

Context

Palladio Group has integrated the topics of sustainability into its strategies and business choices at all levels. Within this process, the company has developed a responsible approach to the purchasing process inspired by the requirements of the ISO 20400: 2017 *"Sustainable Procurement Guidance"*.

The Group adopts a risk-based approach to procurement, taking into account the sustainability performance of suppliers and the environmental performance of products. The process includes risk mapping, strategy definition, supplier and product evaluation and selection (legislative compliance and performance), continuous monitoring, awareness raising throughout the supply chain, and reporting of results.

Governance

Palladio Group has created a governance structure for the implementation and supervision of the sustainable procurement policy: responsibilities are distributed across various corporate levels, ensuring that decisions taken are aligned with the company's sustainability objectives. Management plays a key role in integrating sustainability issues into corporate strategies, while specific cross-functional teams are responsible for the operational management and implementation of sustainable procurement practices, ensuring that these are effectively implemented.

Revision and Update

We have also implemented a mechanism for periodic review of sustainable purchasing policies and practices. This approach includes the evaluation of the results obtained, the analysis of the critical issues that have emerged and the updating of strategies to align them with regulatory changes and new needs of the stakeholder. The review involves the main corporate governance actors, ensuring that the policies are always consistent with the Group's sustainability objectives.

Our commitment

Based on these principles, we are committed to promoting responsible and sustainable management of our supply chain, in line with the principles of ethics, transparency, and respect for the environment and human rights. To this end, the Group has defined the following strategic, measurable, and monitorable objectives:

1. **Sustainable Procurement:** Gradually increase the share of raw materials and packaging purchased from certified sources, with the goal of reaching 90% of purchases of certified paper and packaging materials (e.g., FSC®, PEFC™) by 2028;

2. **Circular Economy/Waste:** Promote the purchase of recycled materials with the goal of increasing, where possible, the average recycled content in purchased packaging and plastic materials, reaching 25% by 2030;
3. **Reporting Suppliers:** Collaborate with key suppliers to promote the measurement and reporting of greenhouse gas (GHG) emissions, with the goal of achieving 75% coverage in terms of volumes spent by 2034;
4. **Scope 3 Emission Reduction:** Monitor the reduction of Scope 3 emissions from purchased goods, services, and transportation, with the goal of ensuring that by 2034, at least 95% of key emission suppliers have defined and adopted science-based reduction targets (SBTi or equivalent);
5. **Supplier Performance:** Periodically evaluate suppliers based on environmental, social, and ethical sustainability criteria, with the goal of ensuring that 100% of new suppliers undergo a sustainability assessment;
6. **Legal and Social Compliance:** Ensure compliance with human rights and legal requirements regarding occupational health and safety. The goal is to achieve zero non-compliance in this area during supplier audits;
7. **Supplier Policy and Governance:** Require suppliers to adhere to the company's ethical principles. The goal is to ensure that 100% of new suppliers have formally signed the Palladio Group Code of Conduct or have their own equivalent code of ethics.
8. **Supplier Assessment:** Monitor supplier compliance through periodic audits. The goal is to ensure that 75% of Class A suppliers have been audited according to ESG (environmental, social, and governance) requirements by 2028;

Policy Scope

This policy applies to all business units and all stages of the procurement process. It concerns not only direct suppliers but also subcontractors and business partners, with the aim of promoting ethical and sustainable practices throughout the entire supply chain.

The implementation of this process is part of a sustainable purchasing strategy that encourages Palladio Group to prioritize solutions with a lower

environmental impact by considering the entire life cycle of purchased products and services.

This policy is integrated with the other sustainability policies of the Palladio Group, in particular, with the Forestry Sustainability Policy, which promotes the use of raw materials from certified supply chains and from responsibly managed forests, as well as with the Human Rights Policy, which promotes fundamental human rights, recognized by the principles of the United Nations Global Compact and by the convention of the International Labour Organization (ILO).

Chief Executive Officer
Dr. Antonio Marchi