



2022 ANNUAL REPORT

ESG REPORT

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Dear Stakeholders,

It is with pleasure that we share with you the second PHSE Sustainability Report, an additional tool for disseminating and summarizing the efforts and commitment to build a responsible business.

PHSE considers sustainability as a fundamental lever for the creation of value over time and is constantly committed to conducting its activities considering the interests of stakeholders, in the awareness that dialog and the sharing of objectives are instruments through which to create mutual value.

The current context, marked by the years of pandemic that have put a strain on the hospital sector and characterized by strong geopolitical instability, poses all of us with challenging challenges in which to build the conditions to respond to new needs. Despite the difficult period, PHSE has proven to be able to offer innovative and reliable services with continuity.

The scrupulous and careful organization of our business has allowed us to grow, acquiring in the financial year 2022, the Brazilian company Transporte de Carga Biologica Express SA “Bio Transportes”, active in the transport at controlled temperature of materials for clinical trials, drugs, and vaccines in the phase of experimentation.

At PHSE, we have always favoured the use of our own staff, not using cooperatives and sub-carriers. We believe that building and developing long-term relationships with our employees is a key goal of our business. Moreover, services that require specific skills, and particular attention, can only be entrusted to people to whom we have the utmost confidence.

From the transportation of dangerous goods to medical logistics solutions, the services we offer require state-of-the-art solutions that enable accurate tracking and monitoring of the entire route. PHSE meets these needs by implementing innovative solutions, considering the needs of customers, as well as its many years of experience in the field.

We are confident that by reading our Sustainability Report you will be able to find interesting ideas for each of the above-mentioned economic, social and environmental dimensions, and that you will continue to accompany us on the path we have taken in recent years.

Good reading

Eddy De Vita
Executive President PHSE Group

This document represents the Sustainability Report of PHSE S.r.l. (hereinafter also “Company” or “PHSE”), drawn up on an annual and voluntary basis to describe the activities, initiatives and main results achieved on economic, environmental and social aspects, it refers to the period from 1 January to 31 December 2022.

The document responds to the Company's desire to share with its stakeholders, with a view to increasing transparency, the most significant qualitative and quantitative information regarding its model of corporate responsibility.

For the purposes of drafting the Sustainability Report, the reporting content was selected based on the results of the materiality assessment, carried out based on the approach described in the paragraph “Materiality Assessment”.

This report has been prepared in accordance with the Global Reporting Initiative Sustainability Reporting Standards, as defined by the Global Reporting Initiative: In accordance option.

There are no significant changes in organizational structure, ownership structure and supply chain.

The scope of reporting of economic, social and environmental information refers to PHSE S.r.l.. In order to allow the comparability of data over time and to assess the performance of the company's activities, a comparison with the data for the previous year is reported where possible. In order to ensure the reliability of the data, the use of estimates has been limited as much as possible, which, if any, are properly reported and based on the best available methodologies.

The 2022 Sustainability Report has not been audited by an independent third party and is also published on the Company's website, available at the following address: www.phse.com.

For information about this document, please refer to the following contact: giuseppe.ronga-external@phse.com.



IN NUMBERS



14

Offices



12

Warehouse in Italy, complying with Good Distribution Practices (GDP)



24

Years of experience in the world of biopharmaceutical logistics



5.500

Shipments per day (of which more than 90% at controlled temperature)



375

Employees



60,7

Million turnover



01.

THE COMPANY

PHSE is today the market leader in the transport and distribution of medical and household products at controlled temperature, the only reality in Italy for the type of services offered and expertise with over 5,500 shipments per day.

It ranks internationally among the few providers specialized exclusively in the biopharma segment and in the management of shipments worldwide (by air, land and sea) of pharmaceutical products and clinical trials to support clinical research, at any temperature conditions required. The scope of this Report refers only to PHSE and excludes Italian and foreign subsidiaries present in different areas of the world.

With 375 employees and a fleet of 313 new generation vehicles, PHSE counted to 31.12.2022, 14 branches in Italy with 12 warehouses Good Distribution Practices (GDP) and an administrative headquarter in Angri, near Salerno.





objective

PHSE's objective is to propose itself as a specialized operator in temperature-controlled transport, at the service of pharmaceutical companies, logistics operators in the pharmaceutical sector and the hospital supply chain.

mission

Its mission is to help save and improve people's lives around the world, making care accessible to anyone who needs it.

commitment

Moreover, the Company is committed to ensuring an excellent quality level and a high reliability of the services provided, also through the continuous search for innovative solutions oriented to efficiency and digitalization. In particular, the main goal recognized and pursued by PHSE is to create long-term relationships with customers and provide a faster and more reliable specialized service in the biopharmaceutical and healthcare world.

1999

PHSE S.r.l. was born in Italy as "Pharma Service" by the founding members Andrea and Carlo Cerchia. The Company's business focuses mainly on the logistic management of clinical trials.



2000-2005

The offices in Milan and Rome were opened and Gianluca Meneguzzi joined the management.



2006

"Pharma Service" becomes PHSE.



2012

The Company decided to start investing in the market of pharmaceutical distribution in Italy at controlled temperature "active cool chain" by opening 11 locations and becoming a recognized leader in quality.

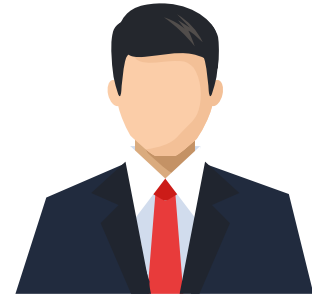


2014-2018

PHSE begins to become international: a headquarters is opened in London, New York and in 2017 in Singapore. In the same year PHSE won the "SMAU" award as a transport company with the highest technological innovation and the "FT1000 - top European fastest growing companies" award awarded by the Financial Times for the years 2017 and 2018.

2019

The entry of the entrepreneur Eddy De Vita, through the co-investment agreement with the private equity fund NB Aurora to take over control of PHSE, marks an important step for business development through the contribution of managerial skills and new financial resources.



2020

In 2020 PHSE added a new headquarters in Lodi. Due to the Covid-19 health emergency, PHSE was selected by the Commission Structure for strategic stock management and possible redistribution of surpluses between vaccine hubs to ensure the smooth progress of the vaccination campaign.

2021

PHSE draws up its first Sustainability Report. In 2021, it is also characterized by the considerable international expansion through the acquisition of TEK Freight Ltd (85%), Rapida Time & Temperature LLP (70%) and Duimex (100%).



2022

In September, PHSE acquires 70% of Bio Transportes, a Brazilian company specialized in temperature-controlled biopharmaceutical transport.



Despite the particularly challenging scenario experienced in 2022, characterized by widespread price increases in raw materials and other inputs, PHSE launched an investment plan for 2023 to accelerate the expansion of the supply chain and give a further boost to innovation. In particular, the opening of a new warehouse in Bologna is planned within the second semester of 2023, which, thanks to a reduction in the number of transit on the network and an increase in the speed of delivery, will lead to greater efficiency in the national distribution process.

FOCUS

THE INTERNATIONAL EXPANSION OF THE PHSE NETWORK

In line with the strategy of expanding the global network, the last two years have been characterized by the acquisition of control of some companies in the sector.

In particular, in March 2021, was acquired 85% of TEK Freight Ltd, a leading company in the overland transport of drugs and biological samples from Great Britain to Europe and vice versa. In June, took place the acquisition of 70% of Rapida Time & Temperature LLP, an Indian company based in Mumbai specializing in international and domestic transport, mainly concerning clinical trials and Active Pharmaceutical Ingredients (APIs).

Subsequently, was acquired 100% of Duimex, an Italian company based in Peschiera Borromeo, active in national and international transport at controlled temperature, with a strong specialization in the logistics of special services "same day", clinical trials and biological samples.

Duimex's expertise allows to guarantee the efficiency of the economy of scale and thus to expand customers in the public and private hospital sector, further strengthening its operational, organizational and technological base in favor of a precise, agile and territorial distribution chain, as well as increasingly "data-centric" toward its customers: research institutes, laboratories, experimental centers, pharmaceutical companies and blood banks.

In September 2022, PHSE further expanded its presence abroad through the acquisition of 70% of Transporte de Carga Biologica Express Ltda "Bio Transportes", a Brazilian company active in the controlled temperature transport of materials for clinical trials, drugs and vaccines being tested. Founded in 2011, in addition to its headquarters in São Paulo, the company also has branches in Ribeirão Preto, Curitiba, Recife, Goiânia and is IATA agent.

