


ALLOGA LOGIFARMA S.A.

Risk Prevention Plan

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1. LEGISLATIVE FRAMEWORK AND OBJECTIVES

This Risk Prevention Plan (PPR) seeks to ensure compliance with the obligations legally established in Article 6 of Decree-Law 109-E/2021 of 9 December (RGPC), with a view to the drafting and implementation of the Regulatory Compliance Programme (PCN) of the ANF Universe.

The Risk Prevention Plan provides for the identification, analysis and classification of the risks and situations that may expose Alloga Logifarma to acts of corruption and related infractions, including risks associated with the exercise of functions by members of the administration and management bodies, with a view to definition and adoption of preventive and corrective measures that enable reducing the likelihood of occurrence and impact of the identified risks and situations.


The Risk Prevention Plan is composed of the following elements:

- Alloga Logifarma Risk Matrix, which identifies the areas of activity with risk of engaging in acts of corruption and related infractions and classifies the identified risks based on the estimated likelihood of occurrence and expected impact;
- Risk Analysis, with definition of the preventive and corrective measures aimed at mitigating the occurrence and impact of the identified risk situations;
- Appointment of the Officer with overall responsibility for the implementation, control and review of the Risk Prevention Plan;
- Definition of the Risk Prevention Plan implementation measures;
- Definition of the Risk Prevention Plan review measures.

2. METHODOLOGY

The Risk Prevention Plan took into account the reality of the sector in which Alloga Logifarma operates – the pharmaceutical sector – and covered the entire organisation, geographical areas of action and the activities specifically developed, including analysis of the entity’s administration, management and operational areas.

This Risk Prevention Plan was drawn up based on the information and data provided in September 2022.

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2.1. ACTIVITY SECTOR

Corruption is a complex phenomenon, without a standard definition, due to the different acts and behaviours that could embody or constitute related infractions. Despite its greater notoriety in the public sector, corruption may also affect the private sector. Acts such as the offer or receipt of improper benefits, the misuse of funds, influence peddling, abuse of functions, among others, occur in both sectors, in different forms, which are also manifest differently in distinct areas of each sector.

Regardless of the act of corruption, the implications are always serious, especially when occurring in the public sector, jeopardising public confidence in government institutions and the public interest, harming political integrity and distorting the sector's results¹.

Corruption in the private sector is reflected both in the image of companies and in their positioning in the market, such as in the pursuit of trade, directly affecting their competitiveness and economic development.

Alloga Logifarma's core business activity is in the health and pharmaceutical sectors and, more specifically, in pharmaceutical distribution.


The considerable public budgets reserved for health have made this sector prone to corruption practices. According to *Transparency International*², all countries have corruption in the health sector, although the prevailing types of corruption can vary. The scale of corruption can also vary; it may be "minor", such as that emerging in bureaucratic processes, or "major", when occurring at a political or legislative level.

Corruption typically occurs when persons are capable of rationalising acts of corruption through social norms and also when the opportunity arises to abuse power with minimal consequences. This means that all parties involved in the pharmaceutical sector are exposed to risks of corrupt practices, including health professionals, civil servants and employees of companies of the pharmaceutical market throughout their entire value chains: research and development, production, marketing, sales, distribution and commercialisation³.

¹ [UNODC - Public Sector Corruption: Manifestations and consequences of public sector corruption.](#)

² *Transparency International* is a non-governmental organisation (NGO) present in more than 100 countries, including Portugal, tasked with combating corruption, promoting the defence of human rights and the values of democracy.

³ [Publications - Transparency International Global Health \(ti-health.org\)](#)

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In view of the above, under this Risk Prevention Plan, the activity pursued by Alloga Logifarma, abstractly considered, should be classified as “high” likelihood, due to the increased risk inherent to the health and pharmaceutical sectors.

2.2. SIZE OF THE ORGANISATION

On the date on which the information was collected for drawing up this Risk Prevention Plan, Alloga Logifarma employed a total staff of approximately 176 workers.

Alloga Logifarma has premises located in Portugal, namely in Cabra Figa and Terrugem.

In objective terms, it is considered that the higher the number of workers and the larger the organisational structure, the more difficult control will be and, consequently, the higher the inherent risk.

In this regard, considering the number of workers and the size of the organisational structure of Alloga Logifarma, the likelihood of occurrence of risk, in objective terms, was classified as “medium”.


