Favero Health Projects

LONG-LASTING INNOVATION



SUSTAINABILITY REPORT 2025



At the same time, the company reaffirmed its commitment through financial contributions to local initiatives, supporting activities aimed at vulnerable individuals.

Responsibility toward the local area is also reflected in relationships across the value chain: in 2025, 56% of corporate spending was allocated to local suppliers, exceeding the set target and contributing to strengthening the local economy and enhancing local skills.

Furthermore, Tecnodent continued to participate in networks and initiatives focused on sustainability and social impact, fostering a culture of shared responsibility and strengthening dialogue with its ecosystem.

A path aligned with global sustainability goals

Tecnodent's impact journey aligns with the **United Nations' 2030 Agenda Sustainable Development Goals (SDGs)**, which serve as a reference point for guiding corporate strategies and initiatives focused on people, the environment, and the community.

In 2025, the activities undertaken contributed specifically to goals related to:

- **Good health and well-being (SDG 3)**, through initiatives focused on organisational well-being and quality of work life;
- **Decent work and economic growth (SDG 8)**, thanks to investments in training and skills development;
- **Clean energy and climate action (SDG 7 and SDG 13)**, through the use of electricity from certified renewable sources and the measurement of the company's carbon footprint;
- **Responsible consumption and production (SDG 12)**, via initiatives for efficiency, the circular economy, and the development of ESG criteria within the supply chain;
- **Partnerships for the goals (SDG 17)**, through dialogue with stakeholders, suppliers, institutions, and local networks.



Management systems and certifications: a structured commitment

Tecnodent's commitment to quality, safety, and sustainability is supported by the adoption of certified management systems that integrate these principles into business processes.

Key certifications serve as tangible tools for ensuring continuous improvement:

- **ISO 13485** – Medical devices management system, ensuring product quality and safety;
- **ISO 9001** – Quality management system, focused on continuous process improvement and customer satisfaction;
- **ISO 14001** – Environmental management system, for monitoring impacts and optimising resource efficiency;
- **ISO 45001** – Occupational health and safety management system, with implementation initiated in 2025.

These tools strengthen Tecnodent's organisational model, contributing to management that is increasingly transparent, responsible, and focused on long-term value creation.

The summary presented in this document outlines the key milestones of Tecnodent's impact journey. For detailed information on initiatives, indicators, and future goals, please consult the full Impact Report by visiting the Corporate page of the Tecnodent website (https://www.tecnodent.com/it/corporate/) or directly via the link (QR code): TECNODENT IMPACT REPORT 2025



Shared Responsibility and Environmental Protection

Environmental protection is a central element of Tecnodent's sustainability journey. In 2025, the company continued to integrate environmental criteria into its business processes, aiming to progressively improve resource efficiency and reduce the environmental impact of its operations.

A significant milestone during the year was the calculation of the Corporate Carbon Footprint, conducted to monitor the company's primary emission sources and establish a baseline for future reduction targets. The analysis revealed that fuel consumption by company vehicles was the main contributor to direct emissions (Scope 1), whereas indirect emissions associated with electricity consumption (Scope 2) were eliminated, thanks to sourcing 100% of electricity from renewable sources certified via Guarantees of Origin (GOs).

Throughout 2025, Tecnodent also consolidated the environmental efficiency initiatives launched in previous years, continuing efforts to reduce waste, optimise consumption, and foster more sustainable behaviours within the organisation.

In parallel, the company began developing an increasingly structured approach to sustainability across its value chain by:

- introducing ESG criteria into supplier evaluations;
- analysing the environmental impact of logistics and transportation;
- exploring circular economy solutions for recovering production waste.

Notably, the company began exchanging views with local stakeholders to evaluate potential solutions for repurposing production offcuts, with the aim of identifying future opportunities to recover and reuse materials.

Tecnodent's environmental journey thus continues toward a model increasingly focused on measurement, impact prevention, and stakeholder collaboration, laying the groundwork for further improvements in the years ahead.

Responsibility towards the Community and the Territory

Tecnodent views its role within the local area as an integral part of its sustainability journey, fostering responsible relationships with stakeholders, local communities, and supply chain partners.

During 2025, the company strengthened its stakeholder listening and engagement efforts through a structured stakeholder engagement process and a double materiality analysis; this enabled the identification of the environmental and social issues most relevant to the company's ecosystem and helped shape future sustainable development priorities.

Its bond with the local community has translated into concrete initiatives based on participation and solidarity. Tecnodent continued its corporate volunteering program, involving over 60% of its workforce in an activity supporting a local charity, thereby fostering direct employee involvement in creating social value.



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Letter to Stakeholders

Tecnodent Srl: a journey of responsible and sustainable growth

Founded in 1966, Tecnodent Srl is now an established international player in the dental and medical sectors, specialising in the design and manufacture of cutting-edge ergonomic solutions. In 2024, Tecnodent embarked on its journey as a Benefit Corporation, incorporating three common-benefit objectives into its Articles of Association aimed at creating positive value for people, the environment, and the local community.

The second Impact Report, covering the 2025 fiscal year, marks a consolidation of this journey and details the initiatives the company has developed to translate these commitments into concrete, measurable actions.

Management of this impact journey is entrusted to the company's leadership, supported by an internal "B Team"—a cross-functional group that helps coordinate ESG initiatives, monitor activities, and foster an impact-oriented culture throughout the organisation.

Through periodic reviews and assessments, Tecnodent tracks project progress, evaluates results, and identifies areas for improvement, thereby promoting the progressive integration of environmental, social, and governance (ESG) considerations into corporate decision-making.

Throughout 2025, the company continued to monitor its impact performance using the B Impact Assessment (BIA)1, adopting it as the benchmark tool for assessing the dimensions of governance, workers, community, environment, and customers. The score of 89.1 points achieved in 2024 served as the baseline for consolidating ESG practices and identifying areas for improvement.



Following the close of the fiscal year, in 2026, Tecnodent reached another major milestone by achieving B Corp certification with a verified score of 89.9 points. This recognition serves as independent validation of the path taken and confirms the company's commitment to generating a positive, lasting impact.

Employee well-being

For Tecnodent, people are fundamental to sustainable, long-term growth. In 2025, the company continued its efforts to create an inclusive, collaborative, and growth-oriented work environment, strengthening initiatives focused on training, organisational well-being, and employee engagement.

Developing skills remains a strategic priority: throughout the year, 57% of employees participated in training activities—surpassing the initial 40% target—with an average of over 4 hours of training per person. These programs covered both technical and soft skills, including sustainability, English language proficiency, artificial intelligence, Power BI, and workplace safety.

At the same time, Tecnodent promoted initiatives to raise awareness regarding sustainability and the individual's role in creating a positive impact. Through training activities focused on sustainable daily habits, approximately 90% of the workforce participated in an environmental awareness program.

In 2025, the company also continued to strengthen its corporate culture by:

- disseminating the Code of Ethics as a shared set of values;
- launching initiatives to improve collaboration across business functions;
- monitoring organisational well-being through direct employee engagement.

As part of its journey toward sustainable leadership, Tecnodent also implemented a program based on the Inner Development Goals (IDGs), involving 7 individuals from different business functions with the aim of strengthening the individual and collective skills needed to support sustainability goals.

Impact Report of the subsidiary Tecnodent Srl Benefit Corporation

TECNODENT
ERGONOMIC INNOVATION

Dear Stakeholders,

We present our report for the year 2025.

For our company, sustainability represents a strategic, long-term commitment; in an ever-evolving economic, social, and environmental landscape we are convinced that creating lasting value is best achieved through a responsible, transparent, and collaborative approach.

Participation and sustainability: an inseparable link.

For this reason, we intend to continue our journey through constant dialogue with all our stakeholders: employees, customers, suppliers, local communities, institutions, and partners.

Your input is essential to guiding our decisions, improving our processes, and strengthening the Company's ability to meet current and future challenges.

This Sustainability Report outlines the results achieved, the objectives pursued, and the actions taken in the environmental, social, and governance spheres.

Our Report also serves as a tool for listening and exchanging views, enabling us to align our commitment towards operating responsibly, measurably, and in accordance with the principles of sustainable development.

We extend our thanks to everyone who, through their active participation, contributes daily to building a path of shared and sustainable growth.
Sincerely.

Chairwoman of the Board of Directors
Francesca Favero

Letter and presentation of the Sustainability Team

For Favero Health Projects, 2025 marked another step forward in the journey of integrating sustainability into corporate strategies and processes.

The results achieved confirm the Company's commitment to creating long-term value through a development model that balances economic growth, social responsibility, environmental protection, and robust governance.

A focus on people, continuous investment in innovation, product quality, strengthened management systems, and constant dialogue with stakeholders constitute the foundation upon which we are building the future.

While fully aware of the challenges posed by the evolving economic, social, and regulatory landscape, we look to the coming years with confidence, determination, and a sense of responsibility.

The objectives set for 2026 reaffirm our commitment to continuous improvement, the reduction of environmental impact, the development of human capital, and the consolidation of governance that is increasingly transparent and aligned with ESG principles.

Sustainability, innovation, collaboration:
The foundations of our future.

Conclusions

Dear Stakeholders,

We are pleased to present our new **Sustainability Report**, a document that reflects our company's ongoing commitment towards creating value in a responsible, transparent, and future-oriented manner.

Once again, this year, we have structured the report by adopting the principles of the Integrated Reporting Framework (IR) and the VSME model (Voluntary Sustainability Reporting Standard for non-listed SMEs).

The Integrated Reporting Framework enables us to describe the relationship between strategy, governance, performance, and future prospects, highlighting the management of the various forms of capital: Environmental, Social and Relationship, Human, Governance, Financial, Productive, and Intellectual.

At the same time, adopting the VSME model allows us to structure our sustainability reporting in a way that is proportionate to the size of our company.

This report is the result of a collaborative effort across all company departments, united by a shared desire for continuous improvement and for integrating the ESG principles into our daily decision-making. We recognise that sustainability is not a destination but a journey; therefore, we will continue to invest in innovation, responsibility, and collaboration, with the aim of building an increasingly sustainable future together.

We extend our thanks to everyone who contributed to this project and to those who will join us on the path ahead.

Federica Davanzo
Giacomo D'Urso
Annalisa Usuelli

Business Model

		Disclosure	Detail	Included	Notes
Environmental indicators	C 5	**Additional workforce characteristics**	59 Women/men ratio at management level	Page 44	
			60 Self-employed workers working exclusively for the company and temporary workers	Page 44	
	C 6	**Human rights policies and processes**	61(a) Presence of a human rights policy...	YES - Specific documentation – Code of Ethics	
			61(b)(i)… regarding child labour	YES - Specific documentation – Code of Ethics	
			61(b)(ii)… regarding forced labour	NO	
			61(b)(iii)… regarding human trafficking	NO	
			61(b)(iv)… regarding discrimination	YES - Specific documentation - Gender equality policy	
			61(b)(v)… regarding accident prevention	YES - Specific documentation - Occupational health and safety policy	
			61(b)(vi)… other	NO	
		Interoperability Table between the SME-Bank Document and the VSME	No. 38 _ Adoption of the Code of Ethics, the MOGC 231, and other anti-corruption procedures	Specific documentation (Code of Ethics, MOGC 231 and 37001)	
		Interoperability Table between the SME-Bank Document and the VSME	No. 27 _ Number of cases involving human rights violations that resulted in final rulings or the imposition of sanctions and/or compensation payable by the company over the last three financial years.	0	
			61(c) Complaints management system	YES - Specific documentation - Whistleblowing Procedure	
	C 7	**Serious human rights incidents**	62(a)(i) Incidents - child labour	NO	
			62(a)(ii) Incidents - forced labour	NO	
			62(a)(iii) Incidents - human trafficking	NO	
			62(a)(iv) Incidents - discrimination	NO	
			62(a)(v) Incidents - other	NO	
			62(b) Any actions		NOT APPLICABLE
			62 (c) Awareness of incidents involving workers in the value chain?	NO	
Governance Indicators	C 8	**Revenue in from certain sectors**			NOT APPLICABLE
	C 9	**Gender diversity ratio in governance body**	65 Gender diversity index	Page 48	

		Disclosure	Detail	Included	Notes
Comprehensive Form					
General information	C 1	**Strategy: business model and sustainability related initiatives**	47(a) Products and services offered	https://www.favero.it/it/prodotti and page 37	
			47(b) Markets in which the company operates	2023 Sustainability Report (LINK)	
			47(c) Main Commercial Relationships	2023 Sustainability Report (LINK)	
			47(d) Key elements of the strategy relating to sustainability issues	2023 Sustainability Report (https://www.favero.it/cache/faverosostenibilita2023-low.pdf#page=7) and specific documentation pages 21-23 and 49	
	C 2	**Practices, policies, and future initiatives for transitioning towards a more sustainable economy**	48 Practices, policies, and future initiatives for the transition to a more sustainable economy	Pages 31-61	
			49 ESG Implementation Manager	Legal Representative - Sustainability Director	
Environmental indicators	C 3	**Greenhouse gas emission reduction targets**	54(a) Baseline years	NO	
			54(b) Values	NO	
			54(c) Objectives	NO	
			54(d) Scope 1 and Scope 2 shares	NO	
			54(e) Actions to be implemented	NO	
			55 Adoption of the transition plan		NOT APPLICABLE
			56 Expected adoption of the transition plan	Page 61	
	C 4	**Climate risks**	57(a) Climate-related hazards	Specific documentation: context analysis	
			57(b) Climate risk impact assessment	Specific documentation: context analysis	
			57(c) Time horizons of climate hazards	Specific documentation: context analysis	
			57(d) Climate change adaptation actions	Specific documentation: context analysis	
			58 Adverse effects of climate risks on financial results	Specific documentation: insurance coverage	
		Interoperability Table between the SME-Bank Document and the VSME	No. 11 _ Preliminary quantitative or, where applicable, qualitative estimate of EU Taxonomy-aligned turnover by environmental objective		NOT APPLICABLE
			No. 12 _ Preliminary quantitative or, where applicable, qualitative estimate of capital expenditure aligned with the EU Taxonomy, by environmental objective.		NOT APPLICABLE

Corporate Identity

For over 70 years, Favero Health Projects **has designed and manufactured medical furnishings and equipment** for hospitals, clinics, residential care facilities, and health and social care communities, keeping pace with the evolution of healthcare environments through an approach rooted in quality, reliability, and responsibility.

