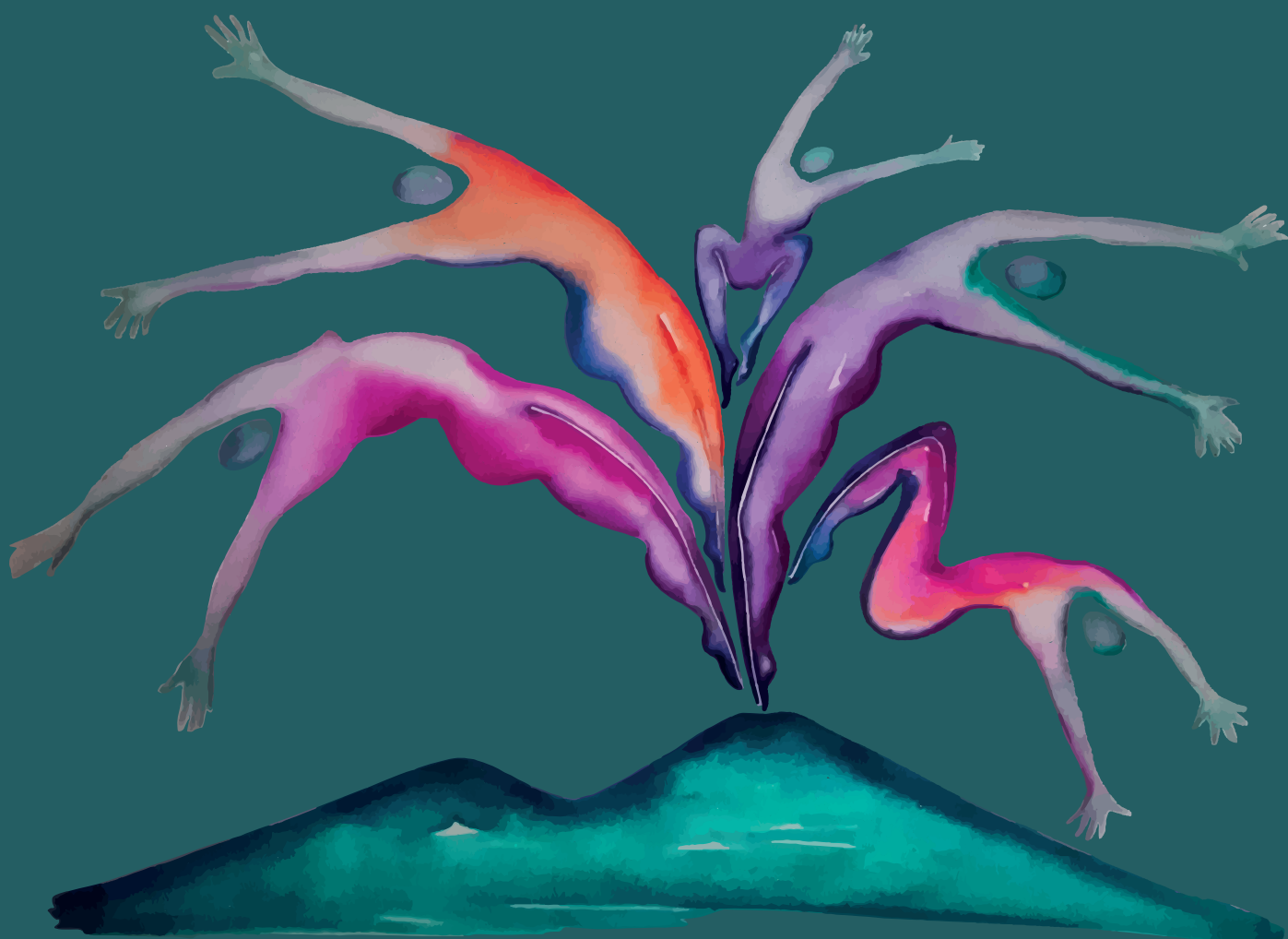


SUSTAINABILITY REPORT

at 31 December 2023



CONTENTS



LETTER TO THE STAKEHOLDERS	4		
HIGHLIGHTS 2023	6		
METHODOLOGICAL NOTE	8		
THE GROUP AT A GLANCE	9		
TRENDS AND VISION TO 2030	10		
1 MATERIALITY ANALYSIS	12		
ANALYSIS OF IMPACTS	16		
RECONCILIATION TABLE	20		
2 PETRONE GROUP: HISTORY AND IDENTITY	22		
OUR STORY	24		
MISSION AND VALUES	26		
ESG TARGETS	28		
MANAGEMENT SYSTEMS	29		
ECONOMIC PERFORMANCE	30		
3 CORPORATE GOVERNANCE: THE ETHICAL CONDUCT OF BUSINESS	32		
BUSINESS ETHICS AND RESPONSIBLE GOVERNANCE	34		
ETHICAL GOVERNANCE WORLDWIDE	36		
THE CORPORATE STRUCTURE OF PETRONE GROUP	38		
SUSTAINABILITY AND DIGITALISATION	39		
NEW MANAGEMENT PRACTICES AND DEPARTMENTS	41		
PRIVACY MANAGEMENT	42		
RESPONSIBLE SUPPLY CHAIN MANAGEMENT	43		
4 SOCIAL RESPONSIBILITY	46		
WORKPLACE SUSTAINABILITY SURVEY	49		
SKILL DEVELOPMENT AND TRAINING	49		
TRAINING	51		
OUR EMPLOYEES	53		
RECRUITMENTS AND TERMINATIONS	59		
OCCUPATIONAL HEALTH AND SAFETY	60		
CUSTOMERS AND SERVICE QUALITY	62		
RESPECT FOR HUMAN RIGHTS	63		
SOCIAL RESPONSIBILITY WORLDWIDE	65		
5 ENVIRONMENTAL RESPONSIBILITY	66		
PETRONE GROUP FOR THE ENVIRONMENT	68		
HEADQUARTERS	69		
ENERGY CONSUMPTION	72		
		EMISSIONS	74
		WASTE MANAGEMENT	75
		INCREASING THE EFFICIENCY OF PAPER PROCESSES AND DIGITALISATION OF SERVICES	76
		EUROMED PHARMA SERVICES: PACKAGING AND CIRCULARITY	76
		ENVIRONMENTAL RESPONSIBILITY WORLDWIDE	78
		6 PETRONE GROUP FOR THE COMMUNITY	80
		PETRONE GROUP FOR THE COMMUNITY	82
		CAVE CANEM NON-PROFIT FOUNDATION	86
		4C GENERATION	88
		GRI CONTENT INDEX	90



LETTER TO THE STAKEHOLDERS

Dear readers,

I am pleased to introduce the second Sustainability Report of Petrone Group, which was drawn up on a voluntary basis and covers the 2021–2023 three-year period. The aim of this document is to report in a timely, transparent and comprehensive manner our environmental, social and governance performance. Compared to the previous year, the scope of the current report extends to all the foreign commercial companies of the group, thus reporting on a total of twenty-two companies.

This document is published at a time when the international situation continues being rather challenging. 2023 saw a sharp increase in energy costs that significantly affected the business and the entire supply chain. Furthermore, there are still ongoing humanitarian emergencies and conflicts between countries, with all the economic, social and geopolitical consequences that this entails.

During this intense and complex year, we have supported business growth by strengthening our focus on internationalisation, with the acquisition of two new companies in France and England, as well as by continuing to invest in technological improvement and innovation, without neglecting environmental and social sustainability projects on a global scale. Indeed, we firmly believe that growth is only possible if our foundations are sound and concrete, and thanks to the shared responsibility of all the people who work for the company.

That is why we are particularly grateful to our people, who continue enabling us to tackle complex challenges in a changing environment, with the peace of mind given by the awareness of our shared business objectives and shared values.

The growth that the group is experiencing remains in line with our values and our identity, the beacon that guides us towards a responsible and sustainable future.

In 2018, the construction project of the new Headquarters was conceived precisely to highlight our values. Located in the heart of our city, it was designed to be functional and “sustainable”, as well as providing a beautiful environment for employees. The building incorporates rooms for employees to share ideas or focus in private, set in lush greenery and works of art. Thanks to this project, in early 2023 we obtained the LEED Silver certification, ranking among the best environmentally sustainable buildings and among the first in southern Italy.

For us, sustainability is a key lever to create value over time and make purposeful choices for the future. In this spirit, I am happy to announce that a Sustainability Committee was established at the beginning of 2024 to become a company increasingly capable of creating value for the environment, for society as a whole and for shareholders. The Sustainability Committee consists of people from different company departments, to ensure a comprehensive and integrated vision of all our activities. Its task is to coordinate and establish guidelines, policies and tangible projects aiming at improving the company’s good practices in matters of environmental and social sustainability and governance.

With a view to continuous improvement and looking ahead, our next steps will be to carry out integrated ESG actions in all business lines in terms of social, environmental and economic responsibility that our company has always been committed to. This strategy will help us actively pursue and reach the objectives that we have set for ourselves, also in compliance with the parameters required by the new CSRD Directive. Specifically, we will focus on calculating and monitoring emissions across the entire supply chain, jointly with a well-structured decarbonisation plan, as well as focusing on our people, in terms of developing skills and sharing values, while adhering consistently to the business principles of ethics and transparency.

I hope you will enjoy reading this report and learn about the passion and commitment that all of us are pouring into making our company increasingly ready to face the new challenges that lie ahead, to ensure a safer future for us and the next generations.

The CEO

HIGHLIGHTS 2023



772
TOTAL
WORKFORCE



0
DISCRIMINATION
CASES



**LEED SILVER
CERTIFICATION
OBTAINED
FOR OUR
HEADQUARTERS**



-3% GJ
compared to 2022
ENERGY CONSUMPTION

118.330 €
DONATIONS



1 Mln €
FINANCIAL
ASSISTANCE
RECEIVED FROM
THE PUBLIC
ADMINISTRATION



79,50 %
ITALIAN
SUPPLIERS



587 Mln€
ECONOMIC VALUE
GENERATED



-265T
OF CO₂
AVOIDED



METHODOLOGICAL NOTE

This is the Group's second Sustainability Report. The purpose of this document is to provide an overview of the Group's strategy, operating and governance model and the results achieved during the period from 1st January 2023 to 31st December 2023. The Report was drawn up by the Fin Posillipo S.p.A. Holding company and includes the consolidated data for the scope set out below, hereinafter referred to as "Petrone Group". The Report was approved by the Board of Directors of the Holding Company on 11/09/2024.

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 Petrone Group	FOREIGN COMPANIES Euromed Pharma APAC Euromed Pharma DACH GmbH Euromed Pharma France Euromed Pharma Ireland Euromed Pharma Spain Euromed Pharma US Pharmahouse Pharma Call Spain
PHARMA AND LOGISTICS Pharmaidea Euromed Pharma Services	
REHABILITATION CENTRES Dinastar Therapic Center Centro Manzoni Centro Futura Centro Flegreo Centro M. Riab. Pompei	COMMERCIAL COMPANIES Farmacie Petrone Farma Carmine Petrone Euromed Pharma Programmi Sanitari Integrati

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 quantitative information described in this document has undergone changes compared to the information previously reported, because the Group, in view of EU Directive 2022/2464 CSRD, has taken steps to streamline its internal monitoring and information traceability system. The general principles applied in the preparation of the sustainability disclosure are those established by the GRI Standards: materiality, 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 the information deemed significant to be indicated clearly and precisely. Their contribution was required 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 2023 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 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. has been active in the financial and commercial consultancy sector in the pharmaceutical and healthcare sector since 1989. It stands out as a leading consultancy firm that offers a wide range of highly qualified services, with a special focus on the healthcare sector. The Group started out as a Family Company, founded in the late 1960s, which has transformed itself over the course of fifty years into a global landmark in the marketing and distribution of medicinal products, health products, medical devices and cosmetic products. It consists of about thirty companies, controlled or participated by the holding company Fin Posillipo S.p.A. with headquarters in Naples and offices in three of the five continents.

TRENDS AND VISION TO 2030

The long-term outlook is a key element of business operations, as it contributes to streamlining processes, as well as the products and services provided. With that in mind, the Group has opted for taking steps towards sustainable development, with the aim of making a positive impact on three main areas of interest: Environment, Social and Governance.

The 2030 Agenda for Sustainable Development is an action plan ratified on 25 September 2015 by the United Nations General Assembly, involving the governments of the 193 member states. This programme hinges on 17 Sustainable Development Goals (SDGs), included in a broad plan that identifies 169 specific targets aimed at common action for achieving crucial objectives such as poverty reduction, food security and combating climate change.

	<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 63,682 training hours in 2023
	<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"> • Reduction in the paper used by offices, -235 kg printer paper in 2023 • Renewable energy source (RES) production
	<ul style="list-style-type: none"> • 40% more employees under the age of 30 than in the previous year • 39% of total new hires under the age of 30
	<ul style="list-style-type: none"> • Partnerships with IPE Business School and DIGITACADEMY involving local communities • Support to Cave Canem Foundation and 4C Generation project



- Adjustment of warehouse temperature set points from 15°/25° to 10°/25°
- Reduction of plastic usage by distributing a branded water bottle and cup to all HQ employees



- Provision of electric company car
- Reduction of emissions by using photovoltaic systems totalling -265 TCO2



- LEED Silver certification for the Bagnoli Headquarters



- Adoption of the Code of Ethics to ensure the fight against corruption and bribery
- Update of Model 231 and new risk assessment

CHAPTER 1 MATERIALITY ANALYSIS



MATERIALITY ANALYSIS

The arguments included in this Report have emerged through a long process of materiality analysis, carried out during the previous reporting period, following the principle of materiality in line with the directives that establish the essential requirements for the quality and exhaustiveness of the sustainability report (engagement of the parties concerned, completeness of information, sustainability context, balance, comparability, clarity, timeliness, reliability and precision), in accordance with the GRI standards.

There is not yet a standard and universally accepted method for defining the materiality process and the related stakeholder engagement process, as the law provides for a wide range of options, but there are some very good practices in this area. Therefore, the materiality analysis can be considered as a preliminary and crucial step for properly drawing up the sustainability report, since it is essential to immediately identify the material issues for the company, in accordance with a holistic approach to sustainability (from an economic, social and environmental point of view). 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, essentially 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, a panel of comparable companies in terms of business and size in the sector of marketing/distribution of pharmaceuticals, was identified, and their main ESG impacts, topics 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 benchmarking in relation to the Group's activities and strategic and operational vision. The activity led to the identification of 17 material topics in the environmental, social and governance areas, which are most recurrent in the panel of reference and annexes of sector studies.

2. STAKEHOLDER ENGAGEMENT

The second stage of the sustainability analysis process is stakeholder engagement, which is when the organisation engages the stakeholders 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 participatory materiality analysis of the ESG topics. The stakeholders identified can be divided into two categories:

- internal
- external

The methodology adopted for the internal perspective included the involvement of employees, managers and shareholders, while the external perspective considered suppliers, customers and trade associations.

The topics that emerged from the preliminary analysis were assessed by stakeholders 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

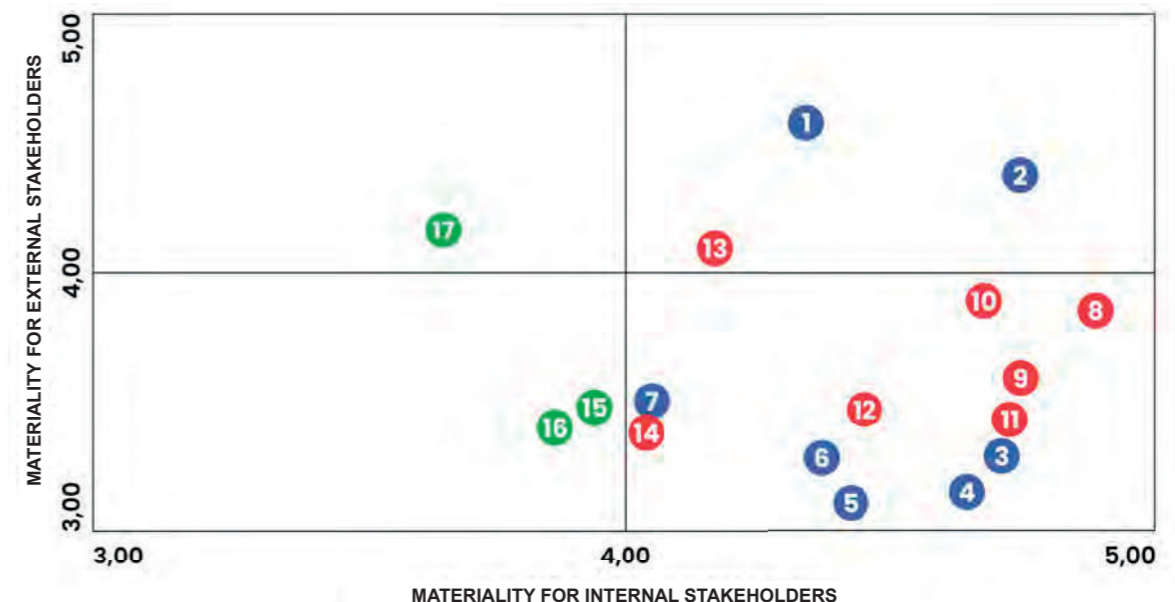
Once the results of the stakeholder engagement are obtained, the material topics are entered in the materiality matrix and in the table reconciling material topics and GRI indicators.

