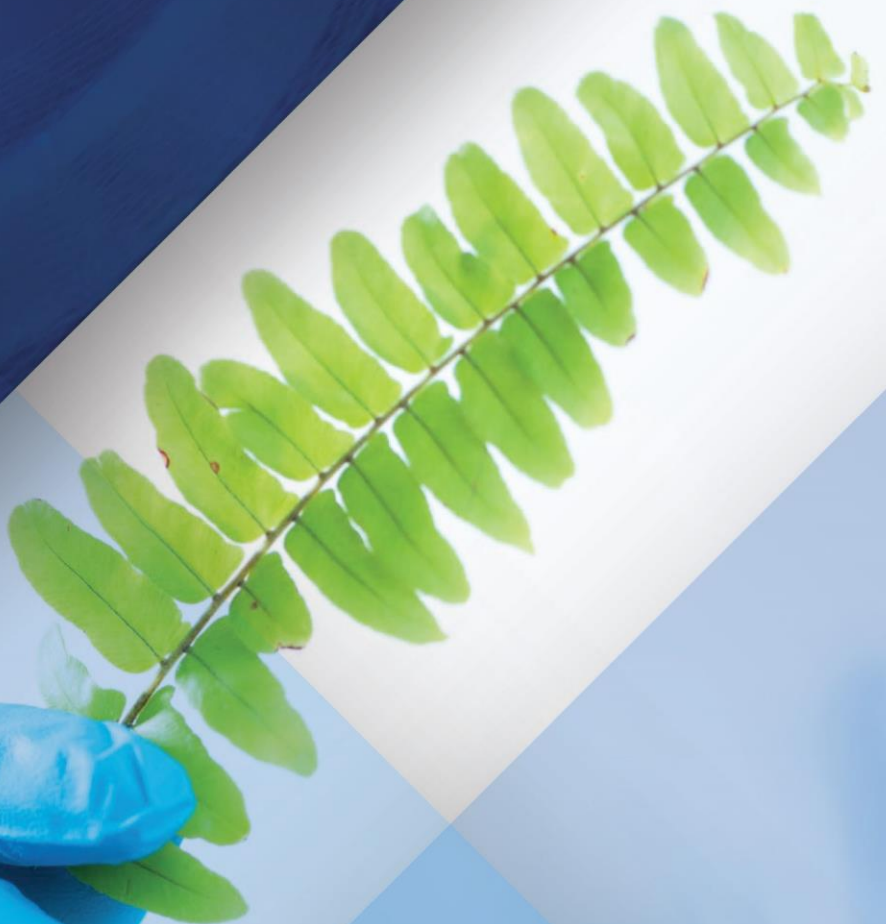


Sustainability Report

2023



NEOPHARMED
GENTILI





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Letter to stakeholders

Dear Stakeholders,

Neopharmed Gentili is pleased to present its first Sustainability Report, a voluntary document summarising the company's main results and commitments in terms of 'ESG' (Environmental, Social and Governance) principles, as an active contribution to the achievement of the Sustainable Development Goals (SDGs) in line with the provisions of the UN 2030 Agenda.

The Strategic Sustainability Plan was implemented throughout 2023, which has allowed the Company not only to map the initiatives undertaken, but also to assess the areas of intervention, identify commitments and goals and build an efficient data collection system in order to measure and monitor the Company's progress over time. To guarantee all the objectives set out in the strategic plan, a 'Sustainability Committee' has been established. It includes managers from some Company departments, as well as a group of 'ESG Ambassadors' chosen from among the different departments, who will monitor our progress and performance compared to the objectives set.

We have again continued to support the scientific community and promote patients' well-being this year, improving their quality of life and those of their loved ones.

Attention to people and their well-being is at the heart of Neopharmed Gentili's activities. This commitment not only concerns patients, who are the direct beneficiaries of the Company's work, but also employees and collaborators, considered the real driver of the Company's business.

We have sought to adopt corporate welfare plans that make health and prevention programmes more accessible for employees, including awareness-raising activities related to specific diseases. Attracting, motivating and retaining talent is fundamental for Neopharmed Gentili's future success, as well as promoting diversity and inclusion, creating a comfortable, diversified and inclusive working environment.

We pay particular attention to combating waste, for the benefit of the environment and the communities in which we live. Digitalisation will continue to contribute to reducing the use of paper within our Company and to increasing automation. In this direction, Neopharmed Gentili is actively committed to reducing the impact of its activities on the environment and adopts an operational approach that considers significant environmental factors.

We are confident that in reading this first Sustainability Report, you will find interesting food for thought in each of the ESG pillars, continuing to accompany us on the path we have taken.



Highlights

13,339 GJ
-3%

Energy consumption



6,237 m3
+13%

Water withdrawal

25.23 t
-19%

Waste produced



0.57 t
-20%

Laboratory waste

999 tCO₂eq
-3%

Emissions



3.70 gCO₂/€
-26%

Emission intensity

224
+3%

Number of employees

29
+32%

Number of new employees

10%
-2%

Outgoing turnover rate

44%
+1%

Percentage of female employees



24
+4%

Average hours of training per employee

€ 26,280,056
-4%

Net profit



€ 277,789,361
+28%

Production value

€ 270,167,781
+31%

Sales revenue

€ 411,466,168
+8%

Net equity

76%
+6%

Percentage of economic value distributed on generated value

All changes refer to the previous year 2022.



Methodological note

The 2023 Sustainability Report is the first annual non-financial reporting of Neopharmed Gentili S.p.A. (hereinafter also 'Neopharmed Gentili', or the 'Company') and is the result of a process the Company has undertaken to share the actions implemented, the main results in terms of ESG performance and future objectives with its stakeholders, in order to provide complete and transparent communication.

The Sustainability Report was prepared following the recognised international directives of the GRI (Global Reporting Initiative) standards, according to the latest update that came into force on 1 January 2023. This set of indicators represents a specific guideline for reporting information and content in the field of sustainability. The logic adopted for using the GRI standards is 'with reference to' and aims to ensure alignment with all indications and regulatory updates.

The document also contains references to the UN Sustainable Development Goals (SDGs). These represent an opportunity for the Company to actively and tangibly contribute to sustainable development, focusing on areas directly linked to its commercial activity.

The data and information reported herein refer to the financial year ended 31 December 2023 and were obtained and validated through an identification and selection process of the topics of greatest importance for the Company and its stakeholders. The Sustainability Report was drafted following the Statutory Financial Statements and concerns Neopharmed Gentili S.p.A. (Via San Giuseppe Cottolengo, 15 - 20143 Milan, Italy).

In drafting the document, efforts were made to minimise the use of estimates and, when possible, the available data were compared with those of the previous year in order to guarantee the truthfulness of the information and a precise and up-to-date representation of performance. All the various Company departments were involved in carrying out the materiality analysis and in drafting the Sustainability Report with the support of a specialised external body.

The final version of the document was approved on 03/07/2024. Neopharmed Gentili S.p.A. has also published the document on its website, where the electronic version can be downloaded.

The GRI Content Index at the end of the Report includes a reconciliation table of the indicators reported in the document.

1. Neopharmed Gentili: About Us

1.1 Company Identity and History

1.2 Therapeutic Areas, Mission and Values

1.







1.1. Company Identity and History

Neopharmed Gentili is one of the major Italian players in the pharmaceuticals sector. Its main business areas revolve around the development, production (entrusted to specialised partners), promotion and marketing of medicines, in particular 'ethical' medicines, i.e., prescription drugs, some of which are reimbursed by the Italian National Health Service (SSN) and other upon the direct payment of citizens. The Company also sells, in a lesser amount, over-the-counter drugs (SOP/OTC), food supplements and medical devices.

MEDIOLANUM FARMACEUTICI

Mediolanum Farmaceutici was founded in Milan, focused on medicines for basic healthcare.

NEOPHARMED GENTILI

Istituto Gentili S.p.A. and Neopharmed S.r.l. merged to form Neopharmed Gentili S.r.l.

SHAREHOLDING OF ARDIAN

Neopharmed Gentili became a joint-stock company and the French private equity fund Ardiان acquired a majority stake. The Del Bono family retained a minority stake and Alessandro Del Bono retained the position of CEO. As part of this transaction, Mediolanum conferred the pharma business of Neopharmed Gentili before the acquisition.

PARTNERSHIP WITH TEVA

Neopharmed Gentili signed a partnership with Teva to promote three respiratory products for the Italian market.

FIRST ACQUISITION

Under the leadership of Alessandro Del Bono, Mediolanum acquired Istituto Gentili (the Italian branch of Merck Sharp & Dohme (MSD) focused on orthopaedics and respiratory care) and Neopharmed (the Italian branch of MSD focused on cardiology).

ACQUISITION OF THERABEL

Acquisition of the Italian branch of the Therabel Group, focused on the cardiovascular and gastroenterological areas.



The expansion and development of Neopharmed Gentili are supported by an organic growth strategy and through partnerships and acquisitions. These agreements have contributed to consolidating the Company's image as a reliable and dynamic partner in the Italian pharmaceuticals sector. In addition to marketing its own drugs, in the past the Company has licensed several products from important multinationals in the sector, thus strengthening its prominent position in the national panorama.

Although the Company is mainly oriented towards the private sector, collaborating with pharmaceutical wholesalers, private pharmacies and foreign distributors on the local market, it also maintains a presence in the public sector, serving hospitals and other healthcare facilities. Although operating mainly on the domestic market, part of the revenues also derives from international customers and licensees.

ACQUISITION OF MDM

Neopharmed Gentili acquired MDM, a pharmaceutical company active in the fields of neurology and orthopaedics.

MINIAS AND TRANQUIRIT

Acquisition of Bayer's Lormetazepam-based product portfolio in Italy and Japan (March) and acquisition of a Diazepam-based product from Sanofi (June).

ACQUISITION OF VALEAS

Neopharmed Gentili acquired Valeas S.p.A., a historic Italian company in the respiratory field and with a particular focus on the paediatric target, further enriching the company portfolio (July).

SHAREHOLDING OF NB RENAISSANCE

Alessandro Del Bono and Mediolanum Farmaceutici renewed their partnership with Ardian to continue the growth path started four years earlier, setting up further ambitious development projects for Neopharmed Gentili and welcoming NB Renaissance as a new partner (November).



2019

2021



2022

2023



MODURETIC AND ANTROLIN

Acquisition of the product Moduretic from MSD (February).
Acquisition of the global marketing rights for Antrolin.

ANTROLIN AND EVAMYL

In 2023, the network of foreign distributors for the ANTROLIN product was increased and an agreement was reached with the company Maruishi for the distribution of the product Evamyl (Lormetazepam) in Japan.

NEW CEO

Eric Falcand has been the new CEO since November 2023. The appointment of Falcand is consistent with Neopharmed Gentili's development strategy aimed at further enhancing and accelerating the Company's growth in Italy and in Europe.



1.2. Therapeutic Areas, Mission and Values

Neopharmed Gentili actively markets pharmaceutical specialities for human use, with particular reference to the Italian market, and operates in various therapeutic areas with products that are effective in the treatment of diseases widespread in Western countries, partly reimbursed by the Italian National Health Service.

The Company has a broad and diversified product portfolio, which places it among the main national players in the pharmaceutical market, with a primary focus on the following areas:



Cardiovascular

VYTORIN, ZETIA, HIMAVAT, MAORIS, PARVATI, SARASVATI, LUVION, MODURETIC

for the treatment of hypercholesterolaemia, hypertension and heart failure.



Vascular

PRISMA, XIOGLICAN

for the treatment of venous insufficiency, skin ulcers.



Central nervous system

MINIAS, SONGAR, TRANQUIRIT, DELECIT, MUTABON, TRILAFON

for the treatment of cognitive impairment, insomnia, psychosis and anxiety and depression.



Diabetes

XELEVIA, VELMETIA

with drugs for the treatment of diabetes mellitus.



Osteoarticular

ALGIX, DOLAUT, SERACTIL, SUPARTZ

for the treatment of acute inflammation and pain, in the viscosupplementation of arthritis.



Respiratory

DUORESP SPIROMAX, BRONCOVALEAS, BREVA, BIWIND, FORBEST, MONTOGEN, ZHEKORT

with solutions for the treatment of asthma, COPD, and allergies.



Gastroenterological

ANTROLIN, LEVOBREN

with products indicated for dyspepsia and the treatment of proctalgias.



Urological

AZURVIG, FINASTID, OLANIX

with solutions for the treatment of benign prostatic insufficiency and erectile dysfunction.



Osteometabolic

VANTAVO, PATRIDE, COLCAD

for the treatment of osteoporosis in all phases of the disease.



Antibiotic

NEODUPLAMOX, PANACEF, VELAMOX



For the immune system

AXIL

with a particular focus on the paediatric target.

MISSION

To support the scientific community and promote the well-being of patients, creating value for shareholders and respecting the interests of all stakeholders.

In pursuing its mission, the Company is firmly committed to complying with the laws and with the Code of Ethics of Farindustria, maintaining a strict focus on these fundamental principles. Focusing its activities on serving the scientific community and supporting medical training, the Company intends to consolidate and improve its reputation as an excellence in the scientific field and as an example of ethical behaviour.

Through Corporate Social Responsibility (CSR) and corporate welfare initiatives, Neopharmed Gentili directly endeavours to be a driver for civil and social progress in the communities in which it operates.

THE VALUES OF NEOPHARMED GENTILI

- Determination;
- Competitiveness;
- Team spirit;
- Innovation;
- Respect for the needs of the patient and the scientific community;
- Cooperation with customers and suppliers;
- Continuity over time;
- Ability to maintain and renew values;
- Attention to the needs of employees, in terms of creating a motivating work environment in which people can achieve their personal ambitions.



2. Approach to Sustainability

- 2.1 Stakeholder Engagement
- 2.2 Materiality Analysis
- 2.3 Strategic Sustainability Plan

2.





Within its operations, Neopharmed Gentili has chosen to adopt an approach to sustainability that permeates every aspect of its activities and strategic decisions. The Company recognises that its success cannot be assessed solely on the basis of financial profits, but also in relation to the impacts it generates on the environment and on the communities in which it operates.

2.1. Stakeholder Engagement

In order to take a sufficiently accurate picture of Neopharmed Gentili's positioning with regard to ESG issues, active engagement of the stakeholders with whom Neopharmed Gentili interacts is essential in assessing sustainability performance. These include companies that recognise the value of the Company's presence in the area and promote 'best practices'.

In the corporate context, stakeholders are commonly defined as groups of subjects that can influence or be influenced by the activities of a company, and consist of various figures, entities and realities that could and should be involved in corporate strategies, as they experience the effects of decisions taken. The stakeholder engagement process gives substance to this intention and allows launching a concrete process for defining the topics of most interest to the Company, which is confirmed in the Materiality Analysis.

The table describes the main stakeholder engagement methods.

| Stakeholder category | Explanation | Engagement activities |
|-------------------------------|---|--|
| Internal workforce | Those who work for or on behalf of Neopharmed Gentili, including their representatives (e.g., trade unions) | Internal climate analysis; periodic presentation of results; newsletter; on-boarding programmes for new hires; |
| External workforce | People who collaborate with Neopharmed Gentili but are not directly employed by it (e.g., agents with exclusive mandate, freelancers) | training meetings. |
| Suppliers | Those who supply Neopharmed Gentili with raw materials, materials, services and technologies | Cooperation meetings; periodic performance assessments; communications on company policies |
| Customers | Users of Neopharmed Gentili products/services, including consumer associations | Market research; satisfaction surveys; after-sales assistance |
| Investors | Those who hold or will hold proprietary shares within Neopharmed Gentili | Periodic financial reports; institutional website. Dedicated ESG analyses |
| Institutions | The set of institutions that can directly or indirectly influence the activities of Neopharmed Gentili (e.g., regulatory authorities) | Ad hoc meetings |
| Patients | Individuals who use Neopharmed Gentili products/services | Health information campaigns; assistance and support services |
| Doctors | Medical professionals who prescribe or use Neopharmed Gentili products | Training seminars; scientific conferences; collaborations in research and development |
| Financial institutions | Banks and credit institutions that can contribute to financing the activities of Neopharmed Gentili | Periodic financial reports; institutional website. |
| Bondholders | Individuals or entities which hold bonds issued by Neopharmed Gentili | Financial communications; periodic performance reports |
| Media and press | International, national and local media (e.g., television, press, radio and web) that can directly or indirectly influence the activities of Neopharmed Gentili | Institutional website, social network. |

2.2. Materiality Analysis

The new European Corporate Sustainability Reporting Directive (CSRD) came into force on 5 January 2023. It is in this context that Neopharmed Gentili decided to publish its first Sustainability Report, although it is not yet one of the companies required to provide this information, thereby demonstrating its commitment to transparency and alignment with the new regulations on reporting and compliance.

