

Sustainability Report 2020

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MANAGEMENT LETTER

I am pleased to present you with Grupo Bidco Palex's first Sustainability Report, through which we want to convey our commitment to being a sustainable and socially responsible company, with a transparent and open way of working and communicating with all our stakeholders.

Since the very beginning, it has been our mission to provide advanced and efficient solutions to meet the needs of patients, healthcare professionals and researchers, offering options that cover most healthcare needs. Throughout all these years, ethics and responsibility have been key in our growth, always applying the highest standards when it comes to quality and innovation.

Throughout this journey, we have made innovation and patient care our hallmarks and the main axes around which our activity is carried out, offering added value to professionals in the sector and ensuring the health and well-being of society. We are proud to be able to contribute in such a direct way to the United Nations Sustainable Development Goal 3: Ensure healthy lives and promote well-being for all at all ages.

This year, in 2020, more than ever we have dedicated all our efforts and talent to offering the best response to the health sector and to the situation derived from the COVID-19 pandemic. We have attended to the needs of the sector, we have deployed our teams to provide technical assistance while complying with the necessary safety conditions, and we have supplied our products to help them tackle this crisis with the full range of solutions and services that Palex can provide.

Palex has been a major player in managing this huge health crisis, having contributed significantly to helping healthcare professionals tackle the pandemic.

In our pursuit of continuous improvement, we are driven to continue to strive to implement measures and actions that integrate sustainability into our daily activities. For this reason, we are working on the development of a sustainability strategy, with which we want to reaffirm our commitment to responsibility to the environment, customers, patients, healthcare professionals, suppliers, society and the team that makes our day-to-day work possible and ensures excellence in our service.

We can only look to the future with optimism. With our eyes set on the coming years, Palex's commitment is to keep improving every step of the way, aligned with the Sustainable Development Goals, which are increasingly ingrained in our DNA.



Xavier Carbonell, CEO of Palex



02

Constant
Improvement

Our reason for being

We are a company with extensive experience in the healthcare sector, dedicated to **providing advanced solutions for the hospital, research and laboratory sectors**. We express our commitment through the sale of state-of-the-art systems and products in medical/surgical techniques, as well as healthcare equipment and disposable material.

Ever since our organisation was founded, more than 65 years ago, we have worked hard to demonstrate our continued support for medical professionals, our dedication to the search for products, equipment and systems, and our perseverance in maintaining the highest level of quality in all aspects of our activity.

MISSION

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

VISION

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

VALUE

- The customer comes first.
- Our collaborators are the key to our development.
- We bet on quality and innovation.
- We are flexible and offer excellent service.
- We are committed to growth.

Constant Improvement

Our motto highlights our **passion for continuous improvement**,

our desire to provide the **most advanced hospital solutions**

and our commitment to **contributing to society** by promoting health.

We focus on the sale and distribution of medical devices and hospital technology, through **distribution agreements with leading manufacturers worldwide**, and we are proud to offer:



A customer-oriented approach, based on understanding and meeting the needs of patients and healthcare professionals, offering advanced and efficient products and solutions.



Large portfolio of products, both from leading suppliers in the global market, as well as our own. We have more than 100,000 different product references.



Extensive experience in the introduction of innovations in the Spanish market.

We are constantly searching for innovative products in order to be able to offer healthcare professionals the best solutions to carry out their work.

These principles have made us the trusted partner of our customers:

TECHNOLOGY PARTNER

We represent renowned international brands and have extensive experience establishing commercial agreements with the most innovative and important manufacturers in the healthcare sector. We constantly research new products that meet the emerging needs of our customers, thus offering a broad portfolio of products and equipment.

OPERATIONAL PARTNER

We have experience in comprehensive logistics management. We support our customers with a wide range of services, adapting to their specific needs and focusing on long-term solutions.

FINANCIAL PARTNER

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

BUSINESS PARTNER

We offer tailored solutions as well as continuous training on the new technologies we present to all our collaborators, digital media strategies and international projects.

We have held fast in our commitment to promoting health over all these years, ever since our creation in **1955** by **Hans Knuth**, inspired to make progress and grow in order to continue offering the best products and services to our customers and patients, thus satisfying the demand generated by technical advances and innovations in the sector.



02

CONSTANT IMPROVEMENT

Sustainability
Report **2020**

Our History

1955

Start of Palex's activity, with the manufacture of the **Catgut suture thread** in Rubí (Barcelona).

1968

Manufacture of the **first concentrate for dialysis**.
Distribution of the **first monitors for hemodialysis** in Spain.

1969

Supply of the **first Shiley®** Pivoting Disc Heart Valve.

1985

Presentation of the **first proprietary computer system "PATS"** for patient monitoring.

1988

Introduction of the **first Jarvik®** artificial heart.

1990

Creation of the *In Vitro* Diagnostics division.

2003

ISO 9001 certification.

2005

Installation of the first **da Vinci®** surgical robot.

2009

ISO 14001 certification
Introduction in Spain of colorectal cancer screening.

2010

Introduction of the **Oncotype DX®** genomic platform for breast cancer.

First patient in **outpatient parenteral infusion therapy**.

2011

First implantation in Spain of a **Perceval®** sutureless heart valve.

2012

Installation of the **first robot for the preparation of cytostatics** in Spain.
Installation of the 20th **da Vinci®** surgical robot.

2013

Launch of our own product, the **Dyane® Smart Cabinet**.

2014

Introduction of the **home hemodialysis** monitor.

2016

Launch of the **Transcatheter valve**.

2017

Introduction of the **Equashield®** robot.

2018

Incorporation of Samsung's Digital Radiology and Ultrasound equipment.

Adacyte foundation.

2020

Launch of **Exablate Neuro** (*Insicionless Brain Treatment*).

02

CONSTANT IMPROVEMENT

Sustainability
Report 2020

Inorganic Growth

2014

Acquisition of **ATOM**,
autoimmunity and pathology
lines.

2017

Incorporation of the hospital
business of the **Taper Group** in
Spain and Portugal.
Incorporation of **Madex**.

2018

Formation of **Adacyte**.

2020

Acquisition of
Comercial Rafer, S.L.

2015

Acquisition of the **Tornier** upper
extremities orthopedic line.

2016

Acquisition of the **Biomenco** line
of heart valves.

2019

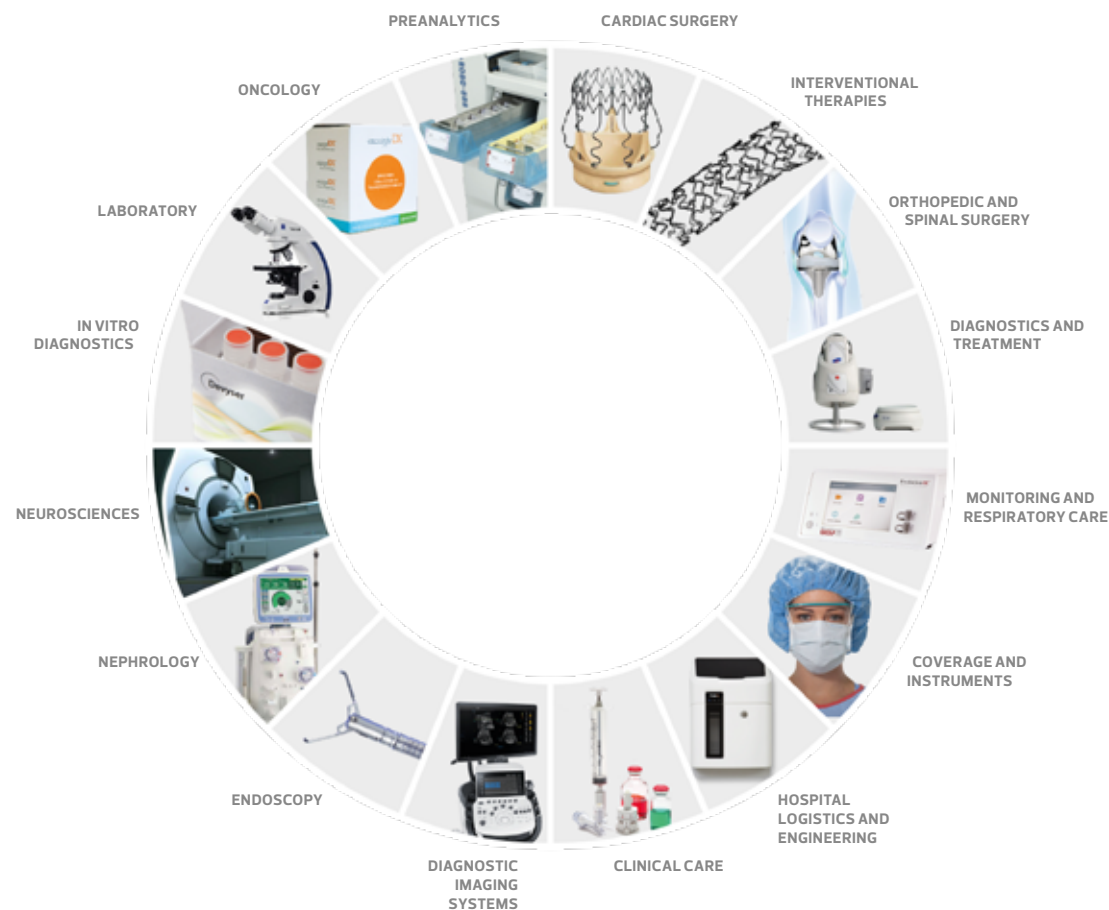
Acquisition of the **Biogen**
Diagnóstica preanalytical and
colorectal cancer screening lines.
Acquisition of **B+C**.

Products and services

Our main activity is the sale and distribution of medical devices and hospital technology, which we carry out through **Palex Medical** and **Lusopalex**, to meet the demand of the Spanish and Portuguese healthcare markets, respectively.

We have a wide portfolio of healthcare equipment, medical devices and disposable material to cover more than 45 medical and surgical specialties, which are divided into **16 business units**¹. In turn, the business units are grouped into 3 large areas:

- Medical – Surgical Area.
- Hospital Area.
- IVD – Laboratory Area.



¹Lusopalex is organised into 8 units: Ophthalmology, Surgery (Urology, Gynecology and General Surgery), Cardiovascular, Research, In Vitro Diagnostics/Oncology, Orthopedics, Industry and Clinical/ Medical Care.

In order to adapt to the needs of each segment and focus on finding innovative solutions that provide added value, each of these business units has a **marketing** team and a **sales** team. We also have cross-cutting departments involving all the units that these units rely on, in order to be able to offer a comprehensive service to our customers: **Technical Assistance Service, Logistics, Customer Service, Key Accounts and Information Systems**.

In addition, through the integration of various entities, we try to cover the needs of our customers to the greatest extent possible, offering a wider range of products and services in different areas.



Adacyte Therapeutics

Adacyte Therapeutics is a company created in 2018 with the aim of relaunching Adacolumn® in Europe, an innovative device that allows processes of apheresis/leukocyte to take place in patients with inflammatory bowel disease and other autoimmune disorders. It is a highly effective and very safe product in patients with ulcerative

colitis resistant to conventional treatment with corticosteroids or biologics. Adacyte Therapeutics' priority objective is to expand the use of Adacolumn® in Europe and to ensure that all patients with ulcerative colitis who need it can have access to this innovative treatment.

Adacolumn® has been developed by JIMRO, a company that is 100 % owned by Otsuka, available in 9 countries in Europe, in Japan and in China.



Cymit Quimica

Cymit is an *online* platform for the sale of reagents, small equipment and specialised literature for the chemical, pharmaceutical and bio-research industries. Our plan is to become the *marketplace* of reference for researchers, acting as the link between the supplier and the user, building a virtual community of specialists who add value to the entire supply chain of the research world.



Bemascé Técnica

B+C Técnica is a company whose objective is to provide advanced and complete solutions for neonatology, based on comprehensive neonatal care.

- Ventilation and humidification.
- Thermoregulation and incubators.
- Neonatal screening.
- Monitoring of brain parameters and function.
- Phototherapy, neonatal accessories.
- Development-focused care.
- Circuits and interfaces, sensors.

The implementation of several innovative solutions has been further developed in paediatrics and adults: ventilation and humidification, thermoregulation, anaesthesia and sedation, ICU: EEG monitoring and brain function, and nociception.



Where we are located



The central offices of Palex Medical and Adacyte are located in Sant Cugat de Vallès (Barcelona), and we have another office in Alcobendas (Madrid). Lusopalex's offices are located in Lisbon.

Cymit and Bemascé have their own offices, used in turn to receive and send the products, located in Barcelona and Las Rozas (Madrid), respectively.

We have several warehouses, one of which is our own and the rest are outsourced, with the aim of covering the entire peninsular territory:

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

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

It is worth mentioning that our commercial network extends its reach to multiple points in the Iberian Peninsula in order to be able to respond to the needs of all customers in their different geographical areas. In addition, both for Adacyte and for the distribution of some Palex Medical product lines, such as Equashield®, some of our team members work in other countries such as France and Sweden.

