

# Sustainability report

## 2020



# Sustainability report 2020

## Table of contents

Letter to the stakeholders	5
Methodological note	6
Analysis of materiality	6
<b>1. Who we are: our identity and corporate governance</b>	
1.1 History	9
1.2 Mission and values	10
1.3 Business Model	11
1.4 Responsible management and transparent business	13
1.4.1 Corporate governance	13
1.4.2 Risk management	15
1.4.3 Organisation, Management and Control Model pursuant to Legislative Decree no. 231/2001	15
1.5 Dialogue with the stakeholders	16
1.6 Approach to sustainability	17
1.7 COPAN for the social aspect	18
<b>2. What we do: our products</b>	
2.1 The COPAN products	20
2.2 Product quality, safety and conformity	23
2.3 Materials used	24
2.3.1 Responsible solutions for packaging	26
2.4 Research and development activity	27
2.5 Relationship with the clientele and responsible communication	30
<b>3. Our people</b>	
3.1 Policies for the personnel	32
3.2 Staff	33
3.3 Health and Safety	36
3.4 Training	38
3.5 Welfare	39
<b>4. Economic performance</b>	
4.1 Report on operations	41
4.2 Tax Management	42
4.3 Distribution of the value created	42
4.4 Supply chain	44
<b>5. Environment</b>	
5.1 COPAN's environmental policy	47
5.2 Consumption	48
5.3 Emissions	50
5.4 Waste Management	51
Attached to the Balance Sheet	52

## Letter to the stakeholders

In recent decades, many companies have begun to progressively integrate environmental, social and governance sustainability factors into their corporate strategy and into the implementation of their operational, management and reporting activities. When we talk about corporate sustainability we are referring to a new understanding of entrepreneurial activity, according to which the company's ultimate goal cannot consist in just the maximisation of profit, but must be extended to the creation of long-term economic, environmental and social value, for the benefit of all the stakeholders and without ever losing sight of the fundamental need to protect the interests of future generations.

Armed with this awareness, the COPAN Group has made the important decision of publishing the first edition of its Sustainability Report. In fact, we believe that the time has come, for the Group and for all those who are part of it, to become sponsors of a change that closely involves all the essential aspects of our business activity.

In 2020 the entire world experienced the profound healthcare crisis caused by the spread of the Covid-19 pandemic, the effects of which brought many operators of the Italian economic industry to their knees and generated disastrous social consequences. These events further reinforced the sense of responsibility that our Group intends to assume towards all its stakeholders, pledging to pursue a path of growth that is sustainable in the long term and focusing on the constant dialogue and mutual trust between the organisation and its principal contact persons.

The 2020 Sustainability Report is a strategic tool for 360° measuring and reporting of corporate performance and has been developed with a double objective: on the one hand, to provide a complete overview of the activities carried out by the Group and the impact that those actions generate on the various stakeholder categories; on the other hand, to communicate transparently the objectives that COPAN is setting out for the future in order to generate value from the economic, social and environmental point of view for itself and for all its stakeholders.

We are facing this innovative path with great enthusiasm and with the conviction of developing our organisational model in modern and sustainable terms, adapting it to the global dimension that the Group has assumed over the years and the profound changes that we are now experiencing.

*Stefania Triva*

## Methodological note

This Sustainability Report stems from the COPAN Group's need to communicate to all the stakeholders the corporate performance relative to the 2020 financial year (with information and references also to the data relative to the two previous financial years) not just from the economic point of view, but also in economic and social terms. Even though the drafting of the Sustainability Report is a **voluntary exercise for COPAN**, the decision to undertake a structured path for reporting information of a non-financial nature was made from the point of view of promoting an increasingly complete and transparent disclosure towards its principal contacts, also considering the high economic, socio-environmental and technological value of the activities conducted in the supply of medical and laboratory products.

The **reporting scope** of the Sustainability Report includes all the Italian companies of the COPAN Group (COPAN Italia, COPAN Wasp and COPAN NewLab). If the information of a non-financial nature presented refers to all three companies, we use the terms "Group" or "COPAN"; if, instead, the information refers only to some of the companies included in the reporting scope, the complete names are used: "COPAN Italia" (or "Parent Company"), "COPAN Wasp" and "COPAN NewLab". However, the introductory section of the document (in particular, sections 1.1 "History" and 1.3 "Business Model") also contains information useful for outlining a more complete picture regarding the entire structure of the Group worldwide.

This Report was drafted using the guidelines defined by the GRI Sustainability Report Standard (GRI Standards) issued in 2016 by the Global Report Initiative, which form the most widespread and influential reference internationally for sustainability reporting. In particular, the guidelines of the GRI Standards were applied opting for a level of coverage "in accordance - core".

The subjects covered in the following sections are those considered significant since they can reflect the social and environmental impact of the COPAN activities, or significantly influence the decisions of its stakeholders. These major issues were identified by conducting an analysis of materiality according to an organised and structured approach (see the next section).

On page 55, lastly, a table of correlation is shown between the information reported by the Group and the GRI indicators.

## Analysis of materiality

COPAN performed **an analysis of materiality** for the drafting of the first edition of the Sustainability Report, aimed at identifying and giving priority to the ESG (Environmental, Social, Governance) subjects considered important and significant to its own business and to the stakeholders. These subjects are defined as **material** since they reflect the economic, social and environmental impact of the Group and because they can influence the decisions of the internal and external stakeholders.

In order to identify the important and significant subjects, COPAN conducted an investigation according to a **structure process and based on the following steps**:

- analysis of the existing internal documentations;
- analysis of public documents, articles, statistics and results of observers on the type of international standard and framework adopted in the sustainability report;
- analysis of the characteristics of the industry of affiliation, in order to identify the principal subjects on which the competitors also tend to focus.

This investigation made it possible to identify **24 principal** subjects pertaining to **6 different macro-areas**:

- Governance;
- Human Resources;
- Environmental Responsibility;
- Economic Responsibility;
- Product;
- Community.

These subjects briefly explained in the following table.

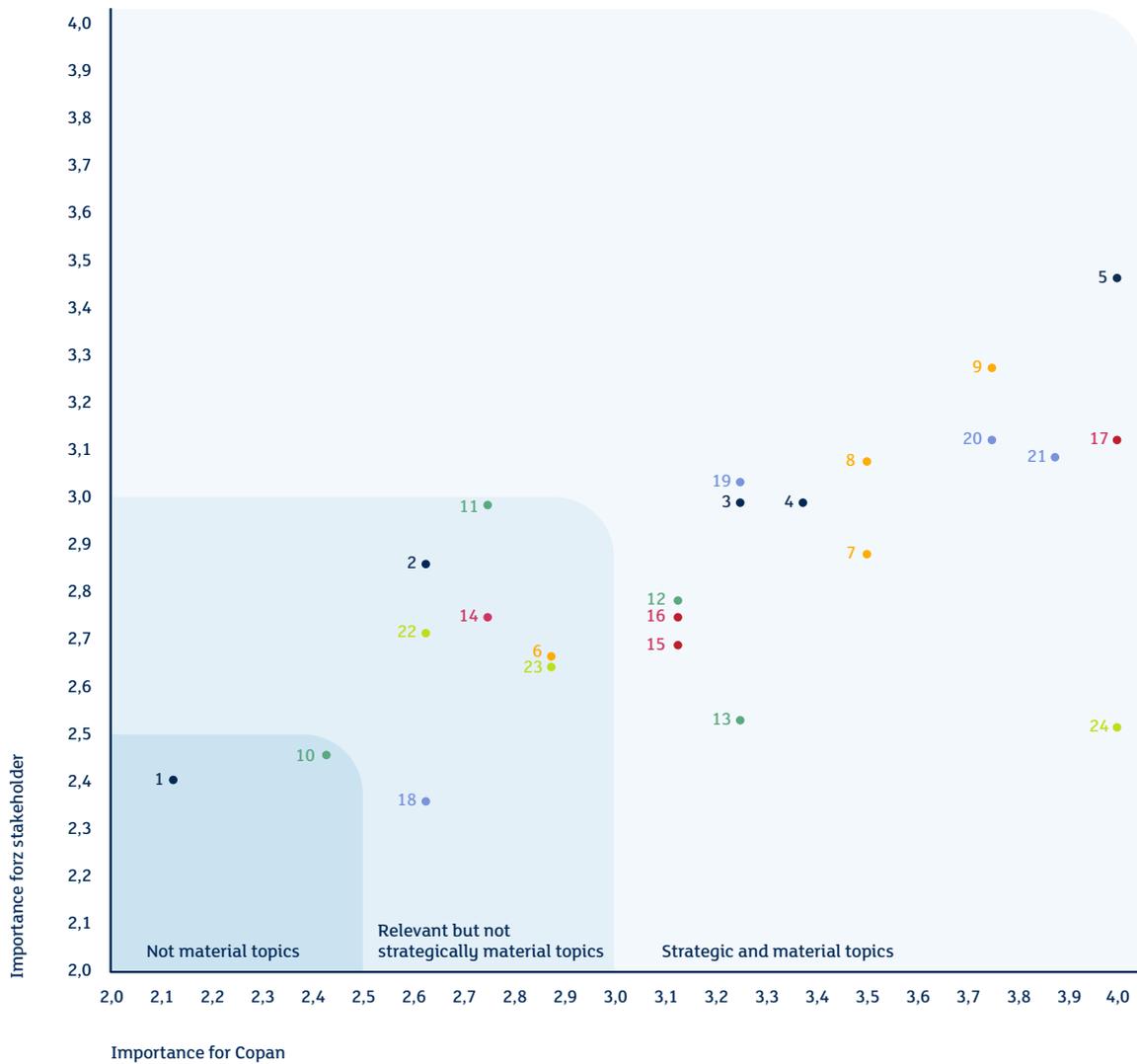
MACRO-AREA	SUBJECT
<b>Governance</b>	Transparent management and business integrity
	Integrations of the environmental and social subjects in the long term strategy
	Prevention of corruption
	Anti-competitive behaviours
	Image and reputation
<b>Human Resources</b>	Health and safety of the employees
	Well-being of the employees and company welfare
	Diversity, inclusion and equal opportunity
	Attraction of talent and development of the personnel
<b>Environmental Responsibility</b>	Atmospheric emissions and climate change management
	Energy consumption
	Management of water resources
	Production and management of company waste
<b>Economic Responsibility</b>	Economic performance and distribution of the economic value generated among the stakeholders
	Territorial presence and markets served
	Transparent fiscal approach
	Responsible management of the chain
<b>Product</b>	Quality, safety and conformity of the product with the local applicable regulations
	Responsible solutions for packaging
	Responsible innovation of product, process and service
	Customer satisfaction
<b>Community</b>	Involvement of the community
	Contribution to the scientific community

Subsequently, in order to select the ESG aspects actually applicable to COPAN from those identified during the first investigation, **the level of importance of each subject was evaluated by the members of a Work Group composed of the representatives of the principal company departments** (including the Chief Executive Officers of COPAN Italia, COPAN Wasp and COPAN Newlab). When compiling the so-called materiality questionnaire, the members of the Work Group considered both the COPAN point of view ("internal" point of view), and the specific point of view of each of the 6 stakeholder macro-categories identified through a specific mapping activity conducted upstream of the materiality analysis ("external" point of view (see also page 16). The "aggregate" level of importance of each ESG subject for all the stakeholders was obtained by applying a specific weighting model to the points of view of the various macro-categories of stakeholders considered, taking into account their distribution among strategic shareholders, stakeholders with average priority and stakeholders with low priority.

The following **materiality matrix** is a concise depiction of the results that emerged from the analysis performed. It is composed of the plane defined by the two axes which represent the level of importance to be attributed to the various subjects considering, respectively, the COPAN point of view (x-axis) and the view of the stakeholders (y-axis).

The essential subjects for COPAN are those that have passed the so-called **threshold of materiality**, namely they obtained an overall assessment greater than 3 on a scale of 1 (negligible or not very significant aspect) to 4 (extremely important aspect) on at least one of the two axes. A second area of the graph was obtained by placing an additional

threshold at a significance level of 2.5 on both axes: the subjects falling into that level are those which, while not being strategically material to COPAN, are marked by a level of significance (either for COPAN or for the stakeholders) and therefore should be taken into account and reported.



**Governance**

- 1. Anti-competitive behaviours
- 2. Prevention of corruption
- 3. Integrations of the environmental and social subjects in the long term strategies
- 4. Transparent management and business integrity
- 5. Image and reputation

**Human resources**

- 6. Diversity, inclusion and equal opportunity
- 7. Employee well-being and company welfare
- 8. Attraction of talent and staff development
- 9. Employee health and safety

**Environmental responsibility**

- 10. Management of water resources
- 11. Atmospheric emissions and climate change management
- 12. Production and management of company waste
- 13. Energy consumption

**Economic responsibility**

- 14. Responsible management of the chain
- 15. Territorial presence and markets served
- 16. Transparent fiscal approach
- 17. Economic performance and distribution of the economic value generated among the stakeholders

**Product**

- 18. Responsible solutions for packaging
- 19. Responsible innovation of product, process and service
- 20. Quality, safety and conformity of the product with the local applicable regulations
- 21. Customer satisfaction

**Community**

- 22. Involvement of the community
- 23. Partnerships and relations with institutions
- 24. Contribution to the scientific community

# 1.

## *Who we are: our identity and corporate governance*

### 1.1 History

COPAN is an **Italian company family-run** right from its establishment in 1979 in Mantua by the businessman, Giorgio Triva. During the first years of business, the company was able to establish itself in the production and distribution of a vast range of laboratory products. It was Daniele Triva, eldest son of Giorgio and General Manager of COPAN starting in 1982 ( **later also CEO**), **who enabled the company to start investing decisively in the field of analytics with high technological and scientific content, laying the bases for the progressive development of a Group leader, worldwide, in the production and marketing of devices for microbiological analysis.** After his untimely death in 2014, the helm of the company was inherited by his sister, Stefania Triva, who today holds the dual role of Chairman of the Group and CEO of COPAN Italia.

- **1979** COPAN (acronym for "COadiuvanti Per Analisi [COadjuvants For Analysis]") was founded by Giorgio Triva
- **1982** COPAN becomes the acronym of "COLlection and Preservation for Analysis" and starts to produce swabs
- **1994** Also thanks to the support of the English microbiologist, Norman Sharples, COPAN starts to plan its expansion into the USA
- **1995** COPAN Diagnostics Inc. launches its business in Corona (California)
- **1998** COPAN Italia moves to a new plant located in Brescia of over 9,000m<sup>2</sup>: this makes it possible to enhance the Operations branch and complete the integration of the R&D activities, product design, die creation, equipment automation and production/assembly of the products.
- **2003** COPAN patents its flocked swab FLOQSwabs<sup>®</sup>, composed of a molded plastic applicator with tip covered by short Nylon fibres.
- **2007** COPAN Diagnostics Inc. moves to a new plant in Murrieta (California), almost 1.500m<sup>2</sup> wide
- **2009** COPAN inaugurates the FUTURA Science Park of Brescia, a continuously evolving incubator of ideas, powered by the cooperation with the University of Brescia. COPAN Diagnostics Inc. purchases another 1,200m<sup>2</sup> plant in order to increase its production of laboratory loops and pipettes
- **2011** COPAN Innovation Shanghai Limited launches its business in Shanghai (China)
- **2012** The installation of the first WASPLab<sup>®</sup> is completed, an automated modular platform for the incubation, storage, digitalisation and registration of inoculated bacteriology plates.
- **2014** Stefania Triva becomes CEO and General Manager of the COPAN Group
- **2016** The Copan Wasp and New LabEngineering offices are inaugurated in Brescia
- **2018** COPAN Japan Co. LDT launches its business in Kobe City (Japan).  
COPAN Industries Inc. launches its business in Puerto Rico

The first Cyclone™, a completely automated system specifically designed for microbiological quality control, is installed at Danone Industries of Madrid (Spain).

## 1.2 Mission and values<sup>1</sup>

### Mission:

Shape the microbiology of the future by creating unprecedented value and answer the questions that no-one has ever asked.

If there's a way to do it better, let's find it: this is a motto we've made our own.

Our ideas drove 40 years of progress in the field of preanalytics, leading to more and more reliable diagnoses

We are the first stepping stone in a process aimed at good health.

We build on the innate enthusiasm and commitment in our partners and us.

We live for the deep connection between the human beings behind the professionals.

Our hearts and minds band together to reach higher and newer goals.

### Values:

#### People

Our employees are our strength, for this reason we place the well-being of the people first and foremost. By giving the workers the possibility of expressing their attitudes and interests we promote their personal and professional growth. We commit to maintain a work environment comparable to a family setting, where cooperation and understanding are the basis of daily life.

#### Innovation

Right from the start, we were forerunners in the field of pre-analytics We are determined to redefine with passion the standard of excellence in everything we do. Therefore, we promote the development of ideas, technologies and products that drive innovation, to provide the best solutions to our customers.

#### Trust

We work to guarantee the best experience possible for our customers and distributors ensuring them excellent and professional service. Through dedication and commitment we cultivate firm bonds of trust with our partners, always with a smile on our lips.

#### Sustainability

Over the years we have generated resources which allowed us to reinvest and be financially independent. That is how we became a reliable, far-sighted company with great operating freedom. By doing everything possible to limit our environmental footprint, we have set a goal of enriching our community, every day, from the social, environmental and cultural point of view.

#### Growth

Growth is not our primary objective, but the natural result of doing things the right way. We moulded our business to face the internal logistics and the challenges of the market, by revolutionizing the structure and company processes. This continuous growth is the result of scientific reliability combined with a human touch, which has protected our vision, our dream and built our future.

### Code of ethics

The COPAN Code of Ethics is another pillar for the development of an **increasingly responsible, transparent management model based on the creation of value shared with all the stakeholders**. This document gathers all the values

<sup>1</sup> The contents of this section are the result of an update and redefinition of the mission and company values which took place during 2021.

that the Group recognises, shares and promotes, aware that behaviours inspired by the principles of **diligence, correctness and loyalty** constitute an important engine for the economic and social development of organisations and the communities in which they operate.

Within the Code of Ethics, COPAN formally recognises the essential importance of its human capital and asks its employees and partners to **constantly act with honesty, passion and integrity**, by creating with the stakeholders relationships based on **mutual trust**.

