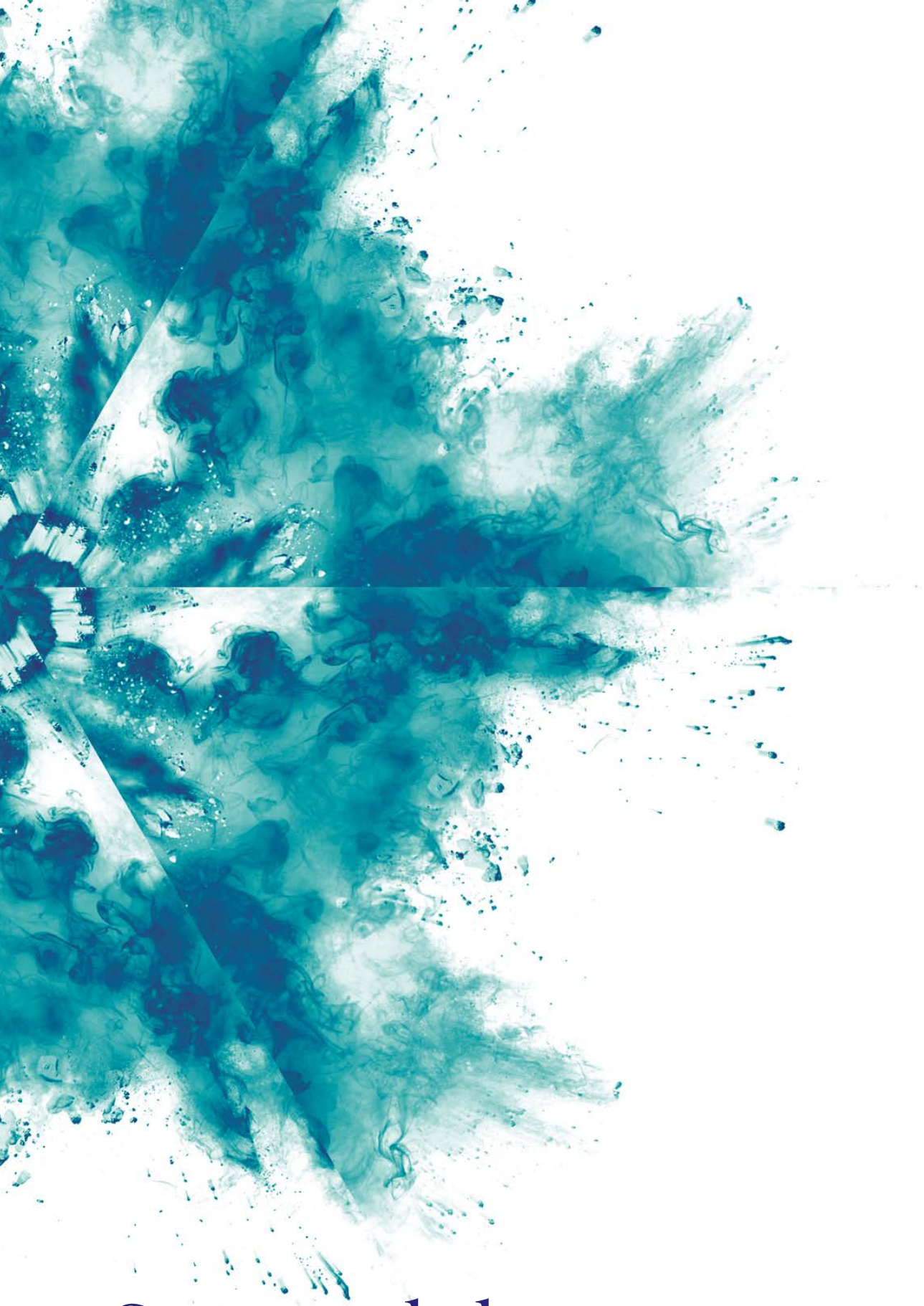


Sustainability report

2022

Fabbrica Italiana Sintetici

Contents

Letter to the stakeholders

In recent years, we are experiencing a long period of great challenge and uncertainty, where the dramatic events we are going through make the future even more unpredictable. The war in Ukraine has marked a break in European and world history and is causing, in addition to a humanitarian tragedy that touches us all deeply, a series of economic and financial effects that even directly impact companies, like FIS, which have embarked on a strategic transitional path to more sustainable business models.

Even in this period of significant change, that has influenced our activities and our lifestyles, the continuity of different therapies cannot be separated from the availability of the active ingredient, which makes us feel the ethical responsibility of our actions on a daily basis.

Thanks to the strength, competence and discipline of all our people, we have continued to offer our products to millions of consumers. It was of fundamental importance to share with clients the complexity of the situation that affected energy costs, characterised by extreme market volatility and the spectrum of business interruption. However, in FIS, clients have found the availability and stability they were seeking. We thank them for sharing and addressing with us the difficulties that have emerged, highlighting once again the solid partnerships between our companies that allow us to jointly overcome the challenges that the current content puts forward.

In addition, we have received significant support from the government in addressing the costs of the pandemic and the energy crisis, thanks to tax credit and other VAT-related tax incentives, in addition to the energy bonus, which was crucial. Let us not forget that Italy is one of the European countries that has committed more resources to supporting the economy and families.

Despite the difficulties we encountered in this period, we at FIS have continued to adapt and react, without ever losing sight of our reason for existence: to guarantee production of Active Pharmaceutical Ingredients. We are a company at the forefront of the production of over 140 drugs, which are distributed in Italy and over 60 countries around the world. For some of these we are the leading global manufacturer.

We have never stopped looking to the future: we have worked to make our supply chain more solid, continuing with our investment plan, which covers aspects of sustainability, and to decisively pursue the objectives we have set ourselves in 2021. These objectives concern the reduction of CO_2 emissions, the use of water and the best management of using materials to reduce waste by increasing circular opportunities.
For us, in fact, producing Active Ingredients means renewing a commitment to people and territories that host our production sites. Together with our partners, we will continue to work to achieve these objectives in the coming years.
At a time when you need to be even more inclusive and not divisive, seeking the common good, we would like to thank you for your trust and for the support you give us.

Happy reading,

Giampaolo Ferrari
The president

1

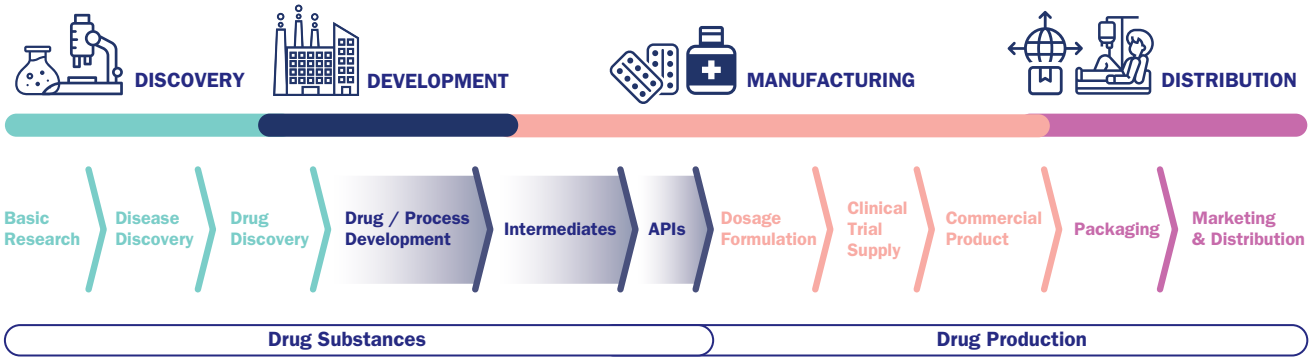
Our commitment for a sustainable future

Our commitment for a sustainable future

Since 1957, we have been the ideal partner for contract manufacturing: we manufacture API (Active Principle Ingredients) for the most important pharmaceutical companies around the world in a safe and sustainable manner. We currently have a production capacity that places us in first place in Italy and among the first in Europe for the production of active ingredients for the pharmaceutical industry.

We also provide a series of integrated services which, with the support of a team of around 240 Research & Design experts, range from the optimisation of the synthesis and scale-up process, to large-scale production for commercial quantities, thanks to a total production capacity of more than 3,150 m³ and 1,900 employees.

FIS headquarters are located in Montecchio Maggiore, in the Province of Vicenza, with plants also in Lonigo (Vicenza) and Termoli (Campobasso).



Our core business is represented by:

- **custom synthesis**, i.e. the exclusive production of intermediates, advanced intermediates and active ingredients for pharmaceutical companies holding patents;
- the **generic market**, for which we develop and sell active ingredients such as tranquilliser, anxiolytic, antibacterial, anti-convulsant, anti-inflammatory, diuretic, analgesic and cardiovascular medicine;
- the **veterinary market**, both with generic products and custom products.

To nurture and contribute to the growth and development of the entire family-territory-clients ecosystem: this commitment has led us to become an international reference point for pharmaceutical chemistry. We offer our clients the integrated services described above to ensure quality and safe use for the therapeutic effectiveness and improved quality of life of the ultimate users of our active ingredients, patients suffering from pathologies, and the people around them.

Our markets

CUSTOM

74%

Production of intermediates and API for pharmaceutical companies

GENERIC

25%

Development and launch of new generic API

VETERINARY

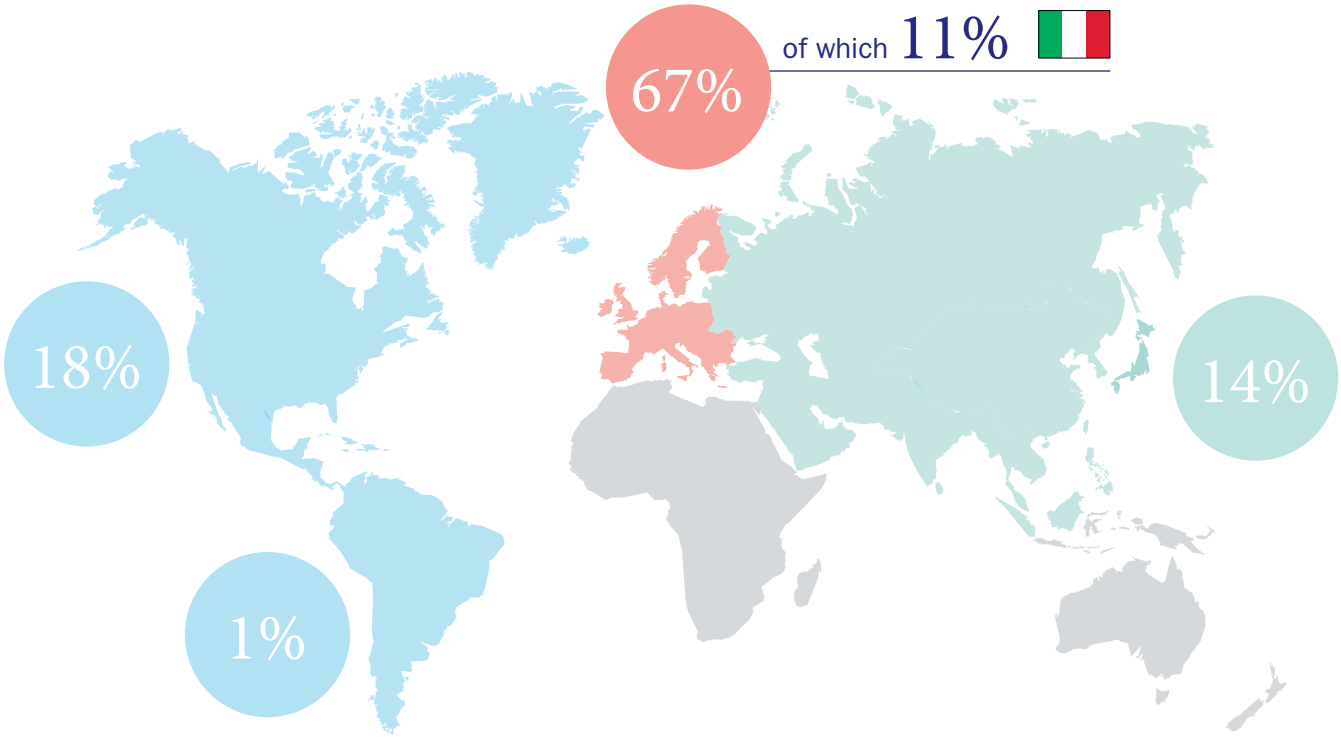
1%

Production of custom API for the veterinary sector

33% of our total turnover comes from countries outside Europe, with a strong presence in the United States, and a diversified client portfolio, which includes more than 300 long-term clients, including 15 of the top 20 global pharmaceutical companies. *

* Source: Internal analysis, EvaluatePharma, May 2021
** Source: EvaluatePharma, June 2020, EMR Global Contract Development and Manufacturing Organization (CDMO) Market

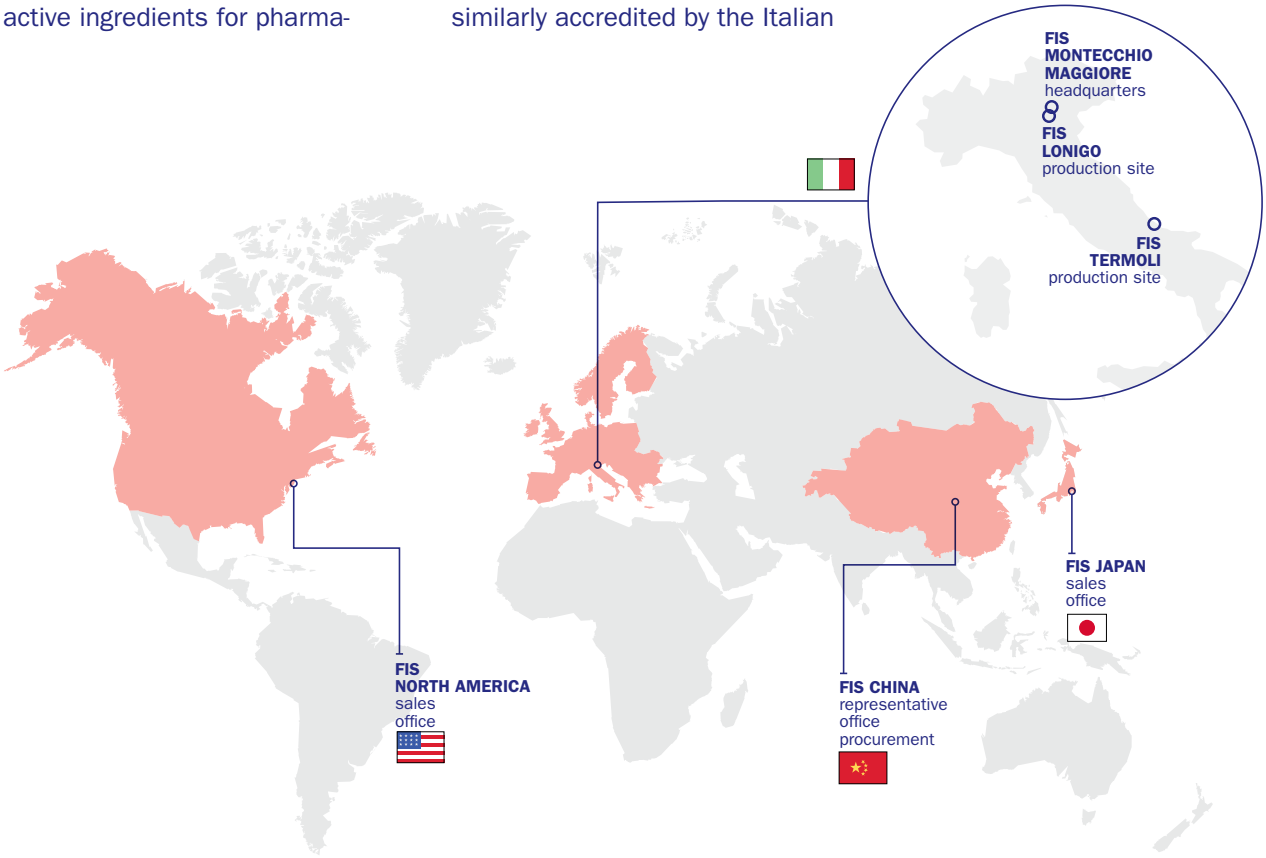
Geographical distribution of turnover



Our offices around the world

FIS is a family-operated public limited company, with three production plants in Italy:

- **Montecchio Maggiore** (Veneto), registered office and historic location of the group. Production plant that hosts the research, development and production of active ingredients for pharmaceutical companies, accredited by the Italian Ministry of Health since 1958 and inspected by the FDA since 1968;
- **Termoli** (Molise), originally involved in the production of intermediates, now also produces active ingredients and is similarly accredited by the Italian Ministry of Health and the FDA;
- **Lonigo** (Veneto), which joined the group in 2017, produces active ingredients and is accredited – like other sites – by the Italian Ministry of Health and the FDA.



F.I.S. – Fabbrica Italiana Sintetici S.p.A. is controlled by Nine Trees Group S.p.A., which in turn also controls the following companies:

- **Anemocyte**, an Italian biotechnology company, dedicated to the development and production of innovative biological drugs;
- **Delmar**, strategic site engaged in the production of intermediates, which today also produces active ingredients, and production site authorised by the US Food and Drug Administration (FDA);
- **Fulton medicinali**, company founded in 1985. Its core business resides in the research, development, formulation, production and packaging of pharmaceutical products under the Fulton brand and on behalf of third parties;
- **Brenta**, which develops research-oriented technology platforms in the fields of pharmaceutical science and materials. It is a young, innovative company with a variety of skills that allow it to focus on materials science, biotechnology, microbiology and cultural heritage products.

We also have a **representative office in China,** Shanghai, reorganised in 2022, which carries out support activities in the construction and maintenance of relations with suppliers of raw materials from the Far East, as well as a sales office in the **United States** and one in **Japan**.

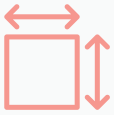
3
PRODUCTION SITES

672
TURNOVER (M€)

94
EBI TDA (M€)

65
YEARS IN BUSINESS

1900
EMPLOYEES



3150 m^3
GMP PRODUCTION CAPACITY

70
COUNTRIES REACHED

540
WORKERS R&D (250)
+ QC (290)

300+
CLIENTS

190
RECURRING CLIENTS

9
STRATEGIC CLIENTS

25
OF THE 200 SMALL MOLECULES
MOST SOLD AROUND THE WORLD
ARE IN FIS' PORTFOLIO

14
CLIENTS IN THE TOP20
PHARMACEUTICAL
COMPANIES

Sustainability Highlights since 2020

+32%

Consumed electrical energy from renewable sources

We aim to meet 100% of our electricity needs from renewable sources by 2025.

-13%

Water withdrawn per ton of product

The total water withdrawn for each ton of product Is continuously decreasing, according to a now consolidated trend: this is without doubt a strong sign of how we have managed to expand our production while decoupling our growth from environmental impact.

+36%

Waste intended for recovery

We have increased the amount of waste recovered, while constantly following circular solutions.

The role of sustainability

Interview with **MICHELE GAVINO,** CEO

Sustainability is one of the pillars of FIS' strategic plan, so much so that in 2021 three sustainability targets were introduced. How does this translate into everyday corporate operations?

Every enhancement or investment project in FIS always brings with it the connotation that this task has an impact and outcome evaluation in the sustainability field: this has now become fundamental for us. With this in mind, we have a dedicated specific focus on our investment plan to make the production processes of our production sites even more efficient, with particular attention on the environmental impact of our activities, but not limited to the latter. In fact, we are aware that the contribution of our company does not stop at the production of active ingredients according to the business as usual principle; we know that we have to decisively and seriously look beyond the challenges of tomorrow, and design a sustainable future for us and future generations.

At corporate level, this focus on sustainability, which is becoming increasingly established in FIS, does not want to be a top-down process, but involve everyone in a more responsible and conscious way, starting with behaviour and daily activities. The commitment to sustainability targets is very high: we can truly say that they have become part of FIS' DNA. As a result, it will certainly be necessary to involve all employees more in the shift to these objectives adapting them to the various departments.

What tools has the Company identified to achieve their sustainability commitments?

First of all, it was of fundamental importance to prepare the Sustainability Plan for the three-year period 2023-2025 through the coordination of the Sustainability Manager and collaboration of all the main Company Directors. The actions identified not only aim to achieve three targets set at the beginning of 2022 by issuing the Sustainability Linked Bond, but also at strengthening some key business processes, following the SDGs that we considered applicable to our organisation. In addition, specific improvement plans have been implemented, both corporate and site, for the continuous improvement of performance related to certified management systems for Quality, the Environment, Health and Safety.

What development initiatives will we see used in FIS in 2023?

In 2023, we expect challenges of extraordinary importance for the present and future of FIS, starting with the actions outlined in the 2022-2026 Strategic Plan, which includes an investment plan totalling 330 million euro in that period. Specifically and by applying specific regulations in force under the National Recovery and Resilience Plan (Italian PNRR), in 2022 we presented a draft Development Agreement relating to part of the investment plan with a total value of about 168 million euro. Among the investments planned and which may include the funding provided by the PNRR, I would like to highlight in particular the plan for the adoption of Best Available Technologies (BAT) for the incinerator in the Lonigo plant – which will have a considerable impact from the point of view of energy and emissions into the atmosphere and will improve our capacity for internal management and waste recovery with a view to full circularity – and the ZLD project (Zero Liquid Discharge), which will allow us to significantly reduce water consumption in the Montecchio Maggiore plant, achieving our sustainability goal much earlier than originally planned. Through these and other initiatives, we want to further strengthen our commitment to achieving the United Nations Sustainable Development Goals (SDGs).

What are the conditions necessary to continue to operate according to a truly sustainable model?

It is necessary to start thinking about new technologies and investments in technological research and green chemistry, an issue which must be shared at all levels, including regulators, service providers, pharmaceutical companies and governments. With this logic in mind, it is presumable that the aforementioned in the future can lead to increasing costs and consequently also prices: such increases will have to be accepted because they are mostly unavoidable, thinking to a future perspective that forces us to produce differently, with greater responsibility and considering an extremely limited impact. It is therefore important that all our value chain acquires the awareness that, in order to become effectively sustainable, they will face the economic costs necessary to guarantee a full correspondence of the entire business cycle, from procurement and production of raw materials to delivery and use of the drug by the client.

Our contribution to the Sustainable Development Goals

Since we started our sustainability journey, we have always understood the need for an increasing integration of these issues into our business vision. To achieve this goal, we decided to adhere to the United Nations Sustainable Development Goals (SDGs).

The SDGs are the Sustainable Development Goals to be achieved by 2030 to ensure our planet a sustainable future and to mitigate increasingly urgent risks and challenges. Since 2015, the 17 SDGs have entered the agenda of many actors, both public and private, who are called upon to make an active contribution on key issues such as combating poverty, protecting the environment, education for all, human rights and much more.

We have therefore decided to adhere to and support Goals 4, 5, 6, 7, 8, 9, 12 and 13, which we consider to be closer to our business and our values, as well as being in line with our stakeholders' objectives.

Finally, we consider SDG 3 (ensuring health and wellbeing for all and for all ages) structural and foundational for our business: in fact, this goal has always been pursued with dedication, ensuring continuity and quality in the supply of active ingredients for the global pharmaceutical industry.

4. PROVIDE QUALITY, EQUITABLE AND INCLUSIVE EDUCATION AND LEARNING OPPORTUNITIES FOR ALL

Goal 4 aims to ensure that all children, adolescents and adults have access to education and appropriate training for their needs and the context in which they live. We have always paid great attention to developing the skills of our employees and we maintain close relations with many educational institutions in the territories in which we are present.

5. ACHIEVING GENDER EQUALITY AND EMPOWERING ALL WOMEN AND GIRLS

Gender equality is a shared corporate value. To support this objective we are strengthening the female presence in a sector that has always seen a male preponderance, reducing year after year gender inequalities also in terms of the gender-pay-gap.

6. ENSURING THE AVAILABILITY AND SUSTAINABLE MANAGEMENT OF WATER AND SANITATION FOR ALL

Having accessible and clean water is essential for the world we want to live in. Our planet would have enough clean water to achieve this, but mismanagement and waste make it a precious commodity that must be safeguarded. This is why we are paying more attention to water use, undertaking a strategy aimed at reducing consumption.

7. ENSURING ACCESS TO CHEAP, RELIABLE, SUSTAINABLE AND MODERN ENERGY SYSTEMS FOR ALL

One of our goals is to improve efficiency in the use of energy. We are therefore committed to an increasing use of energy from renewable sources with the aim of reducing our emissions.

8. PROMOTING LASTING, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL

Sustainable economic growth must not come at the expense of the environment and people. This goal covers many aspects of our business, including our commitment to studying increasingly efficient solutions and creating a balanced working environment, attentive to the needs of employees, with a view to reconciling private life and work.

9. BUILDING RESILIENT INFRASTRUCTURE AND PROMOTING INNOVATION AND FAIR, RESPONSIBLE AND SUSTAINABLE INDUSTRIALISATION

Inclusive and sustainable industrial development is the primary source of income generation and provides technological solutions for environmentally friendly industrialisation. Technological progress underpins efforts to achieve environmental goals. We are constantly looking for more sustainable and state-of-the-art production processes, offering efficient and innovative solutions to the market.

12. TO GUARANTEE SUSTAINABLE PRODUCTION AND CONSUMPTION MODELS

The goal aims for an eco-friendly management of chemicals and waste, and a substantial reduction in waste production through such measures as recycling. A significant volume of waste is generated in the chemical sector and this is one of the most significant problems for our industry. We therefore devote a lot of resources to the correct design of the processes also in order to identify the best waste management solutions in order to reduce the volumes and the danger, identifying new circularity solutions also aimed at the recovery of matter for other sectors.

13. PROMOTING ACTION, AT ALL LEVELS, TO COMBAT CLIMATE CHANGE

Climate change is a global problem of extreme gravity, and we too intend to make our contribution to meeting the greatest challenge our society has ever faced. This contribution is based on a strategy of actions aimed at reducing emissions while on a path of productive growth, which makes our ambition even more concrete.

Our sustainability governance

An ethical approach is a fundamental pillar of our work. We believe there can be no true sustainable development when this is not deeply linked to the corporate business strategy.

Sustainability issues are managed in accordance with the company's strategic priorities on several decision-making levels. Therefore, many actions are normally managed as processes by the relevant corporate departments: this is the case, for instance, of issues related to the enhancement and retention of our human resources through multiple actions supporting work-life balance, career development and much more that will be described in the following chapters.

For other issues, such as environmental ones, in addition to the relevant functions (HSE, Energy Manager, etc.) the role of the Corporate Sustainability department should be highlighted under the direction of Industrial Operations. The Sustainability Manager is responsible for the development and monitoring of the Sustainability Plan, support to the corporate functions involved in the implementation of sustainability strategies and coordination of activities for the annual drafting of the Sustainability Report.

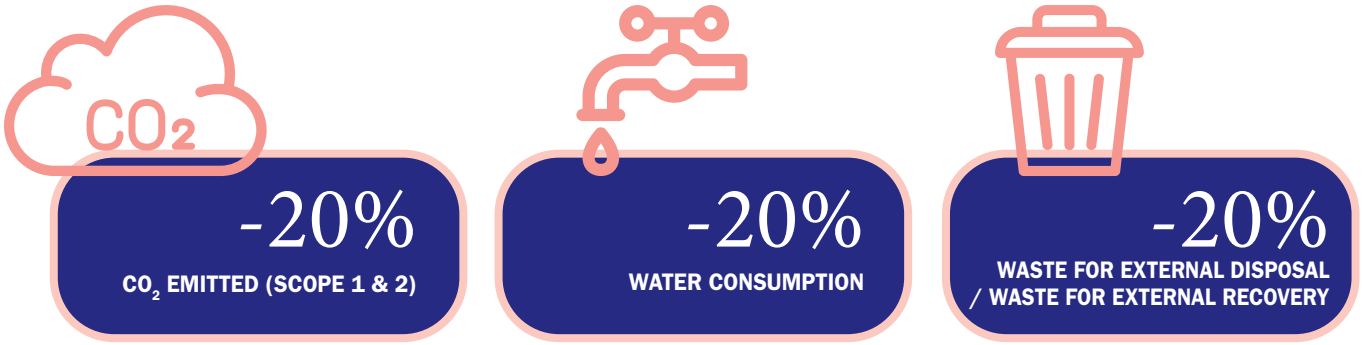
The FIS delegation system is "traditional", with the Board of Directors at the top, the Chief Executive Officer and then, cascading, the various company managements, to which specific proxies are assigned for each organisational position and processes managed.

