(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

KOS Group

2024 Sustainability statement

(with independent auditors' report thereon)

KPMG S.p.A.

3 April 2025

KPMG S.p.A.
Revisione e organizzazione contabile
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Independent auditors' report on the sustainability statement

To the board of directors of
KOS S.p.A.

We have been engaged to perform a limited assurance engagement on the 2024 Sustainability statement (the "sustainability statement") of the KOS Group (the "group"), prepared on a voluntary basis.

Directors' responsibility for the sustainability statement

The directors of KOS S.p.A. (the "parent") are responsible for the preparation of a sustainability statement in accordance with the European Sustainability Reporting Standards issued by the European Commission (the "ESRS"), which they have identified as the reporting standards in the "General information" section of the sustainability statement.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of a sustainability statement that is free from material misstatement, whether due to fraud or error.

They are also responsible for defining the group's objectives regarding its sustainability performance and the identification of the stakeholders and the significant aspects to report.

Auditors' independence and quality management

We are independent in compliance with the independence and all other ethical rules and requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our company applies International Standard on Quality Management 1 (ISQM Italia 1) and, accordingly, is required to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditors' responsibility

Our responsibility is to express a conclusion, based on the procedures performed, about the compliance of the sustainability statement with the requirements of the ESRS. We carried out our work in accordance with the criteria established by "International Standard on Assurance Engagements 3000 (revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 revised"), issued by the International Auditing and Assurance Standards Board (IAASB) applicable to limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance about whether the sustainability statement is free from material misstatement.

A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with ISAE 3000 revised, and consequently does not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures we performed on the sustainability statement are based on our professional judgement and include inquiries, primarily of the parent's personnel responsible for the preparation of the information presented in the sustainability statement, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

Specifically, we performed the following procedures:

1) gaining an understanding of the materiality of the information included in the sustainability statement by analysing the approach adopted by the group to identify and assess material sustainability-related impacts, risks and opportunities and checking the related disclosures presented in the sustainability statement;

2) understanding the processes underlying the generation, recording and management of the significant qualitative and quantitative information disclosed in the sustainability statement.

   Specifically, we held interviews and discussions with the management personnel of the parent, and with personnel of KOS Care S.r.l. and KOS Servizi S.c.ar.l.. We also performed limited procedures on documentation to gather information on the processes and procedures used to gather, combine, process and transmit qualitative and quantitative data to the office that prepares the sustainability statement.

   Furthermore, with respect to significant information, considering the group's business and characteristics:

   a) we conducted interviews and checked supporting documentation, on a sample basis, to assess the consistency of the qualitative information presented in the sustainability statement;

   b) we carried out analytical procedures and, where necessary, limited procedures on a sample basis, focusing on the data aggregation in the quantitative information and the calculation methods applied.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2024 sustainability statement of the KOS Group has not been prepared, in all material respects, in accordance with the requirements of the ESRS which the directors have identified in the "General information" section of the sustainability statement.

Other matters

This report is not issued pursuant to any legal requirements as the parent is not required to prepare a sustainability statement.

Milan, 3 April 2025

KPMG S.p.A.

(signed on the original)

Francesco Cuzzola
Director of Audit

(Translation from the Italian original which remains the definitive version)

KOS Group
2024 Sustainability Statement

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Foreword

This Sustainability Statement has been prepared on a voluntary basis in accordance with the ESRS (European Sustainability Reporting Standards) as, for the 2024 reporting period, the Group is not among the entities obliged to perform sustainability reporting pursuant to Legislative Decree 125/24.
Consequently, since this is voluntary reporting, disclosures on sustainability issues have not been included in a specific section of the Group's Directors' Report, as required by Articles 19-bis and 29-bis of Directive 2013/34/EU. Furthermore, the information required by Art. 8 of the Taxonomy Regulation (EU) 2020/852 has not been included.

1. General information

1.1 ESRS 2 General disclosures

1.1.1 Basis for preparation

1.1.1.1 BP-1 General basis for preparation of the sustainability statement

This document represents the Sustainability Statement, prepared on a consolidated basis, of the group headed by KOS S.p.A. (hereinafter "KOS Group" or "the Group").
It should be noted that Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022, amending Regulation (EU) no. 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU with regard to Corporate Sustainability Reporting (hereinafter, the "CSRD") has been in force since 5 January 2023.
The CSRD represents the evolution of the previous Directive 2014/95/EU on the disclosure of non-financial information and information on diversity, transposed into Italian law by means of Legislative Decree no. 254 of 30 December 2016 which introduced the obligation to prepare the Non-Financial Statement.
The provisions contained in the CSRD were transposed into Italian Law by means of Legislative Decree no. 125 of 6 September 2024, published in the Official Gazette of 10 September 2024 and in force from 25 September 2024.
The KOS Group is exempted as at 31 December 2024 from the obligations set out in Legislative Decree 125/2024 as it is not a large entity with more than 500 employees and with financial instruments listed on markets regulated by the European Union; it publishes this Sustainability statement voluntarily.
The scope of consolidation used when preparing the Sustainability Statement is the same as that used to prepare the Consolidated Financial Statements at 31 December 2024.
All the legal entities consolidated on a line-by-line basis in the financial statements have been included in the scope of the Sustainability Statement.
Details of the subsidiaries included in the scope of consolidation are provided in the *"General information on the KOS Group"* section of the Directors' Report.

The purpose of this document is to describe the impacts, risks and opportunities of the Group's activities on sustainability issues during the 2024 reporting period (from 1 January to 31 December), in line with the consolidated financial statements.

When preparing this Sustainability Statement, the scope of the disclosures provided was extended to include the material, risks and opportunities associated with the business, considering its direct and indirect commercial relationships along the value chain, both upstream and downstream. To that end, the Group performed a double materiality assessment[1], supported by a stakeholder engagement process, to assess impacts, risks and opportunities throughout the value chain.
Metrics relating to the upstream and downstream phases of the value chain have been included in this Sustainability Statement, where material.

[1] Double Materiality as mentioned by the ESRS.

The organisation has not made use of the option to omit specific information regarding intellection property, know-how or the results of innovation. Moreover, no exemption was applied pursuant to Article 29 bis (3) of Directive 2013/34/EU on the disclosure of upcoming developments or matters under negotiation.

1.1.1.2 BP-2 Disclosures in relation to specific circumstances

The time horizons used by KOS are in line with those defined by the ESRS, as follows:
- short-term time horizon means the reporting period of the financial statements;
- medium-term time horizon means a period of time between one and five years from the reporting period;
- long-term horizon means a period more than five years from the reporting period.

Metrics include upstream and downstream value chain data (especially Scope 3 emissions) that require the use of indirect sources, such as industry averages or other proxies. Therefore, the Group applies methodologies aligned with the GHG Protocol Corporate Accounting and Reporting Standard and the Corporate Value Chain (Scope 3) Standard.

The methodologies applied are as follows:
- Average data method;
- Spend-based method;
- Distance-based method;
- Specific method for type of waste.

In the event that the quantitative metrics and monetary amounts presented are estimated, the relevant information is provided in the specific paragraphs.

Changes in the preparation and presentation of sustainability information, resulting comparisons of information with previous periods, as well as disclosures of material errors and corrections from previous periods, cannot be presented for reporting periods prior to the first year of application of the ESRS.

The KPS Sustainability Statement does not include additional disclosures resulting from applicable legislation.

The following is a list of ESRS disclosure requirements that have been included, with references:
- Scope of the consolidated financial statements of the KOS Group as at 31 December 2024 (1.1.1.1 BP-1): reference to the “General information on the KOS Group” section of the Directors’ Report;
- Mitigation of significant risks for the company resulting from its impacts and dependencies in terms of consumers and end-users (3.4.2.4 ESRS S4-4): reference to the “*Risk management”* section of the Directors’ Report.

1.1.2 Governance

1.1.2.1 GOV-1 The role of the administrative, management and supervisory bodies

Management of the Group and supervision of accounting administration are carried out through a traditional corporate governance system with Board of Directors (hereinafter, also, BoD) and a Board of Statutory Auditors.
The Board of Directors of the holding company KOS is appointed by the ordinary shareholders' meeting, pursuant to art. 2383 of the Italian Civil Code and in compliance with the Articles of Association.
Within the limits of art. 2382 (4) of the Italian Civil Code and subject to the qualified majorities required by the Articles of Association, the BoD may appoint one or more Managing Directors from among its members to whom it can delegate specific attributions or special duties.
The BoD comprises 1 executive member and 7 non-executive members, as shown below:

COMPOSITION AND DIVERSITY OF ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

2024	Unit of measurement	Men	Women	Total
Executive members	no.	1	-	**1**
Non-executive members	no.	3	4	**7**
Total	**no.**	**4**	**4**	**8**
% of members by gender	%	50%	50%	**100%**

It should be noted that the non-executive members of the Board of Directors are not independent members.

The Board of Statutory Auditors is appointed by the Shareholders' Meeting. The members of the Board of Statutory Auditors must meet specific requirements of suitability (Art. 2382 of the Italian Civil Code), independence and integrity (Art. 2399 of the Italian Civil Code) and remain in office for three years. The Board of Statutory Auditors has 5 members (3 standing and 2 alternates), all of whom are male.

COMPOSITION AND DIVERSITY OF THE BOARD OF STATUTORY AUDITORS

	Unit of Measurement	2024		
		Men	Women	Total
Members of the Board of Statutory Auditors	no.	5	-	**5**
% of members by gender	%	100%	-	**100%**

The members of the KOS Board of Directors do not include any workers' representatives or other workers.

All members of the KOS Board of Directors have experience and expertise in the sector and in the geographical areas in which the Group operates. The Board of Directors also includes members with expertise on Sustainability issues.

The Board of Directors plays a central role in the strategic guidance of the Company and the Group, as well as in the supervision of the overall business activities. It has the power to direct the administration as a whole and the power of direct intervention in decisions necessary or useful in pursuit of the corporate objectives.
The Board of Directors is the body responsible for taking the most important decisions from an economic and strategic perspective, or in terms of structural impact on operations, or functional to the management and control of the Company and the Group. It manages the business and is vested for this purpose with the widest powers of administration, except those reserved for the shareholders by law and/or the Articles of Association.

With regard to sustainability issues, the Board of Directors:

- reviews the Double Materiality assessment with the support of the Chief Financial Officer (CFO) and the Chief Executive Officer (CEO),
- reviews and approves the Sustainability Statement, checking that it has been prepared in accordance with ESRS,
- approves the Sustainability Plan targets in order to monitor and improve ESG performance.

In performance of the functions assigned to it by law, the Board of Statutory Auditors monitors compliance with relevant legal provisions, as well as the adequacy of the organisation, administrative, reporting and control system set up by the Group in enabling the complete and accurate representation in the Sustainability Statement of the activities of the business, its results and impacts on sustainability issues, and reports thereon in the annual report to the Shareholders' Meeting.

In addition to the Board of Directors and the Board of Statutory Auditors of KOS S.p.A., the following committees operate - all have been set up on a voluntary basis, are not in the Register of Companies and have their own rules:

- Control, Risk and Sustainability Committee;
- Committee for Executive Remuneration;
- Supervisory Board.

In detail the Control, Risk and Sustainability Committee (hereinafter also "*CRSC*"):

- reviews the results of the Double Materiality assessment, coordinated by the ESG Reporting Function, and provides a non-binding opinion on the outcome of the activities, indicating any further analysis and/or additions that may be necessary;
- examines the contents of the Sustainability Statement, in relation to the applicable reporting standards, after consulting the external auditors and the Board of Statutory Auditors.

The Board of Statutory Auditors participates in meetings of the committee in the person of its president.

The Double Materiality assessment – coordinated by the ESG Reporting Function, which is responsible for the operational management of the process – identifies the Group's material impacts, risks and opportunities. KOS's Top Management is responsible for managing issues under its responsibility (e.g. human resources, health and safety and other departments) and monitors the effectiveness of policies, actions and metrics by checking the progress of the Sustainability Plan twice a year.

Together with the Group CFO, the CEO is responsible for:

- evaluating, examining and approving the material issues identified during the double materiality assessment, in relation to both their ESG and financial impact and their relevance to the Group's activities.
- presenting the results of the Double Materiality assessment to the CRSC and the Board of Directors
- checking and approving, in collaboration with the Group CFO, the reporting perimeter of the Sustainability Statement, on the same basis as the activities performed for Financial Reporting purposes;
- identifying and approving, in collaboration with the Group CFO, the list of Data Owners/Compilers and Approvers/Persons Responsible for the Italian reporting perimeter;
- analysing and approving, in collaboration with the Group CFO, the list of Data Owners/Compilers and Approvers/Persons Responsible prepared by the Charleston Group;
- presenting to the BoD and the CRSC the draft Sustainability Statement prepared by the ESG Reporting Function.

Also, with the support of the ESG Reporting Function and the various owners, they periodically assess the state of progress of the ESG targets of the three-year plan which reflect the issues identified as material for the Group.

Please refer to section "*1.1.2.5 GOV-5 Risk management and internal controls over sustainability reporting*" for further details of how risk management and sustainability are incorporated into the KOS governance structure.

Management, the Board of Directors and the CRSC have been informed of the contents of the new legislation as well as of all the actions that had to be taken. Consequently, training sessions on sustainability matters were organised during 2024 with the support of external consultants.

1.1.2.2 GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The administrative, management and supervisory bodies are informed by the ESG Reporting Function, at least annually, about the outcome of the Double Materiality assessment. They take the impacts, risks and opportunities identified during the assessment into account when drawing up the Company's business plan, integrating into it the policies and actions identified in the sustainability plans. They are informed of the key elements of due diligence that are directly reflected in the disclosure requirements set out in ESRS 2 and in the thematic ESRSs, as included in the Sustainability Statement.

For information on the sustainability issues handled by KOS's administrative, management and supervisory bodies, please refer to the following sections*: 1.1.2.1 GOV-1 The role of the administrative, management and supervisory bodies and 1.1.3.3 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model*.

1.1.2.3 GOV-3 Integration of sustainability-related performance in incentive schemes

With regard to its incentive schemes, KOS has adopted a "mixed" assessment system i.e. consisting of skills assessment and assessment by objectives under a Management By Objective (MBO) reward system to promote the achievement of concrete results, in line with corporate strategy.

The skills assessment is conceived as a system for the development of internal professionalism thanks to the development of a common organisational culture and the identification of talents, while the assessment by objectives approach makes it possible to set clear, measurable targets. In this way, motivation, individual responsibility and the overall effectiveness of the organisation are improved.

The MBO reward system was revised in 2023 in order to orient individual performance increasingly towards achievement of company objectives and results.
The assigned objectives include economic/financial objectives and qualitative objectives, also relating to the ESG plan approved by the Board of Directors.
The variable remuneration of Top Management is defined by the remuneration committee and the Board of Directors. Sustainability-linked variable remuneration makes up about 15% of the annual variable remuneration of key managers.

1.1.2.4 GOV-4 Statement on due diligence

The KOS due diligence map provides a representation of the information on the Due Diligence process in the Sustainability Statement, integrating it with the sections of ESRS 2 General disclosures.

Key Elements of Due Diligence	Sustainability Statement Sections
a) Integrate due diligence into governance, strategy and business model	1.1.2.2 GOV-2 Information provided to and sustainability matters addressed by the administrative, management and supervisory bodies (GOV-2) 1.1.2.3 GOV-3 Integration of sustainability-related performance in incentive schemes (GOV-3) 1.1.2.4 GOV-4 Statement on due diligence (GOV-4) 1.1.3.3 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)
b) Involve stakeholders in all key stages of due diligence	1.1.3.2 SBM-2 Interests and views of stakeholders (SBM-2) 2.1.3.2 E1-2 Policies related to climate-change mitigation and adaptation (E1-2) 2.5.1.2 E5-1 Policies related to resource use and circular economy (E5-1) 3.1.2.1 S1-1 Policies related to own workforce (S1-1) 3.4.2.1 S4-1 Policies related to consumers and end-users (S1-1) 4.1.2.2 G1-1 Business conduct policies and corporate culture (G1-1)
c) Identify and assess negative impacts	1.1.3.3 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3) 1.1.4.1 IRO-1 Description of the process to identify and assess material impacts, risks and opportunities (IRO-1)
d) Take action to deal with negative impacts	2.1.3.3 E1-3 Actions and resources in relation to climate change policies (E1-3) 2.5.1.3 E5-2 Actions and resources related to resource use and circular economy (E5-2) 3.1.2.4 S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions (S1-4) 3.4.2.4 S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions (S4-4) 3.4.4.1 Contribution to patient well-being 3.4.5.2 Quality and effectiveness of social care services 4.1.3.1 G1-4 Incidents of corruption or bribery (G1-4) 4.1.4.1 Development and innovation of the clinical process and the services offered 4.1.4.2 Contribution to territory and local community
e) Monitor the effectiveness of actions and communicate them	2.1.4.1 E1-4 Targets related to climate change 2.5.2.1 E5-3 Targets related to resource use and circular economy (E5-3) 3.1.3.1 S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S1-5) 3.4.3.1 S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S4-5) 3.4.4.1 Contribution to patient well-being 3.4.5.2 Quality and effectiveness of social care services 4.1.4.1 Development and innovation of the clinical process and the services offered 4.1.4.2 Contribution to territory and local community

1.1.2.5 GOV-5 Risk management and internal controls over sustainability reporting

The KOS Group adopts an Enterprise Risk Management model that is periodically updated by the Risk Management function in line with the Group's growth in size, internal organisational changes and any external events, assessing the risks potentially associated with the business. A procedure has been established to regulate the periodical risk measurement process based on the likelihood of occurrence and the level of impact with the latter defined in five areas: economic/financial, operational, reputational, compliance and ESG. The effect of mitigation and preventive actions are also considered, such as the adoption of guidelines, targeted safety and risk assessment protocols, strict compliance with risk management regulations, performance of annual audits, corporate training and constant monitoring of processes, in order to define the level of residual risk. On an annual basis, the Risk Management function monitors the Internal Control over Sustainability Reporting (ICSR) system by testing the adequacy and effectiveness of controls.

The risks identified during the risk management process and deemed material to the Company are included in the "Risk Register", a document containing a detailed list of all material risks, useful for monitoring and tracking them. The Risk Register is not the subject of scrutiny by the Board of Directors.

With regard to risk management and internal controls relating to Sustainability Reporting, it should be noted that an ESG reporting procedure was implemented in 2024 with the aim of providing guidelines for the voluntary preparation of the KOS Group's Sustainability Statement in accordance with ESRS.
The ESG reporting procedure ensures that the proper operating procedures are followed and guides the application of the process, defining the flow of the main activities, roles and responsibilities and the tools that must be adopted.

The procedure provides that, on an annual basis, the Group CEO and CFO, in collaboration with the ESG Reporting Function, shall review the mapping list of Data Owners and Approvers in charge of collecting and approving non-financial data. This review takes place on the basis of the results of the Double Materiality assessment and the identification of data relating to the material issues identified. For the Charleston Group, the list of Data Owners and Approvers is prepared locally and then sent to the CEO, the Group CFO and the ESG Reporting Function for their review and approval.

1.1.3 Strategy

1.1.3.1 SBM-1 Strategy, business model and value chain

KOS is an Italian group that operates in the health and social care sector, with a particular focus on patient care and well-being. Its business, which includes the operation of care homes ("RSAs"), hospitals, clinics and other healthcare facilities, has a significant environmental and social impact. KOS has established sustainability policies that seek to reduce environmental impact, improve patient quality of life and promote social inclusion, while also responding to challenges related to climate change and inequality.

The KOS Group currently offers the following services:

- Functional rehabilitation
- Residential care facilities for the elderly and disabled
- Intermediate and post-acute care
- Surgical admissions/acute care medicine
- Psychiatry
- Diagnostic and outpatient services
- Day centres
- Home care
- Telemedicine/tele visit service

As at 31 December 2024, KOS Group was managing some 145 healthcare facilities – 92 in North and Central Italy and 53 in Germany - with a total of 13,777 beds plus around 500 beds under construction. It operates in three business segments:

- Care Homes / RSA: management of care homes for the elderly with some 112 care homes for a total of 11,186 beds (including 4,575 in Germany);
- Rehabilitation, Psychiatric Care and Non-Residential Care**:** management of 32 rehabilitation facilities for a total of 2,407 beds in operation;
- Acute Care**:** management of the activities of the Sanatrix Group (184 beds) plus 15 outpatient clinics.

KOS has 7,145 employees in Italy and 4,569 employees in Germany for a total of 1,714 employees at Group level.

During 2024, the KOS Group updated the Sustainability Plan containing the long-term goals it has set itself in line with the United Nations Sustainable Development Goals (SDGs). These goals, based on incremental targets until 2027, are the result of prioritisation of the Group's contribution towards achievement of the SDGs, based on its direct and indirect impact on the underlying issues.
Moreover, in 2024, KOS's ESG objectives as set out in the Sustainability Plan were reconciled with the material issues and the related material Impacts, Risks and Opportunities in order to ensure that the existing targets were compliant with the minimum disclosure requirements laid down by the standard and fully dealt with material sustainability issues.

KOS's efforts have been directed towards the Sustainable Development Goals on which the Group's activities have a direct impact, as they are closely related to its mission, the services offered and the sector to which it belongs.
The Group's Sustainability Plan is aligned with its sustainable growth model, which incorporates respect for the environment and the social and ethical dimension into the business activities. The Plan has been divided into three macro-areas which outline the commitments on which the Group will focus its efforts until 2027: people, quality of care and energy efficiency.

ESG strategy is integrated into the Group's financial and strategic plan and its objectives do not apply to specific categories of stakeholders or patients only, are specific to geographical areas (Italy and Germany) and are established at Group level.

The KOS Group's Sustainability Plan – as described below – is in line with the Group's new approach to sustainability disclosure launched in 2021 when the first voluntary Sustainability Statement was prepared; the aim is to increase transparency on the Group's sustainability efforts, vision and strategy.

Energy Efficiency

Group Commitment:
Minimise CO2 emissions and impacts resulting from consumption of the services offered by KOS, with particular reference to energy efficiency, the promotion of renewable energy sources, waste reduction and the adoption of best practices.

ESRS	Challenges		Key Performance Indicators (KPIs)	Target 2024	2024 results	Interim Target 2025-2027
ESRS E1 Climate change	Reduce CO_2, emissions while increasing energy efficiency, reducing energy consumption and promoting renewable energy sources	12	Energy Mix: % of renewable electricity used (purchased and produced) from renewable sources in addition to that of national production / total electricity used (purchased and produced)	2024: 20%	2024: 24.5%	2025: 25% 2026: 30% 2027: 35%
		13	Energy intensity[2]: energy consumed /sqm (kWh/sqm)	2024: 243.8	2024: 243.8	2025: 242.6 2026: 241.3 2027: 240.1
ESRS E5 Circular economy	Minimise waste and promote processes for recycling and reuse of resources	14	Reduction of food waste: % of facilities with a meal booking system	2024: 75%	2024: 76%	2025: 80% 2026: 85% 2027: 90%
ESRS E1 Climate change	Adopt best operating practices	15	Capex Plan dedicated to production of green energy or improvement of energy efficiency	2024: ≥ € 750k (I+DE)	2024: 964K (ITA+GER)	2025: ≥ € 750k (I+DE) 2026: ≥ € 750k (I+DE) 2027: ≥ € 750k (I+DE)

[2] The 2024-2027 Plan provided for the calculation of energy intensity as energy consumed/revenues – as at 31/12/24, it amounted to 0.1885. From 2025, intensity is calculated as energy consumed per sqm

People

Group Commitment:
KOS undertakes to develop ever more responsible service delivery processes in order to make a positive contribution to people and to the community in which it operates.

ESRS	Challenges		Key performance Indicators (KPI)	Target 2024	2024 Result	Interim Target 2025-2027
ESRS S1 Own workforce	Contribute towards the development of various professional skills	1	Training: number of hours of training per employee per year[3]	2024: 22	2024: 26.6	2025: 23 2026: 24 2027:25
	Ensure a safe and stimulating work environment, minimising risks and preventing inconvenience and accidents at work	2	Diversity: basic salary ratio between men and women[4]	2024: 99%-101%	2024: 99.7%	2025: 99% -101% 2026: 99% -101% 2027: 99% -101%
		3	Staff satisfaction: % of employees who rate their work environment positively (2024 employees involved: 30-40%) (2025 employees involved: 30%-40%)[5]	2024: 50%	2024: 62,7%	2025: 63% 2026: 65% 2027: 65%
		4	Workplace accidents: frequency of workplace accidents (number of accidents / million hours worked) excluding transport unless organised by the organisation and cases of Covid-19	2024: 25.7	2024: 29.5	2025: 30 2026: 27.5 2027: 25
Entity specific	Help make a positive impact on the local community	5	Facilities involved in sustainability projects in local area (e.g. educational, sports, solidarity, health): % of facilities involved	2024: 60%	2024: 76.1%	2025: 70% 2026: 75% 2027: 75%

[3] The KPI is calculated by diving the hours of training provided by the average FTEs for the year. The target for 2026 has been revised downwards, in line with the availability of resources who provide training compared to what was published in the 2021 Sustainability Report.
[4] The index is calculated as the weighted average of the ratios between the Gross Annual Remuneration (normalised to FTE = 1) of men and women by occupational group (i.e. with equal responsibility), unlike the indicator *S1-16 Salary metrics (pay gap and total remuneration)*.
[5] The size of the population involved in 2025 has to be assessed.

Quality of Care

Group Commitment:
KOS is committed to constantly improving the quality of the service provided to its patients and customers, paying particular attention to service quality, information transparency and accessibility and legislative regulation

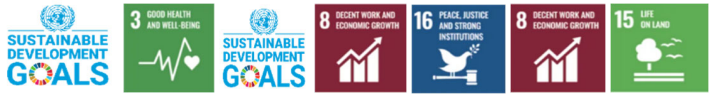
ESRS	Challenges		Key performance Indicators (KPIs)	Target 2024	2024 results	Interim Target 2025-2027
ESRS S4 Consumers and end-users	Directing the organisation towards the continuous improvement of the service provided to patients/ customers. Improving transparency and access to health information	6	Net Promoter score[6]: % of facilities with an NPS ≥ 30	2024: 85%	2024: 89%	2025: 85% 2026: 85% 2027: 85%
		7	Internal clinical audits: % of facilities audited annually with positive results or positive follow-up	2024: 100%	2024: 100%	2025: 100% 2026: 100% 2027: 100%
Entity specific		8	Electronic Medical Record: % of facilities that adopt electronic medical records	2024: 57%	2024: 57.8%	2025: 60% 2026: 65% 2027: 71%
ESRS G1 Business conduct		9	Dissemination of KOS's care approach: % of new hires who have completed training on corporate culture	2024: 95%	2024: 96.4%	2025: 95% 2026: 95% 2027: 95%
	Directing the organisation to act in full compliance with applicable legislation and	10	Internal administrative and management audits: % of facilities audited annually with positive results or positive follow-up	2024: 90%	2024: 98%	2025: 90% 2026: 90% 2027: 90%

[6] In 2025, action is planned to improve the service provided e.g. reorganisation of the patient reception process, introduction of nutritional products for patients with dysphagia, introduction of additional services requested by patients (e.g. travel, etc), digitised complaint management, automated personal therapy.

Cross-cutting target	Group Code of Ethics	11	Suppliers: % of suppliers screened through an assessment process based on presence of ESG certification (in particular: ISO 14001 and ISO 45001)	2024: 85%	2024: 89.9%	2025: 90% 2026: 90% 2027: 90%

CHARLESTON SUSTAINABILITY PLAN 2024-2027[7]

Energy Efficiency



Group Commitment

Minimise CO2 emissions and impacts resulting from consumption of the services offered by KOS, with particular reference to energy efficiency, the promotion of renewable energy sources, waste reduction and the adoption of best practices.

ESRS	Challenges		Key performance Indicators (KPIs)	Target 2024	2024 result	Interim Target 2027
ESRS E1 Climate change	Reduce CO_2, emissions while increasing energy efficiency, reducing energy consumption and promoting renewable energy sources	12	Energy Mix: % of renewable electricity used (purchased and produced) from renewable sources in addition to that of national production / total electricity used (purchased and produced)	2024: 20%	2024: 49.6%	2025: 25% 2026: 30% 2027: 35%
		13	Energy intensity[8]: energy consumed /sqm (kWh/sqm)	2024: 171.8	2024: 171.8	2025: 170.9 2026: 170.1 2027: 169.2
ESRS E5 Circular economy	Minimise waste and promote processes for recycling and reuse of resources	14	Reduction of food waste: % of facilities with a meal booking system	N.A	N.A	To be determined in 2025

[7] The Plan was extended to cover the Charleston Group in 2023 and has been revised with the most recent update 2024-2027.
[8] The 2024-2027 Plan provided for the calculation of energy intensity as energy consumed/revenues – as at 31/12/24, it amounted to 0.146. From 2025, intensity is calculated as energy consumed per sqm.

ESRS E1 Climate change	Adopt best operating practices	15	Capex Plan dedicated to production of green energy or improvement of energy efficiency	2024:≥ € 750k (I+DE)	2024: 964 K (ITA +Germany)	2025:≥ € 750k (I+DE) 2026:≥ € 750k (I+DE) 2027:≥ € 750k (I+DE)

People

Group Commitment:
KOS undertakes to develop ever more responsible service delivery processes in order to make a positive contribution to people and to the community in which it operates.

