

CSR

2016
*Sustainability
report*



The Diagnostic Specialist

Table of contents

5	Letter to our stakeholders
6	Highlights: one year in number
8	Our global presence
10	Value generation and financial performance
12	Our Business
13	Our clinical areas
14	Our evolved approach to sustainability reporting
16	Stakeholder & materiality
16	Our stakeholder
18	Our material issues
20	Boundaries
22	<i>Our responsibility: nurturing innovation</i>
25	Our social responsibility: promoting innovation and science
26	Nurturing innovation
31	Attracting talent in R&D
33	Gaining & sharing Knowledge: participating at scientific congresses
34	Fostering strong leadership & developing our talent in R&D
36	Our scientific collaborations
38	<i>Nurturing talent: our responsibility towards our people</i>
41	Key people data
42	What makes us tick
46	Our role with our people
47	A strong leadership culture
52	Training & talent development
56	Employee engagement
57	Welfare & benefits
60	Attracting the best people
62	Representing DiaSorin at the global level
64	The next generation of scientists

68	<i>Our sustainable practices</i>
71	R&D and innovation: our collaborations
71	Our collaborations with universities
72	Our participation at scientific congresses
75	Our scientific collaborations
76	Our scientific boards
77	Our people
77	Growing our people
79	Our employees by age
79	Financial security – contracts
80	Permanence leads to a strong foundation
81	Turnover
81	Our professional families
82	Educational level
83	Absenteeism
83	Training
85	Equal opportunities in the workplace
86	Governance
86	Board of directors sees change in membership
90	Highlights of our Board work in 2016
91	The Board's role in economic, environmental and social matters
93	Ethical business management
96	Our Supply Chain
96	Our value chain
97	Transparency and sustainability in our supply chain
98	Environmental protection & safety culture
98	Managing HSE Diligently
102	Materials
103	Waste management
106	Energy and emissions
109	Water resources
110	Health and safety at DiaSorin
114	<i>Methodological note</i>
118	<i>GRI Content Index</i>

Letter to our stakeholders

G4-1

We put people at the heart of all that we at DiaSorin do, fully aware that every five seconds someone's life comes into contact with one of our tests.

Placing people at the center of our business means pursuing policies that take into account the diversity, aspirations and ambitions of our employees worldwide. It also means ensuring the excellence of our tests, helping doctors quickly diagnose any illness and providing patients with the certainty of a safe and reliable diagnosis. Our daily work is therefore a constant challenge, focused on improving people's welfare, the quality and accuracy of our tests and the precision of our laboratory processes.

However, it doesn't stop there. We take our relationships with all stakeholders into consideration in our daily actions. We believe that by constantly engaging in dialogue with all those who come into contact with our business we will continue to excel in our sector, and provide value to the local communities we operate in.

For this reason, we focus on the following three pillars of sustainability:

- On the financial side, this means making strategic decisions that ensure the sustainability of our business over the long term with suppliers, customers, employees, physicians and patients.
- On the environmental side, this means recognizing the increasing importance of the environment that surrounds us and that in which we operate, ensuring we play our part in providing a sustainable future for all.
- On the social side, this means taking the responsibility to give back to the communities we operate in and to the people who work for us in different parts of the world by focusing on matters related to health, talent and investing in today's youth.

This sums up our commitment to sustainability at DiaSorin, one that we'll continue pursuing with ever greater vigor and dedication in the years to come. We are confident that all those that we come into contact with will recognize the distinctive character of our Group: one that considers people as the only true force capable of changing the world.

CARLO ROSA

Highlights: one year in number

G4-9

5
continents



7
manufacturing sites



>120
countries



+14%
revenue growth



+17.5%
EBITDA growth



+12%
Net profit growth



+71.2€ mln net
financial position



112.6€ mln
net profit

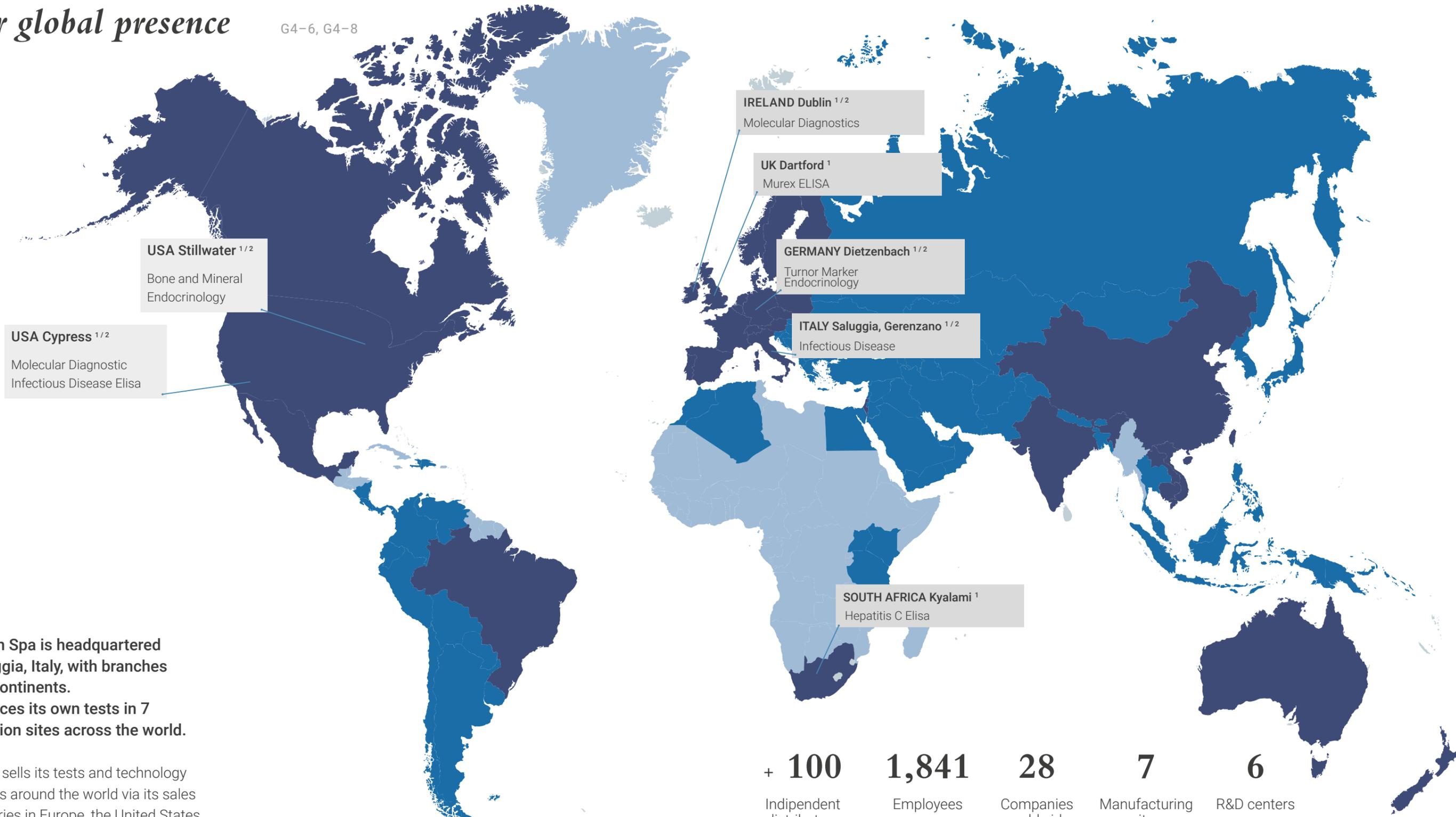


132.2€ mln
free cash flow



Our global presence

G4-6, G4-8



DiaSorin Spa is headquartered in Saluggia, Italy, with branches in five continents. It produces its own tests in 7 production sites across the world.

DiaSorin sells its tests and technology platforms around the world via its sales subsidiaries in Europe, the United States, Mexico, Brazil, China, Australia and Israel.

In other countries, the Group operates in accordance with an international network of over 100 independent distributors.

COMPANIES		manufacturing sites	1
DISTRIBUTORS		R&D centers	2

Data include Focus Diagnostics

+ 100	1,841	28	7	6
Independent distributors	Employees	Companies worldwide	Manufacturing sites	R&D centers
4	5	24	>120	
Subsidiaries	Countries	Companies	Countries where we are	

Value generation and financial performance

G4-EC1, G4-EC4

ECONOMIC VALUE OBTAINED (€ MLN)	2014	2015	2016
Economic value generated directly			
Revenues	443.8	499.2	569.4
Economic value distributed	(364.6)	(399.9)	(402.3)
Operating costs	(199.5)	(222.8)	(256.0)
Personnel and benefit cost	(112.6)	(122.4)	(140.1)
Payments to lenders of capital	(4.4)	(0.6)	46.1
Payments to governments	(47.9)	(53.9)	(52.1)
Community investments	(0.1)	(0.1)	(0.2)
Economic value obtained	79.3	99.4	167.1
Financial assistance received from governments			
Tax relief and tax credits	0.5	0.5	0.4
Research and development grants	0.0	0.4	2.1
Total	0.5	0.8	2.5
Profit & Loss statement (€ mln)			
Net revenues	443.8	499.2	569.3
Gross profit	298.7	341.9	389.2
EBITDA	160.3	185.0	217.3
Operating result (EBIT)	129.9	152.0	172.6
Net profit for the period	84.1	100.5	112.6
Statement of financial position (€ mln)			
Capital invested in non-current assets	214.7	213.6	473.2
Net capital invested	317.2	319.2	592.2
Net financial position	166.3	267.9	71.2
Shareholders' equity	483.6	587.2	663.4
Cash flow statement (€ mln)			
Net cash flow for the period	39.7	67.3	(81.7)
Free cash flow	91.3	108.2	132.2
Capital expenditures	30.7	32.0	37.4



Our business

G4-4

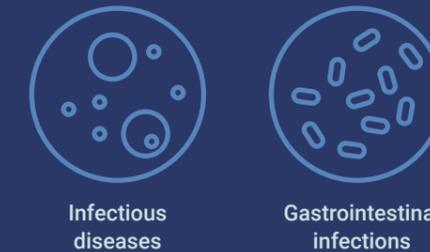
Our clinical areas

We are a reliable partner in the biotechnology field, supporting laboratory needs by developing, producing and commercializing reagent kits for clinical diagnostics.

We are committed to helping people improve the quality of their lives through the early detection of potential diseases via a broad array of quality products.



We offer diagnostic analysis kits (tests) that are targeted at both private and hospital labs in the immunodiagnostics and molecular diagnostics market and that are used globally on fully automated platforms in labs, covering a wide spectrum of clinical diseases (e.g. infectious diseases, management of bone- and calcium-related diseases, thyroid pathologies, oncology and fertility testing).



We are present in the \$50bn In Vitro Diagnostic market today with 112 immunodiagnostic mainstream and specialty tests and 17 molecular diagnostic tests in distinct clinical areas (onco-hematology and infectious diseases). The tests we produce are sold to medium-sized and large diagnostic labs and hospitals.

Our evolved approach to sustainability reporting

DiaSorin is changing. With over 40 years of experience under its belt, the Group is recognized as an international player in the diagnostics field.

In three years of reporting on sustainability, we have evolved our approach to reflect the three, interconnected drivers to our unique growth path:

- **Innovation:** Innovative products and solutions enable us to meet clinical needs
- **Talent:** Attracting, developing and retaining the right people is vital for reaching our growth ambitions
- **Partnership:** Collaboration with scientific institutions, universities and clinics across the globe connects us to patients' health

In this report, we will outline how the above mentioned drivers run through our business. We have structured it into three main sections: in each one we want you to understand the ins and outs of how we address these aspects to our business, describing the approaches and processes that underlie our actions as well as the initiatives, partnerships and activities we are engaged in.

SECTION 1 Nurturing innovation & forming partnerships with the scientific community

The first section of the report, "Our Responsibility: Nurturing Innovation", details DiaSorin's activities externally. We illustrate how innovation develops through collaborations with universities and clinics, how we attract talent and grown our business by sponsoring PhDs in scientific and technological areas, how we share ideas and develop products with experts in the field, and the importance of promoting STEM (science, technology, engineering, maths) through our work with schools.

We also explain how we form long-lasting partnerships with field experts through our scientific boards. Forming partnerships with the scientific community allows us understand the needs of the medical community and stay at the forefront of scientific innovation.

It is also a way for our people to enrich their knowledge and evidence their leadership skills.

SECTION 2 Talent

The second section "Nurturing Talent: Our responsibility towards our people" explains DiaSorin's approach to attracting, retaining and developing talent. We outline how we retain talent from our strong leadership culture, to what we do in our strategic markets (Italy, US and China) to develop our talent and the welfare and benefits we have in place. Secondly, we discuss the activities we engage in to attract talent, through tailored university outreach programs, participation at university job fairs and our work with schools.

SECTION 3 Ensuring business continuity through sustainable practices

In Section III: "Sustainable Practices", we report on all aspects fundamental for business continuity such as the robust governance of our business, how we manage health and safety in our offices and labs, our sustainable supply chain and the work we do to reduce our environmental impact.

Stakeholder & materiality

Our stakeholders

G4-24, G4-25, G4-26, G4-27

Our stakeholders and their needs are important to us. Engaging with them is essential to build trust. Only through direct interaction can we understand our challenges and reach mutually beneficial outcomes.

We take into account their needs and expectations across a number of areas including, but not limited to: business performance, supply chain management, transparency with partners, employees and clients, partnerships with local communities and our attention to the environment and health and safety of our people. Our relationship with stakeholders is based on and inspired by the principles of impartiality, cooperation, loyalty and mutual respect.

Ensuring we are at the forefront of innovation by creating high-quality products drives our determination to improve our engagement with our stakeholders. We engage in direct dialogue with our stakeholders via meetings, forums and business and scientific-related events. Client satisfaction surveys are carried out to ensure our clients are satisfied with the products developed. We further communicate with our stakeholders

via our corporate website, our social media channels and other reports.

Transparency and restoring trust between companies and stakeholders has become a topic of increasing interest. As a company listed on the Italian stock exchange, what our current and potential shareholders have to say is fundamentally important to us.

A materiality analysis defines what is important for each company from a sustainability point of view and is central for determining the content of reporting on non-financial information. It is how we focus and understand topics that our company has a direct or indirect impact on.

We conducted a materiality analysis in 2016 at the corporate level to map out the most important environmental, social and governance topics for our business. An initial set of potentially relevant topics was drawn up based on DiaSorin's previous sustainability reporting, Global



Reporting Initiative and Sustainability Accounting Standards Board guidelines, an assessment of topics our peers focus on as well as the specific aspects of the market we operate in.

These were then evaluated by members of our top management, who were asked to give priority to those they deemed most relevant with regards to the long-

term success of the company and those that are particularly sensitive at the moment, either because of specific stakeholder interest or because they are a current priority for DiaSorin.

As a result of this exercise, we identified 15 material topics that stood out as highly relevant to us.

Our material issues

G4-18, G4-19

As part of the global health community, we work hard to improve life standards across the world. Our work in R&D and innovation allows us to provide new and better tests, giving doctors and patients more reliable and secure diagnostic test results. Our hiring strategy ensures that we attract the most competent people to do the job. We are a solid business that always looks to better itself.

Partnership, innovation and talent drive our business forward and play a key role in each material topic presented on the matrix. These three concepts, when intertwined, make up our approach to sustainability:

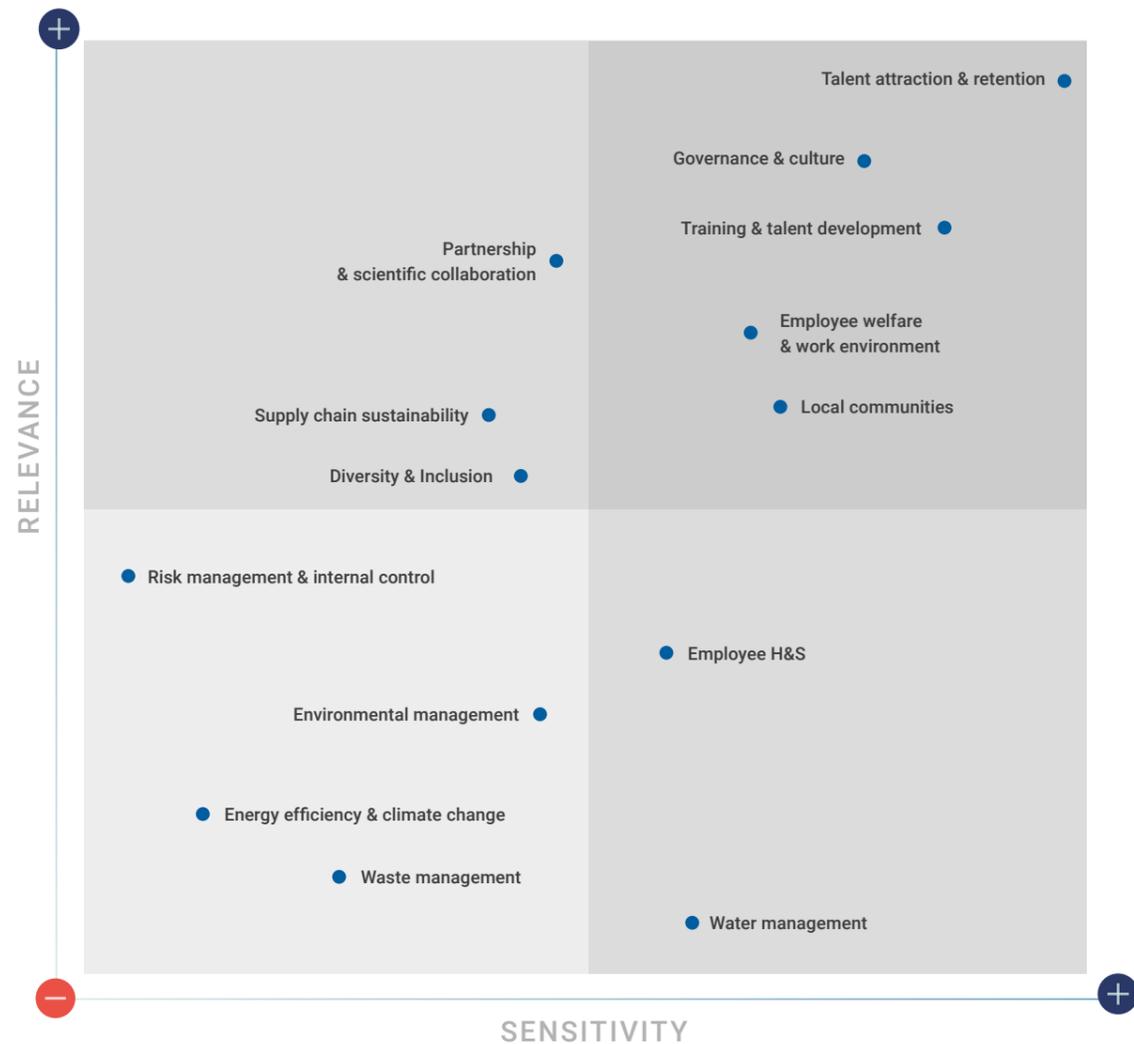
Talent is a key focus area for us, and is represented in a number of material points on the matrix. How we attract, develop and retain the best people is at the forefront of our thinking.

Our responsibility in nurturing **innovation** is key. We do this not only by managing our talent, but by collaborating with different entities, and partnering with scientific institutions across the globe.

