



# Sustainability Report **2021**

**Palex**

# Table of contents

## Management letter

page 03

## ...in solutions

Innovation and advanced solutions  
Quality management  
Supply chain  
Impact governance  
Ethics and integrity  
Information security

page 26

## Indicadores clave

Solutions  
Preservation  
People

page 69

## Constant Improvement

Our reason for being  
Products and services  
Our locations  
Palex in figures

page 04

## ...in preservation

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

page 38

## Report fundamentals

Materiality analysis  
About this report  
GRI content index  
SASB content index

page 77

## ...in sustainability

Vision of the industry  
Strategic priorities and sustainable development goals  
Our ESG strategy

page 16

## ...in people

Our employees  
Human Rights  
Clients and patients  
Our contribution to the community  
Communication and transparency

page 47

## Annex

page 98



# Management letter

Since we were founded more than 65 years ago, we have worked tirelessly on our mission to provide advanced and efficient solutions for patients, healthcare professionals and researchers in the medical community. We have achieved this, not only by following the highest standards of quality and innovation, but also by operating with the utmost professionalism, excellence, and accountability.

Throughout these years, everyone who has been part of Grupo Topco Palex, hereinafter Palex, has harnessed our accumulated knowledge with a view to meeting the evolving needs of our industry and the professionals who comprise it. We have succeeded in discovering, developing, and evaluating innovative solutions and products that have added value for industry professionals while safeguarding the health and well-being of society.

Over the last 67 years, we have approached innovation and digitalization as the key pillars to improve people's lives and the day-to-day of those who work in the health industry. At present, after drawing up our first ESG Strategy (2021-2024), we are aware that this will be the other pillar that will guide us to continue improving our contribution to society and the planet, and, in turn, to be better as a group and as people.

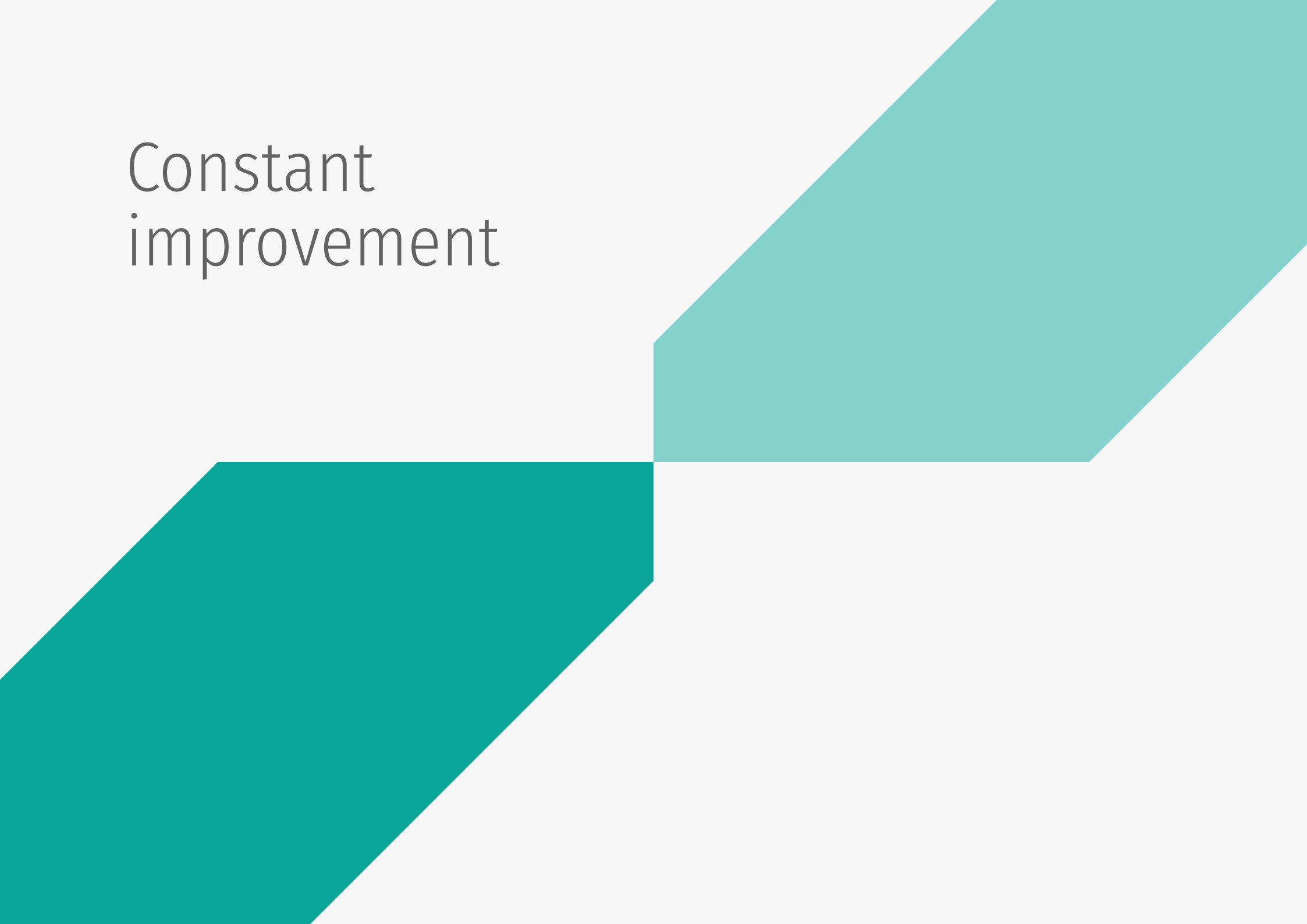
This strategy reflects the commitment that is part of our DNA, regarding the environment and people, which leads us to foster a responsible model throughout every step of our value chain. With this strategy now in place, over the coming years we shall endeavor to contribute to achieving sustainable development while continuing to be a key player in achieving SDG 3 set out by the United Nations by fostering well-being and health for everyone from all walks of life.

Before moving onto our second sustainability report, I must mention the ongoing COVID-19 pandemic. Once again, the pandemic has put us to the test as a society and has called for immediate responses from the health industry, which has worked tirelessly to rise to this historic challenge. Thank you for your commitment and thank you to everyone at Palex, who has been by the industry's side by offering the support that has been so necessary.

As for the future, we continue to look to it with optimism. We will continue to take firm and sustainable steps that take all our stakeholders into account.

**Xavier Carbonell**  
CEO of Palex

Constant  
improvement





## Our reason for being

We are a company with extensive experience in the health industry, dedicated to **providing advanced solutions for the hospital, industrial, research and laboratory industries**. We express our commitment by marketing trailblazing systems and products in medical-surgical techniques, as well as medical equipment and disposable material.

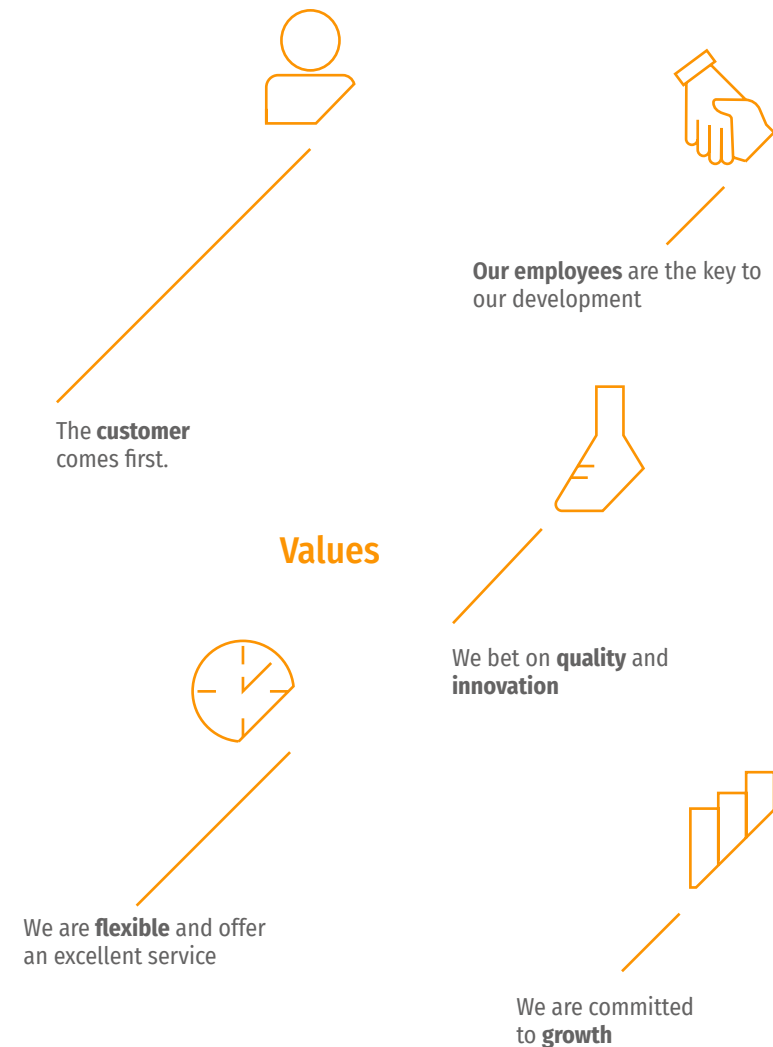
Since we were founded more than 65 years ago, we have worked tirelessly to demonstrate our continued support for healthcare professionals, our dedication to seeking new products, equipment and systems, and our perseverance in maintaining the highest level of quality across every aspect of our activity.

### Mission

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

### Vision

To be the global partner of reference for hospitals and research centers and to be recognised for our constant pursuit of excellence in the creation of innovative services and processes that provide solutions for the healthcare system and research.





Our motto highlights our vocation

# Constant improvement

---

For continuous improvement,  
our eagerness to provide the most  
advanced hospital solutions  
and our commitment to contribute  
to society by fostering health

We are engaged in the sale of medical devices and hospital technology, through **distribution agreements with leading manufacturers worldwide**, and are proud:

## To be client-centered

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

## To offer an extensive portfolio of products

from leading suppliers in the world market, as well as our own. We have more than 100,000 different product references.

## Extensive experience in launching innovative products onto the Spanish market

We are constantly searching for innovative products with a view to offering healthcare professionals the best solutions.



These principles have given us a competitive advantage and have made us a trusted partner for our clients for the following reasons:

### **Technological partner**

We represent international firms and have extensive experience in commercial agreements with the most innovative and biggest manufacturers in the health industry. We are constantly researching new products and solutions to meet the emerging needs of our clients, thereby offering an extensive portfolio of products and equipment.

### **Operational partner**

We are experienced in integrated logistics management. We support our clients with a wide range of services, adapting to their specific needs while focusing on long-term solutions.

### **Financial partner**

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

### **Healthcare software solutions | HSS**

Our applications and technology development area is a trailblazer in developing solutions and technologies that facilitate the work of healthcare professionals to complement our products.

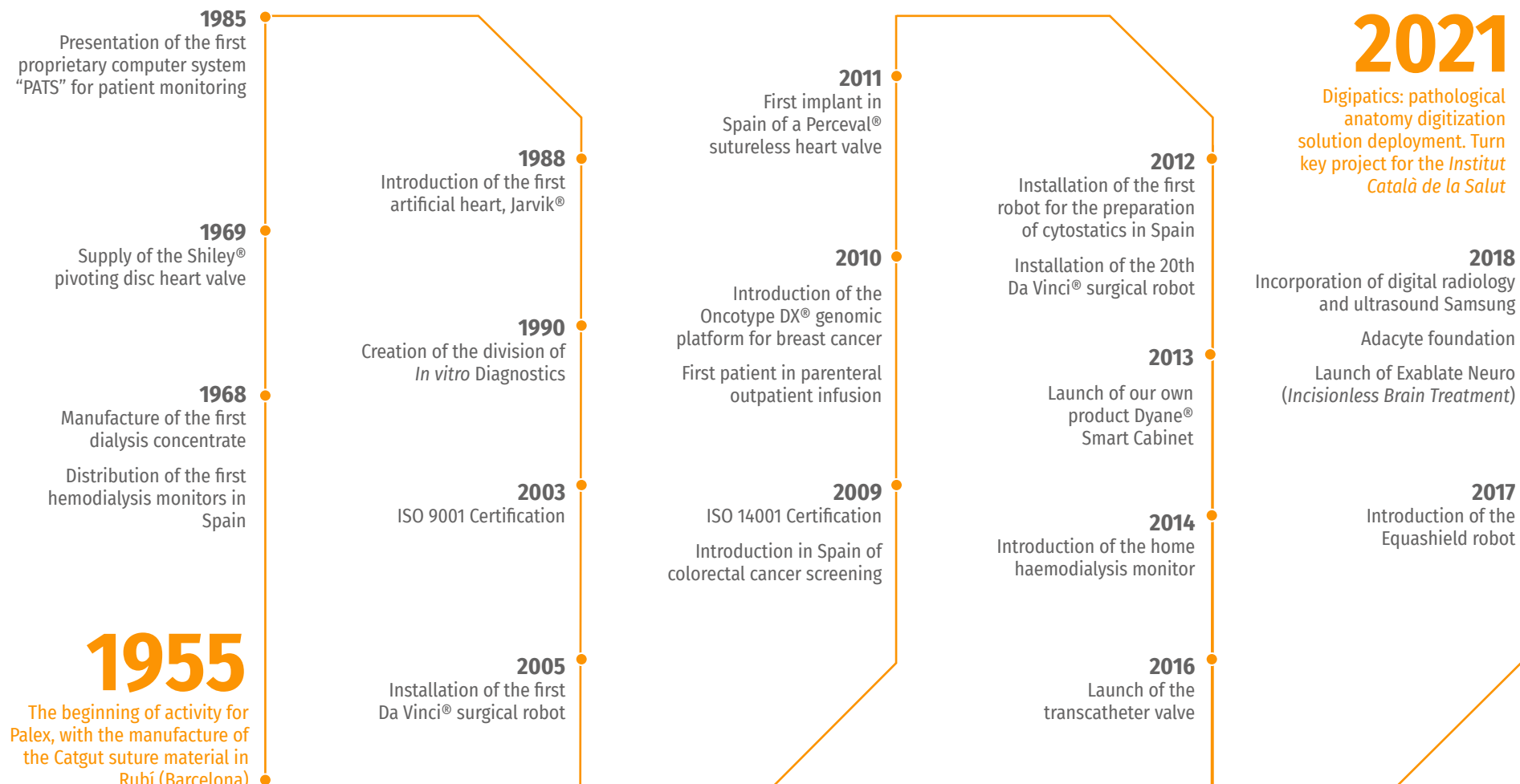
### ***Environmental, Social and Governance | ESG***

Our commitment to being a sustainable and socially responsible company inspires us to continue to drive models that achieve long-term sustainable value creation.

Our commitment to health promotion has been sustained over the years ever since we were founded in **1955** by **Hans Knuth**, inspiring us to progress and grow with a view to continuing to offer the best products and services to our clients and patients, meeting the demand generated by technical advances and innovations in the industry.



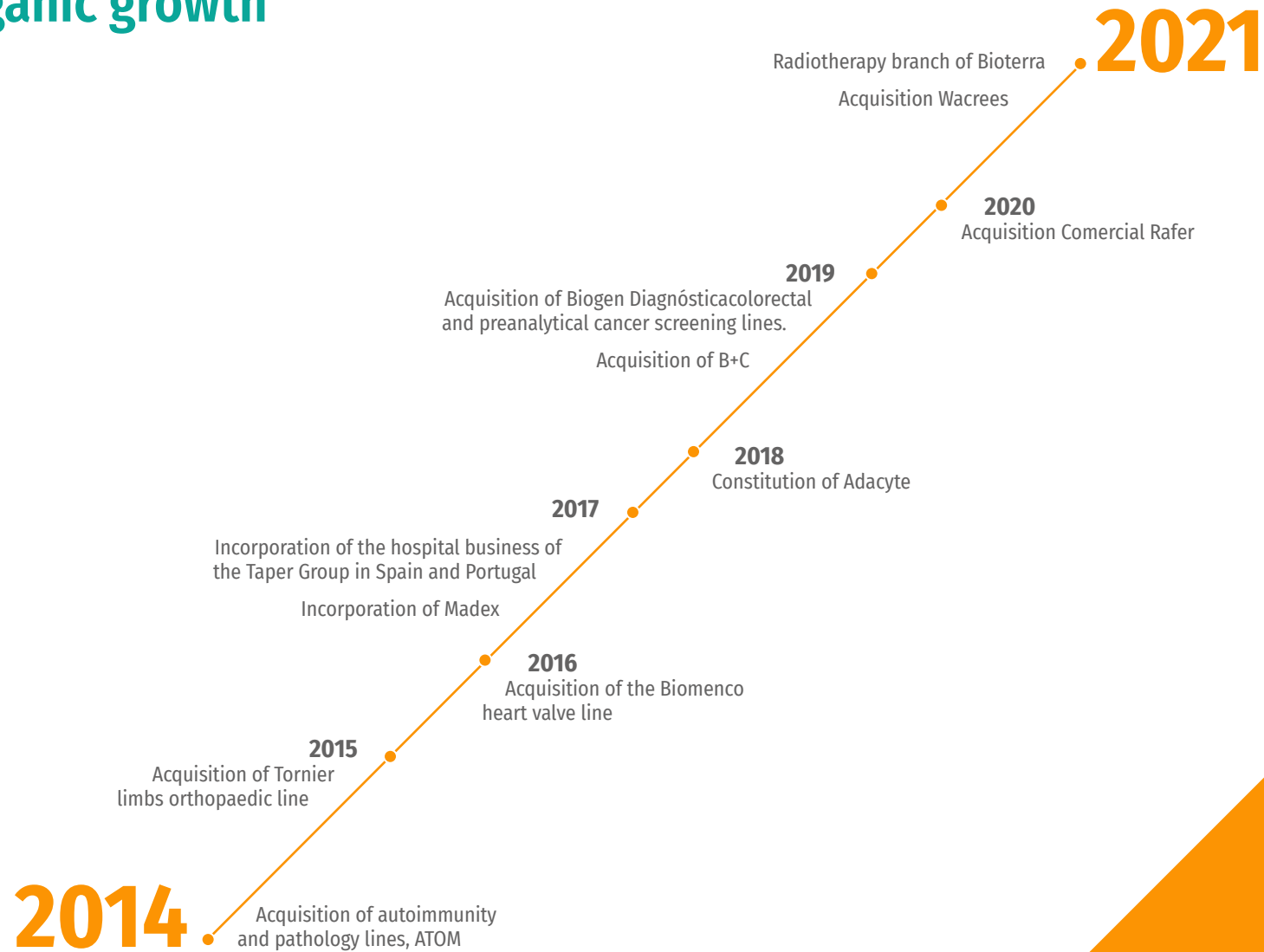
## Our story







## Inorganic growth





## Products and services

Our core business is in the sale and logistical management of medical devices and hospital technology, which we carry out through **Palex Medical** and **Lusopalex**, to meet the demands of the Spanish and Portuguese healthcare markets respectively.

We have an extensive portfolio of medical equipment, devices and disposable material to cover more than 45 medical and surgical specialties, which are split into **19 business units**<sup>1</sup>. In turn, the business units are grouped into 3 main areas: Medical-Surgical Area, Hospital Area, IVD-Laboratory Area.

### List of divisions

Cardiac Surgery, Interventional Therapies, Orthopedic and Spine Surgery, Diagnostics and Treatment, Monitoring and Respiratory Care, Coverage and Instruments, Hospital Logistics and Engineering, Clinical Care, Diagnostic Imaging Systems, Endoscopy, Nephrology, Neurosciences, In Vitro Diagnostics, Laboratory, Oncology, Preanalytics, Bemasce, Radiotherapy, Transplant and NGS.

With a view to adapting to the needs of each segment and focusing on searching for innovative added value solutions, each of these business units has a marketing team and a sales team with product specialists.

We also have cross-functional departments accross the units that support each other in order to offer our customers a comprehensive service: technical assistance, logistics, customer service, tenders, key accounts, information systems and corporate communications.

Furthermore, through the integration of the following entities, we seek to cover all the needs of our clients to the greatest extent possible, offering a wider range of products and services in different areas:

<sup>1</sup> In the case of Lusopalex, they are split into 8 units: Ophthalmology, Surgery (Urology, Gynecology and General Surgery), Cardiovascular, Research, In Vitro Diagnostics/Oncology, Orthopedics, Industry and Clinical/Medical Care.



### Adacyte Therapeutics

Adacyte Therapeutics is a multinational company engaged in the development and sale of unique and innovative therapeutic solutions that strive to improve the quality of life of patients.

It was founded in 2018 with the objective of relaunching Adacolumn® in Europe, an innovative device that enables leukocyte apheresis processes to be carried out in patients with inflammatory bowel disease and other autoimmune diseases. It is a highly effective and extremely safe product in patients with ulcerative colitis resistant to conventional treatment with corticosteroids or biologics. Adacyte Therapeutics' main objective is to expand the use of Adacolumn® in Europe

and ensure that this innovative treatment is available to all patients with ulcerative colitis who need it.

Adacolumn® has been developed by JIMRO (*Japan Immunoresearch Laboratories Limited Co. Ltd*), a company that is part of the Japanese holding company Otsuka.

