that can guarantee assistance at many levels, both for the best use of the products and for the development of the potential they offer to their activities.

As for the Italian market, Novabee is focusing on the area of intimate care (women's intimate health), which is still underdeveloped in Italy, using our technologies in treatments for pathologies that affect women in the post-partum and menopausal phases. Physiotherapists specialized in pelvic floor treatment are also gaining ground in this sector, working alongside doctors and gynecologists.

As for the international markets, we are traditionally present in the East and Far East and we are starting to explore countries in Central Africa, South Africa as well as India. In the Middle East we offer our own technologies and our partner supports us in the sales, presentation and distribution process, especially by contributing to the communication.

In addition, we are resuming expansion on the European market with a good presence of France, UK, Germany, Portugal and Switzerland. As for the rest of the world, in 2021 we started a relationship with

a major distributor in Colombia and registered our devices in Russia, where, in 2023, relations with the market intensified and several publications were also produced, bringing about a significant growth in commercial terms (+40%).

In the previous year, Novabee started a partnership with the Douglas Group. The aim of this partnership was to create beauty lounges within Douglas stores, run by Novavision, where customers have the opportunity to experience treatments provided through the support of the Group's technologies. The first collaboration stage, which saw the opening of five pilot centers, ended in 2023; two beauty lounges were opened in Milan, plus three more in Bologna, Rome and Palermo. The new Lensed Star One was added to the two products initially available at the lounges, Ego and Era.

In 2024, the second phase of the collaboration will start, which will involve the construction of new pilot centers in other Italian cities.

In 2021, we launched two new products on the market, that were made available in 2022, both in the intimate care sector: Dafne and Anika. The first consists of a purely gynecological device and has been a huge success on the market.

This is the result of a bundled sales model based on multiple technologies. Anika, on the other hand, is our first experience in the world of carboxytherapy, a slightly more invasive method, but without any pain on the part of the patient.

During 2023, the research and development of new products continued in various areas, with EVPlus from Santec being pursued in the gynecological area, which allows for significant delivery of a given active ingredient, which can be done by electrical stimulation rather than by syringe.

Another important project of ours is EGO™, a skin regeneration device that combines the traditional and comforting value of manual massage with all the advantages of the latest available technologies, namely photobiostimulation, electrostimulation, and bio-electric stimulation.

Another product, already presented in the previous exercise but only placed on the market in 2023, is MShape™, a device designed to carry out targeted high-intensity action on the affected muscles without the risk of overtraining and without side effects, while also stimulating cellular metabolism, facilitating the production of collagen and elastin.

Our product, for which two patents have already been filed for the face and copro parts, respectively, was presented at IMCAS 2023 in Paris and Dubai Derma 2023.

Innovation initiative

We are currently developing, in collaboration with Novabee, the idea of providing "turnkey" or "concept" centers to possible interested parties. Using the expertise gained through Novaretail, we intend to create transversal synergies between the different business units, providing four real stores with our equipment in Sicily, focused on the world of fitness.



5.3 Customer experience

Progress and success are based on the complete satisfaction of our Distributor Customers, on their trust and loyalty, acquired and maintained through the quality of our products and services, of our Quality Management System, Social Responsibility, the Environment, the Safety of our human resources that ensure speed, flexibility and efficiency in all activities.

We give a central role to our customers: companies, distributors, professionals, end users and patients. Each point of contact is an opportunity to welcome and get to know but also to tell our story and get others involved. Designing products with a clear view of the customer's point of view is the approach that distinguishes our activities and ensures consistency towards a single goal: to improve the customer's shopping experience by involving them more and more in the world of Novavision Group.

Recently, we launched the NovaCare concept, which translates into taking care of our distributors through daily support, continuous training and information, support for them and for their customers for all problems that may arise with the use of devices.

One of the qualifying aspects of working alongside our distributors is the training we provide in presence and/or remotely to the operators who use our equipment. Through Novavision Academy, we teach how to make the best use of our equipment by expanding training to also relevant methodological aspects with respect to the different conditions of use, since there are no standard parameters in our field and patients are all different.

Trust is the foundation of our relationship with distributors and commercial partners, which is also monitored through a customer satisfaction questionnaire that we periodically submit in order to assess their degree of satisfaction.

Biotech

During 2020-2021 we developed a sales and after-sales process in the Biotech field, based entirely on customer/distributor satisfaction. Our team of highly qualified personnel supports the distributor during all stages of the sale, from both the technical and commercial point of view: it trains the sales staff and supports them during "double visits" in the areas, it attends and presents Novavision technologies in workshops organized for an audience of leads/customers, it trains the area specialists to guarantee a constant and professional support to the end customer. Novavision also shares and guides the distributor in implementing geographically tailored marketing plans and consistently provides its partners with material that is in line with the company's visual identity and that can be used for social campaigns.

The after-sales activity is an integral part of the customer experience. Our Customer Care unit, made up of a team of people able to communicate in multiple languages (English, Spanish and French), is able to provide distributors and very often final customers (Doctors and Operators of Medical Centers and Aesthetic Medicine Centers) with comprehensive and satisfactory answers. To date, we have no evidence of complaints due to malfunctioning of the devices or lack of information on their correct use.

Retail

Customer companies use the store space as a marketing and communication tool to give the brand maximum visibility. This is where our team comes in with the design of exclusive structures.

Consumers are constantly looking for new places to shop and new store experiences, so we constantly try to think of a design that can make our customers' products spectacular with a highly positioned image.

For this reason, we have acquired the connotation of a tailoretail company, with the tailoring skills of an Italian contractor. It is not simply a style exercise, but the ability to transform the location, made possible thanks to a background of many years of experience. In order to respond to a constantly evolving market, we have expanded our skills to meet the new needs of points of sale: software platforms capable of managing digitized communication.

Training as a strategic factor

Training is a crucial factor for all our collaborators, especially within the biotech sector, in the growth path of specialists and consequently in their ability to build a positive relationship with distributors. Among the trained specialists, we select one of them, who in turn will provide training to all distributors worldwide.