Sustainable practices such as the robust governance of our business, how we manage health and safety in our offices and labs, and our environmental impact, is aimed at ensuring business continuity.

Our material topics are illustrated in the chart below with topics ranked based on relevance (long-term impact on DiaSorin's business) and sensitivity (current focus driven by stakeholder interest or short-term business priorities).





MATERIAL TOPICS	BOUNDARY		LINK TO GRI-G4 ASPECTS
	Inside	Outside	
Talent attraction & retention	Group*	Local Communities	Employment
Governance & Culture	Group	Shareholders Regulators Local Communities	Governance Ethics and integrity Diversity and equal opportunity Compliance
Training and talent development	Group*		Training and education Diversity and equal opportunity
Partnership & scientific collaboration	Group	Laboratories Partners Medical community Patients	<i>n.a.</i>
Employee welfare & work environment	Group*		Employment Labor Practices Grievance Mechanisms
Local communities	Group	Local Communities	Local Communities
Supply chain sustainability	Group	Suppliers	Supply chain
Diversity & inclusion	Group*		Diversity and equal opportunity
Risk management & internal control	Group	Shareholders Regulators Local Communities	Governance Labor Practices Grievance Mechanisms Non-discrimination
Employee H&S	Group*		Occupational health and safety
Environmental management	Group	Environment	Environment
Energy efficiency & Climate Change	Group*	Environment	Energy Emissions
Waste management	Group*	Environment	Effluents and waste
Water management	Group*	Environment	Water

Boundaries

G4-20, G4-21

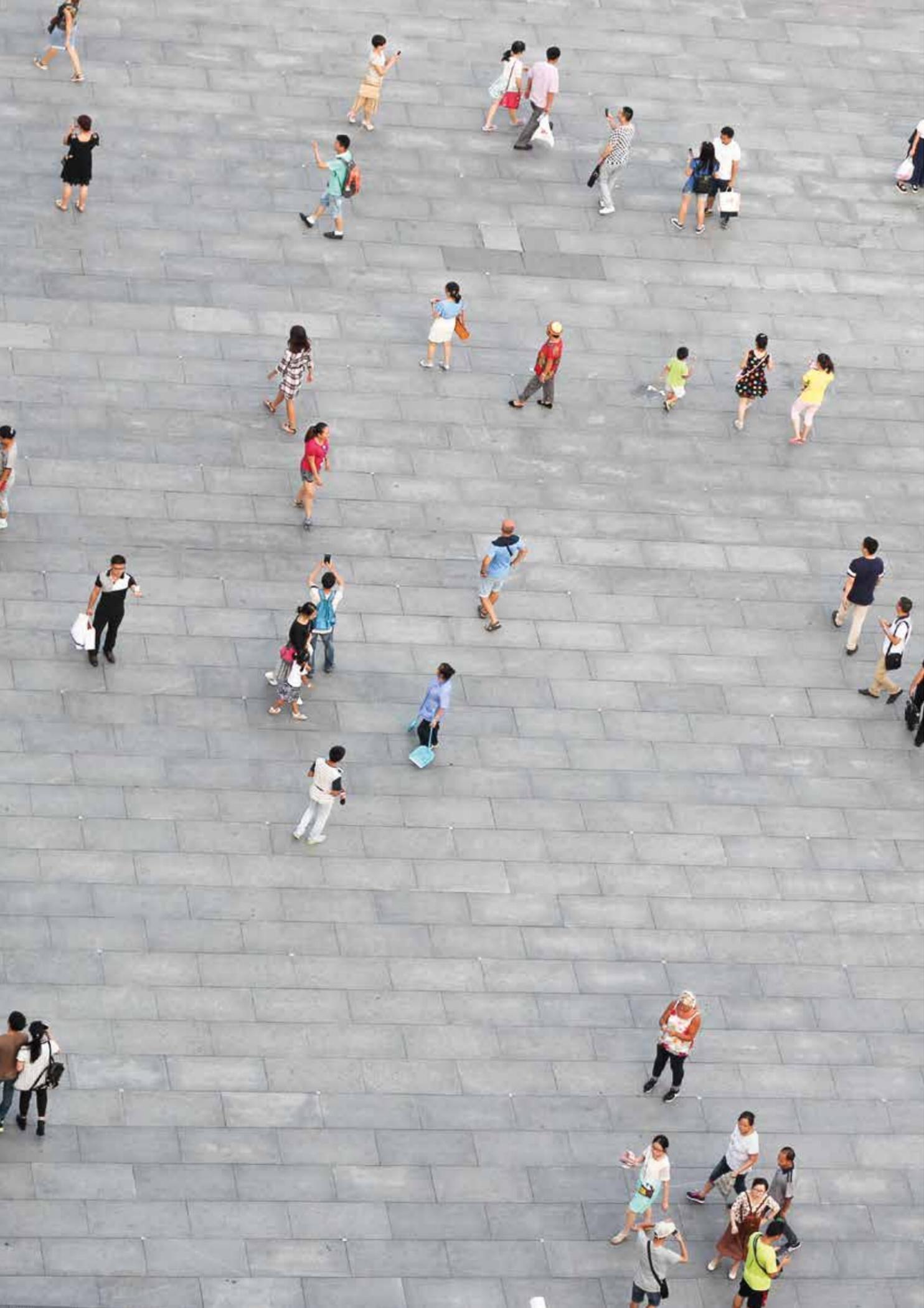
Every material aspect has an impact on one or more stakeholders. Thanks to the materiality analysis, DiaSorin has identified for each material topic, the stakeholder affected by the specific issue, thus being able to determine the boundary of the material aspect itself.

The table below summarizes for each material aspect where impacts directly occur (Boundary) and the corresponding GRI-G4 aspects.

*Quantitative data does not include Focus Diagnostics

*Our
responsibility*
nurturing innovation





Our social responsibility: promoting innovation and science

We recognize the importance of social responsibility within our business and beyond.

We promote innovation and science from an early age, fully aware that our long-term prosperity as a business depends not only on the excellence of products for which we are known today but also on the interaction with relevant scientific communities. By encouraging and investing in tomorrow's talent, DiaSorin can attract outstanding people who will be ready to join a company that puts innovation at the heart of its business model.

Our commitment to innovation starts from working closely with schools, to forming collaborations with universities and research centers and extends to our employees, whose professional development is crucial for our business, both in commercial terms and in the research and development of innovative solutions. Our scientific collaborations, in turn, help to connect our research and development activities with actual medical needs and to test the effectiveness of our products.

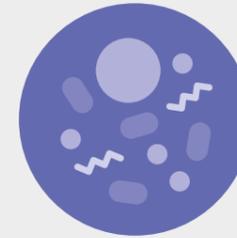
NURTURING INNOVATION

We are embracing the best technology, forming strong scientific partnerships and developing our talent in order to leverage the power of our unique positioning in the immunodiagnostics and molecular fields.

A reliable partner in immunodiagnostics

We offer a leading portfolio of tests for a number of infection and endocrine diseases, for diagnosing maternal-fetal infections, through to measuring a series of hormonal parameters that are necessary for the correct functioning of our vital organs. Precise diagnostic tests allow millions of people to seek treatment at an early stage, and to go on living happy and productive lives. Diagnosis is the first step to a patient achieving full recovery, and our tests enable accurate diagnosis.

Thanks to our products and drawing on the experience of our Research & Development team, we have developed and commercialized innovative solutions in immunodiagnostics for over 40 years. Thanks to this background, we offer the broadest CLIA (fully automated solution) menu (number of different tests) in our field for diseases related to bone metabolism, hepatitis and retrovirus, gastrointestinal stool testing, infectious diseases and chronic diseases. Our intimate knowledge of immunodiagnostics has allowed us to rapidly increase our menu of tests on the CLIA platform to 112 tests currently available on our LIAISON platform, with an average launch of 5-6 tests a year. Our success is further strengthened by having a comprehensive menu, with an offering that combines high-volume or so-called mainstream tests with low-volume, or specialist, tests. This means we are recognized by laboratories as a reliable player and as a specialist in the immunodiagnostic market.



Our Clinical areas – products launches and re-development in 2016

Infectious diseases

- Launch of Helicobacter Pylori IgG test for the accurate diagnosis of H. pylori infection in human blood samples

Hepatitis & Retrovirus:

- Re-development of Anti-HBS II and anti HBS II plus tests to measure immunity to Hepatitis B virus after an infection or a vaccination

Gastro Intestinal infections:

- Launch of H. pylori Antigen in UK for the detection of H. pylori infection in stool samples

Bone & Mineral:

- Launch of FGF 23 to analyze diseases related to renal function and phospho-calcium metabolism
- Re-development of BAP Ostase, marker for detection of bone formation

Nurturing innovation in immunodiagnostics

Our R&D team is constantly nurturing innovation in order to develop new innovative tests. Over the last decade, we have seen how the developing of a new test relies on careful research that can correlate its diagnostic effectiveness to clinical studies on existing pathologies that are recognized by the medical community. That's why we work in close contact with doctors: it's our way of getting evidentiary confirmation that our tests are effective and that they give accurate results.

Our commitment doesn't stop at launching and improving diagnostic tests. It extends to developing solutions for clinical needs that currently go unanswered. One of the areas that our Group is looking into is the correlation between cardiac function and renal insufficiency. In this way, we are moving towards what we call predictive analysis through research into diagnostic evidence that can give doctors clinical information that that cannot otherwise be obtained with tests currently on the market.

To support our work on predictive markers and expand our knowledge in this strategic field, we have invested in targeted academic studies and support scientific collaborations with key opinion leaders globally within the clinical areas that have been identified as offering promising business opportunities.

Responding to emergencies with innovative solutions

In August 2016, we were awarded a contract by the Biomedical Advanced Research and Development Authority (BARDA), a division of the US Department of Health and Human Services' Office of the Assistant Secretary for Preparedness and Response (ASPR) that is tasked with monitoring and identifying medical and diagnostic solutions for possible health emergencies in the U.S, for the development of new serological tests to detect Zika virus infections.

We intend to present these new diagnostic tests on the LIAISON® XL, which will offer laboratories a fully-automated solution for the detection of Zika virus infections. BARDA is seeking to advance several diagnostic tests for Zika to help improve their availability and potentially lead to lower costs for patients. The project will be funded in whole or in part with federal funds from the Department of Health and Human Services, Office of the Assistant Secretary for Preparedness and Response, Biomedical Advanced Research and Development Authority. The most common symptoms of Zika are fever, rash, joint pain, and conjunctivitis, or red eyes. The illness usually is mild with symptoms lasting for several days to a week. People typically do not get sick enough to require hospitalization and they very rarely die of Zika. For this reason, many people might not realize they have been infected. However, Zika virus infection during pregnancy can cause a serious birth defect called microcephaly, as well as other severe fetal brain defects. Tests will be produced at the Stillwater facility and are expected

to be sold in the U.S. following Food and Drug Administration (FDA) clearance. After the launch in the U.S. market, DiaSorin will assess timing to apply for further clearances to make its tests available in other markets, including Europe, Brazil and China.

Meeting more patient needs with molecular diagnostics

As a consolidated player in the immunodiagnosics field, we now have an opportunity to expand our research and development capabilities in molecular diagnostics. Our acquisition of Focus Diagnostics' immunodiagnostic and molecular diagnostic products business in 2016 illustrates our commitment to continue innovating and solving complex medical problems. Our foray into molecular diagnostics helps us to develop products that provide quantitative results in the clinical area of infectious diseases, thus helping the medical community to identify the presence of a virus in the patient's blood, as well as quantify its viral load, ensuring the most appropriate pharmaceutical solution is provided. Further to this, molecular diagnostics allows us to create solution based products for diseases linked to DNA alterations, providing labs critical insight into cancers such as leukemia. We have built strong R&D capabilities over the years to address previously unmet medical needs that have, amongst certain diseases, not yet found an effective and rapid diagnostic response. Our venture into molecular diagnostics is important to us, and we are strongly committed to expanding in this area. We and are excited to embark on this next venture.



Our acquisition of Focus Diagnostics

The acquisition of Focus Diagnostics' immunodiagnostic and molecular diagnostic products business in May 2016 has enabled the Group to strengthen its presence in the molecular diagnostics field, a growing sector in the in-vitro diagnostics market.

DiaSorin Molecular's technology is based on a disk, able to easily amplify and detect the sample, and on a PCR real time technology platform, renamed LIAISON MDX which guarantees a rapid automatized process.

Disk is available on two versions: DAD (Direct amplification disk) able to detect directly up to 8 samples avoiding the extraction phase, and the UD (Universal Disk) which analyze simultaneously 96 samples, targeted to high volumes labs.

Our Clinical areas – products launches in 2016

Gastro-intestinal infectious

- Launch of Clostridium difficile Direct on the LIAISON MDX analyzer for the detection of the organism causing Clostridium difficile infection in stool sample

Onco-hematology

- Launch of AML1-ETO on the LIAISON IAM analyzer for the diagnosis of Acute Myeloid Leukemia

Did you know?

Immunodiagnosics looks for the antibodies the human organism creates against the bug that attacks a particular point in your body. Molecular diagnostics does not look for antibodies, but looks for the actual DNA of the bug. It can quantify the charge of the bug, and thus is often used to identify and find solutions for infectious diseases.

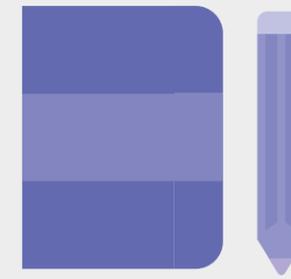
Promoting STEM (science, technology, engineering, maths)

We recognize that passion and talent develop at an early age. As a global business operating in the scientific field, we have a responsibility to promote science among children and high school students as part of science, technology, engineering and math (STEM) studies. In 2017 in Italy we are launching Mad for Science, a regional competition in the Piedmont region of Italy where we are based, which provides the possibility for 178 high schools to compete.

The contest asks that participating schools teams, made up of groups of six students and led by their science teacher, present their reasoning for wanting to conduct 10 experiments and the materials needed to do so. The winner of the competition, which will be judged by a group of experts in the field of science, will take home funding for a brand new laboratory.

The contest was launched after DiaSorin undertook research surveying around 200 science teachers across Italy and speaking directly to three science teachers from two high schools in Torino (Albert Einstein and Galileo Ferraris) on what makes students enthusiastic about science, and what school labs in Italy are lacking, therefore impacting the level of interest for the subject. Results showed that there is a clear desire among the majority of science teachers for a proper school lab so as to have the ability to teach students science subjects by conducting real-life experiments. Dedication to science, after all, comes from conducting experiments and seeing the results, not just reading it in a book. The research showed further striking results: 79% of teachers agreed that a well-equipped lab helps students with problem solving skills.

We continue to explore ways to promote STEM in our other offices as well. In the US, for example, we sponsor the Minnesota Academy of Science & Engineering Fair and the Science Quiz Bowl that provide opportunities for students to excel at science each year. DiaSorin employees volunteer as judges, so as to show students how a passion for science can develop into career opportunities.



Mad for Science research on science in Italian schools – Key Insights

- 25% of Italian high schools have a properly equipped laboratory
- 64% of teachers working in STEM argue that students collaborating with businesses in the science field is imperative
- 68% believe that the presence of a laboratory helps develop an ethical approach to science
- 65% agree that working in a laboratory helps to develop collaborative skills

ATTRACTING TALENT IN R&D

We work hard to attract the brightest talent in R&D, as these individuals will enable us to stay at the forefront of innovation. Since 2008 in Italy we provide scholarships for doctoral (PhD) students at the University of Bicocca, Milan. We collaborate with the university in the selection process, giving the PhD students selected direct access to our lab in Gerenzano over a three year period. This allows us to observe how they work, and has in many cases resulted in direct hires. In 2016 we sponsored 2 PhDs in industrial biotechnology at the University of Milano Bicocca, taking place at our site in Italy. Both students have been hired on a permanent contract basis. We also have collaborations in place with the University of Novara and the University of Trieste, providing scholarships to students on the basis that they develop knowledge and understanding of technologies useful for advancing the research and development capabilities of our business. For example, with the University of Novara we provide PhD scholarships linked to developing technologies related to genetic immunization. In 2016, these were developed on site in our lab at Gerenzano, Italy. In 2017 we will sponsor a three-year PhD program at the University of Trieste to develop and further expand our knowledge in this field. As we are in the knowledge business, and operate in a constantly evolving sector, it is important that our employees are always up to date with the latest innovations and trends. For this reason, we strongly encourage our current employees to further their studies. We have sponsored three PhDs for employees working in our Italian R&D department.

Through our US operations, we have strong collaborations with leading universities such as British Columbia in Vancouver, Canada, the University of Wisconsin and the University of Minnesota. We work in close collaboration with these universities in developing studies on diagnostic trends. These collaborations are critical in allowing us to continue fostering innovation, and also allow us to identify promising future talent. We have a structured summer program in place wherein we hire a master's student for three months to work in our lab in Stillwater. A number of these students have been hired directly from these programs.

For more detailed information on our collaborations with universities, **head to page 69.**

Our collaborations with leading universities

- University of Bicocca, Italy
- University of Novara, Italy
- University of Trieste, Italy
- University of Wisconsin, USA
- University of Minnesota, USA
- Universidade de São Paulo (USP), Brazil
- University of British Columbia, Vancouver, Canada



GAINING & SHARING KNOWLEDGE: PARTICIPATING AT SCIENTIFIC CONGRESSES

Participation at scientific congresses allows us to establish new relationships, understand the needs of the medical community and stay at the forefront of scientific innovation. It is also a way for our people to enrich their knowledge and evidence their leadership skills.

We regularly attend these congresses to present what we are developing in our labs. It is a demanding exercise, as preparation is key, but it is fundamental for us to showcase our knowledge, values and skillset. Early on in their careers, employees are asked to attend these conferences and report on their findings post-event. Sharing knowledge is key in DiaSorin and helps us to continue fostering innovation and developing leadership skills.

At DiaSorin, we focus on our employees. We strongly believe in developing our people to excel in their fields, and ensure that employees are constantly stimulated through coaching sessions, participation at events, promoting them early on in their careers and ensuring that responsibility is granted consistently.

For more details on the scientific congresses we have attended over the past three years, **head to page 70.**

FOSTERING STRONG LEADERSHIP & DEVELOPING OUR TALENT IN R&D

Leadership is an intrinsic value for DiaSorin. In order to continuously cultivate our leadership culture, we take great care in handing responsibility to individuals early on in their career.

SPOTLIGHT ON OUR TALENTS

Dr. Beatrice G.

Having completed her studies in Biomedical Engineering at the Polytechnic in Torino, in 2008 Beatrice started working in the Immuno-assay Product Development Group at DiaSorin in Saluggia, Italy. She swiftly became acquainted to working with the blood and plasma samples in the labs, showing clear dedication and talent in developing immunodiagnostic kit reagents. Soon after joining, she was promoted to Head of Product Development for the DiaSorin LIAISON infectious diseases product line. To further expand her knowledge in the field, she spent three months in the US, working within their Product Development Group.

Upon return to Italy, she used her knowledge gained in the US to propose new and innovative ways to ensure a more efficient and streamlined process between the two labs. Other aspects of Beatrice's job consists in developing new products in the immunodiagnostics field. She works on a pipeline from concept to launch date, working hand in hand with marketing to promote the products in hospitals and clinics across Europe. Today, Beatrice is responsible for Product Development at DiaSorin SpA, and leads a team of six people.

