Philogen
innovating targeting

SUSTAINABILITY BROCHURE

2021

Index

Letter to stakeholders

Dear Shareholders and Stakeholders,

as you well know, this past year has been marked by great challenges and milestones for us, which began on March 3, 2021 with the entry of Philogen S.p.A. on the Euronext market in Milan.

After that date, instead of stopping to admire our achievements, we decided to focus on "*the future and the promises made to those who believed in us.*"

Faithful to our guiding principle of "*innovating by targeting,*" which has been with us since 1996, when Philogen's adventure in the biotechnology sector began with the development and production of our drugs capable of directly "targeting" the serious diseases we set out to defeat, we made the fundamental choice of integrating the principles of sustainability into our growth strategy to the point of making them an essential component of the Group's path of growth and future development, even though we were aware that this approach would imply the creation of new internal synergies within the Group, the modification of working methods, and the revision of corporate goals.

Our program of integrating ESG - environmental, social and governance - criteria into the corporate reality is represented by the choice to unite with this letter to Stakeholders the first Sustainability Brochure/Report for this first year 2021, to share with you our achievements in sustainability along with our future program, with the aim of ensuring an integrated reading to all Group stakeholders.

In the Brochure you will find the numbers, the successes, and the results we have achieved in this first year, but above all you will find the dedication, commitment, and passion with which we have worked to get where we are, and which we are sure will help us achieve the new goals we have set for ourselves. With a view to meeting these challenges, the Philogen Group decided to embark on a sustainability journey; in particular, the Group underwent a "*sustainability assesment" in* order to assess "sustainable" policies and practices to be adopted (where necessary) while also taking into account industry *best practices.*

To all the employees of the Philogen Group, who on this occasion, too, responded promptly to the company's needs, we extend our thanks, also on behalf of the Board of Directors, for the competence and commitment and, above all, the passion they put into their work on a daily basis, from which we derive the results we have achieved.

Our thanks, now more than ever, for the dedication and responsibility with which, even in the difficult scenario of this past year, they have carried out and are continuing to carry out in the research and development activities for our experimental drugs, with the usual efficiency and in ways that are innovative compared to the past, that have enabled us to become a leader in the field of research.

We thank our Shareholders and Stakeholders, for the stimuli they provide to us to pursue sustainable development, and the members of the Board of Directors and the Board of Statutory Auditors for their decisive contributions to the growth of the Company.

Duccio Neri
Executive Chairman

Philogen S.p.A.

Dario Neri
Chief Executive Officer

Philogen S.p.A.

Methodological note

This document constitutes the first Sustainability Brochure of the Philogen Group (also "Group" or "Philogen" in the document) and aims to communicate in a structured way the Group's approach to sustainability and its performance in the environmental, social and economic spheres. The reporting activity, driven by a desire for transparency toward the Group's stakeholders and the growing impetus from the market and the regulatory authorities, will continue in the coming years with a view to continuous improvement. Reporting, moreover, represents a first step in the sustainability journey initiated by the Group that will lead to a gradual improvement in the governance and management aspects of sustainability areas, as well as an evolution of the Group's approach to these issues, from an increasingly strategic and integrated perspective with respect to business activities.

The drafting activities of this document involved multiple business functions of the Group, demonstrating how sustainability is a cross-cutting issue and needs corporate collaboration at all levels.

The Brochure contains information, initiatives, and data for fiscal year 2021 (January 1, 2021 to December 31, 2021) with comparisons to the previous fiscal year.

The Sustainability Brochure, having an annual periodicity, has been prepared by reporting a selection of the "GRI Sustainability Reporting Standards" published by the Global Reporting Initiative (GRI), as shown in the "GRI Table of Contents," which highlights the coverage of GRI indicators reported in this document.

The scope of data and information corresponds to that of the Group's Consolidated Financial Statements as of December 31, 2021. In order to enable a comparison between the data collected over time and the assessment of the Group's business performance, the year 2020 was taken as the comparison period. Moreover, to ensure the reliability of the data, the use of estimates has been limited as much as possible, and, if any, are appropriately reported and based on the best available methodologies.

It should be noted that this report has not been subjected to external assurance.

For more information and suggestions regarding the Philogen Sustainability Brochure, you can write to esg@philogen.com.

The document is also available on the website www.philogen.com in the dedicated section.

1. The Philogen Group

"Wir müssen zielen lernen, chemisch zielen lernen "
(Paul Ehrlich)
"We have to learn to aim, learn to aim chemically."

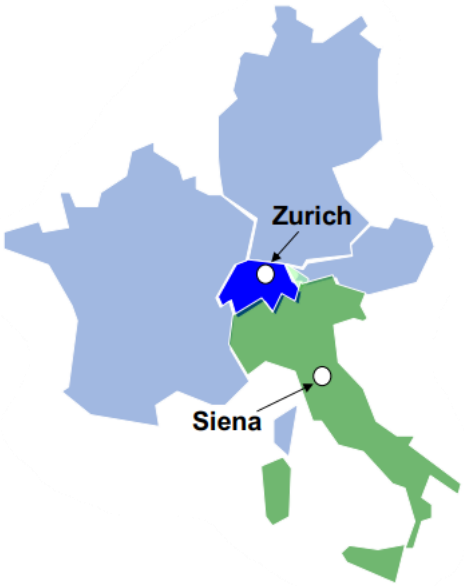
1.1 History, values and structure of the Group

Philogen S.p.A. ("*Philogen*"), established in 1996 by the insight and will of the Neri brothers, is the head of an Italian-Swiss Group headquartered in Siena, Italy; the Group is active in the biotechnology sector, specializing in the discovery and development of biopharmaceutical products for the treatment of highly lethal diseases. Its activities include: the identification of molecules and antibodies for development (discovery phase), the production of experimental drugs, preclinical testing (with the exception of toxicology studies and studies on radioactive compounds, which are outsourced), and the clinical development of drugs for experimental use. In particular, the Group is a leader in the identification of ligands (human monoclonal antibodies and small molecules) with high affinity for tumor antigens (i.e., proteins expressed in tumors, but not in healthy tissues). These ligands are mainly used for the purpose of delivering an active therapeutic ingredient selectively to the diseased area. The Group's focus is primarily related to oncology drug development, although the Group has also brought products to the clinical trial stage for the treatment of chronic diseases and inflammation.

The Group's goal is to generate a series of innovative products with reference to areas for which medical science has not yet identified satisfactory therapies.

In recent years, Philogen has consolidated and expanded its pipeline both by bringing new investigational drugs into the clinic and by initiating new experimental studies. The Group has a diversified pipeline due to the execution of numerous Phase II studies and Phase III registrational studies. Notably, the proprietary products Nidlegy™ and Fibromun are already undergoing advanced trials (Phase III) both domestically and internationally.

Advanced trial activities have attracted a number of investors, most notably the club deal "The Equity Club," which subscribed to a capital increase in 2019 for the purpose of contributing to pipeline development, clinical trial enhancement, and expansion of Good Manufacturing Practice ("GMP") activities.



Under the Group's current structure, research and development of new drugs is entrusted to the subsidiary Philochem, based in Otelfingen (near Zurich), where the delicate phase of molecule discovery takes place. Once the molecules have been identified, the most promising ones are transferred to the plants in Siena (Montarioso and Rosia), where manufacturing activities are carried out. In particular, the Montarioso plant is a GMP (Good Manufacturing Practice) authorized plant approved by the Italian Medicines Agency (AIFA) for the production

of experimental drugs, while the new Rosia plant, undergoing GMP authorization, will be dedicated to the production of pharmaceutical products for the market, transforming Philogen from a Biotech company to a Product company (i.e., from a company that develops and produces experimental drugs not yet marketed to a company that sells its drugs on the market).

The Philogen Group also carries out collaboration, licensing, and service provision activities (including GMP activities) for pharmaceutical and biotechnology companies, entities, and institutions operating in the field of biotechnology research. Thus, the Group has developed close collaborative relationships over the years with companies and players in the field such as, for example, ETH Zurich, Scripps Research, The German Cancer Research Center (Deutsches Krebsforschungszentrum, DKFZ), University of Zurich and Wyss Translational Center Zurich, Servier Institute, and Foundation for the Institute for Research in Biomedicine.

