

SUMMARY OF THE SUSTAINABILITY REPORT 2022





Letter to stakeholders

I am pleased to present to our stakeholders the fourth edition of our Sustainability Report: a commitment we take with increasing awareness and seriousness.

The sustainable actions of our Group over the years have developed from Corporate Social Responsibility - which is part of our DNA - to an evolved approach that embraces sustainability in its broadest sense. In 2022, our Board of Directors appointed board member Marina Golinelli to coordinate ESG (Environmental, Social & Governance) and HR (Human Resources) issues, to define the company's profile and commitment to these topics and to strengthen Alfasigma's corporate culture.

At the heart of our company history is Passion. The pay-off 'Pharmaceuticals with Passion' indicates that at Alfasigma, Passion is part of every action and product and in the impact these have on patients. Alongside are Integrity and Tenacity. We ask our managers, employees and collaborators to act in a transparent, respectful and honest manner, in accordance with the principles that guide Alfasigma's actions. Our business strategy is also linked to the principles of sustainability.

Consistently with the values of its founder Marino Golinelli, Alfasigma is a Group that constantly looks to the future, aware of the role that a company in the Healthcare sector plays within society, especially in a context characterised by the increasingly close relationship between environmental, animal and human health (One Health). This awareness is the foundation for our commitment to the UN 2030 Agenda's Sustainable Development Goals, which are represented on the cover of this Report and are fully reported in this document.

I hope you find it an interesting read!

Stefano Golinelli
Chair



Our identity

About 2,700
employees
worldwide

Presence
in more than
100 countries

Alfasigma is one of **ITALY'S** five main pharmaceuticals companies. In 2022, the parent company alone reported **REVENUES** of 977.1 million Euro, **AN INCREASE OF 15%** from 2021. At Group level, 2022 revenues were 1.2 billion Euro.

Alfasigma is controlled by Turytes SpA (formerly 'Marino Golinelli & C.'), which directly holds 84% of the share capital, while the remaining 16% is held by Enne Esse Ti SpA.

Mission and values

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Integrity
Tenacity
Passion

Company history

In **1948**, Marino Golinelli founded the Biochimici Alfa company, later Alfa Wassermann, in Bologna.

Alfasigma is the result of the merger of two historical companies, Alfa Wassermann and Sigma-Tau, and is now one of the top five Italian-owned pharmaceutical companies, with a strong vocation for growth and internationalisation.

Alfasigma has decided to embark on a growth program built on three guidelines: accelerate the internationalisation process, specialise in gastroenterology and strengthen the focus on innovation.

A decisive consolidation in the Italian market and an intensification of its position in gastroenterology came with the acquisition of **SO FAR** Spa in **OCTOBER 2022**.

In February **2022** Alfasigma's founder and Honorary Chair, **CAVALIERE MARINO GOLINELLI**, passed away.

The Group's growing international vocation is confirmed by the new subsidiary established in **SHANGHAI** in **JUNE**.

Sustainable value

Alfasigma's sustainability journey has always taken a progressive approach. Consistently with this approach, in 2022, the Board of Directors appointed director **MARINA GOLINELLI** to coordinate **ESG** (Environmental, Social & Governance) and **HR** (Human Resources) issues, to define the company's profile and commitment to these issues and to strengthen Alfasigma's corporate culture.

Engagement with stakeholders

For a company like Alfasigma, continuous and transparent engagement with its internal and external stakeholders – parties who in various ways are interested in and impacted by its activities – is an essential element of the corporate and communication strategy. To identify its stakeholders, Alfasigma conducted an internal analysis and an external context analysis, consulting internationally recognised sources, both with specific reference to the pharmaceuticals sector and with more general references to the global context. Alfasigma has identified **11 KEY STAKEHOLDER CATEGORIES**.

The materiality analysis

In keeping with its progressive approach to reporting, in 2022 Alfasigma decided to update its materiality analysis in accordance with the changes introduced by the latest edition of the GRI Standards.

Thirteen material topics were identified, and each of them was paired with an **SDG REFERENCE** – that means one of the Sustainable Development Goals set by the UN.

The UN 2030 Agenda is a global action plan approved in 2015, which addresses some of the most pressing challenges, including poverty, inequality, climate change and environmental degradation. At the core are the **17 SUSTAINABLE DEVELOPMENT GOALS** (SDGs), which serve as a reference framework for achieving a more sustainable future by 2030.

