SUSTAINABILITY REPORT

FOR THE FINANCIAL YEAR 2024

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1. GENERAL BASIS FOR PREPARATION

[BP-1]

1.1. Current applicable regulations

The **Corporate Sustainability Reporting Directive (CSRD)**, transposed into Romanian law through **OMF 85/2024**, mandates that **listed companies with more than 500 employees** report in accordance with the **European Sustainability Reporting Standards (ESRS),** for the reporting periods starting from **January 1, 2024**.

As a result, this **Sustainability Report** represents **Zentiva's first year of reporting under CSRD** and in full compliance with **ESRS requirements.**

1.2. Reporting Period

1.01.2024 - 31.12.2024

1.3. Scope

The Sustainability Report was prepared on individual basis and is mirroring the scope of the Zentiva S.A. ("the Company") Financial Statements.

1.4. The extent to which sustainability statement covers upstream and downstream value chain

Zentiva S.A. is considering its value chain through a comprehensive approach:

- ✓ **Materiality Assessment:**

  The Company conducted a double materiality analysis including the potential impact of Zentiva S.A.'s sustainability issues on its value chain, to develop appropriate strategies to address them. The Company also engaged stakeholders in identifying and evaluating impacts, risks, and opportunities by incorporating their feedback from an extensive questionnaire into the final version of our Impacts, Risks, and Opportunities report. [further details presented in section SBM 2 - **Interests and Views of Stakeholders – General]**

- ✓ **Main Processes and Procedures:**

  Due Diligence Process for suppliers which focuses on governance, economic and reputational risks [further details presented in section GOV 4 - Statement on Due Diligence], Supplier's Ethics and Conduct Code; Pharmacovigilance procedures presented in ESRS S4 - End Users.

- ✓ **Indicators**

  We included the Scope 3 Carbon Footprint indicator to assess the impact of our value chain. It is highlighted that we used industry references, as we did not obtain specific information from our suppliers.

  The only direct information from our suppliers is the Scope 2 GO certificates (Guarantee of Origin) from our electricity suppliers, through which we assessed our market-based emissions (described in more detail in ESRS E1 – Climate change).

- ✓ **Privacy of customer data** (described further in ESRS S4 - End Users)

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1.5. Option to omit specific pieces of information corresponding to intellectual property, know-how or results of innovation has been used

We have not opted to omit information corresponding to intellectual property, know-how, results of innovation, impending developments or matters in course of negotiation or to use the exemption from disclosure of impending developments or matters in the course of negotiation.

2. DISCLOSURES IN RELATION TO SPECIFIC CIRCUMSTANCES

[BP-2]

2.1. Time horizons

The sustainability report covers the period 01.01.2024 – 31.12.2024.

The Company adopted the following time horizons as defined in ESRS 1 as of the end of the reporting period:

- ✓ for the short-term time horizon: the reporting period in the financial statements which for this report is 01.01.2024 – 31.12.2024
- ✓ for the medium-term time horizon: from the end of the short-term reporting period up to 5 years;
- ✓ for the long-term time horizon: more than 5 years.

2.2. Preparation and approval of the sustainability report

The Sustainability Report has been reviewed and approved by Zentiva S.A.' Board of Directors and assured by EY Romania, based on a limited assurance engagement under ISAE (International Standard on Assurance Engagements) 3000.

2.3. Sources of estimation and outcome uncertainty (including Value chain estimations)

The preparation of the Sustainability Report requires management to make judgments, estimates and assumptions that affect amounts reported. The estimates and assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are continuously reviewed and are detailed in the respective sections where they are applied.

The following indicators have a higher degree of judgment and complexity for which changes in the assumptions and estimates could result in different results than those recorded in the Sustainability report:

- **Scope 1, Scope 2 and Scope 3 Carbon Footprint (2.1. ESRS E1 – Climate Change)**

The GHG footprint was calculated based on the GHG Protocol Methodology. For Scope 1 emissions (direct emissions from owned or controlled sources), we have used standard conversion factors or equivalence tables (e.g., litres of fuel burned - CO_2eq emitted) provided by official bodies (further details are included in ESRS E1- Climate Change chapter). These emission factors are usually well-established and reliable, leading to lower uncertainty. Scope 2 emission factors are approved by regulatory bodies, leading to less uncertainty in our calculation. However, Scope 3 emission factors used in our calculations have a high level of uncertainty as they rely on indirect sources, such as sector-average data. As accounting techniques and country-specific emission factors will further develop, and as we obtain more specific data from our suppliers, Scope 3uncertainty will decrease.

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For most emission and conversion factors, uncertainty values are estimated because published sources typically do not provide explicit uncertainty values. According to the GHG Protocol, and derived from the IPCC's Fourth Assessment Report, estimated uncertainty of Global Warming Potential (GWP) values for the six primary greenhouse gases is ±35% within a 90% confidence interval (ranging from the 5th to 95th percentile of the distribution),

- GHG emissions according to Scope 2 and Scope 3 contain value chain estimations.

- **Carbon Reduction Targets (2.1. ESRS E1 – Climate Change)**

  Estimating future emission reductions based on mitigation strategies and reduction commitments.

- **Carbon Offsets (2.1. ESRS E1 – Climate Change)**

  Estimations and uncertainties related to carbon offsets, including overestimation, additionality risk, permanence risk, and leakage risk.

- **Double Materiality Analysis (1.5. ESRS 2-General Disclosures /Double Materiality Assessment)**

  Estimating the significance of impacts from two perspectives, based on the internally developed evaluation grids:

  - Impact materiality (how the Company and its value chain affect the environment and society).
  - Financial materiality (how sustainability matters impact the Company's financial position).
  - Probability & Severity of Impacts – Estimating how likely an impact is to occur and its potential severity on affected communities, environment, and business.

- **Climate assessment (2.1. ESRS E1 – Climate Change)**

  In climate risk assessment performed for the Zentiva S.A. site, uncertainty arises from various sources including model and parameter uncertainties (differences in model structures and assumptions, and variability in estimated parameters), emission scenarios (varied projections based on future greenhouse gas emissions and socioeconomic pathways), data quality (accuracy and resolution of observational data), and methodological approaches (differences in translating global models to regional outputs).

  This analysis includes various estimations to address uncertainties in predicting future climate conditions and their impact on our operations. These estimations consider factors such as temperature variations, precipitation patterns, and extreme weather events, along with their effects on our operations and value chain.

  Additionally, we have made assumptions regarding building materials and construction techniques, storage conditions, equipment durability, and the availability of electricity and water supply.

2.4. Information stemming from other legislations

Please see Appendix A.

2.5. Incorporation by reference

For [Gov-1] requirements please see the Directors Annual report, Chapters 10-11.

2.6. Use of phase-in provisions in accordance with Appendix C of ESRS 1

In this first year of preparation of the Sustainability statement we opted to use all the phase-in provisions listed in ESRS 1 Appendix C applicable to Zentiva S.A. (as an undertaking with over 750 employees).

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For our metrics, if no specific information is provided, it is to be understood that they have not been validated by an external body other than the assurance provider.

3. GOVERNANCE

2024 was a transformational year in terms of Sustainability for Zentiva. Many new regulations were introduced by the European Commission. We initiated the EUDR (European Union Deforestation Regulation) adoption plan, we continued our preparatory work on CSRD – the Corporate Sustainability Reporting Directive (CSRD), EU Taxonomy among other directives which require a strong governance framework to ensure compliance and transparency. Zentiva values a framework where everyone can share insights, compare, and learn from one another. It is only through collective effort that we can address climate change and safeguard our planet so that future generations can enjoy life as much as we do!

The company's governance structure consists of the following key administrative, management and supervisory bodies:

- **Board of Directors (BoD)** – Supervisory role, overseeing corporate strategy, and regulatory compliance.
- **Executive Management** – Management role, responsible for implementing business strategies, operational decisions, and risk management.
- **Remuneration Committee** – Administrative role, managing executive compensation
- **Audit Committee** – Supervisory role, ensuring the accuracy of financial and sustainability reporting, internal controls, and risk oversight.

The following sections will provide a detailed explanation of each body's role, their responsibilities, and access to expertise and skills related to sustainability matters. They will also outline the oversight of Impacts, Risks, and Opportunities (IROs) and how the responsibilities of each body or individual for IROs are defined.

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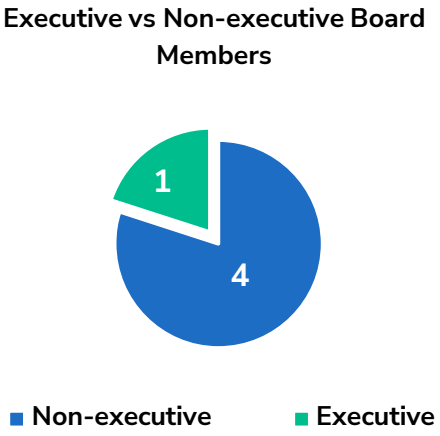
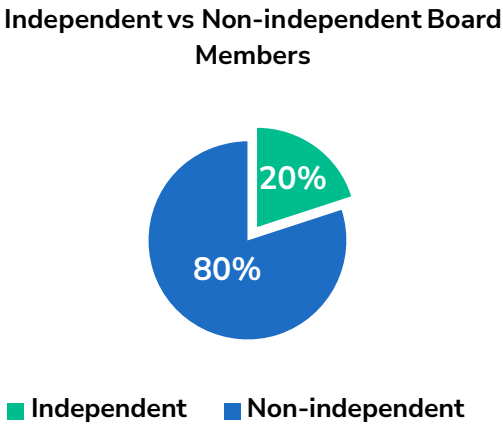
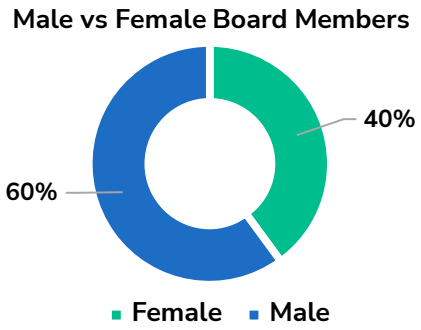
3.1. ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

[GOV-1]- [Reference- Chapter 10-11, Directors Annual Report]

Board of Directors:







Employee Representatives are not part of the Administrative, Management, and Supervisory Bodies. However, they are regularly informed and consulted on business decisions. *(For further details, see S1 – Own Workforce.)*

3.1.1. Governance of Sustainability at Zentiva Romania

Integration within the Group's Sustainability Governance and Synergies

At Zentiva Romania, sustainability is embedded within our corporate governance framework, aligning with the Zentiva Group's sustainability strategy and framework. Our governance model ensures that sustainability is systematically integrated into business decisions, operations and communicated within the reporting structure designed and implemented by the Group.

Robust governance plays a pivotal role in engraining Sustainability into our ethos and decision-making. Sustainability governance, which includes climate change mitigation and adaptation, is fully integrated into Zentiva's governance structure. These elements are consistently factored into business deliberations and

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decisions, forming an essential component of our daily operations and management practices.

Within Zentiva Group, Sustainability is firmly anchored at leadership level, with the Group CEO serving as a sponsor of the Group Sustainability Steering Committee, a Head of Group Sustainability overseeing the strategy and a Group Sustainability Manager coordinating the agenda.

The Group Audit Committee has overall responsibility for approving the Sustainability-related plans.

Group Sustainability Committ

- **Purpose**
  The Sustainability Steering Committee (SSC) fosters the creation of a healthy and sustainable growth of the company combined with long- term shareholder value
- **Members**
  CEO (Sponsor), Head of Sustainability (Owner), Head of Strategy and Transformation, CFO, Head of Legal & Compliance, Head of Product Supply, Head of People & Organisation, Head of Risk Management, Chief Quality Officer and Corporate Sustainability Manager (Secretary). (8 nationalities represented, 5 of its 10 members are female)
- **Frequency**
  Quarterly
- **Responsibilities**
  Reviews and approves Sustainability strategic plans and supervises the activities, providing consequent investments and reviewing progress and outcomes

Group Audit Committee

- **Purpose**
  The Audit Committee reviews and approves financial statements, internal control & audit and Sustainability and ensures compliance with regulations
- **Members**
  3 members with 3 nationalities represented, whereas 2 of the members are female (all 3 members are also Advisory Committee members and 1 of them is Shareholder's representative)
- **Frequency**
  Quarterly
- **Responsibilities**
  Reviews and monitor plans, targets and outcomes

Within Zentiva, we have embraced a community-driven approach to Sustainability. Our core team coordinates the agenda and collaborates with experts from different functions across the company, making Sustainability a tangible reality rather than a theoretical concept. We believe in the collective effort, where everyone can contribute with their ideas and skills at their best abilities, recognizing that every small step counts.

Group Head of Sustainability

- Reports directly to the CEO and is part of Zentiva's leadership team
- Owns Sustainability strategy and agenda; leads core team and coordinates company experts
- Develops and implements ESG policies, objectives, guidelines
- Drives communication and engages with industry associations and initiatives
- Reports achievements/plans to Sustainability Steering Committee and Audit Committee

Group Corporate Sustainability Manager

- Reports to the Head of Sustainability
- Ensures the operational integration of the Sustainability strategy in Zentiva's key processes.
- Owns the governance of working groups, drives the agenda and tracks the development
- Conducts continuous assessments to identify potential improvements and best practices

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Zentiva Group has created nine specialized working groups to implement sustainability in a structured and coordinated manner. Zentiva Romania actively contributes with expertise and plays a key role in executing Group-led sustainability projects at the local level, under the guidance of the Group Sustainability Team.

Currently, Zentiva Romania has permanent representation in two working groups:

- Engineering/ Manufacturing Sites
- Procurement

For the remaining groups, local experts participate as needed, providing input and support based on specific project requirements.

Working Group	Key Responsibilities
Engineering/ Manufacturing Sites	Delivers the carbon reduction targets according to our Carbon Roadmap 2030 and efficiency programs in the areas of energy and electricity
Health, Safety, Environment (HSE)	Delivers safety training and prevention measures, drives awareness campaigns, water and waste management, supports health & wellbeing efforts and works closely with the engineering/manufacturing sites group to implement environmental measures
Research & Development	Conducts research on product composition from API to various manufacturing stages, aiming to enhance value for patients while also benefiting the environment
Procurement	Delivers sustainable procurement and owns third-party risk management to ensure standards and values are respected throughout our entire value chain
Supply Chain & Distribution	Assesses carbon footprint of our portfolio and optimises the product journey to the end consumer
Corporate Affairs	Maps upcoming European regulations to understand and adapt operational processes as necessary, ensures comprehensive compliance through proactive training initiatives
Quality	Identifies the optimal audit process and initiates a pilot scheme for an on-site ESG audit, paving the way for the development and implementation of a robust framework
Artwork & Packaging	Analyses the various components of packaging distributed to end consumers, with the goal of developing reusable packaging aligned with the principles of the circular economy

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Working Group	Key Responsibilities
Finance	Works on the EU taxonomy and reporting of financial and non-financial matters

Zentiva S.A., through its **Administrative, Management, and Supervisory Bodies**, is leveraging on the **expertise of Group specialists** and, when necessary, seeks input from **external consultants.**

3.2. INFORMATION PROVIDED TO AND SUSTAINABILITY MATTERS ADDRESSED BY ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

[GOV-2]

3.2.1. Sustainability Oversight at Board Level

Zentiva S.A. Board of Directors (BoD) & Audit Committee are validating the Sustainability Report before its publication. This process ensures recognition of the progress made during the year in achieving sustainability objectives and approval of the planned actions and resource allocation for the next financial year.

During 2024, the BoD validated the Non-Financial Declaration for 2023 financial year [PV CA nr. 8/27.06.2024].

Moreover, the annual investment plan was approved, including investments aimed at supporting Zentiva's sustainability goals. [PV CA nr. 3/27.03.2024]

At the same time, it ensures full integration with Group priorities, ensuring consistency across Zentiva's operations.

3.2.2. Governance of "Transition to CSRD" project

In 2024, the "Transition to CSRD" project engaged both senior management and operational teams, ensuring a comprehensive approach to compliance.

At the local level:

- The project was sponsored by the CFO.
- The Legal Advisor led the project implementation.

Each project milestone and deliverable were reviewed by the Group Sustainability Steering Committee, ensuring alignment with Group-wide sustainability objectives.

The existing targets are set by Zentiva Group's administrative, management, and supervisory bodies, which include members from Zentiva Romania. Once established, these targets are communicated to Zentiva Romania's Senior Management, which is responsible for overseeing their implementation.

What's next?

Due to Zentiva Romania's status as a listed company, the CSRD reporting process had to be completed one year ahead of the Zentiva Group.

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The existing targets are set by Zentiva Group's administrative, management, and supervisory bodies, which include members from Zentiva Romania. Once established, these targets are communicated to Zentiva Romania's Senior Management, which is responsible for overseeing their implementation.

Given this, our approach for this year is to wait for the final review of any governance changes, policies, and targets at the Group level. This ensures that our local approach remains aligned with the Group's sustainability strategy, which will be finalized in the Group Sustainability Report by next year.

3.2.3. Local Reporting and Group Oversight

Zentiva Romania provides **structured sustainability reporting** to the Group at defined intervals:

Sustainability Information	Reporting Frequency	Responsible Department
Carbon Footprint Data (Scope 1, 2), water, waste, energy	Monthly	HSE Team, Energy and Technical Department
Carbon Footprint Data (Scope 3)	Annually	HSE Teams, Energy and Technical Department, Zentiva Group
Health & Safety Compliance	Monthly	HSE Team
CO_2 Emission Reduction & Decarbonisation Plan Updates	Annually	Engineering & Sustainability Team
Double Materiality Analysis Outcomes	Per Update Cycle	CFO & Legal Advisor
Annual Sustainability Report	Annually	CFO & Legal Advisor

3.3. INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES

[GOV-3]

The remuneration of the executive directors consists of a fixed monthly component along with an annual bonus (called performance bonus), while the remuneration of the independent director includes only a fixed monthly component, with no additional fixed or variable compensation components.

Non-executive directors (except the independent director) have a free mandate.

As an exception, the nonexecutive members of the Board of Directors or the other managers appointed from within the Company's employees or affiliated companies in Romania may have the same rights and obligations provided for the executive members of the Board of Directors, based on remunerated mandate agreements concluded with the Company.

Aligned with Zentiva Group's sustainability goals, these objectives have been systematically integrated into the Group's senior management framework and further extended to Zentiva Romania's senior management. However, the potential implementation of an incentive scheme remains under review at the Group level.

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3.4. STATEMENT ON DUE DILIGENCE

[GOV-4]

3.4.1. Sustainability Across Value Chain

Together with our partners, we aim to enhance process transparency and operational resilience. We encourage regular stakeholder dialogue with our partners to share experiences, align expectations and collaborate towards a more sustainable future. As per our Responsible Sourcing Policy (Link), we strive to minimize the negative social and environmental impacts across our supply chain. We ensure rigorous supplier assessments through audits, due diligence, and compliance checks, requiring all partners to uphold high ethical, legal, and sustainability standards.

CORE ELEMENTS OF DUE DILIGENCE	Main references
a) Embedding due diligence in governance, strategy and business model	**Upstream:** • Policies: Guideline on Due Diligence process; Suppliers' Code of Conduct • Applying Responsible sourcing principles **Downstream:** • Feed-back from customers and end users (doctors, pharmacists, wholesalers, distributors, and hospital procurement teams)
b) Engaging with affected stakeholders in all key steps of the due diligence	New partners undergo a rigorous due diligence process subject to commercial, legal, reputational risks (which also include corruption and bribery to ensure alignment with Zentiva's standards before being added to the approved supplier list) assessments. Sustainability requirements are integrated into contracts that govern the business relations between Zentiva and its supply partners Pharmacovigilance line- all commercial agreements that are related to a product include a PV clause that is stipulating the changing of safety data between partners (according to GVP). Whistleeblowing channel available on the website, as well as the Speak-Up line, openly accessible.
c) Identifying and assessing adverse impacts	Zentiva Group conducts s risk-based assessment of our supplier base, supported by desk-based responsible sourcing audits conducted, results from the audits reviewed by the Zentiva Risk Committee. Suppliers are monitored for compliance with local regulations and alignment to Zentiva policies. Topics of specific relevance are human rights including working conditions, anti-modern slavery, code of ethics and compliance, anti-bribery and corruption, health, safety, quality, environmental protection and chemical handling.
d) Taking actions to address those adverse impacts	The compliance officer oversees the reputational screening of any third party, including suppliers, while the legal department, and management committees oversee the suppliers due diligence process and are responsible for addressing issues raised.

CORE ELEMENTS OF DUE DILIGENCE	Main references
	In case of whistleblowing, the coordination of the reports is the sole attribute of the designated person. Annual review as part of our Evaluation of the Quality System. Inside company exist clear workflows, that assess (according to internal rules) all types of complaints and enquiries received from clients and end-user.
e) Tracking the effectiveness of these efforts and communicating	The effectiveness of the ethical compliance program is tracked by means of the annual and ad-hoc monitoring activities performed by the Compliance Officer, responsible for monitoring of the governing policies, whose results are presented to the local Compliance Committee.

3.4.2. Overview

Due Diligence applied to partners

The Guideline on Due Diligence process establishes corporate instructions for conducting due diligence to evaluate the reputation and risks associated with third parties engaged by Zentiva S.A.

The objective is to minimize corruption risks and ensure compliance with anti-corruption laws at both national and international levels.

This Due Diligence process is applied globally to all third parties involved with Zentiva S.A., at the start of a business relationship, periodically (every 3-5 years), or upon significant changes. There are three types of due diligence: initial reviews, ongoing assessments, and retroactive evaluations for existing engagements.

Mitigation actions are taken to resolve flagged issues, which may include requesting additional documentation, clarification, or sworn affidavits from the third party. If risks cannot be mitigated, the relationship with the third party may be terminated to protect the company's reputation and legal compliance.

There both a proactive approach by requiring initial and periodic reviews, the process identifies risks early, preventing potential issues from escalating and a dynamic adjustment as the guidelines mandate re-evaluation of third parties when significant changes occur, ensuring that risk assessments remain current.

The Legal Department, Compliance Officer, and Management Committee (as defined in the due diligence guidelines) oversee the due diligence process and are responsible for addressing issues raised.

This structured due diligence process ensures that all third-party engagements align with Zentiva S.A.'s commitment to anti-corruption standards and sustainability objectives.

Workforce across our value chain

Zentiva, as a Group and at the **Zentiva S.A.** level, acknowledges the crucial role that individuals play throughout the entire value chain in achieving our Sustainability targets. We are committed to upholding human rights, both within our organization and among our suppliers, as outlined in our internal policy and Suppliers Code of Conduct. Through our due diligence process for partners and suppliers, we prioritize the protection of individuals involved with a focus on the process of continuous risk identification and implementation of preventative and mitigation measures**.**

End user PATIENT & CONSUMER

We improve lives through the development, production, and delivery of our medicines. The quality of our products and the safety of the patients and consumers always remain our highest priorities. We collaborate closely with regulators, inspectors, and quality organizations to uphold the safety and efficacy of our

medicines. Our commitments are embedded in our Quality policy and upheld through rigorous adherence to Zentiva's quality and safety standards. Our processes and systems comply with good operating practices across many domains including good clinical, laboratory, research, manufacturing, pharmacovigilance and distribution practices. We are constantly monitoring product quality and safety parameters and control these parameters regularly. Every step is traceable and correctly recorded to ensure the safety of our medicines. Feedback from partners and patients, including comments, complaints, and claims is diligently reviewed as part of our pharmacovigilance and safety monitoring. We collaborate with regulators to address emerging issues within the healthcare system, conducting patient risk assessments and implementing corrective actions as needed. Our direct interactions with patients, families, advocates and patient organisations are conducted transparently and in accordance with local laws and regulations. These interactions focus on education and support, avoiding any promotional activities.

Speak-up / Whistle-blower Process

We encourage our employees to report any concerns they may have regarding compliance with all laws applicable to Zentiva, our Code of Ethics, Zentiva internal rules and/or ethical principles. Zentiva further encourages employees to raise questions related to compliance. The company maintains a strict zero-tolerance policy towards any reprisals against individuals who report in good-faith. This policy is issued by the Compliance Officer / Designated Person and is available to any third party.

Human Rights & Anti-modern Slavery

Zentiva respects and supports the protection of human rights across our business operations extending downstream to the actions and practices of our partners and upstream through our supply chain and sourcing network as embedded in the Universal Declaration of Human Rights. Zentiva is committed to upholding the labour standards as set out by the International Labour Organisation, and to full compliance with local labour laws. We expect every team member to respect human rights as described in our Code of Ethics. We compensate our employees fairly based on market norms and in line with the legal requirements for wages and social benefits. We are dedicated to safeguarding children's rights to education and personal development and oppose any employment that falls below minimum working age. Our employees are empowered to decide whether to be part of a labour union, a workers' council, or any other collective bargaining framework of their choosing. We collaborate closely with the employees' Representatives to achieve the best outcome for our people and our Company.

3.5. RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING

[GOV-5]

The Company is committed to ensuring robust risk management and internal control processes for sustainability reporting.

The Risk Management and Internal Control process related to Sustainability Reporting is currently under development and will be implemented at the Group level in 2025. This will align with the Group's reporting obligations for the FY 2025 Sustainability Report, scheduled for publication in early 2026.

For the current reporting year, the Company has applied DMA (Double Materiality Assessment) principles for risk identification.

Additionally, the Company has established a formal Risk Management framework in accordance with the following internationally recognized standards:

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- **ISO 14001 – Environmental Management System (EMS)**
    - Identifying, assessing, and mitigating environmental risks, including pollution, resource depletion, and regulatory non-compliance.
- **ISO 45001 – Occupational Health & Safety Management System (OH&S)**
    - Focusing on preventing workplace accidents, injuries, and health hazards.
- **ISO 50001 – Energy Management System (EnMS)**
    - Addressing risks related to energy inefficiency, supply shortages, and regulatory compliance.
- **ISO 9001 – Quality Management System (QMS)**
    - Managing risks associated with product and service quality, customer satisfaction, and operational efficiency.

4. STRATEGY

4.1. STRATEGY, BUSINESS MODEL AND VALUE CHAIN

[SBM-1]

4.1.1. General Strategy

Zentiva S.A is one of the most important local producers of drugs in the Romanian landscape, with a heritage dating back to 1962 when the Bucharest Medicine Factory was born.

The Company's portfolio, as of 2024, has over 280 brands in multiple therapeutic areas, being present in over 80 ATCs (Anatomical Therapeutic Chemical) such as cardiology, urology, gastroenterology, antibiotic therapy, pain treatment and in multiple presentation forms - tablets, film-coated tablets, ampoules, suspension for oral solution.

The portfolio covers both prescription status medicines (Rx) and over-the-counter brands, aimed to respond to end consumer needs (OTCs). The split between the 2 categories, Rx and OTC brands, is 85% in units (primary sales, to wholesalers) for Rx, while the OTC accounts for 15% of the portfolio.

Regarding the 2 channels of sales, hospital and retail, Zentiva has a complex portfolio dedicated to hospital and a strong presence at hospital level, 24% MS in units *(according to IQVIA sell-in data, MAT December 2024)*, 1 out of 4 drugs administrated in hospitals being a Zentiva drug. Zentiva is number 1 in units, at hospital level, in the RX market. Most important drugs are in ATC A, A ALIMENTARY TRACT AND METABOLISM – Vitamin B1, B6 and B12, but also in ATC N, N NERVOUS SYSTEM – metamizole injectable.

A key strategic direction for Zentiva is to best respond to patient needs in terms of access to new, modern drugs that enter the market at affordable prices so this is why launches and the renewal of our portfolio are Priorities.

During the period 2022-2024, Zentiva focused its efforts and investments on launching as many medicines as possible that best meet the needs of patients in Romania and thus, out of a total of 623 new drugs/presentation forms entered the generic medicines market during this period, Zentiva launched 55 drugs or 9% of the total launches. This is an impressive number, with the next largest player in the market launching 36 new drugs/forms of presentation and considering that in total the 623 new drugs were launched by 107 companies, so an average of 5.8 launches/company *(according to IQVIA sell-in data, MAT December 2024)*.

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Only in 2024 Zentiva launched 14 new RX drugs/presentation forms in 7 ATC - B01F DIRECT FACTOR XA INHIBS, J05B ANTIVIRALS, L01K LIDOMIDE ANTINEOPLASTICS, N02B NON-NARCOTIC ANALGESICS, N07A MULTIPLE SCLEROSIS PRODS, L01A ALKYLATING AGENTS, C01F POSITIVE INOTROPIC AGENTS. The newly launched products address pathologies with high number of patients like rivaroxaban, a blood thinner that treats or prevents blood clots or more niched pathologies like milrinone, a medication indicated for cardiac support in patients with acute heart failure, pulmonary hypertension, chronic heart failure or melphalan, a chemotherapy drug commonly used in treating multiple myeloma.

Zentiva's mature RX portfolio represents an option for both acute and chronic treatments, being focused on cardiology, urology, rheumatology, gastroenterology, antibiotic therapy, oncology and pain treatment.

One of the most important drugs for Zentiva is dedicated to the treatment of pain, metamizole, the number one drug in the prescription market with 10,2 mil boxes sold in 2024 *(according to IQVIA SISO data, MAT December 2024),* available in 4 presentation forms – tablets, film coated tables, injectable and oral drops (2 forms – 50 ml and 100 ml).

Romania has the highest number of deaths from both preventable and treatable causes in the European Union. Cardiovascular diseases are the leading cause of death in our country, accounting for 57% of all deaths recorded nationally. Every 30 minutes, a Romanian dies of a heart attack, while only 16% of Romanian patients reach the therapeutic targets of the 2019 European Society of Cardiology Guidelines for lipid values. In the first half of 2024, circulatory diseases continued to be the most important cause of death in Romania, implicitly a major public health problem that must be addressed and treated. The therapeutic class C10 dedicated to drugs that treat elevated lipids recorded a 30% increase in value in the last 12 months, while the class B01 dedicated to antithrombotic treatment recorded an 18% increase in value.

Zentiva's cardiovascular medicines treat an impressive number of patients annually, over 500,000, a number that has been steadily increasing for at least the last 10 years. For example, 1 in 2 patients who are being treated with clopidogrel, an antiplatelet agent used to prevent the formation of blood clots (thrombi) in hardened blood vessels (arteries), take Zentiva's clopidogrel. Zentiva's rosuvastatin, a statin used to correct blood fat levels (lipids), has become the most prescribed rosuvastatin in Romania. On the one hand, these figures show the doctors' confidence in the efficiency and quality of Zentiva's products, a confidence that comes from 5, 10, 15 years of experience with the company's products, present on the market since 1962. On the other hand, these figures, which show a 2-digit annual percentage increase, also speak about the treatment needs of Romanian patients.

Along with the cardiovascular portfolio, sustained increases were also recorded in medicines dedicated to oncological diseases, the second most important cause of death in our country. According to estimates by the Joint Research Centre based on incidence trends from previous years, in Romania there are estimated to be approximately 95,000 new cases of cancer and approximately 54,000 deaths caused by cancer. Unfortunately, five-year survival rates for treatable cancer are well below the EU average, including in the case of prostate cancer (77% compared to 87% in the EU) and breast cancer (75% compared to 82% in the EU). There is a definite need for therapeutic solutions dedicated to these patients, with Zentiva's oncological portfolio registering a significant increase in the last years.

Zentiva has a strong oncology portfolio. Most important drugs are Sorafenib (with a market share of 32% and second place in terms of unit sales after the innovative product), Azacitidine, Dasatinib (with a market share of 43.8% according to IQVIA) and Pomalidomide (launched in November 2024, with a market share of 42% in January 2025).

Significant increases were also recorded in medicines dedicated to respiratory diseases, the third cause of mortality in Romania. The consequences of modern society - pollution, smoking lead to a significant increase in cases of COPD (Chronic Obstructive Pulmonary Disease) and Bronchial Asthma. In Romania, 1 in 10 patients suffers from a respiratory condition (AB or COPD), with over 1 million patients suffering from asthma and over 1 million patients suffering from COPD who need medication.

At the end of of 2023 Zentiva launched the first and only generic beclometasone & formoterol with extra fine particles to offer patients suffering from COPD modern and accessible treatment solutions.

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Over the past five years, Zentiva has made significant strides in expanding its Consumer Healthcare (CHC) portfolio to complement its already comprehensive range of prescription medicines. By strategically acquiring well-established brands and consistently launching innovative products, we have built a robust CHC portfolio with product specifically formulated to meet the needs and expectations of our growing customer base.

This CHC portfolio includes long-standing products, such as paracetamol, which has been produced in the Zentiva factory since 1970 and reached almost 3.7 million units in sales volume last year (Sell Out units Iqvia)—alongside newly launched brands that address a diverse array of health concerns

We have strategically focused our portfolio on key therapeutic areas, ensuring consumers benefit from our extensive expertise across multiple categories:

- 02A GENERAL PAIN RELIEF: Featuring products like Paracetamol and Inflanor.
- 10B ANTIVARICOSE: Tarosin for vascular support.
- 04F MINERAL SUPPLEMENTS

As more consumers embrace proactive health management, there has been a surge in the demand for dietary supplements dedicated for each specific stage of their life. Recognizing this trend, in 2024 Zentiva acquired a portfolio dedicated to consumers that have a focus on healthy aging with products like Revidox and Movial.

Throughout 2024, we continued to introduce new products tailored to emerging consumer needs:

- Tarosin Forte in the 10V ALL OTHER CIRCULATORY PRODUCTS class, building upon the strong reputation of the original Tarosin in the Romanian market.
- Pelviplus for prostate support in the 12F PRODUCTS FOR UROLOGICAL/MALE CONDITIONS class.
- New SKU in the 04A MULTIVITAMINS WITH MINERALS category, including Sicovit, a heritage brand revived to provide high-quality vitamin supplements for children (including gummy bears with vitamin C, D, and zinc, as well as Vitamin C drops for infants from one month old).

By persistently refining our CHC offerings, both in established categories and new fields, we ensure consumers have access to safe, high-quality products that support their well-being at every stage of life. Our unwavering commitment to innovation, quality, and consumer trust continues to drive Zentiva's growth in the Consumer Healthcare market, and we remain poised to build on this momentum in the years ahead.

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4.1.2. Focus on Zentiva's strategic approach on sustainability which is built around four key priorities:

Ensure compliance with the Green Deal regulations

- CSRD / EU Taxonomy
- EUDR
- CSDDD
- Chemical Strategy
- Packaging & Packaging Waste
- F-gas

Secure competitiveness and limit business risk

- Harmonize procurement criteria and stakeholder involvement into decision making
- Strive for Carbon Footprint per product and minimize negative environmental impact

Build thought leadership in areas that are material to Zentiva

- People: Accessibility & affordability of medicines, engagement of own workforce
- Partners: Supply Security and Third-Party Risk management, workers across the value chain
- Planet: Climate Change (Carbon Neutral for Scope 1 and Scope 2 by 2030, Net Zero by 2050, investment into Biodiversity)

Drive continuous improvement

- Ensure tracking and reporting of KPIs and continuous improvement according to benchmark analysis (UN Global Compact, EcoVadis, PSCI, SBTI)

In terms of products and services, Zentiva aims to ensure sustainable access to affordable medicines while reducing the environmental footprint of its operations.

The customer categories include:

Wholesalers and Distributors

Healthcare professionals & institutions requiring reliable medicine supply.

Patients and end-users, particularly those needing affordable and accessible treatments.

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Significant Products & Services in Sustainability Strategy

Zentiva's main products align with its sustainability goals by:

- Focusing on accessibility and affordability of essential medicines.
- Minimizing environmental impact through improved supply chain efficiency and sustainable packaging.

Significant Markets & Customer Groups

Zentiva operates across multiple geographies, ensuring its sustainability impact is integrated into its operations. The Company focuses on:

- European & Global Markets – Adapting to EU regulatory frameworks and sustainability directives.
- Public & Private Healthcare Sectors – Providing cost-effective medicines while improving sustainability performance.
- Third-Party Suppliers – Strengthening supply chain security and reducing ESG risks.

Strategic Elements Impacting Sustainability & Key Challenges

Key Challenges:

- Regulatory Compliance – Adapting to stringent Green Deal regulations (EU Taxonomy, CSDDD, EUDR).
- Carbon Reduction – Implementing measures to achieve carbon neutrality by 2030 while maintaining competitive pricing.
- Supply Chain Sustainability – Ensuring responsible procurement and addressing third-party risks.
- Employees' engagement and retention

Critical Solutions & Projects:

- Carbon Footprint Reduction – Strategic budget planning to ensure timely investments in energy efficiency and GHG emissions reduction initiatives.
- Sustainable Procurement Initiatives – Ensuring supplier compliance with sustainability standards.
- KPI Tracking & Benchmarking – Strengthening ESG measurement through EcoVadis, SBTi, and UN Global Compact.

