



Sustainability Report 2023

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Letter from Management

Every day, healthcare professionals in hospitals, medical centres and research facilities around the world face an increasingly demanding reality that necessitates innovative solutions to improve people's health. For this reason, our commitment is to support them by providing access to tailored technological innovations that can change lives.

Since our inception, at Palex we have worked on continuous improvement to apply the highest standards of quality and innovation and to adapt technological advances to the real conditions of each of our clients.

The year 2023 has been notably intense, marked by the acquisition of new companies in Italy and Portugal and their integration into the Group. This adds much more value to the results obtained, which, once again, have been very satisfactory and represent economic growth for the Group.

Furthermore, it is also worth highlighting that during this year 2023, a new partner joined the Group, which will allow us to continue growing in Europe and position ourselves as a global company at the continental level. Currently, we are already more than 1,000 employees in the Organisation, and together we have demonstrated once again that we are capable of successfully facing any challenge.

Additionally, we consider sustainability an essential corporate strategy. Through the integration of sustainable practices into our culture and daily operations, we establish a long-term commitment to contribute to the well-being of the planet and society. For this reason, one of our greatest challenges this year has been to continue developing the ESG strategy in all the Group's companies, both newly incorporated and existing ones, so that all share the same sustainable purpose. In this regard, we are proud to work with companies so committed to this project and eager to learn and incorporate sustainability into their daily activities.

However, the expansion of the ESG strategy being our greatest challenge does not mean that we have

not faced numerous additional challenges during this period; quite the opposite. Examples of this include our commitment to renewable energies, the extension of our environmental commitment through ISO 14001 certification in Group companies that did not yet have it, our ongoing dedication to a corporate compliance project and, undoubtedly, all the social initiatives aimed at improving the lives of those around us, along with many other actions that we will reveal throughout this report for 2023.

The progress made so far is the result of the great work and dedication of all the parties involved. Without the dedication and loyalty of our teams, who have always stood out for their commitment, high level of professionalism and excellent customer service, this journey would not be possible.

Without further ado, I present our sustainability report, which reflects all our efforts and dedication to being a leading company in advanced hospital and technological solutions, and, without a doubt, a leader in sustainability.



+68

Years of experience

+45

Medical and surgical specialities

+8,000

Clients

100%

Direct presence in Spain, Portugal and Italy

1,850

Product suppliers

62,499

Annual technical assistance hours

1,115

Annual public tenders

4,870

Installed equipment units

+300,000

Annual shipments

+80

Customer service professionals



763,883

Product references

+13,600

New product listings





1010

Workforce

50%

Women

50%

Men

98%

Full-time contracts

98%

Permanent contracts

8 years

Average tenure of staff

49

Positions filled through internal promotion



2,032 tCO₂eq

Scope 1 CO₂ emissions

111.01 tCO₂eq

Scope 2 CO₂ emissions

58%

Renewable energy

56%

ECO vehicle fleet



429m€

Revenue

(37)m€

Net profit



01

Improving
technologies,
Improving lives

Our history

The origins of the Palex Group date back to the 1950s when Hans Knuth, the founder of the group, established commercial relationships with the German company B. Braun. For over 65 years, we have dedicated each day to providing patients and medical professionals with the most innovative products, backed by an advanced concept of Total Service.

Additionally, throughout this journey, we have experienced significant growth in size, scope and market presence through a series of strategic acquisitions.

Below are some of the most relevant milestones in the Group's historical development.



2019

Acquisition of **Bemascé**, Spanish distributor of neonatal care products.
Incorporation of **Biogen Diagnóstica**.
Palex is responsible for 21 out of the 24 **Colorectal Cancer Screening** programmes in Spain.

2018

Establishment of **Adacyte**.

2017

Incorporation of the hospital business of **Taper** Group in Spain and Portugal.
Incorporation of **Cymit Química**.
Launch of the first integrated closed system for cytostatic transfer **Equashield®**.

2021

Acquisition of **Bioterra's** radiotherapy branch.
Acquisition of **Wacreces**.

Fenin Award for Technological Healthcare Innovation.

First patient with urethral stenosis treated with the active drug-coated balloon "**Optilume**".

2020

Acquisition of **Comercial Rafer**.
Launch of the **spectral cytometry** line.
Initiation of the digitisation project for pathological anatomy for the Catalan Health Institute (**ICS**), **Digipatics**.
Installation of the first **Exablate Neuro** in a public hospital.

Essential supplier of **PCR in Spain during the COVID pandemic** (50% of tests conducted in the first 3 months).
Palex supplies over 1,000 ventilators to the healthcare system during the **pandemic**.

2022

Acquisition of **MTW in Spain**.
Entry into Italy with the acquisition of **Gada Group**.

Development of our own laboratory management software "**Sltransplant**" for Histocompatibility.

Launch of **Next Generation Sequencing (NGS)** Sequencers with MGI.

Introduction of **3D Bioprinting** technology.

Integration of the **enteral nutrition business Compat Ella®** (from Nestlé).

Launch of **Resucitech**, CARL Therapy Automated Cardiopulmonary Resuscitation System.

2024

2023

Acquisition of **Medical Concept Lab S.R.L**, **Innovamedica** and **Burke&Burke** in Italy.

Acquisition of **Isoder** in Portugal.

More than 6 million tests supplied for **colorectal cancer** screening programmes.

INARI brand for percutaneous treatment of pulmonary embolism.

First patient connected to **ESCOR MOBILE**, allowing children with ventricular assistance to leave the hospital while awaiting transplantation.

About us

Palex Group and its subsidiaries, comprising Chacrim Directorship S.L and other dependent companies (hereinafter, Palex Group, Grupo Palex or Palex), is a business group with over 65 years of experience in the healthcare sector, supported by Apax Partners since 2023 and Fremman Capital since 2021.

Founded in 1955, Palex Group is dedicated to the commercialisation of medical equipment and advanced hospital solutions.

Operating in Spain, Portugal and Italy, Palex Group consists of more than 1,000 professionals integrated into several highly specialised companies within their respective sectors.

We offer a broad portfolio of specific hospital solutions for over 40 medical specialities, ranging from consumables to sophisticated diagnostic, treatment and laboratory equipment.



SPAIN

Chacrim Directoship, S.L.U.
 Topco Palex, S.L.U.
 Palex Medical, S.A.
 Adacyte Therapeutics, S.L.
 Cymit Química, S.L.U.



ITALY

GADA, S.p.A
 Gada Italia, S.p.A.
 E.P.S, S.p.A.
 Evoluzione, s.r.l.
 Medical Concept Lab, s.r.l.
 Burke & Burke, S.p.A.
 Innovamedica, S.p.A.



PORTUGAL

Lusopalex – Produtos de
 Saúde Unipessoal, L.D.A.
 Isótopos e Derivasos, S.A.
 Fardiotop, productos e Serviços
 Farmacêuticos Unipessoal, Lda.



SWEDEN

Adacyte Therapeutics
 Sweden AB

Below is a description of the companies within the Group that are currently active:

PALEX MEDICAL

Palex Medical is the leading provider of advanced solutions for healthcare professionals and researchers in the hospital and laboratory fields.

Founded in 1955 with a clear innovative vision, we lead in supplying solutions to the hospital sector in Spain. With a team of over 500 people, we provide healthcare professionals and researchers with the most cutting-edge and innovative tools on the market, enabling them to perform their work to the highest standards and provide patients with the best diagnosis and treatment.

ADACYTE THERAPEUTICS

Adacyte Therapeutics is a multinational company committed to developing and commercialising unique and innovative therapeutic solutions aimed at improving patients' quality of life.

Founded in 2018, our goal is to relaunch Adacolumn® (developed by JIMRO [Japan Immunoresearch Laboratories Limited Co. Ltd]) in Europe. This innovative device enables leukocyte apheresis procedures to be carried out in patients with inflammatory bowel disease and other autoimmune diseases. Noted for its high efficacy and safety, Adacolumn® offers a valuable alternative for patients with ulcerative colitis who are resistant to conventional treatment with corticosteroids or biologics.

At Adacyte Therapeutics, our primary goal is to ensure that all patients in need have access to this innovative treatment. Since 2021, we have been working on a clinical development plan at the European level to expand the available clinical evidence and ensure its inclusion in international treatment guidelines for inflammatory bowel disease (IBD).



CYMIT QUÍMICA

Cymit Química is a marketplace that contributes to scientific progress by providing an innovative and quality service that connects the needs of laboratories with manufacturers of chemical and biological products. With over four million references, we aim to become the global leading marketplace in the scientific industry by incorporating new technologies designed to offer the best service.

LUSOPALEX - PRODUTOS E SERVIÇOS FARMACÊUTICOS, UNIPESSOAL, LDA

LusoPalex, a Portuguese company within the Palex Group, ensures excellence in managing and distributing advanced hospital and research solutions in Portugal. With management headquarters in Lisbon, we operate through an extensive technical and commercial support structure throughout mainland Portugal, as well as in the Azores and Madeira islands.

Our catalogue includes hospital and laboratory equipment, surgical prostheses, hospital clinical materials, in vitro research and diagnostic reagents, microscopy equipment and technological solutions for research, diagnosis and the food industry, as well as equipment and consumables for radiotherapy.

ISOTOPOS E DERIVADOS - ISODER, SA

Founded in 1992, Isoder SA is a Portuguese company that distributes human-use medicines in the field of Nuclear Medicine (SPECT and PET radiopharmaceuticals) and radiation protection equipment. Part of the Palex Group since 2023.

FARDIOTOP, PRODUTOS E SERVIÇOS FARMACÊUTICOS LDA

Established in 2007, Fardiotop is dedicated to commercialising PET radiopharmaceuticals based on the radionuclides 18F and 68Ga for Nuclear Medicine. Part of the Isoder Group since 2010.

GADA GROUP

The Gada Group comprises seven companies, all referred to as Gada. The companies Medical Concept Lab, Burke&Burke and Innovamedica were acquired during 2023, so some data is reported separately.

GADA ITALIA

At GADA Italia, we distribute innovative medical technologies to public and private hospitals and university polyclinics throughout the country.

The solutions offered cover cardiovascular, infusion, transfusion, dialysis, pre-analytical laboratory phase and intensive care areas. We approach each challenge with dedication and commitment, offering personalised solutions, relying on excellent professionals and adhering to the latest quality standards.

We also have numerous long-term collaborations with leading global companies in the sector.

EVOLUZIONE

Evoluzione was created with the mission of providing innovative healthcare products to the market. This is made possible through the search for devices manufactured by third parties and our own research and development.

At Evoluzione, we are committed to distributing solutions for patients and healthcare professionals, and we are prepared to meet the needs of an ever-evolving healthcare world. We offer training and educational support for all our products in line with our philosophy: to be advisers and not just suppliers.

EPS

Specialising in comprehensive healthcare services, EPS offers expertise to hospitals through personalised, innovative and scalable solutions.

EPS' services range from outsourcing clinical staff to telemedicine and materials management, improving internal processes and sustainability.

For years, EPS has studied, developed and continuously improved perfusion services, selecting the best medical devices, optimising procedures and techniques and training specialised personnel. A comprehensive and adaptable model designed to assist medical staff in their daily activities.

Medical Concept Lab

Medical Concept Lab offers tailor-made solutions for hospital structures, including procurement and warehouse management, technical and clinical support management and outsourcing, design, construction and maintenance of departments and operating rooms and remodelling processes (training, performance optimisation, service development).

Innovamedica

Since 1999, Innovamedica has been a point of reference in Italy for innovative technological solutions in minimally invasive and mechanical

surgery, digestive endoscopy and enteral nutrition, urogynaecology and endourology. Based in Cusago (Milan) with over 30 employees, it operates nationwide with a direct sales network consisting of agents, employees and local distributors.

Burke&Burke

Based in Assago (Milan), Burke&Burke is an Italian company founded in 1976 by Antonio Burke, with business carried on by the historic partner Giusto Bonandrini together with Francesco Calabrese and Nicola Burke. It specialises in supplying public and private hospitals with high-tech equipment related to pneumology, respiratory pathophysiology and anaesthesia for neonatal and adult intensive care departments.

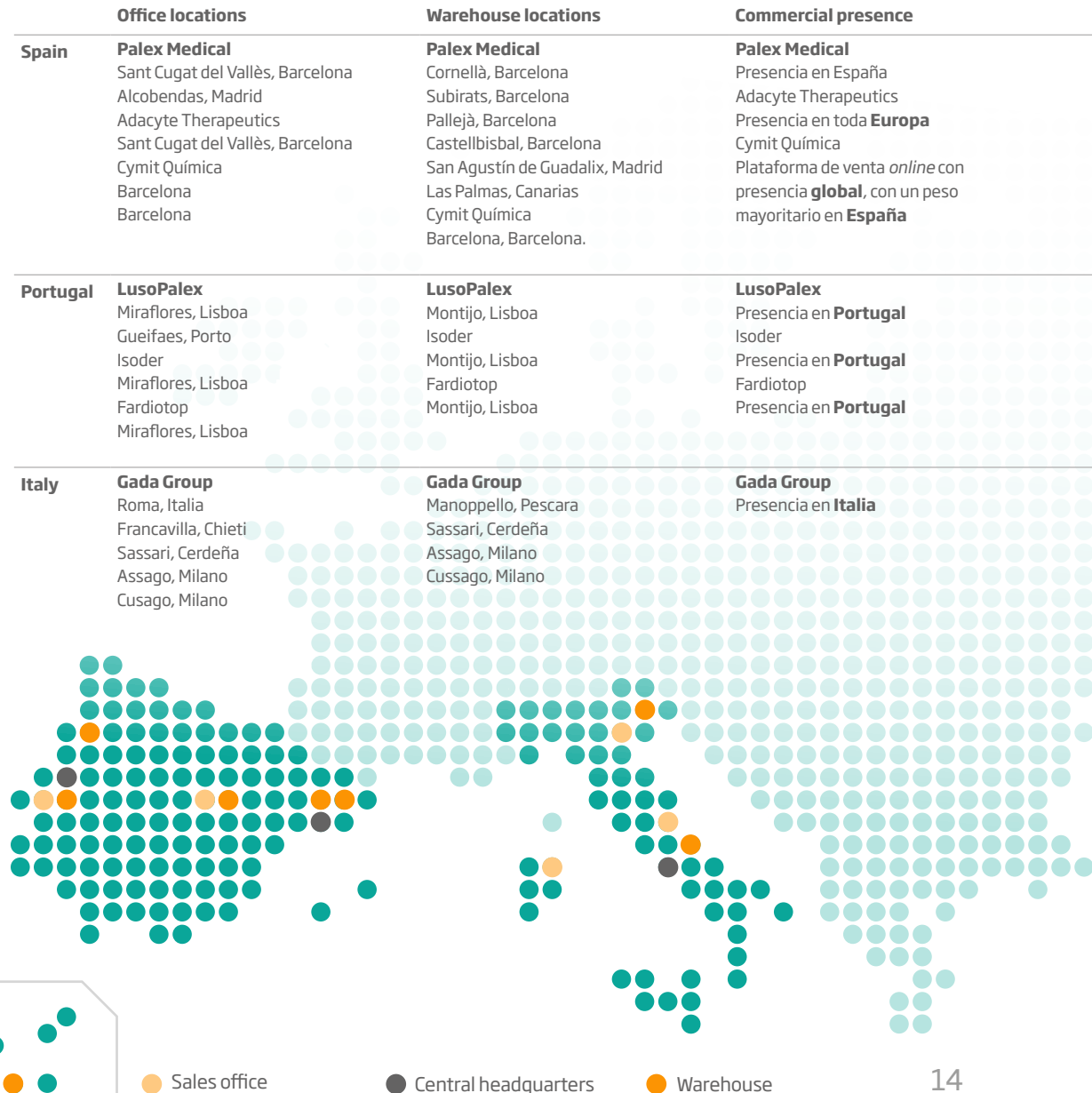
Our locations

Palex Group strategically positions its offices and warehouses in various countries to ensure comprehensive coverage of all territories where it operates. This strategic placement allows the company's **sales network** to reach multiple points in these countries, facilitating efficient and effective delivery of hospital solutions to meet client needs.

In **Spain** and **Portugal**, Palex Group manages its commercial presence through its own sales networks, which are backed by extensive knowledge acquired through internal and external training, as well as a detailed understanding of the autonomous purchasing models in these countries, ensuring effective delivery of solutions to all clients.

In **Italy**, Palex Group utilises both its own and external sales networks to reach all clients throughout the country.

Additionally, for the distribution of certain product lines and Adacyte, the company has partnerships in France and Sweden.



Our purpose

In 2023, we defined a purpose that expresses our reason for being since the company's foundation in 1955. It perfectly defines the backbone on which we rely to make decisions and serves as a guide to follow the company's future strategy both in the business and social spheres. It is a purpose that gives us a magnificent opportunity to continue being part of the transformative and innovative change in our society:

To support healthcare professionals and researchers by providing them with access to customised technological innovations, helping them to transform lives.

At Palex, we firmly believe that technology applied to the field of health can enhance life and well-being.

Constant innovation offers solutions we never imagined before.

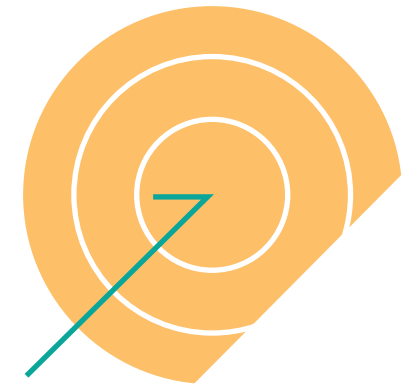
Solutions that aid in refining the diagnosis of diseases, their treatment and patient monitoring. To accomplish this, we must grasp the reality faced by healthcare professionals every day in hospitals, medical centres and research facilities across the world.

Only by being close, listening and working together can we enable technological innovation to introduce new solutions in the field of health, in which it is a priority to move forward with new and better tools. Innovation is a significant step, but it's just the beginning.

We need to tailor technological advancements to the actual conditions of use and to the specific characteristics of each hospital, service and health professional. Our goal is to achieve this.

The facts speak for themselves: we have come a long way.

However, at Palex, we acknowledge that there's still much work ahead.



The pillars that support our purpose are as follows:



BRING

Specialists in healthcare innovation

FIT

Custom solution ideation

RUN

Proximity and support



BRING

Specialists in healthcare innovation

We have a technical team exclusively dedicated to innovating in state-of-the-art healthcare technology.

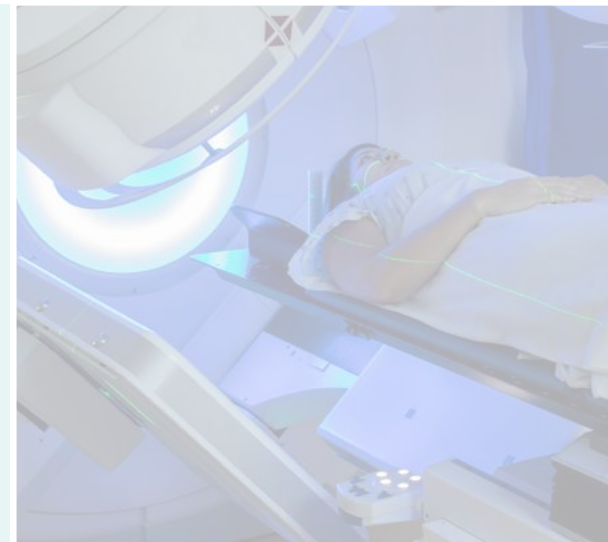
Their daily focus is on identifying and evaluating solutions and products that advance medical care and healthcare management.

Even a small advancement can save or improve a life.

This involves active searching and contacting the best talents in technological innovation worldwide to study their ideas and new solutions.

It also comes from listening to doctors and healthcare managers and understanding the reality in multiple therapeutic areas to proactively promote the design and generation of new solutions.

It's a demanding process of researching, selecting and validating new technological solutions for medical work and people's health.



FIT

Custom solution ideation



FIT

Custom solution
ideation

Our team of engineering and systems developers works to adapt technological innovation to the specific needs of each hospital or medical service.

Palex offers more than products; we provide tailor-made innovative solutions.

Healthcare Software Solutions

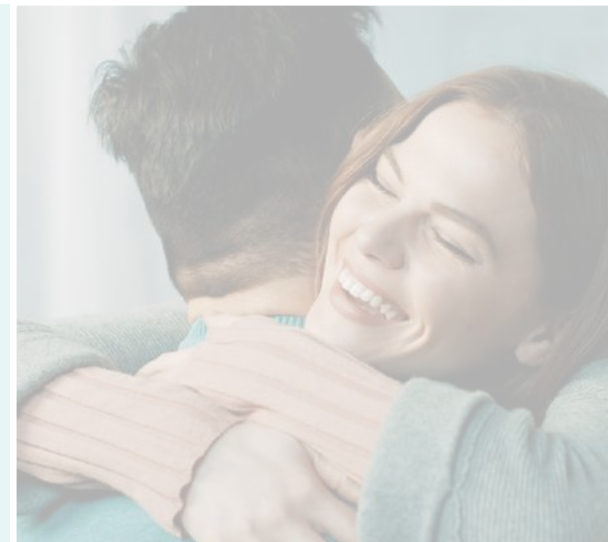
This area focuses on developing applications and technology to meet the needs of implementing new technologies, adapting them to each centre and thus facilitating the daily work of healthcare professionals.

Our expert team creates:

Middlewares: These complement medical devices and integrate them into client processes and systems.

“Ad hoc” specific applications: These support particular processes in different hospital areas and medical specialities.

Reporting and data analysis systems.



RUN

Proximity and
support



RUN

Proximity and support

We stand alongside healthcare professionals to understand their reality and provide them with answers. We also support them in their daily management.

We don't just provide innovative solutions in technology applied to health; we ensure they work in the reality of everyday life.

Operational Partner

We provide our clients with a wide range of services, focusing on long-term solutions:

Integrated logistics management

After-sales service

Technical Assistance Service

Customer Service Centre

In vitro diagnostic laboratory

Development of software solutions (SaaS)

Public tenders: Extensive experience in public procurement models and tenders

Inventory management

Own warehouses and quick response

We also see this purpose as a means to reaffirm our strong commitment to society and the environment.

We can only listen, advise and provide solutions to hospitals or laboratories if we can influence, empathise and assist all stakeholders who contribute to the

foundations for meeting the needs of the medical and research community.

Furthermore, the innovation we offer is technically advanced and strives to be as environmentally friendly as possible. To achieve this, we align our processes with operations necessary to ensure environmental protection and influence our supply chain to commit to the environment as much as we do.

We are convinced that only with a fully implemented sustainable strategy in our governance bodies and thorough monitoring of the requirements stemming from the three pillars of sustainability will we succeed in fulfilling our purpose.

On the foundation of these brand pillars, we have crafted a new tagline to accompany our logo, reflecting our corporate purpose: *Improving technologies, Improving lives*, which underscores Palex's commitment to advancement, highlighting innovation and people.

