



SUSTAINABILITY REPORT
FOR THE YEAR 2022

TABLE OF CONTENTS

1. SUSTAINABILITY REPORT FOR THE YEAR 2022

	Summary	3
1.1	CEO Statement	5
1.2	Introduction to the company	8
1.3	Introduction to the sustainability report 2022	9
1.4	The materiality analysis	10
1.5	General policy on sustainability topics	12
1.6	People	13
1.7	Social Responsibility	26
1.8	Environment	40
1.9	Methodological note	46

SUMMARY

This document describes our commitment to promoting and complying with the principles of environmental, social and governance (ESG) sustainability during 2022.

We have decided to prepare this report on a voluntary basis, in line with the path we have undertaken since 2018, and in the belief that this is a useful and effective analytical and reporting tool for measuring our actual contribution through the results obtained in the field of sustainability.

This is a very significant decision, especially when considering that 2022 was an exceptional year in Kedrion's history.

In fact, the company has undergone a profound transformation: Permira, a global private equity firm, in partnership with the Marcucci family, has completed the joint acquisition and combination of Kedrion and BPL (Bio Products Laboratory), a UK-based company.

Although the integration of the two companies is still in progress, this document is valuable because it also includes and analyzes all the data relating to BPL. We were able to achieve this goal through the efforts of all the departments involved, who collected the necessary information on time.

As in previous years, the Board of Directors accepted Kedrion's voluntary sustainability report when it approved the annual financial statements (on April 6, 2023).

The report is divided into three subject areas: "People", "Social Responsibility", and "Environment".

PEOPLE

People are at the center of all our activities. For this reason, the men and women of Kedrion are the basis of our mission, a true family that, day after day, makes us who we are.

A global community whose total number of employees nearly doubled in 2022. This growth was largely a result of the acquisition of BPL. Of particular note is the significant increase in the workforce in the United States, mainly due to the approximately twofold increase in the number of US plasma collection centers.

Currently, the group's corporate population is concentrated in the United States (50%), Italy (21%), the United Kingdom (21%) and Hungary (4%); while the remaining 4% is employed in other locations, mainly in the rest of Europe and Canada.

In the area of employee health and safety, in 2022 we launched the Zero Accidents project, an initiative that involves all our production sites with the goal of reducing the number of workplace accidents to zero. This goal can only be achieved through the contribution of all the people of Kedrion: "One Team. Zero Accidents".

As evidence of our ongoing commitment to reinforce and increase the safety of our production plants, we would like to point out that there were fewer accidents in 2022.

Although a lot of resources and energy were invested in the extraordinary operation that led to the combination of Kedrion and BPL and, subsequently, in the integration process, we continued to invest in the development of talent by providing approximately 10,000 hours of training.

Performance management is one of the HR processes aimed at professional growth: in 2022, the number of people involved in performance management increased from 1,932 in 2021 to 3,841 (a figure that also takes into account the overall increase in the workforce).

SOCIAL RESPONSIBILITY

Social responsibility is a duty and one of the core values of our mission. This ethical task is a part of our corporate culture, which is based on reciprocity and trust.

This document provides a 360-degree overview of the company's main activities in 2022 alongside the local communities that host us all over the world.

Research and orphan drugs

Research is an essential component of Kedrion's activities. A task in which we always strive for success, especially in the case of diseases which are extremely rare and which still have no cure.

Commitment in the field of so-called "orphan drugs" and compassionate care are part of Kedrion's history, and have always been a duty and a priority for the company.

We have increased our efforts in this area year after year and have recently experienced further development with the acquisition of Prometic and BPL.

This commitment is also evidenced in the numerous projects currently underway, which include Plasminogen, Factor V, Factor XI and Ceruloplasmin.

Human rights and anti-corruption

In 2022, there were no incidents of corruption or failure to respect human rights in any of the companies of Kedrion, including the BPL companies.

ENVIRONMENT

Taking care of people - whether they are patients, our employees or those who live in the territories in which we operate - means taking on the responsibility of dedicating our utmost attention to protecting the surrounding environment.

Following the acquisition of BPL and the integration of the Elstree site in the UK, the company has significantly increased the production of medicines, many of which are life-saving. This growth has inevitably been accompanied by an increase in CO2 emissions.

Limiting the analysis to just Kedrion without including BPL, it is worth noting that waste production decreased by 22% in 2022, as did the consumption of electricity, diesel fuel and natural gas, which decreased by 2%.

KEDRION SUSTAINABILITY REPORT - YEAR 2022

CEO STATEMENT



Dear Readers,

in 2022, Kedrion was involved in an exceptional operation of absolute importance, with the acquisition of the British company BPL and with the Permira fund becoming a majority shareholder.

With this operation, our company grew significantly, doubling the number of plasma collection centres, increasing its production capacity with the new site in Elstree, near London (UK), and strengthening its presence on international markets, thanks to a broader and more robust product portfolio.

Moreover, during 2022 Kedrion redeemed its listed notes, namely a bond. Over the past five years, from 2018 to 2022 included, Kedrion was required to prepare a Non-Financial Statement (NFS) precisely because it had become a Public-Interest Entity (PIE) as a result of such notes.

After redeeming its bond, Kedrion was no longer required to prepare an NFS for 2022. However, being sensitive to ESG issues and willing to give continuity to the reporting activity carried out over the last five years, the company decided to engage in the preparation of a voluntary sustainability report.

The report 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 three areas: People, Social Responsibility, and Environment.

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).

The data collected and presented in this Kedrion report include those concerning BPL and the whole consolidation perimeter. The collection of BPL data was extremely challenging, since a large number of people was required to collect and verify data on environment, people, research activities and local communities, as well as human rights and anti-corruption issues, all of this within a very short time and while the integration of the two companies was still to be completed.

2022 was marked by many events not linked to the economics of the company and collected in this report, first of all the persistent Covid-19 pandemic, which the company continued to face with a rational and effective approach, ensuring the continuity of production activities and of the therapies connected to the drugs it produced.

To carry out our mission, we rely on the thousands of people who choose to donate plasma, the raw material we turn into treatments which can improve, and in many cases even save, people's lives. Our donors are men and women of different age groups and social backgrounds, but sharing a common desire to help others and support patients.

From this point of view, the decrease in plasma collection in the two-year period 2020-2021, although followed by an increase in 2022 with a substantial return to normal levels, affected the availability of plasma-derived drugs for patients.

In this regard, given our higher collection capacity and our projects to extend Kedrion's productive capacity, we are confident in our ability to play an important role for thousands of people currently untreated or under-treated.

In this sustainability report you will find a description of the steps forward we have made over the last year in terms of efficient use of energy resources, engagement of our people, social activities, research and support to local communities.

In 2022, Kedrion's engagement to do more and better for the reduction of its environmental impact remained unchanged. The acquisition of BPL and the integration of its production site obviously led to an overall increase in CO₂ emissions, compared to 2021, but also to a sharp increase in the production of drugs which are often, in our case, life-saving treatments. Considering Kedrion alone, without BPL, in 2022 our waste production decreased by 22%, and the consumption of electric energy and methane also decreased (-2%).

As for health and safety at work, I would like to highlight here some important initiatives we organized in 2022: in all our production sites we launched the *Zero Accidents project*, which includes a global awareness campaign and concrete activities in each single plant and department. We extended the ISO 45001 standard certification to the Melville and Laval sites; and we are gradually involving the Elstree site in these and other good practices.

We substantially doubled the number of our employees, but the respect and the support we put at the basis of our work together remained unchanged. During this last year we maintained the measures we had adopted to protect our employees from the pandemic and we made further steps forward in performance management and diversity.

Within the new Kedrion leadership team there is in fact an equal number of male and female members, and an interesting variety of cultural backgrounds. We can and will rely more and more, especially for our leading roles, on the valuable contribution of people and groups being often less represented, but whose different points of view broaden and enrich our community of talents.

Similarly, we continued with our activities to support the local communities we are and operate in. The full mapping we provide in this report shows the profile of a company that frequently interacts with its reference territories.

Lastly, in 2022 the company reaffirms its values through prevention and supervision at a global level in the fields of *compliance*, equal treatment and non-discrimination. And in my view, it is not superfluous to point out that even last year no cases of human rights violation or corruption episodes were reported in our company.