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 topics with respect to the priority level of materiality and impacts assessed by the Group with respect to stakeholders' assessments, interests and expectations (Likert scale 1-5).

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



GOVERNANCE

- 1 Fairness, transparency and fight against corruption
- 2 Safeguarding human rights
- 3 Integrity and business ethics
- 4 Responsible governance and compliance
- 5 Innovation and digitalisation
- 6 Economic performance and growth strategies
- 7 Responsible supply chain management

SOCIAL

- 8 Management of occupational health and safety
- 9 Employee empowerment and well-being
- 10 Personnel management, diversity and inclusion
- 11 Development of skills
- 13 Consumer rights and interests, protection of privacy
- 12 Service quality and focus on the customer
- 14 Caring for the community and the local area

ENVIRONMENTAL

- 15 Prevention of pollution, efficient use of resources and climate change mitigation
- 16 Management of emissions
- 17 Sustainable packaging and circularity

ANALYSIS OF IMPACTS

At this stage, the impacts identified on the basis of the material topics and their significance were assessed in the previous reporting period. Assessing the magnitude 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 MAGNITUDE 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 magnitude 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;
- **irremediability characteristics:** 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 relating the likelihood of the impact occurring with the average of the scores obtained for scale, scope, and irremediability. The magnitude of a negative impact is given by multiplying the likelihood by the average of the scores for scale, scope, and irremediability.

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

In order to manage and mitigate effectively the most important negative impacts identified, the Group has implemented the following actions:

• MANAGEMENT OF OCCUPATIONAL HEALTH AND SAFETY

The Group has been able to maintain the number of incidents that occurred during the three-year period stable through the careful risk assessment carried out by the Health&Safety Service (SPP).

• EMPLOYEE EMPOWERMENT AND WELL-BEING

In 2023 the Group recorded an increase in recruitment compared to the previous reporting period. The figures underline the consideration given to the attraction of new talents whose skills are aligned with the Group's objectives.

• PERSONNEL MANAGEMENT, DIVERSITY AND INCLUSION

Monitoring and reducing management costs, and improving the quality of the services offered have always been an integral part of the Group's business. In this connection, the process streamlining effort underlines how the Group Companies are well on track to reduce management costs.

ASSESSING THE MAGNITUDE OF POSITIVE IMPACTS

The magnitude of a positive impact depends on the scale, scope and likelihood of its occurrence. In the case of positive impacts:

- **scale:** how much benefit can the impact produce;
- **scope:** how widespread is the impact;
- **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 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 for scale, scope.

The magnitude of a positive impact is given by multiplying the likelihood by the average of the scores between scale and scope.


MATERIAL TOPIC AND RELATED NEGATIVE IMPACT	TYPE AND EFFECT	IMPACT SCOPE
Fairness, transparency and fight against corruption Increased employee awareness of the material topic resulting in reduced monetary costs unrelated to possible corruption incidents	real long-term	
Economic performance and growth strategies Increased profitability through a long-term vision, resulting in redistribution of profits to employees and local stakeholders	real long-term	
Responsible governance and compliance Countering the spread of illegal practices through internal checks and training activities	real long-term	
Integrity and business ethics Ensuring transparent communication of information on the operations of Petrone Group	real long-term	
Innovation and digitalisation Creation and development of long-term strategies to make business processes more competitive	real short-term	
Regulatory compliance Compliance with the legislator's requirements for transparent and ethical business management	real long-term	
Responsible supply chain management 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	real short-term	

Prevention of pollution, efficient use of resources and climate change mitigation

Reducing and monitoring emissions through green procurement and innovative infrastructure

potential short-term 


Packaging and circularity
in line with European standards

real short-term 

Management of emissions
Promotion of energy-efficient practices resulting in reduced costs and negative externalities to the environment and people

real short-term 

Management of occupational health and safety
Protecting workers through the development of a safety culture

potential short-term 

Caring for the community and the local area
Creating value for the communities and areas in which the Group operates

real long-term 


Employee empowerment and well-being
Creating a stimulating and rewarding working environment

real long-term 


Personnel management, diversity and inclusion
Benefits to people generated by the creation and dissemination of an inclusive culture

real long-term 

Safeguarding human rights
Respect for human rights at every level of the organisation in relation to its employees, associates, contractors and sub-contractors

real long-term 


Service quality and focus on the customer
Increased consumer satisfaction and brand reputation

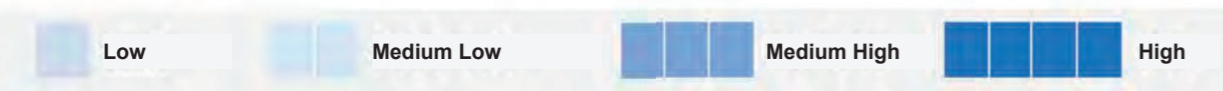
real short-term 

Consumer rights and interests, protection of privacy
Ensuring quality and efficacy for the end consumer, while respecting the protection of privacy

real long-term 

Development of skills
Enhancing employees' skills and improving their career opportunities

real short-term 



In order to manage effectively the negative impacts identified, the Group has implemented the following actions:

• RESPONSIBLE GOVERNANCE AND COMPLIANCE

In order to reduce the spread of unlawful practices the Group has increased the number of ad hoc training courses provided and has implemented its internal control system.

• INNOVATION AND DIGITALISATION


The Group has implemented and planned several projects in order to make corporate processes more competitive. The Group has focused on massive investments in terms of IT infrastructure, upgrading the existing hardware and software.













• MANAGEMENT OF OCCUPATIONAL HEALTH AND SAFETY

The Group cares about protecting workers and their safety. Specifically, in addition to the various specific training courses provided on the topic, adding the role of Health and Safety Officer (HSO) to the workforce has allowed the safety risks to be mitigated ensuring the protection of the individual persons.

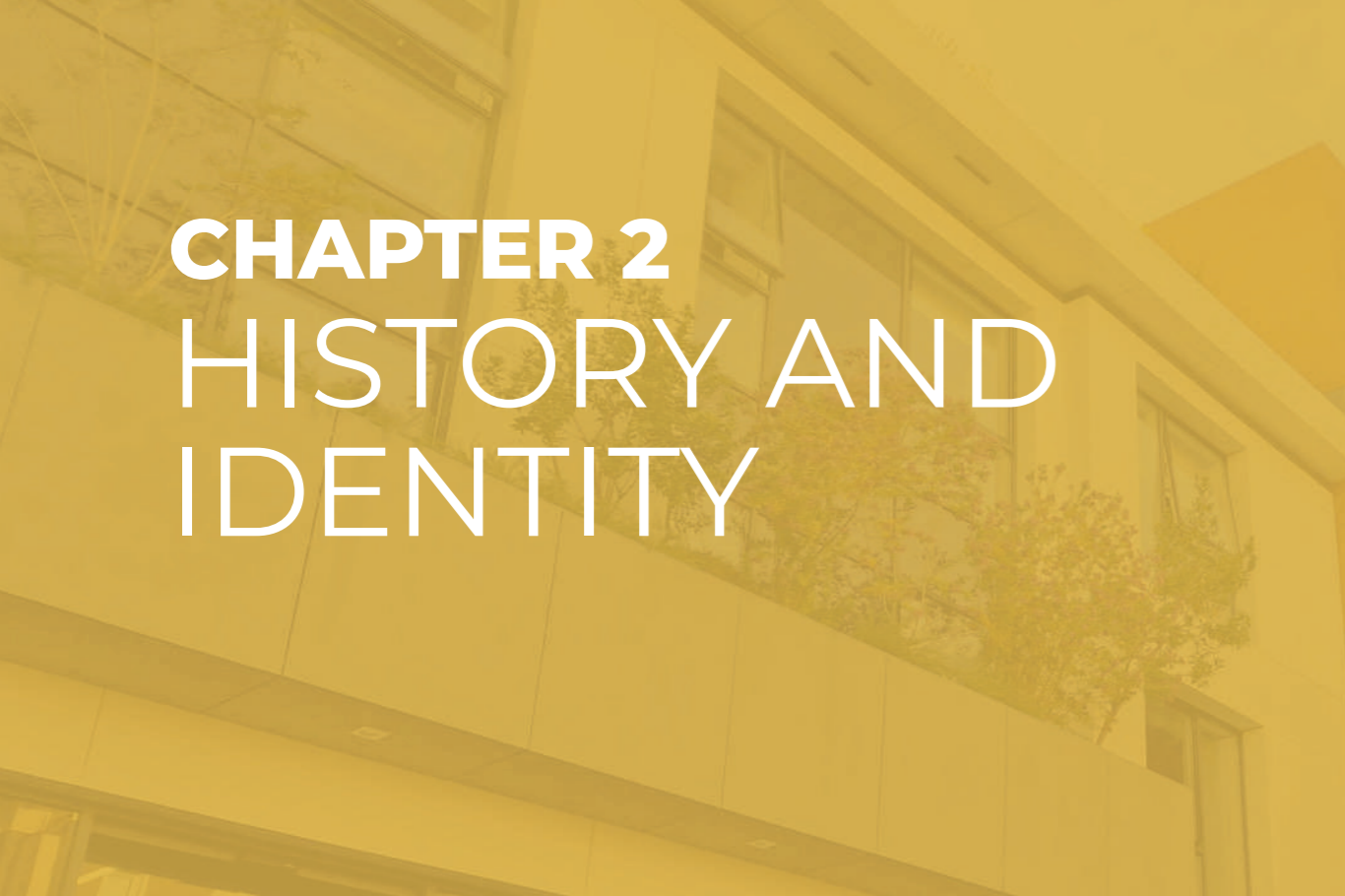
RECONCILIATION TABLE

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

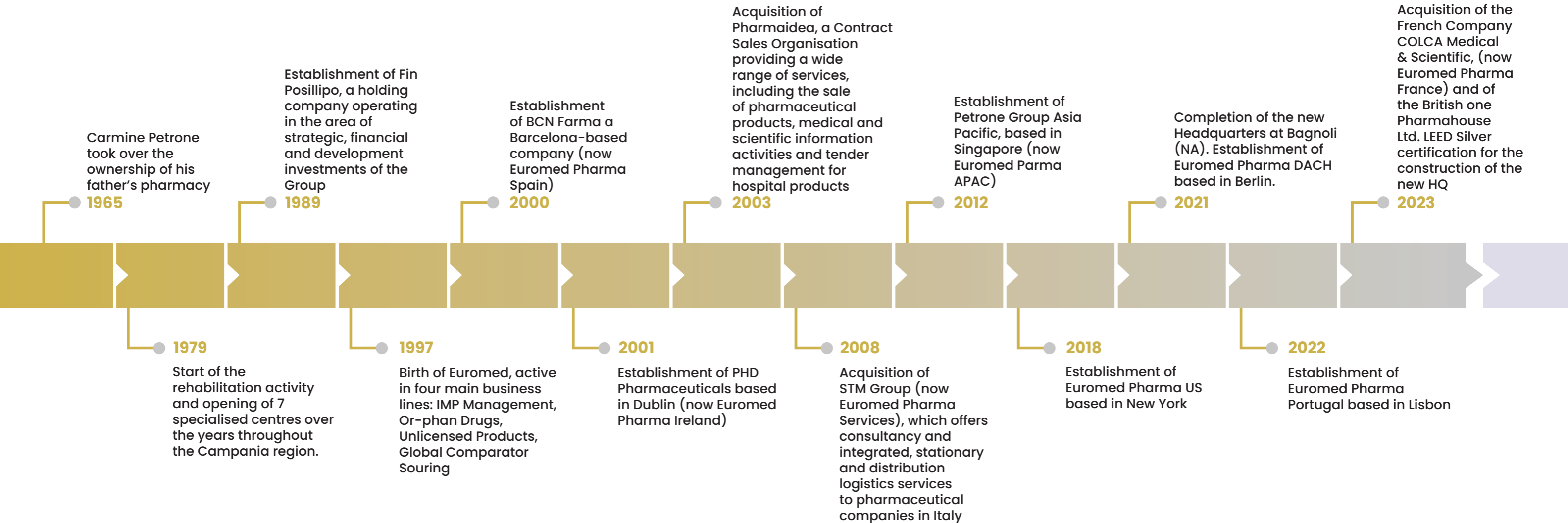
MATERIAL TOPIC	GRI ASPECT	GRI INDICATOR	SDG
Fairness, transparency and fight against corruption	Operations assessed for risks related to corruption. Non-compliance with laws and regulations in the social and economic area	205-1 419-1	 
Economic performance and growth strategies	Directly generated and distributed economic value	201-1	
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 digitalisation	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	Information on employees and other workers; New employee hires and employee turnover	2-7 401-1	  
Personnel management, diversity and inclusion	Diversity of governance bodies and employees	405-1	 
Service quality and focus on the customer	Management of material topics	3-3	 
Safeguarding human rights	Activities that have been subject to human rights audits or impact assessments; Training of employees 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	
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; Average hours of training per year per employee; 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	 

CHAPTER 2 HISTORY AND IDENTITY



PETRONE GROUP: HISTORY AND IDENTITY



OUR STORY

Founded in 1965 thanks to the entrepreneurial spirit of Carmine Petrone, who bought his father's pharmacy, the Group operates in many parts of the world, significantly contributing towards improving its patients' quality of life, through its professionalism and its products. Numerous entrepreneurial insights 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], which 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 throughout the region 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. Specifically, 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 special focus on internationalisation. To date, the holding company includes approximately thirty companies operating in the healthcare and pharmaceutical sectors, with offices also in Spain, Ireland, France, Germany, the United Kingdom, Portugal, the United States and 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 – most notably Pharmaidea in 2001 and Pierrel in 2008 – but also companies operating in the mobility and logistics 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 energy saving technologies. The renovations of the facilities in the Pozzuoli and Grezzago warehouses, as well as the new office in the United Kingdom, which was completed in June this year, are also part of the same vision.

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. The positive results of its operations are achieved thanks to the values that guide the Group's companies and which 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 their development 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.

TEAM DIVERSITY

Consisting of professionals specialised in different market lines and product categories, it 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 extensive 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:

COMPLIANCE WITH LAWS AND REGULATIONS

The Group is committed to operating in full compliance with all applicable laws and regulations, ensuring ethical and transparent conduct in every area of its activity.

RESPECT FOR SHAREHOLDERS

Through the creation of economic value and clear and transparent communication, the Group is committed to making business decisions that reflect its shareholders' interests.

TRANSPARENCY AND CORRECTNESS OF INFORMATION

The Group ensures full transparency of the information provided, making sure that all communications are accurate, timely and understandable for all stakeholders.

HONESTY

Every business decision is taken always adhering to the loyalty and integrity that the Group has always upheld.

FIGHT AGAINST CORRUPTION AND CONFLICTS OF INTEREST

The promotion of an ethical work environment is one of the objectives that the Group has set itself in order to reduce to the minimum incidents of corruption and conflicts of interest.

CONFIDENTIALITY OF INFORMATION

Information protection is achieved through the presence of ad hoc policies to ensure data protection and privacy, for customers as well as for all partners.

The ultimate objective is to provide services in the Pharma and Health market, always addressing stakeholders' demands, with an approach always focused on innovative technologies and synergistic partnerships, while maintaining the role of business catalyst in the market. Thanks also to a consolidated know-how, the Group's distinctive skill is to be able to identify and connect complementary companies in order to release new energies, fostering 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 pursue 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's 2030 Agenda.

ESG TARGETS

The Group has long undertaken a transition process of its business model from a sustainable perspective, aimed at creating what is referred to as shared value for the benefit of all stakeholders, both internal and external to the organisation.

Specifically, in order to limit negative externalities with respect to the ESG issues mentioned above (see paragraph "materiality analysis"), the Group has integrated into its production processes initiatives covering three main areas, summarised here and described in more detail in the following paragraphs:

GOVERNANCE

The ethical conduct of business is an integral part of the Group's distinctive features. The main purpose is to disseminate values and principles that promote transparency, inclusivity, equity and fairness, and that abide by the law and the needs of its employees. To support that, the Group has adopted a **Code of Ethics** and conduct that can be viewed by all stakeholders.

It should be underlined that, at the beginning of 2024, the Group set up the **Sustainability Committee** made up of people from different areas and departments, with the aim of promoting sustainable and responsible practices, ensuring a holistic and comprehensive perspective on all sustainability-related aspects. The task of the team is to coordinate and establish guidelines, policies and tangible projects aiming at improving the company's practices in matters of environmental and social sustainability and governance. The objective is to become an ever more sustainable company, capable of creating value not just for its shareholders, but also for the environment and for society as a whole. The team's main tasks include:

- **identify** opportunities for reducing the environmental impact of operations, by adopting more efficient and eco-sustainable practices;
- **develop** policies and procedure to promote diversity, inclusion, equality and People's growth within the company and in relations with customers, suppliers and partners;
- **monitor** and improve company governance practices, ensuring transparency, responsibility and conformity to the best practices in the industry.

The committee meets every two weeks and reports directly to the Business Council for the approval of projects and guidelines.

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 works, has integrated various initiatives to improve energy efficiency, monitor and reduce consumption through the management of resources and raw materials. Specifically, the Petrone Group headquarters has been awarded the **LEED SILVER** certification, ranking among the best environmentally sustainable offices internationally, and an electric Fiat 500 is available to everyone at its offices in Viale della Liberazione in Naples, easily rechargeable thanks to the two charging stations at the headquarters.

