

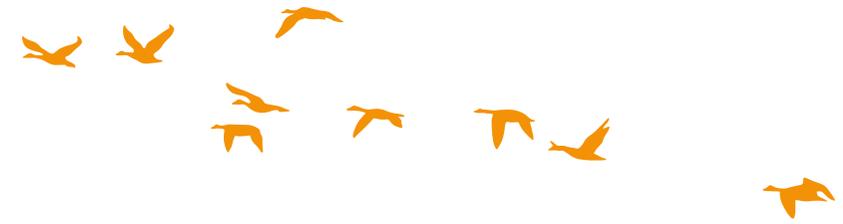


BIONAP

BIOACTIVE NATURAL PRODUCTS

**FIRST INTEGRATED
SUSTAINABILITY REPORT**

2021



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Dear Stakeholders,
I am proud to present our first Integrated Report, the culmination of a corporate growth path which we have been pursuing over the last few years.

The unpredictable and difficult period we have been living through has led to many changes in all our lives, in addition to huge changes in the entire economic system, above all affecting many companies' agendas and business strategies.

In a fast-moving world where technology and innovation continually try to pre-empt each other and beat the competition, Bionap has always remained firmly anchored to the principles that led to its foundation.

Values such as honesty, respect, sharing, well-being and focusing on people before business have accompanied us throughout nearly 25 years of activity.

This has held true since Bionap was just a dream of its founder, my father Francesco Bonina, before passing through the garage where that same dream began to take shape, through to today, and the last two years which have seen us face apparently insurmountable obstacles and unexpected challenges.

Others would have retreated from the storm, but we stood our ground and continued to sail forward.



That passion, energy and unconditional need to create something good for oneself and for others, while also respecting the environment – Mother Earth – from which our company extracts the raw materials used to create our products.

All this acted as a compass for the choices we have made over the years.

As Virginia Burden used to say, “Cooperation is the thorough conviction that nobody can get there unless everybody gets there”, and Bionap has made these words a central point of its mission.

Today we are ready to continue our journey, putting people at the center and renewing our commitment to creating that shared social, economic and environmental well-being which has guided our choices over the years.

Claudia Bonina

Claudia Bonina

Human Resources Manager



Cooperation

is the thorough conviction
that nobody can get there
unless everybody gets there

METHODOLOGICAL NOTES







THE BOUNDARIES OF THE INTEGRATED REPORT

This Integrated Report examines the ways in which Bionap works to create value over time, providing a picture of the strategies, objectives and performance related to the organization's ability to create value.

The timeframe taken into consideration for the reporting aspects is 2019-2021, while the prospective framework (strategic vision, objectives and actions) will start from 2022 with a medium-term time window.

PRINCIPLES USED IN DRAFTING THIS DOCUMENT



The drafting of the Report is based on the principles proposed by

the **International Reporting Framework (<IR>)** published by the International Integrated Reporting Council (IIRC): strategic focus and future orientation, connectivity of information, relationship with stakeholders, materiality, conciseness, reliability and completeness, consistency and comparability.

As this is Bionap's first Report, some elements of the <IR> framework (e.g. the performance of the sustainability plan) will not be presented.

Some of the information reported here refer to the disclosures offered by the **Global Reporting Initiative (GRI)** and to the **Sustainable Development Goals (SDGs)** of the United Nations.





GUIDE TO READING THIS DOCUMENT

1

Our Organization
Our **Identity** and history
Ownership structure

2

Governance and Structure
Principles and Procedures

3

Our "**Capital**" – financial
and non-financial
Value creation model

4

Environmental
Social
Governance

THIS REPORT CONSISTS OF FOUR PARTS.

The first one briefly describes the **organization**, its identity, history and ownership structure. The second part outlines the **governance structure**.

The principles and procedures put in place by the company to ensure a proper management system.

The third part details how the organization manages its "Capital" – financial and non-financial – (see glossary) to create value; which impacts, risks and opportunities are connected to this process; and which strategies enable the creation of shared value over time.

The last part gives details of the organization's performance, activities and objectives described in ESG (**Environmental, Social and Governance**) terms.





STAKEHOLDER ENGAGEMENT

FOR US, SUSTAINABILITY MEANS CREATING VALUE:

- TO BE SHARED WITH OUR **STAKEHOLDERS**
- TO BE MAINTAINED OVER TIME
FOR **FUTURE GENERATIONS**

We believe it is essential to engage our stakeholders in defining our strategy and goals, in order to meet the expectations of the people and organizations who choose us.

With a view to designing our sustainability strategy, we have implemented a process of listening to our stakeholders.

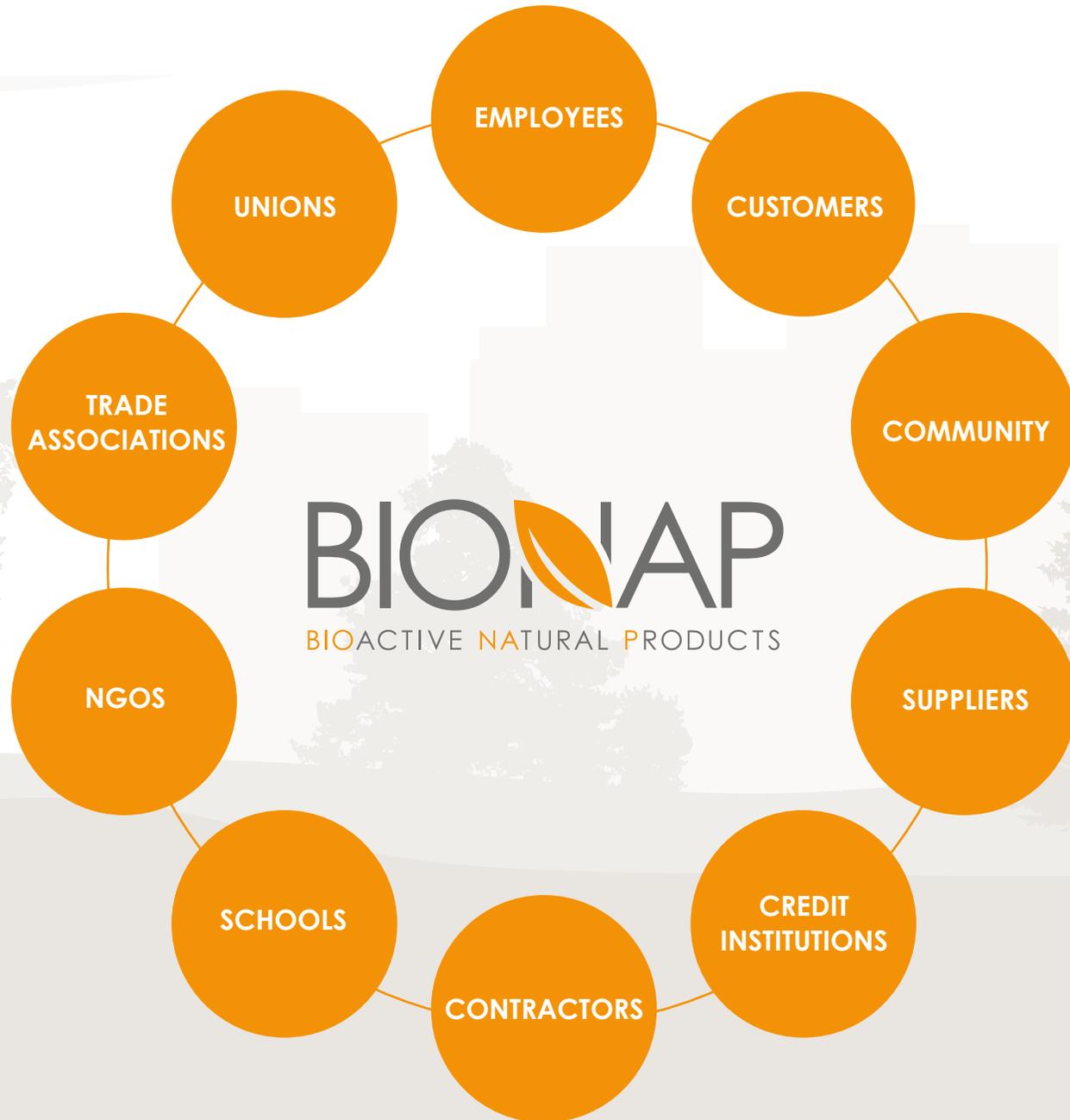
They were selected and identified by each department manager, in co-ordination with the company management.

TEN CATEGORIES WERE USED

Employees, customers, community, suppliers, credit institutions, schools, NGOs, contractors, trade associations and unions

The REPORTING PROJECT, the MATERIALITY PROCESS and the VOTING METHODOLOGY were illustrated to the stakeholders through dedicated virtual meetings.

The meetings with the stakeholders have brought out ideas and additions that have further developed the issues relevant to the company's sustainability of the, as well as offering reflections of potential mutual commitment on common paths.





THE MATERIALITY MATRIX

Through the materiality process, it was possible to identify the matters that are actually “material”, or relevant to the Company.

Stakeholders were asked to assign a score (from 1 to 10) based on the level of impact of each topic on the company’s ability to produce value in the mid-long term.