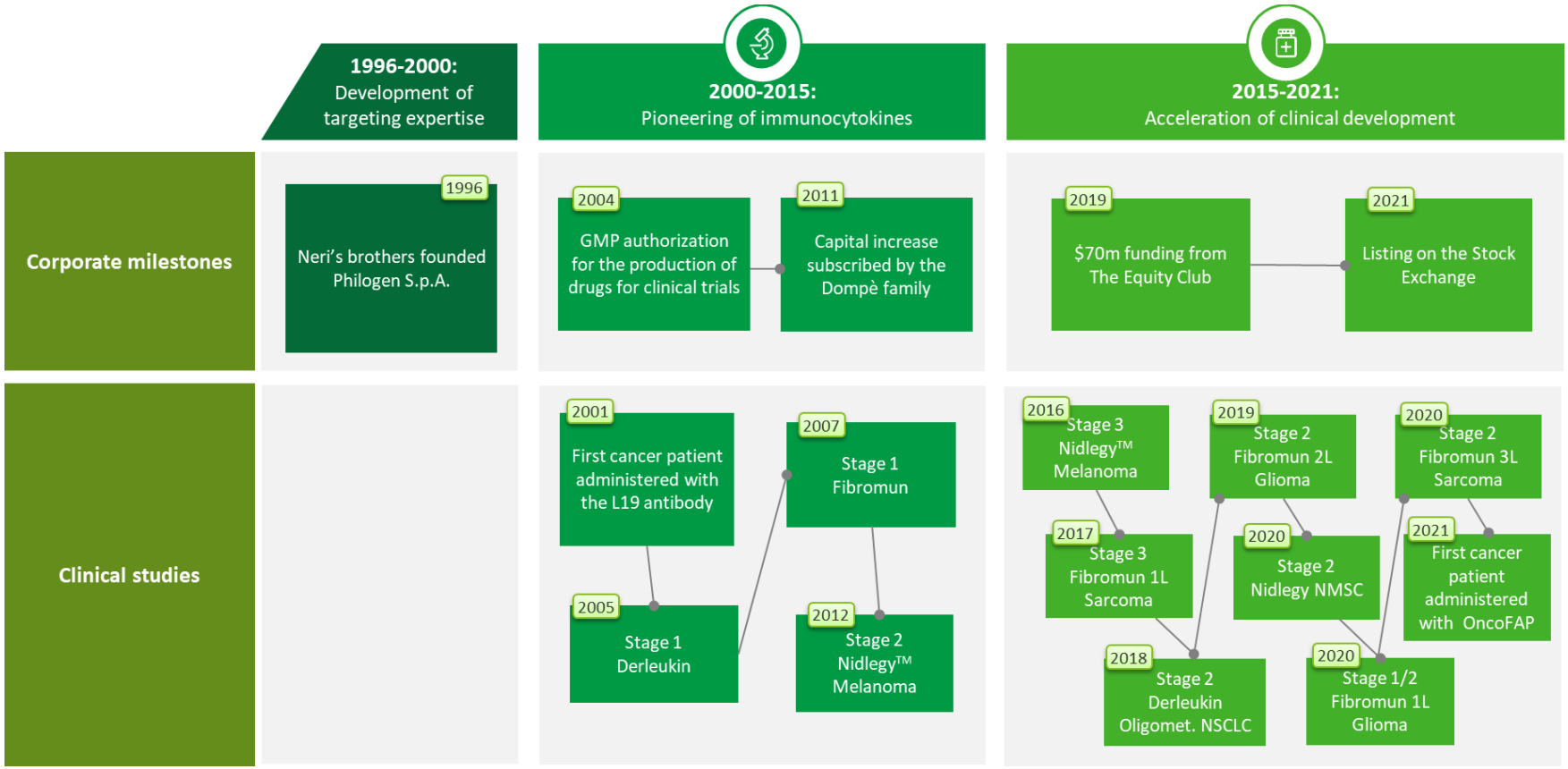
The company also believes in cooperating with industry associations at the local and national levels and is a member of various bodies such as:

- Toscana Life Sciences;
- Confindustria;
- Farmindustry;
- Federchimica;
- Assobiotec.

It should be noted that during FY2021, construction and upgrading works continued on the parent company's Rosia production site, which is intended not only for the production of experimental drugs for clinical trials but also for the production of pharmaceutical products for the market.

For the sake of completeness, it should also be noted that Philogen, on March 3, 2021, was admitted to the EXM Market, the regulated Euronext Milan market, and that there were no further significant changes related to the Group's ownership structure and supply chain during the reporting period.

The depiction below shows the three main phases of Philogen's history from 1996 to 2021, along with their relative achievements.



1.2 Governance Structure

The Group's governance structure follows the traditional model by providing among the corporate bodies: the Shareholders' Meeting, the Board of Directors and the Board of Statutory Auditors. In line with the recommendations on corporate governance contained in the Corporate Governance Code of Borsa Italiana, the Board of Directors resolved in December 2020 to establish the following endoconsiliar committees: the Control, Risk and Sustainability Committee, which also performs the functions of the Related Party Transactions Committee, and the Nominating and Compensation Committee.

Composition of the Board of Directors as of December 31, 2021

Board of Directors			
Duccio Neri	Chairman BoD (executive)	Leopoldo Zambeletti	Administrator
Dario Neri	Chief Executive Officer (Executive)	Roberto Marsella	Independent Administrator
Giovanni Neri	Managing Director (Executive)	Roberto Ferraresi	Independent Administrator
Sergio Gianfranco Dompé	Administrator	Guido Guidi	Administrator
Nathalie Dompé	Administrator	Marta Bavasso	Independent Administrator

Directors on the Board of Directors are elected, as governed by the Articles of Association, by the Shareholders' Meeting, based on lists of candidates submitted by shareholders, ensuring gender parity among members and their independence[1]. The Board of Directors is composed as follows: 80 percent men and 20 percent women; 90 percent of the directors are over 50 years old, while 10 percent are in the 30-50 age group.

The Group, aware of the role of sustainability and the increasing centrality that this concept is assuming over the years, has, following the listing process, embarked on a path to structure governance in this area. Control of the impacts caused by the organization on the economy, the environment, and people is the responsibility of the Board of Directors. The latter is also entrusted with the task of reviewing and approving this document, as well as defining the Group's medium-to long-term sustainability goals. The Risk and Sustainability Control Committee reviews and expresses a preliminary opinion on the sustainability reporting document and, in general, supports and coordinates with the Board of Directors in the implementation of the above-mentioned aspects. The path taken on sustainability is aimed, among other things, at implementing reporting

[1] For further details about the procedures and rules for the appointment of the Board of Directors, please refer to the Philogen Bylaws published on the Philogen/By-lawwebsite

on sustainability issues that considers economic, social and environmental sustainability aspects in a manner consistent with organizational and business characteristics. With this transformation, an initial set of ESG risks, and related opportunities, has been identified for monitoring on a par with the other risks to which the Group is exposed.

This commitment is reaffirmed by the variable incentive system (MBO) that the Group has established for Executive Directors, which provides, starting in fiscal year 2022, in addition to medium-term objectives related to economic-financial performance, also objectives related to sustainability issues, such as, by way of example but not limited to, the encouragement of differentiated waste collection in the company, the purchase of hybrid cars for the company car fleet, and the construction of photovoltaic systems at the Rosia plant. In addition to this incentive compensation system for Executive Directors, directors receive fixed and variable compensation as resolved by the Shareholders' Meeting, depending on the proxies granted to them or for the roles they play in the various endoconsiliar committees, for more details please refer to the Remuneration Policy 2021 available on the Company's website.

Also in the area of management and corporate staff incentives in 2021, the Group has approved an incentive plan called "Stock Grant Plan 2024-2026" reserved for certain Group employees; to view the Plan's Information Document and its Regulations, please refer to the Company's website in the "*Incentive Plan*" section.

It should be noted that for this first year, strategic executives waived their incentive by reserving the stock grant plan exclusively for group employees.

1.3 Ethics and Compliance

Philogen recognizes a role of primary importance to its ethical values and compliance objectives; for this reason it has adopted an Organization, Management and Control Model (MOG) that is periodically updated to ensure its compliance with the applicable legislation. The Group firmly believes that the Model is a valuable tool for raising awareness among employees and its suppliers on key issues such as proper behavior that reflects the values of ethics and integrity.

The highest national and international organizational standards to which Philogen draws inspiration for its internal structure are detailed in the MOG, which also brings together all the different tools and safeguards adopted by the Group such as: the Group Charter, the Code of Ethics, the Supervisory Board (SB) Regulations, and numerous procedures designed to govern every aspect of value creation within the company.

These procedures are exceedingly important in a company like Philogen, which is engaged in the development of multiple socioeconomic interests, to ensure reliability, honesty, fairness and traceability of every step, in compliance with stringent regulations. The Code of Ethics disseminated to all employees and shared with new hires requires the integrity and loyalty of every Philogen employee and collaborator. The purpose of the Code of Ethics is precisely to provide guidance on good practices to be adopted to best contribute to the Group's mission. In fact, this document is complementary to work procedures in that it describes the ethical and behavioral aspects that every worker, at all levels, is expected to observe in order to contribute to harmony and integrity in the workplace.

To safeguard the application of the Ethical Code of Conduct and the internal regulations described by the MOG, Philogen employees are periodically trained on the MOG; in addition, the Supervisory Board is the body that oversees and verifies compliance with these provisions. In case employees want to report and/or request clarification regarding the company's behavior and/or conduct, they can contact the Supervisory Board anonymously (or not) through a specially created e-mail address: odv@philogen.it.

During 2021, there were no cases of non-compliance with rules and regulations and no established incidents of corruption. There are also no pending or concluded legal actions regarding anticompetitive behavior and violations of antitrust and monopolistic regulations.

1.4 Economic performance

The year 2021 was still marked by the Covid-19 emergency. Unlike 2020, however, persistent efforts toward the expanded vaccine campaign avoided the severe restrictions and lock down of 2020. The Delta and Omicron variants, however, slowed the total economic recovery, still forcing governments, albeit to a lesser extent, to introduce restrictions for temporary periods. The impacts of the health emergency also spilled over into prices. 2021, unlike 2020, was characterized by inflationary effects caused by a shortage of raw materials and more generally by bottlenecks in supply chains. The year 2022 opened with an extremely complex macroeconomic environment due to continuing complexities related to raw material supply, inflationary pressures and a still uncertain health situation. By the end of February 2022, the scenario was further destabilized given the escalation of tensions between Russia and Ukraine that resulted in the order given by the Russian President, Vladimir Putin, to invade Ukraine, going well beyond what had been described as a "peacekeeping" operation in Donbass. The Western reaction was not long in coming, promoting a series of economic sanctions and military support for the Ukrainian government.

The financial statements show a loss for fiscal year 2021 of 15,725 thousand euros. The change in strategy that began in 2019 and which includes a focus on the development of proprietary products and the consequent reduction of contracts for third parties, caused a significant decrease in revenues: in particular, the decrease in revenues from contracts with customers was approximately 47.8%. In addition, the increase in operating costs increased by 17.1 percent as a direct result of the primary focus on the development of the two most advanced proprietary products, the increase in personnel, and extraordinary costs related to the listing process.

However, the Group's net financial position remains more than solid, standing at 85,184 thousand euros with an increase of more than 90 percent compared to the year ended December 31, 2020 thanks to the capital raised in the listing process.

Economic value generated and distributed

Directly Generated and Distributed Economic Value is the result of a reclassification of the consolidated income statement and shows how the value created is redistributed to the Group's stakeholders.

