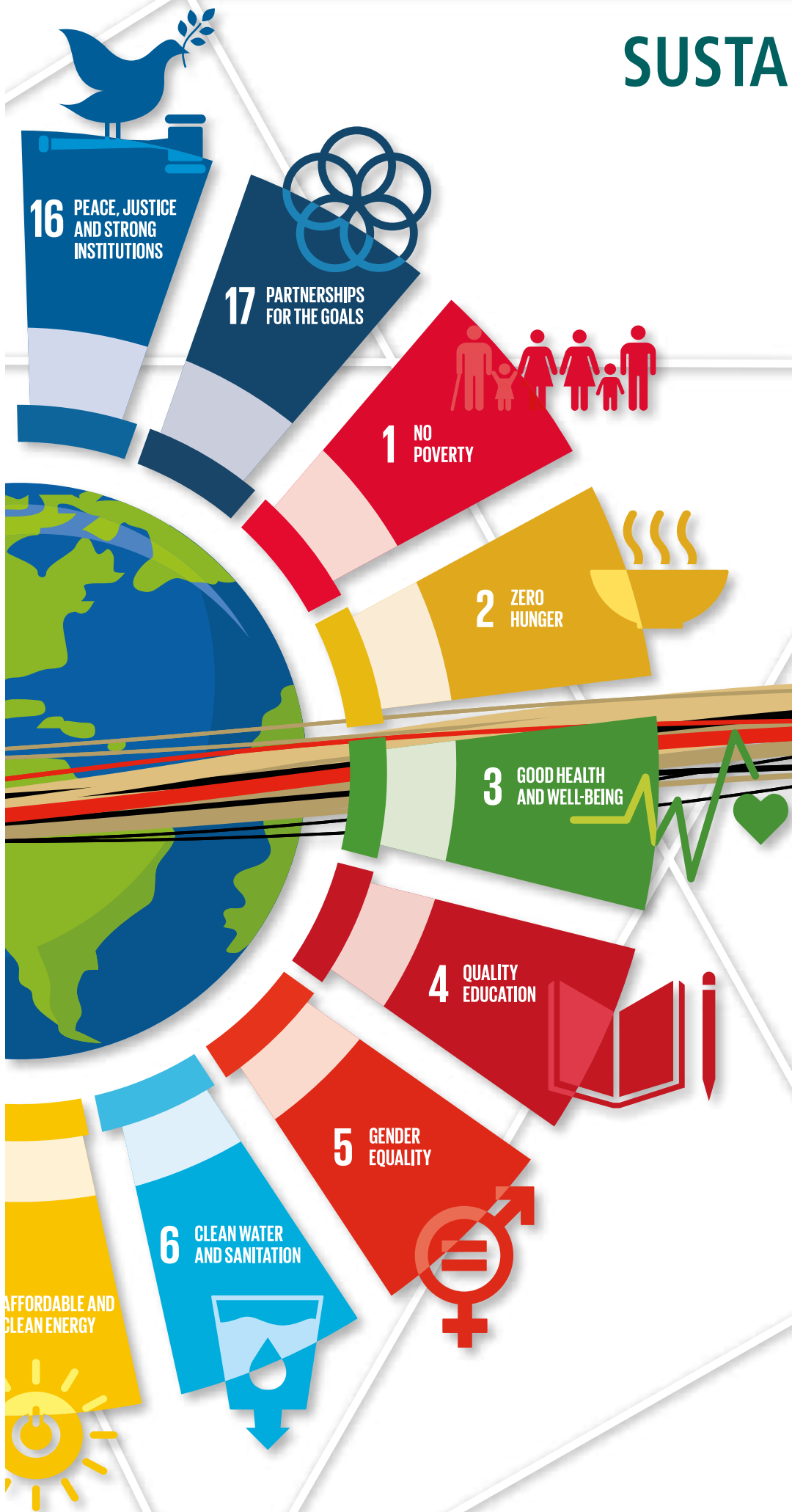




SUSTAINABILITY REPORT 2023

SUSTAINABILITY REPORT 2023



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Letter to Stakeholders

I am glad to share with you the fifth Sustainability Report of Alfasigma, which has evolved over time from a narrative of the Group's values and commitments toward its stakeholders to a more precise and forward-looking account of the three dimensions of sustainability: environmental, social, and corporate governance.

In 2023, we consolidated the reorganization of the Group—this year's financial statements reflect its international scope—focusing on increasingly effective and transparent governance

We established three new committees within the Board of Directors: the Nomination and Remunerations Committee to oversee the quality of appointments and compensation, the Risk and Control Committee to ensure strategic risk oversight, and the Transactions Committee to provide analysis and recommendations on potential strategic investments.

We reinvested over 4% of the economic value generated — with revenues (+15%) and profits (+59%) on the rise — into communities, particularly universities and research centers, both in Italy and abroad. This confirms Alfasigma's crucial commitment to supporting and disseminating scientific culture. Our social impact and commitment equally target reference communities, our employees—who are increasingly involved in processes for skills assessment and enhancement—and patients, through support associations.

Our commitment to the environment is reflected in the increasingly efficient use of energy and water resources and—in a circular economy perspective—in responsible waste management throughout the product lifecycle. Leveraging the measurement tools we adopted, all corporate functions have been involved since 2022 in assessing the “environmental footprint,” with the goal of minimizing it.

In an increasingly complex macroeconomic and geopolitical framework, our Group has succeeded in enhancing its history while projecting it into the future through a solid and sustainable growth strategy.

Stefano Golinelli
Chairman

2023 HIGHLIGHTS OF ALFASIGMA SPA * **

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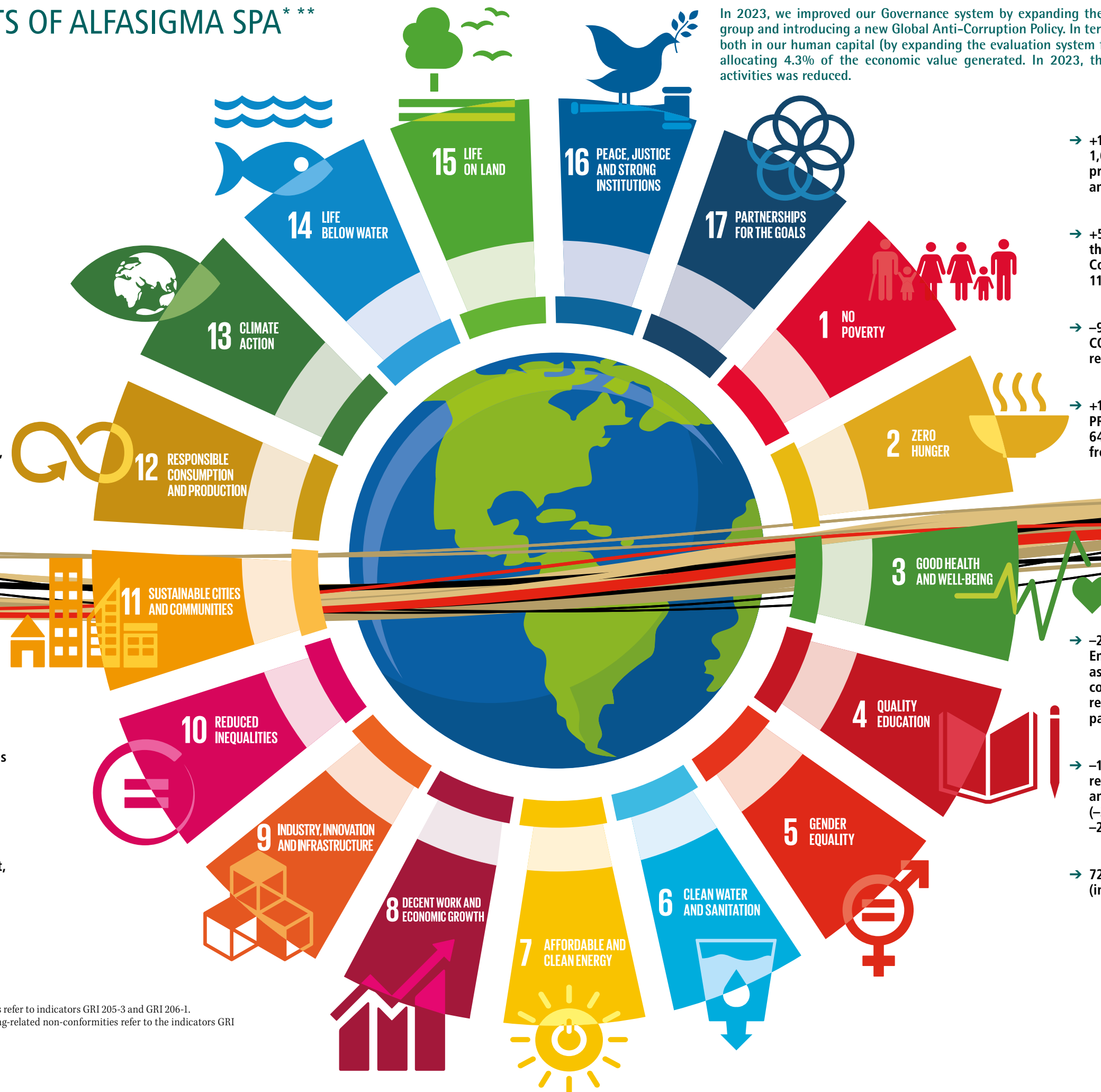
SUSTAINABILITY REPORT 2023

- **+36% IN ECONOMIC VALUE DISTRIBUTED**
over €1 million of value distributed
- **46% OF HUMAN CAPITAL EVALUATED FOR MBO**
health and safety at the core, with a reduction in workplace injuries (-42% Parent Company)
- **1,368 hired as at 31/12/2023**
(in line with FY22)
- **ZERO NON-CONFORMITIES**
throughout the Group, no non-conformities were detected in 2023, either in conduct, product, or marketing, confirming our ongoing commitment to quality and safety (in line with FY22)

- **ANTI-CORRUPTION AND RISK MANAGEMENT**
in 2023, out of a total of 7 operations of the Parent Company evaluated by Corporate Internal Audit for corruption-related risks, no cases of corruption were identified (in line with FY22)
- **GENDER BALANCE**
the Group has an inclusive culture that values female talent, even at senior levels (54% of middle management, 45% of executives)

* Zero corruption cases and/or antitrust practices refer to indicators GRI 205-3 and GRI 206-1.

** Zero socio-economic, product and/or marketing-related non-conformities refer to the indicators GRI 2-27, GRI 416-2, GRI 417-2 and GRI 417-3



In 2023, we improved our Governance system by expanding the scope of analysis to the entire group and introducing a new Global Anti-Corruption Policy. In terms of social aspects, we invested both in our human capital (by expanding the evaluation system for MBO) and in the community, allocating 4.3% of the economic value generated. In 2023, the environmental impact of our activities was reduced.

- **+18% SINGLE DOSE UNIT**
1,600 million Single Dose Units produced in Alanno and Pomezia plants
- **+5% FINISHED PRODUCTS**
the production of the Parent Company increased to 114 million packs
- **-9% RAW MATERIALS CONSUMPTION**
reduced up to 879 tonnes in 2023
- **+11% COGENERATED ELECTRICITY PRODUCTION**
64,285 GJ of electricity production from the Pomezia Plant
- **-27% ENERGY INTENSITY**
Energy intensity is defined as the amount of energy consumption expressed in GJ, relative to the turnover parameter
- **-1/3 SCOPE 1,2 AND 3 EMISSIONS**
reduction of both direct (-27%) and indirect emissions (-30 Scope 2 location-based; -28% Scope 2 market-based)
- **72% recovered or recycled waste**
(in line with FY22)

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Our identity

[1.1] Who we are

The Alfasigma Group¹ is one of the 5 main players in the pharmaceutical industry in Italy, with turnover of €1,367 million in 2023, up 15% compared to 2022.

Alfasigma is a subsidiary of Turytes SpA (formerly “Marino Golinelli & C. SAPA”), which directly holds 84% of the share capital, while the remaining 16% interest in the share capital is held by Enne Esse Ti SpA.

¹ For more information on the reporting scope, please see the Methodological Notes section, and any footnotes indicated corresponding to the various indicators.

The story of Alfasigma begins in 1948 in Bologna with Marino Golinelli – entrepreneur and philanthropist, recently departed at the age of 101 – and is firmly anchored in a long tradition of innovation and success.

Since its founding, the business strategy has been twofold:

- **R&D:** organically, an increasing investment is being dedicated to R&D and Production around certain proprietary molecules, which today represent more than 50% of sales;
- **M&A:** for the inorganic part, a solid M&A strategy with other Italian and international companies (Sigma-Tau, PamLab, Sofar SpA). It was on 8 November 2023 that Alfasigma completed the closing of the acquisition of the entire outstanding shares of common stock of Intercept Pharmaceuticals, Inc., an American biopharmaceutical company listed on the Nasdaq stock market and focused on the treatment of chronic liver diseases, including Primary Biliary Cholangitis (PBC). This acquisition represents an important opportunity for Alfasigma, offering an advanced R&D platform and a solid commercial network to support the Group’s expansion projects in the US market.

Alfasigma Group has almost 2,963 employees² worldwide, 32 subsidiaries, with a direct presence in 18 countries, and through various distributors, an indirect presence in more than 70 countries.

² Number of employees as per Consolidated Financial Statements 2023



● Countries
● Distributors

ALFASIGMA AROUND THE WORLD
18 countries, 70 distributors

- BELGIUM
- CHINA
- FRANCE
- GERMANY
- INDIA
- ITALY
- MEXICO
- NETHERLANDS
- POLAND
- PORTUGAL
- CZECH REPUBLIC
- SLOVAK REPUBLIC
- ROMANIA
- RUSSIA
- SPAIN
- SWITZERLAND
- TUNISIA
- USA

[1.2] History

Since 1948, a leading role in the history of the pharmaceutical industry.

The year of foundation, 1948, coincides with a crucial moment in contemporary history: the “**Universal Declaration of Human Rights**”. In the same year, in Bologna, **Marino Golinelli** founded **Biochimici Alfa**, later **Alfa Wassermann**. Thanks to a concrete development strategy and a rigorous acquisition plan, the company began its growth until the peak of its merger with the Sigma-Tau group in 2015, becoming **Alfasigma**.

Biochimici Alfa is founded in Bologna (Italy), later becoming Alfa Wassermann.

Foundation year of Sigma-Tau IFR SpA in Pomezia (Rome, Italy). In a few years, it becomes a leader in the Italian pharmaceutical sector.

Inauguration of the Alfa Wassermann research laboratories in Bologna (Italy).

Sigma-Tau synthesizes the biologically active form of acetyl-L-carnitine, leading to the formulation of Nicetile.

Foundation of Biosint SpA in Sermoneta (Latina, Italy), a chemical-pharmaceutical company and one of Italy's leading manufacturers of active pharmaceutical ingredients (APIs) for human and veterinary use.

Foundation of Avantgarde SpA, dedicated to the research and development of innovative over-the-counter (OTC) drugs.

The international division of Alfa Wassermann is established, creating a network of distributors and licensees in over 60 countries worldwide.

1948

1957

1960

1977

1979

1982

1989



The antimalarial drug Eurartesim is launched, later registered in endemic countries in Africa and Asia and now distributed in 32 African countries. This marks the peak of the development plan initiated in 2002. The Group expands with new companies in various European and non-European countries, including the United States, China, Russia, Mexico, Tunisia, France, the Czech Republic, Slovakia, the Netherlands, Poland, and Romania.

Alfasigma is born from the merger of Alfa Wassermann and Sigma-Tau: the activities of two of Italy's most important private pharmaceutical groups converge in a major industrial project.

Widely remembered as the year of COVID-19: in March, Alfasigma initiates the lockdown of administrative offices, while production and R&D centers continue their activities on-site. For over two months, activities proceed via remote working until May 4, when phase two begins under the #RESTART initiative. It was also the year of celebrations for the 100th birthday of Marino Golinelli.

Official inauguration and opening of the new Research & Development Center in Pomezia, the Marino Golinelli Labio 4.0. In addition to this event, the company carried out many initiatives in the R&D sector, such as the Novavido start-up, which will be the first to study artificial liquid retina in humans.

On February 19, 2022, Cavaliere Marino Golinelli, Honorary President and founder of Alfasigma, passes away. In October 2022, the acquisition of the Sofar Group is completed. In June 2022, a new subsidiary, Alfasigma (Shanghai) Medicine Consulting Co., Ltd., is established to directly develop the Carnitine business in China. Additionally, the German subsidiary, inaugurated at the end of 2021, consolidates its business operations.

In the fall of 2023, Alfasigma announced and completed the acquisition, through a public tender offer (PTO), of the Nasdaq-listed biotech company Intercept Pharmaceuticals Inc., strengthening its presence in the United States and consolidating its market leadership in the gastrointestinal and rare liver diseases areas. Among Intercept's products, which enrich Alfasigma's portfolio, is Ocaliva, the first FDA-approved second-line treatment for patients with Primary Biliary Cholangitis (PBC).

Sigma-Tau strengthens its international presence with subsidiaries in Europe (France, Spain, and Switzerland) and the United States.

Foundation of Biofutura Pharma SpA in Milan (Italy), marking an expansion into the Italian market for ethical drugs.

Acquisition of Bama-Geve Slu, based in Barcelona, and Biosáude Produtos Farmacêuticos Lda, based in Lisbon.

Distribution of the active ingredient Rifaximin-a in the United States under the Xifaxan brand.

Establishment of subsidiaries in India and Belgium.

1999

2001

2003

2004

2008-2009

2012

2015

2020

2021

2022

2023

[1.3] Mission & Values

Alfasigma's mission is to improve the health and quality of life of individuals by providing caregivers and healthcare professionals with therapeutic solutions that meet the highest standards of quality and safety.

Passion is at the heart of the company's story. The 'Pharmaceuticals with Passion' slogan reminds us that people in Alfasigma are driven by a passion for what they do, knowing that people can take one step further if they are driven by a passion for their work. Passion is in everything that is done, both in terms of products as well as in terms of the impact they have on patients.

Alongside Passion, the other values are **Integrity and Tenacity**.

Alfasigma asks all of its employees, managers and associates to operate in a transparent, respectful and honest manner, and to be accountable for their actions at all times. Not compromising on this is what allows Alfasigma to preserve its reputation as a company made up of proper and responsible people.

Tenacity is well represented by the corporate motto '**Never give up**'. All Alfasigma personnel adopt a persevering and tenacious approach in every project and activity. The tenacity of employees is accompanied by the resilience of products, some of which have existed for more than 70 years.

Alfasigma's business strategy is therefore closely linked to the principles of sustainability. Alfasigma supports scientific dissemination and has a proactive role in the areas of culture, art and civil society: with the knowledge that a pharmaceutical company is also a cultural company. Personal dignity is not just about being healthy, it is about all aspects of life and the environment in which they live, using the idea of the global well-being of society.

Corporate Social Responsibility is therefore part of the company's DNA, indeed it constitutes one of its distinctive characteristics. For years, Alfasigma has enthusiastically raised the expectations that society has for companies to make specific commitments to the community, its educational growth, culture and environment. Not only music and theatre, therefore, but also science and art, culture, education and the environment are the areas in which the most important interventions take place.

In 2019, Alfasigma adopted a new leadership model that prescribes five behaviours for daily use. The choice and definition of behaviours was achieved through a co-creation process involving middle management and top management. Once identified, the five behaviours were launched and suggested to the rest of the business, linking to performance and awards (**Leadership Model**).

The desired behaviours act as a compass for making decisions and facilitating the exercise of each person's role within the company. Applied consistently and proactively, the leadership model allows you to refine your skills, develop talented individuals and enhance your individual contribution.

ACT WITH TEAM SPIRIT

- **SENSE OF BELONGING:** live with pride in belonging to Alfasigma and, at every opportunity, emphasise the company culture and values, spreading a message of cohesion, making contributions in line with company priorities and becoming an ambassador for the company.
- **CROSS-FUNCTIONAL APPROACH:** working with a view to integrating with other functions, taking into account the expectations, priorities and specificity of the stakeholders.
- **NETWORKING:** involving and creating opportunities for discussion with colleagues to jointly identify solutions of value for the company, remaining open to exchange and constructive in enhancing areas for collaboration.





DRIVE INNOVATION

- **CHALLENGING THE STATUS QUO:** keeping up to date and dealing with what other players do, so as to intercept current trends and developments; enthusiastically dealing with the changes that are being proposed, reorganising the way in which they operate.
- **BEING CURIOUS AND LOOKING AROUND:** being curious and keeping up to date, taking care of self-training; emphasizing the benefits of change, spurring on and supporting those who are most resistant, encouraging the search for better and innovative solutions; dealing constructively with critical issues and problems.
- **AGILE APPROACH «DO MORE WITH LESS»:** guiding and collaborating on redesigning processes and activities in such a way as to make them efficient and consistent with the current context; considering new proposals and taking the risk of introducing changes and experimenting with new, more effective and efficient ways.



COMMUNICATE CLEARLY

- **SHARING INFORMATION:** sharing information, documents and knowledge with colleague in your own and other functions so they are up-to-date on developments in key issues. Circulating useful information in a timely manner to intervene on potential issues or risks and improve work.
- **PROVIDING TIMELY FEEDBACK:** creating channels or exchanges between people in your team and colleagues in other functions, and responding in a timely manner to requests.
- **EXPLAINING WHY:** explaining the objectives and work plans of your organisational area, explaining the reasons for decisions or changes to the company; presenting your point of view/solution in a clear and professional manner, adapting communication according to the various partners.



DO THE RIGHT THING AND MORE

- **RESPONSIBILITY AND ENTREPRENEURIAL SPIRIT:** identifying challenging goals for oneself and the teams, to be pursued with determination, to personally adopt the required behaviours; ensuring and reporting high-quality and timely results.
- **TAKE ONE MORE STEP:** being proactive in the face of complexity with clarity and firmness in activating all the levers available to better cope with the situation, not stopping in the face of problems.
- **BOLD DECISION-MAKING:** being the first person to make decisions and deliver solutions, not least in the past, considering potential impacts and without the fear of coming to terms with growing responsibilities.

PROVIDE VALUE WITH PEOPLE

- **DELEGATING TO EMPOWER PEOPLE:** organising team resources efficiently and empowering them through challenging tasks and assignments.
- **MAINTAINING MOTIVATION:** implementing initiatives to make people feel involved and motivated, ensuring a good working climate and taking action in the event of tensions.
- **ACTING AS A COACH:** sharing feedback promptly with people about their strengths and improvements, taking action to support their development, and building value for those who demonstrate outstanding behaviours.



[1.4] Strategy, Products and Therapeutic areas

Implement research and technology to continuously improve products, explore new borders, expand markets, try to be a step forward: these are the primary objectives of Alfasigma's strategy.