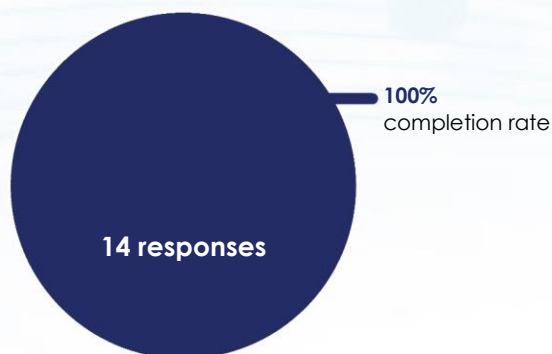
The preliminary phase which included the materiality analysis was carried out in accordance with the methodology outlined by AccountAbility 1000 and the Global Reporting Initiative (GRI). The approach adopted allowed for a detailed assessment of ESG performance through the principle of 'double materiality', also referred to in the CSRD.

A survey questionnaire was administered to both the Company's top management and various groups of stakeholders, including the employees, in order to identify the issues directly related to the business of Neopharmed Gentili.

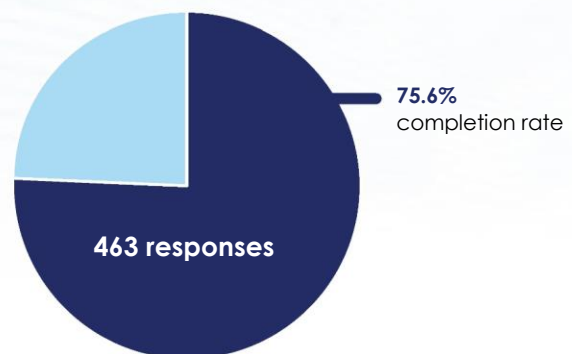
Management was asked to assess the relevance and control of specific ESG issues within the Company, comparing them with the reference context. Stakeholders were instead asked to assess only the relevance of the survey topics. The allocation of a score on a numerical scale from 1 (not material) to 5 (extremely material) identified and prioritised the material topics for Neopharmed Gentili, in terms of objectives and strategies.

The collection and interpretation of the results made it possible to understand the strategic priorities of Neopharmed Gentili, the main opportunities/critical issues of the business and how these can affect shared value and sustainability, thus identifying ten material topics, each associated with a positive and negative impact.

Specifically, the administration of the questionnaire, whose responses were treated anonymously, recorded 477 responses: 14 from management and 463 from stakeholders, including mainly employees, agents and suppliers.



Management questionnaire










Stakeholder questionnaire



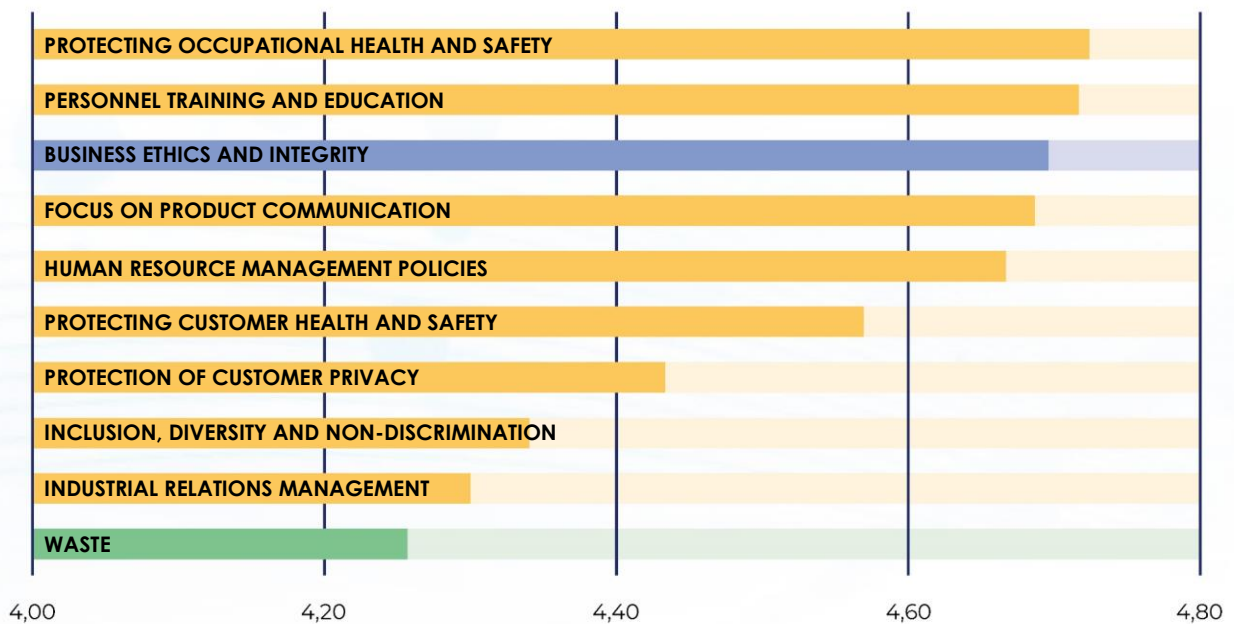
The dual materiality results guided the definition of targeted strategies, in line with the GRI 3.1, 3.2 and 3.3 guidelines, in order to effectively manage the external effects related to the company's operations.

To offer a broader view of corporate sustainability, the table associates the most general impacts with the relevant material topics in the context of Neopharmed Gentili's Sustainability Report. This approach offers a complete and transparent overview of the Company's ongoing contribution to sustainability in the sector in which it operates.

| Negative impacts | Topics | Positive impacts |
|--|---|---|
| Poor attention to occupational health and safety could cause accidents, injuries or illnesses among employees, putting their well-being at risk and creating an unfavourable working environment. |  <p>PROTECTING OCCUPATIONAL HEALTH AND SAFETY</p> | Neopharmed Gentili promotes a safe and healthy working environment through measures to prevent accidents and occupational diseases. These include occupational safety training and the promotion of a company culture focused on safety. |
| A lack of attention to investments in personnel training and development can limit employees' growth opportunities, reduce their motivation and lead to lower quality of work, as well as favour the exit of talents from the Company. |  <p>PERSONNEL TRAINING AND EDUCATION</p> | Neopharmed Gentili endeavours to invest in the continuous training and professional development of its employees, providing opportunities for learning and growth. This can lead to a more competent and motivated workforce, thereby improving productivity and quality of work. |
| Lack of ethics and integrity could lead to misconduct and sanctions, damaging the Company's reputation and undermining the trust of customers and stakeholders. |  <p>BUSINESS ETHICS AND INTEGRITY</p> | Neopharmed Gentili is committed to conducting its business operations with an ethical and integrated approach, avoiding unfair practices, corruption and conflicts of interest. |
| Lack of clarity or accurate information in product communication could cause confusion among patients and healthcare professionals, compromising the Company's reputation and undermining trust in the brand. |  <p>FOCUS ON PRODUCT COMMUNICATION</p> | Neopharmed Gentili is committed to ensuring that its product communication is accurate, clear and complete, helping to promote the safety and trust of patients and healthcare professionals. |
| The lack of effective human resource management policies could generate discrimination, conflicts and dissatisfaction among employees, compromising the working climate and Company productivity. |  <p>HUMAN RESOURCE MANAGEMENT POLICIES</p> | Neopharmed Gentili promotes a healthy and safe working environment. It offers professional development opportunities to employees to improve their well-being and create a positive working atmosphere. |
| If defective products, incorrect information or product safety problems occur, this could put patients' health at risk and compromise the public's trust in the Company. |  <p>PROTECTING CUSTOMER HEALTH AND SAFETY</p> | Neopharmed Gentili implements strict quality and safety controls to ensure that its pharmaceutical products are safe and effective for patients. Moreover, it provides clear and accurate information on the correct use of products, promoting patients' health and well-being. |

| Negative impacts | Topics | Positive impacts |
|--|---|--|
| Violations of customer privacy, such as inadequate management of personal data or lack of IT security, would damage customer trust and corporate image. |  PROTECTION OF CUSTOMER PRIVACY | Neopharmed Gentili is committed to protecting customers' personal data by respecting privacy regulations and ensuring transparent data management. |
| The lack of attention to inclusion, diversity and non-discrimination could create a hostile working environment, discourage employee participation and give rise to legal disputes. |  INCLUSION, DIVERSITY AND NON-DISCRIMINATION | Neopharmed Gentili promotes an inclusive and respectful environment for diversity by adopting policies and practices that value individual differences, promoting equity and creating a welcoming and collaborative working environment. |
| The absence of effective industrial relations management could generate conflicts, tensions and a loss of trust between the Company, employees and trade union representatives, leading to legal disputes that would compromise workplace stability and harmony. |  INDUSTRIAL RELATIONS MANAGEMENT | Neopharmed Gentili promotes positive and constructive relationships with employees and workers' representatives, adopting practices of social dialogue, participation and involvement of employees in decisions that concern them. |
| Inadequate waste management could lead to environmental risks, damage the Company's image and violate environmental regulations. |  WASTE | Neopharmed Gentili adopts responsible waste management practices that minimise environmental impact and contribute to environmental protection. |











Material topics



The chart above shows the prioritisation of the Company's material topics in order of the score obtained (on a scale from 1 to 5). Both on the basis of Management's internal assessments and through the external considerations of stakeholders, the topics of greatest relevance for Neopharmed Gentili are clearly those related to 'Protecting occupational health and safety', 'Personnel training and education' and 'Business ethics and integrity'.



The table below links the material topics identified with the regulatory references and standards present at international level.

| Topics | SDGs | SASB | ESG Certification | EFRAG | GRI |
|---|---|--|---|---|-------------------------------------|
|  PROTECTING OCCUPATIONAL HEALTH AND SAFETY | Goal 3: Good health and well-being for people | Labour Practices | Legal compliance | ESRS S1 Own workforce | 403 Occupational health and safety |
|  PERSONNEL TRAINING AND EDUCATION | Goal 4: Equitable quality education | Employee Engagement, Diversity & Inclusion | Productivity, skills and development of workers | ESRS S2 Workers in the value chain | 404 Training and education |
|  BUSINESS ETHICS AND INTEGRITY | Goal 16: Peace, justice and strong institutions | Business Ethics | Code of Conduct | ESRS G1 Business conduct | Call to everyone |
|  FOCUS ON PRODUCT COMMUNICATION | Goal 8: Decent work and economic growth | Product Quality & Safety | Product/service safety and quality | ESRS G1 Business conduct | 416 Customer health and safety |
|  HUMAN RESOURCE MANAGEMENT POLICIES | Goal 8: Decent work and economic growth | Employee Engagement, Diversity & Inclusion | Productivity, skills and development of workers | ESRS S1 Own workforce | 402 Labour/management relations |
|  PROTECTING CUSTOMER HEALTH AND SAFETY | Goal 17: Partnerships for the goals | Customer Welfare | Product/service safety and quality | ESRS S4 Consumers and end users | 416 Customer health and safety |
|  PROTECTION OF CUSTOMER PRIVACY | Goal 17: Partnerships for the goals | Customer Welfare | Product/service safety and quality | ESRS S4 Consumers and end users | 416 Customer health and safety |
|  INCLUSION, DIVERSITY AND NON-DISCRIMINATION | Goal 10: Reduced inequalities | Employee Engagement, Diversity & Inclusion | Human rights | ESRS S1 Own workforce | 405 Diversity and equal opportunity |
|  INDUSTRIAL RELATIONS MANAGEMENT | Goal 9: Industry, innovation and infrastructure | Labour Practices | Legal compliance | ESRS G1 Business conduct | 402 Labour/management relations |
|  WASTE | Goal 12: Responsible consumption and production | Waste & Hazardous Materials Management | Pollution and waste | ESRS E5 Resource use and circular economy | 306 Waste |

2.3. The Strategic Sustainability Plan



Neopharmed Gentili has chosen to launch a roadmap towards sustainability through a three-year Strategic Plan, engaging stakeholders and adhering to the SDGs of the UN.

As a natural consequence of the stakeholder engagement and materiality analysis carried out, Neopharmed Gentili launched a participatory consultation process, with the support of Circularity, aimed at defining specific issues and actions to achieve the Company's sustainability objectives. This process led to the approval of the Company's Strategic Sustainability Plan, which defines the operational milestones for the three-year period 2024 - 2026.

Neopharmed Gentili's Strategic Plan represents the Company's vision on ESG matters and concretely responds to the objectives of the UN 2030 Agenda, including the Sustainable Development Goals (SDGs). Beyond communicating the Company's main goals to both internal and external stakeholders, the Strategic Plan supports tasks such as monitoring, analysing deviations, and most importantly, improving and adapting to the ever-changing economic, social, regulatory and environmental conditions characteristic of the reference market.

To ensure that it follows through on its commitments, the Company has established a Sustainability Committee with the purpose of monitoring project progress and analysing any deviations from actual results. They keep the Board of Directors informed about necessary actions and the budget required in terms of financial and organisational resources.

This process was driven by the need to ensure consistency and feasibility in the pursuit of ESG objectives. The implementation schedule was assessed considering not only the economic, financial and production conditions of the Company, but also the evolution of national and international regulations and the changing expectations of stakeholders. In addition, it was important to integrate constant updating in order to monitor the implementation status of the actions and objectives, with the aim of pursuing continuous improvement.





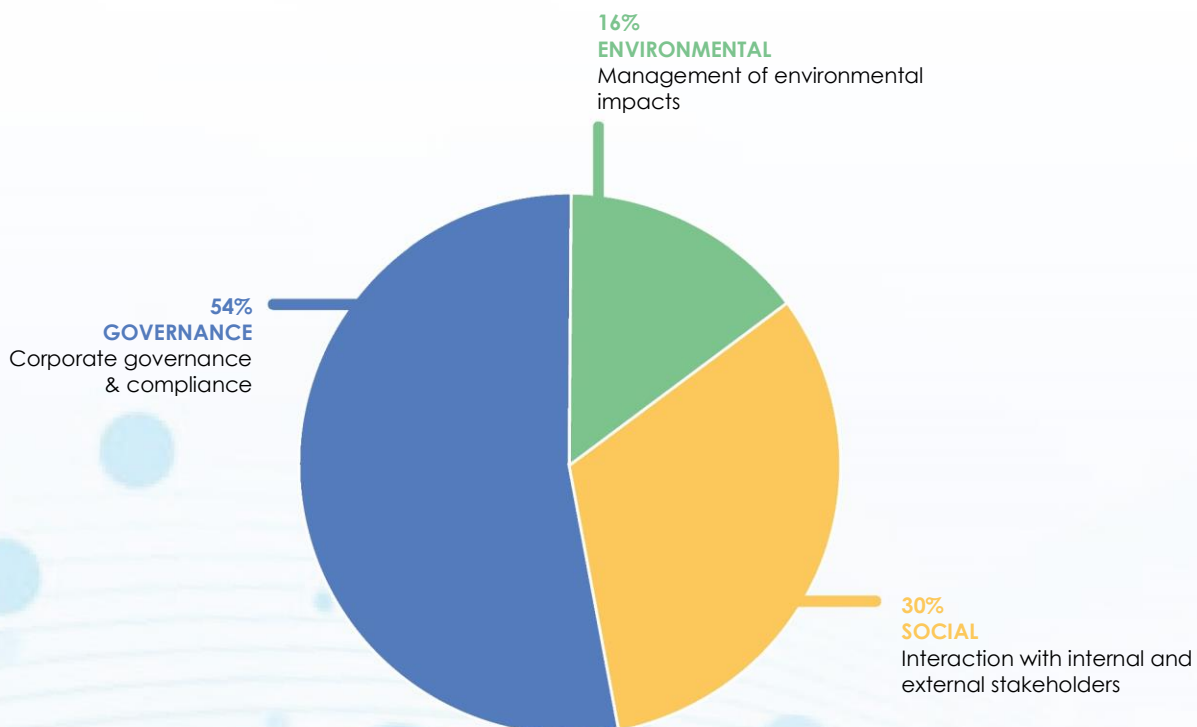
Neopharmed Gentili's Strategic Sustainability Plan is divided into the three E, S, G, areas, starting with the engagement of stakeholders, the creation of a Sustainability Committee and the identification of the relevant Sustainable Development Goals (SDGs), integrating specific programmes to support their achievement and the Company's membership in global sustainability initiatives.

