



Alkemy

enabling evolution

Consolidated Non-Financial Statement in accordance with Italian Legislative Decree no.
254/2016



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Letter to stakeholders

Dear Stakeholders,

We are proud to once again share our non-financial statement with you.

2022 was the third year running that we will remember for extraordinary international events that caused major uncertainty in various areas for people and businesses alike.

Fears over price trends and the procurement of energy have driven a great many companies to choose to defer the start-up of new projects, wherever possible. Yet despite this tendency, Alkemy in any case recorded annual growth in excess of 10%. This result would simply not have been possible had it not been for the commitment of all our Group people.

As further evidence of the central role played by each and every one of our resources in the business, during the ten years that have run since the company was founded, Alkemy has always stayed true to its essence and aspiration of creating a workplace where everyone can feel “at home” and free to express their talent and full potential.

Alkemy's strength in fact has always lain in its diversity: the variety of professional profiles and cultural backgrounds that characterise our people is one of our key competitive advantages, which allows us to create unique products, appreciated by our customers.

The importance of having Alkemy perceived, internally first and foremost, as a context that belongs to “all its people” drove the Group in 2022 to launch the “My Share” initiative, a stock option plan that allows employees who have been with us for more than 12 months to allocate part of their annual compensation to purchasing Alkemy shares. We started the initiative for Alkemy S.p.A. employees enjoying significant success and we are rapidly extending eligibility to also include employees of the other Group companies.

Thanks to its nature and the initiatives it launches every year, Alkemy aims to take on a leading role in its reference market, showing, through its growth and profits, just how an ethical way of doing business can truly be sustainable in the medium- and long-term.

Following this route, we started 2023 by making our commitment to topics that are particularly close to Alkemy's values official with the approval by the Board of Directors of Policies governing Diversity and Inclusion, Human Rights, Anticorruption and Green Office & Mobility. This is a concrete step that launches a structural route that will accompany the business over the next few years and will see us, in 2023, obtain a rating and define a strategic Sustainability Plan with measurable parameters.

Alkemy's commitment thus matures further, confirming the growing importance assigned in the Group to topics linked to the environment, society and governance.

Duccio Vitali,

Chief Executive Officer of Alkemy S.p.A.



Methodological note

Reporting standards

The Alkemy Group (hereinafter also the “Group”) Consolidated Non-Financial Statement (hereinafter also referred to as the “Non-Financial Statement” or the “NFS”), is prepared in accordance with Articles 3 and 4 of Italian Legislative Decree no. 254/2016 (hereinafter also the “Decree”), reports, to ensure the full understanding of the business activity, its performance, results and the impact it has on topics considered as relevant and envisaged by Art. 3 of Italian Legislative Decree no. 254/2016 with reference to 2022 (from January 1st, to December 31st), in line with the Consolidated Annual Report.

This Non-Financial Statement, which is published once a year, has been prepared according to the “GRI Sustainability Reporting Standards 2021” (hereinafter the “GRI Standards”), published by the Global Reporting Initiative (GRI), according to the “GRI In accordance” option. In order to facilitate the reader in finding information in the NFS, a GRI Content Index is given on pages 61-65.

The contents of the document, which reflect the principle of materiality or relevance, an element envisaged by the reference legislation and characterising the GRI Standards, refers to the material topics for the Group and its stakeholders.

In order to allow for the comparison of data over time and assess the performance of the Group’s business, a comparison with the previous year has been offered. The restatement of comparative data published previously, where present, is clearly indicated as such. Finally, in order to ensure a correct representation of performance and guarantee the reliability of the data, the use of estimates was avoided as far as possible and, where present, such estimates are duly reported.

With reference to the information envisaged by Art. 3, paragraph 3 of Italian Legislative Decree no. 254/2016, in view of the Group’s business segment, the following topics were not considered relevant in offering a representation of the corporate business:

- other atmospheric polluting emissions apart from greenhouse gas emissions;
- water consumption;

As regards the topic of human rights, despite the fact that they are not material for the context in which the Group operates, is overseen by the Code of Ethics introduced together with the Model 231, and aimed at recognising and respecting personal dignity, the private sphere and the rights of all employees.

For more information, please refer to the document “Code of Ethics” published on the company website <https://www.alkemy.com/governance/>.

Reporting boundary

With reference to the changes made in 2022 as compared with the previous year, we note that:



- on January 21st, 2022, the Alkemy S.p.A. Board of Directors approved the draft merger by acquisition into Alkemy of Nunatac S.r.l., which was already a 100% subsidiary of the Company. The merger therefore took place without any capital increase and without any exchange. The transaction was completed on June 30th, 2022 with effect from July 1st, 2022;
- on July 19th, 2022, the binding agreement was completed, signed by Alkemy S.p.A. for the acquisition of 100% of the quota capital of InnoCV Solutions S.L. ("InnoCV"), a company based in Madrid, market leaders in Spain in the digital transformation segment, in tech and data analytics;
- on September 1st, 2022, the binding agreement was completed, signed by Alkemy S.E.E. d.o.o. ("Alkemy SEE") on March 4th, 2022 for the integration of Kreativa Unlimited d.o.o., independent player of the digital transformation in the Balkans, with Kreativa New Formula d.o.o., a full subsidiary of Alkemy SEE.

The reporting boundary relates to the parent Alkemy S.p.A. and the subsidiaries consolidated on a line-by-line basis at December 31st, 2022. Information is given on the group's structure on page 6 of this Statement.

The following exceptions are noted to the reporting boundary:

- Information on energy consumption (GRI 302-1) and CO₂ emissions (GRI 305-1 and GRI 305-2) regard the Italian (with the exception of the minor outlying offices that are not significant to the calculation) and the Mexican companies coming under the Group's scope, insofar as the companies Alkemy Play D.o.o., Alkemy SEE D.o.o., Alkemy Digital Hub D.o.o. and Kreativa New Formula D.o.o. are not significant in terms of consumption. Moreover, the data collection and monitoring systems in place at the remaining foreign countries do not, to date, allow for the timely collection of the information necessary for reporting on the indicators. It is further noted that the scope also excludes InnoCV, a company that joined the Group in the second half of 2022.
- Information on the annual total compensation ratio (GRI 2-21) and turnover (GRI 401) regard the companies of the Group scope with the exception of Kreativa New Formula D.o.o. and Alkemy SEE.

Approval and verification

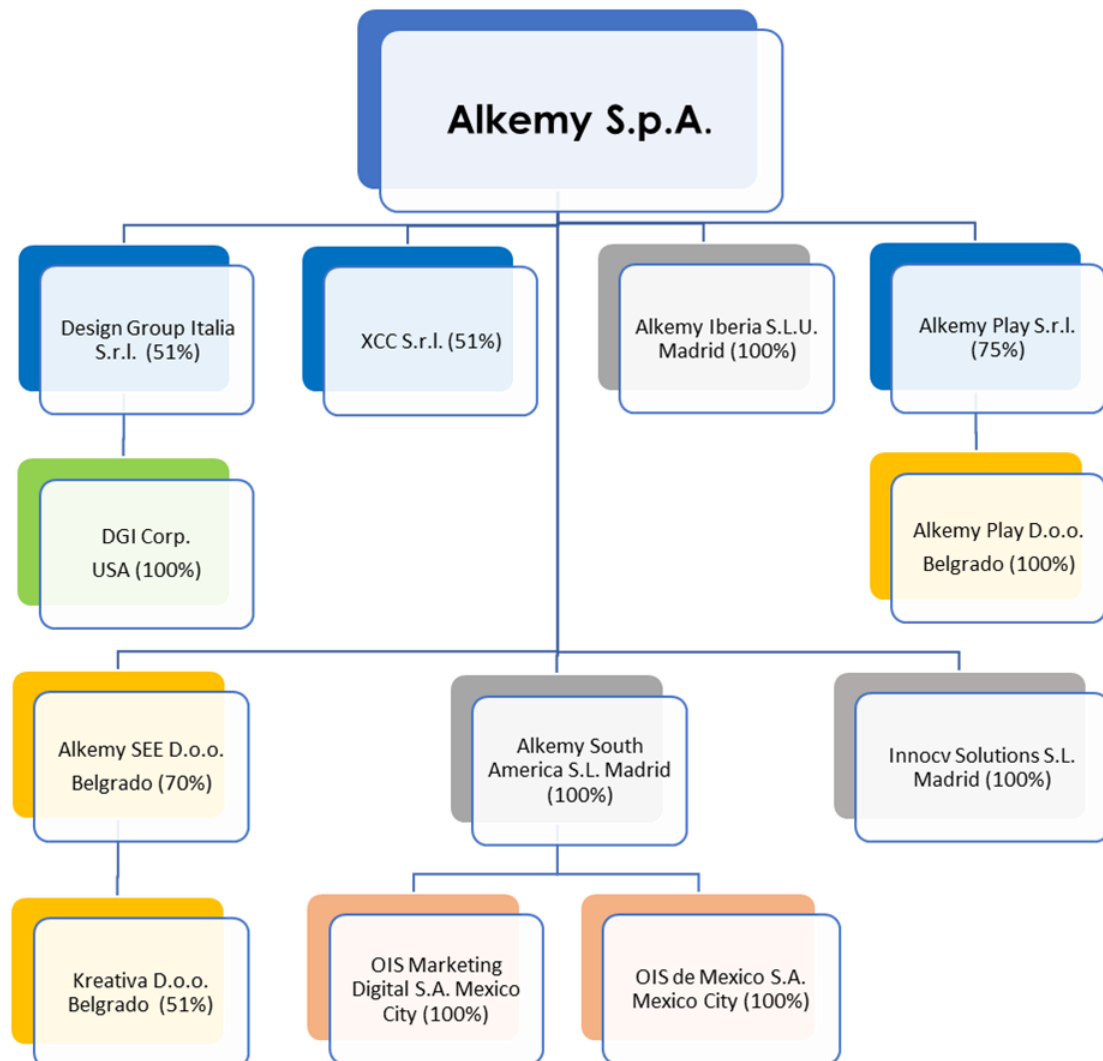
The Statement was submitted for approval by the Alkemy S.p.A. Board of Directors on March 27th, 2023, and was subjected to a limited assurance engagement (according to the criteria laid down by the standard ISAE 3000 Revised) by the audit company Deloitte & Touche S.p.A., in accordance with the provisions of Art. 3 and 4 of Italian Legislative Decree no. 254/2016. The audit report is attached to this document. The limited audit did not cover the information required by Article 8 of European Regulation 2020/852, included in the paragraph "European Taxonomy" within the "Economic Performance" Section, and in Annex 1.



Group profile

Established in 2012, the Alkemy Group operates to improve the market position and competitiveness of its customers, stimulating the evolution of the business model consistently with technological innovation and consumer conduct. Thanks to the competences of its people, the Group contributes towards the evolution of its customers' business, staying one step ahead of the transformations of the post-digital scenario.

The Group comprises the Parent Alkemy S.p.A., with registered office at Via San Gregorio 34 in Milan, and 12 direct or indirect subsidiaries in Italy, Serbia, Spain and Mexico.



In accordance with Articles 2497 *et seq.* of the Italian Civil Code, Alkemy S.p.A. manages and coordinates the companies of the Group and its direct and indirect subsidiaries, exercising control over such in accordance with Art. 2359 of the Italian Civil Code and consolidating their financial statements.



At December 31st, 2022, the scope of consolidation was as follows:

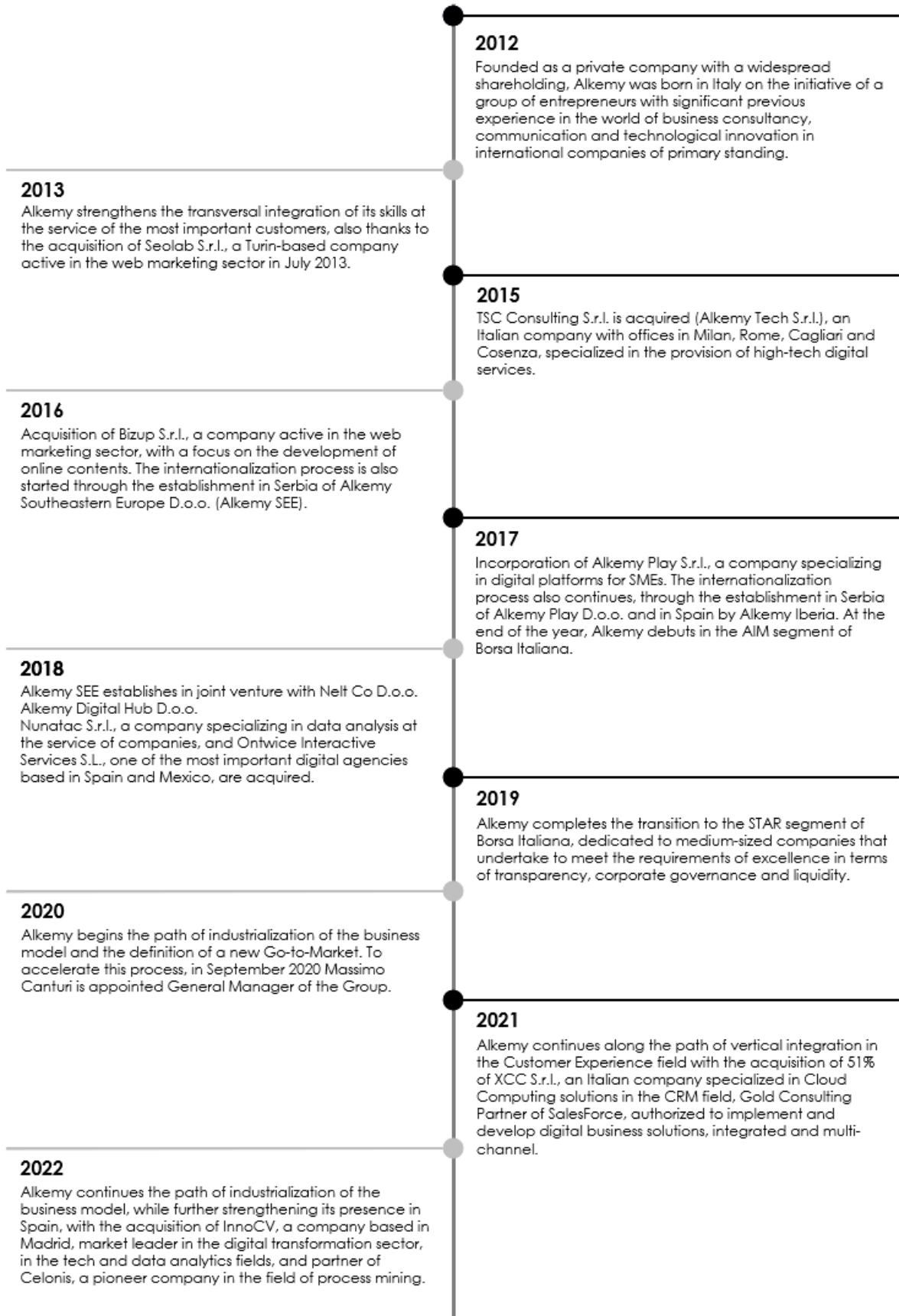
Company name	% held	Operating offices
Alkemy S.p.A.	-	Italy - Milan, Rome, Turin, Cagliari, Rende (CS)
Direct subsidiaries:		
Alkemy Play S.r.l.	75%	Italy - Milan
XCC S.r.l.	51%	Italy - Rome
Alkemy SEE D.o.o.	70%	Serbia - Belgrade
Alkemy Iberia S.L.U.	100%	Spain - Madrid
Design Group Italia S.r.l.	51%	Italy - Milan
Alkemy South America S.L.	100%	Spain - Madrid
InnoCV Solutions S.l.	100%	Spain - Madrid
Indirect subsidiaries:		
Alkemy Play D.o.o.	100%	Serbia - Belgrade
Kreativa D.o.o.	51%	Serbia - Belgrade
Ontwice Interactive Service Marketing Digital S.A.	100%	Mexico - Mexico City
Ontwice Interactive Service de Mexico S.A.	100%	Mexico - Mexico City
Design Group Italia Corp.	100%	USA - New York, Palo Alto

Through a sought-after diversification of the competences of its resources and the synergic manner in which they work on the individual projects, the Group is able to propose an integrated range of services offering customised solutions to suit the needs of the various types of customers (industrial, financial and commercial). In addition, the extensive portfolio of customers allows for a major diversification of the sectors serviced, such as, for example, consumer services, media, telecommunications and technology, fast-moving consumer goods, banks and financial services and utilities.