Our value proposition in the healthcare market

Examining our journey since 1955, when Hans Knuth founded Palex, we see a consistent dedication to supporting medical professionals, pursuing innovation in products, equipment and systems, and maintaining high quality in all aspects of our business. This approach has led to:



Continuous delivery of Advanced Hospital Solutions to the healthcare markets of Spain, Portugal and other countries where we have expanded internationally, offering cutting-edge systems and products in medical-surgical techniques.



Close collaboration with healthcare professionals and managers, enabling us to understand clients' current and emerging needs first hand.



Identification of new opportunities and pursuit of pioneering products and solutions.

Our excellence stems from our ability to respond to changing needs, adapting to any possible changes and understanding first-hand what professionals in the healthcare sector require daily.

The pursuit of continuous innovation remains our core focus: discovering, evaluating and developing new solutions and products that add value to the market.

Currently, Palex is significantly contributing to fields such as robotic and minimally invasive surgery, process automation, personalised cancer treatment through diagnostic tests, home haemo-dialysis and other home therapies and neuroscience, with our latest contribution being the non-in-cision neurosurgical platform for treating essential tremor.

However, the true measure of our corporate culture is maintaining strong, enduring relationships with all our stakeholders. To achieve this, we adhere to the following principles:

- ▶ Customer-first approach. We are closely connected to and support healthcare professionals to anticipate and meet their needs.
- ▶ People are central to our development. We cultivate an environment conducive to the professional and personal growth of our employees.
- ▶ Reliability and commitment. We value long-term relationships with our clients and suppliers, honouring our commitments.
- ▶ In-depth understanding of the hospital market.
- ▶ Delivering quality solutions and management.
- ▶ Offering diversified and specialised global solutions.
- ▶ Providing innovative solutions through new technologies, products and applications.
- ▶ Flexibility and excellent service.
- ▶ Commitment to growth, analysing and taking on the necessary risks to achieve it.

The pursuit of continuous innovation remains our core focus: discovering, evaluating and developing new solutions and products that add value to the market

Additionally, to effectively adapt to the needs of each segment and focus on finding innovative solutions that add value, each of these companies has a **marketing** team and a **sales** team composed of **specialists** for each **product**.

Moreover, we have departments that provide comprehensive support to all units, including services such as **technical support, logistics, customer service, tenders, key account management, information systems and corporate communication**.

Furthermore, through the integration of various entities, we aim to fully meet our clients' needs by offering a wider range of products and services in different areas.



Radiotherapy
In vitro diagnostics
Minimally invasive surgery
Urology
Neonatal and critical wellness
Industrial analysis

Biomedical research
Orthopaedics
Infusion therapies
Oncology
Endoscopy
Neurosciences
Prenatal
Interventional cardiology
Nephrology
Hospital management solutions
Cardiac surgery
Interventional radiology
Monitoring and respiratory care
Pathological anatomy
Surgical specialities
Ophthalmology

Cardiovascular
Laboratory
Clinical care
Coronary intervention
Respiratory care
Cardiac monitoring
Nuclear medicine
Clinical services
Enteral nutrition
Endourology
Vascular access
Traceability
Infusion
Transfusion
Haemodialysis
Surgery
Adult critical care
Neonatal and paediatric critical care

Our sector vision

The year 2023 has been marked by a significant increase in service inflation, significantly impacting hospital budgets. The sector has been affected by high energy costs, supply chain obstacles and logistical challenges, turning daily management into a demanding task, both in public and private health centres.

Similarly, the rise in labour costs and the shortage of healthcare personnel pose significant challenges. In this context, healthcare professionals are increasingly embracing technological solutions that can reduce administrative burdens for both medical staff and patients. Streamlining repetitive and bureaucratic tasks in the healthcare sector is seen as a significant improvement.

Furthermore, the practical application of digital technology is bringing about a profound transformation in the healthcare sector, shifting towards a holistic approach that surpasses mere technological advancements. Against this backdrop, patients are now influencing the sector by emphasising not only the treatment of conditions but also the im-

portance of prevention. There is a growing demand from patients to understand how they can optimally manage their health by integrating science and technology with healthcare professionals' assistance. Technology plays a crucial role in healthcare, with advances in artificial intelligence, telemedicine and data utilisation to enhance diagnosis and treatment. Our innovative solutions align perfectly with these sector needs, whether through process automation, data management or artificial intelligence integration, aiming to address current challenges in the healthcare field.

However, it is worth noting that the healthcare sector is responsible for approximately 5% of global emissions, yet it has been slow in planning

for a decarbonised future. Nevertheless, necessary measures are already underway to meet the climate goals set by the European Union. There are expectations that, in the next decade, the sector will achieve a 50% reduction in the carbon footprint of healthcare organisations.

Additionally, at the European level and within the context of the Spanish presidency of the Council of the European Union, a high-level meeting was convened on "The Health Sector's Impact on Climate Change". During this meeting, the urgency of addressing the carbon footprint in the health sector was emphasised.

This sectoral framework reinforces our sustainable strategy based on innovative solutions to enhance the effectiveness and efficiency of hospital processes, both medical and managerial. This strategy responds to the current needs of the sector and contributes to the achievement of global sustainability and public health goals.



Our sustainable strategy

Four years ago, we established the sustainability committee to manage the corporate ESG strategy. In this period, a total of 73 actions were driven, with 28 focused on social aspects, 10 on governance and 35 on the environment, many of which are explained in this report.

SUSTAINABILITY-ESG COMMITTEE

Created in 2021, this committee is composed of key personnel in ESG matters at Palex. Its mission is to design, develop, implement and oversee sustainable practices and policies within and outside the organisation.

As part of our strategy to expand sustainability to all Group companies, a Sustainability Committee was created in Italy in 2023. This committee maintains a close relationship to address all corporate sustainable actions and align the same sustainable commitment.

SUSTAINABILITY POLICY

At Palex Group, we aim to continue moving towards a model of responsible business management that ensures long-term value creation. This is reflected in our Sustainability Policy, which integrates sustainability as a key element of our business management, present in all strategic and operational decisions.

This policy reflects our commitments in each of the essential areas of sustainability, aiming to address environmental, social and governance challenges. These commitments are outlined as follows:

Improving technologies

With solutions

Innovation and advanced solutions

We provide technological innovations that advance more efficient and sustainable healthcare practices.

Supply chain

We aim to extend our commitment to sustainability throughout our value chain.

Ethics and integrity

We ensure ethical management within the organisation, surpassing mere compliance with current laws and regulations.

Impact governance

We embed sustainability at all levels of our organisation.

Improving lives

With preservation

Environmental commitment

We are deeply committed to caring for the environment and strive to expand this commitment to all levels of the organisation and all group companies, engaging our stakeholders as well.

Efficient use of resources

We use resources responsibly and efficiently in our operations and promote this commitment among our stakeholders.

Circular economy and waste management

We work to increase the circularity of our operations, as well as the proper end-of-life cycle management of our equipment and products.

Climate change

We aim to mitigate the effects of climate change through energy efficiency initiatives and a commitment to renewable energy sources.

With people

Clients and patients

We aim to enhance people's quality of life by promoting health and well-being in society, working closely with sector professionals.

Employees

People are central to our development, and thus we commit to creating quality, safe work environments that ensure the well-being and personal and professional growth of our employees. We maintain a zero-tolerance policy for discrimination and harassment, implementing mechanisms that foster diversity and inclusion and ensure equal opportunities.

Community

We aspire to positively impact our community by promoting social action initiatives.

MATERIALITY ANALYSIS¹

At Palex Group, we have once again conducted a materiality analysis to identify and prioritise the most relevant sustainability issues for our organisation and stakeholders.

We have identified 12 material topics:

- ▶ Climate change and air pollution
- ▶ Promotion of advanced hospital solutions
- ▶ Innovation
- ▶ Talent attraction and development
- ▶ Safe products and regulatory compliance
- ▶ Ethics and integrity
- ▶ Health and safety of the team
- ▶ Long-term relationships with suppliers
- ▶ Communication and transparency
- ▶ Community
- ▶ Responsible supply chain
- ▶ Information security

OUR COMMITMENT TO ESG

Currently, various factors worldwide pose potential threats to sustainability, significantly impacting the business environment. Climate change, water scarcity, geopolitical conflicts, resource depletion and economic inequality are challenges that businesses must address.

At Palex Group, we believe sustainable development and good business performance must go hand in hand. Therefore, we consider it essential to have a **sustainable and robust corporate management model** that incorporates environmental, social and governance criteria.

In 2023, our main challenge has been to extend our sustainable commitment to new acquisitions. Building on the ESG strategy developed since 2021, we have created a corporate sustainability map. This map extends existing ESG actions and introduces new ones, aiming to enhance sustainable performance in each of the Group's companies.

Established in 2021 and initially applied in Spain and Portugal (partially), the map outlines over 100 actions to be completed between 2021 and 2024. These actions are designed to improve the organisation's environmental, social and governance performance, considering the specific sustainability situation and maturity of each company within the Group.

One of the key actions planned for 2024 is to further solidify the sustainable commitment of all companies and establish a new strategic plan for the next four years.

These actions have been developed in collaboration with various stakeholders to ensure their needs and expectations are integrated into our sustainable strategy. Among the actions we have focused on this year and will continue to do so in the future, we can highlight the following:

¹ Please see the comprehensive materiality analysis in the Foundations section of this report.



Preservation

Expanding the implementation of the Environmental Management System, within the framework of ISO 14001, to the Group companies Cymit and Adacyte.

Promoting awareness and engagement actions to drive good environmental practices and promote the circular economy.

Consuming 100% renewable energy.

Installing a solar panel park in the central warehouse of Cornellà de Llobregat.

Reducing and minimising greenhouse gas emissions within scopes 1, 2 and 3.



People

Developing various policies that reflect Palex's commitments and are available to the stakeholders involved.

Continuing to promote social action initiatives, involving workers in decision-making and execution.



Solutions

Continuing to work to achieve a strong, sustainable and committed supply chain.

In line with our zero tolerance for corruption, continuing to lead initiatives to ensure that the organisation operates with the utmost ethics and integrity.

2023-2024 ESG OBJECTIVES

As part of our commitment to increasing transparency and communication of the actions we promote within the plan, we want to continue evaluating annually the achievement of the objectives we work on as a group through the ESG strategy.

2023 objectives



2023

Our 2024 commitments

PRESERVATION

Measuring Scope 3 carbon footprint for the entire Group

Certifying the environmental management system for Isoder and Lusopalex companies

SOLUTIONS

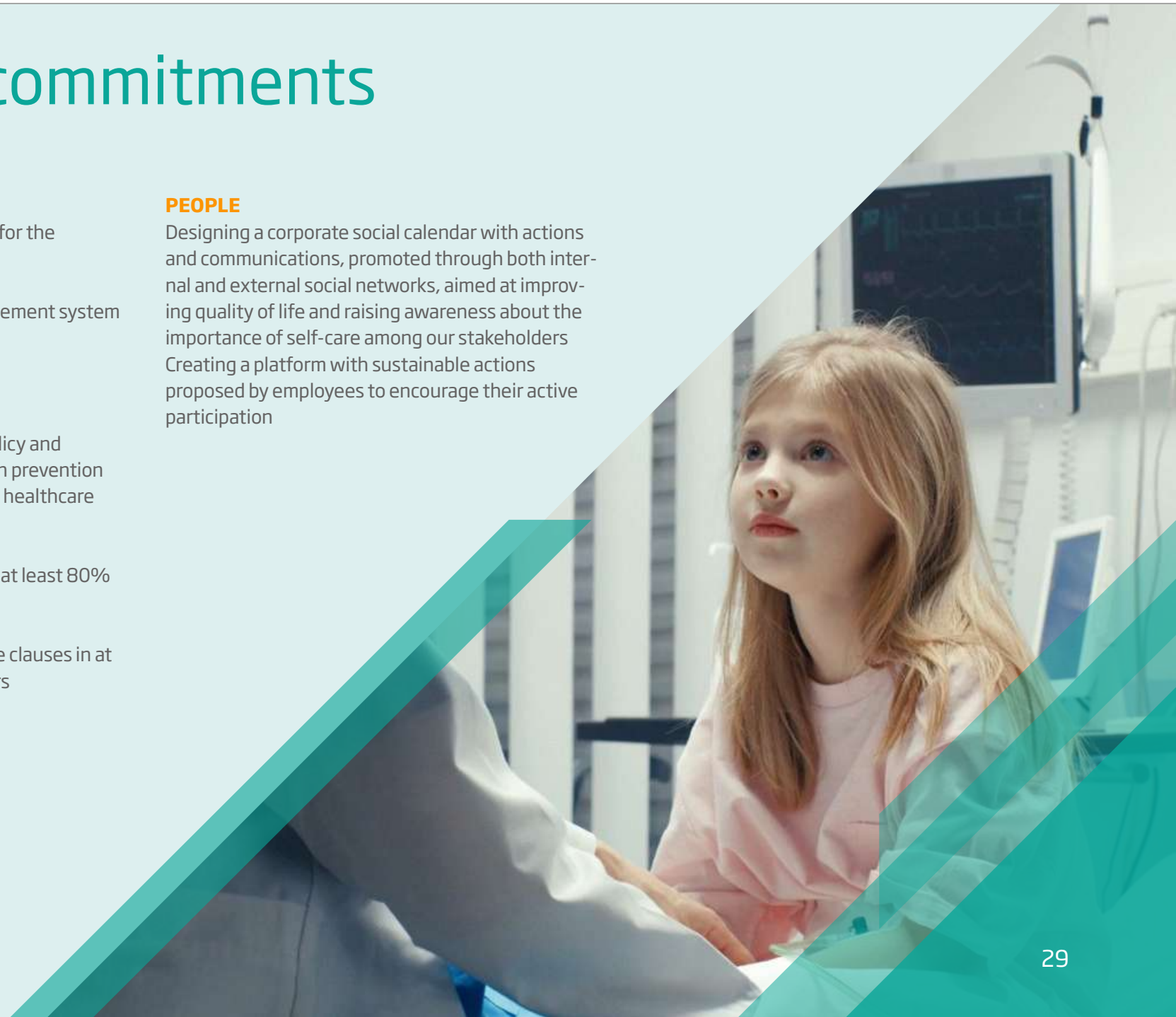
Launching a new Anti-Corruption Policy and enhancing all internal anti-corruption prevention protocols involving interactions with healthcare professionals

Providing anti-corruption training to at least 80% of sales staff

Reviewing and improving compliance clauses in at least 90% of contracts with suppliers

PEOPLE

Designing a corporate social calendar with actions and communications, promoted through both internal and external social networks, aimed at improving quality of life and raising awareness about the importance of self-care among our stakeholders
Creating a platform with sustainable actions proposed by employees to encourage their active participation



SUSTAINABLE DEVELOPMENT GOALS

CONTRIBUTION TO THE SDGS

As we have explained throughout some chapters of this report, one of our greatest challenges is incorporating sustainability into the corporate strategy. This means a direct commitment to contributing to the 2030 Agenda and achieving the Sustainable Development Goals (SDGs), in which our business activities can play a part.

This has led us to redefine our strategy, including actions focused on the development and improvement of people, actions that contribute to the preservation of the environment and actions that commit us to being an ethical company and setting an example within the sector.

By adopting sustainable business practices, we have defined clear and, above all, achievable goals aligned with the SDGs, ensuring they match the scale and capacity of all Group companies.

Given the current global situation and the social and economic challenges we face, we know we must increase our efforts and be aware of where we are and what our objective is as a sustainable company. For this reason, we consider the implementation of sustainability as a corporate strategy crucial and aim to contribute from all the countries where our activities are concentrated.

Although each and every goal is vital for achieving sustainable development, due to our activities, the nature of the organisation and the sector we operate in, we will focus our efforts primarily on contributing to the following:



Our contribution to SDG 3 is intrinsic to our activities, as promoting health through advanced solutions and products is the essence of our existence.

Within this framework, we commit to the following target:

3.8. Achieve universal health coverage, including financial risk protection, access to quality essential healthcare services and access to safe, effective, quality and affordable essential medicines.



Reducing gender inequalities has always been a fundamental goal for us. Thus, since 2010, we have had an Equality Plan aimed at promoting equal opportunities and preventing both discrimination and harassment.

Aware of current gender inequalities, we promote best practices in this area through our new Equality Plan, last updated in 2021. In this regard, we monitor indicators such as the gender pay gap, achieving significant reductions this year.

Within this goal, we commit to the following targets:

5.1. End all forms of discrimination against all women and girls everywhere.

5.5. Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.



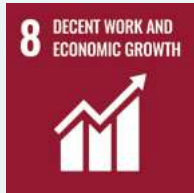
The high consumption of energy is increasingly detrimental to the preservation of our planet.

In our commitment to combating climate change, we have taken greater responsibility for the energy consumption required to carry out our activities and have opted for the use of energy from renewable sources.

Within this goal, we commit to the following targets:

7.2. By 2030, increase substantially the share of renewable energy in the global energy mix.

7.3. By 2030, double the global rate of improvement in energy efficiency.



Decent work is an integral part of sustainable economic growth. To this end, we ensure the provision of secure employment that is fairly remunerated, with labour rights and adequate social protection for all workers.

Committed to offering dignified work, we guarantee fair remuneration and strive to ensure the physical and personal well-being of our staff, while maintaining a positive work environment.

In line with these principles, we commit to the following target:

8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro, small and medium-sized enterprises, including through access to financial services.



We are in constant pursuit of pioneering systems and products, making innovation the core of our business activities. In this way, we contribute to SDG 9 by promoting new advances within the sector.

In line with this commitment, we adopt the following targets within this goal:

9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.

9.4 By 2030, modernise infrastructure and retrofit industries to make them sustainable, increasing resource efficiency and adopting clean and environmentally sound technologies and industrial processes, ensuring that all countries take action in accordance with their respective capabilities.



Our innovative medical products and equipment, including those enabling home treatments, play a significant role in minimising travel and reducing the necessary infrastructure in urban environments. Notable examples of these treatments include home dialysis and parenteral nutrition.

Within this framework, we commit to the following target:

11.6 By 2030, reduce the per capita environmental impact of cities, including by paying special attention to air quality and the management of municipal and other waste.



To ensure responsible consumption and resource management, we promote practices such as the re-use of packaging materials and the proper management of waste generated by our activities. In this way, we aim to reduce the negative environmental impact through more sustainable production and consumption.

In line with this objective, we commit to the following targets:

12.2 By 2030, achieve the sustainable management and efficient use of natural resources.

12.4 By 2030, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil to minimise their adverse impacts on human health and the environment.

12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and integrate sustainability information into their reporting cycle.

12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.



We are committed to fighting climate change by implementing specific measures to reduce greenhouse gas emissions and thereby preserve our planet. This way, we aim to contribute to a sustainable future for both ourselves and future generations.

Within this framework, we commit to the following targets:

13.2 Incorporate climate change measures into national policies, strategies and plans.

13.3 Enhance education, awareness and human and institutional capacity regarding climate change mitigation, adaptation, reduction of its impacts and early warning.



We aim to be recognised as an organisation that is integral, ethical, transparent and committed to its stakeholders. Therefore, we promote strong and resilient governance models. Additionally, we provide annual compliance training to our employees.

Within this goal, we commit to the following targets:

16.5 Substantially reduce corruption and bribery in all forms.

16.6 Develop effective, transparent and accountable institutions at all levels.

16.7 Ensure inclusive, participatory and representative decision-making at all levels to respond to needs.



We know that strong partnerships with individuals and organisations are key to the sustainable success of our organisation. These relationships are based on mutual respect, trust and common commitments.

Within this framework, we commit to the following targets:

17.14 Improve policy coherence for sustainable development.

17.15 Respect each country's regulatory space and leadership to establish and implement poverty eradication policies and sustainable development.

17.17 Encourage and promote effective partnerships in the public, public-private and civil society spheres, leveraging the experience and resource procurement strategies of partnerships.



02

Improving
technologies,
with solutions

Forging responsible governance

CORPORATE GOVERNANCE

We understand that a **robust corporate governance model** is crucial for ensuring long-term value creation for all our stakeholders. Therefore, we have governance bodies dedicated to working towards the company's objectives in alignment with our mission, vision and values.

Until 19 December 2023, Chacrim Directorship, S.L. had a Board of Directors.

BOARD OF DIRECTORS

This was the executive body, collegial in nature, responsible for managing and representing the company. It comprised ten directors in total (nine men and one woman), appointed by the General Meeting of Shareholders. Its functions included safeguarding the interests of the shareholders, defining and approving the group's policies and strategies, overseeing the organisation's internal information and control systems and determining the organisational structure and decision-making processes, all to achieve the company's corporate purpose.

The Board of Directors established four specialised committees for more direct organisation and control of various issues. The establishment of these committees was voluntary as the company is not listed, and therefore, the regulations applicable to them are not mandatory. Specifically, the following committees were established:

AUDIT COMMITTEE

This committee acts as a supervisor to ensure that both internal control and risk management systems are properly applied following the policies established by management and approved by the Board of Directors.

APPOINTMENTS AND REMUNERATION COMMITTEE

This committee contributes to the recruitment and retention of talent to ensure that the company has the best professionals in its governance and senior management bodies. Additionally, it verifies the coherence of the selection and remuneration policies applicable to its board and senior management and the rest of the employees with the entity's strategy, including in terms of sustainability, diversity, long-term profitability and risk-taking. In case of detecting inconsistencies, the committee reports them to the board.

SUSTAINABILITY-ESG COMMITTEE

This committee supervises and reviews sustainability strategies, as well as promotes and drives the company's action plans and practices. It also ensures that the corporate culture is aligned with its purpose and values with transparency towards its stakeholders and is informed of the process of reporting non-financial information of the group.

COMPLIANCE COMMITTEE

This committee supervises the performance of Palex's Compliance System to meet compliance objectives and requirements. In particular, it approves the main policies and strategies, monitors the milestones and actions carried out in terms of ethical and normative compliance, supervises the alignment of the corporate culture with compliance objectives and receives a complete report on developments, incidents or other highlights.

Starting from 19 December, when it was absorbed by Pique Bidco S.L., the governance model is as follows:

SOLE ADMINISTRATOR

This is the executive body, of a one-person nature, responsible for the management and representation of the company. The position of sole administrator is held by the company PALEX MEDICAL, S.A.U., with the physical person representative Mr Francesc Xavier Carbonell Castellón, who has been appointed by the General Meeting of Shareholders. Its functions include safeguarding the interests of the shareholders, defining and approving the group's policies and strategies, overseeing the organisation's internal information and control systems and determining the organisational structure and decision-making processes, all to achieve the company's corporate purpose.

The development of its functions is carried out following the strictest ethical principles and standards and taking into account the common interest of all shareholders, as well as all stakeholders involved in the activity's development.

Promoting transparent management

At Palex, we are firmly committed to aligning our activities and business decisions with a high level of ethical and regulatory compliance.

For this reason, we have a **Compliance System** through which we promote measures to prevent irregularities and non-compliance, ensuring adequate levels of compliance.

