



**KEDRION**  
**SUSTAINABILITY  
REPORT**  
**2023**





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## SUMMARY

This document serves as a testimony of Kedrion's commitment and interest towards the promotion and upkeep of high environmental, social and governance (ESG) standards throughout 2023, as well as the continuous work done by the company to become more and more a positive influence on the communities and stakeholders it operates with.

The report was prepared on a voluntary basis, to keep up the commitment and effort undertaken since 2018. We trust this to be a useful and effective analytical and reporting tool for measuring our real contribution through the results obtained in the field of sustainability.

The last financial year has been an important settlement period, following the extraordinary changes which took place in 2022 and strongly affected all aspects of the company. The combination of Kedrion and BPL under the new management and ownership has also influenced our sustainability profile and impact on society, shedding a new light on the importance of continuously improving and growing even more the attention we place on our result within sustainability.

The report 2022 included BPL only partially as the acquisition was completed with only 4 months left for the year, therefore this report will be the first report including a full year of the new Kedrion Group.

The Board of Directors viewed and acknowledged Kedrion's voluntary Sustainability Report for the year 2023.

The report is divided into three main subject areas: "People", "Social Responsibility" and "Environment". These are then composed by several sub-topics.

## PEOPLE

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

Our global community has grown throughout the years, in particular following the BPL's acquisition in 2022, which brought us to count over 5000 people worldwide. The last year has been strongly focused on increasing stability, following the companywide structural changes from the previous year, without major changes in personnel size.

Currently, the group's corporate population is concentrated in the United States (48%). Italy (21%), United Kingdom (21%) and Hungary (4%); while the remaining 6% is a growing number of people from other locations worldwide, mainly in European countries and Canada.

In continuation with the Zero Accidents project launched in 2022, also this year we have focused on achieving this goal, obtaining a strong reduction in accidents (-22%), mostly in production sites. Employee health and safety is among the most important values and duties we care for, and we defend this belief not only by continuously improving our standards and launching initiatives, but also by continuously monitoring and ensuring these are upheld and effective. The goal for Zero Accidents can only be achieved through the contribution of all the people of Kedrion: "One Team. Zero Accidents".

Following last year's decrease in training hours, mainly due to the extraordinary efforts required to successfully achieve the combination of Kedrion and BPL, this year has proven to be a turning point,



with the introduction of initiatives to support and train Kedrion's people and an increase in training hours by over 3 times with respect to 2022, reaching nearly 30,000 hours.

Our new company values were introduced in 2023, with the desire to reflect the new Kedrion. Thanks to the collaboration of Kedrion's people, who were called to speak their voice through a companywide survey, and the efforts of the company's leaders in understanding and embodying the answers, a new set of 5 core values was created and shared with everyone: Sustainable Impact, Care, Courage, Together as One and Integrity.

Performance management is one of the processes through which HR incentivizes professional growth. Like in the previous year, also in 2023, the number of people involved in performance management increased, going from 3,841 in 2022 to 4,276, an important result considering workforce size has remained almost unchanged. Currently, over 80% of the total workforce is involved in performance management.

## **SOCIAL RESPONSIBILITY**

We believe that Social Responsibility is not only a duty but also one of the fundamental values we stand for, as represented in our new company values which place importance on caring and integrity. The very products we make are in nature and origin a testimony of the deep ties we have with our donors, our patients, and our communities.

This document provides a wide overview of the company's main activities in 2023 alongside and in support of the local communities that host us all over the world. Exploring the continuous efforts made locally and centrally to be an active and positive influence for the communities we work with.

### **Research and orphan drugs**

Research is an essential component of Kedrion's activities. A task in which we always strive for success, with a particular attention to those diseases which are extremely rare, and which still have no cure (Orphan Drugs).

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

We have increased our efforts in this area each and every year and experienced further development thanks to the acquisition of Prometic and BPL, and the incorporation of their research streams.

This commitment is also evidenced in the numerous projects currently underway, which include Plasminogen, Coagulation Factor V (FV), Ceruloplasmin, Factor XI (FXI), Heptaglobin and the study of new proteins from unused plasma processing intermediates.

### **Human rights and anti-corruption**

We believe in the importance of transparency on our human rights and anti-corruption policies, values which run deep into our core beliefs.

In 2023, like the previous year, there were no incidents related to corruption or failure to respect human rights in any of Kedrion's companies.



## ENVIRONMENT

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

After the first year from the acquisition of BPL and integration of the Elstree plant in the UK, this report will be the first one to show the real impact with respect to previous years and in consideration of the considerable growth in production capacity.

Throughout the year, we managed to face the demanding task of combining Kedrion and BPL in their many functions, while also improving several aspects of our environmental impact. We significantly reduced the overall water consumption (-12%) while also reducing our carbon footprint (-9%), but also significantly increased the recovery of hazardous waste, from 34% in 2022 to 73% in 2023.



# KEDRION SUSTAINABILITY REPORT YEAR 2023

## CEO STATEMENT



Dear readers,

Firms in the pharmaceutical industry – similarly to those in many advanced sectors – have become increasingly involved with sustainability in recent years, generating a trend that shows no signs of slowing down.

As one of the leading companies in the plasma-derivatives sector, we at Kedrion recognize the urgency of committing ourselves to higher sustainable standards each and every year, and the need to strive for the continuous improvement of our impact.

We recognize the complexities and substantial differences between our industry and the traditional pharmaceutical industry, dealing with such a unique resource as human plasma coming from millions of people donating every day. Yet, we are ready to face these challenges with courage and responsibility.

I firmly believe that Kedrion has the strength and all the tools to reshape itself in a more environmentally and socially conscious identity.



In line with this vision, we continued our journey in 2023, developing a business model capable of fostering an increasingly strong and synergistic interrelation between our economic and industrial objectives and the social and individual expectations that find their synthesis in the concept of sustainability. This is one of the cornerstone values underlying our mission, which, as we fully recognize, needs a clear and courageous evolution in our approach to business operations.

Personally, I was deeply impressed by the motivation with which our over 5,000 collaborators worldwide – led by the newly established Leadership Team – contributed to redesigning our value system. Together as One, Care, Integrity, Sustainable Impact, Courage. These are the principles and ethical standards that define the DNA of the new Kedron and shape our new corporate culture.

I firmly believe that taking full and conscious responsibility for the impact of our actions and decisions on a social and environmental level demonstrates our company's commitment to do more and better to create shared value with all our stakeholders.

With full transparency, we have decided, in continuity with last year, to proceed with the voluntary drafting of this report, in the belief that it represents a valuable analysis and reporting tool for measuring the results achieved. A choice full of meaning especially if we consider that integration between the two companies was completed in 2023, with all the challenges and opportunities that come with it.

We are proud of the results we were able to achieve towards lowering our environmental impact, reaching a reduction in CO<sub>2</sub> emissions of 5,300 tons, equivalent to 8% of our total production. We were also able to remarkably increase our recovery of hazardous waste, from 34% to 73%, and strongly reduce our water consumption, which has decreased by 12% from last year.

Our most important resource are people, in whose interests we have been able to reduce accidents by over 20%, thanks to the “Zero Accidents” project and the continuous effort from all involved parties to spread and increase consciousness on the importance of creating and preserving a safe working environment. Because we believe that the real difference in a company is made by people, Kedron is also investing more and more in additional training, which in 2023 resulted in 3 times more training hours than the previous year, as well as internal communication, through engagement surveys, companywide events, company social networks and activities.

Continuing our inclusion and diversity journey, after reaching an equal gender distribution throughout the company and in the leadership team, we continued by strongly improving the presence of female in managerial positions, now close to 40%. In line with the importance we pose on equality and non-discrimination, the supervision of compliance with human rights and corruption requirements and expectations was as strong as ever, with no incidents for any of these areas.

Because of the very nature of what Kedron represents we care, not only for our employees, but for all people, whether patients, donor, communities, or other people we influence. This is why every year we try our best to be active in the communities where we operate and to make a difference by giving back. Our company makes the best effort to also support the people who more than anyone need our care, facing rare, ultra-rare diseases or illnesses for which there are no therapies. Our mission of developing orphan drugs is as strong as always, backed by the excellent and widely recognized results obtained by our R&I team.

I am pleased to recall how, over the past year, our effective contribution in the field of sustainability has grown in tandem with the economic and financial growth of the new Kedron. With this in mind, we will continue to invest resources and energy to enhance our daily operations with the aim of achieving the highest standards of social and environmental performance, transparency, and responsibility.



Our greatest aspiration is to contribute to the development of a sustainable and equitable future in which all people in the world have the right to health.

I believe the following document can show the importance we give to generating a good impact on the world and that, like me, you will appreciate reading about the continuous improvements achieved by Kedrion and its people.

Enjoy the read!

Castelvecchio Pascoli, 15th May 2024

  
The Chief Executive Officer  
Ugo Di Francesco





## INTRODUCTION TO THE COMPANY



In a world facing increasingly complex healthcare challenges, what does it truly mean to be sustainable for a biopharmaceutical company specialized in the development and production of plasma-derived products?

Plasma is a precious, biological resource and, unlike synthetic medicines, cannot be manufactured in a laboratory: its availability depends solely on the generosity of donors. It is from this act of authentic altruism that the plasma journey begins, a long and complex industrial manufacturing process that requires the commitment and dedication of thousands of people. In fact, it takes approximately 8-12 months to transform the collected plasma into plasma-derived therapies. And, every year, more than 1,200 plasma donations are needed to treat a single haemophilia patient, while over 130 are required for a patient with Primary Immunodeficiency.

It is through this incredible plasma journey that sustainability takes on an authentic and profound dimension for us. It is the heart of our mission - a real and daily commitment to caring for people, supporting communities, and safeguarding our planet. Recognizing the peculiarities and challenges of this supply chain, we pay the utmost attention to the social and environmental impact of all our decisions and actions along the entire supply chain.

In line with these principles, we manage the entire plasma transformation cycle with complete transparency - from plasma collection to medicines production. This way, we guarantee that the raw material used is sourced ethically and responsibly without exploiting donors or compromising their well-being.



Acknowledging the crucial role that companies play today in promoting the common good, in recent years, we have undertaken a path aimed at integrating sustainability - as an increasingly central element in terms of competitiveness - within our way of doing business. In line with this approach, we work every day to ensure that plasma-derived products are accessible and affordable to more and more patients who need them worldwide thus improving health outcomes and contributing to reducing disparities in healthcare access.

