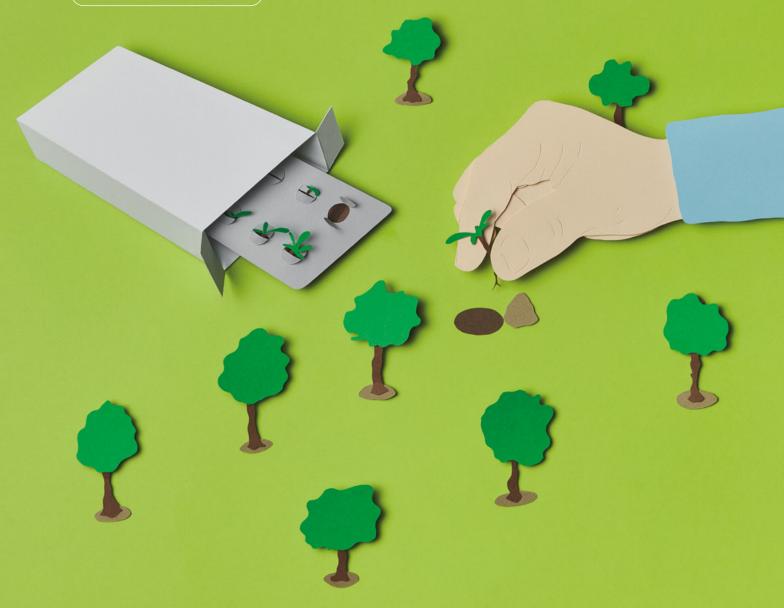
Sustainability Report 2024

REPORTING PERIOD 2023





We all sustain the future.

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Letter to the Stakeholders

(Ref. GRI 102-14/15)

Geopolitical events, the continuing war in Ukraine and the new conflict between Israel and Hamas have destabilised the macro-economic environment even further throughout 2023, with repercussions for the Italian economy as well. Following a strong start to the year, we saw a constant slowdown over the last few months, which had a positive effect with a lower rate of inflation although it was negative for demand. Our company has also suffered from this trend, and the first half of the year characterised by strong expansion was followed by a second half with a sharp reduction in orders. It is most likely that, after the great difficulty of sourcing raw materials in 2021, our customers had more supplies than they actually needed and the opposite effect happened in 2023, with a reduction in warehouse stocks. Furthermore, thanks to lower energy costs and raw material costs, our company recovered the margin that had gradually fallen throughout 2022.

In November, we presented our new strategic plan 23/27 at all our Italian facilities, which forecasts significant growth over the next four years: naturally, in order for this to happen, it is essential that all the Group's employees help. Furthermore, we continued with our investment plan which we supported once again this year and which also includes the arrival of a revolutionary new printing machine.

In still such a fast-moving context both internally and externally, the Group kept going on its sustainable pathway, continuing its ESG commitment. In particular, it worked on energy issues with new investments in terms of self-generating energy at its facilities, on social issues with tangible initiatives against gender discrimination and for raising awareness about issues of social equality, as well as in terms of governance by continuously monitoring the strategic plan.

In terms of the market, however, we are still seeing some fragmentation among our customers in their approach to sustainable issues (mainly the environment), not so much due to the subject matter but rather the methods: consequently, on the one hand, we are still receiving requests to sign up to Codes of Conduct, on the other hand, we have, for example, started to receive the first requests to sign up to binding contractual clauses linked to sustainability performances as a supplier.

Furthermore, in terms of awareness and interest in product environmental sustainability, 2023 was definitely the year of the Life Cycle Assessment,

which saw us working with suppliers, customers and our internal structure: this aspect in particular is now the first real experience for our Group of applying sustainability at business level, opening the door to new selection paradigms not just for the products supplied, but also for the relative supply chain.

In pursuing the goals established in the strategic plan 23/27, the issue of accountability is still at the heart of company decisions, since our Group's individual economic, strategic and sustainable results depend on it: we therefore need to remember how real integration of ESG paradigms in company processes really is the only path to take.

Best regards



MAURO MARCHI

Chief Executive Officer

The Report's profile, a choice for transparency

(Ref. GRI 2-2.3)

Now in its eleventh year, the **Sustainability Report** is part of our wider strategy of sustainability and demonstrates our willingness to **share**, in a **transparent** way, with every stakeholder, our commitment to **continuous improvement**.

The reporting data in this edition refers to the last three years (2021, 2022, 2023) and, unless otherwise specified, relate to the Palladio Group as a whole, understood as being the set of the parent company, Palladio Group S.p.A., and its subsidiaries both in Italy and outside Italy (see also par. 1.2.3 ["Materiality and impacts"]).

The Report is made available to all our stakeholders thanks to the publication on the GRI website, on the Palladio Group website and on the company intranet. For more information, the company can be contacted at the email address: sustainability@palladiogroup.com

The aim of the report is to disclose information on the **economic**, **environmental**, **and social performance** deriving from the Palladio Group's production activities on a yearly basis, in order to **constantly account** for the actions we take. We believe that production companies play a key role in building a more sustainable future, a **collaborative** process between companies, institutions, and people which becomes all the more effective the more comparable and shareable information it makes available.

We have chosen to frame our activities in a broader context in compliance with the GRI Sustainability Reporting Standards, which are an integral part of the document

The Report has been drafted in accordance with the **GRI Standards** and subjected to external verification activities by SGS Italia, as per the attestation reported in the appropriate section.

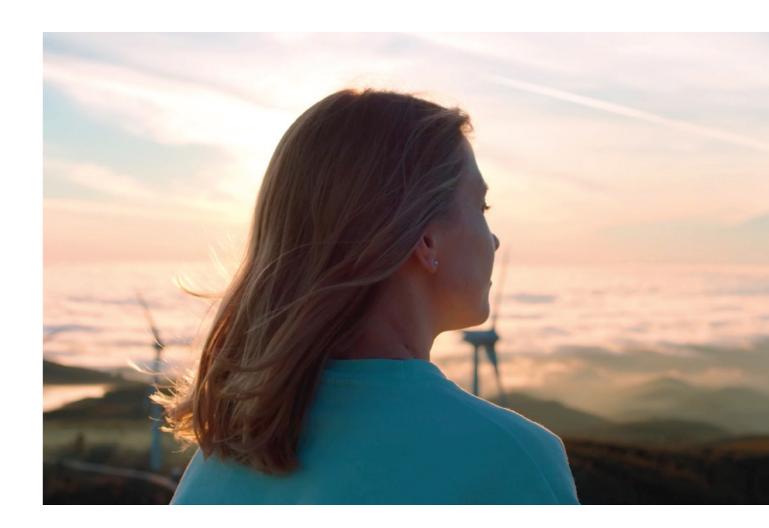
We have so far published 11 Sustainability Reports (including Communications On Progress), 8 CDP Supply Chain Climate Change Reports and 7 CDP Supply Chain Water questionnaires as well as 14 Ecovadis sustainability assessments (with ratings).

The data relating to economic performance, reported in a specific section, are derived from the **Consolidated Financial Statements** audited by auditors of the company **Reconta Ernst & Young** and published on 31 December of each year. The data contained therein refer to the calendar year.

The Palladio Group does not draft an official consolidated financial statements, as the consolidated financial statements are drafted by the parent company Holding Gruppo Marchi S.p.A.

In any case, the scope of consolidation includes the Palladio Group companies (Palladio Group Spa and its Italian and foreign subsidiaries); in the consolidated financial statements of HGM Spa, the share held in BG Holding srl is also consolidated using the equity method (therefore only reporting the value of the investment), a corporate vehicle that in turn holds a stake in Burgo Group Spa.

The most recent publication on the Palladio Group website and on the GRI site dates back to July 2022.





Prosperity

OUR IDENTITY

GOVERNANCE AND

ECONOMIC GROWTI





About us: a reference point for packaging

(Ref. GRI2-1,6,23)

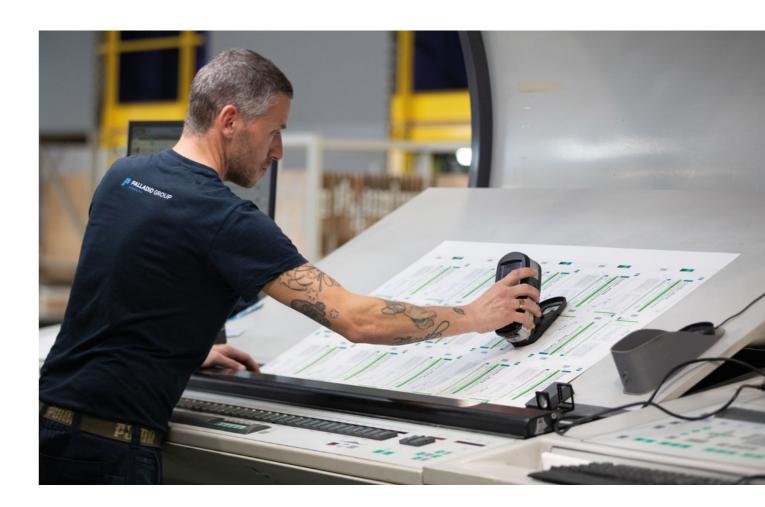
AN INTERNATIONAL POINT OF REFERENCE FOR PHARMACEUTICAL PACKAGING

A company with deep roots in Italy and a strong presence outside of it; a company that can offer its customers **packaging solutions** created to meet their needs, both in terms of the product and the service. This is the Palladio Group today. The result of a long history of enthusiasm and determination, which has led us to be **the leader in Italy and one of the top companies in Europe** in the pharmaceutical packaging sector.

Palladio Group S.p.A, the Group's parent company, is a joint-stock company under Italian law (società per azioni). The three foreign subsidiaries and the Italian subsidiary company (see par. 1.1.4 ["Palladio Group and business lines"]) are limited liability companies. One of the reasons for the Group's constant growth is our decision to specialise in logical and substantially uniform activities between the various companies; activities focused on the design and production of packaging and services for the pharmaceutical and cosmetics industry.

With over 800 workers employed in 5 companies, 2 in Italy and 3 abroad (Ireland, Serbia and Russia), we collaborate with companies and multinationals in the pharmaceutical sector to develop innovative services and to provide folding cartons, leaflets, booklets, self-adhesive labels, and printed aluminium foils for blister packs. We do not just offer products, but solutions: we see ourselves as a partner to leading multinational industries, establishing relationships not only of supply but also of collaboration, essential in a context of innovation and continuous improvement.

Our reference market is the pharmaceutical sector and the core business is the production of packaging material. Our Group's objective is to offer products, skills, and know-how in compliance with the requirements envisaged, whilst aiming to anticipate and meet the needs of our stakeholders. Production is done by design, in accordance with the indications and technical specifications provided by the customer, in compliance with the certified standards, and in observance of the requirements and applicable law. Production activities are carried out using technologically advanced machinery and equipment, in terms of safety, reduced energy consumption and safeguarding the environment. A history that continues to evolve, day by day, based on solid foundations: research, quality, precision.



1.1.2

Our history: we have anticipated the future of packaging since 1946

(Ref. GRI 2-28)

Our story is about a company which started out as Italian and became international, while remaining true to its roots. Beginning its activity at a time when Italy started to look to the future with confidence once more – in the immediate post-war period – we have, over the years, managed to hold onto this original view of always looking ahead. It is thanks to this vision that, in over seventy years of experience, we have seen progressive growth focused on the commitment to meet the needs and expectations of our customers and every other stakeholder, whilst pursuing sustainable and socially responsible development.

A growth path which has allowed the company to transform itself from a small local firm into an international, technologically advanced corporation; one that competes successfully with the best multinationals.

The Marchi family The company takes the The Dueville

The Marchi family acquires a small Vicenza printing house.

The company takes the name of "Palladio Industria Tipolitografica Spa".

The Dueville plant is born, now the company's headquarters.

2004

The Group acquires Grafiche Zannini Spa with three new facilities in Tuscany, Ireland and Serbia.

Palladio Group expands with a new facility in Thiene.

1996

Pharma Partners Officina Farmaceutica is acquired.

2013

The innovative
PhutureMed
programme is born.

2016

A new facility is inaugurated in Obninsk, Russia.

2017

2019

The Phactory is launched, a team of graphics professionals dedicated to design, pre-printing and consultancy services.

Poliweb Graphics, a labelling company, joins Palladio Group.

2018

2021

The Palladio Group Innovation Hub is inaugurated. A partnership agreement is entered into with Palladio Consulting, an engineering company

in the pharmaceutical sector.

2022



Our structure

(Ref. GRI 2-2; GRI 3-1)

Palladio Group is controlled by Nuova Holding Gruppo Marchi and is also part of the Burgo Group.

Consistency in design and production choices is the basis of our sustainable growth path and is reflected in the reporting scope identified for this report.

In detail, the subject of the report includes the business lines that mainly produce products and services for the primary and secondary pharmaceutical packaging market (boxes, labels, leaflets, printed aluminium).

Our presence is international



overlabelling
GOSSOLENGO (PC), ITALY

Special labels

Folding cartons, leaflets, booklets,

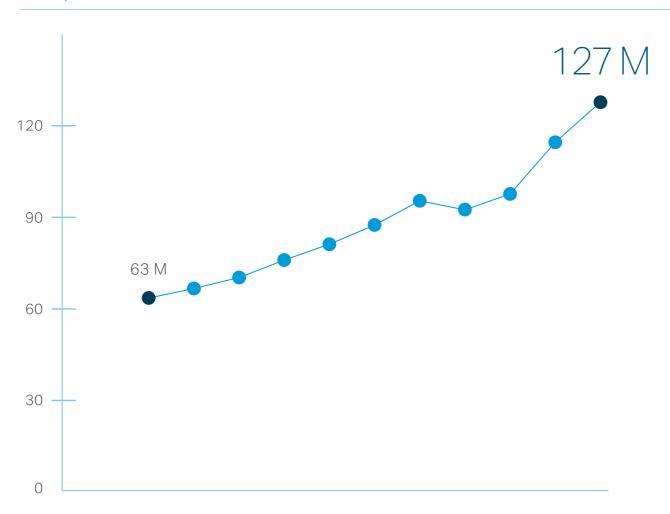
assemblies, labels, printed aluminium foils,

* Company does not fall within the reporting boundary taking into account the current international political situation.

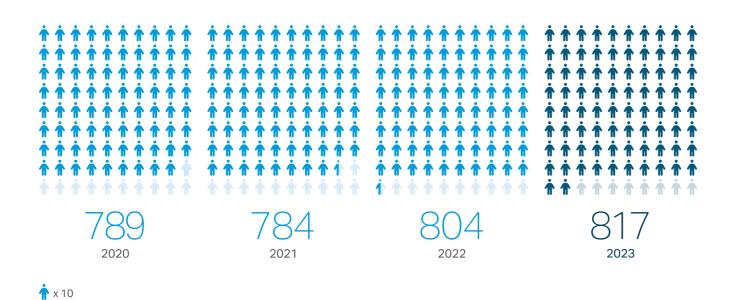
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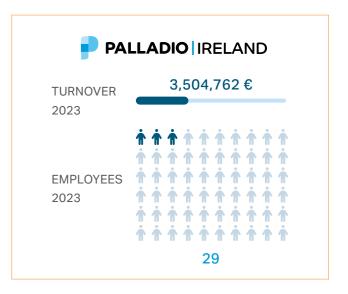
1 Prosperity

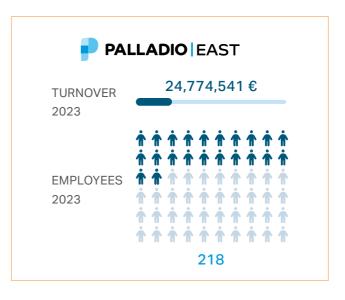
Group turnover 2013-2023

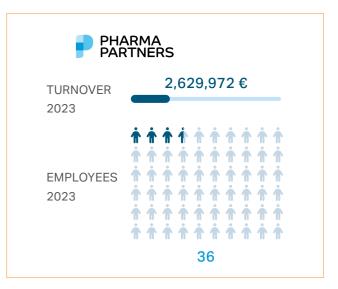


Total employees 2020-2023









A PATH OF GROWTH WHICH HAS
ALLOWED THE COMPANY TO
TRANSFORM ITSELF
FROM A SMALL LOCAL FIRM INTO
AN INTERNATIONAL INDUSTRIAL
CORPORATION.







Palladio Group and business lines: we shape the packaging concept

(Ref. GRI 2-1,6)

The Palladio Group's headquarters are located in Dueville (Vicenza) and as of 31 December 2023 has 5 companies between Italy and abroad, in line with the company's strategy of producing in key countries with respect to sectors where market opportunities are expected to grow the most.

PALLADIO GROUP SPA

Dueville (VI), Italy Headquarter

Folding cartons, leaflets

Thiene (VI), Italy

Special folding cartons, leaflets, assemblies

Pontedera (PI), Italy

Folding cartons, leaflets, booklets, assemblies, labels, printed aluminium foils, overlabelling

Gossolengo (PC), Italy

Special labels

PHARMA PARTNERS SRL

Prato (PO), Italy Pharmaceutical laboratory

PALLADIO IRELAND PACKAGING SOLUTIONS LTD

Tullamore, Ireland

Folding cartons, leaflets, overlabelling, serialization

PALLADIO BNM LLC *

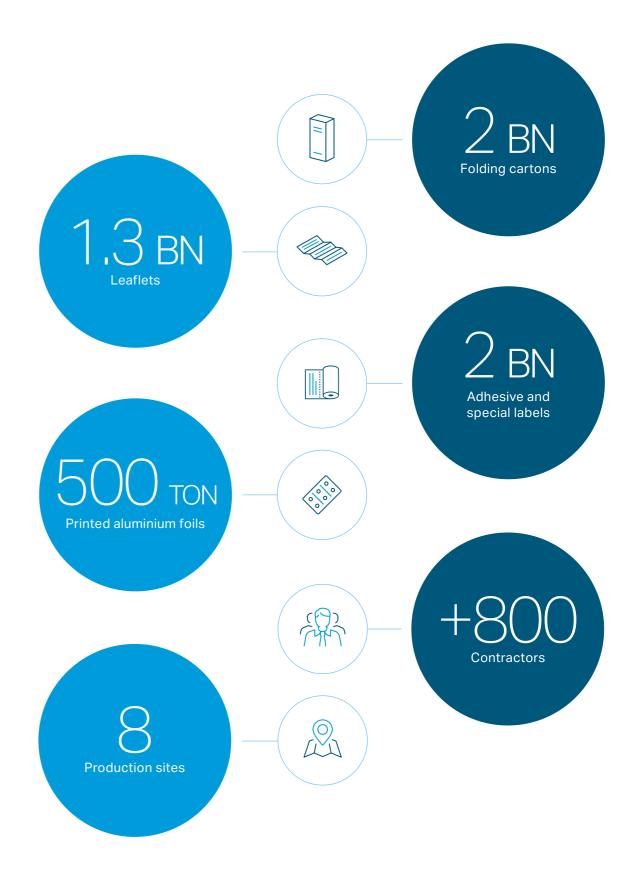
Obninsk, Russia Folding cartons, leaflets

PALLADIO EAST DOO

Vršac, Serbia

Boxes, leaflets, labels, stamping, artwork development

Group's total production capacity



^{*} Taking into account the current international political situation, the company does not fall within the reporting boundary of the 2024 sustainability report.

Our products





Boxes

Folding cartons, blister packs and display boxes, cardboard, corrugated cardboard, and recycled paper solutions, in different shapes, colours and sizes, completely customised and made using print solutions with offset, flexo and digital technology (with UV and water-based varnishes).





Leaflet

Single, double and triple reel leaflets, flat, folded and pre-folded, perforated leaflets, outserts with closing label and closed outserts with cold glue application.





Adhesive labels

Self-adhesive labels on reels on various surfaces, paper, transparent material or compostable. Production also includes multi-page labels with Braille lettering, peel-off labels, tamper evident seals (plus anti-counterfeiting systems) and other special labels.





Printed aluminium foils

Through flexo printing lines we produce printed aluminium foils for blister packs. This process takes place in a cleanroom, as required for the primary packaging of pharmaceuticals, and makes it possible to print in four colours in thicknesses of 20/25/30 microns.





Booklets

When a significant amount of information or instructions needs to be conveyed, we recommend the booklet solution; informational booklets of various sizes and configurations that ensure excellent readability and handling, also available in multiple languages.





Patient Alert Cards

The Alert Card is a special card that contains all the patient information that the treating physician should know (data and conditions, therapeutic indications, doses and times of drug intake, etc.). We produce Patient Alert Cards on which important indications are printed in multiple languages which the patient must follow before, during and after pharmacological treatment.





Smart Packaging

We develop smart packaging solutions created to support patients and caregivers in monitoring and following the prescribed treatment.

Our services

In addition to the product lines, we also offer a range of support services that involve the supply chain, logistics and on-demand production, up to developing the artwork.

Vendor Managed Inventory
Stock management
with B2B system
|
SUPPLY CHAIN
|
SUPPLY CHAIN
|
Infact
Real-time traceability of
deliveries with RFID technology
|
LOGISTIC
|
SUPPLY CHAIN
|
LOGISTIC
|
P24
Production in 24 hours and
"just-in-time" delivery
|
ON DEMAND



Our principles and reference values

Ref. GRI 2-23, 25, 26)

Integrity

We operate ethically and sustainably towards all of our stakeholders, building long-term partnerships based on mutual trust to share a common vision, dea, or project.

Excellence

our products and services, we assist the customer in achieving the best possible result. We strive to eliminate defects by providing efficient responses, skilled advice, and all-round support.

Inclusion

We promote a culture of equality, integration and equal opportunity, fostering a friendly working environment where all individuals feel respected and

Sustainable innovation

We encourage creativity and innovative thinking to tangibly contribute to people's health and well-being and reduce the environmental impact of our solutions and the healthcare supply chain.

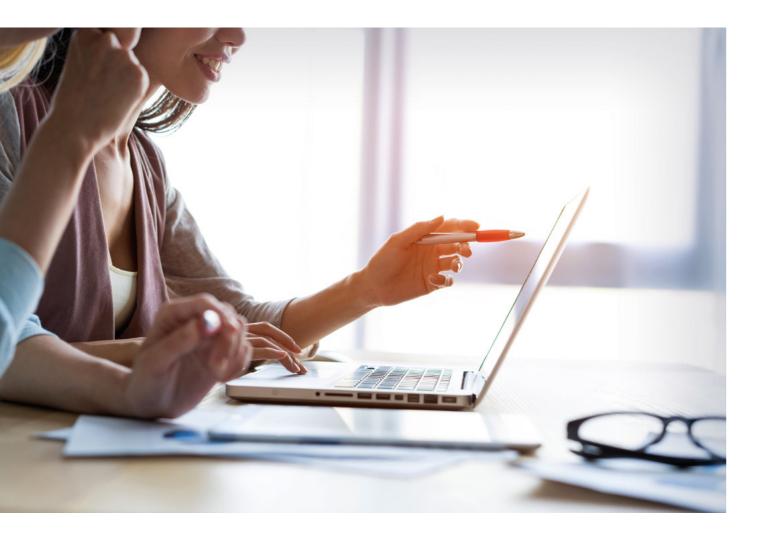
In the Palladio Group we do not wish to limit ourselves to simple regulatory compliance. We pursue our business targets by **prioritising social factors**, **health and safety and environmental protection**. We are aware that entrepreneurial action must be consistent with the interests of the community and we believe in the importance of putting **good business governance** into practice, based on a set of principles and values set out in rules and procedures.

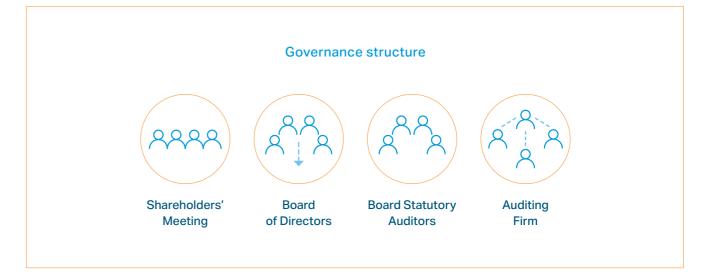
- We have developed our **Code of Ethics**, which expresses the commitments and responsibilities we assume in managing each business activity.
- The Code makes the values and principles, that guide our actions when dealing with stakeholders, explicit.
- The latest version, which takes into account regulatory developments, was approved by the Group's Management Committee, which has the Chief Executive Officer as a member.
- The Committee acts as a supervisory body for compliance with the Code by all employees and collaborators.
- The Code of Ethics has been delivered to and signed by every employee and is available on the **company intranet**.
- All new employees are given specific training when they are hired to explain our values to new staff.
- Suppliers are required to formally sign a Supplier Code of Conduct, which
 contains the same ethical principles on which our Code of Ethics is based.

- We have implemented a whistleblowing procedure, which can be activated both internally and externally through the exchange and communication platforms, which allows us to report safely and without repercussions any concerns or illegal unethical behaviour. No reports were made in 2023 to the Ethics Committee.
- We have implemented a procedure for handling complaints from both inside and outside.
- The Zero Tolerance policy was created in 2023. This policy against harassment and violence at the workplace was inspired by the Universal Declaration of Human Rights and developed in collaboration with the Libellula Foundation. This policy is a tool that formally establishes a set of processes aimed at preventing, combating and managing cases of harassment, violence and discrimination at the workplace. At the same time, the Confidential Counsellor service was set up for our Italian facilities. This impartial, external figure of the company works in complete confidentiality and can be contacted to get clarifications or to talk about acts of violence, discrimination, sexual or psychological harassment, as well as cases of mobbing at the workplace that you feel you have been a victim of or witnessed.



Governance and sustainability strategy







(Ref. GRI 2.9-10-11-12-13 -14-15-16-17-18-19-20-21) Here at Palladio Group, we have adopted a **traditional accounting administration and monitoring system**, with separation between the management body (Board of Directors or BoD) and the monitoring body (Board of Statutory Auditors and Auditing Company).

1 Prosperity

The Board of Directors, appointed on 05-05-2022, will remain in office until the approval of the new statutory financial statements scheduled for 31-12-2024. The BoD consists of a Chairman (who does not hold managerial positions within the Group), 2 Managing Directors, and 6 Directors (including a woman). All the members of the BoD have at least one executive position and some of them also have representative positions (40 in total). The companies represented by these positions are mostly covered by Palladio Group SpA, the Burgo group and Nuova Holding Gruppo Marchi. Some members of the BoD (4 in total), have delegation responsibilities and/or have direct reports.

Among the Directors, there is the presence of an independent member. In fact, the members of the Board of Directors hold this position on behalf of the founding families of the Palladio Group, with the exception of a director, elected as a managerial profile with high competence and multi-year experience in the role of Chief Financial Officer.

The members of the Board of Directors are appointed by the Shareholders' Meeting in consideration of the criteria of integrity, professionalism and competence defined by the Articles of Association of the Palladio Group. The members of the BoD shall remain in office for a period not exceeding three financial years and shall be replaced on the date of the Shareholders' Meeting convened to approve the statutory financial statements for the last financial year relating to their office. All Directors are eligible for re-election, as provided for in art. 2383 of the Italian Civil Code.

As regards the measures for the prevention and mitigation of potential conflicts of interest that may involve the members of the BoD, these are explained both in company policies and in the Code of Ethics, which specifies that:

- Any operation/activity must be undertaken only in the interest of the Company in a lawful, correct and transparent manner.
- Conflicts of interest between personal (or family) economic activities and the tasks performed in the Company must be avoided.
- It is forbidden to carry out work activities (of any type and even outside working hours) at Customers, Suppliers and competitors of the Company.
- No personal favours, and definitely no money, should be accepted from people or companies that intend to enter into business relationships with Palladio Group
- Any situation involving a conflict of interest, even if only apparent, must be promptly reported to the Ethics Committee.

In order to avoid any situation of potential conflict arising from members of the Palladio Group BoD owning shares of the supplier Burgo Group, the purchase contracts agreed between the parties are always aligned with market prices.

Any critical issues, both concerning the conduct of the organisation in its operations and business relationships, and regarding the real and potential negative impacts, potential and actual, on stakeholders, are reported to the BoD during the periodic meetings set at least quarterly or, for particularly serious situations, with extraordinary meetings. No critical issues were identified during 2023.

