

Communication on Progress (CoP): 2022

Kedron, by means of the release of the Communication on Progress, confirms its *commitment*, as of March 2005, to recognize and approve the 10 Global Compact Ethics Principles regarding human rights, employment, environment as well as the anti-corruption engagement.

Kedron, moreover, confirms to always and systematically apply these principles in its business management and activities.

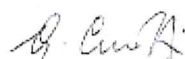
The Ethics Management System adopted by Kedron has been conceived and implemented on the basis of Kedron's observance to its ethics principles, of its employees and collaborators as reported in the Code of Ethics endorsed by the company.

Kedron, in compliance with the 245/2016 Decree, which absorbs the 2014/95 European Regulation, has drawn up and signed the Consolidated non-Financial Statement concerning the outcomes and activities of the 2021 year.

Such statement, herewith enclosed, outlines the main activities, the policies and the related results as well as the organizational models adopted and finally those risks generated and/or incurred in the environmental and social context, pertaining to employees, the respect of human rights and the anti-corruption engagement in its active and passive forms.

Kedron will be glad to provide you with any further clarification or more detailed info if you deem necessary regarding this Communication on Progress as well as on the Ethics Management System; your queries may be addressed to the Ethics Officer's email address: Ethics_Office@kedrion.com.

Castelvecchio Pascoli, August 2, 2022



Alessandro Curotti
Global General Counsel & Ethics Officer
Kedron S.p.A.

Annex: Consolidated non-Financial Statement as at December 31, 2021.

4.15. 2021 CONSOLIDATED NON-FINANCIAL STATEMENT UNDER LEGISLATIVE DECREE NO. 254/2016

Executive Chairman Statement

Dear Readers,

2021 was also a year marked by the global Sars-Cov-2 pandemic, albeit in a less pervasive manner than the first experience in 2020.

From the perspective of the plasma-derived products industry in general, the 2020-2021 period has been characterised by a strong decline in plasma collection, especially in the US; this decreased collection forces plasma-derivation companies to produce fewer drugs overall (general and specific immunoglobulins, albumin, coagulation factors, etc.), impacting patients treated worldwide.

This year's DNF shows Kedrion's improvements in the fields of efficient use of energy resources, engagement of its people, *diversity* and social activities.

Kedrion has updated the data necessary to complete the DNF, including the perimeter considered the important acquisition of Prometic. This Canadian company produces a unique drug to treat a very rare disease, congenital plasminogen deficiency.

Concerning its people, who increased overall due to the Prometic acquisition, Kedrion has kept up the measures taken in 2020 to protect employees from the pandemic, limiting contagions and ensuring continuity of production.

Kedrion has been preparing the Consolidated Non-Financial Statement since 2017. The DNF is prepared in compliance with Legislative Decree 254/2016 (and subsequent regulations), which transposed the European Directive 2014/95 in Italy.

In the DNF, the reader will find confirmation of Kedrion's attention to the issues of environmental sustainability, compliance with the rules and principles of ethics in business, attention to the development of people, scientific research and relations with local communities.

The DNF 2021 was drafted in the *GRI-Core* mode.

The text is the result of a global matrix in which Kedrion's main legal entities and several corporate functions contributed to drawing the picture of the impact of our activities in the five areas of the DNF: Environment, People, Social, Anti-corruption, Human Rights.

For each of these areas, we have described the organisation set up for their efficient management and the processes, policies, and related risk analysis (including mitigation initiatives).

In 2021, Kedrion expanded its workforce and significantly increased its managerial and technical training activities; it also confirmed the prevalence of female staff, who continue to increase their presence in positions of responsibility. Performance management tools are in place and consolidated.

From an environmental point of view, Kedrion confirmed the positive impact of its mitigation policies.

For example, in 2021, the total energy consumption of the production plants was lower than in 2020, mainly due to the commissioning of the tri-generation plant at the Bolognana (Lucca) site.

Total water consumption has also been reduced, thanks to efficiency measures for the use of well water at the Bolognana site.

A further improvement in environmental impact was achieved by reducing the number of refrigerant gases dispersed, which more than halved the related CO2 equivalent.

Kedrion's activities in support of local communities, excluding those carried out for marketing purposes, have been mapped worldwide and show the profile of a company that frequently interacts with its reference territories. In addition, Kedrion continues its efforts in compassionate care, for example, through the Factor V project and the integration of Prometic's plasminogen into its portfolio of activities.

Finally, the company confirms its prevention and supervision in the areas of *compliance* and equal treatment and non-discrimination worldwide. Also, in 2021, there were no cases of human rights violations or reports of corruption.

The 2021 DNF is approved while the pandemic is still ongoing. However, the high level of vaccination among employees and the increased knowledge of the disease and the presence of effective therapies give hope that it could be put behind us during 2022.

However, this DNF is being approved at a time when a serious international crisis is threatening the security and well-being of Europe and beyond. Kedrion immediately began monitoring the situation to assess how it could help the many people who will inevitably be affected by this crisis.

I, therefore, invite you to carefully read this document, which shows the path taken by Kedrion towards a precise analysis and reporting of its activities in the field of sustainability and Corporate Social Responsibility.

Castelvecchio Pascoli, 8 April 2022

For the Board of Directors
The President
Paolo Marcucci

FOREWORD - COVID-19 AND THE INTERNATIONAL SITUATION

In 2021, the Sars-Cov-2 pandemic impacted significantly again.

The continuing pandemic situation has reduced plasma collection worldwide, especially in the United States, which has forced the entire plasma processing industry to produce fewer drugs and be able to distribute less product overall to patients worldwide.

Kedron confirmed the contingency plans put in place in 2020, continuing to have the Covid-19 Response Team, which quickly became the Covid-19 Global Response Team composed of almost all corporate functions (EHS, HR, Operations, Quality&Regulatory, Medical Area, Communication). Although the vaccination campaign was a game changer and made it possible to carry out daily activities almost normally, also the collective (organisational) and individual protective devices adopted at Kedron since March 2020 have all remained in place.

The so-called 'agile working' continued throughout the year, as reported in the relevant section of this DNF. In doing so, the company set out to protect its plants and plasma centres, the integrity of which was deemed a vital and necessary issue to continue to reach patients around the world.

Social distancing, mask use and sanitisation policies continued in all of Kedron's locations and geographies of activity.

In 2021, Kedron has not experienced any interruptions in its production chain for any drug and geography and has regularly informed patient associations and scientific societies about this continuity of production.

In addition, Kedron's Research area continued its activities in the search for a possible therapy against Covid-19 through the use of specific immunoglobulins, as can be read in the paragraph of the DNF dedicated to it.

In addition, an attempted invasion of Ukraine by Russia has been underway since 24 February 2022, with inevitable repercussions on the populations involved and, eventually, on the entire European continent. Kedron is monitoring the ongoing situation both to understand how to manage the patients treated in Russia and to meet - as far as possible - the humanitarian and health needs that the ongoing international crisis is causing.

4.15.1. INTRODUCTION TO KEDRON

Kedron Biopharma is a biopharmaceutical company that fractionates human plasma to develop, produce, and distribute plasma-derived drugs to care for and treat patients with Haemophilia, Immunodeficiencies, and other severe conditions diseases.

Kedron's central focus is on people, attributing great value to both the well-being of those who benefit from its products, and of the communities and individuals with which it operates and collaborates.

Kedron is the bridge between donors and those who need cures and operates at a global level in order to increase patients' access to the treatments available. With headquarters in Italy and a commercial presence in 100 countries worldwide, it is the 5th largest player worldwide and 1st in Italy in the plasma-derivatives sector. Kedron has more than 2,800 employees globally. The 2021 turnover amounts to 660.4 million euros.

In Italy, the company collaborates with the National Health System by supporting the goal of self-sufficiency in the procurement of plasma-derived medicines. At the same time, Kedrion places its own expertise and commitment at the service of communities and health systems all over the world to achieve the same objective, to improve the living conditions of people affected by rare diseases.

The company manages the entire plasma processing cycle (procurement, production and distribution) based on a vertically integrated business model.

Kedrion has six production plants: two in Tuscany (the Bolognana plant and the new plant in Castelvechio Pascoli, which is nearing completion, both in the province of Lucca); one plant in the province of Naples (in Sant'Antimo); one in Hungary (in Gödöllő, near Budapest), one in the United States (in Melville, in the State of New York) and one in Canada (in Laval, Québec).

Abroad, Kedrion has fully operational plasma collection centres in the United States.

Kedrion's vertical integration allows very tight control over its supply chain and the significant weight of raw material (human plasma) for its business. There were no significant changes in processes and activities along the supply chain in 2021.

In particular, Kedrion has invested and intends to invest over the next few years in the growth of the plasma centres it owns and manages to become self-sufficient in the source material needed by its plants, which will make the business and its planning more sustainable and less dependent on third parties.

As far as stakeholders are concerned, the company identifies the following as its main interlocutors, as is the case in companies of a similar size and scope of activity:

- Employees and their representative organisations
- Components of the global value chain (customers and suppliers)
- National, regional, local public institutions
- Independent administrative and regulatory authorities
- Public and private institutions of secondary, university and advanced training, as well as scientific research departments and institutes
- Local communities of productive settlements
- The national and international financial community
- Patient and medical community associations
- Donor associations
- Other non-profit associations (Farindustria, Confindustria, PPTA, etc.).

The identification of the list of main stakeholders takes place through interviews with the company's departments and offices exposed to the outside world and responsible for their management and involvement in the company's activities in the broadest sense.

From this point of view, the management of relations with employees and their representative trade unions is essentially handled by the human resources function, following the laws and internal procedures intended for them; relations with public or regulatory institutions at all levels are the prerogative of the Presidency, which receives support from other functions (including Global Public Affairs, the Regulatory Department, the Medical Area and, in Italy, the commercial function); relations with the academic and research world are handled by the Research and Development Department, under the coordination of the Presidency; relations with patients' associations are handled by the marketing function under the supervision of the Medical Area; relations with donors are handled by the company's own plasma centres or, in Italy, by the Donors

Italy function; relations with local communities are mainly handled by the Chairman, Global Public Affairs and the management of the production sites; relations with associations such as Farmindustria, Confindustria and PPTA (*Plasma Protein Therapeutics Association*) are handled by the Company Chairman and his representatives.

As far as Kedrion's participation in associations is concerned, the two most important ones are those in Farmindustria and in PPTA, the association that brings together the world's largest plasma processing or plasma collection companies; Kedrion's President is a member of Farmindustria's Board of Directors and PPTA's Global Board of Directors.

In addition to these memberships, among others, Kedrion is a member of Aspen Italia, Unione Industriale di Napoli, Federchimica and Confindustria Toscana Nord, a founder of the Fondazione Campus di Lucca and the Fondazione Tuscany Life Sciences di Siena, a member of the Fondazione VITA di Siena, the Fondazione Lucchese per l'Alta Formazione e la Ricerca (FLAFR) and the Civita association.

4.15.2. KEDRION GROUP'S 2021 NON-FINANCIAL STATEMENT

In compliance with the provisions of Legislative Decree 254/2016 and its amendments and additions (hereinafter also Decree), which transposes European Directive 2014/95 in Italy, Kedrion is again this year preparing a Consolidated Non-Financial Statement (hereinafter, "DNF") relating to the events of the year 2021.

Kedrion's DNF is annual.

The DNF updates the 2020 DNF, confirming that it was drafted in the *in accordance-Core* manner envisaged by the GRI Standards; in addition to this, a materiality matrix, as envisaged by the Standards themselves, was developed when defining material issues.

As referred to in Art. 5, paragraph 3a of the Decree, this NFS is included in the Management Report to the Financial Statements and was approved by the Kedrion S.p.A. Board of Directors on 21 March 2021.

Precisely because it is included in the management report, the company's governance structure, which is described in detail there, is not shown in DNF. It should, of course, be noted that the various legal entities are administered by Councils, Boards or Managing Directors assisted by Supervisory Boards.

The legislation requires the DNF to report on the main activities, policies and related results, organisational models adopted, risks generated and/or incurred and the way they are managed in the environmental, social, personnel, human rights and anti-corruption fields, taking into account both what is done directly by the company and what can be controlled in the supply chain and the impact on stakeholders.