I would end by relating all I have said back to the core of our activities, to the essence of what we do and to the past, present and future horizon of our work: the patient. Kedrion mainly operates in the field of rare, and sometimes ultra-rare, diseases. In this sense, developing orphan drugs – to meet the needs of those who live with these diseases for which no treatment currently exists – is a mission for our company, and thanks to the acquisition of Prometic and BPL we have gained strength in this area of intervention. We have further Research and development

activities in our pipeline, and we intend to acquire a leading role in this therapeutic field. Moreover, in 2022 we confirmed, and we will maintain, our commitment in the field of compassionate care, especially with Plasminogen, in Italy, in the United States and in the rest of the world.

I therefore invite you to carefully read the sustainability data contained in this document, which in my view clearly show the path taken by Kedrion towards a more and more precise analysis and reporting of its activities in the ESG field.

Enjoy the read!

Castelvecchio Pascoli, 6 April 2023

A handwritten signature in dark blue ink, reading "Ugo Di Francesco". The signature is fluid and cursive, with the first name "Ugo" being more prominent and stylized.

The Chief Executive Officer
Ugo Di Francesco

INTRODUCTION TO THE COMPANY



Kedrion 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, primitive Immunodeficiencies and Rh sensitization, which can lead to the Hemolytic Disease of the Fetus and Newborn.

Founded in Italy in 2001, Kedrion has extended its activities at a global level over time. In 2022, the company experienced a deep transformation: the private equity global company Permira, in partnership with the Marcucci family, completed the joint acquisition and merger of Kedrion and BPL (Bio Products Laboratory).

BPL is a company based in the United Kingdom, with a targeted portfolio of successful products in the field of rare diseases. BPL was founded in 2010 taking over the legacy of the first pioneers in the field of blood and plasma-derived drugs in the United Kingdom.

Thanks to the merger between Kedrion and BPL, Kedrion has become a global player in the field of plasma-derived products and rare disease drugs, with more than 4,800 employees all over the world. The company as a network of 75 plasma collection centres operated by KEDPLASMA in the United States and of 5 centres managed by UNICAPlasma in the Czech Republic, as well as a portfolio of 37 life-saving products distributed in more than 100 countries. With these data, the new company is now the fifth player worldwide in the production of plasma-derived therapies, with a significant commercial presence in the main market for this field – the United States – where we generate 60% of our sales.

In Italy, where Kedrion has its headquarters, we are the first player in the production of drugs from the plasma of Italian donors. And as a partner of the National Health System, we actively work to reach the self-sufficiency in the production of plasma-derived drugs in Italy.

Kedrion has production sites in Italy (one in Bolognana and another one Castelveccchio Pascoli, which is currently being completed - both in the province of Lucca, and in Sant'Antimo, in the province of Naples); in Hungary (in Gödöllő, near Budapest) and in North America (in the United States, in Melville, New York, and in Canada, with the production site of Prometic in Laval, Quebec). In 2022, its production network was further extended with the BPL site located in Elstree, near London, in the United Kingdom.

The company manages the entire plasma processing cycle (procurement, production and distribution) based on a vertically integrated business model. Such vertical integration allows for a very strict control on the supply chain, which is required by the important role of the raw material (human plasma) for the company's business. From this point of view, in 2022 there was no significant change in the processes and activities being part of the supply chain.

As far as stakeholders are concerned, the company identifies the following as its main interlocutors, as is the case in companies with 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 providing secondary, university and advanced training, as well as scientific research departments and institutes
- Local communities of production facilities
- The national and international financial community
- Patient and medical community associations
- Donor associations
- Other non-profit associations (Farmindustria, 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.

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; in 2022 Kedrion's President was once again a member of Farmindustria's Board of Directors and PPTA's Global Board of Directors.

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

INTRODUCTION TO THE SUSTAINABILITY REPORT 2022

In April 2022, Kedrion fully redeemed its existing listed bond, expiring in July 2022, and therefore lost its status of "Public Interest Entity" (PIE); for this reason, in 2023 the company is not required to prepare a Non-Financial Statement, as per Legislative Decree 254/2016, for the financial year closed on 31 December 2022.

Despite this, Kedrion decided to prepare a sustainability report for the year 2022. It will contain data and performance details on environment, safety at work, people, research, local communities, anti-corruption and human rights. The sustainability report describes the main activities, policies and related results, the organisational models adopted, the 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 in terms of impact on stakeholders.

From an organisational point of view, Kedrion's sustainability report for 2022 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 being interested in learning more about the issues addressed in the report and its construction process.

THE MATERIALITY ANALYSIS

Kedrion's sustainability report refers to the events of the year 2022.

For the drafting of this report, the company has set up an inter-functional working group; the materiality analysis drawn up by the group will represent the working outline for the drafting of the report.

The reporting scope of the document includes the parent company and its subsidiaries (BPL is also considered), with consolidation on a line-by-line basis. Therefore, any exceptions will be described and justified within the report itself.

The report is divided into five thematic areas: 'Personnel', '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 consider a whole area as 'material': this is the case with the 'Human Rights' and 'Anti-Corruption' areas. In other cases - the 'Personnel', 'Social' and 'Environment' areas - the theme has been further subdivided into material topics.

The material topics in each area were determined through meetings, questionnaires and e-mail queries, then a selection of the topics was made together with the department colleagues being responsible in the various foreign subsidiaries of the group. This data collection work benefited from the experience of the past five years, improving and standardizing the data collection formats used in the past.

As for the "Personnel" area, the issue of management development continues to be crucial for a company operating in a challenging and concentrated competitive environment with very big players. In 2022, the topic was given specific attention and will be developed and reported in the sustainability report by looking at activities such as management training, development paths, rewarding mechanisms and performance management.

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

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

- Relationship with local communities
- Compassionate drug research

As for the relationship with local communities, the report will show the most important examples of attention to territories and dialogue with social partners. It will also highlight Kedrion's fiscal responsibility in the countries where it operates.

Concerning research activities, the report will list the main projects carried out in 2022, with specific reference to projects dedicated to the so-called orphan drugs.

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

- Water consumption and water cycle
- Renewable and non-renewable energy consumption
- Direct and indirect emissions

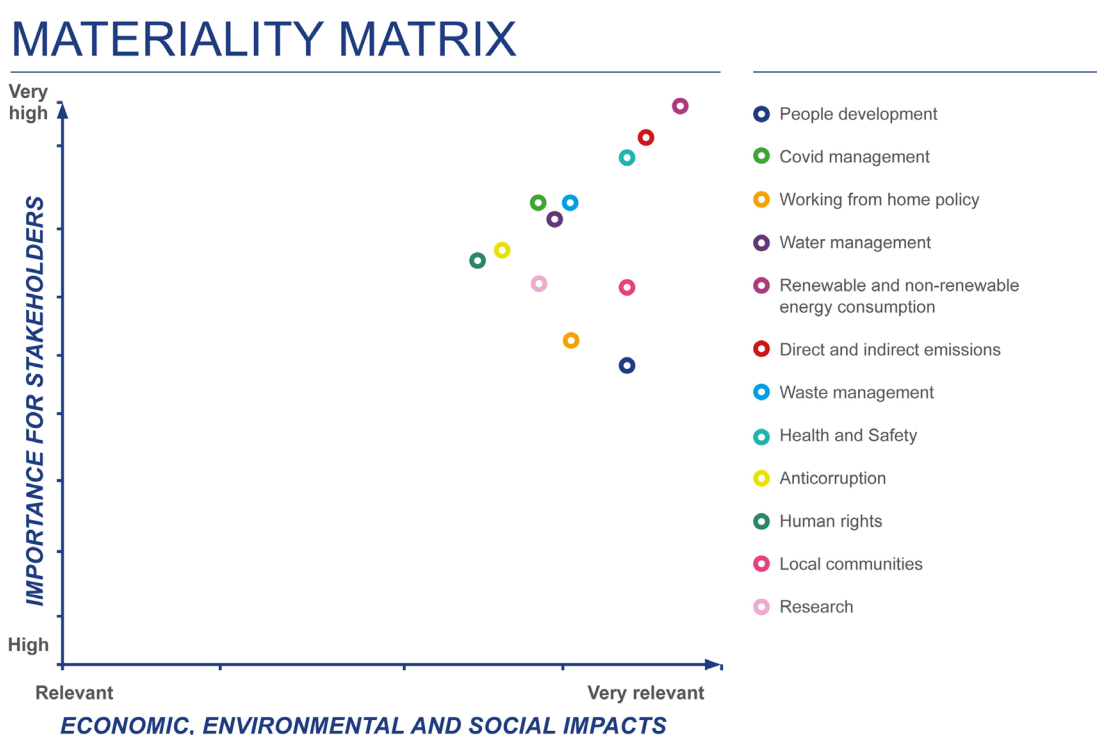
- Waste production
- Accidents (health and safety at work)

This structure is consistent with the manufacturing nature of the company and with the presence of production sites that need to be accounted for in terms of environmental impact.