We care not only about what we do but also **how we do it**. Therefore, criteria such as sustainability, integrity and regulatory compliance are part of our decision-making process.

COMPLIANCE DEPARTMENT

We have a **team** dedicated exclusively to compliance at Palex. Their main task is to promote and oversee the application and monitoring of our Compliance System.

In particular, the following functions stand out:

- ▶ Promoting policies, protocols and other control mechanisms.
- ▶ Providing compliance training to employees.
- ▶ Analysing compliance risks affecting Palex.
- ▶ Receiving and managing communications received through the Internal Information System.
- ▶ Promoting due diligence measures for third parties.
- ▶ Reviewing and updating Palex's compliance system.
- ▶ Promoting the adoption of actions or decisions to ensure ethical and regulatory compliance in the company.

In 2023, we incorporated the figure of the **Corporate Compliance Officer**, who is ultimately responsible for compliance throughout the company.

PROMOTING ETHICAL AND REGULATORY COMPLIANCE

Our values and commitments as a company are reflected in our **Ethical Code**, approved and communicated in 2023, and available for consultation on the corporate website.

The Ethical Code, which all our employees (collaborators) **must know and comply with**, includes principles and guidelines governing all activities, decisions or conduct in which Palex is involved and, in general, in the development of business activities.

It reflects Palex's **ethical values and principles**, including:

- ▶ Legality.
- ▶ Transparency.
- ▶ Honesty and professionalism.
- ▶ Dignity, equality and non-discrimination.
- ▶ Safety of healthcare technology.

Additionally, the Ethical Code includes basic conduct guidelines that must be applied at all times, such as:

- ▶ Fair and equal employment practices.
- ▶ Zero tolerance for harassment and discrimination.
- ▶ Honest and fair business practices.
- ▶ Diligence with third parties.
- ▶ Safety in our products and solutions.
- ▶ Zero tolerance for corruption.
- ▶ Respect for human rights.

To achieve our goal of maintaining a high level of regulatory compliance, it is crucial to identify and analyse the compliance risks we face.

We have **reports and risk maps** for activities, analysing the main compliance risks for each department. These analyses are regularly reviewed to ensure they're current.

We have developed a work plan to promote control measures aimed at mitigating identified risks.

We have reports and risk maps for activities, analysing the main compliance risks

Additionally, in 2023, beyond monitoring the requirements for managing criminal risk controls, we expanded and conducted an in-depth review of these risks by department, identifying all the necessary associated controls to minimise them.

These controls are monitored within each unit, coordinated by the Compliance Department.

COMMUNICATION CHANNELS (WHISTLEBLOWING)

As a demonstration of transparency and commitment to compliance, we encourage our collaborators and third parties to report potential breaches of ethics and regulatory compliance.

For this reason, in 2023, we launched our [Internal Information System](#) as an internal communication channel (whistleblowing), which is a tool for reporting non-compliance, enabling us to detect problems early and correct them.

We guarantee the confidentiality of these reports, which can be submitted completely anonymously, with management and resolution handled only by authorised personnel.

Our **Internal Information System Use Policy**, detailing its operation, is available on our website and internal document manager.

In 2023, we did not receive any complaints regarding non-compliance with our regulations.

CORRUPTION PREVENTION

We recognise corruption as a significant compliance risk for many companies, with consequences including severe fines and penalties, as well as loss of business, market and stakeholder trust and other reputational damages.

Thus, we have a **zero-tolerance policy towards corruption**. We've **evaluated our activities** to identify high-risk corruption scenarios, both public and private (risk map), and have guidelines and action plans to reduce this risk.

Our Ethical Code emphasises the prevention of corruption.

RELATIONSHIPS WITH HEALTHCARE PROFESSIONALS AND ORGANISATIONS

Interactions and relationships with various stakeholders in the healthcare field (healthcare professionals, healthcare organisations, patient associations, regulators, etc.) are part of our daily activities.

We understand the responsibility we have in this regard, as these relationships must always be based on **impartiality, objectivity, quality, innovation and safety**.

Consequently, at Palex, we expressly **prohibit all corrupt or fraudulent practices** that seek to unduly influence healthcare professionals, healthcare organisations or any other stakeholders for commercial advantage.

In addition to what is established in the Ethical Code, we have internal mechanisms to mitigate these risks. Furthermore, we adhere to the **Ethical Code of the Spanish Federation of Healthcare Technology Companies (FENIN)**, which sets out very specific guidelines for relationships with healthcare professionals and organisations, which we commit to complying with at all times.

PREVENTION OF HARASSMENT AND DISCRIMINATION

As outlined in our Ethical Code, dignity, equality and non-discrimination are fundamental values of our company.

In this regard, the well-being of our employees is paramount. Therefore, we are committed to acting diligently to prevent and resolve situations that may involve harassment or any form of discrimination.

For this purpose, we have an **Equality Plan** and a **Protocol for the Prevention of Harassment**.

DUE DILIGENCE WITH THIRD PARTIES

In our relationships with third parties (suppliers, clients, agents, associations), we strive to ensure that the third party in question is aligned with Palex's ethical and regulatory compliance values.

In this regard, at Palex, we have a **Supplier Code of Conduct**, in which we establish minimum compliance commitments that we require from our suppliers.

Additionally, we have incorporated internal **due diligence processes for compliance in key processes with third parties**. In particular, we highlight sustainability and compliance questionnaires for third parties and due diligence mechanisms regarding compliance in the context of mergers and acquisitions (M&A).

TRAINING AND COMMUNICATION

To ensure that compliance obligations are met and implemented, proper communication and training of our employees are essential. Therefore, at Palex, we promote a set of training and communication activities.

In particular, we conduct general compliance training sessions for all our employees and provide training for new hires as part of the onboarding process.

It is also worth noting that in 2023, we conducted specific compliance training sessions for teams or departments.

Internal communications are also conducted to inform about the launch of new policies, protocols or other measures.

Finally, we have internal repositories with the most relevant policies and procedures, making it easier for all employees to access them for consultation.

In 2023, a total of 1,150 hours of compliance training were conducted, compared to 424 hours in 2022.

As outlined in our Ethical Code, dignity, equality and non-discrimination are fundamental values of our company

Risk management

For the management of these risks, we utilise an Enterprise Risk Management System (ERM), where we document all identified risks and establish associated action plans.

The various ISO standards under which our management systems are certified, detailed later on, follow a risk-based approach. This ensures that every action within these management systems is carried out consciously, considering possible threats that could hinder the achievement of established objectives. This preventive approach allows us to anticipate previously identified impacts.

Our risk management plans align with one of these strategies:

Mitigation, transfer, acceptance with subsequent monitoring or modification of the process to avoid the risk.

We distinguish the following risk categories:

Corporate Level

The management committee periodically detects corporate risks by analysing the external environment and conducting an internal Group diagnosis to identify the most relevant threats and opportunities.

Criminal Level

The Compliance Department, in collaboration with other departments, identifies potential criminal risks in each department and then associates and/or implements the necessary controls for their management.

Commercial Level

All specialised units conduct a risk and opportunity analysis tailored to their commercial environment, enabling them to adapt business strategies accordingly.

Operational Level

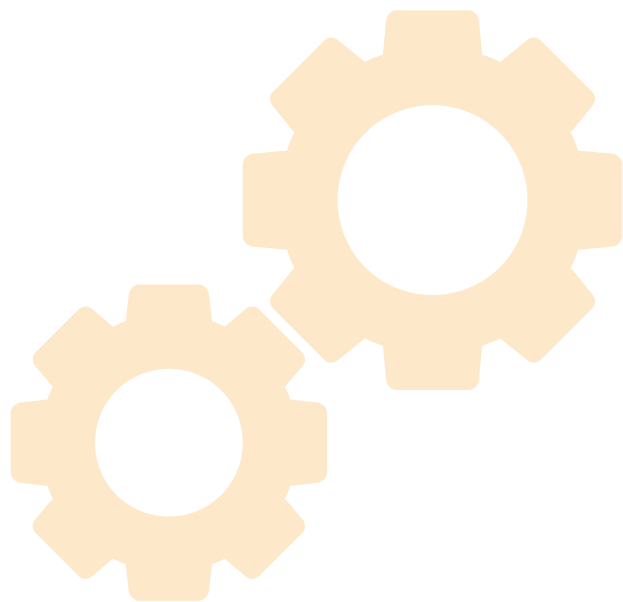
Improving the efficiency of our operational processes involves planning and anticipating potential risks and opportunities, resulting in reduced times and improved service excellence.

Environmental Level

We assess environmental impacts in conjunction with risk to maintain total control over our environmental performance and prevent adverse events that could damage the natural environment.

Management tools

Within the robust management framework of the Palex Group, we highlight various strategic tools that contribute to business success. Below, we list some of these key tools used to enhance efficiency and performance in all areas of the organisation.



GDR - Regulatory Document System.

This system manages the regulatory documentation of products, safeguarding all the documentation that supports the legal compliance of the products that are part of our solutions, including certificates, declarations and labelling, among others.

SGL - Contract Document System.

The Contract Repository is a document management platform designed to be the comprehensive database of all contracts held by the company. We have initially started with the incorporation of distribution and agency contracts, but a progressive expansion is planned. This platform allows us to have precise control over all contracts, the companies with which we have established these agreements, deadlines and expiration dates, among other matters, all supported by the corresponding notifications. Additionally, this tool facilitates detailed and personalised filtering for more efficient data management.

SGC - Tender Management System.

Each user has a personalised workspace in this tool, providing users linked to each tender with comprehensive access to all relevant documentation, as well as traceability of notifications and actions. Furthermore, the tool can integrate business intelligence data and generate dynamic reports that offer a complete view of the tender situation, including competitive data in each submission.

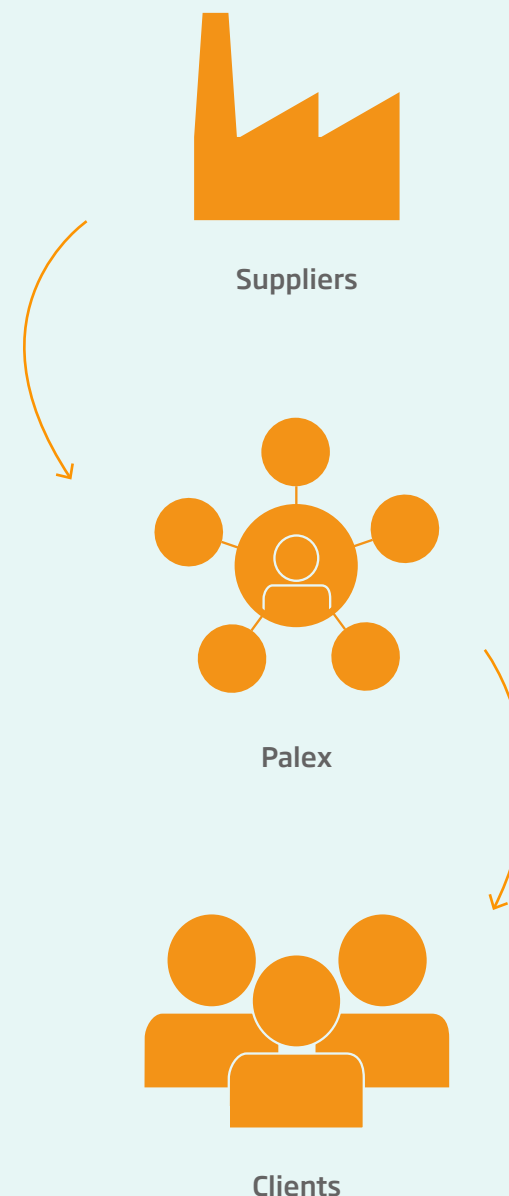
Advocating for a responsible value chain

We continue to work on maintaining and expanding efficient and transparent relationship models with various groups, increasingly based on technological development, while meeting the needs of diverse collectives.

Collaboration with over a thousand suppliers is a key factor in ensuring that the products we offer meet the highest quality standards that differentiate us, meeting the needs of our clients. This close relationship allows us to work together to create value and provide the best solutions to the market.

To achieve this, we establish long-term relationships based on trust, with an average collaboration time of over 10 years and, in most cases, with exclusivity agreements for the marketing of their products.

We are not just a distributor; we are the visible face of medical and hospital products and solutions in the Spanish, Portuguese and Italian markets, providing a solid reputation. Additionally, we provide comprehensive product analysis from both a commercial and a safety and efficiency surveillance perspective. Furthermore, we provide technical and maintenance services for the equipment we install.



SUPPLY CHAIN

We are committed to a **responsible supply chain with quality guarantees**, ensuring the integrity of all participants in the operations throughout the value chain by guaranteeing **ethical and sustainable** practices.

At Palex, we recognise the importance of making responsible decisions when selecting our suppliers. We ensure that all our suppliers meet the highest standards of transparency and sustainability. In this regard, we reject any supplier selection based on factors that do not align with our values and principles.

We strive to build long-term relationships with our suppliers, ensuring that they meet the same ethical and environmental requirements as us. This way, we guarantee that all our products are manufactured with safe materials and in compliance with the environmental legislation of the country where they operate.

Regarding the selection of product suppliers, we prioritise elements such as the nature of the sector, the high technical level of our products and the need to introduce the most advanced and innovative healthcare solutions in the market.

To ensure internal commitment to all the above aspects, we have a **Purchasing Policy** that all staff must consider when making decisions in this regard.

Key aspects of the Purchasing Policy:

- ▶ **Protection and respect for Human Rights** within the scope of influence.
- ▶ **Compliance with current legislation** applicable to the activity of the parties involved.
- ▶ Application of **criteria of integrity, confidentiality, honesty and transparency**, refraining from any practice of bribery, corruption, extortion or fraud.
- ▶ Hiring of goods, products and services that adhere at all times to the criteria of **quality, necessity and suitability**.
- ▶ Implementing procedures and controls to ensure **objective and fair awards**.
- ▶ **Planning** the acquisition of goods and services as an essential tool for **sustainable development**.
- ▶ The supply chain must be **free from all forms of forced labour or labour performed under coercion, child labour and the abolition of discriminatory practices in employment and occupation**.
- ▶ Ensuring the **traceability** of all purchased products.
- ▶ Prioritising **long-term relationships** and ensuring that the commitments made by the contracting parties are met.
- ▶ **Promoting suppliers' participation** in innovation management aimed at developing and improving their products and services.
- ▶ Ensuring that **performance criteria and environmental responsibility are met** throughout the value chain and are related to origin, manufacturing, distribution, use and final disposal.

In line with our commitment to transparency and sustainability, and with the aim of positively impacting the value chain, we also have our own **Supplier Code of Conduct**, which ensures that our suppliers share our vision of sustainable business.

This code aims to ensure that our suppliers share our vision of **sustainable business**, covering the following aspects:

1. **Legal and regulatory compliance.**
2. **Human rights.**
3. **Employment practices.**
4. **Environment.**
5. **Business integrity.**
6. **Information protection.**
7. **Safety, health and well-being.**

In relation to our service providers, we communicate an external activity policy that addresses environmental aspects that those operating in our facilities or on our behalf in other facilities should consider. Under this policy, providers commit to complying with established environmental measures, as well as specific measures for carriers, emergency response procedures and current environmental legislation.

It is worth noting that, for subcontracted carriers, we require them to have an environmental management system certified within the framework of ISO 14001 or an equivalent standard.

To the extent possible, we aim to promote **local consumption** by selecting product and service providers from our region. Our expenditure on **European companies** decreased from 84% in 2022 to 83% in 2023. Specifically, **45%** of our total spending is **at the national level**, with purchases made from Spain, Portugal and Italy, and 38% in the rest of Europe. The remaining 17% refers to international purchases.

SUPPLIER EVALUATION

We conduct regular evaluations of product and service providers to **assess the performance of our suppliers** based on three criteria:

Level of service.

Incident management.

Response time.

To verify the quality and reliability of our product manufacturers, we request quality management certificates (**ISO 9001** or **ISO 13485**), along with specific documentation for product regulation records according to current legislation. We also consider environmental criteria, requiring ISO 14001 certification or its equivalent. By 2024, we aim to send our Environmental Commitment for suppliers without environmental certifications to sign.

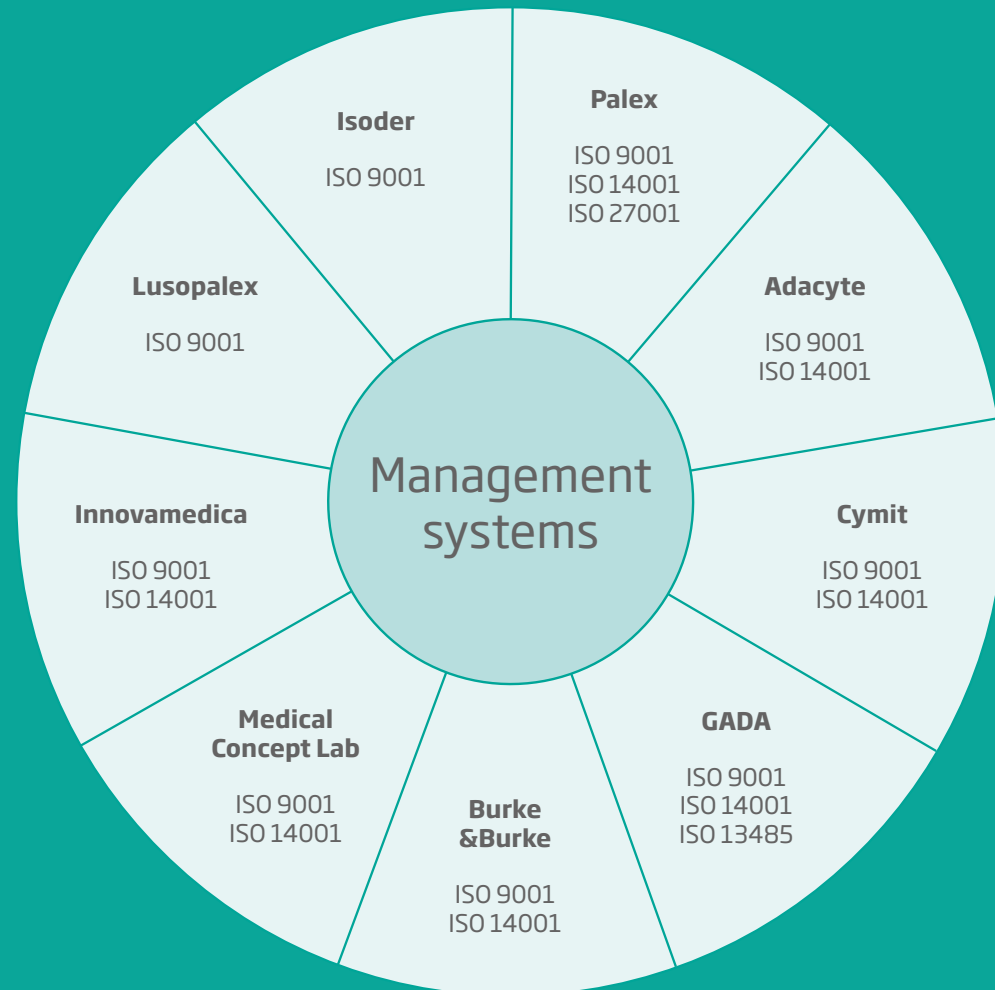
Additionally, we conduct more in-depth evaluations, reviewing aspects of regulation, logistics and technical service.

Integrated Management Systems

Palex's management systems are fundamental to our continuous improvement model, as they allow us to identify the main impacts of our activity and the key operational risks we face in a coordinated manner.

Our management systems cover critical areas that impact the quality of service, information security and environmental performance. Through these systems, we establish processes and control measures to ensure optimal compliance with these three fundamental aspects of our activity.

These management systems undergo an audit regime, both internally and externally, to ensure their adequate design and compliance with the provisions established. The specific objectives we aim for with these audits include:



1. Compliance verification

Audits allow us to verify whether the organisation is meeting the requirements established by its management systems. This includes international standards, government regulations, internal policies and other relevant criteria.

2. Non-conformity identification

During an audit, non-conformities or deviations from established requirements can be identified. This provides the opportunity to correct and improve processes to meet defined expectations and standards.

3. Effectiveness evaluation

Audits evaluate the effectiveness of implemented management systems. This involves not only formal compliance with requirements but also practical effectiveness and contribution to the organisation's objectives.

4. Continuous improvement

Audits are a key element in the cycle of continuous improvement. Opportunities for improvement identified during an audit provide valuable information to adjust and optimise existing processes and systems.

5. Legal compliance assurance

Management systems are linked to legal and regulatory requirements. Audits ensure that the organisation is aware of these requirements and is in compliance with them, thus reducing legal risk.

6. Transparency and trust

Audits provide an objective and impartial assessment of an organisation's processes and practices. This contributes to transparency and builds trust among stakeholders, such as clients, business partners and regulators.

Annually, we develop an audit calendar that facilitates planning and ensures compliance with these controls. Over a three-year period, we subject both our internal processes and external ones we consider critical to audits.

Safe and certified products

Ensuring that all the products we import and distribute are safe and of quality is paramount to us. For this reason, we have the necessary mechanisms to guarantee that they all comply with the legal requirements of the healthcare sector and with the new regulations that are emerging. From the Regulatory Departments, we conduct a documentary control of the products before their commercialisation to verify compliance with the current legislation that applies to them.

This control is carried out through the request for necessary documentation from our suppliers (such as CE certificates, declaration of conformity, copy of the product labelling and instructions for use, if applicable), their validation and approval, and the introduction into our information systems for access by other departments.

This involves continuous contact for consultations and procedures with the public administration, certifying bodies and other sector entities such as Fenin in Spain and Confindustria Dispositivi Medici in Italy. We do not grant authorisation for purchases or sales until we have the corresponding documentation.

During this process, we carry out strict control both in the dispatch of the products and in their reception, starting from the reading of the unique product identification code, ensuring that the intended unit has been selected.

Since the entry into force, in May 2021, of **Regulation (EU) 2017/745 of the European Parliament and of the Council of 5 April 2017 on**

medical devices, hereinafter **MDR**, all CE certificates of medical devices marketed in Europe issued under Directive 93/42/EEC have been losing their validity, and the renewal of these documents under the new MDR has become mandatory for all products (including all risk classes: Class Is, IIa, IIb and III), with a deadline of May 2024.

At the end of 2022, due to manufacturers' high demand for notified bodies to transition to the MDR and the inability to ensure adequate and safe supply to the medical device market by the planned dates, the European Union proposed an extension of deadlines for certificates under Directive 93/42/EEC. **Regulation 2023/607 was approved and came into force in March 2023**, allowing medical device manufacturers to extend their certificates under the Directive if they met specific requirements. The new validity dates for products meeting the requirements are 31 December 2027, for high-risk medical devices (Class III and Class IIb implantable) and 31 December 2028, for medium and low-risk products (Class IIb, Class IIa, Class Is and products reclassified with the MDR to a different and higher class).

