

Sustainability Report **2022**

Palex

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Letter from the Management

From the very outset, Palex has been committed to continuous improvement in providing advanced solutions to healthcare professionals and researchers in the medical community, with a special focus on patient well-being. We can say that our major goal of improving people's lives has once again been met, not only by applying the highest standards in quality and innovation, which are already part of our DNA, but through the most scrupulous professionalism, excellence and responsibility of each and every one of the Group's collaborators.

At Palex we are convinced that health tech can offer people a better life and increased well-being.

We have grown as a Group in 2022, both organically and through the incorporation of new companies in new countries and, as a result, new collaborators. We are sure we will create new synergies with them by using the accumulated knowledge of them all to meet the changing needs of our industry, of the professionals forming part of it and, above all, of the people who need it. This is further evidence of our growing responsibility and commitment to society.

Innovation and digitisation is one of our cornerstones for improving the lives of patients and the everyday work of those involved in the health sector. Over this year, we have implemented different projects for the digitisation and optimisation of tasks in the different departments of the Group, such as the digital transformation project with the implementation of the new SAP S/4HANA ERP. This will enable us to boost the continuous

improvement of our operations, and establish, improve and control the new processes defined beforehand.

This is the third of the Group's non-financial reporting statements, and we reaffirm our commitment to becoming a ground-breaking company in sustainability within our industry. To do so, we have continued to work on developing the main actions of our established plan. An example of this is the taking of action with a clear social and environmental impact, which you will find out about in this report.

Through this strategy, we are strengthening our commitment to the environment and to people, encouraging us to continue growing in terms of sustainability in the coming years and adding value to the SDGs with which our business can improve and attempt to comply with by 2030. Furthermore, in line with the framework of the SDGs, we want to demonstrate the great importance of remaining aligned with the Universal Declaration of Human Rights and supporting a value chain committed to the values of freedom, peace and justice.

Before making way for our sustainability report, please allow me to refer to something the great scientist Albert Einstein said: "There is a driving force more powerful than steam, electricity and nuclear power: the will", and our will, the will of Palex, is to continue working tirelessly on improving people's well-being.

Xavier Carbonell
CEO de Palex

Palex in figures



+65

Years of experience



+45

Medical and surgical specialties



+1000

Suppliers



+1,300

Customers



+110,000

Product references

14,000 ↑

New product registrations

+7,000

Units of equipment installed

+700

Public tenders per year

+31,000

Hours per year of technical assistance

+100,000

Annual deliveries

+40

Customer service professionals



1,692 tCO₂eq

Scope 1 CO₂ emissions

73 tCO₂eq

Scope 2 CO₂ emissions

337 m €

Revenues

(23) m €

Net profit



**Direct presence
in Spain, Portugal
and Italy**



830

Workforce

9 years

Average seniority of the
workforce

50%

Women

72%

Management team
covered by internal
promotion

50%

Men



97%

Full-time contracts

97%

Permanent contracts

**Constant
improvement**





Our raison d'être

Our intention to work, providing advanced solutions for the hospital, industrial, research, and laboratory sectors to improve the quality of life of people, particularly the most vulnerable.

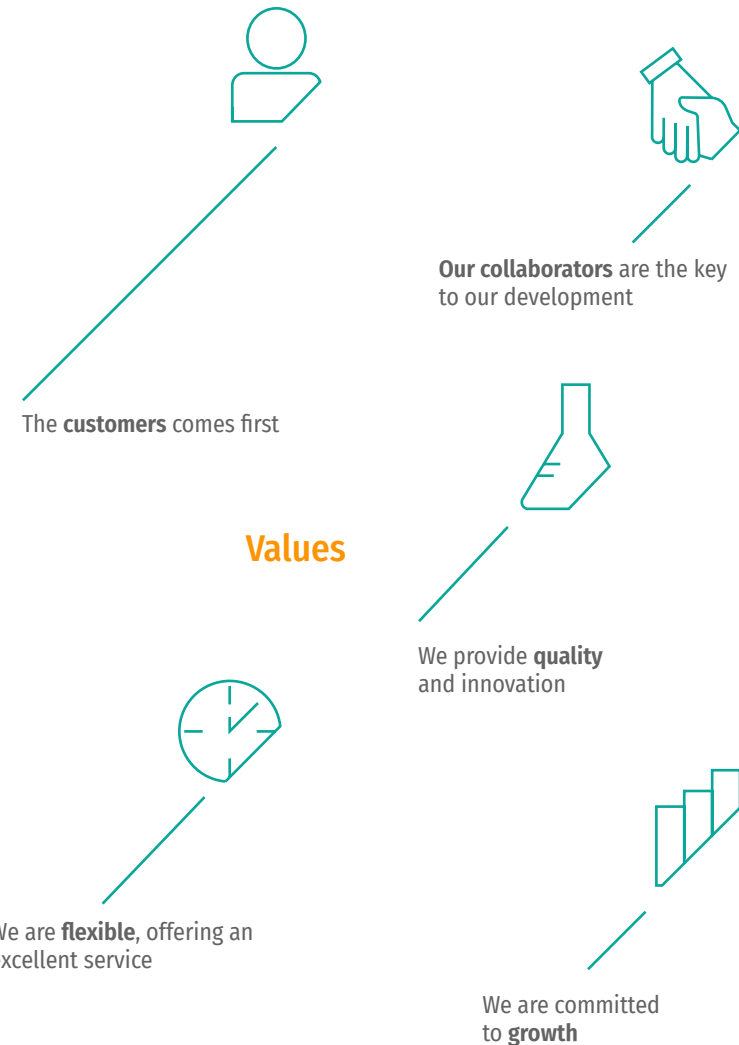
Since our organisation was established over 65 years ago, we have worked on providing ongoing support to healthcare professionals, focusing on finding products, equipment and systems, and striving to maintain the highest level of quality in all aspects of our business.

Mission

To understand and meet the needs of patients, healthcare professionals, and researchers by providing advanced and efficient solutions that integrate products, systems, techniques, and services.

Vision

To be the global benchmark partner for hospitals and research centres, and be recognised for our constant pursuit of excellence in creating innovative services and processes that provide solutions for the health system and for research.





Constant improvement

Our motto highlights our commitment to continuous improvement, our desire to offer the most advanced hospital solutions, and our commitment to contribute to society by promoting health.

We focus on marketing medical instrumentation and hospital technology through **distribution agreements with world-leading manufacturers**, and are proud to offer:

Customer focus

based on understanding and meeting the needs of patients and health-care professionals, offering advanced and efficient products and solutions that encourage significant changes in our industry.

An extensive portfolio of products

from leading global suppliers and our own. We have more than 100,000 references of different products

A long history of introducing innovations to the market

Constantly looking for innovative products to provide healthcare professionals with the best solutions to do their jobs.



These principles have given us competitive advantages by turning us into a trusted partner for our customers for the following reasons:

Technology partner

We represent international firms and have extensive experience in commercial agreements with the most innovative and important manufacturers in the healthcare sector. We conduct ongoing research into new products and solutions that meet the emerging needs of our customers, offering an extensive portfolio of products and equipment.

Operations partner

We have experience in comprehensive logistics management. We support our customers with a wide range of services, adapting to their specific needs and focusing on long-term solutions.

Financial partner

We have a large structure and financial capacity that provides the financial flexibility to take on complex, large-scale projects. We have experience and financial resilience in different financial models.

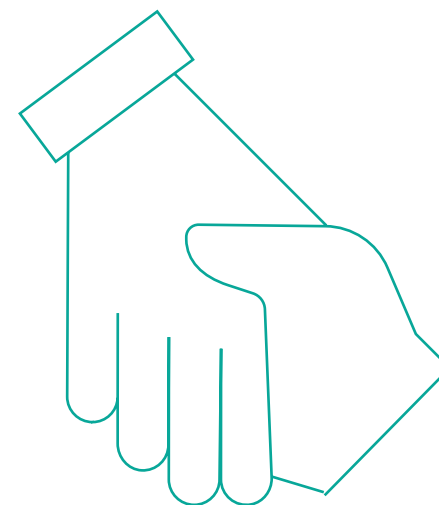
Healthcare software solutions | HSS

Our software and technology development area remains a trailblazer in the creation of solutions and technologies that make the work of healthcare professionals easier, in addition to our products.

Environmental, Social and Governance | ESG

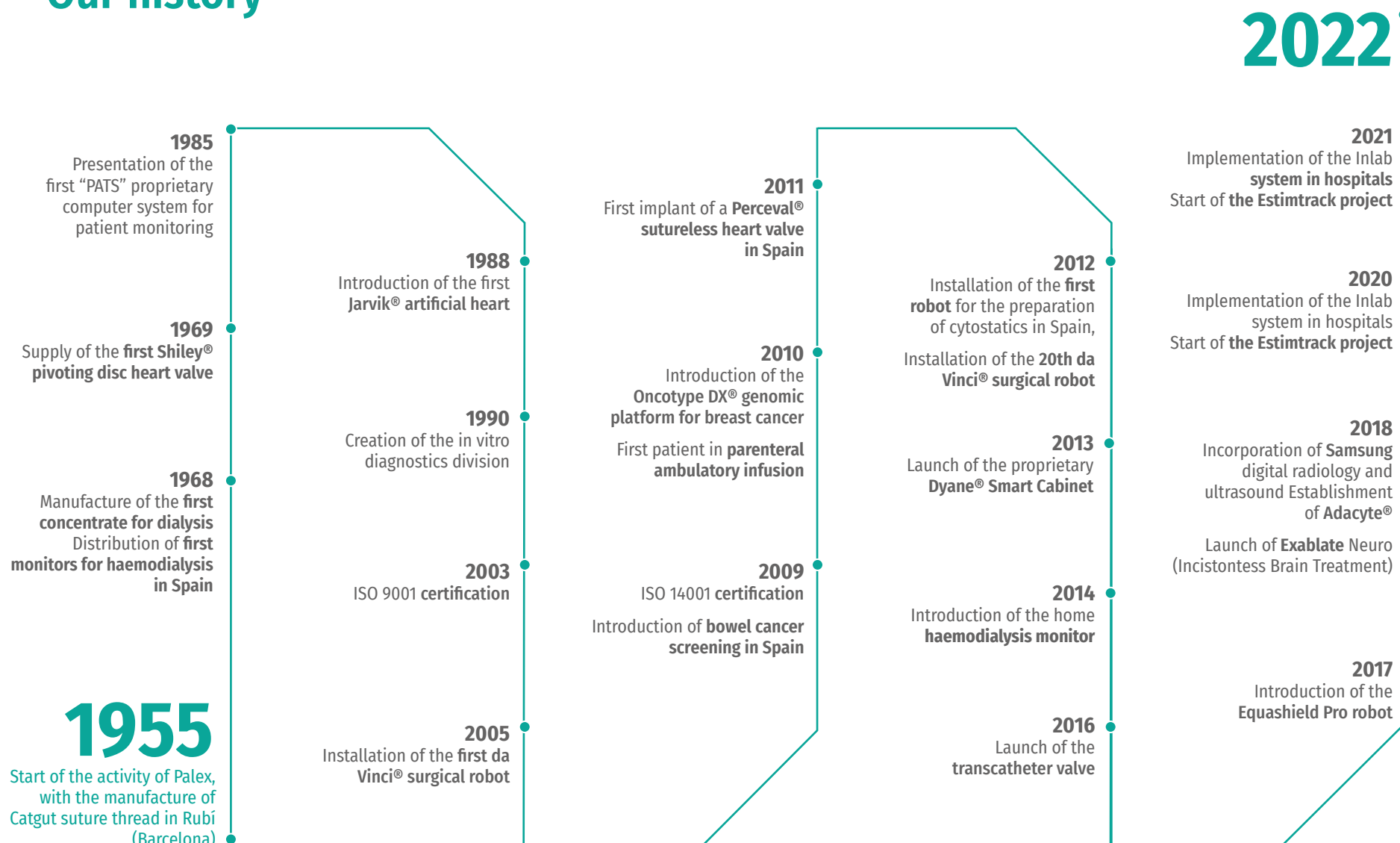
Our commitment to being a sustainable and socially responsible company means that we continue to promote models for the creation of long-term sustainable value.

From now on, when we refer to Palex we mean the Palex Group (Chacrim Directorship S.L and subsidiaries), when we refer to Palex Medical we mean Palex Medical S.A., and when we refer to Gada we mean the Gada Group (Gada SpA and subsidiaries).



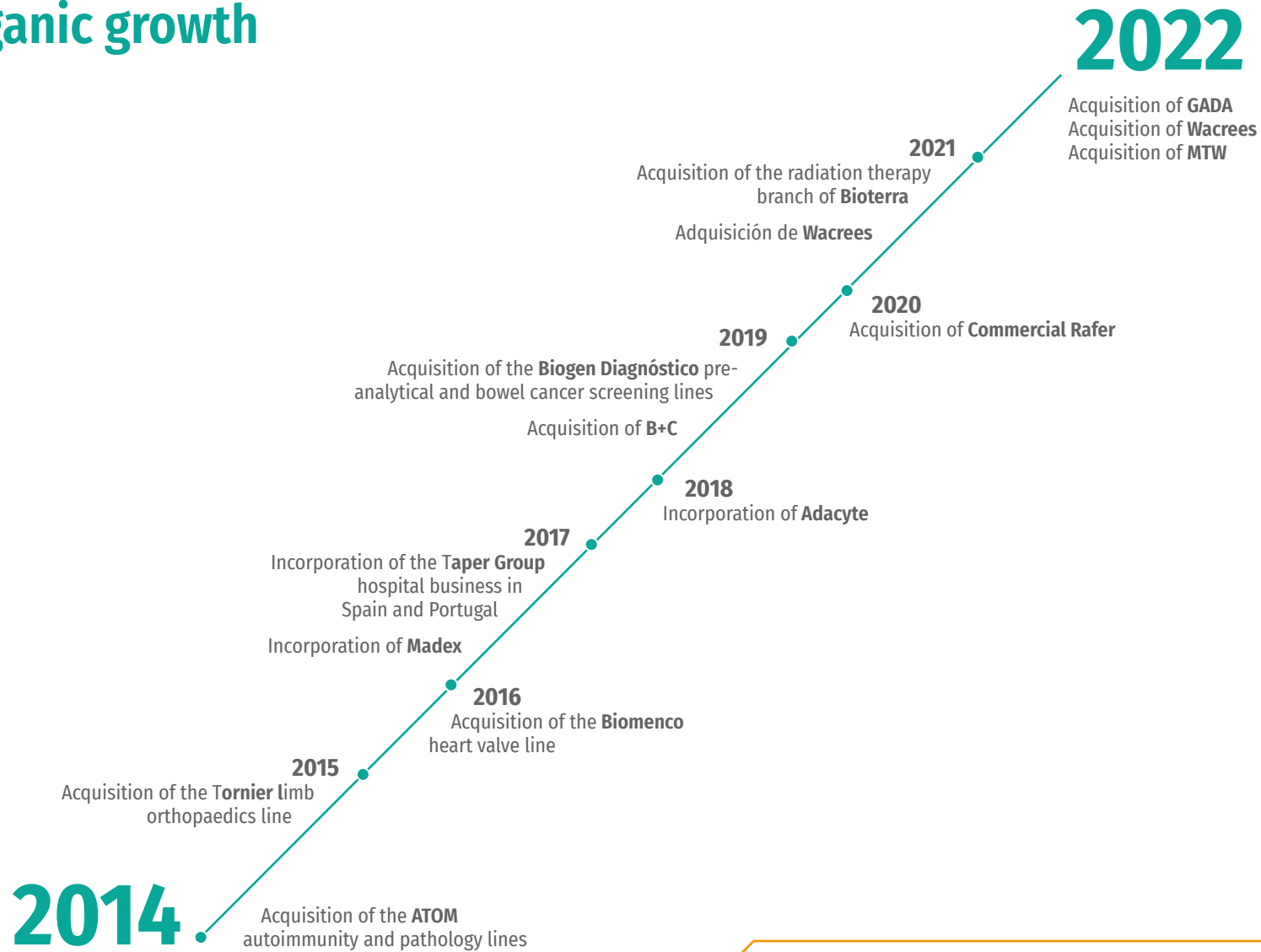


Our history





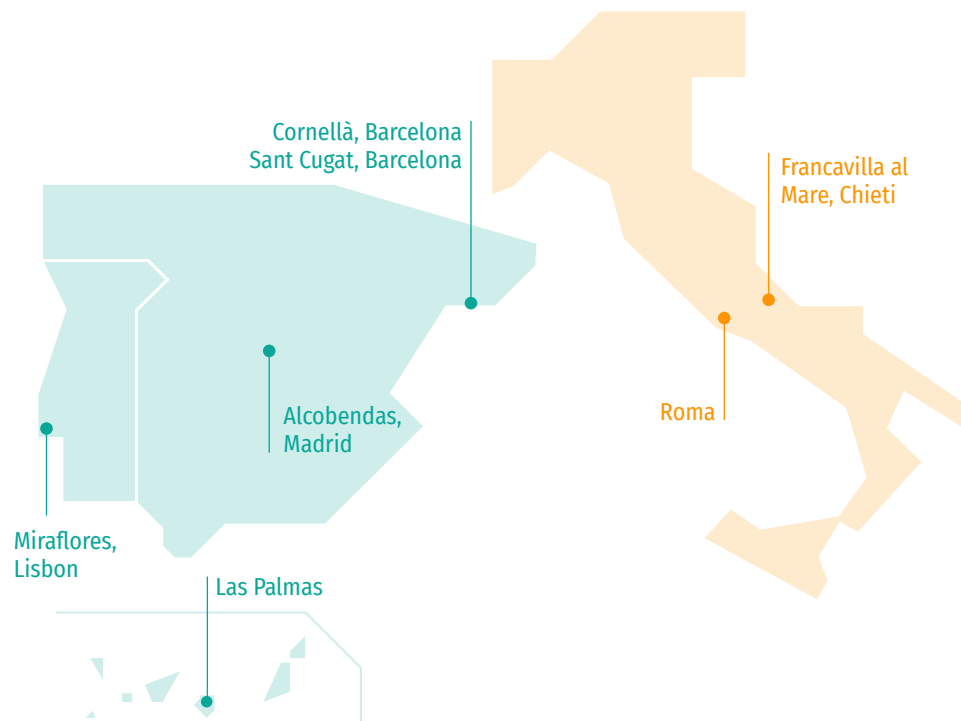
Inorganic growth





Our locations

The central offices of Palex Medical and Adacyte are located in Sant Cugat del Vallès (Barcelona), and we have another office in Alcobendas (Madrid). For Lusopalex, the offices are in Lisbon. The offices of Wacrees and MTW are in Madrid, and the offices of Gada are in Rome and Francavilla (Italy).



Cymit Química has its own offices, used for production reception and shipping, which are located in Barcelona.

We have various warehouses, one of our own and the remainder outsourced to cover the entire region in which we operate:

- Cornellà, Barcelona (own)
- Subirats, Barcelona
- San Agustín de Guadalix, Madrid
- Las Palmas
- Montijo, Lisbon
- Given the nature of the orthopaedic material and the need for certain processes associated with implant technology, we have two warehouses outsourced exclusively for the orthopaedic unit, one in Barcelona and another in Madrid, which are also used as a workshop to perform these processes.
- Manoppello, Pescara (Italy)

It is worth mentioning that our sales network extends to multiple points of the Spanish mainland, in addition to the commercial presence of Gada that spreads throughout Italy, to meet the needs of all customers in their different geographical areas.

We have our own team members in other countries such as France and Sweden for both Adacyte and for the distribution of some product lines of Palex Medical, such as Equashield®

Commercial presence

In terms of our commercial presence, we cover all of **Spain** and **Portugal** with our own sales networks and in-depth knowledge of the regional procurement models of these countries, and with our own and external commercial networks in **Italy**. In addition, our market knowledge and leading position in the industry provides us with access to new markets, enhancing our international presence.

In the case of **Gada**, its commercial presence covers the whole of Italy. Furthermore, the commercial presence of **Adacyte** extends throughout **Europe** with the aim of expanding the use of Adacolumn® throughout the region. For **Cymit**, as an online sales platform, it is **globally** present and has a majority share of the Spanish market.



Our value proposition in the healthcare market

Our main activity is the marketing and logistical management of medical instruments and hospital technology, which we conduct through **Palex Medical, Lusopalex, Adacyte, Gada, and MTW** to meet the demand of the healthcare markets in Spain, Portugal, and Italy, respectively.¹

We have an extensive portfolio of medical equipment, instruments and disposable material to cover over 45 medical and surgical specialities.



Palex Medical

Cardiac surgery, Interventional therapies, Orthopaedics, Coverage, Diagnostics and Treatment, Monitoring and respiratory care, Bemascé, Hospital logistics and engineering, Clinical control, Digestive endoscopy, Nephrology, Neurosciences, In vitro diagnostics, Laboratory, Oncology, Preanalytics, Radiotherapy, Transplant and NGS

Lusopalex

Ophthalmology, Surgical specialities, Cardiovascular, Laboratory, Anatomical Pathology, Orthopaedics, Oncology, Interventional cardiology, Radiotherapy, Clinical Care, IVD diagnostics

Gada

Cardiovascular
Haemotherapy



In order to adapt to the needs of each segment and focus on finding innovative solutions that provide added value, each of these business units has a **marketing** team and a **sales** team including **product specialists**.

We also have cross-cutting departments across all units providing support in offering a comprehensive service to our customers: **technical support, logistics, customer service, tenders, key accounts, information systems, and corporate communication**.

In addition, by integrating different entities, we strive to fully meet the needs of our clients by offering a wider range of products and services in different areas.



Adacyte Therapeutics

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

It was created in 2018 with the aim of relaunching Adacolumn® in Europe, an innovative device that performs leukapheresis processes in patients with inflammatory bowel disease and other autoimmune diseases. It is a highly effective and very safe product in patients with ulcerative colitis resistant to conventional treatment with corticosteroids or biologicals. The main goal of Adacyte Therapeutics is to expand the use of Adacolumn® in Europe and to ensure this innovative treatment is available to all patients with ulcerative colitis who require it.