Thanks to its 899 employees, the Alkemy Group can integrate competences into the areas of Consulting, Data & Analytics, Digital Marketing, Brand & Product Experience and Technology, with a range designed for the post-digital context, which covers the whole value chain from strategy to implementation.



ALKEMY GROUP HISTORY





Mission and values

The Group was established to help the top management teams of medium and large companies to evolve and improve their business model, making the most of opportunities offered up by digital and technological innovation in general and consistently with the evolution of consumer conduct, so as to proactively manage change and be increasingly competitive on the market.

Alkemy works in a business made up of people and the implementation of its mission calls for talent from various walks and areas of life.

To attract this talent, Alkemy has developed a specific aggregation model, where people are able to fully express their capacity and feel at home in a company they feel is their own.

This model is based on three factors:

1. The affirmation that in Alkemy, people work who in addition to bringing talent and competence also embrace the Group values and principles (*good people and people who are good*)
2. A founding principle of *Freedom & Responsibility*, which gives great autonomy and leaves a great deal of responsibility to all Group people
3. A broad-based ownership model where no one has (nor has ever had) the majority.

This context includes the values referred to using the acronym “EPIC”:



ECCELLENZA

in tutto quello che facciamo,
con cura e qualità assoluta
anche nel minimo dettaglio.



PASSIONE

per il nostro lavoro, per le
nostre persone e, soprattutto,
per i nostri clienti.



INTEGRITÀ

nel nostro comportamento
e nel rispetto dei nostri valori.



CONCRETEZZA

nell'ottenere risultati concreti
e duraturi nel tempo.

The combination of these founding elements represents the uniqueness and very role of Alkemy. Indeed, Alkemy aims to affirm a new way of doing business, which combines ambition, performance, competitiveness, growth and profit with certain principles and values viewed as essential for the Group. Alkemy wants to show that there is a different, sustainable way of being a company, where growth and profits are not merely a means by which to remunerate shareholders but also the opportunity to confirm an ethical way of doing business.

The business sectors

The main market of the Alkemy Group is Italy, the Company is also present in the foreign markets of the Balkans area (Slovenia, Croatia, Bosnia-Herzegovina, Serbia, Montenegro, Albania, Macedonia), those of the Iberian Peninsula, and Latin America (Argentina, Brazil, Colombia and Mexico). The main markets are served through 12 subsidiaries (in addition to the Parent Alkemy S.p.A.) present directly in four different countries.



Business areas

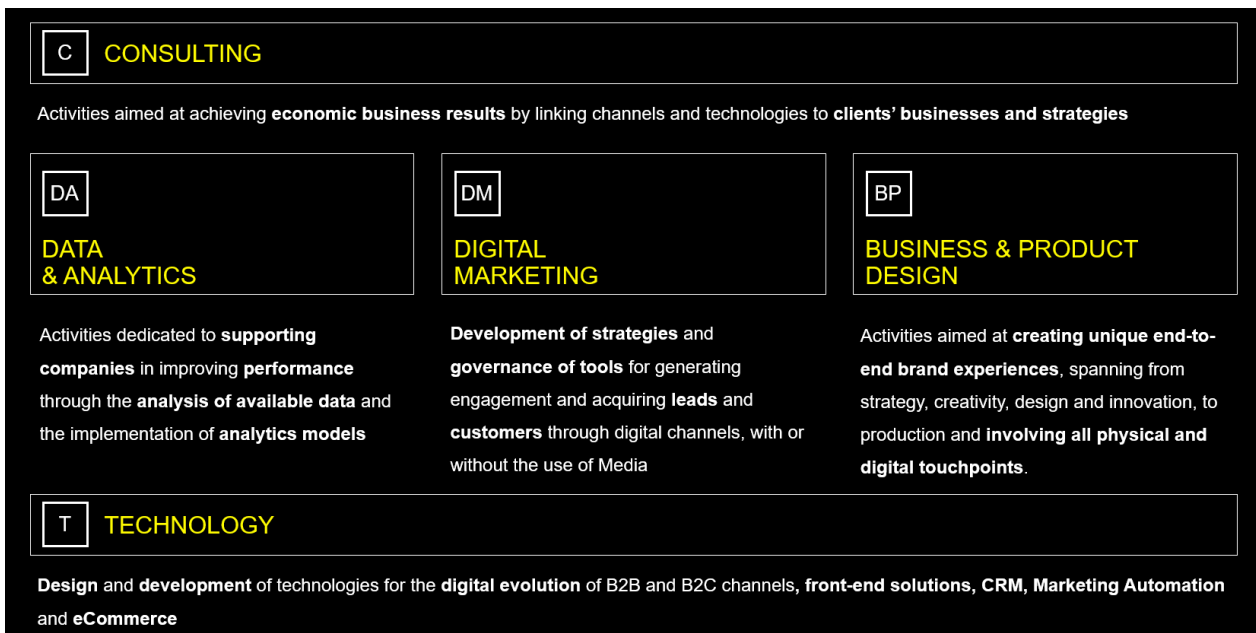
In response to the continuous evolutions of the market on which the Company operates and to anticipate the needs of its customers, in February 2020, upon conclusion of a process launched in 2019, Alkemy modified its mission from “digital enabling” to “enabling evolution”. The Company has thus focussed on enabling the business evolution of its customers to stimulate the relevant progress and updates, with an offer that is also suited to a post-digital scenario.

Starting from April 2021, with completion scheduled during the third quarter, a new Group organisation has started operating in Italy, structured by function (rather than competence), with the aim of ensuring a better focus on key accounts, with the establishment of a dedicated sales structure (“go-to-market”), supported by a pre-sales/business development unit and a delivery structure, whose priority aim is to execute



projects/services offered commercially, through competence centres representing and applying the various disciplines practised within the Group, specifically:

- > **Consulting:** the business unit comprises professionals with solid experience in strategic consultancy. It analyses, designs and quantitatively assesses (business case and business plan) innovative solutions aiming to transfer the customer's business model thanks to the use of the digital and omnichannel approaches, liaising closely with the CEOs and Executive Managers to define innovative, alternative strategies by which to achieve significant results in the long-term.
- > **Data & Analytics:** business unit focussed on offering concrete support to businesses in order to improve their business performance through the analysis of data available (both that of CRM or of other internal systems, and data coming from all actions on the digital world) and the implementation of analytics models. The techniques used for data analysis range from traditional statistical analysis through to Advanced Analytics & Machine Learning, Real Time Next Best Action, Digital Customer Intelligence, Campaign Plan Optimisation, Data Environment Design, Implementation and Management
- > **Digital Marketing:** business unit that aims to speed up on-line performance, by offering Alkemy customers the know-how and most innovative tools to promote its on-line brands and products. It thus manages all planning and procurement activities for its customers on the main digital media, search engines and social media, determining the investments needed to strengthen and improve consumer perception of the brands and products and speeding up sales on proprietary and third party e-commerce channels, overcoming conventional marketing approaches;
- > **Brand and Product Experience:** business unit dedicated to the planning, design and development of the company-customer brand experience. In this context, the unit operates in a fully integrated manner, putting the end consumer right at the heart, impacting all digital and physical touchpoints and more "traditional" forms of communication, with the ultimate aim of generating value both for the customers and the end consumer. In addition, with the development and transformation of the touchpoints and the creation of a unique experience, which communicates consistently a strong, innovative, distinctive brand, Alkemy offers its services as an essential partner. The BU assists the customer in preparing and structuring brand strategies and creativity, advertising campaigns, products or services for commercial businesses and, in general, communication with consumers, including through the management of the corporate digitisation process using a BPO (Business Process Outsourcing) model for the digital processes.
- > **Technology:** this is Alkemy's technological soul and it is specialised in the design, development and operation of technologies for the digital evolution of the B2B and B2C channels, front-end solutions, CRM, CMS, Portals, Apps, etc. The business unit consolidates and strengthens Alkemy's mission, reinforcing technological competences and the capacity to oversee one of the areas enjoying greatest growth and development on the Digital Transformation scene.



The various business units are involved in different ways according to the various projects and specific customer needs.

Finally, note that the Alkemy ecosystem includes a component of Innovation, Research and Development that supports the business activities. The company has, in fact, devoted a department baptised "Deep Learning & Big Data", in turn divided up into 2 areas of competence, with a workforce of 12, given over almost entirely to these aspects. The department deals with the on-demand creation of specific, yet versatile, assets that can be implemented easily and transversally on various customers.

The supply chain

The Alkemy Group goes about its business through internet platforms and websites of subjects external to the Group, with which it signs, as applicable, suitable software licence and service contracts, according to texts including standard provisions for such contracts.

Below are the main categories of suppliers used by the Group:

- suppliers of digital and non-digital media spaces, used by the Group to procure advertising spaces;
- suppliers of technical assistance and digital IT services, such as cloud and software;
- suppliers of physical products, such as goods for e-commerce and consumable materials;
- suppliers of logistics services;
- suppliers of communication, creativity, editorial, graphic, and managerial consultancy services.



With reference to the suppliers of media spaces, commercial contracts include “general conditions of supply” prepared by the supplier, to which reference is made when purchasing digital media directly from internet platforms.

With reference to suppliers of digital IT services, such as cloud and software, the procedure for establishing the commercial relationship starts with a “framework” offer that generally lasts for one year. This type of contract generally includes a faculty of withdrawal with 15 days’ notice and, in some cases, a period of “flanking” involving outgoing technical consultants and new subjects that the Company will assign for carrying out the activities planned.

With reference to the other points, the Group does not generally prepare framework agreements with suppliers but rather, save where specific, continuous services are supplied, mainly enters into contracts for individual orders/projects, negotiating the terms individually, each time.



Sustainability for Alkemy

Risk analysis and management

Following its listing, the Group has embarked on a progressive process of organisational adjustment, with particular reference to its Internal Control and Risk Management System (the "ICRMS"), consistently with that envisaged by the Code of Corporate Governance. To this end, Alkemy has decided, amongst others, that starting 2020 it would be implementing an Internal Audit ("IA") Department reporting directly to the Board of Directors, with the aim of strengthening the Company's Internal Control System and overseeing its operational, reporting and compliance risks, which may compromise the achievement of short- and medium/long-term objectives.

The IA Department Manager verifies that the Internal Control System is functional and adequate and operates in substantive compliance with the criterion of the Code of Corporate Governance. More specifically, the Internal Audit Manager shall:

- verify that the Internal Control and Risk Management System is functional and adequate;
- verify, both on an ongoing basis and in relation to specific needs and in compliance with best practices, the functioning and suitability of the Internal Control and Risk Management System, through an audit plan, approved by the Board of Directors, based on a structured process of analysis and prioritisation of the key risks;
- prepare the periodic reports containing suitable information about the activities carried out, how risk management is conducted and compliance with the plans defined to limit such risk. The periodic reports shall contain an assessment of the suitability of the Internal Control and Risk Management System;
- prepare timely reports on events of major importance;
- submit these reports to the Chairmen of the Board of Auditors, the Control, Risks and Sustainability Committee and the Board of Directors as well as to the Director in charge of the Internal Control and Risk Management System;
- verify, as part of the audit plan, the reliability of information systems including the accounting systems.

The IA Manager is not responsible for any operative area, depends hierarchically on the Board of Directors and has direct access to all information useful to performing the duties.

The Group has therefore identified the following risks connected with the material topics listed in the section entitled "Sustainability for Alkemy" of this Declaration.



Risks associated with information security, cyber-attacks and possible unlawful conduct and/or fraud committed on the e-commerce platform

The Alkemy Group is exposed to the risk of suffering cyber-attacks against its systems, which may entail unauthorised access to customer data, the use of such data (deliberate or otherwise), the theft, loss or destruction by current or previous employees, consultants or suppliers or third parties who have gained access to such, resulting in possible claims for compensation for damages and losses made by customers or of part of the turnover generated by such customers and negative impacts on the Group's reputation with accordingly negative consequences on the Group's business, prospects and economic, equity and financial position.

The infrastructures, computer systems and software are constantly exposed to the risk of intrusion by unauthorised third parties. In the event of an attack, a potential unauthorised access to the computer systems, or even merely an attempted intrusion, customers' perception of the security of the Group's infrastructures, computer systems and software may change, and this may entail a loss of customers (including important ones) and a negative impact on sales of services.

Any misappropriation or unlawful use of such information, loss of data or communication of confidential and/or proprietary information or the tampering with such information may also constitute a breach, traceable to Alkemy and/or the Alkemy Group, of regulation governing personal data protection.

The Alkemy Group could, therefore, incur liability, with possible negative impacts on the Issuer and Group's business, prospects, reputation and economic, equity and financial position. Additionally, the Group is particularly exposed to the risk deriving from the continuous evolution of technologies and hacking techniques that can be used to gain unlawful access to, or to sabotage, the computer systems. Consequently, considering the rapid, continuous evolution of hacking activities, the Group may not be able to prevent or avoid any such attacks, the danger level of which is increased by the fact that they may not be detected until launched against a given target.

If the Group should incur liability deriving from unlawful, fraudulent and/or in general incorrect conduct by its customers on the e-commerce platforms, this may have a negative impact on the Group's business, prospects and economic, equity and financial position.

The Company believes this risk factor to be unlikely to occur and in any case with a low negative potential effect.

For information about the Alkemy Group business, and a description of the measures implemented, please refer to the Section on "Data Security and Cybersecurity" of this Statement.

Risks associated with the function of the computer systems

The Group's activities could be negatively impacted by interruptions in the infrastructures and computer systems or attempted unauthorised access or breaches of its data security system.



The activities carried out by the Group are closely linked to the use of the infrastructures and computer systems, which are exposed to multiple operational risks deriving from equipment failures, interruptions to work or connectivity, programming errors, unlawful conduct by third parties and/or exceptional events that, if such should occur, may prejudice the correct function of the systems and force the Group companies to suspend or interrupt their activities, with consequent negative effects on the Group's economic, equity and financial position.

A key component of the Group's activities and of the segment in which it works, as well as one of the key factors of success is the capacity to benefit from (and maintain) a suitable IT infrastructure or infrastructure of technology dedicated to the development of services offered, which is able to guarantee a complete, constant aid to the provision of services offered to customers.

In this regard, the only application software used by the Group to manage the administrative systems is the SAP (System Application and Product in data processing), while the other systems, such as, for example, the Amazon Cloud, used to host the websites, consist of "as-a-service" software and does not, therefore, require the installation of any software.

Operational risks mainly regard IT equipment and tools both owned by the Alkemy Group and by third parties used by the Group to provide certain services.

To this end, it is specified that the Group develops a specific disaster recovery plan and a security policy for each client, dedicated and calibrated to the project specifics.

The Company believes it unlikely that this risk factor will arise and expects any potential negative impact of such to be medium.

For information about the Alkemy Group business, and a description of the measures implemented, please refer to the Section on "Data Security and Cybersecurity" of this Statement.

Risks associated with personal data processing

The Group is exposed to the risk that the personal data of employees or customers collected by the Group may be damaged, lost, removed, disclosed or processed for purposes other than those permitted.

The personal data of the employees and/or end users of the Group is stored in computer and physical archives at the offices of the individual Group companies under document management and archiving, equipped with functions necessary for preventing unauthorised external access or loss (total or partial) of the data, as well as for ensuring continuity of the service.

Any cyber-attacks may entail the risk that certain confidential information relating to personal data could be unduly acquired, stolen or used, deliberately or otherwise, by current or previous employees, collaborators, third party consultants or anyone else who may have had access to such, with the possible consequent breach, traceable to the Group, of regulations on the protection of certain data and consequent negative effects



on the Group's business and prospects, as well as on its economic, equity and financial position.

It is noted that the Group has taken all action necessary to comply with new legislation on personal data processing introduced in each European Union Member State with Regulation (EU) 2016/679, including the appointment of a Data Protection Officer. In 2020, the figure of the Chief Information Officer was introduced. It cannot be excluded that the Issuer or other Group companies may breach applicable legislation in the future, with possible sanctions by the competent authority and consequent negative effects on the Issuer and Group's business, and reputation, as well their economic, equity and financial position.

The Company believes it unlikely that this risk factor will arise and expects any potential negative impact of such to be medium.

