



FIN POSILLIPO S.P.A.

Sustainability Report
as at 31st December 2022

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LETTER TO THE STAKEHOLDERS



Dear Stakeholders,

The world and the market are undergoing a profound process of technological, environmental and social transformation, the cascading effects of which inevitably spread, impacting companies of all sizes and sectors and influencing and changing entire value chains. This is why the transition to a sustainable business model cannot but be actively experienced and driven, with commitment and innovative spirit, by companies and all their people.

With this letter we present to you the results of Petrone Group's first Sustainability Report, drawn up on a voluntary basis and covering the three-year period 2020-2022, with the aim of guaranteeing clear reading for all stakeholders through timely, transparent and complete reporting of its performance in the Environment, Social & Governance (ESG) area.

We strongly believe that growth is only possible if companies start with a solid and concrete foundation, and therefore rely not only on results and financial strength, but also on people's commitment to social, environmental and, consequently, economic sustainability.

For Petrone Group, in fact, the path taken towards a sustainable business model is inevitably characterised by governance based on values of ethics and transparency, the active protection of the environment, the

creation of shared value with the communities that participate in the Group's business activities and, therefore, the protection and growth of the social sphere, a necessary context for the production cycle of an entity as rooted in the territory as Petrone Group.

Based on values that the Group has always upheld and in compliance with its code of ethics, sustainability is experienced as a fundamental lever for the creation of value over time, with the same constant commitment to conducting its activities considering the interests of its economic and social stakeholders, in the knowledge that dialogue and the sharing of objectives are tools through which to create mutual value, by means of solid and reliable global growth and constant attention to the community and care for the local area.

In particular, sustainability is an integral part of the services offered by Petrone Group, rooted in the company's vision and daily efforts to benefit our stakeholders through principles of:

- 1) **Ethics and transparency**
- 2) **Respect for people**
- 3) **Respect for the environment and resources**
- 4) **Creation of value for the stakeholders**

Over the years, we have made ethics and transparency the cornerstones of our business values, even when they were not embedded in regulatory frameworks specifically built to protect the market and civil society. The need to be a healthy entity that serves as a benchmark, first and foremost for the territory in which we were born, could not disregard the need for us to adopt a governance structure that would guarantee long-term sustainable stability and effectiveness. The focus on people was the natural consequence: the creation of a trust that can be readily and transparently seen in the imperceptibly significant turn-over rates. Once more in 2022, the rate of recruitment was positive with increased employment and perfect alignment of gender equality. Last but not least, always with regard to our people, the great commitment to training for the development of skills, which continues to follow a positive trend, with equally positive effects on individual and company performance and, consequently, on the entire business.

We have continued to work on reducing consumption and emissions, despite growth and increased energy needs: this is thanks to constant work on substituting renewable energy for fossil fuels.

The quality of our services is only the final aspect with which we strive to protect our people as much as possible, following a process by which we try to put them - employees, customers and suppliers - at the centre of our idea of value creation, deciding on investments, decisions and initiatives on the basis of the

characteristics and interests they legitimately have in our business.

Today, this approach is also grounded in the principles and values enshrined in the UN's 2030 Agenda, through the Sustainable Development Goals (SDGs), which provide organisations with a common language in which to communicate their idea of sustainability to companies, institutions and all categories of stakeholder.

This first Sustainability Report is part of the long-term sustainable growth path and enables us to report, monitor and describe our commitments for the future in the area of sustainability that has always been an integral part of our business strategy.

This path revolves around innovation and technological development, enabling factors and decisive elements that make it possible for us to face, in an ever-changing context, the challenges of the present and the future in order to seize opportunities and anticipate risks.

This report is the expression of our effort to convey to you the passion, commitment and desire to make our company more and more sustainable. We thank you for your continued collaboration towards a common and constant growth and for the time you would like to dedicate to reading this first reporting exercise, aware that the path towards a sustainable growth model is still long, to be discovered and travelled together!

Best regards,

The CEO

HIGHLIGHTS 2022



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Methodological note

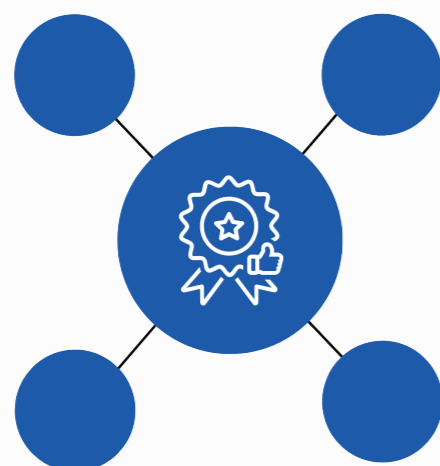
METHODOLOGICAL NOTE

This report constitutes the Group's first Sustainability Report. The purpose of this document is to provide an overview of the Company's strategy, operating and governance model and the results achieved during the period from 1st January 2022 to 31st December 2022. The Report was approved by the Board of Directors on 12 July 2023.

Please note that the quantitative and qualitative information contained in this report does not refer to the scope of the entire Group but to the following companies, which are considered significant in terms of ESG impact:

Holding and services

Fin Posillipo S.p.A.
Petrone Group S.r.l.



Pharma and logistics

Pharmaidea S.r.l.
STM Pharma PRO S.r.l.

Commercial companies

Farmacie Petrone S.r.l.
Farma Carmine Petrone S.r.l.
Euromed S.r.l.
Programmi Sanitari Integrati S.r.l.

Rehabilitation centres

Dinastar S.r.l.
Therapic Center S.r.l.
Centro Manzoni S.r.l.
Centro Futura S.r.l.
Centro Flegreo S.r.l.
Centro M. Riab. Pompei S.r.l.

The contents of the Sustainability Report are reported in accordance with the methodologies and principles laid down in the GRI Sustainability Reporting Standards ("In accordance with" option), published by the Global Reporting Initiative ("GRI Standards"). The general principles applied in the preparation of the sustainability disclosure are those established by the GRI Standards: relevance, inclusiveness, sustainability context, completeness, balance between positive and negative aspects, comparability, accuracy, timeliness, reliability, clarity. The performance indicators selected are those included in the adopted reporting standards, representative of the specific areas of sustainability analysed and consistent with the activity carried out and the impacts produced. These indicators were selected on the basis of a materiality analysis thereof, as described in the chapter "Materiality Analysis".

The issues identified are consistent with the GRI guidelines, having been defined through a mapping process of the positive and/or negative, current and/or potential impacts generated by the Group through its business activities on the three ESG pillars, namely Environment, Society and Governance.

The process of preparing the Sustainability Report was managed in cooperation with the various corporate departments, in order to allow a clear and precise indication of the information deemed pertinent. Their contribution was requested both in the identification and assessment of sustainability issues, and in the data collection, analysis and consolidation phase, with the role of verifying and validating all the information included in the statement, each for their own area of competence. In particular, it should be noted that the data were processed by means of precise extractions and calculations and, where specified, by means of estimates. Data and information of an economic-financial nature are derived from the 2022 Financial Statements of Fin Posillipo S.p.A. and its subsidiaries reported in the scope of this document.

Lastly, the Sustainability Report is widely disseminated to all Group stakeholders by being published on the company's website.

Based on the requirements of the reporting standard "GRI 3 - 2021 Material Topics" issued by the Global Sustainability Standard Board (GSSB) and in force since 1st January 2023, an organisation is required to determine its material topics in order to prepare its ESG reporting.

In defining its material topics, the Group has therefore followed a process of analysis aimed at:

- Understanding the context of the organisation;
- Identifying potential and actual impacts;
- Assessing the significance of the impacts;
- Reporting the most significant impacts.

When identifying the material topics, the Group Italia defined its reference context, also addressing its internal and external stakeholders, first identified, and then involved, in the stakeholder engagement process carried out during the first months of 2023.

This procedure guided the process of obtaining useful information to identify actual and potential, negative or positive impacts in all three ESG areas.

THE GROUP AT A GLANCE

Fin Posillipo S.p.A. is a financial and business consulting company, operating in the pharmaceutical and healthcare sector since 1989. Our company markets itself as a provider of a broad spectrum of highly qualified services and consultancy, with a particular focus in the area of healthcare-related business activities.

The Group is the synthesis of a Family Company, founded in the late 1960s, which has become, over a period of fifty years, a reference point for the marketing and distribution of pharmaceuticals, para-pharmaceuticals, medical devices and cosmetics globally. It consists of about thirty companies, controlled or participated by the holding Fin Posillipo S.p.A. with headquarters in Naples and offices in three of the five continents.

TRENDS AND VISION TO 2030

Long-term vision has always characterised the company's work, contributing to excellence in processes, products and services. It is with this in mind that the Group has decided to embark on a path of sustainable development, seeking to impact three main dimensions with its operations: Environment, Social and Governance.

The 2030 Agenda for Sustainable Development is the programme of action signed on 25 September 2015 by the UN General Assembly, i.e. the governments of the 193 member countries. At its beating heart are 17 Sustainable Development Goals (SDGs), encompassed in a grand programme of action that identifies as many as 169 targets focused on the achievement of common goals on a set of crucial issues: combatting poverty, for example, but also eradicating hunger and combatting climate change.

The material topics previously identified were associated with the various SDGs (Sustainable Development Goals), and the Company's concrete contribution to each was identified. Below are the SDGs identified by the company so that it can align its activities and initiatives with international sustainability standards.

	<ul style="list-style-type: none"> Presence of the Health and Safety Officer (HSO) who is in charge of analysing procedures and practices to verify situations that pose a risk for workers' health
	<ul style="list-style-type: none"> Delivery of 99,617 training hours in 2022
	<ul style="list-style-type: none"> 59% of the workforce are women
	<ul style="list-style-type: none"> Recognising everyone's work as fundamental to the development of the Company
	<ul style="list-style-type: none"> Installation of LED lighting system in the Grezzago warehouse Renewable energy source (RES) production
	<ul style="list-style-type: none"> 97% more employees under the age of 30 than in the previous year 45% of total new hires under the age of 30
	<ul style="list-style-type: none"> Partnerships with IPE Business School and Digital Academy involving local communities
	<ul style="list-style-type: none"> Revision of temperature set points from 15°/25° to 10°/25° Reduction of plastic usage by distributing a branded water bottle to all HQ employees
	<ul style="list-style-type: none"> Replacement of existing cars with new, less polluting ones Destruction of waste drugs and/or products using <i>recovery</i> as the disposal destination, using the code "R13".
	<ul style="list-style-type: none"> Construction of photovoltaic system on warehouses Consumption of gasoline in litres and electricity in Kwh for the financial year 2022 of 117,596 and 5,286,206 respectively
	<ul style="list-style-type: none"> Adoption of the Code of Ethics to ensure the fight against corruption and bribery Absence of transactions assessed for corruption risks during the reporting period

The background features a series of overlapping, wavy, horizontal bands in various shades of blue, ranging from a deep navy to a lighter, sky blue. These bands create a sense of movement and depth, flowing from the left side of the frame towards the right. The overall aesthetic is clean, modern, and professional.

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Materiality analysis

MATERIALITY ANALYSIS

The issues reported in this Report were identified through a process of materiality analysis, carried out following the materiality principle in correlation with the guidelines that define the criteria necessary for the content and quality of sustainability reporting (stakeholder engagement, completeness of information, sustainability context, balance, comparability, clarity, timeliness, reliability and accuracy), in accordance with the requirements of the GRI Standards.

There is as yet no standard and universally recognised technique for defining materiality analysis and stakeholder engagement preparatory thereto, as the legislator leaves wide margins for manoeuvre, but there are some methodologies that represent best practice in this area. The materiality analysis can, therefore, be qualified as a preliminary and fundamental activity for the correct preparation of the Sustainability Report, since, from the outset, it is necessary to identify the topics that correspond to the most significant aspects for the business, according to a sustainability approach (economic, social and environmental).

A topic is “material” if it has the capacity to influence the decisions, activities and performance of an organisation and its stakeholders.

The combination of theory, guidelines and established practice has led to a practical standardisation of the materiality analysis process, which, regardless of the reporting standard used, basically consists of the following macro-phases:

- **Industry benchmark analysis and best practices**
- **Stakeholder Engagement**
- **Definition of materiality matrix**
- **Analysis of impacts**

1. Industry benchmark analysis and best practices

It is the first step in the materiality analysis process and serves to provide a clear, broad and transparent picture of how ESG issues are interpreted and applied in a specific organisation’s sector or industry.

The work was carried out by considering sector studies, research conducted by universities and other national and international institutions. In addition, we identified a panel of companies comparable in terms of business activity and size in the sector of marketing/distribution of pharmaceuticals, was identified and their main ESG impacts, issues considered material and short-, medium- and long-term sustainability goals were analysed. Lastly, a comparative analysis was carried out, both in quantitative and qualitative terms, of the evidence obtained from the benchmark in relation to the Group’s activities and strategic and operational vision.

The activity led to the identification of 17 pertinent topics in the environmental, social and governance areas,

which are most recurrent in the panel of reference and accompanied by sector studies.

2. Stakeholder Engagement

The second stage of the sustainability analysis process is stakeholder engagement, a stage that materialises when the organisation engages the stakeholders themselves in order to fully understand their needs, expectations and critical opinions, so as to be able to conduct subsequent decision-making processes. The process also makes it possible to assess stakeholders’ perceptions of the impacts generated and suffered by the company and thus ensures a materiality analysis of the ESG issues involved.

The stakeholders identified can be divided into two categories:

- Internal;
- External.

The methodology adopted for the internal perspective included the involvement of managers and shareholders, while the external perspective considered suppliers, customers and trade associations. The topics that emerged from the preliminary analysis were subjected to stakeholder evaluation via an online survey for faster collection and processing of the information, resulting in a total of 351 completed questionnaires.