From an organisational point of view, Kedrion's DNF 2021 was assigned to the company's Finance area, which set up a multifunctional working group. The Finance function is the point of contact for any party interested in learning more about the issues addressed in the DNF and its construction process.

4.15.3. MATERIALITY ANALYSIS

In compliance with the provisions of the transposition in Italy of the European Directive 2014/95, this year, Kedrion once again prepares the **Non-Financial Statement** (consolidated) covering the events of the year 2021.

The Declaration is an integral part of the process of approving the financial statements and the management report. For its drafting, the company has set up an **inter-functional**

working group; the materiality analysis, which it has drawn up, will represent the working outline for the drafting of Kedrion's Non-Financial Statement (DNF) for the year 2021.

The legislation requires the DNF to report on the main activities, policies and organisational models and the main risks - generated or suffered - in the environmental, social and people compliance fields, giving an account of both what the company has done directly and what it can control in the supply chain and the impact on *stakeholders*.

The DNF must include the parent company and its subsidiaries in the reporting boundary, which are consolidated on a line-by-line basis. Therefore, any exceptions will be described and justified within the DNF.

The DNF is divided into five thematic areas: 'Personal', 'Social', 'Environment', 'Human Rights', 'Anti-Corruption'.

The materiality analysis designates, within each area, the issues considered to be of greatest relevance, priority and impact for the company.

In some cases, the work carried out has led to the area as a whole is considered as 'material': this is the case with the 'Human Rights' and 'Anti-Corruption' themes; in other cases - the 'Personnel', 'Social' and 'Environment' areas - the theme has been further subdivided into material themes.

From an organisational point of view and following the relevant SOP (Standard Operating Procedure), the DNF process was assigned by the CEO to the company's Finance area and a working group consisting of a data collection coordinator and the HR, EHS, R&D, Legal, Compliance and Ethics Office functions.

To determine the material topics in each area, the function director and the manager responsible for the DNF pointed them out; meetings were held, questionnaires and e-mail queries were administered, and a selection of topics was made together with the function colleagues responsible in the various foreign subsidiaries of the group. This data collection work has benefited from the experience of the past four years, improving and standardising the data collection formats used in the past.

Subsequently, the working group met to consolidate the emerging material themes, share them between the different areas, and define them as follows.

For each topic or material area, the DNF should describe the management model, the policies adopted and the risks associated with the topic.

Entering this year's DNF, the materiality analysis concerning the "Personnel" area highlighted the following issues as relevant:

- Emergency management linked to the new Coronavirus
- Managerial development
- Agile working policies

The issue of *management development* continues to be crucial for a company in a challenging, concentrated competitive environment with very large players. In 2021, the topic

was given specific attention and will be developed and reported in the DNF following activities such as management training, development paths, rewarding mechanisms and performance management.

The theme of *agile working* will be examined through the most successful local experiences, recalling the guidelines and the cultural approach that the company suggests for this issue of engagement and reconciliation of life and work needs of its people.

In addition to this, the company continues to carry out activities aimed at reducing the *gender* gap, for example, by setting itself the objective of approximating the percentage of employees who are entitled to a variable remuneration programme (MBO) between genders; or by continuing its membership activities in Valore D, which provides managers with dedicated training and consultancy tools.

The materiality analysis concerning the area "**Social**" highlighted the following two themes.

- Relationship with local communities
 - Compassionate drug research
- The DNF will show the most important examples of attention to territories and dialogue with social partners regarding the relationship with local communities. In addition, Kedrion's fiscal responsibility in the countries where it operates will be highlighted.
- Concerning research activities, the DNF will list the main projects carried out in 2021.

The materiality analysis for the area **EHS (Environment, Health and Safety)** has led to the highlighting of the following themes, which have been confirmed for the previous years:

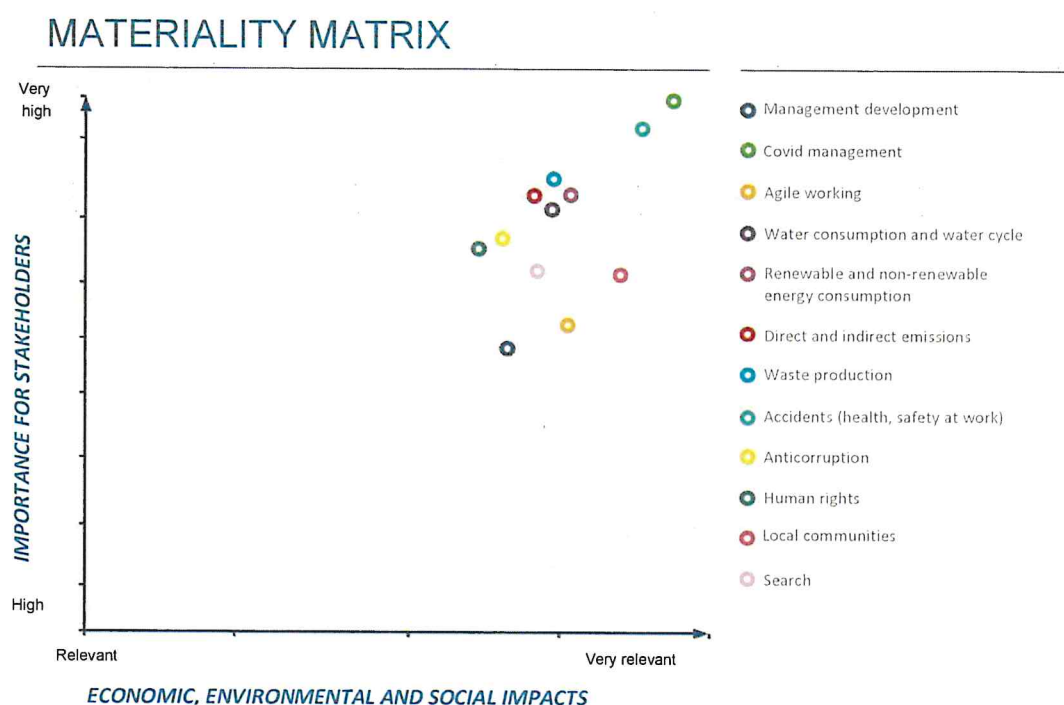
- Water consumption and water cycle
- Renewable and non-renewable energy consumption
- Direct and indirect emissions
- Waste production
- Accidents (Health and safety at work)

Compared to other areas, in this case, the choice of topics has followed the content of the legislation; this is mainly consistent with the manufacturing nature of the company and the presence of production sites that need to be accounted for in terms of environmental impact.

For "**Human rights**" and "**Anti-corruption**", both within the company perimeter and along the supply chain, the materiality analysis led the company to consider the areas as 'material issues' as a whole, without further articulation into sub-themes.

The issue of **human rights** will be examined, starting from the organisational structures and policies adopted to protect it appropriately. At the same time, that of **anti-corruption**, understood as both active and passive, will be dealt with, taking into account the company perimeter and the activities carried out by the various legal entities.

The materiality matrix highlights the relevance of material issues concerning two dimensions: on the x-axis, the importance in terms of economic, environmental and social impact generated by the company's activities, and on the y-axis, the relevance of the issues from a stakeholder perspective.



4.15.4. GENERAL POLICY ON SUSTAINABILITY TOPICS

Kedron, by the specific nature of the products it manufactures, supports individuals, communities and institutions in alleviating or removing obstacles that prevent them from enjoying the right to life, liberty and security.

Kedron contributes to the production and distribution of medicines derived from human plasma which are able to improve people's quality of life. It works to maintain excellent sector standards; it operates to consolidate its own role as a recognised representative of the medical and scientific, healthcare and institutional community.

The policy adopted by Kedron includes a risk analysis on sustainability issues and the adoption of prudential policies and processes to avoid incidents or non-standard behaviours; more specifically, for each of the following areas (Personnel, Social, Environment and Safety, Anti-Corruption and Human Rights), the functions involved have reported the risks they are subject to and the mitigation measures adopted to prevent and manage them.

4.15.5. "STAFF" AREA:

The year 2021 also saw Kedron dealing with the repercussions of the pandemic. In this context, Kedron has confirmed the tools already outlined in 2020, adapting them to the needs while respecting the health of workers and ensuring production continuity throughout the year.

Based on the indications received in the "People Forum" launched in 2020 and with the launch of the NEXT transformation programme through a survey of 282 managers on various topics

(understanding of the mission and strategy, involvement of people, corporate culture, the role of leadership, the context of processes, the ability to communicate and change), a series of initiatives were launched on values, engagement, training, talent management, in the wake of Kedrion's history, which is oriented towards free time/work time balance, diversity and some common values, which were made explicit during 2021.

In addition, Kedrion continues to operate so that the health and safety of employees are not left to chance or good intentions by adopting a management system based on safety policies that are frequently reviewed when changes occur, including new processes, activities or production facilities.

As of 31 December 2021, the total staff of Kedrion was made up of 2,784 people, compared to 2,640 at the end of 2020 (+5.5%). In this respect, the growth of the US workforce (+17% compared to the 2020 US workforce) was driven by the increase in plasma centres and the acquisition of Prometic Bioproduction in Canada (135 people), which increased Kedrion's organisational complexity and product portfolio, is worth noting. Against this growth, Hungary was reduced due to the sale of plasma centres and the closure of a production line, which reduced the local workforce by 40% compared to the Hungarian workforce in 2020. Therefore, the group's corporate population is concentrated in Italy (39%), the United States (46%) and Hungary (8%); a residual share (7%) is employed in other locations, mainly in Europe and Canada.

Breakdown of employees by geographical area for the three years 2019-2021			
	2019	2020	2021
Italy	1,147	1,128	1,075
Hungary	359	363	217
Germany	17	15	18
Rest of Europe	11	11	11
USA	1,065	1,105	1,292
Rest of the World ⁹	16	18	171
Overall total	2,615	2,640	2,784

The predominant form of staff contracting is still open-ended (97.8% of contracts, as in 2020). It should also be noted that 46% of staff are covered by collective agreements, the remainder by individual contracts.

As in 2020, the proportion of women in the total workforce remains 53%.

Breakdown of employees by type of contract							
Region	Fixed term			Permanent long-term contract			Total workforce
	Men	Women	Total	Men	Women	Total	
Italy	25	17	42	619	414	1,033	1,075
Hungary	1	11	12	121	84	205	217
USA	5	1	6	440	846	1,286	1,192

⁹ From 2021, the Canadian company Prometic will join the workforce with 135 employees.

Rest of the World	-	2	2	92	106	198	200
Overall total	31	31	62	1,272	1,450	2,722	2,784

With reference to the breakdown by professional category, in 2021 47% of employees were concentrated in the "Blue Collars" category and 50% in "White Collars". On the other hand, the "Directors" category represented 3% of total employees as of 31 December 2021.

Kedron includes staff employed under management contracts, assimilated or assimilable, in the "Directors" category; employees in office environments or, if in a factory, in a supervisor or manager role (for example in the USA plasma centres) form part of the "White Collars"; employees employed for manual work (workers, those employed in logistics and the warehouse, other operators, etc.) are "Blue Collars".

Total number of employees by category and gender in 2019-2021

Category	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Director	65	23	88	65	30	95	52	23	75
White Collar	534	738	1,272	518	737	1,255	603	800	1,403
Blue Collar	620	635	1,255	646	644	1,290	648	658	1,306
Overall total	1,219	1,396	2,615	1,229	1,411	2,640	1,303	1,481	2,784

The use of part-time work remained constant in 2021 compared to 2020.

Total number of employees by type of contract in 2019-2021

Type of employment	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full-Time	1,212	1,362	2,574	1,222	1,375	2,597	1,298	1,443	2,741
Part-time	7	34	41	7	36	43	5	38	43
Overall total	1,219	1,396	2,615	1,229	1,411	2,640	1,303	1,481	2,784

In 2021, the company saw 847 new entries, mainly concentrated in the Plasma BU in the US. Also of note is the "Rest of the World" figure, which was influenced by the entry of Prometic Bioproduction (135 entries in 2021). In 2020, the total number of admissions was 830.

Total new hires by region and age group at 31.12.2021¹

Region	< 30	30-50	>50	Total
Italy	12	7	1	20
Hungary	3			3
USA	348	254	63	665
Rest of the World	12	104	43	159
Overall total	375	365	107	847

Compared to 2020, the number of entries increased by 2%, from 830 to 847.