Studies for aligning salaries with industry practices and obtaining "Top Employer" certification

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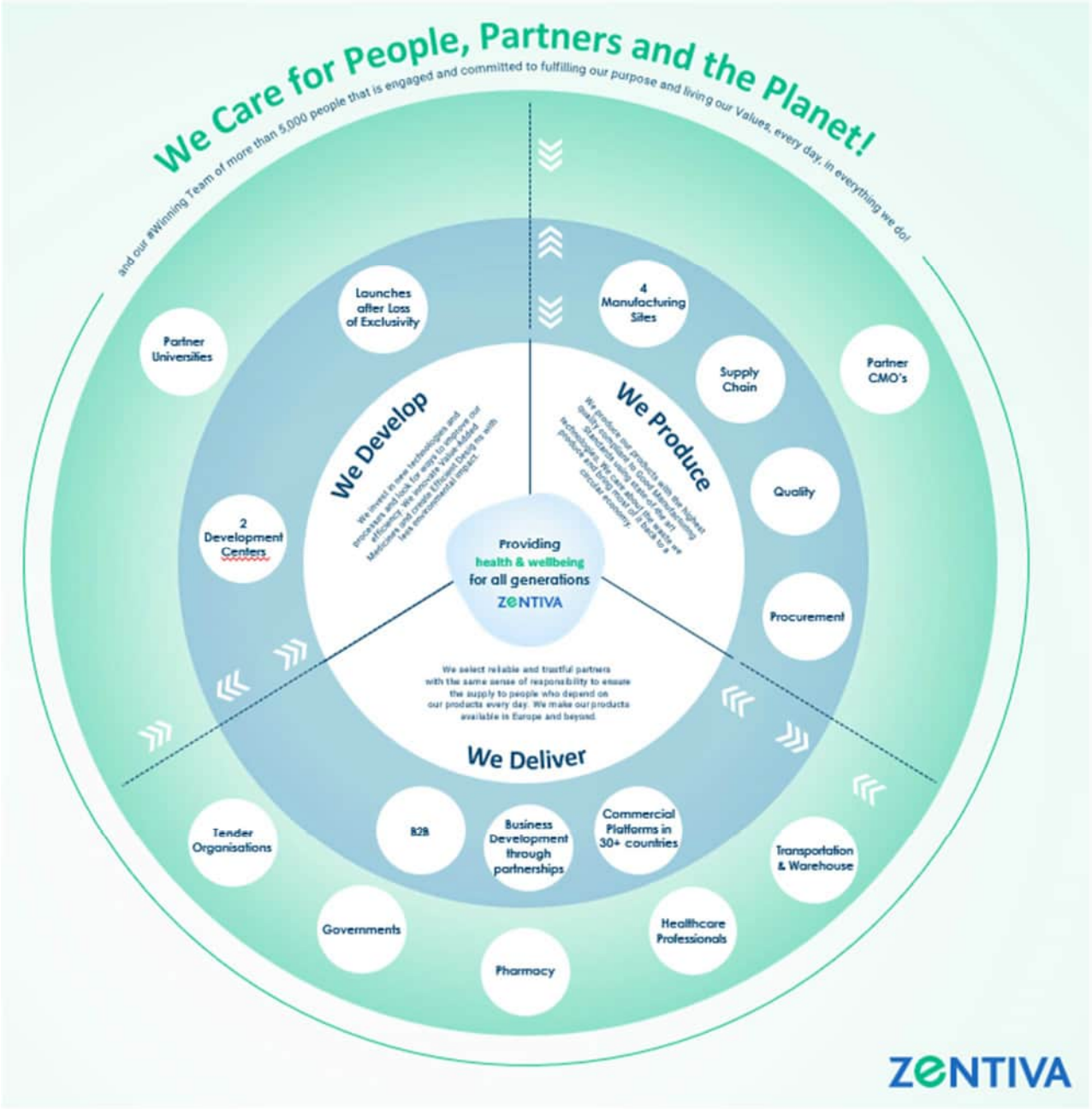
4.1.3. Value chain



Description of business model and value chain

Zentiva S.A. is operating one manufacturing facility, established in 1962, which has been in continuous operation since its launch.

With a workforce of 900 employees in the industrial division, operating 24/7, Zentiva Romania produces medicines both for the domestic market and for 43 other countries, including Germany, France, and the United Kingdom.

The commercial division actively engages with healthcare professionals across Romania. On the national market, Zentiva products represent:

- 1 in 11 medicines sold in pharmacies.

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- 1 in 4 medicines used in hospitals (IQVIA Romania, sell-out data, value and volume, 2024).

Zentiva Romania specializes in generic medicines, contributing to the health and well-being of Romanian patients. As part of the generic pharmaceutical industry, the company plays a crucial role in enhancing the sustainability of the healthcare budget by enabling authorities to optimize costs through policies promoting generic medicine adoption. Additionally, it facilitates greater patient access to modern treatments in Romania.

Generic medicines are developed to match or exceed the standards of original medicines. They often incorporate technological improvements in manufacturing processes and pharmaceutical formulation, making them both effective and accessible.

Description of inputs and approach to gathering, developing and securing inputs

Zentiva Romania applies strict quality and responsibility standards across the entire value chain, from the selection of suppliers for raw materials and packaging to the handling of customer and patient complaints.

Generic medicines are developed to match or exceed the standards of original medicines. They often incorporate technological improvements in manufacturing processes and pharmaceutical formulation, making them both effective and accessible

In 2024, Zentiva Romania's production volume reached 161.9 million medicine packs, with 61% of output exported—a proof to the high recognition of its production quality at the European level.

Zentiva Romania's Direct Material Strategic Procurement team follows a category management approach, divided into three main categories:

- Active Pharmaceutical Ingredients (APIs)
- Excipients
- Packaging materials (primary, secondary, and tertiary packaging)

The product life cycle is managed through SAP ERP, following established principles:

- Master data management
- Bill of Materials (BOM)
- Bill of Routing (BOR)

To ensure supply chain continuity, a Material Requirements Planning (MRP) process is conducted monthly, analysing:

- Inventory levels
- Production schedules
- Future purchasing needs, aligned with supplier lead times

Supplier Diversification and Backup Strategy

- The materials portfolio is continuously reviewed by the API, Excipient, and Packaging Category Managers.

Requests for alternative supplier implementation are made based on:

- Supply security
- Cost optimization
    - Proposals are evaluated by a cross-functional team (Procurement, Product Technology, Strategy, Project Management).

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- Final approvals are granted in a quarterly Steering Committee, which oversees timely implementation.
- Zentiva enforces a Supplier Code of Conduct and regularly reviews collaborations with third parties under the Responsible Sourcing Program.

Service Procurement Categories

To support operations, Zentiva Romania contracts the following service categories:

- Equipment maintenance and service
- Facility management (cleaning, catering, reception, security, archiving, parcel services)
- Waste management and disposal
- Internal product transportation
- Logistics and warehousing
- External laboratory testing services
- Metrology services

Outputs and Benefits for Stakeholders

Zentiva Romania produces and distributes high-quality, modern, and affordable medicines, serving patients and end-users in Romania and 43 export markets.

The Company offers a comprehensive and diverse product portfolio, covering over 88 Anatomical Therapeutic Chemical (ATC) classifications, including:

- Cardiology
- Urology
- Gastroenterology
- Antibiotic treatments
- Pain management

Its product portfolio includes multiple pharmaceutical forms, such as:

- Tablets and coated tablets
- Ampoules
- Suspensions for oral solutions

Key Impact on Healthcare

- 1 in 11 medicines sold in Romanian pharmacies is a Zentiva product.
- 1 in 4 medicines administered in hospitals is produced by Zentiva.

Commitment to Healthcare Access

The Company's mission is to provide health and well-being for all generations, ensuring:

- Affordable treatment options for a broad spectrum of diseases.
- Continuous innovation in pharmaceutical technology.
- Reliable supply chains to prevent medicine shortages.

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Upstream and Downstream Value Chain

Zentiva Romania's value chain extends beyond its internal operations. The Company collaborates closely with upstream and downstream partners to ensure the sustainability and efficiency of its business model.

Upstream Collaboration

- Academic Partnerships – Collaborates with high schools and universities to equip students with industry knowledge and hands-on training:
  - Polytechnic University of Bucharest (Faculty of Industrial Chemistry)
  - Faculty of Pharmacy, University of Medicine and Pharmacy
- Supply Chain Partnerships – Works with:
  - Raw material and packaging suppliers
  - Contracted service providers
  - Health authorities and health care specialists

Downstream Collaboration

- Distributors and Pharmacies – Ensuring broad access to medicines across Romania.
- Healthcare Professionals – Engaging with doctors and pharmacists to support proper medicine usage.
- Patients and Consumers – Providing safe, effective, and affordable treatments.

[SBM-2]

Our stakeholder engagement approach highlights our dedication to actively listening to and engaging with our stakeholders. Through continuous dialogue, we aim to understand their perspectives, concerns, and expectations.

This ongoing interaction shapes our sustainability efforts, projects, and processes, enabling us to align with stakeholder interests and viewpoints.

The administrative, management and supervisory bodies are informed about the views and interests of affected stakeholders regarding the Company's sustainability-related impacts as follows:

- Senior management through the DMA validation process
- Audit Committee through the review of the Sustainability Report

The insights gained from these dialogues inform our due diligence processes and double materiality assessments.

Stakeholder	How engagement is organized	Purpose of engagement	Examples of outcomes from the engagements
Employees	• Employment relations and occupational health and safety representation • Consultations with Employees Representatives	• Incorporating employees' perceptions and experiences • Fostering a sustainable workplace and enhancing quality of working life • Identifying employees view regarding material	• Internal policy updates • Improvement and action plans • Communications from management • Group initiatives and campaigns

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Stakeholder	How engagement is organized	Purpose of engagement	Examples of outcomes from the engagements
	• Employees Representatives involvement during the double materiality assessment in the specific internal experts' workshop for identifying impacts, risks and opportunities • Satisfaction Surveys • Double Materiality Assessment Surveys	sustainability impacts, risks and opportunities	• Input for management in defining the material sustainability impacts, risks and opportunities
Zentiva Group	• Validation meetings on Double Materiality Assessment • Reporting tools • Emails • Internal Committees and working groups	• Sharing Group Methodology and best practices • Setting the Group Sustainability Strategy • Validating the local approach to achieving sustainability targets • Ensuring consistency through Group-wide validation processes • Providing support with Group tools and data collection	• Group strategy, policies & tools aligned with local needs • Improved local actions based on shared best practices
Customers	• Contracts/ orders/ EDI FM systems • Customer support and guidance • Complaints received from customers • Complaints/ Damages/ discounts requested by customers	• Building trust & ensure customer satisfaction • Enabling customers to achieve their targets • Identifying their view regarding material sustainability impacts, risks and opportunities	• Quality improvements • Internal procedures updates • Input for management in defining the material sustainability impacts, risks and opportunities
Suppliers	• Supplier due diligence • Contracts/ orders • Communication platform with Health Ministry	• Compliance with our Suppliers' Code of Conduct • Promoting responsible sourcing • Identifying their view regarding material sustainability impacts, risks and opportunities	• Streamlined supplier expectations • Supplier improvement plans • Informed selection of suppliers • Input for management in defining the material sustainability impacts, risks and opportunities

Stakeholder	How engagement is organized	Purpose of engagement	Examples of outcomes from the engagements
Investors/ Capital Market participants	• Investor calls, questionnaires, and emails • Periodic investor updates • GAM (General Assembly Meeting)	• Understanding expectations to sustainability • Attracting responsible investors • Enhancing transparency • Dividends notification • Identifying their view regarding material sustainability impacts, risks and opportunities	• Responses to investor queries • Adapted internal communication on sustainability practices • Input for management in defining the material sustainability impacts, risks and opportunities
Romanian Authorities (both central and district region)	• Questionnaires /emails/ meetings • https://edirect.e-guvernare.ro	• Understanding their requests and complying with the legal requirements • Identifying their view regarding material sustainability impacts, risks and opportunities	• Improving the way the activity is carried out and reducing the risk of being fined. • Authorizations/ Certifications • Price approvals • Reporting • Input for management in defining the material sustainability impacts, risks and opportunities
Civic and non-profit organizations	• Collaboration on community projects • Partnerships with NGOs	• Contributing to local initiatives • Addressing concerns of communities	• Developing Corporate Social Responsibility Projects • Input for management in defining the material sustainability impacts, risks and opportunities
Industry associations	• Answering public consultations on industry related regulations • Joint initiatives and programs • Inputs into strategic directions • Workshops and knowledge sharing • Leadership for APMGR[1] projects	• Enabling the industry to engage policymakers • Developing industry standards on sustainability	• Represents industry interests as a member of key professional associations. • Acts as a communication bridge between the industry and regulatory authorities. • Contributes to industry leadership, with our General Manager, Simona Cocoș, acting as President of APMGR. • Compliance with prescription drug

[1] Asociatia Producatorilor de Medicamente Generice din Romania

Stakeholder	How engagement is organized	Purpose of engagement	Examples of outcomes from the engagements
			serialization requirements. • Ongoing training and information-sharing initiatives.
Local Communities	• Questionnaires, emails, calls and meetings	• Identifying their needs and offering appropriate solutions	• A better cooperation and a better development of the local community
Financial Institutions	• Emails/ phone	• Performing regular banking operations • Identifying their view regarding material sustainability impacts, risks and opportunities	• Facilitating internal banking operations • Input for management in defining the material sustainability impacts, risks and opportunities
Mass Media	• Press releases • Participation in industry conferences and public events	• Promoting transparency and positive public relations • Highlighting sustainability initiatives and innovations • Managing brand reputation and public image	• Increased media coverage and public awareness • Enhanced corporate reputation and brand value
Competitors & peers	• Collaboration within of professional associations	• Initiatives at national and European level for industry development	
Certification and Regulatory bodies	• Compliance audits and certification processes	• Ensuring compliance with environmental and safety standards • Gaining certifications that enhance market competitiveness	• Obtained certifications • Reduced risk of fines and legal issues
Education, science and research organizations	• Emails, calls and meetings	• Partnership with the Faculty of Chemical Engineering • Dual education programs and internships • KPIs for financial performance delivery • Scientific collaborations	• Obtaining a qualified workforce • Employer branding
Final users/ Patients	• Pharmacovigilance contact channels	• Health impact • Side effects monitoring	• Improved health • Trustful relationships with clients and patients.

5. DOUBLE MATERIALITY ASSESSMENT (DMA)

[SBM-3]

Zentiva Romania's material impacts, risks, and opportunities (IROs) directly shape and are shaped by our business strategy and operations. As a pharmaceutical manufacturer, our most significant environmental impacts stem from our role in the medicine production value chain, particularly in:

- Green House Gas Emissions from manufacturing processes
- Water consumption and pollution in production
- Waste management and disposal practices
- Social impact on employees and patients using our medicines

Our key risks and opportunities primarily relate to:

- Regulatory risks, including evolving pharmaceutical compliance requirements
- **Business optimization opportunities**, such as improving operational efficiency and sustainability performance

5.1. OUTCOME

During the DMA process which took place between September- November 2024 we have identified our impacts on the environment and society (impact materiality assessment) as well as the sustainability-related risks that we are exposed to (financial materiality assessment).

5.1.1. Environment

Topic: Climate Change

Sub-topic	Perimeter	I/R/O	IRO Description	Time Horizon
Energy	Direct activities	Impact -	Consumption of energy (electricity) to support the company's overall activity.	ST
Climate change mitigation	Direct activities / Value Chain	Impact -	Green House Gass emissions - direct and energy (Scope 1 and Scope 2)	ST
Climate change mitigation	Direct activities / Value Chain	Impact -	Value Chain Green House Gass emissions (Scope 3)	ST
Energy	Direct activities	Opportunity	Reduced operational costs due to Energy efficiency Plan in accordance with ISO50001	MT

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Energy	Direct activities	Opportunity	Energy Resilience & Business Continuity – Ensuring critical operations (e.g., IT and emergency systems) remain functional during electricity shortages, preventing contract breaches and financial losses while strengthening client confidence. Additionally, the dual burner system provides flexibility by switching to diesel, ensuring continued production of hot water and steam.	ST
Climate change mitigation	Direct activities / Upstream Value Chain	Risk	Rising Compliance Costs – Increased CAPEX and OPEX investments Reputational & Regulatory Pressure – Industry-wide scrutiny may lead to higher marketing, reporting, and engagement costs. Operational Disruptions – Production halts temporarily during extreme heat and product recalls due to improper storage temperatures, causing financial losses.	LT
Climate change mitigation	Direct activities / Value Chain	Opportunity	Financial Support & Cost Reduction – Utilize non-refundable government grants to offset CAPEX investments and lower future regulatory fees through investments linked to reduced emissions. Proactive Industry Positioning – Engage early in informational campaigns to improve public perception, influence industry standards, and distribute compliance costs over time. Energy Efficiency Improvements – Enhance building thermal insulation to reduce energy consumption and improve operational resilience.	**LT**

Topic: Pollution

Sub-topic	Perimeter	I/R/O	IRO Description	Time Horizon
Pollution of water	Direct activities / Value Chain	Impact -	The Company's operations, located near residential areas and connected to the city's water network, can contribute to water pollution through leaks of chemicals and toxic discharges	ST
Pollution of water	Direct activities / Value Chain	Impact -	Contamination of water through the consumption of products by the end users	MT
Pollution of water	Direct activities / Value Chain	Risk	Risk of litigation, financial losses, and decreased consumer trust in case of non-compliance with European regulations on water chemical discharges and wastewater management	MT

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Pollution of water	Direct activities / Value Chain	Risk	The company is subject to the Urban Wastewater Directive, which will apply from March 2025. In the case of accidental exceedances of the maximum permitted concentrations for discharged technological water, as outlined in the regulations regarding wastewater discharge into local sewer networks and directly into treatment plants, the company may face fines or lose its operational rights.	MT

Topic: Water and marine resources

Sub-topic	Sub-subtopic	Perimeter	I/R/O	IRO Description	Time Horizon
Water	Water consumption Water withdrawals	Direct activities	Impact -	Water consumption in a high-water risk area.	ST
Water	Water discharges	Direct activities / Value Chain	Impact -	Potential impact of water discharges from pharmaceutical manufacturing of introducing harmful chemicals into aquatic ecosystems, which may negatively affect water quality and biodiversity.	ST
Water	Water consumption Water withdrawals	Direct activities	Risk	1. Increasing water prices and non-compliance with regulations may impact profitability and lead to financial penalties. 2. Industrial location near competitors may limit access to water, especially during restrictions favoring local populations, despite pharma's priority classification 3. Drought or water stress may cause supply shortages, leading to production halts, delivery delays, and reputational damage. 4. Water shortages in supplier regions may impact raw materials or other inputs availability, affecting Zentiva's production capacity.	MT
Water	Water discharges	Direct activities / Value Chain	Risk	Regulatory non-compliance may lead to fines, reputational damage, and potential operational disruptions if water discharge restrictions impact production.	MT

Topic: Circular economy

Sub-topic	Perimeter	I/R/O	IRO Description	Time Horizon
Waste	Direct activities / Value Chain	Impact -	Zentiva generates waste, including expired medications and packaging, which must be managed to minimize pollution and comply with regulations.	ST

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Waste	Direct activities / Value Chain	Risk	Improper disposal of expired medications or packaging may contaminate ecosystems, harm public health, and lead to fines. Extended Producer Responsibility non-compliance due to unmet recycling targets may result in financial penalties.	ST

5.1.2. Social

Topic: Own workforce

Sub-topic	Sub-subtopic	Perimeter	I/R/O	IRO Description	Time Horizon
Working conditions	Secure employment	Direct activities	Impact +	Increased employee satisfaction as per our high survey results (assessed every 2 years) and Top Employer certification for the fourth consecutive year in 2024, reflecting Zentiva S.A.'s commitment to a supportive workplace, equal benefits for all employees, and long-term employee retention, with some employees staying for over 35 years.	ST
Working conditions	Secure employment	Direct activities	Impact +	Zentiva S.A. also prioritizes its direct employees (versus contractors or independent workers), providing them with favorable working conditions and support.	MT
Working conditions	Working time Work-life balance	Direct activities	Impact - Impact +	To meet production schedules, production staff works in shifts and on weekends, as stipulated in their labor contracts. However, despite receiving bonuses, they may experience lower morale due to missing family time. Office employees, whose work is not tied to production schedules, benefit from flexible arrangements, including remote work. Overall, employees have expressed satisfaction with the company's impact on their work-life balance.	MT
Working conditions	Adequate wages	Direct activities	Impact +	Aligning salaries with market studies and providing equal benefits positively impacts employee morale and satisfaction, leading to higher engagement and productivity.	ST
Working conditions	Adequate wages	Direct activities	Risk	If Zentiva does not pay an appropriate level of salaries, this would translate into a high employee turnover. The performance-based nature of bonuses means that during downturns or unforeseen challenges, employees may experience significant reductions in their bonuses, potentially leading to dissatisfaction.	MT

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Working conditions	Social dialogue Freedom of association, the existence of works councils and the information, consultation and participation rights of workers Collective bargaining, including rate of workers covered by collective agreements	Direct activities	Impact +	Zentiva has established a collective agreement, negotiated every two years, which ensures fairness among employees through regular meetings between union representatives and management. Chapter 5 of the Collective agreement (Remuneration) is negotiated every year.	MT
Working conditions	Health and safety	Direct activities	Impact -	Potentiality of occupational accidents.	MT
Working conditions	Health and safety	Direct activities	Risk	Potential loss of productivity due to accidents, which can lead to significant operational disruptions and legal accountability. In the event of unforeseen situations, the company faces civil and administrative liability, exposing it to fines and legal repercussions.	ST
Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value	Direct activities	Impact +	Zentiva's implementation of a unified salary grid, regardless of gender or age, promotes fairness and equity, while the focus on performance-based promotions has resulted in a significant presence of women in top management roles.	MT
Equal treatment and opportunities for all	Measures against violence and harassment in the workplace	Direct activities	Impact +	The implementation of an Ethical Code and anti-harassment guidelines, along with the establishment of a monitoring forum, fosters a culture of awareness and respect, significantly reducing instances of violence and harassment in the workplace.	MT
Equal treatment and opportunities for all	Training and skills development	Direct activities	Risk	Risk of losing skilled employees to competitors who may offer more attractive development opportunities. High costs associated with training programs pose a financial risk, while failure to complete mandatory training could	MT

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				lead to penalties and compliance issues, potentially harming the company's reputation.	

Topic: Consumers and end-users

Sub-topic	Sub-sub topic	Perimeter	I/R/O	IRO Description	Time Horizon
Information-related impacts for consumers and/or end-users	Privacy	Direct activities	Impact +	Zentiva S.A. complies with the GDPR rules, safeguarding the personal data of the end-users. The company has limited contact with the final customer and/or end-user.	ST
Information-related impacts for consumers and/or end-users	Access to (quality) information	Direct activities	Impact +	Zentiva S.A. adheres, under EU and Romanian law, to multiple mechanisms of providing high quality access to information to end users and responsible marketing. Zentiva S.A. follows the APMGR (The Association of Generic Medicine Manufacturers in Romania) and the RASCI (The Romanian Association of Over-the-Counter Medicine, Food Supplements, and Medical Devices Manufacturers) code of conduct on interactions with healthcare professionals and the general public. Approved and verified information about products is clearly provided to end-users on the leaflet of the products. Communication and marketing towards end users is transparent, allowing the end user to make their own decision regarding the benefits of the product. Freedom of expression - Confidential Speak-Up line/Whistleblower, Pharmacovigilance, Quality Complaints, Medical Information Enquiries and Availability Enquiries and other means of communication with end-users.	ST
Information-related impacts for consumers and/or end-users	Freedom of expression	Direct activities	Impact +	Positive impact for users as Zentiva provides a clear and accessible way to report concerns and takes action based on the feedback received. Onto or within the product's packaging, as mandated by law, Zentiva provides the contact details towards official monitors (e.g. ANMDMR) for safety reports. The company has in place procedures that allows end users to communicate with the company, submit concerns, complains or report side effects. The company has 2	ST

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Sub-topic	Sub-sub topic	Perimeter	I/R/O	IRO Description	Time Horizon
				departments (Quality Commercial and QA Product Supply) for quality controls - one Medical Department for management of medical information enquiries, a PV Department for collecting of adverse and special events related to medicines administration, while the PV Department further ensures data detection, evaluation, understanding and prevention of side effects caused by the products. Zentiva S.A. analyses all feedback, complains and comments of end-users, as part of their mission, in order to build a trustful relationship and a good reputation. In justifiable cases, corrective and preventive actions can be initiated.	
Personal safety of consumers and/or end-users	Health and safety	Direct activities	Impact - Impact +	Zentiva S.A. adheres to strict EU and Romanian regulations, following Good Manufacturing Practices (GMP) to ensure high product quality and safety. While highly unlikely, future breaches of quality standards or regulations could occur. Manufacturing errors, such as missing active ingredients or contamination in injectables, may impact consumer health and safety. The absence of a critical API in life-saving medication or the use of non-compliant active substances could lead to reduced efficacy or adverse reactions.	MT
Social inclusion of consumers and/or end-users	Responsible marketing practices	Direct activities	Impact - Impact +	Zentiva S.A. follows strict responsible marketing guidelines regulated by local authorities (CNA, Consiliul Concurenței, ANMDMR) and does not engage in misleading advertising, aggressive sales tactics, or direct influence on end-user prescriptions. While highly unlikely, future breaches in marketing compliance could occur.	MT
Social inclusion of consumers and/or end-users	Access to products and services	Direct activities	Impact +	Affordability: Zentiva S.A. is producing lifesaving generic drugs at accessible prices, ensuring that they are available for a wide range of users, and especially, in hospitals Widespread public-inclusion: Each new drug launched by Zentiva lowers the reference price of that medication in the healthcare systems of each country. There is evidence that as competition increases and drug prices decrease, more people gain access to that gold standard medication. Access to health care products for priority diseases in priority countries (for example Republica Moldova)	LT

Sub-topic	Sub-sub topic	Perimeter	I/R/O	IRO Description	Time Horizon
Information-related impacts for consumers and/or end-users	Privacy	Direct activities	Risk	GDPR data breaches can result in severe penalties, as high as €20 million or 4% of global revenue (whichever is higher). In addition, plus data subjects have the right to seek compensation for damages.	MT
Personal safety of consumers and/or end-users	Health and safety	Direct activities	Risk	Failure to comply with clinical, manufacturing, distribution, and pharmacovigilance standards may lead to fines or operational restrictions. While highly unlikely, quality issues could arise, potentially affecting patients, healthcare professionals, and regulatory compliance. Limited traceability and transparency in the value chain may require additional quality checks, investigations, or recalls, impacting sales and consumer trust	MT

5.1.3. Governance

Topic: Business conduct

Topic	Sub-topic	Sub-sub topic	Perimeter	I/R/O	IRO Description	Time Horizon
G1 - Business conduct	Protection of whistle-blowers		Direct activities	Impact +	Zentiva S.A. is fostering a transparent and ethical work environment by ensuring whistleblower protection through internal reporting channels aligned with the provisions of Law 361/2022 regarding the protection of whistleblowers in the public interest. The Speak Up initiative allows employees and stakeholders to report any ethical concern confidentially. Employees can also raise concerns directly with their manager, higher-level management, HR, or the Executive Committee, ensuring multiple safe reporting channels. All employees are required to comply with the local Standard Operating Procedure on Reporting Concerns. .	ST
G1 - Business conduct	Corruption and bribery	Prevention and detection including training Incidents	Direct activities	Impact +	Zentiva S.A.is fostering ethical business practices by upholding a strict Anti-Bribery policy and is committed to preventing all forms of corruption, including indirect and passive corruption. This commitment aligns with the company's core values of	ST

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					responsibility, trust, integrity, and transparency.	
G1 - Business conduct	Corruption and bribery	Prevention and detection including training Corporate Culture	Value Chain	Impact +	Zentiva S.A. monitors the activities of third parties with whom they wish to collaborate to ensure that they do not engage in activities that could be perceived as bribery or corruption.	ST

There are no current financial effects of Zentiva's material risks and opportunities on its financial position, financial performance and cash flows and the material risks and opportunities for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.

5.2. MATERIAL IROs INTERACTION WITH STRATEGY AND BUSINESS MODEL

[SBM-3]

Zentiva Romania's strategy and business model are structured to address material impacts, risks, and opportunities, ensuring compliance with sustainability regulations, operational efficiency, and long-term resilience. The company integrates sustainability through:

- Regulatory Compliance & Sustainability Integration – Aligning with CSRD, ESRS, EU Taxonomy, and Green Deal regulations to mitigate regulatory and compliance risks.
- Supply Chain Security & Risk Management – Implementing third-party risk assessments and responsible procurement policies.
- Carbon Footprint Reduction – Investing in GHG emissions reduction measures to achieve Scope 1 & 2 carbon neutrality by 2030.
- Sustainable Workforce & Employee Engagement – Ensuring business continuity through employee well-being, DEI strategies, and ethical HR governance.
- Environmental Compliance & Resource Management – Water pollution, water consumption, and waste management are monitored by local authorities, in accordance with the limits and regulations set in the Environmental Authorization.

We recognize the critical role we play in ensuring the continuous supply of our products. To safeguard operations against potential disruptions, we have developed a Business Continuity Plan that outlines proactive measures to maintain stability.

As part of our commitment to resilience and climate change preparedness, we conducted a Climate Vulnerability Assessment this year, aligned with EU Green Taxonomy requirements [further details are presented in ESRS E1- Climate Change].

A more detailed resilience analysis will be conducted in 2025 to align with Zentiva Group's overall strategy.

5.3. METHODOLOGY APPLIED FOR CONDUCTING THE DMA

[IRO-1] [IRO-2]

The members of the CSRD Taskforce (project coordination team and the internal experts) were provided a 4h training both on the DMA and a general overview of the standards.

Step 1 Identification and evaluation of the stakeholders

During this step, we consulted all departments across the Company:

- Identify all stakeholders, their interaction objectives and channels
- Define communication objectives
- Qualitatively evaluate Zentiva's impact on stakeholders
- Qualitatively evaluate stakeholders' influence on the Zentiva

Based on the assessment, "Suppliers and Contractors" have been identified as the most critical stakeholder category, with a focus on:

- Suppliers of active pharmaceutical ingredients (APIs)
- Suppliers of excipients
- Suppliers of preservatives and stabilizers
- Suppliers of packaging materials

Step 2 Identification of IROs & stakeholders' engagement

The identification of IROs was done in 2 phases:

- **Stakeholders Questionnaire (Impact materiality)**

We have prepared a questionnaire asking stakeholders to identify and evaluate the actual and potential impacts both from the perspective of our own operations but also from the value chain perspective.

As this is our first year preparing the DMA for ESRS compliance, we adopted a comprehensive approach. We included all topics and subtopics from ESRS 1 - Appendix A: Application Requirements in our questionnaire to provide stakeholders with a complete picture of possible impacts and perspectives.

The questionnaire was structured to gather:

- Open feedback on the sustainability impacts of Zentiva's operations and its value chain (short/ medium/ long term)
- Evaluations (closed-ended questions on a scale from 1-5) on the relevance of Zentiva's impact at the topic and sub-topic level, on a short/ medium/long-term
- Open feedback on specific questions designed and customized for each stakeholder category.

For API Suppliers the questionnaire was sent by the Zentiva Group, as the relationship is managed centrally.

In total, for the questionnaire sent by Zentiva S.A., 220 replies were received (including the **questionnaire replies**received from suppliers, on the questionnaire version sent by the Group).

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When assessing the results, we considered the following main assumptions:

- Stakeholders correctly identified themselves in one of the categories required by the questionnaires,
- The answers correctly reflect the view of stakeholders,
- The views of stakeholders provided insights on the topics where they had relevant expertise
- Answers received from stakeholders in each category were representative for the whole stakeholder group,
- Each stakeholder replied only once to the questionnaire.

The received input to the opened questions was reviewed and when relevant included in the impacts, risks and opportunities list.
The evaluation of impacts at the topic and sub-topic level, based on answers to closed questions, was included in the IROs evaluation file. This served as a guide for the internal experts during their assessment.

➢ Workshop with internal experts (Impact and Financial Materiality)

As part of our preliminary work, we:

- Competitor benchmarking analysis
- The Internal Experts input documented during the IROs Identification Workshop
- Stakeholders' open-ended answers on IRO identification
- Internal and publicly available Zentiva S.A. sources of information (internal protocols and rules, code of ethics, operational licenses, environmental reports and authorizations, undertaking's due diligence protocol, previous financial and sustainability reports).
- The SASB Standard on Biotechnology & Pharmaceuticals was consulted to ensure, as per EFRAG – ESRS 1, paragraph 11, that no entity-specific IROs were omitted. Two such disclosures were found within this Standard and added to the IRO list: Counterfeit drugs and Supply Chain Management which were included in the IRO list.
- The exposure to physical vulnerabilities based on scenarios relevant to the geographical location of the Company (refer to Climate Vulnerability assessment for more details).

Having as basis the above-mentioned information, we organized a workshop which included a total of 13 members, designated as **Internal Experts,** representative of the main departments: (HR, Finance, Supply Chain Commercial Operations, Communication, Energy, Health and safety, IT, etc), the General Manager and the Trade Union Leader.

Given the novelty and complexity of sustainability topics, we prioritized explaining the context and terminology to participants and then proceeded with a brainstorming session to identify impacts, risks, and opportunities.

The feedback received both through questionnaires and the workshop was centralized in the IROs database by the CSRD transition lead with the support from consultants. This resulted in a document detailing:

- Descriptions of impacts, risks, and opportunities (which also included stakeholders' feedback).
- Input from stakeholders' average evaluations of impacts.

During the expert discussions were also considered the connections of Zentiva's impacts and dependencies with the risks and opportunities that may arise from those impacts and dependencies.

Evaluation and Identification of Material IROs

Each identified IRO was documented and assessed for their materiality in a designated project workbook.

The scoring parameters used are based on the requirements of ESRS:

- **Impact Materiality: evaluation of impacts**
- Scale,
- Scope,
- Irremediability Character,
- Probability of occurrence.

Severity takes precedence over likelihood for human rights related impacts as per ESRS 1 (45).

- **Financial Materiality: evaluation of risks and opportunities**

The existent scales included in the Risk Management Policy were considered as a starting point, which were then updated in preparation for compliance with the ERSR requirements.

- Magnitude of financial effect
- Direct financial impact
- Reputational impact from the market perspective
- Legal Risk
- Probability of occurrence

In a second workshop, each identified Impact, Risk, and Opportunity (IRO) is evaluated by the same Internal Experts using the approved evaluation grid. During this assessment, the Internal Experts also consider the stakeholders' evaluation results for each topic and sub-topic.

The materiality threshold is set at 5 on a scale from 1 to 10

- ✓ IROs with a score of 5 or above are considered material.
- ✓ IROs with a score between 4 and 5 are classified as nearly material.
- ✓ IROs with a score below 4 are categorized as not material.

Validation Process

The Senior Management reviewed each IRO evaluated as material (scores over 5) or nearly material (scores between 4 and 5) and approved the final list of material IROs.

SECTION 02
ENVIRONMENT

2.1. EU TAXONOMY 2024 - ZENTIVA S.A.

The Taxonomy Regulation establishes the framework for a common classification system to help define environmentally sustainable economic activities, by outlining four conditions that an economic activity must meet to qualify as environmentally sustainable:

1. Substantial Contribution: The activity must contribute substantially to one or more of the following six environmental objectives:
    - Climate change mitigation
    - Climate change adaptation
    - Sustainable use and protection of water and marine resources
    - Transition to a circular economy
    - Pollution prevention and control
    - Protection and restoration of biodiversity and ecosystems
2. No Significant Harm: The activity must do no significant harm to any of the other environmental objectives.
3. Minimum Safeguards: The activity must be carried out in compliance with minimum social safeguards.
4. Technical Screening Criteria: The activity must comply with technical screening criteria that have been established by Commission delegated Regulation (EU) 2021/2139.

The economic activities that can potentially be environmentally sustainable (taxonomy-eligible) and also are carried out as environmentally sustainable (taxonomy-aligned) are specified by the EU Commission through Delegated Acts. To date, there is a Delegated Act on the environmental objectives "climate change mitigation" (Annex I of the Delegated Act) and "climate change adaptation" (Annex II of the Delegated Act), which was amended through Delegated Regulation (EU) 2023/2485 of 27 June 2023. The Environmental Delegated Act, introduced in June 2023, provides a description of the eligible and Taxonomy-aligned activities pertaining to sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control and Protection and restoration of biodiversity and ecosystems.

