ESG REPORT
DOC GENERICI SRL

OCTOBER 2022

INDEX

LETTER FROM PRESIDENT & CEO

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At DOC Generici, we have been offering **the highest quality generic drugs** to Italian customers since 1996. We make drugs available with less expense for both the patient and the community. All these years, the primary objective of DOC Generici has been to develop our activity and achieve social goals through the satisfaction of the needs of the scientific community and patients, respecting the interests of all those involved in the social activity or, in any case, in any way interested in it.

In 2021, in view of the fact that the particular sector in which DOC Generici operates involves interests of great environmental and social importance, **we decided to give a step forward and formulate an Environment, Social and Governance (ESG) strategy**, aligned to our business plan, which will help us optimize our efforts in these areas and communicate our progress to our stakeholders.

We believe that ESG is an important competitive advantage that will help us advance our business and increase our positive impact in society, by mitigating risk to our business; anticipating to technological, customer and regulatory changes; engaging and empowering our employees increasing retention and attracting best talent and enhancing our corporate reputation.

We are committed to run our business in a **responsible** and **sustainable way**. We manage our environmental and social impacts whilst creating shared value for our clients, staff and stakeholders.

We conducted a materiality assessment that identified **good governance and ethical behavior**; transparency and dialogue; product quality and safety; environment, relationship with clients, patients and health professionals; working environment; supply chain and health and wellbeing in society as our main ESG drivers and we decided to prioritize our efforts on these areas. This is our first sustainability report, by reference to Global Reporting Initiative (GRI) standards and UN Sustainable Development Goals. It describes our strategy and the activities that we have been conducting on these topics.

LETTER FROM PRESIDENT & CEO

Additionally, in 2022, our ESG baseline has been assessed and we have identified our strengths and opportunities that will help us better define and execute our strategy. Once our ESG topics were prioritized, we found it important to assess our existing programs, policies, metrics, and engagements. This assessment allows us to take stock of our company's current state and gauge the relative maturity of ESG across the organization.

We have also adapted our internal governance structures to ensure that our ESG focus areas receive the required level of attention at the top levels of the company. The Board of Directors nominated our CEO as ESG responsible at Board of Directors level and our Legal & Compliance Director was appointed as responsible of our ESG function at Executive Level, reporting to the CEO. A dedicated budget was also allocated to our ESG efforts.

We are now in the process of creating an ESG interdisciplinary team, consisting of representatives from different departments, defining roles & responsibilities, establishing sustainability targets, broken down and integrated into the employees' individual target agreements. An important success factor for internal implementation is **employee motivation** and we are committed to identifying objectives that are both binding and attractive.

We are now introducing our recently approved **Sustainability Policy** that refers to our responsibility towards society, our environment, our investors, our suppliers, our staff and the communities in which we operate. The policy applies to our company and, wherever possible, it also applies to suppliers and business partners.

LETTER FROM PRESIDENT & CEO

ESG topics in our supply chain are of paramount importance to our company and we are also launching a **Sustainable Procurement Policy** that refers to the way we embed our Sustainability objectives and principles into our procurement activities and the way we work with our suppliers, together with a Supplier Code of Conduct, inspired by the principles of the Pharmaceutical Industry Principles for Responsible Supply Chain Management.

We expect all our employees and suppliers to abide by these policies, without exception.

Our focus on ESG has increased substantially over the last twelve months and we anticipate it will continue. We believe that we are advancing in the right direction and, in line with our investors, we are convinced that our long-term financial prospects are intimately entwined with the long-term environmental and social actions we take. The way we act is just as important as what we do.

Milano, July 2022

Riccardo Zagaria
CEO (Amministratore Delegato)

Gualtiero Pasquarelli
Chairman Board of Directors

BASES FOR THE FORMULATION OF THE STATEMENT OF NON-FINANCIAL INFORMATION

DOC GENERICI SRL (the "Company", «we» or «DOC») prepares the following Non-Financial Information Statement in matters of non-financial information and diversity (the *ESG Report*) to communicate to all its stakeholders the values, strategies and performance directly related to its economic, social and environmental impacts.

OUR METODOLOGY

The Report is prepared as a voluntary exercise, as the Company does not fall within the category of large public interest entities required to report on their non-financial performance

DOC GENERICI is committed to sustainability and the UN 2030 Agenda. The 17 Sustainable Development Goals (SDGs) represent "common goals" to be achieved in areas relevant to sustainable development.

This is **the first sustainability report** prepared by the Company and we will continue to report on an annual basis, for the same reporting period as covered in our financial reporting and at the same time as our financial reporting, where this is possible

Information in this report, as described in the information cited in the Global Reporting Initiative (GRI) content index (below) corresponds to the period from 1 January 2021 to 31 December 2021 and is reported with reference to the GRI Standards. In some instances, where relevant, we have included some information describing our progress during 2022 until the date of publication of the report.

Although not effective for reports until 1 January 2023, the Company has chosen to report by reference to the GRI Consolidated Set of the GRI Standards 2021, issued by the Global Sustainability Standards Board (GSSB). ***(Statement of Use)***

Information in this report has not been externally assured

Questions about the report or the reported information can be addressed to the Company's Sustainability Office (lidia.sergio@genericidoc.it).

The **Company** has analyzed the impacts derived from its business model and considers the following non-financial aspects to be relevant, based on the materiality matrix shown below:

OUR METODOLOGY

GENERAL INFORMATION

2.1 **WHO WE ARE**

DOC GENERICI SRL is a limited liability company, incorporated in Italy. On June 2022, TPG Capital, the private equity platform of global alternative asset management, announced the signature of a definitive agreement to acquire a majority interest in Diocle Topco Sàrl, parent of DOC GENERICI, from ICG group and Mérieux Equity Partners.

Our mission is to provide affordable and quality medicines. This is expressed in the trading name- GENERIC BY CHOICE-, that we use in addition to our legal name. With this name, we want to express our focus not on profitability but on ensuring that products that are society's greatest need are available at a price, at least, 20% lower, being off-patent drugs. We offer a product portfolio that is capable of meeting society's major needs, with a cardio-vascular therapeutic area as well as a neurological one. In GENERIC BY CHOICE, the ultimate goal of the Company is enclosed: to introduce affordable drugs on the market that allow society both to **save on pharmaceutical spending** and to maintain a high level of performance and direct resources to **support research** and allow the community to treat chronic diseases at **affordable prices**.

Since 2017, the Company has been supporting patients in **ophthalmology**, showing sensitivity to diseases that are now prevalent in the population.

In order to demonstrate our commitment to the environment and to focus our efforts at reducing environmental impact, on May 2022, the Company adopted a Sustainability Policy with the scope to (i) manage and reduce environmental impacts; (ii) encourage suppliers to adopt a responsible approach to business; (iii) uphold human rights in the business and encourage its value chain to do the same; (iv) treat employees fairly and protect their health and safety; (v) invest and support communities, local, national and international; (vi) set targets and regularly monitor, review and report sustainability performance; (vii) strive to improve.

We strive every day to ensure accessibility to high-quality medicines. Proximity and ongoing dialogue make us a trusted partner for physicians, pharmacists and the entire healthcare system.

2.2 **OUR HISTORY**

The Company was founded in 1996 through the collaboration of three major pharmaceutical groups, Chiesi Farmaceutici, Zambon and Apotex, following the authorization for the sale of generic pharmaceutical products in Italy pursuant to Italian Decree Law No. 426/1996 in August 1996.

1996

1996-2001

Establishment of our managerial, organizational and manufacturing platforms in order to enter the Italian generic pharmaceuticals market, with a focus on production in **Italy and Europe**.

Beginning of **market distribution** by us in Italy.

2001

2.2 **OUR HISTORY**

2013

We were acquired by Charterhouse Capital Partners.

2015

Our products cover **all key therapeutic areas**.

2016

We were acquired by CVC Capital Partners.

2017

Launch of our branded **ophthalmology** product line.

DOC OFTA

2019

We were acquired by ICG.

2022

TPG announced the acquisition of the mayority of the Diocle Topco's shares, parent of the Company

2.3 **OUR VALUES**

Quality

For all our medicinal products, we make a conscious decision to use the best possible quality starting materials, production systems and distribution chains, most of which in Italy and the rest of Europe.

Proximity

To us, choosing to be close to people's health means making quality medicinal products available to everyone, in order to help patients look after themselves.

Cooperation

Cooperation is key to both the climate within the company and our relationship with others, which is based on listening to sector needs and providing tangible solutions. The greatest challenges and the best results can only be achieved together. And for us together means all together. It means developing potential and rewarding commitment, but also including diversity, giving a voice to each member of a great team that is able to protect and promote the individual at all times.

Our core values help us manage our operations and create value for our stakeholders.

2.3 **OUR VALUES**

Inclusion

To overcome ever greater challenges, we appreciate everyone's talent and diversity and collaborate with everyone. Because every success is an inclusion choice.

Responsibility

The social impact of our decisions motivates us to act with caution and responsibility, by pursuing our objectives with the greatest determination.