This streamlined and effective governance structure has not only contributed to give even greater relevance and concreteness to the issues of sustainable development within our company, but also to approach new challenges in a proactive and dynamic manner, becoming once again real leverage for the creation of value and an opportunity for growth.

Our sustainability strategy

In September 2021, the Board of Directors approved the proposed **Corporate Strategy Plan** with a five-year horizon, identifying sustainability as an essential factor to strengthen our growth and our role as industry leader. This important milestone allowed us to effectively orient every growth action, in a general context in which sustainability has now become a transversal element and enhancement for the business logic, which can no longer be conducted only traditionally but increasingly integrated with the environmental and social elements, directed by an adequate governance structure.
In particular, we have identified three targets of environmental sustainability that are particularly relevant for our business, namely the reduction of CO_2, water used in our production processes and waste, consequently investing more and more resources in achieving these important objectives.

THE TARGETS WE ARE COMMITTED TO ACHIEVING BY 2026 ARE:



The sustainability framework that captures this new public commitment has been the subject of second-party opinion by the rating company Sustainalytics, to verify its alignment with the Sustainability-Linked Bond Principles 2020 and the Climate Transition Finance 2020 recommendations.

The choice of KPI and the target objectives was judged effective, consistent, relevant and material with respect to our sector of origin and the SDGs identified. The targets were judged to be ambitious because they were above the sector and competitor average, but at the same time attainable.

In early 2022 we issued our first **Sustainability-Linked Bond (SLB)** for a total nominal value of 350 million euro. We believe that the issuance of these bonds, also linked to the achievement of sustainability targets, is an effective action to generate shared value by integrating the business working logic.

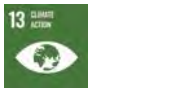
Deployment activities of our sustainability strategy came alive during the second half of 2022, with preparation of the Sustainability Plan for the 2023-2025 period.

Preparation of the Plan was carried out with the coordination of the Sustainability Manager and the collaboration of all the main Business Departments that have identified the actions not only functional to the achievement of the three targets already mentioned, but also useful for strengthening some key business processes by pursuing the objectives for sustainable development (SDGs) that we have adopted, in line with the material topics and the risks and specific opportunities of our context.

To complete the strategic activities listed below, finally, all the specific improvement plans are added, both corporate and site, related to the continuous improvement of performance relating to the certified management systems for Quality, the Environment, Health and Safety.

Sustainability Plan 2023-2025

AREA	SDGs	TASK	OBJECTIVE	DEADLINE	ADVANCEMENT
De-risking and mitigation of climate change		Energy management strategic plan 2023-2025	Planning of interventions to increase the renewable electrical energy quota	2023	completed
Water resource preservation		Implementation of Zero Liquid Discharge Plant (Montecchio)	At least -20% corporate water withdrawal and improved quality of drains	2023	ongoing
Climate change mitigation		Calculation of emissions GHG Scope 3 Corporate	First reporting of CO_2 Scope 3 corporate for 2022	2023	ongoing
Circularity and improvement of internal processes		Strengthening and standardisation of the wastewater management process with a view to circularity	Internal process improvement from chemical synthesis process design to waste management to increase circularity solutions	2023	ongoing
Climate change mitigation		Drafting of technological design of efficiency and decarbonisation plan	Approval of decarbonisation plan for CO_2 reduction and pursuit of Target #1	2023	ongoing
Internal process improvement & supply chain management		Use of sustainability criteria for supplier selection/exclusion	Improvement of supervision of supply chain with binding sustainability criteria	2024	ongoing
De-risking and mitigation of climate change		Virtual PPA Energize project agreement	Corporate VPPA with additional new renewable energy production plant in EU	2024	ongoing
Human capital development		Skills assessment system	Implementation of new skills assessment model of the corporate population	2023	ongoing
Human capital development		Implementation of transparent policy with equity criteria for recruitment / retention	Drafting, adoption and internal dissemination of criteria with a view to transparency	2023	planned
Climate change mitigation		Joining the Carbon Disclosure Programme (CDP)	Reporting of CO_2 and water in agreement with the Carbon Disclosure Programme standard	2024	planned
Climate change mitigation		Installation of charging points for electric and hybrid cars	Start of project for installation of charging columns in the three sites / promotion of sustainable mobility solutions for employees	2024	planned

AREA	SDGs	TASK	OBJECTIVE	DEADLINE	ADVANCEMENT
Human capital development		Old talents project	Development of skills of outgoing staff	2024	planned
Human capital development		SH engagement process of employees	Enhancement of internal SH engagement process by implementing digital solutions also to intercept emerging needs	2024	planned
Local community development		Energy community project Montecchio or Lonigo area	Feasibility analysis for new renewable energy plant and adhesion of employees and/or local citizens	2024	planned
Human capital development		Actions for personal wellbeing retention/ development of human capital	Actions to improve climate, employee wellbeing and reduction of turnover rate	2024	planned
De-risking and mitigation of climate change		Physical PPA on Montecchio, Lonigo, Termoli sites	Start self-production projects of EE from renewable sources	2024	planned
Water resource preservation		Water waste awareness campaig	Reduction in wasted water in the company and at home	2024	planned
Water resource preservation		Feasibility assessment project Zero Liquid Discharge Lonigo and Termoli	Reduction of underground water withdrawal and improvement of waste quality	2024	planned
Energy efficiency		Energy waste awareness campaign	Reduction in energy waste in the company and at home	2024	planned
Climate change mitigation		Adhesion of Science Based Targets and implementation of Target CO_2 Scope 3	Implementation of CO_2 reduction targets Scope 3 and validation of existing Scope 1 and 2 targets	2025	planned
Climate change mitigation		Energy efficiency and CO_2 reduction project	Implementation of energy efficiency interventions to reduce CO_2	2025	planned
Energy efficiency		ISO 50001 Certification	100 % of certified production sites	2025	planned
Climate change mitigation		Launch of reforestation projects certified for CO_2 offsetting	Launch of residual CO_2 offset projects	2025	planned

LEGEND: **planned** – project not yet in executive phase
Ongoing – project in executive phase but not yet completed
complete – project with executive phase already complete

Materiality matrix

This Report takes into account the projects and activities undertaken or carried out by FIS during 2022. The facts, data and information relating to the other subsidiaries of Nine Trees Group S.p.A. are excluded. This edition of the Report is based on the materiality analysis, identifying the most relevant reporting issues for the company and its internal and external stakeholders, in reference to the provisions of the GRI Standard.

Please note that this materiality matrix is unchanged from the previous Sustainability Report (reference year 2021), whose validity is confirmed for 2022 according to the consolidated biennial update frequency. The following are the details of the evaluation process from the previous year.

The qualitative interviews carried out during 2021 were the tool that allowed to update the mapping of corporate stakeholders, common to existing certified management systems. Such interviews were carried out with the top management and the managers of the main business departments regarding the topics of relevance to FIS, through the so-called stakeholder engagement tool for the meaningful topics of our stakeholders. Below are the four main steps in the process of identifying and prioritising issues.

IDENTIFICATION OF THE ISSUES OF SUSTAINABILITY

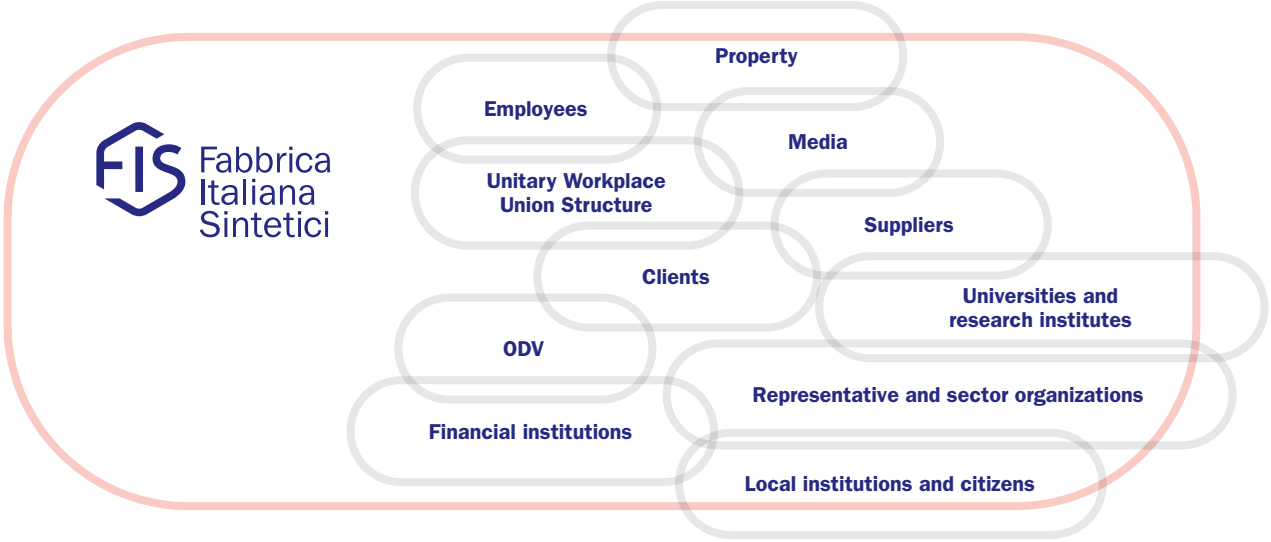
EVALUATION OF THE RELEVANCE OF THE TOPICS

APPROVAL

PUBLICATION

Stakeholder engagement was achieved by drawing on the international standard AA1000 AP (2018), a framework that defines the principles that an organisation can use to identify and respond to sustainability challenges, with the aim of improving their performance in the long term. These principles provide for an inclusive involvement of all stakeholders in order to determine material issues and be responsive to any issues raised by them.

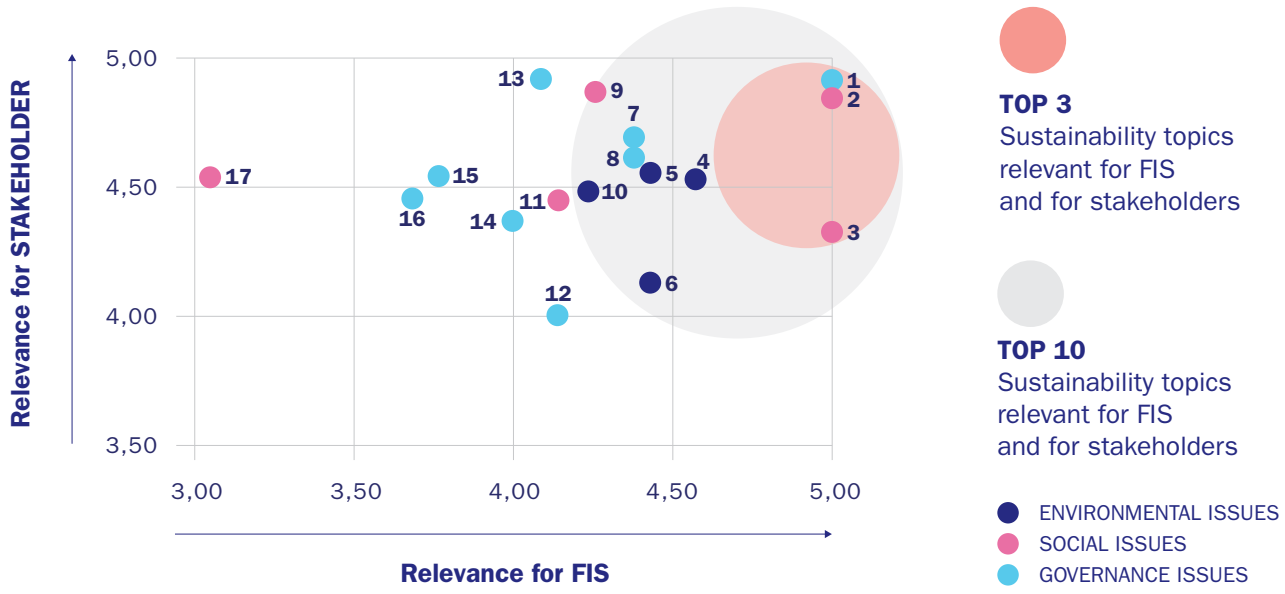
The updating of the materiality matrix involved 11 categories of stakeholder (Clients, Suppliers, Media, Property, Financial Institutions, Local and Public Institutions, ODV, Representative and Sector Organisations, Universities and Research Entities, Employees and Unitary Workplace Union Structure) for which a questionnaire was structured and distributed, shared with more than 2000 stakeholders.



This process led to the identification of the following 17 material themes and allowed for a redefinition of the scale of priority with respect to them.

THE FIS SUSTAINABLE DEVELOPMENT GOALS AND MATERIALITY THEMES

The result of this effort is visually summarised in the following materiality matrix, in which the material themes (top right of the axes) are evident.



no.	ISSUES
1	Creation of economic value and sustainable growth strategy
2	Health, safety and worker protection
3	Customer satisfaction, product quality and safety
4	Waste management
5	Sustainable supply chain
6	Water management and protection
7	Business & medical ethics
8	Climate change and pollutant emissions
9	Employee training and professional development

no.	ISSUES
10	Sustainable energy use
11	Talent acquisition and retention
12	Innovation, R&D and process development
13	Sustainability of production processes and circular economy
14	Digital transformation and technological innovation
15	Respect for human rights
16	Welfare, gender diversity and fair working conditions
17	Support and development of local communities

Compared to the materiality matrix of 2020, the most important material topics, which fall within the Top 3, remain "**Creation of economic value and sustainable growth strategy**", "**Health, safety and protection of workers**", and "**Customer satisfaction, product quality and safety**". Unlike the 2020 materiality matrix, the theme "Health, safety and protection of workers" has increased its importance, also in relation to the particular historical context and the continuation of the epidemic from Covid-19. Moreover, we have found that all material topics have been evaluated by stakeholder as more important than the 2020 materiality matrix, indicating an increased sensitivity in respect of the environment and the wellbeing of individuals. In fact, environmental issues such as "Waste Management" and "Water Management and Protection" have also received more attention.

The relationship with stakeholders

We take into account the expectations of our stakeholders in decision-making processes, in order to achieve effective and synergistic management of our business to respect all.

Sustainable development is now a key issue in the interests of society and requires a central role to be played by the company, which must increasingly govern its processes effectively, balancing its legitimate interest in operating with its duty to return value to the community.

There are 12 main categories of stakeholder with whom we cultivate a relationship based on collaboration and respect, for the growth of profitable relationships able to share values, principles and a common idea of sustainable development. In this sense, the mapping of our stakeholders and their expectations is annually updated and summarized in the table below.

OUR STAKEHOLDER ENGAGEMENT MODEL:

Stakeholder	Communication channel	Regularity of listening / communications	Topics emerged
Suppliers of strategic raw materials Suppliers of technological goods and services Waste disposal service providers Other suppliers	- Audits - Direct listening mode - E-mail and web channels	- Constant communication - Periodic on-site visits four times per year, every three months	- Integrated management of the supply chain - Legislative compliance - Process and product quality - Process risks - Covid-19 emergency management Audits are followed up by formal FIS communications, by which the company recommends activities to key suppliers to comply with legislation and reduce risks
	- Regular visits and audits - Direct listening mode	Audit according to an agreed plan and in any case greater than or equal to two per year.	Continuous improvement of the performance of suppliers
Clients	- One-to-one and audit meetings by clients - Direct listening mode - E-mail and web channels	- Constant communication - Annual audits by main clients	- Product development speed - Product quality and safety - Production capacity - Technological innovation - Data protection - Covid-19 emergency management - Development of integrated production services - Health, safety and environmental issues concerning internal production processes and the supply chain - Sustainable supply chain
Employees and potential new resources	- Periodic committees - Corporate communications - Regular meetings with management and directors - Direct listening mode	- As required - Monthly or quarterly basis	- Topics related to safety aspects, health, environment and quality - Corporate strategies, training initiatives, corporate welfare - Training and professional development of employees - Sustainable mobility - Work-life balance - Respect for diversity - Promotion of a corporate culture - Increasing green areas

Stakeholders	Communication channel	Regularity of listening / communications	Topics emerged
Union representatives	- Corporate observatory - Direct listening mode	Variable according to need	- Remuneration - Supplementary collective bargaining - Organisation of work - Health and safety
Supervisory authority	- Informal/formal communications via e-mail and telephone - Regular inspections	Variable periodicity	Updates on compliance and regulations (e.g. Data integrity)
Local institutions (e.g. ARPA, PA, Civil Protection, Regional Technical Committee, ASL) and citizens	- One-to-one meetings/ periodic reports - Regular inspections by ARPAV - Direct listening mode	Quarterly submission of self-monitoring results on gaseous emissions and incinerator water discharges	Updates on Health, Safety and Environment regulations
Schools and non-profit organisations	Regular meetings	Annual	- Knowledge of FIS activities - School-work alternation program - Opportunities for projects of common interest
Property	One-to-one meetings during periodic visits to the plant and meetings with the Board of Directors	Ongoing and recurring via the CEO and Leadership Team	- Company trend - Governance
Board of Statutory Auditors, SB, Independent Auditors,	- Regular inspections - Direct listening mode	Quarterly	- Civil-tax compliance - Corporate governance - Risk management
Credit institutions and financial operators	- Regular meetings - Direct listening mode	According to strategic business needs, at least every two months	- Knowledge of business and corporate trend - Analysis of financial needs
Universities and research institutes	- Regular meetings - Direct listening mode	According to the planning	- Sustainable production processes - Talent retention - Shared value creation - Climate change and emissions pollutants
Representative and sector organizations (PSCI, EFCG)	- Regular meetings - Direct listening mode	According to the calendar prepared by the sector bodies (3-4 annual meetings)	- Sharing sectoral trends - Promotion of responsible socio-environmental management practices - Creation of economic value and sustainable growth strategy
Media	- Direct listening mode	Occasionally	Support and development of local communities

No serious criticalities emerged during the task of stakeholder engagement conducted via surveys. The issues that were emphasised included the need to protect the environment more and to attract new talent by training the younger generation and by activating placement programs for job seekers in the local community.

Responsible management of our business

The governing body of FIS is the Board of Management.
The Board of Directors (DOB) leads the Company by pursuing its sustainable success, defines its strategies and identifies the system of corporate governance best suited to the conduct of the business and the pursuit of its strategies. In particular, the BOD is the central body of the company's corporate governance system, as it holds the broadest powers for its ordinary and extraordinary administration, including the definition of strategic, organisational and control guidelines.

The BOD plays a leading role, on the proposal of the CEO, in the definition of policies and strategies aimed at achieving sustainable success.

The President of the BOD does not hold an executive role in the corporate organisation.

The BOD meets quarterly, and there are also weekly information meetings with all the top directors and managers focused on issues of corporate interest, including ESG. In particular, reports of problems related to compliance with the Code of Ethics, the protocols covered in Model 231 or, in general, compliance issues relevant to the organisation are related to the BOD via the departments and committees responsible for the various supervision and control tasks.
The BOD can count on the support of specialist departments and committees in charge of overseeing some specific areas:

- Internal Audit Department: with the task of independent verification of the adequacy and effectiveness of the internal control system in place in the company;
- Audit & Controls Committee: composed of the Audit Manager, CEO, HR Director and General Counsel, with the task of promoting the development, implementation and continuous improvement of the internal control system of FIS, consistent with corporate policies and procedures;
- Whistleblowing Committee: has the role of promptly analysing and sharing with the Internal Audit the reports received, the work plan, the tasks carried out by the Internal Audit, the main results and the actions to be taken downstream of the results.

FIS conducts its business with particular attention and respect both for applicable national and international legislation and sector standards or best practices; this attention is also reflected in the adoption of specific policies such as that on the protection of Human Rights, the company model prepared in accordance with Legislative Decree 231 and the Code of Ethics; in particular the latter is a fundamental keystone to ensure that the entire company maintains behaviour characterised by respect for legality, honesty, integrity, fairness, transparency and good faith, distinctive features of our company. Not only employees, but also all those acting in the name and on behalf of FIS are required to know and comply with the provisions of the Code.

Since 2011 we have added to our **Code of Ethics** an **Organisation, Management and Control model** that meets the requirements of Legislative Decree 231/2001 and subsequent amendments and additions. The purpose of this decree is to analyse activities that are sensitive to the risk of committing suspected crimes. This Model was integrated over time, extended to the other offences outlined in the Decree and completed with an internal sanction system. It is the task of an independent external supervisory body, established in a collegial form and appointed by the Board of Directors, to monitor the application and functioning of the model, carrying out periodic inspections to identify possible inconsistencies and shortcomings.
In relation to cases of corruption, both against P.A. and individuals, the approach taken included:

1) The identification and monitoring of illegal conduct which may in itself constitute a criminal offence, for example in connection with commercial contacts, checks and requests for authorisation, taking into account the tasks and processes within which the corruptive event could take place. Among these:
   - gift management / gifts / sponsorships;
   - staff recruitment (at the corrupt person's request);
   - assignment of contracts for the supply of goods and services/ consultancies (to subjects indicated by the corrupt party).
2) The identification and control of processes instrumental to corruption, within which the provision can be composed for use as "cash payment". Among them:
   - active and passive invoicing processes (through irregular management);
   - reimbursement of expenditure (false or different from the expenses actually incurred).

During 2022, the company gave specific training on model 231 to all company employees, making use of the IT platform, with final testing. In addition, specific face-to-face training was provided to the company's executives, with their final testing, using the support of an external criminal lawyer.
Lastly, we did not detect any corruption in 2022.

The **Code of Ethics** was updated in 2014. Within it, the Code identifies the essential elements on which FIS intends to base the relationship with all the subjects that are affected by corporate business; it also includes the guidelines taken so that anyone acting in the name and on behalf of the company behaves in a manner consistent with the values that inspire FIS and with the company's mission. The Company's employees and collaborators are required to know and comply with the provisions of the Code of Ethics. Compliance with the Code of Ethics is one of the obligations relating to employment relations of FIS employees and failure to comply with its contents may constitute breach of contract and constitute violation of company discipline, punishable in accordance with the procedures established by law and collective bargaining.

The Board of Directors has appointed a **Guarantor** to supervise the correct and constant application of the principles contained in the Code of Ethics. Furthermore, with the aim of guaranteeing its effective application, the Company requests all those who become aware of any cases of non-compliance with the Code, within the Company, to make reports, provided they are truthful and useful in identifying conduct that does not comply with it. Employees, in particular, can report, even anonymously, using multiple channels provided by the company, any violations or suspected violations; in cases where reporting of the employee is not effective or appropriate, the same employee may apply directly to the Guarantor. The Code of Ethics is for us a fundamental document, as it helps all our collaborators grow with balance, entrepreneurial wisdom and responsibility, characteristics that have enabled us to reach important goals and guide us in pursuing new ones. Therefore, in order to ensure its correct understanding, we will launch an information campaign that will ensure its full disclosure. The Code of Ethics is published and promoted on the company's website, and a copy was distributed to all employees.

Our company operates in compliance with laws and regulations in different areas through dedicated and qualified personnel. As recalled by the Code of Ethics, compliance with legislation and the applicable ethical rules is a mandatory requirement for us at FIS and for all our collaborators, in each country where we operate.

Among the main operating corporate figures in this regard are Quality Assurance, Regulatory Affairs, Qualified Person, the Safety, Health and Environment Manager. The Board of Directors also appointed a **Supervisory Body pursuant to Leg. Decree 231**, composed of three members, who assist management at all levels by providing independent assessments of the degree of compliance with policies, procedures, the Code of Ethics and Model 231, holds regular meetings and reports to the BOD on its tasks on an annual basis. Specific training was also given, both face-to-face and via web, to all employees and management on the Organisation, Management and Control Model.

The audit tasks of compliance with legislation and regulations are conducted in line with international best practice and are constantly being examined during inspections by business partners, authorities or certification bodies. We comply with the regulations issued by the sector certification bodies and the regular inspections carried out by the Italian Pharmaceutical Agency (AIFA); from this point of view the inspection carried out by AIFA, which has intensified the frequency of controls in our factories because of the high complexity that distinguishes us and that requires effective and frequent collaboration – is relevant. Also thanks to this, we did not detect in the year 2022 any significant event of non-compliance with laws and regulations, not only for quality but also in general for all issues of compliance. In particular, significant events are defined as events of high severity whose consequences are or may have a high impact on the environment or people; this definition does not include any low-value administrative penalties for simple administrative discrepancies (for example, for late payment in relation to a legal deadline).

The Shareholders' Meeting, on the advice of the Board of Auditors, appointed, for a period of three years from 2022, an **external auditor**, PwC S.p.A., an auditing company with international experience, which supervises controls and certifies the balance sheet on an annual basis by carrying out quarterly audits.

We use the support of the **Legal Management** for the instruction of civil, criminal and administrative litigation of the company, as well as for the care and protection of company rights and interests in all our locations. Management also provides advice on anti-corruption, is responsible for assisting the Board of Directors and the Chief Executive Officer in the Anti-Corruption Plan and ensuring policies and procedures on the subject are effectively designed and updated, as well as managing third party violations leading to legal disputes.

CYBERSECURITY

Cyber risks and threats are constantly increasing and represent a significant risk factor for any organisation. Within our corporate organisation, the main inherent risks relate to employee information and intellectual property. During 2022, we continued with training and awareness-raising activities aimed at increasing user awareness and overall information security for internal staff.

The focus on IT security is also increasing among our customers. This is why the IT department is constantly called upon to help find the best technological solutions. We have obtained ISO 27001 certification for our information security management system. This international standard, which is added to the three certifications already obtained on Quality, Safety and the Environment, establishes the guidelines to achieve, implement, maintain and continuously improve the information security management system within a company.

Cybersecurity has always been a priority for our company and ISO 27001 certification is a very important result, as well as being an opportunity to run a complete check-up of the entire IT infrastructure. This achievement demonstrates our ongoing commitment to improving safety management, increasing our clients' confidence through the competitiveness and reliability of our systems.

DATA PROTECTION POLICIES

During 2022, we decided to improve the level of compliance regarding the protection of personal data by continuing the adjustment activities, also thanks to an internal DPO (Data Protection Officer) within the company, who reports to the Legal area. The DPO conducted an overall assessment in 2022, the results of which correspond to a substantial increase in the level of corporate compliance approaching the total adherence to the legislative dictates of the regulations and best practice in data protection. During 2022, we invested in and provided general data protection training to authorised persons within the company, thus reducing the risks associated with a lack of staff awareness on the subject.

MANAGEMENT OF FISCAL ISSUES

Taxation issues are managed with maximum transparency in compliance with current legislation. The solutions offered by tax legislation that are best suited to business choices are in fact identified.
From 2022, corporate organisation foresees the figure of the internal Tax Manager, which makes use of external professionals of primary standing also in relation to specific projects and/or regulatory updates that require a high level of specialist competence. In compliance with applicable legislation, FIS implements with external assurance by Auditors that allow further monitoring and verification at the level of compliance; additionally, internal policies and protocols relating to Model 231 and Whistleblowing ensure effective levels of governance and supervision to minimise the risk of non-compliance.
Assurance is public and attached to the statutory financial statements drawn up annually.

WHISTLEBLOWING COMMITTEE

FIS encourages anyone who becomes aware of facts or behaviour contrary to internal company codes and protocols, laws or regulations, to report it in strict confidentiality.

By resolution of 8 November 2022, the Board of Directors of FIS approved the new whistleblowing policy, which defines and describes the management system by FIS, establishing specific activities and action plans. With this in mind, we have set up a dedicated internal team, which is responsible for evaluating the received communications in advance to identify those on which investigations on the described facts will be carried out, verifying the information contained therein and accordingly taking the most appropriate measures of prevention, mitigation, sanction, as appropriate.

Specific training was also given, both face-to-face and via web, to all employees and management combined with training on the Organisation, Management and Control Model. We have also implemented an online platform dedicated to the management of whistleblowing reports, introducing a two-way communication system with whistleblowers, while protecting their privacy, identity or anonymity. Reports may concern employees of all levels, members of corporate bodies and third parties (such as suppliers, consultants, collaborators, etc.). The document illustrating the policy on whistleblowing was distributed to all employees and is also available on the Intranet and the company website.

THE INTERNAL AUDIT DEPARTMENT

To achieve an increasingly sustainable business model, it is important to anticipate the main risks that the company may incur, as well as adapt the situations and the external environment in order to create new opportunities for growth. For this reason, we have placed greater emphasis on risk management and control as conditions for ensuring reliable and sustainable value generation in a controlled risk environment, protect the company's financial strength and reputation.

We are equipped with an internal control system capable of continuously detecting, measuring and verifying the risks typical of the company's activities. As a whole, the Internal Control System (ICS) is centred on a set of rules, procedures and organisational structures that aim to ensure compliance with the company's strategies and the achievement of the following goals:

- effectiveness and efficiency of business processes;
- preservation of asset value and protection against losses;
- reliability and integrity of accounting and management information.