In May 2022, **Regulation (EU) 2017/746 of the European Parliament and of the Council of 5 April 2017 on in vitro diagnostic medical**

devices, hereinafter **IVDR**, came into force, impacting products similarly to the MDR, initially affecting lower-risk products (Class A) and subsequently allowing more transition time for higher-risk ones (Classes B, C and D). Throughout 2023, we have continued to request information on IVDR classes.

Additionally, we maintain a **surveillance system (for medical devices)** within the Post-Market Surveillance for Medical Devices (PMS) and **biovigilance (for products derived from human tissue)** management, including product recalls, distribution of safety notices to clients and reporting of adverse incidents, following guidelines issued by different national and European competent authorities.

Regarding **product labelling**, we perform a control linked to the process of entry into our systems and a control upon receipt of shipments to verify compliance with applicable legislation.

To detect any irregularities in the products, we attend **training related to current or future legislation**. We also encourage suppliers and manufacturers to attend these trainings and provide them ourselves, internally and to our clients, if necessary.

Finally, we want to highlight that, during this year, we have installed the first and only MRIdian system in Spain. At Palex Medical, we are in close collaboration with the hospital where it has been installed and with the competent authority (CSN) to ensure the preventive and corrective maintenance of this equipment.

We have also obtained final authorisation as a tissue bank, so we already have a logistic process of storage and service from the tissue bank facilities in Madrid.

Offering innovation and advanced solutions

CONTINUOUS SEARCH FOR PIONEERING PRODUCTS

Palex Group integrates innovation into its DNA, starting from its beginnings in 1968, manufacturing the first dialysis concentrate and later introducing the first cardiac valves, the daVinci surgical robot, the Berlin Heart artificial heart and the Oncotype oncological test for breast cancer, among other products, to the Spanish market.

With this continued innovation activity, Palex strives to develop and create advanced technological solutions for its clients. For this, it has an R&D department whose main mission is to drive innovative product creation projects, efficient and of high quality and design level, focusing innovation on providing added value by creating advanced solutions for cost reduction and improvement of hospital efficiency. To this end, we collaborate with leading research companies, universities and technological centres.

Transversally among the different business units within the Group, we have a **Business Development Department**. This department, in addition to conducting constant research on innovative advances and new lines of business, is responsible for analysing the needs identified by the various units. Likewise, it makes strategic decisions on which products and projects to support, through a committee designated for this purpose.

Additionally, we maintain a close relationship with **opinion leaders** and the **scientific community**. In some of our business units, we have established product validation committees, **advisory boards**, together with opinion leaders who advise us on sector trends. We also attend numerous national and international congresses to learn about **sector trends** and be close to the **needs of professionals**.

Our primary differentiator, enabling us to achieve a high degree of innovation, is our **proximity and closeness** to specialists and patients; our ability to identify needs, seek solutions and implement them, making us not just a distributor but a partner dedicated to providing comprehensive solutions.

Additionally, this year we have been recognised by some of our suppliers for our performance in distributing their products, such as Boston Scientific and Abiomed in Italy, and Vedkang in Spain.

IMPACTFUL PRODUCTS AND SOLUTIONS

We aim to continue adding value to society, which is the fundamental basis of our commitment to people. We do this by offering advanced hospital solutions through our commercial divisions, improving people's quality of life and positively impacting their health. To achieve this, **we are committed to technological innovation** and are constantly evolving towards more efficient and sustainable healthcare practices.



Colorectal cancer screening

Colorectal cancer is the third most frequently diagnosed malignant tumour worldwide. In Spain, it is the most common cancer year after year, with nearly 43,000 new cases in 2023, affecting both men and women.

Colorectal cancer is characterised by slow growth: the progression from early premalignant lesions to carcinoma can take approximately 10 years. This characteristic makes early detection the best strategy to combat it.

Colorectal cancer screening programmes focus on population-level prevention by inviting citizens aged 50 to 69 to undergo a test that detects hidden blood in the stool, a symptom of a possible precancerous lesion in the intestine.

For the past 16 years, Palex has collaborated with colorectal cancer screening programmes, facilitating access to the OC-Sensor test for detecting hidden blood in stool and to our own software developments, such as the SiSensor middleware for ensuring quality control in the laboratory, and the LineHealth portal for managing invitations to the screening programme, offering a complete and personalised solution.

This solution is the most widely used in screening programmes nationally, with results that have a positive impact: it achieves a high detection rate for colorectal cancer and advanced adenomas, significantly reducing the number of colonoscopies performed. Therefore, it is not only a practical and clinically effective solution in the laboratory but also allows for the optimisation of resources in screening programmes.

In 2023, we made 6.2 million occult blood stool tests available to the population. It is estimated that around 4,000 lives are saved each year thanks to colorectal cancer screening.



Sterilisation containers

The sterilisation of medical materials is crucial as it eliminates all forms of microscopic life, thus preventing the transmission of infections. It is a safe way to reuse tools designed for this purpose, contributing to the circularity of instruments used in hospitals.

In 2023, Palex supplied sterilisation containers that meet all the reconditioning needs of these materials. The containers are equipped with an indicator that shows whether they have been properly sterilised. This system also reduces the use of disposable items associated with these processes, such as paper filters, plastic packaging or additional packaging material. The combination of these qualities led to the Green Dot Award being received.



24-hour clinical support for mechanical circulatory assistance device

Impella is a mechanical circulatory assistance device that allows the heart to rest and recover by temporarily assisting its pumping function to supply blood and oxygen effectively to the body. Since heart failure conditions are urgent and life-threatening, patients can be treated at any time, and clinical support is crucial. Therefore, the toll-free number implemented in 2023 provides doctors with the assurance of having the support they need.

In the clinical support team of GADA Italia, we have established a toll-free number to provide 24/7 assistance every weekend and holiday, covering the entire Italian territory. Thus, any healthcare professional treating a patient in cardiogenic shock can receive telephone assistance in Italian and, depending on the urgency, also on-site assistance. The active group in the emergency service is

composed of product specialists dedicated entirely to the service, who can provide specific assistance with the device implantation procedure, alarm management and patient monitoring. This tool allows for the optimisation of Impella support, resulting in improved patient care and physician training.



Paediatric Cardiac Surgery Unit at ARNAS Ospedali Civico Di Cristina Benfratelli in Palermo

In July 2023, EPS launched a clinical service to support the opening of a Paediatric Cardiac Surgery Unit at ARNAS Ospedali Civico Di Cristina Benfratelli in Palermo. This project aims to provide specialised clinical services to young patients from the western region of Sicily, representing a significant step in regional healthcare.

The new unit is equipped with advanced technologies, such as extracorporeal circulation systems (ECC), extracorporeal membrane oxygenation

(ECMO) and intraoperative blood salvage techniques. These procedures are essential for life support during complex paediatric cardiac surgery. A distinctive feature of the project is innovation in service, with integrated management of equipment, devices, materials and personnel. The adoption of state-of-the-art medical equipment equipped with advanced monitoring systems aims to improve clinical effectiveness in cardiopulmonary procedures.



Intraoperative radiotherapy

In 2023, the first next-generation linear accelerator in the Iberian Peninsula was installed, specifically at the Portuguese Oncology Institute in Porto. It is an intraoperative radiotherapy device that allows the administration of radiotherapy treatment during the surgical process. This reduces the need for 28 to 30 conventional postoperative treatments.

This procedure allows for shorter treatment times and less invasive surgery, resulting in greater patient comfort during treatment.

Some of the characteristics of this treatment are:

- ▶ Providing a precise dose that allows radiation to be concentrated only on the tumour bed;
- ▶ Enabling oncological treatment of various pathologies: breast, pancreas, liver, sarcomas, glioblastomas and dermatological diseases;
- ▶ Allowing the mobile accelerator to be moved for use in multiple operating rooms or treatment rooms.

Anticipating client and patient needs

CUSTOMER SATISFACTION

Customer satisfaction is an important indicator for us to assess the quality of our products, the effectiveness of our service and the overall perception of our brand. To meet the needs of all our clients and comply with the ISO 9001 standard, we periodically conduct satisfaction surveys to gather their opinions. This helps us address any potential non-conformities or areas for improvement, building and maintaining close, long-term relationships with clients.

To achieve this, we have procedures adapted to the activity of each of the Group's companies, designed to receive feedback from clients based on the type of product/service we offer.

The results of the satisfaction surveys conducted in 2023 are as follows:



4,62/5

Palex Medical

Structured questionnaire with 16 questions about product/service quality and one question about ESG interests directed at different groups (clinical, nursing, hospital pharmacy, purchasing, IT, laboratory)

49

Net performance score

Cymit

Evaluation of the degree to which a client recommends the company. (NPS values range from -100 to +100)

91/100

Lusopalex

Structured questionnaire with 12 questions about product/service quality for different groups.

91/100

Isoder

Structured questionnaire with 12 questions about product/service quality for different groups.

62%

adherence

Gada Group

Structured questionnaire with eight questions plus a field for suggestions directed at different groups.

SATISFACTION AND TRUST

We possess extensive market knowledge and collaborate closely with doctors and other healthcare professionals. This enables us to easily identify their emerging needs and, consequently, seek out the solutions that best meet these needs.

PERSONALISED AND TRUSTED SERVICE

Our objective is to address and respond to the specific needs, inquiries and complaints of our clients. To achieve this, we have tools and mechanisms, through our **Customer Service Centres**, that cater to the particularities of each sector, client and geographic area.

Throughout 2023, we received a total of 291 client inquiries and complaints, which we strive to manage and respond to as promptly as possible. This figure represents an increase from last year, primarily due to the incorporation of new companies into the Group.

TECHNICAL AND TRAINING SUPPORT

We have a large team of **officially certified technicians**, trained by the same providers of the medical equipment in question. They are located throughout the territories where we operate and travel to meet the needs of clients. Additionally, we have specific workshops in our centres for repairs.

Furthermore, in addition to technical support, we also offer **training** to our clients and healthcare professionals on the use of products and equipment.

OUR CLIENTS, USERS AND PATIENTS

Our **client** portfolio mainly consists of public hospitals and primary care centres, private clinics, health insurance companies, laboratories, research centres and the food industry.

To provide the best hospital solutions, depending on the client with whom we work, whether public or private, and the nature of the solutions we provide, our sales methods are as follows:

- Public tenders, under the umbrella of the Contracts Act, 9/2017 in Spain, with publications found on a large number of state platforms (more than one hundred and fifty).

Among these platforms for publication searches, our Contracting department uses an average of 20 platforms for submitting bids.

- Direct purchase (private client) and Direct Purchase/Minor Contract (public client)
- Leasing/Renting.

Healthcare personnel and researchers in the medical community, as well as patients, are a crucial part of our stakeholders

Furthermore, considering that both **healthcare personnel and researchers in the medical community**, as well as **patients**, are a crucial part of our stakeholders, we maintain channels and communication pathways with them. This ensures that through our work and daily activities, we meet their expectations and offer the best responses to their needs.



03

Improving
lives with
preservation

Committed to our environment

At Palex, we take the impact of our business activities and value chain on the environment very seriously. For this reason, we implement specific measures to protect the environment. Our team works to mitigate climate risks, and we set goals to reduce our environmental impact and contribute to a better world for future generations.

An example of our commitment is our environmental policies, supported by certifications obtained in the Environmental Management Systems implemented in many of our companies.

These systems, designed, developed and deployed according to the **UNE-EN ISO 14001:2015** standard, are certified by an external entity. We are certified in Palex Medical, Gada, Medical Concept Lab and Burke&Burke, and have also implemented them this year in Cymit and Adactyte. Additionally, we have started work to obtain certification in Lusopalex and Isoder, entities located in Portugal, over the next year.

These **environmental management systems** promote a framework of global procedures and tools, allowing us to demonstrate environmental **regulatory compliance** to our stakeholders. They help us identify direct, indirect, emergency and potential **environmental aspects** and implement necessary controls to reduce our impact on the environment. We also establish and review annual **environmental objectives** to further reduce our impact on the environment.

Each of our Group's companies has a specific Integrated Environmental and Quality Policy.

Key aspects of our **environmental policies** include:

- Prevention of environmental contamination.
- Proper selection and training of employees for effective implementation of environmental management systems.
- Identification of relevant stakeholders to understand their needs regarding environmental management and raise awareness about environmental policies.

We also recognise the importance of analysing the life cycle of our products and services to influence and work on each stage, implementing actions that promote their sustainable management. These actions include:

Policies, certifications and related links:

- ▶ Palex Medical Quality and Environmental Policy
- ▶ Palex Medical ISO 14001 Certificate
- ▶ Adacyte Quality and Environmental Policy
- ▶ Adacyte ISO 14001 Certificate
- ▶ Cymit Quality and Environmental Policy
- ▶ Cymit ISO 14001 Certificate
- ▶ Gada Group Quality and Environmental Policy
- ▶ Gada Group ISO 14001 Certificate
- ▶ Medical Concept Lab Environmental Policy
- ▶ Medical Concept Lab ISO 14001 Certificate
- ▶ Burke&Burke Environmental Policy
- ▶ Burke&Burke ISO 14001 Certificate

- ▶ Hiring carriers with environmental certification.
- ▶ Reusing and reducing packaging material.
- ▶ Utilising parts from electrical and electronic equipment before their destruction.

It is worth noting that this continuous improvement process in our environmental performance would not be achievable without the commitment of the Management, which strongly supports environmental protection. They actively participate in the implementation, maintenance and continuous improvement of the Environmental Management System, making key decisions in this regard and allocating the necessary resources to comply with all environmental initiatives.

On the other hand, it is important to highlight that one way we generate a positive impact is through our Communication Plan, which we initiated in 2021. With this plan, we share and involve our stakeholders through messages that disseminate the actions taken in line with our environmental commitment. Additionally, we also promote awareness and education in this matter. Currently, this plan is internally disseminated to all employees in the countries where we operate, as well as on the social media channels of the Group's companies.

In this regard, the communications we have carried out during 2023 are as follows:

- ▶ **5 March.** World Energy Efficiency Day.
- ▶ **5 June.** World Environment Day.
- ▶ **22 September.** World Car-Free Day.
- ▶ **24 October.** International Day against Climate Change.

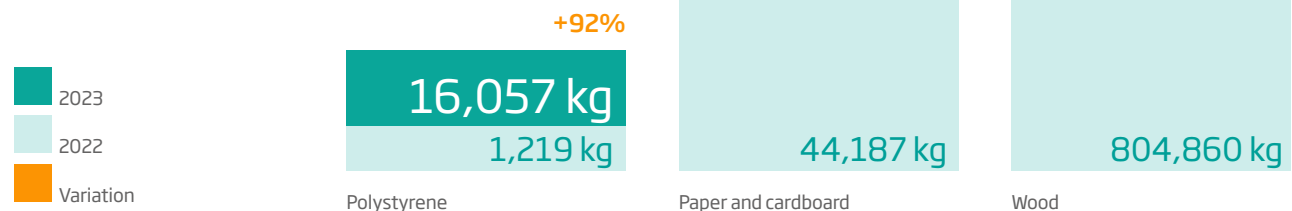
Additionally, in Italy, during the summer of 2023, we organised a thematic event on sustainability where we trained all employees on the SDGs, the 2030 Agenda and corporate ESG commitment. During this event, the Green Ambassadors were responsible for planting a total of 30 trees (15 maples and 15 oaks), which store an average of 5,175 kg of CO₂ per year (2,850 kg thanks to the maples, 2,325 kg thanks to the oaks).

Advocating for circular activity

RESPONSIBLE CONSUMPTION

At Palex Group, we practise efficient and responsible use of resources associated with our activities. To achieve this, we implement practices and policies that optimise consumption and minimise our environmental impact.

Given our operational focus, our resource consumption is limited to office materials such as paper, toner, packaging material, electronic devices, electricity, fuel and water. The consumption of the latter resource is very insignificant due to the nature of our operations.



CONSUMPTION OF MATERIALS IN OUR VALUE CHAIN

The consumption of materials in our value chain during 2023 was as follows:

Due to initiatives by our logistics department to reduce packaging consumption in shipments (explained below), and efforts made to reduce paper consumption in office activities, we significantly decreased the use of wood, paper and cardboard compared to the previous year.

The increase in polystyrene consumption compared to the previous year is attributed to improved monitoring of its consumption in all warehouses, providing us with a more accurate consumption figure for this material.

MEASURES FOR REDUCING MATERIAL CONSUMPTION

Although our value chain does not involve manufacturing processes and the use of raw materials, environmental care has always been present in our business vision. Therefore, we develop **initiatives** to minimise the materials and resources used.

We evaluate and improve the sustainability of the supply chain and seek to work with suppliers who also adopt sustainable practices.

One of the most effective ways to reduce the environmental impact generated is through **material-saving** initiatives. This year, we want

to highlight all the measures implemented in our logistics processes to improve and minimise the use of materials in the shipment of our products. These measures include:

IBERIA

Packaging

- Consolidation of packaging suppliers into two providers, both with Forest Stewardship Council (FSC) certification, to supply the warehouses in Cornellà and Subirats (Barcelona), Madrid and the Canary Islands. These two environmentally committed suppliers provide us with solutions tailored to our needs and more environmentally friendly designs.
- 60% of our packaging has automatic closure to reduce the consumption of cardboard and plastic. Our goal is to reach 100% by 2024.
- Study of the boxes used for specific products with the aim of designing them to measure, adapted to the size of each one, in order to reduce the consumption of cardboard. The implementation of these new models is scheduled for 2024.
- Replacement of plastic used in shipments with recycled cardboard material.
- We have reduced up to 67% of the plastic in the shrink-wrapping of pallets for our shipments by replacing our shrink-wrapping machines and reducing the weight of the plastic used.

Logistics

In order to improve operational efficiency, optimise routes and transport resources, reduce costs and minimise the environmental footprint associated with frequent shipments, we have reduced the number of daily shipments by:

- Eliminating the prioritisation of urgent shipments for new materials purchased by companies recently integrated into the Group.
- Reorganising shipments with one of our logistics operators. Centralising the shipment of small-sized products with a single provider.
- Initiation of the OKR (Objectives and Key Results) project for the measurement of incidents in the shipping process. Its implementation and measurement are expected to proceed in 2024.

Currently, we are working on exporting all actions implemented in Spain regarding material saving, mentioned above, to the warehouse located in Portugal.

ITALY

Packaging and logistics

In 2023, we developed an internal procedure describing the correct and sustainable use of pallets in shipments to reduce their usage. This procedure will be approved and implemented at the beginning of 2024.



WASTE MANAGEMENT

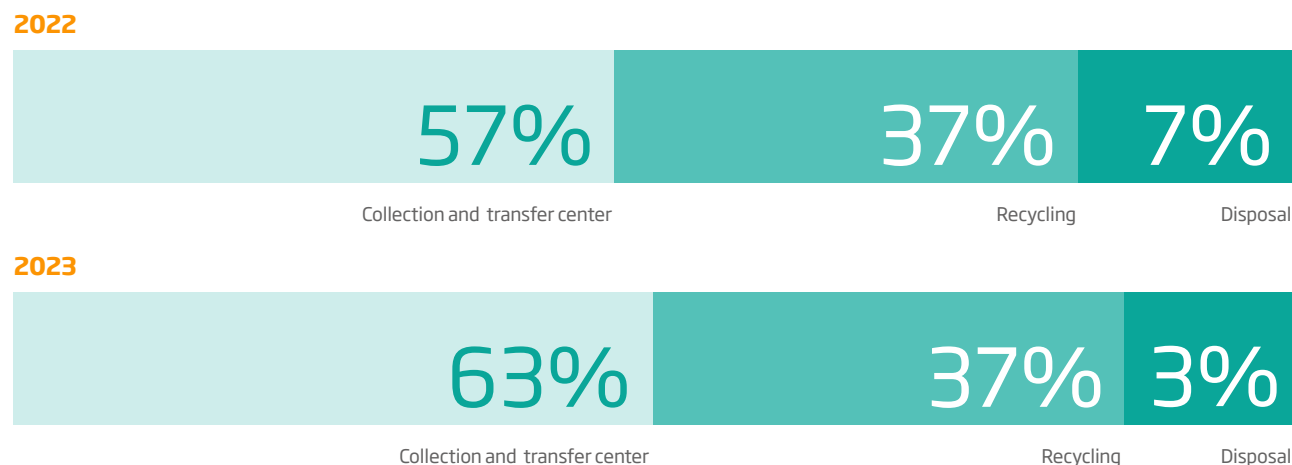
Considering our growing awareness of the importance of proper waste management and minimisation, we continue to improve strategies to reduce waste generation in our operations. This includes optimising processes, maintaining direct and continuous contact with authorised managers to identify areas for improvement and promoting the efficient use of resources.

We control and separate various materials, including:

Paper and cardboard	Wood
Plastic	Glass
Hazardous and non-hazardous batteries	Metals
Non-hazardous medicines	Aerosols
Toner	Hazardous and non-hazardous electronic machinery
Sharp and pointed objects	Hazardous and non-hazardous chemicals
Clothing	General waste
Non-infectious medical waste	Fluorescent bulbs

In 2023, we removed and managed a total of 22.97 tonnes of hazardous waste and 121.39 tonnes of non-hazardous waste, compared to 5.13 tonnes of hazardous waste and 120.63 tonnes of non-hazardous waste managed in 2022.

We manage all indicated waste as follows:



Additionally, in Spain, thanks to the coverage provided by the Ecoasimelec certification, we managed the collection of 735 kg of electrical and electronic devices from customers' homes, ensuring their proper collection and treatment.

As part of our environmental commitment, we implement measures to ensure the proper classification and processing of waste, allowing for the recovery and reuse of valuable materials.

In our offices in Spain and Portugal, we've implemented a maintenance programme for computer equipment and phones. This programme ensures that faulty devices are replaced with new ones, and collected phones are either repaired or managed as waste if they're beyond repair. Additionally, before replacing computers, we offer them for sale at a reduced price. Returned devices are reintegrated into the secondary market, extending their useful life cycle.

Another major concern of ours is the proper management of waste. We aim to ensure correct treatment at its final destination and contribute to the Zero Waste to Landfill initiative of the Zero Waste International Alliance. This initiative sets an ethical, economic, efficient and visionary goal to guide people in changing their lifestyles and practices to emulate sustainable natural cycles, where all discarded materials are designed to become resources that can be reused. Therefore, we strive to

avoid depositing our waste in landfills and instead valorise it.

Some of the waste management methods we employ include:

- ▶ Using paper in the production of pulp for paper manufacturing.
- ▶ Recovering metals and metallic compounds from other wastes containing metals.
- ▶ Recycling other organic waste for transformation into new products.
- ▶ Recovering lead.
- ▶ Recovering wood.
- ▶ Preparing alternative fuels.

For the treatment of expired and unused medical materials in our warehouses in Spain, we rely on FCC Ámbito, an authorised waste manager, which is responsible for the proper removal, management and valorisation of these materials as alternative fuel.

