



PASSION AND RESPONSIBILITY

Summary of the Sustainability Report 2020

Stakeholder map

Below are the stakeholders with which Alfasigma interacts.

ALFASIGMA 



Employees



Patients and caregivers



Doctors



Pharmacists



Community



Institutions, NGOs
and Public Administration



Suppliers and distributors



Research Centres
and Universities



Regulatory bodies



Other stakeholders

This publication provides a summary of the **second voluntary Sustainability Report**, with which Alfasigma intends to consolidate its strategy.

As in 2019, **internal stakeholders** were involved in defining the material topics in the document, with the addition this year of an initial testimony requested from some of the **external stakeholders** (one of the patient associations with which the company works).

The approach adopted by Alfasigma with the first Report of 2019 resulted in the company receiving two important national awards. Alfasigma has been listed in the **Future Respect Index 2020** (around 40 companies selected by a group of 250 consumers from 210 sustainability reports, identified by a team of experts from ConsumerLab's database of more than one thousand reports). Alfasigma also ranked among the 150 "**sustainability leaders in Italy**", chosen by the financial newspaper *Il Sole 24 Ore* together with Statista, an independent statistics institute.

2020 in figures

Passion and responsibility

Production



55

Products



9

Therapeutic areas



1.3 billion

Items

Ecological transition



83%

Share of waste
destined to material



Construction
of a new
trigeneration plant



Minimal
environmental
impacts

Human capital



1,419

People employed



0

Serious accidents
at work



100%

Pay for maternity leave

Corporate citizenship



626,511,679

euros: the economic
value distributed



1,741,989

euros in investments
for the community



172,000

euros in support of
associations

Research and development



133

Resources employed



1.452 mln

euros in partnerships
with universities and
research centres



80

Patent applications



LABIO 4.0

Development of a new
research centre

Response to COVID-19



**2.3 million
euros**

Health and safety of workers

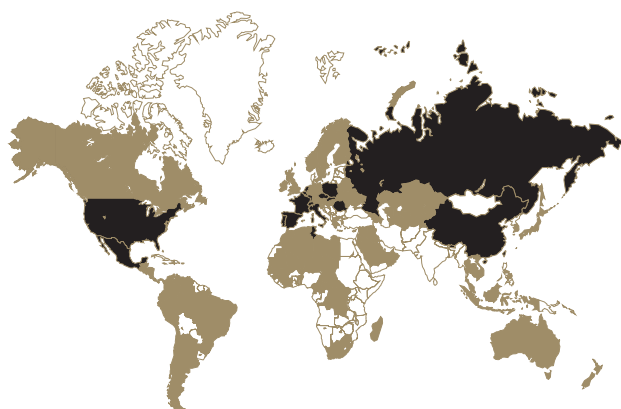
Adaptation of safety measures
Remote working support
Periodic screening

Community

Universities and research centres
Non-profit associations
Cultural associations

Alfasigma is one of the top five players in the pharmaceutical industry in Italy, recording a turnover of **800.4 million euros in 2020**. The company is more than 75% owned by the Golinelli family.

The Alfasigma group around the world



● Subsidiaries ● Distributors

70 Distributors

17 Subsidiaries

Belgium, China, France, India, Italy, Mexico, the Netherlands, Poland, Portugal, Czech Republic, Slovak Republic, Romania, Russia, Spain, Switzerland, Tunisia, USA.

Mission and values



Integrity



Tenacity

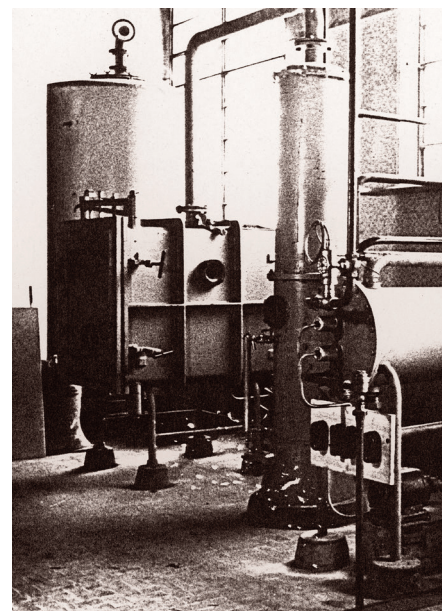


Passion

Our history

Alfasigma has played a leading role in the history of the pharmaceutical industry since **1948**. The year of establishment, 1948, coincided with a crucial moment in contemporary history: the adoption of the “**Universal Declaration of Human Rights**”. That same year, **Marino Golinelli founded Biochimici Alfa** in Bologna, which went on to become Alfa Wassermann. The company began to grow, thanks to a solid development strategy and rigorous acquisition plan. This growth culminated in the merger with the Sigma-Tau group in 2015, which led to the establishment of Alfasigma.

