

# **CONSOLIDATED NON-FINANCIAL STATEMENT**

**DRAWN UP AS PER LEGISLATIVE DECREE 254/2016**

**FOR THE YEAR 2020**



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## 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>

(\*) enrolled in the Companies Register on January 26, 2021

## CORPORATE BOARDS

### BOARD OF DIRECTORS

ALESSANDRO MARIA RINALDI	Chairman
MARIA LAURA GAROFALO	Chief Executive Officer
GRAZIA BONANTE (**)	Independent Director
FRANCA BRUSCO (**)	Independent Director
NICOLA COLAVITO	Director
PATRIZIA CRUDETTI	Director
FEDERICO FERRO LUZZI (**)	Independent Director
CLAUDIA GAROFALO	Director
GIUSEPPE GIANNASIO	Director
ALESSANDRA RINALDI GAROFALO	Director
UMBERTO SURIANI	Director

### CONTROL, RISKS AND SUSTAINABILITY COMMITTEE

FRANCA BRUSCO	Chairperson
GRAZIA BONANTE	
FEDERICO FERRO LUZZI	

### APPOINTMENTS AND REMUNERATION COMMITTEE

FEDERICO FERRO LUZZI	Chairman
FRANCA BRUSCO	
GRAZIA BONANTE	

### BOARD OF STATUTORY AUDITORS

ALESSANDRO MUSAIO	Chairman
FRANCESCA DI DONATO	Statutory Auditor
ANDREA BONELLI (***)	Statutory Auditor
JACOPO DOVERI	Alternate Auditor

### INDEPENDENT AUDIT FIRM

EY S.p.A.

### DESIGNATED AUDIT FIRM

Deloitte & Touche S.p.A.

(\*\*) Appointed as per Article 2386 of the Civil Code by the Shareholders' Meeting on 29.04.2020

(\*\*\*) Following the resignation presented on 30.09.2020 by Ms. Giancarla Branda, with effect from 01.10.2020 and due to the accumulation of offices held, Mr. Andrea Bonelli took over the position of Statutory Auditor from 01.10.2020.

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## 1. Chief Executive Officer's letter to the stakeholders (102-14)

Dear Stakeholders,

The year just ended will remain indelibly marked by the COVID-19 health emergency, which inevitably subjected Italy to situations of sudden, dramatic urgency. As a result, my thoughts first go out to all our employees and contractors – now more than 3,000 – who showed a strong sense of civic duty, selflessness and sacrifice, bringing their full energy to bear every day on one of the most important, complex situations in our history. So, to all of them I say, 'thank you': it is precisely this team spirit that has allowed GHC, since the pandemic began, to act as point of reference and provide support to citizens and communities, as part of public-private collaboration that cannot and must not remain an isolated experience, but must increasingly become the natural form of collaboration between all operators within Italy's National Health System – recognised as one of the best in the world for the quality of care provided.

This last year, which has once again demonstrated the truth of the guiding principle that "Health Is Your Most Valuable Asset" – inherited from my father Professor Raffaele Garofalo – has also demonstrated the Group's exceptional ability to react quickly and effectively to situations of complexity, as confirmed by the dramatic improvement in performance compared to 2019 during the months of the year not impacted by the mandatory suspension of all activities (except for urgent and non-deferrable procedures).

Determination, persistence and courage are qualities that, despite the general environment of uncertainty, the Group continued to demonstrate in 2020 through specific strategic decisions such as (i) undertaking an additional M&A transaction (the acquisition of XRay One in July) on the same basis as that presented to investors in 2018, (ii) the formulation of a robust plan of investments, mostly in technology, to be carried out in 2020 and 2021 and intended to provide the Group with cutting-edge machinery and equipment in Italy capable of combining excellent performance with increased contributions in terms of production and margins, and (iii) the opening of a new facility, Villa Fernanda in Genoa, marking the completion of a development project already announced during the IPO process, bearing witness to the Group's ability to continue to grow organically.

In addition, in 2020 GHC also increasingly committed to environmental, social and governance ("ESG") sustainability issues, leading to the Group being recognised as deserving of an investment grade EE- rating by Standard Ethics, an independent agency that issues sustainability ratings. This further reinforcement also marks a new beginning of an increasingly integrated, truly sustainable approach to the business, focused on the value of individuals, patients and all stakeholders.

I would also be remiss not to mention the important extraordinary transactions finalised in early 2021, which led the Group to increase its free-float due to investments by new Italian and overseas investors of high standing, alongside another significant M&A transaction, the acquisition of the S. Francesco Clinic in Verona, a facility of international importance as a European hub for robotic orthopaedic surgery.

Looking ahead, the GHC Group is now ideally positioned to take advantage of all the best growth opportunities, while continuing to operate in a particularly fragmented market that is inevitably tending to consolidate and is based on long-term trends that are now unavoidable, since we are all aware that we could do without many things in our lives, but never without healthcare, which leads us to an even better understanding of GHC's central role in our country, now and in the future.

For all these reasons, I feel I can say that the upcoming move to the STAR segment of the Italian Stock Exchange, as of March 25, 2021, will not be an end, but an exciting new beginning.

**The Chief Executive Officer  
Ms. Maria Laura Garofalo**

## 2. Letter of the Chairperson of the Control, Risks and Sustainability Committee

GHC's mission has always been to care for the health and safety of its patients by efficiently and innovatively strengthening the role of the accredited private sector within Italy's national health system, to be achieved within the framework of sustainable growth viewed as "development aimed at meeting the needs of the current generation without compromising the ability of future generations to meet their needs". Due to the notorious pandemic, 2020 was a challenging year for various sectors of the economy, but the health sector undoubtedly had to face complex situations, from which the GHC Group was not spared. It was an occasion in which sustainability, more than ever before, played a fundamental role, offering an opportunity to evaluate how best to manage the business within a system that found itself (without warning) in a situation where efficiency and quality of service needed to be assured, with the rigour required by the historic moment in time, along with an ability to consider patients holistically from a physical, psychological and social standpoint, with their feelings and knowledge, while also not failing to consider the protection of its own operational and non-operational healthcare personnel.

In responding to the pandemic situation, GHC continued to pursue its commitments to consolidating the Group's culture with regard to ESG issues, with active participation by Governance and the affected stakeholders, in order to update the "Materiality Matrix" and the position of material topics, by taking steps designed to identify, within the profound transformation of Italy's national health system in which GHC operates, the right opportunities for creating social and economic value through culture, vision and an ability to take advantage of opportunities through medium and long-term performance plans based on four pillars: safety, quality services, the environment, and cost efficiency. As ever, these plans are designed to put GHC to the test while complying with our guiding principle: "Health Is Your Most Valuable Asset."

Accordingly, in the area of sustainability, in continuity with what it began in 2019 GHC has also decided to continue looking ahead and taking a path that seeks to make corporate social responsibility not only a set of indicators enabling compliance with the regulations, but also, and above all, a complementary approach to value creation in the short, medium and long term.

Important projects were already completed in 2020, such as the integration of non-financial risks into the ERM model, while others were launched, including those aimed at improving the ESG rating of Standard Ethics Ltd.

Further commitments were thus made to move ahead with the project "from the NFS" to its own "multicapital transformation", which the GHC Group seized as an important opportunity. In 2021 we hope to consolidate the following areas: the involvement of internal and external stakeholders, the senior management team's awareness of the potential possessed by non-financial elements through specific and concrete initiatives, and the BoD's increasing "acceptance" of its responsibility with regard to the business and the creation of a sustainable strategy, in line with the Self-Governance Code for 2021, continuing sustainability projects and undertakings for 2021-2023 that will enable the Group to take a further step towards creating sustainable value.

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

### 3. Methodological note (102-1; 102-40; 102-45; 102-46; 102-47; 102-50; 102-52; 102-53)

#### 3.1 Reporting standards applied

The 2020 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 third edition, outlines the Group's non-financial performances for the year ended December 31, 2020.

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

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.

This Statement, published annually, was prepared in compliance with the "Global Reporting Initiative Sustainability Reporting Standards" defined in 2016 by the Global Reporting Initiatives (GRI), according to the "GRI-Referenced" option. The data and information presented in this Statement derive from the Group's IT systems and a non-financial reporting system specifically designed to meet the requirements of Legislative Decree No. 254/2016 and the GRI Sustainability Reporting Standards.

The GRI Content Index at pages 76-78 highlights the GRI indicators associated with each topic considered as material in order to assist the reader with information in the document.

The non-financial reporting presented in the Statement reflects the principle of materiality, an element identified by the benchmark regulation and central to the GRI Standards: the topics dealt with in this Statement are therefore those which, following consideration and assessment of materiality, as outlined at pages 26-29 of this document, were considered as material as reflecting the social and environmental impacts of Group operations, or in terms of influencing stakeholders' decisions.

This document outlines the major policies applied by the company, the management models and the Group results in 2020 relating to the topics expressly cited in Legislative Decree No. 254/2016 (environmental, personnel-related, social, respect for human rights and combatting bribery and corruption), as well as the main risks identified on these topics and management methods. For comparability purposes, a comparison was made with 2019.

For the status of the goals and commitments stated in the 2019 NFS, please refer to the relevant sections of the current statement.

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. 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.

The figures in this Statement refer to the financial year 2020 (January 1 to December 31).

This NFS, which was approved by the GHC Group Board of Directors on March 16, 2021, is also available on GHC's website ([www.garofalohealthcare.com](http://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](mailto:ir@garofalohealthcare.com).

### 3.2 Reporting scope

The GHC Group consolidation scope at December 31, 2020 is shown on page 11 and has changed, in comparison with 2019, in view of the acquisition of the company XRay One S.r.l. on July 23, 2020.

For a consistent comparison with 2019, the contribution of the companies already belonging to the Group in 2018 ("organic scope") was separated from the contribution of the clinics acquired in 2019 and 2020 ("M&A scope", including the Poliambulatorio Dalla Rosa Prati acquired on February 5, 2019, Ospedali Privati Riuniti acquired on May 6, 2019, Centro Medico San Biagio and Bimar acquired on July 25, 2019, Centro Medico Università Castrense acquired on September 17, 2019, Aesculapio acquired on September 19, 2019 and XRay One).

In line with last year, the figures for the companies acquired in 2020 and reported in the document are stated as if acquired on January 1.

### 3.3 Reporting process

The GHC Group's 2020 Consolidated Non-Financial Statement 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 January 2020 and updated in October 2020, consisting of the following steps:

- planning, collection, control and certification of data, through the involvement of "NFS Managers" formally identified at each subsidiary and in charge of entering and certifying data and information included in the NFS;
- approval, by the Board of Directors of each subsidiary, of the non-financial data certified by the relevant "NFS Manager";
- consolidation of non-financial data and information certified by the NFS Manager of each subsidiary and approved by the relevant Board. It should be noted that this consolidation process is carried out by the Parent Company's Investor Relations function by means of the same IT application used by the Group to certify consolidated financial data;
- drawing up, by the Investor Relations function, of the first draft of the Non-Financial Statement on the basis of the qualitative and quantitative information collected and its sharing with the Group's Chief Financial Officer;
- sharing the draft Non-Financial Statement with the relevant bodies, including the Control, Risks and Sustainability Committee;
- approval of the NFS by the GHC Group's Board of Directors, called for March 16, 2021 to approve, *inter alia*, the Consolidated Financial Statements at 31.12.2020;
- publication of the NFS on the Company's website in the "Investor Relations" / "Accounts and Reports" section so as to make it available in a transparent manner to all stakeholders.

The Statement is 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. which, at the end of the work performed, 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.

#### 4. Sustainability Highlights

##### The Group

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**~3k** } *Employees and collaborators*

**78%** } *Female employees*

##### Guidelines and objectives for sustainable development

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**18** } *Material topics identified*

**6** } *Priority SDG goals*

##### Sustainability governance

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**16** } *Annual meetings of The Control, Risks & Sustainability Committee*

**67%** } *Female members of the Committee*

##### ESG Rating

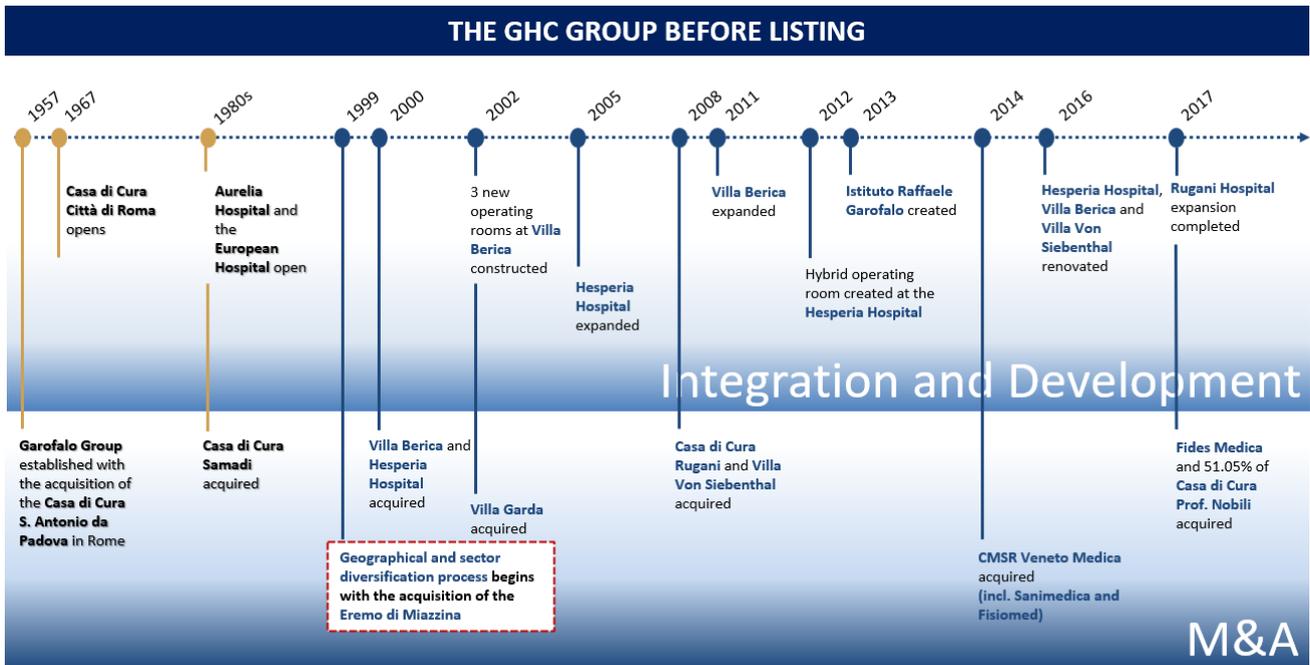
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**EE-** } *ESG Investment Grade Rating awarded by Standard Ethics*

## 5. The GHC Group (102-5)

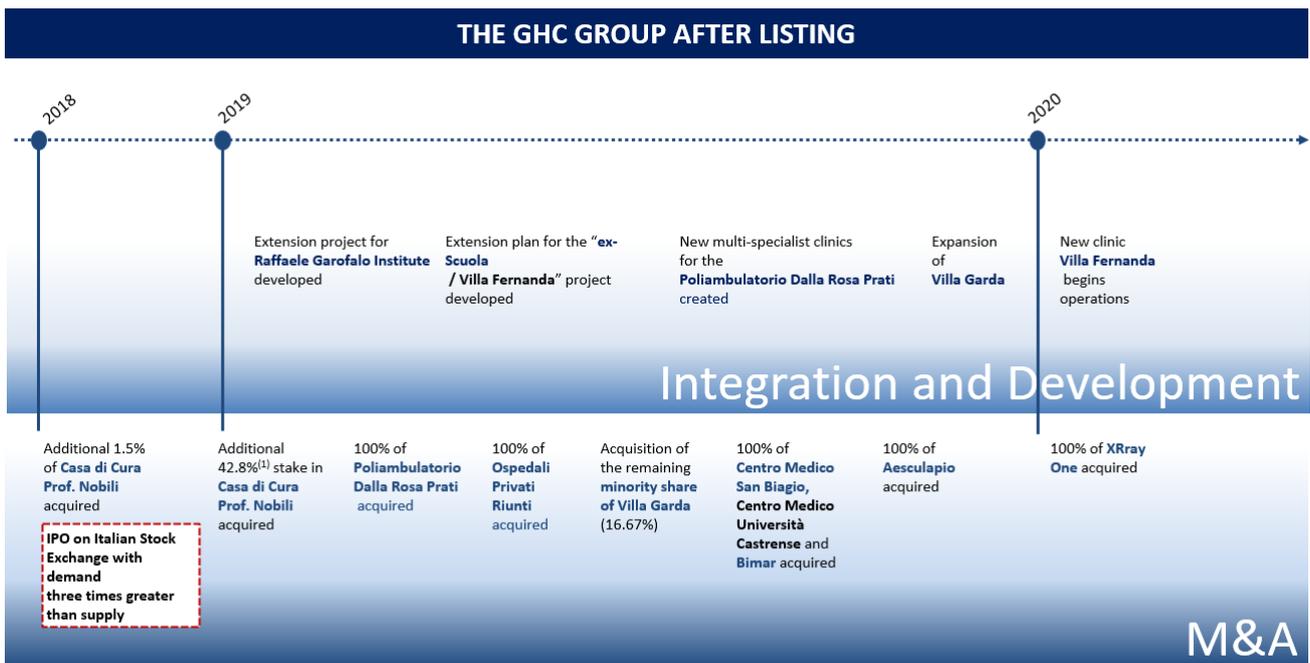
### 5.1 GHC Group history

The GHC Group owes its existence to the entrepreneurial endeavours of three brothers: Raffaele, Antonio and Mario Garofalo. Back in the late 1950s, the three brothers decided to set up a private healthcare centre in Rome. The company Garofalo Health Care S.p.A. was founded in the year 2000. Under the helm of Ms. Maria Laura Garofalo, GHC’s current chairperson, it has embarked on a process of regional and sector diversification.



● The 5 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

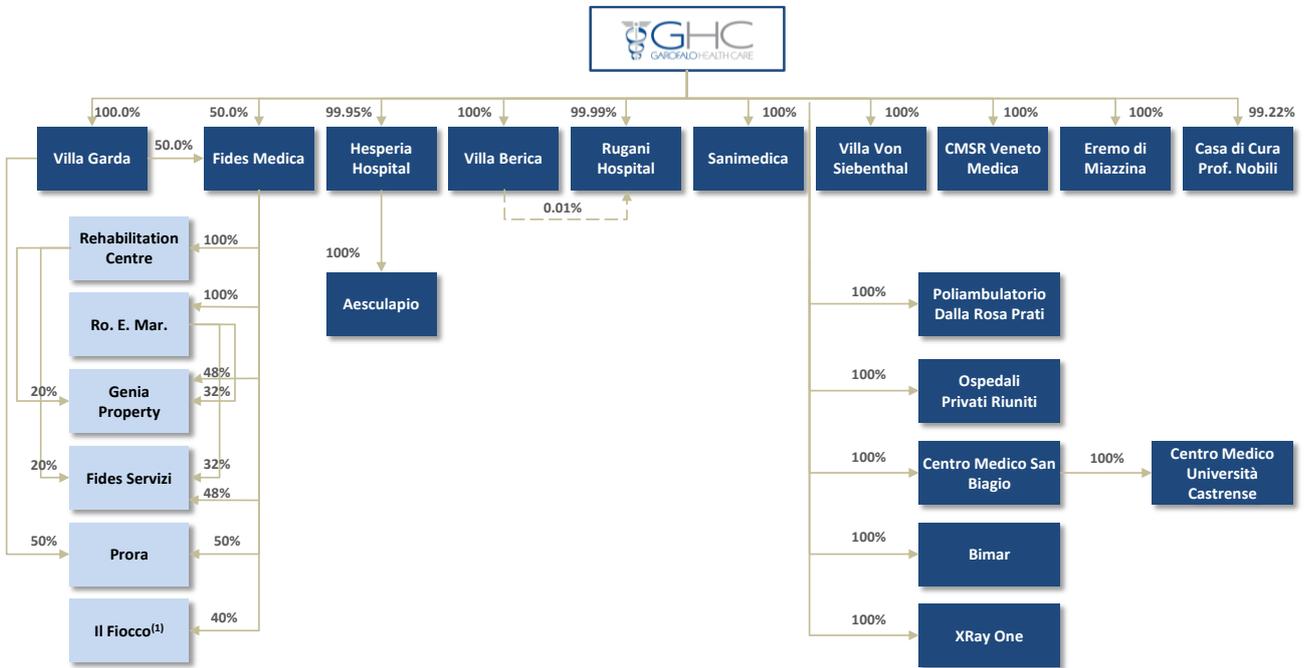
In 2018, the GHC Group debuted on the Italian Stock Exchange through a share capital increase, with demand outstripping supply by a factor of three. This launched a new phase of organic growth and acquisitions on the basis of the Buy & Build strategy presented to investors on IPO.



For a total of 95.35% of the share capital and 98.8% of voting rights, considering the treasury shares held by Casa di Cura Prof. Nobili. On 15.01.2020, GHC further increased its holding to 99.22% of voting rights

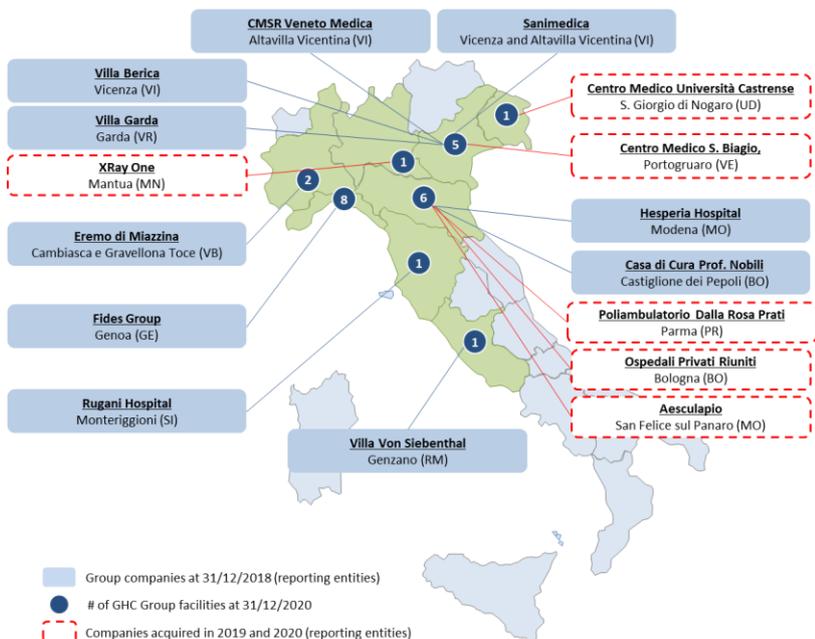
### 5.2 2020 Corporate structure and GHC Group key highlights

The structure of the GHC Group at December 31, 2020 is reported below.



(1) Only minority interest consolidated using the equity method

The GHC Group is an Italian accredited private healthcare leader operating through 25 healthcare clinics, in addition to 4 clinics owned by Il Fiocco S.c.a.r.l., held 40% by GHC through the subsidiary Fi.d.es Medica S.r.l., offering a comprehensive range of services covering all areas of healthcare thanks to diversified specialties, the use of cutting-edge technologies and highly qualified personnel.



