



Communication on Progress United Nation Global Compact

Period covered: 30th June 2019_30th June 2020

Contents

Statement of continued support UNGC by the CEO	3
Lifebrain Group.....	4
Our history	5
Our Sustainability Governance.....	6
Our Sustainability Path	6
Stakeholders and Materiality.....	7
Description of the activities on the UNGC Ten Principles	10
Human Rights and Labour: for our people	10
Well Being at Work and professional development.....	13
Health and safety of workers.....	14
Environmental: combating the climate change and waste management	16
Anti-corruption	17
COP Principles and Criteria	20
Scope of COP	20
Material topics.....	22
Quality COP Principles	23
Calculation Methodologies.....	23
Annex.....	24
Content index.....	24

Statement of continued support UNGC

08th March 2021.

Dear Mr. Secretary-General,

this document represents our first Communication on Progress in terms of sustainability performance: we have prepared it with desire to share with all our stakeholders our achievements and our future sustainability commitments.

Our sustainability journey has been started on 2019 when we decided on a course of integrating sustainability in our business, with the same sense of responsibility with which we provide excellent service to all our stakeholder, who have chosen to entrust us with their health care.

In addition to our ongoing commitment to ensure excellence in health, for Lifebrain Group adopting sustainability also means giving the closest attention to our growing team of specialists, by fostering their well-being inside and outside the workplace, continually providing training and ensuring their health and safety at work.

In the same way, as part of our sustainability strategy, we started a process of monitoring and gradually reducing the environmental impact of our activities. Desiring to contribute to the global fight against climate change, during 2019 we engaged the entire Group in this process: from the adoption of strategic choices at central level on the type of energy supply, to encouraging our employees to opt for more sustainable transport choices.

To further strengthen and formalise our commitment to sustainability, in June 2019 we became a signatory of the United Nations Global Compact initiative, engaging the Group in implementing the ten sustainability principles of the United Nations and to take actions in support the Sustainable Development Goals (SDGs).

To do it, Lifebrain Group has been started a corporate culture change journey, renewing Mission and Vision Statement, and introducing the UNGC Tens Principles in its Ethic Code.

Although these are only the first steps in our sustainability journey, we are strongly convinced to reaffirms and to improve our support of Ten Principles of the United Nation Global Compact in the areas of Human Rights, Labour, Environmental and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its Principles into our business strategy, culture and daily operations sharing this information with our stakeholders using our primary channels of communication.

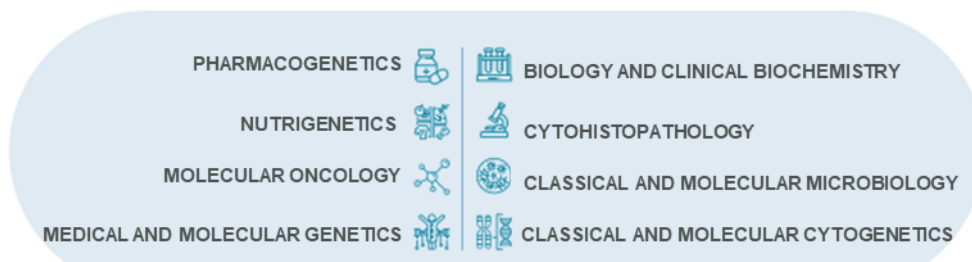
Sincerely yours,


Michael Havel
Lifebrain Group CEO

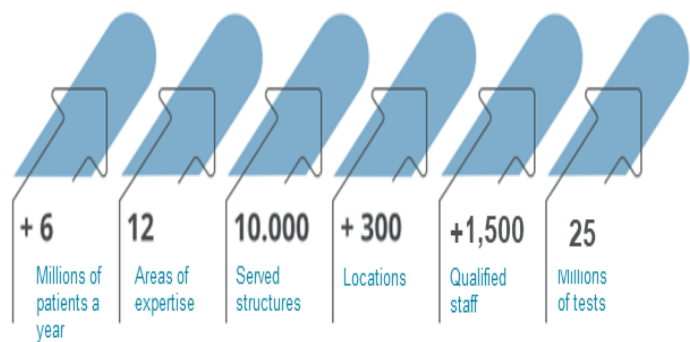
Lifebrain Group

Lifebrain is the leading Group in Italy in laboratory medicine for patients, healthcare facilities and companies. Founded in 2013 by Prof. Michael Havel and Dr. Bernard Auer, it is today the largest provider of clinical laboratory analysis in the field of clinical chemistry, hematology, immunochemistry, microbiology, molecular biology, cytology and pathology. In 2018, with the acquisition of the Laboratorio Giusto, the Lifebrain Group also entered the field of environmental and food analysis. In 2019 the Lifebrain Group strengthened its presence in 17 regions with over 320 locations. Thanks to its network of laboratories, the excellence of professional skills and the latest generation technologies, Lifebrain today represents the group of laboratories with the highest growth rate in Europe.

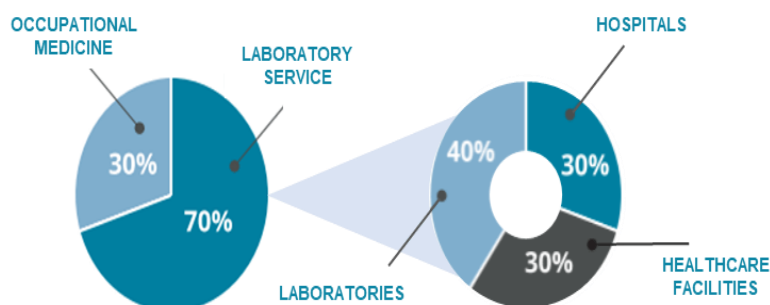
AREAS OF EXCELLENCE



NUMBERS



CORPORATE CLIENTS



Our history

2013: The Lifebrain Group was founded by Prof. Havel and Dr. Auer with the intention of creating a Central-European laboratory network, starting in Switzerland. The founders wanted to apply economies of scale to the fragmented health care markets through acquisition of medium-sized diagnostic laboratories throughout Europe.

2014: The Group entered the Italian market with the take-over of Laboratorio Analisi Guidonia in Lazio and its first acquisitions in Puglia.

2015: Through a series of acquisitions, the Lifebrain Group entered the markets of Emilia-Romagna, Basilicata, Liguria, Campania, Lombardy, Marche. The Group becomes the leading laboratory group in Lazio by further acquisition.

2016: The Group sold its Swiss activities and fully focused on the Italian market. The Lifebrain Group established 3 central hubs in North, Central and South Italy. With 145 locations already located throughout Italy, Lifebrain Group becomes the leading laboratory in Veneto and the second laboratory group in Italy.

2017: The Lifebrain Group expanded its network into 4 new regions, namely Piemonte, Sardinia, Abruzzo and Calabria spreading its presence to 15 regions and more than 200 locations.