Adacolumn® was developed by JIMRO (Japan Immunoresearch Laboratories Limited Co. Ltd), which belongs to the Japanese holding company Otsuka.

A Europe-wide clinical development plan has been in place since 2021 with the aim of expanding the clinical evidence available and ensuring its inclusion in the international guidelines for the treatment of inflammatory bowel disease (IBD).



Cymit Química

CYMIT QUIMICA is a marketplace that contributes to scientific progress by providing an innovative, high quality service that connects the needs of laboratories with manufacturers of chemical and biological products. With more than four million references, it aims to become the leading global marketplace in the science industry by incorporating new technologies aimed at providing the best service.



GADA

The Gada Group comprises the following four companies, all of which are hereinafter referred to as Gada.

GADA ITALIA SPA

GADA Italy distributes innovative medical technologies to public and private hospitals, and university polyclinics throughout the country.

The areas of application of the solutions offered are cardiovascular, infusion, transfusion, dialysis, pre-analytical laboratory phase, and intensive care.

It tackles every challenge with dedication and commitment, offering personalised solutions, making use of excellent professionals, and responding to the latest quality standards.

It also has numerous long-term partnerships with leading global companies in the industry.

Silhos, one of the companies of the Gada Group, began the process of incorporation into Gada Italia Spa in 2022.



EVOLUZIONE SRL

Evoluzione was created with the mission of providing the marketplace with innovative medical devices. This is possible thanks to the search for third-party manufactured devices and its in-house research and development. Evoluzione is committed to distributing solutions to benefit patients and healthcare professionals, and is ready to meet the needs of the constantly changing world of healthcare. For all its products, the company offers training and educational support in line with its philosophy: to be advisors and not just suppliers.

EPS SPA

Specialising in comprehensive health services, EPS offers its expertise to hospitals through customised, innovative, and scalable solutions.

EPS services range from outsourcing clinical staff to telemedicine and the management of materials to improve internal processes and the sustainability of healthcare facilities. For years now, EPS has been engaged in the study, development, and continuous improvement of perfusion services: from the choice of the best medical devices to the optimisation of procedures and techniques and the training of specialist personnel. A complete, adaptable model designed to assist medical staff in their everyday activities.

GADAMED SRL

Gadamed offers highly innovative services for Digital Health and its evolution. The use of the most advanced information systems, along with the development of software and applications in the field of connected care (digital health), enables Gadamed to ensure the traceability

of tissues, organs, medicines and biological samples, and control the vein-to-vein procedure, from donation to transfusion. Gadamed's extensive knowledge of the healthcare sector enables it to offer its partners solutions tailored to their actual needs.

Wacrees

Founded in 1991, it deals in the search for alternatives to improve patient care and professional solutions in different medical areas. The company's lines of work are aimed at the innovation of devices capable of facilitating and enhancing the treatment of diseases, in collaboration with world-class manufacturers.

Much of this work takes place in the commercial field, without forgetting its scientific and collaborative commitment in clinical projects for different applications, in line with the demands and expectations of healthcare.

MTW

MTW distributes innovative medical instruments for flexible endoscopic applications. In close collaboration with experienced doctors and clinics, MTW has launched unique endoscopic instruments, mostly hand-made, for flexible endoscopic applications.

The background is a solid teal color. It features several light teal geometric shapes: a large parallelogram in the upper right and a trapezoid in the lower left. A thin yellow line starts from the bottom left, moves diagonally up and to the right, then horizontally to the right, then diagonally up and to the right, then horizontally to the right, then diagonally up and to the right, and finally horizontally to the right, ending at the top right edge of the image.

Constant
improvement
in Sustainability



Our vision of the sector

For the first few months of 2022 we were still dealing with periods of great activity related directly to the management of the last significant wave of the COVID-19 pandemic. As the months passed, the systemic crisis that had been part of our everyday lives until then was put behind us.

Current events in 2022 in the health market sector has been marked by the impact of the global supply crisis restricting the availability of raw materials and electronic components. Rising energy prices and disrupted supply chains have also added to this scenario. Logistics is an essential part of any business, and the rising cost of energy is having a major impact on the sector. Rising prices are forcing companies to rethink their strategies in order to remain competitive. Consequently, many companies are facing a logistics crisis due to the increased costs associated with transport and storage. This crisis has caused companies to raise prices to cover these costs, leading to higher consumer prices and lower profits for companies.

Since 2020, the price of gas has gradually risen to record levels, which has also shifted to the price of the electricity market, continuing the scale of inflation.

In light of this situation, apart from the measures that governments can adopt, solutions include the optimisation of energy consumption, of the logistics and supply chain, decarbonisation to reduce energy

dependence, the promotion of self-consumption, and the digitisation of processes.

Along these lines, Palex is taking the necessary measures to reduce this impact from different standpoints. The action, which will be explained in further detail throughout this report and other that will be taken throughout 2023, includes the commitment to renewable energy, the optimisation of transport routes, the reduction of costs, and collaboration with different suppliers to improve the supply chain and transfer prices.

At the legislative level, we are managing the impact caused by the implementation of the new European Medical Device and IVD Regulations. This new legal text seeks to improve the mechanisms to ensure patient and user safety through greater control of the requirements for obtaining the CE marking for medical devices, greater control in designating notified bodies, improvement of the unique identification of devices, creation of the European database on medical devices or reinforcement of clinical research, and post-marketing surveillance or monitoring.



Moreover, these new European regulations have particularly required manufacturers and other economic operators (importers and distributors) to make efforts to meet the requirements.

To end the year, we also had to activate the resources from several areas to respond to Spanish environmental law regarding the new law on waste and contaminated soil.

In direct relation to Palex Medical, for the 65-plus years that we have been operating in the sector, we have been engaged in research to offer innovative and technological solutions that meet the needs of the sector and promote free, universal access.

The Group is currently in a phase of inorganic growth that led us, in 2022, to the incorporation of the companies GADA, Wacrees, and MTW.

The acquisition of GADA, a leader in the Italian market, is a huge step forward for our business internationalisation projects. In addition, as part of its integration into the Group, the Let's build together project was set up to seek synergies between both companies, Palex Medical and Gada, and improve the processes of the two.

Gada has shown sustainable performance, which will make its integration into the Palex ESG project easy.

The way in which we grow and do business includes the need to have a positive impact on people and on the planet, creating processes that ensure the sustainability of our business activity.

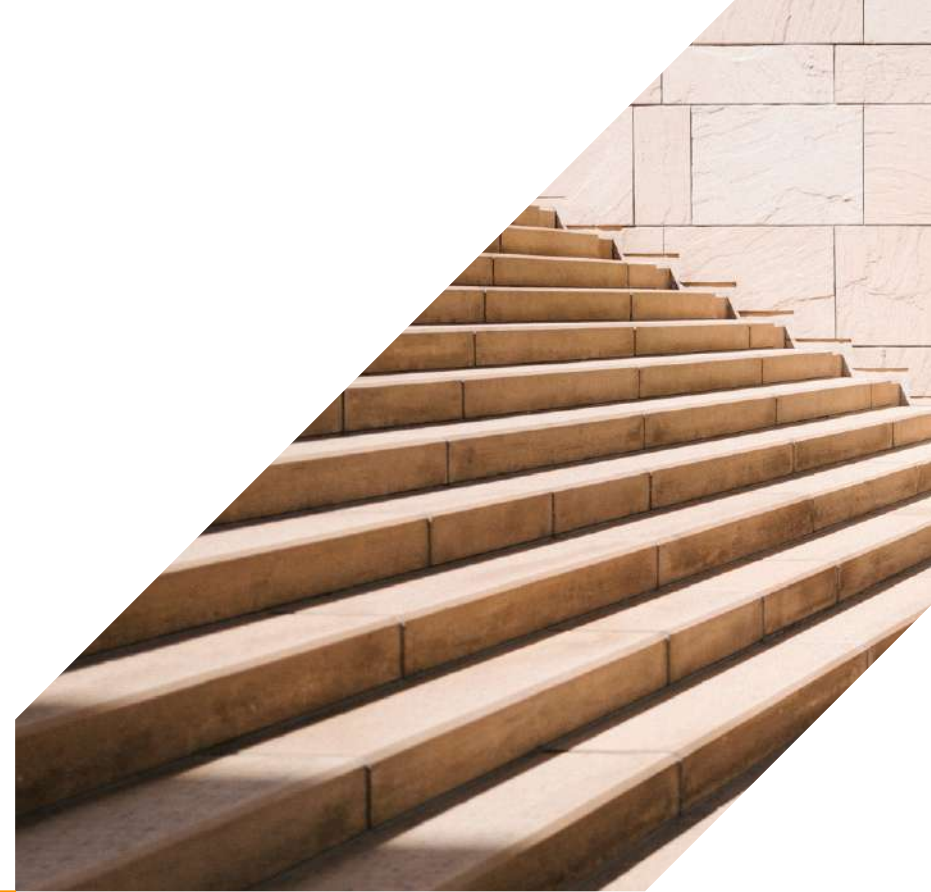
But, of course, we have not done this alone. We are proud to be part of this industry and to join **forces with all those companies that pursue the same goals as us.**

Along these lines, despite the changing reality and the many different challenges that have arisen over recent years, we want to contribute to the transition towards a sustainable society through responsible and ethical management. We want to use long-term value creation to meet a demand from society for greater commitment to the major problems of our environment.

Our strategic priorities and SDGs

Strategic priorities

We are determined to improve people's health through our activity, considering the impact it generates. Our calling for constant improvement drives us to seek the highest ethical standards, going one step further in complying strictly with regulations, and focusing on meeting the needs of our stakeholders. This results in us **integrating sustainability across all levels of our organisation**, and using this approach in the decisions we make as a group.



“Our calling for constant improvement drives us to seek the highest ethical standards”

After successfully completing the first year of the ESG strategy, committed to sustainability, in 2022 we have continued to work towards meeting all our goals and have made progress, with greater commitment, in the sustainable development of the company.

Understanding sustainability as a whole that forms part of purpose, we have strengthened our motto of Constant Improvement by once again structuring all our strategic priorities into the following areas: **Constant improvement, in solutions, in preservation, in people.**

This is why this Sustainability Report is based on these three cornerstones, providing a structured and clear response to the stakeholders involved in each one.

The following commitments have been headed for each area:

Constant Improvement

We want to help improve people's health with advanced, high quality solutions. To achieve this, we believe that impact governance and ethical management are key.

in solutions

Aware of the impact we have on our environment, we are committed to minimising this impact through actions to optimise resources, reduce and correct waste management, and reduce emissions to help fight the climate emergency.

in preservation

People are our raison d'être, so we put them at the heart of our business and work to ensure we remain by their side and look after their well-being.

in people



SUSTAINABLE DEVELOPMENT GOALS

How we are aligned with the 2030 Agenda

The defining of our commitments, goals, and actions is a lever for contributing to the 2030 Agenda, as we believe that it is also our responsibility to protect the planet and help bring peace and prosperity to society as a whole by 2030.

We seek to promote ambitious activities that contribute towards the **Sustainable Development Goals (SDGs)** in our operations and supply chain, integrating human rights, labour standards, the environment, and the fight against corruption.

The latest UN report on the SDGs shows that we have regressed in important developments, such as the eradication of poverty or a decline in immunisation coverage - both of which had been achieved before the start of the pandemic - mainly because of the different progressive and interrelated crises.

To be able to tackle this, we know that we must step up our efforts and be aware of where we are and where we are going, so investment in our data and information infrastructure will be critical.

Based on this premise, we have sought to specify and expand our activities in order to meet the demands emanating from these SDGs.

While each and every goal is vital to achieving sustainable development, because of our business and the nature of the organisation and the sector in which we operate we will focus our efforts primarily on contributing to the following:



Our contribution to SDG 3 is intrinsic to our business, as promoting health through the provision of advanced solutions and products is what gives life to our raison d'être.

Within the goal, we are committed to this target

3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.



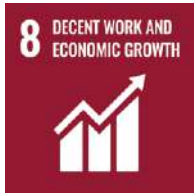
Reducing gender inequalities has always been one of our goals, so since 2010 we have had an Equality Plan in place to promote equal opportunities and avoid discrimination. To this end, we are also working on creating harassment-free workplaces.

We are aware of current gender inequalities and, therefore, promote good practices in this regard through our new Equality Plan updated in 2021. We monitor indicators such as the gender pay gap, and this year we have achieved a significant decrease

Within the goal, we are committed to these 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.



Decent work is an integral part of sustainable economic growth. We therefore ensure that we promote a secure and fairly remunerated provision of employment, with adequate labour rights and social protection for all workers. At Palex we have a very high percentage of permanent employment, more specifically 96.5%

Committed to providing decent and honest work, our entire team is fairly remunerated and we strive to provide them with both physical and personal well-being, as well as a positive working environment.

Within the goal, we are committed to this target

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



We are constantly searching for ground-breaking systems and products, making innovation the lifeblood of our business. We therefore contribute to SDG 9 by promoting new developments within the sector. Proof of this is the 2021 healthcare technology innovation award from Fenin given to the Insightec system for the treatment of essential tremor.

Within the goal, we are committed to these targets

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, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.



Some of our innovative medical devices and equipment, such as those making home treatment possible, are able to reduce travel and necessary infrastructure within cities. Examples of these treatments are home dialysis or parenteral nutrition

Within the goal, we are committed to this target

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



We are committed to fighting climate change by taking action to reduce greenhouse gas emissions and protect our planet so that we can contribute to a sustainable future for ourselves and for future generations.

Within the goal, we are committed to these targets

13.2 Integrate climate change measures into national policies, strategies and planning

13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.



We want to be recognised as a complete, ethical, and transparent organisation that is committed to its stakeholders. That is why we promote strong and resilient governance models. We also provide annual compliance training for our employees

Within the goal, we are committed to these targets

16.5 Substantially reduce corruption and bribery in all their forms.

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

16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels.



Strong partnerships with other individuals and organisations are key to sustainable success. These relationships are based on mutual respect, trust, and shared commitments.

Within the goal, we are committed to these targets

17.14 Enhance policy coherence for sustainable development

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

17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.



Our commitment to ESG

Sustainability focuses on business strategies that generate long-term value and benefits for all stakeholders. A sound sustainability strategy integrates environmental, social and governance factors into important business and operational decisions.

Our sustainability strategy focuses on creating long-term value and benefits for all stakeholders. We are fully involved in integrating environmental, social and governance factors into business and operational decisions.

We therefore consider it essential to have **sound management models** that include environmental, social and governance (**ESG**) criteria and enable us to make decisions with a view to sustainability and create strategic alliances to tackle changes and seek out the opportunities arising from them.

Under these premises, and following the preparation and implementation in 2021 of our **first ESG Strategy** (which led us to promote more than 60 actions to be carried out during the 2021-2024 period from within our organisation), we have continued our commitment to bring greater sustainable value to our activity through the different actions defined for this year 2022.

“The maxim for our three ESG levers is living in our environment, believing in people, and remaining a provider of ground-breaking, innovative solutions.”





Constant Improvement...

01

in solutions

- Innovation and advanced solutions
- Supply chain
- Ethics and integrity
- Impact governance



02

in preservation

- Environmental commitment
- Efficient use of resources
- Circular economy and waste
- Climate change



03

in people

- Customers and patients
- Collaborators
- Community
- Communication and transparency





Each and every one of our actions has been promoted by involving the different stakeholders of the organisation in order to create shared value among us all. Some of the initiatives we have launched this year and will continue to focus on in the coming years are:

- To continue to have a Sound Environmental Management System in place that is applicable to all companies in the Group.
- To promote awareness-raising and participation actions to encourage good environmental practices and foster the circular economy.
- To consume energy entirely from renewable sources.
- To reduce and minimise our emissions in all three scopes.
- To develop a range of policies that reflect the commitments of Palex and are available to the stakeholders involved.
- To continue to promote social action initiatives by involving the team in decision-making and implementation.
- To continue to work towards a strong, sustainable and committed supply chain.
- Arising from our zero tolerance to corruption, to continue to lead initiatives that ensure
- To create training pathways in ESG.

“To promote awareness-raising and participation actions to encourage good environmental practices and foster the circular economy.”

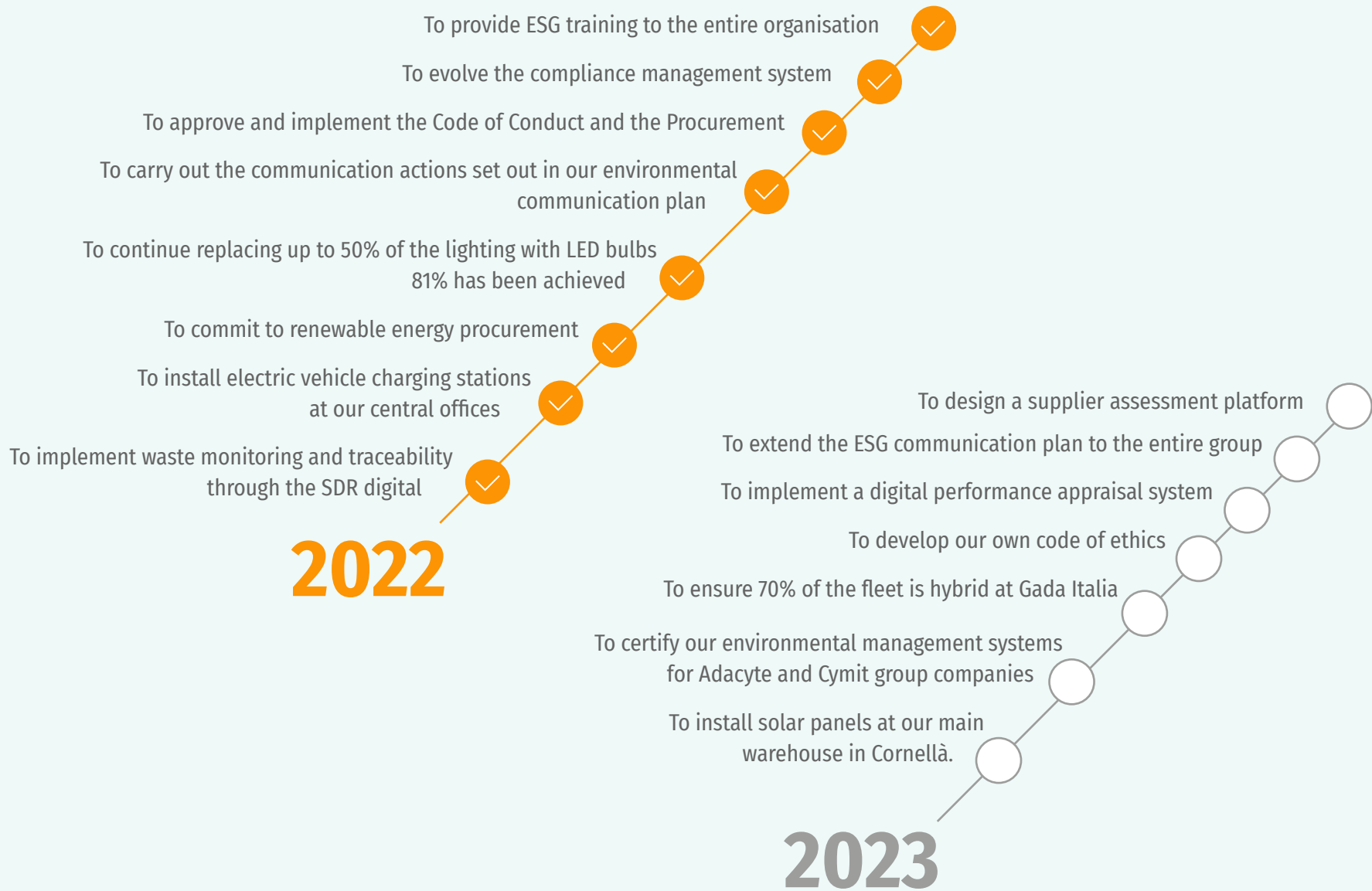
Sustainability committee

Aware of the importance of sound governance models, in 2021 we established the Sustainability Committee, which is responsible, among others, for monitoring the ESG Plan and for continuing to improve our presence in sector-based initiatives.

This Committee includes key members of the organisation in the development of the strategic plan, and has the support of all departments and collaborators that might be involved in the correct implementation of the strategy.

2022 - 2023 ESG Goals

As part of our commitment to increase the transparency and communication of the actions we promote within the plan, we want to continue to annually assess the meeting of the goals we are working on as a group through the ESG strategy.



Constant improvement **in Solutions**

Ground-breaking and
innovative solution
providers



We see the future through innovation and advanced solutions

Constant search for ground-breaking products

Our calling for continuous growth is in our bloodline, which drives us to be in **constant search for new products** in the healthcare market to provide advanced solutions to the sector.

This propensity forms part of all levels of our organisation. From the **flexible, specialist sales teams of each business unit**, which remain in permanent contact with healthcare specialists and professionals to detect their needs, to each of the marketing teams that focus on remaining informed of the latest news on their business line and detecting innovative products and solutions for their launch into the Spanish marketplace.

Across all business units, we have a **Business Development Department** which, in addition to ongoing **research into ground-breaking advances and new business lines**, analyses the needs detected by the different units and makes decisions as to which products and projects to support, through a committee appointed for this purpose.

In addition, we have a close relationship with **opinion leaders** and the **scientific society**. In some business units we even have created product validation committees, **advisory boards**, along with opinion leaders who advise us on industry trends. We also attend many different national and international congresses to learn about **industry trends** and remain in touch with the **needs of professionals**.

“Our calling for continuous growth is in our bloodline, which drives us to be in constant search for new products”

Our major differentiating features, which provides us with this high degree of innovation, is our proximity and closeness to specialists and patients, our ability to detect needs, to find solutions to meet them, and to implement them, which makes us not only a distributor but also a partner dedicated to the provision of overall solutions.





