

Communication On Progress





**Report on progress made by Esaote S.p.A. in terms of implementing
the Ten Principles set out in the United Nations Global Compact**

Reporting period: August 2021 – August 2022

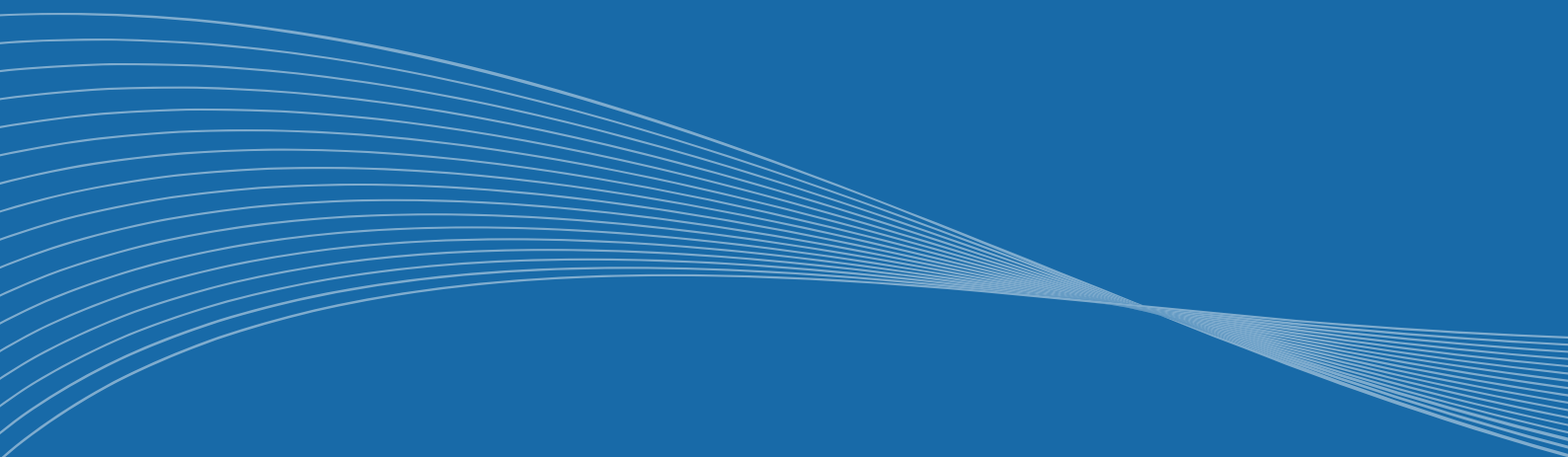
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UN Global Compact

The United Nations Global Compact (GC) is the world's largest and most important initiative to support responsible business management. The vision of the UN Global Compact is to promote an inclusive and sustainable global economy, based on Ten Universal Principles relating to human rights, labour standards, climate and environmental protection, as well as the preventive fight against corruption.

As a signatory to the initiative, Esaote S.p.A. supports the UN's Ten Principles and Sustainable Development Goals (SDGs) for 2030. By recognizing its values in them, the Group is actively committed to their implementation in its sphere of influence.

COMMUNICATION
ON PROGRESS



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

The Ten Principles of the UN Global Compact

Human Rights

Businesses should:



- support and respect the protection of internationally proclaimed human rights (Principle 1)



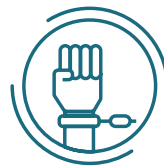
- make sure that they are not complicit in human rights abuses (Principle 2)

Labour

Businesses should uphold:



- the freedom of association and the effective recognition of the right to collective bargaining (Principle 3)



- the elimination of all forms of forced and compulsory labour (Principle 4)



- the effective abolition of child labour (Principle 5)



- the elimination of discrimination in respect of employment and occupation (Principle 6)

Environment

Businesses should:



- support a precautionary approach to environmental challenges (Principle 7)



- undertake initiatives to promote greater environmental responsibility (Principle 8)



- encourage the development and diffusion of environmentally friendly technologies (Principle 9)

Anti-Corruption



- Businesses should work against corruption in all its forms, including extortion and bribery (Principle 10)

Sustainable Development Goals

The 2030 Agenda for Sustainable Development is a program of action for people, the planet and prosperity, signed in September 2015 by the governments of the 193 member states of the United Nations. It encompasses 17 Sustainable Development Goals (SDGs) in a major plan of action, to which Esaote has signed up.

The Sustainable Development Goals represent common goals on a series of important issues for development: the fight against poverty, the eradication of hunger and the fight against climate change, to name but a few.



Scope of the Esaote S.p.A. COP Report

Business management in the name of sustainability is a medium- and long-term process, whereby the Company faces new challenges on a daily basis, driving it towards constant action and thus offering a wide range of opportunities for development.

By signing up to the UN Global Compact, Esaote S.p.A. has decided to take a step further: to declare its commitment to an inclusive and sustainable economic model. At the same time, it has committed to implementing and encouraging – within its own sphere of influence – the social and ecological standards set out in the Ten Principles.

Fair relations and equal rights, accountability to people and the environment, prudent management of resources, as well as fair and equitable commercial practices are inalienable preconditions for Esaote and must not constitute objectives in conflict with the high quality of products and services or with the pursuit of economic success, either now or for future generations. For Esaote, sustainability therefore means demanding and promoting an overall balance between economy, ecology and social responsibility.

This progress report demonstrates that Esaote intends to actively integrate and continue to promote the fundamental principles of the UN Global Compact in its strategic vision, as well as in the day-to-day operations of the Company. Esaote would like to thank everyone who is supporting this initiative and sharing their efforts to do so.



“For Esaote, the health of humans, animals and the ecosystem have always been inextricably linked. The decision to sign up to the Global Compact is in line with the ongoing transformative innovation strategy, the aim of which is to make our contribution effective and measurable using ESG metrics, in the areas of greatest impact for us.”

Promoting a culture of sustainability, with a commitment to enhancing human capital, ensuring health and safety in the workplace, increasing people's well-being, reducing environmental impact, investing in research and development for a sustainable, resilient and durable ecosystem: these are the pillars of the strategy Esaote is implementing for its development in full and constant support of the United Nations Global Compact, which goes hand in hand with the multidisciplinary One Health approach aimed at reducing risks to health.”

30/07/2022

Franco Fontana
CEO, Esaote Group

Company Profile



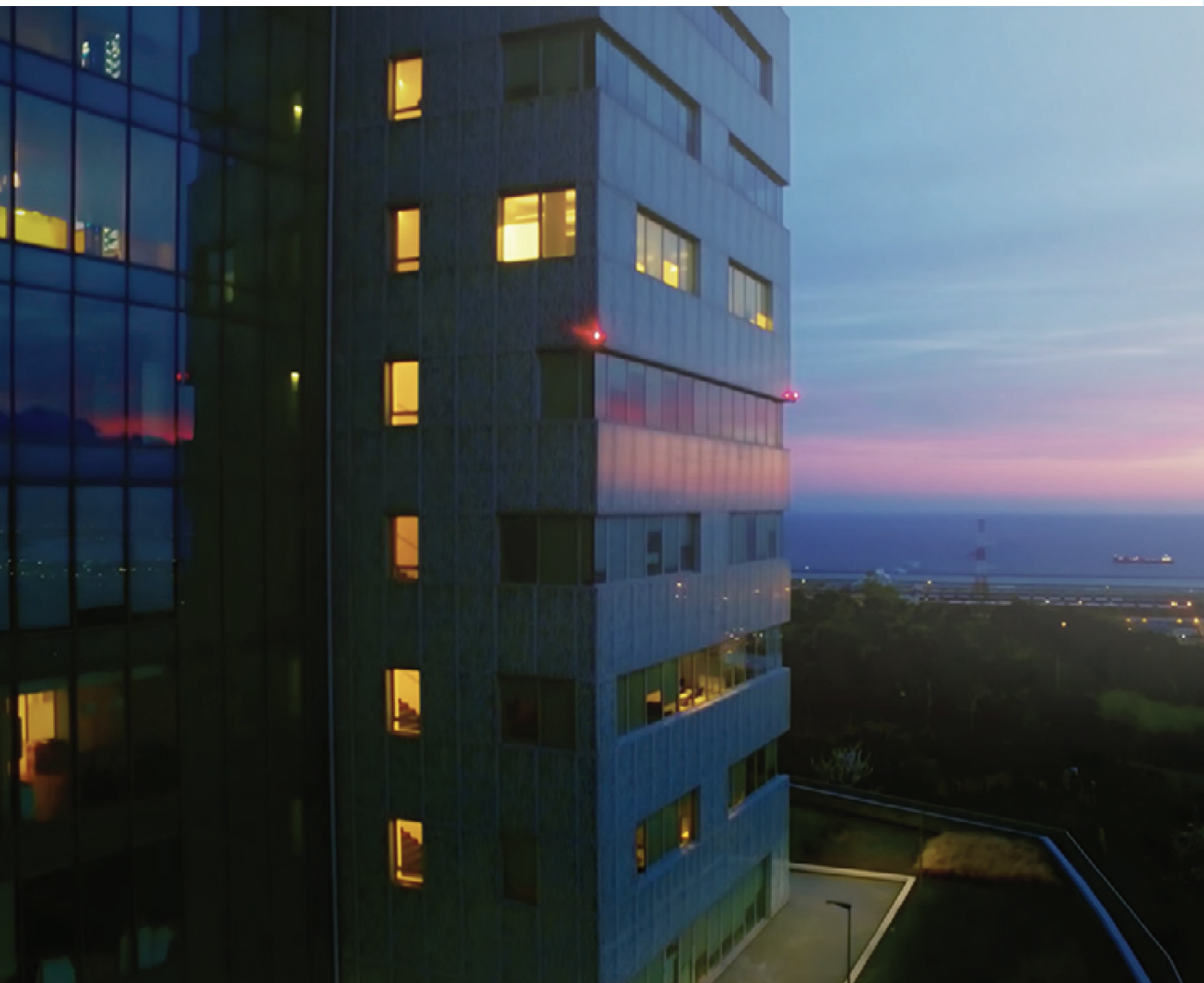
Esaote Group – About Us

Esaote is one of the world's leading manufacturers of medical diagnostics systems; it is internationally recognized as a leader in the field of dedicated magnetic resonance imaging and is a major player in the field of Information Technology in healthcare.