GHC Group – FY2020	
<b>25</b> Healthcare facilities (+7 vs. IPO)	<b>8</b> Regions in which the Group operates (+2 vs. IPO)
<b>~1,430</b> Beds (+170 vs. IPO)	<b>~24.4k</b> Admissions (+4.4k vs. IPO)
<b>~1.4M</b> Outpatient services (+400k vs. IPO)	<b>~Euro 115m</b> Book value Real Estate (+36€M vs. IPO)

### 5.3 GHC Group Activities (102-2; 102-9)

The Group operates by means of a single business unit in the following sectors<sup>(1)</sup>:

- **“Hospital Sector”**, which may be broken down into the acute, post-acute and outpatient services segments: and
- **“Social Services and Dependency Care Sector”**, which can be divided into two segments - residential recovery and district outpatient services.

The following table breaks down the main specialties provided by the Group by sector and segment.

HOSPITAL			DEPENDENCY CARE		
ACUTE	POST-ACUTE		OUTPATIENT SERVICES	Residential ADMISSIONS	DISTRICT OUTPATIENT SERVICES
RECOVERY	LONG-TERM HOSPITALISATION	REHABILITATION			
<b>Wide range of specialisations in acute patient therapy, including:</b>  -Cardiac Surgery -Cardiology (clinical and interventional) -Orthopaedics -Diabetology -Urology -Otorhinolaryngology -General surgery -Vascular Surgery -Gynaecology	<b>Long-term hospitalisations for patients suffering from:</b>  -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	<b>Rehabilitation treatments, including:</b>  -Cardiology -Neurology -Neuromotor -Nutritional -Respiratory	<b>Outpatient services, consultations and diagnostic services, including:</b>  -Doppler echocardiogram -Holter test -Doppler vascular ultrasound -Myocardial perfusion imaging -CT -Ultrasound -Resonance -Nuclear medicine -Laboratory analyses - Outpatient dialysis	<b>Assistance and treatment of specific conditions, including:</b>  -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 (PVS Departments - Persistent Vegetative States) <sup>(1)</sup> -Psychiatric disorders and disorders related to the use of psychoactive substances	<b>Outpatient services, consultations and diagnostic services provided by non-clinical facilities, including:</b>  -Doppler echocardiogram -Holter test -Doppler vascular ultrasound -Myocardial perfusion imaging -CT -Ultrasound -Resonance -Nuclear medicine -Laboratory analyses - Occupational medicine - PET-CT - Dental services

<sup>(1)</sup> It should be noted 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. In particular, assistance provided to patients with disabilities deriving from severe acquired brain injuries (SVP Departments - such as persistent vegetative states) belongs to the Hospital Sector in Tuscany, and the Social Services and Dependency Care Sector in Liguria and Piedmont. In addition, long-term residential care in Lazio, Tuscany, Emilia-Romagna, Veneto and Piedmont belongs to the Hospital Sector, while in Liguria it belongs to the Social Services and Dependency Care Sector.

#### 5.4 GHC Group mission and values (102-16)

	<p><b>HONESTY AND LAWFULNESS</b></p>	<p>GHC considers honesty and compliance with all applicable regulations in Italy — and in the regions in which the Group operates — to be core principles. GHC does not tolerate or condone behaviour that goes against current regulations and/or that may encourage actions that contradict them, even if carried out in the interests of GHC.</p>
	<p><b>EXCELLENCE OF SERVICES AND FACILITIES</b></p>	<p>GHC pursues excellence in the delivery of its services by encouraging the professional growth of employees and contractors. GHC guarantees patients the continuous improvement of the facilities in terms of physical accessibility, livability, cleanliness and comfort of the environments, and ensures its employees and collaborators, in any capacity, quality, safe and healthy working environments.</p>
	<p><b>RESPECT AND CARE FOR PATIENTS</b></p>	<p>GHC provides humane care and places its patients at the heart of its system, taking into account all of their physical, psychological, social and relational needs. All medical staff are trained according to a "patient-centred" approach and make use of state-of-the-art equipment and facilities in comfortable environments and hotel-like accommodation.</p>
	<p><b>RESPECT AND DEVELOPMENT OF HUMAN RESOURCES</b></p>	<p>GHC recognises that its employees are an irreplaceable asset and key to its success. The Group centers 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.</p>
	<p><b>CULTURE OF SAFETY</b></p>	<p>GHC is committed to making the management of the technological resources necessary to foster and consolidate a culture of safety more effective and efficient, developing risk awareness and demanding responsible behaviour from all members of the organisation.</p>
	<p><b>RESEARCH, INNOVATION AND TRAINING</b></p>	<p>GHC promotes innovation, scientific research, training and teaching.</p>
	<p><b>ABSENCE OF CONFLICTS OF INTERESTS</b></p>	<p>GHC pays the utmost attention to avoiding situations in which conflicts of interest may arise.</p>
	<p><b>CONFIDENTIALITY</b></p>	<p>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.</p>
	<p><b>RESPECT FOR THE ENVIRONMENT</b></p>	<p>GHC recognises the importance of respecting the environment and requires all staff members to assess the environmental impact of their decisions in order to minimise any negative effects. The GHC Group plans its activities around the best possible balance between environmental and financial concerns.</p>

## 5.5 GHC Group companies

The GHC Group's 25 clinics are diversified by Regions and by sector, as shown below.

Italian regions	Nr. Reporting Entities (16)	Nr. Clinics (25)	N. legal entities (legal persons) (22)	Sector	
				Hospital	Social / Dependency Care
The Veneto	• Villa Berica	1	1	✓	
	• CMSR Veneto Medica	1	1		✓
	• Sanimedica	1	1		✓
	• Villa Garda	1	1	✓	
	• Centro Medico S. Biagio <sup>(1)</sup>	1	2		✓
Lombardy	• XRay One	1	1		✓
Friuli Venezia-Giulia	• Centro Medico Università Castrense	1	1		✓
Piedmont	• Eremo di Miazzina	2	1	✓	✓
Emilia Romagna	• Hesperia Hospital	1	1	✓	
	• Aesculapio	1	1		✓
	• Casa di Cura Prof. Nobili	1	1	✓	
	• Poliambulatorio Dalla Rosa Prati	1	1		✓
	• Ospedali Privati Riuniti	2	1	✓	
Tuscany	• Rugani Hospital	1	1	✓	
Liguria	• Fides Group <sup>(2)</sup>	8 <sup>(3)</sup>	6 <sup>(4)</sup>		✓
Lazio	• 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 Srl, 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.

### ➤ OVERVIEW OF GHC CLINICS IN THE VENETO REGION



#### Villa Berica (Vicenza – Veneto)



This hospital, accredited by Italy's ("NHS"), offers multiple specialties, with a focus on general surgery and internal medicine. Villa Berica is considered a centre of excellence for diabetology, with a particular focus on preventing and treating the complications of diabetes affecting the legs and feet (diabetic foot), and has been renowned for its AMIS (Anterior Minimally Invasive Surgery) centre for hip replacement surgery since March 2018. It is also a regional focus for osteoporosis and metabolic bone diseases.



### **CMSR Veneto Medica (Altavilla Vicentina, Vicenza – Veneto)**



The Medical Instrumentation and Rehabilitation Centre is dedicated to diagnostic imaging using next-generation technology, accredited by Italy's National Health System. There is also a clinical pathology laboratory and sports medicine service, both offered on a private basis, a traditional radiology department, a nuclear medicine department and an ultrasound department. It is a member of the National Register for hypertrophic cardiomyopathy. It also supports and promotes research projects relating to aortic stenosis, bicuspid aortic valve (BAV) and the identification of normalcy criteria for the ascending aorta. This facility is fitted with cutting-edge equipment, including a Philips Model 3 Tesla "Ingenia Elition" MRI machine, in addition to the existing technology (2 magnetic resonance 1.5 Tesla, 1 joint MRI and 1 CT scan), which can be used for research purposes, and which meets the increasing demand for health services, while also improving demand from outside the region for NHS and private services.

### **Sanimedica (Vicenza and Altavilla Vicentina, Vicenza – Veneto)**

Sanimedica, which serves patients on a private basis only, and does not provide services covered by Italy's NHS. Sanimedica offers outpatient health services for all the main specialist areas since 1993, the year of its foundation. Since 1998 it has also been equipped with an operating theatre for the outpatient surgery offering various types of procedures. Since 1996 Sanimedica has had a department of Occupational Medicine offering public and private companies in all sectors workplace health monitoring service in fulfilment of the obligations set by Law 626/94, now replaced by the new Legislative Decree 81/2008 on safety, through its team consisting solely of physicians specialised in occupational medicine, in collaboration with qualified safety consultancy firms.



### **Villa Garda (Garda, Verona – Veneto)**



An Italian NHS accredited healthcare facility specialized in cardiac rehabilitation and nutritional rehabilitation. In the mid-1980's, Villa Garda's Functional Nutritional Rehabilitation Unit was the first in Italy to implement intensive hospital rehabilitation treatment for patients suffering from nutritional and eating disorders. The cognitive behavioural therapy for eating disorders (CBT-ED) developed at the Villa Garda care facility for adolescents suffering from anorexia nervosa, bulimia nervosa and other eating disorders, was introduced in partnership with Oxford University and has been assessed in a controlled study and three cohort studies and was recommended by the guidelines issued by the National Institute

for Health and Care Excellence (NICE) in 2017. Clinical services similar to those offered at Villa Garda have been introduced in Norway, Sweden, Holland, Denmark, the USA and Australia under the supervision of the Villa Garda group.



### **Centro Medico S. Biagio and Bimar (Portogruaro, Venice – Veneto)**

#### **ACQUIRED IN 2019**



The Centro Medico San Biagio, operating in the diagnostics centre sector, both through the accredited system with the Veneto Region and privately, provides specialist services in the areas of diagnostic imaging and echocardiography, outpatient ophthalmologic surgery, lower limb varices, sports medicine and dentistry. The clinic is a leading eye care centre, with over 5,000 cataract surgeries and 200 vitreo-retinal surgeries performed each year.

Bimar exclusively provides specialist private services.

#### **➤ OVERVIEW OF GHC'S CLINICS IN THE LOMBARDY REGION**



### **XRay One (Poggio Rusco, Mantua - Lombardy locality)**

#### **ACQUIRED IN 2020**



XRay One, which operates both as part of the Region of Lombardy's accreditation scheme as well as privately, provides radiological and diagnostic imaging services and outpatient services for general surgery, orthopaedics and traumatology, neurology, dermatology and venereology, ophthalmology, cardiology, gastroenterology, digestive surgery and endoscopy, obstetrics and gynaecology, physical medicine and rehabilitation, and urology. The facility is also equipped with cutting-edge specialist technology, especially in the field of latest-generation high diagnostics.

➤ **OVERVIEW OF GHC CLINICS IN THE FRIULI VENEZIA-GIULIA REGION**



**Centro Medico Università Castrense (S. Giorgio di Nogaro locality, Udine – Friuli-Venezia Giulia)**

**ACQUIRED IN 2019**



The Centro Medico Università Castrense, operating under the accredited system and privately, provides outpatient ophthalmological surgery, diagnostic imaging, sports medicine and dentistry.

➤ **OVERVIEW OF GHC CLINICS IN THE PIEDMONT REGION**



**L'Eremo di Miazzino (Cambiasca, Verbania, Cusio, Ossola localities – Piedmont)**



Care facility accredited by Italy's National Health System that provides hospital services, offering post-acute hospital care for the full range of pathologies commonly experienced by the elderly and the sequelae of oncological and chronic degenerative pathologies, in addition to operating as a social services and dependency care facility. A second clinic spanning around 5,000 square meters was built in 2013. The Raffaele Garofalo Institute is an accredited residential care facility specialised in recovery and intensive functional neurological, skeletal, respiratory, cardiological and oncological rehabilitation, which is described below.



### Raffaele Garofalo Institute (Gravellona Toce, Verbano, Cusio, Ossola – Piedmont)



Istituto Raffaele Garofalo is an accredited residential care facility involved in the post-trauma and post-operative specialties (post-acute care), for recovery and intensive functional re-education of a neurological, muscular, respiratory, cardiac and oncological variety. Accredited outpatient services are provided (pulmonology, testing laboratory, gym and pool physical therapy, diagnostic imaging, ophthalmology and cardiology), alongside complex outpatient eye surgery on a private basis. The facility treats patients at various stages of their clinical journeys (in the hospital, in local facilities or in their homes) according to a multi-specialty treatment approach made possible by highly specialized personnel. The facility also has a specialist services center that provides specialist diagnostic and treatment services, both under accreditation and privately, two large gyms with cutting-edge equipment and a pool.

#### ➤ OVERVIEW OF GHC CLINICS IN THE EMILIA-ROMAGNA REGION



### Hesperia Hospital (Modena –Emilia-Romagna)



This private hospital, accredited by Italy's NHS, focuses on offering various specialties within highly specialized wards, in addition to a thoracic and cardiovascular centre providing specialist care and heart surgery procedures of national and international renown, supported by a haemodynamics laboratory and a coronary care unit. The hospital is also known throughout Italy for its urology and hand surgery departments, in addition to its teaching facilities for training specialists in the treatment of prostatic hypertrophy. It is also certified at a European level as a European Training Centre of Phlebology. Hesperia Hospital is also involved in the field of prosthetic orthopaedics, carrying out unilateral and bilateral (knee and hip) tailor-made reconstruction surgery. These operations make use of 3D prosthetics design and biological regeneration using stem cell transplants for the injured areas, guaranteeing rapid recovery and a substantial improvement in quality of life.

## Aesculapio (S. Felice sul Panaro, Modena – Emilia-Romagna)

### ACQUIRED IN 2019



Aesculapio, the largest clinic in northern Modena province and also a regional healthcare centre, is both accredited with the Emilia-Romagna Region in the public sphere and privately services some of the main specialties: radiology, urology, senology, paediatrics, pulmonology, gynaecology, orthopaedics, ophthalmology, gastroenterology, endocrinology, ultrasound, dietetics, dermatology, magnetic resonance, surgery, angiology, cardiology and laboratory diagnostics.



## Casa di Cura Prof. Nobili (Castiglione dei Pepoli locality, Bologna – Emilia-Romagna)



Multi-specialty facility accredited with the National Health Service, undertaking Regional hospital functions as a point of initial contact and with an ambulance-supported emergency service. The facility covers orthopaedics and traumatology, general surgery, general medicine and long-term care. It is also a multi-disciplinary clinic and a dialysis centre. Casa di Cura Prof. Nobili — a pioneer in the use of laminar wall filters for forced circulation in operating theatres — is also equipped with an outpatient diagnostics area offering high-performance equipment and two cutting-edge magnetic resonance imaging machines.



### **Poliambulatorio Dalla Rosa Prati (Parma – Emilia-Romagna)**

#### **ACQUIRED IN 2019**



For over 50 years, it has successfully operated in the field of kinetic physiotherapy (physiotherapy method based on body movements) and rehabilitation, demonstrating excellent quality standards thanks to the use of cutting-edge technologies and highly qualified specialists. The clinic's strong reputation, together with the timeliness and continuity of services provided, has over the years allowed it to consolidate its position as an accredited partner with the National Health System, making it possible to establish a diagnostics centre which can become a point of reference not only nationally but internationally: the European Diagnostics Centre. Thanks to an agreement with Parma University Hospital, the Poliambulatorio provides a PET-CT diagnosis service using state-of-the-art equipment, welcoming patients in the municipalities of Parma and Piacenza and carrying out almost 4,000 examinations a year. The Clinic, which provides about 600 services a day, offers a wide range of specialist services, in addition to a dental clinic.



### **Ospedali Privati Riuniti (Bologna – Emilia-Romagna)**

#### **ACQUIRED IN 2019**



#### **Nigrisoli Hospital**

The hospital is located in the heart of Bologna, within a park of over 10,000m<sup>2</sup>, thus guaranteeing the peace and tranquillity of patients. The Private Accredited Nigrisoli Hospital is a historic institution offering a broad range of medical and surgical in-patient services, in addition to many key diagnostic services. The hospital collaborates with the nearby Policlinico Sant'Orsola, receiving patients from A&E on a daily basis for diagnostic tests and treatment. The clinic offers recovery services in the following specialties: general medicine, functional recovery and rehabilitation, long-term care and extensive rehabilitation, general surgery, orthopaedics and urology. The accredited clinic houses a rehabilitation centre for rare genetic neuromuscular diseases. For around 20 years it has looked after people affected by such conditions, and is the only accredited private hospital in this area. This unique position reflects the personalised patient treatment plans it offers, which make use of the most efficient means to limit the secondary harm caused by diseases with high clinical complexity. The objective of these techniques is to improve both life expectancy and quality of life.



### **Villa Regina**

Founded in 1955 at the behest of the famous surgeon Gaetano Placitelli, the clinic is located at the gates of Bologna's historic centre, at the heart of a park of 3,000m<sup>2</sup> close to the green setting of the Margherita Gardens. The clinic provides numerous outpatient services and an equal number of inpatient services, both privately and through Italy's National Health System. Day surgery services are available. The clinic offers the following specialties: General surgery, orthopaedics, ophthalmology, gynaecology, general medicine, otorhinolaryngology, urology, recovery and functional rehabilitation, long-term care.

## ➤ **OVERVIEW OF GHC CLINICS IN THE TUSCANY REGION**



### **Rugani Hospital (Colombaio locality, Siena – Tuscany)**



A National Health System accredited hospital offering a range of specialties, including orthopaedics, urology, ophthalmology, general surgery, otorhinolaryngology, motor rehabilitation and diagnostic imaging, on both a residential and outpatient basis. In particular, the hospital specialises in orthopaedic surgery involving custom prosthesis implantation systems guided by CT scan and in urological surgery with the use of an HIFU system <sup>(2)</sup> associated with magnetic resonance imaging to identify and treat prostate cancer through non-invasive precision surgery.

<sup>(2)</sup> HIFU stands for High Intensity Focused Ultrasound and refers to an innovative and very precise treatment technique with which some benign and malignant cancers can be destroyed without the need for surgical incision or the insertion of needles or catheters.

## OVERVIEW OF GHC CLINICS IN THE LIGURIA REGION



### Fides Medica Group (Genoa - Liguria)



The Fides Medica Group consists of 8 local dependency care facilities (including the new Villa Fernanda clinic operational since 2020) in the city and province of Genoa, in addition to four clinics owned by Il Fiocco. The Group is accredited by Italy's National Health System and provides treatment and rehabilitation for elderly and other patients affected by a wide range of mental illnesses, including eating disorders and acquired disabilities. A description of the individual clinics is provided below:

- 1) *Rehabilitation Centre*
- 2) *Le Clarisse Residential Care Facility*
- 3) *Santa Marta Residential Care Facility*
- 4) *Santa Rosa Residential Care Facility*
- 5) *Villa Santa Maria Psychiatric Rehabilitation Care Facility*
- 6) *Villa del Principe (Eating Disorder Treatment Centre)*
- 7) *REMS Villa Caterina*
- 8) *Palazzo Fieschi Psychiatric Rehabilitation Care Facility*
- 9) *Skipper Residential Psychiatric Care Facility*
- 10) *CUAP Le Note di Villa S. Maria*
- 11) *CUAP Il Bozzello 1 e Il Bozzello 2*
- 12) *Villa Fernanda*

#### **1) Rehabilitation Centre**

Highly specialised post-hospital facility divided into three units, each used for a specific function: (i) supervision of serious acquired brain injuries, (ii) rehabilitation centre (for over-65s with mobility difficulties resulting in the temporary partial loss of independence) and (iii) an extended care unit (for non-self-sufficient over-65s, who have lost all or almost of their autonomy).

#### **2) Le Clarisse Residential Care Facility**

This facility is for elderly people with autonomy problems, who need help, care and assistance in all daily activities. The purposes of treatment can be divided into three different categories: (i) rehabilitation (for people with temporary mobility difficulties), (ii) maintenance (for non-self-sufficient people) and (iii) a protected residence (for semi-independent people).

#### **3) Santa Marta Residential Care Facility**

This facility provides treatments divided into two categories based on patient needs: (i) extended care unit for non-self-sufficient people who are unable to carry out daily activities and who therefore require 24-hour care, and (ii) a protected residence unit for semi-independent people who have some residual autonomy, which varies depending on their individual situation. The "ex-school" expansion project - now the "Villa Fernanda" project - is underway to modernise the existing facility to accommodate exclusively private-care services, i.e. with expenses borne by the patients.

#### **4) Santa Rosa Residential Facility**

Long-term care facility for elderly people with autonomy problems, who need care and assistance in their daily activities.

### **5) Villa Santa Maria Psychiatric Rehabilitation Care Facility**

Rehabilitation treatment facility for older people with the onset of behavioural and personality disorders. The facility takes care of people during the active clinical phase by means of treatment and rehabilitation as part of a 24-hour assistance programme. The maximum duration of treatment is 36 months.

### **6) Villa del Principe (Eating Disorder Treatment Centre)**

Villa del Principe treats and rehabilitates people with eating, personality and affective disorders. The conditions treated vary greatly and require specific and personalised care. As a result, more than one type of service is offered by the centre (semi-residential or residential). The centre uses a multidisciplinary treatment approach, which is provided by a team that aims to adapt treatment to suit individual needs.

### **7) REMS Villa Caterina**

Prima Rems was opened in Liguria to treat people with mental disorders, along with people who have committed crimes. Patients at this facility require continuous rehabilitation and social rehabilitation therapy in a residential care setting. The duration of treatment is commensurate with the custodial measures decided by the courts.

### **8) Palazzo Fieschi Psychiatric Rehabilitation Care Facility**

Palazzo Fieschi is a rehabilitation treatment facility for behavioural and personality disorders. The facility looks after people in need of continuous care and assistance in a residential system. Treatment lasts no longer than 36 months.

### **9) Skipper Residential Psychiatric Care Facility**

Skipper treats people with persistent behavioural disorders, as well as those requiring continuous care in a highly protective and safe environment. The facility looks after non-self-sufficient people who have already undergone some psychiatric treatment and rehabilitation and have reached their maximum level of independence but who, despite this, cannot be left alone and need dedicated care and assistance, without time limits.

### **10) CAUP Le Note di Villa S. Maria**

The CAUP (Community Housing for Psychiatric Use) is a social rehabilitation residential facility for people with behavioural disorders. Patients at the facility have already undergone rehabilitation and have reached important milestones. They do not require continuous health care, but require a "buffer" period in which to improve their condition and increase their autonomy. The treatment model is community based, whereby residents can pass the time peacefully, with only light monitoring by staff, who remain at their disposal in case of need. The maximum length of stay is 1 year.

### **11) Il Bozzello 1 and Il Bozzello 2 CAUP**

A social-rehabilitation residential facility for people with behavioural disorders. Patients are generally between the ages of 40 and 65, suffer from severe behavioural disorders and need less care, which includes a stay in an appropriate facility, before a potential longer-term stay at another facility. The facility handles this transitional period, trying to bring its patients towards their maximum degree of independence by means of a treatment programme that varies in duration.

### **12) Villa Fernanda Residence**

The "Villa Fernanda" residence for the elderly is a healthcare facility with an accommodation capacity of 70 beds, opened in 2020 following the significant renovation of a former school, suitable for the creation of an environment serving the various needs of the elderly and supporting them by permitting socialisation, while also respecting their daily habits.

The facility consists of: 16 beds dedicated to the care of partially non-self-sufficient persons, who are still able to carry out primary functions with help, requiring long-term care; 18 beds dedicated to the care of totally non-self-sufficient persons, who need assistance in all functions, including primary ones, requiring long-term care; 18 beds dedicated to the care of totally non-self-sufficient persons, who need assistance in all functions, including primary ones, requiring long-term care; 18 beds dedicated to the care of totally non-self-sufficient persons, who need assistance in all functions, including primary ones, requiring long-term care.