In 2021, it drew up a Europe-wide clinical development plan aimed at expanding the available clinical evidence and ensuring its inclusion in international guidelines for the treatment of inflammatory bowel disease (IBD).



### Cymit Quimica

Cymit is an online sales platform for chemical and biochemical reagents, small equipment and specialized literature for the chemical, pharmaceutical and bioresearch industry. With more than three million products, it strives to become the best marketplace for researchers, acting as the link between the supplier and the user, building a virtual community of specialists who add value to the entire supply chain of the research world. In 2021, Cymit improved its digital positioning and grew internationally, expanding to a total of 49 countries, boosting its turnover outside Spain by 80%.



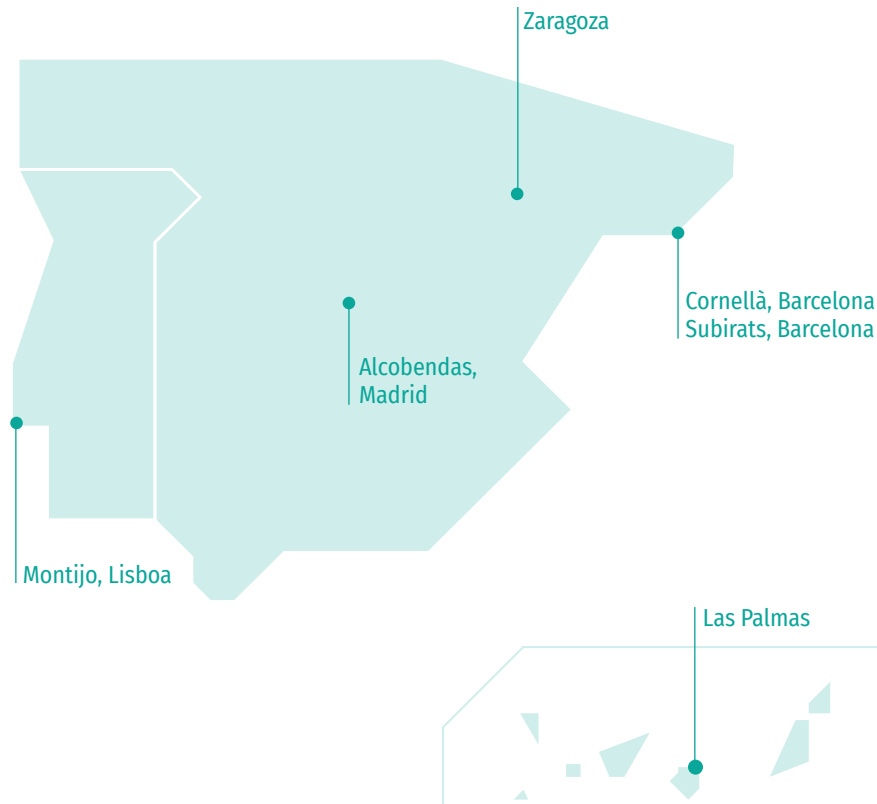
### Bioterra

Specializing in providing services to the radiation oncology, physics and radiation protection departments of hospitals in Spain, Bioterra became part of the Palex group in 2021. This incorporation led to the creation of a new business unit devoted to radiotherapy that strengthens Palex's commitment to oncology.



## Our Locations

The Palex Medical and Adacyte head offices are in Sant Cugat del Vallès (Barcelona), and we also have another head office in Alcobendas (Madrid). The Lusopalex head offices are in Lisbon.



Cymit Quimica, Bemascé and Bioterra have their own offices, used for receiving and shipping products, located in Barcelona, Las Rozas (Madrid) and Pozuelo de Alarcón (Madrid) respectively. Bioterra's headquarters are also in Madrid.

Comercial Rafer's main offices are in Zaragoza, and it also has seven branches in Spain and one in Portugal.

We have several warehouses, one of our own and the rest outsourced:

- Cornellà, Barcelona (own)
- Subirats, Barcelona
- San Agustín de Guadalix, Madrid
- Las Palmas
- Montijo, Lisbon

Due to the nature of orthopedic material and the need for certain processes associated with implant technology, we have two outsourced warehouses exclusively for the Orthopedics unit, one in Barcelona and the other in Madrid, which are also used as a workshop to carry out these processes.

It is worth mentioning that our sales network extends to multiple points of mainland Spain in order to respond to the needs of all clients in their different geographical areas. Furthermore, both for Adacyte and for the distribution of some of the Palex product lines, such as for example Equashield®, we have our own team members in other countries such as France and Sweden.



## Commercial presence

As for our commercial presence, we cover the entire territory of Spain and Portugal, with our own commercial network and extensive knowledge of the regional purchasing models in Spain. Furthermore, thanks to our knowledge of the market and our leading position in the industry, we facilitate the penetration of new markets, strengthening our international presence.

In the case of **Adacyte**, its commercial presence is Europe-wide, with the aim of expanding the use of Adacolumn®. As **Cymit** is an online sales platform, the company's presence is **global**, with a leading position in the Spanish market.



## Palex in figures



**+65**

Years of experience



**+45**

Medical and surgical specialties

**Direct presence throughout the Iberian Peninsula and the Canary Islands**



**+1.300**

Customers



**+100.000**

Products

**13.779 ↑**

Product registrations



**611**

Employees

**9 years**

Average seniority of the workforce

**47%**

Women

**72%**

Management positions covered with internal promotion

**53%**

Men



**96%**

Permanent contracts

**97%**

Full-time contracts

**1.362 tCO<sub>2</sub>eq**

CO<sub>2</sub> emissions scope

**178 tCO<sub>2</sub>eq**

CO<sub>2</sub> emissions scope



**+600**

Suppliers

**20 years**

Average relationship with suppliers

The background features several overlapping geometric shapes in two shades of teal. A large, light teal shape is in the top right. A darker teal shape is in the middle right. A medium teal shape is in the bottom left. A light teal shape is in the bottom center. The text is positioned on the left side of the image.

Constant  
improvement  
**in Sustainability**





## Vision of the industry

Over the course of the last 65 years that we have been operating in the industry, we have pursued the purpose of research with the aim of offering innovative and technological solutions that respond to the needs of the industry while fostering the free and universal access thereto.

Thanks to the various marketing and distribution agreements with leading manufacturers worldwide and the products and services we have developed, we have contributed to **optimizing hospital performance** by cutting down on costs, professional efficiency thanks to the best tools on the market and, above all, improving the health of patients through better diagnoses and treatments. We have also been able to contribute to improving medical diagnostics.

Nevertheless, we of course have not done all this alone. We are proud to be part of this industry and to **join forces with all those companies that pursue the same objectives as us**. Working together is essential to ensuring that Spain is a country with the best technology and the best technological advances to continue improving people's quality of life.

In this context, the changing reality and the myriad of challenges that have emerged in recent years are forcing organizations to act responsibly so as not to jeopardize future generations. We refer to the importance of understanding organizations not only from an economic point of view, but also from the **long-term value creation** that can be generated thanks to the three pillars of ESG (Environmental, Social and Governance).

In the following pages of this report, we will explain how we are addressing the key global challenges, individually and through partnerships with other organizations alike. Because we know that the industry will only keep moving forward if it is truly sustainable.

### Impact of COVID-19 on the industry and our contribution

The COVID-19 pandemic was and continues to be an unprecedented health crisis worldwide that has called for the utmost commitment from the industry. The latter, responsible for **providing solutions to deal with the pandemic**, has done an excellent job **coordinating with all public administrations** in order to supply the necessary medical material to manage the pandemic.

At Palex, we have continued to go to great lengths to provide the medical supplies needed to manage the pandemic. **Proximity** to our clients, **foresight** and the ability to adapt have been the key to achieving this once again, always ensuring the highest **quality** standards in certification processes.



# +1.500.000

Million PCR tests supplied

# +1.000.000

Million antigen tests supplied

The collaboration between all Palex departments has shown that the organization is **by people's side** and that we are part of the **healthcare structure**. We have achieved this through respect, trust, commitment, good communication and transparency with all stakeholders.

In terms of day-to-day operations within Palex, we have been constantly keeping track of the evolution of COVID-19 to implement measures to reduce the impact thereof. Among the main measures that we have approached with the utmost responsibility while placing the health and safety of the team at the heart thereof, the following stand out:

- Provision of individual protection kits (masks, gels, gloves, gowns, etc.) for all staff who need them in their day-to-day work.
- Installation of CO<sup>2</sup> meters at risk points, and air purifiers with HEPA filters.
- Increased hygiene measures: disinfection of tables, knobs and handles.
- Distribution and replenishment of hydroalcoholic gel bottles and dispensers on all work, office and meeting tables.
- Remote working.

- For those returning to offices, serological tests have been given to staff who have been in direct contact with someone who has tested positive for COVID-19.
- We have facilitated PCR or serological tests to all staff when there has been an outbreak among Palex staff.
- At the beginning of the sixth wave, 20 antigen tests were provided to all collaborators who requested them, with a view to minimizing contagion between family members during the Christmas holidays.

This situation has allowed us to demonstrate once again this year that, as an organization, we are by people's side, always committed to trust and transparency. We are extremely proud of the incredible involvement of all departments, who have worked day in and day out, demonstrating their commitment to Palex and to the well-being of society.



## Strategic priorities and SDGs

### Strategic priorities

We have been around for more than 65 years now. A journey which we feel immensely proud of; not only because of the lessons we have learned, but also because of the motivation to keep moving forward, to keep growing and to continue offering the best of ourselves, all our talent and daily effort, to make a positive impact on society.

We are determined to improve people's health through our activity, always taking into account the impacts it makes. Our vocation for constant improvement drives us to always seek the highest ethical standards, going one step further in strict regulatory compliance. This leads us to integrate sustainability in a cross-cutting way at all levels of our organization, and to use this approach in the decisions we make as a group.

In 2021, we took a step forward in our commitment to sustainability by drawing up an ESG Policy and Strategy that have set out our commitments and objectives in this field, as well as the actions we will foster in the coming years to achieve them.

Since we view sustainability as a whole and as a key part of our raison d'être, we wanted the organization's conduct to speak for itself. Therefore, all our strategic priorities are structured in the following areas:

# Constant Improvement

in solutions

in preservation

in people



# Constant Improvement

This reality has also led to us drawing up this Sustainability Report based on these pillars with a view to providing a more structured and clearer response to the stakeholders impacted by each of them.

As we mentioned earlier, in 2021 we drew up our first [ESG Policy](#) which was approved and signed off by the CEO of the organization and published on our website.

The Policy sets out the commitments acquired that will be key to Pa-lex's business management, as they will be present in all strategic and operational decisions taken. It also strives to involve and inspire all our stakeholders to also promote ethical principles in their organization that contribute to sustainable development.

For each of the areas, commitments have been led such as:

We want to contribute to improving people's health with advanced and quality solutions. To achieve this, we believe that impactful governance and ethical management are key.

## in solutions

Aware of the impact we have on our environment, we are committed to minimizing it with actions to optimize resources, cut down on and correctly manage waste and reduce emissions to contribute to tackling the climate emergency.

## in preservation

Our reason for being is people and, for this reason, we place them at the heart of our activity and strive to be by their side and safeguard their well-being.

## in people



## Alignment with the 2030 Agenda

If there was one thing we were sure about when setting out our commitments, objectives and actions, it was that they should be a lever to contribute to the 2030 Agenda because we believe that it is also our responsibility to protect the planet and contribute to society as a whole achieving peace and prosperity by 2030.

Therefore, we have aligned our policy and strategy with the **Sustainable Development Goals (SDGs)** set out in the United Nations 2030 Agenda.

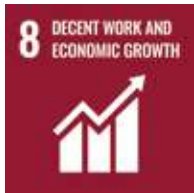
Although each and every one of the objectives are of the utmost importance to achieve sustainable development, due to our activity, the nature of the organization and the industry we operate in, we will focus our efforts on contributing mainly to the following:



Our contribution to SDG 3 is intrinsic to our activity, since safeguarding health through the provision of advanced solutions and products is at the heart of our reason for being.



Reducing inequalities between genders has always been one of our objectives. Therefore, since 2010, we have had an Equality Plan in place to foster equal opportunities and prevent discrimination. In this regard, we also strive to create workspaces free of harassment.



Committed to providing decent and honest work, our entire team receives fair wages, and we strive to ensure that they enjoy physical and personal well-being and a positive work environment.



We are constantly on the lookout for trailblazing systems and products, making innovation the essence of our business. In this way, we contribute to SDG 9 by fostering new advances within the industry.



Some of our innovative medical products and equipment, such as those that enable home treatment, cut down on travel and infrastructure requirements within cities.



In order to ensure responsible consumption and management of resources, we foster practices such as the reuse of packaging materials and the proper management of waste generated by our activities.



We are committed to tackling climate change and, to this end, we foster initiatives to cut down our emissions in all three areas. We also encourage the responsible use of natural resources.



We want to be recognized as an organization known for integrity, ethics, transparency and its commitment to its stakeholders. That is why we foster sound and resilient governance models.



We understand the importance of building strong partnerships with other individuals and organizations to create synergies and further advance common commitments, thereby contributing to SDG 17.



## Our ESG strategy

In such an ever-changing and uncertain environment, with new demands from stakeholders and numerous global challenges to face, organizations have the obligation to do their utmost to reduce their impacts and create long-term value.

For this reason, we consider it of the utmost importance to have robust management models in place based on environmental, social and governance (ESG) criteria that allow us to make decisions taking sustainability into account and to create strategic alliances to face changes and seek the opportunities derived therefrom.

Under these premises, in 2021 we drew up our first ESG strategy (2021-2024), which will lead to us fostering more than 60 actions in the coming years from the core of our organization.

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**“The key principles of our three ESG levers are to protect our environment, believe in people while continuing to be a trailblazing and innovative solution provider.”**

Each and every one of the actions will be promoted by involving the different stakeholders of the organization, in order to create shared value among all of us. Some of the initiatives we will focus on are:

- To continue to have a solid Environmental Management System that is applicable to all the companies that are part of the group.
- Raise awareness and foster participation actions to encourage good environmental practices and foster the circular economy.
- Consume energy from 100% renewable sources.
- Reduce and minimize our emissions in its three scopes.
- Come up with different policies that reflect Palex's commitments and make them available to the stakeholders involved.
- Continue to foster social action initiatives, involving the team in decision-making and execution.
- Continue striving to achieve a solid, sustainable, and committed supply chain.
- In accordance with our zero tolerance for corruption, continue to lead initiatives that ensure that the organization operates with the utmost ethics and integrity.
- Come up with ESG training itineraries.

Aware of the importance of having solid governance models in place, in 2021 we formed the Sustainability Committee, which will be responsible, among other things, for monitoring the ESG Plan and continuing to improve our presence in industry initiatives.



# 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 management
- Climate Change



## 03

### in people

- Our employees
- Human Rights
- Clients and patients







## ESG Objectives 2021 - 2022

As part of our commitment to increase transparency and communication of the actions we foster within the plan, our goal is to evaluate the achievement of the objectives that we are working on as a group on an annual basis.



Constant  
improvement  
**in Solutions**

We provide advanced  
and innovative  
solutions



# Innovation and advanced solutions

## Continuous search for trailblazing products

Our vocation for continuous growth is in our DNA, which drives us to **constantly seek out new products** in the healthcare market that could provide advanced solutions to the industry.

This willingness is integrated at all levels of our organization. From the **specialized flexible sales teams in each business unit**, who are in regular contact with specialists and healthcare professionals to identify their needs, to each of the marketing teams, which focus on keeping abreast of the latest developments in their line of business and spotting innovative products and solutions to be launched on the Spanish market.

At a cross-cutting level among the business units, we have a **Business Development Department** which, as well as continuously **researching trailblazing technologies and new business lines**, analyzes the needs identified by the different units and makes decisions regarding which products and projects to invest in, through a committee designated for this purpose.

We also forge close relationships with **opinion leaders and the scientific society**. In some business units, we have even created product validation committees and **advisory boards**, together with opinion leaders who advise us on industry trends. We also attend a wide range of natio-

nal and international congresses to learn about **industry trends** and to keep our ear to the ground regarding the **needs of professionals**.

In 2021, the Spanish Federation of Healthcare Technology Companies (Fenin) has recognized our commitment in this field, awarding us the **Fenin Innovation Award** for bringing the **Exablate Neuro System** into public healthcare system: the first incisionless neurosurgical platform to treat essential tremor and the predominant tremor of Parkinson's disease.

## Development of proprietary products and systems

In order to cover **needs identified in the market**, we have developed a business line of our **own products** where we can contribute with our knowledge and experience. This line seeks to satisfy our customers' needs through innovation and new solutions. These products range from RFID-based systems for improving hospital logistics and management, to surgical drapes and medication inhalation chambers.



What makes us stand out, and what allows for this high degree of innovation, is our proximity and closeness to specialists and patients, our ability to detect needs, seek solutions to meet them and implement them, which makes us not only a distributor, but also a partner engaged in providing global solutions.



RFID mailboxes for stock management in ward storerooms



RFID Smart Cabinet for high-value materials management



Wide range of sterile and non-sterile surgical drapes

## Healthcare software solutions | HSS

In addition to our own products, we also work on offering **software and hardware solutions and advanced technological services** that complement and extend the functionalities of the products we market for our suppliers. In this way, our internal team of specialists and developers offers our clients their extensive experience in project management and technological know-how to come up with the solution that best suits their needs. Among these solutions, we can highlight those we have implemented in the following fields:

- **Nephrology:** solution that integrates different additional sensors (scale, temperature, patient facial recognition, etc.) with the service provider's dialysis monitor, providing additional functionalities for improved patient monitoring.
- **Home dialysis:** remote connection of home equipment providing process monitoring and data analysis to anticipate possible incidents.
- **Pre-analytical/extraction process:** solution that manages the complete extraction process, queue and waiting room management, tube traceability, sample identification and traceability in the laboratory.
- **Diagnosis and treatment:** integration of the data generated by the devices with other applications and client IT systems.
- **Software solutions:** enabling the management of information from in vitro diagnostic analyzers.

**+20**

Applications developed

**+250**

Projects rolled out



# Quality Management

## Quality management system

At Palex, we have a responsibility to maintain the highest level of quality in all aspects of our business. In this regard, we have a **Quality and Environmental Policy** for Palex Medical, in which our commitment to comply with quality standards is clearly set out.

We are certified in accordance with the requirements of the **ISO 9001** quality management system for Palex Medical, Lusopalex, Adacyte, Cymit and Bioterra and we rigorously comply with the subsequent periodic monitoring and revision thereof.

In accordance with such compliance, we annually set out and review **quality objectives**, in line with our policy, to achieve the continuous improvement of the system's effectiveness and to meet customer, legal and regulatory expectations, as well as our own improvement requirements.

As a sign of our commitment, in 2021 we worked on a new scorecard that includes the objectives we want to achieve in terms of quality in the coming years, as well as the measurement procedure or the department in charge of monitoring them.

Furthermore, we conducted an analysis of our **risk and opportunity matrix**, considering the probability of occurrence and the impact on the organization to obtain a risk assessment, and proposing the consequent **action plan** for each of them.

We conduct annual **internal quality audits** to be prepared for the external audit that allows us to hold onto our ISO 9001 quality certification.

It is of the utmost importance to ensure that all the products we import and distribute are **safe and of high quality**. Therefore, we have the necessary mechanisms in place to ensure that all products comply with the legal requirements of the health industry and new regulations as they emerge. The **Regulation Department** conducts a **documentary control** of the products before going to market, to **verify compliance with the applicable legislation in force**.

This control is conducted by requesting the necessary documentation from our suppliers (such as, among others, CE Certifications, declaration of conformity, copy of product labeling and instructions for use, if applicable), validating and approving them, and entering them in our information systems for access by other departments.

## Safe and certified products

Palex Medical

98%

of shipments are dispatched on the same day they are ordered

Service level

Palex Medical

85%

of shipments are dispatched on the day required for arrival at the client's premises

79%

from the supplier





This means maintaining ongoing contact for consultations and procedures with the public administration, certifying bodies, and other entities of the industry such as Fenin. In this way, neither purchases nor sales are unblocked until the corresponding documentation is available.

During this process, we carry out a **strict control** when shipping and receiving products alike by reading the bar code, ensuring that the correct unit has been selected.

Throughout the year, the new documentation management tool was updated, introducing the necessary documents for the different products marketed by the company. In May 2021, regulation 2017/745 came into force for class I products, so Palex has obtained the necessary documentation from its suppliers to ensure legal compliance, as well as the CE certificates of those suppliers who have already certified their products of other risk levels (classes IIa, IIb and III).

As a result of the launch of economic activity in the radiotherapy industry, Palex has undertaken the process of authorizing radioactive installation to be able to market and provide technical assistance to an electron accelerator for application in radiotherapy treatments.

We also have a **surveillance system**, which includes product recalls, the distribution of safety notes to customers and the notification of adverse incidents and is carried out in accordance with the guidelines issued by the European Union in this regard.

With regard to **product labeling**, we carry out a control linked to the registration process in our systems and a control at the entry of the different shipments, to verify compliance with the applicable legislation.

Finally, in order to be able to detect any possible irregularities in the products, we attend **training courses on current or future legislation**. We also encourage our suppliers and manufacturers to attend these training courses and, if we deem it necessary, we deliver them ourselves to our clients.