Set up from scratch in the 1980s as a true startup, Esaote – based in Genoa, Italy – is now active in about 100 countries around the world. It has research centers and production plants in Italy (Genoa and Florence) and in the Netherlands (Maastricht and Sittard), along with subsidiaries and offices in France, Germany, Spain, the United Kingdom, Russia, the United States, China, Argentina, India, Mexico and Australia.

The Esaote Group has over 1,270 employees, 20% of whom are engaged in Research & Development, a sector in which the Company invests about 12% of its turnover, to create highly innovative products based on thorough analysis of clinical needs and market trends.

Thanks to collaboration developed since day one with the medical and scientific world, research centers, universities and institutions, in 40 year Esaote has become one of the top 10 players in diagnostic imaging worldwide.

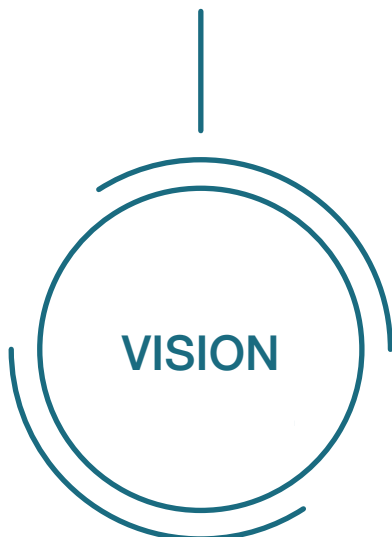


**More than a
Philosophy**



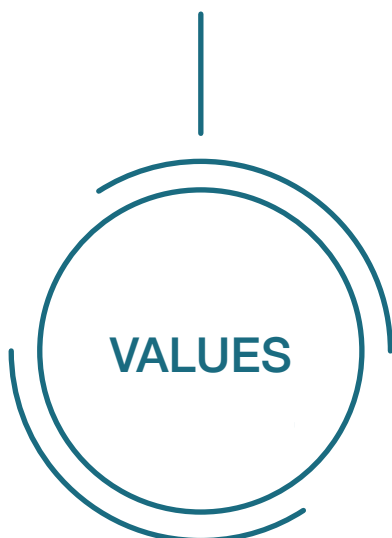
Our Mission. Complexity is simple.

We want to bring to the world the uniqueness of our vision and values, combining advanced software with ultrasound and MRI systems, to get the most out of image quality and provide healthcare professionals with the best tools to decide on optimal care.



Our Vision. More in less.

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



- Teamwork**
- Commitment**
- Integrity**
- Results**
- Client Focus**



History

Esaote is founded as part of Ansaldo (IRI Finmeccanica Group), a state-owned company

1982

The internationalization process begins First acquisition in the USA (Biosound)

First MRI system, for joints

1992

Esaote is privatized with an innovative management buyout

1994

Esaote is floated on the Milan Stock Exchange

1996

2003

Second management buyout by leading financial groups and 99 Esaote managers and employees

2006

Third management buyout by new investors

2009

Change of ownership: Esaote is acquired by a consortium of leading Chinese investors

2018

Assignment of the highest level (***) in Italy's "Legality Rating"

Esaote signs up to the United Nations Global Compact

2021

1983
1986

Ansaldo's in-house Biomedical Division becomes part of EsaControl after a merger with Ote Biomedica
Esaote Biomedica is founded

1992
1995

Esaote ultrasound scanners are used in three space missions (STS-50, STS-65, STS-71)

1999

Esaote enters the sector of Information Technology for healthcare

2002

Esaote introduces fusion imaging, a technology to merge real-time ultrasound imaging data with CT/MRI/PET-CT images

2008

Together with EI.En, Esaote develops the world's first medical system integrating lasers and ultrasound for the minimally invasive treatment of tumors

2016

New production sites, new work tools, new business models

2018
2021

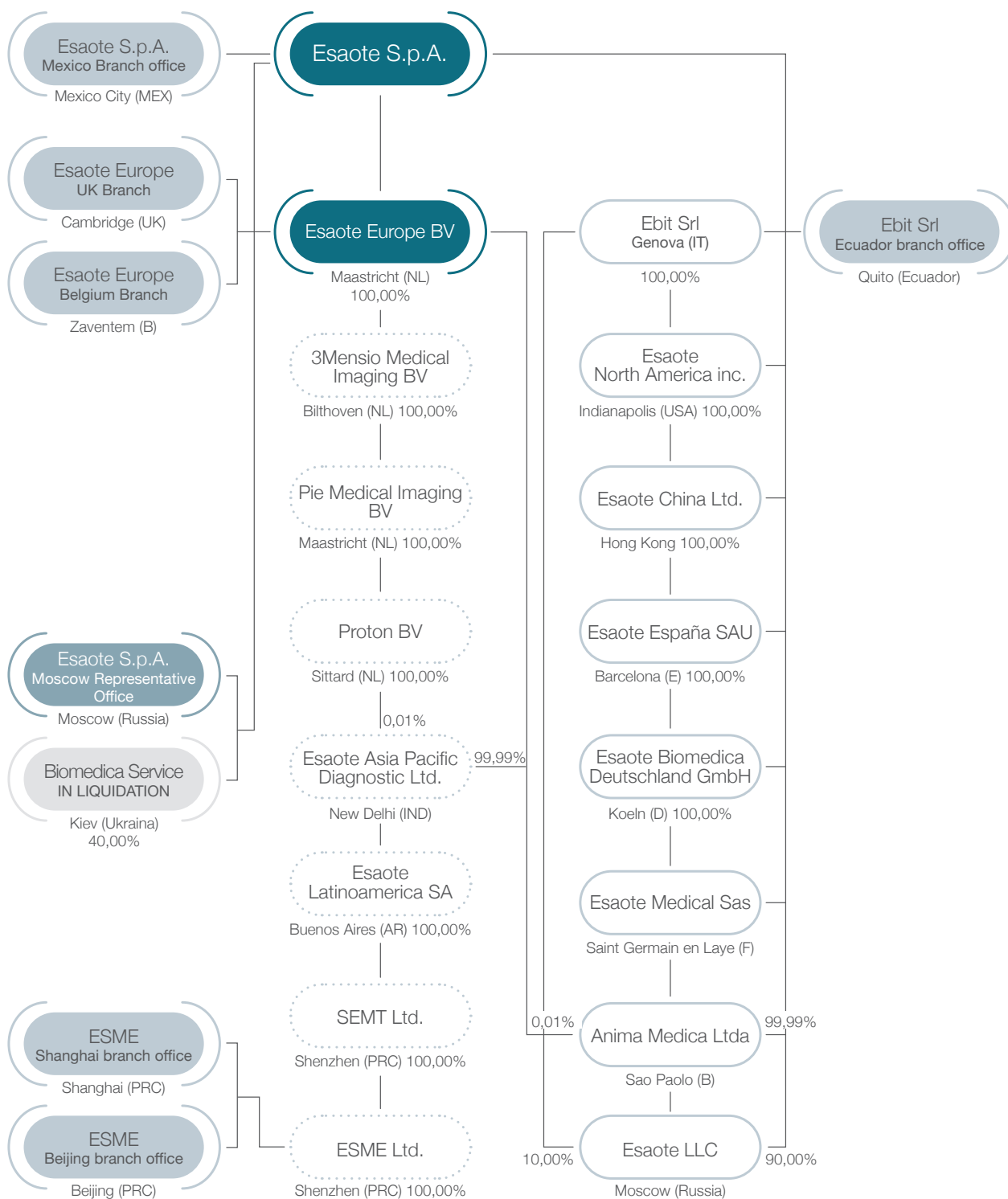
New product portfolio





Group Companies

The pathway of expansion into international markets begun in the early '90s, based on acquisitions, shareholdings and the establishment of new companies, has enabled Esaote not only to expand its presence in highly competitive markets but also to embark on a journey of constant technological and scientific improvement and process organization.



Representative Office
Associated Company
Branch Office

Business Lines

Esaote operates in the following sectors of the medical technology market:



Ultrasound

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



Magnetic Resonance Imaging

Esaote was the first company to develop dedicated MRI systems for knee, shoulder and limb imaging and is now a leader in the field. Over 2,800 of our MRI systems have been installed worldwide, in large hospitals, private clinics, sports medicine centers, rheumatology laboratories and trauma departments. Esaote has also developed an innovative dedicated MRI system for orthostatic hypotension in the spine. Since 2021, Esaote has also entered the world of total body magnetic resonance imaging, with an innovative open system equipped with the latest technology, to meet not only clinical but also operational and financial needs.





