



CONSOLIDATED NON-FINANCIAL STATEMENT FOR THE YEAR 2022

AS PER LEGISLATIVE DECREE NO. 254/2016



COMPANY INFORMATION

Registered office of Garofalo Health Care S.p.A.

Piazzale Delle Belle Arti, n.6 – 00196 Rome (RM)

Legal details of Garofalo Health Care S.p.A.

Share capital approved Euro 31,570,000 (*)

Share capital subscribed and paid-in Euro 31,570,000

Rome Company's Registration Office – Economic & Administrative Index No.: 947074

Tax Number: 06103021009

VAT Number: 03831150366

Website: <http://www.garofalohealthcare.com>

CORPORATE BODIES

BOARD OF DIRECTORS

ALESSANDRO MARIA RINALDI	Chairperson
MARIA LAURA GAROFALO	Chief Executive Officer
ALESSANDRA RINALDI GAROFALO	Director
CLAUDIA GAROFALO	Director
GIUSEPPE GIANNASIO	Director
GUIDO DALLA ROSA PRATI	Director
JAVIER DE LA RICA ARANGUREN	Director
GIANCARLA BRANDA	Independent Director
FRANCA BRUSCO	Independent Director
NICOLETTA MINCATO	Independent Director
FEDERICO FERRO LUZZI	Independent Director

CONTROL, RISKS AND SUSTAINABILITY COMMITTEE

FRANCA BRUSCO	Chairperson
FEDERICO FERRO LUZZI	
NICOLETTA MINCATO	

APPOINTMENTS AND REMUNERATION COMMITTEE

FEDERICO FERRO LUZZI	Chairperson
FRANCA BRUSCO	
GIANCARLA BRANDA	

BOARD OF STATUTORY AUDITORS

SONIA PERON	Chairperson
FRANCESCA DI DONATO	Statutory Auditor
ALESSANDRO MUSAIO	Statutory Auditor
ANDREA BONELLI	Alternate Auditor
MARCO SALVATORE	Alternate Auditor

INDEPENDENT AUDIT FIRM

EY S.p.A.

DESIGNATED AUDIT FIRM

Deloitte & Touche S.p.A.

Contents

1.	Chief Executive Officer’s letter to the stakeholders (GRI 2-22)	5
2.	Letter of the Chairperson of the Control, Risks and Sustainability Committee (GRI 2-22) ...	6
3.	GHC Group history	8
4.	GHC Group overview	9
5.	Methodological note (GRI 1, GRI 2-3, 2-4, 2-5).....	10
6.	The GHC Group (GRI 2-6)	12
6.1	GHC Group mission and values	12
6.2	The health services sector in Italy.....	13
6.3	Activities of the GHC Group.....	14
6.4	GHC Group Structure	14
7.	Governance	27
7.1	GHC’s corporate governance model (GRI 2-9, 2-11, 405-1)	27
7.2	Board of Directors appointment process (GRI 2-10, 2-18)	28
7.3	Appointment process and role of internal Board committees (GRI 2-10, 2-12, 2-15)	30
7.4	Sustainability Governance.....	30
7.5	Group organisational model and regulatory system	35
7.6	Group Internal Control and Risk Management System and Information Flows (GRI 2-16)....	38
7.7	Enterprise Risk Management (GRI 2-16)	40
7.8	Remuneration policies (GRI 2-19, 2-20, 2-21).....	41
8.	Responsible conduct (GRI 2-23, 2-24)	42
8.1	The Code of Ethics of the GHC Group	42
8.2	Additional policies pertaining to responsible conduct (Diversity and Inclusion Policy)	45
9.	Stakeholder Engagement (GRI 2-29)	48
10.	Material Topics (GRI 3-1, 3-2, 3-3)	50
11.	Disclosure under Legislative Decree No. 254/2016: economic and social topics	56
12.	Disclosure under Legislative Decree No. 254/2016: personnel and human rights topics	67
13.	Disclosure under Legislative Decree No. 254/2016: active and passive corruption topics	77
14.	Disclosure under Legislative Decree No. 254/2016: environmental topics	78
15.	Correlation table between the issues addressed in Legislative Decree No. 254/2016 and the risk areas defined in the GHC Group’s Enterprise Risk Management model.....	87
16.	Disclosure required by the European Regulation on the taxonomy of environmentally sustainable activities	90
	GRI Content Index	99

1. Chief Executive Officer's letter to the stakeholders (GRI 2-22)

Dear Stakeholders,

the financial year that has just ended has once again proved to be extremely satisfactory for the GHC Group, confirming our ability to better overcome and deal with even complex and uncertain macroeconomic contexts.

In a year characterized by the sudden outbreak of the conflict in Ukraine and by the consequent extraordinary increase in energy costs, I can proudly state that GHC has been able to record sharply growing economic, financial and equity performances, even exceeding our expectations, an element which testifies not only the strong managerial skills of the Group but also the central and inescapable role of health and healthcare for our community.

The 2022 financial year was also enhanced by the acquisition - carried out in December - of the Veneto Diagnostics and Rehabilitation Group (GVDR), one of the main diagnostic centers in the Veneto Region in terms of volumes and quality of services provided, which allowed us to expand our presence in strategic locations in the Veneto Region - one of the most virtuous in Italy.

In terms of economic performance, also including the contribution of GVDR for 12 months, in FY 2022 Group Revenues on a Pro-Forma basis increased to Euro 334.8 million (+8.1% compared to 2021 Pro-Forma -Forma and 3.8% on a like-for-like basis), with an Adjusted Operating EBITDA of Euro 61.1 million and a margin of 18.8% which is even better than 2021 Pro-Forma despite the increase in energy costs.

These economic performances were accompanied by outstanding financial performances, with investments for approx. Euro 18.5 million (of which Euro 11.7 million for maintenance and Euro 6.8 million for expansion and development), a significant cash generation of approx. Euro 35 million and a Net Financial Position of Euro 145 million, with a financial leverage equal to 2.4 times the Op. Adjusted EBITDA, down compared to 2021 despite the further M&A transaction carried out during the year. The financial solidity of the Group was also further strengthened, in the light of the availability of real estate assets of approx. Euro 155 million at book value, certainly underestimated compared to its real market value.

In addition to these elements, I deem it appropriate to testify to the continuous and constant commitment of the Group in relation to the issue of sustainability, which has always been a founding pillar of the GHC "patient centered" model.

With respect to this, I would like to remind you that in 2022 Standard Ethics, an independent agency that issues extra-financial sustainability ratings, raised GHC's ESG rating to EE ("Strong"), confirming the commitments made in this area in the previous exercises. Also in 2022, GHC was then selected among the winning companies of the first edition of the ESG Awards organized by Milano Finanza and Class Editori, an award that rewarded the companies that work best to achieve ESG objectives, as well as being confirmed as "Leader of the Sustainability", recognition attributed by IISole24Ore and Statista to the most sustainable Italian organizations within a sample of approx. 1,500 companies.

Looking to the future, the Group's prospects contemplate an important physiological growth linked to the growing needs for assistance, exacerbated by the need to give concrete answers to the very serious issue of waiting lists. This will undoubtedly represent one of the fundamental drivers of our organic growth for 2023, to which the further development of the activities provided to private patients (so-called "out-of-pocket") and the progressive ramp-up of the S. Marta projects (launched in December 2022) and Istituto Raffaele Garofalo (which will be launched during the year).

To this must be added a financial availability of at least Euro 100 million for "ordinary" M&A, which we plan to use by selecting strategic Targets capable of adding further value to our Group, always in compliance with a target financial leverage of no more than 3.5 times the Op. Adjusted EBITDA.

Lastly, during the year we will launch the project to concentrate the real estate assets - currently held by the individual subsidiaries - within an already established vehicle (GHC Real Estate), trusting that the important value currently unexpressed will gradually be able to emerge.

For all these reasons, we are convinced that GHC is and will remain an Italian excellence capable of creating value in a sustainable way for all stakeholders. Likewise, we are also certain that the results achieved to date, combined with those that we have set ourselves as a goal for the near future, can only be fully exploited again as soon as possible, including by the market.

Because the truth is that without health there is no future. And we, on the other hand, believe a lot in that future and will continue to invest our best energies in it.

The Chief Executive Officer
Ms. Maria Laura Garofalo

2. Letter of the Chairperson of the Control, Risks and Sustainability Committee (GRI 2-22)

GHC's mission continues to be to guarantee the care of patients' health and safety by contributing to strengthening the role of the accredited private sector within the national health system, to be achieved in compliance with sustainable growth in the medium and long term as well as understood as "development aimed at satisfying the needs of the present generation without compromising the ability of future generations to meet their own needs".

2022 was a complex year at a macroeconomic level, conditioned starting in February by the outbreak of war in Ukraine, once again faced by GHC with determination, without ever failing in the social role played by all the Group structures and always in compliance of the guiding principle set as a reference for the behavior of human capital and the governance of the Group "Health Is The Most Precious Good That Man Can Have".

Sustainability continued to be a key point of reference for the Group, which continued initiatives aimed at integrating corporate strategies by taking into account the positive impact on people, the community and the environment.

Albeit in a challenging context, GHC has carried forward its commitments by directing initiatives to consolidate the Group's culture on ESG issues, with the active participation of Governance and the stakeholders involved, updating its information consistently with the new GRI Standards and with what required by the European Taxonomy Regulation.

Also in 2022, in continuity with what started in previous years, GHC therefore continued the path that wants to bring Corporate Social Responsibility to a system capable of supporting the creation of value in the medium and long term, assuming further commitments for the 2023 aimed, inter alia: i) at the implementation of energy efficiency investments; ii) the measurement of the quality of care and customer satisfaction, as well as the development of digitization initiatives; iii) increasing alignment with best practices, with a view to a path of constant in-depth study of non-financial issues and ever greater integration of the same within its business to make it sustainable in the medium and long term.

**The Chairperson
Control, Risks and Sustainability Committee
Ms. Franca Brusco**



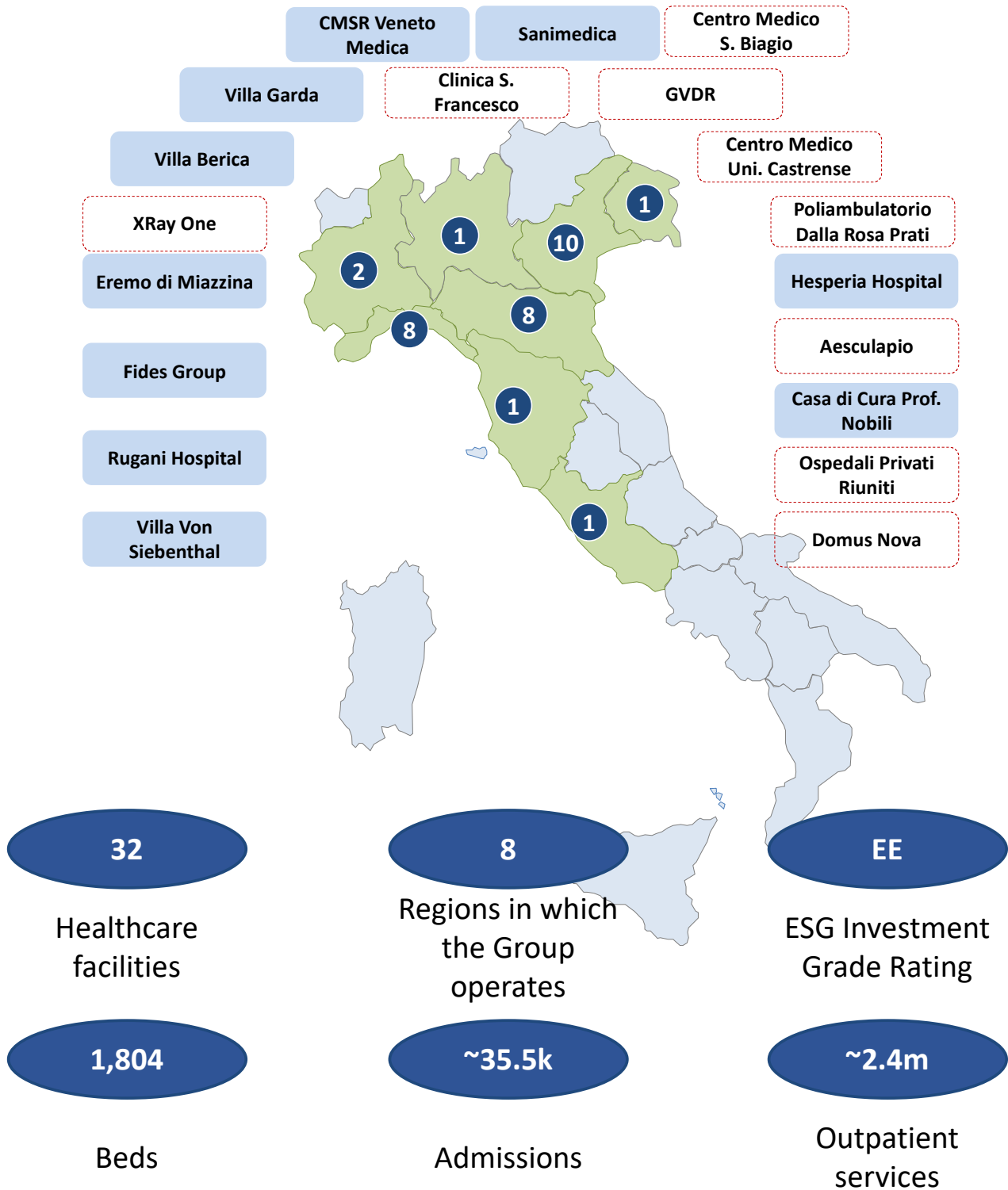
***“Health is the most precious good
that man can have”
Prof. Raffaele Garofalo
(1921-2006)***

3. GHC Group history

<p>Garofalo Group established with the acquisition of the Casa di Cura S. Antonio da Padova in Rome</p> <p>1957</p>	<p>1967</p> <p>Casa di Cura Città di Roma opens</p> <p><i>First generation of the Garofalo family</i></p>
<p>Aurelia Hospital and European Hospital open, Casa di Cura Samadi acquired</p> <p>1980's</p>	
<p>Villa Berica and Hesperia Hospital acquired</p> <p>2000</p>	<p>1999</p> <p>Geographical and sector diversification process begins with the acquisition of Eremo di Miazzina</p>
<p>Hesperia Hospital expanded</p> <p>2005</p>	<p>2002</p> <p>3 new operating rooms at Villa Berica constructed and Villa Garda acquired</p>
<p>Villa Berica expanded</p> <p>2011</p>	<p>2008</p> <p>Casa di Cura Rugani and Villa Von Siebenthal acquired</p>
<p>Istituto Raffaele Garofalo created</p> <p>2013</p>	<p>2012</p> <p>Hybrid operating room created at Hesperia Hospital</p>
<p>Hesperia Hospital, Villa Berica and Villa Von Siebenthal renovated</p> <p>2016</p>	<p>2014</p> <p>CMSR Veneto Medica acquired (including Sanimedica)</p>
	<p>2017</p> <p>Rugani Hospital expanded and Fides Medica (Fides Group) and controlling stake in Casa di Cura Prof. Nobili acquired</p> <p><i>Pre-IPO, second generation of the Garofalo family</i></p>
<p>IPO on Italian Stock Exchange with demand three times greater than supply</p> <p>2018</p>	<p>New multi-specialist clinics created at the Poliambulatorio Dalla Rosa Prati and Villa Garda clinic expanded</p>
<p>100% of XRray One acquired</p> <p>2020</p>	<p>2019</p> <p>Further minority interests in Casa di Cura Prof. Nobili and the remaining minority interest in Villa Garda acquired</p> <p>100% of Poliambulatorio Dalla Rosa Prati, Ospedali Privati Riuniti, Centro Medico S. Biagio, Centro Medico Uni. Castrense and Aesculapio acquired</p>
<p>100% of GVDR acquired</p> <p>2022</p>	<p>2021</p> <p>100% of Clinica S. Francesco and 99.5% of Domus Nova acquired</p> <p><i>Post-IPO</i></p>

● The five healthcare facilities in Rome (Casa di Cura S. Antonio da Padova, Casa di Cura Città di Roma, Aurelia Hospital, European Hospital and Samadi) are excluded from GHC scope

4. GHC Group overview



■ Group companies at 31/12/2018 (reporting entities)
● # of GHC Group facilities today
 Companies acquired in 2019, 2020, 2021 and 2022 (reporting entities)

5. Methodological note (GRI 1, GRI 2-3, 2-4, 2-5)

5.1 Reporting standards applied

The 2022 Consolidated Non-Financial Statement ("NFS") of the Garofalo Health Care S.p.A. Group (hereinafter also the "Group", "GHC Group" or also "GHC" or the "Company"), drawn up as per Legislative Decree No. 254/2016 (the "Decree"), now in its fifth edition, outlines the Group's non-financial performances for the year ended December 31, 2022.

This document, as established by Article 5 of the Decree, is a separate report drawn up specifically to comply with the regulation.

This document outlines the major policies applied by the company, the management models and the Group results in 2022 relating to the topics expressly cited in Legislative Decree No. 254/2016 (economic and social, related to personnel and respect for human rights, the fight against bribery and corruption, and the environment), in addition to the main risks identified on these topics and management methods. It presents information relating to topics considered material and set out by Article 3 of the above Decree, to the extent necessary to ensure understanding of the Group's activities, performance, results and the impact produced. It should be noted that, given the sector in which the Group operates, its activities do not involve significant water consumption or the release of polluting emissions other than greenhouse gas emissions into the atmosphere. Therefore, while providing a comprehensive overview of the Group's business activities, these topics (referred to in Article 3(2) of the Decree) are not covered in this document.

Since its first edition, this annual Statement has been prepared in accordance with the Global Reporting Initiative Standards (the "GRI Standards"), sustainability reporting parameters that enable organisations to measure their sustainability impact and make it public in a consistent and comparable manner. In this regard, we note that, as of January 1, 2023 (i.e. with reference to FY2022 reporting), these GRI Standards have been updated in light of the revision work carried out by the Global Sustainability Standards Board, an independent operating entity under the auspices of the Global Reporting Initiative.

In view of the changes that have taken place, GHC has therefore drafted its NFS 2022 consistent with the new "GRI System of Standards" which require simultaneous compliance with Standards of a general nature (regardless of the business sector), Sector Standards (planned but not yet published for the healthcare sector), and Specific Standards related to reporting on economic, environmental, and social sustainability. Against this backdrop, GHC has committed to the reporting principles explicitly stated for the preparation of sustainability reports (accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability), in addition to the further recommendations suggested (alignment of sustainability reporting with mandatory financial and corporate reporting, strengthening of internal controls, and provision of external assurance against the sustainability report).

Lastly, we note that GHC has chosen to prepare the NFS using the "IN ACCORDANCE WITH (GRI Standards)" option, in order to improve the amount of information shared externally on sustainability problems and to better align its non-financial disclosure with best practices.

This NFS also includes Taxonomy disclosure as required by European Regulation 852/2020. This disclosure is reported within the section "Disclosure required by the European Regulation on the taxonomy of environmentally sustainable activities" and includes the GHC Group's analyses of how and to what extent its activities are associated with economic activities as covered by the EU Taxonomy.

The figures in this Statement refer to the financial year 2022 (January 1 to December 31), in line with the other statutory financial and corporate reporting. We also note that there are no restatements of the information provided with reference to FY2021. Furthermore, the use of estimates has been limited as much as possible to give a correct representation of performance; where use has been made of estimates these are based on the best available methodologies and are reported appropriately.

As in previous years, the NFS was also subject to limited examination ("limited assurance engagement" according to the criteria indicated by the ISAE 3000 Revised standard) by Deloitte & Touche S.p.A. (carrying out a mandate ratified by the Group Board of Directors and promptly communicated to the entire GHC Chief Executive Officer). At the end of the work performed, this company issued a specific report on the compliance of information provided in the Consolidated Non-Financial Statement drawn up by GHC pursuant to Legislative Decree No. 254/16.

The accompanying and freely accessible Independent Auditors’ Report provides the scope and subject matter of the activities subject to assurance, in addition to a description of the principal actions completed and conclusions made.

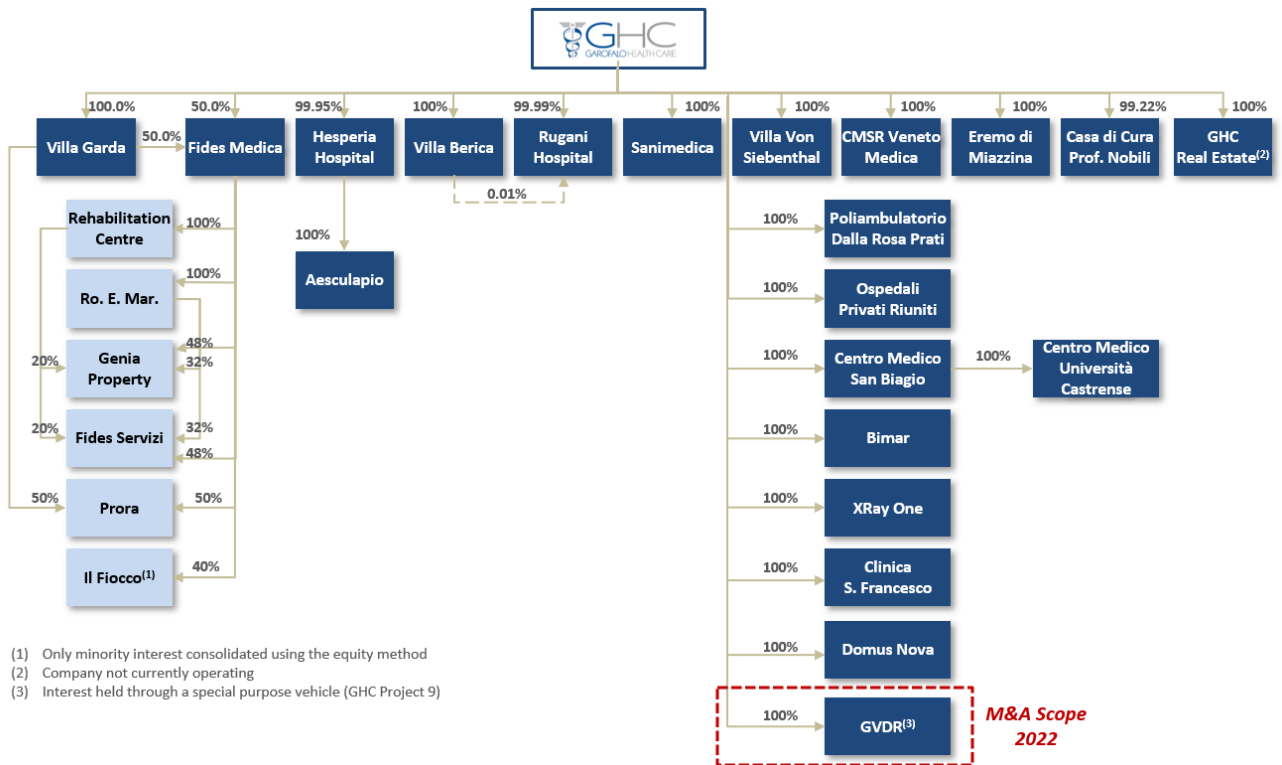
This NFS, which was approved by the GHC Group Board of Directors on March 16, 2023, is also available on GHC's website (www.garofalohealthcare.com) in the "Investor Relations" / "Accounts and Reports" section.

To request further information in relation to non-financial data submitted by the GHC Group or clarification of information within the NFS, you can contact the Investor Relations department at ir@garofalohealthcare.com.

5.2 Reporting perimeter (GRI 2-1, 2-2)

The NFS 2022 presents the consolidated values of the GHC Group as at December 31, 2022. The GHC Group’s parent company is Garofalo Healthcare S.p.A., which is listed on the Euronext STAR section of Borsa Italiana S.p.A. and has its registered office at Piazzale delle Belle Arti 6, Rome.

Group companies subject to consolidation are set out in the table below and are the same as those considered in financial reporting. We note that all Group companies conduct their business in Italy. In the comparison with 2021, the consolidation scope has changed due to the acquisition of Gruppo Veneto Diagnostica e Riabilitazione S.r.l. (“GVDR”) on December 6, 2022 (“Perimeter M&A 2022”). In line with previous years, the figures for the companies acquired in 2022 and reported in the document are stated as if acquired on January 1 of the previous year.



(1) Only minority interest consolidated using the equity method
 (2) Company not currently operating
 (3) Interest held through a special purpose vehicle (GHC Project 9)

6. The GHC Group (GRI 2-6)

6.1 GHC Group mission and values

The GHC Group is among the leading groups in the Italian private accredited healthcare sector and the first healthcare firm to be listed on the Euronext STAR Milan Section of Borsa Italiana S.p.A. It originates from the professional and entrepreneurial trajectory initiated by Prof. Raffaele Garofalo in the 1950s. Now, its business model is based on geographic and sector diversification, and it operates in all hospital, community and dependency care sectors according to a “patient-centred” model, one that is based on the centrality of the patient considered in all his or her physical, psychological and social needs.

MISSION	
<p><i>“The Group’s Mission is to place the patient at the centre of the treatment and care system through a patient-centred approach, bring together health facilities of excellence, strengthening them and making them more efficient, and become Italy’s leading healthcare group.”</i></p>	
VALUES	
HONESTY & LAWFULNESS	<ul style="list-style-type: none"> GHC considers honesty and compliance with all applicable regulations in Italy — and in the regions in which the Group operates — to be core principles
RESPECT AND CARE FOR PATIENTS	<ul style="list-style-type: none"> GHC provides humane care and places its patients at the heart of its health system, taking into account all of their physical, psychological, social and relational needs
RESPECT & ENHANCEMENT OF HUMAN RESOURCES	<ul style="list-style-type: none"> GHC recognises that its employees are an irreplaceable asset and key to its success. The Group centres the management of employment and collaboration on fully respecting workers' rights, promoting equal opportunities, the most extensive professional development according to personal skills and aptitudes and on avoiding discriminatory behaviour
EXCELLENCE & IMPROVEMENTS IN SERVICES & FACILITIES	<ul style="list-style-type: none"> GHC guarantees excellence in the provision of its services, and in the professional skills and commitment of its doctors and employees. GHC guarantees patients the continuous improvement of the facilities in terms of physical accessibility, liveability, cleanliness and comfort of the environments, and ensures its employees and collaborators, in any capacity, quality, safe and healthy working environments
RESEARCH, INNOVATION & TRAINING	<ul style="list-style-type: none"> GHC promotes innovation, scientific research, training and teaching
CULTURE OF RESPONSIBILITY	<ul style="list-style-type: none"> GHC is committed to promoting responsible conduct and developing knowledge on all direct and indirect risks of its activities.
ABSENCE OF CONFLICTS OF INTEREST	<ul style="list-style-type: none"> GHC pays the utmost attention to avoiding situations in which conflicts of interest - even potential ones - may arise
CONFIDENTIALITY	<ul style="list-style-type: none"> GHC guarantees the confidentiality of the information in its possession and refrains from seeking and processing confidential data unless explicit and conscious authorisation is provided, and/or compliance with legal regulations is required
RESPECT FOR THE ENVIRONMENT	<ul style="list-style-type: none"> GHC recognises the importance of respect for the environment and plans its activities and its investments around the best possible balance between environmental and financial concerns

6.2 The health services sector in Italy

Shown below are the main factors characterising the marketplace in which we operate.

Highlights

Key Entities

- **The key entities of the National Health System ("NHS") are:**
 - **Government and Ministry of Health:** healthcare system planning and budgeting through a national plan
 - **Regional governments:** main entities responsible for managing the healthcare system at the local level
 - Key counterparts to private healthcare providers such as GHC
 - **Local Health Authorities ("ASLs") and Hospital Authorities ("HAs"):** oversee the delivery of healthcare services in their district

Essential Levels of Care

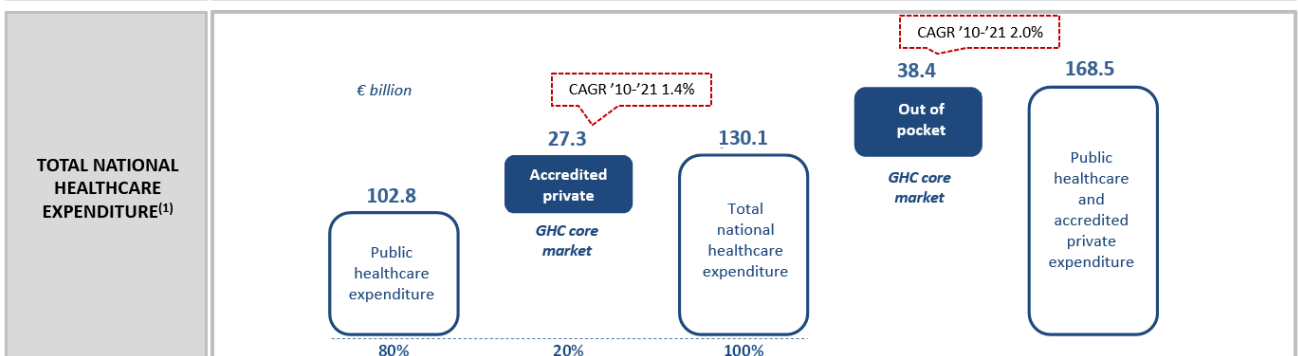
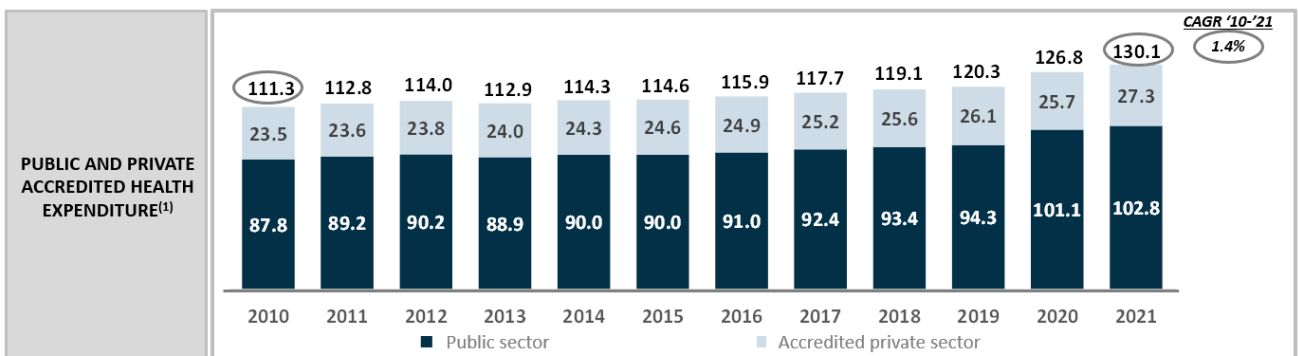
- **Essential Levels of Care ("LEAs") outline the health services that every Italian citizen is entitled to receive from the National Health System, either free of charge or on payment of a fee ("co-payment")**
 - Defined by the Ministry of Health
 - LEAs are apportioned between regional governments on a per capita basis, weighted by several criteria including age, gender, level of citizen care, mortality rate, and epidemiological spatial indicators
 - Regions independently organise the delivery of these services to citizens

Authorisation, Accreditation and Contractual Agreement

- **The National Health System operates through public, private, and accredited private providers**
- **All private entities must interact with regional governments and obtain:**
 - **Authorisation:** basic requirement for the development of healthcare facilities, granted by regional governments or municipalities
 - Defines the minimum structural, technological and organisational requirements
 - Granted to meet regionally defined healthcare needs
 - **Accreditation:** a pre-requisite granted by regional governments to licensed facilities in order to act on behalf of the National Health System
 - Subject to additional organisational requirements and compatibility of services offered with health care needs not covered
 - Periodic monitoring of the quality of the service provided
 - Renewable periodically
 - **Contractual agreement:** between regional governments or local health authorities and service providers, specifying:
 - Type of service to be provided, relative volumes, and fees charged

The following is a breakdown of Italian healthcare expenditure, highlighting the markets in which the GHC Group operates, namely: (i) healthcare expenditure by the National Health System by way of accredited private clinics; and (ii) "out-of-pocket" private-sector healthcare expenditure.

Of particular note, healthcare expenditure in 2021 totalled Euro 168.5 billion, of which Euro 130.1 billion by Italy's National Health System. It is important to note that National Health System health spending includes both spending on services provided through public facilities (Euro 102.8bn) and through private clinics accredited with the National Health System (Euro 27.3bn).



(1) 2022 OASI Report on 2021 data

6.3 Activities of the GHC Group

The following table details the main specialties provided by the Group, broken down geographically, by sector and by segment ⁽¹⁾.

Sector	ACUTE	POST-ACUTE		OUTPATIENT	DEPENDENCY CARE
		Long-term care	Rehabilitation		
Main services provided	<ul style="list-style-type: none"> • Wide range of specialisations in acute patient therapy, including: <ul style="list-style-type: none"> – Heart surgery – Cardiology (clinical and interventional) – Orthopaedics – Diabetology – Urology – Otorhinolaryngology – General surgery – Vascular Surgery – Gynaecology 	<ul style="list-style-type: none"> • Long-term hospitalisations for patients suffering from: <ul style="list-style-type: none"> – Disabling chronic conditions – Subacute conditions after a previous acute hospitalisation that require treatment be continued for a certain period of time in a protected environment, in order to achieve a full recovery or to stabilise their condition 	<ul style="list-style-type: none"> • Rehabilitation treatments, including: <ul style="list-style-type: none"> – Cardiology – Neurology – Neuromotor – Nutritional – Respiratory – Physiotherapy 	<ul style="list-style-type: none"> • Outpatient services, consultations, and diagnostic services performed by hospital and non-hospital facilities: <ul style="list-style-type: none"> – Doppler echocardiogram – Holter test – Doppler vascular ultrasound – Myocardial perfusion imaging – CT and Cardiac CT – Ultrasound – MRI – Nuclear medicine – Laboratory analyses – Outpatient dialysis – Ophthalmology – Dental services – PET/CT 	<ul style="list-style-type: none"> • Assistance and treatment of specific conditions, including: <ul style="list-style-type: none"> – Severe disabilities – Patients with LIS (Locked-in Syndrome) or with amyotrophic lateral sclerosis in the terminal phase (NAC Departments - High Chronic Neurological Complexity Unit) – Complex disabilities, mainly motor or clinical assistance and functional (Healthcare Assistance Continuity) – Patients with severe acquired brain injury disabilities – Psychiatric disorders and disorders related to the use of psychoactive substances

6.4 GHC Group Structure

The GHC Group's 32 clinics are diversified by Region and by sector, as shown below.