For information on the activities of the Alkemy Group and for a description of the measures implemented, reference is made to the Section on "Cybersecurity and data protection" of this Statement.

Risks associated with the protection of intellectual property

The Group may not manage to suitably protect its intellectual property, technological know-how and trademarks and may, consequently, breach third party intellectual property rights with possible negative impacts on the business, results and economic position.

The Group's success also depends on the use and importance of its intellectual property and, consequently, the capacity to protect such from potential third-party breach. To this end, the Group protects its intellectual property rights in the territories in which it operates, registering its trademarks and internet domains and constantly monitoring the status of the individual registrations.

There can be no certainty that the action taken by the Group to protect the topic shall suffice to adequately protect the intellectual property relative to the conduct of business, with the consequence that third parties, including partners for joint research and development activities and customers benefiting from the services offered by the Group, may make undue use of methods, know-how, trademarks, trade secrets and other information of commercial value pertaining to the Group, so as to harm its related rights.

The Group may, therefore, see itself forced to take legal action against subjects whose activities have been carried out in breach of its intellectual property rights, with the consequence of needing to deal with costs connected with the onset and pursuit of the related proceedings. Any onset of such events and their direct and indirect consequences may have negative impacts on the Group and Issuer's business, prospects and economic, equity and financial position.

The Group may also be subject to disputes raised by third parties for alleged breach of their intellectual property rights in connection with the services supplied by it. These disputes may lead to lawsuits, or the need to enter into transactions that may worsen costs in a manner



that has not been forecast by the Group, with consequent negative impacts on its business and economic-financial position.

The Company believes this risk factor to be unlikely to occur and in any case with a low negative potential effect.

For information about the Alkemy Group business, and a description of the measures implemented, please refer to the Section on "Innovation and R&D" of this Statement.

Risks associated with relationships with strategic suppliers

The Group is exposed to the risk of encountering difficulty in obtaining suppliers for internet platforms and websites to replace existing ones.

The Alkemy Group goes about its business through internet platforms and websites of subjects external to the Group, with which it signs, as applicable, suitable software licence and service contracts, according to texts including standard provisions for such contracts.

The Group may, therefore, not manage to find equivalent suppliers to existing ones, which guarantee the same quality of product and/or service, with consequent negative effects on the Group's business and operations or in any case to find such suppliers quickly, with the consequent risk of delays in the definition of projects and other activities in progress. Any potential initiatives to be taken may entail expenses or difficulties (also in terms of replacement times and/or new investments), with consequent possible negative impacts on the business and prospects as well as on the Group's economic, equity and financial position.

The Company believes this risk factor to be unlikely to occur and in any case with a low negative potential effect.

For information about the Alkemy Group business, and a description of the measures implemented, please refer to the Section on "The supply chain" of this Statement.

Risks associated with the evolution of services in the digital sector and customer demands

The Group is exposed to the risk of being unable to promptly identify technological and digital solutions that are adequate to the evolution of technology and the increasing needs of customers.

The Group manages digital and technological transformation projects for medium-large enterprises and seeks to make a significant contribution towards the growth and development of its customers through the provision of services that can offer the support necessary to identify innovative solutions and growth opportunities in digital and technological evolution.

Therefore, the segment in which the Group operates is characterised by constant research and innovation of the services supplied, also with a view to identifying and anticipating the needs of customers and users (as the end customers of some of the Group's services) as well



as quick, major technological changes and the constant evolution of the breakdown of professionals and skills to be aggregated into the provision of the services.

The Group's success depends on the one hand on its capacity to continue to offer services with added value that meet the needs of both customers and end users, and, on the other, the Group's ability to identify new products and/or services ahead of its competitors.

The Company believes it unlikely that this risk factor will arise and expects any potential negative impact of such to be medium.

For information about the Alkemy Group business, and a description of the measures implemented, please refer to the Section on "Customer centricity" of this Statement.

Risks associated with the dependency of the Alkemy Group's business on key management figures, the loss of qualified resources and difficulty in finding new ones

The Group is exposed to the risk of a potential interruption to professional collaboration with certain senior figures or key members of its staff, and to the risk of being unable to attract and withhold highly qualified staff.

The Group's results and success depend considerably on the Parent's management team. As regards the senior figures, a key role is played by Alessandro Mattiacci and Duccio Vitali, respectively Executive Chairman and Chief Executive Officer of Alkemy S.p.A.

Although in operative and managerial terms, the Group believes that it is equipped with a management team and structure that can reasonably assure continuity of business management, the link between the management and the Group remains a critical factor of its success. Therefore, although the Group has a management incentive system aimed at attracting, motivating and retaining the Group's key resources, it cannot be excluded that if multiple key figures in the Group should cease the office held to date, or the Group should be unable to attract, train and retain qualified managers, also in lieu of any that have stood down, these situations may have a negative impact on the Group's capacity to compete and grow and may impact the envisaged objectives, with possible negative impacts on the Group's business and growth prospects as well as its economic, equity and financial position.

Additionally, considering that the sector in which the Group operates is characterised by the need for the company to use highly-specialised staff with high technical and professional skills, the Group's success also depends on the capacity to attract and train staff with the required technical and professional skills and specialisation.

However, if the Group should encounter difficulty in procuring specialised staff or a significant number of specialised professionals or entire working parties dedicated to specific project types should leave the Group - and it is not possible to replace them quickly with qualified staff - the capacity for innovation and its growth prospects may suffer, with possible negative effects on the Group's economic, equity and financial position.



The Company believes it unlikely that this risk factor will arise and expects any potential negative impact of such to be medium.

For information about the Alkemy Group business, and a description of the measures implemented, please refer to the Section on “Attracting and gaining the loyalty of talent” of this Statement.

Sustainability route

Starting from 2019, the Group has launched its sustainability route, publishing the first Non-Financial Statement, through which it provides an overview of its performance in economic, social and environmental responsibility.

Today, the Group is proceeding along this evolutionary route towards responsible management, characterised by an ever increasing understanding and development in respect of sustainability topics, thanks to the definition of two more, subsequent stages of maturity:

- the approval, during the early months of 2023, of four policies (Diversity & Inclusion, Human Rights, Green Office & Mobility, Anticorruption) and the Supplier Code of Conduct, aimed at formalising the Group's approach and commitment to the various areas of sustainability relevant to the organisation;
- the start-up of a process by which to define short- and medium/long-term sustainability objectives and a periodic monitoring plan on the progress made on activities intended to help achieve such.

In 2022, Sustainability Governance was also strengthened through the definition of a Procedure (approved early 2023) called the “ESG Governance & Non-Financial Reporting Process Procedure”, which formalised the following responsibilities at Group level on ESG topics:

- The Board of Directors, which has the power and duty to direct and guide the company with the aim of pursuing its sustainable success and the creation of value in the medium/long-term, has, amongst its other responsibilities, the task of approving the NFS. The BoD is also responsible for supervising sustainability-related topics (HR, Procurement, Environment, Compliance, etc.), and for defining ESG Policies, strategic ESG guidelines and the related actions.
- The Control, Risks and Sustainability Committee supports the Board of Directors in assessing and deciding in respect of the Internal Control and Risk Management System as well as in approving the regular reports;
- the Sustainability Department, represented by the Investor Relations Manager reporting directly to the Group CEO, mainly has the task of reporting at Group level, guaranteeing compliance with the deadlines envisaged by the NFS.



ESG Policies

The Group has defined ESG Policies and a Supplier Code of Conduct, approved by the Board of Directors in January 2023, which provide structured documentation of the Group's approach to the significant sustainability aspects and the related integration process. During this first phase, the Policies apply to Alkemy S.p.A. and, in some cases, also to the Group's Italian subsidiaries. It is a tool offering support to the strategic ESG process and communication to stakeholders. The commitment over the next few years will be to extend its application until such time as the whole Group is included in the scope of application.

In order to share updates on ESG Policies and the Supplier Code of Conduct, an internal communication has been sent out to Alkemy S.p.A. employees, asking them to examine the Policy and make sure that they behave in accordance with its principles; this information is also sent out on the first day on which each new employee is hired into companies of the Italian scope of the Alkemy Group. In addition, in the future, the Group expects to also develop specific employee training on the ESG Policy and Supplier Code of Conduct.

For more information on the topics addressed in the Policies, we would refer you to the full texts, which are available on the group website, in the Corporate Governance/Documents and Procedures section (<https://corporate.alkemy.com/governance/#/documenti-e-procedure>).

More specifically, the policies approved concern the following areas:

- **Diversity & Inclusion:** defines guidelines to eliminate and avoid all forms of discrimination and improve inclusion in the organisation, formalising a commitment that has characterised the workplace in Alkemy since its very beginning, where people are not only *people who are good*, but they must also be *good people* and where everyone needs to come together to create a workplace in which everyone feels free to express their talent.
- **Green Office and Mobility:** defines guidelines and reward systems for conduct that respects the environment both within the workplace and in business travel.
- **Anticorruption:** on the basis of Italian Legislative Decree no. 231/2001 and international guidelines, defines the principles to be followed in terms of anti-corruption and anti-money laundering in all activities considered to be at risk of such.
- **Human rights:** on the basis of international standards, structures guidelines for the respect and protection of human rights (abolition of child labour, compulsory labour, protection of the freedom of association, etc.) throughout the value chain.
- **Supplier Code of Conduct:** defines the guidelines with which suppliers are called to comply, making a commitment to respect the Sustainability principles pursued by Alkemy (e.g. respect for the environment, human rights, health and safety, business integrity).

All the above Policies apply to Alkemy S.p.A. and the Italian Group companies, with the exception of the Anticorruption Policy and the Supplier Code of Conduct, which in this initial stage apply only to the Parent Company.

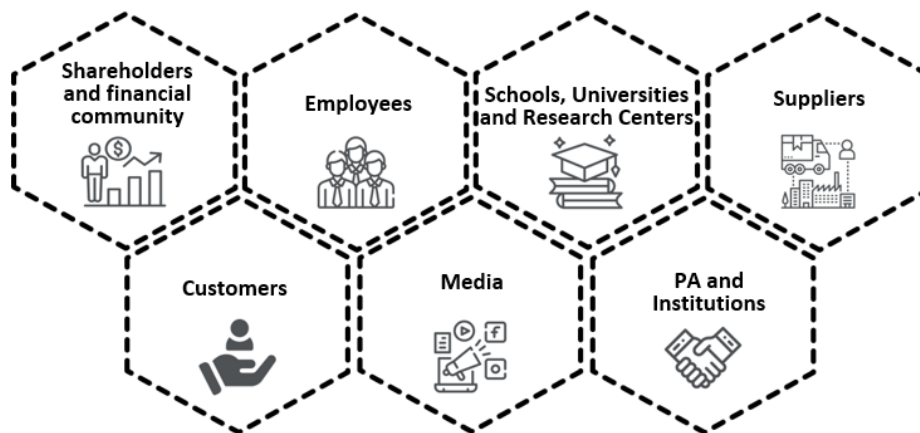
Sustainability Plan

Following this path of evolution, the Group expects to select a provider and request a sustainability rating, which will then provide a basis on which to define a plan setting out KPIs and sustainability objectives for the short- and medium/long-term, during the course of the year. The main areas of intervention will therefore be identified, along with the most important KPIs and actions seeking to improve Alkemy's overall sustainability performance on the basis of the Policies approved by the BoD, the shortcomings revealed during the assessment that will lead to a Group rating, the materiality analysis and the contribution that can be made by the Group towards achieving Sustainable Development Goals (SDGs).

Materiality

Starting from 2019, the Group has launched its sustainability route, publishing the first Non-Financial Statement, through which it intends to inform the Group stakeholders about its performance in technical-economic, social and environmental liability.

As part of the activities preliminary to the definition of the material topics, Alkemy has identified the following stakeholders through an internal analysis, of the context and reference segment, which considered the best practices on a national and international level.



Considering the dynamism of the sector in which it operates, Alkemy considers essential to develop and maintain forms of dialogue and continuous interaction with its stakeholders, in order to identify and anticipate emerging trends, promptly adapting its offer where necessary. To this end, the Group establishes a constant and constructive dialogue with all the identified stakeholders.

In particular, the main opportunities for engagement for each of the identified stakeholders are shown below:

- Shareholders and Financial community: Shareholders' Meeting, meetings and quarterly conference calls with analysts and investors, roadshow and dedicated events both in presence and virtual; institutional website and dedicated e-mail address;



- Employees: monthly newsletter, quarterly plenary meeting with the CEO after the publication of the quarterly financial results with a dedicated Q&A session;
- Schools, Universities and Research Centers: attendance of hiring events, collaboration initiatives on topics coherent with the business of the Company;
- Suppliers: continuous engagement by offices involved in the services provided and by the purchase department;
- Customers: daily activities and interactions with the Go-to-Market and Delivery division;
- Media: management and continuous update of the contents shared through the social media via the Company profiles and relations with the press through the dissemination of press releases and key information regarding activities and initiatives of the Group;
- Institutions and Public Administration: participation in significant events and initiatives, continuous dialogue in compliance with the legislation that regulates the interaction of the Group as a public company.

With the aim of coming into line with the GRI Universal Standards published in 2021 (with effective application starting from reports published since January 1st, 2023), in 2022, the materiality analysis was updated. One of the key concepts of the framework update is that the topics to be considered material represent the most significant impacts of the organisation on the economy, environment and people, including impacts on human rights.

The revision process started off with the activity of understanding o the context in which the Group operates, through an overview of the activities and business relationships, of the sustainability context in which they develop and a check over the list of relevant stakeholders. As a second step, the positive and negative, current and perspective impacts the Group may have on the economic system, the environment and people (including on human rights), were identified. Such identified impacts were thereafter assessed through the direct involvement of Alkemy's top management during a sustainability workshop.

On the basis of the assessments relative to the impacts generated, the material topics for the Alkemy Group and stakeholders, have been defined and ranked.

Below is a list of the material topics identified following the materiality analysis performed by the Group, with a comparison with respect to the requirements of Italian Legislative Decree no. 254/2016:

<u>MATERIAL TOPICS</u>	<u>DESCRIPTION OF IMPACTS</u>	<u>Related GRI topics</u>	<u>TOPICS Italian Legislative Decree no. 254/16</u>
1) Business Ethics and Compliance	Development of fair, transparent and constructive relations with stakeholders, with direct impacts on the	<ul style="list-style-type: none"> • GRI 205 Anti-corruption (2016) 	Respect for human rights Fight against corruption



	<p>continuous improvement of ESG performance</p> <p>Anti-competitive behaviour and monopolistic practices with negative impacts on the economy and markets</p> <p>Non-compliance with laws, regulations, internal and external applicable standards with relative negative social impacts</p>	<ul style="list-style-type: none"> • GRI 206 Anti-competitive behaviour (2016) • GRI 207 Tax (2019) 	
2) Economic performance	<p>Generation of economic value and balance distribution to the stakeholders (e.g. employees, suppliers, customers)</p>	<ul style="list-style-type: none"> • GRI 201 Economic performance (2016) 	Economic
3) Quality service and customer satisfaction	<p>Creation of a secure, high quality IT service in compliance with the various contexts (customer's needs and current legislation) with positive impacts of users</p>	N/A	Social
4) Data security and cybersecurity	<p>Security breaches regarding customer privacy and the loss of customer data from its management system</p>	<ul style="list-style-type: none"> • GRI 418 Customer privacy (2016) 	Social
5) Management of the human capital and employee development	<p>Creation of jobs and enhancement of resources hired</p> <p>Improvement of worker skills through training and professional development, also linked to personalised assessment and growth objectives</p>	<ul style="list-style-type: none"> • GRI 404 Training and education (2016) 	Staff-related
6) Diversity and inclusion	<p>Negative impacts on employee motivation and satisfaction due to discrimination (e.g. linked to gender, age, ethnics, etc.)</p>	<ul style="list-style-type: none"> • GRI 405 Diversity and equal opportunity (2016) 	Staff-related Respect for human rights



	or other non-inclusive practices	<ul style="list-style-type: none">• GRI 406 Non-discrimination (2016)	
7) Employee well-being	Implementation of initiatives aiming to assure a balance between professional and working lives, enabling greater employee well-being	<ul style="list-style-type: none">• GRI 401 Employment (2016)	Staff-related
8) Contribution towards territorial development	Support to local development through contributions and donations to the associations of the territory in which the Group is most present	N/A	Social
9) Energy consumption and atmospheric emissions	Negative impacts on the environment in terms of climate-altering emissions produced through the consumption of non-renewable energy (non-renewable fuels and electricity)	<ul style="list-style-type: none">• GRI 302 Energy (2016)• GRI 305 Emissions (2016)	Environmental

With respect to the materiality Analysis given in the report for FY 2021, the following have emerged as material topics:

- Employee well-being
- Economic performance
- Contribution towards territorial development

The topics will therefore be reported on in this document. Following the update of materiality, moreover, the topic of "Capacity for innovation, research and development" has been excluded from the document.



