



SUSTAINABILITY

REPORT

2023



SUSTAINABILITY REPORT

2023

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GRI 2-22
Statement on sustainable
development strategy

LETTER TO THE STAKEHOLDERS

Dear Stakeholders,

we are delighted to present to you our second Sustainability Report, a summary and reporting document on the objectives, activities, impacts and results for the year 2023.

For more than 30 years our company has been present on the market, concentrating on the construction of solutions for the pharmaceutical packaging industry all over the world. It has never stopped expanding, thanks to constant investments in organisation and business innovation.

To succeed this far, we have focused on increasing our know-how, developing flexible and cutting-edge solutions, expanding in international markets and helping our people in their professional growth. In the meantime, we have always had an interest in social responsibility, partly because we are a family business. Starting from last year, we have voluntarily embarked on a journey to increase awareness and commitment in this field, to provide continuity and solidity to our development.

In 2023, despite feeling the effects of the economic uncertainty in Europe, we offset the decline in investment in established markets by acting in more stable and growing markets, thanks in part to the presence of our new branches in the USA and India. We also focused on improving business efficiency, both in terms of the ordinary administration of activities and through significant extraordinary investments in the management of processes and of the organisation.

Our journey of growth and improvement continues, following the path outlined in our Sustainability Plan. We have kept a close eye on the progress of the objectives we had set ourselves, and have made progress in terms of environmental impact, Research and Development, occupational health and safety and staff training.

During the year we took the first steps towards achieving ISO 14001 certification, which we aim to obtain in 2025, and we started the process of measuring our Carbon Footprint.

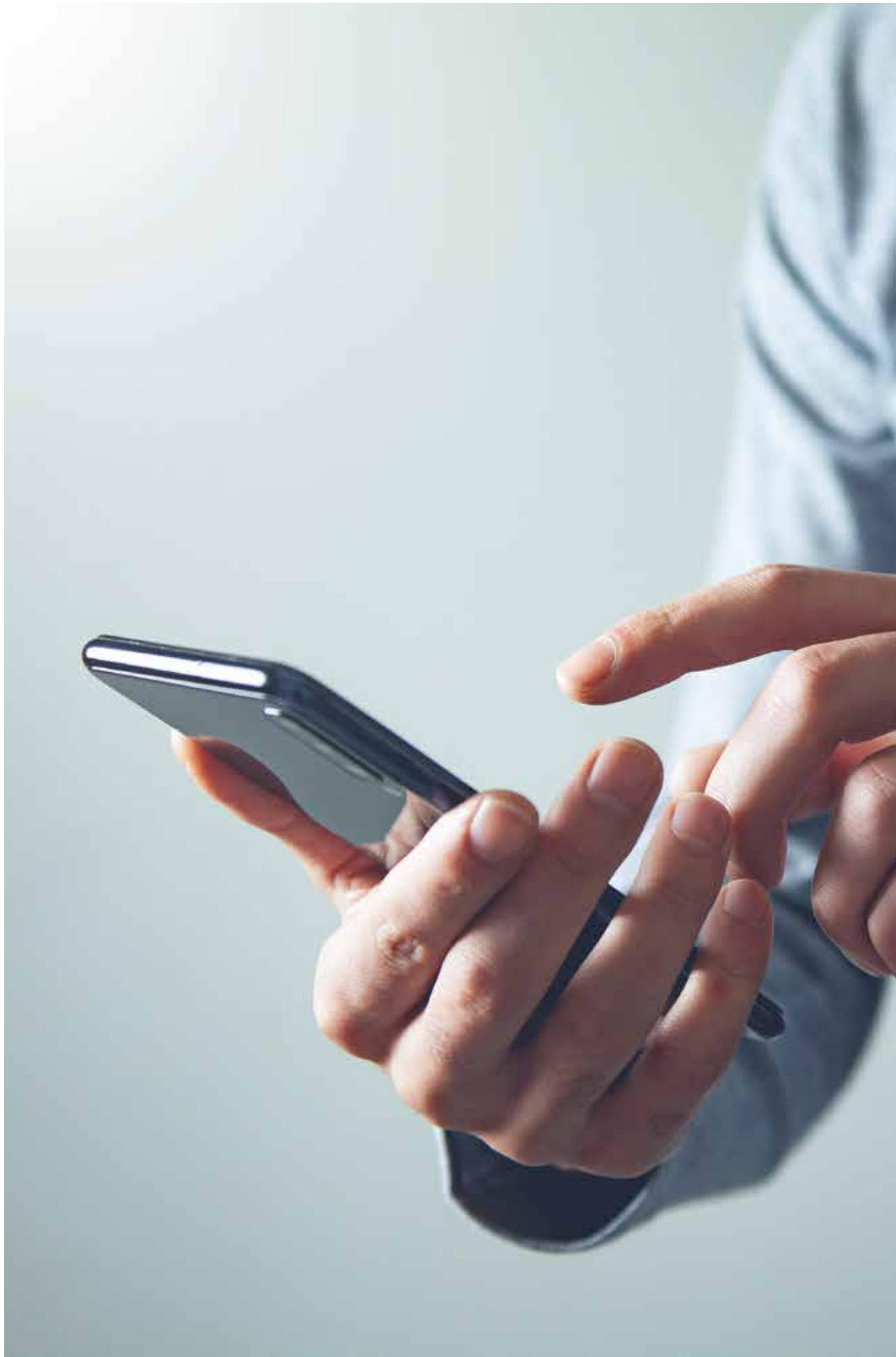
We are also increasingly attentive and committed to our people, renewing and annually proposing new training plans for professional growth, technical training and refresher courses necessary to operational activities.

Figures are provided in the following pages.

In this second edition, we are pleased to share with you the value that we were able to generate in 2023 and that we will explain through the reporting of indicators related to the three ESG dimensions (Environmental, Social, Governance).

We hope this makes pleasant reading.

Gerardo Fumagalli
Ilaria Fumagalli
Federico Fumagalli



READING GUIDE

The Sustainability Report consists in **four parts** (divided into as many chapters) and an appendix.

01

The **first chapter** is a brief description of the organisation, its identity, history and ownership structure.

02

The **second chapter** describes the bodies, principles and procedures that the company has adopted for its proper management.

03

The **third chapter** sets out how the organisation uses production, economic, human and intellectual resources to generate value, what impacts, risks and opportunities are linked to this process and what strategies enable the creation of long-lasting, shared value.

04

The **fourth chapter** provides details of the achieved results, activities and objectives of the company in terms of ESG, i.e. the Environment, Social and Governance dimensions.



01

THE ORGANISATIONAL SUMMARY FRAMEWORK

This chapter provides a brief description of the organisation, its identity, history, ownership structure and the main data that represent it.

VISION

To become the manufacturer of choice for sterile filling lines in the pharmaceutical industry through durable solutions that stand out for high quality and consistent reliability.

MISSION

We focus on specialisation, advanced engineering and strategic partnerships to become the manufacturer of reference for sterile filling lines.

We are committed to providing specific solutions reliable over time for injectable drug packaging, supplying the pharmaceutical industry worldwide.

VALUES

SPECIALISATION
KNOW-HOW
RELIABILITY
COMMITMENT
CREATIVITY





OWNERSHIP AND OPERATIONAL STRUCTURE

The registered and main office is in **Como, Via Tentorio 30**, and includes offices for management, administration, management control, sales, project management, electrical design and software, documentation and validation, Supply Chain, Times & Methods, ICT, HR, the production area for starting up the lines and performing FAT (Factory Acceptance Tests) with customers, logistics, shipping, travel planning.

The main headquarters extend in **via Tentorio 31**. Metalworking and machinery assembly are performed here; this site includes the customer support and purchasing offices and part of the warehouse.

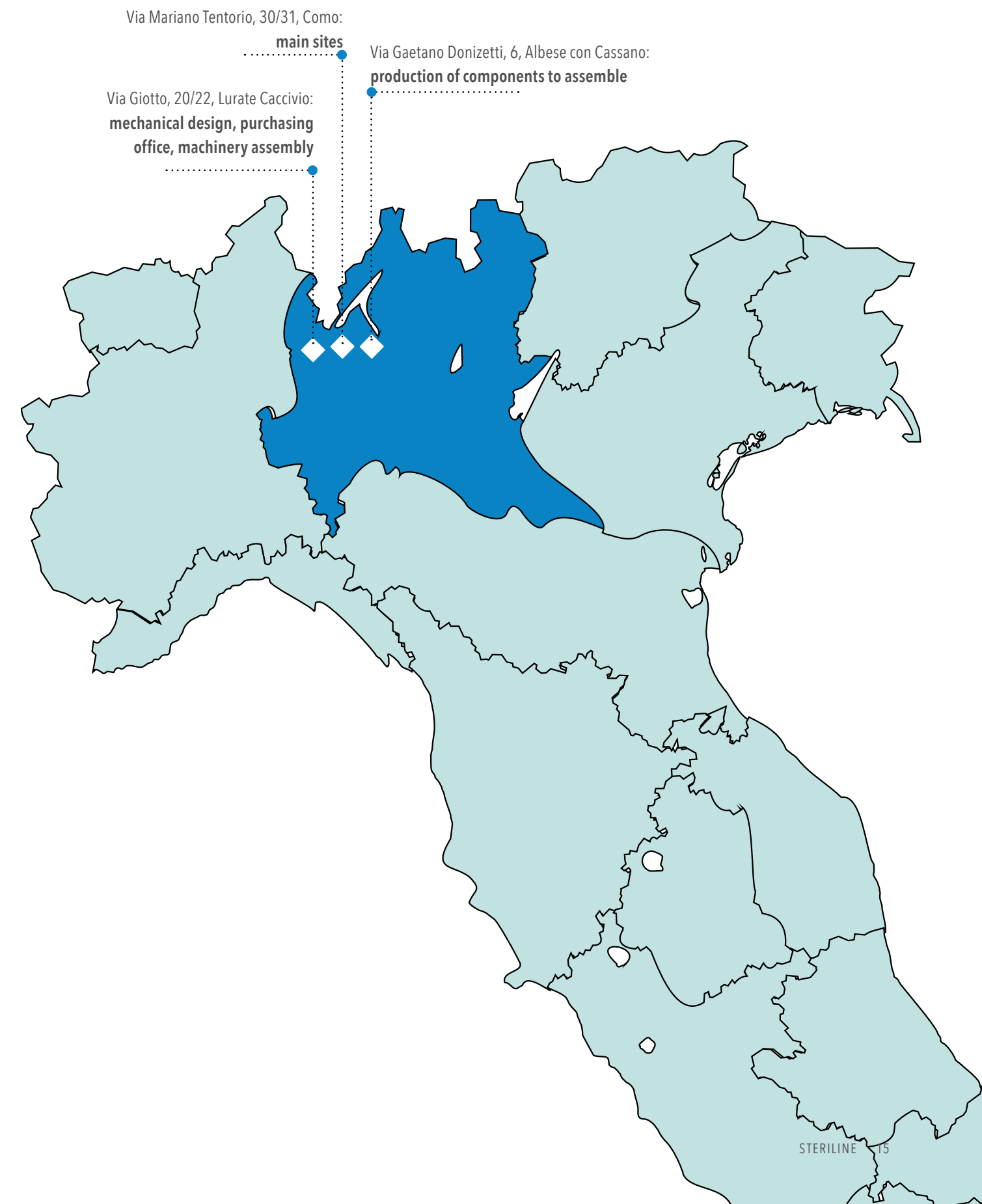
The site in **Lurate Caccivio** houses the mechanical design department and a large area for the assembly of machinery.

