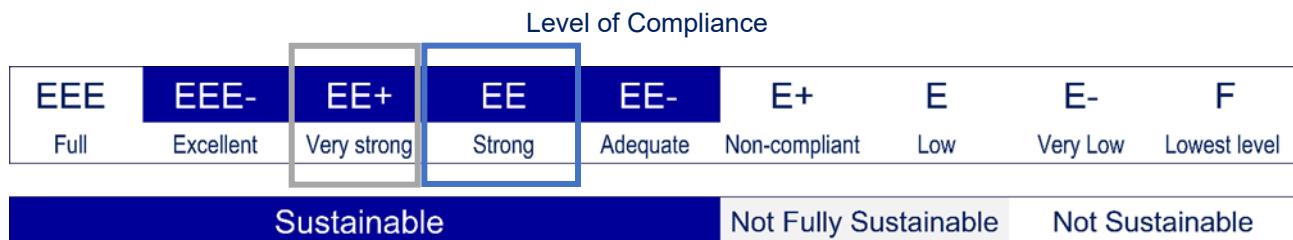


Standard Ethics Rating [<sup>corp</sup>SER]: **EE**  
Long Term Expected <sup>corp</sup>SER [1y to 2y]: **EE+**

**Issuer:** **Garofalo Health Care S.p.A.**  
**Listing:** Borsa di Milano  
**ISIN:** IT0005345233  
**Market Capitalisation:** 468,1 Mln EUR  
**Sector:** *Health Care*  
**Industry:** *Health Care and Services*  
**Type of rating:** Corporate Standard Ethics Rating [SER]  
**Date:** 15 November 2025  
**Expiry Date:** 5 November 2026  
**Last action:** 14 November 2024  
**Previous SER:** **EE- Outlook Positive**  
**Type of document:** Rating Report



## Summary

Garofalo Health Care (GHC) S.p.A. is one of the leading operators of accredited private healthcare in Italy. Listed since 2018, in 2021 it was included in Euronext STAR Milan.

New acquisitions, with a significant expansion in size, have characterised the Group's recent development. It has therefore increased the number of facilities that have to follow its sustainability policies that are supported by an adequate system of guidance, control and ESG Risk Management.

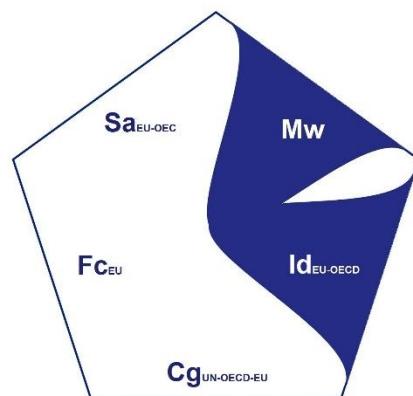
On the Environmental (E) level, coinciding with the strengthening of activities GHG has taken measures in the area of energy efficiency and procurement from renewable sources.

In the Social (S) area, measures have been taken in relation to the quality of care and patient relations. An internal assessment for the Group's human resources retention and recruitment areas has been carried out. The Company has also made progress in the area of digitalisation. Governance (G) of Sustainability pursues constant alignment with international UN, OECD and EU guidelines and also demonstrates a solid system of minority shareholder protection.

The non-financial reporting system appears to be reinforced by appropriate internal procedures in line with good industry practices. Further gradual measures to be introduced in its sustainability policies are expected.

The medium- and long-term outlook is positive.

## Snapshot (adj.)



Each side of the diamond represents one of the five "standards" measured by the Standard Ethics Algorithm. The symbolic representation of a normal (Gaussian) distribution provides an intuitive indication of those areas where the Company probably will, or should, take action. See below for further details.

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## BACKGROUND, METHODOLOGY, RATING

New elements – such as the evolution of the Internet – have created open and transparent markets, in which growing segments of the population participate. This has resulted in greater attention to tangible and intangible **non-financial** factors, with repercussions on the trust and credibility of issuers and businesses in general.

Standard Ethics believes that the free market, however fallible, volatile and, obviously, focused on economic variables has evolved and is proving to be an important and independent system to assess the **sustainability**<sup>1</sup> of numerous human activities. The Standard Ethics Rating contributes to refining strategies, language and ways in which a business operates on the market.

### STANDARD ETHICS

The Standard Ethics<sup>®</sup> brand has been active in the ESG (Environmental, Social, Governance) ratings sector since 2004. Standard Ethics Ltd wholly controls Standard Ethics Europe Srl, a Milan-based subsidiary operating in the European Union.

### STANDARD ETHICS RATING

The Standard Ethics Rating (SER) is a Solicited Sustainability Rating expressed through nine letter-based rating classes (Notches): F; E-; E; E+; EE-; EE; EE+; EEE-; EEE; where the “EE-” represents the so-called “Sustainable Grade”: the appropriate level of “compliance”. The methodology has been tested since 2004 and combines three features:

- **Solicited.** It is issued only at the request of an applicant, by means of a direct, bilateral and regulated agreement. It is managed by analysts throughout the analysis phase, the data collection process, and the final evaluation (analyst-driven process).
- **Standard.** It is always comparable to other ratings, as the methodology and issuance parameters are aligned to pre-established guidelines, and the algorithm takes into account the size and typology of the issuer. In the case of Standard Ethics, the main parameters are the guidelines on governance and sustainability issued by the European Union, the OECD, and the United Nations.
- **Independent.** The Agency ensures impartiality and independence, as it provides applicants solely with rating-related services, does not engage in consultancy, does not use the collected data for asset management advisory (to funds or banks), nor does it share them with third parties, and maintains no equity or financial ties with applicants.

In short, the Standard Ethics Rating is an opinion representing the level of compliance by companies (and sovereign nations) to sustainability principles adopted by the following international organisations:

- United Nations (UN);
- Organisation for Economic Cooperation and Development (OECD);
- European Union (EU).

Standard Ethics may issue unsolicited ratings to create and maintain sustainability indices. It is not an income-generating activity, but it is financed by the Agency to increase its knowledge of ESG issues in the various national economic sectors, to map the evolving stage of sustainability, and to provide points of reference to clients.

The methodology followed for its analyses is the same as for solicited ratings and is also an analyst-driven rating process.

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<sup>1</sup> Standard Ethics believes that the nature of sustainability is based on three cornerstones:

a) Voluntary sustainable development policies are about future generations and have a global dimension. It is up to the main supranational organisations, officially recognised by nations across the globe, to establish strategies, definitions and guidelines through science.  
b) Economic entities pursue goals, strategies and guidelines as far as possible without defining them.  
c) Measuring the sustainability of economic entities means providing comparable and third-party data on their compliance with international guidelines.