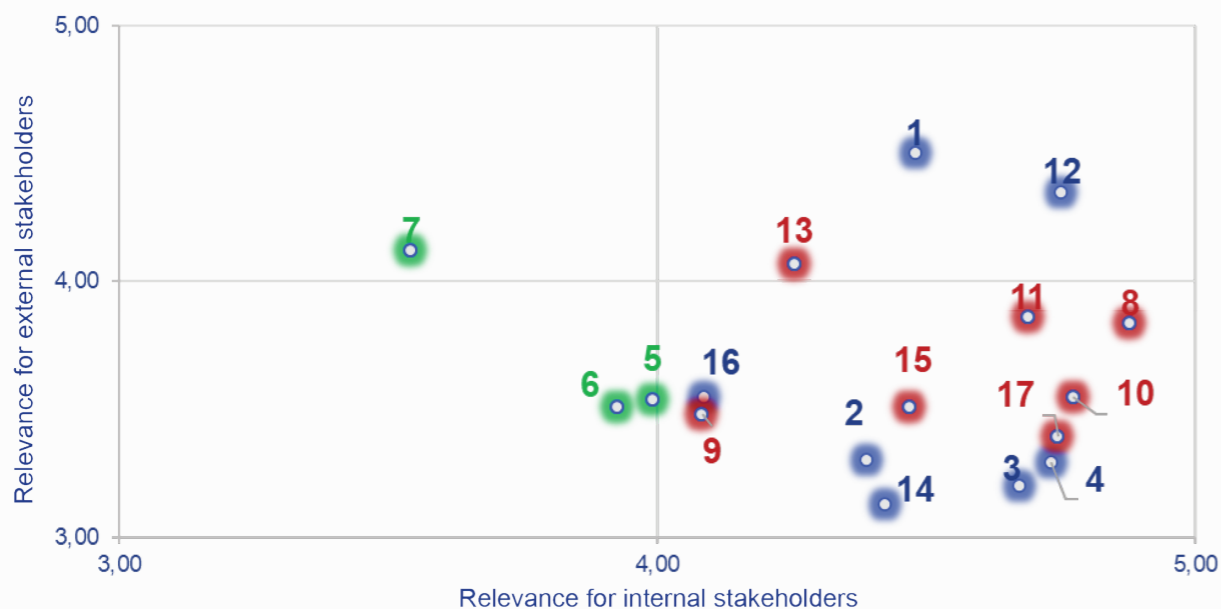
3. Definition of materiality matrix

Once the results of the stakeholder engagement are obtained, the material topics are included within the materiality matrix and in the table reconciling material topics and GRI indicators.

Please note that the stakeholders involved rated all 17 topics resulting from benchmark analyses as material. This last step marks the starting point for the preparation of the Sustainability Report, in compliance with the principles required by the adopted reporting standard.

The materiality matrix represents the graphical synthesis of this process and highlights the positioning of issues with respect to the priority level of relevance and impacts assessed by the Group with respect to stakeholders’ evaluations, interests and expectations (Likert scale 1-5).

This step plays a key role in defining the content of the reporting itself, outlining the information priorities for the company and the stakeholders (risk analysis; performance measurement; etc.).



ANALYSIS OF IMPACTS

At this stage, the impacts identified on the basis of the material topics and their significance were assessed. Assessing the extent of impacts involves quantitative and qualitative analyses and varies from organisation to organisation, as each company is influenced by the sectors in which it operates and its business relationships, as well as other factors. To identify its impacts, the organisation may use information from its own assessments or those of third parties analysing impacts on the economy, the environment and people, including impacts on human rights.

Assessing the extent of negative impacts

The importance of an actual negative impact is related to the severity of the impact, while that of a potential negative impact depends on the likelihood and severity of the impact.

The extent of an actual or potential negative impact depends on the following characteristics:

- **Scale:** how serious the impact is.
- **Scope:** how widespread the impact is; for example, the number of people affected or the extent of environmental damage.
- **Characteristics of irreparability:** how difficult it is to mitigate the resulting damage.
- **Likelihood:** The likelihood of a potential negative impact refers to the possibility of the impact occurring and can be measured or determined qualitatively or quantitatively.

Below please find the main actual and potential impacts identified by the Organisation, detailing the scale, scope and irremediable characteristics assessed with a Likert scale from 1 to 4 (1= low; 4= high). The methodology for calculating the magnitude of an impact consists in comparing the likelihood of the impact occurring with the average of the scores obtained for scale, scope and irreparability characteristics:

$$\text{Impact Magnitude} = \text{likelihood} \times [(\text{average (scale; scope; irreparability)})]$$

Governance	Social	Environmental
1) Fairness, transparency and fight against corruption	8) Management of Environmental	5) Prevention of pollution, occupational health and safety efficient use of resources
2) Economic performance and growth strategies	9) Care for the community and the local area and climate change mitigation	6) Management of emissions
3) Responsible governance	10) Employee empowerment and well-being	7) Sustainable packaging and circularity
4) Integrity and ethics in business	11) Personnel management, diversity and inclusion	
12) Safeguarding human rights	13) Service quality and focus on the customer	
14) Innovation and digitalisation	15) Consumer rights and interests, protection of privacy	
16) Responsible supply chain management	17) Skill development and compliance	

MATERIAL TOPIC AND RELATED NEGATIVE IMPACT	TYPE AND EFFECT	IMPACT SCOPE
Fairness, transparency and fight against corruption <i>Failure to contribute to the socio-economic development of the communities in which the Group operates due to sub-optimal management of disputes and enhanced corruption events</i>	potential long-term	
Responsible governance and compliance <i>Risk of lack of business continuity in the long run due to lack of attention paid to internal and external stakeholders</i>	potential short-term	
Prevention of pollution, efficient use of resources and climate change mitigation <i>Non-compliance with environmental laws and regulations</i>	potential long-term	
Management of occupational health and safety <i>Increase in the number of work-related injuries, occupational diseases and near misses</i>	potential short-term	
Employee empowerment and well-being <i>Reduced appeal to workers and young talent</i>	potential short-term	
Personnel management, diversity and inclusion <i>Increased operating costs</i>	potential short-term	

Assessing the extent of positive impacts

The extent of a positive impact depends on the scale, scope and likelihood of its occurrence.

In the case of positive impacts:

- **Scale:** how much benefit the impact can create.
- **Scope:** how widespread the impact is.
- **Likelihood:** The likelihood of a potential positive impact refers to the possibility of the impact occurring and can be measured or determined qualitatively or quantitatively.




Below are the main actual and potential impacts identified by the organisation with details of scale, scope and likelihood assessed on a Likert-scale from 1 to 4 (1= low; 4= high). The methodology for calculating the magnitude of an impact consists in comparing the probability of the impact occurring with the average of the scores obtained per scale, scope:





$$\text{Impact Magnitude} = \text{likelihood} \times [(\text{average (scale; scope)})]$$

MATERIAL THEME AND RELATED POSITIVE IMPACT	TYPE AND EFFECT	IMPACT SCOPE
Fairness, transparency and fight against corruption <i>Increased employee awareness of the material topic resulting in reduced monetary costs unrelated to possible corruption incidents</i>	real long-term	
Economic performance and growth strategies <i>Increased profitability through a long-term vision, resulting in redistribution of profits to employees and local stakeholders</i>	real in the long-term	
Responsible governance and compliance <i>Countering the spread of illegal practices through internal checks and training activities</i>	real long-term	
Integrity and business ethics <i>Ensuring transparent communication of information on the operations of Petrone Group</i>	real long-term	
Innovation and digitisation <i>Creation and development of long-term strategies to make business processes more competitive</i>	real short-term	
Regulatory compliance <i>Compliance with the legislator's requirements for transparent and ethical business management</i>	real long-term	
Responsible supply chain management <i>Constant dialogue with suppliers in order to make the supply chain more sustainable and in line with the principles identified and shared by Petrone Group</i>	real short-term	
Prevention of pollution, efficient use of resources and climate change mitigation <i>Reducing and monitoring emissions through green procurement and innovative infrastructure</i>	potential short-term	
Packaging and circularity <i>Reduction of environmental impact with consequent contribution to the development of a circular economic model in line with European standards</i>	real short-term	
Management of emissions <i>Promotion of energy-efficient practices resulting in reduced costs and negative externalities to the environment and people</i>	real short-term	
Management of occupational health and safety <i>Protecting workers through the development of a safety culture</i>	potential short-term	
Caring for the community and the local area <i>Creating value for the communities and areas in which the Group operates</i>	real long-term	
Employee empowerment and well-being <i>Creating a stimulating and rewarding working environment</i>	real in the long-term	
Personnel management, diversity and inclusion <i>Benefits to people generated by the creation and dissemination of an inclusive culture</i>	real in the long-term	
Safeguarding human rights <i>Respect for human rights at every level of the organisation in relation to its employees, collaborators, contractors and sub-contractors</i>	real in the long-term	
Service quality and focus on the customer <i>Increased consumer satisfaction and brand reputation</i>	real short-term	
Consumer rights and interests, protection of privacy <i>Ensuring quality and efficacy for the end consumer, while respecting the protection of privacy</i>	real in the long-term	
Development of skills <i>Enhancing employees' skills and improving their career opportunities</i>	real short-term	

RECONCILIATION TABLE

The following table aims to match the material issues identified above (see chapter “Materiality Analysis”) with the relevant GRI indicators. Each theme was then related to the Sustainable Development Goals

Consumer rights and interests, protection of privacy	Substantiated complaints concerning breaches of customer privacy and losses of customer data	418-1	
Development of skills	Management of material topics; Hours of training per employee per year; Programs for upgrading employee skills and transition assistance programs; Percentage of employees receiving regular performance and career development reviews	3-3 404-1 404-2 404-3	 

MATERIAL TOPIC	MATERIAL TOPIC	GRI INDICATOR	SDG
Fairness, transparency and fight against corruption	Operations assessed for risks related to corruption Non-compliance with laws and regulations in the social and economic area	205-1 419-1	
Economic performance and growth strategies	Directly generated and distributed economic value	201-1	 
Responsible governance and compliance	Management of material topics Non-compliance with laws and regulations on the environment;	3-3 307-1	
Integrity and business ethics	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices; Non-compliance with laws and regulations in the social and economic area	206-1 419-1	
Innovation and digitisation	Management of material topics	3-3	
Responsible supply chain management	Proportion of spending on suppliers	204-1	    
Prevention of pollution, efficient use of resources and climate change mitigation	Energy consumption within the organisation	302-1	 
Packaging and circularity	Waste generation and significant waste-related impacts Management of significant waste-related impacts	306-1 306-2	 
Management of emissions	Direct GHG emissions (Scope 1); Indirect GHG emissions from energy consumption (Scope 2)	305-1 305-2	 
Management of occupational health and safety	Occupational health and safety	403-1 a 403-9	 
Caring for the community and the local area	Operations with local community engagement, impact assessments, and development programs	413-1	 
Employee empowerment and well-being	Informazioni sui dipendenti e gli altri lavoratori; Nuove assunzioni e turnover;	2-7 401-1	  
Personnel management, diversity and inclusion	Diversity of governance bodies and employees	405-1	 
Safeguarding human rights	Operations that have been subject to human rights reviews or impact assessments; Employee training on human rights policies or procedures Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	412-1 412-2 412-3	 
Service quality and focus on the customer	Management of material topics	3-3	

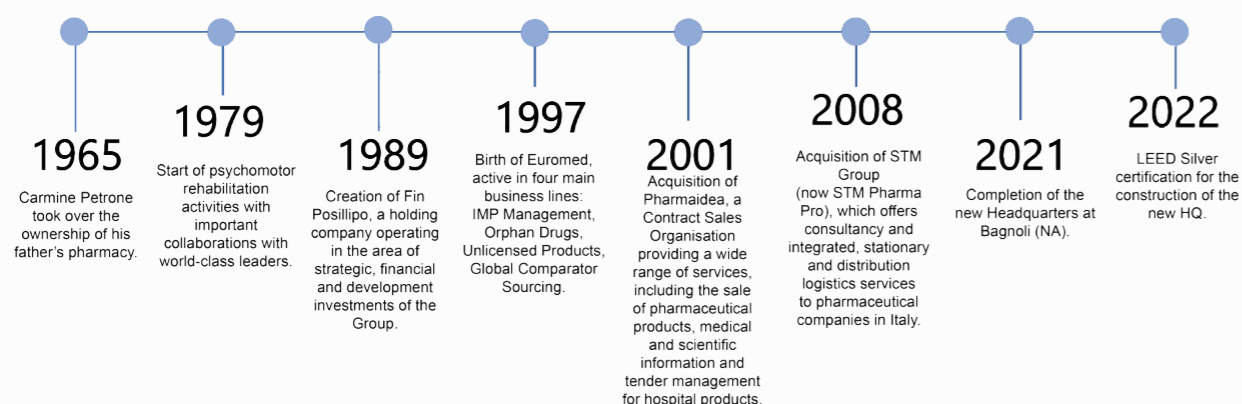


3

History and identity

Thanks to Carmine Petrone's entrepreneurial vision, the Group is active in various parts of the world, making an important contribution to improving the lives of its customers

HISTORY AND IDENTITY



Founded in 1965 by the foresight of Carmine Petrone, who bought his father's pharmacy, the Group operates in several parts of the world, making, through its professionalism and its products, an important contribution towards improving its patients' quality of life. Numerous entrepreneurial flashes of inspiration have enabled the Petrone family's business to grow rapidly and steadily, starting with the meeting with Achille Lauro, known as "Il Comandante" [The Commander], who initiated the process of internationalisation and import/export of pharmaceutical products.

The purchase of the pharmacy was the first step towards the establishment of an international group that, thanks to the constant commitment and contribution of the Petrone family, has grown rapidly, sustainably and in a manner that makes the diversification of its activities possible.

By virtue of this, the Group's companies operate from logistics to research, from the management of pharmacies scattered throughout the territory to rehabilitation centres, thus transcending the boundaries of the pharmaceutical sector. Today, the Group boasts seven rehabilitation centres and a wide range of excellent services and therapies. In addition, through its subsidiaries, the Group also conducts research and development in the pharmaceutical and cosmetics sectors.

Fin Posillipo S.p.A., a holding company operating in the field of strategic and financial investments and development of the Group, as well as financial and commercial consultancy in the pharmaceutical and healthcare sectors, was founded in 1989. In particular, Fin Posillipo aims to support certain needs of small and medium-sized companies in the sector, providing them with skills, techniques and logistical support, with a focus on internationalisation. Today, the Group comprises around thirty companies operating in the healthcare and pharmaceutical sector, with offices also in Spain, Ireland and premises in Singapore.

The diversification of the Group's activities is proven by the acquisitions made since the 2000s. These acquisitions did not just involve companies in the healthcare or pharmaceutical sector - among them Pharmaidea in 2001 and Pierrel in 2008 - but also companies operating in the mobility, logistics and graphics

sectors.

With a view to sustainability and innovation, in 2021 the Group completed the construction of its new "Group Headquarters", designed in accordance with the most modern engineering systems and with the most advanced technologies to promote energy savings.