Finally, it should be noted that, as a guarantee of further correctness, the audit activities are entrusted to an external and independent audit firm.

REMUNERATION RULES

At Palladio Group, we have a structured remuneration system at all levels.

The company remuneration policy of employees, including managers, is managed by the personnel office in full compliance with the National Collective Labour Agreements applied. The managers' remuneration package includes a fixed quota and a variable quota in the form of MBO (Management by Objectives). This variable amount is paid upon achieving targets such as EBITDA (earnings before interest, taxes, depreciation, and amortisation), completing specific projects,

as well as based on performance indicators for the relative role or area of responsibility. In this regard, for the functions directly involved in managing the organisation's impacts on the economy, the environment and people, the set of indicators assessed includes specific KPIs related to sustainability issues.

As far as the BoD is concerned, it is responsible for decisions on the remuneration of the Chief Executive Officer and other members of that body. The reporting of these decisions is reported in the minutes of the BoD meetings themselves.

Governance in the control of the management of sustainability impacts



Our commitment to sustainability is an integral part of our view of good corporate governance and responsibility towards our stakeholders and the community.

In 2018, we set up the Sustainability Committee, whose objective is to promote a path of continuous improvement of sustainability, which for us also means increasing competitiveness and strengthening the identity of the Group. This Committee meets regularly to establish and monitor company targets in line with sustainable development goals (SDGs) and to discuss the most relevant economic, social and environmental impacts and aspects for the SDGs. The Committee is responsible for the process of managing current and future ESG risks and opportunities. Formal meetings are held at the Group level and also handle reviewing the risk framework, the environmental strategy, and key goals and indicators in terms of sustainability and the related activities.

The Sustainability Committee is composed of some Corporate Managers of the Group, as well as the **Chief Executive Officer**. The latter has the delegation for ordinary and extraordinary administration activities, including the management of impacts and sustainability issues. The CEO, who is regularly informed and updated by the top management regarding the performance of sustainability, also has the responsibility to review and approve the ESG information communicated externally.

In addition to the Sustainability Committee, the **Corporate Management** (who reports directly to the CEO) plays a strategic role in the identification and management of ESG impacts. Firstly, in its activity of defining, implementing and monitoring the Group's Strategic Plan, vision and mission, the Management carries out specific activities related to sustainable development, with two strategic priorities dedicated to the theme. In addition, the governing body periodically submits the impact analysis to the various internal and external stakeholders through different types of tools (e.g. Materiality Analysis, Internal Surveys, and others) to understand the impact of the different factors in the ESG field.

The review of the effectiveness of processes to identify and manage the impacts of the organisation on the economy, the environment and people takes place with different frequency depending on the issues. The processes underlying the strategic priorities are checked on a monthly basis and reviewed at least annually. The other processes, on the other hand, are re-assessed with a frequency that depends on the mutation of the internal and external context.

The highest governance bodies for performance evaluation, including those related to ESG issues, are the Steering Committee and the Board of Directors. The Steering Committee uses specific KPIs to monitor the progress of the company's strategic plan according to specifically identified objectives and targets. The objective of the Steering Committee is to take prompt action in case of significant differences: its meetings therefore take place on a monthly basis. The Board of Directors, on the other hand, meets quarterly to define the general line for the Group's medium and long-term objectives, approve the strategic plan, and monitor the alignment between the medium and long-term objectives and the results obtained. The assessments of the two bodies are independent.

Finally, in terms of any potential **delegated powers** of the BoD regarding issues of sustainability, the BoD has formally established a special proxy for the Corporate QHSE & Sustainability Director, who has accepted obligations regarding workplace health and safety and environmental compliance.

OUR HISTORY OF SUSTAINABILITY

We have always been a company focused on sustainable development. For us, sustainability is not just a market requirement, but a real opportunity to grow and constantly improve. Over the years we have promoted important initiatives with which corporate commitments have been defined with respect to social, economic,

and environmental issues. Company Code of Ethics, Zero
Tolerance Policy, Charter of Values and Sustainability Report
(see par. 1.2.5 ["Our principles and reference values"]) represent
some of the main documents summarising the guidelines,
objectives, strategy and results we have achieved.

A commitment confirmed and reinforced over the years



2001

ISO 14001 Environmental certification



2019

Definition of the scenarios to combat climate change



2010

First Environmental Report



2020

Development of specific initiatives in response to the Covid-19 pandemic (such as third-party assessment and strengthening of the Business Continuity Plan).



2011

First EcoVadis assessment and reorganisation of the Sustainability Management System



2020

EcoVadis annual assessment: 80% score achieved



2012

Signed up to the United Nations Global Compact



2021

Implementation of a sustainable procurement process inspired by the "ISO20400:2017 Sustainable Procurement Guidance" standard



2015

Alignment of the Sustainability Report to the drafting standards established by the Global Reporting Initiative



2021

We have been awarded the Sustainability
Award for being among the 100 Italian
excellences that have stood out for
sustainable development, social responsibility
and respect for the environment.



2016

First participation in the Carbon Disclosure Project (CDP)



2022

We have improved our result in the sustainable field by receiving the Sustainability Award for the second year in a row, being among the top 50 Italian excellences



2018

Established the Sustainability

Committee and identified the SDGs

connected with the Group's activities



2023

We have developed the new Industrial Strategic Plan 2023-2027, introducing a line dedicated to Sustainability for the first time



2018

EcoVadis annual assessment: 75% score achieved



2030

Alignment of corporate performance to the Sustainable Development Goals signed by UN member countries



Our sustainability strategy

In early 2023, the new Industrial Strategic Plan 2023-2027 was drawn up by the Group's Corporate Managers. Within this plan there are a total of 4 pillars and 19 strategic priorities.

For the first time in the history of the Palladio Group, to confirm the direction taken many years ago on this issue, we wanted to give particular emphasis to the topic of Sustainability: there are, in fact, two strategic priorities dedicated to declining ESG aspects within the organisation and towards the reference market.

The Palladio Group's strategic approach



The first strategic priority related to ESG areas concerns the Group's commitment to set the entire organisational model according to **B-Corporation** principles, where the generation of positive value for employees, society and the environment is pursued as a primary objective together with economic growth. We are therefore committed to continue our path of sustainability leaders in our sector, promoting the culture of sustainability at all levels, continuing to adopt ESG best practices in our functions, and integrating sustainability objectives into processes and corporate responsibilities.

The creation of "Sustainability Competitive Value" is the second strategic priority on which we will focus. At Palladio we are sure that ESG issues are a direct source of competitiveness and business success. To do this, we will work to further strengthen our sustainability performance in order to attract and retain our talent, to enhance our customer penetration capabilities, and at the same time to reduce our impact on climate change by reducing our CO₂ emissions.

ensure the long-term success of the Palladio Group, we have also updated our **corporate mission**, which in its current version has fully integrated the demands of sustainability:

In this context of renewed commitment to ESG issues as a strategic lever to

Guarantee our customers excellent products and services, which contribute to the health and well-being of people, through the integrity of our principles, the sustainability of products and processes, and innovation.



(Ref. GRI 3)

WE ADHERE TO THE GLOBAL REPORTING INITIATIVE SUSTAINABILITY REPORTING STANDARDS

Quality and transparency of data are key to our sustainability strategy. For this reason, we implement a reporting model of environmental, economic and social material aspects adhering to the GRI Sustainability Reporting Standards and we apply its principles both in terms of content definition and quality of the data and information reported. These international standards provide for the use of specific indicators for reporting, in accordance with the option chosen ("in compliance" option).

The 2023 reporting boundary takes into account the following entities of the Group:

PALLADIO GROUP

PLANT IN DUEVILLE (VI), ITALY; THIENE (VI), ITALY; PONTEDERA (PI), ITALY; GOSSOLENGO (PC), ITALY

PALLADIO | IRELAND

PLANT IN TULLAMORE, IRELAND

PALLADIO EAST

PLANT IN VRŠAC, SERBIA



PLANT IN PRATO (PO), ITALY

The reporting data refers to the **last three years (2021, 2022, 2023)**. The emission coefficients used for the environmental calculations and relevant details are outlined in Annex 2.

The Group's reporting boundary has changed, excluding Palladio Bnm Llc (Site in Obninsk, Russia). The current geopolitical situation in the area prevents us from obtaining reliable data for this production site, which means we have to leave it out of consideration for the qualitative and quantitative reporting of our Sustainability Report this year.

In line with the new reporting standards, in 2022, the Palladio Group updated its approach to identifying the most relevant sustainability issues, in line with the standard "GRI 3 Material topics 2021". To this end, we have implemented a materiality analysis process organised into 4 main macro-phases:

- 1.Insight into the context of the organisation
- 2.Identification of actual and potential impacts
- 3. Assessing the importance of impacts
- 4. Prioritisation of the most significant impacts

The complete list of impacts (ongoing and potential, positive and negative) and the relative material topics was confirmed in 2023, and is reported in the following table:



Legend:

| No. of impacts | Average | Impacts | Macro-issues | Issues | Type of impact | Status | Delivery |
|-------------------|---------|---|----------------------|--|----------------|----------|----------|
| 5 | 4,1 | Violations related to legal requirements, social and political systems, cultures and standards of behaviour in the countries where the Group operates | Ethics and Integrity | Socio-environmental- economic compliance Anti-corruption Information and data security (customers, employees, companies, etc) Brand reputation | \otimes | Ф, | Ō |
| 6 | 3,3 | Presence of a strong governance structure to oversee data protection processes | Ethics and Integrity | Socio-environmental- economic compliance Anti-corruption Information and data security (customers, employees, companies, etc) Brand reputation | \bigcirc | © | Ō |

Positive Negative Potential Current Short-term Mid-term Long-term

| 4 | 3,7 | Continuous pursuit of the highest production standards to meet the needs of customers in terms of compliance, quality, functionality, reliability and safety | Customer Relationship Product Liability Ethics and Integrity | • Product Quality and Safety | \odot | © | Ō |
|----|-----|--|---|---|------------|----------------|---|
| 2 | 3,9 | Maintaining of the highest standards of productivity through diversification, technological progress and innovation | Investments & Innovation | • Investments and Digitalisation (economy 4.0) • Innovation (product, process) | \bigcirc | © | Ō |
| 1 | 3,8 | Continuous strengthening of the leadership role in the sector by anticipating innovative solutions for the market based on development with customers | Investments & Innovation | Investments and Digitalisation (economy 4.0) Innovation (product, process) | \bigcirc | © | ٥ |
| 3 | 3,5 | Presence of an approach based on the centrality of the customer anticipating and interpreting their needs and expectations | Relations with Customers | Customer Satisfaction Collaboration with Customers Customer Brand Protection | \odot | © | ٥ |
| 9 | 4,0 | Failure to identify and/or manage key risks that may compromise business continuity | Economic development | Economic Performance Growth Strategy Business Continuity | \otimes | © | Ō |
| 7 | 3,7 | Economic performance not aligned with strategic objectives | Economic development | Economic Performance Growth Strategy Business Continuity | \otimes | () | ٥ |
| 8 | 3,6 | Business continuity risk management through a structured and complete business continuity plan | Economic development | • Economic Performance • Growth Strategy • Business Continuity | \bigcirc | © | Ô |
| 12 | 3,5 | Use of raw materials (mainly cellulose) from monitored and certified supply chains | Sustainable Supply Chain | Sustainable logistics Sustainable purchases | \oslash | © | Ō |
| 10 | 3,4 | Presence of a sustainable procurement process (suppliers assessed, selected and monitored taking into account sustainability criteria) | Sustainable Supply Chain | Sustainable logistics Sustainable purchases | \odot | © | Ō |

Legend:

| | \bigcirc | Positive | Negative | Potential | O Current | Short-term | (i) Mid-term | Long-ter |
|--|------------|----------|----------|-----------|-----------|------------|--------------|----------|
|--|------------|----------|----------|-----------|-----------|------------|--------------|----------|

| 13 | 3,2 | Identification, monitoring and management of biodiversity impacts along the supply chain | Sustainable Supply Chain Biodiversity | Sustainable logistics Sustainable purchases | \bigcirc | © | ٥ |
|----|-----|---|---|---|------------|------------------|---|
| 11 | 3,2 | Failure to comply with the sustainability criteria required by the Group from its suppliers | Sustainable Supply Chain | Sustainable logistics Sustainable purchases | \otimes | (+) , | ٥ |

| Environment |
|-------------|
| |

| No. of impacts | Average | Impacts | Macro-issues | Issues | Type of impact | Status | Delivery times |
|-------------------|---------|--|------------------|--|----------------|-----------------|-------------------|
| 14 | 3,3 | Identification, monitoring and management of biodiversity impacts related to the Group's direct activities | Biodiversity | Protection of biodiversity | ⊘ | (), | ٥ |
| 16 | 3,7 | Strong commitment to the use of renewable energy | Climate Change | Energy Management GHG Emissions | \bigcirc | <u></u> | ٥ |
| 15 | 3,4 | Failure to achieve climate change reduction targets | Climate Change | • Energy Management • GHG Emissions | \otimes | () | ١ |
| 19 | 3,9 | Waste management not in line with regulatory requirements | Circular economy | Responsible management of raw materials Development of recyclable, reusable products Management of impacts linked to the product life-cycle Waste management | \otimes | () | Ö |
| 18 | 3,4 | Development of recyclable, reusable products | Circular economy | Responsible management of raw materials Development of recyclable, reusable products Management of impacts linked to the product life-cycle Waste management | \bigcirc | +, | Ō |
| 17 | 3,3 | Use of recycled and recyclable packaging | Circular economy | Responsible management of raw materials Development of recyclable, reusable products Management of impacts linked to the product life-cycle Waste management | ⊘ | +, | Ō |
| 20 | 3,2 | Presence and implementation of a strategy aimed at reducing the use of raw materials | Circular economy | Responsible management of raw materials Development of recyclable, reusable products Management of impacts linked to the product life-cycle Waste management | \bigcirc | +), | ٥ |

Legend:

Legend:

O Positive Negative Potential O Current Short-term Mid-term Long-term





Social

| No. of impacts | Average | Impacts | Macro-issues | Issues | Type of impact | Status | Delivery times |
|-------------------|---------|--|---|--|----------------|-----------------|-------------------|
| 23 | 4,1 | Failure to meet social and work standards and good practice | Human rights | Good working practices (e.g. child labour, forced labour, freedom of association, etc.) | \otimes | (), | Ö |
| 24 | 3,3 | Continuous collaboration with trade union representatives and strengthening of industrial relations | Human rights | Industrial Relations | ⊘ | © | Ō |
| 21 | 3,5 | Presence of a corporate welfare plan in line with employee expectations and demands | Human Capital Management | Welfare/well-being Employee satisfaction Training and development of staff skills Managerial Development | ⊘ | © | Ō |
| 22 | 3,9 | Presence of a structured approach to personnel training and skills development, including managerial development | Human Capital Management | Welfare/well-being Employee satisfaction Training and development of staff skills Managerial Development | \odot | © | Ō |
| 26 | 4,0 | Presence of a strong corporate culture with respect to the issues of equal opportunities and diversity | Equal Opportunities & Giving value to Diversity | Gender Equality Youth Employment Development Ageing of the company workforce | ⊘ | © | ٥ |
| 28 | 3,5 | Lack of initiatives for intergenerational issues and for updating the skills of the senior company workforce | Equal Opportunities & Giving value to Diversity | Gender Equality Youth Employment Development Ageing of the company workforce | \otimes | (), | ٥ |
| 27 | 3,7 | Presence of initiatives developed with the territory in favour of youth employment | Equal Opportunities & Giving value to Diversity | Gender Equality Youth Employment Development Ageing of the company workforce | ⊘ | © | |
| 25 | 3,3 | Continuous support to the local communities of the Group's sites through specific projects | Relations with Local Communities | Support from local communities | ⊘ | 0 | ١ |

Legend:





| 30 | 4,5 | Failure to comply with safety procedures and practices that have caused fatalities or accidents with serious consequences | Health & Safety | Health & Safety | \otimes | Ф, | Ö |
|----|-----|---|-----------------|-----------------|-----------|----|---|
| 29 | 4,0 | Continuous strengthening of the company's management and culture with regard to health and safety | Health & Safety | Health & Safety | ⊘ | 0 | Ō |

The impact that has obtained the highest importance rating concerns the issue of health and safety, in its sense of compliance with safety procedures and practices in order to avoid fatalities or accidents with serious consequences. This potential impact, as widely reported in these Financial Statements, is managed in advance at all Group sites through advanced management and control systems for occupational safety.

Among the other impacts identified as highly relevant, there are elements that reflect both the challenges related to the international profile of the Group (potential problems related to legal requirements, social and political systems, cultures and standards of behaviour in the countries in which Palladio operates), and the difficulties inherent in our production sector (identification and/ or management of key risks potentially capable of compromising business continuity). For this group of impacts, the existence of a strong company culture regarding issues of equal opportunities and diversity should also be noted, which has become particularly important in the current socio-economic context.

For the remaining topics considered to be important, although not a priority, there are topics that represent all 3 fundamental pillars of sustainability, i.e. governance (with issues regarding ethics, innovation, customer management, economic development and a sustainable supply chain), social (with issues regarding the management of human capital and human rights), and the environment (with issues regarding the circular economy and climate change). In general terms, all the impacts and related ESG issues identified reflect the most important challenges and opportunities not only for Palladio, but also in reference to the business sector in which we operate, in which the driver of sustainability has emerged as a primary factor of competitiveness for all players in the supply chain.

Throughout 2024, the Palladio Group has planned to carry out analysis aimed at integrating the impact materiality conducted in 2022 with financial materiality, in order to comply with the requirements of international best practices which require the expansion of strategic considerations linked to identifying, assessing and prioritising the impacts, risks and opportunities of sustainability from the perspective of Double Materiality.



2023 was a successful year for our company, with major results achieved not just in terms of economic, social and environmental sustainability, but also thanks to the completion of several projects set out in the Industrial Plan 2023-2027. These results not only helped strengthen the bond with the Group's employees, local communities and suppliers, but also helped promote additional values of sustainability, such as the reduction of our environmental impact and innovation towards more responsible production and consumption models. Furthermore, we reinforced our commitment to combating climate change, implementing strategies to reduce CO2 emissions and continuing the transition towards renewable energy sources. While they are not included in the reporting boundary, the targets set in 2023 also take into account Palladio BNM.



1 Defeating poverty

Activity: Document definition for RAL achievement mode beyond minimum law

Scope of activity: The whole Group

Results: Completed activity

Activity: Anticipation of severance pay (see paragraph 3.2.2)

Scope of activity: Palladio Group S.p.A., Pharma Partners

Results: 25 severance pay advances paid

Activity: Granting of company loans (see paragraph 3.2.2)

Scope of activity: Palladio Group S.p.A., Pharma Partners

Results: 9 company loans disbursed

Activity: Participation in the "Fondo Aiutiamoci" (see paragraph 3.2.2)

Scope of activity: Palladio Group S.p.A.

Results: 395 hours used out of 1056 allocated

Activity: Disbursement of Outcome Award in welfare services

(see paragraph 3.2.2)

Scope of activity: Palladio Group S.p.A.

Results: 132 employees adhering to the PDR welfare

Activity: Disbursement of diaper bonuses (see paragraph 3.2.2)

Scope of activity: Palladio Group S.p.A., Pharma Partners

Results: €9,100 provided

Activity: Wedding Bonus Disbursement (see paragraph 3.2.2)

Scope of activity: Palladio Group S.p.A., Pharma Partners

Results: €9,000 provided



² Defeating hunger

Activity: Definition of a policy for donations to the community

Scope of activity: The whole Group

Results: A policy for donations was established. Donations of €82,000

(8% of net profit)



(3) Ensuring health and well-being

Activity: Permits for medical examinations (see paragraph 3.2.2)

Scope of activity: Palladio Group S.p.A., Pharma Partners

Results: 320 hours of leave granted

Activity: Palladio Health Challenge to promote a healthy lifestyle

(see paragraph 3.2.2)

Scope of activity: Palladio Group S.p.A., Pharma Partners

Results: 1 Company challenge completed

Activity: Company climate analysis

Scope of activity: Palladio Group S.p.A., Pharma Partners

Results: Questionnaire completed by 58% of employees

Activity: Internal Communication Corporate Welfare

Scope of activity: Palladio Group S.p.A., Pharma Partners

Results: Internal communication through newsletters, communication portal,

company magazine, posters, welfare booklet



(4) Quality education

Activity: Palladio Academy meetings (see paragraph 3.3.4)

Scope of activity: Palladio Group S.p.A.

Results: 18 meetings held

Activity: In-company vocational training courses

Scope of activity: Palladio Group S.p.A.

Results: 10 professional courses launched

Activity: Provision of scholarships for economically dependent family members (see paragraph 3.2.2)

Scope of activity: Palladio Group S.p.A., Pharma Partners

Results: 8 grants provided for a total of €9,000



(5) Gender equality

 ${\color{red}\textbf{Activity}} . \textbf{A "confidential counsellor" was set up to handle discrimination$

Scope of activity: Palladio Group S.p.A., Pharma Partners

Results: Service launched

Activity: Training on the Zero Tolerance Policy

Scope of activity: The whole Group

Results: Training for all employees at Palladio Group S.p.A., Pharma Partners and

training for managers at Palladio East and Palladio Ireland



(7) Clean and affordable energy

Activity: Installation of a photovoltaic system

(facilities in Thiene and Palladio East)

Scope of activity: Palladio Group S.p.A., Palladio East

Results: System went into operation in September



(8) Decent work and economic growth

Activity: Strategic Plan Projects 2023-2027

Scope of activity: The whole Group

Results: - MOL = 16.10%

Activity: Monitoring of supplier payment punctuality

Scope of activity: The whole Group

Results: Target < 10 days - Target achieved = 6 days

Activity: Training programme for purchasing department to ensure compliance with sustainable procurement

Scope of activity: Palladio Group S.p.A., Palladio Ireland, Palladio East, Palladio BNM Results: Training provided across the group – 20 hours of training provided

Activity: Organisation of CSR events for suppliers

 ${\color{red}\textbf{Scope of activity}}. \ {\color{red}\textbf{Palladio Group S.p.A.}}, \ {\color{red}\textbf{Palladio Ireland}}, \ {\color{red}\textbf{Palladio East}}, \ {\color{red}\textbf{Palladio BNM}}$

Results: In person 1-on-1 meetings were carried out with suppliers

Activity: Creation of an ESG supplier evaluation and incentive system

 ${\color{red}\textbf{Scope of activity}}. \ {\color{red}\textbf{Palladio Group S.p.A.}}, \ {\color{red}\textbf{Palladio Ireland}}, \ {\color{red}\textbf{Palladio East}}, \ {\color{red}\textbf{Palladio BNM}}$

Results: Assessments were completed. Incentives are currently being offered



Activity: Implementation of credit policy in order to ensure compliance with the payment conditions by Customers

Scope of activity: The whole Group

Results: Credit policy established and active since October 2023.

Activity: Training on the Company Strategy 2023-2027

Scope of activity: The whole Group

Results: Management toured all Italian plants to talk about the Strategy 2023-2027;

activities planned for foreign plants for 2024



Activity: Plant modernisation

Scope of activity: The whole Group

Results: >75% of the total investments used for this activity



(10) Reducing inequalities

Activity: Analysis of male and female wage values (equal level, role, seniority, country)

Scope of activity: Palladio Group S.p.A., Palladio Ireland, Palladio East, Palladio BNM Results: Completed activity

Activity: Financial support for the I Bambini delle Fate social enterprise (see paragraph 5.2.2)

Scope of activity: Palladio Group S.p.A.

Results: Support to the "Abilmente" project

Activity: Financial support for the Dynamo Camp Foundation

(see paragraph 5.2.2)

Scope of activity: Palladio Group S.p.A.

Results: Support of ceramic laboratory project

Activity: Creation of a process to guarantee non-discrimination in the Group

Scope of activity: The whole Group

Results: A new Zero Tolerance Policy was created and implemented

Activity: Promotion of social sustainability (see paragraph 5.2.2)

Scope of activity: Palladio Group S.p.A., Pharma Partners

Results: Awareness was raised among employees about social sustainability issues by organising 2 events (Baskin Veneto and Dynamo Camp Open Day)



(12) Responsible consumption and production

Activity: CSR questionnaire sent out to suppliers

Activity scope: Palladio Group S.p.A., Palladio Ireland, Palladio East, Palladio BNM Results: 100% of new suppliers added to the Vendor List were assessed through the CSR questionnaire. 19.32% of suppliers already on the Vendor List were assessed through the CSR questionnaire. This activity is still ongoing



(13) Fighting climate change

Activity: Travel policy creation

Activity scope: Palladio Group S.p.A.

Results: A new travel policy was created

Activity: Company car pooling (see paragraph 3.2.2)

Activity scope: Palladio Group S.p.A.

Results: Activity ongoing - 1376 kg of CO₂ saved

Activity: Analysis of CO₂ emissions contributions

- identification of intervention areas

Activity scope: Palladio Group S.p.A., Palladio Ireland, Palladio East, Palladio BNM Results: Analysis carried out

Activity: Internal communication on sustainability

Activity scope: Palladio Group S.p.A., Pharma Partners

Results: Communication through newsletters, communication portal, company magazine, fliers and in-house events

Activity: Training on sustainable issues (see paragraph 5.2.3)

Activity scope: Palladio Group S.p.A.

Results: 3 "aperitivi sostenibili" informal events were held at sites in Veneto,

Emilia and Tuscany



(15) Life on Land

Activity: Maintenance of FSC and PEFC Management Systems in already certified sites

Activity scope: Palladio Group S.p.A., Palladio East Results: Activity completed with a positive result





2023-2027 STRATEGIC PLAN IN LINE WITH THE UNITED NATIONS 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT

In 2023, we launched many projects set out in the Strategic Plan 2023-2027 for the Group. The objective of the Plan is to guarantee our customers excellent products and services, which contribute to the health and well-being of people, through the integrity of our principles, and the sustainable innovation of our products and processes.

In line with the Global Agenda 2030 approved by the United Nations (SDG 8 and SDG 9), the Plan is based on four pillars: margin defence, trade development, product innovation, and process renewal.

As we understand our role for sustainable development in the countries where we operate, we have decided to make a tangible contribution by linking our sustainability report to the Agenda 2030 goals.

Each chapter is therefore associated with one or more goals, so the targets can be compared with the commitments that governments have taken to safeguard the planet's future. In doing this, we identified the closest goals to our activities and projects as well as those for which policies and strategies can be developed that can contribute directly or indirectly to achieving them.

A "TO-DO LIST" FOR OUR FUTURE

The 2030 Agenda for Sustainable Development is an action programme for people and the planet, signed in September 2015 by the governments of the 193 member countries of the UN. The company has set 17 sustainable development goals (SDGs) and 169 related targets in a major action programme,

which is leading the way toward the future of the next 15 years. Everybody, whether individual citizens or public organisations, private or non-profit, is called upon to contribute to achieving development goals for our part.



GRI Reference:

201-1, 202-1, 203-2

Goals and commitments:

- Participation in the "Fondo Aiutiamoci"
- Disbursement of Outcome Award in welfare services

Activity scope: Palladio Group S.p.A.

Goals and commitments:

- Anticipation of severance pay
- Granting of company loans
- Disbursement of diaper bonuses
- Wedding Bonus Disbursement
- Benefits/bonus scouting to offer new welfare services at the company

Activity scope: Palladio Group S.p.A., Pharma Partners



GRI Reference: 403 -2/3/6/7

Goals and commitments:

 Launch of the WellOne health app Activity scope: Palladio Group S.p.A.

Goals and commitments:

- Permits for medical examinations
- Internal Communication Corporate Welfare
- Collective smartworking agreement to improve employees' work-life balance
- Anti-smoking campaign

Activity scope: Palladio Group S.p.A., Pharma Partners

Goals and commitments:

• Company climate analysis

Activity scope: The whole Group



GRI Reference:

2.26, 201-1, 203-1, 404-1/2

Goals and commitments:

- Support for the social enterprise I Bambini delle Fate
- Palladio Academy Workshop
- In-company vocational training courses
- Financial support for the Dynamo Camp Foundation

Activity scope: Palladio Group S.p.A.