Lastly, the mechanical workshop in **Albese con Cassano** is for the production of components with numerical control machines.

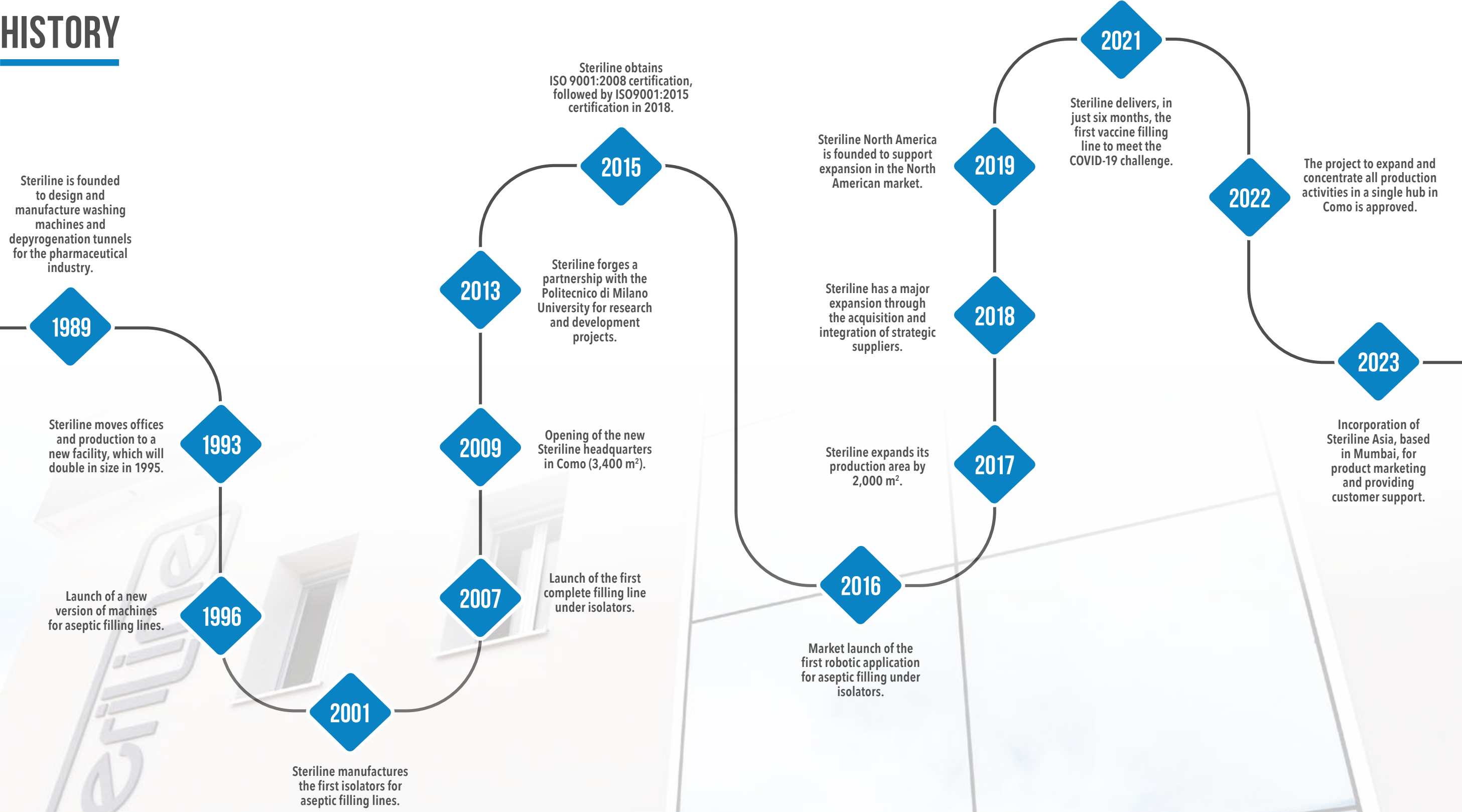
In terms of ownership, the **Steriline quotas** are divided as follows:

- 4.472% Ilaria Fumagalli
- 4.472% Federico Fumagalli
- 8.226% Fumagalli Holding srl
- 8.32% Enrica Doni
- 26.51% Gerardo Fumagalli,
- 48% Optima International GmbH

OTHER SITES



HISTORY



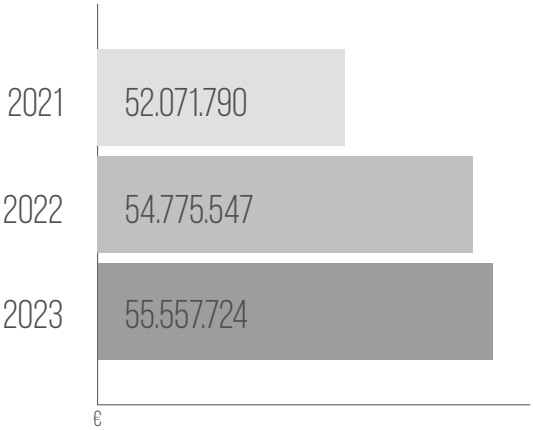


GRI 2-6
Activities, value chain and other
business relationships
GRI 2-7 Employees

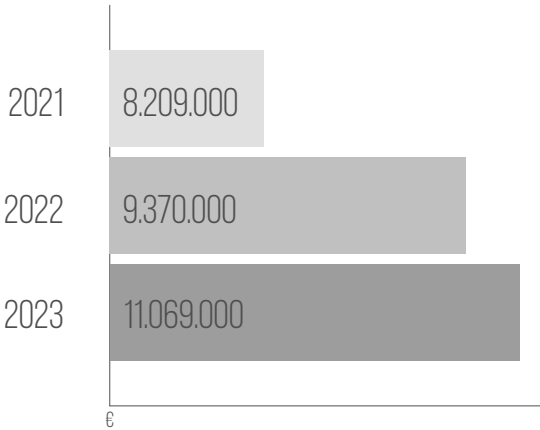
SUMMARY DATA



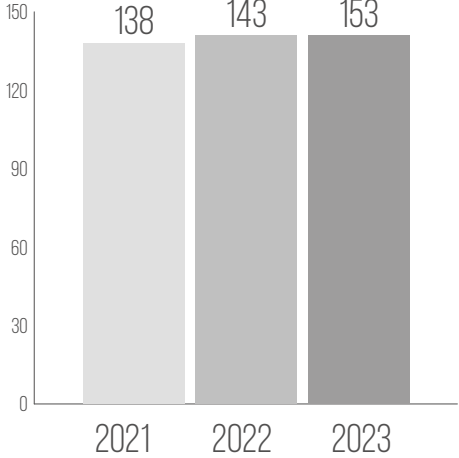
Turnover (in €)



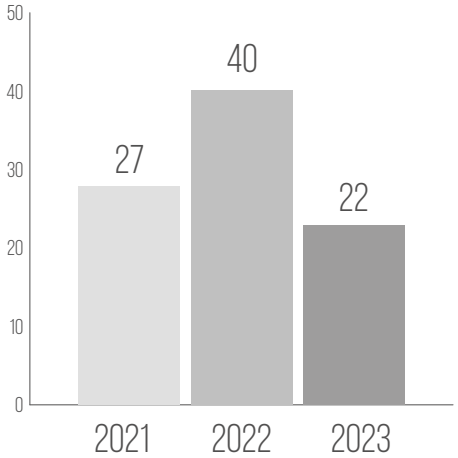
EBITDA (in €)