SOCIAL

The Group manages its workforce through the Human Resources Department and through the internal prevention and monitoring guidelines included in Model 231. A performance assessment system is in place and every employee is able to develop their professional skills thanks to the training courses that the Group provides every year.

Furthermore, the Group plays an active role in the region and in the local community through initiatives, donations and partnerships with a view to advancing people and communities for the common good. In the long term, the Group intends to continue broadening the number of actions and objectives linked to ESG issues. Specifically, the most significant objectives concern:

- defining and implementing a strategic sustainability Plan integrated within the strategic industrial Plan;
- establishing guidelines and action directives for the group jointly with the Sustainability Committee;
- investing on people, focusing ever more on customised and rewarding training;
- pursuing awareness raising initiatives on the topic of sustainability for all stakeholders;

- continue supporting regional associations engaged in the social sphere;
- broaden the number of strategic partnerships to increase its local presence;
- set up a measurement and monitoring system with a view to reducing emissions.

Together with further actions and investments currently being defined and planned, the above commitments signify a business that is increasingly attentive to Sustainability issues by assessing, and taking any protective measures, the positive and negative impacts generated by the business on some ESG topics, such as:

- improving energy efficiency;
- reducing the negative impacts on environment and resources;
- empowering the people within and outside the Group;
- creation of working conditions that are ethical and respectful of work-life balance;
- promotion of ethical and transparent management;
- business continuity and positive financial effects for all stakeholders.

To confirm all that, it should be pointed out that, at the time of drafting this report, in August 2024 the company Euromed Pharma obtained the EcoVadis Bronze Medal in recognition of the results obtained in sustainability.

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 Group¹ regarding Management Systems:



UNI EN ISO 9001:2015

The international standard ISO 9001:2015, issued by the International Organisation 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 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 Organisation for Standardisation (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 make positive contributions to the environmental pillar of sustainability by providing value to the environment, the organisation itself and the people concerned.



UNI EN ISO 13485:2021

ISO 13485:2021 is based on ISO 9001 and is a standard covering management systems 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.

¹ ISO 9001 :2015 certification is limited to: Euromed Pharma S.r.l.; Programmi Sanitari Integrati S.r.l.; Euromed Pharma Services S.r.l.; Pharmahouse Ltd; ISO 14001:2015 certification is limited to: Euromed Pharma S.r.l.; ISO 13485:2016 certification is limited to: Euromed Pharma Services S.r.l. and Programmi Sanitari Integrati S.r.l.

Please note that Euromed Pharma Services 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 medicinal products are rotated adequately;
- the right products reach the right recipients within a satisfactory time frame.

ECONOMIC PERFORMANCE

At the heart of the Group’s strategy is the ambition to contribute to building a more equitable and inclusive society. In this context, the aspects of the Group’s economic contribution can be identified by analysing the distribution of the economic value generated. The analysis makes it possible to obtain a quantitative assessment of the economic and social impact generated, 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	2023	2022	2021
Directly generated economic value	587,154,640	508,780,684	441,118,082
Revenue from sales and services	587,154,640	508,780,684	441,118,082
Economic value distributed	535,530,272	463,214,433	386,678,582
Operating costs for materials and services	526,673,715	457,748,813	396,539,463
Personnel expense	30,767,458	26,630,141	24,25,979
Payments to financial backers	21,910,901	-21,164,522	-34,116,861
Economic value retained	51,624,367	45,566,252	54,439,501
Depreciation, amortisation, provisions and impairment losses	4,652,742	8,491,850	2,998,982
Other costs	11,025,662	7,781,994	12,605,001
Profit for the year	35,945,962	29,292,408	38,835,518

The summary table², data in Euro, shows a positive trend for the directly generated economic value, which stands at 587 million EUR in 2023.

The **economic value distributed** amounts to approximately EUR 535 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 amounting to approximately EUR 36 million.

² The reporting scope refers to all the Companies described in the methodological note.

The Group 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	2023	2022	2021
Grants related to income	1,101,370	1,655,172	804,803
Covid-19 grants	-	-	23,909
From EU	-	94,650	93,110
From local public bodies (regions, municipalities, etc.)	127,916	36,681	-
Training 4.0	-	746,948	615,862
New skills fund	883,129	693,726	-
Other grants	6,215	-	-
Ecosisma Bonus	48,960	48,960	48,960
Investments for Technological Innovation (L160/2019)	3,473	3,473	2,025
Investments for Technological Innovation (L178/2020)	31,676	30,733	20,935

The contributions that weighed the most during the 2023 financial year are linked to the new skills fund, amounting to 883 thousand Euro.



CHAPTER 3 CORPORATE GOVERNANCE



CORPORATE GOVERNANCE: THE ETHICAL CONDUCT OF BUSINESS

BUSINESS ETHICS AND RESPONSIBLE GOVERNANCE

The management of corporate governance and the protection of business ethics involves the implementation, by the Group, of a number of tools to achieve its objectives.

Specifically, in order to ensure high ethical standards and compliance with the regulations in force, the **Code of Ethics** and Conduct outlines the shared principles and values, defines the ethical and conduct commitments and responsibilities of the holding company and its subsidiaries, and guides the conduct of anyone operating for or on behalf of the Group.

The Code of Ethics makes it possible to state and disseminate the values and rules of conduct that the Group has always upheld. Specifically, it delves into the duties of **loyalty, fairness, equality, diligence** to ensure all stakeholders acts with integrity and mutual respect. It also promotes values such as confidentiality, transparency, and professionalism, ensuring that company activities are conducted ethically and in compliance with the laws in force, and it establishes respect and protection of people and the environment as key principles of the Group's actions.

The Group has updated the **Organisation, Management and Control Model**, drawn up following an analysis, formalised in the Risk Assessment document, which lists the possible offence cases set out in (It.) Legislative Decree 231/01. Furthermore, the Model also provides principles, rules, operative procedures and control activities to ensure transparency and prevent the risk of occurrence of the aforementioned offences. The monitoring activity carried out by the Supervisory Body is defined by a detailed description of information flows and control activities. The Model also includes the definition of a set of sanctions based on the principles of gradualness and proportionality with regard to the severity of the infringements. Training on the Model is to be provided for managerial and non-managerial staff either involved or not in sensitive activities, and courses include an introduction to the legislation, discussion of the principles of the Code of Ethics and OMM 231, description of the role of the Supervisory Body and the sanctioning system. Attendance to the training programmes is mandatory and an appointed Manager is responsible for monitoring attendance, and informs the Supervisory Body on the outcome.

The management of reported infringements and the adoption of internal management systems are defined through compliance with and adoption of (It.) Legislative Decree 231/2001 and 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 any violations.

The Supervisory Body performs the duties envisaged by articles 6 and 7 of (It.) Legislative Decree 231/01 and specifically:

- vigilance and control activity;
- monitoring activity with regard to implementation of the Code of Ethics;
- activity for OMM 231 adaptation and update;
- reporting to the corporate bodies.

The management of reported infringements and the adoption of internal management systems are defined through compliance with and adoption of (It.) Legislative Decree 231/2001 and 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. That is why, 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 handling process is indeed arranged to ensure the confidentiality of the whistle-blower and the confidentiality of the information received, and to ensure that the validity of reports is verified.

For 2023, following the introduction of new types of predicate offences in the so-called 231 catalogue and an in-depth risk assessment activity carried out by the company, 11 of the activities set out in the Model have been assessed as potentially at risk.

TOTAL NUMBER AND PERCENTAGE OF OPERATIONS ASSESSED FOR RISKS LINKED TO CORRUPTION	2023	2022	2021
Total	11	5	5

Following the risk assessment process, the corruption risks connected to the most significant business activities were identified, including:

MANAGEMENT OF COLLECTIONS AND PAYMENTS

The non-transparent management of financial resources might pose risks in relation to crimes against the Public Administration in the event that, for example, Group Companies are allowed to set aside funds for corruption purposes.

MANAGEMENT OF RELATIONS WITH PUBLIC OFFICIALS

The management of inspection activities might pose risks in relation to the corruption offence for the performance of an act contrary to official duties in the event that, for example, a subordinate or senior person of Group Companies hands out or promises money or other benefits to a public official as undue inducement for the successful outcome of the inspection.

EMPLOYEE PERFORMANCE ASSESSMENT AND ASSIGNMENT OF ANY AWARDS

The management activity of the incentive system might pose risks in relation to the corruption crime, in the event that one or more Group Companies provide a resource with cash bonuses/incentives that are intentionally not proportionate to their role/skills, in order to provide the employee with the means for corruption actions.

MANAGEMENT OF RELATIONS WITH BANKS AND REQUESTS FOR FUNDS

Activities related to the management of relations with banks might pose risks in relation to corruption crimes between private individuals in the event that, for example, Group Companies promised money or other benefits to senior persons of Credit Institutions in order to:

- obtain a loan that the Credit Institution would not have provided otherwise;
- obtain a loan at better conditions than those normally applied by the bank.

MANAGEMENT OF DONATIONS AND SPONSORSHIPS

The activities might pose risks in relation to corruption crimes between private individuals in the event that the Group Companies should grant donations of a significant value to private counterparties, in order to carry out corruption actions and obtain undue advantages.

MANAGEMENT OF INTERCOMPANY TRANSACTIONS

The management of intercompany relations might pose risks in relation to the corruption crime between private individuals in the event that the Company should use financial resources in transactions with Group companies in order to create funds to be used for corruption purposes.

SUPPLIERS SELECTION AND VETTING – GOODS FOR INTERNAL USE

The activity poses risks in relation to the corruption crime between private individuals in the event that, for example, a senior or subordinate individual of the Group Companies should hand out money or other advantages to the purchasing manager of a supplier company in order to obtain the supply of goods or services at a lower price than the market price or under particularly favourable conditions compared to the standards normally in use.

PERSONNEL RECRUITMENT AND SELECTION

Personnel selection activities might also pose risks in relation to the crime of corruption between private individuals in the event that, for example, a senior or subordinate individual of Group Companies hires an employee of a competing company in exchange for information useful to the Company itself (industrial secrets, etc.), to the detriment of the counterparty.

MANAGEMENT OF EXPENSE REPORTS AND ENTERTAINMENT EXPENSES (INSTRUMENTAL ACTIVITY)

The activity of managing expense reports and entertainment expenses might pose risks in relation to corruption crimes, in the event that, for example, a senior person or subordinate of the Company, in order to provide employees with the means for corruption purposes, reimburses fictitious expenses or expenses not included in the employee's routine activity.

MANAGEMENT OF COMMERCIAL NEGOTIATIONS

The procurement process management might also pose risks in relation to the corruption crime between private individuals in the event that, for example, a senior or subordinate individual of the Company should hand out money or other advantages to the purchasing manager of a supplier company in order to obtain the supply of goods or services at a lower price than the market price or under particularly favourable conditions compared to the standards normally in use.

MANAGEMENT OF SALARIES, WELFARE PAYMENTS AND TAX FULFILMENTS

By simulating the payment of higher salaries than due, Group Companies might create slush funds from which to draw for committing further crimes (e.g. corruption, inducing not to make/ make false statements to judicial authorities).

ETHICAL GOVERNANCE WORLDWIDE

The Group has a presence in various countries around the world, and by sharing the founding values and principles of the Group, it manages to maintain horizontal management on all the business lines involved.

In a complex global context such as the current one, it is essential to have a solid long-term Vision, supported by principles and values shared by all stakeholders. This makes it easier to implement effective solutions to the challenges and issues that the Group will have to tackle. The project to standardise the use of IT tools through the implementation of a **group ERP**, also adopted by all foreign companies, for example, falls within the same logic of sharing and aligning processes.

UNITED KINGDOM

In UK offices, employee conduct in terms of ethics and anti-corruption is governed by policies and guidelines included in the company's Employee Handbook.

Indeed, all employment contracts refer to this document and include clauses relating to privacy and the prohibition for employees to share confidential information, even after termination of their employment relationship with the Company. Likewise, all customers, suppliers, and logistics service providers are vetted and monitored based on the procedures set forth by the Quality Management System.

Building upon the excellent results in terms of Group productivity, the growth plans are in line with the Group's broader strategy, continuing to pursue corporate objectives such as:

- building customer loyalty across all Group lines;
- adding new business lines (e.g. supply of comparators, animal health protection etc.).

Lastly, the provision of the services is managed by maintaining the ISO 9001 standard. Workforce management includes periodic performance reviews of employees, through an assessment system based on three levels:

- insufficient performance;
- partial performance;
- target achieved.

To support the whole Quality Management System, the Company uses a CAPA System (Corrective Actions, Preventive Actions) for easier monitoring of customers' complaints and dissatisfaction. After that, the production process is controlled and implemented through training and learning activities to ensure the service we provide is always aligned with market needs.

SPAIN

At the Group's offices in Spain, the ethics and compliance management is supported by a comprehensive focus on all business lines. Specifically, transparency protection and anti-corruption management are managed with authorisation practices of all the parties involved every time a bank transfer is made, safeguarding the transparency and fairness of the transactions.

Similarly, data protection of all the parties involved is assured in compliance with the data protection regulation GDPR 5/2018.

The supply chain and value chain are managed through licence applications for customers and suppliers, in order to monitor the whole production process, from upstream to downstream. All production processes and all business lines are supported by a constant innovation drive that stems from the Group's guidelines. This makes it possible to always keep the Group's competitiveness high through:

- **implementation of a new warehouse management system** through PDA devices (Personal Digital Assistant) to streamline logistics operations;
- **use of the ADP salary system** for the effective management of salaries and human resources;
- **implementation of the TRM system** for transport and logistics management;
- **installation of EMvO Datamatrix scanner** for mass scanning of barcodes in the warehouse, improving traceability and operational efficiency.

In order to maintain high company competitiveness and offer a service that is always aligned with market demands, the Company undergoes external audits required by customers, always ensuring collaboration and willingness with all commercial partners.



FRANCE

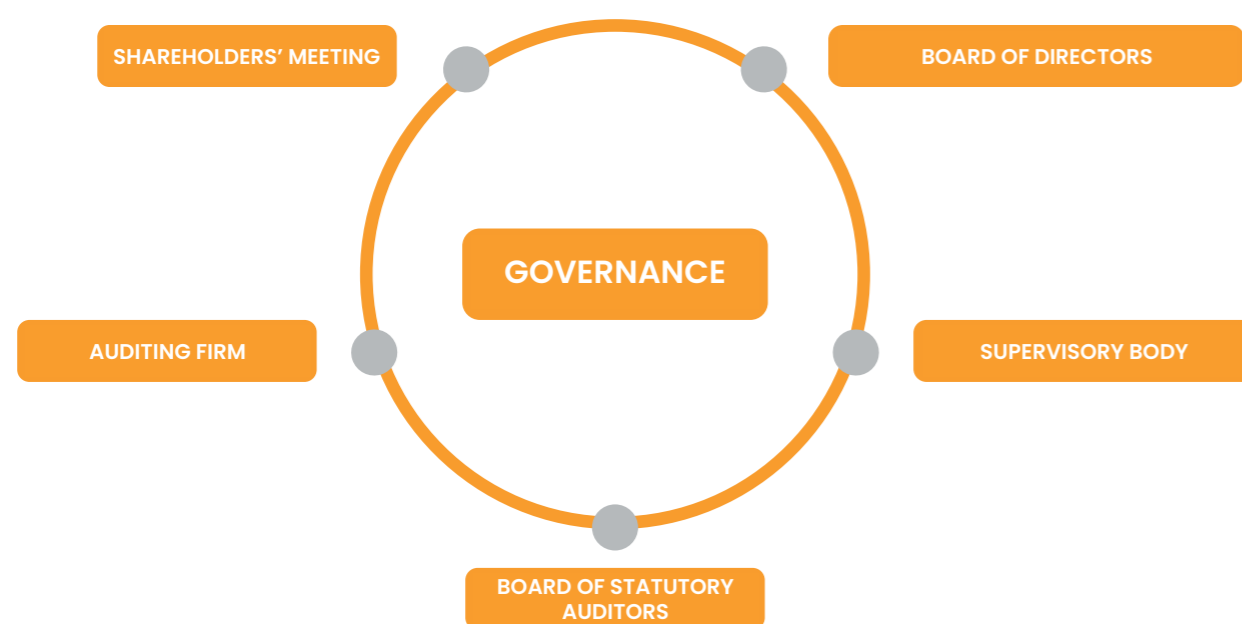
The management of business in the French offices is supported by the presence of contractual clauses stipulated with all the parties concerned that are characterised by:

- principles of Equality, fairness and transparency;
- consumer and privacy protection;
- good governance and compliance values;
- principles of Integrity and business ethics.

Similarly, to support the whole Quality Management System, the Company uses a CAPA System (Corrective Actions, Preventive Actions) for easier monitoring of customers' complaints and dissatisfaction.

Lastly, data protection for all the parties concerned is assured in compliance with the data protection regulation GDPR 5/2018, and periodic reviews are conducted to validate the quality of the services provided.

THE CORPORATE STRUCTURE OF PETRONE GROUP



The corporate governance structure consists of 5 bodies:

- 1. 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.
- 2. 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 Group has undertaken an ambitious project aimed at enhancing the overall efficiency of its operations through a clear plan of goals. The topic goes hand in hand with sustainability, as the digitalisation process is key to promote efficiency, simplify business processes and optimise results. The projects, divided by macro-area, that the Group has implemented and planned for the near future are set out below.