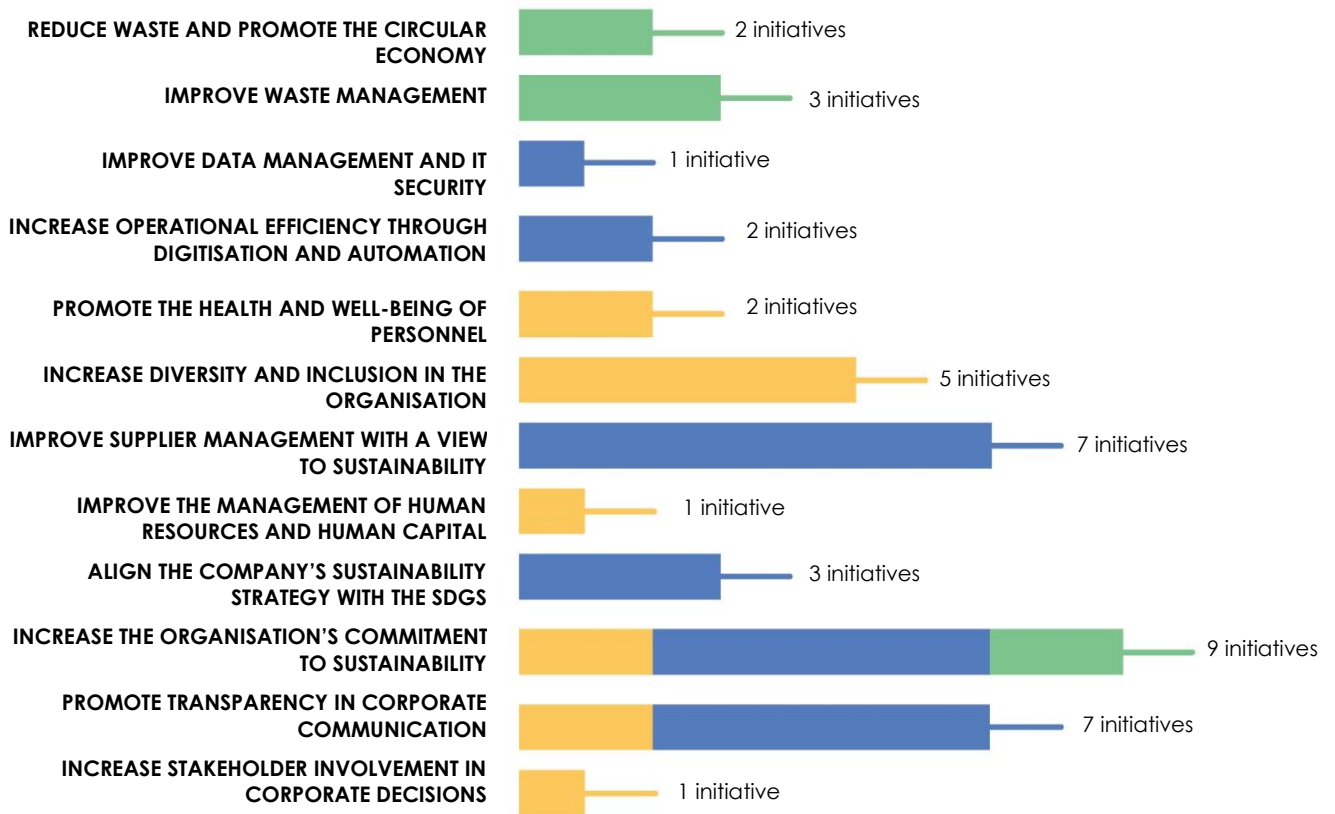
In terms of governance, the Plan focuses on responsible management, ensuring the measurement and reporting of corporate impacts. It also includes a vertical line on aspects related to the Company's supply chain reaching greater transparency and monitoring. On the social front, internal training is promoted to spread the culture of sustainability, voluntary programmes and donations, policies for diversity, inclusion and equal opportunities. At the environmental level, the plan includes measures for sustainable waste management and for reducing environmental impact and adopting eco-friendly practices.

The transparent communication of company performance is guaranteed through various channels, including the annually updated Sustainability Report. This holistic and integrated approach allows Neopharmed Gentili to actively contribute to building a more sustainable future, balancing economic growth with respect for the environment and social responsibility.

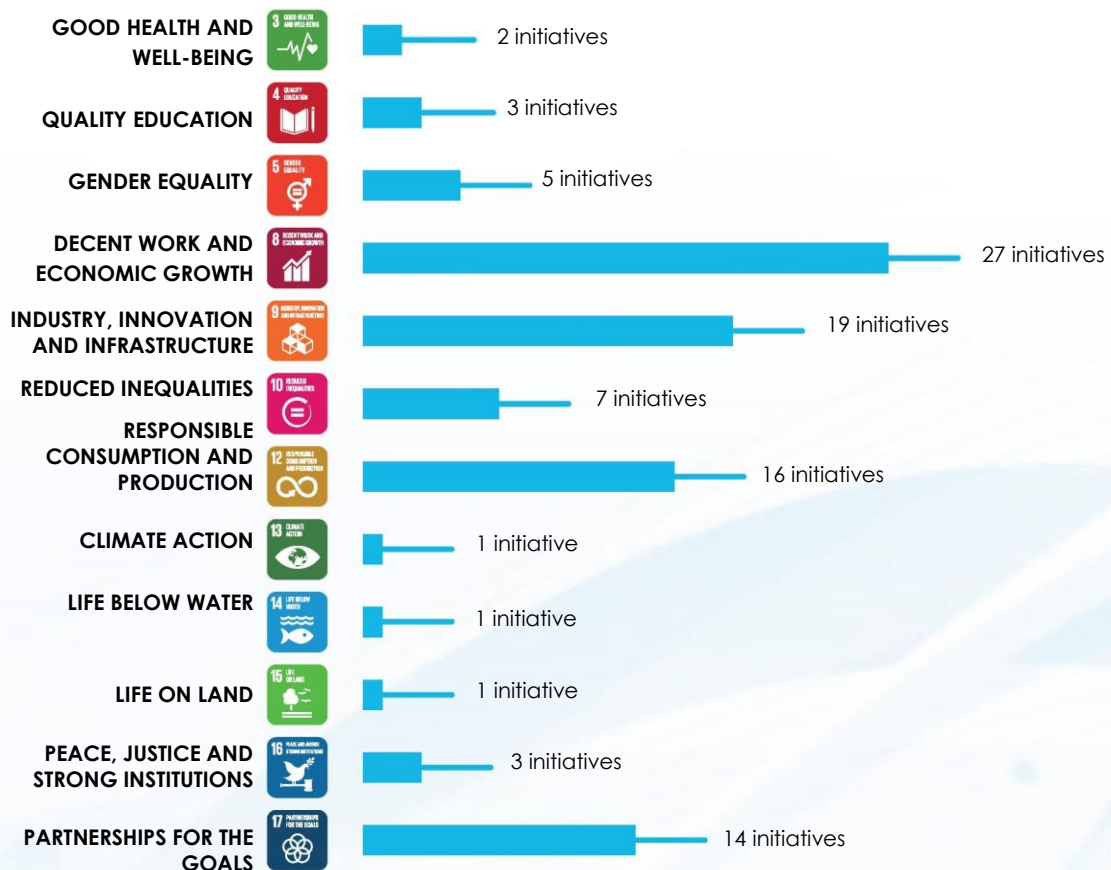
Neopharmed Gentili's Strategic Plan can be consulted on the website at the following link: <https://neogen.it/it/piano-strategico/>

Breakdown of the initiatives by pillar and goal





Classification of initiatives with respect to the SDGs



3. Governance of Neopharmed Gentili

- 3.1 Management of a Responsible Business
- 3.2 The 231 OMM and Risk Assessment Activities
- 3.3 Supervisory Body
- 3.4 The Code of Conduct

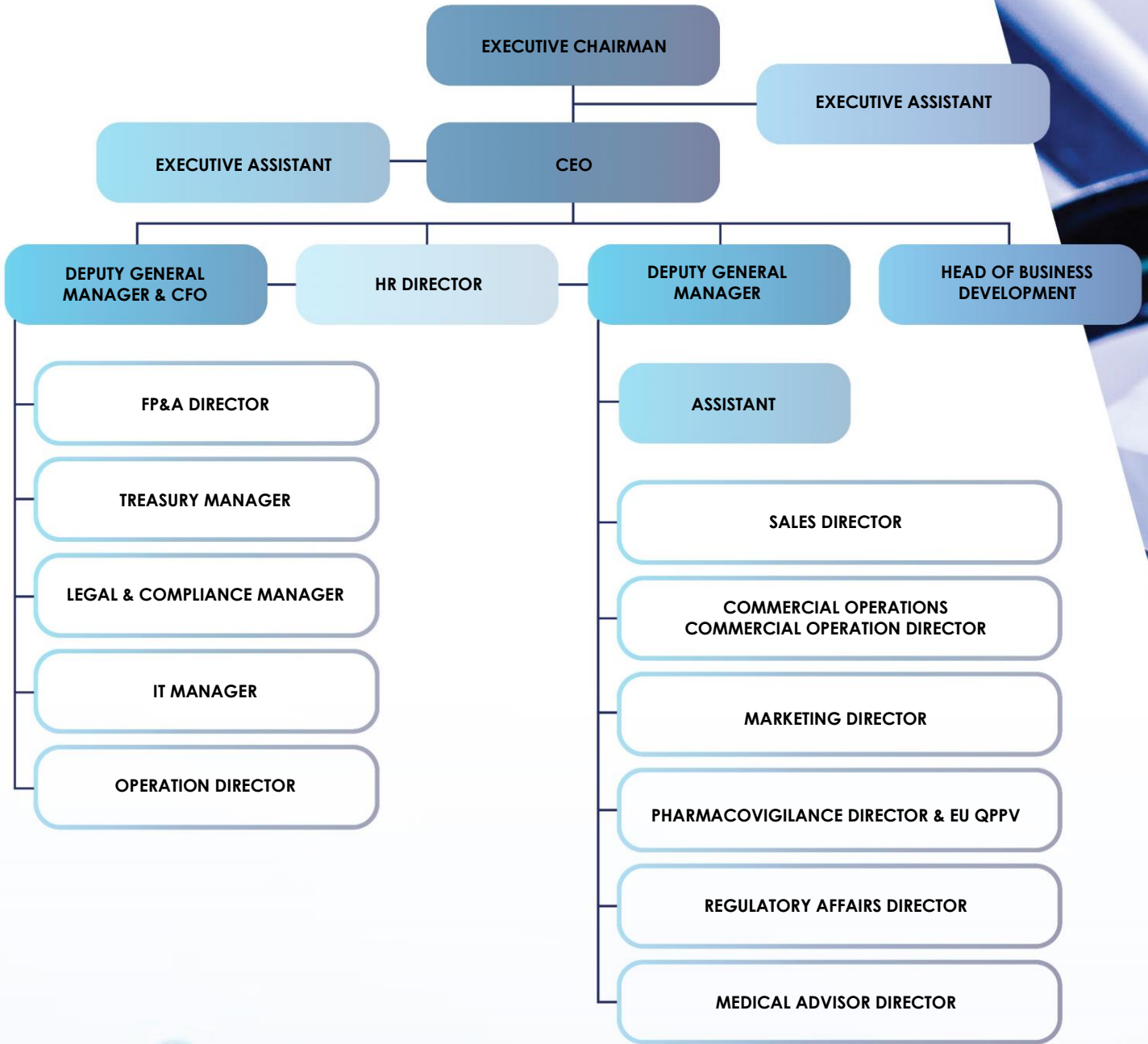
3.







Within the context of corporate sustainability, Neopharmed Gentili is committed to ensuring transparency, accountability and effective decision-making.



Neopharmed Gentili's corporate governance is headed by the Board of Directors which is responsible for the Company's strategic management. The Board is composed of six members, including two representatives of NB Renaissance, two of Ardian, a representative of Mediolanum and the CEO, chosen jointly.

The members are appointed for a three-year mandate by the Shareholders' Meeting, thereby ensuring diversified legal representation and a solid long-term strategic approach. At the same time, the Company is subject to the control of the Board of Statutory Auditors, composed of three standing members and two alternate members, also appointed by the Shareholders' Meeting for a period of three years.





3.1. Management of a Responsible Business

Neopharmed Gentili stands out for its commitment to transparency, legality and fairness in its operations. This commitment results in a series of business practices that meet the highest standards of ethical and responsible behaviour.

The measures adopted by the Company include the Organisation, Management and Control Model (the Model), compliant with Italian Legislative Decree 231/2001, by virtue of which a Supervisory Body (the SB) was established to ensure the correct functioning of the Model and its updating. Likewise, a Code of Conduct has been promulgated, which clearly outlines the ethical and behavioural principles for all members of the Company.

Neopharmed Gentili is a member of the Italian Association of Pharmaceutical Companies (Farmindustria) and undertakes to carry out its activities in compliance with the provisions of the Farmindustria Code of Ethics, promoting an understanding of ethics principles among new hires. This commitment is supported by continually investing in the training of employees and agents, especially those who manage sensitive relationships with public authorities and other stakeholders.

In addition, the Company undertakes to conduct an annual internal audit to verify compliance with the guidelines of scientific information, as prescribed by the Farmindustria Code of Ethics. This audit is crucial to obtain annual certification from an external body (Bureau Veritas), which confirms the Company's commitment to ethics and quality in scientific information. The certification for the year 2023 was obtained on 4 February 2024.



OMM 231

SUPERVISORY BODY

CODE OF CONDUCT

**FARMINDUSTRIA
CODE OF ETHICS**

3.2. The 231 OMM and Risk Assessment Activities

Firmly believing that compliance with the law and ethical behaviour are not only morally correct and necessary, but are also an effective way of managing its business activities, Neopharmed Gentili has voluntarily adopted an Organisation, Management and Control Model pursuant to the Italian Legislative Decree 231/2001.

This initiative was taken in the belief that the Model can be a valid tool for raising the awareness of all Company employees and all other involved parties (customers, suppliers, partners, agents and collaborators in various capacities), leading them to adopt proper and

coherent behaviour in performing their activities. The Model also lays the foundation for an organisation that prevents the risk of committing the offences envisaged in Italian Legislative Decree 231/2001.

231 OMM Model Training

Training is a crucial tool through which the Company, in close cooperation with the Supervisory Body (SB), promotes the dissemination and application of the Model adopted pursuant to Italian Legislative Decree 231/2001, both internally and externally.