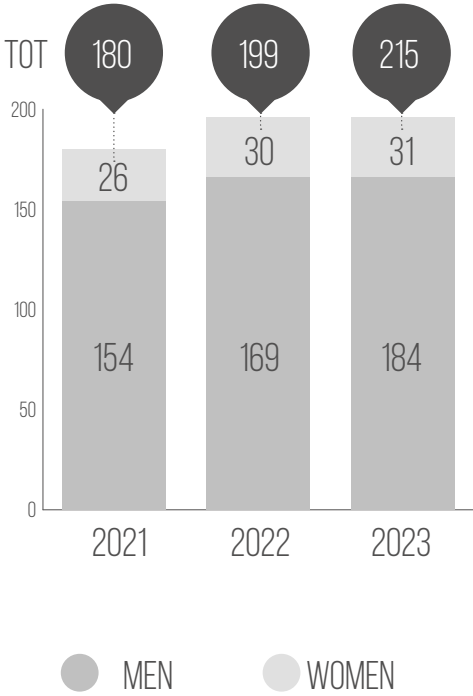
No. of customers served



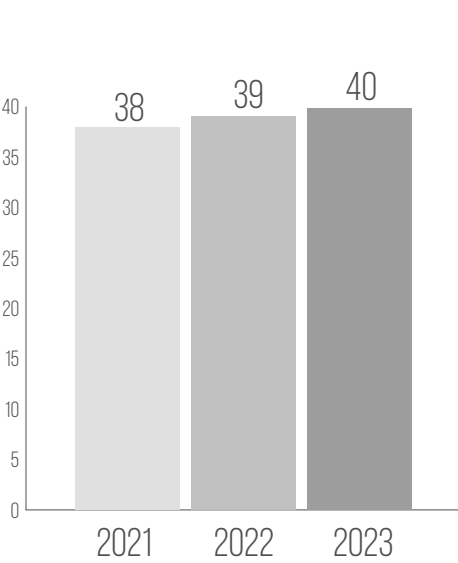
No. of projects acquired



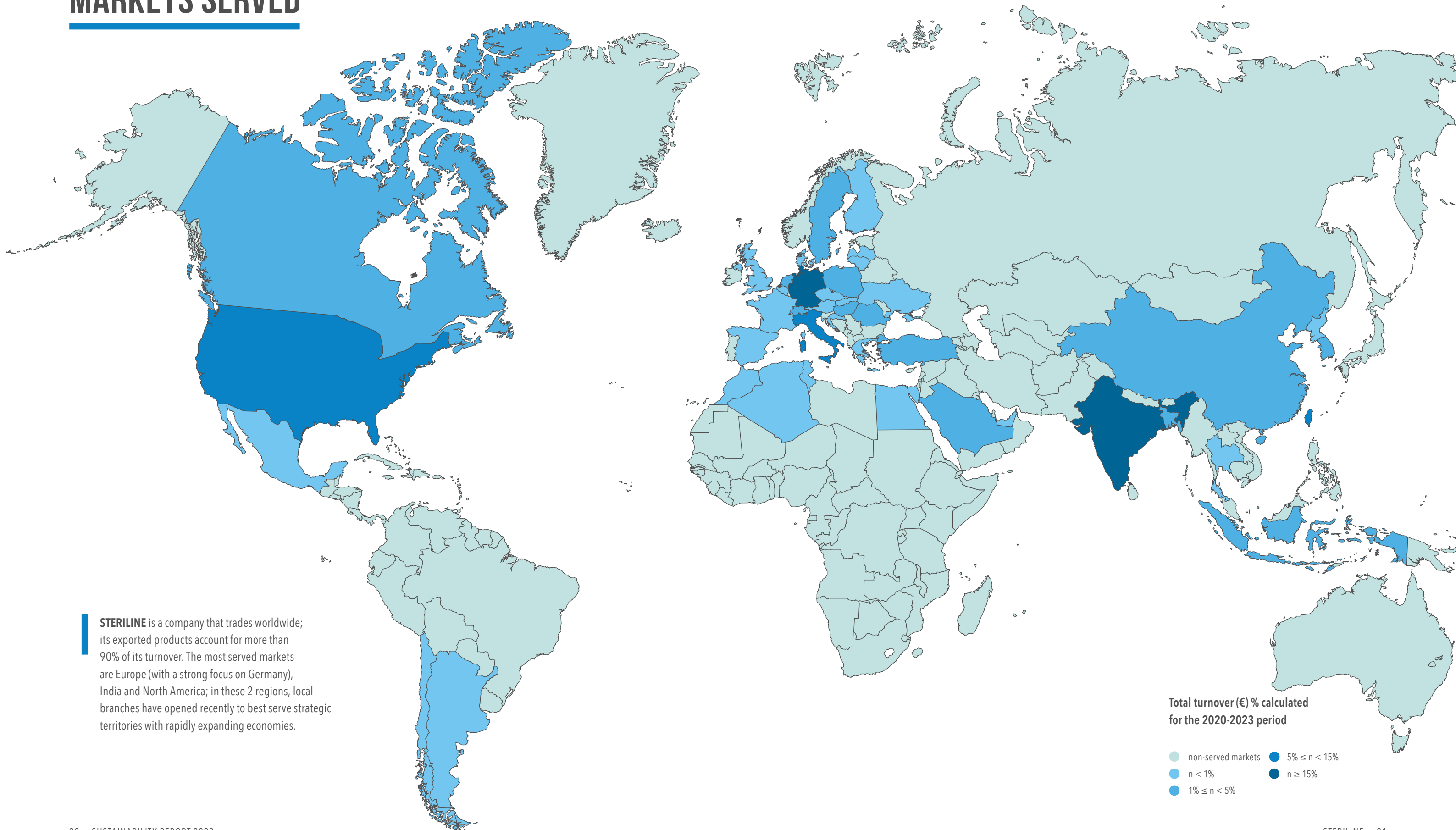
No. of employees



Mean age (years)



MARKETS SERVED



STERILINE is a company that trades worldwide; its exported products account for more than 90% of its turnover. The most served markets are Europe (with a strong focus on Germany), India and North America; in these 2 regions, local branches have opened recently to best serve strategic territories with rapidly expanding economies.

Total turnover (€) % calculated for the 2020-2023 period

- non-served markets
- $n < 1\%$
- $1\% \leq n < 5\%$
- $5\% \leq n < 15\%$
- $n \geq 15\%$



02

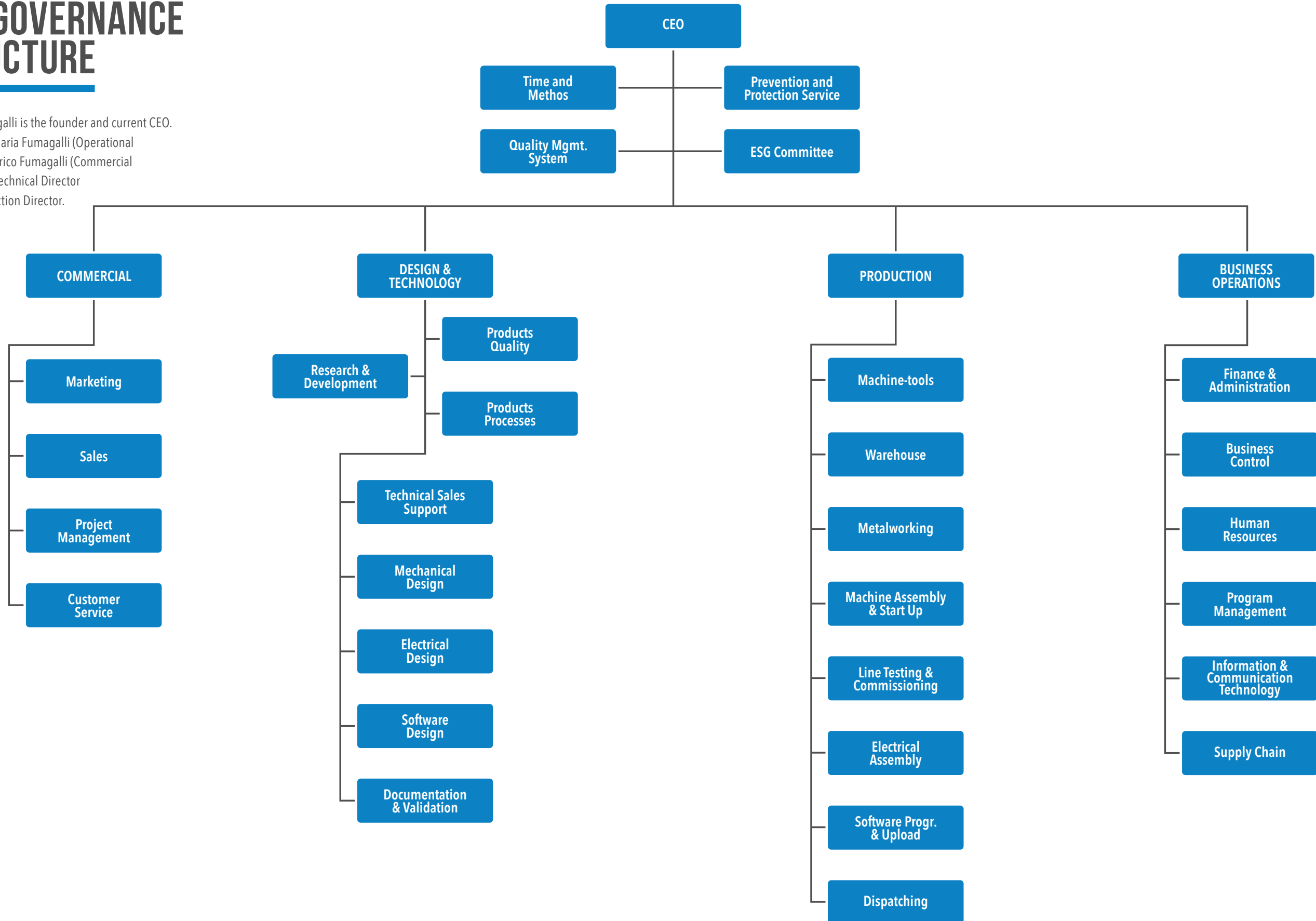
CORPORATE GOVERNANCE

This chapter describes the governance bodies and the principles and procedures adopted by the company for proper corporate management.



THE GOVERNANCE STRUCTURE

Gerardo Fumagalli is the founder and current CEO. To him report Ilaria Fumagalli (Operational Director), Federico Fumagalli (Commercial Director), the Technical Director and the Production Director.





BEHAVIOURAL POLICY

Steriline is committed to pursuing **business ethics** at the highest level.