In this context, all economic activities are to be classified in principle as taxonomy-eligible if they are described in the Delegated Acts.

As of the approval date of this report, the Commission has released several key delegated acts:

- The first delegated act (EU 2021/2139), and its subsequent amendment (EU 2023/2485), establish criteria for climate mitigation and adaptation objectives. This act now encompasses 14 economic sectors and activities that potentially contribute to climate mitigation or adaptation goals. Initially, the 2021 act focused on sectors with significant Scope 1 emissions and those critical to the energy transition, covering 64% of the EU's greenhouse gas emissions according to 2021 Eurostat data.

- Another delegated act (EU 2021/2178), later modified by EU 2023/2485, defines disclosure norms regarding content, methodology, and presentation for enterprises mandated to compile an annual non-financial (Sustainability) Report. These entities must disclose the turnover, operating expenses (OPEX), and capital expenditures (CAPEX) associated with eligible economic activities that conform to the taxonomy's criteria, DNSH principle, and minimum safeguards as stipulated by the Commission.
- Additional provisions were made in the delegated act (EU 2022/1214), which incorporated specific activities related to nuclear energy and fossil gas production into the list of eligible economic activities by setting out the technical screening criteria for these sectors.
- The delegated act on the sustainable management and conservation of water and marine resources, advancement of a circular economy, pollution prevention and control, and the restoration and protection of biodiversity and ecosystems (EU 2023/2486) includes 8 economic sectors and 35 activities that support the fulfillment of the Regulation's four environmental objectives.

Our process for identifying and assessing EU Taxonomy activities

a) EU Taxonomy eligibility assessment

The assessment of eligible activities and services at the company level was conducted through an interdisciplinary project, utilizing both bottom-up and top-down approaches.

A series of internal meetings and workshops with experts was held in order to:

- Provide Zentiva's experts an introduction to the updated EU Taxonomy and disclosure requirements.
- Ensure identification of eligible activities, assets, processes, projects and related eligible CAPEX/OPEX/ turnover by involving in scope department representatives.

The proportion of taxonomy-eligible economic activities in the sales revenues, CAPEX, and OPEX (the "eligibility ratio") has been calculated as the part of sales revenues, CAPEX, and OPEX derived from services and projects associated with taxonomy-eligible economic activities (numerator) divided by the total sales revenues, CAPEX, and OPEX (denominator), calculated by applying the EU Taxonomy requirements.

We have identified our taxonomy-eligible activities by screening the economic activities in the Climate Delegated Act (Commission Delegated Regulation (EU) 2021/2139), the Complementary Climate Delegated Act (Commission Delegated Regulation (EU) 2022/1214), the Environmental Delegated Act (Commission Delegated Regulation (EU) 2023/2486), and the amendments to the Climate Delegated Act (Commission Delegated Regulation (EU) 2023/2485).

We initially conducted an analysis of the Company's activities in relation to the six environmental objectives to evaluate their eligibility. Special attention was given to identifying overlaps between definitions of eligible activities that might contribute to multiple objectives.

For example, we reconciled the reported amounts within this chapter with the corresponding figures with the Financial Statements.

We have identified the eligible activities based on their description and associated Standard Classification of Economic Activities in the European Community (NACE) system codes and sectors. The use of NACE codes and sectors is for indicative purposes only and does not prevail over the activity description nor should it be interpreted as otherwise affecting the scope of reporting.

- ✓ **Climate change mitigation:**

6.5. Transport by motorbikes, passenger cars and light commercial vehicles (CAPEX)

7.2. Renovation of existing buildings (CAPEX, OPEX)

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8.1. Data processing, hosting and related activities (OPEX)

- ✓ **Circular Economy**

3.2. Renovation of existing buildings (CAPEX, OPEX)

- ✓ **Pollution Prevention and Control**

1.2. Manufacture of medicinal products (Turnover, CAPEX, OPEX)

Eligibility for climate change adaptation objective

According to the Climate Delegated Act and considering Commission Notice C/2023/305 on the interpretation and implementation of provisions of the Disclosures Delegated Act (second Commission Notice), the contribution of a given activity to climate change mitigation or climate change adaptation should be assessed based on the nature of that activity. Regarding the turnover KPI, it can only be counted under climate change adaptation if the activity is enabling climate change adaptation. Since none of the identified eligible activities are classified as enabling for climate change adaption, the environmental objective to which they make a substantial contribution, and for which we will calculate the KPIs, is climate change mitigation.

As for the CAPEX and OPEX KPI, the choice between contribution to climate change mitigation or climate change adaptation is made based on the intent of the expense. It is necessary to differentiate between CAPEX for activities substantially contributing to climate change mitigation (CCM) from CAPEX for climate change adaptation (CCA). According to the guidance given in FAQ 8 of the Commission Notice C/2023/305, all our eligible activities are substantially contributing only to Climate Change Mitigation and Pollution Mitigation and Control.

b) EU Taxonomy alignment assessment

For the financial year 2024, Zentiva is required to assess alignment for the economic activities substantially contributing to all 6 climate objectives, pursuant to the issued Climate Delegated Act (EU)

After identifying the eligible activities within Zentiva's operations, the Company engaged management and technical teams to assess compliance with the technical screening criteria and Do No Significant Harm (DNSH) requirements as outlined in the Regulation. To verify alignment with climate change mitigation criteria, support was sought from the Quality, Safety, and Environmental Management teams, along with the Legal team to gather the necessary documentation and evidence.

Additionally, a Climate Risk and Vulnerability Assessment was conducted in accordance with Appendix A (from the Delegated Act published in the Official Journal on 9 December 2021 and applicable since January 2022) to further support the analysis (details provided in the ESRS E1 Climate Change chapter).

However, none of the eligible activities fully met the substantial contribution and DNSH requirements, and as a result, no activities were classified as aligned.

Definition of Key Performance Indicators (KPIs)

The key performance indicators relevant under EU taxonomy are turnover, CAPEX and OPEX. For the purpose of the calculation of eligible activities, the following financial information has been derived from Zentiva financial statements:

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Accounting policy used

Zentiva Romania reports under IFRS accounting standards. For the calculation of KPIs in accordance with the EU Green Taxonomy Regulations, the relevant financial data was extracted based on IFRS-compliant reporting principles.

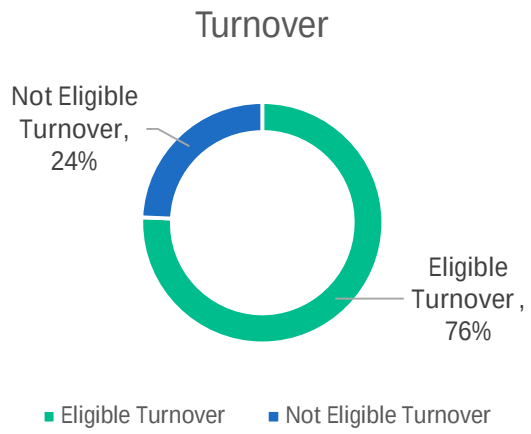
- Turnover for the denominator under EU taxonomy is equal to revenues as reported in our Financial Statement, amounting to 1,114,065,013 RON.
- CAPEX eligible under EU taxonomy is the sum of additions in property, plant and equipment, intangible assets and right-of-use assets from both investments and acquisitions amounting to 57,999,649 RON.

OPEX is calculated in accordance with the EU taxonomy as direct non-capitalized costs incurred for the day-to-day servicing of assets, consisting of research and development costs, short-term leases, maintenance and repair costs and other similar costs, amounting to 34,986,776RON. To avoid double counting in the numerator, economic activities are attributed to the Company's business activities that are presented separately. Eligible turnover, CAPEX and OPEX from economic activities that contribute to specific environmental objectives are presented separately. Additionally, the amounts are reconciled against both the financial statements and their accompanying notes. Specific internal tags are used to ensure each amount is allocated once and only to the correct economic activity.

Turnover

Zentiva produces different types of medicine.

The denominator of the turnover KPI (the key performance indicator for net sales) covers Zentiva' total turnover, which is recognized in line with IFRS 15. The numerator of the turnover KPI is the turnover from products or services related to taxonomy- eligible economic activities under the category Sales of Finished Goods.



CAPEX

The primary input is derived from Activity 1.2 - Manufacture of Medicinal Products, as this represents the core operations of Zentiva.

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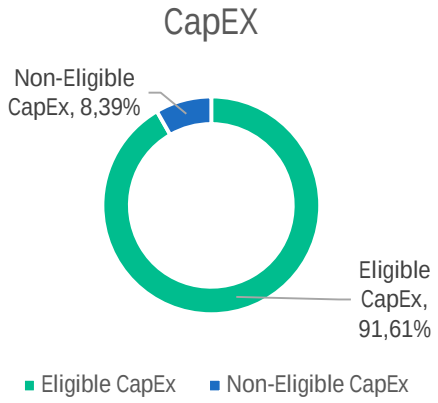
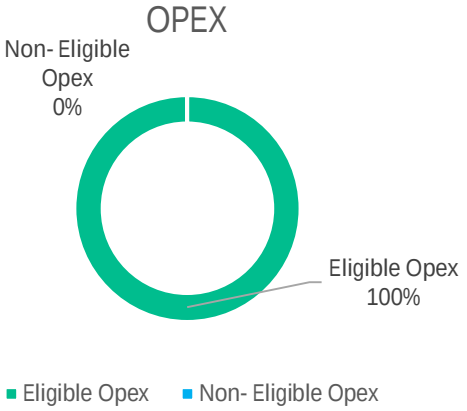


OPEX

The EU Delegated Act specifies items to be considered as OPEX, including research and development, building renovation measures, short-term leases, maintenance and repair, and any other direct expenditures related to the day-to-day servicing of property, plant, and equipment by the undertaking or outsourced third parties, necessary to ensure the continued and effective functioning of such assets. Consequently, OPEX amounts were calculating by including third-party repair expenses, spare parts costs, expenses for auxiliary materials and expenses with the staff involved in maintenance and repairs and reconciled with specific Financial Statements notes or with the Trial Balance.



Regulatory Templates

The regulatory templates as per Annex II of the Delegated Acts for eligible and aligned turnover, CAPEX and OPEX are included in Appendix 2 – EU Green Taxonomy Regulatory Templates.

SECTION 02
ENVIRONMENT

2.2. ESRS E1 – CLIMATE CHANGE

[GOV-3] – INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES

[SBM-3] – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

[IRO-1] – DESCRIPTION OF PROCESSES TO IDENTIFY AND ASSESS MATERIAL CLIMATE-RELATED IMPACTS, RISKS AND OPPORTUNITIES

[E1-1] – STRATEGY: TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION

[E1-2] – POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

[E1-3] – ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE POLICIES

[E1-4] – TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

[E1-5] – ENERGY CONSUMPTION AND MIX

[E1-6] – GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS

[E1-7] – GHG REMOVALS AND GHG MITIGATION PROJECTS FINANCED THROUGH CARBON CREDITS

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ESRS E1 – CLIMATE CHANGE

As a pharmaceutical manufacturer, we recognize our impact on society and the environment and acknowledge our responsibility as a corporate citizen. Zentiva is committed to mitigating risks associated with environmental damage, pollution, and health hazards.

1. INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES

[GOV-3]

While climate objectives are embedded in the annual performance review of senior management, the integration of climate-related considerations to incentive schemes of administrative, management, and supervisory bodies is still under evaluation and future alignment with sustainability commitments.

2. MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

[SBM-3]

The table below presents the climate change-related impacts, risks, and opportunities (IROs) that Zentiva S.A. has identified and classified as material through its double materiality assessment (DMA) conducted during 2024.

All IROs have been evaluated based on their inherent significance, independent of any mitigation measures implemented by Zentiva, in alignment with the CSRD and the methodology established by the EC and EFRAG. The materiality assessment was carried out considering gross impacts, risks, and opportunities.

This disclosure should be read alongside ESRS 2, particularly sections IRO-1 and SBM-3.

Material Sub-subtopic	I/R/O	Description
Energy	Impact -	Consumption of energy (electricity) to support the company's overall activity.
Climate change mitigation	Impact -	Green House Gass emissions - direct and energy (Scope 1 and Scope 2)
Climate change mitigation	Impact -	Value Chain Green House Gass emissions (Scope 3)
Energy	Opportunity	Reduced operational costs due to implementation of the Energy efficiency plan in accordance with ISO 50001.

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Material Sub-subtopic	I/R/O	Description
Energy	Opportunity	Energy Resilience & Business Continuity – Ensuring critical operations (e.g., IT and emergency systems) remain functional during electricity shortages, preventing contract breaches and financial losses while strengthening client confidence. Additionally, the dual burner system provides flexibility by switching to diesel, ensuring continued production of hot water and steam.
Climate change mitigation	Risk	Rising Compliance Costs – Increased CAPEX and OPEX investments Reputational & Regulatory Pressure – Industry-wide scrutiny may lead to higher marketing, reporting, and engagement costs. Operational Disruptions – Production halts temporarily during extreme heat and product recalls due to improper storage temperatures, causing financial losses.
Climate change mitigation	Opportunity	Financial Support & Cost Reduction – Utilize non-refundable government grants to offset CAPEX investments and lower future regulatory fees through investments linked to reduced emissions. Proactive Industry Positioning – Engage early in informational campaigns to improve public perception, influence industry standards, and distribute compliance costs over time. Energy Efficiency Improvements – Enhance building thermal insulation to reduce energy consumption and improve operational resilience.

At Zentiva, we are dedicated to act today for a sustainable tomorrow.

Climate resilience refers to Zentiva's ability to anticipate, prepare for, and adapt to climate-related impacts on its business and value chain, including extreme weather events, regulatory changes, and shifts in market demand.

This is a continuous process that will be reviewed and updated as needed. The initial assessment was conducted based on our climate risk scenario analysis, detailed below.

3. DESCRIPTION OF PROCESSES TO IDENTIFY AND ASSESS MATERIAL CLIMATE-RELATED IMPACTS, RISKS AND OPPORTUNITIES

[IRO-1]

At Zentiva, we recognize our responsibility towards people, partners, and the planet, acknowledging the environmental impact of our operations, including carbon emissions. Our commitment to climate change mitigation is reflected in the systematic tracking and reduction of our energy consumption and greenhouse gas (GHG) emissions.

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Since 2013, we have implemented an energy performance management tool to identify opportunities for reducing energy consumption. In 2015, we obtained ISO 50001 certification from Lloyd's Register Romania, reinforcing our commitment to energy efficiency. Over the years, we have actively monitored our natural gas, fuel, and electricity consumption, investing in projects to enhance energy efficiency and reduce our environmental footprint.

Since 2021, we have been calculating our Scope 1 and Scope 2 carbon footprint, progressively reducing emissions with the goal of achieving carbon neutrality by 2030. More recently, we started to calculate also the Scope 3 emissions.

Therefore, during this time we have considered impacts on climate change, screened our activities and plans in order to identify actual and potential future GHG emission sources in our own operations and along the value chain.

In this report, we provide our current energy consumption in ESRS E1-5 and our Scope 1, 2, and 3 carbon footprint in ESRS E1-6.

The below analysis had a special focus on Zentiva S.A.'s own operations, with a light assessment of its value chain.

3.1. Physical Risk

This assessment focuses on identifying, quantifying, and evaluating physical climate risks affecting Zentiva S.A.'s operations, with a particular emphasis on its production site in Bucharest (3rd District). The assessment also includes a high-level evaluation of risks within the value chain.

In 2024, we developed our methodology for assessing the physical risks that climate change poses to our operations, aiming for alignment with the adaptation requirements included in the Appendix A of the Climate Delegated Act. This methodology enables us to anticipate and plan for the potential impacts of climate-related hazards on our assets, supply chain, and workforce.

Methodology and Risk Evaluation Process

A physical climate risk occurs when Zentiva S.A. is both exposed to and sensitive to climate-related hazards. The degree of risk is shaped by the interaction between:

- Exposure – The likelihood of climate hazards occurring at a specific location. The present and future likelihood was determined using a location-specific evaluation under the two assessed climate scenarios.
- Vulnerability – The extent to which our assets, workforce, and operations can withstand these hazards, influenced by sensitivity and adaptive capacity.

As a first step the applicability of the physical climate hazards was assessed in accordance with Appendix A provided by the Commission Delegated Regulation (EU) 2021/2139.

Then, for the applicable hazards we assessed the overall materiality of physical climate risks, by applying the following process:

- Analysing significant interconnections between climate related hazards and the system elements
- Compiling data on present and projected future climate related hazards,
- Collecting information on the sensitivity of system components likely to be affected.

We sub-divided the processes that take place at the production site located in Bucharest into elements of risk that are critical for their functionality (sub-systems):

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- ✓ **Infrastructure and equipment**: Evaluating the integrity of buildings, infrastructure, equipment, storage facilities, and communication systems to ensure operational stability.
- ✓ **Essential resources**: Assessing the availability and quality of critical resources such as electricity, water, and raw materials, including a limited consideration on the direct supply chain (Rank 1 suppliers) to anticipate potential disruptions due to resource scarcity or logistical constraints.
- ✓ **Logistics and transportation**: Analyzing logistics and transportation networks to ensure continued access to sites and distribution routes under various climate scenarios.
- ✓ **Workforce and communities**: Considering the impact on employees, local communities, and end users/customers, including working conditions and production continuity.
- ✓ **Product stability and distribution**: Evaluating the impact of climate conditions on active pharmaceutical ingredients (APIs), final product storage, transport, and distribution.
- ✓ **Packaging materials**: Assessing the role of packaging in maintaining product integrity and compliance under changing climate conditions.

Risks are assessed according to a two-dimensional heat map that estimates the sensitivity of assets (consequence of climate hazards on operating profit or brand/image) and the exposure (the likelihood of the risk materializing at the location).

a) Exposure:

Exposure is assessed using modeling techniques to predict the probability and impact of climate-related events across different scenarios and timeframes. To ensure accuracy and accountability, the assessment relies on geospatial analytics, which overlay hazard data with at-risk assets for a detailed exposure analysis.

In conducting this assessment, we have used the SSP2/RCP 4.5 and SSP5/RCP 8.5 scenarios, and gained detailed insights into different natural hazards, allowing us to gauge the potential impact and frequency of these events under both current and future climate conditions for our specific geographical position:

- SSP2-RCP 4.5 (Middle of the Road Scenario): This scenario represents a moderate emissions pathway, where global climate policies and technological advancements slow emissions growth, but carbon reduction efforts are not fully successful. Under SSP2-4.5, global temperatures are projected to increase by approximately 2.1–3.5°C by 2100, leading to more frequent extreme weather events, moderate sea-level rise, and regional climate variability.
- SSP5-RCP 8.5 (High-Emissions Scenario): This scenario assumes continued fossil fuel reliance and high economic growth without significant climate policies, leading to a worst-case climate outcome. Under SSP5-8.5, global temperatures could rise by over 4.4°C by 2100, resulting in severe heatwaves, major disruptions in precipitation patterns, significant sea-level rise, and increased frequency of extreme weather events.

Understanding these scenarios helped us assess the potential climate risks and plan appropriate adaptation strategies. Due to the fact that the lifespan of our activities exceeds 10-years , the assessment utilized the highest available resolution of state-of-the-art climate projections. This includes considering scenarios for current situation and for medium and long term, up to 2050 and 2100. We have thus assessed and reported on short-term (current period), medium and long-term) climate-related physical risks and opportunities as following:

- Short-term (2024)
- Medium-term (until 2050): Evaluating how climate risks will impact operations within the next 25 years, informing investment strategies, infrastructure resilience, and supply chain adjustments.
- Long-term (until 2100): Anticipating potential climate impacts by the end of the century, ensuring the company's long-term strategic positioning and adaptation capabilities

Our assumptions included:

- Future building expansions and facility developments are planned at higher construction costs, leading to increased capital and maintenance expenses.
- The area is expected to undergo further development, including the expansion of buildings through annexes.
- Municipal-level flood and heavy rain mitigation structures are anticipated to be implemented to enhance climate resilience.
- Delays in equipment and building maintenance or repairs may occur during high-intensity climate events, impacting operations.
- Technological advancements will continue to support and improve reliable, wireless communication infrastructure.
- Climate-related hazards will become increasingly unpredictable, with uncertain intensity and frequency, requiring adaptive risk management strategies.

The assessment did not include our suppliers' or end-users' locations

b) Vulnerability

In line with EU Green Taxonomy requirements, our climate risk assessment emphasizes sensitivity and adaptive capacity, ensuring alignment with regulatory standards and providing a robust foundation for proactive risk management. By implementing a gross risk assessment framework, we ensured compliance with Taxonomy reporting standards, and that the assessment provides an accurate basis for understanding and addressing these risks:

- precipitation can lead to flooding and logistical disruptions. Various types of flooding (coastal, fluvial, pluvial, and groundwater) further endanger facilities, transport routes, and supply chains. Assessing infrastructure and operational resilience: Evaluating whether current engineering designs, building materials, and operational processes can withstand projected climate conditions under both SSP2-4.5 and SSP5-8.5 scenarios.

The summary of this assessment is presented below, marking the expected risk and risk evolution for our operations.

Changing precipitation patterns and types (rain, hail, snow/ice)				
Current risk	2050		2100	
	RCP 4.5-optimistic	RCP 8.5-pessimistic	RCP 4.5-optimistic	RCP 8.5-pessimistic
Medium	Medium	Medium	Medium	Medium

Heat Stress/heat wave				
Current risk	2050		2100	
	RCP 4.5-optimistic	RCP 8.5-pessimistic	RCP 4.5-optimistic	RCP 8.5-pessimistic
Low	Medium	Medium	Medium	High

Heavy precipitation		
Current risk	2050	2100

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	RCP 4.5-optimistic	RCP 8.5-pessimistic	RCP 4.5-optimistic	RCP 8.5-pessimistic
Low	Low	Low	Low	Low

Drought/Water stress				
Current risk	2050		2100	
	RCP 4.5-optimistic	RCP 8.5-pessimistic	RCP 4.5-optimistic	RCP 8.5-pessimistic
Medium	Medium	High	High	High

Cold wave/frost				
Current risk	2050		2100	
	RCP 4.5-optimistic	RCP 8.5-pessimistic	RCP 4.5-optimistic	RCP 8.5-pessimistic
Medium	Medium	Low	Low	Low

Wildfire				
Current risk	2050		2100	
	RCP 4.5-optimistic	RCP 8.5-pessimistic	RCP 4.5-optimistic	RCP 8.5-pessimistic
Medium	Medium	Medium	Medium	Medium

Extreme storms (including wind or hail or lightning)				
Current risk	2050		2100	
	RCP 4.5-optimistic	RCP 8.5-pessimistic	RCP 4.5-optimistic	RCP 8.5-pessimistic
Medium	Medium	Medium	Medium	Medium

Floods				
Current risk	2050		2100	
	RCP 4.5-optimistic	RCP 8.5-pessimistic	RCP 4.5-optimistic	RCP 8.5-pessimistic
Medium	Medium	Medium	Medium	Medium

As part of our climate risk assessment, we screened our facilities and prioritized key system elements, defined as operational macroprocesses, based on their importance to our operations, turnover impact, and business strategy. These prioritized elements were then evaluated under two climate scenarios—an Optimistic Scenario (SSP2-4.5) and a Pessimistic Scenario (SSP5-8.5)—extending to 2100, to assess the potential financial impacts of climate change. Although full quantification is still in progress under our current phase-in approach, preliminary findings indicate that future physical climate risks may primarily

require additional capital expenditures (CAPEX) for equipment upgrades to maintain production temperatures within quality requirements

For each climate-related risk, we further present the most affected systems, in the table below.

Driver	Top affected	Risk	Time-frame	Area of financial impact	Expected financial impact	Potential preventive actions to be assessed
Changing precipitation patterns and types (rain, hail, snow/ice)	Availability and quality of transport networks (access to site) - Logistics	Delays in deliveries	Current	Infrastructure	Medium	Develop alternative transport routes and adjust supply chain planning with predictive weather analytics. Align drainage needs with the drainage systems capacity on the Zentiva S.A.'s platform
	Employees	Increased absenteeism or injury	Current	Workforce	Medium	Implement a business weather alert system and assess public transport reliability.
Cold wave/frost	Integrity of building and construction	Infrastructure damage	Current	Infrastructure	Low	Ensure regular winter maintenance and assessment of buildings to prevent irreversible damage.
	Employees	Increased absenteeism	Current	Workforce	Low	Encourage remote working for desk-based jobs. Maintain manufacturing conditions within specified temperature requirements.
Drought/Water stress	Availability and quality of water supply to sites	Water scarcity	2050	Production	High	Implement water recycling systems. Expand water storage capacities.

Driver	Top affected	Risk	Time-frame	Area of financial impact	Expected financial impact	Potential preventive actions to be assessed
	Availability and quality of supplies – Direct perimeter of rank 1 suppliers (raw material scarcity)	Reduced raw materials availability or increased costs	2050	Production	High	Establish supplier diversification strategies for critical active pharmaceutical ingredients (APIs) and invest in water-efficient production technologies to reduce reliance on water-intensive raw materials.
Heat Stress/heat wave	Availability and quality of supplies – Direct perimeter of rank 1 suppliers (raw material scarcity)	Reduced raw materials availability or increased costs	2050	Production	Significant	Conduct a high-level climate-risk assessment for our tier 1 suppliers, diversify supplier base and implement risk-based sourcing strategies to ensure supply continuity during extreme heat events.

Driver	Affected system	Risk	Time-frame	Area of financial impact	Expected financial impact	Potential preventive actions
Heat Stress/heat wave	Maintaining storage conditions of raw materials, products and waste	Loss of raw materials and products	2050	Production	Significant	Provide regular maintenance and enhance temperature-controlled storage facilities for heat-sensitive ingredients and finished medicines to prevent degradation.
Wildfire	Availability and quality of electricity supplies to sites	Infrastructure damage	2050	Production	High	Enhance our electricity generation capacities. Install photovoltaic panels to sustain critical production operations during power disruptions.

Driver	Affected system	Risk	Time-frame	Area of financial impact	Expected financial impact	Potential preventive actions
	Availability and quality of supplies – Direct perimeter of rank 1 suppliers (raw material scarcity)	Supply chain disruptions	2050	Production	High	Strengthen supplier contingency plans by sourcing APIs and excipients from multiple regions, reducing dependence on wildfire-prone areas. Maintain essential stocks.
Extreme storms (including wind or hail or lightning)	Availability and quality of electricity supplies to sites	Infrastructure damage	Current	Production	High	Enhance our electricity generation capacities. Install photovoltaic panels to sustain critical production operations during power disruptions.
Floods	Integrity and proper functioning of equipment	Instrument damage	Current	Production	High	Elevate and waterproof sensitive equipment to prevent flood-related damage. Evaluate stormwater drainage capacity and implement temporary water diversion systems that can be deployed to manage flood events.
	Maintaining working and production conditions	Short term business closure	Current	Production	High	Develop flood emergency response and recovery plans for manufacturing sites. Assess possibility to shift production to alternate facilities when needed.

Climate-related transition risks

Transition risks, such as regulatory changes and new taxes, are typically anticipated to arise prior to physical risks. The Company and Zentiva Group consistently monitors its plans to address potential future carbon regulations and increases in raw material costs, which could adversely affect operational expenses.

Driver	Risk	Timeframe	Financial impact	Potential preventive actions to be assessed
Regulatory Compliance Risks	Stricter environmental regulations, may increase operational costs and require significant changes in drug production and packaging	1-5 years	Medium	Implement proactive compliance monitoring to stay ahead of evolving regulations. Assess circular economy solutions when updating manufacturing equipment.

Driver	Risk	Timeframe	Financial impact	Potential preventive actions to be assessed
Supply Chain Disruptions	Transition risks can lead to supply chain disruptions due to changes in supplier operations or policies	1- 5 years	Medium	Diversify suppliers across different regions to reduce dependency on specific sources. Establish strategic stock reserves for critical APIs and packaging materials. Develop alternative sourcing strategies, including regional partnerships and local procurement where feasible.
Technological Obsolescence	Rapid technological advancements in sustainable manufacturing could render existing processes obsolete.	Over 10 years	Medium	Continuously invest in R&D and explore emerging green technologies in pharmaceutical production. Invest in temperature-adaptive equipment designed to operate efficiently under projected climate conditions (e.g. temperature increases).
Investor Pressure	Investors increasingly prioritize environmental performance, potentially affecting funding decisions.	1-5 years	High	Enhance ESG transparency through detailed sustainability reporting. Continue advancing our decarbonization strategy and achieving key sustainability milestones.
Compliance with EU Policies	Frequent legislative changes impact operational stability.	1-5 years	Low	Participate in industry consultations to influence and shape regulatory frameworks proactively. Invest in low-carbon production technologies that future-proof operations against stricter policies.
Customer demand	Rising demand for eco-friendly packaging and low-carbon manufacturing processes.	1-5 years	High	Continue to reduce our carbon footprint by further integration of energy-efficient equipment.

Climate-related transition opportunities

Driver	Opportunity	Timeframe	Financial impact	Actions to ensure leveraging the opportunities to be assessed
Renewable Energy Adoption	Transitioning to renewable energy can lower energy costs over time, enhancing profitability, lower our carbon footprint and increase our energy independence.	1-10 years	High	Invest in on-site renewable energy infrastructure (e.g., solar panels) to reduce long-term electricity costs and carbon emissions.
Circular Economy Practices	Implementing circular economy practices can optimize resource use, reducing waste and costs and facilitating	1-5 years	Low	Continue and further develop our employee-based take-back program for expired or unused pharmaceutical products, ensuring proper disposal and fostering regulatory compliance while reducing environmental impact.

Driver	Opportunity	Timeframe	Financial impact	Actions to ensure leveraging the opportunities to be assessed
	compliance and access to funding opportunities.			
Collaboration and Partnerships	Collaborations can facilitate knowledge sharing and best practice adoption, accelerating sustainability initiatives. We can also improve supply chain resilience by addressing common sustainability challenges. Collective action can drive systemic change across the pharmaceutical industry, enhancing its overall sustainability performance.	1-10 years	Low	Collaborate with suppliers and logistics partners to implement joint sustainability initiatives, such as low-emission transportation, responsible sourcing, and shared waste reduction strategies.
Compliance with EU Regulations	Ensuring compliance with EU regulations avoids legal and financial risks associated with non-compliance. Furthermore, compliance with EU regulations ensures continued access to European markets, maintaining business operations.	1-5 years	Medium	Assess the possibility of including EU Green Taxonomy alignment criteria the into procurement, production, and reporting to maintain market eligibility and access to green financing.
Human Capital Development	Investing in sustainability-focused training helps attract and retain skilled professionals, strengthening human capital. A well-trained workforce in sustainable practices can effectively navigate evolving regulations and market shifts, enhancing business resilience.	1-5 years	Medium	Implement a mentorship program where experienced professionals in sustainable manufacturing, energy efficiency, and regulatory compliance train new employees, fostering long-term expertise and industry best practices.

Transition Risk: Alignment with the Paris Agreement (Limiting Warming to Below 2°C)

This scenario assumes a rapid transition to a low-carbon economy in line with global climate policies aimed at limiting global warming to well below 2°C by 2100, as outlined in the Paris Agreement. It aligns with IPCC's latest climate pathways (SSP1-2.6) and involves:

- Aggressive global emissions reductions – Achieving net-zero CO_2 emissions between 2070 and 2080, with a 50% reduction by 2050
- Stricter policies & regulations – Governments impose carbon pricing, emissions caps, and stricter environmental laws.
- Rapid technological adoption – Industry shifts to low-carbon manufacturing, renewable energy, and circular economy models.
- Consumer & investor pressure – Stakeholders demand greater transparency and sustainability commitments from companies.

Risks	Opportunities	Financial Impacts
Fast paced increase in regulations, taxes and fees. Stricter environmental regulations may require significant investments in compliance measures.	Integrate internal carbon pricing into financial planning to proactively address future carbon regulations reducing the risk of penalties from potential legislation.	Initial compliance costs could be high, but long-term savings from reduced energy consumption and waste management could offset these expenses.
Fast adoption of Low-Carbon Technologies.	Energy savings.	Transitioning to more sustainable manufacturing processes and (low carbon) technologies, such as green chemistry, could involve significant upfront costs and potential operational disruptions.
Sudden shifts in stakeholder expectations - heightened stakeholder expectations and scrutiny over environmental impact.	Proactively meeting stakeholder and customer expectations on sustainability can improve relationships with investors and users, attracting new investments.	Consumers increasingly demand sustainable products, which could affect demand for pharmaceuticals with high carbon footprints. Limited or restricted revenue from over-the-counter products. Potential loss of market share if sustainability expectations are not met.
Transitioning suppliers to low-carbon practices to meet future value chain decarbonization goals could lead to supply chain disruptions if not managed effectively.	Comply with potential new legislation and demands.	Potential costs associated with transitioning suppliers to sustainable practices, but reduced risk of supply chain disruptions.

For the 2024 financial year, we have decided to adopt the option of a phased in approach and, as such, we will not be reporting the specific financial implications of climate-related physical risks, and providing only a general assessment. This assessment enables us, however, to:

- Anticipate and plan for future potential disruptions across the value chain, from raw material sourcing to distribution networks.

- Implement risk mitigation strategies such as enhancing infrastructure resilience
- Integrate climate risks into business strategy to ensure long-term sustainability and maintain access to financial markets that increasingly prioritize climate-conscious investment.

Based on the above analysis our primary focus is water stress, which can pose a growing risk. However, this is addressed separately under ESRS E3 - Water and Marine Resources. While climate adaptation is not a material topic under the DMA framework, we remain proactive by assessing

4. STRATEGY: TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION

[E1-1]

Zentiva S.A. remains committed to aligning with its objectives. Our transition plan for climate change mitigation is in the process of being developed. For the purpose of achieving our goal of carbon neutrality for Scope 1 and Scope 2 emissions by 2030, we have developed a **decarbonisation plan,** known as the **"Carbon Roadmap 2030",** which focuses on the following decarbonization levers:

- Electrification and energy efficiency projects
  - Reduce our reliance on natural gas – active lever in 2024
  - Invest in an electric hot water generation system – set to take place by 2030
  - Increased building insulation to reduce energy requirements – active lever in 2024, ongoing until 2030
- Investing in renewable energy, with our Bucharest site already running in 2024 on 100% electricity from renewable sources

The Energy management system of Zentiva has been assessed and certified as meeting the requirements of ISO 50001:2018 for the manufacturing and related support function activities.

For Scope 3 we aim to set a target during 2025, under the leadership of Zentiva Group. Then we will assess the specific reduction levers to apply.

Zentiva acknowledges the existence of certain locked–in emissions, such as those from gas used in ampoule manufacturing and cooling gases. These emissions have been factored into the target-setting process and reduction action planning. Despite their presence, they do not hinder the achievement of our greenhouse gas (GHG) reduction targets.

We acknowledge that our decarbonisation plan will fully meet the ESRS definition of a transition plan only after it receives validation from the Science Based Targets initiative (SBTi) for Scope 1, Scope 2, and Scope 3 emissions, a process that is currently pending.

Embedded in strategy

Zentiva S.A.'s current decarbonization plan is integrated into the Company's strategy and is funded through its annual business and financial planning process. The plan has been approved by Zentiva's Investment Committee and Sustainability Management at the Group level, ensuring alignment with the Company's financial strategy.

For 2024, the key investments supporting this transition include:

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- **Installation of an electric heat pump**: A capital expenditure (CAPEX) investment classified as a taxonomy-eligible activity under the EU Green Taxonomy.
- **Head office renovation**: As part of a taxonomy-eligible renovation project, one floor of the headquarters was upgraded with more energy-efficient equipment, and wall insulation was improved to enhance energy efficiency.

[Please see further information in section E1-3 Actions]

The decarbonisation plan is embedded in Zentiva's strategy and funded through the annual business and financial planning process.

It has been approved by Zentiva's Investment Committee and Sustainability Management at Zentiva Group level. The decarbonisation plan requires investments, which are aligned with Zentiva's financial planning.

Zentiva has not claimed alignment of its economic activities with delegated regulations on climate adaptation or mitigation under the Taxonomy Regulation (see "EU taxonomy" on page 39). However, efforts will be made to align activities where possible.

Zentiva SA is not excluded from the EU Paris-aligned Benchmarks.

5. POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

[E1-2]

Our Policy on Quality Environment, Health and Safety, signed and overseen by the Head of Product Supply and by the General Manager, includes commitments to efficient energy use, reduction of energy consumption and costs, and continuous improvement of energy performance, and it applies to all our activity, production processes and support functions within our operations. This policy addresses our impacts related to energy consumption and GHG emissions, including those from our Scope 1 and Scope 2 sources, as well as value chain emissions, particularly those associated with waste generation. The policy applies to all our employees and operations and is available on our website (Link). The policy will be updated in 2025 to further include our commitment for mitigating climate change.