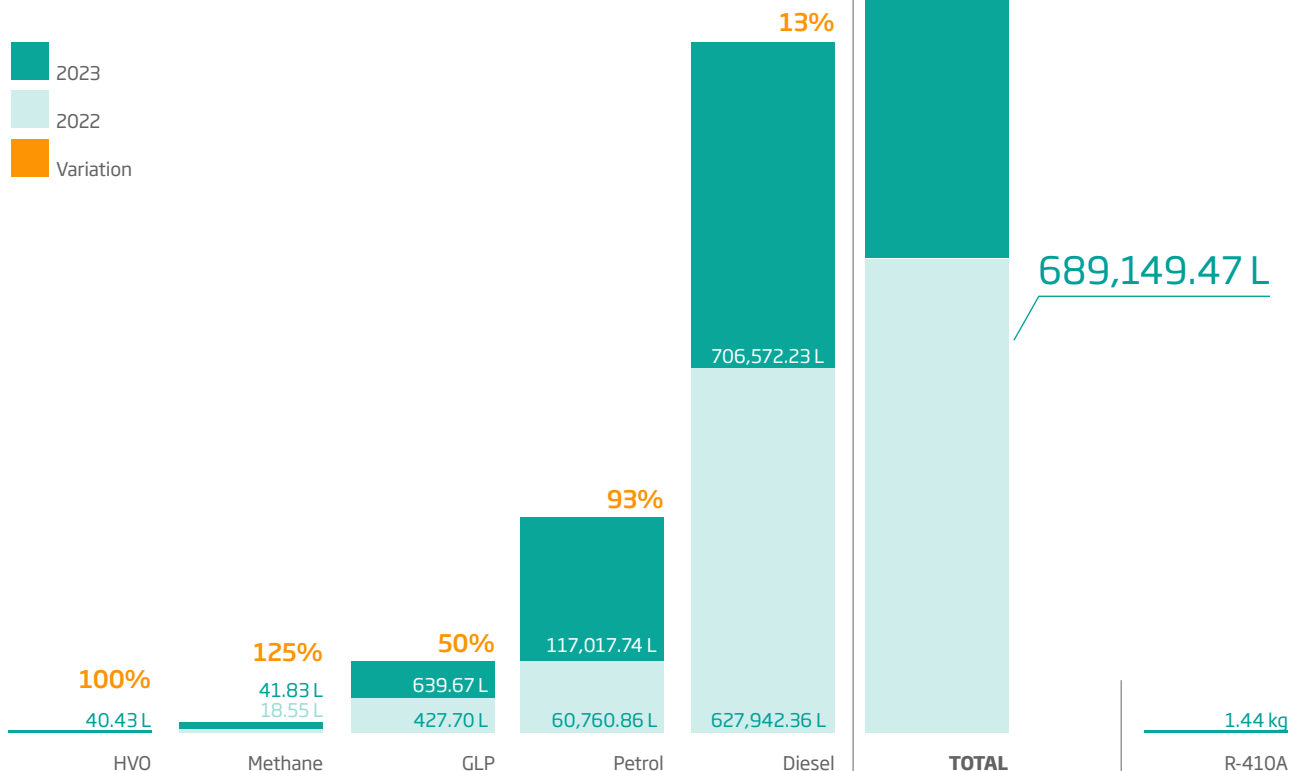
Collaborating in the fight against the climate emergency

The climate emergency presents a global challenge that requires action from various stakeholders, including companies and consumers, to mitigate its impacts. One way Palex contributes to reducing its impact and addressing the climate emergency is by monitoring and reducing fuel and electricity consumption.



FUEL CONSUMPTION

Fuel is a crucial resource for our operations, especially in our vehicle fleet, which is essential for the movement of all our sales networks and technical service teams across the territories of the three countries where we operate. During the reporting year, our fuel consumption² was 824,311.90 litres.



As shown in the table above, fuel consumption in 2023 increased by 20% compared to the previous year. It is important to note that 102,109.68 litres (12%) of the total consumption corresponds to:

1. **Inorganic growth of the Group and, consequently, of the sales and technical service team fleet. Acquisitions of the companies Isoder, Medical Concept Lab, Burke&Burke and Innovamedica during the reporting year.**
2. **Inclusion of the entire 2023 period for Gada Group compared to half of 2022, as the acquisition date was 31 May 2022.**

Measures for reducing fuel consumption

At Palex, we aim to minimise the environmental and social impact associated with the movement of people and goods by transitioning to a sustainable transport model. We focus on efficiency, reducing polluting emissions and promoting environmentally friendly modes of transportation.

To achieve this, we are committed to the efficient consumption of our **vehicle fleet**. With the goal of reducing polluting emissions and dependence on fossil fuels, we continue to work on **progressively equipping the fleet with more efficient and environmentally friendly vehicles**. Specifically, in 2023, we increased our sustainable car percentage from 43% in 2022 to 56%, and we are working to further increase this percentage in the coming

2 The consumption data for companies acquired in 2023 is included starting from their integration date into the Group.

years. Since all fleet cars are leased, we carry out planned and scheduled official maintenance.

Additionally, to further promote the adoption of electric vehicles, in 2023, we increased the number of charging points in the parking lot of our Sant Cugat offices by two additional units, bringing the total to four. This allows all employees with hybrid or electric vehicles to charge their vehicles while at work.

Furthermore, through our Mobility Plan, we promote responsible and sustainable use of transportation. In 2022, we conducted a mobility survey among all employees, with a 72% response rate. Based on these responses, in 2023, we developed new initiatives to reduce car use and promote more sustainable mobility.

Other measures we take to promote sustainable mobility include:

- ▶ Providing a space with plugs to recharge bicycles and electric scooters at the Cornellà warehouse in Barcelona.
- ▶ Offering parking spaces with plugs to recharge hybrid and electric vehicles at the Sant Cugat offices in Barcelona.
- ▶ Providing showers for staff who commute by bicycle and wish to use them at the Sant Cugat offices in Barcelona.
- ▶ Having public transportation links close to the Sant Cugat offices in Barcelona.
- ▶ Providing parking spaces with plugs to recharge hybrid and electric vehicles at the offices in Francavilla (Chieti), Rome and Manoppello (Pescara), Italy.
- ▶ Implementing a communication programme to promote carpooling for people commuting to common destinations and offices in Spain and Italy.

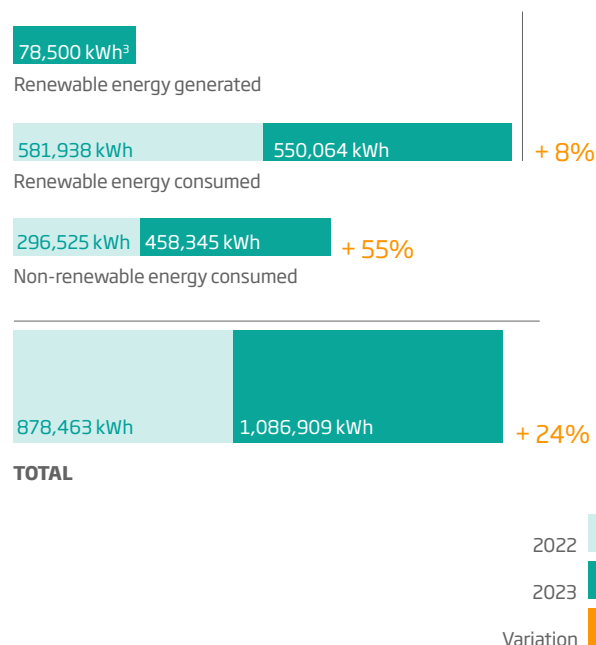
This includes planning efficient transport routes and consolidating orders to optimise container and lorry loads

On the other hand, at Palex, we continually seek **efficient and sustainable transport solutions** to reduce our carbon footprint while meeting our clients' needs and transportation requirements for our products, always maintaining the highest quality standards. This includes planning **efficient transport routes** and consolidating orders to optimise container and lorry loads. Additionally, we ensure that all our carriers have **environmental certificates**.

To further optimise routes and reduce our carbon footprint, we have decided to continue direct supply from exclusive suppliers in Portugal, eliminating the need to manage them from Barcelona beforehand. This helps us eliminate transports between the two locations.

ELECTRICITY CONSUMPTION

In our daily operations, electricity is crucial for the operation of our facilities and equipment, representing one of the most vital resources for our activities. In this regard, the recorded electricity consumption during the reporting year was 1,008,409 kWh.



As shown in the table, electricity consumption in 2023 increased by 24% compared to the previous year. Considering that the energy produced for self-consumption is renewable, the total energy considered in the calculation of Scope 2 carbon footprint has been exclusively the purchased energy, which is 1,008,409 kWh.

It is important to note that 259,068 kWh (26%) of the total consumption corresponds to:

- 1. Inorganic growth of the Group and, consequently, of the sales and technical service team fleet. Acquisitions of the companies Isoder, Medical Concept Lab, Burke&Burke and Innovamedica during the reporting year.**
- 2. Inclusion of the entire 2023 period for Gada Group compared to half of 2022, as the acquisition date was 31 May 2022.**

MEASURES FOR REDUCING ELECTRICITY CONSUMPTION

Similarly, with the aim of increasing the efficiency of our electricity consumption and increasing the use of renewable electricity, we have carried out the following actions:

- Replacement of fluorescent lights with LED technology at our Spanish offices in Sant Cugat and Cornellà, to meet the established goal of achieving 100% LED lighting.
- Contracting renewable origin guarantee certificates from the electric suppliers that supply our Spanish offices, ensuring that 100% of our electricity consumption is renewable.
- Implementation of an energy-saving awareness campaign through turning off lights at our Portuguese offices.
- Installation of photovoltaic panels at the central warehouses located in Cornellà, with a total of 222 monocrystalline photovoltaic modules, capable of generating 120 kWp per hour of solar exposure, supplying up to 50% of the daily

consumption of these facilities. Thanks to the installation of the solar panel park in Cornellà, we have produced 78.5 MWh from May to December 2023, reducing our energy purchase from our electric supplier by 44% during those months of the year.

- Installation of a new air conditioning system with lower electricity consumption at the Francavilla office.
- Ongoing LED replacement project at the Italian offices in Rome and Francavilla.
- Change of electricity supply contract at the Rome and Francavilla offices to a supplier of 100% renewable energy, starting from December 2023.
- Ongoing evaluation to change the electricity supply contract at the Manopello (Pescara) offices to a supplier of 100% renewable energy.



4 This percentage was calculated based on the kWh of energy purchased during the months of May to December at the Cornellà facilities for the years 2022 and 2023.

GREENHOUSE GAS EMISSIONS

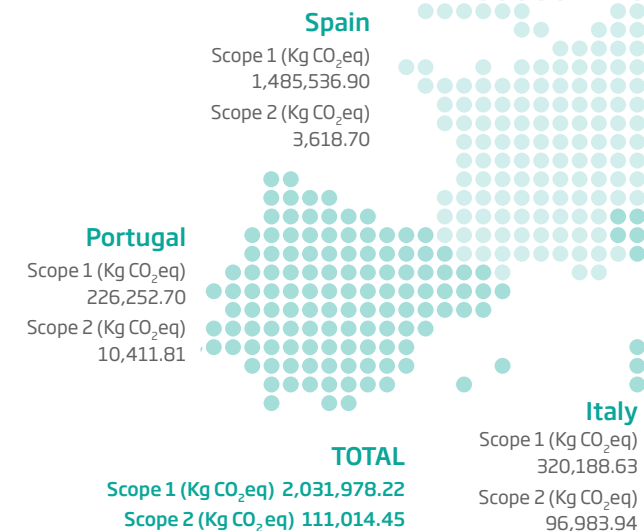
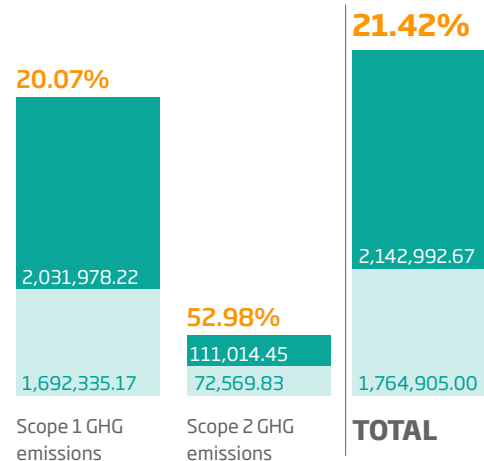
Calculating the carbon footprint is a key process for us to evaluate and understand our environmental impact, especially in terms of greenhouse gas emissions, the management of which is an integral part of our sustainability strategy.

In this regard, we have calculated our carbon footprint in Scopes 1 and 2 based on the GHG Protocol and, in order to remain transparent and rigorous, and to provide solidity in the reported data, this year we have also verified the calculations of Scopes 1 and 2.

The total greenhouse gas emissions (GHG) in Scope 1 have been 2,031.98 tonnes of CO₂ equivalent, de-

rived from the fuel consumption of our fleet and the gas leaks from the air conditioning equipment in our offices and warehouses. On the other hand, the total emissions in Scope 2 are 111.01 tonnes of CO₂ equivalent, originating from the electricity consumption in our workplaces and the fleet of hybrid and electric vehicles.

As anticipated, the increase in fuel and electricity consumption during 2023 led to a rise in greenhouse gas emissions, despite ongoing efforts to reduce both fuel and electricity usage.





04

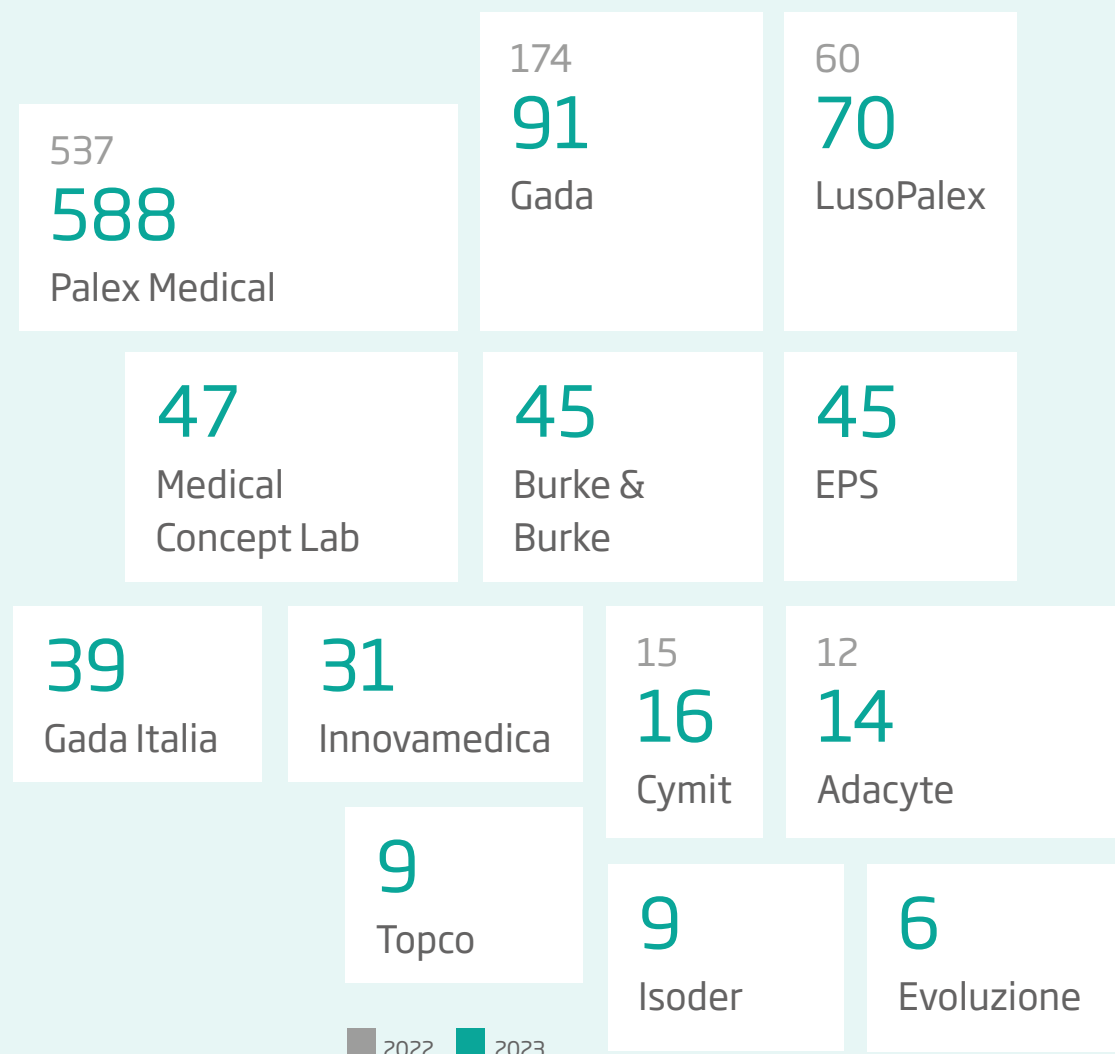
Improving lives
with people

Caring about people's well-being

People are the driving force behind our company's success. That's why we invest in strategies that contribute to long-term sustainable development, including effective employee relations management, professional development initiatives and fostering a positive work environment.

OUR PROFESSIONAL TEAM

By the end of 2023, our group employed a total of 1,010 professionals, marking a 22% growth compared to the previous year. This increase is attributed to both the organic growth of the various entities in the Group and the integration of new companies, such as Isoder in Portugal, and Medical Concept Lab, Innovamedica and Burke&Burke in Italy. The distribution of our workforce is outlined in the following graph:

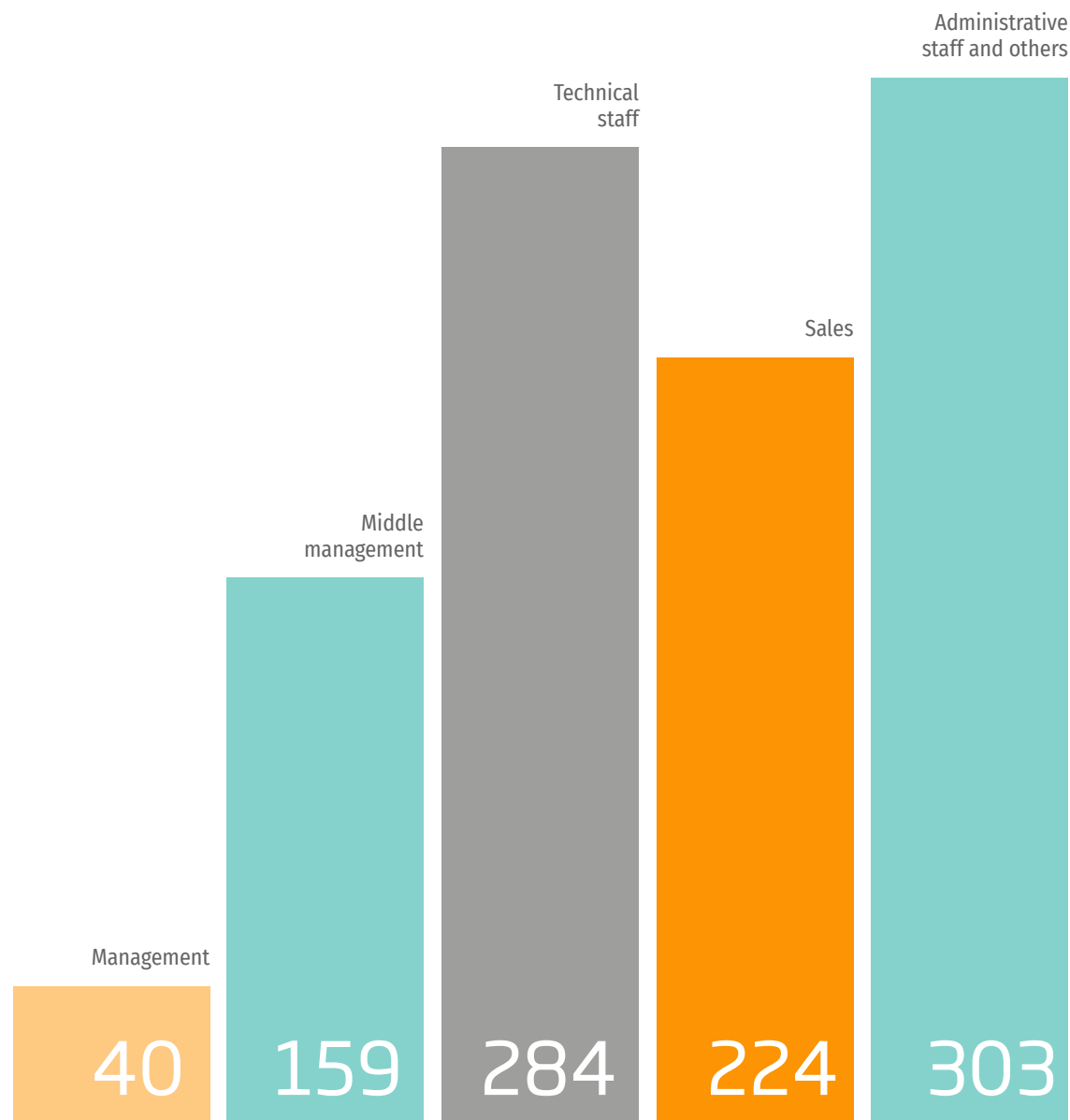


These 1,010 individuals who are part of the group are distributed into the following five⁵ professional categories.

- Management
- Middle management (with supervisor responsibilities)
- Sales (without supervisor responsibilities)
- Technical staff (without supervisor responsibilities)
- Administrative staff and other employees (without supervisor responsibilities)

Recognising that people are the driving force behind the company's development, we consider it very important to ensure fair remuneration. Therefore, we carry out an annual salary adjustment based on the agreements in each of the countries where we operate to ensure salaries are in line with the market and professional categories.

⁵ Due to the exponential growth of the companies within the Group, it was deemed necessary this year to restructure the classification of professional categories into five different groups.



Regarding the predominant types of contracts and working hours, it is worth noting that, at the end of 2023, **98%** of our workforce had **permanent full-time contracts**. This figure, one point higher than the previous year, reinforces our commitment to guaranteeing a solid employment base. Additionally, as a commitment to our team in response to the high impact of inflation on lower salaries, in 2023 we provided an additional compensatory payment.

Furthermore, union representation of workers is important as it guarantees the rights and interests of employees. Therefore, the Group's employees are covered by the following collective agreements:

- Spain: Wholesalers and importers of industrial chemicals and drugstore, perfumery and related products.
- Italy: NCBA Executives in the Commerce Sector, NCBA Commerce Sector, NCBA Logistics and NCBA Private Elderly Residences Non-Medical Staff.
- Portugal: Labour Code published by the Portuguese Government in October 2019.