Economy and governance

Corporate governance structure

Alkemy S.p.A. has adopted a traditional type governance system. The Shareholders' Meeting, the body in charge of expressing the shareholders' desires, therefore appoints both the Board of Directors and the Board of Auditors.

The Board of Directors is the body in charge of managing the social enterprise, it has the power and duty to direct and steer the company with the aim of pursuing its sustainable success, in application of Principle I of the Corporate Governance Code. Furthermore, it is the exclusive competence of the Board of Directors, among others, the approval and monitoring of the adequacy of the organizational, administrative and general accounting structure of the Company and of the subsidiaries having strategic importance, with particular reference to the Internal Control System and Risk Management and the management of conflicts of interest (for a more detailed illustration, see the Report on Corporate Governance and Ownership Structures relating to the 2022 financial year).

In exercising its function of guiding the definition of ESG policies as well as supervising the process of integrating ESG factors into management strategies, in July 2022 the Board established the Sustainability Function, with the aim of structuring a governance able to ensure the supervision of ESG issues, as well as to implement the related internal procedures and an adequate system of control, monitoring and verification of KPIs and targets in the ESG area. The Board of Directors is also in charge of the approval of the Consolidated Non-Financial Disclosure, drafted pursuant to Legislative Decree 254/2016.

The Board of Directors, appointed by the Shareholders' Meeting on April 26th, 2022, numbers 7 directors, of whom 57% are men and 43% women.

THE MEMBERS OF THE ALKEMY S.P.A. BOARD OF DIRECTORS AT December 31st, 2022

MEMBERS	OFFICE	EXECUTIVE (YES/NO)	INDEPENDENT (YES/NO)	OTHER POSITIONS HELD
Alessandro Mattiacci	Chairman	Yes	No	
Duccio Vitali	Chief Executive Officer	Yes	No	
Riccardo Lorenzini	Director	No	No	Remuneration Committee
Massimo Canturi ¹	Director	Yes	No	

¹ The director was appointed General Manager on September 11th, 2020. The appointment was approved by the Shareholders' Meeting on April 26th, 2021.



MEMBERS	OFFICE	EXECUTIVE (YES/NO)	INDEPENDENT (YES/NO)	OTHER POSITIONS HELD
Giulia Bianchi Frangipane	Director	No	Yes	Third Party Transactions Committee; Remuneration Committee; Control, Risks and Sustainability Committee
Ada Villa	Director	No	Yes	Third Party Transactions Committee; Control, Risks and Sustainability Committee
Serenella Sala	Director	No	Yes	Third Party Transactions Committee; Remuneration Committee; Control, Risks and Sustainability Committee

BREAKDOWN BY AGE BRACKET AND GENDER OF DIRECTORS AT December 31st, 2022

GENDER/AGE BRACKET	2021			2022		
	<30	30-50	>50	<30	30-50	>50
Man	0	1	5	0	0	4
Woman	0	2	1	0	2	1

In compliance with the recommendations on corporate governance given in the Code of Corporate Governance, the Company's Board of Directors has also established, duly approving their internal operating procedures, the following committees:

- Remuneration Committee: is in charge of duties regarding remuneration, in compliance with the provisions of application criterion of the Code of Corporate Governance;
- Control, Risks and Sustainability Committee: this performs the duty of competent committee in accordance with the Company's Related Party Transaction



Procedure and assists the Board of Directors in assessing and making decisions relating to sustainability.

The Remuneration Committee numbers 3 members, of whom 33% are men and 67% women.

THE MEMBERS OF THE ALKEMY S.P.A. REMUNERATION COMMITTEE AT December 31st, 2022

MEMBERS	OFFICE	EXECUTIVE (YES/NO)	INDEPENDENT (YES/NO)	OTHER POSITIONS HELD
Serenella Sala	Chairman	No	Yes	Board of Directors
Giulia Bianchi Frangipane	Member	No	Yes	Board of Directors
Riccardo Lorenzini	Member	No	No	Board of Directors

The Control, Risks and Sustainability Committee also numbers 3 members, of whom 100% are women.

THE MEMBERS OF THE ALKEMY S.P.A. CONTROL, RISKS AND SUSTAINABILITY COMMITTEE AT December 31st, 2022

MEMBERS	OFFICE	EXECUTIVE (YES/NO)	INDEPENDENT (YES/NO)	OTHER POSITIONS HELD
Ada Villa	Chairman	No	Yes	Board of Directors
Serenella Sala	Member	No	Yes	Board of Directors
Giulia Bianchi Frangipane	Member	No	Yes	Board of Directors

The Control, Risks and Sustainability Committee offers supporting functions for the Board of Directors in the assessments and decisions relating to the internal control and risk management system, as well as in those relating to the approval of the periodic financial reports. In particular, the Committee evaluates the suitability of the periodic financial and non-financial information to correctly represent the business model, the company's strategies, the impact of its activity and the performances achieved. Where necessary, the Committee also entrusts the Internal Audit function with carrying out checks on specific operational areas, simultaneously notifying the chairman of the control body. With reference to assisting the Board of Directors in its assessments and decisions relating to sustainability, the Control, Risks and Sustainability Committee formulates proposals to the Board of Directors on sustainability policies, aimed at ensuring the creation of value over time for all shareholders and for all the other stakeholders in the medium-long term in compliance with the principles of sustainable development. It also formulates proposals to



the Board of Directors with reference to the guidelines, objectives and consequent sustainability processes and with reference to sustainability reporting. At present, the Company has deemed it unnecessary to provide formal methods of coordination between the various subjects involved in the internal control and risk management system, as all are operating in a spirit of mutual collaboration even in the event of reports and any critical issues. However, the meetings of the Committee are minuted and their meetings are attended by the Chairman of the Board of Statutory Auditors or another Statutory Auditor designated by him/her. The Chief Executive Officer and/or the Director in charge of the internal control system may also participate in the meetings.

The Alkemy S.p.A. Board of Auditors, appointed by the Shareholders' Meeting on April 26th, 2022, shall remain in office for three financial years, i.e. until the date of the meeting called to approve the financial statements for the year ending at December 31st, 2024 and comprises the Chairman, 2 regular auditors and 2 alternate members.

THE MEMBERS OF THE ALKEMY S.P.A. BOARD OF AUDITORS AT December 31st, 2022

MEMBERS	OFFICE	YEAR OF BIRTH
Gabriele Gualeni	Chairman	1974
Mauro Dario Bontempelli	Regular Auditor	1954
Daniela Bruno	Regular Auditor	1969
Marco Garrone	Alternate Auditor	1963
Mara Sartori	Alternate Auditor	1971

BREAKDOWN BY AGE BRACKET AND GENDER OF THE MEMBERS OF THE BOARD OF AUDITORS AT DECEMBER 31st, 2022

GENDER/AGE BRACKET	2021			2022		
	<30	30-50	>50	<30	30-50	>50
Man	0	1	2	0	1	2
Woman	0	1	1	0	0	2

More information about governance is given in the "Report on the Corporate Governance System" and in the "Alkemy S.p.A. Articles of Association", available from the "Corporate Governance" section of the company website www.alkemy.com.



Business ethics and compliance

Alkemy S.p.A. has adopted the organisation and management model envisaged by Italian Legislative Decree no. 231/2001 (the “Model 231”) with the aim of creating a system of rules to prevent the adoption of unlawful conduct held to be potentially relevant to the application of said legislation. To this end, Alkemy S.p.A. has also established a supervisory body in accordance with Article 6, paragraph 1, letter b) of Italian Legislative Decree no. 231/2001 (the “Supervisory Body”).

Current rules on the prevention and fight against corruption, the National Anti-Corruption Plan and the issue of Italian Legislative Decree no. 231/2001 on “Regulations of the administrative liability of legal entities” ultimately meant that Alkemy needed to issue a Code of Ethics as an integral part of the organisation and control model. It comprises all the values and objectives aimed at assuring moralisation and economic efficiency in intra-corporate relations (senior management, management, employees and collaborators) and relations external to Alkemy S.p.A. (business and market). The Code of Ethics fosters unambiguous guidelines to conduct in compliance with rules governing the prevention of crimes, in respect of principles of transparency, impartiality, correctness and traceability relative to the decision-making process and cash flows.

Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/01

Inspired by its values (Excellence, Passion, Integrity and Concreteness), in 2016, Alkemy S.p.A. updated its Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/01. The organisational model aims to offer an organised system of provisions, procedures and controls with the declared aim of implementing a system of prevention. The model's main aims are:

- to make those operating within Alkemy S.p.A. and those with whom the company collaborates in any way and on any level, aware of the risks of the perpetration of the crimes envisaged by Italian Legislative Decree no. 231/01 and of the fact that committing such crimes damages the company as a whole;
- to firmly stress that unlawful conduct of any nature is strictly prohibited and very much condemned by Alkemy S.p.A. insofar as it is in conflict not only with the law but also with the ethical principles the company upholds in pursuing its mission;
- to develop a suitable system of preventive controls so as to exclude the possibility of anyone working within the entity potentially justifying their unlawful conduct by claiming ignorance of corporate directives and avoiding the possibility that, in normal cases, the crime may be caused by human error (also due to negligence or lack of expertise) in assessing company directives;
- to make it possible for the company to intervene with suitable provisions, to prevent or fight any unlawful conduct.



Code of Ethics

With the update of the Organisational Model pursuant to Italian Legislative Decree no. 231/01, Alkemy also equipped itself with a Code of Ethics, which constitutes all values, principles and lines of conduct that must inspire employees and collaborators of the Group in going about their work.

In accordance with the Code of Ethics, all Alkemy staff is called to behave loyally, impartially, diligently and fairly. All company business must be carried out with the utmost diligence, honesty, collaboration, fairness, loyalty, moral integrity and professional rigour, in observance of the laws, procedures and corporate regulations and in compliance with the Code of Ethics.

Anti-corruption

The Alkemy Group is firmly committed to going about its business transparently, honestly and ethically, in all countries where it works and refuses all forms of corruption.

The application and respect for the rules on the prevention of and fight against corruption impacts all the intra-company departments, senior management, management, employees and collaborators. The rules apply to external relations with customers and suppliers and relations with stakeholders in general, particularly where the need is seen to monitor economic and financial relations, with particularly close attention paid to conflicts of interest, relations with the competition, related parties and relations with the public administration.

To this end, starting 2020, Alkemy S.p.A. has re-mapped the risks, crimes and controls, analysing the business processes and identifying the activities that are exposed to risks resulting from the combination of "Crime risk" - "Implementation". More specifically, the mapping of risks, offences and controls and procedures was repeated, to include the latest new legislation: - Italian Legislative Decree no. 75/2020 (fraud in public supplies) (Embezzlement and abuse of office) (Tax offences), Italian Decree Law of 21/09/2019, Art. 1, paragraph 11 (violation of rules governing the cybernetic national security scope), Italian Legislative Decree no. 21/2018 (Racism and xenophobia). After the mapping, specific procedures were implemented, circumscribed to 18 protocols.

As mentioned previously, a collegial Supervisory Body has been appointed, tasked with overseeing observance of the Model 231, compliance with the Code of Ethics, its effectiveness in terms of preventing crimes, the implementation of provisions and, finally, its update. If any changes should be noted to the company structure and organisation or changes to the reference regulatory framework, the Supervisory Body has its own Regulation and reports back to the Parent's Board of Directors.

The absence of any events that are misaligned with the principles and provisions of the Organisational Model in 2022 too, is evidence of the effectiveness of the approach taken by the management in terms of preventing crimes and corruption. The periodic review of the instruments and organisational manner for the prevention of corruption, assures the effectiveness of the actions defined for the topic under review.



BOX - Mapping of risks relating to crimes of corruption

Alkemy S.p.A. has implemented a Management System that, once a risk matrix has been identified and all aspects analysed in respect of compliance with the main rules (Italian Legislative Decree no. 231/01, Italian Decree Law no. 81/08, Italian Legislative Decree no. 163/03 - GDPR, ISO9001:2015), in consideration of specific procedures issued by the company, ensures the training of the parties concerned, the verification of the implementation and effectiveness of the Protocols, their spread within and, if necessary, outside the company and periodic updates as risks changes, of rules, the company structure and the external political and economic context.

The Management System has the following steps:

- Periodic context analysis;
- Risk assessment and periodic verification;
- Risk treatment.

In relation to anti-corruption, the following Protocols are in force:

- PT1 - Management of relations with the PA
- PT3 - Cash flow management
- PT4 - Management of public procedures - Tender Code
- PT5 - Professional consultancy and appraisals
- PT6 - Management of donations, gifts and free loans to third parties
- PT7 - Management of advances and expense reimbursements
- PT18 - Subsidised finance

In relation to the work carried out by the Alkemy Group, there are no limits in respect of organisational size and dynamics nor indeed in respect of commercial and accounting aspects or even in relation to operative processes. The active management system has a modular structure that is extended to include new processes when the risk associated with them is assessed at least "medium". During the annual system review, crime risks are reassessed and, consequently, their management is regulated.

As regards the forthcoming actions, together with the Internal Auditing function, consideration will be given to including an International Assessment Body as part of the risk management system organisational structure, to implement ISO37001 certification on anti-corruption.

As further evidence of the effectiveness of the measures today in place in the Group, in 2022, in relation to Alkemy, no pending claims were recorded in respect of competition and antitrust matters, nor had any significant sanctions been recorded for non-compliance with laws or regulations or breach of social and environmental obligations. Nor were there any ascertained cases of corruption found during the year.



Economic performance

Economic-financial results

Listed on the “High-Requirement Securities Segment” (STAR) of the Euronext Milan Borsa Italiana stock exchange starting December 17th, 2019, the share capital of Alkemy S.p.A. (the Group holding company) is represented by 5,685,460 ordinary shares, with a unit value at 31.12.2022 of €11.02 (for a capitalisation of € 62,653,769.256).

The Alkemy Group closed 2022 with a net total value of revenue of € 106,574 thousand, as compared with € 95,185 thousand in 2021, thereby recording an increase of 12%.

Revenue realised in Italy came to € 69,830 thousand, accounting for approximately 66% of the total (€ 64,140 in 2021, equal to approximately 67%), while that recorded abroad came to € 36,744 thousand, or 34% (€ 31,045 thousand in 2021, or 33%).

Period adjusted consolidated EBITDA came to € 11,821 thousand (€ 10,535 thousand in 2021), up 12% mainly in connection with the growth of turnover and resulting in an adjusted EBITDA margin of 11.1%, in line with that recorded in 2021.

In 2022, a year that was characterised by a climate of uncertainty caused by the international geopolitical situation, Alkemy recorded a generally positive business performance, supported on the one hand by the strengthening of relations with its customers, which during the year often expanded the scope of projects already launched, and on the other by inorganic growth following the acquisition of two companies during the year.

As an independent company that leads the digital transformation in the reference geographical areas, Alkemy has a range of services necessary to businesses that want to leave the crisis behind them in a winning position and be competitive on tomorrow's market. The evolutions linked to the COVID-19 emergency have forced businesses to adapt and transform more and more quickly, drastically rethinking their business models taking a digital approach and reinventing the relationship with the new consumers.

For more information on the Group's economic-financial data, please refer to the “Report on Operations” published on the company website <https://www.alkemy.com>.

Economic value generated and distributed by Alkemy

In 2022, Alkemy generated economic value in the amount of Euro 106.6 million, up 12% on the previous year. 91% of this value (Euro 97.0 million) has been distributed to stakeholders in the form of payments and other forms of transfer (92% during the previous year). The main perceivers of this value were suppliers, to whom Euro 49.4 million (Euro 46.8 million in 2021) was distributed, accounting for 51% of the total, and human resources, to whom Euro 46.1 million (Euro 38.8 million in 2021) was distributed, making for 47% of the comprehensive value distributed. The portion of value distributed to suppliers of capital was therefore Euro 0.4



million (Euro 0.9 million in 2021). The portion allocated to the public administration in the form of taxes and duties was Euro 1.1 million (1% of the distributed value).