Development of proprietary products and systems

Developing proprietary products is key to ensuring we meet our customers' needs. We look for and analyse the latest market trends to develop innovative products that meet their requirements. To ensure this, we have a number of dedicated product development teams, as well as an efficient process to ensure quality and efficiency in design and implementation.

Among these products, we have systems based on RFID technology for improved logistics and hospital management.

+20

Applications developed

+250

Projects implemented



Healthcare software solutions (HSS)

In addition to our proprietary products, we also work on offering advanced software and hardware solutions and technology services that supplement and expand the functionalities of the products we sell from our suppliers. Our in-house team of specialists and developers therefore provides our customers with all their experience in project management and technological know-how to obtain the solution that best suits their needs. Solutions include those implemented in the following areas :

LineHealth- A web application that has been developed to be able to outsource the generating of letters sent during early detection campaigns for bowel cancer.

InLab- Solution managing the full extraction process, queue and waiting room management, tube traceability, sample identification and their traceability in the laboratory.

InLab-RTN- This is a new web module of the InLab solution that is responsible for recording the temperatures of the fridges during the transport of the samples to the laboratory. (InLab - solution managing the full extraction process, queue and waiting room management, tube traceability, sample identification and their traceability in the laboratory).

HLA- A web application for the Transplant and NHS division that helps find the best match between organ and recipient.



Dyane SmartCabinet
RFID cabinet for the management and traceability of high-value stock and materials



Dyane SmartPoint
Open-system individual stock management and consumption register



Dyane Dyane Captis
Allocation of materials to the patient's medical records



Dyane SmartKanban
Management of automatic replenishment of high-rotation consumables



We offer safe products

Quality management system

At Palex, we have the responsibility to maintain the highest level of quality in all aspects of our business. Aware of this, we have a **Quality and Environment Policy** for both Palex Medical and Gada, which shows our commitment to living up to quality standards.

We are certified according to the requirements of the **ISO 9001** quality management system for Palex Medical, Lusopalex, Adacyte, Cymit, Gada, and Wacreas, and strictly comply with its subsequent regular monitoring and review, successfully passing the external audits used by external bodies to assess us. Gada is also certified according to **ISO 13485**, a specific quality standard for the medical device industry.

Following this compliance, each year we set and review **quality objectives** in accordance with our policy to continuously improve the effectiveness of the system and meet customer, legal, and regulatory expectations, as well as our own improvement requirements.

Continuous improvement of system efficiency is one of the main objectives of our quality management system. This includes ensuring the system works properly to give the desired results, as well as identifying and eliminating any inefficient practices or processes. We achieve continuous system improvement through the implementation of appropriate standards and practices, as well as the effective and constant use of key indicators. This continuous improvement of the system ensures processes meet previously defined requirements and customer expectations.

We integrate the risk and opportunity analysis into our quality management model, creating risk matrices that span all company departments and processes to minimise threats and weaknesses and increase opportunities and strengths.

We conduct **internal quality audits** every year to prepare and address the external audit enabling us to maintain the ISO 9001 quality certification.

Safe and certified products

Palex Medical

98%

of deliveries leave on the same day as the supply order is received

Service level

Palex Medical

84%

of deliveries leave on the day required to reach the customer

88%

fulfilment of delivery time by our suppliers



Productos seguros y certificados

It is paramount to us to ensure that all the products we import and distribute are safe and high quality, so we have the necessary mechanisms in place to ensure they all meet the legal requirements of the health sector and the new regulations emerging. The Regulatory Affairs Department conducts a documentary check of products prior to their marketing in order to ensure compliance with the applicable law in force.

This control is conducted by requesting the necessary documentation from our suppliers (such as, but not limited to, CE Certificates, declaration of conformity, copy of product labelling and instructions for use, if applicable), its validation and approval, and its entering into our information systems for use by other departments.

This involves permanent contact with the public authorities, certification bodies, and other entities from the sector, such as Fenin, for consultations and procedures. Hence, purchases or sales are not unblocked until the corresponding documentation is available.

During this process, we perform a strict control of both the dispatch of the products and their reception based on the barcode reading, ensuring the planned unit has been selected.

Over the course of the year, the new documentation management tool has been fed with the necessary documents for the different products marketed by the company.

As of May 2021, following the entry into force of **Regulation EU 2017/745 of the European Parliament and of the Council of 5 April 2017 on Medi-**

cal Devices, hereinafter known as the **MDR**, all CE certificates for medical devices marketed in Europe issued under Directorate 93/42/EEC are no longer valid, and said documents must be renewed under the new MDR for all products (including all risk levels: class Is, IIa, IIb and III) before May 2024.

The number of certificates involved has grown exponentially year after year and, in 2022, thorough monitoring was conducted, together with our suppliers, on the renewal of over 80 CE certificates. Thanks to this ongoing work, it has been possible to avoid a negative impact on sales of around nine million euros.

It is estimated that, by 2023, the number of certificates involved will stand at around 180, so the monitoring to be conducted by the Regulatory Affairs Department will be more exhaustive.

We would also like to highlight the fact that, this May 2022, the new **EU Regulation 2017/746 of the European Parliament and of the Council of 5 April 2017 on in vitro diagnostics medical devices**, hereinafter known as the **IVDR**, entered into force and had the same impact on products as



the MDR, initially affecting the lowest risk products (class A) and, then, after a longer transition time, the higher risk products (classes B, C and D). Therefore, during the first months of the year, work was carried out in collaboration with the different suppliers on identifying and classifying all Class A products, with a total of over 800 products involved. Since May, work has been in progress to obtain the Declarations of Conformity issued under the new IVDR, so that business can continue.

Palex Medical successfully completed the project which began in 2021 to process the radioactive facility permit to be able to market and provide technical assistance for an electron accelerator for application in radiation therapy treatments in July 2022. This achievement means that the company will be able to install the first piece of equipment in 2023.

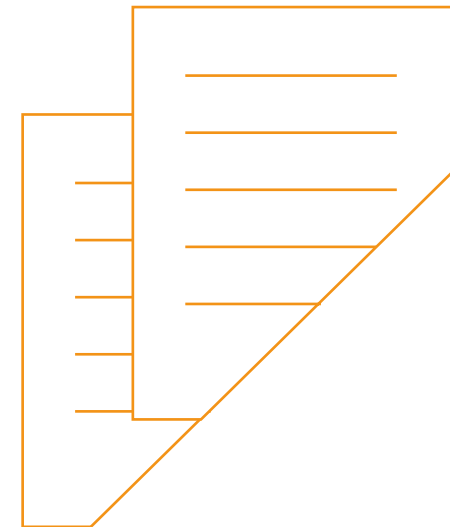
Over 2022, we started a project to become a tissue bank in the Autonomous Community of Madrid, regulated by the National Transplant Organisation (ONT) in accordance with Royal Decree 9/2014, for the storage of human tissue products, a range of lyophilised and/or demineralised human bone tissue managed from our orthopaedic division.

We also have a **surveillance system** that covers product recalls, the distribution of safety notes to customers, and the reporting of adverse incidents, which runs in line with the guidelines issued by the European Union on this matter.

With regard to **product labelling**, we perform a control linked to the registration process in our systems and a control upon entry of the different shipments to verify compliance with applicable law.

To be able to detect any irregularities that may occur in the products, we attend **training sessions related to current or future law**. We also encourage suppliers and manufacturers to attend these training sessions and, wherever deemed necessary, we give them ourselves both internally to our sales divisions and to our customers.

Lastly, each year under the supervision of a notary public, we destroy medical devices that have become obsolete over the year.



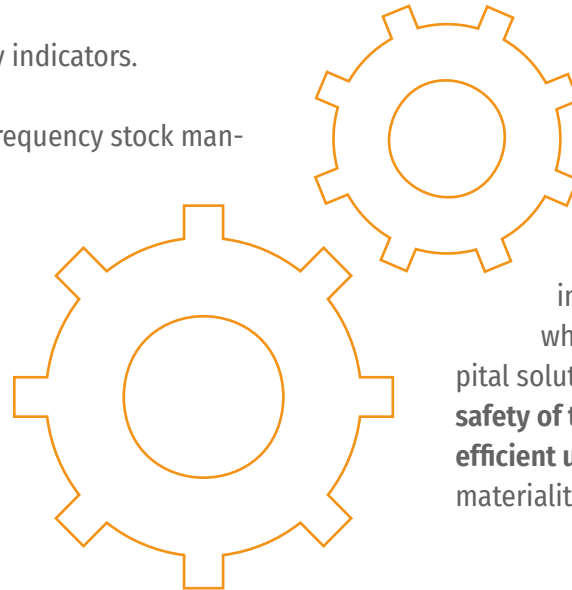


Digital transformation

Staying competitive in the digital age requires speed, agility, and innovation. These expectations impose demanding new challenges for existing IT systems, as they create a need for new solutions. This year, our IT team has been highly focused on developing the implementation of the new SAP/HANA. This will enable us to significantly simplify, integrate, and speed up processes. The new solutions offer new functions that will provide a great many opportunities to increase competitiveness.

These improvements integrated will enable us to make progress in the following areas:

- Increased recording and visibility of key indicators.
- Optimisation of warehouse operations.
- Introduction of automation and radio frequency stock management.
- Improved route optimisation and logistical efficiency. Higher quality in the incoming and outgoing movement of goods using aggregated transport.
- Unification of the Customer service centre (CAC) in a single channel to provide greater management skills and statistical visibility, in addition to improved monitoring of each customer.
- Saving of paper.



Customer satisfaction

Based on our commitment to meet the needs of our customers and the requirements of the ISO 9001 standard, we conducted a satisfaction survey in 2022 to get our customers' opinion and vision of the products and services we offer.

On interviewing the medical, nursing, electromedical and procurement groups of our potential customers, we obtained an overall score of 4.6 out of 5; a result that we considered highly satisfactory.

When it comes to scoring our best points, stakeholders highlighted the **proactiveness of the sales network** and the **suitability of our products**, among others, which confirms our commitment to providing advanced services and solutions to customers.

In addition, a section was included in the satisfaction survey in which the sustainability aspects considered most important when working with a provider of healthcare products and hospital solutions were scored, the most highly voted being the **health and safety of the team, safe products and regulatory compliance, and the efficient use of resources**, which we were able to incorporate into the materiality study of this sustainability report.



Extending commitment to our value chain

Our suppliers are key to ensuring our products meet the quality standards that set us apart. We are proud of our work with over 1,000 suppliers that strive to deliver premium products. We see them as partners, working together to create value and bring the best solutions to the marketplace.

We therefore establish long-term ties based on trust, an average relationship lasting for over 10 years and, in most cases, with exclusivity agreements for the marketing of their products

We aim to be much more than a distributor. We are the visible face of their products and solutions in the Spanish, Portuguese, and Italian markets, providing a solid reputation. We also provide feedback on products from both a commercial perspective and in terms of monitoring safety and efficiency in their use. In addition, we provide a technical and maintenance service for the equipment we install.

Proof of this reciprocal work can be seen in the awards received by Palex Medical through Polymed or GADA from their suppliers Abiomed and Lefetech in 2022.

Responsible supply chain

A substantial part of our business involves working to make our supply chain **accountable and quality assured**. We ensure the integrity of all those taking part in the operations along the value chain, ensuring **ethical and sustainable operations**.

At Palex, we believe that making responsible decisions when selecting our suppliers is of great importance. We ensure all our suppliers meet the highest standards of transparency and sustainability. We reject any type of supplier selection based on factors that are not in line with our values and principles.

We strive to build long-term relationships with our suppliers, ensuring they meet the same ethical and environmental standards as we do. This means we can ensure all our products are made from safe materials, produced in compliance with the environmental law of the country in which they operate.



For product suppliers, our choice is strictly determined by the nature of the industry, the high technical level of our products, and the need to launch the best and most innovative healthcare solutions into the marketplace.

This year we have taken one step further, and the Sustainability Department has published an internal **Purchasing Policy** that all personnel must take into consideration when making purchasing decisions. This policy sets out the requirements to be followed when making a purchase, considering the following aspects:

- **Protection and respect for Human Rights** within the area of influence
- **Compliance with current law** applicable to the business of the parties involved
- Application of **criteria of integrity, confidentiality, honesty, and transparency**, refraining from any kind of bribery, corruption, extortion or fraud
- Procurement of goods, products, and services that at all times meet the criteria of **quality, need, and suitability**.
- Implementation of procedures and controls to ensure **fair and objective awards**.
- **Planning** of the procurement of goods and services as an essential instrument for **sustainable development**
- The supply chain must be **free from the presence of all forms of forced or coerced labour, child labour, and discrimination in employment and occupation must be abolished**
- Guarantee of the **traceability** of all products purchased

- Prioritisation of **long-term relations**, ensuring that the commitments made by the contractual parties are met
- **Promotion of supplier participation** in innovation management aimed at the development and improvement of their products and services
- Ensuring that **environmental performance and responsibility criteria are met** throughout the value chain and are related to the source, manufacturing, distribution, use, and final provision

In line with our commitment to transparency and sustainability and in order to have a positive impact the value chain, we have developed our own code of conduct for suppliers to ensure they share our sustainable business vision. This code consists of the following points:

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 addition, when contracting services such as cleaning, paper supplies or car rental, we collaborate with special employment centres, fostering the employment of people with functional diversity.



For service providers, we send external environmental activity regulations to those working on our premises or providing a service on our behalf at other facilities. In this regulation, our providers undertake to comply with the environmental measures established by our organisation, the specific measures for carriers, the instructions for action in the event of an emergency, and the environmental law in force.

In the specific case of our carriers, they all have an environmental management certificate (ISO 14001) or carbon footprint certificate.

Wherever possible, we aim to encourage local consumption when selecting product and service providers, and have increased from 80% of our expenditure being on providers in European companies to 84%. More specifically, 57% of total expenditure is national, considering that purchases are made from Spain, Portugal and Italy, and 27% in the rest of Europe. The remaining 16% refers to international purchases.

Supplier assessment

At Palex Medical, we conduct regular assessments of product and service providers to evaluate the performance of our supplier companies based on three criteria:

- > **Service level**
- > **Incident management**
- > **Response time**

In order to verify the quality and reliability of product manufacturers, we request quality management certificates (ISO 9001 or ISO 13485), in addition to the specific documentation for product regulation records according to current law.

More than 400 suppliers are assessed annually and, for major manufacturers, we also perform more in-depth assessments in which we review regulatory, logistical or technical service aspects.



Ensuring impactful governance

Corporate governance

We are aware that a **sound corporate governance model** is key to ensuring the general of long-term value for all our stakeholders. We therefore have several governing bodies responsible for working on achieving the company's objectives in a way that is in line with our mission, vision, and values.

The governing bodies at Chacrim Directorship, S.L. (parent company of the Palex Group)

The General Meeting of Shareholders

This governing body, which represents the owner, is the supreme and sovereign body of the company, to which the board of directors is answerable. It is the deliberating body that expresses the will of its members through its decisions. It is the body responsible for making the most relevant decisions of the company. For example, its duties include approving the Annual Accounts and distributing earnings, appointing the members of the Board of Directors, amending the articles of association or the merger, transformation, division or winding-up of the company, among other matters.

The meetings are held at least once a year within the first six months of each financial year, in an ordinary session, to approve, where applicable, the corporate management and the Annual Accounts for the previous financial year, and to decide on the application of earnings. Extraordinary meetings may be called, however, whenever deemed appropriate by the governing body.

Board of Directors

This is the executive governing body responsible for the management and representation of the company. It is made up of a total of ten directors (nine men and one woman), appointed by the General Meeting of Shareholders. Its duties include overseeing the interests of the shareholders, defining and approving the policies and strategies of the group, supervising the internal information and control systems of the organisation, and determining the organisational structure of the organisation and of decision making, all with the aim of achieving the company's corporate purpose.

It performs its duties in line with the strictest ethical principles and standards and considering the common interest of all shareholders and of all stakeholders involved in the business.

In addition, the Board of Directors has set up three specialised committees for a more direct organisation and control of the different issues. These Committees are established by the Board of Directors on a voluntary basis, as the Company is not listed on the stock exchange and, therefore, the regulations applicable to them are not mandatory. More particularly, the following Committees have been established :



Audit Committee

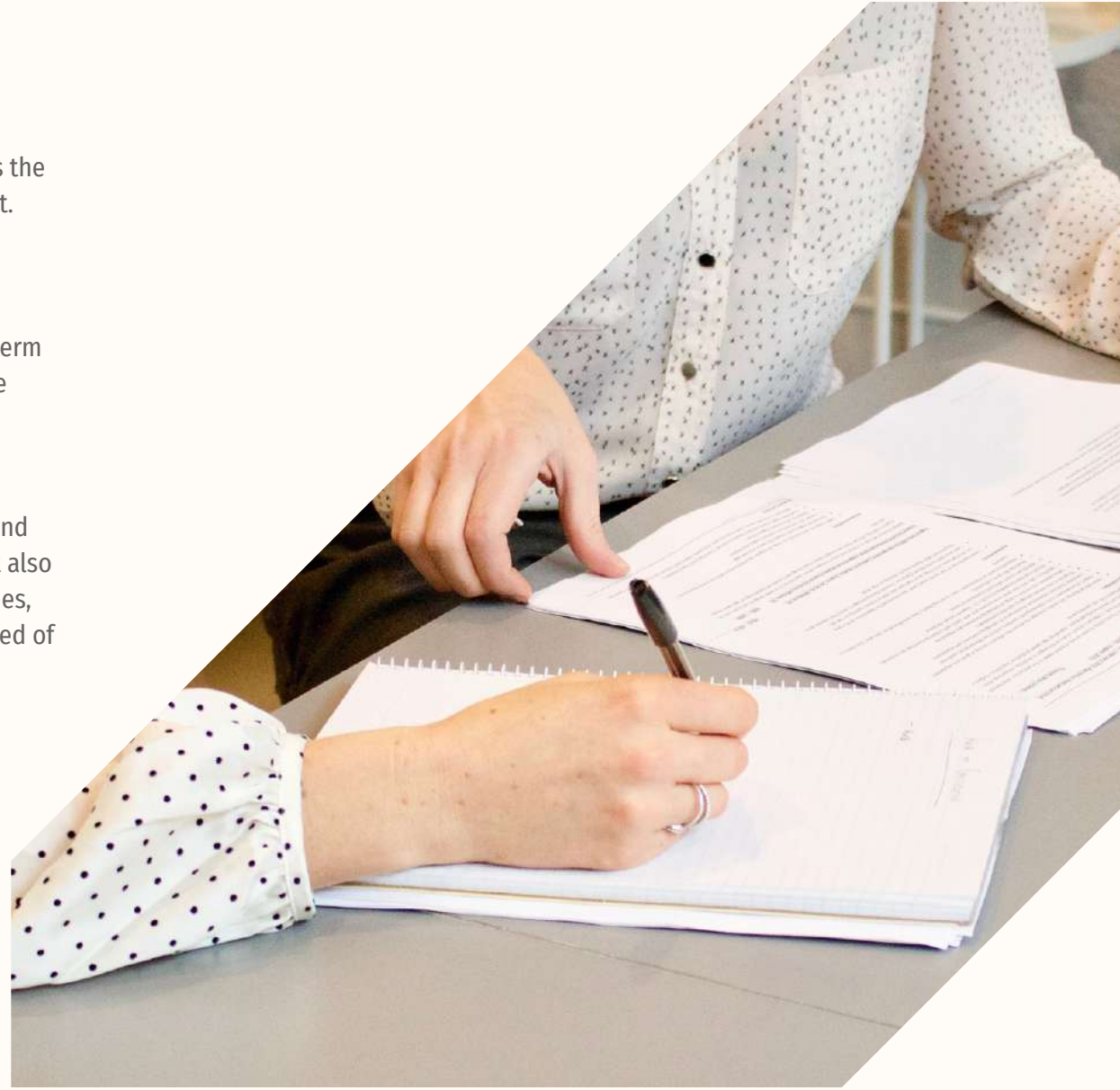
The Audit Committee oversees that internal control and the risk management system are being correctly implemented in line with the policies established by management and approved by the Board of Directors.

Appointment and Remuneration Committee

The Appointment and Remuneration Committee must contribute towards attracting and retaining talent to ensure the company has the best professionals in its governing bodies and senior management. In addition, this committee must verify the consistency of the selection and remuneration policies applicable to its board and senior management, and to other employees with the company's strategy, including areas relating to sustainability, diversity, long-term profitability, and risk-taking. Any inconsistencies detected must be forwarded by the Committee to the board

Sustainability-ESG Committee

This committee supervises and reviews sustainability strategies, and promotes and fosters company action plans and practices. It must also ensure corporate culture remains in line with its purpose and values, must report transparently to its stakeholders, and must be informed of the group's non-financial reporting process.





Fostering ethical management

The priority goal of our Compliance model is to have the necessary policies and procedures implemented to ensure Palex Medical conducts its activities and businesses in line with current regulations.

We therefore adhere to the Fenin Code of Ethics for the Healthcare Technology Sector, which responds to the desire to improve the ethical commitment of the Healthcare Technology Sector and establishes a framework of honesty and integrity in the relations between industry and healthcare professionals and organisations.

This code is based on the following principles:

- Principle of advancement of medical technology
- Principle of safe and effective use of health technology
- Principle of research and education
- Principle of image and perception
- Principle of separation
- Principle of transparency
- Principle of honesty
- Principle of equivalence

Aware of the key role that the healthcare technology sector plays in the healthcare system, we promote a culture of integrity and respect for ethical regulations and standards, considering not only the interests of Palex Medical but also the needs and expectations of its stakeholders.



We have a Compliance Officer responsible for ensuring organisational processes comply with legal requirements, organisational policies or external regulations.

We also perform random checks on the different areas to verify the correct implementation of the Fenin Code of Ethics.

The procedure for complaints and ethical concerns is based on contact with the Compliance Department, which deals with them anonymously. It should be noted that, during financial year 2022, no complaints were received regarding matters related to corruption, money laundering or the violation of human rights.



We also have other measures in place at Palex Medical to avoid and prevent cases of corruption and bribery, such as:

>Training provided to the sales and marketing areas in permanent contact with third parties regarding the Fenin Code of Ethics.