ESRS	Challenges		Key performance Indicators (KPI)	Target 2024	2024 results	Interim Target 2027
ESRS S1 Own work force	Contribute towards the development of various professional skills	1	Training: number of hours of training per employee per year[9]	2024: 22	2024: 22.6	2025: 23 2026: 24 2027: 25
	Ensure a safe and stimulating work environment, minimising risks and preventing inconvenience and accidents at work	2	Diversity: basic salary ratio between men and women [10]	2024: 99% - 101%	2024: 100,57%	2025: 99% - 101% 2026: 99% - 101% 2027: 99% - 101%
		3	Staff satisfaction: % of employees who rate their work environment positively (2024 employees involved: 30-40%) (2025 employees involved: 30%-40%)[11]	2024: 50%	2024: 71,6%	2025: 65% 2026: 67% 2027: 69%
		4	Workplace accidents: frequency of workplace accidents (number of accidents / million hours worked)	2024: 5.84	2024: 8.28	2025: 7 2026: 6.8 2027: 6.7

[9] The KPI is calculated by diving the hours of training provided by the average FTEs for the year.
[10] The index is calculated as the weighted average of the ratios between the Gross Annual Remuneration (normalised to FTE = 1) of men and women by occupational group (i.e. with equal responsibility), unlike the indicator *S1-16 Salary metrics (pay gap and total remuneration)*.
[11] The size of the population involved in 2025 has to be assessed.

		excluding transport unless organised by the organisation and cases of Covid-19			
Entity specific	Help make a positive impact on the local community	**5** Facilities involved in sustainability projects in local area (e.g. educational, sports, solidarity, health): % of facilities involved	2024: 60%	2024: 67.6%	2025: 70% 2026: 75% 2027: 75%

Quality of Care

Group Commitment:
KOS is committed to constantly improving the quality of the service provided to its patients and customers, paying particular attention to service quality, information transparency and accessibility and legislative regulation

ESRS	Challenges	Key performance Indicators (KPIs)	Target 2024	2024 results	Interim Target 2027
ESRS S4 Consumers and end-users	Directing the organisation towards the continuous improvement of the service provided to patients/ customers. Improving transparency and access to health information	6 Net Promoter score: % of facilities with an NPS ≥ 30	2024: 85%	2024: 85%	2025: 85% 2026: 85% 2027: 85%
		7 Internal clinical audits: % of facilities audited annually with positive results or positive follow-up	2024: 100%	2024: 100%	2025: 100% 2026: 100% 2027: 100%
Entity specific		8 Electronic Medical Record: % of facilities that adopt electronic medical records	2024: 95%	2024: 98.5%	2025: 98% 2026: 98% 2027: 98%
ESRS G1 Business conduct		9 Dissemination of KOS's care approach: % of new hires who have completed training on corporate culture	2024: 95%	2024: 100%	2025:95% 2026:95% 2027: 95%
	Directing the organisation to act in full compliance with applicable legislation and Group Code of Ethics	10 Internal administrative and management audits: % of facilities audited annually with positive results or positive follow-up	2024: 75%	2024: 76.5%	2025: 80% 2026: 85% 2027: 90%
Cross-cutting target		11 Suppliers: % of suppliers screened through an assessment process based on presence of ESG certification (in particular: ISO 14001 and ISO 45001)	2024: 95%	2024: 100%	2025: 95% 2026: 95% 2027: 95%

KOS's value chain involves a series of interconnected phases that commence with the procurement of resources, through the research and development of innovative health solutions, and finally arriving at the provision of health and care services within the facilities. In this context, KOS is positioned as a key player in the management of downstream services, as it is directly responsible for the care of patient well-being and the operation of facilities. However, in order to ensure that operations are effective and sustainable, the company relies on careful and efficient management of upstream resources, including both procurement and research and development activities. This integrated model enables KOS to offer high quality healthcare solutions, combining innovation and practicality, and ensuring long-term service continuity and quality.
The key components of the value chain can be summarised as follows: i) upstream process (procurement of products and services); ii) own operations (provision of services); downstream process (discharge of patients/residents and waste management).

i) Upstream process (procurement of products and services, and recruitment and management of personnel)

Procurement of supplies and equipment: One of the most important activities in the KOS upstream value chain regards the procurement of goods and services essential for the management of healthcare facilities and the treatment of patients. These goods include medical devices, pharmaceuticals, electromedical equipment, furniture and kitchen equipment, as well as catering and cleaning services, foodstuffs, pharmacological products and materials for laboratory analysis. These purchases are essential to ensuring that the facilities operate efficiently and provide high quality care.

KOS's purchasing processes are geared towards ensuring maximum competitive edge, creating fair opportunities for each supplier. Supplier selection is performed based on criteria of transparency and impartiality, focusing on a rigorous assessment that takes into account the quality of the products and services, price and the supplier's ability to comply with the standards required for the proper functioning of the facilities and to guarantee adequate treatment to patients. In this way, KOS ensures that it works with reliable partners who make a decisive contribution to the success of its operations.

Recruitment and management of personnel: these activities involve the selection and hiring of staff – both health and non-health – with particular attention to initial training and the onboarding process. The KOS Group is strongly committed to continuous staff training, organising courses on an annual basis to ensure that all professionals are up-to-date and able to respond to the ever-changing needs of the healthcare sector.
Personnel management also involves taking care of employment relationships, compliance with National Collective Agreements and collaboration with professional associations and unions to ensure a fair working environment that complies with current legislation.
In addition to HR management, KOS also handles regulatory compliance and updating of clinical procedures and practices in the healthcare sector. These activities include drawing up emergency plans – both health and non-health – and designing related procedures, which are essentially to ensure safety and readiness to respond in critical situations.

Healthcare facilities: another important element of the process concerns the construction or purchase of healthcare facilities, as well as their routine and extraordinary maintenance. This includes the purchase and operation of the equipment and systems in the facilities e.g. air conditioning, electrical and medical gas distribution systems. Utility management and energy efficiency are other key activities in ensuring that facilities operate sustainably and with low operating costs.

IT systems: finally, a crucial aspect for the proper functioning of the facilities concerns the implementation and configuration of IT systems and IT equipment, which are essential for the operation of the facilities and the hosting of residents/patients. The maintenance and updating of ICT (Information and Communication Technologies) systems are fundamental activities in ensuring that daily operations are carried out smoothly, safely and in line with the needs of the healthcare sector.

ii) Own operations (provision of services)

KOS is a leading Italian health group operating in social and health care and residential chronicity, rehabilitation and psychiatry and acute medicine. The Group operates residences for the elderly, hospitals and care homes where high quality health services are provided, such as medical care, physiotherapy, social care and rehabilitation. Management of these facilities has to ensure operational efficiency, compliance with healthcare standards and the well-being of users.

In Italy, through KOS Care S.r.l., the Group operates functional rehabilitation centres, residential and health care for autonomous and non-autonomous elderly people and people with disabilities, including psychiatric disorders. Through Sanatrix Gestioni S.r.l. it manages hospitals in Italy (KOS Italy).

In particular, the admission and management of patients/residents at the facilities is characterised by constant communication with the care givers, hospitals and doctors who have treated them. Once an individual has been admitted to a facility, a clinical assessment is carried out and care, rehabilitation and treatment plans are then developed with continuous monitoring of the individual's state of health. Finally, special attention is paid to the safety of residents/patients, the management and administration of medicines, assistance with community life and assisted use of means of communicating with families.

In addition to health services, KOS also handles the management of hospitality services, including accommodation-related services (catering, laundry, security, cleaning, entertainment), which improve the quality of life of residents.

iii) Downstream process (discharge of patients/residents and waste management)

- **Waste management**: encourages the minimisation of waste, limiting the use of potentially hazardous substances and promoting the proper management of hazardous and non-hazardous waste through recovery and disposal operations.

- **Discharge of residents/patients**: An important part of the downstream value chain is dealing with follow-ups where needed and providing aftercare support. These activities involve coordinating discharges and transfers, communicating with family members and/or social services and providing ongoing care e.g. through home care and telemedicine services. Personalised care and assistance is another key factor. The quality of relationships with patients and their families is crucial to ensuring long-term satisfaction and trust.

  A fundamental role among the KOS Group's downstream value chain activities is played by the proper archiving and transfer of medical records and the monitoring of performance metrics. Correct management of these processes leads to more efficient handling of complaints and evaluation of the satisfaction of residents/patients and their families, and the possible implementation of new programs and services.

1.1.3.2 SBM-2 Interests and views of stakeholders

The KOS Group maintains a continuous dialogue and interaction with its stakeholders, to identify emerging trends and meet their needs and expectations, in line with ESG objectives. KOS's stakeholder engagement process is based on effective communication and aims to stimulate continuous, mutual growth.

Stakeholder categories and related engagement activities are summarised below:

Stakeholder category	**Methods of dialogue and engagement**
Relatives and families	• Internet sites • Social Networks • Web radio • Satisfaction surveys • Direct mailing • Structured interviews • Service charters • User brochures • Resident committees • Family committees
Investors	• Board of Directors' Meeting • Periodical financial reporting • Dedicated meetings
Employees	• Email communications • Communications on company bulletin boards • Individual meetings • Dedicated meetings • Performance assessment • Intranet • LinkedIn • Web radio • Climate analysis
Suppliers	• Dedicated meetings • Internet site
Community	• Internet site, local events
Public administration and regulatory bodies	• Official communications • Inspections • Specific reporting • Communications for professionals
Research institutes and universities	• Research projects • Training projects • Conventions

For KOS, patients and their families are particularly important and sensitive stakeholders. In order to assess the perceived quality of the services provided and orient activities towards the needs of patients, KOS has developed systems to listen to and measure customer satisfaction both in Italy and in Germany. In Italy, these systems are based on regular interviews with patients and their families, also through digital touch points in the facilities (totems). By sending a questionnaire – updated during 2024 – intended for family members/caregivers[12] of care homes, it was also possible to measure, with a high level of detail, the degree of satisfaction with the accommodation and services provided.

The table below describes KOS Group's understanding of stakeholder interests and views and how they relate to the strategy and business model.

Stakeholder category	**Description of understanding of interests and views of main stakeholders**	**Relationship with KOS Group strategy and business model**
Relatives and families	Patients' relatives and families are interested in the quality of the services provided and in the well-being of the patients.	The KOS Group conducts surveys on the satisfaction of patients and their families in order to identify areas for improvement and adapt services to patient needs.
Investors	Investors are interested in financial performance, transparency and growth opportunities.	Feedback from regular meetings is used to perfect the KOS Group's financial and communications strategies.
Employees	Employees have stated an interest in working conditions, opportunities for professional development, gender equality and well-being.	The KOS Group conducts annual employee satisfaction surveys in order to identify areas for improvement and adapt internal policies accordingly.
Suppliers	Suppliers highlight the need for responsible procurement practices, sustainability and business relationships.	Dialogue with suppliers enables the KOS Group to correctly assess and set ESG objectives, thus strengthening relationships and procurement practices.
Community	Local communities prioritise health, solidarity, education and environmental initiatives.	The KOS Group assesses the impact of its initiatives in favour of the local community to strengthen its social and environmental commitment, improve sustainability initiatives and meet society's expectations.
Public administration and regulatory bodies	The public administration and regulatory bodies are interested in influencing strategic decisions through the introduction of new regulations and mutual collaboration.	Input from government and regulators and regulatory requirements are integrated into strategic decisions, ensuring governance is aligned with industry regulations and best practices.
Research institutes and universities	Research institutes and universities are looking for educational partnerships, internship opportunities and training programs.	The KOS Group regularly evaluates collaborations with these institutions in order to improve its recruitment and training programs, thus attracting new talent

A questionnaire for the assessment of material issues was given to the employees, suppliers, banks and shareholders of the KOS Group at the end of 2024. The results made it possible to assess the significant of each impact associated with the material issues identified, taking into account the stakeholder categories.
For further information on stakeholder engagement activities in the context of the materiality assessment, please refer to Section *1.1.4.1 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities*.

Stakeholder views have been integrated into the ESG Sustainability Plan which aims to strengthen the Group's long-term resilience and accelerate the transition to a low-carbon economy.
ESG KPIs and related targets were updated in 2024 to meet regulatory requirements, as described in Section *1.1.3.1 SBM-1 Strategy, business model and value chain*. For a description of the roles of the administrative, management and supervisory bodies, also with regard to the validation and approval of ESG objectives, please refer to Section *1.1.2.2 GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies*. For a description of how administrative, management and supervisory bodies are informed of the views and interests of stakeholders regarding sustainability-related impacts, see Section *1.1.3.1 SBM-1 Strategy, business model and value chain*.

[12] A caregiver is a person responsible for another dependent individual – possibly a disabled person – whom he or she takes care of in a domestic setting.

1.1.3.3 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The KOS Group has carried out a Double Materiality assessment with the aim of identifying and prioritising material topics relevant to the Group in accordance with regulatory requirements and considering impacts, risks and opportunities (IROs) generated and suffered by the Group.
For reporting purposes, the impacts, risks and opportunities of the KOS Group along the value chain have been assessed considering how they affect – or may affect – the Group's business strategy and business model, in particular for its core activities in the healthcare, residential and social care services sectors.

The ESG macro-areas in which impacts, risks and opportunities have been identified are described below:

ENVIRONMENT
Energy sustainability and emissions reduction are integrated into the strategy of the KOS Group, which has decided to use only green energy for some facilities as part of a broader commitment to sustainability, in line with regulations and stakeholder expectations.

SOCIAL
- Patients – The KOS Group integrates the quality of healthcare as a central part of its strategy, with a focus on the continuous improvement of its facilities and processes, while putting the well-being of patients and users first. This is in line with the model based on personal care and personalised care.
- Employees – Investment in staff well-being and training is a key feature of KOS's strategy, which recognises the importance of human resources to the Group's long-term success. Moreover, fostering a positive work environment is essential for attracting and retaining resources.

GOVERNANCE
Governance is a crucial part of the KOS strategy. The adoption of rigorous and transparent compliance policies is designed to ensure the Group's long-term economic sustainability and maintain a high level of trust with investors and other stakeholders.

Material ESG issues for the KOS Group largely stem from the strategic and operational choices it has made to integrate sustainability into its activities. Environmental impacts relate to the adoption of green technologies and efficient resource management; social impacts are related to patient well-being, improved quality of healthcare and staff training, governance impacts reflect KOS's commitment to transparent, ethical and regulatory-compliant management. These impacts are fundamental for KOS's business model which places sustainability, service quality and social responsibility at the heart of its strategy. In addition, KOS has identified several Entity Specific IROs i.e. impacts, risks and opportunities identified as specific to KOS but not covered or covered in insufficient detail by ESRS.

The impacts, risks and opportunities generated and/or present along the value chain have been assessed considering how they affect – or could affect – people and the environment in the short and medium-term (in line with the Strategic Plan, as described above); actual or potential impacts have been assigned accordingly.
For more details on the description of the Double Materiality process and the methodology applied, please refer to Section *1.1.4.1 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities* and Section *1.1.2.5 GOV-5 Risk management and internal controls over sustainability reporting*.

The following table sets out the positive and negative impacts that were found to be material in relation to each ESRS topic (or "Entity specific" in the case of impacts not directly related to a specific ESRS) and the related scope of relevance:

MATERIAL IMPACTS

ESRS Topic	Impact	Description of impact	Positive/ negative impact	Actual /potential impact	Impact on value chain
ESRS E1 Climate change	Contribution to climate change through direct/indirect GHG emissions	Negative impact on climate change as a result of GHG emissions from energy consumption during the provision of services	Negative	Actual	• Upstream • Own operations
ESRS E5 Circular economy	Generation of hazardous and non-hazardous waste	Negative impact on the environment from the generation of hazardous and non-hazardous waste and from a potential risk of improper disposal	Negative	Actual	• Own operations • Downstream
ESRS S1 Own workforce	Violation of workers' rights	Non-compliance with working hours and precarious working conditions	Negative	Potential	• Upstream • Own operations
	Welfare programs and fair remuneration policies	Implementation of fair and competitive remuneration policies and definition of welfare initiatives aligned with industry best practices	Positive	Actual	• Upstream • Own operations
	Failure to engage with workers' representatives and violation of the right of association	Violation of trade union rights, lack of engagement with workers' representatives, violation of right to freedom of association, collective bargaining and social dialogue	Negative	Potential	• Upstream • Own operations
	Failure to protect work-life balance	Failure to protect work-life balance	Negative	Potential	• Upstream • Own operations
	Impacts arising from inadequate health and hygiene measures	Potential negative impact on workers' health and safety due to insufficient measures to safeguard health and hygiene	Negative	Potential	• Upstream • Own operations • Downstream
	Occupational accidents and injuries of workers	Occupational accidents and illness during work activities	Negative	Actual	• Upstream • Own operations • Downstream
	Gender discrimination (remuneration/salary, role)	Negative impacts on employee satisfaction and motivation due to pay discrimination	Negative	Potential	• Upstream • Own operations
	Training and development of workers' skills	Positive impact on employees and their professional growth through development of training programs designed to enhance skills that increase professional and personal opportunities	Positive	Actual	• Upstream • Own operations • Downstream
	Incidents of violence and harassment of employees in the workplace	Negative impacts on employee well-being and motivation due to violence and harassment	Negative	Potential	• Own operations
	Diversity in governance bodies and among employees	Current positive impact on the Group's employees in terms of creating a diverse and inclusive environment	Positive	Actual	• Upstream • Own operations
	Inappropriate processing of personal data	Potential negative impact on confidentiality and misuse of stakeholder data, resulting from failure of data protection mechanisms to function in accordance with the GDPR, also as a result of cyberattacks and cybersecurity breaches	Negative	Potential	• Upstream • Own operations • Downstream

ESRS S4 Consumers and end-users	Failure to protect patients' opinions and ineffective complaint handling	Potential negative impact on patients and their experience with the services offered by the Group in the event that complaints are not managed and processed effectively and efficiently, due to a lack of safeguards designed to protect the right of patients to express their opinions, concerns and preferences	Negative	Potential	• Own operations • Downstream
	Dissemination of reliable, quality information to service users	Dissemination to service users of reliable, quality information regarding their health conditions	Positive	Potential	• Upstream • Own operations
	Incorrect management of patient health and safety	Potential negative impact on patient safety following a failure of the protection measures put in place by the Group and/or due to episodes of violence or harassment	Negative	Potential	• Upstream • Own operations • Downstream
	Unethical and unfair patient management	Potential negative impact on patients and their experience with the services offered resulting from a failure to comply with internal procedures that would lead to discriminatory actions in patient management	Negative	Potential	• Upstream • Own operations
	Misleading and/or non-transparent communications and marketing	Negative impact on patients' ability to make unbiased and free decisions about their health	Negative	Potential	• Own operations
ESRS G1 Business conduct	Unethical business management	Unethical behaviour when carrying out activities at the workplace e.g. failure to protect users of whistleblowing platform, which may lead to violations of the code of ethics	Negative	Potential	• Own operations
	Late or non-payment of suppliers	Irresponsible management of supplier relations caused by late payment or non-payment	Negative	Potential	• Upstream • Own operations
	Non-compliance with anti-corruption laws and regulations	Negative impact on all stakeholders due to presence of inadequate governance and insufficient safeguards to ensure activities take place in accordance with anti-corruption laws and regulations	Negative	Potential	• Upstream • Own operations
Entity Specific	Development and innovation of the clinical process and services offered	Positive impact on patients following improvement and innovation of the care offered thanks to R&D activities, collaboration with research centres and universities and development of new solutions also thanks to the contribution of external stakeholders (including patients, families, suppliers)	Positive	Actual	• Upstream • Own operations • Downstream
	Contribution to local area and community	Positive impact on the local community deriving from the presence of a care facility, the delivery of services of public utility, job creation and the generation of business for local suppliers	Positive	Actual	• Own operations
	Contribution to patient well-being	Positive impact on patient health and well-being through the provision of services that guarantee all-round patient well-being, promoting principles of free choice and dignity	Positive	Actual	• Upstream • Own operations
	Quality and effectiveness of social care services	Positive impact on patients thanks to quality services offered by the Group	Positive	Actual	• Upstream • Own operations

The following table sets out the positive and negative impacts that were found to be material in relation to each ESRS topic (or "Entity specific" in the case of impacts not directly related to a specific ESRS) and the related scope of relevance.

Short and medium-term time horizons were considered when identifying risks and opportunities. For further information on time horizons, please refer to Section *1.1.1.2 BP-2 Disclosures in relation to specific circumstances*.

MATERIAL RISKS AND OPPORTUNITIES

ESRS Topic	Risk/Opportunity	Description of risk/opportunity	Value chain	Time horizon
ESRS E1 Climate change	Risks related to failure to adapt to climate change and transition risks	Cost increases that could occur if the Business Model does not adapt to climate change (damage resulting from heat waves or cold waves, water stress, subsidence, rise in sea level, etc.) and in case of non-compliance with environmental regulations that require measures/actions that are costly and/or difficult to implement	• Upstream	Short term
	Increased costs related to energy consumption	Increase in cost of providing services due to energy price increases and external pressures towards the energy transition	• Upstream • Own operations	Short term
ESRS S1 Own work force	Risk of dependence on key individuals	Dependence on key individuals within the Organisation, against their possible dismissal/resignation or prolonged absence	• Upstream • Own operations	Short term
	Health and safety risk for the workforce	Failure to comply with requirements of workplace Health and Safety legislation, not ensuring appropriate levels of safety for workers	• Upstream • Own operations	Short term
	Risks arising from management of employment relationships	Risks associated with the process of private and collective relations and bargaining with trade unions and employers' organisations, with resulting strike action by employees	• Upstream • Own operations	Medium term
	Risks related to cyber attacks	Risks related to infrastructural management of service continuity and/loss of sensitive patient data caused by cyber attacks	• Upstream • Own operations • Downstream	Short term
	Retention risk	Possibility that the Company is unattractive and, thus, unable to hold on to trained personnel	• Upstream • Own operations • Downstream	Medium term
	Higher salaries to support staff	Offering fair and competitive salaries and employee welfare initiatives not only increases productivity but also employee well-being and loyalty, thus reducing onboarding costs	• Upstream • Own operations	Medium term
ESRS S4 Consumers and end-users	Risks arising from episodes of violence and harassment of patients	Potential incidents of violence and harassment involving patients, affecting their rights, which could lead to litigation and reputational damage	• Upstream • Own operations	Medium term
	Risks related to the management of patient health and safety	Possibility of weaknesses or non-compliance in looking after and caring for patients during hospitalisation or stay in the care home/rehab facility. Also the possible failure of the multi-professional approach to care	• Upstream • Own operations • Downstream	Short term
Entity Specific	Risks arising from disputes	Possibility of becoming involved in disputes and judicial proceedings in the fields of labour, civil, administrative and tax law that could lead to obligations to pay damages/compensation	• Upstream	Medium term
	Innovation of the services offered	New and improved services lead to better outcomes for patients, as well as leading to improvements in reputation and more efficient treatments	• Upstream • Own operations	Medium term

As a result of the analysis performed, no impact is expected on the amounts reported in the financial statements, nor is there a significant risk of material adjustments, in the next reporting period, to the carrying amount of the assets and liabilities reported in the financial statements.

As described in Section *1.1.4.1 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities*, for this first year of reporting in accordance with ESRS, KOS has performed a double materiality assessment in accordance with EFRAG guidelines, assessing both financial risks and opportunities and the impacts of the Group's sustainability issues on society and the environment. It should be noted that the Double Materiality assessment conducted in 2024 based on EFRAG guidelines cannot be compared with the materiality assessment conducted on the basis of the GRI reporting standards used when preparing the previous Sustainability Report. Nonetheless, a preliminary analysis was performed in this regard to gain an understanding of the differences between the results of the materiality assessment conducted in accordance with the GRI standards and the Double Materiality assessment carried out based on ESRS.
Moreover, the support of a structured Enterprise Risk Management (ERM) approach in this process ensures the identification and assessment of risks – both potential and residual – across all business activities, their prioritisation based on strategic objectives and the implementation of mitigation measures, continuous monitoring and business continuity plans. This ensures resilience in strategy and in the business model.

1.1.4 Management of impacts, risks and opportunities

1.1.4.1 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities

The materiality assessment is the process whereby an organisation determines the material information to be reported on the basis of sustainability impacts, risks and opportunities (also known as IROs) that have emerged as material for the organisation.
The process – conducted on an annual basis – was coordinated by the ESG Reporting Function, in collaboration with the Risk Management and International Audit Function for the Financial Materiality part; for this first year of reporting with ESRS, EFRAG guidelines (from the Implementation Guidance IG1-Matriality) were also followed. In terms of Impact Materiality, the process was conducted by the ESG reporting function, also coordinating stakeholder engagement.
The assessment was performed for the KOS Group, also considering the Charleston Group, given the strong similarity between the Italian and German markets, in terms of IROs.
The materiality process integrated both the KOS Group's own operations – with particular reference to the geographical areas in which it operates – and the value chain – including upstream and downstream processes and related business relationships.

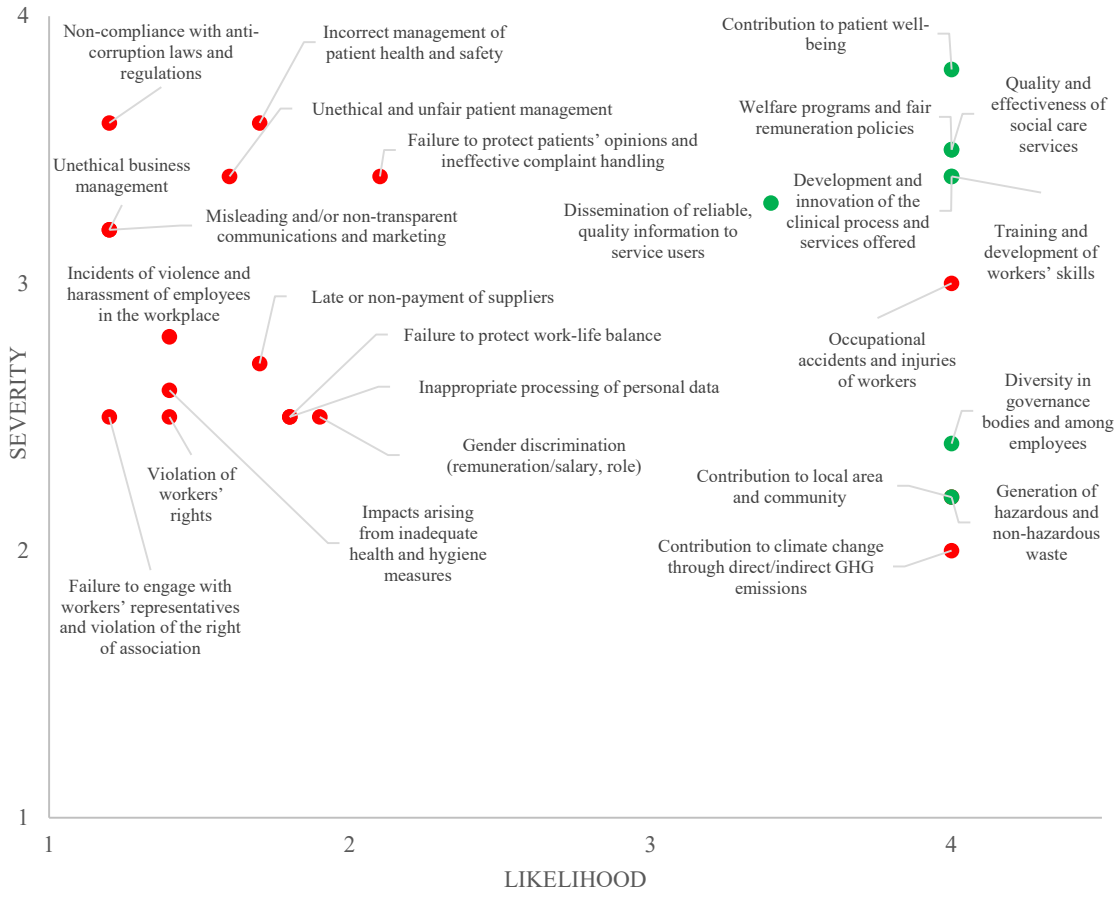
As mentioned, the double materiality assessment covers two dimensions i.e. impact materiality and financial materiality.

Impact materiality
A sustainability issue is material from the point of view of impact when it concerns the actual or potential, positive or negative impacts generated by the KOS Group on people or the environment. The impacts analysed include those generated by KOS's own operations and those generated by the value chain, which includes upstream and downstream processes and related business relationships.
The impact materiality assessment was performed based on the following steps:

- *Preliminary context analysis*: In accordance with Application Requirement 16 (AR 16) of ESRS 1 and with the support of benchmarking of competitors, best practices and material industry issues, the potentially material impacts generated by the Group and its value chain were identified. The impacts were identified in relation to KOS's operations or stages of the value chain, considering a short and medium-term time horizon, and assessed by Top Management (CEO, CFO and heads of key functions) for their severity – taking into account Scale: how positive/severe the impact is; Scope: how widespread the impact is; Remediation (for negative impacts only): how difficult it is to mitigate or compensate for the damage resulting from the impact – and the likelihood of the impact occurring.
- *Stakeholder survey*: The impacts identified during the preliminary analysis were also assessed through an online survey sent to KOS's key stakeholders, including: investors, suppliers, employees, banks and financial operators.
- *Consolidation of results*: Impacts were assessed using a scale of 1 to 4 based on two criteria:
    1. Probability of occurrence, where 1 is "Highly improbable" and 4 "Highly probable";
    2. Impact severity, where 1 is "Minor impact" and 4 "Very high impact".

The assessments expressed by stakeholders and Top Management are integrated to obtain the impact materiality results, which provide a solid basis for guiding corporate strategies and decisions.

The impact materiality results are shown below



Financial materiality

A sustainability issue is material from a financial point of view if it causes material financial effects on KOS. This is the case when a sustainability issue generates risks or opportunities that have, or could have, a material effect on KOS's development, financial position or financial performance.