STATEMENT OF ECONOMIC VALUE GENERATED AND DISTRIBUTED BY THE GROUP (in thousands of euros)

		2021	2022
Economic value generated		95,185	106,574
c) Revenue	Operating revenue	93,955	104,852
b) Other income	Revenue for capitalised costs, tax credits, public grants and other revenues	1,230	1,722
Economic value distributed		87,775	96,988
c) Reclassified operating costs	Services, goods and other operating costs	46,825	49,440
d) Employee benefits and salaries	Wages and salaries	38,845	46,065
e) Payments to capital suppliers	Financial expense and net result pertaining to minorities	859	426
f) Payments to the public administration	Tax	1,246	1,057
g) investments in the community	Donations, sponsorships, and collaborations	-	-
Economic value withheld	Calculated as the difference between the economic value generated and distributed	7,410	9,586

Tax transparency

In line with the principle of transparency that inspired the preparation of the GRI standard 207 on tax management, Alkemy's approach is one of extreme diligence in dealing with tax matters, insofar as it acknowledges the importance of the contribution that the Group can make to the government of the countries in which it operates, in terms of making available resources for the supply of services to the community and sustainable development. Therefore, all assessments regarding direct and indirect tax take an accruals approach, both in terms of the sense of responsibility towards the shareholders and towards the Group's stakeholders.

In compliance with the requirements relating to listed companies, Alkemy publishes periodic information concerning its performance, including tax issues, within the times and in the manner of dissemination required by the legislation to ensure maximum transparency. This allows all stakeholders to be constantly informed, also thanks to the constant access to communication channels with the Investor Relations Manager for any further information.

The Group uses independent professionals of proven experience for its tax matters, so as to guarantee the correct calculation of tax payable, also benefiting from the presence of the control bodies envisaged by legislation, such as the Board of Statutory Auditors and Independent Auditors, assigned, amongst other tasks, to perform the necessary audits.

Under the scope of the Model 231 adopted by the Group, in 2020, the Supervisory Body introduced a new protocol relative to the tax offences pursuant to Italian Law no. 157/2019, amended by Italian Legislative Decree no. 75/2020.



The scope of the economic-financial data considered to respond to the disclosure required by the GRI 207-4 is in line with the consolidation scope of this document. It is also specified that the value of property plant and equipment other than cash and cash equivalents considers the amount of assets, net of cash.

TAX AT DECEMBER 31st, 2022

Country	Company	Assets	Number of employees	Property plant and equipment other than cash and cash equivalents	Income from sales to third parties	Income from infra-group transactions with other tax jurisdictions	Pre-tax profit (loss)	Tax	Tax paid
Italy	Alkemy S.p.A. Alkemy Play S.r.l. XCC DGI	- Technological and digital innovation - Data analysis, big data and predictive modelling services - Digital communication services for SMEs - Tech (Salesforce implementation) - Product & Space Design	542	103,808	69,635	233	4,300	873	269
Spain	Alkemy Iberia S.L.U. Alkemy South America S.L. InnoCV Solutions	- Digital services, communication and media - Marketing services - Technology (Implementation of Salesforce and Celonis/Process Mining)	225	11,459	17,899	371	2,501	384	712
Mexico	Ontwice Interactive S. de Mexico S.A. OIS Marketing Digital S.A.	- Digital, communication and media services	96	4,388	18,294	77	1,483	421	642
Serbia	Alkemy SEE D.o.o. Kreativa New Formula D.o.o. Alkemy Digital Hub D.o.o. Alkemy Play D.o.o.	- Strategic consultancy for digital advisory - Marketing services - Development of digital platforms intended for the SMEs	36	1,832	1,660	28	169	24	-
Group			899	121,487	107,488	709	8,454	1,702	1,623



TAX AT DECEMBER 31st, 2021

Country	Company	Assets	Number of employees	Property plant and equipment other than cash and cash equivalents	Income from sales to third parties	Income from infra-group transactions with other tax jurisdictions	Pre-tax profit (loss)	Tax	Tax paid
Italy	Alkemy S.p.A. Nunatac S.r.l. Alkemy Play S.r.l.	- Technological and digital innovation - Data analysis, big data and predictive modelling services - Digital communication services for SMEs	386	86,368	56,637	1,429	2,111	296	162
Spain	Ontwice S.L. Madrid Alkemy Iberia S.L.	- Digital, communication and media - Marketing services	103	8,661	15,221	386	2,689	642	437
Mexico	Ontwice Interactive S. de Mexico S.A. OIS Marketing Digital S.A.	- Digital, communication and media services	98	3,193	14,535	-	1,012	282	239
Serbia	Alkemy SEE D.o.o. Kreativa New Formula D.o.o. Alkemy Digital Hub D.o.o. Alkemy Play D.o.o.	- Strategic consultancy for digital advisory - Marketing services - Development of digital platforms intended for the SMEs	27	1,356	1,411	240	73	15	-
			614	99,577	87,804	2,055	5,884	1,235	838

CHANGES 2022-2021

Country	Company	Assets	Number of employees	Property plant and equipment other than cash and cash equivalents	Income from sales to third parties	Income from infra-group transactions with other tax jurisdictions	Pre-tax profit (loss)	Tax	Tax paid
Italy	Alkemy S.p.A. Alkemy Play S.r.l. XCC DGI	- Technological and digital innovation - Data analysis, big data and predictive modelling services - Digital communication services for SMEs - Tech (Salesforce implementation) - Product & Space Design	156	17,440	12,998	(1,196)	2,189	576	107
Spain	Alkemy Iberia S.L.U. Alkemy South America S.L. InnoCV Solutions	- Digital services, communication and media - Marketing services - Technology	121	2,798	2,678	(15)	(187)	(257)	275



		(Implementation of Salesforce and Celonis/Process Mining)							
Mexico	Ontwice Interactive S. de Mexico S.A. OIS Marketing Digital S.A.	- Digital, communication and media services	(1)	1,195	3,759	77	471	139	403
Serbia	Alkemy SEE D.o.o. Kreativa New Formula D.o.o. Alkemy Digital Hub D.o.o. Alkemy Play D.o.o.	- Strategic consultancy for digital advisory - Marketing services - Development of digital platforms intended for the SMEs	9	477	249	(212)	96	8	-
Group			285	21,910	19,684	(1,346)	2,569	466	785

Quality service and customer satisfaction

The topic of Customer centricity is extremely important for the Group insofar as it is the main tool used to market and promote Alkemy's business and helps contribute towards building a positive reputation amongst customers.

The Group operates by aggregating within itself multiple competence centres, so as to be able to focus the business on the customer rather than on the individual competence and extract a greater value as the integrated result of all competences. This is why the Group can have a major impact on the development of customer competences, flanking them in the evolution of the business model and giving the innovation of the entire country system a strong boost.

The greatest impact of operating in a customer centric manner can be seen in terms of:

- customer satisfaction;
- customer revenues;
- the degree of engagement of the various competence centres in customer management;
- national coverage customer dimension.

Additionally, as it is industry agnostic, Alkemy can develop the business model of all its customers, regardless of segment, concentrating on the innovation of the whole of the country system.

The Alkemy Group has taken initiatives aimed at increasing consideration and knowledge in respect of customer centricity, encouraging the involvement of all Group employees towards customers. Moreover, for employees managing and developing customer relations, Alkemy encourages accountability and responsibility in their regard.

Additionally, in this area, the Group has implemented internal and external methods by which to measure customer satisfaction and remuneration models based on performance/success fees aiming to minimise the risk of the customer and ensure the accountability of its employees. Customer satisfaction is measured annually by means of an NPS (Net Promoter Score) survey, a specific system intended to monitor customer



satisfaction levels over time and which consist of a questionnaire that is sent out to a selection of customers. By using the NPS system, the Group can measure not only the degree of customer satisfaction but also if it is appreciated to the point where it is recommended by its customers.

Just like in the previous two years, again in 2022 a specific NPS survey was profiled in relation to current customers and those of higher potential for Alkemy. Starting 2022, the system, which was originally handled outside the Company, has been integrated into *Salesforce*, using the Alkemy's customer contact database. This allows for a greater traceability of the process and more granular results.

In 2022, Alkemy therefore identified the key customers to be involved and contacted them through e-mails automatically generated by the system. The 2022 NPS survey involved 69 customers and 219 contacts in the companies selected. The survey highlighted a positive score and, although almost half of customers responding come under the "Neutral" category, many declared that they would probably or definitely contact Alkemy again for projects in the future.

After having completed the exercise, the results are presented internally both to share information about the current state of relations with customers and to compare with the previous year's results.

In order to make customer centricity even more relevant, the Group Academy has delivered training courses on the topic, made available both at delivery and on the company intranet platform. Alkemy ACADEMY is an in-house training course intended for all Group employees, held by the management team and which aims to spread awareness of the culture, values and mission, and to ensure knowledge of all areas in which the Group's business develops.

The Academy promotes the knowledge and interaction with people of the various companies, insofar as it is open to employees of all Group companies and fosters a greater awareness of Alkemy's business and a more direct knowledge by all management.

Finally, the relevance acquired in recent years by customer centricity within the Group is proven by the fact that for employees dealing with customer management, performance assessment methods have been prepared that are based on the results achieved in respect of the objectives set (MBO, Management By Objectives), directly linked to the results and customer satisfaction.

Even for employees not managing customers directly, part of the remuneration is linked to the business values, including the excellence of the work carried out on customers, and integrity.

The work done over the years, also thanks to the feedback collected, with respect to customer centricity, have noted the value of a possible further organisational and process strengthening for 2021-2022. Indeed, at end 2021, two new departments were established dedicated to customer development: Marketing, Strategy & Alliances and two Commercial Departments dedicated to hunting and farming, collected by the Go-to-Market team.



Data security and cybersecurity

The growing level of digitisation has increased the risk connected with cyber threats. Indeed, today an increasing number of cyber threats derive from the evolution and growing complexity of computer systems and a greater vulnerability of the ICT infrastructure and applications forces businesses like Alkemy to adopt systems and procedures that are able to guarantee high levels of security in processing data and sensitive information, within and outside the organisation.

The Group does not pursue a business that envisages the processing and/or management of a large quantity of data within, because, in going about its activities, it is only responsible for processing data on behalf of its customers when providing services and does not instead operate as the proprietor of the data.

In order to safeguard and protect the data and information it finds itself handling as best possible, the Alkemy Group has carried out all the activities envisaged by European Regulation 679/2016 (the GDPR). In order to meet the requirements of this legislation, in 2018, the Alkemy Group appointed a Data Protection Officer tasked with overseeing and guaranteeing the correct processing of data and information, in line with current legislation.

In 2020, as announced in 2019, a CIO (Chief Information Officer) was hired in order to start a revision of IT processes and software systems to improve infrastructure management, systems governance, security management and IT procurement management.

In 2022, the revision also began of the back-up system and implementation of an antivirus solution with remote control, which can identify and isolate threats immediately, enabling access to the network machines, wherever they may be operating.

As part of adjustment to comply with current legislation, Alkemy S.p.A. has also introduced multiple technical and organisational data protection policies, including the Data Regulation Policy, the Internal Regulation Policy and the Privacy Policy, able to guarantee security in the Group's processes and activities. In 2022, the policies were further revised and adjusted in preparation for obtaining the mentioned ISO 27001 certification.

Finally, the principles of confidentiality and privacy are established in the Parent's Code of Ethics, which provides its employees and collaborators with a full list of information defined as confidentiality (exclusively the property of Alkemy) and, therefore, which is subject to confidentiality restrictions.

As proof of the Group's commitment to safeguarding data and information, in 2022, just like in 2021 and in 2020, no complaints were received in relation to privacy breaches from customers or data losses.



Number of substantiated complaints concerning breaches of customer privacy and losses of data of customers			
	2020	2021	2022
Number of complaints received from third parties in relation to cases of privacy breaches of customers	-	-	-
Number of complaints received from regulatory entities relative to cases of privacy breaches of customers	-	-	-

In 2022, in line with 2021 and 2020, there were no episodes of customer data leaks, theft or loss.

Leaks, losses or thefts of identified customer data			
	2020	2021	2022
Total number recorded of customer data leaks, thefts or losses	-	-	-

European Taxonomy (Reg. EU 2020/852 and related Delegated Regulations)

On the basis of Article 8 of Reg. EU 2020/852 (hereinafter also referred to as the "Taxonomy Regulation", starting from the publications after January 1st, 2022, non-financial companies are required to disclose various parameters in the non-financial statement or consolidated non-financial statement: from the portion of turnover that comes from products or services associated with economic activities that are considered to be environmentally sustainable to capex and the portion of Opex relative to assets or processes associated with economic activities that are considered to be environmentally sustainable.

More specifically, an economic activity is considered to be environmentally sustainable if it makes a substantive contribution towards achieving one or more environmental objectives defined by the Taxonomy, like climate change mitigation or adjustment, the sustainable use and protection of water and marine resources, or the transition towards a circular economy and the prevention and reduction of pollution, through to the protection and restoration of biodiversity and ecosystems. In addition, in order to be considered sustainable, an economic activity must not cause significant harm to any of the environmental objectives, must be carried out in respect of the minimum safeguarding guarantees and must comply with the technical criteria envisaged.

Following the publication of Regulation EU 2020/852, to date, the following regulatory updates have been made:

- Delegated Regulation EU 2021/2139 of June 4th 2021, set the technical criteria according to which an economic activities is considered as making a substantive contribution to climate change mitigation and adjustment objectives;
- Delegated Regulation EU 2021/2178 of July 6th, 2021, in supplementing the provisions of Art. 8 of the Taxonomy Regulation, specified the contents, methods and manners of presenting the information to be disclosed. More specifically, in accordance with Art. 10 of such Regulation, in publications



made between January 1st, and December 31st, 2022, companies required to publish the Consolidated Non-Financial Statement (NFS) must provide a disclosure on the portion, with respect to the total, of their revenues, capex and opex that can be classified as eligible or aligned in environmental terms. This assessment only regards the economic activities that are eligible and aligned to the climate change adjustment and mitigation objectives, the only ones with regard to which to date, technical screening criteria have been defined, as specified previously.

In order to fulfil these disclosure obligations, Alkemy has performed an analysis of the economic activities carried out by the Group in order to identify those to be considered as "eligible" in respect of the foregoing objectives and prepare the disclosure required by the reference legislation, also in respect of the interpretation clarifications supplied by the European Commission in the form of "Q&As" in December 2021, February 2022² and December 2022.

Upon completion of this analysis, it has been seen that at present, none of the Group's economic activities are eligible and, therefore, all turnover, investments and opex for FY 2022 should be considered as not eligible and consequently not aligned. For details of the tables, refer to Annex 1.

In this respect, please note that when going about the above analysis and preparation of the taxonomy disclosure, the company's management team took a prudent approach overall, based on its understanding and interpretation, at the state of current knowledge, of the applicable regulatory requirements.

The disclosure given in this chapter of the NFS will be updated in view of the expected publication of the reference technical regulations for the additional environmental objectives defined by Art 9 of the Taxonomy Regulation and further evolutions in its interpretation, which may result in substantive changes to the assessment and calculation process of the KPIs for next year's reports.

² "Draft Commission notice on the interpretation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of eligible economic activities and assets", published on February 2nd, 2022



Environmental responsibility

The Alkemy Group is aware of the need to make responsible use of energy and environmental resources. The commitment towards these topics is based on the principles included in the Code of Ethics, which demands that employees and collaborators take part in the risk prevention and environmental safeguarding process.

This concept has also been stressed in the Green Office & Mobility Policy, which once again highlights both Alkemy's commitment to making aware use of energy resources and the importance of creating and keeping a high level of employee awareness of the topic of environmental impact, also through the promotion of initiatives seeking to suggest little daily actions that can be taken by everyone in their everyday working lives.

Use of energy is a material topic for the Group insofar as it can have significant impacts on the environment and possibly consequently impact climate change, a topic that gives rise to growing concern and which requires the collaboration of various stakeholders (public, private, local communities, etc.) if it is to be successfully broached.