Novavision Academy provides free and mandatory training to distributors along with the sale of the device. Distributors are also trained on service, to be able to provide local support on devices. The training activity is also supported by informative materials, technical manuals and videos.



5.4 Product quality and safety

We have always paid great attention to the safety of our products, particularly biomedical products. To ensure full compliance with regulations and a high level of safety for users of medical devices (including operators), we have set up a Technical-Scientific Committee, made up of members with proven excellence and leadership in the pathologies addressed by our devices. This collaboration, which slowed down following COVID-19, resumed in 2022 with the aim of creating a team of experts, each with their own specialization.

Scientific publications and research carried out in collaboration with the most prestigious universities validate the ongoing work of the Novavision Group S.p.A. scientific board, which constantly monitors the development of the application protocols of our devices. In 2022, our technologies have been the object of 4 scientific publications. During their research and design activities, the research and development department is focused on fully satisfying the requirements illustrated in the figure.

With regard to safety and comfort, our research and development team also pays particular attention to the operator, minimizing any risks due to the use of the equipment as much as possible (electromagnetic emissions, shape and design, ...) and maximizing the comfort during treatment thanks to specific research, analysis and testing related to the ergonomic aspects of the equipment (shape, weight, supports, etc ...) and related accessories.

Collaborations with the academic world and health structures

The success of our equipment is largely connected to the stability of the scientific aspects deriving from the clinical studies that have been produced over the years and which demonstrate the results and good functioning of our devices. The first pilot study dates back to about 7 years ago and was conducted in collaboration with the Pavia Hospital. To date, as Novavision, we have 15 publications in the field of women's intimate health. More recently, we have started a collaboration with the Humanitas Clinical Institute in Milan, which has hospitals and around thirty private medical centers that have an agreement, to research a more holistic approach to women's health. Some of our medical devices have also been available since 2019 at the Mangiagalli Hospital in Milan⁷, with 3 clinical studies and 3 types of patients.

Novavision continues its constructive collaboration with academia: in 2023 these collaborations led to new studies.

Novavision Technologies

We develop highly specialized and non invasive technologies, respecting the natural physiological processes of the human body, thus obtaining effective and comfortable treatments.

DQRF™ (Dynamic Quadripolar Radiofrequency) technology allows energy to be focused on the affected tissue layer through a self-guided system, drastically reducing the power of use and thus focusing the energy on the tissue target to be treated.

The unique VDR™ (Vaginal Dynamic Radiofrequency) technology, which represents the evolution of Dynamic Quadripolar Radiofrequency, allows the thermal effect to be focused on the epithelial and subepithelial layers of the vagina in the most selective way possible. The technology is able to guarantee total configurability, starting from protocols to adapt the treatment to the patient's needs, choosing the depth of action and the specific tissue target.

RSS™ (Radiofrequency Safety System) is the safety system that makes treatments truly safe for both the patient and the operator. The device is able to continuously monitor the temperature reached by the tissues, reducing the risk of burns to zero. The device also monitors the operator's movement, providing support during the session and ensuring effective treatment at every stage. The RSS™ technology also directly protects the patient, who will have total control of the session: thanks to the Bio-Feedback the patient will be able to stop the therapy with a simple button, becoming actively involved in the process.

7_ This collaboration sees the involvement of Professor Paolo Vercellini, a leading personality in gynecology in Italy

UPR™ (Ultrapulsed Radioporation) is our most innovative technology which, using high-energy micro-pulses, allows to increase the permeability of cell membranes and the opening of aqueous channels, allowing active substances to flow.

DQMETM (Dynamic Quadripolar multiple Energy) is the technology that, providing a complete solution for muscle training, toning and body reshape, combines different types of energy such as Electric Bio Energy (EBE™), which consists of variable frequency sinusoidal currents that generate physiological and dynamic contractions, and Static Magnetic Energy (SME™): static magnetic fields capable of acting on the action potential of the cell, which is the primary activity for communication and activation of cellular processes.

In a rapidly changing and increasingly connected world, Novavision firmly believes in the creation and development of the IoMT™ (Internet of Medical Things) concept. The equipment is, in fact, prepared for continuous upgrades of the Internet of Medical things, thus always offering up-to-date devices. This new approach makes the company available anytime and anywhere for its customers: services, remote assistance, online training and protocols, updates, data storage. At the same time, users become members of the IoMT™ community, taking advantage of the continuous support of the scientific board and the possibility of sharing experiences with colleagues from all over the world (personalized protocols, special cases, medical history, follow-up data). The professional user offers their patients unique benefits, such as access to the history of the procedures, wearable devices, advice, suggestions on treatments and personal reminders. Furthermore, all this also paves the way for an approach connected to the concept of preventive medicine, with the possibility of creating homogeneous groups of people with the same characteristics.

Remote monitoring of electromedical devices

Recently, Novavision has started to set up and implement the use of big data for in-depth analysis of the treatments and technical conditions of the equipment.

The electro-medical devices are all 4.0 and are therefore subject to remote control, through connection with our central databases. This configuration makes it possible to track all the functions performed by the device (e.g. number of applications carried out, type of treatment requested, execution times, etc.).

The development of a special customer area carries on, where users of the treatments will be able to leave feedback on the quality and outcome of the treatments themselves, in order to better customize the service. In the future, some data will be made available directly to distributors and end customers.

Technological updates and upgrades

In order to safeguard our customers' investment, we have started a process of presenting and updating of the upgrades created for our technologies that are already on the market. New accessories are placed on the market, that allow the upgrading of the old equipment in order to give them new life (the upgrade can be done remotely and completely free of charge).

Evolution of the legislation on medical devices

As of May 26, 2021, Regulation (EU) 2017/745 is fully applicable. The Regulation amends the rules governing the Medical Device system, taking into account the developments of the last twenty years, with the aim of ensuring a robust regulatory framework, suitable for maintaining a high level of safety.

National authorities, notified bodies, manufacturers, economic operators, health institutions and the other parties involved will need to work together to improve the medical device system within the renewed regulatory framework provided by the regulation.