2.3. PREVIOUS SANCTIONS AND LITIGATION

The existence of a record of administrative sanction procedures, administrative offence and/or criminal proceedings, whether against its administrators, directors or manager, exacerbates the potential risk of the company’s exposure to criminal phenomena.

In this context, information on the existence or not of a record of sanction and litigation procedures of Alloga Logifarma has not been analysed; therefore, we decided to assign a “medium” likelihood of occurrence.

2.4. STRUCTURE

The fact that the entity is part of a group of national or international companies is an element that increases or, according to the case, decreases the associated risk. Likewise, the complexity of the business structure and its level of transparency are assessed in the analysis of inherent risk. The higher the complexity and, on the other hand, the lower the transparency of the company's or group's structure, the higher the inherent risk.

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Alloga Logifarma's structure is essentially linear, departmentalised in a functional manner and located only in Portugal. Nevertheless, as the complexity of the organisational structure in which Alloga Logifarma operates – ANF Universe – increases the potential risk of exposure to acts of corruption and related infractions, its likelihood should be classified as “high”.

2.5. FREQUENCY OF THE PROCESS

The periodicity with which the identified activities or processes are carried out is taken into account, as this has a direct impact on risk classification, because the increased frequency with which the activity is carried out shall increase the likelihood of materialisation of the associated risk. The frequency with which the organisation carries out or develops the specific business process is classified as follows: (i) daily; (ii) weekly; (iii) monthly; (iv) annually. The higher the frequency, the higher the likelihood of occurrence of the risk.

Considering that the departments and areas analysed carry out their business activities on a daily basis, the likelihood in abstract terms was classified as “high”, but only in the departments in which particular specific risks may materialise. In the activities in which the risk cannot be materialised, this was considered “not applicable”.


2.6. CORPORATE LOCATION

Alloga Logifarma operates exclusively in Portugal. The assessment of the inherent risk in the operational context will be higher when the organisation is present in different areas and locations, and lower when only developed in-country.

Alloga Logifarma has premises in Portugal at two locations: Cabra Figa and Terrugem, both belonging to the municipality of Sintra. Therefore, the likelihood of inherent risk was classified as “low”.

2.7. RISK MATRIX

In this context, the following elements were analysed: organisational chart of the entity, activities specifically developed by each department, typical profiles of customers, suppliers and partners, total number of employees, existing policies, record of criminal and administrative offence proceedings, existing certifications and interviews held with members of the management body and heads of department previously identified as potentially more prone to risks of corruption and related infractions.


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During these interviews, each of the persons referred to above identified and assessed, taking into account their duties and powers, the potential levels of exposure, prevention, detection and repression of corruption and related infractions of the company and/or of the department or area in question. To this end, the interviewed persons answered a series of questions related to their perception of risk of exposure of the activity pursued to acts of corruption, identification of the existing policies, risk of customers and suppliers, and control measures in place or to be adopted.

Combining all the elements described above, the areas of activity with higher risk of exposure to acts of corruption were determined and the likelihood of occurrence of the risk and its expected impact was ascertained, so as to enable classification of the average risk of the company and respective departments (inherent risk), as well as the respective average compliance, thus obtaining residual risk. This exercise led to the identification of the measures to be implemented and/or improved in the process of adjustment of internal policies to the structuring and implementation of the Regulatory Compliance Programme (PCN) in conformity with the obligations established in the General Framework for Prevention of Corruption.

The criteria used for the classification of the residual risk of corruption took into account the existing internal means and policies at Alloga Logifarma, as well as their efficacy to mitigate and prevent the occurrence of the identified risks.

The impact was estimated considering the type of consequence to be expected in relation to a hypothetical occurrence of an event of corruption risk and related infractions.