A future-oriented strategy

We believe in results because we only promise what we can deliver and have chosen to fulfil our commitments with integrity, credibility and fairness.

Experience and innovation

Our consolidated knowledge and expertise allow us to encourage the development of new solutions. Each and every day.

2.4
OUR BUSINESS

DOC GENERICI is **the largest independent Italian generic pharmaceutical company** and the third-largest player overall in the Italian generic pharmaceuticals market, with a turnover of € 244,6 million in 2021, the Company tanks second in the ranking of pharmaceutical companies in Italy, with a market share of around 17%.

Generic pharmaceutical products are chemical and therapeutic equivalents to branded "originator" products and can be introduced into the market once the patents on such branded originator products have expired. Beyond their **high quality and therapeutic value** to patients, generic products are substantially less expensive than the branded originator products because the original research and marketing costs do not have to be repeated in order to market and sell generic products.

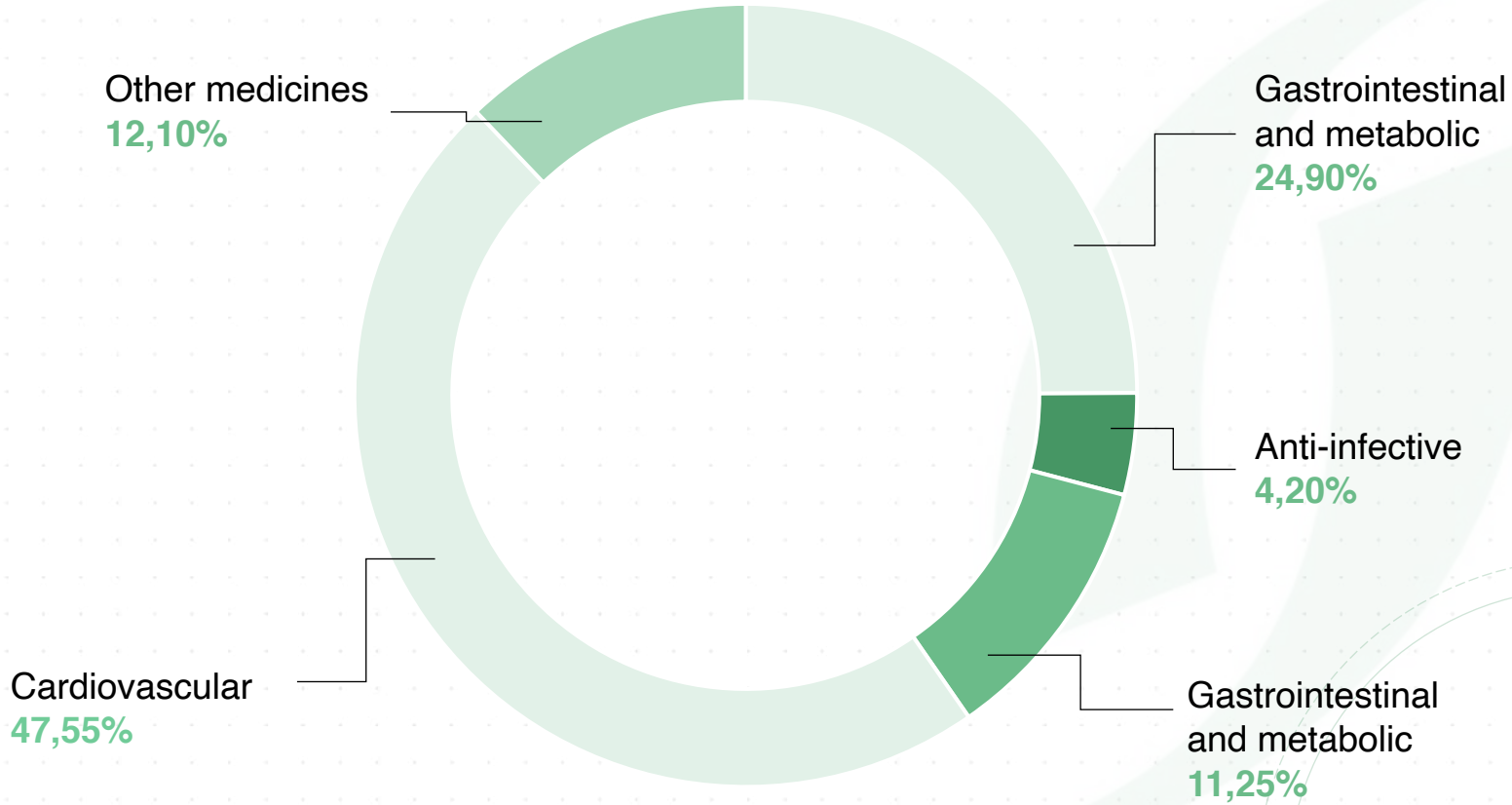
Generic pharmaceutical products are typically marketed under the chemical name of their active pharmaceutical ingredient(s) (the generic name), the manufacturer's and the marketing authorised party's company name.

2.5 OUR PRODUCT PORTFOLIO

As of December 31, 2021, our product portfolio included more than **250 pharmaceutical active ingredients** and about **600 SKU** (Stock Keeping Unit). The breadth of our portfolio ensures that we are able to cover our customers' needs with profitable products without being dependent on the success of any single therapeutic area or product. For example, no single product accounted for more than 5.4% of net sales for the year ended December 31, 2021. In the same period, our top ten products by sales collectively accounted for less than one-third (29.5%) of our net sales (€ 74.3 million). Our product offering also benefits from a healthy rate of replenishment with new products.

The chart below shows our key therapeutic areas, with the percentage of net sales for each for the year ended December 31, 2021.

Our product portfolio is well-diversified across therapeutic areas. We group our products into five key therapeutic areas: Cardiovascular, Gastrology, Neurology, Urology and Other.

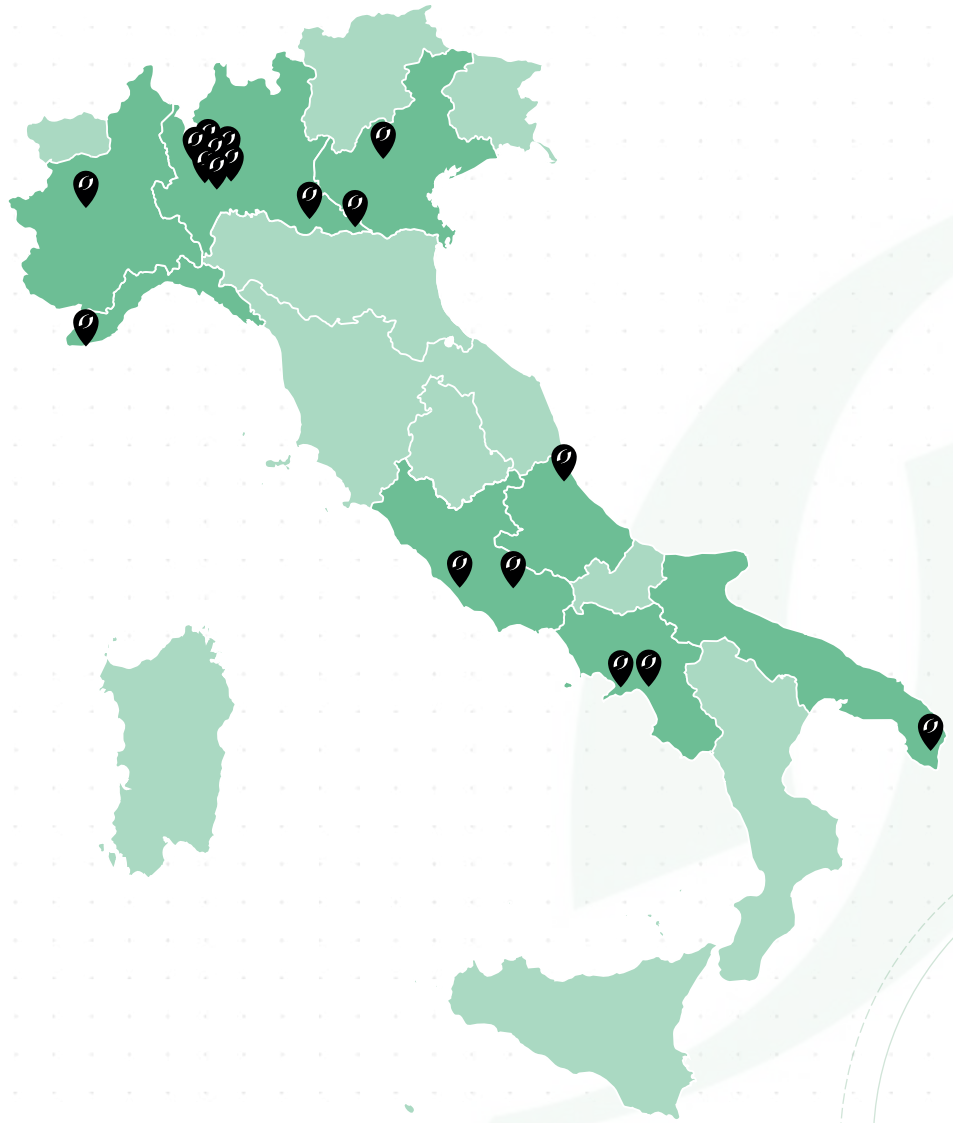


2021: Breakdown by therapeutic area of DOC volumes (units)