Founded as a family business, the company has grown while maintaining local ties in its governance and a culture oriented towards long-term continuity.

Its business model rests on several key pillars:

- **Made in Italy:** production takes place primarily in Italy—specifically in the Veneto region—using cutting-edge technologies and rigorous quality controls. Quality is guaranteed through vertically integrated processes;
- **Ergonomic and person-centred design:** the starting point is a deep understanding of the needs of patients and healthcare professionals. Favero's approach is explicitly based on *human-centred design*, guiding every design choice by placing people at the centre;
- **Integrated, turnkey solutions:** a distinctive feature of the Favero model is the ability to provide fully furnished environments designed and manufactured by the company itself;
- **Continuous research and innovation:** Favero constantly invests in research, new materials, production technologies, and advanced design systems. Its designs integrate functionality, aesthetics, and safety;
- **Sustainable and certified approach:** sustainability is an integral part of Favero's development strategy. The company adheres to a Code of Ethics and to an organisational model compliant with Legislative Decree no. 231/2001, demonstrating a strong commitment to the environment, inclusion, and legal compliance.
- **Expansion, international distribution, and multi-sector expertise:** Favero operates in over 30 countries through a dedicated distribution and support network. Its product range covers hospital wards, outpatient clinics, paediatric units, technical wall systems, medical carts, stretchers, and furnishings for residential care facilities.

Favero also holds numerous certifications (ISO 9001, 14001, 13485, 45001, PdR 125, 37001) and demonstrates a strong ethical commitment.

For over 70 years,
we have been building trust. Every day.

The Favero Group comprises other companies, each with its own complementary specialisation:

- **Favero Health Projects** (Montebelluna, TV) – furnishings and integrated systems for hospitals and residential care facilities
- **Tecnodent Srl Benefit Corporation** (Casalecchio di Reno, BO) – dental and medical seating - the Impact Report for which is presented on page 70
- **Tecnos Srl** (Costa di Rovigo, RO) – furnishings for care homes and aluminium manufacturing

Product safety, ergonomics, and durability are not merely technical features but essential requirements for protecting patients and healthcare professionals. The business model integrates industrial responsibility, technical innovation, and a focus on people, generating value throughout the entire supply chain.
Since 1954, Favero Health Projects has pursued a growth path founded on quality, innovation, and responsibility. The Group's expansion and the broadening of its certification system reflect the evolutionary path Favero has undertaken to strengthen its governance, supporting management that is increasingly structured, transparent, and sustainability oriented.

1954
The Origins
Founding of **Favero Health Projects** as a family business manufacturing bed bases, school furniture, and, since 1961, hospital beds.

1983
The healthcare sector
It specialises in furnishings for the healthcare sector.

1998
Certified quality
Obtains ISO 9001 certification, confirming the commitment to quality management.

2007
Medical devices
ISO 13485 certification, specific to the medical device sector.

2008
Group Growth
Entry of Tecnodent Srl, expanding its presence in the dental and medical sectors.

2010
Environment
ISO 14001 certification for environmental management.

2011
MOGC pursuant to L. Decree 231/01 Adoption of the Code of Ethics and of the Model of Organisation, Management, and Control

2011
Strengthening the production capacity
Entry of Tecnos Srl, specialising in aluminium manufacturing and furnishings for care homes.

2022
First Sustainability Report
Publication of the first Sustainability Report; formal launch of the structured ESG journey.

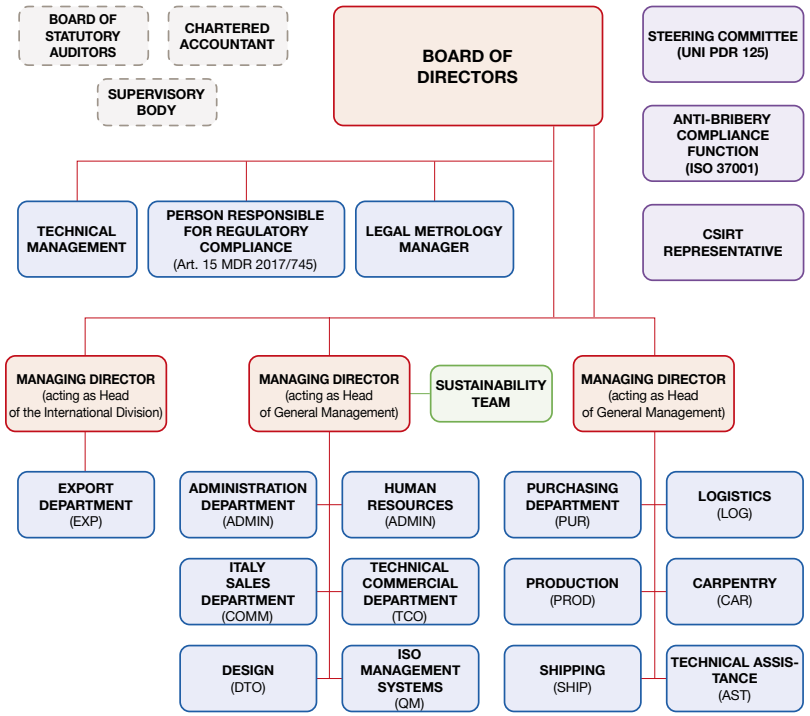
2024
Gender Equality
PdR 125 certification, confirming the commitment to inclusion and equality.

2025
Safety and Integrity
Obtaining certifications:
ISO 45001
(occupational health and safety)
ISO 37001
(anti-bribery and corruption)

		Disclosure	Detail	Included	Notes
Environmental indicators	B 8	**Workforce - General characteristics**	39(a) Contract Type	Page 43	
			39(b) Gender	Pages 42-44	
			39(c) Country		NOT APPLICABLE
			40 Turnover	Page 46	
	B 9	**Workforce - Health and safety**	41(a) Number and rate of injuries	Specific Documentation and page 57	
			41(b) Number of fatalities	Specific Documentation and page 57	
	B 10	**Workforce - Remuneration, collective bargaining and training**	42(a) Remuneration equal to or higher than that provided for by the National Collective Bargaining Agreement for the Metalworking and Industrial Sector	Applied the National Collective Bargaining Agreement for the Metalworking and Industrial Sector. - CNEL C011, National Collective Labour Agreement (CCNL) for employees in the private metalworking and plant installation industries	
			42(b) Percentage of remuneration gap	Page 44	
			42(c) Percentage of employees covered by collective bargaining agreement	Page 43	
			42(d) Hours of training	Specific Documentation and pages 42 and 50	
Governance Indicators	B 11	**Convictions and fines for corruption and extortion**	43 Number of convictions and amount of fines	Pages 48-50	

		Disclosure	Detail	Included	Notes
Basic form					
General information	B 1	**Drafting basics**	24(a) Option Selected	Option B: Basic Form and Comprehensive Form	
			24(b) Classified/Sensitive Information	---	---
			24(c) Drafting on an individual/ consolidated basis	Individual	
			24(e)(i) Legal Form	Joint Stock Company	
			24(e)(ii) NACE Code	NACE C - 32.50	
			24(e)(iii) Dimension of the financial statement	Specific Documentation: Financial Statement and page 52-53	
			24(e)(iv) Turnover	Specific Documentation and page 52	
			24(e)(v) Number of employees	Page 43	
			24(e)(vi) Location of operation	Italy	
			24(e)(vii) Geolocation of leased or managed sites	Specific Documentation: Company Registration Report	
			25 Brand/Sustainability	https://www.favero.it/it/certificazioni - https://www.favero.it/it/sostenibilita-1 and page 8	
	B 2	**Practices, policies, and future initiatives for the transition to a more sustainable economy**	26(a) Practices	Pages 48-51	
			26(b) Policies	Specific Documentation, https://www.favero.it/it/certificazioni and page 7-8	
			26(c) Future Initiatives	Pages 60-61	
			26(d) Objectives	Pages 60-61	
			27 Practices, polices and future initiatives	Pages 60-61	
			28 Description of the practices, polices and future initiatives	Pages 60-61	
Environmental indicators	B 3	**Energy and greenhouse gas emissions**	29 Total energy consumption in MWH	Page 33	
			30 Gross emissions in tCO2eq	Page 35	
			30(a) Scope 1	Page 35	
			30(b) Scope 2	Page 35	
			31 Greenhouse gas intensity	Page 35	
	B 4	**Pollution of air, water and soil**	32 Emissions management documentation	Specific Documentation	
	B 5	**Biodiversity**	33 Sites in biodiversity sensitive areas		NOT APPLICABLE
			34 Land use		NOT APPLICABLE
	B 6	**Water**	35 Water withdrawal	Page 33	
	B 7	**Resource use, circular economy and waste management**	37 Application of circular economy principles	Specific Documentation and page 35	
			38(a) Waste Produced	Specific Documentation and page 32	
			38(b) Waste for Recycling	Specific Documentation and pages 32-33	
			38(c) Flow of Materials Used	Pages 35-37	
		Interoperability Table between the SME-Bank Document and the VSME	No. 4 _ Energy efficiency of properties held as collateral		There are no properties held as collateral

When defining its identity, Favero considered it essential to also present its organisational structure via the company organisational chart. This tool provides a clear, transparent view of the governance model and of the internal responsibilities, highlighting how roles, functions, and reporting lines contribute in a coordinated manner to the pursuit of strategic objectives.
In an increasingly sustainability-oriented context, clearly defined responsibilities are a key factor in ensuring reliability, effectiveness, and consistency in implementing the ESG strategy.



The Value Creation Process

The value generated by the company stems from integrating its internal resources—skills, production capabilities, technical know-how, and relationships—with the economic, social, and environmental context in which it operates.
At the same time, this value is influenced by external dynamics, market needs, regulatory developments, and stakeholder expectations.

Value originates from our resources but grows through our relationship with the world around us.

This integrated process enables the transformation of tangible and intangible inputs into results that generate benefits for the organisation and its stakeholders.
A summary of the value creation process for each capital analysed is provided below. For a comprehensive overview of the methodology adopted and the development of the model—prepared in accordance with the principles of the **Integrated Reporting Framework (IR)**, please refer to the reporting document for the year 2022.

Environmental capital



Inputs	Activities	Outputs	Outcomes
• Awareness of the environmental impact of operations (production and products)	• Systematic approach to limiting energy consumption in processes and infrastructure.	• Product range focused on drastically reducing environmental impact	• Commitment to reducing climate-altering emissions
• Need to digitise processes and improve efficiency	• Implementation of low environmental-impact projects and products.	• Integration of emerging environmental requirements into the production process	• Engaging key suppliers in adopting environmental impact monitoring systems
• Energy assessment	• Raising awareness of environmental impact both within and outside the company		• Reduction of the CO_2 footprint
• Management of procedures to maintain environmental certification			

VSME - ESRS Reconciliation table

As with the 2024 Sustainability Report, for the 2025 edition we have chosen to align the IR Framework methodology with the latest version of the Voluntary Sustainability Reporting Standard for non-listed SMEs (VSME), published by EFRAG in December 2024*.

Compared to the previous edition, the reconciliation table has also been cross-referenced and supplemented with the guidelines provided by the Ministry of Economy and Finance (MEF) in the interoperability table between the SME-Bank Document and the VSME**.

The table below presents the disclosures required by the VSME—covering both the Basic Module and the Full Module—integrated with the indications contained in the aforementioned MEF interoperability table.

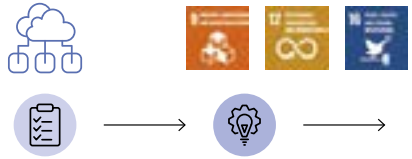
For each disclosure, the following information is provided:
- "Included": indicates, where possible, the page number(s) of this Report where the information is reported, or the company document in which it is available;
- "Notes": lists any clarifications regarding the non-applicability of the disclosure, as well as the reasons for any failure to report the information.