His entrepreneurial skills, commitment to innovation in the pharmaceutical and healthcare fields, and continuous international expansion led to Carmine, Chairman of the Group, being decorated with the Order of Merit for Labour by Italian President Giorgio Napolitano in 2009

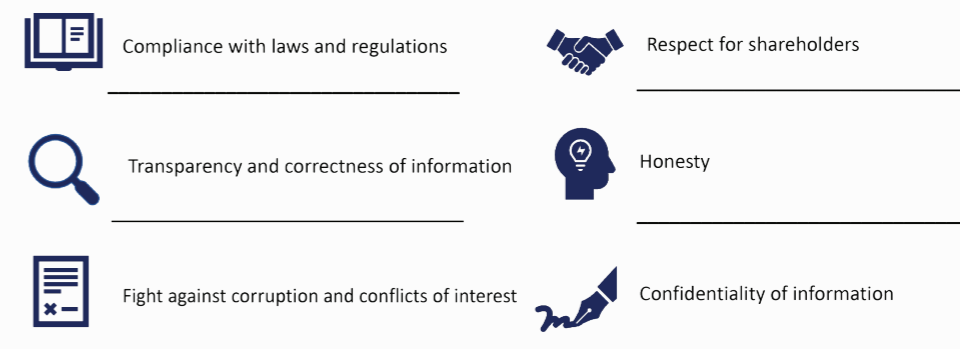
MISSION AND VALUES

The Group's extensive international presence enables it to distribute products of any origin, in accordance with customer requirements, in a short time frame. This is achieved thanks to the values that guide the Group's companies and that are shared by all. The Group's stated mission is to act as a business catalyst, i.e. to identify and grow companies that complement each other in order to foster the development of new energies and transformation. Among the Group's founding values, the following stand out:

- **Partner Centricity**, proven by listening to and understanding partners' needs, aimed at designing a strategic approach that focuses on customer and supplier satisfaction;
- **The diversification of teams**, composed of professionals specialised in different market lines and product categories ensures a flexible approach;
- **Reliability and commitment**, resulting from the development of a long-term commitment with all customers and business partners, aimed at building relationships based on trust and transparency;
- **Excellence**, resulting from the great specialisation of the work teams, each specialising in certain product categories, markets and departments;
- **Culture**, understood as a strength derived from the cultural differentiation of the workforce.

In addition to the values mentioned above, the Group's strategies are influenced by a set of fundamental ethical principles, developed in line with the "corporate values charter" drawn up by the European Institute for Social Reporting.

These principles can be found in the Group's Code of Ethics and include the following:



The mission is given life with the objective of providing services in the Pharma and Health market, with an approach oriented towards innovative technologies and close partnerships, while maintaining a catalytic role in the market.

Thanks also to a consolidated know-how, the Group's distinctive skill is being able to identify and connect complementary companies in order to release new energies, favouring their transformation and growth.

Furthermore, based on an increasingly structured organisation and numerous investments in research, innovation and experimentation start-ups, the Group's objective is to develop its growth in national and international markets in order to create added value for the healthcare and pharmaceutical world.

This includes distribution, manufacturing, investment, consulting and other services offered to the various players in the pharmaceutical market, as well as to "Big Pharma".

The Group also promotes sustainable growth through a long-term strategy with investments dedicated to both the development of the energy transition and the growth of the business on the path of sustainability indicated by the UN 2030 Agenda.

ESG OBJECTIVES

The Group, for some time now, has embarked on a path of transition of its business model from a sustainable perspective, aimed at creating what is defined as shared value for the benefit of all stakeholders, both internal and external to the organization.

Specifically, in order to limit negative externalities with respect to the ESG issues mentioned above (see paragraph "materiality analysis"), the Company has integrated initiatives within its production processes based on three main areas, summarised here and in more detailed paragraphs below:

Governance

The ethical conduct of the business is an integral part of the characteristics that distinguish the Group. The main purpose is to spread values and principles that promote transparency, inclusiveness, fairness and fairness and that are in line with compliance with the laws and the needs of its employees. To support this, the Group has adopted a **Code of Ethics and Conduct** that can be consulted by all stakeholders.

Environment

The Group, aware of the importance of protecting the environment, ecosystems and natural resources in order to create value in the communities in which it operates, has integrated various energy efficiency initiatives, monitoring consumption and reducing it through the management of resources and raw materials. Specifically, the Petrone Group headquarters has obtained the **LEED SILVER** certification level, ranking among the best eco-sustainable offices at an international level and the Group has begun to replace the existing car fleet with hybrid, electric or less polluting diesel engines, making available, in the headquarters in via della Liberazione in Naples, an electric Fiat 500, available to all, easily rechargeable thanks to the 2 columns in the

headquarters.

Social

The Group manages its workforce through the **HR Director** and through the internal prevention and monitoring guidelines set out in Model 231. There is a **performance appraisal system**, and each employee has the opportunity to increase their professional skills thanks to the training courses that the Group provides annually. In addition, the Company plays an active role in the territory and in the local community through initiatives, donations and partnerships with a view to enhancing people and communities with purposes of common benefit.

In the long term, the Group intends to continue to expand the number of actions and targets related to the ESG world. Specifically, the most significant objectives concern:

- Upgrade the car fleet within 5 years making it fully hybrid;
- Increase the number of training courses provided;
- Define and implement a Strategic Sustainability Plan integrated with the Strategic Industrial Plan;
- Increase the number of charging stations at its premises;
- Expand the number of strategic partnerships for a greater presence in the territory;

The above, together with further actions and investments being defined and planned, trace the path towards an increasingly sustainable business through the assessment, and consequent protection, of the positive and negative impacts generated by the business on some ESG topics:

- Energy efficiency;
- Reduction of negative impacts on the environment and resources;
- Enhancement of people from outside and inside the Group;
- Creation of ethical working conditions that respect work-life balance;
- Promotion of ethical and transparent management;
- Business continuity and positive economic impact for all stakeholders.

MANAGEMENT SYSTEMS

The Group pays very close attention to the care and quality of the services it provides, as well as to the internal management of its business processes, in order to pursue its corporate mission. Listed below are the certifications obtained and standards adopted within the Group regarding Management Systems:

UNI EN ISO 9001:2015

The international standard ISO 9001:2015, issued by the International Organization for Standardisation (ISO) in 2015, was introduced with the intention of specifying the requirements needed to implement and manage Quality Management Systems. This standard is useful for organisations to demonstrate their ability to

¹ ISO 2015: 9001 certification is limited to: Euromed S.r.l.; Farma Carmine Petrone S.r.l.; Programmi Sanitari Integrati S.r.l.; STM Pharma Pro S.r.l.; ISO 14001:2015 certification is limited to: Euromed S.r.l.; ISO 13485:2016 certification is limited to: STM Pharma Pro S.r.l. and Programmi Sanitari Integrati S.r.l.

consistently provide products and services that meet customer, applicable legal and regulatory requirements.

UNI EN ISO 14001:2015

The standard ISO 14001:2015, issued by the International Organization for Standardization (ISO) in 2015, aims to lay down the necessary requirements to be incorporated within an Environmental Management System in order to improve an organisation's environmental performance. Thus, this standard enables companies to contribute positively to the environmental pillar of sustainability by providing value to the environment, the organisation itself and the people concerned.

UNI EN ISO 13485:2016

ISO 13485:2016 is based on ISO 9001 and is a standard management system developed specifically for the manufacture of medical devices. The main objective of the ISO 13485 certification is to facilitate the harmonisation of regulatory requirements for medical devices.

Please note that STM Pharma Pro S.r.l. has obtained the "Good Distribution Practice" certification from ATS Milano - UOC Vigilanza Farmaceutica. Obtaining this certification ensures that:

- the medicines in the supply chain are authorised in accordance with European Union (EU) legislation;
- the medicines are always stored in the right conditions, even during transport;
- contamination by or from other products is avoided;
- stored drugs are rotated adequately;
- the right products reach the right recipients within a satisfactory time frame.

ECONOMIC SUSTAINABILITY

Aspects of the Group's economic contribution to the Italian system can be identified by analysing the distribution of the economic value generated. This analysis makes it possible to obtain a quantitative assessment of the economic and social impact that the Group generates, measuring the various items that make up the wealth created and distributed in the form of costs. In other terms, the economic value generated is an indicator of measurable wealth generated in the year.

To this end, in accordance with the requirements of the GRI Standard, the income statement of the financial statements for the reporting period was reclassified to show the economic value generated and distributed to the internal and external Stakeholders.

DIRECTLY GENERATED AND DISTRIBUTED ECONOMIC VALUE	2022	2021	2020
Directly generated economic value	508.780.684	441.118.082	437.477.097
<i>Revenue from sales and services</i>	508.780.684	441.118.082	437.477.097
Economic value distributed	482.473.045	404.221.914	428.204.577
<i>Operating costs for materials and services</i>	471.957.835	408.196.682	412.251.776
<i>Personnel expense</i>	21.290.046	19.182.577	18.484.595
<i>Payments to financial backers</i>	-21.164.522	-34.116.861	-11.147.275
<i>Payments to public bodies</i>	10.389.686	10.959.516	8.615.481
Economic value retained	26.307.639	36.896.168	9.272.520
<i>Depreciation, amortisation, provisions and impairment losses</i>	8.491.850	2.998.982	2.153.514
<i>Other costs/losses</i>	2.732.403	6.718.887	5.011.563
Profit for the year	15.083.386	27.178.299	2.107.443

The summary table (figures in euros) shows a positive trend for the directly generated economic value, compared to the previous year, with an increase of 15%, from about EUR 441 million to about EUR 508 million. **The economic value distributed** amounts to approximately EUR 482 million and includes operating costs paid to third parties (e.g. suppliers in the case of raw materials) and payments to lenders and public bodies. Lastly, **the retained economic value** represents the difference between the economic value generated and distributed and includes the amortisation and depreciation of tangible and intangible assets, as well as deferred taxation in the specific case in the financial year 2022 amounting to approximately EUR 26 million. The company also receives funding from the public administration in the form of both operating grants and non-reimbursable development loans. Below is a summary table:

FINANCIAL ASSISTANCE RECEIVED FROM THE PUBLIC ADMINISTRATION	2022	2021	2020
Grants related to income	1.620.965	781.842	1.149.191
<i>Covid-19 grants</i>	-	23.909	138.761
<i>From local public bodies (regions, municipalities, etc.)</i>	-	-	19.452
<i>Training 4.0</i>	803.308	664.822	837.827
<i>New skills fund</i>	780.976	93.111	153.151
<i>Other grants</i>	36.681	-	-
Grants related to assets	30.733	44.845	13.263
<i>Italian government grants</i>	30.733	20.936	1.917
<i>From local public bodies (regions, municipalities, etc.)</i>	-	-	-
<i>From EU</i>	-	23.909	11.346
Total	1.651.698	826.686	1.162.455

The contributions weighing most heavily in the 2022 financial year are attributable to the “Formazione 4.0” credit of EUR 803 thousand, confirming the Group’s significant commitment to training activities.



4

Corporate governance

The reputation of Fin Posillipo is built on ethically responsible leadership and a feeling of sharing and commitment to its partners customers and employees

CORPORATE GOVERNANCE

The Group, in order to guarantee high ethical standards and compliance with the regulations in force, has adopted a Code of Ethics and Conduct that sets out the shared principles and values, expresses the ethical and behavioural commitments and responsibilities that Fin Posillipo S.p.A. and its subsidiaries assume and implement in the exercise of the business and binds the behaviour of anyone operating in the company and on its behalf. Its purpose is to declare and disseminate the values and rules of conduct to which we intend to constantly refer when carrying out our business activities. In particular, it specifies the duties of loyalty, fairness, equality, diligence and helps to ensure that the activities of all parties are carried out in accordance with the values of confidentiality, transparency, professionalism, as well as in compliance with ethics and applicable laws. It also establishes, as fundamental principles underlying the Company's actions, respect for and protection of people and the environment.

Compliance with (It.) Legislative Decree no. 231/2001 envisages the adoption of systems enabling all employees to submit reports of unlawful conduct, relevant under the Decree, to the Supervisory Body. Pursuant to (It.) Law 179 of 30 November 2017 on whistleblowing, all companies that adopt an Organisational Model 231 must set up IT channels for reporting possible violations. In compliance with regulatory requirements, a dedicated IT channel was activated in 2021 to report any irregularities or offences to the Supervisory Body. All Group stakeholders can report any cases of violations and irregularities using the dedicated e-mail without fear of possible retaliation. The process of handling reports is in fact structured to ensure the confidentiality of the reporter and the confidentiality of the information received, and to ensure that the validity of reports is verified.

There have been no contested or overt acts of corruption, and actions are aimed at prevention and compliance with regard to corruption issues and participation in tenders and supplies to the public administration.

THE CORPORATE STRUCTURE OF PETRONE GROUP

The corporate structure at the "governance" level consists of 5 bodies:

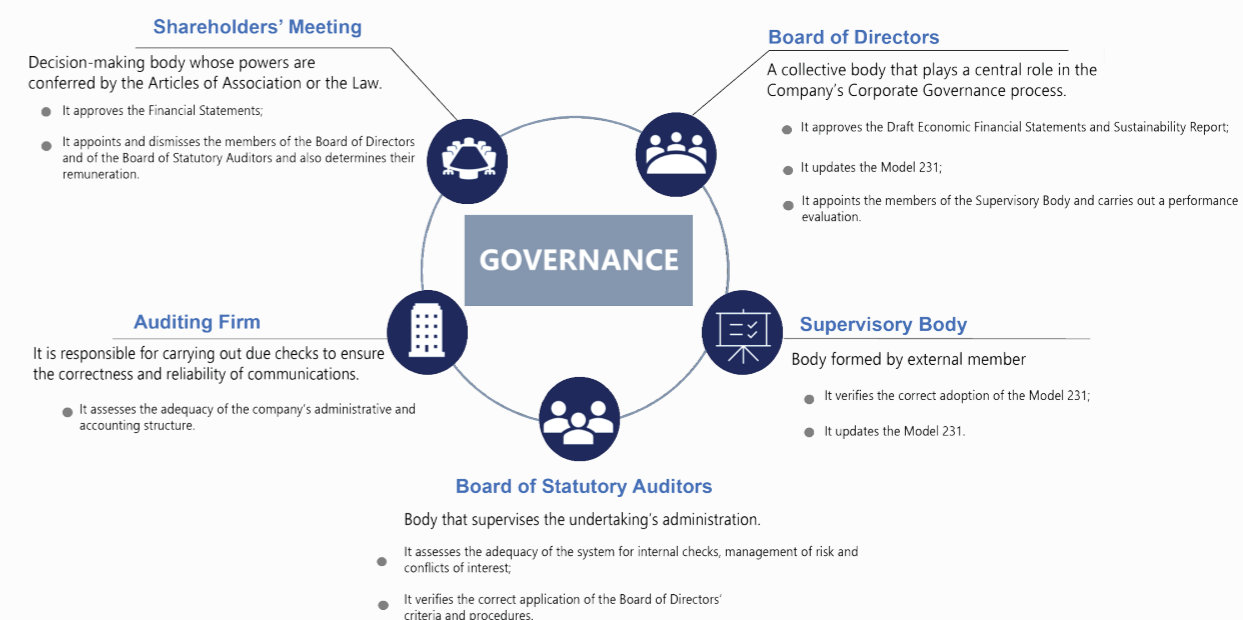
- Shareholders' Meeting:** A decision-making body whose powers are attributed by the Articles of Association or the Law, it has the task of approving the financial statements and the power to appoint and dismiss members of the Board of Directors and the Board of Statutory Auditors, also determining their remuneration.
- Board of Directors:** A collective body that plays a central role in the Company's corporate governance process. It approves the draft ordinary and sustainability budgets, has powers to influence and update the Organisational Model 231 and has the power to appoint the members of the supervisory body, as well as

evaluate its performance.