Regulation (EU) 2017/745, based on the principles of the New Legislative Framework, in compliance with the principles of the New Approach, aims to raise product quality and safety standards while creating a sustainable, innovation-friendly legislative framework that places the EU as the guarantor of overall health and the smooth functioning of the internal market in the medical devices sector.

Below are the nine most innovative themes of MDR (EU)⁹ 2017/745:

- More detail on the Clinical Evaluation process, with the Post-market Clinical Follow-up applied for the entire life cycle of the device;
- Need to carry out a precise reclassification of the devices;
- New obligations and responsibilities for Economic Operators;
- Stricter requirements for the designation of Notified Bodies and increased control and monitoring by the Competent Authorities and the European Commission
- Obligation to identify and empower the Person Responsible for compliance with MDR Regulation (EU) 2017/745;
- Stricter Post-Market Surveillance (PMS) and monitoring;
- Greater definition of the Technical Documentation to be drawn up;
- UDI system (unique device identification) to strengthen the traceability of medical devices;
- EUDAMED: European database that collects the references of all Medical Devices and In Vitro Diagnostic Medical Devices in a single database.

These important innovations represent a further challenge for our Biotech team and an incentive to do better and better.



5.5 Project Novacert

We protect our target customers on everything that bears the Novavision signature.

NOVACERT is an authentication system for the protection of the B2B, B2C market and for the protection of the group itself. Each device is equipped with a recognition tag, based on a QR CODE image, and in the future on NFC technology, through which the user can access an informative page that certifies the originality of the product, its origin and the maintenance status.

In the space of 12 months, between 2019 and 2020, we have made all the devices in production traceable, as well as all additional components, consumables, certifications and official communications.

The user will find a symbol like the one shown above on each device, a label for paper documents. By simply reading the QR CODE, or in the future by bringing the mobile device closer to the brand, the user is taken directly to an informative page with all the product and communication specifications.

The world of counterfeiting is growing more and more every day, even in the medical and aesthetic sector. Not only for patented technologies but also for additional components, such as device accessories. The group has therefore decided to protect its direct buyers as end users: not only against counterfeiting, but also against poor device maintenance.

Through the NOVACERT system it is also possible to trace the maintenance history of the product, allowing the end user to be sure that the professional is using a compliant device for his treatments. The symbol represents transparency between us and our customers/users.

Trade fairs and events

In 2023, Novavision participated in the 24th IMCAS, the congress on dermatology and reconstructive plastic surgery held in Paris from January 26 to 28.

In March 2023, we participated in Dubai Derma, the event dedicated to skin care, together with Nova Mea, one of our distributors.

Our attendance at both events has already been reconfirmed for 2024. Furthermore, we are actively committed to donating part of the proceeds from sales of devices that remove scars, to associations committed to supporting and protecting women who are victims of violence.

We are also pleased to share the experience of our participation, in September 2023, in a distinguished event dedicated to our gynecological device, EVA: hosted by our Russian distributor Astraea, the occasion was organized to celebrate EVA's 5 years of presence in Russia and its remarkable success among Russian clinics and hospitals. We had the privilege of engaging in in-depth discussions with esteemed medical professionals on clinical cases related to gynecological challenges.

5.6

Novavision community involvement

A group is born when several people share the same goal. Being aware that the individual will never be as strong as the team is what moves Novavision Group's vision. These are the core values on which we base our actions, both within and outside the company.

The goal of the group is never just to win, or to achieve a result, it is always the group that counts, the synergy between the parties, the shared path that leads the team to the finish line, and there is no need to be a leading company in the Biotech and Novaretail sectors to take advantage of this philosophy.

We are a team every day, in our laboratories, in our offices, when we collaborate with universities or with doctors from all over the world for our research, but we are also a team when we choose a nursery near the company, facilitating our employees' role as parents, promoting smart working or designing a Relax area.

The same group strength led us to open a gym area within the company, aware that the physical and mental health of our employees can also benefit from sporting activities. The team and the collaboration between the parties are what characterize Novavision but also what the company wants to convey to the outside, to society and especially to young people. Every year we open the doors of our Headquarters to high-school graduates, as we believe it is vital to strengthen the school/work link, which is so precious for students who are about to embark on their career path.

In order to convey the same message to the youngest, we sponsor small sports clubs with a winning mindset, as, in addition to training body and mind, they train young people to collaborate, share and play as a team: a striker knows that his goals will not be enough to achieve a perfect game, good defense and perfect teamwork are also needed. Novavision Group S.p.A. does not support these realities for the victories or the results on the field, but for the inherent values of "being a team" as a life goal.

The team is what we do, what we pass on to the youngest, what we communicate to society: the team is what we are.

In 2023, we continued to support the two sports associations ASD Volleyball Arosio and the ASD Cogliatese, as we did in previous years.



ASD PALLAVOLO AROSIO

ASD PALLAVOLO AROSIO is a club that celebrated its 35 years of activity in 2017, regularly affiliated to the Italian Volleyball Federation (FIPAV) and to the National Olympic Committee (CONI) with over one hundred registered athletes.



ASD COGLIATESE

ASD Cogliatese is a sports and educational project closely linked to the activities of the Cardinal Minorette Oratory, which for over sixty years has trained several generations of young people from Cogliate and beyond, united by a passion for football.

5.7 FAI membership (Italian Environmental Fund)

Since 2019, we support the FAI (Fondo Ambiente Italiano)⁹ by participating in the Corporate Golden Donor corporate membership program, for the protection and safeguard of the artistic and natural heritage of our country.

Breathtaking landscapes, art, culture and history in every corner make Italy one of the most beautiful and fascinating countries in the world. Millions of years of history and many different civilizations have contributed to making Italy's artistic and cultural heritage one of the most important assets for the whole world. This is why it is essential to find innovative ways to be able to support it and protect it in the best possible way to preserve it and pass it on to future generations.

Together with FAI, we want to carry out a great preservation project that is also an ambitious cultural challenge: to make Italy a more beautiful place to live, work and raise our children. The landscape and cultural heritage that FAI safeguards and promotes represents a unique capital in the world and a fundamental resource in which to invest to revive, develop and enhance our wonderful country.

