



SUSTAINABILITY  
REPORT 2014

**DiaSorin**

The Diagnostic Specialist



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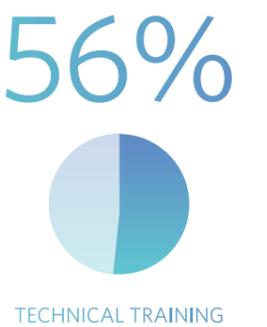
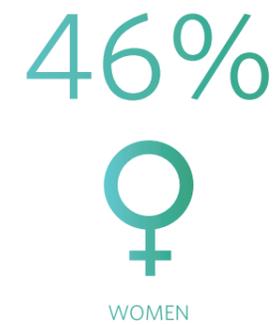
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# Highlights



# History

## 1968

**The beginning of the story:** DiaSorin was set up as a division of Sorin Biomedica SpA

## 1970 - 85

**The years of expansion:** the Company grew and consolidated its technological know-how, developing a portfolio of products on RIA and ELISA technology.

## 1986 - 99

**The first international acquisitions:** Sorin Biomedica acquired control of Incstar Inc., which was active in the in vitro diagnostics (IVD). All the activities related to IVD were spun off into a company called DiaSorin Srl, which was then sold to American Standard Inc.

## 2000 - 06

**New platforms, new technologies:** In 2002 DiaSorin acquired BYC Sangtec and the rights for the LIAISON platform. In the same period it converted ELISA technology into CLIA.

**Horizons expand:** The commercial expansion led to the opening of new branches in Mexico, Israel and China. The LIAISON portfolio was enriched with products for new and clinical "specialty" areas.

## 2000

**From industry to finance:** a major management buyout operation was backed by the Finde Group and other financial and industrial investors.

## 2007 - 11

**Listing:** on July 19 2007 DiaSorin was listed on the Stock Exchange.

**Another acquisition, a new patent:** 2008: Biotrin, world leader in the testing of Parvovirus, joined the group. DiaSorin bought the license from Eiken Chemical for the use of LAMP technology, dedicated to Molecular Diagnostics.

**Growth continues:** The Company expanded thanks to the launch of LIAISON XL, the acquisition of the Murex product line ELISA Abbott, the opening of new branches in Portugal, Austria, the Czech Republic, Canada, Australia, Ireland, the Netherlands and South Africa. In Molecular Diagnostics an agreement was signed with PSS for developing LIAISON IAM.

## 2012

### Focus on Molecular Diagnostics

The Company completed its positioning in Molecular Diagnostics by acquiring NorDiag, specialised in the extraction of nucleic acids from human samples, and launching on the market the first products on LIAISON IXT and LIAISON IAM systems.

**The Company opened a new subsidiary in India,** JV-DiaSorin Trivitron.

## 2013

### The expansion doesn't stop

The strategic agreement with Roche inaugurated the connectivity of LIAISON XL to the cobas 8100 platform for large volume laboratories that required full automation of their diagnostic processes.

**New and unique specialty tests were launched in the world of CLIA:** Aldosterone, Chagas and Chlamydia trachomatis.

**The commercial expansion continued** through the opening of a new branch in Switzerland and the expansion of the product portfolio on three strategic markets: the US, China and Brazil.

## 2014

### Consolidation and new prospects

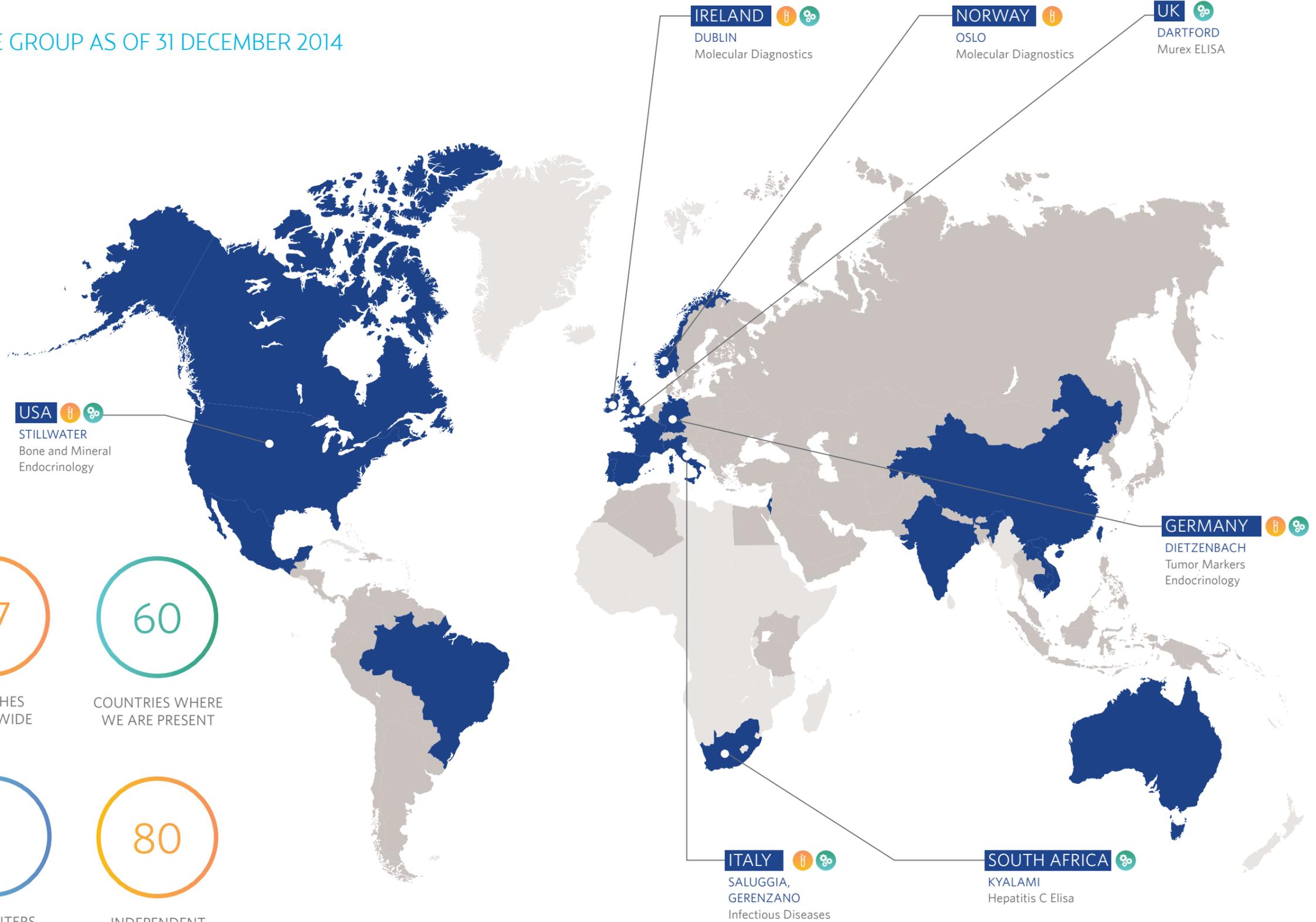
The expansion of CLIA offer continued at the rate of 6-8 new products each year, as did the success and growth of the LIAISON XL analysers consolidated.

**The Company opened a new front on the Molecular Diagnostics market,** introducing the first products for the diagnosis of leukaemia.

**The agreement with Laboratory Corporation was extended until 2018.**

# Global presence

GLOBAL PRESENCE OF THE GROUP AS OF 31 DECEMBER 2014



# Letter to the Stakeholders

## THE MESSAGE FROM THE CHAIRMAN

“

Dear Stakeholders,

DiaSorin is a multinational group that employs 1,620 people in 30 countries worldwide. The growth and success of our business is thanks to all of those people, who, with their individuality, personality and professionalism, have contributed to make DiaSorin an Italian and international success in the diagnostic sector, recognized as an example of concreteness, innovation and constant attention to its clients' needs.

I believe that our Group has a responsibility to share part of this success with the local communities where it operates, through tangible and concrete actions. I am proud to cite some of the activities we committed to this year, which will add to those already started in previous years all over the world, and that are detailed in this Report. Concerning 2015, it's worth mentioning two projects that promote personal wellbeing: the support of talents in sport and the commitment to health.

For the next 3 years, DiaSorin will support a number of initiatives, such as "Talenti Project", which looks for talents that can represent the Italian national Winter Paralympic Games team at upcoming national and international competitions and at the next winter Paralympic games in South Korea in 2018, and the "Pinocchio Project" that supports school programs for more than 3,000 hospitalized children".

DiaSorin has also committed to provide testing of infectious diseases at two major hospitals in Haiti and Sudan, in collaboration with two famous non-governmental organizations.

We believe that support for projects in the fields of education and health are fundamental to our commitment to put the individual first.

I hope you enjoy reading this Report, which is further evidence of our attention to economic, environmental and social sustainability issues, which are the basis of Corporate Sustainability.

I am sure that Sustainability will become a key pillar in the future development of the DiaSorin Group.

”

Gustavo Denegri,  
*Chairman of DiaSorin*

## THE MESSAGE FROM THE CEO

“

Dear Stakeholders,

This is the first year we have published a Sustainability Report and I am proud to share this work with you. We decided to undertake this path because we believe it is important to provide you with the right tools to understand and appreciate our world from an economic, social and environmental point of view. The long-term sustainability of our business is based on three pillars of equal importance, and, through this Report, we want to show you our commitment to these three areas.

The work we have done to publish our first Report has brought us to set new goals for the next publication to improve our activities towards the people and the environment that surround us, and to increase the level of transparency of information that we publish concerning Sustainability.

Our first aim is to improve our stakeholder engagement, particularly that with local communities, who are directly and indirectly affected by our activities every day. With this in mind, in 2015 we embarked on the path of supporting activities in education and health, two areas that we consider priorities and where we can contribute with our expertise and experience.

Finally, we are committed to the publication of a Sustainability Report each year, hoping that the information contained in it is useful to those who want to know more.

I hope that this document can be the important and necessary tool that we thought and I thank you for your interest.

”

Carlo Rosa,  
*CEO of DiaSorin*



# Mission and principles of DiaSorin

The **DiaSorin Group mission** is to contribute to **improving people's state of health** through the development and marketing of diagnostic tests that are able to identify pathologies that sometimes compromise people's quality of life, offering precise, fast and quality solutions that will allow the medical community to take effective therapeutic decisions, improving, where possible, the lifestyle of patients.

Diagnostics represent a necessary and valuable investment all over the world when compared to the cost of treating pathologies not diagnosed in time. In fact, diagnostic tests are curbing public expenses in all the countries we work in, having a positive economic impact and improving people's quality of life.

Over the last few years, we have successfully pursued our Mission thanks to the increase of our offer of diagnostic tests and the continuous quality improvement, at the same time growing financially and reinforcing our position as a global leader in diagnostics.

Nevertheless, we are fully aware that it is increasingly necessary **to share** the fundamental elements of our business and **the way we do business with all our stakeholders**. Therefore, during 2014, we decided to adopt a Group level approach to **Corporate Sustainability**, in order to identify the principles we believe are significant to achieve the important goals we set ourselves for the future of DiaSorin.

This **first Group Sustainability Report** will therefore be a new communication instrument, conveying the values we intend to create in every country we work in, not only through our products, of course, but also through the professionalism, honesty, transparency and passion of **our people**. Through their work, they create a company model and **sustainable** business every day, adopting a long-term perspective.



# Materiality analysis





# Stakeholders

# Our ten material points

## ECONOMIC



### STAKEHOLDERS

We place at the heart of our business all the stakeholders who interact with DiaSorin as interlocutors with whom we have undertaken the commitment to improve all the aspects of our business, every day



### QUALITY

We are driven in our product development activities by the highest international quality standards, which for us is a way to think and behave



### INNOVATION

We consider product innovation as the foundation of our work, as we try to foresee the future needs of patients through diagnostic solutions



### SOUNDNESS

We seek business growth through strategic and financial decisions from management at the highest level, fully respecting the principles of the soundness and sustainability necessary for a Company listed on the stock exchange



### TRANSPARENCY

We promote dialogue and clarity inside our Group, among our people and all the Stakeholders who interact with us



### TALENT

We consider talent to be a driving force in our company life; we continually pursue it in our people and create the conditions so that it can emerge inside the Group



### SECURITY

We put into effect all the preventative actions necessary to protect the health and safety of our employees in the workplace

## SOCIAL



### HEALTH

We pursue the health improvement of patients who come into contact with a DiaSorin test and of our employees and the people of the local communities we have direct contact with, through actions aimed at improving their state of health and wellbeing



### DIVERSITY

More than 20 cultures sharing one mission: to be unrivalled in respecting the individuality and diversity of each person

## ENVIRONMENTAL



### ENVIRONMENT

We carry out all the measures needed to minimize the environmental impact of our professional activities on the communities we work in

# Stakeholders

We consider our Stakeholders as **partners** in our Group and therefore commit ourselves to considering their expectations of us every day, whether they are customers or suppliers, just as we do with employees and Group collaborators.

Likewise, we pay careful attention to environmental protection, focusing on the people who live in the local communities we work in.

Moreover, we try to maintain and reinforce our **relationship of trust** with Stakeholders, pursuing our specific mission whilst respecting the interests of all the people involved.

Our relationship with Stakeholders, at all levels, is based on and inspired by the **principles of impartiality, collaboration, loyalty, mutual respect and all those values which, as a Company, we honor completely.** During the last months of 2014, we started the development and definition of a *Stakeholder Engagement System* that we want to implement in the near future to improve our sustainable approach as a Group towards all our Stakeholders. This will allow them to evaluate us with greater effectiveness and transparency, sharing with us the values we know exist inside our Group.

As the Company is listed on the Italian Stock Exchange (FTSE Mid Cap), our current and potential Shareholders have an extremely important role as Stakeholders.

Their need to obtain more and more information from our Group about our strategic management, capacity for innovation and

prospective sustainability of company and business decisions is often expressed by the Shareholders we meet during our Investor Relations activities.

Summarizing the requests we receive as a whole, it is possible to underline that, in the world today, there is more and more need for full awareness of the knowledge of our business and our Group. This is not only from a financial point of view, but also with respect to understanding our products and machinery, our operating processes, our capacity to innovate through R&D, and our prompt responsiveness to meet the requirements of final customers, laboratory analyses, and the very last customer – the patient.

*Greater information brings about much closer and ongoing ties to our Stakeholders, a commitment that we already experience today as a leading company, and which we intend to continue to develop even more in the future.*

Regarding our Company's activities in the world of diagnostics, trade associations play a role as key stakeholders for the development of production and/or commercial collaborations on a national and international level.

Adherence to these associations is therefore aimed at *creating and reinforcing the ties between operators in the diagnostic world* and our researchers and marketing and sales professionals, in order to facilitate the flow of information to and from DiaSorin, and involve our people in a network of diagnostic professionals and specialists of the highest level.

## OUR MAIN STAKEHOLDERS ARE:



# Quality

## MANAGEMENT

As a Group, we believe Quality is a fundamental aspect of our business decisions. We are convinced it is, first, a **way of thinking and behaving**, as well as being a competitive advantage in the diagnostics market.

Our tests affect the lifestyle and health of people every day, providing precise, accurate and secure diagnosis results, which allow doctors to give correct diagnoses and determine the necessary therapies.

This is why we adopt high quality standards, in order to ensure that everyone in DiaSorin respects maximum quality levels, guaranteeing that our production processes observe the strictest health and safety regulations and **compliance** requirements, meaning that our global customers can always consider them a benchmark for excellence.

In order to reinforce the Group's Quality culture, we have adopted and shared a model with every DiaSorin employee – the Quality Management System (QMS). Through the adoption of this model, we steadfastly aim to implement our corporate vision in full obedience of all the applicable laws and regulations regarding the health and safety of our professional operators, our employees and the final users of our products.

At the same time, we ensure that our processes respect the strictest standards of protection and respect for the environment, in compliance with what is established in the **international quality regulations**.

Therefore, the QMS in DiaSorin not only constitutes an answer to applicable mandatory requisites in our business sector, but an absolute **way of thinking** that inspires our operators day after day.



## PRODUCTS

The results of our professional commitment are evident in the excellence of the diagnostic tests we launch on the market. Every second, five people encounter a DiaSorin test.

Research into the maximum quality of our products must allow doctors to correctly identify the pathologies patients are affected by and provide them with the correct therapeutic treatments.

The stress we place on excellence in the production processes of our tests is therefore an indispensable condition for the supply of **accurate and precise information**, where diagnostic answers of "false positives" or "false negatives" are reduced to a minimum, avoiding incorrect medical interpretations in the diagnosis of pathologies.

Excellence in product quality can and must bring about an improvement in the quality of lifestyle of the final patient. For this reason, we believe that R&D and Quality Control are the cornerstones of our work at DiaSorin.

In order to guarantee the highest quality standards of our diagnostic solutions, we work in close contact with all the national authorities that govern the **quality control regulations** of the tests we produce and market in the different areas worldwide. Since entering the diagnostics market more than 40 years ago, we have always shown an excellent capacity for the high quality standards required, being acknowledged in the global market of diagnostic laboratories as one of the leading companies with the highest quality and reliability standards.





## PROCESSES

The guarantee of the final high quality of our test results at hospitals and laboratories is ensured by strict and rigorous controls of the quality processes along our value chain. Therefore, we check that all suppliers who have an impact on it are reliable and able to guarantee excellent products and services.

With regard to our diagnostic tests, some of the raw materials are bought from external suppliers, who are chosen extremely carefully in accordance with their respect to quality standards. They must strictly conform to the performance requirements requested by our production sites where we produce other raw materials in-house, and we process the progress of semi-finished products until obtaining the final product to be sold on the market.

With regard to this, a selection is also made of partners who deal with the transport of the raw materials, and who are responsible for transferring and preserving them at the correct temperatures, required by their chemical and biological nature, along the entire production process of the tests.

Lastly, we pay great attention to after sales assistance, guaranteeing the resolution, within the 24 hours, of any problems concerning our products and the machinery on which our tests are carried out, therefore constantly safeguarding the quality of our test results and, consequently, the health of the final patient.

The first step in our **Supply Chain** starts with the acquisition of raw materials from external suppliers or in-house products from the R&D Dept. These are biological molecules and general supporting materials, such as paramagnetic beads, plastic and water, which are used in the various production process phases.

The role of R&D in this first phase is that of studying project feasibility, which is then examined by the Group's own feasibility committee and, once approved, produced at our industrial sites.

As soon as the raw materials are acquired and the R&D Dept. approves the production of the diagnostic tests, the Biology and Biochemical Group intervenes in the process by carrying out the chemical, physical and biological cleaning process of the biological raw materials, which are then preserved in special cell banks until the next production step.

Then we move on to the large-scale production of the materials preserved in the cell banks, which are then transferred into plastic cartridges, together with the other materials used in the final diagnostic kits, such as the controls, starters and fluids necessary for conducting tests using DiaSorin instruments.

The last step consists of the distribution of the assembled kits from DiaSorin industrial sites to Group subsidiaries, in the case of direct sales, or independent distributors used by DiaSorin in those countries where the distribution of tests to the final customer is made through local dealers that specialize in diagnostics and have a strong and widespread network in the local markets they work in.



# Innovation

## PEOPLE

Innovation is the **philosophy** that inspires our Group in the constant search for new ways of working **to meet daily challenges**. Research and science are our world, both of which require continuous effort and the force to discover and invent. In DiaSorin, we encourage all our people, in every department, to find and suggest innovative ideas and possible new paths to pursue the goals we have set ourselves. We strongly believe in the capacity of our people to be dynamic, flexible, proactive and, above all, always respectful of the ideas of other people. In fact, we believe that the individuality of each of us, when shared with that of other people, can create the diversity, exchange of ideas and the culture necessary for a multinational group like us to grow and adapt quickly to changes in the market.

Therefore, at DiaSorin, we value innovative spirit highly and always encourage the development of new ideas.

In order to maintain the **young spirit** that has always characterized our structure, we set ourselves the goal to strive for excellence in every field that, when united with the Group, can bring an enhanced contribution with its professionalism and experience, in both professional and personal terms.