The decision to use an instrument that is part of the Corporate Social Responsibility (CSR) to promote and consolidate behavioural best practices derives from the awareness and the desire of the Group to **guide in a clear and coherent manner all the strategic choices and weigh heavily on corporate life**. The adoption of this instrument, in fact, involves the constant scrutiny regarding the methods of definition and implementation of the founding values, the relative translation into daily practice and the continuous monitoring of the effects generated, well as the suitability of the instrument used.

### 1.3 Business Model

Over the years, the Group has pursued a process of continuous development of its business, with a resulting expansion and creation of business offices on all the continents. For this reason, COPAN operates through a complex organisational model that is divided into various phases of the value chain, managed differently by the various offices.

The COPAN business model refers to **two principal Business Units (BU)**:

<b>BU CONSUMABLES</b>	<ul style="list-style-type: none"><li>• <b>Companies within the reporting perimeter:</b> COPAN Italia</li><li>• <b>Business:</b> production mainly of swabs and transport mediums for pre-analytics</li></ul>
<b>BU LAB AUTOMATION</b>	<ul style="list-style-type: none"><li>• <b>Companies within the reporting perimeter:</b> COPAN Wasp and COPAN NewLab</li><li>• <b>Business:</b> development of automations for bacteriology and molecular biology laboratories.</li></ul>

The **distribution network** is managed by the Business Development Managers of the Group and, only in the case of COPAN Italia, also through the creation of partnerships with large diagnostic companies.<sup>2</sup>

Based on the agreements signed with COPAN, the **distributors** can access the entire range of COPAN Italia, COPAN Wasp and COPAN NewLab products, or just some of them. The support provided by the Business Development Managers to them includes on site shadowing, periodic business reviews and training activities on the use of the solutions offered benefiting both the distributors, and (in some cases) the final customers.

The distributors and the diagnostic companies with the companies of the Group cooperate can also benefit from the support offered by the **Scientific Affairs** department, which manages the relations with the key opinion leaders worldwide and the preparation of scientific studies in significant settings for the COPAN business. The promotion of the products and the brand is done through the **participation in industry fairs and conventions**, organised by the Communication Team.

<sup>2</sup> In this case, the products created by COPAN Italian are included in the kits marketed by those diagnostic companies with either a COPAN or private label. The relationships established between COPAN Italia and the diagnostic companies are managed by the Key Account Managers of the Group.

## The structure of the COPAN Group

Company	Geographic location	BU of reference	Description
COPAN Italia*	Brescia (Italia)	Consumables	Established in 1979, COPAN Italia is the <b>holding company of the COPAN Group</b> . COPAN Italia is specialised in the <b>production of universal and standardised devices for the collection, transport and storage of samples used in a bacteriological, virological, forensic, biological-molecular and environmental setting.</b>
COPAN Wasp*	Brescia (Italia)	Lab Automation	COPAN Wasp creates <b>automation systems for the laboratory analysis of microbiological samples</b> . The COPAN Wasp activities cover the entire life cycle of the device and include the design, development, production, sale, technical support, dismantling and possible disposal. The is known especially for the marketing of two products: <b>- WASP® DT - Walk-Away processor of samples:</b> modular and open platform which automates 100% all the aspects of the processing of the samples in microbiology (preparation of the culture medium, inoculation of the sample, Gram staining, etc.); <b>- WASPLab®:</b> automated modular platform for the incubation, storage, digitisation and registration of the inoculated bacteriological plates.
COPAN NewLab*	Brescia (Italia)	Lab Automation	Established in 2010, the company specialised in the development of <b>automation solutions for the clients operating in the field of food and pharmaceutical diagnostics</b> . Like COPAN Wasp, the company takes care of the entire life cycle of the solutions offered, including the marketing of the consumables necessary for the correct use of the automation systems and the spare parts for their maintenance.
COPAN DIAGNOSTICS	USA	Consumables & Lab Automation	Started in 1994 from the partnership with the English microbiologist and business developer, Norman Sharples, COPAN Diagnostics is active in particular in the distribution of bacteriological swabs, UTM and other products developed by COPAN Italian and COPAN Wasp in the American market, by integrating with these solutions what is produced directly at the Carlsbad and Murrieta (California) sites.
COPAN Industries	USA	Consumables	COPAN Industries is the new American company of the COPAN Group and is based in Puerto Rico. The industrial cluster of the island, extremely focused on medical-pharmaceutical production, allows COPAN industries to develop the infrastructures and the relationships necessary to repeat the acknowledged excellence of COPAN Italia relative to the production and logistics activity in consumables.
COPAN Innovation Shanghai	Cina	Consumables & Lab Automation	Started in 2011, it is a commercial company dedicated to the management and the B2B projects of the Group in China.
COPAN Medical Shanghai	Cina	Consumables	COPAN Medical Shanghai controls a production line of consumable goods and was recently created to support the progressive expansion of the commercial activities carried out by COPAN Innovation Shanghai in the Chinese market.
COPAN Japan	Giappone	Consumables & Lab Automation	Like COPAN Innovation Shanghai, COPAN Japan was also established to meet the Group's need to supports its commercial development in Japan. The company mainly takes care of managing the sales and distribution of the Liquid Based Microbiology™ (LBM®) in the local market.
COPAN Australia	Australia	Consumables & Lab Automation	A commercial company responsible, together with COPAN Japan, for managing relations with the distributors located in Asia Pacific. The relationship with the distributors is governed by medium-term contracts or letters of appointment, which may or may not be exclusive.

*Note: just the companies marked with an asterisk (\*) come under the reporting perimeter of this report.*

## Business model - Principal objectives for the future

- **Opening of new production** facilities in America and in Asia, in order to guarantee an even more widespread presence in these markets and a capacity to meet with greater flexibility the requirements reported by the local clients.
- **Development of new royalty agreements for the enhancement of the patents**, by capitalising on the experience accrued in 2020 by striking deals of this type with other producers and distributors of medical-diagnostic products in order to satisfy the increasing world demand for these goods as a result of the pandemic.
- **Realisation of additional start-up investments of the medical sector located in the Province of Brescia** for the development, industrialisation and marketing of innovative solutions.

## 1.4 Responsible management and transparent business

### 1.4.1 Corporate governance

Despite the continuous expansion of the company, COPAN Italia has managed to maintain, over the years, a solid family-run property. In particular:

- Stefania Triva owns 48% of the company shares through the single person holding company ST Holding S.r.l.;
- the remaining shares (52% of the total) are controlled by the other members of the Triva family (Stefania Giangiulio, Giorgio Triva, Ilaria Triva, Francesca Triva and Alessandro Triva).<sup>3</sup>

While the composition of the Board of Directors and the Supervisory Body has remained unchanged in the last three years, in 2020 the Board of Auditors was renewed.

Board of Directors	Board of Auditors	Supervisory Body	Statutory Auditor
Triva Stefania (Chair and CEO)	Mazzoletti Giorgio (Chair)	Carnesecchi Giuseppe (Chair)	BDO Italia S.p.A.
Morzenti Claudio (Director)	Pintossi Paolo (Acting Auditor)	Marro Renato (Full Member)	
Triva Giorgio (Director)	Picchi Nicla (Acting Auditor)	Fumagalli Lorenzo (Full Member)	
Cugini Gianvirgilio (Director)	Mazzoletti Francesco (Alternate Auditor)		
	Mazzoletti Pietro (Alternate Auditor)		

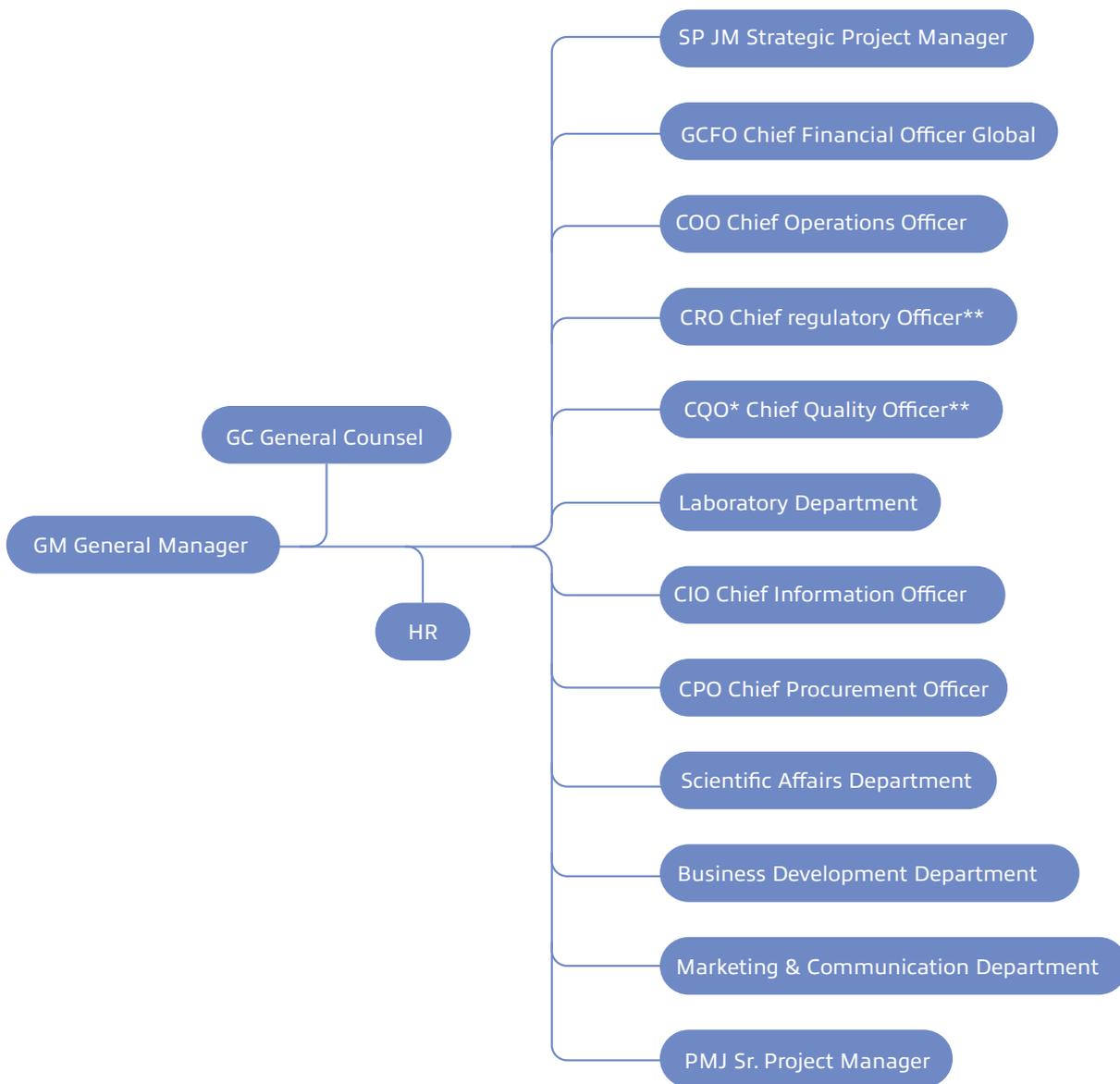
Representatives of governing bodies by type of qualification	2020			2019			2018		
	Women	Men	TOT	Women	Men	TOT	Women	Men	TOT
BoD	1	3	4	1	3	4	1	3	4
Board of Auditors	1	2	3	0	3	3	0	3	3
Supervisory Body	0	3	3	0	3	3	0	3	3
TOTAL	2	8	10	1	9	10	1	9	10
PERCENTAGE	20%	80%	100%	10%	90%	100%	10%	90%	100%

<sup>3</sup> At the date of publication, the shares are controlled by Marimo Holding Srl.

Representatives of the governing bodies by age bracket	2020				2019				2018			
	<30 anni	30-50 anni	>50 anni	TOT	<30 anni	30-50 anni	>50 anni	TOT	<30 anni	30-50 anni	>50 anni	TOT
BoD	0	1	3	4	1	0	3	4	1	0	3	4
Board of Auditors	0	0	3	3	0	0	3	3	0	0	3	3
Supervisory Body	0	3	0	3	0	3	0	3	0	3	0	3
TOTAL	0	4	6	10	1	3	6	10	1	3	6	10
PERCENTAGE	0%	40%	60%	100%	10%	30%	60%	100%	10%	30%	60%	100%

### Organisation structure

Since COPAN Italia is the holding company of the COPAN Group, it is possible to associate its corporate organisation chart to that of the entire Group.



\*Appointed as MANAGEMENT REPRESENTATIVE

\*\*Person Responsible for Regulatory Compliance (PPRC)

## 1.4.2 Risk management

Even though the Group usually adopts a responsible and precautionary approach when defining strategic decisions and carrying out business activities, the need to operate in an increasingly complex competitive context often rocked by moments of breakdown with profound implications on a global scale<sup>4</sup> is forcing COPAN to **speed up the process of adopting an advanced risk management system** capable of assisting the Group in promptly and effectively meeting possible situations of danger to its competitiveness and business continuity.

As holding company of the Group, COPAN Italia has started to evaluate various proposals suggested by outside professionals to achieve a structured path of mapping and assessing risks.

## 1.4.3 Organisation, Management and Control Model pursuant to Legislative Decree no. 231/2001

In 2017 COPAN Italian adopted a **Model of Organisation and Management pursuant to Legislative Decree no 231/2001**<sup>5</sup>, which is an essential tool for protecting Organisations and Companies against committing the crimes listed in the Decree by its own employees and directors.

The MOM 231 was formalised after mapping the company processes, in order to identify the areas most at risk within the organisation and includes all the rules and procedures aimed at preventing the crimes from being committed that are covered by the law. The law includes many crimes and they pertain to the correct functioning of the activities of the business and competitive practices, and compliance with the environmental regulations, as well as regarding human beings and the rights of workers.

Periodically ad hoc audits are conducted by an outside agency focused on monitoring that those procedures are being respected by all the employees and by the directors and that the company is operating all around legally. After an initial period of adjustment, **the adoption of the MOM 231 will also be extended to COPAN Wasp and, in the next few years, to the other companies of the Group.**

COPAN Italia has **strongly promoted the adoption of the principles and guidelines defined in the MOM 231:**

- Internally, for example through the implementation of appropriate awareness and training initiatives aimed at the personnel.
- externally, for example by inserting in the contracts with clients and suppliers a termination clause in the event of violation of the MOM 231 by the counterparty.

With specific reference to the **training sessions supplied on the functioning of the MOM 231**, in 2018 a first training course was held for all the members of the BoD, the front lines and a significant portion of the staff. The initiative involved 147 employees (43% of the company population) and provided about 2.5 hours of training per capita. In 2019, 20 new hires received training (50 hours of training dispensed, 2.5 hours of training per capita) and in 2020 it was extended to an additional 14 associates (25 hours of training dispenses, approximately 1,8 hours of training per capita). In 2021, we anticipate extending the training plan to 60 new associates by dispensing a total of 150 hours of training (2.5 ore per capita). Finally, with the adoption of the MOM 231 by COPAN Wasp as well, we anticipate launching the same training programme to all the employees of the company.

**During the reporting period no episodes of corruption were reported** or any other situations referable to crimes included in the MOM 231, **and there are no ongoing legal proceedings against COPAN Italy or other companies of the Group relative to anti-competitive behaviours, violations of the antitrust regulations, relative monopolistic practices or violation of human rights and/or the workers.**

<sup>4</sup> Just think of the economic-financial crisis of 2008 and healthcare emergency that exploded in 2020 following the spread of Covid-19 worldwide.

<sup>5</sup> The 231 Model adopted can be viewed on the COPAN website at the following address: <https://www.copangroup.com/resources/model231/>

## 1.5 Dialogue with the stakeholders

Maintaining a **constant relationship, solid and transparent** with the stakeholders is a fundamental conditions for the correct development of the business activities and is indicative of the level of accountability that the Group assumes vis-a-vis the economic and social context with which it interacts. **COPAN recognises as stakeholders all those subjects (e.g. institutions, organisations, groups or individuals) who can, more or less directly and to a different extent, influence or be influenced by its activities.**

Since the requirements and priorities expressed by the various types of stakeholders can be extremely varied and heterogeneous, COPAN's ability to correctly understand them is of the utmost importance in order to:

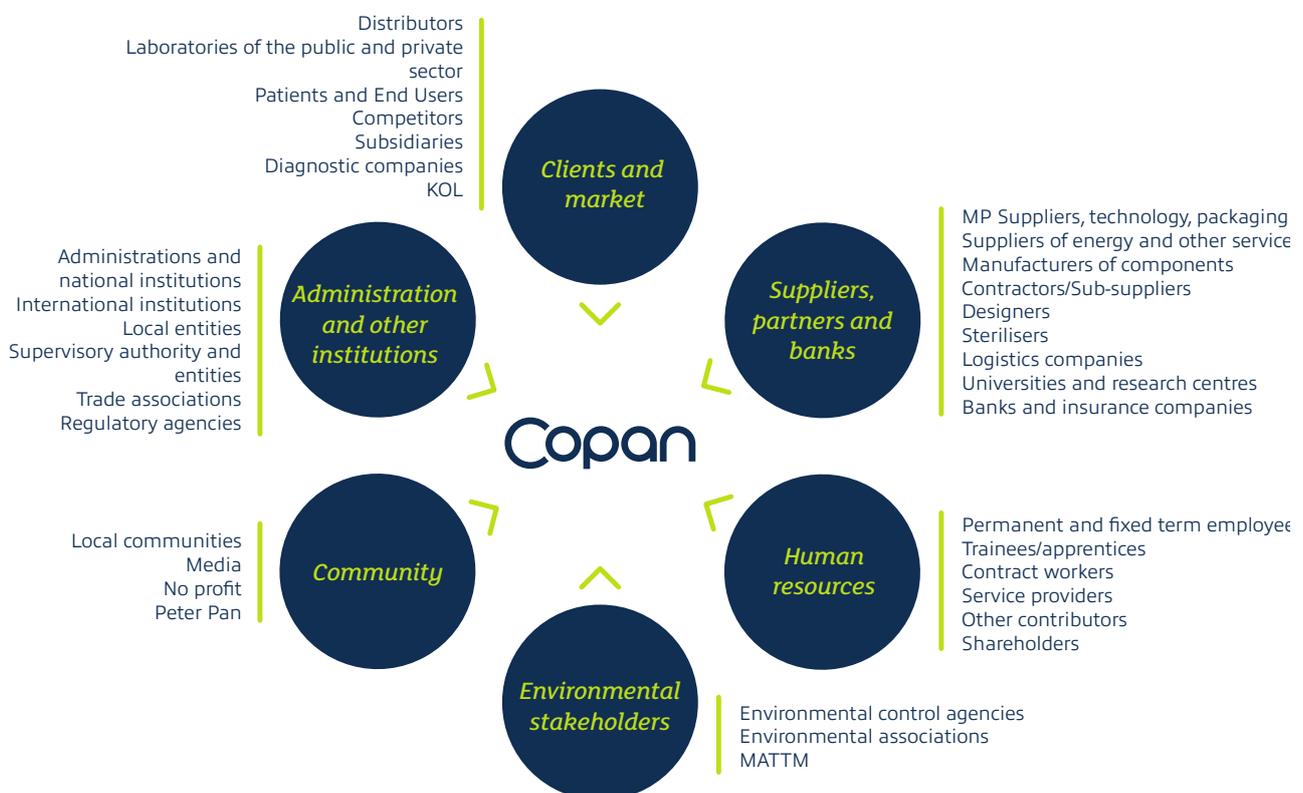
- manage in advance the onset of potential critical issue;
- define the actions to be implemented in response to the interests encountered;
- identify the channels of communication and engagement that are most effective for interacting with the various subjects to be involved.