COMMUNITY



PARTNERS AND
SHAREHOLDERS



INSTITUTIONS,
NGOS AND PUBLIC
ADMINISTRATION



EMPLOYEES



SUPPLIERS AND
DISTRIBUTORS



PATIENTS AND
CAREGIVERS



RESEARCH
CENTRES AND
UNIVERSITIES



PHYSICIANS



REGULATORS



PHARMACISTS



MEDIA



ALFASIGMA TOWARDS 2030

For Alfasigma, the 2030 Agenda is important in several ways. First and foremost, the company contributes to people's health and well-being, which aligns with SDG 3: "Good health and well-being". It can play a crucial role in improving access to essential medicines and promoting health through research and development of new treatments.

In addition, Alfasigma can contribute to environmental sustainability (SDG 13: "Climate action") by reducing the environmental impact of its operations and developing greener products.

Ultimately, Alfasigma's commitment to Corporate Social Responsibility and the ESG principles (Environmental, Social and Governance) is aligned with the 2030 Agenda, demonstrating that the company is aware of today's global challenges and is taking action to address them in a sustainable and responsible manner.



3_Good Health and Well-Being

This is the goal on which Alfasigma can have the greatest impact by guaranteeing new and innovative products

ACCESS TO HEALTHCARE

In setting the price of pharmaceuticals, **ALFASIGMA CAN PROMOTE ACCESS TO MEDICINES** and, through actions and initiatives in collaboration with public authorities and the scientific community, it can **RAISE STAKEHOLDER AWARENESS** about **RARE DISEASES** by increasing the capacity of pharmaceuticals companies to promote research and development of orphan drugs. Alfasigma contributes to the creation of a culture conducive to **TRANSPARENT REPORTING OF CLINICAL RESULTS**, thereby aiding medical and scientific progress.

PRODUCT QUALITY AND SAFETY

Through a structured system of procedures and processes, Alfasigma **GUARANTEES THE QUALITY, SAFETY AND EFFICACY PARAMETERS** established by the reference standards. This generates economic, reputational and relational advantages.

Always attentive to the issue of **HUMAN RIGHTS**, in 2021 Alfasigma drew up the **TRADE COMPLIANCE PROGRAM** for all Group companies to ensure full alignment with regulations on Dual Use and the control of goods that may be used for capital punishment, torture or other inhumane treatment.

RESEARCH & DEVELOPMENT

Find new products that effectively and safely meet the **THERAPEUTIC NEEDS OF DOCTORS AND PATIENTS** or improve existing ones (*standard of care*): this commitment favours the extension and improvement of people's living conditions.

Acknowledgements

In the fourth edition of the **LIFE SCIENCE EXCELLENCE AWARDS** (LSEA), the most authoritative recognition for innovative projects and products of excellence in the medical-scientific world, Alfasigma stood out as one of the 2022 players of Excellence with 4 projects (Labio 4.0 Marino Golinelli, the expansion and dissemination of the company's leadership model, Sanitask and Ti specchio la Colon).

OCCUPATIONAL HEALTH AND SAFETY

Occupational health and safety are very important issues for the company particularly with regard to its two production plants (Pomezia and Alanno).

This commitment is demonstrated by the increased hours dedicated to safety training: **+73% VS 2021**.

**INVESTMENTS
IN R&D IN 2022:**

44.5 mln €

4.6% of revenues

Again in 2022

**there were no
serious incidents
or fatalities**



16_Promoting peaceful and inclusive societies

Alfasigma activities promote ethical behaviour

GOVERNANCE AND ETHICS

For a company like Alfasigma, which operates in the sensitive sector of pharmaceuticals, the focus on avoiding episodes of corruption, unethical tax practices and, in general, episodes that in some way jeopardise the integrity of the organisation is fundamental.

As a result, in the two-year period 2021-2022, there were no legal actions for anti-competitive behaviour, no critical issues were reported to the Board of Directors, and no breaches of environmental or socio-economic regulations were found.



5_Achieving gender equality and emancipating all women and girls

Promoting and achieving gender equality is a commitment for Alfasigma

GENDER EQUALITY

WOMEN EXECUTIVES:
31% (2022)

The company has always been committed to guaranteeing effective gender equality. Over the years, it has seen a **POSITIVE GROWTH TREND IN TOP POSITIONS**: the number of female senior executives and junior managers increased from 2021.