We hire people of all ages, young people getting their first experience of work that have an excellent educational background and a strong vocation to bring themselves into play and to grow professionally in a stimulating environment, and professionals with good international experience or who come from different business contexts than ours, to enrich their professional path and adapt the best management and operational solutions they've acquired within our Group.

Furthermore, with regard to technical and scientific positions, we often seek people at international level who have excelled in their business area, gained strong experience at outstanding diagnostic groups and held leadership positions, and therefore bring their own scientific talent to DiaSorin.



6/8  
NEW PRODUCTS  
EVERY YEAR

## PRODUCTS

We work in the diagnostics sector that tries to identify pathologies strongly affecting patients' health. It continually searches for **innovative diagnostic technologies** that address current well-known pathologies and diseases, such as those that often emerge on a global scale.

DiaSorin places improvement at the heart of its work relative to the lifestyle of the final patient who, encountering one of our tests, can be diagnosed early for the development of determined pathologies or dysfunctions and, when possible, the invasive effect on their lifestyle quality standards can be eradicated or reduced. Every second, five people worldwide encounter a DiaSorin test.

Therefore, to forestall the growing demand for quality products, DiaSorin uses all of its capacities to improve tests in terms of quality, searching for perfection in results relative to the **sensitivity and specificity of the tests**, and accelerate, at the same time, the capacity of the execution and answer, in order to provide the final patient with certain, secure and fast diagnoses.

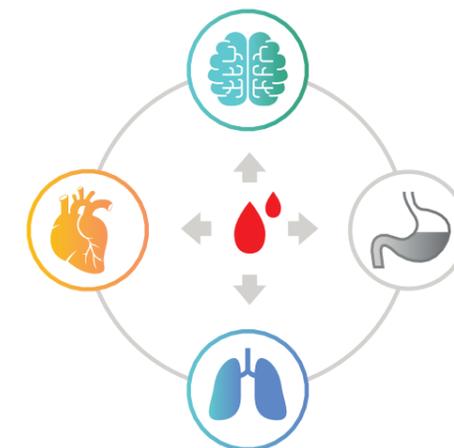
The search for excellence in quality is likewise tied to the continuous commitment to increasing our range of tests. Our international R&D team works daily to increase our capacity to respond to the varied needs of analysis laboratories, adding 6/8 new tests to our product portfolio every year.

Constant investments in R&D have allowed us to become a global player of excellence in the field of immunodiagnosics, with the largest offer of CLIA technology and with the greatest number of diagnostic tests for the identification of the pathologies of patients, from the most common to those considered as more specialist.

During the last three years, the innovative push by our R&D Dept. has allowed us to market strongly innovative products and solutions serving the growing need of diagnostic laboratories.

Worthy of mention are the following:

- A completely automated diagnostic solution for carrying out tests on stool samples, using the same technology employed for blood samples, therefore bringing an important revolution into the diagnosis processes of gastrointestinal infections and inflammation, pathologies that are highly contagious, and on the increase, requiring fast and precise diagnostic answers.
- The transfer of some diagnostic tests of primary importance, for which a therapy already exists, from dated and manual/semi-manual technologies to the latest completely automated technology present on the market:
  - **Aldosterone:** able to identify a specific type of hypertension known as Primary Aldosteronism, marketing a strongly innovative product that speeds up the diagnosis of some forms of hypertension, a clinical state highly diffused in the world population. The important investments in R&D for the innovative development of this new test will allow diagnostic laboratories to obtain a fast and precise answer that will bring great improvement in the health and quality conditions of patients.
  - **Vitamin D 1,25:** able to speed up analysis times and improve the quality of results thanks to an innovative method, protected by a patent, which does not require the pre-treatment of the patient's blood sample. The high performance level of this test will allow doctors to identify, in the case of low levels of Vitamin D 1,25 in the patient's blood, various clinical conditions such as chronic kidney disease, rickets and hyperparathyroidism.



# Security

## PEOPLE

DiaSorin uses biological and chemical materials in its production processes, which are treated in accordance with the highest safety standards, eliminating potentially risky factors for employees, the people who come into contact with our industrial structures, the local communities where we work and the environment.

In all our industrial sites worldwide, we comply with the most rigorous standards of security controls, adopting a Group policy that stipulates different levels of access to production areas, the wearing of adequate clothing and protection for safeguarding the health and safety of our employees, the elimination of any contamination between one area and another, or between internal and external areas, through the conformation of our production structures, designed to ensure the safety of the people and the environment.

Maximum attention is given to health and safety in the workplace, including with employees not working in the production areas. All of us in DiaSorin are kept informed and trained, right from the first day of work, on the risks of some substances used at our industrial sites and on the procedures aimed at avoiding any risks or hazards.

Knowledge and awareness of the procedures to be followed by all personnel is a continuous guarantee to maintain the safety of our working environment.

## GOVERNANCE AND CONTROL

Security and preventive analysis of risks and, likewise, their application to aspects of Governance Control, are fundamental in a company listed on the stock exchange.

To guarantee the respect of the most rigorous procedures regarding these risk factors, we have set up our Corporate Governance model to protect all our Stakeholders.

The **Control and Risks Committee**, comprising mainly independent non-executive directors, assists the Board of Directors in defining the guidelines of the Internal Control System and periodically checking the adequacy, efficiency and effectiveness of the system.

Together with the independent auditors and the Corporate Accounting Documents Officer, the Committee assesses the drafting of the Company's accounting documents, the adequateness of the accounting principles used, the proposals submitted by the independent statutory auditors relative to the appointment of the audit assignment and the audit work plan regarding control, and monitors the effectiveness of the auditing process.

## INFORMATION TECHNOLOGY

Security in DiaSorin's IT infrastructure is taken very seriously, as it the exchange of information on the Internet and the use of technology in general.

Being aware of the risks connected to the possible incorrect use of technology, DiaSorin adopted IT security procedures that allow us to preserve the security of sensitive information and data, and to regulate the correct use of the Internet by all employees.

The introduction of **next-generation technologies** on our network has also brought about continuous quality improvement with regard to security and reliability, at the same time guaranteeing a reduction in technological infrastructure complexity.



>4,000  
HOURS  
OF TRAINING

# Environment



DiaSorin's commitment towards **environmental mitigation** and the **health and safety of its employees** is based on a system of rules aimed at protecting these aspects: the DiaSorin **EH&S policy**.

From this, a series of procedures were set up in the last few years aimed at reinforcing our Group's commitment to local laws and regulations, which are constantly analyzed, checked and enforced by our EH&S Dept., at both Corporate and local level.

At our industrial sites, in particular, we focus our attention strongly on the environmental protection of the areas we work in and that surround us; we adopt very strict Group procedures that use safety and control measures to assess the quality of all our production processes.

Each step of our production of diagnostic solutions is subjected to rigorous quality control tests, preventing all types of ground, water and air contamination.

**Responsible energy consumption** is one of the main ways to help mitigate environmental change, one of the most pressing

issues of the last decades. To that end, **we are committed to responsible consumption and management of this important resource**.

Concerning hazardous substances, our approach is to first **minimize the amount of waste** and then, where possible, to re-use and re-cycle it or dispose of it in special dumping areas.

Scarcity of water is currently one of the main challenges facing governments, companies and individuals, and, as such, how the issue should be effectively managed.

**DiaSorin considers water an important natural resource that must be protected.**

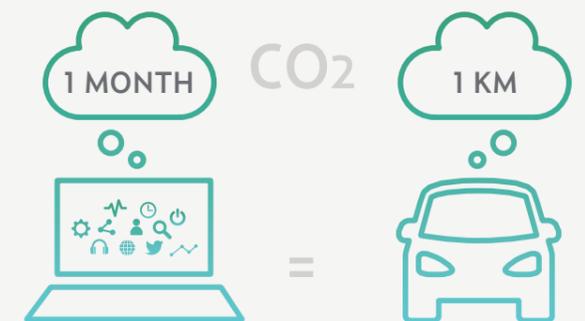
Inside our industrial sites, **we optimize the consumption of the water** necessary for the production process, at the same time checking that the industrial wastewater discharge system is in full compliance with local regulations. Every year analytical testing is conducted on the discharge system, ensuring that no industrial wastewater is directly discharged into the environment.

## INFORMATION TECHNOLOGY

The Group's Datacentre boasts a high number of **green technologies**: a series of projects were put in place that have allowed us to substitute old and energy-inefficient equipment and machinery with a virtualization and server high-density system, which has brought about an **improvement in energy power efficiency and a reduction in both consumption and emissions**.

With regard to our network infrastructure, following a renewal process that was recently completed, we have obtained greater energy reliability and efficiency.

Among the initiatives to reduce CO<sub>2</sub> emissions, worthy of mention are our collaboration technologies and IT communication, such as videoconferences, that we use at Group level, and Google App tools (**Hangouts, Drive and Documents etc.**). They have significantly reduced the need for people to travel, with a consequent reduction in CO<sub>2</sub>, becoming practical and flexible work instruments to communicate information and documents in real-time directly from our place of work.





# Health

Healthcare is our business and our products are aimed at improving the conditions of the lifestyle of patients. However, in DiaSorin, we believe that attention to health must also involve other people not only those who come into contact with our tests. For this reason, also the people who work in the Group and those who interact with it are fundamental and must benefit from the actions that concern this important issue.

In all the countries where our industrial sites and commercial branches are located, we have implemented different initiatives aimed at **improving the health and wellbeing** of our employees and the communities that are around DiaSorin. In some of them, specific programs have been created in order to promote a healthier lifestyle, building a culture dedicated to the importance of exercise and the need to monitor people's state of health according to their age.

In some countries, we organize **Health Days**, dedicated to giving information on health issues and educating people on a healthier lifestyle.

Furthermore, in other countries, we promote and sponsor friendly sports initiatives which many of our colleagues take part in, creating true DiaSorin teams. The encouragement to participate in these events is for us a twofold goal with the purpose of improving health and promoting team spirit among our people.

Our objective is to reinforce our commitment to health initiatives, in order to leave a permanent mark on the current and future wellbeing of both our employees and those people in the local communities where we are present.

We believe that these initiatives are the correct instruments to **diffuse a more conscious culture** of diseases, which can also promote lifestyles that guarantee all of us a better future.

>10  
ACTIVITIES TO  
PROMOTE HEALTH  
AND WELLBEING

# Talent

## LEADERSHIP DEVELOPMENT

We believe that **our people** are the **foundation and heart** of our Group and our success. For this reason, we focus maximum attention on the search for our collaborators and **invest in their professional and human growth** during their career path.

In DiaSorin, every manager is considered an entrepreneur who must be able to combine many different aspects that allow the Group to equip itself with the best human resources.

In every person, **we look for responsibility, flexibility, independence, an open mental approach to changes and a capacity to bring out their talent**. These characteristics as a whole make our people capable managers of the highest level, able to face the professional challenges of the market context we work in.

We employ people in every part of the world, because the professional growth path in DiaSorin allows each person to express their personal and professional capacities in the best possible way, because **we believe that talent attracts other talent**.

Investing this way allows us to always have motivated people able to surround themselves with others just as capable, with whom they can share the objective of reinforcing the excellence of the DiaSorin Group in the diagnostic field.

We pursue **the culture of talent** through different actions, among which we pay particular attention to professional training, a path regularly put into effect at the Group's industrial sites or commercial branches, through a series of technical and specialist courses.

Our **training paths** fully cover the in-depth study of the most technical aspects relative to the characteristics of our products, health and safety in the workplace, human resource management, leadership models aimed at a more efficient management of Company dynamics, and providing all Company departments with a bespoke path based on specific training needs.

We are particularly proud of our **Induction Program**, a thorough introduction to the world of DiaSorin, created to welcome our

best managers, right from their first day in the Company. All the Group's corporate departments actively take part to share all the most relevant aspects of our business with new talent.

At a central level, we offer a program dedicated to all the positions of top management in the Group, just as at local level, there are specific programs aimed at non-managerial positions.

Investment in the growth of our people gives us important returns of greater profit and productivity every day. It also creates a **more positive working environment**, where a positive mental attitude generates energy and passion, further motivating each of us in our work.

Furthermore, we recently defined a **Leadership Model** at Group level, which puts together all the essential elements that people aspiring to be a leader in DiaSorin must possess, believing this can be an instrument of guidance and direction to enhance the performance of everyone, a useful instrument of comparison and dialogue of the DiaSorin culture of excellence.

The Leadership Model sums up the values and characteristics of our leaders, and defines a common language we believe in strongly, a language that puts excellence at the heart of what we know exists in our people, what we are committed to improving further in order to guarantee a sustainable corporate future.

The Model nurtures the **entrepreneurial spirit** of our employees, underlining their importance within the Company, from their orientation to their results, guaranteeing integrity in their actions, a sense of responsibility and a capacity to take independent decisions. By combining these traits with the **managerial spirit**, we are convinced everyone can be an example and inspiration to others in customer care, innovation and the search for greater quality.

This philosophy is, and will become, the cornerstone of our investment in the **development of our people**. It will produce a network of independent and reliable professionals at every level who will exemplify DiaSorin as the successful company that everyone knows today.

## EDUCATING LOCAL COMMUNITIES

Our goal to nurture future talent through training, activities and education extends beyond our group, to the local communities we operate in.

For this reason, DiaSorin is committed to fostering wide-ranging training and education, firmly believing in the importance of school education, able to prepare today the managers of tomorrow. In other words, we believe in the talent of the future generation of professionals who will occupy important roles, also inside our Group.

To this end, we have set up a series of **scholarships** and started up some **training programs in coordination with the educational world**, for the next three years, in order to help the most worthy and talented young people to enter stimulating

training courses where they can combine theory with practice, significantly increasing their education. Moreover, in some countries, we collaborate in close contact with local universities on specific research programs, providing students, teachers and our Company with mutual benefits.

Particular attention on this matter is aimed at the world of R&D, where we invest every year in scholarships to support doctorates for the most promising researchers in biology and biotechnology. We are convinced that the investment is the start of a professional path that will allow people to work during their studies or straight after the conclusion of their studies in our research centers, which will allow us to identify early the best talents on which to invest tomorrow.



# Soundness

# 1968



# 2015



## GOVERNANCE STRUCTURE

For our Group, a good system of **Corporate Governance** is a condition that is necessary to making DiaSorin a sound company, which is more and more competitive.

Corporate Governance fits perfectly with the issues of primary interest to our managerial structure and our daily work, as it was considered and oriented to **protect the rights and interests of everyone who comes into contact with our company**, whether they be shareholders, employees, customers or suppliers. In other words, we are aware that a well-structured and effectively implemented **governance model** is essential for the protection of the interests of all our Stakeholders.

The main pillars on which our model is based comprise the adoption of an adequate and effective Governance structure,

in the use of instruments for the analysis of risks and in the implementation of an adequate control mechanism. Moreover, as a company listed on the stock exchange, our Corporate Governance system responds directly to the main recommendations of the *Corporate Governance Code for Companies Listed on the Stock Exchange* and the best national and international practices, enhancing relevant aspects such as the role of the independent auditors, a structured internal control and risk management system, the adoption of a Code of Conduct and an Organization and Management Model in accordance with Legislative Decree No. 231/2001. Over the last few years, the Group has also given particular attention to the principle of the gender equality, and implemented a female presence in our control bodies following the Board of Directors and the Board of Statutory Auditors of 22 April 2013.

The strong commitment to these aspects allowed us to obtain prestigious acknowledgement, the *Ambrogio Lorenzetti Prize 2014*, a demonstration of excellence on Corporate Governance issues. The motivation that persuaded the jury to award us such a prestigious prize was a source of enormous pride for us: *"DiaSorin achieved advanced Corporate Governance standards fully in line with the recommendations of the Code of Self-Discipline and international best practice. We also communicated transparently and constantly with shareholders, institutional investors and the financial community."*

## GROUP FINANCIAL PERFORMANCE

Another pillar, on which the long-term sustainability of our business is built, is the financial soundness of our Company.

DiaSorin top management continually concentrates its efforts on **business growth, guaranteeing important profit levels** that translate into important **cash generation**. All this has been possible with the contribution of every person in our Group that, with their professionalism, allows DiaSorin to grow in a complex and more and more competitive market context and, at the same time, increase its efficiency and productivity, minimizing, when and where possible, the impact of the cost structure.

The combination of sound growth prospects, maintaining our margins and the financial balance achieved in the last years is also corroborated by the trend of our share price, which has increased by 172% since 2007, the year of DiaSorin's listing.

Moreover, cash generated is reinvested inside the Group, continuing to lay the foundations for further development in the business of in vitro diagnostics.

In the last three years, we demonstrated our soundness in the capacity to reinforce and differentiate our activities, significantly increasing our offer of diagnostic products, satisfying the expectations of the markets we work in, and often capturing relevant market share.

Today, our products represent the most relevant immunodiagnostic offer worldwide, able to attain the trust of our customers and large diagnostic laboratory chains.

Lastly, our financial performance permits us to distribute part of the value generated from our business activities through dividends to shareholders, thus remunerating their return on investment.



# Transparency

We believe in the **right of our Stakeholders** to know who we are, what we do and how we work. We put the DiaSorin Ethical Code at the heart of our work providing the principles of conduct we follow, which inspire us in our daily work and in our approach to the diffusion of news relative to our company and business.

As a listed Company, we have to follow a set of rules on the communication of financial information, reported mainly in our annual and quarterly financial statements. DiaSorin is firmly convinced that it is necessary to provide Stakeholders with much greater information in order for them to understand better and appreciate the Company's business, products, people and values.

In the last three years, we increased the amount of **information** disclosed to the public. Furthermore, having asked our shareholders, potential investors, analysts who research our share on the Stock Exchange, customers and employees if the

information was clear enough, we tried to improve further the quantity and quality, giving a more exhaustive set of data and information that facilitates the best understanding of our business and our prospects for future growth.

We also invested in our channels of digital communication, such as the DiaSorin Corporate Web Site and the different digital applications and platforms (e.g. multimedia application aimed at our investors, available on tablet or the interactive Web Site - "Tell me something about your business" - in answer to the most relevant questions about the Group).

Furthermore, we have constantly pursued our actions regarding business relations with the world of institutional investors, through hundreds of meetings and/or conference calls thanks to the support and the work of our Investor Relations team.

Lastly, we started up a path of Corporate Social Responsibility of which this document is the first example.



# Diversity

Diversity is one of the drivers of DiaSorin success.

We are a multinational Company that has increased its geographic presence on a global scale in the last 15 years, incorporating other companies and people from all over the world. This fast international growth has transformed the original Company into a **multicultural and multilingual reality**, which has allowed us to enrich and improve our approach to the challenges in the diagnostic sector.

The value generated and distributed in these years, has also been established by the diversity of our people, drawing on

their different points of view to significantly increase the possibilities of finding solutions.

Our efforts have been concentrated on preserving the value of our diversity, facilitating communication, which is not always easy, between different cultures and groups. To this end, we established a **program of international mobility** to help managers on their growth path, showing them the way to work in our foreign branches, meeting colleagues from other countries and experiencing challenges that different customs, languages and cultures pose to a Group that seeks common ground.

## OUR DIVERSITY MAPS

A map, indicating cultural, language and management approach diversity



IDENTIFICATION  
WITH THE COMPANY

ORIENTATION TO RESULTS

ENERGY, DRIVE,  
AND PRO-ACTIVITY

ACCOUNTABILITY

INTEGRITY

INNOVATION  
AND CHANGE DRIVER

QUALITY

CARE  
FOR CUSTOMERS

PEOPLE  
INSPIRING

IDENTIFICATION  
WITH THE COMPANY

ORIENTATION TO RESULTS

ENERGY, DRIVE,  
AND PRO-ACTIVITY

ACCOUNTABILITY

INTEGRITY

INNOVATION  
AND CHANGE DRIVER

QUALITY

CARE  
FOR CUSTOMERS

- AUSTRALIA
- BELGIUM
- BRAZIL
- CANADA
- GERMANY
- CHINA
- CZECH REPUBLIC
- SPAIN
- FRANCE
- UNITED KINGDOM
- ITALY
- IRELAND
- ISRAEL
- INDIA
- MEXICO
- NETHERLANDS
- NORWAY
- PORTUGAL
- SWEDEN
- UNITED STATES
- SOUTH AFRICA
- SWITZERLAND
- AUSTRIA
- AUSTRALIA
- BELGIUM
- BRAZIL
- CANADA
- GERMANY
- CHINA
- CZECH REPUBLIC
- SPAIN
- FRANCE
- UNITED KINGDOM
- ITALY
- IRELAND
- ISRAEL
- INDIA
- MEXICO
- NETHERLANDS
- NORWAY
- PORTUGAL
- SWEDEN



# Our Company

# Corporate Governance

## STRUCTURE

We recognise the importance of a **good corporate governance** structure at all levels of our Group and we spread this idea within and outside the Company. Our Corporate Governance scheme is based on a the pillars, models and systems of governance, as follows:

**The conventional management and control model** is an organizational system that includes a Shareholders' Meeting, a Board of Directors and a Board of Statutory Auditors and that is referred to in Articles 2380-bis of the Italian Civil Code. Furthermore, we have selected Deloitte & Touche S.p.A. as the independent auditor body until the approval of the Statutory Financials as of December 31, 2015.