Since 2022, this approach has seen a further and positive evolution thanks to the entry of Permira, a private equity firm, as our majority shareholder and strategic partner, not only in innovation and new product development but also in the creation of shared value with all our stakeholders. This commitment took on greater and increasingly global dimensions with our union with BPL (Bio Products Laboratory) which took place in the same year. 2022 thus marked the foundation of the new Kedron.

With over 5,000 employees worldwide and a presence in more than 100 countries, today we effectively are a global health company increasingly focused on the field of rare and ultra-rare diseases, such as Congenital Plasminogen Deficiency and Factor X Deficiency.

Our extensive portfolio encompasses 37 products across different therapeutic areas. We operate seven production plants located in Italy (Bolognana and Castelvechio Pascoli, Lucca - which is nearing completion - and Sant'Antimo, Naples), Hungary (Gödöllő, Budapest), UK (Elstree, London) and North America (Melville, New York, USA, and the Prometic site of Laval, Québec, Canada).

Also leveraging a plasma collection network of 73 centers - 68 of which managed by KEDPLASMA in the United States and 5 by UNICAPlasma in the Czech Republic - we are the world's 5<sup>th</sup> top player in the field of plasma-derived products, with a significant commercial presence in the USA, which is our primary market, accounting for a significant 58% share of our total revenue.

In Italy, where we have our headquarters, we have been a strategic partner of the National Health System for over twenty years actively contributing to the country's goal of self-sufficiency in this sector as the first player in terms of production of plasma-derived therapies from Italian donor plasma.

In December 2023 we launched our new company values. They represent the cornerstones of our future and will help us in unifying our organization across common goals and behaviors. We now have 5 Values that are: Together as One, Care, Integrity, Sustainable Impact and Courage.

As we look ahead to the challenges and opportunities, we continue our commitment to serving communities and health systems around the world to help improve the prospects of those living with a rare or an ultra-rare disease. Our ultimate goal is to provide tangible support to patients and their families and, together, play a positive role in the lives of people with whom we collaborate.



## **INTRODUCTION TO THE SUSTAINABILITY REPORT 2023**

Similarly to last year, also for the financial year closed on 31<sup>st</sup> December 2023, Kedron is not required by law to produce a Non-Financial Statement as it is not a "Public Interest Entity" (PIE) and is therefore not subject to the requirements of Legislative Decree 254/2016.

Nevertheless, the company decided, in line with its core values and interest towards having a sustainable impact on the world, to prepare a voluntary sustainability report also in 2023.



The document will contain data, information and details on several fundamental aspects of sustainability, including but not limited to environment, safety at work, people, research, relationship with local communities, anti-corruption and human rights. The report details the main activities, policies and related results, the organisational models adopted, the risks generated and/or incurred and the way they are managed in the environmental, social, personnel, human rights and anti-corruption fields, taking into account both what is done directly by the company and what can be controlled in the supply chain and in terms of impact on stakeholders.

Within the organization, this year's Sustainability Report was assigned to the Finance department, which was in charge of setting up a multifunctional team, with subject-matter experts for each part and area. The Finance department is the point of contact for any party interested in learning more about the issues addressed in the report and its construction process.

Starting in 2023, Kedrion has been working towards improving its sustainability reporting system and structure, to ensure compliance with the new European directives (CSRD), which will be affecting the company starting from FY2025. In view of this new challenge, Kedrion is preparing in advance and will be actively working towards the achievement of the new standards throughout 2024 and 2025.

## MATERIALITY ANALYSIS

Kedrion's sustainability report refers to the events of the year 2023.

For the drafting of this report, the company arranged an inter-functional working group; the materiality analysis drawn up by the group is a representation of the working outline employed for the drafting of the report.

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

The report is divided into three main areas, 'People', 'Social Responsibility' and 'Environment', with several deep dives into the most relevant aspects of each.

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

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

The materiality analysis built upon the work done over the last years, starting from the topics from the previous sustainability report and integrating or modifying the list of topics based on the changing challenges, environment and priorities of the company and the market. For each area, meetings and queries with the department colleagues helped identifying the material topics and picking the most relevant to the company and its stakeholders.

In the "People" area, the analysis highlighted the importance of topics connected to People Development and Company values. The challenging, concentrated and competitive environment in which Kedrion is active, accentuates the importance of attracting, training and retaining talents within



the company, while also continuously caring for their wellbeing by providing a safe and peaceful working environment.

Specifically, the topics identified and covered in the materiality matrix inherent the People area are:

- Employee health & safety
- Talent acquisition, engagement & retention
- Company Values
- Employee diversity & inclusion
- Training & development

Like in previous years, the theme of people development was kept in high account and supported with training and development initiatives and monitoring activities, which are also reflected and described in this report. Activities such as management training, development plans, reward systems and performance management are some of the methodologies activated in response to this topic.

Also, important and effective initiatives, such as the “Zero Accidents” project, are in place to improve safety for employees and to continuously achieve a reduction in work-related accidents. The strong commitment on behalf of employees and management throughout production plants is the key to the impact obtained by the H&S initiatives.

Gender gap also remains a point for continuous improvement where we have achieved excellent results but strive to do better, for example by continuing our activities as members of “Valore D” association, which provides managers with dedicated training and consultancy tools.

With respect to the “Social Responsibility” area, following the materiality analysis, a list of topics was identified as material and particularly relevant:

- Donor safety
- Data protection and cybersecurity
- Research & Orphan drugs development
- Relationship with local communities
- Tax transparency

Just like for our employees, the safety of donors is at the very top of our list of priorities, proven by constant efforts to maintain and improve our top of industry standards in matter of donor safety. Also, given the sensitivity of data and personal information we deal with, data protection and cybersecurity are topics which we have been active on and intend to keep up with in following years.

In this document we reported a non-exhaustive representation of the most relevant activities carried out for and with our communities, including projects supporting communication and sensitization campaigns, support to local events, backing of research activities, fundraisings and donations. We also highlight our transparency on fiscal responsibility matters towards the countries where we operate, with a clear disclosure of the topic.

In a dedicated section, we will present the main research activities carried out during 2023, including ongoing streams from previous years and new projects, as well as a presentation of projects specifically targeting rare and ultrarare diseases and the development of orphan drugs.

Another fundamental section of our materiality analysis is dedicated to the “Environment” area, including a list of important topics for the company and stakeholders. Most of these, are a confirmation



from previous years and are subject to continuous improvement, while others have gained importance and were put under stricter observation more recently throughout 2023, with future improvement plans:

- Energy consumption
- Direct & indirect emission
- Waste recovery
- Water reduction
- Resource management

The selection of topics above is highly related to the manufacturing nature of the company and takes into consideration the possible externalities of our production sites on people and the environment.

The list represents the areas for which we seek continuous improvement and innovation, as well as the ones which have the most significant and visible impact.

Throughout the year, we activated several initiatives alongside our standard improvement plans to aim for and reach better results on water consumption, emissions, waste recovery and more. Nevertheless, we recognize the importance of these areas and aim for this improvement to become more and more visible also in the following years.

Finally, in continuation with last year, we still believe in the importance of defending “Human rights” and having a strong position on “Anti-corruption” and “Regulatory compliance”, which we also included in our list of material topics.

Regarding the “Human rights” area, following the materiality analysis, the company decided to consider the whole topic as material, intended both within the company’s process and along the supply chain. Likewise, the analysis on the “Anti-corruption” topic brought the same conclusion.

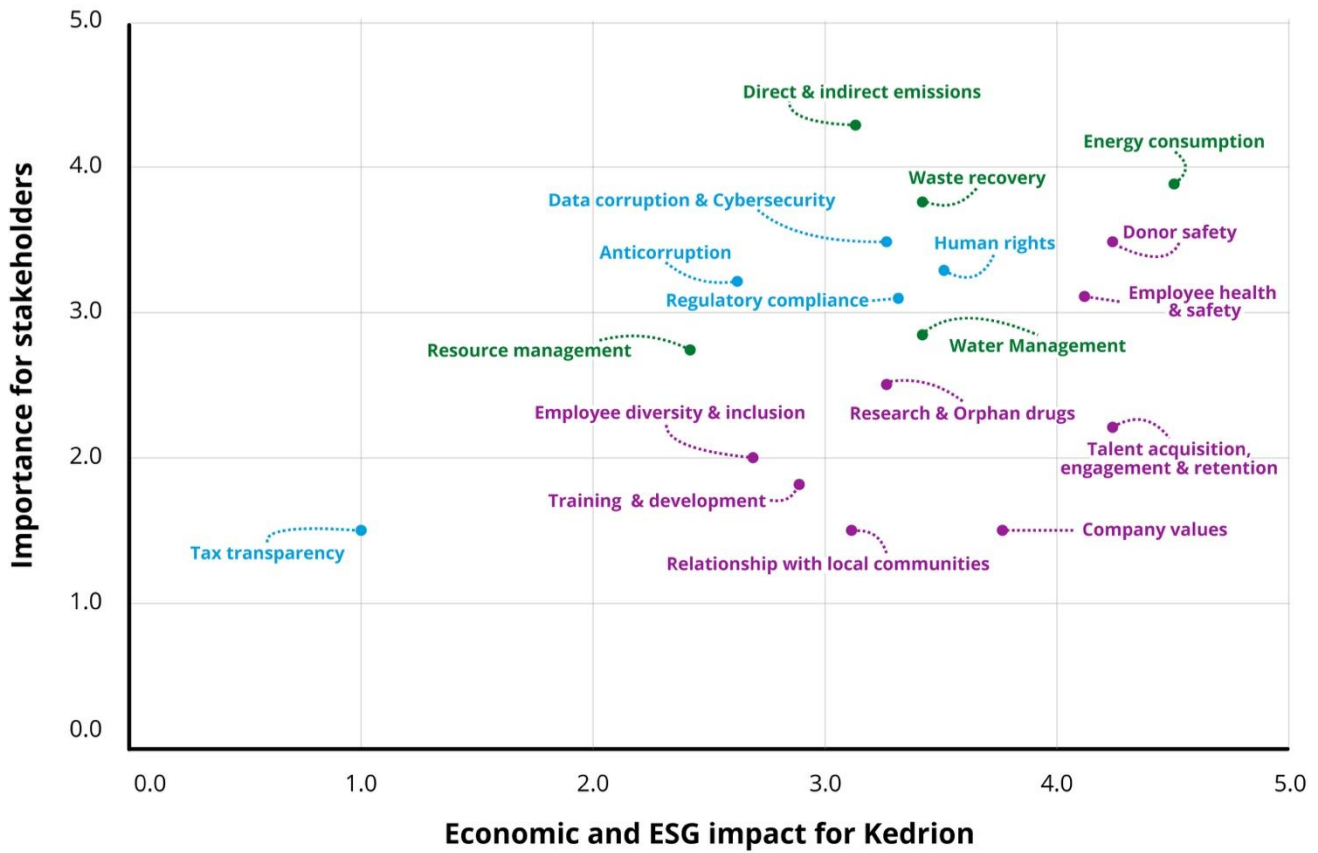
The “Human rights” topic will be covered in the document starting from the company’s structures and policies adopted to ensure appropriate coverage and protection. Similarly, for the “Anti-corruption” area, intended as both active and passive, the company’s perimeter and the activities carried out by the various legal entities will be taken into account.