2018: A fund managed by Investindustrial, a leading European group of independently management investment, holding and advisory companies, became the majority indirect shareholder of Lifebrain Group. The Group diversified its activities through the acquisition of Laboratorio Analisi Chimiche Dott. A. Giusto - Servizi Ambiente S.r.l., specialized in environmental and food testing. Moreover, the Group achieved revenue of Euro 100 million and expanded its presence in 16 regions with 270 locations. Since January 2018, Laboratorio Analisi Guidonia with Lazio Regional Resolution G18631 has become Lazio's reference hub of the Rete Romana Diagnostica.

2019: In 2019, with the expansion of its network in Umbria, the Lifebrain Group consolidates its presence in 16 regions with more than 300 locations and revenue of Euro 158 million (+1.6% compared to 2018).



Our Sustainability governance

The Lifebrain Group's governance is managed centrally at the headquarters of Tecnapolo in Rome, where all the Group's shared functions are located, except for Sales, HR, Quality and safety and Security of the environmental business sector, which is conducted in sub-headquarters in the province of Treviso.

The principles that have always guided the Group's business are honesty and compliance with Italian law, with reference to the health sector regulations in force in each region in which the Group operates. Moreover, among its core values, the Group is committed to guaranteeing the rights of its clients to access to high quality health-care services. These values and principles are defined in Lifebrain S.r.l.'s Code of Ethics, which is applicable in all the Group's companies and was updated in 2019 after it signed the United Nation Global Compact (for further details see § *Signing the United Nations Global Compact*). The Code of Ethics outlines the key elements on which the Group's identity and culture are based. It provides guidelines for future choices as well as the conduct standards for all Group collaborators in running their activities and company business.

In order to better organise its governance structure concerning the Group's sustainability strategy, in 2020 the Lifebrain Group intends to set up a Sustainability Committee, composed of delegates of each of the Group's departments and the Sustainability coordinator. The Sustainability Committee will be responsible for overseeing sustainability issues related to the Group's activities and stakeholder relations, such as the drafting of a sustainability policy and the analysis of non-financial risks related to climate change.

Our Sustainability Path

With the interest of the Group and its stakeholders at heart, in 2019, the Lifebrain Group began its sustainability journey focusing on:

- establishing a cross-functional Sustainability Department, to focus on the definition of its sustainability strategy, on monitoring and analysing sustainability performance, on managing the Group's relations with stakeholders;
- becoming a signatory to the United Nations Global Compact (UNGC) (for further details see § *Signing the United Nations Global Compact*);
- joining and supporting the Fondazione Global Compact Network Italia (Italian Global Compact Network Foundation);
- the renewal of the Group's Mission and Vision as reported in its Code of Ethics.



Lifebrain Group's present

Lifebrain Group aims at increasing its network to become a leader in Italy in the field of clinical, environmental and food testing, adopting a strategy of sustainability and creating value for shareholders and stakeholder.



Lifebrain Group's future

In a word that will be characterized by the affirmation of responsibility towards the community, we undertake the commitment to support the protection of health, food safety and the environment of our stakeholder by providing high value-added intersectoral testing solution everywhere.



Stakeholders and Materiality

In order to better structure its sustainability commitment and actions, Lifebrain Group identified its key stakeholders and its material sustainability topics, which reflect the Group's economic, environmental and social impact and issues that influence decisions of its stakeholders. The identification of stakeholder and material sustainability issues is a fundamental step in drawing up the Sustainability COP in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" ("GRI Standards" for short).

The Lifebrain Group stakeholders were mapped based on an analysis of the Group structure, its business activities, its value chain and of the Group relationship network. With the assistance of the Group's management, they were then classified based on their influence and dependency on the Group.

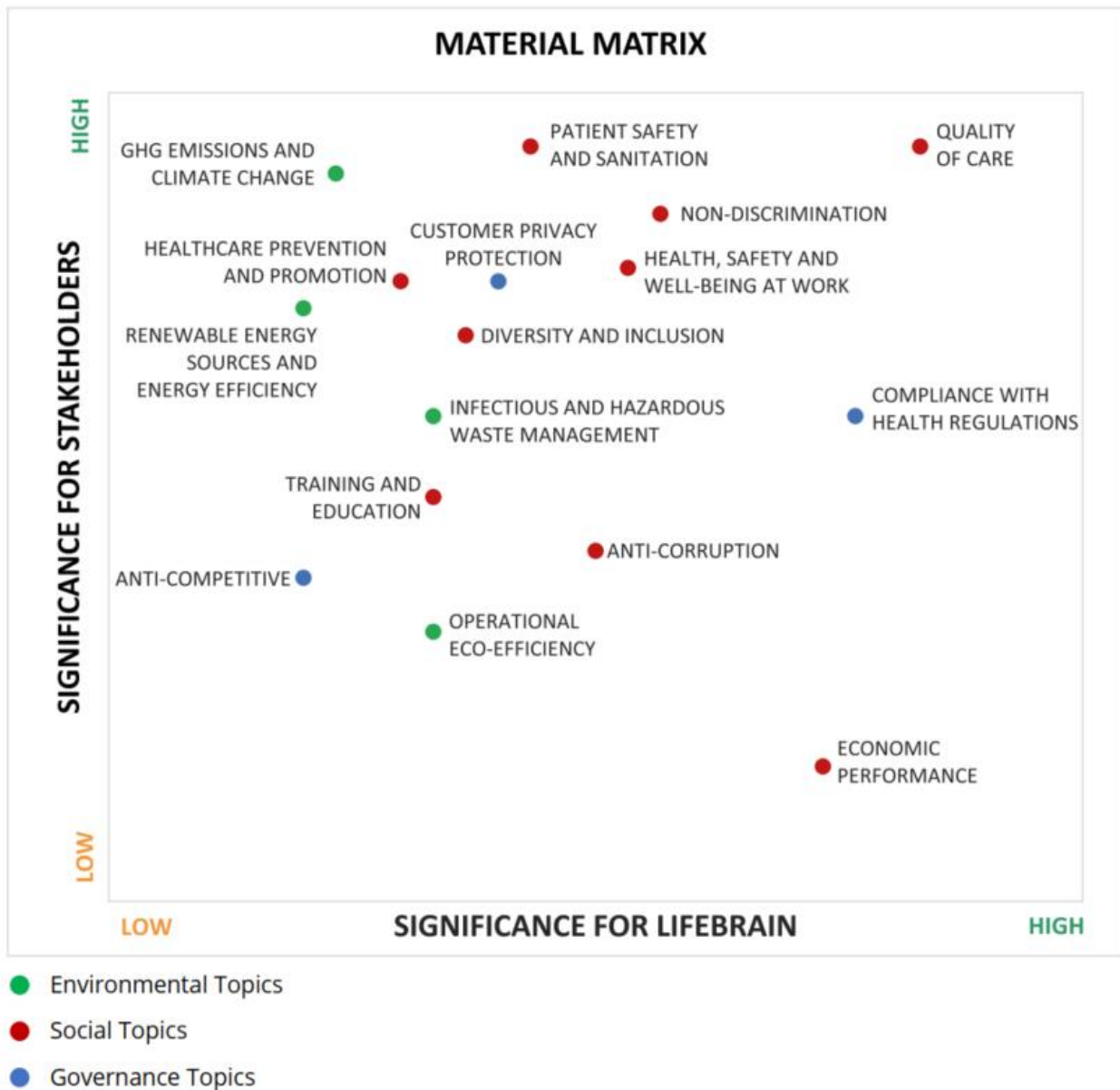


For the first edition of the COP, Lifebrain Group conducted a thorough analysis in two principal areas: the execution of preliminary desk analyses and consultation of the managerial functions. More specifically, to determine the relevance of the sustainability topics from the stakeholder perspective, the Group submitted a survey to a limited number of its employees, asking them to give an assessment of the sustainability topics' relevance, and conducted the following desk evaluations:

- a benchmark analysis of comparable Italian and international companies operating in the healthcare industry that enabled the Group to understand which sustainability topics are more often included in public documents;
- a sector analysis of sustainability pressures on the healthcare industry, by identifying those topics most often included in the publications of several international organisations (RobecoSam, SASB, etc.);
- an analysis of global sustainability trends, by mapping the sustainability topics most often considered by major international organisations (GRI, UNGC, etc.) and governmental institutions (EU, UN, etc.).