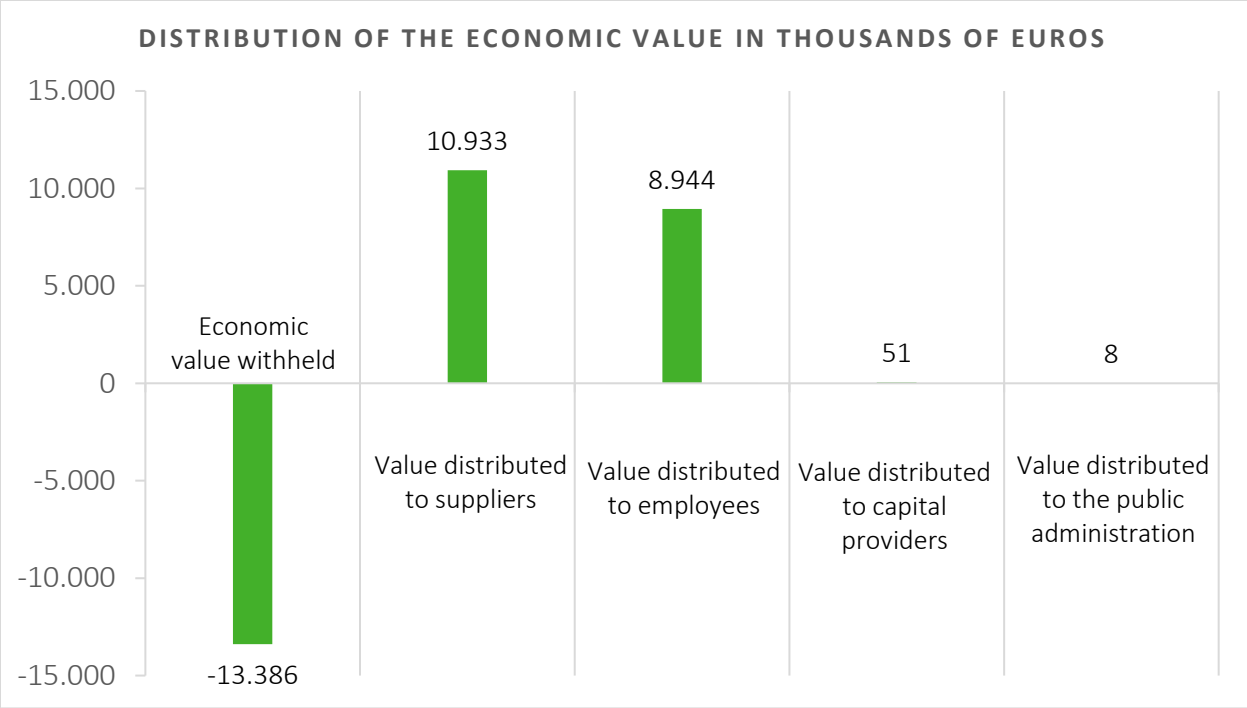
Specifically, the statement below expresses Philogen's economic performance and the resources that are distributed to entities of strategic interest to the company such as: suppliers, workers, investors, and government.

Statement of economic value generated and distributed		
In Euro thousands	2021	2020
Directly generated economic value	6.550	6.074
Economic value distributed	19.937	17.005
Value distributed to suppliers	10.933	10.055
Value distributed to employees	8.944	6.922
Value distributed to capital providers	51	20
Value distributed to the public administration	8	8
Economic value withheld	-13.386	-10.931

Analysis of the distribution model shows that the Group generated a value of approximately 6.5 million euros, an increase of 8% over 2020. The economic value generated represents the wealth created by the Group in the fiscal year and consists, mainly, of revenues from sales and services.

Distributed value represents Stakeholder remuneration, which is the portion of the value generated that is then distributed by the Group to maximize the positive socio-economic impact of its activities. Specifically, in 2021, Philogen distributed a total of nearly 20 million euros. The stakeholder category receiving the most significant portion is suppliers to whom more than 10 million euros were distributed mainly in the form of service and raw material costs.

Next comes the remuneration of Group employees, who received nearly 9 million euros to cover salaries, severance pay and social security charges. The remainder of the distributed value went to capital providers, such as banks and other lenders, and to the public administration in the form of taxes.



Management of impacts caused by Covid-19

In compliance with the recommendations of ESMA and Consob, the Group has initiated internal analyses aimed at an assessment of the actual and potential impacts of Covid-19 on its business, financial position and economic performance.

Since the beginning of the pandemic emergency, the Board of Directors of Philogen S.p.A. and its subsidiary Philochem AG have analyzed and monitored the implementation and enforcement of the measures adopted in response to the Covid-19 pandemic, in full compliance with the provisions issued from time to time by the relevant authorities. Among these, the most significant involved restrictions and controls on the movement of products and people and the organization of working hours with alternating shifts within the production facilities; the Group therefore modified its business management, introducing social distancing plans for employees and the reduction of physical participation in meetings, events and conferences, in the best interest of its employees and collaborators. These changes have partly negatively affected productivity by slowing down development operations and delaying planned and ongoing clinical trials. In addition, the initiation of clinical trials, including activities to enroll patients and engage investigators and staff for the study, has been delayed in some cases due to priorities assigned by clinical centers (hospitals) to counter the Covid-19 pandemic. The diversion of health care resources from conducting clinical trials to focus on pandemic-related problems has affected, albeit to a small extent, (i) the expected timing of enrollments, (ii) the processing and collection of data resulting from clinical trials, and (iii) the monitoring of processes by substantially reducing the ability to control them. Finally, delays in the delivery of raw materials for production, mainly

encountered during 2021, have led the Group to make advance procurements even with reference to 2022 activities in order to ensure sufficient stocks for the continuation of its research and development activities, even in the near future.

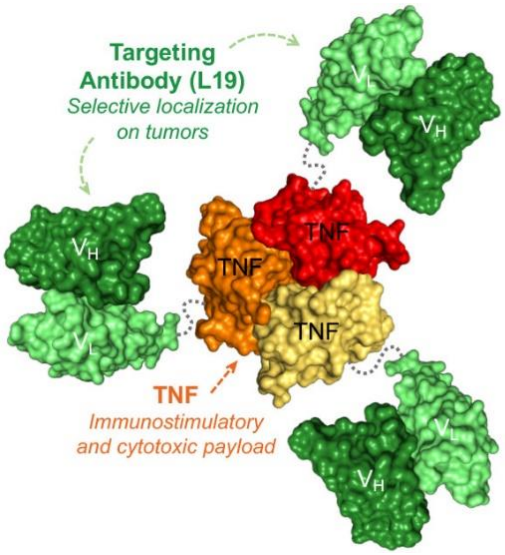
Philogen continues to monitor developments very closely in order to take further mitigation measures in a timely manner if necessary. As a result of this, in April 2021 Philogen adopted a new anti-contagion protocol that incorporates legislative changes introduced at the national level as well as specifically regulating certain company activities, such as travel management of particular interest given the resumption of in-person clinical monitoring activities in lieu of remote monitoring.

2. From research to drug

At Philogen, the ambition is to redefine the way high-lethality diseases are treated, primarily through the design of "targeted" therapies to treat cancers.

2.1 Discovery and Experimentation

The Group's activities cover all stages of the drug development process, from discovery (discovery phase), basic research, preclinical, clinical development, and production activities. Research and development activities represent the Group's core business.

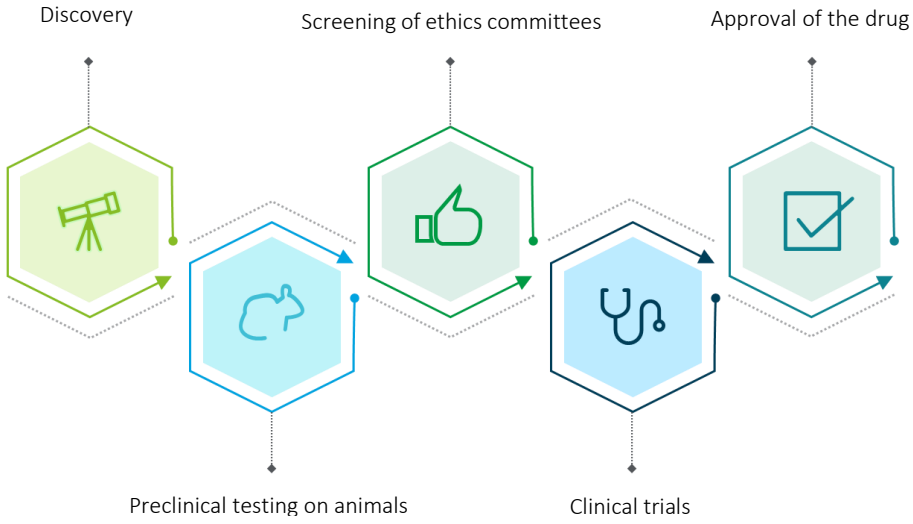


As mentioned, the Group operates through:

- the parent company, based in Siena, which operates GLP-authorized laboratories, GMP-authorized manufacturing facilities, and numerous clinical trial centers internationally through the support of Contract Research Organizations (CROs).
- the subsidiary company, based in Switzerland, which conducts research and development (discovery) in the areas of selective discovery and therapeutic antibodies, as well as in the development of technologies such as antibody libraries and DNA-encoded chemical libraries, at its laboratories in Zurich. Preclinical experiments are also carried out in Switzerland to evaluate the efficacy and tolerability of new prototypes. The most promising prototypes are subsequently taken into clinical trials, subject to GMP production of the drug.

Structured research groups operate at the Swiss headquarters, bringing together scientists from all over the world, with various specializations and carefully selected to ensure a high level of expertise and innovation. These are also fostered by the inclusion in the working groups of a significant number of doctoral students from leading Swiss, Italian and international universities, who are able to accrue new ideas, empirical evidence and publications. The progress of the Discovery unit is reported periodically in a monthly report for the supervision and approval of top-management.

The main steps in the pathway of a newly developed drug are:



In Swiss laboratories, through the use of state-of-the-art technologies, new candidate molecules are identified for the next phase of testing in preclinical studies. In addition, research is also focused on the development of orphan drugs intended for the treatment of rare diseases.
The Group's main therapeutic strategy for the treatment of difficult-to-treat diseases is the so-called *tumor targeting*, i.e., the development and use of ligands (binding molecules, such as antibodies) that are particularly well suited for the detection of tumor antigens, so that the therapeutic active ingredients can be directed selectively at the tumor mass, rather than at healthy organs.