COMMERCIAL PRESENCE

Regarding our commercial presence, our own sales network covers the entire territory of Spain and Portugal, and has in-depth knowledge of the regional purchasing models within Spain. In addition, thanks to our knowledge of the market and our leadership position in the sector, we facilitate access to new markets, thus strengthening our international presence.

In the case of Adacyte, our commercial presence extends throughout Europe, its objective being to expand the use of Adacolumn® throughout this territory. For Cymit, being an *online* sales platform gives it a global presence, with a majority share of the Spanish market.

Palex in figures

65

Years of experience

**45+**

Medical and surgical specialties

100,000+

Product references

**1,000+**

Customers

500+

Suppliers

>20 years

Average relationship with suppliers

9,272

Product registrations

**540+**

Team members

48 %

Women



52 %

Men

9.5 years

Average seniority
of the workforce

76 %

Management positions
covered with internal promotion1,033 t CO₂eqCO₂ emissions
scope 1126 t CO₂eqCO₂ emissions
scope 2

€312 M

Revenue

€41 M

Net profit

2020 Milestones

We are proud to have been an important figure in the management of the COVID-19 health crisis in Spain and Portugal, by providing essential material for the containment of the pandemic, including the supply of more than 4.8 million tests, among other actions.



In a pandemic environment, we have successfully managed the implementation of measures aimed at protecting both workers' health and jobs, in addition to continuously analysing the data and records related to these measures.

02

CONSTANT IMPROVEMENT

During 2020, we integrated Bemascé (B+C), acquired in the previous year, into the management and operational systems of Palex, as well as into our corporate culture and values.



We have introduced Exablate Neuro System to the Spanish market, a revolutionary technology that treats essential tremor without the need for surgery.

In 2020, we have embarked on a project to digitally transform the pathological anatomy services of the *Institut Català de la Salut*, improving the speed, precision and quality of cancer diagnosis.





3

We contribute
to sustainable
development

Corporate governance and ethics

CORPORATE GOVERNANCE

We are aware that a **solid corporate governance model** is key to guaranteeing the generation of long-term value for all our stakeholders. For this reason, we have various governing bodies in charge of working to achieve the objectives of the company in a way that is aligned with our mission, vision and values.

The governing bodies at Palex are:

The Sole Shareholder, who exercises the functions of the Board of Shareholders, inasmuch as it is a sole proprietorship, that is, with a single shareholder.

This governing body, which represents the ownership of the corporation – integrated in this case by a single shareholder –, is the supreme sovereign

body of the company, to which the Board of Directors is subordinate, and it is the decision-making body that expresses the social will of the company with its decisions. It is the body in charge of making the most relevant decisions for the company. For example, among its functions is that of the approval of the annual accounts and the distribution of profit, the appointment of the people who make up the Board of Directors, the modification of the bylaws, or the merger, transformation, spin-off or dissolution of the company, among other matters.

The frequency of the meetings is at least once a year within the first six months of each financial year, in ordinary session, to approve, where appropriate, corporate management, annual accounts for the previous financial year, and decide upon the distribution of profits, but extraordinary meetings may be called whenever deemed appropriate by the governing body.

Board of Directors

This is the executive board that acts as a collegiate body, in charge of the management and representation of the company. Formed by a total of five directors, who have been appointed by the Sole Shareholder, in functions of the Board of Shareholders. Its functions include looking after the interests of the shareholders; defining and approving the policies and strategies of the group; supervising the internal information and control

systems of the organisation; and determining the organisational and decision-making structure of the organisation, all in order to achieve the company's corporate purpose.

The development of its functions is carried out following the strictest ethical principles and standards and taking into account the common interest of all the shareholders, as well as of all the stakeholders that come together in the development of the activity.

COMPLIANCE MODEL

We adhere to the **Ethical Code of the Healthcare Technology Sector** drafted by Fenin, the purpose of which is to guarantee compliance with the highest ethical standards for the sector. In it, our commitment to comply with and be at the forefront of social demands is demonstrated by applying the utmost rigour and socially responsible conduct in all areas of activity.

Aware of the key role that the health technology sector plays within the healthcare system, we exercise exemplary behaviour, which goes beyond compliance with legislation. We are committed to **transparency** and **ethics** in our relationships with healthcare professionals, patients and healthcare institutions.

In this regard, we have a **Compliance Officer**, as well as **internal circuits** aimed at controlling the criminal risks of the processes carried out in the

organisation. We also carry out random controls in the different areas to verify the correct implementation of the Fenin Code of Ethics.

The procedure for complaints and ethical concerns is based on contact with the *Compliance* Department, who manages them anonymously. It should be noted that during the 2020 financial year, no complaint was received.

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

- Training given to the sales and marketing departments, which are in constant contact with third parties, in relation to the Fenin Code of Ethics.
- In the contracts of sales representatives and distributors, a clause is included in which they undertake to comply with the Fenin Code of Ethics, giving them the corresponding training.
- In the 2021 financial year, this training will also be given to personnel in the services departments (Technical Service, Operations, Human Resources, Legal, *Controlling*, *Compliance* and Finances).

It is worth mentioning that, as part of our commitment to continuous improvement, we are working on the **review of our compliance model** for the entire group, as well as on the development of a map of criminal risks, projects that have been delayed due to the situation derived from the COVID-19 pandemic. The development of these projects will allow us to be even better prepared to prevent, detect and react to the possible risks that could compromise the organisation.

Contribution to sustainable development

INTERNAL COMMITMENTS

We have been on this journey together for more than 65 years. A journey of which we are immensely proud, not only for the lessons we have learned, but also because of our motivation to continue pushing ahead, to continue growing and offering the best of ourselves, all of our talent and constant hard work, to **have a positive impact on society**.

We are determined to improve people's health through our activity, always taking into consideration the impacts our activity generates. Our commitment to continuous improvement drives us to always pursue the most demanding ethical standards, going a step further in strict regulatory compliance. This leads us to **integrate sustainability across the board at all levels of our organisation** and to use this approach in the decisions we make as a Group.

Steadfast in this approach, we are working on a **sustainability strategy** that will meet the main challenges of the sector and will be in line with the expectations of our stakeholders and with the planet's sustainable **development commitments**.

In this sense, we ensure that our **stakeholders**, from customers to suppliers, also promote ethical principles in their organisations, contributing to sustainable development, respect for human rights and the protection of our planet.

ALIGNMENT WITH THE 2030 AGENDA

The United Nations **2030 Agenda** aims to protect the planet and ensure that the whole of society achieves peace and prosperity by 2030.

At Palex, we are committed to achieving this goal, and we will reflect this in our sustainability strategy, aligning ourselves with the **Sustainable Development Goals (SDGs)** defined in the 2030 Agenda.

Although each and every one of the objectives is vital to the achievement of sustainable development, due to our activity, the nature of the organisation and the sector in which we operate, we contribute most to the following goals:

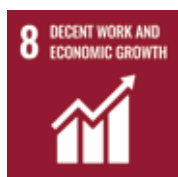




Our contribution to SDG 3 is intrinsic to our activity, since the promotion of health through the provision of advanced solutions and products is what brings our raison d'être to life.



Reducing inequalities between genders has always been one of our objectives, which is why since 2010 we have had an Equality Plan in order to promote equal opportunities and prevent discrimination and harassment.



Committed to providing decent and honest work, our entire team is fairly compensated, and we strive to help them achieve physical and personal well-being, as well as a positive work environment.



We are in the constant pursuit of pioneering systems and products that turn innovation into the essence of our business. In this way, we contribute to SDG 9 by promoting new advances in the sector.



Some of our innovative medical products and equipment contribute to SDG 11 by making home treatments possible or by reducing travel or infrastructure requirements.



In order to guarantee responsible consumption and management of resources, we promote practices such as the reuse of packaging materials and the correct management of the waste generated by our activity.



We are committed to the fight against climate change and we promote initiatives such as the monitoring of consumption indicators and the creation of more efficient transport routes.



We understand the importance of creating strong alliances with other individuals and organisations to create synergies and make continued progress in regard to shared commitments, thus contributing to SDG 17.

Relationship with stakeholders

We are aware that one of the fundamental pillars for achieving sustainable corporate development and a responsible business model is the **integration of stakeholders into the organisation's management model**, responding to their needs.

Every day we strive to achieve this objective and, to do so, we believe it is essential to identify these groups and be aware of their expectations, in order to constantly improve our relationship with them, either directly or indirectly.

Furthermore, in order to guarantee a good

Internal



Collaborators

- Personnel
- Works Council
- Governing bodies

Stakeholders

Other entities of the groups

- Lusopalex
- Adacyte
- Cymit
- Bemascé

External



Public and private customers

- Hospitals
- Clinics
- Laboratories
- Research centres
- Health insurance companies
- Food industry

Patients

- End customers, users of the distributed products

Healthcare personnel

- Healthcare professionals
- Medical community
- Researchers

Product suppliers

- Manufacturers/suppliers of *MedTech products*

Service providers

- Carriers
- Service providers

Regulatory bodies

- Certifying bodies

Public administration

- Public body
- Agencies (regulatory bodies)
- Regional health authorities

Financial entities and investors

- Banks
- Investors

Industry associations

- Sectoral organisations (Fenin)
- Patient associations
- Other entities

Indirect



Society

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

External talent

- Job market
- Talent fairs

Media

Competition



relationship with stakeholders, based on trust and transparency, **effective communication channels** must be established in the organisation in order to foster long-term relationships.

The flow of communication must be **active, continuous** and **bidirectional** among the stakeholders with whom interaction is required. This allows us to achieve an honest and open dialogue, in order to better understand the concerns of our stakeholders and to be able to respond to their needs.

To strengthen our commitment to the different stakeholders, we have defined the main channels for communicating with them, through which we foster solid relationships.

Table 1. **Main communication channels defined**

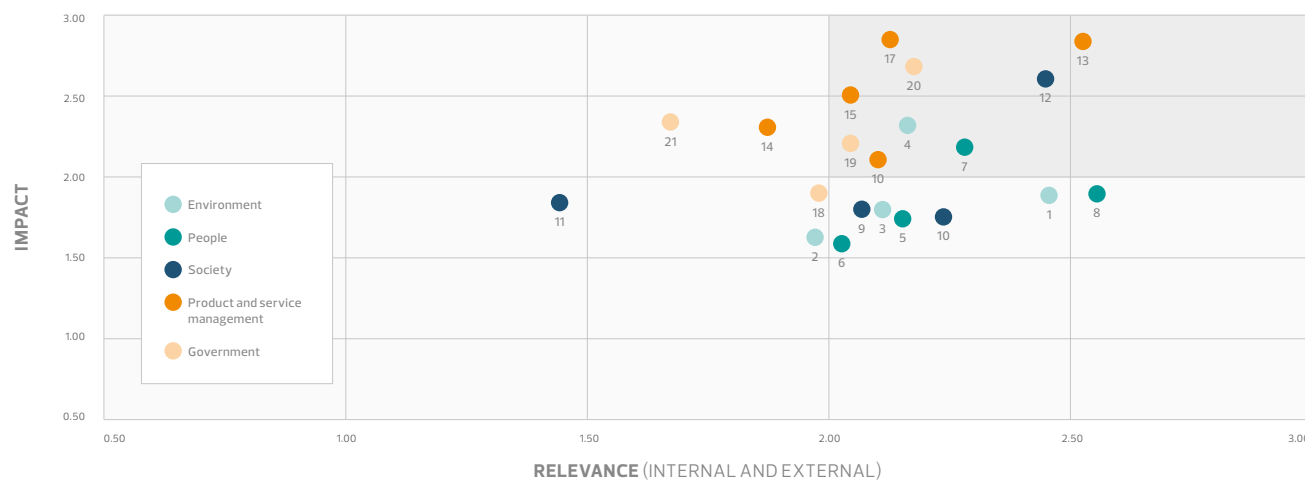
| Internal stakeholders | External stakeholders | Indirect stakeholders |
|--|--|---|
| <ul style="list-style-type: none"> • Periodic meetings • Internal communications • Committees • Intranet • Email • Telephone | <ul style="list-style-type: none"> • Website • Social networks • Meetings • Email • Telephone | <ul style="list-style-type: none"> • Website • Social networks • Press |

Materiality analysis

In order to identify and prioritise the key issues that are relevant to our stakeholders, and consequently, to Palex, we have carried out our first **materiality analysis**.

Thanks to this analysis, we can identify how we are responding to the main challenges, opportunities, needs and trends in the environment, in addition to steering our sustainability strategy, activities and changes in the coming years in that direction.