The graph shows these areas which were voted on, resulting in a “materiality matrix” in which the results of the Management Team’s scores are given on the horizontal axis, while the average scores of the various categories of stakeholders appear on the vertical axis.

The analysis of the material matters was conducted with due regard to the sustainability strategic plan, carefully assessing the extent of the impacts they may have on the strategy, governance, performance and perspectives of the organization.



METHODOLOGICAL NOTES

This analysis identified **20 material matters**, while those considered by our Company to be of strategic importance in the creation of value are those highlighted.

THE SELECTED MATERIAL MATTERS

Raw material procurement

Carbon footprint

Waste

Human capital

Product quality and safety

Stakeholders engagement

Economic performance

Governance

Innovation

Compliance

Atmospheric emissions

Packaging

Energy

Healthy, safe and pleasant workplace

Welfare, diversity and inclusion

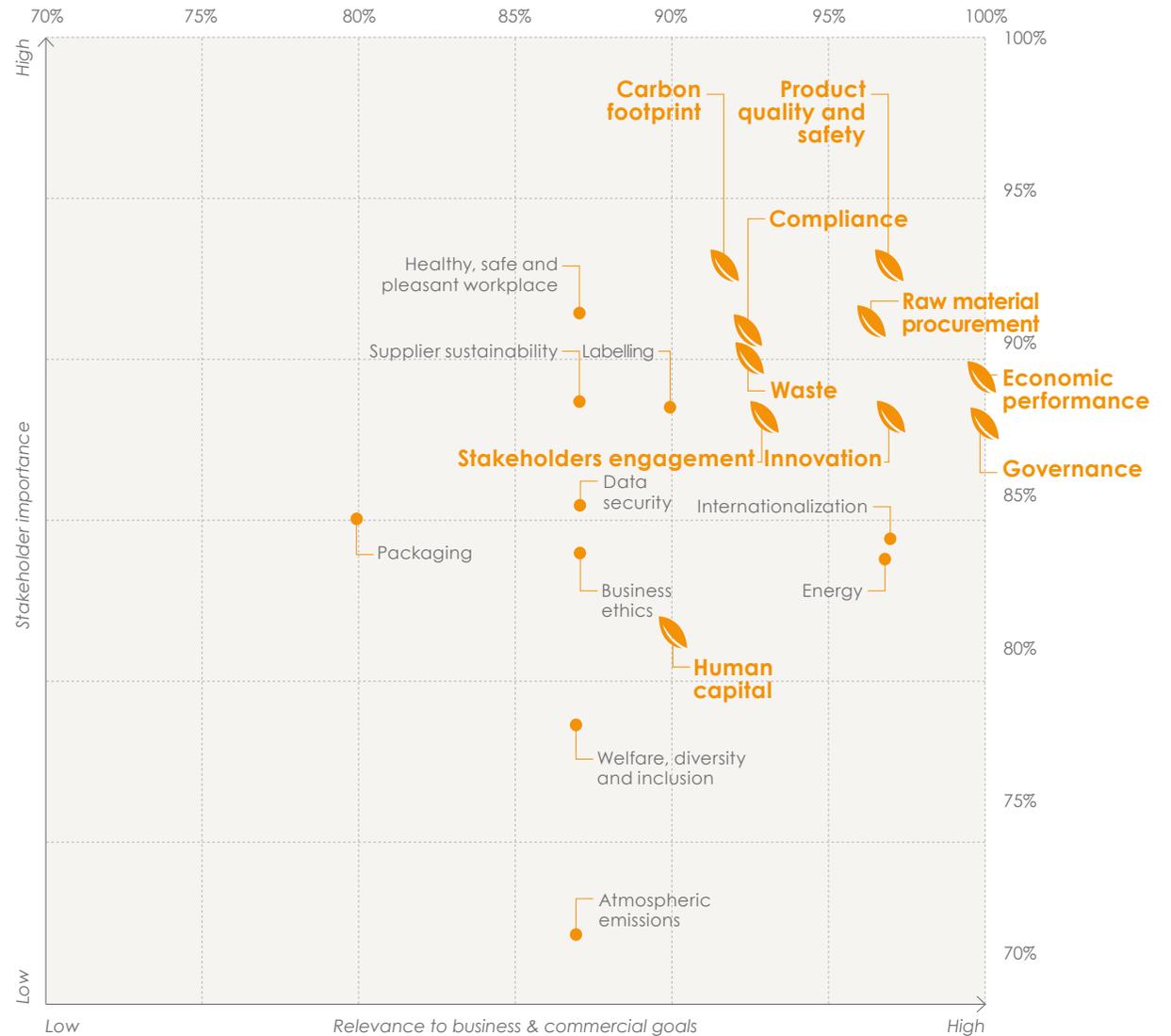
Supplier sustainability

Labelling

Internationalization

Business ethics

Data security



OVERVIEW OF THE ORGANIZATION







1. OVERVIEW OF THE ORGANIZATION

1.1 Vision, Mission, Values

OUR VISION

To spread the principles of the Mediterranean tradition for people's well-being, thanks to our cutting-edge scientific research applied to natural resources, in full respect of biodiversity.

OUR MISSION

To develop natural and innovative ingredients for the global market by applying science to nature through a circular business model and by placing people's well-being at the heart of our commitment.

OUR VALUES

REGENERATIVE

We were the first to believe in the recovery and regeneration of Mother Earth's natural elements

QUALIFIED

We always apply innovation to research and science

RESPECTFUL

We listen to needs, aim to learn and improve respect for others and, above all, respect Nature

INNOVATIVE

We look to the future every day, while still paying attention to the present and leveraging our past experiences



1. OVERVIEW OF THE ORGANIZATION

1.2 Ownership structure and operational structures

BIONAP S.r.l., with registered office at Contrada Fureria Zona Industriale Ovest, Piano Tavola, Belpasso (CT), Italy, is a vertically integrated Italian company specialized in the research and production of standardized botanical extracts derived from plants and fruits of the Mediterranean area, for nutraceutical, cosmetic and veterinary markets.

In turn, Bionap fully owns two subsidiaries - Bionap USA Inc. and Bionap Asia Pacific PTE Ltd - that also represent the company's three operating structures, one in New Jersey (USA) and one in Singapore (for details, see the company website www.bionap.com)



1. OVERVIEW OF THE ORGANIZATION

1.2 Ownership structure and operational structures

USA

- SALES OFFICE
- WAREHOUSE

ITALY

- HEADQUARTERS
- PRODUCTION PLANT
- R&D LABORATORIES

SINGAPORE

- SALES OFFICE
- WAREHOUSE





1. OVERVIEW OF THE ORGANIZATION

1.3 History

The inspiration of our founder, Professor Francesco Paolo Bonina, was to **analyze and exploit the botanical properties of Mediterranean flora** through international scientific research, to produce standardized and certified natural ingredients for health and well-being solutions.

SINCE 1997 WE HAVE BEEN GUIDED BY A STRONG DESIRE TO RETURN CONCRETE VALUE TO THE COMMUNITY AND THE PLANET IN TERMS OF HEALTH AND WELL-BEING.

1997
Company
foundation

2002
First
internal
laboratory

2014
New
Headquarters

2017
Expansion
of nutraceutical
product portfolio





1. OVERVIEW OF THE ORGANIZATION

1.3 History

2018

Award of CIRCULAR ECONOMY by Legambiente

2019

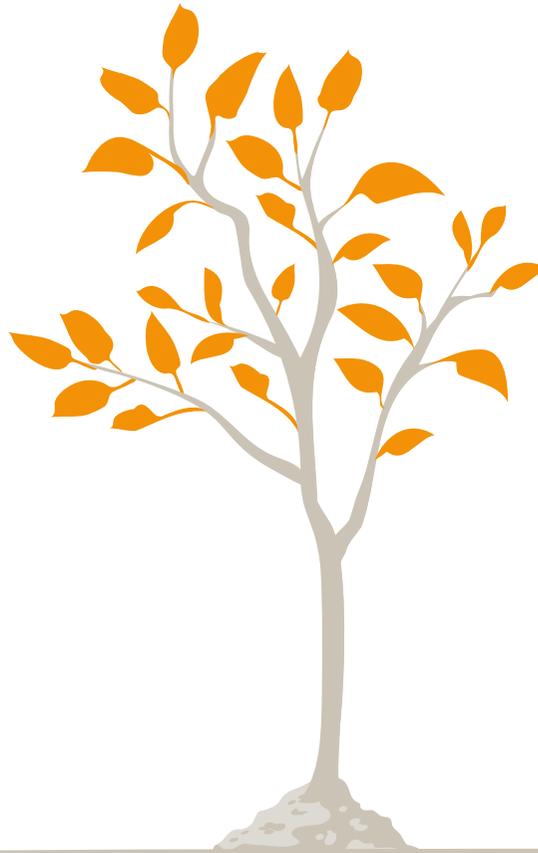
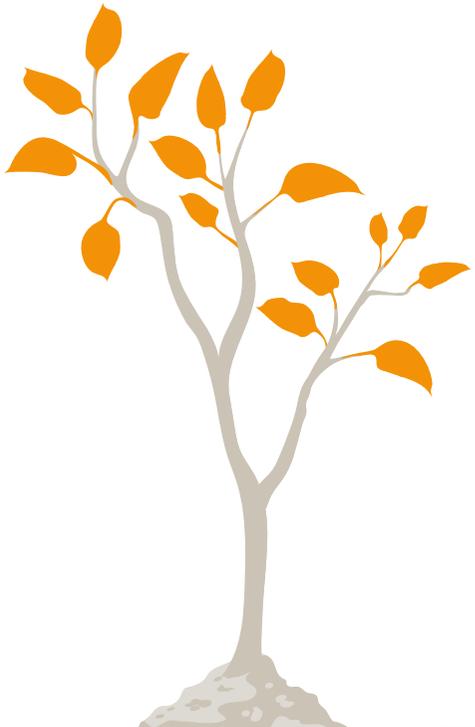
Opening of BIONAP USA subsidiary