“Standard Ethics devises three laws of Sustainability”. <http://www.standardethics.eu/media/press-releases.html>.

## SE ANALYSIS UNIT

During the process that resulted in this Final Report, the **Analysis Unit** studied the entity requesting the rating both through check-lists and through **Guidelines** reserved for Clients, delving into the following 27 areas, divided into 264 subsections or **analysis points**):

- MARKET AND COMPETITORS (the market and competitors, divided into **13 subsections**)
- MARKETS AND DOMINANT POSITIONS (markets and dominant positions, divided into **10 subsections**)
- CONTRACTS, FINANCING AND PUBLIC AID (contracts, financing, and public aid, divided into **7 subsections**)
- MARKET DISTORTIONS, FAVOURITISM & CORRUPTION (market distortions, favouritism and corruption, divided into **8 subsections**)
- OWNERSHIP, SHARE CAPITAL AND SHAREHOLDERS (share capital, ownership and shareholders, divided into **10 subsections**)
- INTERNAL VOLUNTARY RULES ON OWNERSHIP (internal voluntary rules on ownership, divided into **6 subsections**)
- INDEPENDENCE AND CONFLICT OF INTERESTS (conflict of interests, divided into **12 subsections**)
- PROTECTION OF MINORITY MEMBERS AND DIRECTORS' APPOINTMENT (safeguards for minority shareholders and appointment of Directors, divided into **7 subsections**)
- COMMUNICATION, INFORMATION AND TRANSPARENCY (divided into **5 subsections**)
- BOARD OF DIRECTORS AND EXECUTIVE GROUP TRANSPARENCY (divided into **11 subsections**)
- INTERNAL VOLUNTARY RULES REGARDING MANAGEMENT (divided into **10 subsections**)
- INDEPENDENCE AND CONFLICT OF INTERESTS (Directors and conflicts of interests, divided into **13 subsections**)
- DISCLOSURE AND TRANSPARENCY (reporting and transparency, divided into **25 subsections**)
- PARTICIPATION AND VOTE IN GENERAL MEETINGS (attendance and right to vote at Shareholders' Meetings, divided into **5 subsections**)
- ARTIFICIAL INTELLIGENCE (artificial intelligence, divided into **10 subsections**)
- EMPLOYMENT AND HUMAN RESOURCES SELECTION (recruitment policies and human resources management, divided into **19 subsections**)
- HEALTH, SAFETY AT WORK AND SOCIAL DIALOGUE (health and safety, divided into **16 subsections**)
- ADAPTATION TO CHANGES (adaptation to changes, divided into **7 subsections**)
- ENVIRONMENT (environment, divided into **21 subsections**)
- CONSUMERS AND QUALITY (consumers and quality, divided into **13 subsections**)
- SCIENCE AND TECHNOLOGY (science and technology, divided into **5 subsections**)
- CRYPTO ASSETS (divided into **3 subsections**)
- LOCAL COMMUNITIES (local communities, divided into **3 subsections**)
- BUSINESS PARTNERS (suppliers and partnerships, divided into **13 subsections**)
- HUMAN RIGHTS (human rights, divided into **6 subsections**)
- ANIMAL WELFARE (divided into **4 subsections**)
- ESG STRATEGIES (divided into **2 subsections**)

## RESEARCH OFFICE

The **Research Office** has analysed the work and opinions of the Analysis Unit before approving the rating level and this Final Report. To maximise independence of judgement, transparency and traceability of the process, the Agency uses internal procedures, checks and the segregation of data and information (Chinese Walls) between offices.

## SE CHECKLIST AND ALGORITHM OF SUSTAINABILITY<sup>©</sup>

The SER is an aggregate, forward-looking rating in absolute and comparable values, classifiable among the "ESG opinions" as described by EU Regulation 2024/3005.

It consists of three parts listed here in the order in which they are calculated: Secondary Factor (E and S); Primary Factor (G); Final Rating (equal to G +/- Override).

The **Secondary Factor** is the result of a pre-analysis of social and environmental policies and objectives. The evaluation provides an **E Level** and an **S Level**. The calculation is on an algebraic basis following check-lists with 30 markers and 90 possible inputs. The Secondary Factor is comparable between entities but, in itself, does not yet provide significant information about ESG compliance. It directs the analyst to the second step: establishing certain inputs to be fed into the Proprietary Algorithm.

The **Primary Factor** is aggregate G (Sustainability Governance). It is the result of a subsequent calculation performed by the Proprietary Algorithm, which puts together five standards. The Primary Factor is then determined by 35 markers and 119 possible inputs based on Guideline data, influenced by the Secondary Factor, and then adjusted by mathematical functions.

The **Proprietary Algorithm** is based on five “standards” ( $F_{CEU}$ ;  $S_{AEU-OECD}$ ;  $M_w$ ;  $I_{DEU-OECD}$ ;  $C_{UN-OECD-EU}$ ) and a reward variable “k”. The balance between the five “standards” determines the aggregate G.

**$F_{CEU}$  = Fair Competition** Main areas: Fair competition, including analysis of dominant positions, market distortions, cartels. Factors that may affect the other variables (Sources: primarily the EU, also including sanctioning measures from OECD regulators).

**$S_{AEU-OECD}$  = Shareholders' Agreements** Main areas: Shareholders' agreements, rights of minority shareholders, access to information (Sources: primarily the EU and the OECD, also including sanctioning measures from OECD regulators).

**$M_w$  = Market weight**. Main areas: Shareholding structure, weight and type of major shareholders, potential conflicts of interests in relation to other variables (Sources: mainly OECD regulators).

**$I_{DEU-OECD}$  = Independent Directorship** Main areas: Structure and quality of boards and executive groups, ESG Risk and Control Management system, Risk Analysis. This standard is most likely to mitigate the risks associated with other variables and can increase the “k” variable. (Sources: mainly the EU and the OECD).

**$C_{UN-OECD-EU}$  = Corporate Governance and Sustainability** Main areas: Overall assessment of ESG strategies and reporting, E and S policies (based on E Level and S Level) also in relation with other variables (Sources: mainly the EU, OECD and UN, and Standard Ethics' check-list on E and S).