Dr. Giulia M.

Freshly graduated in Biotechnology, in 2007 Dr. Giulia commenced work on her PhD in DiaSorin's molecular diagnostics labs. She quickly familiarized herself with the nucleic acid amplification techniques and independently developed and implemented technological improvements to the LAMP technology, making it a technically accurate, fast and reliable marker for the diagnosis of leukemia. In 2011, Giulia was hired by DiaSorin on a permanent basis, becoming Head of the Molecular Diagnostics Laboratory in Italy, coordinating a group of young researchers, and growing the team from two to 11 people. In 2013, Giulia was named Director of European Molecular Diagnostics and granted responsibility for the whole R&D department in Europe, coordinating both the Italian and the Irish team based in Dublin. Under her leadership, the team grew to 21 researchers. Thanks to her outstanding work, and that of the group she coordinates, DiaSorin has developed and brought to market highly innovative and unique molecular tests for the diagnosis of certain forms of leukemia, currently used by all the major Italian centers of onco-hematology.

Dr. Chiara M.

Chiara M. joined the company in 2012, initially on a two-month internship. She was soon granted a scholarship to study for a doctorate in biotechnology at the University of Milano Bicocca. Over the next two years, she worked on her PhD in our molecular diagnostics lab in Gerenzano, Italy, developing an innovative software to design diagnostic tests based on the LAMP technology.

She also worked on developing numerous other diagnostic tests. In 2016 she was hired on a permanent contract basis, working as a Project Leader in developing tests for the diagnosis of certain forms of leukemia. In light of her experience, she was transferred to our molecular laboratories in Dublin, Ireland from November 2016 to January 2017, where she shared her knowledge of the field. She continues to coordinate and manage activities of this nature.



OUR SCIENTIFIC COLLABORATIONS

At DiaSorin, scientific collaboration is a key component of our R&D strategy. It provides us with the tools and knowledge to foster innovation.

University British Columbia, Vancouver Canada: Study on CanPREDDICT

The Canadian Study of CanPREDDICT is a large, prospective, pan-Canadian, cohort study designed to improve our understanding of determinants of renal and cardiovascular (CV) disease progression in patients with Chronic Kidney Disease (CKD). The primary ongoing objective is to clarify the associations between traditional and newer biomarkers in the prediction of specific renal and CV events, and of death in patients with CKD managed by nephrologists. This information could then be used to better understand biological variation in outcomes, to develop clinical prediction models and to inform enrolment into interventional studies which may lead to novel treatments.

Through these connections, we had the possibility to go to two valuable collections patients with chronic kidney disease, the study The Canadian Study of CanPREDDICT and ProgreDir study.

Collaborating with clinics worldwide

We operate in an evidence-based world and as such, we search for partners that share our passion for science and our desire to address unmet medical needs. Our R&D teams have formed partnerships with hospitals and clinics to develop protocols that examine whether the characteristics of a product we have developed has a significant diagnostic utility. This is important, both on a scientific and on an ethical level, as it defines the basis of our business.

As stated previously, our relationships with the scientific community are important for us to continue innovating and developing new tests. Collaborating with clinics allows us access to key opinion leaders in the medical community, who determine what patients need. With this information in hand, we can go back to our labs to develop the product which perfectly meet their needs. We then work directly with clinics and hospitals to ensure the clinical basis for the tests is strong enough to warrant its development at a commercial level.

To read more about our scientific collaborations, **head to page 73.**

Scientific boards

Our partnerships and strategic alliances with the science and medical community are imperative to our business. Not only do they help us innovate, but they are also critical in enhancing our pipeline in key disease areas. In Italy, we currently have scientific boards made up of experts on nephrology (kidney function), on oncology (cancer-related diseases) and on gastroenterology (gastrointestinal disease). Each board usually includes both representatives from DiaSorin and external members, meeting once a year to discuss developments in their field.

Our scientific board on oncology led to us to work in close collaboration with a group of experts across 10 of the top Italian oncology departments to develop a marker on leukemia.

This process included understanding the characteristics of a specific test needed in order to develop a product that was competitive on the market. Our scientific board on nephrology in the US has been meeting annually for four consecutive years, leading to significant results in developing our Vitamin D test to diagnose different aspects of kidney failure.

The relationships we cultivated in this case permitted us access to two cohorts of patients across the globe who suffer from chronic kidney-related disease (CKD), resulting in the Canadian Study of Prediction of Death, Dialysis and Interim Cardiovascular Events (CanPREDDICT) and ProgreDir study. Being able to study these patients is critical for us to develop products that provide the most accurate results so that patients can receive the medical attention they need. Having access to cohorts across the globe also allows us to study how different ethnicities react to the disease, helping us to develop tailored products for different markets.

To find out what markers we developed through our scientific boards, **head to page 74.**

Nurturing Talent:

our responsibility
towards our people





Key people data

1.678 EMPLOYEES

Our workforce grew in 2016 by **4%** to reach **1.678** employees

+4%

OUR PRESENCE IN CHINA

We increased our presence in China, a strategic market for us, by **19%** this year

+19%

WOMEN EMPLOYEES

45.5% of our employees are women

45.5%

WORKFORCE DEGREE

58% of our workforce have a degree

58%

TRAINING HOURS

Training hours for employees amounted to **60,652** in 2016. Our training on safety procedures in our 6 manufacturing sites increased by **42%** since 2014

+42%

Data not include Focus Diagnostics

We prolonged and entered into new partnerships with leading hospitals to fund research scholarships.

What makes us tick

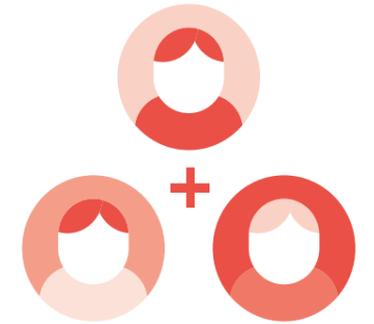
LEADERSHIP

At DiaSorin, we strive for excellence. It is our people, through their professionalism and dedication, who enable our business to grow and excel.



ENGAGEMENT

At DiaSorin, our strategy on engaging people takes into account our strong corporate culture and a shared commitment to reaching goals. In order for individuals to reach their full potential, committed leaders are expected to understand their employees' capacities and competencies so as to aid their development and career growth.



LEADERSHIP

A leader has an innate sense of belonging and is proud to be part of the company they work for. At DiaSorin, leaders are expected to foster an atmosphere of collaboration, to encourage a common language and culture among all employees and to set clear expectations and goals so that each individual can reach their full potential and can work towards the company's sustainable future.

What we've achieved:

Our leadership model provides a structured approach to developing our managers. **On page 47**, we describe our culture of leadership and how the model has evolved alongside the business.

COMMUNICATION

Transparent communication with our employees is primary. The cultural diversity of our business feeds into everything we do: from defining our corporate vision to our focus on attracting and retaining talent. Sharing different viewpoints in a clear and concise manner, and finding a common ground between us, allows us to constantly evolve and face both opportunities and challenges head on.

OBJECTIVES

Each employee's contribution is key. For this reason, every objective set must be clearly defined, measurable and achievable. We do not expect individuals to go at this alone – this is not a solitary challenge – but a shared path between managers and employees. The ultimate achievement of objectives is gratifying for all involved, and thus continuously strived for.

What we've achieved:

In the last few years, we have rolled out the Performance Management Process Lead across the business for employees in senior management positions. The PMPL assesses managers on their performance throughout the year, and provides clear, strategic objectives.

We assess and provide individuals with objectives via our structured MBO and incentive plans.

On page 50, we describe how this process works in detail.

PEOPLE DEVELOPMENT



We are committed to the continuous growth and development of our people through structured training programs, coaching sessions and feedback plans.

DIVERSITY

We are proud of the cultural, professional and generational diversity of our business. Not only does this help us nurture new and innovative ideas in the workplace, but it also allows us to foster long-lasting relationships with our partners and stakeholders.

PROFESSIONAL GROWTH

Professional growth at DiaSorin is one of the key pillars of our People strategy. Ample opportunity is given to people to grow within their sector, and to evolve as the business evolves. Clear-cut responsibilities are granted early on, with the Group's global presence providing the possibility to work in different locations, experiencing new ways of approaching issues.

What we've achieved:

In 2016, our total number of training hours reached 60,652. From technical training, to training on leadership, our programs cover a number of soft and hard skills. See what types of training programs we offer across our strategic markets **on page 53.**

COMPETENCE

Operating in the complex world of diagnostics requires technically competent people. For this reason, DiaSorin invests heavily in research and innovation. Our history bears witness to our ability to create and further develop what did not exist before. Since our inception, we have launched 5 – 6 new tests on a yearly basis, becoming the player with the largest number of tests available on the CLIA platform. Research, innovation, development, knowledge: these are the values that drive our business. Our people are called to continually create and improve upon products that can meet previously un-met needs.



LEARNING

Our investment in internal and external training programs and participation at scientific congresses plays a crucial role in our employee's career trajectory. We are constantly learning so as to have the skills to create that innovative product that allows DiaSorin to stay at the forefront of diagnostics. It is through continuous learning that we can ensure the sustainability of our future.

What we've achieved:

Since 2014, we have attended over 35 scientific congresses across the globe, gathering insight and knowledge from experts in the field.

Read more on this in our chapter: "Nurturing Innovation" **on page 26.**

TALENT & KNOW HOW

We believe that talent must be constantly sought out, cultivated and nourished. Attracting and retaining talent is important to us. At the end of the day, knowledge and skills are best business card we can present to our stakeholders. For this reason, laboratories across the world look to us for our diagnostic products.

What we've achieved:

- Since 2014, our people have increased by 4%
- In 2016, our work on attracting talent has seen us collaborate with 9 different universities worldwide.
- In 2016, we attended seven job fairs in Italy and the US

Find out what else we do to attract and retain talent **on page 46.**

OUR ROLE WITH OUR PEOPLE

A person's single contribution and potential shapes our business trajectory. For this reason, we emphasize and recognize the value of each individual. We have a long-term view of the business, just as we have a long-term view for the professional growth of our people. It is our people who each day allow us to achieve our goals.

Attracting and retaining talent are the bedrock of our business. The structure of this chapter reflects our year in brief, and the work we have done in developing both these areas.



On retention

- We detail how our strong leadership culture is formalized through our Leadership model, incentivizing our managers to continue developing their skills / **see p.47.**
- We describe what we do and what programs we have in place to develop our talent / **see p. 52.**
- We detail our welfare provisions and what benefits we offer / **see p. 57.**
- We describe our work culture and what processes have been put in place to ensure a more satisfying work place / **see p. 56.**
- We outline the employee engagement activities we have in place for our employees across our key strategic markets in Italy, China and the US / **see p. 56.**

On attraction

- We detail how we work with prominent universities in our key strategic markets to recruit the best talent / **see p. 60.**
- We share our experience working with schools in helping to develop & attract the next generation of scientists / **see p. 64.**
- For specific details on how we attract talent in R&D, **see the previous chapter.**

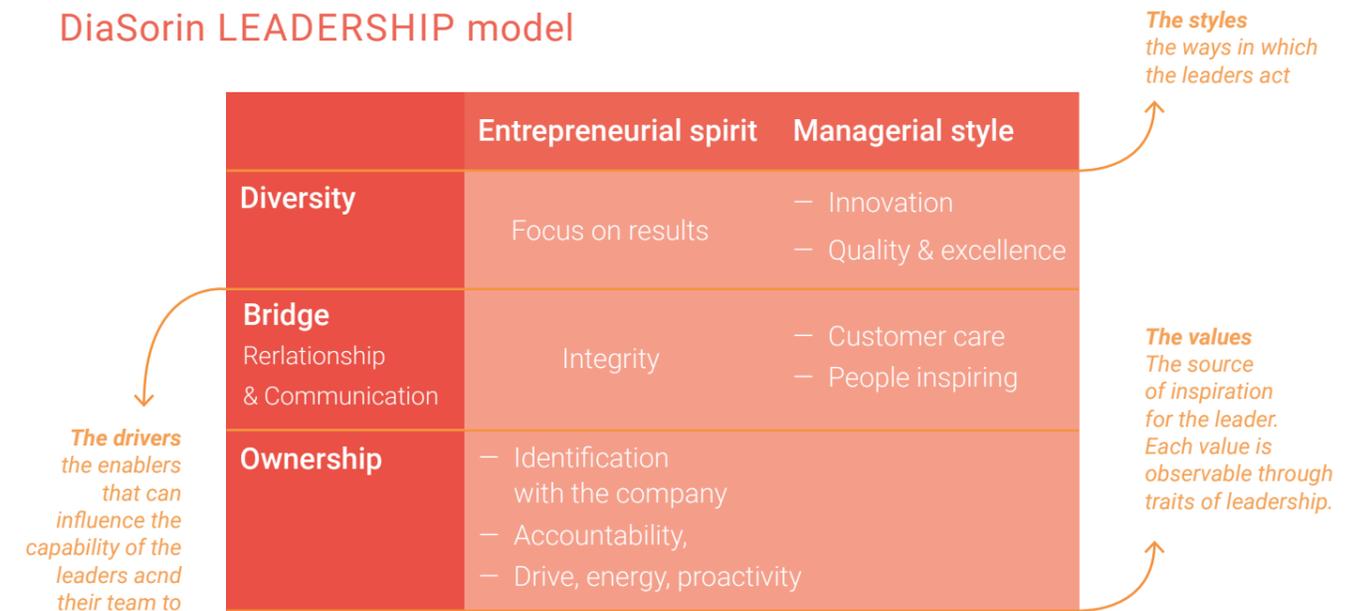
A STRONG LEADERSHIP CULTURE

Our strong leadership culture harks back to our inception, founded on a sense of entrepreneurialism and a strong determination to succeed. Hiring the best talent across the globe has led to our continuous growth, and since 2014 our workforce has increased by 4%. Developing our talent in order to continue innovating and producing quality products, as well as expanding our product pipeline in our strategic markets – Italy, China and the US – continue to be key priorities for us.

What our leadership model is for:

- To create a common language about the expected managerial style in DiaSorin
- To clarify expectations on goals and outcomes
- To facilitate the recruitment process, sharing the required profiles
- To structure evaluation of people's soft skills
- To nurture a culture of assessment and coaching

DiaSorin LEADERSHIP model



Our Leadership model focuses on diversity, building relationships and taking ownership. It is a guide to inspire managerial action on a daily basis, providing a mirror to recognize strengths and weaknesses, and to continuously develop.

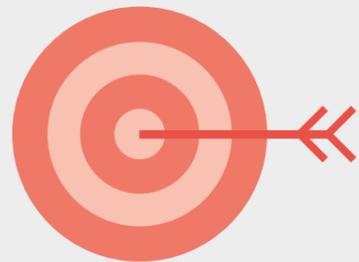
The DiaSorin Leadership Model's ambition is to identify the "Uniqueness" of our way of being a Leader, thanks to the identification of our Values, the source of inspiration for our management.

Evolution of business, evolution of talent

To strengthen and promote excellence in all internal processes, and in response to the evolution of our business, in 2016 DiaSorin embarked on a strategic reorganization and development of our European industrial and global commercial arms.

Investment in internal professional growth and development was at the forefront of this change, resulting in a number of internal promotions, with new roles created and responsibilities designated. In our global HR team alone, 30% of our corporate team changed role.

The most significant internal management changes for the Group were the amplified roles of the Senior Corporate Vice President and Chief Financial Officer and the creation of two new senior positions in the commercial and industrial arms. We have always believed that the development of our business goes hand in hand with the development of our people. For this reason, we implemented a training course on leadership for our senior management. In 2016, our global HR teams conducted four leadership workshops made up of 75 executives. These workshops were set up to provide our managers with the values and skills needed to lead their own teams.



The evolution of our business

As a consolidated player in the immunodiagnostics field, we are now expanding our research and development capabilities in molecular diagnostics.

To read more on how our business has evolved in 2016, flip back to the previous chapter.

Developing our future leaders: Performance Management Process Lead (PMPL)

After a successful pilot program in 2015, in 2016 we rolled out the *Performance Management Process Lead* (PMPL) across the business for employees in senior management positions. In 2017, this will be rolled out to all managerial positions.

PMPL provides managers with a structured feedback process covering their individual performance, contribution to the business and leadership potential. The goal of providing consistent feedback is to raise self-awareness on strengths and areas of development, promote dialogue about leadership and behaviors and reinforce the motivation to develop and to keep improving. In 2017, this will be fully aligned to our leadership model, in that individuals will be assessed on both their performance and the leadership skills they display.

In 2016

we held five workshops to develop understanding of DiaSorin's leadership values and the PMPL evaluation process:

MAY – Corporate Function Management (20 Managers)

JUNE – Strategic Markets Management Team (10 Managers)

JULY – Europe & Israel Country Managers (10 Managers)

SEPTEMBER – Europe & Israel; CM's 1st Reports (30 Managers)

OCTOBER – WW Service Managers Meeting (20 Managers)

MBO

The MBO plan covers individuals in executive, director, manager and specialist roles. It provides individuals with measurable quantitative and qualitative goals and rewards organizational performance.

Incentive Plan

The incentive plan covers sales, marketing and service related positions. It is customer driven, incentivizing sustainable customer value creation and awards outstanding achievements.



Developing our future talent: MBO and Incentive Plans

Employees in non-managerial roles are evaluated via our MBO and Incentive Plans, both of which are tailored to each individual's objectives and achievements.

There are three key phases in evaluation process, designed to take place over a year:

- Assignment: defines set objectives
- Intermediate phase: Half year review on objectives
- Results consolidation phase: Consolidation revisions and evaluation discussion

The table below shows some of the key numbers of the performance review activity of the Group between 2014-2016, and takes into account the PMPL program for senior managers piloted in 2015 and continued into 2016. This will be rolled out to employees in all managerial positions in 2017

We care about the personal growth of our employees: between 2014 and 2016, over three quarters of our employees received performance reviews, with all our senior managers subject to review on a yearly basis.

PERFORMANCE REVIEW	2014			2015			2016		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Numbers of employees covered	710	588	1,298	738	576	1,314	742	553	1,295
Senior management (VPs, directors)	54	13	67	57	14	71	54	18	72
White collars	546	493	1039	568	484	1052	580	464	1044
Blue collars	110	82	192	113	78	191	108	71	179
Percentage of employees covered	81%	79%	80%	82%	76%	79%	78%	70%	77%
Senior management (VPs, directors)	100%	100%	100%	100%	100%	100%	100%	100%	100%
White collars	85%	79%	82%	85%	75%	80%	83%	71%	77%
Blue collars	63%	77%	68%	64%	81%	70%	68%	76%	71%



TRAINING & TALENT DEVELOPMENT

G4-LA9

We consider training and development fundamental to developing our people. In fact, we provide training and education programs from the get go, by providing new entries with an induction program the moment they join us.