Zentiva drives its decarbonisation strategy through electrification and energy efficiency measures to optimize energy use and reduce emissions. The Company has obtained ISO 50001 certification for its production facilities and support functions to ensure a formalised approach to energy management. Additionally, the company operates under an integrated management system (IMS) that adheres to ISO 9001 (Quality Management), ISO 14001 (Environmental Management), and ISO 45001 (Occupational Health and Safety Management). The IMS has been under the certification of Lloyd's (currently LRQA) in 2024, which is renewed every 3 years. The Company systematically trains and motivates employees in energy related initiatives to ensure effective implementation.

Energy Analysis Procedure

Validation: Approved by the Industrial Operations Director.

Scope: Applies to all departments included in the Energy Management System.

Compliance Standard: Conducted in accordance with ISO 50001 requirements to ensure the best practices in energy efficiency

The Energy Analysis Procedure formalizes Zentiva's systematic approach to assessing and improving energy performance across its operations. The key steps include:

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- ✓ Energy Management Team Appointment – Assigning responsible personnel to oversee energy performance monitoring and improvement initiatives.
- ✓ Energy Usage Identification and Stratification – Mapping out energy consumption across different operational areas to identify priority focus points.
- ✓ Primary Energy Consumption Analysis – Reviewing energy consumption data from the past three years and defining a reference period for benchmarking.
- ✓ Significant Energy Uses (SEUs) Determination – Identifying the most energy-intensive processes or equipment with a substantial impact on overall consumption.
- ✓ Influencing Factors Assessment – Analyzing internal and external factors affecting energy performance, particularly for significant energy uses.
- ✓ Future Energy Consumption Estimation – Forecasting energy demand based on operational growth, efficiency measures, and emerging technologies.
- ✓ Energy Performance Improvement Opportunities – Identifying, recording, and prioritizing potential optimizations based on their impact and feasibility.
- ✓ Energy Data Collection Plan Development – Implementing a structured monitoring and reporting framework for energy usage.
- ✓ Energy Objectives and Targets Setting – Defining clear energy efficiency goals and outlining an action plan to achieve them.
- ✓ Energy Planning Updates – Regularly reviewing and refining the energy strategy to align with evolving business needs and sustainability commitments.

GHG Emissions Reporting and Calculation process:

- Zentiva S.A. reports local activity data monthly to the Group. Information and activity data is mainly sourced from Zentiva S.A. invoices and production logs, certificates and internal readings.
- We are responsible for ensuring that the activity data is validated and accurate.
- The Group gathers the data from all sites, Zentiva S.A. included, calculates the GHG emissions to ensure consistency, and align the classification and methodology across all sites.

Next steps:

In 2025, Zentiva S.A. will ensure the formalization of the above process and will align with the Group in implementing the Corporate Environmental Policy, which provides a structured framework to support the company's transition towards carbon neutrality for Scope 1 and 2 emissions by 2030. This Policy focuses on:

- Minimizing the environmental footprint through energy efficiency and resource optimization.
- Ensuring responsible resource consumption across operations.
- Driving sustainability across the value chain, including suppliers and partners.
- Implementing sustainable practices at all production sites, offices, and beyond.

Zentiva's efforts align with the European goal of climate neutrality by 2050, targeting net-zero greenhouse gas emissions.

ZENTIVA

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6. ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE POLICIES

[E1-3]

During 2024, Zentiva S.A. implemented actions in line with its target to become carbon neutral for Scope 1 and for Scope 2 by 2030:

- ✓ **Energy efficiency projects**
  - ✓ Increased insulation to reduce energy requirements

Lever	Outcome	Expected GHG emission reductions in the next years	Dependency	CAPEX/ OPEX Investment - 2024	Link to EU Taxonomy
Increased building insulation to reduce energy requirement	Reduction of Natural Gas consumption and Electricity savings	0.2 K tonnes of CO2eq reduction from the Natural Gas savings	Technology is already available. 100% dependent of resources allocated	CAPEX invested 5260 K RON OPEX invested 780 K RON	100% Eligible CAPEX & OPEX

For our future allocated resources, the following levers will be implemented, according to our decarbonisation strategy, and carbon neutrality (Scope 1 and 2) by 2030 ambition:

- ✓ **Electrification of steam generation (phase 2)**
  - ✓ Technology shift to replace natural gas-powered heat pumps and boilers

Lever	Outcome	Expected GHG emission reductions in the next years	Dependency	CAPEX/ OPEX Investment- Medium-term	Link EU Taxonomy
Reduce our reliance on natural gas	Reduction of natural gas consumption and increase in the use of renewable electricity	3.6 K tonnes CO2eq reduction due to the natural gas savings	Technology is already available. 100% dependent on resources allocated	CAPEX estimated 5000 K RON - 10 000 K RON OPEX impact 2500 K RON – 7500 K RON	100% Eligible CAPEX & OPEX

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As part of its climate adaptation strategy, Zentiva plans to review the proposed actions outlined in the climate risk assessment in 2025 to ensure alignment with evolving risks and regulatory requirements.

7. TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

[E1-4]

In relationship to our current HSE policy and the Group's objectives, GHG reduction targets were set through our "Carbon Roadmap 2030", with the ambition to become Scope 1 and Scope 2 carbon neutral. Our Scope 3 carbon footprint was calculated for the first time in 2024. In Q2 of 2025 the Group will submit reduction targets for validation (SBTI approval).

Our Scope 1 target is to achieve neutrality by 2030, This will be done via energy efficiency and consumption reduction and by replacing our natura gas-powered heat pumps and boilers with electric ones which will operate on 100% renewable energy - our main reduction lever. The further expected emission reductions and financial investments are presented in the above tables [E1-3].

Scope 2 carbon neutrality was already achieved = through the use of 100% electricity from renewable sources; the current target is to maintain this aspect in our operations.

8. ENERGY CONSUMPTION AND MIX

[E1-5]

Energy consumption is reported in MWh, by energy type.

Table 6 *Energy consumption and mix (in MWh)*

	2024 (MWh)
(1) Total energy consumption	34,804.94
(2) Total fossil energy consumption	19,441.68
(3) Fuel consumption from coal and coal products	0.00
(4) Fuel consumption from crude oil and petroleum products	3,779.92
(5) Fuel consumption from natural gas	15,661.76
(6) Fuel consumption from other fossil sources	0
(7) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	0
(8) Share of fossil sources in total energy consumption	56%
(9) Consumption from nuclear sources	**0**
(10) Share of consumption from nuclear sources in total energy consumption	0

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(11) Total renewable energy consumption	**15,363.26**
(12) Fuel consumption from renewable sources	0
(13) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	15,363.26
(14) Consumption of self-generated non-fuel renewable energy	0
(15) Share of renewable sources in total energy consumption	44%
(16) Non-renewable energy production	0
(17) Renewable energy production	0
(18) Total energy consumption from activities in high climate impact sectors	34,804.94
(19) Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors	0.000031 MWh/RON

To calculate our 2024 energy consumption and mix, presented in the table below, we had converted our energy sources into MWh using the following activity data and conversion coefficients:

- Energy from crude oil and petroleum products stems from the consumption of diesel and gasoline fuel for our car fleet. The litres of fuel consumed in 2024 were converted to energy via mass transformation using the average densities provided by ANRE in 2020 (Link). We used thus the density of 0.845 kg/L for diesel and 0.758 kg/L for gasoline, transformed to tonnes to reach the equivalent in tonne of oil equivalent (toe) for each fuel type (1 tonne diesel = 1.015 toe; 1 tonne gasoline = 1.05 toe, as provided by ANRE, Link), using the assumption that these average densities stayed the same throughout the year. The equivalents in toe for diesel and gasoline were then converted to MWh using specific ANRE provided coefficients (1 MWh=0.086 toe; 1 toe = 11.63 MWh; Link).
- Natural gas consumption conversion from m^3 into MWh used the conversion factor utilised by Engie, our natural gas supplier (1 m^3=0.0108 MWh, extracted from invoices). Activity data (m^3) was collected from invoices.
- In 2024, our electricity was 100% renewable, covered by GOs. Activity data (kWh) for Zentiva S.A. was collected from invoices.
- Natural gas and electricity activity data (m^3 and kWh) was collected from invoices. Other than the assurance provider, there was no third-party validation if this data.

Pharmaceutical manufacturing being classified as a high climate impact sector, our energy intensity based on net revenue stands at 0.000031 MWh/RON for 2024, when we take into account the net revenue of 1,114,065,013 RON. Our revenue figures can be seen in our financial statements on our website (Link).

Contractual Instruments for Energy Procurement

Zentiva S.A. is currently in the process of securing Guarantees of Origin (GO) certificates for its entire 2024 electricity consumption. However, we received a confirmation from the supplier's representative (Tinmar Energy S.A.) that 100% of the energy provided to Zentiva SA is generated from renewable sources.

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9. GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS

[E1-6]

The following summary table displays Zentiva's 2024 GHG emissions results.

The calculation of our carbon footprint followed the GHG Protocol Corporate Standard and Corporate Value Chain (Scope 3) Standard for all categories, following the operational-control method. Activity data was inputted in a spreadsheet, manually processed and multiplied with specific emissions factors as detailed below. Biogenic emissions were not mapped.

Table 7 *GHG emissions (in tCO2eq)*

	2024	2030	2040	2050	Annual % target / Base year
Scope 1 GHG emissions [t CO2eq]					
Gross Scope 1 greenhouse gas emissions	3,931	0	0	0	10.00%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes	0%	0%	0%	0%	
Scope 2 GHG emissions [t CO2eq]					
Gross location-based Scope 2 greenhouse gas emissions	3,264		N/A	N/A	No target for location - based emissions
Gross market-based Scope 2 greenhouse gas emissions	0	0	0	0	Maintain 100% Renewable energy
Significant scope 3 GHG emissions [t CO2eq]					
Total Gross indirect (Scope 3) GHG emissions	50,818	Target not yet available - to be calculated in 2025			Not yet available
Percentage of Gross Scope 3 greenhouse gas emissions	93%	Target not yet available - to be calculated in 2025			Not yet available
Purchased goods and services	43,554	Target not yet available - to be calculated in 2025			Not yet available
Cloud computing and data centre services	N/A	Target not yet available - to be calculated in 2025			Not yet available
Capital goods	2,616	Target not yet available - to be calculated in 2025			Not yet available

	2024	2030	2040	2050	Annual % target / Base year
Fuel and energy-related activities	1,970	Target not yet available - to be calculated in 2025			Not yet available
Upstream transportation and distribution	188	Target not yet available - to be calculated in 2025			Not yet available
Waste generated in operations	473	Target not yet available - to be calculated in 2025			Not yet available
Business travel	123	Target not yet available - to be calculated in 2025			Not yet available
Employee commuting	453	Target not yet available - to be calculated in 2025			Not yet available
Upstream leased assets	N/A	Target not yet available - to be calculated in 2025			Not yet available
Downstream transportation	N/A	Target not yet available - to be calculated in 2025			Not yet available
Processing of sold products	N/A	Target not yet available - to be calculated in 2025			Not yet available
Use of sold products	517	Target not yet available - to be calculated in 2025			Not yet available
End-of-life treatment of sold products	924	Target not yet available - to be calculated in 2025			Not yet available
Downstream leased assets	N/A	Target not yet available - to be calculated in 2025			Not yet available
Franchises	N/A	Target not yet available - to be calculated in 2025			Not yet available
Investments	N/A	Target not yet available - to be calculated in 2025			Not yet available
Indirect GHG emissions from imported energy	-				
Indirect GHG emissions from transportation	188				Not yet available - to be calculated in 2025
Total GHG emissions [t CO2eq]					
Total GHG emissions (location-based)	58,012				Not yet available - to be calculated in 2025
Total GHG emissions (market-based)	54,749				Not yet available - to be calculated in 2025

In 2024, our Scope 1, 2 and 3 GHG emission intensity was 0.0000521 t CO2eq/RON for location-based and 0.0000491 t CO2eq/RON for market-based, calculated using our net revenue of 1,114,065,013 RON was considered as per our financial statements at the time of reporting (Link).

Scope 1

For Scope 1, emissions factors for coolant gases (freon) were taken from IPCC database, while the remaining ones from DEFRA 2024 database, and were specific to each activity data type and unit of measurement. Direct emissions from stationary combustion were calculated by converting into GHG emissions total amount (m^3) of natural gas consumed during 2024. For mobile combustions, liters of diesel and petrol fuel used in our own car fleet were multiplied with the corresponding emission factors (average biofuel blend). For fugitive emissions, the quantity (kg) of freon that was recharged into our air conditioning and chillers, was multiplied with the corresponding emission factor, related to the type of recharged gas.

Scope 2

Location-based emissions were calculated using the total amount of consumed kWh, multiplied by the emission factor corresponding to Romania from the database provided by AIB – European Residual Mix (Link), using the emission factor of 212.43 g CO2/kWh.

Market-based emissions were equal to 0 tones CO2eq, since in 2024 we have purchased 100% green electricity, via Guarantees of Origin certificates from our electricity supplier Tinmar Energy S.A.

Scope 3

Scope 3 methodology, activity data types and sources, assumptions and estimations are presented in Appendix 3 – Scope 3 data, Methodology and Assumptions, together with an explanation for categories not included in our assessment. Within this current assessment, we have included emissions from the following categories, with values presented in the above table: Purchased Goods and Services, Capital Goods, Fuel and energy-related activities, Upstream transport and distribution, Waste generated in operations, Business travel, Employee commuting, Use of sold products, End-of-life treatment of sold product.

10. GHG REMOVALS AND GHG MITIGATION PROJECTS FINANCED THROUGH CARBON CREDITS

[E1-7]

Zentiva S.A. does not have GHG removals or storage within its own operations or across its upstream and downstream value chain. While we use CO_2-compensated fuel provided by OMV, this compensation is achieved through carbon credits or offset mechanisms rather than direct GHG removal or storage. Therefore, no GHG removals and storage in metric tonnes of CO_2 eq. are reported under ESRS.

The carbon credits are purchased to offset our fuel consumptions, for Scope 1, Mobile combustion. The amount of carbon credits purchased in 2024 were not removed from our Scope 1 carbon footprint, but they are presented separately, in the table below. In 2024, these offsets stemmed from the OMV Project Portfolio with ClimatePartner, which invested in mixed technologies (worldwide), and in renewable energy projects in India such as hydropower plants and wind turbine constructions. We acquire carbon credits on an ongoing basis to directly match our fuel consumption, without engaging in advance contractual purchases or committing to a predetermined amount for future cancellation. This approach ensures that our carbon offsetting efforts are immediate and directly correlated with our actual fuel usage. Upon achieving our emissions reduction goals, we anticipate some residual, unavoidable emissions will remain. To address these, we plan to procure carbon credits to offset the residual emissions, ensuring our operations achieve carbon neutrality by 2030.

Table 10 *Carbon Credits cancelled in the reporting year*

	2024
Total carbon credits (t CO2eq)	948
Share from reduction projects (%)	0%
Share from removal projects (%)	100%
Verified Carbon Standard (VCS), Gold Standard and Clean Development Mechanism (%) as detailed by ClimatePartner (Link)	100%
Share from projects within the EU (%)	0%

[E1-8]

Zentiva S.A. does not have an internal carbon pricing scheme.

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SECTION 02
ENVIRONMENT

2.3. ESRS E2 – POLLUTION

IRO-1] – DESCRIPTION OF PROCESSES TO IDENTIFY AND ASSESS MATERIAL POLLUTION-RELATED IMPACTS, RISKS AND OPPORTUNITIES

[E2-1] – POLICIES RELATED TO POLLUTION

[E2-2] – ACTIONS AND RESOURCES RELATED TO POLLUTION

[E2-3] – TARGETS RELATED TO POLLUTION

[E2-4] – POLLUTION OF WATER – GENERAL

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1. DESCRIPTION OF PROCESSES TO IDENTIFY AND ASSESS MATERIAL POLLUTION-RELATED IMPACTS, RISKS AND OPPORTUNITIES

[IRO-1]

Zentiva S.A. has conducted a thorough materiality analysis of its business operations, identifying potential and actual pollution-related impacts, risks, and opportunities (IROs) within its own activities and throughout its value chain. These IROs were assessed using a methodology similar to the LEAP framework, which involved:

- Identifying sources of pollution: Evaluating where pollution-related IROs could occur (own operations, value chain, or both), the environmental factors involved, and the specific business units at risk (e.g., wastewater treatment plants).
- Assessing dependencies and impacts: Measuring the severity and likelihood of these impacts on the environment to determine their impact materiality.
- Evaluating risks and opportunities: Analyzing financial materiality by identifying key risks, including policy and legal risks (e.g., fines from environmental authorities for exceeding chemical discharge limits) and reputational risks (potential loss of consumer trust due to non-compliance).

The location for monitoring water pollution risk is at Zentiva S.A.'s facilities: Bulevardul Theodor Pallady 50, 032266, Bucharest, Romania. The Company's operations are situated near residential areas and connected to the city's water network.

The company recognizes the importance of responsible water management and compliance with European regulations to minimize environmental risks. Given its proximity to residential areas and connection to the city's water network, the Company takes measures to prevent chemical leaks and ensure proper wastewater discharge.

Stakeholders' consultation was performed during the DMA process [further details in ESRS E2]

Pollution of air, soil and substances of high concern is considered immaterial to Zentiva due to the very low levels of pollutants in its operations, with minimal impact on the environment or human health. The impacts and risks are deemed immaterial as they do not meet the threshold.

However, the Company ensures compliance with local regulations for all the pollution related aspects.

2. POLICIES RELATED TO WATER POLLUTION

[E2-1]

Material IROs

Material Subtopic	I/R/O	Description
Pollution of water	Impact -	The Company's operations, located near residential areas and connected to the city's water network, can contribute to water pollution through leaks of chemicals and toxic discharges

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Material Subtopic	I/R/O	Description
Pollution of water	Impact -	Contamination of water through the consumption of products by the end users
Pollution of water	Risk	Risk of litigation, financial losses, and decreased consumer trust in case of non-compliance with European regulations on water chemical discharges and wastewater management
Pollution of water Pollution of living organisms and food resourcesC	Risk	The company is subject to the Urban Waste Water Treatment Directive, which will apply from March 2028. In the case of accidental exceedances of the maximum permitted concentrations for discharged technological water, as outlined in the regulations regarding wastewater discharge into local sewer networks and directly into treatment plants , the company may face fines or lose its operational rights.

Zentiva S.A. recognizes the importance of managing water pollution-related risks and is committed to ensuring compliance with national and European environmental regulations. The Company integrates water pollution control measures into its broader Pollution Prevention and Response Plan and ISO-certified Integrated Management System.

Zentiva's environmental management system is certified under ISO 14001, ensuring continuous improvement in pollution prevention, resource efficiency, and compliance with environmental legislation.

The Pollution Prevention and Response Plan incorporates key control mechanisms, including:

- The use of absorbent materials and drainage blocking devices to contain potential spills.
- A biological wastewater treatment system that integrates aeration and membrane filtration to ensure effective pollutant removal.
- Specialized separators for light liquids and petroleum products, designed to prevent hazardous substances from contaminating water sources.
- A retention basin to safely collect stormwater and wastewater in emergency situations, minimizing environmental harm.

To ensure regulatory compliance, Zentiva performs monthly external monitoring through a laboratory certified by the Romanian Accreditation Association (Asociatia de Acreditare din Romania - RENAR).

Zentiva is committed to implementing best practices in environmental management, ensuring compliance with legal requirements and minimizing the impact of its activities on water resources.

Additionally, there is a financial risk for Zentiva, as The Directive (EU) 2024/3019 of the European Parliament and of the Council of 27 November 2024 concerning urban wastewater treatment was published in the Official Journal of the European Union on 12.12.2024 and entered into force on 01.01.2025.

According to the Directive, the Member States shall take measures to ensure that by 31.12.2028, producers who place any of the products listed in Annex III (medicinal products for human use falling within the scope of Directive 2001/83/EC of the European Parliament and of the Council) on the market have extended producer responsibility.

To mitigate accidental pollution, Zentiva has developed an Internal Emergency Plan for the prevention and control of accidental pollution at SC Zentiva S.A. This plan sets systematic response protocols for potential pollution incidents, ensuring that the Company is well-equipped to contain and manage potential contamination events.

"The Internal Emergency Plan defines intervention procedures, responsibilities, and emergency response teams to manage and contain accidental pollution incidents. The key responsible entities include the Environmental, Health & Safety (EHS) Department, which coordinates prevention and intervention efforts, Senior Management, which oversees decision-making and resource allocation, and designated on-site response teams responsible for immediate action." (*EHS_IL 02 - Mod de intervenție în caz de poluare accidentală*).

Aligned with the Integrated Management Manual, the Company integrates environmental protection into its broader quality, occupational health and safety, and energy management systems. Furthermore, legal pollution thresholds are defined under the Environmental Authorization (2021, Rev. 1), ensuring that compliance remains a top priority.

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Zentiva ensures that water pollution levels remain within permissible regulatory thresholds, implementing corrective actions when necessary. The responsibility for the implementation and oversight of Zentiva's Quality, Environmental, Health and Safety Policy lies with the Environmental Management Department, which reports directly to the Executive Board. This structure ensures that sustainability goals and regulatory compliance are consistently prioritized at the highest level of decision-making. In 2025, the Company will update its internal policies to align with the Group Environmental Policy, which is scheduled for release at the beginning of the year. This initiative supports the Group's "Target Zero Pollution" Commitment, ensuring consistency in environmental standards and sustainability efforts across the organization.

Also, the Sustainability Report will be published on Zentiva's official website (www.zentiva.com), ensuring transparent access for all interested stakeholders.

Zentiva ensures that sufficient resources are allocated for pollution control and regulatory compliance through an environmental provision, reviewed annually to support sustainability initiatives. The Company adheres to legal pollution concentration thresholds, as outlined in the Environmental Authorization (2021), which define the maximum permissible pollutant levels and alert thresholds. The company monitors its environmental performance through a structured tracking system, maintaining records of pollution levels and aligning operations with evolving regulatory requirements.

3. ACTIONS AND RESOURCES RELATED TO POLLUTION

[E2-2]

Zentiva has implemented specific measures to mitigate water pollution, optimize resource use, and ensure operational compliance. These initiatives focus on pollution prevention at the source, risk mitigation, and continuous monitoring.

Zentiva operates a biological wastewater treatment plant with aeration and membrane filtration, used in the Quality Control process to improve wastewater quality before discharge. Additionally, the Company employs a separator for light liquids with mechanical cleaning in the Solid Forms Section to reduce contamination risks and a decanter-separator for petroleum products with a retention basin to capture potentially contaminated stormwater, ensuring pollutants do not enter municipal water systems. To further minimize water pollution, Zentiva continuously modernizes its filtration systems to enhance wastewater treatment. Equipment and cleaning procedures have also been updated to limit water consumption and contamination

The evacuation of chemical substances and preparations into the sewer system is strictly prohibited if they could alter wastewater quality beyond legally permissible thresholds. Zentiva ensures compliance with national regulations on wastewater discharge, continuously monitoring compliance parameters.

Zentiva S.A. has implemented intervention kits and drainage blocking devices to contain accidental spills and prevent contamination spread. Additionally, retention basins have been installed to manage

contaminated stormwater and process water. In the event of a pollution incident, the Company follows strict response protocols, including the immediate notification of the Ilfov-Bucharest Water Management System.

Zentiva conducts monthly external water pollution assessments through third-party providers to ensure compliance with national and EU environmental standards.

At the time of reporting, there are no financial resource available to include in our statement.

4. TARGETS RELATED TO POLLUTION

[E2-3]

Our goal is to fully comply with the environmental limits set by local authorities through our Environmental Authorization, ensuring that we operate without pollution incidents or related fines. In 2024, we successfully met these compliance requirements by maintaining pollutant concentrations within the maximum admissible values specified in our permits. These thresholds represent absolute yearly targets rather than reduction targets calculated from a baseline year. Compliance is monitored to ensure pollutant loads do not exceed these established limits. In 2025, we will align our policies with the Group Environmental Policy to support the 'Target Zero Pollution' Commitment and ensure consistency in sustainability efforts.

At present, no pollution exceedances have been recorded, and all wastewater parameters remain within legal limits. However, as environmental regulations evolve, Zentiva continues to assess new solutions to further enhance wastewater efficiency and sustainability.

By maintaining these targets, Zentiva S.A. reinforces its commitment to sustainable water management, regulatory compliance, and environmental responsibility.

5. POLLUTION OF WATER – GENERAL

[E2-4]

Zentiva S.A. operates in compliance with national and European regulations on water pollution, ensuring that all discharges meet legally required thresholds. The company's production facility, located in an urban environment and connected to the municipal water and sewage network, monitors and manages its wastewater discharge to prevent contamination of groundwater and surface water. The company conducts monthly laboratory analyses of its wastewater to ensure compliance with legal discharge thresholds, monitoring key pollutants such as chemical oxygen demand (CCO - Cr), total suspended solids (TSS), biochemical oxygen demand (CBO5), organic solvents, and biodegradable synthetic detergents. Additionally, to meet legal obligations under the Apa Nova Evacuation Permit, the company also monitors heavy metals (cadmium, chromium, nickel, copper, lead, mercury), hydrocarbons (benzo-a-pyrene, fluoranthenes, perylene, indeno-pyrene), volatile organic compounds (benzene, toluene, xylene, trichloromethane, dichloromethane), and other elements such as cobalt, vanadium, barium, arsenic, selenium, diclorometan and phenanthrene.

To date, all analyses confirm that Zentiva remains within legally permitted pollutant concentration limits, with no recorded exceedances.

According to NTPA - 002/2002, the maximum permitted pollutant concentrations for wastewater discharged into the urban sewage network include a pH range of 6.5 – 8.5, suspended solids up to 350 mg/dm³, chemical oxygen demand (CCO - Cr) at 500 mg/dm³, biochemical oxygen demand at 5 days (CBO5) at 300 mg/dm³, extractable organic solvents at 30 mg/dm³, and biodegradable synthetic detergents at 25 mg/dm³.

Additionally, as per the **Apa Nova Evacuation Permit**, the following maximum allowable concentrations apply: benzo[a]pyrene at 0.05 µg/dm³, benzo[b]fluoranthene at 0.03 µg/dm³, benzo[k]fluoranthene (sum), benzo[g,h,i]perylene at 0.002 µg/dm³, indeno[1,2,3-cd]pyrene (sum), cadmium at 0 µg/dm³, chromium at 2.5 µg/dm³, nickel at 20 µg/dm³, copper at 1.3 µg/dm³, lead at 7.2 µg/dm³, mercury at 0 µg/dm³, benzene at 10 µg/dm³, toluene at 10 µg/dm³, xylene at 10 µg/dm³, trichloromethane at 20 µg/dm³, cobalt at 0 µg/dm³, vanadium at 1.2 µg/dm³, barium at 200 µg/dm³, arsenic at 7.2 µg/dm³, selenium at 0.07 µg/dm³, dichloromethane at 20 µg/dm³, and phenanthrene at 0.03 µg/dm³.

Zentiva remains proactive in monitoring regulatory developments and exploring advanced wastewater treatment technologies aimed at minimizing pollutant discharge and enhancing water reuse efficiency. The company continues to allocate financial resources to ensure ongoing compliance and implement necessary infrastructure upgrades, reinforcing its commitment to sustainable water management and environmental protection.

Below is a table presenting the maximum and minimum recorded values for key water pollutants, providing a detailed overview of the company's compliance with regulatory standards.

Zentiva's facility is located in a high water stress area, making continuous monitoring and compliance with discharge limits essential for sustainable water management.

No	Analysis Indicator	Test Methods	Acceptance Agreement No.1521/ 31.08.2012	UM	Minimum recorded value in 2024	Maximum recorded value in 2024
1	Temperature*		40	^{0}C	12,8	19,3
2	pH	SR EN ISO 10523:2012, PI-01	6.5 - 8.5	Unit. pH	7,3 (la 20,7 gr C)	8,0 (la 20,6 gr C)
3	Suspended Solids (MTS)	SR EN 872: 2005, PI-02	350	mg/l	28	156
4	Chemical Oxygen Demand (COD - Cr)	SR ISO 6060 /1996, PI-03	500	mg O2 / l	54,22	480,00
5	Biochemical Oxygen Demand (BOD5)	SR EN ISO 5815-1:2020, PI-01	300	mg O2 / l	20	204
7	Solvent Extractable Substances	SR 7587 /1996, PI-02	30	mg/l	< 20	24,00
6	Detergent_Anionic Surfactants	SR EN 903 /2003, PI-04	25	mg/l	<0,1	1,02
8	Sulfates	PI-05(v1, r1)	600	mg/l	45,23	137,24
1.1	Benz[a]pyrene**	SR EN ISO 17993:2004, PI-09	0,27	µg / l	< 0,005	< 0,0005
1.2	Benz[b]fluoranthene**		0,017	µg / l	< 0,005	0,0006
1.3	Benz - k fluoranten**		0,017	µg / l	<0,005	<0,005
1.4	Benz[ghi]perylene**		0,0082	µg / l	<0,005	<0,005
1.5	Indeno[1,2,3-cd]pyrene**		_	µg / l	<0,005	<0,005
1.6	Phenanthrene**		_	µg / l	< 0,002	0,024

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2.1	Benzene	SR ISO 11423 - 1 : 2000 SR EN ISO 10301 : 2003 PI-08 (v1, r1)	50	µg / l	<0,2	<0,2
2.2	Toluene		_	µg / l	<1	<1
2.3	o-Xylene		_	µg / l	< 1	< 1
2.4	m + p-Xylene		_	µg / l	< 2	< 2
3	Trichloromethane (Chloroform)		_	µg / l	< 1	< 1
4	Dichloromethane		_	µg / l	< 1	< 1
5	Cd	SR EN ISO 15586: 2004 PI-06	< 0,45 - 1,5	µg / l	< 0,25	< 0,25
6	Cr. total		_	µg / l	< 1	5,4
7	Ni		34	µg / l	<2,5	14,3
8	Cu		_	µg / l	3,8	20,2
9	Pb		14	µg / l	< 2,5	9,8
10	Co	SR EN ISO 11885:2009 PI-14(v1, r0)	_	µg / l	<1,2	<2
11	V		_	µg / l	< 1	< 1
12	As	SR EN ISO 15586: 2004 PI-06	_	µg / l	<1	4,3
13	Se		_	µg / l	<2,5	<2,5
14	Hg	SR EN ISO 12846 : 2012 PI-06 (vl,rl)	0,07	µg / l	<0,2	<0,2
15	Ba	SR EN ISO 11885:2009 PI-14(v1, r0)	_	µg / l	< 25	127,0
16	Zn	SR ISO 8288: 2001 PI-06 (v1, r1)	_	mg/l	<0,1	0,408

Values marked with "<" are below the detection limit of the testing method.

**The test is not covered by RENAR(Romanian Accreditation Association) accreditation.*

***The test is subcontracted and accredited by RENAR(Romanian Accreditation Association).*

The results have been analyzed and comply with the requirements of the valid Environmental Authorization.

Zentiva collaborates with GIVAROLI IMPEX SRL, a RENAR (Romanian Accreditation Association)-accredited laboratory based in Bucharest, to ensure precise environmental monitoring and regulatory compliance for wastewater discharge. The laboratory performs accredited analyses using standardized methodologies, guaranteeing reliable and compliant results.

Wastewater monitoring is conducted monthly (R1/LUNAR) at the property boundary on Bulevardul Theodor Pallady, Sector 2, Bucharest, in accordance with the Evacuation Permit 1521/31.08.2012.

The laboratory applies rigorous sampling and testing procedures, following national and international standards, to measure key parameters such as pH levels, suspended solids, and chemical oxygen demand. These measurements are performed using validated methodologies to ensure precision and regulatory compliance.

Emissions testing follows strict measurement protocols to guarantee the accuracy of pollutant concentrations. Measurements are carried out in dispersion stacks and exhaust pipelines, with sampling conducted at pre-determined stable gas flow points. The selection of measurement locations is made in collaboration with authorized specialists to minimize external influences that could affect data reliability. The laboratory ensures that emissions data is collected in accordance with ISO-certified methodologies, national air quality regulations, and best industry practices.

All analyses conducted by GIVAROLI IMPEX SRL adhere to RENAR (Accreditation Association)-accreditation requirements, ensuring that measurement methodologies meet international quality and accuracy standards. Through this partnership, Zentiva maintains strict environmental compliance, continuous monitoring, and the highest level of data integrity, reinforcing its commitment to sustainable and responsible operations.

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SECTION 02
ENVIRONMENT

2.4. ESRS E3 – WATER AND MARINE RESOURCES

[IRO-1] – DESCRIPTION OF PROCESSES TO IDENTIFY AND ASSESS MATERIAL WATER RESOURCES-RELATED IMPACTS, RISKS AND OPPORTUNITIES

[E3-1] – POLICIES RELATED TO WATER

[E3-2] – ACTIONS AND RESOURCES RELATED TO WATER

[E3-3] – TARGETS RELATED TO WATER

[E3-4] – WATER CONSUMPTION

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1. DESCRIPTION OF PROCESSES TO IDENTIFY AND ASSESS MATERIAL WATER RESOURCES-RELATED IMPACTS, RISKS AND OPPORTUNITIES

[IRO-1]

Water is an essential resource for all life and business, both directly and indirectly. The development and production of high-quality medicines require high-quality ingredients, of which fresh, high-quality water is a key input. As a pharmaceutical company, having access to enough high-quality fresh water, both now and in the future, is critical to our business. Water is used throughout our value chain. We use it as a direct ingredient in many of our products and as a key utility in manufacturing, cleaning, and sanitation. Access to high-quality water is vital for maintaining the standards required for pharmaceutical safety and quality.

Water is sourced from the municipal potable water network of Bucharest and a groundwater source (Colentina Aquifer – ROAG03) via a 42-meter-deep well. Storage infrastructure includes two reinforced concrete reservoirs (1,000 m³ capacity) for fire suppression and a 3 m³ reservoir for groundwater used in irrigation.

Additionally, Zentiva operates a purified water production system ensuring a stable and efficient supply of water for operations while maintaining compliance with environmental standards.

According to ANNEX II of Commission Delated Regulation (EU) 2023/2772, we define an area at water risk as a water catchment where various physical, regulatory, or reputational factors pose significant challenges related to water availability, quality, and quantity. These challenges may result in water bodies being in less than good status or deteriorating, and can include issues such as high water stress, accessibility constraints, regulatory restrictions, or conflicts over shared water use with communities. An area of high water stress is specifically defined by the level of water withdrawal relative to availability, where total water withdrawal is between 40-80% (high stress) or exceeds 80% (extreme stress), qualifying as supply-demand imbalance.

The screening, assessment and scoring of water-related IROs were conducted as part of a double-materiality analysis, ensuring that both financial and impact-related aspects were considered. To identify actual and potential water-related risks was initially related to the geographical position of the company, the expertise of key Zentiva S.A. employees, external stakeholders and online-available research tools, such as the Aqueduct Water Risk Atlas[2], developed by the World Resources Institute (WRI). The tool defines baseline water stress as the ratio of total water demand to the available renewable surface and groundwater supplies. Water demand encompasses domestic, industrial, agricultural (irrigation), and livestock usage. Higher baseline water stress values indicate increased competition for water resources among users, classified as high stress (40-80%) or extremely high stress (>80%)

- According to the data from WRI's Aqueduct platform, Bucharest is classified as a **high water stress area**, meaning that 40% to 80% of available water supply is withdrawn annually.
- This high level of water stress could indicate a significant competition for resources, making sustainable water management crucial for the company's long-term resilience.

The engagement with stakeholders was performed in accordance with the DMA process (further information presented in ESRS 2].Following the compiled information provided by Aquaduct Water Risk Atlas, further risks such as water depletion (medium-high), seasonal variability (low-medium) and drought risk (medium-high) were also identified for the geographical position of Zentiva S.A. Drought/Water stress was also included as a physical climate risk in ESRS - E1- Climate change.

[2] Aquaduct – Water Risk Atlas developed by World Resources Institute

Furthermore, other publicly available information provided by WWF Risk Filter Suite[3] depict the geographical position of Zentiva S.A. (Bucharest, Romania) as having an overall low-medium water availability risk and a **high water quality risk**. These factors were considered in the Double Materiality Assessment (DMA) process, leading to Water being identified as one of our material topics.