**Board of Directors:** it performs a pivotal role within the corporate organization. Its tasks and responsibilities include, among others, setting strategic and organizational guidelines and ensuring adequate controls to monitor the performance of our Group.

The current composition of the Board of Directors, appointed by the Shareholders at a general meeting held on 22 April 2013, reflects international best practice and the gender balance principle:

ROLE	NAME
Chairman	Gustavo Denegri
Deputy Chairman	Michele Denegri
Chief Executive Officer	Carlo Rosa <sup>(1)</sup>
Director	Giuseppe Alessandria <sup>(2)</sup> <sup>(3)</sup>
	Stefano Altara <sup>(4)</sup>
	Enrico Mario Amo
	Antonio Boniolo
	Eva Desana
	Chen Menachem Even
	Ezio Garibaldi
	Maria Paola Landini <sup>(2)</sup>
	Franco Moscetti <sup>(2)</sup>
	Roberta Somati <sup>(2)</sup>

(1) General Manager

(2) Independent Director

(3) Lead Independent Director

(4) Director Stefano Altara was appointed by the Shareholders' meeting on April 23 2014

- There are 13 directors: 10 men and 3 women, women making up to 23% of the total
- The roles of the company Chairman (Gustavo Denegri) and of the Chief Executive Officer (Carlo Rosa) are split
- 2 directors (Carlo Rosa and Chen Even) are Executive Directors ensuring the contribution of specific professional expertise both being employees of the Company
- There are 4 Independent Directors (Giuseppe Alessandria (Lead independent director), Franco Moscetti, Maria Paola Landini and Roberta Somati). Their independence is verified with reference to the requirements set forth in the Italian Stock Exchange Regulations.

In compliance with applicable laws and recommendations for the delegation of power and respect of the principles of transparency and independence in order to ensure a correct decision-making process and the contribution of specific professional expertise, within the members of the board of directors the following should be noted:

**The Board of Directors is supported by 4 Committees:**

- **Control and Risk Committee** provides consulting support and recommendations with regard to defining the guidelines of the internal control system and assessing on a regular basis the system's adequacy, efficiency and effective implementation.

ROLE	NAME
Chairman	Franco Moscetti
	Enrico Mario Amo
	Roberta Somati

- **Nominating Committee** responsible for ensuring that the filing of slates of candidates for the appointment of corporate bodies is in accordance with the bylaws and is carried out correctly and transparently.

ROLE	NAME
Chairman	Franco Moscetti
	Giuseppe Alessandria
	Michele Denegri

- **Committee for Transactions with Related Parties:** The related party transactions are approved through the involvement of a committee, appointed by the Board of Directors and composed exclusively of three independent directors, who, with reference to each transaction, must not be related directors.

ROLE	NAME
Coordinator	Franco Moscetti
	Giuseppe Alessandria
	Roberta Somati

- **Compensation Committee** responsible for submitting to the Board of Directors proposals concerning the compensation of the Chief Executive Officer and of all other Directors who perform special tasks, also providing counseling for the adoption of stock option plans

ROLE	NAME
Chairman	Giuseppe Alessandria
	Michele Denegri
	Roberta Somati

**The internal control and risk management system**

DiaSorin adopted an internal control and risk management system, in accordance with the European and Italian legislative framework. It describes purposes, structure and main provisions and it aims to create an integrated approach to the management and control of company risks. The organizational model then sets out roles and responsibilities. The effective implementation of Internal Control and Risk Management system is the responsibility of the Supervisory Director (corresponding to the CEO), which is supported by the Control and Risks Committee.

**The organizational and management model (Legislative Decree 231/2001)** has been adopted by DiaSorin in order to ensure that all business transactions and corporate activities are carried out fairly and transparently, protecting the Company's position and image, meeting the expectations of its shareholders and protecting the jobs of its employees. It aims to provide DiaSorin with a tool that ensures full compliance with the Legislative Decree 231/2001, and hence to exempt the company from the liability connected with certain crimes committed by its apical employees. The methodology used also takes into account the guidelines provided by relevant trade associations (particularly those of Assobiomedica) and by Confindustria (last amended in July 2014).

A Surveillance Body is appointed to monitor this framework and to take all necessary steps in case of its violation; this model has been described as being part of the Corporate Governance scheme and, more specifically, of the Internal Control and Risk Management System agreed by the Company.

**A Code of Conduct** has been drafted taking into account: the *United Nations Universal Declaration of Human Rights*, the *fundamental Conventions of the ILO (International Labour Organisation)*, and Confindustria Guidelines. Furthermore, it considers ethical principles, agreements and guidelines approved by Union representatives concerning fair employment practices, freedom of association, rejection of any form of discrimination, of forced labor, child labor, any type of illicit payments, while safeguarding dignity, health and workplace safety, respect of natural bio diversities and protection of the environment.

It aims at setting the minimum behavioral standards to be observed by all stakeholders of the DiaSorin Group. Allegations and concerns may be reported and a process has been designed to allocate roles and responsibilities.

**Internal regulations system**

In order to ensure internal coherence within all group entities a set of internal policies, guidelines and operating procedures are prescribed. A group repository has been implemented to allow each entity to consult the documentation and a set of internal controls on roles and responsibilities is in place.

## FOCUS ON OUR CODE OF CONDUCT

The Code of Conduct adopted by DiaSorin Group forms an integral part of the Internal Control System and sets out the principles of business ethics to which all companies belonging to the DiaSorin Group adhere, and that directors, employees, consultants and partners are required to observe (for being its provisions incorporated by reference in the relevant agreements).

### What is the Code?

The Code constitutes the Group's program for ensuring effective prevention and detection of violations of the law and of the regulations applicable to its activities.

### Who is the Code addressed to?

The Code applies to:

- Company stakeholders, including executive bodies, company directors and officials and each employee of Group companies;
- Members of supervisory bodies;
- External staff members, consultants and all the self-employed workers cooperating with Group companies;
- Other third parties (suppliers or clients) whose relations with the company are of primary importance and require compliance with this Code of Conduct.

### Where can the Code be consulted?

The Code - in compliance with local standards and customs - is available on the website [www.diasorin.com](http://www.diasorin.com). A copy is also issued to each employee at the moment when the employment relationship is established following a training session covering its main contents.

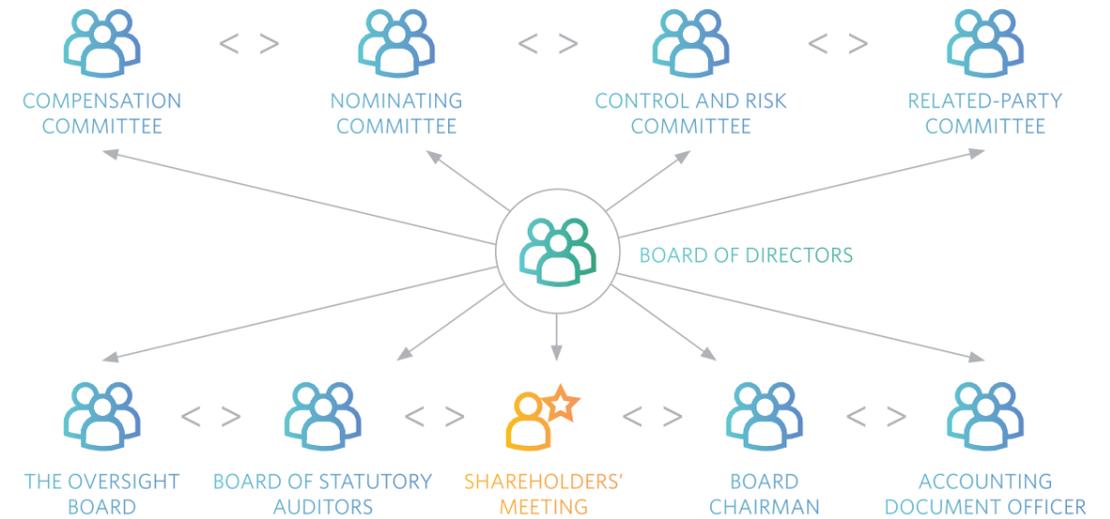
## GENERAL PRINCIPLES OF THE CODE OF CONDUCT

The DiaSorin Group is committed to the creation of long-term sustainable value for all its stakeholders, and is firmly convinced that the respect for the **highest standards of conduct and business ethics** in all the countries where the Company operates, and for fundamental human rights, is a pre-requisite for achieving such results.

The principles of the Code of Conduct include those strictly related to the nature of DiaSorin as a listed Company, such as the principles of transparency, completeness and confidentiality of information, and the value of shareholder investment. Furthermore, it includes the principles related to the protection of company assets, the value of human resources, the protection for the environment and the responsibility towards the community.

### Transparency, completeness and confidentiality of information:

- DiaSorin is sensitive of the need to provide transparent information to all stakeholders on its financial situation and operating performance, without favoring any interest group or single individual.



- Financial, accounting and management data and any corporate communications of the Group must comply with completeness and accuracy requirements.
- Staff members and third parties of DiaSorin are prohibited from using confidential information for purposes not linked to the exercise of their activities.
- DiaSorin undertakes to adopt all the necessary measures to prevent and avoid bribery and illicit payments.

### Relations with shareholders and value of shareholder investments:

- Shareholders are able to participate knowingly and effectively in decisions that affect their interests.
- Equality of treatment and completeness of information is promoted.
- The Company's financial performance is such as to safeguard and increase the value of the Group in order to adequately compensate the risk taken by shareholders in investing their own capital.

### Value of human resources:

- DiaSorin promotes respect for the physical and cultural integrity of each person.
- DiaSorin promotes equal treatment of all individuals and prohibits any forms of discrimination according to age, gender, sexuality, state of health, race, nationality, political opinions and religious beliefs.
- DiaSorin provides equal opportunities to all its employees, both at the workplace and with regard to career advancement.

### Protection of company resources:

DiaSorin preserves and protects its physical assets to guarantee the protection of its intellectual assets, instructing employees in the correct use of assets, resources and information entrusted to carry out their activities.

### Protection of the environment:

- DiaSorin dedicates maximum commitment to protection of the environment and the prevention of pollution
- DiaSorin contributes to ecological sustainability
- DiaSorin takes into account the development of scientific research
- No employee or third party with whom DiaSorin has relations with shall expose other employees to unnecessary risks that may endanger their health or physical safety.
- The principles according to which the Company operates are not to pollute, to constantly optimize the use of resources and to develop products increasingly compatible with the environment.

### Responsibility towards the community:

DiaSorin conducts its investment activities respecting local communities, in order to further enhance its reputation and the legitimacy of its operations.

## Transparency and value of our investments.

# Value generation

## MACROECONOMIC SCENARIO AND THE FOREIGN EXCHANGE MARKET

The dynamics of the global economy and international trade during 2014 saw the United States and the United Kingdom, which are important markets for us, starting to grow again, but at the same time, Japan and the emerging economies weakened.

The risks of a further slowdown still exists, partly due to geopolitical tensions and the possible aggravation of structural imbalances in some emerging economies. Furthermore, the shift of cyclical economic conditions in different countries caused a gradual divergence of monetary policies in the advanced countries: a further expansion in the Euro zone, and gradual normalization in the United States.

As for the trend of the currency markets in 2014, the average price of the Euro, our Group's currency, was broadly in line with 2013 against the US Dollar, and has appreciated against almost all other currencies in which the Group trades. This trend in exchange rates had a significant impact on the economic performance of the Group.

## MARKET DESCRIPTION

The market of IVD includes different segments that represent a specific technology used to perform the diagnostic process which aims to find specific types of elements in the blood.

Within the IVD reference market, whose total value is estimated to be around 40 billion Euros, we operate in two segments: the **Immunodiagnosics**, that has been the Company's core business since its foundation, and **Molecular Diagnostic**, which represents the Company's latest venture.

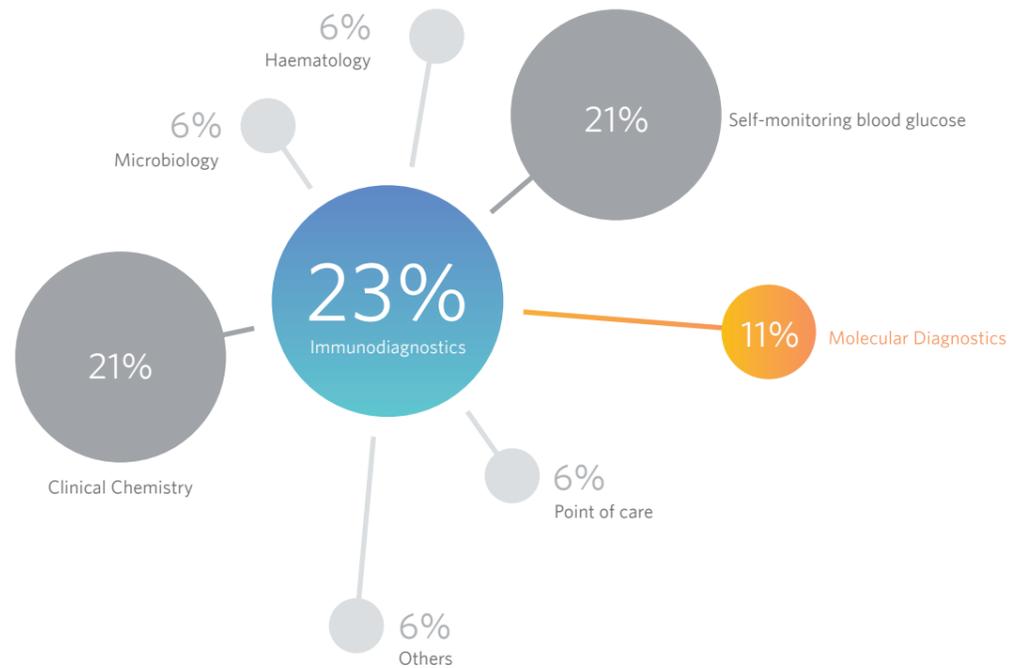
Our focus is mainly on the first technology, which is the only segment which we have been operating in since the beginning. We are therefore one of the very few companies left in the IVD Market that operate almost entirely in one segment as we consider Molecular Diagnostic a start-up. This is a characteristic that makes us highly specialized in the immunodiagnostic segment and a leader in this field. Furthermore, by operating in one technology only, we are able to scale the costs and maintain a high profitability when compared to other companies in the IVD market.

## STRATEGY

Our goal is to bring people healthcare worldwide through diagnostics. Operating in a market dominated by a few huge and solid incumbent players, we based our strategy on constant innovation of our products and technology, offering solutions to healthcare operators that guarantee them with sensitive and specific diagnostic results.

**Our strategy is based on:**

- The use of the LIAISON and LIAISON XL instrument that perform total automated CLIA tests, which is the latest technology on the immunodiagnostic market and is able to offer a fully automated, fast and flexible solution to hospitals and labs of high and low test volumes.
- The manufacturing and marketing of both "Specialty diagnostic tests", which address a market no larger than 40 million Euros worldwide, and main-stream products, which address common pathologies that every hospital and lab needs. Our tests are classified according to different clinical areas and for each of those we have a dedicated strategy, as follows:



Identification of the in vitro diagnostic market in which DiaSorin is present in the immunodiagnostic and the molecular diagnostics segments. Reference data year is 2012. Source: Internal DiaSorin elaboration.

CLINICAL AREAS	DIASORIN STRATEGY
Infectious disease (ex hepatitis and retroviruses)	The combination of a best performing machine, LIAISON XL, together with the development of specialty products (Parvovirus; Measles, Mumps, Rubella and Varicella panel; Mycoplasma) in order to access mid-large clinical labs and consolidate immunodiagnosics revenues. Thanks to this we can "hook" a client with specialties and also offer our mainstream products.
Hepatitis and retroviruses	Leveraging the Murex brand and its tests acquired on ELISA technology, and later converted to CLIA, and on the best performing machine (LIAISON XL), we are able to win tenders and sign important contracts, offering our specialty products and, at the same time, mainstream CLIA hepatitis and retrovirus tests.
Oncology and endocrinology	Leveraging the best performing machine (LIAISON XL), on specialty and mainstream products and, particularly in the US, on our reputation in endocrinology, thanks to the Vitamin D test, our offer is also attractive in the field of hypertension, oncology and endocrinology.
Vitamin D (part of the endocrinology clinical area)	Maintain the leadership in the US market and expand in new markets, leveraging LIAISON XL and the specialty products offered.
GI Stool Testing	Leveraging on LIAISON XL and the rest of the immunodiagnostic menu, we are the first company also able to offer the GI stool panel on this fully automated machine.
Nucleic acid testing (molecular diagnostics)	We focus on onco-haematology molecular diagnostic tests, performed on the LIAISON IXT and LIAISON IAM (specific molecular instruments) machines. Leukemia test are performed manually today: with our automated solutions we are able to give results in 30 minutes and allow doctors to prescribe the right treatment, saving lives.

## VALUE GENERATION

Revenues in 2014 grew compared to previous years, notwithstanding the conditions of economic turbulence and the continued decline in Vitamin D products sales, as a consequence of competing products entering the market, which put a downwards pressure on prices back in 2011.

**Economic value distributed** has seen a steady increase, of about 2.8%, over the period in question. In 2014 operating costs have increased by up to 4.5% compared to 2012. Furthermore, personnel remuneration and benefits, composed of employee salaries including amounts paid to government institutions and benefits, such as regular contributions (i.e. pensions, insurance, company vehicles, etc.) and employee support (i.e. housing, interest-free loans, educational grants, redundancy payments, etc.), have increased 11.1% over the three year period analyzed, moving from 101 in 2012 to 112 million Euros in 2014. In fact, Group companies provide a range of benefits to employees including post-employment benefits by contributing to external funds and by funding defined-contribution and/or defined-benefit plans. For further details, please see the chapter "People".

The manner in which these **benefits** are provided varies depending on the applicable statutory, tax-related and economic conditions in the countries where Group companies operate. The value of total employee benefits has increased from 101 million Euros in 2012 to 112 million Euros in 2014, an increase of almost 10%. The incidence of personnel remuneration and benefits on the overall economic value distributed has increased over the years going from about 23% in 2012 to 25% in 2014. During the reporting period we also have seen a decrease in payments to lenders and providers of capital (dividends and interest payments to lenders) and a reduction in the payment of taxes to the various governments in which the Group operates, as an effect of a lower tax rate.

**Investments in the community** such as sponsorships, contributions, partnerships or volunteering activities of employees in favor of the community, in 2014 have remained constant with respect to 2012. For further information regarding the Group's commitment to the community in which it operates in please, see the chapter "Our Community".

The economic value obtained by the Company in 2014 has increased compared to 2012 and to 2013. This is due to a higher increase in revenues than in the economic value distributed to the stakeholders.