In order to determine the Lifebrain Group's principal sustainability impact, the Group asked top management to fill in a survey ranking the sustainability topics encompassing not only their personal perceptions, but also the formal Group's commitment with regard to the topics analysed, the Group priorities and the main areas of environmental, economic and social impact of the organisation.

The results of these analyses represent the Lifebrain Group's materiality matrix, which reflects the Group's economic, environmental and social impact, and the issues that may influence decisions of the key stakeholders identified. The results of these analyses represent the Lifebrain Group Materiality matrix, which reflects the



As a result of this materiality analysis, the relevant topics for both Lifebrain Group and its stakeholders are:

- **environmental** topics associated with operations' activities: Renewable energy sources and energy efficiency; GHG emissions and climate change; Operational eco-efficiency; Infectious and hazardous waste management;
- topics most closely related to **clients** and **services provided**: Patient' safety and sanitation; Quality of care; Customer Privacy Protection;
- topics related to **public health** and **local communities**: Healthcare prevention and promotion; Compliance with health regulations;
- topics linked to Lifebrain relations with its **workforce**: Diversity and Inclusion; Health, safety and well-being at work; Training and Education; Non-discrimination;
- topics associated to Lifebrain **governance** and **financial performance**: Economic performance; Anti-corruption; Anti-competitive behaviour.

• **Environmental topics associated with operations' activities**

7 AFFORDABLE AND CLEAN ENERGY



Renewable energy sources and energy efficiency

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Infectious and hazardous waste management

13 CLIMATE ACTION



GHG emissions and climate change

15 LIFE ON LAND



Operational eco-efficiency

• **Topics most closely related to clients and services provided:**

3 GOOD HEALTH AND WELL-BEING



Patient' safety and sanitation

3 GOOD HEALTH AND WELL-BEING



Quality of care

Not directly linked to SDGs

Customer Privacy Protection

• **Topics related to public health and local communities:**

3 GOOD HEALTH AND WELL-BEING



Healthcare prevention and promotion

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



Compliance with health regulations

• **Topics linked to Lifebrain relations with its workforce:**

5 GENDER EQUALITY



Diversity and Inclusion

8 DECENT WORK AND ECONOMIC GROWTH



Health, safety and well-being at work

8 DECENT WORK AND ECONOMIC GROWTH



Training and Education

10 REDUCED INEQUALITIES



Non-discrimination

• **Topics associated to Lifebrain governance and financial performance:**

8 DECENT WORK AND ECONOMIC GROWTH



Economic performance

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



Anti-corruption

Not directly linked to SDGs

Anti-competitive behaviour

Description of the actions

Human Rights and Labour- for our peoples

The Lifebrain Group recognises the fundamental and irreplaceable contribution of its people to the achievement of its success. Relationships and collaboration within its growing team are based on transparency, full respect of workers' rights, enhancement of professional development, the guarantee of a safe working environment and eliminating any discriminatory behaviour.

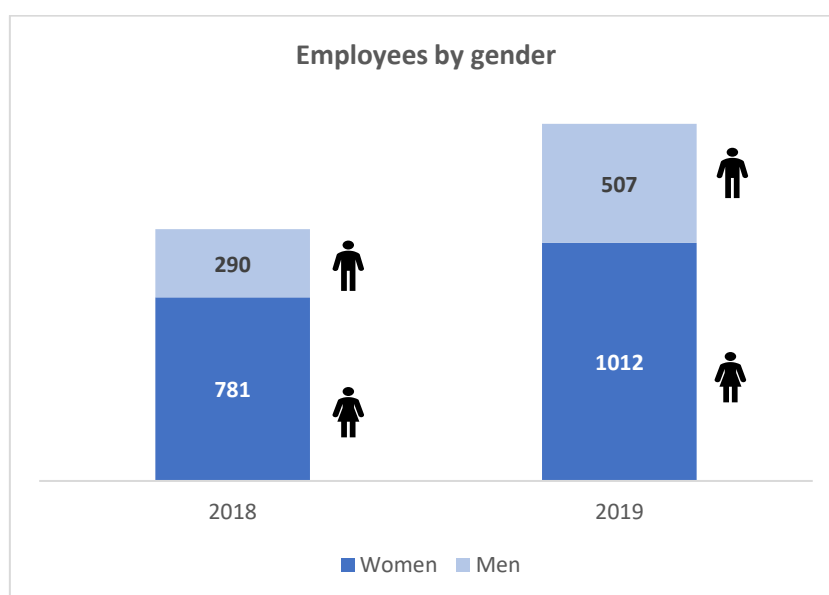
At the end of 2019, Lifebrain Group's employees numbered 1,519, corresponding to 50.9% of the total workforce, recording an overall increase of 41.8% as compared to the previous year. The other 49.1% of the total workforce is composed of interns (0.3%), agency workers (0.7%) and self-employed workers (48%), consisting mainly of doctors. The upward trend in the total number of employees is linked to the high number of acquisitions made each year by the Group.

The majority of the Group's employees are female workers, mainly because of a preponderance of women in the health-care sector, representing around 66.6% of total employees in 2019, while men account for the remaining 33.4%.

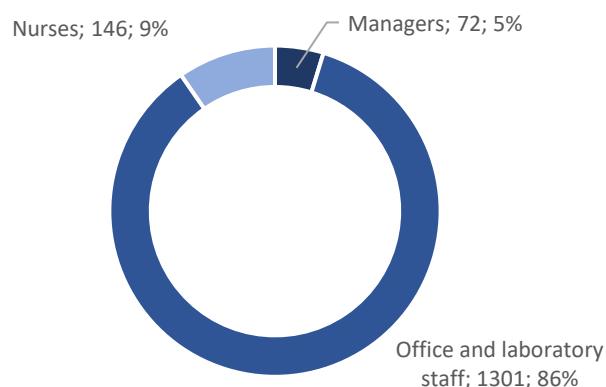
In 2019, office and laboratory staff represented 85.6% of the Group's employees, while nurses make up 9.6% of the total and the remaining 4.7% is made up of management staff.