With this in mind, the company strongly encourages its staff, expecting them to behave in a manner consistent with the company's mission, protecting its interests responsibly and in full compliance with Italy's ethical and legal norms, but also to become its true ambassadors. Behaviours in line with the company's values are not limited to compliance with mandatory regulations, but are marked by a professional style, in every company moment, through the commitment of everyone - without exceptions.

Our policy expresses principles, values and responsibilities that guide behaviour in relations with the market, with the people who work in the company and, more generally, with all the subjects that may have a specific interest in establishing a relationship with Steriline.

QUALITY POLICIES AND MANAGEMENT SYSTEMS

Steriline obtained **ISO 9001:2008** certification in 2015 and **ISO 9001:2015** certification in 2018. The certification represents the focus on quality policies that enables Steriline to comply with the requirements applicable to its business, the needs of customers and stakeholders in general.

The company's ongoing commitment to implementing and monitoring the **Quality Management System** makes it possible to verify the efficiency of processes, the achievement of pre-established results and to constantly increase the value of its operations, through the achievement of increasingly high quality and safety standards.

The company is organised into processes geared towards customer satisfaction and continuous improvement, all within a framework in which worker safety and well-being are of the highest priority.



CERTIFICATIONS



MTIC intercert: certification in accordance with ISO9001:2015 for the activities of design, manufacture, installation and technical support of aseptic treatment machines and lines.



cGMP: compliance with good manufacturing practices.



GAMP: good automated manufacturing practices. This is the most recent and up-to-date tool on good standards of approach to and validation of information systems.



21 CFR PART 11 regulations for the legal equivalence of electronic documents to traditional paper documents.





03

BUSINESS MODEL

The following chapter details how the organisation uses ESG factors to generate shared value, how impacts, risks and opportunities are linked to this process and the path to strategies that enable the creation of long-lasting, shared value.



DESCRIPTION OF THE EXTERNAL CONTEXT

The **pharmaceutical packaging sector, and especially the primary packaging sector**, is continuously growing, and this trend has been confirmed for 2023, albeit with some post-pandemic adjustments.

2023 was also marked by the loss of momentum in one of the major markets for Steriline and the wider pharmaceutical industry: Europe. The European economy has been characterised by a contraction in investment due to the precarious geopolitical situation, monetary tightening and the burden of inflation, and the pharmaceutical sector has not escaped unscathed. However, there were signs of recovery in the final months of the year.

Conversely, the results in the North American and Indian markets continued to be positive, thanks in part to the action of the local branches.

Aseptic packaging has long been on a positive growth trend, driven by increasing demand from the pharmaceutical industry for sterile products (especially in emerging economies), increasingly stringent environmental and medical regulations (see the new Annex 1) and continuous technological innovation.

In this context, Steriline can rely on thirty years of experience in the production of complete lines for the **sterile filling of injectable products** combined with a high level of skill, reliability, specialisation and innovation. Few companies in the world provide the same range of solutions, and Steriline products are appreciated globally, with **exports accounting for more than 90% of total sales**.

This result is also due to an approach that is based on building a **close partnership with customers**, with frequent, open and continuous communication at all stages of the product life cycle.



STERILINE'S OFFER

Product families and machine type

ISOLATION:

- cRABS and isolators for filling lines
- Stand-alone isolators

STANDARD RANGE:

- Rotary washing machines
- Depyrogenation tunnels
- Fillers
- Capping machines
- External decontamination machines

ROBOTICS:

- Robotic container filling and capping machines (loose and nested containers)
- Compounding machines

Services

LABORATORY ACTIVITIES AND VALIDATION:

- Calibration and adjustment of bench and onboard instruments
- Drafting and execution of FAT, SAT, IQ, OQ, PQ protocols
- Computerised system validation documentation and testing according to GAMP5

AFTER-SALES SERVICES:

Steriline provides after-sales support and services to its customers worldwide, with a "global yet local" strategy.

The **coordination** of the service is guided by the Steriline headquarters in Italy, where more than 50 technicians work to provide technical support, software support, delivery and assembly of replacement parts. In addition, customers are **supported** locally through branches and partners located in strategic countries (e.g. Germany/Europe, USA, India).

CUSTOMER SERVICE:

- Planned availability of technicians specialised in the machine portfolio
- Spare parts
- Inspection and maintenance visits adapted to the customer's needs and resources
- Preventive and strategic maintenance
- Modernisation
- Access for remote diagnostics and trouble shooting
- Staff training
- Validations and qualifications



VALUE CREATION



**Environmental:**

Factories and Corporate sites designed to decrease their impact

Renewable Energy

Environmental investments

**Social:**

Employees

Investments in Training

Collaborations with universities

**Governance:**

Product and process certifications

Equity

Debt capital

Investment in Research & Development

ESG Committee

Vision

To become the manufacturer of choice for sterile filling lines in the pharmaceutical industry through durable solutions that stand out for high quality and consistent reliability.

Material Topics

- Environmental footprint
- Occupational health and safety
- Human capital development
- Customer satisfaction
- Innovation and Research & Development

SPECIALISATION
KNOW-HOW
RELIABILITY
COMMITMENT
CREATIVITY


MISSION

We focus on specialisation, advanced engineering and strategic partnerships to become the manufacturer of reference for sterile filling lines.

We are committed to providing specific solutions reliable over time for injectable drug packaging, supplying the pharmaceutical industry worldwide.


What the company produces

- Complete lines for the sterile filling of injectable products in the pharmaceutical sector

**Environmental:**

Waste products: 190.6 t
Of which 34% miscellaneous metals
Of which 27% wood
Of which 20% glass

Self-Produced Renewable Energy: 105 MWh

**Social:**

Training
Total number of delivered training hours: 3,920 h

Gender Equality
No. of Female Employees: 31

Recruitment
31 new employees hired
15 left

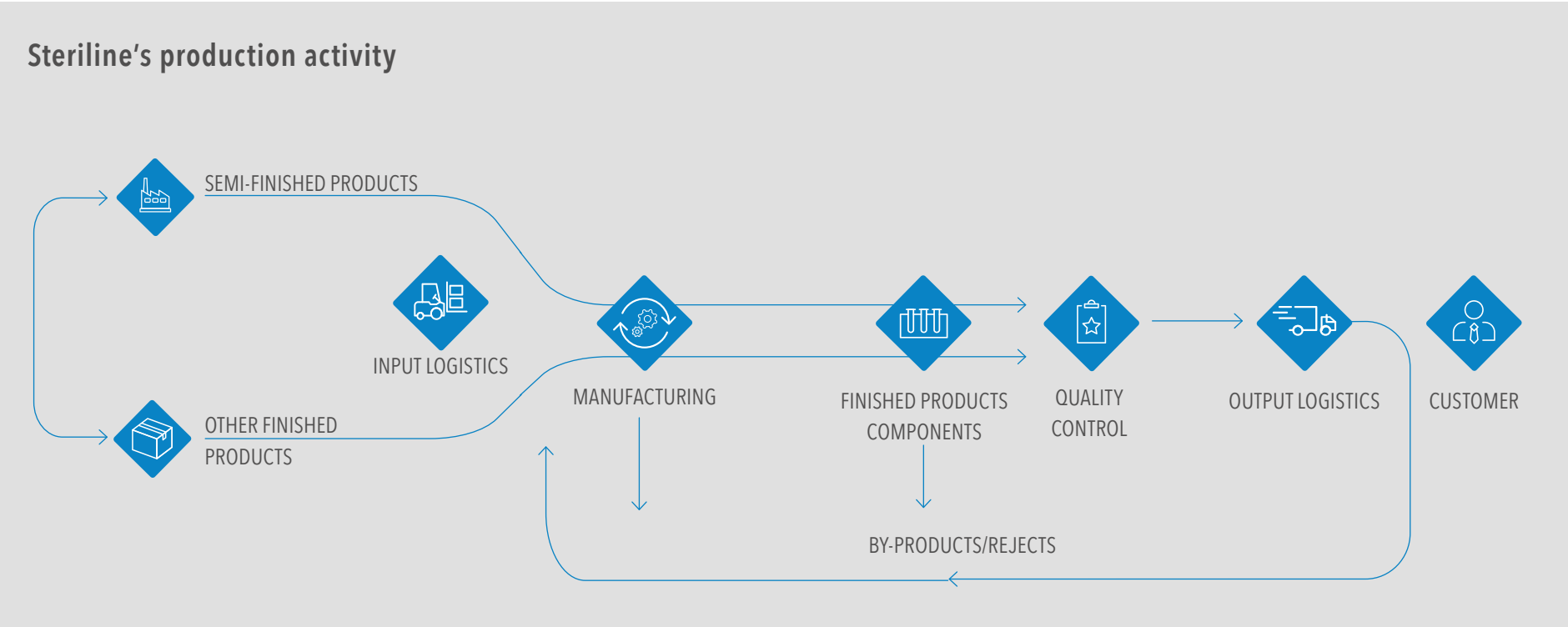
Average Age: 40 years

Accidents
2 accidents (50% fewer accidents)

**Governance:**

Costs: €49,924,325
Revenue: €55,557,724

Number of completed projects: 28



Data refers to the year 2023

THE MATERIALITY MATRIX AND STAKEHOLDER ENGAGEMENT

Jointly with our first Sustainability Report, a process to identify the most important sustainability issues for the organisation was completed. The company has made a first step towards a more structured process for listening to stakeholders. Stakeholders were selected and identified by each function head, jointly with corporate management. The various categories of stakeholders were heard in different ways, depending on the type of stakeholder.

The first step in defining a corporate sustainability strategy was taken through the materiality process. This analysis aims to identify, among the significant issues, those that are actually "material," i.e. relevant to the company.

Stakeholders were asked to indicate an order of priorities from an expanded list of ESG (environmental, social and governance) issues, based on the lower or higher impact of each issue on the company's ability to produce value in the medium to long term.

The engagement process led to insights and observations that added to the issues relevant to the company's sustainability, as well as offering considerations on potential mutual engagement along shared paths.