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Classification	Classification Factors	
	Likelihood	Impact
Very Low	Internal policies and mechanisms have been implemented which regulate and control the activity, clearly defining the rules of procedure and behaviours prohibited to the employees, establishing procedures for prevention and resolution of any infractions. Existence of instituted principles and practices which mitigate the possibility of occurrence and enable their detection.	The occurrence of situations of corruption or related infractions will, above all, have minor internal consequences, and may superficially affect the entity's organisational performance.
Low	Existence of internal policies which regulate the activity, defining the rules of procedure and behaviours prohibited to the employees. Existence of instituted principles and practices which mitigate the possibility of occurrence.	The occurrence of situations of corruption or related infractions will, above all, have internal consequences, and may hinder the entity's organisational performance.
Medium	Existence of outdated internal policies which regulate the define the rules of procedure and behaviours prohibited to the employees. Existence of instituted principles and practices which mitigate the possibility of occurrence. It is possible for additional decisions to be taken or additional procedures to be developed nature which mitigate the likelihood of occurrence.	The occurrence of situations of corruption or related infractions are negatively reflected on the entity's image and reputation. Financial losses and loss of revenue may occur.
High	The existing policies, principles and practices are insufficient and unlikely to prevent the possibility of occurrence, even if additional decisions are taken or additional procedures are developed.	The occurrence of situations of corruption or related infractions are negatively reflected and affect the entity's image and reputation, and may limit pursuit of the activity, accompanied by financial losses.
Very High	Non-existence of policies, principles and practices to prevent the possibility of occurrence.	The occurrence of situations of corruption or related infractions profoundly affects the entity's image and reputation, accompanied by financial losses and loss of revenue. Limitations to business opportunities may be generated, with reduction of the entity's potential expansion.

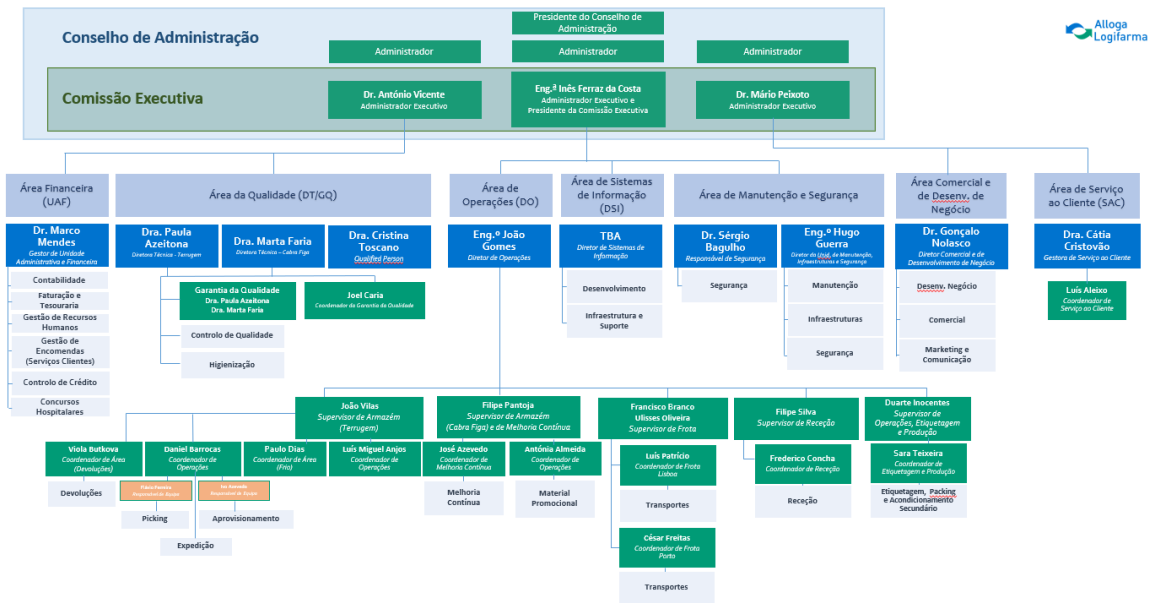
The combination of the likelihood of occurrence with the severity of the estimated impact gives rise to the classification of the risk of corruption and related infractions associated with the activity of the company and/or respective departments.

Activities which show high or maximum residual risk should be considered priority in the implementation and execution of the identified preventive and corrective measures.

3. DESCRIPTION OF THE ACTIVITY AND ORGANISATIONAL STRUCTURE

Alloga Logifarma, S.A. (hereinafter "Alloga Logifarma") is a company of the ANF Universe with the core business of "Storage and distribution of pharmaceutical, sanitary and other related products and equipment and, in general, the provision of services to pharmaceutical and health industries".

This Risk Prevention Plan is based on the organisational structure of Alloga Logifarma in September 2022, indicated in the following organisational chart:



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4. IDENTIFICATION OF THE AREAS POTENTIALLY MORE EXPOSED TO RISK


The analysis of the organisational structure and activity pursued by Alloga Logifarma led to the identification of the following areas as potentially more exposed to risks of corruption and related infractions:

- Board of Directors;
- Executive Committee;
- Quality;
- Financial;
- Operations;
- Logistics.

