



# SUSTAINABILITY REPORT 2018

reporting period 2017

according to the GRI Sustainability Reporting Standard



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.



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# MISSION

**We aim to make excellence our standard, paying great attention to innovation and to the full sustainability of our processes**







## 1. LETTER TO STAKEHOLDER

(Rif. 102-14/15)



Palladio Group, after the celebrations for the 70th anniversary of its history, which took place in December 2016, has experienced a year characterized by a renewed impetus towards the future, which has resulted in the implementation of important investments in Italy and abroad.

Significant investments were made in the new P24 department at the Pontedera plant, which allows us to produce and deliver cartons, instructions and labels in 24 hours; at the Thiene plant the Assembled department was inaugurated, while in Dueville the area for the production of leaflets was doubled.

Moving to our foreign offices in June, we successfully completed yet another phase of growth for the Group. In fact, on 8 June the new plant in Russia was inaugurated in the city of Obninsk. In the

presence of the governor of the Kaluga region we cut the ribbon of this brand new factory whose production officially started in October. Palladio BNM is a green field investment deriving from a joint venture agreement signed in 2014 between the company Palladio Group and BNM International. The new company stands out for its flexibility of concept and potential for expansion, with the aim of reaching 12,500 m2 of surface area and about 200 employees.

The Company's evolution, which took place over time through multiple acquisitions and the increase in the range of products and services for our customers, is evidence of an organic strategy of creating shared value, guaranteeing commitment to protection and compatible and ethical use of natural and human resources. In fact, what has never changed in these seventy years, and that has helped us to grow, has made excellence our standard, always paying great attention to innovation and the complete sustainability of our processes.

The economic trend was positive again this year and with the start of new departments and with the increase in orders in the illustrative leaflets sector, the number of staff increased by 30 units.

2017 was also a year full of satisfactions for our company that has won prestigious awards such as:

- the 2017 Innovation Award from our client Bristol Myers Squibb,
- the Oscar winner of the Press as Best Cartotecnica,
- the Gold Prize from our Customer Janssen,
- the Confindustria Serbia Award for Palladio East in the Socially Responsible Entrepreneurship category.

But as we say the past has passed and we must look to the future and even if the general economic trend seems to turn to the beautiful competition remains high and new challenges appear on the horizon.

So, in line with the commitments made and pursued over the years for quality, the environment and for health and safety at work and ethics, we will continue to make sustainability the central element

of all business processes that contribute to the production of the product supplied to the market where the same work. The thinking of our company in this regard, can be summarized in the belief that sustainable development is the only form of development of society that does not compromise the ability of future generations to persist in development itself, preserving the quality and quantity of heritage and natural reserves.

The respect and protection of Health and Safety at Work, the Environment and Human Rights constitute the foundation of the Company's operating strategies and concern the entire organization in relation to the relevant activities / processes planned and carried out for: "Design and production of packaging materials and services for the pharmaceutical and cosmetic industries".

In compliance with the Legal Requirements in force in the countries in which we operate and in compliance with the principles defined in the Code of Ethics (revised during the year 2017), the Group is committed to respecting and promoting actions for the management of forest resources consistent with the respect of the values ethical and environmental and with the orientation to continuous improvement.

In particular, the organization is committed to the major concerns of our time: sustainable development, respect the Universal Declaration of Human Rights and adherence to international accounting standards, as defined by the OECD and the UN, such as the Global Compact.

The objective of the entire Palladio Group is to pursue, year after year, an economic development compatible with social equity and ecosystems, operating under an environmental balance. This means that the economic, social and environmental dimensions are closely interrelated, and any programming intervention will inevitably have to take into account mutual interrelations.

Over the years we have always invested in human and economic resources to ensure well-being and satisfaction at the workplace.

We have also confirmed our commitment to adhering to charitable activities that could help the next by making donations to non-profit foundations, local and international aware that our small gesture is a great help for them. We will continue to be active in supporting environmental projects, social and cultural activities in the local communities in which we operate especially by involving future generations.

Specific targets were set in 2014 for the reduction of total greenhouse gas emissions for 2018 and 2020. The target for this target is a reduction of 15% by 2018 and by 20% by 2020, based on levels of 2012. Linked to this goal is the use of alternative sources such as photovoltaic, renewable energy purchase. It should be noted that since January 2017 a contract has been signed for the purchase of energy exclusively from renewable sources for all Italian plants, while the Irish plant has joined since July. The above led to a reduction of about 12% of CO<sub>2</sub>.

Other strategic objectives concerning sustainable procurement, human rights and resource management are reported in a specific paragraph.

The Organization has also identified and included in its KPIs, in order to monitor it, a specific indicator for the assessment of its "carbon price" through the ratio between the economic value of carbon and the directly generated value.



## 1.1 Support for the United Nations Global Compact

Communication On Progress (COP)



WE SUPPORT

In May 2012 Palladio Group has formalized its adhesion to the Global Compact of the United Nations, a joint initiative between companies from around the world, United Nations agencies and groups representing the interests of labour and civil society.

The aim of the initiative is to involve the business world in a new form of collaboration through the adherence to ten universal principles concerning human rights, labour protection, environmental protection and the fight against corruption. It also aims to make its principles an integral part of the business strategy and to promote collaborations in line with the objectives of the United Nations in order to achieve global growth that takes into account the interests and concerns of stakeholders.

Palladio Group's motivation to join the UN Global Compact was based on the fact that many of its principles favour our business, while others are directly related to the Group's main activities and its competitiveness on the market.

Treating employees fairly and respectfully is a natural thing for a well-managed company and contributes to the ability of Palladio Group to attract and retain the best talent. The maintenance of safeguards against corruption and violations of human rights as well as being the right thing to do protects the Company from legal responsibilities.

Optimizing the environmental performance of our company's activities is a key business responsibility and helps reduce material and energy costs.

In relation to these general rules of good business management, we therefore undertake to maintain the Global Compact (and its principles) as an integral part of our business strategy and our culture in all business activities that focus on the protection and compatible use of natural and human resources.

In order to be able to provide our customers, employees, suppliers and other stakeholders with information on our sustainability and performance objectives, we have based sustainability reporting on GRI Sustainability Reporting Standards in order to communicate the results obtained to our Stakeholders in complete transparency.

The usual Communication On Progress (COP) to describe what has been implemented and implemented by Palladio Group to respect the principles promoted by the Global Compact has been integrated into this reporting.

As a Managing Director, I cordially thank you, honoured in pursuing this path together with the United Nations Global Compact.

**Mauro Marchi**  
Chief Executive Officer



## 2. GENERAL INFO

(Rif. 102-1/2/3/4/5/6/7)

Palladio Group S.P.A was established in 1946 and thus has about 70 years of experience characterized by a progressive growth focused on the commitment to fulfil, in the respect of a sustainable and socially responsible industrial development, the expectations/ needs of its customers



and all other Interested Parties. A growth that has enabled the company to transform itself from a small local business to an international company, technologically advanced, capable of imposing itself in the challenge against leading competitor in the national and international markets in which it operates. Our clients are leading multinational companies with whom we have established supply relationships and collaboration that are fundamental to innovation and continuous

improvement of the products and services provided. Nowadays Palladio Group is a cutting edge Italian multinational operating in the production-delivery of goods and services for secondary and primary packaging, of pharmaceutical and cosmetic products.

Palladio Group's main goal is to offer products, services and expertise in compliance with the requirements, while trying to anticipate and meet customer needs.

The production is based on project, according to the information and technical specification provided by the customer, in compliance with the applicable requirements and mandatory laws.

All the production activities are performed using machinery and facilities that are technologically highly advanced, this in order to guarantee safety, environmental protection and reduction of energy consumption.

### 2.1 Who we are

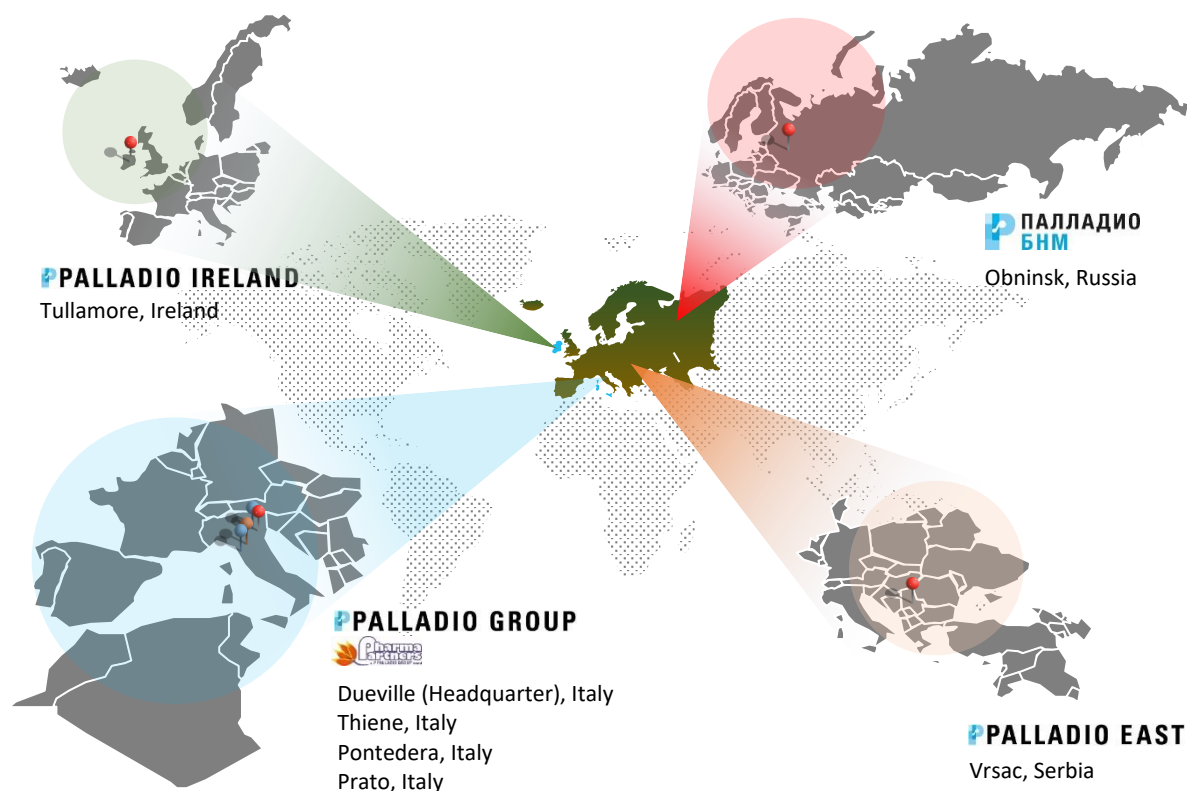
Palladio Group, the parent company of the Group, is a public limited company under Italian law.

The three foreign subsidiaries are limited liability companies.

Our reference market is the pharmaceutical market and our core business is represented by the production of secondary packaging material for the most important multinational pharmaceutical companies. The object of the Group's activity is substantially homogeneous among the various Plants and can be referred to as "design and production of packaging and services for the pharmaceutical and cosmetic industries".

### 2.2 The Plants

Palladio Group spa has its headquarter in Dueville (Vicenza) and several production plants located in Italy and abroad in line with the company's strategy to produce in countries where growth and / or market opportunities are expected.



#### Registered office and Italian plants

##### Palladio Group spa

Headquarter - Via Cresole, 8 Dueville (Vicenza) - Italy

Products: cartons, leaflets

Area: 30.000 mq

Via Campazzi, 10 - Thiene (Vicenza) – Italy

Products: cartons, blister

Area: 16.000 mq

Via Maremmana (Z.I. Gello) – Pontedera (Pisa) - Italy

Products : cartons, leaflets, labels, aluminium foils

Area: 38.000 mq

##### Pharma Partners

Via Ettore Strobino, 55/57 - Prato - Italy

Packaging of medical devices

#### Foreign plants

##### Palladio Ireland Ltd

Sragh Industrial Estate - Tullamore (Co. Offaly) – Ireland

Products: cartons

Area: 5.000 mq

##### Palladio East doo

Beogradski put 26300 - Vršac (Vojvodina) - Srbija

Products: cartons, leaflets, labels

Area: 15.000 mq

##### Palladio Obninsk Ilc

Kievskoe highway, km. 104

249032 Obninsk, Kaluga Region - Russian Federation

Products: cartons

Area: 20.000 mq

## 2.3 Business lines



Plants

83 mln



Turnover

700+



Human Resources

1,7 bln



Cartons

800 mln



Leaflets

600 mln



Labels

500 tons



Alufoils

In the Group, at 31/12/2017, over 700 employees were employed, operating at the seven plants.

The total production capacity of the Group is approximately:

- 1700 million cases,
- 800 million sheets of illustrations
- 600 million labels.
- 500 tons of aluminium

## 2.4 Our brands

### Secondary packaging products

- Folding cartons (flat and glued)
- Blister.
- Leaflets on reels/folded/flat/booklet).
- Flow pack (leaflets + alert card)
- Self-adhesive labels
- P24 (digital printing of cartons, leaflets and labels) Blister packs

### Primary packaging products

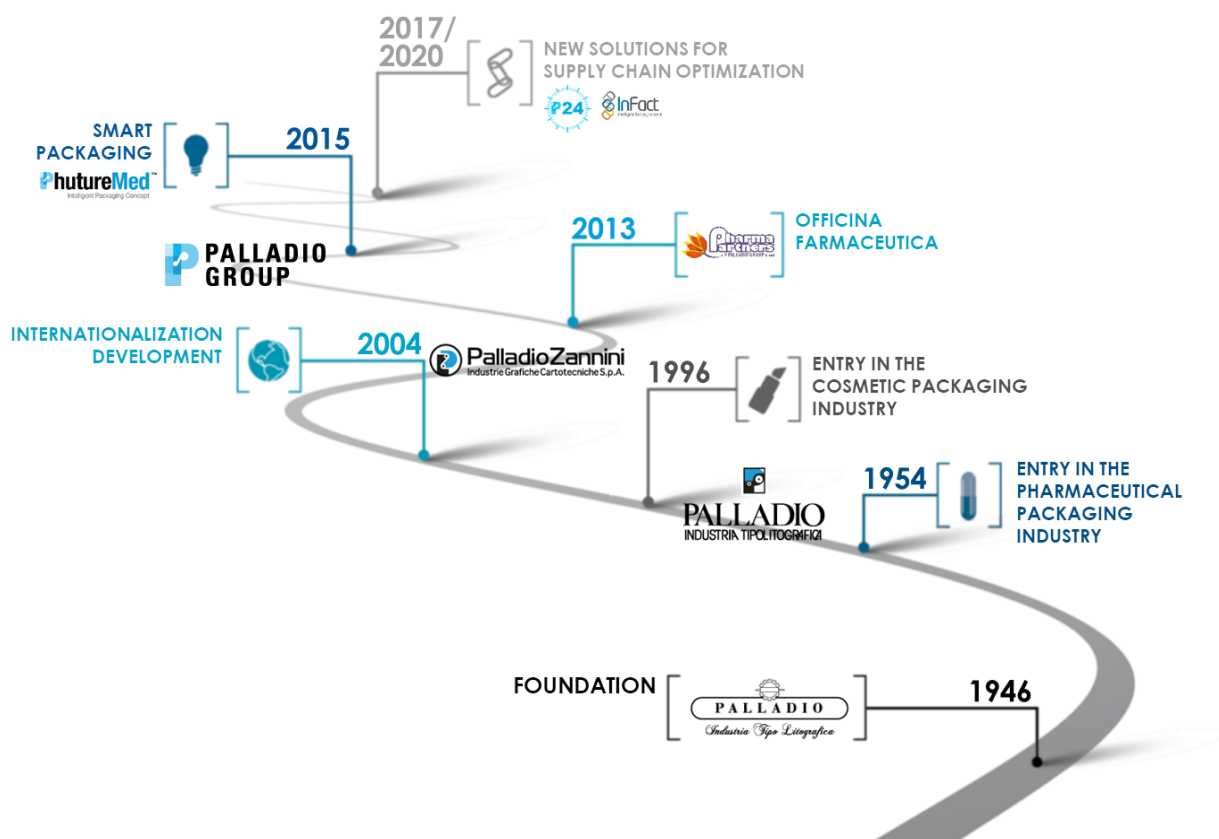
- Printed aluminium tapes

### Services

- Over labelling.
- Vendor Managed Inventory.
- Artwork development
- Packaging of medical devices for third parties

## 2.5 Our History

This is the story of an Italian company founded in 1946, which has always been focused on results, evolving from a local dimension to national levels and that has been able to stand out against its international competitors. All this was possible because the company remained firmly attached to a business model that proved to be effective over the years, and that is now appreciated by all our customers as synonymous with quality and reliability.



### 1946

Acquisition of the Società Tipolitografica Andrea Palladio.

During the 1950s, the company developed and changed its name to Palladio Industria Tipolitografica S.p.A. The specialization in the pharmaceutical sector began.



### 1980

Work is constantly increasing. The company moved to the new factory in Dueville, which is still the Palladio headquarters. In the same year Mauro Marchi, Antonio's son, a third entrepreneurial generation, joined the company

### 1996

50 years after the foundation a second plant is opened in Thiene. The production capacity is doubled and at the same time the packaging market extends to the cosmetic industry

**2000**

Official start-up of the production of leaflets in Dueville's plant; leading to the expansion of the range of products of secondary-packaging supplied to our customers

**2004**

The acquisition of Grafica Zannini is accomplished: the group is now enriched by two new plants in Tuscany, one in Ireland and one in Serbia. The Group is the absolute leader in Italy in the field of secondary packaging for the pharmaceutical sector.

**2011**

The fusion between Palladio and Grafica Zannini is formalized. Creation of the Palladio Zannini Industrie Grafiche Cartotecnica S.p.A.

**2012**

The Serbian subsidiary Zannini East celebrates its 10th anniversary.

**2013**

As part of the strategy of diversification of the industry in which it operates, Palladio Zannini takes control of the Officina Farmaceutica Pharma Partners, integrating it into a larger project of industrial growth.

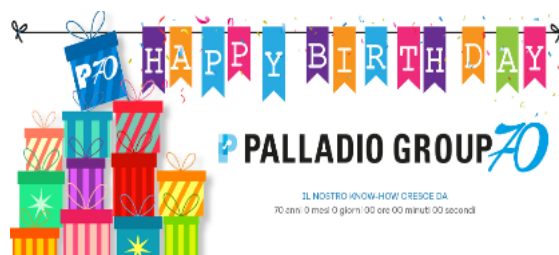
**2014**

Expansion of about 2000 square meters of covered area of the plant located in Serbia.

**2015**

Beginning construction of the new plant, at Obninsk in the Kaluga Oblast (Russia), the company name is Palladio Obninsk.

In October Palladio Zannini changes its corporate name and becomes Palladio Group S.p.A. Even the foreign plants, located in Serbia and Ireland, Zannini East and Zannini Ireland, take part in this evolution becoming respectively Palladio East and Palladio Ireland Packaging Solutions.

**2016**

Palladio Group, together with its 600 employees, has celebrated 70 years of commitment and passion, marking this important anniversary with a ceremony in the prestigious setting of the Basilica Palladiana in Vicenza

**2017**

An important step has been added to our development project: Palladio BNM. The grand opening ceremony took place in the Obninsk production plant on 8 June 2017, in the presence of the Governor of the Kaluga region, national and international authorities, professional associations, business partners and the mass media.



## 2.6 Activities and results in 2017

### Our Group grows, expands and evolves.

As announced in December 2015 during the big party to celebrate the first 70 years of Palladio Group, the project became a reality on June 8th 2016. On that date the new Obninsk production plant was inaugurated in the Kaluga region. of a joint venture stipulated in 2014 between Palladio Group and BNM International of Miograd Babic, a leading exponent in the Russian pharmaceutical market.



The new Russian factory is the seventh industrial plant of Palladio Group. The decision to invest in the new Obninsk plant is linked to

the development prospects of the Russian pharmaceutical market. In the Kaluga region there are the main pharmaceutical companies with a 37% production growth rate destined to increase even more with the Russia 2020 project to invest in internal production for the strategic sectors. The plant in Obninsk is currently dedicated to the production of high quality leaflets and cartons and, in the future, of printed aluminium.

This new facility will offer a wide range of components and services for primary and secondary packaging, remaining mainly focused to the pharmaceutical industry, works in compliance with GMP regulations and standards and with the aim of continuous excellence, a constant vocation for innovation and the total sustainability of its process.



### Palladio Obninsk ISO 9001:2015 Certification

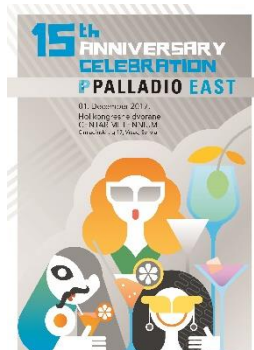


In October, the Palladio Obninsk (Russia) plant reached an important milestone obtaining the certification according to ISO 9011: 2015. The certificate was issued by the SGS Board (Société Générale de Surveillance), a Swiss company that is a world leader in inspection, verification, analysis and certification services.

The result was achieved thanks to the particular contribution of the Palladio East team that supported the demanding process of preparation and audit with great enthusiasm.