Italian regions	no. Reporting Entities (19)	no. Clinics (32)	N. legal entities (legal persons) (25)	Sector	
				Hospital	Outpatient / Dependency care
Emilia-Romagna	<input type="checkbox"/> Hesperia Hospital	1	1	✓	
	<input type="checkbox"/> Aesculapio	1	1		✓
	<input type="checkbox"/> Casa di Cura Prof. Nobili	1	1	✓	
	<input type="checkbox"/> Poliambulatorio Dalla Rosa Prati	1	1		✓
	<input type="checkbox"/> Ospedali Privati Riuniti	2	1	✓	
	<input type="checkbox"/> Domus Nova	2	1	✓	
Veneto	<input type="checkbox"/> Villa Berica	1	1	✓	
	<input type="checkbox"/> CMSR Veneto Medica	1	1		✓
	<input type="checkbox"/> Sanimedica	1	1		✓
	<input type="checkbox"/> Villa Garda	1	1	✓	
	<input type="checkbox"/> Centro Medico S. Biagio ⁽¹⁾	1	2		✓
	<input type="checkbox"/> Clinica S. Francesco	1	1	✓	
	<input type="checkbox"/> GVDR	4	1		✓
Friuli Venezia-Giulia	<input type="checkbox"/> Centro Medico Università Castrense	1	1		✓
Piedmont	<input type="checkbox"/> Eremo di Miazzina	2	1	✓	✓
Tuscany	<input type="checkbox"/> Rugani Hospital	1	1	✓	
Liguria	<input type="checkbox"/> Fides Group ⁽²⁾	8 ⁽³⁾	6 ⁽⁴⁾		✓
Lombardy	<input type="checkbox"/> XRay One	1	1		✓
Lazio	<input type="checkbox"/> Villa Von Siebenthal	1	1		✓

(1) Includes Centro Medico S. Biagio S.r.l. and Bimar S.r.l.

(2) Excluding 4 facilities, which belong to Il Fiocco Scrl, a company owned by Fides Medica, whose financial information is consolidated using the equity method

(3) Fides Group Clinics: Residenza Le Clarisse, S. Marta, S. Rosa, Centro Riabilitazione, Villa S. Maria, Villa Del Principe, Le Note di Villa S. Maria, Villa Fernanda

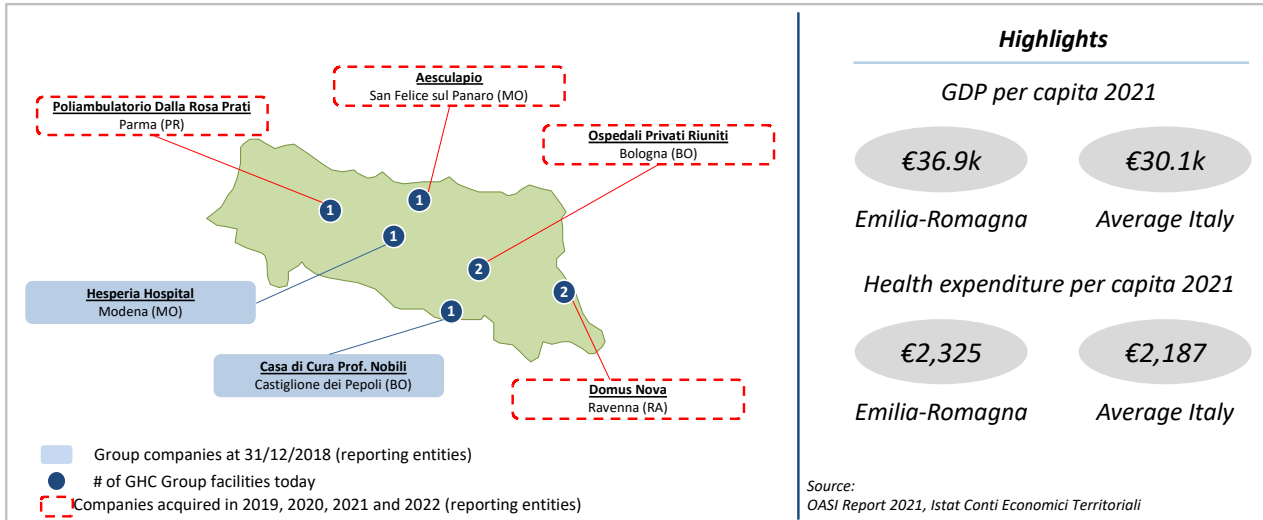
(4) Fides Group legal entities: Fides Medica S.r.l., Centro di Riabilitazione S.r.l., RoEMar S.r.l., Genia Immobiliare S.r.l., Prora S.r.l., Fides Servizi S.r.l.

⁽¹⁾ We note that the various types of assistance are classified as belonging either to the Hospital Sector or the Social Services and Dependency Care Sector depending on legislation and the specific region at hand.

➤ FOCUS: EMILIA-ROMAGNA REGION

GEOGRAPHICAL POSITIONING OF GHC CLINICS

EMILIA-ROMAGNA INDICATORS



GHC CLINICS: NON-FINANCIAL HIGHLIGHTS

Clinics (FY2022)	Beds	Admissions	Outpatient services	Employees	% male	% female
Hospital services	#	('000)	('000)	#	%	%
Hesperia Hospital	125	5.8	167.1	264	26%	74%
Ospedali Privati Riuniti	170	7.1	56.1	164	21%	79%
Domus Nova	252	5.1	298.4	198	21%	79%
Casa di Cura Prof. Nobili	86	2.3	47.0	88	18%	82%
Outpatient and dependency care services						
Poliambulatorio Dalla Rosa Prati	-	-	240.9	75	11%	89%
Aesculapio	-	-	58.8	20	10%	90%
Total	633	20.3	868.3	809	21%	79%

HESPERIA HOSPITAL (Modena)

National Health System accredited facility



Main services provided

- Medical-surgical and thoracovascular cardiology
- Medicine and surgery, with specialisation in:
 - Orthopaedics and traumatology
 - Ophthalmology
 - Urology, using the most modern technologies, such as the Da Vinci X robot, lasers, and the new endoscopy instruments.
- Intensive, semi-intensive care and UTIC (Coronary Intensive Care Unit) service
- Multi-disciplinary outpatient activities
- Diagnostic Imaging Service with Nuclear Medicine (Scintigraphy), Low Radiation CT scan, MRI

OSPEDALI PRIVATI RIUNITI (Bologna)

1. NIGRISOLI HOSPITAL

National Health System accredited facility



Main services provided

- Medicine and surgery, with specialisation in:
 - Recovery and functional rehabilitation
 - Long-term care and extensive rehabilitation
 - Orthopaedics
 - Urology
- Outpatient services and instrumental diagnostics

2. VILLA REGINA

National Health System accredited facility



Main services provided

- Medicine and surgery, with specialisation in:
 - Orthopaedics (including Mako robot-assisted surgery)
 - Ophthalmology
 - Gynaecology
 - Otorhinolaryngology
 - Urology
 - Recovery and functional rehabilitation
 - Long-term care
- Outpatient services and inpatient activities (ordinary or day surgery)
- Diagnostic imaging service with CT, NMR, 3D mammography and traditional radiology
- Emergency thoracolumbar ultrasound centre

DOMUS NOVA (Ravenna)

National Health System accredited facility



Main services provided

- Care services comprising various specialised inpatient units:
 - General medicine and long-term care
 - General surgery, primarily orthopaedic/prosthetic
- Specialist outpatient physiotherapy, dental and instrumental diagnostics services
- Dialysis services

POLIAMBULATORIO DALLA ROSA PRATI (Parma)
National Health System accredited facility

Main services provided

- Multi-disciplinary outpatient specialist services
- Diagnostic imaging service
- PET-TAC diagnosis service with latest-generation equipment
- Dental Clinic
- Physiokinesiotherapy and rehabilitation treatments

CASA DI CURA PROF. NOBILI (Castiglione dei Pepoli locality, Bologna)
National Health System accredited facility

Main services provided

- Units specialising in:
 - Orthopaedics and traumatology
 - General surgery
 - General medicine and long-term care
- Multi-disciplinary outpatient services
- Dialysis services
- Diagnostic imaging service
- Outpatient services

AESCULAPIO (San Felice sul Panaro, Modena)
National Health System accredited facility

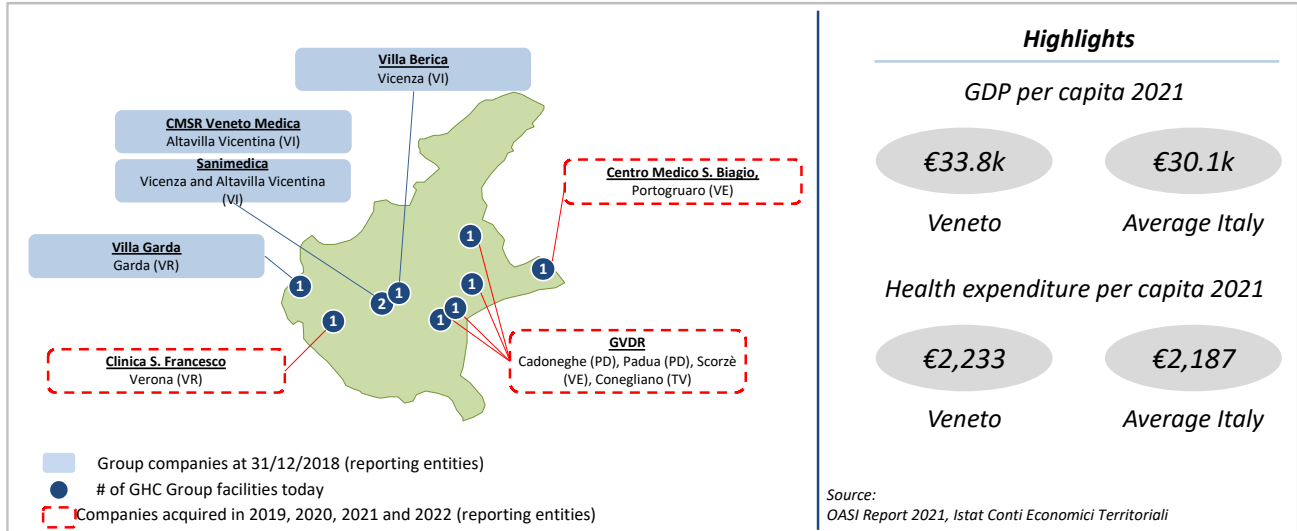
Main services provided

- Outpatient specialist services
- Diagnostic imaging service, radiology (Rx, Orthopantomogram, Mammography, Ultrasound, MRI)
- Sample collection point
- Outpatient physical medicine and rehabilitation department

➤ FOCUS: VENETO REGION

GEOGRAPHICAL POSITIONING OF GHC CLINICS

VENETO REGION INDICATORS



GHC CLINICS: NON-FINANCIAL HIGHLIGHTS

Clinics (FY2022)	Beds	Admissions	Outpatient services	Employees	% male	% female
<i>Hospital services</i>	#	('000)	('000)	#	%	%
Casa di Cura Villa Berica	108	3.5	163.2	153	24%	76%
Casa di Cura Villa Garda	109	1.7	83.5	115	21%	79%
Clinica San Francesco	77	5.1	192.0	207	27%	73%
<i>Outpatient and dependency care services</i>						
CMSR Veneto Medica	-	-	166.6	54	26%	74%
Sanimedica	-	-	80.3	10	10%	90%
Centro Medico S. Biagio	-	-	174.9	33	9%	91%
GVDR	-	-	415.4	88	24%	76%
Total	294	10.3	1,276.0	660	23%	77%

CASA DI CURA VILLA BERICA (Vicenza)	
<i>National Health System accredited facility</i>	<i>Main services provided</i>
	<ul style="list-style-type: none"> ▪ Internal medicine and general surgery, specialising in: <ul style="list-style-type: none"> - Gynaecology - Prosthetic hip surgery - Diabetology (in particular prevention and treatment of complications from diabetes affecting the lower limbs) - Osteoporosis and metabolic bone diseases - Centre for Minimally Invasive Hepatology and Oncological Therapies for thermal ablation treatment of small tumours.
CASA DI CURA VILLA GARDA (Garda, Verona)	
<i>National Health System accredited facility</i>	<i>Main services provided</i>
	<ul style="list-style-type: none"> ▪ Inpatient diagnostic and treatment services ▪ Outpatient diagnostic and therapeutic services ▪ Cardiac and nutritional rehabilitation, specifically Cognitive Behavioural Therapy for eating disorders (CBT-ED) ▪ Radiology, echocardiography, doppler ultrasound, physiatry and psychology services
CENTRO MEDICO S. BIAGIO (Portogruaro)	
<i>National Health System accredited facility</i>	<i>Main services provided</i>
	<ul style="list-style-type: none"> ▪ Specialist diagnostic radiology and imaging ▪ Digestive endoscopy ▪ Echocardiography ▪ Services for: <ul style="list-style-type: none"> - Lower limb varices - Sports medicine - Dental services - Ophthalmic outpatient surgery (cataract, vitro-resin, corneal transplants). In participation with the Banca degli Occhi del Veneto Foundation

CLINICA SAN FRANCESCO (Verona)

National Health System accredited facility



Main services provided

- European Centre for Robotic Orthopaedics ("C.O.R.E.")
- Diagnostic and instrumental services, both in ordinary inpatient and outpatient settings
- Plastic and reconstructive surgery, in particular breast surgery, with highly innovative techniques
- Diagnostic imaging and physiotherapy
- Main #SICM centre of the Italian Society of Hand Surgery

CMSR VENETO MEDICA and SANIMEDICA (Vicenza and Altavilla Vicentina)

National Health System accredited facility (CMSR Veneto Medica)



Main services provided

CMSR Veneto Medica

- Diagnostic imaging using advanced technologies, including dual-source CT, which performs particularly well in cardiac research, and a brand-new, full-body, 3-Tesla MRI system.
- Clinical pathology laboratory and sports medicine service, both under solvency agreement
- Departments:
 - Traditional radiology
 - Nuclear medicine
 - Ultrasound Department

Sanimedica

- Department of Occupational Medicine that offers health monitoring service in the workplace in compliance with Legislative Decree No. 81/2008 on safety
- Outpatient health services for all the main specialist branches
- Outpatient surgery service

GVDR (Cadoneghe, Scorzè, Padua, Conegliano)

National Health System accredited facility



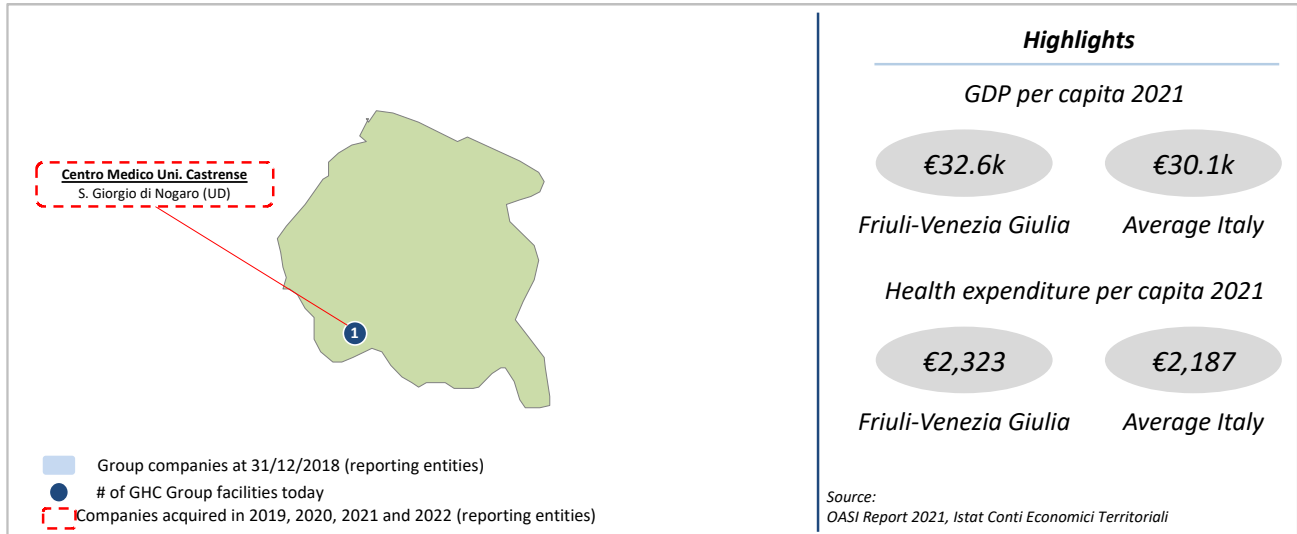
Main services provided

- Diagnostic imaging, physical and rehabilitation therapy, multi-specialist outpatient services, laboratory analysis
- Occupational medicine (through specific agreements to provide services to businesses)
- The Group in 2017 launched a phlebolympheological rehabilitation service for patients with lymphedema and lipoedema.

➤ FOCUS: FRIULI VENEZIA GIULIA REGION

GEOGRAPHICAL POSITIONING OF GHC CLINICS

FRIULI-VENEZIA GIULIA INDICATORS



GHC CLINICS: NON-FINANCIAL HIGHLIGHTS

Clinics (FY2022)	Beds	Admissions	Outpatient services	Employees	% male	% female
<i>Outpatient and dependency care services</i>	#	('000)	('000)	#	%	%
Centro Medico Uni. Castrense	-	-	61.1	10	20%	80%

CENTRO MEDICO UNIVERSITÀ CASTRENSE (S. Giorgio di Nogaro)

National Health System accredited facility

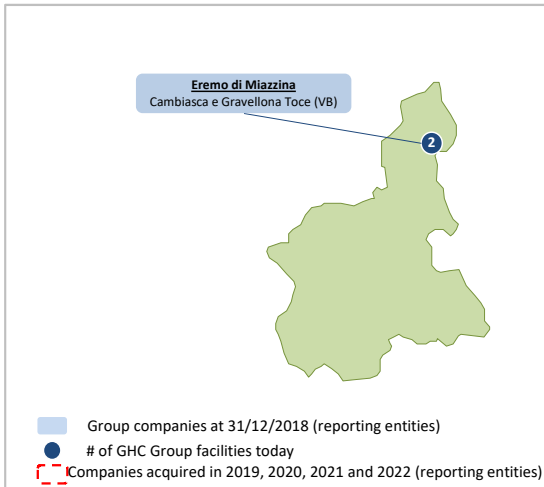


Main services provided

- Outpatient eye surgery services
- Diagnostic imaging service
- Sports medicine
- Dental services

➤ FOCUS: PIEDMONT REGION

GEOGRAPHICAL POSITIONING OF GHC CLINICS



PIEDMONT REGION INDICATORS

Highlights	
<i>GDP per capita 2021</i>	
€31.9k <i>Piedmont</i>	€30.1k <i>Average Italy</i>
<i>Health expenditure per capita 2021</i>	
€2,207 <i>Piedmont</i>	€2,187 <i>Average Italy</i>

Source:
OASI Report 2021, Istat Conti Economici Territoriali

GHC CLINICS: NON-FINANCIAL HIGHLIGHTS

Clinics (FY2022)	Beds	Admissions	Outpatient services	Employees	% male	% female
Hospital services						
Outpatient and dependency care services	#	('000)	('000)	#	%	%
Eremo di Miazzina	309	1.2	126.4	140	24%	76%

L'EREMO DI MIAZZINA (Cambiasca and Gravellona Toce)

1. L'EREMO DI MIAZZINA

National Health System accredited facility



Main services provided

- Post-acute hospital care for the full range of pathologies commonly experienced by the elderly and the sequelae of oncological and chronic degenerative pathologies

2. ISTITUTO RAFFAELE GAROFALO

National Health System accredited facility



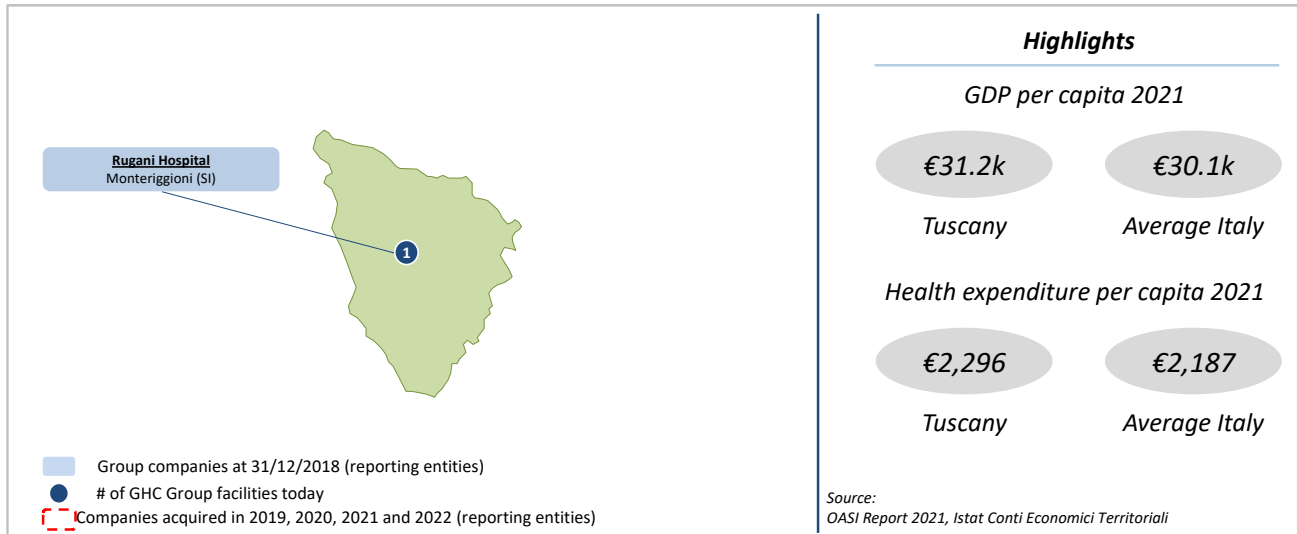
Main services provided

- Recovery and intensive neurological, musculoskeletal, respiratory, cardiological and oncological functional rehabilitation
 - Accredited outpatient treatments and complex outpatient ophthalmic surgery in private practice

➤ FOCUS: TUSCANY REGION

GEOGRAPHICAL POSITIONING OF GHC CLINICS

TUSCANY REGION INDICATORS



GHC CLINICS: NON-FINANCIAL HIGHLIGHTS

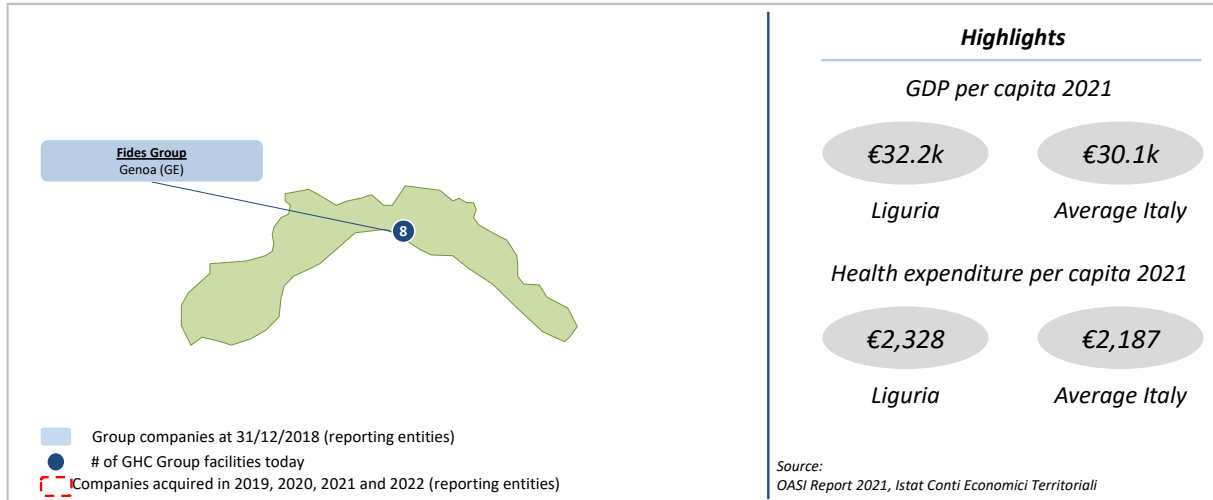
Clinics (FY2022)	Beds	Admissions	Outpatient services	Employees	% male	% female
<i>Hospital services</i>	#	('000)	('000)	#	%	%
Rugani Hospital	80	2.2	19.8	92	25%	75%

RUGANI HOSPITAL (Colombaio locality, Siena)	
National Health System accredited facility	Main services provided
	<ul style="list-style-type: none"> ▪ Ophthalmology ▪ Orthopaedics, with a focus on prosthetic surgery ▪ Urology ▪ General surgery ▪ Otorhinolaryngology ▪ Motor Rehabilitation ▪ Diagnostic imaging for the provision of inpatient and outpatient activities ▪ Orthopaedic surgery

➤ FOCUS: LIGURIA REGION

GEOGRAPHICAL POSITIONING OF GHC CLINICS

LIGURIA REGION INDICATORS



GHC CLINICS: NON-FINANCIAL HIGHLIGHTS

Clinics (FY2022)	Beds	Admissions	Outpatient services	Employees	% male	% female
<i>Outpatient and dependency care services</i>	#	('000)	('000)	#	%	%
Fides Group (8 clinics)	399	0.9	-	82	17%	83%

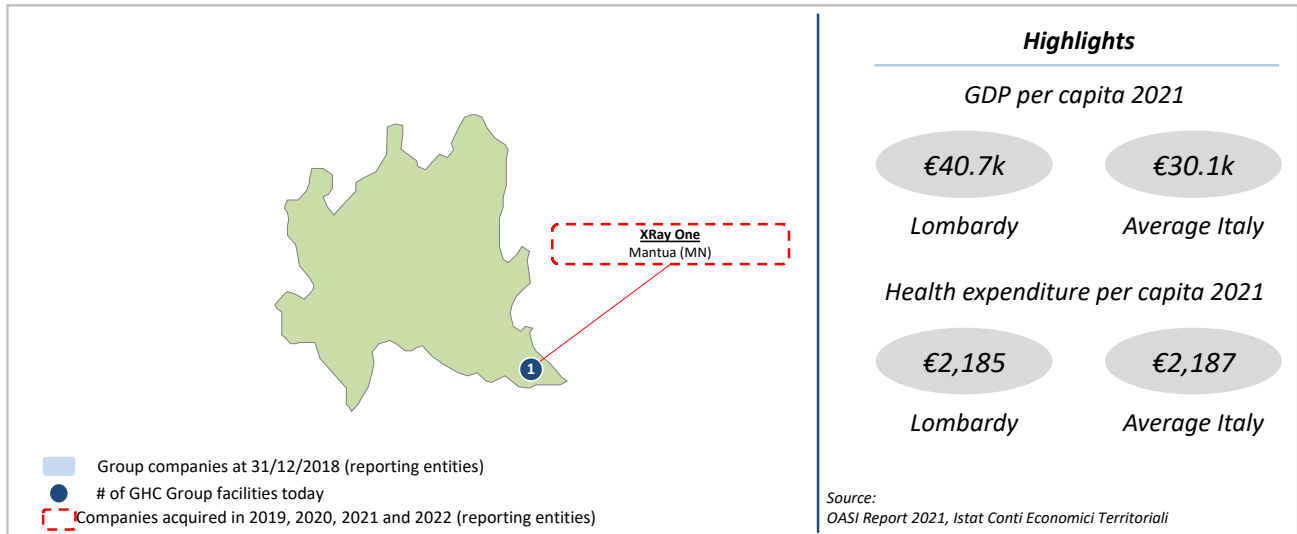
FIDES MEDICA GROUP (Genoa)

<i>National Health System accredited facilities</i>	<i>Main services provided</i>
	<ul style="list-style-type: none"> Full range of rehabilitation services, long-term residential care and reintegration into society Specifically, the following services are provided: <ul style="list-style-type: none"> Care for serious acquired brain injuries; RSA rehabilitative and maintenance; Treatment for individuals suffering from behavioural eating disorders, personality disorders; and Long-stay admissions for the elderly

➤ FOCUS: LOMBARDY REGION

GEOGRAPHICAL POSITIONING OF GHC CLINICS

LOMBARDY REGION INDICATORS



GHC CLINICS: NON-FINANCIAL HIGHLIGHTS

Clinics (FY2022)	Beds	Admissions	Outpatient services	Employees	% male	% female
<i>Outpatient and dependency care services</i>	#	('000)	('000)	#	%	%
XRay One	-	-	73.6	42	26%	74%

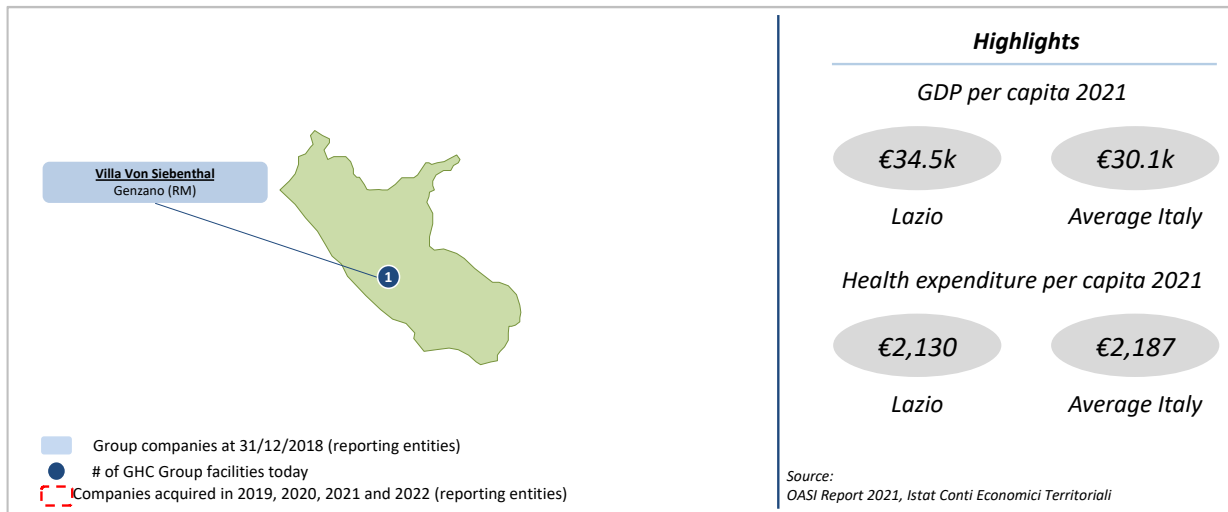
XRAY ONE (Poggio Rusco, Mantua)

National Health System accredited facility	Main services provided
	<ul style="list-style-type: none"> Radiological diagnostics (MRI, CT, MOC, CR digitised mammography, ultrasound, abdominal, vascular and peripheral echocolor Doppler) Specialist medical services

➤ FOCUS: LAZIO REGION⁽²⁾

GEOGRAPHICAL POSITIONING OF GHC CLINICS

LAZIO REGION INDICATORS



GHC CLINICS: NON-FINANCIAL HIGHLIGHTS

Clinics (FY2022)	Beds	Admissions	Outpatient services	Employees	% male	% female
<i>Outpatient and dependency care services</i>	#	('000)	('000)	#	%	%
Villa Von Siebenthal	89	0.5	-	52	23%	77%

VILLA VON SIEBENTHAL (Genzano)	
National Health System accredited facility	Main services provided
	<ul style="list-style-type: none"> Neuropsychiatric treatments "Extensive" and "intensive" psychiatric treatment for adolescents Admissions for mental disorders, including adult patients, in both the acute and post-acute phases Admission of patients with drug addiction

²⁾ Excluding the parent company GHC S.p.A. insofar as it is a holding company that does not engage in health care activities

7. Governance

7.1 GHC's corporate governance model (GRI 2-9, 2-11, 405-1)

GHC's corporate governance system is structured according to the traditional administration and control model and includes the following bodies:

- the Shareholders' Meeting, as expression of the interest of the plurality of shareholders, expresses, through its motions, the will of the company;
- the Board of Directors, assigned the widest powers of ordinary and extraordinary administration of the Company, with the power to carry out all acts it deems appropriate for attaining the corporate scope, with the exception of those assigned to the Shareholders' Meeting by law;
- the Board of Statutory Auditors, an independent body which verifies compliance with law and the By-Laws, with the principles of correct administration and the adequacy of the administration and accounting organisation adopted by the Company.

The Board of Directors of the Parent Company currently in office, appointed by the Shareholders' Meeting of April 30, 2021 and in office for a three-year period, is made up of 11 members, four of whom are independent as per Article 148 of the CFA and Article 3 of the Self-Governance Code, as shown in the following table.