Graph 1. Results of the 2020 materiality analysis



Material issues

- | | |
|---|-----------------------------------|
| 11 Climate change and air pollution | 16 Responsible supply chain |
| 7 Talent attraction and development | 17 Innovation |
| 12 Promotion of advanced hospital solutions | 19 Ethics and integrity |
| 13 Safe products and regulatory compliance | 20 Risk management and compliance |
| 15 Long-term relationships with suppliers | |

Other aspects

- | | |
|--|---|
| 1 Environmental commitment | 9 Community |
| 2 Efficient use of resources | 10 Employment promotion |
| 3 Circular economy and waste management | 11 Human rights |
| 5 Equality, diversity and union representation | 14 Long-term relationships with customers and users |
| 6 Promotion of well-being in the team | 18 Responsible business |
| 8 Health and safety of the team | 21 Communication and transparency |

The issues resulting from our materiality analysis and their importance to the organisation are presented below. We have also specified on which page of the report each issue is addressed.

Pg. 54

Climate change and air pollution

Due to our environmental policy, we work hard to improve our carbon footprint, seek greater energy efficiency and try to reduce fuel consumption, both with the optimisation of transport routes and the efficiency of our fleet of vehicles.

Pg. 45

Talent attraction and development

People are the key to our development, so we try to create spaces where they can grow and develop both professionally and personally, thus achieving talented and engaged teams.

Pg. 57

Promotion of advanced hospital solutions

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

Pg. 28

Safe products and regulatory compliance

We work with the highest quality criteria to guarantee that all our products have the necessary certifications and documentation and are safe for our customers and patients.

Pg. 38

Long-term relationships with suppliers

We collaborate with high-level manufacturers in the sector, whom we consider to be our partners, working together to create value and bring the best solutions to the market. We establish long-term relationships based on trust.

Pg. 38

Responsible supply chain

We care about ensuring our supply chain is responsible, guaranteeing the integrity and ethics of all those who participate in our value chain, with quality and sustainable management.

Pg. 32

Innovation

Innovation is one of the main axes on which our business is based, as it is what allows us to respond to the needs of our customers and offer advanced hospital solutions to the sector.

Pg. 19

Ethics and integrity

We are always governed by strict ethical criteria, which promote behaving responsibly and with integrity within the organisation.

Pg. 20

Risk management and compliance

Our work includes having a compliance model, in addition to identifying the main risks of the organisation. We want to have mechanisms in place to be able to prevent, detect and react quickly to any situation that could compromise the organisation.

The background of the slide is a dark blue gradient. On the left side, there is a large, stylized graphic of a circuit board. The circuit lines are glowing in shades of yellow, orange, and cyan, creating a sense of depth and complexity. The lines are interconnected, forming a dense network of paths. The overall aesthetic is high-tech and futuristic.

4

We provide
advanced,
quality solutions

Quality and product management

QUALITY MANAGEMENT SYSTEM

At Palex, we have a responsibility to maintain the highest level of quality in all aspects of our activity. Aware of this need, we have a **Quality and Environmental Policy** for Palex Medical, which shows our commitment to living up to the strictest quality standards.

We have obtained the certification of compliance with the requirements of the **ISO 9001** quality management system for Palex Medical, Lusopalex, Adacyte, Cymit and Bemascé, and we rigorously comply with the subsequent monitoring and periodic review of this certification.

Pursuant to such compliance, we set and review **quality objectives** on an annual basis, in accordance with our policy, in order to achieve the continuous improvement of the system's effectiveness and to meet customer, legal and regulatory expectations, as well as our own requirements for improvement.

In addition, we have carried out an analysis of our **matrix of risks and opportunities**, taking into account the probability of occurrence and the impact on the organisation, in order to obtain a risk assessment and propose the consequent **action plan** for each of them.

We carry out **internal quality audits of Palex and Lusopalex**, which for 2020 have taken place in April and May, respectively. In addition, **external audits are also conducted by Lloyd's**.

One of the novelties in 2020 has been the implementation and audit of all Servistal departments (incorporated at the end of 2020 in Palex Medical and which encompass all the areas of internal operations and management), within the quality and environmental management system.

**98 %**

of shipments are sent
out on
the same day of the
supply order

Palex Medical Service level

89 %

of shipments are sent
out on
the day required
to reach the customer
on time

SAFE AND CERTIFIED PRODUCTS

It is essential for us to ensure that all the products that we import and distribute are **safe and of the highest quality**, which is why we have the necessary mechanisms in place to guarantee that all of them comply with the legal requirements of the health sector. From the **Department of Regulation**, a **documentary check of the products** is carried out prior to their marketing, to verify **compliance with the current legislation** that applies to them.



This check is carried out by requesting the necessary documentation from our suppliers (including, for example, CE certificates, declaration of conformity, copy of the product labelling and instructions for use, if applicable), their validation, and approval, entering this information into our IT systems so it can be accessed by other departments.

This means we are in continuous contact with the public administration, certifying bodies and other entities in the sector such as Fenin in regard to inquiries and other procedures.

During this year, in 2020, one of the quality objectives has been met: to develop a new documentation management tool for product regulation records, which aims to be able to more efficiently control this type of documentation.

We also have a **monitoring system**, which provides for the withdrawal of products, the distribution of safety notes to customers and the reporting of adverse incidents, and is carried out following the guidelines issued by the European Union on this matter.

Regarding **product labelling**, we carry out a check associated with the registration process in our systems and a check upon the entry of the different shipments, to verify compliance with the applicable legislation.

SYSTEM IMPROVEMENT PROJECTS

SAP S4/HANA

We are currently in the process of implementing a new version of the SAP IT management system, **S4/HANA**, which will allow us to rethink workflows and optimise processes, in addition to increasing the digitalisation of documentation with the significant reduction in paper consumption that comes with it.



The objective is to **redefine and optimise processes**, and develop the necessary tools for them. We anticipate having the new management system implemented in all our facilities (both internal and external) by January 2022.

With S4/HANA, it will be possible to implement cross-cutting improvements in the daily management of all departments, which include having a **better record and visibility of key indicators, the simplification of tasks and reduced paper use**.

The system also allows us to carry out other actions to improve efficiency, such as:

- Improved route optimisation and logistics efficiency. Higher quality in the movement of goods, both inbound and outbound, through consolidated transportation.
- Unification of the Customer Service Centre (CSC) in a single channel in order to have better management skills and statistical visibility, as well as closer monitoring of the customer.
- Travel booking and expenses management system, which involves optimising both the travel booking process and the associated expenses, leading to a significant decrease in the use of paper and the logistics associated with sending the corresponding documentation to the central office.

- Online inventory tool for material tied up in customer deposits, which allows us to optimally manage inventory and anticipate possible incidents.
- Management tool for technical service operations, giving technicians the ability to manage their actions on the go, reporting to the customer in real time and reducing the use of paper thanks to the electronic signature.

Master Data – GTIN

We are also working on a project that consists of obtaining **coding from suppliers of their products by means of a barcode, QR code or Datamatrix code**, so that they can be read and identified by an optical reader when they are received, both by Palex and by our customers.

This action arises from the mandatory nature of this coding for certain products, such as implants and high-risk products, starting in May 2021. At Palex, we want to anticipate this requirement and implement it as much as possible with the rest of our products, obtaining a **more agile and precise comprehensive management of the products** for all those who make up our value chain, both manufacturers and customers, thus satisfying the early requests of some customers who value said coding.



Innovation in products and solutions

CONTINUOUS SEARCH FOR PIONEERING PRODUCTS

Our commitment to continuous growth is in our DNA, it drives us to be in **constant pursuit of new products** in the healthcare market that can provide advanced solutions to the sector.

This predisposition is integrated into all levels of our organisation, starting with the different **flexible commercial teams adapted to each of the business units**, which are the ones in constant contact with specialists and healthcare professionals to detect their needs. In addition, each of the marketing teams is also in charge of keeping up to date with their line of business in question and detecting innovative products and solutions for their introduction into the Spanish market.

At a cross-cutting level between the business units, we have a **Business Development Department** that, in addition to continuously **investigating pioneering advances and new lines of business**, is responsible for analysing the needs detected by the different units and making decisions regarding which products and projects to bet on, through a committee appointed for this purpose.

In addition, we maintain a close relationship with **opinion leaders** and with **scientific society**. In some business units we even have product validation committees and **advisory boards**, together with opinion leaders who advise us on trends in the sector.

The element that most distinguishes us, and the one that allows us to have such a high degree of innovation, is proximity and closeness to customers and patients, our capacity to **detect needs, find solutions** to address them and then implement said solutions, which makes us not only a distributor, but a partner dedicated to providing global solutions.

DEVELOPMENT OF OUR OWN PRODUCTS AND SYSTEMS

In order to meet **the needs detected in the market**, to which we can contribute with our knowledge and experience, we have developed lines of business with our **own products** to satisfy the needs of our customers through innovation and new solutions.

These products range from systems based on RFID technology that improve hospital logistics and management, to surgical coverage and inhaled medication chambers.

RFID mailboxes for
inventory management
in the ward's storage
areas



DYANE
smartkanban

RFID smart cabinet
for the management of
valuable material



DYANE
smartcabinet

Wide range of
sterile and non-
sterile surgical
coverage



nursia
COBEX®

Hospital systems

In addition to our own products, we also develop **our own systems and solutions that add value** to some of the products that we sell from our suppliers. In this way, we sell the product together with the solution to be able to integrate it more efficiently into the hospital systems.

These *software* and *hardware* solutions are created and managed by an internal team made up of specialists and developers and were created to offer **advanced technological services** that, according to the needs detected by the commercial teams, complement and extend the functionalities of the products sold. Among the solutions, we can highlight those implemented in the following areas:

- **Nephrology:** solution that integrates different additional sensors (scale, temperature, patient facial recognition, etc.) with the supplier's dialysis monitor, giving the product additional functionalities.
- **Home dialysis:** remote connection of home equipment, offering process monitoring and data analysis to anticipate possible incidents.
- **Pre-analytical / extraction process:** solution that manages the complete extraction process, the management of queues and waiting rooms, the traceability of the tubes, the identification of the samples and their traceability in the laboratory.



5

Long-term
relationships
based on trust

The customer comes first

OUR CUSTOMERS, USERS AND PATIENTS

Our **customer** portfolio is mainly made up of: public hospitals and primary care centres, private clinics, health insurance companies, laboratories, research centres and the food industry.

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

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

In Spain, which is our main market, the characteristics that define its health system are that it is universal, direct and provided as a free service. For this reason, 78 % of our revenues in 2020 came from public customers, making the health authorities of the 17 autonomous communities key players for Palex Medical.

Beyond the actors in charge of decision-making in the health sector, we consider **health personnel and researchers** to be a crucial part of our customers, since they are professionals who use our products and systems, whose needs and expectations we try to meet in our day to day. Likewise, **patients**, the end users of many of our products and equipment, are also a fundamental group whose health and well-being is our priority. At Palex, we take into account all these groups in the development of our daily activity, we work to meet their expectations and to offer the best response to their needs.

SATISFACTION AND TRUST

We have extensive knowledge of the market and we have always worked closely with doctors and other health professionals, which allows us to more easily identify their emerging needs and, therefore, find the products or solutions that best meet those needs.

Customer service

We have the necessary mechanisms to always be available to our customers, through our specialised **Customer Service Centres (CSC)**, to provide an adequate response to all the individual needs of the different sectors, customers and geographical areas.

Personalised service based on trust

Our main Customer Service Centre is organised around three pillars:

- **General CSC**
- **Laboratory and HHD CSC:** includes the *In Vitro* Diagnostic, Preanalytical, Laboratory and Home Hemodialysis (HHD) units.
- **Oncology and Adacyte CSC:** includes the areas of Oncology, Brachytherapy, Neurosciences, and the Adacyte Adacolumn® product.

Each of these teams is divided up by region, in order to ensure that customers in an area always receive help from the same contact person, thus strengthening our relationship with them and establishing a bond based on trust and experience.

The Laboratory and HHD CSC team is not only in contact with customers, but also with home hemodialysis patients, attending to their needs and managing the shipment of material where necessary.

In addition, we also have a specialised **Orthopedic CSC** that, due to the nature of the products and associated products, is completely independent from the previous ones.

Lusopalex, Cymit and **Bemascé** also have their own customer service for the management of specific queries and complaints in regard to their products and sectors. In the case of Lusopalex, the orthopedic unit is managed jointly by the Palex Medical Orthopedic CSC.

Throughout 2020, we have received a total of 119 inquiries and complaints from customers, which we have tried to manage and respond to as soon as possible.

Continuous improvement

In addition to the daily service we provide through the different CSCs, we have also implemented mechanisms to measure the general satisfaction of our customers.

Through a **benchmarking** study carried out by the **AECOC** (Association of Manufacturers and Distributors) through satisfaction surveys given to the main public hospitals, **Palex Medical's** level of efficiency in comparison with other providers in the *Order to Cash* process is analysed.

We are very proud of the results obtained in the latest study, conducted in 2019 (whose publication has been delayed due to the COVID-19 situation).