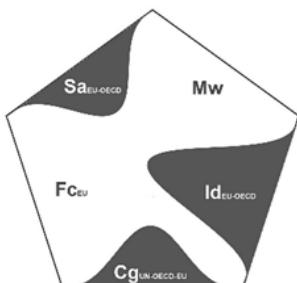
**k = Sustainability at Risk (SaR)** Statistical projections

$$\frac{(F_{CEU} + S_{AEU-OECD} + I_{DEU-OECD} + M_w * f(S_{AEU-OECD}) * f(I_{DEU-OECD}) + C_{UN-OECD-EU} * f(F_{CEU}) * f(I_{DEU-OECD}))}{10} + k$$

#### ISSUED RATING

Standard Ethics Rating [<sup>corp</sup>SER]: **EE**  
Long Term Expected <sup>corp</sup>SER [1y to 2y]: **EE+**

#### ALGORITHM – INPUT VALUES (SUMMARY)



E level: 6.05 out of 9

S level: 4.5 out of 9

G (aggregate): 4.9 out of 10

Cross-section of values of aggregate G:

$F_{CEU}$  = 1.9 out of 2

$S_{AEU-OECD}$  = 1.8 out of 2

$M_w$  = 0.1 out of 2

$I_{DEU-OECD}$  = 0.4 out of 2

$C_{UN-OECD-EU}$  = 1.5 out of 2

Note. The  $M_w$  variable can act as a neutral variable, with values below 1 indicating the presence of a main shareholder, thereby reducing the influence of a controlling shareholder. The type of shareholding represented by  $M_w$  is a factor taken into account when assessing related risk, especially for listed companies).

Each side of the diamond represents one of the five “standards” measured by the Standard Ethics Algorithm. The symbolic image of a standard normal distribution (Gaussian) intuitively illustrates the areas where the entity could take action, or where the greatest room for improvement remains.



## GAROFALO HEALTH CARE REPORT

### 1. MARKET AND DOMINANT POSITIONS

**Garofalo Health Care S.p.A.** (hereinafter, the “Company” or the “Group”, or “GHC”) is an Italian group operating in the field of private accredited health services.<sup>2</sup>

GHC started its activities in Rome, in the second half of the 1950s, thanks to the professional and entrepreneurial activities of brothers Raffaele, Antonio and Mario Garofalo.

Originally present through five healthcare facilities operating mainly in the acute sector, the Group has seen a progressive geographical and sectorial diversification especially since the 2000s, with the internal and external growth strategy launched under the leadership of Maria Laura Garofalo, the Group’s current CEO.

In 2018 the Group was listed on Euronext Milan, and in 2021, on Euronext STAR Milan.

GHC’s activity falls into the category of so-called “general interest” public services.<sup>3</sup> The Company’s target market is characterised by particularly high regulatory standards. Practising healthcare requires authorisation, accreditation and budget agreement, and requirements may vary on a regional basis.<sup>4</sup>

As of 30 June 2025, the Group had **37 health facilities** in **8 regions** in Northern and Central Italy.<sup>5</sup> In addition, there are **4** facilities owned by Il Fiocco S.c.a.r.l. (40% owned by GHC through Fi.d.es Medica S.r.l.).<sup>6</sup>

No significant shareholdings of GHC in other groups competing in the same market have been identified, nor does the Group appear to hold a dominant position<sup>7</sup> or benefit from any privileged arrangements.

The subject of **fair competition** is addressed in various internal documents, first and foremost in the recently updated Code of Ethics, in which the Group affirms its adherence to various international guidelines.<sup>8</sup> In particular, GHC’s approach to this issue is formally inspired by the **OECD Guidelines for Multinational Enterprises**.<sup>9</sup>

A special document entitled “Guidelines on Transactions of the Company and Its Subsidiaries of Significant Strategic, Economic, Equity or Financial Significance”

<sup>2</sup> The Italian State funds healthcare through the National Healthcare Fund and through funds allocated to Regions. The State is also responsible for managing most health services.

<sup>3</sup> As defined by the European Commission’s 2003 Green Paper. In Italy, access to the market by new operators depends on new authorisations being granted and new agreements being reached. The State and the Regions have concurrent powers to issue new authorisations.

<sup>4</sup> In Italy, accredited private healthcare organisations have to be authorised by regional laws (healthcare is a shared competence between the State and the Regions) which also regulate supervision over such activities. In order to provide public healthcare services on a par with State-owned healthcare facilities, Italian legislation envisages an accreditation system whereby Regions (usually) assess compliance with specific requirements that are necessary to provide hospitalisation and treatment, and issue related authorisations. These requirements are identical to those that State-owned facilities have to meet. According to Article 117, paragraph 3 of the Constitution, the State has the legislative power to establish the fundamental principles, whereas Regions are vested with similar legislative powers, and may regulate matters in compliance with the above-mentioned principles established by State laws. Source: Prospectus, p. 241 (only available in Italian).

<sup>5</sup> GHC operates according to the “Buy&Build” acquisition strategy, with 20 acquisitions made since 1999. Source: GHC Star Conference, March 2025.

<sup>6</sup> The documentation specifies that the regions in which the Group currently operates “have been selected as attractive in terms of: i) per capita health spending, ii) above-average per capita income for Italy; iii) sound financial health of the Regional Health Service; and iv) internal transport infrastructure.” Source: H1 2025 Directors’ Report, p. 5.

<sup>7</sup> Among the most recent transactions, it should be noted that on 18 July 2025, Garofalo Health Care S.p.A. was awarded “the assets and liabilities of Casa di Cura Città di Roma S.p.A. in liquidation (...). The transaction allows GHC to achieve – at regime – significant incremental benefits through an overall reorganisation of the activities provided by Città di Roma, Aurelia Hospital and European Hospital. (...) Città di Roma, accredited with the Regional Healthcare Service, is equipped with 112 authorised beds, of which 104 accredited, in the specialties of Urology, Gynaecology, Orthopaedics and Traumatology, General Surgery, General Medicine, Ophthalmology, Intensive Dependency Care, Day Surgery and Day Hospital. In 2025 an additional 60 beds (authorised and accredited) are expected to be activated, of which 30 in extensive Dependency Care and 30 in maintenance Dependency Care, which will increase the facility’s total equipment to 172 authorised beds (of which 164 accredited). In addition, the facility has two haemodialysis rooms with a total of 24 stations and provides specialist and diagnostic outpatient services under both accredited and private regimes.” Source: Press Release, 18 July 2025.

<sup>8</sup> This Report will give a more precise account of the various guidelines as they become relevant. Source: Code of Ethics, pp. 3 and 4.

<sup>9</sup> The reference also includes environmental and taxation issues. Source: Code of Ethics, p. 3.

ensures the Parent Company's control over the significant transactions of its direct or indirect subsidiaries.<sup>10</sup>

## 2. CONTRACTS, FINANCING AND PUBLIC AID

GHC operates under institutional accreditation and its services are paid for according to fee schedules with pre-established parameters.<sup>11</sup>

The sums owed to GHC by public bodies by way of remuneration, in compliance with the regulations, **do not** give rise to distortions of competition and incompatibilities with the prohibition of State aid.