Thanks to the support of its numerous members, both private individuals and companies, FAI has been protecting and managing 64 assets throughout the country for over 40 years. Important historical, artistic and landscape sites have been saved from neglect, restored, protected and opened to the public.

Every day FAI undertakes to protect and make the splendid expressions of art, nature and culture scattered across countrysides, cities and the coastlines of our country available for everyone; to educate and raise community awareness about knowledge, respect and care for art and nature, and to act as spokesperson for the demands of civil society by actively monitoring and intervening in the area. With FAI, we want a more protected and beautiful Italy.

"At Novavision, we are very committed to protecting the environment, an element we deem essential to our business model. In the same way, we believe it is essential to embrace the FAI cause to protect the history, the art and all the unique places that make Italy one of the most beautiful countries in the world" (Danilo Crapelli, CEO of Novavision Group).



⁹ FAI is a non-profit association, active since 1975, which is committed to the protection, safeguard and enhancement of the Italian artistic and natural heritage. Through the restoration and opening to the public of historical, artistic or naturalistic assets received by donation or inheritance, FAI's primary objective is to educate people to respect and care for the cultural heritage of Italy.

A landscape of sand dunes under a clear sky. In the distance, a range of mountains is visible. Three people are standing on the crest of a large sand dune. A large teal graphic, consisting of two overlapping circles, is positioned on the left side of the image. The text "Natural capital" is written in white, bold, sans-serif font within the inner circle of the graphic.

**Natural
capital**

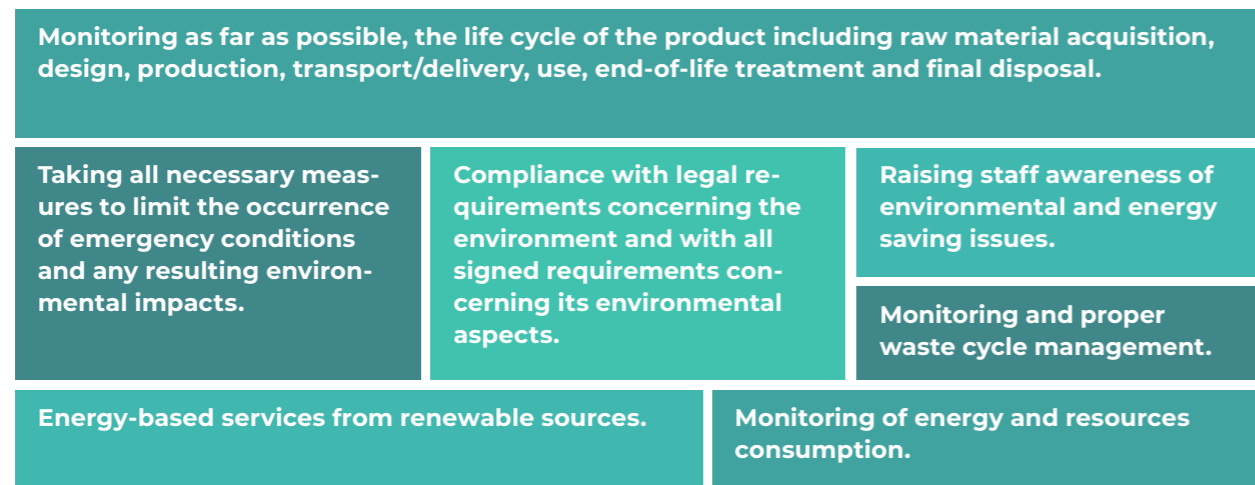
6.1 Environmental policy and management system (SGA)

In 2021 we voluntarily joined the ISO 14001 Environmental Certification, the reference standard for our organization, which allowed us to adopt a systematic approach to environmental management at all levels and functions of the company, and at the same time specify the requirements of our Environmental Management System (SGA).

For us, being ISO 14001 compliant means:

- analyzing the numbers and percentages of our emissions and of the use we make of resources;
- defining an internal and external company policy;
- continuing to define, implement and maintain on a daily basis the activities, procedures and records envisaged by the requirements of 14001, following the PDCA model (Plan-Do-Check-Act, also called Deming cycle) that inspires ISO 14001;
- investigating the legislative framework and the requirements that we can apply to our production, and above all carefully evaluate the impact that our work has on the environment.

The main courses of action that we intend to pursue are shown in the figure.



To ensure compliance with these principles, we intend to: apply a preventive approach to the management of environmental problems, adopt a sustainable conduct, periodically review the effectiveness of our Integrated Management System (SGI) by verifying the achievement of objectives and targets set for the purpose, and finally to communicate this Policy and Objectives and the applicable elements of the system to all personnel working for Novavision Group S.p.A., or on its behalf, so that they can adapt to it while performing the tasks entrusted to them.

6.2

Environmental assessment

The Environmental Analysis is of fundamental importance for the correct application of our Integrated Management System (SGI), since it allows us to set and define the Key Performance Indicators (KPI) and, consequently, the S.M.A.R.T. goals (Scalable, Measurable, Achievable, Relevant, Time Based).

The contents of the environmental review have been prepared taking into account relevant environmental aspects, particularly:

- the territorial context in which Novavision Group S.p.A. operates and manufactures its products;
- the identification of the environmental aspects, considering not only normal operating conditions, but also abnormal and emergency conditions;
- identification of the applicable legal constraints, taking into account both the regulations in force and the provisions signed by Novavision Group S.p.A. ;
- examination of the practices and procedures already existing in Novavision Group S.p.A., which takes the form of a qualitative and quantitative analysis of the various covered topics and proposals for improvement;
- the assessment of any environmental anomalies and emergencies that have occurred in the past.

Our Environmental Analysis is applied to all processes and activities related to the scope of our Integrated Management System (SGI).

The impacts of the company with regard to the following environmental issues are briefly described below: energy efficiency (energy consumption), use of chemical products, emissions into the atmosphere, use of water resources (water consumption and water discharges) and waste management.