* The cited document can be accessed and consulted at the link:
https://www.efrag.org/sites/default/files/sites/webpublishing/SiteAssets/VSME%20Standard.pdf

** The cited document can be accessed and consulted at the link:
https://www.dt.mef.gov.it/export/sites/sitodt/modules/documenti_it/sistema_bancario/dialogo_sosteni…

Reconciliation table VSME-ESRS

Social-relational capital



Inputs

- In-depth knowledge of the rules and characteristics of the target market
- Strategic vision based on a medium- to long-term perspective
- Strong interpersonal skills and ability to manage stakeholders

Activities

- Ongoing, structured relationships with internal and external collaborators
- Actions aimed at identifying, engaging, and developing target clients throughout the relationship lifecycle
- Adoption of flexible engagement approaches, tailored to the characteristics and nature of the various stakeholders

Outputs

- Exchange of views with stakeholders and strategic partners
- Provision of after-sales service focused on customer support
- Ability to identify and resolve critical issues and problems through a “one-to-one” approach

Outcomes

- Sharing the business model and aligning on objectives
- Strengthening engagement, collaboration, and trust between the company and its stakeholders

Human capital



Inputs

- Resources, tools, and conditions fostering professional growth and skills development
- Effective collaboration with Partners and suppliers

Activities

- Processes and activities that enable getting to know, training, engaging, and protecting people
- Monitoring and maintaining the organisational structure and workplace health and safety

Outputs

- Organisational stability (low turnover)
- Customer focus
- Constant commitment to organisational improvement
- Culture of collaboration and problem-solving

Outcomes

- Dynamic and stimulating environment
- Developing the know-how, skills, and experience gained within the organisation
- Active employee participation in processes

Governance



Inputs

- Experience gained in preparing previous Sustainability Reports
- Materiality analysis and updating of relevant topics
- Stakeholder consultation and engagement tools

Activities

- Structured engagement of priority stakeholders
- Communication of ESG objectives to internal and external stakeholders
- Risk management activities and integration of ESG risks into decision-making processes
- Continuous monitoring of stakeholder relationships and analysis of their expectations

Outputs

- Integration of ESG criteria into product review processes and in the management of client and supplier relationships
- Adoption and updating of corporate procedures to support the implementation of ESG practices
- Obtaining and consolidating management system certifications to oversee corporate processes (quality, health and safety, anti-corruption, equal opportunities)

Outcomes

- Strengthening the sustainability culture as a strategic driver for achieving corporate goals
- Increased internal awareness of ESG issues
- Improvement of corporate reputation and of the internal work environment

The Financial Capital



Inputs

- Own financial resources
- Access to credit and established relationships with the banking system
- Use of subsidised financing instruments to support investments

Activities

- Financial planning and development of business plans geared towards medium- to long-term value creation
- Initiation and management of new investment projects, including through the use of external financing (credit institutions and subsidised finance instruments)
- Assessment of the economic and financial viability of investments
- Monitoring of economic and financial indicators to support strategic decision-making

Outputs

- Acquisition of new production and industrial assets
- Investment in software and digital solutions to support business processes
- Expansion of the company's production and energy capacity
- Strengthening of the investment structure to support industrial strategy

Outcomes

- Strengthening of the company's capital and financial stability
- Increased financial resilience and ability to navigate complex market scenarios
- Support for sustainable growth and business continuity

		Material topic	2026 Goal
GOVERNANCE	GOVERNANCE	GOVERNANCE AND BUSINESS CONTINUITY	Assessment of the skills of supervisory bodies and gradual inclusion of external individuals in management bodies.
		SUSTAINABILITY STRATEGY IN COMPLIANCE WITH ESG PRINCIPLES	Conclude the discussion phase and begin designing the Energy Transition Plan
			Monitoring of common benefit objectives for our subsidiary, Tecnodent Benefit Corporation.
			B Corp certification for our subsidiary, Tecnodent
		ETHICAL CONDUCT	Further update to the 231 Organisational Model and Code of Ethics
			Sharing the corporate Anti-Corruption Policy with Stakeholders
		COMPLIANCE WITH REGULATIONS	Maintain ISO 37001 certification for the Anti-corruption Management System
		CYBERSECURITY AND DATA MANAGEMENT	Align cybersecurity measures with NIS 2 Directive requirements
			Implement training on cybersecurity and related risks
	FINANCIAL	ECONOMIC SUSTAINABILITY OF THE BUSINESS	Turnover growth
			Improvement of net result
			Seek new foreign markets and target markets, including through strategic partnerships.
			Seek specialised suppliers with more certifications
			Increase self-consumption of energy produced by the photovoltaic system.
		ECONOMIC VALUE GENERATED	Continue with supply chain monitoring and improve the cost-benefit ratio
			Develop commercial presence in foreign markets
		CORRECT ADMINISTRATIVE MANAGEMENT	Reduce Sales Outstanding Days
			Improve inventory turnover
		CORRECT FINANCIAL MANAGEMENT	Increase access to subsidised financing sources.
	PRODUCTIVE	COMPANY ORGANISATION	Traceability of items and critical components produced by subcontractors
			Improve procurement planning
	INTELLECTUAL	DEVELOPMENT PLANS	BIM library development
			Skills development
		WORKPLACE HEALTH AND SAFETY	Implementation of the system for delivering training bites
			Maintenance of the Occupational Health and Safety Management System certification - ISO 45001

2026 ESG Objectives Plan

		Material topic	2026 Goal
ENVIRONMENTAL	ENVIRONMENTAL	CONSUMPTION	Reduce water waste from civil and irrigation use.
			Reduce purchased electricity consumption.
			Reduce energy consumption associated with production processes.
			Reduce natural gas consumption for heating.
		EMISSIONS	Complete/extend LED lighting implementation
			Increase energy self-sufficiency from renewable sources.
		CIRCULAR ECONOMY	Ensure product compliance with Minimum Environmental Criteria requirements.
			Design products using recyclable materials
			Design products free from harmful substances
			Design products incorporating recyclable material
			Extend product useful life
		WASTE MANAGEMENT	Use exclusively recyclable packaging.
			Reduce the generation of non-recyclable "Type D" waste
		PRODUCT SAFETY	Reduce the use of surface treatments with high environmental impact by adopting alternative eco-friendly technologies.
			Ensure that product safety checks and tests are performed at accredited laboratories in compliance with mandatory regulations.
SOCIAL	SOCIAL RELATIONAL	CUSTOMER INFORMATION / CUSTOMER MANAGEMENT	Ensure technical documentation for international markets is continuously updated and accessible.
			Ensure stakeholder buy-in —particularly among employees—regarding our sustainability principles
		QUALITY OF THE SOLUTIONS PROVIDED	Monitor customer complaints / satisfaction
		SUPPLIER EVALUATION	Improve the integration of sustainability criteria into supplier selection, qualification, and monitoring processes to prioritise suppliers committed to sustainability issues.
		CONTRIBUTION TO THE COMMUNITY AND CREATION OF SHARED VALUE	Actively participate in and strengthen the company's commitment to social, cultural, and charitable initiatives, contributing to the growth and well-being of local communities and beyond.
	HUMAN	PROFESSIONAL GROWTH AND TRAINING	Ensure the continuity of corporate know-how and facilitate generational turnover.
		GENDER EQUALITY AND INCLUSION	Promote an increasingly inclusive corporate culture focused on gender equality.
		EMPLOYEE ENGAGEMENT AND SATISFACTION, EMPLOYER BRANDING	Foster internal communication and collaboration; improve conflict management.
			Increase employee engagement and motivation through reward systems aligned with the corporate strategy.
			Provide a free psychological counselling service for employees
			Consolidate and expand corporate welfare measures by promoting services and initiatives that support employees' health, well-being, and work-life balance.
			Strengthen employee awareness of and engagement with corporate policies, values, and management systems.

Productive capital



Inputs

- Productive assets (properties and facilities)
- Group organisational and industrial model (subsidiaries, dedicated resources and expertise)
- Production processes, technologies, and means of production, subject to continuous adaptation and improvement

Activities

- Development of product assets
- Research into materials and solutions with reduced environmental impact
- Continuous improvement of products and production processes
- Analysis of markets, regulations, and innovations for the development of new production lines
- Collaboration with designers, external firms, and accredited laboratories
- Optimisation of layouts and production organisation

Outputs

- Evolution, updating, and market repositioning of products
- Launch of new production lines
- Expansion and diversification of the solutions offered
- Increased flexibility and responsiveness of the production system to market needs
- Acquisition of new clients and development of existing commercial relationships (up-selling and cross-selling)

Outcomes

- Greater efficiency and effectiveness of production processes
- Strengthening of the solidity, quality, and competitiveness of the company's offering
- Increase in added value generated along the production chain
- Development of structured, long-lasting relationships with industrial and technological partners to support innovation

Intellectual capital



Inputs

- Organisational model and intangible assets supporting business development
- Design know-how and innovation capabilities
- Technical knowledge regarding materials, applications, regulations, production processes, and market dynamics
- Information system structured and customised according to the company's organisational model

Activities

- Design and development of high-quality, sustainable products
- Verification of regulatory compliance for products and processes
- Development of partnerships for innovation and design
- Cross-functional collaboration in new project development
- Engagement with suppliers and customers regarding market and application requirements
- Continuous technical and regulatory updating
- Protection and leveraging of intellectual property

Outputs

- Strengthening of design expertise and project management capabilities
- Sharing and internal capitalisation of developed know-how
- Certified products, compliant with applicable regulatory requirements
- Consolidation of product and process compliance procedures

Outcomes

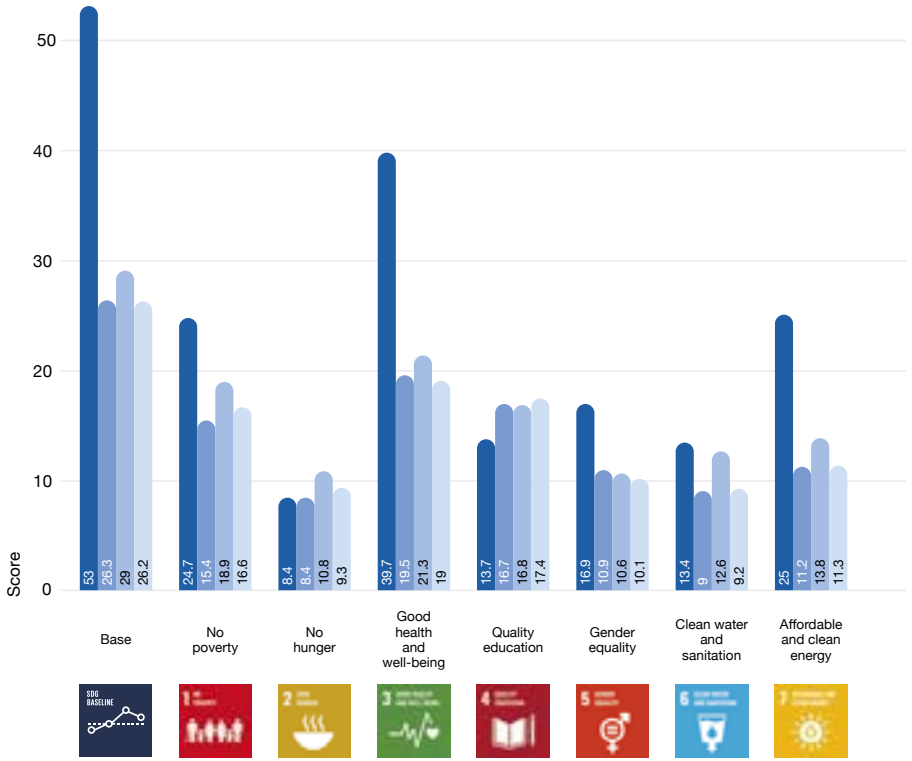
- Fostering a culture oriented towards innovation and sustainability
- Enhancement of professional and design capabilities
- Ability to develop new markets
- Optimisation of organisational structures and business processes
- Promotion of a culture of compliance and informed management of regulatory requirements
- Greater technical reliability as perceived by the market and the stakeholders

Agenda 2030 – SDGs Manager

Developed by B Lab and the UN Global Compact, the SDG Action Manager is a fully online tool that enables companies to measure their impact and guide the setting of objectives aligned with the Sustainable Development Goals (SDGs) of Agenda 2030.

The self-assessment—conducted for the 2025 reference year—allowed analysing Favero's impact on stakeholders and comparing it with benchmarks from the relevant sector, similarly sized companies, and the national context, thereby facilitating a structured interpretation of the results achieved.

The comparison with results from previous years highlights significant performance improvements in Goal 11 (Sustainable Cities and Communities) and Goal 16 (Peace, Justice and Strong Institutions). These findings confirm highly positive results—well above national, sector, and size-based averages—particularly regarding impacts on health and well-being (Goal 3), inclusion and gender equality (Goal 5), and consumption (Goal 12).