2. POLICIES RELATED TO WATER

[E3-1]

Sub-topic	Sub-sub topic	Perimeter	I/R/O	IRO Description
Water	Water consumption Water withdrawals	Direct activities	Impact -	Water consumption in a high-water risk area.
Water	Water discharges	Direct activities / Value Chain	Impact -	Potential impact of water discharges from pharmaceutical manufacturing of introducing harmful chemicals into aquatic ecosystems, which may negatively affect water quality and biodiversity.
Water	Water consumption Water withdrawals	Direct activities	Risk	1. Increasing water prices and non-compliance with regulations may impact profitability and lead to financial penalties. 2. Industrial location near competitors may limit access to water, especially during restrictions favoring local populations, despite pharma's priority classification 3. Drought or water stress may cause supply shortages, leading to production halts, delivery delays, and reputational damage. 4. Water shortages in supplier regions may impact raw materials or other inputs availability, affecting Zentiva's production capacity.
Water	Water discharges	Direct activities / Value Chain	Risk	Regulatory non-compliance may lead to fines, reputational damage, and potential operational disruptions if water discharge restrictions impact production.

Currently, Zentiva S.A. does not have a policy specific to water consumption, withdrawals or discharges.

However, Zentiva actively manages water through :

- Monitoring and optimization of water consumption through a digital tracking system.
- Regulatory compliance with Water Authorization No. 205-B, ensuring responsible sourcing and use.
- Sustainable sourcing from municipal and groundwater sources (Colentina Aquifer – ROAG03).

3 WWF Risk Filter Suite

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Water remains a key focus within Zentiva's environmental strategy, and management practices will continue to evolve in line with regulatory requirements and sustainability goals, with our aim to tackle the materials impacts, and risks of this sustainability matter in future reporting. A policy has not yet been developed, as Zentiva S.A. adheres to the regulatory requirements outlined in Water Authorization No. 205-B. In 2025, the Company will update its internal policies to align with the Group Environmental Policy, which is scheduled for release at the beginning of the year.

3. ACTIONS AND RESOURCES RELATED TO WATER

[E3-2]

The Company has implemented in the past the following ongoing measures to manage water use efficiently:

- Water consumption monitoring via a digital tracking system that uses meters and server-based software to track usage in real-time.
- Process optimization to reduce unnecessary water waste in production and cooling processes.
- Compliance with Water Authorization No. 205-B, ensuring adherence to regulations regarding sourcing and water use.

Water conservation is integrated into our broader environmental and operational framework through monitoring and reduction of unnecessary water waste in our operations, although Zentiva does not have specific standalone actions or specific allocated budgets dedicated solely to water resource management.

Information on **water discharges and wastewater management** is already addressed under **E2-Pollution**.

4. TARGETS RELATED TO WATER

[E3-3]

Zentiva S.A. does not currently have specific water-related targets due to the fact that water use is related to our manufacturing process. Future targets are currently under review at the Group level. However, the company remains dedicated to responsible water management by continuously monitoring withdrawal, optimizing processes, and preventing unnecessary water consumption. Zentiva actively monitors key wastewater parameters, detailed further in ESRS E2 – Pollution and has implemented systematic wastewater treatment and monitoring protocols to ensure that all discharges comply with national regulations and environmental standards.

5. WATER CONSUMPTION

[E3-4]

Zentiva monitors and manages its water consumption as part of its broader environmental commitments, particularly given its operations in a high water-stress area (Bucharest), as identified by the Aqueduct Water Risk Atlas.

Water withdrawal is tracked through a digital monitoring system integrated into factory operations, which relies on direct measurements from water meters installed at key consumption points. This approach

provides accurate tracking of water use for our manufacturing process, supporting efficiency efforts and regulatory compliance.

Furthermore, our water withdrawal and discharge (m^3) in provided in the below table, as presented to us by our supplier, Apa Nova, and based on primary data taken from meter readings and invoices. These values contain water consumption, withdrawals and discharges under our operational control (manufacturing, offices and other spaces). Our water consumption was calculated by subtracting water discharged from our own operations from our water withdrawals. Our discharged water incorporates both withdrawals and stormwater, collected from our premises, and, every month, it represents 62% of the withdrawal volume (m^3) to which the meteoric volume (rainwater) of water is added, as assumed by our supplier. For rainwater, the volume (m^3) is calculated using the following formula and assumptions provided by our supplier: Zentiva S.A. surface multiplied by a coefficient pre-set for business entities (0.5 m^3/year) and by the number of days in the invoiced months and divided by the total number of days in the calendar year. To calculate the consumed water intensity ratio, we had used the revenue of 1,113,844,819 RON, available at the time of reporting (Link).

While Zentiva does not have specific water reduction targets in place, it remains focused on minimizing unnecessary water waste through ongoing monitoring and process optimization.

Water consumption, withdrawals and discharges 2024	m^3
Water consumption	35,977
Water consumption in areas at material water risk	35,977
Water consumption in areas of high-water stress	35,977
Water recycled and reused	0
Water stored	1,000
Changes in water storage	0
Water withdrawals	94,676
Water discharges (from operations)	58,699
Water discharged (from rainwater)	37,755
Total water consumption in its own operations in m^3 per million RON net revenue	32.29

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SECTION 02
ENVIRONMENT

2.5. ESRS E5 – RESOURCE USE AND CIRCULAR ECONOMY

[IRO-1] – DESCRIPTION OF PROCESSES TO IDENTIFY AND ASSESS MATERIAL RESOURCE USE AND CIRCULAR ECONOMY-RELATED IMPACTS, RISKS AND OPPORTUNITIES

[E5-1] – POLICIES RELATED TO WASTE MANAGEMENT

[E5-2] – ACTIONS AND RESOURCES RELATED WASTE MANAGEMENT

[E5-3] – TARGETS RELATED TO WASTE MANAGEMENT

[E5-5] – WASTE MANAGEMENT

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As a pharmaceutical company, Zentiva recognizes its responsibility to integrate circular economy principles within its operations to minimize waste and optimize resource use. The pharmaceutical industry presents unique challenges in achieving circularity due to strict regulatory requirements for medical packaging and waste disposal. While replacing raw materials with recycled alternatives is currently unfeasible for pharmaceutical products, Zentiva is actively pursuing waste minimization strategies through packaging reduction, increased recyclability, and improved disposal systems.

1. DESCRIPTION OF PROCESSES TO IDENTIFY AND ASSESS MATERIAL RESOURCE USE AND CIRCULAR ECONOMY-RELATED IMPACTS, RISKS AND OPPORTUNITIES

[IRO-1]

Zentiva integrates circular economy principles into its operations, focusing on waste reduction, recycling, and compliance with regulatory requirements. As part of its Double Materiality Assessment (DMA), the Company conducted a thorough evaluation of its waste management practices and circular economy-related risks and opportunities, applying a methodology aligned with the LEAP framework.

The assessment identified key waste generation points within Zentiva's operations and value chain, including expired medications and packaging.

The company analyzed dependencies and environmental impacts, assessing risks such as non-compliance with Extended Producer Responsibility (EPR) regulations, improper disposal leading to environmental contamination, and financial penalties from regulatory authorities.

Through a stakeholder consultation process, Zentiva gathered insights from suppliers, employees, local communities, public authorities, capital market participants, and end users. This engagement ensured a comprehensive understanding of the Company's impact and informed the development of waste reduction strategies. Zentiva remains committed to enhancing its circular economy performance by continuously assessing risks and implementing initiatives that contribute to sustainable waste management and resource optimization.

2. POLICIES RELATED TO WASTE MANAGEMENT

[E5-1]

Material IROs

Material Subtopic	I/R/O	Description
Waste	Impact -	Zentiva generates waste, including expired medications and packaging, which must be managed to minimize pollution and comply with regulations.
Waste	Risk	Improper disposal of expired medications or packaging may contaminate ecosystems, harm public health, and lead to fines. Extended Producer Responsibility non-compliance due to unmet recycling targets may result in financial penalties.

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The processes are formalized through the internal procedure **Waste Management**, which outlines specific measures for handling and minimizing waste.

This procedure ensures compliance with legal requirements and operational efficiency by setting guidelines for waste collection, sorting, storage, and disposal.

In accordance with national waste regulations, Zentiva ensures compliance with legal obligations related to waste tracking, reporting, and management. Each operational sector is responsible for monitoring generated waste, maintaining records, and directing waste to designated storage areas.

As part of its compliance strategy, Zentiva adheres to the recovery targets established by national legislation, including Law 249/2015, which sets mandatory waste recovery rates. Future regulatory updates, including targets applicable in 2025, will be integrated into the company's waste management practices.

Waste prevention measures are also outlined in the **Accidental Pollution Prevention Plan** and **Intervention in Case of Accidental Pollution,** which describe emergency actions to contain any potential waste-related environmental risks.

At the moment, waste management at Zentiva focuses on proper categorization and compliance with regulatory obligations, ensuring that hazardous and non-hazardous waste is managed in accordance with legal provisions. The Company collaborates with authorized recycling and disposal partners but does not yet have a structured policy covering waste reduction or reuse as it followed the Environment Authorization requirements and Zentiva Group's guidance.

No other specifications of the internal procedures were formalized.

3. ACTIONS AND RESOURCES RELATED TO WASTE MANAGEMENT

[E5-2]

Zentiva is taking concrete steps to support the circular economy through targeted waste management actions and resource allocation. The Company collaborates with Organizations for Implementing the Obligations regarding the Extended Responsibility of Producers (OIREP) to improve packaging, waste collection and recycling. This initiative involves plastic, paper/cardboard and wood, ensuring compliance with national recycling and recovery targets. At the end of each year, Zentiva receives reports confirming compliance with extended producer responsibility obligations.

In accordance with Environmental Authorization, Zentiva is required to comply with national waste management regulations. The Company adheres to H.G.R. nr. 856/2002 for waste tracking and reporting and OUG no. 92/2021, which governs national waste management. Waste transport is carried out by authorized service providers using appropriate means to meet public health and environmental protection standards, in compliance with H.G. nr. 1061/2008 regulating hazardous and non-hazardous waste transport across Romania.

To minimize environmental impact, Zentiva avoids excessive waste stockpiling and ensures that all waste types are processed through authorized partners. Additionally, the Company engages with external waste management service providers to optimize collection and sorting processes, for all waste generated types.

At the time of the assessment, the information related to financial resources (OPEX) allocated to post-consumer waste management and waste generated in our own operations was not available.

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4. TARGETS RELATED TO WASTE MANAGEMENT

[E5-3]

We envision a future without waste: our Zentiva Group objective, cascaded to Zentiva Romania is to achieve zero landfill disposal from routine operations by 2030 and a complete repurposing of 100% of our plastic waste.

As a producer of medicines, we buy various elements, such as packaging, laboratory chemicals, and raw materials – encompassing API and excipients, among others. We aim to reduce and minimize waste through effective waste management practices.

Our waste management commitment includes promoting efficient waste management practices, maximizing the recyclability of our outputs and aiming to increase the amount of material and waste that can be brought back into the circular economy. This commitment was publicly communicated in the Zentiva Group Sustainability Report in 2023 (Link).

We embrace the principles of the circular economy by designing products and processes aiming to maximize resource efficiency and facilitate material recovery.

We prioritize waste reduction via efficient resource use and process optimization to reduce waste generation. Achieve zero waste to landfill disposal from routine operations by 2030.

Zentiva Group is committed to repurpose 100 % of our plastic waste by 2030. Other targets include:

- Ensure Compliance and Regulations: We will comply with all applicable laws, regulations, and international standards related to waste management and circularity impacting Zentiva operations and its products.
- Stakeholder Engagement: Provide training and awareness programs to empower employees to participate in waste reduction and recycling efforts. We partner with experts on the topic of circular economy and communities to ensure we address their views and concerns.
- Continuous Improvement: We are committed to regularly monitoring our performance and seeking opportunities to minimize the waste generation and find more efficient waste disposal strategies

Zentiva currently adheres to national waste management regulations and extended producer responsibility schemes.

Targets related to packaging extended producer responsibility are set by legislation, according to Law 249/2015, which transposes Packaging and Packaging Waste Directive 94/62/EC. This legislation has set specific waste recovery and recycling targets for packaging placed on the market in 2024, which the organization has met:

Targets are formulated as % recovered or recycled post-consumer waste of packaging placed on the market. For 2024, the targets were:

- Global recovery objective: 65%
- Global recycling target: 60%
- Recycling target paper - cardboard: 70%
- Recycling target materials (plastics): 40%
- Recycling target glass: 65%
- Recycling target metals - ferrous: 65%
- Recycling target wood: 20%

In 2024, the above targets were met. Zentiva follows the legal obligations set by OUG no. 92/2021 and H.G.R. nr. 856/2002, ensuring that all waste generated is properly recorded, reported, and disposed of

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through authorized channels. In accordance with national updates, starting January 1, 2025, the packaging waste recovery target will increase from 65% to 70%, while the recycling target will rise from 60% to 65%. Zentiva is committed to meeting these updated regulations through continued collaboration with OIREP-certified organizations.

No other specifications of the internal targets were formalized.

5. WASTE MANAGEMENT

[E5-5]

Based on the environmental authorization, Zentiva S.A. generates and manages various types of waste, ensuring compliance with applicable regulations through appropriate recovery and disposal processes.

Actual waste quantities are directly weighed and recorded by authorized waste collection providers and reported back to Zentiva, which records them in the monthly waste management records, according to HG 856/2002. The quantities (kg) of waste reported in the table below are retrieved from supplier invoices (household waste) while construction waste quantities are retrieved from the forms approved by our waste supplier.

The company produces packaging waste, including paper and cardboard (R12 - recovery), plastic packaging (R12 - recovery), metal packaging (R12 - recovery), composite packaging (R12 - recovery), and mixed packaging (D15 - disposal). Additionally, wood waste (R12 - recovery) and glass waste (R12 - recovery) are processed accordingly.

Industrial waste streams include ferrous and non-ferrous metal waste (R12 - recovery), electrical cables (R12 - recovery), and absorbent materials, protective clothing, and filtering materials (D15 - disposal). Hazardous waste categories encompass waste containing hazardous substances, including contaminated packaging (D15 - disposal), solvent-containing waste (D15 - disposal), and pharmaceutical waste such as expired or discarded medicines (D15 - disposal).

Management of waste generated from own operations (in kg) 2024

Waste generated (kg)*	**1,294,080**
Hazardous waste diverted from disposal (kg)	0
Hazardous waste diverted from disposal due to preparation for reuse (kg)	0
Hazardous waste diverted from disposal due to recycling[4] (kg)	0
Hazardous waste diverted from disposal due to other recovery operations (kg)	0
Non-hazardous waste diverted from disposal (kg)	522,789

[4] Waste recovery and disposal codes are set by Law 211/2011, which transposes the Framework Waste Directive 2008/98/EC. Recovery code R12 represents Exchange of wastes for submission to any of the operations numbered R1 to R11. Disposal code D15 represents Storage pending any of the operations numbered D1 to D14 (excluding temporary storage, pending collection, on the site where it is produced).

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Non-hazardous waste diverted from disposal due to preparation for reuse (kg)	0
Non-hazardous waste diverted from disposal due to recycling (kg)	522,789
Non-hazardous waste diverted from disposal due to other recovery operations (kg)	0
Hazardous waste directed to disposal (kg)	399,255
Hazardous waste directed to disposal by incineration (kg)	399,255
Hazardous waste directed to disposal by landfilling (kg)	0
Hazardous waste directed to disposal by other disposal operations (kg)	0
Non-hazardous waste directed to disposal (kg)	355,533
Non-hazardous waste directed to disposal by incineration (kg)	136,264
Non-hazardous waste directed to disposal by landfilling (kg)	219,269
Non-hazardous waste directed to disposal by other disposal operations (kg)	0
Non-recycled waste (kg)	754,788
Percentage of non-recycled waste (%)	58.3%

* Waste quantities collected by authorized waste collectors (both for recovery and disposal) also contain waste stock from previous year. We have provided the above values under the assumption that non-hazardous waste collected by authorized waste collectors is considered to be recycled.

No radioactive waste is generated.

Zentiva follows strict waste management protocols to prevent environmental pollution, ensuring that all waste is either directed to authorized recovery facilities or disposed of according to legal requirements.

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SECTION 03
SOCIAL

3.1. ESRS S1 – OWN WORKFORCE

[S1-SBM3]– MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

[S1-1] – POLICIES RELATED TO OWN WORKFORCE

[S1-2] – PROCESSES FOR ENGAGING WITH OWN WORKERS AND WORKERS

[S1-3] – PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKERS TO RAISE CONCERNS

[S1-4] – TAKING ACTION ON MATERIAL IMPACTS ON OWN WORKFORCE AND APPROACHES TO MITIGATING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO OWN WORKFORCE, AND EFFECTIVENESS OF THOSE ACTIONS

[S1-5] – TARGETS AND METRICS

[S1-6] – CHARACTERISTICS OF THE UNDERTAKING'S EMPLOYEES

[S1-10] – ADEQUATE WAGES

[S1-14] – HEALTH AND SAFETY INDICATORS

[S1-16] – COMPENSATION INDICATORS (PAY GAP AND TOTAL COMPENSATION)

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1. MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

[S1-SBM3]

Interests, views, and rights of people in our own workforce

At Zentiva S.A., our workforce is recognized as a vital stakeholder whose interests, rights, and perspectives are integral to shaping our overall business strategy and model. Each employee brings unique skills and perspectives to the table, yet all are working towards a shared goal: ensuring access to high-quality medicines at affordable prices for those who depend on them daily.

We ensure that every employee is informed of their rights and responsibilities through regular communication of our Staff Handbook and Code of Ethics, reinforced by mandatory annual training. Further, in 2023 we conduct the **Heartbeat Employee Survey**, an anonymous feedback tool that allows employees to express their perspectives on key topics such as:

- Alignment with the company's strategy and direction,
- Career development opportunities,
- Diversity, equity, and inclusion,
- Internal communication and collaboration,
- And other workplace aspects that impact engagement and satisfaction.

The insights gathered from this survey form the foundation for our annual strategic planning, guiding the Administrative, Management, and Supervisory Bodies in identifying key actions for organizational growth and employee well-being.

In addition, we maintain a strong ethical compliance culture through the Speak Up/Whistleblowing platform (https://www.app.nntb.cz/ro), a confidential reporting channel for employees to raise ethical concerns, misconduct, or workplace issues potentially leading to a breach of laws, internal rules or ethical codes. This platform allows employees to report matters such as:

- Fraud and corruption,
- Conflicts of interest,
- Harassment or discrimination,
- Privacy violations, and other compliance-related concerns.

Employees can submit reports securely and anonymously via multiple channels, including the Compliance Officer or Speak Up/Whistleblowing Line, without fear of retaliation. Each report undergoes a thorough assessment, and appropriate corrective or disciplinary measures are implemented where necessary to mitigate risks and enhance internal processes. Even in cases where no violations are confirmed, we proactively address operational weaknesses to strengthen compliance and governance practices.

All actions taken are in full compliance with local labor laws, ensuring fairness and protection for all employees.

Third-party standards

Zentiva recognizes that transitioning to greener and climate-neutral operations may introduce new risks and challenges for its workforce. To manage any potential impacts, we rely on our Integrated Management

System (IMS), which incorporates quality, environmental, energy, and occupational health and safety (SSM) standards in line with ISO 9001, ISO 14001, ISO 45001, and ISO 50001.

Consideration given to interests of key stakeholders in setting policy

Through continuous risk identification and evaluation, we proactively assess the impact of new or planned developments, ensuring that workplace conditions, processes, and responsibilities are adapted to maintain safety. The Health & Safety Committee plays a key role in monitoring workplace risks, ensuring compliance with safety regulations, and promoting initiatives to prevent occupational accidents and illnesses.

Furthermore, our commitment to diversity, non-discrimination, and robust human rights standards creates a work environment free from bias and unfair treatment, ensuring that our business decisions promote an inclusive, ethical, and innovative culture that drives financial performance and sustainable growth.

Brief description of the types of employees and non-employees in our own workforce subject to material impacts

Our workforce consists mainly of employees, with some roles filled through third-party arrangements and, occasionally, self-employed personnel. Our Internal Regulation applies to all Zentiva S.A. employees, as well as delegated, seconded personnel, and collaborators (interns, students, or others under our supervision). This ensures that all individuals contributing to our operations are considered in our strategy, risk management, and business model. This comprehensive approach guarantees that the impacts, risks, and opportunities affecting our entire workforce are reflected in our strategy and business model.

Focus on our material Impacts, Risks and Opportunities

Sub-topic	Sub-sub topic	I/R/O	Description
Working conditions	Secure employment	Impact +	Increased employee satisfaction as per our high survey results (assessed every 2 years) and Top Employer certification for the fourth consecutive year in 2024, reflecting Zentiva S.A.'s commitment to a supportive workplace, equal benefits for all employees, and long-term employee retention, with some employees staying for over 35 years.
Working conditions	Secure employment	Impact +	Zentiva S.A. also prioritizes its direct employees (versus contractors or independent workers), providing them with favorable working conditions and support.
Working conditions	Working time Work-life balance	Impact - Impact +	To meet production schedules, production staff work in shifts and on weekends, as stipulated in their labor contracts. However, despite receiving bonuses, they may experience lower morale due to missing family time. Office employees, whose work is not tied to production schedules, benefit from flexible arrangements, including remote work. Overall, employees have expressed satisfaction with the company's impact on their work-life balance.
Working conditions	Adequate wages	Impact +	Aligning salaries with market studies and providing equal benefits positively impacts employee morale and satisfaction, leading to higher engagement and productivity.

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Sub-topic	Sub-sub topic	I/R/O	Description
Working conditions	Adequate wages	Risk	If Zentiva does not pay an appropriate level of salaries, this would translate into a high employee turnover. The performance-based nature of bonuses means that during downturns or unforeseen challenges, employees may experience significant reductions in their bonuses, potentially leading to dissatisfaction.
Working conditions	Social dialogue Freedom of association, the existence of works councils and the information, consultation and participation rights of workers Collective bargaining, including rate of workers covered by collective agreements	Impact +	Zentiva has established a collective agreement, negotiated every two years, which ensures fairness among employees through regular meetings between union representatives and management. Chapter 5 (Remuneration) is negotiated every year.
Working conditions	Health and safety	Impact -	Potential of occupational accidents.
Working conditions	Health and safety	Risk	Potential loss of productivity due to accidents, which can lead to significant operational disruptions and legal accountability. In the event of unforeseen situations, the company faces civil and administrative liability, exposing it to fines and legal repercussions.
Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value	Impact +	Zentiva's implementation of a unified salary grid, regardless of gender or age, promotes fairness and equity, while the focus on performance-based promotions has resulted in a significant presence of women in top management roles.
Equal treatment and opportunities for all	Measures against violence and harassment in the workplace	Impact +	The implementation of an Ethical Code and anti-harassment guidelines, along with the establishment of a monitoring forum, fosters a culture of awareness and respect, significantly reducing instances of violence and harassment in the workplace.
Equal treatment and opportunities for all	Training and skills development	Risk	Risk of losing skilled employees to competitors who may offer more attractive development opportunities. High costs associated with training programs pose a financial risk, while failure to complete mandatory training could lead to penalties and compliance issues, potentially harming the company's reputation.

Our Health and Safety priority

Despite strong controls, we keep ourselves aware that incidents remain a possibility, highlighting the need for continuous employee awareness and vigilance.

Zentiva strictly adheres to the legal framework on health and safety, ensuring compliance with all applicable national and EU related regulations. The Company has established a dedicated Health and Safety Responsible in charge for risk assessment, preventive measures, and continuous monitoring of workplace conditions and it has implemented multiple specific channels for reporting risks and incidents (Health and Safety, ITS Incident Tracking System quality alerts, etc.)

- **Systemic Risks and Industry standards Compliance:**

Zentiva operates in a highly regulated pharmaceutical industry, where health and safety risks are closely monitored. The Company ensures a safe working environment by implementing ISO 45001-certified Occupational Health and Safety Management Systems. Regular audits, employee training, and safety drills minimize widespread or systemic risks across operations. In 2024 there were 26 EHS audits and inspections, two ISO compliance audits (ISO 9001, 14001 and 45001), and one inspection from the Territorial Labor Inspectorate of Bucharest Municipality (ITM).

- **Incident Management and Response:**

While Zentiva has not recorded major industrial accidents or systemic health and safety violations, the Company has strict protocols for managing individual incidents.

Positive impacts on employees and Workforce Well-being

Zentiva actively promotes a positive and inclusive work environment, ensuring that both employees and non-employees in its workforce benefit from structured policies and external recognition of workplace standards.

- External Validation of Employee Practices: In addition to internal processes, Zentiva has been certified as a Top Employer for four consecutive years, reinforcing its commitment to high workplace standards and employee well-being.
- Ethical Conduct and Workplace Respect: The Code of Ethics provides employees with clear guidance on expected professional conduct, while the Anti-Harassment Guideline establishes a framework for maintaining a safe, respectful, and inclusive work environment.

Dependencies

Zentiva has identified three material risks linked to its workforce impacts and dependencies: adequate wages and decent pay, employee health and safety, and training and skills development.

Adaptability

As a Company dedicated to providing life-saving medicines, Zentiva ensures business continuity while transitioning to greener operations through a gradual and strategic workforce approach. Thus, the workforce adjustments are primarily managed through natural attrition—allowing for organic shifts in talent through hires and departures, ensuring stability in operations.

To prepare employees for an evolving industry and sustainability demands, Zentiva prioritizes upskilling initiatives. Employees receive targeted training in areas such as energy-efficient production methods, digitalization, and regulatory compliance related to pharmaceutical manufacturing. These programs enhance employee expertise, enabling them to adapt to new technologies, operational efficiencies, and environmental requirements.

Zentiva proactively adapts to health and safety risks through a structured medical surveillance program that ensures employees' well-being and compliance with occupational health regulations. The Company implements periodic medical examinations, including pre-employment screenings and routine health assessments, to identify and mitigate potential work-related risks. By continuously monitoring employees' health, Zentiva minimizes exposure to chemical hazards, physical strain, and workplace-related conditions, reinforcing its commitment to preventive safety measures. The Company also aligns its health and safety

practices with national regulatory requirements and international standards, ensuring that all employees operate in a safe and controlled environment.

Workforce Risk Assessment and Protection Measures

Zentiva S.A. ensures that all employees operate under standard working conditions, with a structured approach to identifying and mitigating potential risks. As part of our Environmental, Health, and Safety (EHS) activities, we conduct role-specific assessments, analyzing working conditions for all job functions.

Our conduct in operations is validated by the relevant authorities, confirming compliance with workplace safety standards. Each role is accompanied by a risk sheet, which is regularly reviewed and managed by the EHS department to ensure ongoing protection

At Zentiva S.A., risks and opportunities affecting our workforce are managed across the company, not limited to any specific group. Our inclusive environment ensures that all employees—regardless of age, role, or employment type—are treated equally. While we recognize risks such as turnover from inadequate salaries, bonus reductions during downturns, accidents, and the potential loss of skilled talent, our policies address these challenges holistically. Our bonus system, which balances individual performance with overall company results, along with robust safety measures and comprehensive training programs, ensures that these risks are managed uniformly for everyone.

2. POLICIES RELATED TO OWN WORKFORCE

[S1-1]

2.1. Secure Employment

In Romania, secure employment is guaranteed by national legislation, eliminating the need for a separate company policy on this matter. Zentiva S.A. respects the Romanian Labour Code mandates that all individual employment contracts be concluded in writing and in the Romanian language, specifying essential terms such as job description, working hours, salary, and termination conditions. Additionally, collective labour agreements, also supported by the Trade Union, further regulate employment conditions by setting provisions that may enhance job security beyond legal requirements.

Moreover, our Internal Operating Rules detail the employer's key obligations: to clearly communicate working conditions, enforce strict health and safety protocols, provide timely access to necessary resources, and support employee development through regular training. In parallel, employee rights are comprehensively protected, including the right to fair remuneration, rest, safe working conditions, and the ability to participate in collective bargaining. This integrated approach guarantees a stable, supportive, and secure working environment for every member of our workforce.

Our Ethical Code and Internal Operating Rules apply to all employees of Zentiva S.A., as well as to delegated personnel, interns, students, and other collaborators.

Each employee is informed about the Internal Operating Rules. Zentiva's – Staff Handbook is shared with all employees upon hiring and whenever updates occur. Additionally, the Code of Ethics is communicated to all employees to ensure they understand their rights and responsibilities. All employment-related policies are accessible on the Intranet, providing employees with on-demand access to relevant information. The Code of Ethics is also publicly available on our website. (Link).

Our Code of Ethics and Internal Operating Rules provide the guidelines that enforce our workforce rights. They are implemented by our senior management and apply to all our employees, regardless if they conduct their activity within or outside Zentiva S.A.'s perimeter.

Additionally, through our Supplier Code of Conduct available at the Group level, Zentiva S.A. ensures that worker safety is prioritized, precarious work is prevented, and human trafficking, forced labour, and child

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labour are strictly prohibited. The Code mandates that all employment be voluntary and legally recognized, with fair wages, lawful working hours, and safe working conditions. It also prohibits discrimination, inhumane treatment, and abusive behaviour, reinforcing ethical labour practices. Our Supplier Code is aligned with Zentiva's Human Rights & Anti-Modern Slavery Policy.

3.1 Work time and Work-life balance

Our Internal Operating Rules outline our worktime and work-life policies, which are applying to all employees. Each employee receives an Individual Employment Contract upon hiring, which legally guarantees daily and weekly rest, annual leave, and clear shift planning. These provisions, reinforced by the Collective Labor Agreement, promote a healthy work-life balance. Additionally, under the FlexWork – Work from Home policy (Ghidul „Biroul de Acasă") overseen by our Human Resources Department, eligible employees have the right to work remotely for up to 10 days per month for Commercial and Product Supply functions, and up to 60% of working days per month for Global functions. Employees can enjoy the benefits of FlexWork by registering their remote workdays in advance in the Workday system, ensuring seamless coordination and alignment with their direct manager's approval. The FlexWork policy is outlined in our Internal Operating Rules and takes effect once additional agreements are established between the employee and the company. This ensures that employees are fully informed about the eligibility criteria, conditions, and applicable legal requirements.

Zentiva S.A. ensures that weekly rest standards align with international best practices. These aspects are clearly outlined in employment agreements and our Internal Operating Rules. Each Individual Employment Contract specifies the working schedule, and any overtime must be agreed upon in advance and approved by the manager in compliance with the maximum working hours and minimum rest required by applicable law. The monthly timesheet systematically monitors these elements.

3.2 Adequate wages

Our Human Rights and Anti-Modern Slavery Policy, available through our company's website, reinforces our commitment to fair and adequate wages. We ensure all employees receive competitive compensation that meets market standards and legal requirements, including base wages and benefits. Zentiva S.A. conducts an annual salary and benefits competitiveness review. Adjustments are determined through negotiations with the Trade Union, considering both market competitiveness and the company's budget constraints. Once an agreement is reached, salary and benefit updates are implemented accordingly.

For shift workers, particularly those on night shifts, we offer additional compensation for the standard salary per hour worked. Moreover, our bonus structure extends to overtime and special events (e.g., weddings, childbirth, adoption, funerals, and seniority milestones). Our retirement benefits are clearly defined within our Collective Labor Agreement: under the P1 and P2 Plans, bonuses vary according to length of service and include fixed benefit amounts. These measures are designed to reward long-term commitment and provide a comprehensive benefits package throughout an employee's career.

As per our Internal Operating Rules and Collective Labor Agreement, salaries are paid on time each month, ensuring consistency and reliability. Employees utilize benefits based on their personal preferences and planning. Monthly financial statements accurately reflect all labor-related costs, while the annual budgeting process ensures proactive planning and allocation for these expenses.

The Internal Operating Rules and Collective Labor Agreement apply universally to all individuals directly employed by Zentiva S.A., as well as to any delegated personnel, contractors, and interns operating under our supervision. It covers all aspects of compensation, including base pay, bonuses, and retirement benefits, and is fully integrated with our Collective Labor Agreement. However, they do not cover temporary or external arrangements.

Furthermore, the Performance Management Policy establishes a structured process for setting, evaluating, and improving employee performance, ensuring alignment with company objectives and linking performance to bonus allocation. Performance priorities are defined collaboratively between employees and

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direct managers, following the S.M.A.R.T. methodology and reflecting both quantitative (numerical targets) and qualitative goals. Bonuses are awarded based on both individual and company performance indicators. The policy follows an internal framework and is designed to motivate employees, enhance engagement, and support career development.

In developing our wages and bonuses policies, we have actively incorporated the interests and feedback of our employees, and the requirements of law, company's and position's task description. Annual surveys conducted by leading market research firms enable us to compare our remuneration and benefits levels with market benchmarks. This ensures that our compensation remains competitive and equitable, supporting employee satisfaction and retention. Our inclusive approach guarantees that the policy addresses the needs of our entire workforce, from long-serving employees to newer team members.

The Performance Management Policy is internally communicated through company channels and is accessible to all employees via the company's internal SharePoint. Employees receive guidance and training on the policy during onboarding and performance review cycles. Managers are responsible for explaining performance expectations and evaluation criteria to their teams, ensuring clarity and consistency. In addition, employee representatives and trade unions have direct access to the policy, ensuring that everyone who plays a role in its implementation is fully informed and engaged.

4. Social dialogue, Freedom of association and Collective bargaining

At Zentiva S.A., we are committed to ensuring that all employees have the right to collective and individual bargaining, participation in collective actions, and trade union membership. This commitment is embedded in our Internal Operating Rules and reinforced by our Human Rights & Anti-Modern Slavery Policy. We actively collaborate with trade unions to foster a fair and transparent working environment that benefits both employees and the company.

Trade Union Engagement and Governance

- **Employee Representation**: Trade union representatives are elected by employees for a two-year term, during which they benefit from job security protections, ensuring they cannot be dismissed by the company.
- **Regular Dialogue:** The Trade Union Committee holds regular meetings with a designated employer representative to address workforce concerns and negotiate employment conditions.
- **Workplace Involvement:** As outlined in Chapter 2 of the Collective Labor Agreement, the company allows the Trade Union to operate within the factory and use company resources for its activities.
- **Transparency and Communication:** The Trade Union receives ongoing updates and selects its members exclusively from the company's workforce.
- **Structured Consultations:** Both company and trade union representatives hold quarterly and annual meetings to review and improve employee rights, benefits, and working conditions.

Zentiva S.A. actively collaborates with employee representatives to ensure that employee rights, job security, health and safety, and benefits are upheld. A structured ongoing dialogue is central to this approach, promoting a balanced and fair outcome for both employees and the company.

As part of our Double Materiality Assessment (DMA) process, employee representatives participated in both the IRO identification workshop and the IRO evaluation workshop, alongside management representatives. This inclusive approach ensures that employee perspectives are integrated into the company's sustainability strategy and decision-making processes.

To ensure all stakeholders remain informed, our Human Rights & Anti-Modern Slavery Policy and Code of Ethics are publicly available on the Zentiva S.A. website, providing direct access to our commitments and principles. For employees, the Internal Operating Rules are shared upon hiring, establishing clear expectations from the start. Additionally, any updates, key provisions, or decisions are communicated through internal channels.

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5. Health and Safety

The Zentiva S.A. Health, Safety, and Environment (HSE) Policy provides a structured framework for managing HSE aspects, reinforcing our commitment to continuous improvement, risk elimination, and the protection of employees, and the environment.

The policy establishes overall guidelines for accident prevention, risk reduction, and efficient resource use, ensuring compliance with applicable laws and regulations. It also promotes transparent communication with stakeholders and requires that all HSE cases be reviewed collaboratively with employees and their representatives.

Additionally, detailed procedures outline HSE requirements and best practices for each role within the Company. These guidelines are communicated to employees alongside dedicated training, ensuring alignment with workplace safety and environmental standards.

Furthermore, Zentiva S.A. has established a robust framework of health and safety measures to protect employees across various work environments. These include protocols for safe equipment handling, fire prevention, emergency response, personal protective equipment use, and workplace ergonomics. Specialized guidelines address teleworking, night shifts, hazardous substance management, and maternity protection. The Company has dedicated safety committees and response plans for emergencies, ensuring compliance with occupational health and safety regulations.

The Health, Safety, and Environment (HSE) Policy applies to all employees and governs all aspects of HSE management across industrial, development, and commercial activities. It covers hazard identification, risk classification, energy efficiency measures, and environmental impact reduction. The HSE department and senior management oversee the implementation and monitoring of Zentiva S.A.'s HSE Policy. All the risk assessments are performed in transversal teams, led by the site HSE specialist, together with representatives from the assessed area, and with the site Occupational Doctor.