Information Technology for healthcare

Esaote is a leading player in Information Technology through its subsidiary Ebit, which operates in the design, development, distribution and marketing of hardware/software systems dedicated to enterprise-wide management of the workflow in radiology and cardiology, implementing the most sophisticated solutions for structured reporting, 3D/4D analysis and processing and mobile technologies. Through Pie Medical Imaging, Esaote is a world leader in the production of quantitative analysis software (CAAS platform) and, as a result of the acquisition of 3mensio Medical Imaging, Esaote currently produces a complete software platform to manage the most innovative techniques for structural heart and endovascular analysis.



Global Service

Esaote's Global Service is tasked with providing outstanding support to the installed fleet, enabling clients – whose satisfaction is a fundamental value for the Company – to plan their everyday activities smoothly.

As well as providing both on-site and remote assistance services, Esaote also offers forms of personalized assistance, such as scheduled maintenance, corrective interventions and safety checks, designed to ensure maximum performance of the devices throughout their life cycle, to prevent failures and to reduce machine downtime, thus ensuring the best possible yield from the device.





Product Quality & Safety

Product quality and safety are the heart of activities at Esaote, which aspires to provide all professionals in the health sector with useful solutions to achieve the best results both in terms of efficiency and reliability of clinical performance, and of experience, not only for the doctor but also for the patient.

Quality Management System

To ensure a structure suitable to maintain quality, Esaote has established and implemented a process-based quality management system that constantly analyzes and reviews the product throughout its life cycle.

Design Control

Even in the research and development phase, a process is adopted to ensure that ideas not only meet clients' requirements but also comply with safety standards.

Production Stage

In the production stage, Esaote uses specific factory management systems for the supply of materials, the manufacturing and distribution of products as well as the disposal of the waste generated.

Post-Production Monitoring

All new products are monitored by means of clinical follow-up, risk management and monitoring processes, from launch to post-market.

The devices are constantly checked to determine whether they meet clients' requirements and comply

with quality standards.

Product Life Cycle Management

With a 360° approach in the manufacturing of its products, Esaote takes into account not only consumers' health and safety but also the environmental impact, at every stage in the life cycle of its diagnostic systems.

Certification & Compliance

All diagnostic devices are certified according to the applicable standards in terms of quality, environment, health and safety.

Supplier Management

Primary suppliers are carefully evaluated – including by independent auditors – to ensure they meet technical and quality requirements.





Quality Management System

UNI EN ISO 9001:2015 (N. 5010013057 - Rev. 08)



EN ISO 13485:2016 (N. Q5 095545 0015 Rev. 01)

MDSAP 13485:2016 (MDSAP N. QS6 095545 0016 Rev. 01)



Environmental Management System

ISO 14001:2015 CSQn (Certificate n. 9191.ES05 and IQNet Certificate n. IT - 91707)



Awards & Acknowledgments

Its awards and recognitions testify that the Company has identified a pathway of value that can also be recognized abroad.



“Best Circuit Award”, given for the CMOS 100 MHz AISC system at the EUROASIC-EDAC Conference



The ADI (Industrial Design Association)'s **“Compasso d’Oro”** was awarded for E-Scan, a dedicated magnetic resonance system



Certification “cum Laude” for Virtual Navigator, a fusion imaging system for ultrasound-guided therapy, awarded at the Annual Meeting of the Radiology Society of North America (RSNA)

“Honourable Mention” given to the MyLab 30 CV portable ultrasound system in I.D. magazine's Annual Design Review



Red Dot Design Award given to the “Appleprobe” for best product design



“Confindustria 2010 Andrea Pininfarina Award for Excellence” for the best performance in the development and capitalization of innovation, in terms of investment in research and innovation in human and technological capital



“Hong Kong China Trader Award 2010” given by Cathay Pacific Airways



One of the **top 400 companies for people to work at in Italy**. This was stated in a survey conducted by Statista, an independent German research institute and world leader in online market data.

Golden A' Design Award for the “Design of Scientific Instruments, Medical Devices and Research Equipment” category, given to the MyLab™9 ultrasound platform by the International Academy of Design.



The **Fonti Awards** – HR Director of the Year



“China Awards - Silk Road” given to Esaote by the Italy-China Foundation for establishing a long-standing pathway of growth in China.





Stakeholders

We consider anyone with an implicit or explicit interest as a stakeholder, where they are influenced by Esaote's activities.

The "Stakeholder Map" set out below identifies the broad categories of fundamental interlocutors, internal and external to Esaote, given the extent of their proximity, representativeness and authority; specifically: clients, employees, suppliers, shareholders and investors, institutions, and the community.



Businesses should:



- support and respect the protection of internationally proclaimed human rights



- make sure that they are not complicit in human rights abuses



“Whatever is my right as a man is also the right of another; and it becomes my duty to guarantee as well as to possess.”

Thomas Paine – Enlightenment politician, intellectual and philosopher

Esaote S.p.A. Evaluation, Principles & Objectives

As a company aware of its responsibilities, Esaote presupposes and pursues ethical principles of governance, inspired by the protection of everyone's dignity and rights. With this in mind, the Company observes and supports the Universal Declaration of Human Rights adopted by the UN, as well as the fundamental conventions of the International Labour Organization (ILO), making an active contribution in order that these principles are respected and implemented within its sphere of influence.

Esaote's business strategy has always been marked by the clear definition of values such as fairness, reliability, trust and honesty, as well as by the application of company management criteria in the name of sustainability and the human factor. The utmost importance is attached to relationships based on mutual esteem and long-term relationships with customers, suppliers and commercial partners.

Compliance with all applicable legal provisions, as well as respect for human rights at all levels of the company and along the entire value chain are subject to systematic control via constant monitoring. The Code of Conduct constitutes a binding regulatory framework for all Esaote employees and corporate bodies and represents the reference point for the conduct of business and corporate activities in full respect of all Esaote stakeholders.

Among other aspects, the Code of Conduct sets out in writing the ethical principles governing the relationship with commercial partners, suppliers and subcontractors, with the Government and political and trade union institutions, with competitors and professional associations and, finally, with the entire social fabric.

The Esaote S.p.A. Code of Conduct also forms an integral part of the Organization, Management and Control Model in accordance with Legislative Decree No. 231/2001 (the "Model"), as adopted by the Company.

The Compliance Officer – a position established by the Company to ensure compliance with the rules it is subject to, among other factors – checks, controls, applies and updates the regulations and guidelines on conduct contained therein.

Any breach of the principles and provisions of the Code of Conduct and the Model are sanctioned with appropriate disciplinary measures, of which employees and collaborators are aware.

All employees of Esaote S.p.A. attend special training courses, in order to perform tasks and roles in a professional manner and to comply with the guidelines in the Code of Conduct, as well as all further provisions of the law and internal regulations. All new employees take an introductory training course, during which they receive relevant information and extensive documentation, including specific onboarding brochures.

Employees are also invited to report any suspected or ascertained breach of the rules and principles contained therein via a specific procedure, which also provides for an independent ombudsman.



Report on Sustainability Activities at Esaote S.p.A. in relation to the Objectives of the Global Compact. Principles 1-2

Respect for the protection of human rights is an essential aspect by which the Company is inspired and which it has appropriately set out in its Code of Conduct, committing itself to safeguarding the physical, psychological and moral integrity of its human resources and of the entities that, for whatever reason, collaborate and/or maintain relations with Esaote, including, where applicable, suppliers and commercial partners, as follows:

- protecting privacy, as established by law and by the GDPR, minimizing the information that may be collected
- preventing any bullying or behavior that may cause psychological suffering, thus ensuring a positive work environment
- taking action to provide safeguards against any form of sexual harassment and gender discrimination. Indeed, Esaote pays scrupulous

attention to the processes of recruitment, hiring, training, promotion, growth and remuneration of its staff, condemning any distinction of race, religion, age, color, sex, nationality, disability or any other protected condition

- adhering to a thorough system for safety at work and safety and environmental procedures, aimed at reducing the risk of personal accidents among employees and collaborators
- only working with suppliers and commercial partners who share Esaote's values and its high ethical standards.

The Company declares that it has received no reports of violations of human rights, nor complaints from employees relating to breach of the Code of Ethics or the application of the Model.

Social Solidarity & Philanthropy



Esaote feels a strong sense of commitment to those who practice the medical profession and a strong sense of responsibility towards citizens, potential users of medical services. By dedicating time and donating products and funds, it helps to improve the lives of patients and to support those who take care of them.

