



USA Diagnostix Year-End ESG Report 2023

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1/25/24

Introduction

As we conclude 2023, USA Diagnostix is proud to report significant progress towards our ESG (Environmental, Social, and Governance) goals. This year has been pivotal in our journey to enhance sustainability, social responsibility, and governance standards as health and beauty product manufacturers. Below is an overview of our achievements and goals for the upcoming year.

Environmental

Sustainability Initiatives

Throughout 2023, we have continued to prioritize the use of renewable, reusable, and sustainable materials in all our manufacturing processes. Our products, which predominantly use glass, recycled plastic, cardboard, paper, and plastic, are designed to minimize environmental impact. We have significantly expanded our eco-friendly product lines and sustainable packaging solutions.

Energy Use and Carbon Offsetting

Despite not owning our facility and facing constraints in implementing solar power, we have taken robust measures to address our carbon footprint. We have purchased carbon credits from Terrapass to offset our emissions. Terrapass supports various projects such as forestry, landfill gas capture, and industrial emission reduction, ensuring high standards and verified results ([Terrapass](#)) ([Gold Standard Marketplace](#)).

Carbon Footprint Offset Calculation:

- **Monthly Production:** Over 1 ton of products.
- **Estimated Annual Emissions:** 36 tons of CO₂.
- **Carbon Credits Purchased:** 36 credits to offset 36 tons of CO₂ annually.

Waste Management



We continue to strive for excellence in waste management by enhancing our recycling programs and focusing on waste reduction. Despite the challenges, we have implemented efficient protocols for the disposal of hazardous materials and the reduction of production waste.

Social

Community Engagement

Our community engagement initiatives have flourished. Through our Medical Director, Dr. Betty Chan, we have partnered with UC San Diego to develop an intern program for pharmacy students. This program provides hands-on experience in compounding, formulations, and production, preparing future pharmacists with valuable industry skills.

Employee Well-being

Employee well-being remains a top priority. We offer comprehensive health and wellness programs, including mental health support, fitness memberships, and ergonomic workplace assessments. Continuous training and development opportunities are provided to ensure our staff's growth and satisfaction.

Diversity and Inclusion

We have made significant strides in promoting diversity and inclusion within our workforce. Through various initiatives, including diversity training and equal opportunity policies, we have increased workforce diversity by 15% this year.

Customer Relations

Ensuring customer satisfaction and safety is critical. We adhere to stringent quality control processes and regulatory compliance to ensure our products meet the highest standards. We actively engage with customers through feedback sessions and product customization based on their needs.

Philanthropy

Our philanthropic efforts have been impactful, focusing on improving global health and wellness. We donated a portion of our profits to health-related charities and supported international relief efforts, extending our positive impact beyond our immediate community.

Governance

Corporate Governance



We maintain a robust governance structure with dedicated committees for ESG oversight. Our board comprises experts in environmental sustainability, social responsibility, and corporate governance, ensuring accountability and transparency in our practices.

Ethical Practices

We uphold the highest ethical standards in all our business operations. Our code of conduct emphasizes integrity, fairness, and respect. Regular ethics training sessions ensure that all employees understand and adhere to these standards.

Transparency

Transparency with our stakeholders is crucial. We publish an annual ESG report detailing our progress, challenges, and future goals. Regular updates are provided through our website and social media channels to keep all stakeholders informed.

Regulatory Compliance

In 2023, we achieved a significant milestone by becoming an Over-The-Counter (OTC) laboratory that follows all Good Manufacturing Practices (GMP) policies. This transition includes:

- **Quality Management:** Implementing a comprehensive quality management system.
- **Facility and Equipment:** Ensuring stringent standards for cleanliness and operational controls.
- **Material Handling:** Establishing robust procedures for handling raw materials.
- **Production Controls:** Detailed production protocols for consistent product quality.
- **Laboratory Controls:** Thorough testing of materials and finished products.
- **Personnel Training:** Ongoing training in GMP standards.
- **Record Keeping:** Maintaining comprehensive records for full traceability.

We have also registered multiple products with the FTC as OTC drugs and created Standard Operating Procedures (SOPs) and federally regulated documentation for over 500 formulas in our intellectual property. These documents include:

- Master Batch Records
- Product Development Protocols
- Stability Testing Reports
- Manufacturing Process Descriptions
- Safety Data Sheets (SDS)
- Quality Control Procedures

Risk Management



Risk management is integrated into our strategic planning. We conduct regular risk assessments to identify and mitigate ESG-related risks, ensuring the safety and integrity of our operations.

Goals for 2024

- **Achieve Carbon Neutrality:** Continue purchasing carbon credits and explore additional carbon reduction strategies to work towards carbon neutrality by 2035.
- **Zero Waste to Landfill:** Strive for zero waste to landfill by 2030 through enhanced recycling and waste management practices.
- **Expand Community Engagement:** Increase our community engagement programs and partnerships.
- **Enhance Diversity and Inclusion:** Continue efforts to promote diversity and inclusion within the workforce.
- **Innovate Sustainable Products:** Develop and launch new sustainable health and beauty products with eco-friendly packaging.

At USA Diagnostix, we are proud of our 2023 achievements and remain committed to continuous improvement in our ESG practices. Our dedication to sustainability, social responsibility, and ethical governance drives us to create positive impacts for our customers, employees, communities, and the environment. We look forward to building on our successes and achieving our ambitious goals in 2024 and beyond.

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