6.3 Energy efficiency

Our focus on energy efficiency issues is demonstrated by our commitment to maintain an updated dashboard containing data on energy consumption and to undertake improvement actions aimed at improving the energy performance of the company.

Our energy consumption is mainly represented by:

- electricity used in offices and for running operational facilities;
- methane supplied solely for heating;
- automotive fuel for vehicles available for service activities.

Energy consumption consists of the sum of fuel consumption from non-renewable sources (methane), and consumption of electricity from non-renewable sources and renewable sources from photovoltaics.

The organization's specific internal energy consumption, calculated according to the reporting standard used (GRI Sustainability Reporting Standard 2021), amounted to 825.49 GJ, a decrease from consumption in 2022 (873.8 GJ) and a clear reduction from 2021 (1,117.2 GJ). In 2021, we continued the initiative started in 2020 for the adoption of a new lighting system, both internal and external, based on LED (Light Emitting Diode)¹⁰ technology. The project ended in May 2022.

It is thanks to this method, coupled with the introduction of automatic plant shutdown, that the company has been able to drastically reduce its consumption.

As for our photovoltaic system¹¹, located on the roof of H.N° 29, consumption for 2023 amounted to 109.88 GJ¹². It is, however, a renewable energy source, the increase of which will compensate for the positive reduction in the use of non-renewable sources.

Energy consumption of the organization (GJ) ¹³	2023	2022	2021
Consumption of non-renewable fuels	290,73	265,00	444,50
Natural gas (methane) for heating purposes	290,73	265,00	444,50
Electricity	534,76	607,92	672,80
From non-renewable sources (H.N° 29)	334,37	388,52	487,20
From non-renewable sources (H.N° 19)	90,50	93,36	108,90
From renewable sources - self-produced (H.N° 29)	109,88	126,00	76,70
Percentage of consumption from renewable sources	13,31%	14,42%	6,87%
Total	825,49	1.117,2	1.117,20

In 2023, a slight increase (9.71%) was observed in the consumption of methane gas used for heating, amounting to 8,029.00 smc (7,408 smc in 2022), while with regard to electricity purchased in 2023, a value of 118,021 kwh was found, a decrease (-12.03%) compared to the previous year (133,866 kwh in 2022). This reduction is due to optimized consumption, also in view of the energy crisis that peaked in 1Q 2022.

10_ LED lamps guarantee greater energy efficiency, as they consume up to 90% less than old incandescent bulbs, using minimal part of the energy consumed by an incandescent or halogen bulb, and generating a luminous flux 5 times superior. The development of heat is also minimal. They remain cold even after many hours of operation and can be powered by renewable energy. Furthermore, unlike compact fluorescent bulbs, LED ones do not contain toxic elements such as mercury that is potentially harmful to the environment.

11_The photovoltaic system has been installed in July 2010. It has a power output of 33,696 KWP and a roof area of 600 m².

12_The system's recorded consumption allowed us to reduce 200 tonnes of CO₂, and are enough to recharge 9,407 cars.

13_ In 2023, conversion factors from the DEFRA 2023 (UK Department for Environment, Food and Rural Affairs) database were used to calculate fuel consumption expressed in GJ.

Greenhouse gas emissions (scope 1)¹⁴

Scope 1	Direct greenhouse gas emissions come from sources that are owned or controlled by the company.
Scope 2	Indirect greenhouse gas emissions from the farm's purchased electricity or heat generation.

Direct emissions (scope 1) - tCO ₂ e	2023	2022	2021
Standard natural gas (methane)	16,30	14,93	24,94
Carpooling fuel ¹⁵	11,30	11,00	11,30
Total scope 1 emissions	27,67	25,92	36,24

Indirect emissions (scope 2)¹⁶

For 2023, Novavision Group calculated the emissions resulting from the generation of purchased or acquired electricity (scope 2), using two methodologies:

- the location-based methodology, which takes into account the average intensity of emission factors related to energy generation for defined geographical areas;
- the market-based methodology, which considers the generator emissions that an organization has intentionally and contractually chosen for its energy supply.

Indirect emissions (scope 2) - tCO ₂ e	2023	2022	2021
Indirect scope 2 emissions (location-based method)	36,46	41,35	44,36
Indirect scope 2 emissions (market-based approach)	53,95	61,20	75,60

Total greenhouse gas emissions - tCO ₂ e	2023	2022	2021
Scope 1 + scope 2 (location-based method)	64,12	67,28	80,60
Scope 1 + scope 2 (market-based method)	81,62	87,13	111,84

14_ For the calculation of Scope 1, conversion factors from the DEFRA 2021, 2022 and 2023 (UK Department for Environment, Food and Rural Affairs) database were used.

15_The conversion factor 150 gr CO₂/Km was used for the calculation of CO₂ emissions referred to carpooling only.

16_ For Scope 2 calculation ("location-based" method), emission factors used to transform different energy quantities into tCO₂eq are taken from Ispra Report 2021, 2022 and 2023. For the Scope 2 calculation ("market-based" method), the emission factors used to transform different energy quantities into tCO₂eq are taken from European Residual Mixes "AIB" 2021 and 2022 (latest version available as of the date of this Report).

6.4 Use of the water resource

For offices, production departments and warehouses, we only draw water for civil use through the public water supply system. The water supplied is for drinking and sanitation purposes only. No water is used in the production processes. The quantities consumed are periodically measured, falling within the parameters of the company's KPIs (Key Performance Indicators).

The goal is to reduce water consumption to minimize the environmental impact by studying and implementing innovative processes and raising awareness among operators in order to reduce the use of water resources.

Water consumption (mc)	2023	2022	2021
Consumption H.N° 29	315	449	900
Consumption H.N° 19	143	86	365
Total	458	535	1265

6.5 Management of chemicals

Our activities do not involve regular use of chemicals, except sporadically and as needed, and in any case in limited quantities. The annual consumption quantities are to be considered insignificant in reference to the Environmental Analysis and as confirmed in the assessment and drafting of the company DVR (Risk Assessment Document). We operate in full compliance with the most stringent international legislation applicable to hazardous or potentially hazardous chemicals, including the European REACH regulation¹⁷. Finally, the chemicals used are stored in accordance with the Safety Data Sheets and reassessed against the Reach releases and included in the corporate DVR.