The graph on the right shows the materiality matrix, with the results of the Management team's votes on the horizontal axis, while the averages of the votes of the various other stakeholder categories are on the vertical axis. The analysis of material issues was conducted with Steriline's strategic direction in mind, assessing the extent of the impacts they may have on the organisation's strategy, governance, performance and prospects. The list shows the 5 selected material issues that are, therefore, a fundamental part of the design of the company's path to corporate sustainability and are considered to be of strategic importance in the creation of value.



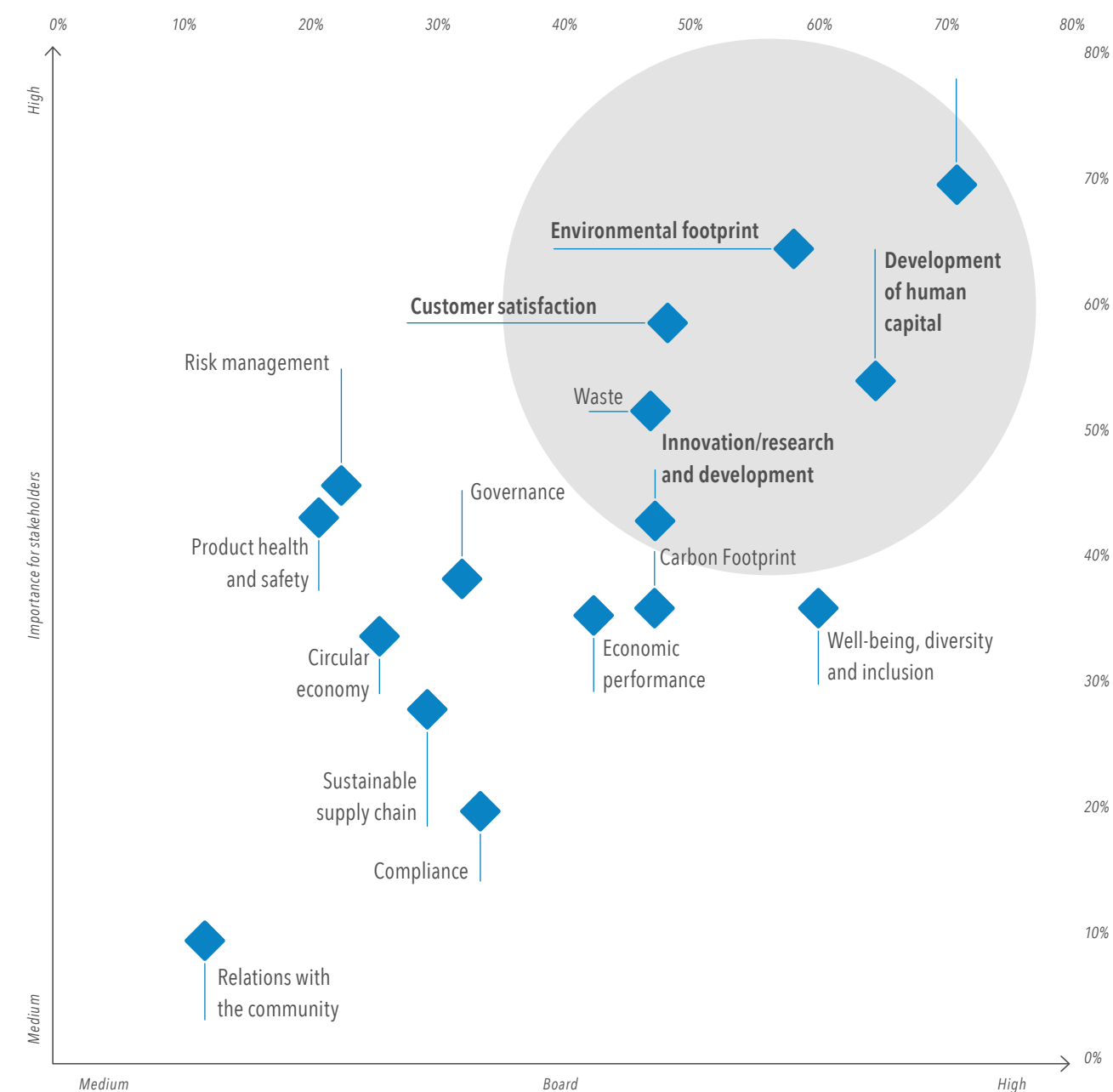
GRI 3-1
Process to determine material topics

GRI 2-29
Approach to stakeholder engagement

GRI 3-2
List of material topics and stakeholder engagement

THE SELECTED MATERIAL TOPICS

- Environmental footprint
- Occupational health and safety
- Development of human capital
- Customer satisfaction
- Innovation and Research & Development



SUSTAINABILITY STRATEGY

Steriline's **sustainability strategy** is based on the past, the present and a reflection on the future, which draws on the analysis of the material topics selected by the company itself, guidelines for creating value over time, together with its Stakeholders.

The corporate **sustainability plan** has a three-year time horizon (2023 - 2025). Material topics were sorted according to the three dimensions of ESG (Environmental, Social, Governance) sustainability, and dimension-specific objectives were defined for the entire three-year period. Each objective is divided into actions to achieve it and includes performance indicators (KPI) to measure and monitor the achieved result.

In order to check the advancement and progress of the different actions planned for the year, **periodic meetings** have been arranged with the **ESG committee** and the contact people dealing with the individual objectives that are part of the plan.

The following tables summarise the objectives and actions planned for the three-year period, while the results achieved in 2023 and the commitments for the year are detailed in the next chapter.



GRI 2-22
Statement on sustainable
development strategy





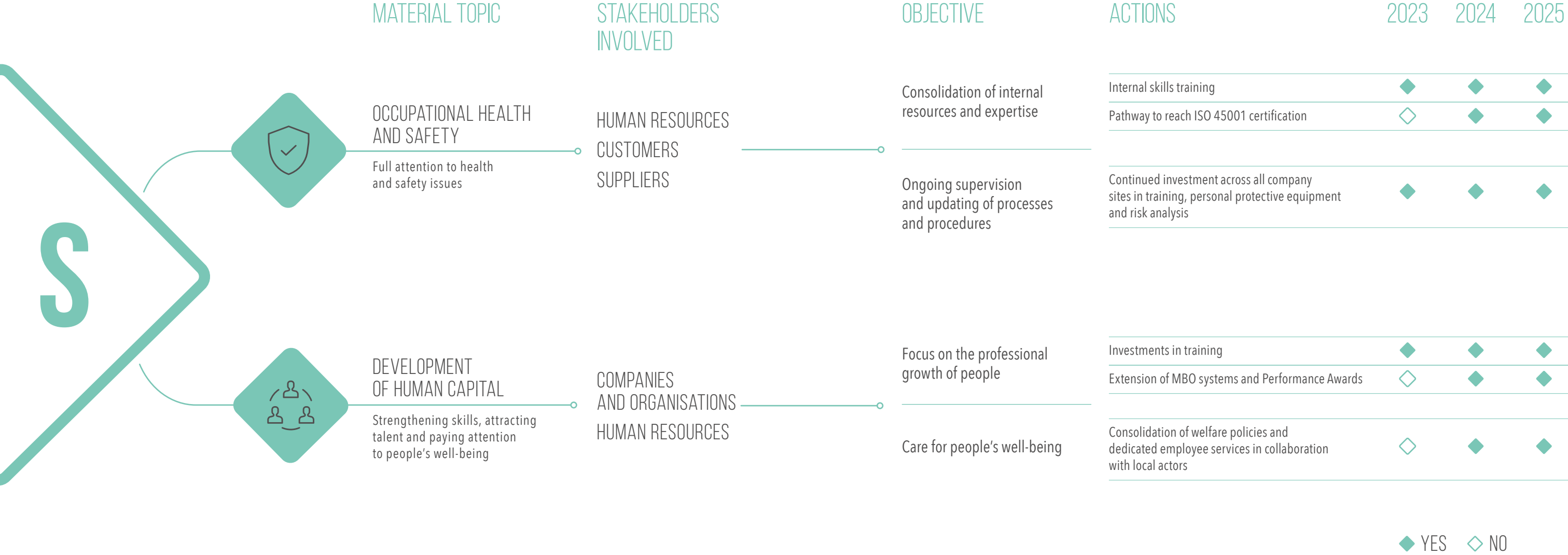
THE SUSTAINABILITY STRATEGY

MATERIAL TOPIC		STAKEHOLDERS INVOLVED	OBJECTIVE	ACTIONS	2023	2024	2025
<div>E</div> <div></div> <div>ENVIRONMENTAL FOOTPRINT</div> <div>Managing and mitigating the environmental impacts of corporate activities</div>	<div>COMMUNITY</div> <div>COUNTRY SYSTEM</div>	<div>ISO 14001 Environmental Management System</div>	<div>Fighting climate change</div>	Start of the process for and obtaining ISO 14001 certification			
				Investments for the progressive reduction of emissions (e.g. energy from photovoltaic systems)			
				Optimising logistics in the supply chain			
				Dialogue with customers for possible mitigation projects			
				Waste management			

YES NO




THE SUSTAINABILITY STRATEGY




THE SUSTAINABILITY STRATEGY

G



CUSTOMER SATISFACTION

Continuous attention to customer satisfaction in terms of product and service quality



INNOVATION AND RESEARCH AND DEVELOPMENT

Continuous focus and investments in product, service and process innovation

HUMAN RESOURCES
CUSTOMERS

COMPANIES
AND ORGANISATIONS

Continuous improvement of Customer Satisfaction tools and processes

Consolidating partnerships in an Open Innovation logic and developing internal innovation-oriented processes

	2023	2024	2025
Consolidation of internal sharing processes related to customer satisfaction	◆	◇	◇
Activation of new processes for customer engagement, identification of targets and analysis tools for Customer Satisfaction	◆	◆	◆
Investments in training and skills focused on quality and customer satisfaction	◇	◆	◆
Supervision and development of current collaborations with universities, research centres and the school system	◆	◆	◆
Continuous innovation in 3D printing	◆	◆	◆
Implementation of robotisation projects for the pharmaceutical world	◆	◆	◆
Building management systems and in-house skills for innovation	◇	◆	◆

◆ YES ◇ NO



04

ESG PERFORMANCE

This chapter describes the results of the reporting period and the objectives of the sustainability plan in their environmental, social and economic (ESG) dimension. For each dimension, results and goals are measured by GRI standards and associated with the United Nations Development Goals (SDGs)

ENVIRONMENTAL DIMENSION

Steriline is aware of the **environmental impact** of its operating activities and demonstrates that it is increasingly interested in **topics of corporate sustainability**. It does so by continuing investment activities dedicated to modernising and increasing the efficiency of its sites and through the conscious and careful management of its impacts.