>The contracts of agents and distributors include a clause in which they undertake to comply with the Fenin Code of Ethics, providing them with the corresponding training.

In addition, this year we have launched a project to strengthen the model of regulatory surveillance along with our legal advisors, which consists of:

- The identification and analysis of the risks associated with the activity of Palex Medical to which the company is exposed: environmental compliance, tax compliance, the risks of corruption and influence peddling, the treatment of conflicts of interest, guidelines for the giving or accepting of gifts, and the prevention of money laundering, among others.
- The creation of a criminal risk matrix with the aim of identifying and monitoring the main activities and risks associated with the processes.
- The development of a protocol for the ethics channel.
- The preparation of a Compliance manual.

- The drafting of a Compliance policy.
- The preparation of an in-house code of ethics
- The preparation, approval, and implementation of specific Compliance policies.
- Training sessions.
- The preparation of annual Compliance reports.

Alongside this, Gada is working with a Compliance programme that includes its own code of ethics that meets the legal requirements of Italy.

In addition to the assessment of the main sources of risk of non-compliance to which the company is exposed and to the identification of the rules, regulations and principles relating to the company, work is being carried out on:

- Defining policies and procedures of reference for conducting business operations
- Encouraging the development of the necessary capabilities for the implementation of the defined regulations and processes.
- Developing a regular compliance verification plan to monitor compliance activities and issue regular reports.



The security of systems and secure data

We are sure that our company information is one of the most important assets of our organisation. This is why protecting information systems and, consequently, personal data is a top priority.

The foundations on which we base our information security model are confidentiality, availability, and integrity. In a world of ongoing technological evolution in which large volumes of data are managed using specific tools and in which a wide variety of devices are used, this is a critical issue.

This year, we have maintained our ISO 27001 certificate and ENS accreditation (National Security Scheme) and, alongside this, we have planned a strategy based on an action plan to strengthen our protection against accidental or deliberate damage, including improvements in the fields of: secure settings, incident response, vulnerability management, and raising awareness among our collaborators.



ISO 27001 Information security management

An international standard that allows for the assurance, confidentiality, and integrity of data and information, as well as the systems processing it.



ENS National Security Scheme

The purpose of this regulation is to establish the principles governing and guaranteeing access, integrity, availability, and accuracy of information used in electronic media or related with public authorities at national, regional, and local level.



These standards are supported by an organisation-wide documentary system in which special emphasis is placed on raising awareness of the importance of data security.

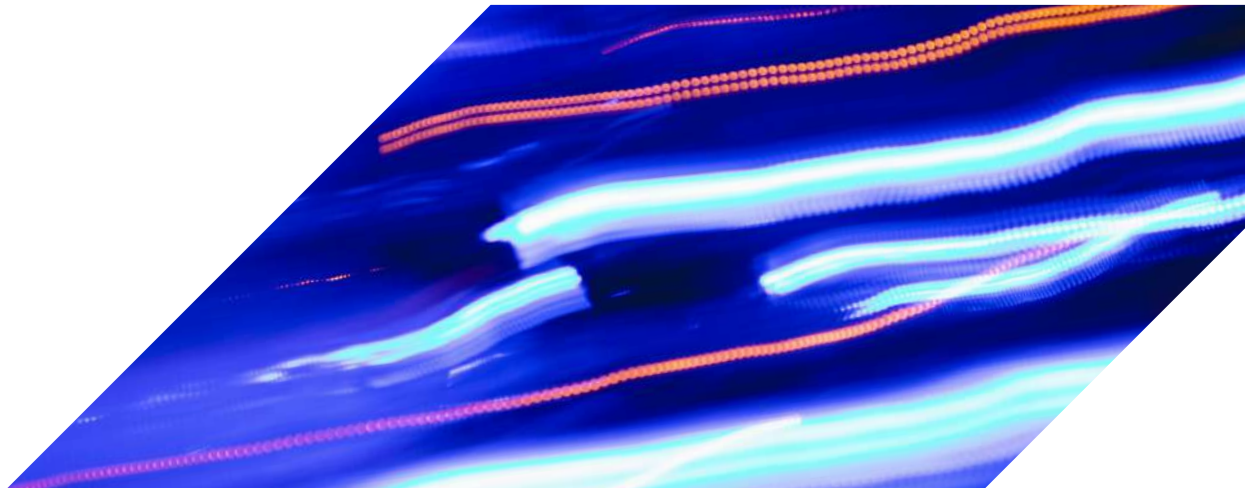
As part of this, we have implemented a General Security Regulation and the Information Security Policy.

Principles included in our Information Security Policy:

- Ensure the security of information in all its dimensions.
- Ensure compliance with current law on information security
- Keep all personnel informed of safety requirements.
- Formally manage security to reduce or eliminate risks inherent in our operations.
- Develop, maintain, and test defined contingency and continuity plans.

We understand that information security is an ongoing challenge for our organisation, and will continue to make every effort to increase our resilience against cyber-threats and to manage the existing risk with the least impact on the organisation.

Will continue to make every effort to increase our resilience against cyber-threats and to manage the existing risk with the least impact on the organisation



Constant improvement **in Preservation**

Living in
our environment

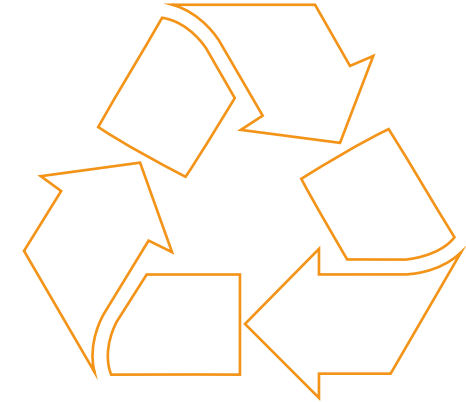


Our commitment to the planet

Palex is concerned about **protecting the planet** and we are aware of the climate emergency and its effects, which are already being felt around the world. This is why it is time to act and make a difference in the **environmental management** of our business. We are therefore working to create and deliver **sustainable solutions** that reduce our impact on the environment, enabling us to leave a better world for future generations.

Proof of our fight against the climate emergency is our **Quality and Environment Policy**, as well as the certification of compliance with the requirements set out in ISO 14001 on the Environmental Management System. This leads us to establish and review our annual **environmental objectives** to reduce our direct and indirect impact on the environment. Over the coming years, we will continue to work on renewing the Environmental Management System, and this year we have also started work on implementing it in the rest of the areas and companies in the group.

We also perform an **environmental analysis** in which we gather all the impact caused by our activity and, according to the analysis procedure, determine its significance.



By understanding the life cycle of a product or service, Palex is able to make decisions and take initiatives based on how to reduce our environmental impact. We do this by conducting a product **life-cycle analysis** to understand our ability to influence each stage and implement actions that contribute towards a more sustainable management. Examples of these actions are the hiring of ISO 14001-certified carriers, the re-use of recycled and recyclable packaging material and transport from suppliers, and the correct management of waste, particularly sanitary waste and WEEE.

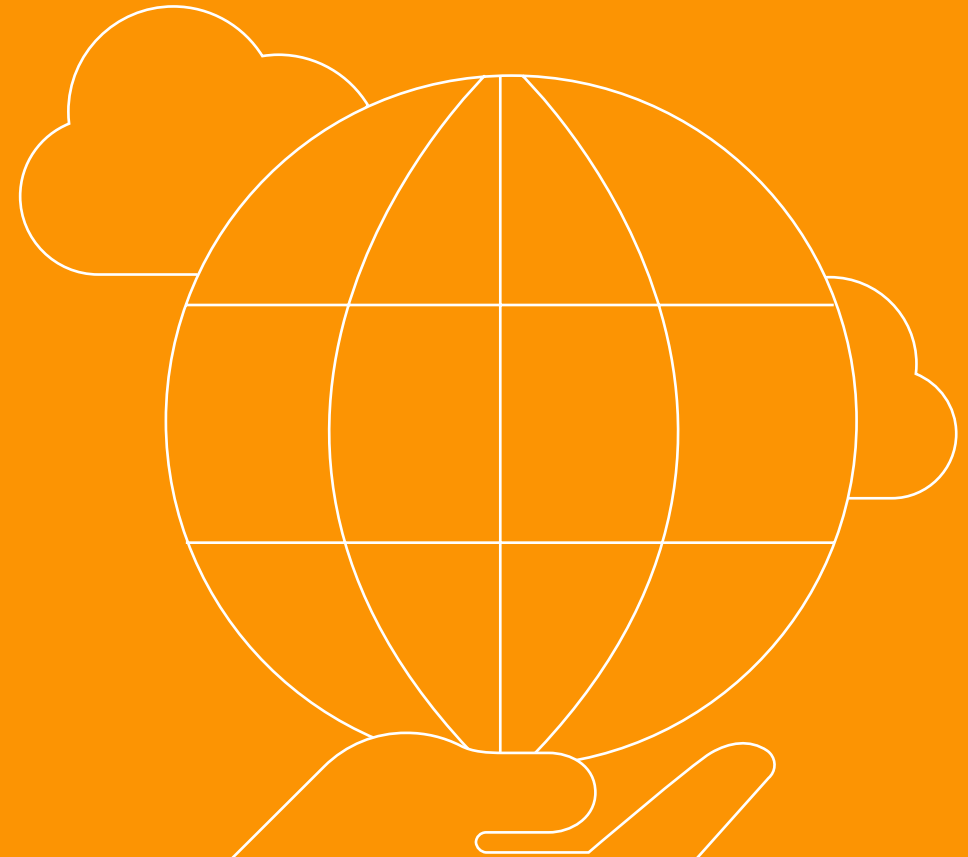
To this end, Palex determines and provides the necessary resources at the right time to implement and improve the processes of the Environmental Management System, hereinafter known as the EMS, and to prevent significant environmental impact. In addition, the Management



is committed to the implementation, maintenance, and improvement of the EMS by providing and maintaining the necessary facilities to meet the environmental objectives.

As part of this, after working on the preparation of our **Environmental Communication Plan**, in 2022 we shared our commitments and objectives towards preserving the environment through different impacts with our stakeholders, and we made recommendations and disseminated good recycling practices so that they can also accompany us in preserving the environment and reducing environmental impacts.

Furthermore, based on our commitment to preserving the environment, we have extended the **Environmental Communication** plan for the coming years to include all Group companies so that, throughout the ESG strategy, we can strengthen the commitment of all our stakeholders towards the preservation and improvement of the environment.





Efficiently using resources

Responsible consumption

We are responsible for the consumption of resources associated with our everyday business that, because it does not include in-house production, is limited to office materials such as paper, packaging material such as cardboard, electricity, fuel, and water, the latter being extremely insignificant due to the nature of our business.

In 2022, we continued with our environmental commitment regarding the **reduction of paper consumption**, specific settings for departmental printers so that the default option is double-sided and black and white, or the awareness campaigns conducted, as well as the 51% reduction in the number of printers at the Sant Cugat, Cornellà and Alcobendas offices, thus reducing the number of print outs a day. We also managed to ensure that some of our sites use mostly recycled paper.

In addition, with the implementation of the new SAP S4/HANA management tool which has been operational since January 2023, in the coming years we will continue to improve process digitisation and will be able to continue reducing the amount of paper used.

In terms of **energy**, campaigns underway and the involvement of employees is encouraged for **lights and air conditioning units to be switched off** at the end of the day in workplaces and at the Cornellà warehouse, where there is no centralised system to switch them off automatically.

We also succeeded in replacing **81%** of the fluorescent bulbs at the Sant Cugat and Cornellà sites with **LED bulbs**, reducing the energy consumption from lighting on the properties by up to 67%, thus maintaining our target of 100% by 2023.

It should be noted that, in 2022, we obtained the **renewable energy certificate for consumption at Sant Cugat, Cornellà, Alcobendas, and Cymit**, which guarantees that our energy consumption comes from renewable sources.

In addition, in line with our commitment to more sustainable energy consumption, this year a project was approved for the installation of a solar panel installation at the central warehouse facilities in Cornellà, which will become operational in 2023.

Lastly, with regard to domestic **water consumption**, an awareness campaign was implemented at some of our sites, which consisted of the installation of informative posters on how to use water responsibly.

In addition, the toilet cisterns in the toilets at Cornellà warehouse were replaced with dual-flush cisterns, thus optimising water consumption with each flush.



Material-saving initiatives

One of the most effective ways of reducing the environmental impact that the companies generate with our activity is through material-saving initiatives.

One of our initiatives to minimise materials consumed involves the **reuse of the boxes and pallets from our suppliers** that we use for our distribution, extending their life cycle. Furthermore, the boxes we use for Palex Medical products are **BC 603 quality**, which proves that **100% of the material is recycled**.

What is more, the logistics department has done a great job on reducing the use of boxes, EPS, and plastics in the shipments of our products. The following initiatives are highlighted as part of this job:

- The model of some of the boxes has been changed to a **self-closing box model**, which reduces the use of a seal to close them.
- A **new box model** has been purchased that is a better fit for the size of one of our products, in order to avoid shipping it with large amounts of protective plastic.
- We have started working with one of our logistics providers with a **refrigerated transport method** that allows for shipments that require at constant temperature of between 2 and 8°C in normal cardboard boxes without breaking the cold chain, thus avoiding the use of EPS boxes with dry ice and cold packs.



804,860 kg
of pallets

44,187kg
of paper and cardboard

1,219 kg
of EPS



878,463 kWh
of electricity

689,149
of fuel

	2021	2022
Pallets	419,820 kg	804,860 kg
Paper and cardboard	46,183 kg	44,187kg
EPS	1,013 kg	1,219 kg
Electricity	724,297 kWh	878,463 kWh
Fuel	554.288 l	689,149 l



- Work has started with **100% recycled boxes** from our logistics provider Nacex for goods weighing below 1 kg.
- Work has begun on ensuring all our logistics providers **no longer use a plastic envelope** to send packing lists.
- Four models of label have been replaced with a **single model** that includes, jointly and selectable, the indications of the previous 4 models, thus reducing the number of labels per shipment. In addition, 3 more models of label (indicating fragile, position, and wet) have been replaced with screen printing on the boxes.
- **Packaging material** used to prevent damage to products inside boxes has been replaced with a **recyclable material**.

In our offices, we also continue to run dissemination campaigns to eradicate the use of single-use plastics such as cups. We now use 100% recyclable cardboard cups with a PE sheet, and new collaborators are given a cup and bottle for their everyday drinks in the office. Lastly, we have reverse osmosis fountains to avoid the consumption of plastic water bottles.



Making our activity circular

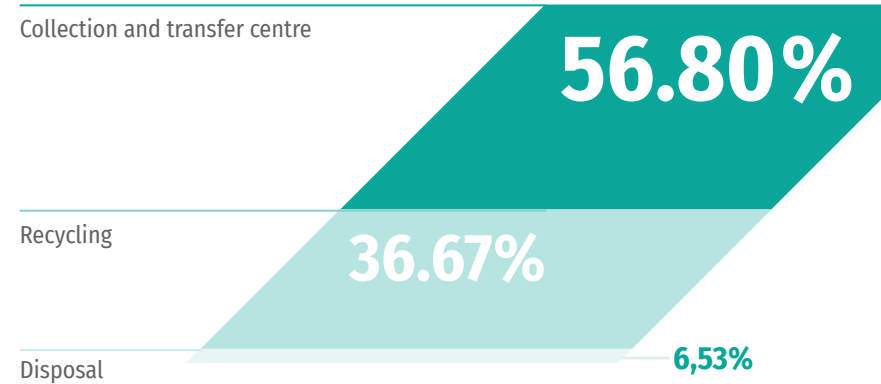
At Palex we have a responsibility to minimise the waste generated by our everyday activity and manage it so that it is treated correctly and has the least possible impact on the environment. We therefore continue to work with **authorised management companies for the collection, logistics, and treatment** of waste generated by the work performed at our sites.

Due to our desire for continuous improvement in this area, our ESG Strategy has included several initiatives that will enable us to continue encouraging **the correct separation and management of waste, as well as improving and recording its management circuit**. More specifically, taking advantage of the dialogue already established with our waste management companies, in 2022 we evolved the system for reporting and managing procedures over the online SDR platform offered by the Generalitat de Catalunya, thus ensuring that they are all registered as authorised management companies and that the waste generated and managed is properly monitored and traced.

We continue to control and separate: hazardous chemical liquids, batteries, fluorescent tubes, sanitary material, plastic, paper and cardboard, wood, toner, WEEE, computer and ordinary material.

In 2022, a total of **5.13 t** of hazardous waste and **120.63 t** of non-hazardous waste was removed and managed. Each type of waste received its corresponding treatment, as indicated in the following data:

Waste treatment managed in 2022



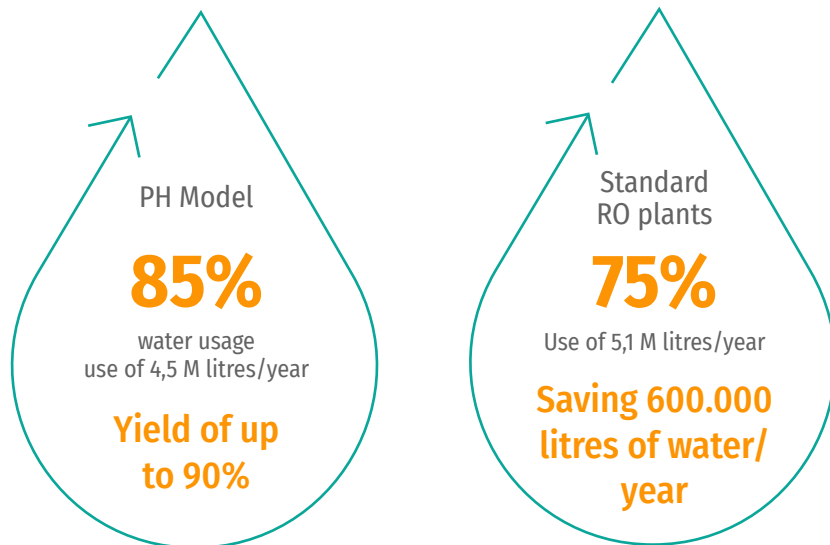
To minimise the impact of the waste generated in offices and other workplaces, we have implemented an **awareness and dissemination project on how to correctly separate waste**, installing signs with instructions on how it should be recycled and the correct use of each container.



Water circularity

An example of how we seek **circularity** in the products we offer can be seen in the **water treatment** equipment for the production of ultra-pure water, which is necessary for haemodialysis treatments. We have adaptive configuration equipment to optimise the performance of the purification process in each case. The dual-stage equipment we offer features a **smart water recovery** system that adapts in real time to the consumption of the unit, recirculating membrane rejection and obtaining yields of up to **90% water usage**.

Efficient use of water



Product obsolescence

We care about ensuring the correct **end of life** for all the products and equipment we sell. Therefore, the user manuals mention the correct treatment of the product once its useful life has ended.

We also have the **Ecoasimelec Certificate** for Palex Medical, which provides us with the necessary cover for the correct collection and timely recycling of waste electrical and electronic equipment (WEEE) and batteries. In addition, our adhesion to Ecoasimelec provides us with a management platform for obsolete products in our warehouse and of depreciating Palex Medical proprietary products with customers, ensuring their correct collection and treatment.

As for the mobile phones of our team, we have a maintenance programme that replaces faulty terminals with new ones, guaranteeing the proper treatment of the collected phones, whether it be repair or management as waste in the case of unrepairable terminals.

As far as computers are concerned, before removing the devices to be replaced with new ones, staff are given the chance to purchase them at a lower price, thus extending their life cycle.

In addition, FCC is responsible for the treatment of waste arising from expired and disused medical devices in the warehouse.



Fighting the climate emergency

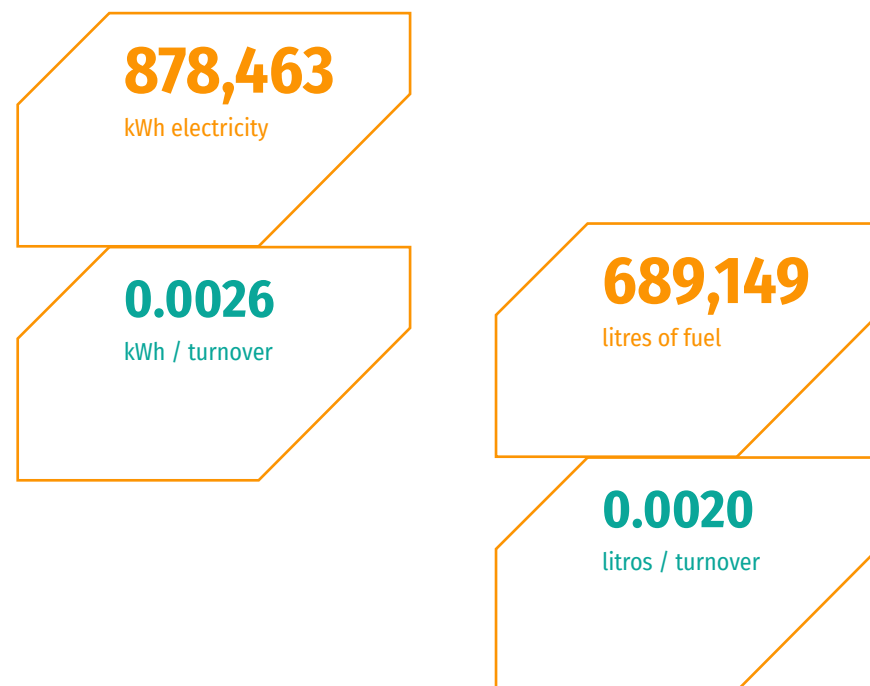
Management of energy consumption

As we have already seen, the climate emergency is a pressing problem that must be addressed. To do this, among others, we must reduce our energy consumption and focus on renewable energy sources.

Our total energy consumption comes from the consumption of **electricity** in our offices and warehouses and **fuel** for our fleet of rented vehicles, which are used for the organisation's own activities such as sales management, technical service or distribution. The total energy consumptions for 2022 and their respective impact on turnover are shown below.