The strategic choice is to consolidate as a pharmaceutical company focused on the speciality (pharma speciality): gastrointestinal is currently the main focus of the company, confirmed also by the purchase of the Sofar Group, which took place in 2022, and the purchase of Intercept Pharmaceuticals, Inc., which took place in 2023. The purchase of Sofar has made it possible to enrich the product portfolio particularly in the area of gastroenterology. The acquisition of Intercept Pharmaceuticals, Inc. has led to significant advances in the treatment of patients with Primary Biliary Cholangitis (PBC) with Ocaliva.

The Group's strategy is to **accelerate investment in R&D** on certain specific molecules. Direct investments should grow, particularly with regards to the **completion of the territorial presence via direct branches**, extending coverage to those countries which are very important in the pharmaceutical market in which the Group does not yet have its own presence.

With numerous **products in 9 therapeutic areas**, Alfasigma is one of the main players in the Italian pharmaceutical industry and is focused on prescription specialties, self-medication products and nutraceuticals.

In Italy, it is a leader in the prescription products market where it is present in many primary care therapeutic areas (cardio, ortho-rheuma, gastro, pneumo, vascular, diabetes) as well as marketing widely recognised self-medication products.

The **main therapeutic areas** in which Alfasigma competes and the trend of the main products are:



GASTROENTEROLOGY

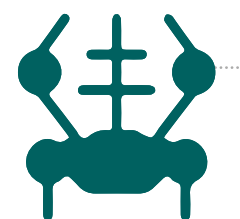
Gastroenterology is the company's first area of expertise in terms of product numbers and portfolio complexity. The top two products exceeded €117 million in turnover, a double-digit increase on the previous year. Almost all these products have demonstrated better performance than the reference market.

In 2023, Enterolactis, the renowned range of dietary supplements that has brought an air of renewal and enrichment to the Alfasigma probiotics portfolio since 2022, turned 20. During the year, this probiotic broken down borders and finally landed in the Russian market. In fact, through a successful event in the city of Kazan, it was officially presented from the team of **Alfasigma Russia**.

The team at **Alfasigma China** Medical contributed to the publication of "Multidisciplinary Consensus on the Prevention and Treatment of Hepatic Encephalopathy with Antibacterial Drugs" in the Chinese Journal of Infectious Diseases, a clinical guide on the control of antibacterial drugs in hepatic encephalopathy.

On the **Russian market**, our drug was included in the clinical guidelines on "Treatment of Gastrointestinal Tract Damage in Post-COVID-19 Syndrome" provided by the Russian National Society of General Practitioners. The drug has been recommended for the care and treatment of most gastrointestinal diseases, including SIBO, IBS and intestinal dysbiosis after antibacterial therapy.

ORTHO-RHEUMA



Rheumatology and orthopaedics represent another strong presence and expertise area for Alfasigma. One of the main products in this area recorded an increase of 5.5% compared to the previous year (data in sell-out value), despite the competition in an area characterized by the presence of generic products.

VASCULAR



Since September 2023, the Vascular area has focused on two Global Brands, which were relaunched with focus and priority on the general practitioner and vascular specialist sector, after a less active period in terms of detailing. Performance for 2023 seems to be in line with the evolution of a highly fragmented and competitive market.

A brilliant milestone was reached by; in October 2023 a major publication was made available in International Angiology, in which the International Union of Angiology (IUA) recognised consent to the treatment of the management of Lower Extremity Arterial Disease (LEAD) with one of our drug.

CONSUMER HEALTHCARE

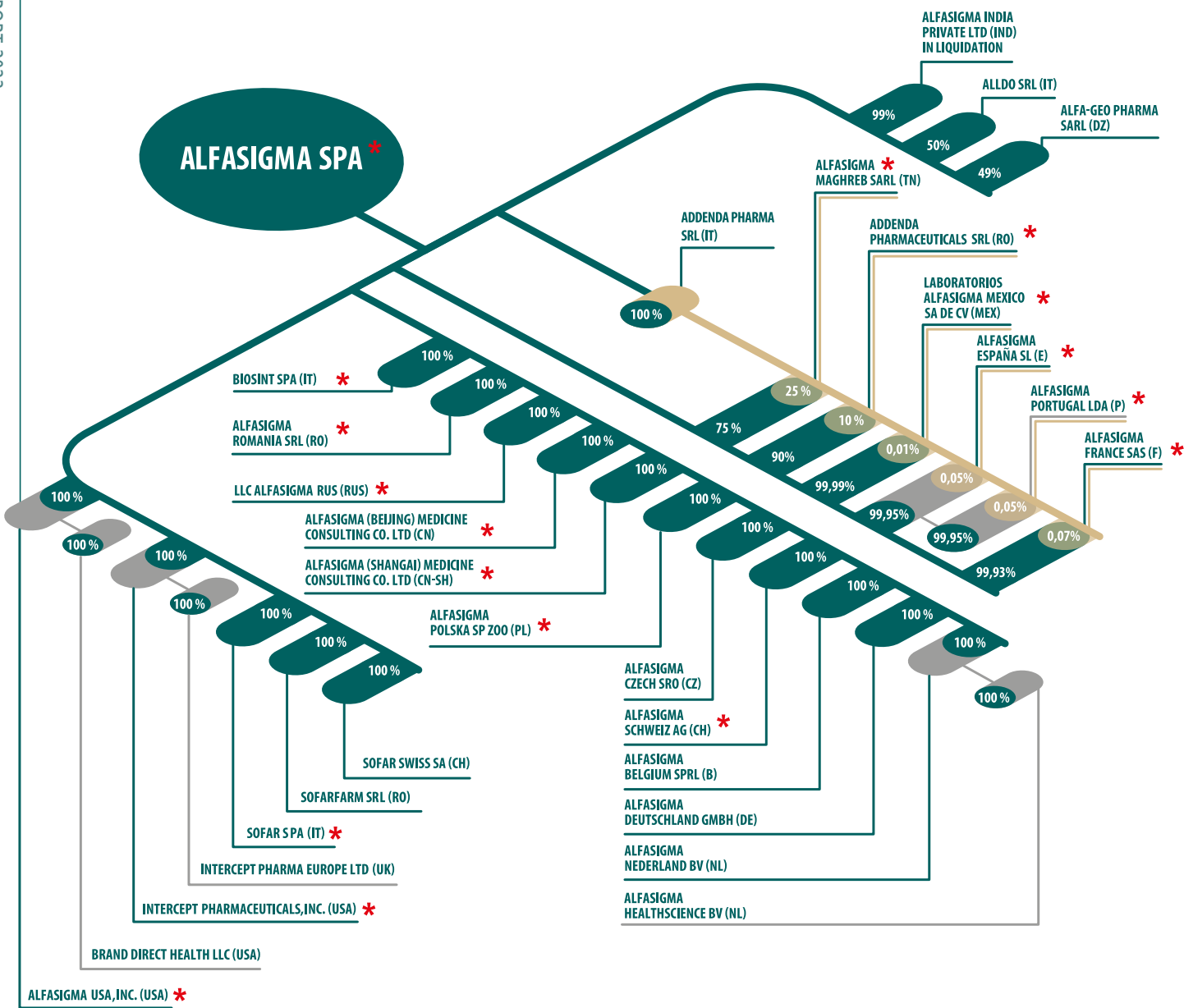


It closed 2023 with a surprise turnover of almost €200 million, a strong increase compared to 2022 (+59%).



[1.5] Corporate structure

As at 31 December 2023, the Alfasigma Group comprises the following companies, as shown in the organisation chart.



* the scope of consolidation under examination.

The extension of the reporting scope presented various challenges in terms of data collection. Specifically, for the 15 new companies indicated above, only quantitative data for the year 2023 could be obtained. To ensure compliance with the reporting principles outlined in “GRI 1: 2021 Fundamental Principles”, and in particular the principle of comparability, an additional column was introduced in the tables, named “2023*”. This column shows the data relating to FY 2023 of the Parent Company Alfasigma SpA only. It should be noted that comments on the trends in the three-year period 2023-2021 refer to the columns “2023*”, “2022*” and “2021*” relating solely to the Parent Company.

The data entered in the tables (column “2023”) and in the graphs refer to the entire scope of consolidation. The exceptions to this scope are explicitly set out in the document.

[1.6] Governance

Alfasigma is governed by a Board of Directors composed of 13 directors, 4 of whom can be qualified as independent, not being a direct expression of shareholders.

Independent directors were appointed as they possessed specific technical skills and professional experience to contribute to the effectiveness of the Board’s dynamics, providing adequate technical support to the Board of Directors.

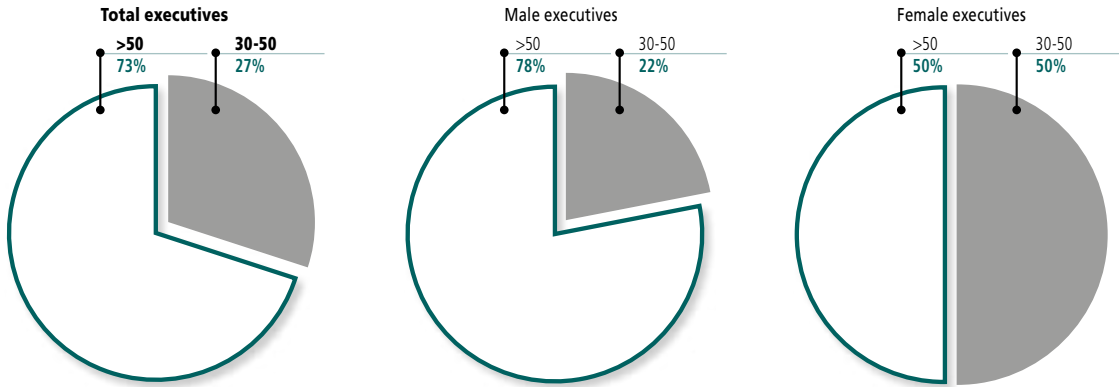
BOARD OF DIRECTORS

Chairman	Stefano GOLINELLI	Director	Stefano Jr. GOLINELLI
Deputy Chairman	Andrea GOLINELLI	Director	Abbas HUSSAIN
Chief Executive Officer	Francesco BALESTRIERI	Director	Carlo INCERTI
Director	Emanuela BONADIMAN	Director	Carlo ROSA
Director	Andrea DINI	Director	Gino SANTINI
Director	Giampaolo GIROTTI	Director	Guido TUGNOLI
Director	Marina GOLINELLI		

The graphs below show diversity in terms of gender and age groups on the Board of Directors:

[GRI 405-1] DIVERSITY OF GOVERNING BODIES

Percentuale totale: 82% uomini / 18% donne



Mr Stefano Golinelli is Chairman of the Board of Directors.

The Chairman of the Board of Directors is vested with the powers of ordinary and extraordinary administration, in addition to the legal representation of the Company, with the sole exclusion of the powers that are reserved by the Articles of Association or by law to the Board of Directors.

The Board of Directors appointed Andrea Golinelli as Deputy Chairman and Francesco Balestrieri as Chief Executive Officer.

The Strategy and Development Committee, established in 2021 as an advisory body in support of the Board of Directors, was abolished in October 2023.

At the same time, three new committees were established with investigative, propositive and advisory functions: the "Nomination and Remuneration Committee", responsible for assessing appointments and verifying the requirements, adequacy of remuneration, and incentive policies and plans; the "Risk and Control Committee", responsible for strategic oversight of risks and the definition of internal control systems; and the "Transactions Committee", responsible for providing support in the analysis and recommendations of potential investments of strategic interest to the Group.

During 2022, the Board of Directors appointed Ms Marina Golinelli as director responsible for the company's ESG (Environment, Social & Governance) and HR (Human Resources & Remuneration) to define Alfasigma's profile and commitment to ESG issues and to support a greater focus on HR corporate policies in order to strengthen Alfasigma's business culture.

The Board of Statutory Auditors, composed of 3 standing members and 2 alternate members, in its capacity as control body, maintains information flows with the various partners in corporate governance, i.e. with Corporate Finance, Administration & Control, Corporate Internal Audit, with the audit firm, etc.

BOARD OF STATUTORY AUDITORS

Chairman	Giuliano FOGLIA
Serving Auditors	Artemio GUARESCHI
	Sergio PARENTI
Alternate Auditors	Roberto BRIOSCHI
	Matteo CARFAGNINI

The **Supervisory Board**, which is responsible for checking the effectiveness and adequacy of the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001, of which the Code of Ethics is an integral part, and for updating this model, consists of 5 members.

Information is shared on the most important themes and projects by establishing management committees: strategic, organisational, commercial, industrial, research & development and business development. In particular, the ALET (Alfasigma Executive Team) Committee was set up in support of the Chief Executive Officer. All the managers reporting directly are responsible for periodically analysing Group performance and assessing strategic transactions of various kinds (M&A, investments, etc.).

From an organisational point of view, the Company is managed through Business Areas, which oversee and develop the relevant markets (Country Italy, International Pharma, Corporate Customers, Contract Manufacturing) and Corporate Functions. The latter, on the one hand, represent the central service structure of the Alfasigma Group, supporting the Business Areas and foreign subsidiaries, such as Finance & Information Technology, Legal Affairs, Human Resources, Regulatory Affairs and, on the other hand, consist of strategic development functions such as Research and Development, Business Development, Strategic Marketing.

In 2023 Country Italy was subdivided into 4 Business Units: Pharma Care, Gastroenterology, Ortho-Rheuma and Consumer Healthcare, that is, over-the-counter medicines. This structure simplifies enterprise decision-making by making Business Units autonomous and directly responsible for their choices. The definition of the company strategy and control of business performance are carried out by drawing up a five-year plan, which is a key process for developing the company. The formation of the annual budget, launched in September through a bottom-up process, within which each business function plans the activities for the following year, involves the performance of analysis, aggregation, discussion and review phases in preparation for final approval.



**Sustainable
value**

[2.1] Materiality and Dialogue with Stakeholders

DIALOGUE WITH STAKEHOLDERS

For a company such as Alfasigma, constant and transparent dialogue with its stakeholders, both internal and external, i.e. parties that are involved and affected in various ways by the activities of our business, is an essential element of our corporate and communication strategy. In order to identify them, we have carried out an internal analysis and an analysis of the external context, consulting internationally recognised sources, both with specific reference to our sector and with more general reference to the global context.

As a result of the analyses, it was possible to identify the 11 categories of relevant stakeholders, as follows:

CATEGORY	DESCRIPTION	ENGAGEMENT CHANNELS
PARTNERS AND SHAREHOLDERS 	Persons or entities holding Alfasigma shares, or who may assume such position and related interests in the future.	Specific meetings
EMPLOYEES 	Interns, clerical staff and workers, middle managers and executives.	Continuous communication in different ways (intranet, newsletters, questionnaires, in-person events such as town hall, internal social network)
PATIENTS AND CAREGIVERS 	People with a medical condition, entrusted to the care of a doctor or surgeon. A caregiver is a person who cares for someone else in their family and/or in a professional capacity.	- Support for patient associations for specific projects - Web-based communication (websites) - Collaboration with the University for the provision of specific training (direct to nurses) - Impartial support for the organisation of caregiver training courses on specific diseases
DOCTORS 	Medical professionals who deal with human and animal health, preventing, diagnosing and treating diseases.	Continuous communication by various methods (medical and scientific informants, newsletters, the FaroMed portal, organisation of conferences and seminars)

CATEGORIA	DESCRIZIONE	CANALI DI COINVOLGIMENTO
PHARMACISTS 	Professionals qualified to prepare and sell medicines, dietary supplements, medical devices and cosmetics to the general public.	Ongoing communication in different ways (sales agents, sell out consultants, newsletters, customer service)
COMMUNITY 	Local communities near the areas in which Alfasigma operates and with which Alfasigma maintains relations.	- Charitable activities and contributions to external shows and exhibitions, contributions and activities that support culture and sport - Activities carried out locally in support of local communities
PRIVATE INSTITUTIONS AND NGOS 	Private Institutions and Non-Governmental Organisations with which Alfasigma maintains relations.	- Participation in the activities of trade associations (Farindustria, Confindustria DM, Confindustria regionale, Unione Italiana Food, Assolombarda, Federchimica, Cosmetica Italia, etc.) - Working with international NGOs
SUPPLIERS AND DISTRIBUTORS 	Suppliers of goods and services necessary for the performance of all production and support activities of Alfasigma, including the disposal of its products on the market.	- Co-development activities - Business meetings and continuous communication, also to manage any critical issues and "disruptive events" - Supplier questionnaire
RESEARCH CENTRES AND UNIVERSITIES 	Universities, Research Centres and Private Partners with whom Alfasigma collaborates on various subjects.	- Specific meetings - Partnerships for cross-functional projects with HR, Communication and other departments - Scientific collaboration with R&D - Donations
REGULATORY BODIES AND PUBLIC ADMINISTRATION 	International, national, regional and local Bodies, Institutions and Authorities that interact with and/or monitor the fulfilment of Alfasigma's obligations and monitor its actions.	- Communication with regulatory bodies in accordance with applicable national and international legislation - Unconditional support for both local and national institutional initiatives, focusing on central issues for the Italian Health Service (SSN) - Promoting public debate on a dedicated platform: Sanitask
MEDIA 	Online and offline news outlets, television channels, social media.	- Press releases - Interviews - Trade press - Press events - Training

Through constant efforts over time, the company has developed a dense and fruitful network of relationships with its stakeholders, particularly in the medical-scientific community, patient associations, local and national institutions, suppliers, the public, and the media. In 2023, we conducted a new corporate reputation survey among an informed audience, including pharmacists, gynecologists, gastroenterologists, general practitioners, and pediatricians, to understand the level of interest in and appreciation for the Group's products and activities. More than half (61%) of the total reputation contribution stems from leadership and ESG topics. Specifically—except for the corporate reorganization, which negatively impacted the company's reputation—our educational, cultural, and environmental initiatives, the colorectal cancer awareness campaign, public statements by Adelaide Raia on public health and quality of life, and sponsorships of events such as the "One Planet, One Health" focus at Cosmofarma were well-received. The thematic areas of "Offering" and "Performance" also recorded good reputation contributions, albeit with significantly lower volumes.

MATERIALITY ANALYSIS

In 2023, Alfasigma continued the materiality analysis carried out in the previous year.

The analysis carried out in 2022, in line with the changes introduced by the 2021 GRI Standards, was carried out focusing not only on the perceived relevance of themes to stakeholders and the Organisation, but also on the actual and potential, positive and negative impacts generated by organisational activities on the economy, the environment and people, including their human rights.

The final list of material themes was determined by identifying and carefully analysing the impacts generated by Alfasigma throughout the value chain: supply chain and other business relationships, directly controlled activities and, finally, end products and services. More specifically, the materiality analysis was developed using a four-step approach, as envisaged by GRI 3: 2021 Material Themes:

- 1 UNDERSTANDING THE CONTEXT OF THE ORGANISATION
- 2 IDENTIFYING CURRENT AND POTENTIAL IMPACTS (POSITIVE AND NEGATIVE)
- 3 ASSESSING THE SIGNIFICANCE OF IMPACTS
- 4 PRIORITISING THE MOST SIGNIFICANT IMPACTS

(1) UNDERSTANDING THE CONTEXT OF THE ORGANISATION

Understanding the context of the organisation took into consideration multiple inputs, both internal (for example, interviews with contacts from the various functions of Alfasigma, company policies and procedures, certification of press releases) and external (analysis of sustainability macro-trends at national and international level, analysis of sustainability trends specific to the pharmaceutical sector and analysis of benchmarks on main peers and competitors).

(2) IDENTIFYING CURRENT AND POTENTIAL IMPACTS (POSITIVE AND NEGATIVE)

Following the desk analysis of the internal and external organisational context, Alfasigma identified a list of 37 impacts, classified according to GRI 3 forecasts: 2021 Material Themes, namely:

Type of impact:

- Negative or positive
- Current or potential
- Short term or long term
- Intentional or unintentional
- Reversible or irreversible

Sizes where the impact occurs:

- Supply chain
- Business activities
- Products (goods / services)

Areas impacted:

- Economy
- Environment
- Capital
- Human Rights

(3) ASSESSING THE SIGNIFICANCE OF IMPACTS

The significance of the impacts was assessed via an internal stakeholder engagement activity through meetings with the managers of the departments involved at headquarters level.

Each person interviewed was asked to assign a value between 1 (irrelevant) and 6 (extremely significant/irreversible) to the severity/significance of the impact and a value between 1 (unlikely) and 4 (certain) to the probability of occurrence (likelihood).

(4) PRIORITISING THE MOST SIGNIFICANT IMPACTS

Following the assessments made by the internal stakeholders involved, the identified impacts were prioritised separately, excluding impacts with significance below 7 (on a scale of 1 to 10). Subsequently, priority impacts were grouped together based on consistency and correlation, resulting in the new list of Alfasigma material themes.

LIST OF MATERIAL TOPICS

The analysis activities described above confirmed the quality of the considerations and insights made in previous years. However, some groupings and reformulations of material themes have been carried out in order to better represent the impacts and allow a more concise and effective reading of the analysis results.

The table below summarises the 13 material themes categorised by the ESG pillar of reference and prioritised based on the assessment of impacts by the organisation.