This is recognition of excellence for the entire organization that rewards our work processes, customer orientation and, of course, the quality of our output.

### Palladio East celebrates 15 years in business



During the usual Christmas dinner, dedicated to all the employees of Palladio East, in the presence of the Group high Management and the partner of BNM International (Miodrad Babic), the main stages of Palladio East's development were reviewed through the words of Pera Todorovic, Director of the plant and Dr. Mauro Marchi, CEO of Palladio Group. The Serbian plant started in 2002 thanks to a forward-looking and innovative Joint Venture, in these 15 years has grown exponentially thanks to the commitment of the entire staff, aware of the ambitious project that was part of from the beginning.



### Awards for innovative products



For several years Palladio Group has equipped itself with a Research and Development department not only to respond to the increasingly sophisticated needs emerging from the market, but also to try, if possible, to anticipate them with exclusive products and services.

Over the last decade, through a strategy linked to innovation and articulated on several fronts, the Group has aimed to consolidate its leadership on the Italian

domestic market by expanding its product range and above all by offering innovative services, such as for example VMI (Vendor Management Inventory) and InFact (daily delivery procedure on demand).

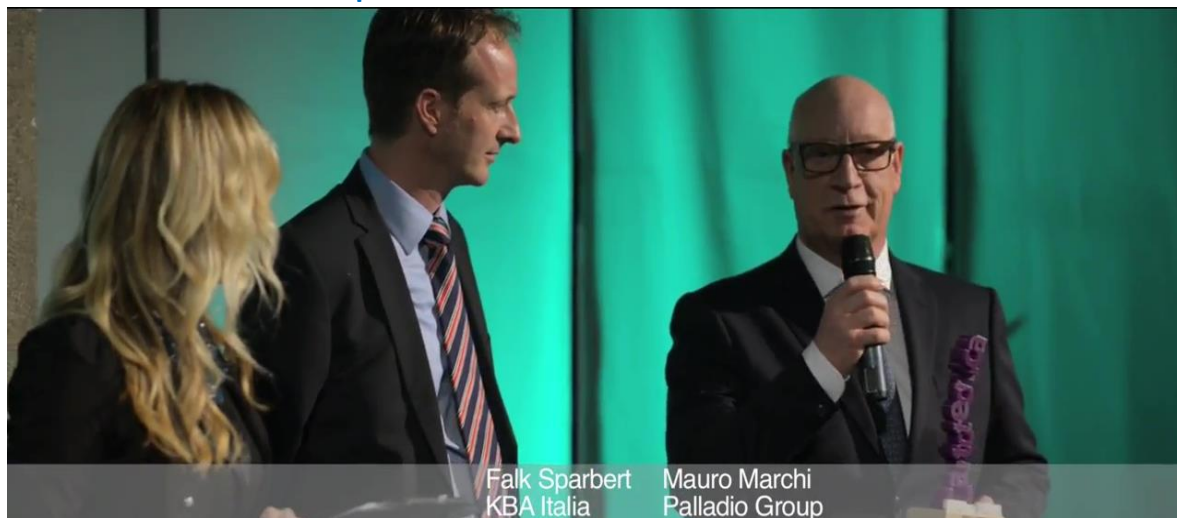
### Palladio Group and the interactive packaging as aid to the therapy



Palladio Group is conducting specific research in this field in collaboration with national research institutes and international partners. The program called PhutureMed, conceived with the main goal of creating innovative packaging solutions for the medicine of the future. This has led to the development of projects with a high rate of innovation in the field of so-called "intelligent" packaging and telemedicine, like cases able to dialogue with electronic devices, such as smartphones, to monitor the correct intake of drugs and provide useful information on the dosage and on the state of conservation of

same

### Press Oscar: Palladio Group awarded as Best Cartotecnica 2017



Falk Sparbert  
KBA Italia

Mauro Marchi  
Palladio Group

During the XXVI edition of the Press Oscar Award 2017, whose goal is to reward excellent companies that represent the best of Print by Italy, Palladio Group has been awarded "Best Cartotecnica 2017".

This prestigious recognition as an excellent company was obtained thanks to the unanimous vote of a jury made up of experts in the printing industry from the world of media, training, institutions in the sector, and communication buyers.

The Press Oscars are not an award based on an evaluation of a printed work but take into consideration the value of the company as a whole and Palladio Group has fully responded to the various evaluation parameters such as ethical profile, budget results, investments technology, attention to the environment / sustainability, certification, internationalization, training.

### Palladio East awarded as a Socially Responsible Company by Confindustria Serbia

Confindustria Serbia, on the occasion of the celebration of the fifth anniversary of its activity in Serbia, has conferred the Award for Socially Responsible Entrepreneurship to Palladio East.

The price, awarded to Palladio East by the Ministry of the Environment, was based on the following parameters: investments in the field of environmental protection, in the fields of protection of health and safety at work, in the field of energy efficiency, support for the local community.



### Innovation award conferred by Bristol Myers Squibb

With the following motivation:



*"Successfully achieving lead time reduction through Fast Cycle Time product delivery initiative. Set benchmark and enable Speed to Patient",*

Bristol Myers Squibb has awarded this prestigious and well-deserved award to Palladio Group for its commitment to innovation in relation to the increasingly diversified demands of the market that, in this case through the implementation of new and specific processes, has allowed the reduction of the packaging delivery time.

### Performance Excellence Award by the customer Janssen



For the eighth consecutive year our client Johnson & Johnson has rewarded Palladio Group with the "Supplier Performance Excellence Award" in recognition of the commitment in the process of suppliers 'excellence.

This award is given to suppliers who, constantly and consistently exceeding customer expectations, reach and maintain the Gold level for two years or more.





### 3. ASSETTO SOCIETARIO DI PALLADIO GROUP

(Rif. 102-18)

The Governance model in use is the “traditional” type, which means that it is characterised by the dichotomy between the management body (Board of Directors) and the supervisory body (Union Board); the activities of statutory audit are entrusted to an Audit firm.

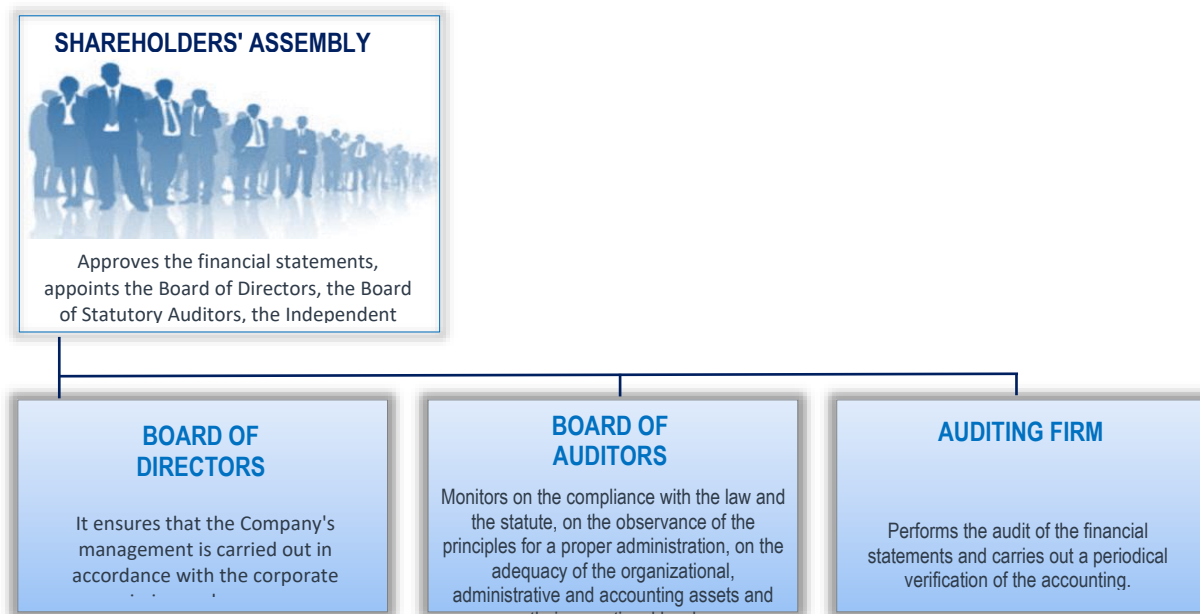
The mechanisms of corporate governance adopted by Palladio Group, in line with the statutory provisions, intend to ensure an efficient and transparent functioning of the Company’s organs of government and control systems.

The members of the Board of Directors are appointed according to integrity, professionalism and competence criteria defined by the Statute, they shall hold office for a period not exceeding three financial years and they end the mandate at the date of the Meeting called to approve the financial statements for the last year of their term. The directors are re-elected in accordance with art. 2383 of the Italian Civil Code.

Palladio Group shareholders assembly, by resolution dated 17/06/2016, has appointed the new Company Board of Directors which will remain in office until approval of the financial statements 2018.

In line with the provisions of the D.L. 6 July 2012, n. 95, converted by L. 7 August 2012 n.135, The Palladio Group’s Board of Directors is composed of seven members: President, CEO and five Councillors. More specific details about the members (i.e.: age, gender) can be found on public record available, upon request at one of the Group Companies, at the Register of Enterprises of the relevant Chamber of Commerce(C.I.A.A.).

Palladio Group pursues the aim of good governance through the implementation of a set of values, rules and procedures, stated in the Ethic Code, which outlines the commitments and responsibilities that the company and those who work there, are taking in the management of each business activity.




### 3.1 The management systems

(Rif. 102-11/12/13)

The adoption of specific procedures for change management, analysis of the associated risks, the use of advanced technologies facilitates the achievement of the targets set in our respect for the Environment and Policy Health and Safety at Work. In recent years, thanks to effective technological processes, there have been reductions and (in some cases) elimination of substances harmful to the environment as well as health and safety in the workplace. The above has allowed greater protection for our employees and the reduction of emissions (waste production, air emissions, discharges, etc.) of hazardous substances.

The precautionary approach of Palladio Group can be found in the adoption of the certifications listed below and in the financial statements of the Risk Fund, the Bad Debt Fund and the product RC. From the point of view of continuous improvement and in order to ensure all customers and consumers the quality and safety of our products, Palladio Group adopted, for some time, a Company Management Systems conforming to the requirements of the following voluntary frameworks:

- **ISO 9001** (Quality Management Systems)
- **G.M.P.** (Good Manufacturing Practice) applicable to Pharmaceutical Packaging
- **ISO 14001** (Environmental Management Systems)
- **OHSAS 18001** (Occupational Health and Safety Assessment Series)
- **CoC FSC®** (Forest Stewardship Council® Chain of Custody)
- **CoC PEFC™** (Chain of Custody of Forest Base Products)
- **ISO/IEC 27001** (Information Security Management System)

Plant	Active Certifications					Other	
						<b>G.M.P.</b>	<b>ISO 27001</b>
	ISO 9001	ISO 14001	OHSAS 18001	CoC FSC®	CoC PEFC™		
<b>Dueville</b>	X	X	X	X	X	X	X
<b>Thiene</b>	X	X	X	X	X	X	X
<b>Pontedera</b>	X	X	X	X	X	X	X
<b>Tullamore</b>	X	-	-	-	-	X	X
<b>Vršac</b>	X	X	X	X	X	X	X
<b>Obninsk</b>	X	-	-	-	-	X	X

The Quality Management System is developed and maintained considering the GMP requirements applicable to pharmaceutical packaging.



The organisation has also obtained the voluntary and independent certifications of traceability (chain of custody - CoC) of products derived from forests certified FSC or PEFC. Because of this the Organisation is also committed to not be involved, directly or indirectly, in activities that are inconsistent with their policies of quality, environment and safety. In 2017 our management systems have been aligned with the regulations ISO\IEC 27001 (Information Security Management System). It is also noted that in the Palladio Ireland and Palladio Obninsk plant, although there are no certified Environmental and Safety systems, compliance with the binding legislation applicable in this matter is in force.

We also adhere to initiatives promoted by:

- COMIECO Consortium
- LEGAMBIENTE

Palladio Group is also a member of the following national and international trade associations:

- AFI (Associazione Farmaceutici Industria)
- ASSOGRAFICI
- ATIF (Italian Technical Association for the development of Flexography)
- CIAL (Aluminium Packaging Consortium)
- COMIECO (National Consortium Recovery and Recycling of cellulose packaging)
- CONAI (Packaging National Consortium)
- ECMA (European Carton Makers Association)
- ENIPG (Ente Nazionale Istruzione Professionale Grafica)
- GIFASP (Italian Group Carton box Manufacturers)
- GIPEA (Italian Group of Auto adhesive Labels Manufacturers)
- HCPC Europe (Healthcare Compliance Packaging Council)
- Italian Institute of Packaging)
- INDUSTRIAL UNION (for the plants in Vicenza, Pisa and Serbia)

### 3.2 Our Principles and Values of Reference

(Rif. 102-16)

Consistently with our Mission Palladio Group has always invested in cutting-edge technologies and equipment, often developed in preview thanks to the close relationship established with customers and suppliers. All this has contributed and contributes to provide measurable added value in terms of logistics, productivity and lead time.

The parameters within which our ethical conduct is positioned are represented by our values and the contents of the Code of Ethics. In fact, Palladio Group pursues its economic objectives by giving priority to social factors, health and safety and the defence of the environment in the awareness that our entrepreneurial action must be in line with the interests of society.

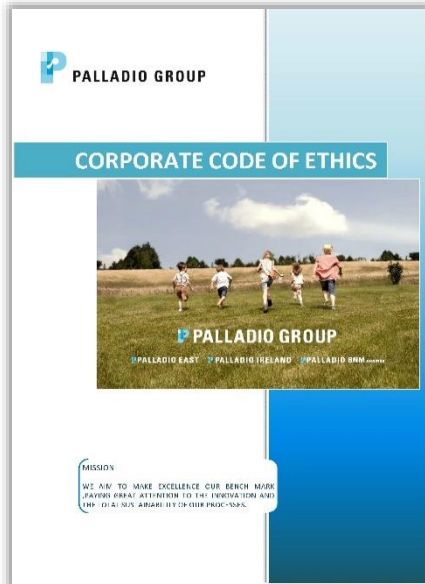
Our commitment to Ethics, Social Responsibility and respect for the 10 principles of U.N. Global Compact, is expressed in a set of documents necessary to define the behaviour of each participant in the Organization, i.e.:

- Ethic code
- Chart of Values
- Ethical Trading Initiative Code (ETI)
- Chart of Principles for Environmental Sustainability
- Sustainability Report
- Supplier Code of Conduct

### 3.3 The Ethic Code

(Rif. 102-17)

The Code of Ethics contains the values and principles that inspire and characterize the actions of Palladio Group in relations with its Stakeholders. The Code of Ethics has been subject to some specific changes to adapt to the changes that have occurred in legislation and was approved by the Palladio Group spa Executive Committee on May 25, 2017.



The Code is an integral part of the employment relationship: all employees commit themselves to behave in line with the code itself. Consequently, Palladio Group undertakes to monitor compliance with the provisions of its Code of Ethics by all its Employees and Collaborators working on its behalf. Palladio Group, also exercising its control over the companies with which it establishes collaborations for work and / or service, also undertakes not to be complicit in the abuse of human rights. It has also been formally requested to the Group's suppliers of good and services to comply with our Code of Ethics and the "Social Responsibility Policy" by signing the "Supplier Code of Conduct", in order to respect the same ethical principles as Palladio group.

The Code of Ethics and the Social Responsibility Policy can be downloaded from our website <http://www.palladiogroup.com>

and are available in the languages of the countries where Palladio Group is present. The Code of Ethics has been delivered to all employees, signed by each one, and made available on the company intranet site.

Training, in compliance with the Code of Ethics' provisions, was given to all our employees during the year 2017 on the occasion of the new issue of the Code of Ethics.

For Palladio Group there is no tolerance for corruption. The value that drives our choices is based on meritocracy and ethics, and we reward our employees only on this basis. This principle is also taken into account in the management of our Customers, Suppliers and any Authority with which Palladio Group has relations.

Consistently with our Code of Ethics, it is possible to implement the Whistle-blowing procedure in order to report any unethical or illegal behaviour.

The Whistle-blowing procedure can be activated both from the inside and from the outside through the exchange and communication platforms with our Stakeholders.

In the course of 2017 there have been no reports to the Ethics Committee.



#### 4. IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES

(Rif. 102-45/46)

Palladio Group is part of the Holding Group Marchi, according to the structure shown in the following organizational chart. With the view of reporting homogeneity, in relation to the type of materials produced in the various plants of the Group, it has been determined that the scope of the reporting will be limited to the plant operating in the Pharmaceutical and Cosmetic sectors and producing primary and secondary packaging materials, such as:

Palladio Group spa: plants in

- Dueville-Vicenza (Italia),
- Thiene-Vicenza (Italia),
- Pontedera-Pisa (Italia)

Palladio East doo: plant in

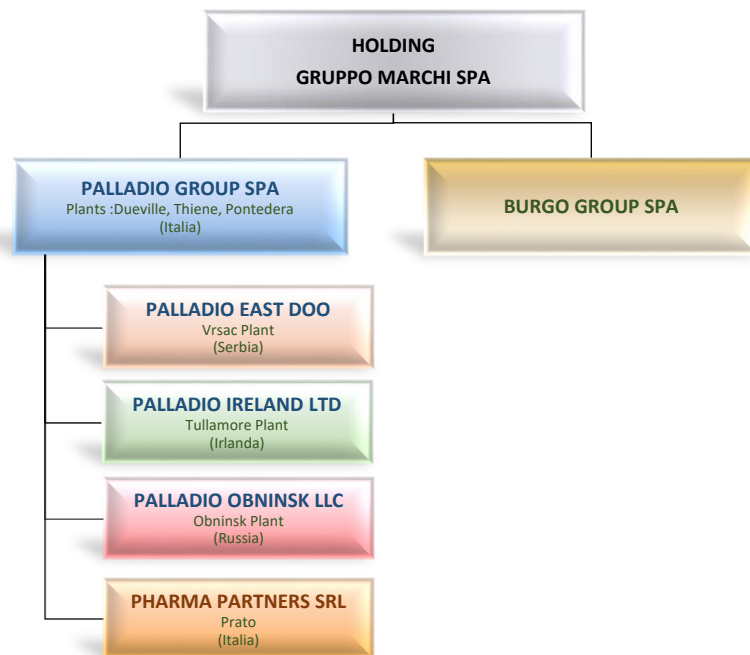
- Vršac-Vojvodina (Serbia)

Palladio Ireland ltd: plant in

- Tullamore-County Offaly (Ireland)

Note: the Palladio Obninsk (Russia) plant has not been included in the perimeter as it is not yet fully operational.  
Pharma Partners is not included in the reporting scope as it operates in a different area.

Therefore, when the report will quote Palladio Group or the Group, all the plants above shall be considered.

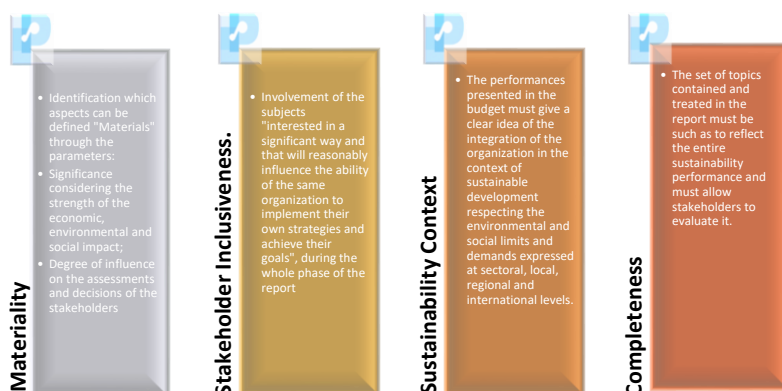
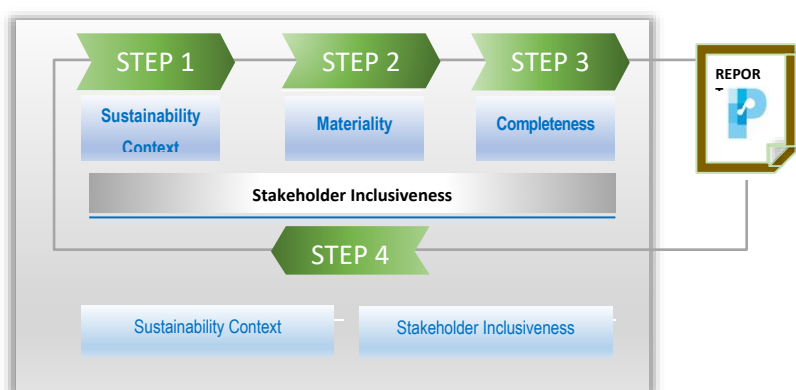


## 4.1 Identification and framework of each material aspect

(Rif. 102-47/48/49 – 103-1)

The Palladio Group's management of the environmental, economic and social material aspects complies with the GRI Sustainability Reporting Standards. These, in order to determine the material aspects and their relevant perimeters, outline a process divided into the following four stages:

1. Identification
2. Prioritization
3. Validation
4. Review



As shown in the picture, each of the four phases covers specific elements of the process defining "what is relevant and where it is relevant".