Total new entrants by region and gender over the three years 2019-2021¹

Category	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Italy	36	44	80	22	25	47	10	10	20
Hungary	25	44	69	24	29	53	2	1	3
Germany	0	8	8	1	1	2		3	3
USA	185	573	758	188	535	723	186	479	665
Rest of the World	1	1	2	2	3	5	70	86	156
Overall total	247	670	917	237	593	830	268	579	847

The figure for new recruits should be read together with that for leavers, the main reasons for which were resignations of employees (also read from the point of view of the turnover rate, see table below), redundancies and the sale of some plasma collection centres.

The difference between the Group's recruitments and terminations in the year does not coincide with the growth in the workforce between 2020 and 2021 shown in table *Division of employees by geographical area*. The difference stems from the fact that this table shows only employees as of 31 December, while the data on recruitment and termination also include non-employees (e.g., temporary contracts, even of very short duration). The company often uses such contracts to meet seasonal and specific needs, especially in plasma centres.

Total exits by region and age group as at 31.12.2021

Region	< 30	30 - 50	> 50	Total
Italy	7	30	36	73
Hungary	26	86	37	149
USA	209	207	62	478
Other	-	1	3	4
Overall total	242	324	138	704

Total expenditure by gender at 31.12.2021

Region	Men	Women	Total
Italy	38	35	73
Hungary	38	111	149
USA	125	353	478
Other	2	2	4
Overall total	203	501	704

Number of exits by cause in 2019-2021

Reason	2019	2020	2021
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Resignations	537	564	423
Dismissals	146	206	101
Retirement	11	7	8
Contract expiry date	18	14	13
Plasma collection centres for sale	128	0	98
Other*	33	14	61
Overall total	873	805	704

*Other includes terminations not classifiable in the previous categories (e.g., death, failure to complete trial period, consensual termination, etc.).

As for the turnover rate linked to resignations alone, which - particularly in the United States - is significant, is linked to dynamics typical of plasma collection centres, where the labour market, the competitive environment and the professional figures employed favour frequent changes in employment. In 2021 the turnover due to resignations (16.3%) decreased compared to 2020 (22%, particularly 1.1% in Italy, 10.2% in Hungary and 46% in the USA). In particular, there was a decrease in the resignation of women, from 441 in 2020 to 317 in 2021, and of employees under 30, from 271 in 2020 to 182 in 2021.

Rate of turnover due to resignations in the period considered by region and gender

Region	Turnover rate ¹⁰	Number of people resigned	Women resigned in the period	Men resigned in the period
Italy	1.8%	20	12	8
Hungary	1.4%	3	3	-
USA	30.9%	399	302	97
Overall total	16.3%	422	317	105

Turnover rate due to resignations in the period considered by region and age

Region	Turnover rate	Number of people resigned	< 30	30 - 50	> 50
Italy	1.8%	20	-	16	4
Hungary	1.4%	3	2	1	-
USA	30.9%	399	180	171	48
Overall total	16.3%	422	182	188	52

Regarding turnover from other causes, even including the extraordinary phenomenon of exits in Hungary for the sale of plasma centres, the turnover figure was 10%, in line with the previous year (9%).

The turnover rate for other causes in the period considered by region and gender

¹⁰ The figure includes only voluntary resignations on 31 December. It does not include:

- terminations of temporary contracts opened and closed during 2020;
- terminations due to other causes (retirements, dismissals and/or mutually agreed severances).

Region	Rate of Turnover	Number of people leaving for other causes	Women leaving for other causes	Men who left for other causes
Italy	4.9%	53	23	30
Hungary	67.3%	146	108	38
USA	6.1%	79	51	28
Overall total	11%	278	182	96

The turnover rate for other causes in the period considered by region and age

Region	Turnover rate	Number of people leaving for other causes	< 30	30 - 50	> 50
Italy	4.9%	53	7	14	32
Hungary	67.3%	146	24	85	37
USA	6.1%	79	29	36	14
Overall total	11%	278	60	135	83

The main risks related to personnel at Kedrion are linked to two factors: on the one hand, the technological content and complexity of plasma processes; on the other hand, the geographical location of production plants and sites. There are difficulties in finding the right talent with the technical, scientific and experience skills required to fill key roles, and the talent pool available in the company is relatively limited.

Therefore, it is important to carry out risk mitigation activities by taking care, on the one hand, of the growth of technical skills obtained by investing in technical/professional training and ensuring the permanence of people in their roles; on the other hand, by using tools that favour the retention of figures in possession of key know-how that is not easily replicable. These mitigation activities are carried out through HR policies to foster workplace well-being, professional development and investment in people. The tools most often used are people review, individual development plan management, engagement and performance management.

Kedrion is committed to continuing dialogue with workers' representatives at all levels: European, national and local.

For example, Kedrion S.p.A. applies and meets the requirements of the Collective Bargaining Agreement of the Chemical and Pharmaceutical sector. In addition to the national collective agreement, at Kedrion S.p.A., there are second-level agreements that provide for economic payments linked to achieving significant results, both in terms of profitability and productivity (performance bonuses).

In HUMAN BioPlazma, second-level agreements were also made which provide for economic disbursements tended towards making the company competitive in a highly dynamic and evolving labour market.

Kedrion has strengthened its commitment to *engagement* of people, launching various initiatives such as "NEXT change agents", "The Kedroneers" interview series and various listening sessions ("Townhall").

As part of the NEXT transformation programme, a team of 45 managers and professionals was created and trained to act as change agents. In particular, during 2021, this team ran workshops and other initiatives aimed at most employees to communicate and gather employees' opinions on the progress of the NEXT programme and company management.

The Kedroneers' initiative was launched to give our employees a voice through monthly interviews with employees about their history, work and passions.

On the gender *diversity* side, the company continues to monitor gender data for the management population. Finally, it should be noted that the percentage of women receiving an MBO increased from 40.2% in 2020 to 41.4% in 2021.

In addition, it continues to participate in the Valore D association, which provides managers with dedicated training and consultancy tools.

CORONAVIRUS MANAGEMENT AND AGILE WORKING POLICY

As mentioned above, Kedrion tackled the pandemic with the health and well-being of its workers in mind and the continuity of production and logistics, which is necessary to guarantee continuity of treatment for patients.

This experience has led to a rethink of working methods and a move towards an agile working model that allows employees to work from a different location for up to 50% of their working days. By agile mode, Kedrion means working in another company location or the employee's residence, agreeing with the employee's manager.

Kedrion surveyed Italian employees and conducted workshops to present and discuss the agile working model to support this change. In addition, it was decided to provide a restaurant ticket for each day spent in agile mode and invest in individual equipment (printers, monitors, ergonomic chairs, etc.). Finally, training was provided on all aspects of smart working (worker health and safety, how to work remotely, etc.).

Full implementation of this policy is expected in the first part of 2022.

MANAGERIAL DEVELOPMENT

Based on the indications coming from the work of the People Forum and the first feedback from the activities of the NEXT programme, Kedrion has launched initiatives to improve employee motivation and development.

The theme of management development in this Non-Financial Statement will be developed by describing the training activities, the performance and talent monitoring system and the remuneration and rewarding policies.

TRAINING ACTIVITIES

Fostering a culture focused on training and competence development gives the organisation the strength and flexibility to successfully meet future challenges.

Kedron pays particular attention to training, recognising its importance in building knowledge and maximising the technical-specialist skills of its resources and managerial skills.

Through Scuola Kedron, the company supports the objectives of internationalisation and educational evolution through the use of digital tools and the consolidation of the managerial and leadership model.

In 2021, the company developed, among others, the following training and management development paths:

- *Kedron Leadership Team (KLT) Journey*, a programme aimed at Kedron's 10 top managers, based on strengthening a new way of working, common values and expectations, and structured on a blend of *design thinking*, *team coaching* and *action learning*;
- a new management development programme called K-2025, designed to develop management skills and disseminate the *growth-mindset* starting from an individual analysis conducted through *role playing*, questionnaires, *in-basket* and *behavioural event interview* exercises and designing an individualised learning path together with the participants. 32 employees from 5 countries participated in the programme;
- a *follow-up* to the management training programme *Seeds of Leadership*, consisting of a *Booster* to take up the contents of the previous programme through *group coaching* sessions and a new programme called *Propel* on leadership in transition phases and on emotional intelligence, conflict management and *self-awareness* skills. In all, 112 employees from the USA, Italy and Hungary participated in these initiatives in 2021;
- As part of the NEXT programme and together with Scuola Kedron, Kedron delivered a programme based on the manager's *toolkit* (*analysis*, *problem solving*, *programme management*, *story lining*, *discussion & delivery*). This programme, called *Toolkit Series*, was delivered to 60 *change agents* and *initiative leaders*;
- Also, as part of the NEXT programme and together with Scuola Kedron, a plenary session was held for the company's 138 key people, dedicated to the themes of *Smart Simplicity*, and 3 masterclasses dedicated to the most important digital trends in Sales and Operations, to which 356 employees were invited
- To strengthen cross-functional collaboration, since 2021, Kedron School has launched a training programme called *Kedron Journey*, structured in 9 sessions with the heads of various functions, during which each head presented the typical activities of the function, the main projects in place, and the inter-organisational relationships key to the success of the function. A total of 38 people participated in the initiative, which was launched in Italy in 2021;
- A new programme called *Plant Lab*, on agile working in the Bolognana production plant, structured in interactive sessions facilitated through the use of LEGOs, was introduced in 2021 to enhance listening, communication, collaboration, time management, and results from orientation of departmental supervisors. During the 10 sessions, 59 employees were trained;
- The fifth edition of Scuola Kedron's international management development programme (Kedron Management Development Programme - KMDP) was held, aimed at talented

people from the whole group: 27 employees from the USA, Italy and Germany and all company functions;

- The programme *People Management Journey* of Scuola Kedrion continued in 2021. Pathway for newly appointed leaders, one class for a total of 12 Italian people involved.
- Specific training on smart working.

These training paths share an innovative vision of training, with *collaborative learning*, *mentorship* and *project work* experiences used alongside traditional classroom and distance learning techniques.

In 2021, there were 21,874.9 registered hours of training, a substantial increase over the same figure for 2020. In particular, the average hours per capita were 7.9, up 23.4% compared to the same figure for 2020 (6.4). In addition, it should be noted that the training hours dedicated to the female population (10,679.5) are essentially equal to those allocated to the male population and that they have increased by 44% compared to 2020.

Summary of training hours carried out in 2019, 2020 and 2021 by gender

Year	Men	Women	Total hours	Average hours per employee*
2021	11,195.5	10,679.5	21,874.9	7.9
2020	9,434	7,418	16,852	6.4
2019	12,253	11,666	23,919	9.1

* The average is calculated on the total number of employees at the end of the year.

Summary of training hours carried out in 2021 by region and occupational category

Region	Director	White Collar	Blue Collar	Total
Italy	1,299	8,687	250.5	10,236.5
Hungary	353.5	3,472.5	1,276	5,102
USA	260.5	3,475.6	2,672.3	6,408.4
Other	84	44		128
TOTAL	1,997	15,679.1	4,198,	21,874.9

PERFORMANCE MONITORING

In 2021, following on from previous years (in Kedrion the performance evaluation system has existed since 2009 and has been a global system since 2014), the annual evaluation process of individual performances was carried out, which is strategically relevant in human resources development.

Compared to 2020, the population involved was reduced from 2,051 to 1,932; the process involved 69% of the population (in 2020, the involvement was 77% of the company population) and 100% of Executives and Senior Management as recipients of incentive programmes (MBO). The reduction particularly affects the US area and is explained by the high turnover rate in the US during the pandemic.

Number of employees involved in performance management process in 2017-2019 by region and gender

Region	2017			2018			2019		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Italy	628	383	1.011	647	391	1.038	653	403	1.056
Hungary	22	10	32	22	10	32	22	12	34
Germany	5	4	9	4	4	8	4	3	7
USA	51	40	91	254	395	649	296	539	835
Other	3	0	3	4	2	6	5	5	10
Total	709	437	1.146	931	802	1.733	980	962	1.942

Number of employees involved in the performance management process in 2021 by category and gender

Category	Men	Women	Total
Directors	50	22	72
White Collars	512	611	1,123
Blue Collars	431	306	737
Total	993	939	1,932

The KedPMP (*Kedrion Performance Management Process*) stipulates that, depending on the different roles, employees are evaluated based on the achievement of departmental and individual objectives and the level of possession of the competencies required by the leadership model.