Consumption data for both electricity and fuel are up on the previous year. In both cases, consumption has increased by 21% and 24%, respectively, due to the inclusion of new companies in the reporting perimeter.

It should be noted that, although there was a clear increase in consumption compared with the previous year, the consumption in relation to turnover remained stable, and we can therefore confirm that the increase in consumption was directly proportional to the growth of the Group.



	Total consumption 2021	Total consumption 2022	Difference
Electricity (kW/h)	724,297	878,463	+21%
kWh/turnover	0.0026	0.0026	0%
Fuel (litres)	554,288	689,149	+24%
Litres/turnover	0.0020	0.0020	0%



Efficient and sustainable transport

Sustainable transport is essential for preserving a healthy environment and economy. That is why it is important to reduce our dependence on traditional forms of transport that are unsustainable for the environment.

To make this possible, at Palex we seek **efficient and sustainable transport solutions** that reduce our carbon footprint while still meeting our customers' needs, and the conditions in which our products must be transported, guaranteeing the highest quality. This includes running **efficient transportation routes**, consolidating orders so that container and truck loads are optimised. We also ensure all our carriers have **environmental certificates**.

As part of optimising routes and reducing our carbon footprint, we continue to deliver directly from Portugal's exclusive suppliers without having to manage the supply in advance from Barcelona. This means that we can do away with transport between the two sites.

Furthermore, we care about the efficient consumption of our **fleet of vehicles** available to our professionals for travel, whether for sales management, the technical service or any other reason. We are continuously looking for the utmost efficiency of our vehicles, so we are still working on **progressively turning to a fleet with more efficient vehicles**, and have already replaced some of them with hybrid vehicles (ECO label). In particular, 43% of the fleet is made up of sustainable cars in 2022, and we plan to increase this percentage in the coming years. And because all cars in the fleet are under a leasing programme, official maintenance is planned and scheduled.

In addition, to encourage the use of more sustainable cars, two **charging points** have been set up in the car park of the Sant Cugat offices so that all employees with hybrid or electric cars have the opportunity to charge them when they are at work.

Finally, we encourage our professionals to use transport responsibly and sustainably through our **Mobility Plan**, which promotes more sustainable means of transport.





For this reason, in 2022 we conducted a mobility survey of all collaborators, which was answered by 72% and with which a new Mobility Plan will be drawn up in 2023 considering all the responses obtained.

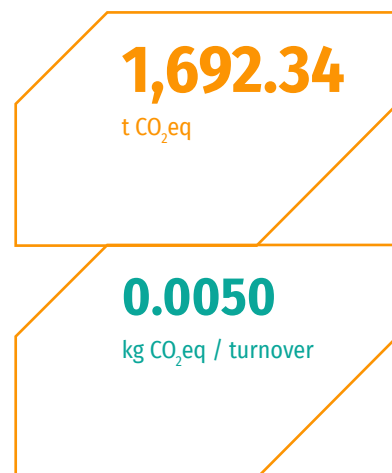
In order to strengthen this commitment to sustainable mobility, we have implemented several measures, such as a space at the Cornellà warehouse with sockets for electric bicycles and scooters, and showers for personnel travelling by bicycle who want to use them in the warehouse and in the offices at Sant Cugat. In addition, one of the selection criteria for the work sites is close access to public transport services.

Our carbon footprint

We have calculated our carbon footprint in **scopes 1 and 2**. Hence, total Scope 1 GHG emissions stood at 1,692.34 tCO₂eq corresponding to the fuel consumption of our fleet. Meanwhile, total scope 2 emissions account for 72.57 tCO₂eq from electricity consumption at our work sites.

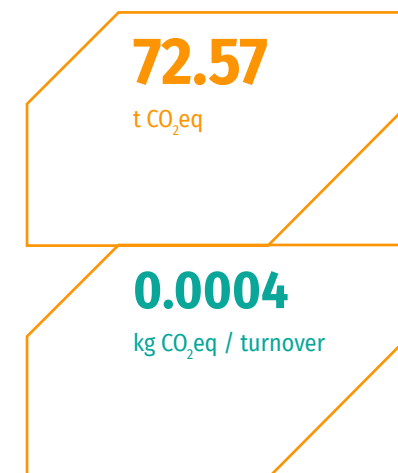
In this case, as already seen in the consumption of electricity and fuel and their respective percentages, the same reason for the increase is maintained in Scope 1. Emissions from fuel consumption increased by 24% due to the inclusion of new companies in the reporting perimeter and the increase in travel by sales personnel after the decrease in activity caused by the pandemic. However, as has also been seen in the calculation of the consumption percentage, CO₂ emissions in relation to turnover remained stable compared with the previous year and, therefore, our emissions from fuel consumption are directly proportional to the growth of the Group.

Scope 1



SCOPE 1	Kg CO ₂ eq	t CO ₂ eq
Diesel	1,562,320.59	1,562.32
Petrol	128,752.26	128.75
Methane	519.40	0.52
LPG	742.91	0.74
TOTAL	1,692,335.17	1,692.34

Scope 2



SCOPE 2	Kg CO ₂ eq	t CO ₂ eq
Spain	13,937.48	13.94
Portugal	8,376.50	8.38
Italy	50,255.86	50.26
TOTAL	72,569.83	72.57
TOTAL	1.692.335,17	1.692,34



		2021	2022	Difference
Scope 1	tCO ₂ eq	1,362.8	1,692.34	+24%
	kg CO ₂ eq/ turnover	0.0049	0.0050	0%
Scope 2	tCO ₂ eq	178.8	72.57	-60%
	kg CO ₂ eq/ turnover	0.0006	0.0004	-33%

With regard to Scope 2, we observed a considerable decrease in CO₂ emissions from our electricity consumption, both at tCO₂eq and at kilogrammes of CO₂eq level in relation to turnover. This is thanks to the consumption of energy from renewable sources at the Sant Cugat, Cornellà, Alcobendas, and Cymit facilities, which has enabled us to reduce our impact on the environment and reduce CO₂ emissions.

In addition, we have started working on the project, along with our external partner KPMG, for the scope 3 calculation of the Group's carbon footprint, the result of which will be published by the end of 2023.

In order to increase the levels of transparency and accuracy of the indicators reported this year, we have started to verify scope 1 and 2 calculations to ensure the reported data is sound.

Constant
improvement
in People

Believing
in people



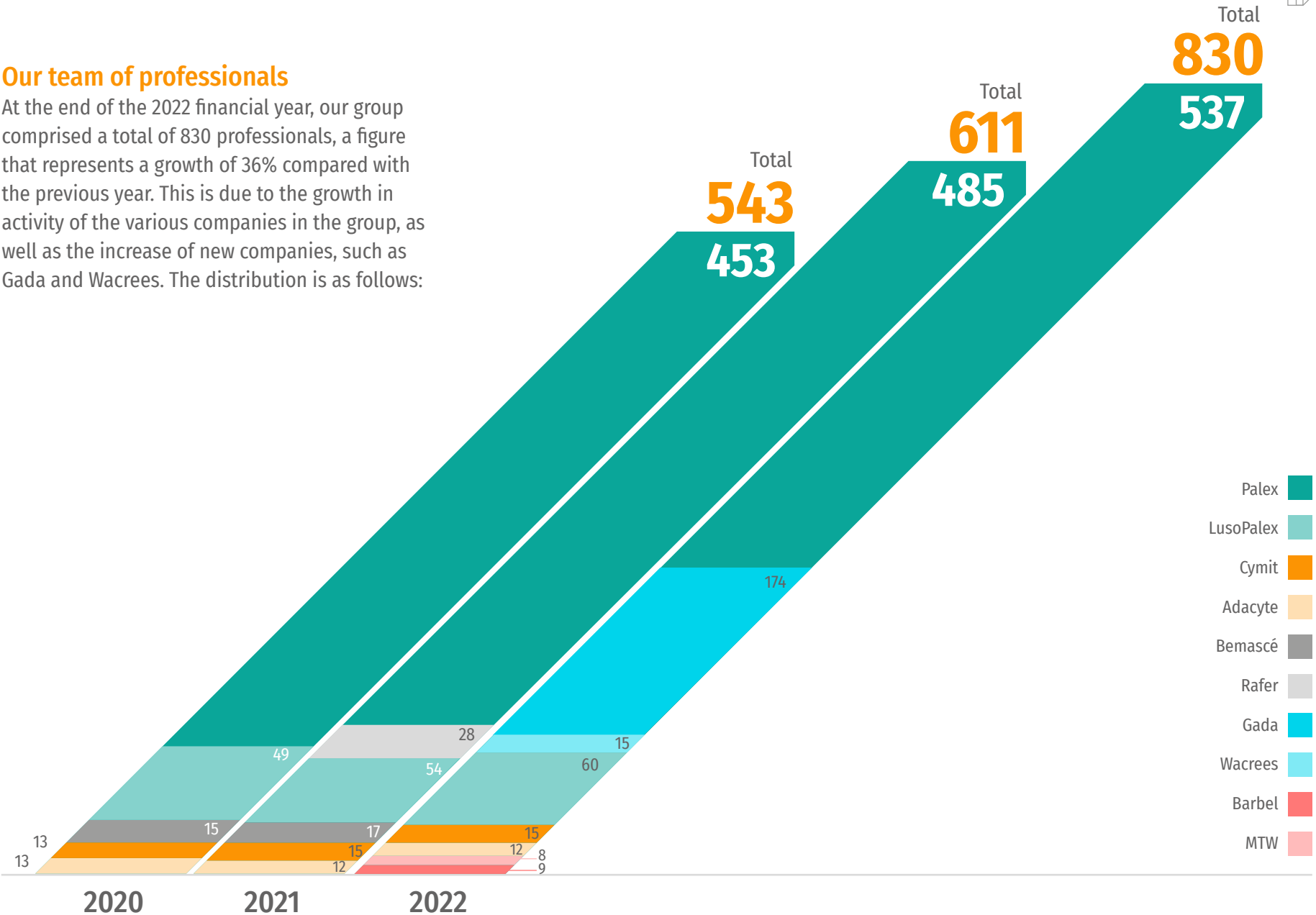
Taking care of people

People are the essential driving force for the development of our business. We believe in people, which is why we support people by creating a space to grow and create, to empower and develop both professionally and personally, strengthening an environment that fosters collaboration and excellence. This ensures we have the best people on our team and can create a culture of success. At Palex, we work tirelessly to make this possible.



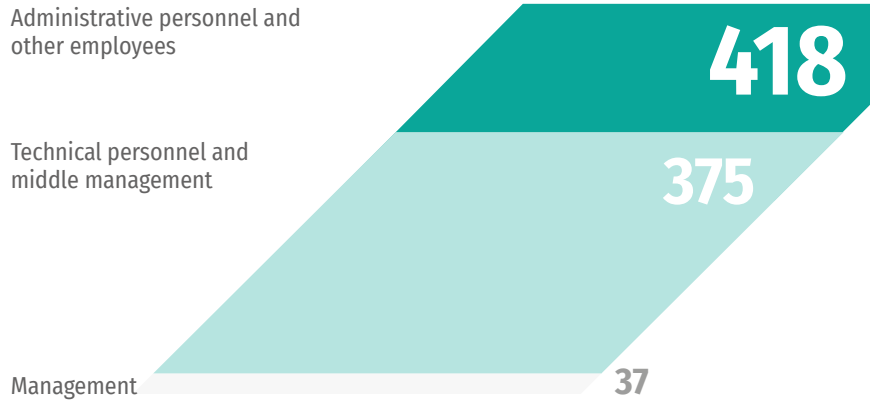
Our team of professionals

At the end of the 2022 financial year, our group comprised a total of 830 professionals, a figure that represents a growth of 36% compared with the previous year. This is due to the growth in activity of the various companies in the group, as well as the increase of new companies, such as Gada and Wacrees. The distribution is as follows:





These 830 people in the group are divided into three professional categories:



As part of our commitment to staff, we believe everyone should be paid fairly, so we adapt salaries every year as set by the collective agreement to confirm they are in line with the market and the categories

With regard to the predominant type of contracts and working hours, at the close of 2022 **97%** of our workforce had a **permanent contract** and **worked full time**. This data, which is the same as the previous year, reinforces our commitment to ensuring sound employability.

In addition, our workforce has trade union representation mechanisms in place. 92% of the workforce is covered by the Collective Agreement applicable in Spain to Wholesalers and importers of industrial chemicals and household products, perfumery and similar in Spain; and applicable in Italy to NCBA Business Sector Executives, NCBA Business Sector, NCBA Logistics, and NCBA Private Nursing Homes Non-medical

staff. The remaining 8% of collaborators belonging to the Portuguese organisation are covered by the Código do Trabalho published by the Portuguese Government in October 2019.

Promoting well-being in the team

We understand that working in a healthy working environment improves productivity and ensures the well-being of each individual within the organisation. We are therefore committed to improving and increasing active listening to people's opinions to understand their needs.

With the aim of improving the quality of life of our team, we have a series of social benefits to make their everyday life easier.

Examples include:

- Flexible remuneration: childcare, catering, transport, health and retirement insurance, and training.
- Birthday leave.
- Palex Club: a platform where staff and family members are given access to better prices and deals on products.
- Annual education grants for each child up to the age of 16, monthly grants for employees and children of employees with disabilities
- Free fresh seasonal fruit in the canteens and offices.
- Changing rooms with showers in Cornellà and Sant Cugat.
- Gift for Christmas and on giving birth.



In order to promote the work-life balance, which we know to be synonymous with a healthy career, we have initiatives such as:

- Flexible working hours: entry from 7:15h to 9:30h, lunch break of between half an hour and two hours and a quarter, and exit from 16:00h, for a very significant part of the organisation
- Continuous shift on Fridays.
- Teleworking.
- Personalisation of working hours if necessary.
- Flexibility in choosing holiday dates.
- Social benefit for pregnant women.
- **Digital disconnect policy**, which includes:
 - Emails do not have to be answered outside working hours (except for the positions necessary to ensure essential services).
 - Deferred emails should be sent outside working hours.

In addition, a total of 21 people benefited from **paid leave for births** in 2022.

All of these social benefits and paid leave for Palex Medical collaborators are included in our **Work-life balance and social benefits policy** available on the intranet.

Committed to talent

We are committed to talent and work to attract people who want to work and learn, offering a clear path of **professional and personal development**, the result of which is a workforce dedicated to doing the job properly. To this end, we take steps to ensure that each and every one of us feels valued and supported in our growth process.

With the aim of boosting the development of our professionals within the company, we continue to work on the project of performance assessments, this year in a new digital format, the Talent Review, which is a **strategic company project** that replaces the former “Performance Assessments”. This project is aimed at the growth and development of the talent of the Palex Medical team, in which one-to-one conversations are encouraged along with constructive feedback between managers and collaborators. As a result of these meetings, targets are set to develop the skills of collaborators, thus facilitating their professional growth.

Alongside this, our **selection policy** applies both to external candidates and to those working at Palex, ensuring **equal opportunities** when applying for a vacancy, as well as encouraging promotion within the organisation.

2 Departments such as Warehouse and Customer Assistance have other schedules, but we also make sure these are the best possible given the essential services we must offer our customers.



To this end, we are proud to say that the average seniority among our team is 8.63 years and that, within management, 72% of the positions have been covered through internal promotions, with the total of 37 people promoted this year. In addition, we monitor the unwanted rotation rate for an insight into the loss of talent in the organisation, which this year stands at 6.16% compared with 2.78% the previous year.

Selection, welcome and reception

We are aware that the first few days are key to the correct integration of new recruits into the organisation. Palex Medical strives to ensure **good reception and support** during this process. As part of our **onboarding policy**, we have a **Onboarding manual** that, from this year onwards, is available in digital format on our online training platform, providing new recruits with all relevant information, including the different policies available in the organisation. In addition, a **welcome pack** including corporate merchandising is also provided: a cotton bag, a cup, a bottle, a USB stick, a notebook, etc.

This year also saw the start of a project to **monitor the adaptation of new recruits to the company**, which included surveys on how their incorporation was progressing two weeks, two months, and six months after joining the company. This project is also monitored the managers of the newcomers, who are asked for feedback after two months on how the new recruit answerable to them is adapted. Through this new project, we ensure to listen and take into account the needs of new collaborators to improve their everyday life as members of the company.

Professional and personal development

In addition to our commitment to attracting talent, we also encourage the professional and personal development of our staff. To this end, we draw up an annual training plan based on the needs identified by the managers of each division and department. With all the information collected, we adapt the plan to the needs of the different teams and of that precise moment, offering specific training depending on the area in which the collaborators operate, responding to the needs of the different management, sales, marketing, and back-office positions.

We would like to highlight the training that has been provided this year in the different areas and which will continue in 2023:

Manager training

Talent review
Management & leadership
Discovery advanced

Marketing training

Power presenter
Insights discovery
(personal effectiveness)

Sales training

Palex days (Sales insights + Negotiation)
Attitudes & techniques in sales

Backoffice training

Smile please
(Commitment to Palex)
Insights discovery
(personal effectiveness)



In addition to the technical training in each area, we have other training programmes:

Insight Discovery Programme:

Training across the board for Palex Medical and Lusopalex collaborators, which provides a psychometric tool to understand oneself and others for more effective and authentic personal relationships.

In 2022, we provided internal training for managers and, in addition, following the integration of Rafer and Bioterra, two training courses were provided to integrate the new colleagues of both companies with collaborators from Palex Medical at the headquarters in Madrid.

Virtual leader for managers programme:

Training for Palex Medical collaborators that provides the necessary tools to contribute to the development of leadership and team management skills, key skills to effectively lead people.

Management and Leadership Programme

As with the one above, it provides tool and enhances the skills that managers must have to lead, motivate and engage their teams.

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

This offers three different training pathways to support the management growth of Gada collaborators:

1. Innovation labs: focused on strategic thinking, problem solving, and performance management.
2. Finance for non-financial managers dedicated to sales management.
3. Performance coaching programme.

Gada skills programme

Specific training according to the position and needs of Gada collaborators.

In 2022, the total number of hours of training per professional category was:

Total hours of training by professional category

8,935

Administrative personnel

11,992

Technical personnel and middle

737

Management



26

average hours



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 work environment, and we are pleased to be able to offer grants for master's degrees, courses, and other studies.

We also offer specific training in **languages**, such as English, and have a programme in which the organisation, after assessing the position, can bear part of the cost of the language training. In addition, if it is not a necessity of the job, we still offer grants to be able to fund the courses.

Towards Online Training

Following the implementation of our new online training platform in 2021 with our Partner Goodhabit, we have continued to work this year on offering digital training pathways to collaborators at Palex Medical, Lusopalex and Cymit, as interests and needs change and vary depending on the specific moment of time and the work situation. Furthermore, Lusopalex is committed to online training and bases much of its training plan on the online courses offered by Goodhabit.

Examples are the following programmes:

- **Time management and Stress management pathway** aimed at all areas, it offers resources that can be useful in the circumstances that arise in the workplace. Topics such as the importance of mindfulness, time management or decision-making are addressed.
- **Presentations and Communication pathway** aimed at marketing and technical specialists, it offers useful resources to learn how to speak in public in a clear and effective way and to achieve greater engagement of listeners.

- **Sales pathway:** aimed at sales, it provides training for a good business relationship with customers and to improve language and communication with them.

Taking into account changing needs and situations enables us to define new courses to meet these needs and new methods so that we can plan them according to their duration times, in addition to procedures that enable us to follow up on the training plan.

This year we have added new training courses to the catalogue, such as:

- Project management pathway.
- Talent Review online for managers.
- Business English.



Diversity and equal opportunities

Equality and respect are two of the mainstays that build the essential cornerstone represented by people. Palex Medical therefore has an **Equality Plan** with which we fight inequality and harassment.

Our commitments are set out in the Equality Plan and are as follows:

- To ensure an inclusive environment and avoid discrimination on the basis of race, religion, ideology, and nationality.
- To promote and strengthen equality between women and men, in terms of both remuneration and internal culture, with the adaptation in 2021 of the Equality Plan to Royal Decree 901/2020 on equality plans and Royal Decree 902/2020 on equal pay.

- To ensure a working environment that is free from harassment due to sexual orientation.
- To ensure an inclusive form of communication and avoid sexist discrimination.

This Plan extends to all collaborators, including the process of receiving new recruits.

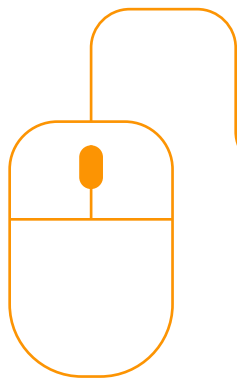
In addition, each year we conduct a diagnosis of the situation to assess the evolution of the different indicators and confirm that they are favourably progressing.

At Palex Medical, we have a **Protocol for the Prevention of Harassment** to deal with any form of violence against the well-being and dignity of people, to fight any type of discrimination or harassment, and to guarantee equal opportunities in recruitment, promotion, and remuneration for everyone in our group; and a Communication Protocol (Use of language: equality criteria) to avoid the sexist use of language.

Inclusion and accessibility

In line with our commitment to equal opportunities, at Palex we are always committed to the inclusion of people with functional diversity. At the end of 2022, there were 11 people with functional diversity of over 33% on the team.

Also, within the commitments of Palex, whenever possible we try to work with special employment centres that generate decent employment for people with functional diversity. For the cleaning staff at Sant Cugat and Cornellà, we have a mixed model with one part contracted to





GELIM, for the supply of office paper we have ILUNION, for the management of vehicles we work with the ONCE foundation, and for the Christmas gifts we work with AMISTAD MONTESOL, an employment foundation, thus promoting inclusion and equal opportunities.

In addition, our central offices are adapted to encourage accessibility for people with functional diversity.

Health & safety of the team

People are one of the most important cornerstones of our ESG commitment, which is why we at Palex take care of our team and prioritise their health and safety. We have mechanisms in place to ensure a safe, healthy working environment in order to minimise any risk to people. All of this is set out in an **Occupational Risk Prevention Plan**, which includes a self-protection plan and an analysis of the generic risks at Palex.