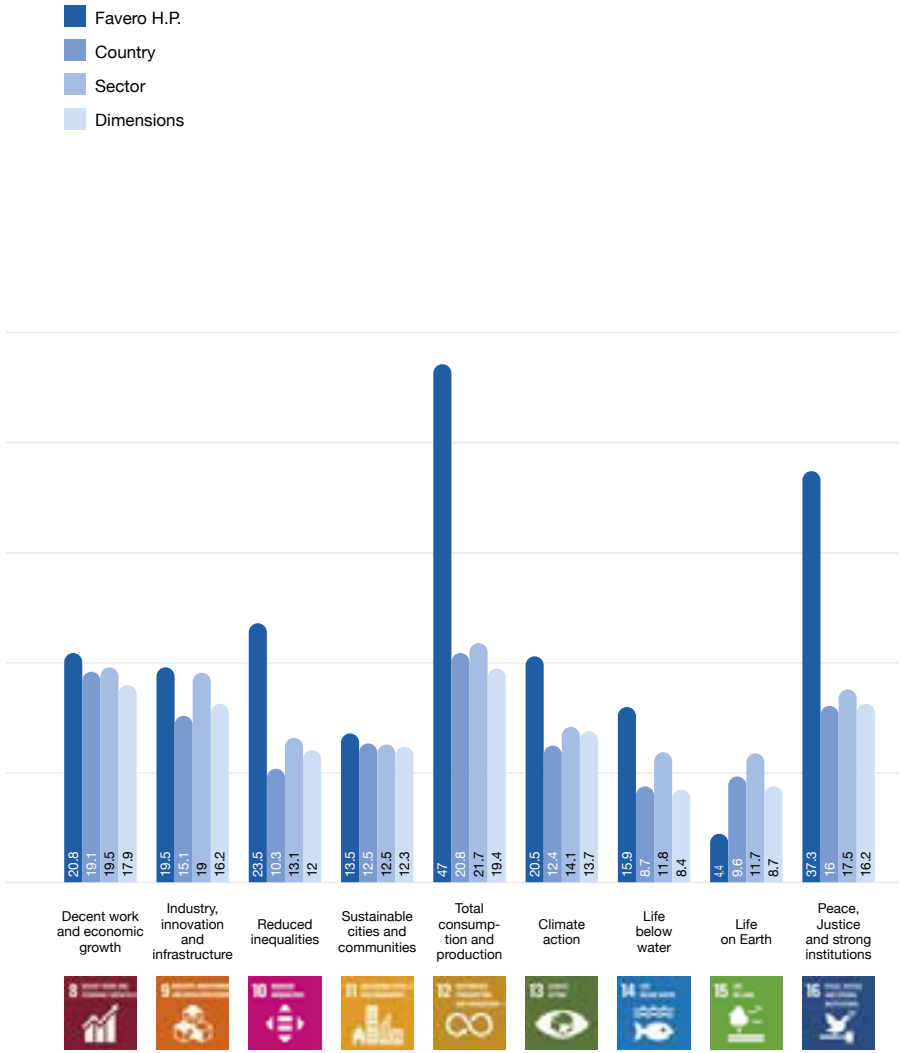
		Material topic	2025 Goal	Action taken	Out-come	Notes
GOVERNANCE	FINANCIAL	PROPER ADMINISTRATIVE MANAGEMENT	Reduce Sales Outstanding Days	Implement periodic monitoring of trade receivables and strengthen payment reminder and collection processes.	≈	
			Improve inventory turnover.	Optimise stock management by monitoring inventory levels, planning procurement, and reducing slow-moving stock.	≈	
		CORRECT FINANCIAL MANAGEMENT	Continue seeking subsidised financing for training, innovation, and RSID, etc.	Continue seeking subsidised funding for training, innovation, R&D, etc.	✓	
	PRODUCTIVE	CORPORATE ORGANISATION	Traceability of items and critical components produced by subcontractors	Implement and monitor a traceability system for critical components and products manufactured by suppliers and subcontractors.	≈	
			Improve procurement planning	Implement a purchasing planning system based on production requirements and inventory monitoring.	≈	
	INTELLECTUAL	DEVELOPMENT PLANS	BIM: Complete the main item library and basic and specific training for draught-speople	Continue completing the BIM library for key products and conducting basic and advanced training for the draughtspeople involved.	≈	
		WORKPLACE HEALTH AND SAFETY	Implement a "training bite" delivery system	Develop a micro-training system ("training bites") and ensure periodic employee participation.	≈	
			Occupational Health and Safety Management System Certification in accordance with ISO 45001	Implement a certified management system.	✓	

Legend:
✓ achieved
≈ in progress
✖ not achieved

Reporting on the 2025 Governance objectives plan

		Material topic	2025 Goal	Action taken	Out-come	Notes
GOVERNANCE	GOVERNANCE	GOVERNANCE AND BUSINESS CONTINUITY	Assessment of the skills of supervisory bodies and gradual inclusion of external individuals in management bodies.	Monitoring of skills, including through the ongoing interventions of oversight bodies.	≈	
		SUSTENIBILITY STRATEGY IN COMPLIANCE WITH ESG PRINCIPLES	Conclude the discussion phase and begin designing the Energy Transition Plan	Completion of the preliminary energy consumption analysis and definition of guidelines for the Energy Transition Plan.	≈	
			Monitor the benefits achieved following the transformation of the subsidiary Tecnodent into a Benefit Corporation	Periodic monitoring of the achievement of common benefit objectives defined by the Benefit Corporation.	≈	
		ETHICAL CONDUCT	Further implementation and updating of the 231 Organisational Model and the Code of Ethics	Review and update of the 231 Organisational Model and Code of Ethics in light of regulatory and organisational changes and evolving corporate risks.	✓	
			Complete the system for assigning responsibilities to employees.	Complete the review	✓	
		COMPLIANCE WITH REGULATIONS	Certification of the Management System for the Prevention of Corruption pursuant to ISO 37001	Implementation of the certification system. Certification obtained	✓	
	FINANCIAL	ECONOMIC SUSTAINABILITY OF THE BUSINESS	Turnover growth	Business development, consolidation of existing client relationships, and acquisition of new clients and markets.	✓	
			Improvement of net result	Optimisation of corporate profitability through operating cost control, increased efficiency, and sales growth. Implementation of a computerised project management system to track cost impact and profitability.	✓	
			Seek new foreign markets	Development of commercial and promotional activities in key foreign markets via sales networks, distributors, trade fairs, and industry events.	✓	
			Seek specialised suppliers with more certifications	Identification, qualification, and evaluation of new specialised suppliers, prioritising those holding system, product, or sustainability certifications relevant to the business.	≈	
			Increase in self-consumption	Optimisation of energy usage from photovoltaic systems through consumption monitoring and scheduling energy-intensive activities during peak production periods.	≈	
		ECONOMIC VALUE GENERATED	Continue with supply chain monitoring and improve the cost-benefit ratio	Periodic monitoring and evaluation of the economic and quality performance of strategic suppliers; promotion of purchasing optimisation initiatives.	✓	

For more information: *https://app.bimpactassessment.net/*
https://www.bcorporation.net/en-us/programs-and-tools/sdg-action-manager/



Methodology

WORKPLACE HEALTH AND SAFETY

Safety is a core element of the company's organisation and is promoted through continuous staff training, the proper use of personal protective equipment (PPE), the constant monitoring of the operating conditions, and the involvement of personnel responsible for prevention and protection.
The effectiveness of the prevention measures adopted is confirmed by the absence of injuries or accidents recorded during the year.
To further safeguard its people, Favero maintains specific insurance coverage for all employees, helping to strengthen the company's risk protection and management system.
Obtaining the UNI EN ISO 45001 certification is another indicator of the Company's commitment towards this issue.

KPI
UNI EN ISO 45001 Certification – Occupational health and safety
Presence of specific insurance policies for all employees
Number of injuries (2025): 0
Number of near misses (2025): 0
Number of potential risk reports (2025): 0
Hours of safety training provided (2025): 248



Material issues of intellectual capital

DEVELOPMENT PLANS

The sector's growth prospects, bolstered by the significant increase in investments under the National Recovery and Resilience Plan (PNRR), specifically within Mission 6 (Health), have prompted the company to reaffirm its commitment to Research, Development, Innovation, and Design (RSID) activities.

Concurrently, Favero has completed a comprehensive management system certification plan, primarily based on ISO standards (37001 and 45001), aiming to further strengthen organisational efficiency, process quality, corporate reputation, and the ability to meet the expectations of customers and stakeholders.

Throughout 2025, the company also diversified its participation in national and international trade fairs and congresses as a means of promotion, networking, and business development.

KPI

	2025	2024	2023
R&D investment/turnover (%)	0.029	0.032	0.034
Hours dedicated to Research, Development, Innovation, and Design	11,517	9,642	9,220
No. of new projects launched	5	5	4
No. of product restyling projects launched	3	7	2
Number of certifications obtained or maintained	2 + 4	1 + 3	3
Management system certification investment (incl. training and consulting)/turnover (%)	0.0037	0.0018	0.0020
Trade fair and congress investment/turnover (%)	0.0048	0.0056	0.0056
No. of active design and graphics software licences	stable	stable	stable

IR framework and VSME

As in previous versions of its sustainability report, Favero has integrated the **Framework IR** and the **VSME standards**, tools that position **ESG indicators** within a strategic vision of value creation. Environmental data relate to natural capital, Social data to human and social-relational capital, whilst governance data refer to governance, financial, productive, and intellectual capital. Consequently, reporting goes beyond merely describing data; it becomes an integral part of the business model and the strategic planning.

The Report has progressively integrated economic-financial dimensions with sustainability, moving beyond the traditional divide between financial and non-financial data. The **Integrated Reporting Framework** proposes a model focused on creating value in the short, medium, and long term through the interaction of seven forms of capital: Environmental, Social-Relational, Human, Governance, Financial, Productive, and Intellectual.

The introduction of the **Corporate Sustainability Reporting Directive (CSRD)** has underscored the need for common sustainability reporting standards. Against this backdrop, **EFRAG** developed the **VSME (Voluntary Sustainability Reporting Standard for SMEs),** for unlisted SMEs; these feature a modular structure—comprising a basic module and a comprehensive one—that provides ESG information proportionate to the company's size.

Methodologically, the process involves a double materiality assessment, stakeholder mapping, integration into the business model, and alignment with strategy and risk management. This integrated IR–VSME approach transforms the report into an advanced management tool, thereby strengthening long-term competitiveness and sustainability.

The capitals



Map of Stakeholders and their Engagement

Certified the commitment to safety and integrity

Obtaining the UNI EN ISO 45001:2018 – Occupational Health and Safety Management Systems and **UNI ISO 37001:2016** – Anti-corruption Management Systems - certifications in 2025 marks a significant milestone in Favero Health Projects' journey of growth and continuous improvement.

Through ISO 45001 certification, the company has strengthened its occupational health and safety management system, consolidating an approach focused on **risk prevention and the protection of people.**

ISO 37001 certification, meanwhile, demonstrates a commitment to the **principles of integrity, transparency, and business ethics**, by adopting tools and procedures aimed at preventing corruption.

These achievements confirm Favero Health Projects' determination to make its **processes increasingly structured, effective, and aligned with international best practices**. The certifications obtained also help strengthen the trust of clients, suppliers, and stakeholders, supporting the development of an organisation that is responsible, sustainable, and driven by operational excellence.


IMQ

CERTIFICATO N. 1396.2025
CERTIFICATE N.

SI CERTIFICA CHE IL SISTEMA DI GESTIONE PER LA SALUTE E SICUREZZA SUL LAVORO DI
WE HEREBY CERTIFY THAT THE HEALTH AND SAFETY MANAGEMENT SYSTEM OPERATED BY

FAVERO HEALTH PROJECTS SPA
VIA SCHIAVONESCA PRIULA 16/20 - 31044 MONTEBELLUNA (TV) Italy
UNITA' OPERATIVA/OPERATIVE UNITS

Vedere gli Allegati per gli altri Siti (n° 3 allegati)
View the Annexes for the other Sites (n° 3 annexes)
Operazioni esterne / External operations

E' CONFORME ALLA NORMA / IS IN COMPLIANCE WITH THE STANDARD

ISO 45001:2018

PER LE SEGUENTI ATTIVITÀ / FOR THE FOLLOWING ACTIVITIES

Produzione, consegna ed assistenza per la fornitura di arredi, attrezzature e sistemi integrati per: ospedali, cliniche, residenze sanitarie assistite e comunità attraverso processi di taglio, piegatura e saldatura di elementi in ferro, acciaio e alluminio e processi di sezionatura, squadratura, bordatura e foratura di pannelli in truciolare nobilitato
Production, delivery and assistance for the supply of furniture, equipment and integrated systems for: hospitals, clinics, assisted healthcare residences and communities through cutting, bending and welding of iron, steel and aluminium elements and processes of sectioning, squaring, edging and drilling of chipboard panels

IL PRESENTE CERTIFICATO E' SOGGETTO AL RISPETTO DEL REGOLAMENTO PER LA CERTIFICAZIONE DEI SISTEMI DI GESTIONE
THE USE AND THE VALIDITY OF THE CERTIFICATE SHALL SATISFY THE REQUIREMENTS OF THE RULES FOR CERTIFICATION OF MANAGEMENT SYSTEMS

DATE: PRIMA CERTIFICAZIONE / FIRST CERTIFICATION 04/12/2025 | EMISSIONE CORRENTE / CURRENT ISSUE 04/12/2025 | SCADENZA / EXPIRY 03/12/2028

IAF: 23, 17, 18, 29


Certificato IT25/0000 1435
Il sistema di gestione di
FAVERO HEALTH PROJECTS S.p.A.
SGS

Via Schiavonesca Priula, 20 31044 Montebelluna (TV) Italia
è stato verificato ed è risultato conforme ai requisiti di
ISO 37001:2016

Scopo della certificazione
Progettazione, produzione, commercializzazione, consegna ed assistenza per la fornitura di arredi, attrezzature e sistemi integrati per: ospedali, cliniche, residenze sanitarie assistite e comunità.

