

ZENTIVA
FINANCIAL YEAR 2023
Non-financial report

Table of Contents

1. Introduction	2
2. Activity of the company	2
2.1 Stocks and shareholders	2
2.2 Economic and financial environment	4
2.2.1 Pharmaceutical industry	5
2.2.2 Activity of the company in 2023.....	5
2.3 Portfolio of products and distribution market	5
2.3.1. Reporting basis	5
2.3.2. Portfolio of products and distribution market	6
2.4 Objectives for 2024	7
3. Ethics and business integrity	7
3.1 Medical ethics and transparency of transfers of value	8
4. Sustainability and environment protection (HSE)	9
4.1 Risk and impact assessment	11
4.2 Training and awareness initiatives	12
4.3 Health	12
4.3.1 Managing risks associated with substances used in manufacturing	12
4.3.2 Managing health risks in the workplace.....	12
4.3.3 Occupational injury prevention programs.....	13
4.3.4 Learning from experience (LEX)	13
5. Information regarding environment protection	14
5.1 Energy efficiency.....	14
5.2 Water use.....	15
5.3 Managing wastewater discharge.....	15
5.4 Waste.....	15
5.5 Commitment for reducing food waste.....	16
6. Social commitments and diversity	16
6.1 Human rights' support initiatives	16
6.2 Employees	16
6.2.1 Non-discrimination	17
6.2.2 Employee benefits.....	17
6.2.3 Social dialogue.....	18
6.2.4 Gender balance and diversity.....	19
7. Taxonomy	20
7.1 Brief considerations regarding EU taxonomy	20
7.2 Assessment of eligibility for EU taxonomy for the financial year 2023	21
7.3 Evaluation of alignment with EU taxonomy for the financial year 2023	22
7.4 Key performance indicators for EU taxonomy	22



1. Introduction

This report was prepared in accordance with the European Directive no. 2014/95, Art. 2, transposed at national level in Order no. 1938/2016 and completes the Annual Report of the Board of Directors for 2023 published on the Company's official website.

The report discloses relevant information on the company business model as presented in the Annual Report of the Board of Directors, on ethics and anti-bribery measures, environmental protection policies and social commitment (working conditions, health and safety at workplace, social dialogue, diversity etc.) and associated risks and mechanisms for mitigation.

2. Activity of the company

2.1 Stocks and shareholders

ZENTIVA SA (hereinafter, the "Company" or "Zentiva") was established in 1962 under the name Intreprinderea de Medicamente Bucuresti (hereinafter, "IMB"). The current headquarters of the company is 50 Theodor Pallady Blvd., sector 3, Bucharest.

In 1990, the Company absorbed and took over the entire patrimony of the former IMB in accordance with the Government's Decision.

In November 1999, the majority shareholding was taken over by the group of institutional investors formed of the European Bank for Reconstruction and Development, the Post-Privatization Foundation, GED Eastern Fund, Euromerchant Balcan Fund, Black See Fund and Galenica North East via the Cypriot company Venoma Holdings Limited.

On 27 June 2002, the Extraordinary General Shareholders' Meeting approved the increase in the share capital by the amount of old Lei 277,974,100,000 (equivalent of RON 27,797,410), respectively from the value of old Lei 138,987,050,000 (equivalent of RON 13,898,705) to the value of old Lei 416,961,150,000 (equivalent of RON 41,696,115), through the granting of 2 free stocks for each stock held by the shareholders registered with the Shareholders' Register as at the reference date 30 May 2002.

On 12 October 2005, Zentiva N.V., a Dutch company seated in Amsterdam, The Netherlands, with branches in several European countries, purchased the shares in Venoma.

In October 2005, Zentiva N.V. made a public offer regarding the purchase of the stocks of the issuer Sicomed SA, named afterwards Zentiva, for the amount of RON 1.37/ share, during the period between the 9 November 2005 and 12 January 2006.

In March 2009, Sanofi-Aventis Europe announced its having become a shareholder of Zentiva N.V., holding approximately 96.8% shares.

In August 2009, Sanofi-Aventis Europe made a public offer regarding the purchase of the stocks of the issuer Zentiva, for the amount of RON 0.7/ share, during the period between 12 August 2009 and 22 September 2009.

Between 20 February 2018 and 5 April 2018, Sanofi-Aventis Europe, through Zentiva N.V., conducted a public purchase offer at a price of RON 3.50 per share, after which it acquired 48,216,352 shares, thus reaching a holding of 93.2295% of the share capital of the Company.



2. Activity of the company (continued)

On 30 September 2018, the transfer of shares was finalized between Zentiva N.V. (100% owned and controlled by Sanofi Aventis Europe), as seller, and AI Sirona BidCo s.r.o. (100% owned and controlled by AI Sirona (Luxembourg) Acquisition S. à r.l., a company which is entirely owned by AI Sirona (Luxembourg) Subco S. à r.l. and ultimately controlled by Advent Funds GPE VIII, a fund managed by Advent International Corporation), as buyer, through which the control over Zentiva Group a.s. was transferred. On 31 December 2018, Zentiva Group a.s. held 388,730,877 shares, representing 93.2295% of the share capital of the Company.

Between 18 December 2018 and 11 January 2019, Zentiva Group a.s. conducted a mandatory public offer for buying at a price of RON 3.7472 per share, after which it acquired 200,333 shares, thus reaching a holding of 388,931,210 shares representing 93.2776% of the share capital of the Company.

Between 5 July 2019 and 5 August 2019 (subscription period), the Company carried out the operation of share capital increase by granting preferential rights, by issuing a number of 300,000,000 new shares, with a nominal value of 0.1 RON / share, which were offered for subscription to the shareholders registered in the shareholders' register of the Company held by Depozitarul Central SA, on the registration date 16 May 2019. Following the subscriptions made, out of the total number of 300,000,000 new shares, 19,944,110 shares were not subscribed and were canceled in accordance with the provisions of the decision of the extraordinary general meeting of the shareholders of the Company dated 30 April 2019.

After the share capital increase, the share capital of the Company is RON 69,701,704 (compared to RON 41,696,115 prior to the increase), being divided into 697,017,040 nominal shares with a value of RON 0.1 each, and is held as follows:

- the shareholder Zentiva Group a.s. owns 668,778,101 shares, representing 95.9486% of the Company's share capital;
- other natural and legal persons hold 28,238,939 shares, representing 4.0514% of the Company's share capital.

The synthetic shareholding structure as at 31 December 2023 remained identical to the one as at 31 December 2022, as follows:

Shareholding structure	31 December 2021 (%)	31 December 2022 (%)	31 December 2023 (%)
Zentiva Group a.s.*	95.9486	95.9486	95.9486
Other minority shareholders	4.0514	4.0514	4.0514
Total	100	100	100

Source: Depozitarul Central

**On 31 December 2019, the company Zentiva Group a.s. merged with the company AI Sirona Bidco s.r.o., the latter being the sole shareholder of Zentiva Group a.s. Following the merger, the company Zentiva Group a.s. ceased to exist, its entire assets being transferred to the company AI Sirona Bidco s.r.o., which, as of 31 December 2019, also changed its legal form from a limited liability company ("s.r.o.") to a joint stock company ("a.s."), as well as the name from AI Sirona Bidco s.r.o. to Zentiva Group a.s.*



2. Activity of the company (continued)

The Company's shares have been listed on the Standard Category of the Bucharest Stock Exchange starting from 1998.

Out of the total number of 697,017,040 shares, 696,833,149 shares are being traded on the capital market, the rest of 183,891 shares being held by Zentiva.

The Company did not trade its own stocks during 2023.