An examination of the sources **does not** indicate that GHC has benefited from prohibited forms of State aid that distort the market.

## 3. MARKET DISTORTIONS, FAVOURITISM AND CORRUPTION

**Relationships with the Public Administration** (PA), of central importance given GHC's business,<sup>12</sup> are governed by safeguards aimed at preventing misconduct, patronage and conflicts of interest, as well as ensuring respect for fair competition.

The main references are the Organisational Model pursuant to Legislative Decree no. 231 of 2001 (the 231 Model) and the Code of Ethics.<sup>13</sup>

The latter, in particular, establishes rules of conduct aimed at guaranteeing the effectiveness of the Authority's controls also in relation to **services provided by the Italian National Health System**.<sup>14</sup>

The Group has an **Anti-corruption Policy**, which complements the system outlined in the 231 Model and the Code of Ethics to prevent, manage and mitigate risks related to **corruption** events.<sup>15</sup>

The Policy expressly refers to **international parameters**<sup>16</sup> and is based on the principle of "zero tolerance" towards corruption.<sup>17</sup>

The **OECD Guidelines for Multinational Enterprises** are the main references used to manage **taxation**.<sup>18</sup> Tax obligations fall to the individual companies, while the Parent Company plays a coordinating and supporting role.

The regulations on reporting violations (**whistleblowing**) are incorporated in the Code of Ethics<sup>19</sup> and each Group company adopts the relevant procedure.<sup>20</sup>

## 4. INTERNAL VOLUNTARY RULES ON OWNERSHIP

GHC has been **listed** on **Euronext STAR Milan** since 2021 and **Euronext Milan** since 2018. It is a member of the FTSE Italia Small Cap index.

<sup>10</sup> Updated in 2024. Source: Corporate Governance and Ownership Structure Report – 2024, pages 37 and 38.

<sup>11</sup> Source: Company source.

<sup>12</sup> As reported in previous Reports, due to the nature of the business, the Group's financial result depends significantly on relations with the PA (i.e., Regions and Local Health Authorities or ASLs).

<sup>13</sup> It should be noted that "The Group companies with organisational autonomy have (i) adopted and updated their own 231 Model, consistent with the 231 Model approved by the Parent Company, (ii) adopted the Group Code of Ethics, (iii) set up their Supervisory Boards and (iv) implemented Legislative Decree No. 24/23 on Whistleblowing by updating the Group's Code of Ethics, the 231 Models of the Group companies and introducing an IT platform in line with the regulations." Source: 2024 Directors' Report, p. 35.

<sup>14</sup> Source: Code of Ethics, p. 13.

<sup>15</sup> Source: 2024 Directors' Report, p. 123.

<sup>16</sup> Such as the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (1997), the Criminal Law Convention on Corruption of the Council of Europe (1999) and the United Nations Convention against Corruption (2004). In addition to these references, which are expressly defined as non-exhaustive, the Policy also refers to best practices and guidelines developed by private international organisations (ICC – International Chamber of Commerce, Transparency International, PACI – Partnering Against Corruption Initiative, and the UN Global Compact). Source: Anti-corruption Policy, p. 5 (only available in Italian).

<sup>17</sup> Source: Anti-corruption Policy, p. 3 (only available in Italian).

<sup>18</sup> Source: Code of Ethics, p. 3.

<sup>19</sup> Source: 2024 Directors' Report, p. 117.

<sup>20</sup> In particular, "the Procedures for handling reports outline (i) the ways in which whistleblowers are protected by confidentiality and retaliation mechanisms, in accordance with applicable legislation implementing Directive (EU) 2019/1937 of the European Parliament and the European Council, (ii) the composition of the 'Whistleblowing Committee', (iii) the mechanisms for forwarding reports to the bodies responsible for analysis within their area of competence, and (iv) the investigation procedures." Source: 2024 Directors' Report, pages 122-123.

As at 30 June 2025,<sup>21</sup> GHC's share capital amounted to EUR **31,570,000**, divided into **90,200,000** Ordinary Shares with no nominal value.<sup>22</sup>

The main shareholder is Maria Laura Garofalo who directly and indirectly holds **65.09%** of the **share capital** and **63.90%** of the **voting share capital**. It is followed by **Fondazione Enasarco**, with **5.28%** of the share capital and **5.18%** of the voting share capital. The rest is on the market.<sup>23</sup>

**Increased voting rights** can be used. As outlined in previous Reports, the controlling shareholder **waived** this privilege in 2021.<sup>24</sup>

None of the main shareholders is an off-shore company.

A form of employee financial participation in the Company's capital (**EFP** – Employee Financial Participation) is envisaged for certain categories of personnel, through the **2024-2026 Performance Share Plan**.<sup>25</sup>

In July 2024, the Company issued a **bond** named "Garofalo Health Care 6.332% 2024-2031".<sup>26</sup> Specific **ESG KPIs** have been defined in agreement with the Financial Institutions, allowing the loan to qualify as a **Sustainability Linked Loan**.<sup>27</sup>

There are no listed derivative instruments with GHC Shares as underlying assets.<sup>28</sup>

## 5. OWNERSHIP AND CONFLICTS OF INTEREST

There are no significant shareholders who are public authorities with regulatory functions in the market in which the Group operates.

The Code of Ethics addresses **conflicts of interest**, including those arising from **family relationships**.<sup>29</sup> Further safeguards on the subject are provided by the aforementioned Anti-Corruption Policy.<sup>30</sup>

On the subject of **gifts**, those that exceed normal business practices are generally prohibited.<sup>31</sup>

<sup>21</sup> Source: H1 2025 Directors' Report, p. 36.

<sup>22</sup> Of which "(...) 88,527,000 Shares with simple voting right and 1,673,000 Shares that have accrued additional voting rights (two votes for each Share) (...)." Source: Corporate Governance and Ownership Structure Report – 2024, p. 13.

<sup>23</sup> Source: H1 2025 Directors' Report, p. 37.

<sup>24</sup> The Company "announces that it has received from the majority shareholder Ms. Maria Laura Garofalo communication of her waiver of the loyalty voting rights accruing to her." Source: Press Release, 1 March 2021.

<sup>25</sup> It should be noted that that "For recipients who are members of the Board, there is also a lock-up period until the termination of their current term of office on the date of delivery of each set of Shares, during which 30% of the Shares may not be transferred in any way to a third party." Source: Corporate Governance and Ownership Structure Report – 2024, p. 14.