3. **Board of Statutory Auditors:** Body that supervises the undertaking's administration. It assesses the adequacy of the internal control, risk and conflicts of interest management system. It verifies the correct application of the BoD's criteria and procedures.

4. **Supervisory Body:** Control body on the correct adoption of Model 231 and its update.

5. **Auditing Firm:** It carries out appropriate checks to ensure the correctness and reliability of the communications as well as the adequacy of the administrative and accounting structure of the Company.



SUSTAINABILITY AND DIGITALISATION

The Company has embarked on an ambitious project to increase the overall efficiency of the Group by adopting a well-defined plan of objectives. The topic goes hand in hand with sustainability, as the digitalisation process can promote efficiency, simplify business processes and optimise results.

Below are the projects, divided by macro-area, that the Group has implemented and planned for the near future.

IMPLEMENTATION OF EXISTING PROCESSES

SAGE Global Master Data: Implementation of the Group ERP on a single database at global level for the integration of all companies on the same ERP version and migration to a more advanced release for real-time data visibility at global level².

² The scope of application of this project is limited to all Group subsidiaries except Fin Posillipo S.p.A.

Corporate performance management: Development of a system based on a Business Intelligence approach for the construction of a Key Performance Indicator (KPI) system for the finetuning of planning and control activities and strategic decision-making.

Renewal of IT infrastructure: Massive investment in terms of IT infrastructure for the modernisation of the Group's hardware and software fleet, to support existing projects in the area of processes and systems and to anticipate new needs in terms of IT infrastructure for business growth and tool innovation.

Cybersecurity: The project aimed to bring the Group in line with the state of the art of cyber security in terms of technology, processes and governance.

NEW MANAGEMENT PRACTICES AND DEPARTMENTS

WMS system: Analysis and implementation of a new WMS - Warehouse Management System, for the simplification and automation of flows in logistics/warehouse/transport .

Automation of property management: Introduction of management software for property management, in its Asset Management, Property Management and Facility Management components, with the aim of integrating all the components of the different activities into a single system, digitising all the supporting material and coordinating the operational activities electronically.

Process digitalisation and document dematerialisation: Redesigning processes and codifying them into procedures, on the basis of which a workflow system can be built - digitalisation of the validation activities of the different stages of a process - and consequent dematerialisation of documents, with the aim of speeding up times and drastically reducing/eliminating the use of paper.

Decision Support System in business: Creation of proprietary software to integrate the purchasing and sales activities of all the Group's commercial companies, with the aim of pooling information worldwide and speeding up commercial interactions between colleagues, customers, suppliers; historically logging all activities of the commercial perimeter, transforming data into decision-supporting information⁴.

SUPPLY CHAIN MANAGEMENT

The Group aims to establish relations with its business partners based on transparency, fairness and impartial treatment. For this reason, the organisation establishes collaborative relationships with its suppliers, in compliance with the regulations in force and, above all, in accordance with the Code of Ethics, paying particular attention to the best professional standards, best practices in ethics, protection of health and safety, and respect for the environment.

As far as the choice of suppliers is concerned, the following elements are fundamental for the company, with regard to purchasing processes:

- The quest for maximum competitive advantage;

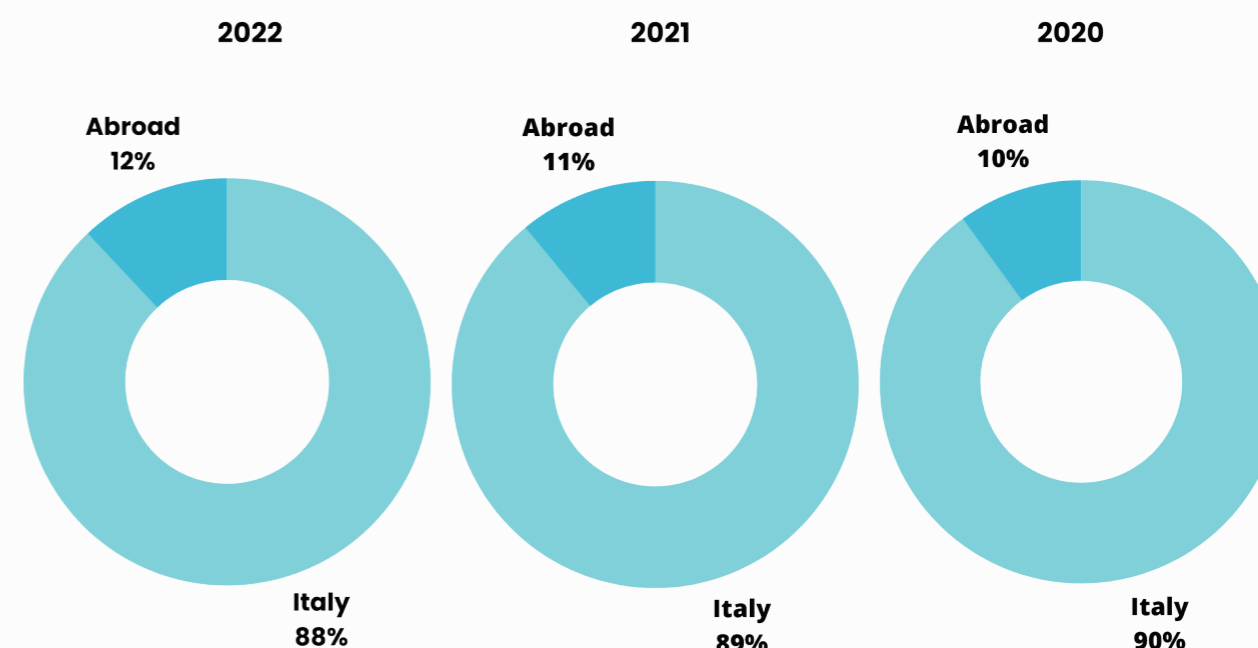
- Equal supplier opportunities;

- Fairness and impartiality.

In particular, suppliers are chosen through the use of appropriate and objective methods that take into consideration not only the quality, innovation and price of the goods and services offered, but also guarantees of assistance and timeliness and respect for the values outlined in the Group's Code of Ethics. In this regard, the Group constantly monitors relations with its suppliers and stipulates that the conclusion of a new contract must always be based on relations of extreme clarity, avoiding, where possible, any form of dependence.

In addition, as a further selection criterion, there is the exclusion of suppliers with criminal proceedings for procurement or other mafia-related offences.

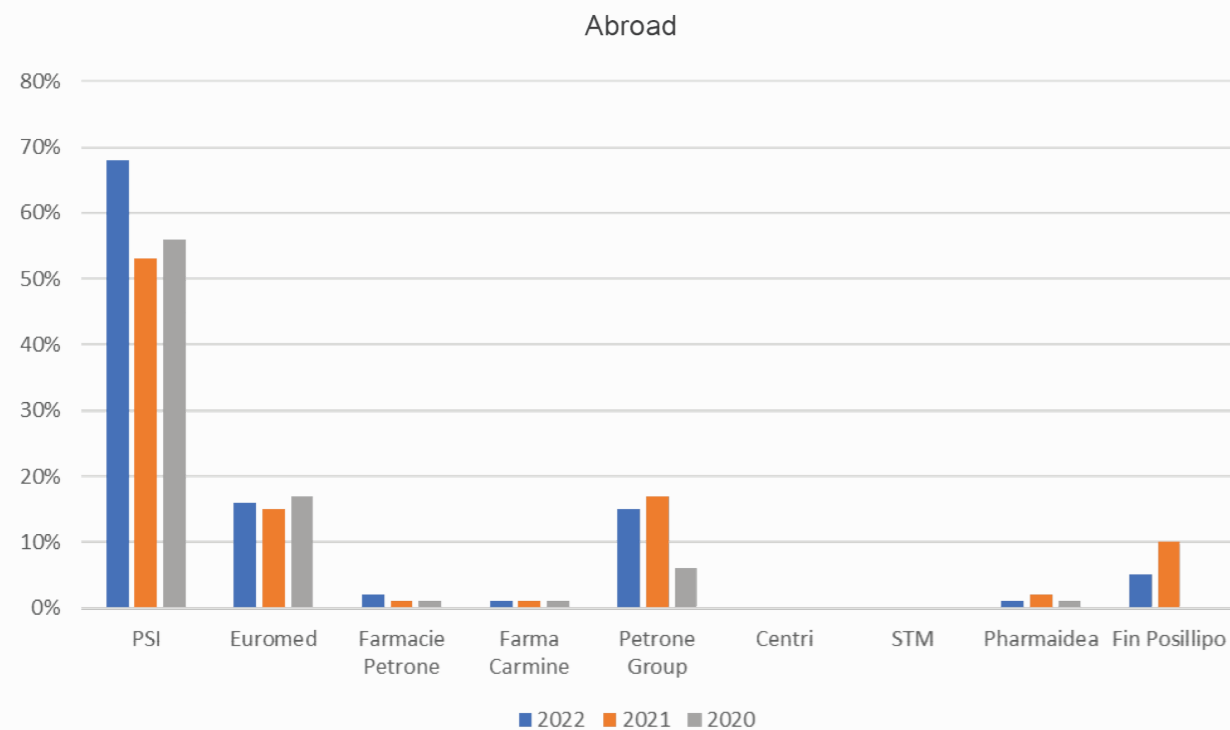
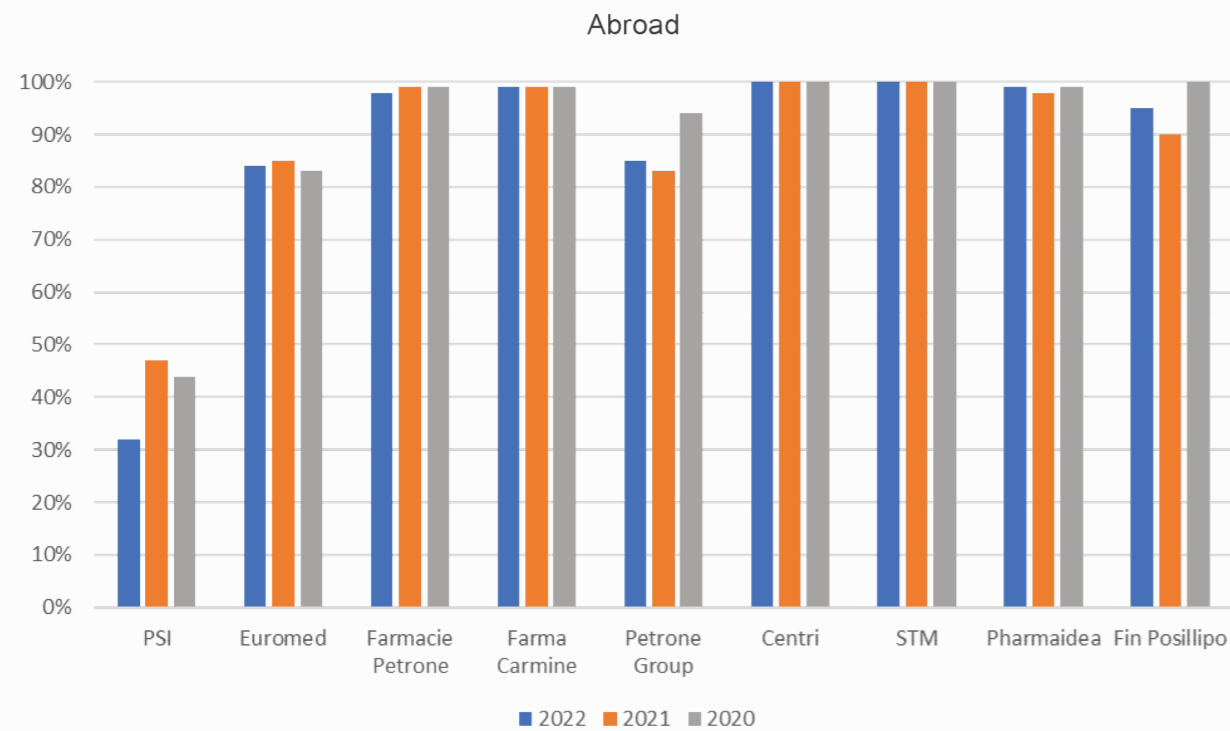
As indicated by the graphic below, it emerges that most of the purchases made by the Group are made by favouring local suppliers. This makes it possible to benefit from logistical advantages, generate spin-offs, foster development and create job opportunities in the area where the company operates.



Average (in %) of Group expenditure on suppliers, broken down into Italy (understood as "local suppliers") and abroad.

³ The scope of this project is limited to: Pharmaidea S.r.l.; STM Pharma Pro S.r.l.

⁴ The scope of this project is limited to: Euromed S.r.l.; Farmacie Petrone S.r.l.; Farma Carmine Petrone S.r.l.; Programmi Sanitari Integrati S.r.l.



The Company also adopts two internal procedures for managing customer/supplier relations. In cases where a customer qualifies Fin Posillipo as a supplier, due diligence will be carried out by filling out a qualification questionnaire in which certain data such as:

- General vendor information;
- Corporate structure;
- Management list;
- Invoices of the last 3 years;
- Chamber of Commerce incorporation certificate;
- Anti-corruption;
- Anti-fraud;
- DUVRI [interference risk assessment document] (required by the public administration);
- Vendor payment information;
- Vendor TAX Information.

As far as the qualification of new suppliers is concerned, we proceed with a quality and Audit questionnaire with the following demands:

- Site certifications;
- STM quality system based on GMP;
- Internal procedures;
- Number of employees, personnel training, company organisation chart;
- Procedures for handling non-conformities (deviations, complaints);
- Procedure for change control;
- Procedure for handling complaints;
- Computer systems, security, fire protection;
- Insurance;
- STM supplier management;
- Results of the last regulatory inspection;
- General site information (layout of production areas, warehouse, etc.).

5

Social responsibility

Human capital is the real strength of represents Fin Posillipo as it holds an invaluable wealth of skills that contribute to the provision of services that are always in line with customers expectations

SOCIAL RESPONSIBILITY

The Group strongly believes in talent, but even more so in commitment and willpower, which are considered to be the foundation for the success of a company that relies on the value of its people.

In 2017, the Group launched a process of reorganising its sales structure in order to make itself more representative and strategically competitive in the globalised market.

Initiatives to support the Group's development and growth were first launched with the introduction of a number of experienced managers in positions considered key and previously covered de facto by the owners, with the support of specialised figures within the organisation. One of the innovations was to introduce the figure of the **HR Director** from outside, a role previously delegated to external professionals and limited to purely personnel administration activities.