Bemascé and Lusopalex also periodically carry out satisfaction surveys, but none were carried out during 2020.

The results of this year's **Bemascé satisfaction survey** are presented below.

9.11 / 10

overall score

4.51% higher than in 2019

- ✓ Improvement compared to 2019 in all the assessed aspects
- ✓ Aspect with the greatest increase: Technical Management
- ✓ Customer rating superior to that of the competition
- ✓ The goal of 90% overall satisfaction has been exceeded, with a score of 90.9%

TECHNICAL AND TRAINING SUPPORT

To ensure that our customers receive a comprehensive service, we have a **Technical Service Department** for Palex Medical, Lusopalex, Adacyte

and Bemascé, which is in charge of repairs, spare parts and the preventive maintenance of the installed medical equipment.

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

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

Several of the company's units, such as Orthopedic Surgery, Nephrology or Cardiac Surgery, have product specialists who provide support to customers for the amount of time required to ensure the safe use of the products and systems. In addition, in the IVD-Laboratory Area, the units also have application specialists, with a very high level of technical training. These specialists accompany the customer in the beginning, training them in how to operate the equipment and later giving them support in any situation that arises in regard to the use of that equipment.

Suppliers: joint value creation

Our suppliers are a key ally to ensure that our products meet the quality standards that set us apart. We collaborate with more than 500 high-level manufacturers in the sector, whom we consider **partners** and with whom we work together to **create value and bring the best solutions** to the market.

To do this, we establish long-term relationships based on trust, with an average duration of more than 20 years, and in most cases with exclusivity agreements regarding the distribution of their products.

For our suppliers we are much more than just a distributor, we are the public face of the products and solutions in the Spanish and Portuguese markets, helping to establish a solid reputation. In addition, we offer feedback on their products and provide a technical and maintenance service. We seek to be a commercial, technological and operational **ally** for them.



RESPONSIBLE SUPPLY CHAIN

As a substantial part of our activity, we work hard to ensure our supply chain is **responsible and with quality guarantees**. We are committed to the integrity of all participants in the operations throughout our value chain, ensuring **ethical and sustainable operations**.

Selection of suppliers

We choose all our suppliers based on transparent and responsible criteria, rejecting any type of influence from factors unrelated to the search for the highest quality in products and services.

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

To the greatest extent possible, we try to promote local consumption in the choice of our product and service providers, with **78 %** of our spending on suppliers being with European companies. Specifically, 46.94 % of our total spending is in Spain, and 31.06 % in the rest of Europe.

In addition, for the procurement of services such as cleaning or paper supply, we collaborate with **special employment centres**, thus promoting the employment of people with functional diversity.

In order to verify the quality and reliability of our product manufacturers, we request quality management certificates (**ISO 9001** or **ISO 13485**),

in addition to the specific documentation for product regulation records according to current legislation. We also have requirements for the compliance with payment deadlines and other factors.

For service providers, we send an external activity policy on environmental aspects to those who work in our facilities or perform a service on our behalf in other facilities. In this policy, our suppliers undertake to do their part to comply with the environmental measures established by our organisation, the specific measures for carriers, the instructions for action in case of emergency, and current environmental legislation.

In the specific case of our carriers, they all have an environmental management certificate (**ISO 14001**) or a carbon footprint certificate.

Supplier evaluation

In order to **evaluate the performance of our supplier companies**, both in terms of products and services, we assess them based on three criteria:

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

340 suppliers are evaluated and, in addition, for the most important manufacturers, we also carry out more in-depth evaluations, in which we review aspects related to regulations, logistics or technical service.



6

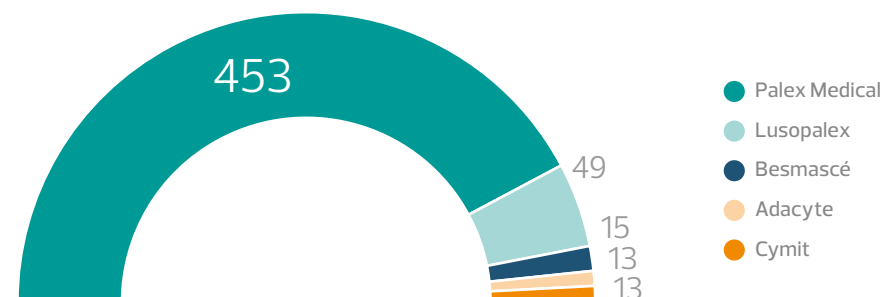
We take care
of our team

People are the key to our development

Our philosophy is based on **trust**. We believe in people and we are confident that this trust involves a high level of co-responsibility between Palex and our team of professionals. To strengthen this mutual commitment, we give them plenty of space to grow and create, thus empowering and developing themselves both professionally and personally. For this reason, we believe that it is important for each person to have a driving force in their life, along with motivation and an intrinsic desire to grow and learn. At Palex, we work hard every day to make this a reality.

OUR PROFESSIONAL WORKFORCE

We are a team of more than 540 professionals at the end of 2020, distributed among the group's entities as follows:



As part of our commitment to the staff, we believe that everyone should receive fair pay, which is why we annually apply the salary adjustment as laid out in the wage agreement to confirm that salaries are appropriate according to the market and to the internal categories. In addition, the Fenin Remuneration Study is carried out periodically to verify that we are within the working conditions of the sector.

As for the most prevalent types of contracts and working hours, it should be noted that, at the end of 2020, **98.9%** of our workforce had a permanent and full-time contract.

In addition, our staff has union representation mechanisms. 90.2% of the workforce is covered by the collective bargaining agreement applicable in Spain: "Wholesalers and importers of industrial chemical products and medicines, perfumery and by-products". For those outside of Spain, there is no agreement and the labour regulations of each country apply.

PROMOTION OF WELL-BEING IN THE TEAM

We want to ensure that our team is in a healthy work environment, guaranteeing the well-being of each of the people that make up the organisation. That's why we believe that, in order to continuously improvement, it is essential to listen to their opinion and know their needs.

For this reason, we periodically carry out a **work climate survey**, the last of which was carried out in December 2020, which allows us to know their point of view. Following this, we analyse the responses, identify areas for improvement and carry out an action plan to respond to their proposals and opinions.

In addition, our professionals receive **social benefits** that aim to facilitate the day-to-day life of our team and improve the quality of their professional and personal lives. Some examples are:

- Flexible compensation: childcare, meals, transportation, training and health and retirement insurance.
- Birthday leave.

8.25 / 10

overall score

9.41% higher than in 2017

- Palex Club: platform that staff and family members can access to get better prices and deals on products.
- Catering service.
- Free seasonal fresh fruit in cafeterias and offices.
- Changing rooms with showers in Cornellà and Sant Cugat.

In order to promote a **balance** between work, family and personal life, which we know is synonymous with a healthy professional career, we have initiatives such as:

- Flexible hours: start of the day anywhere from 7:15 to 9:30 am; lunch break that can last anywhere from half an hour to two and a quarter hours; and end of the day after 4:00 pm².
- Shorter workday on Fridays.
- Personalised hours if necessary.
- Flexibility to choose time off.
- Social benefit for pregnant women.
- **Digital disconnection policy**, which includes:
 - No obligation to answer emails after hours (except for positions in which it is required to guarantee essential services).
 - Recommendation to send delayed emails when after hours.

²Departments such as the Warehouse or Customer Service have other schedules, but we also try to make these schedules the best they possibly can be, taking into account the essential services that we must offer our customers.

TALENT ATTRACTION AND DEVELOPMENT

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

In order to promote the development of our professionals within the company, one of the projects we are working on for next year is to start conducting **performance evaluations** again in a new digital format.

Our selection policy applies to both external candidates and people who are currently working at Palex, thus guaranteeing equal opportunities when accessing an open position, in addition to encouraging promotions to be handed out within the organisation.

In this regard, we are proud to say that the average seniority among our team is 9.47 years, and that within the management team, 76.32 % of the positions have been filled through an internal promotion, with a total of 37 people being promoted this year. In addition, we have monitored the unwanted turnover rate in order to have a better perspective on the loss of talent in the organisation, which this year stands at 3.52 %.



Recruitment, welcome and onboarding

We are aware that the first few days are key for the integration of new hires into the organisation. At Palex, we ensure that they are properly welcomed and accompanied during this process, and for this reason, within our incorporation policy, we have a **Welcome Manual**, which is delivered to new hires to provide them with all the relevant information, including the various policies available to the organisation. In addition, a **welcome pack** is also given to them that includes corporate merchandising material: a cotton bag, a mug and an aluminium bottle, USB stick, notebook...



During this onboarding period, new hires participate in various training sessions in order to ensure their integration with our culture and values. For example, they take courses on Compliance and Ethics, Occupational Health and Safety, and Equality.

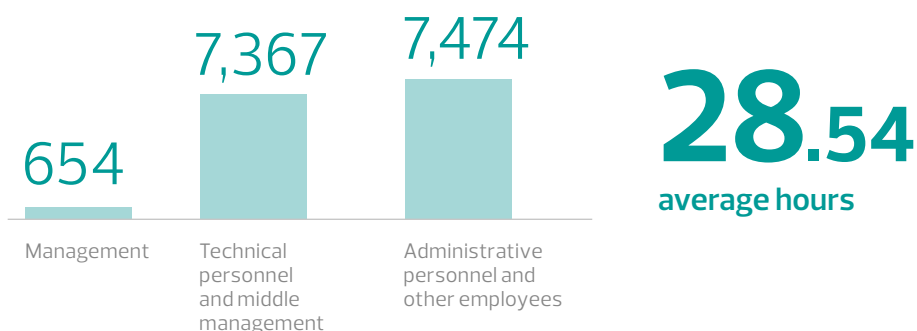
Professional and personal development

The **training plan** arises from the needs of each of the teams, according to the evaluations by those in charge and the work climate surveys. This allows us to adapt it to the individual characteristics of the different teams, at any given time.

In addition to the technical training provided in each area, we have several programmes that are addressed to the entire organisation:

- **Talent Pool Programme:** created with the aim of encouraging internal promotions. The idea is for people to participate in 4 or 5 sessions throughout the year, in which they are trained in future responsibilities of more senior positions, such as, for example, how to lead teams, operating accounts, etc.
- **Insights Discovery Programme:** psychometric tool to understand oneself and others and thus obtain more effective and authentic interpersonal relationships.
- **Smile Programme:** all employees are invited to propose how they would improve their position, their every-day doings, etc.

In 2020, the total number of training hours by professional category were:



It is worth mentioning that not only do we encourage training within Palex, but we also like to know that our team has interests and aspirations that go beyond the company, and we are pleased to be able to offer financial aid to complete master's degrees, courses and other studies, regardless of whether they are related to their current job and profession.

We also have a **language** training programme whereby the organisation, after evaluating the position, can pay for part of the cost of language studies. In addition, if it is not a necessity for the position in question, we still offer assistance to finance the courses.

Moving towards *online* training

We working on a shift towards a digital format for the different training courses we carry out in the organisation. To do this, we have initiated a collaboration with Triviere, an *online* training platform, on which we have a large amount of content and that allows us to create highly personalised training itineraries according to the profile and position of each member. In addition, starting in 2021, we will also have content from Goodhabitz.

Diversity and equal opportunities

Respect is one of our fundamental values on which we base all of our internal and external relationships. Therefore, at Palex there is no room for inequality or harassment of any kind. We firmly believe in equal opportunities for all the people who make up the organisation, and also for those who will do so in the future.

Our commitment to non-discrimination based on race, religion, nationality, ethnic origin, colour, gender, ideology, sexual orientation or age; is included in our **Equality Plan**, implemented in 2011. The entire workforce is trained in the plan's content, and it is also included in the on-boarding process of new employees.

In addition, every year we carry out a situation diagnosis to evaluate the evolution of the different indicators and confirm that they are evolving in a favourable way.

To support this plan, whose objective is to fight against any kind of discrimination or harassment and ensure equal opportunities in access to employment, promotions and retribution for all the people who make up our group, we also have a **Protocol for the Prevention of Harassment** and a **Communication Protocol (use of language: equality criteria)**, which aims to use language in a non-sexist way.



Inclusion and accessibility

In line with our commitment to equal opportunities, at Palex we always seek to guarantee the inclusion of people with functional diversity. At the end of 2020, there were 6 people on the team with a degree of functional diversity greater than 33 %.

Whenever we can, we try to work with special employment centres, which generate quality jobs for people with functional diversity. For the cleaning staff in Sant Cugat and Cornellà, we have a mixed model with one part hired from GELIM, and for the supply of office paper we work with ILUNION, thus promoting inclusion and equal opportunities.

In addition, there are Palex facilities that are adapted to favour universal accessibility for people with functional diversity.