ECONOMIC VALUE OBTAINED (€ MLN)	2012	2013	2014
<b>Economic value generated directly</b>			
Revenues	<b>433.8</b>	<b>434.9</b>	<b>443.8</b>
<b>Economic value distributed</b>	<b>(358.7)</b>	<b>(351.4)</b>	<b>(364.5)</b>
Operating costs	(191.5)	(192.7)	(201.6)
Personnel and benefit cost	(100.8)	(105.6)	(110.5)
Payment to lenders of capital	(10.9)	(7.0)	(4.4)
Payments to governments	(55.4)	(46.0)	(47.9)
Community investments	(0.1)	(0.1)	(0.1)
<b>Economic value obtained</b>	<b>75.1</b>	<b>83.5</b>	<b>79.3</b>

## FINANCIAL ASSISTANCE RECEIVED

The financial assistance that the DiaSorin Group has received from governments mainly concerns the start-up investments made in Ireland to set up the Molecular Diagnostics Business. The Irish government supported our research and manufacturing activities through grants given by the Irish Investment and Development Agency (IDA). The support for our start-up ended in 2013.

FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENTS (€ MLN)	2012	2013	2014
Tax relief and tax credits	0.5	0.4	0.5
Research and development grants	0.6	0.5	0.0
Financial incentives	0.0	0.0	0.0
<b>Total</b>	<b>1.2</b>	<b>0.9</b>	<b>0.5</b>

## FINANCIAL PERFORMANCE

In 2014 the Group totaled revenues of 444 million Euros, growing 2.8% at constant exchange rates compared to 2013. The main growth driver has been **CLIA tests** (ex Vitamin D) that work on our **LIAISON** and **LIAISON XL** instruments and are highly appreciated by our clients. In fact, our revenues from CLIA products increase year on year, becoming the most important technology that we have. Our CLIA instrument installments also grow year by year to support the increase in sales; at the end of 2014 the total number of instruments installed reached 5,872 units with an increase of 600 units if compared to 2013.

STATEMENT OF PROFIT AND LOSS (€ MLN)	2013	2014
Net Revenues	434.8	443.8
Gross profit	299.7	298.7
EBITDA	163.1	160.3
Operating result (EBIT)	134.7	129.9
<b>Net profit for the period</b>	<b>83.1</b>	<b>84.1</b>

STATEMENT OF FINANCIAL POSITION (€ MLN)	31/12/2013	31/12/2014
Capital invested in non-current assets	208.9	214.7
Net capital invested	316.2	317.2
Net financial position	98.0	166.3
<b>Shareholders' equity</b>	<b>414.1</b>	<b>483.6</b>

STATEMENT OF CASH FLOW (€ MLN)	2013	2014
Net cash flow for the period	0.5	39.7
Free cash flow	79.5	91.3
Capital expenditures	32.1	30.7
Employees (n.)	1,606	1,620

TECHNOLOGICAL BREAKDOWN (% ON REVENUES)	2013	2014
CLIA tests	68.3%	70.6%
ELISA tests	15.4%	14.3%
INSTRUMENTS sales	12.5%	12.0%
RIA test	3.1%	2.4%
MOLECULAR DIAGNOSTICS	0.7%	0.7%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

We create more value.



## GEOGRAPHIC BREAKDOWN

Our **worldwide presence** is very important to us and our stakeholders and indicates:

- We are able to **bring health** with our tests in most of the countries of the world
- We are **stable and sustainable** in the long run because we differentiate our markets and currencies.

Concerning our markets exposure, we are strong and solid in Europe, with 49.6% of our sales, and in the US, with 23.4% of our sales, which are stable markets. As for Europe, we focus mainly on France, Germany, the UK and the Nordics and we only achieve 15% of our sales in Italy.

The US is an important market for us, considering the size and the attention to health of the American people and its government.

In the emerging countries, we are building, together with their leaders and other members of the IVD industry, a brand new capillary healthcare system to reach most of the local citizens, even in remote areas.

As for our currency exposure, we **control the risk** of volatility, using the two stable currencies for the majority of our operations: the Euro, which is our Group's currency, and the US Dollar, which is the largest foreign currency used in the Group.



NORTH AMERICA



EUROPE AND AFRICA



LATIN AMERICA



ASIA PACIFIC

## Relations with the financial community

### OUR SHAREHOLDERS' BASE

DiaSorin relies on a shareholder base of international investors mainly composed by of long-term investment. Among them, it is worth mentioning Finde SS, which holds 43.957% of shares and that it is controlled by the Chairman of the Board of Directors,

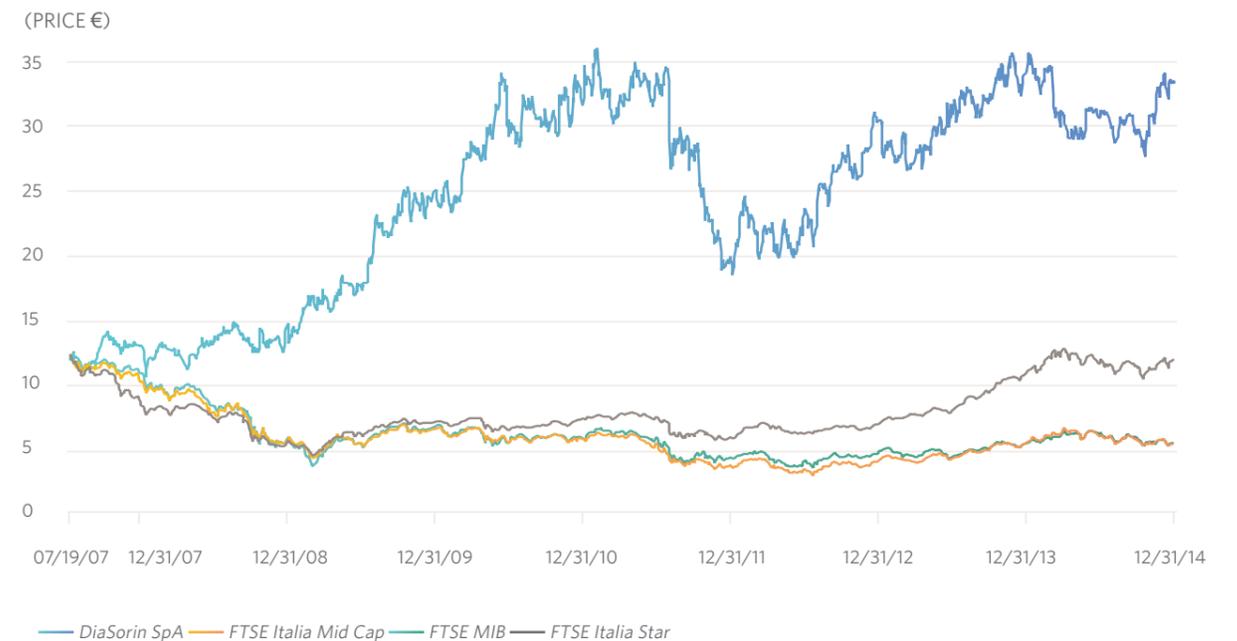
the CEO, who holds 8.540%, and the Senior Corporate Vice President Commercial Operations, who holds 4.466%. The majority of our shares are in the hands of the Chairman of the Board of Directors, the CEO, who owns 8.5% of the Company and the Senior Corporate VP Commercial Operations, who owns 4.4%. There are also a few institutional investors.



Situation as of 31 December 2014

The listing reference index in 2014 is the FTSE Italy Mid Cap; DiaSorin has been part of it since the end of 2013. Previously, DiaSorin was listed in the FTSE MIB index, which includes the 40 largest Italian companies for their market cap. Back in 2007, when DiaSorin was listed for the first time, the index that welcomed the Company was the STAR.

DiaSorin has belonged to 3 different indexes since listing and for this reason we provide a comparison between the Company's performance and the 3 indexes.



DiaSorin performance since IPO: Comparison between DiaSorin's performance and the main reference indexes rebased at DiaSorin's price, in the period 07/19/2007-12/31/2014

# Financial communications and investor relations

## FINANCIAL COMMUNICATION ACTIVITIES

In order to provide **complete and updated** information about our Company's goals and the development of our businesses, we continue to implement activities that aim to interact and communicate with **shareholders, institutional investors, financial analysts** and the Italian and international **press**.

For us, the support and confidence of our shareholders has always represented and continues to be one of the key factors of our success.

Financial communications provide an essential interaction tool, through which we can carry out a constant **dialog with our stakeholders**, based on a clear understanding of corporate developments, transparent management choices and accessible corporate information. With this in mind, the Investor Relations team is constantly in contact with shareholders, investors and financial analysts, through:

- Ongoing relationships with analysts and investors, spontaneously creating opportunities for communications and interaction, offering the chances to discuss operating performance the Group's strategies
- Attendance at industry conferences
- Organizations of roadshows that visit all the main financial centers
- Continuous phone calls and video calls with analysts and investors providing opportunities to obtain a more in-depth understanding of the Group's operating performance and strategic choices.

In October 2014, we were awarded for the quality of information disclosed to our stakeholders through the web (Annual Web Ranking Award, by Lundquist).



DiaSorin performance in 3-year time reference  
Comparison between DiaSorin's performance and the main reference indexes rebased at DiaSorin's price, in the period 12/31/2011-12/31/2014

## MEDIA COMMUNICATION

To improve the communication with journalists of daily newspapers, specialized scientific magazines and media operators in general we developed a dedicated section of our website with specific tools for them. We prepared a "Media Kit" to communicate our business, our stories and our market in simple and clear language of media world.

**Our Company communication tools to reach all the stakeholders, include:**



WEBSITE  
Corporate  
CSR  
Interactive  
Annual Report



APPLICATION  
IR & Media for tablets



TWITTER



YOUTUBE



LINKEDIN



WIKIPEDIA





Innovation

# R&D

## MANAGEMENT STRUCTURE

Research and development is a pillar of our strategy and solidity: in fact, our innovating capability in the development of products has always been among the main factors of success that has allowed us to be recognized as leaders in the diagnostics world. For this reason, R&D management structure is key to the pursuit of our strategy of growth and geographic expansion, because our new tests, introduced onto the market every year, allow us to expand our commercial offer and capillarity worldwide in diagnostic labs of every size.

In order to do so, **Corporate R&D** management closely follows and interacts with the different **Product Development** groups to ensure that the correct products of the correct quality are developed in all places.

Our Research and Development team is made of 2 groups: **Corporate R&D** and **Product Development**. The **first** coordinates the product development process from the first idea to the final test creation. In order to do so, the Group follows every aspect of the project, interacting with different groups of the Product Development entity.

The **second group** is structured as part of operations at the different production sites, in order to facilitate the transfer of newly developed products in our laboratories to the manufacturing departments.

## CORPORATE R&D

**Corporate R&D** is composed of two major groups, **Systems Development & Integration (SD&I)** and the **DiaSorin Research Center (DRC)**. SD&I, located in Saluggia, has the main task of ensuring that the interface between the diagnostic tests and the instruments on which these tests are run is functioning in an optimal way. This is done through close interaction between our team and our instrument supplier, a German listed company, with whom we have developed and validated the machine's software, in order to ensure the highest quality standards for our test results and that only our reagents can be run on the machine. Once a new instrument is launched on the market, like in the latest case of our LIAISON XL machine, SD&I is responsible for further improvements on hardware and software based on input coming from customers as well as innovation regarding connectivity to other equipment. The group is also responsible for the machines' accessories, such as plastic containers, pipette tips and similar accessories that are necessary to run a diagnostic test on an instrument. Our CLIA machines, LIAISON and LIAISON XL, have been co-developed and produced by Stratec and, once we place a machine that can only perform our tests in a laboratory, we can leverage the installed base and sell additional new tests coming from the R&D. Furthermore, SD&I manages hardware, software and spare parts of DiaSorin molecular diagnostic assays and instruments.

The **DiaSorin Research Center** is located in Gerenzano outside Milan. Its main responsibility is the earliest phases of research and development and it is the main site of innovation in the

Company. Given that nowadays we are developing products in two main fields of the In Vitro Diagnostic (IVD) market, the DRC is divided into two different groups, each of which focuses on one segment only: **Immunodiagnosics or Molecular Diagnostics**.

The **Immunodiagnostic Group** is responsible for generating new raw materials for new tests and for further development of the technology necessary to produce assays in the chemistry and biology areas. Briefly, the group generates key reagents such as monoclonal antibodies, peptides and recombinant proteins, and processes to manufacture, purify and if necessary, modify these reagents. In certain cases, DRC Immunoassay is also developing prototype assays to be transferred for further development in a Product Development groups located in Saluggia and Stillwater.

The **Molecular Diagnostics group** at DRC is responsible for innovation in Q-LAMP technology, whose purpose is to amplify and detect DNA or RNA in patients' samples using the LIAISON IAM instrument at a flat temperature of 65°C degrees, after having extracted it through the instruments LIAISON IXT. In this segment, the R&D team develops the assays up to completion of Feasibility and then transfers it to DiaSorin Ireland, where the Molecular Diagnostics production site is located, for the later steps of assay development.

Clinical Affairs is also part of **Corporate R&D** and is responsible for planning and supervising clinical studies for new and already available products and providing clinical guidance for product development and clinical evidence to support products approvals.

In addition to the three groups, Corporate R&D also contains a management structure composed of the **Senior Corporate Vice President (VP) R&D/Chief Medical Officer**; the Chief Technology Officer and the Corporate VP R&D together with two Project Managers (for Immunoassay and Molecular Diagnostics respectively) and an intellectual property specialist.

Furthermore, the corporate R&D VPs together with senior Marketing executives and the Chief Executive Officer (CEO) constitutes the Science & Technology Committee (STC), a group that meets 3-4 times per year to take decisions on the R&D strategy and new projects that should enter into the company's **Project Development Master Plan (PDMP)**.

## PRODUCT DEVELOPMENT

**Product Development**, which can be understood as test development, is organized within **Operations** at the different operative sites. We have **6 manufacturing sites** around the world each of which is specializes in producing tests belonging to one or more clinical areas and to a specific technology.

The two largest groups are located in Saluggia, Italy, which specializes in infectious diseases and other product families in CLIA technology, and in Stillwater, Minnesota, which specializes in bone and mineral and hormonology and oncology and other families of CLIA technology.



A third group, ProCare, is located in Dietzenbach, Germany, and is supporting the CLIA products families that are manufactured there while another group in Dartford, UK, and in Kyalami, South Africa, is supporting the ELISA technology products manufactured there.

Finally, the development of all Molecular Diagnostic products takes place in the DiaSorin Research Center in Gerenzano, while the industrial production is located in Dublin, Ireland, which is a manufacturing site built with the purpose of only serving this new segment.

The **product development** process is divided into **four** main phases: **Feasibility, Optimization, Validation and Transfer**. At the beginning of the process there is a pre-feasibility phase in which all doubts and comments on the new product development are discussed. Afterwards there is a so-called "Time-Zero" meeting in which managers involved set the formal aims of the tests and its technical characteristics. Typically, the pre-feasibility is performed at the DRC in Gerenzano. At the end of each phase, a design review meeting is held where management reviews the results and decides on entry into the next phase of development.

The **Design Goal** document is written jointly by Corporate Marketing R&D and captures market expectations as well as technical requirements for the product. The definition of theoretical feasibility for a product also comprises a study of intellectual property, regulatory considerations, competitor products, need for licenses or acquisition of technology from outside the Company and other aspects that may impact on timelines, costs and probability of success for the development.

The **Feasibility** phase aims to develop and test the key reagents in order to ensure with a high degree of certainty that the final product will meet the required design goals. Different raw materials are frequently tested to choose the most appropriate ones, and many different prototype assays are tested on a panel of patient samples to show sufficiently good performance to allow further development.

During the **Optimization** phase, the exact quantities and qualities of the components of the assay are defined. The processes used to produce all components and the final product are also decided on. The outcome of this phase is the protocol to produce the validation lots of the assay kits.

During the **Validation** phase, a number of validation lots, employing different lots of critical raw materials are produced. These validation lots are then thoroughly scrutinized both for analytical performance and in clinical studies. The outcome of the phase is reports summarizing the analytical and clinical performance, which is compared to the design goals in order to establish that the product is validated.

The **Transfer** phase comprises the final transfer of the product to the Manufacturing and Quality Control departments, together with all necessary documentation. Everything is then ready for submission to the regulatory authorities, whenever needed, or the next phase, which is the launch on the market.

## THE R&D PIPELINE 2011-2015

In the immunoassay segment, we offer the largest portfolio menu of **112 tests** available for the main technology, CLIA, spanning over a number of different clinical areas. This is the strength of the Company that is so able to fulfill its clients' needs both in main-stream tests that also competitors have, and in specialty tests that only we have in our menu. **Specialty tests** are so called because they address pathologies that, although serious and in expansion, do not reach a market value that appeals to large companies operating in our market.

In our product development planning in the period of the current business plan, we have chosen to concentrate on certain clinical areas for innovation, having studied potential market and health needs.

The main areas where we directed our R&D efforts for new development of immunoassays during the period are the following:

- **Hepatitis/HIV panel.** These tests are mainly used in blood banks and also as diagnostic products in laboratories and hospitals
- **Bone & Mineral** tests that are mainly used in the field of chronic kidney disease, where we can increase the opportunity of selling our products, leveraging our vitamin D test, where we are absolute leaders
- **Stool testing**, both infectious disease and other gastrointestinal inflammations are of key importance, since we are the first Company to offer a complete automatic solution for these kinds of tests. Up to now, tests on stool samples were home-brewed, increasing the chance of human error and obliging hospitals to have specialized professionals and laboratories. Now, stool testing can be performed on the LIAISON XL, allowing laboratories to reduce costs. We have already manufactured a few tests for our clients:
- **Specialty infectious disease**, in order to increase our portfolio which already is by far the largest CLIA menu
- **Hypertension**

In Molecular Diagnostics we are developing assays in two fields: infectious disease to complement our offer of immunodiagnosics products in the clinical areas where we are leaders and onco-hematology.

As for the first field, when an immunoassay tests needs to be confirmed on the Molecular Diagnostics technology, we can give our clients the tools to perform both tests in their labs, avoiding the send-out and saving costs while having faster results. As for the second, which is our main focus today, we have an ambitious project in developing tests for leukemia on the Q-LAMP, which can give fast results, quality that sometimes can make the difference.

## COSTS OF R&D

R&D costs have been stable throughout the years, totaling 5.5% of total revenues. This amount of investment in R&D is what we need to launch between **6 and 8 tests every year**. We are the Company that is launching the highest number of tests per year in the market, maintaining the highest quality standards on every product.

This product launch rate demands a big effort from our sales and marketing people to reach all of our existing clients, and any new clients with old and new products. Furthermore, when we launch a test on the market, we also need to register it in the various destination countries where the local authority needs to approve the quality of the product according to its standards.

(€ MLN)	2013	2014
Research and development costs that were not capitalized	22.0	22.6
Annual amortization of capitalized costs	1.9	2.4
<b>Total research and development costs charged to income</b>	<b>23.9</b>	<b>25.0</b>
Development costs capitalized during the year	2.6	1.4
<b>Total research and development costs</b>	<b>24.6</b>	<b>24.0</b>

## INNOVATION AS A KEY VALUE

We are committed to innovation to facilitate the work of hospitals and laboratories and to contribute to improving health with new and high quality products. Amongst the new products launched in the period of reference and listed above, few specialties represent innovative solutions to the market.

## ALDOSTERONE

78 million Americans are affected by hypertension, which is a disease that affects heart functions and can ultimately cause death. Amongst these people, 58 million are treated with traditional medical treatments such as a low-salt diet and beta-blockers. For the majority of these patients, traditional treatments are not able to reduce hypertension because the correct hypertension should be diagnosed before choosing the right treatment. This is why the hypertension panel, made of

Aldosterone and Renin, to diagnose Primary Aldosteronism, is of key importance to detect the most spread out type of Aldosteronism as the first step to prescribe the right treatment. We are the first and only company offering the hypertension panel with CLIA technology, increasing speed and precision in delivering results to our clients and, ultimately, to patients.

## 1, 25-DIHYDROXYVITAMIN D

DiaSorin R&D has successfully developed and launched the first and only fully automated chemiluminescent assay for 1,25-Dihydroxyvitamin D using an innovative and unprecedented method based upon the use of a modified recombinant version of the Vitamin D intracellular receptor.

Deficiency of 1,25 Vitamin D is considered, by many new medical studies, to be a more accurate parameter to measure Vitamin D deficiency.

