

Milano, October 16th, 2024

MIPHARM ESG Policy (Environment - Social - Governance)

Mipharm is aware that future sustainability and business development lie in the company's own behaviour with respect to the environment, social issues, and responsible management models. The company's commitment to these issues is realized and developed by adopting this policy, whose principles play a fundamental role in day-to-day business activity. Mipharm is also committed to sharing ESG goals in all circumstances, even those external to the company, and understands this is essential to the sustainability and development of the wellbeing of people and the planet, as well as civil society, by implementing a system to monitor and continuously improve ESG KPIs.

This policy applies to Mipharm's entire business, specifically all activities, employees, contractors, suppliers, and all people under Mipharm's supervision.

Mipharm has established an ESG Executive Committee, chaired by the Executive President, with the General Manager, the Legal Affairs & ESG Director, the Corporate Executive Vice President Finance & IT, and members of Mipharm BoD, the Operation Manager and the HR Manager, responsible for ESG theme areas (HSE, HR, Business Ethics, and Procurement), and an ESG Specialist to coordinate the implementation of planned ESG activities and achieving goals set in this policy.

This policy, signed by the Executive President of the BoD and of the ESG Executive Committee, is updated at least annually to ensure alignment with corporate values, best practices, and framework.

ENVIRONMENTAL

Mipharm, in its business activity, seeks to minimize impacts and consequences that the company may cause to the environment.

Mipharm pays great attention to territory and ecosystem protection to preserve biodiversity and ecosystem services unaffected, which are key to ensuring appropriate conditions for human life on Earth.

Therefore, Mipharm is committed to ensuring full compliance with environmental legal requirements and to pursuing continuous improvement of the environmental management system and:

- Seeking the **minimization of energy consumption** and using as much renewable energy as possible. To this end, several interventions have been completed in recent years, such as the installation of a trigeneration plant to produce in a combined and efficient way electricity, heated water, and cooling water from a single primary energy source and the replacement of the entire lighting system with LED lamps. Mipharm has signed a contract with its electric energy supplier to ensure that 100% of electricity from the grid is certified exclusively from renewable sources.
- Identifying initiatives to minimize **greenhouse gas emissions** with the aim of ongoing decarbonization and monitoring them periodically to verify the effectiveness of the reduction strategies implemented.
- Fostering **respect for water resources**, safeguarding them from pollution, minimizing their consumption, and periodically monitoring their usage and quality status.
- Paying attention to **soil and air protection** to contain all potential sources of pollution and avoid contamination.
- Promoting **waste minimization activities and their recycling**, favouring recovery over disposal.
- Cooperate with clients to ensure flexibility and appropriate stock management, optimize resources, and reduce waste.
- Paying the utmost attention to the **use of hazardous substances** and making sure that the personnel handling them is properly trained, with a procedure for their procurement, management, handling, and disposal. Regularly, the risks of these substances are assessed for both employee safety and their impact on the environment.

- Implement ways, technologies, and procedures for the **proper and safe use and disposal of these substances** with continuous investigation activities to minimize their impact on the environment. The company organizes periodic monitoring campaigns of atmospheric emissions (where adequate abatement filters are in place), wastewater (with treatments to reduce discharged pollutants and to prevent soil contamination), and periodic and appropriate characterizations of substances to be disposed of as waste.

SOCIAL

Mipharm considers people and human resources a key element for the very existence of the business itself: it is highly committed to providing working conditions that respect the dignity of the human person, human rights, and equal opportunity, as well as maintaining a professionalizing, collaborative, and safe work environment based on equity, transparency, and trust.

Mipharm believes that diversities add value to the company, enabling it to explore more opportunities useful to business development. Therefore, Mipharm promotes respect for diversities and for different opinions, not allowing discrimination based on people's origin, gender, age, social background, union activities, political, religious, or affectional orientation, or any other discrimination against the law.

Equal opportunities are ensured in all business processes, including recruitment, resource management, training, career development, and compensation. Mipharm guarantees the right of every employee to a fair wage, with wage policies based solely on merit, ensuring that there are no unjustified disparities in wage between employees with the same professional features.