In particular, Neopharmed Gentili undertakes to:

- Ensure that all personnel have understood and accepted the Model, as well as the Code of Conduct and company protocols;
- Organise and verify the information and training activities for personnel based on the skills required for each position;
- Document and assess the effectiveness of the information activity carried out.

To ensure the correct functioning of the Model, the training of personnel, collaborators and agents is managed by the Legal & Compliance Department in close collaboration with the SB.

Risk Assessment

In drafting and updating its 231 Model, Neopharmed Gentili submits its activities to a detailed risk assessment, i.e., a targeted analysis of the potential risks of offences. This assessment identifies particularly sensitive areas based on the nature of the Company and the market context.

These activities include relations with public administrations, sponsorships, hospital tenders, gifts, donations, consultancy and the reimbursement of expenses.

To regulate these activities, specific Company processes have been drawn up with the specific aim of preventing situations potentially suitable for the commission of criminal offences which are relevant in terms of liability pursuant to Italian Legislative Decree 231/2001.



3.3. Supervisory Body

The establishment of a Supervisory Body (SB) is essential to ensure exemption from administrative liability. This body must have the authority and powers necessary to independently supervise the functioning of and compliance with the Model, as well as to propose any amendments to the Board of Directors.

The Company has carried out verification and selection activities to identify the most suitable persons to be members of the SB, in accordance with the provisions of Italian Legislative Decree 231/2001, the Guidelines, the best legal theory and the positions adopted in case law. When choosing the SB members, the ability to guarantee effective controls in relation to the Company's size and organisational complexity were taken into consideration.

For this reason, a collegial, multi-member SB was established, consisting of individuals outside the Company. Three members with proven experience in the field of Italian Legislative Decree 231/2001 were appointed, ensuring the requirements of independence and professionalism.

The SB can be assisted by a Secretary, selected from among the Company's employees and whose duties are defined in the SB's Regulations. Working in close contact with the SB, the Secretary ensures that all the activities related to the Decree and the Model are implemented on time and with the expected quality, at the request of the Board of Directors or the SB.

3.4. Code of Conduct

The Neopharmed Gentili Code of Conduct is an essential pillar in promoting an ethical, responsible working environment compliant with sustainability principles. Approved by the Board of Directors, this document establishes the reference ethical standards and outlines

the rights, duties and responsibilities of all those who work in the Company, including employees, advisors, agents, business partners or parties linked by a relationship of collaboration (set of subjects hereinafter defined as 'Collaborators').

Objectives and Guiding Principles

The main objective of the Code of Conduct is to establish rules and guidelines that steer the behaviour of Neopharmed Gentili Collaborators, reducing the risk of unethical behaviour.

These regulations aim to promote a corporate culture based on legality, loyalty, fairness, mutual respect and professionalism, with particular attention to:

- Conduct compliant with the laws and the Farindustria Code of Ethics;
- Loyalty to the Company;
- Fairness, courtesy and respect in relations between colleagues;
- Respect for the interests of all other stakeholders (customers, business partners, government authorities and the public community);
- Compliance with competition rules;
- Professionalism and diligence in carrying out their duties.

Scope of Application and Implementation

The Code of Conduct applies to all activities and to all directors and Collaborators of Neopharmed Gentili, without exception.

It is the basis of all the guidelines and procedures adopted and/or applied by the Company, considering key areas of individual responsibility such as:

- ➔ the use and protection of corporate information;
- ➔ the management of conflicts of interest;
- ➔ the correct keeping of accounting records;
- ➔ relations with public administration, political organisations and trade unions;
- ➔ health, safety and environmental policies.

Governance and Internal Control

The Code of Conduct forms a key element of the Company's internal control system. It helps prevent corporate risks and ensures compliance with internal and external regulations. Management has the task of constantly monitoring compliance with the Code and implementing specific audit programmes, ensuring that Company expectations are understood and respected by Collaborators.



GLOSSARY: WHISTLEBLOWING

On 15 November 2017, the Chamber of Deputies officially approved the law on 'Whistleblowing,' introducing rules to protect employees or collaborators who report unlawful acts in the private sector.

The term 'Whistleblowing' refers to the reporting of unlawful conduct or violations of the Code of Conduct, the Model and the internal procedures of a company, in order to preserve its integrity.

In implementation of Italian Legislative Decree 24 of 10 March 2023, Neopharmed Gentili has established required channels for the receipt and management of whistleblowing reports, choosing to outsource these aspects to protect the whistleblower.

Those wishing to make an internal report can submit it through the following channels:

- ➔ toll-free number: 800-231-670
- ➔ e-mail address: neogen_whistleblowing@complegal.it

4. Economic Performance

- 4.1 Economic Value Generated and Distributed to Stakeholders
- 4.2 Risk Management

4.





€ 270,167,781
Sales revenue



€ 277,789,361
Production value

€ 26,280,056
Net profit

€ 411,466,168
Shareholders' equity

76%
Percentage of
economic value
distributed on
generated value

Socio-Economic Context

The global economic context of 2023 was marked by considerable geopolitical uncertainty, triggered by the persistence of the conflict between Russia and Ukraine, together with tensions in the Middle East. However, a positive trend emerged with respect to the stabilisation of energy costs, which had the main consequence for Western economies of a lower inflationary increase during the year 2023 compared to the much greater increase recorded in 2022.

The Company, whose operations are mainly national, found itself operating in an economic environment influenced by internal policies and international events. Italy recorded signs of growth in 2023, with an increase in GDP and a reduction in public debt, reflecting a certain resilience in a context of global uncertainty.

In the pharmaceuticals sector, there was an increase in sales in the domestic market, highlighting positive performance in both the retail channel and in the other distribution channels. These consolidating sales, combined with solid and effective management, have allowed the Company to maintain a strong position on the market.

According to IQVIA data, in the 12-month period through to September 2023, the Italian market recorded sales of € 24.9 billion, with an increase of 3.9% in terms of value and 1.2% in terms of volumes. This increase was evident in all sales channels, including pharmacy, hospital and DPC.

Concentrating on the retail channel (pharmacy), which includes the Company's products, there was a 0.8% increase in value sales in the 12 months until September 2023, according to IQVIA data. The OTC segment and class A products remained largely stable, while class C products experienced a positive performance, also thanks to the possible price increase in odd-numbered years.

The Company performed better than the market in terms of both value (+5%) and units (+2.7%).

During 2023, the Company's total turnover was € 270.2 million, an increase of 31.1% compared to the previous year, when turnover amounted to € 206.1 million.

The Valeas list products under franchise since January 2023 especially contributed to the growth, as well as the impact of the Minias and Tranquirit products acquired in 2022 on the entire year. The rest of the product list also benefited from organic growth of 3.6%, excluding the impact of the patent expiry of Velmetia (the last product of the product list still covered by a patent), which caused a decrease in turnover of this product of approximately € 9 million compared to the previous year.

The Company's shareholders' equity amounted to € 411,466,168 at the closing date of the 2023 Statutory Financial Statements, with a net profit in the financial year ended 31 December 2023 of € 26,280,056. The increase in revenues from sales is consistent with an increase in production value of approximately € 278 million, up by 27.62% compared to the previous year.

Operating expenses increased compared to the previous year, mainly due to the increase in turnover, reflecting an increase in sales and distribution costs. However, commercial and structural costs remained substantially stable, allowing for an improvement in operating leverage. Despite the general increase in prices during the year, caused by the extraordinary increase in energy costs, expenses related to the purchases of goods and services remained relatively stable as a result of a careful policy of negotiation with suppliers.

No significant investments were made in 2023, with the exception of regular purchases of IT equipment and software. In addition, some investments were made in technology transfer projects for certain products aimed at obtaining cost savings in the coming years.

Calculations deriving from income statement analyses

| Items | 2023 | 2022 | Variations |
|--------------------------------|---------------|---------------|------------|
| Sales revenue | € 270,167,781 | € 206,060,903 | 31.11% |
| Production value (PV) | € 277,789,361 | € 217,676,736 | 27.62% |
| Personnel expenses / PV | 7.69% | 9.26% | -1.57% |
| Purchasing of goods / PV | 30.96% | 27.53% | 3.43% |
| Purchasing of services / PV | 18.79% | 19.21% | -0.42% |
| Use of third party assets / PV | 1.54% | 1.45% | 0.09% |
| Other operating expenses / PV | 3.01% | 3.68% | -0.68% |



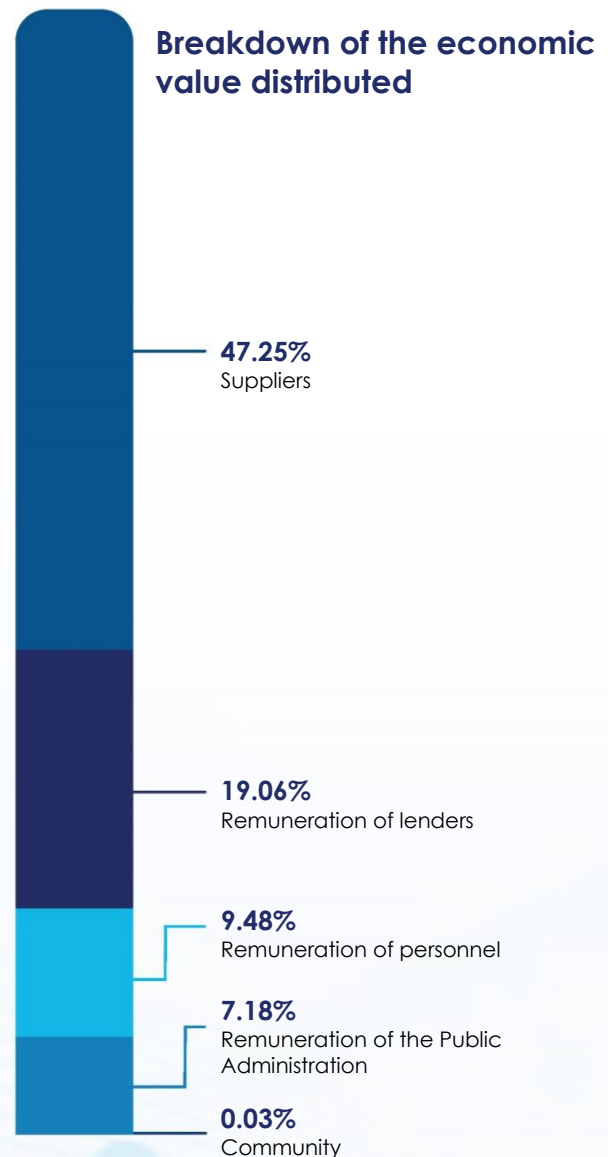
4.1. Economic Value Generated and Distributed to Stakeholders

Added value is the direct and significant contribution of an organisation to society, meeting its broadest expectations.

The reclassification of the financial statements, aimed at measuring the difference between the wealth generated by the Company and the interactions with stakeholders, confirms effective management and a consistent management approach.

The increase in revenues from sales is mainly reflected in the item 'Direct economic value generated', which represents the entire value in the financial year. This value shows an absolute increase of 22.3% compared to 2022, also driven by the increase in sales revenues.

'Distributed economic value' increased by 32.8% compared to the previous year and represented 76% of the 'Direct economic value generated' in 2023.



| Items | UoM | 2023 | 2022 | Variations | |
|---|-----|--------------------|--------------------|-------------------|---------------|
| Direct economic value generated | € | 296,822,416 | 242,692,462 | 54,129,954 | 22.3% |
| Revenue from sales and services | € | 270,167,781 | 206,060,903 | 64,106,878 | 31.1% |
| Changes in inventories of semi-finished and finished products | € | 4,271,487 | 5,470,468 | -1,198,981 | -21.9% |
| Other net revenue and income | € | 3,350,093 | 6,145,365 | -2,795,272 | -45.5% |
| Income from investments | € | 18,400,000 | 25,000,000 | -6,600,000 | -26.4% |
| Other financial income | € | 633,055 | 30,176 | 602,879 | 1997.9% |
| Value adjustments to financial assets | € | 0 | -14,450 | 14,450 | -100.0% |
| Economic value distributed | € | 225,203,409 | 169,626,680 | 55,576,729 | 32.8% |
| <i>% of Direct Economic Value Generated</i> | | 76% | 70% | | |
| Reclassified operating costs | € | 144,694,462 | 106,852,199 | 37,842,262 | 35.4% |
| Raw and ancillary materials, consumables and goods | € | 86,006,659 | 59,920,443 | 26,086,216 | 43.5% |
| Costs for services | € | 52,196,854 | 41,708,697 | 10,488,157 | 25.1% |
| Costs for the use of third-party assets | € | 4,272,736 | 3,150,041 | 1,122,695 | 35.6% |
| Miscellaneous operating costs | € | 2,218,213 | 2,073,018 | 145,194 | 7.0% |
| Remuneration of personnel | € | 21,349,151 | 20,148,012 | 1,201,139 | 6.0% |
| Personnel expenses | € | 21,349,151 | 20,148,012 | 1,201,139 | 6.0% |
| Remuneration of lenders | € | 42,924,940 | 29,164,362 | 13,760,578 | 47.2% |
| Interest and other financial charges | € | 42,924,940 | 29,164,362 | 13,760,578 | 47.2% |
| Remuneration of the Public Administration | € | 16,177,999 | 13,349,099 | 2,828,901 | 21.2% |
| Income taxes | € | 16,177,999 | 13,349,099 | 2,828,901 | 21.2% |
| Community | € | 56,857 | 113,008 | -56,151 | -49.7% |
| Donations | € | 56,857 | 113,008 | -56,151 | -49.7% |



4.2. Risk Management

As regards risk assessment, Neopharmed Gentili recognises the importance of identifying and managing potential threats that could affect its operations and commitment to sustainability.

Supply chain risks

In response to emerging supply chain challenges, including the impacts of the COVID-19 pandemic and regional conflicts, Neopharmed Gentili has adopted measures to diversify suppliers and ensure the continuity of supplies. In any case, the Company's suppliers are mainly located in Italy or in the European Community. Emergency inventory management is essential to address any disruptions in the supply chain.

Legislative and regulatory risks

The Company adopts a proactive approach in monitoring changes in national and regional regulations in the pharmaceuticals sector. This commitment is fundamental to ensure full regulatory compliance and mitigate the risks associated with possible violations or non-compliance. In addition, the Company guarantees compliance with international quality standards (Good Manufacturing Practices - GMP) and with the regulations on scientific information for drugs to which its chemical and pharmaceutical production activities must adhere.

Financial risks

To manage the financial risks from market fluctuations, the Company adopts hedging strategies to protect its exposure and ensure prudent and sustainable financial management. The risk inherent in interest rate fluctuations is mitigated. Moreover, the flows, financial requirements and liquidity of Neopharmed Gentili are constantly monitored in order to ensure the efficient management of financial resources. Lastly, liquidity risk is mitigated by monitoring available liquidity (short and medium term) and monitoring future cash flow conditions on the basis of Company planning and the careful management of credit lines. The Company is only marginally exposed to exchange rate risk, as almost all transactions are in euros.

Risks associated with personnel

Neopharmed Gentili is committed to ensuring a safe working environment in accordance with occupational health and safety regulations. Training programmes and personnel management policies are adopted in order to mitigate employee health and safety risks.

Credit risk

The Company carefully assesses the credit risk associated with its business, taking into account the reliability of customers and past debt collection experiences. Neopharmed Gentili adopts strict financial policies to mitigate the risk of debtor default and protect the financial soundness of the Company. Among these, Neopharmed Gentili has an allowance for doubtful accounts on the balance sheet to account for amounts that may not be recoverable, based on an analysis of previous collection experience and customers' creditworthiness, taking into account any guarantees or insurance coverage.

Tax risks

Tax risk management is carried out in a manner consistent with applicable regulatory requirements and with the best long-term interests for shareholders, considering operational, economic and reputational factors. In order to minimise tax risk, the Company provides specific controls to ensure the correctness and timeliness of the tax settlement and payment as part of transparent and accurate compliance also intended to prevent possible litigation. Additional guarantees are obtained from the periodic audits carried out by the Board of Statutory Auditors, the SB and the body responsible for the statutory audit of the accounts, also for the tax risk management processes.