## TECHNOLOGICAL INNOVATION: LIAISON

We use molecules that emit light (chemiluminescent) in order to achieve a higher signal when performing a diagnostic test on our LIAISON and LIAISON XL instruments. Our team in the DiaSorin Research Center is collaborating with external universities and companies to improve CLIA performance and to achieve the lowest possible limit-of-detection for tests where this is critical; in other words to diagnose a pathology even when this is difficult. The high performance of CLIA technology, combined with the speed and automation of the LIAISON and LIAISON XL increase the quality of our products and our capacity to help patients.

## TECHNOLOGICAL INNOVATION: Q-LAMP

In the field of **Molecular Diagnostics** we licensed in 2008, Loop-mediated Amplification technology (LAMP) from Japanese company Eiken Chemical. Since then, the Molecular Group of DiaSorin Research Center and Dublin have further developed and refined the technology. The result is the current Q-LAMP, used in the IAM kits launched since 2012. The in-licensed technology was qualitative and address one target at a time, while Q-LAMP is quantitative and can detect three targets in the same reaction.

In general, our Q-LAMP assays compete with PCR-based amplification methods on the market, an alternative technology to Q-LAMP and widespread amongst other players in the molecular diagnostics market. The Q-LAMP offers few advantages in terms of time, speed and simplicity with the use of our LIAISON IAM analyzers. Furthermore, the onco-hematology products will give the customer even more advantages, including a significantly faster turnaround time, the use of much less disposable plastic material, and improved sensitivity compared to current methods.

# Quality

## CLINICAL TRIALS

DiaSorin performs clinical trials with the main objective of validating the performance of diagnostic assays on relevant clinical samples. In brief, the clinical studies performed by DiaSorin can be divided into three categories:

- **Clinical Studies**, having the aim to demonstrate the performance of an assay in relation to clinical truth and the ability of the assay to fulfill its intended use claims
- **Method Comparison Studies**, have the aim of showing the equivalence of our diagnostic tests with those approved at the European level and CE marked and with those approved in the US by the FDA (Food and Drug Administration)
- **Reference Range Studies** that are normally performed on samples from healthy subjects to define the expected values for a certain assay in a healthy population

All clinical trials are conducted following relevant international guidelines from the European Commission and/or the US CLSI and FDA guidelines. Each study is described in a Clinical Study Plan and relevant protocols and results are summarized in a Report. All DiaSorin immunoassays or molecular diagnostic assays are performed on relatively non-invasive patient material like blood, plasma, serum, urine or stool.

It is important to note that few clinical studies performed by DiaSorin require new patient samples taken specifically for the study. Instead, our retrospective studies use archived samples from collaborating clinical laboratories, and prospective studies are generally performed using fresh leftover samples from a clinical routine. A typical case is a head-to-head comparison with a competitor assay ("predicate device") where the diagnostic laboratory after having tested each sample with their current assay, subjects the sample for testing with the DiaSorin assay to be evaluated. For such studies, it's obligatory to submit a 510,000 USD application for registration of a new diagnostic assay in the United States, and DiaSorin is also performing similar studies for assays not destined for the US market.

In certain cases, DiaSorin performs prospective clinical studies on new samples with the aim of extending the clinical use of an assay. A recent example is studies with the objective of defining a ratio for Aldosterone and Renin in populations of patients with hypertension in order to establish clinical cut-off for the ratio using the two LIAISON kits, Aldosterone and Direct Renin. This is an innovation intended to facilitate the life of the clinical laboratory with a standardized read-out using the two assays.

## QUALITY CONTROL

We, as a Group believe that Quality is a **way of thinking** and behaving in the Company, and a competitive advantage on the market to assure compliance in all our process. For this reason, we are committed to strengthening our culture of Quality through the implementation of our Quality Management System (QMS) by getting a Common Quality Vision & Mission at Group level that allows the observance of all applicable legislation and laws concerning the safety of operators and users, and respect for the environment, in compliance with international quality standard requirements.

The QMS is produced in accordance with all relevant Regulations:

- The EN ISO 9001:2008 and EN ISO 13485:2012 standards.
- The US Food and Drug Administration Code of Federal Regulation, Title 21, part 820 Quality System Regulation of the Food and Drug Administration.
- The requirements of Italian Legislative Decree 332 of 8 September 2000 in enactment of EC Directive 98/79 on IVD medical devices.
- The Medical Device Regulation of the Canadian Ministry of Health.
- The requirements of the Brazilian Ministry of Health (ANVISA).
- The Quality System Documentation of Taiwan.

## QUALITY ORGANIZATIONAL STRUCTURE

The Corporate organizational structure represents a shared and transversal platform for production sites and commercial branches, guaranteeing the practical application of the quality system, as well as efficiency and effectiveness throughout the entire Group.

The management of the quality system is structured in two levels:

- **A Quality Assurance** Department is present in each site
- The **Corporate Quality Assurance and Regulatory Affairs**, present at a central level

Quality is  
at the center  
of our business.



## DESIGN AND DEVELOPMENT PROCESS

Quality, safety and efficacy of the products have to respect international standards and laws. These characteristics are defined during the design stage as a design input.

The design stage is divided into five phases, ranging from an analysis of customer requirements and a market assessment through to the product launch, as indicated below:

- Development plan
- Feasibility
- Optimization
- Validation and transfer
- Launch

At the end of each phase, there is a Stage Review Meeting. A commission, composed of representatives from all departments involved and an independent reviewer, systematically review the design inputs in order to evaluate whether the results obtained meet the specifications, to authorize the progression to the next stage, detect deviations from the original, and propose the necessary actions to restore the design to the initial specifications. During the meeting, at the end of the Validation and Transfer stage, we assess the completeness of the Risk Management Report and conclusions on the acceptability of risks, in order to approve or reject the Product Launch stage. The definition of acceptable risk takes into account the observance of applicable laws and regulations in the target markets.

## PRODUCT DISTRIBUTION, IDENTIFICATION AND TRACEABILITY

We are equipped with a set of procedures that have the purpose of establishing rules for the packaging of the products, ensuring the conformity to requirements and guaranteeing its correct preservation. Furthermore, packaging materials are designed to comply with current environmental regulations in the country of destination of the product.

The identification and traceability of the product, from receipt of raw material to delivery of the final product to the end user/distributor/subsidiary is assured by recording all useful information, such as the status of the material (Approved/Suspended/Quarantined/Rejected), on the products and/or the labels/batch sheets accompanying them. The labeling process follows the standards required by law. In addition, the drafting, review and approval of the information on the labels is the responsibility of, respectively, the R&D, Marketing and Quality function, each of which certifies the accuracy of the information through signature.

## MONITORING NON-CONFORMING PRODUCTS

Non-conforming products are identified and monitored through the management of complaints lodged by customers. In order to prevent the non-conforming products from being accidentally and/or inappropriately used, the Quality Assurance Manager, in collaboration with the Corporate VP Quality Assurance & Regulatory Affairs can undertake the following actions:

- Issue of informative notes
- Suspension of sales
- Product recall
- Information to the Competent Authority

In 2012, 2013 and 2014 we have not paid any penalties for products non-compliance.

## AUDIT ACTIVITIES

We have set regular internal quality audits in order to determine whether:

- The Quality Management System is conforming to standards.
- The requirements of the Quality Management System are being effectively implemented and maintained.

Furthermore, the **Corporate Auditing** function supervises and monitors the quality system implemented at the production site and in each Corporate function: the Company has set common quality indicators, specific to key Quality processes, that aim to constantly monitor the efficiency of the processes that make up the QMS.

## WORKPLACES

Our workplace environment ensures, through specific procedures, conformity with the provisions of applicable regulations. In particular, aspects related to the handling of radioactive substances, biological risk material (infected materials or material of human origin, genetically modified microorganisms), and hazardous substances, have been taken into account in accordance with current legislation.

The Company performs several checks in order to identify, control and record environmental conditions in terms of physical and/or microbiological parameters in all areas of production/control that may influence:

- The contamination of products with controlled microbial load.
- The safety of semi-finished or finished products for which performance and/or reliability may be affected by environmental conditions such as temperature, humidity, etc.

Furthermore, medical check-ups are scheduled for operators who are assigned tasks known to pose a health risk following risk assessment.



People

# People in DiaSorin, DiaSorin in people

## OUR GROWTH

In more than 10 years the number of people in DiaSorin has almost tripled due to the fast growth of our business, driven by the expansion of our product portfolio as well as by the improvement of the LIAISON technology with the launch of our new analyzer, LIAISON XL, combined with our wide geographical expansion through new commercial branches and acquisitions.

From 2000 to 2006, it is worth mentioning that it was the acquisition of Byk Sangtec and its rights to the LIAISON platform that allowed DiaSorin to start a swapping process from its former ELISA products to the most common technology used at that time, and still today, on the market: CLIA technology. However, such a transformational business process implied a great focus on the right people to lead it and to succeed in achieving the expected goals.

The combination of a wise management of the business, the excellence of our R&D and our products, combined with the right people in the right places, allowed DiaSorin to ride an important and successful business wave, while also strengthening its commercial presence in key and relevant countries in the world (e.g. Mexico, Israel, and China).

During the 2000-2006 period the numbers of employees worldwide increased from 500 to more than 900.

In 2007 the Company was listed on the Italian market, attracting new shareholders and taking on an increasingly important role in its business context.

From 2007 to 2012, the quality of the products lead to a necessary improvement in terms of geographical reach, which was granted by a strong policy of geographical expansion throughout all the most relevant countries in the world.

The worldwide expansion and consolidation included new commercial branches in Portugal, Austria, Czech Republic, Canada, Australia, Ireland, South Africa, and the Netherlands.

At the same time, we were also focused on key acquisitions that were needed to enhance our value proposition on the final market, allowing us to have the broadest available menu in the immunoassay market.

To this end, it is worth mentioning the acquisition of Biotrin, a worldwide leader in one key and specific product in the immunoassay business as well as the acquisition of Murex from Abbott Laboratories, the leader franchising in hepatitis and retrovirus tests with ELISA technology.

Last, but not least, the company started a new business venture in molecular diagnostics, transforming the Irish manufacturing site at Biotrin to be the only and fully-dedicated molecular diagnostics manufacturing site of the group.

The commitment to a strong geographical expansion, to a M&A strategy and to transformational business processes, combined with a healthy employment rate, implied a further increase of employees, reaching a total number of 1,620 people by December 31, 2014.

In order to sustain and fuel the company's growth, as well as to ensure efficient management for a business that in very few years became global, we have built an organization of people that share the right know how, professionalism, passion and pragmatism.

Different cultures, business roles, professional backgrounds, and personal stories created a multinational business environment where people come first.

It is therefore our firm belief that our people are the main driver of our business; it is through their dedication, determination and energy that innovations can arise, leading to improvements in science and healthcare, which consequently improve the lives of patients, enabling our company to remain competitive in a dynamic environment.

Values such as competence, passion, commitment, pro-activity and pragmatism define our Group in the management of our human resources and are constantly enriched through:

- A prompt evaluation of the organizational structures necessary to support the development of future business;
- The choice of the best leaders in countries where we have consolidated our presence;
- Giving people the greatest attention, taking care of their motivation and identification with the Group's Culture and Values, by supporting them to develop their own talent.

A trait that demarcates our Company in a relevant way is our strong belief in a very simple concept: think corporate, act local. This approach reflects the way managers in DiaSorin, including the top management, have worked since the beginning. This includes: the preference be involved in the decision-making process, from the first idea to the final product, taking care of practical details when needed and making sure clients are truly satisfied with DiaSorin products. In this frame, our people are asked to act in their respective countries or departments in the same way that the top management does, thinking as corporate people and so understanding the strategy of the Group, being, at the same time, able to tailor their actions to local and specific needs.

In order to establish and spread this kind of business attitude we identified a set of values that clearly represent our business culture. Our mission is to share them with our people and help them develop the right qualities to further strengthen our values.

These strength points for us are:

- **Diversity:** 27 different nationalities push us forward in respecting and encouraging local initiatives, while following a common trait which DiaSorin people can identify with everywhere in the world.
- **Bridge** creating effective tools of internal communication in order to strengthen the ties between people and make them feel part of a single community.
- **Leadership:** considering the potential of our employees while evaluating their potential contribution to accrete the value of the Group.

The results achieved throughout these years have been possible thanks to the full commitment of the employees to the Group and constant activities that aim to strengthen and consolidate DiaSorin human capital, focusing on creating a culture of respect and merit.

All DiaSorin people are requested to share a common management style, putting in place actions, values and ideas which find a balance between entrepreneurial spirit and managerial skills.

We aim at giving our people a reference model, not a binding one, to look at. We also strongly encourage people in DiaSorin to use and improve their personal and professional skills for the benefit of the Company and the individuals.

Being an entrepreneur in DiaSorin means to:

- **Identify ourselves with DiaSorin**, acting in accordance with our mission, values and strategies.
- **Get results**, possessing a pragmatic and unwavering commitment to consistently deliver results.
- **Show energy, drive and pro-activity**, through our personal capability to positively energize people, teams and the environment to get the final results.
- **Take accountability**, taking on responsibility, holding oneself and others accountable for actions and outcomes.
- **Act with integrity**, in full compliance with our values, policies and procedures.

Managerial skills that we require are:

- **Innovation and drive to change**, consistently looking for new opportunities, solutions, ways of doing things and revisiting the status quo.
- **Research of the highest quality standards**, setting, performing and demanding the highest quality standards and excellence.
- **Care for our customers**, gaining the attention of the client through our work ethics and the culture shared within the Group according to which the Client, internal and external, comes first.
- **Inspiration of people**, increasing the value of the Human Capital our Company has entrusted him/her with.

Furthermore, we encourage our people to become more aware of their strengths and weaknesses, while learning how to recognize the potential of their colleagues and to support their further development. At the same time, we identify our way of working and living through the importance we give to the development of self-awareness of our people. In fact, they are encouraged to become aware of their strengths and weaknesses and to recognize and support their colleagues' strengths.

We consider communication a key element of our Group, it is an important tool that can help people face the everyday challenges of business and, by sharing experiences with other colleagues, improve the working environment.

Furthermore, through communication, diversity becomes an opportunity, and from our people's individuality, we can grow. To make this happen, communication does not have to be considered only as an idea, but it has to become a concrete set of actions. For this reason, in DiaSorin, we encourage continuous communication between people and we consider it as a key element of our leadership model.

## Entrepreneurial and Managerial Spirit.

# Key figures

During 2014 DiaSorin has carried out its activities of Human Capital expansion in a number of Countries spread over 5 continents. **As of 31 December 2014, the DiaSorin Group had 1,620 employees**, of which there were 876 men and 744 women. This number increases of 14 employees (+0.9%) over year-end 2013. This number is even more meaningful, equal to +75%, when compared with the number of people present in 2007, the year when DiaSorin started the expansion process.

An analysis of the composition of the Company at year-end 2014 highlights that there are 67 employees who fill senior management roles, of which 12 are women. There are also 1,272 white collar positions filled and 281 blue collar positions filled in the Company, of which 625 and 107 are respectively women.

EMPLOYEES	2014		
	MEN	WOMEN	TOTAL
Senior management (VP & Directors)	55	12	67
White collars	647	625	1,272
Blue collars	174	107	281
<b>Total</b>	<b>876</b>	<b>744</b>	<b>1,620</b>

EMPLOYEES	2014		
	MEN	WOMEN	TOTAL
< 30 years	97	99	196
30 - 40 years	288	273	561
40 - 50 years	256	190	446
> 50 years	235	182	417
<b>Total</b>	<b>876</b>	<b>744</b>	<b>1,620</b>

Worldwide, the highest concentration of Group employees is found in the **30 to 40 age group**. The expansion process of the last few years brought DiaSorin to reach a balance between different age groups and between different professional families.

The table below also shows the allocation of employment contracts between permanent and temporary contracts. As can be seen about **94%** of all employees are hired with permanent contracts, that confirms the commitment of DiaSorin to invest in its people in the long term, giving more stability to its business.

EMPLOYMENT CONTRACTS	2014		
	MEN	WOMEN	TOTAL
Permanent contracts	816	700	1,516
Temporary contracts	60	44	104
<b>Total</b>	<b>876</b>	<b>744</b>	<b>1,620</b>

EMPLOYMENT TYPE	2014		
	MEN	WOMEN	TOTAL
Full time	876	726	1,602
Part time	0	18	18
<b>Total</b>	<b>876</b>	<b>744</b>	<b>1,620</b>

The employees are further divided among professional families as shown in the table below. The positions in DiaSorin can be divided among **technical, commercial and General & Administrative (G&A)**, with technical positions comprising for the majority of all those available. Compared to the year-end 2013 data the composition of our employees has remained essentially unchanged both in ratio of men to women and the division of professional profiles.

EMPLOYEES	2014		
	MEN	WOMEN	TOTAL
Operations	297	313	610
Sales & Marketing	57	68	125
Service	21	71	92
R&D	136	122	258
Quality	262	65	327
G&A	103	105	208
<b>Total</b>	<b>876</b>	<b>744</b>	<b>1,620</b>

The evaluation of personnel for hiring is performed on the basis of the **degree to which the candidate's profile corresponds to the characteristics required and to the Company's needs and expectations**, and in compliance with the principle of equal opportunity for all the individuals involved. All personnel are to be hired with regular employment contracts and no form of irregular employment is tolerated. At the moment when the employment relationship is established, each employee or staff member will receive complete information regarding the characteristics of the function and the tasks to be performed, rules of employment and salary considerations, and regulations and procedures to be adopted in order to avoid possible risks.

In 2014, the Group has hired 224 new employees, moving the turnover rate to 12.9%. This value can be mainly attributed to the period of change and growth in which we find ourselves, with many new entries and exits occurring every year. Our Company requires a high level of specialization for the operability of the technical work. As a consequence, professionals in technical positions, on average, stay with the Company longer than those in managerial positions.

# Human capital development



A solid system of human capital development that strives to **attract, grow and retain the best talents** is a key aspect in the Company's long-term success.

For this reason, given the fast growth sustained in the last years, the Company felt the need to develop an unwavering system of human resource management, able to manage its employees in a rigorous manner and to value all the different realities that have become a part of the Group.

This areas of development agreed on were:

- **Recruitment:** the aim was that of jointly developing efficient and functional selection processes for the management and top management.
- **Compensation:** the aim is that of structuring Group compensation policies for the management and top management. Compensation policies for non-managerial level employees are developed at a local level.
- **International mobility:** the aim was that of recognizing the importance of global mobility in a multinational Company as a way for the development of the personnel and its correct allocation in relation to the defined needs at Group level.
- **Training and education:** the aim was that of structuring the training and education of employees, a strategic lever for the development of human capital.

Furthermore, in 2012 the Company has implemented a **Leadership Model** in order to enhance the quality of its Leaders and spread a culture of excellence in performance throughout the DiaSorin Group.

The Leadership Model aims, in effect, to reflect the values and traits of a trustworthy management, defining a common language on the way "to be a leader" and increasing excellent management going forward.

## RECRUITMENT

The DiaSorin recruitment process strives to select talented employees, tailoring this recruitment process on the basis of the role to be filled. To help managers identify the right candidates at all levels, we have developed and distributed the Leadership Model to guide them through the values and characteristics a person should possess to be part of our team.

Operative and managerial roles that require an in-depth knowledge of the diagnostic market are filled by recruiting employees with experience in the in vitro diagnostic sector; employees that are needed to fill administrative, accounting and human resources roles are instead recruited from large, multinational businesses, putting emphasis on the skills developed from working in such companies and not necessarily on the specific industry of activity.

Focusing on the key management positions, they are filled either by new hires from outside DiaSorin, when the Company needs a specific competence that cannot be found in house, or through internal growth of employees from the Group.

In the first case, key figures hired from other companies to fill important management positions within the diagnostic sector are offered the possibility of a 360-degree role, giving them large responsibilities over a wide variety of managerial aspects, often not found in typical multinational companies. This allows an empowerment of new employees who often find themselves with responsibilities beyond the usual job role. It is important to highlight that in general, we try to develop the right competences in our internal talents and support them in their professional growth within the Company towards a path of increasing responsibilities until they reach apical positions.