As for the "Human rights" and "Anti-corruption" areas, both within the company perimeter and along the supply chain, the materiality analysis led the company to consider these areas as 'material issues', without further articulating them into sub-themes.

The issue of human rights will be examined starting from the organizational structures and policies adopted to protect them appropriately, while for anticorruption, intended as both active and passive, the company perimeter and the activities carried out by the various legal entities will be taken into account.

The materiality matrix highlights the relevance of material issues concerning two dimensions: on the x-axis, their importance in terms of the 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.



GENERAL POLICY ON SUSTAINABILITY TOPICS



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

Kedrion contributes to the production and distribution of drugs 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 recognized representative of the medical, scientific, healthcare and institutional community.

The policy adopted by Kedrion 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.

PEOPLE



The year 2022 also saw Kedrion dealing with the repercussions of the pandemic. In this context, Kedrion has confirmed the tools already outlined in 2020, adapting them to the existing needs while respecting workers' health and ensuring production continuity throughout the year.

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 at 31 December 2022, Kedrion's total personnel was made up of 5,092 people, compared to 2,784 at the end of 2021 (+82.9%). This sharp increase is obviously linked mainly to the acquisition of BPL on 31 August 2022. In this regard, it is worth noting that there was a significant increase in the US population (+98.2% compared to the US population of 2021), as a result of the increased number of plasma centres being managed, which was basically doubled.

The group's corporate population is currently concentrated in the United States (50%), in Italy (21%), UK (21%) and Hungary (4%); a residual share, 4%, is employed in other locations, mainly in the rest of Europe and Canada.

Breakdown of employees by geographical area for the three years 2020-2022

	2020	2021	2022 ¹
Italy	1,128	1,075	1,051
Hungary	363	217	214
Germany	15	18	18
UK	na	na	1,062
Rest of Europe	11	11	13
USA	1,105	1,292	2,561
Rest of the World ²	18	171	173
Overall Total	2,640	2,784	5,092

The predominant form of staff contracting is still open-ended (98.3% of contracts, as in 2021). It should also be noted that 46% of staff are covered by collective agreements, the remainder by individual contracts.

Women account for 49.7% of the total workforce considered by gender (4,650). It is worth noting that we currently have no gender information on 442 US employees of BPL Plasma.

Breakdown of employees by type of contract

Region	Fixed term			Permanent long-term contract			Total workforce
	Men	Women	Total	Men	Women	Total	
Italy	36	9	45	612	394	1,006	1,051
UK	8	8	16	709	337	1,046	1,062
Hungary	2	5	7	119	88	207	214
USA	5	4	9	750	1,360	2,110	2,119
Rest of the world	2	2	4	96	104	200	204
Overall total	53	28	81	2,286	2,283	4,569	4,650

With reference to the breakdown by professional category, in 2022 51% of employees were concentrated in the "Blue Collars" category and 45% in the "White Collars" one. On the other hand, the "Directors" category represented 4% of total employees as of 31 December 2022.

Kedrion considers as "Directors" the personnel employed under management contracts and other similar types of contracts; employees working in offices or, if in a factory, with supervisory or

¹ From 31 August 2022, the company BPL joined the Kedrion group with employees in USA, UK and Rest of the World

² From 2021, the Canadian company Prometic joined the workforce with 135 employees

management roles (for example in US plasma centres) form part of the “White Collars”; employees doing manual works (workers, logistics and warehouse staff, other operators, etc.) are “Blue Collars”.

Total number of employees by category and gender in 2020-2022¹

Category	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Director	65	30	95	52	23	75	119	60	179
White Collar	518	737	1,255	603	800	1,403	981	1,131	2,112
Blue Collar	646	644	1,290	648	658	1,306	1,238	1,121	2,359
Overall total	1,229	1,411	2,640	1,303	1,481	2,784	2,338	2,312	4,650

Part-time work remained constant in 2022 compared to 2021.

Total number of employees by type of contract in 2020-2022

Type of contract	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full-Time	1,222	1,375	2,597	1,298	1,443	2,741	2,315	2,215	4,530
Part-time	7	36	43	5	38	43	23	97	120
Overall total	1,229	1,411	2,640	1,303	1,481	2,784	2,338	2,312	4,650

In 2022, the company had 847 new hires, mainly concentrated in the Plasma BU in the US.

Total new hires by region and age group at 31.12.2022

Region	< 30	30-50	>50	Total
Italy	31	19	4	54
UK	63	75	21	159
Hungary	2	11	1	14
USA	1,057	840	104	2,001
Rest of the World	8	28	8	44
Overall total	1,161	973	138	2,272

Compared to 2021, the number of new hires increased by 168%, going from 847 to 2,272. This figure is the result of the flow of new entries linked to the acquisition of BPL and to the doubling of the plasma centres being managed (1,338 entries).

Total new hires by region and gender over the three years 2020-2022³

Category	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Italy	22	25	47	10	10	20	45	9	54
UK							105	54	159
Hungary	24	29	53	2	1	3	8	6	14
Germany	1	1	2		3	3	1		1
USA	188	535	723	186	479	665	187	476	663
Rest of the World	2	3	5	70	86	156	25	18	43
Overall total	237	593	830	268	579	847	371	563	934

The figure for new hires should be read together with that for leavers, mainly resulting from resignations (to be also read from the point of view of the turnover rate, see table below), redundancies and sale of some plasma collection centres.

The difference between Group's recruitments and terminations in the year does not coincide with the growth in workforce between 2020 and 2022 shown in the table *Breakdown of employees by geographical area*.

The difference stems from the fact that this table only shows employees as at 31 December, while the data on recruitments and terminations also include non-employees (e.g., temporary contracts, even with a 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 31.12.2022

Region	< 30	30 - 50	> 50	Total
Italy	5	39	34	78
UK	46	80	32	158
Germany		1		1
Hungary	2	11	4	17
USA	893	819	131	1,843
Other	5	30	6	41
Overall total	951	980	207	2,138

³ These are partial data, since they do not include the entries reported by BPL Plasma (1,338), for which we have no details on gender breakdown.

Total exits by gender as at 31.12.2022⁴

Region	Men	Women	Total
Italy	40	38	78
Germany		1	1
UK	100	58	158
Hungary	10	7	17
USA	173	463	636
Other	21	20	41
Overall total	344	587	931

Number of exits by cause in 2020-2022

Cause	2020	2021	2022
Resignations	564	423	1,514
Dismissals	206	101	526
Retirement	7	8	22
Contract expiry	14	13	10
Plasma collection centres for sale	0	98	0
Other*	14	61	66
Overall total	805	704	2,138

*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 is significant especially in the United States, this is linked to the dynamics typical of plasma collection centres, where the labour market, the competitive environment and the professional figures employed favour frequent changes in employment. In 2022 the turnover due to resignations (16.3%) was lower than in 2021 (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 by region and gender of turnover due to resignations in the period considered

Region	Turnover rate ⁵	Number of people resigned	Women resigned in the period ⁶	Men resigned in the period
Italy	2.7%	28	11	17

⁴ These are partial data, since they do not include the exits reported by BPL Plasma (1,207), for which we have no details on gender breakdown.

⁵ The figure includes only voluntary resignations as at 31 December. It does not include:

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

⁶ The gender data do not include resignations in BPL Plasma.

Hungary	2.8%	6	3	3
UK	12.4%	132	50	82
USA	52.2%	1,337	282	98
Overall total	30.7%	1,503	346	200

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

Region	Turnover rate	Number of people resigned	< 30	30 - 50	> 50
Italy	2.7%	28	2	20	6
Hungary	2.8%	6	2	2	2
UK	12.4%	132	37	75	20
USA	52.2%	1,337	209	133	38
Overall total	30.7%	1,503	250	230	66

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 talents 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. This means, on the one hand, promoting the development of technical skills by investing in technical/professional training and ensuring that people remain in their roles; on the other hand, using tools that favour the retention of people with 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, providing for economic disbursements with a view to making the company competitive in a highly dynamic and evolving labour market.

Kedrion has strengthened its commitment to people engagement, launching various initiatives such as "NEXT change agents", "The Kedrioneers" interview series and various listening sessions ("Townhall" and the Kedrion Management Team meeting).