## - OVERVIEW OF GHC CLINICS IN THE LAZIO REGION



### Villa Von Siebenthal (Genzano, Rome – Lazio)



This is one of the main neuropsychiatric facilities in Lazio and has been accredited by Italy's National Health System. It treats patients referred by various local mental health centres. In 2015 it became the first residential psychiatric facility to be accredited by the Lazio region for the extended psychiatric treatment of adolescents and is the only facility in Italy to offer intensive care for adolescents. The facility accepts adult and juvenile patients voluntarily admitted on an ordinary basis for mental illnesses, in both the acute and post-acute phases, in addition to patients suffering from substance dependency, placed in its rehabilitative treatment community.

## 6. Sustainability

### 6.1 Sustainability for the GHC Group

Sustainable growth is "development that meets the needs of the present without compromising the ability of future generations to meet their own needs". In this sense, sustainability offers companies an opportunity to assess how best to ensure their businesses survive within a dynamic system, with the aim of providing efficient, quality services that are continuously improved over the medium and long term.

GHC in this regard has always paid particular attention to the topics of sustainability, transparency, compliance, ethics and responsibility, values that the Group considers to underlie its significant "intangible" advantages, comprising of its reputation, its history and the set of principles that dictate the actions of a company operating in a particularly sensitive sector such as health and the care of the individual and which is socially responsible.

It is from this perspective that GHC has always sought to create a model whose high-quality is based on a "patient-centred" system, which considers the patient in his or her entirety, not only from a clinical-medical point of view, but also from a psychological, relational and family point of view.

In light of the above, GHC is committed to operating in compliance with the guiding principle for the Group's personnel and governance conduct "Health is the most precious good a person can have", contributing, with efficiency and innovation, to strengthening the role of the accredited private sector within the National Health System.

### 6.2 Sustainability Governance

The GHC Group has created a Governance system dedicated to the supervision and management of sustainability issues at Group level, in order to continue to operate responsibly and to increasingly integrate sustainability into its strategic actions.

In particular, in accordance with Borsa Italiana's Self-Governance Code, the Group set up within the Board of Directors the Control, Risks and Sustainability Committee ("**CRSC**"), comprising three Independent Directors and with additional specific proposal and advisory expertise on sustainability and ESG topics. This Committee shall continue also on the renewal of the corporate boards scheduled for the Shareholders' Meeting called to approve the 2020 Annual Accounts of April 30, 2021.

For the integrated management of sustainability topics, the CRSC is in addition requested to support, with appropriate preliminary and proposal activities, the assessment and decisions of the Board of Directors concerning the risks management system, in addition to overseeing the correct and effective application of the Group's Enterprise Risk Management ("**ERM**") method.

Finally, the CRSC reviews and assesses the draft Non-Financial Statement, developed based on the structured reporting process set forth in the "Non-Financial Statement" Policy approved by GHC's Board of Directors in January 2020 and updated in October 2020, a document then submitted annually to the Board of Directors for approval.

### 6.3 Sustainability rating

In 2020, GHC received an investment grade EE- ("*Adequate*") rating on environmental, social and governance ("**ESG**") topics from Standard Ethics Ltd. ("**Standard Ethics**"), an independent agency that issues non-financial sustainability ratings.

In particular, Standard Ethics noted in its report, also published on the Company's website in the "Investor Relations / Sustainability and ESG" section, that "*the ESG (Environmental, Social, Governance) policies and reporting have recently been drawn up and appear to be in line with industry best practices. The Risk Management system is well designed and capable of covering non-financial topics. It is expected that future sustainability strategies will take into account - also formally - the ESG indications of the UN, OECD and EU. Interventions to that effect are being planned. The long-term view is positive.*"

The rating assigned by Standard Ethics is an independent assessment that expresses 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). In the case of GHC's rating, Standard Ethics reports that the policies and reporting on ESG issues appear to be in line with good sector practice, with a well-designed risk management system covering non-financial issues. In addition, the agency

stressed that GHC's non-financial reporting is integrated in a sophisticated and transparent way. Standard Ethics' outlook on GHC is positive, with an expected long-term rating of investment grade EE ("Strong").

### 6.4 Fulfilment of the Group's sustainability commitments in 2020

GHC, as part of the 2019 NFS, set its sustainability commitments for 2020, oriented towards an increasingly comprehensive integration of business strategy and sustainability. Compliance with the commitments undertaken are reported annually by GHC, as undertaken for the 2019 NFS, and summarised as follows:

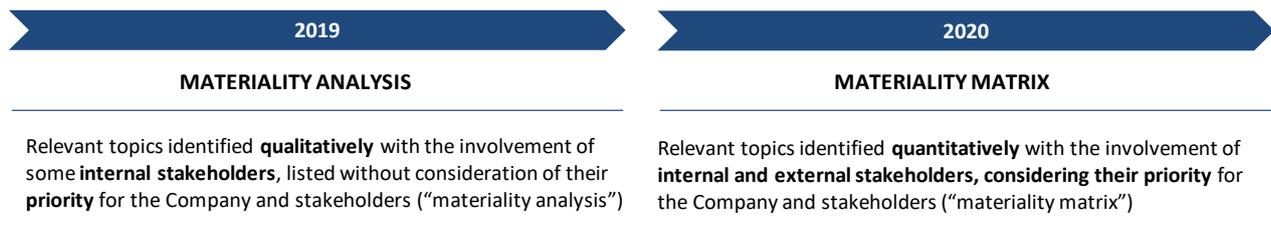
2020 COMMITMENTS	COMPLIANCE WITH 2020 COMMITMENTS
<b>COMMITMENT 2020:</b> ensure full Board involvement on sustainable business and strategy <i>2020 RESULTS: Board involved periodically on sustainability issues, which include the ERM framework approved in December 2020</i>	
<b>COMMITMENT 2020:</b> integrate ERM and NFS elements into the strategy formulation process <i>RESULTS 2020: non-financial aspects and related risks jointly monitored as part of strategy formulation of the Group</i>	
<b>COMMITMENT 2020:</b> Consolidate the top management team's awareness of the potential possessed by pre-financial elements <i>RESULTS 2020: pre-financial elements subject to specific meetings of the Committee of Chief Executive Officers / General Managers of the Group</i>	
<b>COMMITMENT 2020:</b> Collaborate with top management to build a strategic roadmap <i>2020 RESULTS: Strategic roadmap proposed to CRSC and approved by GHC Board in October 2020</i>	
<b>COMMITMENT 2020:</b> continue to listen to and involve internal stakeholders and launch an external stakeholder dialogue programme. <i>RESULTS 2020: Stakeholder Engagement activity extended also to external stakeholders and approved by GHC Board in October 2020</i>	
<b>COMMITMENT 2020:</b> launch an internal comms process for all employees in order to improve the NFS and 2024 Roadmap <i>RESULTS 2020: Approved and updated "Non-Financial Statement Procedure". Roadmap approved by GHC Board of Directors in October 2020</i>	

LEGEND: full compliance sufficient compliance non-compliance

In order to specifically detail the above content, the subsequent paragraphs outline some of the main activities carried out by GHC in 2020 to deliver upon the commitments made in the 2019 NFS.

### 6.5 Stakeholder Engagement and Materiality Matrix

GHC, in view of the GRI Standards regarding materiality, stakeholder inclusiveness, sustainability context and completeness, since 2018 have presented the material topics in the NFS for its stakeholders, i.e. those which ensure an understanding of the Group's activities, performance, results and their impact. The Company however since 2020 has further focused its attention on the materiality principle in the 2019 NFS, developing from a listing of the material topics ("Materiality Analysis") to their prioritisation according to company and stakeholder assessments ("Materiality Matrix").



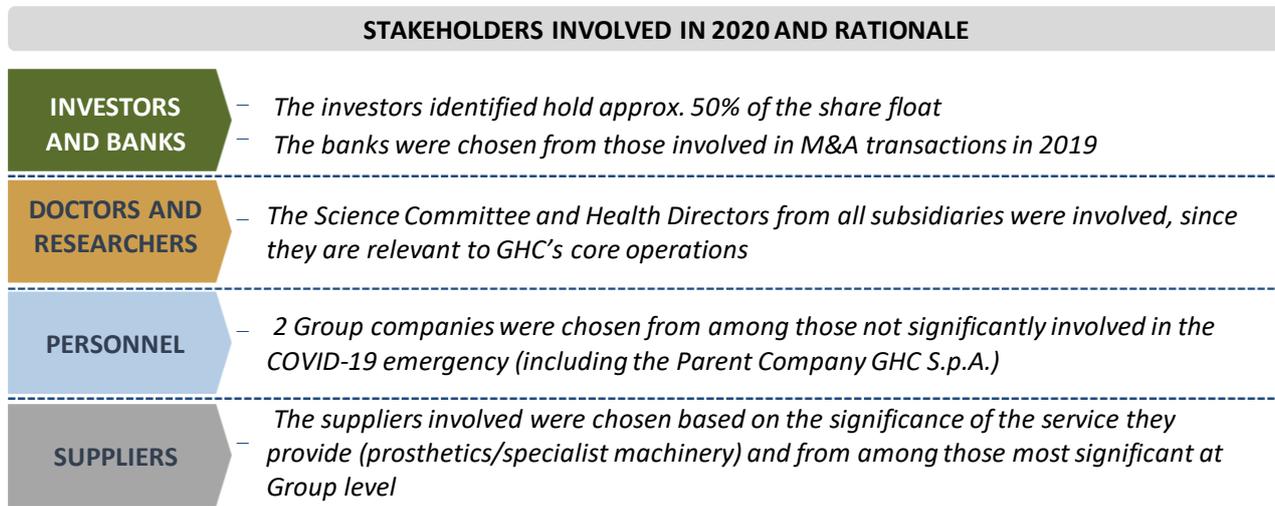
In order to ensure a thorough and objective development of the Materiality Matrix, GHC in 2020 undertook a structured Stakeholder Engagement process organised into five phases, as set out below.

### 1. Selection of stakeholder clusters to engage and update Group material topics

The Company began its Stakeholder Engagement initially by analysing its stakeholders, as reported in the 2019 NFS and outlined below:



In view of this analysis, the Company, having consulted the CRSC, selected the stakeholder clusters subject to this activity in 2020. The identified clusters, together with the reasoning for their selection, are presented below.



Once the stakeholder clusters for 2020 had been defined, the Company updated its material topics, which are expanded upon compared to those indicated in 2019 in order to more completely and comprehensively assess GHC's material topics.

The 18 material topics identified by GHC for 2020, together with a summary, are presented below:

Material Topics	Definition
<i>Quality of care</i>	This topic refers to the Group's attention to the quality of care services provided, understood both from a medical point of view, thanks to the use of highly qualified personnel and cutting-edge medical technology and equipment, and in terms of comfort and quality of the Facilities' surroundings.
<i>Focus on the patient and caregiver</i>	This topic refers on the one hand to the accessibility and willingness of medical and paramedical personnel to engage in dialogue with those who "take care" of patients (typically family members), and on the other hand it refers to the ability to give immediate feedback on the indications received, particularly from patients and caregivers
<i>Attraction, maintenance and development of staff</i>	This topic refers to the Group's ability to attract and retain employees and refers not exclusively to medical and paramedical personnel. This includes training, leadership skills and all aspects related to "global compensation" (e.g. adequate remuneration, employee satisfaction, etc.)
<i>Risk management</i>	This topic refers to the protection of stakeholders and the safeguarding of corporate assets, including through the verification, both on an ongoing basis and in relation to specific needs, of the adequacy and suitability of the Internal Control and Risk Management System
<i>Health and safety</i>	This topic refers to the Company's commitment to protecting the working environment and the safety of its employees and collaborators, primarily through compliance with occupational health and safety regulations
<i>Protection of patients' rights</i>	This topic refers to each Group Facility's respect for the health and personal needs of patients, according to an organisational model centred on the preferences, needs and values of the individual patient and the consideration of these in every clinical decision
<i>Succession planning</i>	This topic refers to the Group's ability to ensure continuity of leadership and retention of knowledge within the Company, through the planning and implementation of a planned turnover process for relevant figures
<i>Technological innovation (availability of state-of-the-art machinery and medical equipment)</i>	This topic refers to the availability of sophisticated, state-of-the-art machinery and medical equipment (e.g. medical-surgical and laboratory diagnostic equipment) at the Group's facilities
<i>Technological innovation (digitalisation of services offered to patients and caregivers)</i>	This topic refers to the use by the Group's facilities of technological innovation and ICT as support for the provision of improved and efficient services for patients and caregivers (e.g. electronic case files, smart payment, etc.)
<i>Data security and privacy</i>	This topic refers in a broad sense to the protection of the Group's information assets, with reference both to aspects exclusively relating to IT security and the protection of information systems and to the protection of data in any form (including non-digital)
<i>Responsibility along the supply chain</i>	This topic refers to the Facilities' attention to ensuring that their suppliers, especially those operating under a Group contract, are committed to ensuring compliance with legal regulations and the best environmental and social standards (e.g. ensuring respect for human rights, health and safety in the workplace, respect for the environment)
<i>Management of environmental impacts</i>	This topic refers to the environmental impacts produced by the Group, which are mainly related to energy consumption and waste management, with a focus on hazardous medical waste
<i>Combatting corruption</i>	This topic refers to the Company's commitment not only to make all the regulatory measures in place effective and fully operational, but also to carry out training and awareness activities on the subject for its employees and collaborators
<i>Financial performance (financial results)</i>	This topic refers to the Group's ability to achieve excellent and sustainable economic and financial results over time
<i>Financial performance (achievement of synergies)</i>	This topic refers to the ability to develop and achieve synergies (in terms of revenues and costs) between the facilities that are part of the Group
<i>Reputation (in terms of the quality of healthcare services provided)</i>	This topic refers to the maintenance of a high level of consideration for the Group's facilities on the part of patients and medical staff, primarily with reference to the quality of the services provided. It is also linked to more relational aspects such as the presence and visibility of the Group in the medical-scientific community.
<i>Reputation (in terms of corporate governance)</i>	This topic refers to the maintenance of a high level of consideration for the Group by investors, lenders and public institutions, primarily with reference to corporate transparency and correctness. It is also linked to more relational aspects such as the presence and visibility of the Group in the economic-financial community.
<i>Reputation (in terms of sense of belonging to the Group for the individual facilities)</i>	This topic refers to the development of a sense of belonging and loyalty to the GHC Group for the individual constituent Facilities. More relational aspects such as operational co-operation between individual Facilities is also considered under this aspect.

## **2. Definition of the approach to stakeholder engagement**

Once its material topics had been updated, the Company proceeded to send each of the stakeholders involved a supporting document (the "Questionnaire"), designed to ensure a quantitative approach to the data collection process. In particular, the questionnaire allowed stakeholders to assign, for each of the material topics identified, a grade ("materiality opinion") on a scale of values ranging from 1 (low perceived relevance) to 10 (high perceived relevance). It is specified how all stakeholders were asked to express their "materiality opinion" on the same material topics and on the basis of the same scale of values (from 1 to 10).

Overall, the Stakeholder Engagement activity involved the collection of 134 questionnaires, accounting for 100% of the questionnaires sent out. Each of the Questionnaires received included 18 "materiality opinions", corresponding to votes expressed from 1 to 10 for each of the 18 material topics reported above.

## **3. Engagement of the Chief Executive Officers and General Managers of the GHC Group clinics**

The creation of the "materiality matrix" involves the positioning of the material topics identified by the company within a cartesian plan, so as to link - for each topic - the relevance as assigned by the Company and by the stakeholders. Therefore, the construction of such a matrix also requires a quantitative assessment of the material topics by the company itself (i.e. their prioritisation).

For this reason, in order to allow ESG topics to be communicated as widely as possible within the Group and in line with the commitments made in the 2019 NFS, which included "consolidating the listening to and engagement of internal stakeholders", the Stakeholder Engagement activity was extended by directly involving the Company's top management, identified as the Chief Executive Officers/General Managers ("CEO/GM") of the subsidiaries, as they are considered top roles representing the Company as a whole.

In particular, this process was organised by establishing: (a) that each CEO/GM of the subsidiaries would express his/her own "materiality opinion" on the material topics identified by the Company and mentioned above, according to the same methods adopted for the engagement of external stakeholders (i.e. by means of the Questionnaire, or rather by assigning each material topic a vote on a scale from 1 to 10); (b) that each CEO/GM of the subsidiaries would also express a "materiality opinion" with respect to the clusters of stakeholders involved, assigning each a weight between 0% (low perceived relevance) and 100% (high perceived relevance) and such as to ensure that the sum of the weights assigned was 100%.

The engagement of the CEO/GMs of the subsidiaries involved the collection of 12 questionnaires, equal to 100% of the questionnaires sent, representative of the top management of all the structures belonging to the GHC Group as at 30.06.2020. Each of the Questionnaires received included 18 "materiality opinions", corresponding to votes expressed from 1 to 10 for each of the 18 material topics reported above. It should be noted that the Questionnaires prepared by the CEO/GMs of the subsidiaries also included the "materiality opinions" with respect to the clusters of stakeholders involved (expressed on a scale of between 0% and 100%).

## **4. Preparation of GHC's Materiality Matrix**

GHC's "Materiality Matrix," or the placement of material topics on a Cartesian plan, was constructed by associating, for each material topic:

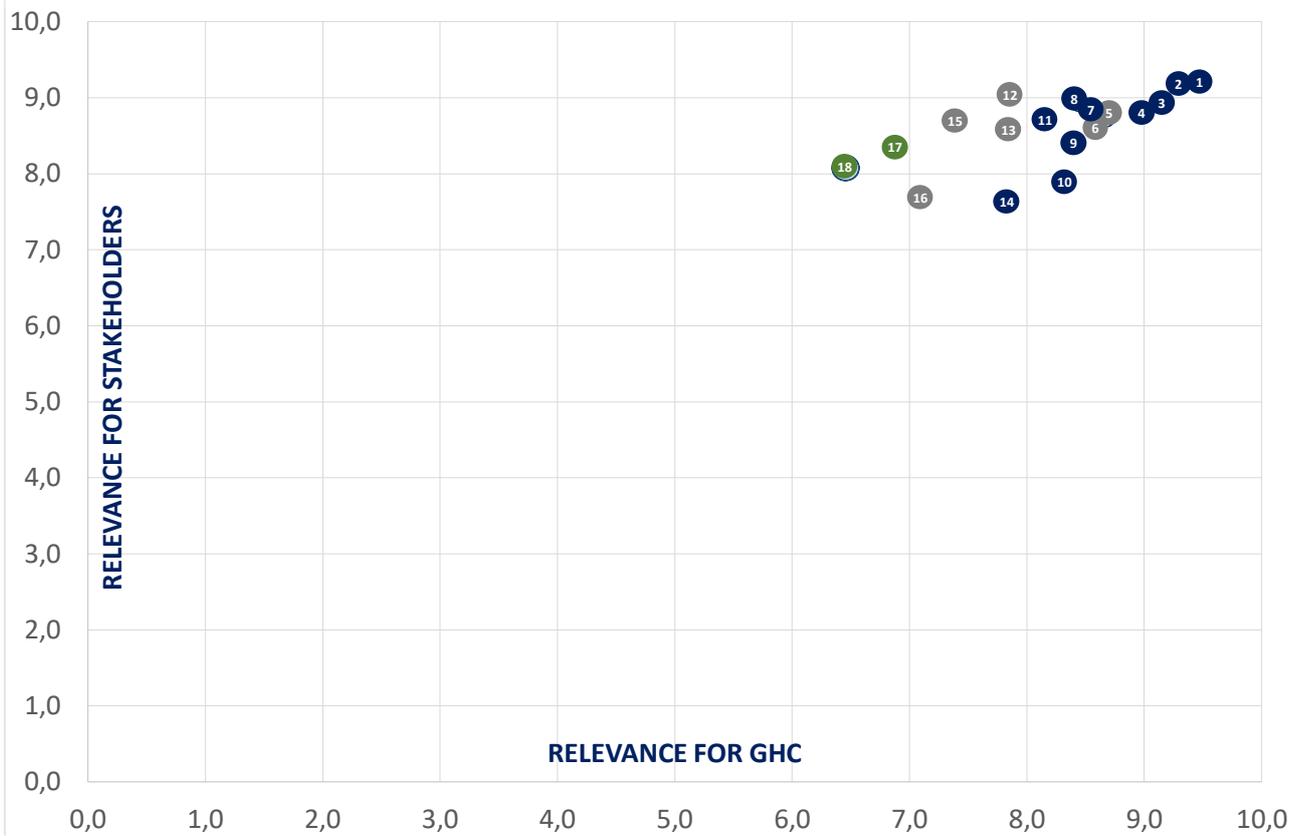
- (i) the "weighted average materiality rating" expressed by the CEO/GMs of the subsidiaries (i.e. calculated as the average of the individual "materiality opinions" expressed by each CEO/GM, each weighted by the contribution of the related structure to 2019 Pro-Forma revenues); with
- (ii) the "weighted average materiality opinion" expressed by the clusters of stakeholders involved (i.e. calculated as the average of the individual "materiality opinions" expressed by each cluster of stakeholders, each considered according to the weighted average weight assigned to it by the CEO/GMs of the subsidiaries).

## **5. Sharing and formalisation of the Materiality Matrix of GHC**

The Materiality Matrix thus prepared, shown below, was therefore presented and shared with the Control, Risks and Sustainability Committee and then presented for analysis by the Board of Directors, which proceeded to approve it in October 2020.

In order to make the connection between the material topics for the Group and the ESG topics easier, each material topic is highlighted according to whether it relates to an environmental ("Environment"), social ("Social") or governance ("Governance") matter.

### GHC Group Materiality Matrix



**Environmental topics**



**Social topics**



**Governance topics**

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li><b>1</b> Quality of care</li> <li><b>2</b> Reputation (in terms of quality of services provided)</li> <li><b>3</b> Focus on the patient and caregiver</li> <li><b>4</b> Health and safety</li> <li><b>5</b> Reputation (in terms of a sense of belonging to the Group for single facilities)</li> <li><b>6</b> Risk management</li> <li><b>7</b> Protection of patients' rights</li> <li><b>8</b> Financial performance (financial results)</li> <li><b>9</b> Attraction, maintenance and development of staff</li> </ul> | <ul style="list-style-type: none"> <li><b>10</b> Technological innovation (availability of state-of-the-art machinery and medical equipment)</li> <li><b>11</b> Business performance (achievement of synergies)</li> <li><b>12</b> Reputation (in terms of governance)</li> <li><b>13</b> Combatting corruption</li> <li><b>14</b> Technological innovation Digitalisation of services offered to patients and caregivers</li> <li><b>15</b> Data security and privacy</li> <li><b>16</b> Succession planning</li> <li><b>17</b> Management of environmental impacts;</li> <li><b>18</b> Responsibility along the supply chain</li> </ul> |
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***Summary of results and main considerations***

The results of the Stakeholder Engagement activity, graphically represented by means of a "materiality matrix", showed a significant alignment between the Company and its stakeholders with respect to material non-financial topics, confirming the excellent level of internal and external awareness of these aspects and the materiality analysis developed by the Company since 2018. In particular, it is reported that:

- i) all material topics identified by the Company, updated progressively from 2018 to the present, were found to be particularly material to the stakeholders involved, as highlighted by the positioning of the material topics in the matrix (i.e. in the upper right quadrant) and the limited distance separating each material topic from the other (with reference to both the horizontal and vertical axes);
- ii) this result is even more significant in light of the fact that the materiality opinions are "absolute" and not "relative", i.e. they photograph the materiality attributed by stakeholders to each material topic in itself and not in relation to others;
- iii) the positioning of material topics within the "materiality matrix" reflects the values and history of the Group, which has made the quality of care and the excellence of the services provided as one of its distinctive features. In this sense, it is important to underline how this is perceived not only by the Group's top management (Chief Executive Officer/General Managers of the subsidiaries), but also by all the stakeholders involved, highlighting a clear and widely recognised message;
- iv) the materiality matrix presented above has been shared and approved by GHC's Board of Directors, and will be the starting point for further actions to investigate non-financial material topics, as part of a continuous development path that recognises the strategic role of such topics for GHC.