The market capitalization of the Zentiva shares as at 31 December 2023 amounted RON 2,035,289,757 (2022: RON 1,352,213,058).

As of 31 December 2023, the price per share was RON 2.92 / share (2022: RON 1.94 / share).

As of 31 December 2023, the Company has net assets of RON 1,191,262,465 which represents more than 50% of the share capital of RON 69,701,704 (as of 31 December 2022, the Company had net assets of RON 999,354,559 representing more than 50% of the share capital of RON 69,701,704) which is in compliance with the requirements of Romanian Company Law no. 31/1990, as amended and supplemented (the "Company Law"). As of 31 December 2023, the Company did not set a legal reserve. On 31 December 2023, the level of legal reserves had reached the threshold of 20% of the Company's share capital, in accordance with the Companies Law.

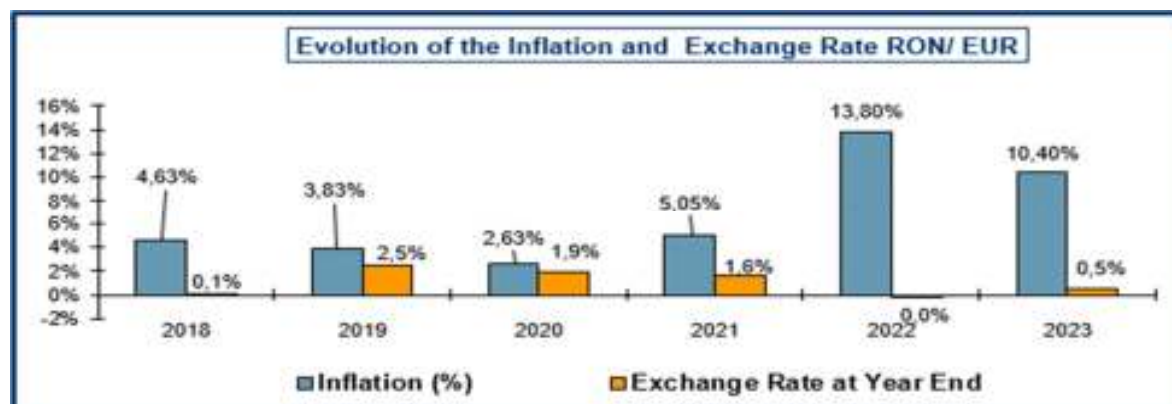
Mergers and re-organizations of the Company

In 2023, the Company did not undergo any mergers or re-organizations.

2.2 Economic and financial environment

Evolution of the macroeconomic indicators in Romania

The inflation rate had significant fluctuations, from 4.6% in 2018, to 10.4% in 2023. In 2023, the national currency depreciated against the EUR by 0.5%, from RON / EUR 4.9474 at 31 December 2022 to RON / EUR 4.9746 at 31 December 2023.



Source: National Institute of Statistics and NBR



2. Activity of the company (continued)

2.2.1 Pharmaceutical industry

The Romanian pharmaceutical market, including prescription-based and over-the-counter medicines, recorded in 2023 a growth rate of 14.1% (in terms of value) versus the previous year, reaching the level of EUR 6.224 million (according to the sell-in information provided by the market research agency IQVIA in December 2023).

According to IQVIA, the Romanian generic medicines market grew also in 2023 by 16.7% (in terms of value), reaching the level of EUR 1.174 million, according to IQVIA.

2.2.2 Activity of the company in 2023

For 2023, Zentiva reports a turnover of MRON 953.6 with an increase of 25.5% compared to the previous year, and an operational profit of 192.6 MRON, with an increase of 93.7%, compared to the previous period, mainly due to the increase in sales of goods (27%) and services (8%) and the increase in the financial result (30%).

In 2023, the achieved production volume was higher by 5.5 million commercial units than the 2022 production, representing an increase of 4.5%.

The Company closed the year 2023 with a net profit of RON 192,615,832.

The most important achievements in 2023 were the following:

- Successful completion of the transfer of 6 more products for export, manufactured locally;
- External sales accounted for 44% of the achieved 2023 production volume (136.65 million manufactured commercial units both for the Romanian market, but also for other European markets - Germany, France, Italy, Czech Republic, Slovakia, etc.);
- Investments in total amount of RON 28.3 million (EUR 5.7 million) in new production equipment & laboratories and modernization of existing ones, equipment to reduce electricity consumption and reduce the carbon footprint.

2.3 Portfolio of products and distribution market

2.3.1. Reporting basis

As at 31 December 2023, Zentiva prepared financial statements in accordance with Order of the Ministry of Finance no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards applicable for companies whose securities are admitted to trading on a regulated market, with all the subsequent amendments and clarifications in force.

Sales – Volumes and amounts

The net turnover amounts to RON 953,633,084 as of 31 December 2023 (2022: RON 759,630,870).

The Zentiva's average selling price (finished goods and merchandise) was RON 5.99 in 2023 and RON 4.99 in 2022. The price increase is due to the change in the mix of products and to the price update in line with the increase in raw material costs and manufacturing costs.

	2023	2022
Net revenue from sales of goods (million RON)	894.1	704.7



Sold quantity (million units)	149.2	141.1
Average selling price (RON / sold unit)	5.99	4.99

Source: Zentiva, Annual Financial Report

In 2023, external sales accounted for 43.7% of total turnover (RON 417.1 million), compared to 41.1% in 2022 (RON 312.3 million). The external sales were made through Zentiva k.s. (part of Zentiva Group). The medicines were mainly intended for European Union markets.

The percentage of OTC (over the counter) products in Zentiva SA sales was 4.7% in 2023 versus 4.8% in the previous year.

The sales by types of products in 2022 – 2023 are presented below:

Product type	2023	2022
Ethical (Rx)	95.3%	95.2%
OTC	4.7%	4.8%

2.3.2. Portfolio of products and distribution market

The product portfolio of Zentiva includes 137 products for human use, as solids (tablets, capsules, and pellets) and injectable solutions.

a. Until 27 September 2018, the distribution activity on the local market was ensured by Sanofi Romania SRL, the exclusive distributor of the Sanofi Group on the Romanian market. After Zentiva exited Sanofi Group, the distribution activity on local market was ensured by Romanian distribution companies.

b. Zentiva is a part of Zentiva Group, which has production facilities in Czech Republic, Romania and India. The sales on the EU market were ensured by Sanofi Winthrop (part of Sanofi Group) until 30 September 2018 and by Zentiva k.s. (part of Zentiva Group) after 1 October 2018.

Selection policy for suppliers of raw materials

The policy of Zentiva is to permanently search for suppliers that deliver high quality raw materials.

The Quality Insurance Department assesses the potential producers and the existing ones on a permanent basis. Their focus is on the quality documentation provided by them, which is necessary for authorization purposes and the quality of the supplied products, as well as the products behaviour during the technological process.

Investment activity

In 2023, the Company investment expenses amounted RON 28.3 million. The objectives of the investment program, which will be continued in 2024 are to maintain the Good Manufacturing Practice Guidelines and update technologies in line with the international quality and environmental standards, and to extend the product portfolio and of new forms of packaging. The investments provided in the 2024 budget is RON 41.1 million (EUR 8.3 million).

In 2023, the financing of the investments programs was made exclusively from own sources.



2. Activity of the company (continued)

2.4 Objectives for 2024

For 2024, our objective is to maintain our leadership in the healthcare field, focusing on identifying growth opportunities and on diversifying our business according to European quality standards; to secure an efficient and profitable organization. Also, we reaffirm our commitment to our customers and partners for delivering the same best possible services to our meeting the Romanian patients' needs to the same extent of involvement as before.