Health and safety of the team

At Palex, we take care of our team and place their health and safety as one of our priorities. We believe it is essential to have mechanisms in place to guarantee a healthy and safe work environment, which minimises any type of risk to the people who work in it. To do so, we have an **Occupational Health and Safety Plan**, which includes a Self-Protection Plan and an analysis of the generic risks of the Palex Group.

In 2020, there were a total of 30,928 hours of absenteeism, taking into account workplace accidents (including *commuting accidents*), common contingencies and occupational diseases.

A medical check-up and the option of getting a flu vaccination are offered to all staff annually. We have defibrillators in all centres and we carry out regular training on their use, as well as on first aid.

The "Back School"

We have a programme designed to ensure good physical working conditions for our team. It consists of an annual session with a physiotherapist to evaluate the state of team members where improved ergonomics is included as a risk of their evaluated job, offering advice and education on good work habits in order to prevent or correct bodily problems derived from bad postures adopted during the working day.

Mobility plan

We have a **Mobility Plan** so that all our professionals are informed of responsible measures related to road safety, and to encourage sustainable mobility. Our goal is to ensure the well-being, safety and health of the people who work at Palex, to inform them and make them aware of the risk factors that can cause accidents, as well as to help prevent them.

In addition, we invite them to reflect on the means of transport used to access the workplace, thus promoting more sustainable means of transport, which leads to a smaller environmental impact and greater personal well-being.

Other initiatives

- **Palex Fit:** stretching exercise programme from home two days a week via Microsoft Teams, implemented in late 2020.
- **Sessions on healthy habits:** together with the company Mehrs, we hold sessions on how to stay active and eat healthily: walks, recommendations on occupational and personal health, etc.



Human rights

Our intrinsic values as a group lead us to be committed to the **fight against any type of discrimination and to the defence of human rights** both in our own activity and throughout the supply chain.

As a result of this commitment, we have various policies and measures that, in addition to guiding the conduct of the people who are part of our organisation, allow us to protect and respect human rights.

- **Equality Plan**, the purpose of which is to eliminate any type of discrimination and guarantee the same opportunities in the access to employment, promotions and remuneration for all the people who make up our group.
- **Anti-Harassment Protocol**, which aims to maintain a work environment free of any conduct that may be considered harassment or intimidation, promoting measures to prevent such conduct.
- Policies that promote a **balance** between work, personal and family life.
- Measures implemented to ensure **occupational health**, creating work environments that guarantee the physical and emotional well-being of our team.

- Existence of union representation and collective bargaining mechanisms.

In addition, we guarantee our commitment to the respect of human rights through compliance with local legislation in the various countries in which we are located. In this sense, the legislation includes the following labour principles, to which we are fully committed, in accordance with the fundamental Conventions of the **International Labour Organization (ILO)**:

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

With all of this, we work to strengthen our alignment with both the **Ten Principles of the Global Compact** of the Declaration by United Nations, as well as with the **Universal Declaration of Human Rights**.

An abstract, flowing stream of bright blue particles, resembling a comet's tail or a data stream, moves from the left towards the right across the upper half of the image. The particles are concentrated in a central band and become more diffuse as they spread out. The background is a dark, deep blue. A thin, light blue line runs diagonally from the top left towards the bottom right, framing the central image. Another thin, light blue line runs horizontally across the middle of the image, just below the particle stream. A thin, light orange line runs vertically along the left edge of the image.

7

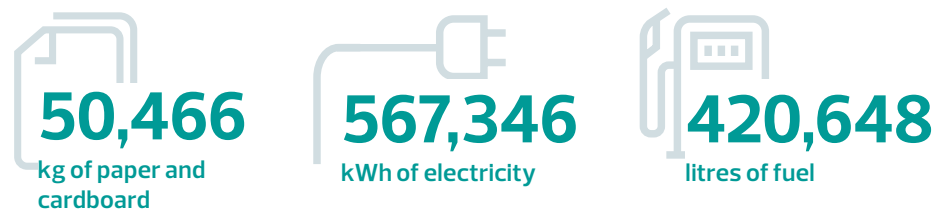
We
are committed
to our environment

Efficient use of resources and waste management



RESPONSIBLE CONSUMPTION

We are responsible for the consumption of resources associated with the development of our everyday activity, which, excluding our own production activities, are limited to office supplies such as paper, packaging material such as cardboard, electricity, fuel and water, the latter being very insignificant due to the nature of our business.



Material saving initiatives

One of our initiatives in order to minimise the materials consumed is the **reuse of our suppliers' boxes and pallets**, which we use for our distribution, thus extending their life cycle. In addition, the boxes we use for Palex Medical products are of **BC603 quality**, which ensures that **100 % of the material is recycled**.

In our offices in Sant Cugat, we have replaced the plastic cups with **cardboard ones with 100% recyclable PE film**, which has allowed us to save 93.6 kg of plastic. In addition, we have reverse osmosis water fountains and workers have a ceramic mug and an aluminium bottle as an alternative to single-use cups.

Finally, it should be noted that one of our environmental objectives for this year was to **reduce paper consumption** at the Palex Medical offices. The situation derived from the COVID-19 pandemic has itself caused an immense decrease in said consumption. Even so, we continue to pursue this objective, with initiatives such as:

- Implementation of the new SAP S4/HANA management tool that will allow us to take a big step forward towards achieving the digital transformation of internal processes.
- Awareness campaigns for workers to prevent unnecessary printing.
- Programming of departmental copiers and printers so that the default option is double-sided and black and white printing.

WASTE MANAGEMENT

At Palex, we try to minimise the waste generated by our daily activity and manage it so that it is treated correctly and generates the least possible impact on the environment. For this reason, we have hired **authorised waste management companies for the collection, logistics and treatment** of the waste generated by the activity that takes place in our work centres.

We are currently controlling and separating: hazardous liquid chemical products, batteries, fluorescents, medical supplies, plastic, paper and cardboard, toner, WEEE, computer equipment and regular waste.

During 2020, a total of **4.42t** of hazardous waste and **79.75t** of non-hazardous waste have been removed and managed.

On the other hand, to minimise the impact of the waste that we generate in offices and other work centres, we have **differentiated containers** to deposit organic waste, paper, containers and glass containers separately. We also have containers for throwing away plastic caps, which are delivered to the **SEUR Foundation** in its solidarity and sustainable management campaigns. In addition, we carry out awareness campaigns for workers to increase their collaboration in waste management.

Finally, for our team's mobile phones, we have a maintenance programme that



replaces damaged devices with new ones, guaranteeing the proper treatment of the collected phones, whether it be repairing them or managing the waste in the case of non-repairable devices.

Product obsolescence

We care about guaranteeing the correct end-of-life cycle of all the products and equipment that we sell. For this reason, the user manuals explain how to correctly treat the product once its useful life has come to an end.

We have the **Ecoasimelec certificate** for Palex Medical, which offers us the necessary coverage for the proper collection and appropriate recycling of waste electrical and electronic equipment (WEEE) and batteries. In addition, our adherence to Ecoasimelec provides us with a management platform for both obsolete products in our warehouse and Palex's own amortised products with customers, ensuring their correct collection and treatment.

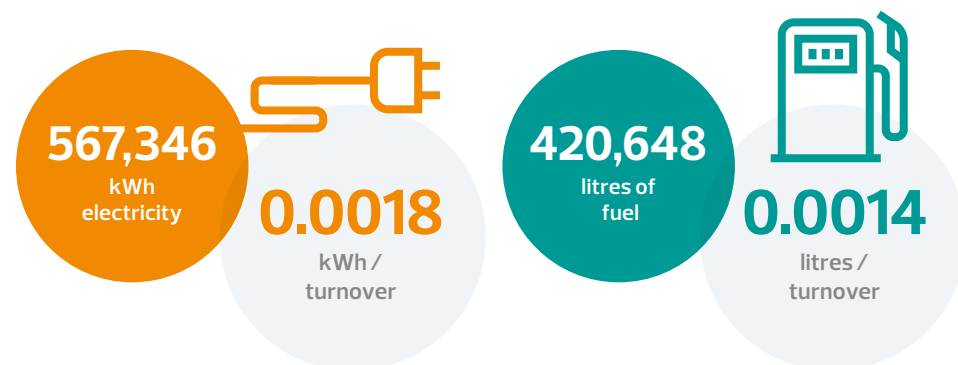
In addition, **FCC** is responsible for the treatment of waste derived from expired and unused medical supplies in the warehouse.



Climate change and pollution

ENERGY CONSUMPTION MANAGEMENT

Our total energy consumption comes from the consumption of electricity in our offices and warehouses and fuel for our fleet of *leased* vehicles, which are used for the organisation's own activities such as commercial management, technical service or distribution. The total energy consumptions in 2020 and their respective intensities by turnover are shown below.



We carry out energy audits, the last one taking place in November 2020, in order to detect and evaluate the options for improving the facilities to introduce measures and criteria for the rational use and saving of energy.

Energy saving measures

During this year, as an energy saving measure, we have implemented a new lighting system using LED lights at the Cornellà facilities, in the sections that are not specifically used as warehouses. This has allowed us to **reduce our consumption by 75 %** compared to the use of conventional lighting in these areas, according to the manufacturer's estimates.

In the central offices of Sant Cugat and in the Alcobendas office in Madrid, there is a centrally managed HVAC system, which allows it to be switched on and off automatically depending on the working hours. In the rest of the work centres, the cleaning staff is in charge of systematically turning off lights and HVAC equipment in areas without people upon their arrival at the facilities. When closing the facilities, they carry out a systematic sweep to ensure that all lights and equipment are turned off.

In addition, campaigns are carried out and informative posters are used to encourage workers to turn off the lights and the HVAC equipment at the end of the day at the work centres, such as the Cornellà warehouse, where there is no centralised system that manages its automatic shutdown.

07 WE ARE COMMITTED TO OUR ENVIRONMENT

Efficient and sustainable transport

We work to reduce fuel consumption derived from our activity, either from our own activity or that of third parties. In this sense, we seek to make our transport routes more efficient, consolidating orders in a way that optimises container and truck loads. In addition, we also ensure that all our carriers have environmental certifications.

We are also concerned about the efficient consumption of our **fleet of vehicles**, which is at the disposal of our professionals when travelling either for business purposes, technical services, or any other reason. We continuously seek to achieve maximum efficiency for our vehicles, which is why we are working on the progressive incorporation of more efficient vehicles into the fleet, which has already begun by switching out several of our vehicles for ones with a hybrid engine (ECO energy label).

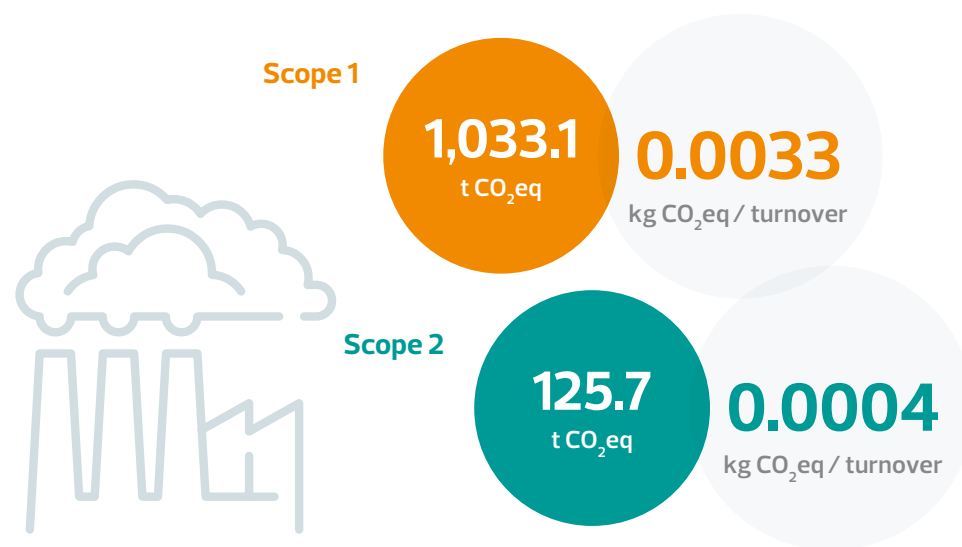
Finally, we also encourage the responsible and sustainable use of transport by our professionals, through our **Mobility Plan**, which promotes more sustainable means of transport.

To strengthen this commitment to sustainable mobility, we have implemented several measures, such as, for example, in the Cornellà warehouse there is a space with sockets for electric bicycles and scooters, and both in the warehouse and in the offices in Sant Cugat we have showers for staff who travel by bicycle and would like to use them. In

addition, one of the selection criteria for our work centres is that they be close to public transportation services.

Our carbon footprint

We have calculated our carbon footprint in scopes 1 and 2. Thus, the total scope 1 GHG emissions has been 1,033.1 t CO₂eq, which corresponds to the fuel consumption of our fleet. For its part, the total of scope 2 emissions is 125.7 t CO₂eq, which come from the consumption of electricity in our work centres.