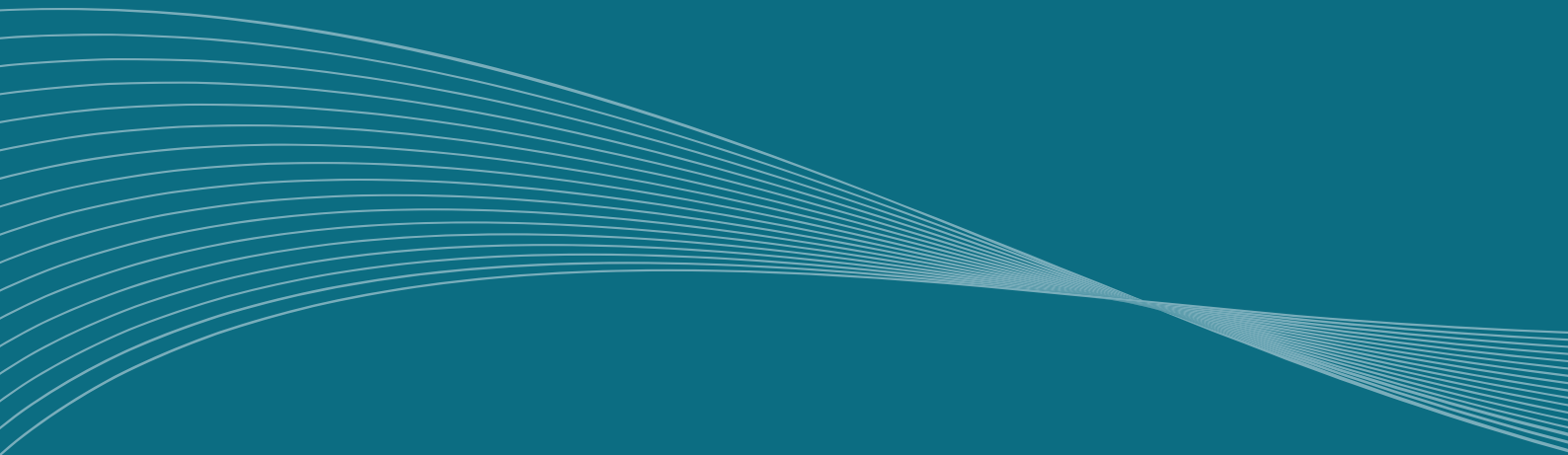
Via local and global partners in charitable initiatives, Esaote aims at having a positive long-term impact.

Esaote has entered into numerous collaborations with non-profit organizations and medical/healthcare

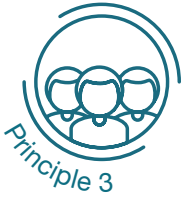
personnel who volunteer to improve the living conditions of particularly disadvantaged populations in need of healthcare, in terms of diagnosis, treatment and therapy. In September 2021, Esaote S.p.A. donated to Soleil d'Afrique – a non-profit organization based in Italy that has been working on solidarity and cooperation projects in Benin since 2007, including in the field of healthcare – two ultrasound devices to perform diagnostic tests, especially in obstetrics, gynecology and internal medicine, destined for a field hospital and a mobile healthcare unit in Benin.



Esaote's Commitment to the Right to Work



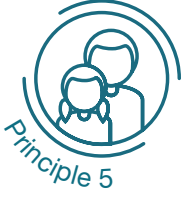
Businesses should uphold:



- the freedom of association and the effective recognition of the right to collective bargaining



- the elimination of all forms of forced and compulsory labour



- the effective abolition of child labour



- the elimination of discrimination in respect of employment and occupation



“The Republic recognizes the right of all citizens to work and promotes those conditions which render this right effective. Every citizen has the duty, according to personal potential and individual choice, to perform an activity or a function that contributes to the material or spiritual progress of society.”

Art. 4. Constitution of the Italian Republic

Esaote S.p.A. Evaluation, Principles & Objectives

It is Esaote policy to uphold and respect the protection of human rights as universally recognized principles and to ensure that the Company is not involved in any breach of these fundamental rights.

To this end, the Company categorically rejects any form of forced or child labour, either at its premises or at those of its suppliers or subcontractors, as well as discriminatory attitudes in terms of employment and occupation.

Mutual respect, tolerance and open-mindedness are the basis for building human relationships with the different cultures of the world, in all the countries where the Company operates.

By adopting a participatory managerial style, with well-defined responsibilities and equality based on mutual respect and esteem, Esaote strives to create a climate where its employees can work independently and responsibly, in their operational field and according to their skills. Esaote S.p.A. requires and encourages the personal and professional growth of its employees, offering them specific training and updating courses. As an integral part of the community, it supports social development in its own field, by means of targeted initiatives and according to the assumption of social responsibility.

It recognizes the freedom of association and the right to collective bargaining, and takes the fair and proper remuneration of its employees for granted.

All business processes comply with nationally and internationally recognized standards, far exceeding the minimum requirements regarding labour standards. For Esaote, health and safety in the workplace are major priorities. As such, the health and safety management system includes precautionary measures and takes into account the individual in their entirety, pursuing a policy of “zero accidents” and is committed to offering a safe working environment, with minimized risks to health and of injuries.

Collective Bargaining Agreement & Remuneration

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

Reports

All employees who fall victim to or witness discriminatory attitudes in terms of employment and occupation are required to immediately notify the Supervisory Body, the Company’s internal managers or the Human Resources (HR) Office. All reports made will be internally investigated and any kind of discrimination or breach will be sanctioned using disciplinary measures.

Equal Participation

New job positions are opened according to a standardized process and all interested parties can submit their application regardless of gender, social background, religion, culture, sexual orientation, language, nationality, age or disability. All employees are offered identical employment and advancement opportunities, as well as career opportunities in management and technology.

The evaluation of the professional work takes place, among other things, during synergistic activity and maximum collaboration between the Human Resources (HR) Office and the responsible divisions, which are also supported by skills assessment tools – one of Esaote’s principal HR processes, which takes place annually.

This mapping enables employees to identify the training courses that are delivered over the year, salary review, career paths and other related HR processes. Esaote S.p.A. also incentivizes young people with a wide range of programs that encourage new graduates to start working.

It is also possible to reconcile work and family



commitments by means of part-time employment models, offering a fully inclusive work environment to people with disabilities as well. The program undertaken by the Company to improve the well-being of workers and their families is completed by welfare and wellbeing initiatives.

Health & Safety in the Workplace Management System

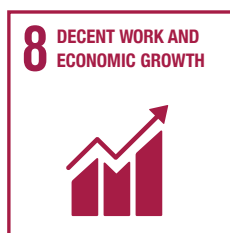
Health and safety in the workplace are of the highest priority for Esaote, which strives to guarantee them and exceed the minimum legal requirements. Fundamentals and measures in the field of occupational health and safety protection are set out in black and white in the company policy. To achieve constant monitoring and improvement of occupational health and safety protection, a specific organization has been provided for each site, where the relevant managers and employees work towards implementing preventive measures and towards compliance with the provisions.

Employee Training on Health & Safety in the Workplace

All employees take an all-encompassing core course on health and safety in the workplace. The training and refresher program also offers a variety of courses in the field of prevention and holistic health, in particular on topics such as work-life balance, ergonomics in the workplace, resilience, time management and handling duties.



Report on Sustainability Activities at Esaote S.p.A. in relation to the Objectives of the Global Compact. Principles 3-6



Role of the HR Division

The Esaote S.p.A. HR Division has long been at the forefront in the defense of human rights and in the enhancement of human capital, guaranteeing all workers equal pay and equal opportunities for professional growth.

This commitment translates into actions aimed at:

- focus on the work-life balance
- constant updates to existing company policies
- establishment of internal and external programs aimed at developing the soft and hard skills of all employees
- promotion of welfare initiatives aimed at improving workers' well-being.

The protection of the environment and the well-being of human resources and stakeholder communities have become central objectives for a sustainable and long-term business.

Well-being & Prevention

Each person is considered as a whole (mental, physical and social health): the HR Office coordinates health protection measures, developed together with the Office for Safety at Work, occupational physicians, workers' safety representatives and members of Company Management.

Health and safety management at Esaote is not only limited to averting accidents and risks, and ensuring a safe workplace, but also includes a series of preventive measures to protect the health of its

employees and increase their individual well-being.

For example, office workstations are set up ergonomically and employees receive useful advice for the correct posture to be adopted when working at a screen. In the production departments, Esaote strives to ensure a continuous rotation of operators, in order to reduce health risks.

Reporting & Checks on Health & Safety in the Workplace

Checking, supervision and optimization of the rules on safety at work and health protection take place through the following measures: internal and external audits on a regular basis, risk analysis, recording and evaluation of accidents at work and "near-misses", inspections within the Company, ergonomic and safe configuration of workstations, as well as awareness-raising and training initiatives for employees.

Covid-19: how Esaote reacted

Since the beginning of the emergency period relating to the spread of the virus, Esaote has promptly activated a flow of informative communications to its resources, with internal communications and notes relating to the operating procedures and rules of conduct to be observed, as well as specific communications on how to access the company offices as well as on the provisions and mandatory requirements of the Government Decrees. In compliance with government regulations, agile working methods were organized and activated, during lockdown, by investing in



digital technologies and platforms, which involved a significant proportion of the employees. Prompt communications and organization have guaranteed timely alignment with the legislative and regulatory requirements on Covid-19, as well as with the decisions regarding the pandemic containment strategies at its offices, maintaining an adequate level of support for clients.

To ensure the constant and continuous dissemination of information relating to the legal obligations to be observed and the protection and prevention measures to be taken both inside and outside the workplace, an ad hoc committee has been set up, which – together with the Head of the Prevention and Protection Service – has committed itself to this activity.

A video has also been uploaded to the company e-learning platform, focusing on education in:

- how to wear a surgical mask
- social distancing
- disinfection



Total Training

In 2021, despite the pandemic emergency, about 8,500 hours of training were provided with a focus on technological innovation and soft skills, a rise of 32% compared to 2020.

	January / September 2020	January / September 2021
No. of courses	122	248
No. of people	752	904
No. of training hours	2.750	8.492

Welfare initiatives aimed at improving the quality of working life and the well-being of employees have also been further expanded, with particular attention to issues such as work-life balance, organizational climate and environmental sustainability. This has made it possible to bolster long-term investment programs, covering three main lines:

- technology infrastructure and applications to support remote working
- skills development by means of webinars and continuing training
- adoption of hybrid organizational models to ensure a return to work in person with adequate space and safety measures.



Welfare

Esaote offers more extensive forms of welfare than provided for in the relevant regulations.