Goals and commitments:

• Training on the Zero Tolerance Policy (all employees)

Activity scope: Palladio East, Palladio Ireland

Goals and commitments:

• Provision of scholarships for economically dependent family members

Activity scope: Palladio Group S.p.A., Pharma Partners

Goals and commitments:

 \bullet Keeping measures in place to ensure there is no discrimination

Activity scope: The whole Group



GRI Reference:

2.25, 405-1

Goals and commitments:

• Monitoring of reports regarding breaches of the Code of Ethics,

Whistleblowing and the Zero Tolerance Policy

Activity scope: The whole Group

Goals and commitments:

• Internal awareness campaign about domestic violence

Activity scope: Palladio Group S.p.A., Pharma Partners



GRI Reference:

302-1

Goals and commitments:

• Installation of photovoltaic system (Dueville plant)

Activity scope: Palladio Group S.p.A.

GRI Reference:

8 DECENT WORK AND ECONOMIC GROWTH

GRI Reference:

2.6-23, 201-1, 308-1/2, 414-1/2

Goals and commitments:

Organisation of CSR events for suppliers

Activity scope: Palladio Group S.p.A.

Goals and commitments:

- Training programme for purchasing department to ensure compliance with sustainable procurement
- Application of an ESG supplier evaluation and incentive system
- \bullet To create a supplier evaluation process that includes sustainability KPIs alongside traditional KPIs.

Activity scope: Palladio Group S.p.A., Palladio Ireland, Palladio East, Palladio BNM

Goals and commitments:

- Strategic Plan Projects 2023-2027 TURNOVER 2024 = 122 M €
- EBITDA 2024 = 15.30%
- Monitoring of supplier payment punctuality
- Application of a credit policy in order to ensure that customers meet payment conditions

Activity scope: The whole Group



GRI Reference:

302-4

Goals and commitments:

Plant modernisation

Activity scope: The whole Group



405-2

Goals and commitments:

• To increase job opportunities for people with disabilities

Activity scope: Palladio Group S.p.A.

Goals and commitments:

• Launch of the company volunteer programme

Activity scope: Palladio Group S.p.A., Pharma Partners



GRI Reference:

2.6, 308-1, 414-1

Goals and commitments:

Application of CSR questionnaire to suppliers
 Activity scope: Palladio Group S.p.A., Palladio Ireland, Palladio East, Palladio BNM

Goals and commitments:

• To develop a tool that helps calculate products' GHG emissions when faced with different scenarios from their alternatives

Activity scope: The whole Group



GRI Reference: 2.24

Goals and commitments:

Company car pooling

Activity scope: Palladio Group S.p.A.

Goals and commitments:

Travel policy creation

Activity scope: Palladio Group S.p.A., Palladio Ireland, Palladio East



GRI Reference:

304-2

Goals and commitments:

• Maintenance of FSC and PEFC Management Systems in already certified sites Activity scope: Palladio Group S.p.A., Palladio East



GRI Reference:

308-1, 414-1

Goals and commitments:

• To improve suppliers' sustainability work

Activity scope: The whole Group

13 Economic growth



Economic responsibility and sustainable development

(Ref. GRI 3-3)



















In recent years we have continued to **reorganise** in order to respond even more effectively to the needs of an increasingly competitive market. We made investments aimed at improving the organisation, making production more efficient, **increasing the services available to customers**, and strengthening our leadership in the markets in which we operate.

- In 2017, we inaugurated the Russian Palladio BNM plant.
- In 2018, we expanded our labelling offer with the acquisition of Poliweb Graphics (see also par. 1.2.2 ["Our history: we anticipate the future of packaging"]).
- In 2019, Studio The Phactory came into operation in Vršac in Serbia. This spin-off from Palladio East is focused on artwork development and graphic services, further consolidating our strategy focused on overseeing the fastest growing markets.
- During 2021, we inaugurated the Innovation Hub, which, through an anticipatory approach to market needs, will help the Group identify new opportunities in which to expand our business.
- On 1 April 2022, we entered into a partnership agreement with Palladio Consulting, an engineering company active in the Life Science sector and specialised in the design and construction of plants and environments with contamination controlled atmosphere. The main objective was to strengthen our position in international markets and define together a new level of services for our customers.

With particular reference to the Italian reality, in addition to generating value for our company, this dynamism indirectly contributes to **improving the socioeconomic conditions of the local communities** in which we operate. By supporting **community projects** in high value areas for civil society, such as **social, cultural, and artistic activities**, we also contribute to improving the **quality of life** of the local communities in which we work, even beyond the economic aspects.

To ensure the maximum effectiveness of our interventions - donations, financial contributions and pro bono activities - and to ensure that they translate into **concrete projects**, we conduct a **preventive analysis** of the needs of local communities or of general public interest and the projects available.

- In 2023, we invested more than Euro 95,000 in initiatives to support communities.
- We guarantee our workers a pension plan in compliance with the regulations in force in the countries in which we operate.
- We also assist our employees in the transition from active working life to retirement, thanks also to support initiatives.

Considering the sectors in which we operate, in addition to staying true to **the values** that drive us, we are **deeply aware** of the importance of ensuring the long-lasting **sustainable development** of our activities and a more efficient use of energy and materials.

- Therefore, we pursue an approach of **continuous improvement** in our environmental and energy performance, applying **best practices** that allow us to strengthen environmental management in a cost-effective way.
- We have adopted a management model based on the preventive analysis
 of the environmental impacts of our activities, the constant monitoring of
 consumption and waste and the evaluation by third parties of sustainability
 performance.
- An approach that has allowed us to identify areas for environmental improvement in which to implement targeted actions, aimed at achieving the emission reduction targets we have set for ourselves (see chapter 4 ["Planet"]).

We are also aware of the risks due to physical changes in relation to **climate change**. To **this end**, we have taken out insurance contracts to protect ourselves in the event of unforeseen climatic events and we have strengthened our **Business Continuity and Disaster Recovery Plan** to ensure the continuity of our activities.





Sustainable innovation, a strategic objective

With a view to continuous improvement and the constant pursuit of excellence, in 2023 the Group expanded on its strategic orientation, focusing increasingly on product and process innovation based on principles of sustainability in line with the 2030 Sustainable Development Goals (SDGs) defined by the United Nations.

- In terms of product and service innovation, Palladio is committed to anticipating market changes and responding more effectively to client needs, developing new and effective solutions in collaboration with all the most influential stakeholders in the value chain.
- In terms of internal processes, sustainable innovation is manifested through the digital transformation, which improves the fluidity of decision-making processes and organisational and production efficiency, and through the rationalisation and evolution of the supply chain, together with its partners.

Notably, in 2022, 26 human resources were dedicated to research and development for a total of 2,476 hours. In 2023, that figure rose to 32 human resources for a total of 5,937 hours, representing a 140% increase with respect to the previous year. In detail, in 2023, the project which allows to identify specific areas of innovation on which to focus resources, based on strict sustainability criteria, continues. Since 2022, the team dedicated to innovation has expanded and is being increasingly structured.

The Palladio Innovation Hub

During 2023, the Innovation Hub, a program launched in 2021, continued to promote a series of initiatives aimed at identifying potential future scenarios, formulating new value propositions and business models, and creating and prototyping innovative solutions. All by involving clients, suppliers, universities, startups and all influential stakeholders in the value chain, in line with the program's open spirit of innovation.

All the most promising initiatives are then further developed and validated in one of the 5 key areas of product and service innovation, within the Corporate Strategic Plan 2023 - 2027.

In 2023, all these areas enjoyed significant development in line with the 5-year targets.



Clinical Trial: the development of skills focusing on the clinical trials industry led to a consolidated portfolio of dedicated products such as booklet or tear-off labels, in addition to entirely customised solutions tailored to specific client needs.



Special labels: we have further strengthened our already solid capacity to produce labels with special characteristics, catering to the broadest range of industry needs, but above all, we have developed innovative solutions that will be introduced to the market, also by exploring new technologies and new applications.



Alternatives to plastics: we have developed new analysis and design skills in the ECO-design sector and forged strategic partnerships, also with competitors, allowing us to extend our renewable and certified paper packaging offerings, thus replacing less sustainable fossil-based solutions.



Smart Packaging: in collaboration with startups and companies specifically selected for their high level of industry expertise and experience, we have developed a new Smart Pill Pocket concept to help both autonomous and non-autonomous patients simply and effectively manage their pills. The development of the product and related services will be completed in 2024.



Digital Expert Service: we have consolidated a portfolio of Palladio Group services with high added value in the pharmaceutical packaging industry, and developed new services related to the sustainability and co-design of packaging, able to effectively meet various client needs. During a second stage, services or parts thereof will be selected, suited to the development of digital infrastructure, rendering them more efficient and effective.

Digitisation

Between 2023–2027, we will work on the concept of a "Data Driven" organisation, aiming to provide the Group with the information needed to make decisions through robust and reliable computerised tools. In particular, among the various aspects to be privileged, there will be the development of tools for **collaboration** in transversal processes and the **digitisation** of some solutions.

In 2021, an intense activity of **culture** and **training** was carried out, conducting research on the most useful tools available on the market and training the **Digital Transformation Team** on the themes of the agile company. Over the next five years, in particular, the results of the transformation will have to be translated into new processes, tools and operating methods.

Within this scenario, some actions have already put into practice:

- Advanced Workforce Management System (AWMS): Software-as-a-Service (SaaS) platform for the efficient and safe management of the workforce in production plants, entered into force in 2022 with excellent results from the point of view of flexibility in the Dueville, Thiene and Pontedera plants.
- **Decision Agility Project**: aims at understanding what data to collect based on future strategy, and then evolve the data platform architecture.
- CRM project (Customer Relationship Management): digitisation of information

related to specific customers, in collaboration between different functions (such as marketing or administration).

- Order Management Workflow: tool for the transversal management of the Customer order from the acquisition phase to the production phase
- Collaboration Platform Palladio (CPP): a low-code collaborative platform allowing users to independently develop and manage shared document flows
- As part of the Industry 4.0 evolution, the acquisition of new machines that interact with a centralised system is also envisaged, thus further automating processes.



(Ref. GRI 2-28; GRI 3-3, 403-1)

- We have always invested in cutting-edge technologies and equipment,
 often developed in advance thanks to the close relationship established with customers and suppliers. An investment which contributes to
 offering a measurable added value in terms of logistics, productivity, and
 lead time.
- Through meetings for continuous improvement, we develop specific programmes to update employees' skills and help them achieve strategic objectives in an ever-evolving work environment. A schedule of regular inter-departmental meetings involving members of various organisations has been developed, aiming to ensure alignment between the various departments and improve process efficiency.
- We have adopted specific procedures to manage changes, the analysis
 of associated risks, the use of cutting-edge technologies.
- We have achieved reductions and, in some cases, the elimination of concentrations of certain hazardous substances potentially polluting the working environment and our finished products. In particular, thanks to the selection and monitoring of raw materials, we have reduced the presence of:
- 1. PVC in the plastic film of some production lines;
- 2. Benzophenone from overprint paints;
- 3. SVHC and heavy metals from inks;
- 4. Mineral oils.

This has allowed us to **protect our workers even more**, as well as to reduce emissions and the production of harmful waste.

- Our proactive approach has been validated through the adoption of an internationally recognised and voluntary Certified Management System (see box).
- From the point of view of compliance, in order to ensure the quality and safety of the supplied products and services for all clients and consumers, we use Company Management Ssystems that ensure compliance with the applicable legislative requirements.

OUR CERTIFICATIONS AND GOOD PRACTICES

ISO 9001:2015-Quality Management Systems ISO 14001:2015-Environmental Management Systems ISO 45001:2018-Occupational health and safety management systems CoC FSC-Forest Stewardship Council Chain of Custody

PRATO, ITALY

CoC PEFC-Chain of Custody of Forest Base Products GMP-Good Manufacturing Practice, applicable to Pharmaceutical Packaging ISO 13485:2016 - Medical Devices - Quality Management Systems















ISO 9001 ISO 14001 ISO 45001 CoC FSC CoC PEFC ISO 13485

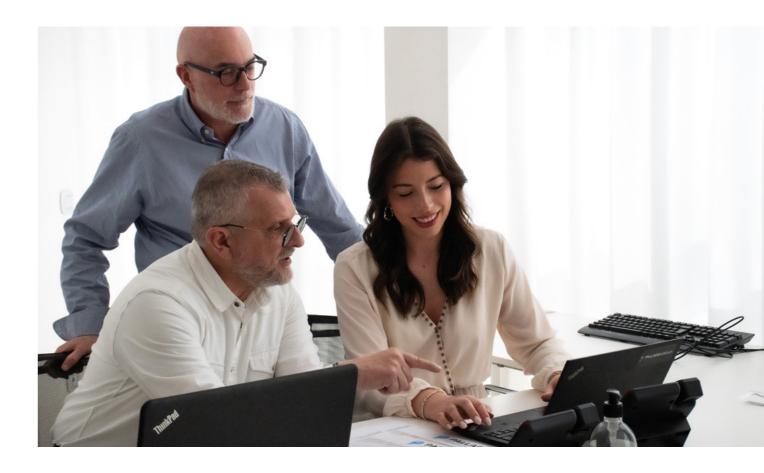


OUR PROACTIVE APPROACH IS CONFIRMED BY INTERNATIONALLY RECOGNISED CERTIFICATIONS



With a view to achieving even greater transparency, we provide an analytical summary of our findings for the reporting year in relation to the respective

- We received no reports or complaints related to the work practices implemented by our suppliers;
- We recorded no significant environmental impacts or complaints regarding an environmental impact, nor any administrative or criminal sanctions, financial or otherwise res judicata due to non-conformity or failure to comply with laws and regulations regarding the environment;
- · We have not recorded any instances or reports of discrimination;
- · We recorded no legal action related to unfair competition, anti-trust, or monopolistic practices;
- · We received no reports or complaints concerning impacts on society and we recorded no administrative or criminal sanctions, financial or otherwise, res judicata due to the non-conformity or failure to comply with the laws and regulations to which the Group's plants are subject in their operation;
- · We recorded no cases of non-compliance with voluntary regulations and codes concerning the impacts on the health and safety of products and services supplied by the Group's plants;
- We recorded no cases of non-compliance with voluntary regulations and codes concerning information and labelling of products and services;
- We have recorded no complaints regarding the violation of privacy or loss of Customer data;
- We have recorded no cases of non-compliance with the principles of confidentiality and protection of information;





21 Our commitment to stakeholders

(Ref. GRI 2-29)

Who are our stakeholders?

Stakeholders are individuals, groups or entities who have, or expect, ownership, rights or interests in a company and its activities, present and future, and whose contribution is essential to reach a specific organisational goal. The analysis carried out by the Palladio Group in 2022, conducted through interviews and dedicated workshops with the main company functions, made it possible to identify the following main stakeholders:

- Trade associations
- · Shareholders/Ownership
- Management
- · Banks and insurance companies
- Customers
- · Collaborators (employees, collaborators, interns, temporary workers)
- Suppliers of products, services and subcontractors
- Trade unions
- · Independent auditing and certification institutes
- Consumers
- Future generations
- · The environment

Always remember that our activities are aimed, primarily, at the **stakeholders**. This is the driving principle we follow in order to constantly strengthen our **leadership** position in domestic and international markets: our development occurs, day by day, on the priority of **satisfying the needs of every stakeholder**, starting with the rights defined by domestic legislation and by applicable international standards.

The decision to draft and publish the **Sustainability Report**, as well as other reports that transparently report our sustainability performance, for example **EcoVadis and CDP**, was just the first step. Our path of sharing and divulging information contributes to focusing on the important aspects, on which we concentrate, and on meeting the needs and expectations of stakeholders. The principles, values and sustainable development strategies of our Group are the result of both material topics, emerging from the involvement of the different functions, and the results of the various forms of **dialogue and discussion with stakeholders**.



Trade associations



Shareholders/Owners



Management



Banks and insurance companies



Customers



Collaborators (employees, associates, interns, temporary staff)



Product and service suppliers and subcontractors



Trade Unions



Independent auditing and certification bodies



Consumers



Future generations



Environment

OUR PRINCIPLES IN DEALINGS WITH STAKEHOLDERS

In the Palladio Group:

- Promoting the development of roles and rewarding company workers is only permitted on the basis of the merit demonstrated in terms of participation, professional growth, achieving the objectives assigned and a sense of belonging to the company
- Promising or offering objects, services, inducements, or favours of value (to managers, officers, or employees of the Public Administration, or to their relatives) in order to obtain an interest or an advantage for the Group is not
- permitted. Offering gifts or other benefits of modest value is permitted only if it falls under legitimate uses or customs
- Parties, their representatives and candidates are not financed and any pressure (direct or indirect) on political representatives is vigorously avoided
- Requests for contributions from non-profit organisations and associations are permitted if they have regular statutes and deeds of incorporation or donations for the sole purpose of charity sponsorship activities may concern the issues of social, environmental, sport, art and culture in general.

The relationship with stakeholders

(Ref. GRI 102-43)

Inclusiveness and materiality are the principles that define our approach to sustainability. Principles which guide us to drive innovation in order to achieve our objectives in terms of **information quality** and suitability in how we present such information to our stakeholders.

Since 2019, the role of **on-line communication** and **social networks**, in particular, has been steadily growing. **LinkedIn** stands out among the latter. In 2023, in fact, it recorded an increase in followers compared to the previous year, **reaching a figure of 3,800** at year end. Social media networks are an effective tool for us to directly communicate, issues such as events, corporate initiatives and, above all, information regarding sustainability, and cross-sector initiatives involving different stakeholders.

Since 2022, the "Palladio People 2.0" internal communication portal has been active, a virtual space aimed at improving not only communication to and from the company's key industries, but also at involving people in company life. The various parties can use our **integrated communication platforms**, both external and internal, without limitation:

- Website: www.palladiogroup.com
- Intranet site
- Palladio People 2.0 internal communication portal
- Email address: info@palladiogroup.com
- Facebook: www.facebook.com/pages/Palladiogroup
- Linkedln: www.linkedin.com/company/palladiogroup
- Instagram: www.instagram.com/palladio.group
- YouTube: https://www.youtube.com/channel/UCtUWiVE n2lvjYwabiiM06Q

In parallel with the adoption of **Industry 4.0 technologies**, it is our intention to increasingly use these means of communication, especially social networks, as **dynamic platforms** where to intercept any requests, carry out exchange methods, understand new needs, necessities and duties.

In 2023, relationships with stakeholders also included specific **engagement activities** for internal stakeholder groups relevant to the drafting of the Sustainability Report.

There are numerous activities and initiatives with which we involve stakeholders, in particular through marketing communication based on the same ethical and responsible criteria that inspire all our activity.

Furthermore, given that the types of products and services we offer **are not supplied directly to the end user** – a potential party for sponsorship activities – we do not need to adhere to any self-regulatory programmes or codes when it comes to marketing activities of external origin.

- We generally contact our customers through normal business practices or through attendance at events open to the public.
- Trade shows are, for us, particularly important in being able to establish or maintain - more personal and direct contact with our stakeholders.
- In 2023, we exhibited at Pharmapack Europe in Paris, at Maghreb Pharma in Algiers, at the AFI Symposium in Rimini, at CPhI worldwide in Barcelona and Pharmtech & Ingredients in Moscow.

As for relations with our employees, one of the most important tools is the "Palladio People", a biannual magazine in which not only everything that happens in the Palladio Group world is told, but also the stories of the people who contribute to the Group's success every day.

- Numerous topics are dealt with in the pages of the "People" magazine, ranging from the internal organisation to product news and main events.
- The publication's structure includes an editorial section signed by the CEO, a focus on a relevant topic or something of particular interest to the company, various columns that present news from our operational sites, pages dedicated to events, corporate life, and employees.
- With this tool we want to promote employee participation and involvement, to keep employees updated about ongoing activities, and to promote the circulation of information between departments.
- Another important objective is to promote and increase a sense of belonging, a spirit of collaboration and team work, improving the atmosphere in the company.

With this in mind, and while also looking at work-life balance issues, in the winter 2023 edition, the Benvenuti Piccoli Amici section of the Palladio Group was published for the fifth consecutive year, a section to welcome our collaborators' children over the last year.

SUSTAINABILITY REPORT 2024 2 Partnership



(Ref. GRI 102-12/43)

For us, sharing our results with stakeholders in a transparent manner also means adhering to the strictest international standards: further confirmation of the decision we took to face the challenge, across the board, of sustainability.

Climate change: the CDP rating

Also in 2023, we responded to the Climate and Water questionnaires of CDP (Carbon Disclosure Project), the international non-profit organisation that measures the global commitment of companies, investors and regions in the fight against climate change.

In the 2023 CDP assessment, we obtained a C rating in climate change risk management and a C rating in water resource management.

WHAT IS CDP?

CDP (Carbon Disclosure Project) is a UK-based organisation that supports businesses, investors and regions in their efforts to publicise the environmental impact of larger companies. The aim is to raise the market standards of environmental reporting and risk management in order to promote sharing, learning and the adoption of actions needed to create a sustainable

economy. Since 2002, over 9,600 companies, 810 cities and 120 states and regions around the world have made their environmental information public through the CDP, for an equivalent economic value of US\$130 trillion in assets and US\$5.5 trillion in buying power.



Social responsibility: the SMETA audit

Since 2014, we have participated with variable frequency in the SMETA audit, an audit methodology that includes all aspects of responsible business practices, covering the four pillars outlined by Sedex in terms of work, health and safety, environment and business ethics (see box). The independent evaluation is based on a risk assessment that takes into account several aspects, including geographic positioning. In addition to being a commitment signed with our Customers, it represents one of the many activities of alignment of the supply chain from the point of view of the CSR, as well as an opportunity to verify the policies in place in the Group Companies.

The result of the 2023 audit was positive: from the verification activities, including site tours, documentary analysis and interviews with workers, no non-compliance with the sustainability requirements provided by SMETA emerged.

SEDEX AND THE SMETA AUDIT

Sedex is a non-profit organisation committed to increasing the adoption of ethical principles along global supply chains and building the largest platform in Europe to collect and process data on ethical behaviour in supply chains.

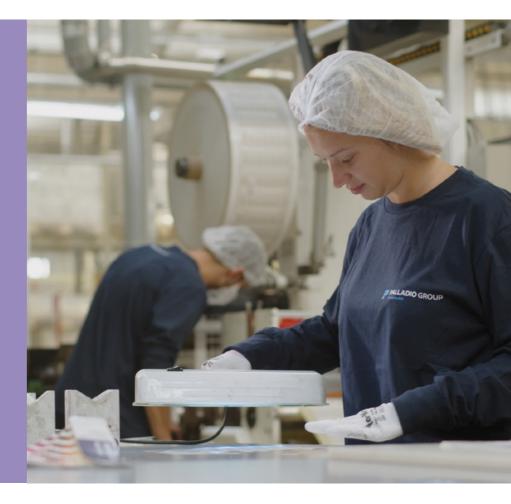
SMETA (Sedex Members Ethical Trade Audit) IV Pillar is the corporate audit methodology most used at the international level to measure a company's social commitment. It covers four macro-topics relative to human and workers' rights, health

and safety, managing environmental impact, and business ethics, specifically anti-corruption practices.

The methodology is based on a collection of proven good practices and techniques, designed to support high quality audits that encompass every aspect of responsible business practice. Sharing is facilitated by a reporting format and a shared plan of corrective action.

To find out more: sedexglobal.com

WE ARE AMONG
THE 5% OF THE
COMPANIES WITH
THE HIGHEST
RATING OF CSR
ASSESSMENT



SUSTAINABILITY REPORT 2024 2 Partnership

CSR assessment: EcoVadis

In 2023, we repeated the **Ecovadis** assessment for the eleventh consecutive year. EcoVadis is one of the leading assessors of global supply chains, using a proprietary on-line platform to assess the sustainability performance of organisations. The assessment is based on a series of requirements, divided into four macro-areas (Environment, Labour and Human Rights, Sustainable Procurement and Business Ethics) and elaborated with reference to the main sustainable development standards such as the Global Reporting Initiative, the United Nations Global Compact and ISO 26000.

With an overall score of 76/100 and the attribution of a "Gold" rating, we rank in the top 5% among the thousands of companies assessed, according to the Ecovadis platform.

A large part of this result is related to the repeated application of the principle of continuous improvement over all these years.

In addition to representing an acknowledgement of our vision and the efforts implemented for CSR, this certification also helps our customers aiming to achieve their sustainability objectives with us in order to align the supply chain from the point of view of sustainability as well.



Sustainability Awards

In October 2023, we were awarded for being among the top 100 Italian excellences that stood out for sustainable development, social responsibility and respect for the environment. The award was promoted by **Kon Group** and **Elite**, with the exclusive support of **Azimut**, which decided to support the commitment of these exceptional Italian companies through an **ESG RATING**, drawn up by **ALTIS Università Cattolica**.



The health and safety of our stakeholders

(Ref. GRI 416-1)

The type of products made in our Group's plants do not involve any significant risk to customers in terms of their health and safety. However, operating a service in a sensitive sector such as the pharmaceutical one, we apply the greatest attention to any aspect of our activities that might entail repercussions on society in general.

- Our product does not require specific conformity labelling, but for each production batch, we provide suitable documentation issued by our Quality department, which certifies the conformity of the product manufactured to all applicable requirements.
- Whilst not having direct contact with the end user, we offer customers innovative solutions for the medicine of the future, designed to help patients monitor and follow the therapy prescribed.
- During 2023, no product was recalled by Palladio Group for safety reasons, nor were there any issues that put the health and safety of the final consumer at risk.
- Our commitment is to maintain the quality system at a level of excellence, so that no products are recalled.
- To this end, we will continue in our approach to continuous improvement, also possible thanks to the constant monitoring of performance KPIs.



(Ref. GRI 418-1)



In the Palladio Group we have developed a high sense of the importance of generating, using, and storing information in the proper way. We pursue, and have maintained over time, a level of confidentiality, integrity, and information availability that complies with the requirements established not only by existing legislation (specifically regarding the protection of privacy and intellectual property), but also by the contractual requirements of customers and stakeholders, as well as any other requirements established independently by our Group on the basis of criteria of efficiency and effectiveness.

- In 2018, we aligned our procedures with EU Regulation 2016/679 (the General Data Protection Regulation, GDPR) on the protection of natural persons with regard to the processing of personal data and on the free movement of such data.
- In 2020, we commenced activities to develop the Binding Corporate Rules
 applicable to the entire Group, an underlying tool and legislative requirement of a Management System: this activity continued in 2022, with the
 development of dedicated procedures to manage processes impacted by
 the requirement.
- Also in 2022, we finalised an internal training system on GDPR issues, aimed at all members of the Group who have to work on the mandatory requirements in this area.

In fact, it is essential that the Binding Corporate Rules find concrete application within company processes, especially in reference to the management of data by our suppliers, as well as with respect to data concerning Palladio personnel. Always with a view to general strengthening of our GDPR system, with the appointment during 2021 of Data Protection Officer, Privacy Officer and Privacy Specialist, we have formalised the figures who will deal with the Governance of the processes related to data protection.

A key player for sustainability: our suppliers

Ref. GRI 2-6-24, 308-1, 403-7, 414-1)

The Palladio Group is committed to implementing sustainability in its 360° processes, also in order to meet the demands and expectations of all its stakeholders.

During 2023, we focused on further integrating the principles of social and environmental responsibility into our purchasing process, following the approach outlined in the "ISO20400:2017 Sustainable Procurement Guidance". This international standard provides guidance to organisations, regardless of their activity or size, guiding them in choosing the most appropriate organisational and operational modalities for the adoption of a sustainable procurement model.

Palladio assesses its suppliers' ESG (Environmental, Social and Governance) risks through a risk assessment process consistent with the approach outlined in ISO20400:2017 Sustainable Procurement Guidance, an international standard that guides organisations, regardless of their business or size, in choosing the most appropriate organisational and operational solutions for the adoption of a sustainable procurement model.

The supplier ESG assessment process consists of two stages; the first involves the use of several specific indices that take into account the ESG risks of the supplier's country of origin, and the second involves the distribution of a questionnaire.