8

We have a
positive impact
on society

High-impact products and services

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

HOME HEMODIALYSIS

One of the systems that has the greatest impact on society is the Home Hemodialysis (HHD) equipment. It is a system for performing the **hemodialysis procedure within a home environment**. Due to its ease of use, offering a combination of simplicity and safety, the patient can quickly learn how to use it, in approximately three weeks.

This innovative system greatly improves the quality of life of patients, as

it offers greater integration into the patient's day-to-day family and work life, limiting their need to go to the hospital for treatment. In addition, it is transportable, allowing the patient to travel with it and perform dialysis anywhere there is a power source.



It also leads to a faster post-dialysis recovery, an improvement in depressive symptoms and sexual response, better nutritional status and cardiac functions, more control of the phosphorus balance and a need for less medication. Furthermore, the survival rate in daily home hemodialysis patients is higher compared to patients who undergo treatment three times a week in hospital centres.

It should be noted that, thanks to our **Hospital Systems** team, we have developed a remote connection of home equipment, offering process monitoring and data analysis to anticipate possible incidents and improve the service.

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patients already
enjoy the benefits
in health and quality
of life of



EXABLATE NEURO SYSTEM

Another revolutionary system is Exablate Neuro, a technology that **treats essential tremor without undergoing surgery**. It applies magnetic resonance-guided focused ultrasound (MRgFUS), thus eliminating only the defective tissues that trigger the uncontrollable tremors.

As a result, it is possible to reduce the tremor generated by Parkinson's disease or essential tremor without the need to implant electrodes in the brain, unlike the DBS (Deep Brain Stimulation) technique used today, with approximately 116 annual treatments performed in Spain.

The advantages of this technology for the patient are numerous, starting with avoiding the need to undergo surgery while keeping the skull intact. It is a one-session treatment, which does not pose a risk of infection or require anaesthesia, and the effect of improvement in tremors is immediate.



At Palex Medical, we are working with other collaborating entities such as 3D Histech and the *Polytechnic University of Catalonia* on a project to transform the pathological anatomy services of the Institut Català de la Salut into a **digital pathology** system. The project consists of the digitisation of pathological anatomy samples through *slide scanners* for their storage in a digital format, offering more efficient management of sample images and greater integration with other information systems.

In addition, this solution not only reduces the amount of necessary storage space, but also improves workflows by automating the diagnostic process, allows for better analysis and comparison of images, as well as greater detection and recognition of patterns associated with specific pathologies using *machine learning* techniques.

On the other hand, working in a network facilitates access to databases, the viewing of similar cases, and the ability to obtain second opinions. In short, it **improves the speed, precision, efficiency and quality of diagnosis**.

Our contribution to the community

Aware of the active role we play in generating the well-being of society and the local community, we want to do more than simply contribute our products and solutions. We are committed to growth and the redistribution of value in the community in order to contribute to the development of a more equitable and sustainable society.

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

ASSOCIATIONS AND FOUNDATIONS WE COLLABORATE WITH

At Palex Medical, we are affiliated with **Fenin** (Spanish Federation of Healthcare Technology Companies), an association that values healthcare technology as an element with a positive impact on the health of patients



and the efficiency of health organisations, representing the interests of the sector in the right forums.

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

We also collaborate with the **FEFOC Foundation Against Cancer**, which develops projects against breast and prostate cancer. In addition to the contributions we make to support these projects, we also carry out joint activities, such as writing articles in their monthly magazine, creating awareness-raising videos and participating in events such as the EAU (European Association of Urology Congress).

In addition, we also make **donations** to foundations, hospitals and universities aimed at **scientific research**. We want to be promoters of innovation and do our bit to contribute to this development, promoting the health and well-being of the community.

PROMOTED ACTIONS AND ACTIVITIES

Movember

At Palex, we take part in the Movember movement, which consists of an annual event in which men grow their moustaches during the month of November and events are organised with the intention of raising awareness about men's health issues, including prostate cancer, which is the most common among men. Every year we organise an action to raise awareness on the importance of prevention and diagnosis and we encourage all our members to participate. This year it has consisted of sending photographs with an outfit that simulates a moustache, to later publish it on our social networks and show our support for the cause.





Somos Uno – Invest for Children Foundation

We also participate in the “Somos Uno” charitable event, which consists of a football match that's played with other participating companies at the *RCD Espanyol* stadium. This charity event, in which all our members are invited to participate, is organised by the *Invest for Children* foundation, and the proceeds are used for the *Aura Foundation's* job placement programme for people with intellectual disabilities, for the research projects on serious childhood illnesses at the *Sant Joan de Déu Hospital* and the research project for the prevention of Alzheimer's at the *Pasqual Maragall Foundation*.

Unfortunately, the situation generated by the COVID-19 pandemic led to the cancellation of the event in 2020.

ECONOMIC VALUE GENERATED AND DISTRIBUTED

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

| | Profits | Paid tax on profits |
|--------------|---------------|---------------------|
| Spain | 40,404 | (8,374) |
| Portugal | 399 | (260) |
| Total | 40,803 | (8,634) |

About COVID-19

OUR CONTRIBUTION TO THE COVID-19 CRISIS

2020 has been a year marked by the emergence of the **COVID-19 global health crisis**. As a company in the sector, every day we have devoted our efforts to fulfilling our responsibility within a **changing and unprecedented environment**.

At Palex, we have done everything possible to meet the demanding needs of these difficult times, and we are proud to have been able to contribute by providing medical supplies to help manage the pandemic. **Proximity** to our customers, **anticipation** and the ability to **adapt** have been key to achieving this, seeking out new supply channels and always ensuring the highest **quality** standards in compliance controls.

We have been able to provide **coverage** (masks, pyjamas, gowns, etc.), 40 **portable X-ray** machines for evaluating lungs without having to move critically ill COVID-19 patients, **shelves and carts** for field hospitals, more than 400 **respirators**, **thermocyclers** for obtaining PCR test results, and

more than 4 million **PCR tests** from the onset of the pandemic until the end of 2020.

Our main challenge has been to be able to supply the high demand for these products, and our success is thanks to our preparedness and ability to act with the necessary **speed and flexibility**. It would not have been possible without a **unified, trained and engaged team**, which has demonstrated its full commitment as part of the country's health infrastructure.

The emergence of COVID-19 was a challenge in terms of the **day-to-day operations** of our business activity. In this regard, at Palex we have acted with the utmost responsibility and transparency, implementing measures that, above all, protect the **health and safety of all the people who are part of our team**.

For example, ever since the State of Alarm was declared in Spain, on March 14, all offices workers **began to work from home**. This required us to provide equipment and connections, additional bandwidth, manage incidents, etc.

For the technical personnel, operations were established to guarantee their safety, with measures such as **adapting work shifts** in order to create separate work groups and avoid possible infections, and the use of different bathrooms and changing rooms for each group.

Basic safety and hygiene measures (such as social distancing and the use of masks and hand sanitizer) have been correctly implemented in all centres and, in addition, other **protection measures** have been taken such as:

- Supply of individual protection kits (masks, hand sanitizer, gloves, gowns, etc.) for all commercial and technical personnel.
- Increase in hygiene measures (disinfection of tables, knobs and handles).
- Disinfection by spraying in the event of a risk of infection (done 8 times throughout 2020).
- Each centre has received a digital infrared thermometer and oximeter.
- Installation of CO₂ detectors in risky areas, and air purifiers with HEPA filters in meeting rooms and workshops in Barcelona and Madrid.

It is worth mentioning that we facilitate **PCR or serological tests** for all personnel when there is a risk of infection. This allows us to make sure that no one who may be positive for COVID-19 ends up going to work and putting anyone else at risk. In addition, we also performed serological tests on all personnel who had been teleworking and all commercial and technical personnel before returning to in-person work.

The reality of COVID-19 has also led to the **digital transformation of processes** within our organisation, representing a step forward in achieving more efficient working methods that involve less paper consumption. In addition, many activities such as training have moved into

a digital environment, with which we have actually managed to exceed the time spent on training in the previous year.

This situation has allowed us to prove how, as an organisation, we are on the people's side, always committing to trust and transparency. We are very proud of the degree to which all departments have gotten involved, which have worked tirelessly to display their commitment to Palex and the well-being of our society.





9

Appendices

Tables of content

Table 1. **Workforce at year end by gender, age and professional category**

| | | Management | Technical personnel and middle management | Administrative personnel and other employees |
|-------------------------------|-------|------------|---|--|
| Under 30 years old | Men | – | 14 | 11 |
| | Women | – | 14 | 19 |
| Between 30–50 years old | Men | 11 | 72 | 61 |
| | Women | 5 | 45 | 113 |
| Over 50 years old | Men | 10 | 68 | 37 |
| | Women | 2 | 28 | 33 |
| TOTAL | | 28 | 241 | 274 |

Table 2. **Workforce at year end by country**

| | Total number of personnel |
|--------------|------------------------------|
| Spain | 490 |
| Portugal | 49 |
| France | 3 |
| Sweden | 1 |
| TOTAL | 543 |

Table 3.

Personnel by type of contract by gender, age and professional category

| | Permanent contract | Temporary contract |
|--|--------------------|--------------------|
| TOTAL | 537 | 6 |
| Men | 255 | 4 |
| Women | 282 | 2 |
| | 537 | 6 |
| Under 30 years old | 55 | 3 |
| Between 30–50 years old | 304 | 3 |
| Over 50 years old | 178 | – |
| | 537 | 6 |
| Management | 28 | – |
| Technical personnel and middle management | 240 | 1 |
| Administrative personnel and other employees | 269 | 5 |

Table 4.

Personnel by type of working day by gender, age and professional category

| | Full time | Part time |
|--|------------|-----------|
| TOTAL | 537 | 6 |
| Men | 282 | 4 |
| Women | 255 | 2 |
| | 537 | 6 |
| Under 30 years old | 57 | 1 |
| Between 30–50 years old | 304 | 3 |
| Over 50 years old | 176 | 2 |
| | 537 | 6 |
| Management | 27 | 1 |
| Technical personnel and middle management | 239 | 2 |
| Administrative personnel and other employees | 271 | 3 |

Table 5.

Number of dismissals by gender, age and professional category

| | Number of dismissals |
|--|----------------------|
| TOTAL | 29 |
| Men | 16 |
| Women | 13 |
| | 29 |
| Under 30 years old | 1 |
| Between 30–50 years old | 21 |
| Over 50 years old | 7 |
| | 29 |
| Management | 1 |
| Technical personnel and middle management | 4 |
| Administrative personnel and other employees | 24 |

Table 6.

Persons who received internal promotions in 2020 classified by gender and professional category

| | Men | Women |
|--|----------------|----------------|
| Management | 4 | 2 |
| Technical personnel and middle management | 16 | 10 |
| Administrative personnel and other employees | 1 | 4 |
| TOTAL | 21 | 16 |
| % of total promotions | 56.76 % | 43.24 % |

Table 7.
**Seniority of the workforce
at year end by gender**

| | Men | Women | Total |
|--------------------|------------|------------|------------|
| Less than 1 year | 32 | 35 | 67 |
| 1 to 2 years | 68 | 82 | 150 |
| 3 to 5 years | 43 | 39 | 82 |
| 6 to 10 years | 25 | 23 | 48 |
| 11 to 20 years | 68 | 57 | 125 |
| 21 to 30 years | 34 | 9 | 43 |
| More than 30 years | 14 | 14 | 28 |
| TOTAL | 284 | 259 | 543 |

Table 8.
**Seniority of the workforce at year end
by professional category**

| | Management | Technical personnel and middle management | Administrative personnel and other employees | Total |
|--------------------|------------|---|--|------------|
| Less than 1 year | 2 | 27 | 38 | 67 |
| 1 to 2 years | 4 | 55 | 91 | 150 |
| 3 to 5 years | 3 | 35 | 44 | 82 |
| 6 to 10 years | 1 | 23 | 24 | 48 |
| 11 to 20 years | 12 | 54 | 59 | 125 |
| 21 to 30 years | 4 | 30 | 9 | 43 |
| More than 30 years | 2 | 17 | 9 | 28 |
| TOTAL | 28 | 241 | 274 | 543 |

Table 9.
**Average salaries by gender,
age and professional category**

| | Average salary |
|--|----------------|
| Women | 44,987 |
| Men | 60,627 |
| Under 30 years old | 28,552 |
| Between 30–50 years old | 49,204 |
| Over 50 years old | 68,062 |
| Management | 123,549 |
| Technical personnel and middle management | 61,816 |
| Administrative personnel and other employees | 39,746 |

Table 10.
Wage gap

| Average salary | Management | Technical personnel and middle management | Administrative personnel and other employees |
|-----------------|-------------|---|--|
| Men | 128,945 | 65,771 | 43,960 |
| Women | 111,984 | 54,815 | 36,962 |
| Wage gap | 13 % | 17 % | 16 % |

The average wage gap for 2020 was 15 %.