In addition, the Occupational Risk Department launched a project in 2022 for the implementation of an in-house Occupational Risk Prevention Plan, and started drawing up and drafting protocols, processes, and procedures to address the risks arising from our everyday activity. Training on emergencies, such as fires, evacuations, etc., has also been provided, and posts and responsibilities have been designated at the different sites to act in the event of an emergency.

In 2022, the total number of hours of absenteeism stood at 55,010 hours, considering occupational accidents (including those on the way to and from work), common contingencies and professional illnesses, compared with 42,000 hours the previous year. This increase was due to the integration of new companies into the Group.

Every year, all staff are offered a medical examination and the option to get a flu shot. We have defibrillators at all sites and provide regular training on their use, as well as first aid.

Physiotherapy service

This year, we were able to restart actions to improve the health of our collaborators after a period in which most of the physical activities came to a standstill due to the extraordinary situation of the pandemic.

We started working with a new partner, FisioReact, with which we offer 45-minute physiotherapy sessions to all collaborators requiring as such. These sessions are held during the working day in a room equipped with the necessary material, at a low price for collaborators wishing to benefit from this service. In addition, due to its success at the central offices in Sant Cugat, the service has been extended to the Cornellà and Alcobendas sites.

Palex BE HEALTHY!

BE HEALTHY is a health programme that has been tailored to suit Palex Medical, taking into account the needs and proposals offered by collaborators through an individual questionnaire on health habits and the results of medical examinations that were anonymised and grouped together in the epidemiological report sent to us by the occupational health insurer to provide information on the main issues to be monitored. With all this and with the help of MERHS (a consultancy with which we started the programme), we have reached a good diagnosis and have been able to start working on new proposals as of 2023, with a 3-year plan of different activities.



Mobility plan

To ensure the well-being, safety and health of the people working in our organisation, as well as informing them and making them aware of the risk factors that can cause accidents, we have a Mobility Plan in place with which we report responsible measures related to road safety. A new mobility survey was held on collaborators in 2022 (72% participation), the responses from which will be used to develop a new plan and initiatives adapted to any new needs that may arise.

In addition, we consider it very important to reflect on the environmental impact of using certain means of transport, as well as to promote the use of more sustainable transport and other actions that reduce CO2 emissions, as well as car sharing.

Our stakeholders also include workers who do not belong to our organisation but who are engaged with and provide value to our operations. We are highly aware of the importance of their work and ensure that, either directly or through the companies to which they belong, they are provided with optimum conditions to do their jobs.

Among them are our external sales representatives, who are spread throughout all the countries in which we operate. We currently have 116 who are engaged in the sale and promotion of our products. We have a sales contract either directly with the representatives or with the distribution company.

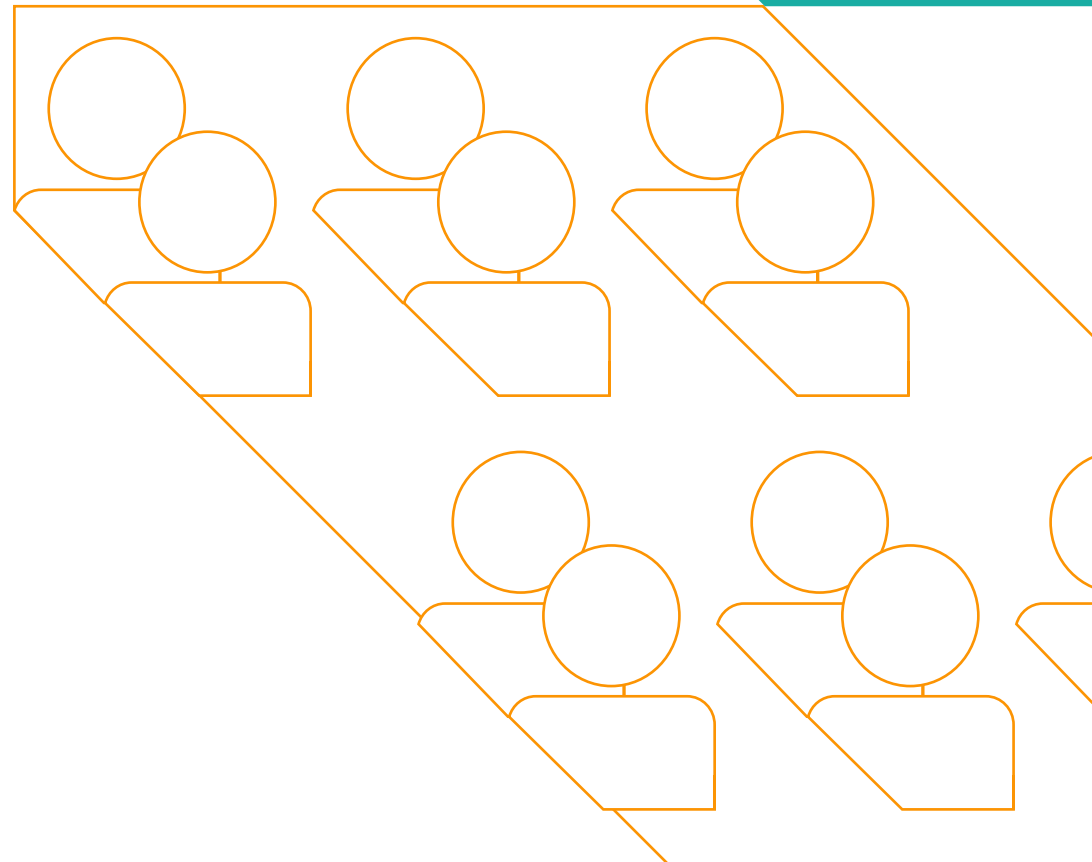
³ We also consider 2 members of the senior management at GADA who are not part of the workforce to be external personnel. In total, 118 people are considered external workers.

Promoting human rights

Human rights are fundamental to achieving sustainable development that leaves no one behind and are essential in its three areas: social, economic and environmental. The protection of these rights is a cross-cutting issue that extends to all areas of the Palex business

As a result of this commitment, we have various policies and measures which, in addition to guiding the conduct of the people in our organisation, enable us to protect and respect human rights.

- **Equality plan**, the purpose of which is to eliminate any type of discrimination and guarantee equal opportunities in recruitment, promotion, and remuneration for all members of our group.
- **Harassment protocol**, which aims to maintain a working environment free of any conduct that might be considered harassment or intimidation, promoting measures to prevent such conduct.
- Implementing **work-life balance plans** aimed equally at women and men, and offering measures such as continuous shifts at certain times of the year, flexible working hours or teleworking.
- Offering early childhood **development services** for the children of employees or others with limited educational opportunities in the local community
- Including in the company's human rights strategy the **right to privacy**, emphasising the fact that the information and data collected in the





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

company on employees, business partners or customers is treated with respect and in line with the law

- Measures implemented to ensure **occupational health**, creating working environments that guarantee the physical and emotional well-being of our team. Work started this year on the implementation of a management system to lay the foundations for the notarisation of occupational risk prevention.
- Existence of mechanisms for **trade union representation** and collective bargaining.
- Implementation of the **Purchasing Policy** and code of ethics for suppliers

In addition, we ensure our commitment towards human rights through compliance with local law in the different countries in which we are located.

Through all this, we are working to strengthen our alignment with the **Ten Principles of the Global Compact** of the United Nations declaration, as well as with the **Universal Declaration of Human Rights**.

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



Anticipating customer and patient needs

Our customers, users, and patients

Our portfolio of customers consists primarily of: public hospitals and primary care centres, private clinics, health insurers, laboratories, research centres, and the food industry.

As a result of our commitment to offering the best hospital solutions and products in line with the type of customer with which we work, whether public or private, and the nature of the products and equipment we offer them, the sales methods we operate are distinguished as follows:

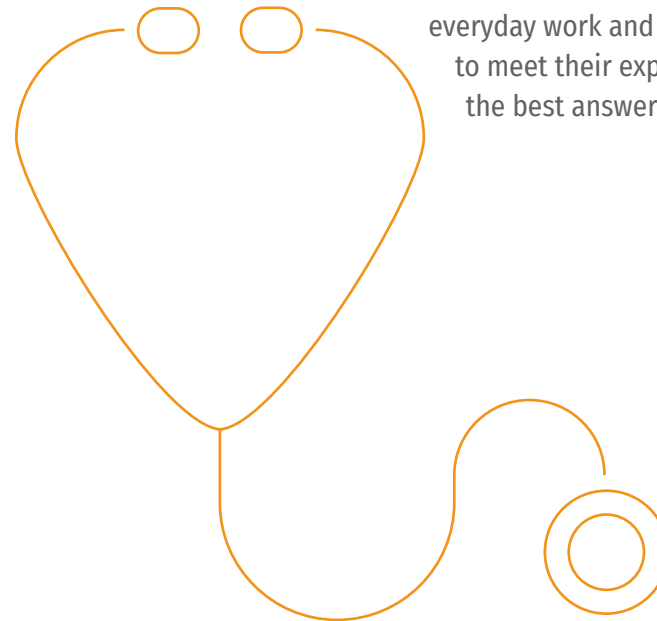
- Public tenders through more than 120 procurement platforms.
- Direct purchase.
- Leasing / Renting.

In Spain, our main market, the characteristics of its health system are that it is universal, direct, and provided as a free service. As a result, 79% of our revenues in 2022 come from public customers, making the health authorities from the 17 autonomous communities key players for Palex Medical.

In addition, we care deeply about the needs and opinions of **healthcare personnel and researchers in the medical community**, as it is they who use our products and systems directly.

We also direct much of our efforts to safeguarding the health and well-being of **patients**, who are the end users of many of our products and equipment.

Considering that both groups make up a very significant part of our stakeholders, at Palex we open up channels and forms of communication with them to ensure that, through our everyday work and activity, we are able to meet their expectations and offer the best answers to their needs.





Satisfaction and trust

We have a broad understanding of the market and have always worked very closely with physicians and other healthcare professionals, which enables us to identify their arising needs more easily and, therefore, find the products or solutions that best meet these needs.

Customer service

Our aim is to address and respond to the needs of our customers, and we have tools and mechanisms available for this purpose through our **Customer Service Centres (CSCs)** to address the singularities of each sector, customer, and geographical area.

Our core customer service centre is organised into four main areas:

- **Hospital CSC:** which includes the cardiovascular surgery, intervention, endo-pelvic floor, MIS, cardiology and respiratory medicine, nephrology, clinical control, endoscopy, coverage, Bemascé, and CRRT dialysis units.
- **Diagnostic-Laboratory CSC:** which includes the Transplant and NGS, in vitro diagnostics, Preanalytics, and Laboratory units.
- **Specialities CSC:** which includes the Oncology, Radiotherapy, Neuroscience, Home Haemodialysis, and Home Enteral Nutrition units, and the company Adacyte
- **Orthopaedics CSC.**

Each of these teams is divided into regions to ensure that customers in a given area are always taken care of by the same contact, thus strengthening the relationship and creating links based on trust and experience.

The Specialities CSC team is not only in contact with customers but also with patients of home haemodialysis, attending to their needs and managing the delivery of material wherever necessary.

We also have a specialist **Orthopaedics and Engineering CSC** which, due to the nature of the products and associated processes, is completely independent from the above.

Lusopalex, Cymit, GADA, and Wacrees also have their own customer service to handle queries and complaints specific to their products and sectors. In the case of Lusopalex, the orthopaedic unit is managed jointly with the Palex Medical Orthopaedics CSC.

Throughout 2022, we received a total of 167 customer queries and complaints, which we strive to manage and respond to as quickly as possible. This is a significant increase compared with last year, mainly due to the incorporation of new companies into the Group.

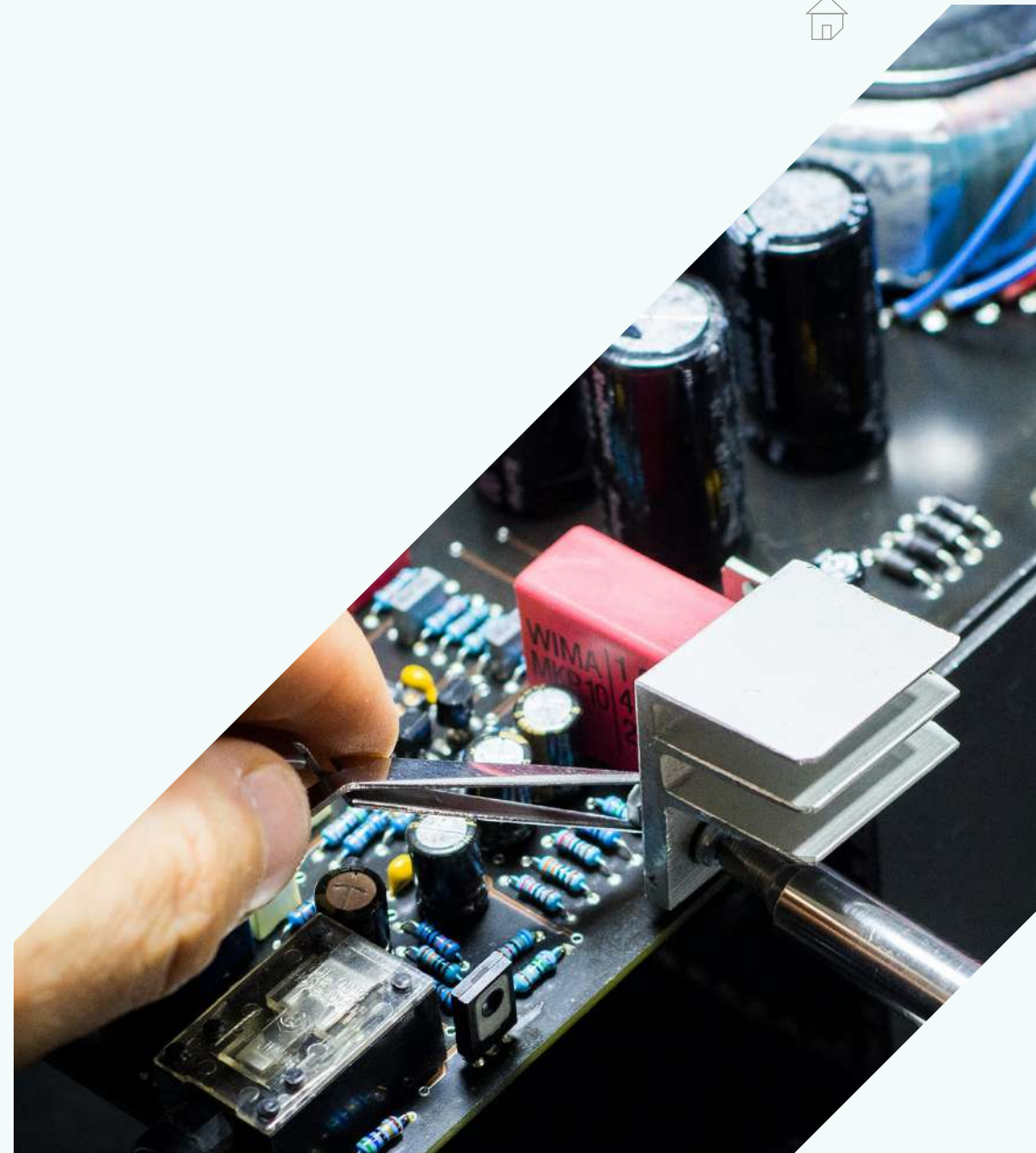


Technical and training support

We have a large team of **officially certified technicians** who have completed training with the suppliers of the medical devices in question, spread throughout the region in which we operate and who travel, as needed. They also have workshops to carry out repairs.

Moreover, in addition to technical support, we also provide our customers and healthcare professionals with the necessary knowledge for the use of products and equipment through **technical training**.

Several units of the company, such as Orthopaedic Surgery, Nephrology or Cardiac Surgery, have product specialists that support users for as long as necessary in the correct use of these materials or instrumentation. In addition, in the IVD-Laboratory Area, the units also have applications specialists with a very high level of technical training. They initially train customers on how the equipment works and then provide support in any situation that is required regarding the use of the equipment.





Investing in the community

High-impact products and solutions

We want to continue adding value to society, which forms the foundations of our commitment to people, by offering advanced hospital solutions through our commercial divisions, which improve people's quality of life, creating a positive impact on their health. To this end, **we are committed to technological innovation** and are constantly evolving towards more efficient and sustainable health practices.

Berlin heart paediatric

At Palex Medical, for the past 17 years we have been offering our customers a system to provide a solution for patients waiting for a heart transplant. The Excor System is the only support for children, even newborn infants, that manages to keep the patient in optimal condition, from days to years, so that they can receive their transplant.

This system is made up of different equipment, depending on the age of the patient, all controlled by a new Active console developed in 2022 to ensure perfect haemodynamics, the precise monitoring of parameters, and patient mobility both inside and outside the Hospital, thus ensuring:

1. Patient stability
2. Improved patient quality of life thanks to the new console.
3. Preservation of the different organs, thanks to the pulsatility of the system.
4. Selection of the optimal donor organ.
5. Lower incidence of donor organ rejection.
6. Reduction in problems for post-transplant patients



Stent ureteral

Urethral stenosis is a narrowing in the lumen of the urethra that restricts the flow of urine and semen. Patients with untreated urethral stenosis may suffer serious health complications, such as recurrent urinary tract infections, gallstones, sepsis, infertility, and even kidney failure. In addition, these patients experience a decrease in their quality of life, with significant effects on their work, social, and sex life.

Current minimally-invasive treatments for stenosis are uncomfortable and often ineffective, leading to their recurrence which decreases their success rate.

The drug-eluting balloon that Palex Medical offers is an effective alternative that provides a minimally-invasive solution for urethral stenosis. It is a small cylindrical balloon coated with an antiproliferative drug, designed to open up the narrowness or stenosis and simultaneously apply the drug Paclitaxel to the urethral wall.

This medication inhibits the growth of scar tissue that causes traditional treatments such as dilation or internal urethromia to fail.

Inhibition of scar tissue allows the permeability of the urethra to be maintained for longer, resulting in a clear reduction in symptoms and a substantial improvement in quality of life.

The drug-eluting balloon has a clinical study programme demonstrating its safety and efficacy.



NGS

The term NGS, freely translated as Next-Generation Sequencing, includes a set of technologies designed for analysis with the highest accuracy of the linear sequence of DNA. Analytical tests with this NGS technology have been a complete revolution in the study of the human genome, as they provide full knowledge of the composition of our genetic material within a few hours and at a cost that can be borne by the health system. Its application has allowed for the unusually rapid identification of new genes or genetic variants (mutations), the postnatal and prenatal diagnosis of genetic diseases, the characterisation of the type of cancer of a patient, and the use of targeted therapies for their personalised treatment or the unquestionable identification of donor/recipient compatibility in bone marrow transplant processes, among many other applications.

The cross-cutting clinical approach of this technology is therefore adapted to multiple areas of hospital laboratories: oncology, genetics, microbiology, haematology, in which it has been shown that NGS is not only a cost-effective technology but also improves patient survival and quality of life, saves resources in the system, and reduces the adverse effects linked to non-targeted therapies that may be useless or even harmful to patients, leading to readmissions to hospital and other complications derived from conventional therapies.

At Palex Medical, we offer the adoption of this technology which requires the establishing of a full solution that includes automation equipment, reagents for bioinformatics testing and analysis.



Gada-EPS comprehensive custom solutions

Specialising in comprehensive healthcare solutions with extensive experience in clinical services, EPS offers custom, state-of-the-art, scalable, and flexible solutions that are tailored to customer needs and contribute towards a better and more efficient management of cath labs, operating theatres, and wards.

EPS services include the outsourcing of clinical staff, the management of material and equipment, the optimisation of logistical flows and hospital processes, telemedicine, and many other services to improve and better organise the activity of health centres. For decades, EPS has been engaged in the shaping and development of a full range of perfusion services: from choice of the best medical devices to the optimisation of procedures and techniques and the training of specialist personnel. A complete, adaptable model designed to support medical staff in their everyday activities.

EPS currently operates in 20 accounts across the country.

In 2022, EPS won a tender for the full management of the cardiac surgery department at Palermo's P. Giaccone University Hospital for over 7 years. The award includes personnel, medical equipment and furniture, and medical devices, and is a unique service model in the entire country.



Associations and foundations with which we collaborate

We believe that, by adding our efforts to the projects of organisations in our labour and social spheres, we can have a more efficient impact. We therefore promote initiatives by institutions with which we share values and goals in order to contribute to the development of a more equal and sustainable society that also responds to the UN 2030 Agenda and the guiding principles of Human Rights with which we are fully aligned.

To this end, we collaborate with different non-profit organisations and foundations, and promote different activities, advocating for the generation of a positive impact on society.

At Palex, we collaborate with Metech Europe, an organisation that aims to make innovative medical technology available to more people while also helping health systems move towards a more sustainable path through the associations in each country in which we operate, such as **Fenin in Spain or Confidustria Dispositivi Medici in Italy**. We have been working jointly with the latter to produce two national guides: Post-marketing surveillance and Monitoring for medical devices and in vitro diagnostic products.

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

We also collaborate with the **FEFOC Cancer Foundation**, which implements projects to fight breast and prostate cancer. In addition to the contributions we make to support these projects, we are also involved in joint activities, such as writing articles in their monthly magazine, creating awareness videos, and participating in congresses such as Europe UOMO (annual European Urology Congress).

Along these lines, the different business units in each of the countries in which we are present have formed new alliances, fostering partnerships and carrying out initiatives that have a positive impact on society. We have collaborated and actively participated in associations and foundations, such as **CARDIODREAMS** for cardiac surgery for patients without financial resources from developing countries, **NEONATAL CARE ACADEMY** which also serves as an international training platform for clinicians and nurses from around the world, and FCHP Foundation for pulmonary hypertension.