Some of the initiatives and programs we have developed over the years include:

- Induction programs, 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 technical product features for the Marketing and Service Departments
- Environment Health and Safety development programs
- Human Resource management programs
- Training programs aiming to infuse the “quality first” culture of the Group
- Leadership training for executive positions
- One on one coaching and mentorship sessions



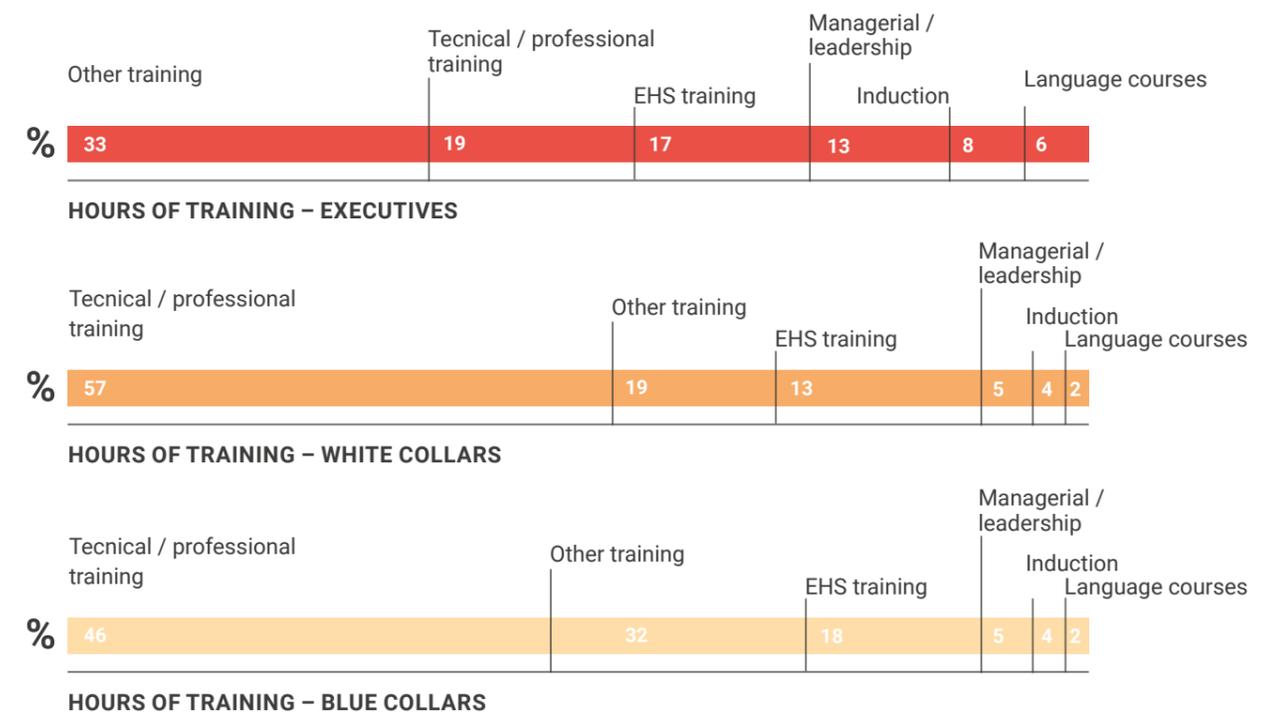
Training hours

Since 2014, we have consistently delivered over 60,000 hours of training. Average training hours per employee in 2016 were 36.15 hours.

Our training programs are developed to provide our people with the training and development tools necessary to complete certain tasks at hands. Once this knowledge is gained, hours of training on these specific areas decrease, and may increase in other areas.

In 2016, training was mainly focused on technical-professional aspects (including aspects related to administration and finance). The number of training hours of this type increased by 12% between 2014 and 2016, representing more than half of total training hours, and reaching 57% for white collar workers and 46% for blue collar workers. Training on health, safety and environment topics also increased substantially over the past three years (+42%).

To see more data on training, head to our sustainable practices chapter.



Induction program for new hires

We place great importance on making our new hires feel at home.

Our induction programs serve to introduce new entrants to our company by explaining what we do and introducing them to their teams and key leaders across the business.

Our Corporate Induction for Managers and Top Managers takes place at our corporate headquarters in Saluggia, Italy. Taking place over four working days, managers are introduced to the top management of the group through presentations and events.

For non-managerial employees, a local induction taking place over one working day gives new hires the chance to learn how the business works, and gets them acquainted to their new team and role. Coaching and tutoring is also provided, to develop personal competences across the business.

Training initiatives across our key markets

Italy

At our headquarters in Italy we are looking to fully implement the PMPL process to foster leadership and managerial skills to all our managers in 2017 (see page 49 for more information). We also provide ongoing training on technical and security-related subjects.

China

In China, due to the significant headcount increase, we provide a two day induction training on a quarterly basis. Ongoing technical and core EHS training is provided for the service and marketing teams. Training courses for country managers are provided to improve their leadership skills. Using an internal benchmarking tool, they receive feedback on a continuous basis. We have also started hosting leadership meetings, wherein we bring all the heads of departments in our Shanghai and Asia Pacific office together, to share ideas, thoughts and concerns. This is expected to continue into 2017, as the sharing of ideas between managers allows for a better alignment of business goals, and a more collaborative work environment.

US

In 2016, our US office launched the Quality and Regulatory Group specific development course for supervisors and managers on how to communicate intentionally. This took the form of coaching conversation courses, and focused on developing skills to improve listening, increase awareness of oneself as a communicator, learn how to develop and deliver clear messages, and motivate, engage and resolve issues on a one-to-one basis. The commercial leadership series, launched in 2015, continued into 2016 and included all supervisors and managers. The developmental courses provided focused on:

- Coaching Conversations
- Change Management
- Communicating Intentionally
- Leveraging Challenge and Conflict
- Developing Self and Others

The coaching conversation development course was provided to all supervisors and managers and included a web based 360 degree feedback assessment and a one hour assessment debrief with a coach. Further to this, a pilot training course on performance-management involving 45 top managers took place. Based on giving consistent feedback over a year period on objectives and leadership skills, an engagement survey towards the end of the pilot drew positive responses from managers and their employees. The roll out of the official program is expected in 2017.

Our employee engagement initiatives across our key strategic markets

Italy

Throughout 2015-2016, we reorganized our office layout in our corporate office in Saluggia, facilitating a more collaborative work environment.

China

In 2016, our China office held their first 5k running session ("Run for Health"). Held in Century Park Shanghai on Oct. 29th, and attended by more than 40 employees, it was the first joint event organized for the APAC Regional, Export APAC and China teams

We also host a monthly birthday cake celebration for employees who share a birthday within the same month

US

Our US office hosts an annual awards banquet in April on employee recognition, recognizing outstanding contributions of the year

In 2016, several events for interns during summer took place, such as the annual summer outing to the Saints Game, our local baseball team

A charity fundraiser in October raised money for United Way

Annual holiday party

EMPLOYEE ENGAGEMENT

Providing an efficient, collaborative and enjoyable work environment is imperative to our business. For this reason, we place great importance in engaging our employees on activities both within and outside of the office.

Building efficient processes to meet process and employee needs

In 2016, we optimized our production process in our production plants in Saluggia, Italy and Dietzenbach, Germany. Workshops were held in our labs as the involvement of our employees was key. A number of them were interviewed to better understand how to make our processes more efficient.

This resulted in an improvement in our overall production processes, including:

- An increase in the volume of production while maintaining the same headcount
- The creation of a new role (Head of Logistics) to oversee both sites
- An overall more fluid work atmosphere and culture

WELFARE & BENEFITS

G4-LA2

Compensation

We manage our human resources based on sound retention and compensation policies, offering our employees effective and professionally satisfying career paths that are compensated in the most fair and transparent manner possible. Career paths are not standardized and are instead developed jointly with the supervisor based on the specific needs of the employee. For non-managerial figures, the local HR structures are heavily involved in career development plans, as professional growth is imperative to talent management. As part of our retention program, Group executives are granted stock option plans.

We have a centralized Group compensation policy in place, which structures the remuneration of the Top Management of each legal entity. This helps render the system homogeneous across our global hubs. For non-managerial positions, the local HR offices are given the freedom to customize policies, adapting them by taking into account local needs.

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

Pension plans

G4-EC3

We offer different types of defined-contribution and defined-benefit plans, in accordance with the local conditions and practices in the countries in which we operate.

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. Our pension plans at group level that qualify as defined-benefit plans include the 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 that certain Group Companies paying contributions to public or private insurance institutions pursuant to a statutory or contractual obligation or on a voluntary basis.

Benefits

We believe in providing our employees with a number of benefits, which form part of our hiring and retention plan. Below we breakout the benefits we offer our employees in the key markets in which we operate in.

Italy

Our Italian office, where our headquarters are based, provides seniority bonuses, which are paid when employees reach a predetermined length of service. In 2016 we also introduced a mobility plan for voluntary retirement. According to the collective bargaining agreement that has been in force since 2004, employees are provided with flexible working agreements in terms of part time employment as well as paternity leave.

Towards the end of 2016, we signed a welfare provision plan which will be implemented in 2017 and continue until the end of 2019. The plan entitles all DiaSorin employees to the following:

An annual bonus of 2,000 Euro per year (an increase of 16,5% relative to the plan stipulated in 2014-2016)

The welfare plan provides each DiaSorin employee with 864 Euro throughout 2017 – 2019 (288 Euro a year). The employee can pick one of the following services:

- FASCHIM (Fondo di Assistenza Sanitaria del settore – “private health care”): The employee can decide whether to extend the coverage to their family
- FONCHIM (Previdenza Complementare di settore – “Pension Fund”): The employee can choose to invest this money in a pension fund of his or her choice
- Training & education costs including, but not limited to: preschools, summer schools, scholarships, baby sitting services, university taxes, university books and so forth

US

In 2016, the US office held a Vivarae Health Screening on site in Stillwater. The results of this screening can be used by employees for upcoming wellness activities based on the feedback received.

In June, a Wellness Fair was conducted. A tent was set out in the parking lot with all of DiaSorin’s current US healthcare vendors, including local businesses that offered healthy foods. Anytime Fitness offered free training sessions and personal training at the Stillwater location.

The Wells Fargo Financial & Health based Lunch & Learns allowed employees the chance to learn more about financial matters including budgeting & savings, credit, fraud protection, mortgage information, college and retirement planning. A renowned chiropractor presented on healthy living.

The EHS hosted a Flu shot clinic in November for all employees, of which 105 employees participated.

In September 2016, a trainer from the Minnesota Safety Council was invited to conduct an Introduction to Loss Control training program for the operational supervisors and managers. It was a full day class, attended by 25 employees.

Furthermore, our US office offers a competitive benefits package including a retirement savings plan, health and dental insurance, life and disability insurance. An Employee Assistance program to support employees and families facing difficulties is also provided.

China

Our Chinese office offers regular benefits such as medical insurance and pension plans, as well as free gym access to encourage our employees to stay healthy and fit.

ATTRACTING THE BEST PEOPLE

We are aware of the responsibility that comes with creating products that are intended to better patients' lives, and therefore take great care in hiring people that have the relevant skills to do so. What does this mean in practice?

We are focused on acquiring high quality and diverse talent through a number of initiatives, ranging from our work with high schools, direct recruitment from top class universities to scouting out skilled industry professionals who can make a difference to our organizational growth.

Our key strategy is to invest in people with strong academic and research backgrounds; people with a strong work ethic, who are passionate about their chosen field, and are eager to innovate and make a difference to the world of diagnostics. For example, through our collaboration with the Molinette Hospital in Turin, a renowned Italian hospital for which we fund research, we were able to hire people with significant experience in the field of medicine and research.

Attracting the best talent across our strategic markets

University outreach in Italy

- We participated at the career day hosted by University of Novara in October 2016. Our objective was to meet students studying biology and biotechnology and present DiaSorin to them. Result: We received 60 CVS and conducted 54 interviews
- On November 16th 2016, we participated at the "Al Lavoro / At Work International" event organized by ALMA Laurea Milan where we met graduates with international working experiences. Result: We received 81 CVs and conducted 48 interviews
- Towards the latter end of 2016, we signed an agreement with the University of Turin to provide 6 month internships to students specializing in clinical biochemistry, microbiology and virology. The students were permitted access to our labs and facilities. We presented the company, and provided a site visit to Saluggia, to students undertaking the masters in regulatory affairs at the University of Torino Chimica Tecnica Farmaceutica. Result: We received 12 CVs and conducted 3 interviews

- Presentation of the company to students studying a master's degree in economics at the University of Turin
- See our other collaborations with leading Italian universities **on page 32.**

University outreach in China

- The QiuSuo Scholarship, signed by DiaSorin Ltd. and Shanghai Jiaotong University School of Medicine, aims to encourage excellent undergraduate students majoring in laboratory medicine. In 2016, eight scholarships were granted, covering a total cost of \$40,000. Scholarships were granted to second, third and final year undergraduate students in the medical faculty of the university. Requirements included passing the CET-6 test, performing within the top quartile of their class, being recommended by a member of the medical faculty and conducting an interview in front of the University Review.
- We continued our collaboration between Jiao Tong University in Shanghai and LUISS University in Rome. We offered internships to two students in our financial and commercial departments in Shanghai.

University outreach in the US

- We participated in job fairs at the University of Minnesota, the University of Wisconsin, University of Wisconsin Lacros and the University of Wisconsin River Fall
- 16 internships were offered in our US office in Stillwater. The students were also granted \$14,000 in scholarships
- In 2015-2016, a total of 7 interns in the following departments were hired: after-market services (1 hire), EHS (1 hire), Product Development (2 hires), Regulatory affairs (1 hire) and Operations (3 hires)

Representing DiaSorin at the global level

In 2016, DiaSorin was chosen as the representative Italian company for the global CFA Institute Research (CFA) Challenge.

“The CFA Challenge provided us with the opportunity to come into contact with a pool of talented individuals.”

- 137 CFA Member Societies
- 99 CFA Local Challenges
- 70 countries

Eight universities competed at the national competition in Italy:

- Bocconi University
- Milan Cattolica University
- Polytechnic of Milano
- Ca’ Foscari University, Venice
- University of Bolzano
- University of Pavia
- University of Trieste
- University of Modena and Reggio Emilia

In the first part of the challenge, eight Italian universities competed at a national level in a bid to represent DiaSorin at the European challenge and thereafter the global challenge, held in Chicago, US.

Key stats to include:

- 4000+ students
- 2,500+ industry volunteers
- 865+ universities



What is the CFA Challenge?

The CFA Institute Research Challenge is an annual global competition that provides university students with hands-on mentoring and intensive training in financial analysis. Students work in teams to research and analyze a publicly traded company. In 2016, DiaSorin passed a rigorous selection process and was chosen as the Italian company to be represented at the Challenge.

“The CFA picked DiaSorin based solely on the transparency of our public documents. This is testament to our belief that transparency in the market, and to our stakeholders, is key.”

The challenge

Each team was asked to write a research report on their assigned company with a buy, sell, or hold recommendation and asked to present and defend their analysis to a panel of industry professionals. DiaSorin met with each of the teams to present the company, and they were granted a further 30 minute conference call with the Head of Investor Relations.

The results

Held at PWC’s offices in Milan in February 2016, Polytechnic of Milan was crowned the winner, with a recommendation to buy the company. The team went on to represent DiaSorin at the European championship, where they competed against thirteen European countries, and won the challenge. This took them to the global competition, where they represented Europe, in Chicago.

“ We provided maximum support to the students throughout the process, granting a spot to one individual on the winning team on our US Investor Road show to meet 20 of our top investors.”

The Next Generation of Scientists

The University of Bolzano and Ca' Foscari (Venice) invited DiaSorin to speak about the CFA challenge in front of more than 200 students and professors. This gave us the opportunity to meet a number of talented individuals. In fact, we received more than 50 CVs on the day alone.

As part of our corporate mission to support STEM (see page 30 for more information on our Mad for Science Project), we partnered with two Italian high schools – Liceo Newton Chivasso and Liceo Piero Martinetti Caluso in Torino, Italy, – on a project entitled “Progetto Buona Scuola” (Project Good School).

The scope of the project was to provide students with a different type of learning experience by offering a real-life scientific case study straight from DiaSorin's laboratories – our test diagnosing HIV. We worked with two classes in both schools over a two-day period, with students presenting their key findings at the end of the session.

Progetto di Alternanza Scuola-Lavoro “Project Alternating School-Work”: In Italy, Law 107/2015 “La Buona Scuola, “The Good School” stipulates that students in technical schools and vocational high schools are obliged to undergo a total of 200-400 hours training with companies.

Why work with schools?

For a fourteen-year-old high school student, the field of science, and more specifically immunodiagnostics, may seem abstract and far flung from the real world. For this reason, we strongly believe students can benefit from hearing and learning from people working within this field. It is also a way for them to learn useful skills, and understand how science and business inter-relate.

Collaborations between DiaSorin and local schools serve to further nurture an interest in the field. After all, talent sprouts at a young

age, and passion and knowledge can spark an interest in studying science later in life. It is a two way street: a way for students to get acquainted to the corporate world and a way for us as a business to activate contacts with people that could become interns in the future. It is crucial we invest in the next generation of scientists, and this must start at a young age.

Scope of project

The tests produced by DiaSorin, diagnosing HIV, formed the basis of our training. Students learned about the historical and epidemiological concepts tied to the disease, as well as the different stages DiaSorin went through to develop the product. How professionals collaborated to develop the product, and how they organized their work, was also explained.

Presentations by internal DiaSorin employees explained the culture of the company, illustrating how passion for the job and talent of our people are key factors to DiaSorin's success. The external view of the company, from an investor relator's and communicator's perspective, was also given so as to provide a holistic view of the company.

Upon the closing of these presentations, the following three tasks were assigned:

- Students were asked to write a press release on DiaSorin's journey to developing the HIV diagnosis test
- They were then asked to develop a Power Point presentation of 10 slides, entitled: “HIV: from the point of view of an immunodiagnostics company”
- The creation of a document on HIV, dedicated to the patient, and focused on the diagnosis, was their final task

Students were given access to an Italian graphic agency to help provide some dazzle to their presentations and documents

Partnership

with l'Istituto Superiore “P. Martinetti” di Caluso (Highschool in Caluso, Italy) to provide internships to students in junior and senior high. In 2016, we hired 1 intern from our 2015 cohort of 3 interns.

“Wow, my 2016 future”

Our Italian office participated at the event “Wow, my 2016 future” organized by the Industrial Union of Vercelli. Throughout the event we had the opportunity to present our company to high school students majoring in technical and science subjects in the Vercelli, Italy region.

Mad for Science

Is a regional competition in the Piedmont region of Italy which sees around 50 high schools compete to win funding for a new laboratory. Find out how this fits into our mission of promoting STEM worldwide, and what exactly the project entails on page 30.