The company has had an Internal Audit department since 2021, currently composed of two members, which carries out independent assessments on the adequacy and effectiveness of governance, risk management and control processes, and must provide the Board of Directors and Management with an independent assessment of the adequacy and effectiveness of internal controls.

In 2022, the approach focused on a complete review of risks, their qualitative assessment and the creation of a database for monitoring, updating and managing them, with a view to integration with sustainability aspects. The overall risks identified were 42, divided into 5 macro categories, of which 7 with ESG (Environmental, Social and Governance) value, which were identified and evaluated in terms of probability and impact by middle and top management in FIS.

The Internal Control and Risk Management System is carried out through three levels of control:
1) primary line control, entrusted to the individual organisational units, carried out on the competence processes. Responsibility for this control is entrusted to the Operational Management/ Risk owner and is an integral part of every business process;
2) the second level control, entrusted to specialist systems such as the Data Protection Officer, Management Control;
3) the third-level control exercised by internal bodies in the company, namely the Internal Audit, or external, the Board of Statutory Auditors, Independent Auditors and the Supervisory Body according to Leg. Decree 231/ 2001.

BUSINESS CONTINUITY

The expected consequences of climate change include the most frequent extreme weather events.

These phenomena, which are no longer isolated, could compromise the operational capacity of the business causing interruptions to operations and damage to strategic asset (included supply chain activities), affecting the delivery dates of the products and involving possible penalties for which FIS will be liable.

The existence of the possibility of events occurring that can interrupt work, the current complexity of the business that requires adequate technological and operational support and, last but not least, the aspects linked to the events that have occurred in recent years have made a decisive contribution to the launch of an audit and adjustment process of the existing countermeasures relating to business continuity.

In fact, FIS' business success also depends on the maintenance of its critical business activities and essential departments used to provide key products and services.

In this regard, business continuity is part of the overall corporate security policy and takes into account the existing vulnerabilities and preventive measures put in place to ensure business objectives are reached.

In particular, the role of business continuity is to set up organisational units, human resources, communication structures and technological infrastructures to minimise the damage resulting from possible disasters, ensuring the reactivation of processes and coordinating activities until full functionality is restored.

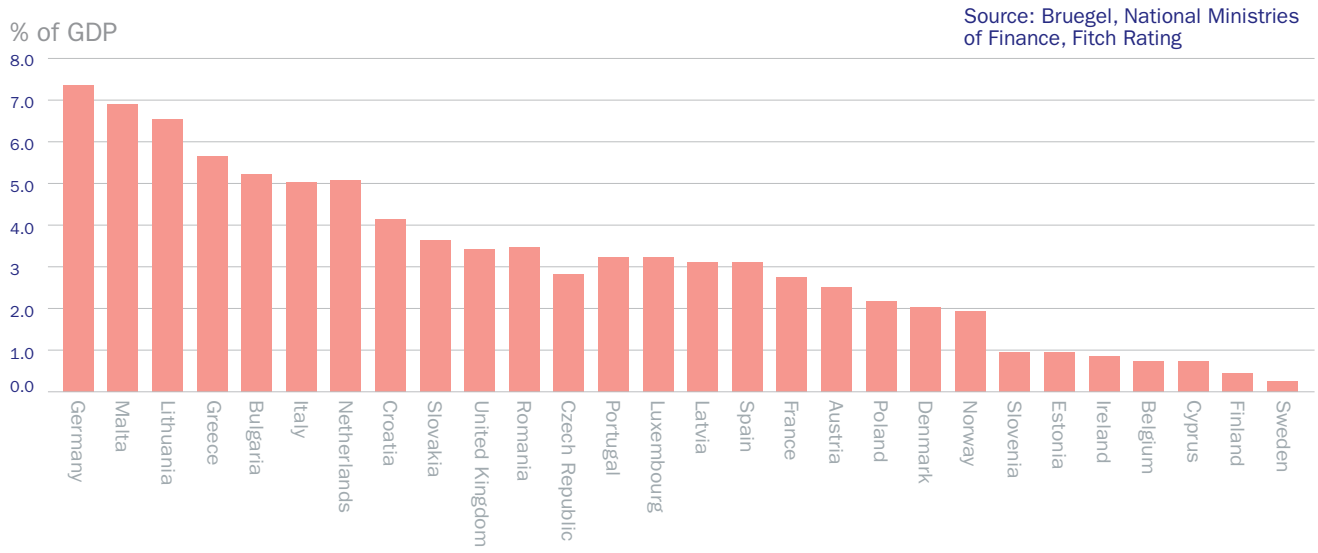
FIS is committed to developing an articulated Business Continuity Management (BCM) process, in order to ensure the operational continuity of essential processes. The document was developed in line with the requirements of the UNI EN ISO 22301:2019 standard, recognised as a standard for the certification of Business Continuity Management Systems.

Among the actions identified and adopted with reference to the supply chain, the company has adopted identification and analysis tasks of new, potential and alternative suppliers, focused on critical areas.
In addition, a Crisis Committee was established that meets periodically, with participation of the company's senior management and chaired by the C.E.O., in order to extensively discuss events and/or situations that may impact business continuity and identify appropriate actions to be taken.

Scenario and business context of 2022

2022 was for our industry a complex and challenging year from different points of view, although different from the two previous years, marked by Covid-19 related criticalities. If in fact the pandemic, in particular from the second semester, started its progressive attenuation, which caused significant reflex on the gradual decrease in costs of logistics and transport, at the same time, we had to deal with the repercussions of the Russian invasion of Ukraine: first of all, the energy crisis, which led to a significant increase in electricity prices. The effects of these upheavals turned for us at FIS into a challenge, which we overcame, to prevent the shutdown of the plants and ensure production continuity, both for the benefit of patients who need medication, and to ensure the future of the company and its people. This was also possible thanks to collaboration with clients, who agreed to share with us the costs of energetic supply, and to fiscal support measures implemented by institutions. Let's not forget that in Europe, Italy Let's not forget to support companies and families in extra-energy costs.

Energy Fiscal Support Measures 2021-22
Earmarked and Allocated Funding Sep 2021-Nov 2022



The growth of the global market for contract development and production organisations (CDMOs), a sector of which FIS is also part, reached a value of USD 201,98 billion in 2021, is also noteworthy. The market is expected to grow further in the 2022-2027 forecast period at a compound annual growth rate of 7,5% to reach $325,07 billion by 2027.

CAGR 2022-2027
+7,5%

At European level, Italy remains the first CDMO in Europe with a turnover close to 2,7 billion euro: with Germany and France generates 61,3% of European CDMO turnover. The Italian scenario in 2021-2022 also speaks of a rapidly expanding market, which has seen growth close to 26%, mainly thanks to the performance of more complex production.

CDMO 2021-2022
+26%

More than 80% of the turnover of CDMOs active in Italy in the last two years was allocated to foreign markets, as this shows the competitiveness of the sector. Strengthening of production capacity in Italian CDMOs has supported the growth of turnover and employment: CDMO employees increased by 21% in 2021-22. This is a productive expansion that has allowed CDMOs to intercept the opportunities offered by the new organisational modes of the global pharmaceutical industry and to propose themselves as strategic partners of the largest national and international companies. These data show the great competitive capacity of the sector, which derives in particular from a strong propensity to innovation, high productivity and flexibility: features that allow CDMOs active in Italy to ensure continuity and efficiency and clients to bring new products to the market quickly.

[1] Global Contract Development and Manufacturing Organization Market Report Forecast 2022 -2027.
[2] The pharmaceutical CDMO, Farmindustria-Prometeia 2022 Survey

The results of our commitment

For 60 years we have been working to guarantee our clients and all our quality, safety and reliability. We work to continuously improve our economic performance and create value to share with our employees, collaborators and the community in which we operate. Moreover, part of the profits are reinvested in research, to ensure more efficient processes and higher quality products, in innovation, for effective resource management, and, finally, in maintaining talent, through a rich offer of training and benefits.

	Units of measurement	2021	New 2021	2022
ECONOMIC VALUE GENERATED				
Production value	k€	614,164	618,419	818,019
Income from investments	k€			
Other financial income	k€	61	61	30
Extraordinary income	k€			
FIS TOTAL	k€	**614,225**	**618,480**	**818,050**
DISTRIBUTED ECONOMIC VALUE				
OPERATING COSTS				
Raw material costs	k€	364,772	364,772	437,825
Costs for services	k€	98,051	98,051	155,271
Costs for use of third-party assets	k€	1,477	1,477	2,012
Raw material stock variations	k€	-60,896	-56,177	-4,108
Other management costs (net of taxes)	k€	4,694	4,694	5,067
Extraordinary expenses	k€			
VALUE DISTRIBUTED TO EMPLOYEES				
Personnel costs	k€	124,617	124,617	128,154
VALUE DISTRIBUTED TO CAPITAL PROVIDERS				
Interest and other financial charges	k€	11,846	11,846	33,519
VALUE DISTRIBUTED TO PUBLIC AUTHORITIES				
Current and prepaid income tax	k€	891	1797	1,117
Other management costs (tax value only)	k€	1029	1030	986
VALUE AVAILABLE TO THE HOLDING				
Distributed dividends	k€			33,160
VALUE DISTRIBUTED TO THE COMMUNITY				
Donations	k€	51	51	69
Sponsorships	k€			
Membership fees	k€	233	233	260
FIS TOTAL	k€	**546,766**	**552,391**	**793,332**
ECONOMIC VALUE RETAINED				
Profit (or loss) for the year (excluding dividends)	k€	10,566	7,615	2,911
Depreciation / provisions / write-downs / write-ups	k€	64,738	64,738	65,330
Deferred taxes	k€	335	335	-450
FIS TOTAL	k€	**75,639**	**72,688**	**67,791**

During the year, the Board of Directors considered it appropriate to review the calculation methodology for inventory development, moving from the methodology of Weighted Average Cost to that of FIFO, considered more appropriate to give a true and correct representation of the company's financial position and its economic result in a period as the current one characterised by a significant increase in the cost of purchasing raw materials and of energy.

It was therefore necessary to proceed as indicated by the accounting policy OIC 29, that is, by applying retrospectively to the change of methodology and the changes made by applying, for comparative purposes only, the restatement of the effects that would have occurred in the comparative balance sheet as if the new methodology or changes made had always been applied. Therefore, for comparative purposes only, the company adjusted the opening balances of the previous year's equity and the comparative figures of the previous year. As already pointed out, the business growth, outlined with the aforementioned Five-Year Strategic Plan, involves a significant commitment in terms of investments directly linked to the production of APIs and intermediates, with expected and foreseeable increases in the use of raw materials, energy and water consumption and waste generation. This is why we are investing more and more in our sustainability strategy and in issues that are considered relevant to our stakeholders.

Finance and Sustainability

Interview with **MANUEL BARRECA**, Chief Financial Officer

How does the economic sustainability of a company relate to environmental sustainability today?
FIS is strongly committed to playing a key role in sustainability and in recent years has developed a business model that puts sustainability at the heart of every business, including its financial strategy. We believe that the development and use of financial instruments linked to sustainability can help to promote the process towards a more sustainable future.
The impact of ESG scores on the cost of capital, both equity and debt, and the associated risk shows that companies with high standards of sustainability have significantly lower debt and capital costs. As a result, concentrating on ESG factors is confirmed as a means of minimising corporate risk. The reduction in the costs of corporate capital has also been observed in contexts characterised by corporate governance, adequate management of environmental risks and effective dissemination of environmental policies.
It should be said that investors are constantly asking to be updated on the performance of the company and on the activities with an ESG background that FIS puts in place. The ESG field, in short, is becoming as important as the economic-financial one for institutional investors, so much so that in the coming years the focus on sustainability will become mandatory to have access to the financial market.

What were the financial achievements of FIS in 2022?
From the point of view of results, 2022 confirmed the growth path taken by the company starting from 2019. The main indicators confirm the economic and financial soundness of FIS which, even in a year of turbulence in the markets and supply chain, characterised by a 500% increase in energy costs, has been able to meet the targets set.
The issuance of the Sustainability-Linked Bond further strengthened the company's financial structure in anticipation of future development plans. Similarly, in a particularly complex macro-economic context, the results in the direction indicated by the Strategic Plan confirmed significant growth in terms of turnover, supported by constant activities to improve the efficiency of internal processes, to ensure satisfactory profitability, even against costs, especially energy, in strong increase.

2

Investing in people: our commitment to the future of the company

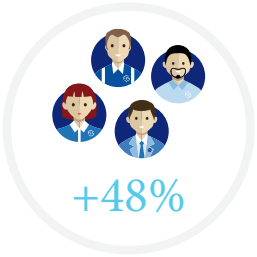
Investing in people: our commitment to the future of the company

Striving for continuous improvement, with respect for people and the environment, under the banner of transparency and accountability. It is our daily commitment to keep pace with development, ready to innovate and anticipate changes.

We have always been beside our employees and we are constantly committed to attracting new resources and young talents: professional figures who, with their work, make our company grow, helping us to improve and be increasingly competitive.

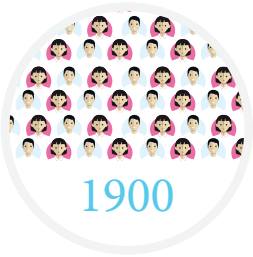
Our primary objective is to ensure high standards of health, safety and quality of work. Ongoing training and a stimulating environment are also essential to encourage each individual to develop their skills. Our employees wellbeing and that of our company is an extremely important issue for us: our Strategic Plan 2021-2026 is the starting point for formulating responses to our employees' needs. Attention to training, professional development and the strengthening of corporate welfare, pursuing a more balanced workload with the demands of private life, are issues that emerged strongly from the stakeholder engagement phase addressed to our employees. The themes of environmental sustainability, such as the promotion of sustainable mobility and better waste management, also optimising production processes, are also very important.

This year we welcomed 121 new employees, hired over our three sites, who supported us in meeting the numerous requests received from our clients and the positive projections on market studies where our company operates.
Of the new entrants, 70 were hired on fixed-term employment contracts. In addition, 65 fixed-term contracts were consolidated during the year and thus transformed into permanent employment relationships.
A further 96 were extended during the year. To this number add 88 temporary workers. Thanks to collaborations with universities, in 2022 we initiated 10 internships (4 extracurricular): of these, 4 have been transformed into contract hires.



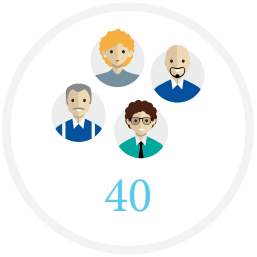
+48%

WORKFORCE GROWTH SINCE 2016



1900

FIS PEOPLE



40

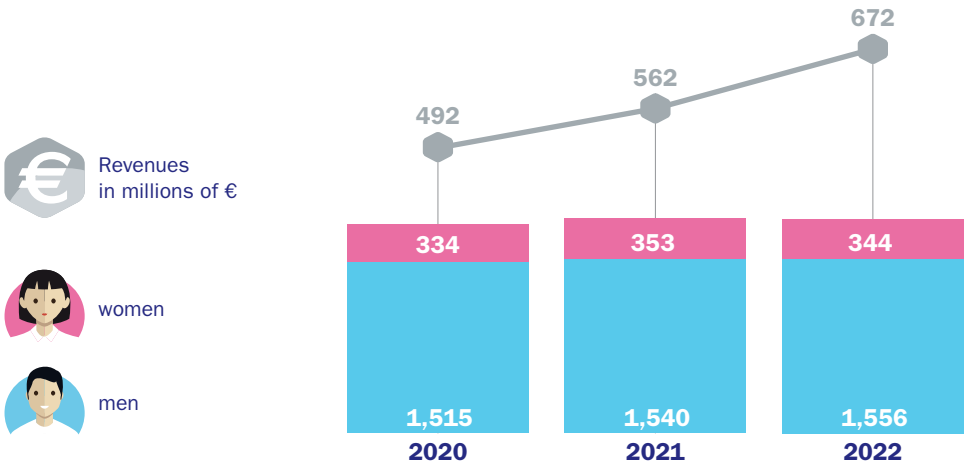
AVERAGE AGE

121

NEW WORKERS HIRED IN 2022

Our people

Our objective is to constantly consolidate the basis of our business, by attracting new talent and defending the current level of employment. To date, we count 1900 people, 615 more than in 2016. We can proudly demonstrate our commitment to improving the employment figure also in 2022.



Our company recognizes the centrality of human resources in the belief that the main factor of success of an organization is the professional, human and creative contribution of all people working there.

For this reason, in recent years, we have adopted inclusive policies and paid close attention to gender equality issues, in order to create a diverse working environment that contributes to the growth and development of a dynamic company that understands the needs of all employees. We believe, in fact, that the ability to respect and listen to our people is an essential factor in creating productive working environments. In this sense we try every day to offer availability and solidarity so that the growth of the company builds an opportunity for the future of those who work there. This is why we ask each of our people to play their role with objectivity, balance and respect for the rights of each person.

Within the Code of Ethics we have outlined specific guidelines, which each of the company's employees must be inspired by, from managerial professionals to operational ones. In particular, as a company we are committed to:

- avoid any form of discrimination on the basis of ethnicity, religious belief, political and trade union membership, gender, sexual orientation, age and disability;
- carry out selection activities in a serene atmosphere that respects personal dignity;
- create training opportunities appropriate to each person's position;
- define and communicate in a clear and continuous way the possibilities and paths for professional growth in the company;
- actively support the action of persons invested with responsibility in the company;
- create workplaces that are safe and respect the health of those who work there.

One of the distinctive elements, at the base of the corporate policies of diversity & inclusion, is the commitment to a better gender balance at all levels and for all areas of our business. FIS is actively engaged in the involvement of female staff: compared to a total growth of 48% since 2016, that of female staff was equal to 70%, with 25% of new employees in 2022. In 2022, to the best of our knowledge, no incidents or acts of discrimination have been identified.

Increase in female Staff (compared to 2016)

+70%

Growth continues at a sustained pace of female staff working in the area Quality Control and Research & Development, with growth also in the Operations area:

2% Operations

40% Laboratories

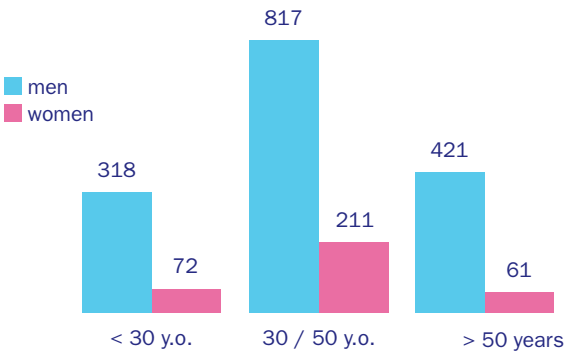
40% Offices

Currently, the roles held by women in our company are mainly distributed between directors, middle managers and white-collar workers.

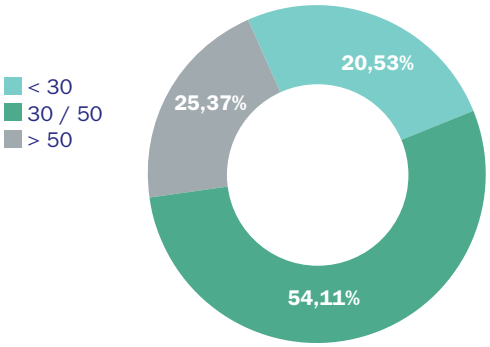
The chemical industry is characterised by an important female presence, with a quota over the industrial average, in particular for the highest qualifications (managers and directors).
Specifically, FIS can boast a value close to the national average for women in management positions. In FIS, in fact, about 28% of these positions are occupied by female employees.

Always in line with the company's focus on diversity & inclusion issues, our workforce includes 73 people with disabilities, belonging to protected categories: 54 men and 19 women, with a further employment forecast within the timeframe of the Industrial Plan.

Employee distribution by age group and gender



Distribution of employees by age group



The majority of employees (54.11%) are in the 30-50 age bracket, in line with the national industry average (around 60%). This group is followed by employees over 50 years old (25.37%), compared to around 19% of the national average, and finally by employees under 30 years of age, who account for 20.53%, in line with the average figure for the sector. Consistent with these data, for 2022 the average age of FIS employees recorded is 40 years of age: 41 for men and 38 for women.[1]

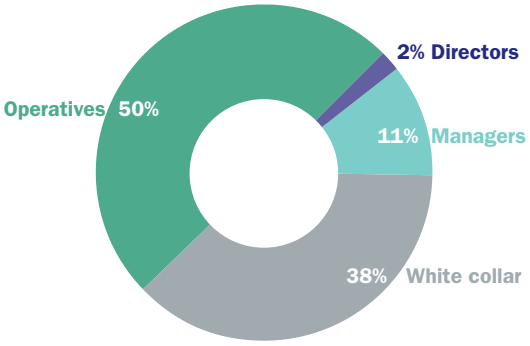
[1] Source: Federchimica, The chemical industry in figures 2021, September 2021.

Professional classification of employees

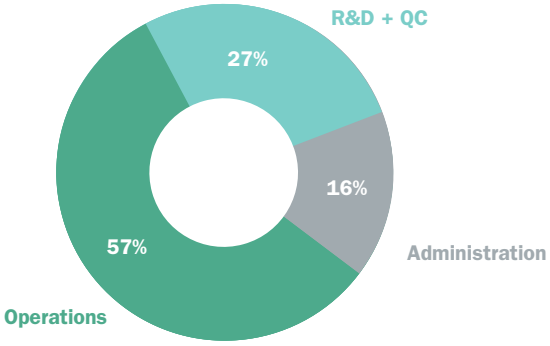
In 2022 the most represented occupational category was that of manual workers (49,8%), in line with national averages (about 39,8%), followed by employees (37,6%), higher than the national average of 27,9%, middle management (10,9%) and managers (1,6%).

Our employees are spread over three macro areas. The most populous area is Operations, which includes, in addition to production, the management of numerous ancillary services, including technical, ecological, engineering and technological innovations. 57% of our employees belong to this area. 27% of our employees, however, are engaged in the functions of Quality Control, Research and Development, Human Resources, Quality Assurance and Regulatory, essential in our business. Finally, the remaining 16% of staff work in the administration area, occupying positions in offices that ensure the smooth running of the company across the board, dedicated to Communication, Information Technology, Legal, Finance & Control and Sales & Marketing. As for the comparison with the national averages, which report

Professional category employees



Distribution of employees per area



values equal to 15% of contracts for fixed time and 85% for indefinite time,[2] FIS demonstrates its commitment to establish stable relationships with its employees, as shown by the results obtained, higher than the above averages: 90% for permanent and 10% for fixed-term. The number of people employed full time is also decreased by 17% in 2022, passing from 82 to 70 hires.

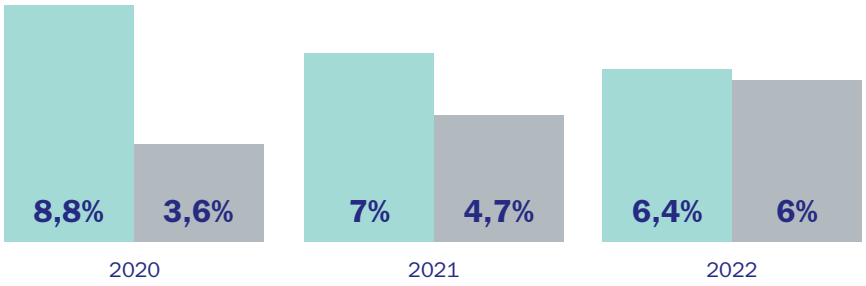
Following this line, we can say that 65% of our staff, in fact, have been in the company for at least six years and all our employees have been employed in compliance with the national collective agreement for the chemical sector.

As anticipated, 121 employees, mainly men, were hired in 2022, with 114 terminations. The outgoing turnover rate in the last year has in fact slightly increased, while the incoming turnover remains lower than the level reached in 2021.

[2] Source: Istat, 2020.

Turnover rate

Incoming turnover rate
Outcoming turnover rate



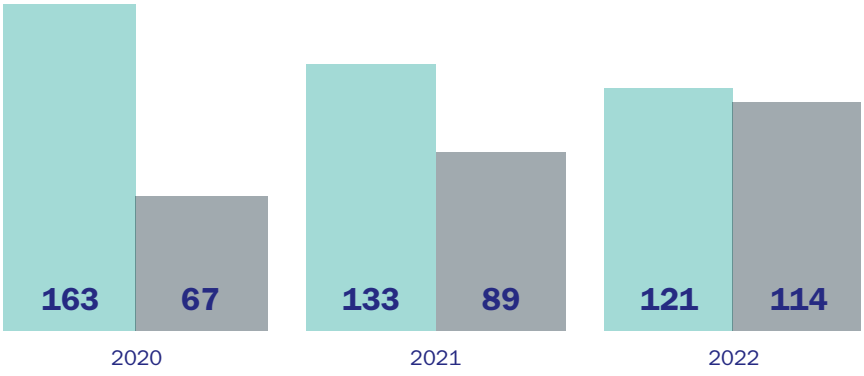
Regarding the analysis of staff turnover, a negative turnover rate of 6% for the year 2022 is noted, an increase compared to previous years, but significantly lower than the average figure for the Italian pharmaceutical chemical sector, which in 2021 was 10,1%. This increase is attributable to a labour market that is recovering strongly after years of pandemic. The trend highlighted, however, is offset by positive turnover, which was 6,4%. This was also possible thanks to the talent acquisition process: a **new department, Talent management** of the company, was established, composed of a group of human resources specialists. This has led to a reduction in research time, which is below the KPI set in a month from activation with regard to the core business figures in FIS. In the induction phase, the results are positive and the risk of loss in the six months/a year has also decreased compared to the past.

We have a **new recruitment platform**: this uses an artificial intelligence system that supports specialists in the targeted identification of candidates, speeding up the time. Innovative assessment tools are used within the platform, consisting of three different and flexible tests for assessment depending on the levels and age of the people you want to recruit. The recruitment process begins with screening via the new platform, followed by identification of a panel of candidates, two/three interviews (the first one is get-to-know, while the other two specifically analyse the role), drafting of the short list, use of assessment and final job offer.

As far as the distinction by age group of new recruits is concerned, 49% of them are under the age of 30, demonstrating the renewed commitment to attracting young talent and the collaborations that are constantly being activated with the university world. All opportunities to meet with students and universities are for us an important space for comparison and enrichment, as well as a stimulus for improvement, also in terms of processes.

Total hires and departures

recruitments
terminations



[1] Source: 1 - The labour market in 2021 in the chemical and pharmaceutical sector - Confindustria survey. Results drafted by Federchimica.

Attracting and retaining talent within our company has allowed us to react to this historical period and the implications of the so-called talent shortage. This phenomenon brings with it a number of difficulties for companies in finding suitable skills to fill vacant and sought-after positions. If staff recruitment remains an asset for each company, on the other hand managing to create long-lasting relations allows us to construct a work team with skills and experience in the field, reducing training and recurring recruitment costs. In this regard, we have undertaken preventive and retention actions, retention, including:

- launch of a new application for the assessment of skills, performance and the services of our collaborators. It is an innovative solution that will allow us to manage our resource assessments more effectively and in a structured manner. In addition to being a more easily usable system, it will allow to conduct a more objective assessment, ensuring fairness of the process and recognising the merit of each;
- revision of the remuneration policy, in order to better enhance and incentivise our human resources;
- implementation of an organisational review and updating of job description;
- organisation of motivational interviews, with the aim of identifying any critical situations in advance and, at the same time, leveraging the potential and aptitudes of each employee;
- preparation of appropriate growth plans for each employee, in particular by identifying, through targeted assessments, the strengths of employees, in order to guarantee them adequate opportunities for professional growth. Among other benefits, this provides the organisation with an internal pool of possible managers to draw from;
- investing in staff training in order to increase their skills and, at the same time, make them aware of the functioning of the organisation's activities, products and services. To this end, we are implementing job rotation strategies, which involve the periodic and planned movement of employees;
- improvement and strengthening of work-life balance conditions. Key activities include extending work from home and implementing the Wellbeing project.

Sustainable growth together with our people

Interview with **CORRADO BIUMI,** Director of Human Resources

Organisational and personal wellbeing is our great challenge for the future. What actions will be taken in 2022 to achieve these two important goals?
Our company has grown considerably, both in terms of organisation and production. The Strategic Plan identifies sustainability as an essential factor to strengthen the growth and the industry leader role our company, also in the field of health promotion, wellbeing and involvement of our people. This is why we wanted to support the growth strategy with a project to improve the corporate climate and wellbeing. The first step was the measurement in 2022 of the level of satisfaction of existing welfare/ wellbeing services in place, sharing some possible new initiatives.
In addition, the activation of the new Welfare platform, created thanks to an agreement with social partners and for the homogeneous classification of workers, and the approval of the platform for the renewal of the Level II contract, which is being finalised, allowed us to have a single contract for the three corporate sites.