It should be noted that a procedure that applies to the entire Group has been created with the aim or regulating the process of periodical risk assessment based on the probability of occurrence. The process is defined based on five areas:

1. economic- financial;
2. operational;
3. reputational;
4. compliance;
5. ESG.

The analysis is based on the Enterprise Risk Management (ERM) framework, which is periodically updated in accordance with the Group's ERM policy. This sustainability impact and risk management process is closely integrated with the Group's overall risk management system.

The risk assessment considers the effects of mitigation and prevention actions such as the adoption of guidelines, targeted safety and risk assessment protocols, strict compliance with risk management regulations, the performance of annual audits, company training and constant monitoring of processes, in order to define the level of residual risk.

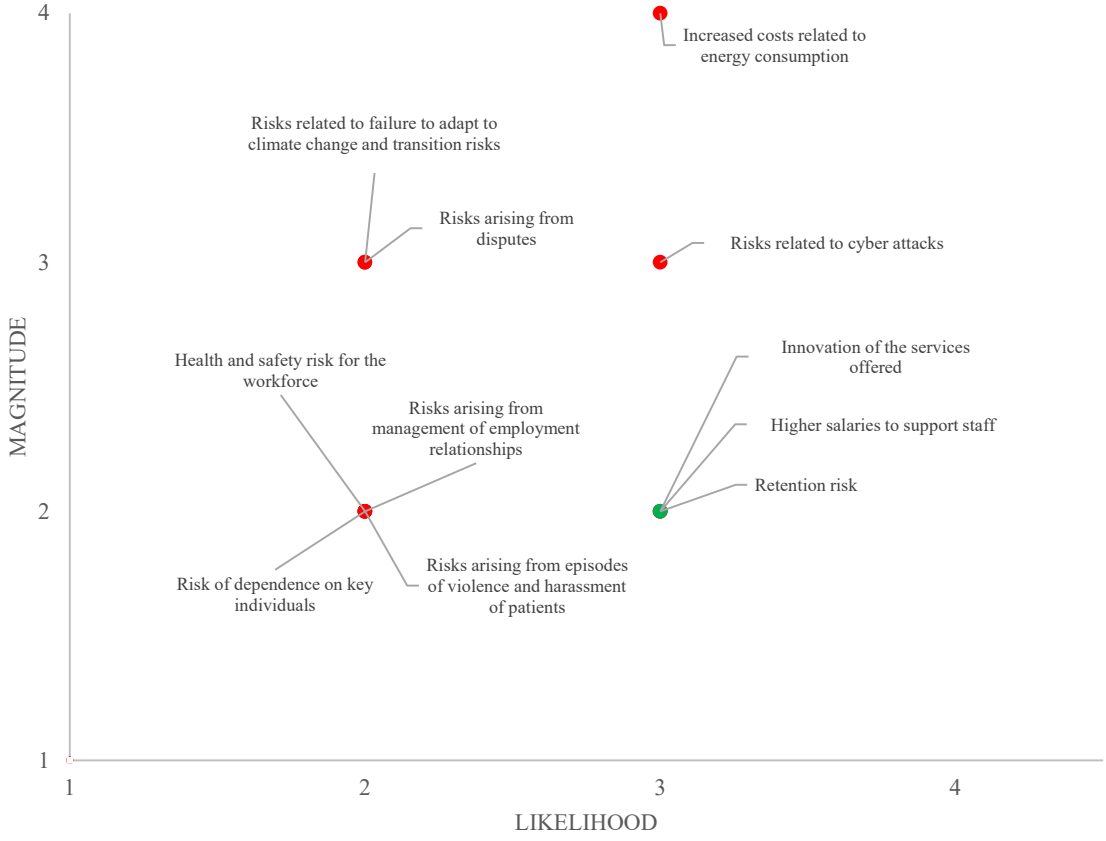
When the Risk Map was refined in 2024, for each risk, the relationship with the main ESG topics – where present – was considered, in accordance with Application Requirement 16 (AR 16) of ESRS 1.

Opportunities were identified based on a history of ESG issues that have previously been reported while trends and developments in the field of sustainability were analysed through benchmarking. Moreover, past performance was taken into account to update the strategies already adopted.

Risks and opportunities were assessed using a scale from 1 to 4, based on two dimensions:

- Likelihood, which represents the possibility that the risk will occur in the period analysed. The scale used provided for a score from 1 "Extremely improbable" to 4 "Extremely probable".
- Magnitude, which measures the potential consequences should the risk occur and the impact on the Group's results (EBITDA/Cash flow). The scale used provided for a score from 1 "Minor (<Euro 1 million)" to 5 "Extremely high (> Euro 10 million)".

The financial materiality results are shown below:



Double materiality

A sustainability issue is considered material when it meets the qualitative/quantitative criteria defined for impact materiality, financial materiality, or both.

Material IROs are subject to the ESRS Minimum Disclosure Requirements which provide for the Group to monitor policies, actions, targets and metrics.

The IROs deemed to have the most impacts are monitored and action plans identified to mitigate negative impacts, while involving the persons responsible.

Every year, the ESG Reporting function presents the results of the Double Materiality Assessment to the Group CFO at a dedicated meeting, during which results – including the methodology adopted - are reviewed and approved. The ESG Reporting Function then sends the approved documents to the CFO.

The ESG Reporting Function then organises a meeting with the CEO, during which the results preliminarily approved by the Group CFO are presented. The CEO reviews the assumptions made and may ask for clarification. At the end of the meeting, the ESG Reporting Function sends the approved documents to the CEO.

Finally, with the support of the ESG Reporting Function, the CFO also presents the results to the Control, Risk and Sustainability Committee which expresses a non-binding opinion and to the Board of Directors, which approves the Double Materiality assessment.

The Double Materiality assessment also identified four Entity Specific issues for KOS. They have been included in Section *3.4 ESRS S4 Consumers and end-users* and in Section *4.1 ESRS G1 Business conduct* and reported as entity specific disclosures.

With regard to IRO-1 disclosure requirements in non-material topical ESRS listed in ESRS 2, appendix C, please refer to Sections *2.2 ESRS E2 Pollution, 2.3 ESRS E3 Water and marine resources* and *2.4 ESRS E4 Biodiversity and ecosystems*.

1.1.4.2 IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement

On the basis of the material sustainability issues identified through the Double Materiality concept, the applicable disclosure requirements and the related Data Points are determined, following the instructions provided by document EFRAG Q&A ID 177, entitled "Mapping of Sustainability Matters to Topical Disclosures". This document facilitates the connection between material impacts, risks and opportunities and the associated Disclosure Requirements (DR). With regard to IRO-2 disclosure requirements, please refer to the "ANNEXES" section.

2. Environmental disclosures

2.1 ESRS E1 Climate change

2.1.1 Governance

2.1.1.1 GOV-3 – Integration of sustainability-related performance in incentive schemes

Currently, the remuneration of members of governance bodies is not linked to climate targets. The remuneration of the members of the Board of Statutory Auditors and the Board of Directors does not depend on indicators related to environmental or climate issues. However, 15% of the MBO (Management by Objectives) of the Chief Executive Officer and Top Management is linked to the achievement of the objectives set out in the current ESG Plan. However, it should be noted that only the variable remuneration of the Chief Executive Officer is linked to the achievement of the two environmental KPIs in the Group's ESG Plan: KPI 12, regarding the use of renewable energy, and KPI 15, regarding investments to improve the Group's energy efficiency.

2.1.2.1 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

The risks identified during the Double Materiality assessment in relation to climate change can be divided into:

- **Physical risks** arise from the direct impact of climate change on the business. Failure to adapt the business model to climate change may lead to an increase in costs related to physical damage caused by extreme weather events such as heat or cold waves, water stress, subsidence and rising sea levels;
- **Transition risks** regard adapting to emerging regulations and policies on environmental sustainability. Evolution towards an energy transition and increasing environmental regulation may lead to the risk of regulatory non-compliance and the increase in costs related to energy consumption. Fluctuating energy prices and pressures for the energy transition may lead to higher costs.

Sustainability risks are an integral part of the ERM model, cutting across all risk categories (strategic, financial, operational, legal and compliance) and aligned with the Group's business model. Based on the 2024 risk assessment, the most significant risks have been identified considering the sector, the business and the sustainability issues for which periodical assessment and mitigation measures are required.

During 2024, the KOS Group, with the support of a leading consulting firm, carried out a climate change resilience analysis, assessing the impacts of climate change for all Group sites (a total of 159 sites, including 108 in Italy and 51 in Germany). The sources used for this analysis included the IPCC WGI Interactive Atlas, Aqueduct, Climate Knowledge Portal, UNEP World Environment Situation Room, Climate Impact Explorer, WWF Water Risk, Climate Central and Land Subsidence susceptibility.
Compared to the analysis carried out in 2022, the synthetic risk score was updated considering the maximum amount among the risks analysed. This ensured a conservative, precautionary approach as the highest potential risk was taken into account.
Therefore, the synthetic risk score reflects the worst-case scenario and is not comparable with the previous analysis.

Site-specific data were considered for each risk indicator (e.g. rise in sea level, temperature variation) in order to assess the impacts of climate phenomena on the organisation's activities in 2030 and 2050.
The analysis covers the 2030 time horizon (defined as "short-term") and the 2050 time horizon (defined as "long-term"). Each indicator – with regard to the two time horizons – was assessed in order to assign the level of exposure to risk.
The assessment was carried out for the following scenarios:

- IPCC RCP 4.5 optimistic scenario of effective climate change mitigation with a significant reduction of greenhouse gas emissions into the atmosphere.
- IPCC RCP 8.5 pessimistic scenario commonly associated with the phrase "Business-as-usual" or "No mitigation" in which emissions continue to grow at current rates.

All the risks listed in Annex I – Appendix A of the Delegated Act on Climate Change have been analysed and grouped as acute or chronic in four areas: temperature, winds, water and solid mass.
The assessment was performed by analysing exposure and likelihood of occurrence for each risk, using a broader set of assessment tools. If a site experienced at least one climate risk of high severity, it was identified as having a high site-specific risk. Similarly, a medium site-specific risk indicates that the site experienced at least one climate risk of medium severity.
The analysis performed for the 2030 time horizon highlighted the following:

- **Optimistic scenario**: 85% of KOS sites are exposed to one or more climate risks considered of significant importance, mainly related to heatwaves and heat stress. However, most of the other risks present at the sites are of low severity, with some cases showing medium-level risks.
- **Pessimistic scenario**: in this scenario, 87% of KOS sites are exposed to one or more major climate risks, once again mainly related to heatwaves and heat stress. In this case, too, most of the remaining risks are of low severity, with some cases showing medium-level risks.

For each medium-high risk identified, possible solutions to mitigate and adapt to climate change were explored, also taking into account long-term impacts. After careful evaluation, no structural intervention was deemed necessary to address the risks identified.

As indicated in Section *1.1.3.3 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model*, following the analysis of resilience to climate risks, no significant impact on amounts in the financial statements is expected. Moreover, no significant risk of material adjustments to the carrying amount of assets and liabilities in the next year's financial statements was identified.

2.1.2 Management of impacts, risks and opportunities

Aware of the strategic role it plays in the sustainable development of the territory, KOS operates with the aim of minimising the impact of its services on the environment, with a view to the continuous improvement of its environmental performance. In particular, policies have been implemented to reduce environmental impacts, including the introduction of new technologies on systems and at residential facilities.

2.1.3.1 IRO-1 – Description of the processes to identify material climate-related impacts, risks and opportunities

The process of identifying and assessing material climate-related impacts, risks and opportunities was conducted during the Double Materiality assessment, as described in Section *1.1.4.1 IRO-1 Description of processes to identify and assess material impacts, risks and opportunities.*

Assessment of the ESG impacts identified, for the purposes of impact materiality, together with the identification of thresholds, led to the identification of the "Contribution to climate change" as a material impact, through direct/indirect greenhouse gas (GHG) emissions.

The assessment of risks and opportunities, for the purposes of financial materiality, once the thresholds have been applied, led to the identification of two risks as material for the "Climate change" topic:

1. Risks related to failure to adapt to climate change and to transition risks.
2. Increase in costs related to energy consumption.

Scope 1, 2 and 3 greenhouse gas emissions were considered when identifying material impacts, risks and opportunities. Scope 1 greenhouse emissions are calculated considering the component of consumption of natural gas, diesel, LPG, wood chips and gasoline/petroleum, while scope 2 greenhouse gas emissions are calculated considering electricity and district heating consumption. Scope 3 greenhouse gas emissions, which are a consequence of the organisation's activities, but occur from sources not owned or controlled by it, come from upstream or downstream activities. The KOS Group calculates these Scope 3 emissions using the GHG Protocol Corporate Accounting and Reporting Standard and Corporate Value Chain (Scope 3) Standard methodologies.

As mentioned in Section *2.2.2.1 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model*, the climate change-related risks identified during the Double Materiality assessment also take into account transition risk, mostly caused by potential non-compliance with environmental regulations that require interventions that are costly and/or difficult to implement.
The KOS Group is dealing with climate change-related transition risks by:

- Carefully following the law and regulatory updates;
- Analysing the impact of scenarios, ensuring compliance and a sustainable business model;
- Planning and taking action to improve energy efficiency and increasing the use of renewable energy;
- Ensuring that new or refurbished facilities have properly insulated buildings and a system of measurement sensors

As regards the time horizon, please refer to Section *1.1.1.2 BP-2 Disclosures in relation to specific circumstances*.
For further information about the resilience analysis, please refer to Section *2.1.2.1 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model.*

2.1.3.2 E1-2 Policies related to climate change mitigation and adaptation

An Environmental Policy was published in 2024. All employees, collaborators and business partners of all Group companies are required to comply with this policy. The document is available on institutional websites and on the company intranet.
The purpose of the Policy is to implement guidelines for appropriate and efficient environmental management, with roles and responsibilities defined for the achievement of specific objectives aimed at reducing impacts and improving environmental performance. In fact, the Policy defines the impacts that the Group's activities could produce – directly and indirectly – on the environment and climate.
Specifically, the ongoing climate change is a current issue and challenge that requires the ability to adapt, as well as to identify, monitor and evaluate certain performance indicators during the management of business operations.

The Policy implemented by the KOS Group deals specifically with the issues of adaptation to climate change, energy efficiency and the spread of renewable energy.

The Group plans to pursue a procurement management system that will give preference to suppliers who adopt eco-sustainable operating practices and technologies and supply products and services with a lower environmental impact, which offer equal performance and are available at reasonable conditions.

The Group plans to communicate the principles expressed in the Policy through awareness-raising and training activities. It will also provide information of use in applying company policies in the field of environmental protection.

KOS Group Head Office Management and the Chief Executive Officer are responsible for ensuring that the environmental policy is implemented.

2.1.3.3 E1-3 Actions and resources in relation to climate change policies

In order to monitor energy consumption of the main energy sources, KOS Italia prepares an annual report with detailed information based on unique drivers (e.g. square metres, beds), divided by individual facility and by type of activity. Audits are carried out on the most energy-intensive facilities with the aim of identifying possible ways of reducing energy consumption to be proposed to management. Once a year, during staff meetings with the managers in charge of each facility, prior year energy consumption is presented, divided by type of facility (e.g. care homes, rehabilitation facility, etc) and by region in an attempt to raise user awareness.
As part of a constant commitment to reducing energy consumption, new facilities are being identified for energy upgrading thanks to the replacement of old boilers with new ones that consume less or with the installation of heat pumps.
Also, the planned unification of energy provider contracts is constantly being updated. The Group intends to identify a single provider of electricity and a single provider of gas.
The Charleston Group records consumption figures in the "Hausmanager" program so that it can assess consumption levels and the necessary inspection and maintenance services. As far as technically possible, RLM meters are installed in all systems for automatic data acquisition (remote reading). Moreover, energy-optimised technologies are generally negotiated for new buildings.

The following is a list of some of the measures and interventions the KOS Group has planned and implemented in order to reduce direct impacts, including impacts resulting from a potential failure to adapt to climate change. These interventions are based on continuous improvement and on the regular assessment of emerging environmental impacts and are directly linked to the principles of the Environmental Policy. For further information, please refer to the *Risks regarding Climate Change* section of the Directors' Report.

Improvement of energy use systems through the definition of a Group standard that provides for:

- Continuous improvement of energy performance through the promotion of new efficiency measures for real estate assets;
- Use of low-consumption lighting systems through the use of LED technologies and low-consumption hardware/IT equipment;
- Raising staff awareness of the need to reduce excess use of energy resources.

Use of renewable energy with low emissions of climate-altering gases, through:

- Installation of photovoltaic systems on the roofs of residential facilities;
- Procurement of electricity from renewable sources as far as possible.

These measures and interventions took the form of the following specific actions in 2024:

- **Design and construction of photovoltaic systems** in order to reduce consumption of electricity purchased from non-renewable sources and the related CO_2 emissions, this making a significant contribution to the energy policy implemented. This action provides for a five-year expenditure plan for the Group, managed through the Group's internal financial resources. Capex totalled € 245 thousand in 2024 and related to projects regarding the photovoltaic systems; Opex amounted to € 65 thousand, including € 55 thousand for purchases of green energy and € 10 thousand for the purchase of Energy management software.
- **Efficiency measures to reduce consumption of both electricity and natural gas** in order to cut fossil fuel consumption and related CO_2 emissions, thus making a contribution to the energy policy implemented. This action provides for a five-year expenditure plan for the Group, managed through the Group's internal financial resources. Capex incurred in 2024 totalled € 665 thousand for energy efficiency measures; Opex totalled € 81 thousand, including € 11 thousand for the operation of Energy management software, € 50 thousand for energy supplied through the district heating system and € 20 thousand for the energy provided by the wood chip heating system.
  The Charleston Group has also implemented measures to protect the climate and reduce environmental impacts, measuring its progress in achieving its sustainability goals. In Germany too, both financial and human resources have been allocated to energy efficiency and climate adaptation. In 2024, around € 53 thousand was deployed on energy efficiency measures that directly contribute to the reduction of CO_2 emissions and help make the Group's facilities more resilient and eco-sustainable. Moreover, 0.5 FTEs were assigned to the management and coordination of these measures.

  Furthermore, going forward, the Group expects Capex of € 750 thousand and Opex of € 20 thousand per year over the plan period for the design and construction of photovoltaic systems and energy efficiency.

2.1.3 Metrics and targets

2.1.4.1 E1-4 Targets related to climate change

The climate change-related targets included in the Sustainability Plan 2024-2027 are closely linked to the environmental policy and the actions taken by the Group. In fact, these targets are intended to monitor the progress and effectiveness of the actions by means of quantitative KPIs.

The specific climate change KPIs monitored in the Sustainability Plan are:

- KPI 12 – Energy Mix: percentage of renewable electricity used (purchased and produced) from renewable sources/electricity used (purchased and produced);
- KPI 13 – Energy intensity: energy consumed /sqm (kWh/sqm);
- KPI 15 – Capex plan dedicated to the production of green energy or the improvement of energy efficiency.

These targets relate to the guidelines set out in the KOS environmental policy as they focus on reducing emission impacts through the use of renewable energy with low emissions of climate-altering gases, the installation of photovoltaic systems and the procurement of as much electricity as possible from renewable sources, as well as the continuous improvement of energy performance through the promotion of new efficiency measures at real estate assets. They also incentivise energy efficiency.
During 2024, the KOS Group updated the Sustainability Plan containing the long-term targets it had set itself in line with the United Nations Sustainable Development Goals (SDGs). These goals, based on incremental targets until 2027, are the result of prioritisation of the Group's contribution to the achievement of the SDGs, based on its direct and indirect impact on the underlying issues.
The sustainability priorities for the various areas have been defined on the basis of the challenges the Group considers important over the time period covered by the Plan.

DISCLOSURE REQUIRED BY MDR-T

	KPI 12 **Energy Mix: % of renewable electricity from renewable sources / total electricity used**	**KPI 13** **Energy intensity: energy consumed /sqm (kWh/sqm)**	**KPI 15** **Capex Plan dedicated to production of green energy or improvement of energy efficiency**
Target for 2027	GROUP: 35% by 2027	ITALY: energy intensity equal to 240.1 by 2027 GERMANY: energy intensity equal to 169.2 by 2027	GROUP: Capex ≥ € 750k for 2027
Interim Targets	2024: 20% 2025: 25% 2026: 30% 2027: 35%	ITALY: 2024: 243.8 2025: 242.6 2026: 241.3 2027: 240.1 GERMANY: 2024: 171.8 2025: 170.9 2026: 170.1 2027: 169.2	2024: ≥ € 750k (ITA+GER) 2025: ≥ € 750k (ITA+GER) 2026: ≥ € 750k (ITA+GER) 2027: ≥ € 750k (ITA+GER)
Base year and base value	2019: 0.05%	2019: 0.21	2023: 555k
2024 Result	ITA: 24.5% GER: 49.6%	ITA: 243.8 GER: 171.8	964k (ITA + GER)

For further details on the KPIs, please refer to the Sustainability Plan, section *1.1.3.1 SBM-1 Strategy, business model and value chain*.

2.1.4.2 E1-5 Energy consumption and mix

The KOS Group is very attentive to the issue of energy consumption. In fact, it has adopted a software with field meters that continuously measure performance, for the connected facilities, in terms of consumption of the energy carrier monitored (electricity, gas, water) and which, in the long-term, makes it possible to monitor the real consumption measured – mainly of electricity – allowing the monitoring of the rational use of resources and promoting energy efficiency in relation to electricity consumption. The Group is also considering the installation of additional software that would optimise the operation of equipment in the field and reduce consumption accordingly.

Energy consumption from fossil sources derives from natural gas, diesel (for heating and transport), LPG (for heating/cooking), petrol/gasoline (for transport), district heating and purchased non-renewable electricity.

ENERGY CONSUMPTION FROM FOSSIL SOURCES

Energy consumption	Uom	2024		
		KOS Italy	Germany	KOS Group
Total energy consumption from fossil sources	**MWh**	**92,411**	**34,401**	**126,811**
Fuel consumption from coal and coal-based products	MWh	N/A	N/A	N/A
Fuel consumption from crude oil and petroleum products	MWh	3,742	5,319	9,061
Fuel consumption from natural gas	MWh	57,245	16,460	73,705
Fuel consumption from other fossil sources	MWh	N/A	N/A	N/A
Consumption of purchased or acquired electricity, heat, steam or cooling from fossil sources	MWh	31,423	12,621	44,044

ENERGY CONSUMPTION FROM NUCLEAR SOURCES

Energy consumption	Uom	2024		
		KOS Italy	Germany	KOS Group
Total energy consumption from nuclear sources	**MWh**	**0**	**0**	**0**

ENERGY CONSUMPTION FROM RENEWABLE SOURCES

Energy consumption	Uom	2024		
		KOS Italy	Germany	KOS Group
Total energy consumption from renewable sources	**MWh**	**10.910**	**5.930**	**16.840**
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biological origin), biofuels, biogas, hydrogen from renewable sources	MWh	579	317	897
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources	MWh	9.934	5.612	15.547
Consumption of self-generated, non-fuel renewable energy	MWh	396	-	396

TOTAL ENERGY CONSUMPTION

Energy consumption	Uom	2024			
		KOS Italy	Germany	KOS Group	%
Total energy consumption	**MWh**	**103,320**	**40,331**	**143,651**	**100%**
Total energy consumption from fossil sources	MWh	92,411	34,401	126,811	88%
Total energy consumption from nuclear sources	MWh	0	0	0	0%
Total energy consumption from renewable sources	MWh	10,910	5,930	16,840	12%

KOS produces energy through both cogeneration units and photovoltaic systems in the quantities shown below:

ENERGY PRODUCTION – KOS Group

Energy production	Uom	2024
Energy production from non-renewable sources	**MWh**	**2,108**
Of which self-consumed	*MWh*	*1,714*
Of which sold/transferred to grid/network	*MWh*	*394*
Energy production from renewable sources	**MWh**	**396**

2.1.4.3 E1-6 Gross Scopes 1,2, 3 and Total GHG emissions

Compared to 2023, when the "Terna – International Comparisons" emission factors were applied for Scope 2 emissions calculations, in 2024 the emissions factors were modified with more up-to-date sources.
In detail, the following factors were used:

- "IEA 2024 – International Energy Agency" for location-based Scope 2 emissions;
- "AIB Residual Mixes" for market-based Scope 2 emissions for European countries;
- Meanwhile, the "DEFRA 2024" emission factor was used for district heating.

. Scope 1 is calculated considering only the natural gas consumption component. Scope 2 is calculated considering only the electricity consumption component. When calculating Scope 1 emissions, the UK government's greenhouse gas conversion factor coefficients were used for corporate reporting - DEFRA. Every year, the factors are updated based on the latest changes introduced by the various organisations.

SCOPE 1 GREENHOUSE GAS EMISSIONS

Greenhouse gas emissions	Uom	2024		
		KOS Italy	Germany	KOS Group
Scope 1 greenhouse gas emissions	**tCO_{2e}**	12,548	4,702	17,250

It should be noted that KOS is not part of any regulated emissions trading systems.

The GHG Protocol provides for two methodologies for the reporting of indirect Scope 2 GHG emissions: location-based and market-based.

The location-based methodology considers the average intensity of the GHG emissions on the grids on which energy consumption occurs, mainly using data regarding the average emission factor of the grid.

The market-based methodology considers the emissions from electricity that an organisation has intentionally chosen with contractual form (or the lack of such a choice). The market-based calculation also includes the use of a residual mix if the level of intensity of the organisation's emissions is not specified in its contractual instruments.

SCOPE 2 GREENHOUSE GAS EMISSIONS

Greenhouse gas emissions	Uom	2024		
		KOS Italy	Germany	KOS Group
Gross Scope 2 GHG emissions (Location based)	**tCO_{2e}**	12,821	5,155	17,976
Gross Scope 2 GHG emissions (Market-based)	**tCO_{2e}**	15,569	4,870	20,439
Percentage of contractual instruments used to purchase energy, together with attributes related to energy production.	%	24.1	38.2	28.2

For KOS, the Scope 3 calculation is in line with the methodologies outlined in the GHG Protocol Corporate Accounting and Reporting Standard and in the Corporate Value Chain (Scope 3) Standard, which include all fifteen emission categories recognised by the international framework.

Scope 3 GHG Emissions – Methodology applied	
Category 1 Purchased goods and services	Spend-based method
Category 2 Capital goods	Spend-based method
Category 3 Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	Average-data method
Category 4 Upstream transportation and distribution	Distance-based method and spend-based method
Category 5 Waste generated in operations	Waste-type-specific method
Category 6 Business travel	Spend-based method
Category 7 Employee commuting	Distance-based method and average-data method
Category 8 Upstream leased assets	Spend-based method
Category 9 Downstream transportation and distribution	N/A
Category 10 Processing of sold products	N/A
Category 11 Use of sold products	N/A
Category 12 End-of-life treatment of sold products	N/A
Category 13 Downstream leased assets	N/A

Scope 3 GHG Emissions – Methodology applied	
Category 14 Franchises	N/A
Category 15 Investments	Average-data method

The calculation methodologies applied, as shown in the table, are defined as follows:

- Spend-based method: calculation based on expenditure for the purchase of goods and services (categorised by type of expenditure by business unit/plant), multiplied by relevant emission factors;
- Average-data method: calculation based on the amount of fuels and energy carriers purchased, consumed or sold, multiplied by average factors typical of the upstream phase;
- Distance-based method: calculation based on the km travelled and the transportation methods of each shipment, multiplied by the specific emission factors;
- Waste-type-specific method: calculation based on the quantity of waste produced during the year, multiplied by average factors of the type of waste and the type of disposal declared.

SCOPE 3 GREENHOUSE GAS EMISSIONS

Greenhouse gas emissions	Uom	2024
Gross Scope 3 GHG emissions	**tCO_{2e}**	**58,815**
Category 1 Purchased goods and services	tCO_{2e}	33,886
Category 2 Capital goods	tCO_{2e}	2,310
Category 3 Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	tCO_{2e}	7,002
Category 4 Upstream transportation and distribution	tCO_{2e}	1,498
Category 5 Waste generated in operations	tCO_{2e}	N/A
Category 6 Business travel	tCO_{2e}	195
Category 7 Employee commuting	tCO_{2e}	13,128
Category 8 Upstream leased assets	tCO_{2e}	567
Category 9 Downstream transportation and distribution	tCO_{2e}	N/A
Category 10 Processing of sold products	tCO_{2e}	N/A
Category 11 Use of sold products	tCO_{2e}	N/A
Category 12 End-of-life treatment of sold products	tCO_{2e}	N/A
Category 13 Downstream leased assets	tCO_{2e}	N/A
Category 14 Franchises	tCO_{2e}	N/A
Category 15 Investments	tCO_{2e}	229
Biogenic CO_2 emissions	tCO_{2e}	7.2

Scope 3 emissions were calculated using the methodology described in the "Scope 3 GHG emissions – Methodology applied" table, so none of the categories were calculated from the primary data obtained from suppliers. The scope considered includes all of the locations consolidated in financial reporting.

The following are excluded:

- category 5, as the sensitivity analysis conducted highlighted its low impact. In addition, the input data used are not exhaustive in obtaining a reliable calculation and this makes the final figure highly uncertain;
- categories 9-10-11-12 as the Group business is based on the provision of services not on the sale of products;
- category 13 as no owned assets have been leased out;
- category 14 as there are no franchises.

Category 1 – Purchased goods and services – is the most significant for the KOS Group and includes emissions deriving mainly from the purchase of food and beverages, general and healthcare consumables, medicines, prosthetic materials, medical gases and other non-medical goods.

The total GHG emissions of the KOS Group are shown below, consolidating direct and indirect emissions.