At 31.12.2022 PHSE was controlled by the entrepreneur Eddy De Vita and owned by NB Aurora indirectly at 30,8%, as well as by the three founding members Andrea Cerchia, Carlo Cerchia and Gianluca Meneguzzi. During the first half of 2023, two of the founders sold their shares to PHS Group S.p.A., a holding company controlled by Eddy De Vita and owned by NB Aurora.

Particular importance, especially in the light of the co-investment agreement with the private equity fund NB Aurora to take over control of PHSE, has the relationship with investors, which the Company undertakes to carry on with the utmost transparency and professionalism. Relations with investors are managed - ensuring the full involvement of the Company's management bodies - not only in the perspective of the availability of new financial resources, but also in the provision of new skills and opportunities, creating stable and long-term relationships.

PHSE is aware that a company is evaluated, not only for the quality of the services it is able to offer, but also on the basis of its ability to generate value and well-being for the community, in compliance with certain ethical principles. The Company recognizes the importance of principles such as ethics, integrity and transparency as fundamental elements for the conduct of its business and is committed to respecting the legitimate interests of its stakeholders and the community in which it operates.

To demonstrate this commitment, PHSE has prepared its own Code of Ethics, approved by the Board of Directors in September 2021 and available on the Company's website. The document contains the principles and rules of conduct that inspire business activities and relationships with employees, collaborators, business partners, shareholders, institutions and in general with all stakeholders, as well as the principles of conduct to which all employees and collaborators of the Company's companies.

The principles and values in which the Company is primarily identified are honesty, transparency and correctness, paying particular attention to the centrality of the person and the protection of personal information.

In addition, in September 2021, PHSE S.r.l. adopted the Organization, Management and Control Model as per Legislative Decree 231/2001. The main purpose of this document is to establish a structured, integrated and organic system of prevention and control aimed at the correct management of the risk inherent in various cases of crime. To this end, appropriate training programs are set up under the supervision of the supervisory body, which takes care of their distribution at the Company's premises, to guarantee the maximum awareness of all employees of the risks of crime and of the configurable facts. PHSE also provides disclosure to customers, suppliers, business partners and consultants of the Model's rules of conduct, in addition to the prevention of the risks of crime described therein.

The setting up of the Supervisory Body was then an obligatory step to ensure the full application of the Code of Ethics, and to report any violations. It is appointed by the Board of Directors, guaranteeing the necessary requirements for autonomy, independence, professionalism and continuity of action.

The Board of Directors of PHSE at 31 December 2022 consisted of seven members with the following roles:

Role	Member	Features ^②
Chairman and Chief Executive Officer ^③	De Vita Fedele	Executive
Councilor	Cerchia Andrea	Executive
Councilor	Meneguzzi Gianluca	Executive
Councilor	Cerchia Carlo	Executive
Councilor	Hertel Matteo	Non-executive
Councilor	Sogaro Francesco	Non-executive
Councilor	Inglis Graham David	Non-executive

COMPOSITION OF THE BOARD OF DIRECTORS BY GENDER AND AGE GROUPS AT 31 DECEMBER								
Numero	2021 ^④				2022			
	<30	30-50	>50	Totale	<30	30-50	>50	Totale
Men	-	3	4	7	-	3	4	7
Women	-	-	-	0	-	-	-	0
Total	-	3	4	7	-	3	4	7

There is currently no formalized procedure with specific criteria for the appointment and selection of members of the Board of Directors. The Shareholders' Meeting appoints the members of the Board of Directors and defines their positions and powers; where not indicated by the Shareholders' Meeting, the latter are defined by the Board of Directors. Moreover, according to the current law, the director who has an interest, on his own or on behalf of third parties, in conflict with the interests of the Company in a given transaction, must inform the other directors and the Board of Statutory Auditors of the nature, terms, origin and scope of the transaction. In the area of sustainability, the Board of Directors sets guidelines and ensures that non-financial reporting is consistent with GRI reporting standards.

There were no episodes of corruption, anti-competitive behaviour, antitrust, and monopolistic practices during 2022

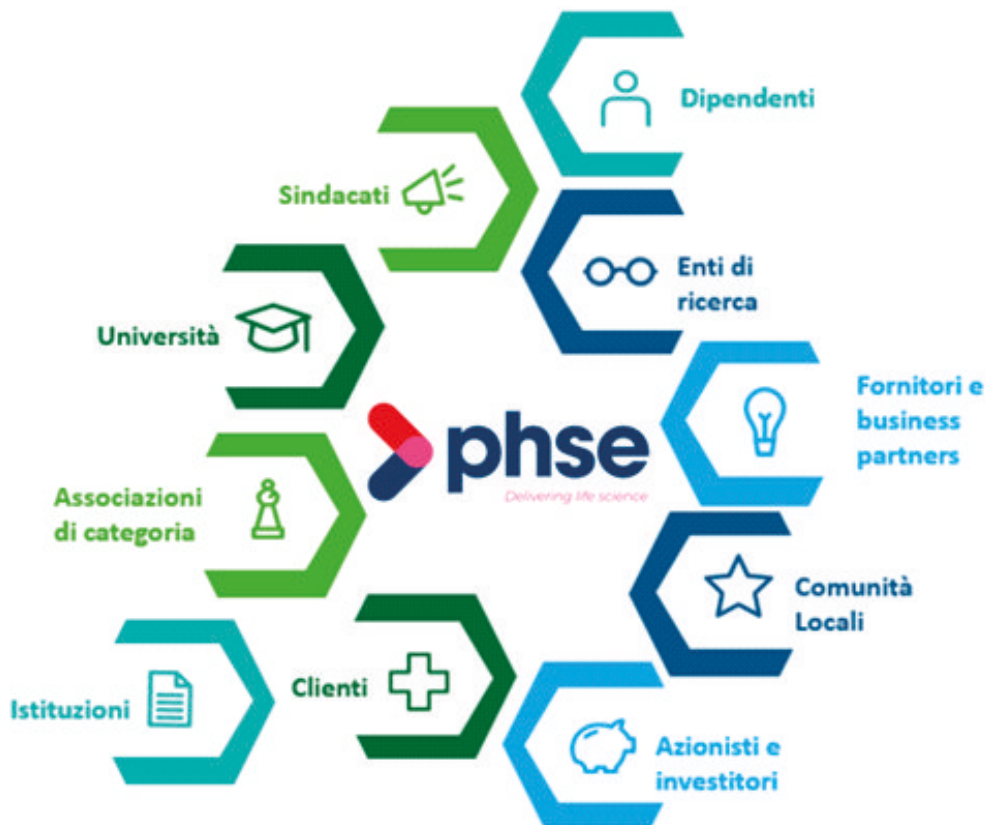
1. During 2023 a new Board of Directors was established composed of Fedele De Vita, Chairman and Legal Representative of the company, Meneguzzi Gianluca, Hertel Matteo, Sogaro Francesco and Inglis Graham David.
2. As of 31 December 2022, no executive director could be considered independent, in the light of the statutory clauses and the shareholders' agreements which allowed the directors Andrea Cerchia, Carlo Cerchia and Gianluca Meneguzzi to influence in a significant way certain decisions. Following the withdrawal from the company structure of Andrea Cerchia and Carlo Cerchia during the first half of 2023, the shareholders' agreements have been resolved and the above statutory clauses have been removed.
3. The Chairman of the Board of Directors, Fedele De Vita, also holds the position of Chief Executive Officer of the Company and has the role of defining and organizing the company's strategic direction.
4. Following a process of improvement of the reporting system, the figures relating to the composition of the Board of Directors by gender and age groups have been re-exposed with respect to those published in the previous Sustainability Report. For the previously published data, please refer to the 2021 Sustainability Report.

PHSE Stakeholders

PHSE's objective is also to create value for all stakeholders by offering quality services with management choices with high social and environmental sustainability.

In fact, in carrying out its activities, PHSE interacts with different categories of stakeholders, defined as the individual or groups, as well as the organizations and institutions they represent, whose interests are influenced by the direct and indirect effects of PHSE activities.

In the first edition of the Sustainability Report, PHSE identified the following main categories of stakeholders, which were then confirmed when the materiality assessment was updated in early 2023:



PHSE believes that listening to and engaging its stakeholders is a priority for understanding their needs and expectations. In this regard, the Company adopts a constant and transparent communication with them in a participatory and constructive way.