In order to ensure the quality of the information and the compliance to the principles of balance, clarity, accuracy, timeliness, comparability and

during the first phase of **identification**, the potential material aspects were selected through the analysis of different sources: Corporate Documents and Policies, Code of Ethics, Consultation with various Stakeholders, Standards, GRI Sustainability Reporting Standards.

During the second phase of **the evaluation of the priorities**, the material aspects identified in the previous phase were examined, giving priority to the individual economic, environmental and social issues of the organization both on the basis of the impacts for the Group and on the basis of stakeholder interest, Including external (and / or internal) boundaries in which the major significant impacts may occur

This universally recognized reporting technique use specific indicators, depending on the levels of application, bringing the company to:

- Perform a complete monitoring of its performance.
- Draw up a final balance of the main environmental impacts of the Group 's production activities.
- Communicate the progress in relation of the UN Global Compact Principles.
- Ensure that a measurable progress has been achieved.

In the third phase **Validation** the Palladio Group's various department managers, according to their roles and tasks across the Group were involved in the activities and they have been centrally coordinated by the Quality and Sustainability department manager. The results of the "Validation" activities were then finally approved by the "Executive Committee" of Palladio Group S.p.A.

During the fourth and final review phase, which takes place after the publication of the report, the organization focuses on the identified Relevant Aspects considering the Stakeholders' feedback in order to identify new Aspects that could be examined in the next Sustainability Report.

Based on the various consultations, assessments and observations made in the first phase, the Materials Aspects have been identified and are listed below, according to the following categories:

- Environmental
- Economic
- Social

In order to identify the potentially materials aspects, the following elements of Palladio Group S.p.A. were taken into consideration:

- **Environmental** aspects most significant for Palladio Group S.p.A., according to the Environmental Management System.
- **Economic** aspects that best meet the needs of an increasingly competitive market.
- Most significant **Social** aspects according to:
  - the Company Policy and in respect of health and safety at work
  - the Occupational Health and Safety Management System and the binding laws.
  - the Code of Ethics of Palladio Group and in compliance with fundamental human rights, as established by the International Conventions on the subject
- **Compliance** aspects to international standards related to the product in relation to the relationship with the consumer.

The application of the identification and prioritization phases, according to the objective methodology indicated above, has allowed the determination of the material aspects and boundaries) which are shown in the table in Annex 1 and in the following matrix.



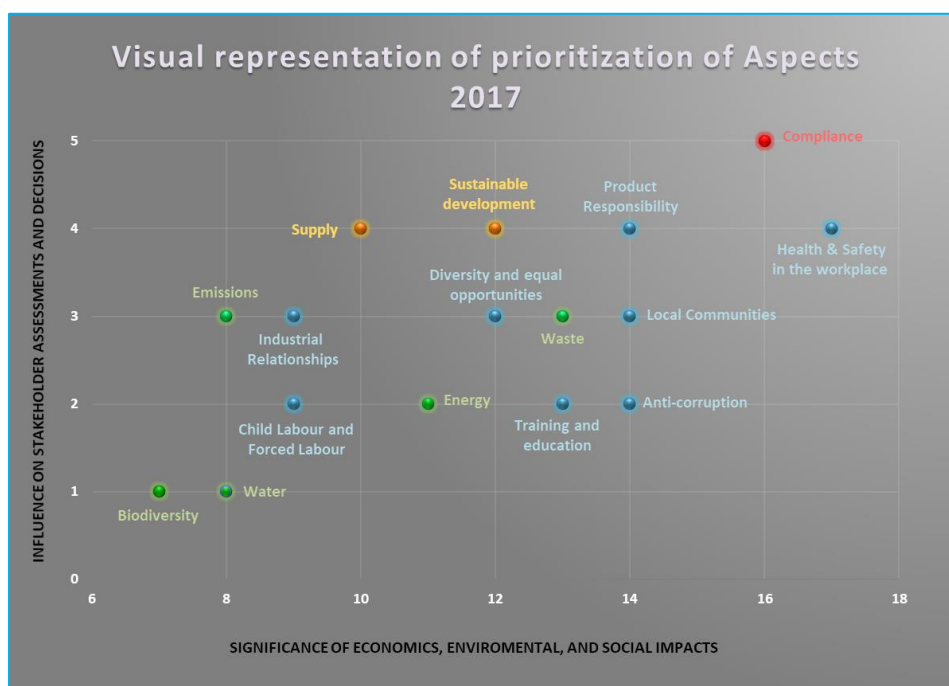
The reporting data refer to the last three years (2015, 2016, 2017) and are indicated for each individual production plant and for the whole Group. Some data may have been revised, if compared with previous years, due to changes in the coefficients, basic errors and homogeneity in the reporting, in order to allow comparisons without distortions

The table (Annex 2) shows the coefficients used for the environmental calculations, during the three years

During the reporting period there were no significant changes regarding the scope, reporting limits or measurement methods.

If, in some case, a new method of measurement has been used, same will be highlighted under the relevant indicator.

It should be noted that during 2017 there were several significant changes regarding the introduction of new machines, the size of the buildings and the expansion of services that led to an increase in the consumption of energy resources.



## 5. STAKEHOLDERS

(Ref. 102-40/42/43/44)

Palladio Group achieved its success on the domestic and international markets because it kept in mind that its activities are directed primarily to Stakeholders, therefore its development was built prioritising the satisfaction of the needs of all stakeholders, including rights as defined by national laws and applicable international standards.

The drafting and publication of the Sustainability Report and other report on the assessment of our Corporate Social Responsibility (such as Ecovadis e Carbon Disclosure Project) was the first step in sharing and disclosing that has led us to focus on important aspects on which our efforts must be addressed as response to our stakeholders' needs and expectations.

In fact, our Sustainability Principles and Values are the result of both material subjects arising from the involvement of the various functions and the results of various forms of dialogue and discussion with the Group Stakeholders

During the year 2017, there were no criticalities emerged from the activities of stakeholder engagement.

Stakeholders are those bodies who have interests in place with our business such as:

- The Shareholders,
- The Employees
- The Collaborators,
- The Customers,
- The Suppliers,
- The Business Partners

We also consider Stakeholders all those individuals or groups, as well as the Organizations and Institutions that represent them, whose interests are influenced by the direct and indirect effects of the activities of Palladio Group, in particular, the local communities in which we operate, environmental associations, future generations.

### 5.1 Initiatives of communication and dialogue with stakeholders

The sustainability approach used, in order to ensure the achievement of the objectives, the quality of information and the adequacy of the presentation of the principles towards stakeholders is to use the principle of inclusiveness and materiality. Palladio Group wanted to encourage information and relationships with the various stakeholders by promoting transversal initiatives involving different stakeholders through integrated external and internal communication platforms that stakeholders can use without any particular constraints, such as:

- Website ([www.palladiogroup.com](http://www.palladiogroup.com))
- Intranet
- E-mail ([info@palladiogroup.com](mailto:info@palladiogroup.com))

- Facebook ([www.facebook.com/pages/Amici-di-Palladiogroup](http://www.facebook.com/pages/Amici-di-Palladiogroup))
- LinkedIn ([www.linkedin.com/company/palladiogroup](http://www.linkedin.com/company/palladiogroup))
- Yammer ([www.yammer.com/palladiogroup.com](http://www.yammer.com/palladiogroup.com))
- Vimeo ([vimeo.com/user44390006](http://vimeo.com/user44390006))

It is our intention to use these media more and more, in particular social networks, as dynamic platforms where we can intercept any requests, have more ways of sharing, understand the new requirements, needs and duties.

For the preparation of this report, specific groups of internal stakeholders were involved.

### 5.2 Palladio Group News (The company magazine)

Since 2014, our company newspaper has been restored with the main purpose of telling everything about the company starting from the internal organization, going to the main events, up to the news on the products, but also with the very important goal of favouring and increasing the sense of belonging of the employees, the spirit of collaboration and teamwork, improving the climate in the company.

With this additional communication tool, we want to stimulate the participation and involvement of employees, keeping them updated about the activities that are being carried out and promoting the circulation of information between the various departments.

The structure of the publication includes an editorial signed by the CEO, "the focus" on a relevant topic or of particular interest for the company, then various columns that tell the news from our operational offices, then some pages dedicated to events, to business life and to our people.

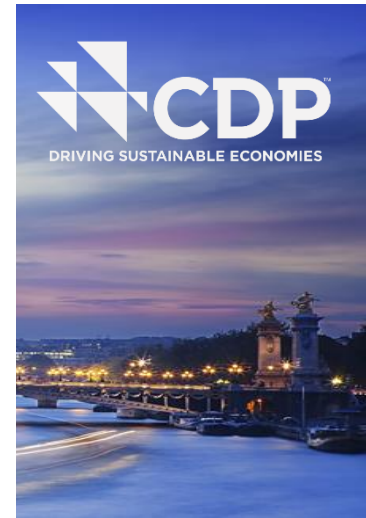


### 5.3 Transparency and sharing with Stakeholders



For the second consecutive year, Palladio Group participated in the CDP Climate Change Report, which measures, releases and shares environmental information.

The **Carbon Disclosure Project** (CDP) is a non-profit organization that offers companies and cities a system to measure, detect, manage and share information on climate change globally. Every year the biggest companies are invited to fill out a very detailed questionnaire, which shows their commitment and the policies adopted towards this topic.



Palladio Group for the sixth consecutive year has subjected its CSR by Ecovadis' evaluation obtaining once again the medal "Gold Label" (level advanced).

**EcoVadis** provides the leading solution for monitoring sustainability in global supply chains. Using innovative technologies and CSR skills, EcoVadis aims to help buyers and suppliers to adopt more sustainable practices. The methodology is based on sustainable development standards: Global Reporting Initiative, United Nations Global Compact and ISO 26000.



Palladio East was evaluated for the third time by Sedex according to Smeta.

**Sedex** it is a non-profit organization committed to increasing the spread of ethical principles along global supply chains and is the largest platform in Europe that collects and processes data on the ethical behaviour of supply chains.



## 5.4 Stakeholder engagement

### Today I'm in the company too



In July, as part of a day dedicated to employees and families, we requested the collaboration of Legambiente to involve children in educational activities dedicated to solar and wind power. With the Ecoquiz on Renewable Energies and the relay race of the mini-generators, we played and discussed with the children of a future based on clean energy.



### Clean up the world 2017



As confirmation of our environmental commitment and consistently with the path taken in the previous years, also in 2017, we participated to "Clean Up the World" initiative promoted by Legambiente

The event, linked to "Clean Up the World", is a global environmental campaign held in collaboration with the United Nations Environment Program (UNEP).

Legambiente and Palladio East, with the participation of the school children from the Municipality of Vršac, on the day of November 24th carried out a full cleaning of the city park (Gradski Park) di Vršac (Serbia).



### International Happiness Day



**PALLADIO GROUP**

**OGGI**

**VOGLIO SOLO ESSERE FELICE.**

20 Marzo 2017. Giornata mondiale della felicità.



### Ricicloaperto "Open recycling"



For over 15 years, Palladio has joined the national initiative of the paper industry COMIECO (the Italian consortium for the recovery and recycling of packaging based on cellulose) called " Ricicloaperto " because it is aware of its importance and of the action of ecological education and awareness of future generations. Ricicloaperto is a major communication campaign on waste sorting and recycling of paper and cardboard, to raise awareness and show "live" the different phases of the cycle of recycling and educate

the young generations to a conscious use of resources.

The aim is to discover the industrial value of recycling, the professionalism and the technology of the sector and to show how recycled paper and cardboard are actually being recycled, to reassure citizens about the usefulness of their daily efforts in making recycling.

Our sites, annually, "open the doors" for two days in order to accommodate groups of children and adults that illustrate the processes and methods of recycling.

On April 26 and 27, eight classes from different primary and secondary schools in the province visited our factories in Dueville and Pontedera to study on what principles paper recycling is based and how it is used in a paper processing company for the production of packaging. The enthusiasm shown by the youngsters during the event was remarkable, both for the teachings offered by Comieco in relation to good practices for waste management and for the opportunity to visit a real production facility, discovering its operation and daily management.

## 5.5 Customers

(Rif. 103-2/3)

Customer care is of strategic importance for the companies. This concept is widespread at all levels of the organization so that there is awareness of having to pay due attention to the requests and expectations of the customer whose satisfaction is periodically verified through constant meetings and questionnaires.

For Palladio Group, high quality standards mean meeting the needs of customers in terms of functionality, reliability and safety. The Quality Management System, in line with the applicable requirements of the GMP (Good Manufacturing Practice) required by our customers, is responsible for ensuring compliance with the procedures while promoting a culture of quality throughout the company through the involvement of all the employees.

## 5.6 La Customer's satisfaction

The customer satisfaction has a key role in the strategic vision of the Palladio Group that is committed to developing its own products and services according to a customer-driven approach to business. The ability to constantly be able to respond to the customer's actual needs and expectations constitutes a prerequisite for creating and maintaining the confidence needed for long-lasting relationships. To know the needs and the degree of satisfaction with products and services provided, we organise periodically numerous initiatives of dialogue with customers.

The management of customer relationships and the ability to provide specific services plays a key role for the implementation of business strategies. The Group therefore it prepares for sales force specific training courses, weekly meetings and provides appropriate support and behavioural guidelines for carrying out the activity.

Contractual relationships and communications with customers are based on principles of fairness and honesty, professionalism, transparency and cooperation in the search for the best solutions to

their needs. Over the years, our offer has been enriched and diversified, offering the full range of products and services to cover a variety of solutions for the pharmaceutical and cosmetic packaging. By investing in new technologies, research and development, and introducing ourselves to the customers as reliable partners it has been possible to achieve all these results, and we managed to be closer to our



customers and focused on their satisfaction while still guaranteeing the compatible use and protection of natural and human resources.



Relationships with our clients are managed through a team of commercial accounts divided by geographical areas operating as specialised consultants.

Alongside the commercial account team, we have also a Marketing and Innovation function which, through various communication channels (meetings at the offices, fairs, website) allows us to offer a specialized consultancy service to understand the client's needs and develop solutions to -hoc according to the different needs of the market. The customer service function has also been strengthened in order to continue offering an accurate, reliable and timely service to our customers. Customer satisfaction analyses are also carried out to measure the satisfaction of our customers and receive valuable suggestions from them to improve products and services.

During 2016, the company Cerved supported us in order to detect customer satisfaction. This survey resulted in a total Customer Satisfaction Index of 97.3 points / 100. Product quality, wide range and preparation of the technical sales office are elements of excellence in the offer.

## 5.7 Customer's health and safety

(Rif. 416-1)

In general terms, due to the nature of products delivered by the Palladio Group 's companies, there is not a significant risks to customers in terms of health and safety. Nevertheless, we have decided to consider the possible repercussions on the community; therefore, we have catalogued the life cycle of our product, and analysing and evaluating all aspects, in order to improve its manufacturing.

Labelling is not required for the type of product provided. The Group shall provide appropriate documentation to its customers in relation to each batch produced through appropriate statements issued by the Quality Office in which is stated the type of raw material used for the production In addition to the above, although we did not have direct contact with the end user, we have offered innovative solutions to our customers, such as the PhutureMed program.

A program conceived with the fundamental goal of creating innovative packaging solutions for the medicine of the future. It is indeed an intelligent packaging system designed to support patients in monitoring and adherence to their prescribed therapy.

From this program originated proposals such as: Memo Solution and Phill Solution

## 5.8 Privacy

(Rif. 418-1)

The awareness of the importance of properly generating, using and storing the information has led Palladio Group to implement, during the course of 2016, the "Information Security Management System" in accordance with ISO / IEC 27001.

Adherence to this voluntary standard has allowed us to pursue and maintain over time a level of confidentiality, integrity and availability of information complying with the requirements established by:

- a) Legislation in force (in particular protection of privacy and intellectual property);
- b) Customer Contractual Requirements;
- c) Requirements of other stakeholders;
- d) Any additional requirement independently set by Palladio Group.



## 6 PROCUREMENT OF PRODUCTS AND SERVICES

(Rif. 103-2/3, 102-9/10, 204-1, 301-1/2/3, 308-1, 412-3, 414-1/2)

Palladio Group works on a contract basis, therefore it is the customer to specify the type of raw material and supplier to be used and we must strictly comply with these requests, this limits our possibility to purchase recycled raw materials. Being unable to act directly on the finished product, we promote the concept of sustainable consumption with our Customers through initiatives aimed to raise the customer's awareness to use recycled cardboard or to reduce the board grammage, thus giving a contribution to:

- A positive effect on the environment
- A reduction of cardboard waste
- An economic benefit for the customer
- A rationalisation of the supplier's stock
- Greater flexibility in the orders production.

Our initiatives have still originated positive results. In fact, also in 2017 the request for use of recycled material by our customers was over 25%.



Our company is subjected to the market demand with regard to the requirements of our customers required product but not with regard to the requirements of the outer boxes used for packing the supplied products.

As a result of this we have adopted a policy of using packaging produced from recycled cardboard for packing the products sold.

Unfortunately, due to the criteria adopted by the pharmaceutical industry in accordance with the FDA (Food & Drug Administration) regulations, such packaging cannot be returned. The use of such packaging it is only allowed once to avoid cross-contamination issues.



Our activities, for the type of material used and in relation to the life cycle of the product, provide for a recycling system that stands at very high percentages. All the materials used in production, which can be reused or recycled at the end of their life cycle, are appropriately separated and collected for the purpose of their following treatment.

### 6.1 Sustainable procurement of forest-based products

In October 2010, the European Union adopted a regulation to prevent illegal timber trade in Europe.



EU Timber  
Regulation (EUTR)

Since March 3, 2013, the law (EU) 995/2010, better known as EU Timber Regulation (EUTR) have come into force; this applies to wood and to all products originated from it, including paper.

“For companies that introduce in Europe products made from wood fibres, the Regulation prohibits the placing and trade of illegal products and requires the adoption of a system of internal “Due Diligence”.

Palladio Group, through compliance with PEFC and FSC certifications, purchase only certified raw materials and / or materials not originating from controversial sources.

Our sourcing policy is to guarantee the origin and legality of wood products (paper and cardboard) in our chain of custody, paying particular attention to suppliers of forest raw materials. Hence, detailed information is gathered to assess legality, traceability, third-party certification status, global policy compliance, and compliance with EUTR 995/2010 “Timber Regulation” and with Due Diligence System.

In 2017, all Palladio Group’s suppliers of forest based raw material have confirmed the origin of the material and they all hold a valid certification. Therefore, we can say that also in the year 2017 100% of the raw materials used from wood (paper and board) come from controlled resources.



### 6.2 Suppliers

The Group’s suppliers operate in different sectors including: raw materials, ancillary materials for the production of pharmaceutical packaging such as inks and varnishes, services (in particular third parties). From a geographical point of view, The Group favours domestic suppliers and, in particular, companies that can provide goods and / or services in the markets in which the Palladio group plants operate.

The raw material used for production is defined by the customer, and generally produced / manufactured by multinational paper mills.

### 6.3 Control of supplier sustainability requirements

Palladio Group refuses to be an accomplice, even indirectly, in the abuse of human rights. For this reason, the organisation exercises its control over companies with which establish collaborations for work performance and / or service.

Our procedure of selection and qualification of suppliers, since 2016, provides that these are aware and share the principles and values set out in our Code of Ethics and that comply with the following standards: Safety and health in the workplace, Working conditions, Freedom association and not retaliation, forced and compulsory Labour, child Labour, non-discrimination, compliance with environmental legislation, Abuse of office and corruption.

During the reference year, the twenty-six (26) new suppliers included in the vendor list were selected and qualified on the basis of social and environmental criteria and impacts on the company. We have also begun to consolidate the sustainability management monitoring activity by previously qualified



suppliers. This activity will continue over the next few years so that the evaluation is extended to all our suppliers.

Through this activity we intend to encourage our Suppliers to understand and respect our Code of Conduct to allow, through compliance with the criteria set forth in it, the continuation of

the Supply relationships according to clear and transparent criteria. It is in fact our intention to favour not only a responsible attitude towards Palladio Group, but also a profound commitment to respect the same issues within the supplier's company. In terms of health & safety in the workplace we ask the supplier/service provider to have full knowledge of local regulations on this subject and to follow the indications as per documentation provided which must be signed for acceptance by the same (DUVRI). We require, as per our procedures, that all the suppliers (contractors), selected to carry out work within our premises, and must demonstrate to be in possession of documentation certifying compliance with legislative and contractual obligations towards their employees. They also have to be in compliance with the corporate's social responsibility and the good practice standards lay down by the Environmental and health & safety management system of Palladio Group.

Any negative environmental impacts and possible complaints related to those impacts are handled through the documented nonconformity management.

During the reporting period, no contracts were rejected, no performance conditions were imposed, and in any case no action was taken as a result of the assessment of respect for human rights and practices of work with major suppliers, contractors and other business partners.

#### **6.4 Our commitment on the Conflict Minerals issue**

In July 2010, the US Congress brought as part of human rights violations in the Democratic Republic of the Congo and neighbouring countries (collectively, the "DRC") the mining and trading of tin, tungsten, tantalum and gold ("minerals coming from conflict areas"). The president of the United States of America has approved a new regulation, called Dodd-Frank Act, which requires companies, American or otherwise, to make public the possible use of the so-called "Conflict Minerals" mined in the mines of the Democratic Republic of the Congo (DRC) and related countries. For all the above, having signed the commitment to monitor human rights in our supply chain and in compliance with the requests of some customers, in 2015, we started by launching a survey with some of our suppliers to discuss the topic "conflict minerals" "And receive confirmation that materials extracted from the conflict zones are not used in the respective production processes.