2020 will be remembered by us all as the year of COVID-19: Alfasigma closed its administrative offices in March for the lockdown, while the production plants and R&D centres continued their work at the sites. We carried on with our work remotely for over two months, until 4 May with the start of phase two under the aegis of the **#RESTART** project.



Marino Golinelli turned 100 in October 2020



centomarinogolinelli.it

Research and Development



+6% vs 2019
Human capital
in R&D



10.71% of total expenditure
Partnerships with
Universities and
Research Centres



80
Patents



Strategy

Pharma Specialty:
focusing on
gastrointestinal
health

Buying new drugs
from start-ups

Principles of
sustainability in
defining the strategy



Shared Value 2020

2.3 million euros
to tackle the COVID-19
emergency

1.7 million euros
investments in the community

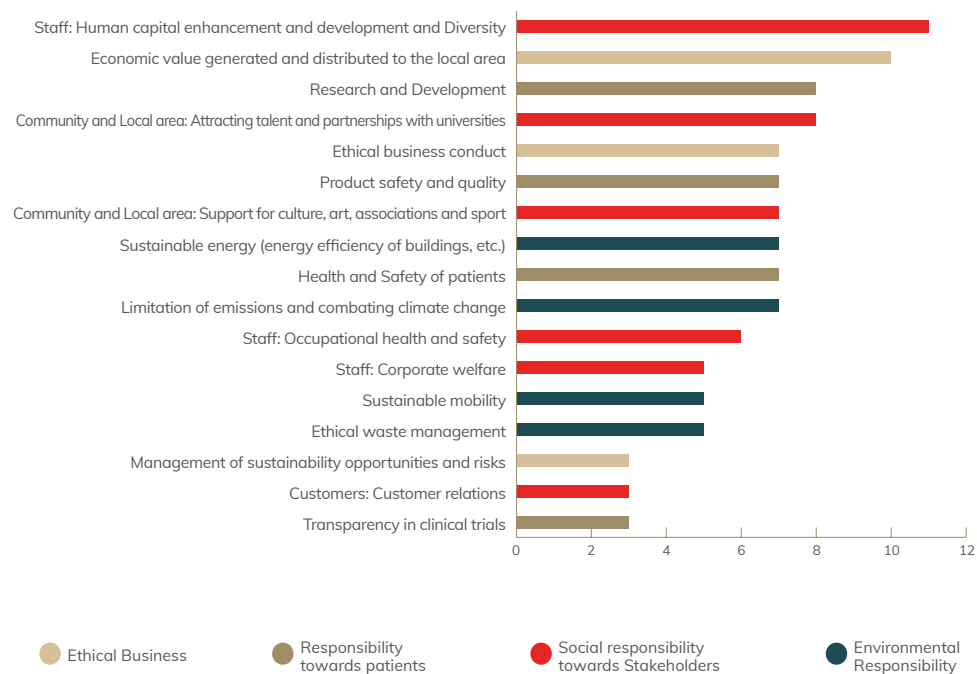
Events of 2020

- development of a new form of **rifaximin**, called EIR, for the treatment of people with rosacea;
- **new biotechnology project** aimed at generating a human antibody fragment against all the main variants of the **SARS-Cov-2** 'spike' protein;
- phase 1 of a **defensin-mimetic drug**;
- **brilacidin**, as a treatment by enema for ulcerative colitis;
- Contribution to **Novavido**, a start-up based on a patent of the Italian Institute of Technology to **improve vision** in people with retinitis pigmentosa;
- launch of a **digital transformation** process.

Material topics

Below are the relevant topics within the company that were identified during the most recent survey. **People, ethical business, the local area and patients** are priorities in 2020. **Research and Development** remains a top priority, confirming the company's DNA.

Environmental issues are **higher on the list of priorities** than in 2019, paving the way for improved performance. This confirms the approach that Alfasigma is taking in a united and conscious manner.



Correlation with the Sustainable Development Goals

In 2020, in line with what we did the previous year, we updated the internal analysis to assess the selected 2030 Agenda goals and the company's actions to support them. Six were identified:

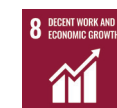
SDGs Events of 2020



2.3 million euros were earmarked for COVID-19-related initiatives to safeguard and ensure well-being within and outside of the company. The number of hours of **training for safety** at work were increased.