<sup>26</sup> In this regard, it should be noted that "The transaction, of up to Euro 275 million, (...) was structured on a fully unsecured basis, fully removing the guarantees under the previous loan, allowing GHC to extend the average life of the debt beyond 5 years (from the current 2 years). Confirming the increasing importance of ESG issues for the Group, which already has a long-term Investment Grade EE+ ('Very Strong') ESG rating assigned by Standard Ethics, it should also be noted that the bank loan provides for the introduction of a 'SDG-Linked' margin adjustment mechanism that may allow the Group a further reduction in the interest rate on the achievement of ESG targets, the latter to be defined within 12 months." Sources: Press Release, 8 July 2024; 2024 Directors' Report, p. 67.

<sup>27</sup> In July 2025, the following KPIs were defined: 1) Purchased electricity from certified renewable sources; 2) Growth in bookings through digital channels; 2bis) Quality of care indicators (in terms of patient satisfaction). Source: Company source.

<sup>28</sup> It should be noted that "(...) during 2024, effective July 2024, the Company entered into a derivative financial instrument (Interest Rate Swap) with a notional amount equal to two-thirds of the new medium/long-term bank loan, disbursed for Euro 126.8 million, in order to hedge against the risk of rising interest rates and to stabilise future interest charge payment flows. The fair value as of December 31, 2024 of the above-mentioned Interest Rate Swap was Euro 860 thousand, which was recorded under 'Liabilities for non-current derivative financial instruments'." Source: 2024 Directors' Report, p. 45.

<sup>29</sup> The commitment to avert "(...) conflicts of interest – even potential ones" is one of the Group's values laid down in its Code of Ethics (point 1.7). This means that there are some specific obligations including averting "any conflict of interest between personal and family economic activities and the role held at GHC, and any form of collaboration that conflicts with the responsibilities assumed towards it, must be avoided." (point 2.2). Source: Code of Ethics, pages 6-8.

<sup>30</sup> Source: Anti-Corruption Policy, p. 9 (only available in Italian).

<sup>31</sup> There are exceptions, such as "Acts of business courtesy, including gifts or forms of hospitality (...) of modest value or such that they do not compromise the integrity or reputation of either party" as long as "An impartial observer must not be able to interpret such gifts as an attempt to acquire improper advantages". Source: Code of Ethics, p. 8.

## 6. PROTECTION OF MINORITY SHAREHOLDERS AND APPOINTMENT OF DIRECTORS

The Company is working towards adopting a policy that formalises the engagement process with shareholders and stakeholders with a view to protect minority shareholders as well.<sup>32</sup>

A further safeguard can be found in the so-called “**list voting**” for the election of the members of the body with strategic and management functions (the Board of Directors) and of the body with control functions (the Board of Statutory Auditors).

The composition of the Company’s corporate bodies, moreover, must comply with the requirements of **diversity** governed by a dedicated Group **Policy** on the subject.<sup>33</sup>

## 7. INTERNAL VOLUNTARY RULES FOR DIRECTORS

GHC has adopted a “**traditional**” management and control system.

The **Board of Directors** (BoD) has **11** members.<sup>34</sup>

**Gender parity** has been achieved.<sup>35</sup> There are **5** Directors out of a total of 11 who meet the **independence** requirements.<sup>36</sup>

The Company has **not** appointed a Lead Independent Director.<sup>37</sup> There is **no** employee representative on the Board.

The Board of Directors has duly established an **Appointments and Remuneration Committee**,<sup>38</sup> and a **Control, Risks and Sustainability Committee**,<sup>39</sup> which are tasked with collecting information, making proposals and giving advice.<sup>40</sup>

The main instrument containing voluntary ethical conduct rules (Internal Voluntary Rules, IVR) is the **Code of Ethics**. Also applicable to Directors, it **formally** incorporates the main **international guidelines**.<sup>41</sup>

**All the functions of the Company** (including senior management) are subject to the control of the **Supervisory Board**, which is also responsible for handling and verifying reports of possible violations.<sup>42</sup>

## 8. DIRECTORS, CONFLICT OF INTERESTS AND RELATED COMMITTEES

As noted in the previous Report, there is evidence of **family ties** among board members.<sup>43</sup>

**No** Director is a member of local or national government institutions, judiciary bodies, or entities awarding concessions or licences or performing market control functions. There are no cases of cross-directorship or accumulation of offices within the Group (interlocking directorship).

<sup>32</sup> The adoption is expected by the end of 2026. Source: Company source.

<sup>33</sup> Adopted by the Board of Directors in March 2021, the Diversity Policy provides non-binding guidelines on aspects such as gender, age, educational and professional background, to be taken into account in order to identify an optimal qualitative and quantitative composition of the Company’s Board of Directors and Board of Statutory Auditors. The policy thus guarantees an effective performance of tasks and responsibilities entrusted to the management and control bodies. Source: Policy on Diversity of the Administrative and Control Bodies, pages 3 and subsequent (only available in Italian).

<sup>34</sup> Appointed by the Shareholders’ Meeting of 29 April 2024 and in office until the approval of the Financial Statements for the year ending 31 December 2026, its composition is as follows: Alessandro Maria Rinaldi (Chairperson), Maria Laura Garofalo (Chief Executive Officer), Claudia Garofalo, Guido Dalla Rosa Prati, Giuseppe Giannasio, Alessandra Rinaldi Garofalo, Luca Matrigiani, Federico Ferro-Luzzi, Giancarla Branda, Franca Brusco and Alberto Oliveti. Source: Press Release, 30 April 2024.

<sup>35</sup> There are 6 male Directors out of 11. The number of female Directors is 5 including the CEO. Source: Press Release, 29 April 2024.

<sup>36</sup> According to GHC’s statement, on “*On March 7, 2025, the Board – as part of its annual assessment activities – verified the independence requirements for the Non-Executive Directors Franca Brusco, Giancarla Branda, Federico Ferro-Luzzi and Luca Matrigiani and Alberto Oliveti.*” The independence requirements are construed according to both the Consolidated Act on Financial Intermediation (TUF) and the Corporate Governance Code. Source: Corporate Governance and Ownership Structure Report – 2024, pages 48 and 49.

<sup>37</sup> The Company points out the following: “*given that the circumstances that require their appointment did not apply.*” Source: Corporate Governance and Ownership Structure Report – 2024, p. 49.

<sup>38</sup> Its members are Federico Ferro-Luzzi (Chairman), Franca Brusco, Alberto Oliveti. Source: Corporate website.