Our key priorities for 2024 are:

- To maintain the profitability of the local producer, in the context of an increase in costs for utilities, increase in costs for materials (raw materials, excipients and packaging materials);
- To enhance the production capacity, by implementing the investment plan for 2024;
- To diversify and enhance Zentiva's presence on various markets and transfer of new products that should be produced locally;
- To increase the volume sales of products on the local market;
- To strengthen our product portfolio through new launches.

3. Ethics and business integrity

As a partner in the health journey, our commitment to acting with integrity is essential to ensure the trust of people who receive the medicines they need.

In a complex environment, we are determined to respect the ethical principles that govern our activities and we are committed to comply with the laws and regulations applied in each country in which we operate. It is important to get results, but "how" we get them is just as important.

We subscribe to the principles of the Universal Declaration of Human Rights, the International Labor Organization and the Organization for Economic Cooperation and Development (OECD). We also support the right of every person to health, as defined by the International Convention on Economic, Social and Cultural Rights. We support and apply essential principles on human rights, labor, environment and anti-corruption.

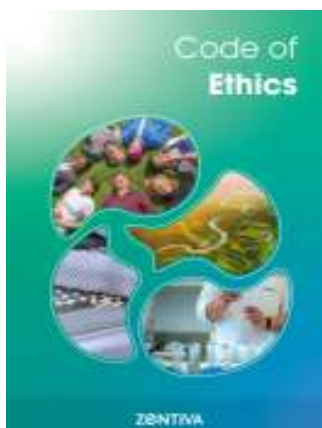
Today more than ever, strengthening people's confidence is essential to the success and competitiveness of our Company. In this regard, during 2023, Zentiva continued to offer to its employees training programs specific to the field of business ethics and integrity.

As means of control in the management of risks related to the fighting against corruption, the Company has observed the provisions of the Code of Ethics, implemented in a new form in 2021 and updated in 2023, representing a policy on rules anti-bribery, on which the Company's employees are regularly trained, a policy on monitoring compliance processes, as well as a Speak-up/ Whistleblowing policy which encourages the Company's employees to report any concerns related to ethical compliance/ integrity, using one or more channels provided by the Company (mobile ballot boxes, landline / mobile phone number, e-mail address dedicated to this process, electronic platform - <https://www.zentiva.ro/speak-up-line>).

In 2023, the Company was not involved in and did not register any case of bribery or corruption and there were no lawsuits against the Company regarding anti-competitive behavior, anti-trust or monopoly practices.



3 Ethics and business integrity (continued)



Starting with November 2018, Zentiva implemented a new ethical code, named "Code of Common Sense". In October 2021, it was updated, being renamed "Code of Ethics". The last update of the Code of Ethics was carried out in December 2023, considering the following aspects:

- **A new design.**
- **A new concept** – Zentiva focuses its approach on the following areas of interest:
 - Our Purpose, Our Values, Our Code;
 - Our commitment to people, quality and safety;
 - Our people;
 - Our impact;
 - Our business;
 - Reporting concerns.

- **Updated/Added domains:**
 - Our People - introductory article;
 - Our Impact – Sustainability;
 - Our business - Antitrust and competition legislation;
 - Reporting concerns.

The ethics compliance training program includes online training courses for employees with laptop/computer access on: Code of Ethics, anti-corruption rules, conflict of interest rules, due diligence rules, rules regarding economic sanctions and rules regarding protection of personal data.

The employees who do not have access to a laptop/computer are trained regarding the above-mentioned subjects during the annual face-to-face training sessions. New employees are trained on the above-mentioned subjects through online training courses.

Also, during the meetings of the sales team organized twice a year there are trainings on the above-mentioned subjects.

3.1 Medical ethics and transparency of transfers of value

We interact with healthcare professionals every day to support the proper use of our pharmaceutical products and get valuable feedback from them.

For example, we interact with healthcare professionals in order to:

- Better understanding medical conditions, and further our knowledge of their physiopathology and of the mechanism of action of new compounds;
- Draw upon their expertise to adapt our projects in the interest of patients;
- Encourage proper use of our products; and
- Organize scientific briefings on pathologies, related issues, and the pharmaceutical products we commercialize.

Committed to the principle of transparency* that helps build trust in our relations with stakeholders, the public and most importantly the patient, we have been disclosing the transfer of values to HCPs, according to the national legislation*, since 2014. The information is available on ANMDMR (Agentia Nationala a Medicamentului si a Dispozitivelor Medicale din Romania) website.

**Health Ministry Order no. 194/2015 on the approval of the norms for the evaluation and approval of advertising of medicinal products for human use and Law 95/2006 on healthcare reform.*



The Company has put in place policies covering rules and operational requirements for organization of events, interactions with the medical community, public officials and selected third parties, with patients and patient organizations.

4. Sustainability and environment protection (HSE)

All of Zentiva activities are subject to regulations, and also to ever-growing expectations on the part of stakeholders, in the field of HSE. To address these challenges and to renew our commitment to our employees and to the environment, the HSE policy was updated in October 2023.

This policy, the cornerstone of the Company's HSE strategy, is part of our commitment to corporate social responsibility. To implement this policy, Zentiva has defined a series of HSE targets for 2025, which are applied in all of our activities, focusing on four key areas:

1. Encourage change in attitudes to safety means we can commit to protecting life by ensuring that all our people enjoy safety in the workplace and arrive home safe and sound every day;
2. Create a healthy community by protecting the health of everyone working at Zentiva;
3. Reduce our environmental footprint: leverage our strategy in order to become a leader of corporate environmental management;
4. Strengthen HSE as a partner of our business operations: using HSE programs and transverse cooperation, transform HSE challenges into opportunities for our businesses and on our markets.

Our HSE Department has established a framework that covers all aspects of HSE: safety in the workplace, process safety, occupational health, protection of the environment and fire protection. These documents are reviewed periodically (as per regulation in force - Law 319/2006). The framework includes regulatory requirements and internal rules, the results of risk/opportunity analysis, and is translated into a set of compulsory standards and methodological guides.

International standards	Zentiva certifications
ISO 9001 (Quality Management)	☑
ISO 14001 (Env. management)	☑
ISO 45001 (Health & Safety at Work)	☑
ISO 50001 (Energy Management)	☑
Environmental Permit no 234/07.05.2012	☑
Water permit no. 205/ 05.05.2022	☑
Discharge Permit no. 152/31.08.2012	☑
Fire Protection Permit	☑
Manufacturing Authorization no. 15F/28.04.2023	☑
Certificate of Good Manufacturing Practices Compliance 021/2022/RO	☑

Zentiva manufacturing site is subject to several internal audits and inspections. In 2023, 31 (thirty one) internal audits and inspections were performed with good results in terms of safety, environmental protection and fire prevention.

The site is also subject to inspections by authorities and third parties, such as potential and current customers. In 2023, the Company was subject to an inspection from Work Inspectorate (ITM); no critical findings were issued.

Periodical supervision audits (every three years) are carried out by Lloyd's Register Romania on Zentiva site and the processes confirmed and maintained the certifications based on ISO standards 9001, 14001 and 45001.



4 Sustainability and environment protection (HSE) (continued)

Also, at the level of Zentiva Group, we have developed the sustainability strategy (applicable to the level of Zentiva as well) around the following key messages:

- At Zentiva we ensure the supply of high quality medicines at affordable prices to people who depend on each day. We do this in a sustainable way and we will continue our mission even with and for future generations.
- We want Zentiva to be a healthy company. We understand the impact of our activities on the environment and implement measures to reduce it, throughout the product life cycle.