Questo certificato è valido dal 10 dicembre 2025 fino al 10 dicembre 2028 e la sua validità è subordinata all'esito soddisfacente dell'attività di sorveglianza periodica.
Emissione 1. Certificato del 10 dicembre 2025

Amministratore delegato
Paola Sandaroni

SGS ICS Italia S.r.l.
Via Caldera, 21 20153 MILANO - Italy
t +39 02 73 81. 1 www.sgs.com

ICMQ

Material issues of productive capital

COMPANY ORGANISATION

During 2025, activities were carried out to update and develop production documentation. Additionally, a process of reviewing and rationalising product information was initiated—focusing specifically on coding, bills of materials, and production cycles—with the aim of ensuring increasingly structured, accurate, and reliable process management.

KPI

Implementation of a computerised system for tracking average production cycle times
Constant update of bills of materials
Maintenance of corporate management system certifications
Optimisation of warehouse management (partial) using the Kanban system
Number of internal reworks or non-conformities: 0

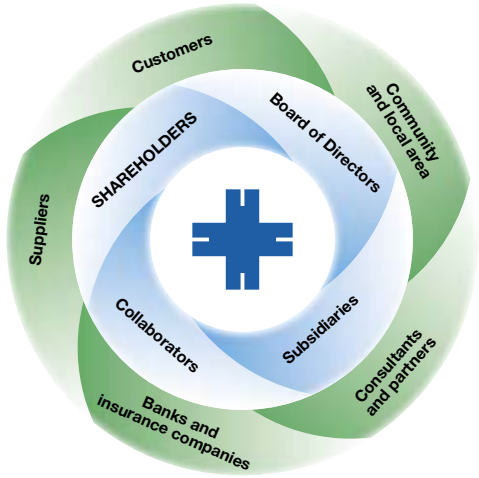
	2025	2024	2023
% of fully traceable components or products	90%	80%	70%
Investments in digitalisation/turnover (%)	0.00883	0.00263	0.00002

Throughout its sustainability reporting process, the company has prioritised dialogue with its stakeholders—key players capable of influencing the achievement of corporate objectives while simultaneously being directly affected by the positive and negative impacts of the organisation's activities.

Guided by the AA1000 Stakeholder Engagement standards (Accountability, 2015), Favero initiated a process to identify and prioritise stakeholders based on four essential dimensions: their capacity to exert influence, their degree of dependence on the organisation, their contribution to the development of the business model, and their significance in terms of representation and fostering corporate growth.

This approach involved engaging internal staff, customers, suppliers, local communities, and other groups through a dedicated questionnaire designed to identify not only the issues most relevant to stakeholders but also their perceptions of the company's performance and goals regarding sustainability.

Analysing the survey results made it possible to both validate and enrich the assessment of material topics and to identify specific actions for improving and strengthening Favero's ESG strategy.



Double Materiality Analysis

CORRECT ADMINISTRATIVE MANAGEMENT

Sound administrative management is a fundamental element of corporate governance and long-term value creation. Favero constantly monitors key economic, financial, and operational indicators to ensure process efficiency, cost control, and data reliability. Through variance analysis and the assessment of operational performance, the organisation supports informed decision-making, promotes responsible resource management, and ensures transparency for all stakeholders.

KPI
Variance analysis:

	2025	2024	2023
% of Production value	17.76	11.24	0.25
% of Production costs	14.30	13.61	0.07

CORRECT FINANCIAL MANAGEMENT

Sound financial management is a fundamental element in ensuring continuity, growth, and long-term value creation. Favero works to maintain a balanced financial structure, generate adequate cash flows, and support investments in innovation, development, and sustainability. At the same time, it fosters stable, long-lasting relationships with customers and suppliers.

KPI
Variance analysis:

EBITDA	€1,343,493
Investments	€955,787
% of turnover	5.11%
Number of customers handled	485
Weight of top 15-20 customers	56.37%
Weight of top 15-20 suppliers on total turnover (purchases of goods and services)	33.74%
Of which local (Veneto Region)	71.10%

Material issues of financial capital



ECONOMIC SUSTAINABILITY OF THE BUSINESS

Favero is committed to sustainable and resilient growth, underpinned by balanced economic and financial management. The ability to generate economic value, maintain adequate profitability levels, and make investments that drive innovation and development is essential to ensuring the company's long-term competitiveness. With this in mind, the company fosters the creation of widespread, shared value for the benefit of both internal and external stakeholders, contributing to the well-being of the local area and the stability of its supply chain.

KPI
Measurement ability of market performance:

	2025	2024	2023
% Favero total turnover trend	22.80	7.57	2.33
% Favero Italy turnover trend	38.03	2.48	6.45
% Favero International turnover trend	-20.05	25.04	-9.65

ECONOMIC VALUE GENERATED

Favero views the creation of economic value as a fundamental element of its sustainability. The economic value generated reflects the organisation's ability to transform its activities into tangible benefits for all stakeholders.

KPI
Wealth generated:

	2025	2024	2023
% value distributed to personnel	15.87	18.3	18.1
% value distributed to suppliers	79.74	81	79.7
% value distributed to others	4.39	0.7	2.2

Double Materiality

In this Sustainability Report, the company adopts the principle of Double Materiality.
This approach allows the analysis and presentation of the sustainability performance from two complementary perspectives:

• **Impact Perspective (Inside-Out)**
Evaluates the effects our activities have on the environment and society throughout the value chain. Given the specific nature of our operating model, the focus is on product design— and specifically, on supplier selection and the characteristics of the components used. In this context, eco-design, the circularity of the materials, and the protection of indoor environmental quality play a central role, with a primary focus on people's health and well-being.

• **Financial Perspective (Outside-In)**
Examines how external sustainability factors can influence the company's economic and financial performance in terms of risks and opportunities. This approach is crucial for ensuring business continuity in a landscape where regulatory developments and ESG criteria are playing an increasingly important role, particularly in public and private tenders.

Through this analysis process, the **material topics**, most relevant to our business model were identified.

Double materiality analysis

Following stakeholder engagement via dedicated questionnaires and assessments by company management, the identified sustainability topics were aggregated into a score that allows them to be ranked according to their level of relevance.

The table below lists the relevant ESG topics, ranked by their double materiality score. This score is derived from a joint assessment of the impacts the company has on the environment and society (Inside-Out perspective) and the effects that sustainability factors can have on company performance (Outside-In perspective). When analysing the "outside-in" dimension, particular attention was paid to the international geopolitical context—characterised by growing instability that can significantly affect business operations—as well as to cybersecurity risks, which are increasingly critical for companies and institutions and have the potential to cause significant operational, financial, and reputational impacts.

To facilitate the reading and interpretation of the results, the topics have been classified based on their double materiality score according to the following priority bands:

- **Low Priority** (Score < 5): topics characterised by limited significance in terms of both material impacts and financial impacts, though they remain subject to monitoring by the company.
- **Medium Priority** (Score 5–9): topics with a moderate level of significance, managed within the scope of ordinary business activities and overseen through existing management processes.
- **Medium-High Priority** (Score 10–15): topics presenting significant material and/or financial impacts that require specific management, monitoring, and reporting activities.
- **High Priority** (Score ≥ 16): topics of high strategic importance, characterised by particularly significant material and financial impacts capable of influencing corporate decisions, value creation, and long-term development strategies.

ESG	CAPITAL	MATERIAL TOPIC	Score	Priority
ENVIROMENT	ENVIRONMENTAL	Responsible waste management	1	Low
		Consumption	12	Medium-High
		Emissions	1	Low
		Circular economy	12	Medium-High
		Product safety	8	Average
SOCIAL	SOCIAL-RELATIONAL	Customer disclosure	2	Low
		Quality of solutions provided	4	Low
		Supplier assessment	15	Medium-High
	HUMAN	Professional growth	9	Average
		Equal opportunities and inclusion	6	Average
		Employee engagement and satisfaction, employer branding	4	Low
GOVERNANCE	GOVERNANCE	Governance and business continuity	8	Average
		ESG sustainability strategy	3	Low
		Ethical conduct	4	Low
		Regulatory compliance	3	Low
		Cybersecurity and data management	15	Medium-High
	FINANCIAL	Economic sustainability of the business	4	Low
		Economic value generated	4	Low
		Proper administrative management	2	Low
		Proper financial management	6	Average
	PRODUCTIVE	Corporate organisation	12	Medium-High
	INTELLECTUAL	Development plans	8	Average
		Health and safety in the workplace	4	Low

To this end, the Company has implemented measures to safeguard and protect its corporate assets, including specific insurance coverage for IT systems and structured, daily multi-level backup procedures designed to ensure data security and integrity.

KPI
Privacy Policy and periodic monitoring of the maintenance of adequate levels of IT security
Availability of a whistleblowing channel
Specific cyber risk insurance coverage
IT system updates and improvements
Periodic cybersecurity audits

	2025	2024	2023
Number of recorded IT incidents	0	0	0
Number of cyberattacks received	0	0	0
Percentage of systems subject to daily backup	100%	100%	100%
Percentage of data covered by backup procedures (physical and cloud)	100%	100%	100%



	2025	2024	2023
Total training hours on governance, ethics, and anti-corruption	131	0	3

COMPLIANCE WITH REGULATIONS

The company regards regulatory compliance as an essential element for ensuring responsible, transparent, and sustainable business management.
To ensure constant alignment with the relevant regulatory framework, Favero promotes ongoing monitoring, updating, and training activities, leveraging the support of consultants and professionals specialising in various areas of expertise. This approach enables the company to anticipate the impacts of evolving regulations and to promptly adapt its processes, procedures, and systems.
Regarding products, the company has adopted—among others—the UNI CEI EN ISO 15223-1:2025 standard for medical devices and the UNI EN 71-3:2025 standard for toy safety (specifically for paediatric cribs).
Through specialised training, periodic checks, and audits of its management systems, Favero manages non-compliance risks and fosters continuous improvement in its organisational and operational performance.

KPI
Periodic audits of management systems
Absence of sanctions/reports from control and regulatory bodies

	2025	2024	2023
Number of certifications held by the company	6	4	3
Total hours of specific training	308	315	119

CYBERSECURITY AND DATA MANAGEMENT

The increasing digitalisation of business processes and the evolution of cyber threats make cybersecurity an area of growing importance for Favero. Protecting information, IT systems, and digital infrastructure is essential for ensuring business continuity, safeguarding corporate assets, and maintaining data security.

As a medical device manufacturer, the company falls within the scope of the NIS2 Directive and has therefore initiated a cyber risk assessment and management process aimed at preventing, detecting, and mitigating potential threats to the security of networks and information systems.

However, Favero has for several years been implementing processes for the continuous improvement of its security measures, focusing particularly on the resilience of the digital infrastructure and on the ability to ensure business continuity even in the event of adverse incidents.

The **stakeholder engagement** analysis conducted for 2025 involved a broad and diverse group of stakeholders—including employees, partners, suppliers, customers, and financial institutions—providing a comprehensive and representative view of expectations regarding Favero Health Projects.

Overall, the findings reveal a **positive and well-established assessment** of the company's commitment to ESG issues, with particular appreciation for its focus on social sustainability and governance.

From an **environmental** perspective, stakeholders acknowledge the company's strong focus on environmental issues but identify room for improvement regarding the structuring of policies and their operational effectiveness. They highlight clear, shared priorities: reducing consumption, using sustainable materials, and integrating circular economy principles. Particular attention is also paid to monitoring environmental aspects throughout the supply chain, signalling a shift towards extended responsibility and integrated environmental risk management.

The **social** dimension is perceived as the most significant area: well-being, safety, training, and inclusion are considered priorities by almost all survey participants. While company performance is generally positive, specific areas for improvement clearly emerge, such as improving the leverage of internal talent, developing professional growth pathways, and strengthening internal communication and employee engagement. Social issues are viewed as strategic drivers for ensuring long-term continuity, attractiveness, and growth potential.

Governance is perceived as a generally solid area, with high ratings—particularly regarding ethics, transparency, compliance, ISO certifications, and data security. However, stakeholders emphasise the need to increasingly integrate ESG criteria into decision-making processes and supply chain management.

Overall, the results confirm the **strategic importance of ESG issues** for Favero's stakeholders, who demonstrate high expectations regarding the organisation's sustainability performance and suggest the need to evolve towards a more structured approach focused on improved internal and external communication.



IRO Risk and Opportunity Matrix

SUSTAINABILITY STRATEGY IN COMPLIANCE WITH ESG PRINCIPLES

Favero integrates Environmental, Social, and Governance (ESG) principles into its corporate strategy, recognising sustainability as a fundamental factor for long-term value creation.
The company is committed to developing its business through a responsible approach focused on continuous improvement, identifying concrete goals and actions that generate positive impacts for the environment, people, and the local community.
Favero's ESG strategy aims to strengthen corporate competitiveness, consolidate stakeholder trust, promote informed risk management, and seize opportunities arising from environmental, social, and economic challenges.