<sup>39</sup> Its members are Franca Brusco (Chairman), Giancarla Branda and Federico Ferro-Luzzi. Source: Corporate website.

<sup>40</sup> Described in the respective internal regulations, which are published on GHC’s institutional website and updated to 2024. Source: Corporate website.

<sup>41</sup> Source: Code of Ethics, p. 3.

<sup>42</sup> Source: Corporate Governance and Ownership Structure Report – 2024, p. 72.

<sup>43</sup> See previous Reports for details.

The **Remuneration Policies** of GHC and the **compensation paid** to Directors and other senior staff are submitted annually to the Shareholders' Meeting and published.

Short- and medium-term **incentive mechanisms** linked to the achievement of **objectives** are envisaged, also in the area of **ESG**.<sup>44</sup>

## 9. DISCLOSURE, TRANSPARENCY AND INTERESTED PARTIES

Sustainability reporting for the 2024 financial year has been prepared on a consolidated basis, in accordance with the national provisions of **Decree 125/2024** implementing the (EU) Directive known as the Corporate Sustainability Reporting Directive (**CSRD**).<sup>45</sup>

The document also includes the information required under **Regulation (EU) 2020/852 ("European Taxonomy")**.<sup>46</sup>

The new "**Sustainability Reporting**" procedure sets out the processes related to the preparation of sustainability reporting, drafted according to the CSRD.<sup>47</sup>

The main information and documentation can also be found on the Group's institutional website, which is up-to-date and easy to consult. A separate section is devoted to sustainability, which summarises the Group's approach.

The **comply or explain** principle is formally referred to in the Code of Ethics.<sup>48</sup>

The system of internal controls is organised into the typical first, second and third level controls, and aims at identifying critical issues and mitigating **risks** including **ESG** risks.<sup>49</sup>

Since 2022, there has been a special **Enterprise Risk Management**<sup>50</sup> procedure, and specific action plans are adopted for all Group companies and facilities.<sup>51</sup>

In line with its sustainability objectives, the Company has conducted an analysis of the **physical-climatic risk** of its facilities in the Emilia-Romagna region, aimed at identifying potential impacts and defining possible improvements.<sup>52</sup>

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<sup>44</sup> For example, these are the targets (MBOs) for the CEO: in the environmental area "Assessment of acute climatic risks" consisting of an "Assessment on a panel of identified facilities potentially at high risk"; in the HR area "Qualitative and quantitative evaluation of processes in recruiting and retention in companies"; and in the area of "digital evolution", the "Roll-out of digital services on the MyGHC App on an identified scope of companies and site implementation for the other facilities". GHC specifies that "Initiatives related to identified ESG targets contribute an equal weight to the achievement of 20% of the ESG area." In the medium to long term, on the other hand, the target coincides with the "Definition and adoption by each structure of a succession strategy and completion of the initiatives in the action plan." Source: Report on the Remuneration Policy 2025 and the Compensation Paid in 2024, pages 26-28.

<sup>45</sup> Source: 2024 Directors' Report, p. 42.

<sup>46</sup> It is entitled "Information Required by the European Regulation on the Taxonomy of Environmentally Sound Activities". Source: 2024 Directors' Report, pages 79 and subsequent.

<sup>47</sup> With the adoption of the Procedure, the GHC Group plans to ensure that sustainability information disclosed to the public is i) complete, i.e., able to provide stakeholders with an adequate picture of current and prospective corporate performance, and ii) verified, i.e., subject to adequate scrutiny prior to disclosure. In order to achieve this objective, each Management/Organisational Function of GHC S.p.A. and its subsidiaries, to the extent of its competence, has to apply and enforce the provisions of this procedure. Furthermore, no other subsidiary of the Group shall autonomously disclose to the public the consolidated Sustainability Report before its approval by the corporate bodies of GHC S.p.A. and its publication within the terms and according to the procedures provided for by the regulations in force from time to time. Source: Sustainability Reporting Procedure, pages 3 and subsequent.

<sup>48</sup> In fact, section 3.5 (Investor and Market Relations) states that "GHC is committed to gradually defining and implementing a well-organised and homogeneous system of rules on its organisational structure and relations with shareholders, in accordance with the most advanced Corporate Governance standards, with which the Group complies, including the 'comply or explain' principle." Source: Code of Ethics, p. 14. The adoption of the principle can also be inferred (for reporting purposes) from non-financial and standardised reporting.

<sup>49</sup> Examples are: potential environmental impacts, risks related to labour disputes or violations of human rights (including the right to health, thus linked to the quality of services offered), as well as violations of the 231 Model and the Code of Ethics. Source: Company source.

<sup>50</sup> Adopted in May 2022. Identification and mapping of risks – currently under way for all companies – follows a bottom-up approach engaging and connecting individual Risk Owners identified in the subsidiaries with the main functions of the Parent Company. Sources: PA RM 01 – Garofalo Health Care Enterprise Risk Management Procedure, pages 3 and subsequent.; Corporate Governance and Ownership Structure Report – 2024, pages 60 and subsequent.

<sup>51</sup> Source: Company source.

<sup>52</sup> Source: Physical Climate Risk Analysis Emilia-Romagna structures – Project Highlights, July 2025 (only available in Italian).

10. PARTICIPATION AND VOTE IN GENERAL MEETINGS	Participation in Shareholders' Meetings and the exercise of voting rights are governed by the By-Laws, according to the rule. <sup>53</sup>
11. EMPLOYMENT AND HUMAN RESOURCES SELECTION	<p>As at 31 December 2024, the Group's <b>employee headcount</b> was <b>2,708</b>, the majority with full-time, permanent employment contracts. The number of female employees is high.<sup>54</sup> The number of <b>non-employed staff</b>, mostly freelancers, amounts to <b>2,528</b>.</p> <p>Relations with human resources, at all stages, must be conducted in compliance with the principles of <b>equal opportunities</b>, <b>merit</b> and <b>non-discrimination</b> as enshrined in the Code of Ethics.<sup>55</sup></p> <p>In line with GHC's ESG objectives, a qualitative-quantitative analysis of the Recruitment and Retention processes was conducted, involving all Group companies and facilities.<sup>56</sup></p> <p><b>Diversity and inclusion</b> are dealt with in a separate Group <b>Policy</b>, which draws inspiration from the international <b>guidelines</b> and <b>standards</b> on these subjects.<sup>57</sup> The system established by the <b>Policy</b> is reinforced by the provision of an ad hoc channel for reporting violations.<sup>58</sup></p> <p>Staff training is provided on a regular basis and is reported.<sup>59</sup></p>
12. HEALTH AND SAFETY AT WORK AND SOCIAL DIALOGUE	<p>Health and safety issues, subject to strict regulatory obligations, are integrated into the <b>Code of Ethics</b>. The document defines commitments to preventive actions and to employee involvement in risk management processes and optimisation of company facilities.<sup>60</sup></p> <p>Related risks, specific to the nature of the Group's business, are monitored within the framework of <b>Enterprise Risk Management</b><sup>61</sup> and all employees are covered by the Company's health and safety management system.<sup>62</sup></p> <p>The topic of social dialogue is addressed from a compliance perspective. Workers' representatives are regularly present in the Group's facilities.<sup>63</sup></p>
13. ADAPTATION TO CHANGES	Although the topic remains central in the EU and OECD, the absence of specific projections or initiatives does not pose significant risks, due to the barriers to entry and the rigidity of Italian regulations.