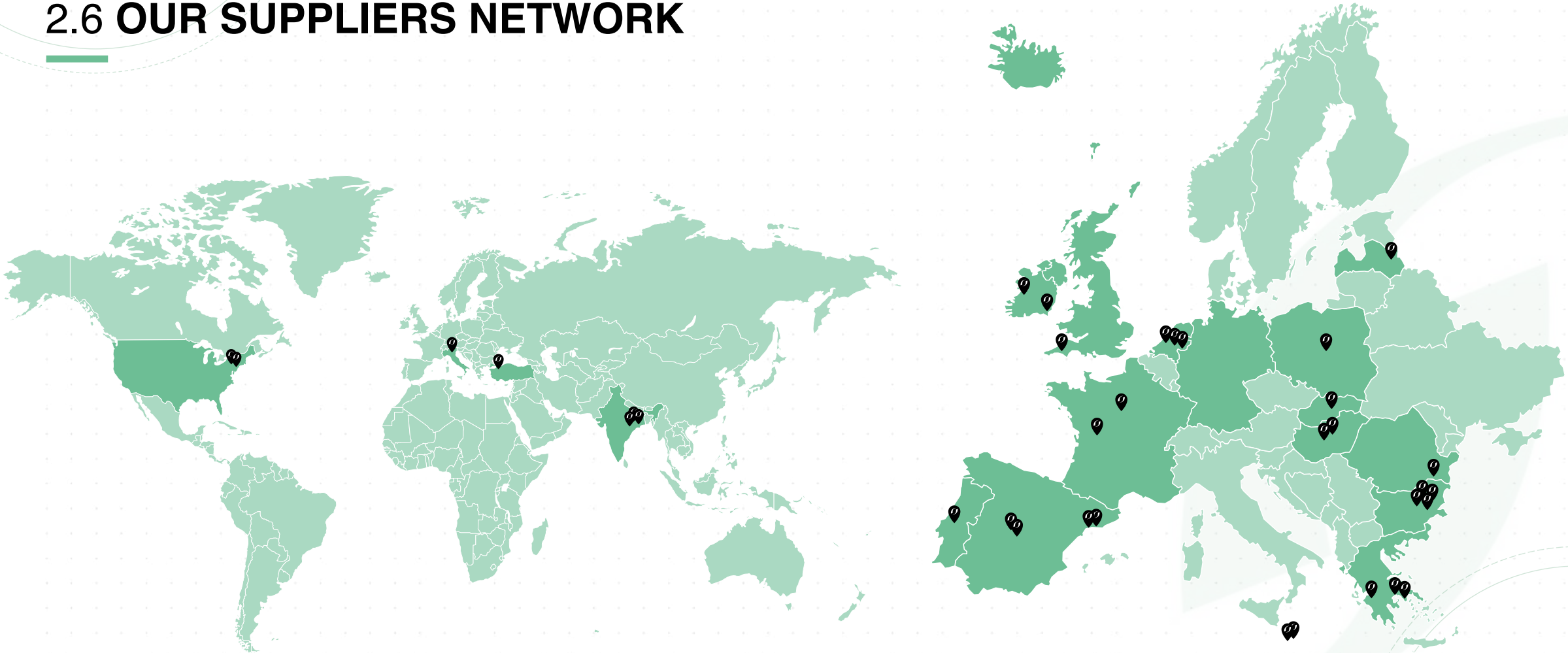
2.6 **OUR SUPPLIERS NETWORK**

Since our founding in 1996, we have developed a **winning business model** based on outsourcing certain functions to reliable third parties. Our outsourcing strategy allows us to focus our time and energy on what matters most: developing and growing our already best-in-class skills. This includes: (i) selecting and quickly launching, often within one month of coming off patent, high-potential drugs; (ii) keeping marketing spend lower on promotions and discounts as compared to our competitors, while building strong brand awareness with personal customer relationships; and (iii) aligning integrating our business development, supply chain and regulatory affairs efforts to improve our time-to-market capabilities.

From the supply chain perspective, our external manufacturing sites are mainly located in **Europe** (circa 90%) and more than 60% of units are produced in **Italy**.