## System improvement projects

### SAP S4/HANA

We are still in the process of implementing a new version of the SAP management information system, **S4/HANA**, which will allow us to **redefine workflows and optimize processes**, adapting them to the needs of the company and our clients. In this way, we will be able to implement cross-cutting improvements in the daily management of all departments, including **greater registration and visibility of key indicators, simplification of tasks, digitalization of processes and paper savings**.

- The system will also allow us to carry out other improvement actions such as, for example:
- Optimization of warehouse operations.
- Introduction of automation and stock management by radio frequency.
- Improved route optimization and logistics efficiency. Improved quality in inbound and outbound goods movements through aggregated transports.
- Unification of the Customer Service Center (CSC) into a single channel with a view to providing greater management skills and statistical visibility, as well as better tracking of each client.
- In 2021, we made progress in the implementation of tools and systems such as:
- Booking and travel expense management system, which is helping us in the optimization of both the travel booking process and the associated expenses, leading to a significant decrease in the use of paper and the logistics associated with sending the corresponding documentation to the head office.

- A tool for managing technical service operations, which is providing technicians with the capacity to manage their actions on the move, reporting to the client in real time and reducing the use of paper thanks to electronic signatures.

### Master data - GTIN

We are also working on a project that consists of obtaining product barcodes, **QR codes or Datamatrix codes** from suppliers so that they can be read and identified using an optical reader when delivered by Palex and by our clients alike.

This action arose from the mandatory nature of this coding for certain products, such as implants and high-risk products, by May 2021 and for the rest of the medical devices between 2023 and 2027 depending on their criticality. Palex strives to foresee and roll it out as much as possible across the rest of our products, resulting in a more agile and accurate **comprehensive management of products** for all members of our value chain, manufacturers and clients alike, and, in turn, satisfying the advanced requests of some clients who value such coding.





## Supply chain

Our suppliers are a key ally in ensuring that our products meet the level of quality that sets us apart. We collaborate with more than 600 top-class manufacturers in the industry, whom we consider as **partners** and with whom we work together to **add value and bring the best solutions to the market**.

To this end, we forge long-term relationships based on trust, with relationships lasting an average of more than 10 years and, in most cases, with exclusivity agreements to market their products.

Our suppliers see us as much more than just a distributor, we are the visible face of the products and solutions in the Spanish and Portuguese market with a solid track record. Furthermore, we give feedback on their products and provide technical and maintenance service. We strive to be their commercial, technological and operational ally.

### Responsible supply chain

As a substantial part of our business, we strive to ensure that our supply chain is **responsible and quality-assured**. We are committed to the integrity of all participants in operations throughout the value chain, ensuring **ethical and sustainable operations**. In fact, in 2022 we will approve a specific Code of Conduct for suppliers and a Procurement Policy that includes ESG criteria.

### Selection of suppliers

We choose all our suppliers on the basis of transparent and responsible criteria, rejecting any kind of influence from factors unrelated to the pursuit of the highest quality of products and services.

For product suppliers, our choice is largely determined by the nature of the industry, the high technical level of our products and the need to bring the best and most innovative healthcare solutions to the market.

To the greatest extent possible, we seek to encourage local consumption in our choice of product and service suppliers, with our supplier spending on European companies rising from 78% to 80%. Specifically, 37% of total spending is in Spain and 43% across the rest of Europe.

What's more, when it comes to contracting services such as cleaning, paper supply or vehicle rentals, we collaborate with **special employment centers**, fostering the employment of people with functional diversity.



In order to verify the quality and reliability of product manufacturers, we request quality management certificates (**ISO 9001** or **ISO 13485**), as well as specific documentation for product regulatory registrations in accordance with legislation in force. We also have requirements for compliance with payment deadlines, and other factors.

For service providers, we send an external activity standard on environmental aspects to those who work in our facilities or perform a service on our behalf in other facilities. In these regulations, our suppliers undertake to comply with the environmental measures put in place by our organization, the specific measures for couriers, the instructions for action in the event of an emergency and the environmental legislation in force.

In the specific case of our couriers, they all hold an environmental management certification (**ISO 14001**) or carbon footprint certification.

### Supplier evaluation

In order to **evaluate the performance of our suppliers**, in terms of both product and service, we do so on the basis of three criteria:

- Service level.
- Incident management.
- Response time.

A total of 328 suppliers are evaluated annually and, furthermore, for the biggest manufacturers, we also carry out more in-depth evaluations, reviewing aspects of regulation, logistics or technical service.



# Impact governance

## Corporate governance

We are aware that a **solid corporate governance model** is key to guaranteeing the generation of long-term value for all our stakeholders. Therefore, we have various governance bodies responsible for working to achieve the company's objectives in line with our mission, vision, and values.

Palex's governance bodies are:

**The Sole Shareholder, who exercises the functions of the General Shareholders' Meeting, since it is a Single Shareholder Company, in other words, there is only one shareholder.**

This governing body, which represents the ownership of the corporation, in this case made up of a single shareholder, is the supreme and sovereign body of the corporation, to which the administrative body is subordinate, and is the deliberative body that expresses the corporate will through its decisions. It is the body in charge of making the most relevant decisions for the company. For example, among its functions is the approval of the annual accounts and the distribution of profit, the appointment of the people who make up the Board of Directors, the modification of the corporate bylaws, or the merger, transformation, spin-off, or dissolution of the company, among other matters.

Meetings shall be held at least once a year within the first six months of each year, in ordinary session, to approve, if applicable, the corporate management, the annual accounts of the previous year and to decide on the distribution of profits, but extraordinary meetings may be convened whenever deemed appropriate by the governing body.

## Board of Directors

This is the executive body, of a collegiate nature, responsible for running and representing the Company. It is formed by a total of eight directors, who have been appointed by the Sole Shareholder, acting as the General Shareholders' Meeting. Its functions include protecting the interests of the shareholders, setting out and approving the group's policies and strategies, overseeing the organization's internal information and control systems, putting in place the organizational structure of the organization and making decisions, all in pursuit of the company's corporate purpose.

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



## Ethics and Integrity

We are adhered to Fenin's **Code of Ethics of the Healthcare Technology Industry**, whose purpose is to guarantee the fulfillment of the highest ethical standards for the industry. In it, the commitment to comply with and remain at the forefront of social demands by applying the utmost rigor and socially responsible conduct in all areas of activity is clearly set out.

Aware of the key role of the healthcare technology industry within the healthcare system, we are committed to exemplary behavior that goes beyond compliance with legislative provisions. We are committed to **transparency** and **ethics** in our relationships with healthcare professionals, patients and healthcare institutions.

In this regard, we have a **Compliance Officer**, as well as **internal systems** that seek to control the criminal risks of the organization. We also carry out random checks of the different areas to verify the correct implementation of Fenin's Code of Ethics.

The procedure for complaints and ethical concerns is based on contacting the Compliance Department itself, which looks into them anonymously. It should be noted that, in the 2021 financial year, no complaints were filed.

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

- Training delivered to the commercial and marketing areas, which are in constant contact with third parties, vis-à-vis Fenin's Code of Ethics. We have tested the participants to assess the knowledge acquired in the training.
- The contracts of commission agents and distributors include a clause in which they undertake to comply with Fenin's Code of Ethics, providing them with the corresponding training.

It is worth mentioning that, as part of our commitment to continuous improvement, we continue to work on **reviewing and implementing our compliance model** for the whole group. As a result thereof, throughout 2022 we will promote different training courses for all our collaborators.

The development of these projects will put us in a position to be even more prepared to prevent, detect and react to possible risks that could jeopardize the organization.



# Information security

The protection of information systems and, in turn, personal data, is of the utmost importance. In a world in continuous technological evolution, where large volumes of data are managed using specific tools and a wide variety of devices, this is a critical issue.

At Palex, our commitment to information security has taken us a step further this year. We have worked on implementing new standards in this area, based on identifying the risks affecting information security:

## ISO 27001 Information Security Management System



### International standard that allows for the assurance

Confidentiality and integrity of data and information, as well as of the systems that process it.



### ENS National Security Framework

The purpose of this regulation is to set out the principles that govern and ensure access, integrity, availability and veracity of the information used in electronic media or related to public administrations at a state, regional and local level.

Thanks to these, our systems are diligently managed and are equipped with structures, security plans and control mechanisms that help us protect them against accidental or deliberate damage that could affect the availability, integrity or confidentiality thereof.

Within this framework, we have approved documents such as the General Security Regulations and the Information Security Policy.

Principles contained in our Information Security Policy:

- Ensure information security in all its dimensions.
- Ensure compliance with legislation in force with regard to information security.
- Keep all staff informed vis-à-vis safety requirements.
- Formally manage security to reduce or eliminate the risks inherent to our activities.
- Draw up, maintain and test the contingency and continuity plans put in place.

Finally, we have shared this information and approved documentation with all the organization's collaborators, as well as documents to raise awareness of the importance of information security. We also provide them with an e-mail address so that they can report any information system security incident.



# Constant improvement **in Preservation**

We live for our  
environment



## Environmental commitment

At Palex, we are committed to protecting the environment, therefore we go to great lengths to reduce the impact of our activities on it. To this end, we encourage the efficient use of resources, foster the circular economy and proper waste management, and tackle climate change.

Proof thereof is our **Quality and Environmental Policy**, as well as Palex Medical's certification of compliance with the requirements of the **ISO 14001** standard on the Environmental Management System. Every year, we set out and review our environmental objectives with a view to reducing our direct and indirect impact on the environment. In the coming years, we will continue working on renewing the Environmental Management System and on rolling it out in the rest of the group's areas and companies.

We also conduct an **analysis of environmental aspects** in which we collect all the impacts caused by our activity and, in line with the analysis procedure, we determine the significance thereof. For the same aforementioned reasons, no significant issues have been spotted this year.

We also conducted a **product life cycle analysis** to look into our ability to influence each stage and implement actions that contribute to more sustainable management. Examples of such actions are contracting ISO 14001-certified couriers, reusing recycled and recyclable packaging ma-

terial and transportation from suppliers, and the proper management of waste, in particular healthcare waste and WEEE.

In 2021, we went one step further and all these commitments now play a significant role in our ESG Strategy and Policy that will set out the roadmap for the coming years with a view to becoming a trusted company in the environmental field thanks to the fulfillment of the highest sustainability requirements.

Within this framework, we have worked on drawing up our **Environmental Communication Plan**, which aims to share our commitments and **objectives** with our stakeholders, as well as to offer them recommendations so that they can also join us in doing our bit for the environment and reducing environmental impacts.



## Efficient use of resources

### Responsible consumption

We are responsible with the consumption of resources associated with carrying out our day-to-day activity, which, not including our own production, are 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 activity.

In 2021, we kept up our environmental commitment vis-à-vis the reduction of paper consumption, specific configurations of departmental printers so that the default option is double-sided and in black and white or the awareness campaigns carried out. We also managed to ensure that 50% of the paper used at some of our sites is of recycled origin. In the coming years, thanks to the implementation of the new SAP S4/HANA management tool, we will continue to improve the digitalization of processes and will be able to further cut down the amount of paper used.

About **energy consumption**, campaigns are also carried out and signs are used to encourage employees to turn off lights and air conditioning equipment at the end of the workday in work centers, such as in the Cornellà warehouse, where there is no centralized system to manage automatic shutdown.

### Material saving initiatives

One of our initiatives to minimize the materials consumed is **reusing boxes and pallets from our suppliers**, which we use for our distribution, in turn, extending their life cycle. Furthermore, the boxes we use for Palex products are of **BC 603** quality, which certifies that **100% of the material is recycled**. We also optimize the use of the Porex we use to ensure that products are shipped at the right temperatures.

In our offices we also continue to carry out campaigns to eradicate the use of single-use plastics such as cups. We have 100% recyclable cardboard cups with PE foil, and new employees are given a cup and a bottle for daily consumption of beverages in the office. Finally, we have reverse osmosis fountains.

**419,820 kg**

of pallets

**724,297 kWh**

of electricity

**46,183 kg**

of paper and cardboard

**554,288 L**

of fuel

**1,013 kg**

of Porex





## Circular economy and Waste management

At Palex, we strive to minimize the waste generated by our day-to-day activity and manage it so that it is treated correctly while generating as little impact on the environment as possible. For this reason, we have hired **authorised waste management companies for the collection, logistics and treatment** of the waste generated by the activity carried out in our work centers.

Due to our desire for continuous improvement in this area, our ESG strategy sets out several actions that will allow us to continue promoting the **correct separation and management of waste, as well as to improve and record the waste management circuit**. Specifically, in 2021 we launched an initiative in which we have involved our waste managers to identify areas for improvement. The steps we followed were:

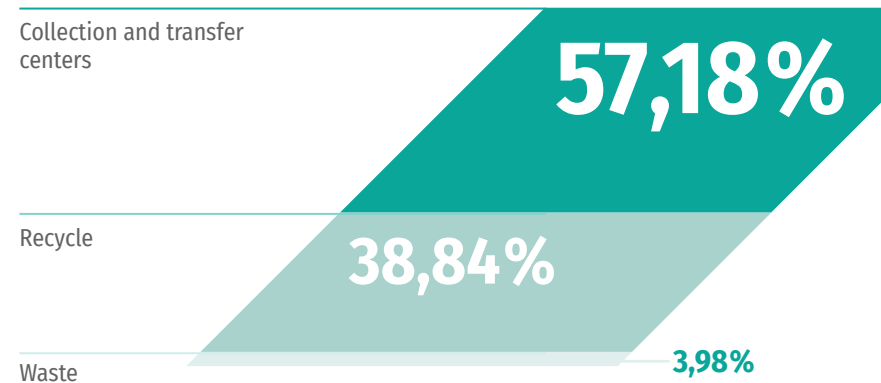
1. Identification of all the waste managers we work with.
2. Sending a survey on the waste collection and treatment process.
3. Analysis of the responses obtained.
4. Interviews with all waste managers.
5. Drafting of a report with all the information collected
6. Identification of areas for improvement.

Thanks to this process, improvements will be implemented in the coming years that will make it possible, among other things, to improve the centralization of collection, cut down its cost and emissions, maintain the separation of waste at source or obtain more specific data on waste treatment.

Again, we are controlling and separating: hazardous chemical liquids, batteries, fluorescent bulbs, sanitary material, plastic, paper and cardboard, wood, toner, WEEE, computer and ordinary material.

In 2021, a total of **14.64 t** of hazardous waste and **85.99 t** of non-hazardous waste were removed and managed. Each of them received its corresponding treatment as shown in the following data:

### Treatment of waste managed in 2021





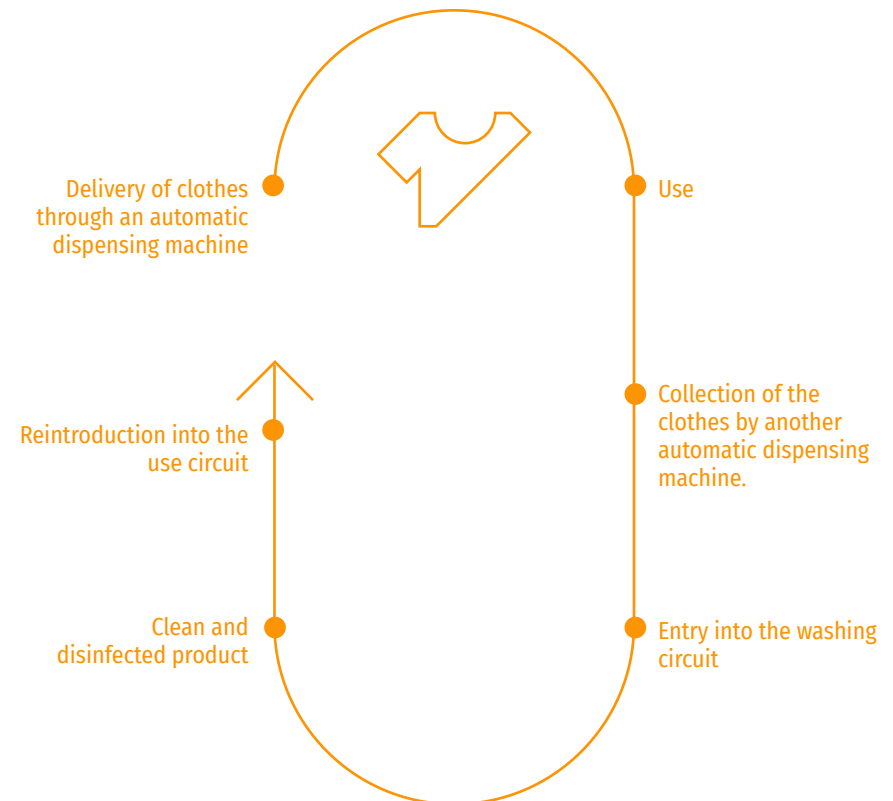
We would also like to highlight that 75% of our ordinary waste is reused as fuel in a cement plant, as certified by FCC Ámbito.

With a view to minimizing the impact of the waste we generate in offices and other work centers; we launched a **project to raise awareness and disseminate information on how to carry out proper waste separation**. We have detected improvement actions in the different centers such as relocation of containers, increase in the number of existing containers or improved labeling. Alongside this project, we have fostered communication campaigns on how to recycle, the correct use of each container and the best recycling practices.

### Non-sterile drapes

Due to the industry in which we operate, many of the products we sell are single-use products. Concerned about the environmental impact of this reality, we not only ensure proper management of the waste that we and our clients generate, but we are also committed to circular economy models. Specifically, the Coverage division has worked to start placing non-sterile covering material on the market, such as reusable pajamas. These surgical clothing circuits consist of:

### Non-sterile covering material circuit





This not only cuts down on the amount of waste, it also extends the life cycle of the material up to 300 times longer than disposable material.

### Product obsolescence

We are concerned about guaranteeing the correct end-of-life of all the products and equipment we sell. Therefore, in the user manuals we discuss how to correctly treat the product once its useful life is over.

We have the **Ecoasimelec Certificate** for Palex Medical, which offers us the necessary coverage for the correct collection and timely recycling of electrical and electronic equipment (WEEE) waste and batteries. Furthermore, our adhesion to Ecoasimelec provides us with a management platform for both obsolete products in our warehouse and for Palex's own products being depreciated by clients, ensuring the proper collection and treatment thereof.

We have also put in place a maintenance program that replaces damaged computers with new ones, guaranteeing the proper treatment of the those collected, whether they are repaired or managed as waste in the case of non-repairable computers.

Furthermore, FCC is responsible for treating waste derived from expired and unused medical equipment in the warehouse.



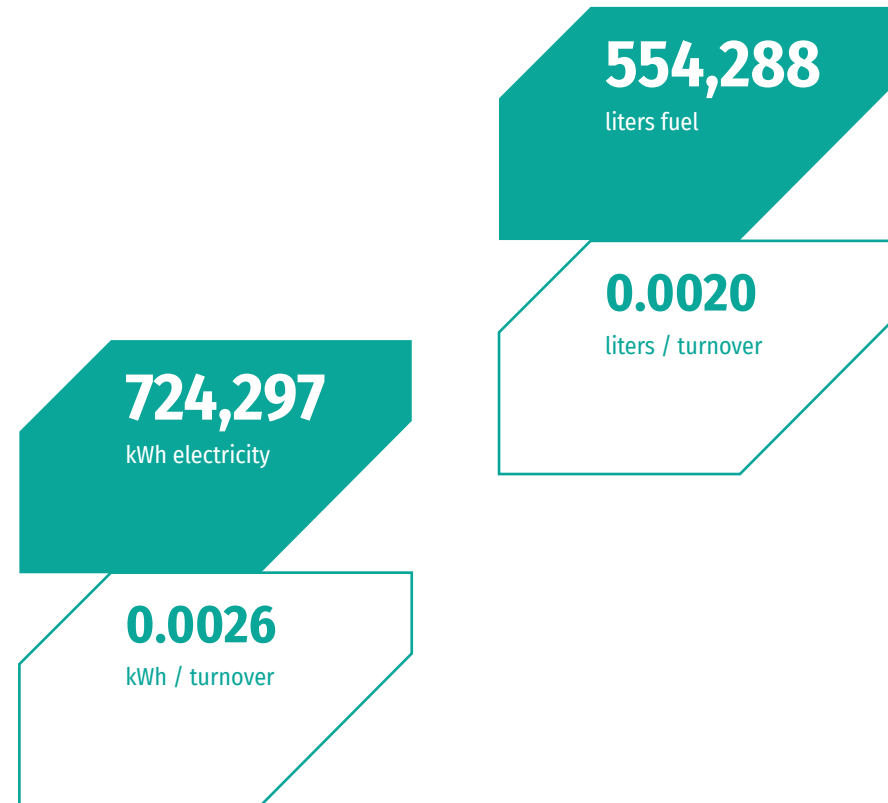
# Climate change

## Energy consumption management

Our total energy consumption comes from electricity consumption in our offices and warehouses and fuel for our fleet of leasing vehicles, which are used for the organization's own activities such as commercial management, technical service or distribution. Total energy consumption in 2021 and their respective intensities/turnover are shown below.

These figures represent an increase compared to the previous year. Specifically, energy consumption has increased by 28% due to an increase in production and the inclusion of new companies in the reporting perimeter. On the other hand, the 32% increase in fuel consumption is due to an increase in activity after the pandemic and, as a result, in the number of trips made by the fleet of leasing vehicles.