To satisfy the expectations of our stakeholders promptly, **COPAN in fact adopts a proactive approach**, by promoting a constant dialogue and mutually sharing needs and requirements. The Group sponsors these initiatives, aware that meetings represent an opportunity of growth and enrichment for all the subjects involved.

For the drafting of this Sustainability Report, COPAN conducted an internal mapping **analysis of the stakeholders** which involved the same Work Group subsequently involved for the performance of the materiality analysis (see pages 6-8).

The process was divided into **2 main phases**:

- **identification of the various COPAN stakeholders and the relative distribution within the six macro-categories;**
- individual assessment of the **strategic/importance level of the various stakeholders by each member of the Work Group** by filling out a specific questionnaire and based on the stakeholder-company variable "**influence**" and "**dependence**".



The commitment to progressively develop a corporate culture centred on the creation of shared value for the stakeholders appears evident considering the **numerous channels of dialogue** adopted by COPAN to effectively interact with them. The system of approaches and instruments of communication and exchange established by the company allows it to maintain a constant interaction between the parties and effectively monitor the subjects directly or indirectly connected to the ESG aspects.

Category of stakeholder	Main channels of interaction and dialogue
Clients and market	<ul style="list-style-type: none"> <li>• Website</li> <li>• Visits to the client's office or factories</li> <li>• On demand meeting with the COPAN contact persons of reference</li> <li>• Commercial meetings (in person or remotely) to share information regarding the performance of the market, the innovations in terms of materials and services, the new acquisitions (client side), etc.</li> <li>• Customer care service</li> <li>• Market research and focus group</li> <li>• Trade fairs</li> </ul>
Suppliers, partners and banks	<ul style="list-style-type: none"> <li>• Daily exchange (verbal, via email, via PEC, etc.) with the organisational structures in charge</li> <li>• Sharing monthly reports to document the progress of the management both from the economic-financial point of view, and for a purely operational perspective (e.g. progress of the works portfolio, deviation from the annual objectives of the Business Plan, etc.)</li> <li>• Innovation and research projects</li> <li>• Definition and sharing of standards</li> </ul>
Human Resources	<ul style="list-style-type: none"> <li>• Internal communication programs</li> <li>• Training courses</li> <li>• Reserved channel and e-mail box for 231 reports</li> <li>• Placement programs for new hires</li> </ul>
Environmental stakeholders	<ul style="list-style-type: none"> <li>• Project definition and development common to environmental sustainability</li> <li>• Ad hoc meetings</li> <li>• Participation in events and conventions</li> <li>• Visits to the COPAN offices</li> </ul>
Community	<ul style="list-style-type: none"> <li>• Website</li> <li>• Organisation of public events</li> <li>• Participation in fairs and events organised by third parties</li> <li>• Participation in trade and institutional groups</li> </ul>
Public Administrations and other institutions	<ul style="list-style-type: none"> <li>• Innovation and research projects</li> <li>• Participation in events and conventions</li> </ul>

## 1.6 Approach to sustainability

Sustainability, intended in its broadest meaning (namely including the environmental, social and governance aspects), holds a central role in the strategic lines implemented by COPAN. Through a careful integration of the ESG factors into the business model, the company is able to develop technological, management and operational solutions capable of:

- **maximising the efficiency of the processes and company activities**, with clear advantages tied to the consolidation of its competitiveness in the markets;
- **contributing actively to the sustainable development of its business** from an environmental, economic and social point of view.

As described in the preceding sections, COPAN Italia has adopted a **Model of Organisation and Managements pursuant to Legislative Decree 231**, the implementation of which will be progressively extended to all the Italian and foreign companies of the Group. In addition, the COPAN Group has adopted its own **Code of Ethics**.

Through the implementation of the **Management System of Quality<sup>6</sup>**, COPAN is constantly able to guarantee a solid product conformity relative to the national and international standards applicable in the countries in which it operates.

As regards personnel management, COPAN is always attentive to gathering information on the principal needs of the employees and to developing ad hoc solutions. For a better control of the subjects of health and safety, the main companies of the Group have cooperated in order to establish the **Prevention and Protection Department**, which is responsible for reviewing the accidents registered in the company, identifying the causes of possible accidents and defining actions aimed at reducing to a minimum the risks to the personnel.

In terms of the environment, the Group is gradually integrating certain **principles of the circular economy** into its business model. The BU Lab Automation, for example, develops support, maintenance and continuous updating solution capable of extending the life cycle of the machinery thanks to a HaaS (Hardware-as-a-Service model). As regards logistics, COPAN is committed to minimizing non-essential moves, to reusing (where possible) the packaging material of the previous shipments and promoting the use of completely recyclable and recycled materials.

## 1.7 COPAN for the social aspect

COPAN has established a deep bond with the local community and commits to actively contributing to the collective well-being of the areas in which it operates. The company regularly promotes projects supporting local entities and the principal hospitals of the area.

Organisations supported by COPAN	Sector of affiliation	Year
Italian Union of the Blind and Partially Sighted	Medical-Hospital	2018
Amnesty International	Defence of Human Rights	2018-2019
Liceo Calini - Brescia High School	Education	2018-2019
ANT Foundation	Medical-Hospital	2019
University of North Texas Health Science Center Foundation	Education	2019
Umberto Veronesi Foundation	Medical-Hospital	2018-2020
Le Rondini – Fatebenefratelli Association	Medical-Hospital	2019-2020
Brescia-Bergamo Piano Festival	Cultural	2019-2020
Associazione AiutiamoBrescia– Coronavirus [Let's Help Brescia Association - Coronavirus]	Medical-Hospital	2020
Children's Haemopathic Association	Medical-Hospital	2020
White Cross Association of Brescia	Medical-Hospital	2020
Le Rondini Association - Coronavirus	Medical-Hospital	2020
University of Brescia (establishment of the International Mechanobiology Research Centre)	Education	2020
University of Verona (financing of a scholarship for a PhD in Neurosciences)	Education	2020

Downstream of the General Meeting of **Associazione Industriale Bresciana (AIB)** [Industrial Association of Brescia] held online on 9 November 2020, Stefania Trivia officially became part of the General Council of the organisation for the 2020-2024 four-year period. In addition, starting 31 May 2021 the Chair and CEO of COPAN Italia has held the position of Vice President of the AIB, with responsibility for innovation and digital development.

<sup>6</sup> For more information please also see the following section.

Lastly, in recent years, COPAN has received the following **awards**:

- **Business Excellence 2020** for innovation, internationalisation and development of talent (prize awarded by Borsa Italiana);
- **Industria Felix 2020** for business excellence (prize awarded by the Industria Felix magazine in cooperation with Il Sole 24 Ore);
- **Best Performance Award 2018 and 2019** for innovation, economic management and attention to the human and environmental dimension (prize awarded by SDA Bocconi).
- **Oscar of budgets - Brescia excellences** (prize awarded by the Giornale di Brescia and University of Brescia)
  - Anno 2015
  - Anno 2016
  - Anno 2017

# 2.

## What we do: our products

### Highlights 2020

5

The main areas in which BU Consumables products find their application (clinical, environmental, genetics, forensics e lab consumables)

50%

Of the activities generally carried out by a microbiology laboratory (routine pre-analysis phase) carried out in an automated way thanks to the solutions offered by the BU Lab Automation

2

The recognized standards (ISO 9001 and ISO 13485) concerning which the Management System for the Group quality is certified (COPAN only. NewLab is not certified by ISO 13485 standard)

+ 50%

Increase of the productive area compared to 2019.

75

The Net Promoter Score recorded in 2020 (in the case of COPAN Italy, the level of customer satisfaction was equal to 4.8 out of a maximum grade of 5).

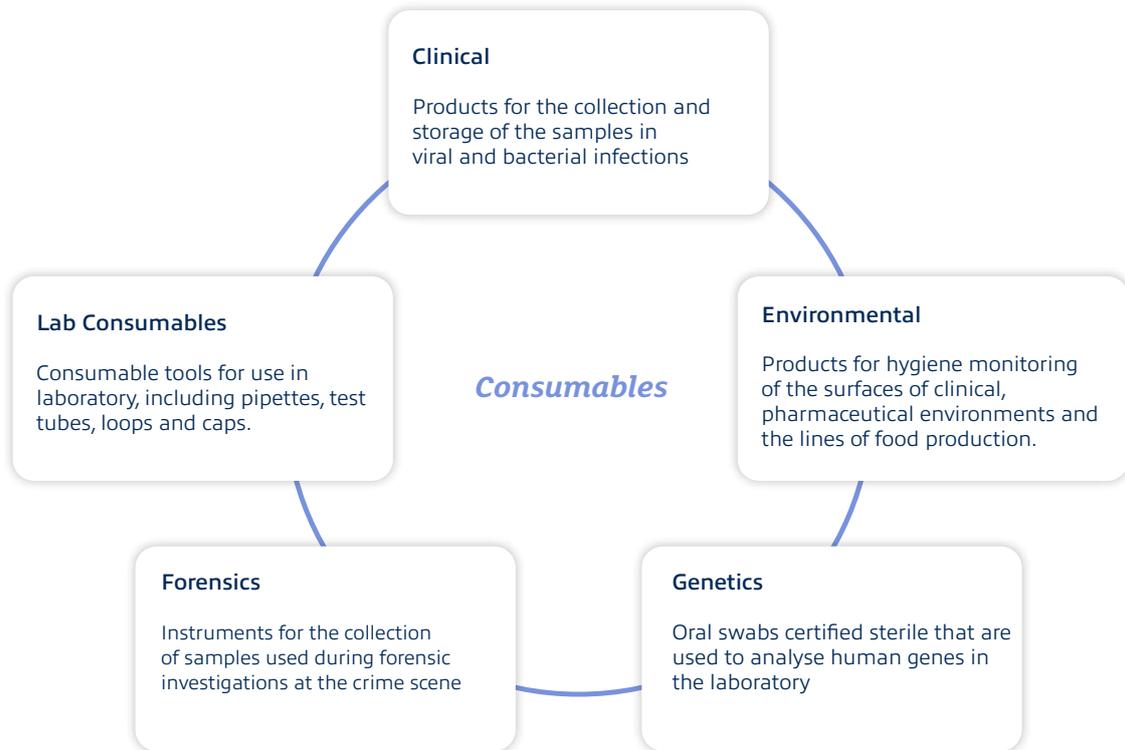
### 2.1 The COPAN products

Even though in the beginning the COPAN activity was mainly centred on the production of co-adjuvants for analysis and medical-diagnostic devices, over the year the COPAN Group has progressively expanded its business, becoming a point of reference worldwide also in the development of automation solutions in the pre-analytic industry. Currently, therefore, the products created and marketed by COPAN can be grouped into two principal macro-categories:

- **Consumables**, controlled by COPAN Italia;
- **Lab Automation**, by COPAN Wasp and COPAN NewLab.

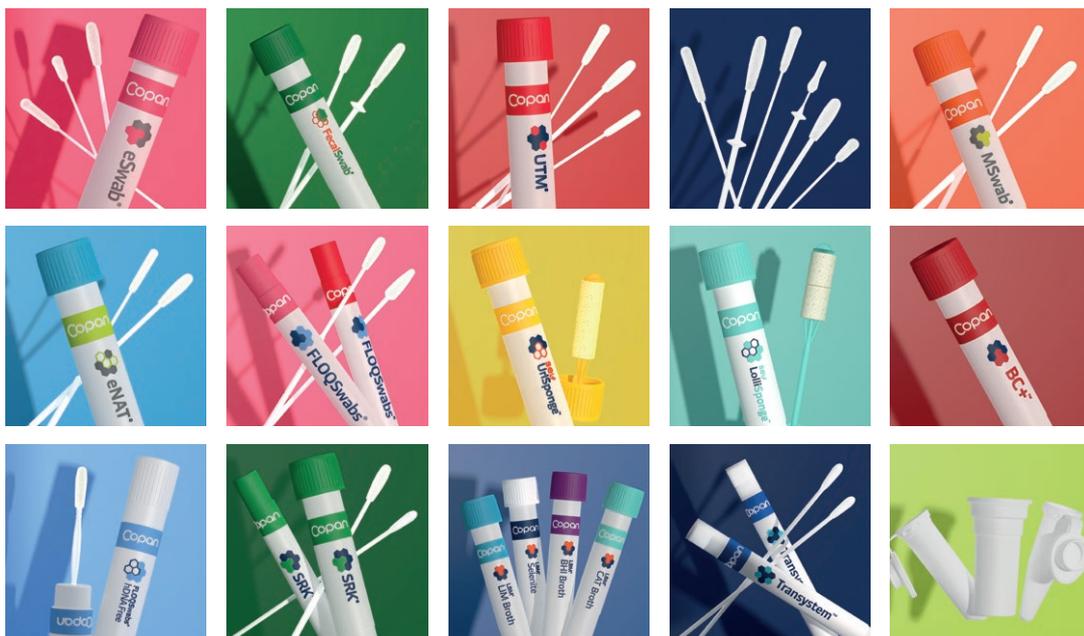
## CONSUMABLES

COPAN Italia mainly products **swabs/swabs and transport mediums for pre-analytics**, necessary for the collection of the sample, its storage and transport to the analysis site. In particular, BY Consumables creates various ranges of product applicable in the following settings:



Where possible, the product brands have been protected with registered trademarks and the principal technical solutions are protected by patents in the principal areas of commercial interest.

**The flocked swab**, created using the innovative technology patented in 2003 and characterised by an extraordinary performance compared to the preceding state-of-the-art, is the product that has most contributed to making the COPAN brand recognisable in the world of microbiology.



## BU LAB AUTOMATION

In the BU Lab Automation, **COPAN Wasp** creates automation solutions for bacteriology and molecular biology laboratories, supporting the clientele also with maintenance interventions and continuous updating of the devices sold. The solutions created by COPAN Wasp allow a laboratory to **perform most of the routine pre-analytic activities<sup>7</sup> in a completed automated manner**, with significant benefits in terms of saving time, standardisation and complete traceability of all the operations completed.

The **workflow** of the automation system includes the inoculation phases of the sample, incubation of the plates under specific conditions of oxygen and carbon dioxide, reading and collection. The technologies developed by COPAN Wasp, furthermore, make it possible for the laboratory operators to observe the plates on a digital screen and considerably reduce the time necessary to make decisions. The **principal products marketed** are:

- **WASP**: a system of automatic seeding of the plates with bacteriological samples;
- **WASPIab**: extension of WASP, an intelligent automatic incubation, imaging (Phenomatrix), picking of the colonies (Colibri) and management of the antibiogram (Radian) system;
- **UniVerse**: system for the complete management of the pre-analytics in the molecular biology laboratories.



**COPAN NewLab**, is also part of BU Lab Automation, it handles OEM (Original Equipment Manufacturer) automations and creates ad hoc equipment to carry out pre-analytic activities in the industrial and forensic microbiology laboratories. The NewLab automations support the laboratories in the routine operations, increasing the level of standardisation and allowing the specialised laboratory technicians to concentrate on operations with greater added value.

To date, the COPAN NewLab team has dedicated itself mainly to the development of two instruments:

- **Card Processing Automation 200™ (CPA200™)** is a semi-automatic instrument for the preparation of PCR tests for the sequencing of human DNA.
- **Cyclone™** is a fully automatic machine for the preparation of Petri dishes in the industrial microbiology setting. The system is cable to automate the seeding for inclusion, surface seeding and spiral seeding techniques in addition to the management of serial dilutions and various culture mediums. The communication with the laboratory software permits a complete integration of the machine within the workflow.

<sup>7</sup> The pre-analytic phase generally includes approximately 50% of all the activities conducted within a laboratory and often creates a "bottleneck" which slows down the start of the subsequent analyses and experiments.



## 2.2 Product quality, safety and conformity

In order to guarantee the constant compliance with the highest standards of quality, **the companies of the COPAN Group manage internally all the phases necessary for the realisation of the finished products:** from the creative phase, to the development of the prototypes, to the purchase of raw materials.