When assessing pure risk, Palladio considers a number of factors related to environmental, social and governance aspects. Several factors considered include:

- Environmental impacts: Palladio analyses the environmental impacts of suppliers, such as the sustainable use of resources, energy efficiency, waste management and the impact of production activities on the environment.
- Social responsibility: Palladio assesses the approach to managing human rights, occupational health and safety, working conditions, diversity and inclusion, and the social impact of suppliers' activities.
- Governance: Palladio assesses the country's political stability, corruption and enforcement of legislation.

Using these specific indices to calculate pure risk, through the ESG assessment

questionnaire, Palladio is able to assess the residual ESG risk of its suppliers and identify areas for improvement. This ESG risk assessment process enables us, on the one hand, to select and collaborate with suppliers who meet sustainability standards, thereby reducing supply chain risks, and on the other, to engage with suppliers needing improvement plans for their ESG performance.

Regarding the supplier qualification process, 93% of all new suppliers were assessed according to sustainability requirements. Note that Pharma Partners Srl entered the scope of this reporting in 2023. Since it has a Management System that is historically independent from the Group's, its suppliers are not currently assessed according to ESG requirements (the ESG Assessment Questionnaire).

In the course of 2023, surveillance of the existing qualified supplier pool continued. The numerous awareness-raising actions implemented aim to make our partners more aware of the key issues, encouraging them to understand and comply with the Code of Conduct.

The Palladio Group's suppliers operate in a range of industries, including raw materials (paper, cardboard, aluminium and self-adhesives), ancillary materials (such as glues, inks and paints), and technical or service equipment.

With a view to rationalising logistics and the supply chain in terms of geographic origin, we strive to prioritise local suppliers and, in particular, those able to supply goods or services in markets close to our production sites. The raw material used for production, determined by the client, is generally produced by paper mills belonging to multinational groups that operate within the wood industry.

The path undertaken, inspired by the ISO 20400 guidelines, is enabling the Palladio Group to integrate sustainability requirements within an established Management System, reinforcing its commitment to promoting sustainability issues along the supply chain and encouraging suppliers to adopt more responsible practices:

- Since 2016, our selection and qualification procedure requires suppliers
 to be aware of and share the principles and values set out in the Code of
 Ethics and the Supplier Code of Conduct (see par. 1.2.5 ["Our principles
 and reference values"]).
- Specifically, suppliers commit to complying with our standards in terms of occupational health and safety, freedom of association and non-retaliation, forced or compulsory labour, child labour, non-discrimination, compliance with environmental regulations, abuse of office and corruption.
- Consistent with this approach, we prioritise suppliers with certified Management Systems (in accordance with ISO 9001, ISO 14001, ISO 45001 or other schemes) or product certification (e.g. CoC-FSC, CoC- PEFC).
- In 2022, the aftermath of the Russian war in Ukraine led to assessment and surveillance activities on the forestry origin of fibres, the re-assessment

of PEFC certifications where it was not possible to guarantee an FSC CoC for clients who requested such certification, and an intense and successful, ongoing collaboration with raw material producers, particularly those in Finland, both for risk analysis and the continuity – or possible interruption –of supply.

• One of the ongoing impacts of the Russian war in Ukraine has been the need for cardboard and paper manufacturers to build a new supply chain for timber originating from the Russian Federation, balance the volumes of FSC Mix Credit certified timber to meet market demands, and invest in new plants to replace energy carriers traditionally from the Russian Federation (such as natural gas) with Scandinavian ones (liquid gas from Norway). The implementation of these plans in response to the Russian war in Ukraine stemmed from decisions that entailed unplanned and costly investments, in both economic and financial terms, especially on the part of producers who were geographically more exposed to this risk.

The Group's supplier base affected by the new EUDR was involved through the distribution of a questionnaire and in-depth interviews. The Palladio Group is currently defining and continuously updating a plan of action that will ensure the compliance of raw materials with the new regulation, given that certain technical requirements outlined in the regulation regarding data traceability and transparency are still somewhat incomplete or not fully available.

In terms of health and safety in the workplace, we require the supplier or contractor to understand and comply with all the relevant local regulations in force as well as to follow the provisions of the documentation delivered, which must be signed for acceptance (for example, for Italy, DUVRI, the Single Document on the assessment of risk from interference). In the case of suppliers or contractors selected for work which is to be done inside our sites, as provided for by procedures, we will ask for all the documentation which certifies compliance with the legislative and contractual obligations towards their employees, corporate social responsibility and respect for the rules of good conduct set out in our Environmental and Health & Safety Management System.

Any negative environmental impacts or complaints relating to the impacts are dealt with through the non-compliance management process. There were no events during the reporting period that led to the termination of contracts with suppliers, contractors or other business partners due to inadequate performance conditions or violations of human rights and work practices.

REGULATION (EU) 2023/1115: European Deforestation-free products Regulation (EUDR)

On 9 June 2023, the "Regulation (EU) 2023/1115 on the making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation" was published in the Official Journal of the European Union, repealing Regulation (EU) 995/2010, otherwise known as the "Timber Regulation".

The new Regulation, otherwise known as the EUDR, has introduced important changes to the existing regulatory framework. Deforestation and forest degradation are occurring at an alarming rate, accelerating global warming and the loss of biodiversity – two of the greatest environmental challenges of our time. The European Regulation aims to regulate the placement and making available on the EU market, as well the export from the EU, of goods that "contain, have been fed with or have been made using relevant commodities, namely cattle, cocoa, coffee, oil palm, rubber, soya and wood" to ensure they have been produced in such a way as to minimise the Union's contribution to deforestation and forest degradation.

Regulation (EU) 2023/1115 imposes a total ban on all relevant goods and products unless the three conditions are fulfilled: (a) they must be deforestation-free; (b) they must have been produced in accordance with applicable legislation in the country of production; and (c) they must be covered by a due diligence statement.

It therefore stands as a further measure in the European Union's strategy to promote sustainable economic growth, encouraging European companies to integrate environmental and social risk assessments into their supply chain, activate appropriate due diligence processes and engage in transparent reporting.

To this end, Palladio has set up a task force to monitor the scope, development, impact and applicability of the new Regulation. With regard to the Palladio Group's main raw material, paper and cardboard, the new regulation will replace the current regulation, known as EUTR, introducing even stricter requirements for all importers on the matter of due diligence, raw material traceability and supply chain transparency.



Responsible procurement

WE HAVE IMPLEMENTED A SUSTAINABLE PROCU-REMENT PROCESS INSPIRED BY "ISO 20400:2017 -SUSTAINABLE PROCUREMENT GUIDANCE"

Adopting this sustainable procurement process in accordance with ISO 20400:2017, involves the integration of sustainability criteria at all stages of the procurement process. This approach aims to reduce the environmental and social impact associated with the procurement of goods and services.

ISO 20400 provides detailed guidelines for the implementation of a sustainable procurement process. This includes identifying and assessing the environmental, social and economic impacts of products and suppliers, promoting efficient use of resources, including sustainability clauses in contracts and promoting ethical and responsible practices along the supply chain.

The adoption of a sustainable procurement process offers numerous advantages. First and foremost, it helps to reduce the environmental impact of business practices, for example, by reducing greenhouse gas emissions or optimising the use of natural resources. Moreover, it promotes respect for human rights and fair working conditions along the supply chain, ensuring products and services are ethically produced.

A sustainable procurement process can also lead to long-term economic benefits. For example, implementing energy-saving practices can reduce operating costs and improve business efficiency. Furthermore, purchasing sustainable products and services can be a differentiating factor for clients, enhancing the reputation of, and trust in the brand.

Adopting a sustainable procurement process in accordance with ISO 20400:2017 is a strategic approach that promotes environmental, social and economic sustainability. By adopting this approach, companies can reduce the negative impact of their activities, promote ethical and responsible practices and gain long-term competitive advantages.



Products and services: a challenge on several fronts

(Ref. GRI 103-2/3,102-9/10, 204-1, 301-1/2/3)











- As part of the program to strengthen the sustainable procurement model implemented in 2022, we developed a Life Cycle Costing (LCC) tool, able to evaluate the costs related to the purchase of assets (plants, equipment, etc.), products and services that originate in all stages of the life cycle. This tool provides a broad assessment that includes costs related to the phase of use (such as consumption of energy, fuel, water and other resources), and end-of-life costs (such as costs of decommissioning, dismantling and disposal).
- Through this innovative approach, we are able to make more sustainable choices from the point of view of the environmental impacts related to the various purchasing alternatives.

For our Group, committing to the sustainable management of products and services is a challenge that works on two fronts: we work to order, and it is our customer who defines which type of material and which supplier to use. The possibility to use raw materials from controlled supply chains depends on their requests. These dynamics, however, are necessarily linked to the risk of raw material shortages in the market: clients of the Palladio Group, in fact, are increasingly requesting to have a say in the choice of suppliers.

- We set ourselves the goal of sustainable management which, by reducing cardboard waste, rationalising the supplier's warehouse and introducing greater flexibility in orders, not only has a positive impact on the environment, but also brings economic benefits to all the actors in the supply chain.
- In the packaging we use for the packaging sold, for which, moreover, we are not bound by external requirements, we have opted to favour packaging derived from recycled material.
- The vast majority of the materials we use in production can be reused or recycled at the end of their life cycle, at which time we properly sort and collect them for subsequent treatment.

RULES AND SUSTAINABILITY

In regards to packaging, the pharmaceutical sector must adhere to very strict guidelines based essentially on the GMP (Good Manufacturing Practices). Criteria, which, among other things, do not allow the delivery of packaging materials for subsequent reuse. Use is permitted only once in order to avoid any potential contamination or risk of counterfeit. In any case, the characteristics of the material used allow potential recycling in other supply chains.

EUROPE FOR FORESTS

The EUDR Regulation came into force in Europe in June 2023, prohibiting the placement or export of products on and from the EU market that do not meet legality and sustainability requirements. As of 30 December 2024, affected companies will be required to conduct due diligence to ensure that the products sold are legal and not related to deforestation or degradation of forest areas.

Consequently, companies affected by the timber supply chain that market or export their products to or from the EU market will be required to confirm that such products do not originate from land that has been deforested or degraded after 31 December 2020; they will also have to check that these products comply with the legislation of the country where they are produced, including respect for human rights and those of the indigenous peoples concerned.



Respect for forests and attention to biodiversity and indigenous communities

(Ref. GRI 102-9, 304-1/2/3/4, 411-1)





At the Palladio Group, we have sought to further strengthen our efforts to safeguard forest resources through compliance with the requirements of the PEFC-CoC and FSC-CoC certification schemes, as well as our Forest Sustainability Policy, committing to the procurement and use of only certified raw materials or those which do not originate from controversial sources.

The year 2023 represented a breakthrough for the procurement of FSC and PEFC certified material:

- With 8,876 tonnes, we increased supplies by 19% compared to 2022 (7,459 tonnes). Many of our most important customers have in fact started to request to use only this type of raw material for their products.
- In 2023, adhesive materials were again included in the portfolio of FSC certified products we supply.
- The Russian war in Ukraine caused a sudden shortage in the availability of FSC-certified timber and fibre, leading to problems of availability and the need for our suppliers to redevelop their timber supply chains, particularly those from Finland. The Palladio Group's response, in agreement with its supplier partners, was to promote the PEFC CoC certification scheme as an alternative, which is much more readily available than the FSC CoC, thus ensuring the continuity of a certified supply to our clients.

Our sourcing policy is to guarantee the origin and legality of wood products (paper and cardboard) in our chain of custody, by paying particular attention to suppliers of raw materials of forest origin and to the material supplied. We collect detailed information to assess legality, traceability and third-party certification status, overall policy compliance and adherence to mandatory regulations (see box). Even in 2023, all suppliers of forest-based raw materials used by our Group confirmed the origin of the material in accordance with these requirements and all hold a valid forest chain of custody certification.

One of the environmental elements on which we place the greatest attention is **biodiversity**.

- Although all our plants are located in technological-industrial areas, we consider it our duty to assume a broader responsibility towards environmental issues, especially looking at the origin of our raw materials.
- The raw material we use mostly consists of paper and cardboard. We are aware of the role that forests play globally in safeguarding the environment and by adhering to forest management systems such as the FSC and PEFC chains of custody (see also sect. 1.4.1 ["Economic responsibility and sustainable development"]), our Group favours purchases of raw materials of forest origin that come from forests managed in an environmentally, socially and economically sustainable manner.

In addition, no incidents involving the rights of the communities in which we operate have been recorded in relation to the activities of our Group.



(Ref. 103 -2/3, 102-43)

The centrality of the customer is of strategic importance for our Group: it is on our ability to anticipate and interpret our customers' needs and expectations that we have built our constant growth. A widespread awareness at all levels of the organisation, to ensure that each and every one of us pays the utmost attention to the customer's requests, whose satisfaction we check through periodic meetings and continuous contacts.

Customer Satisfaction and Customer Brand Protection

Customer satisfaction acquires a broader and more strategic role, which guides the development of our products and services according to a customer-oriented business approach.

 The ability to be constantly able to meet customer needs and expectations is the prerequisite for creating and maintaining the trust necessary for long-lasting relationships.

2 Partnership

- Achieving high standards of quality means, to us, meeting customer needs in terms of functionality, reliability, and safety.
- The Quality Management System, aligned with the applicable requirements
 of the GMPs (Good Manufacturing Practices) is the tool that allows us to
 ensure compliance with the procedures, while promoting a culture of quality
 throughout the company.
- Over the years, the company has broadened its range of services and products and has diversified, investing in new technologies and in research and development in order to increasingly present ourselves to customers as a reliable partner.
- Thus, we have obtained results focused on their fulfilment by guaranteeing the protection as well as the compatible and ethical use of natural and human resources.

The management of customer relationships and the possibility of guaranteeing specific services plays a key role in the implementation of our business strategies:

- We prepare specific training courses and weekly meetings for the sales force and provide adequate support and behavioural directives.
- Contractual relationships and communications to customers are based on the principles of correctness and honesty, professionalism, transparency, and cooperation in seeking the most suitable solution to their needs.
- We manage client relations through a sales team divided by account and geographical area, who provide genuinely specialised consulting services. The team is also supported by the Marketing & Customer Innovation area that allows to offer a specialised consulting service to understand the needs of the customer and develop targeted solutions according to the different needs of the market, with a growing role also with respect to sustainability issues.
- We have also strengthened our customer service by setting up a new organisation called Excellence Service, consisting of customer service, planning and logistics departments, aiming to monitor business planning and client service by managing specific KPIs concerning punctuality and timely deliveries.

Another guiding principle our Group in customer satisfaction strategies concerns the protection of their brand. In this context, the issue of anti-counterfeiting is constantly monitored through the application of specific requirements, contained in specific agreements, requested by our partners. Not least, the Palladio Group, together with other market players, has developed tamper-evident systems to support its clients and in compliance with new legislative decrees. We apply the same approach to the issue of information confidentiality: over the years, we have, in fact, consolidated the awareness of our employees and strengthened the IT security systems of our Group. In addition to adopting it for all customer requests, in order to consolidate the awareness of our employees and therefore strengthen the IT security systems of our Group, during 2023 we provided targeted simulations regarding the risks related to cyber

security and we implemented firewalls with a higher level of protection in order to make our corporate perimeter even more safe. We have also completed the installation of a Wi-Fi network using latest-generation devices to ensure a higher level of security for company data, and implemented a "Disaster Recovery" policy for company data stored on our servers, applicable to all plants and subsidiaries.

Looking to the future, we commit to increasingly strengthen the daily collaboration with customers, with the aim of continuously improving the performance related to the quality and timeliness parameters of our products and services. To this end, we involved our business partners in a survey aimed at evaluating the Palladio Group's performance over the last three years marked by complex economic, geopolitical and pandemic-related events, in order to identify possible areas for improvement.

Collaboration with customers

Throughout its history, Palladio Group has developed increasingly solid and structured commercial partnerships, taking a leading role in the **co-creation with the customer of new products and services**. Recently, the market's attention to increasingly numerous and detailed technical specifications has grown, as has the desire to design products with increasingly advanced sustainability characteristics together with Palladio.

We collaborated with our clients in the pharmaceutical sector to ensure a complete and continuous supply, countering, in an organised manner, the lack of raw materials resulting from the geopolitical situation in the international market, as well as other events, such as strikes, which further complicated the flow along the supply chain.

During 2023, the complexity of the market and the growing trend of personalisation and customisation of the pharmaceutical product helped to amplify the benefits deriving from the use of digital printing with RFID labels, a technology that allows the unique, automatic and remote detection of objects, such as the packaging of our product. This technology has also allowed us to have a tracking and product quality corresponding to the specific needs of our customers.

In seeking to strengthen Palladio's leading position in the pharmaceutical secondary packaging market, another printing technology (heptachrome) was added, deemed highly innovative for this niche market. This improvement integrates lead time optimisation with a reduction in average batch size.

Palladio Group has commercial relations with about 150 customers (multinationals, local companies, subcontractors, CMOs, CDMOs) who carry out manufacturing activities. These dealings take the form of long-term relationships with continuous sales actions based on multi-year and other types of contracts. The geographic areas where clients are located are Europe and North Africa.



3.1 Our people

Economic support for staff

SEVERANCE PAY ADVANCE 2023



221,444,86€

LOANS 2023



19,000€

MARRIAGE BONUS AND NAPPY BONUS **2023**



18.100€

SCHOLARSHIP BONUS 2023



9.000€



(Ref. GRI 2-23, 103-2/3, 201-1)

Each person's contribution has been and continues to be at the heart of the constant growth that has characterised our Group since its founding. At Palladio, we place the utmost importance on respecting suitable working practices and conditions, both in the workplace and in all areas that interact with us.

Adopting adequate working practices means, for us, not only improving the company's performance, but also fully establishing **corporate ethics**, throughout the entire organisation, enduring respect for human rights and rejecting any and every form of abuse towards our employees. To this end, the Group decided many years ago to adopt a **Human Rights Policy based on a set of principles that combine ethics and effectiveness** (see box).

RESPECT AND PROTECTION ACROSS THE BOARD

The key factors in our Human Rights Policy are:

- we protect human resources, which constitute the primary assets for corporate development
- · we share policies and company objectives

- we involve employees in order to develop their skills and abilities
- · we promote activities aimed at the integration of personnel
- we check the requirements and respect for the ethics of work management at our suppliers.

Applying a Code of Ethics and a Charter of Values, together with the Social Responsibility Policies, also highlights how, for some time now, we have implemented practices of respect and satisfaction for our collaborators, enabling them to feel protected and to be able to cooperate within the corporate ecosystem (see box).

NEW ZERO TOLERANCE POLICY

"Zero Tolerance", our policy against harassment and violence in the workplace, was activated in 2023, inspired by the Universal Declaration of Human Rights and developed in collaboration with Fondazione Libellula.

What is it?

The policy is a tool that formalises a set of processes aimed at preventing, countering and managing incidents of harassment, violence and discrimination at work.

In particular, it defines:

- behaviour and organisational situations considered discrimination and harassment;
- the steps to be followed in the event of a potential case of discrimination and harassment (whether directly experienced or witnessed) and the internal/ external contact persons to be notified;
- · the organisational sanctions applicable to the different types of
- · discrimination and harassment.

Why did we need this document?

To strengthen and put in writing our commitment to ensuring a

work environment that protects equal dignity for all.

The policy outlines the general guiding principles and prohibited behaviour to ensure a work environment free from any form of violence or harassment, requiring a commitment from everyone working in or for the Palladio Group.

For the Italian plants, the Trusted Counsellor service has also been activated, whereby an impartial person from outside the company works in total confidentiality and can be contacted to seek clarification and discuss potential acts of violence, discrimination, sexual and moral harassment, as well as incidents of workplace bullying, whether one believes to be a victim or a witness. This person serves as a point of contact for Palladio Group personnel seeking advice on incidents, needing help interpreting events or guidance on appropriate behaviour. They are aware of the company's "Zero Tolerance" policy and the services in place for potential acts of harassment, and direct

people by listening to and supporting them in understanding

the situation, serving as a "guidance filter".

A CLEAR, REGULATORY FRAMEWORK TO SAFEGUARD EVERYONE

- We apply local contractual regulations for the sectors of reference, protecting employees and compliance with legislative provisions
- We guarantee freedom to join a trade union
- We promote respect for health and safety at work
- · We support our workers' professional growth

through targeted training programmes

- We balance the distribution of employees on the basis of sex, age, belonging to protected categories
- We guarantee equal opportunities between men and women, in compliance with the job categories to which they belong



Growth opportunities for each person

(Ref. GRI 405-1)







A key point of our policies is our commitment to treating all people within the Group equally, regardless of their social and personal circumstances, guaranteeing equal opportunities for all. This is also thanks to a set of documents that, defining roles and responsibilities in a timely manner, makes applying the principles of equity and equality easier and more effective in an operational company.

The company pays particular attention to the recognition of people's qualifications, experiences and abilities. This allows us to classify each employee most appropriately and ensure fair pay for the same tasks, without any discrimination.

In every Italian plant and in the subsidiary companies outside Italy, we generally refer to the **local community** when hiring managers and employees, promoting **the regions and the communities** in which we operate. To promote and encourage career development, we offer individual or collective department-specific performance evaluation paths and tools. **Internal and external training** courses allow employees to expand their skills.

With the aim of ensuring our high standards of efficiency in all situations, we enlist **the services of temporary employment agencies** during production peaks. These non-employees, whether engaged in production or maintenance tasks, are employed through one-year temporary contracts, after which the possibility for long-term employment is assessed.

ANALYSIS OF CORPORATE CLIMATE

In 2023, we conducted a corporate climate analysis involving all the Italian plants to further our understanding of how employees evaluate their work experience.

343 colleagues took part in the survey, almost 60% of the employees of the Italian plants. Comparing the answers with those obtained in companies similar to ours, safety (understood as to what extent one feels psychologically supported

and safe in the working environment) and awareness (the perception of how empowered one feels in dealing with the challenges faced) are the areas in which we scored highest. Instead, we found that trust (towards the system, the company, management and colleagues) and communication (understood as comprehensive information, clarity of objectives, quality and transparency of communication processes) are the main areas in need of improvement.

32 The importance of work



The centrality of work

(Ref. GRI 2-7,8,30, 202-1, 401-1/2/3, 402-1)





- At Palladio Group, where applicable, we adopt 100% collective bargaining contracts for all employees, using second-level agreements in certain contexts, representing an improvement.
- We guarantee all employees a supplement ("superminimo") that increases
 the legal minimum wage with a salary review based on special indices, or
 else specific benefits.
- To encourage active participation in the life of the company, and to reward
 everyone who contributes to achieving our results, we pay an annual performance bonus (see also sect. 3.2.2 ["Corporate welfare and work-life
 balance: well-being outside work"]).
- The salaries of new hires are on average higher than the statutory minimum salary at all of the Group's sites.
- We acknowledge that every employee has the right to join a trade union, if so desired, and we guarantee that trade union organisations will have the freedom to carry out their activities without restriction or interference.
- Through a voting system that guarantees anonymity, Palladio Group S.p.A. employees elect their Workers' Safety Representatives (RLS) and Single Trade Union Representative (RSU).
- Even through Palladio Group does not have a specific global policy for the recruitment of personnel residing near the facilities, our recruitment practices nonetheless include prioritising people residing in the vicinity where the activity takes place.
- Both managers and employees are generally recruited from the local community (managers are understood as senior roles, while local community implies the country in which the facility is located).

Always open to dialogue, our **Human Resources** department is available to listen to and deal with all issues, always aiming to find satisfactory solutions in compliance with corporate ethics and confidentiality.

- With the aim of focusing more attention on the work-life balance (see sect. 3.2.2 ["Employee wellness program and work-life balance: well-being beyond work"]), all fixed-term employees enjoy the same benefits as those with open-ended contracts. They can join free prevention programmes, such as vaccination campaigns for influenza, tetanus, meningococcal and other diseases.
- Compulsory maternity leave is open to every member of staff in our Group, based on the regulations in effect in the various countries. Not only do we scrupulously abide by the laws but, if necessary, we favour any ancillary request through the granting of holidays and permits.

In industrial relations, we apply with particular attention the current regulations and, specifically, the European Regulation 2002/14/EC. In the event of a significant organisational change, we undertake to notify the workers' representatives and trade unions in advance.



Company welfare and work- life balance: well-being outside work Being attentive to people's needs means, for us, seeing people in their entirety, outside their professional role. We believe that the well-being of our collaborators is based on a balanced relationship between work and private life, and that is why we adopted, some time ago, policies covering corporate welfare and work/life balance that provide for several initiatives.

In the parent company's, Palladio Group S.p.A., Italian facilities and plants we have made several corporate welfare initiatives available, appropriately calibrated to the various facilities according to local needs.

(Ref. GRI 201-1, 403-6)



Mail pick-up and parcel delivery, laundry service

Personnel can manage various errands directly from the workplace, freeing up valuable time to spend with their family or doing other personal activities. The post pick-up service (available at Dueville and Thiene) allows post, registered mail, and personal packages to be sent, as well as bills and fines to be paid. At the plants in Dueville, Thiene, Pontedera and Gossolengo, parcels purchased online can be received directly at the company, while in Dueville and Pontedera there is also an external laundry service available at discounted prices.



Financial Support

Scholarships

Our company offers four types of scholarships that can be awarded to deserving students, sons and daughters of our employees. The four types of grant cover state examinations at Italian upper high schools, university attendance, three-year university degrees and master's degrees. The scholarship is awarded directly to the employee's child and can range from € 1,000 to 2,000 depending on the results obtained.

Wedding Bonus

This is a **facility dedicated to couples of future spouses** who get married or form a civil partnership.

We give € 1,000 gross per couple.

Diapers Bonus

For the **children of employees born or adopted** in the current year, a bonus of € 100 gross per month is paid until the first year of age or the first year of entry into the household following adoption.



Employees with at least 8 years' service can request an advance of up to 70% of their accrued severance pay, on one occasion throughout their employment.

3 People

Company loans

We offer each employee with an open-ended contract the possibility to apply for a company loan up to €5,000.

Performance bonus in wellness services

We offer staff a performance bonus proportional to the results achieved as part of the continuous improvement programs implemented at the company. The bonus can be requested in the form of money, welfare services or a mix of the two. The application procedure is intuitive and efficient via the dedicated portal, AON One Flex - Flexible Benefits. If wellness services are selected, we offer an additional bonus in the form of goods or services for a value of 20% of the converted amount.

Jojob Carpooling

In May 2022, we activated the **Jojob Real Time Carpooling** service for the home-work journey of colleagues to increase awareness and encourage su**stainable mobility**, promoting behavioural change in favour of active mobility. The activation of this initiative led to Palladio Group S.p.A. saving 1,274.87 kg of CO² in 2023.



Permits for medical examinations

We grant the employee paid leave for medical examinations in the amount of 2 hours at a time for a maximum of 3 times during the year for a total of 6 hours, upon presentation of an appropriate medical statement.

Flu vaccination campaign

In compliance with occupational safety, health and hygiene policies, we annually prepare a programme for the prevention, through free vaccination, of influenza.

Palladio Health Challenge

The Palladio Health Challenge is an innovative competition that encourages people to adopt a healthy lifestyle and improve their daily habits by keeping fit. This competition, in partnership with Healthy Virtuoso, rewards those who carry out healthy activities such as walking, sports, meditation and much more.



Free Mammography

In July, Palladio Group supported the Welfare Care - Benefit Society "Mammography and free ultrasound" initiative dedicated to the prevention of breast cancer.

The aim was to raise awareness not only among Palladio staff, but also their families, regarding the importance of breast cancer prevention and early detection, through access to a free breast examination.

Work-family reconciliation



Hourly flexibility

The office personnel can take advantage of an **hourly flexibility** in the morning until 09:00. During this period, **late starts** with respect to employees' normal work times **are allowed**, with the time being made up throughout the day.

Smart Working

Depending on the role and task of the worker, it is possible to request the activation of **Smart Working**, which therefore gives the opportunity to carry out **work at home or other private place**.

"Aiutiamoci" Fund

Employees have access to the "Fondo Aiutiamoci" (Let's Help Fund) enabling those who have used up their holiday and leave entitlements to benefit from extra time off work, voluntarily made available by other colleagues.