How important is the role of our people to become an increasingly sustainable company?
Strengthening human capital is at the heart of our way of doing things, as is attention to values, culture and identity. Moreover, sustainability requires a cultural change, in which we believe and to which we are strongly committed. We are working on the definition of new skills and the renewal of those we already have, encouraging implementation of new behaviours and processes that are faster and more sustainable in different areas of the company. Since 2023, starting from the approval of the budget, we are trying to set different personal goals in key sustainability targets, from the first level down. This has already been done in 2022 for the R&D department and we will extend it to other departments in 2023.

In recent years, new challenges have arisen for companies that see human capital requiring more flexibility, personal growth and motivation. How is FIS responding in this area?
Cultivating the potential of people, enhancing their uniqueness and supporting their total wellbeing are priorities if we want to grow sustainably. For this reason, we are focusing on workplace governance capable of finding a balance among the forces in the field: digitalisation, people, skills, work-life balance. We have worked a lot on the implementation of new digital platforms for the management of our people and training. Smart working has been extended to all categories that by role and degree of responsibility are able to work remotely, about one fifth of the total company population. We can certainly say that this practice has become normal and that it has not in any way affected the efficiency and productivity of those who avail of it.

What are FIS strategies to attract talent?
Firstly, we reviewed the performance evaluation system, which was carefully structured to map professional profiles within the company. Today we can identify the potential of each employee and determine whether their current role is in line with their skills and attitudes. This method allows the company to better know its employees and enhance them, based not only on the tasks they perform but also on their capabilities and potential.
We have also begun a talent program, created in collaboration with CUOA Business School, designed to provide content in line with the operational needs of our company. The program is aimed at around twenty young talents identified by the department directors as "high potential" and includes on-site lessons at CUOA headquarters on topics that cross all departments The ultimate goal is to develop a business school within the company, which will provide participants with general management training useful for both their work and personal development.

Our commitment to people

Our employees are the driving force behind the company, which is why we take pride in providing them with a stimulating working environment that is characterised by trust, fairness and honesty. Over the years, we have developed organisational solutions that support an effective work-life balance. With this goal in mind, in collaboration with the workers' representatives, we have been working since the beginning of 2018 to create homogeneous contractual conditions for everyone. This path has led, in 2022, to the approval of the platform for **second level contract renewal**, currently being finalised, collectively across Montecchio Maggiore, Lonigo and Termoli sites.

The corporate solutions implemented develop over different lines of intervention, regarding:

- measures to reconcile work and family life;
- measures to support supplementary pension and health care, such as the enrolment of our employees in the Fonchim and Faschim funds, dedicated to workers in the chemical and pharmaceutical industry;
- economic support measures for special individual situations and subsidised benefits;
- provision of goods and services, including fuel vouchers and free canteen.

On the subject of reconciling work and family life, the so-called work-life balance, since 2018 we have introduced the possibility for our employees to assist children up to 18 years of age and elderly parents in case of illness or relational issues within the family using paid leave up to a maximum of 40 hours per year. In 2022, 167 employees availed of this measure, for a total of 2007 hours made available by the company.

Paid leave

167
employees

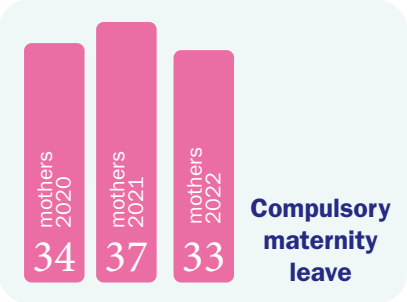
2007
hours

Paid Time Off Fund

In 2022, we continued the **Solidarity Hours Fund** initiative, already included on an experimental basis in the 2015 collective agreement, aimed at the transfer by workers of ROL (Reduced Working Hours) leave hours in favour of colleagues with special needs. Participation is voluntary and involves a worker initially granting two hours of ROL per year.

Reconciliation measures

The Italian pharmaceutical sector has an interesting record: it is in fact the first Italian manufacturing sector for birth support, with a number of children above the national average of 45% (Farmindustria survey, 2022). Our company, too, has made its contribution, with its ongoing commitment to implementing and enforcing welfare policies attentive to women's needs in the workplace and career prospects. We pay each new mother up to 100% of her salary, in addition to the INPS salary in the event of optional maternity leave. In 2022, 33 new mothers benefited from this measure. With the renewal of the second level contract, maternity support was extended to the Termoli site. We decided to implement childcare measures, which include the extension of the age limit for children from 12 to 18 years of age and the possibility of part time work or unpaid leave.



Remuneration policies

With regard to employee remuneration policies, we are following the lines previously defined through a gradual consolidation of young talents who have joined the company and grown in their roles. Our remuneration system applies an external benchmark together with an evaluation of individual growth paths.

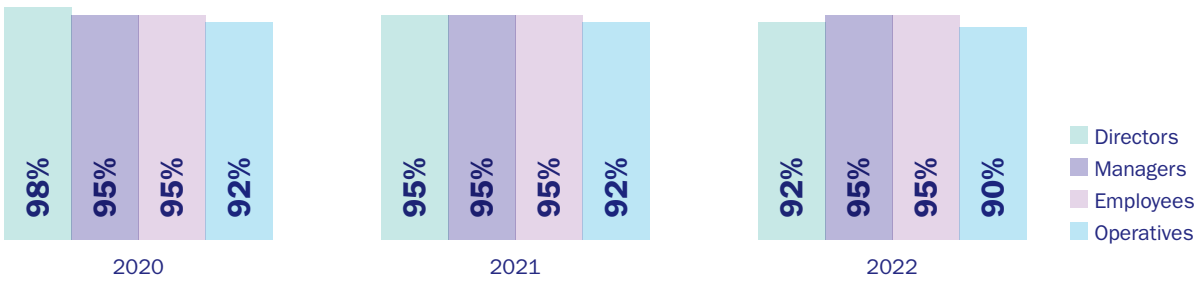
In addition to the remuneration agreed with the relevant trade union associations, we have studied a bonus system based on the achievement of individual and corporate goals, the latter dedicated to managers.

During 2022, for managers and directors, we included references to corporate and financial performance indicators. In addition, we established an award system of extra bonuses linked to long-term projects, in addition to the targets system already in use.

Our diversity and inclusion policy is not just about the inclusion of minorities, but we believe that it is important to offer equal opportunities to all our employees, which is why we pay particular attention to the adoption of fair remuneration policies that involve reducing the pay gap between men and women.

Even today, however, we note a residual situation of unequal economic treatment. According to the latest Eurostat data, the European average difference between women's and men's wages is 13%, while in FIS it stands at most 12%, in the specific case of operatives. In all the other categories, the maximum gap recorded is 7% (middle managers and employees), while at management level it is reduced to 5%.

Ratio of average basic salary of women to men three years

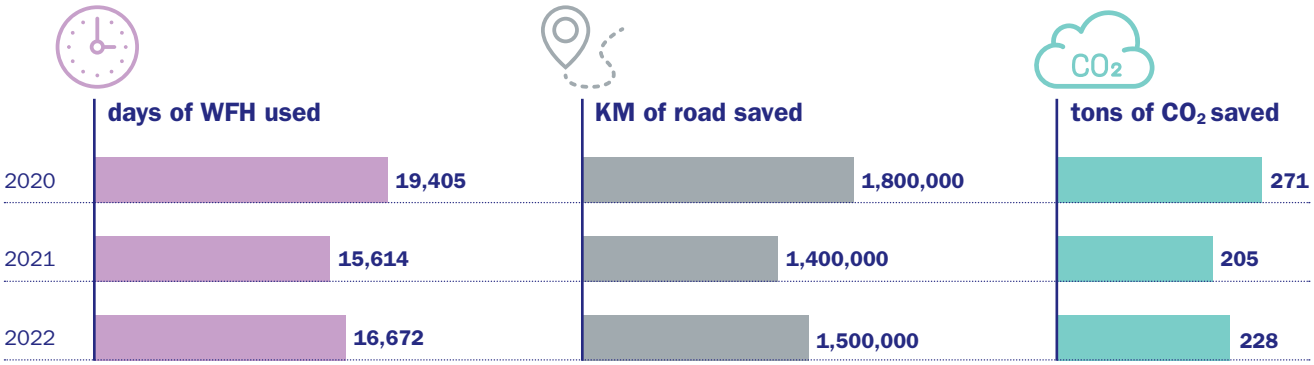


The benefits of smart working

In 2022, we continued to promote smart working, where possible, not only to contain Corona virus infections in the company, but also to offer a better balance between business management and personal needs. The use of flexible working has, in turn, resulted in higher levels of efficiency and productivity, and has helped reduce pollutant emissions. This new way of working had already been implemented in 2018 with a pilot project carried out at the Montecchio, which has allowed us to gain skills and know-how to better manage smart working.

Flexible working has now become normal business practice, extended to all categories of workers who by department and responsibility are able to remotely work from home: this is about 1/5 of the total company population.

After the years marked by the Covid-19 pandemic, with an exceptional peak in the hours of smart working, the positive trend of using flexible work also continued in 2022. In addition to employee benefits in improving the work life balance, we can also see positive effects in terms of environmental impact: thanks, in fact, to the almost 17,000 days of work from home carried out, we have saved about one and a half million KM, which correspond to 228 tons of CO_2 not released into the atmosphere.



Note: the CO_2 emissions were estimated with an average emission factor of 150 g CO_2/km

The new Welfare 4 you platform

At the end of 2022, the new Welfare 4 You platform was launched, the tool that would allow us to manage all the initiatives with which FIS takes on the needs of our employees and their families, granting benefits and incentives in the form of goods and services. All employees received in 2022 200 € to be converted into fuel vouchers and 400 € to be converted as they wish into over 200 gift cards related to different categories: shopping, fuel, electronics, cosmetics, education, books, education, schools, services, travel, etc. The platform is accessible from a PC, tablet and mobile, every day of the year with no time and functionality limits.

Training and talent development

Training is for us at FIS a central theme and in line with our goals of developing the talents and career of our employees. This is why we promote the dissemination of a culture of shared knowledge. As proof of our commitment we have created an organisational unit composed of internal trainers, with the aim of collecting, codifying and developing the wealth that FIS has built over the years: the knowledge and know-how of our people.

Also in 2022 the training activities have continued adopting methods of interaction and fruition from remote, and, where necessary, in attendance. In addition, the possibility of self-training on informative aspects of updating internal procedures was introduced.

Total training hours provided

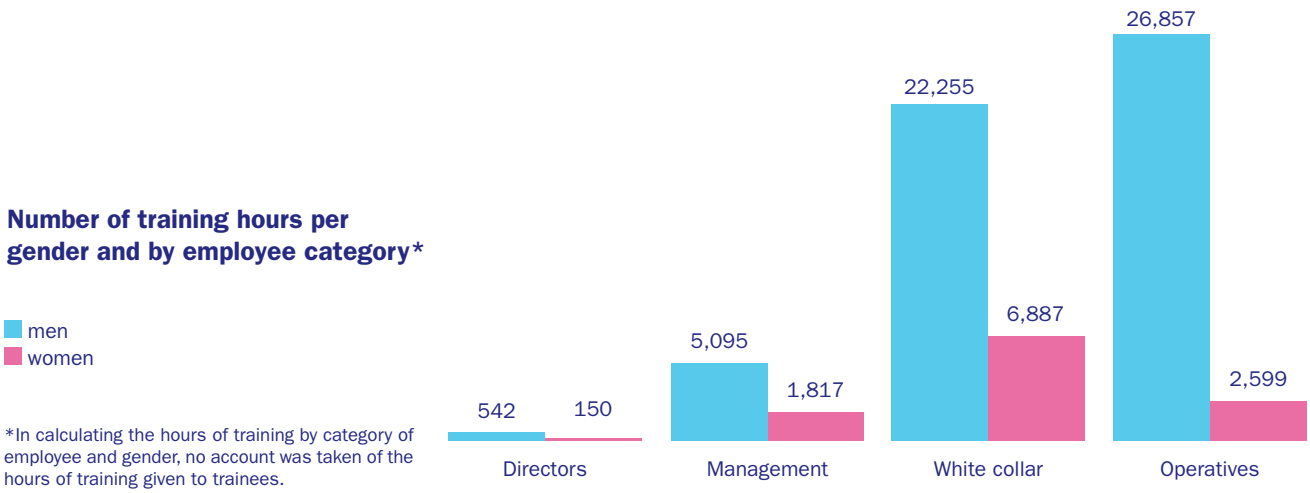
A total of 66,204 hours of training were provided in the three plants, equivalent to more than 4 days of per capita annual training.

2020
44,144

2021
46,218

2022
66,204

Number of training hours per gender and by employee category*



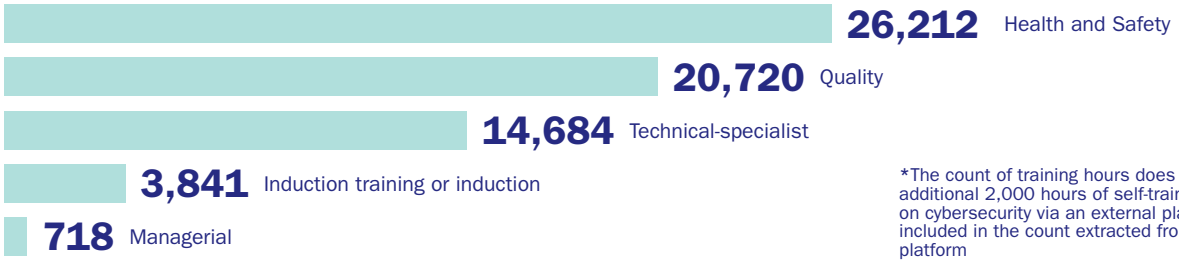
*In calculating the hours of training by category of employee and gender, no account was taken of the hours of training given to trainees.

Compared with the last two years, the number of training hours provided has increased by almost 50%. This is due to several factors: firstly, to the new possibilities offered by distance learning, through the new Insegna platform. This has made it possible to adopt a more flexible model, which allows people to benefit from training in the most favourable moments of their working life, thus adapting to the needs of the business.

In addition to recovering training activities that had been outstanding due to the pandemic, in 2022 we carried out many hours of training on the topic of safety, updating the entire population on the new RAD (Risk Assessment Document); language training, in addition, has been extended to wider groups of employees.

Specifically, the average hours of training per employee amounted to 34.84 compared to an average of 24.9 in 2019. Each employee receives regular training and the main topics covered are health and safety training.

Number of training hours per type*



*The count of training hours does not include an additional 2,000 hours of self-training performed on cybersecurity via an external platform, not included in the count extracted from the company platform

For 2022, training was highly orientated towards continuous support of staff skills and know-how to maintain constant refreshing of skills necessary in a company with high technological and innovative content such as FIS.

In line with business directions and corporate developments, there have been many growth paths not only in the field of hard-skills, in particular chemical-technical, but also finance, procurement, planning and IT.

Soft-skill upgrading paths were also addressed for both operational and middle management staff with a view to developing current and future managers.

Attention to people's growth

Another activity that we consider essential to stimulate our employees to professional growth is the constant assessment of staff potential with a view to development and management, which, together with the definition of a specific competence matrix per job, will determine specific personal-professional growth paths in order to maximise individual and team performance.

This activity is a continuation of the managerial skills assessment initiative – started in 2019 and continued during 2020 with empowerment actions – and will be completed in 2023.

Actions relating to the meritocratic plan were also implemented, as the detailed analysis of the assessments resulting from the annual people review has allowed the application of principles of fairness and merit, consistent with a salary dynamic that is able to take into account both the internal structure and the reference labour market data.

During 2022, the mapping of staff potential continued (e.g. nine boxes grid) which gave rise to a completely revised system of assessment of skills and performance: this was a fundamental theme to guarantee a process asuring the equity of the assessment based on meritocracy principles.

A skills and performance rotation model was designated, whose guarantee of process equity is given by calibration meetings. Fundamental tool to ensure a consistent flow is the use of a simple IT tool that gives the possibility to perform statistical interpolations, thanks to a model that derives from the definition of leadership implemented by the strategic plan. The system allows correct positioning of resources, both in the productive and specialist departments, and in the positions with greater managerial responsibility, defining future perspectives, individual programs and timing of implementation, in order to ensure constant personal-professional growth ensuring high level performance.

These assessments started a series of growth paths in line with the individual needs that emerged during the assessment (e.g. management path, assertive communication, etc.). Downstream of this activity, a coherent Development Plan has been defined for the identified resources, in support of their skills and as a personal-professional growth tool. In 2021, the drafting of competence matrices for some critical transversal functions such as the Quality Assurance and Quality Control group was also completed, building specific training modules for the development of basic functional-operational know-how.

Talent program

Talent Program

23
participants

14
months
of training

35 years
average age

With the new Talent Management department, in addition to the revision in the selection process, a path was launched to strengthen the different segments of the company's population. The first involved is that of young people with potential. With this in mind, a second-level **Masters in Business Administration was created in collaboration with CUOA Business School**, tailored to FIS needs, with a specific focus on the chemical and pharmaceutical sector. The persons enrolled, who have particular characteristics in terms of age (under 35) and of corporate seniority in the company (at least five years of experience within the company), represent all the business functions and have been selected through a potential assessment. The project, which started at the end of 2022 and will occupy all 2023 and 2024, aims to create the conditions for cultivating people within the company with high potential, who can quickly grow vertically or transversely in the company.

A launch is planned, also within the collaboration with CUOA, of another direct activity for middle management of the company: in this case, it will be specific training on management issues, ranging from modules on the management of the assigned resources, to finance for non-specialists, with the aim of transferring a homogeneous managerial culture that constitutes the FIS leadership model of all middle managers.

For the operational business population another tool is used, the flexibility matrix, which means that people are evaluated on the basis of their real capabilities demonstrated working in different plants and on different production processes or even in different departments: this allows increased exchange among departments, flexibility being a value that also allows an important section of FIS operators to evolve in their role.

The advanced training apprenticeship project

A pilot project for apprenticeship in higher education was launched in 2022, which will enable each FIS employee to attain an academic degree, a first or second level degree or even a doctorate in the dual system, that is, by observing the workplace and enjoying a job as an apprentice in higher education. By doing so, the employees will be given all the safeguards of each individual worker and the opportunity to attend the specific academic path. The dual system of training and work allows students to start working, without burdening the family in terms of tuition fees, while allowing the company to retain them and allow them to grow within it

The cybersecurity program

The importance and relevance of cybersecurity has prompted us to plan actions aimed at defending against cyber attacks, including training and education of our employees who work with sensitive data every day, in order to avoid putting company security at risk.

The last few years have brought a strong increase in cyber attacks for extortion purposes. In Italy, according to Kaspersky, one of the most established cybersecurity and data protection companies, almost half of all security incidents were caused by ransomware.
For this reason, we decided to increase the level of technology protecting the company and signed important partnerships with leading cyber entities to raise the level of monitoring, detection, protection and reaction to cyber attacks.
From a practical point of view, the risks we faced at FIS were mainly external attacks of phishing and whaling, which were handled correctly in all cases thanks to e-mail filtering systems and the awareness of those being attacked.

We have reports of attacks on our customers in which the attacker impersonated a FIS person. It is therefore not possible to exclude the possibility of the same type of attack occurring against FIS. During 2022, we recorded no data breach cases.

Since we believe that our company's cybersecurity also depends on our ability to adopt correct behaviour, in 2022 we continued the cybersecurity program "Stop the Hack" with the aim of increasing our awareness to defend ourselves against cyber attacks. The program involved the corporate population on the main cyber threats.

The results of this initiative are encouraging, a sign that awareness of the population is bearing fruit.
In 2022, we trained 1,374 employees (more than 90% of users) for more than 2,000 hours of training, by providing 5 courses: the average test score shows a positive growth of 5% of correct results.

90%

trained FIS users in threats to cyber security

Health and safety of our people

Our Safety, Health and Environment Policy expresses our commitment to managing our business in accordance with the principles of environmental protection, health and safety of people, and to operating in accordance with the criteria of continuous performance improvement.

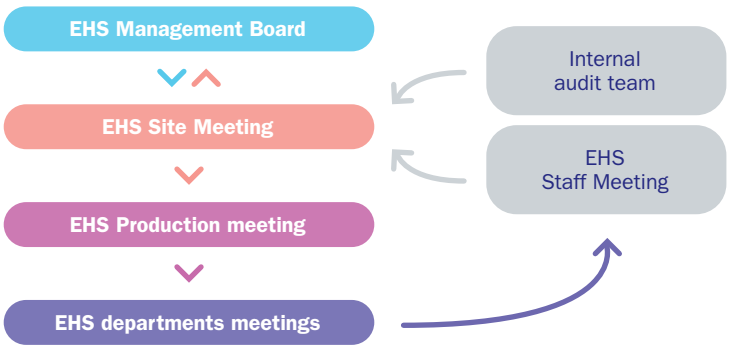
For us, health and safety are essential values in the way we do business, in the knowledge that, together with quality, they support our long-term strategy. For this reason, we promote health and safety training and encourage every employee to consider these issues.

We have a long tradition of process risk prevention to ensure maximum protection, both of our people and of our host territories. All of our processes are constantly monitored with the best technologies and implemented following strict safety assessments, carried out also thanks to the expertise of specialised technicians. In fact, our three production sites are classified at major risk of accident, following current legislation (Legislative Decree 105/2015, application of the EU Directive "Seveso III") and equipped with a management system on health and safety in the workplace (standard UNI ISO 45001) and environment (standard UNI ISO 45001), which allow us to effectively manage the risks related to injuries, accidents and occupational diseases through alignment with the principles of environmental protection and the protection of human health and safety.

To support the corporate structures and deliver our goals, we have improved top-down and bottom-up communication by modifying the meeting system on EHS (Environment, Health and Safety) aspects.
The meetings help promote and provide incentive for continuous exchange of information relating to issues being discussed among all employees of the company and are established on multiple levels:

- EHS Management Board: is the highest level committee, composed of directors and managers of the main corporate departments;
- EHS Site Dashboard Meeting: is the committee chaired by each Plant Management, with the task of addressing general and specific site issues;
- EHS Production Meeting: is the committee chaired by the Production Management, with the task of directing and coordinating the production and support functions;
- EHS Department/Area Meeting: these are the basic committees that involve all company employees in each area, both in production and in support departments;
- Irregular Events analysis committees and periodic meetings with third parties.

Managing the impact on health and safety issues of FIS employees is also indispensable for relations with clients, the on-boarding process for new custom projects requested by the clients and audits performed according to PSCI (Pharmaceutical Supply Chain Initiative) standards, an association of which FIS is part.



2023 will be an important year for the implementation of the tools for the analysis of the value chain, which allow analysis not only of the activities but also to share data related to them within the company and make them available, enabling greater integration between operators in the chain. This is not only about accident data, but also about important sustainability issues: how, for example, the company interacts with the community and what activities and actions it can take for its wellbeing. In this objective the EHS department interfaces with the same departments of other client companies to share best practices, with a clear mission: that of being their partner, not just a supplier. This is a very specific condition, which involves working side by side, sharing intentions.

In order to analyse this data, an **HSE management system** is being piloted at in Lonigo (followed by Montecchio and then Termoli) and will become a repository for all data collected. Its internal business intelligence will elaborate and return the data on the dashboard to people who will analyse the trends and assess which tasks are giving actual benefits from the point of view of EHS.

EHS audits

The annual plan also includes Safety, Health and Environment audits for the three sites (Montecchio, Termoli and Lonigo).

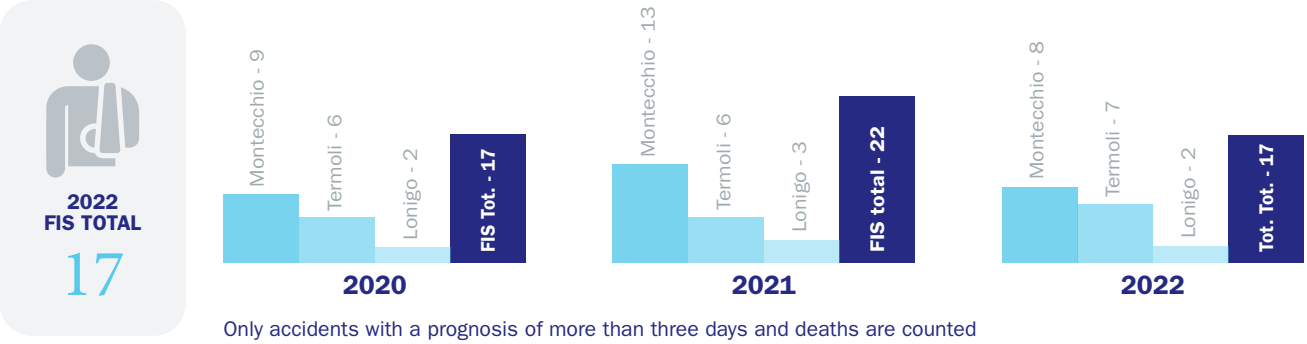
The plan covers all points related to existing certifications, to which additional safety audits by external companies were added in the course of 2022 at all three plants.

The new EHS management system will also allow digital audits to be carried out directly on-site using ATEX tablets, enabling reports to be generated in the shortest possible time.

For us, it is essential to minimize the risk of accidents, occupational diseases and emergency situations through appropriate prevention programs and thanks to our policies. In addition, annual accident statistics and accident indices are measured to monitor performance and verify the effectiveness of our policies, thus allowing us to define any corrective measures.

In 2022 the accident index measuring the frequency of accidents decreased overall, with a slight increase at the Termoli site. The total number of accidents in FIS has therefore decreased compared to the total for the previous year.
The main accidents are due to contact with chemical agents and cuts/bruises.

On-site accidents (no.)



Only accidents with a prognosis of more than three days and deaths are counted

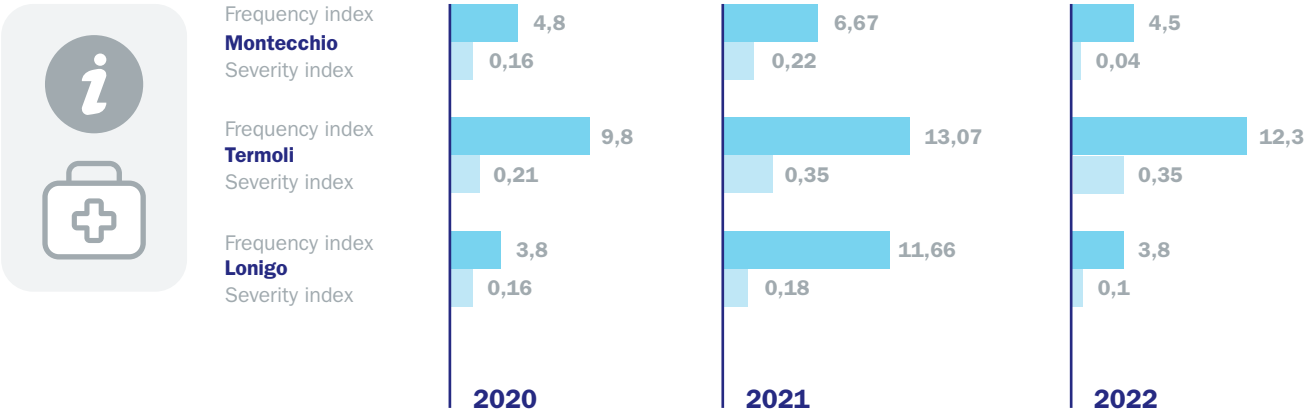
The number of accidents, which are decreasing, and the number of safety observations, also decreasing, are the result of the action plans put in place through the enhancement of the initiatives already in progress (e.g.: Security observation program).

For 2022, too, the death rate caused by occupational accidents was nil: no fatal accidents and no occupational diseases were recorded.

Technological investments, continuous training activities and the development of the Operational Excellence program, which has enabled a structural increase in everyone's focus on safety, are paying off. Certain that we are on the right track and extremely confident about the future, we are aware that we must never let our guard down and always strive for continuous improvement.

At national level, the average for the chemical sector of the frequency index is equal to 8,2. In FIS the values are slightly higher for the Termoli site (12,3), while the Montecchio site is equal to 4,5 and that of Lonigo 3,8.[3]

Frequency index* and severity index of accidents**



*The frequency index is calculated as the number of accidents/hours worked x 1,000,000
**Severity index is calculated as number of days lost per accident/hours worked x 1,000

To reduce the number of accidents and improve the working environment, we have also introduced worker consultation and participation processes. Employees can be kept up-to-date on the measures taken to ensure health and safety either through the dashboard, which are present in the departments, or through the plant committees, whose minutes can be consulted by the entire company population, and third-party advisory boards. Worker participation and consultation is also ensured in all the fulfilments required by the regulations in force (meeting under Art. 35 and inspections with Workers' Representatives for the environment, health and safety - RLSSA).