The Group has identified and circumscribed for its business type, the businesses with an environmental impact, which mainly relate to the consumption of energy resources for heating³ and lighting offices, to run computers for work and for fuel to power company cars.

Alkemy's business in fact consists of the provision of services to customer businesses, which are mainly supplied at the offices of the various Group companies and, to a limited extent, also at the offices of the customers or at own homes in smart-working mode. This is why use of energy is limited to the above-specified areas.

In 2022, energy consumption traced to the companies included in the Group scope totalled 1,714 GJ (+13% on 2021, +42% on 2020), of which 46.0% from consumptions of diesel and petrol used for company cars and the remaining 54.0% from the consumption of electricity. The increase is mainly due to the inclusion of DGI in the scope, a company that joined the Group in FY 2021, as well as by the inclusion of the Alkemy site hosting the two Mexican subsidiaries into the reporting boundary.

³ With regards to energy consumption for heating offices, to date, the data collection and monitoring systems do not enable a timely collection of the information necessary to report on the data.

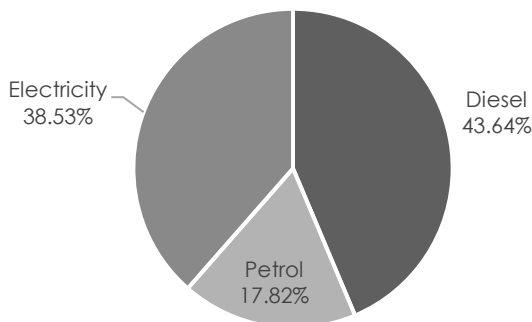


ENERGY CONSUMPTION BY TYPE⁴

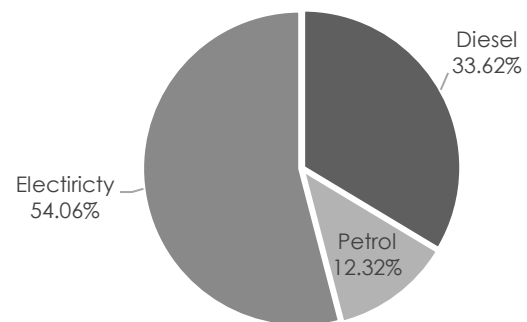
Type of energy	Unit of measurement	2020	2021	2022 ⁵
Diesel	litres	14,755	17,299	15,093
	Gj	529	661	576
Petrol	litres	3,003	7,851	6,165
	Gj	97	270	211
Electricity	kWh	162,520	162,004	257,403
	Gj	585	583	927
Total	Gj	1,211	1,514	1,714

In relation to fuel consumption, rules of conduct are outlined that can impact the everyday choices of Group employees. For example, use of public vehicles in the city is encouraged rather than private cars or taxis and, where possible, train travel is preferred over air travel.

2021 energy consumption



2022 energy consumption⁵



In 2022, the Group's companies in scope produced a total of 134 tonnes of CO_{2e} (+20% on 2021, +35% on 2020). These emissions are divided up into:

- Direct emissions - Scope 1: emissions deriving from the use of energy, as fuel used for the car fleet;
- Indirect emissions - Scope 2: emissions deriving from the generation of electricity purchased.

In 2022, direct Scope 1 emissions due to direct energy consumption (diesel and petrol) came to 52 tonnes CO_{2e} (-15% on 2021, +18% on 2020).

⁴ The conversion into Joules was calculated using "Defra - UK Government GHG Conversion Factors for Company Reporting" 2022.

⁵ Note that starting FY 2022, two additional Group companies have joined the reporting boundary: DGI, a company based in Milan that joined the Alkemy Group in FY 2021 and the two Mexican companies Ontwice Interactive Service Marketing Digital S.A. and Ontwice Interactive Service de Mexico S.A.



Indirect Scope 2 emissions calculated using the location based method⁶ instead came to 82 tonnes of CO_{2e}⁷ (+61% on 2021, +49% on 2020), while those calculated taking a market based approach⁸ instead came to 117 tonnes of CO_{2e}⁹ (+58% on 2021, +54% on 2020).

CO₂¹⁰ EMISSIONS

Type of energy	Unit of measurement	2020	2021	2022 ⁵
Direct emissions - Scope 1	tCO _{2e}	44	61	52
Indirect emissions - Scope 2 - Location based	tCO _{2e}	55	51	82
Indirect emissions - Scope 2 - Market based	tCO _{2e}	76	74	117
Total emissions - Location based	tCO_{2e}	99	112	133
Total emissions - Market based	tCO_{2e}	120	135	169

Note that both in 2020 and 2021, the Covid-19 emergency and consequent lockdowns limited travel and office use; this clearly brought about a reduction in both energy consumption and CO_{2e} emissions.

The Group is committed to increasing the use of Cloud-based services wherever possible (over proprietary servers) in order to improve use of the hardware, in the case of Cloud-based services, which would reduce energy consumption with a corresponding positive impact on the environment.

⁶ The location based method reflects the average intensity of emissions deriving from the total national production of electricity and envisages the use of average emission factors relative to the specific national energy mixes for the production of electricity.

⁷ The data calculated using the location based method is expressed in non-equivalent carbon dioxide; however, the percentage of methane and nitrogen protoxide has a negligible effect on the total emissions of greenhouse gases (CO₂equivalents), as can be seen from the reference technical literature.

⁸ The market based method envisages the use of emissions factors defined by contract with the electricity supplier. Emissions were therefore calculated using the emissions factors that represent the residual national mix.

⁹ The data calculated using the market based method is expressed in non-equivalent carbon dioxide; however, the percentage of methane and nitrogen protoxide has a negligible effect on the total emissions of greenhouse gases (CO₂equivalents), as can be seen from the reference technical literature.

¹⁰ To calculate emissions, the following emission factors were used:

- Scope1: Scope1: "Defra - UK Government GHG Conversion Factors for Company Reporting 2022".
- Scope2 - Location-Based: "Confronti internazionali 2019" (2019 International Comparisons) published by Terna;
- Scope2 - Market-Based: "The Association of Issuing Bodies - Residual Mixes and European Attribute Mix 2021 (Ver. 1.0, 2022 05-31)".



Social responsibility

The Alkemy Group acknowledges the importance of the centrality of its people and considers them a primary factor in its business success.

The Group's workforce includes resources with very different backgrounds, ranging from strategic consultancy to data analytics, digital marketing and technology. These are areas that have very different engagement and retention logics and methods.

Diversity is a value for the Group's business and as such, must be preserved over time, whilst all the time maintaining the shared founding elements and principles that constitute Alkemy's professional experience.

At December 31st, 2022, the Group had a total of 899 employees, up 46% on the 614 recorded in 2021, almost all (99% in 2022 and 2021) hired on permanent contracts, working every day with commitment, competence and passion. In addition to this, there are 146 external collaborators (down on 2021, when there were 162), of whom 5 are trainees, 139 external consultants and 2 other types of collaborators, making for a total workforce of 1,045.

Employees are mainly used at the Group's Italian companies, which hire approximately 60% of the total Group employees, a percentage that reduces on 2021 (63%), followed by Spain, which uses around 25% (17% in 2021), Mexico with around 11% (as compared with 16% in 2021) and, finally, Serbia, with the remaining 4% (unchanged on 2021).



GROUP EMPLOYEES BY TYPE OF CONTRACT, GENDER AND REGION AT DECEMBER 31st, 2022

REGION	PERMANENT CONTRACT	FIXED-TERM CONTRACT	TOTAL	PERMANENT CONTRACT	FIXED-TERM CONTRACT	TOTAL
	2021			2022		
Italy						
Man	218	-	218	330	-	330
Woman	168	-	168	212	-	212
TOTAL	386	-	386	542	-	542
Spain						
Man	47	1	48	142	-	142
Woman	50	5	55	82	1	83
Total	97	6	103	224	1	225
Mexico						
Man	50	0	50	43	2	45
Woman	48	0	48	51	-	51
TOTAL	98	0	98	94	2	96
Serbia						
Man	9	1	10	8	-	8
Woman	17	0	17	18	10	28
TOTAL	26	1	27	26	10	36
GROUP						
Man	324	2	326	523	2	525
Woman	283	5	288	363	11	374
TOTAL	607	7	614	886	13	899

Finally, the Group pays close attention to the needs of its people, in particular with reference to those linked to the conciliation of personal and working life, where possible seeking to offer solutions that suit the individual and professional needs of its people. This is shown by the presence of 24 part-time employees (up on the 17 of 2021), equal to approximately 3% (in line with 2021) of Group employees, of whom 83% (an increase on the 82% of 2021) are women.

GROUP EMPLOYEES BY TYPE OF EMPLOYMENT AND GENDER AT DECEMBER 31st, 2022

Gender	Full-time	Part-time	Total	Full-time	Part-time	Total
	2021			2022		
Man	323	3	326	521	4	525
Woman	274	14	288	353	21	374
TOTAL	597	17	614	874	25	899

Diversity and inclusion

The Alkemy Group is firmly convinced that an inclusive workplace that optimises all diversities (gender, background, sexual preferences, age), is not only an imperative in terms of values, but also a critical success factor for the business. Because diversity is innovation, creativity and the possibility of major impact.

Diversity is very important in a young, multicultural context as is that in which the Group operates. Indeed, as stressed by its Code of Ethics, the Group promises to offer trust and



equal opportunities to all, drawing no distinction according to ethnic origin, religion, opinions, nationality, gender, physical conditions, age and social conditions, so as to guarantee a fair, non-discriminatory treatment based on criteria of merit and values of equality, tolerance and mutual respect.

In order to create a real business culture, it is essential to cultivate diversity and inclusion with the same conviction with which we support the other business priorities. Diversity in Alkemy is not only valued but forms the very basis for the organisational culture.

As proof of the Group's attention paid to the topic of diversity, female staff number 374, accounting for approximately 42% (vs 47% in 2021) of all Group employees, whilst men total 525, an increase on the 326 in 2021, constituting the remaining 58% of Group employees. Additionally, at 31 December 2022, 4 employees working for the Group's Italian companies belong to protected categories, down on the 7 present in 2021.

In terms of a breakdown by professional category of employees, at 31 December 2022, approximately 75% come under the category of Employees (down on the 84% in 2021). Instead, the categories of middle managers and directors respectively account for approximately 21% (up on the 14% in 2021) and 4% (up on the 2% of 2021) of total employees.

The Group sets itself the important object to increase the number of women in managerial positions, which at December 31st, 2022 equates to approximately 32% (up on the 2021 26%) of all management and middle management. Continuing on from 2021, quantitative KPIs were maintained, which envisage a minimum number of women on the management team (the Group's first and second lines). In favour of this objective, as established in 2019, close attention was maintained starting with recruiting, resulting in the hiring of a considerable number of women during the year. Continuing on with what was introduced in 2020 when redefining the recruiting process, quantitative KPIs were in fact introduced, with the aim of fostering gender equality and the globalisation of candidates: on the shortlist of candidates considered for permanent positions, wherever possible, at least one candidate had to be a woman and at least one had to be a foreign national.

GROUP EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER AT DECEMBER 31st, 2022

Professional category	Man	Woman	Total	Man	Woman	Total
	2021			2022		
Managers	12	2	14	27	6	33
Middle managers	61	23	84	127	65	192
Office employees	253	263	516	371	303	674
TOTAL	326	288	614	525	374	899

Most (64%, up on the 59% booked in 2021) of the Group's employees fall within the 30 - 50 years old age bracket, with 30% (down on 2021, when it was 36%) in the under 30 years old bracket. The residual 7% are employees aged over 50.



GROUP EMPLOYEES BY PROFESSIONAL CATEGORY AND AGE BRACKET AT DECEMBER 31st, 2022

Professional category	<30 years old	30-50 years old	>50 years old	TOTAL	<30 years old	30-50 years old	>50 years old	TOTAL
	2021				2022			
Managers	-	9	5	14	-	24	9	33
Middle managers	2	69	13	84	8	158	26	192
Office employees	220	283	13	516	263	394	17	674
TOTAL	222	361	31	614	271	576	52	899

With reference to turnover¹¹, note that during the year, the incoming turnover rate was 33% for the companies in the Italian scope and 29% in the foreign companies. Instead, with regards to the outgoing turnover, note that in 2022 this was 24% in the Italian companies of the Group and 28% in the foreign companies. These values are influenced both by a natural trend seen in Alkemy's reference market, also highlighted by the fact that in the Italian scope, approximately 54% of resources who left the Group were aged under 30 years old, and by reorganisations that particularly involved the Spanish companies during the reference year.

INCOMING TURNOVER

Gender	<30 years old	30-50 years old	>50 years old	TOTAL	<30 years old	30-50 years old	>50 years old	TOTAL
	ITALY				ABROAD			
Man	57	48	5	110	22	32	1	55
Woman	44	25	-	69	22	25	-	47
TOTAL	101	73	5	179	44	57	1	102

OUTGOING TURNOVER

Gender	<30 years old	30-50 years old	>50 years old	TOTAL	<30 years old	30-50 years old	>50 years old	TOTAL
	ITALY				ABROAD			
Man	39	30	7	76	23	30	3	56
Woman	31	23	-	54	19	26	-	45
TOTAL	70	53	7	130	42	56	3	101

Management of the human capital and employee development

The Group has always paid particularly close attention to the search and selection of the very best talents, based on two key principles: that they are people who are good for the specific competences and experiences and good people in line with the Group business culture and values, which are now an innate part of our alchemy.

¹¹ Calculated as the ratio of total employees that joined or left the company within the year, over the total headcount at December 31st, 2022.



The Group has always put people right at the heart of its decisions, aiming to guarantee the best possible conditions to each and every one of them, in which to do their work to the best of their ability in an inclusive, stimulating workplace where everyone feels they are making a contribution first hand towards the achievement of the corporate objectives.

This occurs also thanks to the constant promotion of internal communication activities, led by the various members of the leadership team, and of various internal initiatives connected with the spread of awareness of our culture and values.

During the recruiting process, we not only measure the technical skills of candidates through specific interviews held by our first and second lines, but we also check for the cultural and behavioural fit of the candidate, with an initial dedicated interview guided by the People & Culture HR Department.

Once a year, in November and December, every employee is asked to complete a self-assessment on the degree to which the objectives assigned for that year have been achieved, as well as giving an overall opinion on their own performance. The assessment sheet is then sent onto the managers, who, in turn, are asked to fill in an assessment of their resources, involving all those who have collaborated with them and who are therefore able to offer a different perspective on their performance.

In addition to the assessment carried out for the current year, the managers also indicate the resources' objectives for the following year. The assessments should also point out aspects for improvement and the growth path as a whole.

Individual assessment interviews with each of the resources are planned for February the following year. During the assessment, in addition to the assignment of formal objectives by the managers (Chief Executive Officer, Managing Director and Director), and verifying their partial or complete achievement, in respect of the year that has passed, any individual changes to compensation and level are also notified. The process is coordinated by the People & Culture Department.

Alkemy believes it is essential to reward the commitment and contribution made by each of its most deserving people. This is also borne out by the fact that total compensation paid to the employee with the highest salary is at approximately 9 times the median of salaries of all other employees in 2022. Additionally, during the year, there was a reduction in the salary of the person with the highest remuneration in the Group compared with 2021 (mainly due to failure to disburse the bonus referring to FY 2022), median salaries of other employees grew by 26% on 2021¹². It should be stressed that the change is partly due to the change in scope that took place in 2022, which with the inclusion of InnoCV saw approval 130 employees added to the total calculation, who are based in Spain¹³.