Thus, we believe that active identification and proper management of environmental, social and governance (ESG) issues are fundamental. We take our responsibility seriously and that means we actively manage risk, respect communities, communicate transparently and create value through operational excellence. Our activities are guided by an annual evaluation, and our actions are grouped around 3 pillars: People, Partners and Planet.

Our journey began in 2019, when Zentiva planted the first trees in Romania. We created the *Planet Z* campaign and started collecting, consolidating the actions already carried out in our company and step by step we expanded our framework and applicability. Today, our work on sustainability is carried out in a structured way, sustained and led at the top of the company, focused on a few key topics about which we believe we can make a difference.

- We have started working on our vision to be carbon neutral in 2030 and to meet our annual targets.
- Zentiva's site in Bucharest is 100% supplied with electricity from renewable sources.
- We continue to plant trees as we started in Romania since 2019, planting in the period 2019-2023 a total number of 105,000 trees, of which 38,800 trees were planted in 2023 alone on an area of approximately 20 hectares, having as a partner Conservation Carpathia Foundation. This project spread over several years contributed to the restoration of the area affected by clear cutting on several hectares. All these reforestations contribute to restoring the natural balance, for the benefit of the environment, people and local communities in the vicinity. In addition to the planting of trees, the project also foresees the monitoring and care of the saplings during the next 3-5 years by the Conservation Carpathia team, which will ensure their survival through fencing or replenishment actions.
- We focus on reducing the amount of waste generated by optimizing demand planning to avoid the destruction of medicines, optimizing materials used, recycling.
- We encourage the development of volunteer culture, promoting projects to collect expired drug waste from employees and facilitating the controlled destruction of this waste (approximately 29.7 kg managed this way), the plastic lids that caps we later hand over to an NGO involved in supporting medical cases.
- We are concerned about reducing the CO2 footprint with the objective of having 0 (zero) CO2 in 2030.
- We continue to work globally and locally on Diversity and Inclusion, with a focus on people with disabilities, through projects in partnership with the Romanian National Association of the Deaf People and *Totul pentru Tine* Association.



4. Sustainability and environment protection (HSE) (continued)

4.1 Risk and impact assessment

The risk management and identification process is critical to our global HSE management system. Its main objective is to identify hazards and risks and to evaluate their probability and potential effects, by carrying out overall risk mapping and implementing risk control & mitigation measures. The Company has a comprehensive risk assessment program covering all its activities by systematically identifying all HSE hazards and evaluating the associated risks and effects.

A Gap analysis on risk assessment is performed on 3 years basis, shared and discussed with all relevant stakeholders. Following this analysis, the risk management and action plan is developed.

The evaluation methodology aims to identify and quantify hazards and assess the level of risk in light of the extent to which the risk is controlled:

- Process safety and risk of explosions;
- Fire risks;
- Exposure to natural disasters (assessed with insurers, if necessary);
- Work-station risks;
- Road safety;
- Asphyxiation risks;
- Occupational disease risks; and
- Environmental risks.

Risk evaluations are reviewed on a periodical basis, and whenever there is a material or process change.

Zentiva establishes and maintains its own emergency response plan, adapted to reflect site-specific risks and the internal or external resources that would be deployed or called upon in response to those risks. This risk map is evaluated annually.

Results from the evaluations are collated in a site risk map, which identifies all types of risk associated with the site or activity. These risks are then ranked by priority, with the priorities signed off by management, first at site level and then at activity level. All the risk maps are incorporated into a summary report. Action plans are then implemented accordingly, at the appropriate level (site, activity or company level).

All actions are systematically followed-up with dedicated tools and during regular meetings.

The follow up process also identifies if the actions were appropriate, effective and if the efficacy is the expected one.

All the CAPA (Corrective Action Preventive Action) defined in 2023 were implemented as planned.



4. Sustainability and environment protection (HSE) (continued)

4.2 Training and awareness initiatives

We invest in training and awareness programs designed to embed environmental protection, and the prevention of health and safety risks, into everything we do.

Each new joiner receives initial HSE training appropriate for their job profile so that they can perform their work in strict compliance with the rules. Depending on their jobs, employees may then follow other training modules specifically related to what they do (such as eco-driving for medical and sales representatives, or chemical risks for employees handling chemical products).

For each job in the company a training matrix was established and the HSE training was delivered 100%.

In addition, all new information about relevant incidents or accidents occurred and potential dangerous situations are also communicated to employees as part of the training sessions.

In 2023, two accidents were recorded, namely a work accident (sprained ankle when pushing a dryer tub as a result of the employee stepping on the wrong foot) and an accident on the employee's way from home to the company's premises.

4.3 Health

4.3.1 Managing risks associated with substances used in manufacturing

We continually assess the effects of products on human health, especially that of our employees. This assessment is made available to employees through committees responsible for chemical and biological risk assessments, which are used to determine adequate risk prevention and protection measures for employees.

The committee is responsible for hazard determination and classification for all the main active pharmaceutical ingredients and intermediates handled or manufactured at our sites. The committee provides guidance on risks, preventive measures, controls, personal protection equipment, medical supervision and specific training programs associated.

4.3.2 Managing health risks in the workplace

Every three years and when changes in the workplace or products occur, Zentiva plant prepares a health risk analysis, and then defines and implements risk prevention programs and occupational health practices. 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.

All the results are communicated to all involved parties; depending on the results, programs to reduce the risks are developed. This mainly involves containment measures, as well as individual and collective protection against exposure at all work-stations where chemical substances are handled. Before taking any measure from an HSE perspective, the employees from the exposed area are involved in designing the solution or in selecting the protection equipment they will use.

Also, other risk factors associated with issues such as noise, vibration and ergonomics are also measured and appropriate measures are taken when the limits are exceeded. All personnel are monitored under annual medical supervision programs that are based on the results of occupational risk assessments linked to their duties.



4. Sustainability and environment protection (HSE) (continued)

In the context of the pandemic, a series of risk assessments have been developed and measures have been implemented to reduce the risk of contamination within the Company. Thus, the team formed at Top Management level managed the entire pandemic crisis. In addition to aligning with legal requirements, additional protection measures have been implemented, from segregation and recompartimentalization of workplace access flows, to the provision of protective materials, masks and disinfectant for use outside working hours. The Company also incurred the costs associated with PCR testing of employees to identify the risk of contamination, in order to limit the spread of the virus in work teams. Working from home was an alternative for office staff.

4.3.3 Occupational injury prevention programs

Risk assessments of processes and installations are performed according to standards and internal guidelines that incorporate the benchmarks for the industry and international standards. Particular attention is paid to any risk-generating changes, such as process or installation changes, as well as changes in production scale and transfers between industrial or research units.

Zentiva site has implemented a real-time emergency reporting system that alerts management immediately after an accident has occurred. The information is quickly escalated to site head level and the management levels and also to the authorities. An investigation process and root cause analysis are performed in order to implement adequate measures to increase safety in the workplace.