In-house training was provided, even under particular circumstances. Investment in external **collaboration** increased in 2020 for the dissemination of knowledge (**scientific societies** and **universities**). The **Golinelli Foundation** continued its actual training activities as well as its work as a start-up incubator (**G-factor**).



Leadership model, a pathway enabling employees to fulfil their roles by expanding their skill sets. The **#RESTART** project, which accompanied Phase 2 of the pandemic in the company.



Alfathon, the first full digital hackathon organised by Alfasigma, dedicated to innovation and pharmaceutical research. Remote support for maintenance and qualification of facilities using **Smart Glasses** and **Augmented Reality**. **Digital Innovation** process.



Improvement of energy efficiency of buildings. **83% of materials recovered**. Progress in the work on the **trigeneration plant** in **Alanno**.



Ongoing collaboration with **Patient Associations**.

People at the center



#NEVERGIVEUP

A campaign that started at grass-roots level in April 2020, prompted by the words used by Alfasigma's Chairman, Stefano Golinelli, in his letter to employees. A video in which the women and men of Alfasigma held up a sign with the hashtag #Nevergiveup, bearing witness to their tenacity.

#RESTART

Alfasigma developed an in-house campaign for its relaunch in May 2020, unequivocally named #RESTART. In addition to the precautionary measures at the company, a guide was devised for **safe working in the office and at home**.

A_MAB

During the lockdown, Alfasigma set up the **Alfasigma Millennial Advisory Board**: a listening and engagement project for employees that caters for the youngest members of the company's workforce (those born between 1981 and 1996). It aims to enrich the company with points of view that are different from those of Generation X and the Baby Boomers.

LEADERSHIP MODEL

The Leadership Model was formalised and introduced in the company in 2019. It consists of a set of standard behaviours that guide employees in making decisions, enabling them to fulfil their roles at the company. In 2020, employee workshops were inaugurated that will gradually involve everyone in all parts of the organisation.

Patients and health

The year 2020 left a great legacy: it enhanced awareness of the fact that **the patient must be placed at the heart** of the strategy of the entire healthcare sector, including the pharmaceutical sector. Patients' needs must be accommodated, especially when

those patients are very frail. In order to act responsibly, the **pharmaceutical company's collaboration with doctors, pharmacists and caregivers** must, therefore, be even more robust and structured.

“Bringing care to the patient's home”



The relationship with pharmacists

The key words are **advice, relationships and training**, all mixed together in an integrated approach that aims to offer training on Alfasigma products while

building skills that will help pharmacists rise to the challenges and cope with the changes under way in the healthcare market.

Suppliers and partners

Supply chain sustainability is essential in the pharmaceutical industry to manage the economic, social and environmental impacts throughout the entire life cycle of products. It shows

that the organisation is committed to quality in all aspects of the service, positioning the company as a vital partner in the healthcare supply chain.

Beauty at the service of the community

In 2020, despite the strange times experienced in particular by the world of culture and non-profit associations, Alfasigma donated a total of **172,000** euros. The company stood by the associations, which made all the difference: **the fact that it did not abandon them**, especially the small

neighbourhood ones, made it possible to get some mechanisms back on track that had inevitably been at risk of coming to an end due to the prevailing uncertainty during the lockdown and forced-stop phases for many cultural and social activities.



Listening, communication and engagement

Internal and external communication and engagement: despite the objectively unfavourable conditions associated with the spread of COVID-19, **2020 was a year of consolidation for the initiatives launched in 2019**, all of which were geared at structured listening both within and outside of the company.

Among the external events, the year kicked off with the **Alfasigma Contest**, a competition for young journalists on the theme of cirrhosis and hepatic

encephalopathy. The winner was awarded a work experience grant for an internship at the online newspaper Open. November saw the launch of **Alfathon**, Alfasigma's first full digital hackathon with three challenges, which attracted more than 300 entries and 40 projects with teams from 10 EU and non-EU countries.

Environment and ecological transition

The environmental dimension of Alfasigma's sustainability strategy symbolises the ongoing efforts to improve quality standards and contribute, therefore, to a fully-fledged ecological transition.

In 2020, while production remained stable, energy consumption increased, due to the start-up of new lines, and water consumption decreased. **83%** of materials in the production plants

were **recovered or recycled**. Data for all **environmental matrices** were found to be **below legal limits**.

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Editing: Amapola

Photographs: cover image by
Claudio N. Romagnoli; images
on pages 7, 8 and 15 from the
company archives.

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