For each stakeholder category, the main forms of dialogue adopted by PHSE are as follows:

PHSE Stakeholders	Engagement methodologies
Shareholders and investors	Meetings with the top-management
Local communities	Communication channels for initiatives on the territory and liberality
Institutions	Dialog with authorities for permissions and authorizations
Suppliers and business partners	Regular meetings and ongoing dialog in the business management
Trade associations	Regular meetings and shares of good practice
Employees	Internal communication platforms (mail, intranet)
Customers	Continuous dialog through customer service channels
Trade unions	Dialog with trade union representatives in the management of employment relationships
Research entities	Regular collaborations
University	Projects and collaborations

The identification of the topics for debate and discussion with stakeholders and the management of their expectations was carried out considering the GRI standard and PHSE's experience in its field of ownership as a technical reference base.

The Materiality Assessment of PHSE

In early 2022, PHSE conducted an initial materiality assessment to identify the most relevant aspects, so-called "materials", on which to focus reporting, consistent with the requirements of the GRI Sustainability Reporting Standards.

The material topics identified were voted through an internal workshop which included the participation of the Company's main functions and top management, which were asked to assess the relevance of the proposed topics in a double perspective: from the organizational point of view and from the stakeholder point of view. Based on these votes, the PHSE materiality matrix of the 2021 Sustainability Report was constructed.

In view of constant updating, during the first months of 2023, PHSE decided to continue its sustainability journey, bearing in mind the important changes affecting the GRI Standards, the framework used for the preparation of this financial statements. The new version of the GRI Standards deepens the process for the definition of material topics, including the following phases:

- Identification of actual and potential positive and negative impacts
- The assessment of the significance of impacts and the prioritization of the most significant impacts
- The definition of the list of material topics

A series of impacts, shared and validated by the Company's main function managers in an ad hoc meeting, were thus identified, also through appropriate benchmark analysis of the context in which PHSE operates. This allowed an active comparison with the Company's knowledge and experience on sustainable development issues. Subsequently, the identified impacts were aggregated into material topics, which express the current and potential positive and negative impacts on environmental, social and governance aspects in its activities and business relationships. The materiality assessment has been submitted to the Board of Directors.

The updated list of the 11 material topics of PHSE is set out below, with a brief description of them, in order of priority:

Scope	Material Topic	Description
Social responsibility	Safety and quality of services	Development of practices and programs to promote safety in temperature-controlled transport and a high level of quality and service.
Social responsibility	Customer satisfaction	Provide services that meet customer needs in terms of quality of service and monitor satisfaction to pursue continuous improvement.
Environmental liability	Emissions	Monitoring, prevention and reduction of direct and indirect greenhouse gas (GHG) emissions, reducing energy consumption.
Social responsibility	Data privacy and cybersecurity	Data management and storage systems that guarantee the protection of the privacy of customers and other stakeholders, in accordance with the European law and regulations in force.
Social responsibility	Health and safety at work	Development of practices and programs to promote the protection of health and safety in the workplace, promotion of training and specific initiatives in the field of employee health and safety, and monitoring and accident prevention activities in the performance of their duties.

Scope	Material Topic	Description
Social responsibility	Innovation and digitization	Activities to promote an innovative service that is attentive to market trends and needs and to implement research activities aimed at the development of new technologies and the implementation of innovative processes also to improve the performance of the services offered, with benefits in terms of reducing consumption and increasing efficiency.
Economic responsibility	Economic performance	Allocate resources that generate medium -to-long-term shared economic value for workers, local communities, suppliers, customers, and other stakeholders.
Environmental liability	Energy consumption and renewable energy	Efficient energy management through the implementation of actions, programs and ad hoc management systems.
Governance	Ethics and Integrity	Promoting a business model oriented toward ethics, transparency and the prevention of corruption through the adoption of internal policies and procedures. Business activities are conducted in full compliance with the principles of honesty and good faith, through the adoption of tools for reporting irregularities and illegal behavior and in full compliance with applicable laws and regulations.
Social responsibility	Supply chain and procurement management	Responsible management of procurement processes throughout the supply chain, in particular attention in the selection of suppliers and promotion of purchases from local suppliers.
Social responsibility	Staff development and well-being	Development, training and professional development activities aimed at strengthening the technical, managerial and organizational skills of staff. Development of appropriate working practices and conditions to ensure inclusion and equal opportunities and to avoid discrimination in the workplace, which also attract new resources and talent. Diversity management and multiculturalism (e.g. disability, gender, nationality, religion) at work.

02.

OUR SERVICES

PHSE is able to supply solutions of national and international shipments characterized by an excellent system of control of temperature, timing, safety and further compliance that allow it to lead in the bio-pharmaceutical and cold chain world.

In 2022 PHSE moved:

Over 625
thousand
shipments at +2/8° temperatures



Over 228
thousand
shipments at temperatures +15/25°



The Company is organized in five different departments that allow to satisfy different needs:

- National distribution services;
- Transport of radiopharmaceuticals;
- Global forwarding;
- Freight transport;
- Transport of biological material and special services.



PHSE is a leader in the distribution of pharmaceutical products throughout the country. Deliveries are mainly addressed to hospitals and, to a residual extent, to patients' homes, wholesalers and pharmacies.

All transports are temperature controlled (2/8°C and 15/25°C) and are carried out according to Good Distribution Practices (GDP).

During the COVID-19 emergency, PHSE implemented the home delivery service of drugs with leading brands of pharmaceutical and biopharmaceutical companies. In this context: the benefits for the National Health Service and especially for people have been and continue to be many.

PHSE has a highly capillary and flexible network for the distribution of radiopharmaceuticals. This model allows the Company to reach any destination as quickly as possible, an important prerogative when it is treated by a "sensitive" material such as radioactive material, where the product must have adequate physical and documentary traceability, be transported in the protection of the health and safety of the operators themselves, and, above all, it must arrive at its destination at precise times to maintain its effectiveness.

In addition to Italy PHSE carries out shipments all over the world, ensuring fast transit times and temperatures. International transport is mainly by air but also by road and sea.

Younger but no less important is transport by heavy vehicles. PHSE has enriched its car park with about twenty bilics thanks to which it can offer full-load services for the most important pharmaceutical companies.

Distribution & Home Delivery



Distribution of Radiopharmaceuticals



Global Forwarding



Transport of Biological Material and Special Services



The Company is also involved in the transport of biological materials and organs, blood, plasma, stem cells to laboratories, transfusion centers, public and private hospitals throughout Europe.

CLINICAL TRIALS

Clinical trials can often involve many transcontinental shipments. When combined with the complexities of the different international regulatory bodies, managing these shipments can take a long time for clinical study coordinators, researchers and other healthcare professionals. PHSE supervises every detail of the operation and, thanks to its global network and the experience acquired over the years, can provide logistics solutions that are fully compliant, complete and tailored for clinical trials.



The Company directs its activity to the satisfaction of the needs and expectations of the customers, impartiality, autonomy, independence, availability, respect and courtesy, with a view to a cooperative and professional relationship. It manages with the utmost professionalism the relationships with customers through an attentive customer care service, for each of the operational divisions in which it structures its services, resolving - and preventing - possible criticalities.

Over the years, PHSE has managed to further consolidate its positioning as the only Italian company specialized in the transport of temperature-controlled drugs, global forwarding, clinical trials, APIs and radiopharmaceuticals, thanks also to the collaboration started in Italy and worldwide with some of the most important brands of pharmaceutical and biopharmaceutical companies in the sector, including Pfizer, Janssen, AstraZeneca, Roche, Merck, MSD, Grifols, Thermo Fisher Scientific, Eli Lilly and Bristol Myers Squibb.

PHSE implements an Integrated Quality, Environment, Security and Health Safety Management System in compliance with UNI EN ISO 9001:2015, GDP 2013, TAPA TSR 2020 and in line with UNI EN 14001:2015 and ISO 45001:2018. Over the years, the Company has received CEIV Pharma certifications from the International Air Transport Association (IATA), ISO 9001 (Quality), ISO 14001 (Environment), TAPA TSR 2020 (Safety), GDP and authorization to transport radioactive materials by road. The precautionary principle is applied in the services offered by the PHSE network, to guarantee maximum safety for its customers.

It should be noted that during the reporting period there were no cases of non-compliance with the regulations and/or self-regulatory codes concerning the health and safety impacts of products and services. Furthermore, no loss of customer data occurred during 2022 and the previous year. With reference to this last point, it should be stressed that the Company, through state-of-the-art systems, pays the utmost attention to the data of its customers, given the particularity of many of its services, linked to their health - and therefore to an intimate and private sphere.