Key indicators confirming the effectiveness of our staff management processes



An average tenure of 8 years



49

internal promotions, of which 31 correspond to management positions

A 5.81%

rate of undesired turnover in 2023 compared to 6.16% the previous year, figures significantly lower than the national average

PROMOTING EMPLOYEE WELL-BEING

Promoting the well-being of our employees is fundamental to ensuring their satisfaction and long-term success. This not only impacts their individual quality of life but also directly affects the overall productivity and performance of the company. For this reason, we have implemented a comprehensive strategy to improve the quality of life for our staff and their families, which includes a series of social benefits outlined in the Palex and Gada **Reconciliation and Social Benefits Policy**, such as:

- ▶ Flexible remuneration: Childcare, dining, transportation, health and retirement insurance, training and coaching.
- ▶ Birthday leave.
- ▶ Palex Club and Buoni Acquisto: A platform where staff and their families can access better prices and offers on products.
- ▶ Annual school grants for each child up to 16 years old, and monthly support for employees and their children with disabilities.
- ▶ Free fresh seasonal fruit in dining areas and break rooms.
- ▶ Changing rooms with showers in Cornellà and Sant Cugat.
- ▶ Gifts for Christmas and births.

Furthermore, to promote the **reconciliation** of work, family and personal life, recognised as a key component of a balanced professional career, we have implemented initiatives such as:

- ▶ Flexible working hours: Start between 7:15 am and 9:30 am, lunch break between half an hour and two and a quarter hours and finishing from 4:00 pm for a significant part of the organisation.
- ▶ Intensive working hours on Fridays.
- ▶ Remote work, depending on professional groups.
- ▶ Customised working hours if necessary.
- ▶ Flexibility in choosing holidays.
- ▶ Social benefits for pregnant employees.
- ▶ Digital disconnection policy, which includes:
 - ▶ No obligation to respond to emails outside working hours (except for positions necessary to ensure essential services).
 - ▶ Recommendation to schedule emails to be sent during working hours when composed outside of those times.

Additionally, in 2023, a total of 34 people benefited from **childbirth leave**.

All these social benefits and leave for Palex Medical and Gada employees are included in our **Reconciliation and Social Benefits Policy** and the **Gada for You** programme, available on the intranet and the Welfare portal, respectively.

BETTING ON TALENT

Betting on talent and the personal and professional development of our employees is fundamental to the execution of our sustainable strategy. For this reason, we are committed to the comprehensive growth of our team, both personally and professionally, and we accompany them on their journey.

One of the most important actions within the strategy to enhance the capabilities of the team is based on professional development, through programmes and courses designed to expand their knowledge and provide the necessary tools to improve their performance in their respective roles.

Recruitment, welcome and onboarding

The first days are crucial for the integration of new hires. Therefore, we have a welcome programme designed to offer comprehensive support and facilitate their adaptation.

To ensure this initial support is provided, we have an **Onboarding Policy** and a **Welcome Manual**, available in digital format through our online training platform, which we enable for new hires to provide them with all relevant information, including the various policies available within the organisation.

We also have a project to **monitor the adaptation of new hires to the company**, conducting surveys on their integration progress two weeks, two months and six months after joining. This project also includes **follow-up of the managers** of the new hires, who are asked for feedback two months after the new hire's start date to assess their adaptation. Through this project, we ensure that we listen to and consider the needs of new employees to improve their daily experience as members of the company.

Additionally, new hires at Palex Medical receive a welcome pack that includes corporate merchandise, such as a cotton bag, mug, bottle, USB stick, notebook and laptop cover. Once they have joined their respective units and departments, they undergo the necessary product and specialisation training within their unit.

In Italy, we also have an onboarding programme where we welcome new hires and provide product and departmental training. To facilitate this, we send an email with the link to the online training and the schedule for the in-person sessions.

We also monitor their progress during the first months at the company, capturing some of this

We also have a project to monitor the adaptation of new hires to the company

feedback in meet-the-team videos where employees share their first impressions of working within the Gada Group.

Finally, it is worth noting that within the welcome training programme for all new hires in both Spain and Italy, we provide **training on the corporate ESG project**, where we present the commitments and objectives of the three pillars: People, Preservation and Solutions.

Management
trainingTalent review
Introduction of OKRs
Leadership & management
Discovery advancedSales
trainingPalex days (sales insights + negotiating)
Attitudes & sales techniques
¡Palex Day!Management
trainingPower presenter
Insights discovery
(personal effectiveness)Back office
trainingSmile please (commitment to Palex)
Insights discovery
(personal effectiveness)**Professional and personal development**

Investing in talent and the professional and personal development of employees is fundamental, not only to benefit the employees individually but also to significantly contribute to the company's long-term success and sustainability.

Moreover, this approach brings numerous benefits, such as enhanced market positioning and competitiveness, increased productivity and efficiency, talent retention, improved morale and employee engagement and fostering innovation, among others.

This commitment drives us to invest in our employees and work on their professional and personal growth. Evidence of this is seen in all the training programmes and courses we have implemented within **our training plan** during 2023:

Insights Discovery Programme: A cross-functional training for employees of Palex Medical and Lusopalex, providing a psychometric tool to understand oneself and others, thereby fostering more effective and authentic interpersonal relationships.

Virtual Leader for Managers Programme:

Training for Palex Medical employees that provides the necessary tools to develop leadership and team management skills, which are key to effectively leading people.

Management and Leadership Programme:

This programme, like the one mentioned above, provides tools and strengthens the skills needed for managers to lead, motivate and engage their teams effectively.

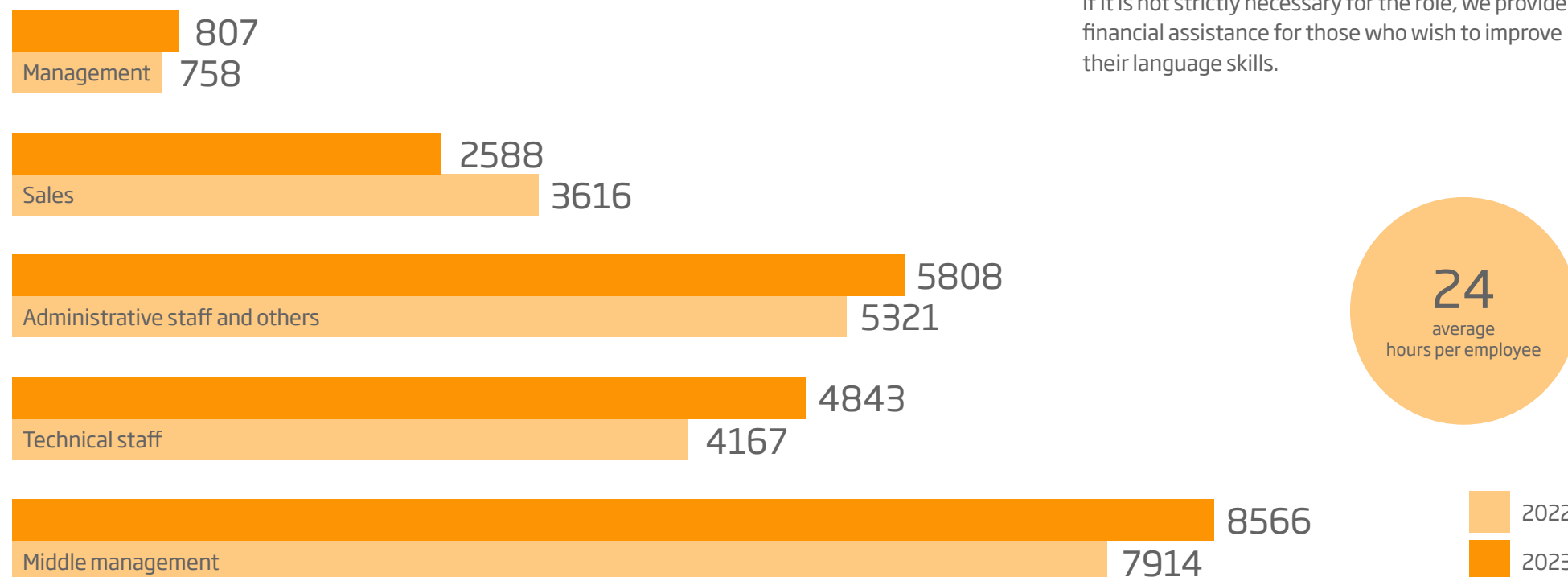
Digital Skills Programme, Gada: A cybersecurity awareness programme that trains Gada employees, from senior management to technical and administrative staff, with a total of 3 and 4 sessions, respectively.

Gada Excellence Programme: Offers different training paths to support the managerial growth of Gada employees:

1. Innovation labs: Focused on strategic thinking, problem-solving and performance management.
2. Training paths for new Area Managers and Product Managers.
3. Time Experience Training Course.
4. Coaching Programme to improve performance.

Gada Skills Programme: Specific training tailored to the job roles and needs of Gada employees.

In 2023, the total number of training hours per professional category were⁶:



It is worth mentioning that we not only encourage training within Palex, but we also like to know that our team has interests and concerns outside the workplace. We are pleased to offer assistance for master's degrees, courses and other studies.

We also provide specific **language** training such as English and have a programme where the organisation, following an evaluation of the position, can assume part of the cost of language training. Even if it is not strictly necessary for the role, we provide financial assistance for those who wish to improve their language skills.

⁶ The Group's training hours do not include those provided in Burke&Burke or Innovamedica.

Online training

This year, we have continued to work to offer digital training courses to Palex Medical, Lusopalex and Cymit employees, as interests and needs change and vary depending on the moment and the work situation in which we find ourselves. Additionally, Lusopalex focuses on online training and bases much of its training plan on the online courses offered by Goodhabitz.

Examples of these programmes include:

► **Time Management and Stress Management:**

Aimed at all areas, it offers resources that can be useful in the circumstances encountered in the workplace. It addresses aspects such as the importance of mindfulness, time management and decision-making.

► **Presentations and Communication:** Aimed at the marketing and technical specialist areas, it offers useful resources for learning how to speak in public in a clear and effective manner and achieve greater audience engagement.

► **Sales Training:** Aimed at the sales area, it offers training to maintain a good commercial relationship with clients, as well as improve language and communication with them.

Furthermore, in Italy, we also have the Gada Academy online training platform, which offers a wide range of digital training courses in the following categories:

Inspirational leadership

- Management & teamwork
- Productivity

Personal effectiveness

- Commercial skills

Communication

- Digital skills
- Health, safety & well-being



DIVERSITY AND EQUAL OPPORTUNITIES

In our companies, promoting diversity and equal opportunities is not only an ethical and social necessity but also an essential part of our business vision. We implement inclusive policies and foster a culture that values and recognises individual differences.

To ensure equal opportunities in access to vacancies, we have a Recruitment Policy that reflects our specific commitments:

Policies, protocols and related links

- Palex Medical Equality Plan
- Palex Medical Harassment Prevention Protocol
- Palex Medical Communication Protocol

1. Equality criteria in recruitment and hiring: We conduct recruitment processes without discrimination to ensure fair access to the company.
2. Promotion of gender equality: We work to eliminate occupational segregation and ensure equal opportunities for all, regardless of gender.
3. Promotion of women in leadership positions: We seek to promote women's access to leadership roles and advancement within the company.
4. Training and promotion measures for equality: We implement measures that promote equal access to any position and opportunity, regardless of gender.
5. Work-life balance measures: We establish policies that balance the personal and professional lives of our employees.
6. Recognition and remuneration based on personal merit: We ensure that individuals are valued and remunerated according to their personal merit, without gender discrimination.
7. Occupational health and safety: We ensure the health and safety of our workforce by implementing measures for the prevention of occupational hazards.
8. Anti-harassment protocol: We have established a protocol to prevent harassment in our company.
9. Non-discriminatory language use: We have developed a protocol to ensure non-discriminatory language use in all communications.
10. Human resources management in compliance with legal regulations: We ensure that human resources management complies with all applicable legal regulations and requirements regarding equality.

INCLUSION AND ACCESSIBILITY

Inclusion and accessibility for people with functional diversity are fundamental aspects of our work environment, as they strengthen the full participation of all individuals. As of the end of 2023, the number of people with functional diversity in our team is 14.

Within Palex's commitments, we always seek to collaborate with special employment centres that offer quality job opportunities for people with functional diversity. In this regard, for the cleaning staff in Sant Cugat and Cornellà, we have a mixed model, with part of the staff hired through GELIM special employment centres. For office paper supply, we partner with ILUNION, and for vehicle management, we collaborate with the ONCE Foundation. Additionally, for Christmas gifts, we collaborate with AMISTAD MONTESOL, a foundation for employment. In this way, we promote and support inclusion and equal opportunities within the Group.

Furthermore, our central offices are adapted to promote accessibility for people with functional

diversity, with access ramps, adapted bathrooms and workstations that can be adjusted to the needs of the workers.

HEALTH AND SAFETY OF THE TEAM

One of the most important pillars of our ESG commitment is people, which is why we take care of our team, as health and safety at work are essential to promote a healthy, safe and productive work environment. We invest in mechanisms that guarantee a healthy and safe work environment, aiming to minimise any risks to individuals. All of this is outlined in an **Occupational Risk Prevention Plan**, which includes an emergency plan detailing the measures Palex will adopt, including the designation of roles and responsibilities.

Additionally, in 2023, we implemented a **Workplace Health and Safety Management System**, through which we have developed and drafted protocols, processes and procedures to address the risks arising from our day-to-day activities. We

have also continued to provide training in emergency procedures, training first aid, fire safety, evacuations, basic life support, and AED (automated external defibrillator) to act in case of emergency.

In 2023, the total hours of absenteeism were 43,069⁷ hours, taking into account work-related accidents (including commuting accidents), common contingencies and occupational diseases, compared to 55,010 hours the previous year. Absenteeism has decreased and has stabilised at levels similar to those before the pandemic.

⁷ The Group's absenteeism hours do not include those of Burke&Burke or Innova-medica.

Additionally, we have initiatives that promote the well-being of individuals at work:

Physiotherapy service

We continue to collaborate with our partner, Fisio-React, to offer 45-minute physiotherapy sessions to all employees who need them. These sessions are held during working hours in a room equipped with the necessary materials and at a reduced price. Since last year, the service has been available at the Sant Cugat, Cornellà and Alcobendas offices.

Palex BE HEALTHY!

We are still working with the BE HEALTHY programme, which offers employees various activities to improve their physical and emotional health.

Examples include physical activity sessions led by a sports technician, which employees can attend in person or online.

The programme also includes mindfulness sessions led by a psychologist specialising in emotional health at work, where different emotions that can be felt in certain work situations are addressed.

Mindfulness experience

To engage employees and promote sensitivity and awareness of sustainability and psychophysical well-being, in 2023, we held a day where Italian employees had the opportunity to experience mindfulness practice. They explored its theoretical aspects, benefits and the sensations experienced in body and mind during meditation practice. The day was divided into three mindfulness experiences:

- ▶ Mindfulness experience.
- ▶ Mindfulness eating.
- ▶ Mindfulness practice.

Mobility plan

Following the mobility survey conducted in 2022, which had a 75% participation rate, we have developed initiatives tailored to the new needs identified in the survey.

We promote the use of more sustainable transportation and other actions that reduce CO₂ emissions by installing new charging points for electric and hybrid cars, as well as facilitating car sharing through platforms that allow employees to coordinate sharing a car when travelling to work.

Furthermore, our stakeholders include workers who are not part of our organisation but who contribute their dedication and value to our operations. We are very aware of the importance of their work and ensure that they, either directly or through the companies they belong to, have optimal conditions for carrying out their activities.

Among them are our external sales agents, who are distributed across all the countries where we operate. Currently, we have 90⁸ agents who perform sales and promotional activities for our products. We have a commercial contract either directly with the agents or with the distributing company.

8 Additionally, we consider five members of senior management who are not part of the staff as external personnel. In total, we consider 95 external workers.

Committed to human rights

Human rights are fundamental for achieving sustainable development that leaves no one behind, essential in their three dimensions: social, economic and environmental. The protection of these rights is a cross-cutting aspect that we extend to all areas of Palex's operations.

As a result of this commitment, we have various policies and measures that not only guide the conduct of the people who are part of our organisation but also allow us to protect and respect human rights:

Equality Plan: Aimed at eliminating any type of discrimination and ensuring equal opportunities in access, promotion and compensation for all individuals within our group.

Protocol for the Prevention of Harassment: Aimed at maintaining a work environment free of any behaviour that could be considered harassment or intimidation, promoting measures for the prevention of these behaviours.

LGBTI Plan: During 2023, we have been preparing an Equality Plan that we will implement in the first quarter of 2024.

Promoting respect for human rights through our **Ethical Code**. In this regard, in the Ethical Code approved in 2023, we include, in section 7.5, Palex's commitment to respect human rights and, in particular, to the abolition of child labour, labour exploitation, animal abuse and the imposition of illegal, abusive or forced labour conditions.

We implement **conciliation plans** benefiting both women and men, offering measures such as intensive schedules at certain times of the year, flexible hours and teleworking options.

We offer early **childhood development services** for the children of employees or others with limited educational opportunities in the local community.

Privacy rights are included in the company's human rights strategy, emphasising that information and data collected about employees, business partners or clients are treated with respect and in accordance with the law, especially data protection regulations.

We implement measures to foster **occupational health**, creating work environments that guarantee the physical and emotional well-being of our team. This year, we have begun to work on the implementation of a management system that allows us to lay the groundwork for the protocolisation of occupational risk prevention. In addition, in 2023 we put in place the evaluation of psychosocial risks as a way of preventing occupational risks and improving the quality of life of our employees.

Existence of mechanisms for **union representation** and collective bargaining.

Implementation of the **Purchasing Policy** and ethical code for suppliers.

More than 96% of our product purchases are made from suppliers located in territories with a corruption perception index above 50.

Source: Corruption Perceptions Index 2023 by Transparency International, available at: [Report CPI2023 English.pdf \(transparencia.org.es\)](#)

Additionally, we ensure our commitment to respecting human rights by complying with local legislation in the various countries where we operate. In this regard, we want to highlight that 97% of our purchases come from suppliers located in countries with a Human Freedom Index above 7 points.

Source: The Human Freedom Index 2023, available [here](#)

With all this, we work to strengthen our alignment with both the **Ten Principles of the United Nations Global Compact** and the **Universal Declaration of Human Rights**.

We are convinced that sustainable development and human rights are complementary approaches and must always go hand in hand to build the society and the planet we want.

Investing in the community

ASSOCIATIONS AND FOUNDATIONS WE COLLABORATE WITH

We believe that by combining our efforts with projects from organisations in our work and social environment, we achieve more efficient impacts. Therefore, we promote initiatives of institutions with which we share values and objectives.

Through these projects, we seek to improve society through the organisations we collaborate with, as well as contribute to the development of the communities where we operate.

Thus, we collaborate with various non-profit entities and foundations, and promote various actions, advocating for the generation of a positive impact on society.

We work in partnership with local entities in each country where we operate, such as **Fenin in Spain** and **Confidustria Dispositivi Medici in Italy**. With the latter, we have collaborated on the development of two national guides: Post-marketing surveillance and supervision for medical devices and in vitro diagnostic devices.

We are also members of **AECOC** (Association of Manufacturers and Distributors), whose mission is to improve the competitiveness of the entire value chain by sharing solutions, standards and knowledge to make it more efficient and sustainable, thus providing greater value to consumers.

Collaboration with the Spanish Association Against Cancer (**AECC**) in the Re@adapt project, a programme for cancer patients aimed at improving the side effects associated with cancer treatments and their quality of life. The programme has offered individualised advice on exercise and nutrition throughout 2023.

In line with this, new partnerships have been formed from the different business units in each of the countries where we are present, driving collaborations and carrying out initiatives that generate a positive impact on society.

Some examples include participation in different training courses and free seminars to promote cancer research, such as IFAPES, CIEMAT, GENyO, Hospital de Paraplégicos, among others.

We also collaborate in clinical trials in various radiotherapy departments: Spanish Society of Medical Physics, Spanish Society of Radiotherapy Oncology, Spanish Society of Radiosurgery.

Additionally, we **collaborate** with foundations, hospitals and universities that aim to conduct **scientific research**, where we also carry out collaborations. We want to be drivers of innovation and contribute to this development, promoting health and well-being in the community.

Lastly, we would like to highlight these additional social actions:

INITIATIVES AND ACTIVITIES

Blood donation marathon

In November 2023, we conducted our second blood donation day in collaboration with Banc de Sang at our Sant Cugat facilities. Twenty-four people participated, donating blood and plasma, benefiting a total of 72 patients.

Collaboration with “unoentrecienmil.org” association

We support the “Punto y final” project to help all children with leukaemia overcome their illness.

I Tennis Foundation

Collaborating with the I Tennis Foundation, we support sports training for underprivileged children. This organisation, based in Turin, aims to provide children from disadvantaged backgrounds with the opportunity for academic and sports education. In 2023, we focused on an educational programme for Ukrainian war refugees.

Difference Project

In 2023, we continued to contribute to SDG 4 regarding quality education, maintaining our commitment to generating a positive impact on the local community where we operate. Specifically, this year, we supported the Ricardo Fisas Foundation by sponsoring the Dolors Almeda school in Cornellà. This school supports children with learning differences such as dyslexia, ADHD or high abilities. It promotes an inclusive school environment by training teachers to offer an effective tool for early detection and educational intervention. Through this action, we promote an inclusive school where all students have the opportunity to learn together, regardless of their personal, socioeconomic or cultural characteristics.



This initiative also allows us to extend this support to Palex Medical staff who may require information during the school year regarding learning differences.

Project with Aura Foundation

In 2023, we actively collaborated with the Aura Foundation in its project for the social and labour inclusion of people with intellectual disabilities, as well as in the “Somos Uno” programme led by this foundation for the inclusion of people with Down syndrome.

Pabellón de la Victoria Project

Through participation in the solidarity event and the acquisition of gifts for children's contests, we support the Villavecchia Foundation, which promotes a specialised assistance project for children and young people with life-limiting illnesses. This project includes creating a comprehensive support space that offers residential places and day support, facilitates respite, leisure and family support spaces, as well as suitable spaces to accompany children in their last days of life.

Tree planting

In June, a delegation of 40 employees from Gada Group participated in planting some trees donated by our Group to the Municipality of Francavilla al Mare (Chieti), the city where Gada Group has one of its operational offices.

Specifically, fifteen oaks and fifteen maples that will allow us to store an average of about 5,175 kg of CO₂ each year. The initiative is part of the #Tree-Marathon programme by Eugea - Si Produzioni srl, a spin-off company of the University of Bologna, aiming to increase “green diffusion” throughout Italy.



Palex Further we go!

In 2023, we held the second edition of the Palex Further we go! event where we challenged all employees to contribute voluntarily by accumulating kilometres practising different sports (running, swimming, cycling, etc.). Specifically, Palex Group employees managed to cover 5,514.37 kilometres, with the beneficiaries this year being Alcer, the Spanish Foundation for Mastocytosis, the Portuguese League Against Cancer and Lega del Filo d'Oro.

During 2023, we made donations of material and financial contributions totalling €394,594.23, compared to €183,031.54 donated in 2022.

Communication and transparency

STAKEHOLDERS

Our stakeholders are crucial to Palex as an organisation. We believe that integrating them into our management model is essential for sustainable corporate development and allows us to **create value together**.