#### **6.5 Focus on Biodiversity**

(Rif. 304-1/2/3/4)

One of the environmental factors on which Palladio Group puts focuses is biodiversity despite all the Group's plants are located in technological / industrial areas, away from protected areas and areas of high biodiversity or areas where the Species listed in the red UINC list have their habitat.

The above is done through the adherence to Forest Management Systems such as the FSC and PEFC Custodies chains to support the protection of forests and their fauna and in order to contrast the illegal trading in the wood sector; buying only forest products that come exclusively from controlled sources.

In relation to the prevalence of the raw material used which consists of paper and cardboard and the awareness of the role that forests play for the protection of the global environment and the maintenance and enrichment of biodiversity, the Group favours the purchase of raw materials of origin forests that come from forests managed in a sustainable manner from an environmental, social and economic point of view, choosing and directing our Suppliers, which we select and monitor in a documented way, towards a full ecological and social responsibility aimed at safeguarding and conserving the planet's forest biodiversity.

#### **6.6 Indigenous population's Rights**

(Rif. 411-1)

In Palladio Group there were no incidents involving the rights of the communities in which it operates. We do not operate in countries where there are indigenous communities. As Confirmation of our adhesion to the principle of non-complicity in abuse of human rights, we are also committed through obtaining FSC certification, to buy our raw material in accordance with the principles promoted by the Organisation, including the recognition and protection of rights of indigenous peoples and other minorities forest-dependent (such as local communities).



## 7. MAIN STRATEGIC TARGETS AND RESULTS



**Minimize any waste of water resources**  
**Target: maximum consumption per capita 15m<sup>3</sup> per year**

During 2017 8.436 m<sup>3</sup> of water have been consumed, with a per capita consumption of 13.18 m<sup>3</sup>.



**Reduction of specific CO<sub>2</sub> emissions**  
**Target: 15% by 2018 - 20% by 2020**

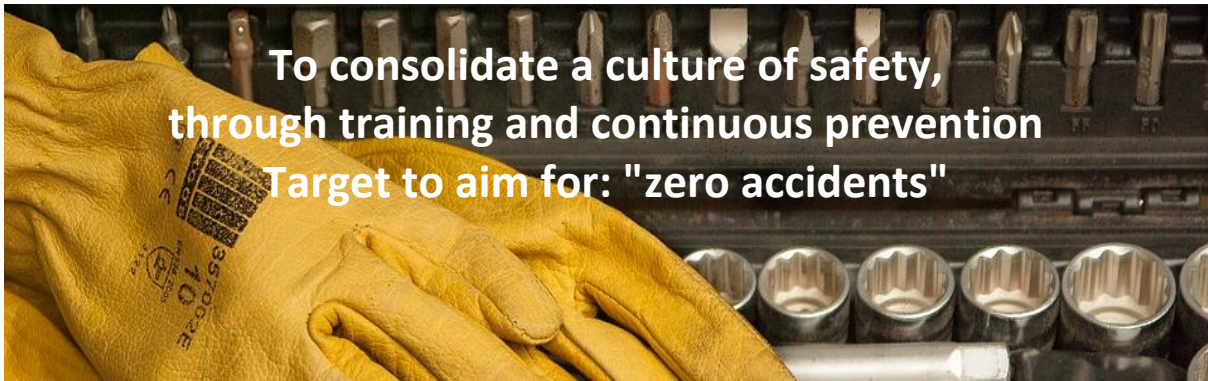
The agreements signed in 2017 for the purchase of energy produced exclusively through renewable sources, led to a reduction in CO<sub>2</sub> emissions, at Group level, of 11.94%.



**Sustainable supply  
of forest products**  
**Annual target: 100%**

100% of raw materials from forest products come from sustainable sources.





**To consolidate a culture of safety,  
through training and continuous prevention  
Target to aim for: "zero accidents"**

The specific training hours on workplace safety in 2016 (4,238) and in 2017 (2,858) resulted in a reduction in the injury severity index of 68.24% and in the accident frequency index of 31.79%.

100% of the new suppliers included in the vendor list (26 in 2017) were selected and qualified on the basis of social and environmental criteria and impacts on the company

The Group's Corporate Social Responsibility commitments have been emphasized through the issuing of a specific Policy that has gone to support the Ethic Code and the Charter of Values

Through specific training for skills development and performance evaluation we have enhanced and developed the know-how of human resources, in line with the Company's strategy

(Ref. 103-2/3, 201-1, 203-1/2)

In addition to strengthening our plant in Serbia, we completed the construction of a further facility in Russia, together with a foreign partner. This project follows the established strategy with our other foreign plants to produce directly in the countries where the market is expected to grow allowing an expansion of our multinational. We also support projects in favour of the community such as social, cultural and artistic activities which are fundamental values for civil society, contributing to the improvement of the quality of life of the local communities in which we operate. Donations, financial contributions and pro bono activities were carried out during the year of reference in relation to a preliminary analysis on the needs of local communities or on the general public interest. In addition to the various activities undertaken by the Group, as every year Palladio Group's employees, together with the company, have contributed to support, through the proceeds of the annual lottery, various associations of humanitarian and social nature of their own choice.

**€ 55.601**



## 8.1 Sustainable development

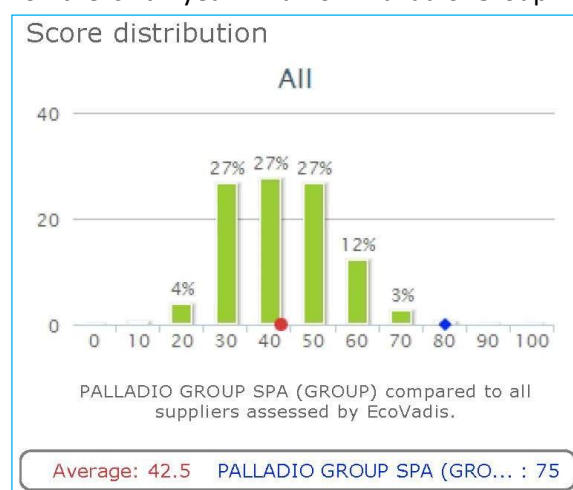
(201-2/3)

As we are aware of the importance of ensuring a sustainable development of our activities and a more efficient use of energy and materials, Palladio Group pursues continuous improvement of its environmental performance and energy, applying best practices which will improve the environmental management in a cost-effective way.

To achieve these goals, the Company adopted a management model based on the preventive analysis of the environmental impacts of its activities and the constant monitoring of consumption and waste and on the evaluation by third parties (EcoVadis) of the performance of its CSR.

### Palladio receives the EcoVadis Gold rating

For the sixth year in a row Palladio Group has been awarded of the “Gold” Corporate Social Responsibility (CSR) by EcoVadis, one of the main evaluators of global supply chains.



Palladio, receiving a total score of 75, was placed among the companies with the higher rating out of the 40,000 companies analysed by the organization that act proactively and responsibly in relation to Corporate Social Responsibility.

This certification, as well as being a reward for our vision and efforts in the field of CSR, is also an aid to our customers to achieve their sustainability and environmental goals.

This approach has allowed us to identify the areas which need our intervention to achieve an environmental improvement; we acted in this direction with targeted activities that led to progressive reductions in CO2 emissions. To promote the company's sustainability culture, awareness-raising initiatives were also promoted to reduce energy consumption and facilitate the waste recycling at the Palladio Group plants. On this regard, in 2017, costs for environmental management and protection amounted to over € 236,000, these were mainly invested in the installation of cleaner and more efficient technologies, training courses for staff directly involved in environmental management, external services, Purchases of green products, waste disposal.

Palladio Group is aware of the risks due to physical transformations in relation to climate change but, at present, we believe that will not affect the operations of its plants and business decisions in the medium and long term. The company has, however, signed insurance contracts to protect itself in case of unexpected weather events and has put into procedures a Business Continuity and a Disaster Recovery plan to ensure continuity of its activities.

## 8.2 Palladio's Pensioners

Palladio Group, totally in line with the regulations in force, provides a pension plan to its employees as provided by the countries where it operates.

Palladio Group assists its employees in the transition from employment to retirement, which sometimes causes problems.

In the last few years it also created the "Palladio Pensioners Group" to give the opportunity to the retired employees to meet and, together refresh the binding of a long working life spent within the company.



In this context, the company has taken charge of organising tours, plant visits, theatre performances and other initiatives to involve former colleagues. The same are increasingly called to participate in the exchange of Christmas greetings and to the delivery of the Christmas hampers, along with all the



staff still in the force.

Also this year, for our retirees and their families, it has been organized:

- a convivial meeting with the company management in April 2017
- the usual annual free trip that this year consisted in a visit to the city of Trieste and to the Miramare castle.

## 8.3 Presence on the market

(Ref. 202-1/2)

The most important operational sites (based on the high number of employees) are located in Italy and Serbia. The salary of new employees in all locations of the group is on average higher than the minimum wage required by law without any distinction between genres and backgrounds. Palladio Group doesn't have a specific policy regarding the global recruitment of staff residing in the vicinity of the plants; recruitment practices however priority is given to people living in the vicinity where the activity takes place. Generally speaking the managers and the employees of both the foreign subsidiaries and the various Italian plants have their habitual residence nearby the relevant local communities.

Senior managers are the top-level functions and the local community is intended as the country in which the plant operates.



## 9. ENVIRONMENTAL RESPONSIBILITY

(Ref. 103-2/3)

In relation to our activities, products and services we identify our direct and indirect environmental aspects and the related impact factors. According to their significance we determine the most important ones, this is in order to keep them under control and prevent any risk for the environment. Our "Register of Impact Factors" provides an overview of the most significant activities. In this context, the applicable legal requirements and other requirements subscribed by the Organisation are taken into account in the definition, implementation and maintenance of the Environmental Management System. Specific targets of improvement are defined on an annual basis in order to improve our performance and reduce consumption resulting from any waste.

Targets that over the years have brought significant benefits as it emerges from the data reported in this section. Several studies, aimed to define and modify the procedural methodology and the structural measures, have led to a reduction in consumption resulting from waste. The implementation of these interventions, such as: home automation management of air conditioning, lights and various utilities supplying the production, use of LED lights, have resulted in significant energy efficiencies and reductions in energy requirements.

Another important step in the policy of reducing waste is the management of waste arising from our raw material (paper and cardboard).

Most of this material is in fact handled as a by-product. This material is therefore collected to be reused or recycled at the end of its life cycle. The organisation, in order to improve the efficiency in the use of materials and resources, also separates the various packaging materials (such as wooden pallets, some types of plastic, iron, etc.) in order to help improve efficiency in the use of materials and resources.

Since 2009 Palladio Group has analysed its LCI monitoring their emissions of greenhouse gases (GHG) resulting in particular from:

- Consumption of natural gas (direct emissions of greenhouse gases)
- Consumption of electricity (indirect emissions of greenhouse gases)

Verification of indirect impacts arising from our own production activities:

- Consumption paper raw materials
- Transport resulting from the purchase of paper raw materials
- Transport resulting from the sale of finished products.

Following the evaluation of environmental impacts (LCIA), in relation to the annual production, our consumptions were monitored to intervene significantly by establishing targets aimed to:

- reduce natural resources waste
- reduce our contribution to Global Warming.

The extent of reduction was determined through the evaluation of the Carbon Foot Print for the years taken as reference.



### 9.1 Emissions

(Ref. 305-1/2/3/4/5)

Palladio Group does not have significant emissions in the atmosphere or emissions for which the competent authorities have prescribed monitoring, so the emissions of ozone depleting substances are not measured.

In any case the following environmental aspects have been identified and taken into account:

#### Scope 1)

Emissions of greenhouse gases due to the combustion of natural gas and diesel fuel in the plants for premises heating (direct and controllable emissions);

For each plant, the consumption of natural gas and diesel (invoices) for the last three years has been used.

#### Scope 2)

Greenhouse gas emissions from the consumption of electricity in the plants (indirect emissions);

The energy consumption data (invoices), issued the last three years, have been used. In 2016, we introduced the Scope 2 emission calculation methodology in line with the new requirements of the Greenhouse Gas Protocol Scope 2 Guidance.

In consequence of this the Scope 2 emissions are accounted in two different ways respectively called location-based method and a market-based method; the emission factors used for the two methods are shown in the table in the Annex 2. For the Market based methodology the following emission factors were used, where available, in the following order of preference:

- Certificate of Guarantee of Origin (Italy)
- Specific emission factor made available by the supplier (Ireland)
- Residual mix (Ireland)
- Emission factor used in the Location based methodology (Serbia)

#### Scope 3)

Greenhouse gas emissions from the processing of raw materials incoming to the production cycle and from the transportation of raw materials and finished products (other indirect emissions);

The data for the last three years containing the quantities of raw materials incoming to each plant have been used. In detail, there are the following incoming materials:

- Cardboard boxes for processing in the line;
- Paper for leaflets in line processes;
- Self-adhesive Labels for stickers production;
- Inbound Travel (for the supply of raw materials of paper and cardboard) and output (for delivery of finished products) from all plants of the Group.

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*Scope1 refers to direct greenhouse gas emissions and absorption,*

*Scope 2 is reported to greenhouse gas indirect emissions associated with the use of energy,*

*Scope 3 is other indirect emissions;*

*For further details refer to the definitions of the Greenhouse Gas Protocol ([www.ghgprotocol.org](http://www.ghgprotocol.org))*



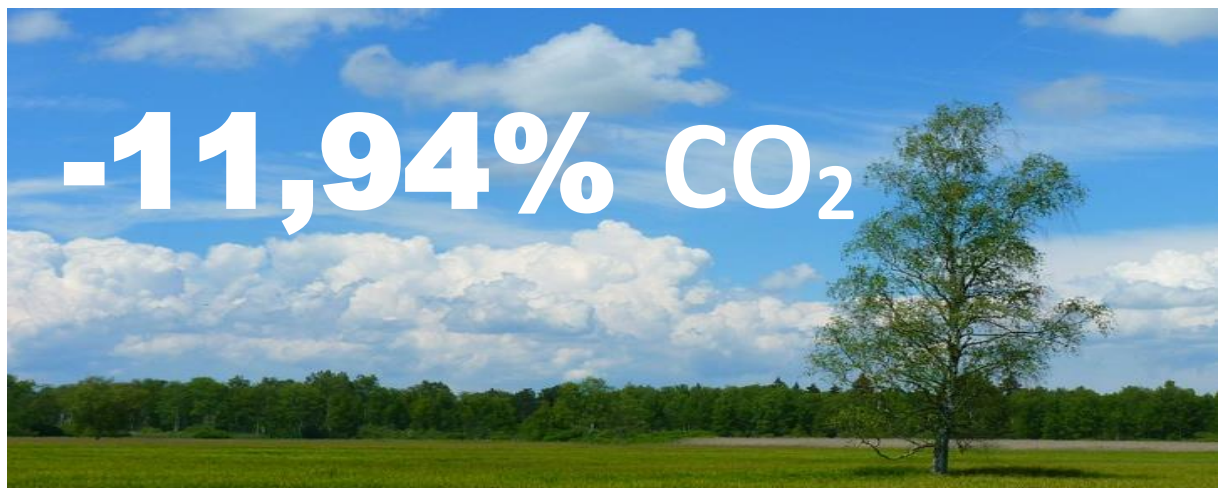
## 9.2 Carbon Footprint

In recent years, thanks to a series of activities aimed to define and modify the procedural methods and the structural intervention that would allow a reduction in consumption resulting from any energy waste, we avoided to increase the Greenhouse Gas emission.

The above despite the enlargements of the plants, the implementation of additional production lines, the production differentiation and the increase of the business that have led to an increase in energy consumption.

The strategic targets on greenhouse gas emissions have been determined as the sum of Scope 1 emissions and Scope 2 emissions Market Based (ref. CDP Climate Change CC3.1b).

As for Scope 2, the agreements signed in 2017 concerning the purchase of energy produced exclusively through renewable sources, led to a reduction in CO<sub>2</sub> emissions, at Group level of about 12% (-54.24% in relation to the electricity consumption).



In addition to the above, we also constantly monitor the indirect impacts arising from our productive activity such as:

- Consumption of paper raw materials
- Transport resulting from the purchase of paper raw materials
- Transport deriving from the sale of finished products.

Thanks to the adoption of Lean Manufacturing, we were able to reduce the absolute environmental impact of the Group, managing to limit the increase of CO<sub>2</sub> associated with an increased production, to reach the set targets. In fact, in order to mitigate the environmental impacts associated with the transport of products, the Organization constantly ensures the optimization of outbound and inbound journeys. The above through the procurement and subsequent production of the finished product in the factories located closest to the customer to whom the material is delivered.

We also account for the different types of emissions (Scope 1, Scope 2, Scope 3) transforming them even in an economic value. To do so we use the latest available carbon price value obtained from the latest issue of the Report of Word Bank Group - State and Trends of Carbon Pricing. Based on this information was considered the value below the carbon price in different countries: - Ireland: 24\$ / ton (Carbon Taxation mechanism Ireland) - Italy: 6\$ / ton (EU ETS) - Serbia: 6\$ / ton (EU ETS) The company has identified a specific carbon price indicator as a ratio between the economic value and carbon revenues.

This indicator is included in the monitored company key indicators.

### 9.3 Energy

(Ref. 302-1/3/4/5)

Currently Palladio Group does not produce energy, this is only purchased.

The energy consumption for heating production floors and offices during winter time is exclusively attributable by the use of natural gas (Italian plants and plant Serbia) or oil fuel (Irish plant)).

The consumption of electrical energy is significant as it has the greater environmental impact. This type of consumption derives from both the normal production and the use of compressors for air conditioning

#### Purchase of electricity from renewable sources



In line with our Sustainability Policies, in January 2017, Palladio Group signed an agreement for the purchase of energy produced exclusively through renewable energy plants to cover the electricity needs of all Italian plants.

Our plant located in green Ireland has said goodbye to fossil fuels since July 1 starting to use only energy from renewable sources. These agreements have made it possible to reduce the CO2 emissions associated with our activities by around 12%.



the energy is covered by a product brand  
"BeECO - absolutely pure",  
this guarantees its origin.

Specific interventions have enabled a reduction in consumption at comparative level (KPI).

This reduction was achieved through a series of specific procedural and structural interventions, or through acts to sensitize all employees to for greater awareness. The structural interventions targeted a modernization of the production equipment such as the replacement of bulbs neon lamps with high energy efficiency (LED), the use of domotic (home automation) equipment for the management of services subservient to the production and to air-conditioning the building and the replacement of the heating systems with high efficiency boilers

In 2017, agreements were signed regarding the purchase of energy produced exclusively through renewable sources for Italian plants and for the Irish plant.

This choice is positively reflected in the significant reduction in emissions associated with electricity consumption calculated according to the Market Based methodology of the Guideline Scope 2 of the GHG protocol.

### 9.4 Waste

(Ref. 306-2/3/4)

Palladio Group follows a clear strategy for waste management. The objective is to prevent and reduce the amount of waste so that the global environmental impact related to the waste remains minimal.

Palladio Group is just a waste producer, not a dealer. All waste is collected from our premises and delivered to local authorized waste disposal companies where it will be disposed of and/or recycled. No significant waste spills were recorded during the three-year period.

### 9.5 Drains

(Ref. 306-1/5)

The production cycle does not include drains of water; the only planned discharges are those resulting from the use of sanitation and therefore similar to domestic sewage.

Our offices and manufacturing plants are located in technological / industrial areas, away from protected areas and areas of high biodiversity or areas where the Species listed in the red UINC list, which includes all the 197 Italian Policy Species (species included in the annexes of Directive 92/43 / EEC "Habitat" and of the Berne Convention, both ratified by the Italian Government and in fact constituting national laws), have their habitat. For this reason, there are no measurements in this regard

### 9.6 Water

(Ref. 303-1/2/3)

We believe that water is an important resource, and we try to use it sparingly at all sites of the Group.

Almost all the water consumed comes from municipal water while about 3% of consumption consists of ground water, used only at the plant in Dueville.



The Group's plants use only enough water not to significantly damage the water sources. This because in all the premises of the Group water is mainly used for sanitary purposes. There are no recycling / reuse methods in place

The use of water in the production process is generally limited to the offset printing process for the plates washing. Consequently, its consumption is also closely linked to the quantity of processed product.

To reduce water consumption, flow reducers were installed to the taps in the toilets of our sites, simple devices that mix air with water and double buttons for draining water sanitation so as to minimise the waste of this resource. During the year 2017, 8.436 m3 were consumed with a per capita consumption of 13.18 m3. The expected target was met

despite the occurrence of hidden leaks in the Thiene and Pontedera plants. Despite the reduced water impacts on our activities, in 2017, we provided complete information on water problems by compiling the "CDP Supply Chain Water questionnaire", dedicated to the management of water resources.



## 10. WORK PRACTICES AND FAIR WORK CONDITIONS

(Ref. 103-2/3)

Palladio Group supports the implementation of adequate work practices, in both the workplace and in all areas of its sphere of influence.