The Kedrioneers' initiative was launched to give voice to our employees through monthly interviews with them 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 is 41.5%, the same as last year.

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, together with the continuity of production and logistics, which is required to guarantee continuity of treatment for patients.

This experience has led to the company to rethink its working methods and move towards an agile working model that allows employees to work from a different location for up to 50% of their working days. Agile work at Kedrion is intended as the possibility for employees to work in another company site or at their places, as agreed with their managers.

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

This policy was fully implemented in the first part of 2022.

MANAGERIAL DEVELOPMENT

Based on the indications also coming from internal Surveys, Kedrion has launched initiatives to improve employee motivation and development.

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

TRAINING ACTIVITIES

The fact of fostering a culture focused on training and skills development gives the organization the strength and flexibility to successfully meet future challenges.

Kedrion pays particular attention to training, recognizing its importance in building knowledge and maximizing the technical-specialist skills and the managerial skills of its resources.

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

In 2022, the company developed, among others, the following training and management development paths:

- The second edition of the management development programme called K-2025, designed to develop management skills and disseminate a growth mindset. Starting from an individual analysis conducted through *learning advisors*, questionnaires and exercises an individualized learning path is designed together with the participants, 30 employees coming from the main geographical areas of the company;

- Within the K-2025 programme, Scuola Kedrion has launched a Mindfulness course, which is also open to the company's employees and is organized in 1-hour workshops. Over 150 people joined the course, which focused on the emotional side of the work-life relationship and on stress management;
- The third edition of the management training programme Seeds of Leadership, completed by a *Booster* to draw on the contents of the previous programme through group coaching Sessions, and a new programme called *Prope!* about leadership in transition phases and emotional intelligence, conflict management and self-awareness skills. A total of over 80 employees from the USA, Italy and Hungary participated in these initiatives in 2022;
- A training programme called *Kedrion Journey*, whose new edition was organized by Scuola Kedrion in 2022 to strengthen cross-functional collaboration. It was structured in 11 sessions, with the participation of the heads of various departments, in which the heads presented the typical activities of their functions, the main projects in place and the inter-organisational relationships being key to the success of the functions. A total of 36 people participated in the initiative;
- After the three editions of the two-year training programme *People Management Journey*, in 2022 Scuola Kedrion offered the advanced programme *People Management Journey - Alumni*. This course had a duration of about 8 months and was carried out through an experiential and practical approach. It involved 40 Italian managers who had successfully completed the two-year *People Management* course;

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.

The less widespread presence of Covid-19 made it possible to carry out several training activities in person.

In 2022 8,745 hours of training were carried out (for the Kedrion company). The reduction in the number of hours compared to the previous two-year period is linked to the fact that the management team was engaged in studying, approaching and implementing the extraordinary deal which the company was involved in, as well as to a general average decrease in operating costs, also for training, linked once again to the operation being carried out by the company. The technical training offered in the sites and in plasma centres was not affected by this reduction in training activities.

Summary of training hours carried out in 2020, 2021 and 2022 by gender

Year	Men	Women	Total Hours	Average hours per employee*
2022	2,862.5	5,882.5	8,745	3.1
2021	11,195.5	10,679.5	21,874.9	7.9
2020	9,434	7,418	16,852	6.4

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

PERFORMANCE MONITORING



Like every year, an annual assessment of individual performances, being strategically relevant for the development of human resources, was carried out in 2022.

Compared to 2021, the population involved went from 1,932 to 3,841 people, also as a result of the entry of BPL in the company; the process involved 75% of the population (in 2021 69% of the company population of Kedrion alone had been involved) and 100% of Executives and Senior Management, since they benefit from MBO programmes.

Number of employees involved in performance management process in 2022 by category and gender⁷

Category	Men	Women	Total
Directors	103	55	158
White Collars	838	942	1,780
Blue Collars	1,040	863	1,903
Total	1,981	1,860	3,841

The KedPMP (*Kedrion Performance Management Process*) stipulates that, depending on the roles, employees are evaluated by considering the achievement of departmental and individual objectives and the level achieved in the skills required by the leadership model.

⁷ Data by gender about BPL Plasma are not available.

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

At corporate level, an MBO system exists which guarantees transparency in assigning and evaluating objectives and the greatest possible homogeneity in evaluation criteria and feedback management.

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 being valid throughout the group and respecting local specificities, so as to promote remuneration, development and people management policies that value the principles of fairness and transparency. The remuneration policies existing within the Group are oriented to ensuring competitiveness on the labour market, in line with growth and human resources retention objectives, as well as to differentiating remuneration tools on the basis of individual professional skills and competences.



Kedrion's system is organized by professional category and/or role and may include incentives (short-term and long-term) adding to a fixed remuneration and linked to individual and corporate objectives.

Within the company, according to corporate rules applied to a local level, an annual Salary Review is carried out. This is linked to the outputs of the performance and potential management process.

In each of the Group's legal entities, a system of benefits exists for employees, depending on the specificities of each role, of the context, of local laws and of reward choices, may consist in supplementary health insurance, life insurance and accident insurance policies, supplementary pension funds, flexible benefit packages to support family life choices (children's education, home care, medical examinations, travels, etc.). These benefits are assigned on the basis of local procedures and, within the same organizational category, they are given to all employees regardless of the duration and type of their contract.

In particular, no difference is made between part-time and full-time employees.

CORPORATE WELFARE

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) several Flexible Working Hours initiatives exist, in accordance with local laws, whereby part of the work can be done remotely;
- in Italy (Kedrion S.p.A.), following the pilot project launched in 2018, Kedrion revised its Smart working policy, raising to 50% the share of agile working days allowed and supporting workers through initiatives to provide counseling, training, home workstation equipment and ticket restaurants for agile working days.

HEALTH AND SAFETY AT WORK



Kedrion's policies are aimed at:

- Promoting safety culture at every organizational level;
- Supporting initiatives intended to improve working conditions;
- Supporting 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 for its employees, visitors and staff of external companies as well as for the local community, initiatives have been implemented at a global level, mainly focused on production sites, also concerning accident management.

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

General objectives are shared at a global level, to be then transposed locally and monitored through key indicators such as frequency and severity indices.

Within the Operations function, the "Zero Accidents" objective is confirmed. In 2022, this objective involved all the production sites in a communication campaign, with the distribution of promotional videos on the corporate intranet, dissemination of posters in each area of corporate production sites

and central offices, and organization of Town Halls to promote the active participation of all employees in the programme.

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 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 behaviours, as well as suggestions for improvement. In order to achieve the goal of at least one report per employee, a promotional campaign was launched through posters disseminated in production sites with a QR code allowing to make reports also by smartphone.

The distribution of events, days lost and frequency and seriousness indicators by geographic area in 2022 is shown in the following table:

Distribution of accident cases by geographical area as at 31.12.2022					
Region	Number of events	Number of days lost	TIR*	LWR*	Worked hours***
Italy	2	112	0.24	13.3	1,676,068
USA**	107	680	4	25.2	5,381,013
Hungary	2	83	1.1	47	352,661
UK	18	87	1.7	8.5	2,042,880
TOTAL	129	962	2.8	20.35	9,452,622

* The indicators used are the Total Injury Rate (TIR) and the Lost work days Rate (LWR)

** Includes Melville, Laval and the US and RoW plasma collection centres

***Hours worked are partially calculated (production sites) and partially estimated

Below is the trend in accidents over the three years 2020-2022:

Index	2020	2021	2022	Variation 2022/2021
Number of "recordable" accidents	52	52	129	+151%
Number of days lost	351	761	962	+26%
TIR	2.25	2.34	2.8	+20%
LWR	15.2	34.3	20.3	-40%

The overall figure for 2022, compared with the previous year, shows an increase in the number of events and of days lost as an absolute value, explained by the production site and by the BPL plasma collection centres, where a total of 53 "recordable" accidents and 153 days lost were reported.

An increase is also reported at the Kedplasma sites (centres and offices).

Production sites at a global level report 33 so-called "recordable" events having a TIR=1.59, with 26 of them whose prognosis was of at least one day (LTAs, Lost Time Accidents).

The most frequent types of injury are impacts and crushing, slips, strains and sprains or cuts and abrasions, and contact with potentially biohazardous material (punctures or splashes), especially at plasma collection centres.

NOTE: in production sites, except for the new UK site, "recordable" events decreased from 27 to 15, and this confirms the effectiveness of the initiatives launched within the "Zero Accidents" project.