The table below lists certain examples, including but not limited to:

Working hours	Broad flexibility in terms of working hours for all categories. Flexibility is considered a tool, aimed at facilitating conditions for workers, who can therefore balance work and personal commitments, while maintaining the average of 40 hours per week.
Personal leave	Three days are provided per year, with one extra for a death in the family, which can be used twice
Parental leave	An extra day is allowed in addition to the legal requirements
Loyalty bonus	Financial awards are given in relation to seniority
Purchase of glasses	A financial contribution is made to buy a pair of spectacles
Free subscription to children's magazine	Provided for all employees with children aged under 10 years
Canteen service	Available where this service is provided; at sites with no canteen, meal vouchers are provided
Covid-19 health policy	Health coverage is provided in the event of illness attributable to Covid-19
Insurance for permanent disability resulting from illness	Life annuity insurance is provided in the event of permanent disability resulting from illness
Life assurance	This is an additional form of social security introduced as part of Esaote Welfare, which applies in the event of an accident at work or death from illness



Agile Working policy

The transition process to forms of agile working, plans for which were made in late 2019, was quickly implemented in the management of everyday work following the sudden Covid-19 pandemic.

During the emergency, Esaote introduced all possible preventive and organizational measure to better protect staff from risks of infection, and immediately supported smart working as a preferential methodology for work, by providing all employees involved with the appropriate work tools. Starting from January 2022 Esaote formalized this new method of Agile Working by means of a specific internal policy, not limiting its applicability to the pandemic emergency only, but by integrating it into a broader strategic strand of company policies for “flexibility” in terms of timing and organization of work.

This organizational development initiative confirms the constant commitment to the promotion and implementation of innovative solutions, aimed at ensuring a better balance between time spent working and with family, for all workers.

With Agile Working, Esaote also intends to guarantee a flexible and dynamic work environment, promoting a work culture based on empowerment, autonomy and trust.

Given that the Esaote approach is to adopt corporate policies of “flexibility” in terms of timing and organization of work, with planning and sharing of attendance in person in and between teams, a hybrid workspace has been created. By combining remote working with time spent face-to-face, it also results in a significant reduction in costs, consumption and lower environmental impact.

The application concerns all Italian offices and all workers, including those in administration, from offices and divisions compatible with the application of Agile Working.

To evaluate the progress of the new policy, periodic quantitative and qualitative monitoring tools will be identified and gradually introduced, focusing on the impact of Agile Working on the Company, its workers and the environment. It will consist of

mini-surveys, self-assessment and evaluation sheets relating to various aspects, including but not limited to:

- ratio between attendance at the office in person and days spent Agile Working
- work-life balance (e.g. engagement, isolation/ involvement)
- experiences, skills and autonomy gained and acquired
- effectiveness of working performance and policy in terms of the organization and Company activities
- impact of Agile Working on the use of holidays, leave accrued annually and overtime
- impact of activities carried out outside their usual time slot
- impact on the environment
- meetings management.

Esaote implements an “open policy”, focusing on managerial responsibility among managers, who will be required to ensure and check that their team members adopt a new approach in their work, oriented towards the following points of attention: flexibility, innovation and mastery of processes, promotion of delegation and decision-making, team responsibility for results.

In compliance with current legislation and in addition to the Agile Working policy, further information on health and safety has also been issued, to illustrate and inform employees at all levels of the risks and problems in terms of health and safety relating to this new way of working.

Agile Working – impact

In January 2022, a survey was conducted on the impact of Agile Working in terms of well-being and the environment.



Workplace

At the moment, I'm working according to:

WAVE I



49%



4%



47%

WAVE II



13%



16%



71%

If the entire sample were working from home, in one day emissions into the air would be reduced by



1,2 tons

The equivalent absorbed by



86 trees

How have you used the time saved not commuting to work?



Family

37%



Work

34%



Sport & hobbies

17%



Other

11%

Smart manager

27%

50%

12%

11%

Smart worker

27%

50%

12%

11%

Much of the time saved is reinvested in family and work. From the comparison between the targets, we see that managers reinvest much more time in work than workers.



Academy egeneration project

To meet the needs for integration and training of young people specialized in the sector of advanced technology dedicated to diagnostic systems and Information Technology for healthcare, in 2021 Esaote launched the egeneration project, a veritable Academy for talented young graduates in the STEM subjects. Run by the University of Genoa and in collaboration with Synergie – a training and personnel selection company – and universities in Tuscany, the project was aimed at young people who completed a bachelor's degree in Information Engineering, Physical Sciences and Technologies, Information Sciences and Technologies, Mathematical Sciences or a master's degree in Biomedical Engineering, Electronic Engineering, Telecommunications Engineering, Physics, Computer Science, Mathematics between January 1st, 2017 and April 12th, 2021, with a final grade of 99/110 or higher. The call for participation, published by the University of Genoa, was answered by more than 100 young graduates from the best Italian universities. The 21 young people, selected according to the procedure set out in the university call, were first enrolled in a general training course lasting 5 weeks, which included technical training courses (Esaote), soft skills development courses (Synergie) and specialized notions (University of Genoa).

Having proved very well-prepared and suitable to continue the training course at the company, all 21 young people were hired on specialist pathways in the various departments of Esaote (research and development, ultrasound and MR, global marketing, quality, Information Technology for healthcare), initially on a paid contract lasting six months, which was converted to a permanent contract at the end of this period of theoretical and practical study.

A very positive atmosphere was created among the young people, of great cohesion and team spirit, also favored by the fact that most of them, not being resident in Genoa where the Academy was based, benefited from hospitality provided by Esaote in a hotel not far from the Company. A survey carried out

among the participants collected decidedly positive opinions on the Academy, evaluating the extremely relevant and useful experience in terms of entering the world of work.

Feedback from divisional managers has also been extremely positive, helping to intensify actions and investments aimed at strengthening the corporate culture in terms of human capital, enhancing diversity, skills and the spirit of integration.

New agreement with universities for the integration of trainees

Made possible by recruitment and the finalization of the agreement between Esaote, the University of Genoa and other nationally prestigious institutions, young talents were hired to the company, with highlevel training plans in place to support initiatives and sectors of activity with more and more innovative content.

Training Hub

Esaote considers the continuous training of its employees as a strategic objective for investment. As such, a process has been created, taking skills analysis as a starting point to plan both standardized and personalized training sessions, forming part of a broad educational syllabus. The Training Hub has therefore launched a structured initiative, including a range of interdisciplinary courses and a focus on soft skills.

The courses are delivered online through e-learning, training clips, webinars or digital classrooms, to facilitate the participation of all users, wherever they are. This new initiative links individual workers' desire for professional and personal growth with the need to maintain a high level of competitiveness within the Company. The Training Hub is a true innovation compared to the projects previously carried out for the fact that this production of knowledge is no longer simply aimed at filling training gaps, but is closely linked to the organization's strategy: it plays a crucial role in achieving the Company's business objectives. The topics covered in the Training Hub are as follows:



- **Professional:** Esaote supports all colleagues who want to improve their professional skills, i.e. interdisciplinary skills that can make a difference and positively influence the quality of work.
- **Leadership & Managerial:** a great way for managers at all levels to enrich their managerial skills, inspire their team and achieve exceptional business outcomes.
- **Sales Effectiveness:** with a view to client centricity, it is essential to know how to respond to client requests, fully understanding their requirements and providing satisfactory answers in a proactive way.
- **In-House Masterclass:** “the best way to learn is from our experienced colleagues.” An innovative method of training and development, where employees teach other colleagues a certain discipline in which they are “experts”.
- **Language:** a multilingual and multidisciplinary platform is available to all employees for 12 months, giving each of them the option to extend access to a relative or friend.
- **Performance Management:** on the new Performance Management system, launched in 2021, information clips will be provided, to outline the key elements to redesign career pathways according to a more open and agile logic, based on sharing, collection and analysis of data in real time and continuous feedback.
- **Onboarding:** courses to provide new employees with all the tools they need to become fully operational, to integrate with the company structure and to become productive immediately.

Skills can be trained in, observed, measured and are critical for success in individual or business performance.

For Esaote, the mapping and evaluation of Human Resources skills is a strategic process, aimed at acknowledging the relevance, features and professional contribution of each individual to the organization, in order to guarantee their professional development.

The process makes it possible to:

- see who is aligned with the business demands and goals acknowledge top performers and lower performers, then take the actions needed to bridge the gap between company expectations in terms of role and individual performance:
- career paths
- targeted training

To calibrate an appropriate training offer, effectively intended to bridge any gaps among employees in terms of training required for their position, Esaote has introduced a skills assessment model known as Competency Assessment Profiles (CAPs).

Competency Assessment Profiles

The CAPs are complete modules that cover the Company’s entire professional makeup, with sections focusing on the various skill parameters required. Employees are not assessed against all the metrics; only on those related to their role.

The parameters are:

Company Values	Individual Skills
Teamwork	Cognitive Skills
Integrity	Interpersonal Skills
Results	Management & Leadership Skills
Commitment	Interdisciplinary Skills
Client Focus	



Performance Management System

Performance Management (PM) is a system implemented to align each employee with expectations, goals and career progression. The aim is to converge individuals' work with the Company's overall vision, creating an environment where people can express the best of their skills within their role and thus do the best they can.

Performance Management Cycle

1. Sharing of functional goals

Responsibilities and expectations are defined and exemplified. These represent all the results expected in a Division, insofar as it should be easily possible to assign them to each department that contributes to the success of that Division.