## 6.6 Materiality Matrix and Sustainable Development Goals (SDGs)

On September 25, 2015, the governments of the 193 member countries of the United Nations (UN) signed up to the 2030 Agenda for Sustainable Development, a programme composed of 17 goals known as the Sustainable Development Goals (SDGs) that "calls to action" all member countries in an effort to put the world on a sustainable path for the benefit of its people, the planet, and prosperity. In order to contribute concretely to the implementation of the Global Agenda, the UN member countries have set themselves 17 common sustainable development goals ("Sustainable Development Goals" or "SDGs"), divided into 169 targets to be achieved by the year 2030.

"Common goals" means that all countries and all individuals are called upon to contribute, defining their own sustainable development strategy and involving all components of society. An active role is required also of businesses, which with their resources and expertise can offer a fundamental contribution to the achievement of the SDGs.



The GHC Group is aware that the healthcare sector – particularly the personal care sector – has enormous potential for supporting the UN Sustainable Development Goals: quality of care, a focus on patients and caregivers, health and safety issues, access to excellent machinery and equipment - to name a just few - are important avenues to achieving broader sustainability goals, capable of yielding a tangible positive impact on the world we live in, for the benefit of future generations.

Accordingly, in pursuit of increasingly solid integration between business and sustainability strategy, starting in 2020 in its NFS GHC has decided to underscore the connections with the Sustainable Development Goals promoted by the United Nations and its own material topics indicated in its Materiality Matrix shown above, in order to highlight how the Group's activities are connected to them.

In this context, GHC has proceeded to identify some priority sustainable development goals for the Group through the following process:

- analysis of the United Nations Sustainable Development Goals (SDGs) and related long-term targets, as represented in the 2030 Agenda for Sustainable Development;
- identification of an initial cluster of sustainable development objectives of reference, to which the Company has concluded that it can contribute in the medium/long term through its own specific activity;
- association, for each material topic identified and described above, of one or more sustainable development objectives among those identified as priorities, in pursuit of a growing, ongoing integration of business and sustainability.

In particular, in light of the specific business sector in which the Group operates, GHC believes, in the long term, that it can contribute to the achievement of SDGs 3 ("Good health and well-being"), 5 ("Gender equality"), 8 ("Decent work and economic growth"), 9 ("Industry, innovation and infrastructure"), 10 ("Reducing inequalities") and 16 ("Peace, justice and strong institutions").

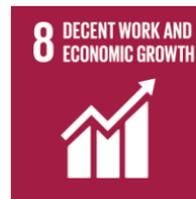
### Priority Sustainable Development Goals for GHC



Ensure health and well-being for all people of all ages



Achieve gender equality and emancipate all women and girls



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.



Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.



Reduce inequality within and between nations



Promote peaceful and inclusive societies for sustainable development, ensure access to justice for all, and create effective, accountable, and inclusive institutions at all levels

The association between the SDGs identified as priorities and material topics are shown below.

Link between material topics and GHC priority SDGs	3 SALUTE E BENESSERE	5 PARITÀ DI GENERE	8 LAVORO DIGNITOSO E CRESCITA ECONOMICA	9 IMPRESE, INNOVAZIONE E INFRASTRUTTURE	10 RIDURRE LE DISUGUAGLIANZE	16 PACE, GIUSTIZIA E ISTITUZIONI SOLIDE
Quality of care	●		●	●		
Reputation (in terms of the quality of healthcare services provided)	●		●			●
Focus on the patient and caregiver	●				●	●
Health and safety	●		●	●		
Reputation (in terms of sense of belonging to the Group for the individual facilities)	●		●		●	●
Risk management	●		●	●		
Protection of patients' rights	●	●			●	●
Financial performance (financial results)			●	●		
Attraction, maintenance and development of staff		●	●		●	●
Technological innovation (availability of state-of-the-art machinery and medical equipment)	●		●	●		
Financial performance (achievement of synergies)			●	●		
Reputation (in terms of corporate governance)		●	●		●	●
Combatting corruption			●			●
Technological innovation (digitalisation of services offered to patients and caregivers)	●		●	●		
Data security and privacy	●		●	●		
Succession planning		●	●		●	●
Management of environmental impacts			●	●		
Responsibility along the supply chain	●		●	●		

## 6.7 Integration between material topics represented in the NFS and Enterprise Risk Management

The GHC Group, as part of its Internal Control and Risk Management System (described in the following sections) has defined the basis for the adoption of a single, integrated Risk Management system within the Company's organisational and governance structure for the periodic analysis, assessment, management and monitoring of risks within the organisation. Specifically, during 2020 GHC set up an Enterprise Risk Management ("ERM") model that seeks to integrate risk management with the business model and support strategic planning.

Therefore, in line with the commitment undertaken in the 2019 NFS and to ensure improved integration of ERM and NFS elements within the strategic formulation process, GHC has:

- allocated each of the 18 material topics to be specific "risk scope" identified within the "risk categories" defined within GHC's Risk Universe (approved by GHC's BoD in December 2020);
- identify, for each "risk scope", the main safeguards and mitigation actions.

The results of this activity are presented below in the material topic correlation table set out by Legislative Decree No. 254/2016.

### Correlation table between Legislative Decree 254/2016 topics, GHC material topics, and Enterprise Risk Management (1/2)

ENVIRONMENTAL	RISK CATEGORIES AND AREAS	DESCRIPTION OF THE RISK AREA	MAIN SAFEGUARDS AND MITIGATION ACTIONS
<b>Management of environmental impacts</b>	Regulatory, legal, and behavioural: compliance with laws and regulations	Risks that may result from the violation of applicable laws or regulations	<ul style="list-style-type: none"> <li>- Mapping applicable statutory and regulatory requirements</li> <li>- Monitoring of compliance measures in place</li> </ul>
<b>Responsibility along the supply chain</b>	Operations: relationships with service partners and suppliers	Risks that may result from dependence on critical service partners and suppliers	<ul style="list-style-type: none"> <li>- Mapping of critical suppliers and the factors determining their criticality</li> <li>- Verifying the presence of alternative plans for emergency situations (e.g.: electrical continuity plans for Healthcare Facilities, any secondary back-up providers)</li> </ul>
RELATED TO PERSONNEL	RISK CATEGORIES AND AREAS	DESCRIPTION OF THE RISK AREA	MAIN SAFEGUARDS AND MITIGATION ACTIONS
<b>Attraction, maintenance and development of staff</b>	Strategic planning: human capital	Risks that may result from the unavailability of key individuals (e.g., Directors and SDE) within the organisation	<ul style="list-style-type: none"> <li>- Group management process</li> <li>- Definition of retention and incentive plans</li> <li>- Approval of a succession plan for Directors and SDEs in December 2020 and beginning of a compensation benchmarking analysis (process ongoing)</li> </ul>
<b>Succession planning</b>	Strategic planning: human capital	Risks that may result from the unavailability of key individuals (e.g., Directors and SDE) within the organisation	<ul style="list-style-type: none"> <li>- Approval of a succession plan for Directors and SDEs in December 2020 and beginning of a compensation benchmarking analysis (process ongoing)</li> </ul>
SOCIAL AND RESPECT FOR HUMAN RIGHTS	RISK CATEGORIES AND AREAS	DESCRIPTION OF THE RISK AREA	MAIN SAFEGUARDS AND MITIGATION ACTIONS
<b>Quality of care</b>	Governance: protecting the Group's values in terms of patient safety and rules of conduct	Risks that may arise from cases of "medical malpractice" and/or violation of the Code of Ethics in Group companies	<ul style="list-style-type: none"> <li>- Providing regular information flows to monitor exposures and review how healthcare facilities are guarding against these risks</li> <li>- Regular information flows to the SB for potential violations of the code of conduct</li> <li>- Consultancy appointment for Dr. Sergio Venturi, former Regional COVID-19 Commissioner for the Emilia-Romagna Region, for the management of organisational protocols related to the prevention and containment of the spread of the COVID-19 virus</li> <li>- Formalisation of the Group's operating model in the Company Regulations and definition of the related regulatory system</li> </ul>
<b>Focus on the patient and caregiver</b>	Governance: protecting the Group's values in terms of patient safety and rules of conduct	Risks that may arise from cases of "medical malpractice" and/or violation of the Code of Ethics in Group companies	<ul style="list-style-type: none"> <li>- Formalisation of the Group's operating model in the Company Regulations and definition of the related regulatory system</li> </ul>
<b>Risk management</b>	Communications and relations with stakeholders: Group reputation	Risks that may result in damage to GHC Group's brand image or its credibility and integrity	<ul style="list-style-type: none"> <li>- Approved a communication procedure that also includes possible CEO activation and support of an external communication agency</li> <li>- Update of the Guidelines of the Internal Control and Risk Management System (ICRMS), formalisation of the Regulations and Group Information Flows (approved by the Board of Directors in October 2020)</li> </ul>
<b>Health and safety</b>	Health and safety: employee safety	Risks that could result in death or serious injury to employees	<ul style="list-style-type: none"> <li>- Providing regular information flows to monitor exposures and review how healthcare facilities are guarding against these risks</li> <li>- Consultancy appointment for Dr. Sergio Venturi, former Regional COVID-19 Commissioner for the Emilia-Romagna Region, for the management of organisational protocols related to the prevention and containment of the spread of the COVID-19 virus</li> </ul>
<b>Protection of patients' rights</b>	Regulatory, legal, and behavioural: compliance with laws and regulations	Risks that may result from the violation of applicable laws or regulations	<ul style="list-style-type: none"> <li>- Mapping applicable statutory and regulatory requirements</li> <li>- Monitoring of compliance measures in place</li> <li>- Consultancy appointment for Dr. Sergio Venturi, former Regional COVID-19 Commissioner for the Emilia-Romagna Region, for the management of organisational protocols related to the prevention and containment of the spread of the COVID-19 virus</li> </ul>

### Correlation table between Legislative Decree 254/2016 topics, GHC material topics, and Enterprise Risk Management (2/2)

<b>Economic performance (financial results)</b>	Accounting and Reporting: margin targets	Risks that may result from the realisation of a consolidated Op. EBITDA margin below the target	<ul style="list-style-type: none"> <li>- Definition of a structured process of management control and specific periodic reporting to support it</li> <li>- Implemented 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</li> </ul>
<b>Financial performance (achievement of synergies)</b>	M&A: 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	<ul style="list-style-type: none"> <li>Presence of formalised M&amp;A management that provides: <ul style="list-style-type: none"> <li>- fiscal, legal, financial due diligence</li> <li>- direct contact with owners and staff of the target facility</li> <li>- sensitivity analysis of the main economic and financial assumptions underlying the acquisition of the company;</li> <li>- contractualisation of the guarantees as regards any liabilities that may emerge subsequent to the conclusion of the deal</li> <li>- formalised process and standards for "post-merger" integration</li> </ul> </li> </ul>
<b>Reputation (in terms of the quality of healthcare services provided)</b>	Communications and relations with stakeholders: Group reputation	Risks that may result in damage to GHC Group's brand image or its credibility and integrity	<ul style="list-style-type: none"> <li>- Approved a communication procedure that also includes possible CEO activation and support of an external communication agency</li> </ul>
<b>Reputation (in terms of corporate governance)</b>	Governance: monitoring of the Group's values in terms of rules of conduct	Risks that may result from violation of the Code of Ethics in Group companies	<ul style="list-style-type: none"> <li>- Regular flow of information to the Supervisory Board regarding potential violations of the code of conduct</li> <li>- Formalisation of the Group's operating model in the Company Regulations and definition of the related regulatory system</li> </ul>
<b>Reputation (in terms of a sense of belonging to the Group for single facilities)</b>	Communications and relations with stakeholders: Group reputation	Risks that may result in damage to GHC Group's brand image or its credibility and integrity	<ul style="list-style-type: none"> <li>- Approved a communication procedure that also includes possible CEO activation and support of an external communication agency</li> </ul>
<b>Data security and privacy</b>	ICT: availability, confidentiality, integrity of patient data and information systems	Risks that may result from cyber attacks and/or compromise the availability of ICT systems and/or the confidentiality and integrity of other sensitive data (e.g. economic and financial data)	<ul style="list-style-type: none"> <li>- Provide for regular information flows</li> <li>- Creation of cyber risk assessment to evaluate, on the basis of a cost-benefit analysis, further security measures to be implemented</li> </ul>
<b>Technological innovation (availability of state-of-the-art machinery and medical equipment)</b>	Strategic planning: infrastructure and technology	Risks that may result from technologies that are not up to date with the dynamics of a changing market	<ul style="list-style-type: none"> <li>- Continuous monitoring of the reference market, also through comparison with other players in the sector</li> <li>- Definition and mapping of 'core' equipment (e.g., equipment with higher added value and/or essential for the delivery of 'core' services)</li> <li>- Verification of investment planning with the support of the Parent Company</li> </ul>
<b>Technological innovation (digitalisation of services offered to patients and caregivers)</b>	Communications and relations with stakeholders: Group reputation	Risks that may result in damage to GHC Group's brand image or its credibility and integrity	<ul style="list-style-type: none"> <li>- Approved a communication procedure that also includes possible CEO activation and support of an external communication agency</li> </ul>
<b>COMBATTING ACTIVE AND PASSIVE CORRUPTION</b>	<b>RISK CATEGORIES AND AREAS</b>	<b>DESCRIPTION OF THE RISK AREA</b>	<b>MAIN SAFEGUARDS AND MITIGATION ACTIONS</b>
<b>The fight against corruption</b>	Regulatory, legal, and behavioural: compliance with laws and regulations	Risks that may result from the violation of applicable laws or regulations	<ul style="list-style-type: none"> <li>- Mapping applicable statutory and regulatory requirements</li> <li>- Monitoring of compliance measures in place</li> </ul>

### 6.8 Sustainability as a pillar of growth: strategic roadmap and sustainability commitments

GHC's Board of Directors, following up on commitments made in the 2019 NFS, in October 2020 approved an "ESG Strategic Roadmap" based on three main guidelines and shown below.

	GUIDELINES	RATIONALE
<b>ESG STRATEGIC ROADMAP</b>	<b>i</b> Development and extension of Stakeholder Engagement activity	Ensure an increasing involvement/dialogue with stakeholders, as the basis for a transparent and participatory sustainability strategy
	<b>ii</b> Development and analysis of GHC 'material topics' and their integration into the ERM system	Guarantee an increasingly consistent and accurate process for the analysis and monitoring of material issues (including through their increased integration with the ERM system)
	<b>iii</b> Alignment with market best practice	Progressively position GHC as a best-in-class operator, including in relation to non-financial issues

As part of this activity, GHC also identified its commitments on sustainability topics relating to the short term (i.e., referring to 2021) and the medium-to-long term (i.e., to be completed in 2023), as set out below.

#### SUSTAINABILITY OBJECTIVES

SHORT-TERM OBJECTIVES (2021)	MEDIUM/LONG-TERM OBJECTIVES (BY 2023)
<p><b>GENERAL OBJECTIVE (alignment of ESG best practice)</b></p> <ul style="list-style-type: none"> <li>Implementation of Standard Ethics interventions as a lever to foster an integrated approach to ESG issues</li> </ul> <p><b>SPECIFIC OBJECTIVE (updating Code of Ethics, expansion of Stakeholder Engagement, Diversity &amp; Inclusion Policy)</b></p> <ul style="list-style-type: none"> <li>Updating of the Code of Ethics to include explicit references to the principles of sustainability as defined by major organisations</li> <li>Expansion of the Stakeholder Engagement activity involving at least 3 GHC Group facilities</li> <li>Formalisation of a Policy on Diversity &amp; Inclusion issues</li> <li>Energy efficiency analysis for the first cluster of 8 facilities, identified as part of the specific medium- and long-term objectives</li> </ul>	<p><b>GENERAL OBJECTIVE (formalisation of ESG commitment)</b></p> <ul style="list-style-type: none"> <li>Improve Standard Ethics ESG rating (currently EE-, Inv. Grade)</li> </ul> <p><b>SPECIFIC OBJECTIVE (environment and energy efficiency)</b></p> <ul style="list-style-type: none"> <li>Analysis of the energy efficiency of the Group's facilities for subsequent definition and implementation of the consequent lines of action. This objective will be organised by defining, for each year, a sub-cluster of [8] Group facilities against which to process the activities of analysis, definition and implementation of the necessary action. It is specified that the realisation of the interventions shall be carried out, for each cluster, within the year following the analysis phase (i.e. for the 8 facilities of 2021: within 2022)</li> </ul>
<p><i>N.B. In 2022, short-term goals will include implementation of the energy efficiency actions defined in 2021 for the first cluster of 8 facilities and energy efficiency analysis for an additional 8 facilities</i></p>	<p><i>N.B. In 2022, short-term goals will include implementation of the energy efficiency actions defined in 2021 for the first cluster of 8 facilities and energy efficiency analysis for an additional 8 facilities</i></p>

These objectives have been integrated into the short and medium-long term remuneration plan approved by the Company in 2021 dedicated to the top management of the holding company and its subsidiaries, underscoring the importance attached by the Group to these issues and the constant, increasing integration of sustainability and performance.

## 7. GHC's commitment to supporting the public system in dealing with the COVID-19 emergency

At GHC, we were able to express our commitment to sustainability in a comprehensive and multi-directional manner during the difficult COVID-19 emergency in Italy from February 2020, on both an environmental and social level.

This commitment reflects the mission and values which have driven the Group, ensuring that the individual clinics and their operators have played a key role in fighting the pandemic, both by supporting the most critical patients and the public system more directly involved in the reception of patients affected by the virus.

### GHC Group activities in "Phase 1" (February, March and April 2020)

The Group, from February 2020, quickly acted in response to the situation outlined above and drew up and executed a series of actions and interventions to ensure the provision of healthcare and dependency care services in complete safety, while also ensuring that employees can work in strict compliance with the issued provisions.

These interventions were supported by ongoing monitoring and communication of the developing situation, also through periodic meetings between the Chief Executive Officer of the Group and the Chief Executive Officers / General Managers / Healthcare Managers of the subsidiaries. Monitoring and action plans were developed to assess the impacts of COVID-19 on the various operating areas and to contain its impacts.

By means of such synergetic and co-ordinated emergency management, GHC has been able to curb the spread of COVID-19, significantly limiting the spread of the virus within its clinics (including care clinics (RSA)). This was made possible by specific actions, including:

- i) the definition of Group operating protocols, which has allowed each facility to operate according to safety standards that are both stringent and shared;
- ii) centralised management of the supply of Personal Protection Equipment (PPE), which has ensured the prompt and cost-effective provision of PPE for every facility;
- iii) constant sharing of technical-specialist expertise regarding the clinical and epidemiological aspects of the virus;
- iv) the temporary relocation of healthcare staff from one facility to another in line with the extraordinary requirements related to COVID-19 during the quarter.

In addition, it is noted that all GHC Group clinics actively collaborated in February, March and April with the public healthcare system to tackle the pandemic. Specifically:

- the Casa di Cura Prof. Nobili, Rugani Hospital and l'Eremo di Miazzina, in collaboration with the relevant healthcare service, established wards dedicated to COVID-19 patients emerging from the acute phase, but still testing positive for the virus. These were equipped with 30, 20, and 32 beds, respectively. To ensure that this was carried out in complete safety, staff at all facilities were adequately trained, and suitable PPE was provided. Structural work was also undertaken to ensure the total separation of COVID-19 wards from other essential care areas.
- l'Eremo di Miazzina also dedicated a further 15 beds to "post-COVID" patients, i.e. those testing negative for the virus but awaiting further clinical tests, and as such not yet ready to be discharged;
- l'Hesperia Hospital of Modena collaborated with Modena General Hospital and a healthcare service company to provide urgent oncological surgery for patients at the General Hospital and all the other hospitals managed by that healthcare service. To do this, the facility opened to patients a recovery ward equipped with 30 beds, operating theatres, intensive care facilities and all other auxiliary services, along with its own highly qualified staff;
- The Ospedali Privati Riuniti of Bologna provided 40 beds and four operating theatres for the Sant'Orsola-Malpighi and Maggiore Hospitals of Bologna, allowing urgent oncological surgery to continue for patients of those hospitals.
- Rooms were set up within the Poliambulatorio Dalla Rosa Prati of Parma for the use of the oncological Day Hospital at Parma Hospital, allowing patients to continue their chemotherapy treatment in a safe, protected environment;
- Finally, la Casa di Cura Villa Berica provided San Bortolo Hospital with pulmonary ventilators and intensive care nursing support.

#### GHC Group activities in "Phase 2" (May, June, July, August and September 2020)

From May 4, with the easing of the restrictions previously imposed and the start of "Phase 2", Group activities resumed, although in a progressive and non-uniform manner, in compliance with the national and local regulations as applicable. However, it should be noted that the Group's activities in support of the public system also continued during "Phase 2".

Specifically:

- The COVID-patient dedicated wards set up in "Phase 1" and indicated above remained open, until May 31 at Casa di Cura Prof. Nobili, until June 10 at Eremo di Miazzina and until June 15 at Rugani Hospital;
- The public system support activities provided by Ospedali Privati Riuniti di Bologna and Hesperia Hospital continued in May and June and are still ongoing, although to a reduced extent;
- The public system support activities provided by the Poliambulatorio Dalla Rosa Prati and outlined above continued throughout the month of May.

#### GHC Group activities in October, November and December 2020

From October, in view of the deteriorating COVID-19 outbreak in Italy, it is noted that all GHC Group clinics closely collaborated in the period with the public healthcare system to again tackle the pandemic, managing at the same time not to limit its operations. Specifically:

- the Casa di Cura Prof. Nobili, Rugani Hospital and l'Eremo di Miazzina, in collaboration with the relevant healthcare service, re-opened wards dedicated to COVID-19 patients emerging from the acute phase, but still testing positive for the virus. These were equipped with 30, 10, and 32 beds, respectively;
- Ospedali Privati Riuniti di Bologna continued to support the public system, also providing a 20-bed ward dedicated to COVID patients. In addition to this, it should be noted that in November OPR won a public tender with the Rizzoli Orthopaedic Institute to carry out orthopaedic surgery at its facility in Villa Regina;
- During the reporting period, Hesperia Hospital continued its support to the public system of recent months and also made available to the Policlinico and AUSL di Modena 4 weekly operating room sessions for Oncological Senology procedures and 1 weekly session for orthopaedic procedures;
- Villa Berica in November made available a 10-bed ward dedicated to COVID patients, then closed in December

The intensive activities outlined above highlight the extent to which the Group is driven by the values of civic responsibility, mutual support, social support, integration and sharing, operating - even in a critical and challenging environment such as that caused by the pandemic - in a responsible and sustainable manner, without neglecting protection of its healthcare personnel and all Group staff.