01	SAGE GLOBAL MASTER DATA
02	CORPORATE PERFORMANCE MANAGEMENT
03	RENEWAL OF IT INFRASTRUCTURE
04	CYBERSECURITY

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 level³.

CORPORATE PERFORMANCE MANAGEMENT: Development of a system based on a Business Intelligence approach for the construction of a system of Key Performance Indicators (KPIs) for finetuning the 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 in cybersecurity in terms of technology, processes and governance.

Specifically, Petrone Group has decided to implement a sturdy cybersecurity system to protect its own sensitive data and IT infrastructure from cyberthreats. The solution adopted includes the use of an all-in-one platform that provides extensive and automated protection against cyberthreats, and the establishment of a Security Operation Centre (SOC). The platform makes it possible to promptly detect threats and abnormalities through advanced analysis technologies and artificial intelligence. This approach makes it possible to automate many day-to-day security operations, reducing the workload of the security team and ensuring a more rapid response to any incidents. When the platform detects a possible threat, it generates a warning that is forwarded to the SOC. The warnings contain comprehensive details on the incident, allowing analysts to perform an accurate and prompt analysis.

³The scope of application of this project is limited to all Group subsidiaries except Fin Posillipo S.p.A.

The SOC consists of a team of IT security experts who monitor the entire IT infrastructure, 24/7. The SOC analysts monitor warnings in real time and use the information provided to perform an in-depth analysis of incidents. Based on the alert level detected, the SOC adopts various measures: if the alert is low, the IT and security department is alerted and intervenes; if the alert is high, the SOC immediately isolates the compromised systems then contacts the IT department to cooperate.

Based on their analysis, SOC analysts coordinate incident responses, which may include isolating compromised systems, removing malware, applying security patches, and other mitigation measures. The SOC provides continuous feedback to the platform, helping improve the detection algorithms and the response capability. This feedback cycle ensures the constant improvement of the protection against emerging threats, making the cybersecurity ever more effective. Thanks to the integration of the all-in-one platform and the SOC, Petrone Group has significantly improved its ability to protect its own IT resources, ensuring solid and reactive defence against IT threats.

Finally, while drafting this document and in conjunction with the implementation of the Privacy Management system, the Group has updated and expanded the IT Policy, to describe the data processing methods and the security measures adopted for compliance with information security requirements, as well as to provide rules of conduct and good practices for users of company devices, ensuring the confidentiality, integrity and availability of personal data. The policy applies to all users of company assets and resources, including personal devices for work activities. It is based on national and European regulations, guidelines of the Authority for the protection of Personal Data, industry best practices and standards such as ISO/IEC 27001:2022.



NEW MANAGEMENT PRACTICES AND DEPARTMENTS

01	WMS SYSTEM
02	AUTOMATION OF PROPERTY MANAGEMENT
03	PROCESS DIGITALISATION AND DOCUMENT DEMATERIALISATION
04	DECISION SUPPORT SYSTEM IN BUSINESS

WMS SYSTEM: Analysis and implementation of a new WMS - Warehouse Management System, for the simplification and automation of flows in logistics/warehouse/transport⁴.

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, digitalising 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.

To ensure, in this connection, a high level of security and information availability, the Group uses advanced software for disaster recovery and business continuity, designed to ensure that company applications and data always remain available and functional, even during significant interruptions. This system provides continuous protection and rapid recovery, ensuring that business operations continue without significant disruptions even in case of any unforeseen events.

Thanks to the constant backup of data in remote sites or cloud, the software protects and makes company data available even in emergency situations. This tool is essential for risk reduction, because it protects the company from financial losses, reputational damage and other negative consequences resulting from prolonged outages or data loss.

DECISION SUPPORT SYSTEM IN BUSINESS: Development 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; logging all activities of the commercial scope, transforming data into decision-supporting information⁵.

⁴ The scope of this project is limited to: Pharmaidea S.r.l.; Euromed Pharma Services S.r.l.

⁵ The scope of this project is limited to: Euromed Pharma S.r.l.; Farmacie Petrone S.r.l.; Farma Carmine Petrone S.r.l.; Programmi Sanitari Integrati S.r.l.



PRIVACY MANAGEMENT

The Group, aware of the importance of paying attention to the protection of personal data in accordance with current regulations, pursues the objective of processing the personal data required for the performance of its business activities adhering to principles of lawfulness, fairness, transparency, and by promptly informing the data subjects about the purposes and methods of processing and the collection of consent, where necessary. The main objectives include:

- the protection of the data subjects' personal data;
- the responsible and transparent management of personal information;
- cultivating the trust of customers and others, protecting the interests of all stakeholders.

The company has implemented a privacy management system, in compliance with EU Regulation 679/2016, known as GDPR, extended to all personal data processing and assets that facilitate their provision, including hardware, software, IT data and human resources.

The role of the Group Data Protection Officer has the responsibility to **observe** and **evaluate** how the processing of personal data (and therefore their protection) is managed within each Group Company, so that they are processed in compliance with European and national privacy regulations. Furthermore, a Group Privacy Officer has been identified and appointed, responsible for the governance and coordination of activities concerning the processing of personal data, and a Privacy Officer for each of the partners. All personnel of the partner Companies are required to be adequately trained and made aware of the Privacy Management System defined in the Manual. This ensures all employees understand their responsibilities and actively contribute to the conformity and security of the personal data processed by Group Companies. The Privacy Management System Manual is an important tool for the Group in ensuring the protection and conformity of the personal data processed within their activities. Its implementation and the active involvement of all the personnel are essential to ensure effective privacy management and compliance with the applicable regulations. The relevant company documentation for privacy purposes consists of:

DOCUMENTATION DESCRIBING THE CORPORATE PRIVACY MANAGEMENT SYSTEM

- manual of the Privacy Management System;
- Data Breach procedures;
- procedure for Management of the Processing Register, Privacy by Default and Privacy by Design;
- procedure for the data subjects to exercise their rights;
- processing register;
- DPIA documents.

RECORDS OF THE CORPORATE PRIVACY MANAGEMENT SYSTEM

- training records;
- records concerning internal and external audits;
- Information and Consent Collection documents;
- specific documentation concerning processing.

RESPONSIBLE 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.

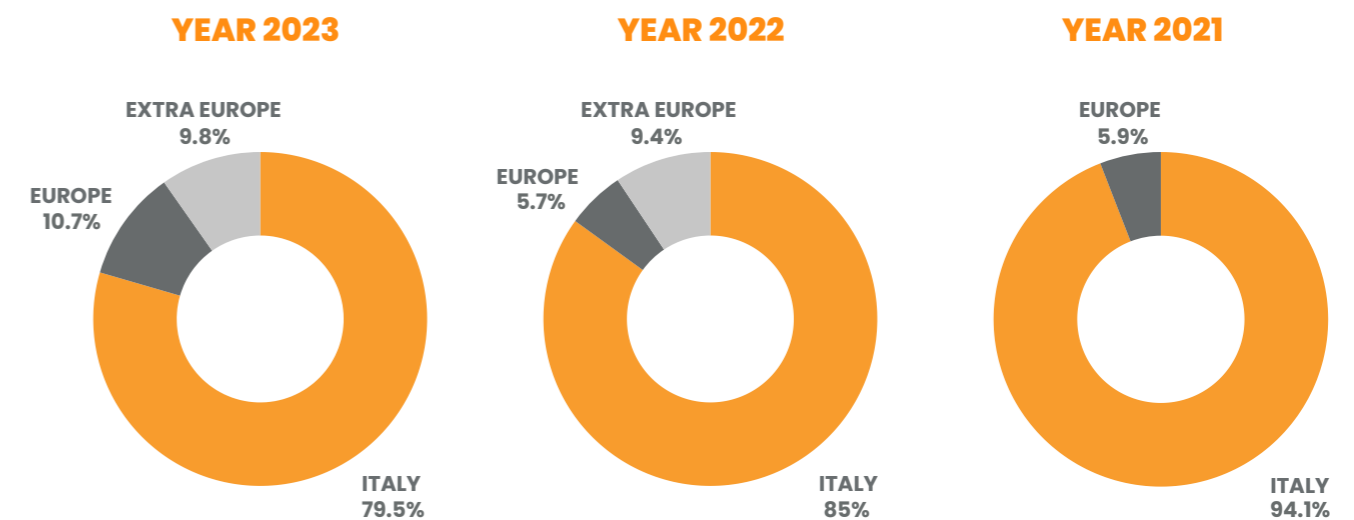
As far as the choice of suppliers is concerned, the following elements are fundamental for the company, with regard to purchasing processes:

- seeking the 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.



The Group also adopts two internal procedures for managing customer/supplier relations. In cases where a customer qualifies the company as a supplier, due diligence will be carried out by filling out a qualification questionnaire including certain data such as:

- vendor General information;
- corporate structure;
- list of executives;
- turnover 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;
- outcome of the last regulatory inspection;
- general site information (layout of production areas, warehouse, etc.).



Furthermore, in the course of drafting this Report, the Group has implemented a sustainable purchasing strategy, aiming at reducing its overall environmental impact. The following main points will define this transition:

- **SUSTAINABLE PROCUREMENT:** as of 2024 a major effort will be made to procure supplies and materials from sustainable sources. This means that before making any purchases, the origin, production process, and environmental impact will be scrutinised.
- **RECYCLED PRODUCTS:** the use of recycled products will be implemented in offices and operations; this will include paper, plastic, printer cartridges and other materials.
- **REUSABLE PRODUCTS:** the use of reusable products such as batteries, water bottles, cups and containers will continue being promoted and implemented to reduce disposable products used.
- **MONITORING AND ASSESSMENT:** a monitoring system will be implemented to assess progress over time and the results will be shared with all stakeholders to show the environmental impact of the actions taken.

To enable all that, Petrone Group has decided to set up an organisational position that is responsible for sustainable procurement. This role makes it possible, even within a process such as indirect purchasing, to bring added value by preferring suppliers that are in line with the Group's sustainability policies and Code of Ethics.

The purpose of this organisational role is, where possible, to choose suppliers who operate in various capacities in the social sector, helping them from an economic point of view as well as in terms of visibility in pursuing their visions and their goals.



CHAPTER 4 SOCIAL RESPONSIBILITY



SOCIAL RESPONSIBILITY

Talent is an essential value for the Group, however what is even more important is the dedication and willpower of individuals in achieving a common goal.

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

The initiatives to support the Group's development and growth began with the introduction of experienced managers in key positions previously held by the owners, who joined specialised professionals already part of the organisation.

An important innovation was the introduction, in 2018, of the **HR Director**, a role previously entrusted to external professionals and limited to mere personnel administration activities.

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

During 2022, a survey was planned and carried out to analyse the organisational climate. The purpose was to build action plans aimed at improving corporate well-being through common actions across the organisation, as well as specific actions in areas and departments based on the emergence of specific needs. The survey is a key stakeholder engagement tool to understand the impact of the Group's activities on its employees. The aim is to identify, where possible, new opportunities and solutions to increase everyone's well-being.

Management monitors – through common tools – the positioning of individuals based on growth potential and effectiveness in the role, jointly with a focus on the retention system based on meritocratic criteria that reward excellence, with a view to continuous personal and corporate development.

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



WORKPLACE SUSTAINABILITY SURVEY

In 2023, the Group conducted a survey of all the employees to evaluate their awareness and commitment with regard to sustainability in the whole workforce⁶ and their propensity to adopt strategies aimed at the reduction of social and environmental impacts. The survey focused on seven main topics, i.e.:

CENTRALISED AIR CONDITIONING MANAGEMENT
USE OF DISPOSABLE PLASTIC MATERIALS AND BRANDED WATER BOTTLES
ADEQUATE LEVEL OF CLEANLINESS IN COMMON AREAS
PHONE BOOTH USE
PAPER PRINTOUTS
AWARENESS OF SEPARATE WASTE COLLECTION
NOISE LEVEL OF COMMON AREAS

The survey participants were offered the possibility to evaluate some of the main aspects of their life at the company from a two-fold perspective:

- **INDIVIDUAL PERSPECTIVE:** Employees were able to express their direct perception on the topics in question;
- **EXTERNAL PERSPECTIVE:** Participants were able to evaluate the perception of the topics by observing their colleagues' behaviour.

The approach adopted by the Group highlights its focus on understanding the needs of its employees in order to provide services and benefits that can support them in the best possible way throughout the company's production processes. Specifically, the topics included in the survey highlight the Group's will to undertake an ecological transition by taking into account its employees' point of view.

The topics towards which the respondents (335 employees) showed to be more committed, in both perspectives, were the **"Use of disposable plastic and branded water bottles "** and **"Paper printouts"**.

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.

In order to promote the growth and motivation of its employees, the Group has implemented a clear and transparent performance evaluation system. This system clearly defines the objectives of an economic-financial nature and the expected individual goals for each position. There is a role behaviour evaluation component in the system, whereby behaviour

⁶ Il perimetro di rendicontazione della survey fa riferimento alle seguenti Società: Fin Posillipo S.p.A; Pharmaidea S.r.l.; Euromed Pharma Services S.r.l.;

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 Group's workforce⁷:

REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS	2023	2022	2021
Executives	12	14	10
> Men	8	11	6
> Women	4	3	4
Middle managers	27	39	30
> Men	21	27	22
> Women	6	12	8
White-collar workers	154	139	160
> Men	72	74	91
> Women	82	65	69
Blue-collar workers	29	139	160
> Men	25	74	91
> Women	4	65	69
Total	222	192	200
> Men	101	112	119
> Women	92	80	81

A **Leadership Profile** was constructed, i.e. a set of skills and aptitudes 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 played a key role in outlining the all-round assessment scores. Through these assessments, managers were able to collect invaluable feedbacks from their superior, staff and colleagues. This feedback enabled them to acquire greater awareness of their managerial style and to identify the key aspects on which to focus to improve the effectiveness of their leadership. 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**.

⁷ The scope includes the following companies: Centro Flegreo S.r.l.; Centro Futura S.r.l.; Centro Manzoni S.r.l.; Dinastar S.r.l.; Therapic Center S.r.l.; Euromed Pharma 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.; Euromed Pharma Services S.r.l.

TRAINING

The attention and care for its people has always been a distinctive feature for the Group, and this strategic choice has led it over the years to invest significant financial and time resources in this direction.

HOURS OF TRAINING	2023	2022	2021
Total	63.682	99.617	110.386
> Men	31.350	44.958	45.044
> Women	32.332	54.659	65.342

2021, the post-pandemic year, saw significant investments in training, aimed at training people in terms of skills and knowledge, to work, on the one hand, on motivation and on the other to provide answers to the opportunities and/or complexities that arose in business following the pandemic and its conclusion.

Investments in training have shifted over the years in line with business needs and corporate strategies, also in light of the climate analysis carried out in 2022 and which provided indications on the aspects to pay attention to, especially with regard to the area of people development and organisation.

Specifically, the focus was on activating individual improvement paths linked to more defined career plans and the consequent alignment of technical and managerial skills in line with the new role demands. In 2023, some Master's Degree Courses were activated at the Bologna Business School, 24 Ore Business School and IPE Business School, on figures that the organisation has been nurturing in terms of professional and new skills development. Specifically, two of the aforementioned Master's Degree Courses aimed at acquiring skills in the field of sustainability management. Furthermore, opportunities for personal coaching and business coaching were scheduled to strengthen some key figures of the organisation both in terms of role seniority and in terms of developing new talents.

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 professional roles performed, in order to achieve an increasingly trained and competent workforce.

During the year, the company Academy also works to create more convivial training opportunities that are very popular with different segments of the population by taking advantage of the lunch break, turning it into an educational opportunity called "**Lunch&Learn**". The various events dealt with team building, effective communication, and collaboration.

In addition to in-person activities, the Academy, through its dedicated portal, allows individual employees to access online training courses on both soft skills and technical skills. Specific team building events were arranged in 2023, in particular for the sales and accounting, finance and control areas. For these two projects, a location outside of the workplace was chosen to allow people to focus more on the experience and the activities, away from the routine of their role.



In particular, a *cooking* team was set up for the sales area, to help foster collaboration, team spirit and mutual knowledge. For the second project a more recreational activity was chosen. The team travelled to the Lazio region and spent one day experiencing the 5 senses through specific activities at a well-known local farm, set in a lush green landscape. In this case, the activity strengthened the sense of belonging and the creation of a multi-generation team, fostering the cooperation spirit.

The table below summarises the hours of training carried out by employees⁸.

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.

HOURS OF TRAINING	2023
Total	63.682
> Executives	34
> Middle managers	3.644
> White-collar workers	56.007
> Blue-collar workers	3.996

⁸ The calculation of training hours excludes some companies from the scope of this document, such as: for 2023 the foreign companies, for 2022 Fin Posillipo S.p.A and Centro Medico Riabilitativo Pompei S.r.l. were excluded; for 2021 Centro Medico Riabilitativo Pompei S.r.l. was excluded;

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 distinctive 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 Group has a single 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;
- paperless procedures and 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 2023, in line with its business strategies, Petrone Group went through a significant growth in terms of numbers of its corporate population, a marked increase compared to the previous reporting period.

EMPLOYEES	2023	2022	2021
North	166	152	137
> Men	55	57	52
> Women	111	95	85
South	488	478	459
> Men	209	198	191
> Women	279	280	268
Abroad	118	-	-
> Men	50	-	-
> Women	68	-	-
Total employees	772	630	596

Most of the people working for Petrone Group, 488 are based in southern Italy, where the Headquarters is located.