PHSE believes collaboration is the key to managing the healthcare supply chain. The pharmaceutical and healthcare supply chain is a highly regulated, multifaceted, and complex industry, making it very difficult for companies to act independently. That is why PHSE facilitates the exchange of skills through its proximity to major trade associations and universities. Here are the main associations of which PHSE is part:



FEDERCHIMICA ASSOBIOTEC

It represents companies and technological and scientific parks in Italy in the various fields of biotech application: health, agriculture, environment and industrial processes



DISTRIBUZIONE
PRIMARIA
FARMA e
SALUTE
Associazione Operatori
Commercianti e Logistici

ASSORAM

An Italian association representing more than 100 companies in the distribution and healthcare sector of pharmaceutical, parapharmaceutical, cosmetics, medical devices, human and veterinary health products.



PHARMACOM ITALY

The first Italian non-profit association that puts the needs and experiences of the operators of the logistics and pharmaceutical sector at the same time contributing to the creation and diffusion of culture.



SKANDI NETWORK

Consort promoted by the main European operators in temperature-controlled distribution for the healthcare sector. It is the first GDP-certified, international temperature-controlled distribution network dedicated 100% to life science products and has a digital platform for collaborative shipping management and end-to-end real-time visibility for freight forwarders and recipients. This combination of national and international shipments will lead to greater consolidation and reduction of emissions for the members of the network.

Innovation is a key aspect for PHSE: it is necessary to provide its specialized transport solutions with a high level of responsiveness and control. For this reason, for example, the Company's IT department has internally developed a digital, GDP-certified tracking platform that includes the components of:

- live temperature control
- GPS live control.

PHSE real-time tracking solution

This monitoring system allows PHSE customers to check shipping status, temperature, and shipping location in real time.

PHSE real-time control tower

The Control Tower monitors all shipping data to ensure total control of the entire fleet: temperature, position of each vehicle, door opening/closing, warnings, average speed, kilometers traveled, fuel consumption, driver name, CO2 emissions and more. Through this technology it can intervene promptly in case a shipment should present "out of temperature".

New solutions are periodically evaluated by PHSE management in terms of economic and operational feasibility, considering the needs of customers, as well as their long-standing experience in the field.

RFDI Cold Chain Concept

PHSE S.r.l. is the first player in Italy to implement RFID technology in pharmaceutical transport, on a national scale, by borrowing what already happens in the transport and storage of other goods sectors such as retail.

The adoption of this technology, which has entailed and will entail a considerable economic investment by PHSE, has the objective of obtaining an accurate tracking at the level of movement and temperature

of each single package sent, certifying the quality and safety of the service and the benefit of the chain and of the patients.

In addition, the application of RDIF technology helps to reduce the environmental impact that transport has on the supply chain through shorter transit times, the elimination of forwarding errors and the non-use of passive enclosures for temperature management.

The selection of PHSE suppliers is mainly based on an objective assessment of the quality and the ability to provide and ensure adequate level of service, through a process that consists in the preventive verification of the generalities of each counterparty and the acquisition of the certifications and of all documentary evidence attesting to the possession of the professional requirements. PHSE is working on formalizing supply chain management processes that will be available from 2024.

Suppliers, in addition to being evaluated for their efficiency and economic convenience, must be aligned with the values and principles of professionalism and seriousness that characterize PHSE S.r.l., and that constitute the basis of its success and growth. This is also explained in the Code of Ethics of the Company, which emphasizes the commitment to trade exclusively with reputable suppliers (and customers), who carry out legitimate business activities and whose income derives from legitimate sources. The process of selecting suppliers is then carefully described in the same document, clearly outlining the various phases, and the obligations for PHSE employees in the process, as well as responsibilities for the various functions of the Company. Currently, particular environmental and social requirements (such as ISO certifications, or the presence or absence of an ethical code) are not included, as elements in the selection and evaluation of suppliers (also with reference to new suppliers). In the coming years, the Company will evaluate the opportunity to insert certain procedures for this purpose, in order to align its suppliers even more with the high standards of professionalism and ethics of PHSE.

Considering the sector and the geographical context in which PHSE operates, most of the suppliers (linked to the operation of the fleet of vehicles, and of the offices and warehouses in Italy) can be identified as 'local', meaning by this definition all the suppliers with registered office within national borders.

In particular, in 2022, 60% of purchases are made from local suppliers, while the remaining part is made from European suppliers. This figure has changed slightly compared to the previous year, when 73% of the Company's purchases were made from suppliers in the national territory.

03.

OUR PEOPLE



Direct employees and own resources

Only personnel, drivers and own transport anywhere in Italy.



375

Number of employees at 31.12.2022



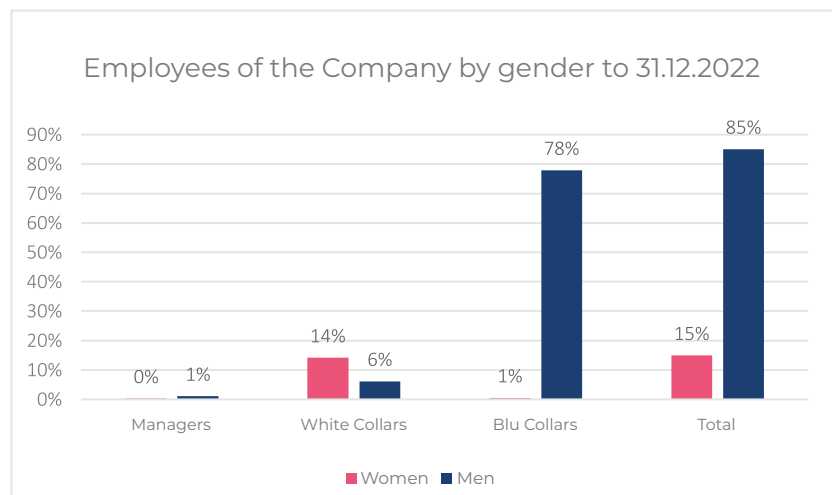
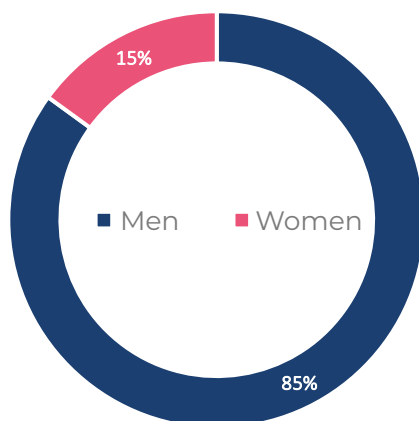
139

Number of part-time employees at 31.12.2022

Employees represent the Company's principal assets and for this reason PHSE is committed to the construction and maintenance of relationships based on loyalty and mutual trust, with the objective of limiting outsourcing as much as possible, by believing in growth that favors stable and long-term relationships with its employees. The establishment of a stimulating working environment, respecting the fundamental principles of non-discrimination and equal opportunities, is essential for the management of working relations and collaboration. All employees of PHSE are covered by the National Collective Agreement of reference.

Between 2021 and 2022, the workforce employed in PHSE S.r.l. increased by 7% from 349 to 375 employees. During the year, 57 new resources entered PHSE, representing 15,2% of the total number of employees, while, in terms of turnover, 31 people ceased their employment relationship. Among the people employed in 2022, 44% belong to the age group under 30, confirming how the Society points strongly on young people. As a result of the Company's attention to young people, compared to 2021, the number of employees under the age of 30 has increased by 45%.

The breakdown of the company's staff by gender and professional category is shown in the following graphs:



Diversity and inclusion in PHSE are strongly supported principles, as are the unequivocal rejection of racism and discrimination in any form; a strong commitment – as mentioned in the Code of Ethics – is to avoid discrimination on the basis of age, sex, sexuality, health, race, nationality, political opinions and religious beliefs, in all decisions that affect relations with its stakeholders. The Society sees diversity as a value and an important source of inspiration, and for this reason it promotes a work environment attentive to diversity.

There were no cases of discrimination in PHSE during 2022.

3.3 COMMITMENT TO THE DEVELOPMENT AND WELL-BEING OF OUR EMPLOYEES

For PHSE, professional growth and the enhancement of employees are central aspects in order to ensure the continued growth and innovation of its business. The relationship that is built between workers and the company is fundamental to ensure products and services that are qualitatively in line with consumer expectations. For this reason, particular attention is given to the training and well-being of the resources present in the company.

In particular, PHSE is committed to the training of all employees and to facilitating their participation in refresher courses and training programs so that the skills and legitimate aspirations of individuals can be realized in conjunction with the achievement of the company's objectives.

Training needs are managed centrally as needed.