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 ones;
- Biological risk, chemical risk, manual handling of loads, noise risk, low temperatures and use of machinery and equipment (mechanical risk) add 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 to be added for specific tasks.

Risks are measured according to the national legislation in force. In particular, sites in Italy are subject to Consolidated Law 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 2022, 2 occupational disease claims were made about manual handling of loads, and both of them are still being assessed.

ACCIDENTS TO EXTERNAL PERSONNEL

In 2022, there were no events involving external personnel working in areas being under direct responsibility and/or following the instructions of the company.

SOCIAL RESPONSIBILITY



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

RELATIONSHIP WITH LOCAL COMMUNITIES

In 2022, Kedrion will continue to support the communities it serves through support to local projects as well as through international product donations and educational and awareness-raising partnerships.

From an organizational point of view, the activities in support of local communities are mainly carried out at a central level, with the parent company.

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

KEDRION S.P.A.

- Kedrion S.p.A. is by far the most significant employer in the areas where its production facilities are located;
- Under the same economic and technical conditions, Kedrion's supply chain favours companies in the territories where its offices are located, so as to also reduce 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 Life Science Technical High School (ITS) and in a teaching development project with the technical and professional secondary schools of the Valle del Serchio (Borgo a Mozzano and Barga);
- The Kedrion Group is one of the founders of the Fondazione Campus di Lucca, a nonprofit training and cultural institution providing university and advanced training in tourism as well as in the development of the local territory and of local economies.

In addition to these activities, Kedrion S.p.A has also carried out the following initiatives:

- Fondazione Luigi Villa, support to a scholarship aimed at carrying out research activities within the project “Cardiovascular risk and endothelial damage in haemophilic patients” and at ensuring a contribution for the purchase of instruments, reagents and materials;
- Fondazione Paracelso, support to the statutory activities of the organization;
- Italian association against leukaemia, lymphomas and myeloma (AIL) – Alessandria section, support to institutional activities;
- Fondazione Umberto Veronesi, support to the fourteenth Science for Peace and Health World Conference, which took place on 11 November 2022 in Milan.



In spring 2022, in solidarity with the people of Ukraine, we supported RFK Human Rights Italy in donating 29 computers to a group of children saved from an orphanage in Ukraine and accommodated in the premises of the Misericordie of Fosciandora in Garfagnana (Lucca, Italy). The computers had been requested to allow those boys and girls to study online without losing their school year and to learn Italian.

Year after year, we continue to support the medical-scientific community in the field of research and lifelong learning, so as to contribute to the spreading of excellence and to the development of innovation, with special attention to new generations.

Like every year, we did that by supporting two research scholarships, created in the memory of the company's founder, Guelfo Marcucci, and awarded by the Fondazione Carlo Erba to young Italian graduates under 35 for their innovative research activities in the field of non-oncological haematology.

In November, one month after the awarding of the “Guelfo Marcucci” prizes, the second edition of the research prize “Fabrizio Fabbri” was organized, and a scholarship was awarded to young graduates who distinguished themselves in the field of plasma-derived drugs with their innovative research activities.

Moreover, Kedrion gave its support for the fifth consecutive year to PharmaMark, the Master's Degree course in Pharmaceutical Marketing held at the PIN - Polo Universitario Città di Prato – and intended to provide professionals in the field with a comprehensive knowledge of ethical and over-the-counter (OTC) drugs.

Kedrion is also engaged in humanitarian projects for disadvantaged countries. In 2022, for example, we supported the shipping to Palestine of several drugs provided by the Regions Marche and Emilia-Romagna. This donation was part of the HAEMO-PAL project, an initiative of the Italian National Institute

of Health and coordinated by the National Blood Centre to support the Palestinian Ministry of Health in helping local clinical centres in the diagnosis and treatment of congenital haematological diseases.

In this regard, Kedrion also provided logistic and financial support for a humanitarian donation of Factor VIII made available by the Region Tuscany for Albania.

Lastly, since environmental and biodiversity protection and promotion are an integral part of our corporate culture, Kedrion has also supported for several years the online platform Treedom, specialized in the remote planting of trees as part of agroforestry projects to support the rural communities of developing countries.

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

In the United States, the employees of the Fort Lee (New Jersey) site and of the production site of Melville (State of New York) supported several volunteering initiatives:

- “The Seasons of Giving” campaign of Feeding America
- Two fundraising initiatives promoted during the “Breast Cancer Awareness Month”
- The “Athletic Shoe Recycling Campaign”
- The “Adopt a Family” campaign

In Hungary, where Kedrion has been committed for several years in supporting the local communities, the company has ensured support to different organizations, including:

- The hospital of the town of Siófok, with a donation of products for the sanitization of surfaces;
- The Foundation “Csontvelő Transzplantáció Alapítvány”, to support a sterile room dedicated to children recovering from transplants;
- The Association “Mosoly Egyesület” located in Gödöllő, ensuring a contribution for the purchase of a defibrillator;
- The Association “Hemofiliások Baráti Köre”, to support a camp for re-education and rehabilitation activities for haemophiliac patients.

In 2022, 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 systematize the various Corporate Social Responsibility activities, assessing their impact and formalizing the mechanism for the selection of the activities it will decide to support.

RESEARCH ACTIVITIES, ORPHAN DRUGS AND COMPASSIONATE CARE



The development of orphan drugs and the provision of compassionate care have always been Kedrion's mission, and have been recently strengthened by the acquisition of BPL.

In this context, Kedrion's main projects on orphan drugs are represented by the following initiatives:

- Plasminogen project
- FV Factor project
- FXI
- Ceruloplasmin project
- Haptoglobin project
- New proteins from plasma processing intermediates' project
- COVID-19 Enforcement activities

Aiming to provide patients with first-in-class examples of specific therapies for their target diseases, the first five initiatives (two of them resulting from the recent acquisition of BPL) represent the cutting edge of Kedrion's research into new therapies.

The sixth 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 and not currently exploited in the production of Kedrion's drugs.

All these cases clearly show Kedrion's awareness and willingness to "team up" with various Italian research centres of excellence throughout the country (North, Centre and South), which actively contribute with their expertise to the development of new therapies.

1.1.1.1. 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 with ligneous conjunctivitis), this disease has been treated in recent years by surgical resection of the ocular lesions (pseudomembranes) and/or with non-specific drugs such as corticosteroids, antibiotics and heparin.

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) drug for the treatment of hypoplasminogenemia.

As a result, Kedrion is now in a position to deliver a drug to patients 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 of the integration of internal innovation with the 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 being relevant to the plasma-derived products sector, such as Haemophilia.

For this disease, 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 an increasing participation not only of small industrial entities but also of pharmaceutical giants.



Kedrion is therefore 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®, with a view to create 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.

1.1.1.2. FACTOR V PROJECT

Factor V is a plasma protein which is found at a concentration of approximately 7 µg/ml in healthy individuals, and 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 occurring in 1:1,000,000 people. Individuals affected by a deficiency of this protein manifest haemorrhages at various sites and degrees, going from epistaxis, menorrhagia, haemarthrosis and haematomas, to more serious forms, including intracranial and gastrointestinal haemorrhages.

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 Italian Ministry of Economic Development 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.

Within the framework of a public-private consortium (in 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 as industrial partner, the public partners will contribute directly by developing new methods of purification and characterisation of plasma PV.

1.1.1.3. FACTOR XI

Factor XI is a plasma protein which can be found at a concentration of about 4 µg/ml in healthy individuals and plays a pro-coagulant role in the coagulation cascade, as it takes part in factor IX activation.

The congenital deficiency of Factor XI is a rare haemostatic disease, with a 1:1,000,000 prevalence in the population which is higher in some geographical areas, such as the United Kingdom. The lack of this protein causes haemorrhages after traumas or surgery (often dental surgery). Spontaneous bleeding episodes are generally less frequent and milder than in individuals suffering from haemophilia A and B (factor VIII and FIX deficiency, respectively).

In some countries (in France, for example) an FXI concentrate is available, but the patients suffering from this deficiency are generally treated with non-specific therapies, since the relevant factor concentrate is not available on the market in Italy, if not by direct import upon authorization by the Italian Drug Agency (AIFA), and may only be used under the responsibility of the prescribing physician.

BPL has developed an FXI concentrate which is currently available for compassionate use in the United Kingdom, Canada and Australia, and has also obtained its registration as orphan drug in the United States. After the acquisition of BPL by Kedrion, the further industrial development of FXI is under way, with the aim of registering the drug in the United States and in Europe.