The workforce mainly consists of women, both in the North and South, and in the foreign companies as well. Specifically, there are 279 women in the South, compared to 209 men, 111 women and 55 men in the North, and 68 women and 50 men abroad.

As shown by the data, the growth of company personnel appears to be constant from 2021 to 2023, in particular the two groups that increased the most in terms of employees are Executives and Middle Managers. These results are in line with the strategic choices of the ownership to invest on the one hand, by hiring high-level managerial figures in order to develop a global business, and on the other with the internal growth system, which over time has supported the career development of professionals already working for the Group.

EMPLOYEES	2023	2022	2021
Permanent contracts	732	587	577
> Men	298	241	236
> Women	434	346	341
Fixed-term contracts	40	43	19
> Men	16	14	7
> Women	24	29	12
Total employees	772	630	596

In line with the business development strategies and to support the growth of company personnel with respect to the challenges of the future, nearly all of the company's personnel are hired with a permanent contract. Compared to previous years, the percentage of people hired with a fixed-term contract has increased, although this form of contract is used in a fraction of the cases, compared to the company population and the number of permanent contracts.

The Group's workforce can be further broken down by employees, other types of contracts and Full-time and Part-time, as shown below.

EMPLOYEES	2023	2022	2021
Full-time	606	478	422
> Men	278	222	204
> Women	328	256	218
Part-time	166	152	174
> Men	36	33	39
> Women	130	119	135
Total employees	772	630	596

Furthermore, the use of part-time contracts underlines the Group's continuing support of individuals' needs, helping them to achieve a good work-life balance. The use of this type of contracts has been rather constant over the years.

The organisation chose to support work-life balance by activating the flexible working scheme – by one hour on clocking in and out – to allow its employees to better manage their time. For the same purposes, the group chose to allow people to work remotely from home one day a week, where possible, based on their professional roles, to allow them to optimise their work-life balance, without losing sight of the business objectives and continuity. Another organisational tool that was adopted to allow the group to hire highly skilled profiles was to activate full remote contracts, which allow the person to carry out their whole work activities in the place of their choice.

WORKFORCE	2023	2022	2021
Employees	747	610	581
> Men	297	242	232
> Women	450	368	349
Other types of contracts	25	20	15
> Men	17	13	11
> Women	8	7	4
Total employees	772	630	596

WORKFORCE	2023	2022	2021
North	166	152	137
> Full-time	155	141	125
> Part-time	11	11	12
South	488	478	459
> Full-time	340	337	297
> Part-time	148	141	162
Abroad	118	-	-
> Full-time	118	-	-
> Part-time	-	-	-
Total employees	772	630	596

Below is the breakdown of the workforce by contract type:

WORKFORCE	2023	2022	2021
North	166	152	137
> Permanent	157	136	126
> Fixed term	9	16	7
South	488	478	463
> Permanent	462	451	451
> Fixed term	26	27	12
Abroad	118	-	-
> Permanent	113	-	-
> Fixed term	5	-	-
Total employees	772	630	596

As shown in the following table, the majority of the workforce is based in Southern Italy, but that, compared to the figures for employees abroad, demonstrates how well the Group is rooted in the region and how much it is focused on the international context.

WORKFORCE	2023	2022	2021
North	166	150	137
> Employees	159	145	131
> Other types	7	5	6
South	488	480	459
> Employees	470	465	450
> Other types	18	15	9
Abroad	118	-	-
> Employees	118	-	-
> Other types	-	-	-
Total employees	772	630	596

⁹ The reporting scope refers to all the Companies described in the methodological note.

From 2021 to 2023, the increase in company personnel concentrated mostly in the Southern area where the headquarters is located, and where all the Italy sales managers are concentrated, plus all the global organisational roles and those supporting the business and other countries. An analysis of the data shows that another factor for the growth in personnel, in line with the Group's people strategy, is the increase in women middle managers and executives. The strong presence of women within the entire Group and having started to implement a structured growth system have allowed the talents and potential in the company to emerge, highlighting female profiles.

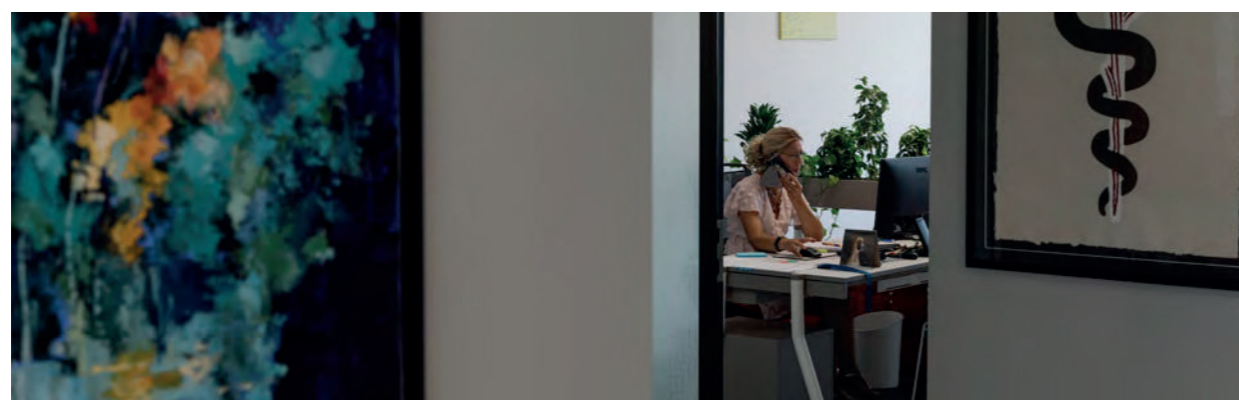
EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER	2023	2022	2021
Executives	24	12	9
> of whom men	18	9	6
> of whom women	6	3	3
Middle managers	63	36	29
> of whom men	37	24	20
> of whom women	26	12	9
White-collar workers	588	509	488
> of whom men	194	169	165
> of whom women	394	340	323
Blue-collar workers	72	53	55
> of whom men	48	40	41
> of whom women	24	13	14
Other types	25	20	15
> of whom men	17	13	11
> of whom women	8	7	4
Total	772	630	596
> of whom men	314	255	243
> of whom women	458	375	353

As of 2023, the data relating to the age and type of job also include the employees of foreign companies, in order to provide a more comprehensive overview of the Group's workforce. Specifically, with regard to the breakdown of employees by age, there are **73** employees aged under 30, **359** aged between 30 and 50, and lastly **340** aged over 50. The figures are set out in table form below:

EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER	2023	2022	2021
Total employees under 30 years of age	73	52	33
> Executives	0	0	0
> Middle managers	3	0	0
> White-collar workers	51	37	23
> Blue-collar workers	6	6	5
> Other types	13	9	5
Total employees 30-50 years of age	359	305	314
> Executives	8	3	0
> Middle managers	35	22	17
> White-collar workers	291	257	271
> Blue-collar workers	25	23	26
> Other types	0	0	0
Total employees over 50	340	273	249
> Executives	16	9	9
> Middle managers	25	14	12
> White-collar workers	246	215	194
> Blue-collar workers	41	24	24
> Other types	12	11	10
Total employees	772	630	596

The analysis of the data for the age group of middle managers and executives, in particular between 30 and 50 years old, highlights the choice to support the professional growth of internal staff, enabling them to reach top professional positions.

To date, Petrone Group's resources mainly fall within the age bracket up to 50 years of age, and as mentioned earlier, this is due to the choice to hire young people who can contribute knowledge and technical skills in line with future business strategies, which need to take into account the challenges posed by an increasingly global and digital playing field.



RECRUITMENTS AND TERMINATIONS

Personnel management and the protection of employment are key pillars for the Group, which is especially attentive to controlling turnover. The analysis of the three-year period in question shows an essential stability in the number of hires in 2023 compared to the previous years, against a slight decrease in terminations. This positive trend shows the solid growth that the Group is undertaking.

RECRUITMENTS AND TERMINATIONS	2023	2022	2021
Hires	99	97	86
Men	42	41	36
Women	57	56	50
Outgoing employees	75	76	64
Men	38	40	33
Women	37	36	31
Age of hires	99	97	86
< 30 years of age	39	41	29
Between 30 and 50 years of age	45	46	40
< 50 years of age	15	10	17
Age of outgoing employees	75	76	65
< 30 years of age	21	18	12
Between 30 and 50 years of age	38	37	31
< 50 years of age	16	21	21
Total hires	99	97	86
Italy	72	97	86
Abroad	27	N/D	N/D
Total terminations	75	76	64
Italy	61	76	64
Abroad	14	N/D	N/D

In order to increase its workforce, the Group prefers to hire people on permanent contracts, and limit the use of contract workers. Furthermore, in line with the business continuity objectives set by the Group, most of the recruits are younger than 50.

¹⁰ The reporting scope refers to all the Companies described in the methodological note.

The previous table on recruitments and terminations shows how the age bracket that was most affected by terminations is the middle one, between 31 and 50 year-olds. This figure may also be interpreted as physiological in a person's professional life, in terms of wanting to change and experience new settings and new opportunities.

Specifically, once they join the company, the people under 30 years of age are able to find their professional place, and the turnover is lower in this age bracket.

Please note that, over the three-year reporting period, there was a relatively low outgoing turnover¹¹ rate, as shown below, broken down by gender:

OUTGOING TURNOVER RATE	2023	2022	2021
Total	10%	12%	11%
Men	12%	16%	14%
Women	8%	10%	9%

The incoming turnover figure underlines a strong increase in the workforce, which is a positive sign for the longevity of the Group.

INCOMING TURNOVER RATE	2023	2022	2021
Total	13%	15%	14%
Men	13%	16%	15%
Women	12%	15%	14%

OCCUPATIONAL HEALTH AND SAFETY

Safety is an crucial value for the Group, which tirelessly strives to promote a culture focused on risk prevention and the adoption of responsible behaviour. In line with this commitment, the organisation strictly adheres to all the applicable regulations on the protection of health and safety at work, with particular reference to (It.) Legislative Decree no. 81/08 and adopts Organisation, Management and Control Model 231 to identify the risks connected to work activities and assign tasks to skilled personnel.

In order to assess the degree of risk that the Group is exposed to, the activities were mapped, also taking into account external roles involved in the management of operational processes. The analysis was carried out with regard to each sensitive activity and instrumental process, based on both quantitative and qualitative considerations, such as the frequency of occurrence of the event and the severity of the potentially ensuing fines.

The results of this mapping activity, shared in advance with the company contact persons interviewed, were collected in a descriptive sheet, known as Matrix of crime-risk activities.

Similarly, an analysis of the potential hazards in the workplace was conducted, to implement preventive measures and minimise the risk of incidents.

¹¹ The turnover rate was calculated by comparing the number of incoming/outgoing employees with the total number of employees for each reporting year.

The Health and Safety Officer (HSO) plays a key role in safety management, analysing work procedures, identifying risks and implementing adequate preventive measures, ensuring compliance with current regulations. In addition, there is a Company doctor who deals with occupational medicine and prevention.

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.¹²

ACCIDENTS AT WORK	2023	2022	2021
Total Accidents	7	6	4
> Men	3	3	3
> Women	4	3	1

In 2023, accidents at work increased, and solely concerned 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	2023	2022	2021
Total	882.756	797.996	541.577
> Men	420.088	353.809	270.525
> Women	462.668	444.188	271.052



¹² The reporting scope refers to all the Companies described in the methodological note, except foreign ones.

In addition, the Group's organisational system must meet the following basic requirements:

- express formalisation of the rules of conduct;
- clear, formal and readable description and identification of the activities, tasks and powers attributed to each manager 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:




RULES OF CONDUCT 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 consistent 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 the organisational and signatory powers must be consistent with the organisational responsibilities assigned.

CUSTOMERS AND SERVICE QUALITY

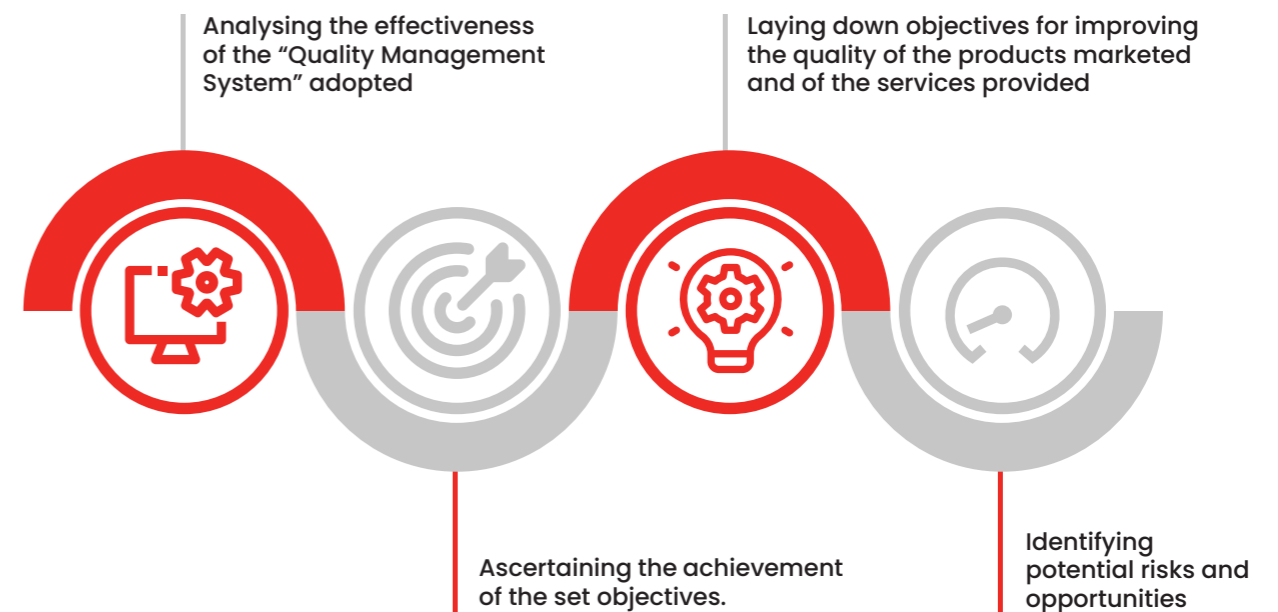
Sustainable quality is a strategic pillar for the Group, and underlies the creation of long-lasting value as well as long-term success. With a view to that, the Group pursues a business model that integrates all the dimensions of sustainability, generating an all-round positive impact: environmental, social and economic. The Group pursues objectives beyond profit with a positive impact on people, the environment and society, ensuring efficient and thorough 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 Group 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.

With daily dedication, Management pursue business objectives offering excellent services and embracing the principles of sustainable development. At the heart of this strategy lies the Quality Management System, which has multiple aims:

	Ensure a high level of customer satisfaction by developing a relationship based on constant dialogue in response to the growing demand for transparency.
	Develop mechanisms for direct involvement and assistance to achieve ever greater safety for end users.
	Offer services to the market 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 UNI EN ISO 14001:2015 and UNI EN ISO 9001:2015, the Group performs at least once a year a Management Review involving top management, aimed at:



RESPECT FOR HUMAN RIGHTS

Respect for human rights is a mainstay of Petrone Group's corporate philosophy. Since its inception, the Organisation has conducted its activities painstakingly taking care to protect fundamental rights, showing a commitment in line with the key principles of the Code of Ethics, which acts as a compass for the Group's operations, defining its identity and guiding its short- and long-term strategic choices.

Petrone Group plays an active role in the promotion of human rights and in promoting diversity and inclusion. To this end, the company has implemented various initiatives aimed at ensuring the protection and training of employees, promoting a culture of respect for individual rights and developing skills, fully respecting the personality and dignity of every individual.

Specifically, the Group aims to enhance the skills of its employees and to promote their personal well-being, within as well as outside the workplace. Within this context, the founding values of the Code of Ethics, such as honesty and transparency, play a key role in ensuring the protection of human rights and in creating a positive and inclusive workplace. Petrone Group seeks to combine financial goals with the commitment to social responsibility, implementing internal monitoring mechanisms to identify, prevent and manage any negative impacts on human rights at all stages of its activities. In this connection, the consideration for employees is embodied by surveys aimed at understanding the actual situation in the workplace, in order to find solutions that always address the needs of the workforce.



Consistently, the Group provides **a series of benefits** for all its employees and, with a medium and long-term vision, it undertakes to continue introducing new ones, in order to create a healthy and attractive workplace.



HEALTHCARE



**INSURANCE COVER
IN THE EVENT OF
DISABILITY AND
INVALIDITY**



PARENTAL LEAVE



**COMPANY WELFARE
AND LUNCH
VOUCHERS**



**PENSION
CONTRIBUTIONS**

SOCIAL RESPONSIBILITY WORLDWIDE

The Group's social responsibility, not just nationally but also internationally, is supported by principles and values that aim at safeguarding all the needs of the local communities and respecting human rights.

The Group aims at creating positive synergies with all involved stakeholders, in order to reduce to the minimum the negative impacts generated for the communities involved.

UNITED KINGDOM

In the UK offices, the consideration for the needs of all employees is exemplified by internal Policies and Manuals aimed at managing inequalities and equal opportunities.