<sup>53</sup> Source: By-Laws, whose Articles 15, 19, 30 and 36 were updated in 2025.

<sup>54</sup> Of the total indicated, there are 2,552 employees on permanent contracts, and 2,344 full-time employees. The number of female employees is 2,007. The turnover rate is 16.9%. Source: 2024 Directors' Report, pages 99-100.

<sup>55</sup> Source: Code of Ethics, p. 12.

<sup>56</sup> The analysis had the following objectives: Qualitative Analysis – to understand the functioning and improve the control system with a view to gap analysis, carried out by submitting questionnaires during specific interviews with the contacts of companies and facilities. Quantitative Analysis – to measure trends, identifying potential current and future risks, with respect to the data forwarded by the companies and facilities. Source: Risk Assessment for the GHC Group Human Resources Management – Recruitment & Retention Process.

<sup>57</sup> Sources referred to by the Policy in question: the principles of the United Nations Global Compact, with particular reference to those pertaining to Human Rights and Labour; the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and its follow-ups; the eight Core Conventions of the International Labour Organisation; the Universal Declaration of Human Rights and subsequent international conventions on civil and political rights and on economic, social and cultural rights; the United Nations Conventions on the Rights of Women, on the Elimination of All Forms of Racial Discrimination, on the Rights of the Child, on the Rights of Persons with Disabilities; the United Nations 2030 Agenda for Sustainable Development Goals (SDGs), with a particular focus on SDGs nos. 3, 9, 10 and 16. Source: Diversity & Inclusion Policy, p. 4 (only available in Italian).

<sup>58</sup> Source: Diversity & Inclusion Policy, p. 6 (only available in Italian).

<sup>59</sup> With a total of 29,462 hours of training provided during 2024. Source: 2024 Directors' Report, p. 101.

<sup>60</sup> See point 2.7, entitled "Respect for the Environment and Safety Protection". Source: Code of Ethics, p. 11.

<sup>61</sup> Source: 2024 Directors' Report, p. 102.

<sup>62</sup> In addition, "(...) all the Group's facilities are subject to potential audits on health and safety issues through the Parent Company's Internal Audit function and/or the Health Prevention and Protection Officer ('RSPP') of the individual facility." Source: 2024 Directors' Report, p. 102.

<sup>63</sup> Source: 2024 Directors' Report, p. 100.

## 14. ENVIRONMENT

GHC's approach to environmental protection, described by the **Code of Ethics**, is explicitly inspired by the **OECD Guidelines for Multinational Enterprises**.<sup>64</sup> The topic is integrated into the Group's mission<sup>65</sup> and is the subject of policy provisions directed at staff.<sup>66</sup>

During 2024, GHC conducted an analysis of its **Carbon Footprint**, according to the Greenhouse Gas Protocol (GHG) guidelines.<sup>67</sup>

A contract for the **supply of electricity from certified renewable sources** for the period 2024-2028 was signed, enabling a significant part of the energy needs to be covered through **photovoltaic plants**. In addition, some facilities have photovoltaic systems for the **production** of electricity.<sup>68</sup>

**Waste management** is dealt with by internal procedures according to the current regulations, which are particularly stringent in view of the Group's activities and the waste consequently produced.<sup>69</sup>

## 15. CONSUMERS AND QUALITY

Consumer and service quality issues are based on to the fundamental right to health. With this in mind, the **Code of Ethics** states that the **patient-centred** approach is a key principle.<sup>70</sup>

In the context of the patient relationship, particular emphasis is placed on issues related to **information duties** and **consent** to treatment,<sup>71</sup> **confidentiality**<sup>72</sup> and **data security**.<sup>73</sup>

The Code of Ethics also addresses the issue of service **quality** from the perspective of process structuring and controls,<sup>74</sup> which is particularly relevant in light of the accreditation of the Group's facilities with the Italian National Health Service.<sup>75</sup>

As outlined in the previous Report, in 2023 an in-depth **analysis of customer satisfaction** and **the complaints management processes** was conducted. Based on the findings, improvement actions were identified and shared with management.<sup>76</sup>

## 16. SCIENCE AND TECHNOLOGY

Technological **innovation** is strategic in the context of improving the quality of services and, thus, patient care.<sup>77</sup>

Since 2018, there has been a **Scientific Committee**<sup>78</sup> to promote innovation, scientific research, training and education, consistent with the values expressed in the Code of Ethics.<sup>79</sup>

At present, there are no documents outlining GHC's approach towards Artificial

<sup>64</sup> Source: Code of Ethics, p. 3.

<sup>65</sup> Source: Code of Ethics, p. 4.

<sup>66</sup> In fact, "GHC recognises the importance of respecting the environment and requires the Addressees to assess the environmental impact of their decisions in order to minimise any negative effects. The Group plans its activities and its investments around the best possible balance between environmental and financial concerns." Source: Code of Ethics, p. 7.

<sup>67</sup> Source: 2024 Directors' Report, pages 88-89.

<sup>68</sup> Source: 2024 Directors' Report, pages 86-87.

<sup>69</sup> The majority of which are medical waste. Source: 2024 Directors' Report, pages 90-91.

<sup>70</sup> Already the preamble describes "(...) the 'patient-centered' model, i.e. based on the centrality of the patient considered in terms of all their physical, psychological and social needs." This model is included in GHC's mission. The Group's values also include several commitments on "Respect and care for patients" (point 1.2); striving for "Excellence and improving services and facilities" (point 1.4). Source: Code of Ethics, pages 3, 4 and 6.

<sup>71</sup> See point 3.2, patient-centred Code of Ethics. Source: Code of Ethics, p. 12.

<sup>72</sup> Source: 2024 Directors' Report, pp. 109-110.