We also periodically carry out energy audits in order to detect and evaluate the possibilities for improvement of our facilities. As a result of the latter, at the end of 2020, we introduced energy saving measures such as: replacement of the lighting fixtures with LEDs or replacement of the general electrical panels and sanitation of the branch lines, protecting the voltage inputs and outputs of all the panels.







### Electricity saving measures

Our commitment to reducing electricity consumption has led us to foster different initiatives in recent years that will be strengthened with new action plans. For example, in the coming year we would like to work on contracting energy from renewable sources to support clean generation and reduce our carbon footprint and our impact on the planet.

We are also continuing with our commitment to replace conventional lighting with LED lighting. In the coming years, we will roll out changes in the facilities in addition to those already carried out in various centers, such as the one we are carrying out in the Cornellà facilities, which were not used as warehouses in 2020.

Another initiative rolled out at the Sant Cugat headquarters and at the Alcobendas branch in Madrid is that we have a centrally managed climate control system, which allows it to be automatically switched on and off in line with work schedules. In the rest of the work centers, upon arrival at the facilities, the cleaning staff systematically turns off lights and air conditioning equipment in staff-free areas. At the closing of the facilities, they check that all lights and equipment are turned off.

### Efficient and sustainable transportation

We endeavor to cut down on the fuel consumption derived from our activity, whether our own or that of third parties. In this regard, we strive to incorporate more efficient transportation routes, consolidating orders with a view to optimizing container and truck loads. We also ensure that all our couriers hold environmental certifications.

As part of our efforts to optimize routes and reduce our carbon footprint, we have initiated direct supply from exclusive suppliers in Portugal without the need for prior management from Barcelona. This will get rid of the need for transport between the two sites.

On the other hand, we are also concerned about the efficient consumption of our fleet of vehicles, which is at the disposal of our professionals to travel either for commercial management, technical service, or any other reason. We continuously seek to achieve maximum efficiency in our vehicles, which is why we are working on progressively equipping the fleet with more efficient vehicles, which has already begun by replacing some of them with vehicles with a hybrid engine (ECO energy label). Specifically, in 2021 we replaced 10% of the fleet with hybrid cars and we plan to increase this percentage in the coming years. Due also to the fact that all fleet's cars have a leasing program, the official planned, and scheduled servicing is performed.

Finally, we also foster the responsible and sustainable use of transportation by our professionals, through our Mobility plan, which encourages more sustainable means of transportation.

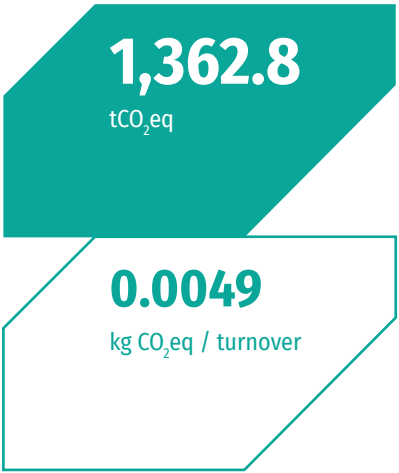


To strengthen this commitment to sustainable mobility, we have implemented several measures, such as, for example, in the Cornellà warehouse there is a space with plugs for bicycles and electric scooters, and in the Sant Cugat warehouse and offices we have showers for staff who travel by bicycle should they wish to use them. Furthermore, one of the selection criteria for workplaces is close access to public transport services.

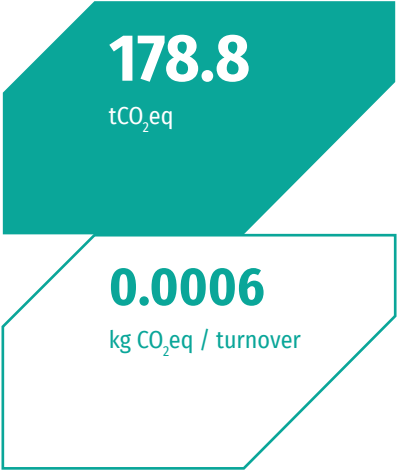
**Our carbon footprint**

We have calculated our carbon footprint in scopes 1 and 2. Thus, total GHG emissions in scope 1 amounted to 1,362.8 tCO<sub>2</sub>eq, corresponding to the fuel consumption of our fleet. Total scope 2 emissions are 178.8 tCO<sub>2</sub>eq, which come from the consumption of electricity in our work centers. The increase in both scopes with respect to last year is again due to the increase in the organization’s activity in the 2021 financial year.

Scope 1



Scope 2





Constant  
improvement  
**in People**

We believe in people

## Our employees

Our philosophy is based on **trust**. We believe in people and in the co-responsibility of our team of professionals. To strengthen this mutual commitment, we provide space to grow and create, to empower and develop professionally and personally alike. For this reason, we believe it is of the utmost importance that each employee keeps motivated and an intrinsic desire to grow and learn. At Palex, we strive to make this possible day after day.



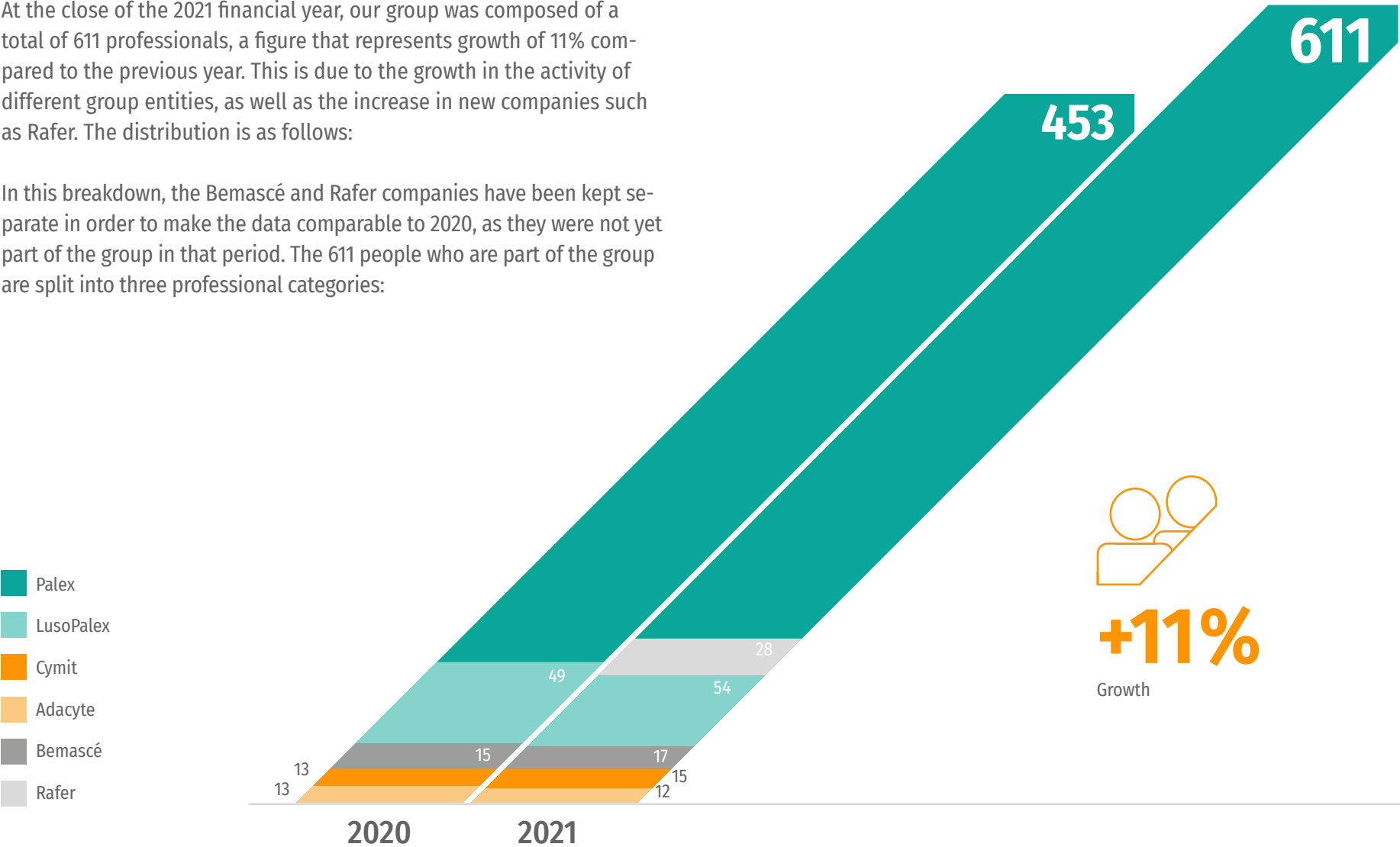




### Our professional staff

At the close of the 2021 financial year, our group was composed of a total of 611 professionals, a figure that represents growth of 11% compared to the previous year. This is due to the growth in the activity of different group entities, as well as the increase in new companies such as Rafer. The distribution is as follows:

In this breakdown, the Bemascé and Rafer companies have been kept separate in order to make the data comparable to 2020, as they were not yet part of the group in that period. The 611 people who are part of the group are split into three professional categories:





### Total workforce by professional category 2021

Administrative staff and others employees

308

Technical and middle management staff

271

Management

32

Regarding the predominant types of contracts and working hours, it should be noted that, at the end of 2021, **97%** of our workforce had a full-time, indefinite-term contract. This figure, which is identical to the previous year, confirms our commitment to ensuring solid employability.

What's more, our workforce has union representation mechanisms. 90% of the workforce is covered by the Collective Bargaining Agreement applicable in Spain: wholesalers and importers of industrial chemical products and medicines, perfumery and by-products. For those outside Spain, there is no agreement and the labor regulations of each country apply.

### Fostering well-being in the workplace

Our goal is to create a healthy work environment, guaranteeing the well-being of each and every company employee. That is why we believe that, in order to continuously improve, it is of the utmost importance to listen to their opinions and be aware of their needs.

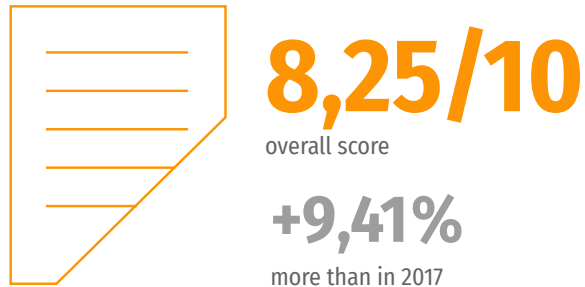
For this reason, we periodically conduct a **work climate survey**, the last of which was conducted in December 2020. Following this, we analyze the responses, identify areas for improvement and make an action plan to respond to their proposals and opinions.

Furthermore, our professionals have **in-kind benefits** with a view to facilitating the day-to-day life of our team and improve the quality of their professional and personal lives. Some examples are:

- Flexible compensation: childcare, catering, transportation, health and retirement insurance, and training.
- Birthday leave.
- Palex Club: platform where staff and family members can access to get better prices and deals on products.
- Annual school allowances for each child up to 16 years of age, monthly allowances for employees and children of employees with disabilities.
- Free fresh seasonal fruit in the canteens and offices.
- Dressing rooms with showers in Cornellà and Sant Cugat.
- Christmas and birthday gifts.



### Work climate survey



In order to promote a good work/life balance, which we know is synonymous with a healthy career, we have put in place initiatives such as:

- Flexible schedule: clock-in from 7:15 to 09:30 am; lunch break between half an hour and two and a quarter hours; and clock-out after 4:00 pm<sup>2</sup>.
- Shorter workday on Fridays.
- Remote working.
- Personalization of working hours if necessary.
- Flexibility when it comes to choosing time off.
- Social benefits for pregnant women.
- **Digital disconnection policy**, which includes:
  - No obligation to answer emails outside working hours (except for positions in which it is required to guarantee essential services).
  - Recommendation to send delayed emails when after hours.

<sup>2</sup> Departments such as the Warehouse or Customer Service have other schedules, but we also try to ensure that they are the best they can be, taking into account the essential services we must offer our clients.

### Talent attraction and development

Our commitment to talent is one of our most important principles. We encourage meritocracy and internal promotions, and we ensure that all our staff have a clear path of professional and personal development, as we believe that people's merit lies both in their knowledge and skills, as well as in their human qualities.

In order to boost the development of our professionals within the company, one of the projects we are working on for the coming year is to resume **performance evaluations** in a new digital format.

Our selection policy applies to both external candidates and those who are already working at Palex, thus guaranteeing equal opportunities when it comes to accessing a vacancy, as well as encouraging promotion within the organization.

In this regard, we are proud that employees work with us for an average of 9 years, and that 72% of the positions within the management team have been filled through internal promotion, with a total of 21 people promoted this year. Furthermore, we have monitored the unwanted turnover rate, which this year is 2.78%, 0.7% below the previous year.



### Selection, welcoming and onboarding

We are aware that the first few days are key for the successful integration of new recruits into the organization. At Palex, we strive to provide a good welcome and support during this process, and therefore, as part of our onboarding policy, we have a **Welcome Manual**, which is given to new recruits to provide them with all the relevant information, including the various policies of the organization. Furthermore, we also provide a **Welcome Pack** that includes corporate merchandising material: a cotton bag, a mug, a bottle, a USB memory stick, a notebook, etc. All this information is available to the team on the training portal.

During this onboarding period, new recruits participate in different training courses to ensure their integration with our culture and values. For example, they take courses in Compliance and Ethics, **Occupational Health** and Safety, and Equality.

### Personal and professional development

The annual training plan looks at the needs spotted by the managers of each of the divisions and departments and in climate surveys. Thanks to all the information gathered, we are able to adapt the plan to the individual characteristics of the different teams and at any given time.

In addition to the technical training provided in each area, we have a number of programs that are addressed to the entire organization:

#### 1. Inside Discovery Program

Psychometric tool to understand oneself and others and thus obtain more effective and authentic interpersonal relationships.

#### 2. Virtual Leader Program

Aimed at providing managers with management tools and skills for day-to-day work in more virtual environments.

#### 3. Time Management and Stress Management Itinerary

Offers resources that can be useful in the circumstances that arise in the workplace. Aspects such as the importance of mindfulness, time management and decision making are addressed.

In 2021, the total number of training hours per professional category were:

#### Total hours of training by professional category

**8.930**

Administrative staff and others employees

**6.914**

Technical staff and middle managers

**394**

Management





It is worth mentioning that we not only encourage training within Palex, but we also like to know that our team has interests and aspirations outside the work environment, and we are pleased to be able to offer support for master's degrees, courses, and other studies.

Also, we offer specific training in **languages** such as English and we have a program whereby the organization, after evaluating the position, can pay for part of the cost of language studies. Furthermore, if it is not a necessity for the position in question, we still offer assistance to finance the courses.

### Moving towards online training

In 2021, we continued to work on the shift towards digital training thanks to the implementation of the Triviere online training platform, which is now available to our entire team and in which the defined courses already appear.

The digitalization of training has also led to us setting out new methodologies to be able to plan the courses to be carried out and their duration, as well as the procedures to follow up the training plan.

**At the end of 2021, there were 8 people on the team with a degree of functional diversity greater than 33%**

## Diversity and equal opportunities

Respect is one of our core values, at the heart of all our internal and external relationships. Therefore, at Palex there is no room for inequality or harassment. We firmly believe in equal opportunities for every member of our current and future workforce.

Our commitment to non-discrimination on grounds of race, religion, nationality, ethnic origin, color, sex, gender, ideology, sexual orientation or age is reflected in our **Equality Plan**, implemented in 2011 and adapted in 2021 to RD 901/2020 on equality plans and RD 902/2020 on equal pay. The entire workforce is trained in the content of the plan and is also included in the onboarding process for new recruits.

Furthermore, we carry out an annual diagnostic of the situation to evaluate the evolution of the different indicators and confirm that they are evolving in a favorable way.

To support this plan, whose objective is to fight against any type of discrimination or harassment and to guarantee equal opportunities in access to employment, promotions, and remuneration for every member of our group, we also have a **Protocol for the Prevention of Harassment** and a **Communication Protocol (use of language: equality criteria)**, which aims to ensure a non-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 2021, there were 8 people on the team with a degree of functional diversity greater than 33%.



On the other hand, whenever we can, we endeavor to work with special employment centers, which generate quality employment for people with functional diversity. For the cleaning staff in Sant Cugat and Cornellà, we have a mixed model with one part hired from GELIM, and for the supply of office paper we work with ILUNION, thereby fostering inclusion and equal opportunities.

Furthermore, our central offices are adapted to foster accessibility for people with functional diversity.

### Team health and safety

At Palex, we care for our team and their health and safety are of the utmost importance to us. Having mechanisms in place to guarantee a healthy and safe work environment that minimizes any type of risk to employees is key. For this reason, we have an **Occupational Health and Safety Plan**, which includes a self-protection plan and an analysis of the generic risks of the Palex Group.

In 2021, there were a total of 42,000 hours of absenteeism, taking into account workplace accidents (including commuting accidents), common contingencies and occupational diseases. This increase of more than 11,000 hours with respect to the previous year is due to the increase in the number of team members who tested positive for COVID-19 throughout the year, thereby resulting in medical leave and, consequently, hours of absenteeism.

All staff are offered an annual medical check-up and the option of getting a flu vaccination. We have defibrillators in all our centers and provide regular training on the use thereof, as well as on first aid.

### The “Back to School”

We have a program designed to ensure the good physical conditions in which our team works. This year, due to the pandemic, we have replaced the annual physiotherapy session with online stretching sessions led by a physiotherapist twice a week. In this way, we continue to evaluate the condition of our team members where improved ergonomics is included as a risk of their evaluated job, offering advice and education on good work habits in order to prevent or correct health issues derived from bad postures adopted throughout the working day.

### **Mobility plan**

We have a **Mobility plan**, as a way to ensure that our professionals are informed of responsible measures related to road safety, as well as to foster sustainable mobility. Our objective is to ensure the well-being, safety, and health of Palex staff, to inform them and raise awareness of the risk factors that can cause accidents, as well as to help them prevent them.

Furthermore, we ask people to reflect on the means of transportation used to come to work, thereby encouraging more sustainable means of transportation, which leads to a smaller environmental impact and greater personal well-being. In this regard, all employees can avail of a transportation card as part of their flexible remuneration.







## Human Rights

Our intrinsic values as a group mean we are committed to **tackling any type of discrimination and defending human rights** both in our own activity and throughout the supply chain.

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

- An **Equality plan**, the purpose of which is to eliminate any type of discrimination and guarantee equal opportunities in access to employment, promotion and remuneration for every employee.
- **Anti-harassment protocol**, which seeks to maintain a work environment free of any conduct that could be considered harassment or intimidation, promoting measures to prevent such behavior.
- Policies to foster a healthy work/life balance.
- Measures implemented to ensure occupational health, creating work environments that guarantee the physical and emotional well-being of our team.
- Existence of **union representation** and collective bargaining mechanisms.

Furthermore, we guarantee our commitment to respect human rights through compliance with local legislation in the various countries in which we operate. In this regard, the legislation includes the following labor principles, to which we are fully committed, in accordance with the fundamental conventions of the **International Labor Organization (ILO)**:

- Support freedom of association and the recognition of the right to collective bargaining.
- Support the elimination of all forms of forced or compulsory labor.
- Support the effective abolition of child labor.
- Support the elimination of discrimination in respect of employment and occupation.

In doing so, we are working to strengthen our alignment with both the **Ten principles of the United Nations Global Compact** and the **Universal Declaration of Human Rights**.





# Clients and patients

## Our clients, users and patients

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

The sales methods we operate with, depending on whether the client is public or private, and on the nature of the products and equipment, are:

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

In Spain, which is our main market, the defining characteristics of its healthcare system are that it is universal, direct and provided as a free service. As a result, 80% of our revenues in 2021 came from public clients, making the health authorities of the 17 autonomous communities key players for Palex.

Beyond the decision-makers in the healthcare industry, we consider **healthcare workers and researchers in the medical community** to be important clients, as they are the professionals who use our products and systems, and whose needs and expectations we strive to meet on a daily basis.

Likewise, patients, the end users of many of our products and equipment, are also a fundamental group whose health and well-being are our priority.

At Palex, we take into account all these stakeholders in the development of our daily activities, and we strive to meet their expectations and offer the best response to their needs.



## Satisfaction and trust

We have extensive knowledge of the market and have always worked very closely with physicians and other healthcare professionals, which allows us to more easily identify their emerging needs and, therefore, to find the products or solutions that best respond to their needs.

### Customer service

We have the necessary mechanisms to be always available to our clients, through our specialized **Customer Service Centers (CSC)**, to provide an adequate response to all the individual needs of the different industries, clients and geographic areas.

Our main Customer Service Center is split into four pillars:

1. **General CSC**
2. **Diagnostic-Laboratory CSC: includes the Transplant and NGS, In Vitro Diagnostics, Preanalytical and Laboratory units.**
3. **Specialties CSC: includes the Oncology, Brachytherapy, Neurosciences, Home Hemodialysis and Adacyte units.**
4. **Orthopedics CSC**

Each of these teams is divided by region to ensure that clients in a given area always receive help from the same contact person, thus strengthening the relationship with them and creating bonds based on trust and experience.

The Specialties CSC team is not only in contact with clients, but also with home hemodialysis **patients**, attending to their needs and managing the delivery of material where necessary.

Furthermore, we also have a specialized **Orthopedics and Engineering CSC** which, due to the nature of the products and associated processes, is totally independent from the former ones.