RLSSA are also involved in the introduction of new chemical syntheses in production departments and actively collaborate in risk assessments.

In addition, all workers can directly communicate improvement actions and potential accidents through the IT system, with access to the entire FIS population, and also collaborate in the definition of improvement actions together with the owners and the reference departments. Within the safety pyramid, we are putting the observations received at the centre of the improvement actions, in a proactive and interdependent approach.

[3] Source: Federchimica.

Investment and training

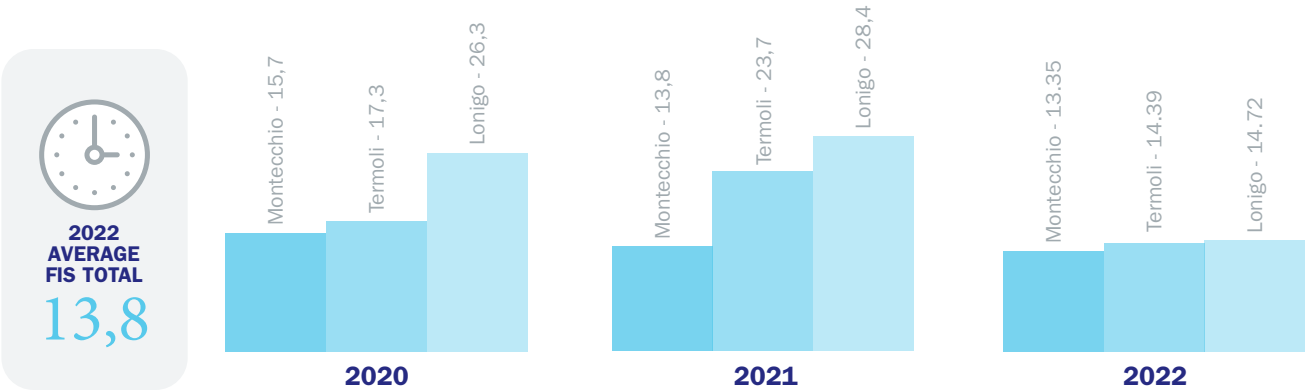
In recent years we have invested a lot in the protection of health, safety and the environment in our plants, completing important modernisation projects, in particular the revamping of the exhaust combustion plants in Termoli and Lonigo, and other projects related to waste management, energy, water treatment, as well as high containment technologies of very active substances such as HPAP, which are still being implemented.

During 2022, we continued to work on the operational Excellence program and expand the use of the Academy with coaching sessions and working on skills of **FIS Safety** leaders, to carry out actions aimed at increasing the skills of those on the front lines who intend working on safety.

The professional **training** of our collaborators is an indispensable requirement to increase a culture of safety and reach the goals of reducing accidents which we set. Training is in fact an effective tool to move from an activity that is always seen as reactive, that is, closely linked to the analysis of the accident and its prevention, to a proactive one, which helps to understand how to act so that the injury does not occur.

With this in mind, at the methodological level, in 2023, an evaluation method will be developed that will implement a policy of incentives for those who not only report but also make suggestions for solving EHS problems. In collaboration with the Human Resources department, we are implementing methods of evaluating people that lead them to acquire the ability to reinterpret working needs more proactively while trying to suggest new ways of prevention. For this reason, training activities will be organised to develop these tools.

Health, Safety and Environmental Training (per capita hours)



Finally, we decided to invest in a continuous health service at all three sites with competent doctors and dedicated nurses. The health service, in addition to fulfilling regulatory obligations, is also involved in continuous improvement tasks. Think, for example, of Epidemiological Observers, who pursue the purpose of monitoring employees who manipulate active ingredients with new specific mechanisms.

The company tracks the use of compounds for preventive purposes to protect the people who work there and also verifies the data collected annually.

3

Sustainability for innovation and development

Sustainability for innovation and development

Creativity and organisational efficiency are the main characteristics of our R&D team. We are engaged in challenging projects, with increasing complexity in terms of organic synthesis activities and analytical development, with the aim of industrialising robust chemical processes for the preparation of active ingredients.

Investing in Research and Development is essential for us both to ensure the technological development of our company and to remain competitive in the chemical-pharmaceutical sector.

According to Eurostat calculations, the impact of "Research and Development" (R&D) expenditure on the turnover of European chemistry is equal to 1,8%, while in Italy the average is equal to 1,2%. For 2022, the total investments in R&D by FIS were around 23 million euro, corresponding to about 3% of the company turnover, a clear sign of the value and importance we place on innovation and technological development.

R&D activities are carried out on two of the three sites: Montecchio Maggiore and Lonigo. About 65% is located in the Montecchio Maggiore site and is focused on development and production of new projects and products in the field of custom development and manufacturing in the general field.

Our Research&Development department is based on a "project-focused" operating model and on the integration, in the same R&D team, of Process Chemistry and Analytical Development.

Basically, it provides continuous synergy within a team of organic process chemists, analytical chemists and process engineers. The R&D team is also highly integrated with the industrialisation department for the technological transfer of the process in production plants. The R&D group has contributed over the years to the establishment of a substantial patent portfolio with 570 total patents.

TOTAL PATENTS
570

R&D is organised in 12 different research teams, each composed of 12 elements. Each unit can manage up to 4 projects per year at different stages of development. Overall, 45-50 projects are managed per year.

As well as the 12 main R&D teams, there are those dedicated to specific tasks: in particular, the Flow Chem and Biocatalysis team, the Process Modelling and Process Hazard team, the GMP Analytical Unit, that follows the new industrialisation campaign including the new process validations and lastly, a troubleshooting and process improvement team dedicated entirely to commercial production.

Currently, we have 12 synthesis laboratories, 8 analytical laboratories, 2 suites of laboratories for calorimetry, 1 laboratory dedicated to fermentation/ biocatalysis, 5 Kilolabs ISO8 class, including 2 dedicated HPAPI and 2 analytical laboratories for HPAPI compounds.

The share of R&D distribution of the Montecchio Maggiore site also includes a unit dedicated to the development of new generics, equal to 10% of the total R&D activities in terms of both staff and investments, while the R&D contingent of the Lonigo site, equal to 25%, is dedicated to the development of projects in the custom human field also in the in the veterinary field. In fact, this sector represents for us one of the business areas with the greatest opportunities for development in the coming years.

An important objective, started in 2020 and also pursued in 2022, in close collaboration with some clients and implemented on specific projects, is the development and industrialisation of processes in continuous flow and the application of analytical controls of "process in line", also called Process Analytical Technologies (PAT). The latter allow considerable reduction in the analysis time (up to a factor of 100) and reaction control compared to standard methodologies. In particular, these processes are composed of several phases: sampling from the industrial reactor, delivery of the sample to the analytical laboratory, preparation of the analytical sample, and of the analytical instrument, execution of the analysis, data interpretation and finally communication of the result to the plant operator. Specifically, in 2022 we implemented and validated a PAT method in one step for the production of a new antiviral API; at the moment, an additional PAT application for one of the main FIS productions is being studied in R&D, which will be transferred to production within the year.

The service offered by the R&D organisation is not limited to new business alone, but also the identification of the best analytical techniques for monitoring potential residual active substances in the water discharges of our production sites. During 2022, we extended monitoring to all the production sites.

Flow chemistry

In June 2022 a strategic investment was approved for flow chemistry. This includes the creation of multi-purpose skids, ready for use, to position and couple with existing systems to conduct a certain step in continuous flow conditions of a production sequence. The pre-creation of the skids for flow chemistry will allow a rapid process industrialisation. The application of flow chemistry leads to a reduction in plant size and often to improvements in process performance and reduction in energy consumption, all factors that contribute to improving the sustainability the new productions.

Sustainable production processes

Our process innovation is also aimed at identifying solutions for the reuse of solvents and precious catalyst metals, such as palladium. For palladium on carbon, 2022 saw the introduction of a new filtration plant of carbon directly from the flow, which has allowed a great improvement from an operational point of view thanks to the high automation, resulting in a reduction in time, both thanks to the greater degree of cleanliness resulting in the reduction of losses for handling and treatment.

Homogeneous palladium, on the other hand, by its very nature, is very difficult to recover, because it goes into solution and for this reason its recovery from the reaction environment is extremely complex.

Two actions have been implemented:

- expand the range of external companies that collaborate with FIS for the recovery of these materials;
- execute specific, in-house treatments to allow better recovery of metals that are processed in these solutions and on waste exiting the reaction system.

Since 2023, compared to the previous recovery between 0 and 10-20%, we expect to reach levels of no less than 50% recovery of these metals. For the future, the goal is to increase this percentage of recovery thanks to the refinement of some processes and also to the contribution of an Italian recuperator, introduced as a new supplier.

FIS is technologically capable of recovering solvents at all three of its sites.
The site in Montecchio Maggiore, in particular, provides a first-class distillation department consisting of 11 discontinuous columns, 2 thin-layer columns, 3 continuous columns, and a stripper dedicated to the recovery of low boiling solvents that form azeotropes with water.

Within the Lonigo site, an extension project of the distillery has been carried out, which is particularly important for the solvent recovery plants. The distillery, now equipped with 2 grinding columns, will see the installation of 2 discontinuous columns to upgrade the existing set-up.

Technological systems for solvent recovery

	Batch distillation	Continuous distillation	Thin film evaporation	Solvent dehydration
Montecchio	11	3	3	3
Lonigo	2 (+2 planned)	1	0	2
Termoli	10	0	1	1

In addition to the well-established solvent recovery capabilities, we develop specifically activated Lean projects when identifying economic savings opportunities with the possibility to reduce our environmental impact: since 2022, in fact, the Lean department quantifies the benefits of the projects it coordinates also from an environmental sustainability perspective.

An optimisation project on the Lonigo site has allowed us to significantly improve the performance related to the routine washing activities of the reactors using sprayball: this has allowed us to reduce by 28 tons the amount of solvents previously used and then destined for disposal, reducing by 30 tons the CO_2 emitted.

At the Montecchio Maggiore site, a specific distillation system was modified for a synthesis reaction, in which the presence of butane prevented the dedicated recovery of the solvent mix, forcing us towards the only solution of incineration.
The intervention allowed the distillation and fractionation of butane from the rest of the mixture, al-

lowing reuse of butane as a substitute fuel for methane normally used in our incinerator, toluene recycling for internal use and sale of the mixture of tetrahydrofuran and heptane.
As a result of this process change in 2022, about 680 tons of solvents were recovered, which were disposed of externally, and 5 tons of butane, which feed the furnace.

Total 2022 TON.	TON.
Butane[1]	5.58
THF- Heptane mix[2]	204.69
Toluene[3]	476.30

[1] The quantity of butane is estimated based on the composition of the flow exiting synthesis.
[2] First solvents mix sold externally.
[3] Toluene is internally recycled in the synthesis process.

However, our sustainable management of processes does not stop here: FIS also focuses on the reduction of volumes intended for disposal and replacement of the more dangerous raw materials, with the dual aim of reducing costs and environmental impact, increasing circularity solutions, also aimed at foreign markets, when the internal reuse is not possible.

Sustainable research and development

Interview with **ALFREDO PAIO**, Director of Research and Development

In what way has Research and Development in FIS contributed to sustainability goals?
For two years, the R&D department has been monitoring the PMI (product mass intensity, an efficiency index based on the total mass of materials used to produce a certain mass of product). Our research aims to reduce this index. In 2021 a reduction of 15% was achieved on the total PMI of the entire FIS product portfolio, in 2022 we confirmed and exceeded that target: we had -25% of approx. 2/3 of the projects. This means that we can produce with less raw materials and less energy, so sustainability and cost-effectiveness go hand in hand.

How do you engage people working in R&D towards sustainability goals?
We have linked individual objectives to the achievement of certain sustainability indexes of chemical processes. In addition, an element of evaluation is also the level of customer satisfaction index which monitors process satisfaction with well-defined questions given to clients about five specific fields of R&D activity.
By doing so, we are able to keep our researchers motivated towards important business goals.

What are the most interesting activities you are carrying out?.
In 2022, a strategic internal investment on flow chemistry was approved, one of those technologies that allows you to carry out cryogenic reactions, which are normally held at -80°, at -10°/-20°, resulting in significant energy savings and safer process management, with less use of raw materials and therefore also solvents. In 2023, a mobile plant will be built and assembled by FIS engineering: this flexible technology can be transported and attached to the plant where the materials are contained and then dissolved and made to flow inside the reactor. The flow thus produced allows 20% yield recovery, which translates into a reduction of the PMI with a major advantage in terms of sustainability.
In addition, we have extended to the Termoli and Lonigo sites the system for determining the quantities of potential residual APIs present in the aqueous flow coming out of the biological plant, a system already operating in Montecchio Maggiore. In September 2022, R&D invested in a dedicated technician and a tool that allows such monitoring in all three sites.

In recent years, we have acquired new skills and implemented specific projects using cutting-edge technologies, described above, that allow us to manage reagents more safety, to reduce environmental impact (carbon footprint), the dimensions of the production plants and the production times. The development and industrial application of flow processes is certainly a strategic area for our company.

Due to the regulatory environment of our industry, strongly constrained by the GMP (Good Manufacturing Practices) regulations, the opportunities to make changes to the chemical syntheses we develop on behalf of our clients are very small, from both an economic and regulatory perspective.

Despite this, we consider it essential to pursue an innovative approach in our processes, seeking new, more sustainable solutions that we constantly propose to our clients. Considering the entire portfolio of Custom R&D projects (42 in 2022) we were able to improve the original process in 27% of cases in terms of sustainability. In particular, the improvements recorded refer to the overall yield, the reduction in the volume of solvents used, the decrease in the consumption of raw materials and the recovery of catalysts made of rare and precious metals, which resulted in a **reduction in PMI "Product Mass Intensity"**[4] (which measures the ratio between the raw material mass and the mass of product obtained.

In 2021 a 15% reduction in the total PMI of the entire FIS product portfolio was achieved, in 2022 that target was confirmed and exceeded: the target we set ourselves was to achieve at least a 15% reduction in PMI in 30% of projects, **a target reached in 2022, with -25% on 63% of projects**, then about 2/3. We therefore succeeded in creating a virtuous circle in which sustainability and cost-effectiveness go hand in hand.

In the future, the RPG (Relative Process Greenness), derived from the PMI, could become the yardstick for companies like ours, to quantify the efforts of a company in reducing its environmental impact. In 2021 we had already defined the calculation algorithms on which this index is based and we will begin to apply them for new projects from the R&D phase.

[4] A PMI is an objective criterion for measuring an increase in the efficiency of a process, indirectly linked to an increase in sustainability during product development, from the laboratory to the industrial scale.

Environmental protection and continuous improvement of performance

OUR ENVIRONMENTAL SUSTAINABILITY OBJECTIVES

The environmental sustainability targets that we set ourselves in 2021 in line with the five-year strategic plan remain an indispensable guide also in the choice of investments and projects that we develop. The table below summarises our objectives.

	KPI	Target
	**Absolute emissions Scope 1 and 2 (tCO_2)**	Reduction in Scope 1 and 2 emission by **20%** by 2026 compared to 2020 levels
	**Water consumption (m3)**	Reduction in water consumption by **20%** by 2026 compared to 2020 levels
	**Ratio of waste disposal to waste recycling**	Reduction in ratio between waste disposal and waste recycling by **20%** by 2026 compared to 2020 levels

To reach the preset sustainability targets, we built a plan of action both through targeted investments and by allocating the necessary organisational resources in order to identify and evaluate the positive impacts of all our strategic investments, thus verifying their consistency with the objectives.

ENERGY CONSUMPTION AND EMISSIONS

The first point of our commitment to environmental sustainability takes the form of managing consumption and emissions as carefully and sustainably as possible. In fact, among the top 10 material topics identified by top management and our stakeholders there is the fight against climate change and the sustainable energy use.

The current historical period imposes on us the challenge of the transition towards more sustainable business models, in particular from an energy point of view, having to increasingly reduce the dependence on the use of energy produced from fossil sources, which in turn have significant impact on the amount of emissions released into the atmosphere.

20%

OF SCOPE 1 AND 2 EMISSIONS BY 2026, COMPARED TO 2020 VALUES

Currently, our energy consumption comes mainly from our production facilities and related utilities utility. Our decarbonisation strategy is primarily aimed at the implementation of new plant projects according to high standards of energy efficiency, together with the implementation of interventions for the generation of electricity and heat directly in production sites; in this direction it is also essential to pursue energy efficiency measures through the recovery of already existing energy which is not used efficiently, for example from the internal incineration of waste produced in our production cycles, and through the improvement of existing technological equipment, such as engines, compressors, refrigeration units.

Sustainability integrated in Operations

Interview with **MASSIMO MORGANO,** Industrial Operations Director

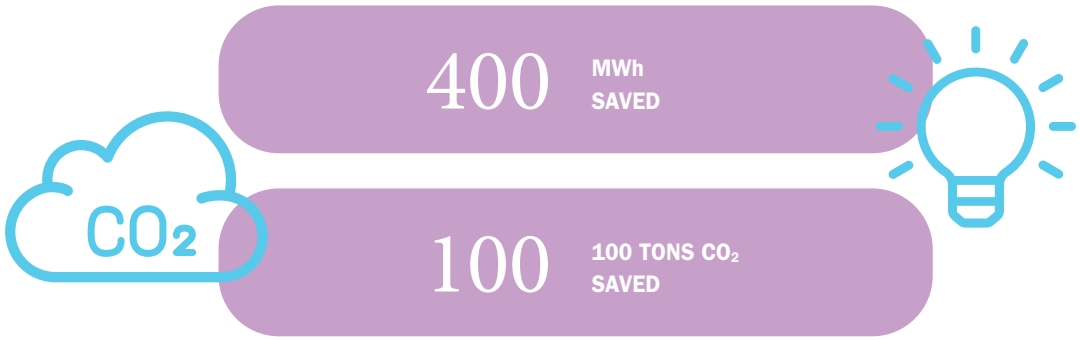
What actions are planned to improve the sustainability of FIS activities in the operations field?
There are many lines of action that we have identified in order to contribute to the achievement of our sustainability goals. With a view to improving waste management, the modernisation of key utilities such as the incinerator furnace at the Lonigo site will allow us to achieve greater efficiency in the management of internally produced waste, with a positive impact on energy management. However, for waste circularity, we have planned investments to increase our solvent recovery capacity thanks to new distillation units.
At the Montecchio Maggiore site, we are currently undertaking an important investment to protect the water, in terms of improving both the quality and the quantity used. Last but not least, I would mention the issue of combating climate change, which inevitably involves reducing greenhouse gas emissions from fossil fuels. We are both analysing new technological solutions for decarbonisation and developing actions aimed at the electrification of consumption, through the conversion of some plants and some important thermal energy users, such as distillation columns and heating systems, from steam consumption, which is obtained by burning natural gas, to other types of consumption, such as overheated hot water, which are obtained from plants similar to heat pumps. Once thermal consumption is electrified, the necessary energy can be easily obtained from different sources such as photovoltaic, wind or hydroelectric, allowing a substantial reduction in CO_2. In this context, it becomes essential to move in the direction of sourcing high volumes of renewable energy to support consumption and reduce CO_2 emissions.

Specifically, what are the FIS projects for renewable energy?
FIS is in contact with various suppliers to evaluate the construction of photovoltaic parks on the three sites. We are also actively working on the autonomous supply of energy from renewable sources through PPA contracts, that is, contracts between the producer of green electricity and the final consumer.
We have an important goal: to cover 100% of our electricity needs with energy produced from renewable sources.
Another important action is to identify solutions for improving energy efficiency. Technological innovation is fundamental both to replace natural gas with electricity in plants, and to use them with maximum efficiency: in this area we have always been at the forefront of looking for concrete and competitive solutions. From this point of view, we consider SDG 7.3 one of the key objectives to be pursued with utmost determination.

We also talked about water preservation, an essential resource, as the last two years of severe drought have shown us: what are you doing about it?
We are working on two fronts: on the one hand we are reducing consumption and on the other we are committed to preserving water quality, reducing and possibly eliminating the presence of micro-pollutants in the waste water of all our sites, implementing water monitoring and analysis plans in full collaboration with the authorities, designing and modifying production processes and creating new plants, such as Zero Liquid Discharge for the Montecchio site. This significant investment, located downstream of the existing waste water treatment plant, will consist of an evolved filter capable of collecting pollutants in a stream increasingly concentrated in a ratio of 1 to 100, which can then be economically sent for disposal. The remaining 99% is therefore water, which, passing from various purification and refinement steps, can be reused in plant services instead of being lost on final discharge. There are therefore two advantages: completely eliminate the micro-pollutants on discharge and drastically reduce water withdrawals. This is an act of responsibility on the part of the company towards the territory where it operates, which anticipates the regulations and complies with client requests.

In line with our objectives, therefore, we are acquiring electricity of certified renewable origin (guarantee of origin "GO") with increasing quotas, that within the horizon of the approved Industrial Plan will lead us to cover our entire electricity needs.

The context in which we operate, which has seen a significant increase in the cost of energy, has further given strong impetus to the planning of interventions in the field of energy generation and energy efficiency, strategic now more than ever.
In this respect, the **restructuring of the oxidation system of the biological tower in Termoli,** with a resulting reduction in energy consumption of the compressors (we will also consider applying this in Montecchio in 2023), **the use of the most energy-efficient filters (HiFlo) for the Air Treatment Stations** (sites equipped with impressive air recirculation systems) and the reduction in the energy consumption for **the refrigeration unit of department B in Termoli**. These actions will result in total energy savings of about 400 MWh and a reduction of over 100 tons of CO_2 per year.



To get to cover 100% electricity from renewable sources by 2026, we are therefore working to implement a sourcing strategy of electrical energy from renewable sources, both on the market and as self-production, and technological innovation, also targeting the long-term goal of decarbonisation.

As for the diversification of sources, we implemented the following actions:

- energy production in-house, such as thermal energy produced from revamping the incinerator system in Lonigo. The project began in 2022 and its completion is planned for December 2023;
- feasibility assessments for the construction of photovoltaic systems in the three FIS sites, for which we are in the evaluation phase with different suppliers and which should see the start of the design phase in 2024;
- autonomous supply of energy from renewable sources through VPPA contracts between the green electricity producer and the consumer.

Another important step towards the goal of decarbonisation is the **electrification of thermal consumption**. FIS is studying how to convert some plants and some important thermal energy users, such as distillation columns and heating systems, from steam consumption, which is obtained by burning natural gas, to other types of consumption, such as overheated hot water, which are obtained from systems similar to heat pumps. Once the thermal consumption has been electrified, energy can be obtained from renewable sources, such as photovoltaic, wind, hydroelectric energy.

Energize® Project Virtual PPA development

In November 2022 FIS joined the international Energize® program launched by Schneider Electric in 2021 and currently in its preliminary development phase, to promote access to renewable energy and reduce greenhouse gas emissions in the chemical and pharmaceutical sectors. Thanks to this unique program, FIS will be able to access the market of energy purchase contracts (VPPA) through a bilateral multi-annual contract that provides for the receipt of certificates to guarantee the green origin of energy.
The most innovative aspect of the project sponsored by some of our main clients is the creation of a "purchase group" of pharma supply chain suppliers which, by joining forces, will allow the addition of a new renewable production system.
The project, which will be completed by 2024, will cover part of the energy consumption in FIS.

Overall energy consumption (GJ)

TOTAL CONSUMPTION TOTAL ENERGY - GJ	2020	2021	2022
	1,018,746	1,011,338	994,621

ENERGY CONSUMPTION / TON OF PRODUCT - GJ/TON*	2020	2021	2022
	449	419	393

*per tonne of product refers to the total quantities of products invoiced in the reference calendar year

In particular, direct energy consumption mainly involves fossil fuels (mainly natural gas) used for heating, cogeneration and other utilities, while minority is attributable to the use of energy to increase waste. Almost all direct energy consumption comes from non-renewable sources (natural gas); as for indirect consumption, 32% of these originate from renewable sources.[5]

Compared to the previous year, our energy consumption, both direct and indirect, have slightly decreased despite the growth of production. The total electricity consumption per ton of product have therefore decreased by about 6%, highlighting for the fourth consecutive year a substantial improvement in energy management.

Direct and indirect greenhouse gas emissions - KPI#1 FRAMEWORK (tons $CO2_2$)

*Per tonne of product refers to the total quantities of products invoiced in the reference calendar year. In addition to greenhouse gases, our plants generate emissions of other substances, such as nitrogen oxides (NOx), sulphur oxides (SOx), volatile organic compounds (VOC), particulate matter (PM) and carbon monoxide (CO). Data corrected from the previous Report due to the technological improvement change of the SME system (continuous monitoring) for the Lonigo site.

[5] The consumption of the company fleet and the related emissions are excluded, as the amount of consumption is not material.

Our Scope 1 emissions mainly come from methane combustion, incineration of a share of waste generated by our production sites and combustion of process vents through thermal oxidisers; Scope 2 emissions arise exclusively from the use of electricity acquired from the national grid.
We put into operation, in January 2022, in the Lonigo site a new continuous emission monitoring system (SME) located on the chimney of the current incinerator furnace. The introduction of this technology allowed the continuous acquisition of emission data significantly improving the reliability of emissive data that were previously calculated with periodic chimney analyses.

The values measured in 2022 are therefore higher and not comparable with the emission values calculated in previous years, which will be revalued with the most appropriate methodological tools, also with a view to accurately reconstructing the historical series of CO_2. **It is therefore important to make it clear that FIS emissions have not changed in any way at operating level, but we simply made a recalculation with a scientific method that is more accurate than the past.**

Finally, it should be noted that the 2022 emission data have been verified by the auditing firm in charge of the activities of Limited Assurance of the three targets of the sustainability Framework and this Report.

In addition to greenhouse gases, our plants generate emissions of other substances, such as nitrogen oxides (NOx), sulphur oxides (SOx), volatile organic compounds (VOC), particulate matter (PM) and carbon monoxide (CO). For details on this type of emission, please refer to the annex.

THE NEW TRIGENERATION PLANT IN LONIGO

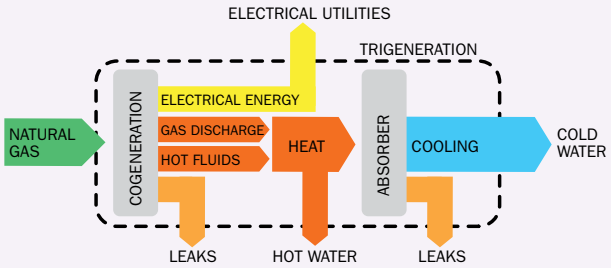
In 2023, in collaboration with a third partner, we will build a new trigeneration plant: this will contribute to the production of electricity, heat and refrigerators to significantly improve the energy efficiency of the production site in Lonigo and diversify its production, not only from the network but also from a plant that can produce onsite.

Specifically, the trigenerator will consist of a large combustion engine, which will burn methane and produce electricity, calories and refrigerators. The energy produced on site is generally less prone to waste and cheaper than that purchased from the grid.

It should be remembered that trigeneration technology is promoted by the European Community as a best practice to reach the targets set by SDG 7.3 on energy efficiency.

WHAT IS A TRIGENERATION PLANT?

A trigeneration plant is an energy production system that combines the simultaneous production of three forms of energy: electricity, heat and cold. These systems usually use a fossil fuel (such as natural gas or diesel) or renewable sources (such as biomass or solar) as an energy source to power an alternative engine or gas turbine.



The use of a trigeneration plant has several advantages, including a high level of energy efficiency, greater energy autonomy, a reduction in greenhouse gas emissions and greater flexibility in energy management.

Water, an essential asset

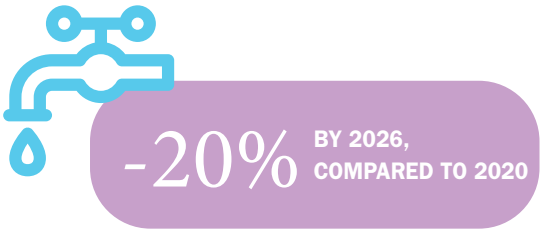
We recognise the importance of the water resource in all our production activities and we are committed daily to its proper use and management, through rational, sustainable use, in all production sites.

The water issue, apart from occupying a prominent position in the list of material topics for top management and for our stakeholders, has also been included in the Sustainability Framework.