How we protect health and safety

(Ref. GRI 403-1/2/3/4/6/8/9/10)



An essential prerequisite in guaranteeing rights, opportunities and growth, and in creating a work environment where each person feels involved, is primarily the **safeguarding of health and safety** (see also sect. 1.3.3 ["Operations and management systems"]).

All personnel (direct and non-direct employees) at Palladio Group S.p.A., Pharma Partners, Palladio Ireland and Palladio East are protected by a **health and safety management system**. At the Palladio Group S.p.A. (Dueville, Thiene, Pontedera, Gossolengo) and Palladio East D.o.o. (Vršac) plants, the system is certified according to **ISO 45001:2018**.

At the plants in Dueville, Thiene and Pontedera, "Circoli della Sicurezza" (Safety Circles) have been set up, consisting of regular departmental meetings coordinated by the personnel in charge, the conclusions of which are summarised in a report shared with the heads of the Safety Service (i.e. the Employer's Delegate, the Prevention and Protection Service Manager – RSPP – and the Prevention and Protection Service Officer – ASPP). The purpose of the Safety

Circles tool is to share with workers the department's accidents and near misses, the relevant prevention measures and to receive notification of dangerous situations reported by workers. On the basis of the reports, containment measures are adopted, if deemed necessary, to reduce any impact on workers. All reports are, in any case, analysed by the Security Service and an explanation is given to employees on their reliability.

Accident trends at both plant and Group level are periodically examined, carefully assessing the causes that led to risk situations with the aim of implementing the most suitable corrective measures. Each facility has at least one person who is responsible for calculating and updating the statistics relative to the trend in accidents, analysing data in accordance with UNI 7249/2007.

We implement specific continuous improvement measures with the aim of ensuring the continued suitability of workplaces, improving the comfort of working conditions for workers and improving the safety and reliability of human-machine interaction.

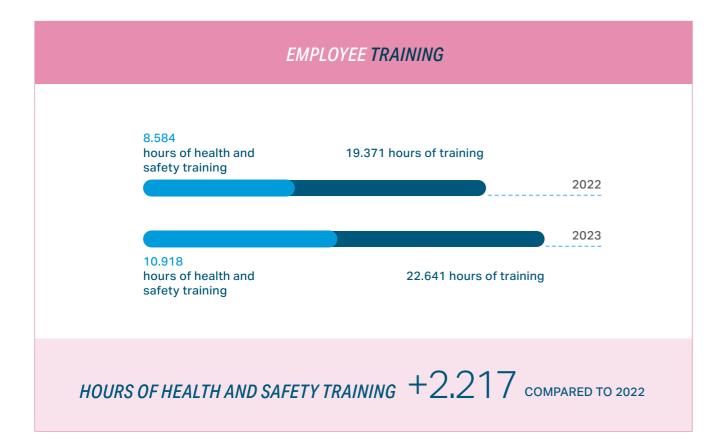
A technical assessment is currently being conducted on all machinery involved in production processes, which may pose a risk during use, in order to determine the need for the application of any corrective measures. The analysis involves a thorough and comprehensive assessment of all potential risks. These investigations will therefore continue over the next few years, given the number of types of machines present in Palladio Group's facilities.

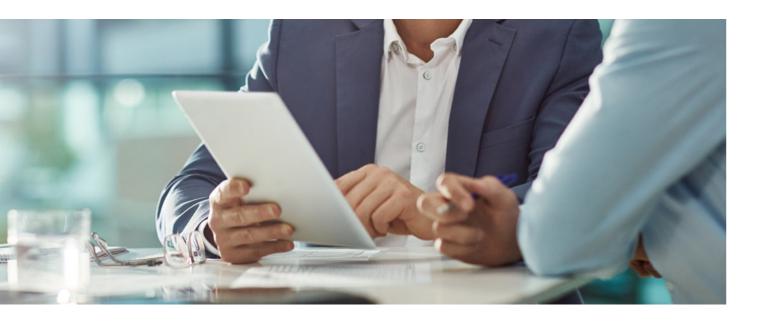
With regard to **near misses**, the analysis of the Prevention and Protection Service treats reports in the same way as an actual incident. All reported near misses are therefore analysed, verified and, on the basis of the evidence gathered, corrective actions are identified to reduce the possibility of them happening again. At foreign sites, this same approach is being implemented, also through the creation of guidelines valid for all the Group's companies.

As far as occupational medicine is concerned, in the Italian facilities this is carried out as required by Italian Legislative Decree 81/2008 art. 29 and 41. Workplaces are inspected on an annual basis by the authorised physician in the presence of the Workers' Safety Representative (RLS). In specific situations, intervention is required by said authorised physician and the Workers' Safety Representative: following timely analyses, and if a hazard is identified, appropriate training is provided to the personnel involved and/or specific work instructions are drafted. In sites abroad, the approach is similar and guided by legislative requirements and specific guidelines.

During 2023, we registered 1 applications for **occupational disease** with a positive outcome. This figure is down compared to previous years.

33 Our knowledge







A wealth of knowledge to share

(Ref. GRI 103 -2/3, 205-2, 403-5, 404-1/2, 412-2, 205-2)









Training and opportunities for improvement are fundamental for the professional and personal growth of employees. To this end, the Group constantly invests in this activity, as demonstrated by the 19,371 hours of training completed in 2022. In 2023, the Group strengthened its commitment to employee training by providing 22,718 hours of training (an increase of more than 15%).

This figure is stable compared to previous years, largely due to the extended use of blended training, which combines in-person (offline) training with online training, ensuring the delivery of a wide range of courses to the entire corporate population.

The training courses, structured annually in cooperation with Corporate Managers from various departments, covered a wide range of health, safety and environmental topics (10,918 hours), quality and the development of soft and hard skills, in addition to ethics and the implementation of new company policies, such as training for the entire workforce on the new Zero Tolerance Policy, against all forms of harassment.

- A particular focus has been placed on sustainability: in addition to providing specific training to the purchasing department on issues related to sustainable procurement, we have strengthened the project dedicated to internal communication of sustainability, whose purpose is to raise awareness and increase the involvement of employees as much as possible through informative communication material.
- COmmunications related to this project have seen the sharing of snippets on sustainable best practices to be implemented both in the workplace and in private life through the monthly newsletter and posters.
- Finally, within our corporate magazine, Palladio People, we have included articles on specific aspects of sustainability.

For us, personal growth does not finish with training: it is a goal that we pursue every day even in our daily activities. With the aim of making our people even more aware of the company's wealth of knowledge, sharing and **transmitting our know-how continuously**, in 2016 the **Palladio Academy was born**, an original concept of corporate training conceived by our Group (see par. 3.3.4 and box ["How and why the Palladio Academy came to be"]).

Lastly, we are aware that the **fight against corruption** and **support for human and workers' rights** are some of the main challenges for sustainable development. Through the latest update to our Code of Ethics, we have provided every employee with information/training on ethical and integrity principles and human rights. All new hires receive the relevant training.

Training hours 2023









432 Hours







1584 HOURS



3.3.2

How we evaluate and help people grow

(Ref. GRI 404-3)

Training, designed and organised by the **Human Resources** team, and aimed at increasing and strengthening the skills and abilities of internal personnel, forms part of a broader strategy of career consolidation and **enhancing and developing our people**:

- We have implemented a role mapping system designed to effectively manage career paths. In particular, in 2023, we continued specific skills development courses that had already been initiated in previous years.
- In parallel, the establishment of shared functions at the Group level has allowed us to remove barriers between the various functions, facilitating knowledge sharing and continuous training.
- Another level of intervention concerned the standardisation of the Human Resources Policy starting from Palladio Group Spa. We defined common classification systems, position weighting schemes and incentive schemes, whilst the remuneration process was made more transparent thanks to the standardisation of levels and job titles within the company.
- In terms of assessing skills and developing human resources, we continued
 the process which, through assessing the knowledge of every worker,
 plans to enhance and increase potential, identify training gaps, and develop
 specific and individual training plans by planning a dedicated career path.
- The process has been divided and optimised according to two complementary objectives: firstly, to assess individual training and development skills and objectives and, at the same time, to create tools specifically designed to guide and enhance each person's professional performance.
- With the aim of making employees aware of the development of their career, we integrated standardised, top-down assessment processes with tools such as self-evaluations, in order to promote awareness among the parties involved. The activity is in the running-in phase in Italian plants. It will then be extended to plants outside Italian once sufficiently mature.



Knowing to protect and continuously improve ourselves

(Ref. GRI 403-5, 404-2)



Palladio Academy: an advanced training concept

(Ref. GRI 404-2)

The health and safety of our personnel are vital priorities for our Group. **Training and communication on the topic of safety**, therefore, play a central role in our strategy of sharing corporate knowledge.

- We are particularly committed to fostering interactive communication among operators by periodically organising discussion tables between operators and prevention practitioners, known as Safety Circles.
- These circles involve analysing the results of risk assessment updates, operator reports and identified improvement opportunities, as well as reviewing accidents and near-miss incidents. (see also sect. 3.2.3)

We have always believed in the value of our people and in the importance of investing daily in training activities that create opportunities for our people to grow.

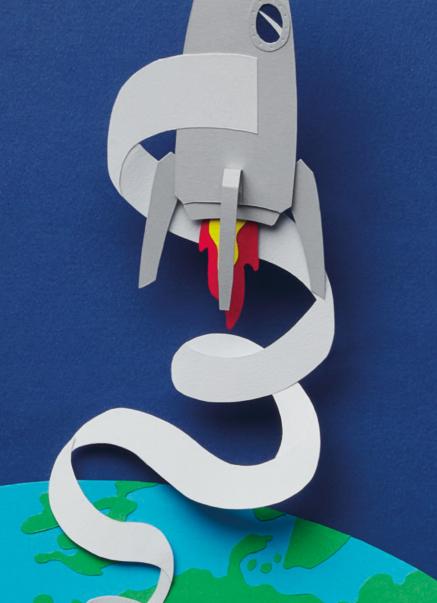
- In July 2016, Palladio Academy was born, an initiative that emphasises the
 importance of the culture of learning and sharing each person's experience: a training program of excellence, inspired by an original training
 project developed within our Group in collaboration with leading trainers
 throughout the region (see box).
- While the Academy's activities had slowed in 2021 due to the pandemic, in 2022 they were rekindled thanks to the support of an external coach and the implementation of the agile methodology during workshops organised throughout the year.
- The Academy carries out continuous improvement projects with the aim
 of making colleagues even more aware of the company's wealth of knowledge, in order to lead teams step by step to grow, to achieve the Group's
 objectives and their personal satisfaction.
- Palladio Academy is led by a team of ten members who, with great commitment and perseverance, carry out the objective of always maintaining the Group's training standard.

HOW AND WHY WE LAUNCHED THE PALLADIO ACADEMY

The ever-broader scope of our training activities and the continuous growth in the number of employees led to us creating, in July 2016, the Palladio Academy. Launched in collaboration with Niuko – the training company from Unindustria Padua and Confindustria Vicenza – Palladio Academy is not a company "school" but rather a training method developed within the Group specifically for our needs.

Among the first Academy projects are the lists of key points created to facilitate the training of new resources and drastically reduce their time, together with the development of Palladio

Wiki, a real encyclopedia of the know-how of our Group. In 2023, the Academy started working on the implementation of a shared Onboarding process for all Palladio Group S.p.A. plants, aimed at improving the reception ofnew hires within the company, getting them more involved and promoting the sharing of knowledge and key skills during the first months of induction. In November 2023, the team organised an event dedicated to Baskin, an inclusive version of basketball, to promote a culture of mutual respect and inclusiveness among the employees and families of the Dueville and Thiene plants.



Planet

RESOURCE MANAGEMENT

4.1 Resource management



Our environmental responsibility

(Ref. GRI 103-2/3)

Our Group has identified the environmental aspects related to our activities, products, and direct and indirect services, as well as the related impact factors linked to the **life cycle perspective**. With a view to **preventing environmental risks**, we have identified the most **significant environmental aspects** for the purpose of monitoring and managing them through:

- The definition, implementation and maintenance of the Environmental Management System, taking into account applicable legal and other requirements to which we have subscribed.
- The annual definition of specific improvement targets, aimed at increasing
 performance and reducing consumption. Several studies aimed at defining
 and modifying the procedural methods and structural interventions have
 allowed us to identify waste, reduce consumption and favour the recovery
 and recycling of our waste.
- The implementation of measures such as modernising installations, using smart automation systems for managing air conditioning, lighting and various production utilities, installing energy-efficient lighting and developing a policy for managing heating and air conditioning systems.

By assessing a number of environmental indicators, we are able to monitor impacts and take meaningful action, setting targets to reduce natural resource wastage and our contribution to global warming.





Our approach to climate change

(Ref. GRI 305-1/2/3/4)











It is now universally recognised that **the fight against climate change** is an indispensable condition in ensuring that other sustainable development objectives can be successfully pursued.

Our Group is deeply aware of the need to face these issues in a systematic way: as part of our global strategic business planning, and corporate risk management, by regularly assessing the risks and opportunities associated with climate change and committing ourselves to promoting a cleaner energy future.

Due to the nature of our production process, certain activities produce air emissions. These have been previously authorised by the competent body and have a dedicated analytical monitoring system in place.

In line with a proactive sustainability philosophy, which does not wish to limit itself to legal requirements, we have identified and taken into account the **relevant environmental aspects**, reporting direct and indirect GHG emissions and identifying, where possible, our interventions for their reduction.

Direct GHG (Scope 1) emissions are due to the combustion of natural gas and diesel oil for ambient heating in our plants, the fuel consumption of company vehicles and fugitive emissions from (non-process) refrigerant gases: for each plant, we have reported consumption based on the values invoiced and calculated during maintenance, for the last three years.

In 2023, emissions from the consumption of natural gas, diesel and kerosene for heating purposes decreased in all plants. This was achieved by improving the efficiency of the installations, in addition to favourable weather conditions.

Indirect GHG (Scope 2) emissions are due to electricity consumption in the plants and the charging of electric vehicles: in this case too, we have reported the plants' energy consumption based on the values invoiced during the last three years. Since 2016, we have calculated Scope 2 emissions in line with the requirements of the **Greenhouse Gas Protocol**, reporting according to two different methods called location-based method and market-based method.

- In 2023, electricity consumption decreased in all plants thanks to their improved efficiency. Moreover, the installation and commissioning of photovoltaic systems in the Dueville, Thiene and Palladio East plants led to a reduction in Scope 2 (Location-based) emissions.
- Emissions calculated according to the market-based method have decreased compared to 2022 despite the decision to reduce the purchase of guarantee-of-origin certificates for electricity from renewable sources, in favour of increased investment in photovoltaic systems at our sites.

Other indirect GHG (Scope 3) emissions refer to greenhouse gas emissions related to the production of raw materials in input to the production cycle, the transport of raw materials and finished products, waste generated by such operations and effects related to company assets in leasing. In this case too, we have reported data for the last three years of each plant.

In particular, in order to reduce the environmental impacts of transporting

products, we are optimising incoming and outgoing journeys by procuring and subsequently manufacturing the finished product at the closest facilities to the customer receiving the material.

We account for the different types of emissions (Scope 1, Scope 2, Scope 3) by transforming them into an economic value using the latest available carbon price value. Based on this information, considering the value in the different countries in which we operate, we have identified a specific **carbon indicator as the** ratio between the calculated value of carbon price (NOTE 1) and the turnover. This indicator has been **included in the company's key indicators**, in order to ensure that it is monitored.

With climate change threatening to disrupt every aspect of our lives, creating negative environmental impacts, socio-economic instability and food supply stress, Palladio Group is reinventing how it operates: we have therefore set strategic targets for greenhouse gas emissions according to Science-Based Target criteria (SBT).

OUR COMMITMENT TO ACTION

Our targets for 2027 are indicated below, developed in line with CDP requirements, using 2019 as a baseline year:

- Reduction by 9.2% of the indicator calculated as scope 1 and scope 2 emissions compared with the quantity of finished product (tonCO₂/ton)
- Reduction by 9.9% of scope 1 and scope 2 absolute emissions (tonCO₂)
- Reduction by 11.1% of scope 1, scope 2 and scope 3 absolute emissions (tonCO₂)

These targets were developed taking into account the reduction trajectories suggested by the SBTi methodology for the 2°C scenario.

CARBON PRICE

Carbon price is a value that the organisation voluntarily sets itself to internalise the economic cost of its greenhouse gas emissions. It can be used as:

- · a tool to support a corporate decarbonisation strategy;
- a risk management tool aimed at enabling the company's global strategy to become more resilient to regulatory climate policies and more conducive to reducing emissions.

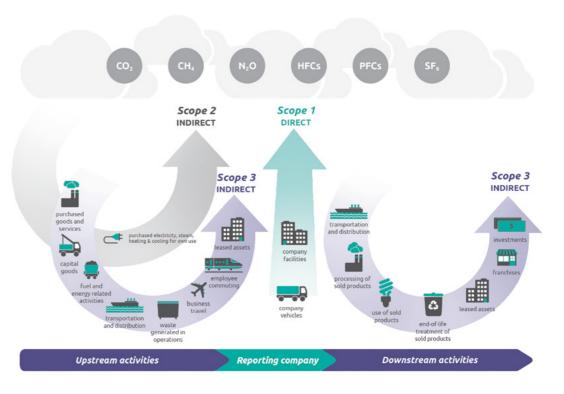
 This voluntary carbon pricing tool intrinsically integrates
 the greenhouse gas emission reduction policies issued by
 governments to which organisations are subject.

GHG emissions GRI 305-1/2/3

Source: www.ghgprotocol.org

Total CO₂ emissions 2023:

Scope 1: **985 tCO**₂ (3,84%) | Scope 2: **6.762 tCO**₂ (22,50%) * | Scope 3: **20.773 tCO**₂ (72,84%)



^{*} As at the date of this document's certification, the Group is awaiting the cancellation of certificates of origin for energy purchased from renewable sources totalling 2,169MWh, or 990 tCO₂eq (market-based), not counted in this reporting.

The organisation's GHG inventory



NOTA 1 On the certification date of this document, the Group was waiting for the cancellation of certificates of origin for energy purchased from renewable sources amounting to 2,169MWh, covering 990 tCO₂eq (market-based), which were not counted in this report.

NOTA 2 The 2019 indicators were calculated taking into account the new reporting boundary.



(Ref. GRI 302-1/3)



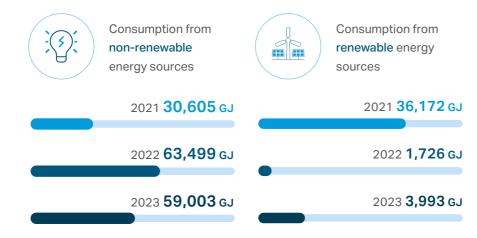




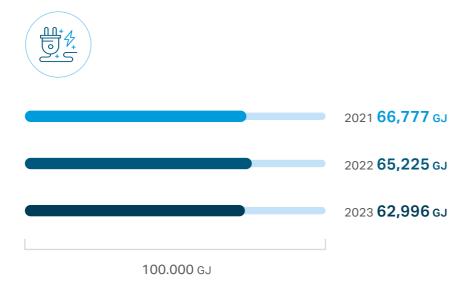


Energy consumption

(Ref. GRI 302-1)



Total energy consumed



NOTA 3 Electricity consumption from refuelling electric and hybrid company cars is considered outside the company boundary and is therefore not included in the purchased electricity consumption.

The energy consumption for the winter air conditioning of production environments and offices is attributable exclusively to the use of natural gas (Italian plants and Serbian plant) or kerosene (Irish plant). As set out by the Italian national plan to reduce consumption, in 2022, Palladio Group Spa cut the number of hours heating systems were on by one hour and reduced the air temperature set point by 1°C both in production areas and offices. In addition, information material was provided to employees to raise awareness of energy savings and achieve the goal of reducing consumption.

Electricity is consumed by production systems, office work and air-conditioning, mainly in summer, in the various areas of the facilities.

- Specific interventions have allowed us to limit consumptions despite the rise in production, including raising awareness among employees in addition to modifications to the system.
- The organisational changes were aimed at modernising the production equipment with the purchase of new plants that allowed us to optimise processes, thereby obtaining greater efficiency including energy efficiency.
- Measures have been taken in all plants to create lighting systems that are highly energy-efficient.
- Automated appliances are still being used for managing services that support production and the air-conditioning of environments. Projects are being studied to replace heating systems with high-efficiency boilers.
- Between 2018 and 2021, we installed voltage stabilisers at the Pontedera, Dueville and Thiene sites.
- In 2023, the replacement of diesel vehicles with electric or hybrid vehicles continued, further confirming our commitment to the progressive electrification of our corporate fleet.

Since 2017, we have carried out projects related to the local production of renewable energy through the installation of photovoltaic systems for a total of 1,477 MWh of self-production:

- The Pontedera facility reached a production capacity of 122 MWh of electricity through the use of 280 photovoltaic solar panels.
- The Dueville facility reached a production capacity of 172 MWh of electrical energy through the help of 390 photovoltaic solar panels.
- Palladio East reached a production capacity of 650 MWh of electrical energy through the help of 2,105 photovoltaic solar panels.
- The Thiene facility reached a production capacity of 533 MWh of electricity through the use of 1,260 photovoltaic solar panels.
- Further investment was confirmed for 2024 to create a new photovoltaic system at the Dueville facility. The system is expected to generate 771 KWh with 1,694 panels.

SUSTAINABILITY REPORT 2024 4 Planet



(Ref. GRI 303-1/2/3)

Water consumption

(GRI 303-3)



Water withdrawal from wells

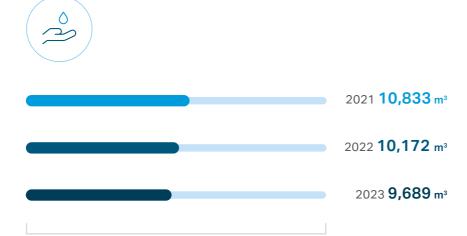


Water withdrawal from the mains





Total water withdrawal from all areas



20.000 m³

All the Group's sites use water as efficiently as possible, striving to counteract the ever-increasing level of exploitation of this essential resource both locally and globally. We monitor the quantities of water taken from the water supply every month to check that there are no leaks and that consumption is in line with the average, including when compared with the working hours:

- The Group's facilities withdraw quantities of water that do not significantly affect water sources.
- The only planned waste comes from using bathrooms and therefore comes under domestic waste water, which does not require recycling or reuse.
- The use of water in the production process is generally limited to offset printing for moistening the printing plates and for washing any residual ink

off of printing machinery components, and is therefore treated as liquid waste. Given the type of washing water, the purification process cannot be done at the Palladio Group's facilities and only takes place at specialist plants that can recover and recycle part of the water by purifying it.

In any case, in order to limit water consumption and to minimise any waste of this resource, we installed flow reducers on the taps in the bathrooms at several locations, simple devices which mix air into the water from the tap, as well as double buttons for flushing:

- The total water withdrawn by all the group's facilities, amounting to 9,698 m³, only comes from municipal or state water supplies.
- 2,511 m³ of water is withdrawn in areas experiencing water stress (Source: Water Risk Atlas of the WRI).

Despite the reduced water impact of our activities, in the last four years, we have still supplied a complete information overview on the management of water resources by completing the CDP Supply Chain Water questionnaire. With regard to the Sustainable Development Goal, number 6 we are carrying out an appropriate analysis aimed at seeking innovative solutions to contain water consumption and to significantly increase efficiency in our use of water. In particular, systems to filter and reuse the washing water from production machines are in operation inside the facilities. Analysis is also conducted to see whether the water treatment system can recover waste water.





How we manage waste

(Ref. GRI 306-1/2/3)















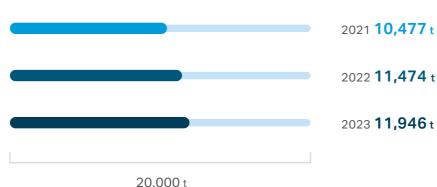
Quantities of waste

Percentage of waste recovered out of all waste



Waste recovered





Total weight of waste produced



Our Group follows a **clear strategy** for managing waste. The objective is to prevent and to reduce the quantity of waste so that its relative global environmental impact remains minimal.

 All the waste we produce is sent for treatment, disposal or recycling in order to prevent and significantly reduce all types of pollution.

- We pay great attention to the potential recovery and recycling of waste resulting from the use of raw materials, in particular paper and cardboard waste, including polylaminates.
- We adopt separation and differentiation practices, avoiding potential contamination from non-paper materials and hazardous substances and we confer to plants authorised to recover paper and cardboard waste, in order to favour their reuse in the paper industry or in other industries that use such waste as a raw material.
- A project was carried out in Pontedera to reduce the thickness of stretch film for wrapping pallets, switching from 23 to 11 micrometres, thanks to a pre-stretching system. This activity, launched in 2023, helped us obtain official recognition from CONAI (the Italian National Packaging Consortium).
- We also separate the various packaging materials (such as wooden pallets, plastic, and iron) in order to help improve efficiency in the use of materials and resources.
- In the last three years, there have been no uncontrolled spills of waste.
- The ratio of hazardous waste to total waste in 2023 was 1%, remaining the same as the previous year, and nevertheless lower than 2020.
- The ratio between waste sent for recycling and recovery in proportion to total waste was 98%, the same as 2022.

To limit the risks and reduce their use, Palladio monitors hazardous chemicals by asking suppliers to fill out a questionnaire to collect information on the presence of potentially hazardous substances contained within inks for printing processes and equipment cleaning products. Projects to replace existing substances with alternatives with lower environmental impact are being developed.

OUR RESPONSIBILITY FOR A SUSTAINABLE FUTURE

Facing the current state of climate change, every action helps reduce the negative effects we are seeing. We have therefore joined an important project carried out by Palladio East.

This project, in collaboration with AIESEC, Association Internationale des Etudiants en Sciences Economiques et Commerciales, involved planting trees which not only absorb and store CO2, but also bring many benefits such as the conservation of biodiversity, the protection of soil and the creation of healthier, more enjoyable environments. The three trees

for the project found their home in Belgrade, in front of the Museum of Contemporary Art, so they would help improve the local environment.

This initiative is a step forwards in our commitment to support initiatives that promote environmental sustainability. It is another way we demonstrate our commitment to being an active and responsible member of the community where we operate.



Peace as the presence of rights, for a more inclusive society that counteracts all forms of corruption or work injustice.

Peace as a commitment to combat all forms of violence, individual and collective, aimed at limiting the freedom of the individual or weakening the social fabric in which we operate.

These are our principles and the objectives that we intend to pursue in the near future in order to create a workplace aimed at the protection of individual freedom and that knows how to value the individual within society.







(Ref. GRI 103-2/3, 412-1/3)



PROACTIVE INTEGRATION OF PEOPLE WITH DISABILITIES

In the Palladio Group, the utmost attention to fundamental human rights stems from our values and corporate ethics and is strengthened with the commitment to respect the international conventions on the matter and legislation in effect in the countries in which we operate, putting these rights into practice in our everyday activities.

Thanks to clear and timely **company policies**, this commitment is upheld at every level of the organisation and in every country in which we operate.

- Mechanisms are in place to report to the Corporate Ethics Committee any discriminatory attitude based on race, colour, sex, religion, political opinion, nationality or social background.
- There is no form of child labour, forced or compulsory labour and any work
 request that goes beyond normal working hours is governed by national,
 supplementary contracts in accordance with the workers' representatives
 and trade unions, which provide for compensation based on the number
 of overtime hours worked.
- In all the countries in which we operate, we guarantee the economic conditions provided for by law.
- We have adhered to the FSC and PEFC forest protection standards (see par. 4.2.1 ["Products and services: a challenge on several fronts"]), with which we also indirectly guarantee the respect of indigenous peoples and their territorial assets.
- Being aware that the commitment to respect human rights needs to be sustained over time, we periodically check and verify the human rights aspects of all our activities.
- This operation is done through a formal assessment process based on information provided by Ethics Committees and the various managers at all the Group's plants.
- The activity helps us to direct decisions in a more correct way and to prevent our company from being associated with or complicit in actions undertaken by other parties with which the company has, or might have, dealings.
- In 2023, no reports were made in the Group's facilities regarding human rights violations or the work of the Group's employees or from internal or external stakeholders.