Our HSE Policy is aligned with and regularly audited against internationally recognized standards. We commit to maintaining compliance with ISO 9001 (Quality Management Systems), ISO 14001 (Environmental Management Systems), and ISO 45001 (Occupational Health and Safety Management Systems). Our Integrated Management System is certified by Lloyd's and the manual establishes a system that unifies quality, environmental stewardship, occupational health and safety, and energy management. It is designed to consistently satisfy customer and regulatory requirements, reduce risks, and promote continuous performance improvements through clear policies, staff awareness, regular internal audits, and thorough process management.

Zentiva's HSE Policy aligns with regulatory changes and stakeholder expectations by incorporating employee and representative interests. Their perspectives are reflected in the Integrated Management System (IMS) which contains the HSE and Energy components of the policy, developing a safe workplace. The scope of the Integrated Management System (IMS) is defined by internal and external factors, compliance obligations from stakeholder analysis, and the organizational structure, functions, and physical boundaries. It also considers Zentiva's authority and control over operations, the specific activities, products, and services covered, and the reference standards and any applicable exclusions to ensure effective system implementation. Through this, Zentiva S.A. is committed to meeting customer requirements while ensuring full compliance with pharmaceutical quality regulations. All manufactured and marketed products adhere to approved regulatory documentation and comply with Romanian (Farmacopeea Română) and international standards, including the British Pharmacopoeia (BP), United States Pharmacopoeia (USP), and European Pharmacopoeia (EP), as applicable. Zentiva obtained Occupational Health & Safety and Environmental Management certifications in 2006 and 2007, in compliance with OHSAS 18001:2004 and ISO 14001:2005, and has maintained recertifications through 2010, 2013, 2016, 2019, and 2022. Additionally, the Energy Management System was certified in 2015, with renewals in 2018 and 2021, ensuring thus that its integrated management system aligns with industry best practices, continuously improving compliance, efficiency, and stakeholder engagement.

The HSE policy is made readily accessible to all potentially affected stakeholders. It is published on the Zentiva website and communicated through internal channels such as training sessions, safety meetings, and the company intranet. Furthermore, our real-time emergency reporting system, periodic risk

assessments, and dedicated communication sessions ensure that employees, their representatives, and other stakeholders are fully informed and actively involved in the implementation and continuous improvement of our HSE practices.

6. Gender equality and equal pay for work of equal value

We do not have a policy that directly addresses gender equality and equal pay for work of equal value, as per our Code of Ethics, applicable to all employees, we ensure fair compensation for our employees in compliance with applicable legal requirements and take pride in fostering a diverse work environment.

Our Code of Ethics underscores our commitment to gender equality and equal pay for work of equal value. We ensure fair remuneration for all employees in compliance with applicable legal requirements. We take pride in fostering a diverse and inclusive workplace where each individual is valued and respected. Discrimination based on gender, gender identity, age, culture, religion, sexual orientation, physical appearance, ability, union affiliation, or political and other opinions is not tolerated.

At Zentiva, we believe that gender diversity strengthens our teams and drives our success. Regardless of gender or sexual orientation, our people work side by side with the same passion to fulfill our commitments. By embracing diverse perspectives, we bring Zentiva Values to life. Our external partners are also made aware, during contracting, of our Code of Ethics, ensuring a fair and compliant value chain.

Furthermore, Zentiva's Diversity, Equity, Inclusion & Belonging Policy, rooted in principles of equity and belonging, sets forth a comprehensive framework that ensures every team member is treated fairly and with respect. Together with our Code of Ethics and Internal Operation Rules, they prohibit any form of harassment, discrimination, retaliation, intimidation, humiliation, bullying, or unfair treatment. We commit to developing an inclusive environment where all employees are educated and informed about their rights and responsibilities. This policy applies to all employees within Zentiva across every level of the organization. The Diversity, Equity, Inclusion & Belonging Policy is made readily available to all stakeholders via the Zentiva website (Link) and is incorporated into the company's Code of Ethics, thus communicated through regular training sessions (every two years for Code of Ethics), HR onboarding programs, and internal communications channels, which ensure that employees are fully aware of the policy's provisions and their roles in upholding them. Moreover, the company promotes fairness, equal opportunity, and equitable wages through systematic benchmarking and external market research. We evaluate compensation by employee grade—ensuring that gender does not influence these assessments—and apply the same methodology in our salary studies at Zentiva.

7. Measures against violence and harassment in the workplace

Zentiva has a zero-tolerance stance against workplace violence, harassment, and discrimination, as stated in several guiding documents, including the Code of Ethics, the Internal Regulation, and the Group Diversity, Equity, Inclusion and Belonging Policy. These policies prohibit any form of harassment, intimidation, humiliation, bullying, retaliation, or unfair treatment. The Code of Ethics also details reporting mechanisms for employees who believe they have experienced or witnessed such behaviours, ensuring that all reported concerns are thoroughly investigated. The Internal Regulation, for example, dedicates an entire chapter to non-discrimination and the prevention of any violation of employee dignity, while the Code of Ethics emphasizes respect for human rights and the importance of fostering a respectful workplace culture.

The measures against violence and harassment in the workplace apply to all Zentiva employees, contractors, and any third parties interacting with the company. They cover all work-related environments, whether on-site, off-site, or virtual. These policies do not exclude any particular employee group or function; rather, they are designed to protect every individual associated with Zentiva. Furthermore, the same standards are upheld when cooperating with external partners, with contractual clauses that reflect the company's commitment to maintaining a safe, respectful work environment.

Zentiva's measures align with relevant national labour laws and international human rights principles, including the prohibition of any form of violence or harassment in the workplace. Zentiva actively involves employees, managers, and stakeholders in shaping and improving its policies. Through regular training and open dialogue forums, employees are informed about their rights and responsibilities, while their feedback helps refine policies to meet evolving workplace needs.

Zentiva's measures against violence and harassment are communicated through multiple channels:

- **Code of Ethics:** Accessible online, it outlines expected behaviours and the prohibition of any form of harassment or violence.
- **Internal Regulation:** Available on the company intranet, detailing reporting procedures (e.g., how to file complaints related to discrimination or harassment).
- **Group Diversity & Inclusion Policy:** Published on our website to ensure clarity on equity, belonging, and respectful conduct.
- **Speak-Up/Whistleblowing Platform:** A nominal/ anonymous channel that encourages employees to report concerns related to ethical concerns, misconduct, or workplace issues potentially leading to a breach of laws, internal rules or ethical codes.

By using these diverse communication platforms, Zentiva ensures that all potentially affected stakeholders—employees, contractors, and external partners—are fully aware of the policy and have the necessary tools to uphold it.

8. Training and skills development

As outlined in our Code of Ethics, Zentiva is committed to ensuring fair professional development for its employees. The company invests in training and awareness programs designed to embed environmental protection and the prevention of health and safety risks across all operations. Each job role has an established training matrix, ensuring that employees continuously receive the necessary skills. Additionally, the company supports employees' professional development through formal training programs, with costs fully or partially covered by the company. This applies to all employees across various roles within Zentiva, ensuring that they receive job-specific training to enhance their competencies. There are no specific exclusions mentioned in the policy; however, the exact terms and conditions of training-related agreements are determined through additional acts to individual employment contracts.

In addition to our policy framework, Zentiva S.A. has been recognized as a Top Employer for the fourth consecutive year in 2024, with our scores increasing from year to year. This certification underscores our commitment to fulfilling the needs and aspirations of our workforce while upholding industry-leading best practices. Regular employee surveys, conducted every two years, consistently indicate high satisfaction levels, with all employees receiving equal benefits—including those who have remained with the company for over 35 years. Moreover, we prioritize our direct employees by providing them with favourable working conditions, trainings and comprehensive support.

Zentiva aligns its training and compensation policies with industry standards, ensuring compliance with legal requirements and best practices in employee development.

The Company actively supports employee development through structured programs and transparent discussions on career progression. The Zentiva Talent and Development Program enables employees to engage in regular 1:1 conversations and team reviews, ensuring alignment with their career goals and organizational objectives. This approach allows Zentiva to consider employee needs and aspirations while maintaining a skilled and well-trained workforce.

Our Code of Ethics is available online and the employees' rights to training and skill development are communicated through the company's internal regulations and employment contracts.

3. PROCESSES FOR ENGAGING WITH OWN WORKFORCE AND WORKERS

[S1-2]

Zentiva has established internal processes to ensure continuous engagement with its workforce and workers' representatives. These processes include regular interactions, formalized meetings, and dedicated communication channels to discuss actual and potential impacts on employees. In this context, our General Manager plays a pivotal role in overseeing these engagement mechanisms, ensuring that employee feedback directly informs our strategic decision-making. Key engagement mechanisms include:

- **Trade Union Dialogue:** Regular quarterly and annual meetings are held between the Trade Union Committee and Company Representatives to maintain a constructive dialogue and review employee rights and benefits. These meetings are supported by the provisions of the Collective Agreement (Chapter 2), which grants the Trade Union the right to operate within the Company's facilities and use its resources.
- **Company-wide Communications:** Official announcements and updates are disseminated through a dedicated communication hub, followed by meetings, training sessions, and direct interactions to ensure workforce awareness and participation.
- **Speak-Up/Whistleblowing Line:** Employees have access to a confidential Speak-Up Line to report concerns related to discrimination, harassment, or other ethical issues. These reports are handled by the Compliance Officer/Designated Person, in accordance with the local Standard Operating Procedure related to Reporting of Concerns. **Health, Safety, and Environmental (HSE) Communication:** Employees are regularly informed about incidents, accidents, and potential hazardous situations during training sessions to ensure workplace safety.

Zentiva actively integrates workforce perspectives into its decision-making processes through structured engagement mechanisms. The Company employs multiple communication formats to gather and address employee concerns, including weekly 1-on-1 meetings to discuss individual feedback, quarterly business updates to inform employees about company developments, and annual negotiation meetings between Trade Union representatives and company leadership to review employee rights and benefits. Feedback from these engagements, including Trade Union meetings and training sessions, is documented, analysed, and communicated back to employees through company-wide updates and follow-up meetings. We assess the effectiveness of our workforce engagement primarily through negotiations that lead to a Collective Labour Agreement.

Workforce engagement occurs at both the organizational and site/project levels, ensuring concerns are escalated to senior management for strategic alignment. To support these processes, Zentiva allocates financial and physical resources and invests in HSE training programs and the Speak-Up/Whistleblowing Line, reinforcing its commitment to workforce engagement and well-being.

Zentiva develops an inclusive workplace by ensuring equal career opportunities, with hiring and promotions based on skills, expertise, experience, and ethical standards. To ensure fairness, we conduct annual salary and benefits benchmarking surveys with top market research firms. This process helps us maintain competitive and equitable compensation while gaining valuable insights into employee perspectives.

4. PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKERS TO RAISE CONCERNS

[S1-3]

Zentiva has established structured processes to remediate negative impacts on its workforce and provide employees with multiple channels to raise concerns and have them addressed. Quarterly and annual meetings between Trade Union representatives and company leadership facilitate constructive dialogue, allowing for the review and improvement of employee rights and benefits.

To further support ethical compliance and workforce protection, the Company has implemented a Code of Ethics and an Anti-Bribery Policy, with employees receiving regular training on these standards. Additionally, Zentiva has in place the local Standard Operating Procedure on Reporting of Concerns. We made available multiple confidential channels for employees to raise concerns and have them addressed effectively. Employees can report issues directly to their direct manager or use the company's Speak-Up/Whistleblowing platform (Reporting of concerns channel), ensuring a safe and transparent reporting process. The Reporting of Concerns Standard Operating Procedure encourages employees to report concerns confidentially through various channels, including mobile ballot boxes, dedicated phone lines, email, and an electronic platform. These mechanisms ensure that employees can safely voice their concerns and that appropriate actions are taken to address and remediate any negative impacts. Zentiva ensures the tracking, monitoring, and effectiveness of its reporting channels through structured processes managed by the Compliance Officer/Designated Person. Complaints, including those related to discrimination or harassment, are thoroughly reviewed, with disciplinary actions enforced as needed.

To maintain trust and impartiality, the Compliance Officer/Designated Person operates independently and, if necessary, having the right to report to authorities.

In addition to these general engagement mechanisms, Zentiva has processes in place to prevent workplace accidents and improve occupational safety. Risk assessments for processes and installations are conducted according to internal standards (based on internationally recognized standards, e.g. ISO), which incorporate international safety guidelines and market benchmarks. Special attention is given to changes that introduce new risks, such as modifications in processes, production scale adjustments, and transfers between industrial or research units.

To enhance workplace safety and incident response, Zentiva's manufacturing plant has implemented a real-time emergency reporting system that immediately notifies management and relevant authorities after an accident occurs. The incident is thoroughly investigated, and root cause analysis is conducted to implement appropriate corrective measures. Additionally, internal communications about safety incidents are issued through dedicated sessions to ensure company-wide awareness.

A monthly safety report with key performance indicators is provided to management, and Environmental, Health, and Safety (EHS) deviations are monitored daily in leadership meetings, followed by corrective actions as necessary. To streamline data collection, Zentiva has developed an internal tool within the local intranet, where all EHS deviations are recorded and monitored daily to ensure timely intervention:

- the Learning from Experience (LEX) process focuses on identifying root causes of incidents, implementing corrective actions, and sharing lessons learned to prevent recurrence. By adjusting methods, adopting best practices, and considering technical, human, and organizational factors, the Company continuously improves safety performance. The LEX Alert system serves as a dedicated reporting tool, documenting incidents, analysing causes, and outlining preventive measures.

The Company ensures accessibility, clear procedures, transparency, and compliance with human rights standards while continuously improving the reporting system based on insights from employee feedback. Whenever a new ethical compliance is published, employees receive official updates and training in the local language. . Mandatory training on ethical compliance is available for the Code of Ethics, Anti-bribery,

sanctions, conflict of interest, due diligence and data privacy. Additionally, the Company organizes an annual Compliance Week, dedicating time for employees to engage with these topics, ask questions, and deepen their understanding of compliance-related matters.

Policy / Procedure	Applicability (stakeholder)	Responsible for implementation and monitoring
Code of Ethics	All employees and any other third party operating in the name, on behalf or at the direction of Zentiva.	Senior management in cooperation with the Compliance Officer
Internal Operating Rules	All employees, delegated personnel, interns, students, and other collaborators	Senior management
Human Rights and Anti-Modern Slavery Policy	All employees and value chain	Senior management
Collective Labour Agreement	All employees	Senior management, Head of P&O
Performance Management Policy	All employees, including temporary workers and contractors	Top management
Integrated Management Manual	Employees, Clients, Investors	Management positions at all levels within the company
Diversity, Equity, Inclusion & Belonging	All employees	Senior management
Standard operating procedure on Reporting of Concerns	All employees and other reporters which fall under the definition of whistleblowers in the public interest.	Senior Management in cooperation with the Compliance Officer/Designated Person
Health, Safety, and Environment (HSE) Policy	All employees and value chain	Senior management

5. TAKING ACTION ON MATERIAL IMPACTS ON OWN WORKFORCE AND APPROACHES TO MITIGATING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO OWN WORKFORCE, AND EFFECTIVENESS OF THOSE ACTIONS

[S1-4]

The Company is committed to ensuring that its business operations, policies, and practices do not cause or contribute to material negative impacts on its own workforce. We ensure that our practices do not cause or contribute to material negative impacts on our workforce by upholding fair employment conditions, maintaining strict health and safety standards, and enforcing ethical procurement, sales, and data use policies. The company conducts regular audits, risk assessments, and due diligence to ensure compliance with labour laws and ethical standards. Training programs promote ethical business conduct, and a speak-up / whistleblowing system allows concerns to be reported and addressed. Zentiva ensures employee health

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and safety through regular medical surveillance, risk prevention measures, and regulatory compliance. Periodic health assessments help detect and mitigate workplace hazards, while preventive strategies minimize exposure to chemical and physical risks.

1. Secure Employment

Zentiva is committed to ensuring ongoing secure employment through structured engagement, training programs, and long-term employee retention initiatives such as offering training and skill set enhancement which can further enhance their remuneration and extra annual leave days based on age and time spent in our company, annual salary reviews, performance-based bonuses, a competitive benefits package, annual negotiations with the union and well-being initiatives such as the Well-being Factory (Fabrica de Buna Stare). These are applicable to all our employees, based on the Internal Operational Code. Apart from maintaining our Collective Labour Agreements, following the Romanian Labour Code, and enforcing an Internal Operating Rules that safeguards employee rights, we do not have specific actions or allocated resources for this material topic.

2. Work time and Work-life balance

Zentiva recognizes that a **healthy work schedule and work-life balance** are essential for both employee well-being and company success. To support this, we have implemented the following actions:

Offer work flexibility through our “FlexWork-Home office” policy for employees that fit the scope of the policy, ensuring that Commercial and Product Supply division employees can opt to work for 10 days per month from home, and our Global functions for up to 60% of time per month. This action is already implemented in Zentiva S.A. and has been positively received by our workforce.

- ✓ Recognizing the impact of 3-shift schedules on employees, Zentiva has established, within our Internal Operating Rules, HSE documentation and Collective Labour Agreement, clear regulations to ensure their well-being and adequate rest. Shift schedules are announced at the beginning of each month, with confirmation provided at least 3 days in advance, or 7 days for roles requiring continuous activity. We recognize that our continuous operations rely heavily on the commitment of our shift-working employees. To support this, we provide salary bonuses tailored to their unique working conditions. The approach applies to overtime and special events—such as weddings, births, adoptions, funerals, and significant milestones in company tenure—ensuring that our employees are duly rewarded for their vital contributions

Further well-received actions took place during the reporting year. Zentiva promoted work-life balance through various initiatives that support employees in managing their professional and personal lives. Educational seminars provide guidance on parenting, emotional resilience, and building strong relationships, helping employees navigate family responsibilities while maintaining well-being. Additionally, engagement activities, such as the Ice Cream Truck at our office, create opportunities for relaxation and team interaction.

These actions have been already implemented through the provisions within our Internal Operating Rules, and other internal agreements. Current and future OPEX allocated resources are aligned with our financial records and based on our business objective and the expectations set through contracts and internal policies,

Additionally, resources were allocated to employee well-being initiatives, including 24 events under our "Fabrica de bunăstare" ("The Well-being Factory") program. These activities covered emotional resilience, stress management, sleep science, nutrition, workshops, family engagement, and awareness campaigns.

3. Adequate wages

Our key action is to ensure that all employees receive competitive and fair wages, aligned with our values, legal requirements, and market standards. This is achieved through regular audits and market analyses, as well as adherence to our Human Rights & Anti-Modern Slavery Policy. We actively collaborate with Employee Representatives to maintain fair compensation practices, ensuring compliance the UN Guiding Principles on Business and Human Rights.

This action is part of an ongoing process, and it applies universally to all employees across all legal entities of Zentiva S.A., including direct hires, delegated personnel, contractors, and interns. It covers all components of our remuneration system—base wages, shift premiums (including a special 25% bonus for night shifts), overtime and special event bonuses, as well as retirement benefits defined in our Collective Labor Agreement.

In addition to legal compliance, Zentiva offers a comprehensive benefits package, exceeding statutory requirements, to support employee well-being and satisfaction. By maintaining an ongoing dialogue with Employee Representatives, we ensure that our remuneration practices remain equitable, competitive, and responsive to workforce needs.

4. Social dialogue, Freedom of association and Collective bargaining

We continuously aim to strengthen fair labour practices and promote robust social dialogue. Trade Union representatives are elected by company employees for a two-year term, during which they enjoy guaranteed job security and cannot be dismissed by the Company. To facilitate this process, regular meetings are held between the Trade Union Committee and employee representatives. Moreover, through the Collective Agreement (2nd Chapter), Zentiva S.A. enables the Trade Union to conduct its activities at the plant and use the company's physical resources. Trade Union is constantly informed and retains the right to select its members from among our employees and every employee benefits from secure and effective representation. This approach has led to enhanced employee relations and the prompt delivery of remedial actions where necessary. To encourage this, in September 2024, we had our Sustainability corner event, which was aimed at fostering discussions about ethical and sustainable business practices.

5. Health and Safety

Zentiva S.A. is providing a safe and healthy workplace through the comprehensive implementation of our HSE policy, anchored in our October 2023 declaration on Quality, Environment, Health, Safety, and Energy. This initiative integrates systematic training, continuous employee engagement, and a structured risk management process as following:

Risk Management and Compliance

- **Ongoing Risk Assessments:** Evaluations are conducted whenever significant changes occur, with a detailed risk assessment every three years, discussed with stakeholders to develop an action and risk management plan.
- **Regulatory Compliance:** The program aligns with Law 319/2006 and ISO standards (9001, 14001, 45001), ensuring full compliance through related audits, inspections, and periodic reviews.
- **Risk Coverage:** Assessments address process safety, explosion and fire hazards, workstation safety, road safety, asphyxiation risks, occupational diseases, and environmental risks.

Employee Engagement and Well-being Initiatives

- In 2024, employees participated in health-focused discussions, preventive healthcare programs, and awareness campaigns.
- Educational seminars on sleep, nutrition, and disease prevention equip employees with knowledge to maintain overall well-being.
- Campaigns like Pink October reinforce preventive measures and early detection approaches.

Implementation and Monitoring

- HSE training is delivered to 100% of new employees, ensuring role-specific safety awareness.
- Corrective and preventive actions (CAPA) are implemented based on insights from the LEX Alert incident analysis system.

- Progress is tracked through quantitative and qualitative indicators, with annual audits and third-party inspections every three years.

We conducted 26 HSE audits and inspections, 2 ISO surveillance audits (9001, 14001, and 45001), and 1 inspection from the Labor Inspectorate (ITM).

Our HSE action plan is supported by dedicated financial resources, with current investments allocated to both CAPEX (safety infrastructure enhancements) and OPEX (training, audits, and monitoring activities). Future financial resources will continue to be allocated in a similar balanced manner to ensure ongoing improvements in our HSE systems.

6. Gender equality and equal pay for work of equal value

At Zentiva, performance-based promotions are already embedded within our Performance Management Policy, eliminating the need for separate and specific actions, metrics, or targets in this area. The Policy establishes a structured and transparent approach by defining individual performance priorities with clear evaluation criteria and timeframes. It also includes Performance Improvement Plans (PIP) and performance-based indicators to support continuous development and ensure fairness in career advancement. This integrated approach reinforces our commitment to meritocracy and equal opportunities, ensuring that all employees have a clear and objective path for professional growth. While no dedicated resources were specifically allocated, these actions are embedded in our overall workforce development strategy.

7. Measures against violence and harassment in the workplace

Zentiva's primary action involves the ongoing implementation of its Code of Ethics and anti-harassment guidelines, supported by the establishment of a dedicated monitoring forum. This framework is further reinforced by the Group-level Diversity and Inclusion Policy, which states that Zentiva does not tolerate any form of harassment, discrimination, retaliation, intimidation, humiliation, bullying, or unfair treatment. Additionally, the Company actively educates and informs all team members through mandatory ethics compliance training, promoting a respectful work environment and addressing any policy breaches that may occur. In these cases, the Human Resources Department, Company Management, or the Compliance Officer carefully review and oversee the resolution of any reported complaints. If an investigation confirms harassment, violence or discrimination, the Company enforces disciplinary measures in accordance with established regulations, ensuring a safe and respectful workplace for all employees.

Zentiva's measures against workplace violence and harassment are ongoing, with periodic policy updates, including the 2023 review of the Code of Ethics and related training.

To uphold these standards, mandatory ethics compliance training is provided to all employees, covering the Code of Ethics, anti-bribery rules, conflict of interest sanctions and due diligence policies, guidelines, standard operating procedures, and personal data protection. Employees are encouraged to report concerns confidentially via the Speak Up / Whistleblowing channels, ensuring a transparent and accountable process.

The monitoring forum, along with regular reviews by the Ethical Compliance Committee, helps to ensure that any reported incidents are thoroughly investigated and remedied. While no dedicated resources were specifically allocated in 2024, these actions are embedded in our overall workforce development strategy.

8. Training and skills development

Zentiva S.A. is providing continuous employee training and development, ensuring that all employees have access to learning opportunities tailored to their evolving needs. While some of our trainings apply to all employees, we constantly aim to discover new areas where our employees wish to improve and offer them the necessary support in gaining those skills. Our training programs are structured around core

competencies, specialized skills, and employee-requested topics, with new training modules planned for 2025, based on ongoing feedback and business priorities.

The Company allocates both current and future financial OPEX resources by aligning them with our remuneration amounts, ensuring that employee compensation remains fair and consistent with our financial statements, as negotiated through our Collective Labor Agreements

In 2024, we allocated a specific OPEX budget for employee training, with annual budget adjustments based on workforce needs and business objectives.

6. TARGETS AND METRICS

[S1-5]

As our general approach, Zentiva ensures alignment with its policies and objectives by continuing to run major annual actions according to well-established calendars.

Due to the activity sector in which we operate, our main target relates to Health and Safety incidents related to our workforce. We strive for zero accidents with victims each year. These are outcome-based, quantitative objectives that focus on reducing risk exposure and enhancing overall HSE performance, reflecting both safety and environmental priorities, for employees in all of our manufacturing and operational sites. We report no Health and Safety incidents in 2024, whereas in 2023, we had two reported incidents, one related to a sprained ankle on our premises and another occurring on the way home.

More specifically, our HSE targets for 2025 are directly linked to the objectives of our HSE policy. These targets aim to encourage a change in safety attitudes—ensuring that every employee enjoys a safe working environment and returns home safely—as well as to create a healthy community and strengthen HSE as a strategic partner within our business operations.

Zentiva ensures fair and competitive wages by aligning salaries with market standards and legal requirements while maintaining balanced gender representation across all levels and enforcing a zero-tolerance policy for discrimination. The company follows a well-structured annual process, ensuring that all workforce-related actions, including performance reviews, merit increases, and bonus allocations, are aligned with approved budgets and year-end results. These processes are governed by KPIs (applying the same global process and same approval flows), set timeframes, and multi-level approvals, ensuring transparency and oversight.

To maintain market competitiveness, Zentiva integrates budget planning, objective updates, training adjustments, and policy revisions into its annual cycle, using market studies to enhance decision-making. The Company works closely with employee representatives to ensure the best outcomes for both employees and the business. A structured training matrix is in place for all roles, with 100% HSE training completion to ensure workplace safety. Additionally, Zentiva monitors and updates workforce processes, dedicating resources to address gaps and continuously improve operational efficiency, while securing its workforce through attraction, development, and retention initiatives.

Time frame:

Zentiva follows a continuous, annual cycle where workforce-related targets are linked to annual objectives.

Performance is reviewed in line with established business planning timelines. In addition, we are leveraging on the market studies to improve decision-making and diagnose trends, ensuring that workforce planning aligns with industry benchmarks and stakeholder expectations.

Setting targets and performance monitoring:

We follow a structured, multi-level target-setting process. Objectives are first established at the group level, then cascaded to the country level and further complemented with individual objectives. Each employee

actively participates in the process by defining and agreeing on their objectives with their manager, ensuring alignment with both corporate goals and personal development plans.

Performance is monitored through a mid-year and annual review process, allowing for regular assessment and necessary adjustments. The progress of objectives is tracked using established KPIs, ensuring employees and managers have a clear framework for evaluating achievements and areas for improvement.

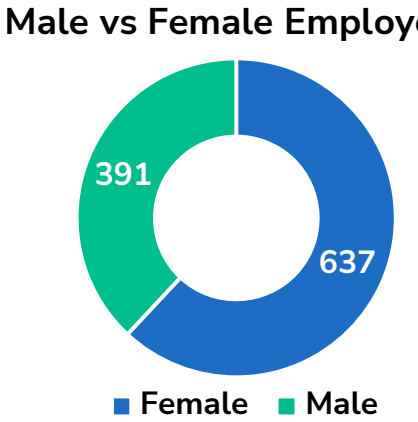
Objective progress is regularly monitored through structured meetings between employees and managers. These discussions provide an opportunity to identify challenges, refine targets, and implement necessary improvements. By integrating feedback and insights from employees at all levels, Zentiva continuously enhances its performance management approach and workforce development strategies.

This structured process ensures that workforce engagement remains central to target-setting, tracking, and continuous improvement, reinforcing transparency, accountability, and alignment with business objectives.

7. CHARACTERISTICS OF THE UNDERTAKING'S EMPLOYEES

[S1-6]

Our monthly average head count of employees is presented in the table below. The total number of employees can be related to our financial statements. The total number (head count) of permanent employees was 963 out of which 596 were females and 367 males.



Our temporary employees in 2024 were 65, out of which 41 were female and 24 male. We do not have any non-guaranteed hours employees.

Gender	Number of employees (head count)
Male	391
Female	637
Other	0
Not reported	0
Total Employees	1028

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114 employees have left during the reporting period and the employee turnover rate in the period is 9%.

The workforce data is compiled using information from our payroll database. Depending on the type of report, data is calculated in both headcount and full-time equivalent (FTE). The numbers provided are an average, across the reporting period, with employees only in Romania. We define our full-time employees as those working 8 hours per day, 40 hours per week.

8. ADEQUATE WAGES

[S1-10]

All salaries at Zentiva are competitive and reviewed annually based on employee performance and market standards. Additionally, no employee received wages below the adequate level. As per our Collective Labor Agreement, all employees are paid an adequate wage that consists of the base pay which follows minimum requirements set by law and a variable component depending on the grade, with the variable component calculated in line with our market benchmark.

9. HEALTH AND SAFETY INDICATORS

[S1-14]

Zentiva operates under normal working conditions, ensuring a safe and structured work environment. Each position is assigned a risk assessment document, which is reviewed by the HSE physician to determine job-related risks and ensure appropriate classification of both the job role and the future employee.

The below incident data is compiled through a structured reporting and investigation process, according to our Procedure: Workplace Accident Investigation. Any incident is immediately reported by employees to their direct superior via phone, message, or email. The site supervisor then informs the EHS department, and if a company vehicle is involved, the police are also notified. The OHS Specialist formally reports the incident to ITM and submits an incident notification form. An on-site investigation is conducted, with findings documented in a report, and for serious cases, an investigation committee is formed. All relevant data, including witness statements, medical reports, and photographic evidence, is compiled into a Workplace Accident Registration Form (FIAM) and submitted to ITM within 5 days. Once reviewed, corrective and preventive measures are defined, communicated across departments, and their implementation is monitored by EHS and OHS specialists.

	2024
Percentage of own workers who are covered by health and safety management system based on legal requirements and (or) recognized standards or guidelines	100%
Number of fatalities in own workforce as result of work-related injuries and work-related ill health	0
Number of fatalities in own workforce as result of work-related injuries	0
Number of fatalities in own workforce as result of work-related ill health	0

Number of fatalities as result of work-related injuries and work-related ill health of other workers working on undertaking's sites	0
Number of fatalities as result of work-related injuries of other workers working on undertaking's sites	0
Number of fatalities as result of work-related ill health of other workers working on undertaking's sites	0
Number of recordable work-related accidents for own workforce	0
Rate of recordable work-related accidents for own workforce	0%
Number of cases of recordable work-related ill health of own workforce	0
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	0

10. COMPENSATION INDICATORS (PAY GAP AND TOTAL COMPENSATION)

[S1-16]

The data in the table below presents the pay gap between male and female employees, expressed as a percentage of the average pay level of male employees. This data was compiled by using our Workday database and payroll system. The annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees is 11.37. The data was compiled from multiple budget databases, Payroll included, which contain the number of employees, associated salaries and other benefits.

			Male-female pay gap 2024
Country	Operating segment	Employee Category	
Romania	Company-wide	Company-wide (% of the average gross hourly pay level	8.4%
Romania	Grades/ Seniority level	Calculated per category (category = comparison at grade level)	2.59%

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SECTION 03
SOCIAL

3.2. ESRS S4 – CONSUMERS AND END-USERS

[S4-SBM3] – 1. MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

[S4-1] – POLICIES AND INTERNAL PROCEDURES RELATED TO CONSUMERS AND END-USERS

[S4-2] – PROCESSES FOR ENGAGING WITH CONSUMERS AND END-USERS ABOUT IMPACTS

[S4-3] – PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR CONSUMERS AND END-USERS TO RAISE CONCERNS

[S4-4] – TAKING ACTION ON MATERIAL IMPACTS ON CONSUMERS AND END-USERS, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO CONSUMERS AND END-USERS, AND THE EFFECTIVENESS OF THOSE ACTIONS

[S4-5] – TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES (CONSUMERS AND END-USERS)

1. MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

[S4-SBM3]

How the Interests, Views, and Rights of Consumers and End-Users Inform Zentiva's Strategy and Business Model

At Zentiva, our commitment to quality and patient safety is at the core of our strategy and business model. We ensure that all our medicines meet the highest quality and safety standards, as required by regulatory authorities and expected by our stakeholders. This commitment guides our approach to providing high-quality, affordable medicines to the people who depend on them daily. Our business model is designed to increase access to essential medicines while maintaining affordability, ensuring that more patients can access high quality and effective therapies. The portfolio comprises both prescription (Rx) and over the counter (OTC) medicines, with Rx products accounting for 85% of primary sales to wholesalers, while OTC brands make up 15%. Zentiva has a strong presence in both hospital and retail sales channels, with a leading position in hospitals, where it holds a 24% market share in units (IQVIA sell-in data, MAT December 2024). One in four drugs administered in hospitals is a Zentiva product, making it the top-ranked manufacturer in hospital Rx sales by volume.

Our representatives interact with doctors, pharmacists, wholesalers, distributors, and hospital procurement teams to promote Zentiva products while recognizing that our strategy and business model have a direct impact on end users (patients). We actively listen to feedback from patients, healthcare professionals, and regulatory bodies. For this purpose, Zentiva provides multiple channels for stakeholders to reach out and share their feedback, including our **Quality Complaint Management System, Pharmacovigilance and Medical Information Enquiries processes**. These channels ensure that any comments, enquiries, or safety-related reports can be communicated to us efficiently.

- **Quality Complaint Management** and **Product Quality Assurance** process ensures that all product-related complaints are systematically recorded, investigated, and resolved through the Quality Forward system. Employees are required to report complaints immediately, triggering an investigation by the Quality, Pharmacovigilance, and Supply Chain teams, depending on the nature of the issue. The Complaints Manager oversees case resolution, while Quality Assurance and Pharmacovigilance representatives reconcile product complaints with safety reports to identify potential risks. Escalation protocols are in place for suspected counterfeit or non-compliant products, ensuring prompt action.
- The **Pharmacovigilance process** ensures the systematic collection, processing, and reporting of adverse drug reactions in compliance with global regulations. Employees and third-party contractors must report safety concerns within one working day to the local Pharmacovigilance (PV) department, which monitors safety data through dedicated email inboxes. Zentiva has a third-party agreement with Healthcare Digital Info for a 24/7 Call Center for Adverse Event Reporting, Quality Complaints, Medical Information Enquiries and Availability Information Enquiries enabling real-time reporting of safety concerns from healthcare professionals and consumers. The PV team reconciles safety reports with product complaints to detect potential adverse and special PV events and ensure timely regulatory reporting.
- **Quality Risk Management** and **Corrective and Preventive Actions (CAPA)** processes ensure product quality, compliance, and continuous improvement. The quality risk management procedure identifies, evaluates, and mitigates risks in product storage, transportation, complaints, recalls, and counterfeit detection, using a structured framework based on severity, probability, and detectability. Meanwhile, the CAPA process, managed through the Quality Forward system, ensures that nonconformities (e.g., deviations, audit findings, quality alerts, and complaints) are systematically investigated, documented, and corrected. Effectiveness is monitored through follow-ups, ensuring

that corrective actions prevent recurrence and drive continuous quality improvement and regulatory compliance.

- Zentiva's **general Risk Management Process** prioritizes the health and safety of end-users by systematically identifying and addressing risks that could impact product quality, patient safety, and regulatory compliance. Critical risks, such as potential contamination, or packaging errors, are immediately investigated and mitigated through strict quality control measures, supplier audits, and regulatory reporting. Preventive actions, including batch testing, pharmacovigilance monitoring, and traceability systems, help detect and eliminate safety hazards before products reach patients. The company follows a risk-based decision-making approach, ensuring immediate corrective action for any issue that could compromise patient health. Compliance with national and international health regulations is reinforced through continuous monitoring, documentation, and safety assessments to prevent incidents.

Our Impacts, Risks and Opportunities related to End Users

Zentiva recognizes that actual and potential impacts on consumers and end-users originate from our business model and strategy in multiple ways, particularly through our value chain, cost structure, and revenue model. To drive forward and ensure our positive impacts, we safeguard that our operations align with strict EU and Romanian regulations to provide safe, high-quality, and affordable medicines while upholding responsible business practices.