## 8. GHC Group Governance (102-18)

### 8.1 The Corporate Governance Model

The Company complies with Self-Governance Code promoted by Borsa Italiana S.p.A., in force since 31.12.2020 and its corporate governance structure is designed in compliance with the recommendations contained in the Code and its updates. In addition, the Company noted the approval of the new edition of the Code, called the "Corporate Governance Code", on January 31, 2020, and has committed to adapt its corporate practices to the principles underlying the new Corporate Governance Code during the 2021 financial year, informing the market of such in its corporate governance and ownership structure report to be published during 2022. As indicated in the Corporate Governance and Ownership Structure Report, which can be consulted on the Group's website in the "Governance" section and to which reference should be made for further details, GHC's corporate governance system is structured according to the traditional administration and control model and features the bodies indicated below:

- 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 is made up of 11 members, 3 of whom are independent as per Article 148 of the CFA and Article 3 of the Self-Governance Code. As reported below, its composition complies with gender equality provisions. The Directors are appointed by the Shareholders' Meeting and hold office for three financial years. [GRI 102-24](#)

Name	Role
Alessandro Maria Rinaldi	Chairman
Maria Laura Garofalo	Chief Executive Officer
Grazia Bonante	Independent Director
Franca Brusco	Independent Director
Nicola Colavito	Non-Executive Director
Patrizia Crudetti	Non-Executive Director
Federico Ferro-Luzzi	Independent Director
Claudia Garofalo	Executive Director
Giuseppe Giannasio	Executive Director
Alessandra Rinaldi Garofalo	Non-Executive Director
Umberto Suriani	Executive Director

The Board of Statutory Auditors consists of three Statutory Auditors and one Alternate Auditor, as presented below.

Name	Role
Alessandro Musaio	Chairman
Francesca Di Donato	Statutory Auditor
Andrea Bonelli <sup>(3)</sup>	Statutory Auditor
Jacopo Doveri	Alternate Auditor

<sup>(3)</sup> Formerly Alternate Auditor, replacing Ms. Giancarla Branda from October 1, 2020

As per the Corporate Governance recommendations of the Self-Governance Code of Borsa Italiana, the Company set up a Control, Risks and Sustainability Committee (“**CRSC**”, as renamed on September 26, 2019), in accordance with Article 7 of the Self-Governance Code, also assigned functions in terms of related party transactions and as presented below.

Name	Role
Franca Brusco	Chairperson of the Control, Risks and Sustainability Committee
Grazia Bonante	Member of the Control, Risks and Sustainability Committee
Federico Ferro-Luzzi	Member of the Control, Risks and Sustainability Committee

Similarly, the Company has set up an Appointments and Remuneration Committee (“**ARC**”), as per Articles 5 and 6 of the Corporate Governance Code and as presented below.

Name	Role
Federico Ferro-Luzzi	Chairman of the Appointments and Remuneration Committee
Grazia Bonante	Member of the Appointments and Remuneration Committee
Franca Brusco	Member of the Appointments and Remuneration Committee

It should be noted that on June 23, 2020 the Company decided to bring in-house the **Internal Audit** activities (until June 30, 2020 outsourced to Marsh Risk Consulting Services S.r.l. in the person of Mr. Maurizio Quintavalle), by appointing Ms. Alessandra Maurelli as Internal Audit Manager, with effect from July 1, 2020.

In addition to the above, in light of its specific business model, GHC's Board of Directors in 2018 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.

In addition, also in 2018, GHC's Board of Directors set up a **Scientific Committee**, on which leading scientific experts with consultative functions sit, which 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 was appointed on December 18, 2019 in the person of Prof. Oscar Maletti, a leader in the field of vascular surgery and of the international scientific community.

## 8.2 Group organisational model and regulatory system

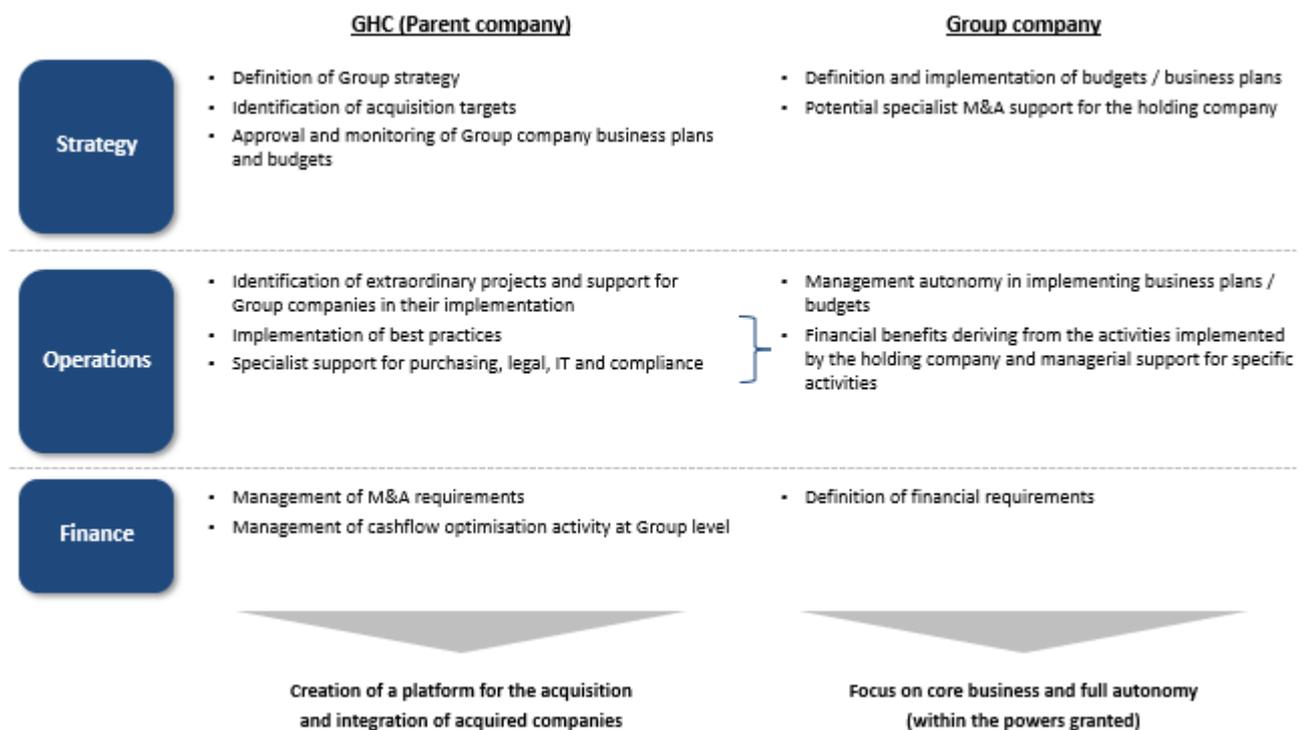
### GHC Group organisational model

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, assigns objectives to the individual clinics and monitors their achievement, identifies potential clinics to be acquired (manages M&A's and the post-acquisition integration plan for the achievement of potential synergies), in addition to certain specific Group activities in order to quickly tap into the possible business efficacy and efficiency synergies.

Similarly, each subsidiary independently manages the provision of healthcare and dependency care services under its responsibility, draws up the Budget / Business Plan and is responsible for its implementation, periodically defining its financial requirements.

Transactions between the Parent Company and its subsidiaries, in terms of scope of activities, are presented below.



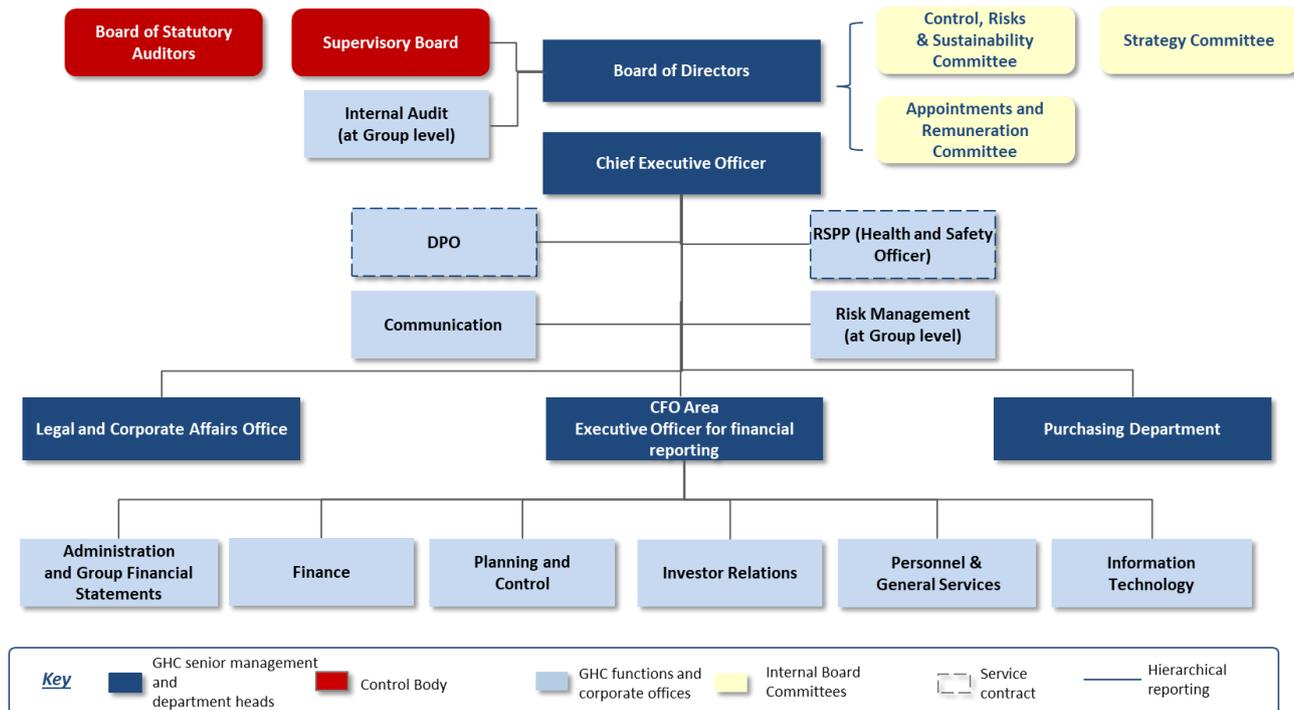
### Organisational model of the Parent Company

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

- CFO Area: (i) manages the administration, finance, planning and control activities of the Group so as to ensure the use of 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 and (iv) supports the Group's structures in terms of these issues;
- 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 CEO, and ensures the communication of information regarding GHC and each subsidiary, with the exception of regulated information;

- Purchasing Area: handles the procurement of goods and services to support the operations of the Company, contributing to Group purchasing policies in line with corporate strategies;
- 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.

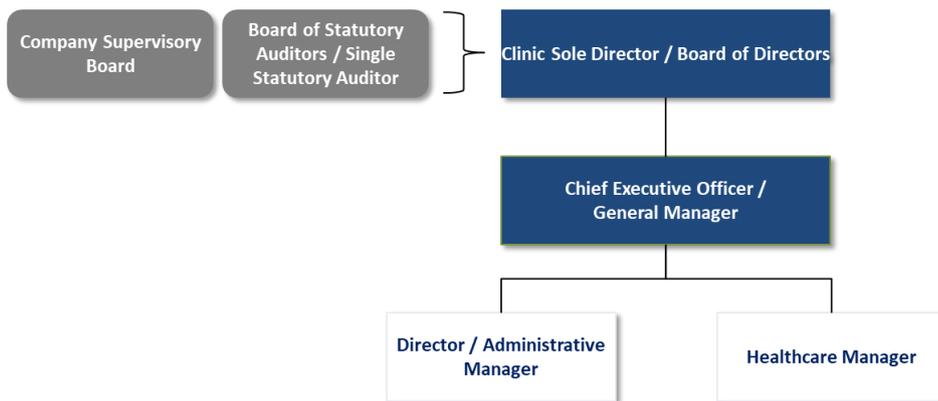
The organisational model also provides that, based on the indications provided by the Self-Governance Code, the Internal Audit function, which co-ordinates activities at Group level, reports directly to the Board of Directors of GHC S.p.A. in order to guarantee its autonomy and independence.



### 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;
- **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.

Key

Subsidiary senior management



Subsidiary management



Control body

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

**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, as well as 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.

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***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.

### 8.3 Group Internal Control and Risk Management System and Information Flows

#### Internal Control and Risk Management System

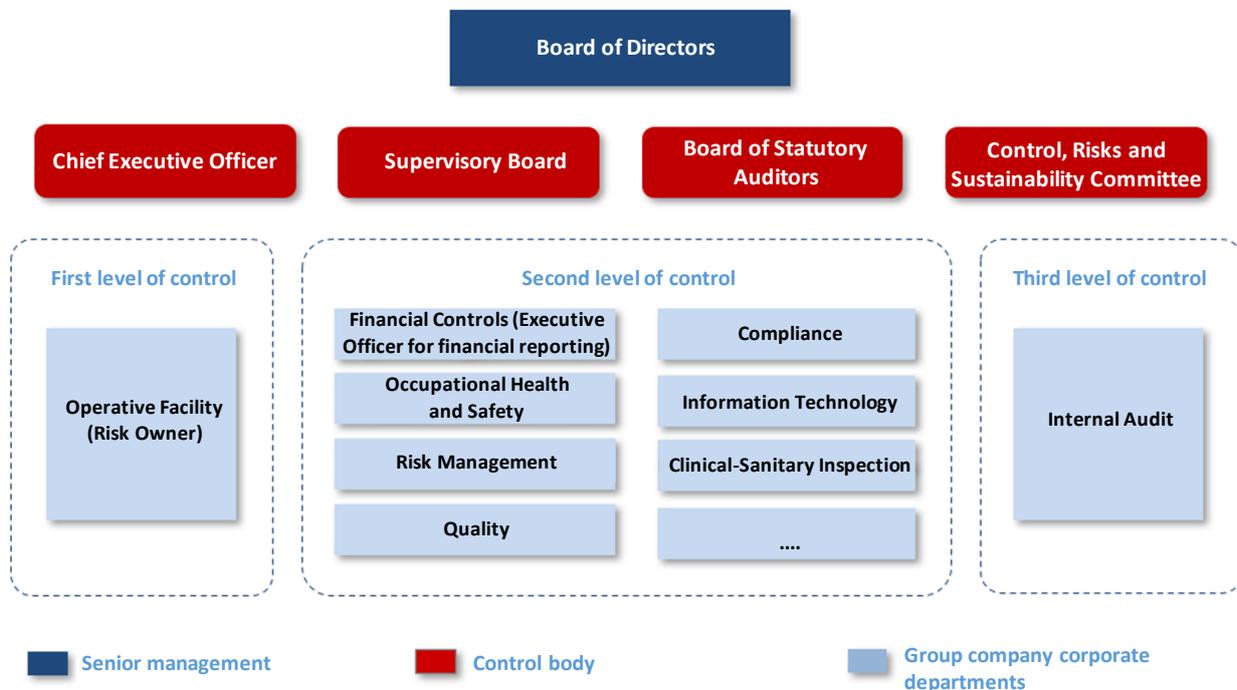
The Internal Control and Risk Management System (“ICRMS”) plays a central role in GHC's decision-making process and is defined, in accordance with the principles set out in Article 6 of the new "Corporate Governance Code for Listed Companies" adopted by the Corporate Governance Committee in January 2020, 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”) 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 Department 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 reporting 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 (Group Ethics Code to promote and maintain an adequate level of correctness, transparency and ethics in the conduct of Group activities, Organisational and Management Model pursuant to Legs. 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, Legal, Compliance, Occupational Health and Safety and Environment, Administration and Control);
- 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.

In 2020, the Guidelines were subject to a specific update in order to: (i) implement organisational changes made in the Parent Company and (ii) adapt the document to the new Corporate Governance Code for Listed Companies, in effect from January 1, 2021.

### **Group information flows**

The GHC Group Information Flow Guidelines ("**Information Flows**"), also approved in 2020 by the GHC Board of Directors, 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.

## **8.4 Enterprise Risk Management**

### **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.

Directly as a result of these considerations, in 2020 the Board of Directors of GHC S.p.A. approved the adoption of the Risk Management model based on the 2017 version of the COSO framework "Enterprise Risk Management (ERM). As part of the Internal Control and Risk Management System, the basis was established for the adoption of a single, integrated Risk Management system within the Company's organisational and governance structure for the periodic analysis, assessment, management and monitoring of risks within the organisation.

The approach followed by GHC, which outlines the nature and profile of the main risks that can undermine the achievement of business planning and sustainability objectives, highlights the focus and importance that the Group places on risk management.

In line with the approved ERM model, the GHC Group's risk management is based on a structured and continuous process, carried out in order to deal with the organisation's risks in an integrated manner and to provide 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 company, in addition to its protection.

Specifically, the main ERM objectives are to:

- obtain an integrated and dynamic view of the Group's main business risks that may impact the achievement of strategic objectives;
- strengthen the corporate culture at all levels and the awareness that appropriate risk assessment and management benefits the achievement of objectives, the creation of value for the company and long-term sustainability;
- promote the consideration of risk management in the company's processes in order to guarantee consistency among the methodologies and tools for risk management and control;
- develop a common language and provide a consistent approach to identifying events that may affect the company's business.

In particular, the ERM model centres on specific key elements that interact according to precise operating logics, in particular:

- Risk Appetite: a tool which defines, for the various applicable risk categories and in order to support the strategic objectives and the mission, in line with the Group’s value system, both the Risk Appetite which the Group wishes to assume, in addition to the Risk Tolerance;
- Corporate Risk Profile: map of key Group risks (Risk Register), with an assessment of the probability and impact in terms of hindering the Company’s objectives;
- Key Risk Indicators (KRI): indicators for the periodic and ongoing monitoring of the Corporate Risk Profile;
- Risk Governance: setting of the roles and responsibilities of the various Group stakeholders, in addition to information flows.

The key roles and responsibilities identified by the GHC Group in managing these issues are presented below.

**Roles and responsibilities of the GHC ERM framework**

<b>ADDRESS</b>	Board of Directors	<ul style="list-style-type: none"> <li>- Defines the guidelines of the Internal Control and Risk Management System;</li> <li>- Oversees the proper functioning, comprehensiveness and effectiveness of the ERM model</li> <li>- Approves the ERM Guidelines and the RAS, as well as the results of the Group Risk Assessment</li> </ul>
	Control, Risks and Sustainability Committee	<ul style="list-style-type: none"> <li>- Oversees correct and effective application of the ERM methodology across the Group</li> <li>- Supports Board evaluations and decisions related to the risk management system</li> </ul>
<b>IMPLEMENTATION</b>	Chief Executive Officer	<ul style="list-style-type: none"> <li>- Implements the guidelines defined by the Board of Directors</li> <li>- Validates the ERM Guidelines and defines the RAS, with the support of the relevant departments</li> <li>- Validates the results of the Group Risk Assessment</li> </ul>
	Group Risk Manager	<ul style="list-style-type: none"> <li>- Develops the methodological approach and components of the ERM model</li> <li>- Coordinates and supervises Risk Assessment activities</li> </ul>
	Risk Coordinator for healthcare facilities <sup>(1)</sup>	<ul style="list-style-type: none"> <li>- Coordinates Risk Assessment activities at the reference health facility, ensuring application of ERM methodology</li> <li>- Ensures adequate information and reporting flows to the Group Risk Manager</li> </ul>
	Risk Owners	<ul style="list-style-type: none"> <li>- Identify and assess risks</li> <li>- Define and implement the risk mitigation actions defined within the Action Plans</li> </ul>
<b>SUPERVISION</b>	Board of Statutory Auditors	<ul style="list-style-type: none"> <li>- Responsible for overseeing the adequacy of the ERM model</li> </ul>
	Internal Audit	<ul style="list-style-type: none"> <li>- Monitors the effectiveness and efficiency of the model</li> <li>- Contributes to the identification of risk areas</li> </ul>

(1) The figure of the Risk Coordinator is identifiable, depending on the health facilities, in the figures of CEO or GM and is supported by Administrative Directors and/or Health Directors

## 9. Economic and social responsibility

### Operating performance (financial results) (201-1)

DESCRIPTION OF THE MATERIAL TOPIC FINANCIAL PERFORMANCE (FINANCIAL RESULTS)	This topic refers to the Group's ability to achieve excellent and sustainable economic and financial results over time				
LINKING THE MATERIAL TOPIC WITH THE GHC'S PRIORITY SDGs	 				
FIELD OF REFERENCE OF THE LEGISLATIVE DECREE 254/2016	Social and respect for human rights				
TYPE OF CAPITAL INVOLVED	<b>TANGIBLE / FINANCIAL</b>   FINANCIAL    MANUFACTURING		<b>INTANGIBLE / PRE-FINANCIAL</b>     SOCIAL    NATURAL    HUMAN    INTELLECTUAL		
RELEVANCE ATTRIBUTED TO THE MATERIAL SUBJECT WITHIN THE STAKEHOLDER ENGAGEMENT ACTIVITY <sup>(1)</sup>	 <b>8.4</b> COMPANY CEO/GM	 <b>9.3</b> INVESTORS AND BANKS	 <b>8.8</b> DOCTORS AND RESEARCHERS	 <b>8.5</b> PERSONNEL	 <b>9.5</b> SUPPLIERS

(1) The values reported represent the average of the relevance judgements expressed by each stakeholder on a scale from 1 to 10 according to the process described in the previous sections

### Economic performance

The GHC Group's operating performance in 2020 was influenced by the health emergency tied to the spread of the COVID-19 pandemic in Italy and the resulting national and local measures imposing the mandatory suspension of all activities (unless urgent and non-deferrable) starting in March. The Group, which immediately offered to assist the National Health System in responding to the pandemic (as mentioned in the previous sections), reacted promptly to this emergency situation, as underscored by the excellent performance recorded since July following the easing of the restrictive measures mentioned above, enabled by efficient management and the full use of the facilities' production structures, which generally are only partly expressed in view of the budget limits.

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 organization's ability to create value for its stakeholders. For a uniform comparison, and as in the previous last year, these statements have been prepared on a pro-forma basis (i.e. giving retroactive effect from January 1 to the various acquisitions made by the Group in 2019 and 2020).

GHC Group Economic Value <sup>(4)</sup>			
Description - In Euro millions	2019 PF	2020PF	
Revenues	222.5	214.2	
Financial income	0.1	0.1	
Results of investments at equity	0.3	0.2	
<b>Economic value generated (gross) (A)</b>	<b>222.9</b>	<b>214.4</b>	
Amortisation, depreciation & write-downs (B)	13.0	12.0	
<b>Economic value generated (net) (C=A-B)</b>	<b>209.9</b>	<b>202.5</b>	
Raw materials consumed and other operating costs (D1)	29.4	28.8	
Costs for Services (D2)	30.4	30.1	

<sup>(4)</sup> 2019 Consolidated figures referring to the GHC Group's 2019 Pro-Forma Income Statement

Other operating costs (D3)	10.1	10.9
Doubtful debt and other provisions (D4)	2.8	3.3
Economic value distributed to suppliers (D=D1+D2+D3+D4)	72.7	73.0
Personnel expenses (E1)	50.6	53.8
Other Personnel Expenses <sup>(5)</sup> (E2)	61.0	60.1
Economic value distributed to employees (E=E1+E2)	111.6	113.9
Financial charges (F1)	2.7	2.8
Economic value distributed to providers of capital (F=F1)	2.7	2.8
Dividends (G1)	-	-
Minority interest result (G2)	0.0	0.0
Economic value distributed to shareholders (G=G1+G2)	0.0	0.0
Income taxes (H1)	6.7	1.3
Economic value distributed to the Public Sector (H=H1)	6.7	1.3
<b>Total economic value distributed (I=D+E+F+G+H)</b>	<b>193.6</b>	<b>191.0</b>
<b>Economic value retained by the GHC Group (L=C-I)</b>	<b>16.2</b>	<b>11.5</b>

The gross Economic Value Generated in 2020, a year impacted by the COVID-19 pandemic and the mandatory suspension of activities, with the exception of urgent and non-deferrable activities, imposed for the months of March, April and May, amounted to Euro 214.4 million. This value, net of depreciation, amortisation and write-downs, constitutes the Net Economic Value generated, which in 2020 amounted to Euro 202.5 million. The Net Economic Value generated was distributed as follows: (i) Personnel: Euro 113.9 million, equal to approx. 56% of the total; (ii) Suppliers: Euro 73.0 million, approx. 36% of the total; (iii) Lenders: Euro 2.8 million, approx. 1% of the total; (iv) Public Administration: Euro 1.3 million, in the form of taxes, approx. 1% of the total.