Environmental risks

Although the Company has not identified significant risks directly related to its operations, it promotes environmental sustainability by adopting responsible procurement practices and carrying out supplier audits to ensure compliance with environmental regulations.

Risks related to products

The Company cooperates with reliable suppliers and complies with sector-specific regulations to guarantee the quality and safety of its products. Quality control measures and risk management policies are adopted to ensure that products meet the highest standards and protect the Company's reputation.

5. Our Priority: Protecting Our Customers

- 5.1 Prioritising Patient Health
- 5.2 Product Quality and Safety
- 5.3 Pharmacovigilance
- 5.4 Privacy, Security and Data Protection
- 5.5 Profile and Sustainability of the Supply Chain

5.





Neopharmed Gentili constantly strives to ensure that its pharmaceutical products are safe, high-quality and able to improve patients' health. The Company is passionately committed to providing effective and reliable solutions to medical needs, thereby contributing to the well-being of the community.

5.1. Prioritising Patient Health

Neopharmed Gentili actively contributes to public health by developing and marketing pharmaceutical products aimed at improving the health and well-being of the patients who use them.

In
2023
Neopharmed Gentili helped to improve the
life of
3,388,952
patients
+ 8.7% vs. 2022



The Company began measuring and monitoring the positive impacts of its products on patients' health in 2019 through a special dashboard that provides the following information:

- breakdown of drugs by disease category;
- number of patients treated for each product;
- 'event reduction' calculated on the basis of the main clinical studies, using indicators such as 'total lives saved' or similar.

The number of patients treated is carefully monitored through the IQVIA system to ensure the effective and efficient provision of healthcare solutions.

5.2. Product Quality and Safety

Neopharmed Gentili strives to maintain the highest quality and safety standards, guaranteeing the protection and well-being of patients and consumers at every stage of the production process.

Neopharmed Gentili's quality system is based on European Good Manufacturing Practices (GMP) and on the national reference legislation, such as the ICHQ10 and the Reflection paper for MAH, where applicable.

More generally, the Company focuses on ensuring the quality, safety and effectiveness of its products. This is achieved through the implementation and maintenance of a quality system on a body of internal quality management procedures (e.g., storage, stability, quality control, personnel training) and procedures relating to external quality aspects (e.g., qualification of suppliers, audits, complaints, recalls, quality agreements).

All GMP-relevant activities are carried out in compliance with written procedures by qualified and appropriately trained personnel, and quality standards are also ensured by appropriate and necessary resources made available by the Company's senior management.

The effectiveness of the internal quality system is continuously monitored through regular internal inspections as well as those by the authorities, primarily the Italian Medicines Agency (AIFA) and the National Institute of Health (ISS).

The quality system of external suppliers is assured through Quality Agreements and its effectiveness is continuously monitored through supplier risk analyses and GMP audits carried out regularly.

Neopharmed Gentili has a Pharmaceutical Workshop authorised by AIFA decree am-48/2020 of 22/04/2020 for the Quality Control, Storage and Release of products. In addition, the Company has the GMP IT/25/H/2021 certificate for these activities, issued by AIFA.

Safety guarantee: Neopharmed Gentili's strict quality management procedures

- ➔ Customer complaints are handled in compliance with Standard Operating Procedures (SOP).
- ➔ Neopharmed Gentili complies with high quality standards regarding clinical studies.
- ➔ Company activities are regularly audited by business partners, certification authorities and/or government agencies.
- ➔ Neopharmed Gentili trains all its employees on product quality and safety issues: each employee receives scientific training adapted to their role and responsibility (including the regulation and management of medical devices, laboratory data analysis, audit and batch release). New employees benefit from customised training adapted to their specialisation.



5.3. Pharmacovigilance

Neopharmed Gentili collects and evaluates all the information about adverse events or reactions concerning its drugs in order to monitor the benefit/risk profile, discusses them at Signal Detection and Safety Evaluation Committee meetings, and communicates the relevant information to the competent authorities in accordance with current regulations.

The assessment of reports of possible adverse events or reactions by patients and doctors is crucial for drafting periodic safety reports that are subject to in-depth analysis by the European regulatory authority (EMA) and those of the countries in which our drugs are marketed.

In accordance with current legislation, Neopharmed Gentili prepares an analysis of the risks associated with the use of all new drugs and the resulting Risk Management Plan. Neopharmed Gentili undertakes to ensure that all Company personnel are aware of the principles of pharmacovigilance and the protocols to be followed in the event of reported adverse events.

To this end, each new employee receives specific training upon their entry in the Company and a regular refresher course is provided every 18 months for all personnel.

In addition, the personnel involved in pharmacovigilance participate in internal and external training courses to remain constantly up-to-date on the obligations and best practices in the field of pharmacovigilance.

THE PHARMACOVIGILANCE SYSTEM

The Neopharmed Gentili Pharmacovigilance System precisely defines the specific responsibilities and business processes necessary to ensure the effective management of pharmacovigilance activities.

This system is constantly monitored through internal audits, reviews by commercial partners and regulatory inspections. Neopharmed Gentili's activities are certified using quality indicators in line with national and European standards of the pharmaceutical industry.





5.4. Privacy, Security and Data Protection

The IT security governance system established by the Company aims to guarantee the confidentiality, integrity and availability of data, formalise security requirements, assess risk and operational continuity levels, monitor existing security levels and promptly respond to safety-critical events.

In compliance with EU Regulation 2016/679, known as the GDPR, the Company has implemented and periodically updates a procedural system to guarantee the security and privacy of the data processed.

Neopharmed Gentili maintains an updated processing register that includes a risk assessment for each registered processing. Considering the activities carried out by the company, the procedures for processing the data of the doctors for whom medical-scientific information collection activities are carried out are of particular importance, as well as the collection of information within the national pharmacovigilance system, which may include, albeit to a lesser extent, the personal data of patients. Also for this reason, the Company is careful to provide all new medical representatives with training courses provided by the Legal & Compliance Department, regarding the necessary obligations and correct management of personal data processing as part of their work activities.

The Company rules for processing the aforementioned data consider the specific regulations of the sector, combining them with the principles of transparency to which the Company is always very attentive. The provision of the information required by Article 13, GDPR, the identification of the correct legal basis and the collection of consent, as required, constitute - even before mere compliance with the law - implementation of Neopharmed Gentili's fundamental principles of transparency.

In line with the Company's desire to fully comply with the sector regulations of legislative, regulatory and ethical sources, the Company is updating its data processing methods on transfers of value to doctors so that it can properly feed the 'transparent healthcare' register envisaged by the 'Sunshine Act' as soon as it is operational.

Further, important processing is carried out to protect tangible and intangible assets using cyber and physical security tools.

Attention to the values of the dignity of labour and the desire to fully apply the measures prescribed by the Statute of Workers have resulted in a process shared with trade union representatives for the adoption of effective protection tools, in compliance with the principles of strict necessity, relevance and non-excess in the collection, storage and processing of personnel data.

In this regulatory context, the Company is supported by specialised consultants and an external Data Protection Officer. Furthermore, it has developed strict procedures to address issues such as data breaches and guarantee the continuity of IT systems, thus ensuring responsible and compliant processing of the data it processes.

General information security policy

Neopharmed Gentili recognises IT security as a crucial element for ensuring operational continuity and civil and social responsibility. In consideration of growing global cyber threats and the complexity of the sector in which it operates, the Company is committed to pursuing a range of key objectives:

- guaranteeing the confidentiality, integrity and availability of the data processed by all collaborators, ensuring that the relevant technologies and IT services are correctly enabled;
- proactively and effectively responding to the increase in cyber threats, in particular by developing mechanisms to prevent data breaches;
- protecting the data and interests of customers and business partners;
- preserving the reputation gained over the years in order to support business development in new and existing markets and geographical areas;
- protecting know-how to ensure the evolution of the product portfolio and protect the Company's supply chain and brands;
- ensuring compliance with the various applicable rules and regulations.

The commitment to achieving these objectives is supported by specific operating procedures and a set of technological measures aimed at preventing and combating IT security risks. The security policy and related procedures were drawn up in 2023 and will be applied from 2024.

IT system continuity operating procedure

In order to ensure the proper functioning of the business, Neopharmed Gentili has developed an operating procedure to identify critical or vital IT systems whose malfunctions could have serious repercussions on Company operations, and has established recovery procedures in the event of an IT disaster. In accordance with national and international regulatory directives, such as the ISO/IEC 27002 and ISO 22301 standards of 2019, together with the GDPR provisions, the Company has classified services according to their critical nature and tolerance to interruption.

As part of the Disaster Recovery Plan, the organisational structure for the coordination of recovery operations is well defined and includes various figures, such as Management, the Crisis Manager, Operations Manager, the External Structures and the General Services Manager. Each of these figures has defined roles, from identifying the emergency to dealing with the recovery operations, to ensure the continuity of business activities even in critical situations.



5.5. Profile and Sustainability of the Supply Chain

Managing sustainability in the supply chain, as part of the Strategic Plan

In continuity with the strategy already launched and as part of the 2024-2026 Strategic Plan, specific actions have been integrated to enhance the sustainability of the supply chain, in response to new national and international regulations.

Neopharmed Gentili constantly strives to assess and improve the profile and sustainability of its supply chain, recognising the crucial role of responsible procurement management in achieving corporate sustainability objectives and ensuring the quality and reliability of the products and services offered.

The Company relies on a network of suppliers, including multinational business partners in the pharmaceuticals sector and third parties (CMO) located mainly in Italy. In addition, licence and distribution agreements have been signed with foreign partners for specific products. Products are supplied both through the purchase of finished products and through the creation of commissioned products. In some cases, subcontractors provide the complete service, from the purchase of the active ingredients to the final packaging, while in other cases the Company provides the API and some packaging materials. This diversification in the supply chain allows a flexible and targeted approach to market and customer needs.

Once the production process is completed, the finished products are delivered to the warehouse managed by a logistics partner. From there they are distributed to end customers, which include wholesalers, pharmacies and hospitals, based on the orders received.

During 2021, the Company launched a process to assess the sustainability of its suppliers through a questionnaire dedicated to environmental, social and governance (ESG) aspects. This initiative involved 90% of primary suppliers, making it possible to map the ESG profile of the supply chain. The results obtained were positive, with no suppliers assessed as critical.



6. Value of Human Capital

- 6.1 Human Resource Management
- 6.2 Diversity, Inclusiveness and Equal Opportunity
- 6.3 Occupational Safety and Well-Being
- 6.4 Training and Professional Development
- 6.5 Turnover
- 6.6 Company Welfare and Remuneration System

6.





6.1. Human Resource Management

Attention to the individual and their well-being is an intrinsic feature of Neopharmed Gentili's DNA. This is certainly true for patients, who have always been the direct recipients of the Company's work, but is equally true for employees, considered the real driver of the Company's business.

Employees 2022-2023



Considering the two-year period 2022-2023, the performance in the chart shows a substantial balance in the breakdown of Neopharmed Gentili's workforce. In particular, net of a slight increase in the number of executives and white-collar workers, there was a slight reduction in the number of middle managers, dropping from 91 in 2022 to 89 in 2023.

As regards the blue-collar category, the total absence of these figures in 2023 is in line with the Company's business focused on marketing products rather than their production. Overall, in both years considered, white-collar workers represent the largest portion of the Company population, followed by middle managers and then executives.

| GRI 2-7A Employees | UoM | Women | Men | Total |
|--|-----|-------|-----|-------|
| Total contract employees 2023 | No. | 98 | 126 | 224 |
| Permanent | No. | 98 | 123 | 221 |
| Fixed-term | No. | 0 | 3 | 3 |
| Non-guaranteed hours (e.g., on call, occasional) | No. | 0 | 0 | 0 |
| Total full-time + part-time employees | No. | 98 | 126 | 224 |
| Full-time | No. | 95 | 126 | 221 |
| Part-time | No. | 3 | 0 | 3 |

As can be seen from the table, all of Neopharmed Gentili's employees are covered by collective bargaining agreements.

| GRI 2-30 Bargaining agreements | UoM | 2022 | 2023 |
|---|-----|------|------|
| Number of employees covered by collective bargaining agreements | No. | 218 | 224 |
| Total number of employees | No. | 218 | 224 |
| Number of employees covered by collective bargaining agreements | % | 100% | 100% |

In particular, depending on the specific job held, the following National Collective Labour Agreements (CCNL) used are: CCNL for Executives of Industrial Companies; CCNL for employees in the Chemical and Chemical-Pharmaceutical Industry. Two second-level agreements have also been adopted: Second-level WELFARE Agreement for all Middle Managers - White-collar Workers; and Second-level SMART WORKING Agreement for Middle Managers - White-collar Workers.

224
Number of employees

29
Number of new employees

10%
Outgoing turnover rate

44%
Percentage of female employees

24
Average hours of training per employee

In order to ensure transparency and full compliance with the principles of equal opportunity, Neopharmed Gentili has voluntarily drawn up an internal Personnel Selection and Hiring Policy.

Aimed at all personnel regardless of the type of contract, the policy governs the following processes:

- ➔ search and selection of personnel;
- ➔ confirmation of meeting the requirements requested during the candidate selection phase;
- ➔ trial period and personnel assessment; mandatory training.

The Policy is updated by the Personnel Department together with General Management.

In addition to employees, Neopharmed Gentili works with non-employee collaborators and, in particular, external consultants and sole agents totalling 271 individuals. The activity of exclusive agents is strongly linked to the Company business and the pharmaceuticals sector:

specifically, these professionals work exclusively for the Company with the dual purpose of carrying out scientific information activities with doctors, and to a lesser extent, sales activities in pharmacies.





6.2. Diversity, Inclusiveness and Equal Opportunity

For Neopharmed Gentili, inclusiveness and the protection of equal opportunities are the necessary conditions for creating a prosperous, cutting-edge working environment.

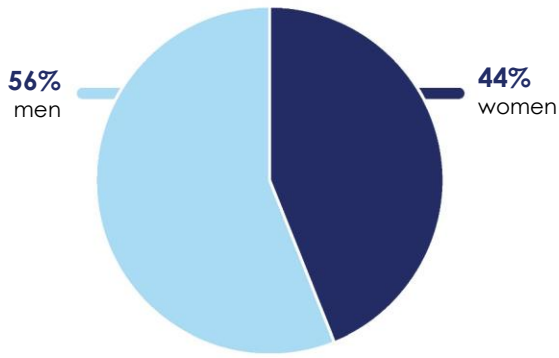
These prerequisites led the Company to draw up, already in 2021 and on a voluntary basis, an internal Diversity and Inclusion Policy. The key points of the Policy include: the creation of an inclusive work environment, free from all forms of discrimination and harassment, whether of a sexual, cultural, political, religious or personal nature; the pursuit of personnel recruiting and management procedures based on transparency and respect for equal opportunities; the definition of training courses and professional growth paths aimed at encouraging each employee's full achievement of their human potential. The same document contains and indicates the tools for reporting any violation of the contents of the Policy.

Confirming its commitment, in 2023 Neopharmed Gentili undertook a process to update the internal D&I Policy, aimed at achieving high standards of inclusion and gender equality. The action taken aims to integrate the principles already expressed within the procedure with others of broader scope: guaranteeing equal pay for both genders, prohibiting any form of gender discrimination; ensuring full parenting support for both genders; supporting employees in identifying proper work-life balance through the flexible organisation of work activities.

As a whole, the process described demonstrates Neopharmed Gentili's full willingness to maintain high levels of D&I compliance, ensuring the protection and enhancement of the peculiarities of each member of the company population.