From 2018 to 2019, the percentage of employees under 30 years of age more than doubled, representing in 2019 about 15.6% of the total employees. This trend demonstrates the Group's commitment to investing in the future and enhancing the value of the younger generation, guaranteeing them a continuous path of professional growth.

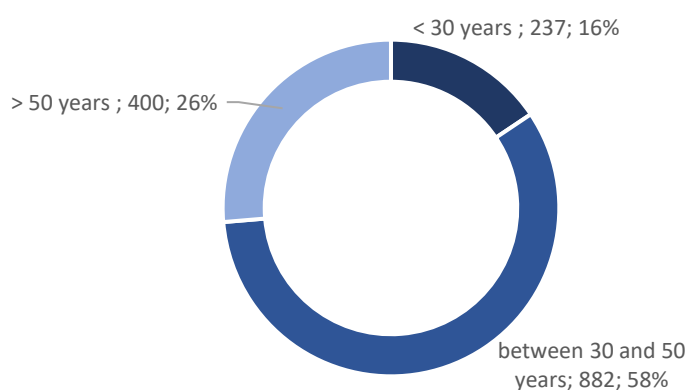
In terms of employment contracts, the majority of the employees has a permanent contract, around 92.1% in 2019, which reflects the Group's commitment to building stable and positive relations with its employees. In addition, the percentage of full-time contracts increased by 81.8% with respect to the previous financial year, which overall represents around 52.7% of the employment contracts signed by the Group. All Lifebrain Group's employees are covered by Italian collective bargaining agreements, principally the national collective labour agreement for professional firms (Contratto Collettivo Nazionale del Lavoro degli studi professionali).



Employees by employment category, expressed in total amounts and percentages (2019)



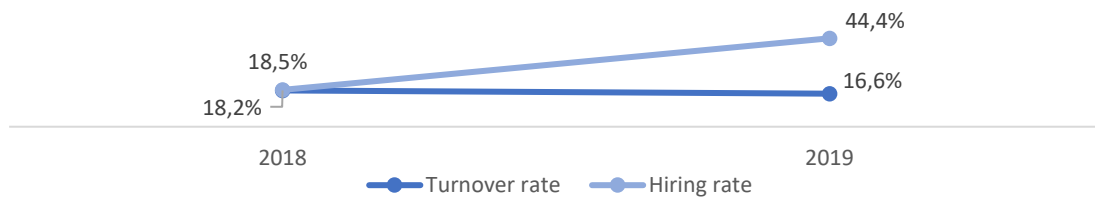
Employees by age range, expressed in total amounts and percentages (2019)



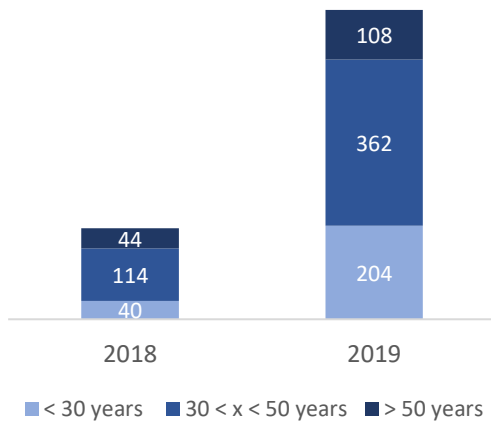
Total Workforce by type of contract			
	Unit	2018	2019
Employees	n.	1,071	1,519
Permanent Contracts - total	n.	1,038	1,399
women	n.	758	933
men	n.	280	466
Temporary Contracts - total	n.	33	120
women	n.	23	79
men	n.	10	41
Full-time Contracts	n.	440	800
women	n.	270	456
men	n.	170	344
Part-time Contracts	n.	631	719
women	n.	511	556
men	n.	120	163
Interns	n.	10	10
Agency workers	n.	22	21
Self-employed workers	n.	1,306	1,433
TOTAL WORKFORCE	n.	2,409	2,983

During 2019, the Group's service terminations amounted to 252, an increase of 29% compared to 2018, while new employees hired numbered 647, more than three times as many as the previous year¹. The high total hiring rate recorded during 2019 (44.4%) showed a strong growth trend compared to the previous year (+140%), mainly due to the continued expansion of the Group's business, whereas the turnover rate (16.6%) slightly decreased compared to 2018.

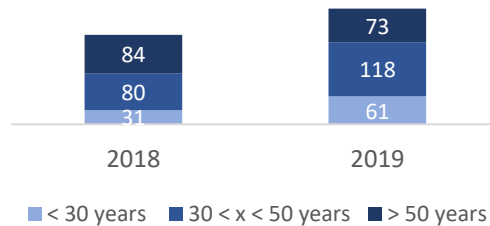
In particular, in order to attract new talent, the Group launched several initiatives in collaboration with local schools and institutions. In the future, the Lifebrain Group aims to expand this collaboration to universities, in order to increase employer branding at university level and thus expand the pool of future partnerships.



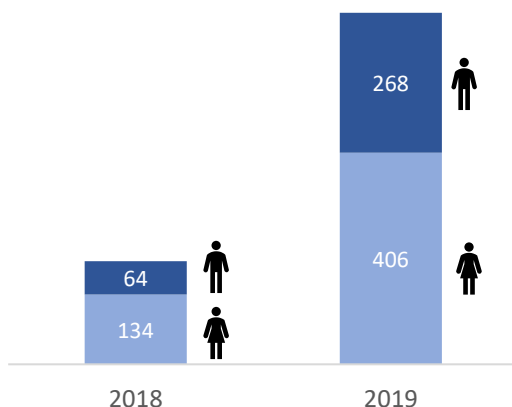
New hires by age range



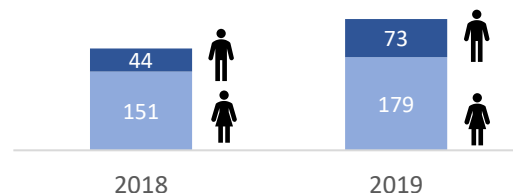
Terminations by age range



New hires by gender



Terminations by gender



¹ It is to be noted that, due to the acquisitions made by the Lifebrain Group in 2019, the 2018 headcount and 2019 hiring and terminations are not comparable with the 2019 headcount.

Hiring rate			
By age range	Unit	2018	2019
< 30 years	%	44.0	86.1
30 < x < 50 years	%	18.7	41.0
> 50 years	%	11.9	27.0
By gender	Unit	2018	2019
Women	%	17.2	40.1
Men	%	22.1	52.9

Turnover rate			
By age range	Unit	2018	2019
< 30 years	%	34.1	25.7
30 < x < 50 years	%	13.1	13.4
> 50 years	%	22.8	18.3
By gender	Unit	2018	2019
Women	%	19.3	17.7
Men	%	15.2	14.4

Wellbeing at work and professional development

The Lifebrain Group is committed to fostering a stimulating, agreeable and healthy working environment in all its facilities around Italy. To this end, it promotes professional development paths and welfare plans that contribute to establishing a climate of belonging and well-being.