TOTAL GHG EMISSIONS (SCOPE 1, 2 AND 3)

Greenhouse gas emissions	Uom	2024
		KOS Group
Total greenhouse gas emissions (with Scope 2 Location-based)	**tCO_{2e}**	94,041
Total GHG emissions (with Scope 2 Market-based)	**tCO_{2e}**	96,504

Energy intensity is an indicator that defines energy consumption in the context of a specific parameter for the organisation, in this case sqm.

GREENHOUSE GAS INTENSITY OF THE KOS GROUP (SCOPE 1, 2 and 3)

Greenhouse gas intensity	Uom	2024
Net revenues	€ Thousands	798,807
Greenhouse gas intensity (with Scope 2 Location-based)	**tCO_{2e}/€ thousand**	0.12
Greenhouse gas intensity (with Scope 2 Market-based)	**tCO_{2e}/€ thousand**	0.12

	Uom	2024
Net revenues used to calculate greenhouse gas intensity	€ Thousands	798,807
Net revenues (other)	€ Thousands	-
Total net revenues (Financial statements)	€ Thousands	798,807

2.2 ESRS E2 Pollution

2.2.1 Impact, risk and opportunity management

2.2.1.1 IRO-1 Description of the processes to identify and assess material pollution-related impacts, risks and opportunities

During the Double Materiality assessment, KOS examined the list of sustainability issues contemplated in the topical ESRS, including the issue of pollution. As KOS is a Group that operates in the health services sector and not in a manufacturing sector, and does not use pollutants, substances of concern or substances of very high concern in its operations, the issue of pollution has been identified as non-material. Moreover, no reports were received regarding potential or actual impacts along the value chain (for further details of the materiality assessment, see section *1.1.4.1 IRO-1 – Description of processes to identify and assess material impacts, risks and opportunities*).

2.3 ESRS E3 Water and marine resources

2.3.1 Impact, risk and opportunity management

2.3.1.1 IRO-1 Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities

The activities of the KOS Group involve the use of water resources mainly for civil and sanitary uses. Despite this, the KOS Group is aware of the global problems related to water and marine resources and pays close attention to the quantity of water drawn and consumed.
During the Double Materiality assessment, a potentially material impact and risk related to the use of water resources were identified.
Both the impact (which was also included in the questionnaire put to the stakeholders, in order to supplement the assessment of external stakeholders) and the risk were assessed and identified as non-material for 2024 (Please refer to section *1.1.4.1 IRO-1 – Description of processes to identify and assess material impacts, risks and opportunities*).

2.4 ESRS E4 Biodiversity and ecosystems

2.4.1 Impact, risk and opportunity management

2.4.1.1 IRO-1 Description of the processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities

No biodiversity-related risk or impact was identified as material during the double materiality assessment performed by KOS (for more details on the materiality assessment, please also refer to section *1.1.4.1 IRO-1 – Description of processes to identify and assess material impacts, risks and opportunities*).

The KOS Group is committed to protecting natural habitats and biodiversity in the areas surrounding its sites by monitoring any reports of potential negative impacts along the entire value chain. In particular, during the construction of new healthcare facilities, the Group is committed to enhancing and protecting the territory as part of the heritage of the local community, as well as respecting the surrounding environment by acting ethically and with integrity in compliance with applicable regulations.
This commitment is also reflected in the introduction of responsible practices related to new construction. The Group has carried out a series of works to obtain LEED certification for one of its facilities and is considering following the same strategy for all new facilities that are built.
LEED certification considers biodiversity mainly through criteria related to the environmental sustainability of the site. Specifically, it promotes the conservation of natural habitats, the protection of sensitive areas and the use of

solutions that reduce the impact of constructions on ecosystems. It also pays attention to rainwater management in order to prevent environmental damage and encourages the use of sustainable materials.

The KOS Group recognises its reliance on natural resources and ecosystems, especially with regard to the procurement of raw materials. As part of its sustainability efforts, it encourages recycling and the use of renewable materials and focuses on reducing reliance on non-renewable resources and on optimising its operations to minimise environmental impact, while also monitoring the services provided by ecosystems and how they might be impacted by its business activities.
Taking into account the relevant aspects for KOS and its value chain in the area of biodiversity, no material impacts or risks were identified.

2.5 ESRS E5 Resource use and circular economy

2.5.1 Impact, risk and opportunity management

2.5.1.1 IRO-1 Description of processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

The process to identify and assess material resource use and circular economy-related impacts, risks and opportunities was carried out as part of the Double Materiality assessment process. The assessment of the ESG impacts identified, followed by the determination of the relevant thresholds to determine materiality, identified the "Generation of hazardous and non-hazardous waste" as a material impact for the "Waste" sub-heading.
As described in the ESRS 2 General disclosures section of this document, the assessment includes the perspective of both top management and the stakeholders, who were involved through an online survey (see section *1.1.4.1 IRO-1 – Description of processes to identify and assess material impacts, risks and opportunities*).
Meanwhile, after the thresholds for use in determining materiality were determined, no material risks or opportunities were identified.

2.5.1.2 E5-1 Policies related to resource use and circular economy

An Environmental Policy was published in 2024. All employees, collaborators and business partners of all Group companies are required to comply with this policy. The document is available on institutional websites and on the company intranet.

The purpose of the Policy is to implement guidelines for appropriate and efficient environmental management. The Policy defines the impacts that the Group's activities could produce – directly and indirectly – on the environment and climate, including the production of waste and similar. In order to deal with the impacts identified, the Policy provides for the updating, recording and reporting of environmental impacts in order to update accordingly the system of mitigation and prevention measures and interventions. The most significant activities in this regard include:

- Installation of a computerised meal reservation system to prevent food waste;
- Attention to the proper collection/separation and disposal of waste produced.

KOS Group Head Office Management and the Chief Executive Officer are responsible for ensuring that the environmental policy is implemented.

For further information about implementation, roles and responsibilities and dissemination of the policy, please refer to Section *2.1.3.2 E1-2 Policies related to climate change mitigation and adaptation.*

2.5.1.3 E5-2 Actions and resources related to resource use and circular economy

The KOS Group's waste production, management and disposal activities are an environmental matter that is carefully managed and constantly monitored. The waste production, management and disposal activities of KOS Italia take place in compliance with Legislative Decree no. 152 of 03/04/2006.
All Italian facilities record all waste movements in the manner prescribed by law. Transportation and disposal activities are entrusted to companies in the sector specialising in that type of service. All facilities also carry out separate waste collection in accordance with the rules of the various municipalities in which they operate.

Waste management in the Charleston Group care homes is influenced by numerous factors which vary depending on local regulations in the various regions in which the facilities operate; this makes it difficult to adopt a unified strategy. Nonetheless, a waste management improvement project has been launched and has been taking hold since 2020. The actions taken include the decision to replace the use of small packaging with packaging rollers, a choice that reduces the volume of waste produced. In addition, preference has been given to the use of reusable packaging and alternative materials over plastic, thus helping to reduce the facilities' environmental impact.

Also, with a view to reducing food waste, the Charleston Group monitors food demand and plans adjustments to production and purchases of food, taking into account the number of residents and comparing it with food returns: this strategy helps prevent and avoid food waste. Moreover, the facilities mainly buy fresh and seasonal food.

Some of the measures and actions that the KOS Group has planned and implemented in order to reduce its direct impacts are listed below. These actions are based on continuous improvement and on regular assessment of emerging environmental impacts and are directly linked to the principles of the Environmental Policy.

Food waste:

- Installation of a computerised meal reservation system in order to pinpoint production requirements, contain electricity, gas and water consumption and reduce food waste. The Charleston Group is considering the implementation of similar software.

Attention to correct collection and disposal of waste produced by:

- Maximising the percentage of waste that can be sent for recycling/reuse;
- Extending separate waste collection for all types of waste produced;
- Constant checking of proper disposal of waste that cannot be sent for recycling /reuse;
- Using detergent systems with multi-use containers that limit the production of plastic waste;
- Installing drinking water dispensers in most facilities, in place of plastic bottles.

Use of goods and services with a lower environmental impact during their life cycle e.g.:

- Using reusable printing supplies;
- Committing to prioritise, on equal terms, the purchase of goods and services locally, in order to minimise the environmental impact of transportation/travel.

Management and reduction of paper consumption, by:

- Optimising printing processes and making increased use of digital management of documentation and internal processes.

Specifically, for KOS Italia these measures and actions take the operational form of the adoption of a computerised system for the booking of daily meals at all Italian facilities equipped with kitchens operated by the company in order to pinpoint production requirements, contain electricity, gas and water consumption and reduce food waste. This measure provides for a five-year spending plan for the Group, managed using its internal financial resources. The software involves a total annual fee of around € 27 thousand. The Charleston Group is also considering the introduction of such a computerised meal reservation system.
Finally, the costs incurred for the disposal of ordinary and special waste amount to around € 694 thousand while costs for the rental/consumption of "printing" materials total around € 444 thousand.
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2.5.2 Metrics and targets

2.5.2.1 E5-3 Targets related to resource use and circular economy

The resource use and circular economy-related targets included in the Sustainability Plan 2024-2027 are closely linked to the environmental policy and the actions taken by the Group. In fact, these targets are intended to monitor the progress and effectiveness of the actions by means of quantitative KPIs.

Specifically, the KPI monitored in the Sustainability Plan in relation to waste minimisation and the promotion and resource recycling and reuse is KPI 14 – Reduction of food waste: % of facilities with a meal reservation system.
In terms of order of priority in waste management, KPI 14 refers to level one i.e. the prevention of excessive waste generation.

This target relates to the guidelines set out in the KOS environmental policy as it provides for the installation of a computerised meal booking system to accurately pinpoint production requirements, contain electricity, gas and water consumption and reduce food waste, while focusing on the correct collection and disposal of the waste produced.

The Group's target on food waste is not required by law but is part of the Group's Sustainability Plan 2024-2027.

MINIMUM DISCLOSURE REQUIREMENT ON TARGETS - MDR-T

KPI	**KPI 14: Reduction of food waste**
Target for 2027	ITALY: 90% reduction in waste by 2027 GERMANY: N/A
Interim targets	ITALY: 2024: 75% 2025: 80% 2026: 85% 2027: 90%
Base year and base value	2021: 22%
2024 Result	ITALY: 76%

For further details on the KPIs, please refer to the Sustainability Plan, section *1.1.3.1 SBM-1 Strategy, business model and value chain*.

2.5.2.2 E5-5 Resource outflows

For the Group, proper waste management is an environmental matter that must be carefully managed and constantly monitored. Hazardous and non-hazardous waste is stored inside the facilities in temporary storage: solid waste in special containers based on the type of waste and liquid waste from analysis laboratories in tanks. These storage areas comply with applicable building requirements and waste is stored in compliance with quantitative and time limits.
All Italian facilities record all waste movements in the manner prescribed by law. Transportation and disposal activities are entrusted to companies in the sector specialising in that type of service. All facilities also carry out separate waste collection in accordance with the rules of the various municipalities in which they operate.

In 2024, KOS Italia produced a total of 404 tonnes of waste. The main type of waste is code EWC 180103 waste i.e. waste that must be collected and disposed of by applying special precautions to avoid infections. This is followed by code EWC 180106 waste i.e. dangerous chemicals or substances containing dangerous substances. Finally, there are codes EWC 160214 and 180108 i.e. equipment out-of-order and cytotoxic and cytostatic medicinal products.

For the Charleston Group, total waste production amounts to 3,170 tonnes, most of which is waste akin to municipal waste that is managed at municipal level.

TOTAL WASTE PRODUCED – KOS Group

	Uom	2024
Diverted from disposal	t	2,128
Directed to disposal	t	1,446
Total waste produced	**t**	**3,574**

WASTE DIVERTED FROM DISPOSAL – KOS Group

	Uom	2024
Preparation for reuse	t	49
Recycling	t	-
Other recovery operations	t	-
Hazardous waste	t	**49**
Preparation for reuse	t	5
Recycling	t	2,074
Other recovery operations	t	-
Non-hazardous waste	t	**2,079**
Total waste produced	**t**	**2,128**

WASTE DIRECTED TO DISPOSAL – KOS Group

	Uom	2024
Incineration	t	343
Landfill	t	-
Other disposal operations	t	-
Hazardous waste	t	**343**
Incineration	t	1.103
Landfill	t	-
Other disposal operations	t	-
Non-hazardous waste	t	**1.103**
Total waste produced	**t**	**1.446**

NON-RECYCLED WASTE – KOS Group

	Uom	2024
Non-recycled waste	t	1,500
Total waste produced	**t**	**3,574**
Percentage of waste not recycled	**%**	**42**

TOTAL WASTE PRODUCED - KOS Italia

	Uom	2024
Diverted from disposal	t	54
Directed to disposal	t	350
Total waste produced	**t**	**404**

WASTE DIVERTED FROM DISPOSAL - KOS Italia

	Uom	2024
Preparation for reuse	t	49
Recycling	t	-
Other recovery operations	t	-
Hazardous waste	t	**49**
Preparation for reuse	t	5
Recycling	t	-
Other recovery operations	t	-
Non-hazardous waste	t	**5**
Total waste produced	**t**	**54**

WASTE DIRECTED TO DISPOSAL - KOS Italia

	Uom	2024
Incineration	t	343
Landfill	t	-
Other disposal operations	t	-
Hazardous waste	t	**343**
Incineration	t	7
Landfill	t	-
Other disposal operations	t	-
Non-hazardous waste	t	**7**
Total waste produced	**t**	**350**

NON-RECYCLED WASTE -KOS Italia

	Uom	2024
Non-recycled waste	t	404
Total waste produced	**t**	**404**
Percentage of waste not recycled	**%**	**100**

TOTAL WASTE PRODUCED - Germany

	Uom	2024
Diverted from disposal	t	2,074
Directed to disposal	t	1,096
Total waste produced	**t**	**3,170**

WASTE DIVERTED FROM DISPOSAL - Germany

	Uom	2024
Preparation for reuse	t	-
Recycling	t	-
Other recovery operations	t	-
Hazardous waste	t	**0**
Preparation for reuse	t	-
Recycling	t	2,074
Other recovery operations	t	-
Non-hazardous waste	t	**2,074**
Total waste produced	**t**	**2,074**

WASTE DIRECTED TO DISPOSAL -Germany

	Uom	2024
Incineration	t	-
Landfill	t	-
Other disposal operations	t	-
Hazardous waste	t	**0**
Incineration	t	1,096
Landfill	t	-
Other disposal operations	T	-
Non-hazardous waste	t	**1,096**
Total waste produced	**t**	**1,096**

NON-RECYCLED WASTE -Germany

	Uom	2024
Non-recycled waste	t	1,096
Total waste produced	**t**	**3,170**
Percentage of waste not recycled	**%**	**35**

The waste mainly consists of:

- paper;
- organic waste;
- unseparated municipal waste;
- plastic;
- glass;
- waste that must be collected and disposed of while taking special precautions to avoid infection (hazardous materials that could cause infection, faeces, blood, drug residues);
- hazardous chemical substances or waste containing hazardous substances;
- out-of-order equipment;
- cytotoxic and cytostatic medicinal products.

The hazardous waste produced does not include radioactive waste as the Group does not produce any such waste.

The Group entrusts the collection and disposal of hazardous waste to licensed companies, in accordance with applicable legislation. The collection system used is "micro-collection" which makes it possible to monitor the amount of waste produced. The quantity is usually checked at the disposal facility, using a certified system. Subsequently, the disposal company sends the Group an FIR form (fourth copy FIR – Waste Identification Form) which certifies the weight of the special waste disposed of.

Waste is identified using EWC codes (European Waste Codes). The main code used by the Group is 18.01.03, for waste that must be collected and disposed of by applying special precautions to avoid infections. The facilities collect this waste using special containers provided by the company entrusted with its disposal; the containers bear labels showing place of production, hazard code and identification code. Every quarter, the disposal companies sent a report with the volume of waste disposed of and its final destination (incineration or regeneration).
As the quantity of waste produced does not have to be weighed in Germany, the amount of waste produced is estimated conservatively based on collection intervals and the capacity of the containers used for collection (in litres).

3. Social disclosures

3.1 ESRS S1 Own workforce

3.1.1 Strategy

3.1.1.1 ESRS 2 SBM-2 – Interests and views of stakeholders

KOS is committed to providing a safe and healthy work environment that guarantees employee well-being. This is one of the Group's core principles, which is also essential in creating attractive work environment that is capable of holding on to talent.
It should be noted that, in Italy, employees are wholly covered by national collective labour agreements. Moreover, with effect from 2023, a new collective agreement was adopted for the care homes division, adopting an agreement that offers some of the best contractual treatment for employees of private companies operating in the health and social care sector. In addition to significant wage increases for low paid workers, the agreement also provides for cutting edge benefits like a supplementary health care fund, more hours of training, measures to support diversity and combat gender violence and a reward system that discourages absenteeism.
Adoption of the new agreement was achieved thanks to the broad convergence of the social parties, confirming KOS's desire to enjoy a positive relationship with organisations representing workers with a view to maximising the value of human resources, increasing the number of opportunities for dialogue and reducing the possibility of conflict, while dealing with common problems in a constructive manner. In this scenario, the facilities and the internal and/or external trade union representatives identify which objectives they plan to pursue and with which strategies, while guaranteeing rights of freedom and trade union activity in the workplace. Precisely in order to guarantee quality relations, since 2023, a function dedicated exclusively to trade union relations has been established within the KOS Italia Human Resources Department.
In addition, in 2024, a new method of surveying staff satisfaction was launched. This makes it possible to measure current satisfaction levels at each facility and for each professional category while also taking suggestions for possible improvements. The results of the surveys are shared with the facility team and with regional and medical coordinators so that any corrective action can be taken (in relation to both individual cases and to the models applied).
In Germany, employment contracts are not based on national collective bargaining but on the various laws and regulations in force and on salary levels on a regional basis. Collective bargaining is mandatory for cleaning staff. It should be noted that there is a national minimum wage for all workers, regardless of category.
A key feature of the German business strategy and processes is the Code of Conduct, which is published on the web site and on which employees receive regular training.
Moreover, in Germany, there is a legislative framework that does not permit human rights violations and there are regular inspections by the labour and tax authorities. The Charleston Group also regularly issues certificates of compliance with the German Minimum Wage Act.

For more details of the interests and views of interested parties, please refer to chapter ESRS 2 - section *1.1.3.2 SBM-2 Interests and views of stakeholders*.

3.1.1.2 ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

To the extent necessary to ensure an understanding of the Group's activities, trends, performance and impacts, this Sustainability Statement deals with environmental, social, personnel, respect for human rights and the fight against bribery and corruption issues that are material in view of the Group's activities and characteristics, as explained in the Double Materiality section of this document.

The KOS workforce is extremely varied and includes health and social care personnel and other personnel. In particular, those working at KOS facilities include doctors, nurses, social and healthcare workers, physiotherapists, occupational therapists and other health and social care professionals in order to ensure the presence of staff capable of assisting persons using the services offered by the Group.

The social and health care personnel is supported by administrative and service staff (catering, cleaning and maintenance) while the main corporate functions can be found at head office e.g. finance and control, human resources, ICT, marketing, purchasing, etc.
Typically, staff is hired under employment contracts but there are also freelance professionals (mainly doctors and nurses); there is minimal use of temporary workers.

In accordance with ESRS, the KOS Group workforce is described in this chapter as follows:

- **Employees**: staff on the KOS payroll, including long-term absentees. Employees include managers, white collar workers (office staff) and operations staff (this category includes all employees who enable the facilities to function e.g. nursing staff, social care personnel, kitchen, maintenance and cleaning staff, etc.)
- **Non-employees**: supervised workers, who include external agency personnel who work at KOS sites e.g. contractors, consultants or temporary workers.

It should be noted that the KOS Group identified the following material negative impacts on the workforce during its Double Materiality assessment; all are potentially linked to individual episodes and are non-systemic:

NEGATIVE IMPACT	DESCRIPTION OF IMPACT	TYPE
Violation of workers' rights	Non-compliance with working hours and precarious working conditions	Potential
Failure to engage with workers' representatives and violation of the right of association	Violation of trade union rights, lack of engagement with workers' representatives, violation of right to freedom of association, collective bargaining and social dialogue	Potential
Failure to protect work-life balance	Failure to protect work-life balance	Potential
Impacts arising from inadequate health and hygiene measures	Potential negative impact on workers' health and safety due to insufficient measures to safeguard health and hygiene	Potential
Occupational accidents and injuries of workers	Occupational accidents and illness during work activities	Actual
Gender discrimination (remuneration/salary, role)	Negative impacts on employee satisfaction and motivation due to pay discrimination	Potential
Incidents of violence and harassment of employees in the workplace	Negative impacts on employee well-being and motivation due to violence and harassment	Potential
Inappropriate processing of personal data	Potential negative impact on confidentiality and misuse of stakeholder data, resulting from failure of data protection mechanisms to function in accordance with the GDPR, also as a result of cyberattacks and cybersecurity breaches	Potential

For further information on material impacts, please refer to section *1.1.3.3 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and the business model*.

The positive impacts that the KOS Group has on its workforce can be summarised in the macro-areas described below, referring to the positive impacts "Welfare programs and fair remuneration policies", "Training and development of workers' skills" and "Diversity in governance bodies and among employees".

WELFARE
In line with KOS's vision and values, the welfare plan aims to introduce policies and tools that can reconcile private and working life, supporting household income, study, health, the family and leisure as well as offering commercial benefits. Currently, the welfare plan is made available only to the Group's middle and top management via a dedicated platform. However, in 2025, it will be rolled out to all staff in central departments and to those in facility coordination roles. Meanwhile, there are plans to give the remaining KOS Italia employees shopping vouchers to boost their spending power.
The Group's long-term goal is to make the Welfare system a consolidated, stable reward system, also extended to include other professional categories. A first step was the adoption – with effect from 2020 both in Italy and in

Germany – of a platform dedicated to all Group employees, offering them the chance to take advantage of a series of discounts on the purchase of widely used goods and services (such as clothes, household goods, insurance, etc.).
In terms of social benefits, the Charleston Group has not yet developed a structured corporate welfare plan but, at present, it offers its employees discounts that can be accessed via an App that will be developed further in the years ahead. In order improve employee attraction and retention, a new job portal has also been developed, as well as social media for employee networking and a platform for employee assessments.
Dialogue with employees has been organised and structured in such a way that all employees have the opportunity to speak with their managers both about remuneration and their prospects for professional development within the business.

TRAINING
The KOS Group is committed to ensuring that employees have an adequate career development path. In order to manage pursuit of that objective in a structured manner, the Group has set up a Development Committee, comprising a representation of facility managers, so as to share the definition and improvement of initiatives aimed at the development of Group personnel.
On a general training level, KOS Italia has also adopted a Training Plan that guarantees equal access opportunities and fair rotation for professionals in the areas of activity concerned. In fact, the training process involves different roles, all equally important and taking part in a highly integrated process. Firstly, employees are involved in identifying training requirements and in performance assessment. Trainers and teachers constitute an element of continuity and coordination in the various training phases and provide appropriate technical-scientific expertise. Finally, managers in charge of facilities and/or heads of department are responsible for the professional development of their staff. The KOS Italia Training Service has been assigned three long-term goals:

- manage internal training processes with an integrated, systematic approach;
- provide support with fulfilling and maintaining requirements for the accreditation of the corporate governance function of continuing education;
- with regard to training, support the capitalisation and exploitation of KOS' know-how when managing the facilities.

KOS Italia has also decided to involve its healthcare personnel in the delivery of training with the dual objective of strengthening KOS's specific care model and approach while making the most of its personnel. At the same time, a series of partnerships have been established with training institutions in Italy's various regions in order to offer courses leading to a Social and Health Worker (OSS) qualification; in this way, the Group takes part as a collaborator, giving its know-how back to the local areas where it operates.
Furthermore, during 2024, all KOS Italia employees were given the opportunity to report their training needs with the aim of converting any topics of great interest into courses to be delivered in 2025. At the same time, the continuous dialogue between KOS Academy, the Group Medical Departments and the Safety Department ensures that the catalogue and the courses delivered are in line with Group requirements (e.g. courses on patient handling and on dealing with aggressive patients have been organised to mitigate the related risks).

DIVERSITY
The issue of diversity management and enhancement, with particular reference to equal opportunities, is central to KOS's human resources management. KOS is constantly committed to safeguarding the freedom and equality of its employees, rejecting all forms of discrimination based on age, gender, sexual orientation, state of health, ethnicity, nationality, political opinions, religious beliefs and any other forms of discrimination, in all decisions that affect relations with its stakeholders.
KOS is committed to ensuring its people are all in possession of the necessary requirements to carry out their work as well as possible, with a view to constant reliability and improvement of the service offered to patients and their families. KOS personnel is extremely diverse and includes social and health personnel, health technicians, doctors and nurses in order to ensure the presence of people able to assist the clients using the services offered by the Group.
The Group is committed to supporting multiculturalism, an increasingly important issue for the sector in which it operates; it is creating a community that does not exclude people from different backgrounds. KOS Italia has developed a number of training projects for its foreign health and social care personnel, including language courses, partnerships with foreign institutes for interns and trainees and alignment of in-house personnel on care processes. Furthermore, with a view to improving services, it has been found that projects related to inclusion have a major impact on the relationship of the health worker with the patient and their family members.

The Charleston Group is also active in recruiting employees from different backgrounds to reflect the diversity of its patients. In particular, it has participated in various recruitment programs for non-EU employees which have been developed by the company itself and which have enriched the diversity of its workforce.

In addition to the positive and negative impacts, during the Double Materiality assessment, the KOS Group identified the potential material risks resulting from the impacts themselves and from reliance on its own workforce, as described below:

RISK	DESCRIPTION OF RISK
Risk of reliance on key individuals	Reliance on key individuals within the Organisation, in relation to their possible dismissal/resignation or prolonged absence
Health and safety risk for the workforce	Failure to comply with legislative requirements on workplace Health and Safety, not ensuring appropriate safety levels for workers
Risks resulting from handling of employment relations	Risks related to employee relations and private and collective bargaining with trade unions and employer organisations, with possibility of industrial action by employees
Risks related to cyber-attacks	Risk of service interruption and/or loss of sensitive patient data due to cyber-attack
Retention risk	Possibility that the Group may be unattractive and thus unable to hold onto trained personnel

Finally, a material opportunity linked to higher salaries to help staff out was identified. In fact, offering fair and competitive salaries and welfare initiatives for personnel not only improve productivity, but also employee well-being and loyalty, reducing onboarding costs.

For the context in which KOS operates, it should be noted that no material impacts on the Group's own workforce and which may derive from transition plans or operations at serious risk of forced labour or at serious risk of child labour have been identified.

As part of the prevention of health and safety risks, the DVR (Risk Assessment Document) and the Health Review performed by the Medical Officer identify any "fragile" categories depending on specific individual circumstances (e.g. women who are breastfeeding, particular clinical cases) and on work environment (e.g. environments involving a risk of radiation).

The DVR and the Health Review performed by the Medical Officer set out additional health and safety risk preventive measures regarding:

- additional protections;
- closer or more in-depth monitoring and control for fragile workers;
- safeguards for pregnant or breastfeeding women;
- more frequent check-ups or stricter limits by age group and gender;
- analysis based on geographical origin.

3.1.2 Impact, risk and opportunity management

3.1.2.1 S1-1 Policies related to own workforce

KOS has developed two main policies to identify, assess, manage and/or remediate material impacts on its workforce, as well as to regulate the material impacts, risks and opportunities related to its own workforce. These are the Human Rights Policy and the Safety Policy, described below, and the Code of Ethics, a description of which is provided in Section *4.1.2.2 G1-1 Business conduct policies and corporate culture*.

Human rights policy

A human rights policy that must be respected by all employees, collaborators, suppliers and business partners of all Group companies was drawn up during 2024. The document has been published on institutional websites and on the company intranet. Any reports can be made through specific whistleblowing channels.
The purpose of the policy is to set out the Group's commitments to respect human rights, establish the responsibilities of employees, collaborators and management, and provide guidelines for the prevention, identification and management of human rights violations.
The document describes the 10 pillars on which the Group bases respect for Human Rights. It refers to the guiding principles and contents of the United Nations Universal Declaration of Human Rights and the Italian Constitution, with particular reference to the right to work (Art. 4), and the guidance issued by the OECD on the duty of care for responsible business conduct.
The 10 pillars are as follows:

1. Respect and dignity
2. No exploitation
3. Equal opportunities
4. Working conditions
5. Health and well-being
6. Confidentiality and privacy
7. Freedom of expression and participation
8. Environmental responsibility
9. Continuing education and training
10. Transparency and responsibility

General Management of the KOS Group and the Chief Executive Officer are responsible for promoting respect for human rights, ensuring the policy is applied and monitoring any reports of violations received through the dedicated channels. Moreover, documentation relating to personnel is checked during audits, such as appropriate educational qualifications for duties, residence permits, etc.
If any violations are reported, Management undertakes to investigate swiftly and, if necessary, to take corrective action, including through the use of disciplinary measures proportionate to the seriousness of the violation.

The KOS Group's policies are in line with the guiding principles of the United Nations Universal Declaration of Human Rights with particular reference to the International Bill of Human Rights, the International Labour Organisation's Declaration on Fundamental Rights and Principles at Work and the fundamental conventions that support it.
The KOS Group supports, respects and protects the dignity, freedom and equality of human beings, health and safety at work and promotes respect for the cultural and physical integrity of the person. Each individual must be treated with respect and dignity and all relationships must be conducted with full respect for all parties.

By rejecting all forms of forced labour, modern slavery, exploitation of child labour and human trafficking, the KOS Group ensures that all of its recruitment and employment policies are voluntary and comply with legal and international standards. It undertakes to oversee the supply chain to ensure that suppliers and partners adhere to the same principles.

Workers can report any violations through dedicated channels. Moreover, the topic is discussed with the trade unions to ensure that it is jointly monitored – it is also monitored through surveys carried out at individual facilities in coordination with management.