Table 11.

Company's average salary for equal jobs³

| | Starting salary | Local minimum salary | Ratio |
|----------|-----------------|----------------------|-------|
| Spain | 16,778 | 13,300 | 1.26 |
| Portugal | 11,200 | 8,890 | 1.26 |

³ Neither France nor Sweden are included since the low number of employees does not allow a statistical starting salary to be obtained.

Table 12.

Percentage of personnel represented in joint health and safety committees

| | Health and Safety Committees |
|--|------------------------------|
| Number of Health and Safety Committees | 1 |
| Persons represented | 8 |
| Total workforce | 543 |
| % of total workforce | 1.47 % |

Table 13.

Occupational accidents in 2020
(including *commuting accidents* and those related to COVID-19)

| | Men | Women |
|--|---------|---------|
| Number of occupational accidents with sick leave | 23 | 14 |
| Number of days lost as a consequence | 366 | 517 |
| Number of actual hours worked by employees | 498,136 | 454,286 |
| Frequency index | 46.17 | 30.82 |
| Severity index | 0.73 | 1.14 |

Table 14.

Weight of hazardous waste
broken down by type of treatment

| | Treatment | Place | kg managed |
|------------------------------------|--------------------------------|-------------------------|------------|
| Hazardous liquid chemical products | Collection and transfer centre | Cornellà warehouse | 4,400 |
| | | Headquarters Sant Cugat | 5 |
| Fluorescents | Metal recycling | Headquarters Sant Cugat | 11 |
| Batteries | Metal recycling | Headquarters Sant Cugat | 5 |
| | | Bemascé | 2 |

Table 15. **Weight of non-hazardous waste broken down by type of treatment⁴**

| | Treatment ⁵ | Place | kg managed |
|---|--------------------------------------|-------------------------|------------|
| Banal | Collection and transfer centre | Cornellà warehouse | 23,640 |
| | | Subirats warehouse | 7,720 |
| | Disposal | Lusopalex | 110 |
| Paper and cardboard | Recycling | Cornellà warehouse | 18,200 |
| | | Sant Cugat headquarters | 2,160 |
| | | Bemascé | 10 |
| | Disposal | Lusopalex | 200 |
| Plastic | Recycling | Cornellà warehouse | 14,300 |
| WEEE (Waste Electrical and Electronic Equipment) | Collection and transfer centre | Cornellà warehouse | 7,210 |
| Wood | Recycling and reuse | Cornellà warehouse | 4,360 |
| Medical supplies | Disposal (comparable to urban waste) | Sant Cugat headquarters | 1,650 |
| Toner | Recycling of organic substances | Sant Cugat headquarters | 94 |
| | | Bemascé | 25 |
| | Disposal | Lusopalex | 20 |
| Computer equipment | Disposal | Lusopalex | 20 |

⁴ During 2020, waste generated in previous years was managed in the external warehouse in Portugal. Of the 8,620 kg in total, 7,720 kg of paper and cardboard, 200 kg of household appliances and 700 kg of metals have been recycled, while the remaining 500 kg of wood have been energetically recovered.

⁵ Since there is no specific treatment for the waste generated in Lusopalex, we have proceeded to choose one of the most commonly used methods, i.e., disposal.

Table 16.

Communication and training on anti-corruption policies and procedures

| | Total number of hours | Average hours |
|--|-----------------------|---------------|
| Management | 13 | 0.46 |
| Technical personnel and middle management | 86 | 0.36 |
| Administrative personnel and other employees | 115 | 0.42 |

Table 17.

Complaints and claims⁶

| | Received | Resolved |
|-----------------------------------|------------|-----------|
| Palex Medical, Lusopalex, Adacyte | 89 | 65 |
| Cymit | 27 | 27 |
| Bemascé | 3 | 0 |
| TOTAL | 119 | 92 |

⁶ For Palex Medical, Lusopalex and Adacyte, the claims are in relation to products. With Bemascé they are logistics, service and product complaints. With Cymit they are claims for erroneous or damaged products and logistical issues.

About this report

This report contains non-financial information on **Bidco Palex S.L.** (hereinafter Palex) and the companies forming part thereof: Palex Medical S.A.U., Lusopalex Lda., Adacyte Therapeutics S.L., Cymit Química S.L. and Bemascé Técnica S.L.

Through this document, the organisation responds to the Non-Financial Information and Diversity requirements that are included in Law 11/2018 of 29 December. Throughout these pages, information related to the following areas has been presented: general, environmental, personal, social, human rights and the fight against corruption and bribery. For each of them, the policies and actions promoted have been described, as well as the risks derived from the development of the activity.

As for its preparation, this report has been drafted based on the GRI (*Global Reporting Initiative*) in its "GRI Standards" version and in its Essential Option. Also, in order to comply with the Spanish Non-Financial Information Law, the principles for defining the content and quality of the report have been applied.

Principles considered in defining the content of this report:

- **Stakeholder participation:** their identification and a description in the report of how their needs and expectations have been met.
- **Sustainability context:** presentation of the organisation's performance within the broader context of sustainability.
- **Materiality:** the report reflects the significant social, environmental and economic impacts of the organisation or those that exert a substantial influence on the decisions of stakeholders.
- **Completeness:** the coverage and scope of the report allow stakeholders to evaluate the performance of the organisation.

Principles considered in defining the quality of the report:

- **Accuracy:** the published information has to be accurate and detailed.
- **Balance:** the report reflects both the positive and negative aspects of the organisation's performance.
- **Clarity:** the information is presented in a way that is understandable and accessible for everyone.
- **Comparability:** stakeholders must be able to compare the information over time and with other companies.
- **Reliability:** the data must be of high quality and establish the materiality of the organisation.

In accordance with the materiality criterion, Palex's activities have been analysed in order to ascertain the visibility of the aspects related to the organisation's business strategy. To do so, a materiality analysis has been worked on that has been based on the following methodology:

- Interviews with the different managers and people who are in charge of the organisation.
- Preparation of an analysis of the business and its environment, as well as various sector reports and reference web pages.

- Review of relevant sustainability issues assessed by analysts. The principles of the Global Compact and the contribution to the SDGs have also been taken into account.

As a result of this analysis, it has been possible to identify the material aspects both for the organisation and for the stakeholders that are covered in this report. The result of this analysis can be found in the "We make an impact" chapter.

GRI content indices

| Contents of Law 11 / 2018 | | Standard | Chapter of reference | Comments |
|---|---|----------------------|-------------------------------------|---|
| BUSINESS MODEL | | | | |
| Description of the group's business model | Brief description of the group's business model, which will include its business environment, its organisation and structure, the markets in which it operates, its objectives and strategies, and the main factors and trends that may affect its future evolution | GRI 102-2 | Constant Improvement | |
| | | GRI 102-4 | Our location | |
| | | GRI 102-6 | Our location | |
| | | GRI 102-7 | Palex in figures | |
| | | GRI 102-15 (partial) | Corporate governance and ethics | |
| INFORMATION ON ENVIRONMENTAL ISSUES | | | | |
| Policies | Policies that the Group applies, including the due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impacts, and for verification and control, as well as the measures adopted | GRI 103-2 | We are committed to our environment | |
| | | GRI 103-3 | We are committed to our environment | |
| Main risks | Main risks related to these issues that are associated with the Group's activities, including, where relevant and proportionate, its commercial relations, products or services that may have adverse effects on those areas, and how the Group manages those risks, explaining the procedures used to identify and evaluate them in accordance with the national, European and international reference frameworks for each issue. Information must be included on the impacts detected and they should be detailed, particularly in relation to the main risks in the short, medium and long term. | GRI 102-15 (partial) | Environmental commitment | |
| | | GRI 102-11 | Environmental commitment | |
| | | GRI 102-30 | Environmental commitment | |
| | | GRI 201-2 | | Currently, we have not analysed the financial implications or the risks and opportunities derived from climate change |

| Contents of Law 11 / 2018 | | Standard | Chapter of reference | Comments |
|---|--|----------------------|--|---|
| General | Current and foreseeable effects of the company's activities on the environment and, where appropriate, on health and safety | GRI 102-15 (partial) | Environmental commitment | |
| | | GRI 102-29 | We contribute to sustainable development | |
| | | GRI 102-31 | We contribute to sustainable development | |
| | Environmental evaluation or certification procedures | GRI 102-11 | Environmental commitment | |
| | | GRI 102-29 | We contribute to sustainable development | |
| | | GRI 102-30 | Environmental commitment | |
| | Resources dedicated to the prevention of environmental risks | GRI 102-29 | We contribute to sustainable development | |
| Pollution | Application of the precautionary principle | GRI 102-11 | Environmental commitment | |
| | Provisions and guarantees for environmental risks | GRI 307-1 | | There have been no breaches of environmental legislation and regulations |
| | Measures to prevent, reduce or repair carbon emissions that seriously affect the environment, taking into account any form of activity-specific air pollution, including noise and light pollution | GRI 103-2 | Climate change and pollution | |
| | | GRI 302-4 | Climate change and pollution | |
| | | GRI 302-5 | | This aspect is not material for the organisation |
| | | GRI 305-5 (partial) | Climate change and pollution | |
| | | GRI 305-7 | | This indicator is not applicable since no significant emissions are released into the air |
| Circular economy and waste prevention and management | Measures for the prevention, recycling, reuse, other forms of recovery and disposal of waste | GRI 103-2 | Efficient use of resources and waste management Tables of content | |

| Contents of Law 11 / 2018 | | Standard | Chapter of reference | Comments |
|------------------------------|---|---|---|--|
| Sustainable use of resources | Water consumption and water supply according to local limitations | GRI 303-1 (v.2018) | | The organisation's water consumption is used for domestic purposes and comes from the supply network. This consumption is not reported due to its minor importance |
| | | GRI 303-3 (v.2018) | | |
| | | GRI 303-5 (v.2018) | | |
| | Consumption of raw materials and the measures adopted to improve the efficiency of their use | GRI 103-2 | Efficient use of resources and waste management | |
| GRI 301-1 | | Efficient use of resources and waste management | The consumption of paper and cardboard corresponds to all entities | |
| GRI 301-2 (partial) | | Efficient use of resources and waste management | | |
| GRI 301-3 (partial) | | Efficient use of resources and waste management | | |
| | Energy: direct and indirect consumption; measures taken to improve energy efficiency, use of renewable energy | GRI 102-2 | We are committed to our environment | |
| GRI 302-1 (partial) | | We are committed to our environment | Electricity consumption corresponds to all the Group's offices and the Cornellà warehouse | |
| GRI 302-2 | | | | |
| GRI 302-3 | | Climate change and pollution | Currently this data is not available | |
| GRI 302-4 | | Climate change and pollution | | |
| GRI 302-5 | | | | |
| | | | | This aspect is not material for the organisation |

| Contents of Law 11 / 2018 | | Standard | Chapter of reference | Comments |
|----------------------------|--|----------------------|------------------------------|---|
| Climate change | Emission of greenhouse gases | GRI 305-1 | Climate change and pollution | |
| | | GRI 305-2 | Climate change and pollution | |
| | | GRI 305-3 | | Currently the organisation has not made an estimate of the carbon footprint of scope 3 indirect sources |
| | | GRI 305-4 | Climate change and pollution | |
| | Measures taken to adapt to the consequences of climate change | GRI 102-15 (partial) | Climate change and pollution | |
| | | GRI 103-2 | Climate change and pollution | |
| | | GRI 201-2 | | Currently, we have not analysed the financial implications or the risks and opportunities derived from climate change |
| | | GRI 305-5 (partial) | Climate change and pollution | |
| Protection of biodiversity | Reduction goals voluntarily established in the medium and long term to reduce GHG emissions and means implemented for this purpose | GRI 103-2 | Climate change and pollution | |
| | Measures taken to preserve or restore biodiversity | GRI 103-2 | | This aspect is not material for the organisation |
| | | GRI 304-3 | | |
| | Impacts caused by activities or operations in protected areas | GRI 304-1 | | This aspect is not material for the organisation |
| | | GRI 304-2 | | |
| | | GRI 304-4 | | |