The system envisages homogeneous evaluation criteria at a corporate level for managerial roles, and homogeneous evaluation at country level, in respect of local requirements, for non-managerial roles.

An MBO system exists at corporate level, whose process is constructed in such a way so as to guarantee transparency in assigning and evaluating objectives and the greatest possible homogeneity in evaluation criteria and feedback management.

In 2021, Kedrion further developed its *toolbox* of management development, introducing a new potential assessment tool and a 360° management skills assessment platform integrated with Kedrion's HRMS.

The potential assessment tool was used for the first time in the People Review process on 268 managers and professionals.

As for the 360° assessment platform for managerial competencies was developed in 2021 based on a restricted pilot carried out between December and February 2021. The initiative was launched in December 2021 and involved 52 managers assessed by 203 direct reports, peers and direct managers, who were trained during 10 workshops delivered in November 2021.

REMUNERATION AND REWARDING POLICIES

As far as Rewarding and Compensation are concerned, Kedrion has been reviewing its position evaluation policies over the last few years to allow a segmentation of roles that is valid throughout the group and respects local specificities, to promote remuneration, development and people management policies that value the principles of fairness and transparency.

Within the Group the remuneration policies are oriented towards guaranteeing competitiveness on the labour market, in line with the growth objectives and human resources retention, as well as differentiating remuneration tools on the basis of individual professionalism and competency. Kedrion has a differentiated system based on the employee's professional category and/or role held, which, as well as the fixed remuneration component, may also include incentive systems (short and long term) related to individual and company objectives.

Within the company, according to corporate rules but applied to local realities, there is an annual Salary Review process linked to the outputs of the performance and potential management process.

At the level of each Group's legal entity, there is a system of employee benefits which, depending on the specifics of the role, context and local laws, can vary from supplementary health insurance to life and accident insurance; from membership of supplementary pension funds to benefits packages that can be modulated to support family life choices (child study, home care, medical visits, travel, etc.). The benefits are assigned based on local procedures and, within the same organisational category, are assigned to all employees independently of the duration and type of the contract.

In particular, there are no differentiations between part-time and full-time employees.

COMPANY WELL-BEING

Kedrion is committed to identifying and promoting initiatives that foster an ever-increasing work-life balance.

Several projects in this area are given as examples below:

- In the United States (KBI), following local laws, there are several *Flexible Working Hours* initiatives, whereby part of the work can be done remotely;
- in Italy (Kedrion S.p.A.), downstream of the pilot project launched in 2018, Kedrion reworked its Smart working policy, raising the number of days allowed in agile mode to 50% and supporting workers through listening initiatives, training, home workstation equipment and ticket restaurant when in agile mode.

HEALTH AND SAFETY AT WORK

Kedrion's policies are aimed at:

- Promote safety culture at every organisational level;
- Support initiatives intended to improve working conditions;
- Support local offices to manage safety in workplaces and monitor their performance.

The EHS function supports and coordinates these policies by disseminating guidelines, sharing tools and expertise, and monitoring key indicators.

The Italian and Hungarian sites have adopted an OSH management system following the ISO 45001 standard, for which certification was confirmed in 2021.

In addition to the preventive and protective measures taken at a local or national level to reduce risks to its employees, visitors and staff of external companies and the local community, initiatives have been implemented at the global level mainly focused on production sites, including accident management.

Therefore, the EHS Global structure monitors and supports local functions in managing incidents, starting with identifying causes, and then shares the results of the analysis with other sites through a "safety alert" system so that everyone can learn from mistakes and prevent new events from occurring.

At a global level, general objectives are shared, which are then transposed to local realities and monitored through key indicators such as frequency and severity indices.

Within the Operations function, the "Zero Accidents" objective is confirmed and monitored globally through indicators that measure its frequency and severity.

Another objective launched at the global level and implemented by the Italian, Hungarian and US production sites is that of achieving the highest level of a safety culture through the active participation of all employees in reporting not only accidents but also *near misses*, i.e. missed accidents, unsafe situations or behaviour, and also suggestions for improvement, setting a minimum annual target of one report per employee. This indicator, including the ratio of accidents, *near misses* and reports, is monitored monthly at the local and global levels.

Despite the fact that the Covid-19 situation required substantial efforts to manage the emergency and to ensure the highest level of safety for internal and external staff and their families, activities aimed at improving the H&S management system were not interrupted but different operational methods were adopted in compliance with the Covid-19 risk minimisation requirements and recommendations, for example, internal and external audits were effectively carried out remotely, training was carried out in hybrid mode according to epidemiological evolution and the indications of the scientific community, and local or *global safety meetings* were held according to the planned schedule but mainly in remote mode.

Activities such as *safety tours*, accident investigations or *near misses* that require to be carried out in person have been carried out in compliance with the anti-covid measures required or recommended by local and international authorities and implemented promptly by the company without affecting their effectiveness.

The distribution of events, days lost and frequency and seriousness indicators by geographic area in 2021 is shown in the following table:

Distribution of accident cases by geographical area as at 31 12, 2021

Region	Number of events	Number of days lost	TIR*	LWR*	Worked hours
Italy	8	182	0.88	20	1,821,400
USA	36	361	3.57	35.8	2,018,138
Hungary	5	76	2.52	38.3	396,780
RoW**	3	142	3	142	199,554
TOTAL	52	761	2.34	34.3	4,435,872

The indicators used are the Total Injury Rate (TIR) and the Lost workdays Rate (LWR).

** RoW includes Laval (Canada) site for 2nd half of 2021

The percentage of accidents involving female personnel is given as an approximation because some of the accidents in US plasma collection centres do not give the names of the persons involved for privacy reasons.

Therefore, the range varies from a minimum of 13% to a maximum of 52%.

Below is the trend in accidents over the three years 2019-2021:

Index	2019	2020	2021	Change 2021/2020
Number of accidents	55	52	52	0%
Number of days lost	796	351	761	+117%
TIR	2.47	2.25	2.34	+4%
LWR	35.8	15.2	34.3	+126%

The overall figure for 2021, compared with the previous year, shows a constant number of events and an increase in days lost due to events that, although not linked to significant risk conditions, led to long periods of absence. The TIR and LWR indicators, considering the hours worked, also confirm the absolute figures.

The most frequent types of injury are impacts and crushing, slips and falls, contact with potentially biohazardous material (punctures or splashes), strains and sprains or cuts and abrasions

Manufacturing plants globally report 27 so-called "*recordable*" events of which 22 have a prognosis of at least one day (LTAs, Lost Time Accidents) with a TIR=2.6

A significant contribution to the number of events *recordable* and the frequency indicator is that of US plasma collection centres with 25 events resulting in a TIR=3.3 but almost all without days of prognosis

ACCIDENTS TO EXTERNAL PERSONNEL

In 2021, there was only one incident involving external staff working in areas under direct responsibility and/or following company directives.

The case involved a crushing while closing a door with a prognosis of 7 days.

The frequency indicator given by the number of events out of the total number of hours worked at the company (multiplied by a coefficient equal to 200,000) takes into account, to count the number of events, all the companies that have seen their employees working at Kedrion's premises, and, as a precautionary measure, puts only the hours worked by companies with employment contracts booked on an hourly basis in the denominator, excluding the hours worked for work booked on an "as is" basis. The above calculation resulted in an TIR =0.9

OCCUPATIONAL DISEASES

At Kedrion, there are areas and activities where health and safety risk factors are identified, in particular:

- Video terminals, microclimate and lighting, fire/explosion, and work-related stress are present in all activities, from administrative to production/technical;
- Biological risk, chemical risk, manual handling of loads, noise risk, low temperatures and use of machinery and equipment (mechanical risk) are added to the previous ones for production and technical areas (laboratories/plasma collection centres, logistics, maintenance);
- Working at heights, working in confined spaces, driving forklifts and mechanical equipment are added regarding specific tasks.

Risks are measured according to the national legislation in force. In particular, sites in Italy are subject to the Consolidation Act no. 81/08 and produce a Risk Assessment Document (DVR); Hungarian sites are subject to similar legislation and, in turn, produce a risk document similar to the Italian DVR.

The prevention and protection measures adopted in all areas ensure control of the above risk factors, keeping the risk level below the limits set by legislation and company policies.

Data on accidents and occupational diseases in recent years confirm this. There have been no accidents with serious personal injuries or specific occupational diseases attributable to exposure to occupational hazards.

In 2021, 2 occupational disease claims were made without recognition by INAIL.

4.15.6. "SOCIAL" AREA

Driven by a sense of civic responsibility, Kedrion aspires to promote a social and environmental sustainability culture, trust and reciprocity.

RELATIONSHIP WITH LOCAL COMMUNITIES

In 2021, Kedrion will continue to support the communities it serves both through support for local projects and through international product donations and educational and awareness-raising partnerships.

The Covid-19 pandemic, still ongoing in 2021, has reduced the scope of these activities.

From an organisational point of view, the activities in support of local communities are prevalently concentrated at a central level, with the parent company.

The main activities that the company has carried out in favour of local communities are as follows:

KEDRION S.p.A.

- Kedrion S.p.A. is by far the most significant employer in the areas in which its production facilities are located;
- Under the same economic and technical conditions, Kedrion's supply chain favours companies in the territories in which it has offices, also reducing the environmental impact related to transfers;
- Kedrion S.p.A. supports several activities with the Municipalities and schools in the area, including participation in a Higher Technical Institution (ITS) in Life Sciences and a teaching development project with the technical and professional secondary schools in Valle del Serchio (Borgo a Mozzano and Barga);
- The Kedrion Group is one of the founders of the Fondazione Campus di Lucca, a non-profit training and cultural institution which carries out university and advanced training in tourism and the development of the territory and local economies;
- Kedrion encourages local traffic reduction measures through car-sharing and car-pooling initiatives;

In addition to these activities, Kedrion S.p.A has also supported the following non-profit organisations:

- The Robert F. Kennedy Foundation of Italy Onlus (support to RFK Annual Gala for fundraising activities of *advocacy* on human rights)
- La Stella Onlus (student training support)
- Carlo Erba Foundation - Guelfo Marcucci Prizes 2020 - third edition (two scholarships reserved for young researchers in the field of non-oncological studies)

- Fondazione Carlo Erba, in collaboration with PPTA (Plasma Protein Therapeutics Association), Fabrizio Fabbrizzi Prizes (two prizes dedicated to the memory of Dr Fabrizio Fabbrizzi for research in the field of plasma and plasma-derived drugs)
- Municipality of Barga - liberal disbursement in support of culture and entertainment, the so-called Art Bonus
- University of Tor Vergata (contribution to medical-scientific education in the form of a master's degree)
- Associazione Sportiva Dilettantistica - Sport Experience Ideas - A.S.D. SEI (support for annual activities related to the "CONI Centre" project)
- AIL Alessandria Asti (activities aimed at improving services and socio-health care for leukaemia patients)

KEDRION BIOPHARMA INC. (USA) AND HUMAN BIOPLAZMA KFT (HUNGARY)

In the United States, where for several years the company has been promoting spontaneous voluntary activities in support of local communities through the Kedrion Cares programme, Kedrion and KEDPLASMA employees have offered their support and/or participated, for example, in

- Feeding America for the Seasons of Giving campaign Heart Health Awareness (support for the initiative)
- Backpack Programme for the Back-to-School programme as part of Covid-19 pandemic activities
- Adopt A Family for the Holiday campaign

Other contributions and donations were made to:

- Breast Cancer Basket Raffle
- Virtual Food Drive
- Virtual Costume Contest
- Stress Awareness Initiative

In addition, on the occasion of *Thanksgiving*, all plasma collection centres in America supported local organisations to collect food for people in need. Both donors and staff of the centres contributed to the initiative: more than 6,500 products were collected and delivered to various charity centres throughout the country.

In Hungary, the company is also committed to contributing to the communities in which it operates, as evidenced, for example, by its support for Medicopter Alapítvány (an organisation for air rescue during health emergencies), Katasztrófavédelem (the Gödöllő Fire Department), Gödöllői Idősek Otthona (a nursing home run by the Municipality of Gödöllő).