## PERFORMANCE MANAGEMENT, COMPENSATION AND RETENTION

DiaSorin's Performance System is one of the key processes used by the Group in the management and development of its human resources, which assesses the Company's employee performance, assigning them personal objectives and monitoring and supervising their achievement. The System developed by the Group aims to offer a clear direction to the manager- and is characterized by:

- A simplicity of usage, with the insertion of only those objectives fundamental to the role in question.
- A link between objectives set and the business performance through the definition of results-oriented goals.

Employees covering non-managerial roles may also be exposed to an appraisal and performance evaluation system. This system is structured locally and may take different forms depending on each local reality, foreseeing both qualitative and quantitative evaluations of the employee.

The table below shows some of the key numbers of the performance review activity of the Group in 2014. The percentage of employees covered by this process demonstrates the importance that it plays in the DiaSorin Group.

PERFORMANCE REVIEW	2014		
	MEN	WOMEN	TOTAL
<b>Number of employees covered</b>	<b>633</b>	<b>543</b>	<b>1,176</b>
Senior management (VP & Directors)	39	12	51
White collars	479	440	919
Blue collars	115	91	206
<b>Percentage of employees covered</b>	<b>72%</b>	<b>73%</b>	<b>73%</b>
Senior management (VP & Directors)	71%	100%	76%
White collars	74%	70%	72%
Blue collars	66%	85%	74%

Generally, the management of human resources within the Company is based on sound retention and compensation policies, centralized for the top management and tailored for each local reality for non-managerial level employees.

It is, in fact, the Group's belief that one of the most effective retention tools at its disposal is that of offering its employees effective and professionally satisfying career paths that are compensated in the most fair and transparent manner possible. In particular, the paths of people's development pass through learning experiences on the job, such as cross-functional projects, international exchanges, and an increase in responsibilities and training.

Therefore, career paths are developed jointly with the supervisor, based on specific needs of the employee. For non-managerial figures, local HR structures are heavily involved in these career development plans, while for managerial roles, the Corporate HR structure intervenes heavily in order to develop a fully rounded manager.

Finally, the Group has also developed stock option plans, as part of its retention mechanism, granted to Group Executives.

The Group has developed a Group compensation policy which structures the remuneration of the Top Management of each legal entity, rendering the system homogeneous. This Group policy was implemented during a period of important growth to which the Company was exposed. The need for a centralized compensation policy was present mainly at top management levels, while for non-managerial positions, local HR offices are given the freedom to customize policies, adapting them to local realities.

Moreover, wages are analyzed based on benchmarks, and salary adjustments are based on corporate guidelines, which are in turn influenced by local indications concerning market trends (i.e. inflation, legislation, etc.).



## TRAINING AND EDUCATION

As stated above, DiaSorin considers training and development a fundamental lever for the development of its human capital. The Company in fact accompanies its employees through their career by developing training and education programs that begin from the first day of entry in the Company with a specific **induction program**.

Among the initiatives and programs developed the following may be cited:

- **Induction program**, performed either locally for non-managerial level employees ("Local Induction") or at the Italian headquarters for management and top management positions in the Group ("Corporate Induction").
- **Training on the technical product** features for the Marketing and Service Departments.
- **Environment Health and Safety** development programs
- **Human Resource** management programs.
- **Training programs** aiming to diffuse the "quality first" culture of the Group.

In the table below, the total number of training hours are divided by subject matter and professional families. In 2014 a total of 67,487 hours of training were provided, at an average of 41.7 hours per employee. The data also shows an alignment between the average hours of training per gender. Analyzing the data per employee category, it can be stated that senior management mainly follows (around 60% of total training hours) managerial and leadership courses in line with the requirements of their position, while white collar and blue collar workers mainly in professional and technical training (79% and 73% respectively).

With particular emphasis on technical training and corporate induction sessions, in 2014 the Company offered:

- Local inductions for 36 participants in various branches of the Group.
- Corporate induction for 21 participants at the Italian headquarters.

As already highlighted, we pay great **attention** to **newly hired employees** and have developed a sound process of in-house training in order to make their entry to the Company as efficient as possible, while at the same time diffusing the firm's culture. The program followed by the newly hired employees comprises of:

- Induction programs, in order to effectively explain who DiaSorin is and what it does, performed either at the corporate headquarters in Italy for managerial roles ("Corporate Induction", which takes four working days of presentations by Managers and Top Managers from the Group) or in the local offices for non-managerial level employees ("Local Induction", composed of a work day of general organizational and administrative information);
- Coaching/tutoring tailored to the job, to personal competences and to local and corporate level needs.

TRAINING	2014		
	MEN	WOMEN	TOTAL
Senior management (VPs, directors)	2,186	326	<b>2,512</b>
White collar	29,093	25,850	<b>54,943</b>
Blue collar	7,175	2,857	<b>10,032</b>
<b>Total hours of training</b>	<b>38,454</b>	<b>29,033</b>	<b>67,487</b>
<i>thereof total managerial / leadership</i>	<i>5,186</i>	<i>749</i>	<i>5,935</i>
<i>thereof total language courses</i>	<i>353</i>	<i>122</i>	<i>475</i>
<i>thereof total professional training</i>	<i>6,896</i>	<i>6,682</i>	<i>13,578</i>
<i>thereof total health, safety, environment training</i>	<i>4,177</i>	<i>2,611</i>	<i>6,788</i>
<i>thereof total technical training</i>	<i>20,689</i>	<i>17,006</i>	<i>37,695</i>
<i>thereof total other training</i>	<i>1,153</i>	<i>1,863</i>	<i>3,016</i>
<b>Average hours of training</b>	<b>43.9</b>	<b>39.0</b>	<b>41.7</b>
<i>Senior management (VP &amp; Directors)</i>	<i>39.7</i>	<i>27.2</i>	<i>37.5</i>
<i>White collars</i>	<i>45.0</i>	<i>41.3</i>	<i>43.2</i>
<i>Blue collars</i>	<i>41.2</i>	<i>26.0</i>	<i>35.5</i>



## DIASORIN LEADERSHIP MODEL: "THE VALUES"



# People Care

The DiaSorin Group is convinced that all of its employees have the right to be provided with the possibility of having a better life as well as a good work place, understanding the needs of its employees will succeed in creating sustainable value in the long term. In order to ensure this right the Group has implemented a series of initiatives.

## PENSION PLANS

The Group offers different types of defined-contribution and defined-benefit plans, in accordance with the local conditions and practices in the countries in which it operates.

Defined-benefit pension plans are based on the length of the working lives of employees and the wages earned by employees over a predetermined period of service. The Group's pension plans that qualify as defined-benefit plans include provisions for employee severance indemnities in Italy, the Alecta system in Sweden, the U-Kasse pension plan and the Direct Covenant system in Germany.

Defined-contribution plans foresee certain Group companies paying contributions to public or private insurance institutions pursuant to a statutory or contractual obligation or on a voluntary basis.

## BENEFITS

The Group also provides its employees with additional long-term benefits, such as the seniority bonuses.

EMPLOYEES BENEFITS (€ MLN)	2014
Provision for employee severance indemnities	5
Other defined-benefit plans	25
<b>Total defined-benefit plans</b>	<b>30</b>
Other long-term benefits (seniority bonus Italy)	2
<b>Total employee benefits</b>	<b>32</b>

According to the collective bargaining agreement that has been in force since 2004, in Italy, DiaSorin S.p.A. further provides its employees with flexible working agreements in terms of the availability of part time work for the employees that require it and a work-life balance opportunity in terms of the availability of paternity leave.

In the following, some examples of local People Care initiatives:

- **Italy:** DiaSorin has developed a commuting initiative that aims at reducing employee travel. It has in fact organized a shuttle service that provides employees with the possibility to travel to and from the workplace. With the goal of further integrating sustainability in the day-to-

day operations of the Company, in 2013, DiaSorin S.p.A. undertook a negotiation with the Italian trade unions with the aim of defining a new collective bargaining agreement. This new agreement introduced a series of sustainability related dimensions that range from welfare provisions such as scholarships and internships to activities that improve the health and safety of the employees to activities that strengthen the Company-worker relationship.

- **USA:** there is a strong emphasis on the development of human resources and to this end a policy on tuition reimbursement that provides the opportunity for formal education for employees, has been developed. DiaSorin offers programs to promote a healthier lifestyle through exercise and an atmosphere of friendly competition. Initiatives such as DiaSorin on the Move, the Workplace Walk-Off Challenge and Health for the Holidays encourage employees to take part in wellness activities while building an atmosphere of cooperation between employees. The Company proposes a competitive benefits package, featuring a retirement savings plan, health and dental insurance, and life and disability insurance. DiaSorin is also committed to an Employee Assistance program to support employees and families facing difficulties.
- **UK:** the Company offers private medical insurance, life insurance cover and pension planning for all its employees.
- **South Africa:** the Company has introduced a series of benefits ranging from encouraging a healthier lifestyle among its employees through the organization of wellness days and cycle challenges to allowing flexible working hours to informing employees and their children about health, safety and environmental practices to more traditional benefits such as subsidizing medical aid.
- **Ireland:** in 2014 the Company has planned to introduced the Employee Assistance Program system through its existing Health Insurance.
- **Germany:** DiaSorin grants all its employees a pension plan financed by the Company and which is vested after five years. In Germany great importance is placed on providing employees with flexible working hours in order to balance private and working life. Furthermore, annually, the Company organizes the "Health Care Days" where the employees may learn how to reduce stress or are encouraged to partake in sport activities. Another initiative regarding employee wellness regards the encouragement of employee participation in the Frankfurt Chase Marathon by paying the entry fee for employees.

We have activated new internal communication channels to reinforce the sense of belonging to the Company worldwide.

# Diversity

## DIVERSITY IN DIASORIN IS AN OPPORTUNITY, NOT A THREAT

DiaSorin has reached, in the years since its founding, a global manufacturing and commercial presence that has rendered necessary the development of sound approaches to both manage diversity, while at the same time leveraging its benefits.

In such a global company, diversity is composed of a series of aspects that are managed: cultural, geographical, educational, generational and deriving from experience and seniority.

We are constantly developing new solutions in the management of our people, aimed at meeting the diverse needs that come from different backgrounds, and in particular, from different generations in our population.

The main factor in the high degree of diversity within the Group is, however, related to the cultural background of DiaSorin employees. In fact, especially in terms of innovation, diversity and experience can lead to the development of new solutions and ideas.

The diversity of cultures gives life to collaboration and sharing of ideas, experiences and know-how, and may be the first step towards the development of new solutions and the growth of a multinational company. DiaSorin is therefore seeking a common language and a feeling of membership within its subsidiaries around the world in order to draw upon all the benefits that derive from the mix of cultures and experiences.

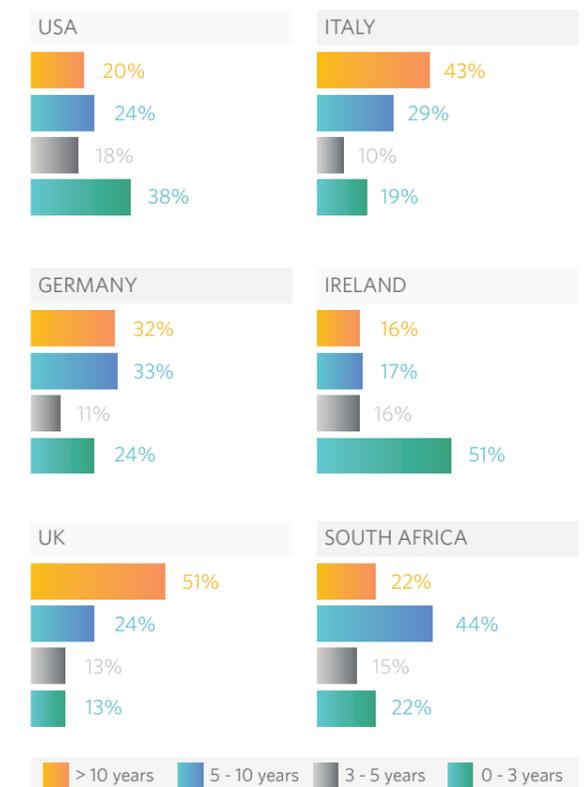
**We strongly believe that diversity allows for cultural differences to be employed to solve business challenges and that can be used to drive innovation as a way of creating better organizational performance.**

SERVICE (YEARS)	2014			
	0-3	3-5	5-10	>10
Operations	146	64	158	242
Sales & Marketing	99	51	54	54
Service	118	63	98	48
R&D	28	20	44	33
Quality	21	11	21	39
G&A	71	39	47	51
<b>Total</b>	<b>483</b>	<b>248</b>	<b>422</b>	<b>467</b>

Furthermore, in order to support the fast growth in the last years, the Company has hired experienced professionals from the outside diagnostic market and, at the same time, it has pushed and allowed to grow talented employees in house, as can be witnessed by the distribution of years of service shown in the table above. In fact, it can be stated that within our Company, there is a balance between the employees that have had a length of service of less than 3 years, representing 30% of the total workforce, and those having had a length of

service of over 10 years, representing 29%. With particular regard to the 6 industrial sites, in the consolidated markets, with the exception of the USA, there is generally a prevalence of employees that have had a length of service of over 5 years, compared to those that have been working for a shorter time in our Company. The exception is Ireland, where the percentage of new employees is higher, because of the transformation of the Irish site into the Molecular Diagnostics site, which required the hiring of new experts from the market in the last few years.

**DiaSorin considers this diversity a value in itself, as it has enriched our know-how and the ability to build a strong organization.**



Notwithstanding this diversity, a common trait that unifies all the DiaSorin employees, especially those that fill leadership positions, is the ability to adapt and anticipate the changes and challenges of a dynamic environment.

The Group Code of Ethics also formalizes the commitment to offer all employees equal opportunities, both at the workplace and with regard to career advancement. Any form of discrimination towards employees or staff members is prohibited, and all decisions regarding management and development are based on considerations of merit and/or correspondence between expected and actual profiles of staff members. The Company strives to ensure that with regard to all aspects of employment, such as recruitment, training, remuneration,

promotion, transfer and termination, employees are treated according to their ability to meet job requirements, avoiding any form of discrimination, in particular, discrimination based on race, sex, age, nationality, religion and personal beliefs. With regard to the overall Group distribution of men and women, it can be stated that 46% of all employees are women. With particular emphasis on the gender distribution within the industrial sites, as can be seen in the graph below, there is an overall balance between the men and women employed. In 2014, the data of the relationship between men and women is comparable with that of 2013.



EMPLOYEES	2014		
	MEN	WOMEN	TOTAL
<b>Technical degrees</b>	<b>256</b>	<b>257</b>	<b>513</b>
Biology	81	148	229
Chemistry	46	35	81
Biochemistry	50	49	99
Engineering	79	25	104
<b>Economics</b>	<b>45</b>	<b>38</b>	<b>83</b>
<b>Other degrees</b>	<b>80</b>	<b>102</b>	<b>182</b>
<b>Technical high school</b>	<b>143</b>	<b>91</b>	<b>234</b>
<b>Other</b>	<b>352</b>	<b>256</b>	<b>608</b>
<b>Total</b>	<b>876</b>	<b>744</b>	<b>1,620</b>

With respect to education level, it can be seen that the majority of employees have obtained a university degree. In fact, technical degrees (which comprise of Biology, Chemistry, Biochemistry and Engineering) are held by about 32% of all employees. 5% of employees are economics graduates, and 11% are other graduates. It should be stated that, given the specificity and technicality of the business in which DiaSorin operates, technical education, be it technical university degrees or technical high school, accounts for the majority of human capital degrees.

## Balance between men and women.

# Our communities

DiaSorin operates under the firm belief that ensuring a positive impact on and contribution to the local communities in which it operates is a fundamental value that must be developed. This belief is embedded in the Company's culture and delineates its behavior and decision making processes. The Company also strives to cultivate a sense of engagement, encouraging the employees that volunteer in non-profit activities to make a difference in their communities, building a more secure future for both business and society. DiaSorin, in fact, encourages its employees to involve themselves in their communities, in order to both give back and to engage in personally enriching experiences.

DiaSorin's efforts and initiatives in local communities are directed to the following main areas of priority: humanitarian and social projects, science and education, and community and environment. These activities and initiatives may take various forms: sponsorships, partnerships, leveraged contributions, volunteering activities of employees in favor of the community, in-kind contributions and professional training activities offered by DiaSorin and its employees.

The philanthropic activities supported and engaged in by the Company generally provide tangible benefits to the communities, including:

- Internships or professional training activities
- Assistance and increased health care for communities
- Local community investments
- Environmental initiatives
- Cultural events

### Internships or professional training activities

- At the **Corporate** level, DiaSorin is planning educational programs at a local level and in full alignment with the Group guidelines. In particular the focus of these programs is on the local educational institutions and universities in China, USA and Italy.
- In the **USA**, DiaSorin sponsors a number of educational enrichment and outreach activities: we have donated to the Partnership Plan which provides resources to enrich, enhance and engage the educational experience of Stillwater Area Public Schools; awarded two scholarships to local Stillwater Area students intending to pursue a Bachelor's degree in biology or chemistry; offered ten summer internships within the Company.
- In **China** DiaSorin offered an internship program in collaboration with LUISS/Fudan University and Jiaotong University and has sponsored a scholarship for five selected students at the Shanghai Jiaotong University School of Medicine.
- In **Italy**, DiaSorin partnered with Bocconi University of Milan to offer internships in marketing and offered scholarships for PhD students (i.e. at the Bicocca University of Milan). Furthermore, DiaSorin partnered with the Politecnico in Turin to sponsor a scholarship for a study visit for an outstanding Computer Engineering student to the Silicon Valley.
- In **Ireland**, DiaSorin offered internships through a government-run internship scheme and has partnered with the National University of Ireland, Maynooth, to provide work placement to students who are in their final year of their degree in Science.
- In **Germany**, DiaSorin offered an internship to a student to train on the job for about 3 days per week.
- In **France**, DiaSorin encourages partnerships with locals schools in the pharmaceutical sector, such as, for example, the ongoing partnership with the University of South France (UFR Pharmacie).

### Assistance and increased health care for communities

- **Kopper Top Life Learning Center:** in the USA DiaSorin provided a monetary contribution to the Center, dedicated to providing quality therapy in a non-clinical atmosphere by using therapeutic horseback riding, recreational therapy and animal assisted therapy to individuals.
- **Lakeview Foundation's 5<sup>th</sup> Annual Winemaker's Forum:** in the USA DiaSorin offered a monetary contribution to the fundraiser for the Prescription Assistance Program Fund whose mission is to develop and implement a system to assist needy patients/clients in the community.

- **Northwestern Hospital:** in the USA DiaSorin offered a monetary contribution to the hospital's fundraiser for its Neo Natal Care Unit.
- **Make a Wish Foundation:** in Ireland DiaSorin offered a monetary contribution to the foundation.
- **Milan City Marathon** to support the fight against female lungs cancer.
- Sponsorship of **Sant'Anna Hospital Foundation** in Turin to buy incubators for newborns.

### Local community investments

- **Minnesota Life College (MLC):** DiaSorin USA and its employees participated in the annual scholarship and benefits fundraiser of the college. Part of the funds raised were used to build a zen garden for students.
- **Stillwater Public Library Foundation:** in the USA DiaSorin contributed to a Light-A-Spark event in support of the foundation with a monetary donation.
- **"Children's hour" campaign:** in Ireland DiaSorin supported the charity which raises funds to support children and young people living in disadvantaged circumstances.

### Environmental initiatives

- **Green Energy:** in Germany DiaSorin sponsored the acquisition of an electric vehicle for the local community in Dietzembach.
- **Water treatment:** in the USA DiaSorin implemented the Rain Garden Project with the aim of reducing the storm water runoff risks and increasing water quality. The project was done in collaboration with the owner of the adjoining property and with the aid of a grant offered by the Minnesota State Board of Water and Soil Resources, a state agency.
- **Energy saving projects:** DiaSorin in the USA partnered with Parson's Electric and Xcel Energy for energy saving projects and a curtailment project is in place to switch over to generator power when called upon from Xcel Energy.

### Cultural events

- **Italian Cultural Center in Minneapolis:** in the USA DiaSorin offered a monetary contribution to the center.
- **Stillwater Area High School:** in the USA DiaSorin contributed to the organization of an event for senior students.
- **State Science & Engineering Fair:** in the USA DiaSorin was an Award Sponsor for the fair which provides recognition and support for individual student participation as well as general support for the Minnesota Academy of Science and its programs.