Preclinical testing plays a key role in understanding the toxicity and efficacy of a drug candidate. Most preclinical animal studies are conducted at the dedicated facilities of ETH Zurich, with which the Group closely collaborates. For the toxicological component of the preclinical studies, however, Philogen, relies on external providers. For all these phases, it should be specified that in order to ensure the highest standards of quality and safety, the Group applies Good Laboratory Practice - **GLP** in its laboratories, as well as the principle of the **3Rs** (Replacement, Reduction and Refinement).

The principles of Good Laboratory Practice define a management system to outline the conditions under which a preclinical study is planned, carried out, monitored, recorded, reported and archived.

The international principle of the 3Rs (Replacement, Reduction, Refinement) requires that animal experimentation be used only when it is impossible to do otherwise, and always with a view to minimizing the number of animals involved in experimentation.

Specific training is also provided for each employee dedicated to performing the appropriate tasks to fully respect animal welfare.

The most promising drugs from the preclinical phase enter the clinical trial phase after obtaining the appropriate ethical and regulatory approvals. Philogen operates in accordance with ICH E6 (R2) Good Clinical Practice - GCP and has implemented a Quality System for the execution of clinical trials, both internal and external. As a demonstration of this, among all external clinical trial specialists, called Contract Research Organizations (CROs), Philogen enters into collaboration exclusively with those entities that demonstrate their high quality standards with absolute rigor.

The principles of Good Clinical Practice compose an international standard of ethics and scientific quality for designing, conducting and reporting clinical trials involving human subjects.

In the case of outsourcing, the Group has defined an internal process for managing and supervising the various phases of clinical trials by organizing numerous visits and inspections at the sites of CROs, that ends with a qualification process of the CRO with which the Group decides to collaborate. Philogen also adheres to transparency policies on the publication of clinical trial information, both nationally (e.g. AIOM; KOFAM) and internationally (e.g. Clinicaltrials.gov; EU Clinical Trials Register).

In parallel to drug development activities, Philogen directly oversees and protects its Intellectual Property ("IP"), through patents, trademarks and licenses registered both nationally and internationally, through its internal IP department. In fact, industrial and intellectual property rights represent a central element for Philogen in order to ensure the protection of the results of the Group's research and development activities, both with regard to drugs and the specific processes and technologies implemented. The intellectual property protection strategy, which is well established in the field of cancer targeting, is ensured through the use of a large international portfolio of patents for inventions for industrial use and pending patent applications. This vertical integration ensures more direct and effective management of one of the core elements of the Group's business.

Philogen collaborates with various hospitals and institutions on requests for experimental drugs for compassionate use domestically and internationally, in compliance with current regulations.

2.2 Product Quality and Safety

The world of pharmaceutical research and development is subject to a structured system of statutory, regulatory and international standard measures aimed at ensuring the highest levels of safety of products developed by companies operating in the sector. The implementation and active management of internal control processes requires the presence of specialized figures who are able to verify "compliance" with these measures and build the internal management systems to ensure product safety and quality.

Philogen ensures the highest levels of quality and safety for all stages of the drug development and manufacturing process through appropriate management systems. In fact, the Group has, at the Montarioso site, production facilities certified and authorized for Good Manufacturing Practice - **GMP** by AIFA, with the relevant quality management system. The process aimed at obtaining GMP authorization from AIFA for the Rosia plant is currently underway.

> The principles of Good Manufacturing Practice define a Management System to ensure that the production of drugs takes place according to appropriate quality standards.

Philogen's Bioanalytical Laboratory, at the Rosia facility, is involved in the analysis of biological samples collected as part of toxicity studies in animal models and biological samples derived from subjects participating in clinical trials. The analyses carried out are used to determine drug levels in the blood (pharmacokinetics) and to verify the immune response induced by drug administration (immunogenicity); biomarker analyses can also be conducted, for the evaluation of the pharmacodynamic profile of the product under investigation.

The laboratory has an ISO 9001:2015-certified quality system and is organized in such a way as to keep all aspects of its activities under control and ensure reproducibility of performance and thus maintenance but also continuous improvement of the quality standards provided. In addition, the laboratory has recently implemented a GLP-compliant management system (GLP according to international notation) related to toxicology experiments on animal models, with the aim of expanding the range of services offered and giving further consistency and validity to the data produced.

There are multiple control procedures that are carried out daily in the company in line with Standard Operating Procedures (SOPs) - guidelines and procedures formalized by the Group and monitored internally by highly specialized figures. For purposes of clarity, a brief organizational chart in which the relevant professional figures in the areas of Qualified Person, Quality Assurance, and Quality Control are identified, is below.

Qualified Person (QP)

The Qualified Person is the **figure** responsible for **certifying** a **batch of** medicines for clinical trials. The responsibilities of this figure include:

- **Supervise** that each batch of medicines is manufactured and controlled in compliance with the **legal regulations** and conditions imposed in the marketing authorization of the medicine;
- Immediately **notify AIFA** and the head of the company on which it depends of any substantial irregularities detected in the medicine that has already been placed on the market;
- Actively **cooperate with inspections** carried out by the authority;
- **Monitor** the general hygienic conditions of the premises for which he/she is responsible.

Quality Assurance (QA)

It represents the strategic **department** that **ensures** that the drug is produced according to the quality standards dictated by **GMP,** or Good Manufacturing Practice, by aligning the organization with industry regulations and arranging for **changes** and **updates** to internal **procedures** that affect the entire production chain.

Quality Control (QC)

Divided into chemical and microbiological, this is the department responsible for **testing and controlling** incoming **raw materials**, throughout the drug manufacturing process, and on the **finished product** to ensure that established product standards are maintained throughout the production process.

Additional assurance of quality and safety comes from "audit" activities that are carried out both on the in-house facilities and at the clinics/entities/hospitals where clinical trials are conducted. These periodic audits are aimed at verifying the proper functioning of the implemented management systems and assessing compliance during all the activities that the Group carries out. In the case of audits conducted at external collaborators, the purpose is to verify that the management systems and practices in place at external facilities are aligned with and meet the quality standards required by the Group.

Finally, as we specify in the next chapter, suppliers are a key component in the Group's drug development and production process; for this reason in the selection process, Philogen has implemented a system for evaluating, approving, and monitoring their quality and reliability.

During 2021, there were no instances of non-compliance with regulations and/or voluntary codes regarding the health and safety impacts of products/services during their life cycle, nor incidents of non-compliance regarding information and labeling of products and services.

2.3 Responsible supply chain management

Philogen is aware of the strategic importance of the supply chain in the development and production of drugs in order to ensure their high quality and reliability. For this reason, the Group has set up specific SOPs for the qualification and approval of suppliers and the issuance of purchase orders. The latter are further managed through a specific procedure. It should be noted that for some specific production processes for some products, the Group relies on an identified number of suppliers, whose technical production specifications are indicated and identified in the Group's production SOPs, which are shared with regulatory authorities.

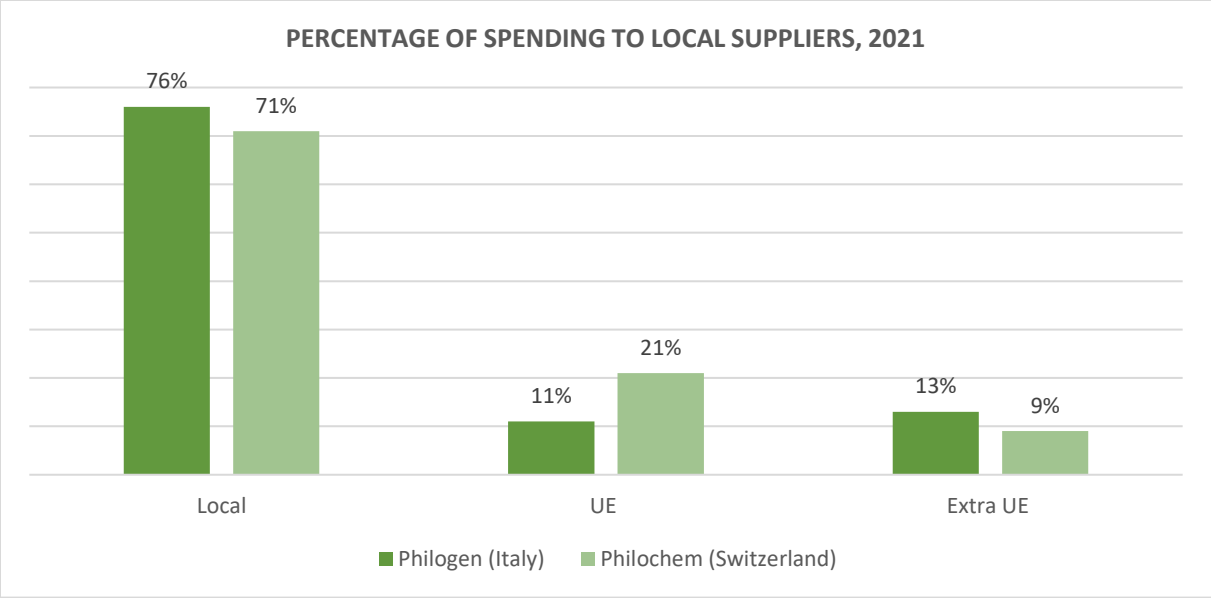
Fundamental attention in the supplier selection process is paid to the category of logistics and transportation service providers: in fact, these operators are entrusted with the task of transporting, according to the criteria and specifications outlined in the Philogen SOPs, the experimental products, which must be stored and transported under controlled conditions as stipulated in the experimental protocol.

Some of the Group's experimental drugs, including monoclonal products, must be stored at a controlled temperature of -80°C. For this purpose, the containers in which the drugs are transported to the various experimental centers are equipped with temperature recording systems, which generate a detailed report on the temperature conditions at which the drugs are transported. This allows the entity receiving these products to verify their safety, quality and compliance once they have left Philogen's manufacturing facilities.