2.6 OUR SUPPLIERS NETWORK

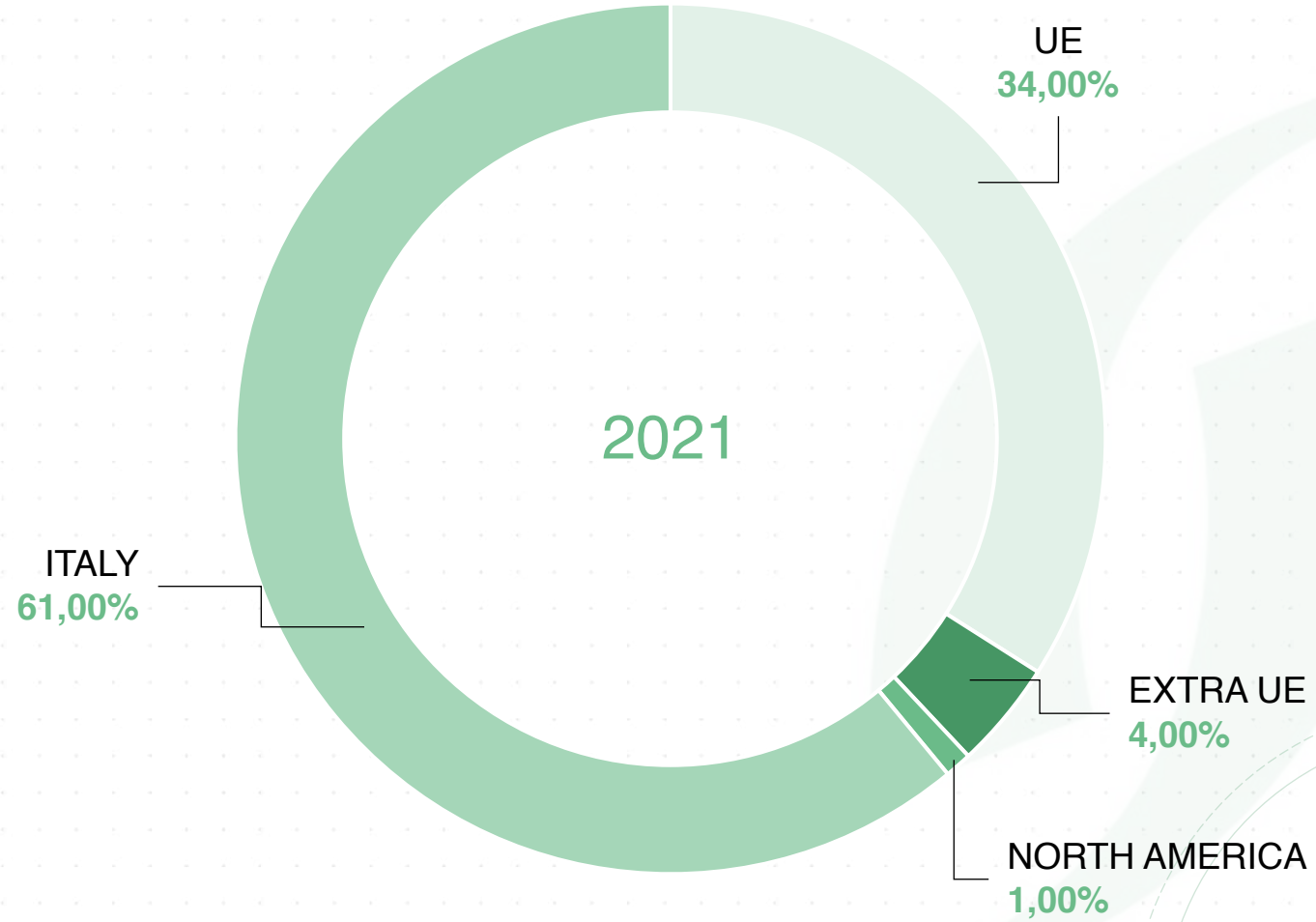


2.6 OUR SUPPLIERS NETWORK

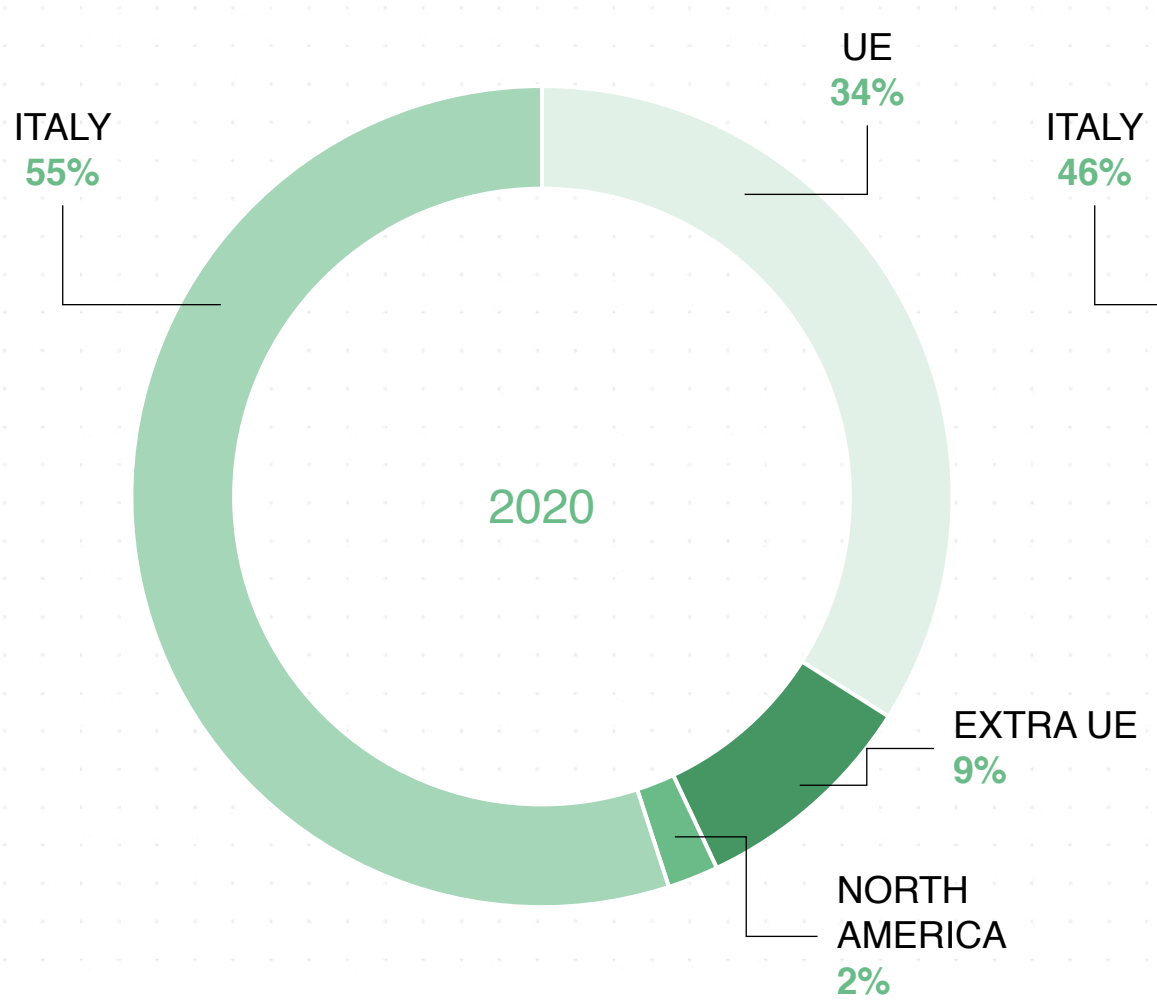
Our production model is underpinned by strategic outsourcing of manufacturing, logistics and distribution, legal and intellectual property functions, strong branding and streamlined logistics.

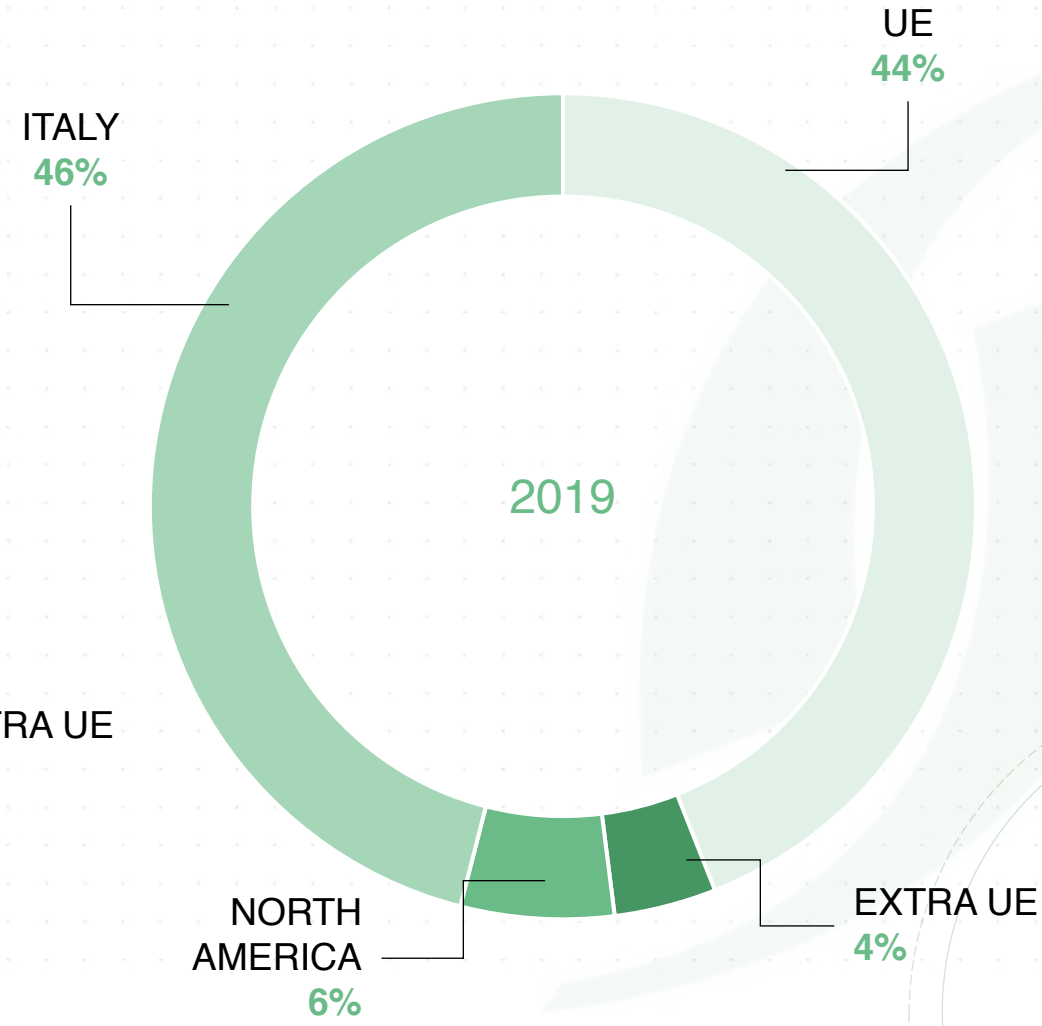
PRODUCTION BREAKDOWN: UNITS

during the last years we have increased the acquisition of italian manufactured units, as shown in these charts



2.6 OUR SUPPLIERS NETWORK





2.7 **OPPORTUNITIES TO EXPAND INTO BRANDED PRODUCTS AND ADJACENT THERAPEUTIC AREAS**

We are poised to unlock new, and expand existing, product areas to capture near and long-term growth in the branded products market, with the establishment of a dedicated, branded ophthalmology product line and the further development of a cardiovascular product line.

In April 2017, we launched our branded ophthalmology product line in order to capture growth in an expanding sub-market. Our ophthalmology products are sold under the "**DOC OFTA**" brand and include both reimbursable and non-reimbursable products. We believe that the products we currently offer, and those products from the pipeline that we have planned, will be well-represented in the addressable market in the years to come. We intend to further develop the ophthalmology product line and we believe that the implementation of our successful and proven business plan in this sub-market has the potential to be a growth area for us.

We are also in the process of optimizing our cardiovascular product line, with our current focus on product launches and monitoring opportunities to expand this portfolio, including into additional **fixed-dose combination** ("FDC") products that are in the pipeline.

2.8
OUR LOGISTICS PROVIDERS AND DISTRIBUTORS

The storage and delivery of our products are entrusted to two external providers pursuant to open-ended agreements, with each party carrying out logistics and distribution activities in a separate geography. Our suppliers deliver finished products directly to our distributors' warehouses, where they remain pending sale.

DHL, one of the main leaders in the transport sector, is our logistics provider. DHL has developed a division that manages the entire supply chain for the Life Science & Healthcare sector, from transport storage and, finally, delivery logistics to wholesalers, pharmacies and hospitals. Recognizing the criticality of logistics and distribution, it provides customers with a range of high quality services (DHL is ISO 9001, 14001, 50001 certified) through the supply chain while showing great sensitivity to ESG issues.