In 2021, Kedrion did not suffer any economic or non-economic sanctions related to the social area (stakeholders, local communities, patients, etc.).

In this area, the company will continue to systemise the various Corporate Social Responsibility activities, assessing their impact and formalising the mechanism for selecting the activities in which it will decide to engage.

RESEARCH ACTIVITIES, ORPHAN DRUGS AND EXPANDED ACCESS

The development of orphan drugs and the provision of compassionate care has always been Kedrion's vocation. In this context, Kedrion's main projects on orphan drugs are represented by the following initiatives:

1. "Plasminogen" project
2. PV Factor" project
3. Ceruloplasmin project
4. New proteins from plasma processing intermediates' project
5. COVID-19 Enforcement activities

As they aim to provide patients with first-in-class examples of specific therapies for their target diseases, the first three initiatives represent the cutting edge of Kedrion's research into new therapies. The fourth initiative aims to optimise the plasma resource (a precious gift from society to patients) to identify new therapeutic opportunities, including fractions derived from the plasma process that are not currently exploited in the production of Kedrion's drugs. In all these cases, Kedrion's awareness and willingness to "team up" with various Italian research centres of excellence spread throughout the country (North, Centre and South), which actively contribute their expertise to developing new therapies, is evident.

PLASMINOGEN PROJECT

Plasminogen (PLG) is an important blood protein that plays a key role in clot dissolution by acting physiologically on fibrin and fibrinogen A-chains. Plasminogen deficiency type 1 or severe hypoplasminogenemia (HPG) is a very rare systemic disease which causes the formation of fibrin-rich pseudomembranes (with a wooden appearance) in the mucous membranes when a wound is healing. The prevalence of HPG, although not properly determined to date, is estimated at around 1.6 cases per million of inhabitants. As there is no previously authorised drug available for plasminogen replacement therapy in patients with HPG (and in particular ligneous conjunctivitis), this has been treated in recent years by surgical resection of the ocular lesions (pseudomembranes) and/or the use of non-specific drugs such as corticosteroids, antibiotics and heparin. Each of these approaches, however, do not have entirely effective results, and have lesser resolving power. In 2020, Kedrion provided the investigational concentrate under compassionate use/early access to 16 patients (there were 13 in 2019) suffering from ligneous conjunctivitis (6 in Italy through L.648/96, 1 in France through nominal ATU, 2 in Spain through compassionate use and 7 in the USA through Kedrion-sponsored IND and physician-sponsored IND).

In 2021, the acquisition of the Canadian company Prometic enabled Kedrion to take possession of plasma-derived plasminogen (Ryplazim®), a drug recently approved by the FDA, which is the world's first ("first-in-class", i.e., the first example of a disease-specific therapy available on the market) for the treatment of hypoplasminogenemia. As a result, Kedrion is now in a position to deliver a drug to patients as early as 2022 and will focus on the product launch by pausing further internal development of plasma-derived plasminogen for the time being. The acquisition of Prometic and the Ryplazim® product is an example of Kedrion's dynamism and the integration of internal innovation and innovation implemented through appropriate *Business Development* activities.

In the case of plasminogen, particular attention is also paid to developing a vision of the future development of therapies for plasminogen deficiency, with a keen eye on the history of the evolution of therapies for other genetic diseases of relevance to the plasma-derived products sector, such as Haemophilia. In the latter, new therapeutic approaches to drugs produced from plasma have rapidly developed, including recombinant proteins with improved characteristics compared to plasma-derived products, gene therapy approaches and, most recently, genome editing approaches with the increasing involvement not only of small industrial entities but also of pharmaceutical giants. Kedrion is committed to creating a pathway for the evolution of ever-better

plasminogen deficiency therapies for the benefit of patients and their quality of life. In this pathway, the importance of companion biomarkers, i.e., diagnostics capable of rapidly diagnosing the presence of a plasminogen deficiency and monitoring the effectiveness of treatment with the product, is an essential complement to therapy, and Kedrion is also committed to this. This integrated vision of "life cycle management" of a "first-in-class" product such as Ryplazim®, leading to a "franchise" of products (plasma-derived products, non-plasma-derived therapies and accompanying diagnostics) is, in fact, the model that Kedrion can follow for the other projects described in this section.

FACTOR V PROJECT

Factor V is a plasma protein present at a concentration of approximately 7 µg/ml in healthy individuals, which plays a pro-coagulant role in the coagulation cascade by participating in thrombin formation. Congenital factor V deficiency, alone or in combination with factor VIII deficiency, is an extremely rare haemostasis disease which occurs in 1:1,000,000 of the population. Individuals affected by a lack of this protein manifest haemorrhaging in various areas and magnitudes: epistaxis, menorrhagia, haemarthrosis and haematomas, and those more serious, including intracranial and gastrointestinal.

Due to the extreme rarity of the associated pathology, no specific Factor V concentrate is commercially available to date, so the treatment of Factor V deficiency relies on replenishing the deficient factor using fresh frozen plasma, but this involves risks and complications. Kedrion has developed an experimental prototype of Factor V concentrate and is currently ready to start its industrial development. Once developed and placed on the market, the product would be 'first-in-class', i.e., the first specific therapy available for the target disease. In 2020, Kedrion applied for funding from the MISE using the "Development Agreements" tool to support its industrial and clinical development. The submitted project has been accepted for funding and is completing the preliminary investigation to start operations in 2022. Within the framework of a public-private consortium (of which Kedrion is the lead partner) comprising the University of Naples "Federico II", CEINGE-Advanced Biotechnologies, the CNR and the University of Campania "Luigi Vanvitelli", an industrial prototype of plasma PV concentrate will be developed. In addition to the role of Kedrion, the industrial partner, the public partners will contribute directly by developing new methods of purification and characterisation of plasma PV.

CERULOPLASMIN PROJECT

Ceruloplasmin is a plasma protein with a key role in iron homeostasis. Its deficiency is the cause of the symptoms present in aceruloplasminemia, a rare disease in which ceruloplasmin deficiency causes iron accumulation in the brain (as well as other tissues), leading to progressive neurodegeneration. Kedrion has developed an experimental prototype of plasma ceruloplasmin concentrate, the efficacy of which has been demonstrated in an animal model of aceruloplasminemia in collaboration with IRCCS Ospedale San Raffaele (Milan). In the case of ceruloplasmin, too, Kedrion is ready to begin industrial development. As with Factor V, this product would be another example of a "first-in-class" therapy to support Kedrion's drive for innovation and new products. As well as offering a valid therapy for patients with aceruloplasminemia, there are other indications where treatment with ceruloplasmin could benefit, such as Wilson's syndrome.

NEW PROTEINS FROM INTERMEDIATES PROJECT

Plasma is a valuable resource and a gift from blood donors to the community, with an important ethical implication. Kedrion, aware of this implication, is committed to using as much of the plasma resource as possible to develop new therapies for patients suffering from various protein

deficiencies, which represent rare and ultra-rare diseases in the vast majority of cases. Therefore, in collaboration with Toscana Life Sciences (Siena) and using the most modern proteomics techniques, Kedrion has conducted the first systematic analysis of plasma industrial processing intermediates, i.e., those parts of the plasma-derived drug production process that are not used and therefore represent processing waste. More than 300 proteins have been identified in these intermediates, many of which, if developed on an industrial scale, could be used as therapies for various rare diseases. In addition, the presence in these intermediates of proteins representing plasma-derived products presents the opportunity to reuse these intermediates to produce the same products already available to patients. Together with the ethical value represented by the optimisation of the use of the plasma resource, this activity also represents an important signal by Kedrion in its commitment to the reuse of industrial processing waste, thus fully falling within some of the development objectives (the "green" ones in particular) highlighted by the European Community and implemented in the various national instruments such as the National Recovery and Resilience Plan.

COVID-19 ENFORCEMENT ACTIVITIES

As mentioned in DNF 2020, Kedrion has started a project with the biologic company Kamada (Israel) to develop a specific immunoglobulin. Specific immunoglobulins, i.e., made from the plasma of people who have overcome a specific disease, are antibodies in a concentrated form that can be infused intravenously into patients and staff potentially exposed to the disease (prophylaxis). To give some examples, specific immunoglobulins are commonly used against diseases such as rabies and tetanus, alongside vaccines (as is well known, the existence and wide accessibility of vaccines do not mean that there should not be treatments for diseases produced by viruses). Using this principle, Kedrion and other plasma-derived companies worldwide have considered initiating projects to develop immunoglobulins derived from high antibody titre plasma from people convalescing from Covid. In this activity, Kedrion has set up a network that, in addition to Kamada, involves American plasma centres and university and scientific institutions such as Columbia University in New York, the Federico II University in Naples, as well as leading companies in the development of diagnostics such as Euroimmun, also based in Italy. The first specific anti-Covid immunoglobulins produced from US plasma and through Kamada's technology have demonstrated high specific activity and ability to neutralise several SARS-CoV2 variants in vitro, as well as efficacy in animal models of COVID-19 disease and are currently under clinical evaluation in Israel in a study funded by the Israeli Ministry of Health.

FISCAL RESPONSIBILITY

An organisation's tax approach defines how it balances tax compliance with business activities and with ethical, social and sustainable development expectations.

The Group, in compliance with the principle of "*corporate responsibility*", acts according to the values of honesty and integrity in the management of tax activities, aware that tax revenues constitute one of the main sources of contribution to the economic and social development of local communities by the Group. Therefore, it pursues a behaviour oriented towards compliance with the tax rules applicable in the countries in which it operates, managing the tax risk responsibly while protecting its image and reputation.

In this regard, the Company considers taxes as a cost of doing business, which must be managed to safeguard the company's assets and pursue the primary interest of creating value for stakeholders in the medium to long-term.

To ensure compliance in tax matters, the Parent has adopted a specific corporate *Transfer Pricing* Policy in line with the provisions of specific regulations. In addition, a Taxation and Taxation procedure that identifies the roles and responsibilities of the parties involved in tax management, defining the information flows between these parties and the related processes to achieve an effective and, where possible, preventive control of tax risk, as well as a policy to manage the risk of interpretation of tax provisions. The objective is to pursue:

- lasting growth of the company's assets and protection of the Group's reputation;
- the correct and timely determination and settlement of taxes due by law and the performance of related duties;
- a containment of tax risk is understood as the risk of incurring the violation of tax rules or the abuse of the principles and purposes of the tax system.

The Group maintains a cooperative and transparent relationship with the tax authority, ensuring that the latter can fully understand the facts underlying the application of tax rules.

To consolidate transparency towards the authorities, the Group ensures the correct application of local, national tax laws and regulations and the OECD Transfer Pricing Guidelines ("*Transfer Pricing Guidelines*"). The Company does not engage in transactions without valid economic reasons to obtain tax advantages, nor does it exploit privileged tax jurisdictions for tax avoidance purposes.

As regards the management of reports of unethical or illegal conduct in tax matters, the appropriate information channels are the same as those provided by the Supervisory Board to ensure the communication of irregularities or violations of the Code of Ethics, the Anti-Corruption Code of Conduct and the Organisation, Management and Control Model under Legislative Decree no. 231/2001.