¹⁷ REACH is a regulation of the European Union, adopted to improve the protection of human health and the environment from the risks that can arise from chemicals, while increasing the competitiveness of the EU chemical industry. It also promotes alternative methods for the assessment of the hazards that can arise from substances, with the aim of reducing the number of tests carried out on animals.

6.6

Atmospheric emissions

The main emissions related to our activities derive from "directly managed processes" (exhaust gases produced by the vehicles used) and "indirectly managed processes" (exhaust gases produced by vehicles used by suppliers and subcontractors for the transport of raw materials, semi-finished and finished products).

For directly managed processes we adopt a management approach that aims to keep activities under control in order to avoid environmental problems.

The 2023 figure is in line with data from the previous two years, highlighting the Society's commitment to reporting on other possible sources of pollution that we intend to assess and keep under control, such as heating and air conditioning systems. For both, the scheduled annual maintenance is carried out by authorized external companies. The available records show the level of control of these systems, which have not yet caused any particular problem or anomaly in the combustion and fluorinated gas tests.

Finally, another factor that we take into consideration (indirectly managed processes) is the fuel consumption by suppliers' and subcontractors' vehicles for the transport service of raw materials, semi-finished products and finished products, for which data of the emissions is currently unavailable.

CO2 Emissions from transport in car pooling (ton CO2) ¹⁸	2023	2022	2021
Vehicle emissions	11,3	11	11,3
Total	11,3	11	11,3

¹⁸ For the calculation of CO2 emission, the conversion factor of 150 CO2 gr/Km was used



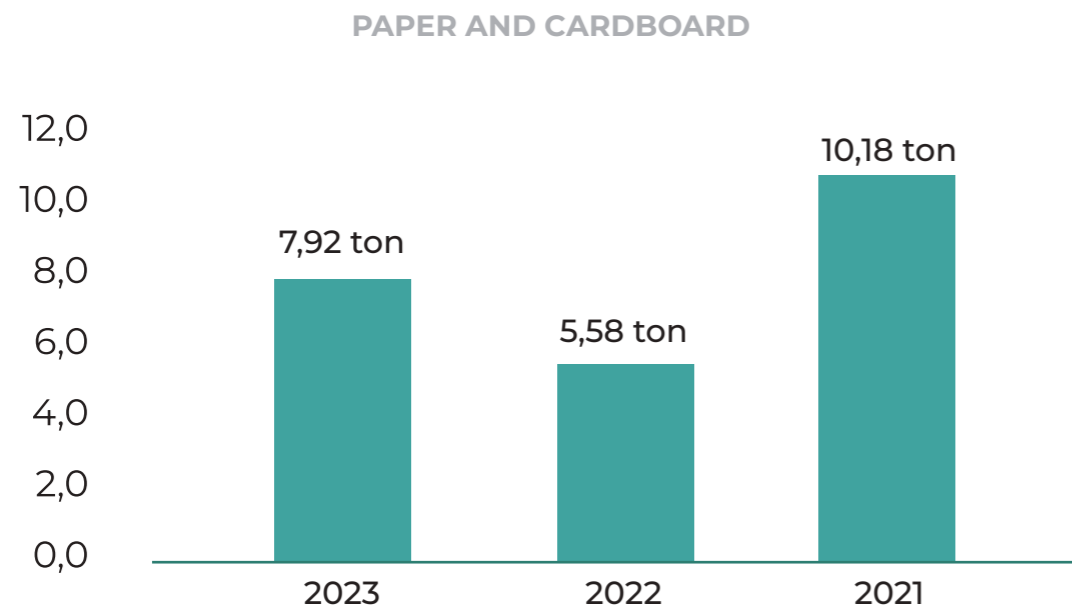
6.7 Waste management

The waste produced by Novavision Group S.p.A. falls into two categories: industrial waste, and waste that can be assimilated to urban waste, for which timely separate collection has been introduced in compliance with the provisions of the Separate Waste Collection Plan of the Municipality of Misinto (MB), particularly: paper, aluminum, plastic, steel, undifferentiated, organic waste, glass, toner, electronic waste, batteries, neon.

Industrial waste was mapped in advance and placed in the relative EWC (European Waste Catalog).

Industrial waste produced (tons) ¹⁹	2023	2022	2021
Paper and cardboard	7,92	5,58	10,18
Wood	62,74	62,36	33,16
Mixed	48,16	36,68	67,52
Iron and steel	44,68	50,46	21,36
Hazardous electronic waste	-	0,46	-
Electronic waste	-	1,42	-
Cosmetics	-	1,38	-
Toner	-	0,5	-
Total	163,50	158,39	132,22

The overall value is in line with last year's (+3.23%), as iron and steel waste decreased and other categories, such as paperboard and mixed waste, increased at the same time. The Gaia NO PRINT PLIS! project, with which Novavision monitors its printing environment with the aim of minimizing the use of paper and toner in its factories contributes to the overall result.



¹⁹_ Overall, total waste generated has increased in 2022 compared to 2021. However, this figure is influenced by the reporting of values for new waste categories produced (kg): Electronic waste, hazardous electronic waste, Cosmetics, Toner.

6.8

Project Gaia

The Gaia Project represents our path of sustainable development, which consists of a series of initiatives and partnerships designed to ensure that our company meets its needs without compromising the possibility of future generations to realize their own.

The project is named after the ancient goddess Gaia.

Gaia is the word that the Greeks used for the earth, not just a spectacular planet of the solar system, but a divinity, a generating woman as well. Many centuries passed and the concept of Earth as a single organism of life returned to prominence with the Gaia Hypothesis, in the 1970s, according to which living organisms on Earth interact with the surrounding inorganic components to form a complex, synergistic and self-regulating system that helps to maintain and perpetuate the conditions for life on the planet.

In 2021, we decided to associate our sustainability project with that mythological figure as well as that perfect balance of life.