#### Disclosure relating to GRI indicator 207 (introduced from 2020)

##### Fiscal Approach

The GHC Group does not have a tax strategy. However, the Parent Company performs coordination activities, which consist in:

- i. providing guidance and guidelines on the subject of taxation, for the purposes of the uniform application of tax laws concerning matters 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 extraordinary 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;

<sup>(5)</sup> Included among other personnel expenses are medical and surgical services, nursing services, other healthcare staff services, technical health services, gifts to employees, Directors' and Statutory Auditors' fees.

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 Company 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 companies 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.

**Operating performance (achievement of synergies) (201-1)**

DESCRIPTION OF THE MATERIAL TOPIC FINANCIAL PERFORMANCE (ACHIEVEMENT OF SYNERGIES)	This topic refers to the ability to develop and achieve synergies (in terms of revenues and costs) between the facilities that are part of the Group				
LINKING THE MATERIAL TOPIC WITH THE GHC'S PRIORITY SDGs	 				
FIELD OF REFERENCE OF THE LEGISLATIVE DECREE 254/2016	Social and respect for human rights				
TYPE OF CAPITAL INVOLVED	<b>TANGIBLE / FINANCIAL</b>   FINANCIAL    MANUFACTURING		<b>INTANGIBLE / PRE-FINANCIAL</b>     SOCIAL    NATURAL    HUMAN    INTELLECTUAL		
RELEVANCE ATTRIBUTED TO THE MATERIAL SUBJECT WITHIN THE STAKEHOLDER ENGAGEMENT ACTIVITY <sup>(1)</sup>	 8.2 COMPANY CEO/GM	 8.9 INVESTORS AND BANKS	 8.8 DOCTORS AND RESEARCHERS	 8.3 PERSONNEL	 9.0 SUPPLIERS

(1) The values reported represent the average of the relevance judgements expressed by each stakeholder on a scale from 1 to 10 according to the process described in the previous sections

Since the IPO, GHC has demonstrated its commitment to develop and achieve synergies (in terms of revenues and costs) both with reference to the existing Group clinics ("organic scope") and with reference to the new companies progressively acquired ("M&A scope"). These strategic objectives are analysed and progressively monitored during the year through the Committee of Chief Executive Officers and General Managers of the subsidiaries, established by GHC's Board of Directors in 2018.

**Achievement of synergies - organic scope**

In relation to this matter, in 2020 the Company undertook, *inter alia*, a streamlining and restructuring of Group activities through the agreement of a strategic partnership with the company Lifebrain, the largest network of analysis laboratories in Italy controlled by the Investindustrial fund, for the performance of both specialised and routine laboratory medicine examinations. The agreement, which involves 15 of the 26 GHC Group facilities (operating in 6 regions of Northern and Central Italy), estimates a total of 2.5 million examinations per year and reflects the growing focus on the role and importance of clinical analysis in the medical-scientific world. GHC thus demonstrates the ongoing streamlining and restructuring of its business, optimising at the same time the laboratory diagnostics provided by its facilities, through the support of excellent professional expertise and state-of-the-art instrumentation.

### Achievement of synergies - M&A scope

In relation to this, in 2020 GHC continued its acquisition-led growth by acquiring XRay One, a diagnostic centre for radiology and specialist medicine, accredited by the National Health System and located in Poggio Rusco, in the province of Mantua. The transaction, which allowed GHC to enter the Lombardy market for the first time, will also allow GHC to benefit from significant synergies deriving from the development of an integrated model between the Target and the other Group facilities located in the neighbouring regions of the Veneto and Emilia-Romagna (such as Aesculapio and Hesperia Hospital, about 20km and 40km respectively from XRay One).

### Attraction, retention and development of staff (102-8)

DESCRIPTION OF THE MATERIAL TOPIC ATTRACTION, MAINTENANCE AND DEVELOPMENT OF STAFF	This topic refers to the Group's ability to attract and retain employees and refers not exclusively to medical and paramedical personnel. This includes training, leadership skills and all aspects related to "global compensation" (e.g. adequate remuneration, employee satisfaction, etc.)				
LINKING THE MATERIAL TOPIC WITH THE GHC'S PRIORITY SDGs					
FIELD OF REFERENCE OF THE LEGISLATIVE DECREE 254/2016	Related to personnel				
TYPE OF CAPITAL INVOLVED	<b>TANGIBLE / FINANCIAL</b>  FINANCIAL		<b>INTANGIBLE / PRE-FINANCIAL</b>  SOCIAL  HUMAN  INTELLECTUAL		
RELEVANCE ATTRIBUTED TO THE MATERIAL SUBJECT WITHIN THE STAKEHOLDER ENGAGEMENT ACTIVITY <sup>(1)</sup>	 8.4 COMPANY CEO/GM	 8.4 INVESTORS AND BANKS	 9.0 DOCTORS AND RESEARCHERS	 7.9 PERSONNEL	 7.5 SUPPLIERS

(1) The values reported represent the average of the relevance judgements expressed by each stakeholder on a scale from 1 to 10 according to the process described in the previous sections

GHC recognises its human resources as a fundamental and irreplaceable asset for its success. Given the risk of a possible interruption of professional relations with key or highly specialised medical and paramedical staff, the Group centres its 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 any discriminatory behaviour.

At December 31, 2020, the Group had 1,432 employees, up from 1,350 in 2019. In addition, the GHC Group also employs freelance professionals (such as doctors, consultants, psychologists, health technicians), which at December 31, 2020 numbered 1,648, up from 1,583 in 2019. In total, the GHC Group therefore employs 3,080 people, up 147 from 2,933 in 2019.

As indicated in the two tables below, at December 31, 2020, the majority of employees were employed on permanent contracts, with a 78% female population.

The table below shows the total number of employees by contract type, region and gender:

	2019			2020		
	Male	Female	Total	Male	Female	Total
Northern Italy <sup>(6)</sup>	256	935	1,191	271	981	1,252
Permanent	237	849	1,086	240	871	1,111
Temporary	19	77	96	31	101	132
Trainee	-	9	9	-	9	9
Central Italy	44	115	159	49	131	180
Permanent	37	95	132	42	113	155
Temporary	7	20	27	7	18	25
Trainee	-	-	-	-	-	-
<b>Total</b>	<b>300</b>	<b>1,050</b>	<b>1,350</b>	<b>320</b>	<b>1,112</b>	<b>1,432</b>

The following table presents the breakdown of personnel by part-time, full-time and gender.

	2019			2020		
	Male	Female	Total	Male	Female	Total
Full-time	274	852	1,126	288	899	1,187
Part-time	26	198	224	32	213	245
<b>Total</b>	<b>300</b>	<b>1,050</b>	<b>1,350</b>	<b>320</b>	<b>1,112</b>	<b>1,432</b>

The GHC Group pursues excellence in the provision of its services, in its professional expertise and in the commitment of its doctors and employees. It continuously seeks to improve the services offered and company processes, with a focus on the physical integrity and respect of the patient, their satisfaction, the protection of workers and the competence, awareness and ability of health, administrative and technical service providers. GHC considers the continuous improvement of its processes and systems to be a necessary pre-requisite for the pursuit of excellence, thereby incentivising its employees to pursue professional growth. 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.

### **Personnel Training and Development (404-1)**

The staff at GHC Group facilities are provided with precise training and continuous updating. Extensive research is also carried out in partnership with Italian and overseas research centres and universities, with a particular focus on highly complex specialties such as cardiac surgery, vascular surgery, trauma orthopaedics, spinal surgery, reconstructive surgery of the upper limbs, urology, internal medicine, diabetology and diabetic foot, and also for the treatment of psychiatric pathologies and eating disorders. In addition, important treatment and management protocols for colonised patients and hospital infection control programmes have been drawn up at GHC facilities. The management of training activities is left to the individual facilities which, in most cases, have an internal training plan. In addition to classroom training, in-the-field training ("training on the job") is provided for newly hired healthcare personnel, with the new employee working alongside more experienced personnel.

In 2020, despite the exceptional nature of the period due to the COVID-19 pandemic, 16,585 hours of employee training were provided, down from 19,223 hours in 2019<sup>(7)</sup>. The training largely involved compulsory courses for new-hires and refresher courses for employees, in addition to ad hoc courses based on the activities carried out by the various operators.

<sup>(6)</sup> Northern Italy includes all the regions in which the GHC Group operates with the exception of Tuscany and Lazio

<sup>(7)</sup> These figures do not take into account the contribution of the Parent Company GHC S.p.A.

	Training hours - Males pro capita <sup>(8)</sup>	Training hours - Females pro capita	Average training hours pro capita
<b>2019</b>			
Executives	4.2	-	2.8
Managers	1.4	9.0	4.9
White-collar	17.6	15.6	16.0
Blue-collar	3.2	5.2	4.7
Total	14.8	14.1	14.2

	Training hours - Males pro capita <sup>(8)</sup>	Training hours - Females pro capita	Average training hours pro capita
<b>2020</b>			
Executives	-	-	-
Managers	12.3	4.3	6.7
White-collar	8.5	12.3	11.5
Blue-collar	17.1	12.8	13.9
Total	9.6	12.3	11.7

Training also involved non-employee staff, with 3,162 hours of compulsory and non-compulsory training provided in 2020, slightly down on 3,362 in 2019.

#### **Diversity and equal opportunity (405-1)**

The Group guarantees a working environment that values the diversity of its employees, in compliance with the principle of equality, taking care to protect the dignity and freedom of every employee in the workplace; it does not tolerate any kind of discrimination of a racial, sexual, political, trade union or religious nature; it imposes an obligation to refrain from any intimidation or harassing act or behaviour; it does not tolerate sexual harassment (with "sexual harassment" meaning any unwanted act or behaviour, even verbal, with a sexual connotation that offends the dignity of the recipient), nor the creation of a climate of intimidation towards the person who suffers such harassment. Those who believe that they are the target of harassment or discriminatory behaviour or are aware of intimidation, discrimination or harassment and/or discriminatory behaviour currently ongoing are required to inform their Management (Administrative or Healthcare) and/or the Chairperson of the Board of Directors, as well as the Supervisory Board, who will promptly and confidentially carry out all actions deemed appropriate, in order to bring to an end this difficult situation and restore a harmonious working environment.

<sup>(8)</sup> 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

The following tables provide details of employees by professional category, age group and gender.

Diversity of employees by professional category and age								
2019								
	<30 years old	30 - 50 years	>50 years old	Total	<30 years old (%)	30 – 50 (%)	>50 years old (%)	Total (%)
Executives	-	6	3	9	-	67	33	100
Managers	1	8	4	13	8	62	31	100
White-collar	117	670	349	1,136	10	59	31	100
Blue-collar	8	79	105	192	4	41	55	100
<b>Total</b>	<b>126</b>	<b>763</b>	<b>461</b>	<b>1,350</b>	<b>9</b>	<b>57</b>	<b>34</b>	<b>100</b>
Diversity of employees by professional category and age								
2020								
	<30 years old	30 - 50 years	>50 years old	Total	< 30 years (%)	30 – 50 (%)	> 50 years old (%)	Total (%)
Executives	1	8	5	14	7	57	36	100
Managers	-	10	5	15	-	67	33	100
White-collar	190	666	368	1,224	16	54	30	100
Blue-collar	10	81	88	179	6	45	49	100
<b>Total</b>	<b>201</b>	<b>765</b>	<b>466</b>	<b>1,432</b>	<b>14</b>	<b>53</b>	<b>33</b>	<b>100</b>

Employees by category and gender						
2019						
	M	F	Total	M (%)	F (%)	Total (%)
Executives	6	3	9	67	33	100
Managers	7	6	13	54	46	100
White-collar	243	893	1,136	21	79	100
Blue-collar	44	148	192	23	77	100
<b>Total</b>	<b>300</b>	<b>1,050</b>	<b>1,350</b>	<b>22</b>	<b>78</b>	<b>100</b>
Employees by category and gender						
2020						
	M	F	Total	M (%)	F (%)	Total (%)
Executives	8	6	14	57	43	100
Managers	7	8	15	47	53	100
White-collar	261	963	1,224	21	79	100
Blue-collar	44	135	179	25	75	100
<b>Total</b>	<b>320</b>	<b>1,112</b>	<b>1,432</b>	<b>22</b>	<b>78</b>	<b>100</b>

**Health and safety and protection of patients' rights (403-9, 102-11)**

DESCRIPTION OF THE MATERIAL TOPIC <b>HEALTH &amp; SAFETY</b>	This topic refers to the Company's commitment to protecting the working environment and the safety of its employees and collaborators, primarily through compliance with occupational health and safety regulations
LINKING THE MATERIAL TOPIC WITH THE GHC'S PRIORITY SDGs	  
FIELD OF REFERENCE OF THE LEGISLATIVE DECREE 254/2016	Social and respect for human rights
TYPE OF CAPITAL INVOLVED	<div style="display: flex; justify-content: space-between;"> <div style="border: 1px solid black; padding: 5px; text-align: center;"> <p><b>TANGIBLE / FINANCIAL</b></p>  <p>MANUFACTURING</p> </div> <div style="border: 1px solid black; padding: 5px; text-align: center;"> <p><b>INTANGIBLE / PRE-FINANCIAL</b></p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>SOCIAL</p> </div> <div style="text-align: center;">  <p>HUMAN</p> </div> <div style="text-align: center;">  <p>INTELLECTUAL</p> </div> </div> </div> </div>
RELEVANCE ATTRIBUTED TO THE MATERIAL SUBJECT WITHIN THE STAKEHOLDER ENGAGEMENT ACTIVITY <sup>(1)</sup>	<div style="display: flex; justify-content: space-around; text-align: center;"> <div style="background-color: #003366; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center;">9.0</div> <div style="background-color: #4F814F; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center;">8.7</div> <div style="background-color: #C4A05C; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center;">9.4</div> <div style="background-color: #6699CC; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center;">8.4</div> <div style="background-color: #999999; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center;">8.0</div> </div> <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <span>COMPANY CEO/GM</span> <span>INVESTORS AND BANKS</span> <span>DOCTORS AND RESEARCHERS</span> <span>PERSONNEL</span> <span>SUPPLIERS</span> </div>

(1) The values reported represent the average of the relevance judgements expressed by each stakeholder on a scale from 1 to 10 according to the process described in the previous sections

DESCRIPTION OF THE MATERIAL TOPIC <b>PROTECTION OF PATIENTS' RIGHTS</b>	This topic refers to each Group Facility's respect for the health and personal needs of patients, according to an organisational model centred on the preferences, needs and values of the individual patient and the consideration of these in every clinical decision
LINKING THE MATERIAL TOPIC WITH THE GHC'S PRIORITY SDGs	   
FIELD OF REFERENCE OF THE LEGISLATIVE DECREE 254/2016	Social and respect for human rights
TYPE OF CAPITAL INVOLVED	<div style="display: flex; justify-content: space-between;"> <div style="border: 1px solid black; padding: 5px; text-align: center;"> <p><b>TANGIBLE / FINANCIAL</b></p>  <p>MANUFACTURING</p> </div> <div style="border: 1px solid black; padding: 5px; text-align: center;"> <p><b>INTANGIBLE / PRE-FINANCIAL</b></p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>SOCIAL</p> </div> <div style="text-align: center;">  <p>HUMAN</p> </div> <div style="text-align: center;">  <p>INTELLECTUAL</p> </div> </div> </div> </div>
RELEVANCE ATTRIBUTED TO THE MATERIAL SUBJECT WITHIN THE STAKEHOLDER ENGAGEMENT ACTIVITY <sup>(1)</sup>	<div style="display: flex; justify-content: space-around; text-align: center;"> <div style="background-color: #003366; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center;">8.5</div> <div style="background-color: #4F814F; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center;">8.7</div> <div style="background-color: #C4A05C; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center;">9.3</div> <div style="background-color: #6699CC; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center;">8.8</div> <div style="background-color: #999999; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center;">8.5</div> </div> <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <span>COMPANY CEO/GM</span> <span>INVESTORS AND BANKS</span> <span>DOCTORS AND RESEARCHERS</span> <span>PERSONNEL</span> <span>SUPPLIERS</span> </div>

(1) The values reported represent the average of the relevance judgements expressed by each stakeholder on a scale from 1 to 10 according to the process described in the previous sections

GHC manages operations by pursuing excellence in the field of workplace environment protection and in the safety of its medical staff and employees, patients and third parties, so as to continuously improve its performance in this area and with this objective in mind: a) undertakes to comply with the applicable provisions on safety and the environment; b) draws up and communicates the guidelines on environmental protection and safety to be followed; c) encourages the participation of employees in the process of risk prevention, environmental protection and for the health and safety of themselves, their colleagues and third parties. GHC is committed to making the management of the technological resources necessary to foster and consolidate a culture of safety more effective and efficient, developing risk awareness and demanding responsible behaviour from the entire organisation. Each Group facility manages the organisation of

health and safety in the workplace independently. The Group invests in health and safety training in order to minimise risks and promote a culture of prevention.

In 2020, the number of occupational injuries was 171, up from the previous year due to the nationwide outbreak of the COVID-19 pandemic. In particular, the figure is impacted by the support activities provided to the National Health System since the early stages of the health emergency, leading to a higher number of workplace accidents, particularly for the Eremo di Miazzina, Ospedali Privati Riuniti and Casa di Cura Prof. Nobili facilities, engaged in these specific activities since February 2020.

<b>Employee accidents at work<sup>(9)</sup></b>		
	<b>2019</b>	<b>2020</b>
Employees		
Total number of deaths due to accidents at work employees	-	-
Total number of serious accidents at work (excluding deaths) employees	1	-
Total number of recordable employee workplace injuries	39	171

The employee accident rate is also presented below, obtained by comparing the total number of accidents recorded to the total number of hours worked (2,048,430 in 2020, up from 2,022,868 in 2019) - impacted in 2020 by the above dynamics.

<b>Employee accident rates - number of accidents per million hours worked<sup>(10)</sup></b>		
	<b>2019</b>	<b>2020</b>
Employees		
Rate of deaths due to accidents at work employees	-	-
Rate of worked (serious accidents at work (excluding deaths) employees	-	-
Rate of recordable employee workplace injury	19	83

<sup>(9)</sup> 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

<sup>(10)</sup> 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.

**Quality of care and focus on the patient and caregiver**

<b>DESCRIPTION OF THE MATERIAL TOPIC</b> QUALITY OF CARE	This topic refers to the Group's attention to the quality of care services provided, understood both from a medical point of view, thanks to the use of highly qualified personnel and cutting-edge medical technology and equipment, and in terms of comfort and quality of the Facilities' surroundings.				
<b>LINKING THE MATERIAL TOPIC WITH THE</b> GHC'S PRIORITY SDGs					
<b>FIELD OF REFERENCE</b> OF THE LEGISLATIVE DECREE 254/2016	Social and respect for human rights				
<b>TYPE OF CAPITAL INVOLVED</b>	<b>TANGIBLE / FINANCIAL</b>  FINANCIAL		<b>INTANGIBLE / PRE-FINANCIAL</b> SOCIAL                  HUMAN                  INTELLECTUAL		
<b>RELEVANCE ATTRIBUTED TO THE</b> MATERIAL SUBJECT WITHIN THE STAKEHOLDER ENGAGEMENT ACTIVITY <sup>(1)</sup>	 9.5 COMPANY CEO/GM	 9.4 INVESTORS AND BANKS	 9.6 DOCTORS AND RESEARCHERS	 8.5 PERSONNEL	 9.0 SUPPLIERS

(1) The values reported represent the average of the relevance judgements expressed by each stakeholder on a scale from 1 to 10 according to the process described in the previous sections

<b>DESCRIPTION OF THE MATERIAL TOPIC</b> FOCUS ON THE PATIENT AND CAREGIVER	This topic refers on the one hand to the accessibility and willingness of medical and paramedical personnel to engage in dialogue with those who "take care" of patients (typically family members), and on the other hand it refers to the ability to give immediate feedback on the indications received, particularly from patients and caregivers				
<b>LINKING THE MATERIAL TOPIC WITH THE</b> GHC'S PRIORITY SDGs					
<b>FIELD OF REFERENCE</b> OF THE LEGISLATIVE DECREE 254/2016	Social and respect for human rights				
<b>TYPE OF CAPITAL INVOLVED</b>	<b>TANGIBLE / FINANCIAL</b>  FINANCIAL		<b>INTANGIBLE / PRE-FINANCIAL</b> SOCIAL                  HUMAN                  INTELLECTUAL		
<b>RELEVANCE ATTRIBUTED TO THE</b> MATERIAL SUBJECT WITHIN THE STAKEHOLDER ENGAGEMENT ACTIVITY <sup>(1)</sup>	 9.1 COMPANY CEO/GM	 8.9 INVESTORS AND BANKS	 9.4 DOCTORS AND RESEARCHERS	 8.6 PERSONNEL	 8.5 SUPPLIERS

(1) The values reported represent the average of the relevance judgements expressed by each stakeholder on a scale from 1 to 10 according to the process described in the previous sections

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.

It is precisely with this in mind that GHC seeks to create a model whose high-quality is guaranteed by a " patient-centred system that takes shape through respect for the preferences, needs and values of the individual patient. All the Group's facilities and all the operators working in partnership are aligned with this model.

For this reason, the professional and business activities of each clinic focus on guaranteeing that the human aspect of care is to the fore and on the excellence of the health and support services provided, which are always in step with the times both in terms of research and scientific knowledge and the technological innovations and highly performing organisational processes introduced.