The table and chart below show the breakdown between women and men in the roles of middle manager, white-collar and blue-collar employee in the two-year period 2022-2023 with a focus on the current situation of Neopharmed Gentili.

| GRI 405-1 Employees by category and gender | 2022 | 2023 |
|---|-------------|-------------|
| Total employees | 218 | 224 |
| - women | 93 | 98 |
| - men | 125 | 126 |
| Executives | 12 | 15 |
| - women | 5 | 7 |
| - men | 7 | 8 |
| Middle managers | 91 | 89 |
| - women | 20 | 19 |
| - men | 71 | 70 |
| White-collar workers | 114 | 120 |
| - women | 67 | 72 |
| - men | 47 | 48 |
| Blue-collar workers | 1 | 0 |
| - women | 1 | - |
| - men | - | - |

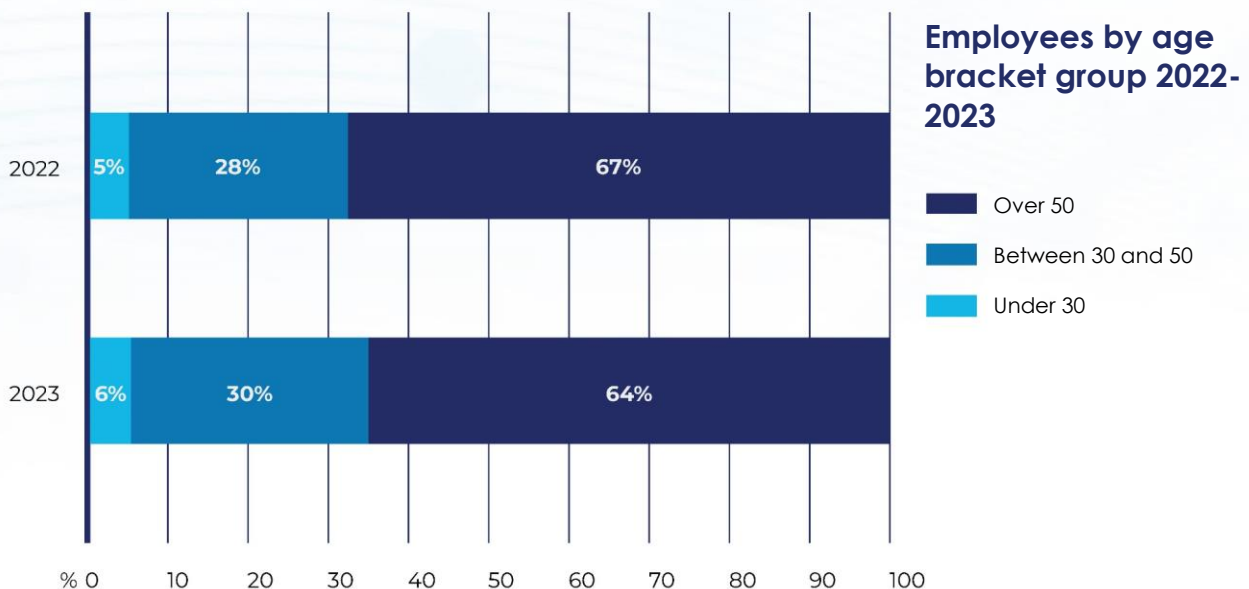


The importance Neopharmed Gentili puts into gender equality is confirmed by the figures above. In fact, as can be seen from the table, in the two-year period 2022-2023 there was an increase in the number of female employees both in the 'executives' category where, out of a total of three new positions, two were held by women; and in the 'white-collar workers' category in which, out of a total of six new positions, five were held by women.

Employees by gender 2023

The figures below provide an overview of the breakdown of employees by age and gender:

| GRI 405-1 Employees by age and gender | 2022 | 2023 |
|---|------|------|
| Total employees | 218 | 224 |
| - women | 218 | 98 |
| - men | 93 | 126 |
| Under 30 | 125 | 14 |
| - women | 11 | 8 |
| - men | 7 | 6 |
| Between 30 and 50 | 4 | 67 |
| - women | 60 | 44 |
| - men | 38 | 23 |
| Over 50 | 22 | 143 |
| - women | 147 | 46 |
| - men | 48 | 97 |





During the two-year period 2022-2023, there was substantial stability in the breakdown of Neopharmed Gentili employees. In more detail, considering the variability in the two-year period, there was a slight increase in recruitment in two of the three age brackets in 2023, equal to +1% for those under 30 and 2% for employees between 30 and 50. At the same time, there was a reduction in employees over 50.

Taking into consideration the level of education of the resources, there were no significant changes during the two-year period, with the exception of an increase of 7 graduates in 2023. Overall, the absolute majority of the company population has at least one degree.

| GRI 405-1 Education | 2022 | 2023 |
|-----------------------------|------|------|
| degree | 151 | 158 |
| secondary-school diploma | 60 | 59 |
| other (below diploma level) | 7 | 7 |

In line with the D&I principles already described and with the provisions of Italian Law 68/99, Neopharmed Gentili includes resources belonging to protected categories within its workforce. The number of employees belonging to these categories remained stable in the two-year period under review.

| GRI 405-1 Protected categories | 2022 | 2023 |
|----------------------------------|------|------|
| women | 7 | 6 |
| men | 3 | 3 |

6.3. Occupational Safety and Well-Being

With the aim of protecting its employees, the Company has implemented a Health and Safety Management System (SGSL) in the workplace in compliance with Italian Legislative Decree 81/08. As part of the SGSL and in compliance with the Decree, the following division of responsibilities was defined.

Top management is responsible for drafting the Risk Assessment Document (DVR) as well as for the appointment of the Prevention and Protection Service Manager (RSPP). In carrying out their duties, the latter relies on the support of the Prevention and Protection Service Officers. In compliance with art. 28 of Italian Legislative Decree 81/08, the DVR contains an in-depth assessment of the health and safety risks to which personnel are subjected in relation to their specific work area (offices; laboratory and quality control; pharmaceutical warehouse and external network), as well as the set of measures applied to minimise the risk of accidents occurring.

As part of the application of the SGSL, teams specialised in emergency management have been appointed and trained. More specifically, these include a fire-fighting team and a first aid team.

A role of primary importance is played by the Workers' Safety Representative (RLS) who is appointed directly by the employees with the aim of representing the needs of the Company population with regard to aspects of occupational health and safety, making proposals regarding prevention and promoting a culture of safety in the workplace. In order to ensure the correct implementation of the Management System described and prevent the risk of accidents and occupational diseases, Neopharmed Gentili has established a quarterly meeting which includes the participation of the company doctor, RSPP; ASPP and RLS. The daily observance of the safety rules of conduct is also ensured by the presence of the Supervisors, appointed directly by top management.

As envisaged by the DVR, the site personnel is subject to health surveillance through scheduled medical examinations as required by Italian Legislative Decree 81/08 in relation to the risk exposure defined in the DVR.

With the aim of promoting the dissemination of good health and safety practices, in 2022 Neopharmed Gentili launched, together with its partner EUKINETICA, the 'NeoBenEssere - Forma la tua Salute' project: a training project aimed at increasing employees' awareness and attention on the issue of mental and physical well-being. Consisting of four online workshops, the course touched on various topics including: posture and movement; stress management; body language and healthy eating.

Over the last few years, the Company has also been actively engaged in promoting the culture of health-related prevention and has implemented awareness-raising initiatives on specific diseases. One such example is the 'Non Prenderti Sotto Gamba' project, an initiative implemented in 2022 and consisting of three days full of information and screening on Chronic Venous Disease for the company population of Neopharmed Gentili. The Company collaborated with a specialist in vascular diseases, who first held a theoretical session on the diseases and their risks and then conducted visits, scheduled in advance, at the Company's infirmary. Venous Doppler examinations of the lower limbs allowed the vascular surgeon to assess and verify venous circulation, giving useful advice on the prevention and treatment of the disease.

Neopharmed Gentili launched another screening initiative in 2023, this time with an the Ecocolordoppler of the supra-aortic trunk (TSA), an initiative also aimed at the entire company population. Also in this case, a vascular specialist held a theoretical session on the importance of the diagnostic methodology and then carried out in-depth specialist examinations.

| GRI 403-9 Data on employee and non-employee injuries | 2022 | 2023 |
|---|-------------|-------------|
| Total number of recordable injuries | 1 | 3 |
| of which employees | 1 | 3 |
| of which non-employees | - | - |
| Number of injuries with serious consequences | 0 | 0 |
| of which employees | - | - |
| of which non-employees | - | - |

| GRI 403-9 Hours worked (ordinary hours + overtime + banked hours) | 2022 | 2023 |
|--|-------------|-------------|
| Total number of hours worked | 360,089 | 376,934 |
| employees | 360,089 | 376,934 |
| non-employees | - | - |

| GRI 403-9 Injury rate | 2022 | 2023 |
|--------------------------------|-------------|-------------|
| Injury rate | 2.8 | 8.0 |
| employees | 2.8 | 8.0 |

*The rate of recordable work-related injuries is calculated as the ratio between: (number of recordable work-related injuries/number of hours worked) * 1,000,000.

In the transition from 2022 to 2023, there was a slight increase in the number of injuries of minor entity and the total absence of serious injuries was confirmed.



6.4. Training and Professional Development

For Neopharmed Gentili, regular employee training is a real lever for growth and constant improvement. Confirming this approach, the Company has adopted a structured Corporate Training Plan that meets the demand for targeted training courses in line with employees' specific needs.

The Personnel Department is responsible for selecting the training courses. After having conducted an in-depth analysis of the employees' training needs together with the various company departments, it identifies the most suitable technical-specialist and/or transversal training actions.

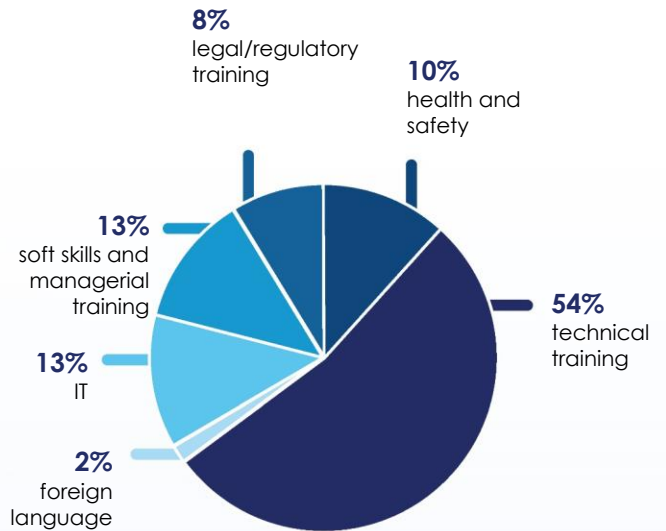
| GRI 404-1 Training hours as at 31.12.2023 by employee category | Women | Men | Total |
|--|--------------|--------------|--------------|
| Executives | 256 | 267 | 523 |
| Middle managers | 458 | 1,932 | 2,390 |
| White-collar workers | 1,613 | 929 | 2,543 |
| Total | 2,328 | 3,128 | 5,456 |

In 2023, the main training areas were as follows: training for the correct use of software and work tools (Excel, PowerPoint); specialist technical training in cyber security; training on effective communication and public speaking; compliance and privacy training; in addition to the launch of a Managerial and Individual Coaching training course.

There was also an increase in training hours dedicated to improving individual soft skills and managerial skills.

This is mainly attributable to the implementation of a Management Training Programme in collaboration with Profexa, aimed at increasing managerial and leadership skills, primarily for department managers and their teams.

Currently still in progress, the training course includes several phases: assessment of the figures involved and identification of their aptitude; individual coaching meetings with expert advisors; development of an individual and team training plan; identification of actions aimed at team growth based on the specific aptitudes and characteristics of the team members involved.



Type of training provided 2023



6.5. Turnover

The turnover rate of the Neopharmed Gentili workforce resulting from the relationship between new hires and termination of employment relationships in the two-year period 2022-2023 are presented below. In particular, there were 29 new hires in 2023, of which 17 women and 12 men. There were instead a total of 23 (12 men and 11 women) terminations of employment relationships, of which 14 were over 50 years of age.

Overall, the turnover rate remained constant over the two-year period, net of an improvement in the new hire rate and a reduction in the exit rate.

| GRI 401-1 New hires during the year by age and gender | 2022 | 2023 |
|--|-------------|-------------|
| Total outgoing employees | 22 | 29 |
| - women | 11 | 17 |
| - men | 11 | 12 |
| Under 30 | 8 | 11 |
| - women | 6 | 8 |
| - men | 2 | 3 |
| Between 30 and 50 | 9 | 13 |
| - women | 4 | 8 |
| - men | 5 | 5 |
| Over 50 | 5 | 5 |
| - women | 1 | 1 |
| - men | 4 | 4 |

| GRI 401-1 Personnel who interrupted or terminated the employment relationship by age and gender | 2022 | 2023 |
|--|-------------|-------------|
| Total outgoing employees | 26 | 23 |
| - women | 17 | 12 |
| - men | 9 | 11 |
| Under 30 | 7 | 3 |
| - women | 5 | 2 |
| - men | 2 | 1 |
| Between 30 and 50 | 12 | 6 |
| - women | 10 | 4 |
| - men | 2 | 2 |
| Over 50 | 7 | 14 |
| - women | 2 | 6 |
| - men | 5 | 8 |



| GRI 401-1 Total turnover rate, by gender and age | 2022 | 2023 |
|---|-------------|-------------|
| Total turnover rate | 22% | 23% |
| Incoming turnover rate | 10% | 13% |
| - women | 12% | 17% |
| - men | 9% | 10% |
| Under 30 | 73% | 79% |
| - women | 86% | 100% |
| - men | 50% | 50% |
| Between 30 and 50 | 15% | 19% |
| - women | 11% | 18% |
| - men | 23% | 22% |
| Over 50 | 3% | 3% |
| - women | 2% | 2% |
| - men | 4% | 4% |
| Outgoing turnover rate | 12% | 10% |
| - women | 18% | 12% |
| - men | 7% | 9% |
| Under 30 | 64% | 21% |
| - women | 71% | 25% |
| - men | 50% | 17% |
| Between 30 and 50 | 20% | 9% |
| - women | 26% | 9% |
| - men | 9% | 9% |
| Over 50 | 5% | 10% |
| - women | 4% | 13% |
| - men | 5% | 8% |

6.6. Company Welfare and Remuneration System

The well-being of its people is a real pillar of the Neopharmed Gentili strategy. Its objective in this sense is twofold: fostering the logic of inclusiveness and respect for equal opportunities within the Company, while at the same time guaranteeing the improvement of employees' everyday life and well-being also outside of work.

The actions to support the Company population include measures aimed at facilitating work-life balance, such as the presence of a remote work policy and flexible working hours.

In addition to these measures, a Corporate Welfare Plan has been drawn up in agreement with the main trade unions, aimed at all employees (except Executives). Implemented in collaboration with the partner ASSITECA, each employee on a fixed-term and permanent basis is disbursed an annual sum of 'Welfare credits' that can be spent on services in various sectors including: education; assistance for family members; reimbursements for public transport; goods and services in kind (vouchers in various product segments). The Programme was defined after verifying, through a survey, the voluntary membership of all company employees.

In addition to the benefits described above, some figures may use a company car on the basis of the provisions of the Car Policy. Lastly, the 15 Executives not included in the Welfare Plan are entitled to supplementary health insurance that is fully paid by Neopharmed Gentili.



With the aim of fostering meritocratic logic and stimulating its employees, the Company provides a Performance Management System aimed at assessing employee performance and mutually agreeing on improvement objectives. These objectives are assigned to specific resources in the first quarter of the year, verified in June during a specific meeting and finalised at the end of the year in order to verify the percentage of achievement and pay the corresponding bonus.