Safety policy

The Occupational Safety Management System is a management tool i.e. a set of rules and procedures, which the KOS Group has chosen to adopt to ensure that the services provided are delivered with respect for the workers and in line with criteria regarding the maintenance of workplace health and safety.
Group management is committed – while making human, instrumental and economic resources available – to pursuing and disseminating the objectives of improving workers' health and safety (and related programs), as an integral part of its activities and as a strategic commitment with respect to the more general business objectives.

In this regard, the Group has defined a clear, targeted strategy, aimed at guaranteeing safety and quality in its business processes. The goal is to adopt a risk-based thinking approach, ensuring that every activity is carried out with appropriate resources and responsibilities.
A fundamental commitment regards strict compliance with current legislations, including those the Group has signed up to voluntarily. To this end, specific procedures are developed and company standards adopted to ensure the rules are applied in a consistent and timely manner.
At the same time, the Group seeks to create a work environment that is increasingly oriented towards worker well-being, promoting leadership based on making the most of human resources, active engagement and the sharing of corporate objectives. In this vision, responsibility for management of safety at work lies not with a few individuals but is shared by the organisation as a whole: from the employer to each and every employee, based on their skills and roles.
Safety is considered an essential feature of the business activities. This is why continuous risk assessments are carried out, with a focus on preventing hazards and threats. The aim is to improve safety conditions constantly through effective corrective action, capable of preventing, limiting and reducing risks to the health and safety of workers.
The Group is also committed to improving the performance of its Occupational Safety Management System (OSMS), reducing the risk of occupational injuries and illness. With this in mind, specific testing, control and audit methodologies are adopted, which make it possible to monitor constantly the effectiveness of the measures adopted.
Finally, the active participation of all workers is encouraged so that each of them – in their own area of responsibility – contributes towards the achievement of safety objectives. This approach makes it possible to ensure that the services delivered, operating methods and organisational aspects are always geared towards protecting the health of workers, safeguarding company assets and protecting the community in which the business operates.

By adopting a Safety Management System, the Group aims to improve health and safety conditions at work over time. The goals currently identified by top management fall into the following general areas of improvement:

- Optimisation of emergency prevention management, especially fire prevention, by customising internal emergency management procedures at each facility and assessing how effectively they are understood;
- Optimisation of the measures in place to protect patients;
- Improvement of environmental hygiene and safety conditions in the workplace;
- Improvement of patient handling;
- Improved management of risk re Manual Handling of Loads and upper limb risk;
- Optimisation of the application of OSMS (Occupational Safety Management System) procedures/instructions; also using questionnaires issued to relevant individuals as a tool (directors, supervisors, workers, administrative employees);
- Optimisation of DUVRI (Combined Interference Risk Assessment Report) as provided for in Article 26;
- Check the application of disciplinary measures, when necessary, pursuant to the Organisation and Management Model and the collective labour agreement.

It should also be noted that the highest level of the business organisation responsible for implementing the policy is the employer.
The occupational health and safety policy is implemented and maintained in the Group as it provides a framework for setting OSH objectives and is also appropriate to the purpose, size and context of the organisation and the specific nature of its OSH risks.

The Safety Policy is distributed to all company personnel in order to promote their involvement in the pursuit of the safety objectives set and ensure that the commitment to safety is shared by all of those working within the Group. Where required, this document is also distributed to relevant third parties so as to make public the commitment made by the KOS Group to improve is health and safety performance.

In Italy, pursuant to Article 30(5) of Legislative Decree 81/08, KOS has implemented an organisational model compliant with UNI INAIL guidelines (Health and Safety Management Systems, HSMS) while drafting and communicating to employees the Safety Policy, as mentioned above. Moreover, the facilities have operating licences and Fire Prevention Certificates, or alternative measures according to regulations. A Risk Assessment Form has been prepared for each task and is attached to the DVR.
The Charleston Group is committed to safeguarding the health and safety of its workforce. Specifically, all facilities strictly comply with fire, health and safety regulations. Moreover, each facility has a health and safety officer who regularly checks compliance with applicable laws and regulations. Measures are decided during the regular meetings of the Health and Safety Committee and recorded in a continuous improvement application, which is used to monitor implementation of the measures.

The KOS Group is constantly committed to safeguarding the freedom and equality of its employees, rejecting all forms of discrimination based on race, colour, gender, religion, political opinions, national or social origin, age, disability, sexual orientation, state of health, gender identity or any other possible form of discrimination. It sees diversity as a source of strength and innovation and promotes a fair and inclusive work environment.
The Group offers equal employment opportunities to every employee, based on professional qualifications and skills, while selecting, hiring and remunerating personnel based on merit and ability, in accordance with all laws, the provisions of the National Collective Labour Agreements applied, and applicable regulations and directives.
Furthermore, it undertakes to guarantee equal pay for work of equal value, regardless of gender or other factors unrelated to the duties, responsibilities and activities assigned.
These commitments are laid down in the Code of Ethics and the Human Rights Policy.
The issue of discrimination is carefully monitored both by reviewing any reports received through the relevant channels and by maintaining constant dialogue with the trade unions and with specific questions included in climate surveys. These measures are accompanied by efforts to gain the maximum value from diversity through courses on corporate culture and multiculturalism. For the sake of completeness, it should be noted that KOS Italia has set up several training projects for its foreign health and social care personnel, including language courses, partnership with foreign institutions for interns and trainees and alignment of internal personnel on care processes.
Finally, the Group constantly monitors workers in particular situations of vulnerability and takes specific preventive and protective measures.

3.1.2.2 S1-2 Processes for engaging with own workers and workers' representatives about impacts

The KOS Group engages with stakeholders in relation to issues regarding its own workforce through the following initiatives:

- Trade union discussions;
- Analysis of training needs (taking of requests for professional training);
- Staff satisfaction assessment: Work-related stress.

In more detail, the facilities and internal and/or external trade union representatives identify the objectives they intend to pursue and with which strategies, guaranteeing the rights of freedom and trade union activity in the workplace.
In Italy, there is continuous dialogue with workers' representation. At a local level, a constant dialogue is guaranteed through meetings held both in person and using video call platforms.
Moreover, the Human Resources Department is responsible for maintaining relations with the workers' representatives and, in the case of KOS Italia, it enjoys the support of a dedicated unit.
For more details, please refer to Section *3.1.1.1 ESRS 2 SBM-2 – Interests and views of stakeholders*.

During 2024, all KOS Italia employees were given the chance to state their training needs with the aim of transforming any topics of greatest interest into courses to be delivered in 2025.

With regard to health and safety issues, the Workers' Safety Representatives take part in discussions with the Prevention and Protection Service Manager ("RSPP") and the facility manager. They also attend the regular meeting when risks and working conditions are addressed and possible improvements evaluated. They participate in the process for the launch and implementation of new assessments or prevention and protection measures. In particular, they help collect content and context data for use in assessing the Work-Related Stress Risk and the Risk of Aggression. They also receive the plans for improvement and are consulted in order to check on training needs and the need for personal protective equipment, procedures, aids, equipment, etc.

In Germany, employee participation takes place through works councils which, by law, can have a say in decisions that significantly affect employees. As evidence of this, dialogue with workers' representatives has led to several agreements regarding both the structure of shifts and the criteria of the remuneration systems.
Trade union relations are coordinated and monitored by the Human Resources department, with ultimate responsibility lying with the Human Resources manager.
In companies with a works council, most of the decisions are taken on a joint basis i.e. in close cooperation with the works council. The company defines the levels through its own regulations, which determine the room for manoeuvre and the economic limits of a decision and also conducts a survey of employees when finalising a course of action.
The relationship with the works council takes the form of monthly meetings with minutes and an order of business.
Employees have several opportunities to communicate with the company, primarily through regular staff meetings, business meetings with management and, occasionally, through opinion polls.
In companies where there is no employee representation, employee participation is direct and targeted.

Finally, it should be noted that there is no global framework agreement or any other agreement between the Group and employee representatives on respect for the human rights of its workforce. However, respect for human rights is guaranteed by the human rights policy drawn up by the Group.

3.1.2.3 S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns

Among the impacts identified by KOS during the Double Materiality assessment, the one related to occupational injury and illness of workers is the only one classified as actual. This is because – even though appropriate measures are in place – some cases have been recorded as set out in Section *3.1.3.6 S1-14 Health and safety metrics.*

The safeguards in place include the management system which provides for a Regulatory Compliance Assessment and Risk Assessment Process which describes the processes used to identify work-related hazards and the measures to eliminate them and reduce risks. The safety organisation, as described in the Risk Assessment Document (DVR), requires the Prevention and Protection Service Managers ("RSPP") to identify and make proposals aimed at eliminating / reducing hazards, request environmental assessments to analyse workers' exposure and offer advice to managers and workers.
The Company has also entered into agreements with Medical Officers for the operation of worker Health Monitoring.
The measures in place guarantee tools for the prevention and protection from potential accidents through the following methods: technical (aids, equipment, PPE), procedural (operating instructions, specific education/training on risks and equipment), operational (distribution of loads, rotation among personnel responsible for tasks, appropriate rest, etc.).
The health monitoring carried out by the Medical Officer in accordance with the Monitoring Protocol drawn up on the basis of the DVR ensures that constant checks are performed on worker health and suitability for the job by monitoring the factors that could indicate work-related health issues. Restrictions on work duties are considered and imposed by the Medical Officer responsible for the prevention of occupational illness.
Meanwhile, Charleston Group facilities undergo regular checks on all safety standards regarding fire and accident prevention – the aim is to identify any significant adverse impacts on personnel. These checks are also required for the renewal of operating licences.
This includes analysis of accident reports, employee feedback and health and safety audits. If significant impacts are identified, the facility takes specific corrective action. Complaint mechanisms have been put in place to enable employees to raise concerns and request corrective action.

Complaint management

Employees can make complaints at any time – anonymously or not – through the following channels:

- Printed forms: leaflets are available in each facility to be filled out by residents, relatives, visitors and staff to record praise, make complaints or suggest improvements. The leaflets can be returned anonymously using a special mailbox or handed direct to the person in charge of the facility. The facility management, along with nursing service management, is responsible for forwarding and monitoring these reports. Statistics are kept on a monthly basis so that the feedback received can also be recorded centrally.
- Email address: this has been set up as an additional channel for making complaints or suggesting improvements. Clients can use it to send complaints or suggestions for improvements directly to the central quality management team by email. The email account is managed by the quality management team; the information and requests are also sent to the facility manager or to regional managers, depending on the seriousness of the circumstances.
- A dedicated telephone line active 24/7: this call centre operated service offers the possibility of submitting complaints, suggestions for improvement or praise directly to the central quality management team, either anonymously or while providing personal details; it is available 24/7;
- In person: complaints can be accepted by any employee (regardless of department or role). The content of the complaint is then written up and forwarded to the facility manager.

The Charleston Group has also set up several channels of communication to ensure that its employees can easily express their concerns, as follows:

- Anonymous mailboxes in facilities: can be used by employees to express their concerns without fear of retaliation.
- Anonymous whistleblowing systems: whistleblowing channel and email addresses where employees can report issues anonymously
- Regular team meetings: scheduled team meetings give employees a structured opportunity to express their concerns and discuss them openly with management.
- Surveys and feedback: surveys and feedback forms are occasionally used to learn about employees' concerns and needs. The results are analysed by management to identify areas for improvement.

Furthermore, in order to safeguard the principles set out in the Code of Ethics, Group communication channels have been set up for use in reporting conduct contrary to said principles. Employees and third parties may report any unethical or unsafe practices that have come to their attention due to the functions performed by them. The system guarantees anonymity for the whistleblower.
Employees are aware of the safeguards and guarantees to protect anonymity in the event of whistleblowing and of the procedures to avoid retaliation thanks to the Code of Ethics and the Human Rights Procedure.
Indeed, the whistleblowing and human rights procedures, which provide details of and access to the channels of communication with the Group on the issues in question, have been published on institutional websites and on the company intranet. For further information, please refer to Sections *3.1.2.1 S1-1 Policies related to own workforce* and *4.1.2.2 G1-1 Business conduct policies and corporate culture.*

The reports received are monitored by the Risk Management & Internal Audit function, which then involves the functions responsible for handling the individual report as part of a round table that includes the Human Resources Department and the Group/Area General Management.

For further information on communication to personnel, on processes and on policies to safeguard against retaliation, please refer to the "WHISTLEBLOWING PROCEDURE" paragraph of section *4.1.2.2 G1-1 Business conduct policies and corporate culture.*

3.1.2.4 S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

The material impacts and risks indicated above (see Section *3.1.1.2 ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model*) are managed through actions to reduce their potential magnitude.
The actions taken to manage the impacts and risks and achieve the company's objectives related to the issue of its own workforce are as follows:

MANAGEMENT OF THE CORPORATE WELFARE PLAN
The Group provides for the granting of a welfare credit to the entire managerial and medical team of the Italian companies in order to promote welfare programs and fair remuneration policies. The Group provides for an annual welfare delivery plan that is then repeated in the following years. This plan has been in force for several years. A change of platform is planned for 2025 in order to expand employees' spending possibilities and offer a tool that is easier to use. The Group invests around Euro 500 thousand per year in the welfare system and an increase of around 50% is expected for 2025.

PREVENTION OF HEALTHCARE-ASSOCIATED INFECTIONS
The Group has provided for mandatory training courses for all personnel in order to prevent impacts resulting from inadequate health and hygiene measures. This course was made available in 2024 and is attended by all new hires at the Italian facilities. At the moment, the course has been completed by more than 90% of those enrolled. The course is delivered by internal staff and also in the form of asynchronous distance learning.

REINFORCEMENT OF PERSONAL DATA PROCESSING PRACTICES
In addition to the training on Regulation (EU) 2016/679 required by the legislation, the Group has provided an in-depth course on the dangers arising from the use of technology (Cyberguru) in order to prevent inappropriate processing of personal data. The course was provided to all head office personnel and to staff in positions of responsibility in the Italian facilities during 2024. Meanwhile, the course on the EU Regulation is provided on a regular basis within a few months of recruitment. Both forms are available in the form of recordings on the Group's e-learning platform.

EMPLOYEE TRAINING AND SKILLS DEVELOPMENT ACTIVITIES
The Group offers a series of courses for all staff on technical and soft skills (e.g. dealing with aggressive behaviour). These courses are in response to the needs highlighted by staff and to indications from the Group's Medical Departments.
The process for the identification of training needs and the delivery of training is annual and the training plan is revised every year. In 2024, in Italy, an average of around 26 hours of training per employee was provided – the courses are mainly delivered by internal trainers or through recordings.

PREVENTION OF OCCUPATIONAL INJURY AND ILLNESS
The Group implements specific training initiatives (e.g. manual handling of patients) and reviews designed to prevent occupational injury and illness for all staff at its Italian sites. The training and review process is annual and continuous; these activities are carried out mainly by internal personnel.
The Safety Management System provides for a continuous and regular review of working conditions, risk and of the measures in place to reduce and mitigate negative impacts through the updating of procedures and the redefinition of processes. Scheduled audits under the plan and extraordinary audits undertaken in response to an adverse event enable the monitoring of the measures put in place to manage and mitigate these impacts.
Moreover, the coordination involving Managers, Supervisors, Medical Officers, Trade Unions and external suppliers ensures that there is an ongoing review of prevention and protection measures that makes it possible to mitigate the impacts of danger and damage to workers, third parties and the environment.
In addition to the continuous review and assessment of working conditions and risk, followed by the definition and monitoring of prevention and protection measures, the Group has established tools to monitor accidents and occupational illness with the aim of providing "red flag" indicators that can guide mitigation interventions in good time. Accidents are promptly reported using special forms so that the need for technical/procedural/operational improvements can be analysed. Occupational disease is monitored as part of the Health Monitoring performed by the Medical Officer.
The injury / accident report forms allow a careful analysis and the possible identification of additional measures or mitigation interventions e.g. biological risk prevention measures, specific safe driving training etc.

Moreover, workers can, at any time, report important issues anonymously through their trade union representatives. Also, some risk assessments (e.g. Work-Related Stress Risk or Risk of Aggression) allow workers to express their views and they can also do the related checklists anonymously.

Specifically, with regard to the material ESG risks for the organisation resulting from the impact and reliance on its workforce, the Group is careful to hire workers with the right skills and appropriate training. It adopts in good time measures regarding health monitoring, training, education, mentoring, protective equipment, etc.

In order to pursue the material opportunity identified (higher salaries to provide staff with support), it should be noted that the Group has long been operating Welfare programs and, in 2024, it introduced attendance bonuses and training for staff at its facilities, so as to boost retention. During 2024, a bridging agreement was signed in relation to one of the applicable collective agreements – it led to a salary increase – while the renewal of several of the collective agreements applied is expected to be negotiated in 2025.

Initiatives taken by the KOS Group that may have a significant impact on the relationship with its own workforce are communicated to and possibly discussed with the trade unions (e.g. in case of changes to shifts, working hours) in order to ensure that its practices do not cause or contribute towards significant negative impacts.
For further information, please refer to Section *3.1.1.1 ESRS 2 SBM-2 – Interests and views of stakeholders.*

The resources deployed or planned to manage impacts are determined by the Training Team which is responsible for the training plan; the Company also has persons responsible for handling trade union relations. Moreover, the Talent Management function manages remuneration and development policies while safety personnel (e.g. the RSPP, plus the roles required by law) ensure compliance with regulations and the protection of workers.

3.1.3 Metrics and targets

3.1.3.1 S1-5 Targets related to managing material negative impacts, advancing positive impacts, as well as to risks and opportunities

The targets included in the Sustainability Plan 2024-2027 in relation to own workforce issue are closely linked to the principles expressed in the Human Rights Policy and the Safety Policy and to the actions taken by the Group to mitigate negative impacts and risks and pursue opportunities. In fact, the targets are intended to monitor the progress and effectiveness of these actions through quantitative KPIs.

Specifically, the KPIs monitored in the Sustainability Plan in relation to the Group's own workforce are:

- KPI 1 – Training: number of hours of training per year per employee
- KPI 2 – Diversity: basic salary ratio between men and women
- KPI 3 – Employee satisfaction: % of employees who rate the work environment positively in internal surveys
- KPI 4 – Workplace accidents/injuries: frequency of workplace accidents (number of accidents/ million hours worked) – excluding transport if not organised by the organisation and Covid-19 cases
- KPI 9 – Dissemination of the KOS care approach: % of new hires who have completed a training course on corporate culture

These targets tie in with the guidelines set out in the Human Rights Policy and the Safety Policy as they focus on the physical and mental health of employees and collaborators through assistance programs, initiatives to promote health and a work environment that favours a work-life balance (KPI 3). They also take into account the commitment to comply with all local and international regulations regarding safety at work, minimum pay, working hours and the right to trade union membership, while guaranteeing continuous training on health and safety and promoting a risk prevention culture (KPI 4). Moreover, through the guidelines set out in its policies, the Group is committed to creating an inclusive work environment where each individual is valued and respected and is also committed to guaranteeing equal pay for work of equal value, regardless of gender or other factors not related to the task, responsibilities or activities assigned (KPI 2).
Finally, the human rights policy provides for education and continuous learning opportunities as tools aimed at contributing towards individual and collective growth (KPI 1 and 9).

Top management from the Human Resources and Safety functions was involved in setting the sustainability targets. These functions include specific individuals who can define in detail the methods of putting together and calculating the individual KPIs; all of this takes place with the support and under the coordination of the Group function dedicated to ESG issues.
For each KPI, a specific service – from within the Human Resources or Safety Department – is made responsible for managing and implementing the actions necessary to achieve this objective. In any case, responsibility for the monitoring of KPIs has been allocated within the Human Resources Department.
The service responsible for management of a specific KPI – internal to the Human Resources or Safety Department – is responsible for identifying improvements. The improvements are also discussed within the KOS Group working group which oversees progress with the improvements.
Finally, the targets/objectives are approved by the Board of Directors.

MINIMUM DISCLOSURE OBLIGATIONS ON TARGETS - MDR-T

KPI	**KPI 1: Training: number of hours of training per employee per year**	**KPI 2: Diversity: basic salary ratio between men and women**	**KPI 3: Staff satisfaction: % of employees who assess the work environment positively in internal surveys**[13]	**KPI 4: Workplace accidents/injuries; frequency of workplace accidents/injuries**	**KPI 9: Dissemination of the KOS care approach: % of new hires who have completed a training course on corporate culture**
Target for 2027	GROUP: 25 hours of training per year in 2027	GROUP: basic salary ration between men and women of 99-101% in 2027	ITALY: Increase worker satisfaction by 65% in 2027 GERMANY: Increase worker satisfaction by 69% in 2027	ITALY: reduce number of accidents/injuries by 25 in 2027 GERMANY: reduce number of accidents/injuries by 6.7 in 2027	GROUP: have 95% of new hires do the course in 2027
Interim targets	**2024: 22** 2025: 23 2026: 24 2027: 25	**2024: 99%-101%** 2025: 99%-101% 2026: 99%-101% 2027: 99%-101%	ITA: **2024:50%** 2025:63% 2026:65% 2027:65% GER: **2024:50%** 2025: 65% 2026: 67% 2027: 69%	ITA: **2024: 25.7** 2025: 30 2026: 27.5 2027:25 GER: **2024: 5.84** 2025: 7 2016: 6.8 2027: 6.7	**2024: 95%** 2025:95% 2026: 95% 2027: 95%
Base year and base value	2019: 9.1	2020: 98.2%	2021: 10%	2018: 38.5	2021: 85%
2024 Result	ITA: 26.6 GER: 22.6	ITA: 99.7% GER: 100.57%	ITA: 62.7% GER: 71.6%	ITA: 29.5 GER: 8.28	ITA: 96.4% GER: 100%

For further details on the KPIs, please refer to the Sustainability Plan, section *1.1.3.1 SBM-1 Strategy, business model and value chain*.

[13] Employees involved in 2024: 30-40%. Total surveys with positive result (≥ 70*) / total survey responses
*the result is considered based on the score given to each question (Score: from 1 to 4: 1=very poor; 2=poor; 3=good; 4=very good;)

3.1.3.2 S1-6 Characteristics of the Group's employees

As at 31 December 2024, the KOS Group workforce included 11,714 employees.

In 2024, female staff made up a significant percentage of the KOS Italia corporate population – 79.2% of the total. Similarly, female employees represented 80.1% of the German subsidiary's total workforce in 2024.
In both Italy and Germany, the male-female split is unbalanced towards female employees in the categories of healthcare workers and white collar employees, in which women represent the clear majority as shown in the table below.

TOTAL NUMBER OF EMPLOYEES BY COUNTRY

Number of employees	at 31 December 2024		
	Male	Female	Total
Italy	1,484	5,661	**7,145**
Germany	908	3,661	**4,569**
Total KOS Group	**2,392**	**9,322**	**11,714**

KOS Italia has 7,145 employees, 94% of whom are hired under permanent contracts, primarily on a full-time basis (around 76%). The Group does not have any workers with zero hours contracts. In addition to its employees, KOS Italy used the services of 1,873 non-employee workers in 2024. The main types of non-employee workers are freelance doctors and nurses.

Meanwhile, the Charleston Group had 4,569 employees at 31 December 2024, 81% of whom were hired under permanent contracts and 40% on a full-time basis.

TOTAL NUMBER OF EMPLOYEES DIVIDED BY CONTRACT TYPE AND GENDER

Number of employees	at 31 December 2024					
	KOS Italia		Germany		KOS Group	%
	Male	Female	Male	Female		
Number of permanent employees	1,402	5,288	737	2,969	**10,396**	**89%**
Number of fixed-term employees	82	373	171	692	**1,318**	**11%**
Total	**1,484**	**5,661**	**908**	**3,661**	**11,714**	**100%**

TOTAL NUMBER OF EMPLOYEES DIVIDED BY CONTRACT TYPE AND GENDER

Number of employees	at 31 December 2024					
	KOS Italia		Germany		KOS Group	%
	Male	Female	Male	Female		
Full time	1,282	4,132	541	1,301	**7,256**	**62%**
Part time	202	1,529	367	2,360	**4,458**	**38%**
Total	**1,484**	**5,661**	**908**	**3,661**	**11,714**	**100%**

The following tables show that, in 2024, KOS Italia had an outgoing turnover rate of around 37% for both male and female employees.
Meanwhile, the Charleston Group had an outgoing employee turnover rate of 39% for men and 30% for women.

EMPLOYEE TURNOVER RATE

Number of leavers and turnover rate	at 31 December 2024					
	KOS Italia		Germany		KOS Group	
	Male	Female	Male	Female	Male	Female
Employees who left	551	2,104	356	1,091	**907**	**3,195**
Turnover rate	0.37	0.37	0.39	0.30	**0.38**	**0.34**

It should be noted that the Charleston Group has one more employee who identifies as "other" gender.

3.1.3.3 S1-8 Collective bargaining coverage and social dialogue

In the KOS Group, KOS Italia employees are fully covered by national collective labour agreements whereas, for the Charleston Group, coverage is only mandatory for cleaning staff. As already mentioned, the Charleston Group employment contracts do not refer to a national collective agreement but to various laws and salary levels in force on a regional basis. We remind you that a minimum wage applies to all workers, on a national level in Germany, regardless of the category.

During 2024, a new collective agreement was adopted for the Care Homes division in Italy. It is among the most favourable contractual arrangements for employees of private companies in the health and social care sector. This new agreement provides for a significant increase in lower wages and for a series of generous benefits in kind. These benefits include a supplementary health care fund, an increase in training hours, measures to support diversity and combat gender violence and a bonus system designed to discourage absenteeism.

EMPLOYEES COVERED BY COLLECTIVE LABOUR AGREEMENTS

	at 31 December 2024		
	European Economic Area		Total KOS Group
	Italy	Germany	
Number of employees	**7,145**	**4,569**	**11,714**
Number of employees covered by collective bargaining	**7,145**	**356**	**7,501**
% of employees covered by collective bargaining	**100%**	**8%**	**64%**

SOCIAL DIALOGUE

	at 31 December 2024		
	European Economic Area		Total KOS Group
	Italy	Germany	
Number of employees covered by workers' representatives	**2,267**	**584**	**2,851**
% of employees covered by workers' representatives	**31.7%**	**12.8%**	**24.3%**

Neither KOS Italia nor the Charleston Group are party to any agreements with their employees for representation by a European Works Council (EWC), a Works Council of a European Company (EC) or a Works Council of a European Cooperative Society (ECS).

3.1.3.4 S1-9 Diversity metrics

The figures shown are actual figures at 31 December 2024. The tables below do not include any estimates.

Number of employees	At 31 December 2024					
	KOS Italia		Germany		KOS Group	
	Male	Female	Male	Female	Male	Female
Senior managers'*	60	80	1	0	61	80
Managers	50	54	13	11	63	65
White collar workers	886	2,819	47	245	933	3,064
Blue collar workers	488	2,708	847	3,405	1,335	6,113
Total	1,484	5,661	908	3,661	2,392	9,322
Percentage of senior managers	1%	1%	0%	0%	1%	1%
Percentage of managers	1%	1%	0%	0%	1%	1%
Percentage of white collar workers	12%	39%	1%	5%	8%	26%
Percentage of operators	7%	38%	19%	75%	11%	52%

Number of employees	At 31 December 2024							
	KOS Italia				Germany			
	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total
Senior managers'*	5	59	76	140	0	1	0	1
Managers	0	53	51	104	0	13	11	24
White collar workers	535	1,743	1,427	3,705	29	154	109	292
Blue collar workers	250	1,606	1,340	3,196	725	1,821	1,706	4,252
Total	790	3,461	2,894	7,145	754	1,989	1,826	4,569
Percentage of senior managers	0%	1%	1%	2%	0%	0%	0%	0%
Percentage of managers	0%	1%	1%	1%	0%	0%	0%	1%
Percentage of white collar workers	7%	24%	20%	52%	1%	3%	2%	6%
Percentage of blue collar workers	3%	22%	19%	45%	16%	40%	37%	93%

Number of employees	At 31 December 2024		
	KOS Group		
	Male	Female	Total
Senior managers'*	61	80	141
Managers	63	65	128
White collar workers	933	3,064	3,997
Blue collar workers	1,335	6,113	7,448
Total	2,392	9,322	11,714
Percentage of senior managers	1%	1%	1%
Percentage of managers	1%	1%	1%
Percentage of white collar workers	8%	26%	34%
Percentage of blue collar workers	11%	52%	64%

**The category "senior managers" includes 124 medical managers.*

3.1.3.5 S1-10 Adequate wages

100% of KOS employees receive fair remuneration based on local laws and regulations applicable in the countries in which the Group operates. The figures shown are actual figures at 31 December 2024 – the tables below do not contain any estimates.

70. EMPLOYEES WHO DO NOT RECEIVE ADEQUATE WAGES

	At 31 December 2024		
	European Economic Area		Total
	Italy	Germany	
Number of employees	**7,145**	**4,569**	**11,714**
Number of employees who do not receive adequate wages	**0**	**0**	**0**
% of employees who do not receive adequate wages	**0%**	**0%**	**0%**

For Italy, "adequate" wage is determined with reference to the national collective labour agreements applied to all employees while, for Germany, it is determined with reference to the applicable legislation.

3.1.3.6 S1-14 Health and safety metrics

In terms of safety (accidents, illness, etc), the accidents that occur relate to work risks foreseen for the duties / environments for which there are prevention and protection measures (personal protective equipment, procedures, training-education, health monitoring, etc.). Adverse events (injuries, near misses, accidents, near accidents, etc) are, therefore, considered individual – rather than systematic - incidents.
The company carries out regular checks and reviews of incident reports to identify patterns and recurring issues. This helps to identify the main causes and take preventative action.
Management meets regularly to review the status of reported issues, discuss possible solutions and ensure that appropriate action has been taken. These reviews help maintain accountability and transparency.
The figures shown below are actual figures at 31 December 2024 – the tables do not contain any estimates.