PILLAR ESG	MATERIAL THEME	IMPACT	TYPE OF IMPACT	DIMENSION OF IMPACT	SIGNIFICANCE OF IMPACT	DESCRIPTION OF IMPACT	ASSOCIATED SDGS	WHERE IT APPEARS IN THE TEXT
ENVIRONMENT 	Water and Waste Management	Water withdrawals, consumption and discharges	—	Business activities	Medium high	The amount of water taken and consumed by the Organisation and inefficient management of water discharges can result in a reduction in water availability and an increased risk of dispersion of pollutants into aquifers, generating long-term impacts on ecosystems and communities and potential economic consequences.	  	Environmental indicators
		Production of solid waste and waste	—	Business activities	High	Failure to adopt processes and mechanisms for proper circular management of waste by the Organisation may lead to an increase in waste produced for landfill, with negative consequences on the environment, human health and in economic terms and compliance.	 	Environmental indicators
	Energy and Emissions	Greenhouse gas emissions from energy consumption	—	Business activities	Very high	The energy consumption of the Group's activities linked to non-renewable sources generates greenhouse gas (GHG) emissions that contribute negatively to climate change.	 	Environmental indicators
		Air pollution deriving from production activities	—	Business activities	Medium high	Emissions from non-energy-related production processes that release emissions of substances contribute negatively to air pollution.	 	Environmental indicators
		Logistics impacts on climate change	—	Supply Chain	Very high	GHG emissions from transport vehicles used for logistics contribute negatively to climate change.	 	Environmental indicators
		Impact derived from the materials used to make the primary packaging	—	Business activities	Very high	Raw materials used to produce primary packaging cause a high environmental impact due to the nature of the material, particularly in the use of virgin raw materials.		Supply chain
		Impact derived from the materials used to make the secondary packaging	—	Business activities	High	The materials used to produce secondary packaging may cause different environmental impacts, depending on the type of material and its rate of recycling, reuse and/or disposal.		Supply chain
SOCIAL 	Health and safety of working personnel	Occupational health and safety	—	Business activities	High	The hazards related to activities performed in factories and offices can potentially cause accidents and/or occupational illness that will temporarily or permanently affect the health of workers.	 	Health and safety
	Employment, Welfare and Professional Development	Promotion of employee welfare and work-life balance	+	Business activities	Medium high	The policies and initiatives promoted by the Organization, in addition to those defined to comply with the law, guarantee employees and collaborators the option to balance work with their personal needs, thereby creating a positive impact on their health and well-being.	  	Our people
		Development of qualified personnel and upskilling of employees	+	Business activities	Medium high	The Organisation enhances and promotes staff growth by structuring training pathways, evaluation tools and career management processes to provide employees with the tools they need to achieve strategic goals in an evolving work environment, improving the organisation's human capital and contributing to employee satisfaction.	 	Our people
		Renewal of the organisational culture	+	Business activities	Very high	The Organisation, through careful management of human capital, promotes the growth of qualified skills and important generational turnover, resulting in an increase in the attractiveness of new talent and an increase in employment levels.		Our people
	Diversity, Equity and Inclusion	Violation of workplace rights and abuse	—	Business activities	Medium high	The failure to monitor policies and mechanisms aimed at combating harassment, abuse, intimidation and violence within the company increases the possibility of such incidents occurring in the workplace, with a potential increase in the turnover rate and negative repercussions in economic terms and compliance.		Our people
		Gender inequality and other elements of diversity	—	Business activities	Medium high	An Organisation that does not protect corporate diversity in all its forms risks affecting the relationship between the people within it. In the worst cases, failure to protect diversity can lead to instances of inequality and discrimination.		Our people

For each material theme, the following are reported:

- the associated impacts;
- the type of impacts (positive/negative);
- the dimension where the associated impacts occur (respective to the value chain);
- the significance of the associated impacts;
- a description of impacts;
- the associated SDG;
- the section of the document containing information on the subject.

PILLAR ESG	MATERIAL THEME	IMPACT	TYPE OF IMPACT	DIMENSION OF IMPACT	SIGNIFICANCE OF IMPACT	DESCRIPTION OF IMPACT	ASSOCIATED SDGS	WHERE IT APPEARS IN THE TEXT
SOCIAL 	Access to healthcare	Facilitating access to medicines	+	Products	Medium high	In determining the price of medicines, according to principles of pharmacoeconomy (assessment of the cost-effectiveness of a drug from the point of view of the patient, the SSN and the community), the Organisation can promote access to medicines. Moreover, through actions and initiatives in collaboration with public authorities and scientific communities, it can make it possible to raise awareness among stakeholders on the issue of rare diseases (orphan drugs) and consequently increase the ability of pharmaceutical companies to promote the research and development of such drugs.	 	Patients and health
		Transparency in clinical trials	+	Business activities	Very high	Engaging in creating a culture conducive to the reporting and transparent publication of clinical results enables the Organization to assist in medical and scientific progress.		Patients and health
	Product Quality and Safety	Maintain product quality standards	+	Products	Very high	By adopting a structured system of processes and procedures suitable to guarantee the quality, safety and effectiveness parameters defined by the reference regulations, the Organisation gains a series of economic, reputational and relational benefits.	 	Patients and health
		Violation of industry Laws and Regulations	-	Business activities	Very high	Inadequate attention to regulatory and sector requirements may result in a reduction in the level of safety and quality of pharmaceutical products, with a potential increase in adverse events and/or product non-compliance with laws and regulations affecting the confidence of doctors and patients, and with a potential risk of loss of customers.		Patients and health
	Local communities	Socio-economic contribution generated and distributed to communities and territory	+	Business activities	Medium high	The Organisation's support of local communities promotes socio-economic development in the territories where it operates: the inclusion of members of the local community among senior managers of an Organisation, for example, improves its presence on the market, generating economic benefits for the local community and improving the ability to understand local needs and foster a greater sense of belonging by citizens.		Corporate citizenship
	Research and Development	Impact on the health of society	+	Products	Very high	Through the research and development of new products that respond effectively and safely to the therapeutic needs of doctors and patients or through the improvement of existing products (standard of care), the Organisation may encourage people to extend and improve their living conditions.	 	Research and development
		Improved product performance	+	Business activities	Very high	The Organisation, through the development of innovative products, can renew and expand its product portfolio, offer new solutions that meet new needs and improve existing ones (standard of care), extend the application of existing medicines in new markets and ensure considerable growth in economic performance.		Research and development
	Sustainable value chain management	Human rights violations in the supply chain	-	Supply Chain	Medium high	The absence of policies to eliminate forced or compulsory labour in all its forms in the supply chain increases the likelihood that cases of human rights violations may occur without the Organisation becoming aware of them.		Supply chain
		Monitoring of product quality and integrity in logistics, delivery and distribution activities	+	Products	Very high	Ensuring the correct storage of thermo-sensitive products during the distribution phase allows the Organisation to guarantee the quality, integrity and safety of its products in the logistics, delivery and distribution activities.	  	Supply chain
		Lack of traceability in the supply chain	-	Supply Chain	High	A failure to uniquely trace product components from their origin to consumption and/or the presence of information gaps along the supply chain, make it impossible to easily identify defective lots or identify the users of a certain product.		Supply chain
GOVERNANCE 	Governance and Ethics	Incidents of corruption	-	Business activities	Medium high	Incidents of corruption within the Organisation can generate several negative impacts, such as misallocation of resource revenues, damage to the environment, abuse of democracy and human rights, and political instability.	 	Adoption of ethical values and behaviours
		Unethical tax practices	-	Business activities	Medium high	An unethical tax approach could lead to an unfair allocation of company-generated resources and exploitation of public funds.		Adoption of ethical values and behaviours
		Non-compliance	-	Business activities	Medium high	Failure by the Organisation to adopt and implement compliance processes and systems may jeopardise business integrity due to potential violations of applicable ethical and regulatory standards and increase the possibility of penalties.		Adoption of ethical values and behaviours
		Business interruption	-	Supply Chain	Very high	Failure to diversify supply chains and failure to assess environmental and social criteria on the supply chain undermines the ability to predict business interruption cases.		Adoption of ethical values and behaviours
	Data management and digitalisation of processes	Non-innovation and digitalisation of processes	-	Business activities	High	The lack of innovation and digitalisation of operating processes can have negative effects on both company productivity and the environment and society.	 	Adoption of ethical values and behaviours
		Loss of sensitive data and personal data	-	Business activities	Medium high	Failure to oversee adequate data management processes results in an increase in the company's exposure to the risk of hacker attacks and the consequent negative effects, such as the loss of employee personal data and sensitive data related to the Organisation's intellectual property.		Adoption of ethical values and behaviours

[2.2] Adoption of Ethical values and Behaviours

This section of the sustainability report describes Alfasigma's ongoing efforts to integrate corporate social responsibility into several key areas of the company. By addressing issues such as compliance, ethical practices, risk management and cyber security, we aim to contribute to the company's sustainable growth and retain the trust of our stakeholders.

Ethical values and behaviours are central to building a solid, sustainable reputation. This process resulted in the creation of a Code of Business Ethics, a document that sets out the principles, values and guidelines that the company and its employees must follow.

THE GLOBAL CODE OF CONDUCT¹

The Global Code of Conduct (hereinafter the "Code"), approved by the Board of Directors of Alfasigma SpA in March 2022, is adopted by all Alfasigma Group companies and is available in all languages spoken within the Group.

The Code expresses Alfasigma's commitment to comply with applicable regulations, respecting the Group's ethical principles and values, which form the basis of the company's culture and the standard of conduct with which all Recipients must comply.



¹ <https://it.alfasigma.com/chi-siamo/etica-e-trasparenza/codice-condotta-globale/>

The Code is already an integral part of the Organisation, Management and Control Model pursuant to Legislative Decree No. 231/2001 (hereinafter the "Model") adopted by companies based in Italy.

All Recipients – 2889 employees, 13 members of the Board of Directors and third parties with whom the Group companies have contractual relationships – are required to comply with these principles. To disseminate the contents of the Code and ensure a clear understanding, at the end of 2023, Alfasigma launched an online training programme aimed at all employees. The training provided tools to create greater awareness of the principles contained in the Code, using examples and practical cases to advise on the behaviours that each individual may have to face in the course of their daily decisions. The training started in Italian locations with 1368 employees and will be extended to other group branches in the new year. The document can be consulted by employees via the company intranet "The Hub" by accessing the relevant section, and can also be accessed by all stakeholders and non-stakeholders by consulting the file on the website of the Alfasigma group.

People are the main source of the Group's success, therefore, the Company is committed to ensuring safe and healthy workplaces, not tolerating forms of harassment and/or intimidation that lead to a compromise on the moral or professional dignity of each individual.

WHISTLEBLOWING PROGRAMME

Reports of potential violations of the Code or of any other potentially unlawful act or event of which the Recipients are aware must be transmitted through the channels provided by the Alfasigma Group.

Our Whistleblowing Programme is designed to support and protect those who choose to speak out, promoting a transparent and responsible organisational culture. The programme includes:

- Internal procedures that define the principles, rules and operating methods for managing reports;
- A Whistleblowing Committee overseeing the Programme;
- Multiple reporting channels, including the EthicsALine online platform and the ability to submit reports in person to Whistleblowing Committee members.

EthicsALine² is a web platform, managed by an external supplier, intended to collect reports concerning facts and conduct (of any kind, including merely omissive) referring to employees, associates, members of company bodies or "third parties" of Group companies, which constitute, even only potentially, a violation of the Global Code of Conduct, of laws, regulations or provisions of the Authorities, company policies and procedures, associated Codes of Ethics, of the Organisation, Management and Control Model adopted by Alfasigma SpA pursuant to Legislative Decree 231/2001.

² <https://it.alfasigma.com/ethicsaline/>



The information received through these channels is treated with maximum confidentiality of the identity of both the reporter and the person reported, in accordance with the legal obligations and principles outlined in our Code of Conduct. The Programme managed all reports received and conducted internal investigation activities, not detecting any violations.

Alfasigma Group has always been committed to ensuring the quality and safety of its products by adopting the highest quality standards in research, development, production, distribution and pharmacovigilance activities, in line with international best practices, in compliance with applicable laws and regulations. For this reason, we are constantly committed to the quality standards defined and the rules governing the research, development, manufacture and distribution of our products. In particular, we work with qualified suppliers, recognising the importance of carefully choosing their counterparties for creating safe and quality products. We carefully consider any product quality complaints, ensuring continuous improvement of production for our patients, communicating any product safety information to the competent functions of Alfasigma in accordance with internal pharmacovigilance procedures. We monitor possible adverse events of our products throughout the product life cycle to ensure the highest level of quality and safety, in compliance with good pharmacovigilance practices and the requirements of regulatory authorities, providing clear, complete and correct scientific information.

During the year, no non-conformities related to our products were detected throughout the Alfasigma Group, confirming our ongoing commitment to quality and safety.

TRANSPARENCY OF RELIABILITY OF RELATIONSHIPS

Our relationships with our suppliers of goods and services and business partners are based on the principles of honesty, fairness, respect, diligence, impartiality, clarity and confidentiality. As mentioned above, we work exclusively with reliable and honourable suppliers and business partners with a strong reputation. For this reason, we use selection processes based on objective and traceable criteria, formalising written contracts with suppliers/business partners that specify the rights and duties of both parties. Contracts must contain specific clauses through which we require our counterparties to comply with applicable regulations and with the principles of the Code, not exploiting supplier weaknesses when formulating contractual relationships. We expect this behavior from our counterparties as well.

Relations with public authorities and institutions are managed according to principles of integrity, fairness and transparency, and any conduct aimed at obtaining an undue/unlawful advantage, even in the light of the conviction of acting in the interest of Alfasigma, is condemned. We have relations with the Public Administration and, in general, with public, national and international bodies. As such, the undertaking of commitments and the management of relations can only be carried out by authorised persons with appropriate powers.

We actively interact with patient associations because interaction with them enables us to understand how patients live with their diseases and identify the quality-of-life needs that Alfasigma

can contribute to. For this reason, we undertake to support patient associations, in full compliance with the applicable regulations and the ethical rules of reference associations, to respect the autonomy of patient associations, to initiate projects and partnerships based on mutual benefit, and we do not tolerate conduct aimed at exerting undue influence on patient associations.

We manage relationships with healthcare professionals, scientific societies, medical associations and healthcare facilities transparently and our relationships are managed with the highest standards of integrity in a transparent and traceable manner, in compliance with applicable regulations and reference codes of practice.

We continually interact with the medical and scientific community to ensure that patients have access to and use our products properly to maximise patient benefit.

The materials and activities aimed at medical-scientific information are made with extreme care in order to properly disseminate information about Alfasigma products, in full compliance with applicable regulations.

Alfasigma intends to implement and promote information activities and scientific dissemination, such as, for example, conferences and conventions. These, in fact, allow healthcare professionals to share their clinical experiences and deepen their knowledge of the therapeutic value of the active ingredients contained in Alfasigma's products, in order to ensure their effective use and improve patient care. Medical sales representatives are selected on the basis of objective criteria such as scientific competence.

GOVERNANCE – THE THREE LINES OF DEFENCE MODEL

The Alfasigma Group has always been attentive to the issue of human rights: in 2021 the focus was placed on the issues of export control and sanctions lists by creating a Trade Compliance Program aimed at all Group companies. This aims to ensure full alignment with the regulations on Dual Use and on the control of goods that can be used for the death penalty, torture or other inhumane treatment, as well as the respect of EU, OFAC (Office of Foreign Assets Control) and British sanctions regulations.

Since 2019, the Corporate Internal Audit function has been in operation at Alfasigma SpA, reporting directly to the Board of Directors and carrying out activities across the entire Alfasigma Group. In its role as a “third line of defence”, this function carries out risk-based checks on the Internal Control and Risk Management System, providing assurance and advice on its adequacy and effectiveness.

The results of audit activities and related reports are addressed to the management responsible for the action plan aimed at strengthening the Internal Control System, in order to promote continuous improvement and mitigate risks.

Responsibility for risk management remains with first-line roles, i.e. management, while second-line roles are oriented towards specific risk management and/or control objectives, e.g. compliance

with external and internal laws and regulations, information and technology security, product quality assurance, safety and health protection in the work environment.

In the Alfasigma Group's organisational design to prevent any form of corruption, appropriate control measures are adopted, such as the "segregation of duties" principle. This principle provides that responsibilities are distributed among multiple individuals to avoid a single person having full control over a process; has a system of authorisations and approvals for financial transactions and critical decisions, ensuring they are verified by multiple levels of management; uses tools for continuous monitoring and periodic reviewing of business activities; has implemented rigorous financial controls, such as regular account reconciliation and transaction auditing to prevent and detect fraud and irregularities in a timely manner; conducts in-depth audits of vendor and customer business partners to ensure they meet the company's ethical and legal standards.

INTERNATIONAL TRADE COMPLIANCE PROGRAM

The Alfasigma Group is committed to maintaining ethical practices that place health and safety at the heart of business activities and operations. Over the two-year period, an International Trade Compliance Program has been implemented to monitor compliance with international export and sanctions regulations. This program helps navigate complex international markets and build trusting relationships with global partners.

ANTI-CORRUPTION

The Alfasigma Group is involved in the fight against corruption. To that end, the Company approved a Global Anti-Corruption Policy in March 2023, applicable to all Group companies. This Policy establishes core principles, roles and responsibilities, providing guidance for behaviours, particularly in areas of high risk of corruption.

The Organisation, Management and Control Model pursuant to Legislative Decree No. 231/2001 adopted by all companies with offices in Italy defines procedures and controls designed to maintain an internal control system aimed at preventing risks of a criminal nature. When regulatory or organisational changes occur, companies update their risk assessments and consequently also the Model. During the year, we worked on updating the Alfasigma Model and incorporating regulatory changes.

In 2023, as confirmation of the effectiveness of our preventive measures, the checks carried out by the Corporate Internal Audit function showed that out of a total of 7 transactions of the Parent Company assessed for risks related to corruption, no cases of corruption were identified.

CYBERSECURITY

The Alfasigma Group has had an internal team dedicated to Cybersecurity issues since 2021. The team's objective is to take all necessary actions to mitigate risks related to IT infrastructure, which have increased significantly over the years.

In this regard, the commitment of the Corporate Cybersecurity Function focuses on the following areas:

- technologies: it is responsible for identifying, implementing, managing and monitoring innovative technological solutions for information security, based on a cost-benefit analysis;
- people: each year it plans and implements a cyber training plan aimed at all internal employees of Alfasigma, through interactive video lessons, available through the e-learning platform. These training sessions covers a range of topics, including phishing, password security, social media and social engineering, malicious software and data handling & protection. In addition, phishing campaigns (general but also vertical to specific user categories) are conducted annually, with the aim of assessing users' ability to identify and contain email threats;
- suppliers: in accordance with the Data Protection Function, it uses a web solution for the census and accountability of its suppliers. In particular, each supplier is asked to complete two questionnaires: the first concerning the security measures taken for data protection and management, the second specifically focusing on the cybersecurity measures taken. At the end of this process, the questionnaires are analysed and, if necessary, approved. These security safeguards make it possible to avoid any incidents and/or complaints regarding privacy breaches/loss of customer data.

No reports of customer privacy breaches and/or data loss were reported during the year.

During the year, no incidents related to customer privacy breaches or data leaks were reported, confirming the team's correct approach to addressing ongoing web threats.

[2.3] Shared value

In 2023 the Alfasigma Group recorded a turnover of €1,367 million, marking an increase of 15% on 2022. Profit after tax is around €140 million (+59% compared to 2022), a result influenced by the positive results recorded on almost all products that mostly performed above the market. During the year, the partial demerger of the subsidiary Sofar SpA was formalised for the benefit of the Parent Company Alfasigma SpA. This transaction was necessary as it was functional to: the reorganisation of the Alfasigma group that had already begun in 2022; the Parent Company management's prospects for internalising Sofar's commercial division within the company (including all of Sofar's intellectual property); and the elimination of operational duplications between the various company functions resulting from the entry of Sofar into the Alfasigma group. In November 2023, as already mentioned above, the Parent Company's closing was completed of entire outstanding shares of common stock of Intercept Pharmaceuticals Inc., an American biopharmaceutical company established in 2002, and focused on treatment of chronic liver diseases, including Primary Biliary Cholangitis (PBC). Indeed,

among the products of the American company, there is Ocaliva®, the first FDA-approved second-line treatment for patients with Primary Biliary Cholangitis (PBC). This product expands Alfasigma Group's portfolio, strengthening its R&D activities with the addition of projects in various stages of development, including a new fixed-dose combination of obeticholic acid and bezafibrate, currently in Phase 2 trials for patients with PBC.

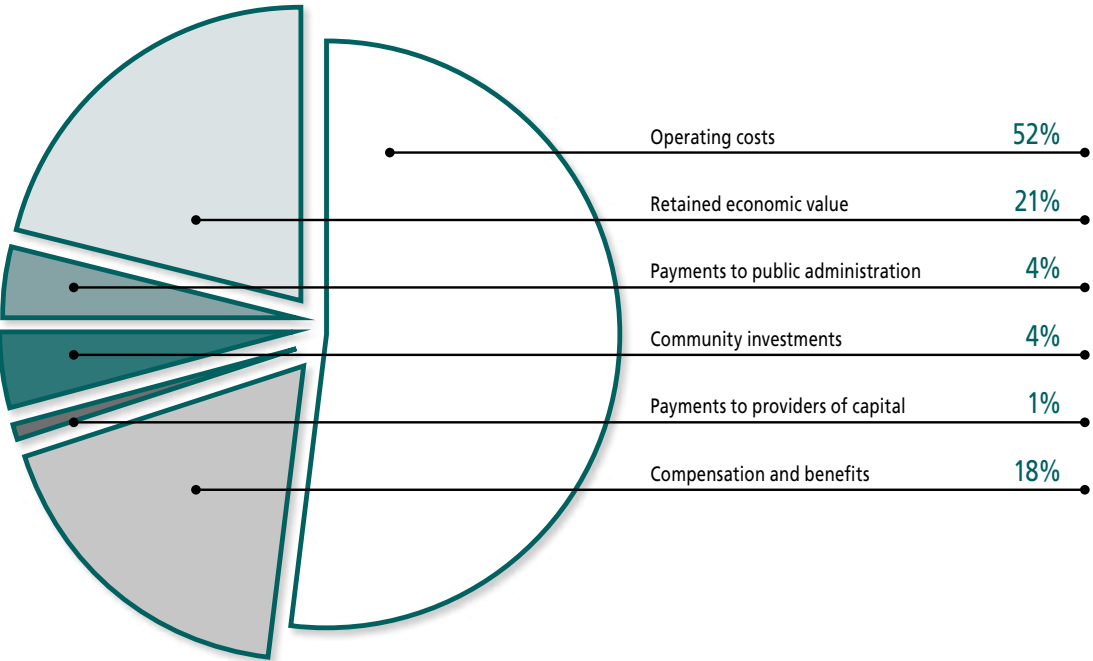
The economic value generated and distributed expresses the ability of a company to generate wealth for the benefit of its stakeholders.

Alfasigma sees economic growth as an integral part of its strategy, committing to creating long-term value for all its stakeholders.

The chart below shows the economic value generated and distributed at group level and its distribution among the various stakeholders, including:

- Operating costs;
- Salaries and benefits;
- Payments to capital suppliers;
- Payments to the Public Administration;
- Investments in the Community.

[GRI 201-1] DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED



The economic values presented are based on IFRS accounting principles and include all fully consolidated companies within the Group.

Compared with the previous year, when the analysis considered only Alfasigma data, the scope of analysis was expanded to include all companies in the Alfasigma Group. The results presented above therefore represent an overall view of the economic value generated and distributed at group level.

During the year, the largest share was allocated to operating costs at 52%. Staff are allocated 18%, the share of which, through wages and salaries, social security contributions and benefits, represents the second most significant item of the economic value generated. The share of the value allocated to the public administration in the form of taxes and duties represents 4% of the economic value produced. Capital suppliers are responsible for 1.0% of the economic value generated. Of particular importance is the share of economic value invested in the community, equal to 4.3%, most importantly donations to the **University** and **Research Centres**, in Italy and abroad, confirming how Alfasigma believes it is crucial to support and spread scientific culture in Italy and in the world. There are also several initiatives in support of Patient Associations.

DIGITALISATION

The Alfasigma Group has continued the digitalisation work started in previous years by investing in the automation and innovation of processes to improve the safety, efficiency and timeliness of business and market responses.