We are also close to societies such as the SECCE (Spanish Society of Cardiovascular and Endovascular Surgery), SACCV (Andalusian Society of Heart Surgery) or the SCCC (Catalan Society of Heart Surgery).

We also **collaborate** with foundations, hospitals and universities aimed at **scientific research**, areas to which we also contribute. We want to be the drivers of innovation and do our bit to contribute to this development, promoting the health and well-being of the community.

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



Actions and activities promoted

Blood donation marathon

In November 2022, we held the first blood marathon in collaboration with the Banc de Sang at our facilities in Sant Cugat. 24% of the employees working at this site took part in the event, so we can consider it a success. A total of 84 patients were able to benefit from our donations.

Collaborations with African NGOs

This year, we collaborated with the Instituto do Coração de Maputo in Mozambique, with a donation of medical material from the NGO Cadeia da Esperança through Dr

Manuel de Jesus Antunes. Cadeia da Esperança Portugal is a non-governmental organisation committed to helping Portuguese-speaking African countries in the area of health, especially in medical and surgical cardiology.

I Tennis Foundation

We support sports training for the most disadvantaged classes, in collaboration with the I Tennis Foundation. Located in Turin, this organisation offers teenagers tennis training as well as educational training that form the basis for pursuing an academic and professional career.

Transplant run

In November, we sponsored and participated in this charity sports party that consisted of a timed race to join forces in favour of transplant patients, thus giving them visibility. Together with patients on the transplant waiting list, transplant patients, friends, caregivers, amateur





and professional runners, family members and even pets, participants were able to choose whether to do the five-kilometre or one-kilometre circular route.

Difference Project

This 2022, we also contributed to the SDG 4 Quality education by continuing to strive to make a positive impact on the local community in which we operate. Specifically, this year we supported the Ricardo Fisas Foundation by sponsoring the Dolors Almeda school in Cornellà, which supports children with learning differences such as dyslexia, ADHD or those with exceptional abilities. It therefore promotes an inclusive school by training teachers to provide an agile and useful tool for early detection and educational intervention. Through this action, we promote an inclusive school where all pupils in the community have the opportunity to learn together in the same environment, regardless of their personal, socio-economic or cultural characteristics.

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

Other projects promoted

Palex Further we go! challenge

In 2022, we held the first Palex Further we go! challenge in which all collaborators were encouraged to take part, on a voluntary basis, in adding up the number of kilometres they covered when doing different sports (running, swimming, cycling, etc.) to sponsor the installation of a new, more comfortable waiting room for patients at Hospital del Mar. Thanks to everyone's efforts, a total of 3,278.77km were covered.

Financial value generated and distributed

Committed to a transparent and truthful tax policy, the results of our tax obligations (expressed in thousands of euros) are given below.

Financial value generated and distributed

2020			2021	
	Profits earned	Income taxes paid	Profits earned	Income taxes paid
Spain	(10,835)	2,984	(15,777)	2,498
Portugal	808	(432)	(1,194)	473
Italy	-	-	(5,680)	3,459
Sweden	-	-	21	4
TOTAL	(10,027)	2,552	(22,630)	6,434



Communication and transparency

Stakeholders

Our stakeholders are an essential part of Palex as an organisation, as we understand that it is necessary to integrate all of them into our management model in order to achieve sustainable corporate development and to meet their needs. This also allows us to create value together.

Internal

Collaborators

- Personnel
- Works Council
- Management Bodies

Shareholders

Other group companies

- GADA
- Lusopalex
- Adacyte
- Cymit
- Wacrees
- MTW

External

Public and private customers

- Hospitals
- Clinics
- Laboratories

- Research centres
- Mutual health insurers
- Food industry

Patients

- End-user customers of distributed products

Healthcare personnel

- Healthcare professionals
- Medical community
- Researchers

Product suppliers

- MedTech product manufacturers / suppliers

Service providers

- Carriers
- Service providers

Regulatory bodies

- Certifying bodies

Public authorities

- Public bodies
- Agencies (regulatory bodies)

Financial institutions and investors

- Banks
- Investors

Industry associations

- Industry organisations (Fenin)
- Patient associations
- Other entities

External workers

Indirect

Company

- Academic institutions
- Healthcare companies
- Foundations
- Local community
- Environment

External talent

- Labour market
- Talent fairs

Media

Competition



We strive to achieve this on a daily basis, and we consider it essential to identify these groups and understand their expectations in order to constantly improve our relationship with them, either directly or indirectly.

In addition, to ensure a good relationship with stakeholders that is based on trust and transparency, we have established **effective channels of communication** to foster long-term relationships.

We strive to make this communications channel **active, continuous, and two-way**. This ensures an honest and open dialogue to better understand the concerns of our stakeholders and be able to meet their needs.

To strengthen our commitment to the different stakeholders, we have defined the main channels of communication with them, through which we foster strong ties.

Main communication channels defined





Solutions

Communication and training on anti-corruption policies and procedures

	2020	2021	2022
	Total Hours	Total Hours	Total Hours
Management	13	21	28
Technical personnel and middle management	86	177	213
Administrative personnel and other employees	115	154	183
TOTAL	214	352	424

Complaints and claims⁴

	2020		2021		2022	
	Received	Resolved	Received	Resolved	Received	Resolved
Palex Medical, Lusopalex, Adacyte	89	65	63	31	85	44
Cymit	27	27	32	30	31	30
Bemascé	3	0	0	0	51	41
TOTAL	119	92	95	61	167	115

People

Workforce at year end by gender, age, and professional category

		Management		Technical personnel and middle management		Administrative personnel and other employees	
		2021	2022	2021	2022	2021	2022
Under 30	Men	0	0	19	32	11	14
	Women	0	0	13	22	19	31
30-50	Men	8	9	81	120	71	91
	Women	5	5	60	90	123	164
Over 50	Men	14	15	73	82	43	55
	Women	5	8	25	29	41	63
TOTAL		32	37	271	375	308	418

⁴ For Palex Medical, Lusopalex, Gada and Adacyte these are product claims. For Cymit they are claims for the wrong product or products in poor condition, and logistical issues.

⁵ The scope of the companies forming part of the reporting company has been extended in the table shown.



Workforce at year end by country

	2020	2021	2022
	Total number of personnel	Total number of personnel	Total number of personnel
Spain	490	553	592
Portugal	49	54	60
France	3	3	3
Sweden	1	1	1
Italy	-	-	174
TOTAL	543	611	830

Personnel by type of contract, by gender, age, and professional category

	2020		2021		2022	
	Permanent contract	Temporary contract	Permanent contract	Temporary contract	Permanent contract	Temporary contract
Women	255	4	285	6	399	13
Hombres	282	2	318	2	408	10
TOTAL	537	6	603	8	807	23
Under 30	55	3	76	3	86	9
30-50	304	3	349	5	474	9
Over 50	178	-	178	0	247	5
TOTAL	537	6	603	8	807	23
Management	28	-	32	-	37	0
Technical personnel and middle management	240	1	270	1	367	8
Administrative personnel and other employees	269	5	301	7	403	15
TOTAL	537	6	603	8	807	23



Personnel by type of working day, by gender, age, and professional category

	2020		2021		2022	
	Full time	Part time	Full time	Part time	Full time	Part time
Women	255	4	284	7	393	19
Men	282	2	316	4	415	3
TOTAL	537	6	600	11	808	22
Under 30	57	1	77	2	97	2
30-50	304	3	347	7	471	8
Over 50	176	2	176	2	240	12
TOTAL	537	6	600	11	808	22
Management	27	1	31	1	36	1
Technical personnel and middle management	239	2	264	7	371	4
Administrative personnel and other employees	271	3	305	3	401	17
TOTAL	537	6	600	11	808	22



Number of dismissals by gender, age, and professional category

	Number of dismissals	Number of dismissals
Women	18	22
Men	22	28
TOTAL	40	50
Under 30	1	3
30-50	24	29
Over 50	15	18
TOTAL	40	50
Management	1	11
Technical personnel and middle management	7	12
Administrative personnel and other employees	32	27
TOTAL	40	50

People promoted internally, by gender and professional category

	2021			2022		
	Men	Women	Total	Men	Women	Total
Management	1	2	3	2	1	3
Technical personnel and middle management	8	10	18	11	18	29
Administrative personnel and other employees	-	-	-	-	5	5
TOTAL	9	12	21	13	24	37
% of total promotions	42.86%	57.14%	100%	35.14%	64.86%	100%

Seniority of workforce at year end by gender

	2021			2022		
	Men	Women	Total	Men	Women	Total
Less than 1 year	62	59	121	78	81	159
1-2 years	58	57	115	62	75	137
3-5 years	53	63	116	84	93	177
6-10 years	31	26	57	47	41	88
11-20 years	64	57	121	81	80	161
21-30 years	36	15	53	48	27	74
Over 30 years	16	14	28	18	15	33
TOTAL	320	291	611	418	412	830



Seniority of the workforce at year end by professional category

Management			Technical personnel and middle management		Administrative personnel and other employees		Total	
	2021	2022	2021	2022	2021	2022	2021	2022
Less than 1 year	3	0	43	71	75	88	121	159
1-2 years	4	3	50	64	61	70	115	137
3-5 years	3	6	47	69	66	102	116	177
6-10 years	4	3	28	42	25	43	57	88
11-20 years	11	15	51	70	59	77	121	162
21-30 years	4	7	36	43	13	24	51	74
Over 30 years	3	3	16	16	9	14	30	33
TOTAL	32	37	271	375	271	418	611	830

Average remuneration by gender, age, and professional category⁶

	2021	2022
	Average remuneration	Average remuneration
Women	35,497	35,603
Men	44,087	44,545
Under 30	27,977	27,409
30-50	37,409	37,099
Over 50	50,595	50,837
Management	88,845	102,684
Technical personnel and middle management	44,221	43,683
Administrative personnel and other employee	32,567	31,513

During FY 2022 and 2021, the members of the Group's Board of Directors accrued remuneration amounting to a total of 100 and 2 thousand euros, respectively.

⁶ Average remunerations have been calculated by taking the workforce at the closing date and annualising salaries. The basic salary reflected in the December payroll, the seniority supplement, the personal supplement, the bonus per job position, the non-competition clause, the aid for temporary disability, and the quarterly bonus per job position have all been taken into account.



Gender pay gap⁸

	Management		Technical personnel and middle management		Administrative personnel and other employees	
	2021	2022	2021	2022	2021	2022
Average remuneration for men	127,658	104,846	45,939	45,911	34,642	33,879
Average remuneration for women	109,799	98,859	39,117	39,991	29,702	30,017
Gender pay gap	14%	6%	15%	13%	14%	11%

The average gender pay gap for FY 2022 was 10%

Remuneration for equal or average jobs in the company^{10, 11}

	Starting salary	Local minimum wage	2021 Ratio	2022 Ratio
Spain	17,216	14,000	1.27	1.23
Portugal	12,600	9,870	1.26	1.28
Italy	21,926	21,154	-	1.04

7 Remuneration is not broken down by gender, as there is only one woman on the board of directors, and data protection means that it is not possible to report this information.

8 The gender pay gap formula used was: average male pay less average female pay divided by average male pay for each professional category.

9 The total gender pay gap was calculated using the arithmetic mean of the gender pay gaps by job type, without considering the weighting of each category on the total workforce.

10 The source of the local minimum wages in Spain and Portugal has been the SMI and, for Italy, the minimum wage set by the applicable Collective Agreement for the most representative professional category of the workforce.

11 This does not include France or Sweden, as the low number of employees does not allow for a statistics on a starting salary.



Hours of training by professional category and average hours

	2020	2021	2022
	Total Hours	Total Hours	Total Hours
Management	654	394	737
Technical personnel and middle management	7,367	6,913	11,992
Administrative personnel and other employees	7,474	8,930	8,935
Average hours of training	28.54	26.5	26

Percentage of personnel represented on joint health & safety committees

	2020	2021	2022
	Health & Safety Committees	Health & Safety Committees	Health & Safety Committees
Number of Health & Safety Committees	1	1	2
People included	8	8	536
Total workforce	543	611	830
% of total workforce	1.47%	1.30%	0.65%

Accidents at work in 2022 (including on the way to and from work and Covid-19)

	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
Number of occupational accidents involving sick leave	14	23	22	31	3	1
Number of days lost as a result	517	366	420	446	124	7
Number of actual hours worked by employees	454,286	498,136	517,430	568,296	633,296	663,786
Frequency index ¹²	30.82	46.17	42.52	54.55	4.74	1.50
Severity index ¹³	1.14	0.73	0.81	0.78	0.20	0.01

12 F.I. = (No. accidents / No. hours worked) x 10⁶

13 S.I. = (No. of days lost or not worked / No. of hours worked) x 1000



Preservation

Energy consumption within the organisation

	2020	2021	2021
	Energy consumption	Energy consumption	Energy consumption
Electricity consumption (kWh)	567,346	724,297	878,463
Percentage of kWh/turnover	0.0018	0.0026	0.0026
Fuel consumption (l)	420,647	554,288	689,149
Percentage of l/turnover	0.0014	0.0020	0.0020

Carbon footprint by scope

	2020	2021	2022
	Carbon footprint	Carbon footprint	Carbon footprint
Scope 1 (t CO2 eq)	1,033.1	1,362.8	1,692.34
Percentage of kg CO2/turnover	0.0033	0.0049	0.0050
Scope 2 (t CO2 eq)	125.7	178.8	72.57
Percentage of kg CO2/turnover	0.0004	0.0006	0.0004



Weight of hazardous waste broken down by type of treatment¹⁴

			2020	2021	2022
	Treatment	Location	Kg managed	Kg managed	Kg managed
Hazardous chemical liquids	Collection and transfer centre	Cornellà Warehouse	4,400	12,020	847
		Sant Cugat Central Offices	5	-	20
		Lusopalex	-	2,582	831
Hazardous chemicals	Collection and transfer centre	Cornellà Warehouse	-	-	750
		Other Warehouses	-	-	460
		Customer	-	-	110
Biological waste, blood and blood products	Collection and transfer centre	Cornellà Warehouse	-	-	202
		Sant Cugat Central Offices	-	-	17
Fluorescent tubes	Metal recycling	Sant Cugat Central Offices	11	9	57
		Cornellà Warehouse	-	30	67
Batteries	Metal recycling	Sant Cugat Central Offices	5	7	8
		Bemascé	2	2	-
		Cornellà Warehouse	-	235	368
WEEE (Waste electrical and electronic equipment)	Collection and transfer centre	Sant Cugat Central Offices	-	-	1,002
		Cornellà Warehouse	-	-	55
Toner	Recycling of organic substances	Sant Cugat Central Offices	94	73	50
		Bemascé	25	-	-
		Lusopalex	-	103.5	-

¹⁴ In the report on hazardous waste managed, a breakdown of the chemicals was considered necessary in 2022, adding the categories of hazardous chemicals and biological waste, blood and blood products, which is why there is no data from previous years.



Weight of non-hazardous waste broken down by type of treatment

			2020	2021	2022
	Treatment	Location	Kg managed	Kg managed	Kg managed
Ordinary	Collection and transfer centre	Cornellà Warehouse	23,640	19,600	21,429
		Other Warehouses	7,720	20,000	15,440
		Sant Cugat Central Offices	-	-	18.200
	Disposal	Lusopalex	110	-	205
Paper and cardboard	Recycling	Cornellà Warehouse	18,200	17,790	16,620
		Sant Cugat Central Offices	2,160	5,986	3,346
		Alcobendas	-	240	500
		Bemascé	10	-	-
		Gada	-	-	3,460
		Other Warehouses	-	-	1,460
	Disposal	Lusopalex	200	4,000	-
Plastic	Recycling	Cornellà Warehouse	14,300	14,000	14,040
		Gada	-	-	3,670
WEEE (Waste electrical and electronic equipment)	Collection and transfer centre	Cornellà Warehouse	7,210	2,008	867
		Sant Cugat Central Offices	-	-	971
		Gada	-	-	3,480
		Other Warehouses	-	-	15
		Lusopalex	-	312.5	4,779
		Customer	-	-	417
Wood	Recycling and reuse	Cornellà Warehouse	4,360	1,761	2,040



Medical equipment	Disposal (equivalent to urban waste)	Sant Cugat Central Offices	1,650	0.722	0.419
		Gada	-	-	1,340
		Other Warehouses	-	-	6,873
		Bemascé	25	-	-
		Lusopalex	-	103.5	-
	Disposal	Lusopalex	20	-	-
Non-hazardous chemicals	Collection and transfer centre	Gada	-	-	880
		Other Warehouses	-	-	452
Metals	Metal recycling	Lusopalex	-	-	137

Fundamentals of the Report

The background features several white geometric lines on a gray field. A horizontal line spans the width of the slide, intersected by a vertical line. From the top of the vertical line, a diagonal line extends towards the top right corner. From the bottom of the vertical line, a diagonal line extends towards the bottom left corner. Additionally, a diagonal line enters from the left edge and meets the horizontal line.



Materiality analysis

As is the case every year, one of the key aspects on which we base our report is the materiality study. To ensure an updated response to the expectations of our stakeholders, this year we have studied the material topics again together.

Through this analysis, we ensure that our sustainable strategy adapts to a changing environment both internally and externally.

We are therefore objectively able to guide our strategy, taking into account the main challenges, opportunities, needs, and trends of the moment.

In performing this analysis, we have taken into account the internationally recognised principles of the United Nations, the new GRI and SASB standards or the recommendations of TCFD (Task Force on Climate Related Financial Disclosure).

New to this year, we have incorporated two important aspects. The first is information on the Italian market, and the second is the inclusion of the results of a direct survey on our most relevant customers in which topics such as safe products and regulatory compliance, ethical business practice, responsible innovation, health & safety, and the efficient use of resources were highlighted..

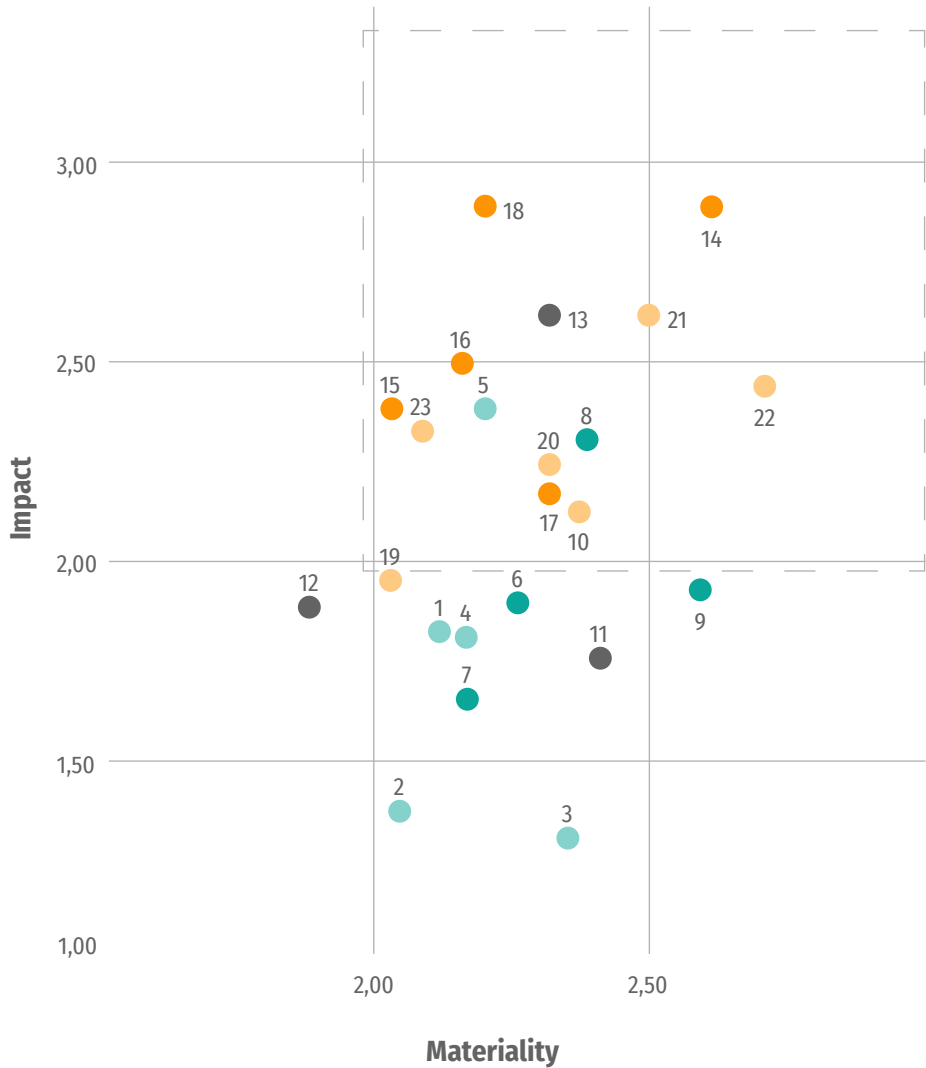
One of the foundations on which this Report is based is on meeting the needs and expectations of our stakeholders. Therefore, in order to identify and prioritise the main relevant topics, we have updated our **materiality analysis**.

Thanks to this update, we have calibrated our materiality to ensure it is in line with our ESG strategy and the key challenges, opportunities, needs, and trends of the environment. This has considered an internal and an external outlook of the results.

The materiality analysis is provided below, which shows how the importance of material topics such as climate change, safe products or talent attraction and development has been established; or new topics such as long-term customer and user relationships or the responsible supply chain have emerged.