Health and Safety

[SASB HC]

Operating within a strict regulatory framework, we are committed to the highest standards of quality and patient safety. By ensuring full compliance with Good Manufacturing Practices (GMP) and pharmacovigilance regulations (including Good Pharmacovigilance Practices), we maintain the integrity, efficacy and safety of our products.

As a result of our rigorous safety and quality assurance measures, no critical observations were received from the Health Authorities during the reporting period.

Access to products and services

Ensuring access to medicines is another fundamental aspect of our strategy. Our focus on generic and value-added medicines supports healthcare affordability and accessibility, enabling a greater number of patients to receive the treatments they need while contributing to the financial sustainability of healthcare systems. Through strategic partnerships with hospitals and healthcare providers, we further ensure that our medicines are widely available where they are needed most, reinforcing our commitment to public health.

To maintain affordability without compromising quality, we invest in modern technology and process optimization, improving efficiency and reducing production costs. Additionally, as part of our long-term strategy, as detailed in the ESRS 2 Chapter, we periodically expand our product portfolio to include new generic medicines that address emerging public health needs. This proactive approach ensures that we continue meeting market demands while providing high-quality and affordable treatments.

Access to information, Responsible marketing practices and Freedom of expression

Furthermore, many consumers and end-users rely on accurate and accessible product information to ensure the safe and effective use of medications. Patients (end-users) require clear, comprehensible, and up-to-date information about their medications to avoid misuse and ensure adherence to treatment plans. Accurate product labels and patient information leaflets help prevent incorrect usage, adverse events, or unintended health risks. Healthcare Professionals (HCPs) depend on accurate product information to make informed

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prescribing decisions and provide correct guidance to patients. They must stay updated with regulatory-approved information to ensure compliance with medical standards and avoid prescribing errors. All information we provide (whether printed, electronic or verbal) is accurate, objective, balanced, substantiated, scientifically up-to-date, reliable and compliant with current scientific data and applicable laws. Information is made available in the local language and presented in a clear, understandable format for its intended audience.

Our local procedure for Managing Promotional and Non-promotional Materials covers all marketing, advertising, and communication materials used to promote Zentiva products and applies to both internal teams and third-party agencies involved in material development. All promotional materials must undergo a multi-stage review by the Regulatory Affairs, Medical, and Legal teams and the approval process ensures that they adhere to national and international regulations governing pharmaceutical advertising. Regulatory Bodies play a key role in compliance oversight, ensuring that Zentiva provides accurate and legally compliant product information. Their oversight is essential for maintaining public trust, preventing misinformation, and ensuring the safe distribution of pharmaceuticals. Additionally, we provide multiple communication channels, including whistleblower and medical information enquiries systems, where consumers and health care professionals can report concerns or address questions. The whistleblower mechanism is further detailed in the G1 chapter.

Interactions with Health care professionals

[SASB HC]

When interacting with healthcare professionals, Zentiva S.A. adheres to the Code of Ethics issued by the professional associations the company is a member of, respectively:

(i) The Association of Generic Medicine Manufacturers in Romania (A.P.M.G.R.), whose Code of Ethics can be accessed online (https://apmgr.org/cod-de-conduita-etica-al-apmgr), which transposes, at its turn, the ethical principles contained in the Code of Ethics of the Association Medicines for Europe (https://www.medicinesforeurope.com/who-we-are-code-of-conduct);

(ii) The Romanian Association of Over-the-Counter Medicine, Food Supplements, and Medical Devices Manufacturers (RASCI) whose Code of Ethics can be further accessed online (https://rasci.ro/etica/);

Such ethical provisions are also transposed in the internal Code of Ethics and other policies and standard operating procedures like Interactions with the Healthcare Community, Government Officials and Selected Third Parties and Zentiva and Third-Party Events.

Our impacts related to end-users

Our strategy and business model continuously evolve based on regulatory requirements, consumer feedback, and emerging healthcare needs. We regularly review and update our policies and procedures to align with evolving compliance frameworks, including GDPR, GMP, and responsible marketing regulations. These ongoing adjustments help us mitigate risks and ensure that our operations remain in full regulatory compliance.

Material Sub-subtopic	Impact	Description
Privacy	Impact +	Zentiva S.A. complies with the GDPR rules. The company has limited contact with the final customer and/or end-user.
Access to (quality) information	Impact +	Zentiva S.A. adheres, under EU and Romanian law, to multiple mechanisms of providing high quality access to information to end users and responsible marketing. Zentiva S.A. follows the APMGR (The Association of Generic Medicine

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Material Sub-subtopic	Impact	Description
		Manufacturers in Romania) and the RASCI (The Romanian Association of Over-the-Counter Medicine, Food Supplements, and Medical Devices Manufacturers) code of conduct on interactions with healthcare professionals and the general public. Approved and verified information about products is clearly provided to end-users on the leaflet of the products. Communication and marketing towards end users is transparent, allowing the end user to make their own decision regarding the benefits of the product. Freedom of expression - Confidential Speak-Up line/Whistleblowing line, Pharmacovigilence, Quality Complaints, Medical Information Enquiries and Availability Enquiries and other means of communication with end-users.
Freedom of expression	Impact +	Onto or within the product's packaging, as mandated by law, Zentiva provides the contact details towards official monitors (e.g. ANMDMR) for safety reports. The company has in place procedures that allow end users to communicate with the company, submit concerns, complaints or report side effects. The company has 2 departments (Quality Commercial and QA Product Supply) for quality controls - one Medical Department for management of medical information enquiries, a PV Department for collecting of adverse and special events related to medicines administration- while the PV Department further ensures data detection, evaluation, understanding and prevention of side effects caused by the products. Zentiva S.A. analyses all feedback, complain and comments of end-users, as part of their mission, in order to build a trustful relationship and a good reputation. In justifiable cases, corrective and preventive actions can be initiated.
Health and safety	Impact - Impact +	Zentiva S.A. adheres to strict EU and Romanian regulations, following Good Manufacturing Practices (GMP) to ensure high product quality and safety. While highly unlikely, future breaches of quality standards or regulations could occur. Manufacturing errors, such as missing active ingredients or contamination in injectables, may impact consumer health and safety. The absence of a critical API in life-saving medication or the use of non-compliant active substances could lead to reduced efficacy or adverse reactions.
Responsible marketing practices	Impact - Impact +	Zentiva S.A. follows strict responsible marketing guidelines regulated by local authorities (CNA, Consiliul Concurenței, ANMDMR) and does not engage in misleading advertising, aggressive sales tactics, or direct influence on end-user prescriptions. While highly unlikely, future breaches in marketing compliance could occur.
Access to products and services	Impact +	Affordability: Zentiva S.A. is producing lifesaving generic drugs at accessible prices, ensuring that they are available for a wide range of users, and especially, in hospitals. Widespread public-inclusion: Each new drug launched by Zentiva lowers the reference price of that medication in the healthcare systems of each country. There is overwhelming evidence that as competition increases and drug prices decrease, more people gain access to that gold standard medication. Access to healthcare products for priority diseases in priority countries (for example Republica Moldova)

Consumers and End-Users of our products

As a pharmaceutical company, our main focus is on the development, manufacture and distribution of medicines, always adhering to the quality guidelines and regulations (GxP) applied in the pharmaceutical industry and actively striving to minimize any risks by strictly following these regulations. Zentiva S.A.'s portfolio primarily consists of pharmaceutical products designed to improve health outcomes, prevent disease progression, and enhance quality of life. End-users of these medicines include:

- Patients requiring prescription (Rx) medicines for chronic and acute conditions.
- Healthcare professionals who administer hospital-based and outpatient treatments.
- General consumers who rely on Consumer Healthcare (CHC) products, such as over the counter (OTC) products, for health maintenance and symptom management.

We do not provide direct services to end-users, yet, as further detailed in ESRS-2 [SBM-1, sections 4.1.1-4.1.3], our products are directly linked to treating, managing, and reducing the risks associated with chronic diseases and life-threatening conditions of consumers. Our Company plays a critical role in addressing public health challenges, particularly for end-users with cardiovascular disease, oncology, respiratory conditions, pain management, and metabolic disorders. Through our products, we improve patient outcomes across multiple therapeutic areas and consumer health segments, ensuring at the same time that end-users who may be particularly vulnerable from a financial point of view, have access to, and receive the treatments they need.

We are fully committed to ensuring the highest level of safety and quality for our end-users, including patients and healthcare professionals. Zentiva S.A. implements rigorous quality control measures, comprehensive supplier audits, and real-time safety monitoring to guarantee that every product meets the strictest regulatory and safety standards. Our proactive approach prevents potential issues such as contamination, missing active ingredients, or non-compliant substances, ensuring that treatments remain effective and safe, particularly for those relying on life-saving medications. Through continuous improvement and strict adherence to industry best practices, we strive to eliminate risks and uphold the trust of those who depend on our products.

Specific process put in place is case a product recall would be needed

In case of **recall events**, the Quality Manager at Zentiva SA is responsible for overseeing product recalls, ensuring that they align with corporate standards and regulatory requirements. To guarantee compliance, they must implement and monitor recall processes while maintaining complete documentation of all activities. When a recall is necessary, a dedicated risk management team ensures that all relevant information and supporting documentation are gathered before initiating the withdrawal. This includes a clear identification of the affected product, batch numbers, and distribution records, allowing the Supply Chain Analyst to trace and manage the recall efficiently.

To **prevent counterfeit products** from infiltrating the supply chain, Zentiva SA has established strict verification protocols for medicines. These measures ensure that only authentic and compliant products enter distribution. As part of this process, the logistics service provider performs random scans of newly received shipments and thoroughly checks all returned products. The results are then cross-referenced with the National Medicines Verification System (SNVM) to confirm authenticity and detect potential anomalies. If a product is suspected of being counterfeit or fraudulently diverted, the Responsible Person initiates an immediate investigation. Should suspicions be confirmed, a formal recall is triggered, in accordance with Zentiva's standard recall procedures, and authorities are notified to prevent further risks to public health.

Furthermore, Zentiva's Customer Management Procedure ensures that our customers, who receive or distribute our products, meet regulatory and quality requirements before being approved for product distribution. The process includes initial qualification, where customers must provide licenses, certifications,

and regulatory authorizations, followed by annual evaluations to assess compliance with contractual obligations, business performance, and distribution standards. Customers are requalified every three years or sooner if major changes occur, and weekly compliance checks verify the validity of regulatory authorizations. Customer performance data is analysed within the Quality Management System (QMS) to identify potential risks and areas for improvement.

Data Privacy

Our focus on health and safety is strongly tied to data protection and privacy, as we ensure compliance with GDPR regulations and maintain open communication about personal data protection measures. More details on our GDPR rules can be found on our website (https://www.zentiva.ro/gdpr) and further detailed below. Zentiva's Policy on Personal Data Processing ensures GDPR compliance, safeguarding personal data through annual training, access controls, and adequate security standards. While we have limited direct interaction with end-users, our responsible data management benefits end-users by ensuring their information is handled securely and transparently.

Our risks related to end-users

For the identified risks, our strategy and business model prioritize regulatory compliance, quality assurance, and consumer trust. Failure to meet manufacturing, distribution, and pharmacovigilance standards could lead to operational restrictions and financial penalties. Additionally, insufficient traceability in the value chain may require additional quality checks and recalls, affecting consumer confidence and sales.

To mitigate these risks, we integrate strict compliance measures, including quality assurance, structured product recall procedures, traceability systems (SNVM), counterfeit product prevention protocols, and secure electronic quality management systems (Quality Forward). Continuous quality monitoring ensures that any potential deviations in clinical, manufacturing, distribution, and pharmacovigilance processes are promptly identified and addressed, minimizing regulatory and safety risks. Robust complaint management and risk-based decision-making allow us to act swiftly on product quality concerns, ensuring regulatory compliance and patient safety. Additionally, we invest in employee and partner training programs on responsible marketing compliance, data protection (GDPR), and ethical business practices, ensuring all stakeholders understand and comply with legal and industry standards.

Material Sub-subtopic	R/O	Description
Privacy	Risk	GDPR data breaches can result in severe penalties, as high as €20 million or 4% of global revenue (whichever is higher). In addition, data subjects have the right to seek compensation for damages.
Health and safety	Risk	Failure to comply with clinical, manufacturing, distribution, and pharmacovigilance standards may lead to fines or operational restrictions (Art. 875, Law 95/2006). While highly unlikely, quality issues could arise, potentially affecting patients, healthcare professionals, and regulatory compliance. Limited traceability and transparency in the value chain may require additional quality checks, investigations, or recalls, impacting sales and consumer trust

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2. POLICIES AND INTERNAL PROCEDURES RELATED TO CONSUMERS AND END-USERS

[S4-1]

Product Quality and Accessibility

At Zentiva, quality is at the core of our operations and is essential to ensuring patient safety, regulatory compliance, and maintaining trust with consumers, healthcare professionals, and regulatory authorities. Our global Quality Policy outlines our commitment to delivering high-quality, safe, and effective medicines, which directly impacts consumers and end-users. This policy is publicly displayed in all our operational sites and is supported by further commitments such as our assumed Role as Responsible Citizen detailed below, Code of Ethics detailed in the ESRS G1 chapter, Corporate Policy on Marketing and Sales Practices, quality evaluation, pharmacovigilance procedures and employee training. Every employee at Zentiva plays a role in upholding quality assurance, following our Quality System, procedures, and standards to maintain compliance with regulatory frameworks.

Product quality and safety are further ensured through our annual Evaluation of the Quality System, which applies to Zentiva SA's Commercial Division and covers Good Practice activities. Senior management is responsible for ensuring the availability of adequate resources to support continuous quality improvement across operational units. Meanwhile, the Quality Department oversees periodic evaluations of quality processes, ensuring that the quality system is effectively implemented, continuously improved, and compliant with international and local regulatory requirements.

This procedure highlights key topics discussed during Quality Management System Review Meetings, which take place at least once per year. These meetings assess quality system objectives, process effectiveness, and performance trends, identifying opportunities for improvements or optimizations where relevant. As part of this process, global and local quality performance indicators are evaluated, including deviations, rejected product batches, corrective and preventive actions, quality-related risks, change control, Good Practice training, product quality assessment, and customer satisfaction metrics. Additional factors such as quality complaints, product recalls, regulatory inspections, internal audits, regulatory commitments, document status, and supplier performance are also reviewed to ensure full compliance and operational excellence.

Zentiva enhances patient access to affordable medicines by providing generic, biosimilar and value-added medicines, which generate significant savings for healthcare systems. By increasing competition for off-patent medicines, we help lower costs and expand access to high-quality treatments. Our medicines are essential for sustainable healthcare systems, helping manage ageing populations, chronic diseases, and financial constraints.

Training and Business Continuity in Pharmacovigilance

Zentiva's Local Standard Operating Procedure on Business Continuity for Pharmacovigilance (PV) ensures that critical safety monitoring activities continue without disruption and maintaining regulatory compliance. This procedure defines the decision-making process necessary to uphold PV obligations at the local level, ensuring that even in the event of operational disruptions, essential safety measures remain intact.

To safeguard these functions, as well as the entire business operation, a Business Continuity and Recovery Plan (BCP) is in place, also ensuring the integrity of PV operations and compliance with regulatory standards. The Local PV BCP Committee, consisting of the Country General Manager, Country Medical Manager, and Local PV Contact Persons, oversees business continuity measures to ensure ongoing adherence to local pharmacovigilance regulations.

[SASB HC] All adverse events reported in Romania have been collected and transmitted to Global PV for being processed and submitted to Eudra-Vigilance, the official system for collecting and analysing reports of suspected adverse reactions to medicines authorized or under clinical investigation in the European Economic Area (EEA). This system, managed by the European Medicines Agency (EMA), supports the EU medicines regulatory network in monitoring drug safety.

Furthermore, Zentiva S.A.'s pharmacovigilance training ensures that all employees and external partners handling safety data are properly trained to comply with regulatory and internal requirements. Training is mandatory for new employees before they begin their roles and must be renewed annually, with additional ad-hoc sessions when regulations or procedures change. Key topics include adverse event classes, minimum criteria and data contact for reporting, and compliance with pharmacovigilance regulations. Training records are documented in a centralized system, and employees must pass assessments to confirm their understanding. The Pharmacovigilance Manager oversees implementation, while HR and line managers ensure team compliance. This structured approach helps maintain regulatory readiness, patient safety, and audit preparedness.

Interactions with the Healthcare Professionals and Responsible Marketing

Our interactions with healthcare professionals—our key link to end-users, including doctors, pharmacists, wholesalers, and hospital procurement teams—are conducted with integrity, transparency, and full compliance with industry regulations. As outlined in our **Corporate Policy on Marketing and Sales Practices**, we strictly prohibit aggressive sales tactics, dishonest practices, or misleading information.

All promotional materials adhere to regulatory requirements, including marketing authorizations and reference documents. Our representatives are also required to safeguard confidentiality and data privacy, ensuring compliance with data protection regulations when handling personal information. Additionally, any conflicts of interest must be disclosed immediately, and customer and healthcare professional feedback is actively encouraged to drive continuous improvement in our engagement practices.

Zentiva's role as Responsible Citizen

The Responsible Citizen Policy outlines Zentiva's commitment to public health, sustainability, ethical business conduct, and corporate social responsibility. It covers patient safety, responsible sourcing, environmental impact reduction, employee well-being, and community engagement. The policy also integrates our corporate values and ethical principles into our operations and prioritizes patients, employees, business partners, and communities.

Through our publicly available Human Rights and Anti-Modern Slavery Policy, Zentiva is committed to upholding the UN Guiding Principles on Business and Human Rights and integrating internationally recognized human rights, including those outlined in the International Covenants on Civil, Political, Economic, Social, and Cultural Rights.

These principles guide every aspect of our business, from sourcing and manufacturing to distribution and consumer interactions, ensuring that end-users receive safe, high-quality, and ethically produced medicines. We expect all team members to uphold these values, as outlined in our Code of Ethics and embedded in function-specific policies across our operations. Both policies can be viewed on our website, on Our Commitments page (https://www.zentiva.ro/our-commitments).

Privacy

Our Policy on Personal Data Protection and Security defines the principles and guidelines we follow when processing personal data at Zentiva S.A. We ensure compliance with the General Data Protection Regulation (GDPR) (EU 2016/679) and other relevant data protection laws. In this policy, we explain how we obtain personal data, the types of data we process, the purposes and legal bases for processing, and the conditions under which we may disclose data. We also outline our approach to data security, accuracy, minimization,

and retention. Additionally, we inform individuals about their rights regarding their data, our direct marketing practices, and how they can contact us for further information. Our policy applies to all personal data processing activities we conduct, whether we collect data directly from individuals or indirectly, from other sources (e.g. the affiliated entities within the Zentiva group, public institutions, business partners, or public sources). However, there are certain exclusions. Our policy does not apply to data processing that falls outside the scope of our business operations. We also do not process personal data of individuals under the age of 16 without parental consent. Additionally, our policy does not cover data collected via third-party platforms over which we do not have control. We handle personal data the same for everyone and we ensure the secure handling of health-related data, especially in medical reporting and pharmacovigilance. Employees and job applicants benefit from data privacy measures that protect their personal information throughout the recruitment and employment process. We also work closely with business partners and suppliers, ensuring that our contractual agreements reflect our commitment to data protection. Additionally, we maintain transparency with regulatory authorities, ensuring that our data processing activities comply with legal and industry requirements.

We make our policy accessible to all relevant stakeholders through multiple channels. It is publicly available on our official website, allowing individuals to easily access information about our data protection practices. Internally, we provide training and awareness programs to employees, ensuring that they understand their role in implementing the policy. Zentiva employs adequate software security measures, including encryption and firewalls, to protect data from unauthorized access. Regular risk assessments help identify vulnerabilities and enhance security controls, ensuring continuous improvement in data protection standards.

All data subjects, consumers and end-users included, can access detailed information on Zentiva's data protection practices through the company's official online GDPR policy at https://www.zentiva.ro/gdpr . Additionally, the Personal Data Protection and Security Policy outlines the company's compliance approach, ensuring that all personal data processing activities align with GDPR and national personal data regulations. The **Data Protection Officer (DPO)** holds the highest responsibility for overseeing compliance with GDPR rules.

3. PROCESSES FOR ENGAGING WITH CONSUMERS AND END-USERS ABOUT IMPACTS

[S4-2]

Zentiva is committed to respect all international and local regulations related to pharmacovigilance by actively engaging with consumers, healthcare professionals, and regulatory authorities. This engagement plays a crucial role in identifying, assessing, and mitigating risks related to the use of our medicines.

Under **Law 95/2006**, marketing authorization holders, including **Zentiva**, must record suspected adverse reactions reported in the **EU or third countries**, whether spontaneously reported by patients and healthcare professionals or observed in post-authorization studies (**Article 835**).

Additionally, the **National Agency for Medicines and Medical Devices of Romania (ANMDMR)** records the suspected adverse reactions reported to them , ensuring that the reports can be submitted via the national medicines' web portal or other channels. When necessary, ANMDMR involves patients and healthcare professionals in monitoring reported cases (**Article 836**).

Additionally, ANMDMR may involve patients and healthcare professionals in monitoring and assessing reports to ensure compliance with regulatory obligations.

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Zentiva's Pharmacovigilance Reporting Channels

Patients experiencing adverse effects are advised to consult their doctor or pharmacist while also having the option to report adverse reactions through multiple official channels. These include:

- Zentiva Pharmacovigilance Department – PV reports can be submitted via email (PV-Romania@zentiva.com) or by calling (+40) 021.304.7597.
- Product Leaflets – Patients and healthcare professionals are encouraged to report any adverse effects using the national reporting system as outlined in Annex V of product documentation. It also contains the Marketing Authorization Holder full contact information where the adverse events can be reported.

Responsible Marketing and Compliance Measures

Zentiva follows strict responsible marketing principles, ensuring compliance with local regulations (e.g., CNA, Consiliul Concurenței, ANMDMR). The company does not participate in direct-to-consumer prescription drug advertising and refrains from aggressive sales techniques. However, recognizing the potential risk of future marketing breaches, Zentiva maintains a strong compliance framework, which includes:

- Regular reviews of marketing materials to ensure accuracy, objectivity, and compliance.
- Employee training on ethical marketing practices and adherence to industry codes.
- Strict internal controls, including adherence to the Code of Ethics and the Marketing & Sales Practice Code, to prevent unethical marketing practices.

Reasonable marketing practices are monitored by the Head of RX Marketing, Head of Specialty/Hospital Sales Force Operations & Public Affairs and the Head of Marketing CHC (Consumer Healthcare).

Assessing the Effectiveness of Consumer and End-User Engagement

Zentiva evaluates its engagement with consumers and end-users through compliance monitoring, stakeholder feedback, transparency initiatives, and strict regulatory adherence. The Company ensures GDPR alignment and transparency in data processing, allowing consumers to exercise their data rights, while regular reviews by the Data Protection Officer maintains compliance with GDPR. The company prioritizes clear product information and structured feedback mechanisms, such as the Speak-Up/Whistleblowing Line and Quality Complaint Management, Pharmacovigilance Reporting and Medical Information Enquiries processes, enabling stakeholders to report concerns. Pharmacovigilance plays a key role in monitoring adverse reactions and product safety, ensuring consumer trust and product reliability.

These engagement efforts have led to improved product safety, enhanced transparency, and full regulatory compliance. Zentiva continually invests in quality assurance, GMP, and ISO 9001 certifications, while consumer insights shape marketing campaigns, product development, and market expansion.

4. PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR CONSUMERS AND END-USERS TO RAISE CONCERNS

[S4-3]

Potential negative impacts, though highly unlikely, could arise from breaches in quality standards or regulatory compliance, such as manufacturing errors (e.g., missing active ingredients or contamination in

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injectables) that may affect consumer health and safety. Additionally, the absence of a critical API in life-saving medications or the use of non-compliant active substances could lead to reduced efficacy or adverse reactions. Similarly, while Zentiva strictly adheres to responsible marketing guidelines regulated by public institutions such as CNA and ANMDMR, there remains a potential risk of future marketing compliance breaches. The identification and assessment of these impacts is an ongoing process. To mitigate and address these impacts, Zentiva has in place robust manufacturing testing processes and procedures, a comprehensive pharmacovigilance system and multiple contact lines for end users that experience adverse reactions, as described above, and a whistleblowing system publicly available and explained on our website and further detailed 4.1. ESRS G1 – Business Conduct.

Zentiva ensures consumers and end-users are aware of and trust its reporting channels by providing clear information on its website, product leaflets, and packaging. The Company maintains whistleblowing channels, with information publicly available on our website, to allow concerns about product quality, safety, and compliance to be raised easily. To protect individuals using these channels, Zentiva enforces a strict non-retaliation policy. Whistleblowers and those reporting concerns in good faith are legally protected and exempt from liability if their disclosures comply with legal requirements. This procedure is further detailed in 4.1. ESRS G1 – Business Conduct. Retaliation, threats, or intimidation against reporters are strictly prohibited, reinforcing Zentiva's commitment to transparency, compliance, and ethical business practices. While we ensure that our own structured mechanisms are in place for end-users to raise concerns, we do not impose specific requirements on its business relationships for providing such channels.

Additionally, these processes undergo at least an annual review as part of our Evaluation of the Quality System, where key performance indicators (KPIs) such as end-user satisfaction, product deviations, quality complaints, rejected or returned products, and product availability are assessed. This review also identifies opportunities for system improvement and optimization.

5. TAKING ACTION ON MATERIAL IMPACTS ON CONSUMERS AND END-USERS, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO CONSUMERS AND END-USERS, AND THE EFFECTIVENESS OF THOSE ACTIONS

[S4-4]

Access to (quality) information and Freedom of Expression

Zentiva ensures accurate and transparent product information by complying with APMGR Code of Conduct and RASCI Code of Ethics which require all promotional materials to be scientifically supported and free from exaggeration, EU regulations, and Romanian law. Additionally, detailed medical leaflets provide end-users with clear, validated, and regulatory-approved information on product use and safety. As required by law, product packaging includes contact details for official regulatory bodies (e.g., ANMDMR) and our own contact details (as a Marketing Authorization Holder), allowing end-users to submit complaints and express concerns directly. These measures help prevent misinformation, enabling consumers and healthcare professionals to make informed healthcare decisions while ensuring their right to express concerns and provide feedback is upheld.

Zentiva evaluates the effectiveness of its actions through regular internal audits, compliance reviews, and risk assessments to ensure adherence to quality, safety, and data protection standards. Compliance with GDPR and legal requirements is continuously monitored and updated, while employee training and awareness programs reinforce responsible data handling. Additionally, sustainability initiatives and

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structured reporting help track improvements and ensure transparency in delivering quality information to consumers and end-users.

Health and safety

Zentiva ensures the safety, efficacy, and quality of its medicines by working closely with regulatory authorities, inspectors, and quality organizations to maintain continuous oversight. The company implements rigorous quality control measures at every stage of the manufacturing process, ensuring that all products meet or exceed industry standards.

Zentiva identifies necessary actions through a comprehensive compliance, risk management, and quality assurance framework. Internal and external audits ensure compliance with industry standards, while the Corrective and Preventive Actions (CAPA) process systematically addresses product quality issues, manufacturing errors, and supply chain disruptions

We have incorporated **health and safety regulations and best practices** into our processes and are aligned with applicable laws, regulations, and internal policies. At this stage, no additional risk mitigation actions are planned beyond maintaining compliance and ongoing monitoring.

Responsible marketing practices

Zentiva strictly follows APMGR Code of Conduct and RASCI Code of Ethics, EU regulations, and Romanian law to ensure transparent, accurate, and ethical marketing. Promotional materials must be scientifically supported and include essential product details while complying with local regulations.

Marketing for dietary supplements is approved by the Ministry of Health, while medication advertising is regulated by ANMDMR. Internally, all content is reviewed by Regulatory Affairs, Medical, and Legal departments before release. To identify and manage marketing-related concerns, Zentiva reviews its marketing strategies, consults industry and regulatory experts, and updates internal policies and procedures to ensure compliance and prevent future violations. Effectiveness is measured through regulatory compliance checks, brand loyalty assessments, and audits, while feedback mechanisms help identify areas for improvement. These measures have been highly effective, with no fines or penalties recorded until this date.

Access to products and services

With a strong market presence in Romania and exports to other European countries, the company plays a key role in public health sustainability. In 2022, Zentiva S.A. has started working with distributors in the Republic of Moldova. This year, Zentiva contributed indirectly to improving access to healthcare products in Moldova through broader initiatives aligned with digitalization and affordability: The Republic of Moldova adopted automated tools for monitoring drug prices based on European reference countries. These tools helped set maximum prices for medicines, ensuring affordability for patients. While Zentiva did not directly implement this initiative, its alignment with EU standards and affordable generics supported Moldova's efforts. Furthermore, Zentiva financially supports patient organizations upon prior request by redirecting a percentage of its income tax from the previous financial year. In 2024, 11 NGOs received such funding, with transparency reports to be submitted to ANMDS and ANAF.

Data security

Apart from integrating personal data security into our processes in accordance with GDPR, we have no additional actions planned to mitigate potential risks related to GDPR data breaches beyond strict compliance with applicable laws, regulations, and internal policies and procedures.

Preventing Material Negative Impacts on Consumers and End-Users

As outlined in our Code of Ethics, we review all feedback from partners and individuals, including comments, complaints, and claims, as part of our Pharmacovigilance and Safety Monitoring. We work closely with regulatory authorities in Europe and beyond to address emerging issues and newly identified data within the healthcare system, allowing us to conduct risk assessments and implement agreed corrective actions. Furthermore, there were no reported incidents related to severe human rights issues or incidents connected to consumers and/or end-users during the reporting period.

There is no further data to disclose regarding the resources allocated to the management of material impacts.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (consumers and end-users).

6. TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES (CONSUMERS AND END-USERS

[S4-5]

Having been in the market for a long time, our processes have naturally evolved and matured. We remain committed to continuously improving them by incorporating feedback and adapting to regulatory changes. These processes serve as a strong foundation, and we diligently follow them to ensure we continue to support and positively impact our end users.

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SECTION 04
GOVERNANCE

4.1. ESRS G1 – BUSINESS CONDUCT

[GOV-1] – ESRS 2 –THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

[IRO-1] – ESRS 2 – DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

[G1-1] – BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE

[G1-3] – PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

[G1-4] – INCIDENTS OF CORRUPTION OR BRIBERY

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1. ESRS 2 –THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

[GOV-1]

The **Board of Directors** is responsible for overseeing business conduct, ensuring compliance with corporate governance principles, and maintaining ethical and regulatory standards. It plays a key role in strategic decision-making, risk management, financial oversight, and corporate responsibility. Board members bring expertise in finance, commercial strategy, regulatory compliance, marketing, and human resources, contributing to the company's ethical business practices and regulatory adherence.

The Board meets at least once every three months or as needed, either in person or remotely. Meetings are chaired by the President, and decisions require a majority vote, with the President holding the casting vote in case of a tie. Key responsibilities include appointing company executives, approving financial and investment strategies, overseeing research and development programs, and managing corporate governance matters such as compliance, reporting, and partnerships. The Board ensures financial integrity and strategic alignment by submitting annual reports and financial statements for shareholder approval.

More information on the experience of Administrative, management and supervisory bodies can be found in the Annual Financial Report (LINK).

2. ESRS 2 – DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

[IRO-1]

When describing the process to identify material impacts, risks and opportunities in relation to business conduct matters, the undertaking shall disclose all relevant criteria used in the process, including location, activity, sector and the structure of the transaction.

Our core values—responsibility, authenticity, courage, collaboration, and trust—along with our mission and Code of Ethics, guide our decision-making and reinforce our commitment to ethical business practices. Responsibility is embedded in our corporate culture, and we expect all employees and partners to align with our values and operational principles.

With specific focus on Corporate Conduct, the Compliance Officer participated to the workshop organised to identify and assess IROs.

Also, we have performed a preliminary review of the Governance and business conduct related policies and procedures (for example the Compliance Monitoring Policy and the Code of Ethics). We are fully aware of our responsibility toward our people, those we serve, our partners, and the planet. At the core of this responsibility lies our commitment to "doing the right thing"—the essence of our Code of Ethics.

[Further details on identification and assessment of material impacts, risks, and opportunities (IROs) are available in Chapter ESRS 2]

Sub-topic	Sub-sub topic	Perimeter	I/R/O	IRO Description
Protection of whistle-blowers		Direct activities	Impact +	Zentiva S.A. is fostering a transparent and ethical work environment by ensuring whistleblower protection through internal reporting channels aligned with the provisions of Law 361/2022 regarding the protection of whistleblowers in the public interest. The Speak Up initiative allows employees and stakeholders to report any ethical concern confidentially. Employees can also raise concerns directly with their manager, higher-level management, HR, or the Executive Committee, ensuring multiple safe reporting channels. All employees are required to comply with the local Standard Operating Procedure on Reporting Concerns.
Corruption and bribery	Prevention and detection including training Incidents	Direct activities	Impact +	Zentiva S.A.is fostering ethical business practices by upholding a strict Anti-Bribery policy and is committed to preventing all forms of corruption, including indirect and passive corruption. This commitment aligns with the company's core values of responsibility, trust, integrity, and transparency.
Corruption and bribery	Prevention and detection including training Corporate Culture	Value Chain	Impact +	Zentiva S.A. monitors the activities of third parties with whom they wish to collaborate to ensure that they do not engage in activities that could be perceived as bribery or corruption.

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3. BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE

[G1-1]

The Code of Conduct serves as the primary policy guiding business conduct and corporate culture at Zentiva.

To ensure ethical compliance, Zentiva has established two key policies for identifying, reporting, and investigating concerns related to unlawful behavior or violations of the Code of Conduct:

1. Corporate Policy on Compliance Monitoring – Oversees adherence to ethical compliance standards.
2. The Standard Operating Procedure on Reporing of Concerns – Provides secure and confidential Speak-Up and Whistleblowing channels for reporting concerns, reinforced by our local procedure on Concern Reporting.

Both policies are internally communicated (by e-mail and published on the internal SharePoint), with further information provided by email to employees when updates are made.

Code of Ethics

The Code of Ethics establishes the Company's commitment to ethical business conduct, legal compliance, and corporate integrity. It outlines fundamental principles in key areas such as business ethics, human rights, anti-corruption, conflict of interest, compliance with laws and regulations, workplace safety, sustainability, fair competition and data privacy. The Code is publicly available our website, for all our stakeholders, and serves as a guideline to make ethical decisions and uphold Zentiva's values of responsibility, authenticity, courage, collaboration, and trust and it applies to all employees, managers, and individuals acting on behalf of the company, regardless of their role or location. Internally, we conduct Code of Ethics training for all employees every two years, followed by a quiz that requires 100% results accuracy to pass, which assesses their understanding and integration of our core values.

The Code covers essential topics including:

- Quality and safety of medicines
- Diversity, non-discrimination, and human rights
- Workplace safety and employee well-being
- Sustainability and environmental responsibility
- Ethical interactions with healthcare professionals and third parties
- Anti-bribery, anti-corruption, and anti-money laundering policies
- Data privacy, cybersecurity, and responsible social media use
- Financial transparency and internal reporting

The Code also establishes mechanisms for reporting concerns, including the Speak Up Initiative and the Whistleblowing in the Public Interest Reporting Mechanism, ensuring that ethical violations can be addressed confidentially and without retaliation.

Our Compliance Officer oversee its enforcement, ensuring adherence to legal and ethical standards across all business operations. Furthermore, managers at all levels are responsible for promoting compliance within their teams, addressing ethical concerns, and fostering a culture where employees feel empowered to report concerns without fear of retaliation.

As we operate in strict compliance with all applicable laws and industry standards in the countries where we conduct our business and adhere to the codes of practice relevant to our operational region, we trust

that we actively align with industry best practices. Additionally, Zentiva S.A. is a member of the industrial association Medicines for Europe and follows its Code of Conduct. This affiliation reinforces Zentiva's commitment to ethical business practices, transparency, and compliance within the pharmaceutical sector. The company's policies and operational guidelines reflect these commitments, ensuring that all employees and business partners adhere to high ethical and compliance standards.

Our corporate policies are designed with a strong focus on the interests of our key stakeholders, including our employees, patients, healthcare professionals, business partners, regulatory authorities, and society. We prioritize quality, safety, and accessibility in our operations, ensuring that we deliver high-quality, affordable medicines to over 100 million people. Transparency and ethical collaboration are at the core of how we engage with stakeholders, always adhering to legal and industry regulations. Our Sustainability Strategy is shaped through continuous dialogue with stakeholders and aligns with the United Nations Sustainable Development Goals (SDGs). Additionally, we foster a culture of integrity by maintaining robust internal and external reporting mechanisms, enforcing a strict no-retaliation policy to protect whistleblowers and those who speak-up, and promoting transparency across our organization.