Thanks to the support and driving force of the ICT team, several digital projects were carried out during the year, leading to the involvement of different areas.

IN-HOUSE HOSTING WEBSITES AND AUTOMATION OF THE PROVISIONING PROCESS

To ensure greater control and security of data and applications throughout the year, we are moving to in-house hosting. Despite the initial complexity and burden, we have chosen to adopt this approach. The reason for this is that instead of relying on external suppliers, we are certain that we can guarantee a better degree of security by managing our own servers and infrastructures internally to manage client websites. This offers the possibility to customise the infrastructures managed to make changes according to the business needs of the period. Automation of the provisioning process, a process for configuring and managing the ICT resources needed to operate a service or application, was also started. This guarantees the Alfasigma Group effective management of the identities that can be connected to the servers, at the same time it reduces the time needed to configure them, leading to significant reductions in human errors and therefore greater security.

AUTOMATION ACTIVITIES FOR THE TREASURY DEPARTMENT

Several initiatives have been undertaken to automate some of the key activities within the treasury department, including:

- the reconciliation of banking transactions, reducing manual errors and speeding up the process of verifying transfers between bank accounts and internal accounting systems.

- the process of creating and issuing virtual credit cards, and associated increases in limits.
- a flow system to facilitate the management and internal communication of provisions.
- preparation of the reports necessary to collect the Financial Forecast data.
- introduction of a system that facilitates the management and internal communication of time deposits and loans.
- backoffice management of requests to treasury, implementing automatic approval flows for requests for the creation of e-banking users and mass unloading of exchange rates.

In May 2023, the new intranet Hub Corporate Treasury was launched, a platform designed to improve the efficiency of financial operations and provide support to all functions of the Alfasigma Group. The **Treasury HUB** provides a detailed overview of treasury operations, providing a point of reference for those who need to quickly consult a guide on how to use services related to this area.

AUTOMATION ACTIVITIES FOR THE HR DEPARTMENT

Initiatives have focused on a number of areas within HR, improving process efficiency and reducing manual workload.

- **Performance Management:** The performance management process was fully digitised through the SuccessFactors platform, aligning it on a global scale. This ensured greater consistency and transparency in performance monitoring and began managing business objectives in all Alfasigma locations.
- **Variable Pay (Short Term Incentive)** calculation: The system for calculating target incentives has been automated, allowing a significant reduction in the effort required by the Compensation team. Automation has enabled the accuracy and timeliness of performance awards to be improved.
- **Salary Review:** The salary review process has also been automated and standardised at a global level, ensuring a uniform approach and reducing the complexity associated with managing remuneration policies.

These initiatives have revolutionised the management of the HR team's processes, making them more efficient and agile, enabling them to support the growth and development of personnel globally.

TrackWise is a Quality Management System designed to help businesses electronically manage and **automate quality assurance processes**. Introduced at Alfasigma in 2021, after demonstrating excellent R&D performance, it has been extended to all corporate areas, the Alanno plant, the Pomezia plant and the Labio 4.0 research centre. Thanks to its ability to centralise quality processes in a single integrated system, TrackWise has improved operational efficiency by automating workflows and facilitating management and reporting between the various quality systems. The software provides a mechanism for tracking the various activities in the process and the users involved, allowing the user to quickly determine not only the current state of a problem, but also who is involved and what actions have been taken.

Following the excellent results achieved last year with the **Veeva Vault CTMS** go live in the Research and Development area, it was decided to expand the use of the Software to other areas. In

fact, **Veeva Quality Docs**, which had already been launched for managing SOPs for the Corporate and ICT divisions, was then able to expand to sites in Alanno, Pomezia and Sermoneta. The system has been enriched with the management of policies and operating instructions, advancing the process of dematerialisation and electronic management of internal documentation. An interface has also been created with the Learning HR system, allowing the two systems to communicate and contribute to the training of new staff on existing regulations and to the updating and dissemination of new versions.

With **Veeva Vault RIM**, the integrated platform for content management, publishing and tracking of Marketing Authorisations could be implemented. 2023 saw the introduction of the life cycle management process for pharma product registrations in the various countries and the release of the flow for IND (Investigational New Drug) management, i.e. submission of clinical trials (pre-registration). The introduction of this platform ensures improved operational efficiency, traceability and security integrity of managed information/documents, compliance with regulations and inspection readiness.

The **Dynamic Discounting** experience, launched in 2020 to improve supplier relationships, has continued and strengthened, enabling suppliers to manage their innovative credit using a digital platform. For Alfasigma, this is about generating economic value by effectively using cash [more in the Supply Chain section].

RETROFIT AND REVAMP OF ALANNO AND POMEZIA PLANTS

From the point of view of environmental sustainability, Alfasigma confirms its commitment with an important project to modernise the Alanno site, thanks to a partial revamp and the expansion of the existing area, further steps have been made by making structural changes to some plant production areas. The new Sterile 4 Department was completed. Within 3 years, two new aseptic areas - the Sterile 3 and Sterile 4 areas - were built for a total of 1,050 m², of which 30% consisted of requalified areas. Sterile Department 4 reflects the requirements of Industry 4.0, is strategic in terms of business for the production of pre-filled syringes and for new opportunities within the CDMO (Contract Development and Manufacturing Organisation). Existing machinery has been updated within the plant, and new machinery has been installed in Sterile Department 4, such as the automatic filling machine that can handle up to 36,000 syringes per hour, bringing a significant efficiency and reduction in consumption. The area has also been authorised by the Italian Medicines Agency for the production of immunological products such as vaccines, which are now one of the fastest expanding forms of pharmaceutical manufacturing. This is an important milestone that will expand growth prospects over the next five years.

Following on from the Alanno plant, further efficiencies in other production areas are planned for 2024, for example for the Pomezia plant a new line will be installed for the production of Blister, most of the smelting machines will be automated, and the machinery for mixing liquids will be renewed with the turbo emulsifier and a Becomix mixer, able to guarantee greater precision and capacity of flow.

During the year, the Alfasigma Group saw the creation of various initiatives and business projects in different areas of the world.

Alfasigma Russia used artificial intelligence to support employees during Cycle Meetings. The Russian Digital Team created a chatbot impersonated by the corporate mascot AL on the Telegram platform. He is a personal assistant who recognises Russian colleagues and will answer any questions about their Cycle Meeting, whether it is information about the program of the event or the transfer. It can also contact the organisers independently, report nearby interesting places, recommend a restaurant or fitness centre, advise if it will rain (or snow), send lists of groups for role plays, tell a joke and much more. One of the most innovative aspects is that the chat bot can communicate “as a person” and can do so with an unlimited number of people at any one time. The chatbot was created within the Russian team at zero cost from an idea by Stefan Lukyanov (digital manager in Russia) who was responsible for technical implementation.

These projects represented a further step forward for the Alfasigma Group on the path towards innovation and digitalisation, strengthening its ability to respond to market challenges with advanced technological solutions.

[2.4] Supply chain

The Alfasigma Group considers the responsible management of its supply chain a crucial element for guaranteeing quality, safety and sustainability at every stage of the production process.

Our Supply Chain involves global strategic partners from raw material suppliers to distributors of our finished products. To ensure compliance with applicable regulations and international standards, we have strict supplier selection and monitoring criteria, focusing on aspects such as material quality, job safety, environmental impact and transparency of business practices.

Particular attention is paid to the supply of critical raw materials, such as active ingredients, which must respect high quality standards and come from certified sources. Our supplier diversification strategy enables us to reduce the risks of supply chain disruptions and maintain a high level of business continuity. We conduct regular supplier audits to ensure production practices are aligned with our corporate values on ethics, sustainability and respect for human rights. In fact, we are committed to fighting all forms of human rights violations by supporting the Global Code of Conduct and extending its principles to all our suppliers.

In terms of distribution, we work with logistic partners that comply with strict standards of conservation and transport for pharmaceutical products, in order to ensure their integrity and safety up to the point of sale or administration. By using advanced technologies, we constantly monitor every phase of the distribution chain, ensuring product traceability and reducing waste.

Our commitment to a sustainable Supply Chain is also reflected in the adoption of practices aimed at reducing environmental impact throughout the product life cycle, with particular emphasis on resource efficiency and responsible waste management.

During 2023, the Company embarked on a process of reorganising the various functions and departments needed to address the growth plan and the strategic, medium-term and long-term imperatives that the Company has set itself.

The following Functions play a key role in Supply Chain management:

Procurement: responsible for the effective management of supplies of DIRECT materials and services, INDIRECT and auxiliary materials and services, as well as Finished Products purchased from other manufacturers (ESO, External Supply Operations);

Supply Chain: responsible for managing the demand of the Markets, through careful planning of the Production departments and the requirements of all materials, as well as the timely and effective distribution of our Finished Products in the distribution network.

INDIRECT PURCHASES

With regard to the purchase of indirect materials and services, which contribute to the production of finished products without being part of them, the company procedures lay down the processes useful to satisfy the supply requirements expressed by the business units, guaranteeing the quality of the suppliers involved and compliance with the agreed service levels.

INDIRECT PURCHASES FOR ALFASIGMA
Marketing expenses (e.g. advertising, market data);
Promotional expenses (e.g., promotional materials, marketing agencies);
Travel expenses (e.g. participation in conventions);
CAPEX (Capital expenditures) (e.g. Industrial capex or R&D);
Maintenance expenses (e.g. general maintenance, utilities);
Logistics services (e.g. shipping/distribution);
General Services (e.g. payroll management, long-term car rental);
Computer service expenses (e.g. purchase of IT software, employee computer equipment);
Expenses for R&D (e.g., lab services, lab materials).



The entire supply management process involves 3 main macro-activities:

- Category Management: the analysis, planning and management of individual product categories to optimise the overall value for the company, improving efficiency, reducing costs and strengthening relationships with strategic suppliers
- Sourcing: in other words the process of identifying, evaluating and selecting suppliers for the purchase of goods and services, with the aim of obtaining the best conditions in terms of quality, price, delivery times and reliability.
- Procurement: which consists in the process of issuing and managing Purchase Orders and supply agreements for goods and services.

Alfasigma's supply policies are a key element in guiding the organisation towards strengthening its supply chain, in order to minimise its negative environmental and social impacts, while at the same time reflecting positively on the socio-economic development of the communities involved.

"Supplier qualification and evaluation procedure for indirect purchases", which was completed during the year, this procedure aims to define principles, rules and operating methods for managing the supplier qualification process for procurement of indirect goods and services, including consultancy services, describing the operating methods, in order to ensure:

- the satisfaction of the requirements of technical quality, commercial, financial and ethical ethics by the Company's suppliers;
- the holding of sufficient guarantees to fulfil the requirements of the GDPR;
- compliance with the requirements established in company procedures, the Code of Ethics and Model 231;
- that the qualification process follows a defined approval process and the related controls are identified.

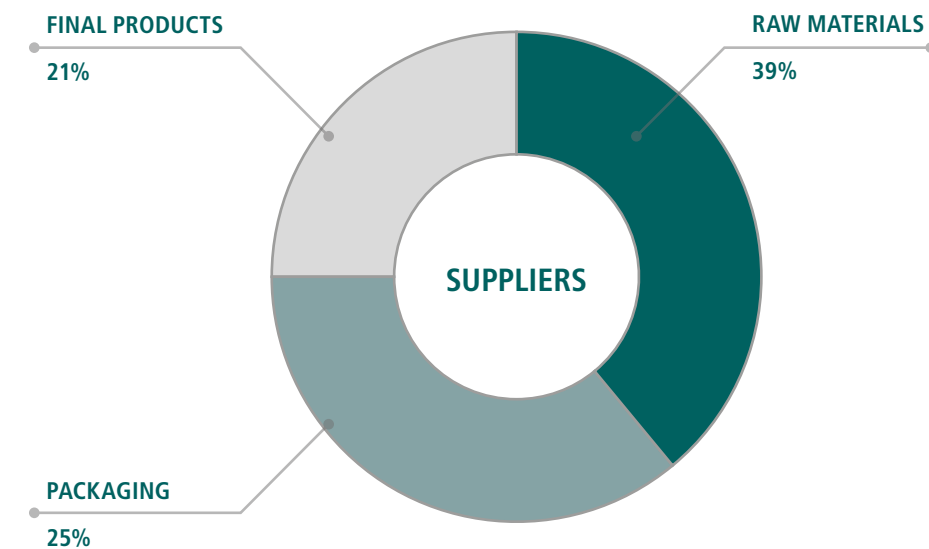
The Group has also implemented a control mechanism to check that suppliers are not subject to sanctions by using a specially designed database.



DIRECT PURCHASES

As regards the purchase of goods and raw materials essential for the production of the final product, Alfasigma has 359 suppliers, divided as follows: 39% (50% in value) for raw materials, 25% for packaging (11% in value) and 36% for finished products (40% in value).

[GRI 2-6] SUPPLY CHAIN



DIRECT PURCHASES FOR ALFASIGMA

Raw materials;

Active pharmaceutical ingredient (API);

Packaging materials;

Finished and semi-finished products purchased.



RISK MANAGEMENT

To prevent any critical issues in the procurement process, Alfasigma pays close attention to risk management, which includes assessing the specific supply risk as well as identifying and implementing back-up plans for key supplies.

This activity involves identifying critical suppliers based on the importance or technical complexity of the supply. Once these suppliers have been defined, the back-up parties capable of overcoming any shortcomings are identified where possible.

As far as direct purchases are concerned, the greatest impact is on all those materials that involve maritime transport, sometimes transoceanic transport. Glass is one of the materials for which supplies

was struggling even before the pandemic, but the situation became more acute as a result of the spread of certain products in vials, such as vaccines.

In general, for a company like Alfasigma, the most critical purchases are those that have a single supplier, such as certain active ingredients or ingredients that do not have back-up available. During 2023, Alfasigma continued and strengthened the diversification process of key active ingredient suppliers to mitigate product stock out risk and economic risk associated with having a single supplier. It is important to stress that the implementation of a new supply of raw materials for the production departments of a pharmaceutical industry is a complex process as potential suppliers must obtain certification from the body responsible before being able to be included in the production process, since, in many cases, active ingredients are rare and difficult to produce.

DYNAMIC DISCOUNTING
DIGITAL TRANSFORMATION APPLIED TO PAYMENTS TO SUPPLIERS

In 2020, Alfasigma Spa implemented the Dynamic Discounting solution for the suppliers of the Parent Company in collaboration with Fintech Italiana FinDynamic, born out of the Polytechnic University of Milan (Politecnico di Milano).

It is a digital platform that enables suppliers to manage their credit and offers Alfasigma the opportunity to generate economic value through the efficient use of liquidity. With this system, Alfasigma suppliers can have their invoices paid in advance in exchange for a discount that varies according to the number of days of advance requested from time to time and the rating assigned to the supplier. For its part, Alfasigma retains its suppliers thanks to financial support provided as an alternative to the banking world. The benefits of the FinDynamic application are tangible across the supply chain.

At the end of 2023, 359 providers were registered as potential recipients of this type of payment and FinDynamic made direct contact with them. In total, over the entire period, about 1,245 discount requests have been made, for a total advance of about €99 million. This advance generated €491 thousand in income for Alfasigma.

[2.5] **Research and Development**

In 2023, Alfasigma Research and Development (R&D) continued its growth path by consolidating assets and investments into the development of new therapies in the gastrointestinal diseases area, with a specific interest in rare diseases; the vascular area was also confirmed to be of great interest to the Company. The R&D activities carried out by the company aim to implement new production processes and to introduce new products. In this regard, 2023 was characterised by the acquisition of Intercept

Pharmaceuticals, Inc. with its asset Ocaliva®, the second-line treatment for Primary Biliary Cholangitis (PBC). R&D played a key role in the Merger & Acquisition (M&A) process, which also brought new energy to the pipeline, including new molecules under development in additional indications. The acquisition of Sofar SpA in October 2022 attested to Alfasigma's desire to establish itself as a leader in the Italian gastroenterology market, with the production and marketing of medicines, medical devices and long-standing food supplements in the sector, well known to both specialists and patients. In 2023, R&D investment in the OTC-OTX area continued with the aim of continuing to steadily increase the Group's capacity to support the generation of scientific data to support products in this area.

For the year ended 31 December 2023, investments in the Group's Research and Development (R&D) activities amounted to €31,492 thousand. For Alfasigma SpA the figure was €31,351 thousand, down by €13,149 thousand on the previous year.

Below is a trend for investments made by the company in 2023. The first column, as we have already mentioned, indicates the consolidated scope and then, in order to maintain continuity with previous years, the separate view reporting the last two years was maintained.

The impact on Alfasigma's turnover decreased compared to the previous year, standing at around 2.8%. At the consolidated group level, the incidence is 2.3%, although no comparative data for the consolidated scope is available:

INVESTMENT IN RESEARCH AND DEVELOPMENT	2023	2023*	2022
Total R&D investments (€ million)	31.5	31.4	44.5
Total revenues (€ million)	1384.15	1119.06	977.08
% investment in R&D on revenues	2,3%	2,8%	4,60%

FACTS & FIGURES

There are 412 R&D employees in the Alfasigma Group, and in Italy alone R&D employs a total of 173 people.

In 2023, the R&D sector of Alfasigma SpA in Italy was developed in 4 centres: Bologna, Pomezia, Milan and Bergamo (Kilometro Rosso innovation district). Other centres are located around the world, and the most noteworthy numbers are found mainly in two areas, Spain and the USA.

[GRI 2-7] R&S EMPLOYEES

NUMBER OF R&D EMPLOYEES PER LOCATION	2023 ³	2023*	2022*	2021*
Total	412	173	170	131

The number of R&D employees in **Alfasigma SpA** confirms steady growth in recent years: from **131 in 2021*** to **170 in 2022***, to reach **173 in 2023***. This positive trend reflects the company's continued commitment to expanding its innovation activities.

³ With respect to the reporting scope, the reported data does not include the subsidiary Laboratorios Alfasigma Mexico S.A. de C.V. as the data is not available..

Most R&D researchers are located within two functional areas: Pharmaceutical Technology and Clinical Development.

The area where research is most active is precisely that aimed at the clinical development of new therapies for gastrointestinal diseases for patients with special needs, with a specific interest in rare gastrointestinal diseases and gut-microbiome-brain axis disorders.

During the period under review, the main digital innovation projects were completed, especially in the area of Pharmacovigilance and Clinical Research (Veeva Vault CTMS /eTMF), as described above.

One of the most innovative projects is the use of artificial intelligence in the field of drug repurposing, which in 2023 led to the launch of a development programme starting with selected pharmaceutical to discover new treatments or medical conditions that have not yet been explored.

2023 MAIN PROJECTS

The activity of the Alfasigma Group is driven by product innovation; our growth path is based on consolidation of operations and investments aimed at developing new therapies in various areas, such as:

INTESTINAL DYSBIOSIS

The Company continued to develop the new molecule to treat people with Rosacea with intestinal dysbiosis: the phase 2 study in the United States was completed in 2023. However, the key results of the study were not considered robust enough to continue investing in this area, so the programme was discontinued.

RARE GASTROENTERIC DISEASES

A Proof-of-Concept study was completed in 2023 on a small number of patients (17) with the velusetrag molecule developing in the rare disease CIPO (Chronic intestinal pseudo-obstruction); the results allowed continued drug development, continuing interactions with the EMA and FDA regulatory authorities.

MALARIA/INTERNATIONAL SOCIAL RESPONSIBILITY

Alfasigma's drive to innovate is always determined by its desire to provide a better experience for patients affected by its products. On some occasions, this motivation is based on the social and humanitarian vocation, as in this case, for which the Alfasigma Group has been at the forefront of the drive to register the paediatric formulation of the company's antimalarial drug.

The project effort continued and the dossier for the new paediatric formulation was submitted to the EMA in September 2023. At the same time, preparatory activities for adult tablet registration in the United States (FDA), scheduled for 2Q 2026, continued. Finally, it is currently being brought

to the attention of the World Health Organization to be included as a potential treatment for malaria prevention in children and pregnant women.

ULCERATIVE RECTOCOLITIS

In 2023, the development of the molecule brilacidin in ulcerative rectocolitis was discontinued, following a scientific-financial assessment by the Company, involving the main players in the therapeutic area (example: Key Opinion Leaders).

FORMULARY INNOVATION AND NANOTECHNOLOGY/ RARE NEURODEGENERATIVE DISEASES

In 2022, Alfasigma, along with three other players, continued its support in the Novavido start-up at the Italian Institute of Technology (Istituto Italiano di Tecnologia). This start-up is studying a project on the development of an injectable and biocompatible device, called a 'liquid retina', which would enable people suffering from partial blindness caused by degenerative retinal diseases, such as retinitis pigmentosa, to achieve limited recovery of vision. Alfasigma's contribution is both as a strategic partner as part of the JSC and as a technological partner for developing a dedicated formulation based on nanotechnology. In 2023, Alfasigma completed the formulation development activities to be used for stability and preclinical animal studies.

FORMULARY INNOVATION

Development of a new orodispersible formulation of Bentelan was completed in 2022: the new formulation is not absorbed sublingually and the tablet can be taken without water. In 2023, the clinical trial concluded with positive results, leading to development of the new orodispersible formulation. The dossier was submitted to AIFA in May 2023.

LIFE CYCLE MANAGEMENT

In general, the life cycle management of products continues. Three different prototype probiotics/postbiotics with anti-paradontic, anti-inflammatory, anti-steatotic and endothelial protective properties have also been developed, commencing from an innovative technology for the production of postbiotics in vegetable matrices that has even resulted in the filing of new patents. In recent years, the company has invested heavily in the research of microbiota within the Kilometro Rosso scientific technology park in Bergamo, and their scientific know-how will be integrated with that of the researchers at Alfasigma for the growth of products in this innovative sector.



People
& community

[3.1] Our people

The company reorganisation plan started 2022 has been finalised, involving 280 employees who are part of the network of medical sales representatives and head office structures.

In the HR area, as in other units, the plan to digitalise processes has continued with a view to enhancing the effectiveness of the principal personnel management practices (performance management/MBO, salary policies, selection and training at a global level)

ALFASIGMA MILLENNIAL ADVISORY BOARD THE WORD OF THE NEW GENERATIONS

In 2023, the experience of the Millennial Advisory Board of Alfasigma (A_MAB), born during lockdown, continues. A_MAB is a project of listening to and engaging employees, the internal stakeholder par excellence, which addresses in particular the youngest segment of the workforce: a genuine internal committee, consisting of employees born between 1981 and 1996 who are regularly consulted to integrate young talent into business strategies. In this way Alfasigma aims to enhance the importance of Diversity & Inclusion (D&I). In this context, proposals for corporate volunteering and employer branding projects are being considered. The group has two main objectives: the first is to adopt a perspective that is closer to the sensibility of the young when evaluating projects in the implementation phase from the different corporate departments, the second to proactively propose some ideas that it can use to build the Alfasigma of the future brick by brick from the coming months and into the future.