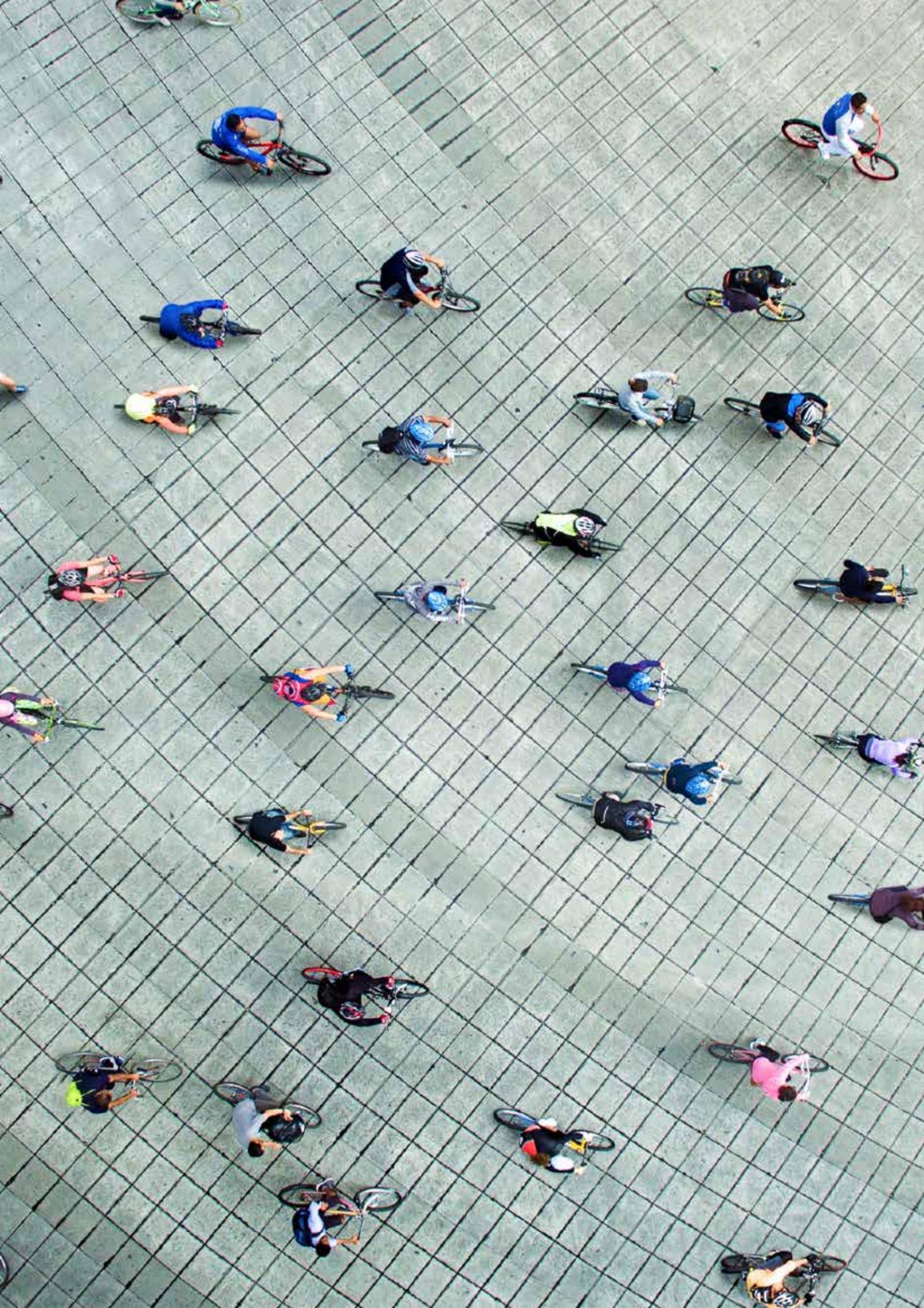
Project “Lead the Way” 2016

Presented the opportunity for our US office to take part in “Speed – STEM” at the Stillwater Junior High and Oakland Jr. High. Volunteer employees went to the schools over lunch to answer questions presented by students to enhance their career exploration and awareness.



*Our sustainable
practices*





R&D and Innovation: our Collaborations

OUR COLLABORATIONS WITH UNIVERSITIES

Faculdade de Medicina (FM). Universidade de São Paulo (USP), Brazil

Together with FMUSP, DiaSorin is currently running the ProgreDir cohort study. Using samples collected in 2012-2013, the longitudinal research studies patients from the Hospital das Clinicas - FMUSP suffering from chronic kidney disease (CKD). Chronic kidney disease (CKD) is a growing public health problem. The number of patients requiring renal replacement therapy is increasing, which can lead to the development of further cardiovascular diseases. The cost associated with the treatment reaches about 10% of the NHS budget. Preventive actions are imperative, and it is necessary to better understand the mechanisms involved in the progression of CKD.

Wisconsin University, USA

We have a long standing relationship with the biochemistry department of the University of Wisconsin (Madison). We collaborate with the university on research studies and attend their job fair.

University of Minnesota (UofM), USA

We collaborate with the University of Minnesota on projects related to bone and mineral and metabolic diseases.

Due to the close proximity the University of Minnesota provides easy access for attracting talent, including summer students, and to technologies/instruments not available in the company.

DiaSorin has partnered with FMUSP to evaluate the clinical and laboratory data of the cohort baseline. Among the many variables to be analyzed in relation to renal function, we evaluate data prior history, anthropometry, classic cardiovascular risk factors, risk factors related to uremia (mineral metabolism, metabolic acidosis and anemia), and pre-clinical measures of atherosclerosis, such as calcium score in coronary, carotid intimal media thickness-media and pulse wave velocity. (AU)



OUR PARTICIPATION AT SCIENTIFIC CONGRESSES



On immunodiagnosics

US congresses Participation at 5 congresses

2014

1 congress / 1 person attend

- Mass Spectrometry: Applications to the Clinical Lab, San Diego, CA (1 person)

2015

2 congresses / 2 people attended

- Mass Spectrometry: Applications to the Clinical Lab, San Diego, CA (1 person)
- Protein Stability Conference, Breckenridge, CO (1 person)

2016

2 congresses / 3 people attended

- PepTalk: Protein Science Week, San Diego, CA (2 people)
- American Chemical Society National Meeting, Philadelphia, PA (1 person)

European congresses (Participation at 17 congresses)

2014

5 congresses / 7 people attended

- PepCon (1 person)
- ProtStab (2 people)
- Cell BioProcess Techn. (1 person)
- ISB (1 person)
- Antibody drug conjugates (2 people)

2015

6 congresses, 7 people attended

- PepTalk (1 person)
- RPP8 (1 person)
- Downstream processing (1 person)
- Baculovirus protein expr (1 person)
- Structural bioinformatics (2 people)
- PEGS Europe (1 person)

2016

6 congresses / 7 people

- Analysing/validating bioassays (2 people.)
- Biologics and biosimilars (1 person)
- Pichia pastoris course (1 person.),
- 5th Workshop on bioactive peptides (1 person)
- 34th European peptide symposium (1 person)
- Antibody engineering and phage display (1 person).
- XXI EHA Copenhagen, Denmark

On immunodiagnosics

China

APFCB Congress 2016

The 14th Asia-Pacific Federation for Clinical Biochemistry and Laboratory Medicine Congress (APFCB Congress 2016) took place on the 26-29th of November 2016 in Taipei (Taiwan). This year's APFCB was held together with the Chinese Association of Clinical Biochemistry (CACB). The newly appointed distributor of CLIA in Taiwan assisted in replying to Taiwanese customers' enquiries. Held every three years, the Congress in 2016 hosted over 3,400 participants including delegates, speakers, and exhibitors from 52 countries. This year, the main theme was "Advancing laboratory medicine for better patient care". DiaSorin APAC sponsored the event and presented the full range of DiaSorin products and solutions. We are looking forward to 2017 in order to implement the gained in APFCB 2016 and continue our growth in the Asia Pacific region.

The 8th National Congress of the CSBT

From Nov 8th to 11th, 2016, the 8th National Congress of the CSBT was held in Xiamen city, Fujian province, China. CSBT's biennial congress is the most influential congress in the blood bank field in China, with 1200 representatives and 60 companies attending the event. As the leading provider for imported blood bank products in China, DiaSorin participated at this congress with a booth and displayed both our Murex product line and CLIA H&R product line. A total of 38 blood banks registered at our booth, and 20 participants participated in our paper survey about the NAT effect and CLIA tendency in blood banks. We also provided information on our Liaison XL and Liaison H&R product line at this congress, so as to raise awareness CLIA solution to Chinese blood banks.

European Congresses

- XIX EHA Milan, European Hematology Association (1 participant)
- XIII SIE Rimini, Italian Association of Hematology (2 participants)
- AMP 2014, American Molecular Pathology (2 participants)
- XX EHA Vienna, Austria (3 participants)
- XLV Congress SIE 2015 Florence, Italy (1 participant)
- XVII ESH Estoril, European Society of Haematology (1 participant)
- AMP 2015 (2 participants)
- XXI EHA Copenhagen (2 participants)
- XIV National Congress SIES 2016 Rimini. 2 Oral presentations Latin Association of Experimental Hematology (3 participants)
- XLV National Congress AMCLI Rimini, Association of Italian Clinical Microbiologists (2 participants)

Development of specific DiaSorin products

- ECCMID Barcellona (3 participants)
- ECCMID Copenhagen (1 participant)
- ESCV Edinburgh (1 participant)
- ECCMID Amsterdam (2 participants)

OUR SCIENTIFIC COLLABORATIONS

We currently have a European partnership in place with the Humanitas Hospital in Italy, University Hospital of Nancy in France, Miquel Sans - Centro Medico Teknon in Spain and Agaplesion Markus Krankenhaus in Germany, aimed at detecting pathologies in our different clinical areas.

Our collaborations with clinics and research institutes:

- Humanitas Hospital in Rozzano, Italy
- University Hospital of Nancy in Vandoeuvre Les Nancy, France
- Centro Medico Teknon in Barcelona, Spain
- Agaplesion Markus Krankenhaus in Frankfurt/Main, Germany
- Sanpaolo Hospital in Milan, Italy
- Zhu Haiyan, Beijing Navy General Hospital, China
- Lirong, 1st affiliated hospital of Chongqing Medical University, China
- Shenghuiming, Shanghai Tongren Hospital of Jiaotong university
- Yuehuakui, Shenzhen Peoples' Hospital



Multicenter study of Parvo virus B19 – China

DiaSorin launched the Parvo B19 IgM/IgG test in 2016. Parvovirus infection is a common and highly contagious childhood ailment. In some pregnant women, the parvovirus infection can lead to serious health problems for the fetus. In order to increase awareness and knowledge of this product amongst Chinese customers, we organized a multicenter study to diagnose the prevalence of Parvo virus B19 in pregnant women. This study was led by Ruanqiang, Shengjing Medical University Hospital of China, and involved four other prominent hospitals:

- Zhu Haiyan, Beijing Navy General Hospital, China
- Lirong, 1st affiliated hospital of Chongqing Medical University, China
- Shenghuiming, Shanghai Tongren Hospital of Jiaotong university
- Yuehuakui, Shenzhen Peoples' Hospital

The English abstract of the research will be presented at the 2017 ESCMID conference, in Vienna, Austria in April, 2017.

OUR SCIENTIFIC BOARDS

- Nephrology USA: Diagnose different aspects of kidney failure
- Nephrology Europe: Diagnose different aspects of kidney failure
- Oncology: Developed marker on leukemia
- Gastroenterology: Develop a marker for gastrointestinal disease

People are our greatest assets. Every innovation, product and breakthrough we've brought to the patient stems from them.

GROWING OUR PEOPLE

Our company's greatest asset are our **1,678** employees, who work across the globe in over 60 countries. In 2016 we had 220 new hires, growing our people by **4%** between 2014 and 2016. We increased our presence in China, a strategic market for us, by **19%**.

Of our 1,678 employees at end-2016, **45.5% are women**.

In the period 2014-2016, the number of women in senior management positions increased by six positions. Since 2015, the number of men in this category decreased by four positions. The white collar segment saw a steady increase year on year for both genders, while for blue collar positions both genders see a slight decrease (blue collar jobs for women decreased by 13 people whereas for men it decreased by 17 people).



OUR EMPLOYEES BY CATEGORY						
	2014		2015		2016	
	Men	Women	Men	Women	Men	Women
Senior Management	54	13	57	14	54	18
White collars	646	626	665	646	700	653
Blue collars	175	106	177	96	160	93
Total	875	745	899	756	914	764

The table below show the gender distribution within the industrial sites in 2014-2016. While fairly equally balanced in the USA, Germany and Ireland, China and Italy see a higher concentration of men.

OUR EMPLOYEES BY KEY STRATEGIC AREA						
	2014		2015		2016	
	Men	Women	Men	Women	Men	Women
USA	51%	49%	52%	48%	52%	48%
China	59%	41%	64%	36%	61%	39%
Germany	49%	51%	48%	52%	47%	53%
Italy	56%	44%	56%	44%	56%	44%
Ireland	51%	49%	51%	49%	52%	48%

OUR EMPLOYEES BY AGE

The highest concentration of employees are between the ages of 30 and 40, with the lowest concentration in the under-30 age bracket. We have a hiring strategy in place to increase this latter number, focusing on actively pursuing and hiring graduates through university partnerships and scientific collaborations we have in place in our key markets in the US, Italy and China. Find out what we do to attract talent **on page 61**.

OUR EMPLOYEES BY AGE									
	2014			2015			2016		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Under 30	96	98	194	91	69	160	101	86	187
30-50	552	471	1,023	550	478	1,028	568	482	1,050
Over 50	227	176	403	258	209	467	245	196	441

FINANCIAL SECURITY – CONTRACTS

The financial security of our employees is important to us, which is why the number of full time employees with permanent contracts has steadily increased in the triennium.

OUR EMPLOYEES BY EMPLOYMENT CONTRACTS AND TYPE									
	2014			2015			2016		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Permanent contracts	839	716	1,555	884	743	1,627	887	749	1,636
Temporary contracts	36	29	65	15	13	28	27	15	42
Full time	874	715	1,589	896	731	1,627	909	735	1,644
Part time	1	30	31	3	25	28	5	29	34



PERMANENCE LEADS TO A STRONG FOUNDATION

The security and development opportunities we provide our employees means that many of our employees stay with us long-term, as evidenced by the distribution of years of service shown in the table below. The number of employees who have stayed with the company for over 10 years is slightly larger than those in the 0-3 and 5-10 years category.

OUR EMPLOYEES BY SENIORITY AND PROFESSIONAL CATEGORY												
	2014				2015				2016			
	0-3	3-5	5-10	>10	0-3	3-5	5-10	>10	0-3	3-5	5-10	>10
Operations	143	65	154	235	131	73	141	249	137	69	147	242
Sales & Marketing	102	55	57	53	99	69	44	55	100	62	50	54
After Market Service	115	66	103	48	112	76	96	61	119	74	104	57
R&D	27	20	44	34	24	29	36	43	29	28	46	44
Quality	21	11	21	38	23	16	18	44	23	14	21	44
G&A	66	43	48	51	64	52	45	55	66	48	47	53
Total	474	260	427	459	453	315	380	507	474	295	416	493

TURNOVER

In 2016, the Group saw a turnover rate equal to **11.8%**, a slight decrease from last year due to a dip in hiring activity. This can be explained by the strategic restructuring of our industrial and commercial arms, and the firm's focus on internal hires and promotions.

GROUP TURNOVER RATIO	
2014	11,05%
2015	12,33%
2016	11,80%

OUR PROFESSIONAL FAMILIES

Our employees are divided into the business areas outlined in the graph below. The majority of our workforce is in operations, followed by sales & marketing, a crucial function for our business as they work hand in hand with our R&D team on promoting the products we develop.

2016: Percentage of employees by business area



EDUCATIONAL LEVEL

Over the past three years, overall qualification levels at DiaSorin have increased. In 2016, over half of our employees have a degree, making up **58%** of the workforce. It should be stated that, given the business DiaSorin operates in, degrees in technical subjects account for the highest number of degrees: **37%** of DiaSorin employees have a technical/scientific degree (covering biology, chemistry, biochemistry and engineering), an increase of 12.8% since 2014. Employees with non-technical degrees increased from 323 in 2014 to 352 in 2016 (+9%).

EDUCATION									
	2014			2015			2016		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Technical degree	287	266	553	307	283	590	329	295	624
<i>Biology</i>	99	145	244	97	148	245	123	145	268
<i>Chemistry</i>	51	39	90	47	39	86	48	40	88
<i>Biochemistry</i>	49	49	98	53	57	110	52	60	112
<i>Engineering</i>	88	33	121	110	39	149	106	50	156
Non-technical degree	160	163	323	163	172	335	177	175	352
<i>Economics</i>	49	31	80	52	37	89	52	35	87
<i>Other degrees</i>	111	132	243	111	135	246	125	140	265
<i>Technical high school diploma</i>	145	95	240	155	98	253	152	96	248
<i>Non-technical high school diploma</i>	139	150	289	145	140	285	152	126	278
<i>Without a diploma</i>	144	71	215	129	63	192	104	72	176
Total headcount	875	745	1,620	899	756	1,655	914	764	1678

ABSENTEEISM

Absenteeism refers to an employee being absent from work because of incapacity of any kinds, not just as the result of work-related injury or disease. Permitted leave absences such as holidays, study maternity or paternity leave, and compassionate leave are excluded.

In 2016, we saw a slight increase in the overall number of working hours while the total number of absentee hours increased by **7.6%** between 2015 and 2016. This resulted in an increase in absentee rate.

ABSENTEEISM			
	2014	2015	2016
Total numbers of hours scheduled to be worked	3,536,323	3,610,564	3,611,189
Total number of missed (absentee) hours	131,404	162,433	174,788
Absentee rate (AR)*	7.432	8.998	9.680

*For every 200,000 hours worked, the absentee rate is calculated by the number of hours missed within that time frame

TRAINING

In the period 2014-2016, training hours for all employees decreased by 1%. For executives, hours of training decreased by 57%, increased for white collars by 4% and decreased for blue collars by 9%.

In the period 2014-2016, we increased the hours of training for all women, bar the executive level, by 8%. The category most affected by this increase are women working in blue collar roles (+61%).

Hours of training on anti-corruption year on year have steadily increased. In the period 2014-2016, number of training hours on this topic increased by 17%.

TRAINING	2014			2015			2016		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Hours of training	36,547	24,911	61,458	37,041	30,724	67,765	33,728	26,925	60,652
Executives (VPs, directors)	2,115	556	2,672	1,759	456	2,216	802	353	1,155
Managerial / leadership	1,488	70	1,558	487	131	618	109	0	109
Language courses	48	23	71	66	40	106	100	20	120
Health, safety, environment training	90	49	139	543	34	577	124	74	198
Technical/professional training	377	318	695	465	133	598	143	82	225
Induction*	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	66	60	126
Other training	112	97	209	198	118	316	261	117	378
White collars	25,869	21,949	47,817	29,828	26,134	55,962	26,860	22,709	49,569
Managerial / leadership	4,258	689	4,947	2,138	1,184	3,321	765	591	1,355
Language courses	1,443	1,083	2,526	781	1,301	2,082	1,348	1,407	2,755
Health, safety, environment training	1,902	1,456	3,358	2,747	2,048	4,795	3,579	2,995	6,574
Technical/professional training	12,316	11,270	23,586	17,254	14,358	31,612	15,884	12,361	28,245
Induction*	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	860	345	1,205
Other training	5,951	7,450	13,401	6,909	7,244	14,153	4,425	5,011	9,436
Blue collars	8,563	2,406	10,969	5,454	4,134	9,588	6,066	3,863	9,929
Managerial / leadership	11	14	25	81	66	147	0	0	0
Language courses	49	39	88	0	0	0	30	0	30
Health, safety, environment training	2,048	485	2,533	1,041	539	1,580	1,118	672	1,790
Technical/professional training	4,474	828	5,302	1,998	1,858	3,856	2,582	1,989	4,571
Induction*	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	218	142	360
Other training	1,981	1,040	3,021	2,334	1,671	4,005	2,118	1,060	3,178
Average hours of training	41.77	33.44	37.94	41.20	40.64	40.95	36.90	35.24	36.15
Executives (VPs, directors)	39.18	42.80	39.88	30.87	32.59	31.21	14.84	19.61	16.04
White collars	40.04	35.06	37.59	44.85	40.46	42.69	38.37	34.78	36.64
Blue collars	48.93	22.70	39.04	30.81	43.06	35.12	37.91	41.54	39.25
Anti-corruption training	174	171	345	203	181	384	215	188	403



EQUAL OPPORTUNITIES IN THE WORKPLACE

Our Code of Ethics formalizes the commitment to offer all employees equal opportunities, both within the workplace and with regards 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.