88. a) WORKFORCE COVERED BY HEALTH AND SAFETY MANAGEMENT SYSTEMS

Number of people	At 31 December 2024		
	KOS Italia	Germania	Gruppo KOS
Number of employees covered by health and safety management systems	**7,145**	**4,569**	**11,714**
% of employees covered by health and safety management systems	**100%**	**100%**	**100%**

WORK-RELATED INJURIES ILL-HEALTH

	at 31 December 2024		
	KOS Italia	**Germany**	**KOS Group**
Number of fatalities as a result of work-related accidents	**0**	**0**	**0**
Number of recordable work-related accidents	**313**	**56**	**369**
Number of hours worked	**10,623,052**	**6,761,327**	**17,384,379**
Rate of recordable work-related injuries	**29**	**8**	**21**

It should be noted that "Number of recordable work-related accidents" includes accidents reported to the competent authorities, as required by law.

3.1.3.7 S1-16 Remuneration metrics (pay gap and total remuneration)

KOS Italia's remuneration policies and methods of managing equal pay for men and women are based on specific methodological support for the proper management of skills assessment processes. For the Charleston Group, salaries are negotiated on an individual basis in full compliance with the general guidelines that apply equally to men and women.
The gender pay gap is shown as the percentage difference in the average remuneration of male and female workers in each employee category.

GENDER PAY GAP (BREAKDOWN BY GEOGRAPHICAL AREA AND EMPLOYEE CATEGORY)

% pay gap – Basic salary	**at 31 December 2024**		
	KOS Italia	**Germany**	**KOS Group**
Senior managers	**23%**	**N/A**	**55%**
Managers	**6%**	**27%**	**18%**
White collar workers	**4%**	**21%**	**15%**
Blue collar workers	**1%**	**-3%**	**-2%**

GENDER PAY GAP (BREAKDOWN BY GEOGRAPHICAL AREA AND EMPLOYEE CATEGORY)

% pay gap – total remuneration (including additional or variable components)	**at 31 December 2024**		
	KOS Italia	**Germany**	**KOS Group**
Senior managers	**25%**	**N/A**	**56%**
Managers	**5%**	**26%**	**18%**
White collar workers	**5%**	**19%**	**14%**
Blue collar workers	**1%**	**0%**	**0%**

As regards **the annual total remuneration ratio**
, in 2024, the highest-paid individual had an annual remuneration approximately 17 times higher than the median remuneration of Group employees.

The approach adopted to calculate the gender pay gap – for both KOS Italia and the Charleston Group – provides for the inclusion of the entire workforce as of 31/12/2024. The numerator was calculated including total remuneration while the denominator included the theoretical contractual hours on an annual basis (workable hours per contract). It should be noted that the Charleston Group has just one senior manager who is male. Therefore, the gender pay gap has not been calculated for the senior managers category for the Charleston Group.

3.1.3.8 S1-17 Incidents, complaints and severe human rights impacts

The issue of diversity management and enhancement, with particular reference to equal opportunities, is central to KOS's human resources management. KOS is constantly committed to safeguarding the freedom and equality of its employees, rejecting all forms of discrimination based on age, gender, sexual orientation, state of health, ethnicity, nationality, political opinions, religious beliefs and any other forms of discrimination, in all decisions that affect relations with its stakeholders.

CASES OF DISCRIMINATION – KOS Group

		At 31 December 2024
	Unit of measurement	**Total**
Cases of discrimination, including harassment	no.	**0**
Complaints made through available channels to allow people in the Group workforce to raise concerns (including complaint mechanisms) and, where appropriate, the OECD National Contact Points for Multinational Enterprises	no.	**0**
Total amount of fines, penalties and compensation for damages as a result of the above incidents and complaints and a reconciliation of these amounts with the amount reported in the financial statements	€	**0**

The KOS Group supports, respects and protects the dignity, freedom and equality of human beings, safety and health at work within the framework of the United Nations Universal Declaration of Human Rights and promotes respect for the cultural and physical integrity of the person. Each individual must be treated with respect and dignity and all relationships must be conducted with full respect for all parties.

IDENTIFIED CASES OF SEVERE HUMAN RIGHTS INCIDENTS – KOS Group

		At 31 December 2024
	Unit of measurement	**Total**
Number of severe human rights incidents related to the Group's workforce	no.	**0**
Number of severe human rights incidents related to the Group's workforce that constitute cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises.	no.	**0**
Total amount of fines, penalties and compensation for damages as a result of the above incidents and a reconciliation of these amounts with the most relevant amount in the financial statements.	€	**0**

3.4 ESRS S4 Consumers and end-users

3.4.1 Strategy

3.4.1.1 ESRS 2 SBM-2 Interests and views of stakeholders

At the core of the KOS Group's business offering, there is a constant, constructive dialogue with family members and patients that allows us to develop a complete and attentive service.
Quality is a fundamental pillar for the Group, which stands out for its efficiency and ability to respond well to patient needs. The main elements that characterise the KOS model include:

- Continuous training of personnel and constant updating of skills;
- Adaptation and technological development;
- Selection of personnel based on high-level criteria of know-how and expertise;
- Predilection for the establishment of stable employment relationships over time;
- Standardised procedures to guarantee the safety of patients and residents;
- Scientific research aimed at the development and improvement of clinical practices.

These are the qualitative factors that now distinguish KOS as a leading group in the health and social care sector.

The size of the Group allows it to achieve economies of scale, through the pooling of many support services, capable of constantly improving the quality of the services offered by the Group. Through continuous benchmarking activities, KOS has consolidated the experience gained in the various care environments, raising quality standards at all facilities. KOS adopts operating procedures and protocols in line with the most stringent regional and national regulations, both in Italy and Germany, on licensing and accreditation; it also adopts strict procedures intended to guarantee the expected quality standards and safe care.
For example, in Italy, all facilities have specific procedures defining how patients are taken care of, for the proper management of clinical documentation and medicines, for pain monitoring and management, to ensure the hygiene of patients and residents and for informed consent to treatment. A quality management system has also been developed in Germany. It ensures that product and procedural standards are determined centrally.
The interests, views and rights of users influence the business model, orienting the delivery of services and how patients are taken on. Stakeholders are listened to daily in the Group's facilities through dedicated channels (e.g. email, URP, etc). Most care homes also have a Residents' Committee which allows patients to participation in the organisation of the life in the facility, while aiming to create a virtuous circle of suggestions and proposals to improve care, assistance and other activities. In this way, residents play an active role in the life and governance of the facilities.

3.4.1.2 ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

The KOS Group operates in the health and social care sector, offering a wide range of services that meet the needs of a diverse but often vulnerable population.
The KOS Group's main user categories are:

- The elderly: many users are care home residents or rehabilitation centre patients, often with several health conditions or fragile individuals;
- Persons with disabilities: physical or mental, who require highly personalised services;
- Minors: in specific cases, e.g. paediatric rehabilitation services or minors with mental conditions.

These groups need special safeguards to minimise negative impacts on health, well-being and privacy, as well as ethical and inclusive communications and marketing strategies. For this reason, the Group has a team dedicated to managing and coordinating communications activities so that they are clear, transparent and effective.
The KOS Group does not produce goods or services that are inherently harmful to health or that directly increase the risk of chronic illness. However, the Group does provide health and social care services to patients with chronic conditions (e.g. neurodegenerative, oncological or cardiovascular diseases). With this in mind, the focus is on reducing the risks associated with treatment and promoting approaches that improve patient well-being.

The services offered by the KOS Group inevitably involve the processing of sensitive data relating to health, both of patients in care facilities and of users of any digital platforms. Potential impacts also include risks to the confidentiality and protection of personal data (e.g. cybersecurity breaches). Therefore, the Group's commitment to complying with the General Data Protection Regulation (GDPR) and local legislation, with strict policies to protect users' rights, is fundamentally important. This safeguards consumers and end-users who require accurate, accessible information.

The negative impacts on patients identified as material for KOS are as follows:

NEGATIVE IMPACT	DESCRIPTION OF IMPACT	TYPE
Failure to protect patients' views and ineffective complaint handling	Potential negative impact on patients and their experience with the services offered by the Group if their complaints are not managed and processed effectively and efficiently, due to a lack of safeguards designed to protect the right of patients to express their opinions, concerns and preferences.	Potential Negative
Improper management of patient health and safety	Potential negative impact on patient safety due to a failure of the protection measures put in place by the Group or due to episodes of violence and harassment	Potential Negative
Unethical and unfair patient management	Potential negative impact on patients and their experience with the services offered resulting from a failure to comply with internal procedures that could lead to discriminatory actions in patient management	Potential Negative
Misleading and/or non-transparent communications and marketing	Negative impact on patients' ability to make unbiased and free decisions about their health	Potential Negative

These impacts have all been identified as potential and linked to possible individual incidents i.e. specific events that may case immediate harm or affect users' trust in the company and which are not general or systemic.

The KOS Group adopts the following methodologies to mitigate these impacts:

- Strict governance policies: checks on business partners and transparency in operating practices;
- Risk management and training: strengthening protocols to reduce the risk of specific incidents, through specific measures including continuous training of staff and the adoption of safe technologies;
- Feedback and monitoring systems: tools to detect and respond promptly to any problems, guaranteeing user protection and regulatory/legislative compliance.

It should be noted that the facilities have responded to the impacts identified with proactive participation and commitment and have made a positive contribution coordinated by top management.
The resumption of face-to-face visits was managed sensitively and in a well-organised manner through relational support activities, assisted use of means of communication with the family and frequent and timely medical information. All clinical care communications are first approved by the relevant clinical personnel (e.g. medical health director, coordinator, etc) to ensure that the information provided is scientifically accurate.

A positive impact was also identified during the Double Materiality assessment i.e. the provision of reliable, good quality information to service users regarding their health conditions. Transparency, as well as professionalism in ensuring the fair and impartial treatment of patients, avoiding all forms of favouritism or discrimination, are also fundamental principles, as also enshrined in the Code of Ethics.

The risks arising from impacts on patients identified as material for the KOS Group are as follows:

RISKS	DESCRIPTION OF RISK
Risks arising from episodes of violence and harassment of patients	Potential incidents of violence and harassment involving patients, affecting their rights, that could lead to legal disputes and reputational damage.
Risks related to the management of patient health and safety	Possibility of weaknesses or non-compliance in looking after and caring for patients during hospitalisation or stay in the care home/rehab facility. Also the possible failure of the multi-professional approach to care.

The Group mainly operates in the health sector, especially in the fields of rehabilitation, health and social care for the elderly and psychiatry. It also carries out clinical activities – both medical and surgical – as well as laboratory and outpatient services.
The users of the services offered by the Group are mainly individuals with specific illnesses and medical conditions or people who need care and assistance.
Patients require accurate, accessible information on the treatment proposed, the services offered, the proper application of ministerial guidelines and instructions, as well as on compliance with laws and regulations. They are particularly vulnerable to impacts on health or confidentiality so they require continuous monitoring through customer satisfaction surveys and the review of both printed and digital clinical documentation.
The Company has set up specific Works Councils for: Mistreatment of residents/patients, healthcare-associated infections and clinical risk areas. Each Council carries out specific monitoring, assessment and drafting of procedures on a regular basis.

3.4.2 Management of impacts, risks and opportunities

3.4.2.1 S4-1 Policies related to consumers and end-users

The policies implemented by the KOS Group to manage material impacts and risks related to patients are:

1. *Service Charter*: In Italy each Group facility has a Service Charter, a document that provides detailed information to enable users to find out about the services offered, how to access them and the Group's commitments to continuous quality improvement. The Charter is a key feature in the management and protection of users and operators – it describes the corporate values and the core principles that govern activities at the facilities. The document is signed by the Facility Director and shared with Top Management, especially in the Healthcare Management Department. Users have a key role in continuous improvement through their suggestions - any reports, advice and even complaints are collected according to the methods outlined in the Service Charter. This is an opportunity for growth, as user input helps improve performance and overall satisfaction. Finally, these documents are also constantly updated on the company website. Each Service Charter sets out the Group's attention to the complete satisfaction of Customer needs and expectations and to building and maintaining a strong reputation in terms of the quality of the services provided.

2. *Quality Management Manual*: the Charleston Group has established a system of mandatory standards to ensure the quality of care and the safety of residents/patients in its facilities, including outpatient services. These standards outline the requirements, steps of the process and specific measures for each area of assistance; they are divided into four main categories:
    - Standards that cover several specialist areas, including the dealing with chronic wounds, pressure ulcers, dementia, nutrition, promotion of urinary continence, mobility, pain, falls, oral health and skin integrity. Their content is integrated into the group's internal procedural instructions, ensuring a uniform, controlled approach.
    - Care and Treatment Standards government treatment and care practices, including aspiration, dressing changes, blood sugar monitoring, infusion therapy, injection management, tracheostoma care, administration of food and medicine by PEG and measurement of vital signs.
    - The basic care standards include procedures for the personal hygiene and comfort of residents e.g. showering, oral hygiene, shaving, changing pads, transfers, dressing and undressing.
    - The Preventive Healthcare Standards define preventive measures to safeguard the health of residents including preventive measures against aspiration, cystitis, muscular problems, thrombosis, pneumonia and constipation.

    Failure to comply with these requirements may result in interventions and restrictions by external authorities and potential risks to the health of residents/patients. For this reason, compliance with the Standards is regularly tested by: Supervisory and Medical Service Authority, Care Service Management and the Quality Management Team. The implementation of and compliance with these standards is guaranteed at all Charleston Group facilities, including outpatient services. Responsibility for their application is entrusted to the Head of Quality Management who supervises the continuous monitoring and updating of the procedures. All of the standards are made available to employees of the facilities and outpatient services in the quality management manual. Quality Management in Healthcare (QMH) can be accessed 24/7 by all employees via ELO, a filing software in use throughout the business.

3. Furthermore, as already stated on several occasions in this Sustainability Statement, the Group has procedures in place for:
    a. The definition of patient care;
    b. The proper management of clinical documentation and medication;
    c. Pain monitoring and management;
    d. Patient hygiene

In addition, the Group has also the following policies: Code of Ethics, the Human Rights Policy, the Safety Policy, etc. For further information about the Human Rights Policy and the Safety Policy, please refer to Section *3.1.2.1 S1-1 Policies related to own workforce*. For further information about the environmental policy, please refer to Section

2.1.3.2 E1-2 Policies related to climate change mitigation and adaptation and for further information on the Code of Ethics, please refer to Section *4.1.2.2 G1-1 Business conduct policies and corporate culture.*

The KOS Group supports, respects and protects the dignity, freedom and equality of the individual, guaranteeing health and safety at work in compliance with the United Nations Universal Declaration of Human Rights. It also promotes respect for the cultural and physical integrity of the person, ensuring that each individual is treated with respect and dignity and that all relationships are conducted in accordance with these principles.
The Charleston Group places absolute priority on respecting the human rights of residents and end-users. Its operations are inspired by the United Nations Guiding Principles on Business and Human Rights, the Fundamental Principles of the International Labour Organisation (ILO) and the OECD Guidelines for Multinational Enterprises.

The KOS Group adheres to the ten fundamental principles of the United Nations Global Compact, in particular in the following areas:

- Human rights (Principles 1 and 2): Company policies designed to ensure that the rights of patients and users are respected, without discrimination and with particular attention to vulnerable groups (the elderly, people with disabilities, minors);
- Labour (Principles 3-6): Application of high standards for staff involved in service delivery, with continuous training and safe and decent working conditions;
- Environment (Principles 7-9): Promotion of sustainable practices in management of the facilities, including reducing waste and improving energy efficiency;
- Anti-corruption (Principle 10): Adoption of strict policies to prevent illegal practices in business relations and decision-making processes.

The KOS Group is committed to applying the OECD Guidelines for Multinational Enterprises through:

- Transparency: Clear and accessible communications on all services and their operating methods, ensuring compliance with regulations on the protection of personal data and patients' rights;
- Accountability in the value chain: Selection and monitoring of business partners to avoid practices that may violate human rights, ethical or environmental standards;
- Impact on consumers: Policies to protect patients and users and ensure that the services provided meet the highest quality and safety standards

Adherence to the aforementioned standards is constantly monitored as part of internal compliance and quality management, ensuring that potential deviations are promptly recognised and corrected. If any major incidents occur in future, the KOS Group will take transparent investigation, correction and communication measures in accordance with international standards.

To protect the values enshrined in the Code of Ethics, the Group has set up communication channels, including anonymous ones, via the Whistleblowing Procedure, which can be used to report conduct in contrast with corporate/group principles.
Transparency, fairness and professionalism are fundamental values to ensure fairness and impartiality in the treatment of patients, rejecting all forms of favouritism or discrimination. These principles are enshrined in the Code of Ethics and reflected in healthcare communications and advertising, in compliance with current legislation, in both the general and specialist fields (Law 175/1992 and Decree Law 223/2006). For further information, please refer to Section *4.1.2.2 G1-1 Business conduct policies and corporate culture*.
Moreover, as mentioned in Section *1.1.3.2 ESRS 2 SBM-2 Interests and views of stakeholders,* in order to ensure that residents/patients participate in the planning and delivery of services within care homes, further protecting patients' rights, a representative body has been established: the Residents' Committee. The ultimate goal is to actively encourage collaboration between Management, Residents and staff, in order to boost mutual relationships and comprehension.
The Charleston Group firmly believes in open, respectful dialogue with its residents and end-users. Through regular surveys, feedback discussions and transparent communication channels, it ensures that their concerns are properly addressed and incorporated into its processes. In addition, direct dialogue with family members and carers is encouraged so as to take individual needs into account. The Group's goal is to create an environment of trust in which all those involved can make an active contribution and help shape the process.

3.4.2.2 S4-2 Processes for engaging with consumers and end-users about impacts

KOS Group's patients and their family members/caregivers are directly engaged with through the following initiatives:

Customer Satisfaction – Care Homes area
A questionnaire is sent to family members/caregivers in order to gauge – in great detail – the level of satisfaction with food/accommodation and service matters, as well as with relational aspects.
The following macro-categories have been surveyed:

- Listening and welcome;
- Physical health and well-being of the resident;
- Perceived professionalism of all key individuals involved in stay in facility;
- Accessibility to the facility, visits and video calls;
- Perception of COVID containment approach and safety;
- Food/accommodation matters (cleaning, meals, comfort and care for premises, laundry and wardrobe);
- Summary indicators (NPS, CSAT).

In 2024, it was decided that the questionnaire for family members/caregivers would be sent out annually. Some 1,981 completed questionnaires were received and particularly critical situations have been addressed in detail with ad hoc interventions and initiatives and by sending additional questionnaires.
The data collected are analysed using a dedicated platform called Sei Soddisfatto which provides useful indicators for continuous improvement.

Questionnaires are collected through two main channels:

- **Family members of residents**: once a year, a survey via a dedicated link is e-mailed to those who have granted their permission. Responses are gathered anonymously and the survey covers the family members of residents who stayed at a facility during the year or who are currently resident there.

- **Residents of facilities**: Questionnaires are collected inside the facilities throughout the year. Using an App of the platform, staff give a tablet device to residents capable of completing the questionnaire themselves. If necessary, the resident may be assisted by a family member. This system makes it possible to collect multiple evaluations over time, taking into account the natural turnover of residents and the presence of temporary stays e.g. summer holiday or respite stays, while ensuring that feedback is collected continuously and is always up to date.

All the questionnaires collected – both those filled in by family members using the link sent by e-mail and those completed by residents using the APP (on the facility's tablet devices) – are processed by the same platform.

Another survey tool is the satisfaction questionnaire for care home residents (issued to only 20% of residents i.e. those capable of understanding and responding to the questions); it is in digital form and can be completed with support from staff or family members, up to 3 times a year, using a tablet device. As at 31 December, 3,299 questionnaires had been collected.

Customer Satisfaction – Psychiatry area
In the Psychiatry area, Customer Satisfaction questionnaires are issued to patients when they are discharged. As at 31 December 2024, 1,230 questionnaires had been collected.

Customer Satisfaction – Rehabilitation area
In the Rehabilitation area, Customer Satisfaction questionnaires are issued to patients when they are discharged, as in the Psychiatry area. As at 31 December 2024, 2,563 questionnaires had been collected.

ROC – Rehabilitation Outpatient Centre – customers were issued with a questionnaire (redesigned in 2022) focusing on the three main aspects of the service provided: professionalism, accommodation (cleanliness, comfort and care of

premises, ease of finding way around) and style of the premises. As at 31 December 2024, 1,803 questionnaires had been collected.

The level of engagement with consumers and/or end-users is evaluated based on the customer satisfaction questionnaires collected and on comments received through the new Feedback Portal. CRM (Customer Relationship Management) also provides a clear picture of the requests of potential care home customers.
The Charleston Group follows a structured approach in regularly reviewing and improving its interaction with consumers and end-users. Several different mechanisms are used to assess the effectiveness of these engagement processes:

- Internal complaint and feedback systems;
- Regular internal quality audits;
- External audits by the regulatory authorities.

The General Managers have operational responsibility for ensuring that engagement takes place and that the results are taken into account in the Group's approach to its business.

For further information on stakeholder engagement, please refer to Section *1.1.3.2 SBM-2 Interests and views of stakeholders.*

In order to better understand the perspectives of consumers and/or end-users who may be particularly vulnerable to impacts and/or marginalised, the Group conducts targeted surveys and focus groups with specific groups of patients. The Group also carries out regular surveys on the level of satisfaction of residents/patients. In general, all feedback channels are made available to even the most vulnerable users.

3.4.2.3 S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

No actual negative impacts relating to patients in 2024 emerged from the Double Materiality assessment process. However, as detailed in section *3.4.2.2 S4-2 Processes for engaging with consumers and end-users about impacts*, KOS has developed systems for listening to and measuring customer satisfaction both in Italy and Germany and has activated a Feedback Portal for use by family members to make complaints and suggestions and express thanks.
The possibility of making a complaint or a comment is highlighted in all the Service Charters, is periodically communicated by the Facility Directors and is the subject of a communication campaign within the facilities.

Any feedback can be addressed during meetings (small or large) with the Residents' Committee or directly with family members. The Feedback Portal can be used to monitor how the problem is being dealt with.
For further information on feedback channels, please refer to section *3.1.2.3 S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns* and section *4.1.2.2 G1-1 Business conduct policies and corporate culture.*

3.4.2.4 S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users and effectiveness of those actions

In order to prevent and mitigate the negative impacts that KOS could have on its patients, the Group adopts operating procedures and protocols in line with the tightest regional and national laws and regulations, in both Italy and Germany, on licensing and accreditation. It also has strict procedures aimed at guaranteeing the expected quality standards and safety of care.
In Italy, for example, all facilities have specific procedures to determine how patients are taken care of, for the proper management of clinical documentation and medicine, for pain monitoring and management, to guarantee the hygiene of patients and residents and for informed consent to treatment.

The Charleston Group has also developed a quality management system that ensures that product and procedural standards are determined centrally.
In Germany, several audit procedures have been developed to test and assess the quality of facilities, processes and on-site results in care homes, day centres and outpatient services. The quality management team carries out annual audits at each facility. These internal audits are conducted annually at each facility to review key procedures.
Moreover, as described above, the KOS Group manages potential events related to incidents that may occur in its facilities through Special Committees for the prevention of maltreatment of residents/patients, the prevention of healthcare-associated infections and the prevention of aggression towards healthcare workers.
Each Committee has issued specific guidelines that are adopted by the individual facilities.

The individual facilities also draw up Annual Programs for Safe Care and Health Risk Management that aim to improve the quality of care through the prevention and management of clinical risks. The main objective is to ensure the safety of patients and workers, promoting a corporate culture based on learning from mistakes and actively involving staff. The program involves analysis of any adverse events, with the identification of any critical issues and the implementation of specific corrective action. It also provides for the setting of annual targets with specific actions designed to reduce clinical risk.
Some examples of the action taken are:

- The planning and organisation of courses on Clinical Risk management aimed at improving/reinforcing the application of the company procedures implemented with reference to Ministerial Recommendations;
- The issue of specific procedures and recording of near misses;
- More frequent periodical meetings;
- Raise staff awareness during regular Health Management meetings to follow up on the dissemination and consolidation of a culture of patient safety.

The Health Management team coordinates the implementation of the program, engaging with teams from the facilities.

For the Charleston Group, the process description defines which events have to be reported by the facilities to Head Office and to what extent. The process description is contained in the quality management manual and all managers are familiar with it. In determining whether an event has a severe impact on a consumer, all events are reported via a list shared with all operational departments and management, regardless of their severity. A joint decision on how to proceed is taken depending on the severity of and responsibility for the incident.

The material patient-related risks for the KOS Group, identified in the context of financial materiality, are “Risks arising from episodes of violence and harassment of patients” and “Risks related to the management of patient health and safety”.
In order to mitigate these risks, procedures have been implemented to guarantee patient safety, prevent hospital infections and pressure injuries, for the proper management of medication and restraints, for the keeping of the emergency trolley and for the proper management of clinical documentation. Quality principles form the basis of processes and working methods.

Transparency, as well as professionalism in ensuring the fair and impartial treatment of patients, avoiding all forms of favouritism or discrimination, are also fundamental principles, as also enshrined in the Code of Ethics.

With regard to the risks identified, it should be noted that the Group has created provisions in the balance sheet to cover risks arising from judicial, civil and administrative proceedings and has estimated the contingent liabilities on a prudent basis. In addition to these risks, other risks regard possible claims for compensation for accidental events related to operational activities, such as clinical errors or injuries.
In order to manage these risks, the Group arranges insurance cover at a central level, signing up to policies with customised levels of risk retention and setting up Claims Assessment Committees.
For more details, please refer to the “*Risk Management”* section of the Directors’ Report.

KOS carefully monitors the potential impact of misleading and/or non-transparent communication and marketing practices because it is aware of the reputational and legal risks associated with such conduct. Accordingly, it takes a rigorous approach to planning and reviewing communications, ensuring that every message conveyed to the public is accurate, honest and compliant with current marketing and advertising regulations.

The effectiveness of the way communications are managed is demonstrated by the fact that, to date, no reports of non-compliance or any infractions of communications and marketing regulations have been noted. This result confirms KOS's commitment to high ethical standards and to promoting transparent, responsible communications, consolidating the Group's trust and credibility with patients and stakeholders. Moreover, the value of the information provided is also confirmed by the increased number of views of content published online.

During the Group's clinical activities involving the provision of healthcare services, there has been an extremely small number of cases relating to clinical risk which are still under internal and external investigation and have involved several employees.
In relation to each event that has occurred, the Group has taken all available legal and preventive actions and has made all necessary internal and external resources available to the individual business units. These cases are highlighted in the specific reports published annually for each business unit and area.
The Group has set up specific Works Councils with the task of planning, monitoring and acting to protect the human rights of consumers in addition to what is set out in the Service Charters on the reporting of any incidents. It also takes account of legal provisions and the content of the International Covenant on Civil and Political Rights (ICCPR) and the European Convention on Human Rights (ECHR).

The KOS Group dedicates the following specific resources to the management of material impacts related to consumers and end-users and to the management of related issues:

- Area Medical Directors;
- Coordinators of the Aggression, Mistreatment and Healthcare-associated Infections Committees;
- Clinical Risk Managers;
- Medical Directors;
- Clinical Risk Officers/Clinical Risk Facilitators.

The names and contact details of these individuals are available at the individual facilities, on the websites and in the service charters of each facility.
Furthermore, analysis of events occurring and action taken is included in the Care Safety Plans and in the Clinical Risk Reports which can be accessed by users and the public via the website.

3.4.3 Metrics and targets

3.4.3.1 S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The targets included in the Sustainability Plan 2024-2027 in relation to the topic of consumers and end-users are closely linked to the actions taken by the Group to mitigate negative impacts. In fact, these targets are intended to monitor the progress and effectiveness of these actions through quantitative KPIs.
The objectives of the KOS Group's sustainability plan are discussed and determined by top management and approved by the Board of Directors. Patients are not involved in the setting of sustainability objectives.

In detail, the patient-related KPIs monitored in the Sustainability Plan are:

- KPI 6: Net Promoter score: % of facilities with an NPS ≥ 30
- KPI 7: Internal clinical audits: % of facilities audited annually with a positive outcome or positive follow-up

For more details of the KPIs, please refer to the Sustainability Plan, Section *1.1.3.1 SBM-1 Strategy, business model and value chain*.

The NPS (Net Promoter Score) is a particularly important indicator as it measures user loyalty and satisfaction. It is calculated as follows:

1. Participants are asked to rate, on a scale of 0 to 10, how likely they are to recommend the facility to friends and family.
2. Responses are divided into three categories:
    - ✓ Promoters (score 9-10): highly satisfied users, inclined to recommend the facility.
    - ✓ Passive (score 7-8): users who are satisfied but not enthusiastic.
    - ✓ Detractors (score 0-6): dissatisfied users who may advise against the facility.
3. The NPS is calculated by subtracting the percentage of detractors from the percentage of promoters: NPS = (% of Promoters) - (% of Detractors). The result is a score between -100 (all detractors) and 100 (all promoters).

A high NPS indicates a high level of satisfaction and loyalty while a low score suggests the need for improvements. Facilities with a score of less than 30 are closely monitored. Structured, joint improvement plans are implemented for these facilities with actions aimed at improving service quality and increasing the level of satisfaction of residents and their families.

Specifically, the net promoter score (NPS), a customer experience indicator, is used by KOS Italia as part of the process to evaluate the performance of facility managers.
The NPS is calculated on the basis of structured internal processes or, for care homes, carried out by third parties who guarantee that the result is reliable.