2.8 OUR LOGISTICS PROVIDERS AND DISTRIBUTORS

DHL's sustainability roadmap focuses on achieving three main commitments:

- To reduce greenhouse gas emissions by 2030. To achieve this goal, DHL plans to invest €7 billion **to reduce emissions** by increasing the use of sustainable aviation fuels, designing new carbon neutral buildings, offering a large portfolio of green products and making 60% of last mile deliveries electric.
- **To provide a safe, inclusive and engaging work environment for all employees**, increasing the proportion of women in management positions and reducing the Lost Time Injury Frequency Rate (LTIFR) below 3.1 by 2025.
- To strengthen compliance management and ESG governance and **build a sustainable and resilient supplier base**. DHL's values are embedded in their Code of Conduct, the Supplier Code of Conduct and are underlined in binding procedures.

2.9
OUR CUSTOMERS AND SALES CHANNELS

In addition to direct sales to pharmacies, we have other two key types of customers: **wholesale and wholesale cooperatives**, whose end customers are generally pharmacies. In 2021, 58% of our net sales were made to wholesale customers and 42% were made to pharmacy clients.

As of December 31, 2021, we had 25 wholesale customers and served **more than 5,000 pharmacies**. Our sales are well-distributed between these two types of customers.

Additionally, we also provide products to public institutions, such as hospitals.

GOOD GOVERNANCE AND ETHICAL BEHAVIOUR – GOVERNANCE STRUCTURE AND ORGANIZATIONAL MODEL (LEGISLATIVE DECREE 231/01)

3.1 **STRUCTURE AND COMPOSITION OF GOVERNANCE BODIES**

The shareholders' meeting of DOC appoints the Board of Directors and the Board of Statutory Auditors according to the provisions of the Italian civil code**.** Board members are selected based on their skills and potential impact on the organization, at the shareholders' criteria.

The governing body of the Company is the Board of Directors. The Board of Directors of the Company meets, on a regular basis, every three months.

The Board of Directors defines the guidelines of the risk management and internal control system in order to identify, measure, manage and monitor the main threats related to the activities carried out, identifying a level of risk compatible with the strategic objectives.

The Board of Directors is the corporate body that is responsible for making decisions and supervising the impacts on the organization in relation to the economy, the environment and people**.** The Board of Directors is made up of eight members, of which one is French, two are English and five are Italian. One of the board members is a woman of English nationality while the age varies from 34 to 67 years. Of these eight members, two are executive members (the CEO and CFO of the Company). The Chairman of the Board is a former employee - CEO during 10 years - of the Company. Four of the board members are employees in the ICG group and one of them is employed by Merieux. This Board composition is likely to change following TPG acquisition.

The Board of Statutory Auditors is formed by five members (of which two are alternate auditors).

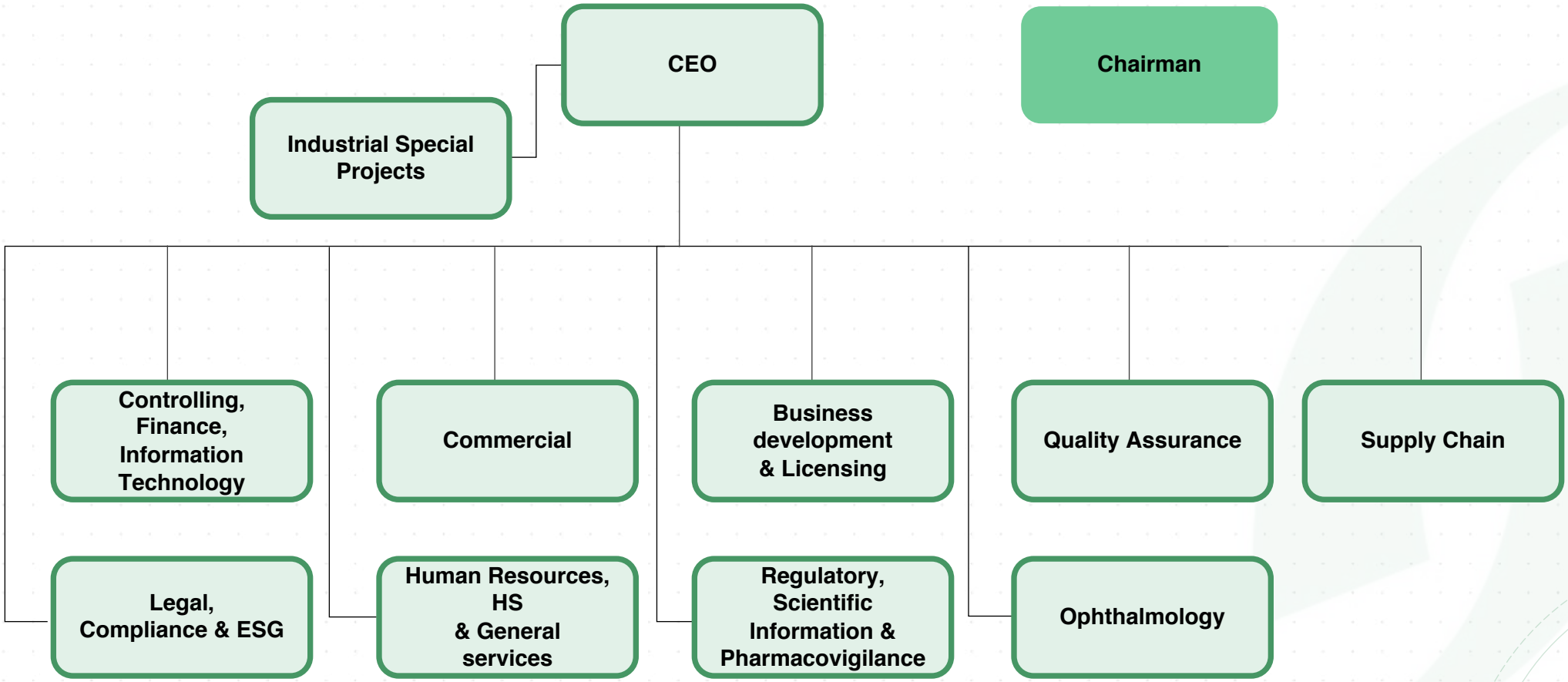
Our management and governance model is inspired by the principles and logics of sustainability, which represent the fundamental reference perspective, together with the regulatory provisions and regulations.

3.1 **STRUCTURE AND COMPOSITION OF GOVERNANCE BODIES**

The CEO and the management team (made up of the directors of each division) are responsible for the execution of the purpose, values and mission, strategies, policies and results to be achieved in sustainable development. In 2021, with a view to increase the sensitivity to ESG issues, the Company hired an external consultant to conduct a gap analysis between existing reporting activities by the Company and any regulatory or voluntary reporting opportunities and assist with the formulation of a new ESG strategy.

It is the responsibility of the CEO to communicate critical situations and related updates to the Board of Directors. In 2021, the CEO updated the Board of Directors on the COVID-19 situation and informed the Board of Directors regarding a cyber attack and subsequent developments.

3.1 **OUR MANAGEMENT TEAM**



3.2 **OUR ORGANIZATIONAL MODEL**

In order to ensure fairness and transparency in the conduct of business and corporate activities, the Company adopted (and it updates regularly, the Organization, Management and Control Model provided for by the Legislative Decree 8 June 2001 n. 231 («**Decree**») containing the *"Discipline of the administrative liability of legal persons, companies and associations even without legal personality* («**Model 231**»). Since then, the Company implemented the provisions of Decree and it appointed a Supervisory Body that has the task, among others, of monitoring the application of **Model 231** by the entire organization.

The Company's Model 231 has been updated in August 2022, and it is available at the Company's website https://www.docgenerici.it/wp-content/uploads/2022/09/Modello-231-aggiornamento-31-agosto-22.pdf.

Our Model 231 contains, among other areas, anti-corruption, anti-bribery (both in connection with the public administration and between private individuals) and whistleblower sections.

We have developed a detailed **whistleblowing procedure,** applicable to different stakeholders, that allows any person to report conduct within the Company that violates the Model 231. The procedure describes who is entitled to make reports, the content of the report, the communication channels, (by regular mail or email), the management of the report and its verification (by the Supervisory body). If a report is found to be legitimate, an internal investigation will be initiated, protecting the whistleblower's identity through the entire process. The current whistleblowing system is aligned with Confindustria Guidelines 2021.

3.2 **OUR ORGANIZATIONAL MODEL**

In 2008, the Company adopted a **Code of Ethics**, reviewed in August 2022 (available on the Company's website https://www.docgenerici.it/wp-content/uploads/2022/09/Codice-Etico-8-edizione-agosto-2022-clean.pdf). The Code describes the Company's core values and ethical obligations in conducting business in various areas, such as corporate governance, relations with employees, with the scientific world, with competitors, with public administration and institutions.

A copy of the code of Ethics and Disciplinary System is given to each new employee and a general training (available through an e-learning platform) is provided on the Model 231 to all employees, agents, interns and temporary workers every time there are updates to the Model. In addition, **specific training** (online or on site) is also provided by the Legal & Compliance Director to those employees who work in sensitive areas (e.g. agents/sales representatives, employees of the commercial directions or the business unit ophthalmology).