In 2022, the Company provided approximately 1,141 hours of training dedicated to health and safety.

PHSE guarantees its employees adequate insurance coverage through membership of the Sanilog Fund, a supplementary fund of the National Health Service, which provides for the total or partial coverage of the cost of health care services. In particular, the Sanilog Fund guarantees health services through two primary insurance companies: UniSalute for general medical services and AIG - Odonetwork for dental services. All PHSE employees have access to this Fund.

In addition, PHSE is a member of Ebilog (National bilateral Authority for Logistics, Freight Transport and Shipping) to obtain support in the professional training and welfare of its employees.



The Company has always paid particular attention to the health and safety of its people. As mentioned in the previous chapters, PHSE implements an Integrated Quality, Environment, Security and Health Safety Management System which includes all employees of the Italian offices of PHSE S.r.l. for the activities of delivery of the transport service that includes the phases of warehouse, goods movement and transport. With the support of an external Head of Prevention and Protection Service (RSPP), the system is aimed at the alignment with the UNI EN ISO 45001 standard, with the aim of obtaining such certification in the next two years.

PHSE adopts a structured risk management process for health and safety at work, the results of which are formalized in the risk Assessment Document (DVR) revised in the context of significant changes in the production process for the safety and health of workers. This document:

- defines a health and safety organization chart, with specific tasks and responsibilities assigned to the actors involved: employer, safety manager, competent doctor, Head of the Prevention and Protection Service (HPPS), Safety Workers' Representative (SWR), Emergency Management Officer, First Aid Officer;
- defines the risk assessment methodology and criteria;
- identify and assess risks related to health and safety of the company, based on the methodology and assessment criteria defined, in relation to the work activities carried out and the prevention and protection measures taken;
- identifies actions to take for continuous risk monitoring.

Moreover, through the annual inspection of the HPPS, possible anomalies are recorded and on the basis of the deviations identified, corrective actions are proposed to be implemented for the continuous improvement. Finally, depending on the type of corrective action, the person responsible for verifying the closure is identified.

Each year or at additional frequencies, medical checks are carried out on personnel dependent on the competent physician and the authorized physician for the radiopharmaceutical department. Health surveillance shall also include the verification of work processes which could affect the health of workers, having regard to:

- monitoring of workers' health in relation to work;
- advice on health, safety and hygiene at work;
- online health and safety training on e-learning platform on ergonomic advice and on individual and collective protective equipment and emergency treatment.

The training courses required by D. Lgs. 81/2008, such as the fire-fighting course and the first-aid course. In addition, for the transport of radiopharmaceuticals or in ADR, is provided for ad hoc personnel that is equipped with a specific training and controlled.

With the aim of reducing the risks related to health and safety in the phase of commercial relationship, in the management of dangerous shipments, which is entrusted only to adequately trained drivers, before accepting or providing a service, the safety card is requested and a professional advice is given. Similarly, for the management of radio-drug shipments, an operating instruction is applied related to the transport of such material shared with the radiation protection expert. To ensure continuous improvement through the application of corrective and preventive measures, each employee has the possibility to report a hazard, deviation or near miss.

During 2022, 4 accidents were recorded at work, none of which were considered as a serious accident (the main types of accidents were contusions and crushings).

04.

COMMUNITY AND TERRITORY

61.795.380

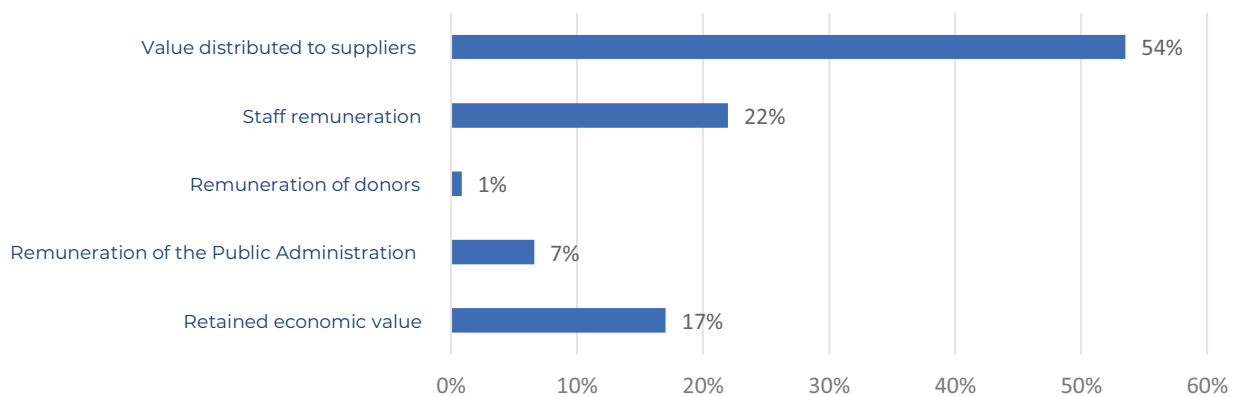
Economic value generated in 2022

51.269.700

Economic value distributed in 2022

The economic value generated by PHSE in 2022 amounted to € 61.8 million, of which approximately 83% is distributed, while approximately 17% is retained in the company for further investment. In particular, the value generated by PHSE during 2022 was distributed primarily to suppliers and contractors. 54% of the value was distributed to suppliers, while employees benefited from 22% of the value generated. A further 7% of the value generated was distributed to the Public Administration in the form of taxes, while the financiers received 1% of the value generated. The value-added statement reported was calculated on the basis of the income statement of PHSE as at 31.12.2022.

Statement of the generated economic value distributed by PHSE S.r.l. in 2022



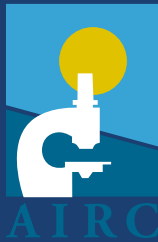
**Over
€20,000**

**Employees for sponsorship
and community support**

PHSE S.r.l. recognizes the importance of maintaining a good relationship with local communities. Also for this purpose, the Company contributes annually to certain initiatives and sponsorships that support the local communities with which it interacts. In 2022, the sum allocated to these initiatives amounts to €21,250.

For over 20 years, PHSE has been supporting cancer patients and research, making treatments accessible and serving the clinical trial community around the world. In particular, during 2022, PHSE supported the Italian Association for Cancer Research (hereinafter also “AIRC Foundation”) through participation in the AIRC Evening with Research and by joining the “AIRC Christmas Solidarity” initiative.

AIRC Evening with Research



In 2022 he wanted to be even closer to Italian cancer research and its dissemination by supporting the AIRC event “Evening with Research”, held on May 31, 2022 and which saw the participation of the best Italian scientists.

Christmas solidarity AIRC



In 2022 PHSE chose to wish Merry Christmas and a Happy New Year with a special gift: support for pediatric cancer research.

Through this donation for laboratory materials, PHSE has helped provide slides, reagents, tubes, gowns, gloves for a research team involved in the study of pediatric cancers.

05.

ENVIRONMENTAL RESPONSIBILITY

123.385 GJ

Total energy consumption in 2022

296

Number of freight vehicles in 2022

As also stated in the Code of Ethics, the strategies and operational management of the Company are based on the principles of sustainable development, with a continuous attention to ensure that the activities are carried out in respect of the environment and public health, in conformity with national and international directives on the subject. PHSE is committed to raising awareness among its employees and associates of the importance of respect for the environment, in particular with regard to those tasks which may have particular environmental impacts.

PHSE currently uses several energy carriers to carry out its activities:

- the fuels used for PHSE logistics services, which account for 93 % of energy consumption, mainly diesel fuel and, to a lesser extent, petrol and natural gas;
- the diesel fuel used for fleet fuel for mixed-use consisting of 17 vehicles;
- the electricity used for the operation of air-conditioning, lighting and equipment in use in offices and warehouses;
- the natural gas used for heating offices and warehouses.

The mapping and monitoring of energy consumption is essential to be able to program possible efficiency interventions. The attached tables show energy consumption and emissions by type for the two-year period 2021-2022.

The reported data show an increase in electricity consumption compared to 2021 (32%) due to the inclusion in the consumption reporting perimeter of Lodi headquarters⁶. The composition of the fleet has undergone slight modifications which have been reflected in slight variations in the consumption of diesel, petrol and natural gas. In particular, the vehicles used in 2021 were 336, of which 14 were for mixed use, while in 2022 the PHSE fleet consisted of 313 vehicles, of which 17 were for mixed use and 296 for the transport of goods. Overall, between 2021 and 2022, the level of consumption increased by 6%, due to higher volumes of activity.