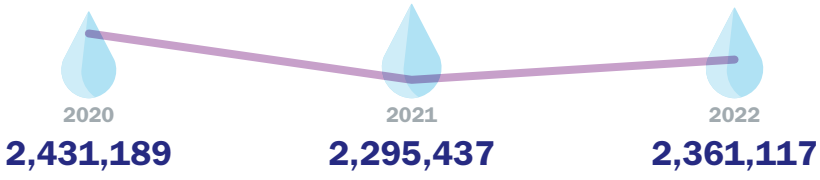
In particular, one of the three KPI identified relates to soft water consumption, for which the preset target includes a reduction in water consumption by 20% by 2026 compared to 2020 levels.

Most water resource procurement comes from groundwater to the sites of Montecchio Maggiore and Lonigo, from surface water to the site of Termoli.

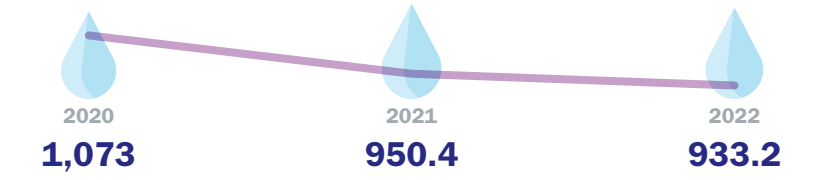
Water withdrawals for the three FIS sites are for the following activities:
- directly in production processes, i.e. chemical synthesis;
- for washing, cleaning and equipment reclamation activities;
- for cooling and steam production.



Total water withdrawals 3 plants - KPI#2 FRAMEWORK (m³)



TOTAL WATER WITHDRAWN - m³	2020	2021	2022
	2,431,189	2,295,437	2,361,117



TOTAL WATER WITHDRAWN PER TON OF PRODUCT* - m³/t	2020	2021	2022
	1,073	950.4	933.2

*per ton of product refers to the total quantities of products invoiced in the reference calendar year.

Our absolute total water withdrawal has remained stable despite our company expansion, which has substantially quadrupled in turnover and number of employees in the last 15 years. The 2022 result shows a slight deterioration compared to the previous year, but at the same time a clear improvement in the withdrawal values per unit of product turnover. The excellent reduction data is approximately 13% of the total water withdrawn per ton of product, compared to 2020 data, it is continuously decreasing according to a trend which is now consolidated: it is without doubt a strong sign of how we have managed to expand our production while decoupling our growth from environmental impact and thereby showing commitment to the chemical sector of “doing more with less”.

Projects to reduce water consumption focus on researching and eliminating small-scale wastewater utilities and improving the quality of treated water in wastewater treatment plants, so that it can be reused. This approach is not new: in fact, over the years we have continuously invested resources to gradually reduce the amount of water withdrawn and drained. The main sources of water discharge in our sites are represented

by waste water produced by chemical, physical and biological processes managed by water treatment plants.

The aim of these measures is to significantly reduce the pollutant load from the plants. These plants are monitored through a periodic chemical analysis plan, regulated by a specific procedure for the monitoring and control of wastewater, managed by the operating department.

SAFEGUARDING WATER QUALITY: MONITORING API IN WASTEWATER

Recently, particular attention was paid to the control of micro-pollutants in waste water, especially in the Montecchio Maggiore and Lonigo sites. These sites are in fact located in an area particularly contaminated by PFAS (perfluoroalkilic substances or perfluoroacrylic acids), although not because of our production cycles. It is a group of hazardous chemicals because of their ability to accumulate and persist in the environment, with effects on human health that are not yet fully known.

In this general context, we have worked to extend the monitoring of APIs and their metabolites that may be found in the aqueous flows after the chemical-physical and biological treatment, already existing at the Montecchio Maggiore site, also to the Termoli and Lonigo sites.

FIS pays particular attention to the verification of non-regulated substances in wastewater, which leads to reducing as much as possible its impact on the territory.

An additional effort to minimise the risk of contamination of the subsoil that could result from occasional leaks was made with the construction of a more modern **tank containing process water in Montecchio to replace the previous existing**: it is a tank equipped with sensors, which allows a more effective and continuous monitoring of the water to be sent to internal treatment for the removal of pollutants.

However, we consider the issue of reducing consumption and protecting water quality to be strategic, for the benefit of the whole territory also in the light of the difficult hydrological context of recent years. For this reason, FIS has planned an important investment for 2023: it is the new Zero Liquid Discharge (ZLD) plant in Montecchio Maggiore.

THE NEW "ZERO LIQUID DISCHARGE" PLANT IN MONTECCHIO MAGGIORE

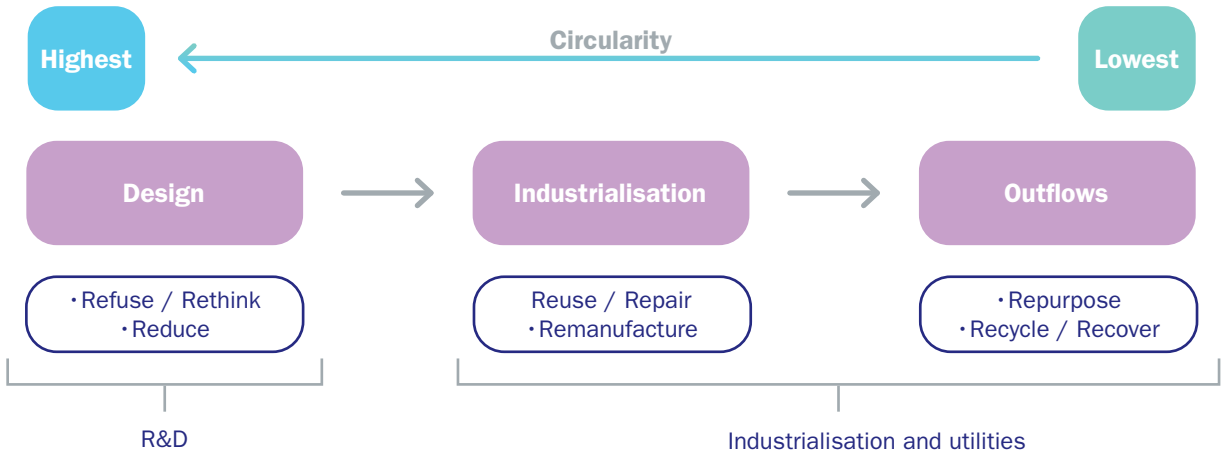
The ZLD project in Montecchio, which will be completed in 2023, is very important from a strategic point of view, as it will allow a drastic decrease in water consumption. It includes the realization of some steps of refinement of the internal purification treatment of industrial wastewater (downstream of the existing "biological plant") which will remove the residual pollutants and produce water of a quality suitable for internal reuse in the plant utilities. The plant consists of a set of devices using membrane technologies (ultrafiltration, softening and double reverse osmosis passage) combined with multiple effect evaporation.
This new investment will guarantee the saving of at least 20% of the total water used by FIS (about 50% of withdrawal in Montecchio Maggiore), which corresponds to 600,000 m^3 of water per year: the amount, to be clear, that could fill about 250 Olympic swimming pools. In addition to taking less water, we will not drain it outside: the realisation of the ZLD will allow zeroing of the water drains on the site in the consortium sewer. The plant will also allow the recovery of thermal energy from the incineration plant, efficiently feeding the multiple effect evaporation phase. This is also important, because it will allow us to use the energy we have more efficiently, by limiting the additional consumption of electricity.

Circular economy and waste

Our industrial sector plays a fundamental role in the production of waste due to the chemical synthesis processes that generate large quantities. Therefore, it is essential that waste management takes place in full compliance with current legislation, following a strict hierarchy of actions.

Our model for the approach to circularity can be exemplified in the diagram below, which begins with the rethinking of chemical synthesis processes during the initial stages of research and development up to the stages of recovery and reuse of by-products at the end of industrial production.

This approach allows us to adopt circularity criteria during all stages of process development, in order to manage our activities more responsibly and reduce our impact on the environment.



The first "Rs" refer to the choice to minimise the use of materials or products that cause negative environmental impacts, such as toxic or difficult to dispose of materials, rethinking production processes to identify possible areas for improvement. By doing so, we can find ways to reduce the waste generated and optimise the use of resources by reducing their use.

The "R" in the central phase of industrialisation concern the reuse of resources such as water and some materials and solvents through purification processes through distillation and fractionation, conducted internally or externally to our sites.

Finally, the latest "Rs" are linked to the final phase of production with the identification of solutions for the recovery of solvents and precious catalyst metals, allowing a more prudent use of resources and with less productive waste.
In short, this logic allows us to improve the efficiency of our operations by adopting more sustainable practices at all stages of production.
Aware of the growing importance of this issue in the transition path of the business to increasingly sustainable models, in the current year, we intend to further enhance this approach to circularity thanks to an analysis project focused on identifying possible points of improvement of this complex process.

In accordance with these actions, waste prevention must be implemented by reducing the quantity and danger of waste, supporting reuse, recycling and other forms of waste recovery. This approach begins during the research and development phase and continues during the large-scale production phase of all chemical syntheses. Reaction mother liquor, the liquid in which the chemical reactions of synthesis take place, make up the majority of the waste we

produce. This waste, separated from the finished product – the active substance – must be carefully managed from both an environmental and economic point of view.

To reduce waste disposal in 2022, an important diversion of flows from destruction to recovery was implemented: this is an important issue, linked to the third target of the Sustainability-Linked-Bond. At the Termoli site, for example, a **conversion project from press belt to sludge centrifuge** was implemented, which has allowed a reduction of almost 1/3 of disposed sludge. In biological plants, the bacteria produced are born, grow and die and are deposited in the form of sludge, which is extracted, dehydrated and delivered either to landfills or external treatment plants for their final destination. A machine was installed at Termoli to reduce the aqueous component of the final waste, passing to 70% water from the previous 82%. This, as a result, allowed to reduce the tons of mud that are sent out equivalent to only one tanker per week compared to the previous two.

We operate in full transparency in waste and wastewater management with our stakeholders and local communities, who have a considerable interest in how we handle waste and wastewater from production.

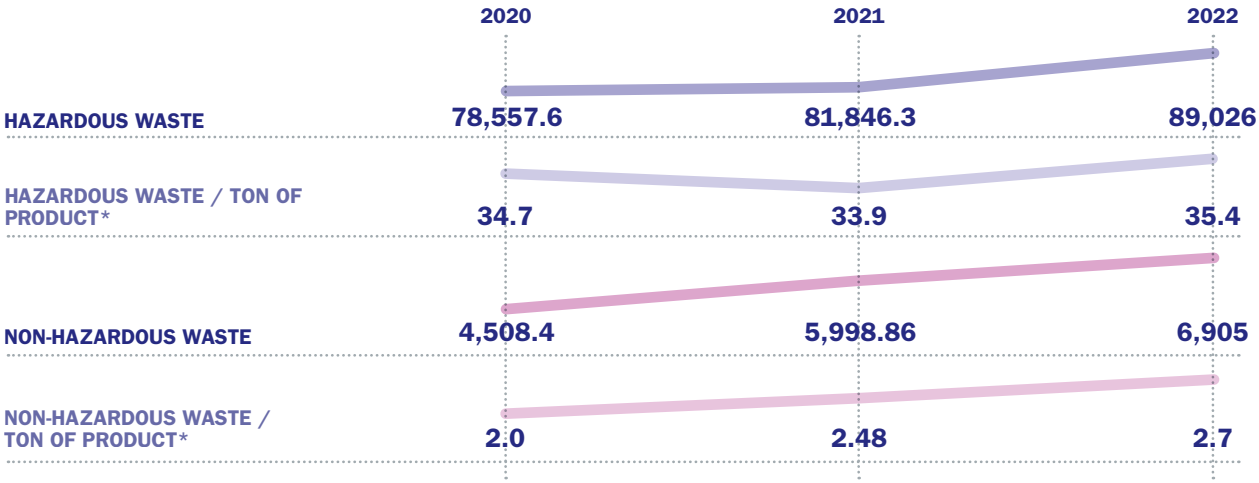
The issue of waste, in addition to being among the high priority material topics, was also considered for implementation of the Sustainability Framework. In particular, one of the three targets of the initiative is to reduce by 20% by 2026 the ratio between waste disposed and recycled waste compared to 2020 levels, in order to significantly contribute to decoupling between economic growth and the consumption of raw materials, encouraging their reuse.

-20% OF THE RATIO OF WASTE DISPOSED OF AND RECYCLED COMPARED TO VALUES BY 2026, COMPARED TO 2020

The company's current strategy envisages – right from the industrialisation phase of new processes, but also reviewing older processes – the identification of by-products to be exploited through internal or external third-party recovery and internal disposal. Only as a last resort, disposal solutions at external facilities are identified.

In addition, we can count on the capabilities of a lean manufacturing team that promotes an approach to continuous improvement with a focus on production processes and services, especially those related to important waste, water and energy utilities.

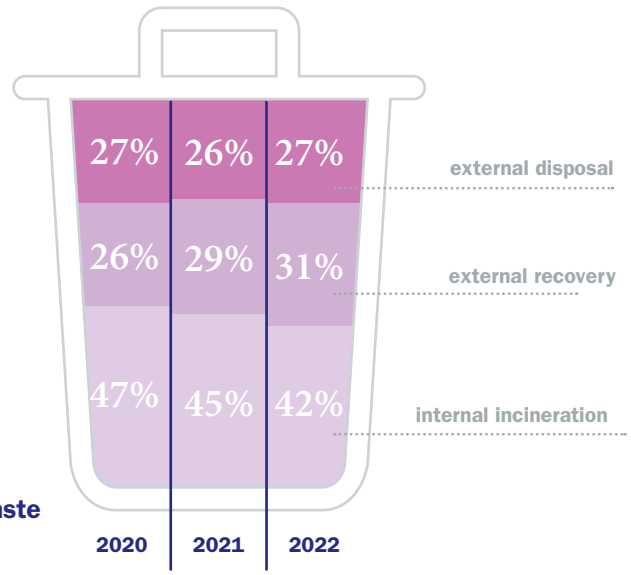
Hazardous and non-hazardous waste produced (tons)



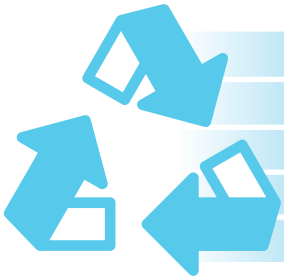
Our waste production is increasing in absolute value, in linear progression with respect to turnover and production. On the other hand, the intensity value of the waste produced (per unit of finished product) remains substantially stable.
Finally, we are very satisfied with the significant progress towards achieving our 2026 waste target, mainly thanks to the significant increase in the share of waste destined for external recovery: this is growing mainly thanks to the commitment that we demonstrate during all phases of industrial development, constantly pursuing solutions of circularity.

EXTERNAL WASTE DISPOSAL (tons)	25,821
EXTERNAL WASTE RECOVERY (tons)	29,325
% RATIO (KPI#3 FRAMEWORK)	**88,1%**

Type of disposal envisaged for hazardous and non-hazardous waste (%)



Despite these significant results, there are stringent constraints that limit the possibilities of increasing recovery and reuse of by-products within chemical synthesis. In our sector, the rules laid down by the good manufacturing practice of the sector (GMP) must be respected. These rules, in order to guarantee the protection of the final consumer of the medicinal product according to a legitimate precautionary principle, greatly reduce our potential for improvement.



RECYCLED SOLVENTS	
Montecchio*	**49%**
Lonigo*	**70%**
Termoli*	**50%**
FIS TOTAL	**29,419 tons**

* The percentage refers to the total amount of solvents recycled and used again in the same chemical synthesis. Data do not represent the recycling rate compared to total FIS solvent consumption

Only as a residual choice compared to the privileged logic of recovery and reuse described above we can count on an internal incineration capacity that allows the effective management of a large share of waste, with recovery of combustion heat, which can be used as an energy carrier for production purposes, while controlling emissions with cutting-edge abatement systems.

THE NEW LONIGO INCINERATOR

The modernisation of the Lonigo incinerator is part of the FIS strategic projects and will allow more effective waste management by further limiting disposal to external incineration plants, thus reducing the overall impact of heavy traffic also from the point of view of CO_2 Scope 3 type emissions.
The current incinerator, which deals with vent currents and plant liquid waste by combustion, was built in the late 70s.
With this new investment we will implement several technological solutions aligned to the BAT (Best Available Technologies) already positively evaluated by the competent Authorities during the authorisation phase prior to the intervention. Among these we will use bi-fuel technology, which uses solvents-waste in the combustion phase.
By changing the type of combustion technology, we could also inject organic solvents, which gives us the opportunity to have a more modern and flexible technology to manage waste, with a more effective economy.
This type of burners limits the consumption of methane to the heating phase of the furnace, while in normal use the methane only feeds the pilot flames. The reduction of methane consumption on par with treated waste is therefore very significant. All these improvements will allow us to significantly improve our CO_2 per ton of waste incinerated. We can then be more flexible in the supply of the furnace, also allocating waste quotas of the other sites, allowing us to save heavy traffic for external waste disposal.
Last but not least, the issue of business continuity: the achievement of greater autonomy in terms of disposal capacity reduces the dependence of FIS on third party operators in an increasingly saturated market.

4

We share value with our stakeholders

We share value with our stakeholders

Our success is the result of dialogue with our employees. We always listen to our stakeholders' needs to generate shared value.

Over the years, we have understood that collaboration with our partners and our clients is essential to achieve the goals we have set and to ensure the highest quality and safety. Reliability in handling customer requests, customer satisfaction and the ability to offer new services and products are key elements for continuing to operate successfully in a competitive and highly customised market. FIS is committed to welcoming in a positive way the opportunities for growth in all business lines, establishing lasting and collaborative partnerships with a restricted number of key customers increasingly attentive and sensitive to the sustainability aspects of our business.

Clients

During the stakeholder engagement process, it became clear 'occupational health and safety' and a 'sustainable supply chain' are given particular attention in all activities and initiatives.

Our management approach to quality, including customer satisfaction, is formalised in the Quality Manual and is defined in the Quality Management System (QMS) in accordance with UNI EN ISO 9001:2015 and GMP (Good Manufacturing Practices), the set of rules defining the methods, means and modes of managing the production of pharmaceutical products in order to ensure their appropriate quality standards.
A distinctive element of the Quality & Compliance organisation is the allocation of resources dedicated to customer contact for both product quality issues and support of regulatory requirements.

The satisfaction of our customers is measured by key performance indicators (KPIs), such as the percentage of complaints received compared to the number of shipments or batches shipped. We also adopt a weighted index of non-conformity reports found during customer audits at sites.

These indicators are subject to analysis and comparison both in periodic reviews with our clients (Business Review), and in formal documentation, such as the Annual Product Review, issued per individual product and the Periodic Quality Review, conducted annually on each site. Efforts to improve and standardise management criteria for high potent active ingredients (HPAPI) continue in this direction, also thanks to a joint project between the Health, Safety and Environment (HSE) and Quality Assurance (QA) departments.

The importance of listening to the client

LUCA PARLANTI
Custom Sales Director

GIANLUCA SCHIAVONI
Generic Sales Director

How does sustainability influence relations with clients?
Sustainability is a key issue for many of our clients who aim to integrate it into their supply chain. Consequently, it is essential that we constantly align ourselves on this aspect. We have already made concrete progress in this regard in recent years and we expect our clients interested in sustainability to appreciate these actions and choose us more and more often for this reason.

How have you addressed the challenges of rising costs and what challenges do you expect to face this year?
2022 was a busy year, when we had to face the difficulties of rising energy and raw material costs. Only through a collaborative and shared approach with our business partners have we been able to absorb the negative effects and ensure the continuity of the supply chain. This year we expect to face new challenges linked to the effects of the pandemic and the situation in Ukraine. We are committed to listening to our clients' needs and adapting our service accordingly.

What are the long-term goals as a supplier in this specific period?
As FIS, customer satisfaction is our top priority and we put all our resources at our customer-focused service of customer-centricity. We try to anticipate clients' needs and offer innovative solutions that meet them. This is reflected in our investment choices, the implementation of client projects, product development and the quality of our customer care. Our long term objective is to continue to strengthen our offer and, as a result, invest, creating partnerships with our main clients and guaranteeing sustainable growth.

Our quality, safely

We consistently and punctually offer our products in accordance with the highest international standards, which are also guaranteed by quality and health and safety certifications at all our production sites.

Some of the activities implemented for the validation and qualification of plants and systems, as well as the qualification of suppliers, find a central and indispensable element in the Quality & Compliance department. The department is equipped with a procedural system based on guidelines and specific site operating procedures, ensuring, at the same time, compliance and flexibility. All process, documentary and analytical controls are aimed at the production of active ingredients that comply with registered specifications and GMP regulations, so as to ensure efficacy and patient safety, through qualitative process management, including the handling of deviations, complaints, rejections and out-of-specification, training, process changes and others.

In addition, the Regulatory Affairs department and the Subject Matter Expert directly monitor, through interactions with clients or manufacturing associations, the evolution of national and international regulations to ensure the system and product specifications are constantly aligned with clients' and authorities' expectations.

We work in synergy to ensure quality and safety in order to protect end consumers and our employees at the production sites. Thanks to this objective, we share the criteria for the safe classification and management of Occupational Exposure Band (OEB) substances, in compliance with Permitted Daily Exposure (PDE) values, necessary to establish the cleaning criteria of production plants and to guarantee the high standards of product quality that distinguish us and push us to improve every day.

Data integrity, quality risk management and continuous improvement are lastly the cornerstones of our quality system.
The inspection activities continued between the end of 2021 and 2022 and were successfully completed. Note that **AIFA** divided the inspection in the Montecchio Maggiore plant into two parts: the

first in October 2021, the second in May 2022. This is a fact that can be positively recorded as it indicates the impossibility for the Authority, in one week, to examine all the essential changes and modifications of plants and products that have been made in the plant, testifying, therefore, the continuous evolution of FIS. The AIFA inspection in Termoli was instead conducted in September 2021, the inspection in Lonigo in October 2022.

As for Certiquality audits, in 2022 the integration process between the Quality Management Systems and HSE began, which will lead in a two-year period to joint certification with HSE for the three sites for ISO 14001 and ISO 45000 standards. This will also be combined in 2023 with the 9001.

THE TOTAL QUALITY PROJECT IN TERMOLI

Following the strong growth, both in terms of investment and personnel, experienced in recent years by the Termoli site, which has acquired an increasingly important role in the production and strategic plan of FIS, the Molise-based plant saw the launch of the "**Total Quality Initiative**" project with the aim of improving and standardising the production and management processes, the quality culture of the operators and the levels of automation and control. A multi-disciplinary team was created, led by the director of the Corporate Quality Assurance department: to date there are three figures dealing with quality issues, dedicated to the departments that have greater volumes and diversity of production. The goal is to increase commitment and awareness of operators for the Total Quality staff and the top figures of the Operations area, at the same time working to create a more similar organisation chart, including at quality level, to those in Montecchio and Lonigo.

For this purpose, face-to-face training was given, with training outsourced and support via high-ranking staff. With the "Quality Together" initiative, we wanted to spread and increase the skills to improve the quality of production and services also in the Termoli site. The goal is to achieve a cultural change that leads to having a common language, to understand and overcome executive difficulties, which makes "operating models" the best ways to perform the work tasks. Training plans were also launched with the support of recognised companies specialising in the world of API production, implementing a comparison of skills and roles with the engagement of site management and an analysis of any operational obstacles to work as a team.

From September 2022, the first activities aimed at the operational area began:

- GMP refresh sessions on GDP and GMP were organised for staff who have the responsibility to coordinate and enhance their employees, held by a qualified service provider in specialist training tasks in our sector;
- meetings were held on specific topics with a direct interaction model with management of the Termoli site
- innovative forms of communication were adopted on some fundamental concepts that regulate the world of API production to achieve a new style of GMP application;
- resources have been made available to the API production facilities for verification of the correct execution of operations.

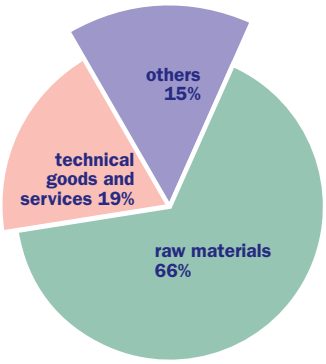
For the automation aspects, the pilot project was completed in 2022 called "**TCBM - Tracking packages on the machine** for Termoli's B department, a system that integrates through an enhanced WIFI network the ability to track each raw material loaded on the reactors, effectively eliminating the possibility of error, with important safety and cost implications. The plan is to extend it in 2023 to the A department of Termoli, Montecchio and Lonigo, starting from department 3C.

Suppliers

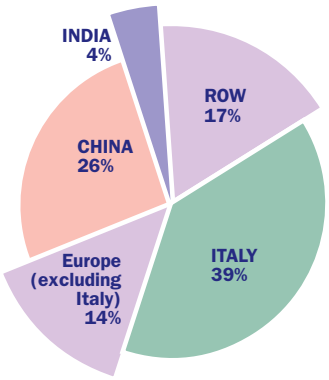
A supply chain of international dimensions to create value for our clients.

The supply market in which we operate for the purchase of raw materials is global in scope: more than 40 countries, with a strong concentration in the Far East, particularly China. Strategically, we have a representative office in Shanghai and one in India.

type of supplier



purchase volume per country in % (per producer receipt)



The supply chain structure is centralised at the site in Montecchio Maggiore, in the province of Vicenza.

The main goals of our supply chain are:

- creating value through a sustainable approach aimed at ensuring full compliance with aspects of corporate social responsibility, safety, health and environment and product quality;
- risk management, i.e. risk minimisation in the supply chain, ensuring business continuity through extensive knowledge and constant monitoring of the target market;
- optimising costs by being able to identify the best opportunities and innovations in international markets.

At FIS, we seek to develop sustainable partnerships with selected suppliers that are based on shared values, especially with regard to ethical and environmental principles. Collaboration and integration with suppliers is guaranteed above all by the presence of a Supplier Portal (Supplier Relationship Management – SRM) and by a well-defined assessment plan of their performance, through pre-audits, technical visits in their plants, periodic quality audits and continuous monitoring of the supplies. This platform can in fact rationalise internal information, making it more accessible, and automatically receive information from external databases, such as Cribis® , for the assessment of the economic performance of suppliers, and Ecovadis® , for the assessment of sustainability of same.

Supplier selection and verification process

Relations with suppliers of raw materials and services are regulated by specific company procedures. In detail, the raw materials required for the company's activities are classified according to different criticality levels. Based on the latter and the performance of the suppliers, on an annual basis we draw up an audit plan, which we follow either remotely or on site. In order to ensure that the audits could be carried out in attendance, despite the restrictions caused by the pandemic, we promptly entered into agreements with independent auditing agencies in China and India to perform the audits. In addition to the assessment for approval during the qualification phase, the use of suppliers is also subject to the timely quality control of all supplies, in order to constantly monitor the level and to check compliance with previously agreed specifications.

To allow careful monitoring of even the most distant strategic suppliers, our partners in the Far East are checked by our **office in Shanghai**, which has the task of periodically carrying out pre-audit assessments, technical audits on-site, quality audits, as well as business review meetings with central Procurement. Following lessening of the effects of the Covid-19 pandemic, in 2022 the rep-office in Shanghai was reorganised and made even more efficient, improving the work in synergy between Procurement and Logistics. Having FIS staff on site allowed us to anticipate the problems, remaining in close and constant contact with suppliers even before production starts, and we can work on developing targeted relations with strategic suppliers, for their skills growth and the continuous improvement of services with a view to ensuring the quality of delivery. This represents an additional element of stability, quality and protection for FIS.

It is our practice to directly handle the shipments of the most critical and highest value raw materials in order to carry out a timely and precise control over the entire chain. Transport is mainly by sea and only in exceptional cases do we resort to air transport. While the timing relative to the distance of the embarkation port to that of disembarkation in 2021 was very high, one can instead divide 2022 in two halves: the first one remained identical to 2021, with strong criticality of available spaces and transits highly variable; instead, from July 2022 onwards, there was a progressive improvement of shipping service, stabilising between November 2022 and January 2023. Related costs were also more stable: sea freight decreased rapidly in the last months of 2022, returning almost to the same prices of 2019, a factor that brought great benefit both for transit and for the reliability of the supply chain in a logistical and transport sense. For 2023, we plan to reinforce the supply chain using a real time tracking system of the shipments in order to control variability, to reduce as much as possible the impact of having to resort to deliveries by air.

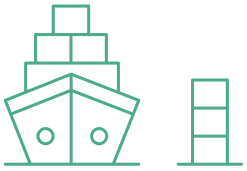
Potential risks and critical issues in the supply chain

The spread and persistence of the pandemic situation, especially due to the extensive lockdown in China during the very first emergency phase, confirmed the already existing concerns regarding the extensive dependence of the entire chemical-industrial sector from this specific geographical area. In order to react promptly to possible shortage in the supply chain, we reorganised the internal production of some raw materials by taking steps to qualify more suppliers.