The Code of Ethics describes the parameters used in the evaluation and selection of suppliers. The choice of suppliers is based on a careful technical and economic evaluation, taking into account the following parameters: product analysis, offer, cost-effectiveness, technical and professional suitability, competence and reliability. Our goal is to establish a relationship with suppliers that ensures "therapeutic continuity". This goal is based on three main pillars: to structure the business as a result of an ethical governance process; to manage and conceive the inventory as an important assets for the Company and as a driver for the Company's success and, finally, to establish a real partnership with the Contract Manufacturing Organization (CMO) that allows mutual development rather than a mere commercial relationship.

The Company is a member of **Egualia**, an Italian association of generic pharmaceutical companies. The Company's Code of Ethics refers to Egualia Code of Ethics (last version in effect as of 15 March 2022). This represents a self-regulatory discipline containing the set of principles (e.g. liability, transparency, etc.) and rules of ethics and conduct that each member company is required to comply with and be inspired by in the exercise of its activities.

Our Code of Ethics is the basis on which the Company's policies are founded.

3.2.1 **TRANSPARENCY AND ANTI-CORRUPTION**

Our Model 231 includes principles of behaviour in order to prevent corruption. It is forbidden to offer or make, directly or indirectly, undue payments and promises of personal advantages, of any kind, to:

- directors, general managers, managers responsible for preparing the company's accounting documents, auditors or liquidators of the company so that they perform or omit acts for the benefit of the company, in violation of the obligations inherent in their office or loyalty obligations; the prohibition includes the offer, direct or indirect free availability of services, aimed at influencing decisions or transactions;
- representatives of the Italian and foreign Public Administration (the prohibition includes the offer, direct or indirect, of free availability of services, aimed at influencing decisions).

The agreements with our suppliers include their obligation to observe our Model 231 and our Code of Ethics.

The Company adopted a procedure describing the **transfer of value** to healthcare professionals or healthcare organitations in order to assure the trasparency of such transfer (e.g. economic transfer for events, congress, visits to production plant etc). In accordance with the Code of Ethics and the procedure, every year the Company publishes on its website such transfer of value carried out for promotional purposes or the development and marketing of prescription drugs for human use.

The training on Model 231 includes also a part of anti bribery.

No incidents of bribery or corruption were reported or identified in 2021.

During the reporting period, no significant instances of non-compliance wiht laws and regulations have occurred and no fines have been imposed on the Company.

3.3 **OUR COMMITMENT TO SUSTAINABILITY**

During 2021, we conducted an ESG materiality assessment and we decided to implement an ESG action-plan and engage into voluntary sustainability reporting by reference to GRI standards. The ESG action-plan, already formulated at the time of publication of this report, includes the materiality assessment, employee and external agents' awareness, the creation of dedicated resources to ESG matters, a stakeholder engagement plan and a review of the Company's supply chain policies (approval of a new Supplier Code of Ethics and Sustainability Policy), with a view to strengthen the Company's focus on ESG.

The Board of Directors supervises the Company's impact on the economy, environment and people. In 2022, the Board of Directors has appointed our CEO, who is a member of the Board, as the Director responsible for Environment, Social and Governance matters at the Company. In its turn, the CEO has created an **ESG Office**, managed by the Legal & Compliance Director, who is a member of the Management Team. In its capacity of the highest governance body's individual responsible for ESG, the CEO supervises the Company's internal controls to strengthen the integrity and credibility of the organization's sustainability reporting.

In 2022, the Company has published a statement signed jointly by the Chairman of the Board and the CEO about the relevance of sustainable development to the Company and its strategy for contributing to sustainable development. As indicated above, the Company has approved a Sustainability Policy**,** in accordance with the Company's policy approval internal norms.

3.3 **OUR COMMITMENT TO SUSTAINABILITY**

Our approach to governance fosters UN Sustainable Developpment Goals 8 and 10. Our employee wellbeing programs, focus on learning and development tools and gender diversity promote SDGs 3, 4 and 5. Our waste management and energy management are oriented towards SDG 13 and our supply management, labelling practices and customer health promote SDGs 11 and 12.

We pay much attention to the verification of the "Quality System" with a specific procedure, which defines the activities that are carried out by the Quality Assurance to qualify suppliers, old and new, and the control methods.

Supplier qualification takes place through specific audit. In 2022, we launched a procedure that aims at changing suppliers' principles and modify relationships based on an increased focus on ESG issues. In April 2022, we launched a Supplier Code of Conduct based on the Pharmaceutical Industry Supply Chain Principles, that shows our commitment to involving suppliers in the ESG transformational process.

3.4 **WASTE MANAGEMENT**

In Italy, medicines are not recycled but burned. The waste-to-energy plants (38 located in Italy) use a high temperature (1000°C) working as a waste disposal facility capable of producing electricity through the heat caused by combustion. The waste-to-energy process has been developed to guarantee a return in terms of energy efficiency: latest generation plants recover 85% of the heat produced by the combustion in the form of electrical energy. Over the 30-year period 1990-2019, the amount of waste incinerated increased from approximately 1.8 million tons in 1990 to approximately 6 million tons in 2021 (+230%) and there was a sharp drop in total emissions from the incinerated sector (Economia Circolare).

We use the services of **Assinde**, the main player in the Italian market for the collection, disposal and compensation of waste. Specifically, Assinde's members are the pharmaceutical industries which, together, represent 90% of the national turnover in the sector. Assinde serves 18,000 pharmacies, 250 distributors and 85 pharmaceutical companies with a safe and accurate service, in full compliance with current regulations and in a certified and traceable manner (ISO 9001 and ISO 37001).

Our waste management procedure is based on the following principles:

3.4 **WASTE MANAGEMENT**

1. Unsaleable drugs at pharmacies: Assinde, on behalf of the Company, takes care of the collection, storage, certification, disposal and compensation of expired or unsold drugs. Assinde ensures, in a careful manner, in full compliance with regulations, the traceability of the drugs withdrawn and destroyed;

2. Recall or withdrawal of unsaleable drugs from pharmacies that do not adhere to the Assinde system: Drugs are picked up by DHL. DOC's Customer Service checks that their requests have been executed and, if so, DOC issues a credit note;

3. Drugs unsaleable at the DHL depot: DOC employs a specialist company (ECO-82) to manage and destroy the drugs. Destruction is monitored by the NAS, Internal Revenue Service or Guardia di Finanza and takes place in the presence of DOC's supply chain manager.

To reduce obsolescence, the Company cares for placing products with the maximum shelf life on the market.

3.5 **LOCAL COMMUNITIES**

We are committed to social causes, with diverse initiatives aimed at patients and the needy.

We have supported for some time **Banco Farmaceutico Association** in their initiative «Giornata di raccolta del farmaco» to collect drugs for needy patients. We donated 90,000 packs of our products in 2020 and 102,000 in 2021.

During the pandemic period, we collaborated with:

- **Telefono Azzurro**, an association that promotes the observance of children and teenagers' rights. Thanks to the donations of our employees, we contributed to strengthen the listening and emergency services offered to children and their families with needs and to upgrade the equipment for the specialized operators who provide listening services and psychological support in case of need.
- **The Francesca Rava Foundation**, that supports needy children and women with special needs through the project "Prenditi cura di me". The project was born in the context of forced isolation due to the pandemia. The Company is committed to helping many young people to access specialist doctors, in particular, psychologists and psychiatric, to help them with eating disorders, depression and to prevent self-harm.
- **Pharmercure**, a company that provides the delivery services of drugs from the pharmacy to the patients. We sponsorized the initiative of the free delivery to patients of drugs in order to minimize people's movements.
- **Hospitals of Milan and Brescia**. We donated for the purchase of a special ambulance and for the construction of an intensive care bed.

3.5 **IN 2021**

We support and stay close to children affected by cancer by making annual donations to the non-profit organization "Peter Pan", for the project «adopt a room», accommodations» for patients and their families for the entire period of treatment.

- we organized, on the anniversary of our 25th year of activity, a health accessibility initiative, on the island of Lampedusa, for the **screening of glaucoma**, a serious eye disease.
- two activities were proposed in Milan in collaboration with **LILT**, an association which promotes the prevention and the fight of cancer: the Pigiama Walk & Run awareness campaign on young cancer patients and breast cancer, on which 250,000 euros were raised to support welfare practices for children and adolescents with cancer and their families; and the Nastro Rosa Campaign, with the aim of promoting the culture of prevention and early diagnosis.
- thanks to the amount of donations made to **Peter Pan association**, in 2021, the Company was able to adopt one room denominated "The Island That is".

3.5 **IN 2021**

- we supported, with a donation, **Milabilia Dei** (a social cooperative which is dedicated to insert disabled persons in the work and to receive them in the community) in order to complete the laboratory dedicated to disabled persons.
- we donated to the **Maria Letizia Verga Committee**, an association dedicated to fight leukaemia in children, for the “LLA/AEIOP Generic Passport Clinical Research” project, developed by the Tettamanti Research Centre, which works in the field of childhood leukaemia and hemopathy research. It represents the first example in Italy of a research structure in the field of childhood leukaemia and it operates integrated with a treatment structure.
- we donated to **Real Eyes Sport**, a sporting association that promotes and organizes sport activities for people with visual disabilities.