The adoption of appropriate working practices is for us a moral commitment and we are sure that this, together with a strongly widespread business ethic, helps the performance of our company. Palladio Group always places "people" first ensuring respect for human rights and denouncing any form of abuse towards their workers.

In developing our policy of respect and promotion of human rights, we have taken into consideration the factors that contribute to comply with these principles:

- The protection of human resources which are the core capital for the company's development and success.
- Sharing policies and business objectives
- The involvement of employees in training activities to increase their skills.
- The promotion of activities aimed to the integration of personnel.
- The assessment of our suppliers on their compliance to the requirements and to the principles of ethical work management.

Since 2012, we are part of the Global Compact; which joins businesses, UN agencies, work organisations and civil society, encouraging corporate social responsibility through the respect and promotion of nine fundamental principles concerning human rights, work and the environment. They are universally shared principles derived from the Universal Declaration of Human Rights, the Declaration of International Labour on Fundamental Principles and Rights at Work and the Rio Declaration on Environment and Development

The letter of intent signed by the CEO highlights our commitment and defines the objectives that Palladio Group follows at group level, with profuse commitment by all, for achieving these principles.

Our Code of Ethics together with the Chart of Values emphasises that Palladio Group adopted practices of respect and gratification to its employees, enabling them to co-operate within the company system. This is thanks to all the form of protections guaranteed by the company, such as:

- The application of the Workers National Contract, applicable to our sector, allows the protection of our employees and the respect of laws relating to protection of labour.
- The free membership to trade union groups
- Compliance with the Health and Safety At Work
- The growth of professionalism to our employees, through targeted training programs, implemented at all levels, providing know-how aimed to prepare them to deal with the customers which will benefit of an exceptional experience with the company.
- The breakdown of employees by gender, age, minority group
- Equality of pay between men and women, in accordance with the job categories of membership.



Our personnel, on annual bases, receive a performance bonus to encourage active participation in the work of the company and to reward those that contribute to the excellent results of Palladio Group. Through a reward mechanism, based on meritocracy, employees are guaranteed a super minimum (or equivalent) higher than the legal minimum wage. Also the new employees' salaries, in all sites of the group and especially in Serbia, are on average higher than the minimum wage required by law.

In May 2017, at the Serbian site of Palladio East, an independent audit was carried out by the company Intertek conducted in compliance with SMETA. This is the third audit carried out with the "4 pillar" method (the first was carried out in 2014) successfully passed to demonstrate the commitment of Palladio also in its foreign sites.

### Palladio is close to its collaborators



### 10.1 Employment

(Rif. 102-8/41, 401-1/2/3, 402-1)

Within Palladio Group the Labour National Collective Agreements (working act) are regularly applied and consequently all employees are covered by such contracts. The company recognizes all employees the right to join trade unions as they wish, this does not imply any advantage or disadvantage attitude towards its employees.

In this regard, the trade unions have the freedom to carry on their activities without any pressure or interference by the Executive Board.

The Human Resources Department is always willing to listen and address any issues of workers seeking satisfactory solutions for complainants while respecting corporate ethics and confidentiality. Our employees through a voting system, which guarantees the confidentiality and anonymity, elect their WSR (Workers Safety Representatives) and TUR (Trade Union Representatives).

The temporary employees enjoy the same benefits as those in a permanent contract.

Some example of our benefits:

- Provision of supplementary health care (in total paid by the company)
- Adherence to free prevention programs (such as vaccination against flu, tetanus, etc.).

The mandatory maternity leave is up to all staff of the Group in accordance with relevant legislation in the different countries. All employees can take parental leave in accordance with local regulations. The Organisation adheres strictly to the laws and, if necessary, favours ancillary requests by granting holidays and leaves.

## 10.2 Diversity and equality

(Ref. 405-1/2)

The roles and responsibilities are well defined as reported in documentation relating to the management systems and all our employees are treated with social equality ensuring the same equal opportunities.

. The employment's processing is through the recognition of qualifications of staff, experiences and skills. All this is in order to frame each worker in a befitting manner in order to pay an adequate salary for the work performed, regardless of any discrimination. Managers and employees of the various Italian and foreign subsidiaries are generally residing in the local communities of reference or surrounding areas.

In order to promote and encourage their career development, all employees are annually evaluated on the basis of individual or collective (by department) performance. Internal and external training courses allow us to increase the skills of our human resources to facilitate, if necessary, exchanges between departments and operations of mobility within the group. The above support the implementation of the company policy to give priority to internal recruitment. The company, in order to anticipate or reduce any negative impact due to redundancies, makes use of employment agencies for minor activities (e.g. Porterage and warehousing

### Abilmente, a bridge between school and work



Palladio Group supports the project "Abilmente" born from the synergy Engim Veneto CFP Patronato San Gaetano and the Disability Service of ULSS4, to respond to the emerging need to accompany the delicate transition from secondary school to the working world for children with disabilities and neurodevelopmental disorders.

### **10.3 Industrial Relationships**

In the event of significant organisational changes, the Group will inform in advance the workers' representatives and trade unions in accordance with what is defined by the European Regulation 2002/14 / EC, implemented by the Member States, in terms of transfers of businesses or plants (fully or partially) to another employer as a result of a legal transfer or merger, the transferor and transferee are required to inform the representatives of the workers concerned "in due time", this means that , in Italy, according to the law (art. 47 l. 428/1990), the communication has to be made at least 25 days before.

The Italian legislation establishing a general framework of informing and consulting employees is Legislative Decree. N. 25/2007, which implements the European directive mentioned above

In the reporting period there were no organizational changes and / or significant changes in corporate operations.

### **10.4 Health and Safety at work**

(Rif. 403-1/2/3/4, 412-2)

Each manufacturing site of the Group has active formal committees for health and safety. These committees, consisting of representatives of management and workers, have the task of assessing, control, monitor and advise on programs for workplace safety. On average, the percentage of the workforce represented in these committees is up to 75%. In each plant there is at least one person responsible for the calculation and updating of statistics on trends of accidents. These statistics result from the processing of data in accordance with UNI 7249 dated 21/06/2007.

The trend of accidents is periodically examined, both per plant and at Group level.

The company assesses the risks and identifies the causes of the most serious diseases and disorders (example: work-related stress, manual handling of loads, noise, use of computers) to prevent them the following measures for workers are in place: training, surveys of opinion, reduction of overtime, flexible working hours and interventions on systems, equipment and property assets. These measures aim to maintain the organisation of workplaces always adequate to protect the health and safety of the workers, to create more comfortable working conditions and increase the efficiency and reliability of the man-machine systems. All the measures listed above are reassessed at least annually or at the request of the parties concerned.

During 2017, 2 requests for occupational disease were submitted. These are still in the process to be assessed by the relevant government bodies.

In Italy, it is enforced the Decree n. 81 -April 9, 2008 -"Consolidation Act for the protection of health and safety in the workplace" to which is added the agreement governing the workers' representation for Safety.

Memoranda of understanding or formal agreements with trade unions are in place in the National Collective Labour agreement (CCNL), health and safety issues such as, for example, the participation of workers' representatives to inspections and audits on employees' health and safety, accident

investigations, training, performance targets or commitments on the level of practices to be adopted, periodic inspections and the presence of joint committees for the health and safety.

In the foreign plants, in compliance with applicable laws of the country and not as part of formal agreements with trade unions, the same activities as in the Italian sites are implemented, i.e. regular meetings with employees on health and safety at work. In both the Serbian and Irish plants there are Workers' Safety Representatives.



## 11. TRAINING AND EDUCATION

(Ref. 404-1/2/3, 205-2)

We invest in training and opportunities for improvement because we are convinced that they are essential elements for the personal growth of our employees.

During the year 2017 our employees attended to 11178 training hours, of which:

- 2484 hours specific on the safety in the workplace
- 1564 hours specific courses for skills development
- 230 hours on the ethic code



Training is not only a key element of Palladio Group, but also one of the objectives that we pursue constantly in our daily activities.

In order to make our corporate identity explicit, to make us aware of what we do, to be able to properly share and explain our Know-How, in July 2016, Palladio Academy was born, a new way of learning knowledge and Palladio Wiki an encyclopaedia of Palladio Group's knowledge.

### 11.1 Professional development, careers and human resources' evaluation

As part of its strategy of consolidating careers and enhancing and developing staff, Palladio Group has defined training interventions designed and organized by Human Resources and aimed at increasing and strengthening the skills of internal staff. In order to achieve the standard, a role mapping system was implemented aimed at the effective management of career paths (vertical and horizontal progressions, internal mobility, management of professional development trajectories), in a logic of valorisation and recognition of skills. During 2017, specific courses were launched aimed at developing skills. The courses involved 134 employees for a total of 1564 hours of training.



Operational mechanisms, aimed at consolidating the organizational model pursued in recent years, have also been launched, such as:

*Standardization of human resources policy.* Common classification systems, position weighting schemes and incentive systems have been defined. The compensation process has been made more transparent thanks to the standardization of levels and job titles within the company.

*Team development.* The development of teams has been further pursued through appropriate courses dedicated to the purpose. The establishment of shared functions at Group level has enabled the elimination of barriers between the various functions facilitating the sharing of knowledge and continuous training.

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*Evaluation of skills and development of human resources.* To this end, a process has been developed that, through an assessment of the knowledge of all employees, plans to enhance or increase potential, identify training gaps, develop specific and individual training plans and plan dedicated career paths. The assessment of skills and performance has been divided and optimized according to two different targets:

- First target, aimed at assessing individual skills and goals for training and development,
- Second target focuses instead on performance, as a tool specifically designed to guide the professional performance of the individual.

DEVELOPMENT OF SKILLS AND PERFORMANCES EVALUATION		
EMPLOY TYOE	NUMBER EMPLOYEES EVALUATED	PERCENTAGE EMPLOYEES EVALUATED
White collar men	57	12,72
White collar women	24	5,36
Blue collar men	278	62,05
Blue collar women	75	16,74
Total	434	96,88

The self-assessment tools have been added to standard top-down assessment processes with the aim of making employees aware of career development.

This activity, implemented in 2017 in Italian plants, will also be extended to foreign plants in the coming years.

## 11.2 Training on Safety

In order to promote a more interactive communication the Company has established the "Safety Circles" which are organised by the head of departments involving the staff. Within these circles, the safety data together with the outcome of any complaint received from the employees are analysed and any improvement opportunity is shared and evaluated. To reduce the so-called "abnormal" behaviour among the employees we have adopted a disciplinary code that defines sanctions in connection with possible violations of company rules on safety.

### 11.3 Palladio Academy



Palladio Academy is a training project focused on developing the skills of employees through the provision of tailor made training courses based on the professional level of the employee. Palladio Academy is a single large brain managed by 10 founders who, with the help of over 35 trainers, are committed to sharing with everyone the company knowledge and the task of training the personnel while maintaining the

standard of training at any group establishment. Palladio Academy promotes a culture of learning and sharing of business know-how for a company that is always at the forefront.

Palladio Academy has just completed its first year of life, during which it has continued to grow and to carry on step by step the objectives set at the time of its foundation. The team has continued its journey, always working in a compact manner and "enlisting" gradually new members who, with great commitment and perseverance, have contributed to the development of the many projects put into place. These include the contribution made to the "Open Recycling" event (organized in collaboration with the Safety-Environment Office) and for the "Today I'm in the Company too" event (an initiative created for children and employees of the Pontedera plant, in collaboration with Legambiente).

### 11.4 Palladio Wiki

Palladio Wiki is our tool designed to know the business knowledge, an encyclopedia of knowledge of Palladio Group to which anyone who is interested can draw on and/or contribute to, collaborating with the team Academy.

Palladio Wiki is the intellectual property of Palladio Group, accessible only through company email address or on special totems for consultation available to all those who do not have a business email address.



### 11.5 Ethic and anti-corruption training

Aware that the fight against corruption is one of the main global challenges and represents a major obstacle to sustainable development, in 2017, on the occasion of the new issue of the Code of Ethics, we provided information on human rights to all employees.

### 11.6 First Aid courses BLSD (Basic Life Support and Defibrillation)

In July and September, specific BLSD courses (attended by approx. 23% of the company's population) were carried out at our offices, whose goal is to significantly increase the chances of survival of those who go into cardiac arrest through the dissemination of the culture of rescue and the teaching of a few simple maneuvers that can make the difference between a certain death



and surviving.

AEDs (Automated External Defibrillator) were later installed as cardio-protection of personnel who work there and the local community.

A smart and modern choice made even more important by the fact that it's not yet a legislative requirement.

### 11.7 Environmental and sustainability training

Personnel awareness in this field is very strong; the company promotes initiatives that directly involve employees, and in some cases also the family sphere through advertising campaigns of our sustainability activities through brochures, posters and visits to our factories, to ensure that our vision and commitment in the environmental field is also shared.

### 11.8 Lean Manufacturing meetings

Palladio Group, through specific Lean Manufacturing meetings coordinated by employees with international certification (LEAN Champion), develops specific programs for updating the skills of employees in order to allow the achievement of strategic objectives in an ever evolving work environment.



Our most qualified employees increase the human capital of the organization and contribute to employee satisfaction related to improved performance. Our weekly meeting system that involves members from sales, production and quality sectors (also made in video conference with the Group's sites) contributes to the training and growth of the competencies of the participants through the sharing of the know-how held by the specific professionals. These meetings, not recorded in official records, are estimated at over 9000 hours / year.

## 12. HUMAN RIGHTS

(Ref. 103-2/3)

Palladio Group always operates in compliance with fundamental human rights. As established by international conventions on the subject, it has based its activities on the support of those rights. The main points of reference were already reported in our Chart of Values.

Our policies define at all the levels of the organisation and in all countries where we operate the commitment relating to the practices of respect and preservation of Human Rights.

To confirm the above:

- We maintain working relationships with suppliers that demonstrate respect for human principles
- Any discriminatory behaviour based on race, colour, sex, religion, political opinion, nationality or social extraction is reported, to the Committee of Ethics.
- Child labour is forbidden
- We don't accept any form of forced labour. Any required work, falling outside the normal working hours, is regulated by national contracts in agreement with the workers' representatives and trade unions, providing compensation based on the overtime worked.
- In all countries where our Factories are and where we operate, the employees are guaranteed a working treatment above the average of workers present in that particular country. We also indirectly guarantee the respect of indigenous people and their territorial assets through membership of the FSC & PEFC Standards.
- Disputes concerning human rights have never risen as a result of our decisions or activities

In 2017, no reports of human rights violations were reported at the Group's plants and related to the work of Group employees or from internal or external Stakeholders.

### 12.1 Anti-discrimination

(Ref. 406-1)

Among the objectives of the company policy is the right to equal opportunities and social, racial and religious discrimination is condemned in favour of the integration of individuals and cultural exchange. We are in line with the national law requirements with regard to the percentage of disabled people employed, in order to ensure equal treatment; Palladio Group also supports their integration within the Organisation through assignments of dignifying tasks in respect of their disability. The conditions and workplaces are maintained / designed to encourage mobility for people with disabilities. During the year 2017 no reports on discriminatory human rights practices have been submitted.

## 12.2 Freedom of association and collective bargaining

(Ref. 102-41, 407-1)

All employees are free to join trade unions or similar organisations, without this causing any attitude of advantage or disadvantage in their regards. The trade unions have the freedom to carry on their

	2015	2016	2017
Hours of strike	0	0	0
Hours of Union Trades meetings	492	272	292
Number of union trade members	91	81	73
Percentage union trade members	17,14	13,73	11,41

business, within all Palladio Group activities, without experiencing pressure or interference from the Company. In the Group companies, periodically, are held meetings with the trade unions (paid) open to all employees in order to support the right of workers to the freedom of association.

During the year 2017:

- There were no hours of strike organised by employees;
- 292 paid hours has been spent for meetings with trade union;
- the percentage of members of trade unions is 11,41.

Our suppliers are monitored through appropriate control activities (guidelines and questionnaires), in which there are specific references to the freedom of association and collective bargaining.

## 12.3 Child Labour

(Ref. 408-1)

Child labour is not allowed in any plant of the Organisation. The minimum age of our employees in 2017 is 18, while the average age is 43.

In regard to the provisions of our Code of Ethics our main raw material suppliers are monitored through specific questionnaires (see HR4) and all service providers (contractors) are controlled by specific statements attesting to their fulfilment of legislative and contractual obligations.

## 12.4 Forced Labour

(Ref. 409-1)

Inside of our company there have never been examples of forced or compulsory labour.

We guarantee to all our employees appropriate working hours as enshrined by the National Contract; the work done in overtime is paid in accordance with the relevant legislation and workers participate on a voluntary basis to any initiative of overtime. Palladio Group's working hours are determined so as not to prejudice the right of every worker to daily rest periods, needed for the refreshment of psychophysical and intellectual's energies. Every worker has the right to holidays and sick leaves as they require. Once again, our suppliers are monitored / controlled, on this regard, through specific activities.

## 12.5 Assessment

(Ref. 412-1)

The organisation, aware of its commitment to respect human rights, periodically controls and reviews the human rights' aspects relating to all its activities. This is done through a process of formal assessment based on information provided by the Ethics Committees and the various directors for all activities of the Group's plants. In this way Palladio Group can correctly address the decisions of the Organisation avoiding being associated or considered complicit in the activities undertaken by other entities with which they have or may have relationships.





## 13. SOCIETY

(Ref. 103-2/3)

Palladio Group intends to be active and participatory in the territories in which it operates by creating better economic opportunities for the local community, supporting the improvement of the social and cultural conditions. Many were the initiatives in the field of solidarity, environmental education and sustainability, which are considered priorities for our organisation.

Social commitment has always played an important role in the corporate culture of Palladio Group, it is firmly anchored to our values and it is reflected in the daily activities of all Plants which are programmed in order to mitigate the potential and actual impacts of our business. Prevention programs have been established and implemented to ensure compliance with the law, protect the physical, economic, and natural resources of the populations present in the areas where our Plants are located.

Palladio Group has no tolerance to corruption. The value that guides our choices is based on meritocracy and ethics, rewarding our employees only in accordance with these principles. This principle is considered in the management of our customers, suppliers and any authority with which Palladio Group has relation.

In Palladio Group:

- It is allowed to promote the development of roles and reward corporate's collaborators only in regard to the merits they demonstrated in terms of participation, professional growth, achievement of objectives and a sense of belonging to society.
- It is not allowed to promise and / or offer (to managers, Officials and employees of the Public Administration or their relatives) objects, services, benefits or favours of value in order to achieve an interest or an advantage for Palladio Group. The offer of gifts or other benefits of nominal value are permitted only if consistent with the legitimate uses or customs.
- Political parties, their representatives or candidates are cannot be funded, and shall refrain from any pressure (direct or indirect) towards politicians.
- It is allowed to provide donations only to non-profit associations and Charities with regular statutes and constituent acts.
- The sponsorship of activities may relate to social, environmental, sports, art and culture in general.

Our commercial relations are based solely on trusting relationships with our customers which choose us only for the intrinsic qualities of the product we supply our suppliers are properly selected and qualified. None of them receive preferential treatments and there are no agreements in place where conflicts of interest are exposed or evident.

Those who collaborate with our company should see in us a valuable partner in business and be aware that our way of doing business is based on principles and values of social ethics, not based on monopolistic practices that could lead to unfair competition or which may be in conflict with principles of anti-trust. For this reason, from the point of view of fair Marketing, we sent tour

customers and suppliers disclosure in which we present the commitment made by Palladio Group on Social Responsibility, aiming to sensitise them to operate in line with our principles. As stated above, it is confirmed, by the fact that our company has never received any administrative or judicial sanctions for noncompliance with laws and regulations.

### 13.1 Local communities

(Ref. 413-1/2)

The Company has a constant dialogue with the various local institutions and other organisations in order to assess any significant impact that our activities and business decisions may have on the community.

The percentage of the activities in which the community have been involved is not available as there is no a system of measurement in use for this indicator.

In 2017 Palladio took part in the event organized by Legambiente "Clean Up the World"; this is a global environmental campaign held in collaboration with the United Nations Environment Programme (UNEP).



In recent years we have supported various local, national and international associations.

In 2017 the proceeds of the Christmas lottery of the Italian plants (doubled by the company) were donated to various humanitarian and social associations indicated by employees.

The plant in Palladio East, as well as last year, wanted to brighten the Easter holidays of orphaned children and those of children with special needs giving to all treats and toys.

As every year, instead of making a Christmas present to our customers, Palladio has allocated the figure to the charities "Città della Speranza" and "I Bambini delle Fate."

### 13.2 Anti-corruption

(Ref. 205-1/3, 414-1)

In all factories of Palladio Group we have a zero-tolerance policy against corruption. The value that guides our choices is based on meritocracy and ethics. This brings us to reward our employees only on the basis of that value. Such a principle is also taken into account in the management of our customers, suppliers and any authority dealing with Palladio Group.

Information about the percentage of business units analysed for risks related to corruption are not available due to the company size, an assessment of that risk is not carried out. Our financial statements are subject annually to review by Reconta Ernst & Young which determine and verify compliance with the regulations governing the reporting criteria. In this perspective, any accounting operation or transaction is based on the accuracy, completeness and authorisation of the basic information for the entries. All payments to be paid are appropriate to business performance and

contractual rules and cannot be made to an entity other than the contracting party. If employees become aware of any type of falsification or omission, they must immediately report it to our Ethics Committee.