The materiality matrix below provides a graphical representation of the overall analysis done by Kedrion and suggests a scale of importance for all the topics taken into consideration and deemed material. The graph is built on two dimensions: on the x-axis, the perceived relevance in terms of economic, environmental and social impact generated by the company’s activities, while on the y-axis, the importance of the topic to stakeholders.

The topics are divided into three main areas (Environment, Social and Governance), which can be easily distinguished by the colours.



# Materiality Matrix 2023



## ENVIRONMENT

- Energy consumption
- Direct & indirect emissions
- Waste recovery
- Water management
- Resource management

## SOCIAL

- Donor safety
- Employee Health & safety
- Talent acquisition, engagement & retention
- Research & Orphan drugs development
- Employee diversity & inclusion
- Training & development
- Relationship with local communities

## GOVERNANCE

- Human rights
- Data protection & Cybersecurity
- Regulatory compliance
- Anticorruption
- Company values
- Tax transparency



## GENERAL POLICY ON SUSTAINABILITY TOPICS



By the very nature of the products it manufactures, Kedrion's main objective is to support individuals, communities and institutions in alleviating or removing obstacles that prevent them from enjoying their right to life, liberty and security.

Kedrion contributes to the production and distribution of drugs derived from human plasma which can improve people's quality of life. It is continuously invested in maintaining excellent sector standards and operates to consolidate its own position as a recognized representative of the medical, scientific, healthcare and institutional community.

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



## PEOPLE



Also in 2023, Kedron continues to operate so that the health and safety of employees are not left to chance or good intentions, by adopting a management system based on safety policies that are frequently reviewed when changes occur, including new processes, activities or production facilities.

As of 31 December 2023, Kedron's total personnel was made up of 5,071 people, remaining quite stable compared to 5,092 at the end of 2022.

The group's corporate population is currently concentrated in the United States (48%), in Italy (21%), UK (21%) and Hungary (4%); a residual share (6%), is employed in other locations, mainly in the rest of Europe and Canada.

### Breakdown of employees by geographical area over the period 2021-2023

	2021 <sup>1</sup>	2022 <sup>1</sup>	2023
Italy	1,075	1,051	1,076
UK	n.a.	1,062	1,062
Hungary	217	214	212
USA	1,292	2,561	2,443
Rest of the World* <sup>2</sup>	200	204	278
<b>Overall Total</b>	<b>2,784</b>	<b>5,092</b>	<b>5,071</b>

\* Rest of World includes among others: Austria, Czech Republic, Poland, Portugal, Canada, Turkey, Brazil, Mexico, Columbia, Vietnam and India.

The predominant form of staff contracting is still open-ended (97.6% of contracts), similarly to previous years.

Women account for 51.5% of the total workforce, a percentage in slight growth from last year, with the total population of women representing now over half of the company.

<sup>1</sup> From 31 August 2022, BPL joined Kedron group with employees in USA, UK and ROW. BPL workforce is not included in 2021 headcount and accounted for starting from year 2022.

<sup>2</sup> From 2021, the Canadian company Prometic joined the workforce with 135 employees.





### Breakdown of employees by type of contract

Region	Fixed term			Permanent long-term contract			Total workforce
	Men	Women	Total	Men	Women	Total	
Italy	51	25	76	612	388	1,000	1,076
UK	10	9	19	711	332	1,043	1,062
Hungary	4	4	8	119	85	204	212
USA	6	2	8	845	1,590	2,435	2,443
Rest of the world	0	12	12	104	162	266	278
<b>Overall total</b>	<b>71</b>	<b>52</b>	<b>123</b>	<b>2,391</b>	<b>2,557</b>	<b>4,948</b>	<b>5,071</b>

With reference to the breakdown by professional category, in 2023 50% of employees were concentrated in the “Blue Collars” category and 47% in the “White Collars” one. On the other hand, the “Directors” category represented 3% of total employees as of 31 December 2023.

Kedrion considers as “Directors” the personnel employed under management contracts and other similar types of contracts; employees working in offices or, if in a factory, with supervisory or management roles (for example in US plasma centres) form part of the “White Collars”; employees doing manual works (workers, logistics and warehouse staff, other operators, etc.) are “Blue Collars”.

### Total number of employees by category and gender over the period 2021-2023

Category	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Director	52	23	75	119	60	179	95	56	151
White Collar	603	800	1,403	981	1,131	2,112	1,040	1,327	2,367
Blue Collar	648	658	1,306	1,238	1,121	2,359	1,327	1,226	2,553
<b>Overall total</b>	<b>1,303</b>	<b>1,481</b>	<b>2,784</b>	<b>2,338</b>	<b>2,312</b>	<b>4,650</b>	<b>2,462</b>	<b>2,609</b>	<b>5,071</b>

Part-time work slightly increased in 2023 (3.8%) compared to 2022 (2.6%).

### Total number of employees by type of contract over the period 2021-2023

Type of contract	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full-Time	1,298	1,443	2,741	2,315	2,215	4,530	2,399	2,480	4,879
Part-time	5	38	43	23	97	120	63	129	192
<b>Overall total</b>	<b>1,303</b>	<b>1,481</b>	<b>2,784</b>	<b>2,338</b>	<b>2,312</b>	<b>4,650</b>	<b>2,462</b>	<b>2,609</b>	<b>5,071</b>



In 2023, the company had 2,723 total new hires, mainly concentrated in the Plasma BU in the US. Here, because of the short-term duration of the contract, for 450 employees is not possible to provide a distribution by age and gender.

#### Total new hires by region and age group at 31.12.2023

Region	< 30	30-50	>50	Total
Italy	51	29	3	83
UK	75	77	16	168
Hungary	10	11	4	25
USA	1,034	779	129	1,942
Rest of the World	16	31	8	55
<b>Overall total</b>	<b>1,186</b>	<b>927</b>	<b>160</b>	<b>2,273</b>

Compared to 2022, the number of new hires increased by 20%, going from 2,272 to 2,723. This figure is the result of the high turnover in US Plasma Centres.

#### Total new hires by region and gender over the period 2021-2023<sup>3</sup>

Category	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Italy	10	10	20	45	9	54	45	38	83
UK	0	0	0	105	54	159	107	61	168
Hungary	2	1	3	8	6	14	19	6	25
USA	186	479	665	187	476	663	522	1,417	1,939
Rest of the World	70	89	159	25	18	43	28	30	58
<b>Overall total</b>	<b>268</b>	<b>579</b>	<b>847</b>	<b>371</b>	<b>563</b>	<b>934</b>	<b>721</b>	<b>1,552</b>	<b>2,273</b>

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

The difference between Group's recruitments and terminations in the year does not coincide with the growth in workforce between 2021 and 2023 shown in the table *Breakdown of employees by geographical area*.

The difference stems from the fact that this table only shows employees as of 31 December, while the data on recruitments and terminations also include non-employees (e.g., temporary contracts, even with a very short duration). The company often uses such contracts to meet seasonal and specific needs, especially in plasma centres.

<sup>3</sup> These are partial data, since they do not include some entries reported by BPL Plasma Centers (450), for which we have no details on gender breakdown.



In 2023, the company had 2,623 exits, mainly concentrated in Plasma BU in the US. Here, because of the short-term duration of the contract, for 305 employees is not possible to provide a distribution by age and gender.

#### Total exits by region and age group as at 31.12.2023<sup>4</sup>

Region	< 30	30 - 50	> 50	Total
Italy	9	27	19	55
UK	53	70	34	157
Hungary	8	14	5	27
USA	1,015	870	143	2,028
Rest of the World	7	30	14	51
<b>Overall total</b>	<b>1,095</b>	<b>1,011</b>	<b>215</b>	<b>2,318</b>

#### Total exits by gender as at 31.12.2023<sup>4</sup>

Region	Men	Women	Total
Italy	26	29	55
UK	96	61	157
Hungary	17	10	27
USA	538	1,490	2,028
Rest of the World	29	22	51
<b>Overall total</b>	<b>706</b>	<b>1,612</b>	<b>2,318</b>

#### Number of exits by cause over the period 2021-2023

Cause	2021	2022	2023
Resignations	423	1,514	1,737
Dismissals	101	526	408
Retirement	8	22	14
Contract expiry	13	10	20
Plasma collection centres for sale	98	0	107
Other*	61	66	32
<b>Overall total</b>	<b>704</b>	<b>2,138</b>	<b>2,318</b>

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

<sup>4</sup> These are partial data, since they do not include the exits reported by BPL Plasma (305), for which we have no details on gender breakdown.



As for the turnover rate linked to resignations alone, which is significant especially in the United States, this is linked to the dynamics typical of plasma collection centres, where the labour market, the competitive environment and the professional figures employed favour frequent changes in employment.