2. Monitoring and Feedback

Goals are actively monitored, and feedback is provided on that basis.

3. Evaluation for development

Performance is assessed in order to decide on future development work to be assigned. This is an annual process of evaluating employee efficiency in fulfilling their duties and contributing to the achievement of the Company objectives. Performance Appraisal is the document and the final stage in the performance evaluation and management process, where an employee's contribution to the Company is evaluated over a specific period of time. The goal is to provide a detailed picture of past and/or future performance: as such, a regular individual meeting will be scheduled with each employee's line manager.

Why is PMS important for the Company's value chain?

- It acknowledges collaboration as the main assessment criterion
- It fosters and incentivizes accountability for a more transparent workplace
- It improves communication and clarifies expectations
- It acknowledges the value to the business of each employee as impetus for motivation

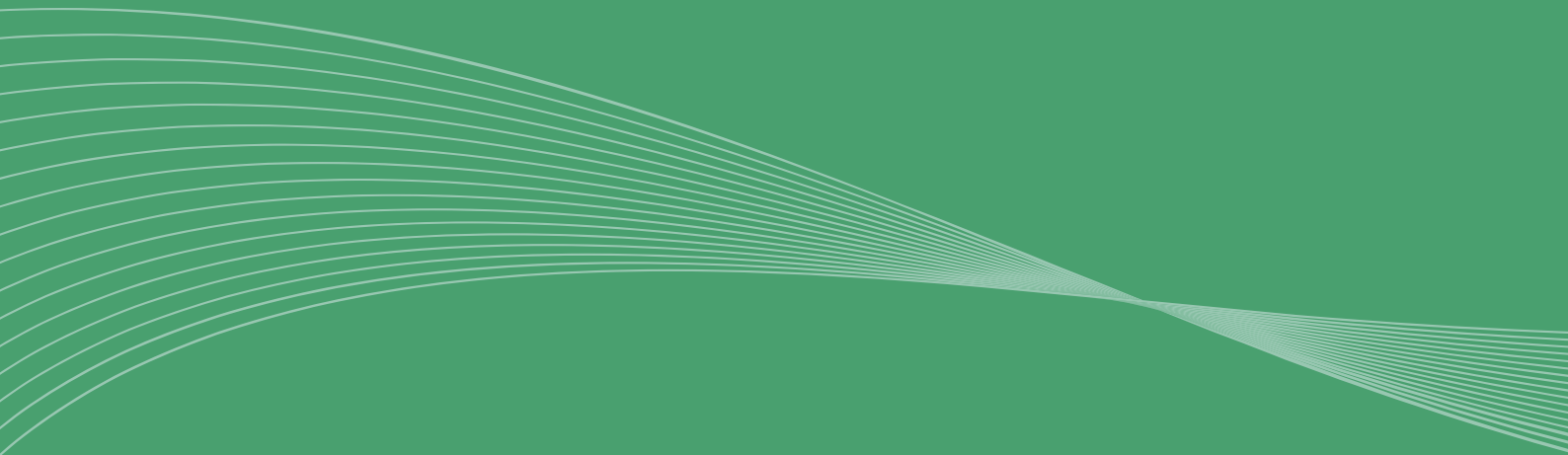
Reports on breaches of rights in the workplace

Each employee is invited to report breaches of the principle of equality, discrimination or noncompliance with standards in the workplace.

No breaches were disclosed in the year in question.



Esaote's Commitment to Protecting the Environment



Businesses should:



- support a precautionary approach to environmental challenges



- undertake initiatives to promote greater environmental responsibility



- encourage the development and diffusion of environmentally friendly technologies



“The world is a beautiful place and worth fighting for.”

Ernest Hemingway – author and journalist

Esaote S.p.A. Evaluation, Principles & Objectives

Esaote operates its business in the awareness that development is sustainable when it takes place within “environmental limits”, compliance with which is not only a duty but also an opportunity for innovation and efficiency. Therefore, Esaote scrupulously follows the strict international standards for the protection of the environment, which it is committed to protecting in both the short and long term from the impact and pollution caused by its activities, products and services. With this in mind, Esaote works to create modern machines, in which materials and processes do not consume more than is strictly necessary at source to ensure the quality of the service. It also implements processes aimed at increasing efficiency, including in production and transport.



Principles of the Environmental

Policy:

The principles governing the procedures of Esaote S.p.A. in environmental matters are as follows:

- Compliance with applicable environmental laws and regulations and any other obligations provided for in this regard
- Environmental protection and implementation of measures for continuous improvement in the field of reductions in emissions, direct and/or indirect, in greenhouse gases, in the consumption of natural resources and implementation of its environmental management system in its entirety
- Planning and implementation of its activities and those of its commercial partners, manufacturers and suppliers, encouraging environmental awareness. The environmental policy is also supported by the awareness that the environment represents a competitive advantage in an increasingly large and demanding market in terms of quality and behavior. The Company's strategy is based on investments and activities that respond

to the principles of sustainable development and promotes the following environmental policy tools:

- voluntary agreements with institutions and environmental/trade associations
- environmental management systems, certified according to the international standard UNI EN ISO 14001:2015 and aimed at the continuous improvement of performance and environmental organization
- a regular reporting system for environmental data, which ensures control of performance of the various industrial activities
- awareness-raising and environmental training activities for employees, aimed at the internal dissemination of initiatives and to increase the skills and professionalism of employees in the field
- dissemination of the “culture of the environment” and promotion of local Esaote initiatives

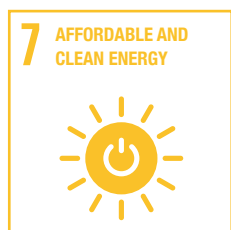




Esate Environmental Policy

1. To define, implement and maintain an environmental management system that fulfills all the requirements of UNI EN ISO 14001:2015
2. To comply with the applicable legal and other requirements subscribed to by the organization, concerning the environmental aspects of the Company
3. To communicate to internal staff, stakeholders and the public the information necessary to understand the effects of its activities on the environment, pursuing open dialog
4. To promote the responsibility of employees at all levels towards the protection of the environment
5. To implement training and information programs associated with environmental aspects and the environmental management system
6. To be aware of environmental management at its suppliers
7. To assess in advance the environmental impacts of new processes and changes to existing ones related to its medical devices, with a view to continuous improvement and the search for innovative products and materials
8. To ensure cooperation with government authorities
9. To control, mitigate and reduce air pollution and other forms of pollution
10. To reduce the use of hazardous substances
11. To control and reduce the use of water and energy resources
12. To improve management of waste produced, with specific attention paid to hazardous waste
13. To ensure the continuous improvement of environmental performance, setting specific objectives that can be measured using environmental indicators

Report on Sustainability Activities at Esaote S.p.A. in relation to the Objectives of the Global Compact. Principles 7-9



Product Sustainability

Compliance & Product Management

By designing, manufacturing and marketing its medical devices, Esaote is responsible for the environmental compliance of its products and bears the burden of proof for compliance.

As such, it has equipped itself with a Product Compliance & Stewardship Management software platform to manage the environmental compliance of its products over time, which is integrated with the Company's Enterprise Resource Planning (ERP) and Product Lifecycle Management (PLM) systems. Using this tool, Esaote can constantly implement the evolution of the standards by optimizing data collection, validation, management and reporting to increase and plan the efficiency of processes and reduce risks in the supply chain related to the development, production and marketing of its products.

The solution adopted – known as Assent Compliance Management (ACM) – is fully operational and enables:

- involvement of the supply chain, improving partnerships with suppliers and centralization
- organization of large volumes of data for compliance and environmental sustainability.

The availability of this platform, integrated with the Company systems, represents a step forward in the efficiency of Product Stewardship, assuming the

responsibility of addressing the environmental impact of its products, including when they reach the end of their life cycle.

The Assent tool enables the classification of all product components for recycling and/or disposal.

Design of MRI Systems

The dedicated magnetic resonance systems produced by Esaote are characterized by low consumption (<3 kW) and by low impact in the production stages. No use is made of helium gas, the Cryogen subsystem nor, consequently, of refrigerant gas.

Savings & Optimization of Packaging Material – ECOBOX

In recent years, as a result of various interventions on the packaging line, Esaote has managed to reduce and optimize the amount of material used for product packaging.

Operating Manuals

The user manuals for Esaote systems are no longer provided on paper, but in a digital format only.



Transport Management System - TMS

In 2021, investment was made to minimize the environmental impact of transportation. Use of the TMS platform has made it possible to organize shipments and saturate unused space in means of transport in operation. Esaote has already embarked on a major measurement process, aimed at improving the environmental impact of its logistics by working on the best possible choice of means of transport. Esaote has therefore carried out an internal study in the Sales Operations department, based on data provided by its logistics partner regarding shipments made in

2021. The effects of using TMS to contain inbound transport costs from China and outbound costs to the USA and China have been identified and measured on a regular basis since 2021, with comparisons against 2020 and 2019 (benchmark year).

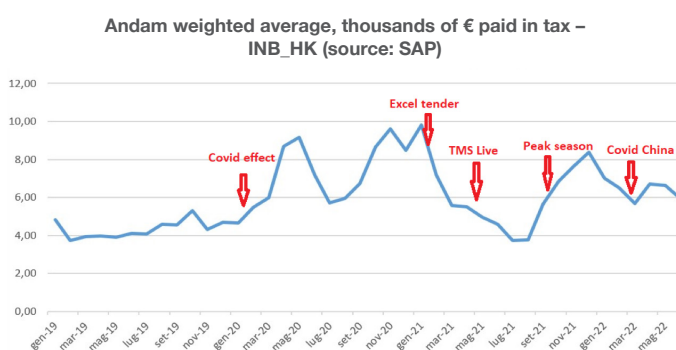
Certain tables with examples – updated in June 2022 – are set out below.