In 2020, the Kedrion Group paid taxes in the amount shown in the table below (figures expressed in Euros):

Names of the resident entities	Number FTEs	Primary activities of the organization	Revenues from third-party sales	Revenues from intra-group transactions with other tax jurisdictions	Profit/loss before tax	Tangible assets other than cash and cash equivalents	Corporate Income Taxes paid on cash basis	Corporate income tax accrued on profit/loss
Kedrion S.p.A. (Italia)	1,134	Plasmaderivatives production and trading	270.971.885	122.943.230	(6.325.415)	229.543.707	1.624.170	1.146.073
Kedrion Biopharma Inc (Usa) and KEDPlasma LLC (Usa)	1,170	Plasma collection, plasmaderivatives production and trading	335.950.983	161.035.361	(20.633.681)	266.246.618	(13.036.792)	(10.750.673)
Human BioPlasma Kft. (Ungheria)	336	Plasmaderivatives production and trading	36.723.013	106.063.998	18.441.897	64.508.214	0	1.100.305
Kedrion Biopharma GmbH (Germania)*	13	Plasmaderivatives trading	20.403.770	1.169.478	987.635	1.004.932	0	283.803
Kedrion Biopharma GmbH (Austria)	2	Plasmaderivatives trading	12.665.329	0	604.922	927.095	184.562	486.480
Kedrion Biopharma GmbH (Poland)	5	Plasmaderivatives trading	15.587.934	0	1.080.862	3.331	249.226	182.463
Kedrion Biopharma GmbH (Portogallo)	3	Plasmaderivatives trading	7.481.677	0	122.775	647.632	0	26.264
Kedrion Mexicana S.A. de C.V. (Messico)	9	Plasmaderivatives trading	22.177.394	0	270.216	15.952.144	1.230.522	288.793
Kedrion Swiss Sarl (Svizzera)	0	Plasmaderivatives trading	7.735	49.265	(88.487)	240.511	0	0
Kedrion Brasil Distribuidora (Brasile)	2	Plasmaderivatives trading	900.098	0	(1.139.606)	875.929	0	0
Kedrion Biopharma India Private Limited (India)	5	Plasmaderivatives trading	3.713.119	290.510	(1.364.905)	862.428	0	0
Kedrion Betaphar Biofarmas oti k (Turchia)	6	Plasmaderivatives trading	32.010.972	0	3.611.879	33.060	31.691	845.695
Kedrion de Colombia SAS (Colombia)	4	Plasmaderivatives trading	2.652.222	0	(583.950)	1.593.896	0	161

* Fusione di Kedrion International e Kedrion Portugal con Kedrion Biopharma GmbH avvenuta a giugno 2021

4.15.7. ENVIRONMENT AREA

Kedron's attention to the environment starts from the territory in which its employees operate. From the workplace, it extends to the communities which surround the company, with a strong commitment to reducing environmental impact to a minimum. Conscious of Man's responsibility in global climate change, Kedron's environmental policy contributes to mitigating the consequences of human activity on the surrounding environment.

Kedron employees are aware of environmental protection and operate to evaluate and monitor environmental aspects connected to activities carried out, pursuing opportunities for improvement.

The Kedron management team undertakes to implement, maintain and document its processes and activities in compliance with the highest quality standards, including, for example:

- UNI EN ISO 14001 and EMAS Regulation¹¹ (Environmental Management System);
- BS ISO 45001 (Occupational Health and Safety Assessment Series).

Adherence to the UN Global Compact¹² implies a global commitment to improving environmental performance through a strategy based on the principles of:

- Optimisation of resources by prioritising sustainable ones;
- Reducing negative impact;
- Spreading an environmental culture within and between external collaborators.

The Italian offices have adopted an environmental management system according to ISO 14001. The sites in Lucca (Klg10 production site, Castelvechio Pascoli warehouse, Bolognana site and administrative offices) and the Sant'Antimo (NA) site are ISO 14001 certified and EMAS registered.

The adopted model integrates the monitoring and control activities of environmental performance required by the Integrated Environmental Authorisations applicable to the sites mentioned.

The Italian offices have an *Energy Management* structure with the aim of optimising the use of energy resources through analysis and monitoring activities and promotion of initiatives.

To improve its environmental performance, Kedron is committed to increasing its knowledge of its impacts by analysing the life cycle of its products and extending its control to the entire supply chain.

EUROPEAN TAXONOMY

Starting from this DNF and following the provisions of Regulation (EU) 2020/852, Kedron has assessed the percentage of revenue, OPEX and CAPEX associated with eligible assets (so-called *eligible*) under the European Taxonomy.

The percentage of revenues relating to the year 2021 compared to *taxonomy-eligible* activities is 0%, as the group's area of operation is not currently included within the Delegated Acts relating to climate change mitigation and adaptation.

¹¹ EMAS, the European Union Eco-Management and Audit Scheme (*Eco-Management and Audit Scheme*), is a model by which companies and organisations, both public and private, based in the territory of the European Union can voluntarily adhere and which wish to commit themselves to assess and improve their environmental performance.

¹² The *United Nations Global Compact* is an initiative of the United Nations created to encourage companies around the world to adopt sustainable policies that respect corporate social responsibility and to make the results of their actions public. It is a framework that encompasses ten principles in the areas of human rights, employment, environmental sustainability and anti-corruption.

Similarly, the share of OPEX and CAPEX related to expenses attributable to eligible activities under the European Taxonomy is 0% of total corporate CAPEX and OPEX.

WATER CONSUMPTION AND WATER CYCLE

Attention to water resources is concentrated on the use of water provided by the public network and water coming from wells, for Italian sites, and on wastewater production.

Water taken from production facilities is mainly used to power cooling systems, softeners, steam production, washes and sanitation. In the other offices, it is used as domestic hot water and for cleaning the environments.

The risks connected to the water resource depend on the presence of obligations required by legislation or specific authorisations. Water consumption can constitute a risk connected to the capacity of local infrastructures and the availability of the resource (aqueduct and wells), constituting a constraint with regard to any increases in production capacity. Furthermore, an increase in water consumption corresponds to an increase in wastewater, whose hydraulic load is governed by authorisation and/or technical/infrastructural limitations.

The processes of the four production sites produce wastewater that is delivered to the public networks in compliance with the applicable rules and regulations in terms of both hydraulic load and quality characteristics of the wastewater.

The discharge is predominantly industrial and a smaller percentage of 10% is civil wastewater.

Water balance (water consumption and discharges in cubic metres) at 31.12.2021

Water consumption from network* Mc	Water consumption from well Mc	Total consumption of water Mc	Wastewater** Mc
478,170	333,825	811,995	569,320

*The figure is the sum of measured (Bolognana, CVP, Sant'Antimo, Gödöllő, Melville) and estimated (Offices and plasma centres) consumption.

**Measured discharges for Bolognana, CVP, Sant'Antimo, Gödöllő and Melville; estimated for offices and plasma centres.

The largest contribution, at 72%, came from Italy and was due to the presence of its two main production sites, followed by Hungary (14%) and the United States (13%), which also included production sites (Gödöllő and Melville).

Below is the table summarising the global water consumption and wastewater discharge for the three years 2019-2021:

Water budget 2019-2021

Index (CBM)	2019	2020	2021	Difference 2021/2020
Consumption of water from network	635,954	507,585	478,170	-6%
Consumption of water from well	399,874	372,390	333,825	-10%
Total water consumption	1,035,828	879,975	811,995	-8%

Wastewater **	743,936	645,066	569,320	-12%
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*The figure is the sum of measured (Bolognana, Sant'Antimo, CVP, Gödöllő, and Melville and plasma centres) and estimated (Laval and Offices) consumption.

**Measured discharges for Bolognana, Sant'Antimo, CVP, Gödöllő; estimated for Melville; Laval, Offices and Plasma centres.

The reduction in mains water consumption is the result of optimising the use of the resource, especially at the Melville and Gödöllő sites for water from the aqueduct and at the Bolognana site for well water.

RENEWABLE AND NON-RENEWABLE ENERGY CONSUMPTION

The production sites mainly use energy sources for the production of cold, heat and steam, as well as to power the factories and for lighting.

The provision of electric energy presents constraints related to the infrastructures which can impact on the continuity of the service and on any production developments, even if there are emergency generator systems for the most critical equipment.

As of November 2020, the Bolognana plant will use a significant portion of the electricity produced by a tri-generation plant located on the site, which, in addition to having a reduced environmental impact, guarantees an improvement in the quality of supply, although it does not reduce the risks associated with any interruptions to the grid. This plant replaces the self-production done by a cogeneration system with a further improvement of energy performance.

No particular constraints of a legal/authorising type exist for the various sites.

Energy monitoring and diagnosis, required by the Integrated Environmental Authorisations and by the legislation on the rational use of energy, is an opportunity for action to optimise consumption.

The use of natural gas, both for the production of electricity and steam, represents the best source of non-renewable energy in terms of greenhouse gas emissions and, therefore, an opportunity to improve the environmental impact of the sector; however, it presents risks linked to possible short or prolonged supply interruptions due to possible technical problems of the network infrastructure or the supplier with a significant impact on the *business continuity* of the production plants. This applies to the Bolognana site, which uses methane to produce a large part of the electricity consumed, even though an external company carries out production on site.

To continue to guarantee emergency operation, the supply from the power grid remains active.

ELECTRIC ENERGY FROM THE GRID

At the Bolognana plant, a tri-generation plant has recently been activated, replacing the previous cogeneration plant and meeting part of the plant's electricity demand.

Therefore, since the end of 2020, there has been a shift from self-production of electricity to a new supplier, which has joined the external supply and uses the recently activated tri-generation plant.

Therefore, the figures reported for 2021 take into account the change from November 2020 in the calculation method.

Below is the figure for overall consumption:

Electricity consumption from the grid* as at 31.12.2021

GJ

285,209

*The figure is the sum of measured (Bolognana, Sant'Antimo, CVP, Gödöllő, and Melville and plasma centres) and estimated (Laval and offices) consumption.

The Bolognana plant buys from the external grid and the local operator (tri-generation plant).

The largest contribution to total consumption is made by the Italian, American and Hungarian production plants, accounting for 57%, 19% and 11%, respectively.

FOSSIL FUELS

The absolute values and contributions of the individual companies to the consolidated figure for methane consumption, expressed as a percentage, are shown in the following tables:

Methane gas consumption* as at 31.12.2021

GJ 239,726

*The figure is the sum of measured (Bolognana, Sant'Antimo, CVP, Gödöllő, and Melville and plasma centres) and estimated (Offices) consumption.

The Italian, US and Hungarian production plants make the largest contribution to total consumption, accounting for 43%, 36% and 16%, respectively.

The following table summarises electric energy, methane and gas oil consumption expressed in GJ at a global level for the 2019-2021 two-year period:

Energy balance for 2019-2021				
Index (GJ)	2019	2020	2021	Difference 2021/2020
Electric energy from the grid	198,582	217,318*	285,209	+31%
Methane gas	472,384	443,059*	239,726**	-46%
Other fossil fuels***	11,262	6,118	4,408	-28%
Total energy	682,228	666,495*	529,343	-20%

*In calculating the energy consumption figure, more detailed data became available than in last year's calculation in the 2020 DNF.

The data that became available in the course of 2021 made it possible to refine the calculation for both the current reporting year (2021) and, consistently, for the previous year (2020), in order to give as reliable and consistent a representation as possible; this DNF therefore reports the most accurate figure for both 2021 and 2020.

**The decrease in methane consumption and the increase in electricity consumption is mainly due to the use of the tri-generator at the Bolognana site operated by an external company (switch from methane consumption for self-generation of EE to purchase of EE produced by third parties on-site).

*** only diesel consumption is reported as it is representative of almost all fossil fuels used.

The table shows a significant increase in the consumption of electricity from the grid and a significant decrease in the consumption of natural gas, mainly due to the new method of supplying electricity at the Bolognana plant (switch from self-production to on-site production by an external company, for which electricity consumption is the sum of the electricity purchased from the grid and the tri-generator operator).

There was also a decrease in total energy consumed following energy efficiency measures at the sites, the suspension of a production line at the Hungarian site and a reduction in transport by own means.

DIRECT AND INDIRECT EMISSIONS

Kedron calculates carbon footprint in order to identify the greenhouse gas emissions generated by its activities, considering the direct emissions coming from the consumption of natural gas and other fuels and by coolant gas losses (Scope I) and indirect ones coming from the consumption of electricity (Scope II).

The consumption of natural gas is the main source of energy for heat production (in the form of steam or hot water), while electricity is the main source for the production of cold. Climatic conditions influence both consumptions. An increase in temperature leads to greater electricity consumption for cooling, while a drop in temperature leads to greater consumption of natural gas for heat production. The biggest impact in terms of energy consumption is from the production of refrigeration.

Below is the graph representing the contributions to total CO₂ equivalent emissions (Scope I) and the trend over the three years 2019-2021:

Carbon Footprint 2019-2021 - Scope I				
CO ₂ equivalent (T)	2019	2020	2021	Delta 2021/2020
O ₂ eq. From refrigerant gas leaks (makeup)	5,091	7,103	2,932	-59%
CO ₂ eq. From the consumption of methane gas	26,890	25,176	13,622	-46%
CO ₂ eq. From the consumption of other fuels	841	457	332	-27%
Total CO₂ eq	32,821	32,736	16,894	-48%

The data show a decrease in CO₂ emissions from the reintegration of refrigerant gases, to which the improvement and retrofit of the cooling systems have contributed, a decrease in the consumption of methane gas as it is no longer used for the self-production of electricity at the Bolognana site and lower consumption of diesel fuel due to a decrease in transport by own means.