This approach is further confirmed by the company choosing to obtain energy from renewable sources and by the introduction of automation and innovation processes in its departments, for example by installing **photovoltaic systems** that can produce enough energy to cover part of the company's energy needs, and by investing in **technological improvements** aimed at the most energy-consuming machines, so that their energy requirements and size can be reduced.

Steriline strives to use as little **water** as possible for its production activities: the company is equipped with recirculation tanks, production is closed-loop and constant simulations of the production cycle are carried out in order to optimise the use of this resource. Among the company's future projects is one that will lead to the creation of additional tanks for the recovery of rainwater.

In terms of **waste management**, Steriline is continuing the successful collaboration with the company in charge of the monthly collection of paper, plastic, wood, steel and glass. The practice of using paper and plastic compactors to reduce the volume of waste is now well established.





OBJECTIVES AND RESULTS



AREA	TOPIC	OBJECTIVES	PLANNED ACTIVITIES FOR 2023	GOAL ADVANCEMENT	RESULTS	COMMITMENTS
E	Environmental footprint Managing and mitigating the environmental impacts of corporate activities	ISO 14001 Environmental Management System	ISO 14001 Cost/ Benefit Assessment	33% of the three-year target	Cost Benefit Assessment Completed	Start of the ISO 14001 Certification process
		Fighting climate change	Optimising logistics in the supply chain	0% of the three-year target	Activity rescheduled for 2024 Under Development	Activating the dialogue and starting the process of optimisation of supply chain logistics
		Waste management	Dialogue with customers for possible mitigation projects	0% of the annual objective	Activity rescheduled for 2024 Under Development	Start the dialogue process with customers for possible mitigation projects
			Consolidation of activities already under way	100% of the annual objective (which is repeated every year)	Complete waste management - Compactor that can reduce waste collection journeys	Continuation of activities for complete waste management

ENVIRONMENT

IMPACT ACTIVITIES FOR 2023

In line with its sustainability plan, in 2023, the company completed the cost-benefit assessment for obtaining **ISO 14001 certification**, confirming the path to voluntary certification by 2025.

The certification will affect all the company sites, which in that year will be mostly concentrated in the area adjacent to the Como headquarters.

The project to build the **new plants**, with construction starting in early 2024, has been completed. The project represents a major investment in general for the Company, but also, specifically, for the reduction of the environmental impact of Steriline and the protection of natural resources.

The plan for the energy, architectural and plant redevelopment of the entire ex-Motorizzazione Civile di Como building complex, built in the 90s, will require the demolition of some buildings, the construction of new industrial buildings and the extraordinary maintenance and energy redevelopment of the building intended to house the offices.

There are plans to install a new photovoltaic system on the roof of the building, which has a more favourable exposure. The system will deliver about 200 KW, in addition to the 130 KW from the systems installed on the roofs of the existing plants in Via Tentorio 30 and 31.

All buildings will be cooled by a floor system that takes water from the industrial aqueduct at a temperature of 9°C.

The new industrial estate, located in via Tentorio 21, will in the future house the departments currently in the Lurate Caccivio and Albese con Cassano plants, which will help reduce the transport of materials and people from one site to another.

Steriline is continuing the **modernisation process of its plants and machinery**, moving towards the purchase of innovative devices with lower environmental impact.

To be able to effectively monitor emissions and assess interventions on work activities with greater environmental impact, the process for measuring the company's **carbon footprint** will be implemented for the first time in 2024.

As a family business, Steriline's approach is of **sustainably making its daily actions efficient**.

The operating parameters of the heating and cooling systems, for example, are programmed in order to guarantee working places with optimal temperatures when staff are actually working there; they are reprogrammed weekly, where necessary, in order to adapt to changing weather conditions.


The company's approach is transmitted to its employees, aiming daily to share responsible behaviour with regard to the use of energy and water resources and the careful management of separate waste collection.


COMPANY PERFORMANCE


GRI 302-1 Energy consumption within the organisation				
	2021	2022	2023	MEASUREMENT UNIT: GJ
a. Total consumption of energy from non-renewable sources (Fossil fuels)	4668.9	4136.8	4305.5	
of which natural gas	2891.8	2267.1	2303.5	
of which Petrol	64.7	97.0	101.0	
of which Methane to fuel vehicles (CNG)	0.0	0.0	8.2	
of which Diesel	107.4	143.2	147.2	
of which Consumption of electricity purchased from non-renewable sources	1605.1	1629.5	1745.7	
b. Total consumption of energy from renewable sources	384.9	415.6	378.0	
Consumption of self-produced renewable energy	384.9	415.6	378.0	
Total energy consumption of the organisation (a.+b.)	5053.8	4552.4	4683.5	

*Conversion factors from the Italian "Table of national standard parameters for monitoring and reporting of greenhouse gases", 2021 (ISPRA [Italian Institute for Environmental Protection and Research], Italian Min. for Ecological Transition).

* the electricity provider declares 36% of its energy comes from renewable sources; this share is not guaranteed, but the contract provides for emission offsetting proportional to consumption

 GRI 302-3 Energy Intensity			
FORMULA	2021	2022	2023
GJ energy consumed/ Revenue (millions of Euro)	97.1	83.1	83.7


 GRI 305-1 Direct (Scope 1) GHG emissions				
TYPE	2021	2022	2023	MEASUREMENT UNIT: TCO2EQ
Methane (in sites)	162.5	127.4	129.5	
Petrol	4.7	7.1	7.4	
Methane to fuel vehicles (CNG)	0.0	0.0	0.46	
Diesel	7.9	10.6	10.9	
TOTAL DIRECT (Scope 1) EMISSIONS	175.2	145.1	148.2	


 GRI 305-2 Energy indirect (Scope 2) GHG emissions				
TYPE	2021	2022	2023	MEASUREMENT UNIT: TCO2EQ
TOTAL EMISSIONS FROM PURCHASED ELECTRICITY Location based (Scope 2)	114.7	133.5	143.1	

Total emissions				
TYPE	2021	2022	2023	MEASUREMENT UNIT: TCO2EQ
TOTAL GHG EMISSIONS Location based approach (Scope 1 + Scope 2)	289.9	278.6	291.3	

*Conversion factors from the Italian “Table of national standard parameters for monitoring and reporting of greenhouse gases”, 2021 (ISPRA [Italian Institute for Environmental Protection and Research], Italian Min. for Ecological Transition).

**Source of conversion factors: “Emission factors for electricity production and consumption in Italy”, published by ISPRA (2023)

 GRI 305 - 4 GHG emissions intensity - LOCATION BASED			
FORMULA	2021	2022	2023
Total GHG Emissions Location-Based/ Revenue (millions of Euro)	5.6	5.1	5.2

 GRI 303 - 3 Water withdrawal				
WITHDRAWAL SOURCE	2021	2022	2023	MEASUREMENT UNIT: ML
Third party water Mains water	3.1	4.7	5.3	

 GRI 306 - 3 Waste products				
WASTE TABLE	2022	2023	PERCENTAGE 2023	MEASUREMENT UNIT: T
PLASTIC	21.57	24.50	13%	
CARDBOARD	11.07	11.92	6%	
MISCELLANEOUS METALS	55.33	64.56	34%	
WOOD	32.70	52.38	27%	
GLASS	10.40	37.26	20%	
TOTAL	131.07	190.61		

SOCIAL DIMENSION

Steriline is an international, multicultural and dynamic group that invests in **innovation** through personalised **growth pathways** that actively involve its employees, to rise to the challenges of the present and to lay the foundations for the future.

To ensure the company's long-term growth and success, action plans have been drawn up to valorise and retain employees not only because of their expertise and experience, but also because of their loyalty and commitment. The company implements **training and development programmes** on an annual basis to internally create growth and career opportunities.

Steriline aims to develop a culture, structures, systems and processes that generate **respect for the individual characteristics** of all the people in the organisation, since the greatest value for the company are people as unique individuals, who all contribute to the know-how and the economic growth of the company.

The commitment to **inclusion** refers to the way that differences between individuals are valued and opportunities are generated so that everyone can fulfil their potential.

The purpose of this policy of valuing diversity and integration is manifested in how every individual can express their own ideas and opinions, which reflect the diversity of the communities in which we live and work.

Naturally, the organisation also looks outside to effectively identify **new talent**, considering as essential characteristics the ones that can blend with the Company's values.

Steriline produces packaging lines for sterile environments, yet within itself it stimulates the contamination of ideas, exploiting the diversity of knowledge and skills and pushing on the involvement of students from both university and technical-professional settings through sharing and support in their academic projects.

Steriline's foundation for establishing itself as a constantly evolving "company of the future" consists in **sharing knowledge and experience** in a constant dialogue, which can generate method innovation that, in turn, becomes technological innovation and, ultimately, the business model.