2021

First INTEGRATED SUSTAINABILITY REPORT

Opening of BIONAP ASIA subsidiary

GMP Certification ISO 14001
ISO 45001 certification





1. OVERVIEW OF THE ORGANIZATION

1.4 Summary data



Turnover



EBITDA

2019

€ 8,046,459

€ 918,669

2020

€ 7,839,010

€ 1,378,379

2021

€ 12,822,054

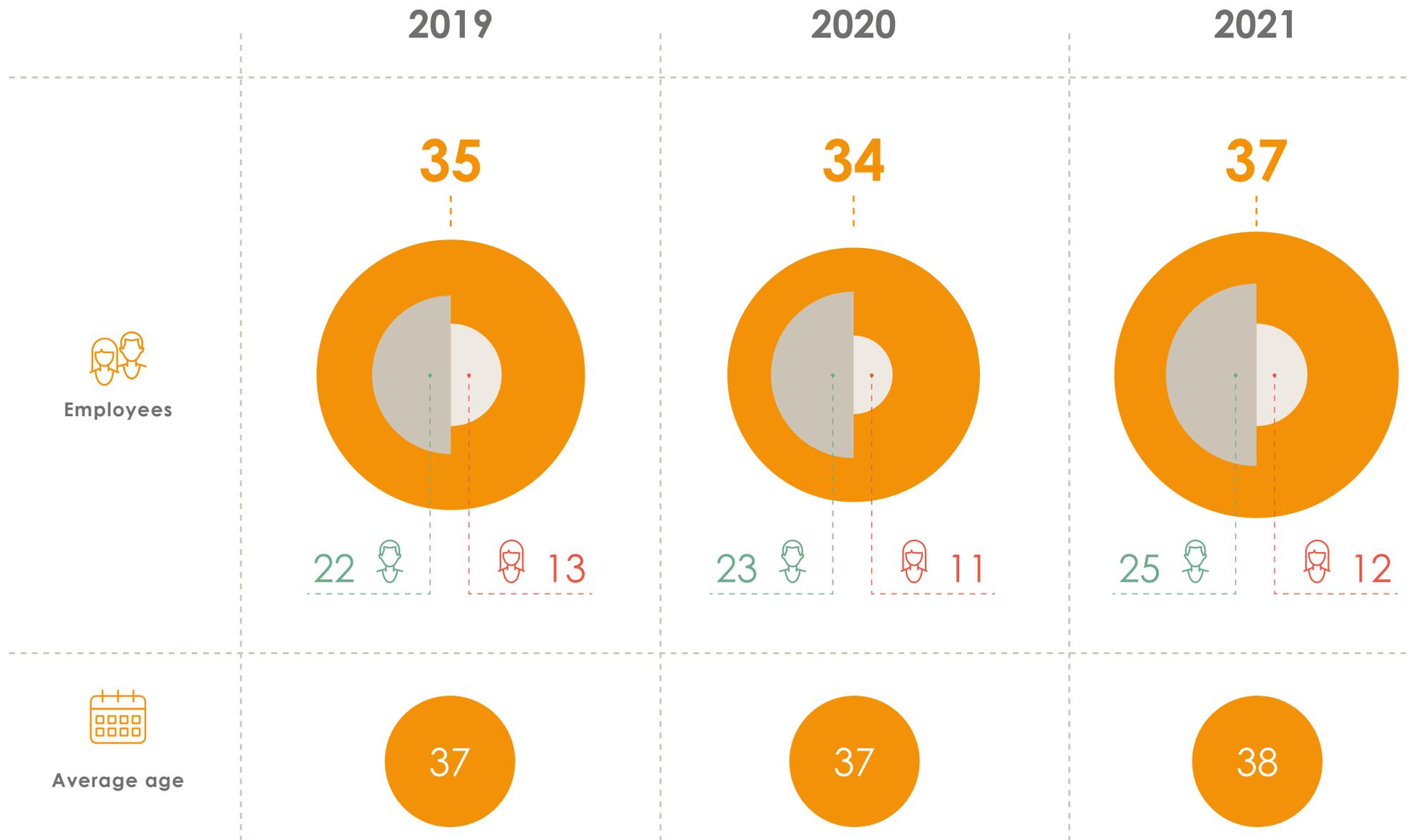
€ 3,037,197





1. OVERVIEW OF THE ORGANIZATION

1.4 Summary data



CORPORATE GOVERNANCE







2. CORPORATE GOVERNANCE

2.1 A global presence

GLOBAL BUSINESS

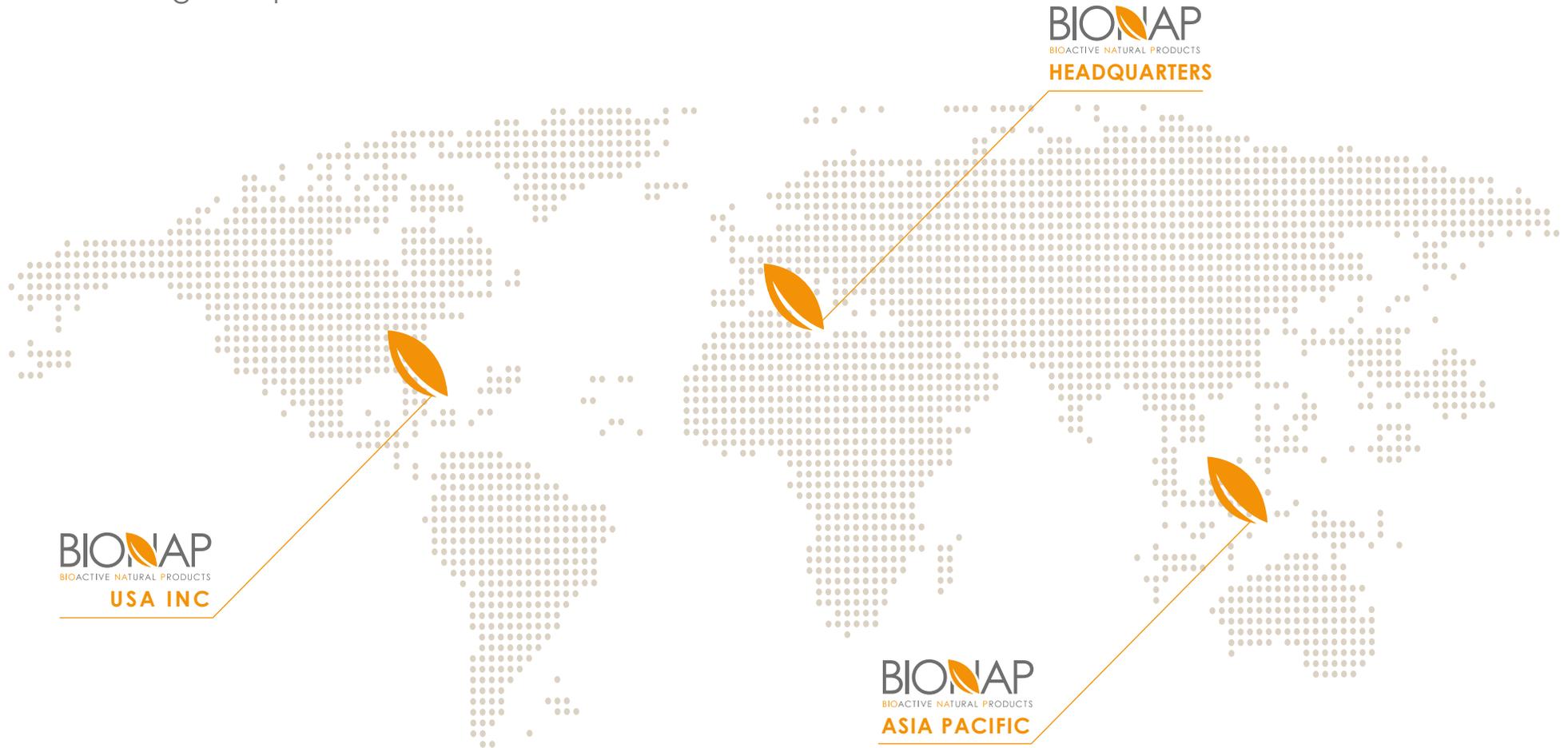
A major part of our philosophy is to act locally while thinking globally.

It is our goal to support and develop our worldwide business while leaving a positive and lasting global footprint for people and planet.



2. CORPORATE GOVERNANCE

2.1 A global presence



12.8 MIO (2021)



37 EMPLOYEES



MORE THAN **40** PRODUCTS



2. CORPORATE GOVERNANCE

2.2 The Governance structure

Bionap's organizational chart details how we are structured to achieve our goals.