In the year 2017 there were no corruption cases involving employees and / or suppliers; there have been no legal actions concerning corruption practices against the companies of the Group  
In 2014, fraudulent legal actions were taken against two employees who were then laid off. Business relations were interrupted with a supplier for violations related to corruption.  
There have been legal actions for fraud against him. The above actions are still on-going.

### 13.3 Public administration

(Ref. 415-1, 201-4)

Palladio Group has relations with public institutions primarily through the national trade associations and consequently does not take positions on public policy and also does not participate in the development of public policies. Company policies forbid the founding of political parties or their members.

We do not receive financial benefits from the Public Administrations.

The public administration is not part of the shareholding.



## 14. MARKETING COMMUNICATION

The Organisation has not adhered to programs, codes of conduct for marketing activities. This is due to the fact that these types of product are not provided directly to the final user that could be the subject of any sponsorship activities.

Customers are typically contacted through normal business practices or through participation in public tenders.

### Participation in events and Exhibitions

During 2017 we participated in various events and exhibitions, among them:

- Pharmtech & Ingredients - Moscow
- Cphi Worldwide - Frankfurt
- Maghreb Pharma Expo - Algeri
- 57° edition of Simposio AFI - Rimini
- All you can track and trace – Lanciano
- Traceability technology in the fight against counterfeiting –Italian Parliament, Rome
- PharmaPack – Paris.







## 15. REPORT'S PROFILE

(Ref. 102-50/51/52/53/54/55/56)

The Sustainability Report is published annually.

The report's data refer to the last three years (2015, 2016, 2017) and they are indicated both per production unit and at group level.

This report will be published on the website of the Global Compact of the United Nations, on the G.R.I. website and on our website ([www.palladiogroup.com](http://www.palladiogroup.com)) as well as the company Intranet.

For any additional information please contact: [giampaolo.carone@palladiogroup.com](mailto:giampaolo.carone@palladiogroup.com).

The aim is to annually disclose, to Stakeholders, information relevant to economic, environmental and social performances resulting from the Palladio Group's production. In particular, the report aims to frame in a wider context the activities of the company in accordance with the standards and the G4 guidelines of the GRI and the Principles of the Global Compact, which are part of the report.

So far have been published:

- N. 6 Sustainability Reports (inclusive of the Communication On Progress),
- N. 2 Communication On Progress,
- N. 2 CDP Supply Chain Climate Change Report
- N. 1 CDP Supply Chain Water questionnaire.

The last publication, available on our web site and that one of the UN Global Compact, dates back to July 2017.

This report prepared in accordance to **GRI Standard: Core option**.

It has been subjected to external verification activities by SGS.Italia spa.

The certification related to this report is provided in the relevant section.

Data on economic performance, deferred in the relevant section, are extracted from the Consolidated Financial Statements verified by auditors of Soc. Ernst & Young.

### 15.1 Link to the 10 principles of the UN Global Compact

The sustainability model adopted by Palladio Group is inspired by the United Nations Global Compact.

. In May 2012 Palladio Group has formalized its adherence to the U.N. Global Compact, a pact that binds all those companies committed to aligning their operations and strategies to the 10 universally accepted principles concerning human rights, labour, environment and anti-corruption.

The evidence of Palladio Group commitment to respect and promote these principles is accounted for in this report, in fact the GRI standard, applicable to Palladio Group, is considered in conjunction with each of the 10 principles of the U.N. Global Compact.



## 16. COMPLIANCE

### During the year 2017:

- ✓ There have been no reports or complaints about suppliers work practices (Ref. 414-2)
- ✓ During the reporting period there have been no administrative or criminal sanctions, financial and non-financial res judicata due to nonconformity or failure to comply with laws and regulations relating to the environment (Ref. 307-1)
- ✓ No significant environmental impacts or environmental impact complaints have been reported (Ref. 308-2)
- ✓ There have been no legal actions related to unfair competition, anti-trust and monopolistic practices (Ref. 206-1)
- ✓ In the reporting period we have not experienced any administrative or penal sanctions, pecuniary and non-pecuniary res judicata for non-compliance or non-compliance with laws and regulations to which the Group's facilities must comply (Ref. 419-1)
- ✓ There have been no reports or complaints concerning impacts on society (Rif. 414-2)
- ✓ There have been no cases of non-compliance with voluntary regulations and codes concerning the impacts on the health and safety of products / services supplied by the Palladio Group plants during their lifecycle (Ref. 416-2)
- ✓ There were no cases of non-compliance with laws and voluntary regulations concerning information and labelling of products / services (Ref. 417-1/2)
- ✓ There were no cases of non-compliance with laws and voluntary regulations concerning the provision and use of the Group products and services (Ref. 417-3)
- ✓ There have been no complaints regarding privacy breaches or loss of customer data (Ref. 418-1)
- ✓ There have been no cases of non-compliance with laws or regulations concerning the supply and use of products and services of companies in the Group (Ref. 419-1)



## 17. DATA AND INDICATORS TABLES

Economic and financial results Ref. 201-1, 203-1			
Palladio Group	2015	2016	2017
Directly Economic Value Generated	70.348.839,00	75.827.265,00	81.526.452,00
a) Revenues	70.348.839,00	75.827.265,00	81.526.452,00
Economic Value Distributed	65.822.717,00	69.580.540,00	74.219.642,00
b) Operating Costs	46.515.223,09	48.437.331,53	53.258.874,85
c) Employee wages and benefits	17.048.524,00	17.520.385,00	18.393.637,00
d) Payments to providers of capital	490.759,00	953.330,00	305.864,00
e) Payments to government (by country)	1.738.329,00	2.641.567,00	2.205.665,00
f) Community investments	40.697,91	27.926,47	55.601,15
Economic value retained	4.526.122,00	6.246.725,00	7.306.810,00
<sup>(1)</sup> - Donations and financial contributions			

Detailed analysis of employees Ref. 102-8, 201-3, 202-1/2						
	TOTAL			BREAKDOWN 2017		
	2015	2016	2017	ITALIA	IRELAND	SERBIA
Total Employees Men	410	449	491	351	14	126
Total Employees Women	121	141	149	97	4	48
General Total Employees	531	590	640	448	18	174
Employees on permanent contract Men	337	347	366	266	10	90
Employees on permanent contract Women	82	90	98	64	2	32
Employees on fixed term contract Men	23	52	45	4	4	37
Employees on fixed term contract Women	18	22	19	2	2	15
Employees on part-time and solidarity Men	6	7	5	5	0	0
Employees on part-time and solidarity Women	11	10	10	10	0	0
temporary workers Men	44	43	76	76	0	0
temporary workers Women	12	19	21	21	0	0
With trade union membership	91	81	73	73	0	0
Affected by Disability	24	26	28	26	0	2
Foreigner	15	25	24	13	11	0
Salaries above minimum wage % employees	91,17	76,98	77,02	68,07	100	100
Annual salary Increments % over employees	33,15	4,99	7,28	9,12	22,22	0,00
Bonuses % over employees	100	99,23	100	100	100	100
Overtime % of hours worked	5,75	6,12	6,39	4,15	5,98	10,44
Holiday hours % of hours worked	8,88	8,83	9,41	8,50	8,46	11,14
Disciplinary Measures - % over employees	5,88	0,83	4,71	5,13	5,55	3,40
Worked hours	828626	854877	885207	545235	34716	305256
Holiday hours	73557	75493	83303	46366	2937	34000
Overtime	47644	52279	56595	22639	2076	31880
% Ethical complaints	0,55	0,52	0,00	0,00	0,00	0,00
Cover of the pension plan	4.021.668	4.166.169	4.373.799	3.509.240	67.481	797.078
% Senior manager hired in the local community	90	100	100	100	100	100



Employees age Analysis (employed during the reporting year)						
Ref. 102-8, 401-2						
	TOTAL			BREAKDOWN 2017		
	2015	2016	2017	ITALIA	IRELAND	SERBIA
Employees < 18						
Total Employees under 18	0	0	0	0	0	0
Employees < 30						
Men	56	63	81	49	1	31
Women	12	20	18	10	1	7
White collar Men	3	3	2	0	0-	2
White collar Women	4	5	5	1	1	3
Blue collar Men	53	60	79	49	1	29
Blue collar Women	8	15	13	9	0	4
Manager Men	0	0	0	0	0	0
Manager Women	0	0	0	0	0	0
Total	68	83	99	59	2	38
Employees 30 – 50						
Total Men	277	296	320	221	10	89
Total Women	87	95	106	64	3	39
White collar Men	40	39	39	23	-	16
White collar Women	25	30	31	13	3	15
Blue collar Men	236	258	276	194	9	73
Blue collar Women	61	62	72	49	-	23
Manager Men	0	2	5	4	1	0
Manager Women			3	2	0	1
Total	0	391	426	285	13	128
Employees >50						
Total Men	77	90	90	81	3	6
Total Women	22	26	25	23	-	2
White collar Men	15	19	20	20	-	0
White collar Women	7	6	5	4	-	1
Blue collar Men	56	65	63	56	3	4
Blue collar Women	15	20	20	19	-	1
Manager Men	6	6	6	5	-	1
Manager Women			1	0	0	1
Total	99	116	115	104	3	8
Employees' age						
Average age	40,42	40,34	40,00	43,00	41,00	36,00
Minimum Age	20	18	18	18	20	19
% over total Employees						
White collar Men	10.92%	10.34%	9.53%	9.60%	0.00%	10.34%
White collar Women	6.78%	6.95%	6.41%	4.02%	22.22%	10.92%
Blue collar Men	64.97%	64.92%	65.31%	66.74%	72.22%	60.92%
Blue collar Women	15.82%	16.44%	16.41%	17.19%	0.00%	16.09%
Manager Men	1.32%	1.19%	1.72%	2.01%	5.56%	0.57%
Manager Women	0.19%	0.17%	0.63%	0.45%	0.00%	1.15%

Anti-corruption						
Rif. 205-3						
	TOTAL			BREAKDOWN 2017		
	2015	2016	2017	ITALIA	IRELAND	SERBIA
The total number of episodes for which employees have been dismissed or subjected to disciplinary measures for corruption	0	0	0	0	0	0
Total number of episodes for which contracts with business partners have not been renewed for corruption-related offenses	0	0	0	0	0	0
Number of legal actions regarding corruption practices against the organization or its employees	0	0	0	0	0	0

Hiring and Terminations Ref. 401-1						
	TOTAL			BREAKDOWN 2017		
	2015	2016	2017	ITALIA	IRELAND	SERBIA
New hires Men <30	8	15	11	0	1	10
New hires Women <30	2	1	3	1	1	1
New hires Men 30-50	12	25	17	9	0	8
New hires Women 30-50	6	15	7	3	1	3
New hires Men >50	0	0	3	3	0	0
New hires Women >50	0	1	0	0	0	0
Total leaving employment	11	24	30	16	3	11
Total New employees hires	28	57	41	16	3	22
New hires Men <30	1,51%	2,54%	1,72%	0,00%	5,56%	5,75%
New hires Women <30	0,59%	0,29%	0,82%	0,22%	5,56%	0,57%
New hires Men 30-50	14,63%	27,78%	17,35%	2,01%	0,00%	4,60%
New hires Women 30-50	26,09%	28,85%	15,56%	0,67%	5,56%	1,72%
New hires Men >50	0,00%	0,00%	15,79%	0,67%	0,00%	0,00%
New hires Women >50	0,00%	14,29%	0,00%	0,00%	0,00%	0,00%
Rate leaving employment	2,07%	4,07%	4,69%	3,57%	16,67%	6,32%
Rate New employees hires	5,27%	9,66%	6,41%	3,57%	16,67%	12,64%

Training Rif. 403-4, 404-1/2/3, 412-2								
	TOTAL				BREAKDOWN 2017			
	2015	2016	2017		ITALIA	IRELAND	SERBIA	
Total training hours	7486	10366	11178		7225	671,5		3282
Average training per employee	14,10	17,57	17,47		16,13	37,31		18,86
Number training hours divided by category								
year	ITALIA		IRELAND		SERBIA		TOTALE	
	White collar	Blue collar	White collar	Blue collar	White collar	Blue collar	White collar	Blue collar
2015	1578	4050	25	183	493	1157	2096	5390
2016	1124	5886	20	762	564	2010	1708	8658
2017	1969	5255	147	525	760	2366	2876	8146
Average training hours divided by category								
year	ITALIA		IRELAND		SERBIA		TOTALE	
	White collar	Blue collar	White collar	Blue collar	White collar	Blue collar	White collar	Blue collar
2015	26,75	12,39	8,33	16,64	15,41	12,71	22,30	12,56
2016	18,43	17,06	10,00	50,80	14,46	16,75	16,75	18,04
2017	32,29	15,23	73,25	35,00	19,49	19,72	28,20	16,97
Number training hours divided by gender								
year	ITALIA		IRELAND		SERBIA		TOTALE	
	Men	women	Men	women	Men	women	Men	women
2015	4631	997	183	25	1281	369	6095	1391
2016	6020	990	764	18	1854	720	8638	1728
2017	6111	1114	546	126	2353	773	9009	2013
Average training hours divided by gender								
year	ITALIA		IRELAND		SERBIA		TOTALE	
	Men	women	Men	women	Men	women	Men	women
2015	26,75	12,39	8,33	16,64	15,41	12,71	22,30	12,56
2016	18,43	17,06	10,00	50,80	14,46	16,75	16,75	18,04
2017	32,29	15,23	73,25	35,00	19,49	19,72	28,20	16,97

Ethics and anticorruption trainings					
	2013	2014	2015	2016	2017
Training hours	426.5	15	406	165	230
Trained employees	488	15	379	165	640
% Trained employees in the reporting year	100%	3%	71%	28%	100%
% general Trained employees	100%	100%	100%	100%	100%

Right to parental leave Ref. 401-3									
	TOTAL			BREAKDOWN 2017					
	2015	2016	2017	ITALIA		IRELAND		SERBIA	
				men	women	men	women	men	women
Number of employees who were entitled to parental leave.	13	9	8	2	2	0	0	0	4
number of employees who have taken parental leave	13	9	8	2	2	0	0	0	4
number of employees who have returned to work at the end of parental leave	14	4	4	1	1	0	0	0	2
number of employees who are still availing of the parental leave	0	5	4	1	1	0	0	0	2
number of employees who have returned to work after parental leave and who were still employed twelve months after they returned to work	13	4	4	1	1	0	0	0	2
Rate of return of employees (in %)	100	100	100	100	100	0	0	0	100
Retention rate of employees back to work (in %)	92,86	100	100	100	100	0	0	0	100
(1) percentage referred to the end of the parental leave period referred to the reporting year									

Health and safety at work Ref. 403-2									
	TOTAL			BREAKDOWN 2017					
	2015	2016	2017	ITALIA		IRELAND		SERBIA	
				Men	women	Men	women	Men	women
N° total work accidents	15	18	10	9	0	0	0	1	0
N° total accidents in transit	0	2	4	3	1	0	0	0	0
N° total days of absence due to	409	497	162	158		0		4	
Hours worked by the Employees	853.737	912.347	936.256	564944		34176		337136	
N° total hours of absence due to	3272	3976	1296	1264		0		32	
% hours of absence due to	0,383	0,436	0,138	0,224		0,000		0,009	
Injury severity index	0,48	0,54	0,17	0,28		0,00		0,01	
Accident frequency index	17,57	21,92	14,95	23,01		0,00		2,97	
Absenteeism	3,25%	3,32%	4,62%	4,20%		4,05%		5,38%	
Hours out for sick leave	27.728	30.327	43.234	23714		1384		18136	
Total N. supplier's accidents	0	0	0	0		0		0	
Training Health and safety at work	TOTAL TRAINING HOURS			BREAKDOWN 2017					
	2015	2016	2017	ITALIA		IRELAND		SERBIA	
	3869,5	4238	2858	2.759		49		50	

Sustainable Procurement REF.102-9/10, 308-1, 414-1			
Division	2015	2016	2017
Total Suppliers	ND	114	140
Total new suppliers selected and qualified on the ground of social,	ND	5	26
Percentage new suppliers selected and qualified on the ground of social,	85%	100%	100%
Total suppliers of raw materials of forest origin (paper and cardboard)	21	21	39
Total Raw Materials Provider (Paper and Cardboard)	21	21	39
Total forestry raw material suppliers conforming to EUTR 995/2010 and /	21	21	39
Total raw material suppliers of FSC and / or PEFC certified forestry	100%	100%	100%

Used raw material					
Ref. 301-1					
	U.M.	2015	2016	2017	anno -1
Board	Kg	18.967.429	19.577.489	19.466.402	-0,57%
Paper	Kg	3.338.770	3.829.507	4.655.153	21,56%
Self-adhesive material	kg	108.904	61.300	62.791	2,43%
Aluminium for blister	kg	10.691	9.566	50.743	430,45%
Total Raw Materials from renewable	kg	22.444.489	23.468.296	24.184.346	3,05%
Total Raw Materials from no-renewable	kg	10.691	9.566	50.743	430,45%
Total Raw material	kg	22.425.794	23.477.862	24.235.089	3,23%
Delivered product	kg	14.994.793	14.927.526	15.080.751	1,03%

Percentages supply acquired in the local markets of the country for each Division			
Ref. 204-1			
Division	2015	2016	2017
Italy	56,8%	51,0%	47,66%
Serbia	35,49%	42,23%	58,47%
Ireland	75,24%	91,21%	94,43%

Percentage incoming Recycled raw materials used				
Ref. 301-2				
	U.M.	2015	2016	2017
Total recycled raw materials	kg	18.967.429	19.577.489	19.466.402
Total board used	kg	5.163.640	6.833.608	4.798.077
Percentage incoming board / recycled raw material used	%	27,22%	34,91%	24,65%

Products and related packaging materials recycled at the end of their life cycle				
Ref. 301-3				
	U.M.	2015	2016	2017
Sold product	kg	14.994.793	14.927.526	15.080.751
Total recovery products sent for recycling	kg	8.919.220	9.675.861	10.087.311
Percentage recovery products (recovery products /sold product)	%	59,37%	64,82%	66,89%

Energy consumption for production & air conditioning during Summer				
Ref. 302-1				
	U.M.	2015	2016	2017
Electric power	GJ	33.922,8	34.812,6	37.876,5
For the conversion from Kwahu to gigajoule it has been used the standard conversion factor equal to 0.0036				
Energy consumption for heating				
Ref. 302-1				
Natural Gas	GJ	12.095,19	12.038,29	14.672,34
Gas oil	GJ	680,2	509,6	459,6
For the conversion of volumes into gigajoule, the table in Annex 2 of this report has been used				

energy consumption in comparison with shipped products or with worked hours					
Ref. 302-3/4/5					
	U.M.	2015	2016	2017	anno -1
Absolute and comparative Consumption of natural gas					
Natural Gas Consumption	Sm3	367.400	363.061	436.670	20,27%
Gas used Sm3 / working hour	Sm3/h	1,453	1,293	1,419	9,77%
Gas used Sm3 / kg delivered product	Sm3/kg	0,025	0,024	0,029	19,22%
Absolute and comparative Consumption of electric power					
Electric power Consumption	kwh	9.422.989	9.670.180	10.521.251	8,80%
Electric power used Kwh / working hour	kwh/h	37,258	34,441	34,198	-0,71%
Electric power used Kwh/kg delivered product	kwh/kg	0,6284	0,6478	0,6986	7,84%
Absolute and comparative Consumption of gas oil					
Gas oil Consumption	l	18.587	13.925	12.558	-9,82%
Gas oil litres/ working hour	l/h	2,238	1,400	1,095	-21,78%
Gas oil litres/ kg product delivered	l/kg	0,061	0,045	0,034	-24,43%

Water consumption Ref. 303-1/2/3					
	U.M.	2015	2016	2017	anno -1
Water withdrawn from mains	m3	6.298	6.042	8.218	36,01%
Water withdrawn from wells	m3	1.328	648	218	-66,36%
Water withdrawn from other sources	m3	0	0	0	0
Total water withdrawal	m3	7.626	6.690	8.436	26,10%

waste Ref. 306-1/2/4					
	U.M.	2015	2016	2017	anno -1
Total waste produced	kg	1.728.109	1.391.255	1.245.993	-10,44%
Total raw material waste (*)	kg	7.420.310	8.540.770	9.103.595	6,59%
Total waste retrieved (R)	kg	1.498.910	1.135.091	983.716	-13,34%
hazardous waste	kg	103.147	107.176	120.839	12,75%
% hazardous waste on total waste generated	%	5,969	7,704	9,698	25,89%
%NOT hazardous waste on total waste generated	kg	8,56	6,56	90,302	-2,16%
NOT hazardous waste	kg	1.624.962	1.284.079	1.125.154	-12,38%
Total NOT hazardous waste / raw materials taken	%	0,072	0,055	0,046	-15,04%
Waste directly linked to production	kg	211.753	223.258	235.682	5,56%
Production waste / raw materials taken	kg/kg	0,009	0,010	0,010	2,35%
Total waste / raw materials taken	%	7,71	5,93	5,15%	-13,16%
Total hazardous waste / raw materials taken	%	0,46	0,46	0,50%	9,32%

(\*) Note: part of the raw material waste is sent, by the paper mills, for recycling or reuse.