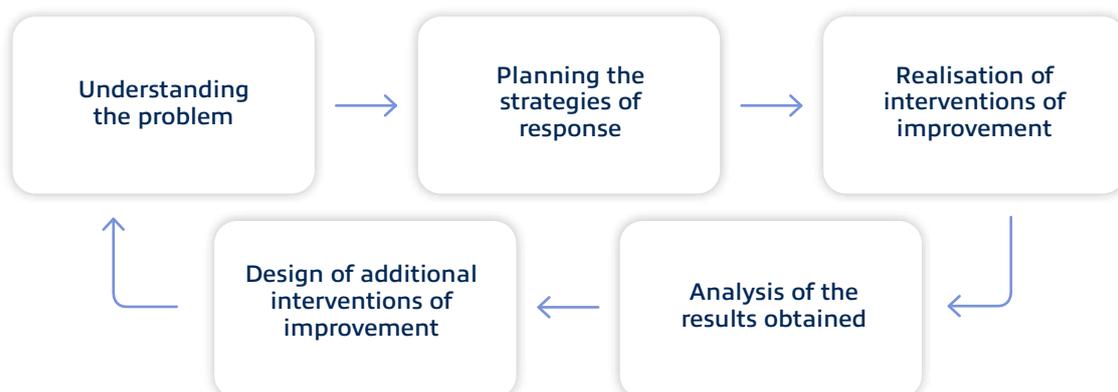
Right from the first phases of development and design of the new device, the companies of the Group define the characteristics that permit to certify their quality and safety. Before being introduced onto the market, furthermore, they draft the technical documentation and implement the conformity procedures that are consistent with the classification of products considered in line with what is established by the regulatory requirements.

Every product and device sold to the final client includes a specific package insert or instruction manual, created in line with the applicable regulations, to permit the use to use the product correctly and safely. COPAN Italia and COPAN Wasp have in addition implemented an e-labelling portal to allow the public to independently download the necessary information on the product.

Should the final user encounter product anomalies and/or defects or also need greater technical and scientific details, they can contact the companies of reference of the COPAN Group via e-mail or through the dedicated page present on the company website.

All the companies included in the reporting perimeter have implemented a Quality Management System (QMS) certified relative to the international standard **ISO 9001:2015**. COPAN Italia and COPAN Wasp, furthermore, have obtained the certificate of conformity relative to standard **ISO 13485:2016**, standard harmonised to the European directives that regulate the introduction into the market of generic medical devices and medical-diagnostic in vitro devices.

The cyclical process directed at the continuous improvement implemented by the companies of the Group is structured in the following steps and is favoured by the **high level of vertical integrations present in the company**, through which it is possible to quickly mobilize the resources with the correct skills and allow them to propose noticeable improvements at the technical and qualitative level:



As regards the **quality control**, the three companies have defined a series of checks along the entire production cycle, specifically:

- the controls performed at the time of acceptance of the raw materials and components, to monitor the requirements of the procurement chain;
- the checks implemented along the production processes, to guarantee the correct implementation of the activities;
- the controls performed at the release of the products, to ensure compliance with the quality requirements established for the product.

The **certification process** relative to the ISO 9001:2015 and ISO 13485:2016 standards is done through a three-year audit cycle (certification, first monitoring and second monitoring) conducted by an independent third party agency and authorised with the support of an internal auditing process.<sup>8</sup>

Being manufacturers and suppliers of items pursuant to the **REACH Regulation**, COPAN Italia, COPAN Wasp and COPAN NewLab are required to report the possible existence of "substances of very high concern" (SVHC) in their products and the distribution (e.g. in information sheets and labels) of all the information necessary to guarantee that the use and final disposal phases are handled safely and correctly.<sup>9</sup>

Being manufacturers of electric and electronic equipment, COPAN Wasp and COPAN NewLab are also required to verify the conformity of their products with the requirements imposed by the **RoHS Community Legislation**, also established to limit the use of given substances considered hazardous. The EC marking on the automations that COPAN manufactures and the Declaration of Conformity issued in companies with the regulatory provisions attest that the requirements of the Directive have been satisfied. Furthermore, the symbol of the RAEE marking is included in the label to indicate that the end of life of the product must be handled according to the methods provided by the legislation in force.

### Quality - Main objectives for the future

- **Retention of the certifications** of the QMS according to the ISO 9001 and ISO 13485 standards (where present)
- As regards COPAN Italia, **adaptation of the QMS to the Regulation EU 2017/745 and Regulation EU 2017/746.**
- **Further efficiency and optimisation of the controls on the product** (during the acceptance phase of the raw materials and components, along the production process and at the time of release) **and of the internal auditing system.**
- As regards COPAN Wasp and COPAN NewLab, **improvement of the communication process with the other players of the chain**, in order to facilitate the collection of the information necessary to demonstrate the conformity of the products to the regulatory requirements.

## 2.3 Materials used

The creation of high quality final products starts from the research of raw materials, semi-finished products and components capable of guaranteeing adequate physical and mechanical properties. Being obliged to meet specific legislative and quality requirements, the companies of the Group have not yet adopted practices for the systematic use of material resources originating from recovery and recycling processes. These activities, in any case, are implemented and promoted in every case where it is possible.

<sup>8</sup> The correct functioning of the control systems have meant that during the reporting period no significant cases of non-conformity were recorded and no need arose to recall products already introduced into the market. The last second monitoring audit was performed in May 2020.

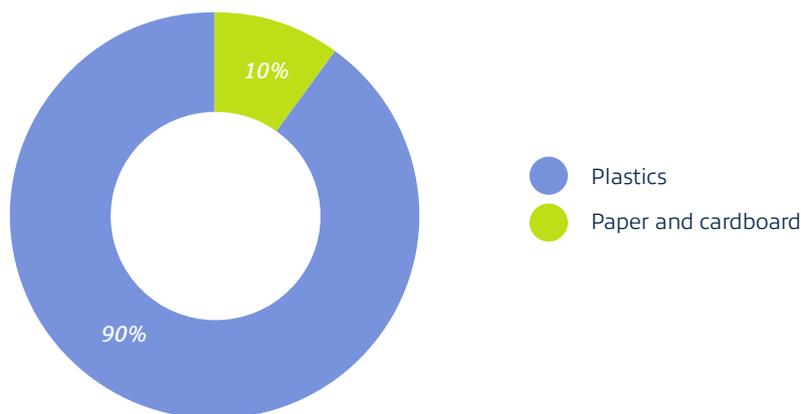
<sup>9</sup> During the reporting period, the three companies did not encounter any case of non-conformity regarding the information and labelling of the products.

## BU CONSUMABLES

In 2020, the exponential increase in the demand for swabs and other medical devices following the onset of the Covid-19 pandemic translated into a **considerable increase in production** by COPAN Italia. This led, inevitably, to the use of quantities of materials and semi-finished products significantly larger than that registered in previous years.

In recent years, furthermore, the Parent Company has implemented **recycling systems** relative to the blowing and moulding operations that characterise its production processes.

*Distribution of the principal materials used in 2020 by BU Consumables based on the relative weight*



## BU LAB AUTOMATION

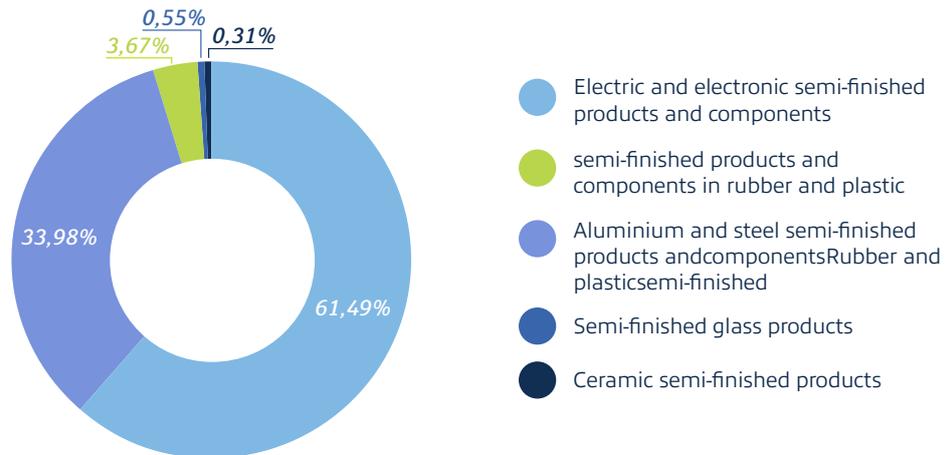
COPAN Wasp and COPAN NewLab **do not use unprocessed raw materials**, but four main types of semi-finished products and components:

- **semi-finished products and electric and electronic components:** they include all the semi-finished products and components powered by electricity, or which are used to distribute current and electric signals. Motors, robots, computers, monitors, electric cables, fuses etc. belong to this category;
- **semi-finished products in aluminum and steel:** they include all the semi-finished and structural components that compose the final product. The functional groups of the machine, carters, bearings, couplings, joints etc. fall into this group;
- **semi-finished products and components in rubber and plastic:** include all the semi-finished products and components composed mainly of polymeric materials (including the plexiglass or polycarbonate panels) and used for safety purposes. This category includes components such as plastic racks, rubber suction cups, plastic supports inserted in the automation, details moulded with plastic material, plastic containers used for tests, etc.;
- **semi-finished ceramic products:** these include the semi-finished products used in the high temperature processes, as for example the creation of the sterilisers.

COPAN Wasp, furthermore, purchases and resells laboratory glass for the automation part.

Approximately 96% of the total procurement costs within BU Lab Automation is incurred by COPAN Wasp. In the last three years, the implementation of an improvement in the production and technological process of a code list has made it possible to significantly reduce the budget for the purchase of ceramic semi-finished products (-61% compared to 2019 and -42% compared to 2018).

## Distribution into percentage of the budget spent in 2020 by BU Lab Automation for the purchase of semi-finished products and components



Also at BU Lab Automation, the systematic use of semi-finished products and components deriving from recovery and recycling processes is not yet an established practice. COPAN Wasp and COPAN NewLab are committed, however, to accumulating the production scraps and obsolete, defective or unusable semi-finished products in specific spaces, favouring a responsible management. The same approach is applied to the electronic components and semi-finished products, in accordance with the provisions of the RAEE legislation.

### 2.3.1 Responsible solutions for packaging

**COPAN Italia** is actively committed to the search for green material for packaging. The main constraint that still limits the adoption of innovative solution stems from the requirements to guarantee the complete preservation of the medical devices during shipment; in fact, the packaging materials must undergo validation and stability processes which require rather long timelines to be completed.

**COPAN Wasp** has, also, over the years, focused a growing attention on the development of eco-compatible packaging solutions for the packaging of the spare parts, going from completely plastic packages to the use of completely recyclable and recycled materials such as paper. In the plant there is a "PadPack" machine for the use of compressed recycled paper, which is able to provide excellent impact-resistance for the shipment of the spare parts. In the last three years, the annual consumption of paper for the package came to:

- 474 kg in 2018;
- 474 kg in 2019;
- 632 kg in 2020.

Packing plastic, or "bubble wrap", is instead use for the packaging of the automations, in order to guarantee the maximum protection of the final products. In the last three years, the annual consumption of "bubble wrap" plastic came to:

- 598 kg nel 2018;
- 436 kg nel 2019;
- 842 kg nel 2020<sup>10</sup>.

In the case of **COPAN NewLab**, lastly, the type of packaging use to protect the final products is selected based on the mode of transport. For road transport, which is used for all the shipments in Europe, the use of cardboard edge protection and plastic "bubble wrap" is the most common. In the case of transport via sea or air, the package described is in turn included in a wooden crate. When possible, the empty crates are returned to headquarters to be reused.

<sup>10</sup> The greatest quantities of "bubble wrap" plastic used in 2020 is tied to the greater number of automations sold compared to the previous years.

## Materials - Main objectives for the future

- **Systematic request for documents that certify the origin of the materials, semi-finished products and components purchased from supplier companies and subcontractors.**
- **Promotion of the use of recycled and recyclable materials**, both in the production processes, and for the development of eco-sustainable packaging.
- **Progressive awareness-raising of the clients** regarding the ESG subjects and the sustainability information listed on the labelling of the products marketed by the Group.

## 2.4 Research and development activity

Creating products are very different, the two BU of the Group adopt different logics in the field of innovation and R&D.

### BU CONSUMABLES

The R&D Division of COPAN Italia incorporates skills increased in the field of **laboratory microbiology**, of **mechanics** and of **project management**.

Usually, the **input for the development of new products** is generated by the Commercial Division, the Marketing Area, the company Scientific Committee (chaired by the top management of the R&D Division) or by personal intuitions of the individual employees. **The passage from research to standard realisation of the product usually takes place within a short period of time** and is defined and managed based on the studies conducted during the initial research phase. Lastly, the activities conducted by the **Intellectual Property Office (IP)** guarantee COPAN Italia's right to the exclusive use of the products developed in-house.

The **most recent products** developed by BU Consumables include:

<b>Release cap</b>	<ul style="list-style-type: none"><li>• Device conceived to facilitate the dispensing of a liquid in particular conditions.</li><li>• Launch scheduled in 2021</li></ul>
<b>CRE, VRE e ESBL</b>	<ul style="list-style-type: none"><li>• Culture mediums capable of facilitating the identification of antibiotic-resistant bacteria.</li><li>• Launch anticipated during 2021 for CRE and ESBL, in the first months of 2022 for VRE.</li></ul>
<b>Line of products composed of biodegradable, bio-compostable and bio-based materials</b>	<ul style="list-style-type: none"><li>• Fine tuning of alternative materials that can replace current plastics, both for the packaging and in the picking devices.</li><li>• Launch of a first line of eco-compatible products during 2022.</li></ul>

COPAN Italia boasts established relationships with the leading Italian and international universities. In the future, the company will make ever increasing investments in open innovation projects to be carried out with outside partners and the publication of scientific studies centred on the areas of primary interest for the company. Recently, thanks to the close cooperation existing with the University of Brescia, the company joined the first **International Centre of<sup>11</sup> Mechanobiology**, founded in Italy.

<sup>11</sup> Mechanobiology is an emerging branch of the science that combines biology and engineering for the study of cell functions.

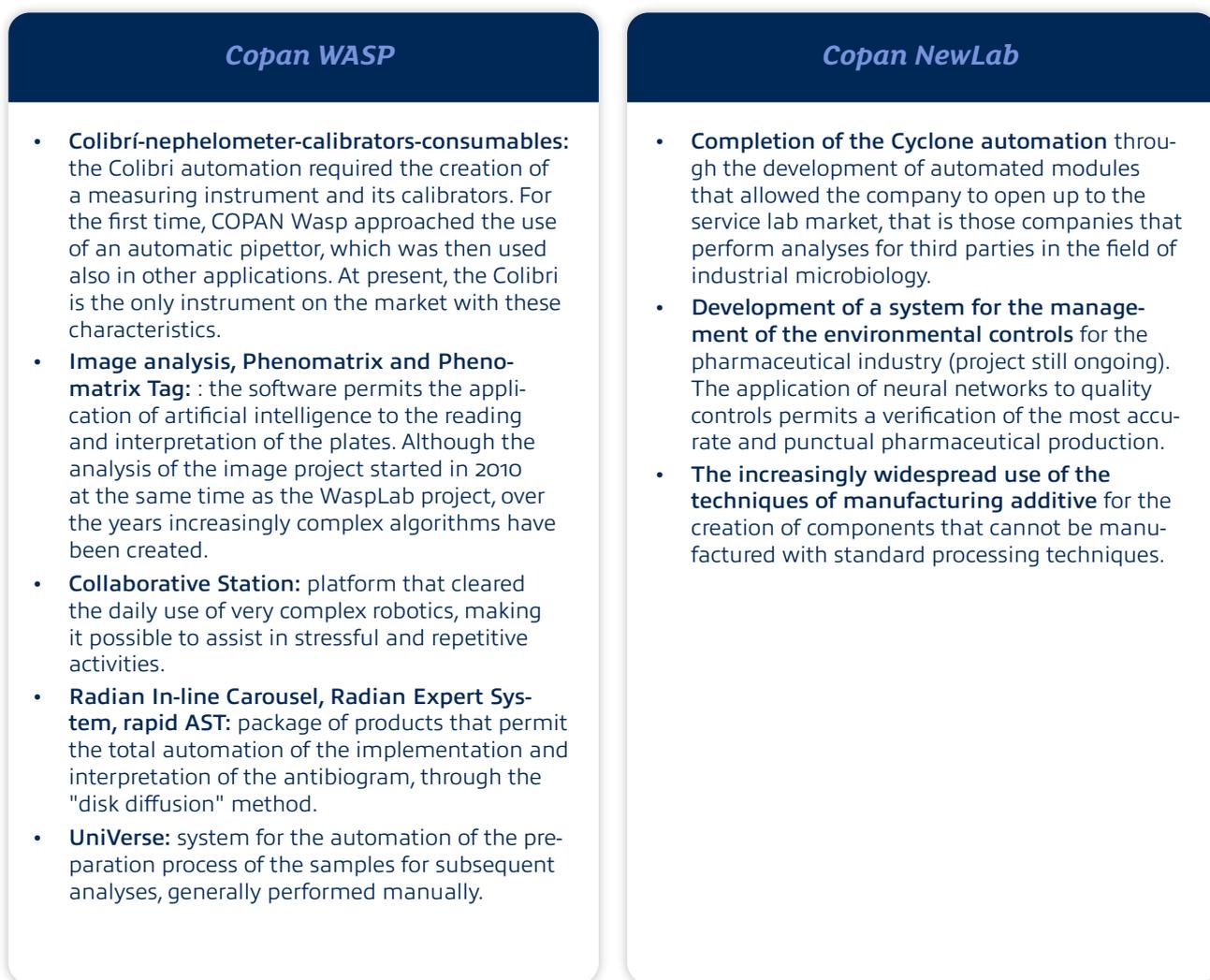
## LAB AUTOMATION

The **principal players** in the innovation and R&D process are the designers, the programmers, the people responsible for maintenance and the business developers.

In general, the approach to innovation and R&D of the Lab Automation Division is based on the following **principal elements**:



The research and development activity conducted by COPAN Wasp and COPAN NewLab in recent years has focused in particular on the **development of the following solutions**:



The Division bases its business on a **management process of its intellectual property that is less complex than that of COPAN Italia**: this allows COPAN Wasp and COPAN NewLab to significantly reduce the time-to-market and to promptly respond to the needs of the market. Since the preparation of the disclosure material is a burdensome activity for its clientele, COPAN Wasp supports the clients also in the statistical analysis of the big data and in the implementation of specific on-site tests.