**Lusopalex, Cymit** and **Bemascé** also have their own customer service department to deal with queries and complaints specific to their products and industries. In the case of Lusopalex, the orthopedic unit is managed jointly from the Orthopedics CSC of Palex Medical.

Throughout 2021, we received a total of 95 customer queries and complaints, which we have tried to manage and respond to as soon as possible.

On the other hand, the different CSCs have managed a total of 204,923 orders in 2021.



## Technical and training support

To ensure that our customers receive a comprehensive service, we have a **Technical Service Department** for Palex Medical, Lusopalex, Adacyte and Bemascé, which is in charge with repairs, spare parts and preventive maintenance of medical equipment at the client's premises.

We have a large team of officially certified technicians who have undergone training with the actual suppliers of the medical equipment in question, spread throughout Spain and who travel as needed. Furthermore, they have a workshop in Barcelona and another one in Madrid to carry out repairs. Technical services are also managed outside Spain through external technicians, as is the case of Adacyte, for example, which distributes the Adacolumn® medical device throughout Europe.

On the other hand, in addition to technical support, we also provide our clients and healthcare professionals with the knowledge they need to use the products and equipment by conducting **technical training courses**.

Different company units, such as Orthopedic Surgery, Nephrology or Cardiac Surgery, have product specialists who support the users of the products for the time necessary to use the products and systems safely. Furthermore, in the IVD-Laboratory Area, the units also have application specialists with a very high level of technical training. They are the ones who accompany the **client** training them in how to operate the equipment and later giving them support in any situation that may arise regarding the use of that equipment.



## Our contribution to the community

### High-impact products and solutions

We are fortunate to be able to contribute to society in such a meaningful way through our daily activities. We provide advanced hospital solutions that **improve people's quality of life** and have a positive impact on their health. We also provide technological innovations that advance **more efficient and sustainable healthcare practices**.



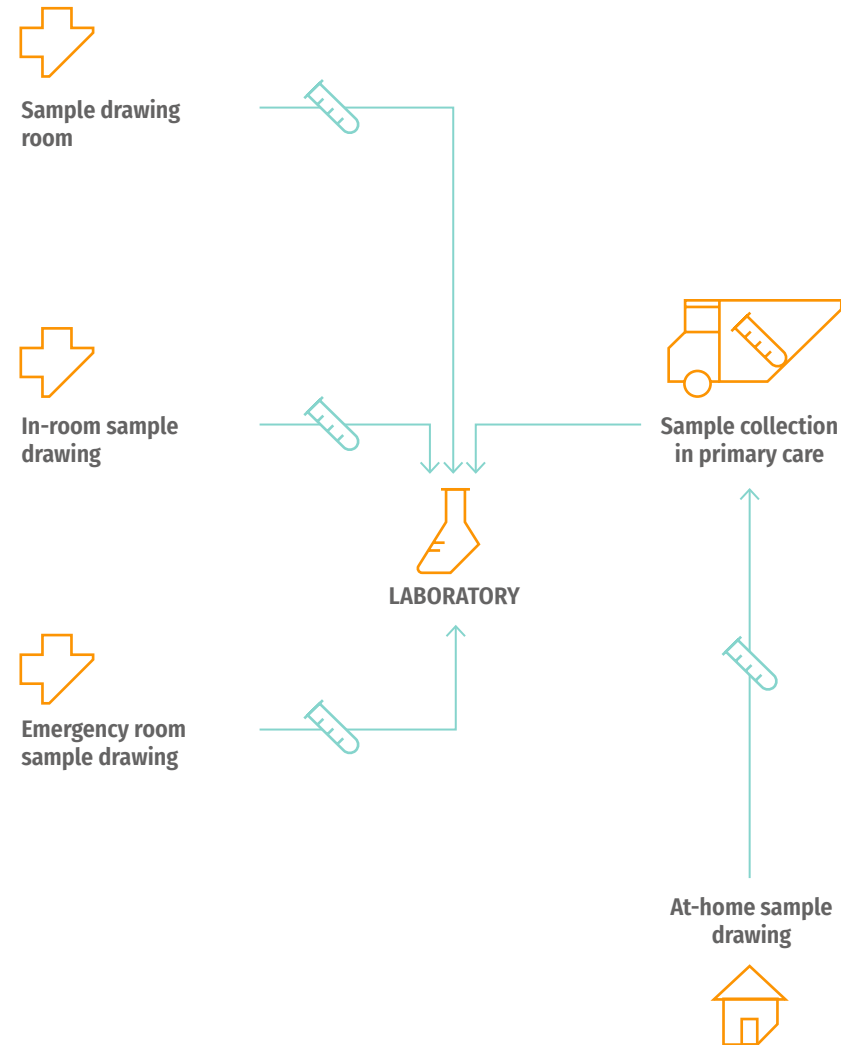
## InLab System

The InLab System is a global solution for the extractions area whose main objective is to **preserve the integrity of patients in their sample tubes**. It is therefore of the utmost importance to have total control of the process to prevent errors and incidents and to be able to guarantee quick and reliable patient diagnosis.

This solution is made up of hardware and software modules that act in different areas:

1. Improving the entire traceability of the pre-analytical process.
2. Guaranteeing the safety of patients and healthcare staff.
3. Promoting the decentralization of extractions from hospitals to health centers.
4. Implementing process quality indicators.
5. Providing state-of-the-art innovative automation tools.

This comprehensive and cross-cutting approach of the InLab System allows us to develop bespoke projects to promote innovation and digitalization of extractions, optimizing all processes and sample tracking: from their origin to the laboratory.





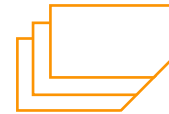
## Anatomic pathology digitization solution

At Palex Medical, we have continued to work with other collaborating entities such as 3D Histech and the *Universitat Politècnica de Catalunya* on the project to transform the pathological anatomy services of the *Institut Català de la Salut* (ICS) into a **digital pathology** system. The project consists of the digitization of pathological anatomy samples through slide scanners for their storage in digital format. This will optimize the diagnostic process, promote cooperation and collaboration between the different professionals of the ICS and provide high-tech tools for more efficient management and greater interaction.

Furthermore, this solution not only saves on the physical storage space required, but also improves workflows by automating the diagnostic process, allows for better analysis and comparison of images, as well as greater detection and recognition of patterns associated with specific pathologies using artificial intelligence techniques.

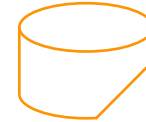
On the other hand, working in a network facilitates access to databases by both professionals and citizens, the viewing of similar cases, and the use of artificial intelligence techniques to detect and recognize patterns associated with specific pathologies. In short, **it improves the speed, accuracy, efficiency, and quality of diagnosis.**

In 2021, the digital transformation challenge has connected the 8 hospitals of the ICS, including the *Hospital Universitari de la Vall d'Hebron* in Barcelona, achieving:



**+300,000**

slides digitized



**450 TB**

of annual images managed



**51**

workstations with 4K medical-grade displays



**45**

pathologists and 2 biologists serviced

**3**

scanners put into production for bright-field and fluorescence

**3**

commissioned and integrated macro-photography systems



## Estimtrack

With a view to achieving an efficient management of the surgical block, this revolutionary platform allows interventions to be scheduled in an agile and optimized way. It is thus possible to organize and distribute the surgical activity and to **monitor the flow of patients**, thereby improving the operations of the healthcare professionals and reducing the stress level of family members. Screens are placed in the waiting room so that they can consult the patient's location in real time, either on the screen or on a mobile application.

In 2021 the following have been implemented in several hospitals:

- Strategic Planning Module in Igualada. Implemented in 6 operating rooms and put into operation in July.
- Programming Module in Mollet. Implemented in July in 7 operating rooms.
- Programming and Tracken modules in the *Hospital de la Santa Creu i Sant Pau* in Barcelona. Commissioned during December in a total of 18 operating rooms.

## Associations and foundations we collaborate with

Aware of the active role we play in boosting the well-being of society and the local community, we strive to contribute beyond merely providing our products and solutions. We are committed to the growth and redistribution of value in the community, with a view to contributing to the development of a more equitable and sustainable society that also responds to the United Nations 2030 Agenda with which we are fully aligned.

With this objective, we collaborate with different non-profit entities and foundations, and promote various actions, advocating the generation of a positive impact on society.

At Palex Medical, we are affiliated with **Fenin** (Spanish Federation of Healthcare Technology Companies), an association that values healthcare technology as an element of positive impact on the health of patients and efficiency of healthcare organizations, representing the interests of the industry in the appropriate forums.

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

We also collaborate with the **FEFOC Foundation Against Cancer**, which develops projects against breast and prostate cancer. In addition to the contributions we make to support these projects, we also carry out joint



activities, such as writing articles in their monthly magazine, creating awareness-raising videos and participating in events such as the **EAU** (European Association of Urology Congress).

In this regard, from the different business units, new alliances have been formed promoting collaborations and carrying out initiatives that generate a positive impact on society. In this line, we have collaborated and actively participated in associations and foundations such as **ANECORM** (National Association of Material Resources Coordinating Nurses), **AEP** (Spanish Association of Perfusionists), **NUPA** (National Association of Patients with Ambulatory Parental Nutrition and their families), **ALCER** (Association for the Fight Against Renal Disease) or the **NeNe Foundation** on neonatal neurology.

We also have a close relationship with societies such as **SECCE** (Spanish Society of Cardiovascular and Endovascular Surgery), **SACCV** (Andalusian Society of Cardiac Surgery) or **SCCC** (Catalan Society of Cardiac Surgery).

Furthermore, we also make **donations** to foundations, hospitals, and universities whose objective is **scientific research**, areas in which we also collaborate. We want to be a driving force for innovation and do our bit to contribute to this development, fostering the health and well-being of the community.

Finally, we would like to highlight the different collaborations and initiatives driven by the divisions:

### Actions and activities promoted

#### Breast Cancer Awareness Month

Throughout the month of October, also known as the pink month, we have done work to foster actions and initiatives that contribute to breast cancer awareness and research. In turn, we have encouraged the entire Palex team to share our campaigns on social networks about our commitment to the prevention and treatment of this disease, to collaborate by purchasing solidarity products from the Spanish Association Against Cancer and to participate in races and walks such as the Marina WalkTrail 2021.

#### Marina WalkTrail

This walk, which has been held for six years, raises funds for research through the Fundació Amics de l'Hospital del Mar. This year, all the proceeds went to breast cancer research with a view to finding new ways of eliminating tumor cells by the patient's immune system and, at the same time, improving health and fostering healthy lifestyle habits among the participants of the walk.





### Transplant run

In December, we sponsored and participated in this charitable sporting event that consisted of a timed race to join forces in favor of the group of transplant patients and, in turn, give them visibility. Together with patients on the waiting list for a transplant, patients already transplanted, friends, caregivers, amateur and professional runners, families and even pets, participants were able to choose whether to run the five-kilometer or one-kilometer circular route.

### Difference Project

Our concern for trying to generate a positive impact on the future leads us to collaborate with projects that have to do with children's education in the local community in which we operate. Specifically, this year we have supported the Ricardo Fisas Foundation by sponsoring the Martinet school in Cornellà, which helps children with learning differences such as dyslexia, ADHD or high abilities. It fosters an inclusive school by training teachers and implementing a monitoring and support system in the school so that these students can learn in a different way, ensuring that no one is left behind.

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





## Other projects

### **Amb tu, com a casa Project**

Faced with a reality in which it has been demonstrated that involving parents and family members improves the prognosis and evolution of premature newborns, this Amb tu, com a casa project was born. *The Hospital de la Vall d'Hebron* spotted the need for the creation of a new neonatal unit that has become the hospital's new **Advanced Neonatology Center**.

This project strives to place the family at the heart of neonatal care, creating spaces that facilitate and protect their privacy within the hospital, trying to make them feel comfortable and where they can always find the advice of professionals.

Twelve boxes have been converted into single rooms where newborns are accompanied by their families 24 hours a day. Each room has all the necessary technological equipment: cribs, incubators, respirators, etc., as well as a bed and toilet for the family. The rooms are freely accessible to family members, supervised by the medical team.

We have tried to create a friendlier and more comfortable center to cope with the situation in a more welcoming way, helping users to feel at home.

At the Palex B+C division, we are extremely proud to have been able to participate in a project of such human, scientific, innovative, and social quality.

## Economic value generated and distributed

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

### Economic value generated and distributed

|              |               | 2020                                  | 2021                                  |              |
|--------------|---------------|---------------------------------------|---------------------------------------|--------------|
|              |               | Profits earned<br>Paid tax on profits | Profits earned<br>Paid tax on profits |              |
| Spain        | 40,404        | (8,374)                               | (10,835)                              | 2,984        |
| Portugal     | 399           | (260)                                 | 808                                   | (432)        |
| <b>TOTAL</b> | <b>40,803</b> | <b>(8,634)</b>                        | <b>(10,027)</b>                       | <b>2,552</b> |



# Communication and transparency

## Stakeholders

Our stakeholders are a key part of Palex as an organization since we are aware that, to achieve sustainable corporate development, they all need to be integrated into our management model in order to respond to their needs. This also allows us to **create value together**.

### Internal

#### Employees

- Staff
- Works Council
- Workers Committee

#### Shareholders

#### Other group entities

- Lusopalex
- Adacyte
- Cymit
- Bemascé
- Bioterra
- Comercial Rafer

### External

#### Public and private clients

- Hospitals
- Clinics
- Laboratories
- Research centers

- Health insurance companies
- Food industry

#### Patients

- End users of the products distributed

#### Personal sanitario

- Healthcare professionals
- Medical community
- Researchers

#### Product Suppliers

- Manufacturers/suppliers of MedTech products

#### Service providers

- Couriers
- Service providers

#### Regulatory bodies

- Certification bodies

#### Public administration

- Public agency
- Agencies (regulatory bodies)
- Health authorities of the Autonomous Communities

#### Financial institutions and investors

- Banks
- Investors

#### Industry associations

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

### Indirect

#### Sociedad

- Academic institutions
- Health societies
- Foundations
- Local community
- Environment

#### External talent

- Labor market
- Talent fairs

#### Media

#### Competition



We do our utmost on a daily basis to achieve this and, to this end, we consider it to be of the utmost importance to identify these groups and know their expectations, in order to constantly improve the relationship we have with them, whether directly or indirectly.

Furthermore, with a view to fostering a good relationship with stakeholders based on trust and transparency, we have set out **effective communication channels** to forge long-term relationships.

We strive to make this communication flow **active, continuous, and two-way**. In this way, we achieve an honest and open dialogue in order to better understand the concerns of our stakeholders and to be in a position to respond to their needs.

To strengthen our commitment to our different stakeholders, we have set out the main channels of communication with them, through which we forge solid relationships.

#### Main communication channels defined



# Key Indicators

The background features two large, overlapping gray polygons. One polygon is a darker shade of gray and is positioned in the lower-left area, while the other is a lighter shade and is positioned in the upper-right area. The text 'Key Indicators' is placed in the white space between these two shapes.



## Solutions

### Communication and training on anti-corruption policies and procedures

|                                          | 2020        | 2021        |
|------------------------------------------|-------------|-------------|
|                                          | Total hours | Total hours |
| Management                               | 13          | 21          |
| Technical and middle management staff    | 86          | 177         |
| Administrative staff and other employees | 115         | 154         |
| <b>TOTAL</b>                             | <b>214</b>  | <b>352</b>  |

### Complaints and claims<sup>3</sup>

|                                   | 2020       |           | 2021      |           |
|-----------------------------------|------------|-----------|-----------|-----------|
|                                   | Received   | Resolved  | Received  | Resolved  |
| Palex Medical, Lusopalex, Adacyte | 89         | 65        | 63        | 31        |
| Cymit                             | 27         | 27        | 32        | 30        |
| Bemascé                           | 3          | 0         | 0         | 0         |
| <b>TOTAL</b>                      | <b>119</b> | <b>92</b> | <b>95</b> | <b>61</b> |

## People

### Year-end workforce by gender, age and professional category

|                 |       | Management | Technical and middle management staff | Administrative staff and other employees |
|-----------------|-------|------------|---------------------------------------|------------------------------------------|
| Younger than 30 | Men   | -          | 19                                    | 11                                       |
|                 | Women | -          | 13                                    | 19                                       |
| Between 30-50   | Men   | 8          | 81                                    | 71                                       |
|                 | Women | 5          | 60                                    | 123                                      |
| Over 50         | Men   | 14         | 73                                    | 43                                       |
|                 |       | 5          | 25                                    | 41                                       |
| <b>TOTAL</b>    |       | <b>32</b>  | <b>271</b>                            | <b>308</b>                               |

<sup>3</sup> For Palex Medical, Lusopalex and Adacyte they involve product-related complaints. Bemascé receives complaints about logistics, service and products. Cymit receives complaints about incorrect or damaged products and logistical issues.



### Workforce at year end by country

|              | 2020                      | 2021                      |
|--------------|---------------------------|---------------------------|
|              | Total number of employees | Total number of employees |
| España       | 490                       | 553                       |
| Portugal     | 49                        | 54                        |
| Francia      | 3                         | 3                         |
| Suecia       | 1                         | 1                         |
| <b>TOTAL</b> | <b>543</b>                | <b>611</b>                |

### Staff by type of contract by gender, age and professional category

|                                          | 2020               |                    | 2021               |                    |
|------------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                          | Permanent contract | Temporary contract | Permanent contract | Temporary contract |
| Women                                    | 255                | 4                  | 285                | 6                  |
| Men                                      | 282                | 2                  | 318                | 2                  |
| <b>TOTAL</b>                             | <b>537</b>         | <b>6</b>           | <b>603</b>         | <b>8</b>           |
| Younger than 30                          | 55                 | 3                  | 60                 | 2                  |
| Between 30-50                            | 304                | 3                  | 342                | 6                  |
| Over 50                                  | 178                | -                  | 201                | 0                  |
| <b>TOTAL</b>                             | <b>537</b>         | <b>6</b>           | <b>603</b>         | <b>8</b>           |
| Management                               | 28                 | -                  | 32                 | -                  |
| Technical and middle management staff    | 240                | 1                  | 270                | 1                  |
| Administrative staff and other employees | 269                | 5                  | 301                | 7                  |
| <b>TOTAL</b>                             | <b>537</b>         | <b>6</b>           | <b>603</b>         | <b>8</b>           |

### Full time/part time staff by gender, age and professional category

|                                          | 2020               |                    | 2021               |                    |
|------------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                          | Permanent contract | Temporary contract | Permanent contract | Temporary contract |
| Women                                    | 255                | 4                  | 284                | 7                  |
| Men                                      | 282                | 2                  | 316                | 4                  |
| <b>TOTAL</b>                             | <b>537</b>         | <b>6</b>           | <b>600</b>         | <b>11</b>          |
| Younger than 30                          | 57                 | 1                  | 60                 | 2                  |
| Between 30-50                            | 304                | 3                  | 343                | 5                  |
| Over 50                                  | 176                | 2                  | 197                | 4                  |
| <b>TOTAL</b>                             | <b>537</b>         | <b>6</b>           | <b>600</b>         | <b>11</b>          |
| Management                               | 27                 | 1                  | 31                 | 1                  |
| Technical and middle management staff    | 239                | 2                  | 264                | 7                  |
| Administrative staff and other employees | 271                | 3                  | 305                | 3                  |
| <b>TOTAL</b>                             | <b>537</b>         | <b>6</b>           | <b>600</b>         | <b>11</b>          |



### Number of dismissals by gender, age and professional category

|                                          | Number of dismissals |
|------------------------------------------|----------------------|
| Women                                    | 18                   |
| Men                                      | 22                   |
| <b>TOTAL</b>                             | <b>40</b>            |
| Younger than 30                          | 1                    |
| Between 30-50                            | 24                   |
| Over 50                                  | 15                   |
| <b>TOTAL</b>                             | <b>40</b>            |
| Management                               | 1                    |
| Technical and middle management staff    | 7                    |
| Administrative staff and other employees | 32                   |
| <b>TOTAL</b>                             | <b>40</b>            |

### Seniority of the workforce at year-end by gender

|                    | Men        | Women      | Total      |
|--------------------|------------|------------|------------|
| Less than 1 year   | 62         | 59         | 121        |
| 1 to 2 years       | 58         | 57         | 115        |
| 3 to 5 years       | 53         | 63         | 116        |
| 6 to 10 years      | 31         | 26         | 57         |
| 11 to 20 years     | 64         | 57         | 121        |
| 21 to 30 years     | 36         | 15         | 53         |
| More than 30 years | 16         | 14         | 28         |
| <b>TOTAL</b>       | <b>320</b> | <b>291</b> | <b>611</b> |

### Internally promoted staff classified by gender and professional category

|                                          | Hombres       | Mujeres       |
|------------------------------------------|---------------|---------------|
| Management                               | 1             | 2             |
| Technical staff and middle management    | 8             | 10            |
| Administrative staff and other employees | -             | -             |
| <b>TOTAL</b>                             | <b>9</b>      | <b>12</b>     |
| <b>% of total promotions</b>             | <b>42.86%</b> | <b>57.14%</b> |

### Seniority of the workforce at year-end by professional category

|                    | Management | Technical staff and middle management | Administrative staff and other employees | Total      |
|--------------------|------------|---------------------------------------|------------------------------------------|------------|
| Less than 1 year   | 3          | 43                                    | 75                                       | 121        |
| 1 to 2 years       | 4          | 50                                    | 61                                       | 115        |
| 3 to 5 years       | 3          | 47                                    | 66                                       | 116        |
| 6 to 10 years      | 4          | 28                                    | 25                                       | 57         |
| 11 to 20 years     | 11         | 51                                    | 59                                       | 121        |
| 21 to 30 years     | 4          | 36                                    | 13                                       | 51         |
| More than 30 years | 3          | 16                                    | 9                                        | 30         |
| <b>TOTAL</b>       | <b>32</b>  | <b>271</b>                            | <b>271</b>                               | <b>611</b> |





**The average wage gap for the 2021 financial year was 14%.**

#### Average salaries by gender, age and professional category

|                                          | Average salary |
|------------------------------------------|----------------|
| Women                                    | 35,629         |
| Men                                      | 45,866         |
|                                          |                |
| Younger than 30                          | 23,041         |
| Between 30-50                            | 36,347         |
| Over 50                                  | 54,696         |
|                                          |                |
| Management                               | 121,044        |
| Technical and middle management staff    | 43,472         |
| Administrative staff and other employees | 31,711         |

#### Wage gap

|                      | Management | Technical and middle management staff | Administrative staff and other employees |
|----------------------|------------|---------------------------------------|------------------------------------------|
| Average salary men   | 127,658    | 45,939                                | 34,642                                   |
| Average salary women | 109,799    | 39,117                                | 29,709                                   |
| <b>Wage gap</b>      | <b>14%</b> | <b>15%</b>                            | <b>14%</b>                               |

#### Company's average salary for equal jobs compared to society<sup>4</sup> 2021

|          | Starting salary | Local minimum salary | Ratio |
|----------|-----------------|----------------------|-------|
| Spain    | 16,945          | 13,300               | 1.27  |
| Portugal | 11,200          | 8,890                | 1.26  |

<sup>4</sup> France and Sweden are not included as the low number of employees does not allow a statistical starting salary to be obtained.