KPI
Drafting the Sustainability Report
Presence of roles or functions responsible for sustainability
Integration of ESG assessments and criteria into corporate procedures
Monitoring and reporting of ESG indicators and targets

	2025	2024	2023
Share of investments dedicated to environmental, social, or governance improvements relative to turnover:	5.47%	8.51%	7.12%

ETHICAL CONDUCT

Favero recognises integrity, transparency, and fairness as fundamental principles underpinning its operations. Adopting ethical and responsible behaviour is essential to ensuring trusting relationships with employees, collaborators, customers, suppliers, institutions, and all other stakeholders.
The organisation promotes a corporate culture based on compliance with applicable regulations, individual responsibility, and the prevention of conduct inconsistent with its values. To this end, Favero adopts tools and procedures designed to ensure high standards of ethics and compliance—including the Code of Ethics, the Organisation, Management, and Control Model pursuant to L. Decree no. 231/2001, and a whistleblowing system—further reinforced by obtaining certification under the UNI EN ISO 37001 standard - Anti-corruption.
Through constant process monitoring and the adoption of appropriate control systems, Favero is committed to preventing illicit conduct, conflicts of interest, and non-compliant practices, thereby safeguarding its reputation and ensuring responsible business conduct.

KPI
Updating and sharing the Code of Ethics and the Organisational Model pursuant to L. Decree 231/2001
Certification under the UNI EN ISO 37001 standard
Maintaining the AGCOM Legality Rating: ★★++
No reports of contractual violations
No convictions or sanctions for corrupt conduct or violations of environmental and social regulations

GOVERNANCE

Material governance issues

GOVERNANCE AND BUSINESS CONTINUITY

Favero employs a governance system based on procedures, processes, and risk management tools designed to ensure accountability, transparency, and integrity when conducting its business operations.

The administrative and control bodies operate with the aim of ensuring effective, efficient, and sustainable management over time, in full compliance with applicable regulations and safeguarding the interests of all stakeholders, thereby helping to strengthen the company's reputation and reliability. The internal control and risk management system enables continuous monitoring of the activities and key factors that could impact the achievement of strategic, financial, and operational objectives.

Business continuity is ensured through qualified management expertise, support from specialised professionals, and the adoption of measures to prevent and mitigate risks that could compromise the company's smooth operation. To this end, the company invests continuously in personnel training.

Robust governance strengthens the organisation's ability to meet market challenges, ensuring operational resilience and long-term value creation; furthermore, by guaranteeing business continuity, it helps to consolidate stakeholder trust.

KPI
Presence of formalised procedures
Responsible tax practices
ESG risk management
Supply chain responsibility
Absence of sanctions for regulatory, tax, or other irregularities etc.

Management body	Number of components	% female components	% Under 50 components
Shareholders' meeting *	5	60%	40%
BOARD OF DIRECTORS **	5	80%*	40%*
Board of Statutory Auditors	3	66%	33%
Supervisory body	2	100%	0%

* The two majority shareholders are both men and over 50.
** The Board of Directors is composed of 4 women (including 2 executive directors, one of whom is the Legal Representative, and 2 non-executive directors) and 1 man (executive director).

Number of governing body meetings held during the year:

	2025	2024	2023
Board of Directors	7 ord.	5 ord.	5 ord.
Shareholders' meeting	6 ord. + 1 ext.	6 ord. + 1 ext.	5 ord.

The analysis and monitoring of risks and opportunities are key elements of the corporate management system, as they enable the identification of events capable of generating impacts—whether negative or positive—on the organisation's activities. This process supports the definition of measures aimed at mitigating risks and leveraging the identified opportunities.

The risk level was determined through a combined assessment of the likelihood of an event occurring—including in relation to any failure to address material issues—and the severity of the resulting consequences for the organisation.

The following table summarises the main risks identified, the management and mitigation measures adopted, and the actions identified to realise and leverage opportunities.

Risk legend:

- High
- Medium
- Low

		Risks / *Opportunities*		Actions to address Risks and manage *Opportunities*
ENVIRONMENTAL — The company's impact on the ecosystem. Resource management, carbon emissions, waste management, and climate change adaptation.	E1.	Supplier non-compliance cases resulting from violations of laws or regulations	E1.	Continuous on-site monitoring of supplier production processes and implementation of a supplier initial assessment/re-qualification form incorporating information on environmental issues
ENVIRONMENTAL	E2.	Suboptimal knowledge of waste management practices	E2a.	Verification of potential non-compliance and identification of proper waste management and disposal practices
			E2b.	Maintenance of management and monitoring activities in compliance with the ISO 14001 standard implemented by the organisation
	E3.	Insufficient capacity for energy autonomy and/or use of alternative energies to fossil fuels	E3a.	Evaluation of the efficiency of the company's energy capacity
			E3b.	Monitoring of suppliers that guarantee the use of renewable energy
	E4.	Emissions management	E4.	Activation of partnerships on sustainability issues through the sharing of good practices
	E5.	Production distributed across multiple facilities, involving complex processes and significant impacts from energy costs and road transport emissions	E5a.	Constant monitoring of production processes
			E5b.	Improvement of scheduling and internal logistics
	E6.	Use of aluminium, an energy-intensive material	E6a.	Increased use of recycled and/or alternative materials
			E6b.	Search for certified partners
	OE7.	Awareness of the rules and resources the company utilises	OE7.	Communication regarding Favero's sustainability approach (via social media, marketing, PR, etc.), directed at both internal audiences and external stakeholders
	OE8.	Establish a positive role within the social context and generate new business value	OE8.	Design new products based on principles such as durability, standardisation, modularity, and the use of sustainable materials
	OE9.	UNI EN ISO 14001 certification, an integral part of the corporate strategy	OE9a.	Leverage the certification in public tenders and stakeholder communications
			OE9b.	Set annual environmental KPIs (reduction of consumption, waste, and Scope 1-2-3 emissions)
	OE10.	Products are designed to be durable, reduce waste, and improve usability	OE10a.	Enhance modularity and ease of disassembly to reduce the need for replacements
			OE10b.	Communicate the environmental value of the products

		Risks / *Opportunities*		Actions to address Risks and manage *Opportunities*
SOCIAL Management of relationships with our stakeholders (employees, suppliers, customers, and communities); Human rights, labour standards; health and safety; diversity and inclusion.	SOCIAL - RELATIONAL	S1.	Deterioration of relations with suppliers	S1a. Implementation of collaboration activities with target suppliers
				S1b. Raised awareness on ESG topics
				S1c. Knowledge of the business model of key suppliers
		S2.	Loss of a strategic supplier that generates the total or partial block of production	S2. Identification of one or more alternative suppliers
		S3.	In the context of outsourcing, the adoption of selection criteria based exclusively on the lowest price quote	S3. Greater use of the supplier evaluation system to ensure a balance between the quality of the final product and its price, also taking into account delivery times, compliance with relevant standards, respect for health and safety in the workplace, the adoption of ESG criteria, etc.
		S4.	Deterioration of Customer relations	S4a. Constant assessment of relations with the main customers and introduction of any corrective actions;
				S4b. Ongoing management of commercial policy, on a one-to-one basis if necessary
				S4c. Sales network training and professional development
				S4d. Improved complaint management, especially for the international market, by more actively involving the local distributor
				S4e. Ongoing ethical and transparent behaviour in business relations with the customer
		S5.	Complex turnkey projects with heavy operational workloads	S5a. Standardise project management processes
				S5b. Strengthen dedicated teams during peak periods
				S5c. Improve order management control
		OS6.	Search for new suppliers aligned with the company values derived from the sustainable approach	OS6. Implementation of the supplier validation procedure
		OS7.	Greater dissemination of the Code of Ethics and of the corporate anti-corruption policy	OS7. Sharing of company values and code of ethics with stakeholders
		OS8.	Improve the corporate reputation with respect to sustainability and corporate compliance issues	OS8a. Transparency and regulatory compliance policy
				OS8b. Maintain a consolidated sustainability reporting system and share it with priority stakeholders
				OS8c. Greater involvement and activation of employees on sensitive issues
				OS8d. Increase social inclusion projects in the area
	HUMAN	U1.	Non-compliance with occupational health and safety regulations; deficiencies regarding working conditions and social protection	U1. Monitoring of the working environment and compliance with health and safety regulations in the workplace. Employer branding (development of a shared employee wellness plan, generational know-how)
		U2.	Lack of widespread employee engagement and satisfaction across all company departments	U2. Improve participation and the sharing of goals and solutions
		U3.	Unshared roles, tasks and workloads	U3. Job description analysis for better resource allocation
		U4.	People's resistance to change	U4. Extension of participative and inclusive leadership to all company departments and levels
		U5.	Professional updating of employees not suited to the development of the market	U5. Implementation of the annual training plan, driven primarily by input from employees
		U6.	Loss of intellectual and human resources and challenges of generational transition	U6. Coaching and training of new resources. Coaching and mentoring
		U7.	Difficulty in recruiting employees (especially in production and technical areas)	U7. Improve employer branding, including through attention to sustainability, corporate welfare, and work-life balance
		OU8.	Interest in and adherence to new corporate sustainability practices, understood in its broadest, economic, social and environmental sense	OU8. Employee involvement
		OU9.	Rich corporate know-how (given by experience), values and corporate culture	OU9. Transfer of knowledge, through on-the-job training and coaching
		OU10.	UNI PdR 125 Certification (gender equality)	OU10a. Leverage the certification in public tenders and stakeholder communications
				OU10b. Communicate activities and actions that foster gender equality and inclusion.

Reporting on the 2025 Social objectives plan

		Material topic	2025 Goal	Action taken	Outcome	Notes
SOCIAL	SOCIAL - RELATIONAL	CUSTOMER INFORMATION / CUSTOMER MANAGEMENT	Completion and adoption of the customer management system.	Periodic updating of content and information sheets. Full implementation of the CRM system by the Foreign Sales Department.	✖	This objective was suspended because, while CRM adoption proved effective for managing foreign clients, the Italian market—largely driven by public tenders—requires the use of specialised tools already in place within the company.
			Complete English translation of technical documentation intended for external recipients. Greater accuracy of information provided to customers and distributors.	Monitoring, updating, and making technical documentation available.	✓	
			Further increase Stakeholder engagement, especially among employees, towards our sustainability principles	Employee engagement by sharing the sustainability report.	✓	
		QUALITY OF THE SOLUTIONS PROVIDED	Monitor customer complaints / satisfaction	Tracking complaint and issue trends (root cause analysis, defining actions, verifying effectiveness via a dedicated form. Assessing customer satisfaction using specific indicators and KPIs.	≈	
			Better application of the outbound product control procedure	Monitoring, updating, and making available outbound product control documentation	✓	
		SUPPLIER EVALUATION	Complete the integration of supplier evaluation systems with ESG criteria	Distribution of supplier qualification questionnaire via Microsoft Forms.	✓	
	HUMAN	PROFESSIONAL GROWTH AND TRAINING	Foster the impact of generational turnover through intergenerational mentoring and coaching	Integrate younger and senior staff into the same workgroup	≈	
			External coaching (psychologist) to foster internal communication and collaboration and improve conflict management.	Evaluation of various solutions, though no model fully meeting the company's organisational needs was identified.	✖	The objective was abandoned as insights gained during the analysis led to refocusing the initiative on a more accessible and inclusive corporate welfare program.
		GENDER EQUALITY AND INCLUSION	Implement actions to foster and promote gender equality and inclusion (UNI PdR 125:2022)	Training and awareness-raising on gender equality and inclusion.	≈	
		EMPLOYEE ENGAGEMENT AND SATISFACTION, EMPLOYER BRANDING	Analyse the feasibility of introducing an incentive plan for employees, including those linked to sustainability objectives in line with the company's ESG strategy	Designing the rewards and incentive plan. Potential launch of a pilot phase.	≈	
			Improve the Corporate communication via information notes regarding, for example, the policies and management systems adopted by the organisation.	Implementation and dissemination of corporate communications via the Teams application and posting on the company notice board.	✓	

EMPLOYEE ENGAGEMENT AND SATISFACTION, EMPLOYER BRANDING

The company places special emphasis on creating a positive work environment that fosters engagement, organisational well-being, and the development of skills.

The effectiveness of the policies adopted is monitored using indicators related to workforce stability and employee well-being. In 2025, the overall turnover rate stood at 14.3%—an improvement over the 18.3% recorded in 2024. This result stems from both a reduction in departures and the stabilisation of the workforce following significant growth in recent years, demonstrating a strong ability to retain company talent.

The year was marked by the continuation of an organisational development process designed to support increased production volumes and the onboarding of new personnel, highlighting the company's commitment to investing in skill expansion and generational renewal.

KPI
Corporate welfare initiatives for all personnel
Collaborations with schools, Higher Technical Institutes, and universities

Turnover rate	2025	2024	2023
Outgoing Turnover	4.8%	6.7%	7.6%
Incoming Turnover	9.5%	11.7%	7.6%
Overall Turnover	14.3%	18.3%	15.5%

The turnover calculation employed in previous financial years was used, and not the one indicated by the VSME, as the calculation applied above is believed to be more complete since it takes into account the average number of active employees in the reference year, part-time workers, etc.