The process was then characterised by a gradual positioning of resources at the centre of the organisational project, in such a way as to allow, on the one hand, the empowerment of individuals who had grown up in the Group and, on the other, the selection from the market of figures with different skills, so as to create a better articulated system that would strengthen development for the effective achievement of objectives consistent with the Company's strategy in the medium term.

In the course of 2022, a survey was planned and carried out for the purpose of a **climate analysis** with the aim of constructing action plans aimed at improving organisational well-being both through common and transversal actions, and through specific interventions in areas and departments based on the detection of more specific needs. The survey is a fundamental stakeholder engagement tool to know the impact of the company's activities on its employees, identifying where possible new opportunities and solutions to increase everyone's well-being.

The management team monitors - by means of common tools - the positioning of individuals based on growth potential and effectiveness in the role, in order to share systems for the retention and development of individuals that can ensure the continuity and consistency of development actions, based on meritocratic criteria that reward excellence and the propensity to collaborate.

The Group's bonus system, **MBO**, was completely transformed in two successive steps, taking into account both Group and specific financial results, as well as the performance and organisational behaviour of individuals with a real gradual process of objectifying results.

SURVEY SUSTAINABILITY OF THE WORK ENVIRONMENT

In 2023, during the preparation of this Report, the Group submitted a company survey to its employees in order to detect the sensitivity to sustainability issues of the entire Workforce and their propensity to adopt strategies aimed at reducing social and environmental impacts. The survey focused on seven main themes, namely:

⁵ Il perimetro di rendicontazione della survey fa riferimento a: Fin Posillipo S.p.A.; Pharmaidea S.r.l.; STM Pharma Pro S.r.l.; Farmacie Petrone S.r.l.; Euromed S.r.l.; Farma Carmine Petrone S.r.l.; Programmi Sanitari Integrati S.r.l.; Petrone Group S.r.l.

- Central air conditioning management;
- Use of single-use plastic and branded water bottles;
- Paper printouts;
- Adequate level of cleanliness in common areas;
- Use of phone booths;
- Sensitivity to separate waste collection;
- Noise level of common areas.

The recipients of the survey had the opportunity to evaluate some of the most significant aspects that define corporate life according to an approach based on a dual perspective:

- Individual perspective (first-person perception of themes);
- External perspective (perception of issues by observing the behaviour of colleagues).

The approach adopted by the Group highlights the attention to understanding the needs of its employees in order to provide services and benefits that can support them in the best possible way during all phases of the company's production processes. Specifically, in line with the themes proposed in the survey, the Group's willingness to embark on a path of ecological transition taking into account the point of view of its employees is underlined.

The topics on which the respondents (335 employees) demonstrated greater transport, in both perspectives, are the "Use of single-use plastics and branded water bottles" and "Paper prints".

SKILL DEVELOPMENT AND TRAINING

The above-mentioned structuring process continued with the adoption of a weighting criterion for organisational posts, in order to gain greater awareness of the degree to which activities are covered according to responsibilities. Hence, in addition, the need to establish intermediate middle management roles and to identify the main drivers that support the correct direction of organisational and remuneration-related phenomena. The company also has a performance appraisal system, which clarifies and communicates the economic and financial objectives and individual objectives expected in the post. There is a role behaviour evaluation component in the system, whereby behaviour in terms of collaboration, innovation and participation is made explicit according to one's responsibilities, in order to make evaluation transparent through the codification of self-assessment, feedback during the year, structured and subsequently historically logged interviews. Below is a representation of the performance evaluation carried out on the Company's workforce⁶:

⁶ For 2022 and 2021, the scope refers to the following companies: Centro Flegreo S.r.l.; Centro Futura S.r.l.; Centro Manzoni S.r.l.; Dinastar S.r.l.; Euromed S.r.l.; Farma Carmine Petrone S.r.l.; Farmacie Petrone S.r.l.; Fin Posillipo S.P.A.; Petrone Group S.r.l.; Pharmaidea S.r.l.; Programmi Sanitari Integrati S.r.l.; STM Pharma Pro S.r.l.; Therapic Center S.r.l.; For 2020, it refers to: Euromed S.r.l.; Farma Carmine Petrone S.r.l.; Farmacie Petrone S.r.l. Fin Posillipo S.P.A.; Petrone Group S.r.l.

REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS	2022	2021	2020
Executives	14	10	4
> Men	11	6	4
> Women	3	4	0
Middle managers	39	30	6
> Men	27	22	4
> Women	12	8	2
White-collar workers	139	160	70
> Men	74	91	49
> Women	65	69	21
Total	192	200	80
> Men	112	119	57
> Women	80	81	23

A **Leadership Profile** was constructed, i.e. a set of skills and attitudes deemed necessary to help keep the Group's characteristics alive and evolving into the future. Based on the Leadership Profile, assessments were made so that people could be given more guidance on how to maintain their strengths over time and how to work to improve them.

The Leadership Profile was also an aid to working on all-round assessment sets, to receive feedback from one's manager, co-workers and colleagues, with a view to becoming aware of one's own management style and identifying the key directions to focus on for an effective management style.

In order to make the entire organisation more productive, a process of renewal of the trading structure was initiated, assigning responsibilities and roles with the aim of creating, within this highly strategic department for the company, the emergence of a middle management with corresponding skills: this gave rise to an international plan, in collaboration with **Dale Carnegie**, called **Cross Functional Team for Success**.

The Group has also pursued an effective training model by setting up a **Group Academy**, in which members from different departments are responsible for receiving from their colleagues the main needs of both a technical and managerial nature, with the aim of constructing plans that take into account what is considered most useful, or urgent, in the real life of the company in a specific time frame. The Academy made it possible to manage and deliver technical and management training courses. Training initiatives are structured in accordance with the tasks performed, in order to achieve an increasingly trained and competent workforce.

⁷ The calculation of training hours excludes some companies from the scope of this document, such as: for 2022 Fin Posillipo S.p.A and Centro Medico Riabilitativo Pompei S.r.l.; for 2021 Centro Medico Riabilitativo Pompei S.r.l.; for 2020 Fin Posillipo S.p.A; Euromed S.r.l.; Farmacie Petrone S.r.l.; Pharmaidea S.r.l.; STM Pharma Pro S.r.l.; Centro Medico Riabilitativo Pompei S.r.l.

In this regard, the company has provided English language courses to 30% of its employees, and an increase in language courses is planned for the coming years. Below is a table summarising the training hours carried out by employees⁷.

HOURS OF TRAINING	2022	2021	2020
Total	99.617	110.386	67.239
> Men	44.958	45.044	30.444
> Women	54.659	65.342	36.885

The Group is aware that skills are crucial for business success, given the growing need to develop certain managerial skills, such as communication and leadership, and technical skills, such as marketing and sales, as well as language and digital skills.

The corporate climate survey, reported earlier, revealed a decisive need for continuous, quality training; the presence of an in-house Academy was of great support for the training programme already delivered and planned. The training events, carried out with "cross-departmental" groups, improved relations by creating team-building opportunities among employees. In terms of actual results observed, all those who benefited from the training tended to improve their performance in terms of collaboration, based on informed communication and better tools for action in the market. To this end, the Group envisages a skills development management system based on operational models characterised by back-up and succession planning mechanisms with the transversal transfer of the most characteristic skills and knowledge of the business to the entire Group workforce.

The tools used to monitor the results of the applied management system include both the Annual Survey and a time series analysis of the performance management system, which, cross-referenced with potential assessments, make it possible to find the best candidates to fill key posts or create new posts functional to business development.

The company presents a unique management software "HR - HR Zucchetti infinity", which makes for:

- The harmonisation of the above-mentioned management and development processes;
- The provision by all Group companies of a single, historically logged and integrated personnel database with all functionalities (selection, training, development, attendance, performance, budget, labour cost);
- The ability to process analytics via an integrated business intelligence platform;
- Integration with the accounting system for automatic monthly labour costing;
- Automatic budgeting of personnel costs;
- The elimination of paper and the simplification of management processes through the use of the employee portal, available both via web and app.

The Group's website has a Careers section through which one can access the integrated recruitment portal

on the Infinity platform to manage the entire staff recruitment, selection and onboarding process.

OUR EMPLOYEES

In 2022, the Group's workforce, relative to the reporting scope of this document, consisted of **721 employees**, of whom 158 were from North Italy and 563 from South Italy. Of the total, **41%** of the workers are men and **59%** women

EMPLOYEES	2022	2021	2020
North	158	153	170
> Men	60	61	78
> Women	98	92	92
South	563	477	456
> Men	235	205	184
> Women	328	272	272
Total employees	721	630	626

EMPLOYEES	2022	2021	2020
Permanent contracts	694	598	611
> Men	282	248	254
> Women	412	350	357
Fixed-term contracts	21	27	14
> Men	12	13	7
> Women	9	14	7
Temporary employment contract	6	5	1
> Men	1	5	1
> Women	5	0	0
Total employees	721	630	626

Breaking down the employees by contract type, out of the total number of employees, 79% have a full-time contract, while the remaining 21% have a part-time contract.

EMPLOYEES	2022	2021	2020
Full-time	566	455	458
> Men	262	227	226
> Women	304	228	232
Part-time	155	175	168
> Men	33	39	36
> Women	122	136	132
Total employees	721	630	626

The number of employees by professional category and gender is shown below:

EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER	2022	2021	2020
Executives	14	9	9
> of whom men	11	6	6
> of whom women	3	3	3
Middle managers	39	30	23
> of whom men	27	22	17
> of whom women	12	8	6
White-collar workers	623	539	548
> of whom men	227	195	200
> of whom women	396	345	349
Blue-collar workers	38	51	44
> of whom men	28	43	39
> of whom women	10	8	5
White-collar apprentices	7	0	1
> of whom men	2	0	0
> of whom women	5	0	1
Total	721	630	626
> of whom men	295	266	262
> of whom women	426	364	364

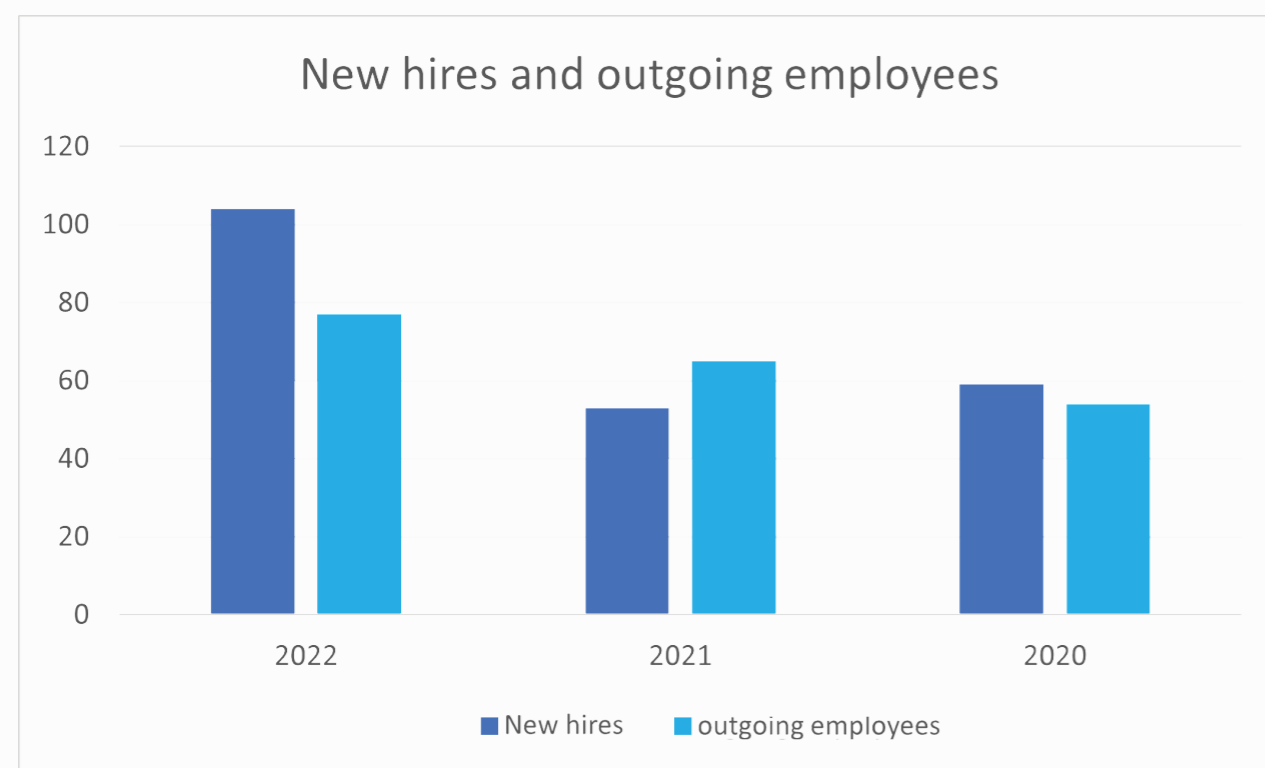
With regard to the identification of employees by age and type of employment, for the year 2022, there are 69 employees aged under 30, 386 aged between 30 and 50, and 266 aged over 50. A representation in the form of a table given below.

EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER	2022	2021	2020
Total employees under 30 years of age	69	35	50
> Executives	0	0	0
> Middle managers	0	0	0
> White-collar workers	61	31	45
> Blue-collar workers	2	4	4
> White-collar apprentices	6	0	1
Total employees 30-50 years of age	386	346	351
> Executives	3	1	1
> Middle managers	25	15	13
> White-collar workers	339	305	314
> Blue-collar workers	18	25	23
> White-collar apprentices	1	0	0
Total employees over 50	266	249	225
> Executives	11	8	8
> Middle managers	14	15	10
> White-collar workers	223	204	190
> Blue-collar workers	18	22	17
> White-collar apprentices	0	0	0
Total employees	721	630	626

Please note that there are no employees falling into the category "minority groups" for the three-year reporting period.

RECRUITMENTS TO TERMINATIONS

The Group places turnover at the centre of its business processes. In fact, personnel management and employment protection are of paramount importance. Comparing the three-year period, it can be seen that hiring doubled in 2022 compared to previous years, while terminations increased, albeit to a lesser extent (+18%): this testifies to the strong growth in terms of size that the Group is undertaking.