### Training hours by professional category and average number of hours

|                                          | 2020         | 2021        |
|------------------------------------------|--------------|-------------|
|                                          | Total hours  | Total hours |
| Management                               | 654          | 394         |
| Technical staff and middle management    | 7,367        | 6,913       |
| Administrative staff and other employees | 7,474        | 8,930       |
| <b>Average training hours</b>            | <b>28.54</b> | <b>26.5</b> |

### Percentage of staff represented on joint health and safety committees

|                                        | 2020                         | 2021                         |
|----------------------------------------|------------------------------|------------------------------|
|                                        | Health and Safety Committees | Health and Safety Committees |
| Number of Health and Safety Committees | 1                            | 1                            |
| People                                 | 8                            | 8                            |
| Total staff                            | 543                          | 611                          |
| <b>% of total workforce</b>            | <b>1.47%</b>                 | <b>1.30%</b>                 |

### Occupational accidents in 2021 (including commuting accidents and those related to COVID-19)

|                                                  | 2020    |         | 2021    |         |
|--------------------------------------------------|---------|---------|---------|---------|
|                                                  | Women   | Men     | Women   | Men     |
| Number of occupational accidents with sick leave | 14      | 23      | 22      | 31      |
| Number of days lost as a result                  | 517     | 366     | 477     | 446     |
| Number of actual hours worked by employees       | 454,286 | 498,136 | 517,430 | 568,296 |
| Frequency index                                  | 30.82   | 46.17   | 42.52   | 54.55   |
| Severity index                                   | 1.14    | 0.73    | 0.81    | 0.78    |



## Preservation

### Energy consumption within the organization

|                          | 2020               | 2021               |
|--------------------------|--------------------|--------------------|
|                          | Energy consumption | Energy consumption |
| Energy consumption (kWh) | 567,346            | 724,297            |
| Intensity kWh/turnover   | 0.0018             | 0.0026             |
| Fuel consumption (l)     | 420,647            | 554,288            |
| Intensity l/turnover     | 0.0014             | 0.0020             |

### Carbon footprint by scope

|                                        | 2020             | 2021             |
|----------------------------------------|------------------|------------------|
|                                        | Carbon footprint | Carbon footprint |
| Scope 1 (teq CO <sub>2</sub> )         | 1,033.1          | 1,362.8          |
| Intensity kg CO <sub>2</sub> /turnover | 0.0033           | 0.0049           |
| Scope 2 (teq CO <sub>2</sub> )         | 125.7            | 178.8            |
| Intensity kg CO <sub>2</sub> /turnover | 0.0004           | 0.0006           |

### Weight of hazardous waste broken down by treatment type

|                            |                                 |                            | 2020       | 2021       |
|----------------------------|---------------------------------|----------------------------|------------|------------|
|                            | Treatment                       | Location                   | kg managed | kg managed |
| Hazardous liquid chemicals | Collection and transfer station | Cornellà warehouse         | 4.400      | 12.020     |
|                            |                                 | Headquarters<br>Sant Cugat | 5          | -          |
|                            |                                 | Lusopalex                  | -          | 2.582      |
| Fluorescents               | Metal recycling                 | Cornellà warehouse         | -          | 30         |
|                            |                                 | Headquarters<br>Sant Cugat | 11         | 9          |
|                            |                                 |                            |            |            |
| Batteries                  | Metal recycling                 | Headquarters<br>Sant Cugat | 5          | 7          |
|                            |                                 | Bemascé                    | 2          | 2          |
|                            |                                 | Cornellà warehouse         | -          | 235        |



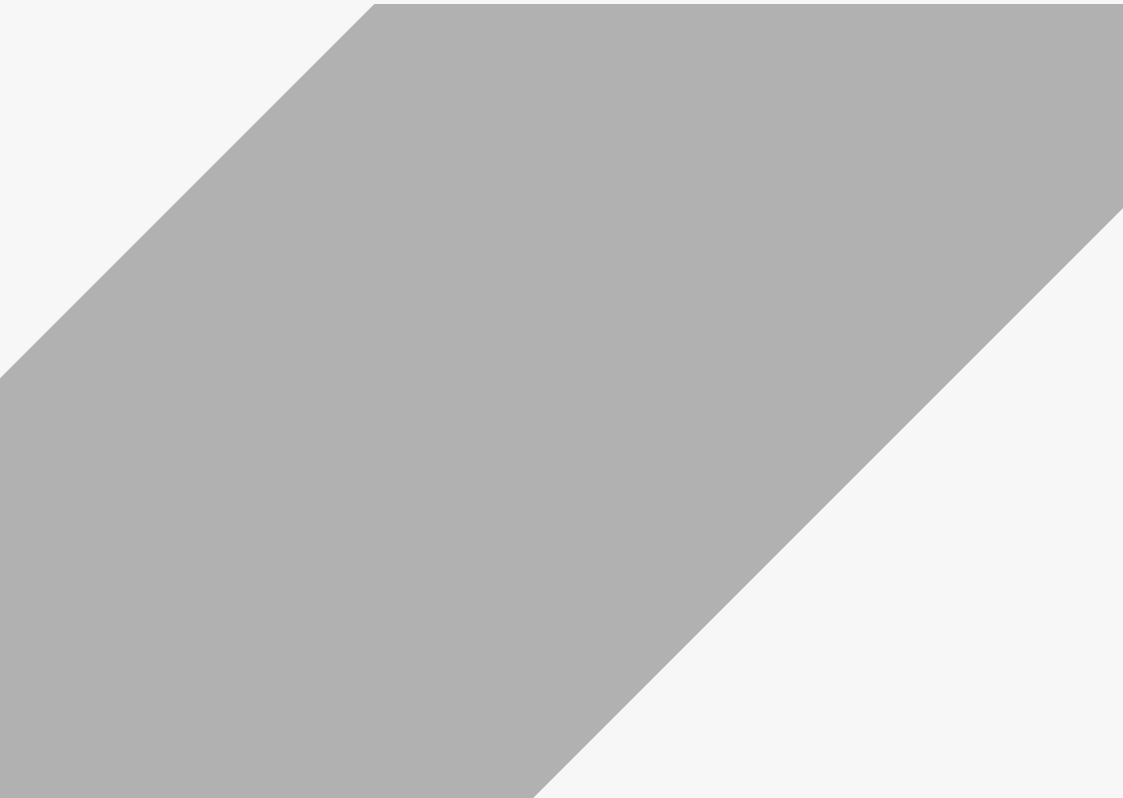
### Weight of non-hazardous waste broken down by treatment type<sup>5</sup>

|                                                  |                                      | 2020                    |            | 2021       |
|--------------------------------------------------|--------------------------------------|-------------------------|------------|------------|
|                                                  | Tratamiento <sup>6</sup>             | Lugar                   | kg managed | kg managed |
| Ordinary                                         | Collection and transfer station      | Almacén Cornellà        | 23,640     | 19,600     |
|                                                  |                                      | Almacén Subirats        | 7,720      | 20,000     |
|                                                  | Disposal                             | Lusopalex               | 110        | -          |
| Paper and cardboard                              | Recycling                            | Almacén Cornellà        | 18,200     | 17,790     |
|                                                  |                                      | Sede central Sant Cugat | 2,160      | 5,986      |
|                                                  |                                      | Alcobendas              | -          | 240        |
|                                                  |                                      | Bemascé                 | 10         | -          |
|                                                  | Disposal                             | Lusopalex               | 200        | 4,000      |
| Plastic                                          | Recycling                            | Almacén Cornellà        | 14,300     | 14,000     |
| WEEE (Waste Electrical and Electronic Equipment) | Collection and transfer station      | Almacén Cornellà        | 7,210      | 2,008      |
|                                                  |                                      | Lusopalex               | -          | 312.5      |
| Wood                                             | Recycling and reuse                  | Almacén Cornellà        | 4,360      | 1,761      |
| Medical supplies                                 | Disposal (comparable to urban waste) | Sede central Sant Cugat | 1,650      | 0.722      |
| Toner                                            | Recycling of organic substances      | Sede central Sant Cugat | 94         | 73         |
|                                                  |                                      | Bemascé                 | 25         | -          |
|                                                  |                                      | Lusopalex               | -          | 103.5      |
|                                                  | Disposal                             | Lusopalex               | 20         | -          |
| Computer equipment                               | Collection and transfer station      | Sede central Sant Cugat | -          | 98         |
|                                                  |                                      | Almacén Cornellà        | -          | 525        |
|                                                  | Disposal                             | Lusopalex               | 20         | -          |

<sup>5</sup> During 2020, waste generated in previous years was managed at the external warehouse in Portugal. Of the total of 8,620 kg, 7,720 kg of paper and cardboard, 200 kg of household appliances and 700 kg of metals were recycled, while the remaining 500 kg of wood have been energetically recovered.

<sup>6</sup> Since there is no specific treatment available for the waste generated at Lusopalex, we have chosen one of the most commonly used methods, which is disposal.

# Report Fundamentals



## Materiality analysis

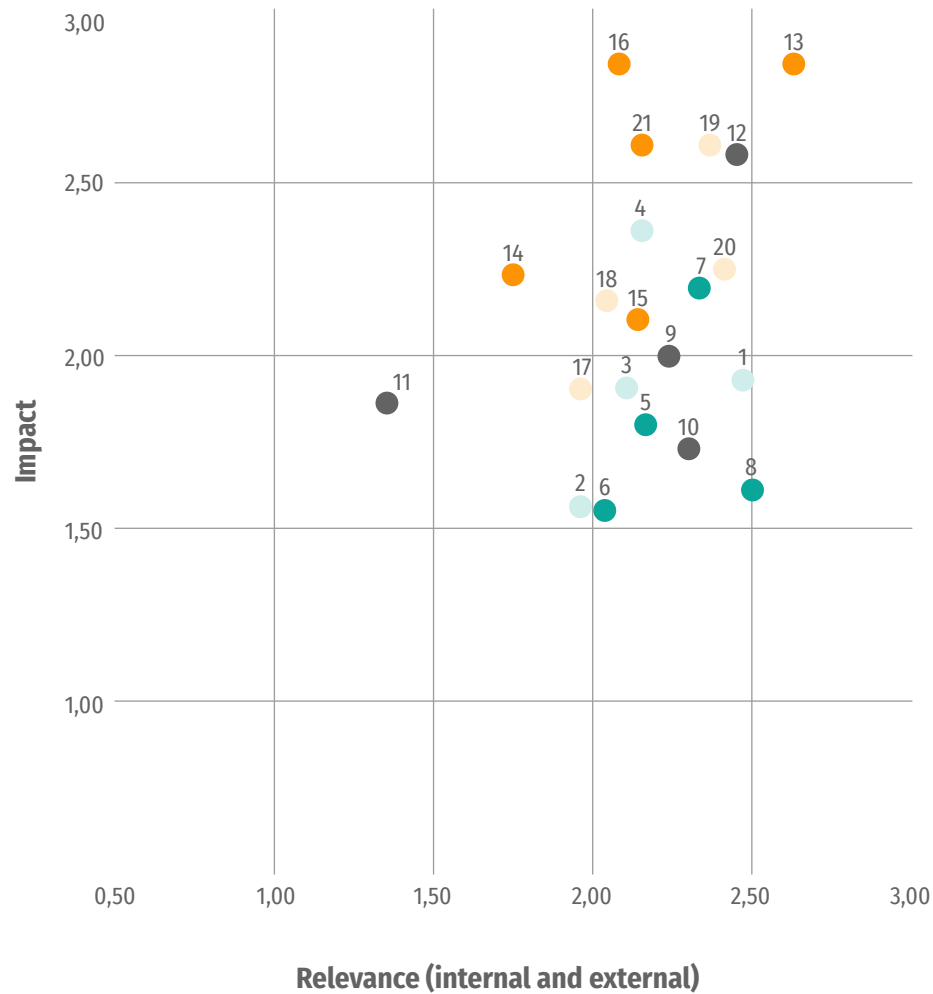
One of the foundations on which this report is based is to respond to the needs and expectations of our stakeholders. Therefore, in order to identify and prioritize the main relevant issues, we have updated our **materiality analysis**.

Thanks to this update, we have assessed that our materiality was aligned with our ESG strategy and with the main challenges, opportunities, needs and trends in the environment. In this way, both an internal and external perspective on performance has been taken into account.

Below is the materiality analysis in which it can be seen how the importance of material topics such as climate change, safe products or talent attraction and development has been consolidated; some topics such as sustainable and long-term relationships with suppliers have been unified and rethought; or new topics such as information security have arisen.



## Result of the 2021 materiality analysis



## Material matters

- 4 Climate change and air pollution
- 7 Talent attraction and development
- 9 Society and local community
- 12 Promotion of advanced hospital solutions
- 13 Safe products and regulatory compliance
- 15 Long-term, sustainable relationships with suppliers
- 16 Innovation
- 18 Risk management and compliance
- 19 Ethics and integrity
- 20 Communication and transparency
- 21 Information security

- Society
- People
- Governance
- Environment
- Management of products and services

## Other aspects

- 1 Environmental commitment
- 2 Efficient use of resources
- 3 Circular economy and waste management
- 5 Equality, diversity and union representation
- 6 Fostering well-being in the team
- 8 Team health and safety
- 10 Employment promotion
- 11 Human rights
- 14 Long-term relationships with customers and users
- 17 Responsible business



Due to the importance of the issues resulting from our materiality analysis, our approach to each of them is set out below, as well as the page of the report on which it has been covered.

**p.51 Climate change and air pollution**

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

**p.59 Talent attraction and development**

People are the key to our development and, therefore, we seek to create spaces where they can grow and develop professionally and personally, thereby achieving talented and engaged.

**p.64 Society and local community**

Our raison d'être leads to us playing an intrinsic role in society by improving people's well-being. We are also committed to improving the conditions of the local community in which we operate with a view to achieving a fairer, more equitable and sustainable society.

**p.64 Promotion of advanced hospital solutions**

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

**p.37 Safe products and regulatory compliance**

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

**p.40 Long-term, sustainable relationships with suppliers**

We collaborate with top-level manufacturers in the industry, whom we consider to be our partners, working together to create value and bring the best solutions to the market. To this end, it is important to forge long-term relationships based on trust. We ensure that our supply chain is responsible, ensuring the integrity and ethics of all participants in our value chain, with quality and sustainable management.

**p.30 Innovation**

Innovation is one of the key pillars on which our business is based, allowing us to respond to the needs of our clients and provide advanced hospital solutions to the industry.



### **p.35 Risk management and compliance**

We strive to have a compliance model in place that allows us to identify the main risks of the organization and adapt to the agility of regulatory changes. In turn, we have mechanisms in place to prevent, detect and react quickly to any situation that could jeopardize the organization.

### **p.36 Ethics and integrity**

We always abide by strict ethical criteria that promote integrity and responsible conduct within the organization, based on the best practices in this field.

### **p.67 Communication and transparency**

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

### **p.37 Information security**

We have a firm commitment to information security. This leads us to foster a solid and diligent security model throughout our value chain.



## About this report

This report includes non-financial information on **Topco Palex S.L.** (hereinafter, Palex) and the companies that are part thereof: Palex Medical S.A.U., Lusopalex Lda., Adacyte Therapeutics S.L., Cymit Química S.L., Bemascé Técnica, S.L., Comercial Rafer, S.L. and Biología and Técnica de la Radiación, S.L.

Through this document, the organization responds, for the second consecutive year, to the Non-Financial Information and Diversity requirements set forth in Law 11/2018 of December 29. Throughout this report, information has been provided relating to the following areas: general, environmental, personal, social, human rights and anti-corruption and anti-bribery. For each of these areas, we have described the policies and actions implemented, as well as the risks derived from the development of the activity.

As for its preparation, this report has been drawn up on the basis of the “GRI Standards” version of the Global Reporting Initiative and its Essential Option. Traceability can be found in the GRI Content Index section.

Furthermore, in order to comply with the Spanish Non-Financial Reporting Law, the principles for defining the content and quality of the report have been applied.

### Principles considered in defining the content of the report:

- **Stakeholder engagement:** identification of stakeholders and description in the report of how we have responded to their needs and expectations.
- **Sustainability context:** presentation of the organization’s performance within the broader context of sustainability.
- **Materiality:** the report reflects the significant social, environmental and economic impacts of the organization or those that could have a substantial influence on stakeholder decisions. For more information, see the Materiality analysis section.
- **Completeness:** the report’s coverage and scope enable stakeholders to assess the organization’s performance.

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

- **Accuracy:** the information published must be accurate and detailed.
- **Balance:** the report reflects both positive and negative aspects of the organization’s performance.



- **Clarity:** the information is presented in a way that is understandable and accessible to all.
- **Comparability:** stakeholders must be able to compare the information over time and with other companies.
- **Reliability:** data must be of high quality and set out the materiality of the organization.

This year, as a result of our commitment to improving communication and transparency in ESG matters, we have decided to go a step further by reporting those indicators, based on the SASB (Sustainability Accounting Standards Board), that are most material to us. In the coming years, we will continue to include indicators from this standard.

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

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

## VERIFICATION

In order to ensure the transparency and integrity of the information, Palex has had the non-financial information contained in this Sustainability Report verified by an independent third-party.