| Contents of Law 11 / 2018 | | Standard | Chapter of reference | Comments |
|---|--|----------------------|---------------------------------------|----------|
| INFORMATION ON SOCIAL AND PERSONNEL-RELATED ISSUES | | | | |
| Policies | Policies that the Group applies, including the due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impacts, and for verification and control, as well as the measures adopted | GRI 103-2 | People are the key to our development | |
| | | GRI 103-3 | People are the key to our development | |
| | | GRI 102-35 | People are the key to our development | |
| Main risks | Main risks related to these issues that are associated with the Group's activities, including, where relevant and proportionate, its commercial relations, products or services that may have adverse effects on those areas, and how the Group manages those risks, explaining the procedures used to identify and evaluate them in accordance with the national, European and international reference frameworks for each issue. Information must be included on the impacts detected and they should be detailed, particularly in relation to the main risks in the short, medium and long term | GRI 102-15 (partial) | People are the key to our development | |
| | | GRI 102-30 | People are the key to our development | |
| Employment | Total number and distribution of employees by gender, age, country and professional category | GRI 102-7 | Tables of Content Palex in figures | |
| | | GRI 102-8 | Tables of content | |
| | | GRI 405-1 (partial) | Tables of content | |
| | Total number and distribution of employment contracts by type | GRI 102-8 | Tables of content | |
| | Annual average of permanent, temporary and part-time contracts by gender, age and professional category | GRI 102-8 | Tables of content | |
| | Number of dismissals by gender, age and professional category | GRI 401-1 | Tables of content | |
| | Average salaries and their evolution broken down by gender, age and professional category or equal value | GRI 405-2 | Tables of content | |
| | Wage gap | GRI 405-2 | Tables of content | |
| | Salaries for identical jobs or average salary at the company | GRI 202-1 | Tables of content | |

| Contents of Law 11 / 2018 | Standard | Chapter of reference | Comments |
|--|-------------------------------|-------------------------------------|---|
| The average salary of directors and executives, including variable pay, meal allowances, per diem, payment into long-term retirement saving pension systems, and any other benefits, broken down by gender | GRI 102-35 | | Total expenditure is €1.707 million, including base salaries, incentives, health insurance, allowances, pension plans and life insurance premiums |
| Implementation of disconnection from work measures | Qualitative | Promotion of well-being in the team | |
| Employees with disabilities | GRI 405-1 (partial) | Diversity and equal opportunities | We have a Certificate of Exceptionality |
| Organisation of work | | | |
| Organisation of working hours | GRI 102-8 | Tables of content | |
| Number of hours of absenteeism | GRI 403-9 (v.2018) (partial) | Health and safety of the team | |
| Measures to facilitate a work-life balance and encourage shared parental responsibility | GRI 103-2 | Promotion of well-being in the team | |
| Health and safety | | | |
| Health and safety conditions at work | GRI 403-1 (v.2018) | Health and safety of the team | |
| | GRI 403-2 (v.2018) | Health and safety of the team | |
| Occupational accidents (frequency and severity) broken down by gender | GRI 403-9 (v.2018) (partial) | Tables of content | |
| Occupational diseases (frequency and severity) broken down by gender | GRI 403-10 (v.2018) (partial) | | During 2020, there have been no sick leaves or deaths related to occupational diseases |

| Contents of Law 11 / 2018 | | Standard | Chapter of reference | Comments |
|---------------------------|--|---------------------|--|---|
| Labour relations | Organisation of social dialogue, including procedures for informing, consulting and negotiating with employees | GRI 102-43 | Our professional workforce | |
| | | GRI 402-1 | | The minimum terms stipulated by the applicable collective agreement are met |
| | | GRI 403-4 (v.2018) | Tables of content | |
| | Percentage of employees covered by collective agreements by country | GRI 102-41 | Our professional workforce | |
| | Assessment of collective agreements, particularly in the field of occupational safety and health | GRI 403-4 (v.2018) | Health and safety of the team Tables of Content | |
| Training | Training policies implemented | GRI 103-2 | Talent attraction and development | |
| | | GRI 404-2 (partial) | Talent attraction and development | |
| | Total number of training hours by professional category | GRI 404-1 (partial) | Talent attraction and development | |
| Accessibility | Universal accessibility for people with disabilities | GRI 103-2 | Diversity and equal opportunities | |
| Equality | Measures adopted to promote equal treatment and opportunities between men and women | GRI 103-2 | Diversity and equal opportunities | |
| | Equality plans | GRI 103-2 | Diversity and equal opportunities | |
| | Measures adopted to promote employment | GRI 103-2 | People are the key to our development | |
| | | GRI 404-2 | Talent attraction and development | |
| | Protocols against genderual and gender-based harassment | GRI 103-2 | Diversity and equal opportunities | |
| | Integration and universal accessibility of people with disabilities | GRI 103-2 | Diversity and equal opportunities | |

| Contents of Law 11 / 2018 | | Standard | Chapter of reference | Comments |
|---|---|----------------------|-----------------------------------|---|
| | Policy against all types of discrimination and, where appropriate, diversity management policy | GRI 103-2 | Diversity and equal opportunities | |
| | | GRI 406-1 | | During 2020, no complaints have been received for possible cases of discrimination or harassment in the workplace |
| INFORMATION ON RESPECT FOR HUMAN RIGHTS | | | | |
| Policies | Policies that the Group applies, including the due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impacts, and for verification and control, as well as the measures adopted. | GRI 103-2 | Human rights | |
| | | GRI 103-3 | Human rights | |
| | | GRI 412-2 | | No specific training on human rights has been carried out in 2020 |
| Main risks | Main risks related to these issues that are associated with the Group's activities, including, where relevant and proportionate, its business relationships, products or services that may have negative effects in those areas, and how the group manages these risks, explaining the procedures used to detect and evaluate them in accordance with national, European and international frameworks of reference for each issue. Information should be included on the impacts that have been detected, offering a breakdown of them, in particular on the main risks in the short, medium and long term. | GRI 102-15 (partial) | Human rights | |
| | | GRI 102-30 | Human rights | |
| Human rights | Application of due diligence procedures in human rights | GRI 103-2 | Human rights | |
| | | GRI 414-2 | | No negative social impacts have been identified in the supply chain |
| | Prevention of risks of human rights violations and, where appropriate, measures to mitigate, manage and redress any abuses committed | GRI 103-2 | Human rights | |
| | | GRI 412-1 | | During 2020, operations have not been subjected to human rights evaluations |
| | | GRI 410-1 | | No training in human rights has been carried out for security personnel in 2020 |

| Contents of Law 11 / 2018 | | Standard | Chapter of reference | Comments |
|---|--|----------------------|---------------------------------|---|
| Complaints for cases of human rights violations | | GRI 102-17 | Human rights | No complaints related to human rights violations have been received during 2020 |
| | | GRI 103-2 | Human rights | |
| | | GRI 411-1 | | Due to the organisation's activity, this aspect is not applicable |
| | | GRI 419-1 | | In 2020, there have been no sanctions for non-compliance with laws and regulations in the social and economic spheres |
| Promotion and fulfilment of the provisions of the Fundamental Conventions of the ILO in relation to respect for freedom of association and the right to collective bargaining, elimination of discrimination in employment and occupation, elimination of forced or compulsory labour and effective abolition of child labour | | GRI 103-2 | Human rights | |
| INFORMATION ON RESPECT FOR HUMAN RIGHTS | | | | |
| Policies | Policies that the Group applies, including the due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impacts, and for verification and control, as well as the measures adopted | GRI 103-2 | Corporate governance and ethics | |
| | | GRI 103-3 | Corporate governance and ethics | |
| | | GRI 205-2 (partial) | Corporate governance and ethics | |
| Main risks | Main risks related to these issues that are associated with the Group's activities, including, where relevant and proportionate, its commercial relations, products or services that may have adverse effects on those areas, and how the Group manages those risks, explaining the procedures used to identify and evaluate them in accordance with the national, European and international reference frameworks for each issue. Information must be included on the impacts detected and they should be detailed, particularly in relation to the main risks in the short, medium and long term | GRI 102-15 (partial) | Corporate governance and ethics | |
| | | GRI 102-30 | Corporate governance and ethics | |
| | | GRI 205-1 (partial) | Corporate governance and ethics | |

| Contents of Law 11 / 2018 | | Standard | Chapter of reference | Comments |
|----------------------------|---|----------------------|---|--|
| Corruption and bribery | Measures taken to prevent corruption and bribery | GRI 103-2 | Corporate governance and ethics | |
| | | GRI 205-3 | Corporate governance and ethics | |
| | Anti-money laundering measures | GRI 103-2 | Corporate governance and ethics | |
| | Contributions to foundations and non-profit entities | GRI 103-2 | Our contribution to the community | |
| | | GRI 201-1 | Our contribution to the community | |
| | | GRI 203-2 (partial) | We have a positive impact on society | |
| | | GRI 415-1 | | The organisation does not make any contributions to political parties or representatives |
| INFORMATION ON THE COMPANY | | | | |
| Policies | Policies that the Group applies, including the due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impacts, and for verification and control, as well as the measures adopted. | GRI 103-2 | We establish long-term relationships based on trust. We have a positive impact on society | |
| | | GRI 103-3 | We establish long-term relationships based on trust. We have a positive impact on society | |
| Main risks | Main risks related to these issues that are associated with the Group's activities, including, where relevant and proportionate, its business relationships, products or services that may have negative effects in those areas, and how the group manages these risks, explaining the procedures used to detect and evaluate them in accordance with national, European and international frameworks of reference for each issue. Information should be included on the impacts that have been detected, offering a breakdown of them, in particular on the main risks in the short, medium and long term. | GRI 102-15 (partial) | We provide advanced and quality hospital solutions. We establish long-term relationships based on trust. We have a positive impact on society | |
| | | GRI 102-30 | We establish long-term relationships based on trust. We have a positive impact on society | |

| Contents of Law 11 / 2018 | | Standard | Chapter of reference | Comments |
|--|---|---------------------|-----------------------------------|---|
| Company commitments to sustainable development | Impact of the company's activity on employment and local development | GRI 203-1 | | Due to the organisation's activity, this aspect is not applicable |
| | | GRI 203-2 (partial) | High-impact products and services | |
| | | GRI 204-1 | Suppliers: joint value creation | |
| | | GRI 413-1 | Our contribution to the community | |
| | | GRI 413-2 | | No operations with significant negative impacts on local communities have been identified |
| | Impact of the company's activity on local populations and the territory | GRI 203-1 | | Due to the organisation's activity, this aspect is not applicable |
| | | GRI 203-2 (partial) | High-impact products and services | |
| | | GRI 413-1 | Our contribution to the community | |
| | | GRI 413-2 | | No operations with significant negative impacts on local communities have been identified |
| | Relationships and dialogue with local community players | GRI 102-43 | Relationship with stakeholders | |
| | | GRI 413-1 | Our contribution to the community | |
| | Association or sponsorship activities | GRI 102-13 | Our contribution to the community | |
| | | GRI 203-1 | | Due to the organisation's activity, this aspect is not applicable |
| | | GRI 201-1 (partial) | Our contribution to the community | |

| Contents of Law 11 / 2018 | | Standard | Chapter of reference | Comments |
|----------------------------|--|-----------|------------------------------------|--|
| Subcontracts and suppliers | Inclusion of social, gender equality and environmental issues in the procurement policy | GRI 103-3 | Suppliers: joint value creation | |
| | Consideration of social and environmental responsibilities in supplier and subcontractor relationships | GRI 102-9 | Suppliers: joint value creation | |
| | | GRI 103-3 | Suppliers: joint value creation | |
| | | GRI 308-1 | Suppliers: joint value creation | Although environmental criteria are considered, currently there has been no selection or evaluation of suppliers following these criteria specifically |
| | | GRI 308-2 | | No negative environmental impacts have been identified in the supply chain |
| | | GRI 407-1 | | No operations or suppliers have been identified whose freedom of association could be at risk |
| | | GRI 409-1 | | No operations or suppliers with significant risk of forced or compulsory labour have been identified |
| | | GRI 414-1 | Suppliers: joint value creation | Currently, supplier assessments are not carried out according to social criteria |
| | | GRI 414-2 | | No negative social impacts have been identified in the supply chain |
| | Supervision and audit systems and their results | GRI 308-1 | Suppliers: joint value creation | Although environmental criteria are considered, currently there has been no selection or evaluation of suppliers following these criteria specifically |
| | | GRI 308-2 | | No negative environmental impacts have been identified in the supply chain |
| | | GRI 414-2 | | No negative social impacts have been identified in the supply chain |

| Contents of Law 11 / 2018 | | Standard | Chapter of reference | Comments |
|---------------------------|--|------------------------------|---|--|
| Consumers | Measures for the health and safety of consumers | GRI 103-2 | Quality and product management | |
| | | GRI 416-1 (partial) | Quality and product management | We perform health and safety impact assessments on medical devices, IVD reagents and for industry and standard and automated storage systems |
| | | GRI 416-2 | | During 2020, no complaint regarding the health or safety of the products has been received |
| | | GRI 417-1 (partial) | Quality and product management | |
| | Grievance mechanisms, complaints received and their resolution | GRI 102-17 | The customer comes first. Tables of Content | |
| | | GRI 103-2 | The customer comes first | |
| | | GRI 418-1 | | In 2020, no complaints related to privacy breaches have been received |
| Tax information | Profit/loss by country | GRI 207-4 (v.2019) (partial) | Economic value generated and distributed | |
| | Paid tax on profits | GRI 207-4 (v.2019) (partial) | Economic value generated and distributed | |
| | Public grants received | GRI 201-4 | Economic value generated and distributed | No grants have been received during the year |

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