PRODUCT QUALITY AND SAFETY

4.1 COMPLIANCE WITH REGULATIONS

We market medicinal products and, on a more limited scale, food supplements and medical devices.

According to Italian Legislative Decree No. 219/2006 (" D. lgs. 219/2006 "), medicinal products can be placed on the market only if a specific **Marketing Authoriation** (MA) has been issued by the competent regulatory authority (e.g., AIFA in Italy) with reference to such medicinal products.

Our Regulatory team is responsible for the procurement of MAs. We currently hold MAs issued under the mutual recognition, decentralized and national procedures.

Typically, an MA application must be accompanied by a dossier containing, among other items, data demonstrating the safety, quality and efficacy of the medicinal product. We satisfy this requirement by licensing dossiers from third parties pursuant to license and supply agreements or by internally developing medicinal products with CMOs of well-known experience and know how.

The reference Health Authority for food supplements and medical devices is the Ministry of Health in Italy responsible for assessing the applications submitted to market such products.

In addition, Regulatory Affairs team regularly monitor any change to the laws, guidelines, regulations and so on that could affect our products and their management and it informs other teams of such changes when having impact on other departments' activities and/or on our business.

In 2021 there have been no product quality, safety or labelling incidents.

4.2 **QUALITY MANUFACTURING**

Within the scope of the manufacture of products, the Company follows the European regulatory standards for **quality assurance and control**.

All the Company's contract manufacturers hold manufacturing licenses issued by the competent authority of the respective country, where the manufacturing site is located. These licenses are based on a through inspection of the competent authority and will only be granted, if compliance with applicable legislation is demonstrated successfully.

Compliance with quality standards is regularly reviewed at the Company's contract manufacturers by our Quality Assurance audit team. In addition, various EU and non-EU regulatory authorities conducted inspections on the Company's contract manufacturers.

No critical defects were identified during the inspections carried out at Company's contract manufacturers in 2021.

4.3 **PRODUCT QUALITY COMPLIANCE**

A quality complaint is any report indicating a suspected or possible deviation from the product specification or performance. These reports may concern the product, packaging or labelling.

The Company has a specific procedure to activate in case it is necessary to recall a product from the market. The procedure applies to all products distributed by the Company in the Italian Territory. The procedure is activated if a product is deemed to be defective from a quality point of view.

No incidents of non-compliance concerning the health and safety impacts of products and services occurred during 2021 or 2022 until the publication of this report.

Our Pharmacovigilance team monitors the safety of our products and our compliance with applicable legislation.

4.4 PHARMACOVIGILANCE

Pharmacovigilance activities aim to continuously assess the information concerning the safety of our medicinal products and to ensure a favourable benefit/risk ratio for all products.

The team is led by our **Qualified Person responsible for Pharmacovigilance** ("**QPPV**").

We continue our efforts to boost pharmacovigilance capabilities and support patient safety. This entails activities like: collecting, assessing and understanding adverse effects from our products and from all sources to monitor the trend and detect therefore any significant change; managing our standard operating procedures and pharmacovigilance agreements with suppliers/service providers; preparing and submitting periodic regulatory reports as required under applicable law (including Periodic Safety Update Reports and Risk Management Plans); conducting pharmacovigilance trainings for our employees; ensuring compliance with any conditions of our MAs or other safety commitments; ensuring compliance with applicable legal requirements, including **Good Pharmacovigilance Practices** ("**GVP**"); promoting the safe and effective use of medicinal products; responding to regulatory actions, if they arise; planning regular internal audits to PV system and its quality system to monitor the compliance with pharmacovigilance regulations and guidelines with the internal procedures; planning regular external audits to our suppliers and service providers to ensure that their PV System complies with all requirements as described in the relevant SDEA or PV Quality Agreement.

WORKING ENVIRONMENT – OUR PEOPLE

5 **WORKING ENVIRONMENT – OUR PEOPLE**

Our workforce is formed by **124 employees and 94 agents**, professionals with extensive experience and specialization gained in the chemical and pharmaceutical industry.

Our employees and agents are the engine of the Company, they reflect our values. For us, it is essential that each employee contributes to the development of the organization, in an environment that promotes the well-being, merit and development of our people.

The organization of work of our employees is governed by the National Contract for Employees in the Chemical-Pharmaceutical Industry and our agreements with employees' representatives. The organization of work is managed in accordance with our values and our employment strategy.

Our People: the most effective active ingredient

More than 80 % of our employees have a university degree

5.1 **HEALTH & SAFETY**

We care about the safety and health of our people and we invest human and economic capital to guarantee a **healthy and safe work environment**.

DOC promotes **training activities** (in addition to statutory courses) aimed at raising awareness among employees on safety at work.

During the pandemic, we implemented protocols to better protect the safety of our employees and agents beyond statutory requirements, in collaboration with ocupational doctors,

Throughout 2021, our priority in the management of safety and health at work focused on the prevention of the impact of the COVID-19 pandemic. We established all the necessary protocols for the early detection of cases in the Company. We implemented multiple security measures to avoid contagion in the work environment, such as temperature control in the access of all our offices, mandatory use of masks, establishment of safety distances, review of positions, promotion of teleworking, increase of frequency of disinfections, etc.

Periodic internal health and safety audits are performed to ensure compliance with our health and safety management system, current laws and best practices, particularly after the pandemic period.

5.1 **HEALTH & SAFETY**

Our goal is to consolidate a **very safe working environment** and we focus on raising awareness to reduce risks in the workplace. All our employees receive a 8-hour course on Safety at Work. All participants receive a certification at the end of the course

Our hazard identification, risk assessment and incident investigation processes are developed in accordance with the highest international and national standards and normative requirements on health and safety. Our Safety Organization is formed in accordance with legal requirements.

In addition to formal meetings being held with employee representatives, regular meetings are also held with management to review safety issues.

The document that contains and monitors the risks, dangers at work is the risk assessment document «Documento di Valutazione dei Rischi». This document is reviewed periodically.

In the last year, we have tested the “work-related stress” in collaboration with our employees.

DOC provides safe driving courses to raise awareness on the prevention of accidents *in itinere.*

The Company investment in safety results in our very low rate of accidents in the workplace, as well as outside.

Our metrics related to occupational accidents for the year 2020/2021 are shown below:

5.1.1 **ACCIDENT RATE**

RATE	2020	2021
Injury frequency rate (no. of injuries per million hours worked)	1,04%	0,5%
Accident severity index (number of days lost out of thousands of hours worked)	0,03%	2,07%
Occupational disease rate (no. of diseases per million hours worked)	0	0

The calculation includes accidents at work (zero) and accidents on the way (home-work journey): one, in 2020 and in 2021).

5.2 **DIVERSITY AND EQUAL OPPORTUNITIES**

In a world that is changing rapidly, from a demographic, social and technological point of view, promoting a work environment that values the uniqueness of one's people and facilitates their inclusion helps business, enhances internal skills and improves the corporate climate.

The Company constantly promotes a policy of internal professional growth opportunities based on skills and not gender. We reward talent and constantly promote inclusion and employee involvement without distinction or discrimination of any kind. Diversity allows us to grow our business and human value. We guarantee equal opportunities to all our employees and agents and promote Performance Management projects based on KPIs, objectives and measurable criteria.

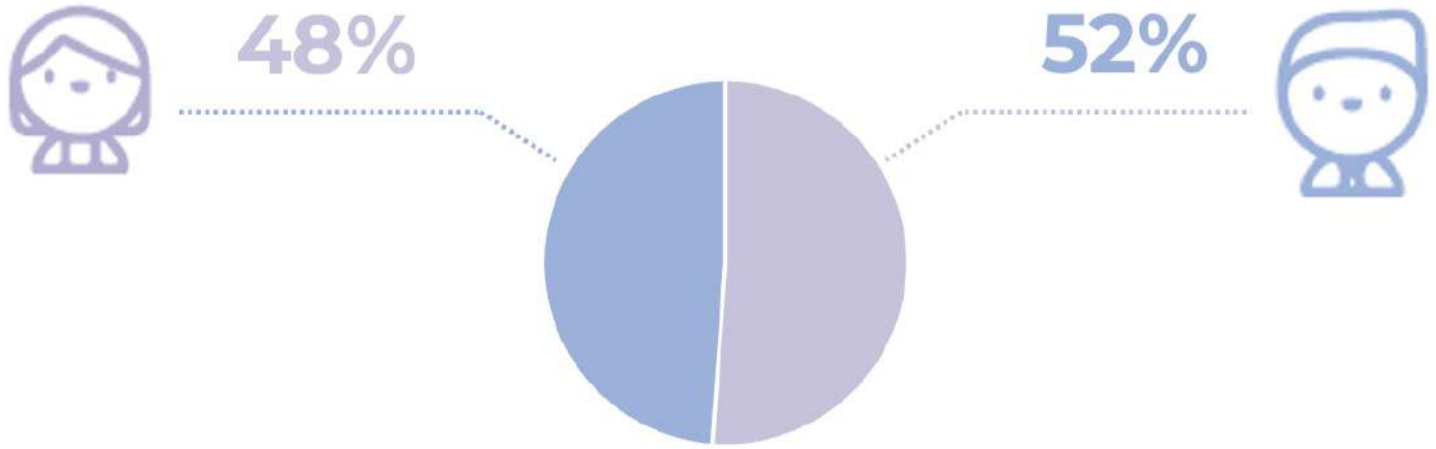
DOC GENERICI is only present in Italy and most of our employees and agents are Italian. 118 of our Italian employees originate from 17 out of 20 Italian regions. Two other employees are from other European countries and four are non-European.