5. PREVENTION, DETECTION AND CORRECTION MECHANISMS

Alloga Logifarma has the following controls and mechanisms for prevention, detection and correction of acts of corruption and related infractions in force, which aim to reduce the likelihood of their occurrence and degree of their impact:

- Internal Regulation – Standards of Conduct and Business Ethics;
- Procurement Procedure;
- Supplier risk identification and assessment form;
- Supplier selection, approval and assessment procedure;
- Customer qualification procedure;

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- Training procedure;
- Whistleblowing Channel (policy and procedure under approval on the date of drafting this Risk Prevention Plan).

Alongside the elements identified above, Alloga Logifarma should govern its activity in accordance with the applicable Policies of the Alliance Healthcare Group, namely:

- Code of Conduct and Business Ethics;
- Conflict of Interest Management Procedure;
- Policy on Procurement of Products and Services.

6. INTERVIEWS WITH SENIOR MANAGERS

Pursuant to the organisational structure presented above and considering the areas identified as potentially more exposed, interviews were held with the Administrators of Alloga Logifarma, and with the persons responsible for the following areas: Operations, Logistics, Financial and Administrative, Quality of the Cabra Figa Warehouse and Quality of the Terrugem Warehouse.


Most of the interviewees tended to downplay the risk of Alloga Logifarma's exposure to risks of corruption and related infractions, due to considering that Alloga Logifarma's activity is essentially embodied in the provision of storage and distribution services, not interfering with the commercial conditions applicable to the pharmaceutical products.

Alloga Logifarma has ISO 9001 certification for the quality management system and certifications attributed by the National Authority of Medicines and Health Products (Infarmed) for compliance with good procurement and distribution practices.

Most of the interviewees also indicated that they consider the Quality department most exposed to risk, due to its direct contact with Infarmed and the Directorate-General for Food and Veterinary (DGAV), in the context of inspections and for purposes of certification of good practices, as well as customers and suppliers. However, they consider that the existing control procedures and mechanisms reduce the respective risks.

In view of the answers to the questionnaire applied during each interview, the perception of risk and level of compliance was ascertained under the following terms:

- a risk level, in a classification of 1 to 4, in which 1 is minimum risk (not occurring) and 4 is maximum risk (occurs); and
- a compliance level, in a classification of 1 to 4, where 1 reflects minimum compliance (does not exist or does not have implemented policies) and 4 reflects maximum compliance (policies exist and are properly implemented);

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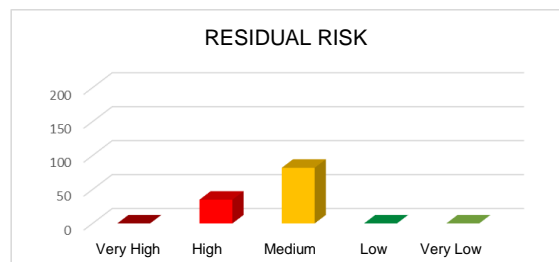
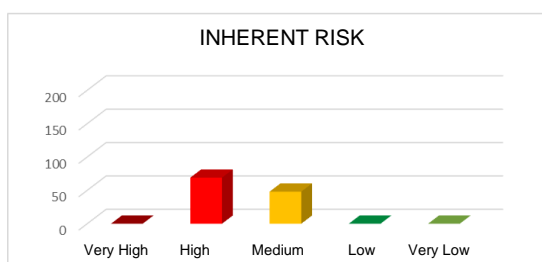
- with the average compliance level being ascertained.

The calculation of Alloga Logifarma's average compliance level ascertained as a result of the self-assessment and awareness-raising exercise was **2.24** out of 4.

The series of interviews enabled concluding that it is necessary to implement policies and procedures concerning prevention of corruption, update the existing policies and strengthen the applicability of the Alliance Healthcare Group's policies at the company. The awareness-raising of the employees on this matter should be strengthened through training actions to enable them to identify, prevent, detect and report any acts of corruption.


7. RISK ANALYSIS

The completed risk matrix, based on the elements analysed and listed above, gave rise to a **medium-high inherent risk** level and a **medium residual risk** level, taking into account the control measures and policies currently in force.