Approximately **75% of the workforce consists of women**, with 6 employees who were born outside the UK, to confirm the integration policies implemented by the Group.

Health and safety are managed through internal formal policies aimed at minimising risk events and the number of work-related injuries.

Furthermore, a great deal of care is taken for the professional development of each employee, thanks to training activities and the participation in conferences and lectures.

Specifically, an employee assessment system is in place, with continuous feedbacks and monthly engagement meetings at the company.

The employee's well-being is ensured also by the organisation of two yearly company events, the purpose of which is:

- team building by strengthening the ties between team members;
- promoting the principles and values of corporate culture;
- creating interaction and networking opportunities.

SPAIN

Social responsibility at the Spanish offices is ensured through various initiatives aimed at increasing both the well-being of employees and that of all the stakeholders involved.

Specifically, for 2023, the community was the recipient of a donation to the local public hospital. The workforce is managed through policies and values that aim at promoting gender diversity and addressing every employee's needs.

Specifically, the protection of people is characterised by the presence of company medical agreements and all the necessary tools to ensure that the number of work-related injuries is reduced to a minimum.

Personal development is closely linked to professional development, that is why there is a special focus on the provision of specific training courses for all employees. Lastly, the following benefits are ensured to employees:

- teambuilding events;
- smart working policies;
- flexible working hours;
- presence of MBOs.

FRANCE

Social responsibility in the French offices features multiple initiatives, in line with the Group's general guidelines.

Specifically, with regard to supporting the local community, the company is particularly concerned with anything regarding education, and a training fee is granted in order to deal with various training topics.

In addition, at Euromed Pharma France the individual employee and their needs are at the centre of its business. That is why, it covers 100% of the health care costs for its employees every year. This is markedly above the performance of competitors, which usually only cover 50% of health care costs.

CHAPTER 5 ENVIRONMENTAL RESPONSIBILITY

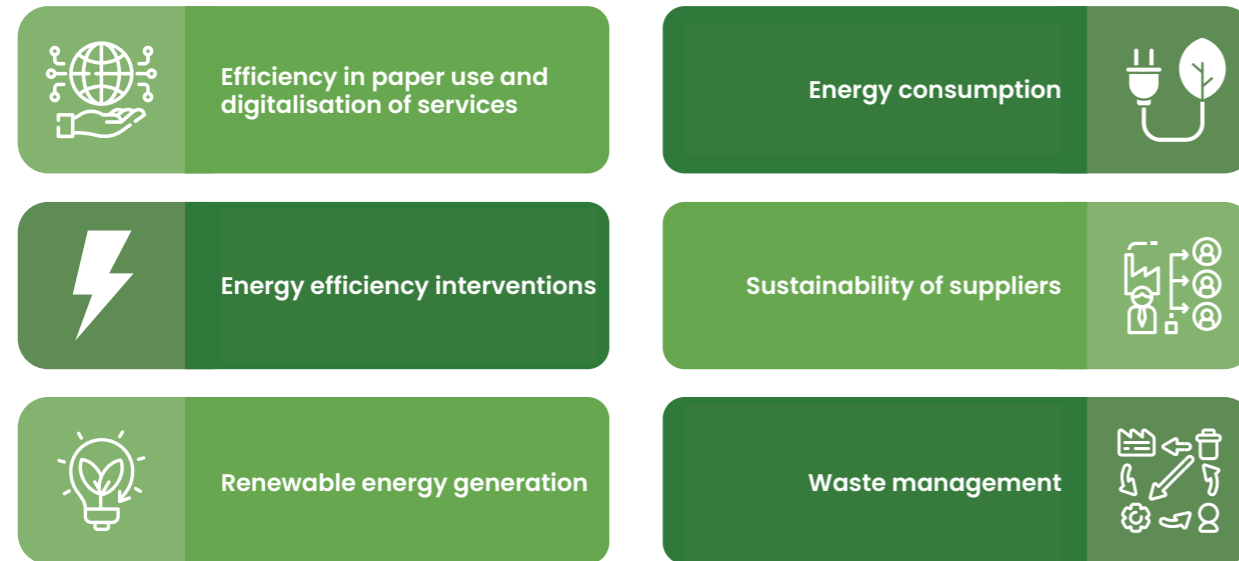


ENVIRONMENTAL RESPONSIBILITY

PETRONE GROUP FOR THE ENVIRONMENT

The Group has implemented various energy-saving initiatives with the goal of creating a consumption monitoring system, 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:



Furthermore, while this document was being drafted, the Group formalised a policy aimed at promoting **the purchase of sustainable products**, consolidating the commitment to sustainability that has characterised our group for some time. In 2023, thanks to the purchases made for the Headquarters of Fiberpack® products, a cellulose fibre obtained from the recycling of beverage cartons, Lucart S.p.A. issued the certification of the contribution made in terms of reduction of CO₂ emissions by 4,437 kg. This initiative reflects the Group's dedication to environmentally-friendly practices and the continuous efforts to minimise the environmental impact of its activities. The goal for the coming years is to extend these initiatives to all the Group companies.

In addition, in 2023, **Euromed Pharma Services** took significant steps towards environmental sustainability. Two new photovoltaic plants were installed on the warehouses of the Grezzago facility, which were commissioned in early 2024, allowing our company to reduce CO₂ emissions and to contribute to the production of renewable energy.

A key element of the sustainability strategy is the reuse of the packaging provided by customers, which currently reaches 50%. Furthermore, the branded Euromed packaging consists by at least 80% of recycled material, proving the commitment to reduce the use of virgin resources. Lastly, the void fill pillows, used to protect the products during transport, are made of at least 50% recycled material.

With regard to **Pharmaidea**, in 2023, at the CPHI event in Barcelona, the Company obtained the **Golden Status** certification, demonstrating the constant commitment to environmentally friendly practices.

The certification is the result of a series of initiatives aimed at reducing the environmental impact of the stand, in particular the reuse or use of recycled materials for the structure, walls, flooring, furniture and display structures. This signifies a collaborative effort to eliminate, or at least reduce, the waste resulting from single-use stands, feeding a virtuous circle that allows them to be reused after the end of the trade fair.

HEADQUARTERS

The history of Petrone Group has always been closely linked to the region where it was set up, which gives it strength and vitality. Since its inception, it has nurtured a deep bond with the Campania region, rich in culture, history and natural beauty. That is why the Group has decided to offer a significant contribution to the area by building its Headquarters in the very heart of the city of Naples.

The building is not just the centre of operations, but a symbol of the Group's commitment to the growth and development of the local community. Designed with sustainability in mind, the architecture of the Headquarters embodies the Group's values of well-being, ethics and aesthetics in a harmonious balance. Thanks to the combination of technological innovation and sustainable design, in 2023 the Headquarters was awarded the LEED Silver certification – one of the best eco-sustainable buildings and the first in southern Italy – which rates several aspects of the sustainable performance of buildings, including energy saving, efficient use of water resources, reduction of CO₂ emissions, quality of interior spaces, choice of materials and location of the building.

The award is the result of the long-term vision in applying concrete actions for reducing negative impacts, 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.

The distinctive features of the project that contributed to obtaining the certification include the vertical gardens with Mediterranean plants, the charging stations for electric vehicles, the dedicated bicycle parking spaces, the showers for employees, the green areas, the privacy pods, the recreation areas and the offices boasting impressive works of art. The focus on using renewable materials and the effort to reduce the environmental impact as much as possible were the main goals of this project.



Bearing that in mind, the main drivers for the design of the new Headquarters were:

IMPROVING ENERGY EFFICIENCY

In order to reduce to the minimum negative externalities to the environment and people, Petrone Group carried out the following initiatives:

- **envelope performance:** the walls of the building were designed with a focus on sustainability and energy efficiency, focusing on insulation and ventilation performance. Sustainable materials such as hemp and porotherm, known for their excellent insulating properties, were used for the internal insulating layer. These materials reduce energy consumption both for winter heating and summer cooling. Furthermore, the walls were designed to enable controlled ventilation, which helps maintain healthy interiors and reduce the need for heating or cooling.
- **lighting levels:** the windows were positioned strategically in order to maximise natural lighting thereby reducing the need for artificial lighting. The number of partition walls was reduced and opaque infill panels were replaced with glass walls, allowing natural light to reach even the most internal work spaces. These strategies made it possible to reduce the number of lighting fixtures required, decreasing the overall energy consumption. Furthermore, daylight and presence sensors in all the rooms allow artificial lighting to be turned on only when necessary.
- **HVAC system (Heating, Cooling & Air Conditioning):** at the energy design stage, it was decided to install a centralised modular air conditioning system (VRF) for the entire office, which could only be activated with windows closed. VRF technology was chosen for its flexibility, modularity and compatibility with renewable energy generation. This system ensures the best possible performance based on the variability of occupancy and use of the building. Furthermore, the system enables cooling the data centre, which is responsible for about 30% of the total energy demand.
- **renewable energy sources:** 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. A photovoltaic system having a capacity of approximately 150 MWh/year was installed on the roof and on the canopies of the building, covering 80% of the total energy needs of the building. The latitude of the site, the availability of solar energy, the compact shape of the building and its design provided a great opportunity to maximise energy self-production. The implementation of the strategies described above made it possible to achieve significant results in terms of overall energy efficiency and sustainability.
- **vertical garden:** the vertical garden, consisting of over 300 tree species and arranged on the two large side walls at the entrance to the headquarters, brings a number of advantages. It regulates temperature by blocking much of the solar energy that would otherwise strike the building's surface directly and by dissipating heat through evapotranspiration. During the summer period, vertical gardens reduce cooling energy by up to 15%, while in colder periods savings on heating of up to 10% can be achieved due to the chimney effect between the wall and the vegetation. What is more, the plants absorb carbon dioxide and release oxygen, improving air quality. In order to reduce the water needed as much as possible, the choice of plants was far from random. Indeed, special attention was paid to selecting native and adaptive plants, especially those that tolerate slightly salty water and that live well in the climate of Naples.

These species need less water while providing greenery. In summary, facades clad with vertical gardens offer:

01	THERMAL REGULATION
02	AIR PURIFICATION THROUGH ABSORPTION OF CARBON DIOXIDE AND PRODUCTION OF OXYGEN
03	BARRIER TO THE SPREAD OF FIRES
04	FILTERING AND PURIFYING ACTION ON AIR POLLUTANTS
05	NOISE ABATEMENT AND REVERBERATION REDUCTION
06	ENHANCEMENT OF THE VALUE OF BUILDINGS AND MENTAL BENEFITS

SUSTAINABLE RESOURCE MANAGEMENT

A great deal of care was devoted to the responsible use and management of water resources. A number of strategies were deployed to ensure the efficiency and sustainability in water use. Specifically, rainwater is harvested from the terraces and conveyed into a special tank. This resource, together with appropriately treated well water, is used to irrigate the plants around the perimeter and to flush the toilets. Therefore, dependency on drinking water is reduced and the overall water consumption decreases. Plus, the building features:

- **flow control taps:** In the restrooms, taps were fitted with flow regulators to minimise waste. Water delivery was automated thanks to the use of sensors, which ensure efficient water use only when necessary.
- **efficient irrigation:** plant irrigation is managed optimally, and adjusted according to the specific needs of the plants with a targeted approach to reducing waste.

PAPER USE REDUCTION

In order to reduce paper use in offices, a number of strategies were deployed:

- **use of printers fitted with monitoring systems:** as of 2022, a plan was established to rationalise the use of printers and paper, which included the use of energy-saving printers equipped with consumption monitoring systems for individual departments, and use of IT management systems which contributed to going paperless.
- **default duplex print setting:** duplex printing was set in all printers as default.
- **purchasing of 75g sheets:** the switch was made from purchasing reams of 80g printer paper to 75g, with a considerably positive impact in terms of paper consumption. Specifically, this initiative made it possible to save approximately 235 kg of paper in the second half of 2023.
- **implementation of a digital signature and archiving system:** the digital signature and archiving system makes it possible to avoid a large number of printouts and save in terms of paper consumption.

ENERGY CONSUMPTION

The Group has the goal of reducing its direct consumption through various initiatives to monitor and manage the specific figures for fuel consumption.

Specifically, at its Headquarters in Viale della Liberazione in Naples, the use of an electric Fiat 500 was made available to all employees. It can be easily recharged thanks to the 2 charging stations on the premises. In this context, it is important to underline how, due to the intrinsic nature of the Group's business, direct consumption is a fundamental part of the company's core business, which in recent years has undergone a marked increase in requests for services from the stakeholders concerned.

Below is a summary of the consumption of the vehicle fleet in litres and electricity in GJ for the financial year 2023¹³:

COMPANY CAR CONSUMPTION (LITRES)	2023	2022
Total consumption	184.679	117.596

The consumption for heating the offices is set out below in GJ.

CONSUMPTION FOR HEATING THE OFFICES (GJ)	2023	2022	2021
Total	4.141	5.524	4.019



¹³ Consumption figures only go as far as 2022 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 as well. Specifically, the scope of the data reported refers to the following companies: Dinastar S.r.l.; Therapic Center S.r.l.; Euromed Pharma S.r.l.; Farmacie Petrone S.r.l.; Fin Posillipo S.p.A.; Petrone Group S.r.l.; Programmi Sanitari Integrati S.r.l.; Euromed Pharma Services S.r.l.; Pharmaidea S.r.l.

Below are the consumption figures expressed in GJ of purchased electricity¹⁴:

CONSUMPTION FOR HEATING THE OFFICES (GJ)	2023	2022	2021
Total energy consumed	18.089	18.554	17.213
Total energy consumed (of which renewable sources)	5.996	8.733	7.960

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. Building on this monitoring activity, in 2023 two new photovoltaic plants were installed on the warehouses of Euromed Pharma Services located in Grezzago (MI) and the plants at the Naples Euromed Pharma facility were revamped. Following through with the same idea of increasing energy efficiency and reducing consumption, in the coming years works will begin to renovate the new offices of the Bagnoli headquarters, the Pharmaidea warehouses and the new headquarters of the sister company in the UK.



¹⁴ The reporting scope refers to the scope of this document with the exclusion of the foreign companies.

EMISSIONS

In order to reduce the negative externalities to the environment and people, the Group intends to implement a series of initiatives aimed at reducing emissions in the near future. In this connection, the efforts made to reduce emissions from office heating, which decreased compared to the previous reporting period, are key.

The emissions of the car fleet and for office heating are shown below (Scope 1 emissions)¹⁵:

COMPANY CAR EMISSIONS (TCO2)	2023	2022
Emissions from fuel consumption	485	365

The figures for the emissions from the car fleet are in line with the reported time period. Specifically, the Group undertakes to reduce the emissions due to the consumption of company cars through various initiatives to improve energy efficiency and to monitor the use of company cars by employees.

EMISSIONS FOR HEATING THE OFFICES (TCO2)	2023	2022	2021
Total	233	310	227

For emissions related to electricity consumption, a distinction is made between "Location based" and "Market based" (Scope 2 emissions)¹⁶:

LOCATION BASED EMISSIONS (TCO2)	2023	2022	2021
Total	1.552	1.592	1.283

MARKET BASED EMISSIONS (TCO2)	2023	2022	2021
Total	1.457	1.183	1.034

Thanks to the production of renewable energy¹⁷ obtained from photovoltaic panels, as shown in the table below, in 2023 the Group avoided 265 TCO2eq of emissions.

RENEWABLE ENERGY (TCO2)	2023	2022	2021
Avoided emissions	265	219	77

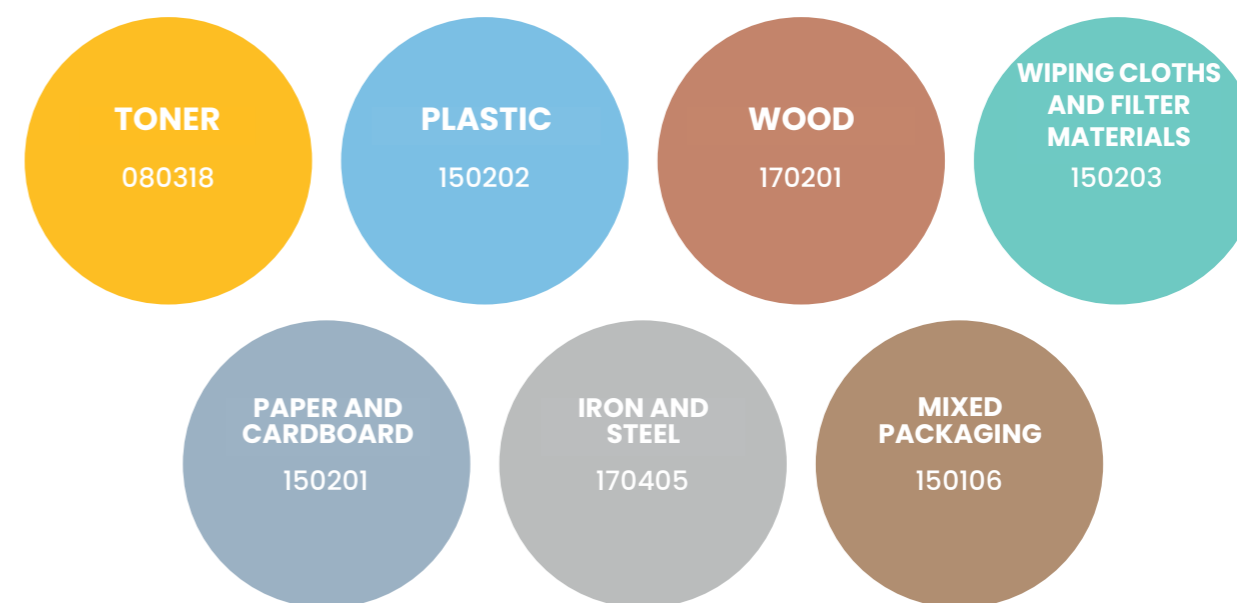
¹⁵ The calculation methodology for Scope 1 refers to the conversion from litres of fuel to TCO2 through EPA conversion factors. As far as the scope of reporting is concerned, the data refer to the following companies: Dinastar S.r.l.; Euromed Pharma S.r.l.; Euromed Pharma Services S.r.l.; Farmacie Petrone S.r.l.; Fin Posillipo S.p.A.; Petrone Group S.r.l.; Programmi Sanitari Integrati; Therapic Center S.r.l. and Pharmaidea.