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

Region	Turnover rate <sup>5</sup>	Number of people resigned	Women resigned in the period <sup>6</sup>	Men resigned in the period
Italy	3.0%	28	18	10
UK	11.8%	129	75	54
Hungary	9.9%	18	5	13
USA	68.4%	1,533	1,165	368
Rest of the World	12.1%	29	12	17
<b>Overall total</b>	<b>38.1%</b>	<b>1,737</b>	<b>1,275</b>	<b>462</b>

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

Region	Turnover rate	Number of people resigned	< 30	30 - 50	> 50
Italy	3.0%	28	3	23	2
UK	11.8%	129	48	55	26
Hungary	9.9%	18	6	10	2
USA	68.4%	1,533	791	644	98
Rest of the World	12.1%	29	5	17	7
<b>Overall total</b>	<b>30.7%</b>	<b>1,737</b>	<b>853</b>	<b>749</b>	<b>135</b>

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

Therefore, it is important to carry out risk mitigation activities. This means, promoting the development of technical skills by investing in technical/professional training and ensuring that people remain in their roles, while using tools that favour the retention of people with key know-how that is not easily replicable. These mitigation activities are carried out through HR policies to foster workplace well-being, professional development and investment in people. The tools most often used are people review, individual development plan management, engagement and performance management.

<sup>5</sup> The figure includes only voluntary resignations as of 31 December. It does not include:

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

<sup>6</sup> The gender data do not include resignations in BPL Plasma.



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

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

In HUMAN BioPlazma, second-level agreements were also made, providing for economic disbursements with a view to making the company competitive in a highly dynamic and evolving labour market.

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

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

On the gender diversity side, the company continues to monitor gender data for the management population. Finally, it should be noted that the percentage of personnel receiving an MBO is 10.9%, of which 40.8% are women.

In addition, Kedrion continues to participate in the "Valore D" association, which provides managers with dedicated training and consultancy tools to sustain and promote gender equality and an inclusive company culture.

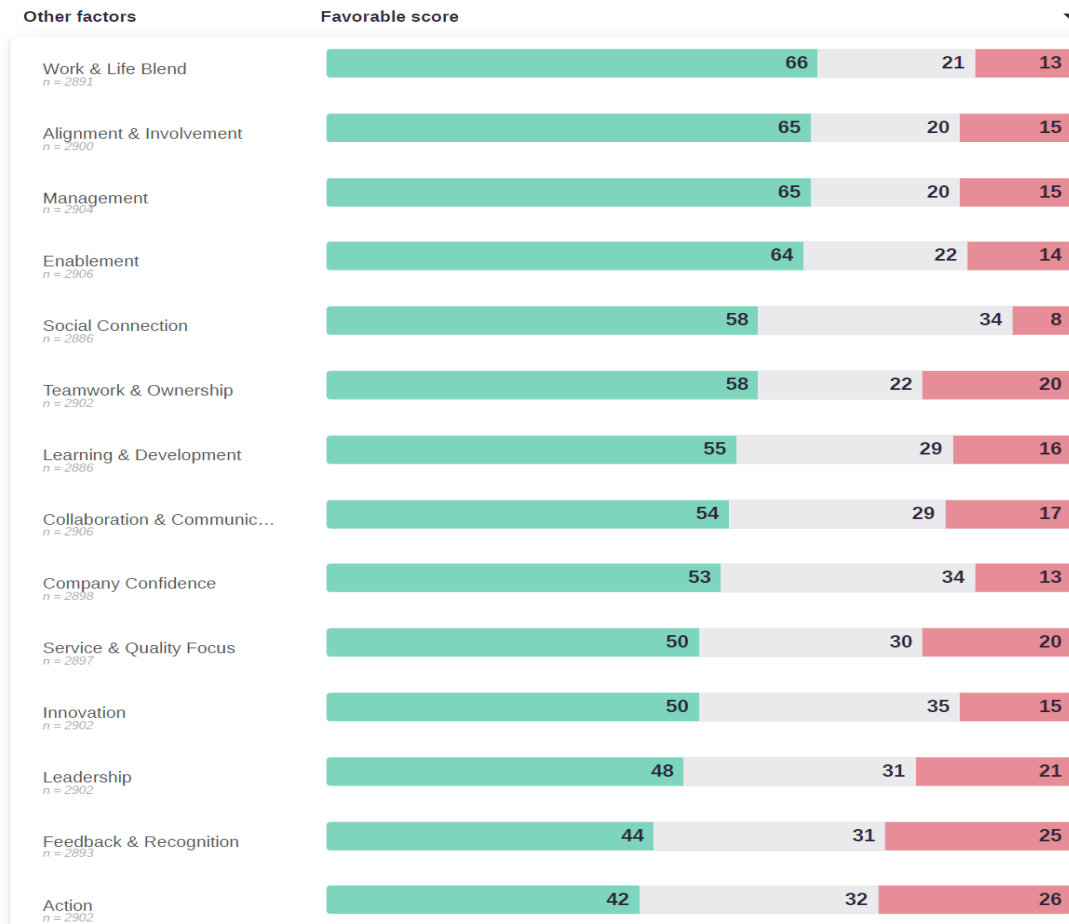
## **LAUNCH OF FIRST ENGAGEMENT SURVEY: KEDRION LISTENS**

In June, we marked a significant milestone with the launch of our first company engagement survey, "Kedrion Listens", involving all 5.300 employees. Acknowledging the diversity of our workforce, we ensured inclusivity by extending participation avenues to those without access to traditional communication channels, leveraging QR codes and personal mobile phones.

With a 55% participation rate, we gained invaluable insights into our organization's pulse, reflected in a Level of Engagement of 56%. This survey underscores our commitment to fostering a two-way communication channel, enabling us to grasp employee needs and implement targeted interventions for workplace enhancement.



Here the main results by factor:



Subsequent to the survey, we swiftly devised a comprehensive global action plan with a focal point on Leadership. This entailed the introduction of Yammer, our new company social media platform, and the initiation of “All Hands Meetings” in a town hall format to amplify leadership-population connections.

Additionally, our people development campaign unfolded through 20 webinars engaging 1.500 individuals and the provision of access to LinkedIn Learning for all white-collar employees, totaling 2.500 beneficiaries. These initiatives collectively underscore our dedication to cultivating a thriving and interconnected workplace environment.

We also wanted to measure the potential impact of those initiatives, so we decided to launch a shorter version of the survey focused only on Leadership and Engagement. This short follow up survey was launched in March 2024, and we registered an improvement in both areas, with a + 4% in Leadership and a +2% in Engagement. This represents a positive trend confirming that the direction we are going in is the right one, even though we still need to accelerate the impact and the improvement in each area.



## OUR NEW COMPANY VALUES

From April 2023, we also started working to define new company values that can reflect the soul of the new organization.

We started from a survey to all employees, to collect the point of view of everyone. We then analysed the outcomes and match with the previous values. Then the leaders created a better definition of each value that was linked to the company strategic priorities and main pillars.

In December 2023 we launched the new values to the whole organization, and we also engaged everyone to discuss and share their perspective through Yammer and Live discussions in small teams.

We now have 5 core values:

- **Sustainable Impact**
- **Care**
- **Courage**
- **Together as one**
- **Integrity**

# KEDRION



**TOGETHER  
AS ONE**



**CARE**



**INTEGRITY**



**SUSTAINABLE  
IMPACT**



**COURAGE**



## LEADERSHIP FRAMEWORK

In the new Kedron, we needed also to have a stronger hook to leadership behaviors. For this reason, we started the process of creating a new Leadership Framework. All the board members were interviewed in a 1 to 1 session. We also ran 4 workshops involving more than 50 leaders across all geographies and functions. We then refined the work through a survey, and we finally defined 5 main competencies described by 5 behaviors each. Each competency is directly connected with our values.

PROMOTING PEOPLE'S DEVELOPMENT	DEVELOPING TRUST AND RESPECT	ENABLING PERFORMANCE	DRIVING INNOVATION AND CHANGE	FOSTERING COLLABORATION
Focuses on identifying and developing tomorrow's leaders	Takes a stand to uphold ethical principles and values	Sets clear priorities for the organization	Inspires others to take on challenges	Promotes cross-organizational collaboration
Promotes a culture of continuous learning	Speaks up and challenges authority constructively	Delegates decision autonomy at the lowest possible level	Communicates the big picture to help team members understand the broader context of their work	Develops a broad network to break the silo structures
Provides opportunities and stretch assignments to support people's growth	Demonstrates consistency between words and actions - walks the talk	Celebrates achievements, recognizing individual and team's contributions	Creates a climate where people feel free to express their ideas	Communicates in a transparent and direct way
Systematically meets team members to investigate and address their needs	Shows respect for others' perspective, even if it differs from one's own	Creates a sense of pride and belonging among team members	Dares to take entrepreneurial risks, encouraging learning from mistakes	Listens and connects empathically with others
Provides timely and meaningful feedback	Follows through on commitments	Reacts to difficult business realities with a sense of urgency and a positive attitude	Demonstrates flexibility in dealing with change situations	Focuses on resolving problems rather than pointing fingers
<b>CARE</b>	<b>INTEGRITY</b>	<b>SUSTAINABLE IMPACT</b>	<b>COURAGE</b>	<b>TOGETHER AS ONE</b>

## MANAGERIAL DEVELOPMENT

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

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





## TRAINING ACTIVITIES

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

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

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

In 2023, the company developed, among others, the following training and management development paths:

- The fourth edition of the management development program called K-2025, designed to develop management skills and disseminate a growth mindset. Starting from an individual analysis conducted through *learning advisors*, questionnaires and exercises, an individualized learning path is designed together with the participants, 30 employees coming from the main geographical areas of the company.
- Within the K-2025 program, Scuola Kedrion has launched a Mindfulness course, which is also open to the company’s employees and is organized in 1-hour workshops. Over 150 people joined the course, which focused on the emotional side of the work-life relationship and on stress management;
- In this important period with the integration, we also needed to strengthen the ability to communicate in English to better connect all part of the company. For this reason, more than 60 people in Italy were supported by English language courses provided by Scuola Kedrion. These courses were not only in classrooms but also through an application, available for 6 months.
- The focus on personal development was also extremely important. To sustain every employee in their willingness to learn new capabilities, we signed a contract with LinkedIn Learning to have access to their platform for the coming 3 years for 1500 people. The licenses started in January 2024. We strongly promoted the use of the

new platform starting from Jan 2024, and invited all the 2500 white collars to join LinkedIn Learning. At the end of April, we have 1200 employees that activated their learning account in LinkedIn Learning and 60% of them are also actively taking some courses. We have reached 814 LinkedIn Learning course completions and 21,244 LinkedIn Learning videos viewed. We are continuing investing in the platform so that even more people will benefit from it.