In an optic of geographical differentiation and consequential derisking, the Procurement department enabled a research project of raw materials with precise characteristics, appointing a sourcing company in Shanghai, but operating around the world. This action alone with lead to savings approximately 10-20 times higher than the investment.

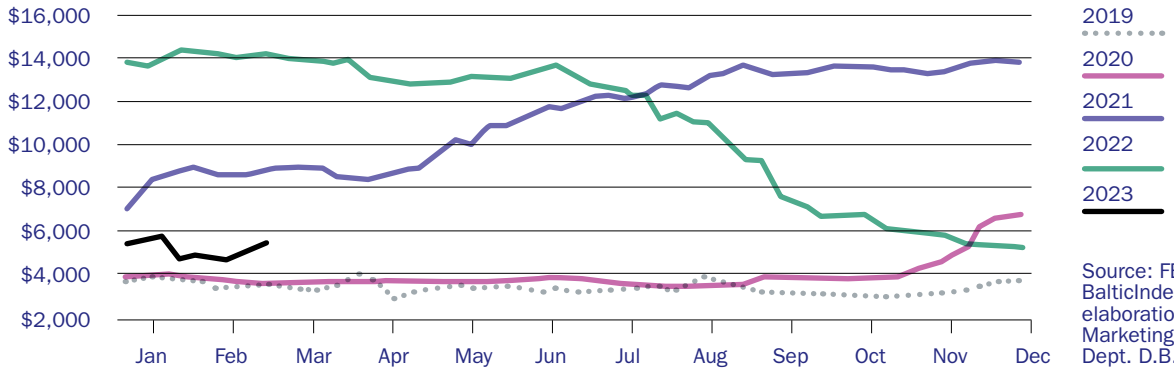
In fact, during 2022 the company expanded its scope of suppliers, drawing up contracts with more than 100 new vendors, both for raw materials, in relation to which the Quality Assurance (QA) department promptly informed the team in charge of their analysis, and for the main products, ensuring and maintaining high quality standards.

-72%



The cost of transport for a container at the end of 2022 has dropped to approx. 4,000 €
(- 72% compared to the beginning of 2022)

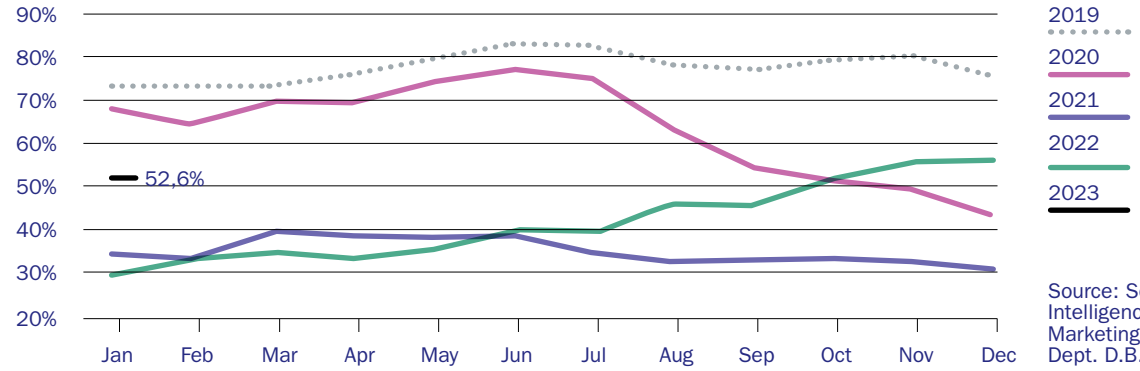
China / East Asia to Mediterranean



Source: FBX Freightos BalticIndex. Internal elaboration Data & Marketing Intelligence Dept. D.B. Group Spa

Besides the decrease in transport costs of the container, there was also an improvement in the reliability of the deliveries: it increased from approximately 30% of arrivals on time to over 50%. The diagram below illustrates the percentage of reliability average of the carriers that met the times previewed for the orders.
Compared to 2021, there was a significant improvement, even if we are not yet at pre-pandemic levels.

Average reliability of carriers (punctuality of delivery)



Source: Source: Sea-Intelligence; Data and Marketing Intelligence Dept. D.B. Group Spa

Public bodies and institutions

In carrying out our business, we pay particular attention not only to the relationships established with suppliers and clients, but we are always very attentive to what is outlined by the most important national and international health authorities.

Among the authorities we regularly deal with, for written communications relating to proprietary dossiers on generic products or in support of custom clients or for the renewal of licenses and any adjustments to new regulations, we have the Italian Agency of Medicine (AIFA) and the Ministry of Health, as well as some of the main health ministries around the world. Interactions with AIFA and the Ministry of Health mainly concern the submission of claims, the modification of the Drug Master File (DMF), the application for drug export permits and conducting site inspections with their follow-ups. Our industrial nature has always meant we have been part of the Italian industrial confederation system, in which we hold representative roles within the chemical section of Vicenza. We are also in constant contact with the local territorial authorities (ARPA, Provinces, Municipalities, Civil Protection, etc.) where our plants are located.

In addition, we have been members of professional associations and organisations for years, such as The European Chemical Industry Council, Active Pharmaceutical Ingredients Committee, European Fine Chemicals Group (**EFCG**). This allows us to stay up to date on trends and industry dynamics. With this spirit, in 2018 we also joined the Pharmaceutical Supply Chain Initiative (**PSCI**), a non-profit organisation founded in 2006 in the United States, which aims to establish and promote responsible practices that improve social aspects, environmental and health and safety of supply chains in the sector in which we operate.

We have been members of the **Drug, Chemical & Associated Technologies Association, Inc** for many years. (**DCAT**), a non-profit association in our sector which deals with developing collaborations and skills among corporate members. Finally, through our Sustainability Manager we have jointed the Italian network of sustainability professionals "**Sustainability Makers**" (formerly CSR network).

Particularly profitable and recurrent through multiple projects developed over the years is **the relationship with Confindustria Vicenza and the Department of Business Administration at the University of Verona,** which has resulted this year in the participation of FIS in the project entitled "Sustainability: instructions for companies", which was officially presented by our Sustainability Manager.

Relations with local communities

Once again this year we have decided to support and pay special attention to our territories in line with the steady growth in the contributions we provide to the many entities operating there. We have therefore participated in multiple initiatives and, where possible, supported the requests that came to us by evaluating them on a case-by-case basis.

We are happy to report that in 2022 we have recognised more financial support than in 2021, mainly for youth sports activities, cultural events and numerous charities. We were pleased to send out a signal of our presence in line with the restarting of many aggregation and social activities inevitably held back by the health emergency. In this sense, we plan to renew our commitment for the coming year as well.
Dialogue and discussion with our local communities has always been an opportunity for growth and improvement.

Commitment to the world of education

At FIS, we strongly believe in the value of education and in 2022 continued the publication and distribution of the school diary, now in its sixth edition, which pursues the aim of conveying positive content for the children's growth, proposing topics ranging from knowledge of chemistry to environmental sustainability. The theme of the School Diary in 2022 was created with the aim of encouraging our children to discover the fascinating world of chemistry and science, exploring the elements and the periodic table. This project has grown over the years to reach more than 4,000 families in our area.

We have always cultivated relations with schools through a variety of activities and projects: school visits to our production sites, orientation days for choosing a course of study, donations of teaching materials, university internships and school-to-work experience courses. The pandemic situation in 2022 unfortunately forced us again to limit our efforts, interrupting most of the projects that we carry out annually thanks to the passion and dedication of many colleagues. However, we managed to guarantee the start of 10 work experiences/internships at our three sites.

In March 2023, the EHS environment activities carried out in collaboration with the Masters in Strategic Environmental Management and Security Engineering at the University of Padua began again.

We are proud to announce that FIS is among the 9 partners (6 international universities and 3 companies, including FIS) of a winning project in March 2023 as part of the **EU HORIZON 2022 Program.**

The project will last four years and involves the activation of six PhD programs, which will work on the research and development of catalyst methodologies using non-precious and more sustainable metals.

In addition, three doctorates with the Faculty of Chemistry and Physics of the University of Trieste are being opened, focusing on topics with strong effects on sustainability:
- the development of synthesis methods using non-precious metals;
- implementation of cleaning verification logic through innovative equipment and methodologies;
- assessment of the applicability of spectroscopy in the determination of APIs.

5 Methodological note

5

Methodological note

This document represents the sixth Sustainability Report by FIS, drawn up annually, through which we want to inform a wide and diverse audience of stakeholders (citizens, institutions, local communities, media, shareholders, financiers, employees, suppliers, clients, authorities, etc.) of the choices, activities, results and commitment to ESG (Environment, Social and Governance) for a sustainable future. The goal is to ensure an understanding of the activities carried out by FIS, its performance, results and impact.
In drafting the FIS Sustainability Report, reference was made to the principles of the guidelines of the Global Reporting Initiative (GRI), the international reference standard for non-financial reporting, in the GRI Standards version, with the aim of providing an instrument for agile knowledge in communication that is precise in the representation of results, giving a concrete and quantitative measurement of performance obtained. The Report, in fact, is the main tool to report the performance of corporate sustainability, enhancing the commitment, initiatives and the continuous process of dialogue and listening with reference stakeholders, employees first and foremost. The reporting scope of the Financial Statements consists of the activities carried out by FIS S.p.A. during 2022; therefore, the facts, data and information relating to the other companies of Holding FIS are excluded. The data, initiatives, projects and actions reported refer to the time period from 1st January 2022 to 31st December 2022. However, some facts and data related to previous or current years have sometimes been mentioned on drafting this Report, as they are particularly relevant or important for understanding the business context. With reference to the GRI standards, the Report contains data and information relevant to the understanding of FIS activities, selected consistently on the basis of a structured materiality analysis, which made it possible to identify the most relevant sustainability issues for FIS and its stakeholders. The materiality analysis was carried out for the previous version of the Sustainability Report (reference year 2021) with the direct involvement of the corporate management, under the supervision of the Sustainability Manager through an assessment process involving FIS management, responsible for potentially relevant non-financial issues, and external stakeholder in order to understand the operational and strategic context in which FIS operates and to describe the main environmental, economic and social impacts of the company. Identification of the issues was undertaken starting with a previous benchmark analysis to further refine the set of sustainability issues in FIS. This analysis was carried out on the basis of a sample of companies operating in the chemical-pharmaceutical sector and on the analysis of global sustainability trends. Starting from this activity, the identification of priorities among the material topics was carried out through a subsequent series of individual interviews conducted with members of top management. They also gave insights into the degree of relevance that the various categories of stakeholders attribute to the various topics. Finally, the joint consideration of the internal and external significance has led to identify 17 material themes selected among those recognised as most significant for FIS and its stakeholders. The above analysis was therefore considered current and valid also for this Report. The economic, financial and governance data are taken from the Management Report, which explores some specific aspects. Environmental, personnel and other data on the other aspects dealt with in the document are collected directly from the process owners. In order to ensure comparability over time of the indicators considered to be the most significant and to give the reader the possibility to compare performance obtained, current values were compared, through the use of graphs and tables, with those relating to the previous two financial years (2020 and 2021). The drafting process of the Report is coordinated and managed by the Sustainability Manager of FIS and the Head of Communication, in collaboration with the various corporate departments. Lastly, the information with reference to 2022 was subject to external assurance according to "limited assurance" methodology by PricewaterhouseCoopers S.r.l. Italy.
For information on the report and its content, please contact: gabriele.lendaro@fisvi.com

Independent auditor's report on the Sustainability Report 2022

To the Board of Directors of Fabbrica Italiana Sintetici SpA

We have undertaken a Limited Assurance engagement on the Sustainability Report 2022 of Fabbrica Italiana Sintetici SpA (hereinafter also the "Company") concerning the year ended 31 December 2022.

Responsibilities of the Company for the Sustainability Report

The Board of of Fabbrica Italiana Sintetici SpA is responsible for the preparation of the Sustainability Report 2022 with reference to the "*Global Reporting Initiative Sustainability Reporting Standards*" defined in 2016 and updated in 2021, by the *GRI – Global Reporting Initiative* (hereinafter also the "GRI Standards"), disclosed within the paragraph "Methodological Note" of the Sustainability Report 2022, identified by the Company as the reporting standard.

The Board is also responsible for the internal control determined to be necessary to enable the drafting of a Sustainability Report that is free from material misstatement, whether due to fraud, error, or non-intentional events and behaviors.

The Board is also responsible for defining the Company's objectives in relation to sustainability performance, as well as for identifying its stakeholders and the content of the Sustainability Report.

Auditor's independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the *International Ethics Standards Board for Accountants*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Our firm applies the *International Standard on Quality Management (ISQM 1)* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

PricewaterhouseCoopers Business Services Srl

Società a responsabilità limitata a socio unico
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Società soggetta all'attività di direzione e coordinamento della PricewaterhouseCoopers Italia Srl
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Auditor's responsibilities

Our responsibility is to express a Limited Assurance conclusion on the compliance of the Sustainability Report 2022 with the GRI Standards, based on the assessment activities we carried out. We conducted our engagement in accordance with the *International Standard on Assurance Engagements ISAE 3000 Revised - Assurance Engagements other than Audits or Reviews of Historical Information ("ISAE 3000 Revised")*. Those standards require that we plan and perform procedures to obtain Limited Assurance about whether the Sustainability Report 2022 is free from material misstatement.

As a result, the procedures we performed are less in scope than those performed in an engagement in accordance with ISAE 3000 Revised (*reasonable assurance engagement*), and, therefore, do not provide us with a sufficient level of assurance that we have become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures we performed on the Sustainability Report were based on our professional judgement and included interviews with the Company's personnel in charge of the elaboration of the information reported in the Sustainability Report 2022, as well as inspection of documents, recalculations, and other procedures designed to obtain evidence considered to be useful.

In detail, we performed the following procedures:

1. analysis of the process of defining the relevant topics reported in the Sustainability Report, with reference to the methods of identification, in terms of their priorities for the various stakeholders' categories and the internal validation of the process' results;
2. comparison of the financial information and data reported in the "Our commitment results" chapter of the Sustainability Report with the information reported in the financial statement;
3. understanding of the processes underlying the generation, detection and management of significant qualitative and quantitative information included in the Sustainability Report. In particular, we have carried out interviews and discussions with the personnel of Fabbrica Italiana Sintetici SpA and we have carried out limited documentary checks, in order to gather information about the processes and procedures that support the collection, aggregation, processing and transmission of non-financial data and information to the function responsible for preparing the Sustainability Report.

Moreover, for material information, considering the activities and features of the Company, with regards to the sites located in Montecchio Maggiore (Italy), Termoli (Italy) and Lonigo (Italy), we carried out the following procedures:

1. with reference to the qualitative information included in the Sustainability Report, we carried out interviews and acquired supporting documentation to verify its consistency with available evidence;
2. with reference to quantitative information, we performed analytical procedures as well as limited tests, in order to assess, on a sample basis, the accuracy of consolidation of the information.

Conclusions

Based on the procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report of Fabbrica Italiana Sintetici SpA for the year ended 31 December 2022 is not prepared, in all material respects, in accordance with the GRI Standards as described in the "Methodological Note" of the Sustainability Report.

Padova, 28 June 2023

PricewaterhouseCoopers Business Services Srl

Paolo Bersani
(Partner)

This report has been translated from the Italian original solely for the convenience of international readers. We have not performed any controls on the Sustainability Report 2022 translation.

GRI Indicator data tables

1. Number of employees by gender and age group (No.) [GRI 405-1] [GRI 405-1

	Age group	2020		2021		2022	
		Men	Women	Men	Women	Men	Women
Montecchio	**< 30 years**	231	70	179	72	158	60
		77%	23%	71%	29%	72%	28%
	30 ≤ x ≤ 50	483	145	471	155	491	161
		77%	23%	75%	25%	75%	25%
	> 50 years	272	50	286	52	267	49
		84%	16%	85%	15%	85%	15%
Termoli	**< 30 years**	51	5	55	6	107	5
		91%	9%	90%	10%	96%	4%
	30 ≤ x ≤ 50	106	12	142	32	168	22
		90%	10%	82%	18%	88%	12%
	> 50 years	68	2	87	12	71	2
		97%	3%	88%	12%	97%	3%
Lonigo	**< 30 years**	63	8	99	4	53	7
		89%	11%	96%	4%	88%	12%
	30 ≤ x ≤ 50	152	32	147	17	158	28
		83%	17%	90%	10%	85%	15%
	> 50 years	89	10	74	3	83	10
		90%	10%	96%	4%	89%	11%
Total		1,515	334	1,540	353	1,556	344
Total		82%	18%	81%	19%	82%	18%

note: In line with the methodology used in previous years, it should be noted that the calculation of the number of employees in the reporting year provides for the exclusion of those who left during the month of December as well as any interns present.

2. Number of employees with disabilities and belonging to protected categories (GRI 405-1)

	Age group	2020			2021			2022		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Employees with disability	**no.**	n.a.	n.a.	n.a.	57	22	79	54	19	73
	%	n.a.	n.a.	n.a.	72%	28%	100%	74%	26%	100%

3. Number of employees per contract type per gender (no. and %) – (2.7 GRI)

	Unit of measurement	2020				2021				2022			
		Permanent employment		Permanent employment		Temporary employment		Permanent employment		Temporary employment		Permanent employment	
		Men	Women	Women	Total	Men	Women	Men	Women	Men	Women	Men	Women
Employees per employment contract and per type	**no.**	1,375	316	140	18	1,364	322	176	31	1,389	317	167	27
Total	**no.**	1,691		158		1,686		207		1,706		194	
Total	**%**	91,5%		8,5%		89,1%		10,9%		89,8%		10,2%	

4. Number of full time and part time employees per type (no. and %) – (2.7 GRI)

	Unit of measurement	2020			2021			2022		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Full time	**no.**	1,506	303	1,809	1,534	319	1,853	1,550	317	1,867
Part-time	**no.**	9	31	40	6	34	40	6	27	33
Total	**no.**	1,515	334	1,849	1,540	353	1,893	1,556	344	1,900

5. Professional category of employees per type (no. and %) (GRI 405-1)

	Unit of measurement	2020			2021			2022		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Directors	**no.**	n.a.	n.a.	31	19	8	27	23	8	31
% women vs men	**%**	-	-	-	70%		-	74%		
Management	**no.**	n.a.	n.a.	212	151	64	215	147	60	207
% women vs men	**%**	-	-	-	70%		-	71%		
White collar	**no.**	n.a.	n.a.	628	467	216	683	495	219	714
% women vs men	**%**	-	-	-	68%		-	69%		
Operatives	**no.**	n.a.	n.a.	978	903	65	968	891	57	948
% women vs men	**%**	-	-	-	93%		-	94%		
Total	**no.**	1,515	334	1,849	1,540	353	1,893	1,556	344	1,900
% women vs men	**%**	-	-	-	81%		-	82%		

6. Professional category of employees per age group (no. and %) (GRI 405-1)

	Unit of measurement	2020				2021				2022			
		< 30	30-50	> 50	Total	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total
Directors	**no.**	n.a.	n.a.	n.a.	31	-	4	23	27	0	9	22	31
% per age group	%	-	-	-	-	0%	15%	85%		0%	29%	71%	
Management	**no.**	n.a.	n.a.	n.a.	212	1	133	81	215	0	128	79	207
% per age group	%	-	-	-	-	0%	62%	38%		0%	62%	38%	
White-collar	**no.**	n.a.	n.a.	n.a.	628	91	414	178	683	84	462	168	714
% per age group	%	-	-	-	-	13%	61%	26%		12%	65%	24%	
Operatives	**no.**	n.a.	n.a.	n.a.	978	323	413	232	968	306	429	213	948
% per age group	%	-	-	-	-	33%	43%	24%		32%	45%	22%	

7. Proportion of senior managers employed locally (*) (no. and %) (GRI 202-2)

	Unit of measurement	2020	2021	2022	
				Local	Not local
Montecchio	**no.**	180	178	93	77
	%	n.a.	n.a.	55%	
Termoli	**no.**	22	23	19	7
	%	n.a.	n.a.	73%	
Lonigo	**no.**	41	41	23	19
	%	n.a.	n.a.	55%	

* "Locally" is intended as the province in which the production plants are located; senior managers are intended as those with Italian CCNL Chemical A3, A2, A1 and directors contract levels.

8. Basic salary ratio of men and women per professional category (GRI 405-2)

	Unit of measurement	2020	2021	2022
Women vs men salary as directors	%	98%	95%	92%
Women vs men salary as managers	%	95%	95%	95%
Women vs men salary as white collar	%	95%	95%	95%
Women vs men salary as operatives	%	92%	92%	90%

9. Basic salary plus variable men vs women for professional category (%) (GRI 405-2)

	Unit of measurement	2020	2021	2022
Women vs men salary as directors	%	96%	93%	89%
Women vs men salary as managers	%	95%	95%	96%
Women vs men salary as white collar	%	94%	95%	96%
Women vs men salary as operatives	%	91%	90%	91%

10. Average age of employees per type (non-GRI)

	Unit of measurement	2020			2021			2022		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Average age of employees	**no.**	n.a.	n.a.	n.a.	40,8	37,4	39,1	40,96	37,67	40,36

11. Length of service of employees per type (non-GRI)

	Unit of measurement	2020		2021		2022	
		Men	Women	Men	Women	Men	Women
0 to 5 years	**no.**	n.a.	n.a.	737	233	505	165
6 to 10 years	**no.**	n.a.	n.a.	268	47	480	102
11 to 15 years	**no.**	n.a.	n.a.	164	12	149	18
16 to 20 years	**no.**	n.a.	n.a.	97	14	136	11
21 to 25 years	**no.**	n.a.	n.a.	126	15	110	11
26 to 30 years	**no.**	n.a.	n.a.	83	17	80	14
31 to 35 years old	**no.**	n.a.	n.a.	45	9	72	18
36 to 40 years	**no.**	n.a.	n.a.	20	5	24	4
over 40 years	**no.**	n.a.	n.a.	0	1	0	1

12. Employees distribution per work area (non-GRI)

	Unit of measurement	2020		2021		2022	
		Men	Women	Men	Women	Men	Women
Operations area (production, services ecological,)	**no.**	1,050	12	1,070	17	1,072	17
Laboratory area (R&D and QC)	**no.**	284	197	297	206	300	204
Offices area / Administration	**no.**	181	125	173	130	184	123

13. Number of non-employee workers (no.) – (2.8 GRI)

	Unit of measurement	2020	2021	2022
		Total	Total	Total
Non-employee workers:	**no.**	42	36	91
of which extracurricular work experience (paid)	**no.**	27	8	3
of which temps	**no.**	15	28	88
Third party contractors *		n.a.	n.a.	487

* calculated as the average weekly value of the number of employees of third-party companies operating in FIS production spaces, typically for maintenance, installation, etc.

14. Hired employees and turnover per type MONTECCHIO MAGGIORE site (%) (GRI 401-1)

	Units of measurement	2020			2021			2022		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Hired employees	**no.**	97	18	115	61	32	93	48	22	70
Employees at the close of business (31 December)	**no.**	986	265	1,251	936	279	1,215	916	270	1,186
Turnover rate input	**%**	9,8	6,8	9.2	6,5	11,5	7,7	5,2	8,1	5,9
Terminated employees	**no.**	39	9	48	49	17	66	55	32	87
Employees at the close of business (31 December)	**no.**	986	265	1,251	936	279	1,215	916	270	1,186
Turnover rate on output	**%**	4,0	3,4	3,8	5,2	6,1	5,4	6,0	11,9	7,3

15. Hired employees and turnover per age group MONTECCHIO MAGGIORE site (%) (GRI 401-1)

	Unit of measurement	2020				2021				2022			
		< 30	30-50	> 50	Total	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total
Hired employees	**no.**	78	33	4	115	67	25	1	93	30	33	7	70
Employees at the close of business (31 December)	**no.**	301	628	322	1251	251	626	338	1215	218	652	316	1186
Turnover rate input	**%**	25,9	5,3	1,2	9,2	26,7	4,0	0,3	7,7	13,8	5,1	2,2	5,9
Terminated employees	**no.**	14	17	17	48	18	25	23	66	10	49	28	87
Employees at the close of business (31 December	**no.**	301	628	322	1251	251	626	338	1215	218	652	316	1186
Turnover rate on output	**%**	4,7	2,7	5,3	3,8	7,2	4.0	6,8	5,4	4,6	7,5	8.9	7,3

16. Hired employees and turnover per type LONIGO site (%) (GRI 401-1)

	Unit of measurement	2020			2021			2022		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Hired employees	**no.**	25	4	29	5	3	8	15	5	20
Employees at the close of business (31 December)	**no.**	304	50	354	320	24	334	294	45	339
Turnover rate input	**%**	8,2	8,0	8,2	1,6	12,5	2,4	5,1	11,1	5,9
Terminated employees	**no.**	11	5	16	14	3	17	9	6	15
Employees at the close of business (31 December)	**no.**	304	50	354	320	24	334	294	45	339
Turnover rate on output	**%**	3,6	10,0	4,5	4,4	12,5	5,1	3,1	13,3	4,4

17. Hired employees and turnover per age group LONIGO site (%) (GRI 401-1)

	Unit of measurement	2020				2021				2022			
		< 30	30-50	> 50	Total	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total
Hired employees	no.	22	7	0	29	8	0	0	8	11	9	0	20
Employees at the close of business (31 December)	no.	71	184	99	354	103	164	77	334	60	186	93	339
Turnover rate input	%	31,0	3,8	0,0	8,2	7,8	0,0	0,0	2,4	18,3	4,8	0,0	5,9
Terminated employees	no.	4	4	8	16	3	4	10	17	2	6	7	15
Employees at the close of business (31 December)	no.	71	184	99	354	103	164	77	334	60	186	93	339
Turnover rate on output	%	5,6	2,2	8,1	4,5	2,9	2,4	13,0	5,1	3,3	3,2	7,5	4,4

18. Hired employees and turnover per type TERMOLI site (%) (GRI 401-1)

	Unit of measurement	2020			2021			2022		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Hired employees	no.	17	2	19	28	4	32	28	3	31
Employees at the close of business (31 December)	no.	225	19	244	284	50	344	346	29	375
Turnover rate input	%	7,6	10,5	7,8	9,86	8,0	9,3	8,1	10,3	8,3
Terminated employees	no.	3	0	3	6	0	6	11	1	12
Employees at the close of business (31 December)	no.	225	19	244	284	50	344	346	29	375
Turnover rate on output	%	1,3	0,0	1,2	2,1	0,0	1,7	3,2	3,4	3,2

19. Hired employees and turnover per age group TERMOLI site (%) (GRI 401-1)

	Unit of measurement	2020				2021				2022			
		< 30	30-50	> 50	Total	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total
Hired employees	no.	11	7	1	19	23	8	1	32	18	13	0	31
Employees at the close of business (31 December)	no.	56	118	70	244	61	174	99	344	112	190	73	375
Turnover rate input	%	19,6	5,9	1,4	7,8	37,7	4,6	1,1	9,3	16,1	6,8	0	8,3
Terminated employees	no.	1	0	2	3	3	2	1	6	2	6	4	12
Employees at the close of business (31 December)	no.	56	118	70	244	61	174	99	344	112	190	73	375
Turnover rate on output	%	1,8	0,0	2,9	1,2	4,9	1,1	1,0	1,7	1,8	3,2	5,5	3,2

20. Parental leave men and women (no. and %) (GRI 401-3)

	Unit of measurement	2020			2021			2022		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Totally employees ENTITLED to use parental leave in the year	**no.**	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	51	43	94
Total employees who have used parental leave	**no.**	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	17	53	70
Total employees returned to work after parental leave has finished	**no.**	n.a.	n.a.	n.a.	10	19	29	17	37	54
Total employees WHO SHOULD HAVE RETURNED to work after parental leave finished		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	17	38	55
Total employees returned to work after parental leave finished and employed for at least 12 months	**no.**	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	10	17	27
RETURN TO WORK RATE: Employees returning to work after leave VS employees NOT returning to work at the end of parental leave	%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	100%	97%	98%
RETENTION RATE: Employees returning and employed for at least 12 months VS employees returning from leave in the previous year	%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	100%	89%	93%

21. Subdivision of employees by category and gender – MONTECCHIO MAGGIORE (not GRI)

	Unit of measurement	2020			2021			2022		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Directors	**no.**	n.a.	n.a.	n.a.	13	6	19	17	6	23
Management	**no.**	n.a.	n.a.	n.a.	109	50	159	98	49	147
White collar	**no.**	n.a.	n.a.	n.a.	306	172	478	314	170	484
Operatives	**no.**	n.a.	n.a.	n.a.	508	51	559	487	45	532