1.1.1.4. CERULOPLASMIN PROJECT

Ceruloplasmin is a plasma protein with a key role in iron homeostasis. Its deficiency causes the symptoms of aceruloplasminemia, a rare disease in which ceruloplasmin deficiency leads to iron accumulation in the brain (as well as in other tissues), and therefore to progressive neurodegeneration.

Kedrion has developed an experimental prototype of plasma ceruloplasmin concentrate, whose efficacy has been demonstrated in an animal model of aceruloplasminemia in collaboration with IRCCS Ospedale San Raffaele (Milan).

For 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. Besides offering a valid therapy for patients with aceruloplasminemia, there are other indications of disease which could benefit from treatment with ceruloplasmin, such as Wilson's syndrome.

1.1.1.5. HAPTOGLOBIN



Haptoglobin is a protein which can be found in plasma at a concentration of about 1 g/L. The physiological function of haptoglobin consists mainly in allowing iron recovery when red blood cells are destroyed at the end of their life (physiological haemolysis) and release free haemoglobin. This is captured by haptoglobin, which thus facilitates the intracellular recovery of iron contained in it and protects the tissues from the damages that free haemoglobin would otherwise cause.

In pathological haemolysis (for example, after major surgery requiring a cardiopulmonary bypass, or in case of a haemorrhage in specific tissues, such as subarachnoid haemorrhage) large quantities of haemoglobin are released, and these cannot be captured by plasma haptoglobin. This causes damages to tissues (for example to kidneys, in case of a major surgery).

Therapies for acute kidney damage from haemoglobin or from subarachnoid haemorrhage are still limited, and many patients require a renal transplant (in the first case) or suffer permanent neurological damage (in the second case).

Unlike the other projects described above, the development of a haptoglobin concentrate therefore does not meet the medical needs for rare diseases, but rather those for intensive care contexts. BPL has designed a haptoglobin concentrate which may be developed to provide these patients with a treatment that could significantly improve their prognosis, clinical evolution and functional recovery.

After the acquisition of BPL by Kedrion, the further industrial development of haptoglobin is now being assessed with a view to registering the drug in the United States and in Europe.

1.1.1.6. NEW PROTEINS FROM INTERMEDIATES PROJECT



Plasma is a valuable resource and a gift from blood donors to the community, with important ethical implications. Kedrion is well aware of these implications and 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 advanced 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 that therefore represent processing waste.

More than 300 proteins have been identified in these intermediates, and many of them, if developed on an industrial scale, could be used as therapies for various rare diseases. In addition to that, the presence of proteins representing plasma-derived products in these intermediates provides an opportunity to reuse these intermediates so as to obtain the same products already available to patients.

This activity not only has an ethical value given by the optimization of the use of plasma, but it also represents an important proof of Kedrion's commitment to reuse industrial processing waste, thus becoming part of some of the development goals (the "green" ones in particular) highlighted by the European Community and transposed in the various national laws such as the National Recovery and Resilience Plan.

1.1.1.7. COVID-19 ENFORCEMENT ACTIVITIES

As mentioned in the NFS last year, in 2020 Kedrion started a project with the biologic company Kamada (Israel) to develop a specific hyperimmune immunoglobulin made from convalescent plasma.

This project was intended to provide a “transition” treatment while vaccines and specific monoclonal antibodies were under development. 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 fact that vaccines exist and are widely accessible does not imply that there should not be treatments for diseases caused by viruses).

Based on this principle, Kedrion and other plasma-derivatives companies worldwide have considered initiating projects to develop immunoglobulins from high antibody titre plasma of people convalescing from Covid. In this activity, Kedrion has set up a network involving Kamada as well as some American plasma centres and university and scientific institutions such as the Columbia University in New York, the Federico II University in Naples, and leading diagnostic development companies such as Euroimmun, also based in Italy.

The first specific anti-Covid immunoglobulins produced from US plasma and through Kamada's technology have shown a 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.

The rapid development of vaccines and specific monoclonal antibodies for COVID-19, as well as the effectiveness of vaccination campaigns over the last two years, have reduced the interest existing around this product, whose registration therefore was never requested. The project anyway allowed the company to create a platform (network) to provide a rapid response to emerging epidemics, which gathers the skills and knowledge existing in Kedrion as well as in the companies and university centres that took part in the initiative.

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 acts in compliance with the principle of "corporate responsibility" and according to the values of honesty and integrity in the management of tax activities, being well aware that tax revenues represent for the Group one of the main sources of contribution to the economic and social development of local communities.

It is therefore compliant with the tax rules being applicable in the countries it operates in, 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 as such 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 company has adopted a specific corporate *Transfer Pricing* Policy, in line with the provisions of specific regulations. A Tax and Charges procedure has also been adopted to identify the roles and responsibilities of the parties involved in tax management, determine the information flows between these parties and the related processes to achieve an effective and, where possible, preventive control of tax risk. A specific policy also exists to manage the risk deriving from the interpretation of tax provisions. The objective is to pursue:

- lasting growth of the company's assets and protection of the Group's reputation;
- a correct and timely determination and settlement of taxes due by law and the performance of related duties;
- a containment of tax risk, intended 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 and national tax laws and regulations and of the OECD *Transfer Pricing Guidelines*. The Company does not engage in transactions without valid economic grounds to obtain tax advantages, nor does it exploit privileged tax jurisdictions for tax avoidance purposes.

As for the management of reports of unethical or illegal conduct in tax matters, the appropriate information channels are those provided for 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 2021 the Kedrion Group paid the taxes shown in the table below (figures expressed in Euros)⁸:

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)	1.086	Plasmaderivatives production and trading	30.270.784	114.728.878	29.802.285	249.796.289	1.183.450	2.695.502
Kedrion Biopharma Inc (Usa) and KEDPlasma LLC (Usa)	1.149	Plasma collection, plasmaderivatives production and trading	323.309.036	57.105.527	(14.008.291)	268.816.198	872.166	1.003.696
Human BioPlazma Kft. (Ungheria)	209	Plasmaderivatives production and trading	20.900.040	53.954.863	(3.935.403)	46.576.844	392.476	679.981
Kedrion Biopharma GmbH (Germania)	14	Plasmaderivatives trading	70.970.606	977.452	5.209.628	2.367.416	4.288.180	1.968.849
Kedrion Biopharma GmbH (Austria & Polonia)	7	Plasmaderivatives trading	10.977.949	8.365	717.757	1.041.053	46.140	110.010
Kedrion Biopharma GmbH (Portogallo)	3	Plasmaderivatives trading	3.582.160	0	550.357	810.917	0	118.016
Kedrion Mexicana S.A. de C.V. (Messico)	10	Plasmaderivatives trading	42.425.959	0	3.268.817	4.972.320	667.941	1.156.946
Kedrion Swiss Sarl (Svizzera)	0	Plasmaderivatives trading	35.924	0	(31.291)	0	0	239
Kedrion Brasil Distributória (Brasile)	2	Plasmaderivatives trading	2.521.548	0	(297.746)	917.893	0	0
Kedrion Biopharma India Private Limited (India)	4	Plasmaderivatives trading	1.185.956	4.216.989	4.122.305	673.007	0	0
Kedrion Betaphar Biyofarmasoti k. (Turchia)	13	Plasmaderivatives trading	37.221.175	0	(7.630.047)	8.915	0	0
Kedrion de Colombia SAS (Colombia)	4	Plasmaderivatives trading	2.488.850	0	(436.890)	1.148.850	720.005	0
Prometic Bio Production(Canada)	132	Plasmaderivatives production and trading	37.751.817	0	30.894.772	11.510.922	424.211	2.850.602
Prometic Bio Therapeutics (Usa)	0	Plasmaderivatives trading	640	0	(319.319)	0	0	0

ANTI-CORRUPTION AREA

Kedrion, in line with its core values, with specific anti-corruption regulations and with the tenth principle of the Global Compact, by which “*companies undertake to fight corruption in all its forms, including extortion and bribes*”, pursues its commitment to fight corruption, in all its forms, both direct and indirect.

In January 2020, the Board of Directors of Kedrion S.p.A. 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; 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.

⁸ Since these data refer to 2021, the table does not include BPL.

Kedrion 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 transposed by all the companies of the group.

During 2022, no episodes of corruption were identified in any of the companies of the Kedrion group. The following paragraphs show the organisation and the safeguards adopted by the main operating companies of the group in the area of anti-corruption.

1.1.1.8. KEDRION S.P.A.

Kedrion 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, Kedrion 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 set out 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.