The Company aims to pursue this project, including with other carriers, to extend the analysis database in a subsequent step, due to involve its branch offices, to understand the impact of “drop shipping”.

INBOUND flights from Hong Kong/China – thousands of € paid in tax

HK weighted average ratio, thousands of € paid				
	2019	2022	2021	2022
January	4,83	4,66	9,82	7,02
February	3,73	5,47	7,18	6,50
March	3,93	5,99	5,59	5,67
April	3,99	8,69	5,49	6,70
May	3,90	9,17	4,97	6,65
June	4,11	7,19	4,57	5,96
July	4,08	5,71	3,74	
August	4,60	5,95	3,78	
September	4,55	6,74	5,66	
October	5,30	8,63	6,82	
November	4,31	9,62	7,62	
December	4,68	8,47	8,37	
Jan/Jan average	4,08	6,86	6,27	6,42
Yearly average	4,33	7,19	6,14	-

Imports from Shenzhen were positively tested in 2022, although they are 20-25% more expensive than from Hong Kong and the service is not in line with expectations (limited traffic).



- The detrimental effects of Covid-19 (lockdowns continue in China to this day) and the lack of maritime freight availability is resulting in a rising trend
- Having completed the raising of efficiency of inbound packaging from HK and having maximized the use of the weekly TMS tender (involving 16 forwarders), we are now focusing on the “origins” of new products and the search for new forwarders.

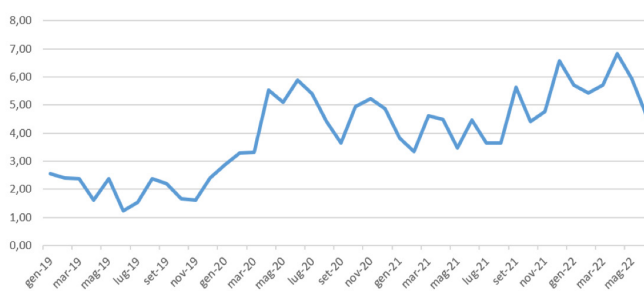


OUTBOUND flights to the USA – ratio, thousands of € in tax

Weighted average ratio, thousands of € paid

	2019	2022	2021	2022
January	2,54	2,85	3,83	5,71
February	2,39	3,29	3,33	5,42
March	2,37	3,30	4,62	5,71
April	1,60	5,52	4,48	6,82
May	2,37	5,10	3,47	5,94
June	1,23	5,90	4,47	4,60
July	1,55	5,41	3,64	
August	2,37	4,41	3,66	
September	2,18	3,64	5,64	
October	1,67	4,94	4,41	
November	1,61	5,22	4,78	
December	2,40	4,87	6,57	
Jan/Jun average	2,08	4,33	4,04	5,70
Yearly average	2,02	4,54	4,41	-

Andam weighted average, thousands of € paid in tax – INB_HK (source: SAP)



- In the first quarter of 2022, in partial contrast to the rising trend, efficiency of volumes transported finalized at 40% of ULS products; in April at 50% of the products; forecast for June: 75%. Total “Weight/ WeightVol.” efficiency forecast for July, for products with significant air shipment volumes.
- Sales Operations report that since July 1st, 2022, there has been greater impetus towards the use of TMS “tendering” all shipments to obtain the best applicable rate.

OUTBOUND flights to CHINA – ratio, thousands of € in tax

Weighted average ratio, thousands of € paid

	2019	2022	2021	2022
January	3,95	2,84	2,85	4,08
February	3,22	3,84	2,38	5,02
March	1,09	3,41	2,70	5,36
April	2,95	2,67	2,84	6,03
May	2,43	2,94	2,50	4,69
June	2,53	2,79	4,77	4,61
July	2,30	2,87	2,42	
August	3,36	2,72	3,35	
September	0,90	3,80	6,66	
October	2,32	3,66	6,48	
November	2,50	4,63	4,56	
December	2,33	2,66	5,06	
Jan/Jun average	2,69	3,08	3,01	4,97
Yearly average	2,49	3,23	3,88	-

Andam weighted average, thousands of € paid in tax – INB_HK (source: SAP)



- In the first quarter of 2022, in partial contrast to the rising trend, efficiency of volumes transported finalized at 40% of ULS products; in April at 50% of the products; forecast for June: 75%. Total “Weight/ WeightVol.” efficiency forecast for July, for products with significant air shipment volumes.
- Sales Operations report that since July 1st, 2022, there has been greater impetus towards the use of TMS “tendering” all shipments to obtain the best applicable rate.



Renaissance Program

To reduce environmental impact and implement concrete circularity actions, Esaote has launched a program ('Renaissance') for the reconditioning of its used systems.

The consumption of used products is a responsible endeavor, with valuable assets not being prematurely disposed of. The Renaissance program therefore gives a new value to used products, reducing the issues involved in disposal and in the extraction of the raw materials required to produce components for medical devices.

A team dedicated to the renewal of diagnostic tools has created a protocol for the remarketing of refurbished used equipment, giving these diagnostic systems a new cycle of use.

This idea of "rebirth" only includes the remarketing of machines proven to continue to ensure the highest standards in terms of safety and performance. Such devices are then refurbished at Esaote laboratories and reinstalled with a full range of aftersales warranties, so that prevention and treatment can be more and more present and accessible in a new society of well-being.

Sustainable Workplace

Actions have also been taken at Esaote S.p.A. offices and production sites to reduce environmental impact and save resources.

Environmental Management System (EMS)

Since 2001, Esaote S.p.A. production sites have been certified against the international environmental management standard ISO 14001 and are subject to annual verification of compliance with all the Italian and regional directives and requirements. Esaote is in constant contact with external suppliers and commercial partners, to create the necessary synergies and consistently improve the environmental management system.

Renewable Energy:

Offices and plants have been equipped with modern, sustainable systems, to limit costs and raise the efficiency of consumption.

1. Esaote Headquarters, Erzelli, Genoa

Esaote headquarters is located in Genoa, at the Science and Technology Park, a hub covering over 400,000 square meters on the Erzelli hill. In addition to Esaote and other high-tech companies, it was also created as a home for research centers, the Faculty of Engineering of the University of Genoa and residences for students and researchers.

The site also includes a trigeneration plant that can simultaneously generate hot and cold water for all users of the Park. Occupying space leased from Genova High Tech S.p.A., Esaote benefits from the agreement for the use of this system, via specific shared quotas for direct and communal services. The greater savings achieved by using this system were recorded in the accounts as "one-offs" when Esaote moved to Erzelli in 2016 from its previous headquarters in Sestri Ponente, also in Genoa. Since then, consumption has remained regular and at least 20% lower, partly as a result of the more eco-sustainable nature and energy savings made by the power supply and lighting systems installed in the new headquarters (primarily inverters and LED lighting).

2. Esaote Plant, Multedo, Genoa

The Esaote plant in Multedo, Genoa – used for the production of MRI systems – is leased from Talea S.p.A. Esaote uses a thermal and photovoltaic system there as a result of membership of a consortium known as "Consorzio Lanterna", which identifies and offers member companies "collective negotiation".





The savings achieved were recorded in the accounts as “one-offs” when Esaote moved to Multedo in 2017 from its previous headquarters in Sestri Ponente, also in Genoa. Since then, consumption has remained regular and at least 20% lower, partly as a result of the more eco-sustainable nature and energy savings made by the power supply and lighting systems installed in the new headquarters (primarily inverters and LED lighting).

3. Esaote Plant, Florence

The Florence site is owned by Esaote and is spread out over several buildings. In this case, the Company decided to invest massively on refurbishment works (on the hot/cold line, the roof, installation of solar panels), according to efficiency requirements for each building:

- gas consumption for the production of hotwater used for heating (winter cycle) and cold water for cooling (summer cycle), based on improved insulation and significant reductions in the supporting hydraulic system. Savings are expected to be approximately 20% of gas usage, to be measured annually from 2023 with reference to the periods from January to December 2019 and June 2021 to June 2022 (for the best possible offsetting of the considerable effects of lockdown and smart working as a result of Covid-19).
- consumption of electricity drawn from the grid to produce hot water used for heating (winter cycle) and cold water for cooling (summer cycle), based on improved insulation and significant reductions in the supporting hydraulic system. Savings are expected to be approximately 10% of electricity usage, to be measured annually from 2023 with reference to the periods from January to December 2019 and June 2021 to June 2022 (for the best possible offsetting of the considerable effects of lockdown and smart working as a result of Covid-19).
- as a result of production of its own power, only 50% of total electricity requirements to supply the plant offices are drawn from the grid. As such, the dimensions of the plant are optimized, the use of solar panels is maximized (although it is not expected that peaks can be covered this way), and the extent of on-site exchanges is minimized, via the use of self-generated power. Savings are expected to be approximately 40% of electricity usage, to be measured annually from 2023 with reference to the periods from January to December 2019 and June 2021 to June 2022 (for the best possible offsetting of the considerable effects of lockdown and smart working as a result of Covid-19).





Plastic-free:

In order to reduce the consumption of plastics and therefore the environmental impact of the break areas, reusable water bottles and ceramic cups have been provided to all employees at all Italian sites. Dispensers have also been installed at the sites in Erzelli and Multedo (both in Genoa) and at the Milan offices, to reduce the impact resulting from the use of plastics in break areas.