It outlines the employees' roles and responsibilities within the company.

The benefits of implementing this organizational structure in our company are:

FASTER

decision making

MULTIPLE

business locations



GREATER

employee
performance

EFFECTIVE

communication

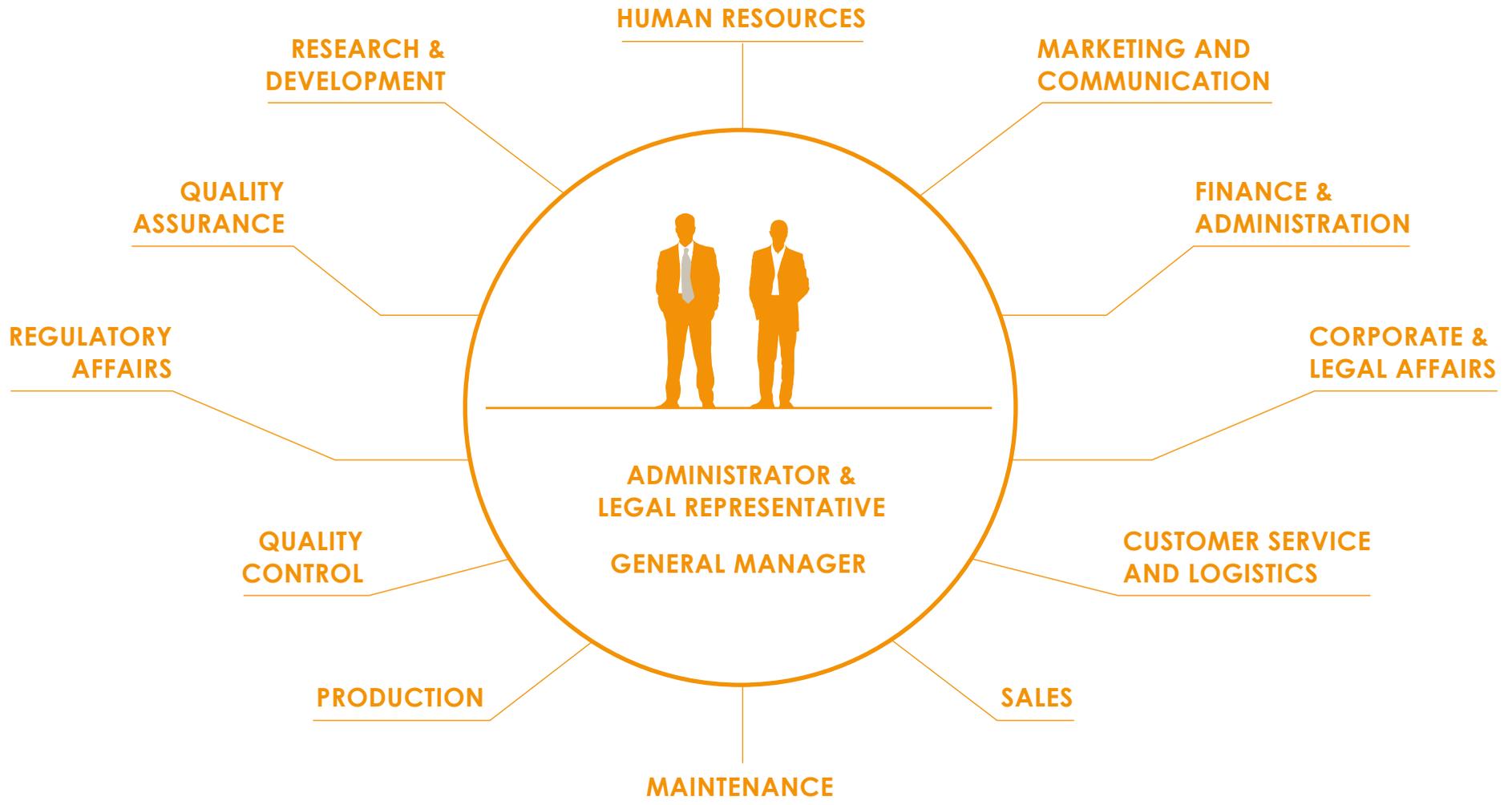
IMPROVED

operating efficiency
and customer satisfaction



2. CORPORATE GOVERNANCE

2.2 The Governance structure





2. CORPORATE GOVERNANCE

2.2.1 Sustainability governance

Sustainability topics are dealt with by the **Sustainability Committee**, which has the task of advising the executive board and making proposals which mainly concern guidelines and initiatives to embed sustainability in the business processes for pursuing the creation of value in the short/medium- and long-term with all the company stakeholders.

Sustainability is a continuous process which must involve the entire organization. This is why a cross functional team, called ESG COORDINATORS, has been set up. Within this team, each coordinator has the task of promoting and monitoring the sustainability actions and the goals attained.

SUSTAINABILITY COMMITTEE

The CROSS-FUNCTIONAL TEAM defines:

- the strategic guidelines
 - the initiatives
- to embed sustainability
in the business processes

SUSTAINABILITY STRATEGY

ESG





2. CORPORATE GOVERNANCE

2.2.1 Sustainability governance

ESG COORDINATORS

Within the Sustainability Strategy, a TEAM OF COORDINATORS has been identified.

→ One coordinator for each specific ESG goal, who has the task of managing the actions and monitoring the achievement of goals.



ENVIRONMENTAL

Quality Assurance
Production
Maintenance



SOCIAL

Human Resources
Communication
Research and Development



GOVERNANCE

General Management
Regulatory Affairs
Innovation
Financial



2. CORPORATE GOVERNANCE

2.3 Quality policies and management systems

Bionap S.r.l. has been involved in a process of continuous improvement for several years in terms of management systems and product manufacturing by deploying a Quality and Certification strategy.

The Quality policies are intended to ensure the selection of service providers who comply with Bionap's ethical and sustainability principles.

Furthermore, the Quality policies are meant to ensure the respect of diversities across all the Company's stakeholders.

**Our pursuit of Quality
is reflected in System
and Product Certifications**



2. CORPORATE GOVERNANCE

2.4 Certifications

SYSTEM CERTIFICATIONS

EN ISO 9001:2015

In 2021 the Company achieved the following certification: GMP Title 21 Part 111 “Good Manufacturing Practice” in manufacturing, packaging, labelling, or holding operations for dietary supplements.

Certification body: Bureau Veritas SpA

EN ISO 14001:2015

Certification body: Riina SpA

EN ISO 45001:2018

Certification body: Riina SpA

Management System compliant with GMP for dietary supplements (FDA CFR 21 - p.111)
(approved by Bureau Veritas Italia)

PRODUCT CERTIFICATIONS



Bio Certification
issued by Bioagricert S.r.l.



VeganOK
issued by VEGANOK Srl,
Società Benefit
(Benefit Company)



Kosher
issued by Eurokosher Srl
in accordance with the Jewish
dietary and religious principles
and rules



ECOCERT/COSMOS
issued by Ecocert SA,
Certification body for
sustainable development



issued by Purity-IQ Inc. a global
organization headquartered in
Guelph, Canada.
TRU-ID® is an independent
DNA certification program.
A state-of-the-art testing
process that uses the
latest in DNA identification
technology to guarantee
that the ingredient is what it
claims to be



Halal
issued by Halal International Authority, in
accordance with Islamic religious and
dietary principles

BUSINESS MODEL







3. BUSINESS MODEL

3.1 Bionap's offering: Focus on the circular economy

BIONAP'S BUSINESS UNITS

Bionap is organized into three strategic business units:

NUTRACEUTICAL; COSMETICS; VETERINARY

Bionap implements a "product - market" approach-based strategy in order to develop its business in the various units.

More specifically, Bionap operates in each business unit:

- Offering a **SPECIFIC BRANDED INGREDIENTS PORTFOLIO**
- Approaching the markets through specialized distribution channels, and a specialized sales force for each business area and geographical region
- Implementing a medium-high level **POSITIONING** strategy for the different business areas
- Carrying forward a specific promotional and communication strategy based on the market needs across each business unit

This strategy is a key factor for the growth in the different markets.

There is one strategic element which unites the development of the three Business Units: THE CIRCULAR ECONOMY.



3. BUSINESS MODEL

3.1 Bionap's offering: Focus on the circular economy



PERSONAL CARE



Every day we take inspiration from the beauty of the Mediterranean, providing unique and innovative solutions for the beauty and personal care market and striving for sustainable beauty, both locally and globally.



NUTRACEUTICAL



The Mediterranean region offers a wide range of unique and very rich plants. Every day, Bionap's researchers develop natural ingredients, striving for better health and wellness for people around the world.



VETERINARY



We apply our research to every living creature. We believe in prevention over cure for animal well-being, because animal health means human well-being.



3. BUSINESS MODEL

3.1 Bionap's offering:

Focus on the circular economy

Bionap is positioned to lead the next generation of **botanical ingredients** suppliers, with the aim of improving health and quality of life all over the world.

Bionap's authentic, multigenerational heritage combined with **scientific innovation** and ingredients are inspired by market insights and backed by science.

With its **vertically integrated strategy**, Bionap is advancing and growing its capabilities and broadening its reach around the world while remaining grounded to its roots and philosophy based on a **circular economy** approach.