Below is the graph representing the contributions to the total CO₂ equivalent emission (Scope II), according to the location-based approach:

Carbon Footprint 2019-2021 two-year period – Scope II				
Ton CO ₂ eq	2019	2020	2021	Delta 2021/2020
CO ₂ eq from consumption of electric energy from the grid	20,073	21,143	25,581	+21%
Total CO₂ eq	20,073	21,143*	25,581	+21%

* As part of the Scope II emissions figure calculation, more detailed data became available than was considered for last year's calculation and reported in the 2020 DNF.

The data that became available in the course of 2021 made it possible to refine the calculation for both the current reporting year (2021) and, consistently, for the previous year (2020), in order to give as reliable and consistent a representation as possible; this DNF therefore reports the most accurate figure for both 2021 and 2020.

WASTE PRODUCTION

Waste from production sites accounts for the largest share of all waste produced by the Group, followed by waste produced by collection centres and waste generated by administrative activities, which contribute negligibly to waste production.

Waste, when not delivered to the municipalities as it can be assimilated into urban waste, is managed according to the country's regulations of the production site, both for its classification and packaging and its disposal.

Obligations imposed by legislation or specific authorisations or voluntarily assumed to bind the company to maintain a high level of attention in classification, packaging and compliance with time and quantity limits defined by legislation and any local regulations/authorisations.

The possibility of any interruptions to transport and disposal services related to incorrect classification or packaging, unavailability of suppliers (technical, authorising and contract problems) make waste management an extremely significant environmental aspect.

In addition to *compliance* regulations and *business continuity*, Kedrion's attention is focused on the safety of people who may come into contact with the material (internal staff, waste operators and the community) and the environment in general; this leads the company to favour sustainable disposal methods (energy recovery or recycling of the material).

Waste production at 31.12.2021		
Non-dangerous waste kg	Dangerous waste kg	Total waste Kg
854,457	5,823,034	6,677,491

Waste evaluation by geographical area at 31.12.2021			
Region	Non-dangerous waste kg	Dangerous waste kg	Total waste Kg
Italy	610,103	933,084	1,543,187
USA*	214,230	2,628,930	2,843,160
Hungary	30,124	2,261,020	2,291,144
TOTAL	854,457	5,823,034	6,677,491

*includes Laval (Canada)

Below are the values for the three years 2019-2021:

Waste evaluation 2019-2021 two-year period				
Type (kg)	2019	2020	2021	Difference 2021/2020
Non-dangerous waste	838,332	995,536	854,457	-14%
Dangerous waste	5,505,034	5,146,923	5,823,034	+13%
TOTAL WASTE PRODUCED	6,343,366	6,142,459	6,677,491	+9%

Quantity of waste for recovery as of 31.12.2021

% of total non-dangerous waste	68%
% of total dangerous waste	44%

4.15.8. ANTI-CORRUPTION AREA

Kedron, in line with its constitutive values, with specific anti-corruption regulations and in line with the tenth principle of the Global Compact, according to which *"companies undertake to fight corruption in all its forms, including extortion and bribes"*, pursues its commitment to fight corruption, in all of its forms, both direct and indirect.

The Board of Directors of Kedron S.p.A., in January 2020, adopted the Global Ethics Policy, which contains ethical principles and values that inspire the responsible management of company activities, establishing rules of conduct and implementation rules; the Global Ethics Policy was formally implemented by the administrative bodies of the subsidiaries and expressed in the Codes of Ethics made available on the Company's website.

Kedron has also adopted the Global Anti-bribery and Anti-corruption Policy which confirms the "zero tolerance" approach to all forms of corruption; the Policy was formally acknowledged by all the companies of the group.

During 2021, no episodes of corruption were identified in any of the companies of the Kedron group.

The following paragraphs show the organisation and the safeguards adopted by the main operating companies of the group as regards anti-corruption.

KEDRION S.p.A.

Kedron S.p.A. has promoted and adopted an integrated Global Policy system aimed at preventing and also mitigating corruption risks within the Company.

Since 2004, Kedron S.p.A. has implemented an Organisation, Management and Control Model pursuant to Article 6 of Legislative Decree 231/2001 (hereinafter also referred to as "Model 231") in order to prevent the risk of committing the offences envisaged by the same Decree and a Code of Ethical Conduct which forms an integral part of Model 231. The offences also include corruption in all its forms, both in relations with the Public Administration and in relations between private individuals, including all relations with the supply chain.

Kedron S.p.A. keeps the 231 risk mapping updated, or rather the mapping of the corporate areas exposed to "crime risk", including the risk of the crime of corruption.

The potential risks pertaining to the offences provided for by Legislative Decree 231/2001, which emerged from the mapping, are mainly those typical of the pharmaceutical sector; after assessing all the control and mitigation measures implemented by the Company, the residual risk was found to be acceptable.

Kedron has made tools available to report any breaches, even anonymously; these tools are the web platform accessible from the website www.kedron.it, implemented in compliance with Law no. 179 of 2017, i.e., "Whistleblowing"; the 'mailboxes/letterboxes' located in all the factories and sites of the Company; the help line available on the company Intranet platform. All the tools are equipped with adequate measures to protect the privacy and confidentiality of the whistleblower.

During 2021, Kedrion made available, on the KedPeople e-learning platform, a training aimed at providing a first "guide tool" for the knowledge of the main Global Compliance Policies, including the Anti-Corruption Policy. This training is mainly focused on the following thematic areas:

Ethics and human rights, to reaffirm the Group's values and the priorities of Kedrion's mission;

- ✓ Antitrust, to ensure fair conduct on the markets;
- ✓ Anti-corruption, to counter the abuse of one's position within the Group in order to obtain personal advantages;
- ✓ Privacy, to ensure maximum protection of personal data collected by Kedrion in carrying out its activities, primarily those of its employees;
- ✓ Global Compliance with Legislative Decree 231/2001, to encourage the dissemination at Group level of the fundamental principles contained in the Organisation, Management and Control Model adopted by the Company.

KEDRION BIOPHARMA INC.

Kedrion Biopharma Inc. (KBI) has kept the Compliance Program updated, in which the fight against corruption, both nationally and internationally, has the highest priority.

The Compliance Director, in agreement with the Legal Department, followed the implementation of the Compliance Program, which included updating the anti-corruption behaviour guidelines and training staff on related issues including the fight against corruption.

The US regulatory environment includes numerous laws, including the Anti-Kickback Statute, the False Claims Act, and the Foreign Corrupt Practice Act (FCPA), as well as specific legislation of the Member States. This legislation provides for severe federal and state punishments, both civil and penal. The Company has adopted the Global Policies promoted by the Parent Company and specific local procedures.

HUMAN BIOPLAZMA KFT.

HUMAN BioPlazma Kft. (hereinafter also referred to as HBP) operates in Hungary in compliance with the regulatory framework applicable to its activities.

HBP has implemented the Global Policies promoted by the parent company and has implemented procedures in order to combat active and passive corruption in its activities. The Company has adopted an Ethical Code of Conduct aimed at all its employees.

HBP has activated Whistleblowing channels to report any violations of laws, policies and procedures.

Compliance regarding the subject of sponsorship activities, considered a sensitive topic, is ensured by compliance with the code of the European Federation of Pharmaceutical Associations and Industries (EFPIA) and by compliance with the communication and pharmaceutical ethics code of the Hungarian Pharmaceutical Manufacturers Association (Magyarországi Gyógyszergyártók Országos Szövetsége - MAGYOSZ).

KEDRION BIOPHARMA GMBH

Kedrion Biopharma GmbH, in order to fight corruption, has formally implemented the Global Policies introduced by the parent company as well as procedures and guidelines compliant with local legislation.

Please note that compliance with regard to sponsorships, a sensitive activity from the point of view of corruption, is ensured not only by compliance with the code of the European Federation of Pharmaceutical Associations and Industries (EFPIA), but also by compliance with the FSA code of pharmaceutical communication and ethics. "Freiwillige Selbstkontrolle für die Arzneimittelindustrie e.V.", of the AKG "Arzneimittel und Kooperation im Gesundheitswesen e.V." and other accredited entities.

4.15.9. "HUMAN RIGHTS" AREA

Kedron has always been committed to creating a work environment based on mutual accountability, trust and respect, enhancing the personality and diversity of individuals.

Kedron considers it essential that relations between colleagues, at every level of the organisation, are carried out with loyalty and fairness in mutual respect for the rights and freedoms of individuals; it also believes it is necessary that all employees and collaborators of the company contribute to maintaining a climate of mutual respect for dignity, honour and reputation.

The company prevents and opposes the employment of minors, forced labour, unjust disciplinary procedures, physical or mental coercion or abuse towards a person. The Board of Directors of Kedron S.p.A. has adopted the Anti-Slavery And Human Trafficking Global Policy which firmly reaffirms the Company's ethical vocation.

Kedron counteracts all forms of discrimination against workers based on nationality, ethnicity, religion, social class, gender, sexual orientation, political and trade union orientation, health conditions, physical limitations, age, previous family responsibilities, marital status or any other condition that may give rise to discrimination.

The company proposes to offer equal opportunities to all employees in career development, leave from work and retirement, respecting the fundamental principle of equality.

During 2021, no incidents involving violations of human and Workers' rights were detected throughout the company scope of consolidation.

The following paragraphs show the organisation and the safeguards adopted by the main operating companies of the group in the area of human rights.

KEDRION S.P.A.

The Company's Board of Directors has for some time implemented the Ethics Office function, responsible for the definition, implementation, adaptation and continuous improvement of the Corporate Management System for Business Ethics. The delegation conferred is extended to the implementation of the voluntary international standard SA8000 (Social Accountability 8000), or to the implementation of the System of Social Responsibility on Ethics in relations with internal Kedron workers and in the supply chain. Kedron, since 2004, has been SA8000 certified by a third party.

Kedron S.p.A. updated its system for Business Ethics in 2021 also in consideration of the pandemic situation that characterised the entire year.

Kedron S.p.A. has adopted an SA8000 Manual (the "Manual") which summarises the principles of the Standard and describes the entire Social Responsibility Management System adopted by the Company. The Manual, together with the Code of Ethics, is disseminated to all employees upon hiring.

None of the reports submitted by the workers to the Ethics Officer involved violations of human rights and workers' rights; specifically, the following did not occur:

- breaches of laws, applicable regulations;
- open or suspected breaches of the business ethics management system adopted by Kedron and related procedures;
- practices and/or behaviours not in line with the provisions of the Code of Ethical Conduct and with the SA8000 Social Responsibility System adopted by Kedron.

Kedron S.p.A., since 2005, recognises, approves, supports and adopts the 10 ethical principles of the UN Global Compact concerning human rights, work, the environment and the fight against corruption.

KEDRION BIOPHARMA INC.

Kedrion Biopharma Inc. (KBI) respects all American laws on the fight against discrimination and has an internal control system to prevent and identify said conduct. KBI has implemented a system to be able to report discriminatory conduct or, in any case, conduct that is not in line with the values and principles of the Company.

Federal laws and those of individual member states are very restrictive with regard to phenomena of violation of equal treatment and protection of human rights.

HUMAN BIOPLAZMA KFT.

KEDPLASMA operates in Hungary in compliance with the legal regulatory framework applicable to its activities.

With reference to the issue of human rights and discrimination, HBP pays particular attention also in consideration of the fact that in Hungary the prohibition of discrimination and the principle of equal treatment are governed by numerous laws, including the Hungarian Constitution, the Civil Code (Law No. V of 2013), Law No. CXXV of 2003 on equal treatment and the promotion of equal opportunities (transposed into Hungarian legislation and thus harmonized with the respective EU Directives such as, for example, 2000/78, 2000/43 and 2004/113; and regulation 2016/679 - GDPR), the Labour Code (Law No. I of 2012). Therefore, the Company is very careful to comply with the legal requirements during the exercise of its activities.