OFFICE	MEMBER	YEAR OF BIRTH	GENDER	NATIONALITY	EXECUTIVE MEMBER	NON-EXECUTIVE MEMBER	INDEPENDENT PER CODE	INDEPENDENT PER CFA	In office from	In office until	Control, Risks and Sustainability Committee	Appointments and Remuneration Committee
Chairperson	Alessandro Maria Rinaldi ^(*)	1960	M	ITA		✓			30.04.2021	App. 2023 Ann. Accounts		
Chief Executive Officer	Maria Laura Garofalo ^(*)	1963	F	ITA	✓				30.04.2021	App. 2023 Ann. Accounts		
Director	Alessandra Rinaldi Garofalo ^(*)	1992	F	ITA		✓			30.04.2021	App. 2023 Ann. Accounts		
Director	Claudia Garofalo ^(*)	1985	F	ITA	✓				30.04.2021	App. 2023 Ann. Accounts		
Director	Giuseppe Giannasio ^(*)	1968	M	ITA		✓			30.04.2021	App. 2023 Ann. Accounts		
Director	Guidio Dalla Rosa Prati ^(*)	1960	M	ITA	✓				30.04.2021	App. 2023 Ann. Accounts		
Director	Javier de la Rica ^(*)	1957	M	SPA		✓			30.04.2021	App. 2023 Ann. Accounts		
Director	Federico Ferro-Luzzi ^(*)	1968	M	ITA		✓	✓	✓	30.04.2021	App. 2023 Ann. Accounts	✓	✓
Director	Nicoletta Mincato ^(*)	1971	F	ITA		✓	✓	✓	30.04.2021	App. 2023 Ann. Accounts	✓	
Director	Giancarla Branda ^(*)	1961	F	ITA		✓	✓	✓	30.04.2021	App. 2023 Ann. Accounts		✓
Director	Franca Brusco ^(**)	1971	F	ITA		✓	✓	✓	30.04.2021	App. 2023 Ann. Accounts	✓	✓

(*) Member drawn from Slate 1, submitted by the majority shareholders Larama98 S.p.A., Maria Laura Garofalo and An.Rama S.p.A. and voted for by 89.458% of the votes cast at the Shareholders' Meeting

(**) Member drawn from Slate 2, submitted by a group of minority shareholders and voted for by 10.542% of the votes at cast at the Shareholders' Meeting.

The Company applies diversity criteria, including those relating to gender as set out in current legislation, in the composition of the Board of Directors, in compliance with the priority objective of ensuring adequate expertise and professionalism of its members, both at the time of their appointment and during their term of office.

The current composition of the Board of Directors continues to comply with applicable regulations including as regards the new paragraph 1-ter of Article 147-ter of the CFA, according to which at least two-fifths of the Directors elected within the Board of Directors must belong to the under-represented gender. The Directors currently in office have adequate managerial and professional skills, including at an international level, and the composition of the Board's internal committees ensured the presence of Directors with the specific skills required by law and by the Corporate Governance Code. The preparation of the Directors ranges from economic, legal, financial and organisational management subjects to those more specifically related to the business of the Company and the Group. The relevant curricula vitae are attached to the Corporate Governance and Ownership Structure Report for FY2022 published on the Company's website, to which reference should be made for any further details.

We also note that the composition of the Board of Directors is adequately diversified in terms of age, gender and educational, managerial and professional background, as well as origin, as can be seen from the above, and from the curricula vitae of the Directors.

Specifically, two Directors between the ages of 30 and 40, and nine Directors over the age of 50 sit on the Board of Directors. Six out of eleven Directors are women. The members of the Board include managers of the Company and Directors, including Independent Directors, who have worked for many years in the industry in which the Company operates, in listed companies and in management.

The role of Chairperson of the Board of Directors is held by a Non-Executive Director, who is not a senior executive of the Company.

Since the Company is not one of the addressees of Recommendation No 15 of the Corporate Governance Code, which refers only to "large companies", the Board of Directors did not express its position in relation to the maximum number of management and control positions held in other listed or large companies which may be considered compatible with the proper fulfilment of the role of Director of the Company, deeming it appropriate to leave the individual Directors to assess such compatibility.

Subject to Article 3, Principle 12 of the Corporate Governance Code, Directors are required to accept their appointment when they believe they can devote the necessary time to the diligent performance of their duties. During 2022, the Board of Directors decided not to set a maximum number of appointments in view of the multiplicity of abstractly possible situations, which differ according to the characteristics of the individual Director, the type, size and complexity and specificity of the business sector of the companies in which the other offices are held, as well as the specific role covered (Executive, Non-Executive, Independent Director; member of committees; Statutory Auditor or Chairperson of the Board of Statutory Auditors, etc.).

Refer to Table 1B attached to the Corporate Governance and Ownership Structure Report for the year 2022, published simultaneously with this document and accessible on the Company's website, for the positions held by the Company's Directors as of the end of the year and the publication date of the NFS.

The composition of the Board of Statutory Auditors is as follows.

OFFICE	MEMBER	YEAR OF BIRTH	GENDER	NATIONALITY	INDEPENDENT PER CODE	INDEPENDENT PER CFA	In office from	In office until
Chairperson	Sonia Peron ^(*)	1970	F	ITA	✓	✓	30.04.2021	App. 2023 Ann. Accounts
Statutory Auditor	Alessandro Musaio ^(**)	1967	M	ITA	✓	✓	30.04.2021	App. 2023 Ann. Accounts
Statutory Auditor	Francesca di Donato ^(**)	1973	F	ITA	✓	✓	30.04.2021	App. 2023 Ann. Accounts
Alternate Auditor	Andrea Bonelli ^(**)	1967	M	ITA	✓	✓	30.04.2021	App. 2023 Ann. Accounts
Alternate Auditor	Marco Salvatore ^(*)	1965	M	ITA	✓	✓	30.04.2021	App. 2023 Ann. Accounts

() Member drawn from Slate 2, submitted by a group of minority shareholders and voted for by 10.455% of the votes at cast at the Shareholders' Meeting.*

*(**) Member drawn from Slate 1, submitted by the majority shareholders Larama98 S.p.A., Maria Laura Garofalo and An.Rama S.p.A. and voted for by 89.458% of the votes cast at the Shareholders' Meeting*

7.2 Board of Directors appointment process (GRI 2-10, 2-18)

Pursuant to Article 147-ter of the CFA, the Company's By-Laws establish that the appointment of Directors is carried out by means of slate voting, in compliance with the current regulations concerning gender equality.

Specifically, Article 27 of the By-Laws provides that Directors are appointed on the basis of slates submitted by shareholders who hold, also jointly, at least 2.5% - or any other percentage set out by applicable provisions - of the share capital represented by Shares carrying voting rights in Shareholder Meetings' motions concerning the appointment of members of the administrative body, or any other threshold set out by Consob pursuant to Article 144-quater of the Consob Issuers' Regulation.

Each shareholder - in addition to shareholders belonging to the same group, belonging to the same Shareholder agreement pursuant to Article 122 of the CFA, the parent company, the subsidiaries and those subject to joint control pursuant to Article 93 of the CFA - cannot submit or take part in the submission of more than one slate, neither through nominees or a trust company, nor vote for different slates, and each candidate can be included in one slate only, otherwise he/she will be ineligible. In case of violation of the above, the vote cast shall not be taken into account.

The slates, signed by those who submit them, shall be filed at the registered office and at the market management company at least 25 days before the date set for the Meeting held to resolve on the appointment of the administrative body and made available to the public at the registered office, at the market management company, on the Company's website and according to the other methods set out by applicable legal and regulatory provisions, at least 21 days before the date set for the Meeting on first call.

The slates indicate which Directors meet the independence requirements established by law and by the By-Laws. Slates presenting a number of candidates equal to or greater than three shall in addition include candidates of each gender, according to that indicated in the Shareholders' Meeting call notice, in order to ensure a Board of Directors composition which complies with the applicable legislation on gender balance.

When filed, each slate must be accompanied by:

- a) information regarding the identity of the shareholders submitting the slate and the total percentage of share capital held by them;
- b) declarations from the individual candidates accepting their candidacies and certifying, in good faith, the inexistence of any cause of ineligibility or incompatibility, and the satisfaction of the requirements prescribed by applicable law for their respective offices;
- c) declarations of independence made pursuant to applicable laws and regulations; and
- d) a curriculum vitae for each candidate, which shall contain detailed information on the personal and professional characteristics of each candidate and indicate any management and control positions they hold.

Slates presented in violation of the above rules shall be considered null;

The By-Laws do not provide that the outgoing Board of Directors may submit a slate of candidates to serve as Directors.

The candidates elected shall be those on the two slates that have obtained the higher number of votes, with the following criteria:

- a) from the slate which obtained the highest number of votes (the "Majority Slate") all of the members of the Board of Directors are elected except one, as established by the Shareholders' Meeting; the candidates are elected from the Majority Slate in numerical order;
- b) from the slate which obtained the second highest number of votes (the "Minority Slate") and which is not connected in any way, even indirectly, with the Majority Slate and/or the Shareholders who have presented or voted on the Majority Slate, the first candidate listed is elected to the Board of Directors. Slates that have not obtained votes equal to at least half of that required for their presentation will not be taken into consideration. If no slate, other than the Majority Slate, has obtained this percentage of votes, the Director shall be drawn from the same Majority Slate.

In the event of a tie between slates, the slate submitted by the Shareholders holding the largest shareholding, or subordinately by the largest number of Shareholders, shall prevail.

The Company applies diversity criteria, including those relating to gender as set out in current legislation, in the composition of the Board of Directors, in compliance with the priority objective of ensuring adequate expertise and professionalism of its members, both at the time of their appointment and during their term of office. The current composition of the Board of Directors continues to comply with applicable regulations including as regards the new paragraph 1-ter of Article 147-ter of the CFA, according to which at least two-fifths of the Directors elected within the Board of Directors must belong to the under-represented gender.

In this regard, taking into account the indications received from the Appointments and Remuneration Committee, the Board of Directors has however approved an Administrative and Control Board Diversity Policy, which provides non-binding indications on aspects such as gender, age, educational and professional background. These are to be taken into account in order to identify a qualitative and quantitative composition of the Board of Directors and the Board of Statutory Auditors of the Company that is optimal to ensure the effective discharge of the duties and responsibilities entrusted to the management and control bodies through the presence of individuals who, on the one hand, ensure a sufficient diversity of viewpoints and, on the other hand, are equipped with the skills necessary for a good understanding of the Company's business, risks and the long-term opportunities for GHC. This Policy is available on the Company's website in the Governance/Corporate Governance section.

We note that at December 31, 2022, the Company has a real and concrete focus on gender equality and opportunity issues, as confirmed by the presence of:

- A female Chief Executive Officer;
- Females in the majority on the Board (6/11, or approx. 55%);
- Females in the majority on both internal committees (2/3, or approx. 67%);
- Females in the majority on the Supervisory Board (2/3, or approx. 67%);

In addition to the provisions contained in law, the CFA and those contained in the By-Laws and the Corporate Governance Code, the Company is not subject to other requirements concerning the composition of the Board of Directors.

Focus: Board of Directors' Self-Evaluation

Consistent with Recommendation No. 22 of the Corporate Governance Code for "non-large" companies, self-evaluation of the Board of Directors and its Committees is conducted at least every three years, in preparation for renewal of the Board. This self-evaluation, carried out most recently in March 2021 and covering 2020, was conducted through the compilation by all Board members of a questionnaire prepared by the Appointments and Remuneration Committee without the aid of an external consultant and approved by the Board of Directors, the results of which were collected and examined by the Appointments and Remuneration Committee and submitted to the Board of Directors.

The annual evaluation produced a positive outcome regarding the functioning, size and composition of the Board of Directors and the Board Committees.

7.3 Appointment process and role of internal Board committees (GRI 2-10, 2-12, 2-15)

Control, Risks and Sustainability Committee

As recommended by the Corporate Governance Code and in accordance with the Consob Related Parties Regulation, GHC's Board of Directors has established a committee with responsibilities including sustainability and related party transactions ("Control, Risks and Sustainability Committee"). This body has advisory and proposing functions and, pursuant to Recommendation No. 35 of the Corporate Governance Code, has the task of supporting, by means of an adequate preliminary, consultative and proposal activity, the assessments and decisions made by the Board of Directors concerning the Internal Control and Risk Management System, the approval of the periodic financial and non-financial reports, related party transactions and the sustainability of corporate policies. Following the appointment of the Board of Directors for the three-year period 2021-2023, and as of the date of this report, the Control, Risks and Sustainability Committee comprises the Non-Executive and Independent Directors Franca Brusco (Chairperson, appointed by the Committee itself in line with the internal Regulation, following consultation with Chairperson of the Board of Directors), Federico Ferro-Luzzi and Nicoletta Mincato.

The Control, Risks and Sustainability Committee as a whole has adequate expertise in the business sector in which the company operates, which is functional to assess the relevant risks; at least one member of the committee has adequate knowledge and experience in accounting and finance or risk management.

Focus: Related Party transactions and Directors' Interests

On November 27, 2018, the GHC Board of Directors approved, subject to the opinion of the Control, Risks and Sustainability Committee acting as the competent committee for related party transactions, the Related Party Transactions Procedure, pursuant to Article 2391-bis of the Civil Code and the Consob RPT Regulation ("RPT Procedure").

The RPT Procedure was most recently updated by the Board of Directors' motion of June 16, 2021 (with effect as of July 1, 2021), subject to the favourable opinion of the Related Parties Committee pursuant to Article 4, Paragraph 3 of the Consob RPT Regulation, in order to incorporate the amendments to the Consob RPT Regulation designed to fully align the regulatory text with Directive (EU) 2017/828, Shareholders Rights Directive 2. The RPT Procedure, which applies to GHC and to all its direct and indirect subsidiaries, governs the rules relating to the identification, approval and execution of related party transactions carried out by the Company, directly or through its subsidiaries. Specifically, the RPT Procedure regulates the procedures for the investigation and approval of related party transactions defined as of greater importance on the basis of the criteria indicated in the Consob RPT Regulation and related party transactions defined as of lesser importance, meaning those other than significant transactions and transactions of negligible amounts (as defined in the RPT Procedure). It also identifies the cases in which the rules provided for in the RPT Procedure do not apply. The full text of the RPT Procedure is available on the Company's website.

It should be underlined that the Board of Directors did not deem it necessary to adopt specific operational solutions aimed at facilitating the identification and adequate management of those situations in which a Director has an interest on his own behalf or on behalf of third parties; the Board believes the safeguards contained in Article 2391 of the Civil Code ("Directors' Interests") to be sufficient.

Appointments and Remuneration Committee

The GHC Board of Directors has established an Appointments and Remuneration Committee, which incorporates the functions provided by the Corporate Governance Code for the Appointments Committee and the Remuneration Committee. This is a preliminary, consultative and proposal body whose main task with regard to appointments is to identify the optimal composition of the Board of Directors and its Committees, indicating the professional figures whose presence may foster its correct and effective functioning and, with regard to remuneration, to make proposals to the Board of Directors for the definition of the remuneration policy for Directors and top management.

Following the appointment of the Board of Directors for the three-year period 2021-2023, and as of the date of this report, the Appointments and Remuneration Committee comprises the Non-Executive and Independent Directors Federico Ferro-Luzzi Brusco (Chairperson, appointed by the Committee itself in line with the internal Regulation, following consultation with Chairperson of the Board of Directors), Giancarla Branda and Franca Brusco.

7.4 Sustainability governance (GRI 2-12, 2-13, 2-14, 2-17)

The Board of Directors has assumed the role of the main driver in relation to the Group objective of creating long-term value for the benefit of Shareholders - while also considering the interests of other relevant stakeholders - in the pursuit of sustainable success. The Company has always paid particular attention to sustainability or "ESG" issues, which are closely bound up with this objective. In fact, the Group considers that these issues lie at the heart of the precious "intangible" heritage that comprises its reputation, its history and the set of principles that underpin its socially responsible action, particularly given the specific - health and personal care in which it operates

In order to implement the above, the GHC Group has created a Governance system specifically dedicated to the supervision and management of sustainability issues at Group level, in order to operate responsibly and to increasingly integrate sustainability into its strategic actions. This governance system involves a number of players who, each with their own roles and responsibilities, work together to ensure that the principles of sustainable success form an increasingly fundamental part of their daily actions. This is specifically based on the impetus and strategic directions outlined by the Board of Directors.

Specifically, as of December 31, 2022, the Company has:

- A Control, Risks and Sustainability Committee, consisting of three Independent Directors with investigative, propositional and advisory functions vis-à-vis the Board of Directors on sustainability issues;
- A Chief Sustainability Officer, who is responsible for preparing the Non-Financial Statement pursuant to Legislative Decree No. 254/16 and supporting top management in introducing activities relating to medium- and long-term ESG objectives;
- Non-Financial Statement Officers, identified at each subsidiary, responsible for collecting, processing and certifying non-financial data.

ESG ratings and sustainability awards

In 2022, Standard Ethics Ltd. ("**Standard Ethics**"), an independent ratings agency that assigns non-financial and sustainability ratings, upgraded GHC's ESG rating, reflecting the level of compliance with voluntary institutional and international sustainability guidelines (and related governance aspects) from the United Nations (UN), the Organisation for Economic Cooperation and Development (OECD) and the European Union (EU).

Specifically, Standard Ethics raised the rating from Investment Grade EE- ("Adequate") to EE ("Strong"), noting that *"the Company maintains a constant focus on innovation and over the years has strengthened its ESG (Environmental, Social, Governance) framework, which has resulted in a good non-financial reporting system and adequate sustainability governance. Among other matters, this involves a Risk Management process which takes into account extra-financial issues, various ESG policies and also, from 2021, a long-term incentive plan linked to sustainability ratings and environmental and energy performance. Steps were also taken to better protect the interests of minority shareholders, such as the waiver of the majority vote by the controlling shareholder. This course of action, combined with strategies increasingly aligned with voluntary guidance from the UN, OECD and EU, is the basis for raising the rating from EE- (with positive outlook) to EE."*

We note that improving the ESG rating provided by Standard Ethics was one of the sustainability goals for FY2022, an objective that should therefore be considered achieved.

The Standard Ethics report can be found in both Italian and English in the Sustainability/ESG Rating section on the Company's website.

In this regard, we also note that in 2022, GHC was selected as one of the winning companies in the first **ESG Awards** organised by **Milano Finanza** and **Class Editori**. This award recognises the companies that work hardest to achieve ESG objectives and is based on the ratings of Standard Ethics, which the organisers define as “the most authoritative agency specialising in the issuance of non-financial ratings”. In light of the above, GHC was awarded the “MF ESG Special Award - For the best sustainability policies applied in the company, for sustainability governance with Standard Ethics Rating (EE)”. GHC was also confirmed as a “**Sustainability Leader**” in 2022, an honour presented by IISole24Ore and Statista to the most sustainable Italian enterprises from a sample of almost 1,500 companies.

Sustainability and performance: the 2021-2023 Performance Shares Plan

In 2021, and at the proposal of the Board of Directors, GHC's Shareholders' Meeting approved a long-term incentive plan involving the free assignment of GHC ordinary Shares. This is known as the "2021-2023 Performance Share Plan" and is reserved for the Chief Executive Officer and key figures of the Company and/or the Group as identified by the Board of Directors where applicable.

The Plan provides that the assignment of shares is linked to the achievement of certain performance objectives, with a significant weighting given to ESG objectives, as detailed below.

For more details on the 2021-2023 Performance Shares Plan, please refer to the Governance/Remuneration section on the Group's website.

PERFORMANCE TARGETS INCLUDED IN THE 2021-2023 PERFORMANCE SHARE PLAN			
AREA	PROFITABILITY	VALUE CREATION FOR SHAREHOLDERS	ESG
WEIGHTING (%) ^(*)	60%	25%	15%
KPIs	Operating Adjusted EBITDA Weighted Average Margin	Total Relative Shareholder Return	Improved Standard Ethics Rating and Environmental Energy Performance

() The weighting indicated refers to the percentage of shares assigned (on the full achievement of expected objectives)*

Sustainability commitments undertaken by the Group

GHC Group considers sustainability an essential strategic lever for achieving its corporate goals. For this reason, the Group has, since its IPO, renewed its sustainability commitments for subsequent years, with a view to transparently communicating the main lines of action to all stakeholders.

We note that the Group's sustainability goals have been approved by the internal Board committees and the Board of Directors.

Below are the commitments made by the Company under the NFS 2021 (approved in March 2022), the detailed elements of which are represented individually in dedicated sections of the document.

AREA	INTERVENTION AREA 2022	OBJECTIVE	PLANNED ACTION	STATUS
ENVIRONMENT	ENVIRONMENT AND EFFICIENCY ENERGY	Analyse the energy efficiency of the Group's structures for subsequent definition and introduction of the consequent lines of intervention	Analyse energy efficiency in a sample of the Group's companies in the years 2021-2023	✓
SOCIAL	PROMOTION OF THE ENGAGEMENT, WELL-BEING AND DEVELOPMENT OF GHC'S PEOPLE	Ensure attraction and retention capabilities, monitor the satisfaction level of GHC staff, foster talent and skills	Survey the internal climate of the organisation	✓
			Report the turnover of each facility in the last two years	✓
			Promote employee engagement in training initiatives	—

	FURTHER DEVELOPMENT OF THE CULTURE OF SUSTAINABILITY	Involve area facilities on ESG issues and ensure compliance with the principles of Diversity and Inclusion	Establish Sustainability Ambassadors, with propositional and consultation roles on sustainability issues	✓
			Guarantee equal opportunities in the hiring process	✓
GOVERNANCE	ALIGNMENT WITH BEST PRACTICES	Improve GHC's alignment with national and supranational sustainability best practices	Align ESGs with UN, OECD and EU voluntary guidelines	✓

Similarly, the sustainability commitments made by GHC in the 2022 NFS (approved in March 2023), the implementation of which will be reported on in the 2023 NFS, are given below.

AREA	INTERVENTION AREA 2023	OBJECTIVE
ENVIRONMENT	ENVIRONMENT AND EFFICIENCY ENERGY	Execute energy efficiency measures in accordance with the recommendations provided by the FY2022 study. Increase the proportion of electricity acquired from renewable sources to further cut supply costs
SOCIAL	QUALITY OF CARE AND FOCUS ON THE PATIENT AND CAREGIVER	Actively monitor, measure, and manage performance quality using primary indicators of patient safety and clinical quality Actively monitor, measure and manage customer satisfaction
	TECHNOLOGICAL INNOVATION AND DIGITALISATION OF SERVICES	Implement digital evolution initiatives and projects
	ETHICS AND INTEGRITY	Establish a specific training plan on regulatory/compliance aspects (e.g. anti-corruption, privacy)
	CULTURE OF SUSTAINABILITY	Support participation and community building programmes targeted at disseminating the Company's sustainable practices and receiving operational improvement insights.
GOVERNANCE	ALIGNMENT WITH BEST PRACTICES	Maintaining/improving the Standard Ethics rating
	INTEGRATION PERFORMANCE FINANCIAL AND NON-FINANCIAL	Integrate ESG issues into the Budgets/Long-term plans of each subsidiary
	DATA SECURITY & PRIVACY	Strengthen cyber security and security measures

Non-Financial Statement Reporting Process

The GHC Group's 2022 NFS was drawn up according to a structured reporting process, as set out in the "Non-Financial Statement" Policy approved by GHC's Board of Directors in 2020. The main steps taken in preparing the 2022 Non-Financial Statement are presented below:

PROCESS PHASES	
Process actor	Main activities
SUBSIDIARY NFS MANAGERS	<ul style="list-style-type: none"> - Collecting, checking, and attesting to the data and information to be included in the NFS - Certification of data and information through the same IT application used by the Group for the certification of consolidated financial data
ADMINISTRATIVE BODY OF SUBSIDIARY COMPANIES	<ul style="list-style-type: none"> - Approval by the Board of Directors of each subsidiary of the non-financial data certified by the relevant NFS Manager; information forwarded to the parent company
CHIEF SUSTAINABILITY OFFICER	<ul style="list-style-type: none"> - Consolidation of non-financial data and information certified by the NFS Manager of each subsidiary and approved by the relevant Board - Preparation of draft Non-Financial Statement
CONTROL, RISKS AND SUSTAINABILITY COMMITTEE	<ul style="list-style-type: none"> - Preliminary analysis of the draft Non-Financial Statement proposed by the Chief Sustainability Officer
GHC BOARD OF DIRECTORS	<ul style="list-style-type: none"> - Approval of the final version of the Non-Financial Statement

The Control, Risks and Sustainability Committee and the Board of Directors conduct periodic evaluations of the efficacy of the organisational procedures underlying this activity, including the introduction of corrective measures. In this regard, the 2022 NFS reporting process was further bolstered by:

- **strengthening the role of the "NFS Manager"** for subsidiaries, with a view to ensuring improved oversight of non-financial data;
- **strengthening the reporting tool** in order to enable ever greater traceability and verifiability of non-financial data reported by subsidiaries;
- **strengthening the ownership of the reporting process**, in order to enable better accountability of reported data;
- **strengthening the control system** by providing for audits conducted by the Chief Sustainability Officer (on a sample basis using data provided by subsidiaries) supplementary to those of the independent audit firm.

Additional in-depth activities related to sustainability issues

In 2022, the Control, Risks and Sustainability Committee and/or the Board of Directors continued their in-depth work in relation to various aspects concerning sustainability issues, both through internal corporate functions (including The Chief Sustainability Officer and the Legal and Corporate Affairs Office) and through participating in specialised conferences and seminars (including "The development of the Board of Directors in terms of sustainability and digital transformation" organised by Assonime - Association of Italian joint-stock companies).

In particular, the issues covered by such in-depth work include:

- analysis of the recommendations of the Corporate Governance Committee for 2022, sent in December 2021;
- the analysis of sustainability recommendations received from Standard Ethics Ltd. ("**Standard Ethics**"), an independent agency that has given GHC an extra-financial sustainability rating since 2020;
- updating the Global Reporting Initiative (GRI) reporting standards;
- the changes introduced by European Regulation 852/2020 on the "Taxonomy".

7.5 Group organisational model and regulatory system

GHC Group organisational model

The organisational model adopted by the Group involves centralising at the Parent Company, which exercises management and co-ordination over the subsidiaries pursuant to Article 2497 of the Civil Code, the decision-making process regarding, *inter alia*, the pursuit of the strategic objectives, although ensuring full decision-making autonomy for the subsidiaries in implementing the Parent Company-defined strategy.

In particular, the parent company:

- identifies the strategic development guidelines to be pursued, sets and monitors goals for the various healthcare facilities;
- identifies the potential healthcare facilities to be acquired, managing M&A activities and the post-acquisition integration plan to achieve the potential synergies;
- manages certain specific activities for the Group, so as to rapidly achieve possible synergies in terms of the efficacy and efficiency of the business.

Likewise, each subsidiary:

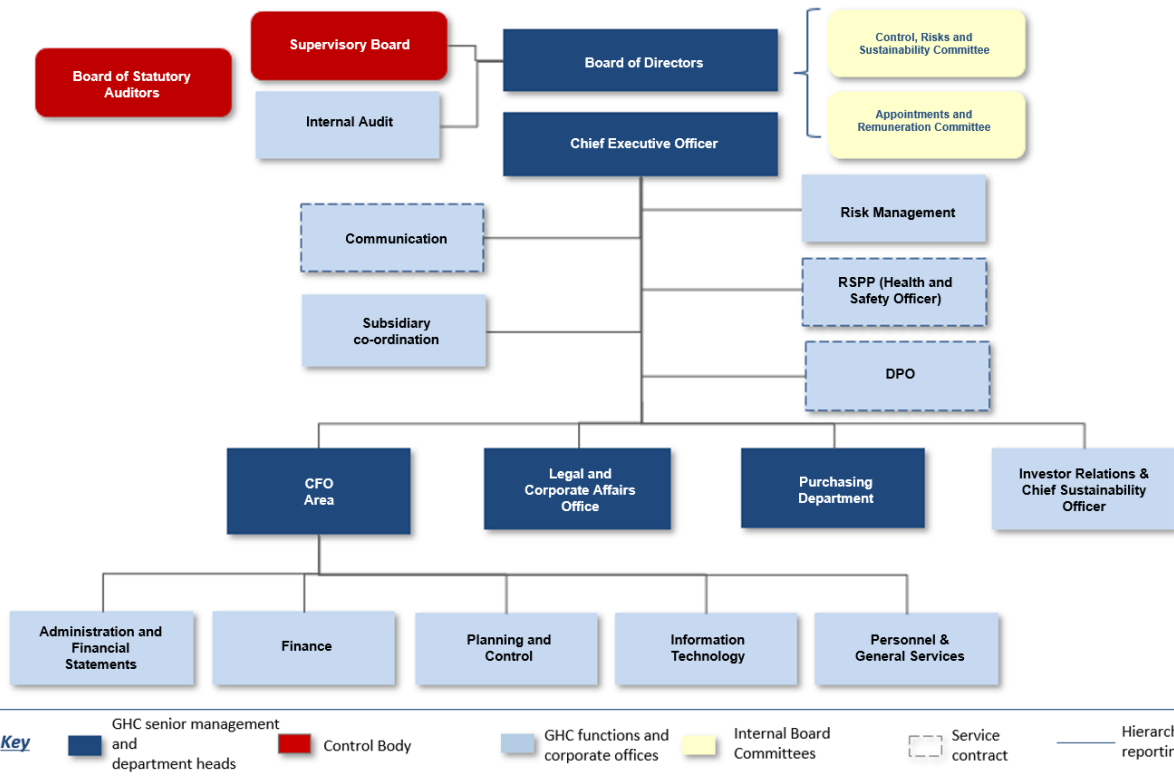
- independently manages its own healthcare and dependency care services;
- formulates and implements its own budget/business plan;
- periodically defines its financial needs.

Organisational model of the Parent Company

The organisational model of the Parent Company, updated in 2022, requires the following Departments / Functions and Teams to directly report to the Chief Executive Officer of the Company:

- CFO Management Area: (i) manages the administration, finance, planning and control activities so as to ensure the use of Group economic and financial resources in line with the business plan; (ii) ensures the design, implementation and operation of the services, networks and IT applications that support and/or automate the company's production processes and uses the capacity for technological innovation as a lever of competitive advantage; (iii) ensures the management and development of human resources, all related processes and the management of the company's general services;
- Purchasing Department: handles the procurement of goods and services to support the operations of the Company, contributing to Group purchasing policies in line with corporate strategies;
- Legal and Corporate Affairs: handles the management of legal and corporate affairs, so as to guarantee the protection of the Company's interests in all appropriate forums and ensure the management of corporate obligations, as provided for also by the implementing regulations of the Authorities in charge of market control;
- Communication: ensures the coordination of the Company's external relations and institutional communication in the media, ensuring the consistency of information in view of the policies agreed with the Chief Executive Officer, and ensures the communication of information regarding GHC and each subsidiary, with the exception of regulated information;
- Risk Management: ensures the coordination at Group level of activities relating to the introduction and management of the Enterprise Risk Management process, developing and promoting the development of a risk culture and a common language on risk within the organisation in line with the Guidelines on the Internal Control and Risk Management System issued by the parent company;
- Investor Relations & Chief Sustainability Officer: (i) supports the Chief Executive Officer in managing relations with investors, lenders and other counterparties, ensuring official communication with Borsa Italiana and the market; (ii) promotes and ensures Corporate Sustainability activities in order to foster a Group sustainability culture.

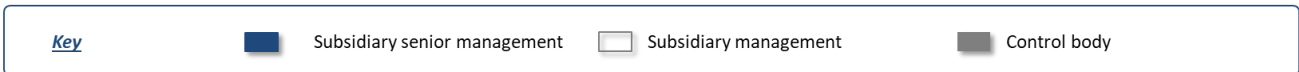
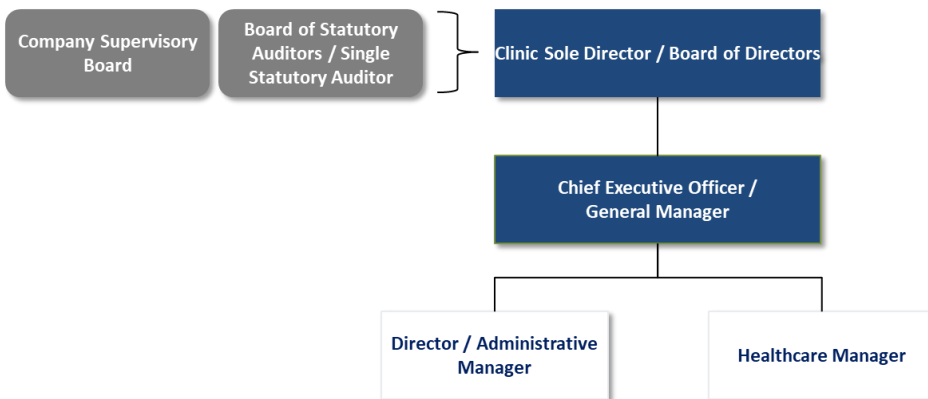
The organisational model also provides that, based on the indications provided by the Corporate Governance Code, the Internal Audit Function, which co-ordinates activities at Group level, reports directly to the Board of Directors of GHC S.p.A. in order to guarantee its autonomy and independence.



Organisational model of the subsidiaries

The organisational model of the subsidiaries establishes that each structure has a:

- **Chief Executive Officer/General Manager:** reports directly to the administrative body of the individual Group company or to the Sole Director;
- **Director/Administrative Manager** who has the task of overseeing in particular administrative-accounting and financial matters and, more generally, supports the structure for “staff” matters;
- **Healthcare Manager**, responsible, *inter alia*, for the technical-functional organisation and good functioning of the sanitary-health services and the respect of the rules of protection of the operators against the risks deriving from the specific activity.



We also note that all subsidiaries are subject to mandatory or voluntary audits and have formal controls for aspects relating to risk management, the application of Law No. 262/2005 and the processing and reporting of non-financial data.

Focus: the Committee of Chief Executive Officers and General Managers of subsidiaries

In 2018, the Board of Directors set up the Committee of Chief Executive Officers and General Managers of the subsidiaries, with coordination functions between the subsidiaries and the relevant corporate and healthcare structures and at which the Chief Executive Officer and top management of the Company may attend on invitation. This Committee, chaired on a rotating basis by one of its members, oversees the implementation of process best practices at Group level and monitors the development of the marketplace.

Group Regulation

The Group Regulation ("**Regulation**"), approved by GHC's Board of Directors in 2020, identifies the areas and defines the procedures for the exercise of management and coordination by the Parent Company with respect to its subsidiaries, in accordance with the strategic objectives, development policies and management guidelines set by the Parent Company.