For completeness, it should be noted that within contracts with suppliers, there are specific clauses that refer to the Group's Model 231 to ensure compliance and require the application of all those provisions that imply the protection of ethical behavior in the performance of entrusted services. Relations between Philogen's employees and the supply chain are developed with respect for human rights, as well as the fundamental principles affirming social equality, including through mutual adoption and acceptance of the Code of Ethics.

Suppliers of production materials and services are also evaluated annually through a Risk Management Report and based on the risk priority index. When signing supply contracts with a new supplier, the Group conducts audit activities at the suppliers' premises in order to qualify that new supplier. This audit activity is also repeated over time at already qualified suppliers in order to ensure their compliance with the business requirements set forth in the Group's quality system.

Even in view of recent events affecting global supply chains, where possible, Group companies prefer local suppliers to facilitate easier and more immediate logistics. In 2021, the percentage of sourcing from local suppliers headquartered in the country was 76 percent for the Italian plants (57 percent in 2020) and 71 percent for the Swiss plant (71 percent in 2020).


PERCENTAGE OF SPENDING TO LOCAL SUPPLIERS, 2021
76%
71%
11%
21%
13%
9%
Local
UE
Extra UE
Philogen (Italy)
Philochem (Switzerland)

3. Social responsibility

3.1 Development and well-being of Philogen employees

Constant investment in the professional and human progress of people is the basis of Philogen's "*retention*" strategy for key figures. In 2021, following the company's listing process, there was a conspicuous number of staff hires, both fixed-term and permanent. As of December 31, 2021, the Group's total workforce corresponded to **130 people**, up 24 percent from the previous year. Key figures also include an external collaborator with the role of a consultant.

HUMAN RESOURCES

to December 31, 2021

130 Employees

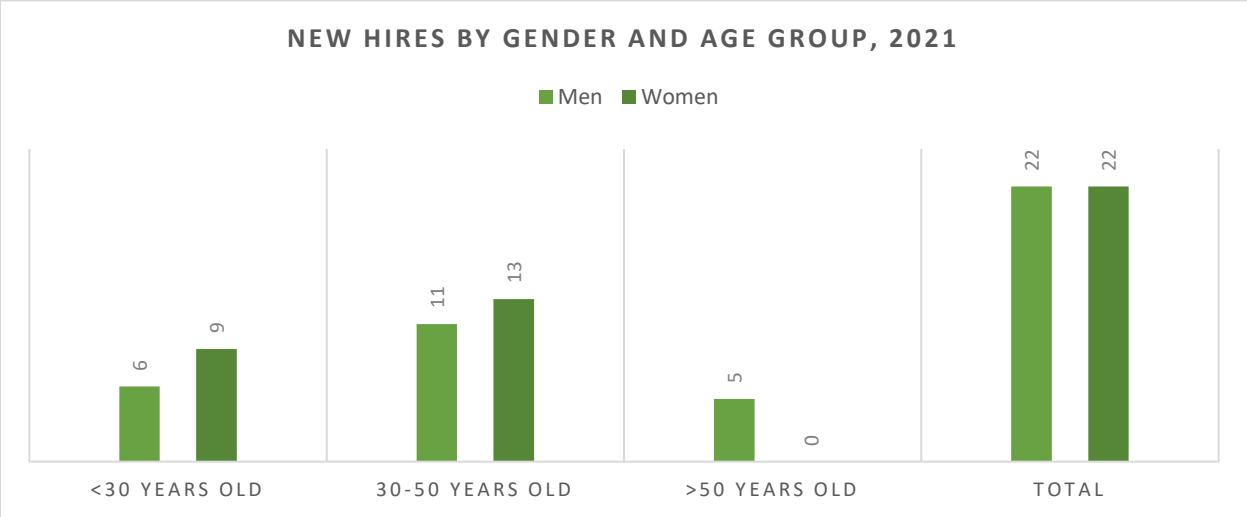
Of which:

52% Women

88% Permanent contract

44 hires in 2021

The type of permanent contract is predominant (88%), reiterating the importance of the measures put in place by the Group for the purpose of "*retention*" strategies of highly qualified personnel. In 2021, **44 people were hired** (see the table below for a breakdown by age group and educational qualification, while the outgoing turnover was 19 people, mostly aged between 30 and 50).



Recruitment by educational qualification			
Group Data	to December 31, 2021		
	Men	*Women*	Total
Ph.D.	9	9	**18**
Degree	9	13	**22**
Diploma	3	-	**3**
No Title	1	-	**1**
Total	**22**	**22**	**44**

The Group has always maintained strong relations with universities in the area in which it operates to select the best resources to whom it can guarantee "*on-the-job*" training and the opportunity to participate in Industrial Doctorate programs.

To support and foster the welfare of its employees, Philogen has implemented a number of *welfare* initiatives, such as life insurance for Executives and reimbursement of medical expenses for Executives and Middle Managers. In addition, the Group, as reported above, has included its key employees in an incentive plan (Stock Grant Plan 2024-2026). Employees benefiting from the Stock Grant Plan are full-time, permanent contract employees who hold strategic positions that are critical to the Group's operation.

Philogen recognizes that the growth of human capital and related skills is the key to ensuring research and development activities in its target industry. The training and continuing education of employees employed in various research and production activities are critical to the Group's progress. Specifically, in a company such as Philogen, which is engaged in the development of experimental drugs, it is crucial that each figure is updated and trained constantly to comply with the stringent regulations in force and apply industry best-practices.

In 2021, workers from each department participated in various courses on compliance, hands-on training, best practices on documentation management, data Integrity, updates on regulatory activities, quality requirements during clinical trials, training on sustainability and updates on taxation. Among the entities where these training/updates were held were EMA, DIA Europe, and SIMEF.

The table showing the hours of training per capita carried out during the year can be found in the performance indicators section.

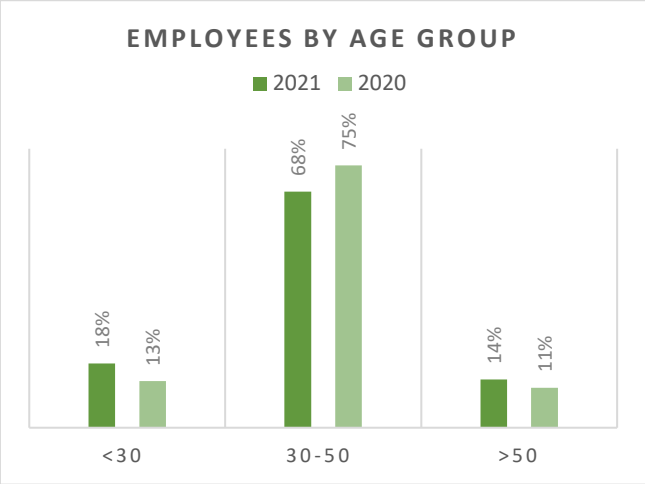
Hours of training provided for Philogen employees during 2021 totaled 204, an increase from the 2020 figure (102 hours). During 2020, staff training had been reduced due to reorganization due to Covid. In 2021, thanks to the general recovery and return to normalcy, several new training courses were able to be offered, which are set to be increased in the coming years.

3.2 Diversity and inclusion

Philogen, in managing its human resources, aims to integrate and respect all forms of diversity, hindering any discrimination that may arise. The Group has always been a multicultural entity, which to date can count employees of more than 15 different nationalities in its workforce, and has strived over time to create an inclusive work environment that fosters creativity and confrontation.

Particular attention is also paid to the issue of gender equality: 52 percent of employees are female, and many key roles within the company are filled by women,, including the two representatives on the Board of Directors. Gender equality is even more important in the area of scientific research, an environment typically represented by a male majority. The Group is committed to diversity among its researchers, seeking to reduce the disparity from year to year.

Finally, in accordance with Italian law, Philogen employs four people from protected categories.



Philogen is a dynamic business of competent and young people, which is evidenced by the fact that 68 percent of the Group's staff is in the 30-50 age group, followed by 18 percent of employees under 30 and only 14 percent over 50.

No actual or alleged incidents of discrimination were detected in 2021.

3.3 Our commitment to employee health and safety

To ensure the health and safety of employees, a health and safety management system has been implemented in the Group's Italian plants over the years based on the regulatory requirements set forth in Legislative Decree 81/2008. Philogen has also carried out risk assessments to identify hazards in the workplace and related prevention and protection measures. These risks are also monitored during the numerous audits conducted by the RSPP. In addition, any employee can report to his or her line manager any instance of potentially dangerous situations in the workplace (called "*near misses*"), while any accident is reported through a dedicated procedure. Each accident, which is appropriately handled by the relevant managers, involves a careful analysis of the causes, with the aim of highlighting improvements to be made to the DVR with a view to mitigation. Downstream of reports or accidents, decisions regarding techniques or operating procedures to be changed are also made by listening to input from the worker safety manager. At the same time, the Swiss plant has adopted internal arrangements for safety management also in compliance with current Swiss regulations.

Both locations also provide their employees with an occupational medicine service offered in the protection of the confidentiality of the people who use it. For Philogen locations, employees have access to an outside competent physician, while Philochem employees are provided with the contact information of the nearest clinic to the location.

In compliance with the obligations of Legislative Decree 81/2008 and the State-Regions agreement, periodic safety training and refresher courses are prepared for all employees divided into general and specific training courses. In the year 2021, specific courses on occupational safety were provided for a total of 88 hours.

The year 2021 continued to be marked by the epidemiological emergency from Covid-19, which inevitably affected the Group's level of operations as well. On the one hand, we were faced with restrictions on the movement of products and people, as well as revised working hours, and, on the other hand, difficulties in enrolling patients at the centers where trials were being conducted, due to the limited involvement of researchers and staff to carry out clinical trials.

In response to the pandemic, Philogen adopted an operational instruction outlining specific measures to be implemented in the company aimed at preventing the risk of infection. These include reorganization/revision of employee schedules in the company, which have been revised to avoid close worker contact, participation in online meetings and gatherings, and general social distancing ensured by alternating work schedules among employees.