WOMEN MANAGERS:
47% (2022)

PROMOTING EMPLOYEE WELL-BEING AND WORK-LIFE BALANCE

Alfasigma is careful to ensure the well-being of its people, which has a positive impact on gender equality, by enabling employees to balance work and personal needs.

With regard to **MATERNITY LEAVE**, each employee is entitled to keep their company benefits throughout the period and, during the months of obligatory leave, the maternity allowance is supplemented by the company to **100% OF SALARY** instead of 80% as required by law.



8_Promoting decent work and economic growth

Alfasigma takes active steps for the socio-economic well-being of the territories in which it operates

SHARED VALUE

In 2022 Alfasigma Italia recorded **REVENUES OF 977.1 MILLION EURO**, an **IMPROVEMENT OF 15% OVER 2021**. Operating **INVESTMENTS** were resumed, notably in conference events and R&D consultancies, which had been limited during the pandemic in 2020 and gradually re-introduced in 2021. During the year, as mentioned earlier, the Group completed the acquisition of the Sofar Group with the aim of strengthening its presence and leadership position in Gastroenterology on the Italian market.

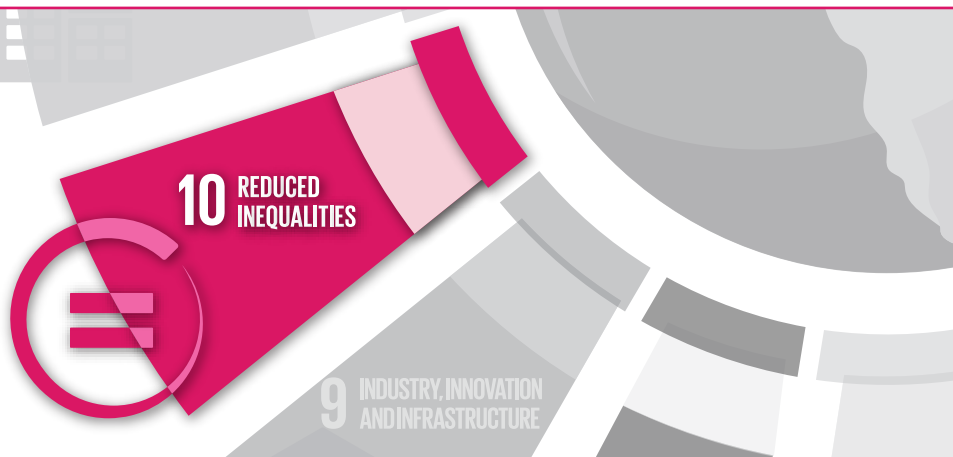
REVENUES 2022:
+15% vs 2021

VALUE FOR THE TERRITORY

Economic value generated and distributed reflects the ability of a company to generate wealth for the benefit of its stakeholders.

The company's commitment to local communities produces a positive effect, first and foremost for people. It has always been a keen supporter of cultural initiatives offering high social value; in 2022, initiatives to provide economic support for the community included **DONATIONS TO UNIVERSITIES AND RESEARCH CENTRES**, with a view to working together for a sustainable future.

**INVESTMENTS
IN THE COMMUNITY:**
1.7 mln €



10_Reducing inequalities

A company operating in the international health sector cares about reducing inequalities

CBM ITALY: TOGETHER SINCE 2009

Since 2009 Alfasigma has collaborated with **CBM ITALIA**, an international humanitarian organisation active in the prevention and treatment of blindness and avoidable disability and the inclusion of people with disabilities, in the South of the world and in Italy.

GOLINELLI FOUNDATION: YOUNG PEOPLE AT THE CENTRE

The Golinelli Foundation **WAS SET UP IN BOLOGNA IN 1988** by Marino Golinelli and organises activities for children and young people in four areas:

- arts and science;
- schools;
- enterprise;
- research and higher education.

GIULIA LAMARCA TOGETHER WITH YOVIS, A STORY OF UNIQUE STRENGTH

To support the values of inclusion, an interview was recorded with YOVIS brand ambassador and blogger Giulia Lamarca: in a few short minutes, she talks about her story and her journey, emphasising the importance of the uniqueness of each individual as an essential value of their strength. In her personal story, Giulia finds the strength to talk about her life and her travels on her social channels, becoming a source of inspiration and enhancement of what makes us different and unique.