A COMPLETE, ETHICAL TOOLBOX

Our commitment to ethics and social responsibility is expressed in a set of documents that define the behaviours of each member of the organisation:

- Code of Ethics
- Charter of Values
- Zero Tolerance Policy
- Ethical Trading Initiative Code (ETI)
- Charter of the Principles for Environmental Sustainability

- · Sustainability Report
- Supplier Code of Conduct
- Social Responsibility Policy
- Human Rights Policy
- · Occupational Health and Safety Policy
- Sustainable Procurement Policy
- Policy on the Prevention of Corruption

ACTIVE PARTICIPANTS IN THE SECTORS IN WHICH WE OPERATE

Our Group is a member of the most important domestic and international industry associations and supports the main sector funds:

- AFI Associazione Farmaceutici Industria [the Italian Pharmaceutical Industry Association]
- ASSIDAI Fondo di Assistenza Sanitaria Integrativa
 [an Italian Supplementary Healthcare Fund]
- ASSOGRAFICI Associazione Nazionale Italiana Industrie Grafiche Cartotecniche e Trasformatrici [the Italian National Association of Printing, Paper and Processing Industries]
- ATIF Associazione Tecnica Italiana per lo sviluppo della Flessografia [the Italian Technical Association for the development of Flexography]
- CIAL Consorzio Imballaggi Allumino [the Italian Aluminium Packaging Consortium]
- COMIECO Consorzio Nazionale Recupero e Riciclo degli Imballaggi a base Cellulosica [the Italian National Recovery and Recycling of Cellulose Packaging Consortium]
- CONAI Consorzio Nazionale Imballaggi [the Italian National Packaging Consortium]
- ECMA European Carton Makers Association

- ENIPG Ente Nazionale Istruzione Professionale Grafica [the Italian National Graphic Professional Training Body]
- FASI Fondo Assistenza Sanitaria Integrativa [an Italian Supplementary Healthcare Fund]
- GIFASP Gruppo Italiano Fabbricanti Astucci e Scatole Pieghevoli [the Italian Carton and Folding Box Manufacturers' Group]
- GIPEA Gruppo Italiano Produttori Etichette Autoadesive [the Italian Self-adhesive Label Manufacturers' Group]
- Salute Sempre Fondo di Assistenza Sanitaria Integrativa [an Italian Supplementary Healthcare Fund]
- PREVINDAI Industrial Managers Pension Fund
- Confindustria
- Fondirigenti
- Fondimpresa
- . CONFIDI consortium of collective guarantee of the trusts
- Supplementary occupational pension funds:
 Byblos, Veneto Solidarity, INPS Treasury
- Enasarco
- · Various territorial reclamation consortia



(Ref. GRI 406-1)







The right to equal opportunities and the rejection of discrimination on social, racial, or religious grounds in favour of integration of individuals and cultural exchange, are key objectives in our corporate:

- We proactively promote the integration of people with special needs into the company environment, ensuring that they are assigned dignified and appropriate tasks;
- The working conditions and workplaces are designed and maintained in such a way as to facilitate mobility for people with disabilities.
- In 2023, no reports were made regarding discriminatory human rights practices.







Freedom of association and collective bargaining

(Ref. GRI 102-41, 407-1)



Every employee is free, according to their wishes, to join a trade union or similar organisation without this leading to any advantage or disadvantage being held against:

- Trade union organisations are free to carry out their activities without any restrictions or interference from the company.
- Trade union meetings are held periodically in the Group's facilities and are open to every employee, in order to support the right of workers to freely associate.
- 20% of Italian employees are members of trade unions. In foreign companies, the data is not available as it is protected by privacy on the basis of local legislation in force.
- During 2023, there were 224 hours of strikes by employees in Italy, due to taking part in national events related to the renewal of the National Collective Bargaining Agreement (CCNL).
- 350 hours were used for trade union meetings.
- Suppliers are monitored through appropriate control activities (code of conduct and questionnaires), in which specific reference is made to freedom of association and collective bargainin



Child labour and forced labour

(Ref. GRI 408-1, 409-1))





We do not allow, in any Group plant, the use of child labour.

- In 2023, the minimum age of our employees was 18 years, while the average age was 41.5 years.
- In line with the provisions of our Policies, our partners are also required to adhere to codes of conduct.
- The main raw material suppliers are also monitored through specific questionnaires, whilst every service provider (contractor) is controlled through specific declarations that certify that the company has fulfilled its legal and contractual obligations, including with respect to child labour.
- There has never been a case of forced labour or compulsory labour in the Palladio Group.
- Employees are guaranteed appropriate work times, as provided for by national contracts: the work done as overtime is regularly paid and workers voluntarily take up any initiative involving overtime.
- Working hours at the Palladio Group are set in such a way as not to prejudice
 the rights of each worker to be able to enjoy daily rest periods aimed at
 restoring psychological, physical, and intellectual energy.
- Workers enjoy, without oppression, the right to leave and sickness due to them. Also in this case, suppliers are monitored and controlled through specific activities.

OUR COMMITMENT TO THE ISSUE OF CONFLICT MINERALS

In July 2010, the United States Congress traced the mining and trading of tin, tungsten, tantalum and gold ("conflict minerals") to potential human rights violations in the Democratic Republic of the Congo and in neighbouring countries (collectively referred to as DRC). The President of the United States of America approved a new regulation, the Dodd-Frank Act, requiring companies, American or others, to make the use of so-called Conflict Minerals extracted from mines in the DRC area, public.

Subsequently, EU Regulation 2017/821 of 17 May 2017 on Conflict Minerals, which follows the guidelines established by American legislation, requires all European importers of

minerals and metals containing tin, tungsten, tantalum or gold, excluding the smallest ones, to run checks to ensure that their suppliers comply with their due diligence obligations.

In 2015, Palladio launched an investigation at suppliers who are most at risk in order to examine the issue of conflict minerals and to confirm that materials extracted from areas of conflict are not used in their respective production processes. This specific activity is repeated every 2 years to ensure that there are no conflict minerals within our supply chain. All the suppliers involved confirmed that there are no minerals from areas of conflict.





5.2 Inclusive society



(Ref. GRI 102-16, 103-2/3)

As a Group we contribute to development by creating greater economic opportunities for local communities and we intend to be an active and participative presence also in the social and cultural growth of the territories in which we are present.

To make our intervention more effective, we identify **priority topics** in each territory for which we develop numerous initiatives in the field of **solidarity**, **environmental education** (see ch. 4 ["Planet"]) **and sustainability** (see par. 5.2.2 ["Our contribution to local communities"]).

In Italy, our social commitment is reflected in a series of initiatives aimed at mitigating the potential and actual impacts of our activities, thanks to a constant dialogue with local institutions and organisations.

- We have developed and implemented prevention programmes to ensure compliance with the laws and safeguard the physical, economic and natural resources well-being of the territories in which we operate.
- Ethics and meritocracy are the values that guide us in our choices regarding
 employees, suppliers, customers, and any other organisation with which
 we have dealings. Specifically, we do not tolerate corruption under any
 circumstances whatsoever (see par. 5.2.4 ["Fight against corruption and
 relations with institutions"]).
- Business relationships with customers are based on a relationship of trust
 and our aim is for the intrinsic quality of the products and services we
 provide to be the reason they are chosen.
- That is why, from a responsible marketing perspective, we send customers and suppliers an informational notice that explains our commitment to social responsibility, encouraging them to work along the same principles.
- We select and qualify our suppliers in accordance with detailed rules and formalised procedures and we give no favouritism to any of them or any agreement in which a potential conflict of interests might be seen.

Whoever works with our Group must be able to find a valid commercial partner in us, but also must be aware that our business model is based on the principles and values of social ethics, far from monopolistic practices, which can lead to unfair competition, and practices that run contrary to the principles of a free market.



Participation of local communities

(Ref. GRI 413-1/2)





Our proactive participation in the socio-economic development of the communities in which we work translates into support for numerous associations be they local, domestic, or international. Considering their nature of solidarity, at the moment, we have not provided for a system to measure the percentage of the activities for which the local community has been involved.

Some initiatives that have affected the Italian perimeter:

- In 2023, we also supported the Abilmente Project by the I Bambini delle Fate
 association, in collaboration with ENGIM Veneto, which aims to fill the "gap"
 between school and job placement of young people with autism and disabilities.
 This is achieved through a reality to experience educational and recreational
 activities that enhance their skills, increase their sense of self-dependence in
 being able to achieve personal and social autonomy. (www.ibambinidellefate.
 it/progetto-abil-mente/).
- In 2023, we confirmed our support for Dynamo Camp Onlus, the first Recreational Therapy camp in Italy, which hosts children and young people aged 6 to 17 years suffering from serious or chronic diseases for free. Here, children can develop their skills by experiencing a large number of recreational, sports and expressive activities.
- In April, three of our colleagues from the Dueville facility ran 26.4 miles in under four hours at the Relay Marathon in Milan, supporting the Dynamo Camp project.
- Also in 2023, Palladio Group received the Libellula Foundation Award that the
 Municipality of Milan gives to companies belonging to the Libellula Network
 for their commitment to the fight against violence against women and gender
 discrimination. Our support is, for us, a great opportunity to make a real, solid
 contribution, raising awareness among our stakeholders of this delicate, and
 sadly continuing, topic. The aim of the project is to trigger a cultural change
 starting from the workplace.
- Following the heavy floods that caused serious damage in Emilia Romagna,
 Palladio Group took action on several fronts to support the families affected with donations and collecting supplies.
- In 2023, Palladio Group supported the San Bassiano Cancer Association with a donation. This voluntary regional organisation has been supporting patients and their families since 2004, in terms of assistance and training, through consultancy services, rehabilitation, training and much more.

- For Christmas, we bought pandoro sweet breads from the Team For Children
 ONLUS association and gave them as gifts to every employee of Palladio
 Group SpA and Pharma Partners, therefore helping support children of
 all ages and with all types of problems staying at San Bortolo hospital in
 Vicenza, as well as their families.
- We also purchased pandorini sweet breads and Easter eggs for children of employees from the Amici della Zizzi association, which works on the front line alongside families that take in minors in difficulty reported by social services, the courts or families themselves.



We have always believed that there is a close connection between **personal** well-being and work performance, an indicator which, in the past, was measured solely in terms of productivity.

Today, productivity is considered together with new ideas and the desire to continuously improve, which can only happen if people are motivated by and interested in the work they perform.

Over the years, we have also organised cultural, artistic and sporting activities for employees in order to increase integration and strengthen the hallmark team spirit of our Group.

- In May, some of our colleagues from Gossolengo took part in the Confindustria in Campo football tournament. It was the sixth edition of this charity sports initiative by Confindustria Piacenza which, thanks to 20 teams, supporting CAI and Opes Piacenza, successfully combined a day of sporting competition with an opportunity for charity. All of the donation collected was given to the "La Matita Parlante" association, an invaluable organisation from Piacenza that nurtures the talent of young people with autism through working and social inclusion pathways.
- The second edition of PalladiOlimpiadi took place in Modena on 2 September 2023, where many of our colleagues from our Italian facilities spent a day all about sport together with their families. Alessandro Ossola was a guest at the event, a Paralympic athlete and 100m finalist at the Tokyo Paralympics, as well as the President of Bionic People and a motivator with a focus on D&I issues, who talked about the most important parts of his long career and the biggest challenges he encountered.
- The first PalladiOlympics were organised in September 2023 at Palladio Ireland. This afternoon about sharing and spending time together involved colleagues going on a bike ride around a local park.
- In October, our colleagues from the Pontedera facility took part in the Dynamo
 Camp Open Day, where they got the chance to visit the first Recreational
 Therapy Camp in Italy, raising awareness about the issue of disability and
 about the opportunities for personal growth which the Camp offers people
 who volunteer at Dynamo.

- Between September and November, we organised three "Aperitivi sostenibili" events for our facilities in Dueville, Thiene, Gossolengo and Pontedera. The purpose of these meetings was to bring colleagues together at an informal event where they could discuss theoretical and practical aspects linked to sustainability and how they can be integrated into Palladio Group projects, as well as to share bitesize training info about the circular economy, sustainable purchases, carbon footprint and social sustainability.
- The Palladio Academy organised a Baskin session in November. This sport combines basketball with the value of inclusiveness to raise awareness among colleagues from Dueville and Thiene about the issue of inclusion. This game was invented to allow people with and without disabilities, men and women of different ages and abilities to play on the same team and have fun together. This event also involved the Isola Vicentina Baskin team, the vice-president of the EISI (the Italian Inclusive Sports Body) and the municipality of Caldogno.



The attention to our people is not limited to those who currently have an active role in the company, but extends to all those who have helped our Group grow over the years.

Moving from working life to retirement is in fact one of the most delicate moments in everyone's life and we are committed on several fronts to help our employees in this transition.

- With regard to the social aspects, we are careful to preserve a sense of community. For some years, the "Palladio Pensioners' Group" has become a corporate institution that organises trips, informal gatherings, plant visits, theatrical performances and other initiatives that involve ex-colleagues, giving them the chance to meet and renew the ties created from long-term employment with the company.
- Our ex-colleagues are also invited to participate in exchanging Christmas greetings, the Christmas raffle and delivering Christmas gift packs together with all the staff on duty.





The fight against corruption and relations with institutions

(Ref. 201-4, 205-1/3, 415-1)







We are strongly committed to preventing any possibility of corruption in our facilities: for this reason, and to make our initiatives even more effective, in 2018 we asked an external body to carry out an assessment and audit related to prevention, in accordance with ISO 37001. The data that emerged highlighted that the areas in which our Group operates cannot be classified as at a high risk of corruption. We therefore decided to refer to the Code of Ethics, to the Corruption Prevention Policy and to the Whistleblowing Management Procedure as active prevention and management tools. Furthermore:

• In 2021, we decided to launch an assessment process for different solutions aimed at organising a systemic approach to anticorruption, such as developing a Group management system, obtaining "ISO 37001 Anti-bribery management systems" certification or applying monitoring methods through dedicated audits. In order to combat corruption, the following safeguards are currently in place: Code of Ethics, Corruption Prevention Policy and the Whistleblowing Procedure. This work is still being finalised, including in relation to the new legal obligations introduced by Directive 2019/1937.

The financial statements for the period are reviewed annually by **Reconta Ernst & Young** to determine and certify their compliance with the regulations governing the criteria with which they are prepared. With this in mind, any accounting operation or transaction is based on the **accuracy, completeness, and authorisation** of basic information for the related records.

- Every company payment to be made is commensurate to performance and to contractual rules and cannot be made to a person other than the contractual counterparty.
- Any type of omission or falsification that an employee might become aware
 of is to be reported immediately to the Ethics Committee.
- Between 2019 and 2023, no reports of corruption were made that involved employees or suppliers, and there was no legal action taken concerning corruption against the companies in our Group.

Finally, it should be noted that our Group maintains relations with **public institutions** essentially through **national trade associations** (see par. 1.2.5 ["Our principles and reference values"]) and consequently does not take positions on public policy, just as it does not participate in the development of public policies.

Additional documents

Tables and indicators

Economic Data

Table 1

(Data expressed in Euro and extended to the reporting perimeter only)

FINANCIAL-ECONOMIC RESULTS

TOTAL

BREAKDOWN 2023

M.U.

| | M.U. | | | | | | | |
|---|------|------------|-------------|-------------|-----------------------|--------------------------------|----------------------------|----------------------|
| REF. 201-1 | | 2021 | 2022 | 2023 | PALLADIO GROUP SPA | PALLADIO PHARMA PARTNERS | PALLADIO IRELAND LTD | PALLADIO EAST DOO |
| Revenues | € | 97,862,586 | 114,758,862 | 126,622,634 | 95,713,359 | 2,629,972 | 3,504,762 | 24,774,541 |
| Economic value generated | € | 97,862,586 | 114,758,862 | 126,622,634 | 95,713,359 | 2,629,972 | 3,504,762 | 24,774,541 |
| Economic value distributed | € | 97,132,087 | 113,789,407 | 124,289,107 | 94,638,149 | 2,707,976 | 3,779,916 | 23,163,067 |
| a) operating costs | € | 67,779,803 | 85,776,032 | 87,866,167 | 64,393,904 | 1,356,597 | 2,669,416 | 19,446,250 |
| b) wages and benefits | € | 24,722,760 | 27,236,558 | 27,884,394 | 22,018,572 | 1,308,434 | 1,080,804 | 3,476,584 |
| (c) payments to capital providers | € | 455,756 | 777,626 | 2,371,631 | 2,192,228 | 55,532 | 29,695 | 94,175 |
| d) payments to PA | € | 1,102,662 | - 319,884 | 1,748,931 | 1,627,655 | - 12,587 | - | 133,863 |
| e) investments in the community (1) | € | 71,106 | 72,703 | 98,790 | 98,790 | - | - | - |
| Provision for bad debts | € | - | - | - | - | - | - | - |
| Exchange rate differences | € | - | - 5,357 | - | - | - | - | - |
| Write-down of tangible and intangible assets | € | - | 251,729 | 12,195 | - | - | - | 12,195 |

| Write-down of financial assets | € | 3,000,000 | - | 4,307,000 | 4,307,000 | - | - | - |
|--------------------------------|---|-----------|-----------|-----------|-----------|----------|-----------|-----------|
| Reserves | € | - | - | - | - | - | - | - |
| Residual economic value | € | 730,499 | 969,455 | 2,333,527 | 1,075,210 | - 78,004 | - 275,153 | 1,611,474 |
| Coverage of pension plans | € | 5,877,322 | 6,472,063 | 6,674,933 | 5,079,219 | 279,042 | 88,765 | 1,227,906 |
| Benefits | € | 107,703 | 110,915 | 138,067 | 138,067 | - | - | - |
| Severance pay advance | € | 107,331 | 121,363 | 221,445 | 221,445 | - | - | - |
| Loans | € | 60,050 | 51,300 | 19,000 | 19,000 | - | - | - |

(1) Donations and financial contributions

Product data



| | | TOTAL | | | BREAKDOW | N 2023 | | |
|-------------------|------|------------|-------------|-------------|-----------------------|----------------|----------------------|--------------------|
| PRODUCTION | M.U. | | | | | PALLADIO | | |
| | | 2021 | 2022 | 2023 | PALLADIO GROUP SPA | IRELAND LTD | PALLADIO EAST DOO | PHARMA PARTNERS |
| Finished product* | t | 18,937 | 20,460 | 20,233 | 13,090 | 986 | 5,566 | 592 |
| Operating hours | h | 368,336 | 385,210 | 373,973 | 251,818 | 11,361 | 101,240 | 9,554 |
| Revenue | € | 97,862,584 | 113,298,491 | 126,622,634 | 95,713,359 | 3,504,762 | 24,774,541 | 2,629,972 |

^{*}The value for Pharma Partners is the figure provided, while it was calculated as the difference for all the other sites

| MATERIALS USED BY WEIGHT | M.U. | TOTAL | | | BREAKDOWN BY ENTITY | | | | |
|---|------|--------|--------|--------|-----------------------|----------------------------|----------------------|--------------------|--|
| REF. GRI 301-1 | | 2021 | 2022 | 2023 | PALLADIO GROUP SPA | PALLADIO IRELAND LTD | PALLADIO EAST DOO | PHARMA PARTNERS | |
| Renewable materials used | t | 27,382 | 29,303 | 29,159 | 19,063 | 1,069 | 9,029 | 396 | |
| Board | t | 20,577 | 21,827 | 22,370 | 14,012 | 950 | 7,397 | 10 | |
| Paper | t | 6,264 | 6,874 | 6,208 | 4,532 | 118 | 1,571 | 0 | |
| Supports for self- adhesive products | t | 542 | 601 | 581 | 520 | 0 | 61 | 386 | |
| Non-renewable materials used | t | 151 | 212 | 207 | 207 | 0 | 0 | 0 | |
| Aluminium for blister packs | t | 151 | 212 | 207 | 207 | 0 | 0 | 0 | |
| Total materials used | t | 27,534 | 29,514 | 29,365 | 19,270 | 1,069 | 9,029 | 396 | |



MATERIALS

| USED THAT HAVE BEEN RECYCLED | M.U. | TOTAL | | | BREAKDOW | N BY ENTITY | ENTITY | | | | |
|---|------|--------|--------|--------|----------|----------------------|--------------------|-----|--|--|--|
| REF. GRI 301-2 | | 2021 | 2022 | 2023 | IRFI AND | PALLADIO EAST DOO | PHARMA PARTNERS | | | | |
| Total materials used | t | 27,534 | 29,514 | 29,365 | 19,270 | 1,069 | 9,029 | 396 | | | |
| Recycled used materials | t | 4,232 | 4,391 | 4,254 | 2,069 | 18 | 2,163 | 4 | | | |
| Percentage of materials used from recycling | % | 15% | 15% | 14% | 11% | 2% | 24% | 1% | | | |

Environmental data

Table 4

| ENERGY CONSUMPTION WITHIN THE ORGANISATION | M.U. | TOTAL | | | BREAKDOWN BY ENTITY | | | | |
|---|------|--------|--------|--------|--------------------------|----------------------------|----------------------|--------------------------------------|--|
| REF. GRI 302-1 | - | 2021 | 2022 | 2023 | PALLADIO GROUP SPA | PALLADIO IRELAND LTD | PALLADIO EAST DOO | PHARMA PARTNERS 3 0 0 3 0 0 0 | |
| Consumption from non- renewable energy sources | GJ | 30,605 | 63,499 | 59,003 | 43,946 | 1,837 | 12,468 | 3 | |
| Natural gas | GJ | 18,627 | 14,797 | 12,459 | 10,242 | 0 | 2,217 | 0 | |
| Kerosene | GJ | 680 | 562 | 513 | 0 | 513 | 0 | 0 | |
| Electricity purchased (1) | GJ | 11,297 | 48,140 | 46,031 | 33,704 | 1,324 | 10,251 | 3 | |
| Consumption from renewable energy sources | GJ | 36,172 | 1,726 | 3,993 | 1,663 | 0 | 2,330 | 0 | |
| Self-produced electrical energy from photovoltaic systems | GJ | 428 | 1,726 | 3,993 | 1,663 | 0 | 2,330 | 0 | |
| Purchased electrical energy | GJ | 35,744 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Total energy consumed | GJ | 66,777 | 65,225 | 62,996 | 45,609 | 1,837 | 14,798 | 3 | |
| | | | | | | | | | |

(1) Electricity consumption from refuelling electric and hybrid company cars is considered outside the company boundary and is therefore not included under this item



| ENERGY INTENSITY | MII | TOTAL | BREAKDOWN BY ENTITY | | | | | | |
|---|--------|-------|---------------------|------|-----------------------|----------------------------|----------------------|--------------------|--|
| GRI 302-3 | – M.U. | 2021 | 2022 | 2023 | PALLADIO GROUP SPA | PALLADIO IRELAND LTD | PALLADIO EAST DOO | PHARMA PARTNERS | |
| Total energy consumed on finished product | GJ/t | 3.47 | 3.21 | 3.11 | 3.48 | 1.86 | 2.66 | 0.00458 | |

| Total energy consumed on hours worked | GJ/h | 0.18 | 0.17 | 0.17 | 0.18 | 0.16 | 0.15 | 0.00028 |
|--|------|------|------|------|------|------|------|---------|
| Electrical energy consumed on finished product | GJ/t | 2.46 | 2.45 | 2.47 | 2.70 | 1.34 | 2.26 | 0.00458 |
| Electrical energy consumed on hours worked | GJ/h | 0.13 | 0.13 | 0.13 | 0.14 | 0.12 | 0.12 | 0.00028 |



| WATER WITHDRAWAL GRI 303-3 | | TOTAL | | | BREAKDOWN BY ENTITY | | | |
|---|------|-------|------|------|-----------------------|----------------------------|----------------------|--------------------|
| | M.U. | 2021 | 2022 | 2023 | PALLADIO GROUP SPA | PALLADIO IRELAND LTD | PALLADIO EAST DOO | PHARMA PARTNERS |
| Total water withdrawal from all areas | MI | 10.8 | 10.2 | 9.7 | 7.9 | 0.1 | 1.4 | 0.3 |
| Well water | MI | 0.0 | 0.9 | 0.8 | 0.8 | 0.0 | 0.0 | 0.0 |
| Aqueduct water | MI | 10.8 | 9.3 | 8.9 | 7.1 | 0.1 | 1.4 | 0.3 |



| GHG EMISSIONS | | TOTAL | | | BREAKDOW | N BY ENTITY | | |
|---|------------------|--------|--------|--------|-----------------------|----------------------------|----------------------|--------------------|
| GRI 305-1/2/3 | M.U. | 2021 | 2022 | 2023 | PALLADIO GROUP SPA | PALLADIO IRELAND LTD | PALLADIO EAST DOO | PHARMA PARTNERS |
| Total GHG emissions (Scope 1, Scope 2, Scope 3) market-based | tCO ₂ | 24,049 | 29,832 | 28,520 | 20,793 | 725 | 6,720 | 282 |

| Total GHG emissions (Scope 1, Scope 2, Scope 3) location-based | tCO ₂ | 26,342 | 27,503 | 26,169 | 18,811 | 643 | 6,476 | 238 |
|--|------------------|--------|--------|--------|--------|-----|-------|-----|
| Direct (Scope 1) GHG emissions | tCO ₂ | 1,127 | 1,208 | 985 | 772 | 37 | 161 | 15 |
| Indirect GHG emissions from energy consumption (Scope 2) market-based | tCO ₂ | 2,501 | 7,057 | 6,762 | 4,282 | 210 | 2,175 | 95 |
| Indirect GHG emissions from energy consumption (Scope 2) location-based | tCO ₂ | 4,794 | 4,728 | 4,411 | 2,300 | 128 | 1,931 | 51 |
| Other indirect (Scope 3) GHG emissions | tCO ₂ | 20,421 | 21,567 | 20,773 | 15,739 | 478 | 4,384 | 172 |
| Virgin raw materials used | tCO ₂ | 13,914 | 15,232 | 15,064 | 11,369 | 361 | 3,327 | 8 |
| Recycled raw materials used | tCO ₂ | 1,545 | 1,573 | 1,527 | 1,163 | 15 | 346 | 3 |
| Waste generated during activities | tCO ₂ | 338 | 366 | 362 | 260 | 16 | 86 | 1 |
| Leased assets | tCO ₂ | 0 | 62 | 50 | 45 | 0 | 5 | 0 |
| Upstream transport and distribution | tCO ₂ | 1,895 | 1,941 | 1,478 | 1,236 | 26 | 216 | 0 |
| Downstream transport and distribution | tCO ₂ | 2,729 | 2,393 | 2,292 | 1,666 | 59 | 405 | 161 |
| Direct (Scope 1) and indirect emissions from energy consumption (Scope 2) market-based | tCO ₂ | 3,628 | 8,264 | 7,747 | 5,054 | 246 | 2,336 | 110 |
| Direct emissions (Scope 1) and indirect emissions from energy consumption (Scope 2) location-based | tCO ₂ | 5,921 | 5,936 | 5,396 | 3,072 | 165 | 2,093 | 66 |



GHG
EMISSIONS TOTAL BREAKDOWN BY ENTITY
INTENSITY
M.U.