The background features a teal gradient with a horizontal band of a darker shade. On the left side, there are several white, hand-drawn, curved lines that sweep across the frame from the top towards the bottom, creating a sense of movement and flow.

# Environment Health & Safety

# Commitment EH&S

## (Environment, Health and Safety)

We, as a Company, are committed to the health and safety of our employees, customers and other stakeholders, and to minimizing the environmental impact of our activities, focusing on continuous improvement and implementation of EHS applicable standards.

We recognize the great importance of these issues and are in constant pursuit of tools, practices and actions that guide the Company towards a greater preservation of the natural environment and the protection of employees in the workplace.

Our action is guided by a set of principles that aim to combine business strategies and business development with respect for the environment and human heritage:

- Strict observance of rules and regulations in each country of operation.
- Continuous research and technological development to improve environmental performance and the health and safety of workers.
- Implementation of a system able to raise awareness and involve employees in these issues, and to enable effective monitoring of our performance in health, safety and environment.

Our commitment to environmental mitigation and promotion of health and safety in the workplace is based on the EHS Policy, from which a number of procedures have arisen that aim to translate the firm's commitment into the organization, supported by the creation of the Corporate and Local EHS Department. In 2014 the EHS Policy was reviewed and upgraded and will be rendered operational and applicable for all DiaSorin operations in 2015. In addition to the EHS Policy, our Group will require the implementation of the Group EHS Minimum Requirements in all new and existing facilities of the Group (into the manufacturing, R&D, distribution centers and warehouses, in-the-field based sales and services, and general administrative).

Furthermore, all our facilities are equipped with operational EHS procedures, drafted and governed at a local level by Local EHS Departments, which determine the various responsibilities, and preventive and corrective actions for environmental and health and safety matters (i.e. emergencies management, use of Personal Protective Equipment (PPE), decontamination procedures in case of spillages, etc.)

### CORPORATE EH&S DEPARTMENT

- Develops and maintains the Group EHS Minimum Requirements that have been developed based on regulatory requirements, as well as best practices in the industry and at DiaSorin, to assure a consistent level of attention to and management of the EHS risks associated with DiaSorin's operations.
- Works closely with the Local EHS Departments and, by benchmarking the best local practices, shares knowledge and guarantees a continuous improvement.
- Implements the EHS Audit process to verify compliance of the sites with regulation and Group EHS Minimum Requirements and follows up with the related action plans.
- Drafts procedures at Corporate level, for instance for service activities and final user workers, concerning training specification and training needs, use of PPE, safe use of the analyzers and products.
- Provides training to the other Corporate Departments and assures communication with senior management.
- Supports the development of products and instruments by drafting the EHS content of the analyzers manuals, approves the Safety Data Sheets for final products and, in general, assures EHS matters are properly addressed on both products and instruments.

## Health and Safety: a continuous commitment.



### LOCAL EH&S DEPARTMENTS

- Coordinate activities to ensure compliance with the local applicable EHS regulations and DiaSorin Group EHS Minimum Requirements.
- Cooperate with the other departments to develop and implement the EHS local procedures and to control their implementation and the effectiveness through the local audit plan.
- Provide training for workers at local level, focusing on local EHS laws, regulations and procedures.

Our responsibility as a Group is not limited to defining a strategic plan within our EHS policy but, through a continuous improvement process, is committed to defining and pursuing sustainability goals by setting targets and measuring relevant performance indicators to monitor progress.

As part of this process, our Group is evaluating the possibility of progressively including EHS objectives in the performance evaluation process of its employees. We will continue informing, training and motivating all our staff regarding EHS best practices and encouraging them to play an active role in the Company's commitment to its environmental policy.

Given our commitment to environmental protection, health and safety in the workplace, we are considering the possibility of certifying our EHS Management Systems (ISO 14001 and OHSAS 18001).

### COMPLIANCE

Compliance with EHS laws and regulations is continuously monitored by Local EHS Departments, through the development of a local audit plan. Annually, the Corporate EHS Department audits each production site, covering EHS Management Systems and technical aspects.

- General Environment
- Air
- Water
- Waste
- Chemicals
- Hazardous Materials
- Safety
- Technical Safety
- Emergency Procedures
- Occupational Health

In order to provide more value to the compliance assessment, any finding is assessed via a specific risk matrix that helps each facility by focusing on the priority items. **In 2014, the EHS audit did not identify any critical non conformities.** The process has been concluded with the identification of some opportunities for improvement; consequently, an action plan has been developed to pursue these opportunities: the implementation of the plan is monitored with periodical reviews.

Thanks to the high level of attention dedicated to EHS matters, we, as a Company, have not incurred significant fines for EHS related violations in 2014.

# Environment

## MATERIALS

We carefully select the materials needed for our business operations. We are involved in initiatives that aim to preserve resources and raw materials, and undertake efforts in order to increase the usage of recycled materials, decreasing the demand for virgin materials.

The continuous optimization of packaging, in order to minimize weight, volumes and quantities of materials, by developing and implementing waste prevention, reduction, reuse and recycling on-site, is among our commitments.

The production process requires the usage of chemicals. We are committed to reducing our usage of dangerous chemicals through the following activities:

- Lowering manufacturing failure rates;
- Substituting usage of dangerous substances with others less hazardous ones.

In this respect, we have developed some paperless initiatives, which aim to reduce the quantity of paper consumed through the development of activities such as a Web interface for product-relevant documents, such as the Material Safety Data Sheet and the Instructions For Use. Furthermore, User Manuals, as well Service Manuals and all reporting documentation for customer service activities, are handled in electronic form. Electronic invoicing has recently been adopted in logistics processes, while the streamlining of product shipping led to a significant reduction in packaging material.

## WATER RESOURCES

Water scarcity is considered, nowadays, one of the main challenges facing governments, businesses and individuals, and, as such, should be effectively managed. We view water as an important natural resource that is to be protected. However, given the reduced consumption and therefore impact of the Group on this resource, it is not considered one of the critical areas of EHS management. Nevertheless, the Group remains committed to the responsible consumption and safeguarding of this resource. In particular, the following initiatives implemented in some of the Group's production sites should be noted:

- In South Africa, technical improvements to the water treatment plant, as well as optimized irrigation for landscaping, have led to a significant reduction in water withdrawal compared to 2013.
- In the UK, there's an improvement plan to reduce water consumption by optimizing the water distribution circuit.
- In the Italian site of Saluggia, a study concerning the mapping of water needs and the quality of wastewater generated is ongoing, with the objective being to minimize water consumption and optimize the management of wastewater.

The main sources of water withdrawal tapped by our production sites are municipal water supplies, with the exception of ground water in Italy. Water withdrawal in 2014 has shown a downward trend of about 7% compared to water withdrawal in 2013 thanks to water saving initiatives implemented in the year.

## ENERGY CONSUMPTION AND CO<sub>2</sub> EMISSIONS

Responsible consumption of energy is one of the most important contributions that can be undertaken in order to help mitigate climate change, one of the most pressing environmental issues of the last decades. As such, we are committed to the responsible consumption and management of this important resource.

### ENERGY-SAVING INITIATIVES

In the energy-saving program, multiple projects were implemented at various sites around the world; below are the main actions we have undertaken:

**Replacement of traditional lighting fixtures with electronic or LED light fixtures.** In Italy, this activity has led to an annual saving, in terms of electricity consumption, equal to:

- 29,705 Kwh with electronic light fixtures;
- 3,125 Kwh with LED light fixtures.

### TOTAL WATER WITHDRAWAL (BY SOURCE 2014)

WITHDRAWAL (CUBIC METERS)	GERMANY	IRELAND	ITALY	SOUTH AFRICA	UK	USA	TOTAL
Municipal water supplies	3,468	4,314	1,300	3,098	14,730	31,824	58,734
Ground water	0	0	65,169	0	0	0	65,169
<b>Total water withdrawal</b>	<b>3,468</b>	<b>4,314</b>	<b>66,469</b>	<b>3,098</b>	<b>14,730</b>	<b>31,824</b>	<b>123,903</b>

### DIRECT ENERGY CONSUMPTION 2014

TYPES OF ENERGY (GJ <sup>1</sup> )	GERMANY	IRELAND	ITALY	SOUTH AFRICA	UK	USA	TOTAL
Natural gas	4,342	520	0	0	0	5,784	10,646
Diesel	0	0	0	58	0	74	132
<b>Total Fuel</b>	<b>4,342</b>	<b>520</b>	<b>0</b>	<b>58</b>	<b>0</b>	<b>5,858</b>	<b>10,778</b>
Electricity	4,250	2,495	26,952	5,242	11,588	13,148	63,675
Heat	0	0	10,480	0	9,804	0	20,284
<b>Total electricity and heat</b>	<b>4,250</b>	<b>2,495</b>	<b>37,432</b>	<b>5,242</b>	<b>21,392</b>	<b>13,148</b>	<b>83,959</b>

<sup>1</sup> - Conversion factors (source: GRI guidelines) - Natural Gas: 1000 cubic meters equals 39.01 GJ; Electricity: 1 kwh equals 0.0036 GJ; BTZ: 1 ton equals 41.16 GJ; Diesel: 1 ton equals 43.33 GJ.

This program will continue in the following years, leading to a gradual replacement of traditional lighting with higher efficiency lighting technologies.

**Improving the thermal recovery of the cooling unit.** In Italy, the new cooling unit allows the recovery of about 400 kW of thermal power, leading to savings in the quantity of natural gas consumed.

**Replacement of the cooling unit in the biology department.** In Italy, thanks to this replacement, we have achieved versatility and energy efficiency goals. In fact, with an electricity consumption largely unchanged, the overall cooling capacity is now up by 30%.

**Replacement of air treatment system.** In Italy, the new technology allows an electrical energy saving of about 15% compared to the previous technology. The new system of air treatment is also equipped with a heat recovery system that allows a considerable energy saving, both in winter and in summer time.

**Insertion of new air conditioning systems.** New laboratories in the Italian plants are now equipped with highly efficient air conditioning systems.

**Energy monitoring meters.** Such meters have been installed at key points within the South African production site in order to monitor consumption and help to identify energy saving initiatives.

**Installation of heat exchangers.** These exchangers were installed in the UK Dartford plant for use on heating supply in all buildings, leading to a more efficient use of energy.

As part of the Company's commitment to reducing its environmental impact and its reliance on fossil fuels, in Italy, and particularly in the Saluggia industrial plant, our electric energy supply mainly derives from renewable sources (about 50%). Furthermore, at the Gerenzano site, about 15% of the energy utilized comes from photovoltaic cells.

Our emissions derive from fuel consumption and purchases of electricity and heat. In Italy and the UK, electricity and/or heat are acquired from third parties. Overall, compared to 2013, Scope 1 emissions and fuel consumption have decreased by about 4%, and Scope 2 emissions by 2%. Overall, Scope 1 and 2 emissions have decreased by 2% compared to 2013. This is also thanks to the various initiatives undertaken by the production sites in order to reduce their impact.

Our commitment to lower our CO<sub>2</sub> emissions is related not only to our direct activities, but also includes a commitment to reduce the emissions deriving from business travel and commuting by our employees. To this end, in Italy, we measure the CO<sub>2</sub> emissions deriving from business travel; in 2014 the Scope 3 emissions related to air and car travel were equal to 1,613 tons. Regarding its car fleet, in Italy, about 90% of all cars used have specific emissions below 160 grams of CO<sub>2</sub> per kilometer travelled.

### TOTAL EMISSIONS 2014

	GERMANY	IRELAND	ITALY	SOUTH AFRICA	UK	USA	TOTAL
Emissions Scope 1 (total fuel)	244	29	0	4	0	330	607
Emissions Scope 2 (total electricity and heat)	532	296	3,787	1,266	2,832	746	9,459
<b>Total emissions <sup>(2)</sup></b>	<b>776</b>	<b>325</b>	<b>3,787</b>	<b>1,270</b>	<b>2,832</b>	<b>1,076</b>	<b>10,066</b>

<sup>2</sup> - The CO<sub>2</sub> emissions were calculated utilizing the UNFCCC Italian national inventory emissions factors for Scope 1 emissions and the WRI / WBCSD GHG Protocol for Scope 2 emissions.

## EFFLUENTS AND WASTE REDUCTION

The Company is committed to promoting, developing and implementing waste prevention, reduction, reuse and recycling on-site, in a systematic and cost effective manner. We use appropriately regulated waste management contractors to ensure the safe disposal of hazardous and non-hazardous waste sent off-site, in accordance with best environmental practice and in compliance with national and international laws. The firm is committed to working closely with suppliers and customers towards achieving environmental policy aims.

Waste Electrical and Electronic Equipment or 'WEEE' is defined as waste equipment which is dependent on electric currents or electromagnetic fields. The most significant quantities of WEEE are generated by commercial instruments and are mainly disposed of in Italy due to the fact that most used instruments are returned by clients around the world to the Italian Technical Service Center. The process starts with the decontamination of the instruments at the customer's site. The instruments are then returned to the Technical Service Center, where it is decided whether to reuse, repair or dispose of them. Finally

the instruments are removed from the site by registered waste management company.

As stated above we are committed to the correct management of all waste types and the minimization of waste produced. A number of initiatives concerning the correct management of waste are undertaken: waste initiatives include waste stream classification, waste separation bins, employee training on correct waste disposal and waste contractor audits. In 2014, total waste generated was equal to 754 tons, a slight decrease of about 2% compared to 2013.

We also strive to protect water resources through responsible management of our water discharges. The quantity of water discharged by the Company is, however, not considered material since all the water discharged goes into sewer systems in the respect of the local regulations and legislation. In general most of the water withdrawn, about 90%, is then discharged. In 2014 no significant spills the we have been registered, among all the production sites.

### TOTAL WASTE PRODUCED 2014

WASTE BY TYPE AND DISPOSAL METHOD (T)	GERMANY	IRELAND	ITALY	SOUTH AFRICA	UK	USA	TOTAL
Hazardous waste	8	1	92	12	11	1	125
Non-hazardous waste	122	5	410	22	29	41	629
<b>Total waste generated</b>	<b>130</b>	<b>6</b>	<b>502</b>	<b>34</b>	<b>40</b>	<b>42</b>	<b>754</b>

### TOTAL WEIGHT OF WEEE BY DISPOSAL METHOD 2014

WEEE (T)	GERMANY	IRELAND	ITALY	SOUTH AFRICA	UK	USA	TOTAL
Recovery	3	2	6,230	0	1	3	6,239
Disposal	0	0	0	0	0	0	0
<b>Total</b>	<b>3</b>	<b>2</b>	<b>6,230</b>	<b>0</b>	<b>1</b>	<b>3</b>	<b>6,239</b>

### TOTAL WATER DISCHARGE BY DESTINATION 2014

DISCHARGE (CUBIC METERS)	GERMANY	IRELAND	ITALY	SOUTH AFRICA	UK	USA	TOTAL
<b>Sewer system</b>	<b>3,468</b>	<b>4,314</b>	<b>65,000</b>	<b>3,000</b>	<b>14,693</b>	<b>19,110</b>	<b>109,585</b>

## EXPENDITURES

Our commitment to environmental protection and promotion of health and safety in the workplace is also reflected in a series of expenses aiming to strengthen our structures and work equipment in order to guarantee the highest safety levels to our employees and clients.

The expenses facilitate a number of interventions and technological improvements concerning laboratory equipment, tools and plants. A significant sum is also spent on the treatment and disposal of waste. The table below shows the total environmental expenses undertaken by the six industrial sites in 2014. Compared to 2013, environmental expenses have increased by around 12% in 2014, mainly due to an increase in expenses related to the treatment of emissions in Italy.

EXPENDITURES	GERMANY	IRELAND	ITALY	SOUTH AFRICA	UK	USA	TOTAL
<b>Environmental expenditure</b>	<b>22,824</b>	<b>3,960</b>	<b>201,540</b>	<b>19,936</b>	<b>39,068</b>	<b>45,729</b>	<b>333,057</b>

# Health and Safety

Our Company strives to manage its business in line with national and international Health and Safety standards and applicable statutory requirements. In the absence of appropriate legislation, the Group applies standards reflecting our commitment to excellence and best practice.

Our workplace environment ensures, through specific procedures, conformity with the provisions of applicable regulations. In particular, aspects related to the handling of radioactive substances, biological risk material (infected materials or material of human origin, genetically modified microorganisms) and hazardous substances have been taken into account in accordance with current legislation.

The activities performed by our Company produce reagents using, among other things, biological raw materials. Internal laboratories are therefore operated in the various countries in which the Company has a production presence, and range from Biosafety Level I to Biosafety Level III. The biosafety level refers to the level of the bio-containment precautions required to isolate dangerous biological agents, ranging from the lowest

level, I, to the highest, IV. Within all such laboratories, a number of preventive actions are implemented in order to minimize the risk of occupational diseases. Such actions include, for all employees:

- Restricted access to such areas.
- Special entering and exiting procedures.
- Rigorous procedures to qualify for entry into the lab.
- Training on correct usage of personal protective equipment.
- Waste disposable procedures.

Furthermore, operators who are assigned tasks that, based on a risk assessment, are known to pose a health risk, are subject to medical check-ups and are only authorized to work on these processes after being deemed suitably healthy by the responsible doctor.

No occupational diseases have been registered in the Group during the reporting period.

### FATALITIES AND RATES OF INJURY, OCCUPATIONAL DISEASES, LOST DAYS, ABSENTEEISM, BY COUNTRIES, 2014 (COMMUTING ACCIDENTS NOT INCLUDED)

	USA	ITALY	IRELAND	SOUTH AFRICA	UK	GERMANY
Fatalities	0	0	0	0	0	0
Injury Rate (IR) <sup>3</sup>	0	1.0	0	0	2.6	2.8
Occupational Disease Rate (ODR) <sup>4</sup>	0	0	0	0	0	0
Lost Day Rate (LDR) <sup>5</sup>	0	10.5	0	0	6.6	27.7

3 - IR: (Total # of injuries/total hours worked) x 200,000

4 - ODR: (Total # of occupational diseases//total hours worked) x 200,000

5 - LDR: (Total # of lost days (for injuries and occupational diseases) / total theoretic workable days in the period) x 200,000

## SAFETY TRAINING

Given the importance that we place on the protection and safety of employees, over the years we have invested in training aimed at informing and raising awareness on the importance of workplace safety among workers. The table below indicates the hours of training received on safety topics in 2014 at the six production sites of the Group.

HOURS OF TRAINING	USA	ITALY	IRELAND	SOUTH AFRICA	UK	GERMANY
Men	1,360	1,908	35	112	35	680
Women	1,430	230	46	112	46	715
<b>Total</b>	<b>2,790</b>	<b>2,138</b>	<b>81</b>	<b>224</b>	<b>81</b>	<b>1,395</b>



# Methodological Note



The Sustainability Report 2014 of DiaSorin S.p.A. (hereinafter the DiaSorin, Company, Group), in its first edition, contains Standard Disclosures from the GRI Sustainability Reporting Guidelines.

This document, strongly supported by DiaSorin's management, aims to explain the activities carried out, commitments, results achieved, and performance reached in the economic, social and environmental spheres.

## REPORTING PROCESS AND SCOPE

The Sustainability Report presents the main economic, social and environmental activities undertaken by DiaSorin.

In order to define the material contents to be included in the report the point of view of the senior management of various departments was considered together with the results that arose from an analysis of industry macro trends and other external pressures. The results of this process are reported in the "Materiality analysis" section of this Report.

The Sustainability Report will be published on an annual basis and its dissemination will use the communication tools commonly employed by the Company. Furthermore:

- All data refers to the period from 01/01/2014 to 12/31/2014.
- The economic data originates from the Group Annual Report, and, as such, includes all the Group companies consolidated in this document.
- The social data includes all the Group companies consolidated in the Annual Report.
- The environmental data includes the six industrial sites.
- Any exceptions to the scope of reporting are provided in the individual sections.

## BASIS OF PREPARATION

The reporting principles utilized in preparation of this report can be reviewed in the text below.