With the aim of improving welfare and promoting the importance of preventative healthcare among its teams, the Group carries out several initiatives involving all its people. The Lifebrain Group offers a free annual check-up for all employees over 40 years of age, cost reduction of particular types of analysis by up to 50% and a health insurance plan. For future years, the Group is working on the development of an application for its employees, through which they can remotely access medical assistance and consultations.

Thanks to the ongoing training of its employees and the development of their professional skills, the Group guarantees continuous improvement of the services offered to its customers. Employee growth programs include mandatory training and additional guidance and personal development courses, including leadership courses for managers. A specific on-the-job training activity is provided for new hires. In the case of acquisitions of new companies, the Group verifies that all mandatory training has been carried out and organises courses to fill any gaps identified.

In 2019, considerable importance was given to training on privacy and data processing. In particular, the Group has included all its employees through online courses in the in-depth examination of the new provisions of privacy legislation and in the proper management of patients' personal data.

The total training hours recorded in 2019 amounted to 20,000, with an increase of 32.3% compared to the previous year, and equal to approximately 13.2 hours of training per employee per year. This decrease in hours of training per employee between 2018 and 2019 is mainly due to the increase of the number of employees as a result of the acquisitions made by the Group, including those made in the second half of 2019: for these employees it was not possible to carry out training activities by the end of the year.

Training per employee	Unit	2018	2019
Total hours	h	15,115	20,000
Women	h	11,042	15,133
Men	h	4,073	4,867
Average hours	h/employee	14.1	13.2
Women	h/employee	14.1	15
Men	h/employee	14	9.6
Training by category	Unit	2018	2019
Training provided to managers	h/employee	-	-
Training provided to office and laboratory staff	h/employee	13.7	12.7
Training provided to nurses	h/employee	21.5	23.8

In addition, the Lifebrain Group assure its employees of the absence of discriminatory behaviour on grounds of colour, sex, religion, political opinion, national extraction, or social origin. This Group's commitment is confirmed by the lack of any cases of discrimination during the COPing period and by the results of the human rights assessment carried out by the Group during 2019 (for more information see § *Human Rights Assessment*).

BOX: Human Rights Assessment

During 2019, the Lifebrain Group conducted a human rights assessment, that evaluated the Group's level of exposure to incidents related to respect for human rights over the past three years. For this assessment Lifebrain used the HRCA tools of the Danish Institute for Human Rights.

The assessment was carried out internally through a survey involving the top management, which analysed respect for human rights at three different levels: employment practice, community impact and supply chain management. The results highlighted extremely positive findings concerning non-discrimination, forced labour and youth work, freedom of association and corruption.

Health and safety of workers

The Lifebrain Group is committed to ensuring the highest levels of safety to all its employees and collaborators, thanks to increasingly efficient management of resources necessary to disseminate and consolidate a culture of safety, develop risk awareness and require responsible behaviour.

The Group implements preventive actions, periodic audits and updating of the risk assessment documents in compliance with Italian Legislative Decree No. 81 of 9 April 2008 (Consolidated Law on Health and Safety at Work) and subsequent amendments and additions. In order to promote a culture of safety, the Group provides all workers with the tools and personal protective equipment (PPE) required by law, as well as the knowledge necessary for the correct management of risks through continuous training and information. The Health and Safety Department centrally manages at Group level the processes of analysis, monitoring, planning and management of activities, collaborating with the Human Resources function to define, plan and implement the health and safety training plan for all workers.

Between 2018 and 2019, the number of injuries increased from 14 to 20 mainly due to the increase in the Group's size and number of employees, corresponding to a 4% increase in the injury rate from 8.6 to 9.0,

while no high consequence injury or fatalities have been recorded. As identified in the Group's risk assessment document, injuries are mainly related to laboratory activities, with particular reference to the use of potentially harmful biological and chemical materials. Among the most frequent causes of injury are slipping, spills of solutions, puncture wounds and abrasions. Each accident is recorded and, where necessary, the Group makes an on-site visit to assess possible implementation of corrective actions.

The Lifebrain Group is finalizing a health and safety management system, based on the requirements of the ISO 45001:2018 standards and the UNI-INAIL guidelines, and is planning to draw up a health and safety policy and an HSE manual applied at Group level.

Health and safety indexes	Unit	2018	2019
Worked hours	hours	1,628,255	2,231,348
Number of injuries	n.	14	20
Injury rate [number of injuries/ hours worked x 1,000,000]	n./hours	8.6	9.0

Environment

Combating climate change

The global community is becoming more and more aware of the need to limit global warming and to combat climate change. During the Paris Climate Conference (COP21) held in December 2015, 195 countries adopted the first universal and legally binding agreement on climate. The agreement established a global action plan to limit the average rise in global warming to 1.5°C compared to preindustrial levels, in order to avoid irreversible damage to our ecosystem.

Within this global scenario and in order to achieve sustainable business growth, the Lifebrain Group is committed to progressively reducing its overall carbon footprint, which is principally caused by its electricity consumption and, consequently, to indirect emissions of climate-changing gases. In 2019, the Group started monitoring its energy consumption and greenhouse gas emissions (GHG), with the aim of identifying all possible ways of reducing those emissions over the following few years.

The Lifebrain Group's energy consumption is mainly related to heating and cooling purposes in its offices, sampling points and laboratories and to fossil fuel consumption for the corporate vehicle fleet. The growth trend in electricity consumption purchased from the national grid, +6% from 2018 to 2019, is closely linked to the switch-over of the heating systems of several buildings from natural gas to electricity and to new acquisitions. Moreover, the Group consumed around 60% of the electricity produced by its solar plants installed at some of its laboratories, which yearly produced approximately 270 GJ. The fuel consumption of cars and commercial vehicles considerably increased due to the continuous growth of the Group in 2019.

Energy consumptions	UdM	2018	2019
Energy consumptions – for vehicle fleet (owned and leased), of which:	GJ	1,019	5,721
Diesel vehicles*	GJ	634	5,484
Gasoline vehicles	GJ	173	174
Compressed natural gas vehicles	GJ	211	64
Energy consumptions - for buildings , of which:	GJ	19,843	12,374
Natural gas purchased for heating	GJ	9,047	904
Electricity purchased from national grid	GJ	10,795	11,471
Electricity auto produced by photovoltaic plants	GJ	161	161
Total	GJ	21,023	18,257
* Diesel consumption was estimated based on the monitoring of kilometres travelled annually by the Group's fleet. The increase in consumption of diesel by the vehicle fleet from 2018 to 2019 is partially explained by an improvement in data collection.			

In accordance with the GHG Protocol Corporate Accounting and COPing Standard, the Lifebrain Group identified and monitored all relevant direct GHG emissions (Scope 1) and indirect emissions resulting from energy purchased (Scope 2)². Furthermore, where data are available and reliable, the Group monitored and COPed also indirect emissions occurring outside the scope of the organisation (Scope 3), in particular those resulting from employee commuting and business travel.

² GHG emissions resulting from the electricity purchased from the national grid have been calculated by both the location-based and the market-based method. The first reflects the average emission factor associated with the national energy mix, taking into account both renewable and non-renewable production. The second reflects emissions resulting from the electricity source that the Group has purposefully chosen through, for instance, contractual arrangements; if an organisation does not fully cover its electricity requirement according to such arrangements, an emission factor associated to the energy only produced by solar power plants is used for the portion not covered.