As evidence of the company's commitment to fostering equal opportunities, Mipharm has obtained the Gender Equality Certification System, according to UNI/PDR 125:2022.

Mipharm is engaged in the professional development of its employees through adequate mandatory and voluntary training, technical on-the-job coaching, and performance evaluation.

In its activities, Mipharm retains respect for fair and conductive working conditions, guaranteeing that 100% of signed contracts fully respect national legislation and the pharmaceutical industry's collective bargaining agreement, ensuring respect for working hours, free trade unions, and collective bargaining agreements.

Compliant with current Italian and European legislation, **Mipharm has adopted a framework procedure for personal data protection**, pursuant to UE Reg. 2016/679 (GDPR), to ensure that the data of employees, clients, suppliers, and any other entity with which Mipharm is connected in conducting its activities is processed with lawfulness, confidentiality, and security.

Mipharm firmly believes that pursuing improvement in occupational health and safety is essential to the organization's success. As a strategic commitment and an integral part of its business, Mipharm ensures to maintain a culture aimed to prevent and sustain a safe working condition through:

- full compliance with national and EU regulations on health and safety obligations; the involvement and consultation of staff and their representatives to review and improve safety and health surveillance performance.
- training, management, and motivation of internal and external employees so that they can work efficiently and safely, without risk to themselves or others, including respect for the environment.
- a preventive approach in designing, manufacturing, and decommissioning equipment and in planning and conducting activities, assessing present and potential risks to internal employees, stakeholders, visitors, and the community.

GOVERNANCE

Mipharm considers it a primary value to maintain high quality standards in order to guarantee the efficacy and safety of the products produced in its factory through validated production processes, using suitable materials properly tested to guarantee quality, and using up-to-date Good Manufacturing Practices. These



are essential values and represent a key requirement to guarantee clients satisfaction: at Mipharm, Quality is deemed a cornerstone, a mental approach, and a mindset at the heart of all decisions, in day-to-day activities and long-term projects. The management is committed to ensuring collaboration among all functions for continuous improvement of quality standards, customer satisfaction, and product and consumer safety.

Mipharm has adopted an Organizational, Management and Control Model and a Code of Ethic and Conduct, pursuant to Italian Legislative Decree 231/2001, appointing a Supervisory Committee with external and independent members. A confidential reporting system is available where employees, collaborators, and other stakeholders can send reports of violations of the model or code of ethics directly to the supervisory board.

Mipharm has also implemented a Whistleblowing reporting system, pursuant to Italian and European legislation, through a technology platform that guarantees the anonymity of the whistleblower. The platform allows users to report violations of both national and European regulatory requirements that could harm public interests or the company's own integrity, of which the whistleblower has knowledge in the workplace. Mipharm has a Board of Directors that encourages transparency in business activity, compliance with the law, proper bookkeeping, observance of Good Manufacturing Practices, employee's health and safety protection, and responsible behaviour towards the environment.

The management believes that it is vital to commit to the above-mentioned ESG themes, believing that the drive to change has to start with the head of the company and involve all company levels. Mipharm is also engaged in fostering ESG training and awareness activities for all employees so that the company's commitment to achieving the objectives can be shared at all levels, encouraging righteous behavior both during working hours and in the daily sphere outside the company.

Mipharm's commitment to these themes is not limited to its activities but also covers its value chain to guarantee that all suppliers can ensure compliance with ESG principles. Mipharm has carried out a periodic assessment of its supply chain and has drawn up a supplier code of conduct setting ESG principles to adhere to.

As a participant of the United Nations Global Compact (UNGC), Mipharm is committed to aligning its strategy and operations with universal principles related to human rights, labour, environment, and anti-corruption by taking actions that promote these principles. The identification of topics covered in this policy resulted from an assessment to identify material topics from both internal and external stakeholders (including international frameworks) and to develop a materiality matrix for the identification of relevant and material topics, listed in the statement at the top of the document.

Maurizio Silvestri
Mipharm Executive President
President of ESG Committee