In terms of remuneration, the Company therefore envisages a fixed and variable remuneration policy for some figures, which is calculated according to the specific nature of the tasks performed. CEOs, Executives and Middle-managers are entitled to a fixed remuneration, to which MBOs are added on the basis of Company objectives (turnover and EBITDA in some cases) and individual objectives. Objectives related to sustainability performance have recently been included in the MBO programme for the CEO and the members of the ESG committee. The CEO and some managers are also entitled to a system of stock options linked to the Company's medium/long-term performance. The network of external collaborators, consisting of Pharmaceutical Representatives (ISF), Area Managers (AM) and Field Managers (FM), is entitled to a fixed remuneration in addition to a bonus system based on objectives.

7. Environmental Responsibility

- 7.1 Management of Energy Consumption and Emissions
- 7.2 Waste and Water Management

7.







13,339 GJ
Energy consumption



6,237 m3
Water withdrawal

25.23 t
Waste produced



0.57 t
Laboratory waste

999 tCO₂eq
Emissions



3.70 gCO₂/€
Emission intensity

Within the global context in which environmental sustainability takes on an increasingly central role, Neopharmed Gentili recognises the need to operate in a responsible and sustainable manner.

This entails full awareness of its impacts and related responsibilities towards the planet, together with a firm desire to promote sustainable economic development.

The Company is committed to reducing its environmental impact by adopting targeted policies and strategies, while at the same time promoting environmental awareness and knowledge among its stakeholders and employees. In this regard, in the year under analysis, the Company offered filtered water in the offices and individual bottles to reduce the use of plastic bottles and launched a process to reduce food waste in the canteen thanks to collaborations set up by its supplier.

7.1. Management of Energy Consumption and Emissions

The fight against climate change has become one of the most urgent global challenges of recent years. Regardless of its size, every company has the potential to contribute to this global cause. Although it has not yet implemented a specific environmental policy, Neopharmed Gentili strives actively to reduce the impact of its activities on the environment by adopting an operational approach that takes into account significant environmental factors.

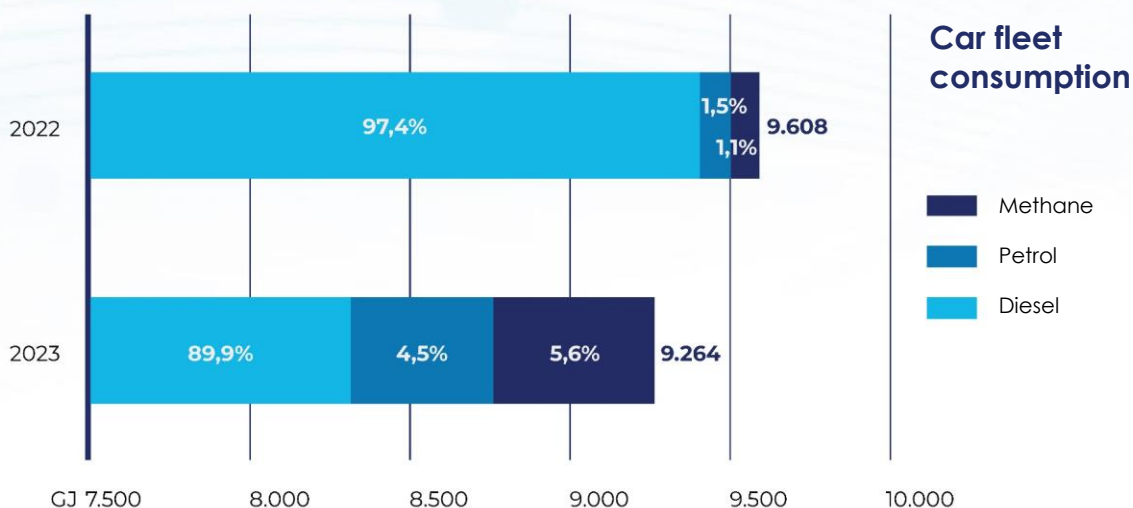
Since the Company does not currently have production facilities and logistics warehouses, its energy consumption derives exclusively from the headquarters, laboratory and the emissions of the vehicle fleet.

The table below shows the energy consumption for the two-year period considered (2022-2023), broken down by electricity purchased and consumed, also indicating the share of renewable energy used, district heating, natural gas used in the production process and for heating and the relative consumption of the company car fleet. In order to make it possible to compare the various types of consumption, the unit of measurement used to report all values is GJ, as required by the GRI.

| GRI 302-1 Energy consumption within the organisation | | UoM | 2022 | 2023 |
|--|---|-----|-------|-------|
| Electricity | Total electricity purchased and consumed | GJ | 2,378 | 2,401 |
| | - of which purchased from renewable sources according to the supplier 's energy mix | GJ | 0 | 0 |
| | Total electricity self-produced and consumed | GJ | 0 | 0 |
| | - of which self-produced from renewable sources (photovoltaic plants) | GJ | 0 | 0 |
| | Total electricity self-produced and sold | GJ | 0 | 0 |
| District heating | Total electricity purchased and consumed | GJ | 1,735 | 1,675 |
| Company car fleet | Diesel | GJ | 9,358 | 8,324 |
| | Petrol | GJ | 140 | 418 |
| | Methane | GJ | 110 | 522 |

| GRI 302-3 Energy intensity of internal consumption | | UoM | 2022 | 2023 |
|--|--|---------------|-------------|-------------|
| Total energy consumption | | GJ | 13,721 | 13,339 |
| Total leased | | sqm | 3,330 | 3,330 |
| Turnover | | € | 206,060,903 | 270,167,780 |
| Energy intensity | | GJ/sqm | 4.12 | 4.01 |
| | | MJ/€ | 0.07 | 0.05 |

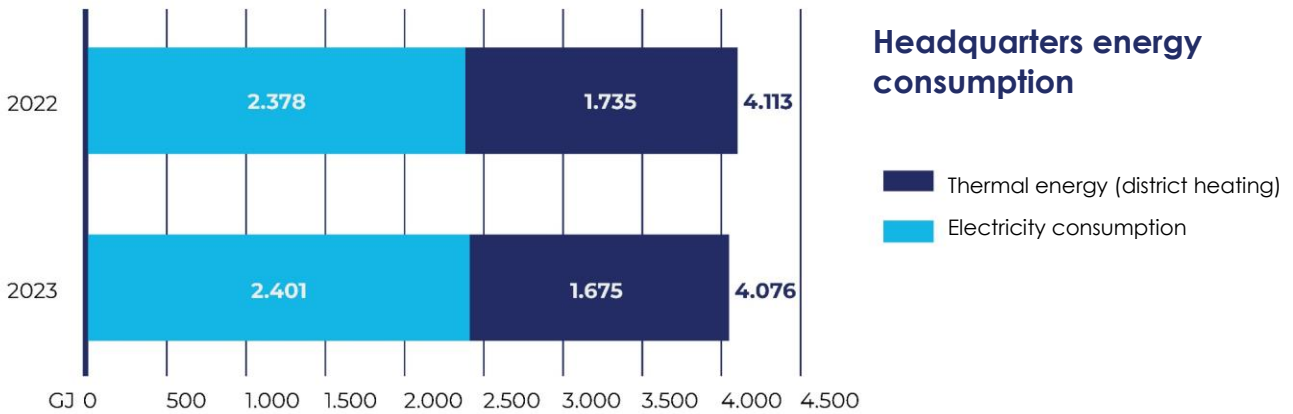
Energy consumption stood at 13,339 GJ, almost in line with the previous year. In addition, as regards consumption related to the Company's vehicle fleet, there was an overall significant reduction of 4%, thanks especially to the 11% decrease in consumption related to diesel cars compared to the previous year.





During the 2022-2023 reporting period, Neopharmed Gentili launched a programme to replace its lights with LED models both inside and outside the building, thus helping to reduce overall energy consumption.

In addition, the Company implemented strategies for controlling room temperatures, optimally adjusting the heating and air conditioning systems in winter and summer. This not only ensures a comfortable environment for the people in the building, but also contributes to a further reduction in energy consumption.



Another important step towards sustainability was marked by the installation of charging stations for electric cars in the Company garage, promoting the adoption of zero-emission vehicles and supporting the transition to sustainable mobility.

Lastly, it should be emphasised that Neopharmed Gentili has adopted a proactive approach in the use of energy resources, opting for the district heating network since 2017 and abandoning the use of gas boilers.

Although Neopharmed Gentili has not currently implemented a specific policy to manage its direct and indirect emissions, the Company is aware of the significant role that the private sector can play in the fight against climate change. Therefore, it is increasingly considering the environmental impacts of greenhouse gas emissions, which are responsible for global warming. The Company's main objective is to evaluate possible margins for improvement in order to reduce its carbon footprint. Greenhouse gas emissions are calculated in full compliance with the reference standards and are divided into two main categories:

Scope 1

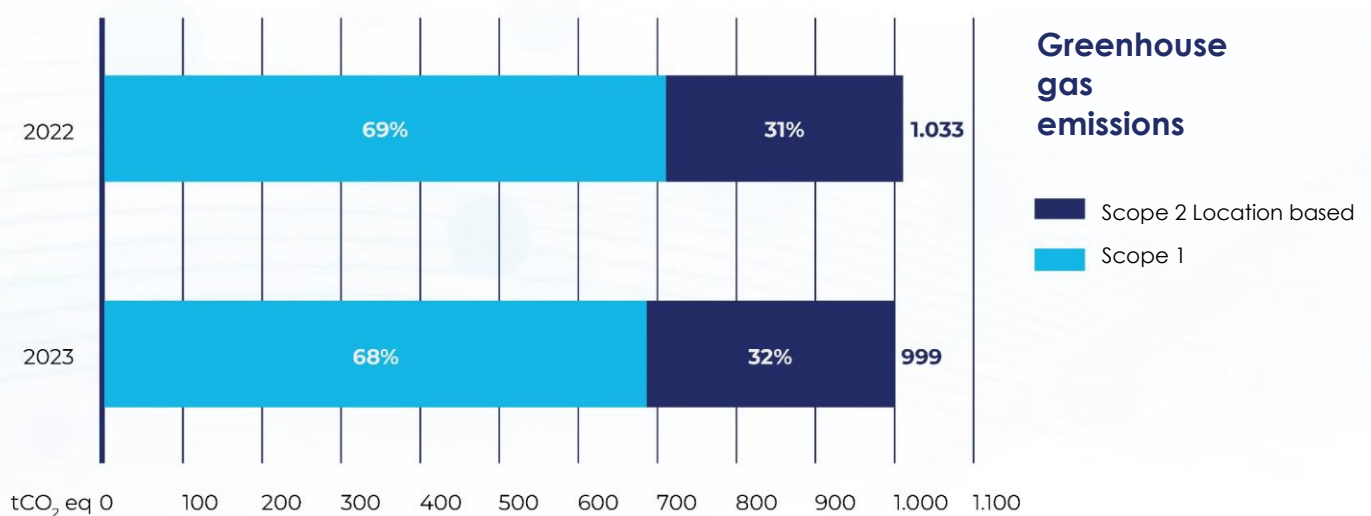
This category includes emissions generated by the Company's internal activities or those it controls. Most of these emissions come from stationary sources of combustion and mobile sources, such as the company fleet. Fugitive emissions of refrigerant gases in air conditioning systems are also considered Scope 1 emissions.

Scope 2

This category includes all indirect emissions for which the Company is responsible and which derive from the production of electricity, steam or heat supplied by third parties. Neopharmed Gentili is considered responsible for these emissions as an end consumer. These emissions are calculated using two distinct approaches: the market-based approach, which uses the emission factors associated with the electricity supplied by the selected suppliers, and the location-based method, which uses the emission factors of the national energy mix.

The following table shows the direct (Scope 1) and indirect (Scope 2) emissions of Neopharmed Gentili, broken down by the various categories of emission sources.

| GRI 305 Emissions | UoM | 2022 | 2023 |
|---|----------------------------|---------------|---------------|
| GRI 305-1 Direct (Scope 1) emissions | | | |
| Diesel | tCO ₂ eq | 696.08 | 619.17 |
| Petrol | tCO ₂ eq | 10.34 | 30.72 |
| Methane | tCO ₂ eq | 6.20 | 29.55 |
| Total Scope 1 | tCO₂ eq | 712.62 | 679.44 |
| GRI 305-2 Indirect (Scope 2) emissions | | | |
| From purchased electricity - location based | tCO ₂ eq | 237.74 | 240.05 |
| From purchased electricity - market based | tCO ₂ eq | 303.92 | 306.87 |
| From purchased heat - district heating | tCO ₂ eq | 82.27 | 79.42 |
| Total Scope 1 + Scope 2 Location based | tCO₂ eq | 1,033 | 999 |
| Total Scope 1 + Scope 2 Market based | tCO₂ eq | 1,099 | 1,066 |
| GRI 305-4 Emission intensity | | | |
| Turnover | € | 206,060,903 | 270,167,780 |
| Market based KPIs | gCO₂eq/€ | 5.33 | 3.94 |
| Location based KPIs | gCO₂eq/€ | 5.01 | 3.70 |



Evaluating both approaches (location-based and market-based), it should be noted that in the two years considered, the values of the emissions remain substantially stable. However, there was a 26% decrease in emission intensity related to the increase in turnover between 2022 and 2023.



7.2. Waste and Water Management

Having no internal production structure and relying on external CMOs for production, Neopharmed Gentili does not directly generate waste related to the production process. The main types of waste belong to two categories: chemical-pharmaceutical waste from the Quality Control Laboratory, and civil waste not related to the analytical activities of the Laboratory (for example, waste generated by the offices).

Neopharmed uses authorised disposers for the treatment of drugs and primary and secondary materials, coordinated through the CMOs or the logistics trader. The disposal process is carefully monitored through the receipt of specific verification forms. The disposal of drugs and materials is mainly linked to their obsolescence.

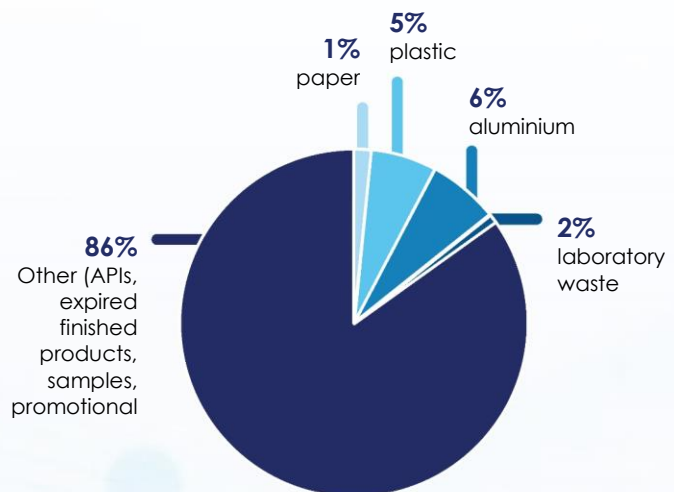
The Company constantly supervises daily activities to prevent, as far as possible and in line with needs, the excessive generation and accumulation of waste.

The table shows the waste by breakdown in the two-year period 2022-2023. The waste generated by offices and disposed of through AMSA (Azienda Municipale Servizi Ambientali) is not included in the calculation.

| GRI 306-3 Waste by composition | UoM | 2022 | 2023 |
|---|----------|--------------|--------------|
| Paper | † | 0.15 | 0.42 |
| Plastic | † | 0.15 | 1.18 |
| Aluminium | † | 0.09 | 1.43 |
| Laboratory waste | † | 0.71 | 0.57 |
| Other (APIs, expired finished products, samples, promotional materials) | † | 30.12 | 21.63 |
| Total | † | 31.22 | 25.23 |

The table shows that the majority of the waste generated by the Company comes from APIs, expired finished products, samples and promotional materials, which in 2023 account for 86% of the total.

Analysing the data related to the two years considered, there was a 24% decrease in the total quantity of waste produced. This reduction is mainly attributable to a decrease in expired finished products, samples and promotional materials.