Although it has demonstrated to be a winning approach and allowed the companies to establish a direct relationship of trust with its clientele, COPAN Wasp and COPAN NewLab believe that in terms of reputation it is important to

**gradually improve the company's ability to patent and communicate the milestones reached** in the field of innovation. In 2021, for example, COPAN NewLab (which in 2020 deposited two patent applications and launched a clearance search for another project) organised an awareness-raising programme on the protection of intellectual property addressed to the entire research and development team and anticipated a greater involvement of the Intellectual Property Office in that context to identify the patentable ideas.

Scientific publication, furthermore, is a tool of fundamental importance for demonstrating the reliability of the innovative solutions developed in the field of microbiology. It is done with the publication of studies which are then presented at industry fairs, through webinars and in specific booklets.

The relationship with the University of Brescia also includes the **possibility of accommodating trainees and thesis students**, investing in the identification of potential new talent to be included in the workforce. In 2019, for example, COPAN NewLab participated in the "Lessons in the factory" project, organised in cooperation with the Engineering Department of the University of Brescia and Confindustria Brescia in order to allow young talent to experience the corporate world and acquire a greater awareness of their future profession. After 8 students having participated in 2019, the programme was suspended in 2020 because of the pandemic and will resume in 2021.

### **BU LAB AUTOMATION approach to circular economy**

In recent years, the progressive application of the principles of the circular economy has played an increasingly decisive role for the COPAN Wasp and COPAN NewLab business.

"**Retro-compatibility**" is one of the key requirements of all the solutions developed by COPAN Wasp, whether complete automations or specific devices and software; the basic architecture of any device, in fact, must be based on the concept of **modularity** and must anticipate the possibility of integrating new functionalities over time. In addition, the company offers technical maintenance contracts to its clients that make it possible to significantly extend the life cycle of the machinery marketed.

In 2020, COPAN NewLab also developed for the first time a **HaaS (hardware-as-a-service) plan** based on the concept of "servitisation" capable of transmitting the value not only of an automation, but also of all the services connected to the continuous management, maintenance and updating of the machinery.

### **R&D - Main objectives for the future**

- With reference to the COPAN Group as a whole, **continuous improvement of the ability to patent and communicate** (in particular through scientific publications) the milestones reach in the field of innovation and R&D, also through a greater involvement of internal microbiology laboratory and the Intellectual Property Office in the R&D activities.
- As regards BU Consumables, **realisation of every greater investments for open innovation projects** to be created with outside partners.
- As regards BU Lab Automation, **additional integration of the principles of circular economy in the business model** adopting the dictates of eco-design in the development phase of the new products (use of recycled or recyclable materials, high energy efficiency components, etc.), increasingly lengthening the life cycle of the automations and implementing repurchasing and reconditioning programs of the machinery that have exhausted their useful life.
- With specific reference to COPAN Wasp, **realisation of strategic plans** directed at the further development of the software side of automations and the launch of new functionalities in the pre-analytics sector (e.g. addition of the control DNA to that of the heating plates)
- With specific reference to COPAN NewLab, **further consolidation of the partnerships existing with the universities** and increase in the existence of committees that provide the universities with feedback on the level of preparation of the new graduates, by also taking part in the revision of the training programs.

## 2.5 Relationship with the clientele and responsible communication

The Group **cooperates daily with the industry experts** to gather information regarding their real requirements and capitalise on those experiences to produce high quality products.

To guarantee an adequate level of know-how on the use of its products, the companies of the Group make available to the clientele **free educational guides, videos and ad hoc support services**.

The clients who purchase complete laboratory automation solutions are guaranteed the presence of a specialist of the application during the entire pre-installation, validation and training phases of the personnel. COPAN is also a pioneer in the support to remote diagnostics, in the processing of samples, intelligent incubation and in the analysis of the images. The existence of an **online customer support system** that is so avant-garde it guarantees an immediate intervention of the COPAN technicians in case of need and malfunction of the machinery, minimising the possibility that interruptions could occur in the laboratory operations and guaranteeing maximum uptime. To guarantee a local support and provide a customised and adequate support service, **every COPAN branch has its own local customer service**.

In **communications and marketing** COPAN also adopts an approach based on the direct and immediate relationship with its clients. Listening to them is mainly handled by the business developers and by the Customer Care Division and is divided into the following main phases:

- recognition of the needs and possible coordinated development of the designs;
- support in the purchase selections;
- management of the PMS<sup>12</sup> ;
- analysis of the clientèle's behaviour on the corporate media to adapt the communication strategies;
- management of the system of questionnaires monitoring customer satisfaction (in 2020, 233 clients involved overall with a rate of response of around 37%, an excellent Net Promoter Score<sup>13</sup> of 75 points and, in the case of COPAN Italia, a satisfaction index of 4.58 points out of 5).

2020 marked a time of radical change in these contexts, with a rapid acceleration of the **transition to digital channels**. The trade fairs, which until that moment were the main channel through which the Group came into direct contact with the potential clients, were in fact cancelled or organised online. To concentrate into a single instrument the digital marketing campaigns, the company implemented **three new online pages**, respectively dedicated to:

- scientific disclosure;
- the events and the fairs;
- the promotion of new products.

Already in previous years, the development of the channels of communication and progressive digitalisation within the healthcare sector had driven the Group to launch a process of **enhancing the Communication Division** by including new resources and expertise. In fact, in 2020 the activities conducted in this setting included:

- **the revision of the brand and the refocusing of the mission, the company values and the coordinated image;**
- **the implementation of software for the CRM**, in order to increase the scalability potential of the digital communication;
- **the management of the marketing campaigns through social and on the web page**, also through the publication of promotional videos.

In spite of the progressive development of a new model of communication and marketing, in some cases the Group can still benefit from the solid relationships established with its clients over the years for the effective promotion of the new products. A concrete example is the launch of UniVerse<sup>TM14</sup>, which was followed by a succession of direct contacts with prominent final users already part of the COPAN network and whose involvement generated an instantaneous interest throughout the Italian market.

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<sup>12</sup> Property Management System

<sup>13</sup> Instrument used to assess the loyalty in a company-client relationship.

<sup>14</sup> Previously explained in Chapter 2.1 The COPAN products and in Chapter 2.4 Research and Development Activities.

Lastly, we point out that during the reporting period **no case of non-conformity was detected** in the field of communication and marketing. In addition, the companies of the Group **did not receive any notification or report concerning the management of sensitive data of its clients.**

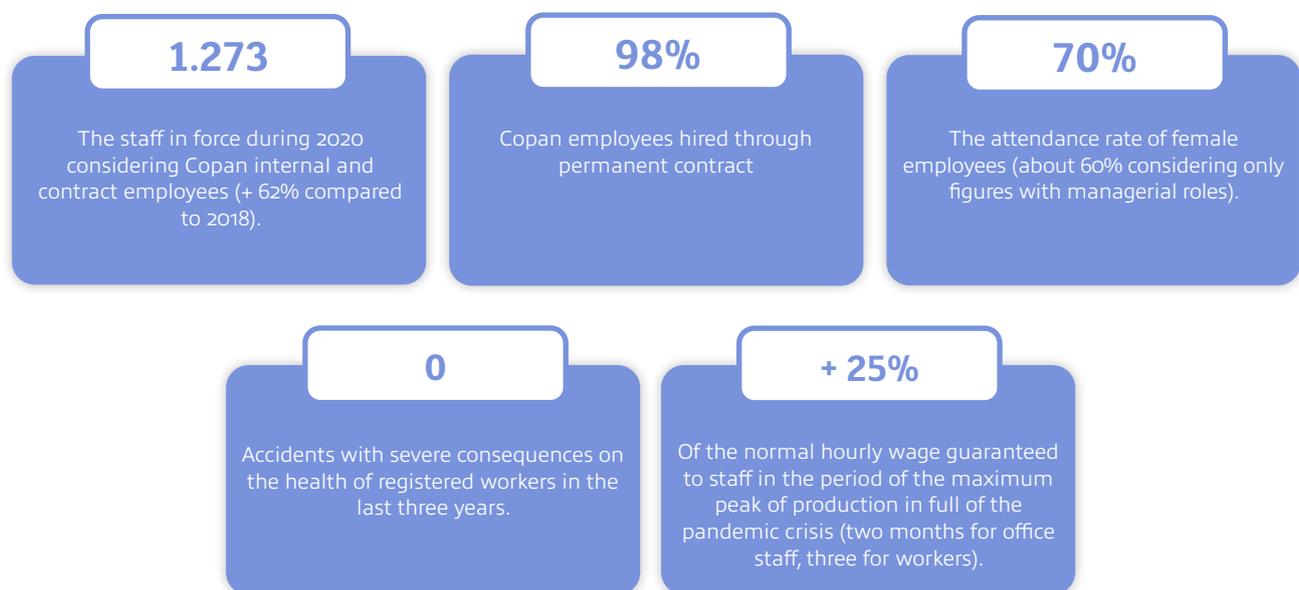
### ***Communication - Principal objectives for the future (all set for 2021)***

- **Completion of the revision programs of the architecture of the brand.**
- **Drafting of the new communication strategy,** with consequent reorganisation and makeover of the principal digital and non-digital channels of communication.
- **Roll-out of the new corporate identity,** with additional strengthening of the brand equity and positioning in the market.

# 3.

## Our people

### Highlights 2020



### 3.1 Policies for the personnel

In recent decades, **the development of a management model of the human capital increasingly structured and articulated** represented an essential requirement in order to adequately support the progressive expansion of the Group in Italy and in the international markets.

The main efforts concern the implementation of an effective process for the **continuous assessment of the personnel**, which constitutes the basis for the development of the career of the COPAN employees not only vertically but also horizontally. In fact, within the Group a **job rotation** programme is taking shape which allows the resources to expand their professional path by engaging in different roles within the organisation.

The National Labour Collective Agreement (CCNL) of reference for the COPAN Group is "Rubber Plastic", from which comes the essential content of every employment relationship within the organisation. Therefore, the salary tables of reference, the overtime pay, seniority increases and leave for personal reasons are applied to every employee, depending on classification.

**Promotions and the awarding of bonuses** (individual and group) are defined based on the work performance evaluations conducted by the direct managers. In 2020, following the exponential growth in production and the significant increase in work loads, COPAN Italia paid its resources:

- an individual bonus in a variable amount between Euro 500 and 6,000 gross based on classification;
- at the time of the spike in production of swabs, an increase of 25% in the remuneration for hours worked for a period of two months for employees and three months for workers.

Another pillar of the COPAN management model of the human capital is the strong attention to the psycho-physical well-being of the employees, to promote an environment of equal opportunity and inclusiveness, guaranteed through the implementation of multiple **welfare initiatives** based on listening and analysing their needs (see page 39).

To ensure a better balance between private life and work, there are no definite clocking in/out times at the company; they are flexible, so every employee can distribute their work hours variously in the span of the day. In addition, remote work is possible a few days a week, depending on personal needs. In an industry characterised by the need to frequently manage exceptional spikes in production, the possibility of using, partly, supply contract is functional for guaranteeing the competitiveness and business continuity of the Group. In 2020, in full emergency mode due to Covid-19, **the addition of 623 employees through supply contracts** allowed the Group to meet the considerable increase in the production of swabs with greater flexibility, speed in the recruitment of workers and efficiency in the management of the personnel.

The labour supply service is used by COPAN not only to manage the periodic spikes in production, but also and in particular with the goal of **progressively expanding the corporate workforces through an approach focused on the stabilisation of the greater number possible of employees**. In all cases in which there is the opportunity, the contract personnel is hired directly and permanently by the Group's companies. In the last three years, in fact, approximately 22% of the employees initially hired through supply contracts carried out a growth path within the company which, in 48% of the cases, ended in the direct employment of those resources by COPAN (54 hires performed at the end of this path in 2020 alone). When starting such a path is not practical, COPAN actively supports the extension of the hiring contracts with the specialised contract agency with which it partners and the transformation of some of these contracts from temporary to permanent. In fact, of the temporary workers who worked for COPAN in the last three years, 237 employees are still activity at the temporary employment agency, while 56 resources have signed permanent hiring contracts with it.

Lastly, the data provided by the temporary agency shows how most of the employees who undertake a professional path within COPAN (approximately 75 of which, on average, are women) **become significantly more valuable in the labour market** also in the cases where, for various reasons, they cannot be hired directly by the Group. Considering the data relative to the 2018 - 2020 three-year period, in fact, approximately 40% of the workers terminated currently have new jobs.

Taking into account COPAN's desire to monitor over time and report to the stakeholders its "global" impact in terms of employment, as well as to support the continuous establishment of a corporate culture focused on considering "direct" employees and contract workers the same, **the data provided in the tables and in the graphs in the following sections include the information relative to both these categories of employees**. In order to guarantee adequate transparency of disclosure, this data is provided separately in Annex I on pages 52-54).

## 3.2 Staff

In the last three years, the increase in the number of employees (+62% between 2018 and 2020) followed the development of the business of the various companies of the Group.

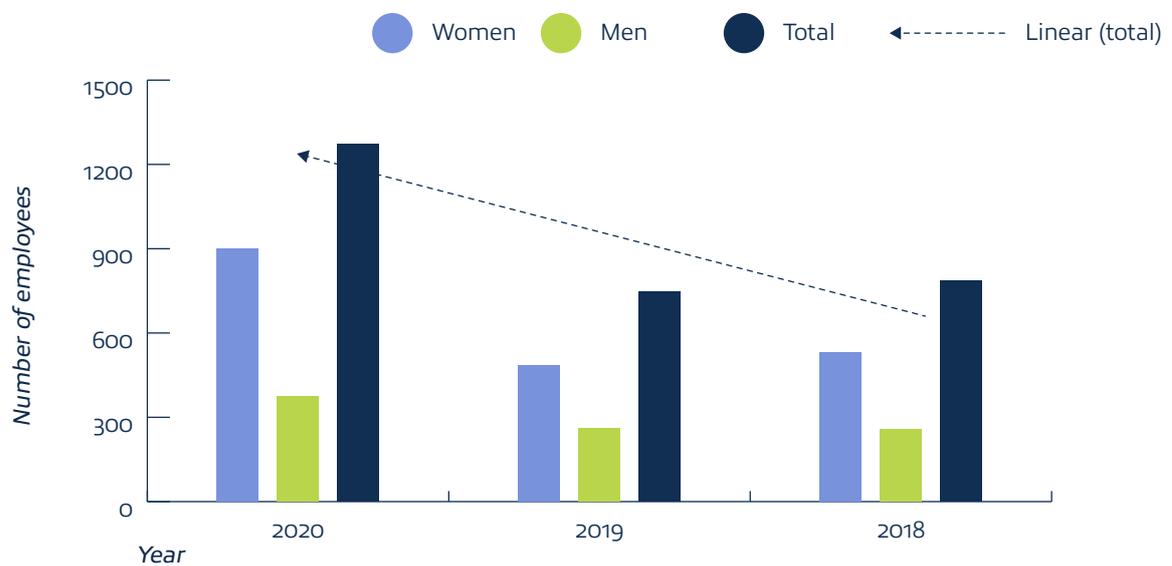
Almost all the personnel employed directly by COPAN (about 98% in 2020) was hired through open-ended, full-time employment contracts.

As stated previously, in 2020 we experienced a decisive increase in the number of supply contracts activated<sup>15</sup> (+127% compared to 2019). That trend is mainly due to the need to support the growing production of swabs and other medical devices during the period of the pandemic.

<sup>15</sup> Since the ATECO code of reference for COPAN considers women as a disadvantaged category, they are not included in the calculation count of the regulatory limit for employment.

Number of employees by type of job and contract	2020			2019			2018		
	Women	Men	TOT	Women	Men	TOT	Women	Men	TOT
Fixed term	515	145	660	122	72	194	153	68	221
Permanent	384	229	613	362	190	552	376	190	566
<b>TOTAL</b>	<b>899</b>	<b>374</b>	<b>1273</b>	<b>484</b>	<b>262</b>	<b>746</b>	<b>529</b>	<b>258</b>	<b>787</b>
Full-time	872	348	1220	457	243	700	500	233	733
Part-time	27	26	53	27	19	46	29	25	54
<b>TOTAL</b>	<b>899</b>	<b>374</b>	<b>1273</b>	<b>484</b>	<b>262</b>	<b>746</b>	<b>529</b>	<b>258</b>	<b>787</b>

*Trend of the number of employees in the 2018 - 2020 three-year period*



Other types of outside employees	2020			2019			2018		
	Women	Men	TOT	Women	Men	TOT	Women	Men	TOT
Trainees/Apprentices	2	3	5	3	2	5	3	3	6

Overall, the **rate of female associates** is approximately 70% of the total and the figures is only slightly lower (just more than 60%) considering exclusively the individuals in management positions.

Number of employees by type of qualification	2020			2019			2018		
	Women	Men	TOT	Women	Men	TOT	Women	Men	TOT
Executives and Managers	10	12	22	9	10	19	9	9	18
Employees	143	138	281	113	108	221	97	107	204
Workers	746	224	970	362	144	506	423	142	565

TOTAL	899	374	1273	484	262	746	529	258	787
PERCENTAGE	71%	29%	100%	65%	35%	100%	67%	33%	100%

Number of employees by age bracket	2020				2019				2018			
	<30 years	30-50 years	>50 years	TOT	<30 years	30-50 years	>50 years	TOT	<30 years	30-50 years	>50 years	TOT
Executives and Managers	0	7	15	22	0	5	14	19	0	5	13	18
Employees	104	154	23	281	65	137	19	221	51	135	18	204
Workers	394	462	114	970	140	271	95	506	163	302	100	565
TOTAL	498	623	152	1273	205	413	128	746	214	442	131	787
PERCENTAGE	39%	49%	12%	100%	28%	55%	17%	100%	27%	56%	17%	100%

In compliance with the provisions of Italian legislation, **COPAN guarantees employment to different resources affected by various forms of disability and to employees belonging to the so-called "protected categories"**. The placements are always carried out through the involvement of the specialised social cooperative, those tutoring programs are indispensable for offering support and shadowing to the new hires. In almost all the cases, the placements refer to production or are relative to cleaning services.