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

In 2023, 27.872,5 hours of training were carried out (for the Kedrion company).



### Summary of training hours carried out by gender over the period 2021-2023

Year	Men	Women	Total Hours	Average hours per employee*
2023	15,836.0	12,136.5	27,872.5	5.3
2022	2,862.5	5,882.5	8,745.0	3.1
2021	11,195.5	10,679.5	21,874.9	7.9

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

## PERFORMANCE MONITORING



Like every year, an annual assessment of individual performance was carried out in 2023, being strategically relevant for the development of human resources.

Compared to 2022, the population involved went from 3,841 to 4,276 people; the process involved 84% of the population (in 2022 75% of Kedron's population had been involved) and 100% of Executives and Senior Management, since they benefit from MBO programmes.



### Number of employees involved in performance management process in 2023 by category and gender<sup>7</sup>

Category	Men	Women	Total
Directors	85	47	132
White Collars	966	1,166	2,132
Blue Collars	1,090	922	2,012
<b>Total</b>	<b>2,141</b>	<b>2,135</b>	<b>4,276</b>

The KedPMP (Kedrion Performance Management Process) stipulates that, employees are evaluated by considering the achievement of individual objectives.

## REMUNERATION AND REWARDING POLICIES

As far as Rewarding and Compensation are concerned, Kedrion has been reviewing its position evaluation policies over the last few years to allow a segmentation of roles being valid throughout the group and respecting local specificities, so as to promote remuneration, development and people management policies that value the principles of fairness and transparency. The remuneration policies existing within the Group are oriented to ensuring competitiveness on the labour market, in line with growth and human resources retention objectives, as well as to differentiating remuneration tools on the basis of individual professional skills and competences.

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

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

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

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

<sup>7</sup> Data by gender about BPL Plasma are not available



## CORPORATE WELFARE

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

Several projects in this area are given as examples below:

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

## HEALTH AND SAFETY AT WORK



Kedrion's policies are aimed at:

- Promoting safety culture at every organizational level;
- Supporting initiatives intended to improve working conditions;
- Supporting local offices to manage safety in workplaces and monitor their performance.

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



The Italian, Hungarian and Canadian sites have adopted an OSH management system following the ISO 45001 standard, for which certification has been confirmed by the certifying body SGS.

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

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

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

Within the Operations function, the "Zero Accidents" objective that in 2023 involved all the production sites in implementing Standard Work such as Gemba walks conducted by the Site leadership teams, and Job Safety Observations performed by supervisors to reinforce leadership and risk control. The promotion of reporting by employees not only accidents but also near miss and unsafe conditions or behaviours reached and exceeded the 2023 target that was at least one report per person and has been re-launched to 1,4 reports per person for 2024.

The distribution of events, days lost and frequency and seriousness indicators by geographic area in 2023 is shown in the following table:

**Distribution of accident cases by geographical area as at 31.12.2023**

Region	Number of events	Number of days lost	TIR*	LWR*	Worked hours****
Italy	3	37	0.35	4.3	1,729,055
America and RoW**	86	71***	3.9	3.1	4,547,475
Hungary	2	47	1.1	26.1	359,081
UK	10	244	1.0	23.9	2,042,880
<b>TOTAL</b>	<b>101</b>	<b>399</b>	<b>2.3</b>	<b>9.2</b>	<b>8,678,491</b>

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

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

\*\*\*Days lost for the 5 injuries in the RoW are not reported

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

Below is the trend in accidents over the three years 2021-2023:

**Summary of accident cases over the period 2021-2023**

Index	2021	2022	2023	Variation 2023/2022
Number of "recordable" accidents	52	129	101	-22%
Number of days lost	761	962	399	-58%
TIR	2.34	2.8	2.3	-18%
LWR	34.3	20.3	9.21	-55%



The overall figure for 2023, compared with the previous year, shows a reduction in the number of events and of days lost as an absolute value.

Production sites show a 40% reduction with 18 so-called “recordable injuries having TIR=0.8, with 16 of them whose prognosis was at least one day (LTAs, Lost Time Accidents).

The most frequent types of injury are impacts and crushing, slips, strains and sprains or cuts and abrasions, and contact with potentially biohazardous material (punctures or splashes), especially at plasma collection centers where in 2023 78 recordable events were reported with only 10 of them whose prognosis was at least one day (LTAs, Lost Time Accidents).

## OCCUPATIONAL DISEASES

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

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

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

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

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

In 2023, 1 occupational disease claim was made about manual handling of loads, and it is still being assessed.

## ACCIDENTS TO EXTERNAL PERSONNEL

In 2023, there were no events involving external personnel working in areas being under direct responsibility and/or following the instructions of the company.



## SOCIAL RESPONSIBILITY



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

### OUR SUPPORT TO COMMUNITIES

Promoting the well-being of people, local communities and the territories that welcome us worldwide is a duty and a core value of our mission. A task which is expressed in our daily actions aimed at building a sustainable and inclusive society, based on reciprocity and trust.

#### KEDRION S.P.A.

This is an ethical and civil responsibility which is an integral part of our corporate culture and which, in Italy, we have carried forward by supporting the activities of various organizations, including:

- Humanitas (support for medical-scientific training and information activities)
- AVIS Nazionale (support for the creation of a communication campaign aimed at young adults and support for awareness-raising activities)
- Associazione sportiva Sei (Six Sports Association) – Sport Experience Ideas Asd (support for the continuation of the project “Centro Coni”)
- Fondazione Luigi Villa (support for the project dedicated to assessing the risk of developing cardiovascular complications in Hemophilia patients; contribution for the second tranche of the scholarship to support research activities related to the project "Cardiovascular Risk and Endothelial Damage in the Hemophilia Patient")
- Asti-Alessandria's section of AIL – Italian Association against Leukemia, Lymphoma and Myeloma (support for hematological patient care activities and support/promotion of scientific research)
- Angeli Guerrieri della Terra dei Fuochi Association (support for home nursing activities for pediatric patients at the Santobono-Pausilipon Hospital in Napoli)
- Art Bonus Toscana - Fondazione Giovanni Pascoli (support to local activities)
- Stella Onlus (support for the training of missionary students)
- UNIAMO – Italian Federation of Rare Diseases (support for institutional activities)
- Associazione Officina dell'Amore (support for home nursing activities for pediatric patients)



In Italy, we have always supported initiatives and projects aimed at encouraging biomedical research and scientific innovation, focusing above all on the skills of talented young scholars. A commitment which, like every year, was expressed in promoting, in occasion of the research prizes awarded by the Carlo Erba Foundation, two scholarships - in memory of Guelfo Marcucci, historic founder of the company - aimed at under 35s for their original research in the field of Non-Oncological Hematology.

Furthermore, for the third consecutive year, the "Fabrizio Fabbrizzi" research prize was awarded: an acknowledgment promoted by the Carlo Erba Foundation with our support and intended for young graduates who distinguished themselves for their studies in the field of plasma-derived therapies.

At the same time, we continued to support the international academic community, providing our support - for example - to the Medical University of Warsaw engaged in the creation of a national registry of all Polish patients suffering from Chronic Inflammatory Demyelinating Neuropathy.

### **KEDRION BIOPHARMA INC. (USA), PROMETIC BIOPRODUCTION INC. (CANADA) AND HUMAN BIOPLAZMA KFT (HUNGARY)**

In the United States, animated by a deep sense of responsibility, the employees of the Fort Lee (New Jersey) offices and of the production site of Melville (State of New York) supported several volunteering initiatives:

- The "Seasons of Giving" campaign of Feeding America
- Two fundraising initiatives promoted during the "Breast Cancer Awareness Month"
- The "Athletic Shoe Recycling Campaign"
- The "Adopt a Family" campaign
- The "PBA Toy Drive" in partnership with the Fort Lee Police Department
- The "Toy Drive Programs for the Holidays" with the Fort Lee Fire Department
- An activity related to commercial bike build for charity

In Canada, our employees at the production plant of Laval (Québec) have raised money to support "La garderie éducative Ste-Rose" an organization with the mission of support children and their families facilitating their learning processes while ensuring their health and safety. Employees at Laval also participated in the "Operation Père Noël". The mission of the organization is to help abandoned children in need experiencing the magic of Christmas and receiving new Christmas gifts.

In Hungary, where we have been dedicating energy and resources to support local communities for several years, we have guaranteed our support to various organizations including:

- For a "Smile Hungarian Association Mosoly Egyesület" (contribution for the purchase of non-invasive respiratory support at the Flór Ferenc Kórház Hospital in the city of Kistarcsa)
- "Csontvelő Transzplantáció Alapítvány" Foundation (donation of toys to pediatric patients undergoing bone marrow transplants during the December holidays)
- "Heim Pál Gyermekkorház" Children's Hospital in Budapest (support for a project for the development of pediatric standards of care)





## RESEARCH ACTIVITIES, ORPHAN DRUGS AND COMPASSIONATE CARE

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

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

- Plasminogen
- Coagulation Factor V (FV)
- Factor XI
- Ceruloplasmin
- Haptoglobin
- New proteins from unused plasma processing intermediates

Aiming to provide patients with first-in-class examples of specific therapies for their target diseases,



the first five initiatives (two of them resulting from the recent acquisition of BPL) represent Kedrion's effort towards the development of first-in-class therapies, with the sixth representing the cutting edge and distinctive characteristic of Kedrion's research towards the optimization of plasma for the development of the future generation of plasma-derived protein replacement therapies, particularly for rare and ultra-rare diseases.

With this initiative, Kedrion aims at studying plasma fractionation intermediates not currently employed for the manufacturing of current drugs in order to identify candidate protein replacement therapies for rare diseases with high unmet medical need. For example, Ceruloplasmin and Haptoglobin represent targets which can be purified from unused intermediates. This approach has recently obtained endorsement from Italian Governmental funding agencies through the award of a major MIMIT (Ministero delle Imprese e del Made in Italy) and Regione Toscana Grant (Project Title "Nuove terapie

per malattie rare da intermedi utilizzati del frazionamento del plasma", acronym NATURAL) as well as endorsement from the scientific community through publication in a journal of the prestigious Nature Portfolio (Zanardi, Nardini et al., 2024; New orphan disease therapies from the proteome of industrial plasma processing waste- a treatment for aceruloplasminemia. *Commun Biol* 7, 140 (2024). <https://doi.org/10.1038/s42003-024-05820-7>).