In 2022, we launched training courses on **Diversity**, **Equity and Inclusion** to raise awareness amongst our personnel.

48% of our employees are women, 30% of top management are female and 12% of women in the company hold managerial positions. This shows that job opportunities are offered to everyone without distinction of gender.

We are commited to ensure equal opportunities and gender in our recruitment processes and career path. The Company promotes a work-life balance.

5.2 **DIVERSITY AND EQUAL OPPORTUNITIES (GRI 405)**



12 % Women managing teams

30 % of top management positions are held by women

5.2.1 **SENIORITY**

Our employees' average age is 45 years. We have a mix of boomers to centennials.

The average seniority in the Company is 10 years. This reflects 25 years of history of DOC Generici, with employees who started their career with us and who continue to, enthusiastically, help us drive our project forward, together with employees that have joined the Company over time.

The average age and seniority of our agents is slightly higher, reflecting their strong commitment with the Company.

Average age employees 45 years *
Average seniority: 10 years*

5.2.1 **SENIORITY**

2021	Women				Men			
	<30	30-50	> 50	Total	<30	30-50	> 50	Total
Employees 2020	2	41	15	58	1	37	28	66
Number of new hires	3	2	1	6	0	4	0	4
Number discharged	0	4	1	5	0	4	1	5
Total	5	39	15	59	1	37	27	65
Rate of new hires	10%				6%			
Turnover rate	9%				8%			

Age distribution by function

At 31.12.2021	<30	30-50	> 50	Total
Executives	0	6	8	14
Middle Manager	0	16	20	36
Staff	6	55	13	74
Total	6	77	41	124

5.2.2 **RECRUITMENT AND TURNOVER**

The company has continued to search and hire the best talent on the market, even during the pandemic period, continuing to increase the recruitment rate of young people, especially in staff functions, always aiming at reducing the gender gap.

We use indefinite contracts to meet the structural needs of the workforce and, exceptionally, fixed terms contracts for specific or seasonal requirements of the activity. This is reflected in the distribution of staff according to type of contract, in which the indefinite workforce prevails (98.3% of employees), with only two temporary contracts.

During 2021, the Company's maintained its workforce, with a turnover rate of 8%, in line with market average. All departing employees have been replaced.

DOC prefers indefinite employment as a way to generate stability/corporate identity in its workforce and generate quality employment.

Employees – resigned – new entry 2021:

We combat practices that threaten the dignity of people and employment discrimination.

5.3 **RESPECT AND HUMAN RIGHTS**

We are committed to actively supporting the Universal Declaration of Human Rights. We require our suppliers and employees to comply with such principles in our daily activities. We have put in place several programs in the past few years:

Partnership with Mobility*:* the project, born in 2020, is a transport service that DOC offers to its employ with disabilities or mobility difficulties.

DOC cares for the protection of employees with special needs and it implements ad hoc measures, while required. For example, we grant greater flexibility in working hours and working methods when needed.

Right to equal pay between women and men for the same work or for work of equal value is one of the fundamental principles of DOC. We verify that our salaries are in line with those in the market every two years with the support of external partners (Towers Watson Italia SRL).

5.4 **CORPORATE WELFARE**

The Company has always paid great attention to the needs of its employees. In 2016, a corporate welfare project was launched, providing employees with the option to select specific health, holiday and education benefits.

We use flexible contractual forms: a new way of working independent of the location of the office facilitated by the use of IT and telematic tools and characterized by flexibility both in the organization and in the way it is carried out. (TELEWORK-SMART WORKING)

Starting from 2020, the New Way To Work model was introduced, which responds to the need for change in the context and working methods, accelerated by the pandemic event linked to the spread of COVID-19.

This model is structured according to three key dimensions that define its salient and characterizing features:

"Blended" & "Structured" model (Hybrid and Structured): a new working mode that provides flexibility as an integral element of the working context, also affecting the idea of spaces, times and working methods. The new "Blended" & "Structured" model will therefore necessarily be hybrid and the new work organization will take place partly in the office and partly remotely.

Trust and Responsibility: the new approach will make it possible to transform time management in an innovative and substantial way, which will therefore be flexible and manageable with new rules, bringing objectives and achieving results more and more to the center as a function of company productivity. The Blended & Structured model also redefines the relationship between manager and employee in a new way, the concepts of trust and responsibility become more tangible than ever in the new model.

Leadership: a leadership model that has a new focus on the soft skills necessary for team and relationship management, in light of the "Blended" & "Structured" structure of the New Way to work.

We have introduced corporate benefits that strengthen the sense of belonging, improving the corporate well-being of the entire organization.

From January 2021, paid permits have been recognized to the majority of employees and agents (permit for child birth; study permits for workers university students or those enrolled in Masters; permit for accompanying specialist medical examinations or medical examinations of cohabiting and non-cohabiting family members; permit for interviews / receptions with teachers), in addition to the permits required by current legal and contractual regulations, with the aim of improving the work-life balance

From our 124 employees, 52 are external and do not work from our corporate offices. These and our agents have always had ample organizational autonomy. This allows them to reconcile family life with professional life.

Social after work activities: DOC organizes social events outside working hours where employees have the opportunity to socialize and interact beyond their daily work-related interaction.

5.4 **CORPORATE WELFARE**

5.6 **REMUNERATION POLICY**

The Company does not have a written policy on remuneration. We use external partners to benchmark our practices and roles with those in the market to ensure fairness and retention. The remuneration is structured as follows:

Fixed Salary : It remunerates technical, professional and managerial capabilities and related responsibilities, in accordance with the principle of equal opportunities and fair salaries. We verify, on a regular basis, that our salaries are in line with market conditions.

Variable Remuneration: It recognizes and rewards results achieved and objectives met. It is calculated based on risk-adjusted indicators. It constitutes an important motivational factor. For certain positions, it results on a significant portion of their annual pay, in line with industry practice. All employees are part of the Companys' bonus plan, which varies by reference to function and role.

Other benefits : In accordance with our agreements with employees' representatives, we provide additional rewards including bonuses to decrease absenteesm levels and to achieve key performance indicators. Tickets Restaurant for all employees in headquarters also during smart working, paid leave for medical visits, loss, interviews of parents with their children's teachers; company cars for Directors, managers and External staff, insurance.

In addition, the company gives fathers of a new-born child 3 paid days for paternity leave (beyond the regulatory term).

ENVIRONMENT

6 ENVIRONMENT

Together with the principles of quality and occupational safety for the protection of our employees, we assume the care of the environment as an essential basis for our actions.

In this sense, DOC is committed to contribute to sustainability from the environmental perspective through the prevention of pollution, the efficient management of resources and the promotion of environmental responsibility.

DOC's vocation is to be a **sustainable business**, with a focus on the environment. We are also committed to working with our suppliers and contractors to minimize the impact of their activities on the environment.

To combat climate change, our consumption of electrical energy and CO2 emissions are measured. The emission of greenhouse gases by DOC has always been non-significant and well below legally established levels. In the last three years, through our shareholder ICG Fund, the Company has reported on Scope 1 (direct emissions from facilities within the boundaries of the organization) and Scope 2 emissions (indirect emissions from the generation of electricity, heat and steam consumed through the grid), showing a substantial reduction in the total level of CO2 emissions (from 333 tCO2e in 2019 to 54 tCO2e in 2020), partially due to the lockdown period in 2020.

In 2020, 34.33% of the primary energy sources used by the Company came from renewable sources (22.15% in 2019).

DOC's commitment to environmental protection is firm and constant and is integrated into its daily activity.

DOC's commitment to environmental protection is firm and constant and is integrated into its daily activity.

6 **ENVIRONMENT**

DOC recognizes the need to protect the natural environment for a sustainable future. This means using all resources wisely and minimising waste and pollution.

In particular, we:

- Aim to manage water resources effectively, reducing consumption and reducing environmental impacts in waste-water discharges, including the distribution of water bottles to employees, dispensation of recycled paper cups and cans, use of filter of tap water;
- Offer employees company cars with lower emissions.

Global Reporting Initiative (GRI) content index

Statement of Use: DOC Generici has reported the information cited in this GRI content index for the period from 1 January 2021 to 31 December 2021 with reference to the GRI Standards

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