Based on energy consumption, PHSE has calculated its CO₂ emissions: direct emissions (Scope 1) are generated from the consumption of means of transport and natural gas, while indirect emissions (Scope 2) come from the consumption of electricity purchased. The reporting standard used provides two different approaches to calculating the emissions of Scope 2: "Location-based" and "Market-based". The "Location-based" approach involves the use of average emission factors for the specific national energy mix of electricity generation. The "Market-based" approach involves the use of emission factors defined on a contractual basis with the electricity supplier. In the absence of specific contractual agreements between the Organization and the electricity supplier

6. The figure relating to energy consumption (and related CO₂ emissions) in 2021 does not include the Lodi branch, since the figure is not available.

(e.g., purchase of guarantees of origin), the emission factor for the national “residual mix” was used for the “Market-based” approach.

8.507 tCO₂

**Scope 1 and Scope 2 emissions
Location based**

8.807 tCO₂

**Scope 1 and Scope 2 emissions
Market based**

With regard to Scope 1 emissions, which largely refer to the consumption of means of transport, heating gas and cooling gas nozzles, in 2022, they increased by 7,7% . In line with the increase in electricity consumption, CO2 emissions Scope 1 + Scope 2 (“Location-based” methodology) increased by 32%, while Scope 1 + Scope 2 (“Market-based” methodology) increased by 31%.



ANGRI OFFICE CERTIFIED TO UNI EN ISO 14001 STANDARD

In support of the firm's strong attention to environmental issues, in 2022, the administrative headquarters at Angri obtained the renewal of the ISO 14001 certification and in the coming years the possibility of extending the certification to other locations will be evaluated.

In particular, the Company contributes to the reduction of CO2 emissions by favoring the use of vehicles with low emission levels and renewing the fleet every four years with the replacement of the most polluting vehicles. The use of the BI Intelligent Control Tower interactive dashboard allows to track real time some key performance indicators such as the CO2 emissions generated.

Moreover, by April 2023, with the aim of establishing an increasingly capillary, performant and complete distribution network, PHSE will expand its fleet with the introduction of 101 new refrigerated vehicles, all of the latest generation and with low environmental impact, including two new electric vehicles at the Rome and Milan sites.

Consistent with the spirit of innovation that has always characterized it, the implementation of a delivery management platform that uses artificial intelligence to optimize the delivery routes is planned for 2024, making it possible to significantly reduce the environmental impact generated by PHSE's transport network.

It should be mentioned that the drive to innovate in this sector has important repercussions also on the efficient management of resources: dealing with “active” temperature-controlled transport, the Company is in fact able to avoid the use of packaging and, consequently, the impact related to the production and disposal of the same..



Innoplus, controlled by PHSE, is active in the development, production and distribution of validated cold chain packaging solutions (reusable or disposable) and intelligent trackers that track any shipping data.

In particular, the LIFE reusable packaging developed by Innoplus is reusable and contains advanced isothermal technology consisting of an outer box made of printed cardboard, an inner container made of polypropylene, vacuum insulating panels and phase change eutectic cooling plates that can be selected according to the temperature range to be controlled. This solution offers significant cost savings and has positive impacts on the consumption of packaging resources.



SOCIAL RESPONSABILITY DISCLOSURE 2-7 Employees ⁷

EMPLOYEES BY CONTRACT TYPE AND GENDER AS OF DECEMBER 31 (HEADCOUNT)						
Type of contract	2021			2022		
	Men	Women	Total	Men	Women	Total
Permanent	226	42	268	271	48	319
Temporary	69	12	81	48	7	55
Apprenticeship	0	0	0	0	1	1
Total	295	54	349	319	56	375

EMPLOYEES BY JOB TYPE AND GENDER AS OF DECEMBER 31 (HEADCOUNT)						
Type of use	2021			2022		
	Men	Women	Total	Men	Women	Total
Full-time	134	53	187	181	55	236
Part-time	161	1	162	138	1	139
Percentage parttime	55%	2%	46%	43%	2%	37%
Total	295	54	349	319	56	375

EMPLOYEES BY GENDER AND REGION AS OF DECEMBER 31 (HEADCOUNT)			
Geographical area	2022		
	Men	Women	Total
North	127	18	145
Center	73	14	87
Islands	34	1	35
South	85	23	108
Total	319	56	375

DISCLOSURE 405-1 Diversity of governance bodies and employees

WORKFORCE BY PROFESSION AND GENDER AS OF DECEMBER 31 (HEADCOUNT)						
Professional category	2021			2022		
	Men	Women	Total	Men	Women	Total
Managers	5	1	6	4	1	5
White collars	22	51	73	23	53	76
Blue collars ⁸	268	2	270	292	2	294
Total	295	54	349	319	56	375

7. The figure relating to the total number of employees of PHSE S.r.l. at December 31, 2022 does not coincide with the figure in the Management Report, equal to 368, due to the use of different criteria in the processing of the data.

8. The data relating to the professional category of workers refers mainly to the drivers and warehouse workers of PHSE S.r.l.

DISCLOSURE 405-1 Diversity of governance bodies and employees

NUMBER OF EMPLOYEES BY JOB CATEGORY AND AGE GROUP AT 31 DECEMBER (HEADCOUNT)								
Number	2021				2022			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Managers	0	3	3	6	0	4	1	5
White collars	12	54	7	73	15	55	6	76
Blue collars	30	155	85	270	46	168	80	294
Total	42	212	95	349	61	227	87	375

% OF EMPLOYEES BY PROFESSION AND GENDER AS AT 31 DECEMBER						
Percentage	2021			2022		
	Men	Women	Total	Men	Women	Total
Managers	1.1%	0.3%	1.4%	1.1%	0.3%	1.3%
White collars	6.3%	14.7%	21.0%	6.1%	14.1%	20.3%
Blue collars	77.0%	0.6%	77.6%	77.9%	0.5%	78.4%
Total	84.5%	15.5%	100.0%	85.1%	14.9%	100.0%

% OF EMPLOYEES BY PROFESSION AND AGE GROUP AT 31 DECEMBER								
Percentage	2021				2022			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Managers	0,0%	0,9%	0,9%	1,4%	0,0%	1,1%	0,3%	1,3%
White collars	3,4%	15,5%	2,0%	21,0%	4,0%	14,7%	1,6%	20,3%
Blue collars	8,6%	44,5%	24,4%	77,6%	12,3%	44,8%	21,3%	78,4%
Total	12,1%	60,9%	27,3%	100,0%	16,3%	60,5%	23,2%	100,0%

DISCLOSURE 401-1 New employee hires and employee turnover

HIRING RATE AND TURNOVER BY GENDER				
Percentage of total	2022			
	Hired		Terminated	
	Number	%	Number	%
Men	50	16%	26	8%
Women	7	14%	5	9%
Total	57	15%	31	8%

HIRING RATE AND TURNOVER BY AGE GROUPS				
Percentage of total	2022			
	Hired		Terminated	
	Number	%	Number	%
< 30 years	25	41%	7	11%
30 - 50 years	29	13%	13	6%
> 50 years	3	3%	11	13%
Total	57	15%	31	8%

9. The training hours figure includes the only component of compulsory training provided to employees under the law, as non-compulsory training, at the date of writing, is not available.

DISCLOSURE 404-1 Average hours of training per year per employee

TOTAL COMPULSORY TRAINING HOURS BY PROFESSIONAL CATEGORY AND GENDER ⁹									
Training hours	2021								
	NO. Hours Men	Total men employees	NO. hours per capita men	NO. Hours Women	Total women employees	NO. hours per capita women	NO. Hours Totals	Total employees	NO. hours per capita
Managers	96	5	19.2	16	1	16.0	112	6	18.7
Whitecollars	96	22	4.4	196	51	3.8	292	73	4.0
Blue collars	552	268	2.1	8	2	4.0	560	270	2.1
Total	744	295	2.5	220	54	4.1	964	349	2.8
Training hours	2022								
	NO. Hours Men	Total men employees	NO. hours per capita men	NO. Hours Women	Total women employees	NO. hours per capita women	NO. Hours Totals	Total employees	NO. hours per capita
Managers	111	4	27.8	25	1	25.0	136	5	27.2
White collars	150	23	6.5	255	53	4.8	405	76	5.3
Blue collars	590	292	2.0	10	2	5.0	600	294	2.0
Total	851	319	2.7	290	56	5.2	1,141	375	3.0

HEALTH AND SAFETY

DISCLOSURE 403-9 Work-related injuries

WORK-RELATED INJURIES		
Number of incidents	2021	2022
Total number of deaths due to accidents at work		
<i>Employees</i>	-	-
Total number of serious accidents at work (excluding deaths) ¹⁰		
<i>Employees</i>	-	-
Total number of accidents at work that can be recorded		
<i>Employees</i>	6	4
INJURY RATES		
Death rate due to accidents at work		
<i>Employees</i>	-	-
Rate of serious accidents at work (excluding deaths)		
<i>Employees</i>	-	-
Rate of accidents at work adjustable ¹¹		
<i>Employees</i>	2.53	1.52

10. Serious occupational accidents refer to accidents at work which result in a death or an accident in such a way that the worker cannot, or does not expect, fully recover from the pre-accident state of health within 6 months. The accident rate was calculated as the ratio between the total number of accidents and the total hours worked (474,179 in 2021 and 525,847 in 2022), using a multiplication factor of 200,000. The data includes accidents on the journey home-work only in the case where the transport has been managed by the organization.