MINIMUM DISCLOSURE REQUIREMENT ON TARGETS- MDR-T

KPI	**KPI 6: Net Promoter score**	**KPI 7: Internal clinical audits**
Target for 2027	GROUP: expects 85% of facilities to have an NPS ≥ 30 in 2027	GROUP: expects to have 100% of facilities audited annually with a positive outcome by 2027
Interim targets	KOS GROUP: **2024: 85%** 2025: 85% 2026: 85% 2027: 85%	KOS GROUP: **2024: 100%** 2025: 100% 2026: 100% 2027: 100%
Base year and base value	2022: 28%	2021: 64%
Result for 2024	ITALY: 89%[14] GERMANY: 85%	ITALY: 100% GERMANY: 100%

For more details on the KPIs, please refer to the Sustainability Plan, section *1.1.3.1 SBM-1 Strategy, business model and value chain*.

[14] The following actions to improve the service provided are planned for 2025: reorganisation of the patient admission process, introduction of nutritional products for dysphagia, introduction of extra services requested by patients (e.g. trips), digitalised complaint management, automated personalised therapy

3.4.4 Additional entity-specific disclosures

3.4.4.1 Contribution to patient well-being

The KOS Group is constantly committed to pursuing an optimal level of patient well-being through an excellent quality of service in terms of reliability, safety, care, food quality, facility comfort and staff helpfulness. Patient well-being and satisfaction are monitored through engagement with them while specific tools are used to monitor the satisfaction of family members.

The Double Materiality assessment identified the "contribution to patient well-being" as a material positive impact on the health and well-being of patients through the provision of services that guarantee patients' all-round well-being, while promoting principles of free choice and dignity. The matter is, therefore, reported as a disclosure specific to the KOS Group as it is not covered in sufficient detail by ESRS S4.

ESRS 2

ESRS 2 - GOV-1	For *The role of the administrative, management and supervisory bodies* see section ESRS 2 - GOV-1
ESRS 2 - GOV-2	For *Information provided to and sustainability matters addressed by the Group's administrative, management and supervisory bodies* see section ESRS 2 - GOV-2
ESRS 2 - GOV-3	For *Integration of sustainability-related performance in incentive schemes* see section ESRS 2 - GOV-3
ESRS 2 - GOV-4	For the *Statement on due diligence* see section ESRS 2 - GOV-4
ESRS 2 - GOV-5	For *Risk management and internal controls over sustainability reporting* see section ESRS 2 - GOV-5
ESRS 2 - SBM-1	For *Strategy, business model and value chain* see section ESRS 2 - SBM-1
ESRS 2 - SBM-2	For *Interests and views of stakeholders* see section ESRS 2 - SBM-2
ESRS 2 - SBM-3	For *Material impacts, risks and opportunities and their interaction with strategy and business model* see section ESRS 2 - SBM-3
ESRS 2 – IRO-1	For *Description of the processes to identify and assess material impacts, risks and opportunities* ESRS 2 – IRO-1

MDR-P
Please refer to section *3.4.2.1 S4-1 Policies related to consumers and end-users.*

MDR-A
KOS has implemented systems and procedures to manage and deal with complaints swiftly and efficiently: all Italian facilities have a service whereby requests and complaints are constantly listened to by management. The related standards are set out in the service charters, in the section on citizen protection mechanisms.
In Germany, too, a highly structured system to measure customer satisfaction is in place. It uses multiple channels to gather positive and negative feedback from users. Staff responsible for handling complaints are required to respond to them within not more than 14 days.
Customers or relatives can make complaints at any time anonymously or otherwise, using the following channels: printed complaint forms, email, telephone, in person.

A Feedback Portal has also been set up to collect comments, complaints and thanks from relatives of care home residents. The portal enables such feedback to be monitored on a continuous basis by General Management, thus offering a direct insight on life in the facilities.

For further information on the tools implemented to ensure the well-being and satisfaction of residents/patients, please refer to section *3.4.2.2 S4-2 Processes for engaging with consumers and end-users about impacts*

MDR-T
Please refer to section *3.4.3.1 S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities* (KPI 6: Net Promoter score).

3.4.5.2 Quality and effectiveness of social care services

The quality and effectiveness of social care services is extremely important to the KOS Group. It is pursued through the development and analysis of systems to assess the social and health care services provided.
The provision of efficient social care services has an actual positive impact on patients resulting from the quality services offered by the Group.
The Double Materiality assessment identified the following as material entity-specific topics (as they are not covered in sufficient detail by ESRS S4) - the "Provision of efficient social care services" impact and the "Risks arising from disputes" risk.

ESRS 2	
ESRS 2 - GOV-1	For *The role of the administrative, management and supervisory bodies* see section ESRS 2 - GOV-1
ESRS 2 - GOV-2	For *Information provided to and sustainability matters addressed by the Group's administrative, management and supervisory bodies* see section ESRS 2 - GOV-2
ESRS 2 - GOV-3	For *Integration of sustainability-related performance in incentive schemes* see section ESRS 2 - GOV-3
ESRS 2 - GOV-4	For the *Statement on due diligence* see section ESRS 2 - GOV-4

ESRS 2 - GOV-5	For *Risk management and internal controls over sustainability reporting* see section ESRS 2 - GOV-5
ESRS 2 - SBM-1	For *Strategy, business model and value chain* see section ESRS 2 - SBM-1
ESRS 2 - SBM-2	For *Interests and views of stakeholders* see section ESRS 2 - SBM-2
ESRS 2 - SBM-3	For *Material impacts, risks and opportunities and their interaction with strategy and business model* see section ESRS 2 - SBM-3
ESRS 2 – IRO-1	For *Description of the processes to identify and assess material impacts, risks and opportunities* ESRS 2 – IRO-1

MDR-P
Please refer to section *3.4.2.1 S4-1 Policies related to consumers and end-users.*

MDR-A
KOS facilities are constantly monitored and supported in the development of quality processes and procedures. In fact, since 2022, audit activity in the facilities has been built up, providing for structured returns and follow-up actions.

The Quality Management model adopted by KOS aims to support and enhance health and social care activities in its facilities through the following:

- Design and development of governance for the optimal functioning of the facilities;
- Adherence to regulatory standards and requirements with constant updating of clinical-care procedures;
- Dedicated training for all professional staff to ensure the adequacy of projects and processes, to achieve a precise operating model and ensure that activities and services in all Group facilities care carried out in a continuous, uniform manner;
- An extensive monitoring system with audits, reports and customer surveys to check and guarantee the fulfilment of care standards and to measure the satisfaction of patients, residents, caregivers and staff.

This is a continuous process in which listening to end-users and stakeholders is essential to the constant improvement of the quality of the services provided.

MDR-T
Please refer to section *3.4.3.1 S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities* (KPI 7: Internal clinical audits).

4. Governance disclosures

4.1 ESRS G1 Business conduct

4.1.1 Governance

4.1.1.1 ESRS 2 GOV-1 The role of administrative, management and supervisory bodies

The KOS Group is aware of the significance of the role it plays and the importance of its activities for the communities in which it operates. For this reason, compliance with the Code of Ethics is considered an essential matter that guides KOS's business conduct. It is binding on anyone who, directly or indirectly, permanently or temporarily, has a relationship with it. Therefore, the Code of Ethics represents the basis of proper and responsible conduct.
For this reason, the Group is committed to building a transparent, wholesome corporate culture, founded on ethical conduct and compliant with laws and regulations.
The Code of Ethics is an expression of the KOS Board of Directors and applies to the employees and collaborators of all Group companies.

The Board of Directors and the Board of Statutory Auditors play a crucial role in promoting and supervising business conduct:
The Board of Directors' activities include the following:

- Establish the ethical principles and values that guide business operations, incorporating them into the strategic vision;
- Approve and supervise implementation of the Code of Ethics and Group policies that guide the conduct of employees and stakeholders;
- Consider management of the reputational risk in business decisions by monitoring the impact of the activities on the Group's image and integrity;

The Board of Statutory Auditors' activities include the following:

- Check that business activities take place in accordance with the law and regulations;
- Analyse the effectiveness of the internal controls and policies adopted to encourage ethical conduct and prevent irregularities.

The members of the Board of Directors and the Board of Statutory Auditors are chosen from among individuals with technical and professional skills and knowledge of the sector in which the Group operates. Furthermore, the members of the Board of Statutory Auditors must meet the requirements of suitability (Art 2382 of the Italian Civil Code) and independence and integrity (Art 2399 of the Italian Civil Code).

4.1.2 Management of impacts, risks and opportunities

4.1.2.1 ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities

The process for the identification of material IROs related to the topic of business conduct is the same as that adopted for the identification of all material IROs. Therefore, please refer to section *1.1.4.1 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities* in the chapter *ESRS 2 Disclosure requirements*.

4.1.2.2 G1-1 Business conduct policies and corporate culture

KOS takes a responsible, transparent approach to the management of its activities, inspired by ethical principles and a strong commitment to sustainability. Business conduct policies provide the framework for ensuring integrity, compliance with laws and regulations and ethical conduct in all relationships.
These policies refer to the following material impacts, in compliance with ESRS:

- (ESRS G1): Non-compliance with laws and regulations on corruption

- (ESRS S1): Episodes of violence and harassment of employees in the workplace
- (ESRS S1): Violation of workers' rights

Through these policies, the Group is committed to ensuring a safe, fair and respectful working environment, promoting business practices based on responsibility, transparency and compliance with current laws and regulations.
The fundamental principles that guide the Group's work are set out below.

CODE OF ETHICS

The Code of Ethics sets out the principles on which the conduct of those working or collaborating with the Group must be based. In detail, it describes and defines the corporate culture, establishing the values and criteria of conduct that must guide the actions of employees and collaborators. The Code of Ethics has been approved by the Board of Directors and ultimate responsibility for its implementation lies with the Chief Executive Officer of the KOS Group.
The principles expressed in the Code apply to the employees and collaborators of all Group companies. Each member of the organisation is required to adhere to the spirit of the Code, as well as to related policies, standards and procedures. Suppliers and partners are also encouraged to share and observe the same values. With effect from 2025, all Charleston Group suppliers will be obliged to comply with these requirements.
In order to promote compliance with the principles contained in the Code, regular training programs are provided, supported by sharing and support tools, including team meetings, listening and mutual help groups, as well as processes to evaluate the work of collaborators.

Meanwhile, the Charleston Group has issued the Code of Conduct which sets out the fundamental principles that all employees are required to know and respect. The Code becomes an integral part of the employment contract and its constant application will guarantee equal opportunities, eliminating all forms of discrimination and moral or psychological violence based on gender, age, religion and sexual orientation.
In order to ensure a thorough understanding of the contents of the Code, all employees have to undergo training on the subject every two years. Moreover, to ensure they are kept dated, every year, employees receive an information letter, with their payslip, containing key information and details of any changes to the Code of Conduct.
The document is also included among the materials handed out when employment contracts are signed and is also accessible on the company website.

LEGISLATIVE DECREE 231/01 MODEL

The Organisational and Management Model, drawn up on the basis of Legislative Decree 231/2001, is a tool for use in analysing and preventing risks related to offences to which the company may be exposed and involves all activities and all personnel. In more detail, the Model consists of a set of protocols that regulate and define the business structure and how sensitive processes are managed. The document plays a fundamental role in the prevention and mitigation of risks related to business activities, with particular attention to any illegal conduct, with reference to the range of offences covered by Legislative Decree 231/01, as subsequently amended and supplemented.
The Model has been approved by the Board of Directors while ultimate responsibility for its implementation lies with the Board of the KOS Group. The Group has adopted six Organisational Models, one for each of its main subsidiaries, as approved by the respective Boards of Directors.
In order to ensure that it is viewed and understood by the relevant parties, the Model is published on the Group website and intranet. Anti-corruption training sessions have also been set up for top management, as required by the relevant legislation, in order to inform the relevant parties about updates to the Model.

WHISTLEBLOWING PROCEDURE

In order to safeguard the principles set out in the Code of Ethics and in other corporate documents, the KOS Group has set up specific communication channels for the reporting of conduct in violation of those principles; these channels form part of the Whistleblowing Procedure. Employees and third parties can use the system to report any unlawful conduct that has come to their attention as a result of the duties performed by them. The system has been structured in such a way as to guarantee whistleblower anonymity.
The Whistleblowing procedure has been drawn up on the basis of Legislative Decree 231/2001 and Legislative Decree 24/2023 and approved by the Group CEO.
The document has been approved by the Board of Directors and ultimate responsibility for its implementation lines with the KOS Group Ethics Committee.

In order to ensure the procedure is fully understood by relevant parties, the document is published on the Group website and intranet. Moreover, mandatory training on the subject is provided so as to adequately inform personnel about the existence of the whistleblowing procedure, how it is used and the safeguards put in place for whistleblowers.

The KOS Group actively promotes a corporate culture based on responsibility, respectful cooperation, economic efficiency and passion for work. These values represent the fundamental pillars of Group strategy and are constantly reinforced through structured training and engagement initiatives. In order to ensure the widespread dissemination of its culture, the Group has set a continuous monitoring target, with the aim of achieving 95% coverage among participants in the KOSmonaut program. This project consists of dedicated training and information for both new hires and existing staff with the aim of sharing the corporate mission and values. The direct testimony of the Group CEO plays an important role in the process.

The Charleston Group's whistleblowing system has been operational since 2022. It is currently transitioning to a new supply chain portal provided for by the European Directive which is integrated with the one currently in use. Since 2024, the KOS Group has been using an external whistleblower protection system called EQS. The decision to implement the law on whistleblower protection through an external service provider was taken to ensure maximum security and compliance. Details of the whistleblowing channel are formally communicated to all employees.
It should be noted that, during 2025, the Charleston Group only will switch to another tool that meets the same, high security standards but is more cost-efficient. The whistleblowing procedure remains publicly accessible via the website and can be used by anyone. Moreover, in Germany, anyone wishing to make a whistleblower report has the option of directly contacting an authority established specifically for the purpose.
The Charleston Group's whistleblowing system also guarantees whistleblower anonymity. Whistleblower reports are handled by an Ethics Committee consisting of the Human Resources Director and the Director of Risk Management and Internal Audit.
Charleston Group employees are informed about the whistleblowing system in various ways: through the documentation given to new hires, the mandatory training on the Code of Conduct and the annual information letter attached to the payslip.
The software used to handle whistleblower reports is managed by an internal committee divided between Italy and Germany. The main duty of the Ethics Committee is to check the reasonableness of the reports received. Other people may become involved subsequently depending on their area of responsibility e.g. the Human Resources manager, the Purchasing manager and the external data protection officer. All of the persons mentioned have been duly trained on using the software. Moreover, in order to ensure that employees are protected against possible retribution, it is possible to send reports in a completely anonymous form.

As mentioned above, KOS adopts an Organisational Model pursuant to Legislative Decree 231/01. The special sections of the Model set out the main types of conduct required or prohibited in accordance with the principles contained in the United Nations Convention against Corruption.
The Charleston Group does not currently have any anti-corruption policies in line with the United Nations Convention.

In order to ensure ethics and compliance with laws and regulations, KOS Italia performs extensive operational checks that cover organisational and managerial issues but also health and care matters, following up with various interventions. KOS Italia has introduced a strict monitoring system (audits, reports and inspections) based on a Plan that is drawn up annually and approved by the Parent's Board of Directors; this is supplemented by checks on any reports received or on particular situations that arise during the year.
The results of these audits and checks are shared with the operational personnel and departments concerned, as well as with top management of the company and the Group. A summary of the results is presented to the Control, Risk and Sustainability Committee and to the Supervisory Bodies, with which regular meetings are held. The Charleston Group also has an audit program that covers its various facilities on an annual basis.

The roles at risk of corruption in Italy regard individuals in top positions in the business and departments that engage in bargaining and negotiations. For the German subsidiaries, roles at risk of corruption include the CFO and the Head of Purchasing.

4.1.2.3 G1-2 Management of relationships with suppliers

KOS is committed to building and maintaining transparent, fair and solid supplier relationships, based on criteria of reliability, fairness and sustainability. The Group guarantees supplier relations based on:

- Financial solidity, ensuring payments are made in compliance with agreed terms
- Fairness, by complying with the agreed terms of contract
- Transparency, with selection procedures and tenders based on an objective assessment of quality, price and ability to guarantee adequate services

Purchasing processes are structured to maximise competitive advantage, guarantee equal opportunities for suppliers and ensure fairness and impartiality. The selection and determination of purchase conditions are based on objective criteria that include quality, price and reliability of the service.

Since 2021, KOS Italia has implemented a supplier selection system based on criteria of social and environmental sustainability. When economic conditions are equal, this approach makes it possible to prefer suppliers with a more sustainable business model.
The Group also prefers a local supply chain: most of its suppliers operate in the areas surrounding its facilities; this is also due to the need to guarantee continuous, prompt services. For fresh food (e.g. bread), suppliers close to the relevant facility are mainly used.
The Group's purchasing process is divided into macro-categories, managed through specific purchasing centres, organised as follows:

- Clinical engineering and purchasing minor purchases, medical equipment, services;
- Pharmacy: medicines and medical devices;
- Real estate: systems and maintenance;
- ICT: hardware and software;
- Head Office: professionals, specialist firms, etc.

Purchase requests for the "Clinical engineering and purchasing" and "Pharmacy" macro-categories are made directly by the local facilities
Meanwhile, in terms of operating expenses for the main goods (foodstuffs, incontinence products, medical devices, etc), facilities can decide on order quantities but only through price lists managed and controlled by Head Office. For the main services (special waste disposal, linen rental and laundry, rental of pressure relief mattresses/cushions), facilities can only use contracts stipulated at Head Office level, through a tendering process. For contracts of a larger amount, supplier selection always involves assessing several offers or a public tendering process.
All requests for the purchase of new systems, hardware, software, etc are initiated by the facilities but are managed individually by the buyers from the purchasing centres, until the order is generated. Each order is approved first by the purchasing centre manager then by the regional manager.

A technical service specification is produced for each tendering process and agreed with the facilities (as end-users); only businesses that are found to have the technical capability are admitted to the economic assessment stage.
All suppliers included in the Supplier Register for the specific product category are invited to participate in the tendering process. In order to be included in the Register, suppliers have to fill in questionnaires and submit documentation attesting to the company's business activities, size, turnover, technical capability and any certifications with particular reference to ISO 14001 and ISO 45001. This system involves a request to fill in a questionnaire with questions related to ESG (Environmental, Social and Governance) issues that must be answered by all suppliers included in the register.

The tender procedures provide for a review of the specifications, the KOS Code of Ethics, the tender rules and a specific technical report based on the subject of the tender; the relationship with the successful bidder is governed through a specific contract with the relevant KOS company.
If more than one bid offers the same economic terms, the tender is awarded to bidders with certifications of environmental or social interest.
Social cooperatives are preferred as providers of general services (e.g. residents' laundry), where present.

The Charleston Group has also adopted a supplier selection procedure: each supplier is checked against various sustainability criteria under the law on supply chain due diligence. The various criteria considered include standards ISO 45001 (occupational health and safety) and ISO 14001 (environmental management).
As part of this year's review of the supplier selection process, new suppliers have to undergo an overall risk analysis before they can be included in the software. This analysis, along with a price and quality assessment, is incorporated into the final decision-making process.
This approach ensures that our suppliers meet the main sustainability and compliance requirements.

Typically, payment terms range from 60 to 120 days based on agreements with the supplier. The Group's finance and administration department is responsible for ensuring that payment terms are respected; a specific email address has been set up for use in reporting any payment delays.

KOS is committed to paying on time and in line with industry practices, carefully managing its finances and planning due dates properly. This helps build relationships of trust with suppliers. The Charleston Group regularly plans its cash flows to ensure it always has sufficient funds to pay suppliers on time.

Generally speaking, the size of the business is irrelevant for the purposes of payment practices and terms – rather, they are the result of negotiation based on a range of parameters.

As part of its procurement policy, KOS Italia adopts measures to reduce possible supply chain problems, such as supplier diversification and the improvement of logistics processes. Moreover, the purchasing department maintains a constant dialogue with suppliers, paying attention to their needs and trying to meet them whenever possible. The Charleston Group also has an integrated strategy to ensure supply chain stability. Replacement suppliers are always present to avoid any disruption to essential services.

The employees involved in purchasing receive specific training on key supply chain management issues.
A central feature of the strategy is risk assessment which is performed annually or when necessary. It is performed using specialist software which can identify any critical issues and initiative corrective actions such as audit questionnaires, targeted improvement programs, specific assessments for new suppliers. New suppliers also have to undergo this risk assessment which serves as the basis for assessing their sustainability.
The strategy towards contractual partners is also enshrined in the Code of Conduct, which is available on the website, along with the Human Rights Procedure. This systematic approach ensures transparent, sustainable collaboration with all supply chain partners.

4.1.2.4 G1-3 Prevention and detection of corruption or bribery

KOS Italia has established specific procedures designed to prevent, detect and manage allegations or incidents of corruption or bribery, based on Legislative Decree 231/2001.
In order to be able to manage allegations or incidents of corruption efficiently and professionally, the KOS Group has set up an internal whistleblowing system in collaboration with a partner company. Access to this system is reserved exclusively for certain individuals, in order to guarantee whistleblower anonymity.

In order to ensure the separation of the investigators from the management chain subject to the potential whistleblowing report, the Group ensures that the Supervisory Body, the Control, Risk and Sustainability Committee, the Board of Statutory Auditors and the Whistleblowing Ethics Committee are composed of different people. The Internal Audit Department reports hierarchically to the Chairman of the Board of Directors of KOS S.p.A..
For the Charleston Group, too, the employees and directors responsible for investigating whistleblowing reports act in a wholly independent manner to ensure that the reports are handled objectively and impartially. This system underlines the company's commitment to integrity and transparency, while avoiding potential conflicts of interest within the company.

The results of the investigations carried out by the relevant individuals are shared with the operations personnel and the departments concerned, as well as with the top management of the company and the Group. A summary of the

results is presented to the Control and Risk Committee and to the Supervisory Bodies with which regular meetings are organised.
The Charleston Group conducts comprehensive compliance audits on its member companies every year to ensure compliance with internal and external requirements.
In addition to the above, Quality Management audits are part of the standard annual audit plan. The audit plan is prepared annually in close collaboration with parent KOS and Charleston Group management. Moreover, ad hoc audits can also be carried out, in order to respond flexibly to current developments or risks.
This holistic approach ensures that existing processes are continuously checked and improved. Twice a year, the Group carries out an investigation on the related parties of its senior managers/executives. This involves checking whether the managers themselves or their relatives have business relationships with Charleston Holding or one of its subsidiaries, in addition to their regular employment contract.

KOS Italia employees are provided with a general training session on the principles of Legislative Decree 231/2001 governed by the Organisational Models of the Group companies and, after any updates, specific sessions for top management figures are also organised. Anti-corruption policies are distributed by e-mail and published on the Company Intranet and on the websites of the Group companies. Moreover, the Internal Audit Department regularly distributes reports on its work and examines specific issues in detail during regular meetings with the Group's top management.
In the Charleston Group, all employees – regardless of their role – receive a detailed information package including company policies once a year. It makes specific reference to the provisions of the Code of Conduct.

KOS Italia and the Charleston Group regularly organise training courses on anti-corruption or anti-bribery issues.
KOS Italia provides training when employees are hired and in the event of significant legislative/regulatory changes. In 2024, it delivered the following courses:

- Update on the 231 organisational model – 1h update with both physical presence and online: 112 employees including 23 senior managers and 89 other workers;
- New Code of Ethics – 30 minute update with both physical attendance and online: 115 employees including 25 senior managers and 90 other workers;
- Basic Course on Legislative Decree 231/01: Distance Learning lasting around 1 hour; total participants, 25 employees.

The Charleston Group provides annual training on the Code of Conduct, both via an information letter to employees (expected duration around 30 minutes) and in online form (lasting 1 hour), reaching a total of 860 participants.

Top management of KOS Italia e.g. CEO, Chairpersons, General Managers, Regional Coordinators, Central Medical Directors etc are given information on anti-corruption policies and procedures, depending on how the contents affect and involve them.

The Chief Executive Officer of KOS S.p.A. and the BoD members of the operating companies received training on anti-corruption issues during 2024.

4.1.3 Metrics and targets

4.1.3.1 G1-4 Incidents of corruption or bribery

KOS has planned a series of action plans and allocated resources to manage potential impacts related to the governance area, as described below:

- **Annual audit plan**: this plan is drawn up on an annual basis (with continuous monitoring), with the aim of monitoring and improving the operational business processes defined in the ESG plan. The action covers the main operational business processes, ensuring compliance and continuous improvement in the main business areas.
  For the implementation of the annual audit plan, KOS allocates human resources dedicated to monitoring and managing compliance. The Board of Directors approves a budget of Euro 20,000 for the Supervisory Body and no substantial changes are expected compared to the resources currently allocated.
- **Flows to Supervisory Bodies**: the audit results are shared with the Supervisory Bodies, enabling effective monitoring. The process involves collecting and transmitting data on an annual basis, consolidating information relevant to the supervision of corporate governance.

DP 24: Incidents of corruption and bribery – Convictions and fines imposed – KOS ITALIA

Number of cases	Unit of measurement	2024
(a) Number of convictions for violations of anti-corruption and anti-bribery laws	no.	0
(a) Amount of fines imposed for violations of anti-corruption and anti-bribery laws	€	0

DP 24: Incidents of corruption and bribery – Convictions and fines imposed – CHARLESTON

Number of cases	Unit of measurement	2024
(a) Number of convictions for violations of anti-corruption and anti-bribery laws	no.	0
(a) Amount of fines imposed for violations of anti-corruption and anti-bribery laws	€	0

There have been no breaches of anti-corruption and anti-bribery laws involving either KOS Italia or the Charleston Group.
Moreover, there have been no investigations by public authorities that have led to significant exposures for the Group.

4.1.3.2 G1-6 Payment practices

The average time taken by KOS Italia to pay an invoice from the date on which the contractual payment term starts to be calculated is 69 days.

DP 33 b): PAYMENT PRACTICES – KOS ITALIA

Standard payment terms for the main categories of suppliers	Standard payment terms	2024
		Percentage of payments in line with standard terms
Water	32.8	**96%**
Food and beverages	44.5	**75%**
Other non-health services	42.2	**74%**
Non-healthcare goods	64.6	**69%**
Electricity	37.4	**83%**
Gas and heating	26.4	**99%**
Global Service	67.3	**98%**
Property rentals	3.7	**99%**
Maintenance	68.7	**68%**
Medicines/Healthcare items/Devices	81.0	**90%**
Health services and consultations	14.2	**97%**
Laundry services	96.8	**68%**

DP 33 b): PAYMENT PRACTICES – CHARLESTON

Standard payment terms for the main categories of suppliers	Standard payment terms	2024
		Percentage of payments in line with standard terms
Water	52.7	**86%**
Food	17.4	**80%**
Electricity	21.8	**100%**
Gas and heating	22.0	**87%**
Global service	20.9	**91%**
Property rentals	13.4	**95%**
Healthcare items	19.3	**97%**
Other	20.0	**96%**

Neither KOS nor the Charleston Group have pending court proceedings due to late payment.

The Charleston Group does not record individual supplier payment terms in the software. As a rule, all invoices are paid within 19.8 days.

For further information about payment practices, please refer to *Section 4.1.2.3 G1-2 Management of relationships with suppliers*

4.1.4 Additional entity-specific disclosures

4.1.4.1 Development and innovation of the clinical process and services offered

The development and analysis of systems to evaluate the health and social care services provided and the preparation of standard costs and forecasting models of the health expenditure trend are matters particularly dear to the KOS Group.
Therefore, one of the objectives is the provision of quality health and social care by highly qualified and suitably trained personnel, who guarantee transparent, complete and quality information.
The Double Materiality assessment identified as material the "Development of innovative technological solutions in the health and care sector" impact and the "Innovation of the services offered" opportunity. These have been reported as disclosures specific to the KOS Group as they are not covered by ESRS.
In particular, technological improvements and improvements related to innovation have been made possible by constant research and development, collaboration with research centres and universities and the development of new solutions also thanks to proactive engagement with external stakeholders, including patients, families and suppliers.

ESRS 2 – GENERAL DISCLOSURES

ESRS 2 - GOV-1	For *The role of administrative, management and supervisory bodies* see section ESRS 2 - GOV-1
ESRS 2 - GOV-2	For *Information provided to and sustainability matters addressed by the Group's administrative, management and supervisory bodies* see section ESRS 2 - GOV-2
ESRS 2 - GOV-3	For *Integration of sustainability-related performance in incentive schemes* see section ESRS 2 - GOV-3
ESRS 2 - GOV-4	For the *Statement on due diligence* see section ESRS 2 - GOV-4
ESRS 2 - GOV-5	For *Risk management and internal controls over sustainability reporting* see section ESRS 2 - GOV-5
ESRS 2 - SBM-1	For *Strategy, business model and value chain* see section ESRS 2 - SBM-1
ESRS 2 - SBM-2	For *Interests and views of stakeholders* see section ESRS 2 - SBM-2
ESRS 2 - SBM-3	For *Material impacts, risks and opportunities and their interaction with strategy and business model* see section ESRS 2 - SBM-3
E– IRO-1	For *Description of processes to identify and assess material impacts, risks and opportunities* see section ESRS 2 – IRO-1

KOS is aware of the importance of research and development activities and close collaboration with external partners. This policy aims to promote the integration of the latest technologies and care models into clinical processes.