As a result of this exercise, the circumstances and/or activities more prone to involving risks of corruption and related infractions were identified, which, at Alloga Logifarma, correspond to the following:

- Board of Directors, in general terms;
- Executive Committee, in general terms;
- Financial Area, in the sphere of management and control of capital flows;
- Information Systems;
- Logistics;
- Maintenance, Safety and Security;
- Business Development Area, specifically the Commercial department.

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The omission of mechanisms and procedures aimed at mitigation of the risks inherent to the activities identified above was also detected, which are described below in point 8.

8. PREVENTIVE AND CORRECTIVE MEASURES


In light of the company areas indicated above as high risk, the following measures were identified for implementation by Alloga Logifarma, and their implementation status will be assessed in the Reports on Implementation of the Plan for Prevention of Corruption and Related Infractions:

- Recast of the Internal Regulation for integration of the Code of Conduct and in conformity with the obligations arising from the RGPC;
- Creation of the Regulatory Compliance Programme and this Risk Prevention Plan, in compliance with the legal requirements arising from the RGPC;
- Implementation of the Anti-Corruption Policy of the Alliance Healthcare Group;
- Implementation of the Policy on Procurement of Products and Services of the Alliance Healthcare Group;
- Creation of anti-corruption contractual clauses for suppliers and subcontractors;
- Implementation of the Conflict of Interest Management Procedure (PRO-84B) of the Alliance Healthcare Group;
- Recast of the Training Policy, in compliance with the obligations stipulated in the RGPC and with a view to strengthening the awareness-raising of the employees on the prevention, detection and mitigation of acts of corruption and related infractions;
- Implementation of internal exercises of assessment of the policies and measures in force.

Pursuant to Article 6(2)(b) of Decree-Law 109-E/2021 of 9 December, in situations of high or maximum risk, measures of prevention are of priority implementation.

9. APPOINTMENT OF THE OFFICER WITH OVERALL RESPONSIBILITY FOR IMPLEMENTATION OF THE RISK PREVENTION PLAN

The person appointed as the Officer with overall responsibility for the implementation, control and review of the Risk Prevention Plan, under the ANF Group's Regulatory Compliance Programme, is ANTÓNIO MANUEL SOUSA VICENTE, Portuguese, married, adult, resident at RUA ANTÓNIO RAIÓ, No. 14, 2710-539 SINTRA, holder of Citizen Card number 10120510 4 ZY5, valid until 04/05/2028, taxpayer number 205649505, with e-mail address antonio.vicente@alloga-logifarma.pt and telephone number (+351) 219614610, who will perform the duties of Officer with overall responsibility for the implementation, control and review of the Risk Prevention Plan, described in

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Decree-Law 109-E/2021 of 9 December, and will be given the necessary human and technical resources for the sound performance of his function.

10. MONITORING, ASSESSMENT AND REVIEW OF THE RISK PREVENTION PLAN

The monitoring of this Risk Prevention Plan will be ensured through periodic review of the controls, implementation and records of their execution, via internal assessment exercises.


Moreover, and pursuant to the provisions in Article 6(4)(a) and (b) of Decree-Law 109-E/2021 of 9 December, the implementation of the Risk Prevention Plan will be subject to another control, carried out by:

- The drafting, in the month of October of the year of implementation, of an interim assessment report in the situations identified with high or maximum risk;
- The drafting, in the month of April of the year following that of the implementation, of an annual assessment report, which should contain, namely, the quantification of the level of implementation of the identified preventive and corrective measures, and a forecast of their full implementation.

The Risk Prevention Plan is reviewed every three years or whenever justified by a change in the duties attributed or in the organic or corporate structure of Alloga Logifarma.

11. TEMPLATES AND ARCHIVE

Code	Description	Person responsible for the Archive	Duration of the Archive
Annex I	MAN-AL017 [ANNEX] - Risk Matrix	UAF	6 years

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12. RECORD OF CHANGES

Version	Change	Date
1	Initial version.	13 APR 2023
2	Updating of the company's organisational chart.	28 AUG 2023

13. APPROVAL OF THE MANUAL

	Function	Name	Date	Initials
Author	Technical Department site of Cabra Figa and Head of Quality Assurance	Marta Faria		
Reviewed and Approved by	Executive Director	António Vicente		
Reviewed and Approved by	Chairman of the Executive Committee	Inês Ferraz da Costa		