The beauty of the planet comes before everything else. We believe that beauty can save the world, that unity always creates strength and that the power of the team is always greater than that of the individual: we believe in the Gaia project, the sustainable path of Novavision Group S.p.A. from which we were born and with which we unite for the safeguard of our beloved earth.



Active Gaia projects

YOBO



The smart flask to reduce plastic material waste within the Company

ELECTRIC CARS



Conversion of the whole vehicle fleet to electric

BE GOOD PACK



Use of noble as well as sustainable packaging

NO PRINT PLS!



Reducing the use of paper and toner for printed documents within the Company

A BREAK FOR THE PLANET



Use of sustainable disposable coffee break kits (wooden sticks, eco cups and compostable pods)

L'ENERGIA BUONA



Increase the use of renewable energy

YOBO Your Novavision Bottle.

Novavision has launched the Yobo project, the smart bottle that helps minimize the company's waste of plastic material: each year, we will avoid the release of approximately 375 kg of PET into the environment, whose decomposition times are between 100 and 1000 years.

NO PRINT PLS!

This is the Gaia project with which Novavision monitors its printing environment with the aim of minimizing the use of paper and toner within its facilities.

The project, launched in 2020, is based on a specific company policy that regulates the internal criteria for the use of printers and, thanks to the use of a specific software, it provides advantages in terms of work organization and data collection.

Only users who authenticate will be able to access devices with specific permissions, monitoring their printing and resource usage (paper/ink) targets.

The most valuable component of the project for the achievement of the objective is certainly the collection and analysis of internal consumption data. We are able to obtain detailed monthly reports based on the consumption of individual users/offices/departments to determine the allocation of costs (for sustainable budgeting), consumption, use and efficiency of the printing environment.

The use of "Green Tree" paper from May 2021 further enriches the project, aimed at:

- Conservation of Biodiversity;
- Responsibly managed forests;
- Reduction of the use of resources during product manufacturing

The aim is to minimize printing and the use of paper for all marketing and promotion-related activities as well, by using more and more digital tools that will enable all the necessary information material to be viewed and, at the same time, reduce the amount of printed material distributed.

A BREAK FOR THE PLANET!

A good coffee break helps the psychophysical well-being of the worker, stimulates their creativity and increases their efficiency, and ... in the Novavision offices, it also helps the environment. How? With a new project by Gaia called "A break for the planet!". The company has in fact replaced the entire disposable kit of the precious coffee break with an entirely eco-sustainable one (wooden sticks, eco cups, single-material paper cups, exclusive use of 100% compostable pods).

BE GOOD PACK

We intend to produce and market devices and accessories all over the world with noble and at the same time sustainable packaging that has been studied by our team for months.

Once again, following the Plan-Do-Check-Act plan, we were able to optimize resources by favoring single-material packaging, selecting only a few models of boxes capable of containing the greatest number of products/accessories and, with the purchase of a lasercut machine, to customize all spacers inside the packages, made from microwave cardboard.

The A BREAK FOR THE PLANET Project! Is integrated with:

The use of "Mixed FSC" and "Recycled FSC" materials aimed at:

- Conservation of Biodiversity;
- Responsibly managed forests;
- Reduction of the use of resources during product manufacturing.

The use of "heat-shrinkable film" aimed at:

- Conservation of Biodiversity;
- Reduction of the use of resources during product manufacturing.

The use of "Pressed Pallets", which, in addition to having the advantage of significantly reducing storage and transport costs, guarantee the utmost respect for the Environment as:

- it is a recyclable product obtained from wood waste;
- they have a natural biological decomposition;
- they are used as an additive for the soil favoring the growth of plants.

ELECTRIC CARS

In 1867, the first electric-powered vehicle was presented at the Universal Exposition in Paris, yet it is only in recent years that the major automotive manufacturers have been promoting electric or hybrid models to the general public. The Gaia project could not ignore the potential of this field, so we decided to convert 100% of the company vehicle fleet to electric by 2030.

At the Misinto headquarters, two charging stations were installed in 2021, with the aim of soon installing two more, available for both Novavision employees and guests.

THE GOOD ENERGY

The more we work on the Gaia project, the more we realize that every effort dedicated to sustainable development is always rewarded. The Photovoltaic project is a prime example: since we opened our plants we have been exclusively powered by renewable energy. We constantly monitor the energy produced and consumed thanks to a real-time meter. We are very proud of these results!

What are the advantages we get every day from our photovoltaic panels in addition to environmental protection?

- compatibility with the architectural needs of our headquarters;
- no noise pollution, a fundamental element to allow our employees to work in a comfortable environment;
- a considerable saving of fossil fuel;
- and above all the possibility of producing electricity without polluting emissions.



**GRI
content
index**

STATEMENT OF USE	Novavision Group S.p.A. has prepared this non-financial information "with reference" to the GRI standards for the period from 01.01.2023 to 31.12.2023.
GRI 1	GRI 1: Foundation 2021
RELEVANT GRI INDUSTRY STANDARDS	NA

STANDARD GRI SUSTAINABILITY REPORTING		CHAPTER / PARAGRAPH REFERENCE	REASONS FOR OMISSION
GENERAL DISCLOSURES			
GRI 2: General Disclosures 2021	2-1	Organizational details	2.1, 2.3, 2.10
	2-2	Entities included in the organization's sustainability reporting	Methodological note
	2-3	Reporting period, frequency, and point of contact	Methodological note
	2-4	Restatements of information	Methodological note
	2-5	External Assurance	Methodological note
	2-6	Business, value chain and other business relationships	2.1, 2.3, 3.2, 3.3, 3.4, 5.1
	2-7	Employees	4.1
	2-8	Non-employed collaborators	4.1
	2-9	Structure and composition of governance	2.9, 2.10
	2-10	Appointment and selection of the highest governing body	2.9
	2-11	President of the highest governing body	2.9
	2-12	Role of the highest governing body for impact supervision	2.6, 2.8, 1.2
	2-15	Conflict of interest	2.4, 2.5
	2-16	Issue Communication	2.9
	2-17	Collective knowledge of the highest governing body	2.9, 2.11
	2-18	Evaluation of the performance of the highest governing body	2.9, 2.11