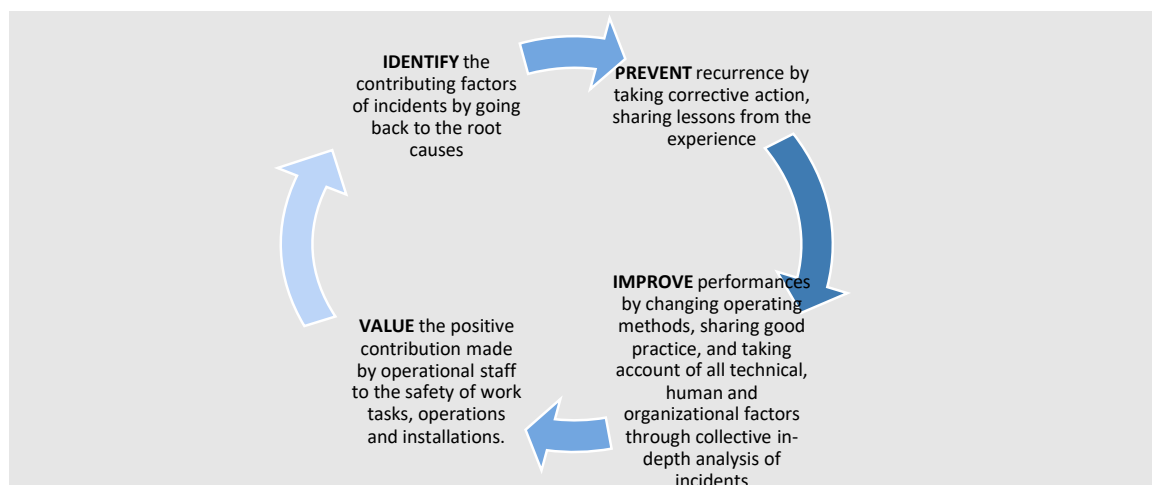
Internal communication follows after each safety incident at site level, during specific sessions.

A monthly KPI is issued to top management. Also, daily monitoring of HSE deviations is performed in management meetings and followed up appropriately.

An internal tool, on the local intranet was developed in order to collect all the deviations from HSE perspective. All deviations are daily monitored during the site leadership meetings and appropriate actions are defined and implemented.

4.3.4 Learning from experience (LEX)

To achieve further improvements in accident prevention, we have set up a learning from experience process aimed at achieving the following objectives:



4. Sustainability and environment protection (HSE) (continued)

Learning from experience is based on a dedicated reporting datasheet (known as LEX Alert) containing an analysis of the incident, the immediate and root causes, and actions to be taken.

5. Information regarding environment protection

We have embarked upon an ambitious policy to limit the direct and indirect impacts of our operations on the environment through every stage of the life cycle of our products. We have identified five key environmental issues associated with our operations: greenhouse gas emissions and climate change; water; pharmaceutical products in the environment; waste; and biodiversity.

Our existing initiatives are ongoing but have been given fresh impetus through our “PlanetZ” program.

One of the important directions is to increase general awareness of all employees in environmental matters and to improve their behavior through voluntary environmental campaigns. In this regard, we have continued the program for the controlled collection and destruction of expired medicine waste that our colleagues own, thus preventing the contamination of the environment with medicine waste.

In the context of production activity in 2023, a noticeable reduction was registered with respect to the results on the carbon footprint.

		2021	2022	2023
CO²	[t]	5,939	4,577	4,698
Offset CO²	[t]	-	-	900.2

5.1 Energy efficiency

An energy efficiency program has been implemented by our company, with a specific focus on the air treatment systems that ensure a high-quality production environment in manufacturing buildings, these systems being some of our biggest users of energy.

Since 2013, an energy performance management tool has been in place within Zentiva to identify potential reductions in energy consumption. Zentiva has been ISO 50001 certified by Lloyd’s Register Romania since 2015.

Our energy efficiency approach extends to all our activities, starting from the purchases of materials/machines, manners of fabrication, and including our medical rep vehicle fleets and decisions on how we transport our products.

Starting with 2020, the electricity used within the company comes 100% from renewable sources.

In 2022, the company invested approx. 1.1 mil. Euro in four big projects with the aim to render energy and natural gas consumption more efficient.

Energy Consumption (MWh)	2020	2021	2022	2023
Natural gas	22,041	24,985	23,545	18,825
Electricity	11,745	12,883	13,176	13,281
Other (steam, thermal fluids, cooling water, compressed air)	-	-	-	-
Total	33,786	37,868	36,721	32,106



5. Information regarding environment protection (continued)

5.2 Water use

We are committed to managing water resources sustainably. To help us deliver on this commitment, Zentiva plant established and executed a water resource management plan.

Water used for production processes and for the heat exchange (cooling for processes, without contact with production) is mainly withdrawn from available watercourses and groundwater. We have specific operating procedures for effectively managing our use of water, and for reducing our consumption through moderation.

Water	[unit]	2020	2021	2022	2023
City water network	[m3]	93,231	76,877	84,943	85,587
Groundwater*	[m3]	774	774	300	0
Total	[m3]	94,005	77,651	85,243	85,587

* not included in the product

5.3 Managing wastewater discharge

Water pollution prevention is one of Zentiva plant's priorities. The main focus in terms of wastewater is to reduce as much as possible the pollutants that could get into the water system during the cleaning procedures.

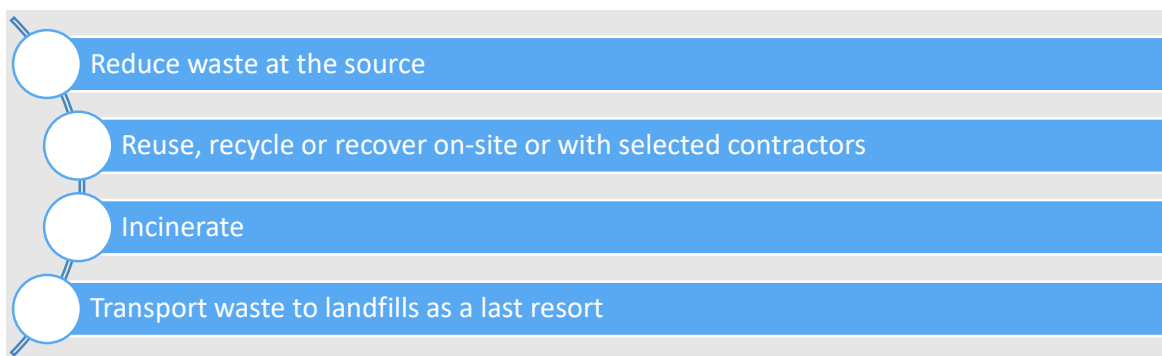
Several operational controls were put in place and proved to be secure, the most effective being collection of waste before equipment's cleaning.

Internal monitoring is performed on weekly basis besides the monthly analysis performed by the RENAR certificated laboratory in accordance with legal requirements.

5.4 Waste

The key to our policy is to reduce waste generation at source, followed by a systematic examination of recycling possibilities before waste is disposed of in any other manner.

Inspired by the circular economy, Zentiva site manages its waste according to the following principles:



Our waste management program includes procedures to identify and categorize waste generated by each process, and then to collect, to sort, to store, to transport and to treat each type of waste appropriately. In addition, we keep records of all waste management documents to ensure traceability up to the final treatment.



5. Information regarding environment protection (continued)

Waste resulted from production activities are not finally stored.

From March 2022, construction waste entered the recycling process.

	Generated waste (t)	Recycled waste (t)	Incinerated waste (t)
2019	1253.79	517.35	710.75
2020	370	130	240
2021	957	480	477
2022	960	532.44	427.93
2023	1280.87	648.38	632.49

Specific to pharmaceutical production activities, air treatment units are designed to keep a controlled and clean environment inside the plant and also outside it, with the aid of several technical filtering barriers.

Manufacturing areas are equipped with 24h professional air treatment systems, with filters for recycling and for evacuating the air.

The efficiency of the air filtering systems reaches a retention degree of 0.995% for particles measuring > 0.3µm. This filtering level is set in accordance with the production systems and with the GMP standards for the pharmaceutical industry and it ensures environmental protection.

5.5 Commitment for reducing food waste

At the plant canteen, food waste reduction is promoted by recovering leftover vegetables for reuse the next day, by introducing selective collection bins to facilitate waste recycling.