Internal

- Employees
 - ▶ Staff
 - ▶ Works council
 - ▶ Management bodies

Shareholders

- Other group entities
 - ▶ Lusopalex
 - ▶ Adacyte
 - ▶ Cymit
 - ▶ GADA GROUP
 - ▶ GADA ITALIA
 - ▶ EPS
 - ▶ EVOLUZIONE
 - ▶ Isoder
 - ▶ Fardiotop
 - ▶ Medical Concept Lab
 - ▶ Innovamedica
 - ▶ Burke&Burke

External

- Public and private clients
 - ▶ Hospitals
 - ▶ Clinics
 - ▶ Laboratories
 - ▶ Research centres
 - ▶ Health insurance companies
 - ▶ Food industry
- Product suppliers
 - ▶ MedTech product manufacturers/suppliers
- Service providers
 - ▶ Carriers
 - ▶ Service providers
- Regulatory bodies
 - ▶ Certification bodies
- Public administration
 - ▶ Public body
 - ▶ Agencies (regulatory bodies)
- Patients
 - ▶ End customers using distributed products
- Healthcare staff
 - ▶ Healthcare professionals
 - ▶ Medical community
 - ▶ Researchers

- Financial entities and investors
 - ▶ Banks
 - ▶ Investors
- Sector associations
 - ▶ Sector organisations (Fenin)
 - ▶ Patient associations
 - ▶ Other entities
- External workers

Indirect

- Society
 - ▶ Academic institutions
 - ▶ Health societies
 - ▶ Foundations
 - ▶ Local community
 - ▶ Environment
- External talent
 - ▶ Labour market
 - ▶ Talent fairs
- Mass media
- Competition

We strive daily to identify and understand the expectations of these groups to improve our relationship with them, whether directly or indirectly.

To ensure a good relationship based on trust and transparency, we have established **effective communication channels** for long-term relationships.

Our aim is for this communication flow to be **active, continuous** and **bidirectional**, enabling honest and open dialogue to better understand stakeholder concerns and meet their needs.

To reinforce our commitment, we have defined the main communication channels through which we promote strong ties.



Key
indicators

Solutions

TABLE 2. COMPLAINTS AND CLAIMS⁹

	2022		2023	
	Received	Resolved	Received	Resolved
Palex Medical, Lusopalex, Adacyte	85	44	126	68
Cymit	31	30	33	27
Isoder	-	-	0	0
Gada Italia, EPS, Evoluzione	51	41	92	72
Medical Concept Lab	-	-	29	19
Burke&Burke	-	-	1	1
Innovamedica	-	-	10	2
TOTAL	167	115	291	189

TABLE 3. GENERATED AND DISTRIBUTED ECONOMIC VALUE

	2022		2023	
	Profit obtained	Taxes on profits paid	Profit obtained	Taxes on profits paid
Spain	(15777)	2,498	(47061)	1,392
Portugal	(1194)	473	3,917	460
Italy	(5680)	3,459	5,522	4,290
Sweden	21	4	23	21
TOTAL	(22630)	6,434	(37599)	6,163

9 For Palex Medical, Lusopalex, Gada and Adacyte, these are product complaints. Cymit handles complaints about incorrect or damaged products and logistical issues

People¹⁰

TABLE 4. WORKFORCE AT YEAR-END BY GENDER, AGE AND PROFESSIONAL CATEGORY

		Management		Middle management		Technical staff		Sales		Administrative staff and others	
		2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Under 30 years old	Men	-	-	3	2	29	42	4	5	10	14
	Women	-	-	9	4	16	39	9	13	19	32
30-50 years old	Men	12	10	56	54	69	89	48	69	35	53
	Women	4	5	30	38	52	58	47	52	126	146
Over 50 years old	Men	15	17	44	42	38	44	45	48	10	14
	Women	8	8	16	19	12	12	37	37	27	44
TOTAL		39	40	158	159	216	284	190	224	227	303

TABLE 5. WORKFORCE AT YEAR-END BY COUNTRY

	2022	2023
	Total number of staff	Total number of staff
Spain	592	623
Portugal	60	79
France	3	3
Sweden	1	1
Italy	174	304
TOTAL	830	1010

10 The tables shown should take into account that the perimeter of the companies that are part of the reporting entity has been expanded.

TABLE 6. STAFF CONTRACT TYPE AT YEAR-END BY GENDER, AGE AND PROFESSIONAL CATEGORY

	2022		2023	
	Permanent contract	Temporary contract	Permanent contract	Temporary contract
Women	399	13	489	18
Men	408	10	496	7
TOTAL	799	23	985	25
Under 30 years old	86	9	135	16
30-50 years old	474	9	565	9
Over 50 years old	247	5	285	-
TOTAL	799	23	985	25
Management	39	-	40	-
Middle management	145	7	159	-
Technical staff	212	3	275	9
Sales	189	1	224	-
Administrative staff and others	214	12	287	16
TOTAL	799	23	985	25

TABLE 7. AVERAGE STAFF CONTRACT TYPE BY GENDER, AGE AND PROFESSIONAL CATEGORY

	2022		2023	
	Permanent contract	Temporary contract	Permanent contract	Temporary contract
Women	343	12	431	19
Men	363	12	445	9
TOTAL	706	24	876	28
Under 30 years old	76	10	104	18
30-50 years old	412	9	509	9
Over 50 years old	218	4	263	1
TOTAL	706	24	876	28
Management	38	-	42	-
Middle management	128	8	148	-
Technical staff	189	6	239	10
Sales	172	-	202	-
Administrative staff and others	179	10	245	18
TOTAL	706	24	876	28

TABLE 8. STAFF WORK SCHEDULE TYPE AT YEAR-END BY GENDER, AGE AND PROFESSIONAL CATEGORY

	2022		2023	
	Full-time	Part-time	Full-time	Part-time
Women	393	19	488	19
Men	415	3	502	1
TOTAL	808	24	990	20
Under 30 years old	97	2	149	2
30-50 years old	471	8	562	12
Over 50 years old	240	12	279	6
TOTAL	808	24	990	20
Management	35	1	40	-
Middle management	139	4	158	1
Technical staff	219	1	284	-
Sales	190	2	223	1
Administrative staff and others	224	16	285	18
TOTAL	808	24	990	20

TABLE 9. AVERAGE STAFF WORK SCHEDULE TYPE BY GENDER, AGE AND PROFESSIONAL CATEGORY

	2022		2023	
	Full-time	Part-time	Full-time	Part-time
Women	344	10	435	14
Men	374	2	452	2
TOTAL	718	12	887	16
Under 30 years old	85	1	119	2
30-50 years old	415	7	508	10
Over 50 years old	218	4	260	4
TOTAL	718	12	887	16
Management	37	1	42	-
Middle management	130	2	147	1
Technical staff	192	-	250	-
Sales	171	1	202	-
Administrative staff and others	188	8	246	15
TOTAL	718	12	887	16

TABLE 10. NUMBER OF DISMISSALS BY GENDER, AGE AND PROFESSIONAL CATEGORY

	2022	2023
	Number of dismissals	Number of dismissals
Women	22	15
Men	28	14
TOTAL	50	29
Under 30 years old	3	2
30-50 years old	29	15
Over 50 years old	18	12
TOTAL	50	29
Management	11	2
Middle management	6	2
Technical staff	5	5
Sales	15	6
Administrative staff and others	13	14
TOTAL	50	29

TABLE 11. INTERNALLY PROMOTED INDIVIDUALS CLASSIFIED BY GENDER AND PROFESSIONAL CATEGORY

	2022			2023		
	Men	Women	Total	Men	Women	Total
Management	2	1	3	3	4	7
Middle management	6	11	17	15	9	24
Technical staff	5	8	13	6	4	10
Sales	-	1	1	1	-	1
Administrative staff and others	-	3	3	1	6	7
TOTAL	13	24	37	26	23	49
% out of total promotions	35%	65%	100%	53%	47%	100%

TABLE 12. SENIORITY OF WORKFORCE AT YEAR-END BY GENDER ¹¹

	2022			2023		
	Men	Women	Total	Men	Women	Total
Less than 1 year	78	81	159	70	82	152
1 to 2 years	62	75	137	110	112	222
3 to 5 years	84	93	177	93	111	204
6 to 10 years	47	41	88	62	60	122
11 to 20 years	81	80	161	99	93	192
21 to 30 years	48	27	74	53	38	91
More than 30 years	18	15	33	16	11	27
TOTAL	418	412	830	503	507	1010

TABLE 13. SENIORITY OF WORKFORCE AT YEAR-END BY PROFESSIONAL CATEGORY

	Management		Middle management		Technical staff		Sales		Administrative staff and others	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Less than 1 year	1	2	26	8	50	55	33	33	49	54
1 to 2 years	3	2	15	22	46	77	45	60	28	61
3 to 5 years	5	5	27	23	52	67	36	47	57	62
6 to 10 years	5	5	15	19	20	30	28	29	24	39
11 to 20 years	15	14	39	51	25	31	31	39	50	57
21 to 30 years	7	9	23	25	19	20	11	11	16	26
More than 30 years	3	3	13	11	4	4	6	5	3	4
TOTAL	39	40	158	159	216	284	190	224	227	303

¹¹ The tenure of the workforce in new acquisitions has remained unchanged; their tenure has stayed the same as before.

TABLE 14. AVERAGE REMUNERATIONS BY GENDER, AGE AND PROFESSIONAL CATEGORY¹²

	2022	2023
	Average remuneration	Average remuneration
Women	35,603	36,919
Men	44,545	46,310
Under 30 years old	27,409	28,011
30-50 years old	37,099	38,864
Over 50 years old	50,837	53,612
Management	93,794	109,549
Middle management	55,554	58,065
Technical staff	35,952	37,315
Sales	40,385	43,388
Administrative staff and others	24,358	26,671

Former members of the Board of Directors of the Parent Company received total remunerations of €97,000 and €100,000 during 2023 and 2022, respectively. As of 31 December 2023 and 2022, the Group has not provided any advances or loans to any member of the Board.

TABLA 15. SALARY GAP¹³

	Management		Middle management		Technical staff		Sales		Administrative staff and others	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Average male remuneration	85,708	110,739	53,122	60,886	39,910	38,734	38,413	45,385	25,840	24,962
Average female remuneration	89,089	107,078	46,121	53,534	34,752	35,038	41,106	40,998	25,756	27,295
Salary gap	-5%	3%	14%	12%	13%	10%	10%	10%	2%	-9%

12 The average remunerations have been calculated based on the workforce at year-end and annualising the salaries. The calculation includes the base salary reflected in the December payslip, seniority bonus, personal allowance, job position bonus, non-competition clause, temporary disability assistance and quarterly job position bonus.

13 The salary gap formula used was: average male remuneration minus average female remuneration divided by the average male remuneration for each job category.

TABLE 16. REMUNERATION FOR EQUAL OR MEDIAN JOB POSITIONS IN SOCIETY^{14,15}

	2022		2023		Ratio 2022	Ratio 2023
	Initial salary	Local minimum wage	Initial salary	Local minimum wage		
Spain	17,216	14,000	17,560	15,120	1.23	1.16
Portugal	12,600	9,870	14,000	10,640	1.28	1.32
Italy	21,926	21,154	20,906	20,906	1.04	1.00

TABLE 17. PERCENTAGE OF EMPLOYEES REPRESENTED IN JOINT HEALTH AND SAFETY COMMITTEES

	2022	2023
	Total hours	Total hours
Management	758	807
Middle management	7,914	8,566
Technical staff	4,167	4,843
Sales	3,616	2,588
Administrative staff and others	5,321	5,808
Average training hours	26	24

TABLE 18. PERCENTAGE OF EMPLOYEES REPRESENTED IN JOINT HEALTH AND SAFETY COMMITTEES

	2022	2023
	Health and Safety Committees	Health and Safety Committees
Number of Health and Safety Committees	2	7
Employees covered	536	619
Total workforce	830	1010
% of total workforce	65%	61%

- 14 The local minimum wages in Spain and Portugal have been sourced from the SMI, while in Italy, they are based on the minimum wage set by the Collective Bargaining Agreement for the most representative professional category of the workforce..
- 15 France and Sweden are excluded due to the low number of employees, which precludes obtaining a statistically valid starting salary.

TABLE 19. WORKPLACE ACCIDENTS IN 2023 (INCLUDING COMMUTING ACCIDENTS)

	2022		2023	
	Women	Men	Women	Men
Number of lost-time accidents	3	1	4	9
Number of days lost as a result	124	7	255	39
Number of actual hours worked by employees	633,296	663,786	857,426	820,554
Frequency rate ¹⁶	4.74	1.50	4.67	10.97
Severity rate ¹⁷	0.20	0.01	0.30	0.05

Preservation

TABLE 20. ENERGY CONSUMPTION WITHIN THE ORGANISATION

	2022	2023
	Energy consumption	Energy consumption
Electricity consumption (kWh)	878,463	1,086,909
kWh/billing intensity	0.0026	0.0025
Fuel consumption (l)	689,149	824,312
Refrigerant gases (kg)	-	1.44
l/billing intensity	0.0020	0.0019

TABLE 21. CARBON FOOTPRINT BY SCOPE

	2022	2023
	Carbon footprint	Carbon footprint
Scope 1 (teq CO ₂)	1,692.34	2,031.98
kg CO ₂ /billing intensity	0.0050	0.0047
Scope 2 (teq CO ₂)	72.57	111.01
kg CO ₂ /billing intensity	0.0004	0.0003

¹⁶ FR = (No. of accidents / No. of hours worked) x 10⁶

¹⁷ SR = (No. of days lost or not worked / No. of hours worked) x 1000

TABLE 22. WEIGHT OF HAZARDOUS WASTE BROKEN DOWN BY TREATMENT TYPE

			2022	2023
	Treatment	Place	Managed kg	Managed kg
Hazardous liquid chemicals	Collection and transfer centre	Palex warehouse	847	7,731
		Palex	20	4
		Lusopalex	831	-
Hazardous chemicals	Collection and transfer centre	Palex warehouse	750	11,622
		Other Palex warehouses	460	-
		Palex	-	110
		Client	110	-
Biological waste, blood and blood products	Collection and transfer centre	Palex	17	0.086
		Palex warehouse	202	
		Gada	-	2
Fluorescent bulbs	Metal recycling	Palex warehouse	67	5
		Palex	57	16
		Burke&Burke	-	5
Batteries Metal	Metal recycling	Palex	8	-
		Palex warehouse	368	177
		Burke&Burke	-	165
WEEE (waste electrical and electronic equipment)	Collection and transfer centre	Palex	1,002	95
		Warehouse Palex	55	19
		Other Palex warehouses	-	293
		Gada	-	20
		Burke&Burke	-	56
Aerosols and spray	Collection and transfer centre	Palex warehouse	-	2,310
Hazardous solid waste	Disposal	Lusopalex	-	340

Ordinary	Collection and transfer centre	Palex warehouse	21,429	15,785
		Other Palex warehouses	15,440	37,720
		Palex	18,200	-
		Gada	-	70
	Disposal	Burke&Burke	-	609
		Lusopalex	205	-
Paper and cardboard	Recycling	Palex warehouse	16,620	14,360
		Palex	3,846	1,964
		Gada	3,460	10,660
		Other Palex warehouses	1,460	
	Disposal	Lusopalex	-	-
Plastic	Recycling	Palex warehouse	14,040	12,810
		Palex	-	16
		Other Palex warehouses	-	2,047
		Gada	3,670	7,682
WEEE (waste electrical and electronic equipment)	Collection and transfer centre	Palex warehouse	867	709
		Palex	971	-
		Gada	3,480	4,634
		Other Palex warehouses	15	-
		Lusopalex	4,779	-
		Client	417	735
Wood	Recycling and reuse	Palex warehouse	2,040	2,960
Medical supplies, non-hazardous medicines and non-contaminated sharp and pointed objects	Collection and transfer centre	Palex	0.419	-
		Gada	1,340	6,670
		Other Palex warehouses	6,873	-
		Medical Concept Lab	-	500
Non-hazardous chemicals	Collection and transfer centre	Gada	880	-
		Other Palex warehouses	452	-

Metals	Collection and transfer centre	Lusopalex	137	-
		Burke&Burke	-	966
Non-hazardous batteries	Collection and transfer centre	Palex	-	4
		Palex warehouse	-	44
		Gada	-	36
		Burke&Burke	-	56
		Palex	50	159
Toner	Recycling of organic substances	Gada	-	28
		Burke&Burke	-	24
Non-hazardous solid waste	Disposal	Isoder	-	61
Glass containers	Collection and transfer centre	Burke&Burke	-	58
Clothing	Collection and transfer centre	Gada	-	4
Bulky waste	Collection and transfer centre	Gada	-	20

Foundations of the report

Materiality analysis

To identify and assess the most relevant topics affecting our organisation and stakeholders, we have based our sustainability report on a materiality study. This approach allows us to adapt to the continuous changes in our environment.

Through this process, we can evaluate the importance and impact of each identified topic. These issues have been developed based on their influence on the sustainability and performance of the organisation, taking into account internationally recognised principles from the United Nations, new GRI and SASB standards and TCFD (Task Force on Climate-Related Financial Disclosures recommendations).

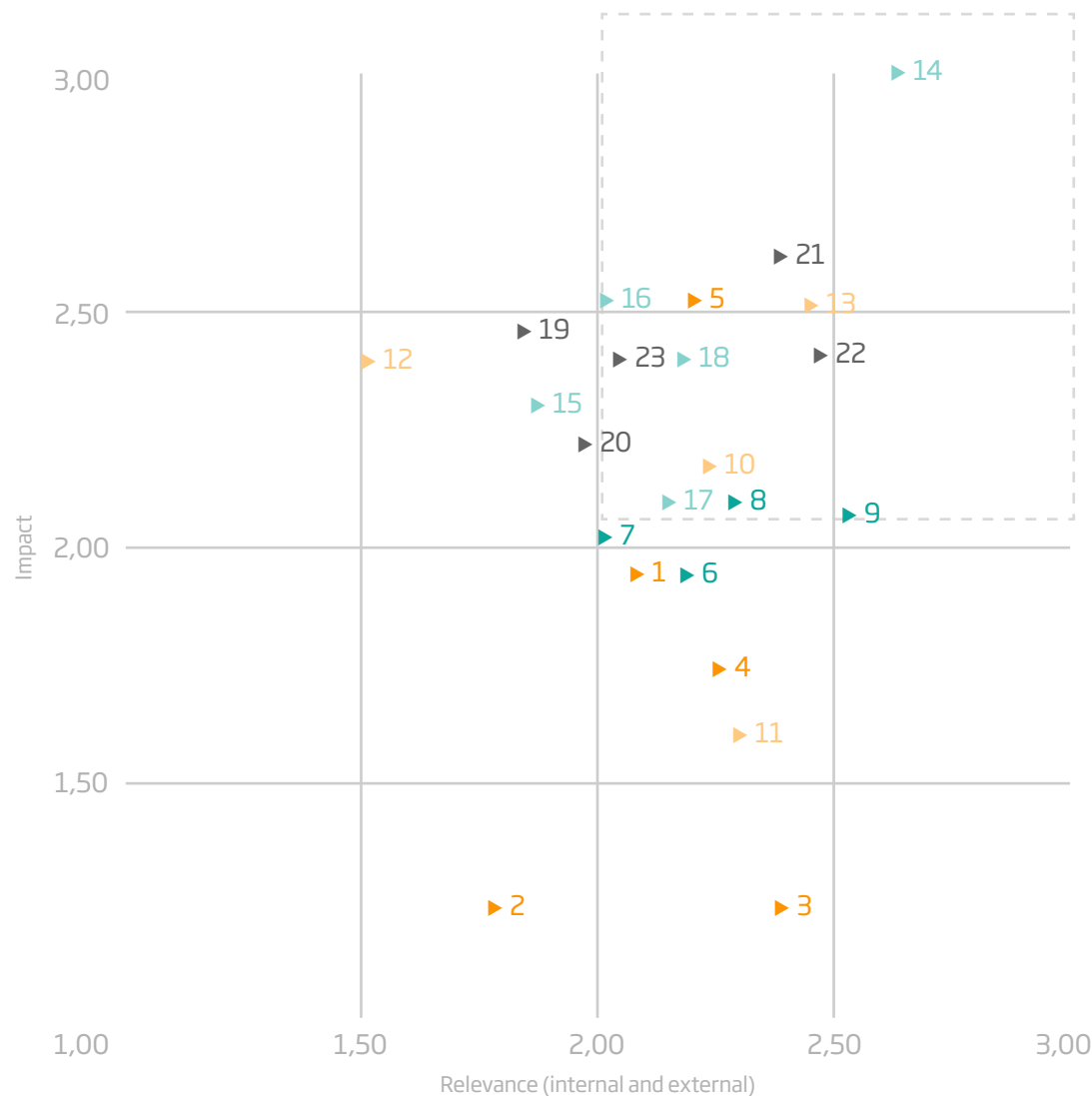
Key aspects considered in the study include:

- ▶ Information on the Spanish medical product market (clients and competitors).
- ▶ Information on the Italian medical product market (clients and competitors).
- ▶ Information on sustainability topics of interest to users (healthcare staff).
- ▶ Information on sustainable aspects that shareholders consider to have a significant impact on corporate strategy.

To identify, prioritise and respond to the main relevant topics for our stakeholders, we have updated our materiality analysis. Therefore, we have calibrated our materiality to align it with our ESG strategy and with the main challenges, opportunities, needs and trends in the environment. This approach considers both an internal and external perspective of the results.

Below is the materiality analysis, which demonstrates how the importance of material topics such as climate change, safe products and talent attraction and development has been consolidated

Results of the 2023 materiality analysis



MATERIAL TOPICS

- ▶ 5 Climate change and air pollution
- ▶ 8 Talent attraction and development
- ▶ 9 Health and safety of the team
- ▶ 10 Community
- ▶ 13 Promotion of advanced hospital solutions
- ▶ 14 Safe products and regulatory compliance
- ▶ 16 Long-term relationships with suppliers
- ▶ 17 Responsible supply chain
- ▶ 18 Innovation
- ▶ 21 Ethics and integrity
- ▶ 22 Communication and transparency
- ▶ 23 Information security

OTHER ASPECTS

- ▶ 1 Energy consumption management
- ▶ 2 Water consumption management
- ▶ 3 Materials consumption management
- ▶ 4 Circular economy and waste management
- ▶ 6 Equality, diversity and union representation
- ▶ 7 Promoting employee well-being
- ▶ 11 Employment promotion
- ▶ 12 Human rights
- ▶ 15 Long-term relationships with clients and users
- ▶ 19 Responsible business
- ▶ 20 Risk management and compliance

Given the importance of the topics identified in our materiality analysis, we outline our approach to each below, along with the page of the report where they are covered.

Page 44 Responsible innovation

Innovation is one of the main pillars of our business, enabling us to meet customer needs and provide advanced hospital solutions to the sector.