**Technological innovation**

DESCRIPTION OF THE MATERIAL TOPIC <b>INNOVAZIONE TECNOLOGICA (AVAILABILITY OF STATE-OF-THE-ART MACHINERY AND MEDICAL EQUIPMENT)</b>	This topic refers to the availability of sophisticated, state-of-the-art machinery and medical equipment (e.g. medical-surgical and laboratory diagnostic equipment) at the Group's facilities				
LINKING THE MATERIAL TOPIC WITH THE GHC'S PRIORITY SDGs					
FIELD OF REFERENCE OF THE LEGISLATIVE DECREE 254/2016	Social and respect for human rights				
TYPE OF CAPITAL INVOLVED	<b>TANGIBLE / FINANCIAL</b> FINANCIAL                  MANUFACTURING		<b>INTANGIBLE / PRE-FINANCIAL</b> SOCIAL                  HUMAN                  INTELLECTUAL		
RELEVANCE ATTRIBUTED TO THE MATERIAL SUBJECT WITHIN THE STAKEHOLDER ENGAGEMENT ACTIVITY <sup>(1)</sup>	 8.3 COMPANY CEO/GM	 8.4 INVESTORS AND BANKS	 8.6 DOCTORS AND RESEARCHERS	 7.4 PERSONNEL	 5.5 SUPPLIERS

(1) The values reported represent the average of the relevance judgements expressed by each stakeholder on a scale from 1 to 10 according to the process described in the previous sections

DESCRIPTION OF THE MATERIAL TOPIC <b>TECHNOLOGICAL INNOVATION (DIGITALISATION OF SERVICES OFFERED TO PATIENTS AND CAREGIVERS)</b>	This topic refers to the use by the Group's facilities of technological innovation and ICT as support for the provision of improved and efficient services for patients and caregivers (e.g. electronic case files, smart payment, etc.)				
LINKING THE MATERIAL TOPIC WITH THE GHC'S PRIORITY SDGs					
FIELD OF REFERENCE OF THE LEGISLATIVE DECREE 254/2016	Social and respect for human rights				
TYPE OF CAPITAL INVOLVED	<b>TANGIBLE / FINANCIAL</b> FINANCIAL                  MANUFACTURING		<b>INTANGIBLE / PRE-FINANCIAL</b> SOCIAL                  HUMAN                  INTELLECTUAL		
RELEVANCE ATTRIBUTED TO THE MATERIAL SUBJECT WITHIN THE STAKEHOLDER ENGAGEMENT ACTIVITY <sup>(1)</sup>	 7.8 COMPANY CEO/GM	 8.1 INVESTORS AND BANKS	 8.1 DOCTORS AND RESEARCHERS	 7.4 PERSONNEL	 5.5 SUPPLIERS

(1) The values reported represent the average of the relevance judgements expressed by each stakeholder on a scale from 1 to 10 according to the process described in the previous sections

### ***Availability of state-of-the-art machinery and medical equipment***

The health care and treatment of medical conditions is highly dependent on numerous and increasingly sophisticated technologies (e.g. medical-surgical and laboratory diagnostic technologies and equipment). Specifically, this aspect is particularly relevant for the acute care services sector, which consists of those healthcare services provided on an in-patient basis to patients suffering from acute forms of illness.

The ability to follow the development of technology, both in terms of infrastructure and machinery, and in terms of the resultant processes that can be introduced for the care and assistance of patients, is a necessary requirement to ensure and maintain high-quality services and patient satisfaction and involves planning and making significant investments.

In this regard, in 2020 GHC announced the approval of an ambitious investment plan of approx. Euro 18 million, dedicated in particular to new very latest generation machinery and technology, partly to fully tap into all development opportunities from the growing need for healthcare and heightened by the COVID-19 emergency. We report below on some of the particularly significant investments.

#### **C.M.S.R. - Philips Magnetic Resonance Imaging Model 3 Tesla "Ingenia Elition"**

This equipment, in addition to the existing technology (2 magnetic resonance 1.5 Tesla, 1 joint MRI and 1 CT scan), which can be used for research purposes, meets the increasing demand for health services, while also improving demand from outside the region for NHS and private services.

By leveraging the advantages of digital technology in terms of quality and speed, it is the latest evolution of 3 Tesla MRI systems and is marked not only by the high quality of the images, but also by the speed of performing examinations. This makes it the equipment of choice for exploring various areas of the body, particularly in terms of neurology, to diagnose many central nervous system diseases such as some forms of dementia, and to support the study of epilepsy and multiple sclerosis. The power of the 3 Tesla magnetic field and the technological solutions used can also be exploited to improve the diagnostic accuracy in the evaluation of many diseases of the heart, for the in-depth study of lesions of the breast and urogenital system, in particular in the diagnosis, staging and monitoring of prostate cancer.

#### **Villa Berica - Philips Magnetic Resonance Imaging Model 1.5 Tesla "Ingenia Ambition S"**

This equipment represents a significant improvement in quality and quantity over its previous configuration. The new MRI, in fact, unlike traditional 1.5 Tesla MRIs, is equipped with a revolutionary technology which ensures highest level MRI's, which are faster and more comfortable for the patient, while also more environmentally friendly as "helium free".

#### **Aesculapio - Philips Magnetic Resonance Imaging Model 1.5 Tesla "Prodiv CS Stellar"**

This equipment provides high-quality examinations and positions Aesculapio as the only accredited private outpatient clinic in the province of Modena with this technology. In September 2020 work began on the expansion of the facility to obtain 700 additional square meters divided into two floors in the warehouse adjacent to the premises already used for healthcare services. This expansion project includes: (i) the installation of the new MRI described above on the ground floor together with a 64-slice General Electric CT scanner from the CMSR facility in Altavilla Vicentina and (ii) the construction of five medical clinics and a space for rehabilitation activities.

#### **XRay One - "Revolution EVO" 128-layer CT scan**

This equipment, acquired during 2020, is a state-of-the-art device that can reduce patient-directed ionizing radiation by up to 82% in routine imaging. The rebuild speed of such equipment is also far superior than other equipment.

### ***Digitalisation of services offered to patients and caregivers***

Many of the Group's facilities, against the backdrop of the unprecedented COVID-19 pandemic, have been able to re-organise their social and healthcare services through the innovative use of technology. Some of the main developments in the year are presented below.

**Villa Berica - drafting of a new protocol for the monitoring and treating of diabetes during the COVID pandemic**

The COVID-19 pandemic outbreak in 2020 obviously created many difficulties in accessing the clinic, which - with particular reference to diabetological therapy - has reorganised the way in which it provides such services by supplying:

- additional glucose meters and latest generation flash glucose readers which can continuously read blood glucose with a simple modern technology - no more fingertip examinations, allowing you to download data to your PC and connect directly with your doctor;
- more telephone (video) consultations. All doctors have taken on more remote (telephone) consultations, particularly for people unable to attend the clinic;
- creation of the "SOS DIABETE" chat space by a group of diabetic experts. This activity is part of the "Educational Space" project that - in addition to involving all healthcare professionals with a speciality in diabetology - targets the training and participation of "diabetic-GUIDES", i.e. trained and selected diabetes experts who help other diabetics to manage their disease, also by making themselves available for home visits to apply glucose sensors.

**Villa Garda - behavioural therapy and COVID-19**

The COVID-19 pandemic, in light of the risk of infection and the necessary preventive measures to be taken, puts people with eating disorders at risk of a relapse or of a worsening of their disorder. For this reason, the Villa Garda facility decided to remotely provide evidence-based psychological treatments, such as enhanced cognitive behavioural therapy (CBT-E)\*, also thanks to the adaptation activities carried out by Prof. Dalle Grave's team. In fact, during this unique period in which physically meeting a therapist has not been possible, treatment through electronic devices (PC's, smartphones, etc.) can be equally helpful, especially for young patients - protecting them from any physical contact with others and allowing them to focus more on their therapy.

**Hesperia Hospital - new research projects**

In the field of deep venous system pathologies, we highlight the authorisation by the Ministry of Health for the testing of a neo-valve patented by Prof. Oscar Maleti, while the prototype of a new equipment to study venous circulation through using the WiFi network is already operational.

**Reputation (in terms of the quality of healthcare services provided) (201-1)**

<p><b>DESCRIPTION OF THE MATERIAL TOPIC REPUTATION REPUTATION (IN TERMS OF THE QUALITY OF HEALTHCARE SERVICES PROVIDED)</b></p>	<p>This topic refers to the maintenance of a high level of consideration for the Group's facilities on the part of patients and medical staff, primarily with reference to the quality of the services provided. It is also linked to more relational aspects such as the presence and visibility of the Group in the medical-scientific community.</p>
<p><b>LINKING THE MATERIAL TOPIC WITH THE GHC'S PRIORITY SDGs</b></p>	
<p><b>FIELD OF REFERENCE OF THE LEGISLATIVE DECREE 254/2016</b></p>	<p>Social and respect for human rights</p>
<p><b>TYPE OF CAPITAL INVOLVED</b></p>	<p style="text-align: center;"><b>INTANGIBLE / PRE-FINANCIAL</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>SOCIAL</p> </div> <div style="text-align: center;"> <p>NATURAL</p> </div> <div style="text-align: center;"> <p>HUMAN</p> </div> <div style="text-align: center;"> <p>INTELLECTUAL</p> </div> </div>
<p><b>RELEVANCE ATTRIBUTED TO THE MATERIAL SUBJECT WITHIN THE STAKEHOLDER ENGAGEMENT ACTIVITY<sup>(1)</sup></b></p>	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>9.3 COMPANY CEO/GM</p> </div> <div style="text-align: center;"> <p>9.3 INVESTORS AND BANKS</p> </div> <div style="text-align: center;"> <p>9.4 DOCTORS AND RESEARCHERS</p> </div> <div style="text-align: center;"> <p>8.6 PERSONNEL</p> </div> <div style="text-align: center;"> <p>9.5 SUPPLIERS</p> </div> </div>

(1) The values reported represent the average of the relevance judgements expressed by each stakeholder on a scale from 1 to 10 according to the process described in the previous sections

This includes a series of aspects which are partly related to the efficiency and effectiveness of the Group in the provision of its services, not only in terms of healthcare, but also from an administrative standpoint (e.g. reliability and competence of personnel, transparency, etc.). It is also linked to more relational aspects such as the presence and visibility of the Group in the scientific community.

**10. Responsible business management**

**Risk management (102-11)**

<b>DESCRIPTION OF THE MATERIAL TOPIC RISK MANAGEMENT</b>	This topic refers to the protection of stakeholders and the safeguarding of corporate assets, including through the verification, both on an ongoing basis and in relation to specific needs, of the adequacy and suitability of the Internal Control and Risk Management System				
<b>LINKING THE MATERIAL TOPIC WITH THE GHC'S PRIORITY SDGs</b>					
<b>FIELD OF REFERENCE OF THE LEGISLATIVE DECREE 254/2016</b>	Social and respect for human rights				
<b>TYPE OF CAPITAL INVOLVED</b>	<b>TANGIBLE / FINANCIAL</b>  <b>FINANCIAL</b>		<b>INTANGIBLE / PRE-FINANCIAL</b>  <b>SOCIAL HUMAN INTELLECTUAL</b>		
<b>RELEVANCE ATTRIBUTED TO THE MATERIAL SUBJECT WITHIN THE STAKEHOLDER ENGAGEMENT ACTIVITY<sup>(1)</sup></b>	 <b>8.6</b> COMPANY CEO/GM	 <b>9.0</b> INVESTORS AND BANKS	 <b>9.2</b> DOCTORS AND RESEARCHERS	 <b>8.2</b> PERSONNEL	 <b>7.5</b> SUPPLIERS

(1) The values reported represent the average of the relevance judgements expressed by each stakeholder on a scale from 1 to 10 according to the process described in the previous sections

The management and monitoring system for the main risks involves the Group's director and management, the directors and boards of directors of the subsidiaries and company personnel. The primary goal of risk management is to protect the company's stakeholders and financial integrity, as well as to safeguard the environment. In order to identify, assess and mitigate business risks, in 2020 the GHC Group set up and updated its Guidelines for the Internal Control and Risk Management System (ICRMS), which provide for verification and control activities 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, Legal, Compliance, Occupational Health and Safety and Environment, Administration and Control), with particular regard to the management of health risks;
- 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.

With regard to the third level, the GHC Group has established the Internal Audit function responsible for verifying, both on an ongoing basis and in relation to specific needs and in compliance with international standards, the adequacy and suitability of the internal control and risk management system through specific audit activities. The Internal Audit Manager, a function brought in-house in July 2020, reports periodically on its activities, on the manner in which risk management is carried out, as well as on compliance with the plans for their containment, to the Chairpersons of the Board of Statutory Auditors, of the Control, Risks and Sustainability Committee and of the Board of Directors, in addition to the director in charge of the internal control and risk management system. The GHC Group Audit Plan for 2020,

approved by the Board of Directors, was defined according to a risk-based approach and involved both the parent company and specific subsidiaries.

Additional aspects of this topic have already been commented on in previous sections, to which reference should be made for any further details.

**Data security and privacy (418-1)**

<b>DESCRIPTION OF THE MATERIAL TOPIC</b> DATA SECURITY AND PRIVACY	This topic refers in a broad sense to the protection of the Group's information assets, with reference both to aspects exclusively relating to IT security and the protection of information systems and to the protection of data in any form (including non-digital)				
<b>LINKING THE MATERIAL TOPIC WITH THE</b> GHC'S PRIORITY SDGs					
<b>FIELD OF REFERENCE</b> OF THE LEGISLATIVE DECREE 254/2016	Social and respect for human rights				
<b>TYPE OF CAPITAL INVOLVED</b>	<b>TANGIBLE / FINANCIAL</b>  FINANCIAL		<b>INTANGIBLE / PRE-FINANCIAL</b>  SOCIAL      HUMAN      INTELLECTUAL		
<b>RELEVANCE ATTRIBUTED TO THE</b> MATERIAL SUBJECT WITHIN THE STAKEHOLDER ENGAGEMENT ACTIVITY <sup>(1)</sup>	 7.4 COMPANY CEO/GM	 8.4 INVESTORS AND BANKS	 9.0 DOCTORS AND RESEARCHERS	 8.3 PERSONNEL	 9.0 SUPPLIERS

(1) The values reported represent the average of the relevance judgements expressed by each stakeholder on a scale from 1 to 10 according to the process described in the previous sections

In relation to this area, GHC in 2020, through the Information Technology Function of the Parent Company, made specific investments to improve the architecture and the digitalisation and integrated communication profile, in addition to increasing the level of security and awareness. Specifically, the following was undertaken during the year:

- upgrade of the Server Farm release, in order to make the Group's "application suite" more secure, resilient and scalable in view of both the Group's expansion and the system integration strategy (e.g. gradual roll-out of the Group's ADI - Acceptance, Discharge and Invoicing - system to all subsidiaries);
- adoption of Microsoft 365 within the Group. This has facilitated the integration of communication, collaboration and productivity tools in order to tap into strategic operating, business and compliance objectives. Among other benefits, this has equipped the Group with an integrated planning platform that proved itself to be indispensable during the COVID-19 pandemic (although this tool had been adopted prior to the outbreak of the pandemic);
- review of network architecture and corporate domains, in order to improve and streamline the organisation and management of users on the Group's suite, in addition to improving compliance levels;
- launch of an assessment of cybersecurity throughout the Group, with the aim of identifying any weaknesses and initiating actions to secure the infrastructure and application scope.

In addition to this, it should be noted that 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).

Risks linked to operating-financial data, in view of GHC's status as a listed company, relate instead to potential equity and reputational impacts. These are also compliance risks, and therefore take on a legal nature, in view of the specific regulations that govern the disclosure of price-sensitive information (MAR) in addition to the offences set out in Legs. Decree No. 231/01 of the Penal Code. Among the potential risks identified is a lack of formalisation within IT processes and related checks.

Given the significance of the topic, the GHC Group has reported on "Substantiated complaints concerning breaches of customer privacy and losses of customer data", as per GRI indicator 418-1 below.

Substantiated complaints concerning breaches of customer privacy and losses of customer data - 2020	
Description	Number
Total number of substantiated complaints received	-
<i>Complaints received from outside parties and substantiated by the organisation</i>	-
<i>Complaints from regulatory bodies</i>	-
Total number of identified leaks, thefts, or losses of customer data for 2020	-

### Combatting corruption (205-3)

DESCRIPTION OF THE MATERIAL TOPIC COMBATTING CORRUPTION	This topic refers to the Company's commitment not only to make all the regulatory measures in place effective and fully operational, but also to carry out training and awareness activities on the subject for its employees and collaborators			
LINKING THE MATERIAL TOPIC WITH THE GHC'S PRIORITY SDGs	 			
FIELD OF REFERENCE OF THE LEGISLATIVE DECREE 254/2016	Combatting active and passive corruption			
TYPE OF CAPITAL INVOLVED	<b>TANGIBLE / FINANCIAL</b>  FINANCIAL		<b>INTANGIBLE / PRE-FINANCIAL</b>  SOCIAL  HUMAN	
RELEVANCE ATTRIBUTED TO THE MATERIAL SUBJECT WITHIN THE STAKEHOLDER ENGAGEMENT ACTIVITY <sup>(1)</sup>	 7.9 COMPANY CEO/GM	 8.3 INVESTORS AND BANKS	 8.5 DOCTORS AND RESEARCHERS	 8.4 PERSONNEL
			 10.0 SUPPLIERS	

(1) The values reported represent the average of the relevance judgements expressed by each stakeholder on a scale from 1 to 10 according to the process described in the previous sections

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 outside 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 consistently monitored and managed this risk using a number of tools, including the Group's Ethics Code and the Organisational Model pursuant to Legislative Decree 231/01. The Ethics Code 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. GHC does not tolerate or condone behaviour that goes against current regulations and/or that may encourage actions that contradict them, even if carried out in the interests of GHC. Compliance with and

application of the Ethics Code by GHC and all other Group companies is guaranteed by the Supervisory Board of Garofalo Health Care S.p.A. in accordance with Legislative Decree No. 231/2001, and in its role as Guarantor of the Ethics Code. All Group companies have formally implemented the Ethics Code. There were no cases of corruption in 2020.

**Succession planning**

<p><b>DESCRIPTION OF THE MATERIAL TOPIC SUCCESSION PLANNING</b></p>	<p>This topic refers to the Group's ability to ensure continuity of leadership and retention of knowledge within the Company, through the planning and implementation of a planned turnover process for relevant figures</p>					
<p><b>LINKING THE MATERIAL TOPIC WITH THE GHC'S PRIORITY SDGs</b></p>						
<p><b>FIELD OF REFERENCE OF THE LEGISLATIVE DECREE 254/2016</b></p>	<p>Related to personnel</p>					
<p><b>TYPE OF CAPITAL INVOLVED</b></p>	<table border="0"> <tr> <td style="text-align: center;"> <p><b>TANGIBLE / FINANCIAL</b></p> <p>FINANCIAL</p> </td> <td style="text-align: center;"> <p><b>INTANGIBLE / PRE-FINANCIAL</b></p> <table border="0"> <tr> <td style="text-align: center;"> <p>SOCIAL</p> </td> <td style="text-align: center;"> <p>HUMAN</p> </td> <td style="text-align: center;"> <p>INTELLECTUAL</p> </td> </tr> </table> </td> </tr> </table>	<p><b>TANGIBLE / FINANCIAL</b></p> <p>FINANCIAL</p>	<p><b>INTANGIBLE / PRE-FINANCIAL</b></p> <table border="0"> <tr> <td style="text-align: center;"> <p>SOCIAL</p> </td> <td style="text-align: center;"> <p>HUMAN</p> </td> <td style="text-align: center;"> <p>INTELLECTUAL</p> </td> </tr> </table>	<p>SOCIAL</p>	<p>HUMAN</p>	<p>INTELLECTUAL</p>
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<p>SOCIAL</p>	<p>HUMAN</p>	<p>INTELLECTUAL</p>				
<p><b>RELEVANCE ATTRIBUTED TO THE MATERIAL SUBJECT WITHIN THE STAKEHOLDER ENGAGEMENT ACTIVITY<sup>(1)</sup></b></p>	<table border="0"> <tr> <td style="text-align: center;"> <p><b>7.1</b></p> <p>COMPANY CEO/GM</p> </td> <td style="text-align: center;"> <p><b>7.7</b></p> <p>INVESTORS AND BANKS</p> </td> <td style="text-align: center;"> <p><b>7.2</b></p> <p>DOCTORS AND RESEARCHERS</p> </td> <td style="text-align: center;"> <p><b>7.9</b></p> <p>PERSONNEL</p> </td> <td style="text-align: center;"> <p><b>8.5</b></p> <p>SUPPLIERS</p> </td> </tr> </table>	<p><b>7.1</b></p> <p>COMPANY CEO/GM</p>	<p><b>7.7</b></p> <p>INVESTORS AND BANKS</p>	<p><b>7.2</b></p> <p>DOCTORS AND RESEARCHERS</p>	<p><b>7.9</b></p> <p>PERSONNEL</p>	<p><b>8.5</b></p> <p>SUPPLIERS</p>
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(1) The values reported represent the average of the relevance judgements expressed by each stakeholder on a scale from 1 to 10 according to the process described in the previous sections

This aspect is considered particularly important by the Group, also in the light of the introduction of improved managerial profiles since the IPO. In this regard, the GHC Group in 2020 drew up, with the support of the Appointments and Remuneration Committee, a succession plan for Senior Directors and Executives ("SDE"), while also undertaking a remuneration benchmarking analysis (process in progress). This succession plan, along with related findings, will be submitted to the Board for approval in 2021.

### Reputation (in terms of Corporate Governance) (201-1)

DESCRIPTION OF THE MATERIAL TOPIC REPUTATION REPUTATION (IN TERMS OF CORPORATE GOVERNANCE)	This topic refers to the maintenance of a high level of consideration for the Group by investors, lenders and public institutions, primarily with reference to corporate transparency and correctness. It is also linked to more relational aspects such as the presence and visibility of the Group in the economic-financial community.
LINKING THE MATERIAL TOPIC WITH THE GHC'S PRIORITY SDGs	   
FIELD OF REFERENCE OF THE LEGISLATIVE DECREE 254/2016	Social and respect for human rights
TYPE OF CAPITAL INVOLVED	<p style="text-align: center;"><b>INTANGIBLE / PRE-FINANCIAL</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  SOCIAL         </div> <div style="text-align: center;">  NATURAL         </div> <div style="text-align: center;">  HUMAN         </div> <div style="text-align: center;">  INTELLECTUAL         </div> </div>
RELEVANCE ATTRIBUTED TO THE MATERIAL SUBJECT WITHIN THE STAKEHOLDER ENGAGEMENT ACTIVITY <sup>(1)</sup>	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  7.9 COMPANY CEO/GM         </div> <div style="text-align: center;">  9.3 INVESTORS AND BANKS         </div> <div style="text-align: center;">  9.0 DOCTORS AND RESEARCHERS         </div> <div style="text-align: center;">  8.4 PERSONNEL         </div> <div style="text-align: center;">  10.0 SUPPLIERS         </div> </div>

(1) The values reported represent the average of the relevance judgements expressed by each stakeholder on a scale from 1 to 10 according to the process described in the previous sections

The Company's corporate governance system complies with the applicable rules in Italy and therefore with the provisions of the Consolidated Finance Act (CFA), the applicable regulatory provisions and the Self-Governance Code, and more generally with the legal and regulatory provisions applicable to listed companies in Italy (for further details, reference should be made to the Corporate Governance and Ownership Structure Report available on the Company's website in the Governance section). In particular, it is recalled that the Company complies with the Self-Governance Code promoted by Borsa Italiana S.p.A. and its corporate governance structure is designed in compliance with the recommendations contained in the Code and its updates. In addition, the Company noted the approval of the new edition of the Code, called the "Corporate Governance Code", on January 31, 2020, and has committed to adapt its corporate practices to the principles underlying the new Corporate Governance Code during the 2021 financial year, informing the market of such in its corporate governance and ownership structure report to be published during 2022.