No workplace accidents were recorded during 2021.

3.4 Collaboration with local communities

The Group has been collaborating for several years with universities in the field in which it operates, including ETH Zurich and the University of Zurich. As a result of collaborative work with both, Philochem has been awarded funding from Innosuisse with respect to a number of projects aimed at research in the field of encoded DNA chemical libraries and for the exploration of novel antibody-cytokine fusions for the treatment of brain and hematological tumors. In addition, Philogen maintains relationships with the German Cancer Research Center at Heidelberg (DKFZ) and Wyss in order to manufacture contract products in Philogen's GMP facilities.

The Group is affiliated with the Toscana Life Sciences Foundation (TLS), a nonprofit organization that has been operating since 2005 in the region with the aim of supporting research activities in the field of life sciences and, in particular, to support the development of projects from basic research to industrial application.

4. Environmental responsibility

Within the Sustainability journey undertaken by the Philogen Group, environmental protection occupies a central role. As evidence of this commitment, Philogen has undertaken and planned a number of activities in the different areas of its business.

In particular, the Group's production plants operate in compliance with current environmental regulations and the permits to which they are subject; specifically, the sites in Montarioso (Siena) and Rosia (Siena), have AUA (Authorizzazione Unica Ambientale) discharge permits that regulate, among other things, the release of air emissions and the storage and disposal of hazardous waste.

4.1 Energy and Emissions

In light of commitments at the international and European level such as the 2015 Paris Agreement and the European Climate Act as well as the regulatory authority's numerous interventions in recent years, the Company recognizes the importance of combating climate change and is committed to contributing positively to environmental protection through the development of strategies and initiatives aimed at encouraging the minimization of environmental impacts related to the conduct of business activities.

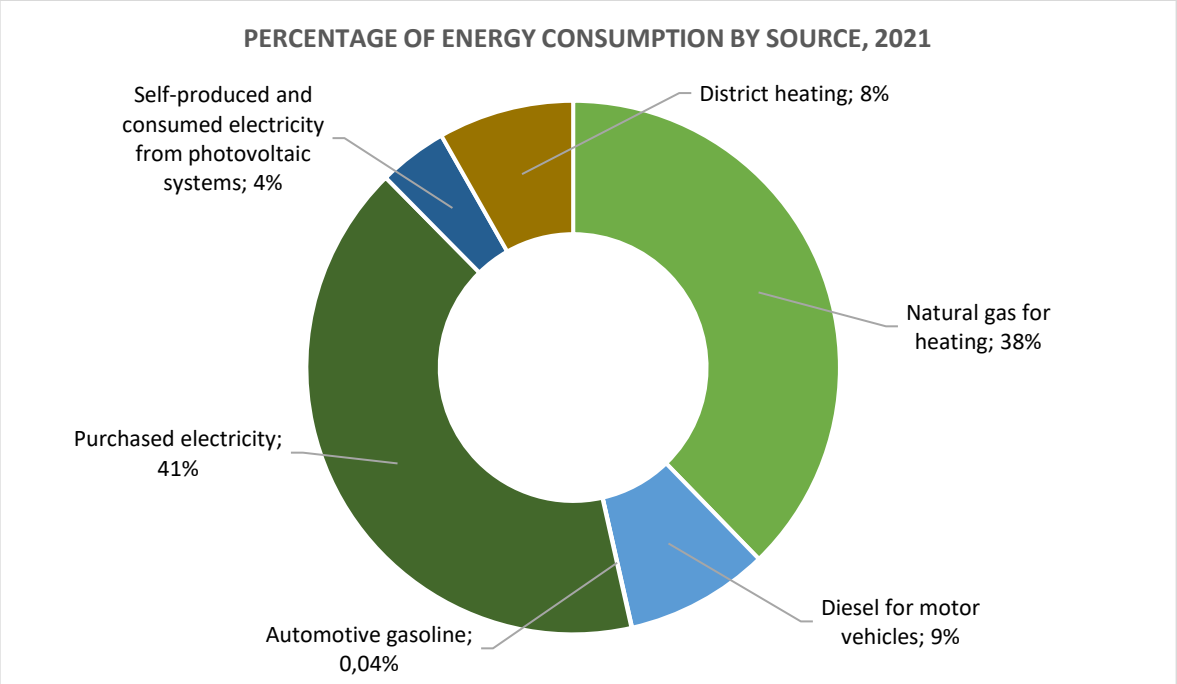
To conduct its operations and production processes, Philogen uses mainly methane gas and electricity. The latter, originally obtained exclusively from the grid, is now partly self-generated thanks to the photovoltaic system the Group has built at the Rosia plant. With the current installed power of 40 kW and the increase to 250kW planned for the end of the year 2022, the Group can count on the support of an alternative, fully renewable source that covers about 4 percent of the Group's electricity consumption.
In 2021, the Group consumed 7,098 GJ of energy with a 37% growth over 2020 due to increased production. Natural gas accounted for 38% of the Group's energy consumption, while purchased electricity accounted for 41%.

ENERGY

7,098 GJ Energy consumed

Of which:

4% Renewable energy



The first step toward reducing energy consumption from nonrenewable sources is definitely to reduce electricity consumption. This is precisely the goal of the project to modernize the plants' lighting systems, which involves the gradual but continuous replacement of all lamps with new, more efficient LED systems.

Direct emissions generated by the Group in 2021 from the consumption of natural gas, diesel fuel, and gasoline (Scope 1) are 181 tons of CO_2 e, up 31% from 2020. The most impactful categories are methane gas emissions, accounting for 75 percent, followed by automotive diesel fuel, which is 24 percent.

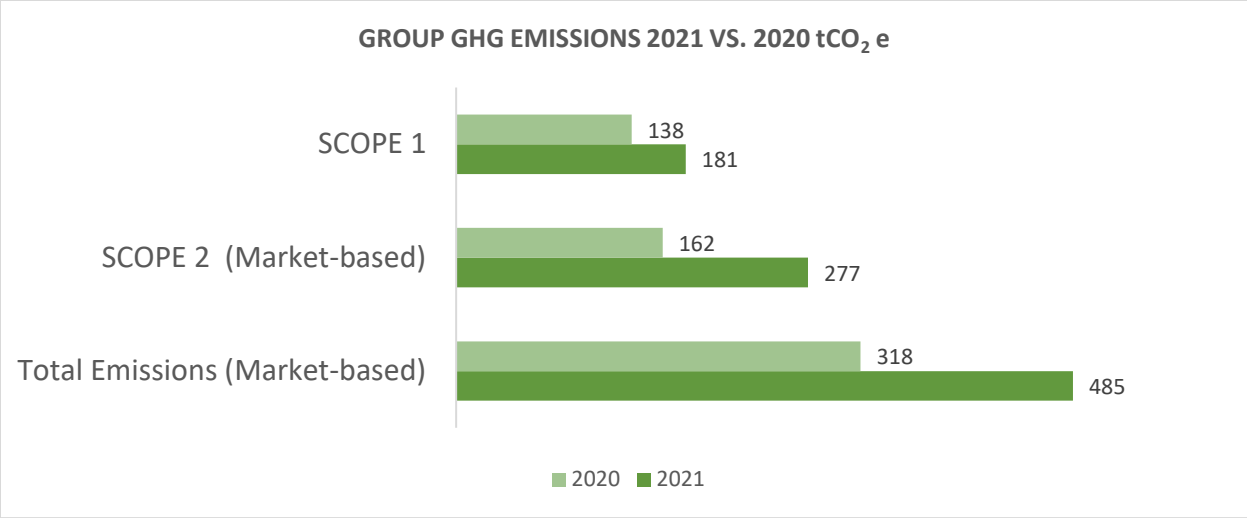
CO_2 emissions from purchased power consumption (Scope 2[2]), according to the market-based calculation method, are 277 tons of CO_2, while Scope 2 emissions from district heating[3] are 28 tCO_2 e. Total emissions (Scope 1 and Scope 2 Market based) are 485 tCO_2 e.

[2] Scope 2 emissions are calculated using the two methodologies required by the reporting standard used (GRI Sustainability Reporting Standards):

- Location-based approach: reflects the intensity of emissions generated by electricity consumption in relation to the generation network within which it operates;
- Market-based approach: reflects the intensity of emissions generated by the consumption of electricity purchased through any specific supply contracts.

Scope 2 emissions are expressed in tons of CO_2 , however, the percentage of methane and nitrous oxide has a negligible effect on total greenhouse gas emissions (CO_2 equivalent) as inferred from the relevant technical literature. It should also be noted that the Group has not used certificates of origin to purchase electricity from renewable sources.

[3] It should be noted that emissions derived from district heating are attributable only to the Swiss plant.



4.2 Water resources

The production of injectable solutions makes it necessary to use machinery to treat water taken from aqueducts in order to make it suitable for medical application. During the fine-tuning phase of the Rosia plant, the Group installed only state-of-the-art treatment equipment, which ensures very low energy consumption compared to older equipment. In 2021, a total of 3.4 ML of water was withdrawn by the Group from the aqueduct, an increase of 9% over the 2020 figure. In order to assess its impact in sensitive areas, with regard to the withdrawal and discharge of water in water-stressed areas Philogen uses the Aqueduct Tool developed by the World Resources Institute to identify areas potentially at risk. Pursuant to this analysis, water withdrawals and discharges related to the Group's two Italian sites involved water stress areas, while the Swiss site is located in a low-risk area.