¹⁶ 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 Scope 2 data (market based) refer to the DEFRA conversion factors and the European residual Mix conversion factors. The reporting scope refers to all companies with the exclusion of the foreign ones.

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. This makes it possible to turn waste into new resources, thereby promoting a circular economy model that makes use of waste materials and contributes to environmental sustainability.

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



In order to reduce the use of **plastic**, Petrone Group distributed a branded water bottle and a cup to all the 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.



¹⁷ The calculation methodology for avoided emissions is based on the Scope 1 methodology. As far as the scope of reporting is concerned, the data for 2023 refer to the following companies only: Pharmaidea S.r.l.; Petrone Group S.r.l.; Farma Carmine Petrone S.r.l.; Euromed Pharma Services Pozzuoli warehouse. Whereas for 2022 and 2021 it refers to: Farma Carmine Petrone S.r.l.; Euromed Pharma Services S.r.l.; Petrone Group S.r.l.

INCREASING THE EFFICIENCY OF PAPER PROCESSES AND DIGITALISATION OF SERVICES

In order to reduce the use of paper, one of the main raw materials used, the partnership with the company AP s.r.l. makes it possible to use special energy-saving Sharp 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 will 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.

EUROMED PHARMA SERVICES: PACKAGING AND CIRCULARITY

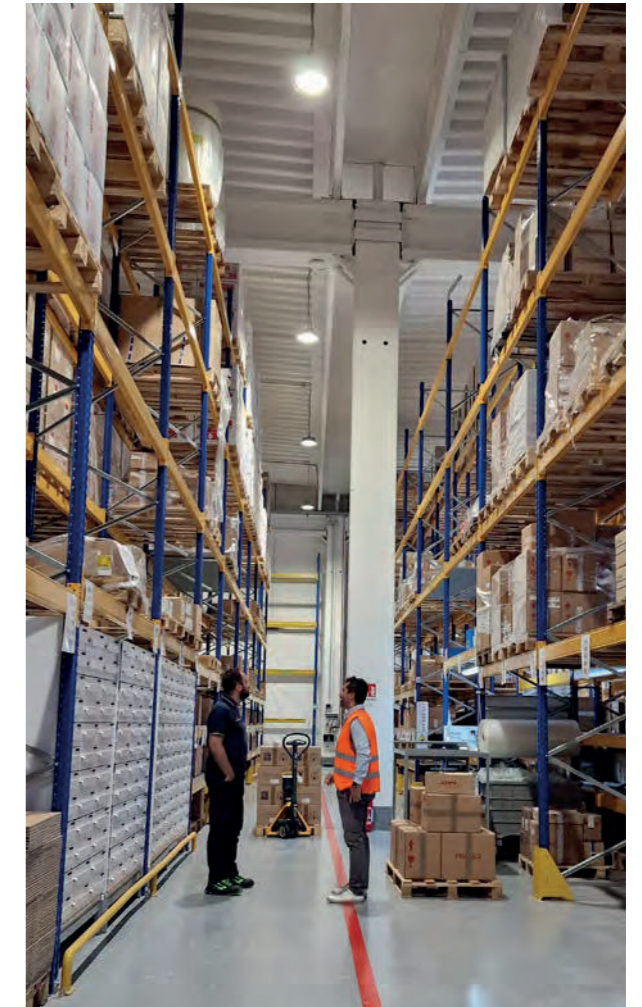
Euromed Pharma Services, a Group Company, deals with third-party logistics and specialises in the storage and distribution of products of our "customer" companies.


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 Euromed Pharma Services is the reuse of the 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 void fill material in packages, which is made up of 50% recycled material.


Due to the large production of packaging owing to the nature of the business, for disposal purposes an ad hoc policy had to be adopted to minimise the relevant environmental impacts: Euromed Pharma Services takes drug and/or product waste to be destroyed with the disposal destination of *recovery*, using code "R13".





LED SYSTEMS

Since July 2022, an LED lighting system has been installed in the Grezzago warehouse, consuming less energy and containing no toxic mercury.



ADJUSTMENT OF TEMPERATURE SET POINTS FROM 15°/25° TO 10°/25°

Euromed Pharma Services is one of the companies classified as energy-intensive. It houses products that need to be stored at a controlled temperature between 15°/25°. After carrying out a risk assessment, the Company, together with its customers, decided to lower the temperature to 10° in 2 warehouses, Grezzago and Pozzuoli, thus considerably reducing consumption.



ENVIRONMENTAL RESPONSIBILITY WORLDWIDE

The growing environmental challenges that, in recent years, have severely tested the resilience of companies around the world have also affected the Group's corporate Vision, which, in the medium to long term, is building solid foundations towards reducing negative externalities affecting the environment and people across all business lines.

UNITED KINGDOM

While the report is being drafted, a new headquarters is under construction which will make it possible to reduce environmental impacts through state-of-the-art innovations, such as:

- lighting system that makes it possible to monitor and reduce energy waste;
- extremely energy efficient heating and cooling;
- a system providing greater control over material recycling.

SPAIN

In order to prevent the environmental risks linked to its business, the Fin Posillipo offices in Spain put in place the following initiatives:

- management of emissions;
- sustainable packaging and circularity (100% recyclable cardboard used);
- pollution prevention, efficient use of resources and climate change mitigation, by replacing the lighting fixtures with LED bulbs and by requiring transport companies to obtain low pollution certification.

Specifically, to abate the tonnes of CO2 produced, some of the electricity consumed in the Spanish offices comes from clean energy. Indeed, energy consumption is supported by photovoltaic panels. In the meantime, some of the energy purchased from the supplier, 33%, comes solely from renewable sources.

FRANCE

In order to prevent the environmental risks linked to its business, the Group offices in France put in place the following initiatives:

- focus on greenery and biodiversity;
- management of emissions;
- sustainable packaging and circularity (100% recyclable cardboard used);
- pollution prevention, efficient use of resources and climate change mitigation, by replacing the lighting fixtures with LED bulbs and by requiring transport companies to obtain low pollution certification.

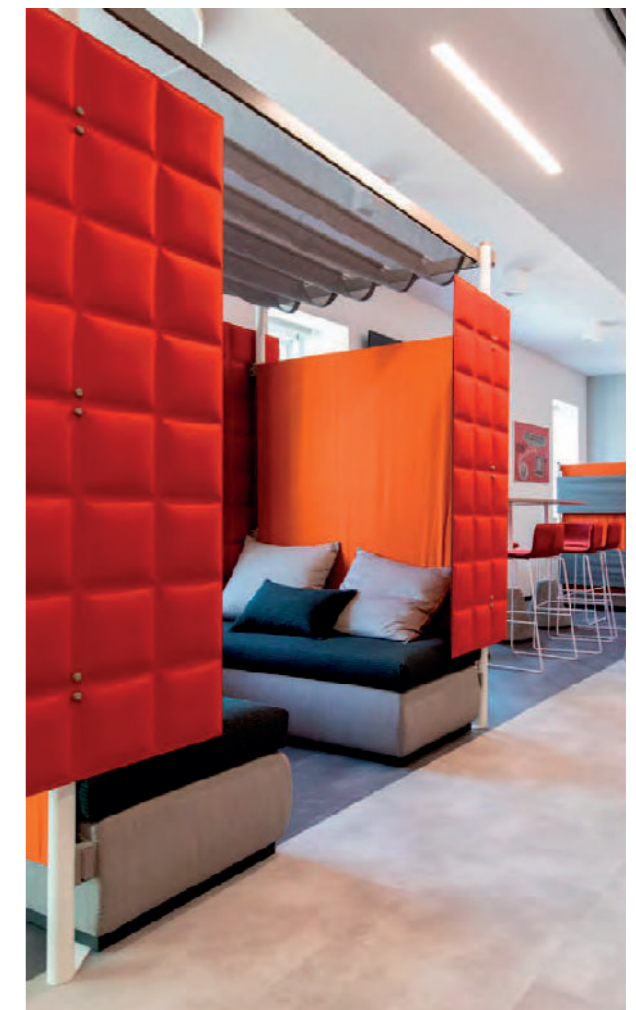
Specifically, appropriate policies were introduced regarding the management of pest control, such as placebo traps for rodents and the use of a natural repellent for spiders instead of insecticides.

With regard to emission management, sustainable mobility activities were carried out linked to public transport for all employees, with the provision of a hybrid car and a garage for electric bikes.

Furthermore, activities for packaging distribution and management are arranged according to reverse logistics that makes it possible to reuse the packaging several times, thanks to the presence of temperature recorders and electronic monitoring devices.

Lastly, with regard to pollution management, the following measures are in use:

- special high-efficiency freezers that use ozone friendly gases;
- implementation of a software system for the quality management system reducing printouts and the CO2 produced;
- selection and recycling of the waste generated, improving the efficiency of the monitoring process.



CHAPTER 6 PETRONE GROUP FOR THE COMMUNITY



PETRONE GROUP FOR THE COMMUNITY

The Group actively undertakes to support and collaborate with the region, promoting initiatives that involve the local communities. These activities include impact assessments and development programmes, with a special focus on the employability of the people involved. The history of Petrone Group has always been closely linked to the history of the region and its people. For this reason, attention to social issues has always been one of the distinctive features of an entrepreneurial group in which the values of family and relations remain a key asset for competitive differentiation, even when operating in an increasingly global world and business.

That is why the support and collaborations with the region's social enterprises continue being an important aspect in which Petrone Group continues investing.

The establishment in 2024 of the Sustainability Committee will allow Petrone Group to be increasingly attentive and effective in creating sustainable development synergies, not just in the very short term, but also in the medium and long term, managing to give stability and visibility to projects and associations already operating in the area.

Specifically, during the three-year period, the Group performed a number of activities that entail the involvement of the local community, such as:

- donations;
- partnerships with local entities (IPE Business School; DIGITA Academy);
- sponsorships (2000 Napoli Water Volleyball team).

TOTAL ACTIVITIES THAT ENTAIL THE INVOLVEMENT OF THE LOCAL COMMUNITY	2023	2022	2021
Total	20	25	15

The actions carried out by Petrone Group in social projects can be broken down by type:

- direct actions;
- expert/ambassador partner;
- involvement of company employees.

Direct actions identify all the activities that the Group pursues jointly with partners to achieve social objectives, such as:

- **AMREF:** since 1994 the Group has been supporting, through donations and promotional initiatives, the largest medical organisation on the African continent. Specifically, the Group supported the Flying Doctors project, a specialist medical assistance service for the populations of the most remote rural areas of East Africa that uses a small fleet of light aircraft to provide a regular and qualified healthcare service, and also the construction of wells for the populations to have access to water.
- **SORRIDI KONOU KONOU AFRICA ONLUS ASSOCIATION (OSKKAO):** since 2020, the Group has chosen to contribute to the projects carried out by this association working in Africa to support hospitals located in Benin and neighbouring countries, promoting the arrival of medicines and specialised medical personnel, and providing all the basic needs.
- **GLOBALGIVING:** the Group has chosen to support a global crowdfunding platform for grassroots charitable projects promoting actions in more than 175 countries around the world.

Little by little, the group has focused in an increasingly active way on local projects to support the Campania region. Below is a list of projects supported over the years:

- **PIANOTERRA ONLUS:** with a view to supporting a difficult region such as Campania, for several years the Group has been supporting the projects carried out by Pianoterra Onlus, which aims to support economically and socially disadvantaged families, at risk of isolation and marginalisation, and in particular to protect the health and well-being of minors.
- **FONDAZIONE RIONE SANITÀ:** a Neapolitan foundation, which was set up with the aim of promoting and implementing educational, cultural and professional training pathways for the young generations who live in situations of increasing social hardship.
- **SUPERABILE** non-profit association: since the 90s the Group has been present in the area with several rehabilitation centres, which is why it chose to support an association whose aim is to promote activities for children with disabilities and support their families.
- **100% NAPLES PROJECTS & CROWDFUNDING:** a wholly Neapolitan project that is active in the implementation of projects related to city greenery and cleanliness. An urban regeneration project that aims to adopt entire city areas (Squares, Streets, Gardens) in which maintenance, irrigation, planting, and cleaning activities are constantly carried out.

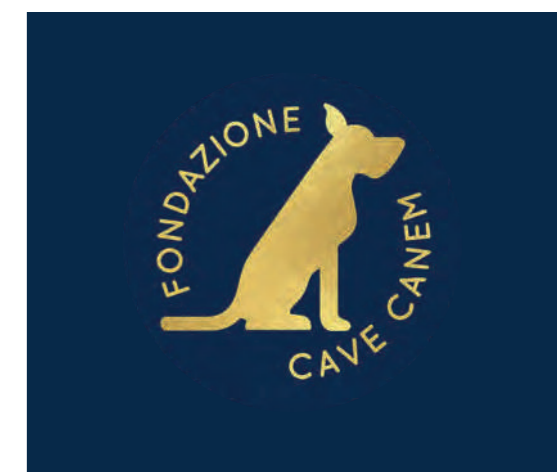
Direct actions also include those supporting research and development projects for new medicinal products or new technologies to make treatments increasingly accessible to patients around the world; In particular, the Group focuses on the following:

- **Telethon;**
- **AIRC;**
- **Sbarro Health Research Organisation.**

With regard to relations with the Partners, collaborations are carried out through specialised personnel to raise the awareness of institutions or people on the specific topic. The activities are carried out through direct actions as well as media campaigns and organisation channels:

- **IPE Business School,** for over 20 years a leader in the field of training, has established a lasting partnership with Gruppo Petrone in order to train new resources and attract new talent.
- **DIGITA Academy** provides training and consultancy with tailor-made projects to improve people's skills: marketing, sales network, retail, human resources, customer care.
- **Naples Chemists' Association,** the Group constantly supports the events organised by the Chemists' Association in order to promote mingling and growth opportunities for new graduates with professionals who have been in the sector for years.
- **Water Volleyball 2000 Napoli,** Petrone Group is the official sponsor of the 2000 Napoli Water Volleyball team.

Partnerships provide the opportunity for students from Campania to 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. Petrone Group proves to be a company that looks ahead with confidence, investing in the younger generations and in the region where it operates, also paying the utmost care to the "neighbourhood" needs, thus promoting integration with the surrounding region.



Lastly, the **involvement of company personnel** is aimed at providing tangible support to specific causes through volunteering and more.

FONDAZIONE FRANCESCA RAVA: every year all the group's chemists' take part in the "At the chemist's for children" days, a national initiative to raise awareness of children's rights and collect medicines and paediatric products for children living in poverty and at risk of poor health; on these days the staff are on the front line to support the project and collect the greatest possible number of products.

CAVE CANEM FOUNDATION: the Group also cares for animals and since 2022 it has chosen to support an all-women 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.

"TOGETHER FOR UKRAINE" PROJECT: during the Ukrainian emergency, the group carried out the project "Together for Ukraine" with all personnel, working together to collect basic necessities and clothing to be packaged and sent to Ukraine.

"ESG AT SCHOOL": in 2024 the group started an awareness raising project in schools on the topic of sustainability. Visits are organised with small groups of company volunteers in schools where, through experiential teaching, children discover what sustainability is and how they can make their own contribution to a better world.

Furthermore, in 2012 an agreement was signed with the Large Urban Park Management Service of the Naples Municipality, by which Petrone Group has secured the right to redevelop and maintain several flowerbeds in the Campania region in order to raise awareness among citizens on the care for greenery and respect for their city; among the flowerbeds taken care of by the group: the Don Russolillo roundabout in via Montagna Spaccata.