NEW HIRES AND OUTGOING EMPLOYEES	2022	2021	2020
Hires	104	53	59
<i>Men</i>	46	22	32
<i>Women</i>	58	31	27
Outgoing employees	77	65	54
<i>Men</i>	40	33	23
<i>Women</i>	37	32	31
Age of hires	104	53	59
<i>< 30 years of age</i>	47	21	11
<i>Between 30 and 50 years of age</i>	56	26	41
<i>>50 years of age</i>	11	6	7
Age of outgoing employees	77	65	54
<i>< 30 years of age</i>	18	11	10
<i>Between 30 and 50 years of age</i>	37	31	32
<i>>50 years of age</i>	22	23	12

Please note that, over the three-year reporting period, there was a relatively low⁸ outgoing turnover rate, as shown below, broken down by gender:

OUTGOING TURNOVER RATE	2022	2021	2020
Total	11%	10%	9%
<i>Men</i>	14%	12%	9%
<i>Women</i>	9%	9%	9%

The incoming turnover figure underlines a strong increase in the workforce, which is a positive sign for the durability of the Company :

INCOMING TURNOVER RATE	2022	2021	2020
Total	14%	8%	9%
<i>Men</i>	16%	8%	12%
<i>Women</i>	14%	9%	7%

⁸ The turnover rate was calculated by comparing the number of incoming/outgoing employees with the total number of employees for each reporting year

OCCUPATIONAL HEALTH AND SAFETY

The Group is constantly striving to create and disseminate a safety culture, developing awareness of the dangers and risks involved and promoting responsible behaviour. The Organisation adopts all the prescribed regulations on the protection of health and safety at work for employees, collaborators and users, with particular reference to (It.) Legislative Decree no. 81/08.

This commitment is also proven by the adoption of the **Organisation, Management and Control Model 231**, which envisages special departments to identify risks arising from work activities, specialised departments and the preparation of a periodic report on occupational health and safety.

In order to assess the degree of the risk to which the Group is exposed, corporate activities were mapped, also with reference to the external management figures officially involved in the management of operational processes, with regard to each sensitive activity and instrumental process, on the basis of quantitative and qualitative considerations that took into account, by way of example, the following factors: the frequency of occurrence, the event or activity, and severity of the penalties potentially associated with the commission of one of the offences. The results of the mapping activity described above, shared in advance with the company contact persons interviewed, are collected in a descriptive sheet (known as Matrix of activities at risk - crime).

In addition, there is a competent doctor within the Company who deals with occupational medicine and prevention.

The company has identified workplace hazards that constitute a risk of injury with serious consequences and has also identified actions taken to minimise injuries. Safety is also managed thanks to the presence of the Health and Safety Officer (HSO), who is tasked with analysing procedures and practices to verify situations that pose risks for workers' health.

The risks are mitigated as follows:

Administrative Offices

- **Electrical Risk:** In order to mitigate the risk, the electrical system inside each room is built in accordance with the standards (It. Min. Dec. 37/2008) and checked every two years in accordance with (It.) Presidential Decree 462/01 to limit the risk of electrocution;
- **Risk from manual handling of loads:** The risk from manual handling of loads is low according to the NIOSH index;
- **Risk of falling down or tripping:** Falls to the floor cause (serious) injuries in workers with an average absence duration of 38 days; this risk is mitigated by keeping the workplace tidy, cleaning the common areas and ensuring adequate lighting.
- **Exposure to chemicals:** The chemical risk related to toner replacement was eliminated by signing a contract with a specialised company to manage the copiers present and replace the toner.
- **Computer work and ergonomic risk:** The workstations for employees who work on a PC have been built respecting

Warehouses

- **Slips and falls from a height:** To limit or eliminate falling from a height, a pallet restraining measure was put in place by wrapping them before placing them on the shelves;
- **Noise:** measurements performed with a phonometer show that the daily and weekly limits, i.e. the noise exposure values, do not exceed 75 decibels;
- **Danger from Manual handling of loads:** The risk from manual handling of loads is low according to a Snoock-Cirello and NIOSH index assessment;
- **Vibrations and electrocution:** Vibrations (whole body) have been measured as being below the threshold limit;
- **Risk Microclimate for cold environments:** PPE for protection from cold environments (cold cabinets +0-+8°C) was delivered after information and training;
- **Collisions, blows, impacts and impactions:** To reduce the risk of being run over or crushed by the passage of forklifts, both the route and the road markings have been indicated to separate driveways from pedestrian paths, and there are also signs for the maximum permitted speed limit.

The principles and modes of action, described in the Occupational Health and Safety Policy, are translated into the operational methods defined in the Organisation and Management Model (OMC) and the Risk Assessment Document. The definition, implementation of and compliance with the requirements set out in the health and safety management system are the responsibility of the Prevention and Protection Service (RSPP), which works together with the department heads and, through continuous dialogue, with the Workers' Safety Representatives (WSR).

The Prevention and Protection Service is responsible for the process of identifying, assessing and monitoring risks related to workers' health and safety. This activity is carried out through in-depth analyses of the production process, work organisation and through audit activities. The Prevention and Protection Service, in fact, carries out a series of stringent checks aimed at:

- assessing existing and potential risks;
- carrying out checks on machinery and assessing the need for adjustments;
- issuing reprimands to workers in the event of violations of health and safety regulations.

Commitment to managing worker health and safety issues is also reflected in the monitoring of accidents and near misses and the investigation of recorded accidents.

ACCIDENTS AT WORK	2022	2021	2020
Total Accidents	6	4	7
> Men	3	3	1
> Women	3	1	6

In 2022, accidents at work increased, being exclusively accidents “in transit”, i.e. road accidents during work-related travel.

Below are the hours worked broken down by production site (Italy) and gender:

HOURS WORKED	2022	2021	2020
Total	797.996	541.577	789.516
> Men	353.809	270.525	360.882
> Women	444.188	271.052	428.634

In addition, the Company’s organisational system must meet the basic requirements of:

- explicit formalisation of behavioural norms;
- clear, formal and knowable description and identification of the activities, tasks and powers attributed to each directorate and to the various professional posts and roles;
- precise description of control activities and their traceability;
- adequate segregation of operational and control roles.

In particular, the following general principles of internal control must be pursued:

Behavioural standards	Existence of a Code of Ethics describing general rules of conduct to protect the activities carried out.
Definition of roles and responsibilities	The internal regulations must outline the roles and responsibilities of organisational units at all levels, describing the activities of each structure in a uniform manner.
Internal procedures and standards	Sensitive activities must be regulated by means of the company’s regulatory instruments, so that it is possible, at any time, to identify how the activities were carried out, the relevant checks and the responsibilities of those involved..

Segregation of tasks Within each relevant business process, the departments or persons in charge of the decision and its implementation must be separated from those who record it and those who control it

Authorisation and signature powers A system of proxies must be put in place within which there is a clear identification and assignment of powers and limits to the persons operating, and organisational and signatory powers must be consistent with the organisational responsibilities assigned.

CUSTOMERS AND SERVICE QUALITY

Sustainable quality is an important lever and forms the basis for both the creation of value and the lasting success of the Company, and for generating a positive impact on the environmental, social and economic context in which it operates. Fin Posillipo pursues objectives beyond profit with a positive impact on people, the environment and society, ensuring efficient and punctual service at all stages of the production process. All this is covered in the Integrated Management System that combines quality, environment, safety and sustainability following the national rules and regulations on the quality of medicinal products for human use (It. Legislative Decree no. 219/2006).

Monitoring service quality has a crucial impact on the consolidation and especially on the improvement of company reputation. The Company focuses on quality not only to meet and exceed customer expectations, but also to test the effect of total Quality on the organisation, its profitability and operating costs. Service quality is undoubtedly a key factor for competitiveness as it tends to catalyse growth in equilibrium.

Management is committed every day to pursuing the company’s objectives through the provision of high-quality services and in compliance with a sustainable development policy. The objectives of the Quality Management System are manifold:

- to ensure a high level of customer satisfaction by developing a relationship based on constant dialogue in response to the growing demand for transparency;
- to develop mechanisms for direct involvement and assistance to achieve ever greater safety for end users;
- to offer the market services with high standards of quality, efficiency, innovation, safety and sustainability that comply with applicable industry regulations.

In order to comply in a timely manner with the regulatory requirements of (It.) Legislative Decree no. 219/2006, the Company implements at least once a year a Management Review involving top management, aimed at:

- Analysing the effectiveness of the Quality Management System adopted

- Verifying the achievement of the set objectives;
- Laying down objectives for improving the Quality of the products marketed and of the services provided;
- Identifying potential risks and opportunities.

Below is the flow chart of the Review in all its stages:

Responsibility	Description of activity	Notes
RFC/CEO	PLANNING OF MANAGEMENT REVIEW	At least 1 time / year
FC	PROCESSING OF QUALITY INDICATOR DATA	Data collection and statistical processing
RF	PREPARATION OF THE QUALITY REPORT	Preparing and sending reports and indicators
CEO/FC/RF	MANAGEMENT REVIEW MEETING	Minutes
CEO	AUDIT	Achievement of corporate objectives and improvement programmes
RFC	DRAFTING OF MANAGEMENT REVIEW REPORT	Minutes of the meeting, audit plan and training plan
RF	ACTIVITY PLANNING	Detailed definitions
FC	AUDIT	Preparation of action plans
FC	ARCHIVING	Update on action plans and ongoing projects

RESPECT FOR HUMAN RIGHTS

The issue of human rights is a focal point in the management of the business system. From the outset, the Group has been committed to managing its business processes with respect for human rights in mind. The attention paid is in line with the principles in the Code of Ethics, which characterise and distinguish the Organisation.

The Company is committed to respecting human rights and promoting diversity and inclusion, developing strategies to protect and inform workers, spreading the culture of protecting rights and developing skills with full respect for the personalities and dignity of each individual. The Company's aim is to promote not just the skills, but also the motivation and well-being of employees.

The Company is fully committed to promoting core values, such as fairness and transparency, to combine financial objectives with a dedication to social responsibility.

Please note that the Group is implementing internal monitoring mechanisms to identify, prevent and address any negative human rights impacts at every stage of its activities. In this regard, the focus on the employee is made explicit through the use of surveys aimed at understanding the real internal situation in the working environment.

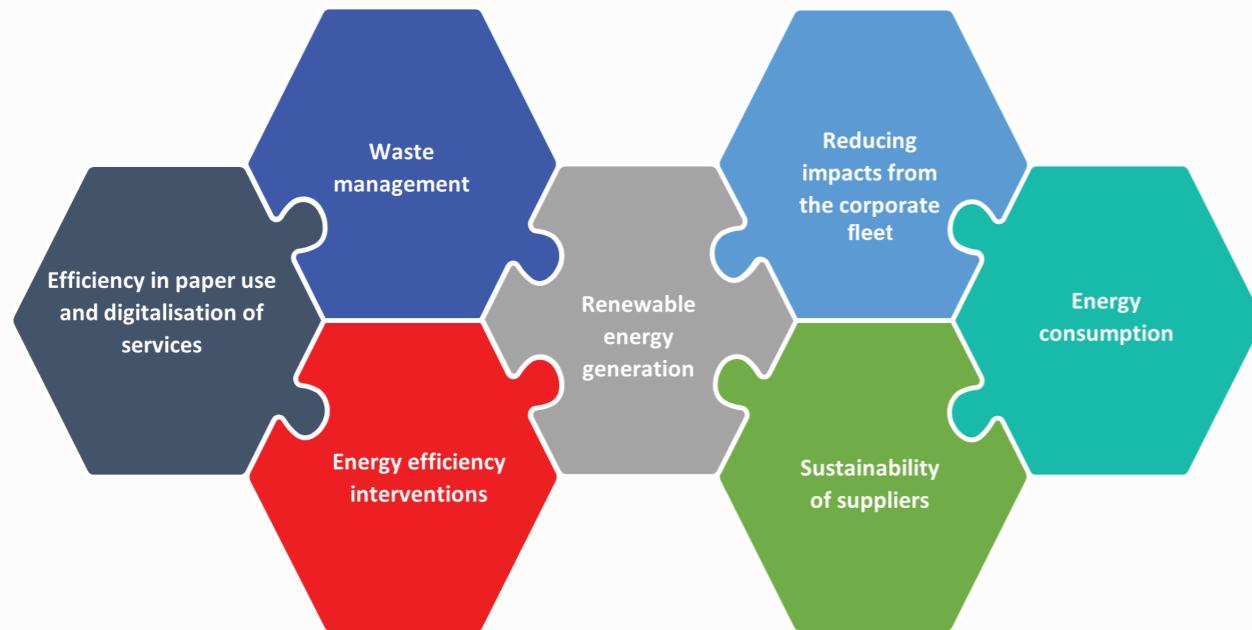
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Environmental responsibility

The monitoring of risk related to environmental responsibility and the reduction of negative externalities towards the environment and people represent the commitment of Fin Posillipo to undertaking its path towards sustainability in the best possible way

FIN POSILLIPO FOR THE ENVIRONMENT

The Group has initiated various energy-saving measures with the goal of creating a consumption monitoring process aimed at reducing consumption through proper management of resources, raw materials and waste. The activities identified as most pertinent from the point of view of reducing environmental impacts relate to the following areas:



LEED CERTIFICATION

Petrone Group's Office has obtained LEED SILVER certification, ranking it among the best eco-sustainable offices internationally. The award is the result of the long-term vision that consists in applying concrete actions for change by implementing a sustainability-oriented, energy- and water-saving approach at every stage of the production system's management process, aimed at reducing CO2 emissions and improving the environmental friendliness of the materials and resources used.

Specifically, **LEED** is a voluntary certification programme that can be applied to any type of building and covers the building's entire lifecycle, from design to construction; it is an international symbol of excellence, sustainability and leadership in green building that indicates that a building is



lowering carbon emissions, conserving resources, reducing operating costs and prioritising sustainable practices by creating healthier environments. The certification file is submitted to the **GBCI** (Green Business Certification Inc.), a body promoted by the consortium Distretto Tecnologico Trentino. The GBCI was established in January 2008 with the support of the US Green Building Council (USGBC) to provide independent oversight of professional credentials and certification of projects under the Leadership in Energy and Environmental Design (LEED) green building rating system. Today, GBCI is the only certification and credentialing body within the green business and sustainability sector to exclusively issue LEED project certifications and professional credentials.

In order to obtain this certification, the building project obtains points by meeting **prerequisites and achieving credits** that identify in detail the type of characteristic to be fulfilled. It goes through a verification and review process by GBCI and is awarded points that correspond to a LEED certification level, such as:



During the design of the building, special attention was paid to the sustainability of the cladding, aiming for the best performance in both construction and use. "Standard" materials were replaced by sustainable materials, and attention was paid to the heating and cooling performance of the cladding.

Several options were considered during the energy design process, such as:

HVAC system

During the energy planning stage, the Organisation focused particularly on thermal inertia and natural ventilation, with the aim of saving Heating, Ventilation & Air Conditioning (HVAC) energy consumption. The modular air-conditioning system (VRF) is characterised by a heat pump with direct expansion of the refrigerant gas of which temperature control systems will ensure climate control for each room. The air conditioning is centralised for the entire office and can only be switched on when the windows are closed, thus reducing consumption considerably.

The use of such a system also favours the cooling of the data centre, which is responsible for about 30% of the total demand. The cooling system guarantees the proper functioning of the data centre, ensuring a high level of security. VRF technology was chosen in particular for its flexibility, modularity and compatibility with energy generation. These characteristics made it possible to obtain the best possible performance based on the variability of occupancy and use of the building.