OBJECTIVES AND RESULTS

AREA	TOPIC	OBJECTIVES	PLANNED ACTIVITIES FOR 2023	GOAL ADVANCEMENT	RESULTS	COMMITMENTS
S	Occupational health and safety Full attention to health and safety issues	Consolidation of internal resources and expertise	Internal skills training	100% of annual target (which is repeated every year)	Completion of the training process for the internal resource designated as RSPP (Head of the Prevention and Protection Service)	Continuation of growth and training courses - Internal training
		Ongoing supervision and updating of processes and procedures	Continued investment across all company sites in training, personal protective equipment and risk analysis	100% of annual target (which is repeated every year)	Risk analysis for all sites Continuous training Verification of the adequacy of PPE	Continuation of activities and commitments to maintain and improve the objective
	Development of human capital Strengthening skills, attracting talent and paying attention to people's well-being	Focus on the professional growth of people	Investments in training	100% of annual target (which is repeated every year)	Recruitment of a resource dedicated to the organisation of personnel training Launching and updating of training plans and continuous training	Continuation of activities to constantly maintain the objective

IMPACT ACTIVITIES FOR 2023

In relation to the main objectives of the social sustainability plan, during the year 2023 Steriline carried out actions both in the area of people's professional development and in the area of health and safety.

In the firm conviction that the growth of people leads immediately to tangible results within the organisation, Steriline has introduced skill "training" pathways through **"training gyms"** to enhance communication skills and the management of interpersonal relationships, by analysing aptitude profiles and assessing the potential of each employee involved.

In 2023, the role of the internal RSPP (Head of the Prevention and Protection Service) was added and the resource was supported throughout the year by a group of consultants to be better trained and prepared, as **occupational safety** is a necessary and essential organisational condition for Steriline. All risk analyses have been rewritten and initiatives have been taken to raise awareness among the entire company population of the value of taking continuous improvement actions aimed at increasing safety and, consequently, the level of well-being.

In 2023 numerous resources joined the company. These talents enrich the know-how, as these people were chosen not only for the technical or linguistic skills necessary for the job, but also by assessing the transversal skills that are necessary and in line with the company's culture and values.

Investing in diversity has been the driving force behind the company's unexpected opening up and enrichment in 2023. A diverse workforce that reflects society as a whole has made it possible to understand, accept and value the differences between people whose inclusion has become a strategic approach.

From 2024, the company will work on integrating a **Management by Objectives (MbO)** system as a company management approach that is based on the planning and achievement of common objectives.

As a result, the company seeks to improve the performance of each of its resources by promoting sharing between managers and employees and by fostering accountability and active collaboration.

This also includes planning the resources and actions needed to achieve the objectives set, enabling a concrete and realistic strategy to be established for the future.

COMPANY PERFORMANCE

GRI 2-7 Employees									
INDICATOR	2021			2022			2023		
COMPOSITION OF THE WORKFORCE	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
Total number of employees	26	154	180	30	169	199	31	184	215
Total number of permanent employees	23	154	177	28	166	194	31	181	212
Total number of fixed-term employees	3	0	3	2	3	5	0	3	3
Total number of employees with non-guaranteed hours	0	0	0	0	0	0	0	0	0
Total number of full-time employees	21	152	173	25	167	192	26	179	205
Total number of part-time employees	5	2	7	5	2	7	5	5	10


*Method used to calculate: count per person on 31/12 of the reference year

GRI 2-8 Non-salaried employees									
INDICATOR	2021			2022			2023		
COMPOSITION OF THE WORKFORCE	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
Agency workers	0	13	13	0	17	17	1	20	21
Interns	0	0	0	0	0	0	0	2	2


*Method used to calculate: count per person on 31/12 of the reference year


 GRI 401-1 New hires and employee turnover									
INDICATOR	2021			2022			2023		
NEW HIRES	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
New hires: < 30 years old	1	0	1	7	12	19	2	0	2
New hires: 30 - 50 years age range	34	3	37	0	18	18	1	27	28
New hires: age range > 50 years	0	2	2	0	0	0	0	1	1
Total new hires	35	5	40	7	30	37	3	28	31
Percentage of new hires out of total employees			23%			19%			15%


LEAVING PERSONNEL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
LEAVING personnel: < 30 years	0	0	0	1	4	5	0	1	1
LEAVING personnel: 30 - 55 years age group	2	17	19	2	8	10	2	11	13
LEAVING personnel: > 50 years	0	1	1	0	3	3	1	0	1
Total Leaving personnel	2	18	20	3	15	18	3	15	18
Percentage of leavers out of total employees			12%			9%			7%

 GRI 403-9 Work-related injuries - Table relating to salaried employees			
INDICATOR	2021	2022	2023
Deaths from work-related injuries	0	0	0
Workplace injuries with serious consequences	0	0	0
Recordable workplace injuries	3	4	2
Recordable workplace injury rate*	9.7	11.9	5.4
Main types of accidents at work	cuts and fractures	cuts	cuts and fractures
Number of hours worked	308,074	337,468	368,191

* calculated on a 1,000,000 basis

 GRI 403-10 Work-related ill health - Table referring to salaried employees			
INDICATOR	2021	2022	2023
Deaths due to work-related ill health	0	0	0
Recordable cases of work-related ill health	0	3	0

 GRI 404-1 Average number of hours of training per year per employee			
HOURS OF TRAINING	2021	2022	2023
Average hours of training	18.98	21.21	18.23
Total hours of training	3,417	4220	3920

<div> GRI 405-1 Diversity of governance bodies and employees</div>										
INFORMATION		2021			2022			2023		
COMPOSITION OF EMPLOYEES BY GENDER, CATEGORY AND AGE		WOMEN	MEN	TOTAL AGE	WOMEN	MEN	TOTAL AGE	WOMEN	MEN	TOTAL AGE
Employees	Percentage of employees by gender	14%	86%		15%	85%		14%	86%	
	Employee percentage: <30 years	19%	13%	14%	12%	18%	17%	18%	22%	21%
	Employee percentage: 30 - 50 years	77%	64%	66%	85%	61%	65%	79%	59%	62%
	Employee percentage: >50 years	4%	23%	20%	3%	21%	18%	3%	19%	17%
BoD	TOTAL gender	1	4	5	1	4	5	1	4	5
	Percentage of employees by gender	20%	80%		20%	80%		20%	80%	
	Employee percentage: <30 years	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Employee percentage: 30 - 50 years	0%	20%	20%	0%	20%	20%	0%	20%	20%
	Employee percentage: >50 years	20%	60%	80%	20%	60%	80%	20%	60%	80%
Managers	TOTAL gender	1	3	4	1	3	4	1	3	4
	Percentage of employees by gender	25%	75%		25%	75%		25%	75%	
	Employee percentage: <30 years	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Employee percentage: 30 - 50 years	25%	75%	2%	25%	75%	100%	25%	75%	100%
	Employee percentage: >50 years	0%	0%	0%	0%	0%	0%	0%	0%	0%

GOVERNANCE DIMENSION

The **Governance** dimension and sustainability of Steriline are strongly linked to **customer satisfaction**. The material topic adopted in the three-year sustainability plan concerns the adoption of policies aimed at customer satisfaction in terms of product quality, timeliness and flexibility of the service offered.

To ensure the served customers' complete satisfaction, Steriline aims to achieve continuous improvement objectives for the customer satisfaction tools in use, focusing on the constant involvement of the customers themselves.

Innovation and Research and Development are an integral part of the Governance dimension for Steriline's sustainability.

It is crucial for the company to be able to take steps towards the constant innovation of products, services, process and organisation.

Collaboration with Research Centres and Start-ups is central in order to favour constant innovation.

For Steriline, innovation must become a strategic element for its business, which can be approached systematically.



OBJECTIVES AND RESULTS

AREA	TOPIC	OBJECTIVES	PLANNED ACTIVITIES FOR 2023	GOAL ADVANCEMENT	RESULTS	COMMITMENTS
G	Customer satisfaction Continuous attention to customer satisfaction in terms of product and service quality	Continuous improvement of Customer Satisfaction tools and processes	Consolidation of internal sharing processes related to customer satisfaction	100% of the annual objective	Review of processes following the change of the management system	Maintenance and fine-tuning of the instrument
			Activation of new processes for customer engagement, identification of targets and analysis tools for Customer Satisfaction	33% of the three-year target	Start of activities for activation of new processes for customer engagement	Introduction of new customer engagement methods and analysis tools for Customer Satisfaction
	Innovation and research and development Continuous focus and investments in product, service and process innovation	Consolidating partnerships in an Open Innovation logic and developing internal innovation-oriented processes	Review and development of current collaboration with universities, research centres and the school system	100% of the annual objective (which is repeated every year)	Established collaboration channels	Continuation and expansion of collaborations for constant innovation
			Continuous innovation in 3D printing	100% of the annual objective (which is repeated every year)	Supervision and development of the innovation process in 3D printing (Uni. of Bologna)	Continuation of activities for the management and constant improvement of the activated process/project
			Implementation of robotisation projects for the pharmaceutical world	50% of the three-year target	Study and implementation of new robotic applications to meet customer needs	Continuation of activities for the management and constant improvement of products
			Consolidation of internal management systems and expertise for innovation - Identification of appropriate information-gathering processes for innovation	50% of the three-year target	Identification of customer requirement collection processes in the area of innovation and updating of internal processes to make information accessible	Consolidation of processes for information exchange and updating. Fostering direct communication between the R&D team and customers

IMPACT ACTIVITIES FOR 2023

The governance positive impact activities carried out by the Company in 2023 covered various aspects of corporate life, such as the reorganisation of internal processes, internationalisation, research and development aimed at satisfying the technical requirements of customers.

In August 2023, the **new management system went live**. With the adoption of SAP S/4HANA, corporate processes have been reshaped with a view to make them more efficient and integrated and to facilitate the growth of the organisation, further paving the way for more innovation. A great investment was also made in training staff to use the new system and considerable effort was put into consolidating the cross-departmental sharing processes.

The SAP Management System was also introduced to make the best use of the data entered or collected within the company, acting in terms of prompt and efficient data management, in order to obtain better analyses of corporate trends, which can then be used to make decisions for the future development of the Company.

In the meantime, an important move was made in terms of **internationalisation**: the establishment of **Steriline Asia Pvt. Ltd**, in a market (India) which is growing at an annual rate of 15% and where more than 100 Steriline filling lines are already installed, which is clear evidence that the company's technology and services are appreciated.