In addition to the projects supported consistently over the years to pursue common objectives, the group has also always supported emergency projects or enterprises, specifically:

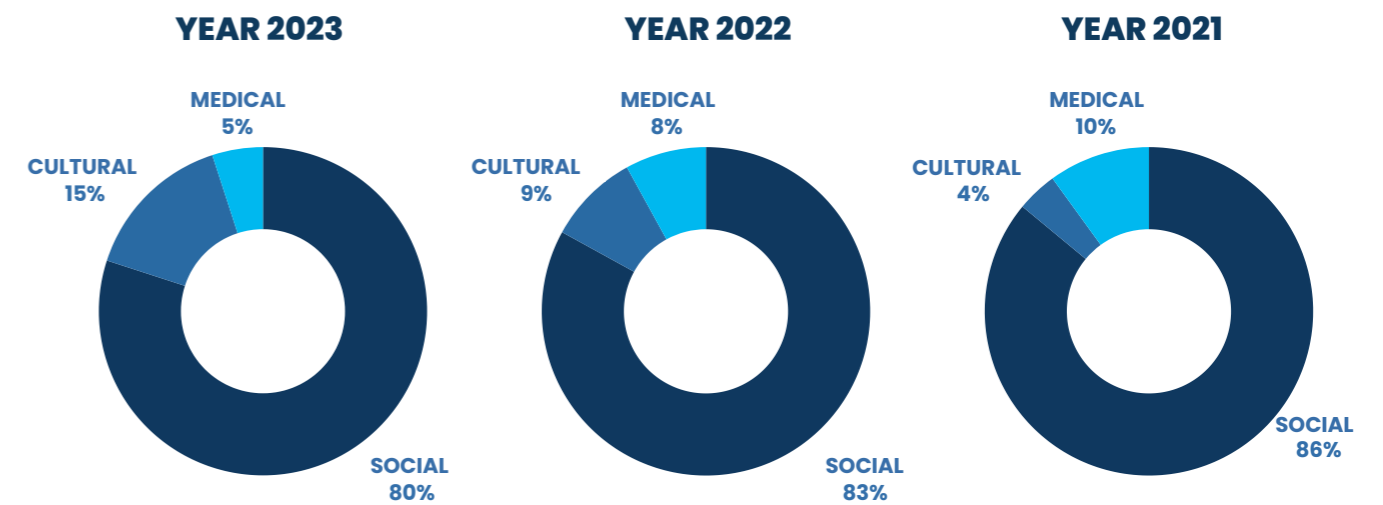
- **WHITE MILK ONLUS:** in 2022 the group supported this non-profit organisation that aims to support populations whose countries are dealing with war, providing them with meals and food;
- **UKRAINIAN CONSULATE:** with the outbreak of the war in Ukraine the group directly supported the Ukrainian consulate to promote hospitality and support of the Ukrainian people.

The continuing commitment to the projects and social campaigns that were chosen by the Group makes it possible to monitor the progress and effectiveness of the actions undertaken in the region and with respect to the stakeholders involved. Specifically, contributing know-how and organisational processes to social activities helps assess their impact, review and redesign actions with a view to reaching the shared objectives.

It should be underlined that, with regard to the environmental focus on the community, in 2023 Gruppo Petrone supported again **Newcleo**, an innovative start-up in the energy sector, launched in September 2021, that works every day to generate safe, clean and sustainable energy by combining existing affordable technologies at competitive costs. The Group firmly believes in the project, and allocated a significant investment of approximately 42 million Euro.

As clearly shown by the graphs, the largest portion of donations is intended to support organisations and associations active in the social sector. Over the years, this type of support has grown considerably, as well as the support to medical not-for-profit organisations, another very important aspect that is in line with the business.

The summary charts are set out below:



¹⁸ The calculation of activities entailing the involvement of local communities excludes some Companies from the scope of this document, such as: for 2023 the foreign companies, for 2022 Fin Posillipo S.p.A and Centro Medico Riabilitativo Pompei S.r.l. were excluded; for 2021 Centro Medico Riabilitativo Pompei S.r.l. was excluded;

CAVE CANEM NON-PROFIT FOUNDATION

The donation to the CAVE CANEM Non-Profit Association is among the largest donations; this is an organisation committed to the implementation of innovative social practices and welfare support aimed at removing barriers to participation through more inclusive tools that involve public and private entities as cooperating actors, for the benefit of people and animals.

The CAVE CANEM foundation is chaired by Federica Faiella, a lawyer, and it was established to build a future where the love and respect for animals combine with the growth and change of people. The Foundation's mission has included the value of social inclusion from the very beginning: each initiative aims to help animals and people – young people from disadvantaged backgrounds, bright university students, inmates, young offenders, over 65s – who benefit in terms of professional training, approach to the world of work, social redemption. The Foundation strives to implement innovative social and welfare practices aimed at removing barriers to participation through more inclusive tools that involve public and private entities as cooperating actors, for the benefit of people and animals. It 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.

Gruppo Petrone actively participates in **CAVE CANEM's** mission; in particular, in the 2023 financial year, the disbursement amounted to EUR 50,000 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 were abandoned, abused or are victims of criminal rings, forced to live in shelters, waiting to be adopted by a family that loves and respects them.

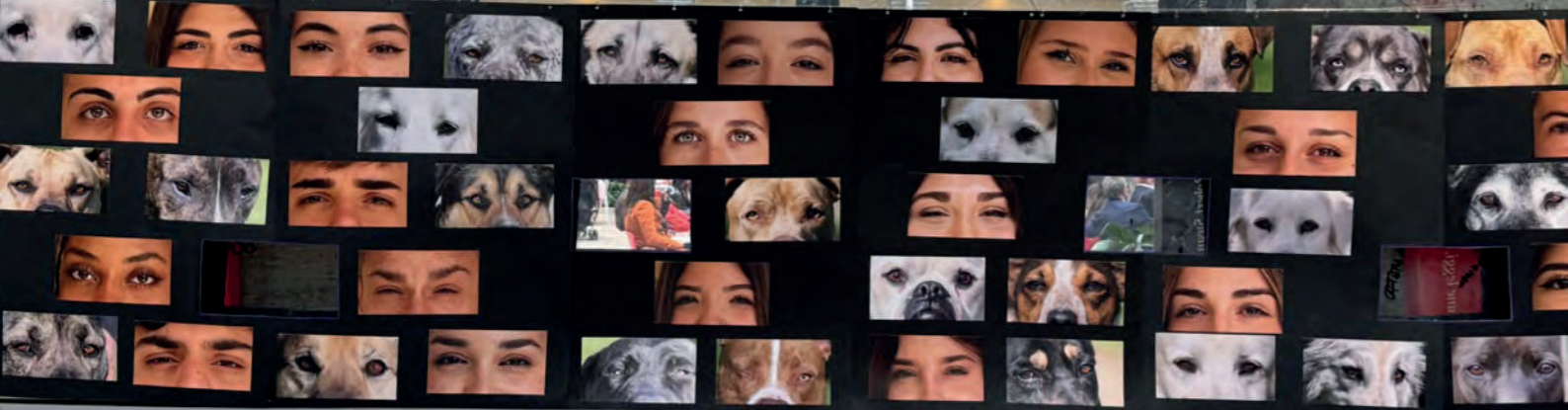


¹⁹ Involved entities: Ministry of Labour and Social Policies, Ministry of Enterprises and Made in Italy, Forestry Carabinieri, State Police, Naples Bar Association, Association of Veterinary Surgeons, Department for Juvenile and Community Justice, Naples Juvenile Justice Centre, Office of Social Services for Minors in Naples, Naples Secondigliano Prison, Gentileschi High School of Agnano, Campania Veterinary Urban Hygiene Centre, Local Health Authority, "La Fenice" dog shelter, "La Casa di Boss" dog shelter, "L'Emozione non ha voce" shelter, volunteers involved in caring for stray dogs in the area, FOQUS Fondazione Quartieri Spagnoli, Lions Club.

The funds received from Petrone Group S.r.l. made it possible to implement and operate the **Generazione 4C¹⁹ in Naples**, a co-design model that was then implemented also in Rome. The field team of Fondazione Cave Canem and the young recipients involved helped stray dogs or shelter dogs in Rome as well as in Naples. Specifically, the project cycle ended by rescuing **eight puppies and their mama** who were found in the former slaughterhouse of the Poggioreale district: Masha the mama and puppies Totò, Babà, Ischia, Nisida, Zeppola, Frolla, Riccia, Sophia.

Below is a summary table of the activities carried out by the Generazione 4C project, lasting 6 months. The sums indicated were provided during the project, between 2023 and 2024.

RECIPIENTS	NUMBER	ADOPTIONS	TOOLS	DIRECT BENEFIT	COST PER CIRCUIT	FEEDBACK
Young offenders	9		Probation	Extinction of criminal liability, acquisition of skills that can be used in the workplace	€ 12.167,00	Report on the probation project to be submitted to the judge
Inmates	15		Treatment activities	Filling the time of the sentence with constructive content, semi-liberty and access to the regime as per art.21	€ 2.000,00	Certificate
Female students	25		PCTO	Acquired: 1) Integrated communication skills; 2) A working method in an office and team setting; 3) A new sensitivity and knowledge of dogs	€ 33.797,00	Report and certificate of passing the transversal skills and orientation course
Young disabled persons	1	219	Training activities and photography workshop	Development of skills and social and creative abilities	€ 500,00	Certificate
Animals helped at the shelter	436	4	Behavioural assessment; support in recovery paths; socialisation and compatibility activities; assistance during veterinary visits; volunteer assistance	Improved mental-physical conditions and increased adaptability index for dogs still at the shelter. Support to families for adopted dogs	€ 40.046,00	Awarding a red, yellow, courage yellow, green sticker to report improvements
Supported strays	26		Support to local volunteers by collecting and distributing basic goods such as food, bedding, blankets. Guaranteed veterinary care and preparation and functional promotion for adoption.	Mental-physical support; veterinary care; increased adaptability index	€ 11.490,00	Activity sheet
Total people	50					
Total animals	462			Total budget	€ 100.503,00	



Reflect

4C GENERATION

The project was born to help dogs and cats in distress and to fight youth unemployment. The project aims to change the fate of animals in distress, while at the same time addressing:

- disadvantaged youth;
- educational poverty;
- juvenile crime;
- digital child safety.

Generazione 4C means providing the young people involved with opportunities for personal and professional **Growth (Crescita)** and **Skills (Competenze)** development for finding their place in the world of work, especially in Third Sector entities. The project generates a positive impact on society, increasing the **Awareness (Consapevolezza)** among young people of environmental and social challenges. Lastly, the project strives to support young people by becoming the **Change (Cambiamento)** that the world needs, starting from their relationship with other people, non-human animals and the environment.

While drafting this report, the interactive exhibition *"From darkness to light, stories of friendship and solidarity between young people and abandoned dogs"* was organised, curated by 50 young recipients of the project **Generazione 4 C**, on 11 April 2024, at **Galleria Porta Carrese of Naples at FOQUS** Fondazione Quartieri Spagnoli, that features 50 black and white and colour photographs showing respectively the miserable conditions of abused and shelter dogs and their condition after being rescued and adopted. Specifically, three interactive art installations, one video and three paintings elicited visitors' empathy and the most varied feelings.

The exhibition and the project are in line with the Cave Canem Foundation's vision. It works to build a future where love and respect for animals combines with growth and change in people, through co-design projects that can be replicated on a large scale. The exhibition was the final step in an **individual pathway** built on work, highlighting and appreciating personal skills and the exchange of experiences between peers in a non-judgemental setting. It should be underlined that the initiative and the project received the **patronage** of the Ministry of Labour and Social Policies, the patronage of the Ministry of Enterprises and Made in Italy, accreditation with the Naples Bar Association. Lastly, in terms of innovation, one should mention that the exhibition included some interactive art installations to immediately arouse an emotional response in the viewer, and encourage reflection on the issue.

The **Generazione 4C** project made it possible to engage in professionalisation and training courses young people involved in criminal rings and/or from disadvantaged backgrounds who risk being swallowed up by criminal organisations. Therefore, the recipients of these activities become part of a protected and non-judgemental setting and work at the

service of abandoned animals, acquiring the skills required to work in the following positions:

- dog trainer for the recovery of dogs suffering from behavioural issues;
- content creator;
- project manager in the third sector;
- fundraiser;
- exhibition curator.

It was possible to ensure the financial sustainability of the training, treatment and professionalising experiences specified below. 25 female high school students were involved in a transversal skills and orientation course, 15 prison inmates were involved in a treatment and workshop experience, 9 young offenders were involved in a probationary pathway, 1 young person with disabilities benefited from a training and professionalising course, the dogs benefited from the work carried out by the young recipients.

The project was carried out by Foundation's team and the young beneficiaries at FOQUS Fondazione Quartieri Spagnoli, the Gentileschi High School of Agnano, the Secondigliano District Prison of Naples, the L'Emozione non ha voce dog shelter, the La Casa di Boss dog shelter, the La Fenice shelter, the support services for free-ranging dogs in the Poggioreale neighbourhood and in the Quartieri Spagnoli, and the Valle Grande dog shelter in Rome. Below is a reconciliation table linking the impacts generated by the Generazione 4C Project with the SDGs.

	<ul style="list-style-type: none"> • 2529.76 the value of basic goods provided for homeless animals helped in the area
	<ul style="list-style-type: none"> • 26 female students successfully completed the work experience • 15 prison inmates were involved in a treatment experience • 9 boys were admitted to a probationary project • 1 young disabled person took part in training activities
	<ul style="list-style-type: none"> • 100% of the office team employed in the project, including leadership roles, consists of women • 57% of the field team employed in the project consists of women professionals • The position being equal, there is no salary difference linked to the gender one identifies with; special attention is paid to the use of inclusive language, as a further means through which to eradicate stereotypes and prejudices
	<ul style="list-style-type: none"> • EUR 386,626.25 the annual savings for Municipal Administrations generated thanks to the adoptions of homeless dogs facilitated by the work of the Cave Canem Foundation
	<ul style="list-style-type: none"> • 436 homeless dogs forced to live in shelters were helped thanks to the work of male and female dog trainers • 26 supported free-ranging dogs were helped thanks to the procurement of basic necessities, including 8 puppies and their mother saved from an extremely dangerous situation and made safe for adoption
	<p>The Foundation collaborated and partnered with:</p> <ul style="list-style-type: none"> • Ministry of Labour and Social Policies; Ministry of Enterprises and Made in Italy • Forestry Carabinieri • Naples Bar Association • Ministry of Justice – Department for Juvenile and Community Justice • FOQUS Fondazione Quartieri Spagnoli

GRI CONTENT INDEX

Declaration of use	Fin Posillipo S.p.A. submitted a report in compliance with GRI Standards for the period from 01.01.23 to 31.12.23
GRI 1 used	GRI 1 - Fundamental Principles - 2021 version

GRI STANDARD	DISCLOSURE	REFERENCE CHAPTER DIRECT RESPONSE	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
General Disclosure					
GRI 2: General information 2021	2-1 Organisational Details	Company Profile - Profile	<i>The grey cell indicates that no grounds for omission are allowed for disclosure.</i>		
	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: Petrone Group 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			
2-12 Role of the highest governance body in overseeing the management of impacts	Corporate governance: the ethical conduct of business			
2-13 Delegation of responsibility for managing impacts	There is no figure who manages impacts; the Group uses an external consultant.			
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 Annual total compensation ratio	Petrone Group: History and identity - Mission and values			
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			

		business ethics			
	2-25 Processes to remediate negative impacts	Corporate governance: the ethical conduct of business			
	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 STANDARD	DISCLOSURE	REFERENCE CHAPTER DIRECT RESPONSE	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
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 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	Corporate governance: the ethical conduct of 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			
Responsible governance and 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 digitalisation					
GRI 3: Material topics 2021	3-3 Management of material topics	Corporate governance: the ethical conduct of business - Sustainability and digitalisation			
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			

GRI STANDARD	DISCLOSURE	REFERENCE CHAPTER DIRECT RESPONSE	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
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 - Gruppo Petrone 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 - Gruppo Petrone for the environment			
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 - Euromed Pharma Services: Packaging and circularity			
GRI 306: Waste 2020	3-3 Management of material topics 306-1 Waste generation and significant waste-related impacts	Environmental responsibility: responsible use of resources and respect for the environment - Euromed Pharma Services: Packaging and circularity			

	306-2 Management of significant waste-related impacts	Environmental responsibility: responsible use of resources and respect for the environment - Euromed Pharma Services: 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			
	305-2 Energy indirect (Scope 2) GHG emissions	use of resources and respect for the environment - Emissions.			
GRI STANDARD	DISCLOSURE	REFERENCE CHAPTER DIRECT RESPONSE	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Management of occupational health and safety					
GRI 3: Material topics 2021	3-3 Management of material topics	Social responsibility: Gruppo Petrone and people - Occupational health and safety			
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	Social responsibility: Petrone Group and the people - Occupational health and safety			
	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				
	403-6 Promotion of worker health				

	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 - Gruppo Petrone 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 - Gruppo Petrone for the community			
Employee empowerment and well-being					
GRI 3: Material topics 2021	3-3 Management of material topics	Social responsibility: Gruppo Petrone and the people - Our employees			
GRI 2: General information 2021	2-7 Information on employees and other workers	Social responsibility: Gruppo Petrone and the people - Our employees			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Social responsibility: Gruppo Petrone and the people - Our employees			
Personnel management, diversity and inclusion					
GRI 3: Material topics 2021	3-3 Management of material topics	Social responsibility: Gruppo Petrone and people - Personnel management, diversity and inclusion			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Social responsibility: Petrone Group and the people-			

		Personnel management, diversity and inclusion			
Safeguarding human rights					
GRI 3: Material topics 2021	3-3 Management of material topics	Social responsibility: Gruppo Petrone 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 Group undertakes to follow 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: Petrone Group and the 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: Gruppo Petrone and people - Skill development and training			
GRI 404: Training and education 2016	404-1 Hours of training per year per employee	Social responsibility: Petrone Group and			

		people - Skill development and training			
	404-2 Programs for upgrading employee skills and transition assistance programs	Social responsibility Gruppo Petrone and people - Skill development and training			
	404-3 Percentage of employees receiving regular performance and career development reviews	Social responsibility: Gruppo Petrone and people - Skill development and training			