11. Following a process of improvement of the reporting system, the figure relating to the rate of accidents at work recorded in 2021 was re-explained with respect to what was published in the previous Sustainability Report due to a change in the figure of hours worked in 2021. For the previously published data, please refer to the 2021 Sustainability Report.

ENVIRONMENTAL RESPONSIBILITY

DISCLOSURE 302-1 Energy consumption within the organization

ENERGY CONSUMPTION WITHIN THE ORGANIZATION					
Type of consumption	Unit of measure	2021		2022	
		Total	Total GJ	Total	Total GJ
Natural gas	SMC	5,737	228	5,036	199
Diesel fuel for business use	l	2,845,447	108,654	2,999,182	114,521
Petrol for business use	l	4,652	160	3,779	129
Methane for business use	l	9,488	473	2,329	117
Promiscuous diesel fuel	l	18,430	704	21,288	813
Electricity purchased	KWh	1,600,883	5,763	2,112,645	7,606
of which from non-renewable sources	KWh	1,600,883	5,763	2,112,645	7,606
of which from renewable sources	KWh	-	-	-	-
Total consumption		-	115,981 ¹²	-	123,385

CONSUMPTION OF REFRIGERANT GASES			
Type of F-gas	Unit of measure	2021	2022
		Total	Total
R404A	Kg	7.0	10.1
R452A	Kg	0.8	17.0
R513A	Kg	20.0	-
R-134A	Kg	-	10.4
Total	Kg	27.8	37.5

DISCLOSURE 305-1 Direct (Scope 1) GHG emissions¹³

DIRECT EMISSIONS			
	Unit of measure	2021	2022
Natural gas	TCO ₂	12	10
Refrigerant gases	TCO ₂	41	91
Fleet vehicles - Company use	TCO ₂	7,183	7,686
Fleet vehicles - Promiscuous use	TCO ₂	46	54
Total emissions Scope 1	TCO₂	7,282	7,841

DISCLOSURE 305-2 Emissioni indirette di GHG (Scope 2)¹⁴

INDIRECT EMISSIONS			
	Unit of measure	2021	2022
Electricity purchased - Location based	TCO ₂	504	665
Electricity purchased - Market based	TCO ₂	735	965

12. By convention, the figure relating to the diesel consumption of the car park has been estimated to be equal to 70% of the total fuel consumption, since it refers to means for promiscuous use. Consequently, the figure relating to the consumption of promiscuous vehicles in 2021 has been revised. For the previously published data, please refer to the 2021 Sustainability Report.

13. Following a process of improving the reporting system, the data on Scope 1 emissions in 2021 were re-reported compared to those published in the previous Sustainability Report. For the previously published data, please refer to the 2021 Sustainability Report.

14. Following a process of improving the reporting system, the Scope 2 emissions figures for 2021 were re-reported compared to those published in the previous Sustainability Report. For the previously published data, please refer to the 2021 Sustainability Report.

TOTAL EMISSIONS			
	Unit of measure	2021	2022
TOTAL EMISSIONS (SCOPE 1 + SCOPE 2- Location based)	TCO ₂	7,786	8,507
TOTAL EMISSIONS (SCOPE 1 + SCOPE 2- Market based)	TCO ₂	8,016	8,807

Energy consumption emission factors				
	Conversion unit	2021	2022	Source
Electricity (Location based)	KgCO ₂ /kWh	0.315	0.315	Terna, International comparisons 2019
Electricity (Market based)	KgCO ₂ /kWh	0.459	0.457	AIB, European residual mixes, 2022 and 2021
Natural gas	TCO ₂ /m ³	0.00202	0.00202	UK Government- GHG Conversion factors for Company Reporting, 2022 and 2021
LPG	TCO ₂ e/L	0.00156	0.00156	UK Government- GHG Conversion factors for Company Reporting, 2022 and 2021
Petrol	TCO ₂ e/L	0.00219	0.00216	UK Government- GHG Conversion factors for Company Reporting, 2022 and 2021
Automotive diesel fuel	TCO ₂ e/L	0.00251	0.00256	UK Government- GHG Conversion factors for Company Reporting, 2022 and 2021

Energy consumption conversion factors				
	Conversion unit	2021	2022	Source
Electricity	GJ/kWh	0.0036	0.0036	Constant
Diesel fuel	GJ/L	0.0382	0.0382	DEFRA 2022 Fuel Properties
Petrol	GJ/L	0.0344	0.0343	DEFRA 2022 Fuel Properties
LPG	GJ/L	0.0261	0.0261	DEFRA 2022 Fuel Properties
Natural gas	GJ/L	0.0397	0.0396	DEFRA 2022 Fuel Properties

ECONOMIC RESPONSIBILITY

DISCLOSURE 201-1 Valore economico direttamente generato e distribuito

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED (in thousands of euros)		
	2021 ¹⁵	2022
Economic value directly generated	39,842	61,795
Economic value retained	5,861	10,526
Economic value distributed, of which:	33,981	51,270
Value redistributed to Suppliers	19,199	33,061
Remuneration of Personnel	11,865	13,580
Remuneration of Lenders	577	530
Remuneration of Shareholders	0	0
Remuneration of Public Administration	2,230	4,078
Community remuneration	111	21

15. Following a process of improvement of the reporting system, the data for 2021 were re-presented with respect to those published in the previous Sustainability Report. For the previously published data, please refer to the 2021 Sustainability Report.

RESPONSIBLE SUPPLY CHAIN

DISCLOSURE 204-1 Proportion of spending on local suppliers

PROPORTION OF SPENDING ON LOCAL SUPPLIERS		
Area of origin	2021	2022
Italy	73%	60%
Europe	27%	40%
Total	100%	100%

PERIMETER OF MATERIAL TOPICS

Material topics	Impact and description	Type of impact	Disclosure GRI	Perimeter of impact	Involvement of the Company
GOVERNANCE					
Ethics and Integrity	Impact: Non-ethical business conduct Description: Non-compliance with applicable laws, regulations, internal and external standards with indirect economic impacts on employees, customers and suppliers	Negative Potential	GRI 205-3	Company Shareholders Investors Employees	Caused by the Company
	Impact: Anti-competitive behavior and monopolistic practices Description: Anti-competitive behavior and monopolistic practices with negative impacts on the economy and markets	Negative Potential	GRI 206-1		
ECONOMIC RESPONSIBILITY					
Economic performance	Impact: Generating and distributing economic value Description: Positive economic impacts generated by the organization through its business activities for workers, local communities, suppliers, customers and other stakeholders	Positive Current	GRI 201-1	Shareholders	Caused by the Company
SOCIAL RESPONSIBILITY					
Supply chain management	Impact: Negative environmental impacts along the supply chain Description: Suppliers violate environmental regulations	Negative Potential	GRI 308-1	Company Suppliers	Caused by the Company and related to it through its commercial relations
	Impact: Negative social impacts along the supply chain Description: Supplier breaches of social legislation	Negative Potential	GRI 414 -1		
	Impact: Creation of a local supply chain Description: Promotion of purchase from local suppliers	Negative Current	GRI 204-1		