Overall retention rate 2025: 95%
(% of employees remaining with the company compared to the previous year)

New hire retention rate: 100%
(% of employees hired in 2024 remaining with the company – as at 31/12/2025)

Sick leave	2025	2024	2023
Hours worked	105,794.00	98,222.00	96,840.75
Ordinary sick leave hours	3,646.75	2,363.00	2,814.00
Sick leave hours due to injury or occupational disease	0	0	0
Sick leave	3.4%	2.4%	2.9%

Legend:
✓ achieved
≈ in progress
✖ not achieved

		Risks / *Opportunities*		Actions to address Risks and manage *Opportunities*
GOVERNANCE – Ethics and effectiveness of corporate management; Transparency; Cybersecurity and data protection; ESG policy.	GOVERNANCE	G1.	Corporate organisation struggles to embrace ESG policies	G1. Improve communication and awareness, implement training programs, especially internal ones
		G2.	Insufficient budget for implementing ESG policies	G2. More careful prioritisation.
		G3.	Updating the business model following the application of procedures.	G3. Training and learning support to facilitate the proper adoption of new procedures and reduce operational impact.
		G4.	Inactivity of control and management bodies	G4. Assess the skills of control bodies. Gradually introduce external individuals into management bodies
		OG5.	Alignment with market trends	OG5. Implement an ESG strategy
		OG6.	Improvement of the company organisation	OG6. Organisational assessment and review of delegations and responsibilities
		OG7.	Keeping ESG performance under control	OG7. Implement information systems for ESG indicators with a view to their constant monitoring
		OG8.	Improvement of internal sentiment	OG8. Greater employee involvement in understanding the potential impact of ESG policies
		OG9.	Enhancement of corporate reputation and attractiveness	OG9. Enhance the effectiveness and continuity of company communication, also through new information tools
		OG10.	Advanced governance featuring a code of ethics, a Model 231, an anti-corruption certification, and an AGCM rating.	OG10a. Highlight this asset in calls for tenders and ESG reports
				OG10b. Periodic anti-corruption training
	FINANCIAL	F1.	Deterioration of revenue and profitability, influenced by investment policies in the healthcare sector and further aggravated by the international situation	F1a. Constant assessment for control and management of tenders
				F1b. Increase the search for new customers and/or partners, particularly abroad
				F1c. Continuously monitor the response to market needs, in line with current regulations
				F1d. Expand the use of secure payment systems (e.g. letters of credit)
		F2.	Sales imbalance between the Italian and the international markets	F2a. More effective commercial management of the international department
				F2b. Increase and train technicians (internal/external) capable of handling installations abroad
				F2c. Explore new markets and foreign targets
		F3.	In the context of procurement procedures, the non-recognition of the quality of the offer in the face of higher prices of some products with respect to the market average	F3a. Improve focus on the quality of the product and of the production processes and compliance with regulations
				F3b. Research new materials
				F3c. Cost reduction through the simplification of product mechanical solutions and an improved procurement policy
		F4.	Extensive exposure to complex administrative processes involved in participating in tenders	F4a. Strengthen internal expertise in ESG & Compliance and the Public Procurement Code
				F4b. Automate pre-tender checks and checklists, including through the introduction of AI
		OF5.	Ability to access funding. Solid financial position	OF5. Resort to new investments for new product development, marketing activities, and process improvement

		Risks / *Opportunities*		Actions to address Risks and manage *Opportunities*	
GOVERNANCE Ethics and effectiveness of corporate management; Transparency; Cybersecurity and data protection; ESG policy.	PRODUCTIVE	P1.	Potential deficiency of internal processes, technological systems, supply chain control	P1a.	Implement design and engineering procedures for current and new products
				P1b.	Identification of new materials and alternative suppliers
				P1c.	Implement and update management systems
				P1d.	Implement IT support for commercial procedures (BIM and internal bid management system)
				P1e.	Development of an automated computer system for compiling bills of materials
		P2.	Progressive increase in the volume of semi-finished and finished inbound products	P2.	Implementation of quality control procedures on incoming goods
		P3.	Difficulty in procurement planning to handle order surges	P3.	Improved procurement planning
		P4.	Machine downtime due to lack of material or dedicated operators	P4.	Improved procurement planning, revision of certain supply contracts and specialised training for extra operators
		P5.	Organisation of production (coordination)	P5.	Implement behaviour by individual departments aimed at achieving common objectives through synergy, cooperation, information flows and connection between roles at all levels of the production process
		P6.	Blockage or inefficiency of the company's information flow (e.g. loss of data, hacker attacks, etc.)	P6a.	Specialised external company support (updating company SW, data backup of antivirus protection systems)
				P6b.	Periodic monitoring of system vulnerabilities by the insurance company
				P6c.	Specific training
		OP7.	Know-how in the research and production of innovative process and product solutions	OP7	Constant check and update of production layout and machinery
	INTELLECTUAL	I1.	Lack of alignment with evolving international regulations	I1.	Update and check European regulations, cost-benefit analysis of non-EU regulations
		I2.	Partial alignment of the company organisation with the business model	I2.	Assessment (specific analysis) of company functions and adjustment of job descriptions
		I3.	Centralisation of know-how in department managers.	I3a.	Improve information sharing and increase participation at all levels of the business
				I3b.	Strengthening of the mentoring and coaching phases
		I4.	Lack of delegation (and responsibility)	I4a.	Revision of the internal job description based on the tasks and responsibilities of each office
				I4b.	Explicitly identify the person responsible for each company area/office
		OI5.	Drafting the Sustainability Report	OI5.	Disseminate the Sustainability Report to increase Stakeholder engagement and potentially enhance reputation
		OI6.	Growing interest in product and material circularity and environmental sustainability	OI6.	Implement new circular management systems, education and practical knowledge of new materials.

Cultivating inclusion and social value

For several years, Favero Health Projects has supported the **Sonda Cooperative and the Cà Leido project**, a key local organisation dedicated **to fostering inclusion, personal growth, and independence for children, young people, and adults with autism and other intellectual disabilities.**

la Fattoria di Sonda
Natura, crescita e impegno sociale

In particular, the company supports the activities of the Fattoria di Sonda, a place where individuals can develop their skills through work, contact with nature, and active participation in community life. Here, seasonal vegetable gardens are cultivated, and **educational and social initiatives are developed** to promote the inclusion and well-being of all participants.

Favero Health Projects' support goes beyond financial contributions; it also involves a collaboration with the Fattoria di Sonda and the "Orto in Cassetta" (Vegetable Box) project. Each week, the young people involved in the farm's activities visit the company to deliver vegetables grown in their gardens to employees participating in the initiative. This activity represents a significant opportunity for inclusion, skills development, and engagement between the business and the local area, fostering authentic relationships and generating a positive impact on the local community.







Hires during the year

Hires	2025	2024	2023
Total	17	10	11
OF WHICH:			
Direct	6	7	5
Temporary	11	3	6
Women	2	2	2
Under 35	10	6	7
With non-Italian citizenship	8	1	2

Female-to-male average pay ratio (2025)
Only comparable classification categories are shown – Applicable contract: National Collective Bargaining Agreement for the Metalworking and Industrial Sector.

Classification	No. of men	No. of women	Ratio*
C2 EMP.	2	5	-3.52%
C3 EMP.	8	12	-17.27%
D2 EMP.	2	4	-0.59%

* The pay gap between men and women is partly due to the prevalence of part-time contracts among female staff (3 at level C2, 6 at level C3, and 1 at level D2)—resulting in inevitably lower wages—whereas only one part-time contract exists among male staff (level C3).

Reports of workplace harassment, violence, or assault (procedures in accordance with the UNI PdR 125 standard)

	2025	2024	2023
Total	0	0	n.d.



Material and capital issues in the ESG field

2025 indicators and 2026 objectives

EQUAL OPPORTUNITIES AND INCLUSION

Valuing people and respecting equal opportunity principles are fundamental elements of the corporate culture, further reinforced by certification under the UNI PdR 125:2022 standard.
In 2025, the company's workforce grew to 66 employees, maintaining a significant female presence—approximately 35% of the total workforce. Women are particularly well-represented in part-time roles, demonstrating the organisation's ability to offer employment arrangements that support work-life balance.
Favero Health Projects also continues to invest in generational renewal and the inclusion of diverse talent. Monitoring indicators related to workforce composition and pay gaps is essential for evaluating the effectiveness of policies regarding inclusion and equal opportunities. Available data highlight the need to continue strengthening gender equity by fostering a more balanced presence across organisational roles and progressively closing pay gaps that persist in certain professional categories.

KPI
UNI PdR 125:2022 Certification
Annual training on equality and inclusion for all personnel
Active whistleblowing channel and specific reporting channels for harassment, violence, or assault.

Employees

	TYPE	2025			2024			2023		
		Total	Woman	Man	Total	Woman	Man	Total	Woman	Man
Contract	Open-Ended	**66**	23	43	**59**	23	36	**61**	22	39
	Fixed-term	**0**	0	0	**4**	1	3	**0**	0	0
Working time	Full-time	**51**	11	40	**52**	12	40	**49**	12	37
	Part-time	**15**	12	3	**11**	10	1	**12**	10	2
Classification	Employees	**39**	23	16	**39**	24	15	**38**	22	16
	Workers	**27**	0	27	**24**	24	0	**23**	23	0
Education	Degree	**14**	8	6	**13**	9	4	**12**	9	3
	Diploma	**39**	15	24	**33**	15	18	**33**	13	20
	No diploma	**13**	0	13	**17**	0	17	**16**	0	16
Age	Under 35	**12**	3	9	**11**	3	8	**5**	1	4
	35-50	**20**	12	8	**22**	14	8	**24**	14	10
	Over 50	**34**	8	26	**30**	7	23	**32**	7	25
Seniority in the company	Less than 5 years	**23**	5	18	**19**	10	9	**18**	5	13
	Between 5 and 10 years	**8**	3	5	**6**	3	3	**2**	1	1
	More than 10 years	**35**	15	20	**38**	16	22	**41**	22	19

Material issues of human capital

PROFESSIONAL GROWTH AND TRAINING

Improving corporate performance—both financial and organisational—is closely linked to leveraging human capital, including through a continuous process of training and professional development.

Indeed, updating skills, consolidating know-how, and disseminating corporate culture and values are fundamental elements in sustaining the organisation's growth. For this reason, Favero Health Projects is committed to maintaining and, wherever possible, increasing training hours and promoting structured skill-development pathways tailored to specific professional roles, with the aim of fostering individual growth and enhancing contributions toward achieving corporate objectives.

KPI

	2025		2024		2023	
	Total hours	**Delta**	**Total hours**	**Delta**	**Total hours**	**Delta**
Hours of training (including mandatory ones):	944	37%	692	49%	462	15%
No. of course types conducted:	9 (Initial training - Specific refresher training – Environment - Anti-corruption – L. Decree no. 231/2001 – Gender equality - First aid - Safety – Sustainability)		9 (Initial training - Specific refreshers - Quality - Environment - Safety - Regulatory Refreshers - L. Decree 231/2001 - Sustainability - Gender equality)		6 (Specific refreshers - Environment - Safety - Regulatory Refreshers - L. Decree 231/2001 - Sustainability)	
Average individual training hours (based on total employees):	14.3		10.9		7.6	
Percentage of employees participating in periodic performance evaluation processes	100%		100%		100%	

	2025	Men	Women
Collaborators involved in training (% of total collaborators):	91%	86%	100%
Average actual individual training hours:	15.7	15.7	15.8
% of company figures involved in professional growth and/or promotion out of the total:	1.6	0%	4.3%

Introduction.

Reporting on key material topics is structured around a system of quantitative and qualitative Key Performance Indicators (KPIs), designed to provide a structured overview of how the impacts, risks, and opportunities associated with these areas are managed, overseen, and monitored.

Subsequent chapters describe and report on the key activities and initiatives implemented during the 2025 financial year, aimed at achieving the objectives set in previous reporting cycles.

The objectives identified for 2025—which have not yet been fully achieved—have been updated and revised as part of a continuous improvement process and supplemented with new targets for 2026; a summary is provided in the “2026 Objectives” table on page 60.



ENVIRONMENTAL

Material issues of environmental capital

RESPONSIBLE WASTE MANAGEMENT

Managing and correctly disposing waste is a consolidated practice, thanks to the rigorous application of separate waste collection in compliance with Article 184 of L. Decree 152/2006 and with the requirements of the UNI EN ISO 14001 standard adopted by our company. Favero manages the waste loading/unloading register and the transport form as required by current legislation and has been registered in the national register of environmental managers for the collection and transport of its own non-hazardous waste since 01/06/2012.

KPI

Waste generation trends across the various production and administrative sites over the 2023–2024-2025 three-year period (expressed in kg).

Description	2025	2024	2023
Production plant and offices *Via Schiavonesca Priula, 18-20-23*	94,010	109,600	75,340
Carpentry *Via Bacchieghe, 71*	85,000	61,780	59,080
Warehouse *Via Ferraris, 9*	65,000	34,800	42,660
Total hazardous waste generated across all sites	600	466	405
Total radioactive waste	0	0	0
Total	**244,610**	**206,646**	**177,485**
Overall recovery rate: production plant and offices (%)	99.4	99.6	99.5
Recovery rate: carpentry workshop and warehouse (%)	100	100	100
Average recovery rate (%)	**99.7**	**99.8**	**99.75**



SUPPLIER EVALUATION

Favero Health Projects analyses its supply chain performance using quantitative indicators regarding supplier quality, reliability, and compliance, complemented by qualitative assessments of the level of collaboration and integration within the supply chain.