The commitment to **Research and Development** is also continuing through collaboration with Research Centres and Universities, particularly in the field of robotic handling and 3D printing.

In the last few months of the year, the company also decided to study the matter of **Artificial Intelligence** more in depth. To understand in which direction to move and to better respond to the real needs of customers, a questionnaire was prepared and sent to agents and sellers. The aim of this action was to collect information and perceptions on the various markets relating to process innovation and innovative projects involving the use of artificial intelligence, projects that could potentially be implemented in the company.

A **Lean manufacturing** project was also launched. As part of the project activities for 2023, the project for the improvement of the production layout was started, using the 5S methodology and aiming to optimise work standards and operational performance by changing the environments and layouts. The main objective of this project is to create an efficient and organised workplace, according to shared rules, in which teamwork is the main condition for finding solutions to reduce working time and improve productivity.

COMPANY PERFORMANCE

€ GRI 201-1 Direct economic value generated and distributed				
	2021	2022	2023	MEASUREMENT UNIT: €
GENERATED ECONOMIC VALUE	52,071,790	54,775,547	55,557,724	
Net turnover	51,994,558	53,724,404	55,357,592	
Revenue from financial investments	82,222	573,413	592,823	
Revenue from sale of business	45,010	477,731	-	
DISTRIBUTED ECONOMIC VALUE	45,299,517	49,253,673	49,924,325	
Operating Costs	33,149,001	34,992,935	32,988,404	
Employee salaries and benefits	10,351,219	11,804,991	12,986,097	
Payments to capital suppliers	208,497	307,568	1,211,370	
Payments to governments	1,590,700	2,148,079	2,732,455	
Community investments	100	100	6,000	
RETAINED VALUE	6,772,273	5,521,874	6,026,090.07	

€ GRI 201- 4 Financial assistance received from government					
	2021	2022	2023	MEASUREMENT UNIT: €	
Tax relief and tax deductions	-	15,749	66,778		Tax credits accrued during the year
Grants for investment, research and development and other relevant forms of grants	48,600	48,600	111,248		Tax credit for R&D
Financial incentives	485,264	489,690	324,165		Grants for the current year and for PV system
Other financial benefits received or that may be received from any public administration for any transaction.	170,000	-	-		

€ GRI 204-1 Proportion of spending on local suppliers				
	2021	2022	2023	MEASUREMENT UNIT: %
Percentage of expenditure on suppliers of goods or services based in Lombardy	55.9%	61.4%	58.4%	

IN THE LAST 3 YEARS, NO NON-COMPLIANCE WAS FOUND BY THE COMPANY WITH REGARD TO THE FOLLOWING GRIS:

- 417-2 Incidents of non-compliance concerning product and service information and labelling
- 417-3 Incidents of non-compliance concerning marketing communications
- 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data
- 2-27 Compliance with laws and regulations



THE DRAFTING METHOD

The boundaries of the Sustainability Report
Drafting principles
GRI indicators
Glossary

THE BOUNDARIES OF THE SUSTAINABILITY REPORT

Steriline S.r.l.'s 2023 Sustainability Report is the result of the second reporting cycle that the company has implemented to effectively inform stakeholders about its sustainability performance. The purpose of this document is to provide information on the management model, the policies applied, the main risks, opportunities and effects related to ESG topics identified as material topics. The ultimate aim is to provide evidence of the actions taken in relation to the sustainability objectives by providing a response to the legitimate expectations of all stakeholders of Steriline S.r.l.

DRAFTING PRINCIPLES

The preparation of the Sustainability Report is based on various principles that refer to the typical sustainability reporting frameworks, standards and indicators:

- **the International Reporting Framework (<IR>)** published by the International Integrated Reporting Council (IIRC) for the part relating to the guiding principles (strategic focus and future orientation, stakeholder relationships, materiality, conciseness) and the elements of content (organisational overview and external environment, governance, business model, strategy and performance).
- **the Global Reporting Initiative (GRI, the GRI-Referenced option)** for reporting on sustainability policies.
- **the United Nations Sustainable Developments Goals (SDGs)** with reference to the implications of materiality issues on the Sustainable Development Goals.

GRI INDICATORS

GRI STANDARDS	DESCRIPTION	PAGE
GRI 2: General Disclosures 2021	2-1 Dettagli organizzativi	15
GRI 2: General Disclosures 2021	2-2 Entità incluse nella rendicontazione di sostenibilità dell'organizzazione	15
GRI 2: General Disclosures 2021	2-6 Attività, catena del valore e altri rapporti di business	18,30,31
GRI 2: General Disclosures 2021	2-7 Dipendenti	18, 56
GRI 2: General Disclosures 2021	2-9 Struttura e composizione della governance	25
GRI 2: General Disclosures 2021	2-11 Presidente del massimo organo di governo	25
GRI 2: General Disclosures 2021	2-22 Dichiarazione sulla strategia di sviluppo sostenibile	7, 39
GRI 2: General Disclosures 2021	2-23 Impegno in termini di policy	26
GRI 2: General Disclosures 2021	2-27 Conformità a leggi e regolamenti	69
GRI 2: General Disclosures 2021	2-29 Approccio al coinvolgimento degli stakeholder	37
GRI 3: Material topics 2021	3-1 Processo di determinazione dei temi materiali	37
GRI 3: Material topics 2021	3-2 Elenco di temi materiali	37
GRI 201: Economic Performance 2016	201-1 Valore economico direttamente generato e distribuito	68
GRI 201: Economic Performance 2016	201-4 Assistenza finanziaria ricevuta dal governo	68
GRI 302: Energy 2016	302-1 Energia consumata all'interno dell'organizzazione	50
GRI 302: Energy 2016	302-3 Intensità energetica	52
GRI 303: Water and Effluents 2018	303-3 Prelievo idrico	52
GRI 305: Emissions 2016	305-1 Emissioni dirette di GHG (Scope 1)	52
GRI 305: Emissions 2016	305-2 Emissioni indirette di GHG da consumi energetici (Scope 2)	52
GRI 305: Emissions 2016	305-4 Intensità delle emissioni di GHG (location based)	53
GRI 305: Emissions 2016	305-4 Intensità delle emissioni di GHG (market based)	53
GRI 306: Wastewater and waste 2021	306-4 Rifiuti non destinati a smaltimento	53
GRI 401: Employment 2016	401-1 Nuove assunzioni e turnover	58
GRI 401: Employment 2016	401-2 Benefit previsti per i dipendenti	61
GRI 403: Occupational health and safety 2018	403-9 Infortuni sul lavoro	62
GRI 403: Occupational health and safety 2018	403-10 Malattie professionali	61
GRI 404: Training and education 2016	404-1 Ore medie di formazione annua	63
GRI 404: Training and education 2016	404-3 Percentuale di dipendenti che ricevono una valutazione periodica delle performance e dello sviluppo professionale	63

GRI STANDARDS	DESCRIPTION	PAGE
GRI 405: Diversity and equal opportunities 2016	405-1 Diversità tra gli organi di governo e tra i dipendenti	64
GRI 405: Diversity and equal opportunities 2016	405-2 Rapporto dello stipendio base e retribuzione delle donne rispetto agli uomini	65
GRI 406: Non-discrimination 2016	406-1 Episodi di discriminazione e misure correttive adottate	69
GRI 417: Marketing and labelling 2016	417-2 Episodi di non conformità in materia di informazione ed etichettatura di prodotti e servizi	69
GRI 417: Marketing and labelling 2016	417-3 Casi di non conformità riguardanti comunicazioni di marketing	69
GRI 418: Customer Privacy 2016	418-1 Denunce comprovate riguardanti le violazioni della privacy dei clienti e perdita di dati dei clienti	69

Steriline has reported the information mentioned in this GRI index of contents for the period from 01/01/23 to 31/12/23 with reference to the GRI Standards.

GLOSSARY

2030 Agenda for Sustainable Development: this is the action programme for people, the planet and prosperity that the governments of the 193 member countries of the United Nations signed up to in September 2015. The Agenda includes the 17 Development Goals, called SDGs (see the next item).

Carbon Footprint: expresses in CO₂ equivalent the total greenhouse gas emissions associated directly or indirectly with a product, organisation or service. This index is used to measure the sustainability of businesses.

Circular Economy: a production and consumption model that involves the sharing, reuse, repair, reprocessing and recycling of materials and products.

ESG (Environmental, Social, Governance): it refers to a set of sustainability standards used to assess the activities of a company in economic and governance terms but also according to their impact on society and the environment.

Global Reporting Initiative (GRI): an international non-profit organisation created with the aim of defining the standards for reporting the sustainability performance of organisations.

Governance: the individuals or bodies (e.g. the board of directors or a corporate trustee) with the responsibility to oversee the strategic direction of an organisation and its obligations in terms of responsibility and administration.

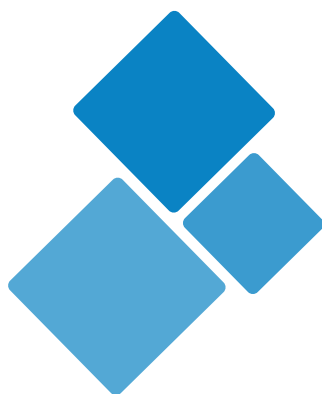
Greenwashing: fraudulently communicating a company's sustainability.

SDGs (Sustainable Development Goals): 17 United Nations goals to be achieved by 2030. These goals serve as guidelines to contribute to global development, promote human well-being and protect the environment.

Shared Value: an entrepreneurial model in which the search for economic and financial success and competitive advantage of a company includes environmental and social decisions and strategies.

Stakeholders: entities, organisations or individuals who can be influenced by the organisation's activities, products and services or who can influence the organisation's decisions.

Sustainability Report: a synthetic communication tool that illustrates how the company is committed to sustainability issues and measures its performance in that sense.



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