22. Subdivision of employees by category and gender – LONIGO (not GRI)

	Unit of measurement	2020			2021			2022		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Directors	**no.**	n.a.	n.a.	n.a.	3	1	4	3	1	4
Management	**no.**	n.a.	n.a.	n.a.	27	10	37	31	7	38
White collar	**no.**	n.a.	n.a.	n.a.	94	31	125	102	30	132
Operatives	**no.**	n.a.	n.a.	n.a.	160	8	168	158	7	165

23. Subdivision of employees by category and gender - TERMOLI (not GRI)

	Unit of measurement	2020			2021			2022		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Directors	**no.**	n.a.	n.a.	n.a.	3	1	4	3	1	4
Management	**no.**	n.a.	n.a.	n.a.	15	4	19	18	4	22
White collar	**no.**	n.a.	n.a.	n.a.	92	13	105	79	19	98
Operatives	**no.**	n.a.	n.a.	n.a.	210	6	216	246	5	251

24. Average training hours by category and gender - MONTECCHIO MAGGIORE (GRI 404-1)

	Units of measurement	2020			2021			2022		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Directors	**no.**	n.a.	n.a.	43,9	7,0	15,2	9,4	20	16	19
Management	**no.**	n.a.	n.a.	28,4	36,5	55,7	42,6	35	29	33
White collar	**no.**	n.a.	n.a.	29,4	27,8	22,8	26	46	30	41
Operatives	**no.**	n.a.	n.a.	18,7	16,2	57,4	20,8	26	44	28

25. Average training hours by category and gender - LONIGO (GRI 404-1)

	Units of measurement	2020			2021			2022		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Directors	**no.**	n.a.	n.a.	n.a.	8,5	12,0	9,4	35	24	32
Management	**no.**	n.a.	n.a.	n.a.	21,3	21,5	21,3	33	31	32
White collar	**no.**	n.a.	n.a.	n.a.	22,8	20,4	22,2	38	38	38
Operatives	**no.**	n.a.	n.a.	n.a.	35,6	24,6	35,1	50	57	50

26. Average training hours by category and gender - TERMOLI (GRI 404-1)

	Units of measurement	2020			2021			2022		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Directors	**no.**	n.a.	n.a.	n.a.	11,7	21,5	14,1	31	27	30
Management	**no.**	n.a.	n.a.	n.a.	17,4	13,5	16,6	38	48	39
White collar	**no.**	n.a.	n.a.	n.a.	17,9	8,2	16,7	48	31	45
Operatives	**no.**	n.a.	n.a.	n.a.	26,9	36,7	27,2	26	43	26

27. Percentage of employees that receive periodic assessment of performance and professional development – MONTECCHIO MAGGIORE (GRI 404-3)

	Units of measurement	2020			2021			2022		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
TOTAL employees with assessment	**no.**				936	279	1215	781	180	961
TOTAL employees with assessment	**%**				100%	100%	100%	85%	67%	81%

28. Percentage of employees that receive periodic assessment of performance and professional development – LONIGO (GRI 404-3)

	Units of measurement	2020			2021			2022		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
TOTAL employees with assessment	**no.**				320	24	344	0	0	0
TOTAL employees with assessment	**%**				100%	100%	100%	0%	0%	0%

29. Percentage of employees that receive periodic assessment of performance and professional development – TERMOLI (GRI 404-3)

	Units of measurement	2020			2021			2022		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
TOTAL employees with assessment	**no.**				284	50	334	295	16	311
TOTAL employees with assessment	**%**				100%	100%	100%	85%	55%	83%

30. Average hours of training pro-capita HSE MONTECCHIO MAGGIORE (not GRI)

	Units of measurement	2020	2021	2022
SSA training hours	**no.**	17,198	15,160	15,828
SSA pro-capita hours	**no.**	13,75	12,48	13,35

31. Average hours of training pro-capita HSE LONIGO (not GRI)

	Units of measurement	2020	2021	2022
SSA training hours	**no.**	5,838	2,078	4,989
SSA pro-capita hours	**no.**	16,45	6,22	14,72

32. Average hours of training pro-capita HSE TERMOLI (not GRI)

	Units of measurement	2020	2021	2022
SSA training hours	**no.**	2,823	5,605	5,396
SSA pro-capita hours	**no.**	11,62	16,29	14,39

33. Energy consumption MONTECCHIO MAGGIORE (GRI 302-1)

	Units of measurement	2020	2021	2022
Non-renewable fuel consumption, including types of fuel used				
Diesel	**Gjoules**	773	423	648
	Litres	n.a.	11,818	18,108
Natural gas	**Gjoules**	337,233	358,181	341,854
	Sm3	n.a.	10,124,694	9,663,171
Indirect energy consumption (purchased)				
Electricity supplied by the grid	**Gjoules**	171,041	166,253	164,651
	MWh	n.a.	46,181	45,736
Electrical energy procured by non-renewable grid	**Gjoules**	n.a.	110,830	103,451
	MWh	n.a.	30,786	28,736
Electrical energy procured by-renewable grid	**Gjoules**	n.a.	55,424	61,200
	MWh	n.a.	15,396	17,000
Energy produced				
Electrical energy from renewable sources produced and self-consumed	**Gjoules**	n.a.	n.a.	0
	MWh	n.a.	n.a.	0
Electrical energy from other fossil fuels produced and self-consumed	**Gjoules**	58,084	57,784	59,288
	MWh	n.a.	16,051	16,469
Electrical energy from other sources produced and released on the grid	**Gjoules**	n.a.	n.a.	0
	MWh	n.a.	n.a.	0

34. Energy consumption TERMOLI (GRI 302-1)

	Units of measurement	2020	2021	2022
Non-renewable fuel consumption, including types of fuel used				
Diesel	**Gjoules**	37.1	54	29
	Litres	n.a.	1,500	800
Natural Gas	**Gjoules**	121,582	122,219	121,250
	Sm3	n.a.	3,454,769	3,427,358
Indirect energy consumption (purchased)				
Electricity supplied by the grid	**Gjoules**	87,234	107,506	124,902
	MWh	n.a.	29,863	34,695
Electrical energy procured by non-renewable grid	**Gjoules**	n.a.	79,795	94,302
	MWh	n.a.	22,165	26195
Electrical energy procured by-renewable grid	**Gjoules**	n.a.	27,712	30,600
	MWh	n.a.	7,698	8,500

35. Energy consumption LONIGO (GRI 302-1)

	Units of measurement	2020	2021	2022
Non-renewable fuel consumption, including types of fuel used				
Diesel	**Gjoules**	225.1	141	110
	Litres	6,287	3,925	3,064
Natural gas	**Gjoules**	156,263	169,929	150,034
	Sm3	n.a.	4,803,370	4,241,016
Indirect energy consumption (purchased)				
Electricity supplied by the grid	**Gjoules**	86,274	88,316	91,144
	MWh	n.a.	24,532	25,318
Electrical energy procured by non-renewable grid	**Gjoules**	n.a.	60,605	60,544
	MWh	n.a.	16,835	16,818
Electrical energy procured by-renewable grid	**Gjoules**	n.a.	27,712	30,600
	MWh	n.a.	7,698	8,500
Energy produced				
Electrical energy from renewable sources produced and self-consumed	**Gjoules**	n.a.	n.a.	166
	MWh	n.a.	n.a.	46
Electrical energy from other fossil fuels produced and self-consumed	**Gjoules**	n.a.	n.a.	0
	MWh	n.a.	n.a.	0
Electrical energy from other sources produced and released on the grid	**Gjoules**	n.a.	n.a.	0
	MWh	n.a.	n.a.	0

36. Energy intensity CORPORATE (GRI 302-3)

Units of measurement	2020	2021	2022
Gjoule TOTAL / Tons produced	n.a.	n.a.	393.0
Gjoule TOTAL/ Mil.Euro produced	n.a.	n.a.	1,558.8
Gjoule TOTAL/ FT employees	n.a.	n.a.	523.5

37. CO_2 Emissions Scope 1 and Scope 2 CORPORATE (GRI 305-1 and 305-2)

	Units of measurement	2020	2021	2022
Scope 1 emissions	**Tons**	n.a.	n.a.	86,135
Scope 2 emissions (marked based)	**Tons**	n.a.	n.a.	22,027
Scope 2 emissions (location based)	**Tons**	n.a.	n.a.	25,983
TOTAL EMISSIONS scope 1+ 2 emissions (marked based)	**Tons**	n.a.	n.a.	108,162
TOTAL EMISSIONS scope 1+ 2 emissions (location based)	**Tons**	n.a.	n.a.	112,118

NOTE: CO_2 emissions for 2020 and 2021 at time of publishing this Report they are subject to recalculation and validation with improved methodology.

38. CO_2 emissions intensity CORPORATE (GRI 305-4)

Units of measurement	2020	2021	2022
Tons CO_2 / Tons produced	n.a.	n.a.	42.7
Tons CO_2 / Mil.Euro produced	n.a.	n.a.	169.5
Tons CO_2 / FT employees	n.a.	n.a.	56.9

NOTE: CO_2 emissions for 2020 and 2021 at time of publishing this Report they are subject to recalculation and validation with improved methodology.

39. Nox, SOx, and other important emissions MONTECCHIO MAGGIORE (GRI 305-7)

	Units of measurement	2020	2021	2022
NOx	**Kg**	14,659	15,645	15,621.2
SOx	**Kg**	65	199	301.3
POP (Persistent Organic Pollutants)	**Kg**	n.a.	n.a.	n.a.
VOC (Volatile Organic Compounds)	**Kg**	1,948	n.a.	1,227,6
HAP (Hazardous Air Pollutants)	**Kg**	n.a.	n.a.	n.a.
PM (Particulate Matter)	**Kg**	247	688	51.1
CO	**Kg**	1,468	n.a.	1,417,8

40. Nox, SOx, and other important emissions TERMOLI (GRI 305-7)

	Units of measurement	2020	2021	2022
NOx	**Kg**	6,263	7,121	7,274.0
SOx	**Kg**	80	75	76.6
POP (Persistent Organic Pollutants)	**Kg**	n.a.	n.a.	n.d
VOC (Volatile Organic Compounds)	**Kg**	86	n.a.	83,4
HAP (Hazardous Air Pollutants)	**Kg**	n.a.	n.a.	n.a.
PM (Particulate Matter)	**Kg**	n.a.	99	n.a.
CO	**Kg**	397	n.a.	384,0

41. Nox, SOx, and other important emissions LONIGO (GRI 305-7)

	Units of measurement	2020	2021	2022
NOx	**Kg**	10,542	18,936	23,898,4
SOx	**Kg**	1,047	499	159,9
POP (Persistent Organic Pollutants)	**Kg**	n.a.	n.d	n.a.
VOC (Volatile Organic Compounds)	**Kg**	682	n.a.	17.2
HAP (Hazardous Air Pollutants)	**Kg**	n.a.	n.a.	n.a.
PM (Particulate Matter)	**Kg**	153	963	0.7
CO	**Kg**	2,420	n.a.	3,410,2

42. Withdrawal, discharge and consumption of MONTECCHIO MAGGIORE (GRI 303-3, 303-4, 303-5)

	Units of measurement	2020	2021	2022
Withdrawal of water from underground	m³	1,222,237	1,088,204	1,126,394
Withdrawal of water from aqueduct	m³	n.a.	24,021	31,275
Total	m³	1,222,237	1,112,225	1,157,669
Discharge in sewer	m³	613,262	567,833	461,675
Surface water discharge	m³	525,358	451,106	446,235
Total	m³	1,138,620	1,018,939	907,910
Total consumption	m³	83,617	93,286	249,759

43. Withdrawal, drainage and consumption of water TERMOLI (GRI 303-3, 303-4, 303-5)

	Units of measurement	2020	2021	2022
Withdrawal of water from underground	m³	10,000	10,000	-
Withdrawal of water from aqueduct	m³	426,452	427,000	464,500
Total	m³	436,452	437,000	464,500
Drainage in sewer	m³	388,665	390,000	399,00
Surface water discharge	m³	n.a.	n.a.	-
Total	m³	388,665	390,000	399,000
Total consumption	m³	47,787	47,000	65,500

44. Withdrawal, drainage and consumption of water LONIGO (GRI 303-3, 303-4, 303-5)

	Units of measurement	2020	2021	2022
Withdrawal of water from underground	m³	773,130	742,680	736,180
Withdrawal of water from aqueduct	m³	n.a.	3,532	2,769
Total	m³	773,130	746,212	738,949
Drainage in sewer	m³	n.a.	n.a.	-
Surface water discharge	m³	695,053	590,173	651,993
Total	m³	695,053	590,173	651,993
Total consumption	m³	78,077	156,039	86,956

45. Withdrawal, drainage and consumption of water CORPORATE (GRI 303-3, 303-4, 303-5)

	Units of measurement	2020	2021	2022
Withdrawal of water TOTAL	**m³**	2,431,819	2,295,437	2,361,117
Drainage of water TOTAL	**m³**	2,222,338	1999112	1,958,903
Total consumption	**m³**	209,481	296,325	402,214

46. Water consumption intensity CORPORATE (NOT GRI)

Units of measurement	2020	2021	2022
m³ H_2O/ tons produced	n.a.	n.a.	**933**
m³ H_2O/Mi.Eur	n.a.	n.a.	**3,701**
m³ H_2O/employ	n.a.	n.a.	**1,243**

47. Waste produced MONTECCHIO MAGGIORE; TERMOLI, LONIGO and CORPORATE (GRI 306-3)

	Units of measurement	2020			2021			2022		
		Hazardous	Non hazardous	Total	Hazardous	Non hazardous	Total	Hazardous	Non hazardous	Total
Montecchio	**Tons**	44,905	1,288	46,193	42,225	1,638	43,863	46,096	1,610	47,707
Termoli	**Tons**	11,976	1,430	13,406	19,300	1,968	21,268	24,926	1,853	26,779
Lonigo	**Tons**	21,704	1,790	23,494	20,321	2,382	22,703	18,004	3,442	21,446
Total	**Tons**	**78,585**	**4,508**	**83,093**	**81,846**	**5,988**	**87,835**	**89,026**	**6,905**	**95,931**

48. Waste sent for disposal and recovery CORPORATE (GRI 306-4 and 306-5)

		Units of measurement	2020	2021	2022
Hazardous waste	**External recovery**	**Tons**	19,097	22,877	25,142
	External disposal	**Tons**	20,515	20,318	23,783
	Internal incinerator	**Tons**	38,973	38,651	40,101
Non hazardous waste	**External recovery**	**Tons**	2,361	2,709	4,182
	External disposal	**Tons**	2,147	2,091	2,037
	Internal incinerator	**Tons**	161	1,189	685
Total waste	**External disposal**	**Tons**	22,662	22,409	25,821
	External recovery	**Tons**	21,458	25,587	29,325
Waste ratio S/W (Target #3)		**%**	**105.61%**	**87.58%**	**88.05%**

49. Accidents at work – MONTECCHIO MAGGIORE (GRI 403-9)

	Units of measurement	2020			2021			2022		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Total number of accidents at work	**no.**	9	0	9	13	0	13	8	0	8
Total number of fatalities due to occupational accidents	**no.**	0	0	0	0	0	0	0	0	0
Total number of accidents at work with serious consequences (except death)	**no.**	0	0	0	5	0	5	0	0	0
Total number of working days lost due to injury	**no.**	290	0	290	338	0	338	74	0	74
Work injury rate	**no.**	n.a.	n.a.	4,8	n.a.	n.a.	7,1	n.a.	n.a.	4,5
Days lost rate	**no.**	n.a.	n.a.	0,2	n.a.	n.a.	0,2	n.a.	n.a.	0,04

50. Accidents at work – LONIGO (GRI 403-9)

	Units of measurement	2020			2021			2022		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Total number of accidents at work	**no.**	1	1	2	0	0	0	2	0	2
Total number of fatalities due to occupational accidents	**no.**	0	0	0	0	0	0	0	0	0
Total number of accidents at work with serious consequences (Except death)	**no.**	0	0	0	0	0	0	0	0	0
Total number of work days lost due to injury	**no.**	70	13	83	94	0	94	52	0	52
Work injury rate	**no.**	n.a.	n.a.	3,8	n.a.	n.a.	5,7	n.a.	n.a.	3,8
Days lost rate	**no.**	n.a.	n.a.	0,16	n.a.	n.a.	0,07	n.a.	n.a.	0,1

51. Accidents at work – TERMOLI (GRI 403-9)

	Units of measurement	2020			2021			2022		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Total number of accidents at work	**no.**	6	0	6	6	0	6	7	0	7
Total number of fatalities due to occupational accidents	**no.**	0	0	0	0	0	0	0	0	0
Total number of accidents at work with serious consequences (except death)	**no.**	n.a.	n.a.	n.a.	0	0	0	1	0	1
Total number of work days lost due to injury	**no.**	159	0	159	188	0	188	288	0	288
Work injury rate	**no.**	n.a.	n.a.	9,8	n.a.	n.a.	12,4	12,3	n.a.	12,3
Days lost rate	**no.**	n.a.	n.a.	0,4	n.a.	n.a.	0,3	0,51	n.a.	0,51

52. Workers to worm the health and safety management system applies (GRI 403-8)

CORPORATE	Units of measurement	2020	2021	2022
		Total	Total	Total
FIS employees covered by H&S management system (45.001)				
Number of FIS employees to which the system applies	**no.**	1849	1893	1900
Percentage of FIS employees to which the system applies	**%**	100	100	100
Data on THIRD PARTY employees working in FIS-controlled spaces				
Number of third party employees to which the system applies	**no.**	n.a.	n.a.	487
Percentage of FIS employees to which the system applies	**%**	100	100	100

53. Suppliers, geographical origin and type of goods CORPORATE (GRI 2-6)

	Units of measurement	2020	2021	2022
		Total	Total	Total
Number of total active vendors	**no.**	1219	1269	1373
Countries of origin of active suppliers (vendors)	**no.**	34	26	30
Country of origin of goods (producers)	**no.**	42	41	41
Purchase volumes per country in %	**Italy**	n.a.	n.a.	n.a.
	Europe (not Italy)	n.a.	n.a.	n.a.
	China	n.a.	n.a.	n.a.
	India	n.a.	n.a.	n.a.
	ROW	n.a.	n.a.	n.a.
Purchase value per country in %	**Italy**	41%	39%	41%
	Europe (not Italy)	13%	14%	13%
	China	27%	26%	31%
	India	3%	4%	5%
	ROW	16%	17%	10%
Suppliers of raw materials	**%**	67%	68%	66%
Suppliers of goods and technical services	**%**	22%	22%	19%
Other suppliers	**%**	11%	10%	15%

54. Materials recycled (solvents) MONTECCHIO MAGGIORE (GRI 301-2)

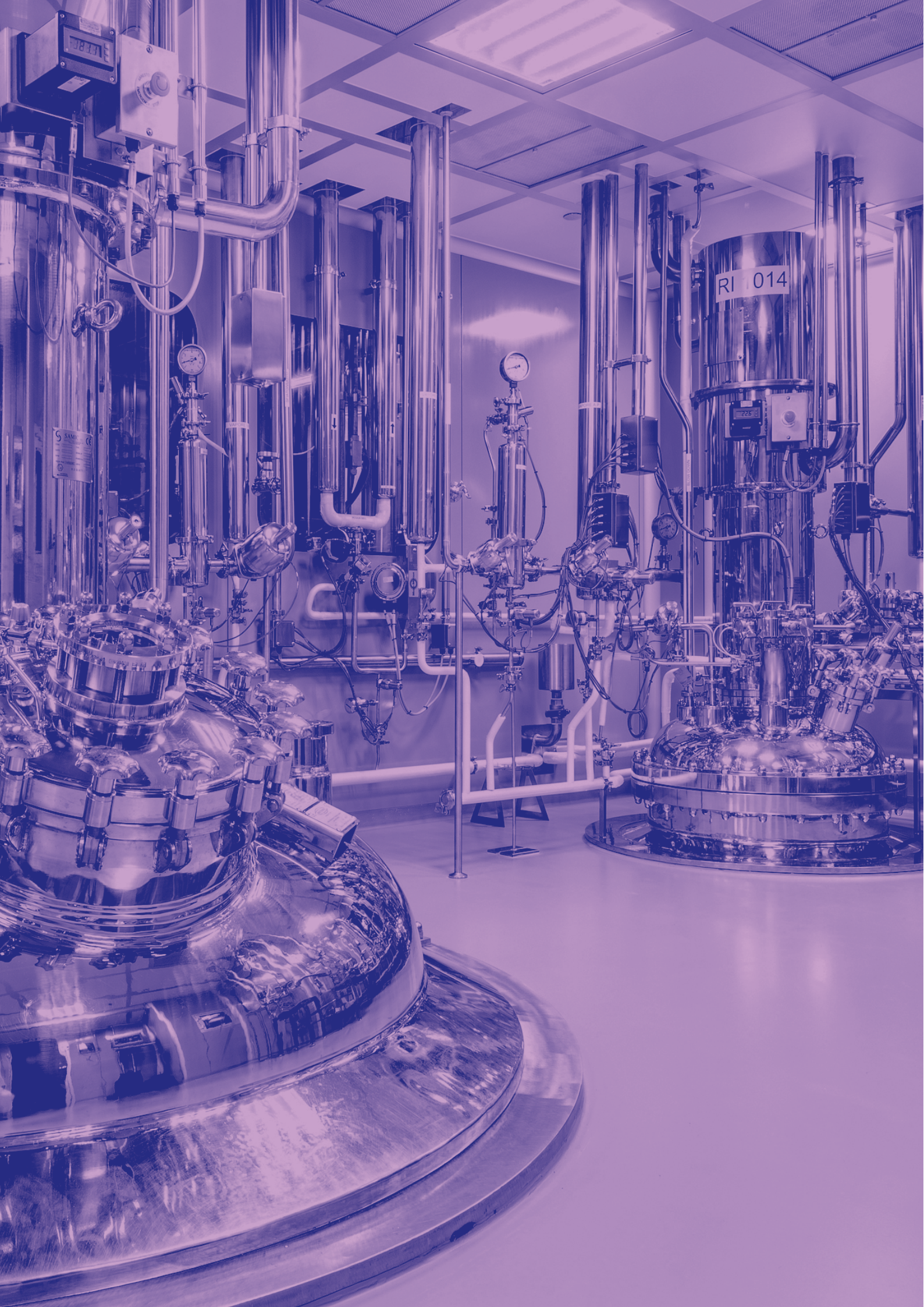
	Unit of measurement	Fresh	Recycled	Total	% Recycled
2020					
HEPTANE		282.84	2,404,99	2,687,83	89,5%
ISOPROPANOL		4,127.67	2,522.85	6,650.52	37,9%
ACETONE		2,664.67	3,478.69	6,143.36	56,6%
TOLUENE		1,687.90	1,708.99	3,396.89	50,3%
THF	**tons**	617.24	870.06	1,487.30	58,5%
METHANOL		6,318.78	5,421,14	11,739.92	46,2%
MEK		n.a.	n.a.	n.a.	n.a.
MTBE		n.a.	n.a.	n.a.	n.a.
ACETIC ACID		n.a.	n.a.	n.a.	n.a.
TOTAL	**tons**	**15,699,10**	**16,406,71**	**32,105,80**	**0,51**
2021					
HEPTANE		223,00	2,403,00	2,626,00	92%
ISOPROPANOL		4,241,00	2,808,00	7,049,00	40%
ACETONE		2,051,00	3,243,00	5,294,00	61%
TOLUENE		1,438,00	1,734,00	3,172,00	55%
THF	**tons**	719,00	819,00	1,538,00	53%
METHANOL		5,890,00	5,015,00	10,905,00	46%
MEK		318,00	2,203,00	2,521,00	87%
MTBE		370,00	1,085,00	1,455,00	75%
ACETIC ACID		427,00	1,033,00	1,460,00	71%
TOTAL	**tons**	**15,677,00**	**20,343,00**	**36,020,00**	**56%**
2022					
HEPTANE		201,39	2226,61	2,428,00	92%
ISOPROPANOL		3,995,01	2,516,91	6,511,92	39%
ACETONE		2,209,77	3,402,08	5,611,85	61%
TOLUENE		1,425,10	1,819,49	3,244,59	56%
THF	**tons**	841,76	555,24	1,397,00	40%
METHANOL		7,773,98	2,831,89	10,605,87	27%
MEK		365,02	2,044,38	2,409,40	85%
MTBE		313,52	1,036,39	1,349,91	77%
ACETIC ACID		374,84	711,24	1,086,08	65%
TOTAL	**tons**	**17,500,39**	**17,144,23**	**34,644,62**	**49%**

55. Materials recycled (solvents) – LONIGO (GRI 301-2)

	Unit of measurement	Fresh	Recycled	Total	% Recycled
2020					
RECYCLED ETHANOL product 1	**tons**	n.a.	n.a.	n.a.	n.a.
RECYCLED ETHANOL product 2		n.a.	n.a.	n.a.	n.a.
RECYCLED ETHANOL product 3		n.a.	n.a.	n.a.	n.a.
TOTAL	**tons**	**1,287,00**	**1,207,00**	**2,494,00**	**#VALUE!**
2021					
RECYCLED ETHANOL product 1	**tons**	404,00	642,00	1,046,00	61%
RECYCLED ETHANOL product 2		1,230,00	1,460,00	2,690,00	54%
RECYCLED ETHANOL product 3		n.a.	278,00	278,00	100%
TOTAL	**tons**	**1,634,00**	**2380,00**	**4014,00**	**59%**
2022					
RECYCLED ETHANOL product 1	**tons**	460,00	713,00	1173,00	61%
RECYCLED ETHANOL product 2		885,00	2095,00	2980,00	70%
RECYCLED ETHANOL product 3		n.a.	281,00	281,00	100%
TOTAL	**tons**	**1,345,00**	**3089,00**	**4434,00**	**70%**

56. Materials recycled (solvents) – TERMOLI (GRI 301-2)

	Unit of measurement	Fresh	Recycled	Total	% Recycled
2020					
HEPTANE	**tons**	n.a.	n.a.	n.a.	n.a.
ISOPROPANOL		n.a.	n.a.	n.a.	n.a.
ACETONE		n.a.	n.a.	n.a.	n.a.
TOLUENE		n.a.	n.a.	n.a.	n.a.
THF		n.a.	n.a.	n.a.	n.a.
METHANOL		n.a.	n.a.	n.a.	n.a.
MTBE		n.a.	n.a.	n.a.	n.a.
DMSO		n.a.	n.a.	n.a.	n.a.
ETHYL ACETATE		n.a.	n.a.	n.a.	n.a.
t-BUTYL ALCOHOL		n.a.	n.a.	n.a.	n.a.
TOTAL	**tons**	**0,00**	**0,00**	**0,00**	**0,00**
2021					
HEPTANE	**tons**	164,66	238,00	402,66	59%
ISOPROPANOL		349,45	0,00	349,45	0%
ACETONE		534,80	1,038,00	1,572,80	66%
TOLUENE		2,437,90	4,840,00	7,277,90	67%
THF		397,54	0,00	397,54	0%
METHANOL		1,463,22	1,219,00	2,682,22	45%
MTBE		203,90	397,00	600,90	66%
DMSO		77,63	689,00	766,63	90%
ETHYL ACETATE		687,27	805,00	1,492,27	54%
t-BUTYL ALCOHOL		n.a.	n.a.	n.a.	n.a.
TOTAL	**tons**	**6,316,37**	**9,226,00**	**15,542,37**	**59%**
2022					
HEPTANE	**tons**	316,20	343,35	659,55	52%
ISOPROPANOL		864,70	0,00	864,70	0%
ACETONE		656,36	688,56	1,344,92	51%
TOLUENE		3,195,34	4,420,22	7,615,56	58%
THF		680,55	0,00	680,55	0%
METHANOL		2,166,04	1,501,40	3,667,44	41%
MTBE		284,42	391,69	676,11	58%
DMSO		147,06	1,010,56	1,157,62	87%
ETHYL ACETATE		652,74	764,65	1,417,39	54%
t-BUTYL ALCOHOL		41,34	65,61	106,95	61%
TOTAL	**tons**	**9,004,75**	**9,186,03**	**18,190,78**	**50%**


RI 014

GRI – Content Index

Declaration of use	FIS Fabbrica Italiana Sintetici publishes the report in accordance with the GRI Standards for the period from 1.1.2022 to 31.12.2022 in a manner "with reference to GRI standards"
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI sector standards	No applicable sector standard

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		requirements omitted	explanation
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		requirements omitted	explanation
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Disclosure	Position	Omissions	
		requirements omitted	explanation
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