Results of the 2022 materiality analysis



Material topics

- 18 Responsible innovation
- 13 Access to advanced hospital solutions
- 21 Ethical business practices
- 14 Safe products and regulatory compliance
- 15 Long-term relationships with customers and users
- 23 Information security
- 16 Long-term supplier relationships
- 5 Climate change
- 17 Responsible supply chain
- 10 Collaboration with the community
- 8 Talent attraction and development
- 22 Communication and transparency
- 20 Compliance

Other topics

- 12 Human Rights
- 19 Good business practices
- 1 Energy consumption management
- 2 Water consumption management
- 4 Circular economy and waste management
- 7 Promoting well-being in the team
- 6 Equality, diversity and inclusion
- 11 Fostering of employment
- 3 Material consumption management
- 9 Health & safety of the team

- Society
- Person
- Government
- Environnement
- Product and service management



Given the importance of the issues resulting from our materiality analysis, our approach to each one is set out below, along with the page of the report on which it was covered.

p. 34 Responsible innovation

Innovation is one of the cornerstones on which our business is based, enabling us to meet the needs of our customers and provide advanced hospital solutions to the sector.

p. 35 Access to advanced hospital solutions

We are committed to providing advanced products and solutions that promote the health and well-being of society, as well as technological innovations that advance towards more efficient and sustainable health practices.

p. 45 Ethical business practices

We are always guided by strict ethical criteria, which encourage comprehensive and responsible conduct within the organisation based on best practice in this area.

p. 36 Safe products and regulatory compliance

We work with the highest-quality criteria to ensure all our products have the necessary certifications and documentation and are safe for our customers and patients.

p. 74 Long-term relationships with customers and users

We are convinced that working with customers and users over the long term is the only thing that guarantees the long-term sustainable growth of companies.

p. 47 Information security

We have a firm commitment to information security. This leads us to promote a sound, diligent security model throughout our value chain.

p. 40 Long-term supplier relationships

We collaborate with high-level manufacturers in the industry, who we see as partners with whom we work together to create value and bring the best solutions to the marketplace. To this end, it is important to establish long-term ties based on trust. We ensure our supply chain is held accountable, ensuring the integrity and ethics of all those involved in our value chain, with quality and sustainable management.

**p. 57 Climate change**

Our environmental policy leads us to work on improving our carbon footprint, seeking greater energy efficiency and striving to reduce fuel consumption, both by optimising transport routes and by improving the efficiency of our vehicle fleet.

p. 40 Responsible supply chain

We promote responsible supply chain management, especially in environmental, social and good governance matters, ensuring, among others, ethical behaviour and human and labour rights, transparency, respect for the interests of stakeholders, and respect for the principle of legality and international standards of behaviour.

p. 76 Collaboration with the community

Our raison d'être means we play an intrinsic role in society by improving their well-being. We are also committed to improving the conditions of the local community in which we operate with the aim of a fairer, more equal and sustainable society.

p. 65 Talent attraction and development

People are the key to our development, and we therefore seek to create spaces in which they can grow and develop professionally and personally, thus leading to teams full of talent and engagement.

p. 83 Communication and transparency

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

p. 45 Compliance

We are working on a compliance model that enables us to identify key organisational risks and adapt to the agility of regulatory changes. We therefore have mechanisms in place to be able to prevent, detect, and react quickly to any situation that may jeopardise the organisation.



About this report

This report includes non-financial information on Chacrim Directorship, S.L. and the companies that form part of it: Palex Medical S.A.U., Lusopalex Lda., Adacyte Therapeutics S.L., Adacyte Therapeutics Sweden, Cymit Química S.L., Wacrees, S.A., Gada, S.p.A, Gada Italia SpA, Evoluzione, S.R.L., EPS, S.p.A., Gadamed, S.R.L., Silhos S.R.L., and Medicina Técnica Werkstatte Ibérica, S.L.

Through this document, the organisation responds for the third consecutive year to the requirements of non-financial information and diversity set out in Law 11/2018 of 29 December. Information is provided regarding the following areas: general, environmental, personnel, social, human rights, and the fight against corruption and bribery. The policies and actions promoted have been described for each one, as well as the risks arising from the development of the activity.

In terms of its preparation, this report has been drawn up based on the GRI Global Sustainability Reporting Initiative in its “GRI Standards” version, and its core option. Traceability can be found in the GRI Table of contents section.

In order to comply with the Non-Financial Reporting Law, the principles for defining the contents and quality of the report have also been applied.

Principles considered in defining the contents of the report:

- **Stakeholder involvement:** identification of stakeholders and description in the report of how their needs and expectations have been met
- **Sustainability context:** presentation of the organisation’s performance within the broader sustainability context.
- **Materiality:** the report includes significant social, environmental, and economic impacts of the organisation or that could have a substantial influence on the decisions of stakeholders.
- **Thoroughness:** the coverage and perimeter of the report enable stakeholders to evaluate the organisation’s performance.

**Principles considered in defining the quality of the report:**

- **Accuracy:** published information must be accurate and detailed.
- **Balance:** the report includes both positive and negative aspects of organisational performance.
- **Clarity:** the information is presented in a way that is understandable and accessible to all.
- **Comparability:** the information must be comparable over time and with other companies by stakeholders.
- **Reliability:** the data must be of a certain quality and establish the materiality of the organisation.

This year and, as a result of our commitment to increasing communication and transparency regarding ESG, we have decided to go one step further and provide this report based on the SASB (Sustainability Accounting Standards Board).

This international framework, which focuses on identifying and reporting the issues that matter most to investors by industry sector, enables us to provide valuable information for our stakeholders.

Its traceability can be found in the SASB Table of contents section.

VERIFICATION

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

QUERIES

For any questions, suggestions or queries related to this report, Palex provides the following contacts:

sostenibilidad@palex.es



GRI Table of contents

Contents of Law 11/2018

BUSINESS MODEL			
Description of the group's business model	Brief description of the group's business model, which will include its business environment, its organisation and structure, the markets in which it operates, its objectives and strategies, and the main factors and trends that may affect its future evolution.	GRI 2-1	Constant Improvement.
		GRI 2-6	Our locations.
		GRI 2-9	Our locations.
		GRI 3-1	Palex in figures.
			Ensuring impactful governance.

Contents of Law 11/2018

INFORMATION ON ENVIRONMENTAL ISSUES		Standard	Chapter of reference	Remarks
Policies	Policies applied by the group, including the due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impacts, and for verification and control, as well as the measures that have been adopted.	GRI 2-22	Our commitment to the planet	
		GRI 2-22	Our commitment to the planet	
		GRI 2-24	Our commitment to the planet	
Main risks	Main risks related to those issues linked to the group's activities, including, where relevant and proportionate, its business relationships, products or services that may have negative effects in those areas, and how the group manages those risks, explaining the procedures used to detect and assess them in accordance with national, European or international reference frameworks for each subject matter. This should include information on the impacts that have been identified, providing a breakdown of these, in particular on the main risks in the short, medium and long term.	GRI 2-25	Our commitment to the planet	
				The financial implications and risks and opportunities arising from climate change are not analysed at present.



Contents of Law 11/2018		Standard	Chapter of reference	Remarks
General	Current and foreseeable effects of the company's activities on the environment and, where appropriate, on health and safety	GRI 3-3	Our commitment to the planet	
		GRI 2-12	Our commitment to the planet Materiality analysis	
		GRI 416-1	Making our activity circular	
				There is currently no breach of voluntary codes or regulations.
	Environmental assessment or certification procedures	Cualitativo	Our commitment to the planet	
	Resources dedicated to environmental risk prevention	Cualitativo	Our commitment to the planet	
	Application of the precautionary principle	GRI 2-23	Our commitment to the planet	
	Contents of Law 11/2018	GRI 307-1		There have been no breaches of environmental law and regulations.
Pollution	Measures to prevent, reduce or repair carbon emissions that seriously affect the environment, taking into account any form of activity-specific air pollution, including noise and light pollution.	GRI 3-3	Fighting the climate emergency	
		GRI 302-4	Fighting the climate emergency	
		GRI 302-5		This aspect is not material for the organisation.
		GRI 305-5 (partial)	Fighting the climate emergency	
		GRI 305-7		This indicator is not applicable as no significant emissions are emitted into the air.
Circular Economy and waste prevention and management	Measures for prevention, recycling, reuse, other forms of recovery and disposal of waste.	GRI 306-1 (v.2020)	Making our activity circular	
		GRI 306-3 (v.2020)	Making our activity circular	
Sustainable use of resources	Water consumption and water supply in accordance with local limitations.	GRI 303-1 (v.2018)		The water consumption of the organisation is for sanitary use and comes from the supply network. This consumption is not reported due to its relative insignificance.
		GRI 303-3 (v.2018)		
		GRI 303-5 (v.2018)		



Contents of Law 11/2018		Standard	Chapter of reference	Remarks
	Consumption of raw materials and measures taken to improve the efficiency of their use.	GRI 3-3	Efficiently using resources.	
		GRI 301-1	Efficiently using resources.	
		GRI 301-2 (partial)	Efficiently using resources.	
	Energy: Direct and indirect consumption; Measures taken to improve energy efficiency, Use of renewable energies.		Efficiently using resources.	
		GRI 3-3	Efficiently using resources.	
		GRI 302-1 (partial)	Efficiently using resources.	
Climate change	Greenhouse gas emissions	GRI 302-2	Fighting the climate emergency	
		GRI 305-1	Fighting the climate emergency	
		GRI 305-2	Fighting the climate emergency	
		GRI 305-3		The organisation has no current estimate of the carbon footprint from indirect Scope 3 sources.
	Measures taken to adapt to the consequences of climate change.	GRI 305-4	Fighting the climate emergency	
		GRI 3-3	Fighting the climate emergency	
	Reduction targets established voluntarily in the medium and long term to reduce GHG emissions and means implemented for this purpose.	GRI 302-4	Fighting the climate emergency	
		GRI 302-4	Fighting the climate emergency	
Protection of biodiversity	Measures taken to preserve or restore biodiversity.	GRI 3-3		This aspect is not material for the organisation.
		GRI 304-3		
	Impacts caused by activities or operations in protected areas.	GRI 304-1		This aspect is not material for the organisation.
		GRI 304-2		



Contents of Law 11/2018		Standard	Chapter of reference	Remarks
INFORMATION ON SOCIAL AND PERSONNEL MATTERS				
Policies	Policies applied by the group, including the due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impacts, and for verification and control, as well as the measures that have been adopted.	GRI 2-2	Taking care of people.	
		GRI 2-23	Taking care of people.	
		GRI 2-24	Taking care of people.	
Main risks	Main risks related to those issues linked to the group's activities, including, where relevant and proportionate, its business relationships, products or services that may have negative effects in those areas, and how the group manages those risks, explaining the procedures used to detect and assess them in accordance with national, European or international reference frameworks for each subject matter. This should include information on the impacts that have been identified, providing a breakdown of these, in particular on the main risks in the short, medium and long term.	GRI 102-15 (partial)	Taking care of people.	
		GRI 102-30	Taking care of people.	
Employment	Average remuneration and its evolution broken down by gender, age, and professional classification or equal value.	GRI 405-2	Taking care of people.	
	Gender pay gap	GRI 405-2	Taking care of people.	
	Remuneration for equal or average jobs in the company.	GRI 202-1	Taking care of people.	
	The average remuneration for directors and executives, including variable remuneration, allowances, compensation, payment to long-term savings systems, and any other payment broken down by gender.	GRI 2-19	Taking care of people.	
		GRI 2-20		This data is not available
	Implementation of work disconnection measures	GRI 2-20	Taking care of people.	
	Employees with disabilities.	Qualitative	Taking care of people.	We have a certificate of exceptionality.



Contents of Law 11/2018		Standard	Chapter of reference	Remarks
Work organisation	Organisation of working time.	Qualitative	Taking care of people.	
	Number of hours of absence.	GRI 403-9 (v.2018) (partial)	Taking care of people.	
	Measures to facilitate the work-life balance and promote the joint work-life balance by both parents.	Qualitative	Taking care of people.	
Health & safety	Health & safety conditions at work.	GRI 403-1 (v.2018)	Taking care of people.	
		GRI 403-2 (v.2018)	Taking care of people.	
		GRI 403-2 (v.2018)	Taking care of people.	
	Occupational accidents (frequency and severity) disaggregated by gender.	GRI 403-9 (v.2018) (partial)	Taking care of people.	
	Professional illnesses (frequency and severity) disaggregated by gender.	GRI 403-10 (v.2018) (partial)	Taking care of people	
Social relations	Organisation of social dialogue, including procedures for informing, consulting, and negotiating with staff.	GRI 2-29	Taking care of people.	
	Percentage of employees covered by collective agreement by country.	GRI 2-30	Taking care of people.	
	Assessment of collective agreements, particularly in the field of occupational health & safety.	GRI 403-4 (v.2018)	Taking care of people.	
Training	Training policies implemented.	GRI 3-3	Taking care of people.	
		GRI 404-2 (partial)	Taking care of people.	
	Total number of hours of training per professional category.	GRI 404-1 (partial)	Taking care of people.	
Accessibility	Universal accessibility for people with disabilities.	GRI 3-3	Taking care of people.	



Contents of Law 11/2018		Standard	Chapter of reference	Remarks
Equality	Measures taken to promote equal treatment and opportunities between men and women.	GRI 3-3	Taking care of people.	
	Equality plans.	GRI 3-3	Taking care of people.	
	Measures taken to promote employment.	GRI 3-3	Taking care of people.	
		GRI 404-2	Taking care of people.	
	Protocols against sexual and gender-based harassment.	GRI 3-3	Taking care of people.	
	The integration and universal accessibility of people with disabilities.	GRI 3-3	Taking care of people.	
	Policy against all forms of discrimination and, where appropriate, diversity management.	GRI 3-3	Taking care of people.	
		GRI 406-1		In 2022, there were no reports of any discrimination or harassment in the workplace.



Contents of Law 11/2018		Standard	Chapter of reference	Remarks
INFORMATION ON RESPECT FOR HUMAN RIGHTS				
Policies	Policies applied by the group, including the due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impacts, and for verification and control, as well as the measures that have been adopted.	GRI 2-22	Promoting human rights.	
		GRI 2-23	Promoting human rights.	
		GRI 2-24	Promoting human rights.	
Main risks	Main risks related to those issues linked to the group's activities, including, where relevant and proportionate, its business relationships, products or services that may have negative effects in those areas, and how the group manages those risks, explaining the procedures used to detect and assess them in accordance with national, European or international reference frameworks for each subject matter. This should include information on the impacts that have been identified, providing a breakdown of these, in particular on the main risks in the short, medium and long term.	GRI 3-3	Promoting human rights.	
		GRI 2-12	Promoting human rights. Materiality analysis	
Human rights	Application of human rights due diligence procedures.	GRI 3-3	Promoting human rights.	
		GRI 414-2		No negative social impacts were identified in the supply chain.
	Prevention of the risks of violating human rights and, where appropriate, measures to mitigate, manage, and remedy possible abuses committed.	GRI 3-3	Promoting human rights.	
		GRI 412-1		In 2022, operations were not subject to human rights assessments.
		GRI 410-1		No human rights training for security personnel was provided in 2022.
	Reports of human rights violations.	GRI 3-3	Promoting human rights	
		GRI 2-26	Promoting human rights	
		GRI 411-1		Due to the activity of the organisation, this aspect does not apply.



Contents of Law 11/2018	Standard	Chapter of reference	Remarks
Reports of human rights violations.	GRI 419-1		In 2022, there were no penalties for non-compliance with laws and regulations in the social and economic fields.

Promotion and enforcement of the provisions of the ILO core conventions relating to respect for freedom of association and the right to collective bargaining, the elimination of discrimination in employment and occupation, the elimination of forced or compulsory labour, and the effective abolition of child labour.	GRI 3-3	Promoting human rights.	
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Contents of Law 11/2018	Standard	Chapter of reference	Remarks
INFORMATION ON THE FIGHT AGAINST CORRUPTION AND BRIBERY			
Policies	Policies applied by the group, including the due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impacts, and for verification and control, as well as the measures that have been adopted.	GRI 2-22	Fostering ethical management.
		GRI 2-23	Fostering ethical management.
		GRI 2-24	Fostering ethical management.
		GRI 205-2 (partial)	Fostering ethical management.
Main risks	Main risks related to those issues linked to the group's activities, including, where relevant and proportionate, its business relationships, products or services that may have negative effects in those areas, and how the group manages those risks, explaining the procedures used to detect and assess them in accordance with national, European or international reference frameworks for each subject matter. This should include information on the impacts that have been identified, providing a breakdown of these, in particular on the main risks in the short, medium and long term.	GRI 3-3	Fostering ethical management.
		GRI 2-12	Fostering ethical management.
			Fostering ethical management.



Contents of Law 11/2018		Standard	Chapter of reference	Remarks
Corruption and bribery	Measures taken to prevent corruption and bribery.	GRI 3-3	Fostering ethical management.	The organisation does not make any contributions to political parties or representatives.
		GRI 205-3	Fostering ethical management.	
	Measures to combat money laundering.	GRI 3-3	Fostering ethical 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.	

Contents of Law 11/2018		Standard	Chapter of reference	Remarks
INFORMATION ON SOCIETY				
Policies	Policies applied by the group, including the due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impacts, and for verification and control, as well as the measures that have been adopted.	GRI 2-22	Investing in the community. Anticipating customer and patient needs.	
		GRI 2-23	Investing in the community. Anticipating customer and patient needs.	
		GRI 2-24	Investing in the community. Anticipating customer and patient needs.	



Contents of Law 11/2018		Standard	Chapter of reference	Remarks
Main risks	Main risks related to those issues linked to the group's activities, including, where relevant and proportionate, its business relationships, products or services that may have negative effects in those areas, and how the group manages those risks, explaining the procedures used to detect and assess them in accordance with national, European or international reference frameworks for each subject matter. This should include information on the impacts that have been identified, providing a breakdown of these, in particular on the main risks in the short, medium and long term.	GRI 3-3	Investing in the community. Anticipating customer and patient needs.	
		GRI 2-12	Investing in the community. Anticipating customer and patient needs.	
Company commitments to sustainable development	Impact of company activity on employment and local development.	GRI 203-1		Due to the activity of the organisation, this aspect does not apply.
		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 were identified.
	Impact of the activity of society on local populations and territory.	GRI 203-1		Due to the activity of the organisation, this aspect does not apply.
		GRI 203-2 (partial)	We see the future through innovation and advanced solutions.	
		GRI 413-1	Investing in the community.	
		GRI 413-2		
				No operations with significant negative impacts on local communities were identified.



Contents of Law 11/2018		Standard	Chapter of reference	Remarks
	Relations with players in local communities and arrangements for dialogue with them.	GRI 102-43	Communication and transparency.	
		GRI 413-1	Investing in the community.	
	Association or sponsorship actions.	GRI 2-28	Investing in the community.	
		GRI 203-1		Due to the activity of the organisation, this aspect does not apply.
		GRI 201-1	Investing in the community.	
Subcontracting and suppliers	Inclusion in the purchasing policy of social, gender equality and environmental issues.	GRI 3-3	Extending commitment to our value chain.	
	Consideration in relations with suppliers and subcontractors of their social and environmental responsibility.	Qualitative	Extending commitment to our value chain.	
	Monitoring and auditing systems and their results.	GRI 308-1	Extending commitment to our value chain.	Although they are considered environmental criteria, no selection or assessment of suppliers is currently performed specifically following these criteria.
		GRI 308-2		No negative environmental impacts were identified in the supply chain.
		GRI 414-1		No supplier assessment is currently conducted based on social criteria.
		GRI 414-2		No negative social impacts were identified in the supply chain.



Contents of Law 11/2018		Standard	Chapter of reference	Remarks
Consumers	Measures for consumer health & safety.	GRI 3-3	We offer safe products.	
		GRI 416-1 (partial)	We offer safe products.	We conduct health & safety impact assessments on medical devices, IVD and industry reagents, and standard and automated storage systems.
		GRI 416-2		No product health & safety complaints were received in 2022.
		GRI 417-1 (partial)	We offer safe products.	
	Claim systems, complaints received, and their settlement.	GRI 2-26	Anticipating customer and patient needs.	
		GRI 2-25	Anticipating customer and patient needs.	
		GRI 3-3	Anticipating customer and patient needs.	
		GRI 418-1	We have system security and secure data.	In FY 2022, there were no reports of privacy breaches.
Tax information	Profits earned by country.	GRI 207-4 (v.2019) (partial)	Investing in the community.	
	Taxes on profit paid.	GRI 207-4 (v.2019) (partial)	Investing in the community.	
	Public subsidies received.	GRI 201-4		No grants were received during the year.



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Sustainability disclosure topics and accounting metrics

SASB Code	Indicator	Unit	Chapter of reference	Remarks
FLEET FUEL MANAGEMENT				
HC-DI-110a.2	Description of efforts to reduce the environmental impact of logistics.	Qualitative	Extending commitment to our value chain.	
Fighting the climate emergency				
HC-DI-250a.1	Total amount of monetary losses as a result of legal proceedings associated with product safety.	€		Undisclosed
HC-DI-250a.2	Description of efforts to minimize health and safety risks of products sold associated with toxicity/chemical safety, high abuse potential, or delivery.	Qualitative	We offer safe products.	
COUNTERFEIT DRUGS				
HC-DI-260a.1	Description of methods and technologies used to maintain traceability of products throughout the distribution chain and prevent counterfeiting.	Qualitative	We offer safe products.	
HC-DI-260a.2	Discussion of due diligence process to qualify suppliers of pharmaceuticals and medical equipment and devices.	Qualitative	Extending commitment to our value chain.	
HC-DI-260a.3	Discussion of process for alerting customers and business partners of potential or known risks associated with counterfeit products.	Qualitative	We offer safe products.	
PRODUCT LIFECYCLE MANAGEMENT				
HC-DI-410a.1	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle.	Qualitative	Efficiently using resources.	
HC-DI-410a.2	Amount (by weight) of products accepted for take-back and reused, recycled, or donated.	Tons		A total of 19 tonnes was accepted.
BUSINESS ETHICS				
HC-DI-510a.1	Description of efforts to minimize conflicts of interest and unethical business practices.	Qualitative	Fostering ethical management.	



HC-DI-510a.2	Total amount of monetary losses as a result of legal proceedings associated with bribery, corruption, or other unethical business practices.	€		Undisclosed
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Activity metrics

SASB Code	Indicator	Unit	Chapter of reference	Remarks
HC-DI-110a.2	Number of medical devices sold by product category.	No.		Undisclosed