| | M.U. | | | | | | | |
|---|---------------------|-------|-------|-------|-----------------------|----------------------------|----------------------|--------------------|
| GRI 305-4 | | 2021 | 2022 | 2023 | PALLADIO GROUP SPA | PALLADIO IRELAND LTD | PALLADIO EAST DOO | PHARMA PARTNERS |
| Total specific emissions of GHGs (Scope 1, Scope 2, Scope 3) market-based | tCO ₂ /t | 1.248 | 1.466 | 1.410 | 1.588 | 0.735 | 1.207 | 0.478 |
| Total GHG emissions (Scope 1, Scope 2, Scope 3) location-based | tCO ₂ /t | 1.367 | 1.352 | 1.293 | 1.437 | 0.652 | 1.164 | 0.403 |
| Specific direct GHG emissions (Scope 1) | tCO ₂ /t | 0.059 | 0.059 | 0.049 | 0.059 | 0.037 | 0.029 | 0.025 |
| Indirect specific GHG emissions from energy consumption (Scope 2) market-based | tCO ₂ /t | 0.130 | 0.347 | 0.334 | 0.327 | 0.213 | 0.391 | 0.161 |
| Indirect specific GHG emissions from energy consumption (Scope 2) location-based | tCO ₂ /t | 0.249 | 0.232 | 0.218 | 0.176 | 0.130 | 0.347 | 0.087 |
| Specific indirect GHG emissions (Scope 3) | tCO ₂ /t | 1.060 | 1.060 | 1.027 | 1.202 | 0.485 | 0.788 | 0.291 |
| Specific direct (Scope 1) and indirect (Scope 2) market-based emissions | tCO ₂ /t | 0.188 | 0.406 | 0.383 | 0.386 | 0.250 | 0.420 | 0.186 |
| Specific direct (Scope 1) and indirect (Scope 2) location-based emissions | tCO ₂ /t | 0.307 | 0.292 | 0.267 | 0.235 | 0.167 | 0.376 | 0.112 |

Table 9

| | | TOTAL | | | BREAKDOWN BY ENTITY | | | |
|--|------|-----------|-----------|-----------|-----------------------|----------------------------|----------------------|--------------------|
| CARBON PRICE | M.U. | 2021 | 2022 | 2023 | PALLADIO GROUP SPA | PALLADIO IRELAND LTD | PALLADIO EAST DOO | PHARMA PARTNERS |
| Carbon price total GHG emissions (Scope 1, Scope 2, Scope 3) market-based | € | 1,287,838 | 2,412,475 | 2,381,420 | 1,736,217 | 60,503 | 561,112 | 23,587 |
| Carbon price direct GHG emissions (Scope 1) | € | 60,363 | 97,653 | 82,253 | 64,458 | 3,067 | 13,482 | 1,246 |
| Carbon price indirect GHG emissions from energy consumption (Scope 2) market-based | € | 133,940 | 570,664 | 564,603 | 357,544 | 17,510 | 181,584 | 7,965 |
| Carbon price other indirect GHG emissions (Scope 3) | € | 1,093,535 | 1,744,157 | 1,734,563 | 1,314,215 | 39,926 | 366,047 | 14,376 |



| CARBON PRICE INDICATORS | M.U. | TOTAL | | | BREAKDOWN BY ENTITY | | | |
|---|------|--------|--------|--------|-----------------------|----------------------------|----------------------|--------------------|
| | | 2021 | 2022 | 2023 | PALLADIO GROUP SPA | PALLADIO IRELAND LTD | PALLADIO EAST DOO | PHARMA PARTNERS |
| Total GHG emissions indicator (Scope 1, Scope 2, Scope 3) market-based | €/€ | 0.0132 | 0.0213 | 0.0188 | 0.0181 | 0.0173 | 0.0226 | 0.0090 |

| Direct GHG emissions indicator (Scope 1) | €/€ | 0.0006 | 0.0009 | 0.0006 | 0.0007 | 0.0009 | 0.0005 | 0.0005 |
|---|-----|--------|--------|--------|--------|--------|--------|--------|
| Indirect GHG emissions indicator from energy consumption (Scope 2) market-based | €/€ | 0.0014 | 0.0050 | 0.0045 | 0.0037 | 0.0050 | 0.0073 | 0.0030 |
| Other indirect GHG emissions indicator (Scope 3) | €/€ | 0.0112 | 0.0154 | 0.0137 | 0.0137 | 0.0114 | 0.0148 | 0.0055 |



| PRODUCT WASTE | _ M.U. | TOTAL | | | BREAKDOWN BY ENTITY | | | |
|--|----------|--------|--------|--------|-----------------------|----------------------------|----------------------|--------------------|
| GRI 306-3 | _ 1VI.U. | 2021 | 2022 | 2023 | PALLADIO GROUP SPA | PALLADIO IRELAND LTD | PALLADIO EAST DOO | PHARMA PARTNERS |
| Total weight of waste produced | t | 10,723 | 11,735 | 12,154 | 8,125 | 403 | 3,600 | 26 |
| Hazardous waste | t | 108 | 113 | 119 | 90 | 11 | 18 | 0 |
| Non-hazardous waste | t | 10,615 | 11,622 | 12,035 | 8,035 | 393 | 3,581 | 26 |
| Percentage of hazardous waste in total | t | 1% | 1% | 1% | 1% | 3% | 1% | 0% |
| Percentage of non-hazardous waste in total | t | 99% | 99% | 99% | 99% | 97% | 99% | 100% |



| DESTINATION OF WASTE | | TOTAL | | | BREAKDOWN BY ENTITY | | | |
|--|------|--------|--------|--------|-----------------------|----------------------------|----------------------|--------------------|
| GRI 306-4 E 306-5 | M.U. | 2021 | 2022 | 2023 | PALLADIO GROUP SPA | PALLADIO IRELAND LTD | PALLADIO EAST DOO | PHARMA PARTNERS |
| Total weight of waste produced | t | 10,723 | 11,735 | 12,154 | 8,125 | 403 | 3,600 | 26 |
| Waste not destined for disposal | t | 10,477 | 11,474 | 11,946 | 7,951 | 388 | 3,581 | 26 |
| Waste for disposal | t | 246 | 262 | 208 | 174 | 16 | 18 | 0 |
| Percentage of non- disposal waste in total | t | 98% | 98% | 98% | 98% | 96% | 99% | 100% |
| Percentage of waste destined for disposal out of the total | t | 2% | 2% | 2% | 2% | 4% | 1% | 0% |

Supply Chain Data



SUSTAINABLE PROCUREMENT

| REF. GRI 2.6, 308-1, 414-1 | 2021 | 2022 | 2023 |
|----------------------------|------|------|------|
| Total Suppliers | 283 | 291 | 302 |
| Total new suppliers | 16 | 19 | 14 |

| Total new suppliers selected and qualified on the grounds of social and environmental criteria and on their impact on society | 10 | 18 | 13 |
|---|----------|----------|----------|
| Percentage of new Suppliers selected and qualified on the grounds of social and environmental criteria and on their impact on society | 63% | 95% | 93% |
| Total suppliers of raw material of forest origin (paper and cardboard) | 47 | 48 | 47 |
| Suppliers of raw material of forest origin compliant with EUTR 995/2010 and/or DDS (%) | 75.00% | 65.63% | 67.62% |
| Certified forest products and/or products from controlled sources (%) | 100% (1) | 100% (1) | 100% (1) |
| Supply acquired in local markets (%) | 75.50% | 71.82% | 69.00% |
| Total non-contractor suppliers audited on grounds of social, safety and environmental aspects (according to procedure PGS08) | 0 | 0 | 0 |
| Percentage of subcontractors audited on social, environmental and governance issues | * | 100% | 100% |

^{*}Data not available



PERCENTAGES OF SUPPLY PURCHASED ON THE LOCAL MARKETS OF THE COUNTRY WHERE EACH DIVISION IS BASED

| REF. 204-1 | 2021 | 2022 | 2023 |
|----------------------|--------|--------|--------|
| PALLADIO GROUP SPA | 56.00% | 58.00% | 63.00% |
| PHARMA PARTNERS | 95.00% | 94.90% | 96.10% |
| PALLADIO IRELAND LTD | 85.49% | 62.57% | 68.59% |
| PALLADIO EAST DOO | 50.43% | 48.05% | 48.32% |

⁽¹⁾ Pharma Partners is excluded from this calculation as it does not purchase any paper or cardboard

Health and safety data



| WORKERS COVERED BY AN OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM REF. 403-8 | PALLADIO GROUP SPA | PHARMA PARTNERS | PALLADIO IRELAND LTD | PALLADIO EAST DOO |
|---|-----------------------|--------------------|----------------------------|----------------------|
| The percentage of all employees and non-employee workers, but whose work and/or workplace is controlled by the organisation, covered by an occupational health and safety management system based on recognised requirements and/or standards/guidelines. | 100% | 0% | 0% | 100% |



| NUMBER OF DEATHS TOTAL | | | | BREAKDOWN 2023 | | | |
|--|------|------|------|-----------------------|--------------------|----------------------------|----------------------|
| REF. 403-9 | 2021 | 2022 | 2023 | PALLADIO GROUP SPA | PHARMA PARTNERS | PALLADIO IRELAND LTD | PALLADIO EAST DOO |
| For all employees, the number of deaths as a result of accidents at work | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| For all workers who are not employees but whose work and/ or place of work is under the control of the organisation, the number of deaths as a result of accidents at work | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total number and rate of deaths as a result of accidents at work | 0 | 0 | 0 | 0 | 0 | 0 | 0 |



NUMBER AND RATE OF ACCIDENTS TOTAL

BREAKDOWN 2023

| REF. 403-9 | 2021 | 2022 | 2023 | PALLADIO GROUP SPA | PHARMA PARTNERS | PALLADIO IRELAND LTD | PALLADIO EAST DOO | NOTE |
|---|-------|-------|-------|--------------------------|--------------------|----------------------------|-------------------------|--|
| For all employees, the total number of occupational accidents that can be recorded | 21 | 27 | 21 | 16 | 1 | 1 | 3 | |
| For all employees the recordable occupational accident rate | 17.91 | 21.63 | 16.26 | 20.85 | 19.70 | 20.75 | 7.05 | Note: Calculated as follows: (no. of reports/ employee hours worked) x 1,000,000 |
| For all workers who are not employees, but whose work and/ or place of work is under the control of the organisation the total number of recordable accidents at work | 1 | 0 | 0 | 0 | 0 | 0 | 0 | |
| For all workers who are not employees, but whose work and/ or place of work is under the control of the organisation the rate of recordable accidents at work | 13.47 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | Note: Calculated as follows: (no. of reports/non- employed staff hours worked) x 1,000,000 |
| For all employees, the number of accidents at work alone with serious consequences (excluding deaths) | 1 | 0 | 1 | 0 | 0 | 0 | 1 | |
| For all employees occupational accident rate with serious consequences (excluding deaths) | 1.25 | 0.00 | 1.17 | 0.00 | 0.00 | 0.00 | 2.35 | Note: Calculated as follows: (no. of reports/ employee hours worked) x 1,000,000 |

| For all workers who are not employees, but whose work and/ or place of work is under the control of the organisation, the number of accidents at work alone with serious consequences (excluding deaths) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
|--|---|---|---|---|---|---|---|--|
| For all workers who are not employees, but whose work and/ or place of work is under the control of the organisation, the number of accidents at work alone with serious consequences (excluding deaths) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Note: Calculated as follows: (no. of reports/non- employed staff hours worked) x 1,000,000 |



| WORK-RELATED ILL HEALTH | TOTAL | | | BREAKDOWN 2023 | | | | |
|---|-------|------|------|-----------------------|--------------------|----------------------------|----------------------|--|
| REF. 403-10 | 2021 | 2022 | 2023 | PALLADIO GROUP SPA | PHARMA PARTNERS | PALLADIO IRELAND LTD | PALLADIO EAST DOO | |
| For all employees, the number of deaths resulting from occupational diseases | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| For all workers who are not employees but whose work and/or place of work is under the control of the organisation, the number of deaths resulting from occupational diseases | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| For all employees, the number of cases of occupational diseases that can be attributable to | 4 | 6 | 6 | 1 | 1 | 1 | 3 | |

| For all workers who are not employees but whose work and/or place of work is under the control of the organisation the number of cases of occupational diseases that can be recorded | 0 | 0 | 0 | 0 | 0 | |
|--|---|---|---|---|---|--|
|--|---|---|---|---|---|--|



H&S OTHER INFORMATION **TOTAL BREAKDOWN 2023**

| REF. — | 2021 | 2022 | 2023 | PALLADIO GROUP SPA | PHARMA PARTNERS | PALLADIO IRELAND LTD | PALLADIO EAST DOO | NOTE |
|--|-----------|-----------|-----------|--------------------------|--------------------|----------------------------|----------------------|---|
| Injuries on the road | 1 | 5 | 5 | 5 | 0 | 0 | 0 | |
| Days of absence due to injury (not in progress) | 619 | 457 | 486 | 369 | 12 | 0 | 105 | |
| For all employees the total number of hours worked | 1,172,578 | 1,248,287 | 1,291,791 | 767,406 | 50,768 | 48,195 | 425,422 | |
| For all workers who are not employees but whose work and/ or place of work is under the control of the organisation the total number of hours worked | 74,216 | 73,861 | 89,061 | 80,315 | 8,746 | 0 | 0 | |
| Total hours worked (employees and non-employees) | 1,246,794 | 1,322,148 | 1,380,851 | 847,722 | 59,513 | 48,195 | 425,422 | |
| Sick Time Off | 77,51 | 84,333 | 70,7 | 39,208 | 2,402 | 4,986 | 24,104 | |
| Hours of absence due to injuries (not in progress) | 4,952 | 3,656 | 3,888 | 2,952 | 96 | 0 | 840 | |
| Hours of absence due to accidents/ hours worked | 0.40% | 0.28% | 0.28% | 0.35% | 0.16% | 0.00% | 0.20% | Formula: hours off work due to accidents (not commuting)/ total hours worked |

| Absenteeism | 6.22% | 6.38% | 5.12% | 4.63% | 4.04% | 10.35% | 5.67% | Formula: hours of sick leave/ total hours worked |
|--------------------------|-------|-------|-------|-------|-------|--------|-------|---|
| Accident frequency index | 1.20 | 4.18 | 4.02 | 6.30 | 0.00 | 0.00 | 0.00 | Formula: ((Commuting accidents + deaths following an accident at work)/total hours worked) x 1000000 |
| Accident severity index | 0.50 | 0.35 | 0.35 | 0.44 | 0.20 | 0.00 | 0.25 | Formula: (days off work due to accidents (not commuting)/ total hours worked) x 1000 |

Social data



| DETAILED EMPLOYEE ANALYSIS - DIVERSITY | TOTAL | | | BREAKDOW | BREAKDOWN 2023 | | | | |
|---|------------|------|------|-----------------------|--------------------|----------------------------|----------------------|--|--|
| REF. 2.7–405.1 | 2021 | 2022 | 2023 | PALLADIO GROUP SPA | PHARMA PARTNERS | PALLADIO IRELAND LTD | PALLADIO EAST DOO | | |
| EMPLOYEES UNDER 30 YEAR | S OF AGE | | | | | | | | |
| Men | 119 | 105 | 103 | 67 | 1 | 2 | 33 | | |
| Women | 22 | 35 | 36 | 24 | 8 | 1 | 3 | | |
| Male employees | 5 | 6 | 5 | 3 | 0 | 0 | 2 | | |
| Female employees | 8 | 10 | 13 | 8 | 4 | 1 | 0 | | |
| Male workers | 114 | 99 | 98 | 64 | 1 | 2 | 31 | | |
| Female workers | 14 | 25 | 23 | 16 | 4 | 0 | 3 | | |
| Managers - men | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| Managers - women | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| EMPLOYEES BETWEEN 30 AN | D 50 YEARS | OLD | | | | | | | |
| Men | 330 | 332 | 313 | 185 | 6 | 9 | 113 | | |
| Women | 122 | 131 | 134 | 72 | 13 | 7 | 42 | | |
| Male employees | 28 | 28 | 30 | 19 | 1 | 0 | 10 | | |
| Female employees | 42 | 45 | 45 | 22 | 4 | 3 | 16 | | |
| Male workers | 292 | 293 | 274 | 158 | 5 | 8 | 103 | | |
| Female workers | 76 | 83 | 87 | 48 | 9 | 4 | 26 | | |

| Managers - men | 10 | 11 | 9 | 8 | 0 | 1 | 0 | | | | | |
|--------------------------------|-----|-----|-----|-----|---|---|----|--|--|--|--|--|
| Managers - women | 4 | 3 | 2 | 2 | 0 | 0 | 0 | | | | | |
| EMPLOYEES OVER 50 YEARS OF AGE | | | | | | | | | | | | |
| Men | 150 | 158 | 183 | 150 | 4 | 8 | 21 | | | | | |
| Women | 41 | 43 | 48 | 36 | 4 | 2 | 6 | | | | | |
| Male employees | 28 | 27 | 29 | 24 | 3 | 0 | 2 | | | | | |
| Female employees | 11 | 13 | 15 | 11 | 1 | 0 | 3 | | | | | |
| Male workers | 112 | 123 | 144 | 118 | 1 | 8 | 17 | | | | | |
| Female workers | 29 | 29 | 32 | 25 | 3 | 2 | 2 | | | | | |
| Managers - men | 10 | 8 | 10 | 8 | 0 | 0 | 2 | | | | | |
| Managers - women | 1 | 1 | 1 | 0 | 0 | 0 | 1 | | | | | |



DETAILED ANALYSIS ON EMPLOYEES -GENDER AND ROLE

TOTAL

BREAKDOWN 2023

| REF. 2.7-405.1 | 2021 | 2022 | 2023 | PALLADIO GROUP SPA | PHARMA PARTNERS | PALLADIO IRELAND LTD | PALLADIO EAST DOO |
|---|------|------|------|-----------------------|--------------------|----------------------------|----------------------|
| Total number of employees | 784 | 804 | 817 | 534 | 36 | 29 | 218 |
| Total number of employees - male | 599 | 595 | 599 | 402 | 11 | 19 | 167 |
| Total number of employees - female | 185 | 209 | 218 | 132 | 25 | 10 | 51 |
| Total number of employees - male employees | 61 | 61 | 64 | 46 | 4 | 0 | 14 |
| Total number of employees - female employees | 61 | 68 | 73 | 41 | 9 | 4 | 19 |
| Total number of employees - male employees | 518 | 515 | 516 | 340 | 7 | 18 | 151 |
| Total number of employees - female employees | 119 | 137 | 142 | 89 | 16 | 6 | 31 |
| Total number of employees - male managers | 20 | 19 | 19 | 16 | 0 | 1 | 2 |
| Total number of employees - female managers | 5 | 4 | 3 | 2 | 0 | 0 | 1 |



DETAILED ANALYSIS ON EMPLOYEES - CONTRACT*

TOTAL

BREAKDOWN 2023

| REF. 2.7 | 2021 | 2022 | 2023 | PALLADIO GROUP SPA | PHARMA PARTNERS | PALLADIO IRELAND LTD | PALLADIO EAST DOO |
|--|------|------|------|-----------------------|--------------------|----------------------------|----------------------|
| Total open-ended contracts - male | 533 | 535 | 543 | 382 | 11 | 10 | 140 |
| > FULL TIME | 529 | 531 | 539 | 378 | 11 | 10 | 140 |
| > PART TIME | 4 | 4 | 4 | 4 | 0 | 0 | 0 |
| Total open-ended contracts - female | 165 | 173 | 185 | 115 | 22 | 2 | 46 |
| > FULL TIME | 157 | 165 | 175 | 105 | 22 | 2 | 46 |
| > PART TIME | 8 | 8 | 10 | 10 | 0 | 0 | 0 |
| Total fixed-term contracts - male | 29 | 40 | 35 | 0 | 0 | 8 | 27 |
| > FULL TIME | 28 | 39 | 35 | 0 | 0 | 8 | 27 |
| > PART TIME | 1 | 1 | 0 | 0 | 0 | 0 | 0 |
| Total fixed-term contracts - female | 10 | 12 | 17 | 2 | 1 | 9 | 5 |
| > FULL TIME | 10 | 12 | 16 | 1 | 1 | 9 | 5 |
| > PART TIME | 0 | 0 | 1 | 1 | 0 | 0 | 0 |
| temporary workers - men | 37 | 20 | 20 | 20 | 0 | 0 | 0 |
| > FULL TIME | 37 | 20 | 20 | 20 | 0 | 0 | 0 |
| > PART TIME | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| temporary workers - women | 10 | 23 | 17 | 15 | 2 | 0 | 0 |
| > FULL TIME | 10 | 23 | 17 | 15 | 2 | 0 | 0 |
| > PART TIME | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Solidarity contract - male | 0 | 0 | 0 | 0 | 0 | N/A | N/A |
| > FULL TIME | 0 | 0 | 0 | 0 | 0 | N/A | N/A |
| > PART TIME | 0 | 0 | 0 | 0 | 0 | N/A | N/A |
| Solidarity contract - female | 0 | 0 | 0 | 0 | 0 | N/A | N/A |
| > FULL TIME | 0 | 0 | 0 | 0 | 0 | N/A | N/A |
| > PART TIME | 0 | 0 | 0 | 0 | 0 | N/A | N/A |

^{*} The Palladio Group does not hire employees by the hour



RECRUITMENT AND TERMINATION

TOTAL

BREAKDOWN 2023

| REF. 401-1 | 2021 | 2022 | 2023 | PALLADIO GROUP SPA | PHARMA PARTNERS | PALLADIO IRELAND LTD | PALLADIO EAST DOO |
|-----------------------------------|------|------|------|-----------------------|--------------------|----------------------------|----------------------|
| New hires men < 30 | 21 | 21 | 29 | 10 | 1 | 3 | 15 |
| New hires women < 30 | 5 | 13 | 22 | 16 | 3 | 1 | 2 |
| New hires men between 30 and 50 | 20 | 26 | 20 | 7 | 2 | 3 | 8 |
| New hires women between 30 and 50 | 10 | 12 | 13 | 8 | 2 | 1 | 2 |
| New Hires men > 50 | 1 | 1 | 5 | 1 | 1 | 2 | 1 |
| New hires women > 50 | 2 | 3 | 0 | 0 | 0 | 0 | 0 |
| Total new hires | 59 | 76 | 89 | 42 | 9 | 10 | 28 |
| Total contracts terminated | 31 | 64 | 74 | 24 | 7 | 10 | 33 |
| | | | | | | | |



| PARENTAL LEAVE TOTA |
|---------------------|
|---------------------|

BREAKDOWN 2023

| REF. 401-3 | 2021 | 2022 | 2023 | PALLADIO GROUP SPA | PHARMA PARTNERS | PALLADIO IRELAND LTD | PALLADIO EAST DOO |
|--|------|------|------|-----------------------|--------------------|----------------------------|----------------------|
| Number of eligible employees - male | 13 | 18 | 18 | 8 | 2 | 0 | 8 |
| Number of employees who have taken parental leave - male | 13 | 18 | 18 | 8 | 2 | 0 | 8 |

| Number of employees returning to work at the end of parental leave - male | 13 | 18 | 18 | 8 | 2 | 0 | 8 |
|---|----|----|----|---|---|---|---|
| Number of employees still on parental leave - male | 4 | 1 | 5 | 3 | 2 | 0 | 0 |
| Number of employees who returned to work after parental leave and who were still employed twelve months after they returned to work - men | 13 | 15 | 10 | 8 | 2 | 0 | 0 |
| Number of eligible employees – female | 6 | 9 | 13 | 9 | 0 | 1 | 3 |
| Number of employees who have taken parental leave - female | 6 | 9 | 13 | 9 | 0 | 1 | 3 |
| Number of employees returning to work at the end of parental leave - female | 1 | 6 | 10 | 9 | 0 | 0 | 1 |
| Number of employees still on parental leave - female | 4 | 4 | 8 | 5 | 0 | 1 | 2 |
| number of employees who returned to work after parental leave and who were still employed twelve months after they returned to work - female | 1 | 7 | 9 | 7 | 0 | 0 | 2 |



OTHER RELEVANT **EMPLOYEE INFORMATION**

TOTAL

BREAKDOWN 2023

| REF. 201 – 2.30 | 2021 | 2022 | 2023 | PALLADIO GROUP SPA | PHARMA PARTNERS | PALLADIO IRELAND LTD | PALLADIO EAST DOO |
|--|------|------|------|-----------------------|--------------------|----------------------------|----------------------|
| Number of employees who received an increase | 70 | 720 | 328 | 95 | 5 | 10 | 218 |

| Economic benefits/ rewards | 737 | 756 | 821 | 542 | 33 | 28 | 218 |
|---|---------|---------|---------|--------|-------|----------|--------|
| Disciplinary measures taken | 27 | 20 | 41 | 29 | 0 | 0 | 12 |
| Number of ethical reports | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total vacation hours | 124,372 | 120,201 | 138,431 | 88,273 | 4,426 | 3,86 | 41,872 |
| Total overtime hours | 45,992 | 64,648 | 47,984 | 16,241 | 1,077 | 602 | 30,065 |
| Total hours of strike | 168 | 108 | 224 | 224 | 0 | 0 | 0 |
| Total number of hours spent in trade union meetings | 238 | 409 | 350 | 350 | 0 | 0 | 0 |
| Number of employees associated with trade unions | 85 | 92 | 103 | 100 | 3 | 0 | 0 |
| Affected by Disability | 26 | 27 | 26 | 23 | 1 | 0 | 2 |
| Foreign | 37 | 40 | 47 | 26 | 3 | 18 | 0 |
| National collective labour agreement* | - | - | - | 100% | 100% | N/A | N/A |
| Average incoming salaries of newly recruited men | 950 | 1,092 | 1,424 | 1,694 | 3,439 | 11.3 (1) | 554 |
| Average incoming salaries of newly recruited women | 1,036 | 995 | 1,048 | 1,899 | 1,745 | 11.3 (1) | 537 |
| Minimum wage applicable according to local law | 866 | 853 | 875 | 1,425 | 1,756 | 11.3 (1) | 310 |
| Ratio between the standard entry salary for men and the local minimum wage | 1.18 | 1.49 | 1.48 | 1.19 | 2.36 | 1.00 | 2.19 |
| Ratio of the standard entry salary for women to the local minimum wage | N/A | 1.35 | 1.26 | 1.33 | 1.39 | 1.00 | 2.13 |
| Average age | 42 | 42 | 42 | 44 | 41 | 44 | 39 |
| Minimum age | _ | - | - | 18 | 18 | 19 | 19 |

National collective agreements*: all employees in Italy are covered by national collective agreements. With foreign employees, the Palladio group has entered into individual contracts that comply with local laws Wage values are expressed in local currency

(1) hourly pay value

Training data



| TRAINING | TOTAL | | | BREAKDO | OWN 2023 | | | |
|---|--------|--------|--------|--------------------------|--------------------|----------------------------|-------------------------|--|
| REF. 404-1/2, 412-2 | 2021 | 2022 | 2023 | PALLADIO GROUP SPA | PHARMA PARTNERS | PALLADIO IRELAND LTD | PALLADIO EAST DOO | NOTE |
| Total hours of training | 20,425 | 19,054 | 22,719 | 19,998 | 704 | 432 | 1,584 | |
| Average training per employee | 26 | 24 | 28 | 37 | 20 | 15 | 7 | Formula: (total hours of training/total no. employees) |
| Total hours of training - male | 16,274 | 12,656 | 14,934 | 13,293 | 209 | 178 | 1,254 | |
| Average training rate for male employees | 27,17 | 21,27 | 24,93 | 33,07 | 19,00 | 9,37 | 7,51 | Formula: (total hours of training men/no. male employees) |
| Total hours of training - female | 4,151 | 6,398 | 7,784 | 6,705 | 495 | 254 | 330 | |
| Average training rate for female employees | 22,44 | 30,61 | 35,71 | 50,8 | 19,8 | 25,4 | 6,47 | Formula: (total hours of training women/ no. female employees) |
| Total hours of training - employees | 4,357 | 4,077 | 4,964 | 4,378 | 275 | 8 | 303 | |
| Average hours of training for employees | 36 | 33 | 36 | 50 | 21 | 2 | 9 | Formula: (total hours of training office staff/ no. office staff employees) |
| Total hours of training - workers | 16,069 | 14,977 | 17,754 | 15,62 | 429 | 424 | 1,281 | |
| Average hours of training for workers | 25 | 23.37 | 27 | 36 | 19 | 18 | 7 | Formula: (total hours of training labourers/ no. labourer employees) |
| Total hours of training on safety issues | 8,2 | 8,701 | 10,989 | 10,13 | 146 | 11 | 702 | |
| Total hours of training on ethical issues | 105 | 176 | 98 | 42 | 0 | 0 | 56 | |
| Total number of employees trained on ethical issues | 41 | 82 | 81 | 42 | 0 | 0 | 39 | |



REVIEWS

PERCENTAGE
OF EMPLOYEES
RECEIVING REGULAR
PERFORMANCE
AND CAREER
DEVELOPMENT

TOTAL

BREAKDOWN 2023

| REF. 404-3 | 2021 | 2022 | 2023 | PALLADIO GROUP SPA | PHARMA PARTNERS | PALLADIO IRELAND LTD | PALLADIO EAST DOO | NOTE |
|---|--------|--------|--------|--------------------------|--------------------|----------------------------|----------------------|---|
| Number of male employees who received performance and professional development assessment | 52 | 48 | 45 | 43 | 2 | 0 | 0 | |
| Percentage of male office staff who received performance and professional development assessment | 85.25% | 78.69% | 70.31% | 93.48% | 50.00% | N/A | 0.00% | Formula: (Number of male office staff who received performance and professional development assessment/no. of male office staff) |
| Number of female office staff who received performance and professional development assessment | 34 | 32 | 44 | 37 | 7 | 0 | 0 | |
| Percentage of female office staff who received performance and professional development assessment | 55.74% | 47.06% | 60.27% | 90.24% | 77.78% | 0.00% | 0.00% | Formula: (Number of female office staff who received performance and professional development assessment/no. of female office staff |
| Number of male workers who have received performance and professional development assessment | 21 | 18 | 17 | 16 | 1 | 0 | 0 | |
| Percentage of male labourers who received performance and professional development assessment | 4.05% | 3.50% | 3.29% | 4.71% | 14.29% | 0.00% | 0.00% | Formula: (Number of male labourers who received performance and professional development assessment/no. of male labourers) |

| Number of female labourers who received performance and professional development assessment | 2 | 2 | 3 | 2 | 1 | 0 | 0 | |
|--|--------|--------|-------|-------|-------|-------|-------|--|
| Percentage of female labourers who received performance and professional development assessment | 1.68% | 1.46% | 2.11% | 2.25% | 6.25% | 0.00% | 0.00% | Formula: (Number of female labourers who received performance and professional development assessment/no. of female labourers) |
| Number of employees trained to develop their skills | 464 | 236 | 484 | 453 | 13 | 0 | 18 | |
| Number of hours dedicated to training for employee capacity building | 3159.5 | 2874.5 | 4211 | 3584 | 234 | 0 | 393 | |

Governance data



| DIVERSITY IN GOVERNING BODIES - PALLADIO GROUP SPA BODY | TOTAL | | |
|--|-------|------|------|
| REF. 405-1 | 2021 | 2022 | 2023 |
| Total members of governing bodies | 7 | 7 | 9 |
| Men under 30 years of age | 0 | 0 | 0 |
| Men between 30 and 50 years of age | 0 | 0 | 2 |
| Men over 50 years of age | 6 | 6 | 6 |
| Women under 30 years of age | 0 | 0 | 0 |
| Women between 30 and 50 years of age | 1 | 1 | 1 |
| Women over 50 years of age | 0 | 0 | 0 |



| ANNUAL TOTAL COMPENSATION RATIO | TOTAL | | NOTE | |
|---|-------|------|--|--|
| (REF. 2.21) | 2022 | 2023 | | |
| Annual Total Compensation Ratio | 5.06 | 4.64 | Formula: Total annual salary of the person receiving the maximum salary / Average total annual salary of all employees of the organisation excluding the aforementioned person | |
| Variation ratio for the total annual salary | 0 | 1 | Formula: Percentage increase in the total annual salary of the person receiving the maximum salary / Average percentage increase in the total annual salary of all employees of the organisation excluding the aforementioned person | |

Please note that this is only for Palladio Group S.p.A.