6. Social commitments and diversity

6.1 Human rights' support initiatives

Zentiva supports and applies the United Nations Guiding Principles on Business and Human Rights, and has for many years adopted a proactive vigilance approach to prevent our activities having negative impacts on human rights. Our main initiatives are described below:

- freedom of association and recognition of the right to collective bargaining (ILO conventions 87 and 98); elimination of all forms of forced labor (ILO conventions 29 and 105);
- effective elimination of child labor (ILO conventions 138 and 182);
- elimination of discrimination in employment (ILO conventions 100 and 111);
- initiatives related to wages and employee benefits (ILO conventions 95, 131 and 135); and
- initiatives related to weekly rest (ILO conventions 14 and 106).

6.2 Employees

Employees have the right to be constantly informed and consulted as stipulated in the Internal Rules and the Collective Agreement.

Employees are informed upon employment, during the initiation program, about all the procedures and internal rules in force; they are informed as well about any update/change; all the procedures are visible to all employees on the local Intranet.



Given our desire to continuously improve and digitize processes, all new employees are invited to use an application that is helping them to adapt more easily in our organization and to provide them with relevant information and support in the first months of activity.

6.2.1 Non-discrimination

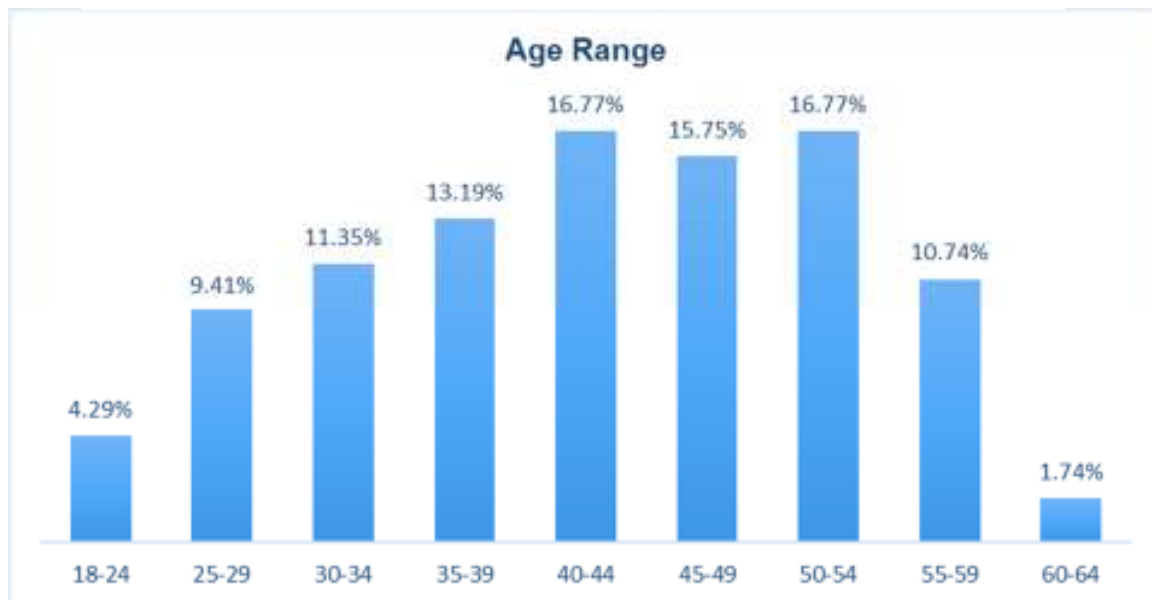
Zentiva strives to avoid any discrimination (e.g., based on gender) in the compensation paid for a given position at equivalent levels of individual performance.

6.2.2 Employee benefits

We strive to ensure that all of our employees receive high-quality benefits covering health, old age pension, incapacity for work, disability and death. These benefits comply with the national regulation and provide the coverage that best meets employees' needs. In general, employees (as well as their spouses and children, as applicable) receive a good level of reimbursement of medical expenses as well as death benefits. Benefits might also cover temporary or permanent incapacity for work, on a case by case basis. Employees can access a flexible benefits platform where an annual budget is allocated by the company. The flexible benefits available for all employees on the platform are: private pension, professional development and foreign languages courses, transport (for those who don't have a company car allocated), gift vouchers for certain occasions according to the Collective Labor Agreement at company level, holiday vouchers, cultural vouchers, sport activities and recreational activities.

In addition, in 2023, holiday vouchers were granted from the company to reward good financial results and to encourage employees to maintain a healthy balance between their professional activity and personal life. Holiday vouchers may also be used to cover the expenses with the camps for the children of the employees.

Chart of ages within the Company - December 2023



Whenever possible, Zentiva provides personalized employee benefit programs (medical, psychological support, personal development workshops etc.) that allow employees to use it according to their family situations and personal needs.



6. Social commitments and diversity (continued)

Regarding working conditions Zentiva provides high quality protection equipment for each category of job and special facilities in the site. We offer a special diet to people working in the production area, yogurt being provided daily and, once a week, fruits (especially apples) are offered through the canteen.

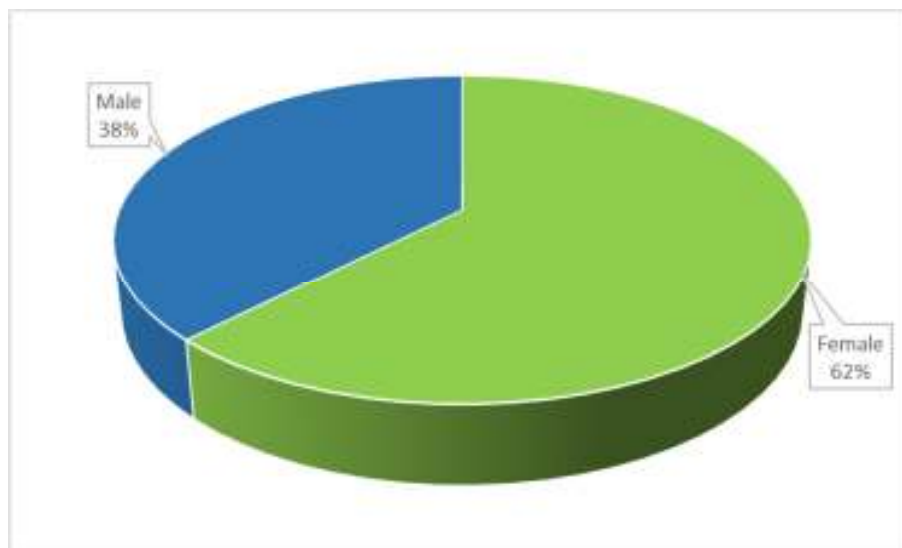
For the night shift, we offer a special compensation, amounting to 25% of the basic salary for each worked hour. The same applies for different bonuses offered for overtime or special events (wedding, childbirth, adoption, funerals, seniority and so on).

Part of „Fabrica de Buna stare” program, Zentiva also offers to employees the option to register for different sport activities, chair massage and, from time to time, emotional, medical and financial education classes. These activities from the mentioned program are organized with physical presence at the office and in the factory, but also as online activities.

During August - September 2023, Zentiva offered each employee a school backpack equipped with school supplies for each dependent minor child aged 2-18, to be properly prepared at the beginning of the school year.

We also offer a subscription to the online library called Bookster from where the employees can borrow a wide range of books for free and that are delivered to the office or at home.

The number of active Zentiva employees on 31 December 2023 was 978 people.



6.2.3 Social dialogue

Trade union representatives are elected by company employees for a 2 year term; they have guaranteed job security and cannot be dismissed by the company during their term of office. Regular meetings are held between the Trade Union Committee and employee's representative.

