



# ESG Position Paper for USA Diagnostix

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## Introduction

At USA Diagnostix, we are dedicated to enhancing the well-being of our customers through innovative health and beauty solutions while maintaining a strong commitment to environmental sustainability, social responsibility, and ethical governance. This report outlines our Environmental, Social, and Governance (ESG) initiatives and achievements for the year 2024.

## Environmental

### Sustainability Initiatives

USA Diagnostix is committed to reducing its environmental impact through various sustainability initiatives. As health and beauty product manufacturers, we prioritize the use of renewable, reusable, and sustainable materials in all of our manufacturing processes. Our products are designed to minimize environmental footprints, utilizing biodegradable ingredients and recyclable packaging wherever possible.

### Energy Use

While we do not own our facility and thus are unable to convert it to solar power, we are committed to reducing our carbon footprint through other means. We have implemented energy-efficient practices and purchase carbon credits to offset our emissions. Our facilities are optimized for energy efficiency, and we participate in renewable energy programs wherever feasible.

### Waste Management

Due to facility constraints, minimizing production waste is challenging. However, we strive to recycle as much as possible. Our comprehensive waste management system focuses on reducing, reusing, and recycling waste. We ensure proper disposal of hazardous materials and continuously work to minimize waste from our production processes.



## **Product Impact**

Our health and beauty products are formulated with natural, sustainably sourced ingredients. We avoid harmful chemicals and prioritize the use of organic components. Our packaging is designed to be minimal and made from recycled materials, reducing our overall environmental impact. We use glass, recycled plastic, cardboard, paper, or plastic for our product packaging.

## **Carbon Footprint**

To address our carbon footprint, we have calculated our annual production impact and purchase carbon credits to offset our emissions. On average, we produce over 1 ton of products per month. Based on industry standards, the carbon footprint for producing 1 ton of products can vary, but we estimate an average of 3 tons of CO2 emissions per ton of product produced. This translates to an estimated annual carbon footprint of approximately 36 tons of CO2 emissions.

To offset this, we purchase carbon credits to ensure our operations remain carbon neutral. Each carbon credit typically represents one ton of CO2 reduced or removed from the atmosphere, so we purchase 36 carbon credits annually.

## **Social**

### **Community Engagement**

USA Diagnostix believes in giving back to the community. We partner with local organizations to support health and wellness programs, provide educational scholarships, and participate in community clean-up events. Our employees are encouraged to volunteer, with paid volunteer days provided as a benefit.

### **Employee Well-being**

The well-being of our employees is a top priority. We offer comprehensive health and wellness programs, including mental health support, fitness memberships, and ergonomic workplace assessments. Regular training and development opportunities are provided to ensure continuous growth and satisfaction among our staff.

### **Diversity and Inclusion**

USA Diagnostix is dedicated to fostering an inclusive workplace culture. We have a diverse workforce and actively promote equality through various initiatives, including diversity training, equal opportunity policies, and support networks for underrepresented groups.



## **Customer Relations**

Customer safety and satisfaction are paramount. We adhere to stringent quality control processes and regulatory compliance to ensure our products meet the highest standards. We engage with our customers through regular feedback sessions and tailor our products to meet their needs.

## **Philanthropy**

Our philanthropic efforts are focused on improving health and wellness globally. We donate a portion of our profits to health-related charities and participate in international relief efforts. Our partnerships with non-profits help extend our impact beyond our immediate community.

## **Governance**

### **Corporate Governance**

USA Diagnostix maintains a strong governance structure, with dedicated committees for ESG oversight. Our board includes experts in environmental sustainability, social responsibility, and corporate governance, ensuring that we remain accountable and transparent 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 training sessions are held to ensure 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**

Compliance with all relevant laws and regulations is strictly enforced. Our dedicated compliance team ensures that we meet or exceed industry standards in health and beauty product development, manufacturing, and distribution. By the end of 2023, we plan to become an Over-The-Counter (OTC) laboratory that follows all Good Manufacturing Practices (GMP) policies. This transition means that:



- **Quality Management:** We will implement a comprehensive quality management system that includes rigorous documentation, validation, and verification processes to ensure product consistency and safety.
- **Facility and Equipment:** Our facility will meet stringent standards for cleanliness, equipment maintenance, and operational controls to prevent contamination and ensure product integrity.
- **Material Handling:** We will establish robust procedures for the receipt, storage, and handling of raw materials to maintain their quality and traceability.
- **Production Controls:** Detailed production protocols will be in place to ensure that every batch of product meets predetermined specifications.
- **Laboratory Controls:** We will conduct thorough testing of raw materials, in-process materials, and finished products to verify their quality and compliance with specifications.
- **Personnel Training:** Our staff will receive ongoing training in GMP standards to maintain high levels of competence and awareness of quality requirements.
- **Record Keeping:** Comprehensive records will be maintained to document every aspect of production, quality control, and distribution, ensuring full traceability and accountability.

## Risk Management

Risk management is integrated into our strategic planning. We identify and mitigate ESG-related risks through regular assessments and the implementation of robust policies and procedures. This proactive approach helps us safeguard our operations and maintain our commitment to sustainable practices.

## Additional Information

### Mission and Vision

Our mission is to innovate and deliver high-quality health and beauty products that enhance the well-being of our customers while maintaining a strong commitment to environmental sustainability and social responsibility. Our vision is to be a global leader in sustainable health and beauty solutions, recognized for our ethical practices and positive impact on society.

### Achievements and Goals

To date, USA Diagnostix has achieved significant milestones, including reducing our carbon footprint by offsetting 36 tons of CO2 emissions annually and achieving 95% recyclable packaging for all products. Our future goals include reaching carbon neutrality by 2035, expanding our community engagement programs, and continuing to innovate sustainable product solutions.