<sup>73</sup> On actions to mitigate cybersecurity risks, see the 2024 Directors' Report, p. 32.

<sup>74</sup> See point 1.4 "Excellence and improving services and facilities". Source: Code of Ethics, p. 6.

<sup>75</sup> In this context, the previous Report noted the fact that several Group facilities hold ISO 9001 quality certification.

<sup>76</sup> In the context of two of the Group's defined sustainability targets for the financial year 2023. Source: Consolidated Non-Financial Statement for the Year 2023, p. 69.

<sup>77</sup> On this topic, see also investments in technology adaptation. Source: 2024 Directors' Report, pages 24 and 39-40.

<sup>78</sup> Source: Corporate website.

<sup>79</sup> This is laid out in point 1.5 of the Code of Ethics. Source: Code of Ethics, p. 6.

Intelligence (AI) or specific commitments on the subject.

17. LOCAL COMMUNITIES	<p>The subject is dealt with in the Code of Ethics and at statutory level.</p> <p>A specific provision of the Code of Ethics governs GHC's participation and contribution to activities or initiatives of a cultural or charitable nature or in favour of local communities.<sup>80</sup></p> <p>The By-Laws provide for the possibility of deducting a maximum of 1% annually from net profits, to be allocated to a fund independently managed by the Board of Directors for scientific and/or charitable purposes.<sup>81</sup></p>
18. BUSINESS PARTNERS	<p>Relations with suppliers and external personnel are addressed in the <b>Code of Ethics</b>, which includes commitments to transparency and impartiality in procurement processes and quality requirements for goods and services.<sup>82</sup></p> <p>The conditions of collaboration include compliance with the Code of Ethics.<sup>83</sup> Further safeguards derive from the 231 Model,<sup>84</sup> as well as from specific safety procedures also applicable along the value chain.<sup>85</sup></p> <p><b>Timing of payments</b> to suppliers is reported and published.<sup>86</sup></p>
19. HUMAN RIGHTS	<p>The Code of Ethics is inspired by the <b>Universal Declaration of Human Rights</b> (1948), the <b>UN Global Compact</b> and other international conventions on fundamental human rights<sup>87</sup> and workers' rights.<sup>88</sup></p>
20. EUROPEAN AND INTERNATIONAL STRATEGIES	<p>GHC is formally committed to several Sustainable Development Goals (<b>SDGs</b>), which are set out in the Code of Ethics<sup>89</sup>.</p>
21. CONCLUSIONS (SUMMARY)	<p>Garofalo Health Care (GHC) S.p.A. is one of the leading operators of accredited private healthcare in Italy. Listed since 2018, in 2021 it was included in Euronext STAR Milan.</p> <p>New acquisitions, with a significant expansion in size, have characterised the Group's recent development. It has therefore increased the number of facilities that have to follow its sustainability policies that are supported by an adequate system of</p>

<sup>80</sup> This is point 3.6. Source: Code of Ethics, p. 14.

<sup>81</sup> According to art. 40 of the By-Laws. With regard to 2023, we would like to point out, for example, the funding of a research project presented within the aforementioned Scientific Committee and entitled "*Study of the short and long-term effects of a residential treatment based on cognitive behavioural therapy in a cohort of adolescent patients with anorexia nervosa*", which was "*presented by Prof. Riccardo Dalle Grave as principal investigator and to be carried out at the Villa Garda facility*." Source: Consolidated Non-Financial Statement for the Year 2023, p. 67.

<sup>82</sup> Source: Code of Ethics, p. 13.

<sup>83</sup> Suppliers are among the recipients. Source: Code of Ethics, p. 4.

<sup>84</sup> Source: 2024 Directors' Report, p. 105.

<sup>85</sup> Reference is made to processes to manage Health, Safety and Environmental issues. Source: 2024 Directors' Report, pages 105-106.

<sup>86</sup> The average time taken to pay suppliers is 123 days (a decrease compared to 2023 when the number of days amounted to 158). The average time is defined as the ratio between Trade payable, as reported in the Group's yearly Directors' Report, and the sum of all Costs for goods and materials, Costs for services and use of third parties' assets, and other Costs, as reported in the Group's yearly Directors' Report, multiplied by the number of working days in that year. Source: 2024 Directors' Report, p. 21.

<sup>87</sup> Such as "*the United Nations Conventions on the Rights of Women, the Elimination of All Forms of Racial Discrimination, the Rights of the Child, and the Rights of Persons with Disabilities*". Source: Code of Ethics, p. 3.

<sup>88</sup> Such as the "*Declaration on Fundamental Principles and Rights at Work and the eight Core Conventions of the International Labour Organisation (ILO)*". Source: Code of Ethics, p. 3.

<sup>89</sup> Special focus is given to "... Goals No. 3 ('ensure health and well-being for all and all ages'), No. 5 ('achieve gender equality and empower all women and girls'), No. 8 ('stimulate sustained, inclusive and sustainable economic growth, full employment and decent work for all'), No. 9 ('building resilient infrastructure and promoting innovation and equitable, responsible and sustainable industrialization') and n. 10 ('reducing inequality within and among nations') and No. 16 ('promoting peaceful and inclusive societies for sustainable development, ensuring access to justice for all and building effective, accountable and inclusive institutions at all levels')." Source: Code of Ethics, pages 3 and 4.

guidance, control and ESG Risk Management.

On the Environmental (E) level, coinciding with the strengthening of activities GHG has taken measures in the area of energy efficiency and procurement from renewable sources.

In the Social (S) area, measures have been taken in relation to the quality of care and patient relations. An internal assessment for the Group's human resources retention and recruitment areas has been carried out. The Company has also made progress in the area of digitalisation. Governance (G) of Sustainability pursues constant alignment with international UN, OECD and EU guidelines and also demonstrates a solid system of minority shareholder protection.

The non-financial reporting system appears to be reinforced by appropriate internal procedures in line with good industry practices. Further gradual measures to be introduced in its sustainability policies are expected.

The medium- and long-term outlook is positive.

\* \* \*

**SOURCES**

(Where there are no dates, the most recent versions prevail)

The documents consulted are those approved and communicated at least twenty days prior to the publication of this document.

Primarily, but not exclusively, they are: Code of Ethics; Report on Corporate Governance and Ownership Structure; Financial Report; ESG and Extra-Financial Reporting (in all its forms), Procedures; Internal Regulations; Policies; Communications.

In addition to the above-mentioned documents, data emerged from interviews and correspondence with the Company's internal functions. In this case, the source will generically refer to the Company.

**OTHER SOURCES**

Documents supplied by national and European regulatory bodies were also considered.

**standardethics.eu**

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