Kedrion S.p.A. constantly updates the 231 risk map, which is the map of the corporate areas exposed to "crime risk", including the risk of corruption.

The potential risks pertaining to the offences set out by Legislative Decree 231/2001 and 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.

Kedrion has made tools available to report any breaches, even anonymously; these tools are the web platform accessible from the website www.kedrion.it, implemented in compliance with Law no. 179 of 2017, i.e., "Whistleblowing"; the 'mailboxes/letter boxes' located in all the factories and sites of the Company; the help line available on the company Intranet platform. Appropriate measures exist in relation to these tools to protect the privacy and confidentiality of whistle-blowers.

During 2022, a training was made available by Kedrion on the KedPeople e-learning platform, aimed at providing a first "guide" to 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.

1.1.1.9. KEDRION BIOPHARMA INC.

Kedrion Biopharma Inc. (KBI) has constantly updated the Compliance Program, where the fight against corruption, both nationally and internationally, is 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 the staff training on related issues, including the fight against corruption.

The US regulatory environment is made up of several laws, including the Anti-Kickback Statute, the False Claims Act and the Foreign Corrupt Practice Act (FCPA), as well as of specific legislations of the Member States. These legislations provide for severe federal and state punishments, both of a civil and criminal nature. The Company has adopted the Global Policies promoted by the Parent Company and specific local procedures.

1.1.1.10. 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 the respect of the code of the European Federation of Pharmaceutical Associations and Industries (EFPIA) and of the communication and pharmaceutical ethics code of the Hungarian Pharmaceutical Manufacturers Association (Magyarországi Gyógyszergyártók Országos Szövetsége (MAGYOSZ).

1.1.1.11. KEDRION BIOPHARMA GMBH

In order to fight corruption, Kedrion Biopharma GmbH 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, which are 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.", with the AKG code "Arzneimittel und Kooperation im Gesundheitswesen e.V." and with the code of other accredited entities.

"HUMAN RIGHTS" AREA

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

Kedrion considers loyalty and fairness as essential in relations between colleagues, at every level of the organisation, 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 mutual respect for each other's dignity, honour and reputation.

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

Kedrion opposes to 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, work exit and retirement, in full respect of the fundamental principle of equality.

During 2022, no incidents involving violations of human and Workers' rights were detected throughout the companies of the Kedrion group, including the BPL companies.

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

1.1.1.12. KEDRION S.P.A.

For some time now, the Company's Board of Directors has implemented the Ethics Office function, which is responsible for the definition, implementation, adaptation and continuous improvement of the Corporate Management System for Business Ethics. The powers delegated to it extend 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 Kedrion workers and in the supply chain. Since 2004, Kedrion has been SA8000 certified by a third party.

Kedrion 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 Kedrion 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 Kedrion.

Since 2005, Kedrion S.p.A. 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.

1.1.1.13. KEDRION BIOPHARMA INC.

Kedrion Biopharma Inc. (KBI) complies with all American laws on the fight against discrimination and has an internal control system to prevent and identify said conducts. KBI has implemented a system allowing the reporting of discriminatory conducts or, in any case, conducts not in line with the values and principles of the Company.

Federal laws and individual member state laws are very restrictive with regard to violations of equal treatment and protection of human rights.

1.1.1.14. HUMAN BIOPLAZMA KFT.

KEDPLASMA operates in Hungary in compliance with the 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 carefully complies with all 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 the beginning to the end of the employment relationship. Such monitoring is conducted and controlled by the company's human resources function.

1.1.1.15. KEDPLASMA GMBH

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

More specifically, the fundamental legislative reference in this context is the German federal law on equal treatment, Allgemeines Gleichbehandlungsgesetz (AGG), of 14 August 2006, which transposed 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 aim of the AGG is to prevent and eliminate discrimination based on 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 policies on recruitment, benefits planning and contractual conditions that are compliant with the legal obligations represented by the AGG. Likewise, extreme attention is paid to any behaviour that is not compliant with the requirements in force.

ENVIRONMENT



Kedrion's attention to the environment starts in the territory it operates in with its employees, extending from the workplace to the communities living in the surroundings, and showing a strong commitment to minimize its environmental impact. Being aware of the human responsibility in global climate change, Kedrion contributes, with its environmental policy, to mitigating the consequences of human activity on the surrounding environment.

Kedrion's employees are aware of environmental protection issues and operate to assess and monitor the environmental aspects connected to the activities carried out, pursuing opportunities for improvement.

The Kedrion 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 Regulation⁹ (Environmental Management System);
- ISO 45001 (Occupational Health and Safety Management System).
- Adherence to the UN Global Compact¹⁰, which implies a global commitment to improving environmental performance through a strategy based on the principles of:
 - Optimisation of resources by prioritising sustainable ones;
 - Reduction of negative impacts;
 - Dissemination of an environmental culture among employees and external collaborators.

⁹ EMAS, the European Community Eco-Management and Audit Scheme, is a model which can be voluntarily adopted by companies and organizations, both public and private, based in the European Union and being willing to engage in the assessment and improvement of their environmental efficiency.

¹⁰ The United Nations Global Compact is an initiative of the United Nations aimed at encouraging companies worldwide to adopt sustainable policies, to comply with corporate social responsibility and to make the results of their actions publicly available. It is a framework including ten principles in the areas of human rights, labour, environmental sustainability and anti-corruption.

The Italian sites have adopted an environmental management system according to ISO 14001.

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

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

To improve its environmental performance, Kedrion is committed to increasing the knowledge of its impacts by analysing the life cycle of its products and extending its control to the entire supply chain ¹¹.

EUROPEAN TAXONOMY

Kedrion has assessed the percentage of revenue, OPEX and CAPEX associated with eligible assets under the European Taxonomy.

The percentage of revenues relating to the year 2022 associated 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.

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 focuses on the use of water provided by the public network and water coming from wells, for Italian sites, as well as on wastewater production.

Water taken from production facilities is mainly used for the powering of cooling systems, softeners, steam production, for washes and sanitation. In the other sites, it is used as domestic hot water and for cleaning the premises.

The risks connected to the water resource depend on the presence of obligations provided for by the law or on specific authorisations. Water consumption can constitute a risk connected to the capacity of local infrastructures and the availability of the resource (aqueduct and wells), and therefore 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 authorisations 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 Elstree site is equipped with a wastewater treatment system.

¹¹ The Elstree site started dealing with environmental sustainability in April 2022, the Godollo site is implementing an environmental management system according to the ISO 14001 standard and is expecting to obtain the certification by 2024.

The discharge is predominantly industrial and a smaller percentage, 10%, is represented by civil wastewater.

Water consumption from network*	Water consumption from well*	Total water consumption	Wastewater** CBM
1,422,469	333,825	1,756,294	1,334,937

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

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

The largest contribution (80%) comes from production sites (30% UK, 34% Italy, 10% USA and 6% Hungary, respectively).

Below is the table summarising the global water consumption and wastewater discharge for the three years 2020-2022:

Water budget 2020-2022				
Index (CBM)	2020	2021	2022	Difference 2022/2021
Water consumption	879,975	811,995	1,756,294	+116 %
Wastewater **	645,066	569,320	1,334,937	+134%

The increase in water consumption and wastewater comes from the new BPL UK site and plasma collection centres in the USA.

NOTE: without considering the contribution of BPL, the increase in water consumption would have been slightly over 1%.

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 factories and lighting.

Some constraints exist in the provision of electric energy, connected to the infrastructures which can impact on the continuity of the service and on any production development, despite the presence of 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 existing in the site and 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 obtained through a cogeneration system.

No particular constraints related to laws/authorisations exist for the various sites.

The energy monitoring and diagnosis activities required by the Integrated Environmental Authorisations and by the legislation on the rational use of energy, are an opportunity for interventions 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, there are risks linked to possible short or prolonged supply interruptions due to possible technical problems of the network infrastructure or the supplier, which may have a significant impact on the business continuity of the production plants. This applies to the Bolognana site, where methane is used to produce most of the electricity consumed, even though an external company carries out production on site.

In order to continue ensuring 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, thus 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 production by a new supplier, which has joined the external supply and is using the recently activated tri-generation plant.

Therefore, the figures reported for 2022 are calculated by taking into account the change occurred in November 2020.