Currently, the following exist:

- an agreement with the Province of Brescia, which anticipates the gradual placement of certain figures with disabilities;
- two agreements pursuant to art. 14 of Law no. 68/99 (one for cleaning employees, the other for meal distribution), for a total of 8 employees;
- a partnership with a temporary employment agency of personnel belonging to protected categories.

Number of employees belonging to protected categories	2020			2019			2018		
	Women	Men	TOT	Women	Men	TOT	Women	Men	TOT
Workers <sup>16</sup>	13	10	23	12	9	21	11	10	21

For the recruitment and hiring of the workers, COPAN mainly uses a specialised employment agency. Instead, in particular starting in 2020, the process of search and selection of the employees is conducted almost entirely by the Human Resources Office, in cooperation with the other Division of the Group.

The main channels used for the identification of young talent to be added to the staff include the search activity performed through LinkedIn and participation in Career Days organised by the universities with the Group is affiliated <sup>17</sup>.

As first form of direct employment by COPAN, in particular for the resources who have not yet completed their education, **curricular and extra-curricular internships** are activated which in more than half the cases turn into employment contracts.

Incoming and outgoing at 31/12/2020 <sup>18</sup>	Women	Men	<30 years	30-50 years	>50 years
Rate of new hires	13,69	24,85	67,24	13,42	10,00
Turnover rate	2,05	2,82	3,44	1,67	3,53

<sup>16</sup> All the employees belonging to the protected categories fall into the category of workers.

<sup>17</sup> Including the University of Brescia, the Luigi Bocconi University, the Catholic University of the Sacred Heart and the Polytechnic of Milan.

<sup>18</sup> The data provided in this table and in the following two tables refer only to the personnel employed directly by COPAN (in other words, excluding the personnel employed through supply agreements).

Incoming and outgoing at 31/12/2019	Women	Men	<30 years	30-50 years	>50 years
Rate of new hires	12,54	17,51	38,09	17,55	1,83
Turnover rate	0,78	0	0	0,76	0

Incoming and outgoing at 31/12/2018	Women	Men	<30 years	30-50 years	>50 years
Rate of new hires	14,97	14,52	85,71	16,21	2,77
Turnover rate	0,88	5,12	0	3,15	0,92

### 3.3 Health and Safety

In line with the legislation in force, COPAN has implemented internally the **Prevention and Protection Service (SPP)** which, in the performance of its activities, will cooperate closely with Production, Human Resources, Maintenance and Logistics. Furthermore, the SPP constantly monitors the legislative references and the applicable standards of reference.

The Group adopts a **Management System for Health and Safety** integrated with the Management System of Quality (with which it shares the Standard Operating Procedures - SOP) and inspired by the OHSAS 18001 standard.

The key figures defined by the Consolidated Text on Occupational Health and Safety (Legislative Decree 81/08) have been identified for every company included in the reporting perimeter. **All the employees of the Group are represented in special committees that monitor these subjects.**

According to the internal Risk Assessment Procedure, every company of the COPAN Group has its own **Risk Assessment Document**, which is periodically updated. The principal risks identified and assessed relative to the work activities performed at the COPAN sites and the relative prevention measures and reduction of those risks include:

<b><i>Mechanical risks connected to the working parts of the machines</i></b>	<ul style="list-style-type: none"> <li>Adoption of a specific analysis procedure for safety and assessment of the residual risk, based on the technical standards applicable to the machines and in the Machinery Directive 2006/42/CE</li> <li>Existence of an internal maintenance department with registration of the interventions carried out to maintain the efficiency of the machines</li> </ul>
<b><i>Mechanical risks connected to collision, impact and crushing with moving vehicles</i></b>	<ul style="list-style-type: none"> <li>Organisation of specific training and monitoring activities</li> </ul>
<b><i>Physical risks connected to noise in certain departments</i></b>	<ul style="list-style-type: none"> <li>Performance of periodic instrumental investigations with the technical standards of the EN rules, for the definition of the daily level of exposure</li> <li>Where necessary, provision of ear protectors and healthcare supervision of the employees</li> </ul>
<b><i>Ergonomic risks connected to the manual movement of loads and the performance of repetitive movements by the employees</i></b>	<ul style="list-style-type: none"> <li>Performance of periodic instrumental investigations in accordance with the technical standards of the NIOSH and OCRA methods, for the definition of the level of exposure</li> <li>Creation of adjustable platforms for the pallets, purchase of equipment for the collection and lifting of packages, creation of platforms for the operator, etc.</li> </ul>

Each accident suffered by an employee is immediately reported to the Human Resources Office, which forwards the file to INAIL, and to the Manager of the Prevention and Protection Service (RSPP), who is responsible for keeping the data and statistics of the accidents. In cooperation with the Competent Doctor and the Human Resources Office, the SPP monitors constantly also the "near miss" cases and possible reports of occupational illnesses, conditions and health problems which could be associated to the work activities.

All the reports of indisposition, discomfort or indicators of stress experienced by the employees are collected through the activation of a support services managed by an Occupational Psychologist.

Occupational Accidents and Illnesses	2020			2019			2018		
	Women	Men	TOT	Women	Men	TOT	Women	Men	TOT
Fatal accidents in the workplace	0	0	0	0	0	0	0	0	0
Accidents in the workplace with serious consequences <sup>19</sup>	0	0	0	0	0	0	0	0	0
Accidents in the workplace that are not serious	3	3	6	3	5	8	4	1	5
Commuting accidents	4	1	5	2	2	4	3	0	3
Cases of occupational illnesses	0	0	0	0	0	0	0	0	0
Deaths due to occupational illnesses	0	0	0	0	0	0	0	0	0
Rate of recordable accidents in the workplace <sup>20</sup>	4,50	2,57	7,07	4,34	6,07	10,41	6,23	0,89	7,12

The inclusion procedure of the new hires includes a formalised programme of **awareness-raising and training in the area of health and safety**, which anticipates specific training on the significant SOP based on the assigned task of the employee and an initial period of shadowing in the workplace. All workers, furthermore, receive the training pursuant to art. 37 Legislative Decree 81 according to the dictates of the State-Regions Agreement.

### *The measures enacted to cope with the COVID-19 pandemic*

When the healthcare crisis connected to the Covid-19 pandemic began, the Group promptly introduced a series of measures which permitted the work activities to be carried out fully respecting the health of the individual employees. These interventions included, for example:

- the updating of all the Risk Assessment Documents (RAD) and the implementation of the new protocol for the management of the crisis;
- the identification of the correct methods by which to have social distancing respected;
- the measurement of body temperature when entering the company;
- the screening procedure with rapid antigen swab for all the employees;
- the distribution of PPE to all the employees;
- the circulation, through the common digital tools (email, WhatsApp; web, etc.), of information regarding the precautions to be taken to protect one's health and that of the colleagues through
- the implementation of the remote work programme, which was used by 70% of the employed staff.

<sup>19</sup> Accident in the workplace that leads to death or an injury from which the worker cannot recover, does not recover or it is not realistic to assume that they will recover completely returning to the health condition prior to the accident within 6 months (Source: GRI Standard).

<sup>20</sup> Rate of recordable accidents in the workplace = (no. non serious accidents in the workplace + no. occupational accidents in itinere) / no. hours worked \* 1,000,000

### 3.4 Training

The training performs a key role in the process of **enhancement of the human capital**, both in the development and the consolidation of the individual skills, and with reference to the spread of the Group's values. In 2018, with the goal of supporting the growth and the cultural and organisational development, COPAN organised an **important initiative which involved 40 employees belonging to the first and second company lines** and which made it possible:

- to re-examine the various functional areas into which the company is divided;
- to map the existing skills and those required at the various organisational levels;
- to create Individual Development Plans.

Then, in 2019 the **COPAN Academy**, the Group's internal training school, was launched. The courses provided are varied and range from Quality to the strictly technical subjects concerning the laboratory activity and robotics. In the last two year, various courses relative to the innovation of the processes (Business 4.0) and human resources management were also supplied.

Hours of training supplied	2020		2019		2018	
	Total hours of training	Hours of training per capita	Total hours of training	Hours of training per capita	Total hours of training	Hours of training per capita
Managers and employees	11.241,5	28,60	15.784	49,79	18.600,5	65,49
Workers <sup>21</sup>	9.363	12,14	3.743,5	9,98	3.927	9,32
<b>TOTAL</b>	<b>20.604,5</b>	<b>17,70</b>	<b>19.527,5</b>	<b>28,21</b>	<b>22.527,5</b>	<b>31,95</b>

Hours of training on the machines and shadowing dedicated to newly hired employees and the employees deployed to new departments.	2020		2019		2018	
	No. of persons involved	TOT	No. of persons involved	TOT	No. of persons involved	TOT
Workers	519	375.472	201	174.344	231	159.960

Hours of training on the machines and shadowing per capita	2020	2019	2018
Workers	723,45	867,38	692,46

#### Personnel - Main objectives for the future

- **Definition of an increasingly structured evaluation and performance management process** equipped with clear and well defined criteria to which to anchor a fair, reliable and rewarding remuneration system-based on MBO and OKR (to date a first pilot project directed at the first line managers of one of the companies of the Group has been launched)
- **Further development of the company job rotation programme** and analysis of the level of commitment and appreciation by the employees.
- **Implementation of a structured on-boarding programme** for new hires.
- **Implementation of an e-learning platform** in order to further improve the internal and external training services.

<sup>21</sup> The hours of training on the operation of the machinery and initial coaching of new hires and the employees deployed to new departments were not included for the workers. That data is instead provided in the following tables.

### 3.5 Welfare

Attention to the well-being of all the employees and the creation of a positive and stimulating work environment is **one of the principal elements** of the management model of the human capital implemented by COPAN. To better intercept the needs of the employees and to actively involve them in the development of focused initiatives, the Group adopts a **bottom-up approach** and offers them the opportunity to express their ideas and suggestions anonymously using the "small boxes" placed in various points of the sites or by accessing a specific chat in the welfare portal.

#### *Support for the families through activities organised by the Peter Pan social enterprise*

Among the principal projects in which COPAN is involved, the **support to the families** plays a fundamental role. Through the **Peter Pan Social Enterprise**, COPAN concretely helps the families in the management of their children: internal crèche, coordinated by a qualified professional, offers a service that covers both work shifts (6:00 a.m. - 2:00 p.m. and 2:00 p.m. - 10:00 p.m.) by supplying educational activities suitable for the various development phases of the children; in addition, in the summer, Peter Pan organises a multi-discipline Day Camp open to the children of the employees up to 16 years of age.

Average daily attendance by the children of the COPAN employees	2020	2019	2018
Nursery School	24	24	26
Summer Day Camp	30 <sup>22</sup>	40	46

The ultimate goal of the welfare programs carried out by COPAN is that of **progressively improving the organisational well-being** through a continuous realignment of the strategies and a gradual adaptation of the interventions at all the levels of the structure. In particular, the specific objectives relate to:

- **Constant monitoring of the company climate**, through the presence of an expert delegated to understanding the feelings of the workers.
- **Listening to the requirements of the individual employees**, through the psychological support provided by the Listening Centre. In 2020, the number of requests for support received by the Listening Centre increased considerably because of the healthcare emergency, reaching 10 daily appointments (telephone or video call).
- **Prevention of work stress**, through the possibility of enrolling at low cost in fitness courses and yoga held in a wellness area of the company at various times (during lunch break and at the end of the day). Every year, the yoga programme plans 204 lessons (17 monthly meetings) lasting 60-75 min.
- **Support in the circulation of information**, through the newspaper "Planet COPAN". In addition to being a networking opportunity, the newspaper allows all the operators to be updated on the news within and outside the company, on the new products created, etc.
- **Support for the socialisation between people and cultures**, through the organisation of initiatives such as excursions, cooking course, company celebrations, etc.
- **Support for art and culture**, by supplying a photography course and the setting up of the in-house library "Biblio-Copan"
- **Incentive to learn about the work environments**, through the organisation of monthly factory tours by the Planet COPAN Team.
- **Care of the space and recreational environments**, which include bright open spaces, an outdoor area for barbecue, an arena, a tavern with bar and kitchen and a small zen garden with benches.
- **Maintenance of agreements with third party subject located in the Brescia area**, by virtue of which the employees and their families can access products and services at a better price than on the market.

#### *Attention on nutrition*

The "**La Rasdora**" catering service operates within the company, offering a variety of dishes prepared on the spot every day. The kitchen staff, managed by the **Alborea Cooperative**, is made up of 12 people (5 men and 7 women), 5 of which belong to the protected categories. Since 2018, the Alborea Cooperative has started a **partnership with a hotel organisation** aimed at hosting disabled youth as trainees and, to date, there are three young people who have participated in this programme.

22 Participation limited to elementary and middle school children because of the pandemic.

The menus offered are designed to balance the daily supply of proteins, carbohydrates, vitamins and fibre for the benefit of the customers. The data show that the service is appreciated by the Group's personnel and is constantly growing, with a **monthly average of over 12,000 meals consumed in 2020**.

In addition to the cafeteria service, COPAN offers its employees the possibility of eating **seasonal fresh fruit and fresh-squeezed orange juice** at any time of the day. The following table lists the kilograms of fruit purchased by COPAN during the reporting period, valued in euro (€).

Quantity of fresh fruit purchased by COPAN and made available to the personnel	2020	2019	2018
Kg of oranges	43.600 kg	43.500 kg	36.420 kg
Kg of fruit (apples, peaches, clementines, pears and lemons)	82.746 kg	80.299 kg	66.666 kg
Total Kg	126.346 kg	123.799 kg	103.086 kg
Value of goods	158.382 €	116.156 €	103.574 €

### **Welfare - Main objectives for the future**

- **Maintenance and further development of all the existing welfare initiatives.**
- **Development of new channels for listening to the personnel**, which make it possible to maintain the current bottom-up approach in spite of the continuous international growth of the Group.

# 4.

## Economic performance

### Highlights 2020

83,9 mln di €

The net profit made in 2020 (€ 14.9 million in 2019).

311.872.133 €

The economic value generated (+ 116% compared to 2019).

213.113.423 €

The economic value distributed to different categories of stakeholders (+ 76% compared to 2019).

719

Suppliers active in 2020 (€ 85.454.225 the total budget allocated to supplies).

+90%

Of the suppliers of BU Lab Automation located in Lombardy (over half within the Province of Brescia).

### 4.1 Report on operations

The data relative to 2020 show a very positive performance compared to the preceding years, with a **turnover that increased over 100% and a significant increase in profits**. This trend is basically due to COPAN's great effort to cope with the global pandemic triggered by the Sars Covid-19 virus and the resulting exponential increase in orders, turnover and investments (both in terms of equipment, and of personnel) undertaken in 2020. In a completely exceptional and very uncertain global scenario, these results were achieved by freezing the price lists and a prompt adaptation of the production structure, with the objective of making the COPAN products available in the various areas of the world through a fair distribution based on prompt information gathered weekly.

The consolidated balance sheet closed at 31 December 2020 showed a **net profit attributable to the Group of Euro 83.9 million** (Euro 14.9 million the preceding financial year), net of provisions for income tax of Euro 21.4 million (Euro 3.9 million in 2019) and the amortisation, depreciation and impairment of Euro 11.7 million (Euro 8.1 million in 2019). The overall net equity also increased significantly, going from Euro 162.9 million in 2019 to Euro 295.2 million in 2020, Euro 288.2 million of which pertaining to the Group (Euro 157.3 million in the preceding financial year).

From the financial point of view, the Group registered **net invested capital** of Euro 220.7 million (Euro 120.7 million in 2019), Euro 164.5 million of which relative to long-term equity (Euro 74.5 million in the preceding financial year), against technical investments net of accumulated depreciation of Euro 92.7 million (Euro 55.6 million in 2019).

The **net invested capital**, equal to Euro 220.7 million, is fully financed by shareholder equity of Euro 295.2 million. The **net financial position** went from assets of Euro 42.2 million to Euro 74.5 million. The leasing operations are entered according to the financial method (IAS 17) and, therefore, the payables to other lenders which include the upcoming lease payments

are also posted in loan capital, (of Euro 10.1 million, Euro 0.7 million short term and Euro 9.4 million long term).

As regards profit, we highlight an **operating profit** of Euro 114.2 million (Euro 17.8 million in the preceding financial year), with an impact (ROS) of 37.5 % on revenues and an impact (ROI) of 51.7% on the value of the net invested capital.

Financial data	2020	2019	2018
Revenues from sales	304.411.802	141.484.701	146.409.053
EBITDA	125.853.290	26.015.211	38.411.152
EBIT	114.180.644	17.800.047	31.789.668
Earnings before taxes	107.456.192	19.270.974	32.552.845
Revenues by geographic area	2020	2019	2018
Italy	45.744.000	11.340.000	20.274.000
Europe	61.032.000	32.021.000	33.141.000
America	119.426.000	56.366.000	56.734.000
Asia	30.648.000	19.219.000	16.136.000
Rest of the World <sup>23</sup>	47.562.000	22.539.000	20.124.000

## 4.2 Tax Management

The tax management of the Group is handled by the Accounting and Administrative Office in cooperation with outside consultants, who calculate the tax burden and the preparation of the declaration forms. The only non-conformity recorded in the last few years concerns the correction of some CONAI (Consorzio Nazionale Imballaggi [National Packaging Consortium]) regarding the specific interpretation of the Consortium on the nature and use of certain packages used by COPAN.

For the 2016-2020 five-year period COPAN Italia and COPAN Wasp joined the **Patent Box** programme, through which the Revenue Agency granted companies a tax credit to be applied to the creation of business income in the event of direct use of the goods covered by the agreement. COPAN Italia and COPAN Wasp took advantage also of other tax concessions relative to research and development, investments in equipment for the development of Industria 4.0 (hyper-depreciation) and for investments in other machinery and software (super-depreciation).