MDR-P
Please refer to section *3.4.2.1 S4-1 Policies related to consumers and end-users.*

MDR-A
In 2020, KOS Italia launched a process of innovation and digitisation for the management of patients' medical records. The electronic Medical Record designed and customised based on the KOS's needs and specific characteristics was based on analysis of clinical-care processes (KOS know-how) associating them with the potential of digitisation e.g. alerts, care charts, patient and ward dashboards, automated planning of activities based on personalised and shared protocols and a multi-dimensional system of indicators to monitor the quality of healthcare in terms of safety, effectiveness and appropriateness. It is, therefore, a fundamental tool for clinical governance and the continuous improvement of the quality of care. Today, digital Medical Records are operational in 59 facilities in Italy and 67 facilities in Germany, where it has been enthusiastically received and has become a flexible work tool for use at the patient's bedside via the iPads that have been issued to healthcare professionals. This project brings innovation to how services operate, not only eliminating paper but also leading to more accurate and efficient clinical processes.
The introduction of digital medical records offers great potential, including: integration with the pharmacy service, with analysis and diagnostics laboratories; direct acquisition of images and photographs; planning of activities and "alarm" systems for their timely execution; real-time information sharing with the entire multi-disciplinary team and, potentially, with family members; easier to read than personal handwriting leading to lower risk; more efficient systems of control of activities and indicators; information security and transparency; digital data storage (completely paper-free system); detailed analysis of case-mix and related services.
The platform includes two separate modules – patient acceptance and medical record – with a single database. The record is integrated with the new patient registry, with the consent management system, for both privacy and the performance of services, with a system of digital signatures and a clinical repository. This makes it possible to create a dossier on the patient who has been in the care of a KOS Italia facility, with the possibility of electronic data sharing in the event of multiple admissions or use of services at KOS facilities even in different regions. It is not just a transition from paper to a tablet device, but a complex data integration system. Going forward, the plan is to extend the medical record to other KOS areas, on top of elderly care, to include the fields of rehabilitation and psychiatry, starting from the same database but reconfiguring it based on the specific needs of each sector.
The KOS Group has also started to develop a telemedicine platform called Health Meeting which offers tele-visit and tele-consultation services and enables professional staff to discuss specific clinical cases. The platform was launched at Outpatient Centres for psychiatry and psychotherapy services and gradually extended to Psychiatric Facilities. Analysis and preparations are currently underway with a view to rolling it out to other service areas (e.g. Care Homes, rehabilitation facilities).

The target included in the Sustainability Plan 2024-2027 in relation to the development and innovation of the clinical process and the services offered is KPI 8 – Digital Medical Record: % of facilities adopting the digital medical record.

MINIMUM DISCLOSURE REQUIREMENT ON TARGETS - MDR-T

KPI	**KPI 8 Digital Medical Record**
Target for 2027	ITALY: 71% of facilities to adopt the digital medical record by 2027 GERMANY: 98% of facilities to adopt the digital medical record by 2027
Interim targets	ITALY: **2024: 57%** 2025: 60% 2026: 65% 2027: 71% GERMANY: **2024: 95%** 2025: 98% 2026: 98% 2027: 98%
Base year and base value	2020: 1%
2024 Result	ITALY: 57.8% GERMANY: 98.5%

For more details on KPIS, please refer to the Sustainability Plan, section *1.1.3.1 SBM-1 Strategy, business model and value chain*.

4.1.4.2 Contribution to the local area and the local community

The Group's activities are closely linked to the local area and make an active contribution to local economic development, with particular reference to exploiting the value of the local area as a supply basis, also with reference to the use of local resources e.g. employees and suppliers.
Following the Double Materiality assessment, the "Contribution to the local area and the local community" emerged as a material impact i.e. the positive impact on the local community resulting from the presence of a care facility, the delivery of services of public utility, the creation of employment and business for local suppliers. It is, therefore, reported as a disclosure specific to the KOS Group as it is not covered by ESRS.

ESRS 2 – GENERAL DISCLOSURES

ESRS 2 - GOV-1	For *The role of administrative, management and supervisory bodies* see section ESRS 2 - GOV-1
ESRS 2 - GOV-2	For *Information provided to and sustainability matters addressed by the Group's administrative, management and supervisory bodies* see section ESRS 2 - GOV-2
ESRS 2 - GOV-3	For *Integration of sustainability-related performance in incentive schemes* see section ESRS 2 - GOV-3
ESRS 2 - GOV-4	For the *Statement on due diligence* see section ESRS 2 - GOV-4
ESRS 2 - GOV-5	For *Risk management and internal controls over sustainability reporting* see section ESRS 2 - GOV-5
ESRS 2 - SBM-1	For *Strategy, business model and value chain* see section ESRS 2 - SBM-1
ESRS 2 - SBM-2	For *Interests and views of stakeholders* see section ESRS 2 - SBM-2
ESRS 2 - SBM-3	For *Material impacts, risks and opportunities and their interaction with strategy and business model* see section ESRS 2 - SBM-3
E– IRO-1	*Description of processes to identify and assess material impacts, risks and opportunities* see section ESRS 2 – IRO-1

The facilities that belong to the KOS Group always operate on the principle that the local area is something to be valued. Collaboration with associations, relations with institutions and engagement with the population are part of the DNA of those who have been working in the health sector for several decades.
In particular, the KOS Group has been active for years in the field of scientific research with innovative, experimental projects that have then been fully incorporated into care and treatment programs. It is the Group's philosophy to make time for constant participation in conferences and conventions, to set up study groups and to enter into agreements with universities.

MDR-P
There are no specific policies on the contribution to the local area and the local community as it is a cross-cutting issue that is managed on a consolidated, structured way over time, building a relationship of trust and increasing the Group's credibility with patients, employees, suppliers and all other stakeholders.

MDR-A
Through projects and events, the Group has always worked to raise society's awareness of rehabilitation and social and health care issues. Particular attention is paid to the issues of mental health and eating disorders with the support of awareness initiatives and campaigns.
Therefore, it is important to have an open attitude to the outside world and to have strong roots in the local area, including relationships with local associations and voluntary organisations.
This philosophy is also reflected in the ways that KOS's presence is accompanied in the place where it develops its activities, with attention to:

- organisational continuity, when taking over the management of care homes or hospitals;
- enhancing the value of the buildings – often historic ones – that are purchased;
- respect for the local community, economic and cultural system.

The directors of the Group's facilities represent the formal link between the business and the local communities. Their ability to build constructive relationships is an important element of their professional evaluation.

KOS's normal organisational activities across the country, both in Italy and Germany, in the areas where the facilities are situated, has involved carrying out **awareness-raising, orientation and training activities on the issues of rehabilitation, old age and care for the elderly**, also in collaboration with local associations and voluntary organisations.

During 2024, the Group's facilities, in all clinical areas, acted to organise awareness-raising activities and strengthen relations with the local communities, confirming the long-established desire to carry out such initiatives. The initiatives had a positive impact on local communities and were specifically aimed at developing links with them, promoting free training activities and promoting local health by organising events and open days dedicated to prevention. There were also numerous partnerships with and sponsorships of local and national charities.

Some of the most important projects for KOS Italia are described below:

- The organisation of **Hidden Disorders**, an initiative created to raise awareness among the institutions, public opinion and the media on the issue of eating disorders and the problems involved in related treatment and rehabilitation. Psychiatrists, psychologists, dietitians, nutritionists and psychiatric rehabilitation professionals from the KOS Group collected the testimonies of patients suffering from eating disorders, their feelings and their discomfort: the most touching thoughts were represented and illustrated in a collection of six dishes.

- **Brain Week** (11-17 March 2024) organised at the Neomesia Neuroscience Institute/Villa Sant'Alessandro in Rome, with a program of free meetings with experts on hand and open to the public. It represented an opportunity to raise awareness on brain dynamics, neurological and psychiatric diseases, therapies and on mental health prevention, which is often underestimated.

- The participation of all Santo Stefano Outpatient Centres in **World Autism Awareness Day** (2 April 2024) with an extensive program of awareness-raising and information initiatives: workshops, exhibitions, events and free interviews with specialists.

- The **"Anni Azzurri per te"** project for caregivers: a series of free training sessions organised in the Anni Azzurri Care Home in Borgomanero (24-31 January, 7 February) and the Geriatric Rehabilitation Centre in Cinisello (4 July – 1 August – 5 September – 3 October – 7 November – 5 December). The sessions were aimed at people who take care of an elderly person or a person with chronic disabling conditions at home and were conducted by Anni Azzurri specialists (health/social care workers, nurses, speech therapists, psychologists, physiotherapists and social workers) to provide information and practical advice.

The Group plays an important role in the community as a **promoter of development and change** and, for this reason, in 2024, it also confirmed its support for **A.S.D. Santo Stefano Sport – KOS Group**, an association that promotes **sport as a recreational and rehabilitation instrument**, as well as a means of stimulating **acceptance of disability**, the desire for personal fulfilment and inclusion in social and working life. **Santo Stefano Sport – KOS Group** now has a team in the Serie A1 wheelchair basketball championship. The association also promotes sport and trains athletes in several disciplines including – in addition to wheelchair basketball – mini-basketball, athletics, golf, five-a-side football, shooting and sailing.

The target included in the Sustainability Plan 2024-2027 related to the contribution to the local area and the local community is KPI 5 – Facilities involved in sustainability projects in their local area (e.g. educational, sporting, solidarity, health): % of facilities involved.

MINIMUM DISCLOSURE OBLIGATION ON TARGETS - MDR-T

KPI	**KPI 5** **Facilities involved in sustainability projects in their local area (e.g. educational, sporting, solidarity, health)**
Target for 2027	KOS GROUP: 75% of facilities involved in environmental sustainability projects in 2027
Interim targets	KOS GROUP **2024: 60%** 2025: 70% 2026: 75% 2027: 75%
Base year and base value	ITALY – 2019: 50% GERMANY – 2021: 0%
2024 Result	ITALY: 76.1% GERMANY: 67.6%

For more details on the KPIs, please refer to the Sustainability Plan, section *1.1.3.1 SBM-1 Strategy, business model and value chain*.

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Giuseppe Vailati Venturi

Chief Executive Officer

ANNEXES

Disclosure requirements		Section
ESRS 2 GENERAL DISCLOSURES		
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BP-2	Disclosures in relation to specific circumstances	1.1.1.2 BP-2 Disclosures in relation to specific circumstances
GOV-1	The role of the administrative, management and supervisory bodies	1.1.2.1 GOV-1 The role of the administrative, management and supervisory bodies
GOV-2	Information provided to and sustainability matters addressed by the Group's administrative, management and supervisory bodies	1.1.2.2 GOV-2 Information provided to and sustainability matters addressed by the Group's administrative, management and supervisory bodies
GOV-3	Integration of sustainability-related performance in incentive schemes	1.1.2.3 GOV-3 Integration of sustainability-related performance in incentive schemes
GOV-4	Statement on due diligence	1.1.2.4 GOV-4 Statement on due diligence
GOV-5	Risk management and internal controls over sustainability reporting	1.1.2.5 GOV-5 Risk management and internal controls over sustainability reporting
SBM-1	Strategy, business model and value chain	1.1.3.1 SBM-1 Strategy, business model and value chain
SBM-2	Interests and views of stakeholders	1.1.3.2 SBM-2 Interests and views of stakeholders
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	1.1.3.3 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	1.1.4.1 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities
IRO-2	Disclosure requirements in ESRS covered by the Group's sustainability statement	1.1.4.2 IRO-2 Disclosure requirements in ESRS covered by the Group's sustainability statement
ESRS E1 CLIMATE CHANGE		
Disclosure requirement related to ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	2.1.1.1 GOV-3 Integration of sustainability-related performance in incentive schemes
Disclosure requirement related to ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	2.1.2.1 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model
Disclosure requirement related to ESRS 2 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	2.1.3.1 IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities
E1-2	Policies related to climate change mitigation and adaptation	2.1.3.2 E1-2 Policies related to climate change mitigation and adaptation
E1-3	Actions and resources in relation to climate change policies	2.1.3.3 E1-3 Actions and resources in relation to climate change policies
E1-4	Targets related to climate change mitigation and adaptation	2.1.4.1 E1-4 Targets related to climate change mitigation and adaptation
E1-5	Energy consumption and mix	2.1.4.2 E1-5 Energy consumption and mix

E1-6	Gross Scopes 1,2, 3 and Total GHG emissions	2.1.4.3 E1-6 Gross Scopes 1,2, 3 and Total GHG emissions
ESRS E2 POLLUTION		
Disclosure requirement related to ESRS 2 IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	2.2.1.1 IRO-1 Description of the processes to identify and assess material pollution-related impacts, risks and opportunities
ESRS E3 WATER AND MARINE RESOURCES		
Disclosure requirement related to ESRS 2 IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	2.3.1.1 IRO-1 Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities
ESRS E4 BIODIVERSITY AND ECOSYSTEMS		
Disclosure requirement related to ESRS 2 IRO-1	Description of the processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	2.4.1.1 IRO-1 Description of the processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities
ESRS E5 RESOURCE USE AND CIRCULAR ECONOMY		
Disclosure requirement related to ESRS 2 IRO-	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	2.5.1.1 IRO-1 Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities
E5-1	Policies related to resource use and circular economy	2.5.1.2 E5-1 Policies related to resource use and circular economy
E5-2	Actions and resources related to resource use and circular economy	2.5.1.3 E5-2 Actions and resources related to resource use and circular economy
E5-3	Targets related to resource use and circular economy	2.5.2.1 E5-3 Targets related to resource use and circular economy
E5-5	Resource outflows	2.5.2.2 E5-5 Resource outflows
ESRS S1 OWN WORKFORCE		
Disclosure requirement related to ESRS 2 SBM-2	Interests and views of stakeholders	3.1.1.1 SBM-2 Interests and views of stakeholders
Disclosure requirement related to ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	3.1.1.2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model
S1-1	Policies related to own workforce	3.1.2.1 S1-1 Policies related to own workforce
S1-2	Processes for engaging with own workers and workers' representatives about impacts	3.1.2.2 S1-2 Processes for engaging with own workers and workers' representatives about impacts
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	3.1.2.3 S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns
S1-4	Taking action on material impacts for own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	3.1.2.4 S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions
S1-5	Targets related to managing material negative impacts, advancing positive impacts, as well as to risks and opportunities	3.1.3.1 S1-5 Targets related to managing material negative impacts, advancing positive impacts, as well as to risks and opportunities
S1-6	Characteristics of the Group's employees	3.1.3.2 S1-6 Characteristics of the Group's employees

S1-8	Collective bargaining coverage and social dialogue	3.1.3.3 S1-8 Collective bargaining coverage and social dialogue
S1-9	Diversity metrics	3.1.3.4 S1-9 Diversity metrics
S1-10	Adequate wages	3.1.3.5 S-10 Adequate wages
S1-14	Health and safety metrics	3.1.3.6 S1-14 Health and safety metrics
S1-16	Remuneration metrics (pay gap and total remuneration)	3.1.3.7 S1-16 Remuneration metrics (pay gap and total remuneration)
S1-17	Incidents, complaints and severe human rights impacts	3.1.3.8 S1-17 Incidents, complaints and severe human rights impacts
ESRS S4 CONSUMERS AND END-USERS		
Disclosure requirement related to ESRS 2 SBM-2	Interests and views of stakeholders	3.4.1.1 SBM-2 Interests and views of stakeholders
Disclosure requirement related to ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	3.1.1.2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model
S4-1	Policies related to consumers and end-users	3.4.2.1 S4-1 Policies related to consumers and end-users
S4-2	Processes for engaging with consumers and end-users about impacts	3.4.2.2 S4-2 Processes for engaging with consumers and end-users about impacts
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	3.4.2.3 S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns
S4-4	Taking action on material impacts for consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	3.4.2.4 S4-4 Taking action on material impacts for consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.4.3.1 S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
ESRS G1 BUSINESS CONDUCT		
Disclosure requirement related to ESRS 2 GOV-1	The role of the administrative, management and supervisory bodies	4.1.1.1 GOV-1 The role of the administrative, management and supervisory bodies
Disclosure requirement related to ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	4.1.2.1 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities
G1-1	Business conduct policies and corporate culture	4.1.2.2 G1-1 Business conduct policies and corporate culture
G1-2	Management of relationships with suppliers	4.1.2.3 G1-2 Management of relationships with suppliers
G1-3	Prevention and detection of corruption and bribery	4.1.2.4 G1-3 Prevention and detection of corruption and bribery
G1-4	Incidents of corruption or bribery	4.1.3.1 G1-4 Incidents of corruption or bribery
G1-6	Payment practices	4.1.3.2 G1-6 Payment practices

The following table sets out all of the disclosures resulting from other EU legislation, as listed in Appendix B of the ESRS. It shows where the disclosures can be found in the Sustainability Statement and includes those the Group has assessed as non-material, in which case "Non-material" has been indicated in the table in accordance with ESRS 1 paragraph 35.

Disclosure requirement	Data Point	Description	SFDR Reference	Pillar 3 reference	Benchmark Regulation Reference	EU Climate Law Reference	Paragraph/Note
ESRS 2 GOV-1	21 (d)	Board's gender diversity	Annex I, table 1, indicator 13		Commission Delegated Regulation (EU) 2020/1816, annex II		1.1.2.1 GOV-1 The role of the administrative, management and supervisory bodies
ESRS 2 GOV-1	21 (e)	Percentage of board members who are independent			Commission Delegated Regulation (EU) 2020/1816, annex II		1.1.2.1 GOV-1 The role of the administrative, management and supervisory bodies
ESRS 2 GOV-4	30	Statement on due diligence	Annex I, table 3, indicator 10		Commission Delegated Regulation (EU) 2020/1816, annex II		1.1.2.4 GOV-4 Statement on due diligence
ESRS 2 SBM-1	40 (d) i	Involvement in activities related to fossil fuel activities	Annex I, table 1, indicator 4	Article 449 bis of Regulation (EU) no. 575/2013; Commission Implementing Regulation (EU) 2022/2453, table 1 – Qualitative information on environmental risk and table 2 – Qualitative information on social risk			Non-material
ESRS 2 SBM-1	40 (d) ii	Involvement in activities related to chemical production	Annex I, table 2, indicator 9		Commission Delegated Regulation (UE) 2020/1816, annex II		Non-material
ESRS 2 SBM-1	40 (d) iii	Involvement in activities related to controversial weapons	Annex I, table 1, indicator 14		Article 12, paragraph 1, of Delegated Regulation (EU) 2020/1818(7) and Annex II of Delegated Regulation (EU) 2020/1816		Non-material
ESRS 2 SBM-1	40 (d) iv	Involvement in activities related to cultivation and production of tobacco			Article 12, paragraph 1, of Delegated Regulation (EU) 2020/1818(7) and Annex II of Delegated Regulation (EU) 2020/1816		Non-material
ESRS E1-1	14	Transition plan to achieve climate neutrality by 2050				Article 2, paragraph 1, of Regulation (EU) 2021/1119	Non-material
ESRS E1-1	16 (g)	Companies excluded from		Article 449 bis of Regulation (EU) no	Article 12 (1) d) to g) and (2) of Delegated		Non-material

Disclosure requirement	Data Point	Description	SFDR Reference	Pillar 3 reference	Benchmark Regulation Reference	EU Climate Law Reference	Paragraph/Note
		Paris-aligned benchmarks		575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking portfolio – Indicators of potential transition risk related to climate change: Credit quality of exposures by sector, issuance and residual maturity	Regulation (EU) 2020/1818		
ESRS E1-4	34	GHG emission reduction targets	Annex I, table 2, indicator 4	Article 449 bis of Regulation (EU) no 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking portfolio – Indicators of potential transition risk related to climate change: alignment metrics	Article 6 of Delegated Regulation (EU) 2020/1818		Non-material
ESRS E1-5	38	Energy consumption from fossil fuels disaggregated by source (only high climate impact sectors)	Annex I, table 1, indicator 5 and annex I, table 2, indicator 5				Non-material
ESRS E1-5	37	Energy consumption and mix	Annex I, table 1, indicator 5				2.1.4.2 E1-5 Energy consumption and mix
ESRS E1-5	40-43	Energy intensity associated with activities in high climate impact sectors	Annex I, table 1, indicator 6				Non-material
ESRS E1-6	44	Gross Scopes 1, 2, 3 and Total GHG emissions	Annex I, table 1, indicators 1 and 2	Article 449 bis of Regulation (EU) no 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking portfolio – Indicators of potential transition risk related to climate change: Credit quality of exposures by sector, issuance and residual maturity	Article 5 (1), article 6 and article 8(1) of Delegated Regulation (EU) 2020/1818		2.1.4.3 E1-6 Gross Scopes 1, 2, 3 and Total GHG Emissions

Disclosure requirement	Data Point	Description	SFDR Reference	Pillar 3 reference	Benchmark Regulation Reference	EU Climate Law Reference	Paragraph/Note
ESRS E1-6	53-55	Gross GHG emissions intensity	Attachment I, table 1, indicator 3	Article 449 bis of Regulation (EU) no 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking portfolio – Indicators of potential transition risk related to climate change: alignment metrics	Article 8 (1) of Delegated Regulation (EU) 2020/1818		2.1.4.3 E1-6 Gross Scopes 1, 2, 3 and Total GHG Emissions
ESRS E1-7	56	GHG removals and carbon credits				Article 2 (1) of Regulation (EU) 2021/1119	Non-material
ESRS E1-9	66	Exposure of the benchmark index portfolio to climate-related physical risks			Annex II to Delegated Regulation (EU) 2020/1818 and Annex II to Delegated Regulation (EU) 2020/1816		Non-material
ESRS E1-9	66 (a); 66 (c)	Breakdown of monetary amounts by acute and chronic physical risk. Location of significant assets at material physical risk		Article 449 bis of Regulation (EU) no. 575/2013; points 46 and 47 of Commission Implementing Regulation (EU) 2022/2453; Template 5: Banking portfolio – Indicators of potential physical risk related to climate change: exposures subject to physical risk			Non-material
ESRS E1-9	67 (c)	Breakdown of carrying value of real estate assets by energy-efficiency classes		Article 449 bis of Regulation (EU) no. 575/2013; point 34 of Commission Implementing Regulation (EU) 2022/2453; Template 2: Banking portfolio – Indicators of potential transition risk related to climate change: loans secured on real estate assets – Energy efficiency of secured guarantees			Non-material
ESRS E1-9	69	Degree of exposure of the portfolio to			Annex II to Delegated		Non-material

Disclosure requirement	Data Point	Description	SFDR Reference	Pillar 3 reference	Benchmark Regulation Reference	EU Climate Law Reference	Paragraph/Note
		climate-related opportunities			Regulation (EU) 2020/1818		
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the European Pollutant Release and Transfer Register (E-PRTR), emitted to air, water and soil	Annex I, table 1, indicator 8; annex I, table 2, indicator 2; annex 1, table 2, indicator 1; annex I, table 2, indicator 3				Non-material
ESRS E3-1	9	Water and marine resources	Annex I, table 2, indicator 7				Non-material
ESRS E3-1	13	Dedicated policy	Annex I, table 2, indicator 8				Non-material
ESRS E3-1	14	Sustainable oceans and seas	Annex I, table 2, indicator 12				Non-material
ESRS E3-4	28 (c)	Total water recycled and reused	Annex I, table 2, indicator 6.2				Non-material
ESRS E3-4	29	Total water consumption in m3 per net revenue on own operations	Annex I, table 2, indicator 6.1				Non-material
ESRS 2-SBM-3 - E4	16 (a) i		Annex I, table 1, indicator 7				Non-material
ESRS 2-SBM-3 - E4	16 (b)		Annex I, table 2, indicator 10				Non-material
ESRS 2-SBM-3 - E4	16 (c)		Annex I, table 2, indicator 14				Non-material
ESRS E4-2	24 (b)	Sustainable land/agriculture practices or policies	Annex I, table 2, indicator 11				Non-material
ESRS E4-2	24 (c)	Sustainable oceans/seas practices or policies	Annex I, table 2, indicator 12				Non-material
ESRS E4-2	24 (d)	Policies to address deforestation	Annex I, table 2, indicator 15				Non-material
ESRS E5-5	37 (d)	Non-recycled waste	Annex I, table 2, indicator 13				2.5.2.2 E5-5 Resource outflows
ESRS E5-5	39	Hazardous waste and radioactive waste	Annex I, table 1, indicator 9				2.5.2.2 E5-5 Resource outflows
ESRS 2-SBM3 - S1	14 (f)	Risk of incidents of forced labour	Annex I, table 3, indicator 13				Non-material
ESRS 2-SBM3 - S1	14 (g)	Risk of incidents of child labour	Annex I, table 3, indicator 12				Non-material
ESRS S1-1	20	Human rights policy commitments	Annex I, table 3, indicator 9 and Annex I, table 1, indicator 11				3.1.2.1 S1-1 Policies related to own workforce
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8			Commission Delegated Regulation (EU) 2020/1816, annex II		3.1.2.1 S1-1 Policies related to own workforce

Disclosure requirement	Data Point	Description	SFDR Reference	Pillar 3 reference	Benchmark Regulation Reference	EU Climate Law Reference	Paragraph/Note
ESRS S1-1	22	Processes and measures for preventing human trafficking	Annex I, table 3, indicator 11				3.1.2.1 S1-1 Policies related to own workforce
ESRS S1-1	23	Workplace accident prevention policy or management system	Annex I, table 3, indicator 1				3.1.2.1 S1-1 Policies related to own workforce
ESRS S1-3	32 (c)	Grievance/complaints handling mechanisms	Annex I, table 3, indicator 5				3.1.2.3 S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns
ESRS S1-14	88 (b) and (c)	Number of fatalities and number and rate of work-related accidents	Annex I, table 3, indicator 2		Commission Delegated Regulation (EU) 2020/1816, annex II		3.1.3.6 S1-14 Health and safety metrics
ESRS S1-14	88 (e)	Number of days lost due to injuries, accidents, fatalities or illness	Annex I, table 3, indicator 3				Non-material
ESRS S1-16	97 (a)	Unadjusted gender pay gap	Annex I, table 1, indicator 12		Commission Delegated Regulation (EU) 2020/1816, annex II		3.1.3.7 S1-16 Remuneration metrics (pay gap and total remuneration)
ESRS S1-16	97 (b)	Excessive CEO pay ratio	Annex I, table 3, indicator 8				3.1.3.7 S1-16 Remuneration metrics (pay gap and total remuneration)
ESRS S1-17	103 (a)	Incidents of discrimination	Annex I, table 3, indicator 7				3.1.3.8 S1-17 Incidents, complaints and severe human rights impacts
ESRS S1-17	104 (a)	Non-respect of UN Guiding Principles on Business and the Human Rights and OECD guidelines	Annex I, table 1, indicator 10 and Annex I, table 3, indicator 14		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12 (1) of Delegated Regulation (EU) 2020/1818		3.1.3.8 S1-17 Incidents, complaints and severe human rights impacts
ESRS 2-SBM3 - S2	11 (b)	Significant risk of child labour or forced labour in the labour chain	Annex I, table 3, indicators 12 and 13				Non-material
ESRS S2-1	17	Human rights policy commitments	Annex I, table 3, indicator 9 and Annex I, table 1, indicator 11				Non-material
ESRS S2-1	18	Policies related to value chain workers	Annex I, table 3, indicators 11 and 4				Non-material
ESRS S2-1	19	Non-respect of UN Guiding Principles on Business and the Human Rights and OECD guidelines	Annex I, table 1, indicator 10		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12 (1) of Delegated Regulation (EU) 2020/1818		Non-material
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental			Annex II of Delegated Regulation (EU) 2020/1816		Non-material

Disclosure requirement	Data Point	Description	SFDR Reference	Pillar 3 reference	Benchmark Regulation Reference	EU Climate Law Reference	Paragraph/Note
		International Labour Organisation Conventions 1 to 8					
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	Annex I, table 3, indicator 14				Non-material
ESRS S3-1	16	Human rights policy commitments	Annex I, table 3, indicator 9 and Annex I, table 1, indicator 11				Non-material
ESRS S3-1	17	Non-respect of UN Guiding Principles on business and human rights, ILO principles or OECD guidelines	Annex I, table 1, indicator 10		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12 (1) of Delegated Regulation (EU) 2020/1818		Non-material
ESRS S3-4	36	Human rights issues and incidents	Annex I, table 3, indicator 14				Non-material
ESRS S4-1	16	Policies related to consumers and end-users	Annex I, table 3, indicator 9 and Annex I, table 1, indicator 11				3.4.2.1 S4-1 Policies related to consumers and end-users
ESRS S4-1	17	Non-respect of UN Guiding Principles on Business and the Human Rights and OECD guidelines	Annex I, table 1, indicator 10		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12 (1) of Delegated Regulation (EU) 2020/1818		3.4.2.1 S4-1 Policies related to consumers and end-users
ESRS S4-4	35	Human rights issues and incidents	Annex I, table 3, indicator 14				3.4.2.4 S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions
ESRS G1-1	10 (b)	United Nations Convention Against Corruption	Annex I, table 3, indicator 15				4.1.2.2 G1-1 Business conduct policies and corporate
ESRS G1-1	10 (d)	Protection of whistle-blowers	Annex I, table 3, indicator 6				Non-material
ESRS G1-4	24 (a)	Fines for violation of anti-bribery and corruption laws	Annex I, table 3, indicator 17				4.1.3.1 G1-4 Incidents of corruption and bribery
ESRS G1-4	24 (b)	Standards of anti-corruption and anti-bribery	Annex I, table 3, indicator 16		Annex II of Delegated Regulation (EU) 2020/1816		4.1.3.1 G1-4 Incidents of corruption and bribery

Based on the material sustainability issues identified through the Double Materiality concept, the applicable disclosure requirements and the related Data Points are determined, following the instructions provided by the document EFRAG Q&A ID 177, entitled "Mapping of Sustainability Matters to Topical Disclosures". This document facilitates the connection between material impacts, risks and opportunities, and the Disclosure Requirements (DR) and Data Points (DP) associated with them.