Supply chain relationships are fundamental to the Company for ensuring operational continuity, the quality of solutions provided, and the creation of shared value throughout the entire value chain. Furthermore, Favero Health Projects fosters long-term relationships with strategic partners, promoting a collaborative model focused on continuous improvement, knowledge sharing, and innovation.

KPI

	2025	2024	2023
Periodic monitoring: % percentage of suppliers reappointed out of those monitored (annual performance evaluation)	99%	99%	96%
Number of suppliers/consultants/partners subject to anti-corruption due diligence	72	n.r.	n.r.
Man-hours dedicated to quality control	Unchanged	Unchanged	Unchanged
No. of Non-conformities caused by suppliers	1	3	10



QUALITY OF THE SOLUTIONS PROVIDED

The quality of the solutions offered is assessed using quantitative performance and reliability indicators, complemented by qualitative evaluations regarding the company's approach to processes and project planning, its customisation capabilities, and the integration of safety and sustainability requirements.

The increase in reports concerning transit damage and missing materials is primarily attributable to the growth in production volumes and the number of shipments made in 2025. The company handled all reports with a customer-oriented approach, implementing timely solutions for the customer and strengthening awareness-raising and monitoring activities with carriers and logistics partners, with a view to continuous improvement and service quality.

KPI
Alignment with ISO 13485 requirements
Adoption of a human-centred design approach
Ability to adapt solutions to customer needs

	2025	2024	2023
No. of formal customer complaints/disputes	0	0	0
No. of internal production non-conformities	2	1	0
No. of customer reports (damaged, missing, or incorrect material, etc.)	104	63	72
Cost of resolving reports as a percentage of turnover (%)	0.029%	0.012%	0.027%
Customer satisfaction level (%)	83%	90%	93%
Number of warranty service interventions on medical devices	38	42	37

CONSUMPTION

In **2025, total energy consumption** shows a **3.8% reduction compared to 2024** and reflects an energy mix characterised by a significant contribution of electricity from renewable sources—a key element in the Company's decarbonisation journey.
Water consumption trends, influenced by operational factors and extraordinary events that occurred in 2024, confirm the need for constant monitoring and for targeted measures to reduce inefficiencies and consumption.
Water consumption in 2025 shows an increase compared to 2024, despite the resolution of a leak detected that year - 2024, partly due to an increase in staff at certain operational sites; however, levels remain consistent with those of 2023.
Finally, a reduction in chemical usage compared to previous years is noted, signalling the progressive optimisation of the production processes and a focus on minimising environmental impact.

KPI
Energy consumption in MWh - 2025

	Renewable	Non-renewable	Total
Electricity (purchased + self-generated via photovoltaic)	432	0	432
MWh Natural gas -building heating	0	461	461
MWh Diesel (company fleet) (0.00059 MWh/km average value for diesel vehicles)	0	118	118
Total MWh	432	579	**1,011**

Total water consumption in litres *(firefighting, sanitary facilities, irrigation of associated green areas)*

	2025	2024	2023
Facility water	178,200	139,085	162,000
Office water	279,000	181,095	284,000
Carpentry workshop water	31,000	*440,990	50,670
Warehouse water	**31,200	10,056	55,440
Total	488,200	330,236	**552,110**

* The value recorded in 2024 was due to a leak that was detected, repaired, and reimbursed by the utility provider - ATS.

** The increase in personnel compared to previous years (from 1 to 4 people) resulted in a corresponding increase in water consumption in the warehouse.

Chemicals used in production processes in lt

	2025	2024	2023
Chemicals used	177.5	254.73	225.7

Electricity from renewable sources for a sustainable future

In **2023, Favero Health Projects launched a major project to generate its own renewable energy** by installing photovoltaic systems at its three main buildings and production units, aiming to reduce energy dependency and increase the use of sustainable energy. This initiative was also undertaken in response to the significant instability in energy markets resulting from the crisis linked to the conflict in Ukraine.

The installed systems are configured as follows:
- **Offices**: **48 kW** installed capacity, with 122 photovoltaic modules;
- **Carpentry workshop**: **77 kW** installed capacity, with 198 photovoltaic modules;
- **Production plant**: **88 kW** installed capacity, with 288 photovoltaic modules.

The systems installed at the offices and the carpentry workshop became operational in 2023, immediately contributing to meeting the company's energy needs. Meanwhile, the system at the production plant is currently awaiting the completion of regulatory upgrades to the electrical substation, which are necessary for the system to become operational.

By 2025, the energy self-generated by the active photovoltaic systems accounted for 32% of the total energy consumed across all production units.

Through this project, Favero Health Projects strengthens its path toward decarbonisation and the energy transition, reaffirming its commitment to renewable energy, resource efficiency, and environmental protection.



SOCIAL

Material issues of social-relational capital

CUSTOMER INFORMATION

The Company monitors the quality and transparency of information to customers using indicators concerning the completeness, accessibility, and timeliness of the technical documentation and of communications.
Particular attention is paid to the clarity of safety information and to the progressive integration of environmental content, in line with evolving regulatory requirements and stakeholder expectations.

KPI
Drafting and dissemination of the Sustainability Report
Constant updating of the website and corporate social media channels, and periodic distribution of newsletters
Reports provided during tenders
Continuous updating of documentation based on technical or regulatory changes
Existence of formalised document management processes

	2025	2024	2023
Number of Customers Handled	444 *	500	530
of which No. of new customers	68	70	85
No. of offers produced	3044 **	3403	3396
% of technical documentation available in English of the total	100%	100%	100%
% of products accompanied by complete technical documentation of the total	100%	100%	100%
% of products with up-to-date manuals/instructions of the total	100%	100%	100%
% of products with environmental information (materials, disposal, recyclability) of the total	90%	90%	90%

*The reduction in the number of customers served is linked to the management of customers who joined framework agreements, particularly regarding the alignment of supplies with PNRR plans.

** The reduction in the number of offers generated is linked to participation in regional framework agreements—featuring pre-defined products and pricing—which do not require the customer to request a quote or initiate a tender process.



Reporting on the 2025 Environmental objectives plan

	Material topic	2025 Goal	Action taken	Out-come	Notes
ENVIRONMENTAL	RESPONSIBLE WASTE MANAGEMENT	Reduction of non-recy-clable waste.	Update to waste disposal and handling instructions	≈	
			Implementation of monitoring and awareness-raising regarding proper waste management.	≈	
			Use of packaging designed to be collected separately and sorted for recycling.	≈	
	CONSUMPTION	Completion of LED lamp replacement	Replacement of traditional lamps with LED lighting	≈	
	EMISSIONS	Launch of a project to monitor emissions (GHG) of major suppliers	n.d.	✗	The objective has been suspended because the company's supply chain comprises numerous suppliers—predominantly small-scale—for which no reliable, structured GHG emissions data are available. The company will consider a phased approach focused on strategic suppliers in the future.
	CIRCULAR ECONOMY	Application of circular economy principles to the medical devices and related accessories sector	Design/update Devices designed to be disassembled in order to separate components (electronics, plastic, metal).	✓	
			Use of recycled/reused materials	≈	
			Use of renewable materials	≈	
			Design of repairable/modular products	✓	
			Use of eco-friendly and recyclable components	✓	
			Products with recycled content	≈	
	PRODUCT SAFETY	Complete elimination of the chrome finish.	Research into alternatives to chrome plating.	✗	This objective has been put on hold because the alternative technologies analysed do not yet ensure a performance equivalent to chrome plating in terms of technical specifications, quality, and durability. The company will continue to monitor the evolution of available solutions to assess future opportunities for replacement.
		Ensure that product safety checks and tests are performed at accredited laboratories in compliance with mandatory regulations.	Carry out product safety checks and tests exclusively at accredited laboratories in compliance with mandatory regulations.	≈	

Legend:
✓ achieved
≈ in progress
✗ not achieved

EMISSIONS

In 2025, total emissions stand at 190 tCO_2 (location-based) and 122 tCO_2 (market-based), highlighting the pivotal role of sourcing electricity from certified renewable sources for limiting the carbon footprint. However, a significant emissions component linked to fossil fuel sources (Scope 1) remains—particularly regarding heating and the corporate fleet—representing the primary areas for improvement.

KPI
Trend of Scope 1 and Scope 2 tCO2e emissions in 2025

		Location-based	Market-based
SCOPE 1	kg CO_2 from methane (heating use)	**86,310**	**86,310**
	kg CO_2 from diesel (company fleet)	**35,719**	**35,719**
SCOPE 2	kgCO_2 from purchased energy (100% renewable sources certified by Guarantees of Origin)	68,657	0
	kg CO_2 from energy self-generated by the three photovoltaic systems (factory, offices, and carpentry workshop)	0	0
	Total kgCO_2	**190,687**	**122,029**
	Total tCO_2	**190**	**122**

Greenhouse gas intensity (tCO_2) relative to turnover (€) in 2025:

LB Intensity (kgCO2/€)	0.010191166
MB Intensity (kgCO2/€)	0.006521793

Leakage from equipment containing refrigerant gases at the company in 2025: 0

CIRCULAR ECONOMY

The 2023–2025 period shows a progressive improvement in the material circularity indicators, with an increase in both the share of secondary raw materials (from 8% to 15%) and the proportion of recycled/reused and renewable materials.
This trend is also reflected in the **composite Material Circularity Indicator (MCI), which rose from 0.55 to 0.65**, confirming a strengthening of the circular approach throughout the production cycle.
Furthermore, Favero maintains high standards of sustainable design, with 100% of products designed for disassembly, repairability, and modularity, and an average lifespan of 10 years.
Overall, the data confirm a **structured path toward circular economy models**, aimed at improving resource efficiency and progressively reducing the use of virgin raw materials.

KPI
Recycled, renewable, and secondary raw materials as a percentage of total input (%) and Material Circularity Indicator

	2025	2024	2023
% Secondary raw materials as a share of total input	15%	12%	8%
% Recycled/reused materials as a share of total input	15%	12%	8%
% Renewable materials	42%	38%	32%
Material Circularity Indicator (MCI) (composite material circularity indicator)	0.65	0.6	0.55

Product circularity (%)

	2025	2024	2023
% products designed for disassembly	100%	100%	100%
% repairable / modular products	100%	100%	100%
Average product lifespan (years)	10	10	10

Purchased materials

	2025	2024	2023
kg packaging	28,100	29,653	72,138
kg semi-finished metal products	5,200 *	4,344	2,627
kg semi-finished wood products	523,635 *	291,299	156,520

* The significant increase in purchased wood and metal material is due to increased production.

PRODUCT SAFETY

Product safety indicators show a consistently high level of control and reliability over the three-year period, aligning with maintaining the UNI EN ISO 13485 certification. The absence of safety-related complaints, recalls, or risk reports confirms the effectiveness of the quality management system and of the preventive measures throughout the product lifecycle.
Improvements have also been noted in document and technical management, with a significant increase in updated manuals and instructions supporting the safe use of the devices. At the same time, the reduction in malfunction reports compared to 2024 and maintaining the rapid response times (24 hours) demonstrate the Company's ability to monitor and promptly address any critical issues.
Overall, the data confirm a structured, proactive approach to product safety, focused on risk prevention, design quality, and continuous performance improvement.

KPI
UNI EN ISO 13485 certification since 2007
Product safety indicators

	2025	2024	2023
No. of safety-related customer complaints	0	0	0
No. of returns due to critical defects	0	0	0
% of products tested at end-of-line prior to shipment/delivery	100%	100%	100%
No. of malfunction reports	36	42	37
No. of product recalls	0	0	0
No. of risk reports from customers/ operators	0	0	0
Average time to handle/respond to reports	24h	24h	24h
No. of updated manuals/instructions	16	4	2
% of products accompanied by safety guidelines	100%	100%	100%
% of preventive technical service interventions performed out of the total scheduled/contractually required	100%	100%	100%
No. of product components treated with chrome finish	3208*	411	981
Specific tests (performed in accredited laboratories to ensure the quality, safety, and regulatory compliance of new products before they are placed on the market)	8	7	8
No. of incidents/near misses involving Favero medical devices (EU Regulation 2017/745 on Medical Devices - MDR)	1	0	1

* The increase is partly due to production growth and to the fact that alternative "eco-friendly" finishes on certain mechanical parts in contact areas do not guarantee the same level of performance as chrome plating.

Characteristics of components and materials for new products

	2025	2024	2023
% eco-friendly and recyclable components	80%	80%	84%
% non-recyclable (WEEE)	20%	20%	16%
% products with recycled content	18%	12%	10%
waste intensity (kg / turnover or per product unit)	0.013	0.014	0.013

Favero Health Projects

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Favero Health Projects S.p.A.

Via Schiavonesca Priula, 20
31044 Montebelluna
Treviso - Italy
Tel. +39 0423 6125
Fax +39 0423 612680
info@favero.it

Certified company
UNI EN ISO 9001
UNI EN ISO 13485
UNI EN ISO 14001
UNI PDR 125
UNI EN ISO 45001
UNI EN ISO 37001