Attachments

Annex 1 Methodological note

(Ref. GRI 2-4,29; 3-1,2,3)

Stakeholder

In order to understand and manage the needs of our partners and stakeholders, and to deepen sustainability issues with them, we have opened a source of constant and open dialogue with our stakeholders, ensuring that mutual expectations are met.

Below is the list of Palladio Group's stakeholders:

- Trade associations
- · Public administration, government and steering bodies
- · Shareholders/Ownership
- Management
- · Banks and insurance companies
- Customers
- · Collaborators (employees, collaborators, interns, temporary workers)
- · Suppliers of products, services and subcontractors
- Schools and Universities
- Trade unions
- Independent auditing and certification institutes
- Voluntary sector (Foundations, associations and NGOs)
- · People living near the company sites
- Consumers
- Future generations
- The environment

Materiality analysis

We kept the same materiality analysis as the previous report, so we could give continuity to our sustainability reporting. The process to identify the most relevant sustainability issues saw us involved in four main activities:

1 – Understanding the context of the organisation

In continuity with previous update activities of the Materiality Analysis, the organisational context of the Palladio Group has been further deepened taking into account:

- the activities and business model (including types of services offered, markets served, etc.) and business relationships with customers, suppliers, and other relevant parties;
- the sustainability context (market and legislative, internal and external, focused on social, environmental, economic, human rights-related issues, etc.);
- the main stakeholders.

2 - Identification of actual and potential impacts

The results of the context analysis, which also considered the demands, expectations and needs that emerged from the continuous dialogue with stakeholders, as well as insights provided by experts in ESG issues, allowed us to identify a first list of impacts – current and potential, positive and negative – on the economy, the environment and people, including those on human rights. Each impact was associated with one or more relevant sustainability issues, collected in the list submitted for management evaluation, which then proceeded to validate the list.

3 - Assessing the importance of impacts

The next phase of the Materiality Analysis process saw the involvement of company management and other stakeholders in the evaluation of impacts and related sustainability issues. In particular, the stakeholders involved include:

- Direct involvement: management (15), collaborators (7);
- Indirect involvement: trade unions, trade associations, public administration
 and governing bodies and management, independent auditing and certification bodies, charity sector, banks and insurance, consumers, environment,
 customers, future generations, schools and universities, product suppliers,
 services and subcontractors. The involvement of these stakeholders took
 place by asking the management of Palladio Group to evaluate through a
 proxy approach.

Participants were asked to complete an assessment questionnaire asking them to express an opinion on the relevance of the impact on a scale from 1 ("Not very relevant") to 5 ("Priority").

4 - Prioritisation of the most significant impacts

The assessment of the significance of the impacts made it possible to prioritise each of them according to their importance. The impacts were then sorted in a decreasing order, from most to least significant. Subsequently, management set the threshold that determines the most significant impacts at a value of 3.4.

Annex 2 Table of coefficients used for environmental calculations

| DESCRIPTION | | M.U. | CONVERS FACTOR | SION | SOURCES |
|----------------------|--------------------------------------|------------------------|-------------------|---------|--|
| | Density | t/l | 0,0008 | | |
| KEROSENE | Lower calorific value (LCV) | GJ/t | 44,196 | | https://www.seai.ie/data-and-insights/seai-statistics/ conversion-factors |
| | Emission factor | tCO ₂ /TJ | 71,4 | | |
| | Lower calorific | GJ/ | ITALY | 35.457 | Table parametri standard nazionali |
| | value (LCV) | 1000Stm ³ | SERBIA | 33,338 | www.aers.rs/Index.asp?l=2&a=662 |
| NATURAL GAS | Emission | tCO ₂ /TJ | ITALY | 58,504 | https://emissioni.sina.isprambiente.it/wp-content/uploads/2023/04/NIR2023.pdf |
| | factor | 2 | SERBIA | 56,100 | IPCC (2006 IPCC Guidelines for National Greenhouse Gas Inventory) |
| | | gCO ₂ /kWh | ITALY | 456.570 | https://www.aib-net.org/sites/default/files/assets/facts/residual-mix/2021/AIB_2021_Residual_Mix_Results_1_1.pdf |
| | Emission factor (market-based) | | IRELAND | 570.090 | https://www.aib-net.org/sites/default/files/assets/ facts/residual-mix/2021/AIB_2021_Residual_Mix_ Results_1_1.pdf |
| ELECTRICAL ENERGY | | | SERBIA | 763.740 | https://www.aib-net.org/sites/default/files/assets/facts/residual-mix/2021/AIB_2021_Residual_Mix_Results_1_1.pdf |
| ENERGY | | | ITALY | 245.700 | https://www.isprambiente.gov.it/files2022/ pubblicazioni/rapporti/r363-2022.pdf |
| | factor (location- | gCO ₂ / kWh | IRELAND | 347.800 | https://www.seai.ie/publications/Energy-in- Ireland-2022.pdf |
| | based) | | SERBIA | 678.200 | https://www.climatiq.io/data/emission- factor/313f3afe-04c8-4cbd-895f-6eb6dbffe715 |
| TRANSPORT | Conversion factor | gCO ₂ /km | 668.320 | | http://www.sinanet.isprambiente.it/it/sia-ispra/ fetransp |

| CARBON PRICE | Conversion factor | €/tCO ₂ | 83.50 | | https://www.sendeco2.com/en/prices-co2 | | |
|----------------------|-------------------|------------------------|---|--------|--|-------|---|
| GENERATED | factor | NgOO ₂ /ton | Not intended for disposal | 21,28 | UK Government GHG Conversion Factors for Company Reporting 2022 | | |
| WASTE | Conversion | kgCO ₂ /ton | Intended for disposal | 520.33 | UK Government GHG Conversion Factors for Company Reporting 2022 | | |
| ALUMINIUM | factor | tCO ₂ /ton | Recycled | 0.990 | UK Government GHG Conversion Factors for Company Reporting 2023 (Aluminium cans and foil / Closed-loop source) | | |
| AT HEADINGS | Conversion | +00 h = - | Other | 9.109 | UK Government GHG Conversion Factors for Company Reporting 2023 (Aluminium cans and foil) | | |
| | | | Recycled | 1.891 | UK Government GHG Conversion Factors for Company Reporting 2023 (Plastic: average plastic film - closed-loop source) | | |
| ADHESIVE MATERIAL | Conversion factor | tCO ₂ /ton | Other | 2.560 | UK Government GHG Conversion Factors for Compa Reporting 2023 (Plastic: average plastic film) | | |
| | | | Bolloré | 2.560 | UK Government GHG Conversion Factors for Compa Reporting 2023 (Plastic: average plastic film) | | |
| | | | Recycled | 0.730 | UK Government GHG Conversion Factors for Company Reporting 2023 | | |
| PAPER | Conversion factor | tCO ₂ /ton | Other | 0.868 | (Paper and board: paper closed-loop source) | | |
| | | | Bolloré | 0.868 | UK Government GHG Conversion Factors for Company Reporting 2023 | | |
| | | | Packaging (Not virgin corrugated carton board) | 1.850 | https://consumerecology.com/ carbon-footprint-of-a-cardboard-box/ | | |
| | | | Packaging (Virgin corrugated carton board) | 1.140 | Calculated as weighted average of previous emission factors and reduced by 13% | | |
| BOARD | factor | tCO ₂ /ton | Recycled | 0.274 | https://www.mm-karton.com/en/news-unfolded/ excellent-co2-balance-of-cartonboard-packaging- proven-by-latest-study/ | | |
| | Conversion | | | | Other | 0.326 | https://www.mm.group/fileadmin/user_upload/Medi Library_MMAG/Fuer_Investoren/Berichte/2023/ MM_Annual_Report_2023.pdf |
| | | | MM karton | 0.370 | https://www.storaenso.com/-/media/documents/download-center/documents/annual-reports/2023.storaenso_annual_report_2023.pdf | | |
| | | | Stora Enso | 0.233 | STORAENSO_Annual_Report_2023 | | |

SUSTAINABILITY REPORT 2024 Additional documents

Declaration of assurance



Independent Assurance Statement

SGS Italia S.p.A. has been appointed by the Management of Palladio Group SpA ("Palladio Group") to conduct an audit of the Sustainability Report for the 2023 reporting period (Financial Statements) with respect to the "Global Reporting Initiative Sustainability Reporting Standards" defined in 2021 by the GRI - Global Reporting Initiative (hereinafter "GRI Standards 2021").

Our responsibility in carrying out the work commissioned to us, in accordance with the conditions agreed with the Organization, is solely addressed to the management of Palladio Group.

This Independent Assurance Statement is intended solely for Palladio Group stakeholders and is not intended to be and should not be used by anyone other than them.

DIRECTORS' RESPONSIBILITY FOR THE SUSTAINABILITY REPORT

The responsibility for preparing the Sustainability Report in accordance with the GRI Standards lies with the directors of Palladio Group, as well as the definition of objectives in relation to sustainability performance and reporting of the results achieved.

It is also the responsibility of the directors of Palladio Group the identification of stakeholders and significant aspects to be reported, as well as the implementation and maintenance of adequate management and internal control processes relating to the data and information presented in the Sustainability Report.

INDEPENDENCE OF THE VERIFIER AND QUALITY CONTROL

SGS Italia S.p.A. declares its independence from Palladio Group and considers that there is no conflict of interest with the Organization, its subsidiaries and Interested Parties.

SGS Italia S.p.A. maintains a quality control system that includes documented guidelines and procedures on compliance with ethical principles and professional principles.

RESPONSIBILITY OF THE VERIFIER

SGS Italia S.p.A.'s responsibility is to express a conclusion on the reliability and accuracy of the information, data and assertions contained in the 2023 Sustainability Report and assess their compliance with the reference requirements, within the scope of verification below, with the aim of informing all Interested Parties.

The audit included the following activities, in line with what was agreed with Palladio Group:

- Analysis, according to Limitated Assurance Engagement, activities and data related to sustainability, attributable to the period between January 2023 and December 2023, as reported in the Sustainability
- Evaluation of the Reporting principles referred to in the GRI Standards 2021, according to the option "In accordance with".

The activity was carried out according to the criteria indicated in the standard "International Standard on Assurance Engagement 3000 (Revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information" (ISAE 3000), issued by the International Auditing and Assurance Standards Board, for assignments consisting of a limited review.



VERIFICATION METHODOLOGY

The audit concerned the assessment of compliance with the principles for defining the content and quality of the Financial Statements, which include the "GRI Standards 2021". They are summarized below:

- analysis, through interviews, of the governance system and the management process of issues related to sustainable development related to the company's strategy and operations;
- analysis of the process for defining the relevant issues reported in the Sustainability Report with reference to the methods of analysis and understanding of the reference context, identification, evaluation and prioritization of actual and potential impacts and the internal validation of the results of
- analysis of the compliance and internal consistency of the qualitative information contained in the Report and analysis of the operating methods of the processes underlying the generation, collection and management of quantitative data included in the Financial Statements. In particular, the following were
- interviews with Palladio Group's corporate representatives involved in the operational management of the aspects reported in the document in order to collect information regarding the information, accounting and reporting system in place for the preparation of the Financial Statements, as well as the internal control processes and procedures that support the collection, aggregation, processing and transmission of data and information to the function responsible for preparing the Financial
- sample analysis of supporting documentation in order to obtain evidence of the processes in place, their adequacy and the functioning of the internal control system for the correct processing of data and information in relation to the objectives described in the Financial Statements.

The verification team was chosen on the basis of the technical competence, experience and qualification of each member, in relation to the different dimensions assessed.

The audit activities were carried out in May 2024 remotely involving the various corporate functions of the

The companies Palladio East Doo (Vršac site, Serbia) and Palladio Ireland Packaging Solutions Limited, selected on the basis of activities and contribution to the indicators at consolidated and location level, were carried out remote interviews with managers and documented evidence was acquired about the correct application of the procedures and calculation methods used for the indicators.

LIMITATIONS

The information and data of an economic and financial nature relating to the Group's consolidated financial statements at 31.12.2023, included in the Sustainability Report, have not been verified by SGS.

CONCLUSIONS

On the basis of the work carried out, no elements have come to the attention of SGS Italia S.p.A. to suggest that the Palladio Group Sustainability Report for the year ended 31 December 2023 has not been drawn up, in all significant aspects, in accordance with the requirements of the GRI Standards as described in the chapter 1.2 of the Sustainability Report.

Milan, 7.06.2024

SGS Italia S.p.A.

M. Laura Ligi Knowledge Project Leader

• GRI content index

Declaration of use

Palladio has drafted the financial statements in accordance with the GRI Standards for the period 01.01.23-31.12.23.

GRI 1 used

GRI 1: Foundation 2021

Applicable GRI sectoral standards

Not applicable

General information

| GRI STANDARD / OTHER SOURCE | DISCLOSURE | PAGES |
|------------------------------------|---|--------------------------|
| | 2-1 Organisational details | 1.1.3 |
| | 2-2 Entities included in the organisation's sustainability report | 1.1.4 |
| | 2-3 Reporting period, frequency and point of contact | Methodological note |
| | 2-4 Review of information | GRI Tables |
| | 2-5 External Assurance | Declaration of assurance |
| | 2-6 Activities, value chain and other business relationships | 2.2 |
| | 2-7 Employees | 3.1–GRI Tables |
| GRI 2: General information 2021 | 2-8 Non-employees | 3.1–GRI Tables |
| | 2-9 Structure and composition of governance | 1.2.1 |
| | 2-10 Appointment and selection of the highest governing body | 1.2.1 |
| | 2-11 Chairman of the highest governing body | 1.2.1 |
| | 2-12 Role of the highest governance body in controlling impact management | 1.2.1. |
| | 2-13 Delegation of responsibility for impact management | 1.2.1. |
| | 2-14 Role of the highest governance body in sustainability reporting | 1.2.1. |
| | 2-15 Conflicts of interest | |

| | 2-16 Communication of critical issues | |
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| | 2-17 Collective knowledge of the highest governing body | 1.2.1. |
| | 2-18 Performance evaluation of the highest governance body | 1.2.1. |
| | 2-19 Rules concerning remuneration | 1.2.1. |
| | 2-20 Procedure for determining remuneration | 1.2.1. |
| | 2-21 Annual total remuneration ratio | GRI Tables |
| | 2-22 Declaration on the sustainable development strategy | Letter to Stakeholders |
| GRI 2: General information 2021 | 2-23 Policy commitment | 1.2 |
| | 2-24 Integration of policy commitments | 1.2 |
| | 2-25 Processes aimed at remedying negative impacts | 1.2 |
| | 2-26 Mechanisms for seeking clarification and raising concerns | |
| | 2-27 Compliance with laws and regulations | 1.3.4 |
| | 2-28 Membership in associations | |
| | 2-29 Approach to stakeholder engagement | 2.1.1 |
| | 2-30 Collective agreements | GRI Tables |
| Material topics | | |
| GRI 3: Material topics 2021 | 3-1 Process of determining material topics | 1.2.2- Methodological note |
| · | 3-2 List of material topics | 1.2.2– Methodological note |
| Economic develo | pment | |
| GRI 3: Material topics 2021 | 3-3 Management of material topics | 1.2.2– Methodological note |
| GRI 201: Economic performance 2016 | 201-1 Economic value directly generated and distributed | 1.3–GRI Tables |
| | 201-2 Financial implications and other risks and opportunities due to climate change | 1.3 |
| | 201-3 Defined Benefit Pension Plans and Other Retirement Plans | 1.3 |
| | 201-4 Financial assistance received from the government | 1.3 |
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| Sustainable Supp | ly Chain | |
| GRI 3: Material topics 2021 | 3-3 Management of material topics | 1.2.2– Methodological note |
| GRI 204: Procurement Practices | 204-1 Proportion of expenditure to local suppliers | 2.2 |
| GRI 308: Environmental assessment of suppliers | 308-1 1 New suppliers that have been evaluated using environmental criteria | 2.2 |
| GRI 411: Rights of Indigenous Peoples | 411-1 Infringements of indigenous peoples' rights | 2.2 |
| GRI 414: Social assessment of suppliers | 414-1 New suppliers who have undergone evaluation through the use of social criteria | 2.2 |
| Ethics and Integri | ty | |
| GRI 3: Material topics 2021 | 3-3 Management of material topics | 1.2.2- Methodological note |
| GRI 205: Anti-corruption | 205-1 Transactions assessed for corruption risks | 1.3.4 |
| | 205-2 Communication and training on anti-corruption policies and procedures | 5.2.4 |
| | 205-3 Established incidents of corruption and actions taken | 1.3.4 |
| GRI 206: Anti-competitive behaviour | 206-1 Legal action for anti-competitive, antitrust and monopolistic practices | 1.3.4 |
| Investments and | Innovation | |
| | IIIIOVation | |
| GRI 3: Material topics 2021 | 3-3 Management of material topics | 1.2.2- Methodological note |
| | 3-3 Management of material topics | |
| Material topics 2021 | 3-3 Management of material topics | |
| Material topics 2021 Relations with Cus GRI 3: | 3-3 Management of material topics Stomers | Methodological note 1.2.2- |
| Material topics 2021 Relations with Cus GRI 3: Material topics 2021 | 3-3 Management of material topics Stomers | Methodological note 1.2.2- |
| Material topics 2021 Relations with Custom GRI 3: Material topics 2021 Product liability GRI 3: | 3-3 Management of material topics Stomers 3-3 Management of material topics 3-3 Management of material topics | Methodological note 1.2.2- Methodological note 1.2.2- |
| Material topics 2021 Relations with Custom GRI 3: Material topics 2021 Product liability GRI 3: Material topics 2021 | 3-3 Management of material topics Stomers 3-3 Management of material topics 3-3 Management of material topics | Methodological note 1.2.2- Methodological note 1.2.2- |

| Climate change | | |
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| Energy | | |
| GRI103: Management Approach | 103-1 Explanation of the material topic and its scope | 1.2.2– Methodological note |
| GRI 302: Energy | 302-1 Energy consumed within the organisation | 4.1–GRI Tables |
| | 302-3 Energy intensity | 4.1–GRI Tables |
| GHG emissions | | |
| GRI103: Management Approach | 103-1 Explanation of the material topic and its scope | 1.2.2– Methodological note |
| GRI 305: Emissions | 305-1 Direct GHG emissions (Scope 1) | 4.1–GRI Tables |
| | 305-2 Indirect GHG emissions from energy consumption (Scope 2) | 4.1–GRI Tables |
| | 305-3 Other indirect GHG emissions (Scope 3) | 4.1–GRI Tables |
| | 305-4 Intensity of GHG emissions | 4.1–GRI Tables |
| Waste manageme | ent | |
| GRI 3: Material topics 2021 | 3-3 Management of material topics | 1.2.2– Methodological note |
| GRI 306: Waste 2020 | 306-1 Generation of waste and significant impacts related to waste | 4.1.5–GRI Tables |
| | 306-2 Management of significant impacts related to waste | 4.1.5–GRI Tables |
| | 306-3 Waste generated | 4.1.5–GRI Tables |
| | 306-4 Waste brought to landfills | 4.1.5–GRI Tables |
| Health & Safety | | |
| GRI 3: Material topics 2021 | 3-3 Management of material topics | 1.2.2– Methodological note |
| GRI 403: Occupational health and safety | 403-1 Occupational health and safety management system | 3.2.3 |
| | 403-2 Hazard identification, risk assessment and accident investigation | 3.2.3 |
| | 403-3 Occupational medicine services | 3.2.3 |
| | 403-4 Participation and consultation of workers and communication on health and safety at work | 3.2.3 |
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| | 403-5 Training of workers in occupational health and safety | 3.2.3 |
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| | 403-6 Promoting workers' health | 3.2.3 |
| | 403-7 Prevention and mitigation of occupational health and safety impacts within trade relations | 2.2 |
| | 403-8 Workers covered by an occupational health and safety management system | 3.2.3–GRI Tables |
| | 403-9 Workplace Accidents | 3.2.3–GRI Tables |
| | 403-10 Occupational diseases | 3.2.3–GRI Tables |
| Human capital ma | anagement | |
| GRI 3: Material topics 2021 | 3-3 Management of material topics | 1.2.2– Methodological not |
| GRI 404: Training and Education | 404-1 Average annual training hours per employee | 3.3–GRI Tables |
| | 404-2 Employee skills update programmes and transition assistance programmes | 3.3 |
| | | |
| | 404-3 Percentage of employees receiving periodic performance and professional development evaluation | 3.3–GRI Tables |
| Equal Opportunit | | 3.3–GRI Tables |
| Equal Opportunit GRI 3: Material topics 2021 | professional development evaluation | 3.3–GRI Tables 1.2.2– Methodological not |
| GRI 3: Material topics 2021 GRI 405: Diversity and Equal | ies & Giving value to Diversity | 1.2.2- |
| GRI 3: Material topics 2021 GRI 405: Diversity and Equal Opportunity GRI 406: | professional development evaluation ies & Giving value to Diversity 3-3 Management of material topics | 1.2.2– Methodological not |
| GRI 3: Material topics 2021 GRI 405: Diversity and Equal Opportunity GRI 406: Non-discrimination | professional development evaluation ies & Giving value to Diversity 3-3 Management of material topics 405-1 Diversity in governing bodies and among employees | 1.2.2– Methodological not GRI Tables |
| GRI 3: | professional development evaluation ies & Giving value to Diversity 3-3 Management of material topics 405-1 Diversity in governing bodies and among employees | 1.2.2- Methodological not GRI Tables 1.3.4 |
| GRI 3: Material topics 2021 GRI 405: Diversity and Equal Opportunity GRI 406: Non-discrimination Human rights GRI 3: Material topics 2021 GRI 408: | professional development evaluation ies & Giving value to Diversity 3-3 Management of material topics 405-1 Diversity in governing bodies and among employees 406-1 Episodes of discrimination and corrective measures taken | 1.2.2- Methodological not GRI Tables 1.3.4 |
| GRI 3: Material topics 2021 GRI 405: Diversity and Equal Opportunity GRI 406: Non-discrimination Human rights GRI 3: | professional development evaluation ies & Giving value to Diversity 3-3 Management of material topics 405-1 Diversity in governing bodies and among employees 406-1 Episodes of discrimination and corrective measures taken 3-3 Management of material topics | 1.2.2- Methodological not GRI Tables 1.3.4 1.2.2- Methodological not |
| GRI 3: Material topics 2021 GRI 405: Diversity and Equal Opportunity GRI 406: Non-discrimination Human rights GRI 3: Material topics 2021 GRI 408: Child Labour GRI 409: Forced or Compulsory | professional development evaluation ies & Giving value to Diversity 3-3 Management of material topics 405-1 Diversity in governing bodies and among employees 406-1 Episodes of discrimination and corrective measures taken 3-3 Management of material topics 408-1 Activities and suppliers at significant risk of child labour 409-1 Activities and suppliers at significant risk of forced or compulsory | 1.2.2- Methodological not GRI Tables 1.3.4 1.2.2- Methodological not 5.1.4 |

| 412- 3 Significant investment agreements and contracts that include human | 5.1 |
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| rights clauses or that underwent human rights screening | 0.1 |

| OTHER NON-MATERIAL TOPICS REPORTED | | | | |
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| Water and Efflue | nts | | | |
| GRI 3: Material topics 2021 | 3-3 Management of material topics | 1.2.2– Methodological note | | |
| GRI 303: Water and effluents 2018 | 303-1 Interaction with water as a shared resource | 4.1.4 | | |
| | 303-2 Management of impacts related to water discharge | 4.1.4 | | |
| | 303-3 Water withdrawal | 4.1.4–GRI Tables | | |
| Employment | | | | |
| GRI 3: Material topics 2021 | 3-3 Management of material topics | 1.2.2– Methodological not | | |
| GRI 401: Employment | 401-1 New hires and turnover | GRI Tables | | |
| | 401- 2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | 3.2–GRI Tables | | |
| | 401-3 Parental Leave | 3.2-GRI Tables | | |
| Industrial Relatio | ns | | | |
| GRI 3: Material topics 2021 | 3-3 Management of material topics | 1.2.2– Methodological not | | |
| GRI 402: Labour/Management Relations | 402-1 Minimum notice period for operational changes | 5.1 | | |

| Support to local communities | | | |
|--------------------------------|--|-------------------------------|--|
| GRI 3: Material topics 2021 | 3-3 Management of material topics | | |
| GRI 413: Local Communities | 413-1 Activities involving local communities, impact assessments and development programmes | 5.2 | |
| | 413-2 Activities with significant negative, potential and current impacts on local communities | 5.2 | |
| Public Policy | | | |
| GRI 3: Material topics 2021 | 3-3 Management of material topics | 1.2.2– Methodological note | |
| GRI 415: Public Policy | 415-1 Political contributions | 5.2.4 | |
| Protection of Biodiversity | | | |
| GRI 3: Material topics 2021 | 3-3 Management of material topics | 1.2.2– Methodological note | |

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