FACTS & FIGURES

In 2023, the total number of employees at Alfasigma SpA decreased slightly compared to 2022. Alfasigma Group has 2,889 employees.

[GRI 2-7] EMPLOYEES

TOTAL NUMBER OF EMPLOYEES DIVIDED BY TYPE OF CONTRACT (PERMANENT AND FIXED TERM) AND GENDER												
TYPE OF CONTRACT	AS AT 31 DECEMBER 2023			AS AT 31 DECEMBER 2023*			AS AT 31 DECEMBER 2022*			AS AT 31 DECEMBER 2021*		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Permanent	1,156	1,463	2,619	639	662	1,301	709	609	1,318	816	588	1,404
Fixed Term	123	147	270	39	28	67	25	30	55		5	5
Total	1,279	1,610	2,889	678	690	1,368	734	639	1,373	816	593	1,409

TOTAL NUMBER OF EMPLOYEES, DIVIDED BY PART-TIME AND FULL-TIME, AND BY GENDER												
TYPE OF CONTRACT	AS AT 31 DECEMBER 2023			AS AT 31 DECEMBER 2023*			AS AT 31 DECEMBER 2022*			AS AT 31 DECEMBER 2021*		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Full-time	1,263	1,564	2,827	676	667	1,343	732	612	1,344	815	577	1,392
Part-time	16	46	62	2	23	25	2	27	29	1	21	22
Total	1,279	1,610	2,889	678	690	1,368	734	639	1,373	816	598	1,414

Although the number of employees remained in line with last year, there has been a significant increase in female representation within the company. In fact, the number of women among employees has increased steadily in Alfasigma SpA, from 593 in 2021* to 690 in 2023*. This increase reflects the company's commitment to greater inclusivity and gender equality, helping to strengthen the team's diversity, representing 56% of the total workforce.

In 2023, 349 external workers were employed at group level, broken down as follows:

[GRI 2-8] NON EMPLOYEES

TOTAL NUMBER OF TEMPORARY WORKERS SUBDIVIDED BY CONTRACT TYPE AND LOCATION				
TYPE OF CONTRACT	2023 TOTAL ¹	2023 TOTAL*	2022 TOTAL*	2021 TOTAL*
On a temporary basis	199	105	67	67
On a permanent basis	88	83	97	97
Contractors	62	8	11	11
Total	349	196	175	175

During the year, the number of external workers in Alfasigma increased. The trend is in part due to a local agreement in Alanno, which has allowed the consolidation of several collaborators in different departments of the plant on permanent contacts.

Alfasigma also pays constant attention to work in administration and in 2022 decided to proceed with a partial extension of the economic and regulatory conditions for the rest of its contractors. As of January 2023, these workers were granted official recognition for the conditions of increased basic

¹ Compared to the reporting scope, the reported data does not include the subsidiaries Alfasigma România S.r.l., Addenda Pharmaceuticals Srl, Alfasigma Schweiz AG and LLC Alfasigma RUS, as the data are not available.

shifts, had access to fringe benefits in an amount equal to the exempt portion, and finally, in the case of the right to meal vouchers, received an electronic ticket for each day of actual work.

Even for 2023*, in Alfasigma SpA, the situation is in line with previous years with 94% of employees covered by collective bargaining agreements. The collective agreements applied are the Chemical-Pharmaceutical National Collective Labour Agreement and the Industrial Managers National Collective Labour Agreement. If we look at the entire Group, the situation is very different. In fact, only 64% of employees benefit from collective bargaining agreements, as the companies included in the reporting scope operate in countries with heterogeneous legislation on collective bargaining.

[GRI 2-30] COLLECTIVE AGREEMENTS

PERCENTAGE OF THE TOTAL NUMBER OF EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS				
NUMBER OF EMPLOYEES	AS AT 31 DECEMBER	AS AT 31 DECEMBER 2023*	AS AT 31 DECEMBER 2022*	AS AT 31 DECEMBER 2021*
Total employees	2,889	1,368	1,373	1,409
Number of employees with collective bargaining agreements	1,837	1,284	1,303	1,339
Total percentage	64%	94%	95%	95%

The following table completes the picture of the workforce of Alfasigma Spa and of the Alfasigma Group divided by age and gender.

In fact, during the year, 17% of revenues are represented by employees under 30 and 53% are women: these two percentages describe the commitment of the Alfasigma Group to include the younger segments of the population, paying attention to the theme of D&I. The intermediate demographic is one that shows a more significant increase in terms of new employees (about 59% of new revenues), and in this case the percentage of women is 24%, higher than that of men at 21%. A significant impact on departures is due to the effect of the generation bridge, particularly in sections of the population with the greatest seniority. This turnover stands at around 46%.

Over the years there has been a significant increase in the recruitment of women in Alfasigma SpA, which in fact currently represents 50% of the total number of employees. The trend has increased since 2022, when the number stood at around 47% and for 2021 at 42%. In particular, two age groups contributed to this increase, namely that of < 30 years and the middle bracket of between 30 and 50. Increasing employees with those under 30 (both men and women) gives an increase of +24, which represents +2% of the total workforce. There was also a slight increase in the number of employees in the middle bracket, from 652 to 742 (47% vs 54%).

[GRI 401-1] NEW EMPLOYEE HIRING

		2023		2023*		2022*		2021*	
		N.	INCOMING TURNOVER (%)	N.	INCOMING TURNOVER (%)	N.	INCOMING TURNOVER (%)	N.	INCOMING TURNOVER (%)
Men	< 30 years	58	74%	32	97%	12	67%	3	21%
	30 ≤ x ≤ 50 years	142	21%	82	24%	39	13%	15	5%
	> 50 years	63	12%	35	11%	7	2%	3	1%
Total men		263	21%	149	22%	58	8%	21	3%
Women	< 30 years	55	53%	22	42%	33	77%	9	41%
	30 ≤ x ≤ 50 years	246	24%	128	32%	54	15%	13	4%
	> 50 years	98	21%	56	24%	1	0%	1	0%
Total women		399	25%	206	30%	88	14%	23	4%
Total		662	23%	355	26%	146	11%	44	3%

[GRI 401-1] NEW EMPLOYEE TURNOVER

		2023		2023*		2022*		2021*	
		N.	OUTGOING TURNOVER (%)	N.	OUTGOING TURNOVER (%)	N.	OUTGOING TURNOVER (%)	N.	OUTGOING TURNOVER (%)
Men	< 30 years	28	36%	9	27%	2	11%	1	7%
	30 ≤ x ≤ 50 years	134	20%	50	15%	17	6%	13	4%
	> 50 years	204	39%	145	47%	121	29%	15	3%
Total men		366	29%	204	30%	140	19%	29	4%
Women	< 30 years	18	17%	6	12%	5	12%	3	14%
	30 ≤ x ≤ 50 years	252	24%	84	21%	20	6%	16	4%
	> 50 years	161	35%	66	28%	17	7%	6	3%
Total women		431	27%	156	23%	42	7%	25	4%
Total		797	28%	360	26%	182	13%	54	4%

In the table below we can find the situation across the Alfasigma Group and Alfasigma Spa regarding parental leave.

[GRI 401-3] PARENTAL LEAVE

NUMBER OF PERSONS	AS AT 31 DECEMBER 2023 ²			AS AT 31 DECEMBER 2023*			AS AT 31 DECEMBER 2022*			AS AT 31 DECEMBER 2021*		
	MEN	WO-MEN	TOTAL	MEN	WO-MEN	TOTAL	MEN	WO-MEN	TOTAL	MEN	WO-MEN	TOTAL
Total number of employees entitled to parental leave during the year	196	394	590	10	47	57	9	46	55	5	69	74
Total number of employees who exercised their right to parental leave during the year	15	66	81	10	47	57	9	46	55	5	69	74
% of employees who exercised their right to parental leave during the year	8%	17%	14%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Total number of employees who returned to work after parental leave	14	64	78	9	45	54	8	40	48	5	55	60
Total number of employees who were still on leave at the date shown	4	29	33	1	2	3	1	6	7		13	13
Total number of employees who returned to work after parental leave and who were still employed 12 months after returning to work	13	64	77	8	45	53	2	2	4	5	51	56

In the Alfasigma Group, in 2023, the return to work rate after taking parental leave is 92% of the total applicants, for both women and men. In Alfasigma SpA, there is an increase compared with 2022, reaching 95% for women and 90% for men.

² Compared to the reporting scope, the reported data does not include the subsidiary Addenda Pharmaceuticals Srl, as the data are not available.

Diversity & Inclusion: Alfasigma offers equal opportunities to people in an employment relationship, avoiding forms of discrimination due to differences of gender, age, state of health, nationality, political or religious opinions.

With regard to maternity leave, every employee of Alfasigma SpA is entitled to maintain their benefits throughout the period and, during the months of compulsory abstention, maternity allowance is supplemented by the company to 100% of the employee's salary instead of 80% as provided for by law.

From looking at the table below, it is clear that the workforce for Alfasigma SpA is perfectly balanced between men and women with a 50% share each. The gender differences mainly identified in the top positions in recent years have fallen considerably, bringing almost total equality across all levels. Female executives rose 11% from 2022. The band with the highest increase is the 30-50 year age group, from 32% in 2022 to 46% in 2023.

At Group level, 56% of the workforce are women and 44% are men. Women make up 45% of managers, with the most representative age group ranging from 30 to 50. As for middle managers, there is a perfect balance between men and women.

[GRI 405-1] DIVERSITY OF EMPLOYEES – GENDER

	2023		2023*		2022*		2021*	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Executives	55%	45%	58%	42%	69%	31%	71%	29%
<= 30 years	0%	1%	0%	0%	0%	0%	0%	0%
between 30 and 50 years	38%	51%	41%	46%	23%	32%	34%	25%
> 50 years	62%	48%	59%	54%	77%	68%	66%	75%
Middle managers	46%	54%	50%	50%	53%	47%	62%	38%
<= 30 years	1%	1%	0%	1%	1%	1%	0%	0%
between 30 and 50 years	46%	60%	38%	56%	24%	49%	29%	47%
> 50 years	53%	39%	62%	42%	75%	51%	71%	53%
Clerical staff	38%	62%	42%	58%	49%	51%	52%	48%
<= 30 years	7%	8%	6%	9%	2%	8%	3%	5%
between 30 and 50 years	56%	69%	43%	60%	38%	58%	35%	68%
> 50 years	37%	23%	50%	31%	60%	33%	62%	27%
Manual workers	62%	38%	67%	33%	66%	34%	70%	30%
<= 30 years	11%	10%	8%	11%	5%	11%	1%	5%
between 30 and 50 years	60%	52%	73%	64%	70%	58%	74%	63%
> 50 years	29%	38%	19%	25%	25%	31%	25%	32%
Total	44%	56%	50%	50%	53%	47%	58%	42%

Below is a breakdown by gender and age of employees into a protected category :

[GRI 405-1] DIVERSITY OF EMPLOYEES – AGE

EMPLOYEES IN A PROTECTED CATEGORY												
NUMBER OF PERSONS	AS AT 31 DECEMBER 2023				AS AT 31 DECEMBER 2023*				AS AT 31 DECEMBER 2022*			
	<= 30 YEARS	BETWEEN 30 AND 50 YEARS	> 50 YEARS	TOTAL	<= 30 YEARS	BETWEEN 30 AND 50 YEARS	> 50 YEARS	TOTAL	<= 30 YEARS	BETWEEN 30 AND 50 YEARS	> 50 YEARS	TOTAL
Total executives		4	5	9		1		1			2	2
Male executives		3	5	8		1		1			2	2
Female executives		1		1								
Total middle managers		13	7	20		5	2	7		2	5	7
Male middle managers		1	3	4			1	1		1	1	2
Female middle managers		12	4	16		5	1	6		1	4	5
Total clerical staff	1	35	31	67		9	12	21		9	14	23
Male clerical staff		8	8	16		2	3	5		2	6	8
Female clerical staff	1	27	23	51		7	9	16		7	8	15
Total workers	1	7	19	27	1	6	10	17	1	9	9	19
Male workers	1	4	14	19	1	4	7	12	1	6	6	13
Female workers		3	5	8		2	3	5		3	3	6
Men	1	16	30	47	1	7	11	19	1	9	15	25
Women	1	43	32	76		14	13	27		11	15	26
Total	2	59	62	123	1	21	24	46	1	20	30	51

EMPLOYEES IN A PROTECTED CATEGORY												
%	AS AT 31 DECEMBER 2023				AS AT 31 DECEMBER 2023*				AS AT 31 DECEMBER 2022*			
	<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL
Total executives	0%	44%	56%	7%	0%	100%	0%	2%	0%	0%	100%	4%
Male executives	0%	38%	63%	89%	0%	100%	0%	100%	0%	0%	100%	100%
Female executives	0%	100%	0%	11%	0%	0%	0%	0%	0%	0%	0%	0%
Total middle managers	0%	65%	35%	16%	0%	71%	29%	15%	0%	29%	71%	14%
Male middle managers	0%	25%	75%	20%	0%	0%	100%	14%	0%	50%	50%	29%
Female middle managers	0%	75%	25%	80%	0%	83%	17%	86%	0%	20%	80%	71%
Total clerical staff	1%	52%	46%	54%	0%	43%	57%	46%	0%	39%	61%	45%
Male clerical staff	0%	50%	50%	24%	0%	40%	60%	24%	0%	25%	75%	35%
Female clerical staff	2%	53%	45%	76%	0%	44%	56%	76%	0%	47%	53%	65%
Total workers	4%	26%	70%	22%	6%	35%	59%	37%	5%	47%	47%	37%
Male workers	5%	21%	74%	70%	8%	33%	58%	71%	8%	46%	46%	68%
Female workers	0%	38%	63%	30%	0%	40%	60%	29%	0%	50%	50%	32%
Men	2%	34%	64%	38%	5%	37%	58%	41%	4%	36%	60%	49%
Women	1%	57%	42%	62%	0%	52%	48%	59%	0%	42%	58%	51%
Total	2%	48%	50%	100%	2%	46%	52%	100%	2%	39%	59%	100%

There are 123 employees in the protected category within the Alfasigma Group, most of whom (54%) fall into the category of clerical staff, followed by workers (22%). In addition, 50% of clerical staff in the protected category fall within the age group above 50.

The commitment to Diversity and Inclusion is reflected in the absence of any instances of discrimination.

JULIA LAMARCA WITH YOVIS, THE STORY CONTINUES

The collaboration between **Giulia Lamarca** and **Yovis** continues!

Giulia is the travel blogger who travels in wheelchairs around the world, together with her husband Andrea and their little girl. Through social media channels, she talks about her life, her travels and her daily life, acting as a source of inspiration and appreciation of what makes us different and unique.

Giulia represents a personality that best expresses the values of the Yovis brand, that is, the uniqueness of everyone, and she, like each of us, is a unique force, just as Yovis is with the strength of its billions of probiotics and lactic ferments that adapt to the interindividual diversity of every one of us.

Not surprisingly, she was chosen as a brand ambassador for Yovis, which has always made **uniqueness, strength and respect for the diversity** of everyone its core values. Her testimony aims, in fact, to dispel approval and to allow everyone to express themselves freely for what they really are, without filters, in the name of the precious beauty of being oneself.

ALFASIGMA WITH ITACA PROJECT TO FIGHT THE STIGMA OF MENTAL ILLNESS

In 2023, the collaboration with Itaca for the “Job Station” project, launched in the second half of 2022, was continued. At the Itaca headquarters in Via Nazario Sauro, up to eight remote work stations are set up for people with mental health problems, in agreement with local businesses. To date, of the two workstations previously started, one has become an employee of Alfasigma to all intents and purposes, and the other is continuing this training process by remaining within the Team but assisted by an external mentor.

COMPANY WELFARE AND BENEFITS

Alfasigma's experience in company welfare is well established since it dates back to 2013, the year of the supplementary company agreement signed by Alfa Wasserman. In 2019, before the contingencies of the pandemic pushed others in that direction, it was also enriched by promoting agile work and in 2020 a new welfare development plan took shape.

The characteristics of the Welfare Plan signed as part of the 2013 supplementary agreement are:

- flexibility in the duration of the lunch break, ensuring a minimum duration of 45 minutes;
- registration of employees entitled to the Faschim fund;
- the introduction of meal vouchers and the activation of partnerships with external catering facilities located near work sites;
- support for the annual mobility fund in the most complex areas, through the company contribution to purchasing half-yearly parking tickets or alternatively bus passes;
- extension of the use of ROLs (Recovery of Working Hours) to multiples of 2;
- establishment of the participation premium, related to achievement of the company's business results, calculated on the basis of the value of turnover and EBITDA;
- introduction of flexible benefits, a series of tax and contribution benefits reserved for individual employees and differentiated according to the individual needs and job position held during the start-up period.

Compared, on the other hand, to the first supplementary agreement signed following the creation of Alfasigma, the salient characteristics remain unchanged:

- the application and extension of the company's Welfare Plan, through the provision of an annual sum, available to each individual worker, to be used for the purchase of goods and services through a specific IT platform;
- improvement and extension of the flexibility of company hours to one hour;
- coverage of workers' membership fees/monthly fees for participation in the sector's FASCHIM supplementary healthcare fund;
- extension of insurance policies for accidents, including non-occupational accidents, to all employees classified as Middle managers and to general external workers (medical sales representatives and Area Manager).

As specified above in the new Welfare Plan, a welfare credit is to be paid by a specific date. Service areas for which it will be possible to use the credit:

- **education:** expenditure on public or private nurseries, schools of every public or private level (allowing the acquisition of a recognised degree), universities and masters degrees, as well as expenditure on language courses, language certification exams, school books, playgrounds, summer and winter centres;
- **health:** medical expenses such as appointments, check-ups, ophthalmology, dental, physiotherapy, etc.;
- **family care:** expenses for caring for elderly (aged 75) and/or not self-sufficient family members and expenses for caring for children up to 14 years of age;
- vouchers (Ticket Compliments): vouchers for purchasing goods in kind such as outgoings and shopping;
- **pension:** payment of a supplementary sum to the portion that the beneficiary already pays annually to its supplementary pension fund;

- recreation, culture, leisure time, well-being: travel packages, sports, recreational/educational activities, individual training and wellness activities;
- transport: expenses incurred for the purchase of local, regional and interregional public transport passes.

Alfasigma has a number of healthcare benefits from insurance policies, the FASI fund and the FASCHIM fund:

- Life insurance valid for executives;
- Healthcare: FASI fund for executives, FASCHIM fund for middle managers, clerical staff and workers;
- Supplementary health care for executives;
- Insurance cover in the event of disability and disability: for executives through the Fasi Fund;
- Supplementary pension contributions;
- Accident insurance for executives, middle managers and sales representatives.

Some additional concessions were planned for the current year, emphasising the Company's focus on the well-being of its employees:

- an additional one-off sum is planned and paid to support the increase in the cost of living of €400;
- a contract for the purchase of non-prescription pharmaceutical products at advantageous prices will be activated;
- on the occasion of enrolment in nurseries, in preschool, in the first year of primary and secondary schools, the Company will grant paid leave in the measure of 20, 12 and 4 hours respectively to the parent who has the task of helping their child attend the aforementioned educational establishments;
- the value of restaurant tickets is also increased for all workers who are entitled to them.

Alfasigma's sustainability path finds in the environmental dimension a symbol of the effort made to improve quality standards and thus contribute to the ecological transition.

With this in mind, any initiative to improve energy efficiency is taken into account and nurtured.

It was precisely with the approval of the supplementary company contract at Alfasigma in December 2022 that we wanted to define parameters to be used to arrive at an additional bonus based on achieving specific results.

Specific indicators have been defined to reduce energy and material consumption in the offices of Bologna, Milan, Pomezia and Trezzano.

When achieving a reduction in kWh consumption compared to the previous year of between 0.50% and 10%, the employee is paid a gross amount of €350; on the other hand, if the saving exceeds 10% compared to 2022, the premium increases by an additional €100 gross.

In addition to energy saving, the consumption of printer copies was also examined. The company awarded €150 gross on achieving a 6% reduction in the consumption of paper used for printing compared with the previous year.

SMART WORKING

Smart working has been adopted by Alfasigma and our foreign companies such as Alfasigma Espana SL, Biosint Spa and Intercept Pharmaceuticals, Inc.

At Alfasigma SpA, smart working has been agreed between the parties since 2022. However, it should be recalled that the smart working project was launched in 2019 before the Covid-19 health emergency. In 2023, Alfasigma continues to promote and deploy smart working as an operating model. The agreement provides that employees are free to decide to work from home 2 days a week, up to a total of 8 days a month. This decision reflects Alfasigma's commitment to sustainable operations that contribute to improving the well-being of employees. Experience gained over the years has confirmed that the smart working formula can balance the Company's service needs with better usability of personal spaces and the home/work balance for employees. The Company also pays an electronic restaurant ticket worth €7.50 for the days of smart working.

Below is a summary of the hours carried out during the reference period for Alfasigma SpA:

SMART WORKING HOURS BY LOCATION	2023	2022	2021
Alanno	22,983	21,949	23,179
Bologna	122,856	109,265	122,548
Milan	35,606	24,794	24,292
Pomezia	114,401	119,008	121,387
Total	295,846	275,016	291,406

TRAINING

Training within the Company is critical to its success as it helps prevent accidents and injuries, ensures that employees know safety regulations and practices, ensures that the company complies with laws and regulations, and keeps employees' skills up-to-date by increasing their productivity and the quality of work. Continuous development over the years allows the company to remain competitive and to innovate, adapting to changes in the market. It also makes employees feel valued and more motivated, thereby reducing turnover.

Previous years' experience in distance learning and remote work has contributed to a different awareness of the use of new teaching techniques. This new attitude has allowed the range of topics that can also be covered online to be broadened to better optimise times.

Since 2021, Alfasigma SpA has been operating a digital platform named OneLearning dedicated to employee training. It is a tool that allows employees to get to know the training process for each professional role, and also by asking specific questions allows them to directly choose from the catalogue of specialist courses that are of interest, such as languages, IT or soft skills. Training courses in the field of Health and Safety are instead available through the Skillcloud platform, which offers highly engaging courses that aim to increase employee awareness using practical examples, advice and moments of reflection. Through this innovative e-learning platform, Alfasigma SpA aims to create a positive culture based on people's responsibility and well-being. The objectives are to provide essential and precise information on the regulatory framework for health and safety issues and, at the same time, to promote effective training and awareness-raising on adopting appropriate behaviours aimed at ensuring safety in the workplace.

In 2023*, the Parent Company's overall training hours were broadly in line with last year.