In fact, in the light of the above-mentioned organisational model, the management and coordination of the Parent Company is carried out in the following manners:

- definition of policy and coordination acts for the pursuit of Group interests and the development of all the constituent companies;
- prior authorisation for subsidiaries to carry out "Significant Transactions" (as defined in the Regulation);
- definition of the Group's regulatory system, information flows and other connection processes to ensure effective coordination between Group companies;
- definition of a single address of the ICRMS.

In view of the management and coordination carried out by the Parent Company, each subsidiary is required to:

- adopt and implement the policies, directives and instructions issued by the Parent Company;
- request prior authorisation from the Parent Company to carry out "Significant Transactions";
- implement and comply with the Group's regulatory system, as well as to promote the flow of information and other connection processes with the Parent Company and the other subsidiaries;
- promote the internal controls for which it is responsible in the context of the general policy of the ICRMS set by the Parent Company, ensuring that all the functions and bodies responsible for control (both of the Parent Company and of the subsidiaries) are not hindered in the exercise of their functions and that they establish strong collaborative relations with each other, without prejudice, in any event, to the responsibility of the relevant subsidiary.

Therefore, the purpose of the Regulation is to indicate:

- the strategic or operational areas in which the acts of management and coordination are carried out;
- "Significant Transactions" which must be submitted for prior authorisation by the Board of Directors or the Chief Executive Officer of the Parent Company;
- the instruments through which management and coordination is applied, namely the Group's regulatory system, information flows (as defined below), and other connecting processes, such as inter-company committees;
- the corporate processes subject to management and coordination by the Parent Company, broken down by main issues, and the responsibilities of both the Parent Company and the subsidiaries for each area.

Group regulatory system

With reference to the organisational model set out above, the Parent Company defines the Group's regulatory system by identifying specific regulatory and operational instruments (such as, by way of example, procedures, policies, guidelines, directives and recommendations) concerning the concrete methods with which management and coordination is carried out. In this regard, it should be noted that the Parent Company already in 2018 issued a specific company procedure ("Management of the corporate regulatory system" or "Procedure 0"), which seeks to define the rules for the management of the corporate regulatory system, i.e. the set of rules to be followed for the management of the Company's processes.

These instruments, defined as "top-down", are issued by the Parent Company and must be implemented by the Boards of the Subsidiaries or their delegated bodies (on the basis of any indications received from the Parent Company).

As part of the Group's overall regulatory system, in addition to adopting and applying these regulatory instruments, each subsidiary identifies and issues specific regulatory and operational instruments (such as, by way of example, procedures), in compliance with the Group's regulatory system, in order to comply with any requests or indications from the Parent Company, for which the latter may provide a reference model, or internal needs, deriving, for example, from the management of its own Quality System or other certifications or reference regulations.

7.6 Group Internal Control and Risk Management System and Information Flows (GRI 2-16)

Internal Control and Risk Management System

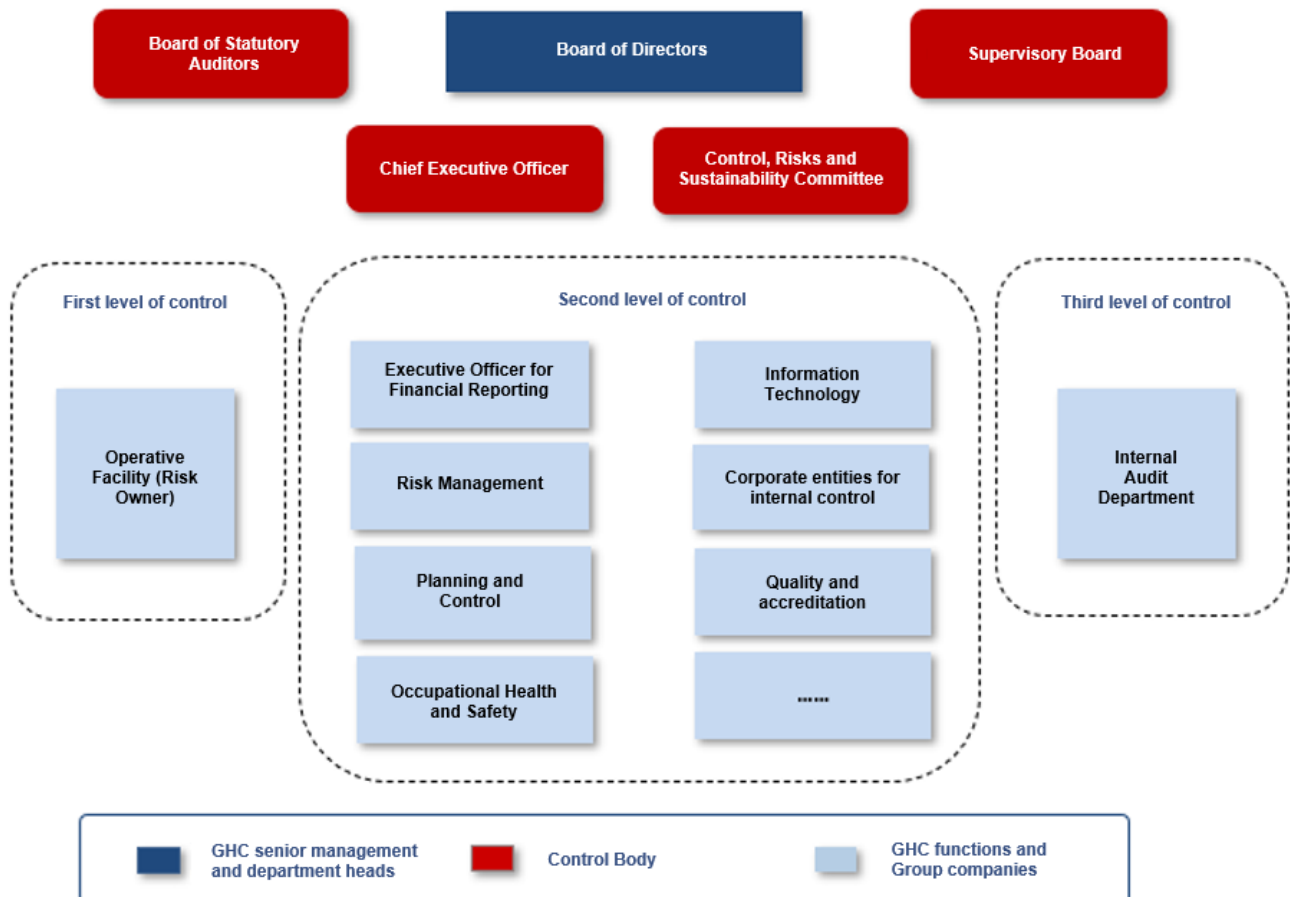
The Internal Control and Risk Management System (“ICRMS”) plays a central role in GHC’s decision-making process and is defined, in accordance with the principles set out in Article 6 of the new “Corporate Governance Code” adopted by the Corporate Governance Committee in January 2020, as the set of rules, procedures and organisational structures which ensure the effective and efficient identification, measurement, management and monitoring of the main business risks within the Group, in order to contribute to its sustainable success.

In this context, the Board of Directors of GHC, which bears responsibility for the ICRMS, within its role of management and coordination of the GHC Group, has prepared the “Guidelines for the Internal Control and Risk Management System” (“Guidelines”), updated to the new Corporate Governance Code, in force from January 1, 2021, in order to ensure that the organisation’s principal risks are properly identified, measured, managed and monitored, in line with the Group’s strategic objectives.

The main elements of the ICRMS defined for the GHC Group are:

- the presence of a Chief Executive Officer (the CEO of GHC) who is responsible for establishing and maintaining the ICRMS;
- the presence of organisational structures in charge of carrying out and assessing risk management activities (Control, Risks and Sustainability Committee, Risk Management Function and Internal Audit Function);
- the presence of an Internal Audit Function delegated by the Board of Directors to provide independent assurance on the efficiency and effectiveness of the ICRMS;
- the setting up of a risk management system in relation to the financial disclosure process introduced in compliance with the provisions of Article 154-bis of the Consolidated Finance Act;
- the establishment of a Group regulatory system involving specific communication and awareness programmes (Code of Ethics to promote and maintain an adequate level of correctness, transparency and ethics in the conduct of Group activities, Organisation and Management Model pursuant to Legislative Decree No. 231/2001).

The main parties involved in the GHC Group's Internal Control and Risk Management System are presented below.



It is important to underline that, in order to ensure the effectiveness of the ICRMS, verification and control activities are provided for on three levels for parties who have been assigned specific roles and responsibilities:

- First level: line controls (procedural, IT, behavioural, administrative-accounting, etc.), i.e. checks carried out by operational structures in order to identify and mitigate risks relating to the areas for which they are responsible;
- Second level: controls carried out by the corporate Functions with specialist supervisory responsibility for managing the Group's risks (Risk Management, Quality and Accreditation, Legal, Compliance, Occupational Health and Safety and Environment, Administration and Control, etc.);
- Third level: controls carried out by the Internal Audit Function, responsible for providing independent assurance through a risk-based approach to first and second level controls, in addition to the overall architecture and functioning of the ICRMS, to identify anomalous trends and violations of procedures and regulations applicable to the organisation.

Throughout 2022, the Chief Executive Officer in charge of the ICRMS, the assigned control functions, and the internal audit function reported periodically to the Board of Directors on relevant events and audits conducted in accordance with the activity plan, with specific reference to the activities conducted by subsidiaries in the area of compliance with the most important applicable regulations.

Group information flows

The GHC Group Information Flow Guidelines ("**Information Flows**"), also approved in 2020 by the GHC Board of Directors and updated in January 2023 to reflect organisational changes, were developed with the dual purpose of:

- representing information flows related to the application of the ICRMS Guidelines;
- identifying and representing the main information flows within the Group in application of the Regulation.

With reference to both cases, the Information Flows identify: (i) the responsibilities of the parties involved in these flows; (ii) the main and secondary recipients, (iii) the frequency and timing necessary to allow the Parent Company to fully exercise its management and coordination and monitor the adequacy and effectiveness of the Group's ICRMS.

During 2022, the guidelines were applied to both information flows governed by the ICRMS Guidelines (see preceding point) and information flows between the Holding and its subsidiaries governed by Group Regulations and corporate procedures.

7.7 Enterprise Risk Management (GRI 2-16)

Enterprise Risk Management

Risk Management activities are considered fundamental by GHC to strengthen the Group's ability to create value for shareholders and stakeholders and to ensure the sustainability of the business over the medium/long term. The single integrated Enterprise Risk Management Model was put into effect in 2022 by revising assessment criteria, expanding the breadth of processes and Group healthcare facilities involved, and adopting Key Risk Indicators designed to empirically validate ERM assessments gathered by Risk Owners. In line with the approved ERM model, the GHC Group's risk management is based on an integrated process of mapping, analysis, processing and monitoring of organisational risks, providing top management with the information necessary to make, in an informed manner, the best decisions for the achievement of the strategic objectives and for the growth and creation of value for the Group, in addition to its protection. The key roles and responsibilities identified by the GHC Group in managing these issues are presented below.

AREA	ACTOR	Main roles and responsibilities
ADDRESS	Board of Directors	<ul style="list-style-type: none"> Defines the guidelines of the Internal Control and Risk Management System Oversees the proper functioning, comprehensiveness and effectiveness of the ERM model Approves ERM Guidelines and the Risk Appetite Statement
	Control, Risks and Sustainability Committee	<ul style="list-style-type: none"> Oversees correct and effective application of the ERM methodology across the Group Prepares and proposes risk management assessments to support Board of Director decisions
IMPLEMENTATION	Director Proxy holder	<ul style="list-style-type: none"> Applies the guidelines defined by the Board of Directors Validates the ERM Guidelines and proposes the Risk Appetite Statement, with the support of the competent Departments Validates the results of the Group Risk Assessment
	Group Risk Manager	<ul style="list-style-type: none"> Develops the methodological approach and components of the ERM model Coordinates and supervises Risk Assessment activities at both the holding and healthcare facilities
	Risk Coordinator for healthcare facilities ^(*)	<ul style="list-style-type: none"> Coordinates Risk Assessment activities at the reference clinic, ensuring application of ERM methodology Interfaces for the Group Risk Manager on all Risk Management issues Ensures adequate information and reporting flows to the Group Risk Manager as part of the process
	Risk Owners	<ul style="list-style-type: none"> Identify and assess risks at the holding and healthcare facilities Define and implement the risk mitigation actions defined within the Action Plans
SUPERVISION	Board of Statutory Auditors	<ul style="list-style-type: none"> Responsible for overseeing the adequacy of the ERM model
	Internal Audit	<ul style="list-style-type: none"> Monitors the effectiveness and efficiency of the model Contributes to the identification of risk areas

(*) The figure of the Risk Coordinator is identifiable, depending on the health facilities, in the figures of CEO, GM or Quality/Clinical Risk Manager and is supported by Administrative Directors and/or Healthcare Managers.

The ERM 2022 findings were submitted to the Board of Directors and relevant Board committees, noting improvement potential within Information Technology and clinical risk management.

7.8 Remuneration policies (GRI 2-19, 2-20, 2-21)

The Remuneration Policy is the result of a process involving the Shareholders' Meeting, the Board of Directors, the Appointments and Remuneration Committee (composed exclusively of Independent Directors), the Board of Statutory Auditors, and the various corporate functions, with respect to their fields of responsibility.

Pursuant to Article 123-*ter* of the CFA and 84-*quater* of the Consob Issuers' Regulation, these issues are covered in the "Remuneration Policy 2023 and 2022 Report".

The "Report" provides a summary of the Company's policy on the remuneration of the Board of Directors and, without prejudice to the provisions of Article 2402 of the Civil Code, the Board of Statutory Auditors, in addition to the compensation for the year ending December 31, 2022.

Specifically, the document is divided into two sections:

- Section I - Remuneration Policy 2023 - illustrates the Policy proposed for 2023 by the Company for the remuneration of Directors and members and the Board of Statutory Auditors, specifying the purposes pursued, the bodies and persons involved and the procedures used for its adoption and execution;
- Section II - Report on Remuneration Paid in 2022 - illustrates the remuneration paid to individual Directors and Statutory Auditors in 2022.

This Report was prepared pursuant to Article 123-*ter* of the CFA, Article 84-*quater* and Annex 3A, Schedule 7-*bis* of the Consob Issuers' Regulation, and in accordance with Article 5 of the Corporate Governance Code.

On March 16, 2023, at the recommendation of the Appointments and Remuneration Committee, the Board of Directors of GHC accepted this Report, which will be put to a vote at the Shareholders' Meeting scheduled for April 28, 2023. Specifically, the Shareholders' Meeting will vote on:

- Section I, namely the "Remuneration Policy 2023", with a binding vote;
- while on Section II, namely the "Report on Remuneration Paid in 2022", its vote is advisory.

The text of the Report is made available to the public at the Company's registered office and in the "Governance/Shareholders' Meeting" and "Governance/Remuneration" sections of the Company's website, www.garofalohealthcare.com, by the 21st day before the Shareholders' Meeting called to approve the Financial Statements for 2022, in accordance with applicable law.

In accordance with GRI Guidelines 2021, the ratio of the Chief Executive Officer's annual total remuneration to the average annual total remuneration of Group employees was also determined. Specifically, the calculation was made by taking as a reference:

- for the Chief Executive Officer: annual total remuneration comprising fixed compensation (including remuneration from subsidiaries and associates) non-equity variable compensation, and the fair value of equity compensation;
- for employees: the value of personnel expenses indicated on a pro-forma basis in the GHC Consolidated Financial Statements, taking into account the 12-month contribution of GVDR, acquired in December 2022⁽³⁾.

This report is issued within the GRI Content Index, to which reference should be made for any further discussion.

⁽³⁾ We note that: (i) this calculation was conducted taking into account the average number of Group employees (1,885 for 2022 and 1,647 for 2021); and (ii) the average value of remuneration was used as a benchmark, taking into account the Group's complex structure. Even so, given the nature of the Company's business and the exclusive nature of its activities in Italy, it is not thought that the calculation would have resulted in large differences even if based on the median salary value

8. Responsible conduct (GRI 2-23, 2-24)

8.1 The Code of Ethics of the GHC Group

The Group updated its Code of Ethics in 2021, aware of the growing attention of its stakeholders to issues regarding responsible business conduct and also in light of the rapid growth since listing through organic development and M&As. This growth requires its culture to be strongly reaffirmed and absorbed, through clearly presenting the set of values underlying the Group, together with the responsibilities it intends to assume both within its scope and externally.

Compliance with supranational recommendations and principles

In undertaking its activities, GHC is guided by a number of the major supranational recommendations, including:

THE MAIN RECOMMENDATIONS AND SUPRANATIONAL PRINCIPLES THAT INSPIRE THE GHC GROUP	
<p>THE UNITED NATIONS GLOBAL COMPACT</p>	<ul style="list-style-type: none"> With particular reference to the principles pertaining to the sphere of "Human Rights" ("<i>businesses are required to promote and respect universally recognised human rights within their spheres of influence</i>" and "<i>ensure that they are not, even indirectly, complicit in human rights abuses</i>") and "Labour" ("<i>businesses are required to uphold the freedom of association of workers and recognise the right to collective bargaining, [...] the elimination of all forms of forced and compulsory labor, [...] the effective elimination of child labour, [...] the elimination of all forms of discrimination in employment and occupation.</i>")
<p>OECD GUIDELINES FOR MULTINATIONAL ENTERPRISES</p>	<ul style="list-style-type: none"> With particular reference to the principles pertaining to the topic of Competition ("<i>enterprises should [...] conduct their activities in a manner compatible with all applicable competition laws and regulations [...], refrain from entering into or implementing anticompetitive agreements [...], regularly promote the awareness among employees of the importance of observing all applicable competition regulations and policies, and, in particular, train the company's senior management on these issues</i>"), the Environment ("<i>[...] companies should give due consideration to the need to protect the environment, public health and safety, and, in general, should conduct their activities in a manner that contributes to the broader goal of sustainable development.</i>") and Taxation ("<i>[...] companies should comply with both the letter and the spirit of the tax laws and regulations of the countries in which they operate [...], Boards of Directors should adopt tax risk management strategies to ensure that financial, legal and reputational risks associated with taxation, are fully identified and assessed.</i>")
<p>GOALS OF THE UNITED NATIONS 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT (SDGs)</p>	<ul style="list-style-type: none"> With a focus on Goals No. 3 ("<i>ensure health and well-being for all and all ages</i>"), No. 5 ("<i>achieve gender equality and empower all women and girls</i>"), No. 8 ("<i>stimulate sustained, inclusive and sustainable economic growth, full employment and decent work for all</i>"), No. 9 ("<i>building resilient infrastructure and promoting innovation and equitable, responsible and sustainable industrialisation</i>") and No. 16 ("<i>promoting peaceful and inclusive societies for sustainable development, ensuring access to justice for all and building effective, accountable and inclusive institutions at all levels</i>").
<p>DECLARATION ON FUNDAMENTAL PRINCIPLES AND RIGHTS AT WORK AND THE 8 FUNDAMENTAL CONVENTIONS OF THE INTERNATIONAL LABOUR ORGANIZATION (INTERNATIONAL LABOUR ORGANIZATION - ILO)</p>	
<p>UNIVERSAL DECLARATION OF HUMAN RIGHTS AND SUBSEQUENT INTERNATIONAL CONVENTIONS ON CIVIL AND POLITICAL RIGHTS AND ON ECONOMIC, SOCIAL AND CULTURAL RIGHTS</p>	
<p>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</p>	

Addressees of the Code of Ethics

The Code of Ethics addresses and applies to the following addressees:

MAIN ADDRESSEES OF THE CODE OF ETHICS	
<i>All addressees, without distinction or exception, are required to be familiar with the contents of the Code of Ethics and to observe and enforce the Code within the scope of their functions and responsibilities. In no way may the belief that one is acting for the benefit or in the interest of the Group or an individual company of the Group justify the adoption of conduct contrary to the principles and standards of conduct set out in this document. GHC hopes that its stakeholders will recognise the principles on which this Code of Ethics is based, share them, and apply them as the basis for a relationship of mutual trust.</i>	
DIRECTORS, MEMBERS OF SUPERVISORY BODIES, AND EXECUTIVES OF ALL GROUP COMPANIES	<ul style="list-style-type: none"> ▪ Who must: <ol style="list-style-type: none"> a) ensure that all their decisions and actions comply with the Code of Ethics and any conduct codes of the respective bodies to which they belong. b) encourage awareness of the Code of Ethics and its sharing among employees and third parties working on behalf of GHC (such as, but not limited to, doctors, nurses and partners); and c) represent, through their conduct, a role model for staff
EMPLOYEES	<ul style="list-style-type: none"> ▪ Who are required to act in accordance with the Code of Ethics and any conduct codes of the respective bodies to which they belong
COLLABORATORS AND SUPPLIERS	<ul style="list-style-type: none"> ▪ Who must be appropriately informed of the standards of conduct set out in the Code of Ethics, and act in compliance with it throughout their contractual relationship with GHC, without prejudice to compliance with any conduct codes of the respective bodies to which they belong

Responsible conduct criteria

RESPONSIBLE CONDUCT CRITERIA	
RESPONSIBILITY AND OWNERSHIP	<ul style="list-style-type: none"> ▪ Managers, employees and collaborators that cooperate in any capacity in the interest of GHC commit to (among other matters): <ul style="list-style-type: none"> - through constant professional commitment and appropriate personal conduct, contribute to the achievement and maintenance of GHC's own goals for excellence in the delivery of health and social welfare services; - scrupulously observe the precepts set out in any expert and professional Codes of Ethics to the extent applicable to their work; - respect and safeguard company assets and ensure they are not used fraudulently or improperly; - use company tools functionally and exclusively to carry out work activities or for the purposes authorised by the competent internal functions; - ensure equal treatment of all patients
PREVENTING CONFLICTS OF INTEREST	<ul style="list-style-type: none"> ▪ Addressees must avoid any potential conflict of interest that may arise from: <ul style="list-style-type: none"> - participation in business decisions which may give rise to personal interest; - accepting agreements which may give rise to personal benefits; - performing acts, entering into agreements and, in general, engaging in any conduct that may, directly or indirectly, damage GHC, including in terms of image and/or market credibility; - conflict with the interest of GHC, influencing the decision-making autonomy of another party delegated to define business relationships with or for it
INTEGRITY AND PROFESSIONALISM	<ul style="list-style-type: none"> ▪ Acts of business courtesy, including gifts or forms of hospitality, must not compromise the integrity or reputation of either party. An impartial observer must not be able to interpret such gifts as an attempt to acquire improper advantages.

<p>PROHIBITION OF RECEIVING STOLEN GOODS AND MONEY LAUNDERING</p>	<ul style="list-style-type: none"> ▪ The establishment of business relationships with customers, suppliers, collaborators and partners must include careful checks on the counterparty's reputation and ethical values. Among other things, these checks must enable the elimination - with reasonable certainty - of the risk that those acting for the benefit or in the interest of GHC violate any money laundering regulations ▪ GHC is committed to abiding by all international laws and regulations on money-laundering
<p>RELIABLE AND TRANSPARENT ADMINISTRATIVE AND ACCOUNTING MANAGEMENT</p>	<ul style="list-style-type: none"> ▪ A reliable and transparent administrative-accounting system forms the basis for a corporate and business management system to pursue business objectives in a balanced manner and in full compliance with the law, applicable regulations and the legitimate interests of GHC's stakeholders. As such, the data and information contained in financial statements, reports and other corporate communications required by law and addressed to shareholders and the public must represent the true economic, balance-sheet and financial situation of the Group and its companies. Any conduct, by any person and for any reason whatsoever, intended to alter the accuracy and truthfulness of this information is therefore strictly forbidden
<p>LEGITIMATE USE OF IT RESOURCES AND PRIVACY PROTECTION</p>	<ul style="list-style-type: none"> ▪ IT and telematic resources are a fundamental tool for the proper and competitive operation of the enterprise, ensuring the speed, breadth and accuracy of the information flows necessary to efficiently manage and control business activities. Also to ensure compliance with privacy regulations, the Company pursues the correct, legitimate and limited use of computer and telematic tools, avoiding any use designed to collect, store and circulate data and information for purposes other than GHC's activity and/or, in any case, designed to damage third-party information, data, programs or computer or telematic systems and/or the unlawful interception, impediment or interruption of third-party computer or telematic communications ▪ The transmission of data and information by computer and telematic means to public subjects or otherwise of evidentiary documents shall be carried out according to criteria of legitimacy, truth, and exact correspondence to the facts and circumstances represented. Regarding privacy, in carrying out its business, GHC undertakes to collect, manage and process personal data in compliance with applicable legislation, and to ensure the confidentiality of data processing
<p>RESPECT FOR THE ENVIRONMENT AND SAFETY PROTECTION</p>	<ul style="list-style-type: none"> ▪ GHC undertakes to promote and consolidate a culture of respect for the environment and safety, developing awareness of risks and promoting responsible behaviours by all of its stakeholders. In addition, it works to protect, especially with preventive actions, the health and safety of workers, as well as the interests of other stakeholders, and to continuously improve the efficiency of company facilities

Circulation, monitoring and reporting

<p>CIRCULATION, MONITORING AND REPORTING</p>	
<p>CIRCULATION</p>	<ul style="list-style-type: none"> ▪ GHC is committed to encouraging and ensuring adequate awareness of its Code of Ethics by sharing it with stakeholders through appropriate and adequate communication activities. In particular, GHC therefore undertakes to: <ul style="list-style-type: none"> - verify the application of and compliance with the Code of Ethics; - monitor initiatives to increase awareness and understanding of the Code of Ethics; - receiving and analysing reports of infringements of the Code of Ethics; - analyse proposed revisions to corporate policies and procedures likely to affect corporate ethics; - propose amendments, updates and additions to the Code of Ethics to the Board of Directors; - make decisions regarding significant violations of the Code of Ethics; - pass motions in relation to the review of the most significant corporate policies and procedures, in order to guarantee compliance with the Code of Ethics; - periodically review the Code of Ethics

<p style="text-align: center;">MONITORING</p>	<ul style="list-style-type: none"> ▪ Each GHC Group company Supervisory Board, being endowed with autonomous powers of initiative and control, verifies alleged violations of the provisions of the Code of Ethics and, where required, proposes appropriate measures to the competent parties ▪ Each GHC Group company Supervisory Board periodically reports, including on the above activities, to the administrative body, to the Board of Statutory Auditors of the relevant Group company (where established) and to the Supervisory Board of Garofalo Health Care S.p.A. ▪ In the event that the Supervisory Board of the relative Group company becomes aware of violations of the Code of Ethics relating to Legislative Decree No. 231/01 and committed by Directors and self-employed workers, the Board must inform the relevant company's administrative body and (where established) Board of Statutory Auditors, which shall take any appropriate action
<p style="text-align: center;">REPORTING</p>	<ul style="list-style-type: none"> ▪ All Addressees are required to promptly report to the Supervisory Board of the relevant Group company, in accordance with the procedures defined in the relevant procedures of each company ("Whistleblowing"), any conduct that contravenes the provisions of this Code of Ethics, the Organisation and Management Model pursuant to Legislative Decree No. 231/2001 adopted by the relevant Group company, or the applicable laws and internal policies. ▪ These reports must be generated in accordance with the procedures outlined in the appropriate Organisation and Management Model pursuant to Legislative Decree No. 231/2001 and the applicable rules. Whistleblowers shall be protected against any form of retaliation, discrimination or penalisation and their confidentiality shall also be guaranteed, without prejudice to legal obligations and the protection of the rights of the company or persons accused erroneously and/or in bad faith

Approval and dissemination of the Code of Ethics within the organisation

GHC's Code of Ethics was approved by the Board of Directors of GHC S.p.A. on November 12, 2021, and subsequently by the governing bodies of each subsidiary. The Code of Ethics is published in both Italian and English on the Governance/Code of Ethics and 231 Model section of the Company's website.

8.2 Additional policies pertaining to responsible conduct (Diversity and Inclusion Policy)

Recognising the centrality and uniqueness of the individual as one of its founding pillars, GHC considers it a priority to ensure that every one of its employees and collaborators is able to express their potential every day and to feel valued in the full expression of their individuality, believing that this is an essential element in creating healthy and sustainable business management in the long term. GHC is also cognisant of the increased demands of its stakeholders in terms of ESG (Environmental, Social, and Governance) issues, among which the Social sphere, which encompasses the problem of diversity and inclusion, and plays an important role for the Group given its particular business.

In light of the above, GHC has embarked on a journey to formally recognise and support the values of diversity and inclusion within the Group. Against this backdrop, the Diversity and Inclusion Policy (the "Policy") seeks to establish guidelines and commitments on issues of Diversity and Inclusion based on the understanding, respect and appreciation of the differences between each person within the Group.

Compliance with supranational recommendations and principles

The Diversity and Inclusion Policy also recalls the main supranational recommendations, mentioned earlier in the section on the Code of Ethics.

Addressees of the Diversity and Inclusion Policy

The Diversity and Inclusion Policy outlines the principles, commitments, and actions to which GHC is committed to enable the dissemination and maintenance of a corporate culture that respects and promotes diversity and inclusion, in addition to its communication and implementation throughout Group facilities. This Policy applies to all GHC Group companies. In the event of future M&A transactions consistent with the Buy & Build strategy communicated to the market since the IPO, the Group commits to communicating and enforcing this Policy with newly acquired entities.

Commitments and areas of focus

The following are the primary areas of action identified by GHC in regard to the challenges of Diversity and Inclusion:

COMMITMENTS AND AREAS OF FOCUS	
NON-DISCRIMINATION AND PROMOTION OF DIVERSITY	<ul style="list-style-type: none"> ▪ GHC prohibits all forms of discrimination, including those based on race, skin colour, gender, age, religion, physical condition, marital status, sexual orientation, citizenship, and ethnicity. GHC, which has a widespread presence across the country, also recognises the fundamental importance of embracing the heritage of history and experience from the diverse local contexts that form the Group, striving to develop a shared common identity that is sensitive to the needs of different communities. The following are considered particular priorities: <ul style="list-style-type: none"> - Enhancing women’s professional standing (<i>“GHC is committed to adopting a strategic approach targeted at the effective creation of equal opportunities in the Company, beginning with the dissemination of an inclusive corporate culture and human resources policies free from discrimination and prejudice, fostering women’s professional development and growth in order to progressively ensure full gender balance in executive positions”</i>); - The protection of sexual orientation based on affection (<i>“GHC is committed to supporting an inclusive, open and respectful environment for the affective-sexual orientation of its employees and collaborators, creating awareness and sensitivity, promoting mindsets, behaviours, processes and practices that welcome differences and combat all forms of discrimination, in order to ensure the effective inclusion of all individuals who are part of the Group”</i>); - Inclusion of Handicapped People (<i>“GHC is dedicated to promoting the acceptance of disabled workers or collaborators within the Group, offering equal opportunity and treatment for everyone while respecting the needs and capacities of each individual. GHC is dedicated to creating a suitable working environment, including encouraging its various clinics to offer resources for people with varying abilities, independent of regulatory requirements”</i>.)
EQUAL OPPORTUNITIES AND GENDER BALANCE	<ul style="list-style-type: none"> ▪ GHC undertakes to ensure equal opportunities in all processes pertaining to personnel management. GHC is also dedicated to fostering an atmosphere in which each individual is free to exercise his or her right to professional growth and may take advantage of professional development plans based on equitable access and development opportunities. GHC is committed to ensuring fairness at every level of the employment relationship, from the selection process to role assignment, career path development, and remuneration criteria, with the aim of achieving gender pay parity.
INCLUSIVE WORK ENVIRONMENT	<ul style="list-style-type: none"> ▪ GHC is dedicated to fostering an inclusive workplace in which all workers may participate in business activities without obstruction. The Group is committed to ensuring that there is no harassment, intimidation or bullying of any kind in internal or external working relationships. GHC condemns any human or professional behaviour that might result in an intimidating or hostile workplace.
DIVERSITY IN THE COMPOSITION OF THE CORPORATE BODIES	<ul style="list-style-type: none"> ▪ GHC recognises, seeks out and embraces the benefits of diversity within the Group and within its corporate boards, in all aspects, including gender, age, seniority in role, qualifications, skills, educational and professional profile, and personal characteristics. For these reasons, on March 1, 2021, the Board of Directors of GHC S.p.A. approved the "Policy on Diversity of the Administrative and Control Bodies of Garofalo Health Care S.p.A.", which identifies the main criteria to be applied in defining the optimal composition of the Board

	of Directors and the Board of Statutory Auditors so that they can perform their duties in the most effective way, benefiting from the contribution of different and complementary approaches, skills and experiences
DIFFUSION OF A CULTURE OF DIVERSITY IN THE COMPANY AND WILLINGNESS TO LISTEN	<ul style="list-style-type: none"> ▪ GHC undertakes to encourage a culture that, starting with the selection process, values the diversity of all people, each with their own story and experience, regardless of gender, generation and the other dimensions in which diversity - as set out above - is apparent; The Group strives to increase staff understanding of and sensitivity to diversity and inclusion problems, including through business events and awareness campaigns, in order to promote the transmission of the values and courses of action specified in D&I Policy. ▪ The Policy further specifies that no form of retribution against workers and stakeholders who have reported incidences of discrimination or harassment, or who have supplied information about such occurrences, shall be implemented or accepted inside the Group.

Circulation, monitoring and reporting

CIRCULATION, MONITORING AND REPORTING	
CIRCULATION	<ul style="list-style-type: none"> ▪ In the spirit of transparency and cooperation, GHC's Diversity and Inclusion Policy is announced and communicated throughout the organisation and to all those who have relations with GHC.
MONITORING	<ul style="list-style-type: none"> ▪ GHC validates the efficacy of the strategy taken and outlined in this Policy, including the identification of risks of violations of the approved principles, periodic monitoring of compliance with promises made, and a dedicated procedure for reporting violations
REPORTING	<ul style="list-style-type: none"> ▪ GHC offers employees and other stakeholders a particular communication channel (inclusion@garofalohealthcare.com) that may be used to report suspected violations of norms, principles, and obligations regarding the rights of the individual or his or her relations with others.

Approval and sharing of the Diversity and Inclusion Policy within the organisation

GHC's Diversity and Inclusion Policy was approved by the Board of Directors of GHC S.p.A. on October 28, 2021 and subsequently approved by the governing bodies of each subsidiary Board. The Policy is published in both English and Italian at the "Sustainability Policy" section on the corporate website.