**Inclusiveness, Materiality, Sustainability Context** - The Report describes the main relevant social and environmental impacts for the main Group stakeholders concerned, as well as the performances achieved. The report has been commissioned in order to strengthen relations with company's stakeholders and better inform them of a large number of organizational changes that have emerged as a result of growth experienced by the company.

DiaSorin has embarked on a path that has the goal of structuring a sound materiality analysis for the Group. The analysis performed this year had as a starting point the identification, through an internal analysis, of all macro-categories of topics that are considered relevant for the Group, its stakeholders and the industry of operation.

## COMPLETENESS

*See "Reporting process and scope"*

**Comparability and Clarity** - In order to render the document accessible to all readers, it is written in a clear and straightforward language for non-experts and it is structured with graphs, tables and charts.

The indicators presented in the Report are relevant for the period from 01/01/2014 to 12/31/2014. Wherever possible comparisons are provided with the previous year of reporting and their progress is discussed in order to better explain and highlight any significant changes. The absence of comparisons is directly attributed to the non-significance of the variation or the impossibility to recover data for prior years, also due to the fact that this is the first Sustainability Report commissioned by the company. The majority of comparisons may be found for the economic data reported.

**Balance** - The data is presented in an objective and systematic manner. The indicators reflect the performance achieved during the reporting period.

**Accuracy** - The data presented in the report has been controlled by various area managers and Corporate managers in order to confirm its completeness. Where possible, the report was augmented with data included in 2014 Annual Report, which was written in accordance with International Accounting Standards.

**Timeliness** - The Sustainability Report will be published on an annual basis. The timing of publication of this first Sustainability Report is aligned to that of the Annual Report and the Financial Statements.

**Reliability** - The Sustainability Report has been drafted by a working group formed for this specific purpose, whose members have been identified among different Departments at Corporate level. The content related to the various reporting areas was validated by those responsible for each Department at Corporate level and the final document, in its entirety, was presented and discussed with the Top Management at Corporate level. For this reporting year it has been decided not to resort to external assurance for the Sustainability Report.



G4 Content  
Index for  
"In accordance"  
Core

# General Standard Disclosures

## 1. STRATEGY AND ANALYSIS

PROFILE DISCLOSURE	DESCRIPTION	REFERENCE
G4.1	Statement from the most senior decision-maker of the organization	<b>Letter to the Stakeholders</b> The message from the Chairman The message from the CEO

## 2. ORGANIZATIONAL PROFILE

PROFILE DISCLOSURE	DESCRIPTION	REFERENCE
G4.3	Report the name of the organization	<b>Mission and principles of DiaSorin</b>
G4.4	Report the primary brands, products, and services	<b>Mission and principles of DiaSorin</b> Our ten material points - Innovation
G4.5	Report the location of the organization's headquarters	<i>The organization's headquarters are located in Saluggia, Italy.</i>
G4.6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report	<b>Global presence</b>
G4.7	Report the nature of ownership and legal form	<b>OUR COMPANY - Corporate Governance</b> Value Generation - Our shareholders' base
G4.8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	<b>Global presence</b> Value Generation
G4.9	Report the scale of the organization	<b>Highlights</b> Value Generation
G4.10	Total number of employees, broken down by type of contract, by gender and geographic area	<b>PEOPLE - Key Figures</b>
G4.11	Report the percentage of total employees covered by collective bargaining agreements	<b>PEOPLE - People Care - Benefits</b> <i>The diffusion of collective bargaining agreements is different from country to country and depends of the degree of unionization present. In Italy 100% of employees are covered by collective bargaining agreements.</i>
G4.12	Describe the organization's supply chain	<b>Our ten material points - Quality - Processes</b>
G4.13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	<i>This is the first year of reporting and therefore no changes have occurred.</i>
G4.14	Report whether and how the precautionary approach or principle is addressed by the organization	<b>OUR COMPANY - Corporate Governance</b>
G4.15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	<i>The company does not subscribe to any externally developed environmental and social charters, principles or other initiatives.</i>
G4.16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization: <ul style="list-style-type: none"> <li>• Holds a position on the governance body</li> <li>• Participates in projects or committees</li> <li>• Provides substantive funding beyond routine membership dues</li> <li>• Views membership as strategic</li> </ul> This refers primarily to memberships maintained at the organizational level	<b>Our ten material points - Stakeholders</b>

## 3. IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES

PROFILE DISCLOSURE	DESCRIPTION	REFERENCE
G4.17	List all entities included in the organization's consolidated financial statements and those not covered by the report	<b>METHODOLOGICAL NOTE</b>
G4.18	Process for defining the report content and the Aspect Boundaries and how the organization has implemented the Reporting Principles for defining report content	<b>METHODOLOGICAL NOTE</b>
G4.19	List all the material Aspects identified in the process for defining report content	<b>Materiality Analysis</b> <b>Our ten material points</b>
G4.20	For each material aspect, report the aspect Boundary within the organization	<i>The Company has embarked on a path that has the goal of developing a sound materiality analysis for the DiaSorin Group.</i>
G4.21	For each material Aspect, report the Aspect Boundary outside the organization	<i>A specific process aiming at this definition is being developed and will be finalized in the following reporting years.</i>
G4.22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements	<i>This is the first year of reporting and therefore no changes have occurred.</i>
G4.23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries	<i>This is the first year of reporting and therefore no changes have occurred.</i>

## 4. STAKEHOLDER ENGAGEMENT

PROFILE DISCLOSURE	DESCRIPTION	REFERENCE
G4.24	Provide a list of stakeholder groups engaged by the organization	<b>Our ten material points - Stakeholders</b>
G4.25	Report the basis for identification and selection of stakeholders with whom to engage	
G4.26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	<i>A system of stakeholder engagement that also takes into consideration the expectations also of external stakeholders, is being developed and defined and will be implemented in the following reporting years.</i>
G4.27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns	

## REPORT PROFILE

PROFILE DISCLOSURE	DESCRIPTION	REFERENCE
G4.28	Reporting period (such as fiscal or calendar year) for information provided	<b>METHODOLOGICAL NOTE</b>
G4.29	Date of most recent previous report (if any)	<i>This is the first year of reporting.</i>
G4.30	Reporting cycle (such as annual, biennial)	<b>METHODOLOGICAL NOTE</b>
G4.31	Provide the contact point for questions regarding the report or its contents	<i>For questions regarding the report the following contacts of the External Relations of DiaSorin is available: riccardo.fava@diasorin.it; margherita.sacerdoti@diasorin.it</i>
G4.32	Report the in accordance options and table of G4 content	<b>METHODOLOGICAL NOTE</b>
G4.33	Report the organization's policy and current practice with regard to seeking external assurance for the report	<i>The DiaSorin Group is not momentarily seeking external assurance. It is working on developing and implementing its reporting systems as required by the GRI guidelines and will seek external assurance in the following reporting years.</i>

## 6. GOVERNANCE

PROFILE DISCLOSURE	DESCRIPTION	REFERENCE
G4.34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts	<b>OUR COMPANY - Corporate Governance</b>

## 7. ETHICS AND INTEGRITY

PROFILE DISCLOSURE	DESCRIPTION	REFERENCE
G4.56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	<b>OUR COMPANY - Corporate Governance</b>

# Specific Standard Disclosure Material Aspects

## ECONOMIC

### Aspect: Economic performance

PROFILE DISCLOSURE	DESCRIPTION	REFERENCE
G4.DMA	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> <li>The mechanisms for evaluating the effectiveness of the management approach</li> <li>The results of the evaluation of the management approach</li> <li>Any related adjustments to the management approach</li> </ul>	<p><b>OUR COMPANY - Value generation</b> Macroeconomic scenario and the foreign exchange market</p> <p><i>The Company has embarked on a path that has the goal of developing and implementing a sound system of materiality analysis and reporting for the DiaSorin Group. Reporting on DMA's is an area part of this path that will be perfected in the following reporting years.</i></p>
G4.EC1	Direct economic value generated and distributed	<b>OUR COMPANY - Value generation</b>
G4.EC3	Coverage of the organization's defined benefit plan obligations	<b>PEOPLE - People Care</b>
G4.EC4	Financial assistance received from government	<b>OUR COMPANY - Value generation</b> Financial assistance received

## ENVIRONMENTAL

### Aspect: Energy

PROFILE DISCLOSURE	DESCRIPTION	REFERENCE
G4.DMA	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> <li>The mechanisms for evaluating the effectiveness of the management approach</li> <li>The results of the evaluation of the management approach</li> <li>Any related adjustments to the management approach</li> </ul>	<p><b>ENVIRONMENT, HEALTH &amp; SAFETY</b> <b>Commitment EH&amp;S</b> <b>ENVIRONMENT, HEALTH &amp; SAFETY</b> <b>Environment</b> - Energy consumption and CO<sub>2</sub> emissions</p> <p><i>The Company has embarked on a path that has the goal of developing and implementing a sound system of materiality analysis and reporting for the DiaSorin Group. Reporting on DMA's is an area part of this path that will be perfected in the following reporting years.</i></p>
G4.EN3	Energy consumption within the organization	<b>ENVIRONMENT, HEALTH &amp; SAFETY</b> <b>Environment</b> - Energy consumption and CO <sub>2</sub> emissions
G4.EN6	Reduction of energy consumption	<b>ENVIRONMENT, HEALTH AND SAFETY (EHS)</b> <b>Environment</b> - Energy consumption and CO <sub>2</sub> emissions

**Aspect: Water**

PROFILE DISCLOSURE	DESCRIPTION	REFERENCE
G4.DMA	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> <li>The mechanisms for evaluating the effectiveness of the management approach</li> <li>The results of the evaluation of the management approach</li> <li>Any related adjustments to the management approach</li> </ul>	<p><b>ENVIRONMENT, HEALTH &amp; SAFETY Commitment EH&amp;S</b></p> <p><b>ENVIRONMENT, HEALTH &amp; SAFETY Environment</b> - Water resources</p> <p><i>The Company has embarked on a path that has the goal of developing and implementing a sound system of materiality analysis and reporting for the DiaSorin Group. Reporting on DMA's is an area part of this path that will be perfected in the following reporting years.</i></p>
G4.EN8	Total water withdrawal by source	<p><b>ENVIRONMENT, HEALTH &amp; SAFETY Environment</b> - Water resources</p>

**Aspect: Emissions**

PROFILE DISCLOSURE	DESCRIPTION	REFERENCE
G4.DMA	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> <li>The mechanisms for evaluating the effectiveness of the management approach</li> <li>The results of the evaluation of the management approach</li> <li>Any related adjustments to the management approach</li> </ul>	<p><b>ENVIRONMENT, HEALTH &amp; SAFETY Commitment EH&amp;S</b></p> <p><b>ENVIRONMENT, HEALTH &amp; SAFETY Environment</b> - Energy consumption and CO<sub>2</sub> emissions</p> <p><i>The Company has embarked on a path that has the goal of developing and implementing a sound system of materiality analysis and reporting for the DiaSorin Group. Reporting on DMA's is an area part of this path that will be perfected in the following reporting years.</i></p>
G4.EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	<p><b>ENVIRONMENT, HEALTH &amp; SAFETY Environment</b> - Energy consumption and CO<sub>2</sub> emissions</p>
G4.EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	<p><b>ENVIRONMENT, HEALTH &amp; SAFETY Environment</b> - Energy consumption and CO<sub>2</sub> emissions</p>
G4.EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	<p><b>ENVIRONMENT, HEALTH &amp; SAFETY Environment</b> - Energy consumption and CO<sub>2</sub> emissions</p> <p><i>Scope 3 emissions have been reported for business travel for Italian sites. Other Scope 3 sources have not been reported.</i></p>

**Aspect: Effluents and waste**

PROFILE DISCLOSURE	DESCRIPTION	REFERENCE
G4.DMA	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> <li>The mechanisms for evaluating the effectiveness of the management approach</li> <li>The results of the evaluation of the management approach</li> <li>Any related adjustments to the management approach</li> </ul>	<p><b>ENVIRONMENT, HEALTH &amp; SAFETY Commitment EH&amp;S</b></p> <p><b>ENVIRONMENT, HEALTH &amp; SAFETY Environment</b> - Energy consumption and CO<sub>2</sub> emissions</p> <p><i>The Company has embarked on a path that has the goal of developing and implementing a sound system of materiality analysis and reporting for the DiaSorin Group. Reporting on DMA's is an area part of this path that will be perfected in the following reporting years.</i></p>
G4.EN22	Total water discharge by quality and destination	<p><b>ENVIRONMENT, HEALTH &amp; SAFETY Environment</b> - Energy consumption and CO<sub>2</sub> emissions</p>
G4.EN23	Total weight of waste by type and disposal method	<p><b>ENVIRONMENT, HEALTH &amp; SAFETY Environment</b> - Energy consumption and CO<sub>2</sub> emissions</p>
G4.EN24	Total number and volume of significant spills	<p><b>ENVIRONMENT, HEALTH &amp; SAFETY Environment</b> - Energy consumption and CO<sub>2</sub> emissions</p>

**Aspect: Overall**

PROFILE DISCLOSURE	DESCRIPTION	REFERENCE
G4.DMA	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> <li>The mechanisms for evaluating the effectiveness of the management approach</li> <li>The results of the evaluation of the management approach</li> <li>Any related adjustments to the management approach</li> </ul>	<p><b>ENVIRONMENT, HEALTH &amp; SAFETY Commitment EH&amp;S</b></p> <p><b>ENVIRONMENT, HEALTH &amp; SAFETY Environment</b> - Water resources</p> <p><i>The Company has embarked on a path that has the goal of developing and implementing a sound system of materiality analysis and reporting for the DiaSorin Group. Reporting on DMA's is an area part of this path that will be perfected in the following reporting years.</i></p>
G4.EN31	Total environmental protection expenditures and investments by type	<p><b>ENVIRONMENT, HEALTH &amp; SAFETY Environment</b> - Expenditures</p> <p><i>An overall value of expenditures by industrial site has been indicated. Investments and division by type has not been provided.</i></p>

## SOCIAL

### LABOR PRACTICES AND DECENT WORK

#### Aspect: Employment

PROFILE DISCLOSURE	DESCRIPTION	REFERENCE
G4.DMA	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> <li>The mechanisms for evaluating the effectiveness of the management approach</li> <li>The results of the evaluation of the management approach</li> <li>Any related adjustments to the management approach</li> </ul>	<p><b>PEOPLE</b></p> <p><i>The Company has embarked on a path that has the goal of developing and implementing a sound system of materiality analysis and reporting for the DiaSorin Group. Reporting on DMA's is an area part of this path that will be perfected in the following reporting years.</i></p>

G4.LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region	<p><b>PEOPLE - Key figures</b></p> <p><i>The total number of hires and Group turnover rate is reported; the division by age, gender and region is not disclosed.</i></p>
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#### Aspect: Occupational health and safety

PROFILE DISCLOSURE	DESCRIPTION	REFERENCE
G4.DMA	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> <li>The mechanisms for evaluating the effectiveness of the management approach</li> <li>The results of the evaluation of the management approach</li> <li>Any related adjustments to the management approach</li> </ul>	<p><b>ENVIRONMENT, HEALTH &amp; SAFETY</b></p> <p><b>Commitment EH&amp;S - Health and Safety</b></p> <p><i>The Company has embarked on a path that has the goal of developing and implementing a sound system of materiality analysis and reporting for the DiaSorin Group. Reporting on DMA's is an area part of this path that will be perfected in the following reporting years.</i></p>

G4.LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	<p><b>ENVIRONMENT, HEALTH &amp; SAFETY</b></p> <p><b>Commitment EH&amp;S - Health and Safety</b></p> <p><i>Absenteeism rate has not been disclosed.</i></p>
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G4.LA7	Workers with high incidence or high risk of diseases related to their occupation	<p><b>ENVIRONMENT, HEALTH &amp; SAFETY</b></p> <p><b>Commitment EH&amp;S - Health and Safety</b></p> <p><i>Quantitative data has not been disclosed.</i></p>
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#### Aspect: Training and education

PROFILE DISCLOSURE	DESCRIPTION	REFERENCE
G4.DMA	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> <li>The mechanisms for evaluating the effectiveness of the management approach</li> <li>The results of the evaluation of the management approach</li> <li>Any related adjustments to the management approach</li> </ul>	<p><b>PEOPLE - Human Capital Development</b></p> <p>Performance management, compensation and retention</p> <p><b>PEOPLE - Human Capital Development</b></p> <p>Training and Education</p> <p><i>The Company has embarked on a path that has the goal of developing and implementing a sound system of materiality analysis and reporting for the DiaSorin Group. Reporting on DMA's is an area part of this path that will be perfected in the following reporting years.</i></p>

G4.LA9	Average hours of training per year per employee by gender, and by employee category	<b>PEOPLE - Human Capital Development</b>
G4.LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	<b>PEOPLE - Human Capital Development</b>

#### Aspect: Diversity and equal opportunity

PROFILE DISCLOSURE	DESCRIPTION	REFERENCE
G4.DMA	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> <li>The mechanisms for evaluating the effectiveness of the management approach</li> <li>The results of the evaluation of the management approach</li> <li>Any related adjustments to the management approach</li> </ul>	<p><b>PEOPLE - People in DiaSorin, DiaSorin in people</b></p> <p><i>The Company has embarked on a path that has the goal of developing and implementing a sound system of materiality analysis and reporting for the DiaSorin Group. Reporting on DMA's is an area part of this path that will be perfected in the following reporting years.</i></p>

G4.LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	<b>OUR COMPANY - Corporate Governance</b>
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## SOCIAL

### PRODUCT RESPONSIBILITY

#### Aspect: Customer health and safety

PROFILE DISCLOSURE	DESCRIPTION	REFERENCE
G4.DMA	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> <li>The mechanisms for evaluating the effectiveness of the management approach</li> <li>The results of the evaluation of the management approach</li> <li>Any related adjustments to the management approach</li> </ul>	<p><b>INNOVATION - R&amp;D - Innovation as a key value</b></p> <p><i>The Company has embarked on a path that has the goal of developing and implementing a sound system of materiality analysis and reporting for the DiaSorin Group. Reporting on DMA's is an area part of this path that will be perfected in the following reporting years.</i></p>

G4.PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	<p><b>INNOVATION - R&amp;D - Innovation as a key value</b></p> <p><b>INNOVATION - Quality - Design and development process</b></p> <p><i>While a percentage of products assessed for health and safety improvements is not provided the Group, during the design stage of all products, performs Stage Review Meetings to ensure the minimization of risks and the application of laws and regulations in each target market.</i></p>
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G4.PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	<p><i>In 2014 there have not been incidents for non-compliance with regulations and voluntary codes concerning the health and safety impacts of products.</i></p>
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**Aspect: Product and service labeling**

PROFILE DISCLOSURE	DESCRIPTION	REFERENCE
G4.DMA	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> <li>▪ The mechanisms for evaluating the effectiveness of the management approach</li> <li>▪ The results of the evaluation of the management approach</li> <li>▪ Any related adjustments to the management approach</li> </ul>	<p><b>INNOVATION - R&amp;D</b> - Innovation as a key value</p> <p><i>The Company has embarked on a path that has the goal of developing and implementing a sound system of materiality analysis and reporting for the DiaSorin Group. Reporting on DMA's is an area part of this path that will be perfected in the following reporting years.</i></p>
G4.PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	<p><b>INNOVATION - Quality</b></p> <p>Product distribution, identification and traceability</p>
G4.PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	<p><b>INNOVATION - Quality</b></p> <p>Monitoring non-conforming products</p>

**Aspect: Compliance**

PROFILE DISCLOSURE	DESCRIPTION	REFERENCE
G4.DMA	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> <li>▪ The mechanisms for evaluating the effectiveness of the management approach</li> <li>▪ The results of the evaluation of the management approach</li> <li>▪ Any related adjustments to the management approach</li> </ul>	<p><b>INNOVATION - R&amp;D</b> - Innovation as a key value</p> <p><i>The Company has embarked on a path that has the goal of developing and implementing a sound system of materiality analysis and reporting for the DiaSorin Group. Reporting on DMA's is an area part of this path that will be perfected in the following reporting years.</i></p>
G4.PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	<p><b>INNOVATION - Quality</b></p> <p>Monitoring non-conforming products</p>



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The Diagnostic Specialist