Waste by composition 2023

Laboratory waste

The Company scrupulously adopts an SOP (Standard Operating Procedure) that details each step of the process of classification, collection and temporary storage of waste generated by the activities carried out in the Quality Control Laboratory.

The Laboratory periodically checks and monitors waste management by filling in disposal forms that are filed and sent to the waste register manager of Neopharmed Gentili.

The waste generated in the Laboratory is managed internally by authorised personnel in special segregated rooms which are not accessible to other personnel, before being disposed of by specialised external companies.

Different categories of waste are identified in the waste management process of the Laboratory, including reactants, solvents, advanced and expired pharmaceutical active ingredients, as well as solid materials such as glassware and containers. This waste is divided into hazardous and non-hazardous waste. The former includes reactants, solvents and other chemicals that can pose a risk to health and the environment, such as halogenated organic solvents, washing solutions and solid waste containing hazardous substances. Other waste, such as medicines that have expired or are left over from analyses, together with non-contaminated packages and packaging, are considered non-hazardous waste.



| GRI 306-3 Waste by composition | | 2022 | | |
|----------------------------------|----------|----------|------------------|-------------|
| | UoM | On site | At external site | Total |
| Non-hazardous waste | t | - | 0.66 | 0.66 |
| Hazardous waste | t | - | 0.05 | 0.05 |
| Total | t | - | 0.71 | 0.71 |

| GRI 306-3 Waste by composition | | 2023 | | |
|----------------------------------|----------|----------|------------------|-------------|
| | UoM | On site | At external site | Total |
| Non-hazardous waste | t | - | 0.47 | 0.47 |
| Hazardous waste | t | - | 0.09 | 0.09 |
| Total | t | - | 0.57 | 0.57 |



As regards the management of water resources, Neopharmed Gentili is a non-productive company, and thus focuses its attention on withdrawals and discharges from office operations. Since discharges are similar to withdrawals in a non-productive context, consumption is zero, as it is directly related to day-to-day administrative activities.

| GRI 303-3 Water withdrawal | UoM | 2022 | 2023 |
|---|-----------|--------------|--------------|
| Total | m3 | 5,501 | 6,237 |
| Water withdrawn from the aqueduct | m3 | 5,501 | 6,237 |
| of which fresh water (≤1000 mg/l of total dissolved solids) | m3 | 5,501 | 6,237 |
| of which other types of water (>1,000 mg/l of total dissolved solids) | m3 | - | - |

| GRI 303-4 Water discharge | UoM | 2022 | 2023 |
|---|-----------|--------------|--------------|
| Total | m3 | 5,501 | 6,237 |
| of which fresh water (≤1000 mg/l of total dissolved solids) | m3 | 5,501 | 6,237 |
| of which other types of water (>1,000 mg/l of total dissolved solids) | m3 | - | - |

| GRI 303-5 Water consumption | UoM | 2022 | 2023 |
|-------------------------------|-----------|----------|----------|
| Total | m3 | - | - |

In the Quality Control laboratory, specific procedures are in place to manage the water used in the analysis activities.

In particular, the water is analysed four times a year before it is released into the sewerage system, using the service provided by Assoservizi.

Water meters are installed to monitor the effluent from the various wash basins in the laboratory, before it is discharged into the sewer system.

The majority of wastewater is instead collected and stored in sealed bins in the Industrial Basement Storage area, pending annual disposal through the appointed supplier.

The discharged water related to the laboratory to ensure regulatory compliance is shown below:

| GRI 303-4 Water discharge related to the laboratory | UoM | 2022 | 2023 |
|---|-----------|-----------|-----------|
| Total | m3 | 91 | 97 |



8. Our Contribution to the Community

8.1 Initiatives in Favour of the Community

8.





8.1. Initiatives in Favour of the Community

Neopharmed Gentili's commitment to inclusion and equal opportunity goes beyond the relationship between management and its employees.

In fact, the Company's objective is to promote these values also outside the company, fostering the spread of a culture based on enhancing diversity and community support.

In this regard, the Company implemented numerous initiatives during the two-year period 2022-2023.

SUPERJOB

First and foremost is 'Super Job', a project launched in 2020 thanks to the fruitful collaboration between Neopharmed Gentili, Page Group and Fondazione Vertical: a non-profit organisation that supports scientific research for the treatment of spinal cord injuries.

The initiative was created with the aim of bringing the business world closer to people with disabilities by finding virtuous matches between labour supply and demand through an ad hoc digital environment.

More specifically, it is an e-recruitment platform in which both companies and candidates can publish and respond to job advertisements free of charge: a protected environment in which potential candidates know they will be able to find suitable job offers for their specific needs.

The Super Job project was further strengthened in 2023 with the aim of contributing to the dissemination of a true culture of inclusiveness, publishing good practices, useful content and events on the project's website and social channels.

Numerous synergies also arose from the experience of Super Job. To name a few, Neopharmed Gentili is now a supporting partner of the permanent observatory 'Diversity and Inclusion Hub', which deals with the in-depth study of D&I issues in the world of work and with sharing best practices.

Partnerships were also set up with Third Sector entities in 2023, including: Opera in Corsica, Fare, PizzAut, Divertitempo Onlus. Following cooperation between the Super Job team, LUISS Guido Carli and Divertitempo Onlus, the 'InSport' project was launched in 2023. It seeks to promote the integration of people with disabilities in the world of sport through themed days in which children with disabilities are involved in sports activities, supported by special instructors.

Considering the synergies generated and the number of stakeholders involved, to date Super Job is not only a highly successful project, but also a real catalyst for requests from the Third Sector, companies and institutions in the field of inclusion and enhancement of people with disability in the national working landscape.

While the issue of supporting disability is certainly a focal point of the company's Corporate Social Responsibility, it is not the only one. In fact, thanks to vertical projects and collaborations with Third Sector entities and local entities, Neopharmed Gentili is active on various fronts on a national and international scale. Some of the main projects supported by the Company are listed below:



- Support for patients suffering from respiratory diseases through the 'Stories in listening' project created in collaboration with the Cartastraccia Association.



- Support for patients in the urology department of San Raffaele Hospital in Milan through disbursements to the Amici di URI Foundation.



- Support for victims of humanitarian crises through donations to the Italian Red Cross. In particular, in 2022 Neopharmed Gentili donated 100,000 packages of essential medicine to the Ukrainian population and, in the following year, the Company donated 50,000 euros to support the victims of the earthquake that struck Turkey and Syria.



- Content, information and food for thought on current political and social issues are shared through the 'Cultural Integrators' project carried out in cooperation with the magazine 'Formiche' and thanks to the involvement of representatives from the political, economic and academic and entrepreneurial world.



- The enhancement of younger generations through support for the AGOL Award for young communicators, aimed at promoting innovative ideas to improve the quality of life of people with disabilities.

In conclusion and as demonstrated above, the Company is strongly committed on a social level, opting to focus all its CSR action on enhancing diversity in all its meanings and facets.

GRI Content Index

Below is the analytical index of the contents included in the 2023 Sustainability Report of Neopharmed Gentili S.p.A. The statement has been prepared in compliance with the most recent guidelines issued by the GRI Standards.

| GRI | INDICATOR SPECIFICATION | PARAGRAPH | NOTES |
|-----------------------------------|---|---|---|
| GRI 2 - General Disclosure | | | |
| 2-1 | Organisational details | 1.1 Company Identity and History | |
| 2-2 | Entities included in the organisation's sustainability reporting | Methodological note | |
| 2-3 | Reporting period, frequency and point of contact | Methodological note | |
| 2-4 | Restatements of information | Methodological note | |
| 2-5 | External assurance | | This Sustainability Report is not subject to external assurance |
| 2-6 | Activities, value chain and other business relationships | 1.2 Therapeutic Areas, Mission and Values, 5.5 Profile and Sustainability of the Supply Chain | |
| 2-7 | Employees | 6.1 Human Resource Management | |
| 2-8 | Workers who are not employees | 6.1 Human Resource Management | |
| 2-9 | Governance structure and composition | 3. The Governance of Neopharmed Gentili | |
| 2-10 | Nomination and selection of the highest governance body | 3. The Governance of Neopharmed Gentili | |
| 2-11 | Chair of the highest governance body | 3. The Governance of Neopharmed Gentili | |
| 2-12 | Role of the highest governance body in overseeing the management of impacts | 2.3 Strategic Sustainability Plan | |
| 2-13 | Delegation of responsibility for managing impacts | 2.2 Materiality Analysis | |
| 2-14 | Role of the highest governance body in sustainability reporting | 2.2 Materiality Analysis | |
| 2-15 | Conflicts of interest | 3.4 The Code of Conduct | |
| 2-16 | Communication of critical concerns | 3.4 The Code of Conduct | |
| 2-19 | Remuneration Policies | 6.6 Company welfare and remuneration system | |
| 2-20 | Remuneration determination process | 6.6 Company welfare and remuneration system | |
| 2-22 | Statement on sustainable development strategy | 2.3 Strategic Sustainability Plan | |
| 2-25 | Processes to remediate negative impacts | 2.3 Strategic Sustainability Plan | |
| 2-26 | Mechanisms for seeking advice and raising concerns | 3.4 The Code of Conduct | |
| 2-27 | Compliance with laws and regulations | 3.1 Management of a responsible business | |
| 2-28 | Membership associations | 3.1 Management of a responsible business | |
| 2-29 | Approach to stakeholder engagement | 2.1 Stakeholder Engagement | |
| 2-30 | Collective bargaining agreements | 6.1 Human Resource Management | |

| GRI | INDICATOR SPECIFICATION | PARAGRAPH | NOTES |
|--|---|--|-------|
| GRI 3 - Material Topics | | | |
| 3-1 | Process for determining material topics | 2.2 Materiality Analysis | |
| 3-2 | List of material topics | 2.2 Materiality Analysis | |
| 3-3 | Management of material topics | 2.2 Materiality Analysis | |
| ECONOMIC PERFORMANCE | | | |
| 3-3 | Management of material topics | 4. Economic Performance | |
| GRI 201 - ECONOMIC PERFORMANCE (2021) | | | |
| 201-1 | Direct economic value generated and distributed | 4.1 Economic Value Generated and Distributed to Stakeholders | |
| MARKET PRESENCE | | | |
| 3-3 | Management of material topics | 1.2 Therapeutic areas, missions and values | |
| INDIRECT ECONOMIC IMPACTS | | | |
| 3-3 | Management of material topics | 4. Economic Performance 8.1 Initiatives in Favour of the Community | |
| PROCUREMENT PRACTICES | | | |
| 3-3 | Management of material topics | 5.5 Profile and Sustainability of the Supply Chain | |
| BUSINESS ETHICS AND INTEGRITY | | | |
| 3-3 | Management of material topics | 3.1 Management of a responsible business | |
| TAX RISK MANAGEMENT | | | |
| 3-3 | Management of material topics | 4.2 Risk management | |
| GRI 207- TAXES (2021) | | | |
| 207-2 | Tax governance, control and risk management | 4.2 Risk management | |
| ENERGY | | | |
| 3-3 | Management of material topics | 7.1 Management of energy consumption and emissions | |
| GRI 302- ENERGY (2021) | | | |
| 302-1 | Energy consumption within the organisation | 7.1 Management of energy consumption and emissions | |
| 302-3 | Energy intensity | 7.1 Management of energy consumption and emissions | |
| 302-4 | Reduction of energy consumption | 7.1 Management of energy consumption and emissions | |
| WATER AND EFFLUENTS | | | |
| 3-3 | Management of material topics | 7.2 Waste and water resource management | |
| GRI 303- WATER AND EFFLUENTS (2021) | | | |
| 303-3 | Water withdrawal | 7.2 Waste and water resource management | |
| 303-4 | Water discharge | 7.2 Waste and water resource management | |
| 303-5 | Water consumption | 7.2 Waste and water resource management | |
| EMISSIONS | | | |
| 3-3 | Management of material topics | 7.1 Management of energy consumption and emissions | |
| GRI 305 - EMISSIONS (2021) | | | |
| 305-1 | Direct (Scope 1) GHG emissions | 7.1 Management of energy consumption and emissions | |
| 305-2 | Energy indirect (Scope 2) GHG emissions | 7.1 Management of energy consumption and emissions | |
| 305-4 | GHG emissions intensity | 7.1 Management of energy consumption and emissions | |
| 305-5 | Reduction of GHG emissions | 7.1 Management of energy consumption and emissions | |



| | | |
|---|---|--|
| WASTE | | |
| 3-3 | Management of material topics | 7.1 Management of energy consumption and emissions |
| GRI 306 - WASTE (2020) | | |
| 306-1 | Waste generation and significant waste-related impacts | 7.1 Management of energy consumption and emissions |
| 306-3 | Waste generated | 7.1 Management of energy consumption and emissions |
| SUPPLIER ENVIRONMENTAL ASSESSMENT | | |
| 3-3 | Management of material topics | 5.5 Profile and Sustainability of the Supply Chain |
| HUMAN RESOURCE MANAGEMENT POLICIES | | |
| 3-3 | Management of material topics | 6.1 Human Resource Management |
| GRI 401 - EMPLOYMENT (2021) | | |
| 401-1 | New employee hires and employee turnover | 6.5 Turnover |
| 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | 6.6 Company welfare and remuneration system |
| INDUSTRIAL RELATIONS MANAGEMENT | | |
| 3-3 | Management of material topics | 5.5 Profile and Sustainability of the Supply Chain |
| PROTECTING OCCUPATIONAL HEALTH AND SAFETY | | |
| 3-3 | Management of material topics | 6.3 Occupational safety and well-being |
| GRI 403 - OCCUPATIONAL HEALTH AND SAFETY (2021) | | |
| 403-1 | Occupational health and safety management system | 6.3 Occupational safety and well-being |
| 403-2 | Hazard identification, risk assessment and incident investigation | 6.3 Occupational safety and well-being |
| 403-3 | Occupational health services | 6.3 Occupational safety and well-being |
| 403-5 | Worker training on occupational health and safety | 6.4 Training and professional development |
| 403-6 | Promotion of worker health | 6.3 Occupational safety and well-being |
| | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 6.3 Occupational safety and well-being |
| 403-7 | Workers covered by an occupational health and safety management system | 6.3 Occupational safety and well-being |
| 403-8 | Work-related injuries | 6.3 Occupational safety and well-being |
| 403-9 | | |
| PERSONNEL TRAINING AND EDUCATION | | |
| 3-3 | Management of material topics | 6.4 Training and professional development |
| GRI 404 - TRAINING AND EDUCATION (2021) | | |
| 404-1 | Average hours of training per year per employee | 6.4 Training and professional development |
| 404-3 | Percentage of employees receiving regular performance and career development reviews | 6.6 Company welfare and remuneration system |
| INCLUSION, DIVERSITY AND NON-DISCRIMINATION | | |
| 3-3 | Management of material topics | 6.2 Diversity, Inclusiveness and Equal Opportunity |
| GRI 405 - DIVERSITY AND EQUAL OPPORTUNITY (2021) | | |
| 405-1 | Diversity of governance bodies and employees | 6.2 Diversity, Inclusiveness and Equal Opportunity |
| IMPACTS ON THE LOCAL COMMUNITY | | |
| 3-3 | Management of material topics | 8.1 Initiatives in Favour of the Community |

| CUSTOMER HEALTH AND SAFETY | | |
|--|---|---|
| 3-3 | Management of material topics | 5.3 Pharmacovigilance |
| GRI 416 - CUSTOMER HEALTH AND SAFETY (2021) | | |
| 416-1 | Assessment of the health and safety impacts of product and service categories | 5.3 Pharmacovigilance |
| 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | No non-compliance incidents occurred concerning the health and safety impacts of products and services. |
| FOCUS ON PRODUCT COMMUNICATION | | |
| 3-3 | Management of material topics | 1.2 Therapeutic areas, missions and values |
| PROTECTION OF CUSTOMER PRIVACY | | |
| 3-3 | Management of material topics | 5.4 Privacy, Security and Protection of Customers' Data |