Emissions Ref. 305-1/2/3/4/5					
UNITARY DATA CARBON FOOTPRINT					
Data reference	U.M.	2015	2016	2017	anno -1
CO2 Emissions (Market based)	tonCO2	20.297,60	20.469,63	18.025,77	-11,94%
Direct CO2 emissions from fossil fuels (natural gasoil)	tonCO2	725,90	710,53	854,70	20,29%
Market based Indirect emissions of CO2eq (i.e. generated by the E.P. provider)	tonCO2	4.989,31	5.105,50	2.336,28	-54,24%
Location base Indirect emissions of CO2eq (i.e. generated by the E.P. provider)	tonCO2	4.638,86	4.335,38	4.733,71	9,19%
indirect emissions of CO2 from paper and paperboard production (as finished product)	tonCO2	12.001,52	11.916,77	11.971,27	0,46%
Indirect CO2 emissions from paper and cardboard purchases	tonCO2	17.928,97	18.669,88	19.264,38	3,18%
Indirect CO2 emissions from paper and cardboard waste	tonCO2	5.927,44	6.753,11	7.293,11	8,00%
indirect emissions of CO2 from incoming transportation	tonCO2	891,83	1.041,34	1.017,24	-2,31%
indirect emissions of CO2 from outgoing transportation	tonCO2	1.689,05	1.695,49	1.846,28	8,89%
Carbon footprint fuel	tCO2/ton delivered product	0,0483	0,0471	0,0567	20,28%
Carbon footprint electric power	tCO2/ton delivered product	0,3088	0,2875	0,3139	9,18%
Carbon footprint paper and board production	tCO2/ton delivered product	0,7988	0,7903	0,7938	0,45%
Carbon footprint Transportation	tCO2/ton delivered product	0,1718	0,1815	0,1899	4,62%
Carbon Footprint (from all sources)	tCO2/ton delivered product	1,6598	1,6450	1,5092	-8,26%

CARBON PRICE					
Data references	U.M.	2015	2016	2017	anno -1
weighted average carbon price calculated	€/tonCO2	8,78	5,14	5,82	13%
gross carbon price	€/tonCO2	178.155,16	105.291,79	104.898,04	0%
carbon price from fossil fuels (natural gas)	€/tonCO2	6.775,78	3.928,27	5.075,01	29%
carbon price (i.e. generated by the E.P. provider)	€/tonCO2	44.279,01	27.120,82	14.691,16	-46%
carbon price from paper and paperboard production (as finished product)	€/tonCO2	104.965,63	60.482,03	69.039,17	14%
Indirect CO2 emissions from paper and cardboard purchases	€/tonCO2	157.088,20	95.623,67	111.428,75	17%
Indirect CO2 emissions from paper and cardboard waste	€/tonCO2	39.832,15	26.927,94	30.574,10	14%
indirect emissions of CO2 from incoming transportation	€/tonCO2	8.491,50	5.729,89	6.112,44	7%
indirect emissions of CO2 from outgoing transportation	€/tonCO2	14.577,86	38.300,29	46.125,38	20%
Total turnover	€	70.348.839,00	75.827.265,00	81.883.288,01	8%
Scope 1 Carbon price indicator	€/€	0,0000963169	0,0000518055	0,0000619786	20%
Scope 2 Carbon price indicator	€/€	0,0006294206	0,0003576658	0,0001794158	-50%
Scope 3 Carbon price indicator	€/€	0,0018200013	0,0013782932	0,0014810957	7%
Gross carbon price indicator	€/€	0,0025324534	0,0013885743	0,0012810677	-8%





## 18. ANNEXES

### Annex 1- Determination Table of the material aspects and boundaries

Area	Material Aspect	Indicators GRI	Significance	Influence on Stakeholder	Priority
ECONOMIC	Sustainable development	201-2, 411-1 204-1, 301-1/2/3, 414-1/2, 412-3, 414-1/2	-	YES	-
	Procurement		-	YES	-
ENVIRONMENT	Emissions		-	-	-
	Energy	305-1/2/3/4/5 302-1/3/4/5	YES	YES	YES
	Waste	303-1/2/3 304-1/2/3/4 306-3/4	-	-	-
	Biodiversity		-	-	-
	Waste		YES	YES	YES
SOCIETY	Health and safety at work		YES	YES	YES
	Training and education		YES	-	-
	Diversity and equal opportunities	403-1/2/3, 412-2 404-1/2/3, 205-2 405-1	-	YES	-
	Industrial Relationships	401-1/2/3, 402-1, 405-2 408-1, 409-1	-	YES	-
	Child and forced labour	413-1/2, 415-1 205-1/2/3	-	-	-
	Local Communities	416-1, 417-1, 102-43, 418-1	YES	YES	YES
	Anti-corruption		YES	-	-
	Product Responsibility		YES	YES	YES
COMPLIANCE	Compliance	402-2, 307-1, 308-2, 206-1, 419-1, 414-2, 416-2, 417-2/3, 418-1	YES	YES	YES

## Annex 2 - Table of the coefficients used for environmental calculations

CONVERSION FACTORS						
CRITERIA ADOPTED		RIF.	U.M.	CONVERSION FACTOR	SOURCES	
GAS OIL	The following description is applied to determine the CO2 emissions deriving from the combustion of diesel fuel during the reference period (calendar year). The amount of fuel used is expressed in terms of energy content (TJ) and therefore the basic calculation formula is: $Ton / CO_2 = (t \text{ of diesel oil} \times PCI \times \text{Emission factor} \times \text{Oxidation factor}) \times 0.000001$ . Where: the amount of diesel is given by the purchase invoices. The other data are extracted from the table of national Irish parameters	DENSITY	t/l	0,845	SOURCE: <a href="https://www.seai.ie/resources/seai-statistics/conversion-factors/">https://www.seai.ie/resources/seai-statistics/conversion-factors/</a>	
		LCV	MJ/t	43,308		
		EMISSION FACTOR	TCO <sub>2</sub> /TJ	73,300		
		OXIDATION FACTOR	COEFF.	1,000		
NATURAL GAS	What is described below is used to determine the volume of CO2 in relation to the electricity purchased regardless of how this is used. The amount of fuel used is expressed in terms of energy content (TJ) and therefore the basic calculation formula is: $Ton / CO_2 = (Sm^3 \text{ of gas} \times PCI \times \text{Emission factor} \times \text{Oxidation factor}) \times 0.000001$ . Where the amount of gas used is derived from the invoice data The other data are retrieved from the table of the national parameters  For Italy, they are notified by the Ministry of Environment (Emission Trading Directive)	LCV	GJ/1000Sm <sup>3</sup>	35,134	Publication by the Ministry of the Environment and the Protection of the Territory and the Sea: <a href="http://www.minambiente.it/sites/default/files/archivio/allegati/emission_trading/Tabella_coeficiente_standard_nazionali_31122017.pdf">http://www.minambiente.it/sites/default/files/archivio/allegati/emission_trading/Tabella_coeficiente_standard_nazionali_31122017.pdf</a>	
		EMISSION FACTOR	TCO <sub>2</sub> /TJ	55,897		
		OXIDATION FACTOR	COEFF.	1		
		PCI Serbia	GJ/1000Sm <sup>3</sup>	33,33835	AERS Serbia <a href="http://www.aers.rs/Index.asp?i=2&amp;a=662">http://www.aers.rs/Index.asp?i=2&amp;a=662</a> specifically file excel: Kalkulator-PrimerSvodjenja	
		Turn. Emiss. Serbia	TCO <sub>2</sub> /TJ	56,100	IPCC (2006 IPCC Guidelines for National Greenhouse Gas Inventory)  <a href="http://www.sinanet.isprambiente.it">www.sinanet.isprambiente.it</a> Specifically Factors electricity emission production and consumption _2014-1 file excel n.11 Average Value Natural Gas, IPCC'06	
ELECTRIC POWER	What is described below is used to determine the volume of CO2 in relation to the electricity purchased regardless of how this is used. The specific quantity of CO2 grams related to 1 kWh (as provided by the grid or by recognized standards) needs to be calculated. Through these benchmarks the amount of electricity-produced CO2 is determined. The formula will then be: (amount of purchased energy in kWh x conversion factor) x 0.000001.)	CONV. COEFF	gCO <sub>2</sub> / kWh	ITALIA	Market based 465,11	<a href="https://www.ecohz.com/wp-content/uploads/2017/05/AIB_2016_Residual_Mix_Results.pdf">https://www.ecohz.com/wp-content/uploads/2017/05/AIB_2016_Residual_Mix_Results.pdf</a>
					Location based 332	<a href="http://www.sinanet.isprambiente.it/it/sia-ispra/serie-storiche-emissioni/national-inventory-report/at_download/file">http://www.sinanet.isprambiente.it/it/sia-ispra/serie-storiche-emissioni/national-inventory-report/at_download/file</a>
				SERBIA	Market based 724	<a href="http://www.iea.org">http://www.iea.org</a> (2010)
					Location based 724	<a href="http://www.iea.org">http://www.iea.org</a> (2010)
				IRELAND	Market based 761,08	<a href="https://www.ecohz.com/wp-content/uploads/2017/05/AIB_2016_mix_Mix_Results.pdf">https://www.ecohz.com/wp-content/uploads/2017/05/AIB_2016_mix_Mix_Results.pdf</a>
					Location based 483	<a href="https://www.seai.ie/resources/publications/Energy-in-Ireland-1990-2016-Full-report.pdf">https://www.seai.ie/resources/publications/Energy-in-Ireland-1990-2016-Full-report.pdf</a>
TRANSPORTS	Transformation from km to gCO <sub>2</sub>	FROM KM TO GCO <sub>2</sub>	GCO <sub>2</sub> / KM	712	ANPA Publication (Agenize National environmental protection) CO2 emission for transportation: 712 gCO <sub>2</sub> /km.	
ADESIVE	Transformation from mg to kg	COEFF.	KG/MQ	0,107	Specific weight	
RAW MATERIAL		CONV. COEFF.	TCO <sub>2</sub> / ton. Carta prod.	Board 0,936	ETS data provided by suppliers or maximum value recorded in the table	
				Paper 0,571		
				adhesive 0,936		
CARBON PRICE	Currency Exchange	CHANGE COEFF.	Euro/\$	1,13	Carbon price value deduced from the last edition of Report of Word Bank Group - State and Trends of Carbon Pricing	

## ANNEX 3 - Correlation table of the Report with the 10 principles UN Global Compact

AREA	PRINCIPLE GLOBAL COMPACT PRINCIPLE	GRI INDICATOR
HUMAN RIGHTS	<b>Principle 1</b> Businesses should support and respect the protection of internationally proclaimed human rights in their respective spheres of influence.	103-2, 412-2, 413-1 414-2
	<b>Principle 2</b> Businesses should make sure that they are not complicit in human rights abuses, not even indirectly.	
LABOUR	<b>Principle 3</b> Businesses should uphold the freedom of association of employees and the effective recognition of the right to collective bargaining	
	<b>Principle 4</b> Businesses should uphold the elimination of all forms of forced and compulsory labour	102-8, 102-41, 401-1, 401-3, 404-3, 405-1, 405-2, 406-1
	<b>Principle 5</b> Businesses should uphold the effective abolition of child labour	
	<b>Principle 6</b> Businesses should uphold the elimination of discrimination in respect of employment and occupation.	
ENVIRONMENT	<b>Principle 7</b> Businesses should support a precautionary approach to environmental challenges	201-2, 301-1, 301-2, 302-1, 302-4, 303-1, 305-1, 305-2, 305-3, 305-4, 305-5
	<b>Principio 8</b> Businesses should undertake initiatives to promote greater environmental responsibility	
	<b>Principle 9</b> Businesses should encourage the development and diffusion of environmentally friendly technologies.	
ANTICORRUPTION	<b>Principle 10</b> Businesses should work against corruption in all its forms, including extortion and bribery	102-16, 205-1, 205-2, 205-3, 413-2, 415-1

## Annex 4 – Life Cycle Assessment (LCA)

LCA assess, in a systematic way, the environmental aspects and impacts of a system or multiple production systems, from the extraction of raw materials and resources to their final disposal, in accordance with the objectives and the scope defined.

The study of LCA was performed on each of the Group's plants.

The following environmental aspects were identified and taken into account:

- 1) Greenhouse gas emissions due to the transportation of raw materials, products and waste (indirect emissions);
- 2) Greenhouse gas emissions due to the processing of raw materials getting into to the production cycle (indirect emissions);
- 3) Greenhouse gas emissions from the combustion of natural gas in the plants (direct and controllable emissions);
- 4) Greenhouse gas emissions from the production of electricity needed in the plants (direct and controllable emissions);
- 5) Water consumption;
- 6) Waste and scrap generated from raw materials (paper, cardboard and by-products). This aspect, albeit indirectly, impacts the consumption of raw materials;
- 7) Production of liquid waste

### Life cycle Inventory LCI

At this stage was carried out data collection relating to the three years in question for each factory included within the system. All data, whether they are measured, calculated or estimated, were used to quantify the elements input to the limits chosen for reporting.

Greenhouse gas emissions from the transport of raw materials, products and waste

The data used included:

List of incoming trips (for the procurement of paper and cardboard as raw materials) and outgoing trips from the plant in Pontedera

List of all incoming trips (for the procurement of paper and cardboard as raw materials) and outgoing trips from the two plants in Vicenza (Dueville and Thiene);

List of incoming trips (for the procurement of paper and cardboard as raw materials) and outgoing trips from the plant in Vršac ;

List of incoming trips (for the procurement of paper and cardboard as raw materials) and outgoing trips from the plant in Tullamore;

### Greenhouse gas emissions from the processing of incoming materials (paper, cardboard and their derivatives)

We used the last three years data containing the quantities of raw materials entering in each plant in detail, the following incoming materials were identified:

- Cardboard for folding cartons;
- Paper for information leaflets;
- Self-adhesive labels for stickers;

### Greenhouse gas emissions from the consumption of natural gas for premises heating

For each plant, we used the natural gas consumption (invoices) for the last three years.

### Greenhouse gas emissions from the consumption of electricity

We used data on energy consumption of each plant (invoices) for the last three years.

### Water Consumption

We used data on water consumption (invoices) for the last three years

### Production of waste and scraps from the raw material (paper, cardboard and derivatives).

We used the last three years data of the quantities of raw material (paper, cardboard and derivatives) coming into the plants and the production of waste and scraps of paper and cardboard products in each factory (MUD/ PO)

### Production of liquid waste

We used the quantities of liquid waste produced at each plant in the last three years (annual declaration of production waste e.g. MUD for the Italian plants).

The following types of waste were taken into consideration:

- CER 08 01 20: water suspensions containing paint or varnish
- CER 08 03 13: waste ink;
- CER 08 04 16: glue wash;
- CER 09 01 01: water-based developer and activator solutions;
- CER 16 10 01: aqueous liquid waste.

## Annex 5 - Life Cycle Impact Assessment (LCIA)

The results emerged from the inventory cycle life have been correlated with specific environmental categories through the use of indicators of impact category, which represent in a quantifiable way the category concerned. After the impact categories and the related indicators have been selected, the LCI results have been converted using the characterisation factors, obtaining the results of the different category indicators.

The sum of the contributions relating to each category allows obtaining the profile LCIA, which has the purpose of providing information regarding the environmental factors, associated with the input and output flows of the system chosen.

### Impact categories selection

The environmental categories proposed by the Society of Environmental Toxicology and Chemistry (SETAC Europe) in its "Working Group on LCIA" are listed below:

- Extraction of abiotic resources: these types of resources includes three different types of natural elements:
  - Non-renewable resources (fossil fuels or minerals);
  - resources (groundwater, sand and gravel);
  - Renewable resources (surface water, solar energy, wind energy, etc.).
- Extraction of biotic resources: including biomass harvested in sustainable modes as well as in unsustainable ways (deforestation)
- Land use: reduction of plant and animal species present in a given territory.
- Global Warming: increase in temperature in the lower atmosphere as a result of the presence of greenhouse gases that trap infrared radiation.
- Depletion of ozone layer: a consequent increase in the incidence of ultraviolet rays, which are harmful to humans and to all ecosystems in general.
- Eco-toxicity: impacts on species and ecosystems due to direct emissions or subsequent degradation of the products.
- Human toxicity: due to the presence of chemical or biological substances emitted into the environment
- Photochemical pollution: caused by the formation of tropospheric ozone following the reactions of volatile organic components in the presence of light and NOX.
- Acidification: release of protons (H +) in aquatic and terrestrial ecosystems.
- Eutrophication: due to an excess of nitrates, phosphates, organic substances and nutrients.

### Classification

Now that the effects and potential harm of emissions on human health and the environment are known, the results from the inventory phase of the life cycle can be associated with one or more categories of impact.

### Characterisation

In this phase we obtain the quantification of the impact generated. The data in the inventory are transformed into indicators of numeric character, thus determining the relative contribution of each individual substance or resource used.

Application to the Palladio Group

Referring to the results from the inventory phase of the life cycle, the relevant impact categories are listed below:

- emissions of greenhouse gases have been linked to the category GLOBAL WARMING;
- water consumption has been associated with the category EXTRACTION OF ABIOTIC RESOURCES
- the production of waste and therefore, even indirectly, the consumption of paper and cardboard has been associated with the category EXTRACTION OF BIOTIC RESOURCES
- the production of liquid waste has been associated with the category ECOTOXICITY.

### Total Global Warming and comparison between the group's plants

Following the classification, the greenhouse gas emissions have been associated with this category of impact resulting from:

- Transportation of raw materials, products and waste;
- Processing of the incoming paper material;
- Consumption of natural gas;
- Consumption of electric power.
- Consumption of heating oil.



## 19. CERTIFICATIONS

### 19.1 Certification of financial statements Palladio Group (pag.1/3)



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#### Relazione della società di revisione indipendente ai sensi dell' art. 14 del D. Lgs. 27 gennaio 2010, n. 39

Agli Azionisti della  
Palladio Group S.p.A.

#### Relazione sulla revisione contabile del bilancio d'esercizio

##### Giudizio

Abbiamo svolto la revisione contabile del bilancio d'esercizio della Palladio Group S.p.A. (la Società), costituito dallo stato patrimoniale al 31 dicembre 2017, dal conto economico e dal rendiconto finanziario per l'esercizio chiuso a tale data e dalla nota integrativa.

A nostro giudizio, il bilancio d'esercizio fornisce una rappresentazione veritiera e corretta della situazione patrimoniale e finanziaria della Società al 31 dicembre 2017, del risultato economico e dei flussi di cassa per l'esercizio chiuso a tale data, in conformità alle norme italiane che ne disciplinano i criteri di redazione.

##### Elementi alla base del giudizio

Abbiamo svolto la revisione contabile in conformità ai principi di revisione internazionali (ISA Italia). Le nostre responsabilità ai sensi di tali principi sono ulteriormente descritte nella sezione *Responsabilità della società di revisione per la revisione contabile del bilancio d'esercizio* della presente relazione. Siamo indipendenti rispetto alla Società in conformità alle norme e ai principi in materia di etica e di indipendenza applicabili nell'ordinamento italiano alla revisione contabile del bilancio. Riteniamo di aver acquisito elementi probativi sufficienti ed appropriati su cui basare il nostro giudizio.

##### Responsabilità degli amministratori e del collegio sindacale per il bilancio d'esercizio

Gli amministratori sono responsabili per la redazione del bilancio d'esercizio che fornisca una rappresentazione veritiera e corretta in conformità alle norme italiane che ne disciplinano i criteri di redazione e, nei termini previsti dalla legge, per quella parte del controllo interno dagli stessi ritenuta necessaria per consentire la redazione di un bilancio che non contenga errori significativi dovuti a frodi o a comportamenti o eventi non intenzionali.

Gli amministratori sono responsabili per la valutazione della capacità della Società di continuare ad operare come un'entità in funzionamento e, nella redazione del bilancio d'esercizio, per l'appropriatezza dell'utilizzo del presupposto della continuità aziendale, nonché per una adeguata informativa in materia. Gli amministratori utilizzano il presupposto della continuità aziendale nella redazione del bilancio d'esercizio a meno che abbiano valutato che sussistono le condizioni per la liquidazione della Società o per l'interruzione dell'attività o non abbiano alternative realistiche a tali scelte.

Il collegio sindacale ha la responsabilità della vigilanza, nei termini previsti dalla legge, sul processo di predisposizione dell'informativa finanziaria della Società.

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## Certification of financial statements Palladio Group (pag.2/3)



### Responsabilità della società di revisione per la revisione contabile del bilancio d'esercizio

I nostri obiettivi sono l'acquisizione di una ragionevole sicurezza che il bilancio d'esercizio nel suo complesso non contenga errori significativi, dovuti a frodi o a comportamenti o eventi non intenzionali, e l'emissione di una relazione di revisione che includa il nostro giudizio. Per ragionevole sicurezza si intende un livello elevato di sicurezza che tuttavia non fornisce la garanzia che una revisione contabile svolta in conformità ai principi di revisione internazionali (ISA Italia) individui sempre un errore significativo, qualora esistente. Gli errori possono derivare da frodi o da comportamenti o eventi non intenzionali e sono considerati significativi qualora ci si possa ragionevolmente attendere che essi, singolarmente o nel loro insieme, siano in grado di influenzare le decisioni economiche degli utilizzatori prese sulla base del bilancio d'esercizio.