## CONSULTATIONS

Should you have any questions, suggestions or queries in relation to this report, Palex offers the following contact channels:

[sostenibilidad@palex.es](mailto:sostenibilidad@palex.es)



# GRI Content Index

| Contents of Law 11/2018                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Standard             | Reference chapter                        | Remarks                                                                                                            |
|--------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
| <b>BUSINESS MODEL</b>                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                      |                                          |                                                                                                                    |
| <b>Description of the group's business model</b> | Brief description of the group's business model, including its business environment, organization and structure, the markets in which it operates, its objectives and strategies, and the main factors and trends that may affect the future development thereof.                                                                                                                                                                                                                                                                                                                                               | GRI 102-2            | Constant Improvement.                    |                                                                                                                    |
|                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | GRI 102-4            | Our location                             |                                                                                                                    |
|                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | GRI 102-6            | Our location                             |                                                                                                                    |
|                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | GRI 102-7            | Palex in figures                         |                                                                                                                    |
|                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                      | Impact, ethical and integrity governance |                                                                                                                    |
| Contents of Law 11/2018                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Standard             | Reference chapter                        | Remarks                                                                                                            |
| <b>INFORMATION ON ENVIRONMENTAL ISSUES</b>       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                      |                                          |                                                                                                                    |
| <b>Policies</b>                                  | Policies applied by the group, including due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impacts, and verification and control, as well as the measures that have been adopted.                                                                                                                                                                                                                                                                                                                                                         | GRI 103-2            | Environmental commitment.                |                                                                                                                    |
|                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | GRI 103-3            | Environmental commitment.                |                                                                                                                    |
| <b>Main risks</b>                                | Key risks related to these issues associated with the group's activities, including, where relevant and proportionate, its business relationships, products or services that could have an adverse impact on these areas, and how the group manages these risks, explaining the procedures used to identify and assess them in accordance with national, European or international frameworks of reference for each subject matter. Information on the impacts that have been identified should be included, providing a breakdown thereof, in particular on the main risks in the short, medium and long term. | GRI 102-15 (partial) | Environmental commitment.                |                                                                                                                    |
|                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | GRI 102-11           | Environmental commitment.                |                                                                                                                    |
|                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | GRI 102-30           | Environmental commitment.                |                                                                                                                    |
|                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                      |                                          | The financial implications and the risks and opportunities arising from climate change have not yet been analyzed. |



| Contents of Law 11/2018                                     |                                                                                                                                                                                                        | Standard             | Reference chapter         | Remarks                                                                                                                                                                   |
|-------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>General</b>                                              | Current and foreseeable effects of the company's activities on the environment and, where applicable, on health and safety.                                                                            | GRI 102-15 (partial) | Environmental commitment. |                                                                                                                                                                           |
|                                                             |                                                                                                                                                                                                        | GRI 102-29           | Materiality analysis.     |                                                                                                                                                                           |
|                                                             |                                                                                                                                                                                                        | GRI 102-31           | Materiality analysis.     |                                                                                                                                                                           |
|                                                             | Environmental assessment or certification procedures                                                                                                                                                   | GRI 102-11           | Environmental commitment. |                                                                                                                                                                           |
|                                                             |                                                                                                                                                                                                        | GRI 102-29           | Materiality analysis.     |                                                                                                                                                                           |
|                                                             |                                                                                                                                                                                                        | GRI 102-30           | Environmental commitment. |                                                                                                                                                                           |
|                                                             | Resources dedicated to environmental risk prevention                                                                                                                                                   | GRI 102-29           | Materiality analysis.     |                                                                                                                                                                           |
|                                                             | Application of the precautionary principle                                                                                                                                                             | GRI 102-11           | Environmental commitment. |                                                                                                                                                                           |
|                                                             | Provisions and guarantees for environmental risks.                                                                                                                                                     | GRI 307-1            |                           | There have been no breaches of environmental laws and regulations.                                                                                                        |
| <b>Pollution</b>                                            | Measures to prevent, reduce or remediate carbon emissions that seriously affect the environment, taking into account any form of activity-specific air pollution, including noise and light pollution. | GRI 103-2            | Climate change.           |                                                                                                                                                                           |
|                                                             |                                                                                                                                                                                                        | GRI 302-4            | Climate change.           |                                                                                                                                                                           |
|                                                             |                                                                                                                                                                                                        | GRI 302-5            |                           | This aspect is not material to the organization.                                                                                                                          |
|                                                             |                                                                                                                                                                                                        | GRI 305-5 (partial)  | Climate change.           | This indicator is not applicable since no significant emissions are released into the air.                                                                                |
| <b>Circular economy and waste prevention and management</b> | Measures for prevention, recycling, reuse and other forms of recovery and disposal of waste.                                                                                                           | GRI 306-1 (v.2020)   | Circular economy          |                                                                                                                                                                           |
|                                                             |                                                                                                                                                                                                        | GRI 306-3 (v.2020)   | Circular economy          |                                                                                                                                                                           |
| <b>Sustainable use of resources</b>                         | Water consumption and water supply in accordance with local constraints.                                                                                                                               | GRI 303-1 (v.2018)   |                           | The organization's water consumption is used for domestic purposes and comes from the water supply network. This consumption is not reported due to its minor importance. |
|                                                             |                                                                                                                                                                                                        | GRI 303-3 (v.2018)   |                           |                                                                                                                                                                           |
|                                                             |                                                                                                                                                                                                        | GRI 303-5 (v.2018)   |                           |                                                                                                                                                                           |



| Contents of Law 11/2018             |                                                                                                                   | Standard             | Reference chapter           | Remarks                                                                                                  |
|-------------------------------------|-------------------------------------------------------------------------------------------------------------------|----------------------|-----------------------------|----------------------------------------------------------------------------------------------------------|
| <b>Sustainable use of resources</b> | Consumption of raw materials and measures adopted to improve the efficiency of the use thereof.                   | GRI 103-2            | Efficient use of resources. |                                                                                                          |
|                                     |                                                                                                                   | GRI 301-1            | Efficient use of resources. |                                                                                                          |
|                                     |                                                                                                                   | GRI 301-2 (partial)  | Efficient use of resources. |                                                                                                          |
|                                     |                                                                                                                   | GRI 301-3 (partial)  | Efficient use of resources. |                                                                                                          |
|                                     | Energy: consumption, direct and indirect; measures taken to improve energy efficiency, use of renewable energies. | GRI 102-2            | Efficient use of resources. |                                                                                                          |
|                                     |                                                                                                                   | GRI 302-1 (partial)  | Efficient use of resources. | Electricity consumption corresponds to all the group's offices and the Cornellà warehouse.               |
|                                     |                                                                                                                   | GRI 302-2            |                             | This information is not currently available.                                                             |
|                                     |                                                                                                                   | GRI 302-3            | Climate change.             |                                                                                                          |
|                                     |                                                                                                                   | GRI 302-4            | Climate change.             |                                                                                                          |
|                                     |                                                                                                                   | GRI 302-5            |                             |                                                                                                          |
| <b>Cambio climático</b>             | Greenhouse gas emissions                                                                                          | GRI 305-1            | Climate change.             |                                                                                                          |
|                                     |                                                                                                                   | GRI 305-2            | Climate change.             |                                                                                                          |
|                                     |                                                                                                                   | GRI 305-3            |                             | Currently the organization has not made an estimate of the carbon footprint of indirect Scope 3 sources. |
|                                     |                                                                                                                   | GRI 305-4            | Climate change.             |                                                                                                          |
|                                     | Measures adopted to adapt to the consequences of climate change.                                                  | GRI 102-15 (partial) | Climate change.             |                                                                                                          |
|                                     |                                                                                                                   | GRI 103-2            | Climate change.             |                                                                                                          |
|                                     |                                                                                                                   | GRI 201-2            |                             | Currently the organization has not made an estimate of the carbon footprint of indirect Scope 3 sources. |
|                                     |                                                                                                                   | GRI 305-5 (partial)  | Climate change.             |                                                                                                          |
|                                     |                                                                                                                   |                      |                             |                                                                                                          |



| Contents of Law 11/2018        |                                                                                                                                   | Standard               | Reference chapter | Remarks                                          |
|--------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|------------------------|-------------------|--------------------------------------------------|
| <b>Climate change</b>          | Voluntary reduction targets set out in the medium and long term to reduce GHG emissions and the measures implemented to this end. | GRI 103-2              | Climate change.   |                                                  |
| <b>Biodiversity protection</b> | Measures taken to preserve or restore biodiversity.                                                                               | GRI 103-2<br>GRI 304-3 |                   | This aspect is not material to the organization. |
|                                | Impacts caused by activities or operations in protected areas.                                                                    | GRI 304-1<br>GRI 304-2 |                   | This aspect is not material to the organization. |

| Contents of Law 11/2018                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Standard                               | Reference chapter                                  | Remarks |
|-----------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|----------------------------------------------------|---------|
| <b>INFORMATION ON SOCIAL AND PERSONNEL-RELATED ISSUES</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                        |                                                    |         |
| <b>Policies</b>                                           | Policies applied by the group, including due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impacts, and verification and control, as well as the measures that have been adopted.                                                                                                                                                                                                                                                                                                                                                                  | GRI 103-2<br>GRI 103-3<br>GRI 102-35   | Our employees.<br>Our employees.<br>Our employees. |         |
| <b>Main risks</b>                                         | Key risks related to these issues associated with the group's activities, including, where relevant and proportionate, its business relationships, products or services that could have an adverse impact on these areas, and how the group manages these risks, explaining the procedures used to identify and assess them in accordance with national, European or international frameworks of reference for each subject matter. Information should be included on the impacts that have been identified, providing a breakdown of these impacts, in particular on the main risks in the short, medium and long term. | GRI 102-15 (partial)<br><br>GRI 102-30 | Our employees.<br><br>Our employees.               |         |



| Contents of Law 11/2018  | Standard                                                                                                                                                                                            | Reference chapter            | Remarks                                                    |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------------------------------------|
| <b>Employment</b>        | Total number and distribution of employees by gender, age, country, and professional category.                                                                                                      | GRI 102-7                    | Palex en cifras.<br>Our employees.                         |
|                          |                                                                                                                                                                                                     | GRI 102-8                    | Our employees.                                             |
|                          |                                                                                                                                                                                                     | GRI 405-1 (partial)          | Our employees.                                             |
|                          | Total number and distribution of employment contracts.                                                                                                                                              | GRI 102-8                    | Our employees.                                             |
|                          | Average annual number of permanent, temporary and part-time contracts by gender, age and professional category.                                                                                     | GRI 102-8                    | Our employees.                                             |
|                          | Number of dismissals by gender, age and professional category.                                                                                                                                      | GRI 401-1                    | Our employees.                                             |
|                          | Average salaries and their evolution broken down by gender, age and professional category or equal value.                                                                                           | GRI 405-2                    | Our employees.                                             |
|                          | Wage gap                                                                                                                                                                                            | GRI 405-2                    | Our employees.                                             |
|                          | Salaries for identical jobs or average salary at the company.                                                                                                                                       | GRI 202-1                    | Our employees.                                             |
|                          | The average salary of directors and executives, including variable remuneration, meal allowances, indemnities, payments to long-term savings systems and any other benefits, broken down by gender. | GRI 102-35                   | This information is disclosed in the Annual Accounts.      |
| <b>Work organization</b> | Implementation of disconnection from work measures                                                                                                                                                  | Qualitative                  | Our employees.                                             |
|                          | Employees with disabilities.                                                                                                                                                                        | GRI 405-1 (partial)          | Our employees.<br>We have a certificate of exceptionality. |
|                          | Organization of working hours.                                                                                                                                                                      | GRI 102-8                    | Our employees.                                             |
|                          | Number of hours of absenteeism.                                                                                                                                                                     | GRI 403-9 (v.2018) (partial) | Our employees.                                             |
|                          | Measures aimed at facilitating a healthy work-life balance and encouraging shared parental responsibility.                                                                                          | GRI 103-2                    | Our employees.                                             |





| Contents of Law 11/2018     |                                                                                                                 | Standard                      | Reference chapter | Remarks                                                                                    |
|-----------------------------|-----------------------------------------------------------------------------------------------------------------|-------------------------------|-------------------|--------------------------------------------------------------------------------------------|
| <b>Health and Safety</b>    | Occupational health and safety conditions.                                                                      | GRI 403-1 (v.2018)            | Our employees.    |                                                                                            |
|                             |                                                                                                                 | GRI 403-2 (v.2018)            | Our employees.    |                                                                                            |
|                             | Occupational accidents (frequency and severity) disaggregated by gender.                                        | GRI 403-9 (v.2018) (partial)  | Our employees.    |                                                                                            |
|                             | Occupational diseases (frequency and severity) broken down by gender.                                           | GRI 403-10 (v.2018) (partial) |                   | In 2021, there was no work-related sick leaves or deaths related to occupational diseases. |
| <b>Social relationships</b> | Organization of social dialogue, including procedures for informing, consulting and negotiating with employees. | GRI 102-43                    | Our employees.    |                                                                                            |
|                             |                                                                                                                 | GRI 402-1                     |                   | The minimum terms stipulated by the applicable collective bargaining agreement are met.    |
|                             |                                                                                                                 | GRI 403-4 (v.2018)            | Our employees.    |                                                                                            |
|                             | Percentage of employees covered by collective bargaining agreements by country.                                 | GRI 102-41                    | Our employees.    |                                                                                            |
|                             | Review of collective bargaining agreements, particularly in the field of occupational health and safety.        | GRI 403-4 (v.2018)            | Our employees.    |                                                                                            |
| <b>Training</b>             | Policies implemented in the field of training.                                                                  | GRI 103-2                     | Our employees.    |                                                                                            |
|                             |                                                                                                                 | GRI 404-2 (partial)           | Our employees.    |                                                                                            |
|                             | Total number of training hours by professional category.                                                        | GRI 404-1 (partial)           | Our employees.    |                                                                                            |
| <b>Accessibility</b>        | Universal accessibility for people with disabilities.                                                           | GRI 103-2                     | Our employees.    |                                                                                            |
| <b>Equality</b>             | Measures adopted to promote equal treatment and opportunities for men and women.                                | GRI 103-2                     | Our employees.    |                                                                                            |
|                             | Equality plans.                                                                                                 | GRI 103-2                     | Our employees.    |                                                                                            |
|                             | Measures taken to foster employment.                                                                            | GRI 103-2                     | Our employees.    |                                                                                            |
|                             |                                                                                                                 | GRI 404-2                     | Our employees.    |                                                                                            |



| Contents of Law 11/2018 |                                                                                          | Standard  | Reference chapter | Remarks                                                                                                              |
|-------------------------|------------------------------------------------------------------------------------------|-----------|-------------------|----------------------------------------------------------------------------------------------------------------------|
| <b>Equality</b>         | Protocols against sexual and gender-based harassment.                                    | GRI 103-2 | Our employees.    |                                                                                                                      |
|                         | The integration and universal accessibility of people with disabilities.                 | GRI 103-2 | Our employees.    |                                                                                                                      |
|                         | Policy against all types of discrimination and, where appropriate, diversity management. | GRI 103-2 | Our employees.    |                                                                                                                      |
|                         |                                                                                          | GRI 406-1 |                   | In 2021, no complaints were received with regard to possible cases of discrimination or harassment in the workplace. |

| Contents of Law 11/2018                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Standard             | Reference chapter | Remarks                                                  |
|------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-------------------|----------------------------------------------------------|
| <b>INFORMATION ON RESPECT FOR HUMAN RIGHTS</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                      |                   |                                                          |
| <b>Policies</b>                                | Policies applied by the group, including due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impacts, and verification and control, as well as the measures that have been adopted.                                                                                                                                                                                                                                                                                                                                                                  | GRI 103-2            | Human rights.     |                                                          |
|                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | GRI 103-3            | Human rights.     |                                                          |
|                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | GRI 412-2            |                   | No specific human rights training was delivered in 2021. |
| <b>Main risks</b>                              | Key risks related to these issues associated with the group's activities, including, where relevant and proportionate, its business relationships, products or services that could have an adverse impact on these areas, and how the group manages these risks, explaining the procedures used to identify and assess them in accordance with national, European or international frameworks of reference for each subject matter. Information should be included on the impacts that have been identified, providing a breakdown of these impacts, in particular on the main risks in the short, medium and long term. | GRI 102-15 (partial) | Human rights.     |                                                          |
|                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                      | Human rights.     |                                                          |



| Contents of Law 11/2018 |                                                                                                                                                                                                                                                                                                                                            | Standard   | Reference chapter | Remarks                                                                                                         |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-------------------|-----------------------------------------------------------------------------------------------------------------|
| Human rights            | Application of human rights due diligence procedures.                                                                                                                                                                                                                                                                                      | GRI 103-2  | Human rights.     |                                                                                                                 |
|                         |                                                                                                                                                                                                                                                                                                                                            | GRI 414-2  |                   | No negative social impacts have been identified in the supply chain.                                            |
|                         | Prevention of risks of human rights violations and, where appropriate, measures to mitigate, manage and remedy potential abuses.                                                                                                                                                                                                           | GRI 103-2  | Human rights.     |                                                                                                                 |
|                         |                                                                                                                                                                                                                                                                                                                                            | GRI 412-1  |                   | In 2021, no operations were subjected to human rights assessments.                                              |
|                         |                                                                                                                                                                                                                                                                                                                                            | GRI 410-1  |                   | No human rights training for security staff was delivered in 2021.                                              |
|                         | Complaints of human rights violations.                                                                                                                                                                                                                                                                                                     | GRI 102-17 | Human rights.     | No complaints related to human rights violations were received in 2021.                                         |
|                         |                                                                                                                                                                                                                                                                                                                                            | GRI 103-2  | Human rights.     |                                                                                                                 |
|                         |                                                                                                                                                                                                                                                                                                                                            | GRI 411-1  |                   | Due to the activity of the organization, this aspect is not applicable.                                         |
|                         |                                                                                                                                                                                                                                                                                                                                            | GRI 419-1  |                   | In 2021 there were no sanctions for non-compliance with laws and regulations in the social and economic fields. |
|                         | Promotion and enforcement of the provisions of the ILO fundamental conventions related to respect for freedom of association and the right to collective bargaining, the elimination of discrimination in respect of employment and occupation, the elimination of forced or compulsory labor, and the effective abolition of child labor. | GRI 103-2  | Human rights.     |                                                                                                                 |



| Contents of Law 11/2018                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Standard             | Reference chapter                  | Comments                                                                                  |
|-----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|------------------------------------|-------------------------------------------------------------------------------------------|
| INFORMATION RELATING TO ANTI-CORRUPTION AND BRIBERY |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                      |                                    |                                                                                           |
| Policies                                            | Policies applied by the group, including due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impacts, and verification and control, as well as the measures that have been adopted.                                                                                                                                                                                                                                                                                                                                                                  | GRI 103-2            | Ethics and integrity.              |                                                                                           |
|                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | GRI 103-3            | Ethics and integrity.              |                                                                                           |
|                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                      | Ethics and integrity.              |                                                                                           |
| Main risks                                          | Key risks related to these issues associated with the group's activities, including, where relevant and proportionate, its business relationships, products or services that could have an adverse impact on these areas, and how the group manages these risks, explaining the procedures used to identify and assess them in accordance with national, European or international frameworks of reference for each subject matter. Information should be included on the impacts that have been identified, providing a breakdown of these impacts, in particular on the main risks in the short, medium and long term. | GRI 102-15 (partial) | Ethics and integrity.              |                                                                                           |
|                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | GRI 102-30           | Ethics and integrity.              |                                                                                           |
|                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                      | Ethics and integrity.              |                                                                                           |
| Corruption and bribery                              | Measures taken to prevent corruption and bribery.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | GRI 103-2            | Ethics and integrity.              |                                                                                           |
|                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | GRI 205-3            | Ethics and integrity.              |                                                                                           |
|                                                     | Measures to combat money laundering.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | GRI 103-2            | Ethics and integrity.              |                                                                                           |
|                                                     | Contributions to foundations and non-profit entities.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | GRI 103-2            | Our contribution to the community. |                                                                                           |
|                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | GRI 201-1            | Our contribution to the community. |                                                                                           |
|                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | GRI 203-2 (partial)  | Our contribution to the community. |                                                                                           |
|                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                      |                                    | The organization does not make any contributions to political parties or representatives. |



| Contents of Law 11/2018                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Standard             | Reference chapter                                           | Comments                                                                                   |
|--------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| <b>INFORMATION ABOUT THE COMPANY</b>                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                      |                                                             |                                                                                            |
| <b>Policies</b>                                        | Policies applied by the group, including due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impacts, and verification and control, as well as the measures that have been adopted.                                                                                                                                                                                                                                                                                                                                                           | GRI 103-2            | Our contribution to the community.<br>Clients and patients. |                                                                                            |
|                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                      | Our contribution to the community.<br>Clients and patients. |                                                                                            |
| <b>Main risks</b>                                      | Key risks related to these issues associated with the group's activities, including, where relevant and proportionate, its business relationships, products or services that could have a negative on these areas, and how the group manages these risks, explaining the procedures used to identify and assess them in accordance with national, European or international frameworks of reference for each subject matter. Information should be included on the impacts that have been identified, providing a breakdown of these impacts, in particular on the main risks in the short, medium and long term. | GRI 102-15 (partial) | Our contribution to the community.<br>Clients and patients. |                                                                                            |
|                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | GRI 102-30           | Our contribution to the community.<br>Clients and patients. |                                                                                            |
| <b>Company commitments to sustainable development.</b> | Impact of the company's activity on employment and local development.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | GRI 203-1            |                                                             | Due to the activity of the organization, this aspect is not applicable.                    |
|                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | GRI 203-2 (partial)  | Advanced innovations and solutions.                         |                                                                                            |
|                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | GRI 204-1            | Our contribution to the community.                          |                                                                                            |
|                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | GRI 413-1            | Our contribution to the community.                          |                                                                                            |
|                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | GRI 413-2            |                                                             | No operations have been identified with significant negative impacts on local communities. |



| Contents of Law 11/2018             |                                                                                                      | Standard            | Reference chapter                  | Remarks                                                                 |
|-------------------------------------|------------------------------------------------------------------------------------------------------|---------------------|------------------------------------|-------------------------------------------------------------------------|
|                                     | Relationships maintained with local community stakeholders and the modalities of dialogue with them. | GRI 102-43          | Communication and transparency.    |                                                                         |
|                                     |                                                                                                      | GRI 413-1           | Our contribution to the community. |                                                                         |
|                                     | Partnership or sponsorship actions.                                                                  | GRI 102-13          | Our contribution to the community. |                                                                         |
|                                     |                                                                                                      | GRI 203-1           |                                    | Due to the activity of the organization, this aspect is not applicable. |
|                                     |                                                                                                      | GRI 201-1 (partial) | Our contribution to the community. |                                                                         |
| <b>Subcontracting and suppliers</b> | Inclusion of social, gender equality and environmental issues in the purchasing policy.              | GRI 103-3           | Supply chain.                      |                                                                         |