We strive to ensure that in all aspects of the employment process, such as recruitment, training, compensation, 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.

*Data was collected on a standalone basis from 2016 onwards

Governance

Good governance is fundamental for achieving our long-term strategic goals and ensuring proper roles and responsibilities for decision-making, internal control and business conduct. We strive to bring to our board and leadership team **the managerial talent, entrepreneurial experience and industry knowledge needed to enhance our competitive positioning and drive organizational performance.**

Our governance system follows a traditional management and control model organized around a Shareholders' Meeting, Board of Directors and Board of Statutory Auditors (as referred to in the Italian Civil Code). PricewaterhouseCoopers Spa was elected as our independent auditors through to the AGM to approve financial statements as of end-2024 (replacing Deloitte & Touche Spa, which ended its term of office with the approval of the financial statements related to year 2015. In addition, our Internal Audit System strengthens our compliance processes.

BOARD OF DIRECTORS SEES CHANGE IN MEMBERSHIP

G4-34,
G4-39,
G4-LA12

The Board is a central element of our governance system: it's where **business and organizational strategies are formulated** and where compliance with laws and regulations is guaranteed. Among its tasks and responsibilities, the board sets strategic and organizational guidelines and ensures adequate controls to monitor group performance.

Our current 15-member board was appointed at our AGM held on the 28 April 2016. Its term runs until approval of our 2018 financial statements. The Board performs its duties collectively, and has set up four committees to make its work more efficient and effective. Management of committees is entrusted to our CEO..

2016 STRUCTURE OF THE BOARD OF DIRECTORS

Director	Post	Role	Committees			
			Control and Risk	Nomination	Compensation	Transactions with Related Parties
Gustavo Denegri	Chairman	Non-Executive				
Michele Denegri	Deputy Chairman	Non-Executive		Member	Member	
Carlo Rosa	CEO*	Executive				
Chen Even	CCO**	Executive				
Giuseppe Alessandria	Director	Lead Independent		Chair	Chair	Member
Franco Moschetti	Director	Independent	Chair	Member		Chair
Roberta Somati	Director	Independent	Member		Member	Member
Enrico Mario Amo	Director	Non-Executive	Member			
Stefano Altara	Director	Non-Executive				
Giancarlo Boschetti	Director	Non-Executive				
Francesca Pasinelli	Director	Independent				
Monica Tardivo	Director	Independent				
Tullia Todros	Director	Independent				
Vittorio Squarotti	Director	Non-Executive				
Fiorella Altruda***	Director	Independent				

* Chief Executive Officer and General Manager

** Chief Commercial Officer

** Fiorella Altruda joined the board on 19 December 2016, replacing Maria Paola Landini who resigned effective as of 3 December 2016

In 2016 four directors left the Board and six new directors joined:

- Giancarlo Boschetti is the former CEO of Fiat Auto and has held strategic positions in various firms within the automotive industry;
- Francesca Pasinelli is the General Manager of Fondazione Telethon, a non-profit organization recognized by the Italian Ministry of Education that focuses on scientific and technological research;
- Monica Tardivo's expertise is in the legal field, and she currently acts as a Notary Public;
- Tullia Todros is a doctor in the field of obstetrics and gynecology and a Professor at the University of Turin, Italy;
- Fiorella Altruda is a Professor of Molecular Genetics at the University of Turin, Italy;
- Vittorio Squarotti has a legal background and currently acts as a lawyer.

Furthermore, with respect to the previous governance system, in this new Board:

- the female presence has increased to 33%
- the number of Independent Directors has increased to 40%
- the average age of Directors has decreased.

CHANGES TO BOARD OF DIRECTORS		
	Last term of office	Current term of office
Number of Directors	13	15
% of women	23%	33%
% of Independent Directors	23%	40%
Average age of Directors	60	58
Separation of the roles of Chairman and CEO	yes	yes
Existence of Lead Independent Director	yes	yes

YEARS OF SERVICE		
	2015	2016
0-2	8%	40%
2-4	23%	13%
4-6	0%	0%
+9	69%	47%

To support the Board's ability to guide DiaSorin's rapid growth and achieve its strategic ambitions, our board brings together people with backgrounds and capabilities including:

- Strong managerial experience
- Technical and scientific background
- Knowledge of finance and legal affairs
- Deep understanding of our sector

EXPERTISE		
	2015	2016
Science	38%	40%
Legal	15%	20%
Economics	46%	40%
Total	100%	100%

Full details are available in our Corporate Governance Report online.



HIGHLIGHTS OF OUR BOARD WORK IN 2016

In 2016 the Board met seven times, gathering each time for an average of 2 hours and 30 minutes. All board members attended the seven meetings, bar one person who was unable to join two meetings, reaching an average rate of attendance of 98%.

BOARD OF DIRECTORS' MEETINGS			
	2014	2015	2016
Number of meetings	5	6	7
Average rate of the attendance	94%	92%	98%
Average duration of board meetings (h)	2.30	2.30	2.30

At these meetings, the Board:

- evaluated the company's general performance at least quarterly, paying particular attention to CEO updates and periodically comparing results achieved with those planned;
- examined and approved our strategic, operational and financial plan and monitored implementation;
- reviewed the risk profile (nature and level of risks) and evaluated the adequacy of the organizational, administrative and accounting structure with regard to the internal control system and risk management;
- made decisions on transactions with significant or strategic impact on our strategies, profitability, assets and liabilities or financial position;
- performed a self-evaluation of the performance of the Board of Directors and its committees, as well as their size and composition, taking into account the professional competence, experience (including managerial experience), gender of its members and number of years as director.

THE BOARD'S ROLE IN ECONOMIC, ENVIRONMENTAL AND SOCIAL MATTERS

G4-35, G4-36, G4-42, G4-43, G4-44, G4-49

Our board has solid knowledge of the economic, environmental and social questions it is called on to deliberate. This competence is supported through constant interaction with specialized consultants, who are called upon regularly as experts on the various issues put to the board. Furthermore, the board undertakes in-depth analyses of the immunodiagnostic sector. Each year, the board undertakes a self-evaluation process that includes, among other aspects, an assessment of its composition (in terms of its expertise and knowledge and their usefulness in decision-making) and a review of how regularly it meets and the time made available for deliberations

Managing economic, environmental and social matters

The management of economic, environmental and social topics is made possible through a process of delegated powers directly involving the board. In the first place, the chief executive officer is charged with overseeing **economic and financial operations** with the aim of executing the strategies defined by the Board of Directors. As regards **occupational health and safety** the CEO uses the ability to delegate his powers to others, identifying managers with responsibility in this area (see this policy in detail in chapter, "Environmental Protection and Safety Culture").

Among their tasks is the identification of risks for correct management of safety, ensuring the necessary information for and training of staff as well as planning, making available and overseeing the use of all forms of protecting equipment, technical instruments and organizational measures needed to provide the best conditions for a healthy, safe workplace and environmental protection. Furthermore, all **social projects and initiatives** for our local communities are approved directly by the CEO.

On **environmental matters**, the CEO has delegated operational duties to the Corporate Environment Health & Safety Director, whose role covers all of DiaSorin SpA and its local and secondary sites, both in Italy and abroad. The responsibilities of this role include making sure that all protective measures are taken to respect relevant laws and regulations and, in general, manage all activities that have an environmental impact.

In order to ensure that activities carried out over the course of the year are aligned with the organization's strategic goals, **quantitative targets are reviewed at the end of each year covering economic, environmental and social domains**. The board also evaluates any gaps that may emerge and corrective actions that may be required, in line with the strategies defined by the board itself.

Managing data privacy

In 2016, the Board of Directors and CEO assigned the Corporate Legal Affairs Director the role of assessing, revising, managing and supervising data privacy within the company. Given the sensitive nature of this topic, the Board's control and risks committee ensured that the applicable provisions stated by the Privacy Code were respected and executed in the correct manner.

Further to this, a Data Protection Group was formed, with new officers appointed, and roles, responsibilities and co-responsibilities clearly defined.

The Group implemented the Work Plan 2016, which saw a significant review of the company's procedures and flows. The following changes were implemented:

- Risk assessments related to Data Privacy were updated and outlined in a document. This document sums up all the procedures and security measures provided by our company in managing Data Privacy;
- Relevant organizational and operative procedures affecting Data Privacy processing were reviewed
- New privacy policies were drafted and published

The Work Plan for 2017 will continuously improve upon these measures. Amongst its main objectives is the re-organization of training programs on data privacy, and the assessment of data measures adopted by certain foreign DiaSorin subsidiaries.

ETHICAL BUSINESS MANAGEMENT

G4-49, G4-50, G4-56, G4-LA12, G4-LA16, G4-HR3

DiaSorin is constantly striving to maintain the highest standards of transparency and fairness to ensure an ethical business management, through an internal regulatory system that includes several tools, such as:

- the Code of Conduct;
- the whistleblowing channel;
- the Organizational Model compliant with the Legislative Decree 231.

Code of Conduct

Our **Code of Conduct** has been drawn up taking into account the United Nations Universal Declaration of Human Rights, the fundamental Conventions of the International Labour Organization (ILO) and guidelines of Italian employers' federation Confindustria.

The document incorporates 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 and respect of natural biodiversity and the protection of the environment.

The purpose of our Code of Conduct is to set minimum standards of behavior for our employees and stakeholders. The code expresses our ways of effectively preventing and detecting unlawful behavior and regulatory violations. It applies to all our stakeholders, members of supervisory bodies, external staff members, consultants and all self-employed workers cooperating with us and other third parties (suppliers or clients) whose relations with the company are of primary importance and require compliance with the Code of Conduct.

Any employee or staff member who believes in good faith that a rule or a principle of the Code of Conduct has been violated or will be violated can report these concerns through a dedicated e-mail address (as whistleblowing channel), in addition to the ordinary communication channels.

During 2016, no reports or grievances have been received.

Read our Code of Conduct online.

Compliance with MedTech principles

In 2016 the Board of Directors approved the insertion of an additional section to the Code of Conduct, in compliance with the new MedTech principles. MedTech Europe is an alliance of European medical technology industry associations (comprising EDMA and EUCOMED), which enacted their own Code of Ethics regulating the relationships with Healthcare Professionals and Healthcare Organizations. The new section references and adheres to the terms reported in this Code of Conduct including: reducing compliance risk, safeguarding integrity and industry reputation, upholding values, promoting responsible industry practices, and ensuring transparency is upheld in interactions involving Healthcare Professionals and Healthcare Organizations.

Our company is a member of the EDMA-European Diagnostic Manufacturers Association, and thus requested to comply with MedTech's new code.

To explain the new provisions, specific training programs have been organized for Country Managers, Finance Managers and Sales & Marketing colleagues of DiaSorin Group companies. Further to this, a dedicated email address has been created to collect any related queries.

All companies pertaining to DiaSorin Group have adopted the new edition of the Code locally. This is to ensure utmost transparency and the stringent management of our external sales and marketing relationships.

Organizational Model

Legislative Decree 231 of 2001 – referred to as Law 231 in Italy – addresses administrative liability of companies, stating that companies that are found liable may face penalties for crimes committed or attempted by directors or employees in the interest or to the advantage of the company. The law encouraged companies to adopt governance structures (organizational, management and control models along with so-called watch bodies) and risk prevention systems to avoid managers, executives, employees and external collaborators from committing crimes.

DiaSorin, as of 2006, **adopted and effectively implemented an Organizational Model in Italy**. It includes a series of prescriptions to avoid **improper behavior such as corruption and other offences that impact on wider society, and unlawfulness with regard to safety and the environment**. The board delegated the internal audit function to check our processes and the activities of the main corporate functions and to present annually the result of this audit work. The task of conducting annual audits to monitor how the model functions and proposing updates falls to the Watch Body, which is fully autonomous from the Board of Directors and management. Although the organizational model was adopted as a result of domestic regulation, most of the

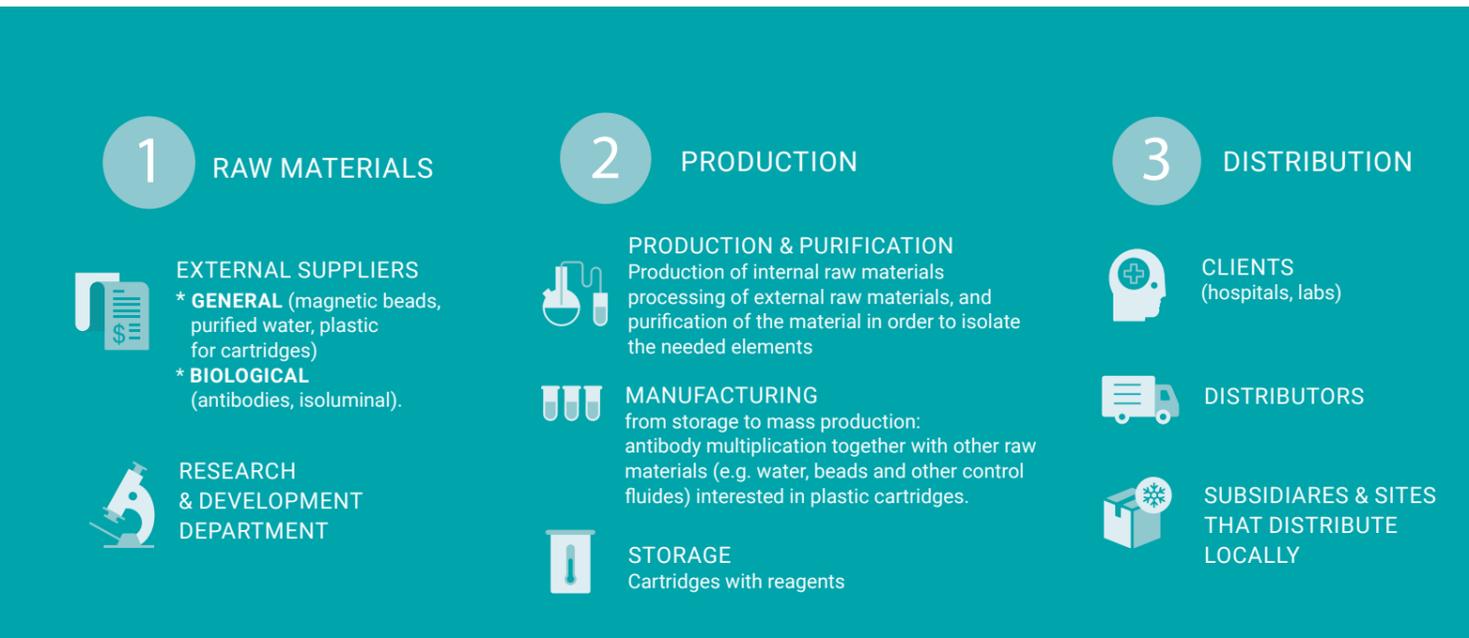
companies in the DiaSorin Group have been adopting similar principles and constraints in order to **provide our stakeholders with a safer compliance process globally**. This has been done by means of the Code of Conduct, bylaws and other instruments. See details of our Organizational and management model online.

Transactions with related parties

All business dealings at DiaSorin should be conducted transparently and according to substantive and procedural fairness, so as to avoid any conflicts of interest.

Our procedure for approving and implementing any transactions with related parties is binding upon subsidiaries as well. According to our procedure, these dealings have to be approved by the Board of Directors after an initial examination by our Corporate Legal Counsel and based on a non-binding opinion from a committee of three independent directors (who must also be unrelated to each transaction).

In our reports on operations, for the sake of transparency, we inform stakeholders about any highly material transactions as well as any other individual related-party transactions that have a material impact on our financial position or results.



OUR VALUE CHAIN

The first phase of our value chain involves the purchase of raw materials from external suppliers or in-house products from the R&D Department (Dept.). The products we handle are biological molecules and general supporting materials, such as paramagnetic beads, plastic and water.

It is up to our R&D department, and in turn the Group's feasibility committee, to understand whether the development of a product can go ahead. One approved, it is produced at our industrial sites.

As soon as the raw materials are acquired and the production of the diagnostic tests are approved, the Biology and Biochemical departments carry out the chemical, physical and biological cleaning process of the raw materials.

These are then preserved in special cell banks until the next production step.

We then move onto the large-scale production of the materials preserved in the cell banks. These are 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's industrial sites.

Assembled kits are distributed either directly to clients or from distributors to Group subsidiaries that then distribute locally. Local distributors are diagnostics specialists that have a strong and widespread network in the local markets they work in.

TRANSPARENCY AND SUSTAINABILITY IN OUR SUPPLY CHAIN

The 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.

Selecting our suppliers

Prior to approving suppliers, DiaSorin verifies their suitability as a DiaSorin business partner. Supplier approval activities are based on technical assessments and economic evaluations. These include financial parameters as well as additional aspects such as the presence of internal regulations or codes (i.e. Code of Ethics), HSE management compliant with the existing legislative standards and adhering to higher product quality standards. With regards to this, a vigorous selection process is in place for partners dealing with transporting raw materials. This is extremely important as they are responsible for transferring and preserving them at the correct temperature, required by their chemical and biological nature, along the entire production process of the tests.

In order to transparently and correctly manage relationships with our suppliers, we ask our suppliers to comply with laws and regulations applicable to the products or services they provide to DiaSorin. We also ask them to comply with our Code of Conduct and the DiaSorin HSE Minimum Requirements, with the aim of minimizing the risk of negative impacts on the health & safety of a contractors' employees and the potential negative impacts of a supplier's operations on the environment.

Audit and training activities

We monitor the performance of approved suppliers through several mechanisms, including but not limited to, audits on established supply agreements, product quality, and business practices and performance.

We defined a plan of audits in which the schedule of on-site audits, in terms of type and frequency, is established on the basis of supplier risk (economic amount of contract, supply typology, criticality of the raw materials provided). The supplier is obliged to inform us of any significant changes made, and to send us all modifications implemented.

Environmental protection & safety culture

WASTE PRODUCTION

Hazardous waste production decreased by 14% in 2016 **- 14%**

WATER WITHDRAWALS

Water withdrawals at Group level decreased by 6% in 2014 – 2016 **- 6%**

HSE TRAINING

HSE training increased by 16% in the last three years **+ 16%**

SPILLS

No spills recorded in 2016 **0**

INJURIES RATE

Injuries rate decreased by 68% in 2014 – 2016 **- 68%**

MANAGING HSE DILIGENTLY

DiaSorin collaborates with other companies to improve upon Environmental, Health and Safety (HSE) standards in its sector. Excellence in these areas is essential to the wellbeing of our employees and local communities, as well as crucial in minimizing the environmental impact of our activities and our products across their life cycle. DiaSorin has developed and implemented an internal HSE Management System in line with international standards ISO 14001 and OHSAS 18001. This system provides guidelines for all direct and indirect HSE activities, examining information and approving steps to be taken on critical issues related to the environmental footprint and health and safety of the Group.

Our actions are guided by a set of principles that respect the environment and employee safety. Improving operational efficiency through a strict observance of rules and regulations in each country of operation, and promoting continuous research and technological development to improve performance, are at the core of these actions.

Our Environment Health and Safety Policy provides protection & safety culture principles to all our facilities around the world. These guidelines drive our daily activities across the company and set out our responsibility towards the environment, our employees, contractors and local communities.