In line with the energy consumptions trend, in 2019 GHG emissions also increased as compared to 2018. With respect to 2018, direct emissions from fossil fuel consumption (Scope 1) decreased by 12% and amounted to 685 tCO_{2e} in 2019, of which 131 tCO_{2e} due to fugitive emissions of refrigerant gases (F-gas). According to the location-based approach, indirect emissions from electricity consumption amounted to 1,144 tCO₂, where, using the market-based approach, they were equal to 1,540 tCO_{2e}, since the Group did not purchase electricity with any guarantee of origin certificates. Other indirect emissions, resulting from business travel and employees daily commuting, increased by 37% due to the growth of the Group's workforce following acquisitions which occurred in 2019. The wide variation of emissions from business travel by air is due to the Group's policy incentivising land travel rather than air travel in 2019.

In order to reduce GHG emissions linked to electricity consumption, the Lifebrain Group's goal for 2020 is to purchase electricity with certificates of origin, which certify that the electricity supplied is exclusively produced from renewable energy sources. Moreover, during 2020, in order to optimise transport services among Group sites, the Group will insource the entire logistics service. In particular, to reduce fuel consumption and therefore the emissions of climate-altering gases, the Lifebrain Group will provide its drivers with an app that will allow them to calculate the best route and to ensure more efficient and environmentally friendly transport. Lastly, the Group aims at replacing diesel-powered vehicles, which currently make up almost the entire vehicle fleet, with methane powered ones in 2020

GHG Emissions	UoM	2018	2019
Direct emissions (Scope 1)	tCO_{2e}	776	685
Emissions resulting from natural gas burning used for Group's heating	tCO ₂	506	51
Emissions resulting from fuel (diesel) used for Group's vehicle fleet	tCO _{2e}	58	462
Emissions resulting from fuel (gasoline) used for Group's vehicle fleet	tCO _{2e}	17	16
Emissions resulting from fuel (compressed natural gas vehicles) used for Group's vehicle fleet	tCO _{2e}	72	25
Emissions of refrigerant gases resulting from leakages in air-conditioning systems	tCO _{2e}	122	131
Indirect emissions (Scope 2) - Location-based	tCO₂	1,077	1,144
Emissions resulting from electricity purchased from national grid	tCO ₂	1,077	1,144
Indirect emissions (Scope 2) - Market-based	tCO_{2e}	1,429	1,540
Emissions resulting from electricity purchased from national grid	tCO _{2e}	1,429	1,540
Other indirect emissions (Scope 3)	tCO_{2e}	1,163	1,592
Emissions resulting from business travel by air*	tCO _{2e}	933	16
Emissions resulting from business travel by car	tCO _{2e}	0	25
Emissions resulting from business travel by train	tCO _{2e}	8	14
Emissions resulting from employee commuting**	tCO _{2e}	221	1,537
Total (Scope 1 + 2 + 3) emissions (Location-based method)	tCO_{2e}	3,019	3,421
Total (Scope 1 + 2 + 3) emissions (Market-based method)	tCO_{2e}	3,368	3,817
* The emissions linked to business travel by air were estimated based on from trips recorded internally by the Group. The increase of emissions resulting from business travel by air from 2018 to 2019 is partially explained by an improvement in data collection.			
** The emissions linked to commuting were estimated based on kilometres travelled annually declared by Group employees. The increase of emissions resulting from employee commuting from 2018 to 2019 is partially due to an improvement in data collection.			

Waste management

In addition to its energy consumption, the Lifebrain Group monitors its waste production, which is mainly related to the activities of its clinical and environmental laboratories. All the Group's entities manage the waste generated by their activities in compliance with the requirements of national and European legislation. Over the past two years, the Lifebrain Group did not incur any significant monetary or non-monetary sanction regarding environmental regulations.

Waste resulting from laboratories are mainly chemical, biological and sanitary waste. It is managed by an external certified provider that ensures proper storage, transport, treatment and disposal, whereas paper and cardboard produced by office activities is collected and delivered to municipal treatment plants.

The percentage of the Lifebrain Group recycled waste is around 8%, mainly due to the fact that most of the chemical, biological and sanitary waste produced by laboratory activities cannot be recycled but must be sent for disposal. The total production of waste increased by 37% between 2018 to 2019, mainly due to the Group's annual acquisitions.

Waste	UoM	2018	2019
Hazardous waste	ton	504.7	662.6
Of which sent to recycle	ton	0	18.6
Of which sent to disposal	ton	504.7	644
Non-hazardous waste	ton	15.8	51.7
Of which sent to recycle	ton	0	36.3
Of which sent to disposal	ton	15.8	15.4
Total waste	ton	520.5	714.3

BOX: WATER RECOVERY PROJECT The importance of water resources

Thanks to a business strongly focused on the use of chemical reagents, the water consumption of the processes conducted by the Group is extremely low. Civil aqueducts supply the entire volume of water consumed, which is intended for civil use in the Group's offices and laboratories.

In 2019, in order to reduce its water consumption, the Lifebrain Group, in collaboration with Roche, incorporated the Tradate laboratory in the "Water Recovery Project". Thanks to a wastewater purification machine, the Group aims at reusing discharged water to irrigate the laboratory's green areas.



Anti-corruption

Policy and results

According to Legislative Decree 231/2001, in order to contribute to crime prevention, Lifebrain Group first adopted Model 231 in 2012, which includes whistleblowing procedures. At present, each Lifebrain Group entity has its own Model 231, built on the example of the parent company document. In the next few years, the Lifebrain Group aims at improving the reporting system of each of the Group's companies strengthening the whistleblowing channel currently in use.

In order to guarantee proper implementation of Model 231, the Group conducts two audit cycles per year on sensitive processes in the parent company and on a representative sample of its companies. To date, the main non-financial risk identifies with respect to the Group's activities is corruption of doctors and public authorities in seeking accreditation. In the last two years, there were no cases of corruption or non-compliance with health regulations, nor any cases of revocation of authorisations or accreditation.

For the next years, the Group will be integrating the anti-corruption system with two cycles of UNGC Anti-corruption Assessment using a specific tool create on the Ten Principles.



COP: Principles and Criteria

Scope of COP

This document represents the first Sustainability COP (hereinafter also “COP”) of Lifebrain Group and provides key information relating to environmental, social and economic aspects that characterise the Group business.

The Sustainability COP of Lifebrain Group has been prepared in accordance with the GRI (Global reporting Initiative) according to the Core option.

The first Sustainability COP of Lifebrain relates to reporting years 2019-2020 (30st June to 30st June) and contains, when available, the performance trends for the two-year period 2018-2019 for comparative purposes. On the date of publication of this COP, no significant events that took place in 2020 are reported, except for those already illustrated, with particular reference to the recent Covid-19 pandemic. The data collection process and the COP publication activities are structured on an annual basis.