The global economy's linear business model of "take, make, and waste" is depleting natural resources faster than they can be replenished, and straining ecosystems.

A circular economy does more with less, keeps products and materials in use, and regenerates natural systems.

At its core is an opportunity to develop technologies and business models that are regenerative by design.





3. BUSINESS MODEL

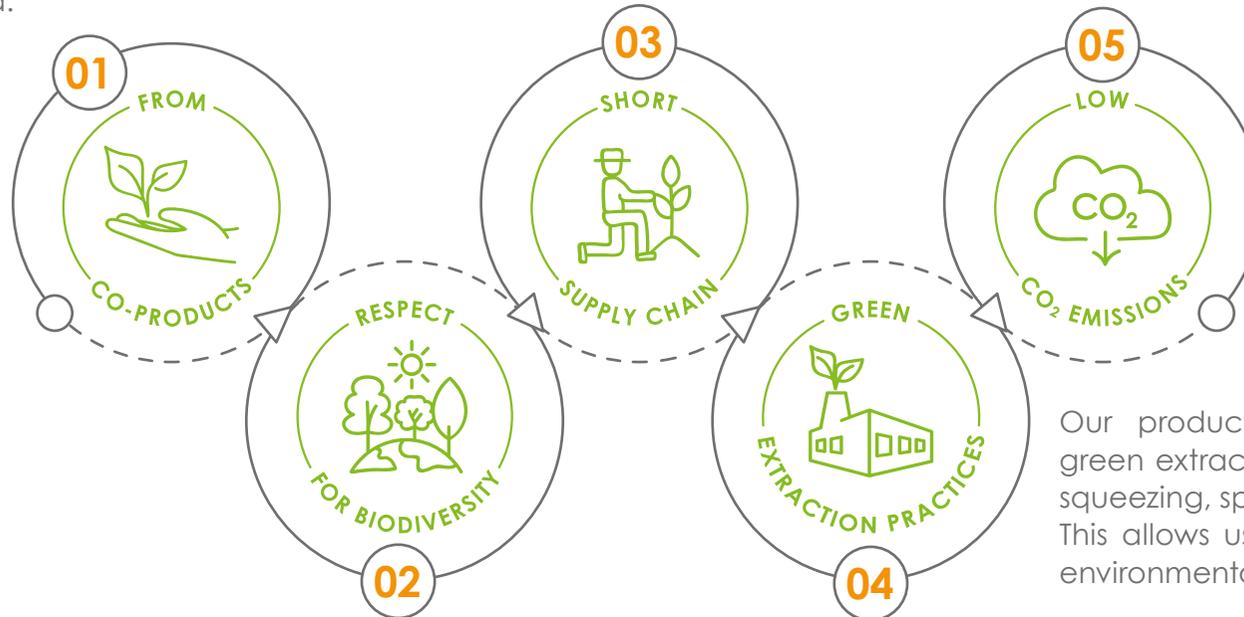
3.1 Bionap's offering: Focus on the circular economy

AT BIONAP, WE SEE THE CIRCULAR ECONOMY AS AN OPPORTUNITY TO INSPIRE **PEOPLE, LEADERSHIP AND PRODUCT INNOVATION**, ALL DRIVING TOWARDS A SUSTAINABLE FUTURE.

All Bionap products come from the idea of **regenerating the Mediterranean's natural resources**, by following a circular economy concept: this is why we produce botanical ingredients from **co-products** from the agricultural field.

Bionap's supply chain is short, traceable and ethically managed.

Our current network, which continues to grow, consists of organic farmlands no more than two hours from our processing facility



Our production system uses only green extraction practices (filtration, squeezing, spray drying). This allows us to greatly reduce our environmental impact.

We believe in the **beauty of biodiversity**, meaning respecting the natural cycle of nature where man is a key element in preserving this wonderful ecological system



3. BUSINESS MODEL

3.1 Bionap's offering: Focus on the circular economy

Every Bionap product has a **Circular Economy Commitment**. We have identified by-products from the agricultural industry as the driver for a sustainable innovation system.

Thanks to Bionap's **scientific research, raw materials** such as *olive fruit water, prickly pear cladodes, olive leaves* and *small oranges*, which have no use in the agricultural system, find a new life.

We turn what once was considered to be of no use in the **agricultural market** into **certified ingredients** for various nutraceutical and cosmetic solutions, such as *cholesterol control* and *cardiovascular system, gastrointestinal, immune health, and skin care*.

This approach features Bionap's new ingredients pipeline, driven by science-based innovation



3. BUSINESS MODEL

3.1 Bionap's offering: Focus on the circular economy

Bionap, always attentive to the market's needs and requirements, and thanks to various partnerships with the scientific research departments of international partner universities, is able to seize the opportunities coming from the global markets in order to turn them into opportunities for growth.

Around the world, we are witnessing a rapid change of consumer trends towards healthier lifestyles. Consumers have a greater awareness of what they need in their lives in terms of health and well-being.

The emergence of COVID-19 has had a positive impact on the growth of

nutraceutical ingredients as a preventive healthcare measure among global consumers.

Consumers are demanding dietary supplements, formulated with plant extracts and botanical ingredients, for regular consumption.

Inclusive and clean beauty are driving the main share of cosmetics products sales.

The increasing demand for value-added natural products for various health benefits is another global trend.

These are the main factors that are influencing the global market.

We are ready to answer these market requirements by implementing our shared-value model.



3. BUSINESS MODEL

3.2 The creation of shared value for Bionap

OUR VALUE CREATION MODEL

WHY

Mission

To develop natural and innovative ingredients for the global market by applying science to nature through a circular business model and by placing people's well-being at the heart of our commitment

Vision

To spread the principles of the Mediterranean tradition for people's well-being, thanks to our cutting-edge scientific research applied to natural resources, in full respect of biodiversity

HOW

Our Sustainability Strategy

- Supply-chain traceability and circular process enhancement
- Reinforcement of HR management resources

- Company system of roles, responsibilities and delegation
- Innovation management improvement

Material issues

- Carbon footprint
- Raw material procurement
- Product quality and safety
- Compliance

- Innovation
- Governance
- stakeholder engagement
- Waste

- Economic performance
- Human capital: Welfare, Diversity & Inclusion

Core values

- Regenerative
- Qualified
- Respectful
- Innovative

WHERE

Developing countries

Bionap's activities focus on developing new markets where the unique nature of Mediterranean ingredients is seen as a key factor for competitiveness

WHAT

Inputs

Capital

Human

Professional and skilled employees

Intellectual

Innovation through in-house R&D

Financial

Strong capital base, reinvesting gains

Relational

B2B customers; suppliers; universities and other partners

Natural

Energy produced and consumed by the organization

Productive

Headquarters with testing and analysis laboratory

Business activities

Manufacturing of natural ingredients for the nutraceutical, personal care and veterinary industry

Product development research and studies

Customer





3. BUSINESS MODEL

3.2 The creation of shared value for Bionap

VALUE CREATION

Short term

Human Staff training, welfare and engagement

Intellectual Safe product supply

Financial Turnover growth

Relational Customer experience enhancement

Natural Carbon footprint measurement

Productive Process automation enhancement

Long term

Human Company well-being and talent attraction

Intellectual Protecting the company's innovative research

Financial Economic and sustainable growth overall

Relational Stakeholder inclusion in value creation

Natural Lower carbon and climate impact in the supply chain

Productive Circular manufacturing process

SDGs





3. BUSINESS MODEL

3.3 Strategy and resource allocation

SUSTAINABILITY IS THUS A CENTRAL ELEMENT IN OUR VISION OF THE FUTURE. WE HAVE DEVELOPED OUR SUSTAINABILITY STRATEGY BY DEFINING LONG-TERM AMBITIONS IN THE THREE DIMENSIONS OF SUSTAINABILITY:



ENVIRONMENTAL

REGENERATION OF NATURAL RESOURCES

We are moving towards a turning point in the way we operate.

In order to reduce our environmental impact, we will work on our production processes, and the traceability of our supply chain, in order to control emissions and waste.

Our scopes of action will be: actions to mitigate climate change, enhancement of the circular economy and protection of biodiversity.



SOCIAL

RESPECT AND SUPPORT FOR COMMUNITIES

To improve quality of life in the communities we operate in and co-operate with, we have planned social responsibility initiatives in order to promote equal opportunities, cover the gender gap, and implement inclusion of diversity. Our scopes of action will be: training courses for our employees, continuous improvement to ensure a healthy and comfortable working environment, increasing investment in scientific clinical studies in order to offer even safer ingredients for human health and wellness.



GOVERNANCE

BROADENING THE BUSINESS HORIZONS FOR OUR STAKEHOLDERS

Sustainability also means creating shared economic value.