Lighting levels

Layouts were modified to maximise the use of daylight so that all occupied spaces received enough natural light; daylight and occupancy sensors were added to reduce the need for artificial light, and glazed walls were installed to give natural light to the interior work spaces as well. This had a positive impact on the wattage density for the space, which is thus lower than the average density that the same office space would need. Subsequently, an average wattage density of up to 0.606 W/ft² was established by the design team compared to the ASHRAE baseline of 1.02 W/ft².

RES production

The energy efficiency project was integrated with the production of renewable energy sources (RES) to achieve the best sustainability and energy performance of the building.

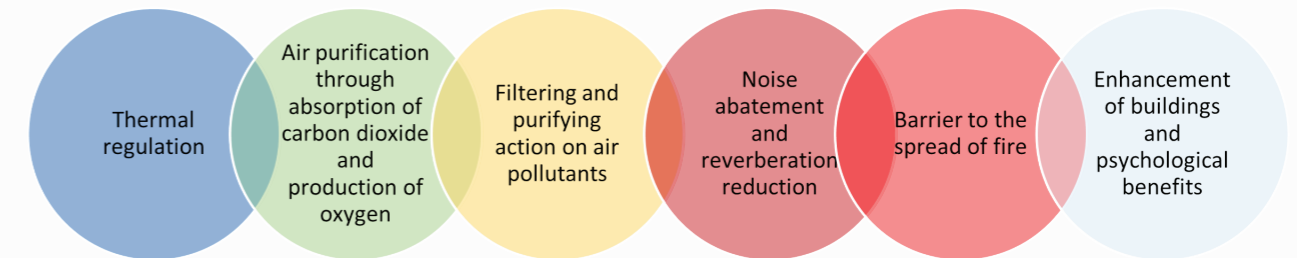
Site characteristics, such as latitude, availability of solar energy, the shape of the building and its relative compactness, provided a great opportunity to maximise self-generation of energy and achieve the expected result in terms of overall energy efficiency and sustainability. The current photovoltaic system is about 112 KW (30 KW on the roof and 82 KW on the canopies) and about 150 MWh/year.

The design of the energy efficiency of the envelope was fundamental when it came to reducing non-renewable energy consumption and maximising the building's energy self-sufficiency during both winter and summer, when thermal loads are critical and most solar energy is available. Site conditions, combined with an ICT platform capable of maximising instantaneous self-consumption, were also very important in finding the best HVAC solution, making it possible to produce 80% of the building's total energy demand from photovoltaics.

Vertical garden

Of equal importance was the design and realisation of the Vertical Garden positioned on the side walls of the headquarters: it consists of 300 trees whose irrigation is provided by an electronic water station operated by the Scarabelli Company, while well water is used for the water, treated at the source by the filtering station. The "vertical gardens" and their plant system that is implemented on the walls have proven able to create a real insulating buffer, providing considerable and diverse benefits.

In summary, facades clad with vertical gardens offer:



During the summer period, they reduce cooling energy by up to 15%, while in colder periods savings of up to 10% can be achieved due to the chimney effect between the wall and the installed vegetation.

CONSUMPTION

The Group's car fleet is gradually being standardised by replacing, in line with the requirements of national and international guidelines, existing vehicles with new bi-fuel (petrol - LPG), hybrid, electric cars or cars with less polluting diesel engines. In fact, at its Headquarters in Viale della Liberazione in Naples, the company Group s.r.l. has made available to all employees the use of an electric Fiat 500 that can be easily recharged thanks to the 2 charging stations on the premises. The goal for 2023 is to implement the installation of charging stations at all Group sites, starting with those where there is a photovoltaic system.

Below is a summary of the consumption of diesel in litres and electricity in Kwh for the financial year 2022⁹:

COMPANY CAR CONSUMPTION	UM	2022
Total consumption	Litres	117.596

Below are the consumption figures expressed in Kwh and GJ of purchased electricity¹⁰ :

ENERGY CONSUMPTION	UM	2022	2021
Total energy consumption	Kwh	5.286.206	5.001.935

ENERGY CONSUMPTION	UM	2022	2021
Total energy consumption	GJ	19.030	18.006

The parent company's goal is to close 2023-24 with a 5% reduction in utility expenditure, with several onerous investments. In previous years, sites with photovoltaic production plants implemented electricity consumption monitoring systems based on readings of supply data, with the aim of monitoring trends and defining the database for benchmarking from which best application practices could then be extrapolated and possibly generalised. On the strength of this monitoring activity, in 2022 we identified several activities for 2023, when several construction sites will be started; the most representative ones are as follows:

- Tender for a new photovoltaic system of approximately 540 kWp on the Grezzago (MI) site, at the GR Shed and installation of 2 electric charging stations;
- Tender for a new 860 kWp photovoltaic system at the Grezzago (MI) site, Shed G1 and installation of 2 electric charging stations
- Awarding of a contract for the revamping of a 327 kWp photovoltaic plant in Via Tripoli in Rome and installation of 2 electric charging stations;
- Restyling of the building in Via Stanislao Cannizzaro RM: Tender for a new photovoltaic generation system of approx. 100 kWp and installation of 2 electric charging stations;

⁹ Only consumption figures for 2022 are shown because the Company only equipped itself with a fuel card management system in the last year, so it was not possible to report a precise figure for the other two years. Specifically, the scope of the data reported refers to the following companies: Dinastar S.r.l.; Euromed s.r.l.; Farmacie Petrone S.r.l.; Fin Posillipo S.p.A.; Petrone Group S.r.l.; Programmi Sanitari Integrati S.r.l.; STM Pharma Pro S.r.l.; Pharmaidea S.r.l..

¹⁰ The reporting scope refers to the scope of this document with the exclusion of the following companies: Euromed S.r.l.; Farmacie Petrone S.r.l.; Programmi Sanitari Integrati S.r.l.; Centro Futura S.r.l. In addition, for almost all the Companies in the scope it is not possible to track consumption for 2020, so we have excluded this year from the reporting period for this KPI

- Renovation of the Euromed site in Naples: modernisation of the entire plant's engineering and electrical components, through a revamping that will lead to the introduction of LED lighting fixtures and a climate system with roof-top equipped with environmental temperature detection sensors and the installation of 2 electric charging stations.

The above initiatives will potentially save more than 1.5 GWh per year.

In order to reduce the use of **plastic**, the Group distributed a branded water bottle to all employees at Headquarters, expecting a reduction in the use of half-litre bottles of almost **3,000 fewer bottles each year**. In order to encourage the use of water bottles, filter dispensers of the Company H2O were installed on each floor of the Headquarters; in addition, all plastic cups in the vending machines were replaced with paper ones.

EMISSIONS

Petrone Group constantly and continuously pursues the process of reducing its environmental impact also through the use of low-impact cars. In fact, at its Headquarters in Viale della Liberazione in Naples, the company Petrone Group s.r.l. has made available to all employees the use of an easily rechargeable Electric 500, thanks to the 2 charging stations on the premises. The goal for 2023 is to implement the installation of electricity columns at all Group sites, clearly starting with those where there is a photovoltaic system

The emissions of the car fleet are shown below (Scope 1 emissions)¹¹:

COMPANY CAR EMISSIONS	UM	2022
Emissions from fuel consumption	TCO2	365

For emissions related to electricity consumption, a distinction is made between "Location based" and "Market based" (Scope 2 emissions)¹²:

EMISSIONS LOCATION BASED	UM	2022	2021
Total	TCO2	1.371	1.247

¹¹ The calculation methodology for Scope 1 refers to the conversion from litres of fuel to TCO2 through EPA conversion factors.

¹² The calculation methodology for Scope 2 refers to the following items: for the calculation of Scope 2 (Location based) the conversion factors used refer to DEFRA (guidelines for GHG conversion factors) and Enerdata emission factors. While the Scope 2 (Market based) figure refers to DEFRA and European residual mix conversion factors.

EMISSIONS MARKET BASED	UM	2022	2021
Total	TCO2	2.412	2.244

The company aims to build a photovoltaic system on the warehouses and explores the possibility of quantifying the number of recycled packaging materials with the possibility of setting a numerical target. In this regard, as shown in the table below, the Company avoided 219 TCO2 emissions in 2022 through renewable energy production¹³.

RENEWABLE ENERGY	2022	2021	2020
Avoided emissions	219	76,65	81,69

WASTE MANAGEMENT

The Group minimises the impact of waste disposal through prudent management and by favouring recovery, in order to make the best use of waste by transforming it into a resource.

Separate waste collection is carried out at all Group sites, in accordance with the following EWC codes



¹³ The calculation methodology for avoided emissions is based on the Scope 1 methodology. As far as the scope of reporting is concerned, the data refer only to: Farma Carmine Petrone S.r.l.; Fin Posillipo S.p.A; STM Pharma Pro S.r.l..

For disposal, the Group relies on the disposal operator *Replei*. In addition, in compliance with (It.) **Legislative Decree no. 152/2006** (the primary objective of this legislative decree is the promotion of the quality of human life, to be achieved by safeguarding and improving the conditions of the environment and the prudent and rational use of natural resources), by 2024 the Group aims to equip itself with an IT platform for the control and accounting of waste collection and disposal operations.

INCREASING THE EFFICIENCY OF PROCESSES AND DIGITALISATION

In order to reduce the use of paper, one of the main raw materials used, the partnership with the company AP s.r.l. allows the use of special Sharp energy-saving printers, connected in a network, which monitor consumption for individual departments (consumption report). Such monitoring makes it possible to identify unnecessary paper waste and also enables the dematerialisation of services to a considerable extent. The purchase of the “Easy Pro” property management system will make it possible to file all documentation from paper to digital, so that documents can be viewed easily and instantly, and files can be archived directly in digital format, avoiding huge paper wastage.

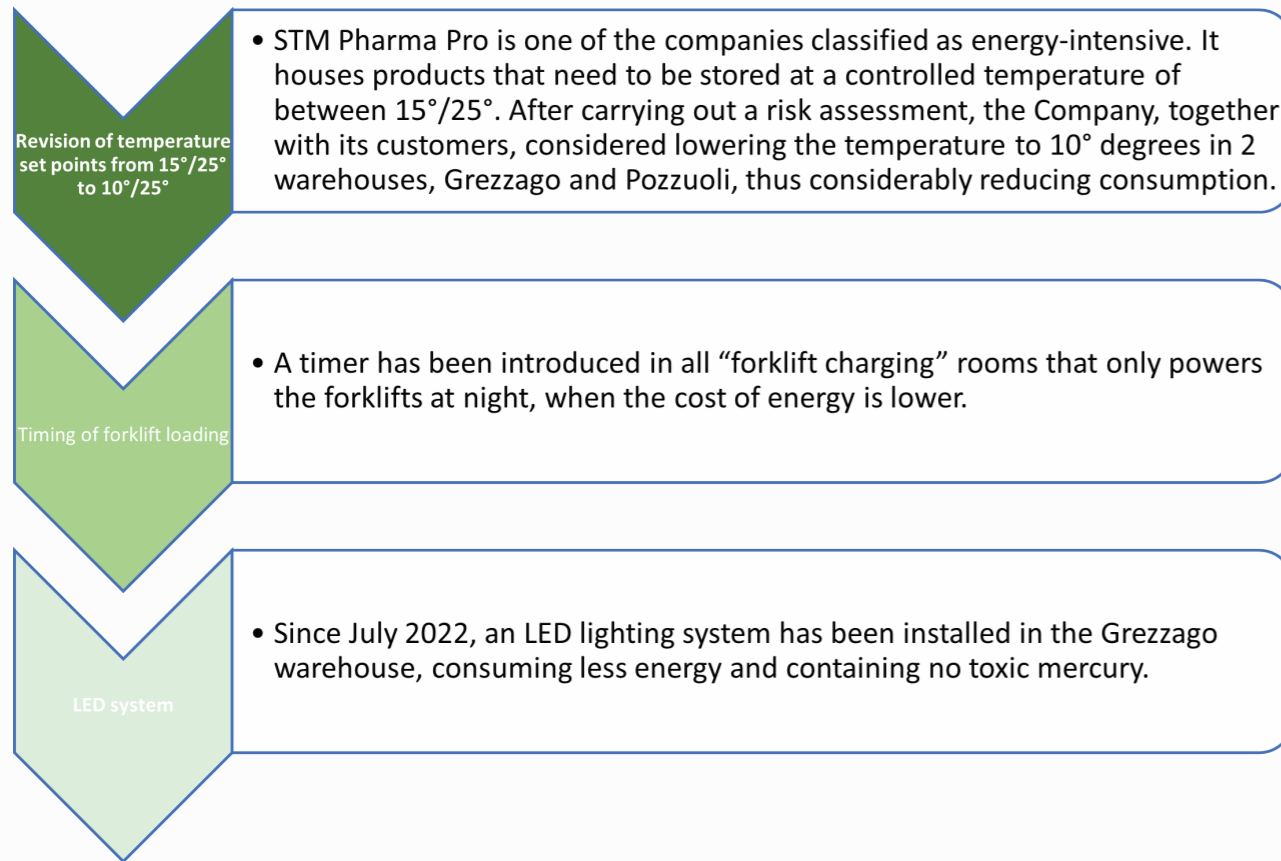
Please note that future goals include the desire to use recycled paper in the offices and in all Group companies

STM PHARMA PRO: PACKAGING AND CIRCULARITY

STM Pharma Pro, a Group Company, deals with third-party logistics and specialises in the storage and distribution of products of our “customer” companies.

Being aware of the serious environmental impact that the immoderate use of packaging could cause, the company is implementing a business model, based on the cardinal concepts of the circular economy, promoting and using packaging derived mainly from recycled paper; this testifies to the management’s continuous focus on the direct and indirect impacts of the company’s activities, as well as the quality of the products offered to customers.

An important action promoted by STM Pharma Pro is the reuse of paper received from customers, used to prepare shipments to “end customers”. By doing so, the company not only reduces the environmental impact but also lowers the cost of packaging material.



Furthermore, in the past year the company selected a new supplier for the purchase of filler material used to limit the movement of products within packages, which is made up of 50% paper, bucking the trend from the previous year when the material was made up exclusively of plastic.

Due to the large production of packaging due to the nature of the business, an ad hoc policy had to be adopted to minimise its environmental impacts: STM Pharma Pro takes drug and/or product waste to destruction with the disposal destination of **recovery**, using the code “R13”.