The reporting boundaries of the COP include Lifebrain S.r.l. and its subsidiaries, unless otherwise indicated. The list of companies included in the perimeter is reported in the *Annex*. The Group registered and administrative offices are in Rome, in Via Giacomo Peroni, 452.

The UNGC Principles are mapped against the GRI indicators in the GRI Content Index. At present, Lifebrain Group 2019 Sustainability COPCOP does not directly address the UNGC issues and principles related to Human Rights, since the majority of the Group's direct activities and suppliers are located in Europe, where Human Rights are regulated by laws. In addition, some of the most important human rights issues related to Lifebrain Group's activities, such as the protection of workers' occupational health and safety, are already included among the "Labor" principles the Group reports on. Moreover, in 2019 Lifebrain Group conducted a human right assessment, in order to evaluate the Group's level of exposure to incidents related to the respect for human rights over the past three years (for further details see § *Human Right Assessment*).

The first Sustainability COP of Lifebrain was not audited by an independent third party.

The process of drawing up the Sustainability COP, coordinated by an internal working group, involved the top management and various Group's functions, who actively contributed to defining the relevant topics and the document layout, as well as gathering the data and information needed to draw up the COP.

In line with the requirements of this standard, the initial stages for the preparation of the Sustainability COPCOP are the identification and prioritisation of the Group stakeholders and the analysis of the materiality of each topic for the Group (materiality analysis), illustrated below in more detail.

Our stakeholders

Identifying and prioritising the Group stakeholders are fundamental steps for the selection of the most relevant sustainability aspects to be included in the Sustainability COP. With the identified priority stakeholders, Lifebrain Group promotes several communication and dialogue initiatives as part of its business activities.

STAKEHOLDER	TOPICS/EXPECTATIONS INDICATED BY STAKEHOLDERS	TYPE OF ENGAGEMENT
Shareholders and investors	<ul style="list-style-type: none"> - Create value for the Shareholder - Transparency and timeliness in financial information - Risk management evaluations (ESG factor) 	<ul style="list-style-type: none"> - Institutional channels and written communications - Group's Project - Meeting - Press releases - Exchange of experiences and information
Local health authority	<ul style="list-style-type: none"> - Support to health protection and prevention policies - Compliance with health regulations and laboratory activities. 	<ul style="list-style-type: none"> - Healthcare partnership projects (local and regional initiatives) - Sustainability COP
Local authorities	<ul style="list-style-type: none"> - Compliance with regulations - Contribution and support to local initiatives and local communities - Reduction of corruption - Safety and health of citizens 	<ul style="list-style-type: none"> - Continuous discussions and communications; - Partnership for local programs and initiatives - Meetings
Employees	<ul style="list-style-type: none"> - Respect labour regulations - Professional development - Involvement in corporate strategy - Reduce environmental impact due to commuting (home-work shift) 	<ul style="list-style-type: none"> - Meetings - Consultations with group departments - Workshop - Survey
Private customers	<ul style="list-style-type: none"> - Quality of care; - Innovation in health services provided by the group - Sustainability of business activities 	<ul style="list-style-type: none"> - Customer care services - Website
Corporate customers	<ul style="list-style-type: none"> - Sustainability of the business activities - Transparency - Accurate emission measurement 	<ul style="list-style-type: none"> - Customer care services - website - survey - workshop
Suppliers	<ul style="list-style-type: none"> - Business compliance and payment term - Policy and governance - Transparency - Anti-corruption 	<ul style="list-style-type: none"> - Survey - involve in the "stakeholder's committee" - workshop
Financial community	<ul style="list-style-type: none"> - Financial management - Economic performance - ESG PKIs for investments 	<ul style="list-style-type: none"> - Meetings - survey - presentation of the sustainability COP - investor relations - workshop
Media	<ul style="list-style-type: none"> - Group approach to sustainability trends in the healthcare industry - Environmental impacts of business activities - Transparency and reliability of COPing 	<ul style="list-style-type: none"> - Periodic discussions and communications - press releases - workshop

Material topics

In accordance with the first paragraph of the COP, the topics discussed in the COP and their level of detail are based on the results of the materiality analysis conducted by the Company.

The following table provides a list of the material aspects for Lifebrain Group and its stakeholders, linked to the corresponding GRI Standards topics (Topic-specific Disclosures), with the corresponding boundaries in terms of impact and any limitations to the scope due to the non-availability of data related to the entities outside the organization.

Lifebrain Group material aspects	GRI material aspects	Aspect boundary		Limitations of COPing on boundary	
		Within the Organization	Outside the Organization	Within the Organization	Outside the Organization
Patients safety and sanitation	Customer Health and Safety	Lifebrain Group	Clients	-	Reporting not extended to clients
Quality of care	-	Lifebrain Group	Clients		Reporting not extended to clients
Healthcare prevention and promotion	Marketing and Labeling	Lifebrain Group	Clients	-	Reporting not extended to clients
Diversity and Inclusion	Diversity and Equal Opportunity	Lifebrain Group	-	-	-
Health, safety and well-being at work	Occupational Health and Safety	Lifebrain Group	Suppliers	-	Reporting not extended to suppliers
	Employment	Lifebrain Group	-	-	-
Training and Education	Training and Education	Lifebrain Group	-	-	-
Economic performance	Economic Performance	Lifebrain Group	-	-	-
Non-discrimination	Non-discrimination	Lifebrain Group	-	-	-
Infectious and hazardous waste management	Effluents and waste	Lifebrain Group	-	-	-
Renewable energy sources and energy efficiency	Energy	Lifebrain Group	Suppliers	-	Reporting not extended to suppliers
GHG emissions and climate change	Emissions	Lifebrain Group	Suppliers	-	Reporting not extended to suppliers
Operational eco-efficiency	Environmental Compliance	Lifebrain Group	-	-	-
Anti-corruption	Anti-corruption	Lifebrain Group	-	-	-
Compliance with health regulations	Socioeconomic Compliance	Lifebrain Group	Clients	-	Reporting not extended to clients
Customer Privacy Protection	Customer Privacy	Lifebrain Group	Clients	-	Reporting not extended to clients
Anti-competitive Behavior	Anti-competitive Behavior	Lifebrain Group	-	-	-

Quality COP Principles

In line with the requirements of the GRI Standards, the contents of this COP were defined based on the following principles:

- **completeness:** the COP should cover the main social, economic and environmental topics, enabling stakeholders to make the most complete assessment possible of Lifebrain Group sustainability performance.
- **sustainability context:** the COP should present the performance of the Group business in the wider context of sustainability;
- **stakeholder inclusiveness:** the COP indicates Lifebrain Group main stakeholders and their engagement;
- **materiality:** the content of the COP is based on the concept of materiality and therefore includes the topics (as defined by GRI Standards) that are most relevant to the Group and to its stakeholders.

In line with the reporting standard, the following principles were also applied to guarantee the quality of the content: **accuracy, reliability, clarity, comparability, balance and timeliness.**

Calculation Methodologies

The social, environmental and economic-financial qualitative and quantitative information contained in this Sustainability COP has been gathered through direct interviews with the heads of various Group departments, and by sending specific data collection forms, based on an annual reporting process. The main calculation methods and assumptions used to calculate the performance indicators are described below, in addition to that already reported in the COP:

- To calculate the indicators relating to health and safety, accidents that have entailed at least one day of absence are included, while commuting accidents are not included if the transportation was not organized by the Group. More specifically, the accident frequency index was calculated as shown below:

Frequency index = number of accidents / hours worked x 1,000,000.