Through the Collective Agreement (2nd Chapter), Zentiva allows the Trade Union to conduct its activities at the Plant and use Zentiva's physical resources for this purpose. The Trade Union has the right to be constantly informed and the right to choose its members from among Zentiva's employees.

Trade Union representatives and company representatives establish quarterly and annual meetings to encourage a constructive dialogue between the parties and to review the rights and benefits of employees.



6. Social commitments and diversity (continued)

6.2.4 Gender balance and diversity

Diversity principles governing non-discrimination, equal opportunity and respect for individuals are observed and embedded in all our HR policies and in the Code of Ethics in accordance with the national legislation applicable in Romania, regarding human rights and labor.

Zentiva considers that diversity is a resource for optimizing performance and recognizing differences between employees.

Zentiva prohibits all forms of discrimination or any conduct that may harm personal dignity and promotes diversity and inclusion in the company.

Zentiva prohibits any employee to be subject of any form of harassment.

The actions to support this are related to the fact that all employees have the same rights and obligations, the same benefits and rewards, linked to job responsibilities and regardless the age, gender, race, religion, sexual orientation etc.

Regarding equal treatment, Zentiva supports equal opportunity for each employee and job applicant in order to create an inclusive and positive working environment.

Skills, competencies, expertise, experience and high ethical standards are the factors taken into account. Zentiva offers the same career opportunities to men and women, including access by women to management positions. In the company, more than 50% of women are part of management teams. Every year we use surveys performed by prestigious market research companies to compare the remuneration level and benefits.

Within the company, four different generations, with different background and education are currently working together. Zentiva has always been interested in the education of young people and for that we developed special internship programs for university graduates, and we are supporting dual education, in partnership with the "Edmond Nicolau" Technical College.

Zentiva supports recruitment and ensures job retention of employees with disabilities. Also, through social responsibility programs, the company has implemented multiple initiatives to support NGOs and associations that defend the rights of people with disabilities and their inclusion on the local labour market.

As means of control in the management of risks related to observance of human rights (i.e., the risk of discrimination against employees and/or customers based on gender, race, ethnicity, age, etc.), the Company has implemented a Code of Ethics, a policy on anti-bribe, against which the Company's employees are regularly trained, a policy on monitoring compliance processes, as well as a policy on reporting irregularities (en. *Speak-up*) that encourages the Company's employees to report any concerns related to ethical compliance, using one or more channels provided by the Company (mobile ballot boxes, landline / mobile phone number, e-mail address, electronic platform - <https://www.zentiva.ro/speak-up-line>). Also, the Internal Regulation applicable at the level of the Company contains an entire chapter dedicated to the observance of the principle of non-discrimination, called "*Observance of the principle of non-discrimination and the removal of any form of violation of employees' dignity*".

In 2023, the Company was not involved in and did not record any incidents of discrimination against employees or in connection with the work of minors.



7. Taxonomy

7.1 Brief considerations regarding EU taxonomy

This section sets out the key performance indicators set out in Article 8 of the EU taxonomy, EU Regulation no. 2020/852¹ and related delegated regulations.

EU taxonomy is a classification system that defines economic activities that can be considered environmentally sustainable. This classification system sets out six environmental objectives:

- climate change mitigation;
- climate change adaptation;
- sustainable use and protection of water resources and marine resources;
- the transition to a circular economy;
- pollution prevention and control;
- protection and restoration of biodiversity and ecosystems.

An **"eligible"** economic activity is an activity that corresponds to the description of one of the activities defined in the Delegated Regulation (EU) 2021/2139, 2022/1214, 2023/2485 and 2023/2486. An "eligible" activity has the potential to be considered environmentally sustainable (*i.e.*, **"aligned"**), if it also meets the additional criteria listed in the delegated acts under the regulation. Specifically, an economic activity is eligible regardless of whether it meets one or all of the technical examination criteria set out in the Delegated Regulation on Climate Change (and in future delegated acts). Therefore, the fact that an economic activity is eligible for taxonomy does not provide any indication as to the environmental performance and sustainability of that activity.

An **"aligned"** activity must comply with the following 4 conditions, as provided for in Article 3 of EU Regulation 2020/852:

- substantially contributes to one or more of the six environmental objectives;
- does not cause significant damage to any of the other five environmental objectives;
- respects the minimum social guarantees² regarding the duty of diligence on human rights, the fight against corruption and bribery, fair taxation and fair competition;
- meets the technical examination criteria that have been established by the EU and are listed in the delegated acts.

Eligibility and compliance with EU taxonomy must be reported financially as a percentage of a company's total revenue, of the total capital expenditure (CapEx) and of the selected operating expenses (OpEx).

The EU taxonomy is gradually being introduced over several years in all EU member states. For the financial year 2023, Zentiva is required to report its contribution to the "eligible" and "aligned" activities for two of the six environmental objectives: climate change mitigation and climate change adaptation. Zentiva is also required to report its contribution to the "eligible" activities for the last 4 climate objectives. The first two objectives focus mainly on the sectors with the largest contribution to carbon dioxide emissions worldwide, such as energy production, production, transport and construction, as well as activities that allow their transformation.

¹ Regulation (EU) 2020/852 of the European Parliament and of the Council, published in the Official Journal of the European Union of 22 June 2020.

² Minimum guarantees are procedures implemented by a company engaged in economic activity in order to ensure compliance with the OECD Guidelines for Multinational Enterprises and the UN Guidelines on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the International Labor Organization Declaration on Fundamental Principles and Rights at Work and the International Declaration of Human Rights.



Zentiva carried out its assessment for the financial year 2023 using acts under the EU taxonomy regulation and related documentation, the additional guidelines issued by the European Commission in the form of frequently asked questions (FAQ) and, where criteria and guidelines still leave room for interpretation, their own analysis of the criteria. Where the interpretation of the requirements was necessary, Zentiva took a careful and transparent approach. The EU taxonomy itself is subject to regular review, and the interpretation of taxonomy and its criteria may change over time, which could lead to different results in terms of eligibility and alignment with EU taxonomy in future reporting periods.

7.2 Assessment of eligibility for EU taxonomy for the financial year 2023

In order to assess whether the activities of Zentiva are eligible under EU taxonomy, activity descriptions and/or products have been compared with taxonomy activities that help reduce climate change and adapt to climate change, as defined in the Delegated Acts under the Climate Change Taxonomy Regulation. This comparison also took into account the relevant NACE³ codes and criteria applicable to a substantial contribution.

Turnover

Zentiva operates according to NACE code 2120 “*Manufacture of pharmaceutical preparations*” (equivalent NACE C21.20) with revenues of over 94% from medicines production. The remaining 6% represents income from intra-group services. Following a detailed assessment of delegated acts under the Delegated Regulation (EU) 2021/2139 regarding climate change, as well as Delegated Regulation (EU) 2023/2486 regarding the last 4 environmental objectives, the conclusion was that the main source of income mentioned above cannot be considered eligible for taxonomy. Also, the provision of services was not identified as eligible following the analysis of the aforementioned regulations. Regarding the reporting of eligible income for taxonomy, Zentiva does not currently record such revenues.

Capital expenditure (CapEx)

The investment activity of Zentiva mainly refers to the medicines production activity. Capital expenditures consist mainly of the development of production capacities. As Zentiva does not carry out eligible income-generating activities, only activities in category c) (according to Delegated Regulation 2021/2178, Annex I, pt. 1.1.2.2 capital expenditure) has been taken into account. There have been identified investments that could be considered eligible for taxonomy, such as those indicated in pt. “6.5. *Transport by motorcycle, car and light commercial vehicle*”, as well as pt. “7.3. *Installation, maintenance and repair of energy efficiency equipment*” letter (e) *installation, replacement, maintenance and repair, with highly efficient technologies, of heating systems, ventilation and air conditioning (HVAC) and water heating systems, including central heating equipment*” of Delegated Regulation 2021/2139.