Endorsement from public funding agencies (Grant from Italian Ministry of Economic Development, MISE and Regione Campania) has been obtained also for the FV project. The endorsement from Italian National and Regional funding bodies is a testimony to Kedrion's innovation and capacity to create and nurture important academic-industry networks directed at discovery, characterization and development of new plasma-derived therapies for rare and ultra-rare conditions.



### 1.1.1.1. PLASMINOGEN

Plasminogen (PLG) is an important blood protein that plays a key role in clot dissolution by acting physiologically on fibrin and fibrinogen A-chains. Plasminogen deficiency type 1, or severe hypoplasminogenemia (HPG), is a very rare systemic disease which causes the formation of fibrin-rich pseudomembranes (with a wooden appearance) in the mucous membranes when a wound is healing. The prevalence of HPG, although not properly determined to date, is estimated at around 1.6 cases per million of inhabitants.

As there is no previously authorised drug available for plasminogen replacement therapy in patients with HPG (and in particular with ligneous conjunctivitis), this disease has been treated in recent years by surgical resection of the ocular lesions (pseudomembranes) and/or with non-specific drugs such as corticosteroids, antibiotics and heparin.

In 2021, the acquisition of the Canadian company Prometic enabled Kedrion to take possession of plasma-derived plasminogen (Ryplazim®), a drug recently approved by the FDA, which is the world's first ("first-in-class", i.e., the first example of a disease-specific therapy available on the market) drug for the treatment of hypoplasminogenemia.

As a result, Kedrion is now in a position to deliver a drug to patients and will focus on the product launch by pausing further internal development of plasma-derived plasminogen for the time being. The acquisition of Prometic and the Ryplazim® product is an example of Kedrion's dynamism and of the integration of internal innovation with the innovation implemented through appropriate Business Development activities.

In the case of plasminogen, particular attention is also paid to developing a vision of the future development of therapies for plasminogen deficiency, with a keen eye on the history of the evolution of therapies for other genetic diseases being relevant to the plasma-derived products sector, such as Haemophilia.

For this disease, new therapeutic approaches to drugs produced from plasma have rapidly developed, including recombinant proteins with improved characteristics compared to plasma-derived products, gene therapy approaches and, most recently, genome editing approaches with an increasing participation not only of small industrial entities but also of pharmaceutical giants.

Kedrion is therefore committed to creating a pathway for the evolution of ever-better plasminogen deficiency therapies for the benefit of patients and their quality of life. In this pathway, the importance of companion biomarkers, i.e., diagnostics capable of rapidly diagnosing the presence of a plasminogen deficiency and monitoring the effectiveness of treatment with the product, is an essential complement to therapy, and Kedrion is also committed to this.

This integrated vision of "life cycle management" of a "first-in-class" product such as Ryplazim®, with a view to create a "franchise" of products (plasma-derived products, non-plasma-derived therapies and accompanying diagnostics) is, in fact, the model that Kedrion can follow for the other projects described in this section.



### 1.1.1.2. **COAGULATION FACTOR V (FV)**

Factor V is a plasma protein which is found at a concentration of approximately 7 µg/ml in healthy individuals and plays a pro-coagulant role in the coagulation cascade by participating in thrombin formation. Congenital factor V deficiency, alone or in combination with factor VIII deficiency, is an extremely rare haemostasis disease occurring in 1:1,000,000 people. Individuals affected by a deficiency of this protein manifest haemorrhages at various sites and degrees, going from epistaxis, menorrhagia, haemarthrosis and haematomas, to more serious forms, including intracranial and gastrointestinal haemorrhages.

Due to the extreme rarity of the associated pathology, no specific Factor V concentrate is commercially available to date, so the treatment of Factor V deficiency relies on replenishing the deficient factor using fresh frozen plasma, but this involves risks and complications.

Kedron has developed an experimental prototype of Factor V concentrate and is currently ready to start its industrial development. Once developed and placed on the market, the product would be 'first-in-class', i.e., the first specific therapy available for the target disease.

In 2020, Kedron applied for funding from the Italian Ministry of Economic Development (MISE) using the "Development Agreements" tool to support its industrial and clinical development. Following the award of the Grant, the project started its activities in late 2022 and is currently in the early phase of preclinical development. These activities are within the framework of a public-private consortium (in which Kedron is the lead partner) comprising the University of Naples "Federico II", CEINGE-Advanced Biotechnologies, the CNR and the University of Campania "Luigi Vanvitelli". The collaboration with academic centers of excellence in Campania demonstrates Kedron's proactivity in identifying regional centers of excellence for inclusion in its collaborative network, strengthening ties with its geography and promoting the growth of local science.

### 1.1.1.3. **FACTOR XI**

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

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

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

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



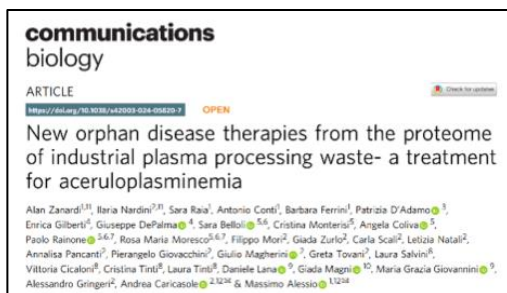
### 1.1.1.4. CERULOPLASMIN

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



Kedron has developed an experimental prototype of plasma ceruloplasmin concentrate, purified from an unused plasma fractionation intermediate. Kedron's ceruloplasmin was able to prevent neurological, hepatic and hematological phenotypes in ceruloplasmin-deficient mice, a translational model of the human disease, aceruloplasminemia. These data, obtained in collaboration with the San Raffaele Institute in Milan, demonstrate the feasibility of transforming industrial waste plasma

fractions into a raw material for the manufacturing of new candidate proteins for replacement therapies, optimizing plasma use and reducing waste generation. The development and validation of a ceruloplasmin replacement therapy for aceruloplasminemia was recently published in a journal of the prestigious Nature Portfolio (Zanardi, Nardini et al., 2024; New orphan disease therapies from the proteome of industrial plasma processing waste- a treatment for aceruloplasminemia. Commun Biol 7, 140 (2024). <https://doi.org/10.1038/s42003-024-05820-7>). This work is a prototype of Kedron's ability to innovate, as well as to establish and nurture networks of collaborations with academic centers of excellence to support the development of new therapies for patients suffering from rare diseases with high unmet medical need.



For ceruloplasmin, too, Kedron has initiated preclinical development, within the NATURAL Grant from MIMIT (Ministero delle Imprese e del Made in Italy) and Regione Toscana Grant (Project Title "Nuove terapie per malattie rare da inUtilizzati del frazionamento del pLasma", acronym NATURAL).

As with Factor V, this product would be another example of a "first-in-class" therapy to support Kedron's drive for innovation and new products. Besides offering a valid therapy for patients with aceruloplasminemia, there are other indications of disease which could benefit from treatment with ceruloplasmin, such as Wilson's disease.



### 1.1.1.5. HAPTOGLOBIN



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

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

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

Unlike the other projects described above, the development of a haptoglobin concentrate therefore does not address rare diseases, but rather aims at addressing unmet medical needs in intensive care indications. BPL has designed a haptoglobin concentrate which may be developed to provide these patients with a treatment that could significantly improve their prognosis, clinical evolution and functional recovery. After the acquisition of BPL, Haptoglobin, purified from an unused intermediate, is currently being studied in order to validate its efficacy in translationally relevant animal models of relevant indications within the NATURAL Grant.

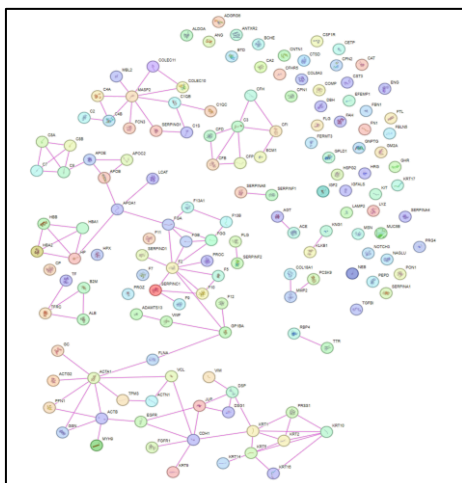


### 1.1.1.6. NEW PROTEINS FROM INTERMEDIATES PROJECT



Plasma is a valuable resource and a gift from blood donors to the community, with important ethical implications. Kedron is well aware of these implications and is committed to using as much of the plasma resource as possible to develop new therapies for patients suffering from various protein deficiencies, which represent rare and ultra-rare diseases in the vast majority of cases.

Therefore, in collaboration with the Toscana Life Sciences Foundation (TLS, Siena) and using the most advanced proteomics techniques, Kedron has conducted the first systematic analysis of unused plasma industrial processing intermediates, i.e., those parts of the plasma-derived drug production process that are not used and that therefore represent a processing waste. The collaboration with TLS demonstrates again Kedron's proactivity in identifying regional centers of excellence for inclusion in its collaborative network, strengthening ties with its geography and promoting the growth of local science, in Tuscany in this case. More than 300 proteins have been identified in these intermediates, with more than 100 proteins being associated with a human disease. Many of these targets, if developed on an industrial scale, could be used as therapies for various rare diseases. In addition to that, the presence of proteins representing plasma-derived products in these intermediates provides an opportunity to reuse these intermediates so as to obtain the same products already available to patients.





This activity not only has an ethical value given by the optimization of the use of plasma, but it also represents an important proof of Kedrion's commitment to reuse industrial processing waste, thus becoming part of some of the development goals (the "green" ones in particular) highlighted by the European Community and transposed in the various national laws such as the National Recovery and Resilience Plan. A demonstration of the relevance of this activity of Kedrion towards these higher objectives is represented by its inclusion within the aforementioned NATURAL Grant, awarded by MIMIT and the Regione Toscana.

## FISCAL RESPONSIBILITY

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

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

It is therefore compliant with the tax rules being applicable in the countries it operates in, managing the tax risk responsibly while protecting its image and reputation.