Specifically, the current company By-Laws, approved by the pre-listing Extraordinary Shareholders' Meeting of GHC meeting of July 31, 2018:

- incorporates the provisions of Legislative Decree No. 27 of January 27, 2010, as amended by Legislative Decree No. 91 of June 18, 2012, relating to the exercise of certain rights of shareholders of listed companies in implementation of Directive 2007/36/EC;
- establishes, as per Article 147-ter of the CFA, the "slate voting" mechanism for the appointment of the members of the Board of Directors, reserving the appointment of one member to the minority slate receiving the highest number of votes not connected in any manner, even indirectly, with those who have submitted or voted for the slate obtaining the highest number of votes;
- establishes, as per Article 148-ter of the CFA, the "slate voting" mechanism for the appointment of the members of the Board of Statutory Auditors, reserving the position of Chairperson of the Board of Statutory Auditors for the minority slate receiving the highest number of votes not connected in any manner, even indirectly, with those who have submitted or voted for the slate obtaining the highest number of votes;
- establishes that, in accordance with Article 147-ter, paragraph 1-ter and 148, paragraph 1-bis of the CFA, that the Board of Directors and the Board of Statutory Auditors are elected according to a criterion that ensures gender balance in accordance with the applicable regulations; and
- provides for, as per Article 154-bis of the CFA, the appointment of the Executive Officer for Financial Reporting and the execution of the duties established by Article 154-bis.

The members of the Board of Directors of the company at 31.12.2020 are presented below, broken down by age bracket and gender, comprising 11 members, of which three considered independent as per the CFA and the Self-Governance Code, a majority of whom are female. **(405-1)**

Composition of the Board of Directors - 2020				
	< 30 years (#)	30-50 years (#)	> 50 years (#)	Total (#)
<i>Male</i>	-	2	3	5
<i>Female</i>	1	2	3	6
Total	1	4	6	11
	< 30 years (%)	30-50 years (%)	> 50 years old (%)	Total (%)
<i>Male</i>	-	50	50	45
<i>Female</i>	100	50	50	55
Total	100	100	100	100

Finally, the following table presents the members of the Internal Board Committees at 31.12.2020, both comprising three Independent Directors, broken down by age bracket and gender, which in this case also have a female majority. **(405-1)**

Internal Board Committees composition - 2020				
	< 30 years (#)	30-50 years (#)	> 50 years (#)	Total (#)
<i>Male</i>	-	-	1	1
<i>Female</i>	-	1	1	2
Total	-	1	2	3
	< 30 years (%)	30-50 years (%)	> 50 years old (%)	Total (%)
<i>Male</i>	-	-	50	33
<i>Female</i>	-	100	50	67
Total	-	100	50	100

**Reputation (in terms of sense of belonging to the Group for the individual clinics) (201-1)**

<p><b>DESCRIPTION OF THE MATERIAL TOPIC REPUTATION (IN TERMS OF A SENSE OF BELONGING TO THE GROUP FOR SINGLE FACILITIES)</b></p>	<p>This topic refers to the development of a sense of belonging and loyalty to the GHC Group for the individual constituent Facilities. More relational aspects such as operational co-operation between individual Facilities is also considered under this aspect.</p>										
<p><b>LINKING THE MATERIAL TOPIC WITH THE GHC'S PRIORITY SDGs</b></p>											
<p><b>FIELD OF REFERENCE OF THE LEGISLATIVE DECREE 254/2016</b></p>	<p>Social and respect for human rights</p>										
<p><b>TYPE OF CAPITAL INVOLVED</b></p>	<p style="text-align: center;"><b>INTANGIBLE / PRE-FINANCIAL</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>SOCIAL</p> </div> <div style="text-align: center;"> <p>NATURAL</p> </div> <div style="text-align: center;"> <p>HUMAN</p> </div> <div style="text-align: center;"> <p>INTELLECTUAL</p> </div> </div>										
<p><b>RELEVANCE ATTRIBUTED TO THE MATERIAL SUBJECT WITHIN THE STAKEHOLDER ENGAGEMENT ACTIVITY<sup>(1)</sup></b></p>	<table style="width: 100%; text-align: center;"> <tr> <td style="width: 20%;"><b>8.7</b></td> <td style="width: 20%;"><b>8.1</b></td> <td style="width: 20%;"><b>9.3</b></td> <td style="width: 20%;"><b>8.4</b></td> <td style="width: 20%;"><b>9.0</b></td> </tr> <tr> <td>COMPANY CEO/GM</td> <td>INVESTORS AND BANKS</td> <td>DOCTORS AND RESEARCHERS</td> <td>PERSONNEL</td> <td>SUPPLIERS</td> </tr> </table>	<b>8.7</b>	<b>8.1</b>	<b>9.3</b>	<b>8.4</b>	<b>9.0</b>	COMPANY CEO/GM	INVESTORS AND BANKS	DOCTORS AND RESEARCHERS	PERSONNEL	SUPPLIERS
<b>8.7</b>	<b>8.1</b>	<b>9.3</b>	<b>8.4</b>	<b>9.0</b>							
COMPANY CEO/GM	INVESTORS AND BANKS	DOCTORS AND RESEARCHERS	PERSONNEL	SUPPLIERS							

(1) The values reported represent the average of the relevance judgements expressed by each stakeholder on a scale from 1 to 10 according to the process described in the previous sections

This topic concerns the development of a sense of belonging and loyalty to the GHC Group for the individual constituent companies. More relational aspects such as operational cooperation between individual clinics is also considered under this aspect. This aspect is continually developed and analysed also through the periodic meetings of the Committee of Chief Executive Officers and General Managers of the subsidiaries, which oversees the co-ordination between the subsidiaries and the related corporate and healthcare structures, the implementation of process best practice at Group level, and of the Scientific Committee, whose objective, among other matters, is to make available to the clinics and researchers of the GHC Group a “forum” for sharing and to create synergies among their scientific activities, to promote common guidelines for the planning of and presentation of research projects to domestic and international medical research and healthcare services funding agencies, in addition to mapping the excellence existing within the GHC Group’s clinics.

## 11. Environmental Responsibility

### Management of environmental impacts

DESCRIPTION OF THE MATERIAL TOPIC MANAGEMENT OF ENVIRONMENTAL IMPACTS	This topic refers to the environmental impacts produced by the Group, which are mainly related to energy consumption and waste management, with a focus on hazardous medical waste				
LINKING THE MATERIAL TOPIC WITH THE GHC'S PRIORITY SDGs	 				
FIELD OF REFERENCE OF THE LEGISLATIVE DECREE 254/2016	Management of environmental impacts				
TYPE OF CAPITAL INVOLVED	<b>TANGIBLE / FINANCIAL</b>  FINANCIAL		<b>INTANGIBLE / PRE-FINANCIAL</b>  SOCIAL  NATURAL		
RELEVANCE ATTRIBUTED TO THE MATERIAL SUBJECT WITHIN THE STAKEHOLDER ENGAGEMENT ACTIVITY <sup>(1)</sup>	 6.9 COMPANY CEO/GM	 8.6 INVESTORS AND BANKS	 8.3 DOCTORS AND RESEARCHERS	 8.1 PERSONNEL	 8.5 SUPPLIERS

(1) The values reported represent the average of the relevance judgements expressed by each stakeholder on a scale from 1 to 10 according to the process described in the previous sections

Although the Group does not engage in an activity that can be termed “industrial” narrowly construed, GHC is sensitive to environmental issues and the challenges posed by climate change. The Company is aware that in order for any forward-looking corporate responsibility strategy to be effective, it must assess its environmental impact to ensure maximum respect for the environment. Although GHC has not implemented specific Group policies on environmental issues, it has continued to monitor the environmental performance of all its facilities. GHC's commitment to these issues extends to including them in its medium and long term ESG objectives to be achieved by 2023 relating to the analysis of the energy efficiency of the Group's facilities in order to then formulate and implement the consequent lines of action.

In addition, the Group's work is subject to European, national and local laws and regulations on environmental protection. These laws require that specific authorisations are received and specific rules are followed in relation to waste production and management, to the way this waste is transported and disposed of, and to wastewater disposal. Because of the type of work that the Group carries out, of particular importance is compliance with laws regarding the production and management of healthcare waste that presents an infection risk, i.e. waste that must be collected and disposed of according to specific procedures.

GHC is confident that the Group's activities as a whole are carried out in full compliance with environmental regulations. In order to comply with applicable environmental regulations and avoid potential environmental risks associated with its activities and the production of healthcare waste, the Group does everything necessary to implement and correctly manage this waste and comply with related legislation.

#### **Electricity consumption and greenhouse gas emissions (302-1; 305-1; 305-2)**

The management and supply of electricity are fundamental in guaranteeing a suitable environment for the Group's patients and staff and in responding to the needs of everybody involved.

The GHC Group's energy consumption consists mainly of thermal energy, which made up 50% of total consumption in 2020 (52% in 2019). This derived from heating providers, and used mainly gas and diesel. The proportion of electricity consumption and district heating from renewable sources (for the Casa di Cura Prof. Nobili clinic) can be found below.

No self-production systems for electricity exist at Group level. It should, however, be remembered that the Rugani Hospital clinic houses a solar thermal system that supplies domestic hot water, and the Centro Medico San Biagio contains a district heating system that uses a biomass power plant to supply heating and hot water.

Energy consumption at the Group's subsidiaries is outlined below. These figures do not 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 <sup>(11)</sup>		
	Unit	2019 (GJ)
Energy carriers for heating		
Natural gas	scm	57,226
Diesel	L	251
Electricity acquired	kWh	48,473
Of which certified renewable sources	kWh	1,396
Self-produced electricity	kWh	-
Of which self-produced, from renewable sources	kWh	-
Energy produced and fed back/sold to the grid	kWh	-
Of which from renewable sources	kWh	-
District heating	kWh	3,553
Of which from renewable sources	kWh	3,553
Of which from non-renewable sources	kWh	-
District cooling	kWh	-
Of which from renewable sources	kWh	-
Of which from non-renewable sources	kWh	-

Energy consumption at clinics <sup>(11)</sup>		
	Unit	2020 (GJ)
Energy carriers for heating		
Natural gas	scm	53,954
Diesel	L	99
Electricity acquired	kWh	50,361
Of which certified renewable sources	kWh	1,234
Self-produced electricity	kWh	428
Of which self-produced, from renewable sources	kWh	-
Energy produced and fed back/sold to the grid	kWh	5
Of which from renewable sources	kWh	-
District heating	kWh	3,572
Of which from renewable sources	kWh	2,638
Of which from non-renewable sources	kWh	-
District cooling	kWh	-
Of which from renewable sources	kWh	-
Of which from non-renewable sources	kWh	-

<sup>(11)</sup> In 2020, the conversion factor used for the calculation of energy consumption is 1 kWh = 0.0036 GJ for electricity and heat. For natural gas (1 kWh = 0.03429 GJ) and diesel (1 L = 0,0359 GJ), the coefficients used were those found in the Ministry for the Environment's "Table of national standard parameters for monitoring and reporting of greenhouse gases".

As regards consumption linked to owned vehicles, this chiefly relates to vehicles used for activities such as patient handling, loading and unloading of goods and cars intended for various uses. These figures also do not take into account the contribution of the Parent Company GHC S.p.A.

Vehicle fleet energy consumption			
	Unit	2019	2020
Diesel	L	22,744	18,304
Vehicles	No.	14	11
Petrol	L	10,658	12,555
Vehicles	No.	17	16
LPG	L	-	-
Vehicles	No.	-	-
Methane	Kg	1,599	1,479
Vehicles	No.	2	2

The GHC Group's total consumption in 2020 is shown below (excluding the Parent Company GHC S.p.A.).

Consumption within the organisation			
	Unit	2019	2020
Energy consumption			
Total energy consumption	GJ	110,738	109,548
of which renewable energy		4,950	3,872
Vehicle fleet			
Total business-use vehicles		33	29
Total company use non-renewable fuel consumption	GJ	1,235	1,129

The direct and indirect CO<sub>2</sub> emissions associated with the GHC Group's main consumption can be divided 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 2020 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 <sup>(12)</sup>			
	Unit	2019	2020
Natural gas	t(CO <sub>2</sub> )e	3,296	3,177
Diesel	t(CO <sub>2</sub> )e	80	33
Petrol	t(CO <sub>2</sub> )e	25	12
<b>Total Scope 1 Emissions</b>	<b>t(CO<sub>2</sub>)e</b>	<b>3,401</b>	<b>3,222</b>

<sup>(12)</sup> 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 2020, in continuity with previous years

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 CO<sub>2</sub>. However, the effect of methane and nitrous oxide on total greenhouse gas emissions (CO<sub>2</sub> equivalents) is negligible, as stated in the related technical literature.

Scope 2 emissions <sup>(13)</sup>			
	Unit	2019	2020
Electricity (Market-based)	t(CO <sub>2</sub> )e	6,503	6,575
Electricity (Location-based)	t(CO <sub>2</sub> )e	4,834	4,741

### **Waste management (306-2)**

The Group's clinics mainly produce two types of waste: special sanitary waste - hazardous and non-hazardous - and special waste similar to municipal waste.

In the specific case of Hazardous Healthcare Waste (HHW) that presents an infection risk, this must be collected using special disposable packaging, which may be flexible and must be labelled to identify the type of waste it contains. This packaging must be capable of withstanding the impacts and stresses to which it will be subjected during handling and transport, and must be coloured so as to distinguish it from the packaging used to transport other waste.

For clinics equipped with external temporary storage facilities, staff responsible for internal collection must be trained to deal with the biohazards that may arise during transport from the wards to the external temporary storage facility.

As regards expired medication and devices, these are disposed of by the managers of the clinic's operating units, who carry out monthly checks to identify expired items and return them to the central warehouse. The central warehouse manager collects all expired products received from individual departments, periodically checks the expiry dates of the products in storage at the warehouse, and inserts the expired products into special binders (so-called ROTs). The warehouse manager also periodically completes and sends suppliers a digital form to manage collection and disposal of expired products as per the financial conditions previously defined in the contract, and issues a special form ("xfr form") for the disposal of hospital waste. The warehouse manager arranges the storage of expired medicines in a special container which, once full, is transported to the external waste depot, where it is then collected by a specialist disposal company. At dependency care clinics, the professional night shift nurses are responsible for checking for expired medication. Where medications and devices have expired, they are collected in special containers provided by the healthcare waste disposal company, which collects them upon request of the coordinator of the professional nurses.

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

All other waste produced 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 detailed in the table below since there is no legal requirement for a weighing system as there is for "hazardous" and "non-hazardous" waste.

<sup>(13)</sup> In 2020, the emission factor used to calculate Scope 2 Market Based emissions is: AIB - European Residual Mixes (2020); the emission factor used to calculate Scope 2 Location Based emissions is: TERNA (2018) - Table of international comparisons

Total hazardous and non-hazardous waste produced by the GHC Group in 2020 is shown below. These figures also do not take into account the contribution of the Parent Company GHC S.p.A.

	Unit	Hazardous	Non-hazardous	Total	% Total
<b>2019</b>					
Reuse	t	1	4	5	0.8
Recycling	t	-	54	54	9.2
Composting	t	-	-	-	-
Energy recovery	t	52	126	178	30.5
Incinerator	t	193	9	202	34.5
Landfill	t	-	13	13	2.2
On-site deposit	t	-	-	-	0.1
Other	t	38	95	133	22.8
<b>Total</b>		<b>284</b>	<b>301</b>	<b>585</b>	<b>100</b>

	Unit	Hazardous	Non-hazardous	Total	% Total
<b>2020</b>					
Reuse	t	-	2	2	0.4
Recycling	t	1	54	55	9.2
Composting	t	-	-	-	-
Energy recovery	t	58	85	143	24.3
Incinerator	t	183	7	189	32.1
Landfill	t	31	21	52	8.9
On-site deposit	t	-	-	-	-
Other	t	62	86	148	25.1
<b>Total</b>		<b>335</b>	<b>256</b>	<b>591</b>	<b>100</b>

**Supply chain responsibility**

DESCRIPTION OF THE MATERIAL TOPIC RESPONSIBILITY ALONG THE SUPPLY CHAIN	This topic refers to the Facilities' attention to ensuring that their suppliers, especially those operating under a Group contract, are committed to ensuring compliance with legal regulations and the best environmental and social standards (e.g. ensuring respect for human rights, health and safety in the workplace, respect for the environment)
LINKING THE MATERIAL TOPIC WITH THE GHC'S PRIORITY SDGs	
FIELD OF REFERENCE OF THE LEGISLATIVE DECREE 254/2016	Management of environmental impacts
TYPE OF CAPITAL INVOLVED	<div style="display: flex; justify-content: space-between;"> <div style="border: 1px solid black; border-radius: 15px; padding: 5px; width: 45%;"> <p style="text-align: center; margin: 0;"><b>TANGIBLE / FINANCIAL</b></p> <div style="text-align: center; margin: 5px 0;"> <p>FINANCIAL</p> </div> </div> <div style="border: 1px solid black; border-radius: 15px; padding: 5px; width: 45%;"> <p style="text-align: center; margin: 0;"><b>INTANGIBLE / PRE-FINANCIAL</b></p> <div style="display: flex; justify-content: space-around; margin: 5px 0;"> <div style="text-align: center;"> <p>SOCIAL</p> </div> <div style="text-align: center;"> <p>HUMAN</p> </div> <div style="text-align: center;"> <p>INTELLECTUAL</p> </div> </div> </div> </div>
RELEVANCE ATTRIBUTED TO THE MATERIAL SUBJECT WITHIN THE STAKEHOLDER ENGAGEMENT ACTIVITY <sup>(1)</sup>	<div style="display: flex; justify-content: space-around; text-align: center;"> <div style="background-color: #003366; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto;">6.5</div> <div style="background-color: #006633; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto;">8.0</div> <div style="background-color: #CC9933; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto;">8.0</div> <div style="background-color: #6699CC; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto;">8.0</div> <div style="background-color: #999999; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto;">8.5</div> </div> <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <div style="text-align: center;">COMPANY CEO/GM</div> <div style="text-align: center;">INVESTORS AND BANKS</div> <div style="text-align: center;">DOCTORS AND RESEARCHERS</div> <div style="text-align: center;">PERSONNEL</div> <div style="text-align: center;">SUPPLIERS</div> </div>

(1) The values reported represent the average of the relevance judgements expressed by each stakeholder on a scale from 1 to 10 according to the process described in the previous sections

In the specific case of significant supplies at Group level, procurement is managed centrally by the Parent Company, which negotiates the so-called “framework contracts”. These formalise conditions for the supply of goods and services (quantity, price, delivery times, payment methods, etc.), using leading national and international operators for the main supplies.

Beyond the framework contracts, individual clinics negotiate supply contracts autonomously.

The subsidiary companies support the Parent Company in negotiations with suppliers by informing the latter of their goods and services supply requirements.

The clinics follow procedures to manage purchases and supplier selection, based on the ability of suppliers to satisfy supply needs, with special emphasis placed on technical and qualitative aspects including delivery times and financial conditions. The assessment of goods suppliers is based specifically, where applicable, on the verification of:

- the supplier’s specific role and position as a leader in the sector;
- the existence of a catalogue outlining products of interest;
- value for money;
- delivery times.

Once the framework contracts have been negotiated, each subsidiary directly manages supply and the order cycle. Specifically, the following shall apply where relevant:

- a) each clinic manages its stock according to its needs and its annual plan;
- b) each clinic is responsible for replenishing the materials required by its departments in line with established minimum stock levels for each product and according to occupancy levels;
- c) once these purchase requests have been received, the purchase manager evaluates their necessity in relation to established minimum stock levels and budget, then ensures that the definitive order is sent correctly to the various suppliers. He/she also verifies that the order contains the correct order codes, descriptions, quantities, prices and delivery deadlines. Each product is assigned to a qualified, regular supplier. These suppliers are assessed on reliability, their ability to comply fully with the terms of service they offer, the quality of their products, price, and payment conditions.

Supply of transplant materials (e.g. prosthetics), where applicable, is managed through so-called “deposit” contracts. These do not generate direct costs for the clinic, as they cover goods which are considered property of the supplier until they are actually used. Suppliers signing framework contracts periodically supply materials, which are then stored in warehouses managed by each subsidiary.

GHC does not believe that any situations of supplier dependency exist or that the conditions of its existing supply contracts may constitute a significant limitation for the Company. This is because the market for products that the Group requires to provide services to its patients is served by a number of suppliers that offer interchangeable products of equal quality.

The subsidiaries which, as of December 31, 2020, have Quality Management System certification are detailed below.

<b>GHC Group facilities with Quality Management System certification - 2020</b>	
<b>Clinics</b>	<b>Regulation</b>
<b>Veneto Region</b>	
Villa Berica	EN ISO 9001-2015
CMSR	EN ISO 9001-2015
Sanimedica	EN ISO 9001-2015
Villa Garda	EN ISO 9001-2015
Centro Medico San Biagio	EN ISO 9001-2015
<b>Friuli Venezia-Giulia Region</b>	
Centro Medico Università Castrense	EN ISO 9001-2015
<b>Emilia-Romagna Region</b>	
Poliambulatorio Dalla Rosa Prati	EN ISO 9001-2015
Ospedali Privati Riuniti	EN ISO 9001-2015
Hesperia Hospital	EN ISO 9001-2015
<b>Lombardy</b>	
Xray One	EN ISO 9001-2015
<b>Liguria Region</b>	
Fides Group (RoeMar)	EN ISO 9001-2015
Fides Group (Rehabilitation Centre)	EN ISO 9001-2015
Fides Group (Fides Medica)	EN ISO 9001-2015

Mr. Alessandro Maria Rinaldi

Legal representative

## GRI Content Index (102-55)

<b>Universal Standards</b>		
<b>GRI Standard</b>	<b>PAGE</b>	<b>DESCRIPTION</b>
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<b>Strategy</b>		
102-14	5	Statement from senior decision-maker
<b>Ethics and integrity</b>		
102-16	13	Values, principles, standards, and norms of behaviour
<b>Governance</b>		
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<b>Stakeholder Engagement</b>		
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<b>Reporting practices</b>		
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102-46	8	Defining report content and topic Boundaries
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102-50	7	Reporting period
102-52	7	Reporting cycle
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102-54	7	Claims of reporting in accordance with the GRI Standards
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102-56	78	External assurance
<b>Specific Standards</b>		
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<b>GRI 201: Economic performance</b>		
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103-3	49-52	Evaluation of the management approach
201-1	50	Direct economic value generated and distributed
<b>GRI 205: Anti-corruption</b>		
103-1	28	Explanation of the material topic and its Boundary
103-2	64-65	The management approach and its components
103-3	64-65	Evaluation of the management approach
205-3	64	Confirmed incidents of corruption and actions taken
<b>GRI 300: Environment</b>		
<b>GRI 302: Energy</b>		
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302-1	69-71	Energy consumption within the organization
<b>GRI 305: Emissions</b>		

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<b>GRI 306 (2018): Effluents and waste</b>		
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306-2	72	Waste by type and disposal method
<b>GRI 400: Social</b>		
<b>GRI 403: Occupational health and safety</b>		
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403-9	57	Work-related injuries
<b>GRI 404: Training and education</b>		
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103-3	35; 53-54	Evaluation of the management approach
404-1	54	Average hours of training per year per employee
<b>GRI 405: Diversity and equal opportunity</b>		
103-1	28	Explanation of the material topic and its Boundary
103-2	35; 54-55	The management approach and its components
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<b>Succession planning</b>		
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103-2	35; 74-75	The management approach and its components
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103-2	35; 74-75	The management approach and its components
103-3	35; 74-75	Evaluation of the management approach
<b>GRI 418: Customer privacy</b>		
103-1	28	Explanation of the material topic and its Boundary
103-2	35; 63-64	The management approach and its components
103-3	35; 63-64	Evaluation of the management approach
418-1	64	Substantiated complaints concerning breaches of customer privacy and losses of customer data