GRI 2: General Disclosures 2021	2-22	Sustainable Development Strategy Statement	Letter to Stakeholders	
	2-26	Mechanisms for consultation and expression of doubts	2	
	2-27	Non-compliance with environmental laws and regulations		There has never been any case of non-compliance
	2-28	Associations	5.6	
	2-29	Stakeholder engagement approach	1.2, 1.3, 1.4	
MATERIAL THEMES				
GRI 3: Material themes 2021	3-1	Process for determining material themes	Materiality	
	3-2	List of material themes	Materiality	
ECONOMIC GROWTH AND FINANCIAL STRENGTH				
GRI 3: Material themes 2021	3-3	Management mode for material themes	3.1	
GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	3.1	
GRI 203: Indirect economic impacts 2016	203-1	Infrastructure investments and funded services	3.1	
	203-2	Significant indirect economic impacts	2.7, 2.8, 3	
GRI 204: Procurement practices 2016	204-1	Proportion of expenses linked to local suppliers	3.3	
INTEGRITY AND BUSINESS ETHICS				
GRI 3: Material themes 2021	3-3	Management mode for material themes		
GRI 205: Anti-Corruption 2016	205-1	Transactions evaluated for corruption risks		No corruption risks have been identified
	205-2	Communication and training on anti-corruption policies and procedures		There are currently no anti-corruption policies and procedures in place
	205-3	Proven bribery and actions taken		No cases of corruption
RESPONSIBLE GOVERNANCE				
GRI 3: Material themes 2021	3-3	Management mode for material themes		

GRI 206: Anti-competitive behavior 2016	206-1	Legal actions for anti-competitive conduct, antitrust and monopoly practices		No legal action
GRI 302: Energy 2016	302-1	Energy consumed within the organization	6.3	
	302-4	Reduced power consumption	6.1, 6.2, 6.3	
GRI 303: Water and water drains 2018	303-1	Interaction with water as a shared resource	6.4	
	303-2	Handling impacts related to drainage of water		There are no such sources
GRI 305: Emissions 2016	305-5	Reduction of GHG emissions	6.6	
GESTIONE DEI RIFIUTI				
GRI 3: Temi materiali 2021	3-3	Management mode for material themes	6.4, 6.7	
GRI 306: Rifiuti 2020	306-1	Waste generation and significant waste-related impacts	6.4	
	306-2	Management of significant impacts related to waste	6.7	
	306-3	Waste generated		There have been no discharges
GRI 308: Valutazione ambientale dei fornitori 2016	308-1	New suppliers that have been assessed using environmental criteria	3.3	
WELFARE AND SOCIO-ORGANIZATIONAL WELFARE				
GRI 3: Material themes 2021	3-3	Management mode for material themes	4.2, 4.7	
GRI 401: Employment 2016	401-1	Hiring and turnover	4.2	
	401-2	Full-time employee benefits that are not available to temporary or part-time employees	4.7	
	401-3	Parental leave	4.7	There were no requests for parental leave
HEALTH AND SAFETY				
GRI 3: Material themes 2021	3-3	Management mode for material themes	4.6	

GRI 403: Occupational health and safety 2018	403-2	Hazard identification, risk assessment and accident investigation	4.6	
	403-3	Occupational health services		There is no high risk of injury or occupational disease
	403-4	Participation of and interaction with workers and communication on health and safety at work		Information not reported
	403-5	Training of workers in the field of health and safety at work	4.6	
	403-9	Accidents at work	4.6	
	403-10	Occupational diseases	4.6	
	GRI 404: Training and education 2016	404-1	Average hours of annual training per employee	4.4
404-2		Employee skills refresh programs and transition assistance programs	4.4	
PROTECTION OF HUMAN CAPITAL				
GRI 3: Material themes 2021	3-3	Management mode for material themes	4.3, 2.10	
GRI 405: Diversity and equal opportunities 2016	405-1	Diversity in governing bodies and among employees	4.3, 2.10	
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and remedial measures taken		No incidents of discrimination were found
GRI 407: Freedom of association and collective bargaining 2016	407-1	Activities and suppliers where the right to freedom of association and collective bargaining may be at risk		No risk
GRI 408: Child labor 2016	408-1	Activities and suppliers at significant risk of child labor		No risk
GRI 409: Forced or compulsory labor 2016	409-1	Activities and suppliers at significant risk of forced or compulsory labor		
GRI 410: Safety practices 2016	410-1	Security personnel trained in human rights policies or procedures	4.6	No risk
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violation of the rights of indigenous peoples		No violation of the rights of the local community
GRI 413: Local communities 2016	413-1	Activities involving local communities, impact assessments and development programs	5.6, 5.7	
	413-2	Activities with significant negative, potential and current impacts on local communities	5.6, 5.7	

GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that have been evaluated using social criteria	3.3, 3.4	
	414-2	Negative social impacts on the supply chain and actions taken	3.2	
GRI 416: Customer Health and Safety 2016	416-1	Assessment of health and safety impacts by product categories and services	5.4	
	416-2	Incidents of non-compliance involving health and safety impacts of products and services		No non-compliance incidents
PRODUCT QUALITY AND PRODUCT RELIABILITY				
GRI 417: Marketing and labeling 2016	417-1	Information and labeling requirements for products and services	2.8	
	417-2	Incidents of non-compliance with regard to information and labeling of products and services		No case of non-compliance
	417-3	Cases of non-compliance involving marketing communications		No case of non-compliance
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints about breaches of customer privacy and loss of customer data		No complaints received
INNOVATION AND R&D.				
GRI 3: Material themes 2021	3-3	Management mode for material themes	2.7	

NOVAVISION GROUP FOR THE ENVIRONMENT

This Sustainability Report is produced in accordance with Novavision Group's environmental policies, using paper that complies with the EU ECOLABEL and FSC ecological criteria and printed in a booklet format to reduce the number of pages.

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