## 4.3 Distribution of the value created

The representation of the economic value generated and distributed makes it possible, through the reclassification of certain items of the COPAN profit and loss **statement, to better highlight the company's capacity to generate wealth for the benefit of some of its main stakeholders**, in compliance with the economic viability of the operation and the expectations of the correspondents. The following table shows how most of the **economic value generated** by COPAN in 2020 (approximately 68% of the total, for a value of about Euro 213,113,423) was used to remunerate the socio-economic system with which COPAN interacts, with particular reference to some of its principal stakeholders:

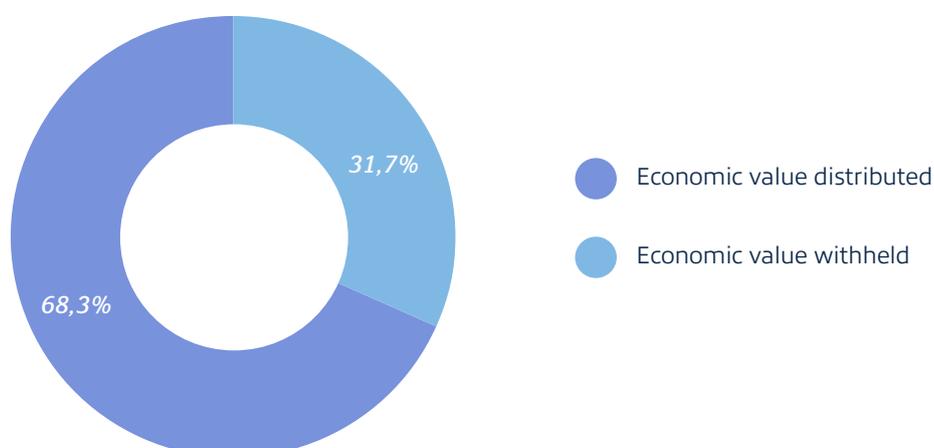
- personnel in the form of costs for salaries and wages, social security contributions, benefits, payments to the directors, etc.;
- public Administration: costs incurred for the payment of income taxes (IRES and IRAP) and other taxes of the period;
- suppliers: costs connected to the goods and services necessary to carry out the company activities.

<sup>23</sup> Russia; Australia; New Zealand; Canada; South Africa; South America; Middle East; Switzerland; India; Indonesia.

The **economic value withheld**, determined as the difference between the economic value generated and the **economic value distributed**, instead represents all the financial resources dedicated to the economic growth and the asset stability of the company, as well as the creation of new wealth benefiting the stakeholders. This amount, equal to Euro 98,758,710 in 2020 (32% of the total), must be considered the investment that the various categories of stakeholders provide every year in order to keep COPAN efficient and permit its sustainable development in the long term.

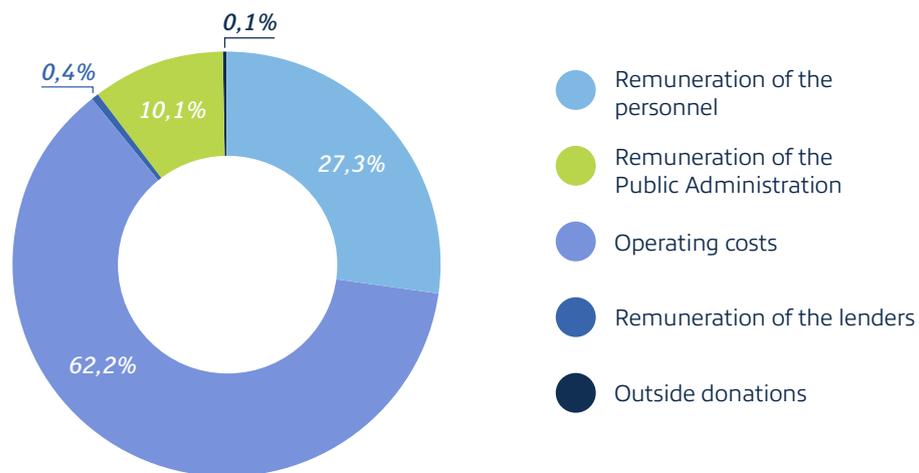
Representation of the economic value generated, distributed and withheld by the Group (in Euro).	2020	2019	2018
Revenues	304.411.802	141.484.701	146.409.053
Other income	6.817.295	1.319.677	1.293.098
Financial income	643.036	1.542.775	2.371.776
<b>Total economic value generated</b>	<b>311.872.133</b>	<b>144.347.153</b>	<b>150.073.927</b>
Remuneration of personnel	132.524.656	40.433.162	35.410.880
Other operating costs	58.137.710	76.273.213	73.844.319
Remuneration of lenders	877.831	462.229	556.376
Remuneration of Public Administration <sup>24</sup>	21.446.926	3.871.308	9.084.018
Outside donations	126.300	82.792	35.800
<b>Total economic value distributed</b>	<b>213.113.423</b>	<b>121.122.704</b>	<b>118.931.393</b>
Bad debts provision	397.926	166.118	46.663
Unrealised exchange differences	929.150	54.446	-32.108
Adjustments in value of tangible and intangible assets			26.721
Adjustments in value of financial assets	159.191	-444.827	1.057.610
Depreciation	11.263.177	7.957.021	6.574.821
Provisions		92.025	
Reserves	86.009.266	15.399.666	23.468.827
<b>Economic value withheld</b>	<b>98.758.710</b>	<b>23.224.449</b>	<b>31.142.534</b>

***Distribution of the economic value generated by COPAN between economic value distributed to the stakeholders and economic value withheld by the Group***



<sup>24</sup> Also includes deferred taxes

**Representation of the economic value distributed by COPAN  
among the various categories of stakeholders**



#### 4.4 Supply chain

COPAN believes in the value of stable relations with its partners and favours the creation of **lasting relationships** with suppliers that share the Group's values. Since the activities of the company follow a cyclical trend, COPAN relies on suppliers capable of guaranteeing a high level of flexibility during seasonal spikes.

Number of suppliers of the COPAN Group <sup>25</sup>	2020		2019		2018	
	no.	% of the total	no.	% of the total	no.	% of the total
LOCAL suppliers (located in Lombardy)	453	63%	375	60%	374	61%
Suppliers located in ITALY (excluding Lombardy)	181	25%	166	27%	155	25%
Suppliers located in EUROPE	50	7%	47	7%	50	8%
Suppliers located in the REST OF THE WORLD	35	5%	39	6%	38	6%
<b>TOTAL SUPPLIERS</b>	<b>719</b>	<b>100%</b>	<b>627</b>	<b>100%</b>	<b>617</b>	<b>100%</b>

Purchasing total budget	2020 <sup>26</sup>		2019		2018	
	€	% of the total	€	% of the total	€	% of the total
LOCAL suppliers (located in Lombardy)	52.569.545	62%	30.727.553	65%	25.240.165	68%
Suppliers located in ITALY (excluding Lombardy)	27.889.176	33%	13.819.701	30%	9.196.321	25%
Suppliers located in EUROPE	2.667.690	3%	1.633.164	3%	1.862.160	5%
Suppliers located in the REST OF THE WORLD	2.327.814	2%	1.018.489	2%	882.808	2%
<b>TOTAL OUTLAY FOR SUPPLIERS</b>	<b>85.454.225</b>	<b>100%</b>	<b>47.198.907</b>	<b>100%</b>	<b>37.181.454</b>	<b>100%</b>

<sup>25</sup> The number of suppliers for COPAN NewLab is only available for 2020.

<sup>26</sup> The used by COPAN NewLab for procurements is only available for 2020.

## BU CONSUMABLES

COPAN Italia has **established partnerships**, even lasting twenty years, with most of its suppliers

For the **selection of the critical suppliers** the certification connected to the product or service requested are analysed, as well as the structure and strength of the organisation. In order to prevent possible risks along the chain and preserve respect for human rights, furthermore, the Parent Company has recently included Clause 231 in the new contracts.

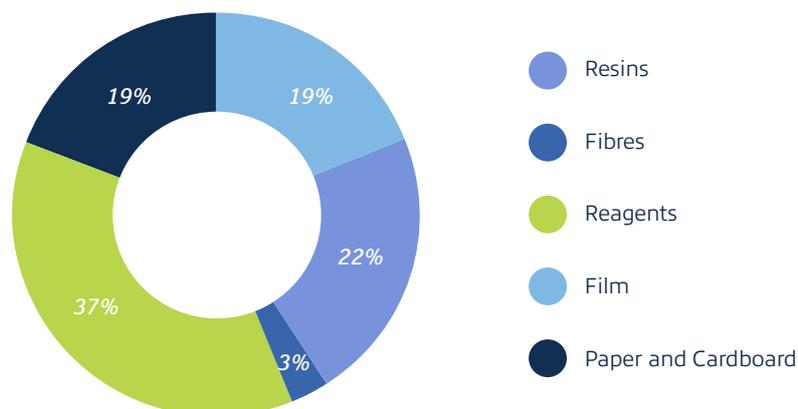
The Management System for Quality adopted by COPAN anticipates the performance of **periodic audits** for the assessment of the performance of the critical suppliers, annual audits for the suppliers of certain services (e.g. sterilisation) and additional controls according to the Texas Index included in procedure for suppliers of essential products for production. Annually, a **questionnaire** is also sent to track possible change which may have been noted in the chain.

The materials acquired by BU are mainly composed of **reagents, fibres, glues and packaging materials**. In order to guarantee regularity in the procurement of the raw materials necessary for the creation of the COPAN products, the following principal strategies are adopted:

- for resins, two alternative products are validated;
- for critical services and products, at least two suppliers are qualified;
- for reagents, "global" contracts are signed with the key suppliers.

In 2020, the increase in the demand for swabs and other medical devices due to the onset of the pandemic and the resulting increase in the corporate production of COPAN Italia determine a **significant expansion of the budget destined for purchase of raw materials**.

### *Distribution as a percentage of the budget relative to the purchase of the principal raw materials used by BU Consumables (2020)*



## LAB AUTOMATION

To ensure responsible management of purchases, COPAN Wasp and COPAN NewLab launched a **supply chain optimisation process** aimed at limiting purchases to the material strictly necessary for production and at implementing a policy of bundling purchases.

**The BU chain is articulated for the most part at the local level**, with more than half of the suppliers located in the Province of Brescia and over 90% of the placed in Lombardy. In fact, this area is known for its numerous companies specialised in the field of precision mechanics and small and medium workshops. Given the small size and geographic vicinity, these companies are able to guarantee COPAN Wasp and COPAN NewLab the necessary flexibility and responsiveness in terms of processing times, guaranteeing a continuous supply during times when the demand increases compared to the normal trend.

For this reason as well, right from the earliest years the companies have tried to maintain **continuous relations** with

suppliers and contractors, creating a business relationship focused on the continuous improvement of both parties and enhancing the specific capacities of each partner.

### ***Economics - Main objectives for the future***

- With reference to both the BU, **introduction of environmental criteria in the selection and evaluation of the suppliers**, in particular as regards the procurement of the packaging material.
- With reference to BU Consumables, **possible inclusion of a clause relative to the commitment of the suppliers to respect the principles contained in the Group's Code of Ethics** (as described previously, in the supply contracts there is already a clause relative to MOG 231).
- With reference to BU Lab Automation, **further consolidation of the existing relationships with the local suppliers** in order to develop in synergy winning partnership models.

# 5.

## Environment

### Highlights 2020

81.752 GJ

Total consumption of natural gas and electricity (for almost 90% attributable to electricity).

-44%

The decrease in total water consumption compared to 2018.

282 ton CO<sub>2</sub> eq

Greenhouse gas emissions reduction thanks to the self-production of electricity from renewable sources at the head office and the Futura Science Park.

99%

Of waste products that can be cataloged as non-hazardous.

Over 99%

Of the waste produced assigned to recycling by qualified managers.

### 5.1 COPAN's environmental policy

COPAN commits to **promoting the culture of environmental sustainability** at all the levels of the organisation. Through the SPP, the Group constantly monitors the legislative references and the applicable standards of reference, pursuing the respect for the obligations of conformity and cooperating with the Public Administration<sup>27</sup>. Furthermore, this makes it possible to organise the production processes as required to obtain anticipated legislative authorisations (e.g. Single Environmental Authorisation).

Based on what is defined by the **Policy for the health and safety of the workers and for the environment**, the principal risks associated with the environmental sphere concern the disposal of waste and atmospheric emissions. In this regard, the Group:

- operates with the objective of **minimising the production of waste**, also by returning into the cycle the plastic raw material scraps;

has installed **collection and emission filtration installations**, after having requested the necessary authorisation from the agencies in charge.

<sup>27</sup> During the reporting period, the Group did not incur any kind of significant financial fine or non-monetary penalty for non-conformity to environmental laws and/or regulations.

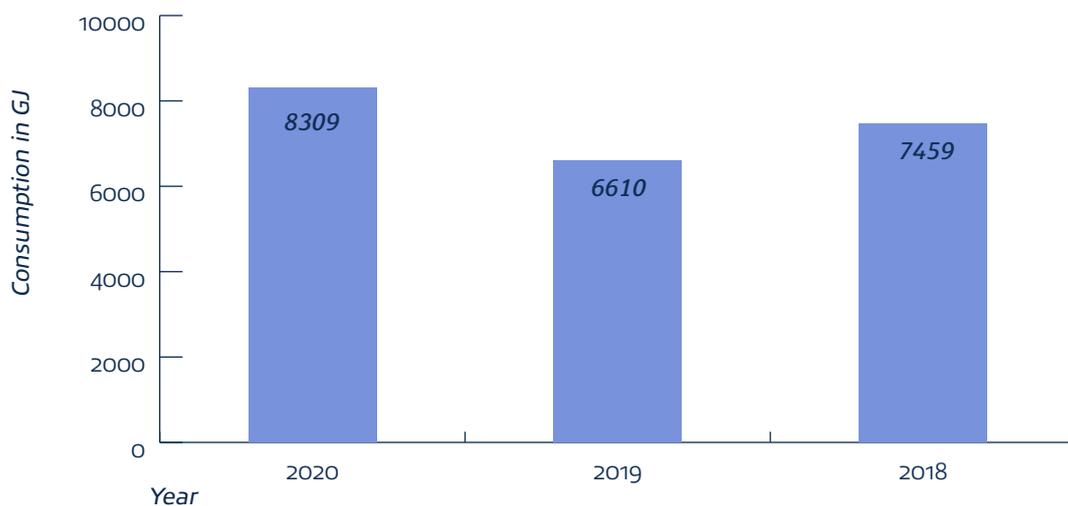
## 5.2 Consumption

COPAN's consumption mainly involve **the use of natural gas and electricity** in the headquarters and the Future Science Park<sup>28</sup>. The most energy consuming departments identified by COPAN are:

- the moulding department at Futura 2<sup>29</sup>;
- the injection department at Futura 2;
- the flocking department at the Futura Science Park;
- the blowing department at headquarters.

**The increase in consumption experienced in 2020** (+26% compared to 2019 in the case of natural gas, +19% relative to electricity) is completely attributable to the significant increase in the levels of production after the explosion of the pandemic crisis. While initially the work of the COPAN personnel was organised into three shifts from Monday to Friday<sup>30</sup>, starting at the end of 2018 the Group gradually added the 4+2 shifts, in order to meet the growing demand of the market. The advent of the pandemic then further accelerated the transition to this work schedule and require the use of a greater number of employees during the night shifts, entailing a considerable increase in the use of the installations. At the same time, the production lines of the flocked swabs went from two to six<sup>31</sup>, the labelling and bagging machines doubled, the preparation department of the culture media had to get two new autoclaves.

### *Consumption of natural gas during the 2018-2020 three-year period (in GJ)*



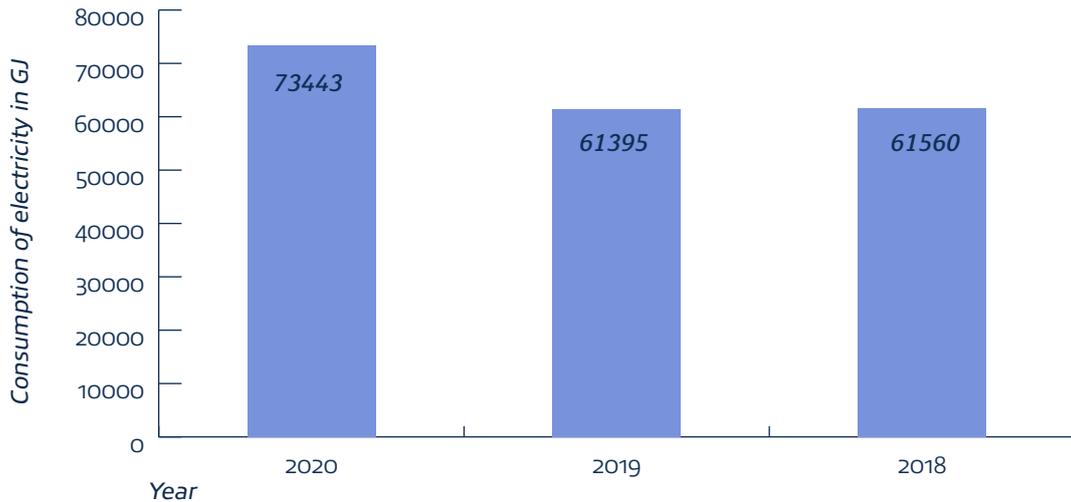
28 Starting 1 January 2021, the COPAN Wasp and COPAN NewLab offices were moved into new plants in via Achille Grandi (Brescia). Starting with the next reporting cycle, therefore, it will be possible to evaluate in greater detail also the specific contribution of the individual BU to the overall consumption of natural gas, electric energy and water.