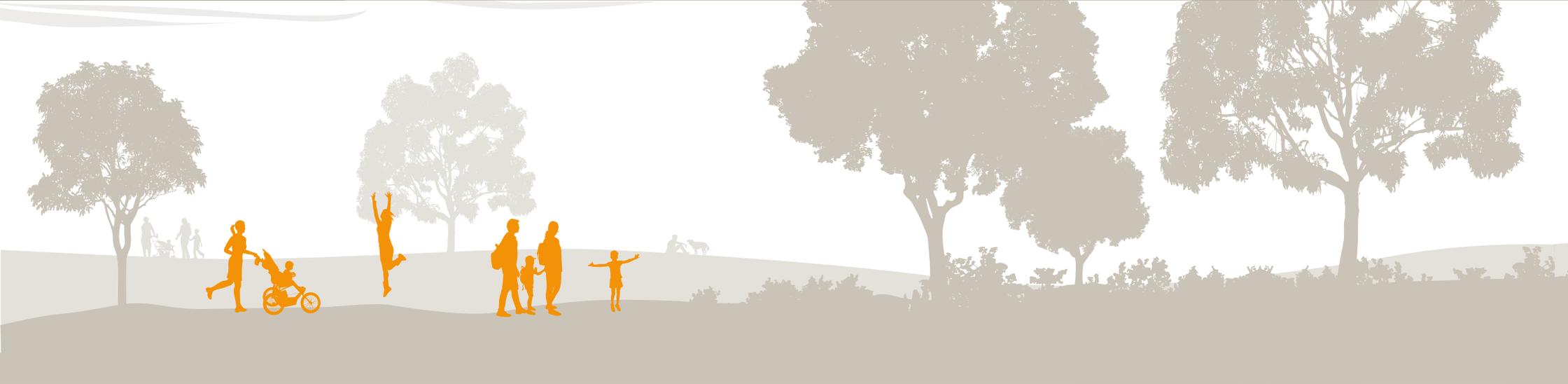
Our culture, based on science and technology know-how and driven by innovation, is what allows us to strengthen our financial performance, which is transparently documented to stakeholders.



3. BUSINESS MODEL

3.3 Strategy and resource allocation

Area	Matter	Goals	SDGs
E	Raw material procurement	<ul style="list-style-type: none"> Traceability scope (upstream supply-chain) Enhancing supply-chain sustainability compliance Prioritize local products and by-products 	 
	Waste	<ul style="list-style-type: none"> Enhancing "circular" manufacturing processes Enhancing the Company's "circularity" 	
	Carbon Footprint	<ul style="list-style-type: none"> Reporting and management 	
S	Stakeholders engagement	<ul style="list-style-type: none"> Brand awareness on ESG goals 	  
	Product quality and safety	<ul style="list-style-type: none"> Enhancing product safety and toxicity studies by increasing investment in research and development 	
	Human Capital	<ul style="list-style-type: none"> Strengthening the soft and hard skills of the company population Company Welfare Well-being, diversity and inclusion Employer branding 	
G	Governance	<ul style="list-style-type: none"> ERP (Enterprise resource planning) development Management of the company's system of roles, responsibilities and delegation Identifying the resources for "sustainability project" management "Società Benefit" (benefit company) transformation 	  
	Compliance	<ul style="list-style-type: none"> Compliance with the regulatory context 	
	Innovation	<ul style="list-style-type: none"> Innovation management improvement 	
	Economic performance	<ul style="list-style-type: none"> Managing "sustainable" economic value by monitoring through GRI indicators 	



The 2021 performance and 2022 objectives outlined in the ESG dimensions.
For each dimension, performance and objectives are measured following the GRI standards combined with the UN Sustainable Development Goals (SDGs)



ENVIRONMENTAL

SOCIAL

GOVERNANCE



4. ESG PERFORMANCE

4.1 Our environmental commitment



Bionap has an environmental impact due to the nature of its business and by ethical commitment. The sustainability plan highlights three main pillars in the environmental dimension:

RAW MATERIAL PROCUREMENT

Widening the traceability **scope**, particularly in the upstream process, by enhancing **supply-chain sustainability compliance**. This will be possible through **traceability process** automation in the mid-long term. In the short term, the company goal is to **prioritize local products** and by-products.

WASTE

The shared value creation process in the long term is focused on **enhancing the Company's "circularity"**, while in the short term Bionap aims to improve its "circular" manufacturing process to **minimize non-recoverable waste**.

CARBON FOOTPRINT

In 2021 we began carbon footprint analysis to evaluate the gas emissions caused by the manufacture of our products. The goal for 2022 is to set an agenda for offsetting programs, targeting carbon neutrality in the medium term.



NATURAL CAPITAL

Material issues

- ▶ Raw material procurement
- ▶ Waste
- ▶ Carbon Footprint

SDGs



ENVIRONMENTAL



4. ESG PERFORMANCE

4.1.1 Company performance

	2019	2020	2021	
Total fuel consumption within the organization from non-renewable sources (Nm3)	131.54	163.919	174.22 63.72 NATURAL GAS 110.5 LPG	 GRI 302-1. Energy consumed within the organization
Total energy consumption within the organization from renewable sources (kWh 100%)	580,398	562,831	621,185	 GRI 302-2. Energy consumption outside of the organization
Total water consumption	13.82	10.21	21.42	 GRI 303-5. Water consumption
Total weight of non-hazardous waste	3,630.91	2,772.23	2,515.20	 GRI 306-3. Waste generated



4. ESG PERFORMANCE

4.1.1 Company performance

ROAD TO PLAY SCHOOL & URBAN SPACE

We believe in environmental and social responsibility, in an ethical vision of the company and in good practices connected to a positive impact on both the local area and its communities.

For this reason, in 2021 Bionap decided to support the LEGAMBIENTE Catania project “Road to play”.

The aims of this project are:

- ▶ Improving air quality in the urban areas where middle schools are located.
- ▶ Raising awareness of environmental protection in younger generations, through games and art.

The Road to play project was funded in cooperation with the LABORIOUSA CROWDFUNDING PLATFORM. In 2021 we funded a first project at the “XX Settembre” middle school in Catania, Sicily. The project will continue in 2022, with LEGAMBIENTE volunteers.

We want to leave a mark on our growth and development path: the more global our outlook becomes, the more we feel the need to look at the territory in which Bionap is rooted and enhance it, supporting the active associations that are deeply involved to improve the context in where we live.



Road
to play

SCHOOL & URBAN SPACE



LEGAMBIENTE





4. ESG PERFORMANCE

4.1.1 Company performance

BIONAP: CIRCULAR ECONOMY FOR THE WELL-BEING OF PEOPLE AND OUR PLANET

Innovation means creating change in order to generate evolution and positive development of the resources involved.



540

trees planted



297,550

kgs of CO₂ offset*



11

families supported

We want to broaden our positive footprint by planting trees in several areas. Our projects will contribute not only to the reduction of CO₂ in the atmosphere but also to the growth of agricultural communities operating in areas of Sicily and Latin America, who will be able to get their livelihood from cultivating and caring for the trees.

In Latin America, and more specifically in Guatemala, our trees will be given to local farming families and will become a source of economic and food sustenance to them. Education plays a key factor in the success of the project. Every farmer will take part in training programs on organic farming and sustainable land use.

In Sicily, different species of fruit tree, such as orange, olive, apricot and strawberry trees, will combine to form a “food forest”. The project, funded in part by proceeds confiscated from the mafia, as well as regenerating an area affected by desertification, will have a knock-on effect on youth employment in the area. Partners of the project are the agricultural cooperative Valdibella and the social cooperative NoE (No Emarginazione). The products from the Sicilian Food Forest will support the work of disadvantaged people within the cooperatives.





4. ESG PERFORMANCE

4.2 People



Human resources are the driver of Bionap's success: our people are the pillar for a growth strategy involving continuous training, the main tool to develop employees' soft and hard skills.

Bionap's staff represent the first pillar of our sustainability plan, and the short-, mid- and long-term goal is to reinforce the company's know-how and skilled workforce attraction.

By pursuing this goal, Bionap will address the other two sets of goals embedded in the plan, which are customer satisfaction and safety for the end users, by manufacturing quality ingredients.