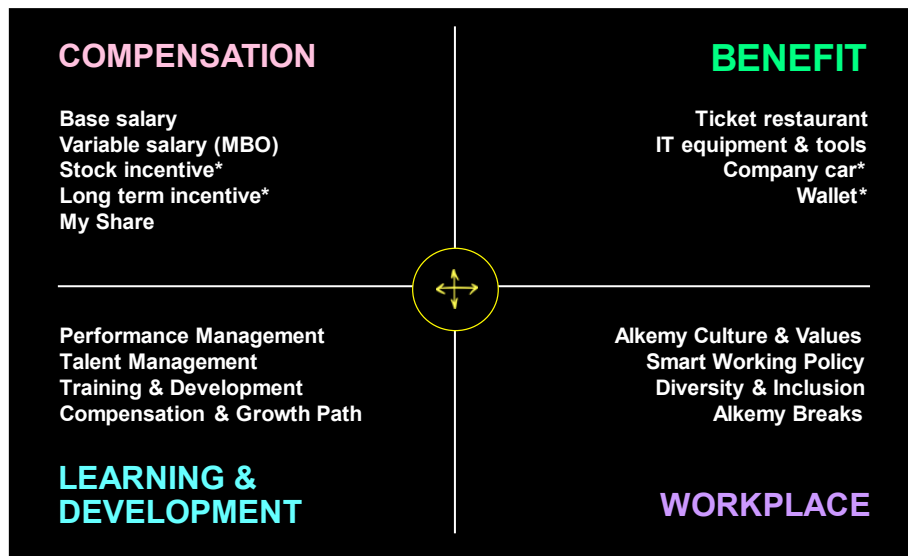
Alkemy's People Strategy is based on a total reward system. This term is used to refer to the set of remuneration and incentive systems adopted with a view to attracting, motivating

¹²Note that the 2021 scope excludes XCC and DGI as they were acquired during FY 2021 and already excluded from the reports for that year.

¹³ The ratio between the percentage increase in the total annual salary of the person receiving the maximum salary and the average percentage increase in the total annual salary of all employees is not reported as it is not applicable since the numerator has decreased.



and retaining talent, guiding conduct according to the values and principles of the Group's organisational culture, towards the forecast corporate objectives.



All employees are entitled to the same types of benefits, with no distinction drawn between full- and part-timers. In general, on an Italian level, the following corporate welfare initiatives apply:

- two portals containing employee discounts;
- ATM convention to simplify transport for employees;
- basic medical insurance;
- Fondo est is also open to fixed-term employees;
- Smart working.

In 2022, welfare initiatives introduced in 2020 continued for our employees, including new partnerships and additional benefits aimed at improving our all-round employee experience.

We are also firmly convinced that assuring our organisation greater flexibility, guaranteeing greater autonomy for our people and holding them accountable thanks to a definition of work by objectives, can help conciliate personal and working lives and, at the same time, foster individual growth and productivity.

This is why, even back in 2019, Alkemy had chosen to introduce smart working options for our employees, in open mode (with no limit to the number of days, as long as approved by the manager), taking a key step towards consolidating its organisational culture model based on principles of freedom and responsibility.

The flexibility achieved by the working model has meant that in 2021, just like in 2020, the Group found itself ready to address the COVID-19 emergency and consequent lock-downs without actually suffering any decline in productivity, guaranteeing all employees the possibility of working from home, equipped with adequate tools and in complete safety.

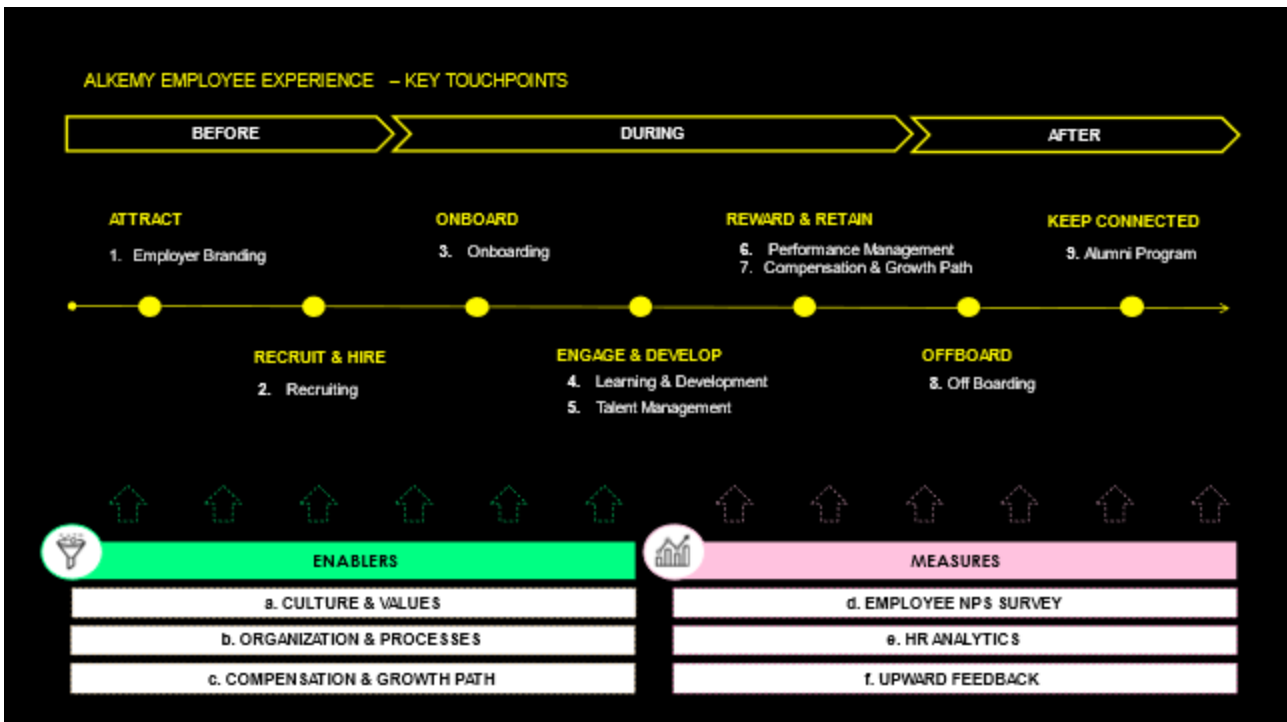


Smartworking guidelines in Alkemy



Starting 2020, the Group's People & Culture function pooled all eight touchpoints characterising the people's route in Alkemy, from talent attraction through to exit, formalising the Alkemy Employee Experience (AEX).

The aim of the Alkemy Employee Experience is to put the people right at the heart of the organisation and create the very best conditions for a journey in which everyone can fully release their potential and achieve their professional goals, promoting an inclusive, stimulating workplace in which everyone feels authorised to make a concrete contribution towards Alkemy's success.





Finally, the Alkemy model is based on a strong investment by management, hence stock incentives are seen as key leverage. Since it was first established in 2012, two stock option plans have been launched, involving around seventy managers and employees. Considering the success of the initiative, in July 2022 “MyShare” was introduced, a stock option plan to which all Alkemy S.p.A. and former Nunatac employees on permanent contracts, who have been with us for more than 12 months, can adhere. In January 2023, the project was then extended to include all employees of the Group’s Italian companies and the idea is to extend the scope further until all Group employees are included.

As regards personal enhancement and training, the Group sees training as the main tool by which to value and develop its people. Our approach has always been one of continuous learning, which consists of promoting the continuous growth of the baggage of skills and knowledge held by our resources, adjusting it to the rapid evolution of the digital and technological context. Additionally, we stimulate our people to seek continuous training and consolidation of their soft skills through the delivery of dedicated training courses open to the whole company population.

Alkemy is lucky enough to aggregate people with very diverse professions and profiles under a single roof and has always promoted a culture of sharing and “contamination” to guide the growth of its people in acquiring competences that differ and complement their own vertical path.

In particular, all Training, People Development, Performance e Talent Management, Company Culture, Internal Communication and Diversity & Inclusion activities are managed by the Alkemy People & Culture department.

Together with the management and through liaising with the HR Operations Department, it is responsible for designing and planning a series of training % development initiatives and actions.

In 2022, the Group continued on with the activities started in 2019, increasing the investments in training staff, with the definition of an extensive training catalogue that can be accessed freely by all employees.

In addition, starting 2020, each employee was equipped with a “training wallet”, namely a personal voucher worth €500, which can be used to finance participation in any course or workshop, freely chosen, delivered outside the Group.

In 2022, all training continued with the use of both e-learning platforms and face-to-face sessions.

Multiple objectives are set by these initiatives, including:

- to assure the personal and professional growth of all resources, focussing on motivation, corporate climate and individual performance;
- to identify and manage talents within and outside the Group, thereby developing them;
- to promote employer branding;
- to ensure talent retention.



Training is coordinated and planned by the HR Operations and People & Culture Departments and involves the whole organisation on different levels, from top management to the more junior resources, staff and first line.

On the basis of this organisation, and as mentioned previously, for the last four years, the Group has been promoting the development of the Alkemy Academy, a internal training path open to all Group employees, held by the management team and setting the aim of spreading awareness of the internal culture, values and mission as well as assuring full knowledge of all areas in which the business develops.

Through Alkemy Academy, in 2022, continuing on from the two previous years, the Group delivered 14 specific training courses, each lasting approximately 2 hours, involving 18 in-house teachers, with an average of between 50 and 70 participants per lesson.

More specifically, in 2022, continuing on from the two previous years, training hours were delivered dedicated to reinforcing the main soft skills and developing the vertical competences that characterise the various Group functions. Recurring courses on public speaking, time management, resilience and assertive communication were run, and English and Spanish language courses were delivered constantly.

In the Data area, the in-house academies continued on from last year, training new graduates and the training process was also launched on XCC in 2021.

During the year, selections were held for the second edition of the Alkemy Talent Programme, with disbursement expected for 2023.

As further evidence of the Group's commitment to developing the skills of its employees, in 2022, just under 35,000 training hours were delivered to all professional levels, more than 130% more than in 2021 when there were 14,000 hours. Per capita training hours came to 38.7 in 2022 (23.8 in 2021), of which 36.8 hours for men (19.7 in 2021) and 41.4 hours for women (28.5 in 2021).

TRAINING HOURS BY PROFESSIONAL CATEGORY AND GENDER AT DECEMBER 31st

Professional category	Man	Woman	TOTAL	Man	Woman	TOTAL
	2021					
Managers	-	-	-	134	48	182
Middle managers	680	382	1,062	1,009	697	1,706
Office employees	5,735	7,813	13,548	18,218	14,712	32,930
TOTAL	6,415	8,195	14,610	19,361	15,457	34,818

AVERAGE HOURS PER CAPITA OF TRAINING BY PROFESSIONAL CATEGORY AT DECEMBER 31st

Professional category	2021	2022
Managers	-	5.5
Middle managers	12.6	8.9
Office employees	26.3	48.9
TOTAL	23.8	38.7



AVERAGE HOURS PER CAPITA OF TRAINING BY GENDER AT DECEMBER 31st

Professional category	2021	2022
Men	19.7	36.9
Women	28.5	41.3
TOTAL	23.8	38.7

The Group is extremely attentive towards the matter of optimising its talents. In this Area, 2022 saw the continuation of the Alkemy Talent Management Programme, launched for the first time in 2019 with the aim of identifying the best talents and helping assure their growth and development within Alkemy. The programme seeks to be a unique experience for our talents, offering training and growth, in contact with the management and the entire pool of talents. It is a talent experience intended as an accelerator of development for all those wishing to release their full potential and achieve ever more ambitious results, making a first-hand contribution towards the Group's success.

The Group's approach to talent management adheres to the principles of transparency and involvement, so that everyone is aware they can satisfy their ambitions and develop their potential in a participatory professional environment that is stimulating and assures constant growth.

Talent in Alkemy is a resource that stands out from the others, which can make the difference, which emerges both through technical skills and communication and leadership qualities. Talent is also an enabler of other talent: it searches for it, optimises it and makes it available to the common objective. Talent is not only part of our alchemy, it is its hallmark.

Attention paid to talent starts out with the recruiting process. To attract talent, in 2022 an employer branding initiatives plan was defined, which led to the creation of an editorial plan focussed on spreading awareness of Alkemy, what it is, its values, the key skills sought in talents in all areas of competence and increase appreciation generally of our way of working. In addition to all this, in 2022 collaborations were resumed with universities, which were now back in person as the pandemic emergency subsided.

As part of talent retention, the Group offers its talents:

- a mentoring system, launched in December 2019, whereby they are flanked by a member of the company's senior management team. The aim of the mentor is to guide the talent through the development of their own professional objectives, assisting them throughout the talent experience.
- technical and managerial training delivered starting 2020, which involves, for each talent chosen, the planning of dedicated individual and specific technical training courses.
- preferential access to cross initiatives, such as job rotation, special corporate projects and experiences abroad.

At the same time, talents are required to play an active role, becoming the real AMBASSADORS of Alkemy: the aim is to spread the Group's culture and be an example of our alchemy - for all our people and customers. The talent must be a leader of values and



skills, an example of responsibility and concreteness, both for their team and all Alkemy people, but also an enabler of others' excellence, optimising individual talents and competences and leveraging on the diversities of each team member, putting them to the service of the common objective. The talent must also help make Alkemy the "BEST PLACE TO WORK", making proactive suggestions for ideas and initiatives by which to improve the workplace and corporate climate more and more.

Occupational health and safety

Protection of health and safety at work is, for a company like Alkemy, extremely important, and indeed it is also sanctioned in the Code of Ethics. Improving conduct and increasing the corporate culture of preventing incidents and damages that can occur during work is a commitment that the Group pursues fervently and constantly with a view to offering ever safer workplaces for its people.

Health and safety are not only a workers' right, but also an interest for both companies, which apply 81/08 legislation in Italy and guarantee a comfortable and, therefore, more productive environment, and for society as a whole, which thus finds itself bearing lesser social costs for occupational diseases and injuries. It is essential that, through suitable information and training, safety at work is considered "normal" behaviour, naturally, by employees. In this sense, Alkemy does everything it can in respect of 81/08 legislation in terms of a service context and a population of video terminal operators.

In 2022, continuing on from the previous years, Alkemy delivered several courses on training for occupational health and safety, for a total of 360 hours of training devoted to this subject, an increase compared with the 248 hours in 2021, as well as, as per the calendar established, having trained Safety Representatives and the Workers' Safety Representative (WSR). In 2022, 93 medical check-ups were held and 2 site inspections in workplaces (Milan and Turin) with the Appointed Physician, the Prevention and Protection Service Manager (PPSM) and the WSR.

As evidence of Alkemy's commitment to preventing and protecting the health and safety of its employees, in 2022, as in 2021, there were no injuries at work in any of the Group companies.

NUMBER OF INJURIES IN THE GROUP AT DECEMBER 31st, 2022¹⁴

Number of injuries	2020	2021	2022
Total number of fatal incidents associated with injuries at work	-	-	-
Total number of serious injuries at work (excluding deaths)	-	-	-
Total number of injuries at work recorded	-	-	-

NUMBER OF HOURS WORKED BY GROUP EMPLOYEES AT DECEMBER 31st, 2022¹⁵

¹⁴ The scope of information about health and safety and the related injury indicators only includes the staff of Group companies.

¹⁵ For some of the Group companies, it was not possible to obtain the number of hours worked and the figure was estimated.



Hours worked	2020	2021	2022
Hours worked by employees	938,770	1,123,455	1,181,610

GROUP INJURY RATES AT DECEMBER 31st, 2022

Rates	2020	2021	2022
Rate of deaths caused by injuries at work	-	-	-
Rate of serious injuries at work (excluding deaths)	-	-	-
Rate of injuries at work recorded	-	-	-

In the future, Alkemy intends to invest further in accident prevention and health and safety at work in order to prevent material damages that can put the organisation at risk of survival and, ultimately, to establish an image of excellence and reliability.



Alkemy for local communities

Alkemy believes it important to take initiatives to support the communities in the cities in which it operates. Each Group company can act independently, pursuing projects considered important and relevant for its local community, identified also by listening to employees who are actively engaged.

To enhance the importance of a close relationship with local communities, in 2022, Alkemy completed various initiatives supporting the cities in which it operates.

More specifically, in Italy, December 2022 saw Alkemy support the Make-a-Wish Italy mission to make dreams come true for children suffering from serious illnesses. Indeed, the company ran a video campaign at Christmas to highlight how the Make-a-Wish mission is a real one-of-a-kind on the children's charity scene and just how much of a concrete, measurable impact the Association's contribution has, as shown by studies carried out by the non-profit organisation. The campaign was broadcast from December 18th, 2022 through to January 14th, 2023 by all the major television broadcasters and sponsored as an advertisement on main media channels.

For Alkemy, the partnership with Make-a-Wish Italy is very important indeed, not only because it shows us we can give something back to those most in need, making our services available, but also because the two contexts share the same general approach: using creativity and data to have a positive impact.

In Spain, on the other hand, once again this year Alkemy Iberia chose to allocate the customer and employee gift budget to contribute to a project promoted by a charity operating in the Madrid area. Each year, the company prepares a survey to choose a non-profit organisation from those flagged up by the employees, to which the whole budget is then allocated.