4.3 Waste

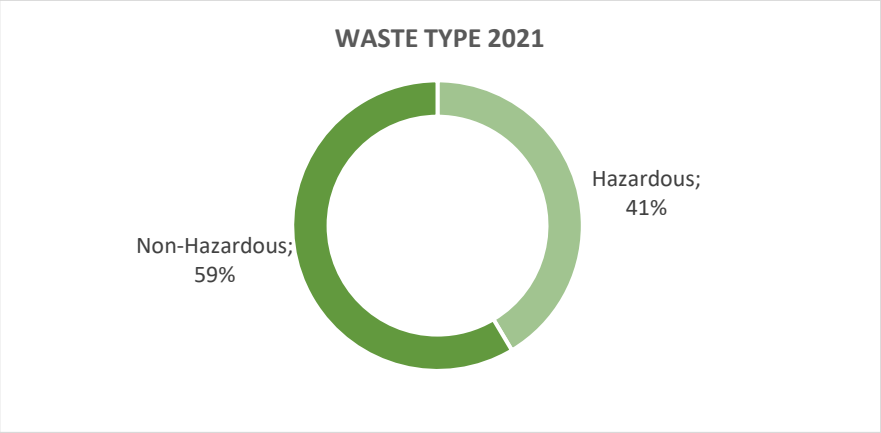
For a company such as the Philogen Group, which is involved in biopharmaceutical research and the production of experimental drugs, care and proper management of the waste produced is of paramount importance.

Philogen produces both ordinary municipal waste and special, biologically contaminated waste. For the former, the separate collection system at the Montarioso site, operated by a specialized company, ensures the proper disposal of all municipal waste; at the Rosia plant, which is still being completed, the separate disposal system is being implemented.

With respect to biologically contaminated waste, Philogen has adopted an additional autoclave treatment procedure. This ensures that even contaminated waste is rendered completely inert

once it leaves the production site. The Group also sends such waste for incineration as a further guarantee of eliminating all potentially hazardous traces from the materials being disposed of.

A total of 29 tons of waste was produced in 2021 (+8% compared to 2020)[4] , the majority of which is non-hazardous waste (59%). Regarding the end-of-life of waste, 41% of waste is sent to incineration while 59% is sent to landfill. Waste generated in offices and generally assimilated municipal waste is entrusted to the public disposal service.



[4] The Group's total number of wastes does not include those produced by the Swiss site because, since they are only research laboratories and their waste is not significant. The value therefore includes the two Italian plants in Rosia and Montarioso.

Performance indicators

ENVIRONMENTAL RESPONSIBILITY

DISCLOSURE 302-1 Energy consumed within the organization.

Internal energy consumption within the organization			
	Unit of measurement	2021	2020
Consumption of non-renewable fuels	**GJ**	**3.300**	**2.461**
Methane gas	GJ	2.679	1.838
Automotive diesel fuel	GJ	619	620
Automotive gasoline	GJ	3	3
District heating	**GJ**	584	370
Purchased electricity	**GJ**	**2.918**	**2.088**
Of which from non-renewable sources	GJ	2.918	2.088
Of which from renewable sources	GJ	-	-
Self-generated electricity from photovoltaics	**GJ**	**298**	**286**
Of which sold into the network	GJ	2	11
Total energy consumption	**GJ**	**7.098**	**5.194**
Of which from renewable sources	GJ	296	275

DISCLOSURE 305-1 Direct (Scope 1) GHG emissions and 305-2 Energy indirect (Scope 2) GHG emissions

CO emissions.$_2$			
	Unit of measurement	2021	2020
Scope 1 [5]	tCO_2 e	181	138
Scope 2 (electricity, market-based)[6]	tCO_2	277	162
Scope 2 (electricity, location-based)[7]	tCO_2	193	122
Scope 2 - (district heating)	tCO_2 e	28	18

[5] Source of emission factors: DEFRA 2021 and DEFRA 2020

[6] Source of emission factors: AIB 2021 - European Residual Mixes 2020 (Ver. 1.0, 2021-05-31); AIB 2020 - European Residual Mixes 2019.

[7] Source of emission factors: Terna - International Comparisons 2019; Terna - International Comparisons 2018

Total (Scope 1 + Scope 2 market-based + District heating)	tCO_2 e	485	318
Total (Scope 1 + Scope 2 location-based + District heating)	tCO_2 e	401	278

DISCLOSURE 303-3 Water Withdrawal.

Water withdrawal by source[8]					
		2021		2020	
Source	Unit of measurement	All areas	Areas with water stress	All areas	Areas with water stress
Third-party water (Fresh water: ≤1,000 mg/l total dissolved solids)	ML	3,4	2	3,1	2
Total water withdrawals[9]	**ML**	**3,4**	**2**	**3,1**	**2**

DISCLOSURE 306-3 Waste generated.[10]

Type of waste [ton]	2021			2020		
	Dangerous	Non-hazardous	Total	Dangerous	Non-hazardous	Total
150160 - Mixed Material Packaging.	-	17	17	-	17	17
180103 - solid infectious risk medical waste	7	-	7	7	-	7
180103 - liquid infectious risk medical waste	5	-	5	3	-	3
Total waste produced	**12**	**17**	**29**	**10.006**	**17**	**27**

[8] It should be noted that both of the Group's Italian plants, located in Montarioso and Rosia, are located in water-stressed areas and account for 60 percent of water withdrawals; the remainder of water withdrawals (40 percent) were in non-water-stressed areas.

[9] The figure of water withdrawn for the Group's Swiss headquarters, which is included in a building shared with others, was estimated from the total expenditure value of the full building, re-proportioned to the square meters of the laboratory areas, and assuming an average reference water cost in Switzerland of CHF 1.20/mc, in order to derive the total amount of cubic meters consumed

[10] The Group's total number of wastes does not include those produced by the Swiss site because, since they are only research laboratories, they are not significant. The value therefore includes the two Italian plants in Rosia and Montarioso.

DISCLOSURE 306-5 Waste directed to disposal.

Disposal method [ton]	2021				2020			
	On site	At an external site	Total	%	On site	At an external site	Total	%
Hazardous Waste								
Incineration (without energy recovery)	-	12	12	41%	-	10	10	38%
Non-Hazardous Waste								
Landfill	-	17	17	59%	-	17	17	62%
Total	**-**	**29**	**29**	100%	-	**27**	**27**	**100%**

DISCLOSURE 2-7 Employees[11]

Employees by gender and area geography						
Sites	to December 31, 2021			to December 31, 2020		
	Men	Women	Total	Men	Women	Total
Italy (Philogen S.p.A.)	43	53	**96**	29	42	**71**
Switzerland (Philochem AG)	20	14	**34**	23	11	**34**
Total	**63**	**67**	**130**	**52**	**53**	**105**

Employees by contract type (permanent and fixed-term), by gender and geographic area							
Sites	Contract type	to December 31, 2021			to December 31, 2020		
		Men	Women	Total	Men	Women	Total
Italy (Philogen S.p.A.)	Open-ended	39	44	**83**	26	40	**66**
	Fixed-term	4	9	**13**	3	2	**5**
Switzerland (Philochem AG)	Open-ended	18	13	**31**	22	11	**33**
	Fixed-term	2	1	**3**	1	-	**1**
Total	Open-ended	**57**	**57**	**114**	**48**	**51**	**99**
	Fixed-term	**6**	**10**	**16**	**4**	**2**	**6**
Total		**63**	**67**	**130**	**52**	**53**	**105**

Employees by contract type (full-time and part-time), by gender and geographic area							
Sites	Contract type	to December 31, 2021			to December 31, 2020		
		Men	Women	Total	Men	Women	Total
Italy (Philogen S.p.A.)	Full-time	41	49	**90**	26	38	**64**
	Part-time	2	4	**6**	3	4	**7**
Switzerland (Philochem AG)	Full-time	20	12	**32**	23	10	**33**
	Part-time	-	2	**2**	-	1	**1**
Total	Full-time	**61**	**61**	**122**	**49**	**48**	**97**

[11] Employee data indicate the total number of employees at the end of the reporting period; no estimates or approximations were used for these values.

	Part-time	2	6	8	3	5	8
Total		63	67	130	52	53	105

DISCLOSURE 2-8 Workers who are not employees[12]

Outside workers by occupational category and gender						
Professional category	to December 31, 2021			to December 31, 2020		
	Men	Women	Total	Men	Women	Total
Worker with CMO consulting contract	1	-	1	1	-	1
Total	1	-	1	1	-	1

DISCLOSURE 2-30 Collective Bargaining Agreements.

Percentage of total employees covered by collective bargaining agreements		
Number of employees	to December 31, 2021	to December 31, 2020
Total number of employees	130	105
Total number of employees covered by collective bargaining agreements[13]	96	71
Total percentage	74%	68%

[12] Employee data indicate the total number of employees at the end of the reporting period; no estimates or approximations were used for these values.

[13] Philochem (Switzerland) employees are not covered by collective bargaining, however, employment contracts are consistent with the Federal Polytechnic Council's Ordinance on Personnel in the relevant industry.

DISCLOSURE 401-1 New employee hires and employee turnover.