29 Secondary plant of the Futura Science Park.

30 Teams of university students were generally used on the weekends for the lines with the greatest need.

31 Eight starting in the first months of 2021.

### Consumption of electricity during the 2018-2020 three-year period (in GJ)

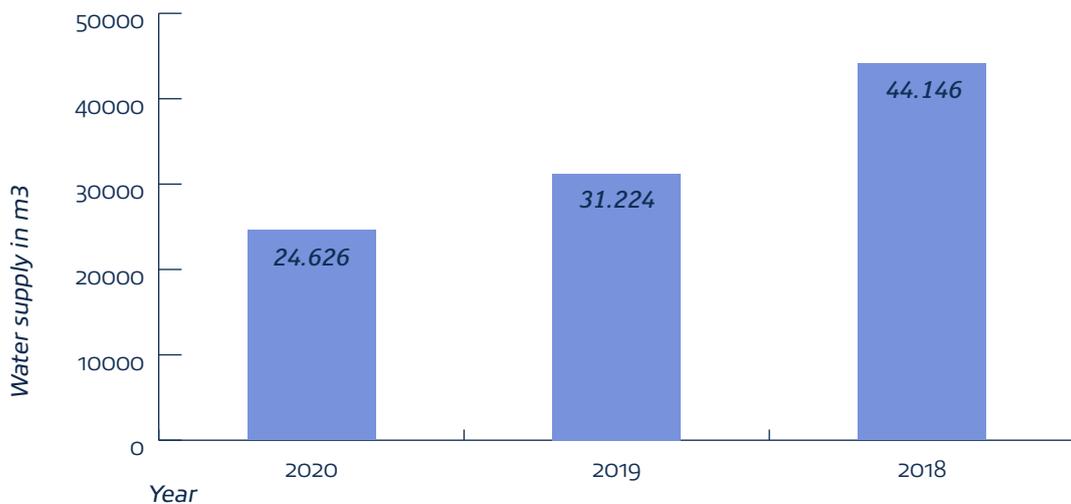


Other than some phases of the production processes, the **consumption of water** is associated with the cafeteria use and the showers by the personnel. There are only three industrial departments that use significant quantities of water during production:

- the weighing/dissolving department at the Futura Science Park, where the water is used during the realisation of liquid culture mediums for holding samples in the five autoclaves. Starting in 2020 cooling system was installed on the external sleeve of the closed cycle autoclave, to avoid the water used during this process being discharged;
- the moulding department at Futura Nord 2, where the cooling system of the moulds is already arranged in a closed circuit;
- the clean room department at headquarters, in which, as specified for the weighing/dissolving department, water is used for the production of culture mediums and the cooling of the autoclaves. In this case there isn't a closed cycle cooling system, since the level of production is much lower than that at the Futura Science Park.

Overall, **the water consumption generated by the COPAN Group has dropped by 44% during the last three years.** While the reduction in consumption between 2018 and 2019 (-29%) is mainly due to the resolution of certain leaks at both the sites of the Group, an additional decrease registered between 2019 and 2020 is due mainly to the drastic reduction in the use of the showers and the cafeteria services due to Covid-19.

### Supply of water from municipal water utilities (m3)



## Environment - Main objectives for the future

- Evaluation of the possibility of implementing a compliant Environmental Management System certified relative to the ISO 14,001 standard
- Improvement in the ability to monitor the consumption of the individual BU and companies following the move of COPAN Wasp and COPAN New Lab to the new site.

### 5.3 Emissions

The principal sources of potentially polluting gas emissions are connected to the injection moulding process of plastic materials. To minimise the environmental impact of those emissions, the emission generated during the process are **captured** and **filtered** before they are released into the atmosphere. The production cycle, however, does not anticipate reaching temperatures during the process that could cause a chemical deterioration of the polymers.

The **greenhouse gas emissions** monitored by COPAN, furthermore, can be divided between:

- "scope 1" direct emissions, namely the emissions generated by the machinery and the installations under the direct control of the organisation;
- "scope 2" indirect emissions, namely the emissions connected to the generation of electricity, heat and steam imported and consumed within the organisation.

As in the case of the natural gas and electricity consumption, **the increase in the Scope 1 and Scope 2 emissions registered between 2019 and 2020** is mainly due to the increase in production dictated by the onset of the Covid-19 pandemic.

In line with the requirements of the GRI Standard, the calculation of the Scope 2 indirect emissions was evaluated considering both a market-based approach, and a location-based methodology<sup>32</sup>.

Scope 1 direct emissions (in ton CO <sub>2</sub> equivalent)	2020	2019	2018
Natural Gas <sup>33</sup>	469	373	412
Scope 2 indirect emissions (in ton CO <sub>2</sub> equivalent)	2020	2019	2018
Electricity <sup>34</sup> - market-based	5.035	4.231	4.183
Electricity <sup>35</sup> - location-based	5.133	4.314	4.265

By adopting the market-based approach it is possible to also estimate the **greenhouse gas emissions avoided** thanks to the use of electricity self-produced from renewable sources to satisfy part of the Group's energy needs. In the last three years, the quantities of emissions avoided that to the photovoltaic installations came to:

- 282 ton CO<sub>2</sub> eq in 2020;
- 213 ton CO<sub>2</sub> eq in 2019;
- 273 ton CO<sub>2</sub> eq in 2018.

<sup>32</sup> While the market-based method takes into account the supply of energy that the companies intentionally purchased on the market, the location-based approach reflects the average level of intensity of the emissions on the networks on which the consumption of energy is verified.

<sup>33</sup> Emission factor used: 2.02266 kg Co<sub>2</sub>eq/m<sup>3</sup>(DEFRA, 2020)

<sup>34</sup> Market-based emission factor used: 260.6 gCO<sub>2</sub>eq/kwh (ISPRA - TERNA, 2020).

<sup>35</sup> Location-based emission factor used: 265.7 gCO<sub>2</sub>eq/kwh (ISPRA - TERNA, 2020).

## Emissions - Main objectives for the future

- **Improvement in the ability to monitor the emissions created by the individual BU and companies** following the move of COPAN Wasp and COPAN New Lab to the new headquarters.
- **Gradual implementation of the monitoring systems of the "Scope 3" indirect emissions**, namely those that occur outside the organisation and in the segments upstream and downstream of the chain

## 5.4 Waste Management

The offices of the Group have special **containers for separate collection** and the employees are made aware of the importance of this subject, so that every type of waste can be destined for the correct recovery, recycling or disposal method. In particular, the following are collected separately:

- paper;
- cardboard;
- wood;
- plastic;
- computer equipment.

COPAN uses **qualified carriers and operators** to handle the waste. In order to comply with the European agreement that regulates the transport of hazardous waste, COPAN has furthermore appointed an ADR consultant. Every year, in any case, the hazardous waste only constitutes about 1% of all the waste produced by the Group.

Quantities of waste managed by the Group (in tons)	2020	2019	2018
Hazardous waste	11	12	14
Non-hazardous waste	1.141	882	623
<b>TOTAL</b>	<b>1.152</b>	<b>894</b>	<b>637</b>

Every year, on average, less than 0.5% of the waste generated by the Group is destined for disposal. Instead, almost all the waste is recovered by qualified operators for energy production or to subsequently be spread in the soil to benefit agriculture and ecology.

Waste by type and method of disposal	2020		2019		2018	
	Recovery	Disposal	Recovery	Disposal	Recovery	Disposal
Hazardous waste	8,40	2,60	9,92	2,08	10,75	3,26
Non-hazardous waste	1140,99	0,01	882,00	0,00	622,88	0,13
<b>TOTAL</b>	<b>1149,39</b>	<b>2,61</b>	<b>891,92</b>	<b>2,08</b>	<b>633,62</b>	<b>3,38</b>

## Waste - Main objectives for the future

- **Improvement in the ability to monitor the production of waste by the individual BU and companies** following the move of COPAN Wasp and COPAN New Lab to the new site.
- **Evaluation of new method through which to re-use larger quantities of discarded materials and substances** in the production processes conducted internally.

## Attached to the Balance Sheet

### Annex 1 - Additional details on the COPAN personnel

Associates employed directly by COPAN and under contract by type of job and contract

Number of DIRECT EMPLOYEES by type of job and contract	2020			2019			2018		
	Women	Men	TOT	Women	Men	TOT	Women	Men	TOT
Fixed term	6	4	10	4	3	7	3	9	12
Permanent	293	178	471	259	137	396	230	116	346
<b>TOTAL</b>	<b>299</b>	<b>182</b>	<b>481</b>	<b>263</b>	<b>140</b>	<b>403</b>	<b>233</b>	<b>125</b>	<b>358</b>
Full-time	292	179	471	255	137	392	228	122	350
Part-time	7	3	10	8	3	11	5	3	8
<b>TOTAL</b>	<b>299</b>	<b>182</b>	<b>481</b>	<b>263</b>	<b>140</b>	<b>403</b>	<b>233</b>	<b>125</b>	<b>358</b>

Number of CONTRACT EMPLOYEES by type of job and contract	2020			2019			2018		
	Women	Men	TOT	Women	Men	TOT	Women	Men	TOT
Fixed term	509	141	650	118	69	187	150	59	209
Permanent	91	51	142	103	53	156	146	74	220
<b>TOTAL</b>	<b>600</b>	<b>192</b>	<b>792</b>	<b>221</b>	<b>122</b>	<b>343</b>	<b>296</b>	<b>133</b>	<b>429</b>
Full-time	580	169	749	202	106	308	272	111	383
Part-time	20	23	43	19	16	35	24	22	46
<b>TOTAL</b>	<b>600</b>	<b>192</b>	<b>792</b>	<b>221</b>	<b>122</b>	<b>343</b>	<b>296</b>	<b>133</b>	<b>429</b>

Associates employed directly by COPAN and under contract by qualification

Number of DIRECT EMPLOYEES by type of qualification	2020			2019			2018		
	Women	Men	TOT	Women	Men	TOT	Women	Men	TOT
Executives and Managers	10	12	22	9	10	19	9	9	18
Employees	89	95	184	63	70	133	43	62	105
Workers	200	75	275	191	60	251	181	54	235
<b>TOTAL</b>	<b>299</b>	<b>182</b>	<b>481</b>	<b>263</b>	<b>140</b>	<b>403</b>	<b>233</b>	<b>125</b>	<b>358</b>
<b>PERCENTAGE</b>	<b>62%</b>	<b>38%</b>	<b>100%</b>	<b>65%</b>	<b>35%</b>	<b>100%</b>	<b>65%</b>	<b>35%</b>	<b>100%</b>

Number of CONTRACT WORKERS by type of qualification	2020			2019			2018		
	Women	Men	TOT	Women	Men	TOT	Women	Men	TOT
Executives and Managers	0	0	0	0	0	0	0	0	0
Employees	54	43	97	50	38	88	54	45	99
Workers	546	149	695	171	84	255	242	88	330
<b>TOTAL</b>	<b>600</b>	<b>192</b>	<b>792</b>	<b>221</b>	<b>122</b>	<b>343</b>	<b>296</b>	<b>133</b>	<b>429</b>
<b>PERCENTAGE</b>	<b>76%</b>	<b>24%</b>	<b>100%</b>	<b>64%</b>	<b>36%</b>	<b>100%</b>	<b>69%</b>	<b>31%</b>	<b>100%</b>

Associates employed directly by COPAN and under contract by age bracket

Number of DIRECT EMPLOYEES by age bracket	2020				2019				2018			
	<30 years	30-50 years	>50 years	TOT	<30 years	30-50 years	>50 years	TOT	<30 years	30-50 years	>50 years	TOT
Executives and Managers	0	7	15	22	0	5	14	19	0	5	13	18
Employees	42	121	21	184	15	101	17	133	7	82	16	105
Workers	19	175	81	275	7	162	82	251	7	144	84	235
TOTAL	61	303	117	481	22	268	113	403	14	231	113	358
PERCENTAGE	13%	63%	24%	100%	5%	67%	28%	100%	4%	64%	32%	100%

Number of CONTRACT WORKERS by age bracket	2020				2019				2018			
	<30 years	30-50 years	>50 years	TOT	<30 years	30-50 years	>50 years	TOT	<30 years	30-50 years	>50 years	TOT
Executives and Managers	0	0	0	0	0	0	0	0	0	0	0	0
Employees	62	33	2	97	50	36	2	88	44	53	2	99
Workers	375	287	33	695	133	109	13	255	156	158	16	330
TOTAL	437	320	35	792	183	145	15	343	200	211	18	429
PERCENTAGE	56%	40%	4%	100%	53%	42%	5%	100%	46%	49%	5%	100%

Occupational accidents and illnesses affecting associates employed directly by COPAN and the contract workers

Occupational Accidents and Illnesses DIRECT EMPLOYEES	2020			2019			2018		
	Women	Men	TOT	Women	Men	TOT	Women	Men	TOT
Fatal accidents in the workplace	0	0	0	0	0	0	0	0	0
Infortuni sul lavoro con gravi conseguenze	0	0	0	0	0	0	0	0	0
Accidents in the workplace that are not serious	1	1	2	2	1	3	3	1	4
Commuting accidents	4	1	5	2	2	4	3	0	3
Cases of occupational illnesses	0	0	0	0	0	0	0	0	0
Deaths due to occupational illnesses	0	0	0	0	0	0	0	0	0

Occupational Accidents and Illnesses CONTRACT WORKERS	2020			2019			2018		
	Women	Men	TOT	Women	Men	TOT	Women	Men	TOT
Fatal accidents in the workplace	0	0	0	0	0	0	0	0	0
Accidents in the workplace with serious consequences	0	0	0	0	0	0	0	0	0
Accidents in the workplace that are not serious	2	2	4	3	2	5	1	0	1
Commuting accidents	0	0	0	0	0	0	0	0	0
Cases of occupational illnesses	0	0	0	0	0	0	0	0	0
Deaths due to occupational illnesses	0	0	0	0	0	0	0	0	0

#### Associates employed directly by COPAN by educational level

Number of associates by educational level	2020			2019			2018		
	Women	Men	TOT	Women	Men	TOT	Women	Men	TOT
Lower middle school	167	44	211	164	39	203	160	39	199
Upper middle school	55	77	132	41	50	90	37	42	79
University degree	71	56	127	53	47	100	33	40	73
PhD	1	2	3	1	2	3	1	2	3
Other (CERTIFICATE, ELEM. SCHOOL)	5	3	8	3	2	5	2	2	4
<b>TOTAL</b>	<b>299</b>	<b>182</b>	<b>481</b>	<b>263</b>	<b>140</b>	<b>403</b>	<b>233</b>	<b>125</b>	<b>358</b>

#### Associates employed directly by COPAN and under contract belonging to protected categories

Number of DIRECT EMPLOYEES belonging to protected categories	2020			2019			2018		
	Women	Men	TOT	Women	Men	TOT	Women	Men	TOT
Workers	7	4	11	7	4	11	7	5	12

Number of CONTRACT WORKERS belonging to protected categories	2020			2019			2018		
	Women	Men	TOT	Women	Men	TOT	Women	Men	TOT
Workers	6	6	12	5	5	10	4	5	9

## Annex 2 - GRI content index

GRI STANDARD TITLE	GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	NUMBER OF PAGES/ NOTES
GRI 102: General Disclosures 2016 - Profile of the organisation	102-1	Name of the organisation	Cover
	102-2	Businesses, brands, products and services	pp. 6;12;20-23
	102-3	Location of headquarters	p. 12
	102-4	Countries of operation	p. 12
	102-5	Ownership and legal form	p. 13
	102-6	Markets served	p. 12
	102-7	Scale of the organisation	pp. 12-13
	102-8	Information on employees and other workers	pp. 13-14; 32-36
	102-9	Supply chain	pp. 44-46
	102-10	Significant changes to the organisation and its supply chain	NA
	102-11	Precautionary Principle	pp. 15; 17-18
	102-12	External initiatives	pp. 18-19
	102-13	Membership of associations	p. 18
GRI 102: General Disclosures 2016 - Strategy	102-14	Statement from senior decision-maker	p. 5
GRI 102: General Disclosures 2016 - Ethics and Integrity	102-16	Values, principles, standards and norms of behaviour	pp. 10-11
GRI 102: General Disclosures 2016 - Governance	102-18	Governance structure	pp. 13-14
	102-22	Composition of the highest governance body and its committees	p. 13
	102-23	Chair of the highest governance body	p. 13
GRI 102: General Disclosures 2016 - Involvement of the Stakeholders	102-40	Publication date of most recent report	p. 16
	102-41	Collective bargaining agreements	pp. 32-36
	102-42	Process of identification and selection of the stakeholders	pp. 16-17
	102-43	Approach to the involvement of the stakeholders	p. 17
	102-44	Key topics and issued that emerged	pp. 6-8
	102-45	Subjects included in the consolidated financial statement	p. 6
GRI 102: General Disclosures 2016 - Reporting procedures	102-46	Definition of the contents of the report and the perimeter of each aspect.	pp. 5-6
	102-47	List of material aspects	p. 8
	102-48	Review of the information	NA
	102-49	Changes in the reporting	NA
	102-50	Reporting period	p. 6
	102-51	Publication date of the most recent report	NA
	102-52	Reporting cycle	NA
	102-53	Contact point for questions regarding the report	p. 57
	102-54	Claims of reporting in accordance with the GRI Standards	p. 6
	102-55	GRI content index	pp. 55-56
GRI 103: Management approach	103-1	Explanation of the material topic and its boundary of consolidation	pp. 6-8
	103-2	The management approach and its components	pp. 12; 13-15; 17-19; 23-24; 27-31; 36-38; 39-40; 42-22; 48-51

GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	p. 43
GRI 204: Procurement practices 2016	204-1	Proportion of spending on local suppliers	p. 44
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	p. 15
	205-3	Confirmed incidents of corruption and actions taken	p. 15
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	pp. 48-49
GRI 303: Water and effluents 2018	303-5	Water consumption	p. 49
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	p. 50
	305-2	Indirect (Scope 2) GHG emissions from energy consumption	p. 50
GRI 306: Effluents and waste 2016	306-2	Waste by type and disposal method	p. 51
GRI 307: Environmental compliance 2016	307-1	Non-compliance with environmental laws and regulations	NA
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	pp. 35-36
GRI 403: Health and Safety	403-1	Occupational health and safety management system	pp. 36-37
	2018	Hazard identification, risk assessment, and incident investigation	pp. 36-37
	403-4	Worker participation, consultation, and communication on occupational health and safety	pp. 36-37
	403-5	Worker training on occupational health and safety	p. 37
	403-6	Promotion of worker health	p. 37
	403-9	Work-related injuries	p. 37
	403-10	Work-related ill health	p. 37
GRI 404: Training and education 2016	404-1	Average hours of training per year per employee	p. 38
GRI 405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	p. 12
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	NA
GRI 416: Customer health and safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	NA
GRI 417: Marketing and labelling 2016	417-1	Requirements for product and service information and labelling	p. 24
	417-2	Incidents of non-compliance concerning product and service information and labelling	p. 24
	417-3	Incidents of non-compliance concerning marketing communications	p. 31
GRI 418: Customer privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	NA
GRI 419: Socioeconomic compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	p. 42

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