HUMAN CAPITAL



RELATIONAL CAPITAL

Material issues

- ▶ Customer satisfaction
- ▶ Product quality and safety
- ▶ Human capital

SDGs



SOCIAL



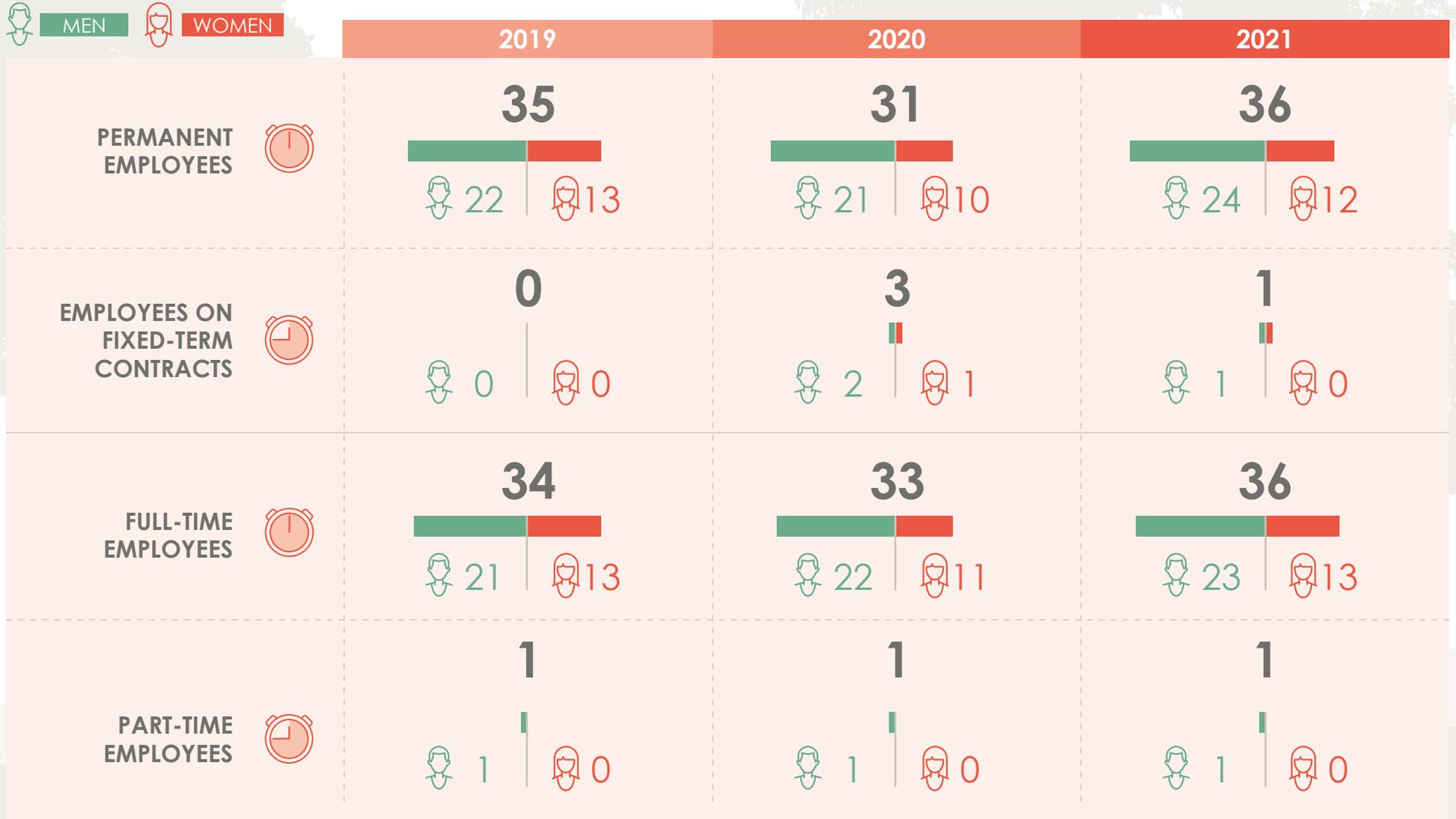


4. ESG PERFORMANCE

4.2.1 Company performance



GRI 102-8.
Information on employees
and other workers





4. ESG PERFORMANCE

4.2.1 Company performance



GRI 401-1.
New hires and employee turnover



MEN



WOMEN

	2019	2020	2021
NUMBER / TURNOVER RATE	<p>0</p> <p>Men: 0 Women: 0</p> <p><30 0</p>	<p>3</p> <p>Men: 1 Women: 2</p> <p><30 X</p>	<p>0</p> <p>Men: 0 Women: 0</p> <p><30 0</p>
NUMBER / NEW HIRES RATE	<p>1</p> <p>Men: 0 Women: 0</p> <p><30 0</p>	<p>1</p> <p>Men: 1 Women: 0</p> <p><30 X</p>	<p>6</p> <p>Men: 5 Women: 1</p> <p><30 X</p>



4. ESG PERFORMANCE

4.2.1 Company performance

	2019	2020	2021
EMPLOYEES WITH STANDARD BENEFITS (%)	15%	15%	20%
HEALTHCARE	X	X	X
COMPANY CAR	X	X	X



GRI 401-2.
Benefits provided to full-time employees

	2019	2020	2021
TOTAL NUMBER OF EMPLOYEES ENTITLED TO PARENTAL LEAVE	13	13	16
	0 0	0 0	0 0
TOTAL NUMBER OF EMPLOYEES WHO TOOK PARENTAL LEAVE	1	2	0
	0 1	0 2	0 0



GRI 401-3.
Parental leave



4. ESG PERFORMANCE

4.2.1 Company performance

		2019	2020	2021
NUMBER AND RATE OF FATALITIES		0	0	0
NUMBER AND RATE OF RECORDABLE INJURIES		0	0	0
NUMBER OF HOURS WORKED		7.5 /day	7.5 /day	7.5 /day



GRI 403-9.
Work-related injuries

		2019	2020	2021
TOTAL TRAINING		X	X	X
TYPE (DIRECTORS)		50	50	0
TYPE (MANAGERS)		50	50	0



GRI 404-1.
Average hours of training



4. ESG PERFORMANCE

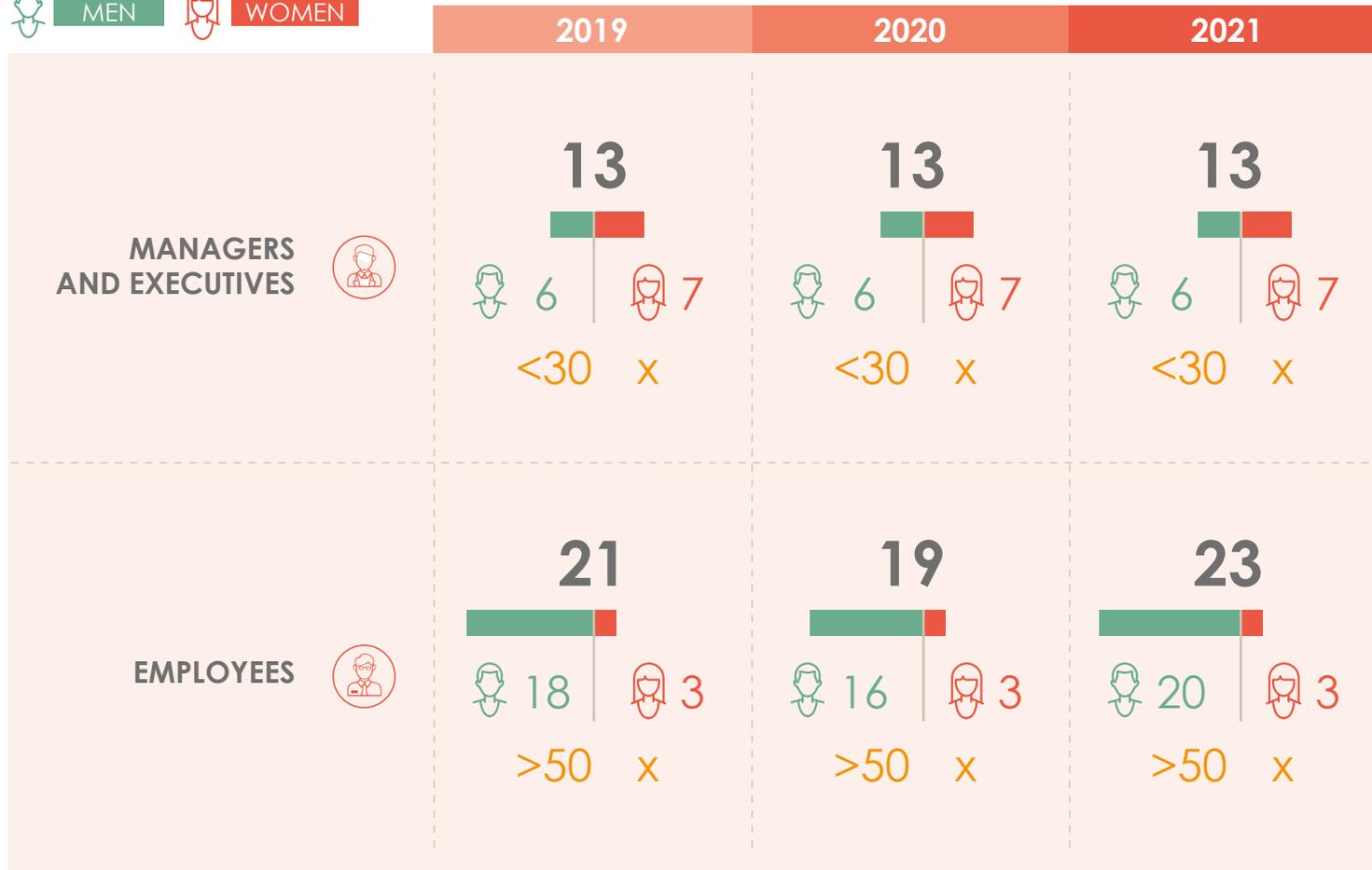
4.2.1 Company performance



MEN



WOMEN



GRI 405-1.
Diversity of governance bodies and employees



4. ESG PERFORMANCE

4.2.1 Company performance

	2019	2020	2021
RATIO OF THE BASIC SALARY AND REMUNERATION OF WOMEN TO MEN FOR EACH EMPLOYEE CATEGORY	1	1	1



GRI 405-2.
Ratio of basic salary and remuneration of women to men

	2019	2020	2021
PROPORTION OF SPENDING ON LOCAL SUPPLIERS (%) 	93.88%	97.28%	95.68%



GRI 204-1.
Procurement practices



4. ESG PERFORMANCE

4.2.1 Company performance

GRI	INFORMATIVE	2019	2020	2021
 403-10. Work-related ill health	Number of cases of recordable work-related ill health Number of fatalities as a result of work-related ill health	0	0	0
 404-2. Programs for upgrading employee skills and transition assistance programs	Type and scope of programs implemented and assistance provided to upgrade employee skills	0	0	0
 404-3. Percentage of employees receiving regular performance and career development reviews	Total number of discrimination incidents	0	0	0
 406-1. Incidents of discrimination and corrective actions taken	Total number of discrimination incidents	0	0	0
 413-2. Operations with significant actual and potential negative impacts on local communities	Activities with significant actual and potential negative impacts on local communities	0	0	0
 417. Marketing & Labelling	Incidents of non-compliance concerning product and service information and labelling	0	0	0
	Incidents of non-compliance concerning marketing communications	0	0	0
 418. Customer Privacy	Substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	0
 419-1. Socio-economic Compliance	Non-compliance with laws and regulations in the social and economic area	0	0	0

Over the three-year reference period (2019-2021), no episodes relating to the highlighted GRI were recorded.