The company conducts constant and accurate monitoring of employment relationships, to reject and prevent any form of discrimination, from hiring to the termination of the employment relationship, conducted and controlled by the company's human resources function.

KEDPLASMA GMBH

Kedrion Biopharma GmbH with reference to the issue of human rights, non-discrimination and equal treatment is recognised in the values of the parent company set out above.

Specifically, the fundamental legislative reference in this context is the German federal law on equal treatment, Allgemeines Gleichbehandlungsgesetz (AGG), of 14 August 2006, which adopted the European Directives passed in the years 2000-2004: Guidelines 2000/78/EG on employment, anti-racism guidelines 2000/43/EG, guidelines 2002/73/EG and 2004/113/EG on equal treatment of men and women.

The AGG has the aim of preventing and eliminating discrimination due to race, ethnic origin, sex, religion or ideology, disability, age or sexual identity.

KEDPLASMA complies with the aforementioned legislative provisions, for the entire duration of the employment relationship with its employees. Specifically, under the coordination of the human resources department, KEDPLASMA puts in place recruitment policies, benefits planning and contractual conditions compliant with the legal obligations represented by the AGG. Likewise, extreme attention is paid to any occurrences of behaviour that are not compliant with the requirements in force.

4.15.10. METHODOLOGICAL NOTE

GIVEN BOUNDARY AND REPORTING PROCESS FOLLOWED

The NFS includes, in the reporting scope, the parent company and the subsidiaries consolidated on a line-by-line basis (please note that the American company that manages the plasma collection centres, KedPlasma LLC, is 100% controlled by KBI, therefore, the relative data to KBI or the US region also include those of KedPlasma LLC). Any exceptions are indicated in the text; in the case in which some data are not available, the text highlights this in a clear and transparent way. The Canadian company PBP, acquired by Kedrion in mid-2021, is included in this year's NFS.

The working plan followed to prepare the NFS 2021 followed the above phases and timeframes, coherent with Legislative Decree 254/16 and aligned to the financial reporting process and the SOP (Standard Operating Procedure) on non-financial communications prepared and approved by the Kedrion Group:

1. Assignment of the task by the CEO of Kedrion S.p.A., to the Finance department (start of November 2021);
2. Identification of the activity coordinator (mid-November 2021);
3. Choose the type of NFS (consolidated), its location in the management report, its relationship with the GRI Standards and the chosen methodology (GRI in accordance - Core) (end of November 2021);
4. Contact the coordinator with the data owners and the representatives of each department and legal entity of the Group concerned (before end of November 2021);
5. Training activity and information on the NFS (before mid-December 2021);
6. Preparation and approval, by the functions involved and the Executive Chairman, of the Materiality Analysis (between January and the end of February 2022);
7. Collection of data and their validation alongside the data owners and department representatives (before mid-February 2022);
8. Write the NFS draft and submit it to the data owners (end of February 2022);
9. Approval of the NFS draft by the data owners and submit the document to the Finance department (10 March 2021);
10. Send the NFS proposal to the Company Secretary with a view to its approval in the Board of Directors Meeting on 29 March (15 March 2022).

CORRELATION TABLE

Kedron material topics	GRI Standard	Scope		
		Internal	External	Limitations
Managerial development	404: Training and Education	✓		
Company well-being	GRI 401 Employment	✓		
Accidents (Health and safety at work)	403: Occupational Health and Safety	✓	✓	
Covid Management – Staff Area	403: Occupational Health and Safety	✓		
Covid Management – Social Area	413: Local Communities	✓	✓	
Relations with local communities and research on compassionate use drugs	413: Local Communities	✓		
	419: Socio-economic Compliance	✓		
	207: Tax	✓		
Water consumption and water cycle	303: Water	✓		
Renewable and non-renewable energy consumption	302: Energy	✓		
Direct and indirect emissions	305: Emissions	✓		
Waste production	306: Effluents and Waste	✓		
Human rights	406: Non-discrimination	✓		
Anti-corruption	205: Anti-corruption	✓	✓	Reporting not extended to the external boundary (suppliers and other partners)

CALCULATION METHODOLOGIES ON ACCIDENTS AND EMISSIONS

Health and Safety Indicators

The indicators used are the Total Injury Rate (TIR) and the Lost Workdays Rate (LWR).

$TIR = \text{number of events}^* \times 200,000 / \text{hours worked}^{**}$

$LWR = \text{number of days lost}^{***} \times 200,000 / \text{hours worked}^{**}$

*Number of accidents (recordable injuries) that led to absence from work, restrictions to work or medical treatment, including events of biological risk (first aid cases and accidents on way to/from work are excluded).

**Hours effectively worked (where a measurement system is not present, these are estimated according to the work schedule).

*** Considering the calendar days (the day of the event and the day of return to work are excluded) in which the employee was absent from work (the days of transfers or restrictions are not considered).

The data on the distribution of injuries by gender is partial due to the lack of information for staff operating in American plasma centres in the case of a biohazard injury for which the employee's name does not appear in respect of privacy.

The consumption of electric energy from the grid, methane gas and gas oil, measured by reading on-site counters or telemetries, is transformed into GJ using conversion factors available on the network:

Coefficient from therms to scm of natural gas $1 \text{ scm} = 0.3734 \text{ therms}$ (SNAM converter)

Consumption of electric energy purchased: $\text{kWh} \times 0.0036 = \text{GJ electric energy purchased}$

Gas oil and natural gas (fuel): conversion factors from Defra tables 2020 version

- Consumption of natural gas: $\text{scm} \times 35.808 / 1000 = \text{GJ}$
- Consumption of gas oil: $\text{tonne} \times 42.932 = \text{GJ}$
- Consumption of LPG: $\text{tonne} \times 45.94 = \text{GJ}$

To calculate the equivalent emissions of CO₂, the references are those reported below:

SCOPE I (DEFRA version 2021)

natural gas: $\text{scm} \times 2.03473 = \text{kg CO}_2\text{e}$

gas oil: $\text{litres} \times 2.70553 = \text{kg CO}_2\text{e}$

GWP coolant gases:

R404A: $\text{kg} \times 3922 = \text{Kg CO}_2\text{e}$

R407C: $\text{kg} \times 1774 = \text{Kg CO}_2\text{e}$

R410A: $\text{kg} \times 2088 = \text{Kg CO}_2\text{e}$

R507: $\text{kg} \times 3985 = \text{Kg CO}_2\text{e}$

R134A: kg x 1430 = Kg CO₂e

R422D: kg x 2730 = Kg CO₂e (value according to Linde Gas)

ISCEON: kg x 3805 = Kg CO₂e (value according to Linde Gas)

R449: kg x 1397 = Kg CO₂e (value provided by General Gas 2020 edition as unavailable on DEFRA 2021)

R417A: kg x 2346 = Kg CO₂e (value provided by General Gas 2020 edition as unavailable on DEFRA 2021)

SCOPE 2 (TERNA 2019 version)

electric energy:

Kwh x 0.315 = kg CO₂e (Italy);

kwh x 0.374 = kg CO₂e (USA)

kwh x 0.253 = kg CO₂e (Hungary)

kwh x 0.122 = kg CO₂e (Canada)

kwh x 0.521 = kg CO₂e (World)

GRI Standard	Disclosure	Paragraph	Omission
GRI 101: Foundation 2016			
General Disclosures			
	Organisational profile		
	102-1 Name of the organization	§4.15.1	
	102-2 Activities, brands, products and services	§4.15.1	
	102-3 Location of headquarters	§4.15.1	
	102-4 Location of operations	§4.15.1	
	102-5 Ownership and legal form	Ref. Report on Operations	
	102-6 Markets served	Ref. Report on Operations	
	102-7 Scale of the organization	Ref. Report on Operations	
	102-8 Information on employees and other workers	§4.15.5	
	102-9 Supply chain	§4.15.1	
	102-10 Significant changes to the organization and its supply chain	§4.15.5	
	102-11 Precautionary Principle approach	§4.15.4	
	102-12 External activities	§4.15.1 and 4.15.6	
GRI 102: General Disclosures 2016	102-13 Membership of associations	§4.15.1	
	102-14 Statement from senior decision-maker	§4.15	
	Strategy		
	102-15 Key impacts, risks, and opportunities	§4.15.4	
	102-16 Values, principles, standards and norms of behaviour	§4.15.4	
	102-18 Governance structure	Ref. Report on Operations	
	Reporting practice		
	102-40 List of stakeholder groups	§4.15.1	
	102-41 Collective bargaining agreements	§4.15.5	
	102-42 Identifying and selecting stakeholders	§4.15.1	
	102-43 Approach to stakeholder engagement	§4.15.1	
	102-44 Key topics and concerns raised	§4.15.3	
	102-45 Entities included in the consolidated financial statements	§4.15.2	
	102-46 Defining report content and topic Boundaries	§4.15.2	
	102-47 List of material topics	§4.15.3	
	102-48 Restatements of information	No	
	102-49 Changes in reporting	No	

102-50 Reporting period	2021
102-51 Date of the most recent report	15/03/2021
102-52 Reporting cycle	Annual
102-53 Contact point for questions regarding the report	§4.15.2
102-54 Claims of reporting in accordance with the GRI Standards	§4.15.2
102-55 GRI content index	§4.15.10
102-56 External assurance	

Material Topics

GRI 200 Economic Standard Series

Anti-corruption

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	§4.15.8
	103-2 The management approach and its components	§4.15.8
	103-3 Evaluation of the management approach	§4.15.8

GRI 205: Anti-corruption 2016

205-3 Confirmed incidents of corruption and actions taken	Zero
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Tax

GRI 207: Tax 2019	207-1 Approach to Tax	§4.15.8
	207-2 Tax Governance, control, and risk management	§4.15.8
	207-3 Stakeholder engagement and management of concerns related to tax	§4.15.8
	207-4 Country-by-country reporting	§4.15.8

GRI 300 Environmental Standards Series

Energy

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	§4.15.7
	103-2 The management approach and its components	§4.15.7
	103-3 Evaluation of the management approach	§4.15.7
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	§4.15.7

Water and Effluents

GRI 303: Water and Effluents 2018	303-1 Interaction with water as a shared source	§4.15.7
	303-2 Management of water discharge-related impacts	§4.15.7
	303-3 Water withdrawal	§4.15.7
	303-4: Water discharge	

Emissions

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	§4.15.7
	103-2 The management approach and its components	§4.15.7
	103-3 Evaluation of the management approach	§4.15.7

GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	\$4.15.7
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Waste

	306-1 Waste generation and significant waste-related impacts	\$4.15.7
	306-2 Management of significant waste-related impacts	\$4.15.7

GRI 306: Waste 2020

	306-3: Waste generated	\$4.15.7
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GRI 400 Social Standard Series

Employment

	103-1 Explanation of the material topic and its Boundary	\$4.15.5
GRI 103: Management Approach 2016	103-2 The management approach and its components	\$4.15.5
	103-3 Evaluation of the management approach	\$4.15.5
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	\$4.15.5
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	\$4.15.5

Occupational Health and Safety

GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	
	403-2 Hazard identification, risk assessment, and incident investigation	\$4.15.5
	403-3 Occupational health services	
	403-4 Worker participation, consultation, and communication on occupational health and safety	\$4.15.5
	403-5 Worker training on occupational health and safety	\$4.15.5
	403-6 Promotion of worker health	\$4.15.5
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	\$4.15.5
	403-9 Work-related injuries	\$4.15.5

Training and Education

	103-1 Explanation of the material topic and its Boundary	\$4.15.5
GRI 103: Management Approach 2016	103-2 The management approach and its components	\$4.15.5
	103-3 Evaluation of the management approach	\$4.15.5
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	\$4.15.5

Non-discrimination

	103-1 Explanation of the material topic and its Boundary	\$4.15.9
GRI 103: Management Approach 2016	103-2 The management approach and its components	\$4.15.9
	103-3 Evaluation of the management approach	\$4.15.9
GRI 406: Non- discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Zero

Local Communities

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	\$4.15.6
	103-2 The management approach and its components	\$4.15.6
	103-3 Evaluation of the management approach	\$4.15.6
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	\$4.15.6
Socio-economic compliance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	\$4.15.6
	103-2 The management approach and its components	\$4.15.6
	103-3 Evaluation of the management approach	\$4.15.6
GRI 419: Socio- economic compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	\$4.15.6