9. Stakeholder Engagement (GRI 2-29)

The GHC Group considers it of the utmost importance to operate in a collaborative and trustworthy environment with its numerous stakeholders, identified since the IPO and consequently listed in the NFS for the preceding years, developing an active and continuous dialogue with them through the support of specific corporate functions.

As a listed company, dialogue with shareholders and lenders plays a key role for GHC. The primary objective is to provide the investor community with full access to the business information it requires to fully and transparently assess the Group's situation.

Below are the main engagement methods adopted on an ongoing basis for each type of GHC stakeholder.

STAKEHOLDER CATEGORY	MAIN TYPES OF BEHAVIOUR	MAIN MEANS OF DIALOGUE AND ENGAGEMENT
STAFF	<ul style="list-style-type: none"> ▪ GHC is committed to offering equal job opportunities for all, on the basis of professional qualifications and performance, and without discrimination, and the selection, hiring and remuneration of personnel according to merit and competence, without political, trade union, religious, racial, linguistic or gender discrimination, in compliance with all applicable laws, regulations and directives ▪ Those in charge of user relationships, whether they are patients or their proxies, must pursue maximum user satisfaction, ensuring that constant support is provided with truthful and comprehensive information on the clinical treatment protocols adopted and the services provided, enabling users to make informed decisions ("informed consent to treatment") 	<ul style="list-style-type: none"> ▪ Collective bargaining ▪ Communications from senior management ▪ Climate analysis ▪ Training ▪ Individual and dedicated meetings ▪ Team building events ▪ Channels for receiving internal reports ▪ Social networks (LinkedIn) ▪ Company website
PATIENTS	<ul style="list-style-type: none"> ▪ GHC undertakes to: <ul style="list-style-type: none"> - ensure that the patient (or patient's proxies) is provided with the most appropriate information regarding diagnosis, prognosis, prospects and possible diagnostic-therapeutic alternatives, and the expected consequences of their choices; - refrain from employing misleading or untruthful means of persuasion, whether scientific or otherwise; - avoid the adoption of conduct that leads to unequal treatment or privileged positions in the provision of health care services 	<ul style="list-style-type: none"> ▪ Service charters ▪ Structured pre- and post-service interviews ▪ Satisfaction studies ▪ Company website
PUBLIC SECTOR, UNIVERSITIES AND RESEARCH CENTRES, LOCAL COMMUNITY	<ul style="list-style-type: none"> ▪ Relations with these stakeholders are strictly limited to those parties delegated to maintain them as part of their role or those who are specifically and formally appointed by GHC to have contact and/or deal with them and their officials and representatives. ▪ These relationships must be based on honesty, fairness, transparency and full compliance with laws and regulations, while 	<ul style="list-style-type: none"> ▪ Institutional relationships ▪ Dedicated meetings ▪ Dialogue and round tables ▪ Official communications ▪ Conferences and research projects ▪ Meetings with representatives of institutions and associations ▪ Local area initiatives related to quality of care ▪ Donations

	<p>also respecting the public nature of the function</p>	<ul style="list-style-type: none"> ▪ Dedicated corporate points of contact (Communications Manager) ▪ Company website
INVESTORS AND LENDERS	<ul style="list-style-type: none"> ▪ GHC is committed to transparent, timely and symmetrical disclosure to investors, analysts and the market, also via its website, and in compliance with applicable legislation, particularly concerning information likely to materially affect the price of financial instruments ▪ GHC is committed to providing clear and complete information so that investors may base their decisions on knowledge and understanding of the Company's strategies, management performance, and expected return on investment ▪ In view of its status as a listed company, it is prohibited to circulate, by any means whatsoever, false or misleading information, rumours or news regarding the Group or any of its companies, or engage in simulated transactions or other artifices likely to affect the price of financial instruments issued by GHC. 	<ul style="list-style-type: none"> ▪ Shareholders' Meeting ▪ Financial press releases ▪ Post results-approval conference call with financial analysts ▪ Periodic meetings (roadshows) ▪ Dedicated corporate points of contact (Investor Relations) ▪ Company website
SUPPLIERS	<ul style="list-style-type: none"> ▪ The parties responsible for the procurement of goods and/or services: <ul style="list-style-type: none"> - must abide by the principles of impartiality and independence in the performance of their tasks and functions; - must keep themselves free from personal obligations to suppliers and consultants; - must not accept goods or services from external or internal parties in exchange for confidential information or the performance of actions or conduct designed to favouring such parties, even if there are no direct repercussions for the Group; - must immediately report to the Supervisory Board any attempt or incident of unjustified change to normal business relations ▪ It is also provided that in no way may the procurement of goods/services in accordance with the principle of economic efficiency lead to even partial renunciation of the best quality standards. 	<ul style="list-style-type: none"> ▪ Ongoing relations with relevant business functions ▪ Participation in initiatives and events ▪ Company website

10. Material Topics (GRI 3-1, 3-2, 3-3)

In line with regulatory provisions and market practices, GHC has progressively developed its coverage of material topics. Specifically, GHC actions have included:

- (i) Preliminary selection of material topics, based on the in-depth activities carried out during the IPO (in 2018, for the first Non-Financial Statement);
- (ii) Expansion of the previously identified material topics, and launch of the Personnel Engagement process (in 2019);
- (iii) The launch of the stakeholder engagement process, involving both internal external stakeholders, and definition of the first Materiality Matrix prioritising the material topics identified (in 2020 and 2021);
- (iv) updating the materiality analysis based on the identification of “impacts” in line with the new provisions of the GRI Standards 2021.

We note that impacts are defined as the consequences an organisation has or might have on the economy, the environment, and people, including human rights, which reflect the organisation’s negative or positive contribution to “sustainable development”.

These activities showed significant alignment between the Company and its stakeholders with respect to non-financial material topics, thus testifying to the level of internal and external awareness of these issues.

Under the GRI Standards, organisations are obliged to describe their “material topics” based on their operations and utilising the GRI’s industry-specific standards as references.

In the case of GHC, as the Sector Standard for the Healthcare industry has not yet been issued, material topics must be identified based on the activities carried out. Therefore, considering the important activities carried out by GHC, updating the representation of material topics involved:

- i) Broad confirmation of the framework already followed by GHC in defining material topics, including in light of the positive discussions held with stakeholders in previous years and who confirmed the relevance of the material topics identified;
- ii) The application of a rationalisation activity for the material topics identified, as required by the new GRI guidelines, by grouping the material topics into homogeneous thematic groups, including by conducting a benchmarking analysis on leading industry peers and in accordance with best practices in non-financial reporting;
- iii) For each material topic, the association of the relative contribution to sustainable development, both through linkage to the different priority goals defined by the United Nations (among those considered significant for GHC, as already done in 2020 and 2021) and through the explanation (in qualitative form, as required by GRI) of the current and potential effects that each material topic can/could have on the economy (i.e. the economic system), the environment, and people (including the effects on human rights)⁽⁴⁾;
- iv) Prioritisation of material topics based on the significance of impacts discovered (positive and negative, existing and potential), taking severity and likelihood of occurrence into account, and utilising the current Enterprise Risk Management system.

⁽⁴⁾ Current or potential, short-term or long-term, voluntary or involuntary, reversible or irreversible effects (source: GRI 3)

In light of the above, material topics for the GHC Group are given below, based on the prioritisation analysis performed.

RANKING	MATERIAL TOPICS 2022
1	ETHICS AND INTEGRITY
2	QUALITY OF CARE
3	TALENT ATTRACTION, DEVELOPMENT AND STAFF WELL-BEING
4	DIGITALISATION OF SERVICES
5	DATA SECURITY AND PRIVACY
6	ECONOMIC PERFORMANCE
7	FOCUS ON THE PATIENT AND CAREGIVER
8	EMPLOYEE HEALTH AND SAFETY
9	RESPONSIBILITY ALONG THE SUPPLY CHAIN
10	TECHNOLOGICAL INNOVATION
11	GOVERNANCE AND COMPLIANCE
12	MANAGEMENT OF ENVIRONMENTAL IMPACTS

Following is a reconciliation between the material topics identified in 2021 and those identified in 2022. This allows an appreciation of the streamlining or rephrasing carried out for some topics in an effort to make them clearer and more in line with industry best practices, taking into account the effects on the economy, the environment, and people.

MATERIAL TOPICS 2021 (#18)	MATERIAL TOPICS 2022 (#12)
QUALITY OF CARE	QUALITY OF CARE
PROTECTION OF PATIENTS' RIGHTS	FOCUS ON THE PATIENT AND CAREGIVER
FOCUS ON THE PATIENT AND CAREGIVER	
HEALTH & SAFETY	EMPLOYEE HEALTH AND SAFETY
REPUTATION (IN TERMS OF THE QUALITY OF HEALTHCARE SERVICES PROVIDED)	GOVERNANCE AND COMPLIANCE, ETHICS AND INTEGRITY
REPUTATION REPUTATION (IN TERMS OF CORPORATE GOVERNANCE)	
REPUTATION (IN TERMS OF SENSE OF BELONGING TO THE GROUP FOR THE INDIVIDUAL CLINICS)	
SUCCESSION PLANNING	
COMBATTING CORRUPTION	
RISK MANAGEMENT	ECONOMIC PERFORMANCE
ECONOMIC PERFORMANCE (FINANCIAL RESULTS)	
ECONOMIC PERFORMANCE (ACHIEVEMENT OF SYNERGIES)	
ATTRACTION, MAINTENANCE AND DEVELOPMENT OF STAFF	TALENT ATTRACTION, DEVELOPMENT AND STAFF WELL-BEING
TECHNOLOGICAL INNOVATION (AVAILABILITY OF STATE-OF-THE-ART MACHINERY AND MEDICAL EQUIPMENT)	TECHNOLOGICAL INNOVATION
TECHNOLOGICAL INNOVATION (DIGITALISATION OF SERVICES OFFERED TO PATIENTS AND CAREGIVERS)	DIGITALISATION OF SERVICES
DATA SECURITY AND PRIVACY	DATA SECURITY AND PRIVACY
MANAGEMENT OF ENVIRONMENTAL IMPACTS	MANAGEMENT OF ENVIRONMENTAL IMPACTS
RESPONSIBILITY ALONG THE SUPPLY CHAIN	RESPONSIBILITY ALONG THE SUPPLY CHAIN

Below is the association between material topic and contribution to sustainable development made consistent with the provisions of the new GRI Standards. This was accomplished by (a) linking each material topic to the Sustainable Development Goals considered by GHC to be most significant in light of the specific activities carried out by the Group (based on that reported by GHC since its 2020 NFS) and then (b) identifying the potential contribution of each material topic to sustainable development, in terms of the potential impacts of each on the economy (economic system), the environment, people and human rights.

MATERIAL TOPICS 2022, SUSTAINABLE DEVELOPMENT GOALS (SDG'S) AND CONTRIBUTION TO "SUSTAINABLE DEVELOPMENT"						
MATERIAL TOPICS 2022 (#12)	MAIN BENCHMARK SDG'S		CONTRIBUTION TO "SUSTAINABLE DEVELOPMENT" MAINLY IDENTIFIED ON:			
	SDG #	SDG OBJECTIVE	ECONOMIC SYSTEM	ENVIRONMENT	PEOPLE	HUMAN RIGHTS
QUALITY OF CARE	3 Good health and well-being	<i>Ensure health and well-being for all people of all ages</i>			✓	✓
FOCUS ON THE PATIENT AND CAREGIVER					✓	✓
EMPLOYEE HEALTH AND SAFETY	8 Decent work and economic growth	<i>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</i>			✓	✓
GOVERNANCE AND COMPLIANCE	16 Peace, justice and strong institutions	<i>Promote peaceful and inclusive societies for sustainable development</i>	✓			
ETHICS AND INTEGRITY			✓	✓	✓	
ECONOMIC PERFORMANCE	8 Decent work and economic growth	<i>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</i>	✓		✓	
TALENT ATTRACTION, DEVELOPMENT AND STAFF WELL-BEING	5 Gender equality	<i>Achieve gender equality and emancipate all women and girls</i>	✓		✓	✓
TECHNOLOGICAL INNOVATION	9 Industry, innovation and infrastructure	<i>Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.</i>	✓			
DIGITALISATION OF SERVICES			✓		✓	
DATA SECURITY AND PRIVACY			✓		✓	✓
MANAGEMENT OF ENVIRONMENTAL IMPACTS	8 Decent work and economic growth	<i>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</i>	✓	✓	✓	
RESPONSIBILITY ALONG THE SUPPLY CHAIN			✓	✓	✓	

In accordance with the GRI Guidelines, the prioritising of identified impacts and related "material topics" can be based on the Enterprise Risk Management systems employed by an organisation. GHC has had an ERM model since as early as 2021, subsequently consolidated in 2022.

Consistent with the GRI methodology, the activity of analysing and prioritising effects, in addition to the relevant material topics, were structured in such a way as to:

- link to each impact, and hence to each material topic, a particular macro-category of risk from the GHC Risk Universe, as represented in the ERM model approved by the Board of Directors;
- associate to each material topic, and on the basis of the associated macro-categories of risk referred to in (a), the set of underlying business processes equipped with specific probability and impact assessments rendered by the Risk Owners during 2022 (also submitted to the Board of Directors for approval);
- following the reconciliation activity with ERM described in (a) and (b) above, rank the material topics based on the average likelihood and effect values assigned to them. We note that these values were calculated gross of any GHG reduction activities. This method is compatible with the rationale of the GRI, which requires businesses to evaluate their potential contribution to sustainable development in light of the activities performed, i.e. without considering any mitigation efforts adopted and the associated control safeguards.

The study undertaken by the Sustainability and Risk Management function and presented to the Control, Risks and Sustainability Committee, resulted in the aforementioned ranking of topics.

In addition to the aforementioned, listed below are the impacts that each material topic can or could have on the economy (i.e. the economic system), the environment, and people (including on human rights).

MATERIAL TOPICS	CONTRIBUTION TO SUSTAINABLE DEVELOPMENT (i.e. IMPACTS ON THE ECONOMY, THE ENVIRONMENT AND PEOPLE - including human rights)	
QUALITY OF CARE	+	Capacity to respond to the (increasing) care needs of the population with a variety of excellent health and social care services that cover the entire patient care continuum, thanks to a business model based on geographic (by Region) and sectoral (inpatient, outpatient, and social care) diversification. In Italy, Article 32 of the Constitution “protects health as a basic right of the individual and a collective interest and ensures free treatment for the needy”.
	-	“Medical malpractice” refers to the provision of health and social care services that result in direct or indirect harm to the patient (i.e. bodily or psychological).
FOCUS ON THE PATIENT AND CAREGIVER	+	Ability to guarantee patients and carers an exceptional clinical-healthcare experience due to the “patient-centred” business model of the Civil Code, which places the patient “at the centre of the system” by addressing not only their medical but also their psychological and relational requirements. This is accomplished by providing highly qualified personnel and facilities (mainly private) that ensure the greatest levels of comfort. In addition, the possibility exists to respond to health and social-welfare needs that might otherwise (a) be unmet and/or (b) met, but according to time frames that are inconsistent with needs (e.g. possibility for the Group to provide services beyond the contractually defined Budget agreement following specific contractual agreements with Regional Governments or Local Health Authorities designed to reduce waiting lists) and/or (c) be met, but not in the patient’s home Region (e.g. the possibility for the Group to provide additional services with respect to the contractually defined Budget agreement as a result of specific contractual agreements with the Regional Governments or Local Health Authorities intended to minimise so-called “passive mobility”, meaning the outflow of patients from a given Region to receive the necessary treatment in another Region)
	-	The possibility that hospital, local, and social welfare services supplied and/or the manner in which these services are delivered do not effectively account for the requirements of patients and carers (e.g. ineffective handling of complaints, resulting in damage to the Company’s image and reduced quality perceived by patients)
EMPLOYEE HEALTH AND SAFETY	+	Ability to provide for improved safeguards to protect the health and safety of workers, including acquiring non-mandatory certifications that assure the best execution of operations (e.g. installation of a quality management system (QMS) in accordance with UNI EN ISO 9001)
	-	Inadequate sanitation surveillance systems for workplaces with potential consequences on occupational health and safety and/or inadequate/inappropriate occupational health and safety information, education and training.
GOVERNANCE AND COMPLIANCE	+	Due to its status as a company listed on the Euronext market STAR (High Requirements) category, which houses the country’s leading industrial and financial companies, the Company is able to operate in accordance with the highest prerequisites. Ability to set a good example by adopting voluntary operating procedures and instructions geared towards process improvement

	-	<p>Potential for behaviour inconsistent with good governance and/or capable of compromising the Group's compliance with current regulatory responsibilities (e.g. 231 Model and Code of Ethics breaches)</p> <p>Possible breaches of internal company regulations (such as By-Laws, Code of Ethics, and company procedures) adversely affecting the Group's business and reputation</p>
ETHICS AND INTEGRITY	+	<p>Capability to make strategic and/or financial decisions that are consistent with the Group's mission and values (<i>"honesty and legality, excellence of services and facilities, respect for and care of the patient, respect for and enhancement of human capital, safety culture, research/innovation and training, absence of conflicts of interest, confidentiality and respect for the environment"</i>), fostered by more than 60 years of business experience in the industry.</p>
	-	<p>Possibility of inappropriate strategic and/or financial choices being made or conflicting with the interest of the Group and its stakeholders on the basis of special interests (e.g. potential presence of conflicts of interest on the part of the Group's staff and associates)</p>
ECONOMIC PERFORMANCE	+	<p>Opportunity to have positive spillover effects on the local area by virtue of its activity, including through the Buy & Build strategy that envisions the Group's growth along external lines while fully respecting the history and values of the companies acquired periodically (i.e. M&A excludes streamlining based on Target workforce cuts)</p>
	-	<p>Potential that deteriorating financial and economic results may have a negative impact on the Group's business conduct and/or development possibilities (in terms of service quality and/or employment levels).</p>
TALENT ATTRACTION, DEVELOPMENT AND STAFF WELL-BEING	+	<p>Potential of ensuring considerable professional opportunities due to the fact that each healthcare facility is a part of a Group that is varied geographically and/or by sector, hence potentially able to provide better opportunities for professional advancement compared to smaller and/or local businesses</p>
	-	<p>Prospective inability to attract and retain qualified personnel, i.e. physicians, paramedics, and health care workers who, due to their skills and experience, are essential to the quality of services provided, the effectiveness of organisations, the attractiveness of facilities, but the concurrent difficulty in replacing them with staff that possess characteristics and skills in line with needs</p>
TECHNOLOGICAL INNOVATION	+	<p>Capacity to invest substantial financial resources to support technological development in relation to infrastructure, medical and diagnostic equipment and information systems used, thereby ensuring continuous improvement of quality and services provided, including through the use of medical infrastructure/equipment capable of enabling exclusive and cutting-edge treatments.</p>
	-	<p>Potential difficulty or inability to follow and adapt to technological evolution, and the possibility of encountering inefficiencies, failures, and malfunctions of the infrastructure, medical and diagnostic equipment used, and the information systems that manage them, resulting in potential impairment of the operability and quality of hospital and local and social-welfare services provided (e.g. temporary and/or protracted unavailability of software and hardware platforms owing to malfunction and/or cyber attack, with possible disruption of health care and/or administrative operations)</p>
DIGITALISATION OF SERVICES	+	<p>As a consequence of the digitalisation of clinical/health and staff procedures, decision-making on medical/clinical matters and management control may be enhanced, and operations can be made more efficient, resulting in a more effective use of human and economic resources. This also involves the prospect of gaining access to new users/markets via the digitalisation of some services that are now offered only in person.</p>
	-	<p>Possibility of being unable to keep up with advances in technology as it pertains to the evolution of care processes and patient care, which might have a negative influence on the ability to uphold high quality standards and assure patient satisfaction.</p>
DATA SECURITY AND PRIVACY	+	<p>Ability to guarantee continuing operations and the availability and efficiency of peripheral connectivity required to deliver business services.</p>
	-	<p>Potential violations of applicable regulations governing the management, processing, and protection of personal data, with potential adverse effects on the Group's business and prospects (e.g. compromising the confidentiality, integrity, and availability of economic and financial and/or patient data due to malfunction and/or cyber attack).</p>
	+	<p>Capability to assure compliance with all applicable environmental requirements, with special emphasis on the safe handling of medical waste (hazardous and non-hazardous)</p>

MANAGEMENT OF ENVIRONMENTAL IMPACTS	-	Possibility of occurrence of polluting events relating to greenhouse gas emissions into the atmosphere by the Company as a result of its operations and/or as a result of the occurrence of exogenous events of accidental or natural nature or related to climate change with impacts on the Group's operations (e.g. flooding, earthquakes, fire etc.)
RESPONSIBILITY ALONG THE SUPPLY CHAIN	+	Ability to ensure supplier selection that meets the highest quality standards
	-	Possibility of awarding contracts to natural/legal persons who do not fulfil internal and/or external ethical, financial, and/or regulatory standards (e.g. health and safety).

11. Disclosure under Legislative Decree No. 254/2016: economic and social topics

Economic responsibility

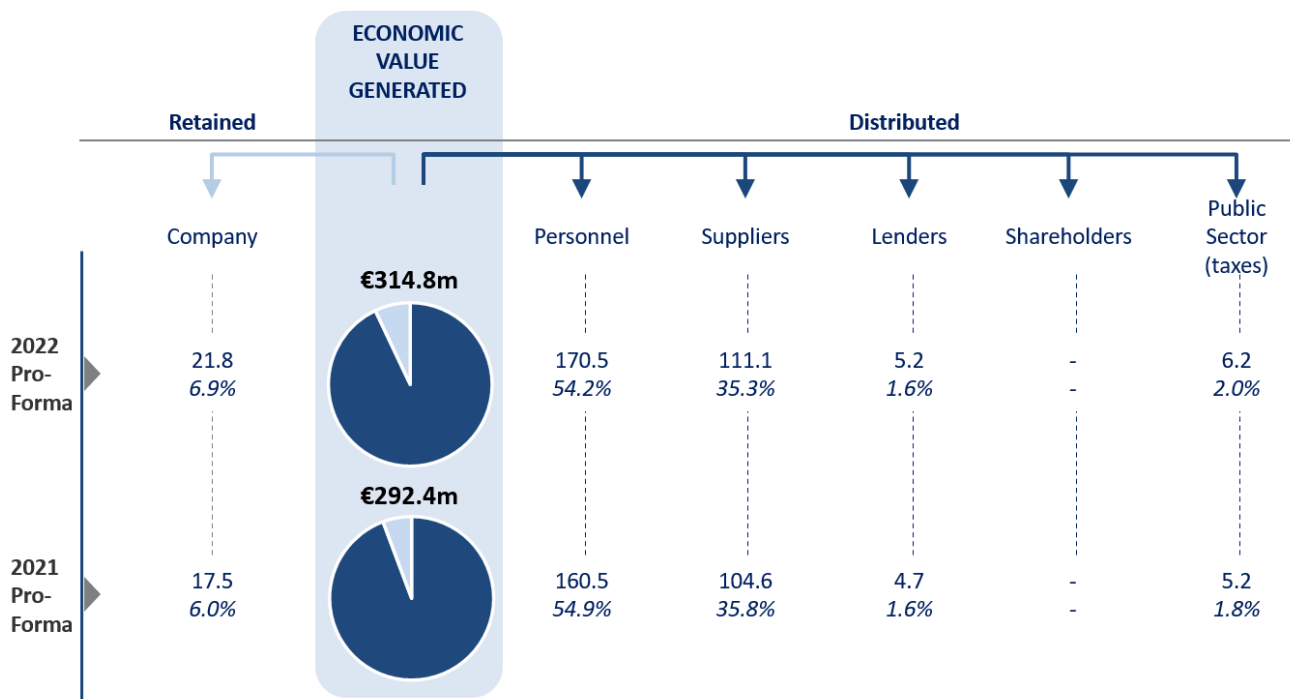
MATERIAL TOPICS REFERENCED:

⇒ ECONOMIC PERFORMANCE

REFERENCES CONTAINED IN THE GROUP'S CODE OF ETHICS

"GHC is committed to transparent, timely and symmetrical disclosure to investors, analysts and the market, also via its website, and in compliance with applicable legislation, particularly concerning information likely to materially affect the price of financial instruments."

The GHC Group's operating performance, considered as its sustainability over time, is represented by the Economic Value Generated and Distributed statement. This statement, in particular, presents the operating performance and the wealth distributed by the Company to its stakeholders, considered as a proxy for the organisation's ability to create value for its stakeholders. For a uniform comparison, and as in the previous year, these statements have been prepared on a pro-forma basis (i.e. giving retroactive effect from January 1 to the Group's acquisition of GVDR in December 2022). (GRI 201-1)



The Net Economic Value generated ⁽⁵⁾ in 2022 amounted to Euro 314.8 million, up 7.7% compared to Euro 292.4 million in 2021. The Net Economic Value generated was distributed as follows: (i) Personnel⁽⁶⁾: Euro 170.5 million, approx. 54% of the total; (ii) Suppliers⁽⁷⁾: Euro 111.1 million, approx. 35% of the total; (iii) Lenders: Euro 5.2 million, approx. 1.6% of the total; (iv) Public Administration: Euro 6.2 million in the form of taxes, approx. 2% of the total.

⁽⁵⁾ Net Economic Value generated calculated as Revenues + Financial income + Result of equity investments valued using the equity method - Amortisation, depreciation and write-downs

⁽⁶⁾ Includes personnel costs and other service costs (medical-surgical services, nurses, social workers, technical-health services, gifts to employees, emoluments to Directors and Statutory Auditors)

⁽⁷⁾ Includes raw and other material costs, service costs (net of personnel costs), other operational costs, receivable write-downs and other provisions

TAX APPROACH (GRI 207-1)

Regarding tax matters, the parent company coordinates actions, as follows:

- i. providing guidance and instructions on taxes for the consistent application of tax legislation pertaining to topics of common interest;
- ii. identifying the methods and timescales for acquiring reports, documents and information flows relating to Group taxation for the purposes of tax consolidation, for the Companies that are part of it;
- iii. providing interpretative guidance and specialist support on specific issues that including corporate transactions, new contracts and/or new transactions;
- iv. overseeing the Group's tax risk analysis and assessment activities for specific issues.

The parent company is also promptly informed of tax audits and inspections, the pre-litigation phase and any tax litigation involving its subsidiaries.

In turn, the subsidiaries:

- i. are responsible for the proper application of tax laws;
- ii. submit any requests or queries they intend to put to the tax authorities to the parent company well in advance so that the parent company can provide a prior opinion on whether they are necessary, their form and content, in time for them to be submitted to the tax authorities;
- iii. promptly inform the Parent Company of the responses from the tax authorities to allow for possible implementation of the indications obtained in a uniform manner at Group level;
- iv. inform the parent company without delay of any tax inspections and audits ordered by the competent authorities, pre-litigation and tax litigation and coordinate the related activities with the parent company.

Risk control and management

The Administrative Officers of each subsidiary verify that the tax receivable/payable recorded in the separate financial statements are consistent with the amounts resulting from the tax calculation performed by the outside tax consultant. To calculate the taxes of the subsidiaries within the scope of tax consolidation, the Parent Company uses an external consultant who performs an additional compliance check on the taxes arising from the participating companies.

Group tax principles

The Group pursues a seeks to comply with the applicable tax law and to interpret it so as to observe substance as well as their form, while maintaining a transparent relationship with the tax authorities.

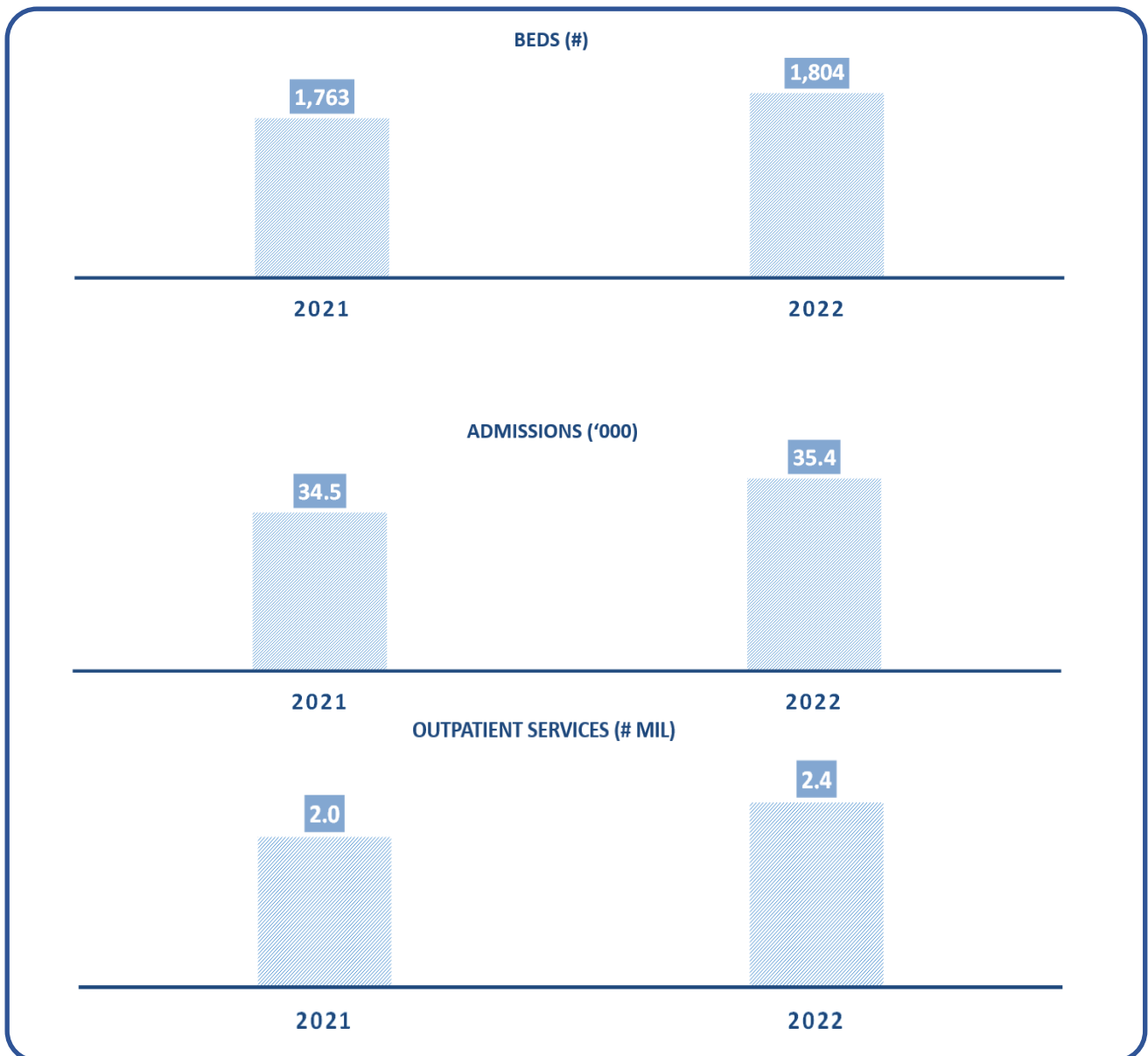
The patient-centred approach

MATERIAL TOPICS REFERENCED:

- ⇒ QUALITY OF CARE
- ⇒ FOCUS ON THE PATIENT AND CAREGIVER
- ⇒ TECHNOLOGICAL INNOVATION AND DIGITALISATION OF SERVICES
- ⇒ GOVERNANCE AND COMPLIANCE

REFERENCES CONTAINED IN THE GROUP'S CODE OF ETHICS

“The patient-centred approach takes into account the preferences, needs and values of the individual patient in every clinical decision, with a daily commitment to ensuring the highest professionalism of doctors and operators, the excellence of technological equipment, and the highest degree of comfort, cleanliness and hospitality at each facility.”



REFERENCES CONTAINED IN THE GROUP'S CODE OF ETHICS

"HEALTH IS THE MOST PRECIOUS ASSET THAT MAN CAN HAVE" - Raffaele Garofalo

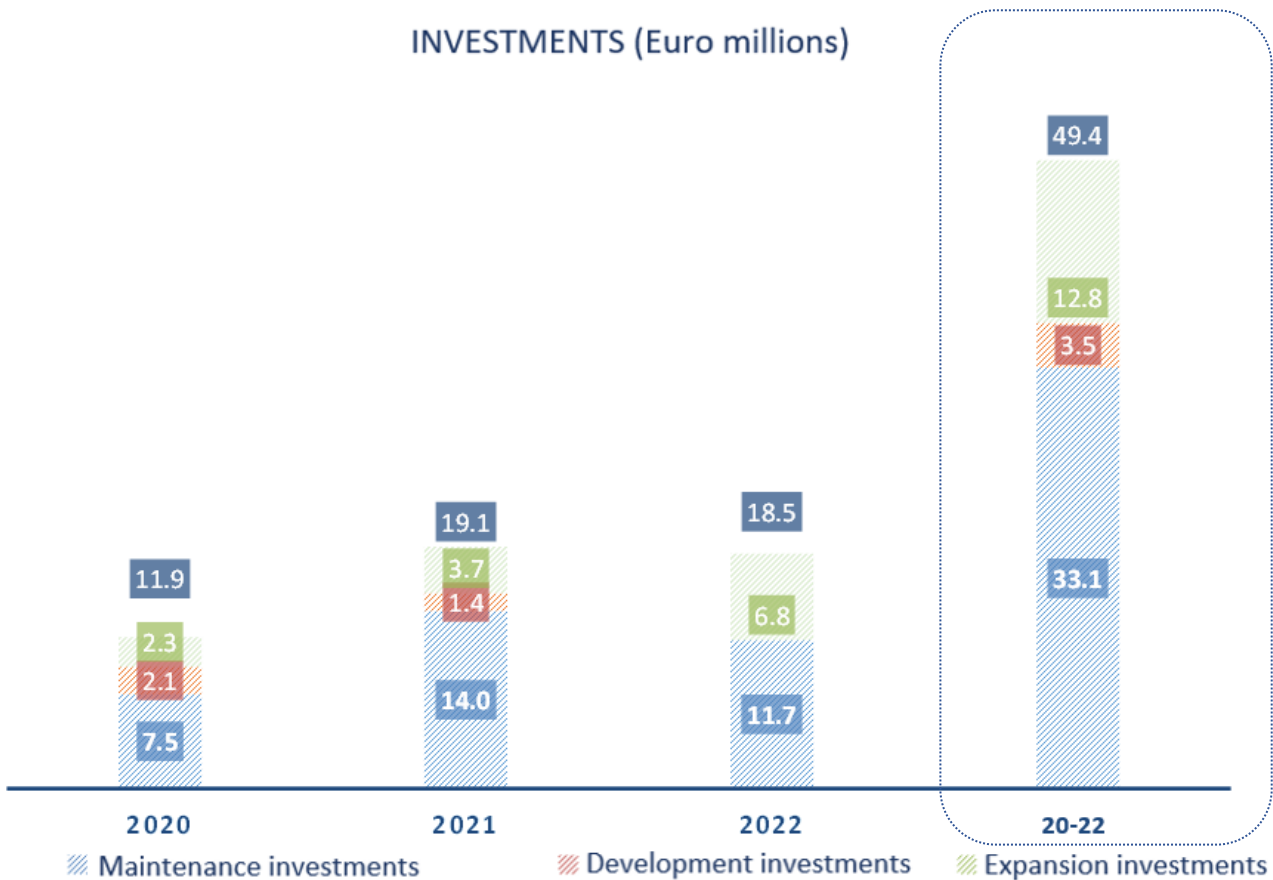
The GHC model puts the patient "at the centre of the health system", i.e. whereby their physical, psychological and social state, as a whole, is considered, along with their feelings, knowledge and experience of the disease, on the basis of the guiding principle "Health is the most precious good that a person can have" that has constantly driven Raffaele Garofalo and all his collaborators. Diagnosis and treatment are performed in terms of appropriateness, timeliness, effectiveness, their systematic nature and continuity, as dictated by the patient's status, who must always be adequately informed.