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

To ensure compliance in tax matters, the Parent company has adopted a specific corporate *Transfer Pricing Policy*, in line with the provisions of specific regulations. A Tax and Charges procedure has also been adopted to identify the roles and responsibilities of the parties involved in tax management, determine the information flows between these parties and the related processes to achieve an effective and, where possible, preventive control of tax risk. A specific policy also exists to manage the risk deriving from the interpretation of tax provisions. The objective is to pursue:

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

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

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



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

In 2022 the Kedrion Group has paid the taxes shown in the table below (all figures are expressed in Euros)<sup>8</sup>:

Names of the resident entities	Number FTEs	Primary activities of the organization	Revenues from third-party sales	Revenues from intra-group transactions with other tax jurisdictions	Profit/loss before tax	Tangible assets other than cash and cash equivalents	Corporate Income Taxes paid on cash basis	Corporate income tax accrued on profit/(loss)
Kedrion S.p.A. (Italia)	1,039	Plasmaderivatives production & trading	271,644,481	162,632,456	(21,431,668)	261,094,856	-	2,938,762
Kedrion Biopharma Inc, BPL Inc, KEDPlasma LLC and BPL Plasma (sub-group US) *	1,367	Plasma collection, plasmaderivatives production & trading	315,078,897	80,859,869	4,201,230	312,402,970	1,452,401	922,174
Sevenplatform (sub-group BPL UK, DE, MEX) **	1,062	Plasmaderivatives production & trading	376,057,439	124,573,408	305,988,626	387,868,050	1,504,868	1,294,235
Human BioPlazma Kft. (Ungheria)	197	Plasmaderivatives production & trading	16,390,287	47,595,017	(363,251)	65,162,139	161,064	274,339
Kedrion Biopharma GmbH (Germania, Austria, Polonia, Portogallo)	27	Plasmaderivatives trading	89,356,042	894,124	5,475,455	3,463,580	1,261,033	1,500,471
Kedrion Mexicana S.A. de C.V. (Messico)	11	Plasmaderivatives trading	52,220,619	-	7,065,187	4,010,634	794,326	2,202,519
Kedrion Brasil Distributoria (Brasile)	2	Plasmaderivatives trading	2,045,117	-	160,876	298,373	-	24,207
Kedrion Biopharma India Private Limited (India)	1	Plasmaderivatives trading	601,926	-	(642,260)	32,682	-	-
Kedrion Betaphar Biyofarmasotik (Turchia)	12	Plasmaderivatives trading	46,146,512	22,474	10,102,568	182,559	1,222,069	1,138,526
Kedrion de Colombia SAS (Colombia)	4	Plasmaderivatives trading	3,061,354	-	(280,250)	544,593	88,880	-
Prometic Bio Production (Canada)	142	Plasmaderivatives trading	318,793	6,811,139	(6,382,685)	26,152,107	1,052,281	(535,832)
Prometic Bio Therapeutics (Usa)	-	Plasmaderivatives trading	131,823	9,576,609	(313,296)	-	-	180,684
Unica Plasma ***	60	Plasma collection	372,653	326,202	71,305	1,073,813	-	62,826

\* Kedrion Biopharma Inc ha acquisito il 30/09/2022 attraverso la controllata Kedplasma LLC le controllate indirette BPL Plasma Inc e BPL Properties Inc

\*\* Kedrion SpA ha acquisito il 31/08/2022 la controllata Sevenplatform VI Ltd e le controllate indirette del Gruppo BPL in UK, Germania e Messico

\*\*\* Kedrion Spa ha acquisito il 30/11/2022 due società in Repubblica Ceca, "UNICApasma sro" e "UNICApasma Morava sro"

## ANTI-CORRUPTION AREA

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

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

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





During 2022/23, no episodes of corruption were identified in any of the companies which are part of the Kedrion group. The following paragraphs show the organization's measures, and the various safeguards adopted by the most relevant operating companies of the group within the area of anti-corruption.

#### 1.1.1.7. **KEDRION S.P.A.**

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

Since 2004, Kedrion S.p.A. has implemented an Compliance System ("Organizational, Management and Control Model") pursuant to Article 6 of the Italian Legislative Decree 231/2001 (hereinafter also referred to as "Model 231") in order to prevent the risk of committing the a broad range of corporate crimes set out by the same Decree. The crimes covered by the Decree also include corruption in all its forms, both in relations with the Public Administration and in relations between private individuals, including all relations with the supply chain.

Kedrion S.p.A. periodically updates the risk map, which is the map of the corporate areas exposed to "crime risk", including the risk of corruption, considering changes that may occur to the legislation to the company and its activities.

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

The above-mentioned controls and mitigating measures are formalized in company procedures regulating the most relevant and sensitive processes.

As part of its global "Speak Up" Program, Kedrion has made some channels available to employees and external stakeholders to report potential or actual breaches of company's policies or external regulations, even anonymously. These channels include a web platform and hotline accessible from websites and intranet pages of Kedrion's subsidiaries, implemented in compliance with the EU Directives on "Whistleblowing"; 'mailboxes/letter boxes' located at Company's sites/facilities. Appropriate measures are in place in relation to these tools to protect the privacy and confidentiality of whistle-blowers.

Trainings are made available by Kedrion on the KedPeople e-learning platform, aimed at providing a first "guide" to the main Global Compliance Policies, including the Anti-Corruption Policy. This training is mainly focused on the following thematic areas:

- Ethics and human rights, to reaffirm the Group's values and the priorities of Kedrion's mission;
- Antitrust, to ensure fair conduct on the markets;
- Anti-corruption, to counter the abuse of one's position within the Group in order to obtain personal advantages;
- Privacy, to ensure maximum protection of personal data collected by Kedrion in carrying out its activities, primarily those of its employees;



- Global Compliance with Legislative Decree 231/2001, to encourage the dissemination at Group level of the fundamental principles contained in the Model 231 adopted by the Company.

#### 1.1.1.8. **KEDRION BIOPHARMA INC.**

Kedron Biopharma Inc. (KBI) has constantly updated the Compliance Program, where the fight against corruption, both nationally and internationally, is the highest priority.

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

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

#### 1.1.1.9. **HUMAN BIOPLAZMA KFT.**

HUMAN BioPlazma Kft. (hereinafter also referred to as HBP) operates in Hungary in compliance with the regulatory framework applicable to its activities. HBP has implemented the Global Policies promoted by the parent company and procedures in order to combat active and passive corruption in its activities. The Company has adopted an Ethical Code of Conduct aimed at all its employees, and has activated Whistleblowing channels to report any violations of laws, policies and procedures.

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

#### 1.1.1.10. **KEDRION BIOPHARMA GMBH**

In order to fight corruption, Kedron Biopharma GmbH has formally implemented the Global Policies introduced by the parent company and procedures and guidelines in compliance with local laws and legislation.

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



## “HUMAN RIGHTS” AREA

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

Kedrion considers loyalty and fairness as essential in relations between colleagues, at every level of the organisation, in mutual respect for the rights and freedoms of individuals; it also believes it is necessary that all employees and collaborators of the company contribute to maintaining mutual respect for each other's dignity, honour and reputation.

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

Kedrion opposes to all forms of discrimination against workers based on nationality, ethnicity, religion, social class, gender, sexual orientation, political and trade union orientation, health conditions, physical limitations, age, previous family responsibilities, marital status or any other condition that may give rise to discrimination. The company proposes to offer equal opportunities to all employees in career development, work exit and retirement, in full respect of the fundamental principle of equality.

During 2023, no incidents involving violations of human and Workers' rights were detected throughout the companies of the Kedrion group, including the BPL companies.

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

### 1.1.1.11. **KEDRION S.P.A.**

In 2004 the Company's Board of Directors approved the creation of the Ethics Office, which is responsible for the definition, implementation, and continuous improvement of the Corporate Management System for Business Ethics and of the System of Social Responsibility on Ethics in relations with internal Kedrion workers and the supply chain under the international standard SA8000 (Social Accountability 8000). Since 2004, Kedrion has therefore been SA8000 certified by a third party.

In 2023 the Ethics Office has been merged with the Compliance Team that and renamed “Ethics & Compliance Team”, driving and coordinating company's initiatives in the Ethics and Compliance area

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

All reports submitted by workers to the Ethics Officer were independently and duly investigated, no violations of human rights and workers' rights were found, specifically, the following did not occur:

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



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

#### 1.1.1.12. **KEDRION BIOPHARMA INC.**

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

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

#### 1.1.1.13. **HUMAN BIOPLAZMA KFT.**

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

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

The company monitors employment relationships, to reject and prevent any form of discrimination, from the beginning to the end of the employment relationship. Such monitoring is conducted and controlled by the company's human resources function.

#### 1.1.1.14. **KEDRION BIOPHARMA GMBH**

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

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

The aim of the AGG is to prevent and eliminate discrimination based on race, ethnic origin, sex, religion or ideology, disability, age, or sexual identity.

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



## ENVIRONMENT



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

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

The Kedrion management team undertakes the task of implementing, maintaining, improving and documenting its processes and activities in compliance with the highest quality standards.

Some examples include:

- UNI EN ISO 14001 and EMAS Regulation<sup>9</sup> (Environmental Management System);
- ISO 45001 (Occupational Health and Safety Management System).

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



- Adherence to the UN Global Compact<sup>10</sup>, which implies a global commitment to improving environmental performance through a strategy based on the principles of:
  - Optimisation of resources by prioritising sustainable ones;
  - Reduction of negative impacts;
  - Dissemination of an environmental culture among employees and external collaborators.

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

The Lucca sites (Klg10 production site, Castelvecchio Pascoli warehouse, Bolognana site and administrative offices) and the Sant'Antimo (NA) site are ISO 14001 certified and EMAS registered.

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

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

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

## EUROPEAN TAXONOMY

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

The percentage of revenues associated to taxonomy-eligible activities is 0%, as the group's operation area is currently excluded from the Delegated Acts for climate change mitigation and adaptation.

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

## WATER CONSUMPTION AND WATER CYCLE

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

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

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

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

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



with regard to any increases in production capacity. Furthermore, an increase in water consumption corresponds to an increase in wastewater, whose hydraulic load is governed by authorisations and/or technical/infrastructural limitations.