New hires by age group, gender, and geographic area							
Sites	Age group	to December 31, 2021			to December 31, 2020		
		Men	Women	Total	Men	Women	Total
Italy (Philogen S.p.A.)	<30 years old	1	2	3	1	4	5
	30-50 years old	11	13	24	5	4	9
	>50 years old	5	-	5	-	-	-
Switzerland (Philochem AG)	<30 years old	5	7	12	5	-	5
	30-50 years old	-	-	-	-	-	-
	>50 years old	-	-	-	-	-	-
Total	<30 years old	6	9	15	6	4	10
	30-50 years old	11	13	24	5	4	9
	>50 years old	5	-	5	-	-	-
Total		22	22	44	11	8	19

Turnover by age group, gender, and geographic area							
Sites	Age group	to December 31, 2021			to December 31, 2020		
		Men	Women	Total	Men	Women	Total
Italy (Philogen S.p.A.)	<30 years old	-	-	-	1	-	1
	30-50 years old	3	4	7	4	5	9
	>50 years old	-	-	-	-	-	-
Switzerland (Philochem AG)	<30 years old	4	3	7	5	-	5
	30-50 years old	3	2	5	-	-	-
	>50 years old	-	-	-	-	-	-
Total	<30 years old	4	3	7	6	-	6
	30-50 years old	6	6	12	4	5	9
	>50 years old	-	-	-	-	-	-
Total		10	9	19	10	5	15

Rate of new hires and turnover by age group and geographic area					
Sites	Age group	to December 31, 2021		to December 31, 2020	
		Revenue	Outputs	Revenue	Outputs
Italy (Philogen S.p.A.)	<30 years old	33%	0%	71%	14%
	30-50 years old	34%	10%	17%	17%
	>50 years old	29%	0%	0%	0%
Switzerland (Philochem AG)	<30 years old	80%	47%	71%	71%
	30-50 years old	0%	28%	0%	0%
	>50 years old	0%	0%	0%	0%
Total	<30 years old	**63%**	**29%**	**71%**	**43%**
	30-50 years old	**27%**	**14%**	**11%**	**11%**
	>50 years old	**28%**	**0%**	**0%**	**0%**
Total		**34%**	**15%**	**18%**	**14%**

Rate of new hires and turnover by gender and geographic area					
Sites	Age group	to December 31, 2021		to December 31, 2020	
		Revenue	Outputs	Revenue	Outputs
Italy (Philogen S.p.A.)	Men	40%	7%	21%	17%
	Women	28%	8%	19%	12%
Switzerland (Philochem AG)	Men	25%	35%	22%	22%
	Women	50%	36%	0%	0%
Total	Men	**35%**	**16%**	**21%**	**19%**
	Women	**33%**	**13%**	**15%**	**9%**
Total		**34%**	**15%**	**18%**	**14%**

DISCLOSURE 404-1 Average hours of training per year per employee

Hours of training by occupational category and gender[14]						
Hours of training	As of December 31, 2021					
	N. Hours Men	No. hours per capita men	N. Hours Women	No. hours per capita women	N. Total Hours	No. hours per capita Total
Executives	7	1,8	26	13	33	5,5
Managers	7	0,5	12	2,4	19	1,1
Employees	8	0,2	136	2,6	144	1,6
Workers	8	0,9	-	0	8	0,5
Total	**30**	**0,5**	**174**	**3**	**204**	**2**
Hours of training	As of December 31, 2020					
	N. Hours Men	No. hours per capita men	N. Hours Women	No. hours per capita women	N. Total Hours	No. hours per capita Total
Executives	7	7	-	0	7	3,5
Managers	7	0,8	-	0	7	0,4
Employees	64	1,8	24	0,6	88	1,2
Workers	-	0	-	0	-	0
Total	**78**	**2**	**24**	**0,5**	**102**	**1**

[14] The figure for training hours does not include safety training hours. The Group considers further analysis with respect to the significance of safety training hours in order to optimize data collection in collaboration with the Group's RSPP.

DISCLOSURE 2-9 Governance structure and composition.[15]

Composition of the highest governing body						
Member name	**Charge**	**Executive/Non-Executive**	**Mandate of the member of the governing body**	**Genus**	**Independence**	**Competencies consistent with the impacts of the organization**
			Date of first term		**TUF/Code**	
Duccio Neri	Chairman BoD.	executive	07.05.2019	M		Experience as a certified public accountant, specializing in corporate finance
Dario Neri	Chief Executive Officer	executive	07.05.2019	M		Chemistry graduate, decades of research experience and Professor of Bio-macro molecules in the Department of Chemistry and Applied Biosciences at ETH Zurich.
Giovanni Neri	Managing Director	executive	07.05.2019	M		Ph.D. in biotechnology.
Sergio Gianfranco Dompé	Administrator	non-executive	07.05.2019	M		Entrepreneur in the pharmaceutical and biotechnology industry.
Nathalie Dompé	Administrator	non-executive	07.05.2019	F		Degree in Business Administration, with experience as a management consultant and executive.
Leopoldo Zambeletti	Administrator	non-executive	07.05.2019	M		Business graduate with experience within Investment Banks.
Roberto Marsella	Independent Administrator	non-executive	07.05.2019	M	X	Graduate in Business Administration with experience within Companies and Banks both domestic and foreign.
Roberto Ferraresi	Independent Administrator	non-executive	07.05.2019	M	X	Graduate in Finance and Administration, with experience within private equity firms.
Guido Guidi	Administrator	non-executive	07.05.2019	M		Medical graduate with experience in large groups in the pharmaceutical industry.
Marta Bavasso	Independent director	non-executive	16.12.2020	F	X	Lawyer, with experience within leading national and international law firms.

[15] It is specified that for all members the term of office corresponds to the date of the shareholders' meeting to approve the financial statements as of 12/31/2021, and that none of the Board members are members of underrepresented groups. It is also specified that members Duccio, Dario, and Giovanni Neri each hold another position within the Group (Director of Administration and Finance, Legal and Personnel, Building & Operations, Director of Research and Development, and Director of Licensing and Intellectual Property Rights, respectively).

DISCLOSURE 405-1 Diversity of governance bodies and employees.

Employees by job category and age group								
Professional category	to December 31, 2021				to December 31, 2020			
	<30 years old	30-50 years old	>50 years old	Tot	<30 years old	30-50 years old	>50 years old	Tot
Executives	0%	0%	100%	**5%**	0%	50%	50%	**2%**
Managers	0%	78%	22%	**14%**	0%	69%	31%	**15%**
Employees	22%	72%	6%	**68%**	14%	79%	7%	**70%**
Workers	24%	59%	18%	**13%**	29%	64%	7%	**13%**
Total	**18%**	**68%**	**14%**	**100%**	**13%**	**75%**	**11%**	**100%**

Employees by occupational category and gender						
Professional category	to December 31, 2021			to December 31, 2020		
	Men	Women	Tot	Men	Women	Tot
Executives	67%	33%	**5%**	50%	50%	**2%**
Managers	72%	28%	**14%**	56%	44%	**15%**
Employees	42%	58%	**68%**	49%	51%	**70%**
Workers	53%	47%	**13%**	43%	57%	**13%**
Total	**48%**	**52%**	**100%**	**50%**	**50%**	**100%**

GRI Table of Contents

The Philogen Group has reported the information in the GRI Indicator Table below for the reporting period from January 1, 2021 to December 31, 2021, with reference to the GRI Standards (Reference approach).

GRI Standard	Disclosure	Location	Notes
GRI 2 - General Disclosures 2021			
Organization and reporting practices.			
2-1	Organizational details	Page 7; In addition, for information regarding the nature of Philogen S.p.A.'s ownership, please also refer to the Annual Financial Report 2021, which can be found at: www.Philogen.com	
2-2	Entities included in the organization's sustainability reporting	Page 5	
2-3	Reporting period, frequency and contact point	Page 5	
2-5	External Assurance	Page 5	
Activities and workers			
2-6	Activities, value chain and other business relationships	Pg. 8; 18-20; 23-24	
2-7	Employees	Pg. 26; 39-40	
2-8	Workers who are not employees	Pg. 26; 40	
Governance			
2-9	Governance structure and composition	pp. 10-11; 44	
2-10	Appointment and selection of the highest governance body	Page 10	

2-12	Role of the highest governance body in overseeing the management of impacts	Page 11	The indicator is compliant with requirement "a" of the Reference Standard.
2-14	Role of the highest governance body in sustainability reporting	Page 11	
2-19	Remuneration policies	Page 11; In addition, for information on fixed and variable remuneration, bonuses and other benefits paid to Philogen S.p.A. executives, please also refer to the Report on Remuneration Policy and Correspondent Compensation FY 2021, which can be found at: www.Philogen.com	
Business strategies, policies, and practices			
2-26	Mechanisms for seeking advice and raising concerns	Page 12	
2-27	Compliance with laws and regulations	Page 12	
2-28	Membershipin associations	Page 8	
Stakeholder engagement			
2-30	Collective bargaining agreements	Page 40	
TOPIC-SPECIFIC STANDARDS			
ECONOMIC PERFORMANCE			
GRI 201: Economic Performance 2016			
201-1	Direct economic value generated and distributed	Pg. 14-15	
PROCUREMENT PRACTICES			
GRI 204: Procurement Practices 2016			
204-1	Proportion of spending to local suppliers	Page 23-24	

ANTI-CORRUPTION			
GRI 205: Anti-Corruption 2016			
205-3	Confirmed incidents of corruption and actions taken	Page 12	
ANTICOMPETITIVE BEHAVIOR			
GRI 206: Anti-competitive Behavior 2016			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Page 12	
ENERGY			
GRI 302: Energy 2016			
GRI 302-1	Energy consumption within the organization	pp. 32-33; 36	
WATER WITHDRAWAL			
GRI 303: Water and Effluents 2018			
303-3	Water withdrawal	Pg. 34; 37	
EMISSIONS			
GRI 305: Emissions 2016			
GRI 305-1	Direct (Scope 1) GHG emissions	pp. 33-34; 36-37	
GRI 305-2	Energy indirect (Scope 2) GHG Emissions	pp. 33-34; 36-37	
WASTE			
GRI 306: Waste 2020			
306-3	Waste generated	Pg. 35; 37	
306-5	Waste directed to disposal	Pg. 35; 38	

EMPLOYMENT			
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	pp. 26-27; 41-42	
401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	Page 27	
OCCUPATIONAL HEALTH AND SAFETY			
GRI 403: Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	Page 29	
403-2	Hazard identification, risk assessment, and incident investigation	Page 29	
403-3	Occupational health services	Page 29	
403-4	Worker participation, consultation, and communication on occupational health and safety	Page 29	
403-5	Worker training on occupational health and safety	Page 29	
403-9	Work-related injuries	Page 29	
TRAINING AND EDUCATION			
GRI 404: Training and Education 2016			
404-1	Average hours of annual training per employee	pp. 27-29; 43	
DIVERSITY AND EQUAL OPPORTUNITY			
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	Pg. 28; 45	
NON-DISCRIMINATION			
GRI 406: Non-Discrimination 2016			

406-1	Incidents of discrimination and corrective actions taken	Page 28	
CUSTOMER HEALTH AND SAFETY			
GRI 416: Customer Health and Safety 2016			
416-2	Incidents of noncompliance regarding health and safety impacts of products and services	Page 22	
MARKETING AND LABELING			
GRI 417: Marketing and labeling 2016			
417-2	Incidents of non-compliance concerning product and service information and labeling	Page 22	