4. ESG PERFORMANCE

4.3 Economic Sustainability



Over the years, Bionap has increased its ability to constantly innovate, particularly in the field of customer safety and protection. The material matters indicated innovation, compliance governance and economic performance as the key factors in the short, medium and long term. Hence, the commitment within the sustainability plan is articulated as follows:

GOVERNANCE ENHANCEMENT

By managing the company's system of roles and responsibilities; this also includes identification of resources for strong "Sustainability" management. In the short term, Bionap is targeting the transformation into "Società Benefit" (benefit corporation under Italian law), while in the medium term Bionap's goal is to implement an ERP system.

COMPLIANCE

This was also indicated by the main stakeholders and has become one of the Company's commitments.

INNOVATION

By defining a management system to monitor activities and protect company know-how and achievements.

ECONOMIC PERFORMANCE

By managing "sustainable" economic value through GRI indicators.



INTELLECTUAL
CAPITAL



FINANCIAL
CAPITAL



PRODUCTIVE
CAPITAL

Material issues

- ▶ Governance
- ▶ Compliance
- ▶ Innovation
- ▶ Economic performance

SDGs





4. ESG PERFORMANCE

4.3.1 Company performance



GRI 201-1.
Directly Generated and Distributed Economic Value



GRI 201-4.
Financial assistance received from government

		2019	2020	2021
A	GENERATED ECONOMIC VALUE: REVENUE	€ 8,046,459	€ 7,839,010	€ 12,822,054
B	DISTRIBUTED ECONOMIC VALUE:			
B1	OPERATIONAL COSTS	€ 5,273,668	€ 5,245,816	€ 6,520,624
B2	EMPLOYEES WAGES AND BENEFITS	€ 1,899,412	€ 1,965,472	€ 1,864,467
B3	PAYMENTS TO CAPITAL PROVIDERS	€ 250,135	€ 269,714	€ 611,669
B4	PAYMENTS TO PUBLIC ADMINISTRATION	€ 0	€ 0	€ 0
B5	INVESTMENTS IN THE COMMUNITY		€ 500	€ 3,712
C	RETAINED ECONOMIC VALUE (A-B)	€ 623,244	€ 357,508	€ 3,821,584

	TAX RELIEF	SUBSIDIES: INVESTMENT, RESEARCH AND DEVELOPMENT GRANTS
2019	€ 144,002	€ 107,045
2020	€ 151,867	€ 105,546
2021	€ 160,000	€ 707,970



GRI 203-1.
Infrastructure investments and services supported

	EXTENT OF DEVELOPMENT OF SIGNIFICANT INFRASTRUCTURE INVESTMENTS AND SERVICES SUPPORTED	CURRENT OR EXPECTED IMPACTS ON COMMUNITIES AND LOCAL ECONOMIES, INCLUDING POSITIVE AND NEGATIVE IMPACTS WHERE RELEVANT
2019	€ 0	€ 0
2020	€ 0	€ 0
2021	€ 0	€ 0

REFERENCES





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GRI indicators table

GRI STANDARDS	DESCRIPTION	PAGE
GRI 102: General Disclosures 2016	102-1. Name of the organization	8
GRI 102: General Disclosures 2016	102-2. Activities, brands, products and services	37
GRI 102: General Disclosures 2016	102-3. Location of headquarters	18
GRI 102: General Disclosures 2016	102-4. Location of operations	27
GRI 102: General Disclosures 2016	102-5. Ownership and legal form	18
GRI 102: General Disclosures 2016	102-6. Markets served	19
GRI 102: General Disclosures 2016	102-7. Scale of organization	22-23
GRI 102: General Disclosures 2016	102-8. Information on employees and other workers	53
GRI 102: General Disclosures 2016	102-14. Statement from senior decision-maker	4-5
GRI 102: General Disclosures 2016	102-18. Governance structure	28-29
GRI 102: General Disclosures 2016	102-40. List of stakeholder groups	10-11
GRI 102: General Disclosures 2016	102-43. Approach to stakeholder engagement	10
GRI 102: General Disclosures 2016	102-46. Defining report content and topic boundaries	8



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GRI STANDARDS	DESCRIPTION	PAGE
GRI 102: General Disclosures 2016	102-47. List of material topics	13
GRI 102: General Disclosures 2016	102-55. GRI Content Index	63-64-65
GRI 201: Economic performance 2016	201-1. Direct economic value generated and distributed	61
GRI 201: Economic performance 2016	201-4. Financial assistance received from government	61
GRI 203: Indirect economic impacts 2016	203-1. Infrastructure investments and services supported	61
GRI 204: Procurement practices 2016	204-1. Proportion of spending on local suppliers	58
GRI 302: Energy 2016	302-1. Energy consumption within the organization	49
GRI 302: Energy 2016	302-2. Energy consumption outside of the organization	49
GRI 303: Water 2016	303-5. Water consumption	49
GRI 306: Waste 2016	306-3. Waste generated	49
GRI 401: Employment 2016	401-1. New hires and employee turnover	54
GRI 401: Employment 2016	401-2. Benefits provided to full-time employees	55
GRI 401: Employment 2016	401-3. Parental leave	55



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GRI STANDARDS	DESCRIPTION	PAGE
GRI 403: Occupational Health and Safety 2018	403-9. Work-related injuries	56
GRI 403: Occupational Health and Safety 2018	403-10. Work-related ill health	59
GRI 404: Training and education 2016	404-1. Average hours of training	56
GRI 404: Training and education 2016	404-2. Programs for upgrading employee skills and transition assistance programs	59
GRI 404: Training and education 2016	404-3. Percentage of employees receiving regular performance and career development reviews	59
GRI 405: Diversity and equal opportunities 2016	405-1. Diversity of governance bodies and employees	57
GRI 405: Diversity and equal opportunities 2016	405-2. Ratio of basic salary and remuneration of women to men	58
GRI 406: Non-discrimination 2016	406-1. Incidents of discrimination and corrective actions taken	59
GRI 413: Local Communities 2016	413-2. Activities with significant actual and potential negative impacts on local communities	59
GRI 417: Marketing and Labelling 2016	417-2. Incidents of non-compliance concerning product and service information and labelling	59
GRI 417: Marketing and Labelling 2016	417-3. Incidents of non-compliance concerning marketing communications	59
GRI 418: Customer privacy 2016	418-1. Substantiated complaints concerning breaches of customer privacy and losses of customer data	59
GRI 419: Socioeconomic compliance 2016	419-1. Non-compliance with laws and regulations in the social and economic area	59





REFERENCES

Glossary

Business Model: an organization's system of transforming inputs through its business activities into outputs and outcomes that aims to fulfill the organization's strategic purposes and create value over the short, medium and long term.

Value creation, preservation or erosion: the process that results in increases, decreases or transformations of capital caused by the organization's business activities and outputs.

ESG (*Environmental, Social, Governance*): indicates all activities related to responsible investment; ESGs are criteria for evaluating an investment not only from an economic point of view, but also from an environmental, social and governance point of view.

Governance: the person(s) or organization(s) (e.g. the board of directors or a corporate trustee) with responsibility for overseeing the strategic direction of an organization and its obligations with respect to accountability and stewardship. For some organizations and jurisdictions, those charged with governance may include executive management.

Inputs: the capital (resources and relationships) that the organization draws upon for its business activities.

Integrated Reporting: a process founded on integrated thinking that results in a periodic integrated report by an organization about value creation, preservation or erosion over time and the

related communications regarding aspects of value creation, preservation or erosion.

Performance: an organization's achievements relative to its strategic objectives, and its outcomes in terms of its effects on capital.

Providers of Financial Capital: equity and debt holders and others who provide financial capital, both existing and potential, including lenders and other creditors. This includes the ultimate beneficiaries of investments, collective asset owners, and asset or fund managers.

SDGs (*Sustainable Development Goals*): the United Nations' seventeen goals to be achieved by 2030. These goals act as a guideline to contribute to global development, promoting human well-being and protecting the environment.

Stakeholders: those groups or individuals that can reasonably be expected to be significantly affected by an organization's business activities, outputs or outcomes, or whose actions can reasonably be expected to significantly affect the ability of the organization to create value over time. Stakeholders may include providers of financial capital, employees, customers, suppliers, business partners, local communities, NGOs, environmental groups, legislators, regulators and policy-makers.



BIONAP
BIOACTIVE NATURAL PRODUCTS
INTEGRATED REPORT

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