[GRI 404-1] AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE

HOURS OF TRAINING	TOTAL NUMBER OF EMPLOYEES	HOURS OF TRAINING	AVERAGE HOURS OF TRAINING	TOTAL NUMBER OF EMPLOYEES	HOURS OF TRAINING	AVERAGE HOURS OF TRAINING	TOTAL NUMBER OF EMPLOYEES	HOURS OF TRAINING	AVERAGE HOURS OF TRAINING
	MEN	MEN	MEN	WOMEN	WOMEN	WOMEN	TOTAL	TOTAL	TOTAL
2023 ³									
Executives	88	3,590	40.80	71	1,737	24.47	159	5,328	33.51
Middle managers	267	6,258	23.44	308	5,305	17.22	575	11,564	20.11
Clerical staff	658	15,813	24.03	1,069	50,674	47.40	1,727	66,486	38.50
Total 2023	1,013	25,662	25.33	1,448	57,716	39.86	2,461	83,378	33.88
2023*									
Executives	49	1	20.40	35	765	21.85	84	1,765	21.01
Middle managers	146	4,38	30.00	144	2,915	20.24	290	7,295	25.15
Clerical staff	306	7,148	23.36	423	9,949	23.52	729	17,097	23.45
Total 2023*	501	12,528	25.01	602	13,628	22.64	1,103	26,156	23.71
2022*									
Executives	48	1,224	25.50	22	601	27.32	70	1,825	26.07
Middle managers	156	5,850	37.50	140	3,542	25.30	296	9,392	31.73
Clerical staff	375	10,950	29.20	396	11,642	29.40	771	22,592	29.30
Total 2022*	579	18,024	31.13	558	15,785	28.29	1,137	33,809	29.74
2021*									
Executives	50	1,200	24.00	20		0.00	70	1,200	17.14
Middle managers	189	6,993	37.00	116		0.00	305	6,993	22.93
Clerical staff	432	9,072	21.00	394		0.00	826	9,072	10.98
Total 2021*	671	17,265	25.73	530	0	0.00	1,201	17,265	14.38

REVIEW AND PERFORMANCE MANAGEMENT

In 2023, a significant portion of the workforce were reviewed, out of 1368 employees the percentage was 46%. The review was both quantitative/qualitative for the disbursement of the MBO (Management by Objectives) and for behaviours. In 2019, the Performance Management system was introduced, which led to a radical change in the organisational scope: eligibility is no longer linked to job classification, but to the complexity and responsibility of the professional content of the role.

NUMBER OF EMPLOYEES WHO RECEIVED A PERIODIC PERFORMANCE REVIEW	2023		2023*		2022*		2021*	
	N	%	N	%	N	%	N	%
Men	212	17%	212	31%	212	29%	212	26%
Women	391	13%	391	31%	391	61%	391	66%
Total	603,00	15%	603,00	31%	603,00	45%	603,00	46%
Executives	57	36%	57	68%	57	81%	57	81%
Middle managers	199	35%	199	69%	199	67%	199	65%
Clerical staff	347	20%	347	48%	347	45%	347	42%
Manual workers		0%		0%		0%		0%
Total	603,00	23%	603,00	46%	603,00	48%	603,00	47%

³ Compared to the reporting scope, the reported data does not include the subsidiaries Alfasigma Romania Srl, LLC Alfasigma RUS, Alfasigma (Beijing) Medicine Consulting Co., LTD and Alfasigma (Shanghai) Medicine Consulting Co., Ltd., as the data are not available.

The new system provides for a two-dimensional review: the “what” part, i.e. the quantitative/ qualitative objectives linked to the MBO, and the “how” part, which concern the behaviours adopted to achieve the results. Observed behaviours are linked to the 5 pillars of the Leadership Model noted above.

The company is advancing the extension of its leadership team through education, training and engagement activities, in order to extend performance management to the entire workforce.

The system is centrally managed by the Human Resources department, dividing responsibilities between process and management. Individual objectives are assigned and assessed by the manager, while the dedicated budget is set aside the previous year.

In addition to performance, the system is linked to an ongoing development system involving the entire workforce.

In recent years, **Alfasigma Mexico** has been recognised as a great place to work, highlighting an organisational culture based on people.

As such, to adopt the Model of Leadership, Alfasigma Mexico created a recognition system for team members who truly live and demonstrate a culture of Leadership in their work. They were offered ideas to design a statuette that reflected a value of this model. Everyone was able to participate in its creation through the behaviours that each job requires. To enhance and promote this project throughout the year, not only the winners (one from each category) but all the colleagues from Alfasigma Mexico were able to show off their creations.

The HR team at **Alfasigma USA**, taking inspiration from the Leadership Model files, launched “The Moments That Matter Wall,” a section of TheHub-US intranet, in which TSMs can post mutual thanks and appreciation. The recognition project was launched during the National Sales Meeting and, given the success of the initiative, the step for next year will be to propose it to the entire American organisation.

[3.2] Health and Safety

In 2023, the company line has been strengthened, placing the protection of the health and safety of workers and the continuity of production at the centre of daily activities, in accordance with the regulations in force.

This Report focuses mainly on managing health and safety protection at the 4 plants of the Alfasigma Group in Italy dedicated to Production and Pharmaceutical Research activities (sites in Alanno, Pomezia, Trezzano Rosa and Bergamo) because these are the sites where there is a greater risk for employees.

In all 4 plants, the Occupational Health and Safety Management System (SGSSL) is in compliance with the requirements of the Consolidated Law on Occupational Health and Safety (Legislative Decree 81/08).

The international standard UNI ISO 45001:2018 “Management systems for health and safety at work – Requirements and guidelines for use” is the essential guideline in all plants.

The sites of Pomezia, Alanno, Bergamo and Trezzano Rosa are certified according to the UNI ISO 45001 standard and therefore the management system implemented at both sites is in compliance with the international standards relating to worker protection and prevention policies. In 2023, the aforementioned certifications were also obtained from the administrative offices in Milan and Bologna.

Obtaining these certifications establishes a criterion to improve safety, reduce risks in the workplace and improve the health and well-being of workers, thus allowing an increase in health and safety performance.

The SGSSL and the environmental requirements also meet the applicable health, safety and environmental requirements of Legislative Decree 231/01, the model of which is managed and controlled by the company’s Supervisory Body.

To encourage and increase the participation of employees – whose collaboration is fundamental to the success of company safety policies – close attention is paid to internal communication (pinboards, corporate HUBs, e-mails, signage, etc.) and a structured system is also implemented for reporting situations of risk and potential danger in the workplace (known as a safety concern). Annual audits are also promoted, periodic emergency tests are carried out, and the individual RLS (Workers’ Safety Representatives) are consulted in advance and in a timely manner on risk assessments and on the identification, programming, implementation and verification of prevention measures on site. The company’s constant attention to safety has meant that the results in terms of accidents at work of the Parent Company have decreased in 2023* (-42%). Furthermore, as in the previous two years considered in this report, there were no serious or fatal accidents⁴.

⁴ Most accidents are to be considered “generic accidents”, i.e. for which the company’s prevention action (technical-type) may be ineffective because they are mostly caused by behavioural errors in the face of “common risks”.

[GRI 403-9] WORKPLACE INJURIES

EMPLOYEE INJURIES	UDM	2023*		2023*		2022*		2021*	
		N	RATE	N	RATE	N	RATE	N	RATE
Total number of recordable work-related injuries	u	16	4.42	7	5.41	12	5.72	9	0
of which deaths	u	0	0.00		0.00		0.00		0
of which serious accidents (excluding deaths)	u	0	0.00		0.00		0.00		0
Hours worked	h	3,621,547		1,294,091		2,099,399			

Accidents involving other workers (mostly external contractors) are also numerically low (there were 2 accidents, including no serious or fatal accidents).

OTHER WORKERS' INJURIES	UDM	2023*		2023*		2022*	
		N	RATE	N	RATE	N	RATE
Total number of recordable work-related injuries	u	2	5.19	2	1.55	5	12.57
of which deaths	u	0	0.00		0.00		0.00
of which serious accidents (excluding deaths)	u	0	0.00		0.00		0.00
Hours worked	h	385,750		313,444		397,658	

In April 2023, the US plant of **Alfasigma USA** in Shreveport celebrated a milestone: seven years without an accident at work.

The plant, which manufactures, packs and distributes L-Methylfolate products on the US market, has worked hard over the years to establish and disseminate an internal safety culture that could be easily respected and enforced in order to avoid workplace accidents.

“Health and safety training plays a fundamental role within the Alfasigma Group, both for employees in the operational and administrative offices as well as for external workers”.

Training in this field is carried out both in person and remotely.

HSE corporate contacts hold specific courses within their sites. In addition, external training sessions are organised in collaboration with accredited bodies and specialised personnel in the sector, such as fire and first aid courses. Online training, as mentioned above, is carried out through the use of the Skillacloud e-learning platform. Health and Safety Courses are training courses concerning regulations and behavioural practices in compliance with Legislative Decree 81/2008 as subsequently amended and subject to the 2016 State-Regions Agreement. Moreover, a new State-Regions Agreement is being approved which will agree and replace the various agreements currently in force, creating a “Framework Agreement” for safety training. This new agreement will introduce several new developments, including the duration, minimum content and modalities of compulsory training, as well as the modalities for verifying the learning and effectiveness of the training.

⁵ Compared to the reporting scope, the reported data does not include the subsidiaries Alfasigma România S.r.l., Addenda Pharmaceuticals Srl and LLC Alfasigma RUS, as the data are not available.

⁶ Compared to the reporting scope, the reported data does not include the subsidiaries Alfasigma România S.r.l., Addenda Pharmaceuticals Srl and LLC Alfasigma RUS, as the data are not available.

The total hours of training dedicated to Health and Safety at Work by Alfasigma SpA are shown below.

HEALTH AND SAFETY TRAINING HOURS PER SITE	2023	2022	2021
Alanno	1,856	2,184	1,757
Pomezia	1,070	2,617	1,085
Bologna	1,060	568	427
Milan	230	249	64
External operating force	702	366	120
Total	4,918	5,984	3,453

[3.3] Patients and Health

Again in 2023, Alfasigma continued to engage in dialogue with the Patient Associations with which it has been collaborating for years in a spirit of real partnership and with which it shares common goals.

Collaborating with Patient Associations is essential to ensure that patient needs and experiences are heard, improved and integrated into the decisions of health institutions. Patient empowerment through information and training is crucial for the Alfasigma Group; in fact, when patients are well informed and trained, they can make more informed decisions about their health, participate actively in their treatment pathway, and improve their overall health outcomes.

In March, on the occasion of the European Month of Awareness of Colorectal Cancer, Alfasigma renewed its commitment to the awareness campaign “I Explain Colon”, promoting the initiative with its impartial support for the prevention of colorectal cancer, developed to increase awareness of the importance of prevention, also through compliance with the screening campaigns. Colorectal cancer is the most common cancer of the gastrointestinal system and is one of the leading causes of cancer death in Italy. However, most colorectal cancers develop from initially benign formations. Early diagnosis and timely treatment of patients allow for more efficient management of any pathologies encountered.

This is a very clear signal that demonstrates the Group’s commitment to paying increasing attention to patients and to the need to improve their quality of life.

In May, the company sponsored a monosponsor event called ATLAS (Annual Thinking Lab on Fibromyalgia Syndrome) dedicated to doctors of various specialties who received the patronage of the patient association AISF (Italian Association of Fibromyalgic Syndrome).

This event allowed us to explore issues relating to the diagnostic and therapeutic management of a particularly complex patient that requires a multidisciplinary approach and continuous updating.

The Alfasigma Group recognizes the significant impact that digital transformation is having across all sectors, particularly in the pharmaceutical industry. New technologies are revolutionizing

research, production, and even the relationship with patients. Artificial intelligence and data analysis are helping the pharmaceutical industry accelerate drug discovery and identify potential side effects even before clinical trials are conducted. Additionally, 3D printing technology is being used to produce components for personalized drugs and medical devices.

Digital transformation has brought about significant changes, enhancing the patient experience by allowing them to access their health information through apps and mobile devices. People can now monitor their vital signs and receive timely alerts about potential health issues, enabling preventive measures and improving their quality of life.

In this regard, Alfasigma Mexico organized a “Digital Day” at Google’s offices in Mexico, dedicated to exploring this topic in depth. This event was instrumental in focusing on the impact of digital transformation across the sector. It facilitated the adoption of new technologies to accelerate research, develop new tools, and drive innovation, all while prioritizing patient well-being.

Corporate Marketing: Synergy Between Training and Innovation

In Corporate Marketing, it is essential to combine training with information. This approach not only enhances individual skills but also contributes to the overall success of the company. Indeed, integrating training and information fosters innovation. Well-informed and well-trained employees are more likely to propose new ideas and creative solutions, thereby driving corporate innovation.

Employee training continues to be delivered in a hybrid format, with a preference for remote sessions, particularly when participants are located in various national and international offices.

During the year, the Alfasigma Group participated in the following training congress events, listed below and divided by therapeutic area:

GASTROENTEROLOGICAL AREA

- 29/03 – 01/04 the 29th National Congress of Digestive Diseases organised by **FISMAD** was held in Rome. Alfasigma attended with one of its stands, covering the main aspects of gastroenterology, with the aim of proposing a sharing of the state of the art of clinical and endoscopic management of digestive diseases.

- 20/04 – 22/04 the **ESGE Days 2023** were held in Dublin. We participated as a Premium Partner at the event attended by gastroenterologists and endoscopists from all over the world, including a large Alfasigma delegation of specialists from some of our countries.

- 08/06 – 10/06 the 3rd **SINGEM** National Congress was held in Padua. Alfasigma attended with an exhibition stand of its Debridat product, a key brand in the management of IBS symptoms. It provided an opportunity to delve deeper into topics of broader interest in the field of neurogastroenterology, updating current knowledge on eosinophilic disorders of the gastrointestinal tract, motility disorders of the esophagus and small intestine, rare gastrointestinal diseases, gastroesophageal reflux disease and its complications, irritable bowel syndrome, and the role of the gut microbiota in health and disease.

VASCULAR AREA

22/06 – 24/06 the 23rd European Venous Forum (EVF) was held in Berlin. Alfasigma renewed its participation as Main Sponsor of the Congress with a sponsored session entitled “Risk factors in Chronic Venous Disease Clinical Practice” focused on risk factors and endothelial dysfunction in venous disease, management of endothelial dysfunction in primary chronic venous disease, and prevention and treatment of post-thrombotic syndrome..

THE RELATIONSHIP WITH PHARMACISTS

The constant commitment to the consolidation of the partnership with pharmacists is not only in the offer of quality products and brands that compete in leadership positions in their market segments, but above all through the creation of a series of high value-added services that can help the pharmacy better respond to the health demand of its customer base.

Consulting, training and ongoing support are the drivers that have also guided the relationship between Alfasigma, independent pharmacists and all the various stakeholders in the supply chain in 2023, with a clear objective: to work alongside their customers to best meet the challenges of the ongoing change in the healthcare market.

This strategy includes training events organised in a webinar manner for collaborators of pharmacists who are members of the main networks/chains/retailers’ brands. An ongoing program to build relationships and with the primary goal of fostering an increasingly better culture in the therapeutic areas in which we operate with our product portfolio. More than 500 pharmacists involved in around 10 educational appointments.

In addition, Alfasigma’s commitment to building a consolidated relationship with pharmacists applies every day, including through the work of the team of Sell Out Consultants, the In Store Marketing Consultants, a team of marketing professionals at the point of sale who attend in-person at the pharmacy to explore with pharmacists the issues of customer experience, visual merchandising and category management, in order to support each point of sale in fully exploiting the potential of the reality in which they operate.

Founded in 2018 with 14 units, the network of In Store Marketing Consultant Alfasigma has grown over the years, reaching 23 professionals at the end of 2021, for a total of around 4,500 pharmacies that are visited about 4-5 times a year.

Alfasigma also aims to strengthen relations with its customers, including through an increasing number of actions in the area of economic and environmental sustainability. In fact, this is increasing the awareness of pharmacists on this issue.

For example, commercial networks have been using promotional and scientific information in a completely digital format in pharmacies for several years.

This number also includes the materials used by all lines of sales agents who visit customer pharmacies daily (Consumer Healthcare and Pharmacy Line).

With a view to increasing attention on environmental issues, with reference to the action of networks in the territory (Sales Agents and Sell Out Consultants), the use of alignment meetings in video calls is increasingly frequent; the predominant use of public transport in case of travel, with the aim of limiting individual movements. In addition, merchandising at the pharmacy promotes the recycling of promotional materials in good condition between the various retail outlets visited, as well as optimising the shipments of these materials in order to avoid numerous small deliveries.

Alfasigma also undertakes to work with its pharmacists to develop a production chain of materials from the point of sale that is attentive to eco-sustainability, enhancing the collaboration with realities that guarantee a concrete commitment in this area. The use of recyclable materials allows us to actively involve individual pharmacies in a complete and easy to manage recycling process.

Other actions that Alfasigma pursues as regards store materials in order to try to reduce the environmental impact and help pharmacists with disposal/recycling are: the minimisation of the use of plastic in display units, the use of recycled paper and water-based paints that reduce the impact, as well as the reuse of existing die-cutters for the production of promotional materials, with evident savings.

PRODUCT CONFORMITY

During 2023, there were no recorded cases of non-compliance with regulations and/or self-regulatory codes concerning the impacts on health and safety of products marketed by Alfasigma that led to the imposition of sanctions on the Company.

With respect to any recorded cases of non-compliance with legislation and/or self-regulatory codes on information and labelling, it should be noted that Alfasigma did not receive significant sanctions during 2023. Similarly, there were no non-conformities concerning marketing communications.

YOVIS FOREST REGENERATES

Since 2022, Yovis has launched the Yovis Forest Regenerates project with which it is committed to actively helping to restore the social and environmental balance. Just as Yovis supports the well-being of the intestinal bacterial flora, which is an ecosystem whose health depends on the balance of the parts it is made up of, in the same way the Yovis Forest Regenerates project was born out of the aim of regenerating an ecosystem and supporting the people who live in it.

Our gut microbiota and the forests of Guatemala are both examples of biodiversity, to be protected and regenerated. A tree in Guatemala is in fact a valuable support for regenerating communities. The sales force and our best customers have been offered the opportunity to adopt a tree as part of this partnership.

A sustainable initiative with a positive impact on the local area (Guatemala) both from an environmental and social point of view: Up to now 439 thousand square metres have been redeveloped, the positive impact generated through the planting of 50,000 trees is equivalent to approximately 24.7 tons of CO2 compensated; 1,680 hours dedicated to training have been started, thus supporting 401 Guatemalan families. This project is a valuable support for farming communities to resist the effects of the climate crisis and deforestation..

SOCIAL ENGAGEMENT WITH FONDAZIONE RAVA

Alfasigma has always been committed to supporting children living in health poverty, working each day to provide them with access to the medicines and care they need. By participating, we wanted to support the XII edition of the national initiative “In Pharmacy for Children” by Fondazione Francesca Rava. The event took place in November to mark World Children’s Rights Day, involving more than 2780 pharmacies, and many colleagues from the CHC Business Unit volunteered to help collect medicines and baby care products for children in health poverty. To mark the occasion, special packages have been made with the Fondazione Rava label so that each purchase of a YOVIS BAMBINI item helps to support a social project of Fondazione Rava, which for years has supported the rights of children and families in conditions of distress.

The main theme for this edition was One Planet, One Health: under the banner of social and environmental sustainability, promoting the activation of all the links surrounding children from the pharmacy, a central link as a local service and promoter of initiatives to support prevention and well-being.

Thanks to the initiative presented throughout the country, more than 1,800,000 products have been collected since its inception and donated to 4,000 charities in Italy and to the Saint Damien Children’s Hospital in Haiti. In addition, more than 212,000 children in health poverty were helped, thanks to the valuable cooperation of participating pharmacies throughout Italy and the support of 22,000 volunteers.

[3.4] Corporate citizenship

SUPPORT FOR SHARED HERITAGE

Kalòs kai agathòs: an ancient expression that, for Alfasigma, acts as a daily lesson. The company has always been committed to supporting and disseminating not only the scientific culture that underpins its core business, but also all those aspects of culture (visual art, theatre, music, sport) that make the glue that binds us together.

A commitment that first takes shape within the organisation: Alfasigma, based on its belief that well-being in the workplace is a true asset of corporate sustainability, began in the 1950s to create a collection of corporate art, which today also features in this reporting document.

The objective, in fact, is not merely collectionism but is given by the desire to create a story that improves the lives of the people who enter into a relationship with the company.

Beauty is a value that extends to the **packaging** that “dresses” drugs, reflecting the aesthetic sensitivity of Alfasigma. Each product group is characterised by a **combination of colours inspired by artists who are protagonists of contemporary art** in order to spark in end users the “creative light” that closely links art and science and that makes every product of Alfasigma recognisable.

Socially responsible corporate action includes different ways of supporting and extends to all those associations that require a contribution in order to be able to continue their work and to create value for the community and local areas.

“Good makes no fuss”

The total amount invested by Alfasigma in support of associations was approximately €530 thousand, a decrease compared to 2022, as attempts were made on the one hand to consolidate the post-Covid contributions paid to associations but on the other to return to a higher level of contribution.

Following the earthquake of 6 February 2023, the company donated humanitarian medicines to the FONDAZIONE BANCO FARMACEUTICO ONLUS to support the people affected by the earthquake in Syria and Turkey. Drugs from different therapeutic classes such as non-steroidal anti-inflammatory drugs, corticosteroids, antibiotics, antifungals, antiarrhythmics and antihypertensives were donated.

In May, as a result of the devastating consequences left by the flood that affected the Emilia-Romagna population, a voluntary fundraising event was organised for all Italian employees. Thanks to the strong sense of solidarity that has always distinguished our employees, we have collected €200 thousand that have been donated to the civil protection force of Emilia-Romagna for the people affected.

ASSOCIATIONS	TYPE OF INTERVENTION
Fondazione ANT Onlus	Donations
A.M.A.C.I. (Association of Italian Museums of Contemporary Art)	Contemporary art project
Bologna Festival	Concerts: Great performers and Baby Bofè
CBM Italia Onlus ©	Project in Ethiopia
FAI	Golden Donor
Fondazione Manuli	Alzheimer’s project
Labor Artis	DanCER project
Music Together	Concert season at Teatro Manzoni
Director Philharmonic Academy	Concert season at Teatro Manzoni
Orione 2000	Aid
Piccole Sorelle dei Poveri	Aid
Bologna Municipal Theatre	Alfasigma workers aid

For the second year, Alfasigma is joining the initiative M’illumino di meno as part of the “National Day of Energy Saving and Sustainable Lifestyles” established by the Italian Parliament. Participation is extended to all plants and offices across Italy. The offices of Alanno and Pomezia switched off the lights outside its buildings (street lamps and floodlight towers) for the entire night,

leaving only the lighting needed for emergency vehicles. This action has saved the company 150Kwh, equivalent to about 20 days of normal energy consumption of a family of 3 or 4 people or a journey of about 1000 km by electric car. In addition, 150Kwh equates to about 38 kg of non-atmospheric CO₂. In Sermoneta, the lighting of the internal road areas, parking areas and offices has been reduced by about 40%, whilst still guaranteeing the required operating and safety conditions. At Trezzano Rosa too, lights were switched off outside its buildings (street lamps and floodlight towers) for the entire night of 16 February 2023, leaving only the lighting needed for emergency vehicles, thereby achieving an energy saving of 80Kwh. The Bologna site also participated in the initiative by switching off its exterior lighting, while the offices of Milan joined in a symbolic gesture by switching off the interior lighting two hours earlier.