Waste Reduction & Recycling

Using differentiated collection, all waste from sites in Italy is divided into specific categories, e.g. paper, cardboard and plastics to be sent for recycling.



Car Policy:

In order to reduce polluting emissions from cars, in 2021 the fleet was expanded by introducing the option for staff who need to travel of using electric or hybrid cars.



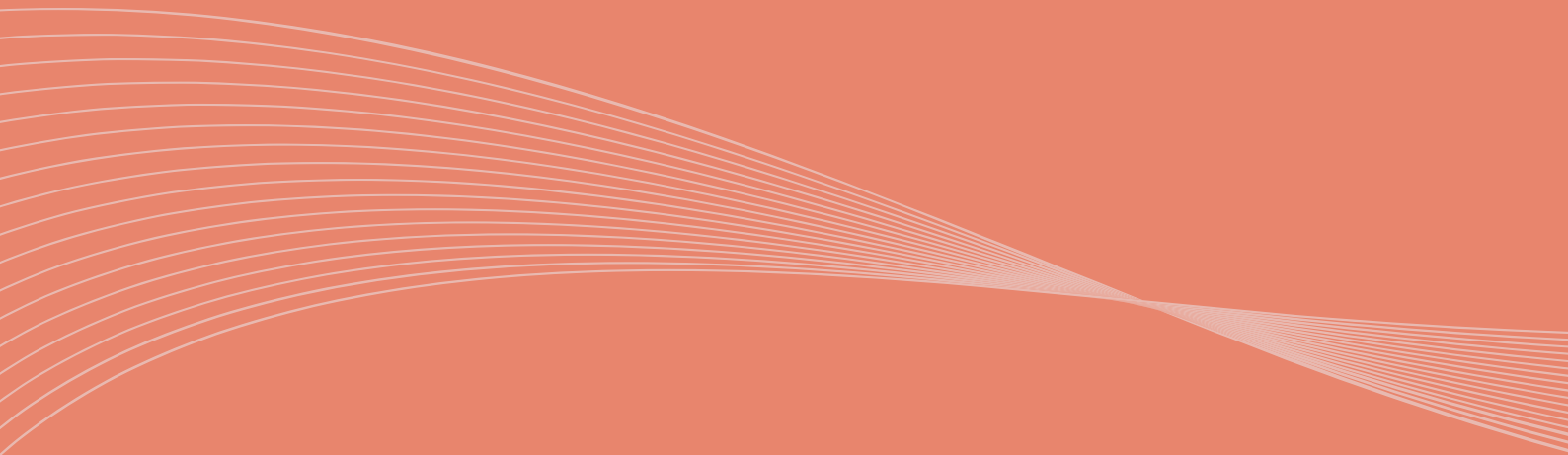
Paperless Project:

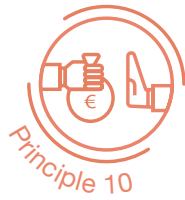
Launched in late 2021, this project is aimed at gradually reducing the amount of paper used to print documentation.

Some documents are already available in a digital format only (e.g. freight documents, active and passive invoicing). Device History Records (DHR), a dossier containing all the information relating to equipment, are also in the final stages of becoming paperless.



Esaote's Commitment to Anti-Corruption





Businesses should work against corruption in all its forms, including extortion and bribery



“Trust that leaves room for the freedom to innovate can only grow in an environment where shared regulations and standards apply.”

Esate



Esaote S.p.A. Evaluation, Principles & Objectives

Esaote pays great attention to compliance with all laws and regulations in force in each country in which it operates, and is committed to preventing corruption in all its work.

Operating around the world in an ethical manner and prohibiting any form of bribery and corruption related to one's own or third-party affairs form the basis of business conduct.

Esaote does not permit any offers, payments, promises of payment or authorization to pay any sum of money, gifts, loans or direct/indirect offers of any other valuable items to anyone, whether government officials or private individuals, for the purposes of influencing actions or decisions to enter into or maintain commercial relations or obtain any commercial advantage (e.g. regulatory approvals, requirements, procurement, useful contacts, etc.). It also prohibits its employees from accepting any valuable items from suppliers, vendors or other persons who may be seeking to influence an employee's actions or decisions in that way. To prevent unethical behavior and ensure proper,

consistent business management according to the objectives set, Esaote has adopted an internal control system, consisting of rules, procedures and ad hoc organizational structures, to identify, measure, manage and monitor the main risks to the business.

The most representative constituent parts of the internal control system are: internal delegations; the Organizational, Management and Control Model referred to in Legislative Decree 231/2001 (the "Model"), first approved by the Board of Directors on September 17th, 2004 and updated from time to time; the Code of Conduct; the Anti-Corruption Compliance System (Anti-Corruption Management System Guidelines – AMMSG); organizational documents such as organizational charts, procedures and job descriptions. The internal control system covers a wide range of stakeholders and internal coordination methods, to maximize efficiency and reduce duplication of work.

Report on Sustainability Activities at Esaote S.p.A. in relation to the Objectives of the Global Compact.

Principle 10

During the reference period for this document, no reports were received of suspected or ascertained breaches of the Code of Conduct. Likewise, Esaote has not been subject to investigations or measures resulting from the breach of anti-corruption rules.

Control & Scrutiny

In 2014, the Chief Legal, Governance and Compliance Director was also appointed as Compliance Officer. Since October 27th, 2016, the same figure has also been the internal member of the Supervisory Body,

appointed in accordance with Legislative Decree 231/2001 (the "SB").

The role and responsibilities of the Compliance Officer include: drafting of Company policies to ensure compliance with the standards to which the Company is subject; provision of legal support for the application of the Model; commitment to monitoring its implementation and updating; support for training and communication initiatives focusing on compliance and ethics.



The SB – tasked with supervising the Model – consists of three members, two of whom are external. Its structure as a board guarantees the inclusion of sufficient professional skills to perform its duties.

By means of the Model, Esaote is committed to preventing breach of the law in general and of internal procedures. Via a special reporting management procedure, employees are invited to report any suspected or ascertained breaches of the law and/or regulations.

Integration of the Anti-Corruption Compliance System in the Business Model

The control system, forming part of the Model, is approved by the Board of Directors, which has also delegated compliance with Legislative Decree 231/01 to the Chief Executive Officer. The procedures set out in the Model reflect company practices and are regularly monitored to ensure their consistency with internal processes.

Employee & Collaborator Training

Esaote raises its employees' awareness of their responsibilities via regular information activities. These include newsletters and training courses both in person and online, including a course available in 8 languages on a digital platform concerning the Code of Conduct and the procedures of the "AMSG" anti-corruption compliance system.

Conflicts of Interest

Esaote has adopted a specific procedure to prevent and manage conflicts of interest. Esaote employees and collaborators are required to avoid any conflict of interest, as well as situations that may appear to entail a conflict of interest, and to report the occurrence of an existing or potential conflict of interest, to ensure adequate management and to ensure that decisions taken at work are free of manipulation.

Collaboration with Suppliers

Esaote aspires to guarantee ethical practices

throughout the distribution chain and therefore requires its main suppliers to comply with its Code of Conduct and the AMSG Anti-Corruption Compliance System wherever applicable, and to require the same commitment from its partners and subcontractors. As such, employees are also required, within their own sphere of responsibility, to check that suppliers and subcontractors also comply with the principles and provisions of the Code of Conduct wherever applicable.

Data Protection & Information Security

The protection of data and information entrusted to Esaote by its employees, clients, suppliers and/or commercial partners is of utmost importance. Esaote has a series of policies aimed at managing information security and data protection, set out in further detail in the "IT Security Policy" to cover all the various relevant aspects.

Each employee and collaborator is provided with a workstation with a PC, and receives a set of instructions and occasional training as part of the information security system adopted by Esaote. Specifically, the "User Use of IT Systems" procedure is shared with all users, including during training for newly hired staff.

The Division performs "Vulnerability & Risk Assessments" from time to time to limit risk. With regard to the management of security incidents, a specific procedure is in force, which sets out the process to manage individual events. A Security Committee (Se.Com.) meets on a regular basis to share and analyze incidents that have occurred during the period in question.

Another important aspect is the management of utilities, from creation to disposal, with special procedures and controls in place, including occasional verification of access.

In addition, Esaote S.p.A. has adopted a system for compliance with Regulation (EU) 2016/679 ("GDPR"), including procedures and requirements for adequate data management and protection and related training sessions. Esaote has also appointed a Data Protection Officer in compliance with the applicable legislation.



Breaches of the Code of Conduct during the Period in Question

All workers are invited to report cases of non-compliance with the Company's principles and requirements, via the special reporting management procedure.

Legality Rating

As evidence of the effective implementation of the procedures for the prevention of corruption and for the effective orientation of the business in compliance with the law, Esaote applied for – and on October 20th, 2021 obtained – the maximum score (***) in the Legality Rating, according to the criteria set by the Italian Competition and Markets Authority (AGCM). The Legality Rating is an indicator of compliance with high standards of legality and confirms the commitment to the highest level of integrity and adherence to ethical principles. According to a 2020 study by the AGCM, only 7% of Italian companies that applied for the Rating achieved this outcome. All initiatives undertaken by Esaote in terms of anti-corruption represent a long-term strategy, which also includes the creation and dissemination of socio-economic, ethical and environmental standards to suppliers and subsidiaries, the analysis and verification of value creation in the supply chain, all the way to the training of employees focusing on transparency, information sharing and trust.