For this reason, the Group is committed to not only maintaining the best quality standards, but also investing in technological innovation and facility improvements. Despite the difficulties of the COVID-19 emergency over the last three years, this commitment has led the Group to invest over Euro 50 million to support the quality of care and services, as illustrated below.



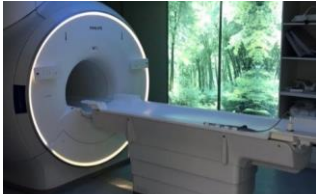

TOTAL INVESTMENTS MADE IN THE 2020-22 PERIOD - HIGHLIGHTS





INVESTMENTS (Euro millions)



MAIN DEVELOPMENT & EXPANSION INVESTMENTS

Clinic	Main development investments	Highlights
CMSR Veneto Medica	 3T MRI	<ul style="list-style-type: none"> - Latest version of magnetic resonance systems - Guarantees high quality images and quick examinations - Has allowed the facility to become a point of reference for the two regional Multiple Sclerosis centres
	 Cardiac CT	<ul style="list-style-type: none"> - Standards of excellence in equipment for cardiovascular exams - Permits very high fidelity image reproduction, able to provide, in a short time, a 3D reconstruction of the organ perfectly corresponding to a "live" shot.
Villa Berica	 1.5T MRI	<ul style="list-style-type: none"> - Allows the highest quality MRI's, which are faster and more comfortable for the patient - Environmentally friendly due to "helium-free" operation
Aesculapio	 1.5T MRI	<ul style="list-style-type: none"> - This equipment enables every kind of RM exam to be carried out at the highest quality levels - Aesculapio is today among the very few accredited private outpatient clinics in the province of Modena with this technology

Clinic (Region)	Highlights
<p>Villa Fernanda and S. Marta (Liguria)</p> 	<ul style="list-style-type: none"> - Purchase of a property in Genoa, formerly used as an educational institution, to which the activity previously carried out at the Santa Marta facility was transferred in 2020 - The new Santa Marta facility, which focuses on private patients, opened in September 2022 <p style="text-align: center;">Rationale</p> <p style="text-align: center;">Expanded range of healthcare services with a focus on out-of-pocket private patients</p>
<p>Istituto Raffaele Garofalo (Piedmont)</p> 	<ul style="list-style-type: none"> - Acquisition of a building of around 4,000m² opposite Istituto Raffaele Garofalo, designed to improve hospital rehabilitation services, in addition to expanding and diversifying accredited specialist outpatient services which are today carried out at the IRG <p style="text-align: center;">Rationale</p> <p style="text-align: center;">Optimisation of activities carried out at Eremo di Miazzina and Istituto Raffaele Garofalo.</p>

QUALITY OF CARE AT GHC FACILITIES

HIGHLIGHTS 2022

HIGHLIGHTS AT FACILITIES IN THE EMILIA-ROMAGNA REGION	
HESPERIA HOSPITAL	<ul style="list-style-type: none"> Among the 10 most recommended in the world for reconstructive surgery and for endovascular treatment of deep vein disease. It is the national centre in Italy for the phlebology training in accordance with the European Union of Medical Specialists and is an international training centre for deep vein surgery. The facility is ranked among the top public and private clinics in the 2022 edition of National Outcomes Programme of the Italian National Agency for Regional Health Services (AGENAS). According to the National Outcomes Programme, which measures the efficacy, clinical and organizational appropriateness, fairness in access, and safety of care provided by more than 1,300 public and private hospitals, Hesperia Hospital is one of the few facilities in Italy to meet the standard of 200 coronary artery bypass surgeries per year and is 5th ranked hospital in Italy for lowest mortality rates for heart bypass within 30 days of surgery. This facility is home to the Centre for Scoliosis and Spine Disorder, a key unit of SICV & GIS comprising a team of experts taking a multidisciplinary approach to spinal disorders, including degenerative disorders and deformities, in both children and adults. The facility is one of the most important of its kind in Italy, handling some 200 surgeries each year between degenerative spine disorders, including those that can be treated with minimally invasive surgery or microsurgery, and spinal deformities. Thanks to this multidisciplinary approach to spine disorders, the centre is able to apply advanced surgical techniques to high standards of care, while preventing complications and shortening patient hospital stays and recovery times.
POLIAMBULATORIO DALLA ROSA PRATI	<ul style="list-style-type: none"> The new site in Cremona was opened in June and is to be home to a small operating theatre for outpatient surgery under local anaesthetic, a diagnostics unit for computerised bone densitometry, a new electromyography unit, and a sample-collection unit. An AI-equipped, high-field 1.5T MRI was acquired in December 2022. This MRI unit provides higher quality imaging and reduces scan times by 50%. The equipment takes advantage of a deep-learning algorithm known as "AIR Decon DL", which eliminates artifacts and noise to achieve images of excellent diagnostic quality, while drastically reducing the time it takes to carry out the exam.
AESCULAPIO	<ul style="list-style-type: none"> The partnership with Hesperia Hospital in Modena in multidisciplinary diagnostic cardiology has been strengthened with the goal of giving patients a treatment path that is as complete and rapid as possible.
HIGHLIGHTS AT FACILITIES IN THE VENETO REGION	
VILLA BERICA	<ul style="list-style-type: none"> A pilot project has been launched for clinical risk management in collaboration with Sham (a Relyens Group company), a European mutual medical liability insurance company, with the goal of supporting health-care providers and ensuring patient safety, while promoting the reduction of risk. Caresyntax is an advanced technology that combines hardware components (PCs, 60-inch medical video consoles with 4K technology, cameras) and software (three modules dedicated to risk management, training and coaching of the surgical team and sophisticated software to optimise the use of operating rooms) to support and improve surgical procedures.
VILLA GARDA	<ul style="list-style-type: none"> Introduced a new physiotherapy protocol from the Department of Cardiovascular Rehabilitation, based on a precision medicine paradigm that delivers progressively personalised and "tailored" rehabilitation pathways and exercises. Not only has this

	<p>strategy boosted the patient’s likelihood of functional recovery, but it has also increased the satisfaction of cardiology, cardiac surgery, and internist experts who follow the treatment pathway.</p>
CLINICA S. FRANCESCO	<ul style="list-style-type: none"> ▪ The American publication Newsweek ranks this healthcare facility as the 40th best hospital in Italy (improving by 5 places from 2021) ▪ To make paths more accessible for patients and carers with visual impairments and/or dyslexia, the “inclusive indoor signage” refurbishment project has been launched ▪ Created the “I Don’t Fall” patient safety initiative, which consists of a number of protocols and in-facility distribution of information booklets for older/vulnerable patients to prevent the risk of falling and to promote better pain management
HIGHLIGHTS AT FACILITIES IN THE TUSCANY REGION	
RUGANI HOSPITAL	<ul style="list-style-type: none"> ▪ With anterior surgical access, one of the most sophisticated centres in Italy for hip replacement procedures, which allows for improved bone preservation and immediate patient recovery ▪ In February, the Tegea Group validated the healthcare facility as a qualified national centre for the treatment of benign prostatic hypertrophy with green light laser, validating the Urology Department’s expertise ▪ Developed a computer-assisted navigation method for shoulder prosthetic surgeries, particularly suited for the most complex cases, which permits the performance of a “virtual prosthetic implant” on a preoperative CT scan. The operation is simulated until the surgeon is pleased with the outcome; only then is it transferred to the operating theatre with the assistance of a computerised instrumentarium that directs the surgeon’s hand. Hence, a shoulder prosthesis may be fitted with millimetre accuracy, resulting in superior clinical outcomes and fewer problems.
HIGHLIGHTS AT FACILITIES IN THE LIGURIA REGION	
FIDES GROUP	<ul style="list-style-type: none"> ▪ Trade Union Representative Bodies opened in September in Villa Fernanda and Santa Marta ▪ The Villa Fernanda project was initiated in 2018 with the acquisition of a property previously used as a school. The building was renovated in 2020 with the goal of producing an excellent, friendly, and pleasant healthcare facility that is also equipped with cutting-edge security measures. The Villa Fernanda healthcare facility has 70 beds recognised by the Regional Health Service and provides care for frail elderly individuals who are completely dependent or have residual autonomy via a maintenance operating unit and a protected residential operating unit. The institution offers its clients daily medical treatment, nursing and socio-health care, physiotherapy, psychiatric care, and recreational activities. ▪ The objective of the Santa Marta initiative, on the other hand, was to build a totally private Health Care Home for the aged. This was made feasible by the commencement of a major restoration of the healthcare facility in 2020, which necessitated the relocation of patients to Villa Fernanda in line with special procedures and safety regulations designed to allow a swift and secure transfer while preserving the continuity of service. Today Santa Marta is a 41-bed maintenance healthcare facility that houses dependent elderly people. The entirely rebuilt premises offers the pinnacle of hotel luxury and modernism in an intimate, family-friendly setting. The rooms are furnished with every amenity and have unique safety features to ensure the guest’s well-being. In light of this, a cutting-edge video surveillance system was also installed.
HIGHLIGHTS AT FACILITIES IN THE LOMBARDY REGION	
XRAY ONE	<ul style="list-style-type: none"> ▪ Strengthened collaboration with the Aesculapio facilities, both of which are equipped with cutting-edge technology, hence promoting professional collaboration for the purpose of ensuring radiology diagnostic and outpatient speciality services. ▪ Installed a work station (connected via network to Hesperia Hospital in Modena) to transmit the results of specialised cardiology examinations (MRI, CT scan, Echocardiogram)

	<p>directly to Hesperia heart surgeons for immediate, accurate, and comprehensive diagnosis, thereby reducing space-time distances to the patient's benefit.</p> <ul style="list-style-type: none"> In May, the institution hosted its inaugural symposium at Poggio Ruscon "Precision Medicine. New Challenges in Cardiology in Clinical Practice", at which renowned cardiologists from all around Italy highlighted the crucial role of precision medicine in the treatment of heart disease. The formation of the Heart Team was essential and original. It is an interdisciplinary team comprising a clinical cardiologist, an imaging expert cardiologist, a heart surgeon, a geriatrician or internist physician, and other dedicated figures (nurses, technicians) in order to select patients, particularly high-risk patients, who may benefit from non-surgical alternatives to conventional procedures. Home radiology service activated
HIGHLIGHTS AT FACILITIES IN THE LAZIO REGION	
VILLA VON SIEBENTHAL	<ul style="list-style-type: none"> Through Healthcare Manager Dr. Sergio De Filippis and a scientific board of professional clinicians, the institution backed the development of the short film "Do You See Me?" on the subject of adolescent depression. It premiered in July at Giffoni Next Generation, a Giffoni Innovation Hub review.

QUALITY CERTIFICATIONS

The subsidiaries which, as of December 31, 2022, have EN ISO 9001-2015 Quality Management System certification are detailed below.

Region	Clinic
Veneto	<ul style="list-style-type: none"> CMSR Veneto Medica Sanimedica Centro Medico S. Biagio GDVR (M&A Scope 2022)
Emilia-Romagna	<ul style="list-style-type: none"> Hesperia Hospital Ospedali Privati Riuniti Poliambulatorio Dalla Rosa Prati Domus Nova
Friuli Venezia-Giulia	<ul style="list-style-type: none"> Centro Medico Università Castrense
Liguria	<ul style="list-style-type: none"> Roemar, Rehabilitation Centre, Fides Medica, Prora (Fides Group)
Lombardy	<ul style="list-style-type: none"> XRay One

PROCESSES TO REMEDIATE NEGATIVE IMPACTS (GRI 2-25)

The GHC Group analyses and monitors the impacts of its services on the community through a complaints management and customer satisfaction survey system, through which users and anyone else who interacts with the Group can indicate the positive and negative aspects of their experience at GHC Facilities and in their interactions with GHC employees. In this regard, it should be noted that handling of complaints is also required under regulations for the accreditation of Group facilities. It provides that grievances can be sent multi-channel (email, telephone, verbally), receiving almost immediate feedback and initiating an evaluation process that, on the assumption that the grievances are well-founded and have caused harm to the user and/or the Group, sets in motion detailed investigations to identify causes and remedial action, to be returned to the complainant within a specified time (usually 30 days).

This approach is complemented by the customer satisfaction strategy, which involves two modes of engagement:

- direct, regarding the administration of questionnaires to users with specific fields (quality of service, friendliness and helpfulness of staff, cleanliness and comfort of premises, information received, etc.);
- indirect, using interactive media stations and other survey devices that allow the user to provide feedback freely.

Again, the information collected is systematised and processed to identify any areas for improvement. Hence, user engagement is the primary source of information for the model and, from a participatory viewpoint, enables it to feed not only the surveys but also the operation of the model itself, pointing directly or indirectly to areas of improvement. All information collected during complaint management and customer satisfaction surveys is typically reprocessed and formalised within an annual report that falls under quality surveys within the Management Review Document (to identify systemic and coordinated actions) and posted online on the websites of some facilities, indicating the response time to complaints, survey volumes collected, and key results.

MEMBERSHIP ASSOCIATIONS (GRI 2-28)

Several Group entities are members of major associations of a specialised (e.g. the Italian Private Hospital Association) and industrial (Unindustria) nature. The Group's entities, however, do not play "significant roles" as described by the new GRI Standards (i.e. requiring presence in the governing bodies of the relevant associations and/or funding them more than other associates).

#WECARE: FOCUS ON COVID EMERGENCY SUPPORT PROVIDED TO THE PUBLIC SYSTEM IN 2022

The continuation of the COVID-19 emergency in Italy saw numerous Group facilities, as in 2020 and 2021, provide services and support to the public system, as outlined below.

Region	Clinic	Main activities carried out to support the public system
Emilia-Romagna	Hesperia Hospital	<ul style="list-style-type: none"> Local healthcare authority weekly operating room sessions made available in Q1 to the Policlinico and Modena for oncological senology procedures and for orthopaedic procedures. These agreements ended when the state of emergency concluded on March 31, 2022
	Ospedali Privati Riuniti	<ul style="list-style-type: none"> Ward made available for COVID patients (closed in August), in addition to operating room sessions (until March) to allow the Istituto Ortopedico Rizzoli to carry out orthopaedic surgery at its clinic in Villa Regina.
Tuscany	Rugani Hospital	<ul style="list-style-type: none"> Wards opened in first three months dedicated to COVID patients emerging from the acute phase but still testing positive for the virus (10 beds), then closed in April

ADDITIONAL CONTROLS SET UP BY GHC GROUP TO SUPPORT QUALITY OF CARE

In 2018, GHC's Board of Directors set up a Scientific Committee, comprising the Healthcare Managers of the Group's clinics and leading scientific experts with consultative functions. This has the objective, among others, to make available to the clinics and the researchers of the GHC Group a "forum" for the sharing and synergy of their scientific activities; to act as a promoter of common guidelines for the planning and presentation of research projects to domestic and international funding agencies for medical research and health services; to map the excellences at the clinics within the scope of the GHC Group. The Chairperson of the Scientific Committee is Prof. Oscar Maletti, a leader in the field of vascular surgery and of the international scientific community.

INFORMATION TECHNOLOGY AND TECHNOLOGICAL INNOVATION IN SUPPORT OF VALUE CREATION

The importance of Information Technology within the Group is increasingly vital due to its relevance in controlling core aspects and enabling the development of new opportunities.

Listed below are the primary core areas and tasks of the IT function that are required for the continuous oversight and operation of healthcare facilities.

Core Areas/ Functionalities	Availability	Compliance	Security
Infrastructure	<ul style="list-style-type: none"> Maintaining operations on an ongoing basis 	<ul style="list-style-type: none"> Technical and regulatory requirements, with regard to Law 262 compliance 	<ul style="list-style-type: none"> Compliance with the principles of confidentiality, integrity and data segregation
Network and connectivity	<ul style="list-style-type: none"> Availability and efficiency of peripheral connectivity needed to deliver business services 	<ul style="list-style-type: none"> Compliance with GDPR and AGI regulations, through application of the required safeguards (SIEM - Security Information and Event Management, SOC - Security Operation Centre) 	<ul style="list-style-type: none"> Constant monitoring of firewalls and verification of attempted incursions
Applications	<ul style="list-style-type: none"> Ongoing maintenance of management applications to support healthcare facility operations 	<ul style="list-style-type: none"> Compliance with information access policies and management of permissions to restricted areas 	<ul style="list-style-type: none"> Constant monitoring of user management and access analysis

Opportunities enabled by IT levers can be categorised as internal or external based on the availability of various enabling elements, illustrated below.

Opportunity type	Enabling factors	Description of the opportunity
Internal	Data availability and Incremental information	<ul style="list-style-type: none"> Improved decision-making skills on medical and clinical issues and on management control
External	Digitalisation of the patient journey	<ul style="list-style-type: none"> Improved experience for users/patients with potential to increase the attractiveness of facilities

As regards the aforementioned, in 2022 the GHC Group identified priority work areas on Information Technology issues, launching particular initiatives related to the optimisation of core areas and services and the field of digital evolution.

In reference to core areas and functionalities, the Group's primary areas of activity - to be developed beginning in 2023 - are (i) increasing the computational computing of the data centre and creating a "disaster-recovery" site, (ii) defining even more resilient network solutions, (iii) enhancing security, and (iv) developing the application suite to enable more in-depth management analysis.

In contrast, with reference to digital evolution issues, the Group's main areas of activity - to be developed beginning in 2023 - have been identified to support (i) users/patients (Civil Code "web portal", to be understood as a single point of access for the Group targeted at improving the corporate identity, software, content, and digital services that underpin the architecture of the current website), (ii) medical staff (through the electronic medical record, RIS - Radiology Information System and PACS - image archiving and transmission system projects) and (iii) staff (through the definition of operating methods targeted at the end-to-end digitisation of HR processes such as employee records, attendance and payroll).

Responsible conduct

MATERIAL TOPICS REFERENCED:

- ⇒ ETHICS AND INTEGRITY
- ⇒ DATA SECURITY & PRIVACY

REFERENCES CONTAINED IN THE GROUP'S CODE OF ETHICS

“Regarding privacy, in carrying out its business, GHC undertakes to collect, manage and process personal data in compliance with applicable legislation, and to ensure the confidentiality of data processing.”

The GHC Group, in light of its particular activities, is required to constantly monitor the security and privacy of the data it holds as it is exposed to risks related to the compromise of the availability, confidentiality and integrity of special personal (health) and operating-financial data processed by the company.

The risks regarding personal data are mainly associated with the applicable GDPR regulations, which require organisations to prepare specific safeguards to manage and protect this data. This is especially true when the data in question, as is the case for the GHC Group, belongs to a ‘special category’ (health data).

For this reason, in 2022, the Parent Company’s IT department paid particular attention to IT security, adopting two-factor authentication for the Office 365 platform and patching all vulnerable IT equipment. Specifically, the following was undertaken during the year:

- **Security Scope:** periodic monitoring through vulnerability assessment on the entire Group perimeter (except GVDR, acquired in December 2022). A remediation plan was then developed for the vulnerabilities encountered, an activity that the parent company carries out continuously and on a semi-annual basis. In addition, during the year, the IT function of the parent company established dashboards in the area of security for the control and governance of cyber attacks on the entire corporate perimeter (holding company and subsidiaries), in addition to a dashboard for the control of crucial APIs in the area of IT infrastructure (such as the availability of network and server services);
- **MFA (Multi Factor Authenticator) Scope:** during 2022, the application of the dual factor system was extended beyond Office365 to VPN (Virtual Private Network) access systems for an initial cluster of Group clinics;
- **Efficiency and Availability Scope:** during 2022, the architecture (gateway) for receiving/transmitting electronic invoices on the AdHoc Enterprise application was redesigned. In addition, to enable better governance over access and improved availability of accounting and financial data, the migration of the accounting system of the Domus Nova healthcare facility in Ravenna to GHC’s data centre was completed.

Given the significance of the topic, the GHC Group has reported on “Substantiated complaints concerning breaches of customer privacy and losses of customer data”, [\(GRI 418-1\)](#).

Substantiated complaints concerning breaches of customer privacy and losses of customer data - 2022

Description	Number
Total number of substantiated complaints received	-
<i>Complaints received from outside parties and substantiated by the organization</i>	-
<i>Complaints from regulatory bodies</i>	-
Total number of identified leaks, thefts, or losses of customer data for 2022	-

12. Disclosure under Legislative Decree No. 254/2016: personnel and human rights topics

Our people

MATERIAL TOPICS REFERENCED:

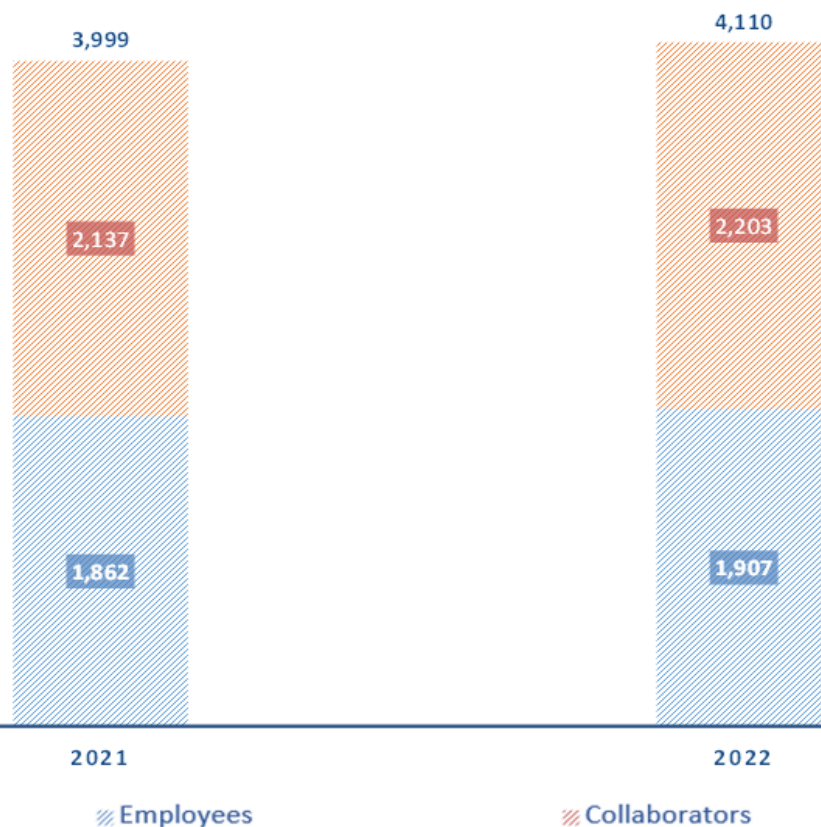
- ⇒ TALENT ATTRACTION, DEVELOPMENT AND STAFF WELL-BEING
- ⇒ WORKER HEALTH AND SAFETY
- ⇒ GOVERNANCE AND COMPLIANCE

REFERENCES CONTAINED IN THE GROUP'S CODE OF ETHICS

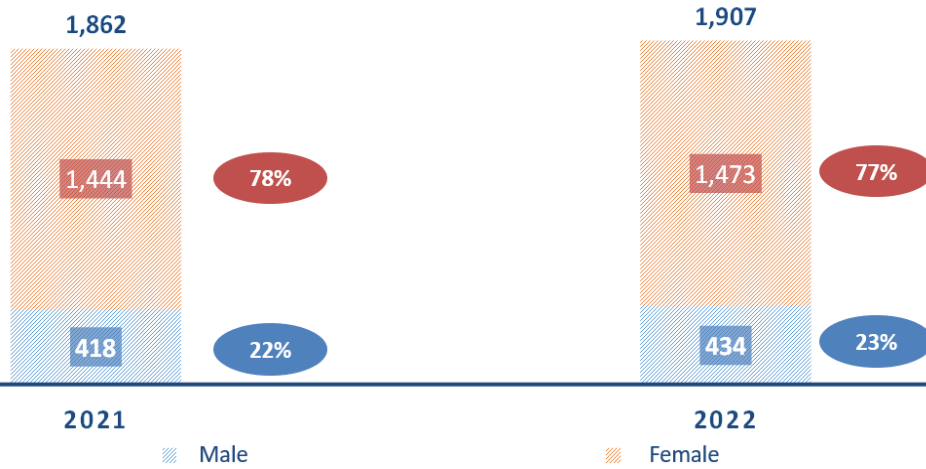
"GHC is committed to offering equal job opportunities for all, on the basis of professional qualifications and performance, and without discrimination, and the selection, hiring and remuneration of personnel according to merit and competence, without political, trade union, religious, racial, linguistic or gender discrimination, in compliance with all applicable laws, regulations and directives."

At December 31, 2022, the Group's total workforce stood at approximately 4,110, of which 1,907 were employees and 2,203 freelance professionals (e.g. doctors, consultants, psychologists, health technicians), up from 2021, partly due to the acquisition of GVDR in the year.

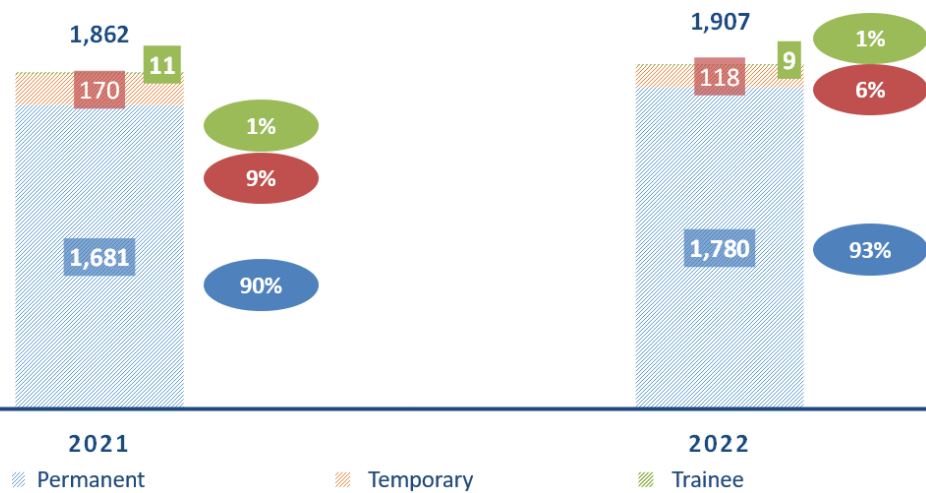
TOTAL WORKFORCE (#)



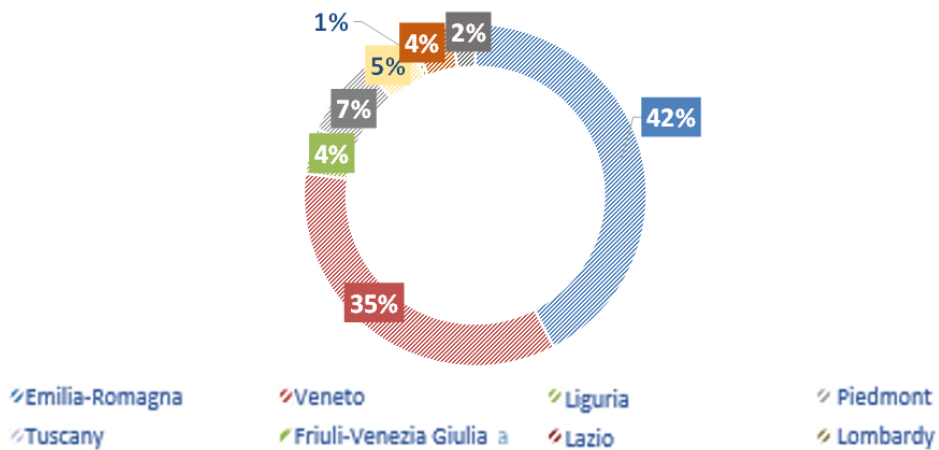
TOTAL EMPLOYEES BY GENDER (#)



TOTAL EMPLOYEES BY CONTRACT TYPE (#)



TOTAL EMPLOYEES BY REGION (%)



The following provides further details regarding employees in 2021 and 2022 in accordance with the new GRI Standards. In this regard, it should be noted that the reported values refer to the headcount as at December 31, 2021 and December 31, 2022, respectively. The 2022 values include those for the GVDR clinic acquired in December 2022. In addition, it should be noted that almost all (99.9%) of the Group's employees on the payroll at December 31, 2022 are covered by collective bargaining agreements. (GRI 2-30)

BREAKDOWN OF EMPLOYEES BY GENDER & CONTRACT TYPE (GRI 2-7, 405-1)

Group employees by gender and contract type						
	2021			2022		
	Male	Female	Total	Male	Female	Total
Permanent	379	1,302	1,681	410	1,370	1,780
Temporary	39	131	170	24	94	118
Trainee	-	11	11	-	9	9
Total	418	1,444	1,862	434	1,473	1,907

BREAKDOWN OF EMPLOYEES BY GENDER & FULL-TIME/PART-TIME CONTRACTS (GRI 2-7, 405-1)

Group employees by full-time/part-time contracts						
	2021			2022		
	Male	Female	Total	Male	Female	Total
Full Time	374	1,191	1,565	384	1,174	1,558
Part Time	44	253	297	50	299	349
Total	418	1,444	1,862	434	1,473	1,907

BREAKDOWN OF EMPLOYEES BY AGE & PROFESSIONAL CATEGORY (GRI 2-7, 405-1)

Group employees by gender and professional category								
	2021				2022			
	under 30	30-50	over 50	Total	under 30	30-50	over 50	Total
Executives	1	8	7	16	-	7	5	12
Managers	-	11	3	14	-	14	4	18
White-collar	245	830	528	1,603	268	832	571	1,671
Blue-collar	15	102	112	229	9	99	98	206
Total	261	951	650	1,862	277	952	678	1,907

BREAKDOWN OF EMPLOYEES BY GENDER & PROFESSIONAL CATEGORY (GRI 2-7, 405-1)

Group employees by gender and professional category						
	2021			2022		
	Male	Female	Total	Male	Female	Total
Executives	9	7	16	8	4	12
Managers	8	6	14	11	7	18
White-collar	339	1,264	1,603	355	1,316	1,671
Blue-collar	62	167	229	60	146	206
Total	418	1,444	1,862	434	1,473	1,907

NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER (GRI 401-1)

New Group hires by age, gender and job category							
	2022				2022		
	under 30	30-50	over 50	Total	Male	Female	Total
Executives	-	-	2	2	2	-	2
Managers	-	3	1	4	3	1	4
White-collar	118	106	31	255	63	192	255
Blue-collar	4	12	7	23	5	18	23
Total	122	121	41	284	73	211	284

Employees who left the Group by age, gender and job category							
	2022				2022		
	under 30	30-50	over 50	Total	Male	Female	Total
Executives	-	-	2	2	-	2	2
Managers	-	-	-	-	-	-	-
White-collar	93	119	58	270	67	203	270
Blue-collar	10	15	25	50	9	41	50
Total	103	134	85	322	76	246	322

In 2022, the Group analysed the turnover rates (inbound and outbound) submitted by subsidiaries for the year 2021. This study was also brought to the attention of the Control, Risks and Sustainability Committee by the Sustainability and Risk Management functions.

The results of these assessments, together with those applicable to 2022, are shown below.

Specifically, the Group's average incoming turnover rate ⁽⁸⁾ in 2022 was 15.3% (compared to 17.4% in 2021) while its average outbound turnover rate was 17.5% (compared to 16.3% in 2021).

In order to facilitate a better understanding of the overall average figure, we note that inputs/outputs related to staff from hospital sector facilities account for approximately 80% of the total figure recorded in 2022, those related to outpatient sector facilities account for approximately 14%, and those related to social welfare sector facilities account for approximately 6% (values substantially in line with those recorded in 2021).

INCOMING AND OUTGOING TURNOVER RATE		
	2021	2022
Incoming turnover rate (%)	17.4%	15.3%
Outgoing turnover rate (%)	16.3%	17.5%

The Group will continue to monitor the evolution of the turnover rate of its clinics in 2023 and provide information on it in next year's reporting.

We note that reporting the turnover rate was one of the sustainability goals for 2022, and should therefore be considered achieved.