Page 50 Access to advanced hospital solutions

Our raison d'être is to offer advanced products and solutions that promote the health and well-being of society, as well as technological innovations that advance more efficient and sustainable healthcare practices.

Page 38 Ethical business practices

We always adhere to strict ethical criteria, fostering a culture of integrity and responsibility within the organisation, based on best practices in this area.

Page 48 Safe products and regulatory compliance

We work with the highest quality standards to ensure that all our products have the necessary certifications and documentation and are safe for our clients and patients.

Page 55 Long-term relationships with clients and users

We believe that cultivating long-term relationships with clients and users is essential for sustainable growth over the long term.

Page 47 Information security

We are firmly committed to information security, implementing a robust and diligent security model throughout our value chain.

Page 44 Long-term relationships with suppliers

We collaborate with high-level manufacturers, considering them as partners with whom we work together to create value and bring the best solutions to the market. We establish long-term relationships based on trust and ensure our supply chain is responsible, maintaining the integrity and ethics of all participants with quality and sustainable management.

Page 59 Climate change

Our environmental policy drives us to improve our carbon footprint, seeking greater energy efficiency and reducing fuel consumption through optimised transport routes and the efficiency of our vehicle fleet.

Page 44 **Responsible supply chain**

We promote responsible supply chain management, particularly in environmental, social and governance matters, ensuring ethical behaviour, human and labour rights, transparency, respect for stakeholder interests, adherence to legality and international norms of conduct.

Page 85 **Community collaboration**

Our raison d'être involves playing an intrinsic role in society by improving its well-being. We strive to improve the conditions of the local community where we operate, aiming for a more just, equitable and sustainable society.

Page 74 **Talent attraction and development**

People are central to our development, which is why we strive to create environments where they can grow and develop both professionally and personally, resulting in teams full of talent and commitment.

Page 89 **Communication and transparency**

We foster long-term relationships with our stakeholders by creating effective, active, continuous and bidirectional communication channels. We are also increasing our transparency with them in various aspects, such as our commitment to sustainability.

Page 38 **Compliance**

We maintain a compliance model that allows us to identify the main risks of the organisation and adapt to regulatory changes with agility. We have mechanisms in place to prevent, detect and react quickly to any situation that could compromise the organisation.

Page 36 **Ethics and integrity**

We understand that a robust corporate governance model is crucial for ensuring long-term value creation for all our stakeholders. Therefore, we have governance bodies dedicated to working towards the company's objectives in alignment with our mission, vision and values.

Page 80 **Health and safety of the team**

People are central to our development, that's why we develop actions and projects to improve their health and well-being, creating a team of happy and motivated individuals in their work environment.

About this report

This report includes non-financial information from Chacrim Directorship, S.L. and its subsidiaries: Topco Palex, S.L.U, Palex Medical S.A., Lusopalex Lda., Isótopos e Derivasos, S.A., Fardiotop, productos e Serviços Farmacêuticos Unipessoal, Lda., Adacyte Therapeutics S.L., Adacyte Therapeutics Sweden, Cymit Química S.L., Gada, S.p.A, Gada Italia SpA, Evoluzione, S.R.L., EPS, S.p.A., Medical Concept Lab. S.r.l., Burke& Burke, S.p.a. and Innovamedica, S.p.a.

Through this document, the organisation responds for the fourth consecutive year to the requirements of non-financial information and diversity included in Law 11/2018 of 29 December. Throughout these pages, information has been presented on the following areas: general, environmental, staff, social, human rights and the fight against corruption and bribery. For each of these, the policies and actions undertaken, as well as the risks arising from the development of the activity, have been described.

Regarding its preparation, this report has been developed based on the Global Reporting Initiative (GRI) Sustainability Reporting Standards in its “GRI

Standards” version and its essential option. Traceability can be found in the GRI content index section.

Additionally, to comply with the Non-Financial Information Law, the principles for defining the content and quality of the report have been applied.

Principles considered in defining the content of the report:

- **Stakeholder engagement:** Identification of stakeholders and description in the report of how their needs and expectations have been addressed.

- **Sustainability context:** Presentation of the organisation’s performance within the broader context of sustainability.
- **Materiality:** The report reflects the significant social, environmental and economic impacts of the organisation or those that could substantially influence stakeholder decisions. For more information, see the Materiality analysis section.
- **Exhaustiveness:** The coverage and scope of the report enable stakeholders to assess the organisation’s performance.

Principles considered in defining the quality of the report:

- **Accuracy:** The published information must be precise and detailed.
- **Balance:** The report reflects both positive and negative aspects of the organisation's performance.
- **Clarity:** The information is presented in an understandable and accessible manner for all.
- **Comparability:** The information should be comparable over time and with other companies for stakeholders.
- **Reliability:** The data must be of high quality and establish the materiality of the organisation.

This year, as a result of our commitment to increasing communication and transparency in ESG matters, we have also decided to report this document based on the SASB (Sustainability Accounting Standards Board).

This international framework, focused on identifying and reporting on the topics that matter most to investors by industry sector, allows us to provide valuable information to our stakeholders.

Traceability can be found in the SASB content index section.

VERIFICATION

To ensure the transparency and integrity of the information, Palex has subjected the non-financial information included in this Sustainability Report to verification by an independent external party.

INQUIRIES

For any questions, suggestions or inquiries related to this report, Palex provides the following contact methods:

sostenibilidad@palex.es

GRI content index

Contents of Law 11/2018	Standard	Reference chapter	Observations
BUSINESS MODEL			
Description of the group's business model	A brief overview of the group's business model, encompassing its business environment, organisation and structure, markets it operates in, objectives and strategies and the main factors and trends that could influence its future development.	GRI 2-1	<i>Improving technologies, Improving lives</i>
		GRI 2-6	Our locations
		GRI 2-9	Our locations
		GRI 3-1	Palex in numbers
			Forging responsible governance
Contents of Law 11/2018	Standard	Reference chapter	Observations
INFORMATION ON ENVIRONMENTAL ISSUES			
Policies	Group policies, including the due diligence procedures for identifying, evaluating, preventing and mitigating significant risks and impacts, as well as verification and control measures taken.	GRI 2-22	Improving lives with Preservation
		GRI 2-23	Improving lives with Preservation
		GRI 2-24	Improving lives with Preservation
Key risks	Key risks related to these issues associated with the Group's activities, including, where relevant and proportionate, its commercial relationships, products or services that may have negative effects in these areas and how the Group manages such risks, explaining the procedures used to detect and assess them in accordance with the national, European or international frameworks of reference for each subject. Information should include detected impacts breakdown, especially on the main short-, medium- and long-term risks.	GRI 2-25	Improving lives with Preservation
			Risk management

General	Current and foreseeable effects of the company's activities on the environment and, if applicable, on health and safety.	GRI 3-3	Improving lives with Preservation	Currently, there have been no breaches of regulations or voluntary codes registered.
		GRI 2-12	Improving lives with Preservation Materiality analysis	
		GRI 416-1	Advocating for circular activity	
		GRI 416-2		
	Environmental assessment or certification procedures.	Cualitativo	Improving lives with Preservation	There have been no breaches of environmental legislation and regulations.
	Resources dedicated to environmental risk prevention.	Cualitativo	Improving lives with Preservation	
	Application of precaution principle	GRI 2-23		
	Provisiones y garantías para riesgos ambientales.	GRI 2-27		
Pollution	Measures to prevent, reduce or remedy carbon emissions that severely affect the environment, taking into account any form of atmospheric pollution specific to an activity, including noise and light pollution.	GRI 3-3	Collaborating in the fight against the climate emergency	
		GRI 302-4	Collaborating in the fight against the climate emergency	
		GRI 305-5 (partial)	Collaborating in the fight against the climate emergency	
Circular economy and waste prevention and management	Prevention, recycling, reuse, other forms of recovery and waste disposal measures.	GRI 306-1 (v.2020)	Advocating for circular activity	
		GRI 306-3 (v.2020)	Advocating for circular activity	
Sustainable resource usage	Water consumption and water supply in accordance with local limitations.	GRI 303-1 (v.2018)	The organisation's water consumption is for sanitary use and comes from the supply network. This consumption is not reported due to its low significance.	
		GRI 303-3 (v.2018)		
		GRI 303-5 (v.2018)		

Sustainable resource usage	Raw material consumption and measures taken to improve their efficiency.	GRI 3-3	Advocating for circular activity	
		GRI 301-1	Advocating for circular activity	
		GRI 301-2 (partial)	Advocating for circular activity	
		GRI 301-3 (partial)	Measures for reducing material consumption	
	Energy: Consumption, direct and indirect; Measures taken to improve energy efficiency. Use of renewable energy sources.	GRI 3-3	Collaborating in the fight against the climate emergency	
		GRI 302-1 (partial)	Collaborating in the fight against the climate emergency	The electricity consumption corresponds to all offices of the Group and the warehouses in Cornellà and Italy.
		GRI 302-3	Collaborating in the fight against the climate emergency	
Climate change	Greenhouse gas emissions.	GRI 305-1	Collaborating in the fight against the climate emergency	
		GRI 305-2	Collaborating in the fight against the climate emergency	
		GRI 305-3		The organisation is currently in the process of calculating its Scope 3 carbon footprint..
		GRI 305-4	Collaborating in the fight against the climate emergency	
	Measures taken to adapt to the consequences of climate change.	GRI 3-3	Collaborating in the fight against the climate emergency	
	Medium and long-term voluntary reduction targets for greenhouse gas emissions and means implemented for this purpose.	GRI 302-4	Collaborating in the fight against the climate emergency	
		GRI 305-5	Collaborating in the fight against the climate emergency	
Biodiversity protection	Measures taken to preserve or restore biodiversity.	GRI 3-3		This aspect is not material to the organisation as the Group does not carry out its activities in protected areas.
		GRI 304-3		
	Impacts caused by activities or operations in protected areas.	GRI 304-1		This aspect is not material to the organisation as the Group does not carry out its activities in protected areas.
		GRI 304-2		
		GRI 304-4		

Contents of Law 11/2018		Standard	Reference chapter	Observations
INFORMATION ON SOCIAL AND STAFF-RELATED ISSUES				
Policies	Group policies, including the due diligence procedures for identifying, evaluating, preventing and mitigating significant risks and impacts, as well as verification and control measures taken	GRI 2-2	Caring about people's well-being	
		GRI 2-23	Caring about people's well-being	
		GRI 2-24	Caring about people's well-being	
Key risks	Key risks related to these issues associated with the Group's activities, including, where relevant and proportionate, its commercial relationships, products or services that may have negative effects in these areas and how the Group manages such risks, explaining the procedures used to detect and assess them in accordance with the national, European or international frameworks of reference for each subject. Information should include detected impacts breakdown, especially on the main short-, medium- and long-term risks.	GRI 3-3	Nos preocupamos por el cuidado de las personas	
		GRI 2-25	Caring about people's well-being	
Employment	Total number and distribution of employees by gender, age, country and professional classification.	GRI 2-7	Caring about people's well-being	
		GRI 2-8	Caring about people's well-being	The total number of external workers considered is 95 people
		GRI 405-1 (partial)	Caring about people's well-being	
	Total number and distribution of employment contract types.	GRI 2-7	Caring about people's well-being	
	Average annual contracts for permanent, temporary and part-time employees by gender, age and professional classification.	GRI 2-7	Caring about people's well-being	
	Number of dismissals by gender, age and professional classification.	GRI 401-1	Caring about people's well-being	
	Average remunerations and their evolution disaggregated by gender, age and professional classification or equal value.	GRI 405-2	Caring about people's well-being	

	Salary gap	GRI 405-2	Caring about people's well-being	
	Remuneration for equal or median job positions in society.	GRI 202-1	Caring about people's well-being	
	Average remuneration of directors and executives, including variable compensation, allowances, severance pay, payments to long-term savings plans and any other itemised compensation by gender.	GRI 2-19	Key indicators	
	Implementation of labour disconnection measures.	Cualitativo	Caring about people's well-being	
	Employees with disabilities.	GRI 405-1 (partial)	Caring about people's well-being	We have a certificate of exceptionality
Work organisation	Organisation of working time.	Cualitativo	Caring about people's well-being	
	Number of hours of absenteeism.	GRI 403-9 (v.2018) (partial)	Caring about people's well-being	
	Measures to facilitate work-life balance and promote shared responsibility by both parents.	Cualitativo	Caring about people's well-being	
Health and safety	Health and safety conditions at work.	GRI 403-1 (v.2018)	Caring about people's well-being	
		GRI 403-2 (v.2018)	Caring about people's well-being	
		GRI 403-2 (v.2018)	Caring about people's well-being	
	Workplace accidents (frequency and severity) disaggregated by gender.	GRI 403-9 (v.2018) (partial)	Caring about people's well-being	
	Occupational diseases (frequency and severity) disaggregated by gender.	GRI 403-10 (v.2018) (partial)	Caring about people's well-being	
Social relations	Organisation of social dialogue, including procedures for informing and consulting staff and negotiating with them.	GRI 2-29	Caring about people's well-being	
	Percentage of employees covered by collective bargaining agreements by country.	GRI 2-30	Caring about people's well-being	
	Balance of collective agreements, particularly in the field of health and safety at work.	GRI 403-4 (v.2018)	Caring about people's well-being	

Training	Policies implemented in the field of training.	GRI 3-3	Caring about people's well-being
		GRI 404-2 (partial)	Caring about people's well-being
	Total hours of training by professional categories.	GRI 404-1 (partial)	Caring about people's well-being
Accessibility	Universal accessibility for people with disabilities.	GRI 3-3	Caring about people's well-being
Equality	Measures taken to promote equal treatment and opportunities between men and women.	GRI 3-3	Caring about people's well-being
	Equality plans.	GRI 3-3	Caring about people's well-being
	Measures taken to promote employment.	GRI 3-3	Caring about people's well-being
		GRI 404-2	Caring about people's well-being
	Protocols against sexual harassment and sex discrimination.	GRI 3-3	Caring about people's well-being
	Integration and universal accessibility of people with disabilities.	GRI 3-3	Caring about people's well-being
	Policy against all forms of discrimination and, if applicable, diversity management.	GRI 3-3	Caring about people's well-being Promoting transparent management
	Total number of discrimination cases during the reporting period.	GRI 406-1	During the year 2023, no complaints were received regarding possible cases of discrimination or harassment in the workplace.

Contents of Law 11/2018	Standard	Reference chapter	Observations
INFORMATION ON COMPLIANCE WITH HUMAN RIGHTS			
Policies	Group policies, including the due diligence procedures for identifying, evaluating, preventing and mitigating significant risks and impacts, as well as verification and control measures taken.	GRI 2-22	Committed to human rights
		GRI 2-23	Committed to human rights
			Committed to human rights
Key risks	Key risks related to these issues associated with the Group's activities, including, where relevant and proportionate, its commercial relationships, products or services that may have negative effects in these areas and how the Group manages such risks, explaining the procedures used to detect and assess them in accordance with the national, European or international frameworks of reference for each subject. Information should include detected impacts breakdown, especially on the main short-, medium- and long-term risks.	GRI 3-3	Committed to human rights
			Committed to human rights
			Materiality analysis
Human rights	Application of due diligence procedures in human rights.	GRI 3-3	Committed to human rights.
		GRI 414-2	No negative social impacts have been identified in the supply chain.
	Prevention of human rights violations risks and, if applicable, measures to mitigate, manage and redress potential abuses committed.	GRI 3-3	Committed to human rights
		GRI 412-1	During 2023, operations were not subjected to human rights assessments.
		GRI 410-1	No training on human rights was conducted for security personnel in 2023.

Complaints about human rights violations.	GRI 3-3	Committed to human rights	
	GRI 2-26	Committed to human rights	
	GRI 411-1		Due to the organisation's activities, this aspect is not applicable.
	GRI 419-1		In 2023, no sanctions were imposed for non-compliance with laws and regulations in the social and economic fields.
Promotion and compliance with ILO fundamental conventions related to respect for freedom of association and the right to collective bargaining, elimination of discrimination in employment and occupation, elimination of forced or compulsory labour and effective abolition of child labour.	GRI 3-3	Committed to human rights	

Contents of Law 11/2018		Standard	Reference chapter	Observations
INFORMATION RELATED TO THE FIGHT AGAINST CORRUPTION AND BRIBERY				
Policies	Group policies, including the due diligence procedures for identifying, evaluating, preventing and mitigating significant risks and impacts, as well as verification and control measures taken.	GRI 2-22	Promoting transparent management	
		GRI 2-23	Promoting transparent management	
		GRI 2-24	Promoting transparent management	
		RI 205-2 (partial)	Promoting transparent management	
Key risks	Key risks related to these issues associated with the Group's activities, including, where relevant and proportionate, its commercial relationships, products or services that may have negative effects in these areas and how the Group manages such risks, explaining the procedures used to detect and assess them in accordance with the national, European or international frameworks of reference for each subject. Information should include detected impacts breakdown, especially on the main short-, medium- and long-term risks.	GRI 3-3	Promoting transparent management	
		GRI 2-12	Promoting transparent management	
		GRI 205-1 (partial)	Promoting transparent management	
Corruption and bribery	Measures adopted to prevent corruption and bribery.	GRI 3-3	Promoting transparent management	
		GRI 205-3	Promoting transparent management	
	Measures to combat money laundering.	GRI 3-3	Promoting transparent management	
	Contributions to foundations and non-profit organisations.	GRI 3-3	Investing in the community	
		GRI 201-1	Investing in the community	
		GRI 203-2 (partial)	Investing in the community	
		GRI 415-1		The organisation does not make contributions to political parties or representatives.

Contents of Law 11/2018		Standard	Reference chapter	Observations
INFORMATION ABOUT THE COMPANY				
Policies	Group policies, including the due diligence procedures for identifying, evaluating, preventing and mitigating significant risks and impacts, as well as verification and control measures taken.	GRI 2-22	Investing in the community.	
			Anticipating client and patient needs.	
		GRI 2-23	Investing in the community.	
			Anticipating client and patient needs.	
		GRI 2-24	Investing in the community.	
			Anticipating client and patient needs.	
Key risks	Key risks related to these issues associated with the Group's activities, including, where relevant and proportionate, its commercial relationships, products or services that may have negative effects in these areas and how the Group manages such risks, explaining the procedures used to detect and assess them in accordance with the national, European or international frameworks of reference for each subject. Information should include detected impacts breakdown, especially on the main short-, medium- and long-term risks.	GRI 3-3	Investing in the community.	
			Anticipating client and patient needs.	
		GRI 2-12	Investing in the community.	
			Anticipating client and patient needs.	
Company commitments to sustainable developmen	Impact of the company's activity on employment and local development.	GRI 203-2 (partial)	Investing in the community	
		GRI 204-1	Investing in the community	
		GRI 413-1	Investing in the community	
		GRI 413-2		No operations with significant negative impacts on local communities have been identified.
	Impact of the company's activity on local populations and territory.	GRI 203-2 (partial)	Offering innovation and advanced solutions	
		GRI 413-1	Investing in the community	
		GRI 413-2		No operations with significant negative impacts on local communities have been identified.

	Relationships maintained with stakeholders from local communities and modalities of dialogue with them.	GRI 102-43 GRI 413-1	Communication and transparency. Investing in the community	
	Partnership and sponsorship actions.	GRI 2-28 GRI 201-1 (partial)	Investing in the community Investing in the community	
Subcontracting and suppliers	Inclusion of social, gender equality and environmental issues in the purchasing policy.	GRI 3-3	Advocating for a responsible value chain	
	Consideration in relations with suppliers and subcontractors of their social and environmental responsibility.	Qualitative	Advocating for a responsible value chain	
	Monitoring and audit systems and results thereof.	GRI 308-1	Advocating for a responsible value chain	While environmental criteria are considered, no specific selection or evaluation of suppliers has been carried out based solely on these criteria.
		GRI 308-2		No environmental impacts have been identified in the supply chain.
		GRI 414-1		Currently, no supplier evaluations are being conducted based on social criteria. No negative social impacts have been identified in the supply chain.
Consumers	Measures for consumer health and safety.	GRI 3-3	Safe and certified products.	
		GRI 416-1 (partial)	Safe and certified products.	We conduct health and safety impact assessments on medical devices, IVD reagents for industry and standard and automated storage systems.
		GRI 416-2		No complaints regarding product health and safety were received in 2023.
		GRI 417-1 (partial)	Safe and certified products	

	Complaint systems, complaints received and resolution thereof.	GRI 2-26	Anticipating client and patient needs	
		GRI 2-25	Anticipating client and patient needs	
		GRI 3-3	Anticipating client and patient needs	
		GRI 418-1	Integrated Management Systems	No complaints related to privacy breaches were received in 2023.
Tax information	Profits obtained by country.	GRI 207-4 (v.2019) (partial)	Investing in the community	
	Taxes on profits paid.	GRI 207-4 (v.2019) (partial)	Investing in the community	
	Public subsidies received.	GRI 201-4	No subsidies were received in the reporting year.	

SASB content index

SUSTAINABILITY DISCLOSURE TOPICS AND ACCOUNTING METRICS

SASB Code	Indicator	Unit	Reference chapter	Observations
FLEET FUEL MANAGEMENT				
HC-DI-110a.2	Description of efforts to reduce environmental impacts of logistics.	Qualitative	Advocating for a responsible value chain	
PRODUCT SAFETY				
HC-DI-250a.1	Total amount of monetary losses due to legal proceedings related to product safety.	€		Not disclosed
HC-DI-250a.2	Description of efforts to minimise health and safety risks of products sold regarding toxicity/chemical safety, high potential for misuse or distribution.	Qualitative	Safe and certified products	
COUNTERFEIT MEDICINES				
HC-DI-260a.1	Description of methods and technologies used to maintain product traceability throughout the distribution chain and prevent counterfeiting.	Qualitative	Safe and certified products	
HC-DI-260a.2	Analysis of due diligence process to evaluate suppliers of medicines and medical equipment and devices.	Qualitative	Advocating for a responsible value chain	
HC-DI-260a.3	Analysis of the process to alert clients and business partners of potential or known risks associated with counterfeit products.	Qualitative	Safe and certified products	
PRODUCT LIFE CYCLE MANAGEMENT				
HC-DI-410a.1	Analysis of strategies to reduce the environmental impact of packaging throughout its life cycle.	Qualitative	Advocating for circular activity	
HC-DI-410a.2	Amount (by weight) of products accepted for return and that have been reused, recycled or donated.	Tonnes		A total of 91.5 tonnes have been accepted.

BUSINESS ETHICS				
Description of efforts to minimise conflicts of interest and unethical business practices.	Qualitative	Promoting transparent management		
Total amount of monetary losses due to legal proceedings related to bribery, corruption or other unethical business practices.	€		Not disclosed	No divulgado

ACTIVITY METRICS

SASB Code	Indicator	Unit	Reference chapter	Observations
HC-DI-110a.2	Number of medical devices sold by product category.	No.		Not disclosed



Carrer Jesús Serra Santamans, 5
08174 Sant Cugat del Vallès,
Barcelona

934 00 65 00
www.palexhealth.com