THEATRE AND SPORT: SHARED HERITAGE WITH BOLOGNA

Our association with the Bologna Municipal Theatre (TCBO) is long-standing: since 2008 Alfasigma has supported two operas per season and, in confirmation of how spreading beauty is a daily task for the company, employees are invited to the dress rehearsals of the supported operas, an opportunity that is always welcomed with great enthusiasm and participation.

In 2023, Alfasigma continued to support Bologna Municipal Theatre, not only turning its attention to the production of events but also extending it to the structure of the theatre. After donating a new acoustic camera in 2015, Alfasigma has more recently equipped the TCBO with a modern streaming system. The work to redevelop the historical headquarters of the TCBO is continuing, starting with the renovation of the area around the Rossini foyer and continuing with the external area of the historical headquarters.

After the success of its sponsorship of “La Piazza si accende” in September 2022, which lit up the façade of San Petronio, Alfasigma collaborated as a main sponsor on another innovative project organised by Bologna Festival. On the evenings of 18-20 July 2023, the towers of the modern Fiera District designed by the famous Japanese architect Kenzo Tange, became a majestic setting for a performance that combined music, dance and videomapping, a special form of augmented reality that through lights allowed animations to be projected onto real surfaces, reproducing amazing 3D effects.

The collaboration between Alfasigma and Bologna sport continues, in 2023 with two main highlights to remember: Torneo **Virtus Alfasigma** and **Race For The Cure**. The third edition of the Torneo Virtus Alfasigma (Virtus Alfasigma Tournament) reserved for the starting category, with four teams signed up: in addition to Virtus Bologna they played the Trofeo Alfasigma, S.G Fortitudo, International Imola Basket, Polisportiva Masi and Virtus Bologna events.



Once again in 2023, A_MAB (Alfasigma Millennials Advisory Board) promoted the Alfasigma team for the Race for the Cure in Bologna, one of the largest events for the fight against breast cancer in Italy and worldwide. Many employees joined the initiative, involving family members, friends and 4-legged mascots. It was an opportunity to get together outside the office, but above all, to really help in raising awareness of breast cancer prevention.

“Passion for Alfasigma means a constant commitment to promoting and supporting culture, sport, art, and scientific dissemination because it believes that people’s well-being depends not only on being healthy, but also on other aspects of life and the environment in which they live”.

With the aim of promoting and supporting these projects, Alfasigma has undertaken to set aside an indicative quota of 16 paid hours per year during normal working hours through which Alfasigma workers will be able to participate in voluntary activities aimed at citizenship..

CBM ITALIA: HELPING TO BREAK THE CYCLE BETWEEN DISABILITY AND POVERTY

Since 2009, Alfasigma has been working with CBM Italia, an international humanitarian organisation dedicated to the prevention and treatment of blindness and avoidable disability and to the inclusion of people with disabilities in the South of the world and in Italy.

Initially, the funded projects were concentrated in Kenya, then moved to Ethiopia based on the Association’s needs assessment. The company’s commitment is to support schooling and education: providing aid to children to go to school not only fosters their education but indirectly provides community support, because children are also fed at school.

This partnership is highly distinctive because it involves a central field of action for Alfasigma, namely health.

FONDAZIONE GOLINELLI

Fondazione Golinelli was founded in 1988 at the behest of Marino Golinelli. It is a private philanthropic foundation, inspired by Anglo-Saxon models and fully operational. It is involved in education, training, research, innovation, enterprise and culture in four project areas:

- arts and sciences;
- school;
- business;
- research and advanced training.

Born to address primarily children and young people who will make up our future generations, the Foundation is based at the Opificio Golinelli, a futuristic structure that extends for 14,000 square metres in Bologna.

The aim is to provide young people, and even younger people, with updated tools to understand the future, fostering cultural growth, awareness and the ability to address what awaits us from both a professional and a human point of view in a responsible and proactive way.

The support of the Foundation is also being encouraged in the world of start-ups thanks to the G-Factor incubator aimed in particular at helping young people turn their ideas into success stories.

COMMUNICATION FOR INFORMATION AND INNOVATION

In 2023, the Communication function consolidated its path launched in previous years, strengthening internal and external communication tools and clearly defining the boundaries of its range of action.

EXTERNAL RELATIONS: INNOVATION AND RESPONSIBILITY

PATIENTS AT THE SITE

It is estimated that a large proportion of the population suffers from gastrointestinal disorders, and often the General Practitioner (GP) is the first professional to address the onset of symptoms. The GP is therefore often responsible for properly identifying the cause of the symptom and setting the right diagnostic and therapeutic pathway: it is therefore a central role for correctly classifying symptoms and for setting the optimal therapeutic strategy.

In this context, we added the GI Masterclass ECM 2023, opportunities for meetings between specialist doctors and GPs, which were conducted with the impartial support of Alfasigma and with the patronage of SIMG (Italian Society of General Medicine), to put “the patient at the centre” favouring the correct collaboration between specialist and local medicine. This training project was divided into three macro-regional days (26-27 May in Rome; 9-10 June in Turin; 16-17 June in Naples) aimed at providing discussions and clinical-management analysis on the issues most needing clarification and on the disputes present in clinical practice.

The third SINGEM National Congress entitled “The planet has changed: 40 years of neurogastroenterology and motility in Italy” was held in June in Padua and for this edition the Alfasigma Group was also present with an exhibition stand on its DEBRIDAT product, a key molecule in the management of IBS (irritable bowel syndrome).

The congress represented a time for scientific updates, cultural exchanges and meeting between gastroenterologists and surgeons in Italy dealing with motor diseases affecting the gastrointestinal tract. This was an opportunity to explore the topics of wider interest in neurogastroenterology, updating current knowledge on eosinophil gastrointestinal disorders, motor disorders of the oesophagus and small intestine, rare diseases of the gastrointestinal tract, gastroesophageal reflux disease and its complications, irritable bowel syndrome, and the role of intestinal microbiota in well-being and disease.

In the same month, the 23rd annual meeting of the European Venous Forum (EVF) was held in Berlin and Alfasigma, as the main sponsor of the congress, renewed its participation. The Symposium addressed risk factors on endothelial dysfunction in venous disease and the management of endothelial dysfunction in primary chronic venous disease, as well as the prevention and treatment of post-thrombotic syndrome.

Active patient engagement and communication are essential to ensuring the quality and sustainability of care. These aspects are fundamental to promoting cultural and organisational change in the management of chronic diseases. Alfasigma has provided impartial support, at the Unicusano University of Rome, to launch a high-level training course in support of engagement and communication with patients aimed at nurses, a key figure for counselling.

ACKNOWLEDGMENTS

At the fifth edition of the Life Science Excellence Award (LSEA), the most authoritative award for innovative projects and products of excellence in the medical and scientific world, Alfasigma was recognised among Excellence 2023 with 4 different projects. Cortigram, Step by STHEP, the value of Competence for General Medicine and “I teach you” have, in fact, received a mention respectively in the categories: Best Multi-Target & Multichannel Project of the Year, Best Digital Campaign of the Year, Best ECM Education Program of the Year and Best Marketing Education Program of the Year.

PROMOTING DIALOGUE AND COLLABORATION ACROSS THE GROUP

Fostering a culture of dialogue and collaboration among colleagues, strengthening connections with top management, and transforming internal communication into a strategic tool characterized by an innovative approach—focused on supporting change management and cultural transformation—were the key objectives of Alfasigma’s 2023 internal communication strategy.

In particular, 2023 marked the third edition of the GLM (Global Leadership Meeting), a recurring event held once or twice a year that brings together the entire Global Leadership Team (GLT). The June meeting took place in Barcelona, with the theme “Connecting the Dots,” a concept born from merging the two event’s central topics: innovation and collaboration. These principles form the foundation of Alfasigma’s present and future—a company that is no longer hierarchical but one where everyone actively participates. Here, the core values that have always defined Alfasigma—passion, tenacity, and integrity—intertwine to propel the company toward the future. The GLM is designed to place people at the center, fostering connections that spark new ideas.

During the meeting, Alfasigma’s Global Leadership Team engaged in discussions on strategies, objectives, and future challenges through debates, interviews, and presentations. It was a pivotal moment to involve the entire management team and position them as facilitators of this forward-looking journey.

A notable initiative in this process is the GLT Conversations—informal meetings between the CEO and selected company members aimed at promoting participatory leadership, encouraging active listening, and fostering open dialogue. Concurrently, the corporate newsletter, Connecting the News, was revamped to reinforce the new organizational structure and vision by providing continuous, clear, accurate, and official information while encouraging employee engagement and participation.

In October, the first Global Alfasigma Town Hall took place in the remarkable setting of the Golinelli Opificio, a symbolic venue for Alfasigma dedicated to innovation. Approximately 200 employees

attended in person, while over 1,000 joined remotely from Alfasigma offices worldwide. This event served as a crucial opportunity to align on the company’s current and future strategy.

In December, the Winter Global Leadership Meeting (GLM) was held in Milan, where the Global Leadership Team convened for two days of presentations, interviews, and talks to review the year’s successes, outline upcoming objectives, and reinforce the underlying strategy and values. The 2023 winter edition provided a platform to celebrate the results of a milestone year marked by two key operations that have propelled the company into a new international dimension—strengthening its presence in the United States and paving the way for expansion into emerging markets across Europe and the UK.

Collaborating synergistically, looking toward the future with a unified vision, being bold, innovative, and data-driven, and maintaining a growth-oriented mindset are the pillars underpinning Alfasigma’s development strategy. These elements are essential in the dynamic, ever-evolving, and innovation-driven world of pharma, where the pursuit of quality and advancement is constant.

Environmental footprint

[4.1] Ecological transition

The company is currently drawing on its measuring tools to provide answers to the most pressing challenges: saving energy and reducing its environmental footprint. The importance of measurement is confirmed by the fact that the corporate programme, launched in 2022, dedicated to analysing and optimising energy consumption, involving all company functions and coordinating key energy projects (for example, tri-generation and photovoltaic systems), continues. Alfasigma has planned to invest around €5 million on these projects, and the Company has consistently demonstrated through the projects it has completed in recent years that the reduction of its Carbon Footprint, energy and raw material savings, are recycling are projects in which it is investing because they are considered the real drivers of growth.

[4.2] Company at a glance: locations & plants

The Alfasigma group has 5 production plants located around the world, 3 of which are in Italy (Pomezia, Alanno and Bergamo), one in Spain at Alfasigma Spain and one in the USA at Alfasigma USA.

It has two administrative offices (in Bologna and Milan) and a centre of state-of-the-art research laboratories at the Kilometro Rosso Technical Park in Bergamo.

The Pomezia plant has a total available area of approximately 344,000 m² with approximately 50,000 m² built. Located about 30 km from the centre of Rome, the plant consists of 23 main buildings, including offices, canteen, workshops and R&D laboratories. Production and packaging activities are centralised in 4 main production areas belonging to 2 different business units: liquid and solid. Quality control and sampling activities are in 2 main areas. The system has a centralised warehouse with a total area of approximately 12,500 m² and a maximum capacity of approximately 12,000 pallet positions.

From an environmental point of view, 18 emission points (chimneys) have been authorised, setting the emission values expressed in concentration for the different pollutants (mainly volatile organic compounds, powders, acetone, vinyl chloride and styrene). At each point, samples and analyses are conducted annually for verification of compliance with legal parameters. In addition, there are 90 emission points deriving from insignificant activities (pursuant to part five of Legislative Decree no. 152/06 Article 272 and Annex IV part I “plants and activities referred to in Article 272 paragraph 1”).

The results of these analyses portray a reduced environmental impact, where all the values are well below the threshold limits established by the Authorisation Decree and by the national standard. The latest renewal of the Single Environmental Authorisation (AUA) was issued on 25 November 2021 and has a duration of 15 years.

In 2022, approximately €50 thousand was invested in energy efficiency measures, including the following activities:

- searches for compressed air leaks;
- installation of film on transparent surfaces in the NMC department (m² 100).

The Alanno plant, in the province of Pescara, extends for 20,355 m² usable of which 22,141 m² on land measuring 128,500 m².

A further expansion plan is still in the process of being implemented.

The most recent Single Environmental Authorisation dates back to 2019. From the point of view of atmospheric emissions, Alfasigma is authorised to emit effluents from production plants into the atmosphere. Specifically, 25 emission points (chimneys) have been authorised, setting the emission values expressed in concentration for the different pollutants (mainly class III Volatile Organic Compounds, powders, acetone, vinyl chloride and styrene). At each point, samples and analyses are conducted annually for verification of compliance with legal parameters.

The results of these analyses portray a reduced environmental impact, with all values below the threshold limits established by the Authorisation Decree and by the national standard.

The main interventions carried out in 2023 are as follows:

- continuation of the plan to replace the current lighting fixtures with new LED fixtures within the chemical quality control laboratory;
- Energy redevelopment of ground floor offices with replacement of panelling, windows and Venetian panels;
- Energy optimisation of office air conditioning systems and the production liaison unit;
- Installation of the photovoltaic system on part of the warehouse roof with over 200 panels with a total power of about 87kWp.

For 2024, the following projects have been submitted, approved and launched:

- Creation of a centre of excellence for the production of sterile drugs of Alanno, Pomezia and for new projects of the CDMO. The project is an important investment of over €12 million which will be completed in 2026 and provides for the purchase and installation of new high-tech machines and systems;
- Construction of a trigeneration electric power plant of 1560kW, amounting to more than €2.6 million, to be completed in 2025;
- Replacement of air conditioning and lighting systems with LED bodies in the ground floor offices;
- Energy optimisation of the warehouse air conditioning system;
- Installation of the control unit for energy optimisation and efficiency of the compressed air production utility unit, with significant savings in energy and CO₂ emissions;
- Creation of a new break room with attached toilets for production staff, with the elevation of the current break room, and installation on the roof of photovoltaic panels (56 units with total power greater than 20kWp).

The Bologna headquarters, at via Ragazzi del '99, 5, ar spread over 3 floors and hosts the executive centre of Alfasigma. It holds the Single Environmental Authorisation (AUA): the latest renewal is dated 28 August 2019.

In Milan, the building at Via Fabio Filzi 29, Leed Platinum certified (360 degree sustainability guarantee), mainly houses the offices of the company's international division.

[4.3] Environmental indicators

FINISHED PRODUCTS AND CONSUMPTION OF RAW MATERIALS

In 2023*, the Parent Company's production increased compared to 2022: +18% for Single Dose Units and +5% for packs, i.e. finished products.

[GRI 2-6] PRODUCTS

PRODUCT TYPES	2023	2022	2021
ALANNO			
Injectables (units)	78,612,299	86,000,000	70,213,765
Oral solids (units)	689,915,928	534,000,000	434,110,752
Total (units)	768,528,227	620,000,000	504,324,517
Packs	51,288,850	52,000,000	38,877,006
POMEZIA			
Injectables (units)	50,225,553	43,000,000	34,991,242
Oral solids (units)	781,180,941	692,000,000	372,916,703
Total (Units)	831,406,494	735,000,000	407,907,945
Packs	62,428,331	56,000,000	36,224,848
Total SDUs (units)	1,599,934,721	1,355,000,000	912,232,462
Totale Packs	113,717,181	108,000,000	75,101,854

The consumption of raw materials decreased by 9%.

[GRI 301-1] MATERIALS USED BASED ON WEIGHT OR VOLUME

CONSUMPTION OF RAW MATERIALS (IN TONNES) BY SITE				
TYPES OF RAW MATERIALS (IN TONNES)	2023	2023*	2022*	2021*
APIs	5,515	394	341	227
Excipients	29,863	485	626	414
Total	35,377	879	967	641

ENERGY CONSUMPTION

Energy consumption in 2023 turned out to be in line with 2022, as production increased. This confirms the Company's focus on energy consumption.

[GRI 302-1] ENERGY CONSUMED WITHIN THE ORGANISATION (GJ)

CONSUMO DI ENERGIA INTERNO ALL'ORGANIZZAZIONE (GJ)	2023	2023*	2022*
Total fleet consumption of cars and other vehicles	42,282	29,809	35,635
Fleet consumption of diesel cars and other vehicles (e.g. pallet trucks)	42,282	29,809	35,635
Total consumption for heating	248,181	153,413	141,133
Consumption of natural gas for heating	248,181	153,413	141,133
Gas consumption for cogeneration	0	0	0
Other	0	0	0
Total electricity consumption	168,465	107,332	113,895
Consumption of electricity purchased from renewable sources	3,192	3,192	3,966
Consumption of electricity purchased from non-renewable sources	165,059	103,926	109,730
Electricity produced by photovoltaic system	0	0	0
Electricity produced by photovoltaic system - sold	0	0	0
Electricity produced by photovoltaic system - consumed	214	214	199
Total energy consumed	458,928	290,553	290,663

In addition, Alfasigma wanted to represent the share of electricity produced and consumed by the Pomezia cogeneration plant, in order to give a complete picture of energy consumption within the organisation¹.

ENERGY PRODUCED BY COGENERATION PLANTS (GJ)	2023	2022	2021
Electricity produced by cogeneration plants	64,285	58,097	21,144
Electricity produced by cogeneration plants - sold	102	0	0
Electricity produced by cogeneration plants - consumed	64,183	58,097	21,144

CO₂ EMISSIONS

Aware of the potential negative effects on the environment caused by energy consumption in terms of greenhouse gas emissions, particular attention has also been paid to monitoring this issue with a view to counteracting the negative effects arising from it. The GHG Protocol² guidelines for the reporting of greenhouse gas emissions suggest a breakdown according to their source, i.e. in "Scope": it was therefore decided to report Scope 1 and 2, i.e. those directly linked to the energy consumption indicated above, calculating emissions through the use of widely disseminated emission factors³.

[GRI 305-1] DIRECT GHG EMISSIONS (SCOPE 1)

	2023	2023*	2022*
GHG emissions from car fleet and other vehicles	2,982	2,102	2,539
GHG emissions from gas consumption	13,903	8,594	7,984
TOTAL SCOPE 1 GHG EMISSIONS	16,885	10,697	10,523

[GRI 305-2] INDIRECT GHG EMISSIONS (SCOPE 2) (TCO2E)

	2023	2023*	2022*
TOTAL SCOPE 2 GHG EMISSIONS – Location Based	14,40	9,355	9,691
TOTAL SCOPE 2 GHG EMISSIONS – Market Based	20,753	13,193	13,916

¹ The data in this table is not counted within the GRI 302-1 indicator, since, as indicated in the reporting requirements, if the organisation generates electricity from a renewable or non-renewable fuel source and then consumes the electricity generated, the energy consumption is only calculated once as fuel consumption

² The *Greenhouse Gas Protocol* was created by the *partnership* between the *World Resources Institute* and the *World Business Council for Sustainable Development*, with the aim of establishing *global standards* for the measurement and management of greenhouse gas emissions.

³ The conversion and emission factors proposed by the UK *Department for Environment, Food and Rural Affairs* (DEFRA) and the *Association of Issuing Bodies* (AIB) were used. For further details, see the methodological note.

[GRI 302-3] ENERGY INTENSITY

	UDM	2023	2023*	2022*	2021*
Energy consumption in GJ	GJ	458,928	290,553	290,663	387,884
Economic value generated	€	1,384,151,447	1,384,151,447	992,815,921	860,365,305
Energy intensity	GJ/€	0.00033	0.00021	0.00029	0.00045

[GRI 305-4] GHG EMISSIONS INTENSITY

	UDM	2023	2023*	2022*	2021*
Total Scope 1 Emissions	tCO2e	16,885	10,697	10,523	12,094
Economic value generated	€	1,384,151,447	1,384,151,447	992,815,921	860,365,305
Emission intensity (Scope 1)	tCO2e/€	0.000012	0.000008	0.000011	0.000014
Total Scope 2 Emissions, Location Based	tCO2e	14,840	9,355	9,691	15,603
Economic value generated	€	1,384,151,447	1,384,151,447	992,815,921	860,365,305
Emission intensity (Scope 2 LB)	tCO2e/€	0.000011	0.000007	0.000010	0.000018
Total Scope 2 Emissions, Market Based	tCO2e	20,753	13,193	13,916	22,071
Economic value generated	€	1,384,151,447	1,384,151,447	992,815,921	860,365,305
Emission intensity (Scope 2 MB)	tCO2e/€	0.000015	0.000010	0.000014	0.000026

As it is directly related to energy consumption, emissions performance is in line with energy consumption: the increase in consumption due to higher production and a greater presence among employees caused a consequent increase in emissions. The possible difference in percentage terms of each item compared to the total is due to emission factors, elements over which Alfasigma has no direct control.

Emissions from the combustion process are not only limited to greenhouse gases alone: other elements can pollute the surrounding environment. The emission points of the production plants have been carefully analysed and declared to the competent bodies in order to obtain adequate Single Environmental Authorisations (AUAs), i.e. measures that the environmental impact authorised to each entity and its monitoring obligations are suitable and balanced to the production needs with the surrounding context. The other types of emissions generated by these plants could therefore be reported on time for two years.

[GRI 305-7] NITROGEN OXIDES (NOX), SULPHUR OXIDES (SOX) AND OTHER RELEVANT EMISSIONS INTO AIR (KG/YEAR)

OTHER EMISSIONS FROM PRODUCTION PLANTS (ALFASIGMA SPA)	2023*	2022*	2022*
Nitrogen oxides (NOx)	11,237	8,820	6,206
Sulphur oxides (Sox)	480	0	
Pomezia Volatile Organic Compounds (VOCs)	263	0	0
ALANNO			
Powders	188	24	225
Acetone	5	12	41
Vinyl chloride	0,12	0,5	0,5
Styrene	15	2	0,6
POMEZIA			
Powders	160	90	118
COT	0	1	1
CO	3,487	1,688	1,152
SOV	245	1	1
Acetone - Ethyl alcohol - Ethyl acetate	59	0	0

WATER MANAGEMENT

The preservation of water resources and the proper management of water withdrawals and discharges is an activity to which Alfasigma pays particular attention in order to minimise its environmental impact, although this does not represent a material theme considering the quantities used and the type of withdrawals and discharges.