The following provides some details on non-employee personnel for 2022 as per the new GRI Standards. In this regard, we note that the reported values refer to the headcount at December 31, 2022. The 2022 values include those for the GVDR clinic acquired in December 2022.

WORKERS WHO ARE NOT EMPLOYEES (GRI 2-8)

Group workers who are not employees			
	2022		
	Male	Female	Total
Medical and paramedical staff	1,386	663	2,049
Non-medical and non-paramedical staff	45	109	154
Total	1,431	772	2,203

⁸⁾ The figure is calculated as the ratio of total revenue/output to total workers in the prior year, excluding employees of the parent company (as a holding company that does not engage in health care operations) and GVDR, which was acquired in December 2022

DEVELOPMENT AND ENHANCEMENT OF THE WORKFORCE

In 2022, GHC conducted a questionnaire-based examination of the organisation's internal environment to determine the level of Group employee satisfaction.

Submitted during H2 2022, the questionnaire was created in an entirely digital format to enhance its use and the data collection process. Specifically, the questionnaire included:

- an opening section to help respondent understand the nature of the questionnaire, its goal, and the primary topics of research;
- a general section intended to gather minimal basic information on each survey participant (e.g. number of years spent working at the healthcare facility in question);
- a specific section including 12 items (referring to six survey categories) for which respondents may indicate their degree of agreement/disagreement on a scale from 1 (lowest grade, "definitely not/disagree") to 5 (highest grade, "definitely yes/agree");
- a voluntary section in which each respondent can freely express any additional ideas, insights, or remarks or other feedback.

We note that the six survey topics included (i) corporate identity, (ii) perceived quality of care, (iii) work atmosphere, (iv) equity and inclusion, (v) professional growth, and (vi) overall satisfaction.

The questionnaire was sent to the Chief Executive Officers/General Managers and HR managers of each subsidiary for distribution to their respective workers. Collection of the surveys was entirely anonymous.

Highlights

The principal results of the initiative are shown below:

GHC PEOPLE SURVEY 2022 - HIGHLIGHTS	
EMPLOYEES INVOLVED	<ul style="list-style-type: none"> ▪ All 28 healthcare facilities that were part of the Group as of June 30, 2022 (including the parent company) and a total of 1,711 workers (representing 92% of the Group's active employees as of December 31, 2021) completed the questionnaire.
QUESTIONNAIRES COMPLETED	<ul style="list-style-type: none"> ▪ A total of 999 questionnaires were completed, accounting for 58% of the employees involved. ▪ The facilities of CMSR Veneto Medica, Centro Medico S. Biagio, Centro Medico San Biagio, Centro Medico Università Castrense, Eremo di Miazzina, Poliambulatorio Dalla Rosa Prati, Rugani Hospital, and Villa Von Siebenthal had the highest participation rates (over 75% of personnel). ▪ Those who have been working/collaborating with the Group for more than five years filled out 504 surveys, accounting for around 50% of the sample. The remaining questionnaires were equally distributed between personnel with less than two years' seniority (26%) and those with between two and five years' seniority (24%)

Main findings

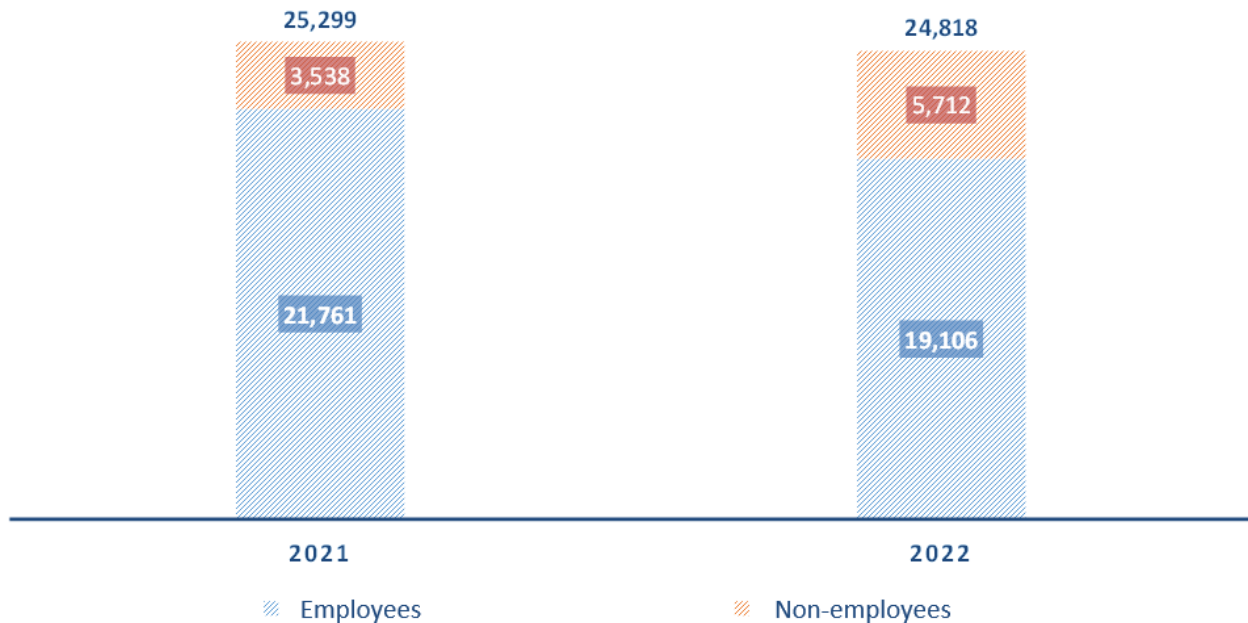
In light of the foregoing, the findings of the analysis - the first conducted by GHC - must be regarded both substantial (given that more than 50% of Group workers had completed the questionnaire as of December 31, 2021) and suitably pertinent (in light of participation coming mostly from GHC staff with seniority of more than five years). The results indicated that the overall level of satisfaction among GHC staff was 3.3 on a scale from 0 to 5, and that this level of satisfaction was virtually identical across all Group healthcare facilities. Quality of care had the highest levels of perceived satisfaction (mean score of 3.8/5.0).

It is worth mentioning that conducting a survey (targeting at least 50% of Group employees) was one of the sustainability objectives for 2022 and, as such, should be considered accomplished.

TRAINING (GRI 404-1)

A total of 24,818 hours of training were delivered in 2022, of which 19,106 were provided to employees and 5,712 hours to non-employees.

TRAINING PROVIDED TO EMPLOYEES AND NON-EMPLOYEES (HOURS)



The per capita training hours given to Group employees during the reporting period are summarised below

Employee per capita training hours by gender and professional category ⁽⁹⁾						
CONTRACT	2021			2022		
	Male	Female	Total	Male	Female	Total
Executives	14.7	18.5	16.2	15.2	25.0	16.8
Managers	28.5	4.4	11.3	9.5	0.8	4.7
White-collar	16.2	11.6	12.6	10.3	9.5	9.6
Blue-collar	11.8	4.2	6.2	17.4	12.6	14.0
Total	15.5	10.7	11.8	11.4	9.8	10.1

⁹⁾ These figures do not take into account the contribution of the Parent Company GHC S.p.A. The average hours of training are calculated by dividing the total number of hours during the year by classification and gender, by the total number of employees in the same category

We note that fewer hours of training were delivered by Domus Nova in 2022 compared to 2021 as a result of organisational changes within the healthcare facility during the year. Net of this healthcare facility, the Group's total training hours offered to workers and non-employees would have reached 24,537, an increase of 10.5% from 22,209 in 2021 (calculated as the Group's total value net of the figure for Domus Nova).

We note that the increase in total training hours delivered compared to 2021 was one of the sustainability targets for 2022, which must therefore be considered as not achieved.

OCCUPATIONAL HEALTH AND SAFETY (GRI 403-9)

In 2022, there were 109 work-related injuries, a number influenced by the support offered to the National Health System to combat the COVID emergency, as was the case in 2021. This led to a greater number of work-related injuries, especially at Rugani Hospital and Ospedali Privati Riuniti, which were particularly engaged in the support given to the National Health System during the year.

Employee work-related injuries ⁽¹⁰⁾		
Description	2021	2022
Total number of deaths due to work-related injuries - employees	-	-
Total number of serious work-related injuries (excluding deaths) - employees	-	-
Total number of recordable employee work-related injuries	91	107

The employee injury rate is also presented below, obtained by comparing the total number of injuries recorded to the total number of hours worked (2,759,256 in 2022, up from 2,690,752 in 2021).

Employee occupational accident rate ⁽¹¹⁾		
Description	2021	2022
Rate of deaths due to work-related injuries - employees	-	-
Rate of serious work-related injuries (excluding deaths) - employees	-	-
Rate of recordable employee work-related injury (per million hours worked)	34	39

Regarding this, the Group further announces that it did not detect any non-compliance with rules and/or voluntary guidelines regarding the health and safety implications of its services in 2022. (GRI 416-2)

FOCUS: GHC GROUP STAFF RECRUITMENT AND SELECTION

During the 2022 financial year, GHC analysed the recruiting and selection procedure currently followed by Group facilities in order to ensure compliance with equal opportunities. The analysis included all healthcare facilities with a Corporate Procedure pertaining to the recruitment and selection of staff ("HR Procedure"), which accounted for approximately 93% of the Group's total facilities⁽¹²⁾.

⁽¹⁰⁾ An accident is recorded if it involves one of the following consequences: death, days of absence from work, reduction of duties or transfer to another facility, need for medical treatment beyond first aid, loss of consciousness, serious accident

⁽¹¹⁾ The accident rate is the ratio between accidents and hours worked by the Group during the reporting period. In order to improve the readability of the data, the multiplier 1,000,000 was used. At the regulatory level, the Group is not required to record the accidents of non-employee workers.

⁽¹²⁾ As of November 2022, 26 out of 28 total facilities, i.e. net of GVDR, which was acquired in December 2022

In view of the significance of this process at the Group level, this analysis was conducted jointly by the Chief Sustainability Officer and the Risk Manager, so as to integrate the “ESG view” with the “Risk view”. In terms of methodology, the analysis was conducted by collecting and analysing “HR Procedures” approved by the subsidiaries, where present, in addition to conducting interviews with individual HR Managers, where present, or alternatively with those responsible for the recruitment and selection process.

Analysis criteria

GHC GROUP STAFF RECRUITMENT AND SELECTION: ANALYSIS CRITERIA		
	“ESG VIEW”	“RISK VIEW”
PRESENCE OF FORMAL PROCEDURE AND PROCESS OWNER	<ul style="list-style-type: none"> The inclusion of a Procedure and a designated corporate contact person increases the process’s transparency and decreases the likelihood of discrimination and/or subjective (biased) conduct towards potential applicants. 	<ul style="list-style-type: none"> Creating procedures to regulate the recruitment process allows for the formalisation of control safeguards and the identification of pertinent roles and duties.
PROCESS ACCOUNTABILITY AND TRACEABILITY	<ul style="list-style-type: none"> The provision of formal internal processes to rely on the candidate’s application and evaluation stages enhances accountability and traceability of the process (as it can be reviewed retroactively) and lowers the likelihood of potential discriminatory conduct. 	<ul style="list-style-type: none"> Formalising the process phases is a further control precaution.
PROCESS SUPPORTED BY QUALIFIED EXTERNAL PARTIES, PRESENCE OF AGREEMENTS WITH UNIVERSITIES/ TRAINING INSTITUTIONS	<ul style="list-style-type: none"> The presence of skilled external practitioners (e.g. recruitment agencies, executive headhunting firms, and/or partnerships with universities and training institutes) encourages a professional and merit-based selection and recruitment process. 	<ul style="list-style-type: none"> On the one hand, the involvement of third parties in search activities confers greater assurance on the quality of the selection process (and thus on the matching between required skills and identified profiles) and, on the other, it expands the pool of potential candidates, decreasing the risk of not finding professionals who meet the Group’s requirements

Highlights

Due to the fact that the vast majority of Group facilities (93%) have a “HR Procedure”, which in 80% of cases contains explicit references to the values and principles outlined in the Group’s Code of Ethics, the analysis conducted made it possible to highlight respect for equal opportunities in the personnel selection process. The investigation revealed that the majority of facilities have adopted measures that allow accountability and traceability of the process both upstream (during the recruiting phase) and downstream (during the interview assessment phase), a critical aspect for a transparent and unbiased process. Around 40% of facilities are assisted by qualified third parties throughout the recruiting and selection process, a feature that serves as a safeguard to ensure equal opportunities. In addition, there are many agreements in place with major Italian universities for various professional profiles (OSS nurses, medical interns, physical therapists, and psychologists), further ensuring a merit-based and objective recruitment and selection process.

We note that this study was one of the sustainability objectives for 2022, and hence should be regarded as accomplished.

FIRST RAFFAELE GAROFALO AWARD FOR SUSTAINABILITY

The first Raffaele Garofalo Award for Sustainability was held in 2022. This was the Group's first challenge designed to spread and further develop a culture of sustainability within GHC, i.e. the significance of actions and behaviours targeted at generating value for all stakeholders over the medium and long term.

Specifically, the programme sought to incentivise the execution of "sustainable actions", meaning operations that can have a beneficial social and/or environmental impact on the Group's facilities and on the communities in which it operates.

All employees and collaborators of the GHC Group were asked to participate in the programme, which ran from May to November 2022 over a period of six months.

The organisational contacts for the initiative were designated as the Chief Sustainability Officer and the GHC's Group Corporate Communications Manager, assisted by a group of "Sustainability Ambassadors" identified at each healthcare facility, which was usually the HR, Purchasing, Quality, or Communications Managers.

Specifically, 31 "Sustainability Ambassadors" were tasked in 2022 with promoting and disseminating the initiative among Group staff and associates, in addition to verifying and tracking the execution of "sustainability actions" and periodically reporting evidence of these activities to the Chief Sustainability Officer. This was accomplished through eight group sessions conducted between May and November 2022.

During the corporate event held in Bologna in December 2022, the initiative's overall outcomes were announced, which included the adoption of in excess of 600 sustainability activities over the course of six months. The Group's employee/collaborator and healthcare facility that won the "Raffaele Garofalo Award for Sustainability 2022" were also announced on that occasion. They were the employee/collaborator and facility that earned the most "sustainability points" (recognised for each "sustainability action" according to the initiative's scoring mechanism as defined in the regulations).

The Group will conduct the second such award in 2023, and the results will be published during the following financial year. In addition, in 2023 the GHC Group has pledged to sponsor a "sustainable action" for the local area of the winning healthcare facility of the 2022 award. (i.e. Villa Garda).

We note that identifying at least one "Sustainability Ambassador" and establishing a calendar of quarterly meetings for 2022 was one of the sustainability goals for 2022 and, as such, this objective may be considered achieved.

13. Disclosure under Legislative Decree No. 254/2016: active and passive corruption topics

Our Integrity

MATERIAL TOPICS REFERENCED:

- ⇒ GOVERNANCE AND COMPLIANCE
- ⇒ ETHICS AND INTEGRITY

REFERENCES CONTAINED IN THE GROUP'S CODE OF ETHICS

"No conduct, direct or through any intermediary, aimed at improperly influencing the decisions of the public administration or acquiring preferential treatment, even indirectly (e.g. issuing of a provision to the detriment of a competitor of GHC), is permitted in the conduct of any company activity. Such a prohibition may not be circumvented or evaded through sponsorships or donations to public administrations or bodies, or through the assignment of roles to persons in any way related to those working in the public administration."

The GHC Group undertakes to conduct its business with the utmost fairness and integrity in all its relationships with people and entities outside the Group. Professionalism, competence, fairness and courtesy are the guiding principles that the Group observes in its relationships with third parties and/or its companies. In line with the principles of integrity that underpin the GHC model, it is essential that relationships with parties both internal and external to the GHC model are based on:

- full transparency and fairness;
- compliance with the law, particularly in relation to the provisions on offences against the Public Administration and corruption among private individuals;
- independence from all forms of conditioning, whether internal or external.

Corruption is a particularly relevant issue in the public and private health sector. GHC has always monitored and managed this risk through various tools, including the Group's Code of Ethics (updated in 2021 and formally implemented by all Group companies), the Organisational Model (pursuant to Legislative Decree No. 231/01) of each company, and the reporting procedure (or so-called "Whistleblowing").

The Code of Ethics pays particular attention to the essential principles of its work, namely honesty and compliance with all applicable regulations in Italy and, in particular, in the various Regions in which the Group's healthcare facilities operate.

For the Group, the prevention of corrupt practices represents not only a legal obligation, but also one of the principles on which its actions are based. With this in mind, GHC announced the Group's "Anti-Corruption Policy" in January 2023, making zero tolerance explicit for any kind of direct or indirect act of corruption. The Anti-Corruption Policy, which was approved by the Board of Directors of the parent company, has been enacted by all administrative bodies of subsidiaries and distributed to all Group employees. This Policy will be formally communicated to the Group's business partners during 2023, a year in which the Policy will also be the subject of specific training courses within the Group. **There were no cases of corruption in 2022. (GRI 2-26, 205-2, 205-3)**

We also note that in 2022 there were no "significant instances of non-compliance", as defined by the new GRI Standards. In H2 2022, the Privacy Guarantor was made aware of a referral exchange that resulted in a single, insignificant data breach in this sector. (GRI 2-27)

In 2022, the Group was not involved in any cases involving anti-competitive activity, violations of anti-trust legislation, or anti-monopoly actions. (GRI 206-1)

Lastly, please note that specific processes are in place for all stakeholders to allow for "requests for clarification" and the ability to "raise concerns" (as per GRI 2-26), which were already described in the preceding sections (see chap. 9)

14. Disclosure under Legislative Decree No. 254/2016: environmental topics

Environmental responsibility

MATERIAL TOPICS REFERENCED:

- ⇒ MANAGEMENT OF ENVIRONMENTAL IMPACTS
- ⇒ RESPONSIBILITY ALONG THE SUPPLY CHAIN

REFERENCES CONTAINED IN THE GROUP'S CODE OF ETHICS

"In the management of its activities, GHC pursues environmental excellence and the promotion and consolidation of a culture of respect for the environment, promoting responsible behaviours by all of its stakeholders. In addition, it works to protect, especially with preventive actions, the health and safety of workers, as well as the interests of other stakeholders, and to continuously improve the efficiency of company facilities."

Overall, the Group's energy consumption in 2022 was 140,463 GJ, down by about 5% from the previous year.

Further evidence of the above comes from calculating the energy intensity of the Group in the two reference years (**GRI 302-3**), as a ratio of total energy consumption to total turnover, on a pro-forma basis⁽¹³⁾. This results in a value for 2022 of 0.42 GJ/€k, down 11.9% on 0.48GJ/€k in 2021.

ENERGY CONSUMPTION (GJ)



Energy intensity			
	Unit	2021	2022
Total energy consumption	GJ	147,608	140,463
GHC consolidated revenues (pro-forma)	€k	309,828	334,801
Energy intensity	GJ/€k	0.48	0.42

⁽¹³⁾ Pro-forma figure gives retroactive effect on January 1 to the Group's acquisition of GVDR in December 2022

ENERGY CONSUMPTION DETAILS (GRI 302-1; 305-1; 305-2)

Details on the energy consumption of subsidiaries and company vehicles for the years 2021 and 2022 are presented below. Neither of these figures take into account the contribution of the parent company GHC S.p.A., considered residual to that of the clinics as it relates to just one office.

Energy consumption at clinics ⁽¹⁴⁾					
Type of energy consumption	Unit	2021	2022	2021 (in GJ)	2022 (in GJ)
Energy carriers for heating					
Natural gas	scm	2,175,293	1,902,602	74,584	65,238
Diesel	L	7,200	5,702	259	205
Electricity acquired	kWh	18,698,981	19,349,983	67,316	69,660
Of which certified renewable sources	kWh	2,226,926	2,834,580	8,017	10,204
Self-produced electricity	kWh	112,081	127,038	403	457
Of which self-produced, from renewable sources	kWh	-	127,038	-	457
Energy produced and fed back/sold to the grid	kWh	684	576	2	2
Of which from renewable sources	kWh	-	576	-	2
District heating	kWh	1,087,476	952,279	3,915	3,428
Of which from renewable sources	kWh	717,350	939,623	2,582	3,383

Vehicle fleet energy consumption ⁽¹⁵⁾					
Type of energy consumption	Unit	2021	2022	2021 (in GJ)	2022 (in GJ)
Diesel	L	18,549	26,162	719	942
Vehicles	no.	14	19	-	-
Petrol	L	10,088	15,100	320	482
Vehicles	no.	18	15	-	-
LPG	L	-	251	-	6
Vehicles	no.	-	-	-	-
Methane	Kg	1,771	840	88	42
Vehicles	no.	4	3	-	-

⁽¹⁴⁾ In 2022, the conversion factor used for the calculation of energy consumption is 1 kWh = 0.0036 GJ for electricity and heat. For natural gas (1 Smc = 0.034289 GJ) and diesel (1 L = 0.0360024 GJ), the coefficients used were those from the Italian Greenhouse Gas Inventory 1990-2019 - National Inventory Report 2022

⁽¹⁵⁾ For 2022, the conversion factors used are 1 L = 0.0360064800 GJ for diesel, 1 L = 0.0319162000 GJ for petrol, 1 kg = 0.0498900000 GJ for methane, 1 kg = 0.0243367670 GJ for LPG (source for diesel and petrol: -fire FIRE: DEFRA 2018 Energy Manager Appointment Guidelines – version 2.1, for methane: UK Government GHG Conversion Factors for Company Reporting 2022 – BEIS & DEFRA)

The GHC Group's total consumption for 2021 and 2022 is shown below (excluding the Parent Company GHC S.p.A.).

Total energy consumption			
	Unit	2021	2022
Total energy consumption	GJ	147,608	140,463
<i>of which from renewable sources</i>	<i>GJ</i>	<i>10,599</i>	<i>14,047</i>

ELECTRICITY CONSUMPTION AND GREENHOUSE GAS EFFECT

Direct and indirect greenhouse gas emissions (hereinafter also “GHG”) associated with GHC Group’s main elements of consumption can be broken down into two categories:

- **Direct (Scope 1) emissions:** greenhouse gas emissions from direct fuel consumption by the company (e.g. natural gas, diesel and petrol);
- **Indirect (Scope 2) emissions:** greenhouse gas emissions from the consumption of electricity, heat and steam received and used by the company.

The emissions produced by the Group in 2022 were generated by the energy consumption described above. These figures also do not take into account the contribution of the Parent Company GHC S.p.A.

Scope 1 Emissions ⁽¹⁶⁾			
	Unit	2021	2022
Natural gas	t(CO ₂)e	4,397	3,835
Diesel	t(CO ₂)e	40	50
Petrol	t(CO ₂)e	10	14
Total Scope 1 Emissions	t(CO₂)e	4,447	3,899

Scope 2 emissions have been calculated using two separate methods: Market-based and Location-based. The first value is based on the market on which the company operates (“Market-based”), while the second value is based on the location of the company (“Location-based”): this is the result of the calculation of greenhouse gas emissions from electricity production in the area where consumption takes place. Scope 2 emissions are expressed in tons of CO₂⁽¹⁷⁾.

Scope 2 Emissions ⁽¹⁸⁾			
	Unit	2021	2022
Electricity (Market-based)	t(CO₂)e	8,635	8,901
Electricity (Location-based)	t(CO₂)e	5,926	6,135

In 2022, the Group's total GHG emissions amounted to 10,034 t CO₂ equivalent, down by approximately 3% on the previous year.

⁽¹⁶⁾ The emission factor used for the calculation of Scope 1 emissions for natural gas, diesel and petrol is: DEFRA – UK Government GHG Conversion Factors for Company Reporting per 2022, in continuity with previous years

⁽¹⁷⁾ Note that the percentage of methane and nitrous oxide has a negligible effect on total greenhouse gas emissions (CO₂ equivalent).

⁽¹⁸⁾ In 2022, the emission factor used to calculate Scope 2 Market Based emissions is: AIB - European Residual Mixes (2022); the emission factor used to calculate Scope 2 Location-Based emissions is: TERNA (2019) - Table of international comparisons

Further evidence of the above comes from calculating the Group's GHG emissions in the two reference years (**GRI 305-4**), as a ratio of total GHG emissions to total turnover, on a pro-forma basis. This results in a value for 2022 equal to 0.030 t CO₂eq./€k, down 10.5% compared to 2021.

TOTAL GHG EMISSIONS (CO₂ EQUIVALENT TONNES)



GHG emission intensity			
	Unit	2021	2022
Total GHG emissions	tCO ₂ eq	10,372	10,034
GHC consolidated revenues (pro-forma)	€k	309,828	334,801
GHG emission intensity	tCO₂eq./€k	0,033	0,030

Given the sector in which the Group operates, its activities do not involve significant water consumption or the release of polluting emissions other than greenhouse gas emissions into the atmosphere. Therefore, while providing a comprehensive overview of the Group's business activities, these topics (referred to in Article 3(2) of the Decree) are not covered in this document.

We also note that, including in light of the periodic Risk Assessment surveys that the Group is conducting, there are no "direct" risks related to climate change, continuing in any case with the analysis activities for the identification of possible critical issues and/or opportunities (e.g. in relation to the transition to renewable energy).

FOCUS: HIGHLIGHTS OF THE ENERGY EFFICIENCY ANALYSIS PROJECT CARRIED OUT BY THE GHC GROUP

Introduction

Aware of the importance of energy issues in ensuring the sustainable growth of its business, the Group has in the past few years started a multi-year project to analyse the energy efficiency of its facilities, as previously outlined in the Non-Financial Statement for 2021. The main activities carried out during the year in relation to this project are detailed below.

Context

2022 was marked by an unprecedented situation in the energy markets, featuring abrupt upward trends with high levels of day-to-day volatility for electricity and gas commodities and peaks of around Euro 740/MWh for electricity and Euro 300/MWh for gas, according to GME (electricity market regulator) data, exacerbated by the start of the Russian-Ukrainian conflict on February 24 last year.

As a result of the changed external context, which has also brought the energy issue to the forefront of public debate, the Group has considered (i) bringing forward to 2022 the analysis of energy efficiency for all its facilities, an activity initially planned to be completed in 2023, so that common strategic guidelines may be laid down at Group level, (ii) planning the corresponding energy efficiency investments at the conclusion of the overall analysis activity, i.e. following identification of common guidelines at Group level.

We note that the sustainability goals for 2022 included “analysis of eight facilities from an energy efficiency perspective and deciding on actions (to be carried out in 2023), and carrying out 2021’s energy efficiency actions in the first cluster of eight facilities.” In view of the changed external context, which led to the energy efficiency analysis being rolled out to the whole Group over 2022⁽¹⁹⁾, an activity which resulted in common Group-wide strategic guidelines for energy efficiency investments (planned from 2023), this goal should therefore be considered to have been achieved.

Project highlights

The energy efficiency analysis project, carried out with the support of a qualified independent consultant, entailed a structured process that directly engaged with representatives of each subsidiary, as summarised below.

HIGHLIGHTS OF THE ENERGY EFFICIENCY ANALYSIS PROJECT		
PROJECT PHASE	ACTIVITIES	RESULTS
EXPLORATION	<ul style="list-style-type: none"> ▪ Technical inspections ▪ Interviews with facility managers ▪ Collection and pre-analysis of technical documents 	<ul style="list-style-type: none"> ▪ Mapping of facilities and energy consumption reported in the 2019-2021 period
ASSESSMENT	<ul style="list-style-type: none"> ▪ KPI identification ▪ Processing of data collected 	<ul style="list-style-type: none"> ▪ Classification of facilities against industry benchmarks ▪ Identification of areas for action
CO-DESIGN	<ul style="list-style-type: none"> ▪ Drafting an action plan on how supplies are contracted and deciding on actions for energy efficiency investments 	<ul style="list-style-type: none"> ▪ Identified two action areas to improve GHC Group's energy performance, focusing on: (i) rationalising energy purchasing methods and (ii) optimising energy efficiency investments

⁽¹⁹⁾ Except for GVDR, which was acquired in December 2022

This analysis, which was carried out for all the subsidiaries, made it possible to identify common strategic guidelines linked to the advisability of reducing energy spending both by acting on contracting arrangements (price side) and by identifying priority energy efficiency-themed investments (consumption side). The action areas referred to above are set out below.

Action areas focusing on rationalising energy purchasing methods

The activities carried out demonstrated that it was advisable to rationalise electricity and gas purchasing arrangements. Specifically, this strategic approach was considered advisable in view of the Group's ability to: (i) leverage the high cumulative volumes of all facilities when contracting energy supplies and (ii) contain the high level of volatility in energy component prices in the current period. In view of these considerations, the Group developed a strategy for supply of energy components to reduce and standardise the number of suppliers (leveraging the cumulative consumption of facilities and obtaining advantageous economic conditions) by finding the best opportunities in the current market conditions.

RATIONALISING ENERGY PURCHASING ARRANGEMENTS		
SUPPLY	KEY OBJECTIVES	DETAILS
Electricity	<ul style="list-style-type: none"> Rationalising and harmonising supply conditions within Group facilities Obtaining advantageous economic conditions by virtue of the cumulative consumption of facilities across the Group 	<ul style="list-style-type: none"> Use of bridging contracts until 2024, to be followed by a Group-wide unified supply through Power Purchase Agreements (PPAs), thus also enabling the Group to obtain a supply of electricity from renewable sources
Gas		<ul style="list-style-type: none"> Use of bridging contracts until 2024, to be followed by unified Group-wide contracting through single annual tender

This led GHC to run a Group-wide tender in Q4 2022, commissioning the supply of electricity and gas from a single supplier (progressively, for 2023, through “bridging contracts”). In 2023, the Group will work to formalise a PPA (electricity) contract, the outcomes of which will be announced next year.

Action areas focusing on optimising energy efficiency investments

In light of the activities carried out, the Group has identified three priority action areas, set out below.

OPTIMISATION OF ENERGY EFFICIENCY INVESTMENTS - HIGHLIGHTS		
PRIORITY ACTION AREAS	KEY OBJECTIVES	DETAILS
Electrification of consumption	<ul style="list-style-type: none"> Minimising the risk of exposure to gas commodity volatility 	<ul style="list-style-type: none"> Electrification of consumption for air conditioning is achieved through the installation of heat pumps to replace the current boilers
Self-production and self-consumption	<ul style="list-style-type: none"> Self-produce some of the electricity consumed 	<ul style="list-style-type: none"> To meet this goal, the Group will draw up a plan to install photovoltaic systems
Efficiency of lighting systems	<ul style="list-style-type: none"> Reduce operating costs and improve visual comfort 	<ul style="list-style-type: none"> This approach involves small investments and low payback periods. Priority actions include replacing neon ceiling lights with LEDs

These action areas will be included in the investment plans of individual subsidiaries developed for 2023-2026, to be approved in Q1 2023. Progress against planned investments will be announced to the market next year.

RESPONSIBILITY ALONG THE SUPPLY CHAIN (GRI 2-6)

REFERENCES CONTAINED IN THE GROUP'S CODE OF ETHICS

"The parties responsible for the procurement of goods and/or services must abide by the principles of impartiality and independence in the performance of their tasks and functions, must keep themselves free from personal obligations to suppliers and consultants, must not accept goods or services from external or internal parties in exchange for confidential information or the performance of actions or conduct designed to favour such parties, even if there are no direct repercussions for the Group, and must immediately report to the Supervisory Board any attempt or incident of unjustified change to normal business relations. In no way may the procurement of goods/services in accordance with the principle of economic efficiency lead to even partial renunciation of the best quality standards."

The Group's subsidiaries have specific company procedures for supplier management ("Procedure for supplier qualification, purchasing and payables cycle"), an activity managed independently by the individual facilities with the exception of significant supplies at Group level. For these, the activity is coordinated centrally by the parent company, which negotiates "framework contracts" setting out the conditions for the supply of goods and services - quantity, price, delivery times, payment terms, etc. - for major supplies with leading domestic and international operators.

These procedures require that:

- all products or services that affect the quality of services provided be subject to a defined and controlled procurement process;
- the key suppliers and services the facility uses be qualified in accordance with established criteria and regularly monitored over time in line with their demonstrated level of reliability;
- the products/services procured be verified for compliance with the contractual requirements agreed with suppliers, and any non-conformities found relating to supplies be documented and properly managed;
- records on the quality of qualified suppliers and supplies received be kept up to date;
- the functions involved in these activities ensure - each to the extent of its responsibilities and by means of the information systems used - that data and information is traceable, providing for the retention and archiving of the documents produced (on paper or electronically) to allow the reconstruction of the different stages of the process (traceability principle);
- activities be carried out with duties and responsibilities kept separate in order to prevent incompatible activities from being concentrated under common responsibilities (segregation principle).

Within the framework of these Procedures, there are two key figures: the Purchasing Manager (who is responsible - *inter alia* - for helping to produce the procurement plan, assessing the compatibility of requirements with production activities, collecting useful and necessary elements for the qualification of suppliers, preparing purchase requests, collecting quotations and bids and negotiating the best possible terms) and the Purchasing Contact (who is responsible - *inter alia* and to the extent within their remit - for assessing the compatibility of requirements with production activities, collecting useful and necessary elements for the qualification of suppliers, preparing purchase requests and collecting quotations and bids).

Purchasing Managers/Purchasing Contacts are identified for different categories of products/services, such as general goods and services, drugs and health care supplies, prosthetics, laboratory materials and equipment, and maintenance equipment, goods and services for plant and facilities.

In terms of process, the Purchasing Procedures govern, *inter alia*:

- (i) the management of the supplier register, which involves the inclusion of a supplier in the supplier register when it meets certain requirements, and periodic supplier evaluation;
- (ii) procurement planning and management of any extra-budget items;
- (iii) the specific process for purchasing products, goods and services (i.e. procurement request/order proposal, proposal review, order approval and order submission);

- (iv) the methods for carrying out checks on the procurement of products/services;
- (v) the methods for receiving invoices, checking and recording them.

We underline that no situations of supplier dependency are believed to exist, nor do the conditions of existing supply contracts constitute a significant limitation for the Company. This is because the market for products that the Group requires to provide services is served by a number of suppliers that offer interchangeable products of equal quality.