ALFASIGMA MILLENNIAL ADVISORY BOARD: LISTENING TO THE YOUNGER GENERATIONS

In 2022, Alfasigma continued its Millennial Advisory Board (A_MAB), which was created during the lockdown. The A_MAB is an engagement project for the key internal stakeholder, the employee, and addresses the youngest segment of the corporate population. It is an in-house committee of employees born between 1981 and 1996, who are regularly consulted in order to integrate young talent into the company's strategies. The board is a tool for Alfasigma to enhance the importance of Diversity & Inclusion (D&I): corporate volunteering proposals and employer branding projects are being evaluated.



6_Ensuring the availability and sustainable management of water for everyone...

At a time when drought is affecting ever larger areas, responsible water management is an imperative for all organisations

WATER WITHDRAWAL, CONSUMPTION AND DISCHARGES

The quantities of water withdrawn and consumed by Alfasigma and inefficient management of discharges can lead to a reduction in water availability and an increased risk of pollutants leaking into groundwater, generating long-term impacts on ecosystems and communities and potential economic consequences.

CBM ITALY:
43 projects
11 countries
976,000 people
reached in 2022

GOLINELLI FOUNDATION:
14,000 sqm
+60,000 visitors
+1,000,000 hours
of training

– 20%
water consumption
in 2022 vs. 2021

Alfasigma's focus on this important resource brought a reduction in consumption in 2022 compared with 2021: use in production is limited and, where possible, closed-loop systems are employed.

In 2022, in order to improve water discharges, **INSTALLATION OF A TRIAL PLANT WAS PLANNED IN POMEZIA FOR THE TREATMENT OF WASTE GELATINE** from the new Softgel department.



12_Ensuring sustainable production and consumption models

In its direct relationship with consumers, a production company has a duty to pursue sustainable models in its business activities and in the value chain

WASTE MANAGEMENT

Alfasigma is aware that failure to adopt processes and mechanisms for correct circular waste management may lead to an increase in waste going to landfill, with negative consequences on the environment and human health as well as in economic and compliance terms.

In 2022, waste volumes increased by 24% as the result of a general rise in production, but, importantly, **THE PORTION OF WASTE SENT FOR RECOVERY** also **INCREASED**.

80% of waste sent
for recovery in 2022
(vs. 72% in 2021)

SUSTAINABLE VALUE CHAIN MANAGEMENT

In the pharmaceuticals industry, **SUPPLY CHAIN SUSTAINABILITY** is essential to manage economic, social and environmental impacts throughout the **PRODUCT LIFE CYCLE**. It also demonstrates the organisation's commitment to quality in every aspect of service, positioning it as a vital partner in the healthcare supply chain at the forefront of ensuring **HEALTH PROTECTION**.

For these reasons, the approach to supply risk management is scrupulous and involves several lists.

Indirect purchases

In 2023, the **SUPPLIER QUALIFICATION AND EVALUATION PROCEDURE FOR INDIRECT PURCHASES** is scheduled to become fully operational, to ensure an ethical and transparent model.

Direct purchases

In 2022, suppliers for the final product numbered 277, as follows:



SUSTAINABLE PACKAGING

Aware of the impact generated by its choice of raw materials for primary and secondary packaging, Alfasigma has embarked on a program to increase the ability to recycle and recover its end products. The choice of raw materials for primary and secondary packaging can influence the ability to recycle and recover end products.

DATA MANAGEMENT AND PROCESS DIGITALISATION

In 2022 Alfasigma continued the **DIGITALISATION** roll-out introduced in previous years in various sectors including Human Resources. The digital innovation process is led by the **ICT** team, which has completed two new Industry 4.0 projects: **"NETWORK EVOLUTION"** (enterprise side) and **"INDUSTRIAL NETWORK"** (production side). Digitalisation also helps **INCREASE PRODUCT SAFETY** and has a positive effect on **RESEARCH & DEVELOPMENT** projects.

The company also continues to pay close attention to data management to prevent exposure to the risk of hacker attacks.

Utilisation
of Veeva Vault
improves
the R&D world



13_Life on Earth

Taking action to protect the environment is imperative for Alfasigma, which understands the link between environmental health, animal health and human health

**ENERGY
CONSUMPTION**
Down from
2021.

Cogenerator
in Pomezia →
54% energy saving.

PRODUCTION EMISSIONS

Alfasigma's commitment to reducing emissions is closely related to its commitment to alternative sources of energy, such as the cogeneration plant that came on stream in Pomezia, generating a 54% saving on electricity.

Alfasigma monitors Scope 1 and Scope 2 emissions, and also calculates its energy intensity indices for year-on-year comparison.