Nell'ambito della revisione contabile svolta in conformità ai principi di revisione internazionali (ISA Italia), abbiamo esercitato il giudizio professionale e abbiamo mantenuto lo scetticismo professionale per tutta la durata della revisione contabile. Inoltre:

- abbiamo identificato e valutato i rischi di errori significativi nel bilancio d'esercizio, dovuti a frodi o a comportamenti o eventi non intenzionali; abbiamo definito e svolto procedure di revisione in risposta a tali rischi; abbiamo acquisito elementi probativi sufficienti ed appropriati su cui basare il nostro giudizio. Il rischio di non individuare un errore significativo dovuto a frodi è più elevato rispetto al rischio di non individuare un errore significativo derivante da comportamenti o eventi non intenzionali, poiché la frode può implicare l'esistenza di collusioni, falsificazioni, omissioni intenzionali, rappresentazioni fuorvianti o forzature del controllo interno;
- abbiamo acquisito una comprensione del controllo interno rilevante ai fini della revisione contabile allo scopo di definire procedure di revisione appropriate nelle circostanze, e non per esprimere un giudizio sull'efficacia del controllo interno della Società;
- abbiamo valutato l'appropriatezza dei principi contabili utilizzati nonché la ragionevolezza delle stime contabili effettuate dagli amministratori e della relativa informativa;
- siamo giunti ad una conclusione sull'appropriatezza dell'utilizzo da parte degli amministratori del presupposto della continuità aziendale e, in base agli elementi probativi acquisiti, sull'eventuale esistenza di una incertezza significativa riguardo a eventi o circostanze che possono far sorgere dubbi significativi sulla capacità della Società di continuare ad operare come un'entità in funzionamento. In presenza di un'incertezza significativa, siamo tenuti a richiamare l'attenzione nella relazione di revisione sulla relativa informativa di bilancio ovvero, qualora tale informativa sia inadeguata, a riflettere tale circostanza nella formulazione del nostro giudizio. Le nostre conclusioni sono basate sugli elementi probativi acquisiti fino alla data della presente relazione. Tuttavia, eventi o circostanze successivi possono comportare che la Società cessi di operare come un'entità in funzionamento;
- abbiamo valutato la presentazione, la struttura e il contenuto del bilancio d'esercizio nel suo complesso, inclusa l'informativa, e se il bilancio d'esercizio rappresenti le operazioni e gli eventi sottostanti in modo da fornire una corretta rappresentazione.

Abbiamo comunicato ai responsabili delle attività di governance, identificati ad un livello appropriato come richiesto dai principi di revisione internazionali (ISA Italia), tra gli altri aspetti, la portata e la tempistica pianificate per la revisione contabile e i risultati significativi emersi, incluse le eventuali carenze significative nel controllo interno identificate nel corso della revisione contabile.

## Certification of financial statements Palladio Group (pag.3/3)

**Relazione su altre disposizioni di legge e regolamentari****Giudizio ai sensi dell'art. 14, comma 2, lettera e), del D. Lgs. 27 gennaio 2010, n. 39**

Gli amministratori della Palladio Group S.p.A. sono responsabili per la predisposizione della relazione sulla gestione della Palladio Group S.p.A. al 31 dicembre 2017, inclusa la sua coerenza con il relativo bilancio d'esercizio e la sua conformità alle norme di legge.

Abbiamo svolto le procedure indicate nel principio di revisione (SA Italia) n. 720B al fine di esprimere un giudizio sulla coerenza della relazione sulla gestione con il bilancio d'esercizio della Palladio Group S.p.A. al 31 dicembre 2017 e sulla conformità della stessa alle norme di legge, nonché di rilasciare una dichiarazione su eventuali errori significativi.


A nostro giudizio, la relazione sulla gestione è coerente con il bilancio d'esercizio della Palladio Group S.p.A. al 31 dicembre 2017 ed è redatta in conformità alle norme di legge.

Con riferimento alla dichiarazione di cui all'art. 14, c.2, lettera e), del D. Lgs. 27 gennaio 2010, n. 39, rilasciata sulla base delle conoscenze e della comprensione dell'impresa e del relativo contesto acquisite nel corso dell'attività di revisione, non abbiamo nulla da riportare.

Verona, 12 aprile 2018

EY S.p.A.  
  
Ilaria Faedo  
(Socio)

## 19.2 Certification of financial statements Ireland (pag.1/2)



**Palladio Ireland Packaging Solutions Limited**  
**DIRECTORS' REPORT**  
 for the year ended 31 December 2017

The directors present their report and the audited financial statements for the year ended 31 December 2017.

**Principal Activity and Review of the Business**  
 The principal activity of the company is the manufacture and distribution of pharmaceutical packaging materials (folding cartons) and the provision of an overlabeling service. The company operates from a premises at IDA Business and Technology Park, Srah, Tullamore, Co. Offaly.

There has been no significant change in these activities during the year ended 31 December 2017. Despite difficult economic conditions the company is reporting a 10.45% increase in turnover and a 15.42% increase in profits before taxation for the year ended 31 December 2017.

**Results and Dividends**  
 The profit for the year after providing for depreciation and taxation amounted to €498,484 (2016 - €435,508).

The directors have paid a final dividend amounting to €400,000.

At the end of the year, the company has assets of €2,249,981 (2016 - €2,074,290) and liabilities of €231,087 (2016 - €153,880). The net assets of the company have increased by €98,484.

During the year ended 31 December 2017 the directors approved a final dividend payment of €400,000 from accumulated reserves as at 31 December 2016. This amount is fully paid at 31 December 2017. The directors recommend payment of a final dividend amounting to €270,000 for the year ended 31 December 2017. The dividend will be paid by September 2018 and is subject to change in accordance with the distributable reserves available at that date.

**Directors and Secretary**  
 The directors who served throughout the year, except as noted, were as follows:

Mauro Marchi  
 Gianpietro Gonzo  
 Anna Marchi  
 Emanuela Marchi  
 Valeria Marchi

The secretary who served throughout the year was Mauro Marchi.

There were no changes in shareholdings between 31 December 2017 and the date of signing the financial statements.

In accordance with the Articles of Association, the directors are not required to retire by rotation.

**Future Developments**  
 The company plans to continue its present activities and increase trading levels.

**Post Balance Sheet Events**  
 There have been no significant events affecting the company since the year-end.


**Political Contributions**  
 The company did not make any disclosable political donations in the current year.

**Auditors**  
 The auditors, Byrne Casey & Associates, (Chartered Accountants) have indicated their willingness to continue in office in accordance with the provisions of section 383(2) of the Companies Act 2014.

**Taxation Status**  
 The company is a close company within the meaning of the Taxes Consolidation Act, 1997.

**Statement on Relevant Audit Information**  
 There is no relevant audit information of which the statutory auditors are unaware. The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and they have established that the statutory auditors are aware of that information.

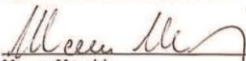

## Certification of financial statements Ireland (pag.2/2)



**Palladio Ireland Packaging Solutions Limited**  
**DIRECTORS' REPORT**  
for the year ended 31 December 2017


**Accounting Records**  
To ensure that adequate accounting records are kept in accordance with sections 281 to 285 of the Companies Act 2014, the directors have employed appropriately qualified accounting personnel and have maintained appropriate computerised accounting systems. The accounting records are located at the company's office at IDA Business & Technology Park, Srah, Tullamore, Co. Offaly, R35 NN59.

Signed on behalf of the board

 Mauro Marchi Director 9 March 2018	 Gianpietro Gonzo Director 9 March 2018
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## 19.2 Certification of financial statements Palladio East



**EY**  
Building a better  
working world

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11070 Beograd, Srbija

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Fax: +381 11 2095 891  
ey.com/rs

*This is English translation of the Report  
originally issued in Serbian language  
(For management purposes only)*

**INDEPENDENT AUDITORS' REPORT**

**TO THE OWNERS OF  
PALLADIO EAST DOO VRŠAC**

We have audited the accompanying financial statements of Palladio east doo Vrsac (hereinafter: the Company), which comprise the balance sheet as at 31 December 2017, and the income statement, statement of other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Law on Accounting and other accounting regulations in the Republic of Serbia, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing applicable in the Republic of Serbia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

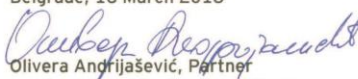
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.


**Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2017, and of its financial performance and its cash flows for the year then ended in accordance with the Law on Accounting and other accounting regulations in the Republic of Serbia.

Belgrade, 16 March 2018



Olivera Andrijašević, Partner  
and for Ernst & Young d.o.o. Beograd



Danijela Mirković  
Authorized Auditor

PIB: 101824091 • Matični broj: 17155270 • Uplaćen i unet osnovni kapital: 15.075,01 EUR  
 Registar: broj 47839 kod Agencije za privredne registre  
 Poslovni račun: 160-0000000399176-13 kod Banke Intesa a.d. Beograd

## 19.3 Sustainability Report SGS certification (pag.1/2)



## ASSURANCE STATEMENT

**STATEMENT OF PALLADIO GROUP 2017 SUSTAINABILITY REPORT**

SGS Italia S.p.A. ( SGS ) was commissioned to conduct an independent assurance of Palladio Group ( Palladio ) 2017 Sustainability Report.

The information in the document is the exclusive responsibility of Palladio.

SGS Italia S.p.A. expressly disclaims any liability or co-responsibility in the preparation of any of the material included in this document or in the process of collection and treatment of the data therein.

Palladio is responsible for the identification of stakeholders and material issues and for defining objectives with respect to sustainability performance.

SGS affirms its independence from Palladio, being free from bias and conflict of interests with the Organization, its subsidiaries and Stakeholders.

**Responsibilities and Scope of Assurance**

The responsibility of SGS is to express an opinion concerning the text, the qualitative and quantitative information, the graphs, the tables and the statements included in the Sustainability Report, within the below mentioned assurance scope, with the purpose to inform all the Interested Parties.

The scope of assurance agreed with Palladio includes the verification of following aspects:

- review of the Group approach to materiality analysis and stakeholder engagement processes and initiatives;
- evaluation of the 2017 Sustainability Report against the Global Reporting Initiative Guidelines (GRI Standards), with reference to the 'in accordance' *Core* option;
- Verification of the accuracy and reliability of data.

**Assurance methodology and limitations**

The verification process started from materiality analysis and stakeholder engagement methodology validation activities and was performed through examination of records and documents, interviews with personnel and management and analysis of policies, procedures and practices adopted within the organization. The texts, graphs and tables included in the Report were verified by selecting, on a sample basis, qualitative and/or quantitative information to confirm the accuracy and to follow the process of data elaboration and synthesis.

Audit activities were carried out during April 2018 at Palladio site and Head Quarters in Dueville ( VI - Italy ) and at plant in Thiene (VI) and they refer to data and performance of the whole Group.

The audit team was assembled based on their technical know-how, experience and the qualifications of each member in relation to the various dimensions assessed.

Financial data are drawn directly from the Palladio Consolidated Financial Statements at 31 December 2017, already certified by the auditing firm.

### Sustainability Report SGS certification (pag.2/2)

#### Statement of conclusion

On the basis of the auditing activities performed, the data included in the 2017 Sustainability Report were balanced and traceable; personnel and management were able to reliably demonstrate the origin and interpretation of the data.

The verification process confirmed that the Report was prepared based on rigorous processes; SGS confirms the completeness, reliability and accuracy of the information contained in 2017 Sustainability Report is confirmed, which represents a significant synthesis of the activities carried out by the Palladio Group as well as an essential tool for communication with Stakeholders. We believe that Palladio 2017 Sustainability Report tackles in a complete and transparent manner themes considered "material" for the organization and its stakeholders, describing the materiality process and the internal analysis for the determination of the material aspects and their relevance in terms of sustainability.

With reference to the approach of the Group to materiality analysis and stakeholder engagement processes and initiatives, the Audit team provides the following opinion:

- In 2017, the materiality analysis evolved and the Company identified the new material topics that reflect the relevance and evolution of sustainability issues in relation to the context in which the group operates;
- the stakeholder engagement and the sustainability targets, demonstrate in a tangible way the integration of sustainability issues in the Group's strategy.

With reference to the GRI Standards indicators, the completeness and accuracy of KPIs reporting has been verified.

Sustainability, perceived as a business priority, is extensively applied both through internal policies and in the responsible management of the supply chain.

SGS confirms the adherence of the Palladio 2017 Sustainability Report to the GRI-G4 requirements according to the option 'in accordance' *Core*.

Milan, April 2018

#### SGS Italia S.p.A.

*Paola Santarelli*  
Consumer and Retail Services  
Certification and Business Enhancement  
Business Manager



*Laura Ligi*  
Consumer and Retail Services  
Certification and Business Enhancement  
Project Leader





## 20. Explanatory table of the contents of Report (GRI STD)

The 2017 Sustainability Report of the Palladio Group was drawn up in accordance with the GRI Standard, “Core” option.

The table below shows the Group's information based on the GRI standards with reference to the materiality analysis of Palladio Group.

For each indicator, the relevant page number of this Sustainability Reports indicated.

GRI STD	INDICATOR'S TITLE	PAGE	NOTES
102-1	Name of the organization.	5-13	
102-2	Primary brands, products, and/or services.		
102-3	Location of organization's headquarters.		
102-4	Number of countries where the organization operates,		
102-5	Nature of ownership and legal form.		
102-6	Markets served		
102-7	Dimensions of the organisation.		
102-8	Number of employees per contract type, region e type	52, 75, 76	
102-9	Percentage of employees covered by collective bargaining agreements	33-36, 78, 79	
102-10	Description of the supplier chain		
102-11	Significant changes during the reporting period regarding	16-17	
102-12	Explanation of the precautionary approach application		
102-13	Codes of conduct Underwriting		
102-14	Statement by the CEO and commitment to respect the principles of the U.N. Global Compact	1-3	
102-15	Description of the main impacts, risks and opportunities.		
102-16	Values, principles, standards and rules of behaviour	18	
102-17	Warning mechanisms and doubts related to ethics	19	
102-18	Organization governance structure	15	
102-40	List of stakeholder groups involved in the organization's engagement activities	25-29	
102-41	Percentage of employees covered by collective bargaining agreements	52, 62	
102-42	Basis for identification and selection of stakeholders with whom to undertake engagement activities	25-29	
102-43	Approach of stakeholder's engagement activities, including frequency of engagement by type and by stakeholder group		
102-44	Key topics and criticalities		
102-45	Companies included in the consolidated financial statements and an indication of the companies included in the report	21	
102-46	Process of defining report content		
102-47	List of aspects identified as material	22	
102-48	Explanation of the effects of changes in calculations		
102-49	Significant changes from the previous reporting period		
102-50	Reporting period.	71	

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102-51	Date of most recent previous report.		
102-52	Reporting cycle (annual, biennial, etc.).		
102-53	Contacts and useful addresses to request information on the sustainability report and its contents		
102-54	Indication of the chosen option "In accordance"		
102-55	Index of the GRI content		
102-56	Report 's external Assurance		
103-1	Explanation of the material matter and its boundary	22	
103-2	Managerial approach and its components	30-31, 33-36, 39, 41, 51-52, 61, 65-66,	
103-3	Assessment of the Managerial approach		
201-1	Economic value generated and distributed	39, 75	
201-2	Financial implications and other risks and opportunities for the organization's activities due to climate change	40, 75	
201-3	Coverage of the pension plans defined by the organisation		
201-4	Significant financial assistance received from government.	67, 75	
202-1	Range of ratios of standard entry level wage by gender compared to local minimum wage.	41, 75	
202-2	Percentage of senior management hired from the local community.		
203-1	Infrastructures and services provided	39	
203-2	Main indirect economic impacts		
204-1	Percentage of expenditure concentrated on local suppliers	33-36	
205-1	Operation analysed for risks related to corruption	66-67	
205-2	Communication and training on anti-corruption procedures and policies	57-60	
205-3	Accidents related to corruption and actions taken	66-67, 76	
206-1	Legal actions for anti-competitive behaviour, antitrust and monopolistic practices	66-67, 73	
301-1	Raw Materials used by weight or volume.	33-36, 79	
301-2	Percentage of raw materials used that are recycled input materials.		
301-3	Products and their packing materials that are reused		
302-1	Energy consumption within the organization	47, 79	
302-2	Energy consumption outside the organization	-	Not accounted for
302-3	Energetic Intensity	47, 79	
302-4	Reduction of energy consumption		
302-5	Reduction of energy consumption of products and services		
303-1	Total water withdrawn by source	48-49, 80	
303-2	Water sources significantly affected by withdrawal of water		
303-3	Percentage and total volume of water recycled and reused.		
304-1	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	36	
304-2	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.		
304-3	Habitats protected or restored.		
304-4	Number of species of IUCN Red List and species in the national conservation lists with habitats in areas affected by operations, broken down by level of extinction risk		
305-1	Direct GHG Emissions (Scope 1)	44-46, 80-	

305-2	Indirect GHG Emissions (Scope 2)	81	
305-3	Other Indirect GHG Emissions (Scope 3)		
305-4	Intensity of GHG emissions		
305-5	Reduction of the GHG Emissions		
305-6	Emissions of substances that damage the ozone layer (ODS)	-	Not accounted for
305-7	NO, SO, and other significant emissions	-	Not accounted for
306-1	Total water discharge by quality and destination.	48, 80	
306-2	Total weight of waste by type and disposal method.		
306-3	Total number and volume of significant spills.		
306-4	Hazardous waste transport		
306-5	Water structures affected by discharges and / or outflow	48	
307-1	Non-conformities with environmental laws and regulations	73	
308-1	New suppliers assessed on the ground of environmental criteria	33-36, 78	
308-2	negative environmental impacts in the supply chain and actions taken	73	
401-1	total number of hiring and turnover rate	52-53, 76, 77, 78	
401-2	Benefit given to full time employees that are not given to short term or part-time employees		
401-3	Parental leave		
402-1	Minimum notice period(s) regarding significant operational changes	52-53	
403-1	Percentage of total workforce represented in formal joint management-worker health and safety committees	54-55, 77, 78	
403-2	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities		
403-3	Workers with a high incidence or high risk of accident or occupational disease		
403-4	Health and safety topics covered in formal agreements with trade unions		
404-1	Average hours of training per year per employee	57-60, 77	
404-2	Programs for skills management and career endings.		
404-3	Percentage of employees receiving regular performance and career development reviews.		
405-1	Composition of the governing bodies and employees breakdown	53	
405-2	Ratio between male and female basic salary		
406-1	Accidents on discrimination and actions taken	61	
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining can be at risk	62	
408-1	Operations and suppliers at significant risk for accidents on child labour	62	
409-1	Operations and suppliers at significant risk for accidents on forced or compulsory labour	62	
410-1	Safety personnel who have received training on human rights procedures and policies	-	Not accounted for
411-1	Number of violations involving rights of indigenous people and actions taken	36	
412-1	Number and percentage of operational areas subjected to screening on human rights	63	
412-2	Employees training on human rights policies and procedures	54-55, 77	
412-3	Significant investment agreements and contracts that include human rights clauses or that are subject to evaluation	33-36	
413-1	Operation with implementation of local community involvement programs, impact and development assessment	66	
413-2	Operational areas with actual or potential significant negative impacts on local communities		
414-1	New supplier assessed on the ground of social criteria	33-36, 66, 78	

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414-2	negative social impacts in the supply chain and actions taken	33-36, 73	
415-1	Political contributions	67	
416-1	Assessment of Health and safety impact of the products and services categories	31	
416-2	Non-conformities related to impacts on Health and safety of the products and services	73	
417-1	Requirements for information on products and services and labelling	73	
417-2	Non-conformities related to information on products and services and labelling	73	
417-3	Accidents of non-compliance related to marketing communications	73	
418-1	Complaints about breaches of customer privacy and loss of customer data	31, 73	
419-1	Failure to comply with social and economic laws and regulations	73	

## 22. Sustainability Report's Assessment Questionnaire




To allow all interested readers to express their opinion about the compliance of the Sustainability Report with the principles of guarantee and quality of the information provided in this edition, we have inserted the following questionnaire in order to receive any useful suggestions to clarify and improve the contents of these financial statements. The questionnaire can be completed and sent by e-mail to the following address: [info@palladiogroup.com](mailto:info@palladiogroup.com).

Thank you for your attention and time.

### 1) Indicate the belonging category of Stakeholders

- |   |  |
|---|--|
| <input type="checkbox"/> Shareholders     | <input type="checkbox"/> Suppliers                       |
| <input type="checkbox"/> Customer         | <input type="checkbox"/> Employees (specify plant) _____ |
| <input type="checkbox"/> Community        | <input type="checkbox"/> Institutions                    |
| <input type="checkbox"/> Business Partner | <input type="checkbox"/> Other                           |

### 2) Assessment of the current sustainability report

			
Completeness of information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Clarity of information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Transparency of information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Clarity of the results:			
- Economical	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
- Environmental	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
- Social	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### 3) To what extent this Sustainability Report has met your information needs?

### 4) Which information would you like to be deepening to improve next year's Sustainability Report?

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### 5) Do you believe that this Sustainability Report is a useful tool to gain a better knowledge of the Palladio Group business reality?

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### 6) Any other comment and/or suggestion?

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