See below the reports as per the relevant GRI indicator for 2022⁽²⁰⁾ (GRI 204-1).

Proportion of expenditure on raw materials, consumables and services with Italian (local) suppliers			
Reference	2022		
	Expenditure on suppliers Italian (%)	Expenditure on suppliers Not Italian (%)	Total (%)
Raw materials and consumables	99%	1%	100%
Service costs	99%	1%	100%
Total	99%	1%	100%

WASTE MANAGEMENT (GRI 306-1; 306-2; 306-3)

Healthcare waste management is governed by Presidential Decree No. 254/2003, which classes waste from healthcare activities as "special" waste. Specifically, medical waste is categorised by the regulations as hazardous and non-hazardous, as set out below:

- Hazardous waste: this may be (i) waste presenting a risk of infection (i.e. waste that presents a biohazard, and objects and materials for disposal that have come into contact with infected or suspected infected blood or biological material), (ii) waste not presenting a risk of infection (i.e. "chemical/physical risk"), and (iii) waste requiring special disposal methods (i.e. expired or unusable drugs, narcotic or psychotropic substances, which must be managed in the same way as other hazardous medical waste);
- Non-hazardous waste;

Urban-type waste: this waste is part of the flow of urban waste or can be treated as such, and is collected and managed by local councils which, using separate collection, send it to be appropriately reused or disposed of. This type of waste cannot be broken down in detail (as shown in the table below) since there is no legal requirement for a weighing system as there is for "hazardous" and "non-hazardous" waste.

Waste management is governed within the Group by specific company procedures (the "Waste Management Procedure"), which, for each subsidiary, set out the roles and responsibilities within the process.

Specifically, Waste Management Procedures seek to:

- ensure the proper management of this activity, from collection to disposal, the proper keeping of the hazardous waste loading and unloading register, and the organisation of temporary storage spaces (for the management of hazardous medical waste presenting a risk of infection, where present);
- lay down all appropriate precautions for biohazard prevention during the disposal phase of hazardous medical special waste;
- correctly inform all operators of the proper methods for sorting, collecting and disposing of waste generated;
- provide the tools to distinguish between the different types of waste, their transfer and possible pre-treatment;
- protect the safety and health of facility operators and users.

Each clinic has service contracts with specialised and authorised waste transportation and disposal companies that periodically collect the waste stored in temporary storage facilities.

²⁰⁾ Figure calculated net of the parent company (as a holding company that does not carry out health care activities) and GVDR, which was acquired in December 2022

Total hazardous and non-hazardous waste produced by the GHC Group in 2022 is shown below⁽²¹⁾.

Group waste (tonnes)						
	2021			2022		
	Hazardous	Non-hazardous	Total	Hazardous	Non-hazardous	Total
Reuse	-	1	1	-	1	1
Recycling	11	61	72	9	80	89
Composting	3	-	3	-	15	15
Energy recovery	123	71	194	76	108	184
Incinerator	236	18	254	301	21	322
Landfill	54	2	56	47	24	71
On-site deposit	-	-	-	-	-	-
Other	91	92	183	33	102	135
Total	519	245	763	466	351	817

⁽²¹⁾ We note that these figures do not include the contribution of the parent company (as a holding company that does not carry out health care activities)

15. Correlation table between the issues addressed in Legislative Decree No. 254/2016 and the risk areas defined in the GHC Group's Enterprise Risk Management model

ECONOMIC AND SOCIAL ISSUES

RISK CATEGORY	RISK AREA	DESCRIPTION
STRATEGIC	▪ Safeguarding of Group values: Patient Safety	▪ Cases of medical malpractice
	▪ Safeguarding of Group values: Rules of Conduct	▪ Violation of the Code of Ethics in Group companies
	▪ Human capital	▪ Availability of key individuals (e.g., Directors and SDE) within the organisation
	▪ Infrastructure and technology	▪ Technologies that are not up to date with the dynamics of a changing market
	▪ Application of M&A management and compliance with the acquisition process	▪ Risk of deviation from the qualitative and quantitative targets set by the Group's M&A management
	▪ Change in Applicable Standards and Regulations	▪ Unexpected changes in industry regulations and/or national and/or regional healthcare policies
	▪ Reputation of the Group	▪ Damage to the GHC Group's brand image or its credibility and integrity
OPERATING	▪ Relationships with service partners and suppliers	▪ Dependence on critical service partners and suppliers (e.g., medical supplies, maintenance services, waste disposal)
	▪ Availability, confidentiality, integrity of patient data	▪ Availability, confidentiality and integrity of patient data compromised due to cyber attack
	▪ Availability, confidentiality, integrity of information systems	▪ Compromising the availability of ICT systems and/or the confidentiality and integrity of other sensitive data (e.g. economic and financial data)
	▪ Integrity and continuity	▪ Integrity and availability of business assets compromised
FINANCIAL	▪ Disclosures and compliance with Margin and Financial Debt Targets	<ul style="list-style-type: none"> ▪ Disclosures to the market and/or the public that are not timely or truthful, or are incomplete ▪ Consolidated operating EBITDA margin below budget target ▪ Exceeding the Group's target leverage

STAFF AND HUMAN RIGHTS ISSUES

RISK CATEGORY	RISK AREA	DESCRIPTION
STRATEGIC	▪ Safeguarding of Group values: Rules of Conduct	▪ Violation of the Code of Ethics in Group companies
	▪ Safeguarding of Group values: Patient Safety	▪ Cases of medical malpractice
	▪ Human capital	▪ Availability of key individuals (e.g., Directors and SDE) within the organisation
	▪ Reputation of the Group	▪ Damage to the GHC Group's brand image or its credibility and integrity
OPERATING	▪ Employee safety	▪ Death or serious injury of employees

COMBATTING ACTIVE AND PASSIVE CORRUPTION

RISK CATEGORY	RISK AREA	DESCRIPTION
STRATEGIC	▪ Safeguarding of Group values: Rules of Conduct	▪ Violation of the Code of Ethics in Group companies
COMPLIANCE	▪ Compliance with laws and regulations	▪ Violation of applicable laws or regulations

ENVIRONMENTAL ISSUES

RISK CATEGORY	RISK AREA	DESCRIPTION
STRATEGIC	▪ Safeguarding of Group values: Rules of Conduct	▪ Violation of the Code of Ethics in Group companies
	▪ Infrastructure and technology	▪ Technologies that are not up to date with the dynamics of a changing market
	▪ Reputation of the Group	▪ Damage to the GHC Group's brand image or its credibility and integrity
OPERATING	▪ Relationships with service partners and suppliers	▪ Dependence on critical service partners and suppliers (e.g., medical supplies, maintenance services, waste disposal)
COMPLIANCE	▪ Compliance with laws and regulations	▪ Violation of applicable laws or regulations

MAIN SAFEGUARDS

SCOPE OF DECREE	MAIN ECONOMIC
<p>AND SOCIAL SAFEGUARDS</p>	<ul style="list-style-type: none"> ▪ Existence of a formalised Company Regulation and of the associated regulatory system ▪ Presence of information flows to monitor associated risks and checking that the relevant mitigation actions have been put in place (at Holding and healthcare facility level) ▪ Provision of regular information flows to the Supervisory Board regarding potential violations of the Code of Ethics or the control principles of the 231 Model ▪ Existence of procedures formalised by the parent company on Planning and Control, Information Technology, Finance and Treasury issues ▪ Existence of procedures formalised by the parent company on Communication, Investor Relations and the Non-Financial Statement ▪ Production of an annual Audit Plan prepared by the Internal Audit function ▪ Presence of a formalised M&A policy that sets out: fiscal, legal and financial due diligence; direct contact with the owners and staff of the target structure; sensitivity analysis of the main economic and financial assumptions underlying the acquisition of the company; contractual guarantees regarding any liabilities that may emerge after the deal is closed; standard, formalised process for post-merger integration ▪ Introduction of Robotic Process Automation and Data Analytics tools in order to progressively automate the verification procedures currently carried out by administrative managers and perform continuous monitoring of business data according to a data-driven approach ▪ Periodic assessment of cyber security risks, with the launch of mitigation and implementation plans as required, taking specific security countermeasures to reduce the risk of loss and compromise of data in the short term ▪ Progressive verification of the facilities' needs/opportunities in terms of maintenance, expansion and development investment
<p>PERSONNEL & RESPECT FOR HUMAN RIGHTS</p>	<ul style="list-style-type: none"> ▪ Monitoring the medical and para-medical staffing needs of health facilities ▪ Process of progressive managerial development within the Group, with short and long-term retention and incentive plans produced ▪ Diversity and Inclusion Policy aligned with best practices
<p>COMBATTING ACTIVE AND PASSIVE CORRUPTION</p>	<ul style="list-style-type: none"> ▪ Mapping of applicable statutory and regulatory requirements ▪ Update in 2021 of the Group's Code of Ethics with reference to supranational recommendations and the development of the whistleblowing procedure ▪ Approval of an Anti-Corruption Policy
<p>ENVIRONMENTAL</p>	<ul style="list-style-type: none"> ▪ Mapping of applicable statutory and regulatory requirements ▪ Timely verification and monitoring of the main environmental KPIs through a structured process formalised in the "NFS Procedure" ▪ Introduction in 2022 of an energy efficiency analysis for all Group facilities as of June 30, 2022

16. Disclosure required by the European Regulation on the taxonomy of environmentally sustainable activities

Introduction

In recent years, the European Union has developed an ambitious strategy for sustainable development and the transition to a low-carbon economy, in line with the contents of the 2015 Paris Climate Agreement and the United Nations 2030 Agenda, with its 17 Sustainable Development Goals.

Specifically, the European Union has committed to becoming the first climate-neutral continent by 2050 and to reducing greenhouse gas emissions by at least 55 percent by 2030 compared to 1990 levels.

In order to achieve these goals, the European Union is progressively setting out EU policies to promote investments in "sustainable" assets and activities, i.e. to channel not only public but also private resources towards these assets and activities.

The European Commission then adopted a first "Action Plan for Financing Sustainable Growth" (2018), which builds on the recommendations made by the group to develop an EU strategy for sustainable finance.

This Action Plan is based on three key areas: (i) the need to increase funding for "sustainable" activities, (ii) developing common definitions (a "Taxonomy") of "sustainable activities", and (iii) integrating sustainability risks (especially climate, environmental and social risks) into the assessment of "sustainable" investments.

The Taxonomy Regulation

In light of the above, the need to establish a classification system or "taxonomy" of sustainable activities is key. This classification is set out in Regulation (EU) 2020/852 (the "Taxonomy Regulation"), which lays down the criteria for determining whether an economic activity qualifies as environmentally sustainable in order to establish the degree to which an investment is environmentally sustainable.

The starting point for the Taxonomy Regulation is the identification of six environmental objectives, which are considered priorities in meeting the aforementioned commitments for sustainable development and the transition to a low-carbon economy. The six environmental objectives are outlined in Article 9 of the Taxonomy Regulation and are listed below: (1) Climate change mitigation, (2) Climate change adaptation, (3) Sustainable use and protection of water and marine resources, (4) Transition to a circular economy, (5) Pollution prevention and control, and (6) Protection and restoration of biodiversity and ecosystems.

In light of these environmental objectives, the Taxonomy Regulation also clarifies the conditions that an economic activity must meet in order to qualify as "environmentally sustainable". Specifically, the activity must:

- a) contribute substantially to the achievement of one or more of the 6 environmental objectives mentioned above⁽²²⁾;
- b) comply with the technical screening criteria adopted by the European Commission⁽²³⁾ with respect to the substantial contribution of an economic activity to environmental objectives without causing significant harm to them;
- c) not cause significant harm to any of the other environmental objectives⁽²⁴⁾;
- d) be carried out in compliance with minimum safeguards, understood as those procedures implemented by an undertaking that is carrying out an economic activity to ensure alignment with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights⁽²⁵⁾.

After the publication of EU Regulation 2020/852, the following regulatory updates have been issued:

- Delegated Regulation (EU) 2021/2139 of June 4, 2021 (the "Climate Act") established the technical criteria under which an economic activity is considered to contribute substantially to climate change mitigation and climate change adaptation goals;
- Delegated Regulation (EU) 2021/2178 of 6 July 2021 (the "Delegated Regulation"), supplementing the provisions of Article 8 of the Taxonomy Regulation, specified the content, methodology and manner of presentation of the information to be reported.

⁽²²⁾ Defined in detail in Articles 10-16 of the Taxonomy Regulation

⁽²³⁾ The technical screening contributions specify in concrete terms what is outlined in more general terms in the Regulation

⁽²⁴⁾ According to the specifications identified in Article 17 of the Taxonomy Regulation

⁽²⁵⁾ According to the specifications identified in Article 18 of the Taxonomy Regulation. In this way, the regulation includes minimum criteria for the protection of human and labour rights as set out in the relevant international standards in the assessment of the environmental sustainability of an economic activity

Application of the Taxonomy Regulation to the GHC Group⁽²⁶⁾

See below the application of the provisions contained in the Taxonomy Regulation, the Climate Act and the Delegated Regulation to the GHC Group.

Calculation of the turnover KPI pursuant to Annex I to the Delegated Regulation

Denominator calculation

With regard to the denominator, the net revenue value is taken from GHC's Consolidated Financial Statements (in line with the approach followed by the Group in preparing the data for the Group's Non-Financial Statement, which is prepared on a consolidated basis).

The Income Statement items considered are shown below, and the value for each one is shown as at 31.12.2022:

- "Revenue from services." Euro 314,764 thousand

Numerator calculation

With regard to the numerator, this involves defining the proportion of net revenue included in the denominator that is "obtained from products or services, including intangibles, associated with Taxonomy-aligned economic activities".

The logical steps to be followed in order to accurately identify this value include:

- verifying the economic activities of the Group that qualify as "eligible", i.e. are included in the economic activities set out in Annex I to the Climate Act (with regard to the "Climate Change Mitigation" objective) and/or set out in Annex II to the Climate Act as "enabling" activities (with regard to the "Climate Change Adaptation" objective);
- verifying compliance, for each "eligible" economic activity, with the "technical screening criteria" laid down in Annexes I and II to the Climate Act, so that they can simultaneously: (a) contribute substantially to the achievement of the climate objective and (b) not cause significant harm to other environmental objectives;
- verifying that, in the conduct of the activity, the minimum social safeguard measures have been taken, understood as those procedures put in place by an undertaking that is carrying out an economic activity to ensure alignment with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights.

Pursuant to the ATECO classification, the Group's core economic activities, as expressed by the subsidiaries, fall within activities classified as "Healthcare" (code Q86) and/or "Residential social assistance" (code Q87).

For the KPI on turnover, it was then checked whether these economic activities were included in Annex I to the Climate Act and/or Annex II to the Climate Act as "enabling" activities. The analysis conducted shows that the Group's economic activities are not included in Annex I to the Climate Act and therefore do not qualify as "eligible" with respect to the Climate Change Mitigation objective. The Group's economic activities are, however, included in Annex II to the Climate Act, in Section 12 on "Human Health and Social Work Activities". Specifically, Section 12.1 states that it concerns "Residential Care Activities," defined as follows:

"Provision of residential care combined with either nursing, supervisory or other types of care as required by the residents. Facilities are a significant part of the production process and the care provided is a mix of health and social services with the health services being largely some level of nursing services. The economic activities in this category could be associated with NACE code Q87 in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006."

However, despite being included in Annex II, the activities described above are not "enabling" activities and therefore do not qualify as "eligible" with respect to the objective of Climate Change Adaptation⁽²⁷⁾, in regards to the turnover KPI.

In light of the above and with specific reference to the first two climate objectives, the Group does not therefore have any eligible economic activities, nor does it have any Taxonomy-aligned or "environmentally sustainable" activities.

⁽²⁶⁾ For the calculation of the KPIs presented in the following sections, reference has been made to data from GHC's consolidated financial statements on an actual basis (i.e. taking into account GVDR's contribution from the date of its acquisition, namely December 2022), published on the website in the "Investor Relations"/"Financial Statements and Reports" section

⁽²⁷⁾ FAQ No. 5 European Commission of February 2022: "It is important to note here that the turnover derived from products and services associated with an adapted activity cannot be recognised for Taxonomy eligibility"

Calculation of the capital expenditure KPI provided for in Annex I to the Delegated Regulation

Denominator calculation

With regard to the denominator, the value is also taken from GHC's Consolidated Financial Statements (in line with the approach followed by the Group in preparing the data for the Group's Non-Financial Statement, which is prepared on a consolidated basis).

The values must specifically take into account expenditure "that has been capitalised in the reporting period, with no depreciation, write-downs, revaluations or changes in value resulting from the application of the fair value criterion. The denominator must also include additions to tangible and intangible assets resulting from business combinations⁽¹⁾."

The Balance Sheet asset items considered are shown below, indicating the value for each at 31.12.2022:

- Increases in property, plant and equipment and intangible assets: Euro 18,460 thousand
- Increases in property, plant and equipment and intangible assets linked to changes in the scope of operations (relating to the acquisition of GVDR in 2022): Euro 27,014 thousand

The overall total is therefore Euro 45,474 thousand.

Numerator calculation

With regard to the numerator, what needs to be established is the proportion of capital expenditure included in the denominator "that is one of the following:

- a) related to assets or processes associated with Taxonomy-aligned economic activities;
- b) part of a plan to expand Taxonomy-aligned economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned. This plan (the "CapEx Plan") must meet specific conditions;
- c) related to the purchase of products from economic activities aligned with the taxonomy and to individual measures enabling the target activities to achieve greater carbon efficiency or greenhouse gas reductions, provided that such measures are implemented and operational within 18 months;
- d) are expenditure for the adaptation of economic activities to climate change."

First of all, however, a distinction should be drawn between:

- i) Capital expenditure linked to the acquisition of new economic activities (i.e. the acquisition of GVDR by the Group in 2022), totalling Euro 27,014 thousand;
- ii) Other capital expenditure, totalling Euro 18,460 thousand.

See below the analysis required by the Delegated Regulation for each of the two types of capital expenditures highlighted above.

i) Capital expenditure linked to the acquisition of new economic activities (i.e. acquisition of GVDR)

Here, the main issue is to assess whether this capital expenditure can be related to assets or processes associated with Taxonomy-aligned economic activities, since they cannot be associated with "CapEx Plans"⁽²⁸⁾, nor, by their nature, with the purchase of output from Taxonomy-aligned economic activities or individual measures enabling the target activities to achieve greater carbon efficiency or greenhouse gas reductions, nor, finally, with expenditure for the adaptation of economic activities to climate change.

Therefore, since this is a specific economic activity, the conditions providing evidence of alignment with the Taxonomy are those set out above.

For GVDR, the company comes under ATECO classification Q86 ("Healthcare"), which is not included in either Annex I or Annex II to the Climate Act. The economic activities therefore cannot be deemed to be Taxonomy-aligned (since they are ineligible).

Pursuant to Annex I to the Delegated Regulation, it therefore follows that the associated capital expenditure cannot be deemed to be Taxonomy-aligned.

⁽²⁸⁾ Taxonomy-aligned CapEx Plans must meet the following conditions: (a) the plan aims either to expand the undertaking's Taxonomy-aligned economic activities or to upgrade Taxonomy-eligible economic activities to render them Taxonomy-aligned within a period of five years; (b) the plan is disclosed at economic activity aggregated level and approved by the management body of non-financial undertakings either directly or by delegation. We note that neither of these criteria is met by GHC with respect to the two M&A transactions

ii) Other capital expenditure

"Other capital expenditure" may be broken down as follows:

- a) Capital expenditure for the replacement/reinstatement of equipment, civil works, information systems and furnishings ("maintenance expenditure");
- b) Capital expenditure on the physical expansion of existing Group facilities ("expansion and reorganisation expenditure").

Considerations for each category of capital expenditure are provided below:

- a) Maintenance capex (amounting to Euro 11,671 thousand as of December 31, 2022)

On this point, we note that the economic activity underlying this category of capital expenditure is not among those in Annex I and/or Annex II to the Climate Act⁽²⁹⁾ and must therefore be deemed not to be Taxonomy-aligned (since it is ineligible). Therefore, it must be concluded that the associated capital expenditure cannot be deemed Taxonomy-aligned.

- b) Capex on expansion and reorganisation (amounting to Euro 6,789 thousand as of December 31, 2022)

In relation to the above, we note that these could be included within the scope of the following economic activities:

- "Renovation of existing buildings," referred to in Section 7.2 of Annex I and Annex II to the Climate Act (although not included among activities defined as "enabling"), defined as follows:

"Construction and civil engineering works or preparation thereof. The economic activities in this category could be associated with the various NACE codes, in particular codes F41 and F43, in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006."

- "Acquisition and ownership of buildings," referred to in Section 7.7 of Annex I and Annex II to the Climate Act (although not included among activities defined as "enabling"), defined as follows:

"Buying real estate and exercising ownership of that real estate. The economic activities in this category could be associated with NACE code L68 in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006."

However, in both cases, the investments made by the Group would not appear to meet the "technical screening criteria" and/or conditions concerning not causing significant harm to the other environmental objectives ("DNSH") set out in Annexes I and II to the Climate Act and included in the backup to this document.

Therefore, again, capital expenditure pertaining to these economic activities would seem to be not "aligned" with the two environmental objectives.

Calculation of the operating expenditure KPI provided for in Annex I to the Delegated Regulation

Denominator calculation

With regard to the denominator, the value is also taken from GHC's Consolidated Financial Statements (in line with the approach followed by the Group in preparing the data for the Group's Non-Financial Statement, which is prepared on a consolidated basis).

The values, in particular, must take into account "direct non-capitalised costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment."

The Income Statement items considered are shown below, and the value for each one is shown as at 31.12.2022:

- Research and development costs: 0
- Building renovation expenses: 0
- Short-term lease: Euro 791 thousand
- Maintenance & repair expenses: Euro 5,455 thousand

The overall total is therefore Euro 6,246 thousand.

⁽²⁹⁾ This is due to the fact that the economic activities in Annexes I and II to the Climate Act are those which, as things stand, are thought most likely to enable the achievement of Community climate and environmental objectives

Numerator calculation

With regard to the numerator, what needs to be established is the proportion of operating expenditure included in the denominator “that meets at least one of the following conditions:

- related to assets or processes that are associated with Taxonomy-aligned economic activities, including training and other human resources adaptation needs, and direct non-capitalised research and development costs;
- part of "CapEx Plans" to expand Taxonomy-aligned economic activities or allow Taxonomy-eligible economic activities to become Taxonomy-aligned within 18 months;
- related to the purchase of products from economic activities aligned with the taxonomy, to individual measures enabling the target activities to achieve greater carbon efficiency or greenhouse gas reductions, and to individual measures of building renovation, provided that such measures are implemented and operational within 18 months;
- are expenditure for the adaptation of economic activities to climate change.

Here, the main issue is to assess whether this operating expenditure can be related to Taxonomy-aligned economic activities, since they cannot be associated with “CapEx Plans”⁽³⁰⁾, nor, by their nature, with the purchase of output from Taxonomy-aligned economic activities or individual measures enabling the target activities to achieve greater carbon efficiency or greenhouse gas reductions.

In view of the above and in light of the fact that none of the Group's economic activities were Taxonomy-aligned, it must be concluded that there are no "environmentally sustainable" proportions within operating expenditure.

In addition to the above, it should be remembered that for the operating expenditure KPI the materiality principle applies, so that the company may exempt itself from calculating the operating expenditure KPI if such expenditure is not material in the company's business model.

In this case, in order to correctly assess the materiality principle, it was deemed necessary to compare the above total operating costs with: (i) total Group Revenues, (ii) total Operating Costs and (iii) total Operating Costs, net of the values relating to the items “Amortisation and write-downs” and “Value adjustments to assets and other provisions”. All values relate to the Group’s consolidated figures at 31.12.2022.

INDICATOR	BASELINE	OPERATING EXPENDITURE AS % OF BASELINE
Total operating expenditure Identified (Opex)	▪ Euro 6,246 thousand	▪ 100%
Total GHC Revenues	▪ Euro 322,575 thousand	▪ 1.9%
Total operating costs	▪ Euro 291,064 thousand	▪ 2.1%
Total operating costs, net of amortisation, write-downs, value adjustments to assets and other provisions	▪ Euro 267,205 thousand	▪ 2.3%

On the basis of this comparison (which shows that the total operating expenditure calculated above represent just 1.9% of Group Revenues and around 2% of its Operating Costs), it is reasonable to assume, under the materiality principle, that these amounts cannot be deemed significant.

⁽³⁰⁾ The specific conditions required for Capex Plans to be deemed Taxonomy-aligned have already been set out in previous sections

Focus: KPI values with reference to eligible activities according to the European Taxonomy

Following the above, in view of the fact that 2022 is the second year of application of Regulation 2020/852, and without prejudice to amendments, including substantial amendments, in relation to developments still underway and the legislative and interpretative clarifications that may emerge, currently none of the Group's economic activities are eligible, and therefore the entirety of the Group's turnover, investments and operating costs for the year 2022 is to be considered ineligible and consequently not aligned.

Please refer to the Annexes on the following pages for details of the tables required by the regulation.

Annexes (Turnover KPI)

Attività economiche (1)	Codice/(12)	Fatturato assoluto (3)	Quota del fatturato (4)	Criteri per il contributo sostanziale										Criteri per "non arrecare un danno significativo"				Quota di fatturato allineato alla tassonomia, 2022 (18)	Quota di fatturato allineato alla tassonomia, 2021 (19)	Categoria (attività abilitante) (20)	Categoria (attività di transizione) (21)
				Mitigazione dei cambiamenti climatici (5)	Adattamento ai cambiamenti climatici (6)	Aque e risorse marine (7)	Economia circolare (8)	Inquinamento (9)	Biodiversità ed ecosistemi (10)	Mitigazione dei cambiamenti climatici (11)	Adattamento ai cambiamenti climatici (12)	Acque e risorse marine (13)	Economia circolare (14)	Inquinamento (15)	Biodiversità ed ecosistemi (16)	Garantie minime di salvaguardia (17)	Percentuale				
		Valuta	%	%	%	%	%	%	%	%	%	S/N	S/N	S/N	S/N	S/N	S/N	Percentuale	Percentuale	A	T

A. ATTIVITÀ AMMISSIBILI ALLA TASSONOMIA

A.1 Attività ecosostenibili (allineate alla tassonomia)																					
Fatturato delle attività ecosostenibili (allineate alla tassonomia) (A.1)	0.00	€	0%	0%	0%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	N	0%	0%		T
A.2 Attività ammissibili alla tassonomia ma non ecosostenibili (attività non allineate alla tassonomia)																					
Fatturato delle attività ammissibili alla tassonomia ma non ecosostenibili (attività non allineate alla tassonomia) (A.2)	0.00	€	0%																		
Totale (A.1+A.2)	0.00	€	0%																		

B. ATTIVITÀ NON AMMISSIBILI ALLA TASSONOMIA			
Fatturato delle attività non ammissibili alla tassonomia (B)	314,764,000	€	100%
Totale (A+B)	314,764,000	€	100%

Annexes (Capital expenditure KPI)

Economic activity (1)	Code(s) (2)	Absolute capital expenditure (3) Currency	Share of capital expenditure (4) %	Criteria for substantial contribution										Criteria for "Do No Significant Harm"					Share of capital expenditure aligned with Taxonomy, 2022 (18) Percentage	Share of capital expenditure aligned with Taxonomy, 2021 (19) Percentage	Category (enabling activity) (20) A	Category (transitional activity) (21) T	
				Climate change mitigation (5) %	Climate change adaptation (6) %	Water and marine resources (7) %	Circular economy (8) %	Pollution (9) %	Biodiversity and ecosystems (10) %	Climate change mitigation (11) Y/N	Climate change adaptation (12) Y/N	Water and marine resources (13) Y/N	Circular economy (14) Y/N	Pollution (15) Y/N	Biodiversity and ecosystems (16) Y/N	Minimum safeguards (17) Y/N							
A. TAXONOMY-ELIGIBLE ACTIVITIES																							
A.1 Environmentally sustainable activities (aligned with Taxonomy)																							
Capital expenditure for environmentally sustainable activities (aligned with Taxonomy) (A.1)	0.00	€	0%	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N	0%	0%	T			
A.2 Activities eligible for the Taxonomy but not environmentally sustainable (activities not aligned with the Taxonomy)																							
Capital expenditure for activities eligible for the Taxonomy but not environmentally sustainable (activities not aligned with the Taxonomy) (A.2)	0.00	€	0%																				
Total (A.1+A.2)	0.00	€	0%																				

B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY			
Capital expenditure for activities not eligible for Taxonomy (B)	45,474,000	€	100%
Total (A+B)	45,474,000	€	100%

Annexes (Operating expenditure KPI)

Economic activity (1)	Code(s) (2)	Absolute operating expenditure (3) Currency	Share of operating expenditure (4) %	Criteria for substantial contribution										Criteria for "Do No Significant Harm"										Share of operating expenditure aligned with Taxonomy, 2022 (18) Percentage	Share of operating expenditure aligned with Taxonomy, 2021 (19) Percentage	Category (enabling activity) (20) A	Category (transitional activity) (21) T	
				Climate change mitigation (5) %	Climate change adaptation (6) %	Water and marine resources (7) %	Circular economy (8) %	Pollution (9) %	Biodiversity and ecosystems (10) %	Climate change mitigation (11) Y/N	Climate change adaptation (12) Y/N	Water and marine resources (13) Y/N	Circular economy (14) Y/N	Pollution (15) Y/N	Biodiversity and ecosystems (16) Y/N	Minimum safeguards (17) Y/N												
A. TAXONOMY-ELIGIBLE ACTIVITIES																												
A.1 Environmentally sustainable activities (aligned with Taxonomy)																												
Operating expenditure for environmentally sustainable activities (aligned with Taxonomy) (A.1)	0.00	€	0%	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	0%					T
A.2 Activities eligible for the Taxonomy but not environmentally sustainable (activities not aligned with the Taxonomy)																												
Operating expenditure of activities eligible for the Taxonomy but not environmentally sustainable (activities not aligned with the Taxonomy) (A.2)	0.00	€	0%																									
Total (A.1+A.2)	0.00	€	0%																									

B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY			
Operating expenditure for activities not eligible for Taxonomy (B)	6,246,000	€	100%
Total (A+B)	6,246,000	€	100%

GRI Content Index

Declaration of use	Garofalo Health Care S.p.A. presented this report in accordance with the GRI Standards for the period from January 1, 2022 to December 31, 2022.
GRI 1 used	GRI 1 - Core Principles - 2021 version
Relevant GRI industry standards	Not applicable

GRI Standard	Disclosure	Page	Omission		
			Requirements omitted	Reason	Explanation
GRI 2 - General Disclosures 2021					
2-1	Organizational details	11			
2-2	Entities included in the organization's sustainability reporting	11			
2-3	Reporting period, frequency and contact point	10			
2-4	Restatements of information	10			
2-5	External assurance	10			
2-6	Activities, value chain and other business relationships	12, 84			
2-7	Employees	69-70			
2-8	Workers who are not employees	71			
2-9	Governance structure and composition	27			
2-10	Nomination and selection of the highest governance body	28, 30			
2-11	Chair of the highest governance body	27			
2-12	Role of the highest governance body in overseeing the management of impacts	30-31			
2-13	Delegation of responsibility for managing impacts	31			
2-14	Role of the highest governance body in sustainability reporting	31			
2-15	Conflicts of interests	30			
2-16	Communication of critical concerns	38, 40 In addition, no significant critical issues ("critical concerns," as defined by the GRI Standards) occurred in 2022			
2-17	Collective knowledge of the highest governance body	31			
2-18	Evaluation of the performance of the highest governance body	28			
2-19	Remuneration policies	41			

2-20	Process to determine remuneration	41			
2-21	Annual total compensation ratio	41 The ratio under GRI 2-21 (a) is 52.8x and the ratio under GRI 2-21 (b) is 6.9x			
2-22	Statement on sustainable development strategy	5, 6			
2-23	Policy commitments	42			
2-24	Embedding policy commitments	42			
2-25	Processes to remediate negative impacts	63			
2-26	Mechanisms for seeking advice and raising concerns	77			
2-27	Compliance with laws and regulations	77			
2-28	Membership associations	64			
2-29	Approach to stakeholder engagement	48			
2-30	Collective bargaining agreements	69			
Material topics					
GRI 3 - Material topics 2021					
3-1	Process to determine material topics	50			
3-2	List of material topics	50			
Topic: Economic performance					
3-3	Management of material topics	50			
201-1	Direct economic value generated and distributed	56			
Topic: Responsibility along the supply chain					
3-3	Management of material topics	50			
204-1	Proportion of spending on local suppliers	85			
Topic: Governance and compliance					
3-3	Management of material topics	50			
205-2	Communication and training about anti-corruption policies and procedures	77			
205-3	Confirmed incidents of corruption and actions taken	77			
207-1	Approach to tax	57			
Topic: Ethics and integrity					
3-3	Management of material topics	50			
206-1	Legal actions for anti-competitive behaviour, anti-trust and monopolistic practices	77			
Topic: Management of environmental impacts					
3-3	Management of material topics	50			
302-1	Energy consumption within the organization	79			
302-3	Energy intensity	78			

305-1	Direct (Scope 1) GHG emissions	79			
305-2	Energy indirect (Scope 2) GHG emissions	79			
305-4	GHG emissions intensity	81			
306-3	Waste generated	85			
Topic: Talent attraction, development and staff well-being					
3-3	Management of material topics	50			
401-1	New employee hires and employee turnover	70			
404-1	Average hours of training per year per employee	73			
405-1	Diversity of governance bodies and employees	27, 69-70			
Topic: Employee health and safety					
3-3	Management of material topics	50			
403-9	Work-related injuries	74			
Topic: Focus on the patient and caregiver					
3-3	Management of material topics	50			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	74			
Topic: Data security and privacy					
3-3	Management of material topics	50			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	66			
Topic: Quality of care					
3-3	Management of material topics	50			
Topic: Digitalisation of services					
3-3	Management of material topics	50			
Topic: Technological innovation					
3-3	Management of material topics	50			



Mr. Alessandro Maria Rinaldi
Legal Representative