Corporate Policy on Ethical Compliance Monitoring Process

On a local level, we have adhered to the corporate policy on ethical compliance monitoring. Therefore, , we fully comply with the Corporate Policy on Ethical Compliance Monitoring. As part of this commitment, a local language translation of the corporate policy is available and is currently undergoing updates. The Policy outlines a structured monitoring process designed to detect systemic and individual compliance breaches and address areas requiring further analysis and corrective measures.

A risk-based approach prioritizes high-risk activities such as sanctions, third-party engagements, financial transactions, and interactions with healthcare professionals. It addresses the steps of our ethical compliance monitoring process, which includes regular monitoring, integration of risk assessments to ensure that ethical compliance risks are proactively identified, evaluated and addressed, investigation, reporting and measure implementation.

This Policy applies globally across all Zentiva operations, covering employees and third-party interactions, including engagements with healthcare professionals, patient advocacy groups, government officials, and scientific experts, including those associated with Zentiva Ro.

However, it does not apply to areas such as promotional materials, record management, pricing policies, health and safety regulations, employee compensation, or internal financial controls, as these are governed by separate internal compliance processes.

At the local level, the Compliance Officer, is responsible for overseeing the enforcement of this policy. This includes monitoring compliance performance, directing investigations, and enforcing corrective measures when breaches occur.

Our Corporate Policy on Compliance Monitoring is reinforced by a set of internal policies that establish clear ethical and regulatory expectations for both our employees and third parties, such as the Corporate Policy on Sanctions.

In developing our Corporate Policy on Compliance Monitoring, we have carefully considered the interests of key stakeholders by ensuring that high-risk categories are subject to continuous monitoring and risk assessment. These include fees for services, sponsorships for healthcare professionals and events, donations, and other financial contributions, ensuring that all payments and financial support are transparent and compliant with ethical and legal standards. Additionally, travel agency expenses, expense reports, and third-party audits are monitored to prevent misuse and ensure alignment with compliance regulations. Interactions with patients, patient advocates, and patient groups, as well as Patient Support Programs, are closely reviewed to maintain ethical engagement and regulatory adherence. Other transfers of value to external entities are also subject to strict oversight to mitigate compliance risks. By continuously evaluating

these areas, we proactively identify potential risks, enhance transparency, and uphold ethical business practices, ensuring that our compliance framework aligns with stakeholder expectations and regulatory obligations.

The Legal Department, led by the Head of Legal Compliance, is responsible for overseeing the enforcement of this policy. This includes monitoring compliance performance, directing investigations, and enforcing corrective measures when breaches occur. Local Compliance Officers in each country implement the policy, adjusting it to regional risks and reporting issues to the Compliance Committee or senior management. Failure to comply may result in disciplinary action or legal consequences, reinforcing Zentiva's commitment to ethical business practices. As this is a continuous monitoring process, it consists of real-time oversight, data analysis, and compliance evaluations to detect both individual and systemic violations. To facilitate this direct input of information, any stakeholder has access to our speak-up/whistleblower channels and reporting mechanisms, which allows both internal and external parties to confidentially report compliance concerns.

Our Corporate Policy on Anti-Bribery is further detailed in G1-3.

Reporting of concerns – Whistleblowing and Speak-Up channels

At Zentiva S.A., we foster a culture of integrity and ethical business conduct by providing accessible and secure channels for reporting concerns. Employees and stakeholders can report any suspected violations of laws, internal policies, and ethical standards through the Speak-Up Initiative or the Public Interest Reporting Mechanism, in accordance with our Standard Operating Procedure on Reporting of Concerns. . The company established internal dedicated whistleblower reporting channels, which have been internally communicated and posted in visible places on 24.08.2023. Information about the whistleblowing process is publicly available on a dedicated webpage (www.zentiva.ro/whistleblowing). Additionally, the local Standard Operating Procedure on Reporting of Concerns was internally communicated and published on SharePoint in 2024.

Public Interest Reporting Mechanism - Whistleblowing

Zentiva has established a Whistleblowing in the Public Interest Reporting Mechanism, accessible through our webpage (https://www.zentiva.ro/whistleblowing) in compliance with national legislation and the EU Whistleblower Protection Directive (2019/1937). This structured process allows legally recognized whistleblowers to report concerns related to, amongst others, fraud, corruption, regulatory violations, and data protection breaches through a dedicated reporting channel.

While reports are typically non-anonymous, whistleblowers may remain anonymous in specific cases. To maintain integrity and prevent misuse, false or misleading reports may result in disciplinary actions, financial penalties, or legal consequences.

Zentiva guarantees a retaliation-free environment for those reporting in good faith. All submissions are confidential and handled in full compliance with data protection laws.

Speak-Up initiative

Beyond the Whistleblower mechanism, Zentiva S.A. has implemented the Speak Up Initiative, also available through our website (https://www.zentiva.ro/speak-up-initiative), providing employees and stakeholders with a confidential and, if preferred, anonymous channel to report concerns related to compliance, ethical behavior, and workplace integrity. The initiative covers, amongst others, issues such as fraud, financial misconduct, corruption, workplace harassment, privacy violations, and misuse of company resources. Information about this procedure is detailed in Zentiva's Internal Code of Order and is accessible via the intranet and company website. Employees are also encouraged to seek guidance or provide input on legal regulations, industry codes, and company policies.

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Reports can be submitted through various confidential channels, ensuring accessibility for all employees and stakeholders. Once a report is submitted, the Compliance Officer or a delegated investigator conducts an internal investigation to assess its severity and credibility. Findings are documented, and if a violation is confirmed, corrective or disciplinary actions are proposed based on risk impact. If no violation is found, process improvements may still be implemented.

All disciplinary measures are proportionate and compliant with local labor laws, and final decisions are recorded to ensure impartiality, confidentiality, and legal compliance.

Corporate Policy on Conflict of Interest

Zentiva S.A. has established the Corporate Policy on Conflicts of Interest to proactively identify, disclose, and manage conflicts of interest among employees, ensuring the company's integrity and ethical business practices.

These policies are available to all employees on the local intranet and provide clear guidelines and a structured methodology for detecting, assessing, and addressing potential, real/actual and perceived conflicts of interest.

The Policy covers various conflict situations, including external engagements, personal relationships, and receiving gifts or items of value. It outlines strict limitations on gifts, except for symbolic items, and provides examples of prohibited or restricted gifts. Employees are required to report potential conflicts before engaging in transactions, activities, or work relationships that may create a conflict of interest. The Policy also establishes evaluation and remediation procedures, ensuring that conflicts are addressed effectively. Each employee is responsible for acting in Zentiva's best interests, avoiding personal benefits from their professional role, consulting the policy, and seeking guidance from their supervisor or the Compliance Officer when in doubt. Employees must disclose conflicts through designated reporting forms and submit them to the Compliance Officer for review.

This Policy applies to all Zentiva S.A. employees, establishing a minimum compliance standard. We further follow our local laws, regulations, or contractual obligations if they require stricter standards. The Policy covers internal operations and external interactions, ensuring that employees do not misuse their position for personal gain in dealings with suppliers, customers, competitors, or government authorities. However, the Policy does not apply to the speak-up/whistleblowing reporting process, which is covered under our Standard Operating Procedure on reporting of Concerns.The Compliance Officer, is responsible for ensuring the effective enforcement of this policy. The Compliance Officer, in collaboration with local affiliate leaders, oversees the assessment, reporting, and resolution of conflicts of interest.

To ensure proper implementation, the Compliance Officer, manages the communication of this policy and provides employee training to reinforce compliance.

There are no further third-party standards or initiatives involved through these procedures.

Zentiva's Conflict of Interest Policy is designed to safeguard integrity, ensure fair business practices, and prevent conflicts that could negatively impact stakeholders. The Policy addresses key risk areas, such as external commitments that may compromise impartiality, personal relationships that could influence business decisions, the acceptance of gifts or items of value that may create bias, and financial transactions that require full transparency. Employees are encouraged to seek guidance from supervisors and Compliance Officer whenever uncertainty arises, reinforcing a transparent and accountable work environment.

Our training on our business conduct is delivered in accordance with our **Corporate Policy on Ethical Compliance Monitoring Process**, detailed above, through which we acknowledge that employee training is one of our mitigation measures, alongside corrective and disciplinary actions, management adjustments and process improvements. The following further procedures are referenced within this procedure:

- ✓ Zentiva Code of Ethics
- ✓ Anti-Bribery Policy,

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- ✓ Policy on Reporting Concerns
- ✓ Policy on Zentiva and Third-Party reporting Events
- ✓ Policy on Interactions with the Healthcare Community, Government Officials and Selected Third Parties
- ✓ Policy on Due Diligence Process
- ✓ Policy on Interactions with Patients, and Patient Organizations
- ✓ Guideline on Management in Patient Support Programs
- ✓ Guideline on Service Engagement with External Healthcare Professions Experts
- ✓ Corporate Guideline and Contract and Signing Procedure Rules

At the local level, employee training on ethical compliance is governed by the System Procedure on Employee Training (PS-IP Code). The mandatory ethical compliance training sessions cover key topics, including the Code of Ethics, Anti-Bribery Regulations, Conflict of Interest, Due Diligence Process, Sanctions, and Personal Data Processing. These training sessions are conducted upon hiring, annually, or every two years, depending on the requirements.

The Commercial Unit – operational functions are identified as the most at-risk areas for corruption and bribery within the organization, by informal assessment and decision, as interactions with external stakeholders, such as **suppliers, clients, and regulatory bodies**, may create opportunities for unethical practices. On an annual basis, there is a recertification of all Commercial Unit of the company on the ethical codes of the professional associations (A.P.M.G.R. & R.A.S.C.I.) that Zentiva is a member of.

A further mandatory training program ensures that all employees receive education on anti-bribery regulations and ethical compliance standards. All applicable anti-bribery and anti-corruption trainings should be completed by an employee within 3 months upon assignment or onboarding, and training completion is closely monitored by the Compliance Officer, reinforcing accountability across the organization.

4. PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

[G1-3]

Zentiva has a comprehensive system to prevent, detect, investigate, and respond to corruption and bribery allegations, ensuring a zero-tolerance approach as outlined in Zentiva's Code of Ethics and the Corporate Policy on Anti-Bribery Rules (POL-Compliance-00004-CORP). This Policy clearly defines anti-bribery rules for employees and third parties, providing examples of bribery-related misconduct to ensure awareness and compliance.

Corporate Policy on Anti-Bribery Regulations

At Zentiva, we maintain a zero-tolerance policy toward bribery and corruption in all its forms. Our Anti-Bribery and Anti-Corruption Policy applies to all Zentiva Employees and Third Parties engaged in activities with Zentiva. This Policy is fundamental to protecting Zentiva's reputation, ensuring compliance with legal and ethical standards, and fostering a culture of integrity within our organization. We are committed to competing fairly by offering high-quality products and services, never through unethical or illegal business practices.

The Policy applies to all of Zentiva S.A., including our employees and any third parties acting on our behalf, such as contractors, consultants, suppliers, distributors, agents, and other business partners. It strictly

prohibits offering or promising anything of value—whether cash, gifts, job offers, donations, contributions, or other benefits—with the intent to influence an individual's or entity's actions or decisions to gain an improper advantage or retain business for Zentiva.This prohibition extends to indirect payments made through intermediaries or relatives.

The Policy is enforced across all levels, with the Legal Department and Compliance Officer responsible for monitoring compliance. Senior management and local leadership are accountable for promoting ethical conduct and ensuring employees understand how to prevent bribery. We ensure that our Anti-Bribery and Anti-Corruption Policy is effectively communicated and accessible to all relevant stakeholders. All Employees must complete mandatory anti-bribery training within three months of joining Zentiva and participate in annual refresher courses, during which they receive detailed guidance on identifying, preventing, and reporting bribery risks. This Policy is further available on our website, accessible to any stakeholder. Failure to comply may result in disciplinary action or legal consequences.

As this policy is designed to protect the interests of employees, business partners, regulators, and society, it ensures transparency, aligns with global anti-corruption and anti-bribery laws, and contracts third parties only if they meet ethical standards. Bribery and corruption have severe economic and social consequences worldwide, posing a major obstacle to development. Zentiva enforces a strict zero-tolerance policy against bribery and has long been dedicated to fostering a strong ethical culture. Furthermore, the Policy is designed to protect Zentiva's reputation and that of its employees while mitigating the risk of civil and criminal penalties. Employees are supported with whistleblower protection, ensuring they can report concerns without fear of retaliation. We further conduct a risk-based due diligence audits on Third Parties to identify and mitigate corruption risks. As outlined in the Due Diligence Process, a thorough anti-bribery and anti-corruption assessment is required before engaging with any Third Party.

To prevent bribery, Zentiva has incorporated anti-bribery and conflict-of-interest clauses into all commercial agreements, requiring third-party contractors to adhere to Zentiva's Code of Ethics. Zentiva also ensures that all financial records, registers, and transactions are maintained at a reasonable level of detail to accurately reflect all financial activities. Strong internal controls are in place to provide reasonable assurance that the company's leadership is informed and that all transactions are conducted ethically and in compliance with Zentiva's internal policies and standards.

To detect and investigate corruption risks, Zentiva follows the Corporate Policy on Compliance Monitoring , which ensures continuous oversight, internal controls, and reporting mechanisms for suspected misconduct. The Internal Code of Conduct and Anti-Bribery Policy provide employees and third parties with detailed guidance on prohibited practices, supported by real-world examples of bribery and corruption. Any allegations or incidents are thoroughly investigated, and appropriate actions are taken based on findings, ensuring that all compliance violations are addressed and mitigated effectively.

Zentiva prioritizes ongoing annual employee training to reinforce compliance with anti-bribery and anti-corruption policies. The training is 1h long and is provided on an internal e-learning platform and face-to-face to our manufacturing and production employees. Covered topics include the definition of corruption, the contents of the anti-bribery and anti-corruption policy and the procedures on suspicion or detection.

All employees, including functions-at-risk and administrative, management and supervisory bodies, must complete applicable anti-bribery training within three months of onboarding or assignment, followed by a quiz which requires 100% accuracy rate to complete the evaluation. Our annual training target is thus 100%, which is closely monitored by the Compliance Office, on a monthly basis. The training however does not apply to the shareholders, the independent non-executive administrators and independent external financial auditors. A monthly follow-up on the training status is provided by the Compliance Officer. Furthermore, every Zentiva employee has a duty to prevent breaches of this policy by reporting any questionable situation through the Zentiva S.A. local Standard Operating Procedure on Reporting of Concerns, ensuring that concerns are raised and addressed in a secure and confidential manner. All Ethical Compliance Policies are internally communicated, by e-mail, to all Zentiva employees by the Compliance Officer and uploaded on internal public SharePoint, available to all employees.

The lead investigator in cases of corruption and bribery is the Compliance Officer, who operates independently from the management chain involved in the matter to ensure an unbiased and objective

investigation. By maintaining this independent investigation structure and integrating proactive risk assessments, we strengthen our ability to detect, respond to, and prevent corruption and bribery incidents. Our efforts are also supported by the possibility of having these corruption and bribery incidents reported to Zentiva S.A. by means of the internal reporting channels established pursuant to Law 361/2022, on the protection of whistleblowers in the public interest.

As part of Zentiva's risk evaluation process, the Compliance Officer conducts regular risk assessments to identify the real/actual, potential and perceived compliance risks (POL-Compliance-00010-CORP). This process includes identification, evaluation, prioritization, and mitigation of risks, ensuring that any compliance concerns are addressed in a timely and effective manner. Risk assessments and related reporting activities are carried out using a structured Risk Evaluation Tool, which supports data-driven decision-making and ensures that appropriate corrective measures are implemented promptly.

Any high-risk violations or cases where there is a suspicion that the recipient of the report may be directly or indirectly involved must also be reported to the Head of Compliance without undue delay. Additionally, the Compliance Officer monitors the implementation of corrective actions in collaboration with process owners, ensuring that the adopted measures effectively address and prevent compliance breaches.

Under the Speak-Up procedure, the full investigation report is accessible only to the Head of the Legal Department and the Head of Internal Control at Zentiva HQ. The Compliance Officer or delegated investigator may share relevant sections with those responsible for corrective and disciplinary actions, ensuring compliance with data protection and confidentiality regulations. This structure maintains independence, transparency, and accountability, preventing undue influence on investigations.

For the Whistleblower policy, investigations are conducted by the Designated Person, appointed by the General Director of Zentiva. This individual is responsible for receiving, recording, reviewing, investigating, and resolving whistleblower reports while maintaining communication with the whistleblower and ensuring restricted access to the report.

Once an investigation is completed, the Designated Person reports the resolution to Zentiva's governing bodies. Additionally, an annual statistical analysis of whistleblower reports is compiled and presented to Zentiva's leadership, reinforcing transparency and accountability in handling concerns.

The annual or ad-hoc ethical compliance monitoring report is presented by the local Compliance Officer to the Local Compliance Committee, which includes the General Manager, Chief Financial Officer, Legal Director, Medical Director, Human Resources Director, and Compliance Officer. The committee's primary mission is to foster a culture where doing the right thing, acting with integrity, and complying with legal and regulatory requirements, industry standards, and internal policies are deeply embedded within Zentiva's operations. It plays a key role in ensuring the effectiveness and implementation of Zentiva's Ethical Compliance Program by overseeing all its components and recommending actions to enhance its application. Additionally, it is responsible for risk management, systematically evaluating internal control issues, prioritizing them, and ensuring their timely resolution. The proposed mitigation measures aim to prevent recurrence of the identified issue and may include corrective or disciplinary actions, management changes, process adjustments, or employee training, depending on the severity of the violation.

5. INCIDENTS OF CORRUPTION OR BRIBERY

[G1-4]

For 2024 we report 0 convictions and 0 RON amount of fines for violation of anti-corruption and anti-bribery laws. In 2024 we had 0 breaches in our procedures and standards of anti-corruption and anti-bribery for our company and our employees. This data is recorded and extracted from the Lex Force software, it was extracted from our system and validated by the Legal, Financial, and Compliance representatives, without the validation of an external body at the time of the reporting.

APPENDIX 1 | APPENDIX B OF ESRS 2 – LIST OF DATAPOINTS IN CROSS-CUTTING AND TOPICAL STANDARDS THAT DERIVE FROM OTHER EU LEGISLATION

Short name used in other worksheets	SFDR	PILLAR 3	BENCHMARK	CL	Page/Not material/Not applicable
Full reference	*Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosures Regulation)*	*Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation "CRR")*	*Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014*	*Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999*	
Disclosure Requirement and related datapoint	**SFDR reference**	**Pillar 3 reference**	**Benchmark Regulation reference**	**EU Climate Law reference**	
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		8
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		8
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				13

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ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		N/A
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		N/A
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		N/A
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		N/A
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	58

ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book- Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		N/A
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book - Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		62
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				62
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				62
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				63

ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book - Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		64
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book - Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		66
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	67
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Phased-in

ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			Phased-in
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2:Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Phased-in
ESRS E1-9 Degree of exposure of the portfolio climate-relate to opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Phased-in

ESRS E2-4 Amount of each pollutant listed in Annex E-PRT II of the Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				73
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				78
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				78
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				78
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				80
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				80
ESRS 2- SBM 3 - E4 paragraph 16 (a)	Indicator number 7 Table #1 of Annex 1				Not material
ESRS 2- SBM 3 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				Not material
ESRS 2- SBM 3 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				Not material
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Not material
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Not material
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Not material

ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				86
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				86
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				N/A
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				92
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				N/A
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		N/A
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				92
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				92
ESRS S1-3 grievance/ complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				99
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		106
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				107

ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		107
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				107
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				Not material
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		Not material
ESRS 2- SBM3 - S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				Not material
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				Not material
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				Not material
ESRS S2-1Non-respec of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Not material

ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Not material
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Not material
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		115
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				N/A
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				125
ESRS G1-1 Protection whistle-blower of paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				127

ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		131
ESRS G1-4 Standards anti-corruption of and anti- bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				131

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APPENDIX 2 – EU GREEN TAXONOMY REGULATORY TEMPLATES

Turnover

Financial Year 2024		2024		Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')								
Economic Activities (1)	Code (a) (2)	Absolute turnover (3)	Proportion of Turnover (4)	Climate Change Mitigation (5)*	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, 2023 (18)	Category (enabling activity) (19)
Text		*RON*	*%*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*
A. TAXONOMY-ELIGIBLE ACTIVITIES			75.68%															
A.1. Environmentally sustainable activities (Taxonomy-aligned)																		
			0.00%															
			0.00%															
			0.00%															
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.00	0.00%	0.00%														
of which enabling		0.00	0%	0%														E
of which transitional		0.00	0%	0%														
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																		
				EL; N/EL (f)	*EL; N/EL (f)*	*EL; N/EL (f)*	*EL; N/EL (f)*	*EL; N/EL (f)*	*EL; N/EL (f)*									
Manufacture of medicial products	PPC 1.2.	843,151,916	75.68%	N/EL	N/EL	N/EL	EL	N/EL	N/EL									
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		843,151,916	75.68%															
Total (A.1+A.2)		843,151,916.00	75.68%	0.00%	0.00%	0.00%	0.00%	75.68%	0.00%									
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																		
Turnover of Taxonomy-non-eligible activities		270,913,097.00	24.32%															
Total (A+B)		1,114,065,013.00	100.00%															

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	Proportion of turnover/ Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.00%	0.00%
CCA	0.00%	0.00%
WTR	0.00%	0.00%
CE	0.00%	0.00%
PPC	0.00%	75,68%
BIO	0.00%	0.00%

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CAPEX

Financial Year 2024	2024			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (a) (2)	CapEx (3)	Proportion of CapEx, year 2023 (4)	Climate Change Mitigation (5)*	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Taxonomy aligned proportion of total CapEx, year 2023 (18)**	Category (enabling activity) (19)	Category (transitional activity) (20)
Text		*RON*	*%*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES			91.61%																
A.1. CapEx of environmentally sustainable activities (Taxonomy-aligned)																			
																	0%		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0.00%														0%	0%	0%
of which enabling		-															0%	E	
of which transitional		-	0.00%	0%															T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned)																			
				EL; N/EL (f)	*EL; N/EL (f)*	*EL; N/EL (f)*	*EL; N/EL (f)*	*EL; N/EL (f)*	*EL; N/EL (f)*										
Renovation of existing buildings	CCM 7.2/ EC 3.2	26,175,122	45.13%	EL	N/EL	N/EL	N/EL	EL	N/EL										
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	2,806,094	4.84%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Manufacture of medicinal products	PPC 2.1	24,150,104	41.64%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		53,131,319	91.61%																
Total (A.1+A.2)		53,131,319	91.61%																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Capex of Taxonomy-non-eligible activities		4,868,329	8.39%																
Total (A+B)		57,999,648	100.00%																

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	Proportion of CAPEX/ Total CAPEX	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	-	49.97%
CCA	-	
WTR	-	
CE	-	45.13%
PPC	-	41.64%
BIO	-	

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OPEX

Financial year 2024		2024		Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm') (h)									
Economic Activities (1)	Code (a) (2)	OpEx (3)	Proportion of OpEx, year 2023 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Taxonomy aligned proportion of total OpEx, year 2023 (18)**	Category (enabling activity) (19)	Category (transitional activity) (20)
Text		*RON*	*%*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES			100.00%																
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)			0.00%	0.00%													0%		
of which enabling		0	0.00%	0.00%													0%	E	
of which transitional		0	0.00%	0%															T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL (f)	*EL; N/EL (f)*	*EL; N/EL (f)*	*EL; N/EL (f)*	*EL; N/EL (f)*	*EL; N/EL (f)*										
Transport by motorbikes, passenger cars and light commercial vehicles	6.5 CCM	427,272	1.22%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Data processing, hosting and related activities	8.1 CCM	845,822	2.42%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Manufacture of medicinal products	2.1.PPC	29,830,063	85.26%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
Renovation of existing buildings	7.2 CCM/ 3.2 EC	3,883,620	11.10%	EL	N/EL	N/EL	EL	N/EL	N/EL										
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		34,986,776	100.00%	100%	0%	0%	0%	0%	0%										
Total (A.1+A.2)		34,986,776	100.00%																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		0.00	0.00%																
Total (A+B)		34,986,776	100.00%																

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	Proportion of OPEX/ Total OPEX	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.00%	14.74%
CCA	0.00%	0.00%
WTR	0.00%	0.00%
CE	0.00%	11.10%
PPC	0.00%	85.26%
BIO	0.00%	0.00%

Specific details

(a) The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the Section number of the activity in the relevant Annex
covering the objective, i.e.:
- Climate Change Mitigation: CCM
- Climate Change Adaptation: CCA
- Water and Marine Resources: WTR
- Circular Economy: CE
- Pollution Prevention and Control: PPC
- Biodiversity and ecosystems: BIO

For example, the Activity "Afforestation" would have the Code: CCM 1.1
Where activities are eligible to make a substantial contribution to more than one objective, the codes for all objectives should be indicated.
For example, if the operator reports that the activity "Construction of new buildings" makes a substantial contribution to climate

change mitigation and circular economy, the code would be: CCM 7.1. / CE 3.1.
The same codes should be used in Sections A.1 and A.2 of this template
(b) Y - Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N - No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL – not eligible, Taxonomy non-eligible activity for the relevant environmental objective

(c) Where an economic activity contributes substantially to multiple environmental objectives, non-financial undertakings shall **indicate, in bold,** the most relevant environmental objective for the purpose of computing the KPIs of financial undertakings while avoiding double counting. In their respective KPIs, where the use of proceeds from the financing is not known, financial undertakings shall compute the financing of economic activities contributing to multiple environmental objectives under the most relevant environmental objective that is reported in bold in this template by non-financial undertakings. An environmental objective may only be reported in bold once in one row to avoid double counting of economic activities in the KPIs of financial undertakings. This shall not apply to the computation of Taxonomy-alignment of economic activities for financial products defined in point (12) of Article 2 of Regulation (EU) 2019/2088. Non-financial undertakings shall also report the extent of eligibility and alignment per environmental objective, that includes alignment with each of environmental objectives for activities contributing substantially to several objectives, by using the template below:

(f) EL - Taxonomy eligible activity for the relevant objective
N/EL - Taxonomy non-eligible activity for the relevant objective

(g) Activities shall be reported in Section A.2 of this template only if they are not aligning to any environmental objective for which they are eligible. Activities that align to at least one environmental objective shall be reported in Section A.1 of this template.

APPENDIX 3 – SCOPE 3 DATA, METHODOLOGY AND ASSUMPTIONS

Scope 3 category	Description of the types and sources of data used to calculate emissions	Description of the methodologies, allocation methods, and assumptions used to calculate emissions
1 (purchased goods and services)	100% is represented by secondary data, in the form of financial/spend data. In terms of boundaries, there were no exclusions. To calculate these emissions, data was extracted from the procurement/accounting system.	Category 1 includes all upstream (i.e., cradle-to-gate) emissions from the extraction, production, and transportation of products purchased by the reporting company in the reporting year. Spent-based emission factors from EXIOBASE database were primarily used given the higher regional/country-specific granularity level. DEFRA spent-based database was used for industry-specific emission factors: "Basic pharmaceutical products and pharmaceutical preparations", Excipients (via PSCI guidance) and "Scientific research and development services", alongside other scientific literature. 19% of the Scope 3.1 data was extrapolated. Together with Category 2- Capital Goods, this data represents 11M actual financial spent amounts and one estimate, covering our cradle-to-gate value chain estimated emissions.
2 (capital goods)	100% is represented by secondary data, in the form of financial/spend data. In terms of boundaries, there were no exclusions. To calculate these emissions, data was extracted from the procurement/accounting system.	Category 2 includes all upstream (i.e. cradle-to-gate) emissions from the extraction, transportation and production of capital goods purchased by the company in 2024. Capital goods were considered as follows: laboratory equipment, hardware, mix machinery and equipment for our production sites and office equipment. EXIOBASE database of emission factors was used as it is more representative and suitable to map to our internal CAPEX categories, with the added advantage of providing regional and country-specific factors. The extrapolation percentage for this category was 0%. Together with Purchased Goods and Services, this data represents 11M actual financial spent amounts and one estimate, covering our cradle-to-gate value chain estimated emissions.
3 (fuel- and energy-related activities)	This data is based on primary data, represented by energy activity data recorded for Scope 1 and Scope 2 (own operations).	Category 3 covers emissions associated with the production of fuel and energy purchased and consumed by the reporting company during the reporting year, excluding those accounted for in Scope 1 or Scope 2. Upstream GHG emissions are calculated for the fuels and energy consumed and reported under Scope 1 and Scope 2.

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Scope 3 category	Description of the types and sources of data used to calculate emissions	Description of the methodologies, allocation methods, and assumptions used to calculate emissions
	Activity data (primary data): The quantities of fuel and energy (electricity) purchased and consumed in the reporting year were obtained from invoices and internal business data management systems.	Emission factors for fuels were sourced from DEFRA, while emission factors from the IEA database were used to estimate upstream emissions and transport and distribution (T&D) losses for purchased electricity. These databases were selected based on the availability of relevant emission factors. Specifically, the IEA Total Upstream Greenhouse Gas Emissions per kWh of Electricity was applied for upstream emissions, and the IEA Lifecycle T&D Factor was used to assess T&D losses.
4 (upstream transportation and distribution)	100% is represented by secondary data, in the form of financial/spend data related to purchased services for transportation.	Category 4 encompasses the transportation and distribution of products purchased in 2024 between our Tier 1 suppliers and our own operations, using vehicles and facilities that are not owned or controlled by the company. This includes inbound and outbound logistics, as well as transportation and distribution between the company's facilities under similar conditions. Shipments from suppliers where transportation costs are not covered by Zentiva S.A. are excluded. No data was extrapolated. Emission factors are selected and applied based on data from the EXIOBASE database, considering the mode of transportation and the location of the paying entity. These factors are adjusted for exchange rates and the consumer price index (inflation rates) before being multiplied by the expenditure for each transportation method.
5 (waste generated in operations)	Primary data: quantity and type of waste generated during the reporting year, as reported to local authorities. Secondary data: the emission factors used represent industry-averages.	Category 5 represents the upstream emissions of waste management suppliers that occur during disposal or treatment. Waste type and treatment-specific emission factors were sourced from ADEME and DEFRA databases, based on the availability and specificity of emission factors. Treatment of wastewater was also considered in this category
6 (business travel)	Primary data: distance travelled by airplane Secondary data: financial/spent for land-based business travel	Category 6 refers to indirect GHG emissions from employee travel for business purposes in vehicles and transportation modes not owned or controlled by the reporting company (air travel, rail, bus, rental cars, and other third-party transportation services). DEFRA air-travel emission factors were used, with radiative forcing, including the indirect effects of non-CO2eq emissions; emissions were calculated based on the distance travelled (km). EXIOBASE emission factors were used for land-based business travel, applied to the amount spent. There was no further division of land travel into specific means (taxi, rail, other means) due to lack of information.

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Scope 3 category	Description of the types and sources of data used to calculate emissions	Description of the methodologies, allocation methods, and assumptions used to calculate emissions
7 (employee commuting)	Secondary data: distance and means of commuting collected via 2023 employee survey	Category 7 includes indirect GHG emissions from employee commuting using transportation methods not owned or controlled by the company, such as personal vehicles, public transportation, and carpools. Activity data was collected through a 2023 employee survey, which was distributed to all employees. The same distribution of transportation modes and commuting distances was assumed for 2024, based on internal survey data. Emission factors for cars, motorcycles, trains, and other public transport were sourced from the DEFRA and ADEME databases. Homeworking emissions were not included in the calculations.
8 (upstream leased assets)	N/A	Zentiva S.A. does not lease any assets. Under operational-control, these emissions are already captured in our Scope 1 and 2.
9 (downstream transportation and distribution)	N/A	There is no data available on downstream transportation, as this is not paid by Zentiva S.A. All transportation organized by Zentiva S.A. is captured in Category 4-Upstream Transport and Distribution.
10 (processing of sold products)	N/A	Category 10 represents emissions arising from the processing of products sold by Zentiva S.A. by third-party businesses before being used by the end consumer. As these emissions occur outside the reporting company's operational control and result from energy use and other processing activities required to transform sold products into final goods, there was no available data to calculate this category.
11 (use of sold products)	Primary data: product specific (inhalers) quantities and HFC gas type	Category 11 emissions stem from HFC gases used in our inhalers, with the assumption that 100% of the gas contained in the canister is released during use. The quantity and type of gas are determined based on product dossier consumption data. The emission factors were sourced from IPCC databases due to their higher specificity.
12 (end-of-life treatment of sold products)	Primary data: product sales amounts and type of material	Category 12 represents emissions from the disposal and waste treatment of products sold by the Zentiva S.A., at the end of their life. These emissions arise from landfilling, incineration, recycling, composting, or other waste management processes and occur outside the reporting company's operational control but are influenced by product design and material composition.

Scope 3 category	Description of the types and sources of data used to calculate emissions	Description of the methodologies, allocation methods, and assumptions used to calculate emissions
		Emission factors were sourced from the DEFRA database due to their higher level of representativeness. The quantities for each type of waste ere based on an averaged modelled packaging composition and Destination of waste is based on municipal waste data from Eurostat. Scientific studies which investigated the life cycle assessment of pharmaceutical packaging were consulted for our assumptions (Bassani et al., 2024). This category excludes emissions of all products which were physically returned to Zentiva S.A. as these were captured under Category 5 - Waste produced in our own operations.
13 (downstream leased assets)	N/A	Zentiva S.A. does not lease any of its assets to third parties.
14 (franchises)	N/A	Zentiva S.A. does not have franchises.
15 (investments)	N/A	Zentiva S.A. does not engage in investment activities.

Appendix 4 – DISCLOSURE REQUIREMENTS COMPILED FOLLOWING THE OUTCOME OF THE MATERIALITY ASSESSMENT

Code of ESRS	Name of ESRS standard	Code of Disclosure Requirement	Name of Disclosure Requirement	Page
ESRS 2	General disclosure	BP-1	General basis for preparation of the sustainability statement	4
		BP-2	Disclosures in relation to specific circumstances	5

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		GOV-1	The role of the administrative, management and supervisory bodies	8
		GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	11
		GOV-3	Integration of sustainability-related performance in incentive schemes	12
		GOV-4	Statement on due diligence	13
		GOV-5	Risk management and internal controls over sustainability reporting	15
		SBM-1	Strategy, business model and value chain	16
		SBM-2	Interests and views of stakeholders	24
		SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	28

		IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	37
		IRO-2	Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	37
ESRS E1	Climate Change	ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	46
		E1-1	Transition plan for climate change mitigation	58
		ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	46
		IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	47
		E1-2	Policies related to climate change mitigation and adaptation	59

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		E1-3	Actions and resources in relation to climate change policies	61
		E1-4	Targets related to climate change mitigation and adaptation	62
		E1-5	Energy consumption and mix	62
		E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	64
		E1-7	GHG removals and GHG mitigation projects financed	66
		E1-8	Internal carbon pricing	67
ESRS E2	Pollution	IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	69
		E2-1	Policies related to pollution	69
		E2-2	Actions and resources related to pollution	71
		E2-3	Targets related to pollution	72
		E2-4	Pollution of air, water and soil	72

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ESRS E3	Water and marine resources	IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	77
		E3-1	Policies related to water and marine resources	78
		E3-2	Actions and resources related to water and marine resources	79
		E3-3	Targets related to water and marine resources	79
		E3-4	Water consumption	80
ESRS E5	Resource use	IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	82
		E5-1	Policies related to resource use and circular economy	82
		E5-2	Actions and resources related to resource use and circular economy	83

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		E5-3	Targets related to resource use and circular economy	84
		E5-5	Resource outflows	85
ESRS S1	Own workforce	SBM-2	Interests and views of stakeholders	88
		SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	88
		S1-1	Policies related to own workforce	92
		S1-2	Processes for engaging with own workers and workers' representatives about impacts	98
		S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	99

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		S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	100
		S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	104
		S1-6	Characteristics of the undertaking's employees	105
		S1-10	Adequate wages	106
		S1-14	Health and safety indicators	106
		S1-16	Compensation indicators (pay gap and total compensation)	107
ESRS S4	Consumers and end-users	SBM-2	Interests and views of stakeholders	109

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		SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	109
		S4-1	Policies related to consumers and end-users	115
		S4-2	Processes for engaging with consumers and end-users about impacts	117
		S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	118
		S4-4	Taking action on material impacts on consumers and end-users, and approaches to mitigating material risks and pursuing material opportunities	119

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		S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	121
ESRS G1	Business Conduct	GOV-1	The role of the administrative, management and supervisory bodies	123
		IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	123
		G1-1	Business conduct policies and corporate culture	125
		G1-3	Prevention and detection of corruption and bribery	129
		G1-4	Incidents of corruption or bribery	131
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