Material topics	Impact and description	Type of impact	Disclosure GRI	Perimeter of impact	Involvement of the Company
Customer satisfaction	Impact: Customer dissatisfaction and market unreliability Description: Lack of customer satisfaction with the quality of the product and the service provided	Negative Potential	N/A.	Company Customers	Caused by the Company
Health and safety at work	Impact: Workplace injuries Description: Accidents or other accidents at the workplace, with adverse consequences for the health of direct workers or external employees	Negative Current	GRI 403-1 GRI 403-2 GRI 403-3 GRI 403-4 GRI 403-5 GRI 403-6 GRI 403-7 GRI 403-9	Company Employees Collaborators	Caused by the Company
Employees development and well-being	Impact: Low attractiveness and retention of talent Description: Inability to attract and create employee retention with an impact on business continuity and stakeholders' expectations	Positive Current	GRI 401-1	Company Employees Collaborators	Caused by the Company
	Impact: Training and employees growth Description: Improving the skills of workers through training and professional development activities, general and technical programs, including related to growth objectives and personalized evaluation (career development plans)	Positive Current	GRI 404-1		
	Impact: Inadequate working conditions and remuneration Description: Failure to comply with wage agreements or employee expectations in terms of inadequate remuneration of employees and external employees	Negative Potential	GRI 401-2		
	Impact: Discrimination and non-inclusive practices in the workplace Description: Negative impacts on employee satisfaction and motivation due to discrimination (e.g. gender, age, ethnicity, etc.) or other non-inclusive practices	Negative Potential	GRI 405-1 GRI 406-1		
Safety and quality of services	Impact: Quality of service and customer safety Description: Develop products that do not meet quality and safety	Negative Potential	416-2	Company Customers	Caused by the Company

16. The involvement and actions taken in remedying the negative impacts that the Organization has caused or contributed to are detailed in the specific sections of this budget.

Material topics	Impact and description	Type of impact	Disclosure GRI	Perimeter of impact	Involvement of the Company
Innovation and digitization	<p>Impact: Research and development</p> <p>Description: Promotion of an innovative service attentive to market trends and needs and implementation of R&D activities with impacts on stakeholder expectations and company competitiveness</p>	Positive Current	N/A.	Company Customers	Caused by the Company
Data privacy and cybersecurity	<p>Impact: Breach of privacy and loss of customer data</p> <p>Description: Violations of applicable legislation and failure to apply best practices for data management to the detriment of customer privacy</p>	Negative Potential	418-1	Company Customers	Caused by the Company
ENVIRONMENTAL RESPONSIBILITY					
Energy consumption and renewable energy	<p>Impact: Energy consumption</p> <p>Description: Energy consumption from renewable and non renewable sources, resulting in negative impacts on the environment and reduction of energy stocks</p>	Negative Current	302-1	Company Electricity suppliers	Caused by the Company
Emissions	<p>Impact: Generation of direct and indirect GHG emissions (scope 1 and 2)</p> <p>Description: Contribution to climate change through direct and indirect GHG energy emissions linked to the company's daily business activities</p>	Negative Current	305-1 305-2	Company	Caused by the Company and related to the Company through its business relationships

GRI CONTENT INDEX

STATEMENT OF USE	PHSE S.r.l. has reported in accordance with GRI Standards for the period from 01.01.2022 to 31.12.2022.
GRI 1	GRI 1 – Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENTS OMITTED	REASON	EXPLANATION
GRI 2: General Disclosures 2021					
The organization and its reporting practices					
2-1	Organizational details	7			
2-2	Entities included in the organization’s sustainability reporting	4			
2-3	Reporting period, frequency, and contact point	4			
2-4	Restatements of information	13,45-46,48			
2-5	External Assurance	4			
Activities and workers					
2-6	Activities, value chain and other business relationships	27			
2-7	Employees	42			
2-8	Workers who are not employees	As of 31.12.2022, no non-dependent workers are present in PHSE S.r.l.			
Governance					
2-9	Governance structure and composition	12-13			
2-10	Nomination and selection of the highest governance body	13			
2-11	Chair of the highest governance body	13			
2-12	Role of the highest governance body in overseeing the management of impacts	13			
2-13	Delegation of responsibility for managing impacts	17			
2-14	Role of the highest governance body in sustainability reporting	13			
2-15	Conflicts of interest	13			

2-16	Communication of critical concerns	13			
2-17	Collective knowledge of the highest governance body	17			
2-18	Evaluation of the performance of the highest governance body	At present, a procedure for the evaluation of members of the Board of Directors which considers environmental and social criteria has not been formalized.			
2-19	Remuneration policies	There are no formalized rules on remuneration. During 2023, PHSE will seek to implement a formalized pay procedure.			
2-20	Process to determine remuneration	There is no formalized pay procedure. During 2023, PHSE will seek to implement a formalized pay procedure.			
2-21	Annual total compensation ratio		2-21.a 2-21.b 2-21.c	Confidentiality constraints	Disclosure 2-21 has not been reported for reasons of confidentiality. PHSE S.r.l. does not have a public disclosure regarding remuneration and is not subject to any regulatory obligation.
Strategy, policies and practices					
2-22	Statement on sustainable development strategy	3			
2-23	Policy commitments	At present, in addition to the adoption of the Code of Ethics, the Company does not have formalized policies for responsible business conduct.			

2-24	Embedding policy commitments	At present, in addition to the adoption of the Code of Ethics, the Company does not have formalized policies for responsible business conduct.			
2-25	Processes to remediate negative impacts	49			
2-26	Mechanisms for seeking advice and raising concerns	13			
2-27	Compliance with laws and regulations	During 2022, no penalties were paid and there were no significant instances of non-compliance with laws and regulations.			
2-28	Membership associations	24-25			
Stakeholder engagement					
2-29	Approach to stakeholder engagement	15-16			
2-30	Collective bargaining agreements	29			
GRI 3: Material topics 2021					
3-1	Process to determine material topics	16-17			
3-2	List of material topics	17-19			
TOPIC-SPECIFIC STANDARDS					
Material topic: Ethics and Integrity					
GRI 3: Material topics 2021					
3-3	Management of material topics	12-14			
GRI 205: Anti-corruption 2016					
205-3	Confirmed incidents of corruption and actions taken	14			
GRI 206: Anti-competitive Behavior 2016					
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	14			

Material topic: Economic Performance					
GRI 3: Material topics 2021					
3-3	Management of material topics	36			
GRI 201: Economic performance2016					
201-1	Direct economic value generated and distributed	36,48			
Material topic: Supply Chain Management					
GRI 3: Material topics 2021					
3-3	Management of material topics	27			
GRI 204: Supply practices2016					
204-1	Proportion of spending on local suppliers	48			
GRI 308: Supplier Environmental Assessment2016					
308-1	New suppliers that were screened using environmental criteria	27			
GRI 414: Supplier Social Assessment2016					
414-1	New suppliers that were screened using social criteria	27			
Material topic: Customer Satisfaction					
GRI 3: Material topics 2021					
3-3	Management of material topics	20-22			
Material topic: Health and safety at work					
GRI 403: Occupational Health and Safety2018					
403-1	Occupational health and safety management system	33-34			
403-2	Hazard identification, risk assessment, and incident investigation	33-34			
403-3	Occupational health services	33-34			
403-4	Worker participation, consultation, and communication on occupational health and safety	33-34			
403-5	Worker training on occupational health and safety	33			
403-6	Promotion of worker health	33-34			
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	33-34			

403-9	Work-related injuries	45			
Material topic: Development, employees well-being and inclusiveness					
GRI 3: Material topics 2021					
3-3	Management of material topics	29-30			
GRI 401: Employment 2016					
401-1	New employee hires and employee turnover	43-44			
401-2	Benefits provided to fulltime employees that are not provided to temporary or parttime employees	32			
GRI 404: Training and Education 2016					
404-1	Average hours of training per year per employee	44-45			
GRI 405: Diversity and Equal Opportunity 2016					
405-1	Diversity of governance bodies and employees	13, 43-44			
GRI 406: Non-discrimination 2016					
406-1	Incidents of discrimination and corrective actions taken	31			
Material topic: Energy consumption and renewable energy					
GRI 3: Material topics 2021					
3-3	Management of material topics	40-42			
GRI 302: Energy 2016					
302-1	Energy consumption within the organization	45-46			
Material topic: Emissions					
GRI 3: Material themes 2021					
3-3	Management of material topics	40-42			
GRI 305: Emissions 2016					
305-1	Direct (Scope 1) GHG emissions	46			
305-2	Energy indirect (Scope 2) GHG emissions	47			
Material topic: Data privacy and cybersecurity					
GRI 3: Material topics 2021					
3-3	Management of material topics	23			
GRI 418: Customer Privacy					
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	23			

Material topic: Innovation and digitization					
GRI 3: Material topics 2021					
3-3	Management of material topics	25			
Material topic: Security and quality of services					
GRI 3: Material topics 2021					
3-3	Management of material topics	23			
GRI 416: Customer Health and Safety 2016					
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	23			



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