- For environmental data, where not available, conservative estimates were used, which led to the assumptions associated to the Group less positive environmental performance figures.
- The calculation of greenhouse gas emissions was made using the following formula:
*Greenhouse gas emissions = activity data (e.g. kWh of electricity) * respective emission factor.*
- The emission factors and the GWPs used to calculate GHG emissions are as follows:
 - To calculate direct greenhouse gas emissions (Scope 1), the conversion factors used were taken from the “Defra - Department for Environment, Food and Rural Affairs” (2018-2019) database.
 - To calculate indirect greenhouse gas emissions (Scope 2), the emission factors published by Terna Group in the document entitled “International Comparisons” (2016-2017) and by the Association of Issuing Bodies within the “European Residual Mixes” (2017-2018) were used.
 - To calculate other indirect greenhouse gas emissions (Scope 3), where not directly provided by the transport companies, the conversion factors were taken from the “Defra - Department for Environment, Food and Rural Affairs” (2017-2018-2019) database.

For information and further details on this document, please contact:

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Annex

Content index

<i>GRI Standards</i>	<i>Disclosure</i>	<i>UNGC</i>	<i>References</i>	<i>Omissions</i>
GENERAL DISCLOSURES				
GRI 102: General Disclosures 2016	Organizational profile			
	102-1 Name of the organization			
	102-2 Activities, brands, products, and services			
	102-3 Location of headquarters			
	102-4 Location of operations			
	102-5 Ownership and legal form			
	102-6 Markets served			
	102-7 Scale of the organization			
	102-8 Information on employees and other workers	UNGC		
	102-9 Supply chain			
	102-10 Significant changes to the organization and its supply chain			
	102-11 Precautionary Principle or approach			
	102-12 External initiatives			
	102-13 Membership of associations			
	Strategy			
	102-14 Statement from senior decision-maker	UNGC		
	Ethics and integrity			
	102-16 Values, principles, standards, and norms of behaviour			
	Governance			
	102-18 Governance structure			
	Stakeholder engagement			
	102-40 List of stakeholder groups			
	102-41 Collective bargaining agreements	UNGC		
	102-42 Identifying and selecting stakeholders			
	102-43 Approach to stakeholder engagement			
	102-44 Key topics and concerns raised			
COPing practice				
102-45 Entities included in the consolidated financial statements				
102-46 Defining COP content and topic Boundaries				

GRI Standards	Disclosure	UNGC	References	Omissions
	102-47 List of material topics			
	102-48 Restatements of information			
	102-49 Changes in COPing			
	102-50 COPing period			
	102-51 Date of most recent COP			
	102-52 COPing cycle		Yearly	
	102-53 Contact point for questions regarding the COP			
	102-54 Claims of COPing in accordance with the GRI Standards			
	102-55 <i>GRI Content Index</i>			
	102-56 <i>External assurance</i>		<i>This COP is not subject to external assurance</i>	
MATERIAL TOPIC				
GRI 200 - ECONOMIC TOPICS				
Economic performance				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary			
	103-2 The management approach and its components			
	103-3 Evaluation of the management approach			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed			
Anti-corruption				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	UNGC		
	103-2 The management approach and its components	UNGC		
	103-3 Evaluation of the management approach	UNGC		
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	UNGC		
Anti-competitive Behaviour				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	UNGC		
	103-2 The management approach and its components	UNGC		
	103-3 Evaluation of the management approach	UNGC		
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	UNGC		
GRI 300 - ENVIRONMENTAL TOPICS				
Energy				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	UNGC		
	103-2 The management approach and its components	UNGC		
	103-3 Evaluation of the management approach	UNGC		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	UNGC		
Emissions				

GRI Standards	Disclosure	UNGC	References	Omissions
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	UNGC		
	103-2 The management approach and its components	UNGC		
	103-3 Evaluation of the management approach	UNGC		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	UNGC		
	305-2 Energy indirect (Scope 2) GHG emissions	UNGC		
Effluents and waste				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	UNGC		
	103-2 The management approach and its components	UNGC		
	103-3 Evaluation of the management approach	UNGC		
GRI 306: Effluents and waste 2016	306-2 Waste by type and disposal method	UNGC		
Environmental Compliance				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	UNGC		
	103-2 The management approach and its components	UNGC		
	103-3 Evaluation of the management approach	UNGC		
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	UNGC		
GRI 400 – SOCIAL TOPICS				
Employment				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	UNGC		
	103-2 The management approach and its components	UNGC		
	103-3 Evaluation of the management approach	UNGC		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	UNGC		
Occupational Health and Safety				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	UNGC		
	103-2 The management approach and its components	UNGC		
	103-3 Evaluation of the management approach	UNGC		
GRI 403: Occupational Health and Safety 2018, Management Approach	403-1 Occupational health and safety management system	UNGC		
	403-2 Hazard identification, risk assessment, and incident investigation	UNGC		
	403-3 Occupational health services	UNGC		
	403-4 Worker participation, consultation, and communication on occupational health and safety	UNGC		
	403-5 Worker training on occupational health and safety	UNGC		
	403-6 Promotion of worker health	UNGC		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	UNGC		
GRI 403:	403-9 Work-related injuries	UNGC		

GRI Standards	Disclosure	UNGC	References	Omissions
Occupational Health and Safety 2018				
Training and Education				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	UNGC		
	103-2 The management approach and its components	UNGC		
	103-3 Evaluation of the management approach	UNGC		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	UNGC		
Diversity and Equal Opportunity				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	UNGC		
	103-2 The management approach and its components	UNGC		
	103-3 Evaluation of the management approach	UNGC		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	UNGC		
Non-discrimination				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	UNGC		
	103-2 The management approach and its components	UNGC		
	103-3 Evaluation of the management approach	UNGC		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	UNGC		
Customer Health and Safety				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary			
	103-2 The management approach and its components			
	103-3 Evaluation of the management approach			
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services			
Marketing and Labelling				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary			
	103-2 The management approach and its components			
	103-3 Evaluation of the management approach			
GRI 417: Marketing and Labelling 2016	417-3 Incidents of non-compliance concerning marketing communications			
Customer Privacy				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary			
	103-2 The management approach and its components			
	103-3 Evaluation of the management approach			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data			
Socioeconomic Compliance				



GRI Standards	Disclosure	UNGC	References	Omissions
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary			
	103-2 The management approach and its components			
	103-3 Evaluation of the management approach			
GRI 419: Socioeconomic Compliance2016	419-1 Non-compliance with laws and regulations in the social and economic area		During 2018 and 2019, the Group did not incur any significant monetary and non-monetary sanction regarding socioeconomic regulations.	
Topics not covered by GRI disclosure				
Quality of care				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary			
	103-2 The management approach and its components			
	103-3 Evaluation of the management approach			

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