For 2022, Alkemy Iberia chose Afaprodis, an association of families and professionals that deals with the integration of people with intellectual disabilities. Afaprodis's immediate aim is to offer resources and services seeking to improve the capacities of people with intellectual disabilities, offering them the means necessary for proper social integration. With the contribution made by Alkemy Iberia, the Association can finance its activities, which include excursions, trips to the cinema and, above all, "Inclusive Camping", an initiative that has been organised since 2016 and that makes it possible for children with disabilities to stay over and enjoy the trip on a par with the rest of the children and families.

This initiative shows both the attention paid to supporting the local community and the importance assigned to listening to employees, who are asked first-hand to choose the charity with which to collaborate each year.

As regards InnoCV, since it was first included in the Group perimeter, the company has completed various projects in support of the local community. These include its collaboration with "Fundación Banco de Alimentos de Madrid", the volunteer association established with the mission of collecting and distributing food free of charge to charities.



Thanks to its work, the Association sensitises the community, promoting solidarity as it combats food waste.

During the last few months of the year, InnoCV also made donations to associations in support of the local community under the scope of healthcare, such as “Asociación Salud Mental”, operating in the support of individuals suffering from psychiatric disorders and “DiabetesCERO”, a charity that supports research projects into the diagnosis and treatment of diabetes in childhood.

Finally, to actively involve employees in supporting the local communities, initiatives have been organised such as a day at a theme park with children at risk of social exclusion and the distribution of meals for the homeless in the streets of Madrid. During the Christmas period, moreover, funds were raised to buy gifts for the children living at a group home.

GRI Content Index

Declaration of use	ALKEMY SPA has prepared this Non-Financial Statement in accordance with GRI Standards (“in accordance” option) for the period from 01/01/2022 to 31/12/2022
GRI 1 used	GRI 1: Foundation (2021)
Applicable GRI Standard	N/A

GRI Standard	Disclosure	Page	Omission		
			Requirement omitted	Reason	Explanation
GRI 2: General disclosures (2021)	2-1 Organizational details	7 – 8			
	2-2 Entities included in the organization's sustainability reporting	5 – 6			
	2-3 Reporting period, frequency and contact point	5; 67			
	2-4 Restatements of information	6			
	2-5 External assurance	6			
	2-6 Activities, value chain and other business relationships	11 - 14			
	2-7 Employees	46 - 47			



2-8 Workers who are not employees	46			
2-9 Governance structure and composition	27 – 30			
2-10 Nomination and selection of the highest governance body	27			
2-11 Chair of the highest governance body	27			
2-12 Role of the highest governance body in overseeing the management of impacts	27 – 30			
2-13 Delegation of responsibility for managing impacts	39 – 30			
2-14 Role of the highest governance body in sustainability reporting	27			
2-15 Conflicts of interest	27			
2-16 Communication of critical concerns	30			
2-17 Collective knowledge of the highest governance body	Report on Corporate Governance and Ownership Structures 2022			
2-18 Evaluation of the performance of the highest governance body	Report on Corporate Governance and Ownership Structures 2022			
2-19 Remuneration policies	Report on the Remuneration Policy and Fees paid 2022			
2-20 Process to determine remuneration	Report on the Remuneration Policy and Fees paid 2022			
2-21 Annual total compensation ratio	50			



	2-22 Statement on sustainable development strategy	4			
	2-23 Policy commitments	22			
	2-24 Embedding policy commitments	22			
	2-25 Processes to remediate negative impacts	30			
	2-26 Mechanisms for seeking advice and raising concerns	Organizational Model			
	2-27 Compliance with laws and regulations	33			
	2-28 Membership associations		X	Not Applicable	Alkemy does not belong or participate into sector associations or advocacy national or international organizations with a key role
	2-29 Approach to stakeholder engagement	23 - 24			
	2-30 Collective bargaining agreements	Human Rights Policy			
GRI 3: Material topics (2021)	3-1 Process to determine material topics	24			
	3-2 List of material topics	24 - 26			
Business Ethics and Compliance					
GRI 3: Material topics (2021)	3-3 Management of material topics	32 - 34			
GRI 205 Anti-corruption (2016)					
GRI 205-3	Confirmed incidents of corruption and actions taken	33			
GRI 206 Anti-competitive behaviour (2016)					



GRI 206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	33			
GRI 207 Tax (2019)					
GRI 207-1	Approach to taxation	35 - 36			
GRI 207-2	Tax governance, risk control and management	35 - 36			
GRI 207-3	Stakeholder engagement and management of tax concerns	35			
GRI 207-4	Country-by-country reporting	36 - 38			
Economic performance					
GRI 3: Material topics (2021)	3-3 Management of material topics	34			
GRI 201 Economic performance (2016)					
GRI 201-1	Direct economic value generated and distributed	34 - 36			
Data security and cybersecurity					
GRI 3: Material topics (2021)	3-3 Management of material topics	40			
GRI 418 Customer privacy (2016)					
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	41			
Management of the human capital and employee development					
GRI 3: Material topics (2021)	3-3 Management of material topics	49 - 56			
GRI 404 Training and education (2016)					
GRI 404-1	Average hours of training per year per employee	54 - 55			
Diversity and inclusion					



GRI 3: Material topics (2021)	3-3 Management of material topics	47 - 49			
GRI 405 Diversity and equal opportunity (2016)					
GRI 405-1	Diversity of governance bodies and employees	28; 47			
GRI 406 Non-discrimination (2016)					
GRI 406-1	Incidents of discrimination and corrective actions taken	22			
Employee well-being					
GRI 3: Material topics (2021)	3-3 Management of material topics	51			
GRI 401 Employment (2016)					
GRI 401-1	New employee hires and employee turnover	49			
Energy consumption and atmospheric emissions					
GRI 3: Material topics (2021)	3-3 Management of material topics	43			
GRI 302 Energy (2016)					
GRI 302-1	Energy consumption within the organization	44 - 45			
GRI 305 Emissions (2016)					
GRI 305-1	Direct (Scope 1) GHG emissions	45			
GRI 305-2	Energy indirect (Scope 2) GHG emissions	45			
Quality service and customer satisfaction					
GRI 3: Material topics (2021)	3-3 Management of material topics	38 - 39			
Contribution towards territorial development					
GRI 3: Material topics (2021)	3-3 Management of material topics	58 - 59			



Annex 1 - Taxonomy

Portion of turnover deriving from products or services associated with economic activities aligned with the taxonomy - Disclosure for 2022

Amounts in €/’000

Economic activities (1)	Code/s (2)	Absolute turnover (3) Currency	Portion of turnover (4) %	Substantial contribution criteria							“Do no significant harm” criteria							Minimum safeguards (17) Y/N	Portion of turnover taxonomy aligned, 2022 (18) Percentage	Portion of turnover taxonomy aligned, 2021 (19) Percentage	Category (enabling activity) (20) A	Category (transition activity) (21) T
				Climate change mitigation (5) %	Climate change adaptation (6) %	Water and marine resources (7) %	Circular economy (8) %	Pollution (9) %	Biodiversity and ecosystems (10) %	Climate change mitigation (11) Y/N	Climate change adaptation (12) Y/N	Water and marine resources (13) Y/N	Circular economy (14) Y/N	Pollution (15) Y/N	Biodiversity and ecosystems (16) Y/N							
A. TAXONOMY ELIGIBLE ACTIVITIES																						
A.1 Environmentally-sustainable activities (taxonomy aligned)		0	0%																			
Turnover of environmentally-sustainable activities (taxonomy aligned) (A.1)																						
A.2 Taxonomy eligible activities but which are not environmentally-sustainable (not taxonomy aligned activities)																						
N/A		0	0%																			
Turnover of taxonomy eligible activities but which are not environmentally-sustainable (not taxonomy aligned activities) (A.2)																						
Total (A.1+A.2)		0	0%																			
B. NOT TAXONOMY ELIGIBLE ACTIVITIES																						
Turnover of not taxonomy eligible activities (B)		106,574	100%																			
Total (A + B)		106,574	100%																			

Portion of capital expenditure (CapEx) deriving from products or services associated with economic activities aligned with the taxonomy - Disclosure for 2022



Amounts in €/000

Economic activities (1)	Code/s (2)	Absolute CapEx (3) Currency	Substantial contribution criteria							"Do no significant harm" criteria							Minimum safeguards (17)	Portion of CapEx taxonomy aligned, 2022 (18) Percentage	Portion of CapEx taxonomy aligned, 2021 (19) Percentage	Category (enabling activity) (20) A	Category (transition activity) (21) T	
			Portion of CapEx (4) %	Climate change mitigation (5) %	Climate change adaptation (6) %	Water and marine resources (7) %	Circular economy (8) %	Pollution (9) %	Biodiversity and ecosystems (10) %	Climate change mitigation (11) Y/N	Climate change adaptation (12) Y/N	Water and marine resources (13) Y/N	Circular economy (14) Y/N	Pollution (15) Y/N	Biodiversity and ecosystems (16) Y/N							
A. TAXONOMY ELIGIBLE ACTIVITIES																						
A.1 Environmentally-sustainable activities (taxonomy aligned)																						
N/A		0	0%																			
CapEx of environmentally-sustainable activities (taxonomy aligned) (A.1)																						
A.2 Taxonomy eligible activities but which are not environmentally-sustainable (not taxonomy aligned activities)																						
N/A		0	0%																			
CapEx of taxonomy eligible activities but which are not environmentally-sustainable (not taxonomy aligned activities) (A.2)																						
Total (A.1+A.2)		0	0%																			
B. NOT TAXONOMY ELIGIBLE ACTIVITIES																						
CapEx of not taxonomy eligible activities (B) €/000		2,542	100%																			
Total (A + B)		2,542	100%																			

Portion of operating expense (OpEx) deriving from products or services associated with economic activities aligned with the taxonomy - Disclosure for 2022



Amounts in €/’000

Economic activities (1)	Code/s (2)	Absolute OpEx (3) Currency	Portion of OpEx (4) %	Substantial contribution criteria							“Do no significant harm” criteria							Minimum safeguards (17) Y/N	Portion of OpEx taxonomy aligned, 2022 (18) Percentage	Portion of OpEx taxonomy aligned, 2021 (19) Percentage	Category (enabling activity) (20) A	Category (transition activity) (21) T
				Climate change mitigation (5) %	Climate change adaptation (6) %	Water and marine resources (7) %	Climate change adaptation (8) %	Circular economy (9) %	Pollution (10) %	Biodiversity and ecosystems (11) %	Climate change mitigation (11) Y/N	Climate change adaptation (12) Y/N	Water and marine resources (13) Y/N	Circular economy (14) Y/N	Pollution (15) Y/N	Biodiversity and ecosystems (16) Y/N						
A. TAXONOMY																						
ELIGIBLE ACTIVITIES																						
A.1 Environmentally-sustainable activities (taxonomy aligned)																						
N/A		0	0%																			
OpEx of environmentally-sustainable activities (taxonomy aligned) (A.1)																						
A.2 Taxonomy eligible activities but which are not environmentally-sustainable (not taxonomy aligned activities)																						
N/A		0	0%																			
OpEx of taxonomy eligible activities but which are not environmentally-sustainable (not taxonomy aligned activities) (A.2)																						
Total (A.1+A.2)		0	0%																			
B. NOT TAXONOMY ELIGIBLE ACTIVITIES																						
OpEx of not taxonomy eligible activities (B)		94,753	100%																			
Total (A + B)		94,753	100%																			



Contacts

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Independent Auditors' Report

**INDEPENDENT AUDITOR'S REPORT
ON THE CONSOLIDATED NON-FINANCIAL STATEMENT PURSUANT TO ARTICLE 3,
PARAGRAPH 10 OF LEGISLATIVE DECREE No. 254 OF DECEMBER 30, 2016 AND
ART. 5 OF CONSOB REGULATION N. 20267/2018**

**To the Board of Directors of
Alkemy S.p.A.**

Pursuant to article 3, paragraph 10, of the Legislative Decree no. 254 of December 30, 2016 (hereinafter "Decree") and to article 5 of the CONSOB Regulation n. 20267/2018, we have carried out a limited assurance engagement on the Consolidated Non-Financial Statement of Alkemy S.p.A. and its subsidiaries (hereinafter "Alkemy Group" or "Group") as of December 31, 2022 prepared on the basis of art. 4 of the Decree, and approved by the Board of Directors on March 27, 2023 (hereinafter "NFS").

Our limited assurance engagement does not extend to the information required by art. 8 of the European Regulation 2020/852 included in the paragraph "*European Taxonomy (Reg. EU 2020/852 and related Delegated Regulations)*".

Responsibility of the Directors and the Board of Statutory Auditors for the NFS

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and the "Global Reporting Initiative Sustainability Reporting Standards" established by GRI - Global Reporting Initiative ("GRI Standards"), with reference to the selection of GRI Standards, which they have identified as reporting framework.

The Directors are also responsible, within the terms established by law, for such internal control as they determine is necessary to enable the preparation of NFS that is free from material misstatement, whether due to fraud or error.

The Directors are moreover responsible for defining the contents of the NFS, within the topics specified in article 3, paragraph 1, of the Decree, taking into account the activities and characteristics of the Group, and to the extent necessary in order to ensure the understanding of the Group's activities, its trends, performance and the related impacts.

Finally, the Directors are responsible for defining the business management model and the organisation of the Group's activities as well as, with reference to the topics detected and reported in the NFS, for the policies pursued by the Group and for identifying and managing the risks generated or undertaken by the Group.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the compliance with the provisions set out in the Decree.

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 behaviour. Our auditing firm applies *International Standard on Quality Control 1 (ISQC Italia 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.

Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the NFS with the Decree and the GRI Standards, with reference to the selection of GRI Standards. We conducted our work in accordance with the criteria established in the "*International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information*" (hereinafter "ISAE 3000 Revised"), issued by the *International Auditing and Assurance Standards Board (IAASB)* for limited assurance engagements. The standard requires that we plan and perform the engagement to obtain limited assurance whether the NFS is free from material misstatement. Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on NFS are based on our professional judgement and included inquiries, primarily with company personnel responsible for the preparation of information included in the NFS, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically we carried out the following procedures:

1. analysis of relevant topics with reference to the Group's activities and characteristics disclosed in the NFS, in order to assess the reasonableness of the selection process in place in light of the provisions of art. 3 of the Decree and taking into account the adopted reporting standard.
2. analysis and assessment of the identification criteria of the consolidation area, in order to assess its compliance with the Decree.
3. comparison between the financial data and information included in the NFS with those included in the consolidated financial statements of Alkemy Group;

4. understanding of the following matters:

- business management model of the Group's activities, with reference to the management of the topics specified by article 3 of the Decree;
- policies adopted by the entity in connection with the topics specified by article 3 of the Decree, achieved results and related fundamental performance indicators;
- main risks, generated and/or undertaken, in connection with the topics specified by article 3 of the Decree.

Moreover, with reference to these matters, we carried out a comparison with the information contained in the NFS and the verifications described in the subsequent point 5, letter a) of this report.

5. understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the NFS.

In particular, we carried out interviews and discussions with the management of Alkemy S.p.A. and we carried out limited documentary verifications, in order to gather information about the processes and procedures which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the NFS.

In addition, for material information, taking into consideration the Group's activities and characteristics:

- at parent company's and subsidiaries' level:
 - a) with regards to qualitative information included in the NFS, and specifically with reference to the business management model, policies applied and main risks, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
 - b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data.
- for the following companies, Alkemy S.p.A and Ontwice Interactive Service S.A. Mexico City, which we selected based on their activities, their contribution to the performance indicators at the consolidated level, we carried out remote meetings, during which we have met their management and have gathered supporting documentation with reference to the correct application of procedures and calculation methods used for the indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of Alkemy Group as of December 31, 2022 is not prepared, in all material aspects, in accordance with article 3 and 4 of the Decree and the GRI Standards, with reference to the selection of GRI Standards.

Our conclusion on the NFS of Alkemy Group does not extend to the information required by art. 8 of the European Regulation 2020/852 included in the paragraph *“European Taxonomy (Reg. EU 2020/852 and related Delegated Regulations)”*.

DELOITTE & TOUCHE S.p.A.

Signed by
Vittorio Camosci
Partner

Milan, Italy
March 31, 2023

This report has been translated into the English language solely for the convenience of international readers.