Below is the figure for overall consumption:

Electricity consumption from the grid* as at 31.12.2022	
GJ	421,468

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

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

The largest contribution to total consumption is made by production sites, accounting for 85% of the total (Italy, UK, USA, Hungary and Canada, with 38%, 26%, 12%, 7% and 2% 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 31.12.2022	
GJ	375,955

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

The largest contribution to total consumption is made by production sites, accounting for 97% of the total (UK, Italy, USA and Hungary, with 37%, 27%, 19% and 10% respectively).

The following table summarises electric energy, methane and gas oil consumption expressed in GJ at a global level for the three-year period 2020-2022:

Energy balance for 2020-2022

Index (GJ)	2020	2021	2022	Difference 2022/2021
Electric energy from the grid	217,318*	285,209	421,468	+48%
Methane gas	443,059*	239,726**	375,955	+57%
Other fossil fuels *	6,118	4,408	4,235	-2%
Total energy	666,495*	529,343	801,658	+51%

* only gas oil consumption is reported as it is indicative of almost all fossil fuels used

The table shows a significant increase in the consumption of both electricity from the grid and natural gas, as a consequence of the new BPL UK site and plasma collection centres.

NOTE: The figure, excluding the contribution from BPL, confirms a reduction in electricity consumption by 0.4% and a reduction in methane gas consumption by 2.4%.

DIRECT AND INDIRECT EMISSIONS

Kedrion calculates its 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 those coming from coolant gas losses (Scope I), as well as 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. Climate 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 cold.

Below is the table showing the contributions to total CO2 equivalent emissions (Scope I) and the trend over the three years 2020-2022:

Carbon Footprint 2020-2022 – Scope I				
CO2 equivalent (T)	2020	2021	2022	Delta 2022/2021
O2 eq. From refrigerant gas leaks (makeup)	7,103	2,932	8,439	+188%
CO2 eq. From methane gas consumption	25,176	13,622	21,363	+56%
CO2 eq. From other fuel consumption	457	332	320	-3%
Total CO2 eq.	32,736	16,894	30,122	+78%

The 78% increase is linked to the new BPL UK site and plasma collection centres.

NOTE: The 2022 figure, without the contribution from BPL, shows an increase by 18% mainly caused by the leaks and related makeups of refrigerant gas at the production sites in Italy and the USA

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

Carbon Footprint 2020-2022 – Scope II				
Ton CO2 eq	2020	2021	2022	Delta 2022/2021
CO2 eq from consumption of electric energy from the grid	21,143	25,581	35,982	+40%
Total CO2 eq.	21,143*	25,581	35,982	+40%

In this case, too, the increase depends on the acquisition of the BPL production site and plasma collection centres.

NOTE: The figure, excluding BPL, shows a decrease by 2%.

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.

When not considered as urban waste and therefore delivered to municipal companies, waste is managed according to the regulations of the country where the production site is located, both for its classification and packaging and for its disposal.

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

Given the possibility of interruptions to transport and disposal services for incorrect classification or packaging or for unavailability of suppliers (technical, authorisation and contract problems), waste management is an extremely significant environmental aspect.

Besides paying attention to compliance regulations and business continuity, Kedrion also focuses on the safety of people who may come into contact with the material (internal staff, waste operators and the community) and on the environment in general; this leads the company to give preference to sustainable disposal methods (energy recovery or material recycling).

Waste production as at 31.12.2022		
Non hazardous waste Kg	Hazardous waste Kg	Total waste Kg
14,179,720	12,678,710	26,858,430

Waste evaluation by geographical area at 31.12.2022			
Region	Non hazardous waste Kg	Hazardous waste Kg	Total waste Kg
Italy	618,100	956,900	1,575,000
America*	44,510	1,372,590	1,417,100

UK**	13,473,140	8,156,000	21,629,140
Hungary	43,970	2,193,220	2,237,190
TOTAL	14,179,720	12,678,710	26,858,430

* Includes Laval (Canada), Melville and Kedrion and BPL plasma collection centres

** Elstree site

Below are the values for the three years 2020-2022:

Waste evaluation 2020-2022*				
Type (Kg)	2020	2021	2022*	Difference 2022/2021
Non-hazardous waste	995,536	854,457	706,580	-17%
Hazardous waste	5,146,923	5,823,034	4,522,710	-22%
TOTAL WASTE PRODUCED	6,142,459	6,677,491	5,229,290	-21.6%

Excluding the contribution from the BPL Elstree site (see comment below)

The 2022 figure concerning the sites, excluding the new UK site, confirms a reduction in the production of both hazardous and non-hazardous waste.

The Elstree site (see table above) there is a significant production of hazardous waste, linked to the disposal of alcoholic wastewater, which accounts for almost 80% of its hazardous waste, and a significant production of non-hazardous waste, coming for 96% of total non-hazardous waste from the disposal of the sludges of the wastewater treatment system.

Quantity of waste for recovery as of 31.12.2022*	
% of total non-hazardous waste	94%
% of total hazardous waste	34%

* Including the UK site

METHODOLOGICAL NOTE

GIVEN BOUNDARY AND REPORTING PROCESS FOLLOWED

Kedrion sustainability report 2022 includes in its 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 data relating to KBI or to the US region also include those of KedPlasma LLC). Any exceptions are indicated in the text; in case some data are not available, the text highlights this in a clear and transparent way. The British company BPL, acquired by Kedrion on 31 August 2022, is included in this year's Sustainability report.

The working plan followed to prepare this report included the following phases and timeframes:

1. Assignment of the task by the CEO of Kedrion S.p.A., to the Finance department (start of November 2022);
2. Identification of the activity coordinator (mid-November 2022);

3. Contact between the coordinator, the data owners and the representatives of each department and legal entity of the Group concerned (before end of November 2022);
4. Training activity and information on the report (before mid-December 2022);
5. Preparation and approval, by the functions involved and the Executive Chairman, of the Materiality Analysis (end of 2022);
6. Collection of data and their validation together with the data owners and department representatives (before mid-February 2022);
7. Preparation of the draft report and submission to the data owners (March 2022);
8. Approval of the draft report by the data owners and submission of the document to the Finance department (March 2022);
9. Transmission of the report proposal to the Company Secretary with a view to its approval in the Board of Directors Meeting of 6 April 2023 (end of March 2022).

CALCULATION METHODOLOGIES ON ACCIDENTS AND EMISSIONS

Health and Safety Indicators

The indicators used are the Total Injury Rate, TIR, and the Lost work days 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 at work or medical treatments, including events with 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 figure 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, telemetries or bills, or estimated by analogy, is transformed into GJ using conversion factors available on the network:

Coefficient from therms to scm of natural gas 1 scm = 0.3734 therms (SNAM converter).
Consumption of electric energy purchased: kWh x 0.0036 = GJ electric energy purchased.
Gas oil and natural gas (fuel): conversion factors from Defra tables 2021 version

- Consumption of natural gas: scm x 35.808 / 1,000 = GJ
- Consumption of gas oil: tonne x 42.932 = GJ
- Consumption of LPG: tonne x 45.94 = GJ

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

SCOPE I (DEFRA VERSION 2021)

natural gas: scm x 2.03473 = kg CO₂eq

gas oil: litres x 2.70553 = kg CO₂eq

GWP coolant gases:

R404A: kg x 3,922 = Kg CO₂ eq

R407C: kg x 1,774 = Kg CO₂ eq

R410A: kg x 2,088 = Kg CO₂ eq

R507: kg x 3,985 = Kg CO₂ eq

R134A: kg x 1,430 = Kg CO₂ eq

R422D: kg x 2,730 = Kg CO₂ eq (value according to Linde Gas)

ISCEON: kg x 3,805 = Kg CO₂ eq (value according to Linde Gas)

R449: kg x 1,397 = Kg CO₂ eq (value provided by General Gas 2020 edition as unavailable on DEFRA 2021)

R417A: kg x 2,346 = Kg CO₂ eq (value provided by General Gas 2020 edition as unavailable on DEFRA 2021)

SCOPE 2 (TERNA VERSION 2019)

Electric energy:

Kwh x 0.315 = kg CO₂ eq (Italy);

Kwh x 0.374 = kg CO₂ eq (USA)

Kwh x 0.253 = kg CO₂ eq (Hungary)

Kwh x 0.122 = kg CO₂ eq (Canada)

Kwh x 0.521 = kg CO₂ eq (World)

Kwh x 0.261 = kg CO₂ eq (UK)

KEDRION

B I O P H A R M A

KEDRION Group

Registered office LOC. AI CONTI - 55051 CASTELVECCHIO PASCOLI (LU)

Registered capital Euro 60,453,901 fully paid-up