The policy is based on the following pillars:

- Making environmental, health and safety considerations a priority in business planning and decision-making processes;
- Establishing goals, targets, and objectives in the pursuit of continuous improvement of our HSE performance in all activities;
- Complying with the spirit and intent of all applicable HSE regulatory requirements, as well as ensuring compliance through regular risk assessments;
- Providing regular employee training on applicable regulatory requirements and updates on systems and methods according to best available technologies;
- Managing all aspects of our business to effectively and efficiently utilize natural resources to avoid depletion where it is technically and economically feasible;
- Promoting and implementing waste prevention, reduction, reuse and recycling in a systematic and cost-effective manner;
- Continuously improving our purchasing policy to favor suppliers and contractors that adopt best environmental practices and work closely towards achieving our HSE policy aims.

Based on the policy, we developed our “Group HSE Minimum Requirements Procedure”, to ensure consistency in managing the HSE risks associated with our operations. The procedure applies to all our new and existing facilities at Group level. It takes into account industry best practices, and aims to ensure that all the requirements set by the procedure are met worldwide, and that the more stringent local regulations are observed by each local facility. Local HSE Departments, which are in charge of determining responsibilities and preventive and corrective actions related to HSE issues, implement operational HSE procedures at local level.

We are member of the MedTech Europe, the European trade association representing the Diagnostics and Medical Devices manufacturers operating in Europe. Within MedTech there is an Environmental Task Force whose objective is to discuss issues related to environmental issues concerning IVDs and propose strategy on relevant issues including the Registration, Evaluation and Authorization of Chemicals (REACH), the Waste Electric and Electronic Equipment (WEEE) and the Restriction of Hazardous Substances (RoHS). With regards to WEEE and RoHS, the task force encourages the reuse of equipment and spare parts, thereby minimizing risks for potential environment and climate change hazards.



Responsibilities & actions

We have adopted a comprehensive organizational structure to tackle and manage HSE-related issues.

Our corporate office in Saluggia, Italy manages and coordinates all HSE activities at Group level. Its responsibilities include integrating HSE management practices and setting sustainability goals and indicators to keep track of achievements. Among its duties there is also a series of cross-site activities including the sharing of knowledge on best practices, considered fundamental for the proper management of HSE issues.

Our HSE corporate department regularly undertakes audits to ensure that all HSE matters are properly addressed, including the development of a product or instrument. The corporate department also drafts group procedures related to training or to the safe use of analyzers, products and on the use of personal protective equipment (PPE). Moreover, in order to spread a robust environmental, health and safety culture throughout the company, it provides training to various departments and ensures effective dialogue with senior management.

Whereas the corporate department sets guidelines and guarantees a uniform approach to HSE topics, local departments are in charge of translating them into action at our sites. Local departments provide training for employees with regard to local laws, regulations and procedures, and are responsible for ensuring compliance with local regulations, our Group's HSE Minimum Requirements and local procedures. The operational alignment and coordination between the corporate and local departments ensures an effective and accurate management of all environmental and health and safety aspects across our business worldwide.

From audit plans to action plans

In order to monitor the effectiveness of local HSE procedures, DiaSorin carries out annual audits at each industrial site covering the HSE Management System and technical aspects, including those related to the general environment, air, water, waste, chemicals, hazardous materials, technical safety, emergency procedures and occupational health and safety.

These audit plans are led by DiaSorin's corporate department, not only to ensure that all local departments comply with HSE laws and regulations but also to provide useful findings for further improvements. Based on the results of the audit activity, actions plans are developed and implemented locally according to priorities. The corporate department oversees the implementation of the audit action plans. In 2016 no major non-conformities came to our attention.

DiaSorin incurred no significant fines for HSE-related violations in 2016.

Environmental spending

The overall expenditure on HSE increased by 41% between 2014 and 2016, reflecting the Group's commitment to environmental protection and health and safety.

In 2016, over 90% of our total environmental expenditure covered waste treatment, disposal investments, structure enhancements, work equipment and operating materials so as to guarantee the highest levels of safety to our employees and clients.

In 2016 we did not record any significant fines or non-monetary sanctions for non-compliance with environmental laws and regulations.

TOTAL ENVIRONMENTAL PROTECTION EXPENDITURES AND INVESTMENTS (IN EURO)

	ITALY	GERMANY	IRELAND	SOUTH AFRICA	UK	USA	TOTAL 2016	TOTAL 2015	TOTAL 2014
Total	316,000	39,607	29,251	15,542	39,369	67,449	507,218	456,687	360,145

MATERIALS

We manage all aspects of our business so as to effectively and efficiently utilize natural resources and avoid depletion.

All the materials needed for our business operations are carefully selected to optimize consumption. We strive to improve our performance year-on-year and look to boost standards by setting internal targets related to reducing the environmental impact of our products across their life cycle.

As a company operating in the immunodiagnosics sector, our production process requires us to purchase and use chemicals. We are committed to cutting the use of dangerous chemicals by lowering manufacturing failure rates and replacing dangerous substances with less hazardous ones. Our commitment to substantially reduce the purchased quantity of hazardous materials also involves our supply chain. For example, at end of 2016, in our US site we completely eliminated our usage of radioactive Iodine-125. We are also involved in initiatives that aim to preserve resources and raw materials, thus decreasing the demand for virgin materials. We have implemented paperless initiatives such as a web interface for product-relevant documents, i.e. safety data sheets and instruction

manuals. Furthermore, user and service manuals and reporting documentation for customer service activities are handled in electronic form to prevent unnecessary printouts. Electronic invoicing has also been adopted in our logistics processes to further reduce paper consumption.

By streamlining our product shipping process, our logistics department has significantly reduced packaging material. In 2015, a new product shipping initiative was implemented, so that new shipments now depart directly from our production site in Saluggia, Italy to our clients. This initiative, in 2016, continues to allow us to optimize shipments and packaging because it lowers the involvement of our local units in the redistribution of final products.

Our site in South Africa is one of the primary examples of where packaging materials derived from raw materials are recycled (examples include wooden and High Density Polyethylene (HDPE) pallets, cardboard, etc.). Minimizing raw material wastage is achieved through a focused purchasing process closely related to the production schedule, appropriate raw material pack sizes, as well as the use of life extension methods to extend the use of raw materials.

WASTE MANAGEMENT

G4-EN22, G4-EN23, G4-EN24

Minimizing, as well as correctly managing waste, is important to us and we promote the reuse of materials, as well as recycling across all our facilities.

In 2016, the total amount of waste generated saw a slight increase, with a total of 928 tons produced. While hazardous waste production decreased (by -14% since 2015), the total amount of non-hazardous waste generated increased by about 87 tons throughout the same time period.

In 2016, 50% of our waste (465 tons) was recycled or recovered and about one third of the total amount of waste was subject to chemical-biological treatment. In terms of efficient waste management, this is an important result for us and we are working on further improving the percentage of waste recycled alongside a range of other waste management actions.

TOTAL WASTE PRODUCED BY TYPE (TONS)									
	Italy	Germany	Ireland	South Africa	UK	USA	Total 2016	Total 2015*	Total 2014*
Hazardous	97.24	13.42	0.91	10.01	7.58	1.99	131.15	152.33	124.47
Non hazardous	466.72	129.46	31.30	24.50	60.57	84.68	797.23	710.22	730.28
Total waste generated	563.96	142.88	32.21	34.51	68.15	86.67	928.38	862.56	854.75

*Due to a recalculation of total amount, the 2015 and 2014 totals differs from the previous sustainability reports.

In South Africa, for instance, together with a competent waste supplier, we identified several hazardous raw material containers and packaging that could be safely recycled in an environmentally friendly manner, reducing the cost and volume of hazardous waste sent to landfill. The financial remuneration derived from this recycling initiative was donated to the charity organization Little Eden – Caring, for people with intellectual disabilities. We also held a waste recycling competition whereby employees were required to craft something creative out of recyclable waste so as to provide insight into the benefits of recycling and re-using waste. Information on waste recycling is also included in the site safety induction program to create awareness.

In Germany, we enforced the strict separation of each waste stream to save on disposal costs. We also implemented a Paper free Direct Shipment Process in our Sales and Financial department through SAP, in order to limit document printouts.

We are committed to using appropriately regulated waste management contractors to ensure the safe disposal of our hazardous and non-hazardous waste, in accordance with the best environmental practices and in compliance with national and international laws.

We pay particular attention to the correct disposal of electrical and electronic equipment (covered in Europe by the Waste Electrical and Electronic Equipment or WEEE directive). For us, this relates to analyzers, commercial instruments that at the end of their lifecycle are returned by our clients to the external Italian Technical Service Center. The equipment is checked by our Technical Service Partners, who decide together with us whether to reuse, repair or dispose of each item. The collaboration with our partners, coupled with the accurate maintenance of the analyzers, allows us to extend the life of the product, reducing waste.

Although the volume of water discharged remained stable in the time period 2014-2016, we continue to be committed to cutting the wastewater generation. All water discharged goes into sewer systems in respect to local regulations and legislation. In 2016 no significant spills have been registered at our production sites.



WEIGHT OF WASTE ELECTRICAL & ELECTRONIC EQUIPMENT BY DISPOSAL METHOD (TONS)

	Italy	Germany	Ireland	South Africa	UK	USA	Total 2016	Total 2015*	Total 2014*
Recovery	2.13	0.68	2.65	0	1.81	8.86	16.13	8.31	15.20
Disposal	0	0	0	0	0	0	0	0	0
Total weight of WEEE	2.13	0.68	2.65	0	1.81	8.86	16.13	8.31	15.20

*Due to a recalculation of total amount, the 2015 and 2014 totals differs from the previous sustainability reports.

TOTAL WATER DISCHARGE (CUBIC METERS) BY DESTINATION

	Italy	Germany	Ireland	South Africa	UK	USA	Total 2016	Total 2015	Total 2014
Sewer system	57,350	4,173	4,271	3,531	13,820	24,229	107,374	96,521	107,828

ENERGY AND EMISSIONS

G4-EN3, G4-EN6, G4-EN15,
G4-EN16, G4-EN17

Energy

Although ours is not an energy intensive industry, we are actively committed to climate protection by minimizing energy consumption, which represents the main source of emissions for us. Following the outcome of the United Nations COP21 conference in Paris, which confirmed climate change as one of the major challenges for the upcoming decades, we continue to increase employee awareness on environmental matters. We have also upped our effort in communicating information of this kind transparently to stakeholders.

When developing new projects, we ensure clear environmental risk assessment processes are in place. New installations or modifications made to existing equipment and machinery are evaluated on the basis that they are energy efficient, reduce emissions and generally lead to environmental impact reduction. As shown in table 2, most of our energy is consumed in Italy, the UK and the US and consequently these locations account for most of our CO2 emissions. This is explained by the fact that the production sites in these geographies form a significant part of our output.

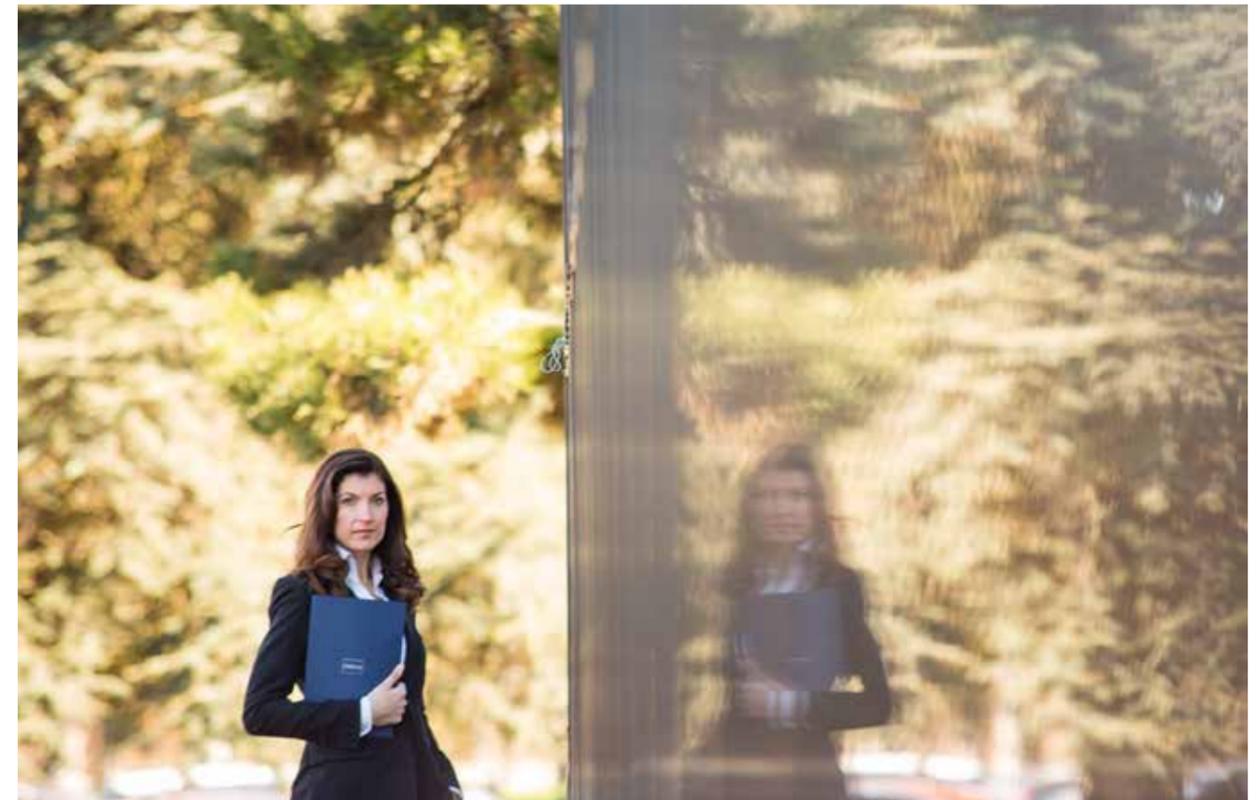
DIRECT ENERGY CONSUMPTION (GJ) BY TYPE									
	Italy	Germany	Ireland	South Africa	UK	USA	Total 2016	Total 2015	Total 2014
Natural gas	1,145.33	5,095.49	1,192.15	0	8,266.83	5,731.35	21,430.14	10,456.90	10,833.19
Diesel	0	36.83	0	3.90	0	54.60	95.33	120.02	132.16
Total fuel	1,145.33	5,132.32	1,192.15	3.90	8,266.83	5,785.95	21,525.47	10,576.92	10,965.35
Thermal energy	10,331.16	0	0	0	2,451.03	0	12,782.19	18,090.34	20,284.02
Electricity	25,356.24	4,884.37	2,468.09	5,012.78	12,154.55	13,226.40	63,102.44	63,494.35	63,674.59
Total electricity and heat	35,687.40	4,884.37	2,468.09	5,012.78	14,605.59	13,226.40	75,884.73	81,584.69	83,958.61

In 2016, we registered an increase in natural gas consumption, this is mainly due to a change in our operational settings in the UK, where we installed gas fired steam boilers.

As these provide heating for the building and water, sterilize the water supply and run the autoclaves, from March 2016 we no longer require additional supply of thermal energy. Regarding the consumption of electricity, we are active on several fronts. We are replacing traditional lighting with energy efficient LED light fixtures across all of our sites. In 2016,

office areas in the USA and Ireland continued to be fitted with LED lighting, while in Italy the ongoing lighting replacement process reached 80% of completion. We continue to work on energy savings initiatives. In our South African site, the installation of internal meters enables electronic tracking of power usage in order to control the day-to-day operation of the plant.

In Italy we continue to improve our energy footprint: in 2016, the site upgraded the conditioning systems with low consumption technology.



Emissions

The increased use of natural gas, and decreased use of thermal energy, has affected our greenhouse gas emissions. Compared to 2015, in 2016 our total direct Scope 1 emissions (derived from fuel consumption) increased by 2,628 tons. Our indirect Scope 2 emissions (derived from thermal and electrical energy consumption) decreased by 11% respect 2014.

Our efforts to lower CO2 emissions includes a commitment to reduce indirect emissions deriving mainly from employee business travel (Scope 3 emissions). In Italy we monitor emissions caused by air and rail travel, in 2016 emissions increased by 22%, due mainly to an increase in travel mileage of about 33%. We are working to reduce carbon emissions related to employee transportation. In Italy a shuttle service lets employees travel to and from the workplace without having to use their own car. With regards to our Italian car fleet, about 97% of all

cars used have specific emissions below 141 grams of CO2 per kilometer travelled (89% in 2015). We are also committed to increasing the use of video conferencing and other ICT tools that allow real-time transfer of information and documents so as to reduce the need for face-to-face meetings and business travel. Our products enable our customers to avoid greenhouse gas emissions too. One of our distinctive features is providing solutions that let customers perform a high number of tests in a short period of time, helping them to lower energy consumption. Our commitment to reducing energy consumption and fight climate change is reinforced by our voluntary disclosure of data and information relating to emissions via the CDP (the Carbon Disclosure Project) data questionnaire. CDP is an international organization that works with shareholders and corporations to disclose the greenhouse gas emissions of major corporations with the aim of a better allocating capital for long-term value creation.

TOTAL EMISSIONS (CO2 TONS)									
	Italy	Germany	Ireland	South Africa	UK	USA	Total 2016	Total 2015	Total 2014
EMISSIONS SCOPE 1 (total fuel)	83.42	288.59	66.88	0.29	2,458.98	325.57	3,223.72	595.43	617.53
EMISSIONS SCOPE 2 (total electricity and heat)	3,500.72	645.02	313.03	1,272.03	1,945.30	750.04	8,426.13	9,223.65	9,489.51

WATER RESOURCES

G4-EN8

Given our limited water consumption, the impact of our activities on this resource is not regarded as a critical area in our HSE management.

We are aware, however, that we operate in countries such as China and South Africa where water scarcity is a pressing issue. As such, we remain committed to ensuring responsible water consumption and to effectively managing this important natural resource, and we are working to reduce the use of water where appropriate.

Several new initiatives were carried out during 2016 in continuity with those already implemented in previous years:

- In South Africa, the continued monitoring and recording of consumption to primary water usage areas ensures that variances are quickly identified and corrected, in order to minimize wastage. Rejected Reverse Osmosis permeate water is now being re-used in the water preparation process. It is estimated that this initiative will save approximately 35,000 liters/year;
- In the United States, we implemented the Rain Garden Project with the aim of reducing the storm water runoff risks and increasing water quality. The rain garden allows water to be used for lawn sprinkling, thereby reducing the amount of municipal water used by 50%.

The main sources of water withdrawal tapped by our production sites are municipal water supplies, except for Italy, where the main source is ground water. In the period 2014-2016, water withdrawal was reduced by over 6%.

TOTAL WATER WITHDRAWAL (CUBIC METERS)									
	Italy	Germany	Ireland	South Africa	UK	USA	Total 2016	Total 2015	Total 2014
Municipal water supplies	2,852	4,173	4,271	3,531	13,854	31,790	60,470	53,972	65,169
Surface water	0	0	0	0	0	1,283	1,283	1,851	n.a.
Ground water	54,600	0	0	0	0	0	54,600	54,160	58,734
Total water withdrawal	57,452	4,173	4,271	3,531	13,854	33,073	116,353	109,983	123,903

HEALTH AND SAFETY AT DIASORIN

G4-14, G4-LA6, G4-LA7

We are committed to ensuring a safe work environment for employees, fostering a healthy, productive culture and injury-free environment. Continuous improvements to achieve safety and environmental excellence is integral to our business success.