The production processes only use water resources in a limited way and, where possible, exploit closed cycle systems in order to make use of the resource as efficiently as possible. Water is used in the production process and in offices respectively, resulting in total consumption by the Parent Company of approximately 264 megalitres in 2023 (+2% compared to 2022). A portion of the withdrawals for the water needs of Alfasigma SpA take place in areas with medium-high water stress (almost 45%), based on the Water Risk Filter of the WWF⁴.

[GRI 303-3] WATER WITHDRAWALS (ML) - DIRECT

DIRECT WATER WITHDRAWAL	2023 ⁵		2023*		2022*	
	ALL AREAS	OF WHICH IN AREAS OF WATER STRESS	ALL AREAS	OF WHICH IN AREAS OF WATER STRESS	ALL AREAS	OF WHICH IN AREAS OF WATER STRESS
Direct water withdrawal	2,151	118	203	118	196	116
Of which subsoil (groundwater)	2,150	118	203	118	196	116
Of which water produced	0	0	0	0	0	0
Of which seawater	0	0	0	0	0	0
From third-party water resources (aqueduct and surface water)	1	0	0	0	0	0

[GRI 303-3] WATER WITHDRAWALS (ML) - THIRD-PARTY

WATER WITHDRAWAL BY THIRD PARTIES	2023 ⁵		2023*		2022*	
	ALL AREAS	OF WHICH IN AREAS OF WATER STRESS	ALL AREAS	OF WHICH IN AREAS OF WATER STRESS	ALL AREAS	OF WHICH IN AREAS OF WATER STRESS
Water withdrawal by third parties (per plant)	83	2	61	2	62	4
Of which subsoil (groundwater)	21	0	0	0	0	0
Of which seawater	0	0	0	0	0	0
Of which water produced	0	0	0	0	0	0
From third-party water resources (aqueduct and surface water)	62	2	61	2	62	4

In the Pomezia plant, the waste water generated falls into the following types⁷:

- rainwater that is channelled into ditches and is not subject to authorisation, in compliance with the provisions of Article 30 of the new PTAR approved by the Lazio Region in 2018;
- clear water, generated by washing carried out in production and sewage water, from toilets, is conveyed to the biological purifier (activated sludge) and then discharged into municipal sewers. Both flows are subject to authorisation;

⁴ Source: <https://riskfilter.org/water/explore/map>

⁵ With respect to the reporting scope, the reported data does not include the subsidiary Alfasigma USA, Inc. as the data is not available.

⁶ With respect to the reporting scope, the reported data does not include the subsidiary Alfasigma USA, Inc. as the data is not available.

⁷ Information on the quantities of freshwater discharged to the total is not currently available. According to the GRI 303-3 standard fresh water is that containing a quantity of dissolved solids less than or equal to 1000 mg/

– closed cycle cooling water (UTA) does not generate discharges but only needs replenishment due to evaporation in the towers.

There is no actual process waste.

In Alanno the plant uses wells as the main source of supply by extracting water directly from the aquifer for managing the technological plants, accompanied by a modest extraction from surface water, and the municipal aqueduct for managing the production process.

Below is the data, collected for the first time on 2023, of the water discharges by destination.

[GRI 303-4] WATER DISCHARGE (ML)

WATER DISCHARGE (ALFASIGMA SPA)	2022		2021	
	ALL AREAS	OF WHICH IN AREAS OF WATER STRESS	ALL AREAS	OF WHICH IN AREAS OF WATER STRESS
TOTAL WATER DISCHARGES	238	100	224	92
Of which subsoil (groundwater)	100	0	90	90
Of which seawater	0	0	0	0
Of which water produced	0	0	0	0
From third-party water resources (aqueduct and surface water)	138	0	134	2

WASTE MANAGEMENT

Waste management differs between each production facility and administrative location. Therefore, it was decided to consider these data separately. Within the plants, the main source is waste from production activities.

In the waste to be recovered, it should be noted that for Bologna, as of 2019, the disposal of medicines owned by Alfasigma from external logistics warehouses is taken into account.

MANUFACTURING SITES

The main source of waste within the plants is the waste from production activities, which is therefore represented by the same materials that enter the process as raw materials. Non-hazardous waste is mainly related to obsolescence.

[GRI 306-3] WASTE GENERATED

WASTE GENERATED BY HAZARDOUSNESS	2023	2023*	2022*
of which hazardous	5,371	480	474
of which non-hazardous	1,798	1,104	863
WASTE GENERATED BY DESTINATION	2023	2023*	2022*
of which for recovery	4,390	1,137	966
of which for disposal	2,779	448	370
TOTAL WASTE	7,169	1,584	1,337

As can be seen from the table above, the Parent Company's waste increased by 19% overall compared to last year (increase driven by non-hazardous waste). This increase is due to the effect of higher production. Significantly, however, waste has increased but the recovery part still represents 72%, which is in line with last year.

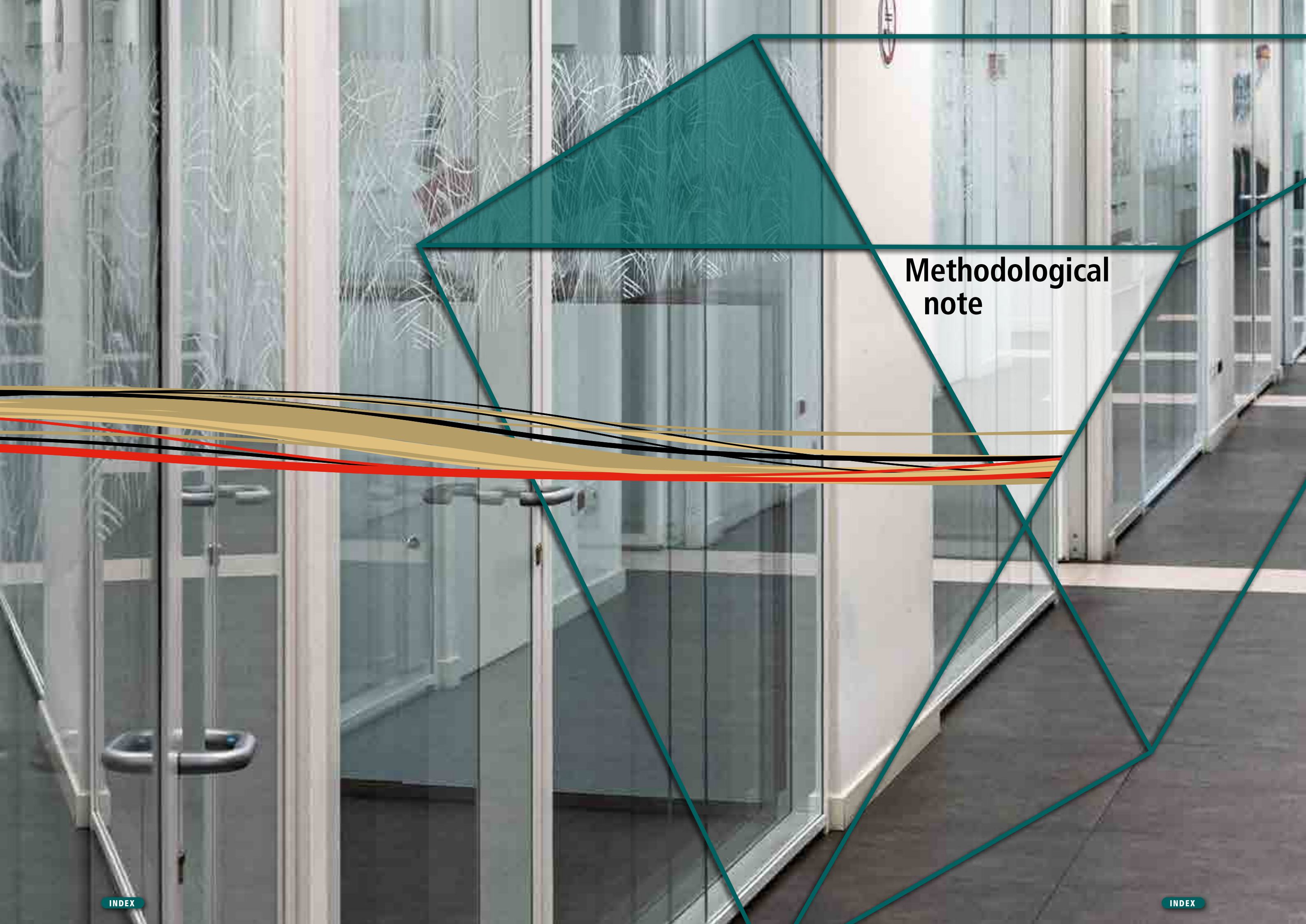
The breakdown of the Parent Company's waste recovery and disposal operations is provided below:

[GRI 306-4] WASTE NOT SENT TO LANDFILL

WASTE INTENDED FOR RECOVERY (T)			
NON-HAZARDOUS WASTE	ON-SITE	AT AN EXTERNAL SITE	TOTAL
Preparing for reuse	0	307	307
Recycling	0	698	698
Other recovery operations	0	22	22
Total non-hazardous waste	0	1,028	1,028
HAZARDOUS WASTE	ON-SITE	AT AN EXTERNAL SITE	TOTAL
Preparing for reuse	0	11	11
Recycling	0	97	97
Other recovery operations	0	1	1
Total hazardous waste	0	109	109
Total waste	0	1,137	1,137

[GRI 306-5] WASTE SENT TO LANDFILL

WASTE NOT INTENDED FOR DISPOSAL			
NON-HAZARDOUS WASTE	ON-SITE	AT AN EXTERNAL SITE	TOTAL
Incineration (with energy recovery)	0	0	0
Incineration (without energy recovery)	0	3	3
Landfill	0	0	0
Other disposal operations	0	74	74
Total non-hazardous waste	0	77	77
HAZARDOUS WASTE	ON-SITE	AT AN EXTERNAL SITE	TOTAL
Incineration (with energy recovery)	0	0	0
Incineration (without energy recovery)	0	171	171
Landfill	0	0	0
Other disposal operations	0	200	200
Total hazardous waste	0	371	371
Total waste	0	448	448



Methodological note

With the publication of the fifth edition of the Sustainability Report, Alfasigma intends to continue to provide information on social, environmental and governance aspects, as well as respect for human rights, alongside non-financial reporting. The beneficiaries we intend to reach are all the stakeholders affected by our Group's activities, as defined in the first sections of the document, so as to be able to create a new channel of dialogue in support of our desire to aspire to continuous improvement.

This Sustainability Report has been prepared according to the with reference approach of the GRI Sustainability Reporting Standards (GRI Standards) of 2021: please refer to GRI Content Index for more details on the indicators used.

For the year 2023, the scope of the Sustainability Report was extended to various Group companies. The following is a list of the companies included in the reporting scope for the period 01/01/2023 - 31/12/2023:

COUNTRY	COMPANY	TYPE
Italy	Alfasigma SpA	Production
	Biosint SpA	Production
	Sofar SpA	Production
China	Alfasigma (Beijing) Medicine Consulting Co.,LTd	Utilities
	Alfasigma (Shanghai) Medicine Consulting Co., Ltd.	Utilities
France	Alfasigma France SAS	Sales
Mexico	Laboratorios Alfasigma Mexico S.A. de C.V.	Sales
Poland	Alfasigma Polska Sp. zo.o	Sales
Portugal	Alfasigma Portugal, LDA	Sales
Romania	Alfasigma România S.r.l.	Utilities
	Addenda Pharmaceuticals Srl	Sales
Russia	LLC Alfasigma RUS	Sales
Spain	Alfasigma España, S.L.	Production
United States	Alfasigma USA, Inc.	Production
	Intercept Pharmaceuticals, Inc.	Sales
Switzerland	Alfasigma Schweiz AG	Sales

The extension of the reporting scope presented various challenges in terms of data collection. Specifically, for the 15 new companies indicated above, only quantitative data for the year 2023 could be obtained. To ensure compliance with the reporting principles outlined in "GRI 1: 2021 Fundamental Principles", and in particular the principle of comparability, an additional column was introduced in the tables, named "2023*". This column shows the data relating to FY 2023 of the Parent Company Alfasigma SpA only. It should be noted that comments on the trends in the three-year period 2023-2021 refer to the columns "2023*", "2022*" and "2021*" relating solely to the Parent Company.

The data entered in the tables (column "2023") and in the graphs refer to the entire scope of consolidation. The exceptions to this scope are explicitly set out in the document.

The Sustainability Report is audited by the Sustainability Committee.

As a result of refinements to the Group's reporting process, the Company considered updating some data for the 2021 financial year, which were inaccurate results. The updated data (restated) are reported in the paragraphs: "Environmental footprint".

[5.1] Calculation methods

With regard to the data contained in this document, it should be noted that estimates were not used, rather the best data available at the time of drafting this document were applied. The methodological indications for some indicators are given below.

EMPLOYEES AND OTHER WORKERS WHO ARE NOT EMPLOYEES (GRI 2-7, GRI 2-8)

The number of workers was counted according to the headcount methodology (headcount).

TURNOVER AND HIRING RATES (GRI 401-1)

The hiring and turnover rates were determined by comparing the number of workers who joined and left in 2023 to the workforce at 31/12 of the year under review.

ACCIDENT RATES (GRI 403-9)

The accident rate was calculated using the following formula: $\frac{\text{Number of injuries}}{\text{Number of hours worked}} \times 1.000.000$

ENERGY CONSUMPTION AND GREENHOUSE GAS EMISSIONS (GRI 302-1, GRI 305-1, GRI 305-2)

To represent energy consumption in GJ, Alfasigma used the conversion and emission factors provided by the UK Department for Environment, Food and Rural Affairs (DEFRA) for the years 2023, 2022 and 2021.

Greenhouse gas emissions were calculated using the principles indicated in the GHG Protocol Corporate Accounting and Reporting Standard. The emission factors used to calculate CO2eq emissions were:

- DEFRA for direct emissions (Scope 1), for 2023, 2022 and 2021.
- Association of Issuing Body (AIB) for indirect emissions related to the purchase of electricity (Scope 2), for 2023, 2022 and 2021.

Finally, if there are no specific GRI indicators to represent Alfasigma's performance with respect to themes that emerged as material, the Company has developed specific NON GRI indicators based on the methodologies presented below:

NON GRI 1: INVESTMENT IN RESEARCH AND DEVELOPMENT

Innovation and research is essential for the Group's development, as it allows it to develop product and process solutions in line with market demands, in a sector that is increasingly competitive. The expenses reported consist of the operating costs incurred to carry out daily activities, the personnel costs dedicated to such activities and the capital expenditure linked to them.

NON GRI 2: SMART WORKING

The indicator refers to the total hours worked in "smart working" mode, by employees who are entitled to it and according to the methods established in the individual agreement entered into between Alfasigma SpA and each employee.

➔ If you have any questions, please contact:
corporatecommunication@alfasigma.com

[5.2] GRI Content index

Declaration of Use	Alfasigma reported the information mentioned in this GRI Content Index for the period 01/01/2023 – 31/12/2023 according to the with reference approach of the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	INDICATORS		SECTION	NOTES / OMISSIONS
GRI 2: General information 2021	GRI 2-1	Details of the organisation	Methodological Note	
	GRI 2-2	Companies included in the sustainability report		
	GRI 2-3	Reporting period, frequency and contacts		
	GRI 2-4	Information adjustments		There are no corrections in the document.
	GRI 2-5	External assurance		The document is voluntary and is not subject to external assurance.
	GRI 2-6	Activities, value chain and other business relationships	Shared value	
	GRI 2-7	Employees	Our people	Alfasigma does not employ employees whose hours are not guaranteed.
	GRI 2-8	Non-employees		
	GRI 2-9	Structure and composition of governance	Governance	
	GRI 2-10	Appointment and selection of the highest governing body		
	GRI 2-11	President of the highest governing body		
	GRI 2-12	Role of the highest governing body in overseeing impact management		
	GRI 2-13	Delegation of responsibility for managing impacts		
	GRI 2-14	Highest governing body's role in sustainability reporting		
	GRI 2-16	Notification of critical points	Adoption of ethical values and behaviours	During the reporting period, no critical issues were identified to be reported to the highest governing body.
	GRI 2-22	Sustainable development strategy statement	Letter to stakeholders	
	GRI 2-23	Policy commitment	Adoption of ethical values and behaviours	
	GRI 2-26	Mechanisms for requesting clarifications and raising concerns		
	GRI 2-27	Compliance with laws and regulations		
	GRI 2-28	Memberships in associations	Patients and Health	
GRI 2-29	Approach to stakeholder engagement	Materiality and dialogue with stakeholders		
	GRI 2-30		Collective bargaining agreements	Our people
	GRI 3: Material themes 2021	GRI 3-1	Process for determining material themes	Materiality and dialogue with stakeholders
GRI 3-2		List of material themes		
MATERIAL THEME: RESEARCH AND DEVELOPMENT				
GRI 3: Material themes 2021	GRI 3-3	Management of material themes	Research and Development	
NON-GRI	NON-GRI 1	Investment in Research and Development		
MATERIAL THEME: PRODUCT QUALITY AND SAFETY				
GRI 3: Material themes 2021	GRI 3-3	Management of material themes	Patients and Health	
GRI 416: Customer health and safety 2016	GRI 416-1	Assessment of health and safety impacts by product and service categories		
	GRI 416-2	Incidents of non-compliance concerning health and safety impacts of products and services		

GRI STANDARD	INDICATORI		SEZIONE	NOTE / OMISSIONI	
GRI 417: Marketing and labelling 2016	GRI 417-1	Information and labelling requirements for products and services	Patients and Health		
	GRI 417-2	Episodes of non-compliance with information and labelling requirements for products and services			
	GRI 417-3	Non-conformities involving marketing communications			
MATERIAL THEME: HEALTH AND SAFETY OF WORKING PERSONNEL					
GRI 3: Material themes 2021	GRI 3-3	Management of material themes	Health and safety		
GRI 403: Occupational Health and Safety 2018	GRI 403-1	Occupational health and safety management system			
	GRI 403-2	Hazard identification, risk assessment and accident investigation			
	GRI 403-3	Occupational health services			
	GRI 403-4	Participation and consultation of workers and communication on occupational health and safety			
	GRI 403-5	Training of workers on occupational health and safety		The data in this indicator refer to the Parent Company Alfasigma SpA only.	
	GRI 403-6	Promotion of worker health			
	GRI 403-7	Prevention and mitigation of occupational health and safety impacts in business relationships			
	GRI 403-9	Accidents at work			
MATERIAL THEME: ENERGY AND EMISSIONS					
GRI 3: Material themes 2021	GRI 3-3	Management of material themes	Environmental footprint		
GRI 302: Energy 2016	GRI 302-1	Energy consumed within the organisation	Environmental indicators		
	GRI 302-3	Energy intensity			
GRI 305: Emissions 2016	GRI 305-1	Direct GHG emissions (Scope 1)			
	GRI 305-2	Indirect GHG emissions from energy consumption (Scope 2)			
	GRI 305-4	GHG emissions intensity			
	GRI 305-7	Nitrogen oxides (NOX), sulphur oxides (SOX) and other significant emissions			
MATERIAL THEME: SUSTAINABLE PACKAGING					
GRI 3: Material themes 2021	GRI 3-3	Management of material themes	Supply chain		
GRI 301: Materials 2016	GRI 301-1	Materials used by weight or volume	Environmental indicators		
MATERIAL THEME: SUSTAINABLE VALUE CHAIN MANAGEMENT					
GRI 3: Material themes 2021	GRI 3-3	Management of material themes	Supply chain		
MATERIAL THEME: EMPLOYMENT, WELFARE AND PROFESSIONAL DEVELOPMENT					
GRI 3: Material themes 2021	GRI 3-3	Management of material themes	Our people		
GRI 401: Employment 2016	GRI 401-1	New hires and turnover			
GRI 404: Training and Education 2016	GRI 404-1	Average hours of training per year per employee			
	GRI 404-3	Percentage of employees receiving periodic performance and career development reviews			
NON-GRI	NON-GRI 2	Smart working		The data in this indicator refer to the Parent Company Alfasigma SpA only.	
MATERIAL THEME: DIVERSITY, EQUITY AND INCLUSION					
GRI 3: Material themes 2021	GRI 3-3	Management of material themes	Our people		
GRI 405: Diversity and equal opportunities 2016	GRI 405-1	Diversity in governing bodies and among employees			
GRI 406: Non-discrimination	GRI 406-1	Incidents of discrimination and corrective actions taken			
MATERIAL THEME: ACCESS TO HEALTHCARE					
GRI 3: Material themes 2021	GRI 3-3	Management of material themes	Health and Patients		

GRI STANDARD	INDICATORI		SEZIONE	NOTE / OMISSIONI
RELEVANT THEME: WATER AND WASTE MANAGEMENT				
GRI 3: Material themes 2021	GRI 3-3	Management of material themes	Environmental footprint	
GRI 306: Waste 2020	GRI 306-1	Waste production and significant impacts on waste	Environmental indicators	
	GRI 306-2	Management of significant impacts related to waste		
	GRI 306-3	Waste generated		
	GRI 306-4	Waste not intended for disposal		The data in this indicator refer to the Parent Company Alfasigma SpA only.
	GRI 306-5	Waste intended for disposal		The data in this indicator refer to the Parent Company Alfasigma SpA only.
GRI 303: Water and Water Discharges 2018	GRI 303-1	Interacting with water as a shared resource	Environmental indicators	
	GRI 303-2	Management of impacts related to water discharge		
	GRI 303-3	Water withdrawal		
	GRI 303-4	Water discharge		Do not include the distinction between fresh and other water
MATERIAL THEME: LOCAL COMMUNITIES				
GRI 3: Material themes 2021	GRI 3-3	Management of material themes	Corporate citizenship	
GRI 201: Economic performance 2016	GRI 201-1	Direct economic value generated and distributed	Shared value	The data in this indicator refer to the entire Group, in alignment with the Consolidated Financial Statements.
MATERIAL THEME: GOVERNANCE AND ETHICS				
GRI 3: Material themes 2021	GRI 3-3	Management of material themes	Adoption of ethical values and behaviours	
GRI 205: Anti-corruption 2016	GRI 205-1	Transactions assessed to determine corruption risks		The data in this indicator refer to the Parent Company Alfasigma SpA only.
	GRI 205-2	Communication and training on anti-corruption laws and procedures		
	GRI 205-3	Confirmed incidents of corruption and actions taken		
GRI 206: Anti-competitive behaviour 2016	GRI 206-1	Legal actions for anti-competitive behaviour, antitrust and monopoly practices		
MATERIAL THEME: DATA MANAGEMENT AND DIGITALISATION OF PROCESSES				
GRI 3: Material themes 2021	GRI 3-3	Management of material themes	Adoption of ethical values and behaviours	
GRI 418: Customer Privacy 2016	GRI 418-1	Proven reports of customer privacy breaches and loss of customer data		