## Contents of Law 11/2018

| Subcontracting and suppliers                                                                                       | Standard  | Reference chapter | Remarks                                                                                                                                                      |
|--------------------------------------------------------------------------------------------------------------------|-----------|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                    |           |                   |                                                                                                                                                              |
| Consideration in relationships with suppliers and subcontractors of their social and environmental responsibility. | GRI 102-9 | Supply chain.     |                                                                                                                                                              |
|                                                                                                                    | GRI 103-3 | Supply chain.     |                                                                                                                                                              |
|                                                                                                                    | GRI 308-1 | Supply chain.     | Although environmental criteria are considered, currently no selection or evaluation of suppliers has been carried out specifically based on these criteria. |
|                                                                                                                    | GRI 308-2 |                   | No negative environmental impacts have been identified in the supply chain.                                                                                  |
|                                                                                                                    | GRI 407-1 |                   | No operations or suppliers have been identified whose freedom of association could be at risk.                                                               |
|                                                                                                                    | GRI 409-1 |                   | No operations or suppliers have been identified with significant risk for forced or compulsory labor.                                                        |
|                                                                                                                    | GRI 414-1 | Supply chain.     | Currently, supplier evaluations are not carried out according to social criteria.                                                                            |
|                                                                                                                    | GRI 414-2 |                   | No negative social impacts have been identified in the supply chain.                                                                                         |
| Monitoring and auditing systems and audit results.                                                                 | GRI 308-1 | Supply chain.     | Although environmental criteria are considered, currently no supplier selection or evaluation has been carried out specifically based on these criteria.     |



| Contents of Law 11/2018             |                                                              | Standard                     | Reference chapter                  | Remarks                                                                                                                                      |
|-------------------------------------|--------------------------------------------------------------|------------------------------|------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Subcontracting and suppliers</b> | Monitoring and auditing systems and audit results.           | GRI 308-2                    |                                    | No negative environmental impacts have been identified in the supply chain.                                                                  |
|                                     |                                                              | GRI 414-2                    |                                    | No negative social impacts have been identified in the supply chain.                                                                         |
| <b>Consumers</b>                    | Measures for the health and safety of consumers.             | GRI 103-2                    | Quality management.                |                                                                                                                                              |
|                                     |                                                              | GRI 416-1 (partial)          | Quality and product management.    | We perform health and safety impact assessments on medical devices, IVD and industrial reagents, and standard and automated storage systems. |
|                                     |                                                              | GRI 416-2                    |                                    | In 2021, no complaints regarding product health and safety were received.                                                                    |
|                                     |                                                              | GRI 417-1 (partial)          | Quality and product management.    |                                                                                                                                              |
|                                     | Complaint systems, complaints received and their resolution. | GRI 102-17                   | Clients and patients.              |                                                                                                                                              |
|                                     |                                                              | GRI 103-2                    | Clients and patients.              |                                                                                                                                              |
|                                     |                                                              | GRI 418-1                    | Information security.              | In the 2021 financial year, no complaints related to privacy breaches were received.                                                         |
| <b>Tax information</b>              | Profit/loss by country.                                      | GRI 207-4 (v.2019) (partial) | Our contribution to the community. |                                                                                                                                              |
|                                     | Taxes on profits paid.                                       | GRI 207-4 (v.2019) (partial) | Our contribution to the community. |                                                                                                                                              |
|                                     | Public grants received.                                      | GRI 201-4                    |                                    | No grants were received during the year.                                                                                                     |

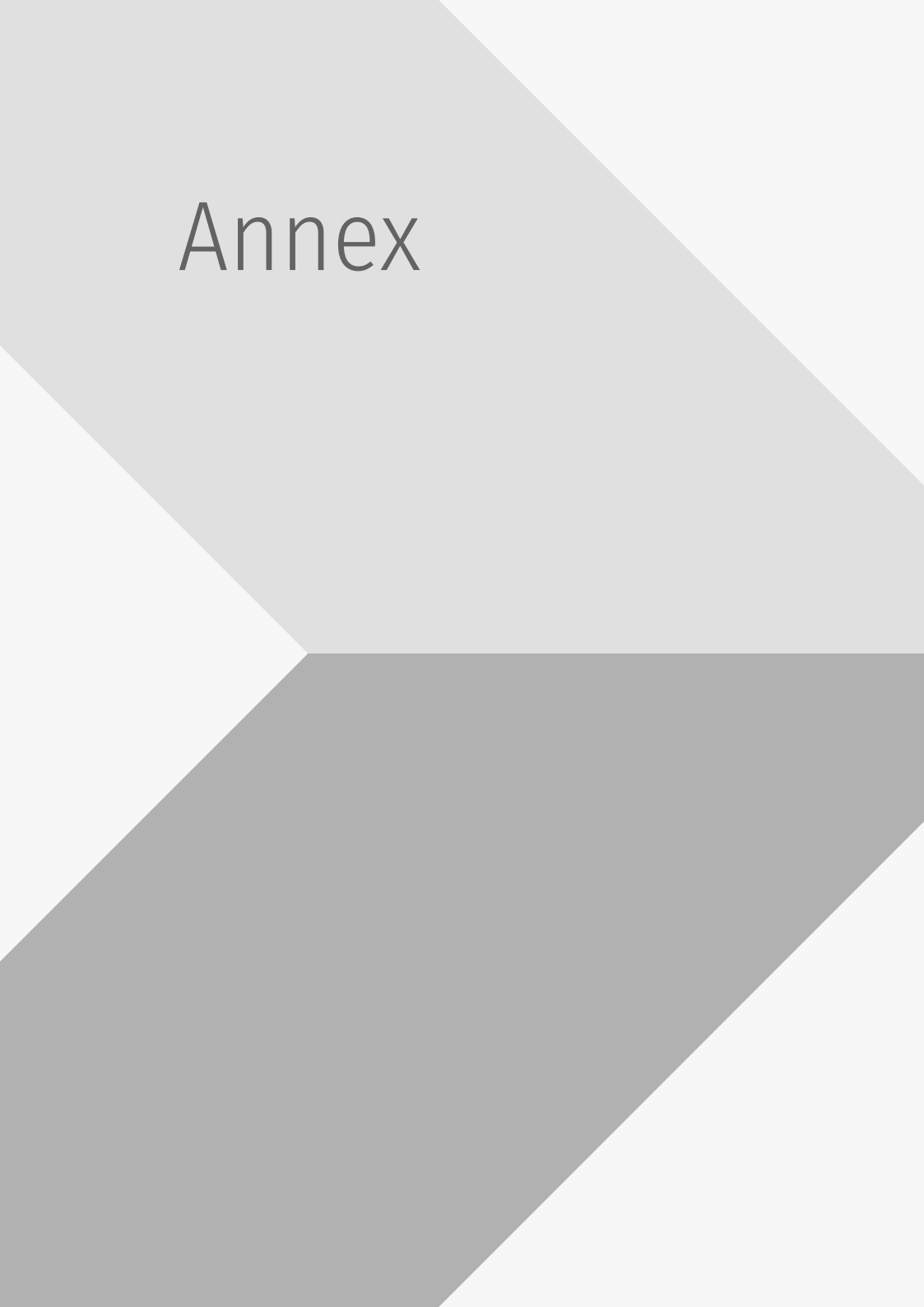




# SASB Content Index

## Sustainability disclosure issues and accounting metrics

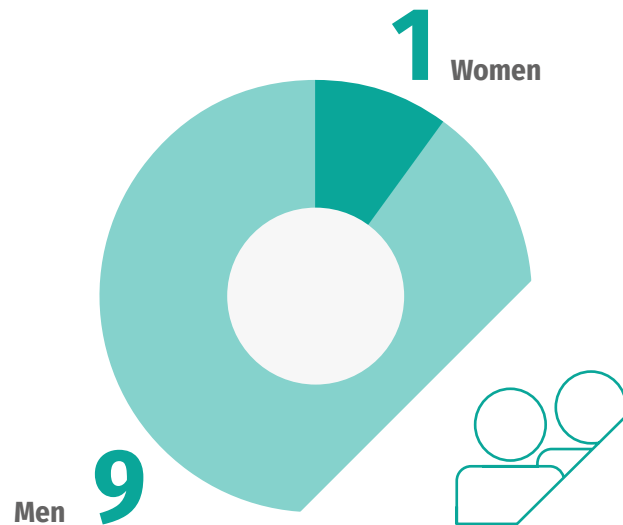
| SASB Code                           | Indicator                                                                                                                                                    | Unit        | Reference chapter                            | Remarks                                                                 |
|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|----------------------------------------------|-------------------------------------------------------------------------|
| <b>FLEET FUEL MANAGEMENT</b>        |                                                                                                                                                              |             |                                              |                                                                         |
| HC-DI-110a.2                        | Description of efforts to reduce environmental impacts of logistics.                                                                                         | Qualitative | Responsible supply chain.<br>Climate change. |                                                                         |
| <b>SEGURIDAD DE LOS PRODUCTOS</b>   |                                                                                                                                                              |             |                                              |                                                                         |
| HC-DI-250a.2                        | Description of efforts to minimize health and safety risks of products sold in terms of toxicity/chemical safety, high potential for misuse or distribution. | Qualitative | Quality management.                          |                                                                         |
| <b>COUNTERFEIT MEDICINES</b>        |                                                                                                                                                              |             |                                              |                                                                         |
| HC-DI-260a.1                        | Description of the methods and technologies used to maintain product traceability throughout the distribution chain and prevent counterfeiting.              | Qualitative | Quality management.                          |                                                                         |
| HC-DI-260a.2                        | Analysis of the due diligence process to evaluate suppliers of medicines and medical equipment and devices.                                                  | Qualitative | Supply chain.                                |                                                                         |
| HC-DI-260a.3                        | Process analysis to alert customers and business partners to potential or known risks associated with counterfeit products.                                  | Qualitative | Quality management.                          |                                                                         |
| <b>PRODUCT LIFECYCLE MANAGEMENT</b> |                                                                                                                                                              |             |                                              |                                                                         |
| HC-DI-410a.1                        | Analysis of strategies to reduce the environmental effect of packaging throughout its life cycle                                                             | Qualitative | Efficient use of resources.                  |                                                                         |
| HC-DI-410a.2                        | Quantity (in weight) of products accepted for return and that have been reused, recycled or donated.                                                         | Tons        |                                              | A total of 16 tons (80% mixture of municipal waste) have been accepted. |
| <b>BUSINESS ETHICS</b>              |                                                                                                                                                              |             |                                              |                                                                         |
| HC-DI-510a.1                        | Description of efforts to minimize conflicts of interest and unethical business practices.                                                                   | Qualitative | Ethics and integrity.                        |                                                                         |

The background features two large, overlapping triangles. The upper triangle is a light gray color, and the lower triangle is a darker gray color. They meet at a diagonal line that runs from the top-left towards the bottom-right. The word "Annex" is positioned within the light gray triangle.

Annex

## Composition of the Board of Directors

The Board of Directors of Chacrim is composed of:



The sustainability report is submitted on behalf of Topco Palex, S.L.U., but this company is governed by Chacrim Directorship, S.L..



# Carbon footprint

## Total emissions

**17.7 ktCO<sub>2</sub>e** 

This is equivalent to the yearly carbon footprint of 1,500 European citizens or 81,000,000 kilometers driven by car.

## About

|          |               |
|----------|---------------|
| Turnover | 277,000,000 € |
|----------|---------------|

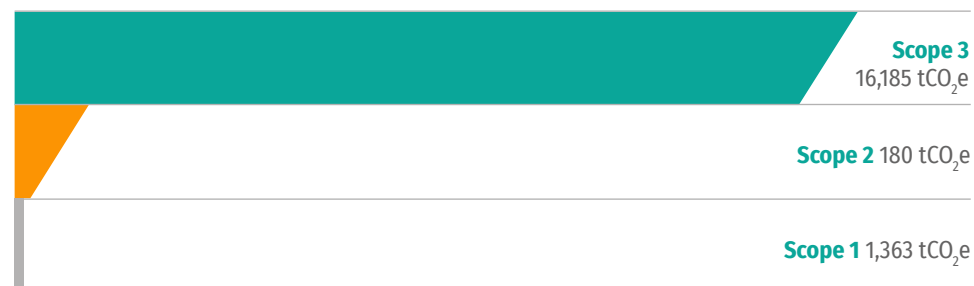
|           |     |
|-----------|-----|
| Employees | 600 |
|-----------|-----|

## Ratios

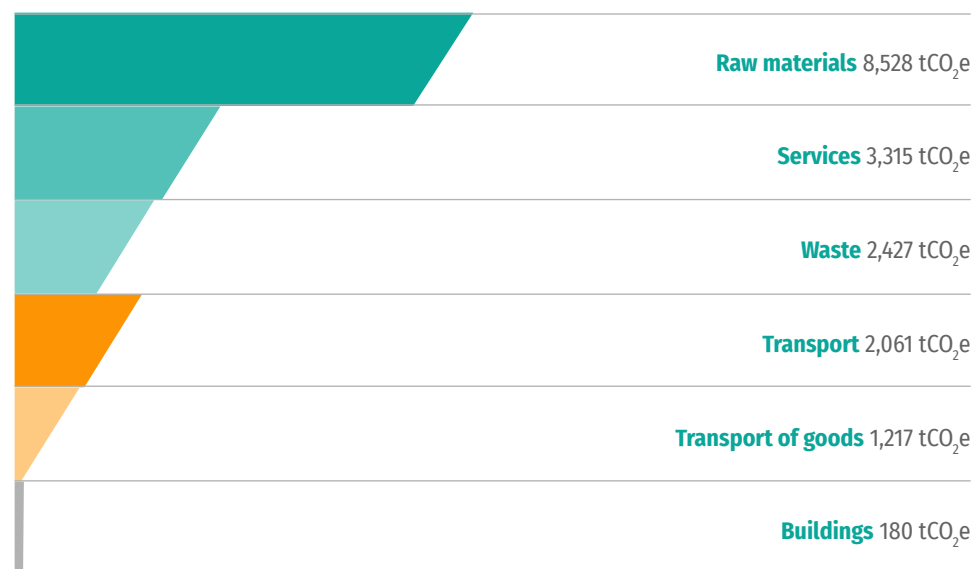
|                |                            |
|----------------|----------------------------|
| per €M revenue | 64 tCO <sub>2</sub> e / €M |
|----------------|----------------------------|

|              |                                    |
|--------------|------------------------------------|
| per employee | 29.5 tCO <sub>2</sub> e / employee |
|--------------|------------------------------------|

## Emissions by scope



## Emissions by category





## Emissions details

**48 %**  
**8,528 tCO<sub>2</sub>e**

### Raw materials

Purchase of products (Palex)  
**48 %** 8,481 tCO<sub>2</sub>e

Purchase of products (Cymit)  
47.2 tCO<sub>2</sub>e

**12 %**  
**2,061 tCO<sub>2</sub>e**

### Transport

Gasoline and diesel  
consumption **8 %** 1,363 tCO<sub>2</sub>e

Employee commute **2 %** 403 tCO<sub>2</sub>e

Plane travel **2 %** 274 tCO<sub>2</sub>e

Train travel 21.5 tCO<sub>2</sub>e

**19 %**  
**3,315 tCO<sub>2</sub>e**

### Services

External services **17 %** 3,033 tCO<sub>2</sub>e

Employee meals **2 %** 283 tCO<sub>2</sub>e

**7 %**  
**1,217 tCO<sub>2</sub>e**

### Transport of goods

Upstream transport of goods  
(Palex) **5 %** 954 tCO<sub>2</sub>e

Downstream transport of goods  
(Palex) **1 %** 260 tCO<sub>2</sub>e

Upstream transport of goods  
(Cymit) 2.7 tCO<sub>2</sub>e

Downstream transport of goods  
(Cymit) 0.5 tCO<sub>2</sub>e

**14 %**  
**2,427 tCO<sub>2</sub>e**

### Waste

End of life of sold products  
2,427 tCO<sub>2</sub>e

**1 %**  
**180 tCO<sub>2</sub>e**

### Buildings

Electricity consumption  
180 tCO<sub>2</sub>e





# Hotspot emissions and areas of improvement

## Purchase of goods

**Purchase of goods accounts for 48 % of your carbon emissions.**

Purchase of goods is your first source of emissions – it corresponds to the emissions caused by the production process of the goods you buy.

The estimation of those emissions was made based on the quantity of goods that you purchase, and the main materials that they feature. However, this source of information may hide some discrepancies: namely, it does not make the distinction between suppliers who make a meaningful effort to reduce their carbon emissions, and those who do not.

To reduce your emissions in that category, the next step would be to work with your top suppliers, and see if they have computed the carbon footprint of their products – including scope 3 upstream emissions.

## Transport

**Transport accounts for 12 % of your carbon footprint.**

In this category, most emissions are caused by company cars. Note that in countries where electricity generation is low-carbon, electric cars can be a very efficient lever for decarbonization. In Spain, to drive the same distance, an average petrol car generates around twice as much carbon as an electric car.

In cases where company cars are used for frequent, short-distance travel, electric cars may therefore help reduce your carbon footprint

## Employees

Raising awareness about climate change among your employees is key to engaging your organization. But you don't have time to read the 2000 pages of the IPCC report!

A tool we love at carbometrix is the Climate Fresk. It is a serious game that you play in a group of up to 8 people either remotely or on a table. It allows you to understand the essential issues of climate change to take action. In addition to being a team-building session, this workshop boosts self-reflection, behavior change, and solution-oriented thinking. A lot of fun, creativity, and insights to gain from it!



## Results as per the GHG Protocol Corporate Accounting and Reporting Standard

|                         |      | Emission categories                                        | tCO <sub>2</sub> e | %           |                                                    |
|-------------------------|------|------------------------------------------------------------|--------------------|-------------|----------------------------------------------------|
| Scope 1                 | 1-1  | Company facilities                                         | 0                  | 0%          | <b>Scope 1</b><br><b>8% 1,363 tCO<sub>2</sub>e</b> |
|                         | 1-2  | Company vehicles                                           | 1,363              | 8%          |                                                    |
|                         | 1-3  | Direct emissions from processes                            | 0                  | 0%          |                                                    |
|                         | 1-4  | Direct fugitive emissions                                  | 0                  | 0%          |                                                    |
|                         | 1-5  | Direct emissions from agricultural sources                 | 0                  | 0%          |                                                    |
| Scope 2                 | 2-1  | Purchased indirect energy                                  | 180                | 1%          | <b>Scope 2</b><br><b>1% 180 tCO<sub>2</sub>e</b>   |
|                         | 2-2  | Indirect emissions from steam, heat or cooling consumption | 0                  | 0%          |                                                    |
| Scope 3                 | 3-1  | Purchased goods and services                               | 11,843             | 67%         | <b>Scope 3</b><br><b>91% 180 tCO<sub>2</sub>e</b>  |
|                         | 3-2  | Capital goods                                              | 0                  | 0%          |                                                    |
|                         | 3-3  | Fuel and energy related activities                         | 0                  | 0%          |                                                    |
|                         | 3-4  | Upstream transportation and distribution                   | 957                | 5%          |                                                    |
|                         | 3-5  | Waste generated in operations                              | 0                  | 0%          |                                                    |
|                         | 3-6  | Business travel                                            | 295                | 2%          |                                                    |
|                         | 3-7  | Employee commuting                                         | 403                | 2%          |                                                    |
|                         | 3-8  | Upstream leased assets                                     | 0                  | 0%          |                                                    |
|                         |      | Other indirect emissions upstream                          | 0                  | 0%          |                                                    |
|                         | 3-9  | Downstream transportation and distribution                 | 261                | 1%          |                                                    |
|                         | 3-10 | Processing of sold products                                | 0                  | 0%          |                                                    |
|                         | 3-11 | Use of sold products                                       | 0                  | 0%          |                                                    |
|                         | 3-12 | End of life treatment of sold products                     | 2,427              | 14%         |                                                    |
|                         | 3-13 | Downstream leased assets                                   | 0                  | 0%          |                                                    |
|                         | 3-14 | Franchise                                                  | 0                  | 0%          |                                                    |
|                         | 3-15 | Investments                                                | 0                  | 0%          |                                                    |
|                         |      | Other indirect emissions downstream                        | 0                  | 0%          |                                                    |
| <b>Total all scopes</b> |      |                                                            | <b>17,728</b>      | <b>100%</b> |                                                    |



## To go further on the topic

### What is CO<sub>2</sub>e?

Based on the scientific consensus, the Kyoto Protocol recognizes 7 greenhouse gases (GHGs) that contribute to climate change. They are carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF<sub>6</sub>), and nitrogen trifluoride (NF<sub>3</sub>).

Greenhouse gases warm the Earth by absorbing energy and slowing the rate at which the energy escapes to space; they act like a blanket insulating the Earth. Different GHGs can have different effects on the Earth's warming. Two key ways in which these gases differ from each other are their ability to absorb energy (their "radiative efficiency"), and how long they stay in the atmosphere (also known as their "lifetime").

Because carbon dioxide represents 75 % of human made GHGs, it has been chosen as the reference. Hence, all GHG emissions from the 7 gases are expressed in CO<sub>2</sub> equivalent or CO<sub>2</sub>e, by comparing their radiative efficiency to that of carbon dioxide over a period of 100 years.

### What is the GHG Protocol Corporate Accounting and Reporting Standard

The GHG Protocol Corporate Accounting and Reporting Standard is the standard used for carbon accounting worldwide. It provides requirements and guidance for companies and other organizations preparing a corporate-level GHG emissions inventory. According to this standard, greenhouse gas emissions are organized into three groups or Scopes.

**Scope 1** covers direct emissions from owned or controlled sources.

**Scope 2** covers indirect emissions from the generation of purchased electricity, steam, heating, and cooling consumed by the reporting company.

**Scope 3** includes all other indirect emissions that occur in a company's value chain, whether it be from its employees or suppliers (upstream emissions) or from its customers (downstream emissions).



# Palex

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