Health and safety at DiaSorin is handled by our corporate and local HSE departments as well as by managing our business in line with health and safety standards and applicable statutory requirements, internal procedures and group standards.

Our policies and procedures are developed to comply with federal, state and local regulations, and corporate requirements, while taking best management practices into consideration. The policies/procedures set out our stance on a number of topics, among which are workplace hazards, control measures (e.g. engineering requirements, safe work practices, PPE requirements, etc.), monitoring or auditing procedures, training requirements, and procedures for regular review and updates. Programs exist for hazard communication, emergency response, confined space entry, equipment maintenance, accident reporting and reduction, transportation of danger goods, hazardous material handling, business vehicle usage and minimizing ergonomic hazards.

In line with past years, we continue to promote a stringent application of these standards and procedures among all employees and we constantly carry out audits at each industrial site covering the HSE Management System and technical aspects.



Safety in the lab

Since we produce reagents using biological raw materials, we ensure adequate biosafety levels for our laboratories. This 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). In order to minimize the risk of occupational diseases in such a delicate work environment, we provide our laboratories up to Biosafety Level III, which is the appropriate level for our clinical work.

In our laboratories, we perform a number of preventive actions to ensure a safe and healthy work environment for our colleagues, including:

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

FATALITIES AND RATES OF INJURY, OCCUPATIONAL DISEASE, LOST DAYS, BY COUNTRIES (COMMUTING ACCIDENTS NOT INCLUDED)

	Italy	Germany	Ireland	South Africa	UK	USA	Group 2016	Group 2015	Group 2014
Fatalities	0	0	0	0	0	0	0	0	0
Injury rate (IR)	0	0.83	1.53	0	0	0.59	0.31	0.78	0.97
Occupational Disease Rate (ODR)	0	0	0	0	0	0,00	0	0	0
Lost days rate (LDR)	0	4.98	25.93	0	0	65.04	19.03	12.17	9.44

We conduct regular risk assessments to identify tasks that pose a health risk for our employees.

People who perform one or more of these tasks regularly undergo medical check-ups and are only authorized to work on these processes after being deemed suitably healthy by a doctor.

Our management of health and safety in the workplace also comprises the implementation of regular audits in order to monitor compliance with regulations and company procedures, to track safety performance and identify potential improvements. To reduce the risk of exposure of employees and contractors, risk assessments are performed to evaluate hazards and mitigate risks through appropriate follow-up measures. Our local branches receive guidelines on the management of health and safety issues from the corporate center and are in charge of

implementing a series of other specific health and safety initiatives.

In South Africa, a hygiene survey is run yearly to monitor the risks pertaining to the work environment. The resulting recommendations and actions are disclosed in Health & Safety Committee meetings. In the UK, we conducted an occupational hygiene survey to monitor chemical and noise impacts on employees.

Fire risk assessments and asbestos surveys were reviewed and updated and we installed additional protective barriers and new line markings to protect employees from vehicle movements.

Our injury rate decreased by 68% in the time period 2014-2016. The Lost Days Rate increased, due mainly to two cases of incidents in the US and Ireland. In 2016, in line with 2014 and 2015, no occupational diseases were registered.

Safety training

We believe that regular training on HSE topics is the best way to raise awareness, foster employee accountability concerning HSE and improve the health and safety level of our workplace. Over the years we have invested in training aimed at informing our workers about HSE topics. The table below indicates the hours of training provided on such topics.

HSE training takes various forms. Training sessions are provided to our new employees through safety induction programs in order to ensure that all employees working in our sites are aware of the hazards and risks they might encounter. Refresher courses or other specific HSE training sessions that may be needed for certain roles or activities are also provided by external experts or internal quality department representatives, based on needs. Total training hours per country vary over the years due to the number of induction HSE training held for new hires: in the time period 2014-2016, training on HSE topics increased by over 16%. This variation is mainly linked with the refresh training delivery that may occur in different years throughout different sites

HSE HOURS OF TRAINING									
	Italy	Germany	Ireland	South Africa	UK	USA	Total 2016	Total 2015	Total 2014
Male	963	580	6	212	333	1,504	3,598	3,801	3,885
Female	382	756	68	88	363	1,368	3,025	2,389	1,818
Total	1,345	1,336	74	300	696	2,872	6,623	6,190	5,703



*Methodological
note*

G4-3, G4-7, G4-32

DiaSorin Spa's (DiaSorin, Company, Group) 2016 Sustainability Report, now in its third edition, is "In Accordance – Core" with the GRI Sustainability Reporting Guidelines.

REPORTING PROCESS

G4-18

The Sustainability Report presents the most important environmental, social and governance topics for our business. It takes into account various points of views from the Group's senior management and outlines our position in areas of strategic significance from a sustainability point of view.

The definition of these priority issues, evidenced in the materiality analysis, were examined in order to identify:

- A link between material topics and the three pillars of sustainability: business, social or environmental (see our boundaries on p. XX for more details);
- Stakeholders interested in or impacted by the issue in question;
- Correlation with the company's drivers.

The results of this process are reported in the "Our material issues" section of this Report.

REPORTING SCOPE

On May 2016, DiaSorin completed the acquisition of Focus Diagnostics ("Focus"). Given the date of acquisition, and in order to avoid the partial reporting of information and to ensure balanced and comparable data, Focus-related financial data and information is published exclusively at Group level in the "Key facts and figures" area of the Highlights section, and referenced in the "Our responsibility: Nurturing innovation" chapter. All other areas (HSE, environmental, governance and HR figures) are reported excluding Focus. The 2017 Sustainability Report will ensure that all information and data relating to Focus is aligned and reported on at Group level.

G4-13, G4-17, G4-23

The Sustainability Report is published on an annual basis. G4-30

Furthermore:

- All data refers to the period between 01/01/2016 to 12/31/2016;
- The financial data is taken from the Group Annual Report (including data pertaining to Focus);
- The social data includes all the Group entities consolidated in the Annual Report, excluding Focus;
- The environmental data includes the six industrial sites (excluding Focus);
- Where necessary, social and environmental data in the years 2014 and 2015 has been restated following a series of improvements in the data gathering process; G4-22
- Any further exceptions to the scope of reporting are provided in individual sections.

BASIS OF PREPARATION

Materiality & Sustainability Context

The report has been commissioned in order to strengthen the company's relationship with its stakeholders by informing them, in a transparent manner, of the company's priority issues as identified via internal interviews with the top management.

Comparability and Clarity

In order to render the document accessible to all readers, the document is written in a clear and straightforward manner, with data presented clearly in graphs, tables and charts. The indicators presented in the report are relevant for the period between 01/01/2016 to 31/12/2016. Comparisons with data gathered in the previous reporting periods (2014 and 2015) are provided in order to better discuss their progress and highlight any significant trends. Comparisons may be absent in instances where data was previously not collected.

Balance

The data is presented objectively. The indicators reflect the performance achieved throughout the reporting period.

Accuracy

The data presented in the report is collected annually by various area and corporate managers. Where possible, the report referenced data published in the 2016 Annual Report, which was written in accordance with International Accounting Standards, and the 2016 Corporate Governance Report.

Timeliness

G4-28, G4-29

The Sustainability Report will be published on an annual basis. The timing of the publication of the third Sustainability Report is aligned to that of the Annual Report and the Financial Statements.

Reliability

G4-48

To ensure reliability in the reporting process, data and information pertaining to the Sustainability Report has been verified by a working group whose members have been identified among different departments at corporate level. The final document, in its entirety, was presented and discussed with top management. For this reporting year it has been decided not to provide external assurance.

GRI
Content Index



GENERAL STANDARD DISCLOSURES

1. STRATEGY AND ANALYSIS

Profile disclosure	Description	Reference
G4.1	Statement from the most senior decision-maker of the organization	Stakeholder letter

2. ORGANIZATIONAL PROFILE

Profile disclosure	Description	Reference
G4.3	Report the name of the organization	Methodological note
G4.4	Report the primary brands, products, and services	Our market
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	Our global presence
G4.7	Report the nature of ownership and legal form	Methodological note Sustainable practices Governance
G4.8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	Our global presence
G4.9	Report the scale of the organization	Highlights: our year in numbers Sustainable practices Our people
G4.10	Total number of employees, broken down by type of contract, by gender and geographic area	Sustainable practices Our people

G4.11	Report the percentage of total employees covered by collective bargaining agreements	<i>The diffusion of collective bargaining agreements is different from country to country and depends of the degree of unionization present. In Italy, France and Sweden 100% of employees are covered by collective bargaining agreements.</i>
G4.12	Describe the organization's supply chain	Sustainable practices Our supply chain
G4.13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	Methodological note
G4.14	Report whether and how the precautionary approach or principle is addressed by the organization	Sustainable practices Environmental protection and safety culture - Managing HSE diligently Sustainable practices Health and safety in a biotech workplace - Health and safety at DiaSorin
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	<p>List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization:</p> <ul style="list-style-type: none"> – Holds a position on the governance body – Participates in projects or committees – Provides substantive funding beyond routine membership dues – Views membership as strategic <p>This refers primarily to memberships maintained at the organizational level.</p>	<p>DiaSorin is a member of EDMA - European Diagnostic Manufacturers Association, an international, non-profit organisation representing the interests of the medical in vitro diagnostics (IVD) industry in Europe. Its mission is to promote the value of IVDs in delivering sustainable and effective public health systems, and provide technical, regulatory and market research information to its members.</p>
--------------	---	--

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	Methodological note
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	Methodological note Our material issues
G4.19	List all the material Aspects identified in the process for defining report content	Our material issues
G4.20	For each material aspect, report the aspect Boundary within the organization	Our boundaries
G4.21	For each material Aspect, report the Aspect Boundary outside the organization	Our boundaries
G4.22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements	Methodological note
G4.23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries	Methodological note

4. STAKEHOLDER ENGAGEMENT

Profile disclosure	Description	Reference
G4.24	Provide a list of stakeholder groups engaged by the organization	Our stakeholders
G4.25	Report the basis for identification and selection of stakeholders with whom to engage	Our stakeholders

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	Our stakeholders
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	Our stakeholders

5. REPORT PROFILE

Profile disclosure	Description	Reference
G4.28	Reporting period (such as fiscal or calendar year) for information provided	Methodological note
G4.29	Date of most recent previous report (if any)	Methodological note
G4.30	Reporting cycle (such as annual, biennial)	Methodological note
G4.31	Provide the contact point for questions regarding the report or its contents	<i>For questions regarding the report, refer to the Corporate Communications team of DiaSorin at riccardo.fava@DiaSorin.it and eleonora.tava@DiaSorin.it</i>

G4.32	Report the in accordance options and table of G4 content	Methodological note
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	Sustainable practices Governance - <i>Board of Directors sees change in membership</i>
G4-35	a. Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	Sustainable practices Governance - <i>The board's role in economic, environmental and social matters</i>
G4-36	a. Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	Sustainable practices Governance - <i>The board's role in economic, environmental and social matters</i>
G4-38	a. Report the composition of the highest governance body and its committees by: <ul style="list-style-type: none"> Executive or non-executive Independence Tenure on the governance body Number of each individual's other significant positions and commitments, and the nature of the commitments <ul style="list-style-type: none"> Gender Membership of under-represented social groups Competences relating to economic, environmental and social impacts Stakeholder representation 	2016 Corporate Governance Report
G4-39	a. Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).	Sustainable practices Governance - <i>Board of Directors sees change in membership</i>

G4-40	a. Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members, including: <ul style="list-style-type: none"> Whether and how diversity is considered Whether and how independence is considered Whether and how expertise and experience relating to economic, environmental and social topics are considered Whether and how stakeholders (including shareholders) are involved 	2016 Corporate Governance Report
G4-41	a. Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders, including, as a minimum: <ul style="list-style-type: none"> Cross-board membership Cross-shareholding with suppliers and other stakeholders Existence of controlling shareholder Related party disclosures 	2016 Corporate Governance Report
G4-42	a. Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	Sustainable practices Governance - <i>The board's role in economic, environmental and social matters</i>
G4-43	a. Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	Sustainable practices Governance - <i>The board's role in economic, environmental and social matters</i>
G4-44	a. Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment. b. Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice.	Sustainable practices Governance - <i>The board's role in economic, environmental and social matters</i>
G4-45	a. Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes. b. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.	2016 Corporate Governance Report
G4-46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	2016 Corporate Governance Report
G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	2016 Corporate Governance Report
G4-48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	Methodological note Our material issues

G4-49	Report the process for communicating critical concerns to the highest governance body.	Sustainable practices Governance - <i>The board's role in economic, environmental and social matters, Ethical business management</i>
G4-50	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	Sustainable practices Governance - <i>Ethical business management</i>
G4-51	a. Report the remuneration policies for the highest governance body and senior executives. b. Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.	

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	Sustainable practices Governance - Ethical business management

SPECIFIC STANDARD DISCLOSURES

ECONOMIC

Profile disclosure	Description	Reference
Aspect: Economic performance		

G4.DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach, including: – The mechanisms for evaluating the effectiveness of the management approach – The results of the evaluation of the management approach – Any related adjustments to the management approach	
G4.EC1	Direct economic value generated and distributed	Da ricevere DiaSorin
G4.EC3	Coverage of the organization's defined benefit plan obligations	People & Talent Welfare & Benefits - Pension plans
G4.EC4	Financial assistance received from government	Da ricevere DiaSorin

ENVIRONMENTAL

Profile disclosure	Description	Reference
Aspect: Energy		

G4.DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach, including: – The mechanisms for evaluating the effectiveness of the management approach – The results of the evaluation of the management approach – Any related adjustments to the management approach	Sustainable practices Environmental protection and safety culture - Managing HSE diligently
G4.EN3	Energy consumption within the organization	Sustainable practices Environmental protection and safety culture - Energy and emissions
G4.EN6	Reduction of energy consumption	Sustainable practices Environmental protection and safety culture - Energy and emissions

Aspect: Water

G4.DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach, including: – The mechanisms for evaluating the effectiveness of the management approach – The results of the evaluation of the management approach – Any related adjustments to the management approach	Sustainable practices Environmental protection and safety culture - Managing HSE diligently
--------	---	---

G4.EN8	Total water withdrawal by source	Sustainable practices Environmental protection and safety culture - Water resources
Aspect: Biodiversity		
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"> – The mechanisms for evaluating the effectiveness of the management approach – The results of the evaluation of the management approach – Any related adjustments to the management approach 	Sustainable practices Environmental protection and safety culture - Managing HSE diligently
G4.EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	There are no operational sites owned, leased, managed in (or adjacent to) or protected areas of high biodiversity value outside protected areas.
Aspect: Emissions		
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"> – The mechanisms for evaluating the effectiveness of the management approach – The results of the evaluation of the management approach – Any related adjustments to the management approach 	Sustainable practices Environmental protection and safety culture - Managing HSE diligently
G4.EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	Sustainable practices Environmental protection and safety culture - Energy and emissions
G4.EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Sustainable practices Environmental protection and safety culture - Energy and emissions
G4.EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	<p>Sustainable practices Environmental protection and safety culture - Energy and emissions</p> <p>Scope 3 emissions have been reported for Italy for business travel. Other Scope 3 sources have not been reported.</p>

Aspect: Effluents and waste		
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"> – The mechanisms for evaluating the effectiveness of the management approach – The results of the evaluation of the management approach – Any related adjustments to the management approach 	Sustainable practices Environmental protection and safety culture - Managing HSE diligently
G4.EN22	Total water discharge by quality and destination	Sustainable practices Environmental protection and safety culture - Waste management
G4.EN23	Total weight of waste by type and disposal method	Sustainable practices Environmental protection and safety culture - Waste management
G4.EN24	Total number and volume of significant spills	Sustainable practices Environmental protection and safety culture - Waste management
Aspect: Compliance		
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"> – The mechanisms for evaluating the effectiveness of the management approach – The results of the evaluation of the management approach – Any related adjustments to the management approach 	Sustainable practices Governance - Ethical business management
G4.EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Sustainable practices Environmental protection and safety culture - Managing HSE diligently

Aspect: Overall		
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"> – The mechanisms for evaluating the effectiveness of the management approach – The results of the evaluation of the management approach – Any related adjustments to the management approach 	<p>Sustainable practices Environmental protection and safety culture - Managing HSE diligently</p>
G4.EN31	Total environmental protection expenditures and investments by type	<p>Sustainable practices Environmental protection and safety culture - Managing HSE diligently</p> <p>An overall value of expenditures by industrial site has been indicated. Investments and division by type has not been provided.</p>
SOCIAL		
Labor Practices and Decent Work		
Profile disclosure	Description	Reference
Aspect: Employment		
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"> – The mechanisms for evaluating the effectiveness of the management approach – The results of the evaluation of the management approach – Any related adjustments to the management approach 	<p>People & Talent</p>
G4.LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region	<p>Sustainable practices Our people</p>

G4.LA2	Benefits provided to full-time employees that are not provided to part-time or temporary employees.	<p>People & Talent Welfare & Benefits</p> <p>Benefits are available to all full-time employees. Their availability to part-time or temporary employees varies from country to country and depends also on the type of benefit offered. In Italy for example benefits are available to most employees whereas the benefits provided in South Africa are available only for permanent staff.</p>
Aspect: Occupational health and safety		
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"> – The mechanisms for evaluating the effectiveness of the management approach – The results of the evaluation of the management approach – Any related adjustments to the management approach 	<p>Sustainable practices Health and safety at DiaSorin</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>Sustainable practices Our people</p> <p>Sustainable practices Environmental protection and safety culture - Health and safety at DiaSorin</p>
G4.LA7	Workers with high incidence or high risk of diseases related to their occupation	<p>Sustainable practices Environmental protection and safety culture - Health and safety at DiaSorin</p>
Aspect: Training and education		
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"> – The mechanisms for evaluating the effectiveness of the management approach – The results of the evaluation of the management approach – Any related adjustments to the management approach 	<p>People & Talent Training & talent development</p>

G4.LA9	Average hours of training per year per employee by gender, and by employee category	People & Talent Training & talent development Sustainable practices Our people
G4.LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	People & Talent A strong leadership culture
G4.LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	People & Talent A strong leadership culture
Aspect: Diversity and equal opportunity		
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"> – The mechanisms for evaluating the effectiveness of the management approach – The results of the evaluation of the management approach – Any related adjustments to the management approach 	Sustainable practices Governance - Ethical business management
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	Sustainable practices Governance - Board of Directors sees change in membership, Ethical business management Sustainable practices Our people

Aspect: Labor Practices Grievance Mechanisms		
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"> – The mechanisms for evaluating the effectiveness of the management approach – The results of the evaluation of the management approach – Any related adjustments to the management approach 	Sustainable practices Governance - Ethical business management
G4.LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	Sustainable practices Governance - Ethical business management
SOCIAL		
Human Rights		
Profile disclosure	Description	Reference
Aspect: Non-discrimination		
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"> – The mechanisms for evaluating the effectiveness of the management approach – The results of the evaluation of the management approach – Any related adjustments to the management approach 	Sustainable practices Governance - Ethical business management
G4.HR3	Total number of incidents of discrimination during the reporting period	Sustainable practices Governance - Ethical business management



The Diagnostic Specialist

2016 Sustainability report
csr.diasorin.com

Graphic design by **Fightbean** / www.fightbean.it
Editorial project by **Lundquist** / www.lundquist.it