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

The Elstree site is equipped with a wastewater treatment system.

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

Water consumption from network*	Water consumption from well*	Total water consumption	Wastewater** CBM
1,173,507	364,541	1,538,048	1,276,090

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

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

The largest contribution (80%) comes from production sites (20% UK, 41% Italy, 30% USA and 7% Hungary, respectively).

Below is the table summarising the global water consumption and wastewater discharge for the three years 2021-2023:

Water budget over the period 2021-2023				
Index (CBM)	2021	2022	2023	Difference 2023/2022
Water consumption*	811,995	1,756,294	1,538,048	-12 %
Wastewater**	569,320	1,334,937	1,276,090	-4%

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

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

## RENEWABLE AND NON-RENEWABLE ENERGY CONSUMPTION

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

Some constraints exist in the provision of electric energy, connected to the infrastructures which can impact on the continuity of the service and on any production development, despite the presence of emergency generator systems for the most critical equipment.

As of November 2020, the Bolognana plant will use a significant portion of the electricity produced by a tri-generation plant existing in the site and which, in addition to having a reduced environmental impact, guarantees an improvement in the quality of supply, although it does not reduce the risks associated with any interruptions to the grid. This plant replaces the self-production obtained through a cogeneration system. No constraints related to laws/authorisations exist for the various sites.



The energy monitoring and diagnosis activities required by the Integrated Environmental Authorisations and by the legislation on the rational use of energy, are an opportunity for interventions to optimise consumption.

The use of natural gas, for the production of hot water and steam, represents the best source of non-renewable energy in terms of greenhouse gas emissions and, therefore, an opportunity to improve the environmental impact of the sector; however, there are risks linked to possible short or prolonged supply interruptions due to possible technical problems of the network infrastructure or the supplier, which may have a significant impact on the business continuity of the production plants. This applies to the Bolognana site, where methane is used by an external supplier to produce most of the electricity consumed. To continue ensuring emergency operation, the supply from the power grid remains active.

## ELECTRIC ENERGY FROM THE GRID

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

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

Below is the figure for overall consumption:

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### Electricity consumption from the grid\* as at 31.12.2023

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**GJ**

**397,955**

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

The largest contribution to total consumption is made by production sites, accounting for 89% of the total (Italy, UK, USA, Hungary and Canada, with 40%, 27%, 10%, 7% and 2% respectively). The Bolognana plant buys from both the external grid and the local operator (tri-generation plant).

## FOSSIL FUELS

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

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### Methane gas consumption\* as at 31.12.2023

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**GJ**

**386,435**

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

The largest contribution to total consumption is made by production sites, accounting for 97% of the total (UK, Italy, USA and Hungary, with 35%, 27%, 23% and 8% respectively).





The following table summarises electric energy, methane and gas oil consumption expressed in GJ at a global level for the three-year period 2021-2023:

Energy balance over the period 2021-2023				
Index (GJ)	2021	2022	2023	Difference 2023/2022
Electric energy from the grid	285,209	421,468	397,955	-6%
Methane gas*	239,726	375,955	386,435	+3%
<b>Total energy</b>	<b>529,343**</b>	<b>801,658**</b>	<b>784,390</b>	<b>-2%</b>

\* Only methane gas consumption is reported as it is indicative of almost all fossil fuels used.

\*\* The number includes other fossil fuels not listed (4,408 GJ in 2021 and 4,235 GJ in 2022).

The table shows a reduction in the consumption of electricity from the grid, a slight increase natural gas consumption with a total energy reduction of energy consumption.

## DIRECT AND INDIRECT EMISSIONS

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

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

The biggest impact in terms of energy consumption is from the production of cold.

Below is the table showing the contributions to total CO2 equivalent emissions (Scope I) and the trend over the three years 2021-2023:

Carbon Footprint over the period 2021-2023 – Scope I				
CO2 equivalent (T)	2021	2022	2023	Delta 2023/2022
CO2 eq. From refrigerant gas releases (refill)	2,932	8,439	5,291	-37%
CO2 eq. From methane gas consumption	13,622	21,363	22,013	+3%
<b>Total CO2 eq.</b>	<b>16,894</b>	<b>30,122</b>	<b>27,304</b>	<b>-9%</b>

The reduction is due the less releases of refrigerants.



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

<b>Carbon Footprint over the period 2021-2023 – Scope II</b>				
<b>CO2 equivalent (T)</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>Delta 2023/2022</b>
CO2 eq from consumption of electric energy from the grid	<b>25,581</b>	35,982	33,517	-7%
<b>Total CO2 eq.</b>	<b>25,581</b>	<b>35,982</b>	<b>33,517</b>	<b>-7%</b>

## WASTE PRODUCTION

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

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

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

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

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

<b>Waste evaluation by geographical area at 31.12.2023</b>			
<b>Region</b>	<b>Non-hazardous waste Kg</b>	<b>Hazardous waste Kg</b>	<b>Total waste Kg</b>
Italy	583,563	907,267	1,490,920
America*	50,730	994,160	1,044,890
UK**	15,476,000	9,048,000	24,638,000
Hungary	42,139	2,568,291	2,610,430
<b>TOTAL</b>	<b>16,152,432</b>	<b>13,517,718</b>	<b>29,784,240</b>

\* Includes Laval (Canada), Melville and all plasma collection centres

\*\* Elstree site



Below are the values for the three years 2021-2023:

<b>Waste evaluation 2021-2023</b>				
<b>Type (Kg)</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>Difference2023/2022</b>
Non-hazardous waste	854,457	<b>14,179,720</b>	16,152,432	+14%
Hazardous waste	5,823,034	<b>12,678,720</b>	13,517,718	+8%
<b>TOTAL WASTE PRODUCED</b>	6,677,491	<b>26,858,430</b>	29,784,240	<b>+10%</b>

Since 2022, Elstree site joined Kedrion, significantly contributing to the total amount of waste produced by the company, generating over 80% of the total amount of waste. In particular, Elstree is responsible for 96% of total non-hazardous waste and 67% of hazardous waste.

In the Elstree site there is a significant production of hazardous waste, linked to the disposal of alcoholic wastewater, which accounts for almost 83% of its hazardous waste, and a significant production of non-hazardous waste, coming for 80% of total non-hazardous waste from the disposal of the sludges of the wastewater treatment system.

2023 shows a 10% increase in total amount of waste due to an increase in UK and Hungarian sites.

<b>Quantity of waste for recovery as of 31.12.2023</b>	
<b>% of total non-hazardous waste</b>	93%
<b>% of total hazardous waste</b>	73%

The recovery of hazardous waste has strongly increased with respect to 2022, passing from 34% to 73%. Recovery of non-hazardous waste has remained stable.



## METHODOLOGICAL NOTE

### GIVEN BOUNDARY AND REPORTING PROCESS FOLLOWED

Kedrion sustainability report 2023 includes in its reporting scope the parent company and the subsidiaries, consolidated on a line-by-line basis (please note that the American company that manages the plasma collection centres, KedPlasma LLC, is 100% controlled by KBI, therefore the data relating to KBI or to the US region also include those of KedPlasma LLC). Any exceptions are indicated in the text; in case some data are not available, the text highlights this in a clear and transparent way. The British company BPL, acquired by Kedrion on 31 August 2022, is fully embedded in the Sustainability report.

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

1. Assignment of the task by Kedrion's CEO, to Finance department (start of November 2023);
2. Identification of the activity coordinator (mid-November 2023);
3. Contact between the coordinator, the data owners and the representatives of each department and legal entity of the Group concerned (end of November 2023);
4. Training activity and information on the report (before mid-December 2022);
5. Preparation and discussion, by functions involved, of the Materiality Analysis (January 2023);
6. Collection of data and their validation together with the data owners and department representatives (February through April 2023);
7. Preparation of the draft report and submission to the data owners (April 2023);
8. Approval of the draft report by the data owners and submission of the document to the Finance department (May 2023);
9. Transmission of the report proposal to the Board and Risk committee for their acknowledgement (mid- March 2023).

### CALCULATION METHODOLOGIES ON ACCIDENTS AND EMISSIONS

#### Health and Safety Indicators

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

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

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

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

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



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

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

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

Coefficient from therms to scm of natural gas 1 scm = 0.3734 therms (SNAM converter).

Consumption of electric energy purchased: kWh x 0.0036 = GJ electric energy purchased.

Gas oil and natural gas (fuel): conversion factors from Defra tables 2021 version

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

To calculate the equivalent emissions of CO<sub>2</sub>, the references are those reported below:

#### SCOPE 1 (DEFRA VERSION 2021)

natural gas: scm x 2.03473 = kg CO<sub>2</sub>eq

gas oil: litres x 2.70553 = kg CO<sub>2</sub>eq

GWP coolant gases:

R404A: kg x 3,922 = Kg CO<sub>2</sub> eq

R407C: kg x 1,774 = Kg CO<sub>2</sub> eq

R410A: kg x 2,088 = Kg CO<sub>2</sub> eq

R507: kg x 3,985 = Kg CO<sub>2</sub> eq

R134A: kg x 1,430 = Kg CO<sub>2</sub> eq

R422D: kg x 2,730 = Kg CO<sub>2</sub> eq (value according to Linde Gas)

ISCEON: kg x 3,805 = Kg CO<sub>2</sub> eq (value according to Linde Gas)

R449: kg x 1,397 = Kg CO<sub>2</sub> eq (value provided by General Gas 2020 edition as unavailable on DEFRA 2021)

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

#### SCOPE 2 (TERNA VERSION 2019)

Electric energy:

Kwh x 0.315 = kg CO<sub>2</sub> eq (Italy);

Kwh x 0.374 = kg CO<sub>2</sub> eq (USA)

Kwh x 0.253 = kg CO<sub>2</sub> eq (Hungary)

Kwh x 0.122 = kg CO<sub>2</sub> eq (Canada)

Kwh x 0.521 = kg CO<sub>2</sub> eq (World)

Kwh x 0.261 = kg CO<sub>2</sub> eq (UK)

# KEDRION

B I O P H A R M A

**Kedron Group**

Headquarters in: Località Ai Conti – 55051 BARGA (LU) – fraction  
Castelvecchio Pascoli

Share Capital Euro 60,453,901.00 Euro fully paid up