Operating expenditure (OpEx)

Operating costs, as defined in EU taxonomy, are mainly limited to research and development, building renovation measures, short-term lease, maintenance and repairs, as well as any other direct expenses related to the daily maintenance of property, plant and equipment⁴. According to the eligible CapEx proportion, no associated eligible material operating expenses were identified. In addition, Zentiva also took into account the analysis of the category of expenditure from pt. c) (according to Delegated Regulation 2021/2178, Annex I, pt. 1.2.3.2) and no other operating expenses corresponding to that description have been identified.

³ EU taxonomy includes a reference to NACE codes (revision 2) for each activity. However, these references are only illustrative and do not prevail over the specific definition in the text of the Delegated Climate Change Act.

⁴ Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021, section 1.1.3.1.



7.3 Evaluation of alignment with EU taxonomy for the financial year 2023

An "aligned" economic activity is an eligible activity for taxonomy and which, in addition, meets the technical examination criteria to prove that it makes a substantial contribution to one or more environmental objectives of EU taxonomy, complies with the "principle of not causing significant damage" for that activity and meets the minimum social guarantees. An aligned economic activity with taxonomy is considered officially environmentally sustainable.

In the analysis of the identified eligible activities for the year 2023, no aligned activities were identified.

7.4 Key performance indicators for EU taxonomy

7.4.1 Turnover

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2023																					
Financial year 2023	Year			Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)(h)									Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2022 (18)	Category (enabling activity or) (19)	Category (transitional activity) (20)
	Economic activities (1)	Code (a) (2)	Turnover (3)	Proportion of Turnover, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)				
		RON	%	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T		
A. TAXONOMY-ELIGIBLE ACTIVITIES																					
A.1 Environmental sustainable activities (Taxonomy-aligned)																					
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)	0	0%	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%				
Of which enabling	0	0%	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%	E			
Of which transitional	0	0%	0%							Y	Y	Y	Y	Y	Y	Y	0%		T		
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities) (g)																					
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	0	0%	0%	0%	0%	0%	0%	0%	0%								0%				
A. Turnover of Taxonomy eligible activities (A.1+A.2)	0	0%	0%	0%	0%	0%	0%	0%	0%								0%				
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
Turnover of Taxonomy-non-eligible activities	953,633,084	100%																			
TOTAL	953,633,084	100%																			

Numerator for determining the percentage aligned with taxonomy (turnover)

The numerator that accounts for activities eligible for taxonomy is equal to 0, as no eligible activities have been identified. The percentage (%) aligned from turnover is 0.

Denominator for determining the percentage aligned with taxonomy (turnover)

The denominator is the total net turnover for the financial year 2023, as reported in the consolidated profit and loss account (as per the financial statements for the year ended 31 December 2023 of Zentiva).



7.4.2 Capital expenditures

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2023																			
Financial year 2023	Year			Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)(h)						Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2022 (18)	Category (enabling activity or) (19)	Category (transitional activity) (20)
Economic activities (1)	Code (a) (2)	CapEx (3)	Proportion of CapEx, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)				
		RON	%	Y, N, N/EL (b)(c)	Y, N, N/EL (b)(c)	Y, N, N/EL (b)(c)	Y, N, N/EL (b)(c)	Y, N, N/EL (b)(c)	Y, N, N/EL (b)(c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmental sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%		
Of which enabling		0	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%	E	
Of which transitional		0	0%							Y	Y	Y	Y	Y	Y	Y	0%		T
A.2 Taxonomy-Eligible but not environmental 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)										
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	5,375,565	14%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								9%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	2,132,970	6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								11%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		7,508,535	20%	20%	0%	0%	0%	0%	0%								20%		
A. CapEx of Taxonomy eligible activities (A.1+A.2)		7,508,535	20%	20%	0%	0%	0%	0%	0%								20%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		30,994,620	80%																
TOTAL		38,503,154	100%																

Taxonomy-aligned percentage numerator (CapEx)

The numerator that accounts for the activities eligible for taxonomy is equal to RON 7,508,535. The percentage (%) of aligned activities is equal to 0, as no aligned activities have been identified.

Taxonomy-aligned percentage denominator (CapEx)

The denominator is composed of the total capital expenditure for the financial year 2023 (as per the financial statements for the year ended 31 December 2023 of Zentiva).



7.4.3 Operating expenditures

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2023																			
Financial year 2023	Year			Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)(h)						Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2022 (18)	Category (enabling activity or) (19)	Category (transitional activity) (20)
	Code (a) (2)	OpEx (3)	Proportion of OpEx, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)				
		RON	%	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmental sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	0	0%	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%		
Of which enabling	0	0%	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%	E	
Of which transitional	0	0%								Y	Y	Y	Y	Y	Y	Y	0%		T
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities) (g)																			
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	0	0%	0%	0%	0%	0%	0%	0%	0%								0%		
A. OpEx of Taxonomy eligible activities (A.1+A.2)	0	0%	0%	0%	0%	0%	0%	0%	0%								0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities	21,263,254		100%																
TOTAL	21,263,254		100%																

Numerator for determining the percentage aligned with taxonomy (OpEx)

The numerator that accounts for the activities eligible for taxonomy is equal to 0 RON. The percentage (%) of aligned activities is equal to 0, as no eligible activities have been identified.

Taxonomy-aligned percentage denominator (OpEx)

The denominator consists of OpEx for the financial year 2023, as defined in the EU taxonomy, and includes only non-capitalized direct costs related to research and development, measures to renovate buildings, short-term lease, maintenance and repair, as well as any other direct expenditure related to the daily maintenance of property, plant and equipment by the undertaking or third party to which activities are outsourced which are necessary to ensure the continuous and efficient operation of these assets⁵. However, maintenance and repair or other direct costs may also be relevant for intangible assets (for example, right-of-use assets, software). As such, all these costs should be part of the KPI OpEx denominator⁶.

⁵ Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021, section 1.1.3.1.

⁶ FAQ 34 within the Communication Project of the Commission dated 19 December 2022.



Activities related to nuclear energy and fossil gases		
Row	Activities related to nuclear energy	
1	The company carries out, finances or has exposures to research, development, demonstration and implementation of innovative electricity generation installations producing energy from nuclear processes with a minimum of waste generated by the fuel cycle.	NO
2	The company carries out, finances or has exposures to the safe construction and operation of new nuclear installations for the production of electricity or process heat, including for purposes related to district heating or industrial processes, such as hydrogen production, as well as their security upgrades, using the best available technologies.	NO
3	The company carries out, finances or has exposures to the safe operation of existing nuclear installations producing electricity or process heat, including for purposes related to district heating or industrial processes, such as the production of hydrogen from nuclear energy, as well as their safety upgrades.	NO
Activities related to fossil gas		
4	The company carries out, finances or has exposures to the construction or operation of electricity generation installations that produce electricity using fossil gaseous fuels.	NO
5	The company carries out, finances or has exposures to the construction, reconditioning and operation of installations that combine the production of thermal energy for heating / cooling and electricity using fossil gaseous fuels.	NO
6	The company carries out, finances or has exposures to the construction, reconditioning and operation of heating / cooling heat production facilities using fossil gaseous fuels.	NO

Zentiva has no exposure to production, construction or operation of facilities that produce electricity or heat from nuclear sources or from fossil gaseous fuels.

As no nuclear and gas activities have been identified for the reporting entity, the remaining tables set out in Annex III to Delegated Regulation (EU) 2022/1214 are considered not to be applicable.