Petrone Group for the community

Constant dialogue with the local community is the key to always being aligned with the needs and requirements of the various stakeholders involved with the Group's business in order to provide a service that is always efficient and in line with their expectations

FIN POSILLIPO FOR THE COMMUNITY

The company takes an active, supportive and collaborative role vis-à-vis the local area, undertaking activities involving local community engagement, impact assessments and development programmes, in particular with regard to the employability of the people involved. Fin Posillipo is particularly attentive to the welfare of the local community in which it operates, operating with principles of ethics and morality in respect of both human rights and environmental protection. Below are the two partnerships to promote and develop the employability of young resources:

Ipe Business School, for over 20 years a leader in the field of training, has established a lasting partnership with Fin Posillipo in order to train new resources and attract new talent.



DIGITA Academy offers training with tailor-made projects to improve people's skills.



Partnerships enable students from Campania to come together in a context where they can learn new training skills in order to find employment, in the best case scenario, in their home region, limiting where possible the "brain drain" phenomenon.

The company also pays close attention to "neighbourhood" issues, thus fostering integration with the surrounding area.

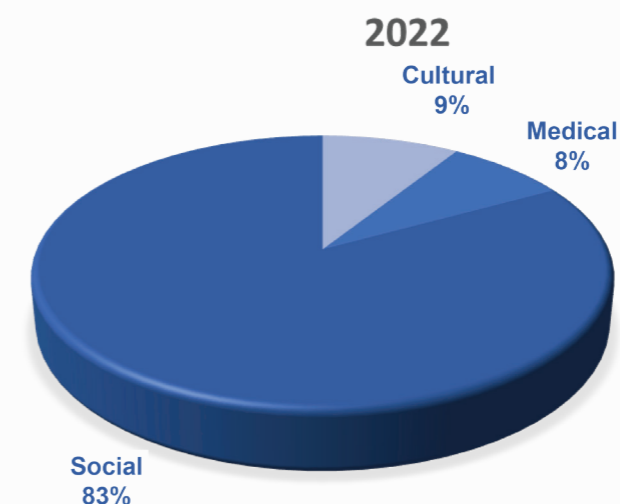
Please note that, with regard to the focus on community's environmental response, in 2022 Fin Posillipo supported the **Newcleo** Company, launched in September 2021, an innovator in the field of nuclear energy that works to generate safe, clean and sustainable energy by combining existing affordable technologies at competitive costs. Fin Posillipo believes strongly in the project, investing around 42 million euros

DONATIONS

These are donations made spontaneously in favour of voluntary associations, non-profit organisations, educational and university institutes, non-profit associations, research organisations and other entities active in the social sphere.

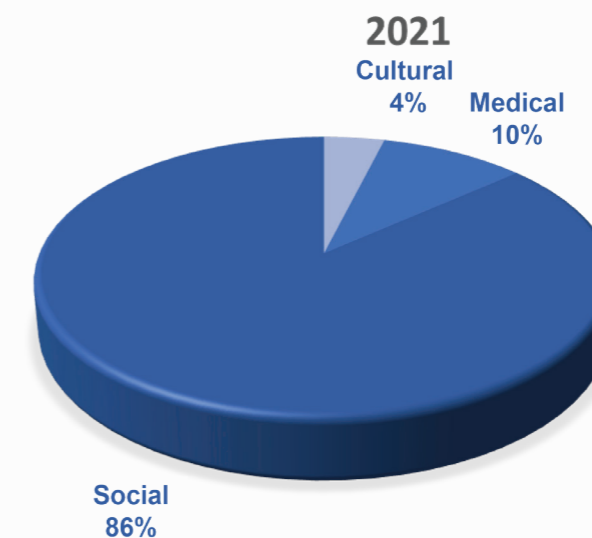
Over the past two years, the Group has maintained an active and constant support in the local area by contributing through non-profit organisations of various natures, including medical, social and cultural.

In 2022, the economic contribution amounted to EUR 94,039. Below is the summary graph:

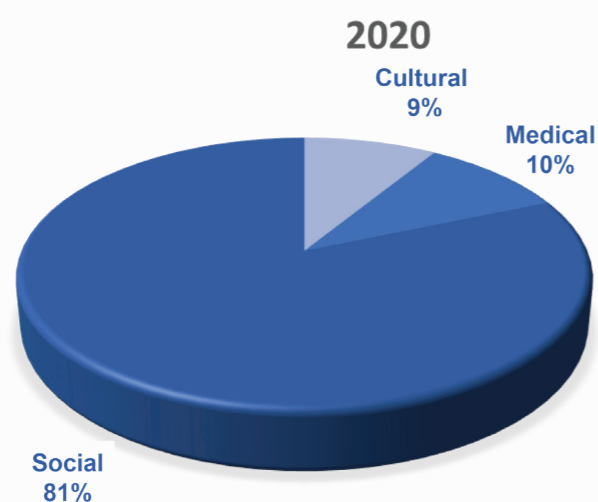


The graph above shows the Group's strong inclination towards disbursements to associations and non-profit organisations with social objectives, especially those aimed at the area where the organisation operates: "White Milk Foundation", "Pianoterra" and "CAVE CANEM".

In 2021, however, the economic contribution amounted to EUR 78,505. Below is the summary graph:



As in 2022, in 2021 the Group made donations mainly to organisations with a social purpose (86%), in particular: "Pianoterra", "Rione Sanità" and "Konou". This trend is also reflected in the 2020 financial year, summarised below:



The balance of the categories remains largely unchanged in 2020 as well, with total contributions amounting to EUR 57,603.

CAVE CANEM FOUNDATION ONLUS [NON-PROFIT ASSOCIATION]

One of the most significant donations is the one made to the non-profit organisation CAVE CANEM; the latter works to give concrete form to socially innovative and welfare-supporting practices that aim to remove barriers to participation through more inclusive tools that see public and private actors cooperating in favour of people and animals.

CAVE CANEM is a non-profit organisation that aims to change the fate of dogs and cats in distress and to promote an evolution in the human/animal relationship, thanks to co-planning models, training opportunities, socially innovative practices. The Foundation is active throughout Europe with objectives of great social impact, pursued through concrete and measurable results, financing and implementing co-planning models, training opportunities, awareness and information campaigns to change the fate and protect the rights of animals in distress, fighting against violence and abandonment. The Foundation's mission has been given the value of social inclusion: it involves men and women who put their energy and commitment into helping dogs and cats without families, benefitting in terms of human growth and professional training.

Fin Posillipo actively participates in CAVE CANEM's mission; in particular, in the 2022 financial year, the disbursement amounted to EUR 10,000 to pay the fees of the field team coordinator and the dog trainers and educators, both senior and junior, who have taken care of numerous behavioural recovery and socialisation courses for dogs that have been abandoned, mistreated or are victims of criminal circuits, forced to live in kennels, waiting to be taken in by a family that loves and respects them.



GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	REFERENCE CHAPTER DIRECT ANSWER	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
General Disclosure					
GRI 2: General information 2021	2-1 Organisational Details	Company Profile - Profile	The grey cell indicates that no grounds for omission are allowed for disclosure.		
	2-2 Entities included in the organisation's sustainability reporting	Methodological Note			
	2-3 Reporting period, frequency and contact point	Methodological Note			
	2-4 Restatements of information	Methodological Note			
	2-5 External assurance	This document is not audited as it is drawn up on a voluntary basis			
	2-6 Activities, value chain and other business relationships	Petrone Group: History and identity			
	2-7 Employees	Social Responsibility: Fin Posillipo and the people - Our people			
	2-8 Workers who are not employees	There are no workers who are not employees			
	2-9 Governance structure and composition	Corporate governance: the ethical conduct of business			
	2-10 Nomination and selection of the highest governance body	Corporate governance: the ethical conduct of business			
	2-11 Chair of the highest governance body	Corporate governance: the ethical conduct of business			

GRI 2: General information 2021	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate governance: the ethical conduct of business	The grey cell indicates that no grounds for omission are allowed for disclosure.
	2-13 Delegation of responsibility for managing impacts	There is no figure who manages impacts; the Company uses	
	2-14 Role of the highest governance body in sustainability reporting	The Board of Directors approves the Sustainability Report	
	2-15 Conflicts of interest	Corporate governance: the ethical conduct of business	
	2-16 Communication of critical concerns	Corporate governance: the ethical conduct of business	
	2-17 Collective knowledge of the highest governance body	Corporate governance: the ethical conduct of business	
	2-18 Evaluation of the performance of the highest governance body	Corporate governance: the ethical conduct of business	
	2-19 Remuneration policies	Petrone Group: History and identity - Mission and values	
	2-20 Procedure to determine remuneration	Petrone Group: History and identity - Mission and values	
	2-21 Rapporto di retribuzione totale annuale	Il Gruppo Petrone: Storia ed identità-Mission e valori	
	2-22 Statement on sustainable development strategy	Letter to the Stakeholders	
	2-23 Policy commitments	Corporate governance: the ethical conduct of business	
2-24 Embedding policy commitments	Corporate governance: the ethical conduct of business		

GRI 2: General information 2021	2-25 Processes to remediate negative impacts	Corporate governance: the ethical conduct of business	The grey cell indicates that no grounds for omission are allowed for disclosure.
	2-26 Mechanisms for seeking advice and raising concerns	Corporate governance: the ethical conduct of business	
	2-27 Compliance with laws and regulations	Corporate governance: the ethical conduct of business	
	2-28 Membership associations	Corporate governance: the ethical conduct of business	
	2-29 Approach to stakeholder engagement	Methodological note - Stakeholder engagement	
	2-30 Collective bargaining agreements	100%	
Material topics			
GRI 3: Material Topics 2021	3-1 Process of determining material topics	Materiality analysis	The grey cell indicates that no grounds for omission are allowed for disclosure.
	3-2 List of material topics	Materiality analysis	
Economic performance and growth strategies			
GRI 3: Material topics 2021	3-3 Management of material topics	Corporate governance: the ethical conduct of business	
GRI 201: Economic performance 2016	201-1 1 Direct economic value generated and distributed	Petrone Group: History and identity - Economic sustainability	
Fairness transparency and the fight against corruption			
GRI 3: Material topics 2021	3-3 Management of material topics	Governance aziendale: la conduzione etica del business	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Not present in the reporting period	
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	Not present in the reporting period	
Governance responsabile e compliance			
GRI 3: Material topics 2021	3-3 Management of material topics	Corporate governance: the ethical conduct of business - Corporate ethics and responsible governance	
GRI 307: Environmental compliance 2016	307-1 Non-compliance with laws and regulations on the environment	Not present in the reporting period	

Integrity and business ethics					
GRI 3: Material topics 2021	3-3 Management of material topics	Corporate governance: the ethical conduct of business - Corporate ethics and responsible governance			
GRI 206: Anti-competitive behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Not present in the reporting period			
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	Not present in the reporting period			
Innovation and digitisation					
GRI 3: Material topics 2021	3-3 Management of material topics	Corporate governance: the ethical conduct of business - Sustainability and digitisation			
Responsible supply chain management					
GRI 3: Material topics 2021	3-3 Management of material topics	Corporate governance: the ethical conduct of business - Responsible supply chain management			
GRI 204: Procurement practices 2016	204-1 Proportion of spending on suppliers	Corporate governance: the ethical conduct of business - Responsible supply chain management			
Prevention of pollution, efficient use of resources and climate change mitigation					
GRI 3: Material topics 2021	3-3 Management of material topics	Environmental responsibility: responsible use of resources and respect for the environment - Fin Posillipo for the environment			
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Environmental responsibility: responsible use of resources and respect for the environment - Fin Posillipo for the environment	Scope and reporting period	See footnote p. 62	

Packaging and circularity					
GRI 3: Material topics 2021	3-3 Management of material topics	Environmental responsibility: responsible use of resources and respect for the environment - STM Pharma Pro: Packaging and circularity			
GRI 306: Waste 2020	3-3 Management of material topics	Environmental responsibility: responsible use of resources and respect for the environment - STM Pharma Pro: Packaging and circularity			
	306-1 Waste generation and significant waste-related impacts	Environmental responsibility: responsible use of resources and respect for the environment - STM Pharma Pro: Packaging and circularity			
	306-2 Management of significant waste-related impacts	Environmental responsibility: responsible use of resources and respect for the environment - STM Pharma Pro: Packaging and circularity			
Management of emissions					
GRI 3: Material topics 2021	3-3 Management of material topics	Environmental responsibility: responsible use of resources and respect for the environment - Emissions			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environmental Responsibility: responsible use of resources and respect for the environment - Emissions.	Scope and reporting period	See footnote p.63	
	305-2 Energy indirect (Scope 2) GHG emissions	Environmental Responsibility: responsible use of resources and respect for the environment - Emissions.	Scope and reporting period	See footnote p. 64	
Management of occupational health and safety					
GRI 3: Material topics 2021	3-3 Management of material topics	Social Responsibility: Fin Posillipo and people - Occupational health and safety			
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system				
	403-2 Hazard identification, risk assessment, and incident investigation				
	403-3 Occupational health services				
	403-4 Worker participation, consultation, and communication on occupational health and safety				
	403-5 Worker training on occupational health and safety				

GRI 403: Occupational health and safety 2018	403-6 Promotion of worker health	Social Responsibility: Fin Posillipo and people - Occupational health and safety	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		
	403-8 Workers covered by an occupational health and safety management system		
	403-9 Work-related injuries		
Caring for the community and the local area			
GRI 3: Material topics 2021	3-3 Management of material topics	Environmental responsibility: responsible use of resources and respect for the environment - Fin Posillipo for the community	
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Environmental responsibility: responsible use of resources and respect for the environment - Fin Posillipo for the community	
Safeguarding human rights			
GRI 3: Material topics 2021	3-3 Management of material topics	Social Responsibility: Fin Posillipo and people - Respect for human rights	
GRI 412: Assessment of respect for human rights 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	Not present in the reporting period	
	412-2 Employee training on human rights policies or procedures	Not present in the reporting period	
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	All agreements include a human rights clause. In particular, the company undertakes to follow the model 231, to respect the code of ethics and human rights.	
Service quality and focus on the customer			
GRI 3: Material topics 2021	3-3 Management of material topics	Social Responsibility: Fin Posillipo and people - Customers and service quality	
Consumer rights and interests, protection of privacy			
GRI 3: Material topics 2021	3-3 Management of material topics	Corporate governance: the ethical conduct of business	

GRI 418: Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Not present in the reporting period			
Development of skills					
GRI 3: Material topics 2021	3-3 Management of material topics	Social Responsibility: Fin Posillipo and people - Skill development and training			
GRI 404: Training and education 2016	404-1 Hours of training per year per employee	Social Responsibility: Fin Posillipo and people - Skill development and training	Scope	See footnote p. 40	
	404-2 Programs for upgrading employee skills and transition assistance programs	Social Responsibility: Fin Posillipo and people - Skill development and training			
	404-3 Percentage of employees receiving regular performance and career development reviews	Social Responsibility: Fin Posillipo and people - Skill development and training	Scope	See footnote p. 42	
	412-2 Employee training on human rights policies or procedures	Not present in the reporting period			





FIN POSILLIPO S.P.A.

Sustainability Report
as at 31st December 2022