Sustainability Report

2025

Remedia
Farmaceutica REMEDIA S.A.

Reporting period: 2025 financial year

Created with reference to the 2021 GRI Standards

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A word from our leadership

In a sector where stability and trust are essential, 2025 was a year of consolidation and reinforcement of our strategic direction.

We continued to invest in the development of our logistics infrastructure and in the digitalization of processes — two components without which efficiency and quality cannot be sustained in the long term. The implementation and expansion of technological solutions, including through our partnership with BD Rowa, reflect our commitment to modernizing operations and adapting to market developments.

Quality remains a fundamental benchmark of our activity, and our efforts over the past year have focused on strengthening operational control and maintaining high standards throughout all stages of the distribution chain.

The company has also taken further steps toward integrating sustainability into the way it operates — not as a separate objective, but as part of business discipline. We are beginning to work in a more structured manner, monitor processes more closely, and gain a clearer understanding of the directions that matter in the long term.

As a listed company, we have the responsibility to build on solid, transparent, and predictable foundations, both in our relationship with investors and with our business partners.

Looking ahead, we remain focused on the principles that have always defined the company: rigor, continuity, and the ability to adapt without losing sight of our direction.

Thank you for your trust.



Valentin-Norbert TARUS

General Director Remedia Group



2025 marks the first reporting cycle built around the material topics previously identified and reflects how these themes are beginning to be integrated into the company's day-to-day operations.

At this stage, the focus has been placed on structuring and clarifying key processes with a direct impact on the way the company operates. One important step forward has been the development of an ESG due diligence framework, providing a clearer foundation for the responsible assessment and management of relationships across the supply chain.

At the same time, digitalization initiatives and the optimization of logistics processes continued to play a central role, contributing to greater operational efficiency and improved coordination of activities. These directions, already well established operationally, are gradually gaining an additional dimension through their integration into the broader sustainability framework.

Further steps were also taken to strengthen the governance framework by clarifying responsibilities and internal control mechanisms, in line with evolving requirements and stakeholder expectations.

Going forward, efforts will focus on consolidating these directions and integrating them more clearly into day-to-day processes, so that sustainability is supported through stable, practical, and easy-to-follow mechanisms embedded in everyday operations.

This stage marks the transition toward a more structured way of working, in which sustainability is increasingly managed as an active part of operational processes.

Thank you for your interest in and attention to this undertaking.



Florin CADIA

Sustainability Director Remedia Group



CHAPTER 1

Business context & Operational Model

1.1

Organizational Profile

GRI: 2-1, 2-2, 2-6

Farmaceutica REMEDIA operates in Romania's pharmaceutical distribution and retail sector, playing an essential role in the healthcare supply chain. Positioned between manufacturers and distribution or end-use points, the company contributes directly to ensuring patients' continued access to essential pharmaceutical products.

The company's activities are centered around the wholesale distribution of pharmaceutical products, which represents the operational core of the business, complemented by the operation of its own pharmacy network. This model enables the company both to serve commercial partners and to maintain a direct relationship with patients, providing an integrated perspective on market needs and on how these can be addressed effectively.

During the reporting period, the company operated two warehouses, located in Bucharest and Deva, supporting nationwide product distribution. The logistics infrastructure is tailored to the specific requirements of the pharmaceutical sector, including storage conditions, handling procedures, and traceability requirements. These activities play a critical role in preventing operational losses and maintaining product quality, directly influencing resource efficiency and reducing waste generated throughout the distribution process.

At the same time, logistics operations involve resource consumption and associated impacts, particularly in relation to energy use and transportation activities. From this perspective, the efficiency of storage and distribution processes has direct implications for both operational performance and the company's environmental impact, especially through fleet optimization and the reduction of additional transport generated by errors or operational inefficiencies.

In the retail segment, the company operates its own pharmacy network, located primarily in rural areas and regions with limited access to pharmaceutical services.

The number of these locations was adjusted during 2025, from 22 to 19 units, as part of an operational optimization process and alignment with the company's strategic priorities.

The rural pharmacy network contributes to reducing disparities in access to healthcare services in areas where alternatives are limited.

The organizational structure includes the parent company, Farmaceutica REMEDIA S.A., listed on the Bucharest Stock Exchange, as well as operational entities supporting the company's activities. These include Farmaceutica REMEDIA Distribution & Logistics S.R.L. (FRDL), which supports logistics and distribution operations, as well as a 50% stake in Pharma Expert Spedition, a company specialized in pharmaceutical transportation. In addition, starting in 2025, the company holds a 24% stake in Novoengrama Medical Center, as part of its strategic direction toward complementary medical services, reflecting a gradual diversification of activities within the healthcare ecosystem.

The operating model is further supported by the development of digital and technological solutions dedicated to the pharmaceutical sector, including through collaboration with BD Rowa, which contributes to the modernization and optimization of processes in pharmacies and across the logistics chain. These initiatives support greater operational accuracy, error reduction, and more efficient resource utilization, playing a relevant role in improving overall operational performance.

Through its position within the supply chain, the company does not directly influence pharmaceutical manufacturing processes. However, it plays an active role in the selection and monitoring of partners and in ensuring appropriate transportation, storage, and distribution conditions.

1.1 Organizational Profile GRI: 2-1, 2-2, 2-6

The company's contribution is focused directly on operational execution quality and supply chain reliability — both essential elements for the efficient functioning of the healthcare system.

2 warehouses: Bucharest & Deva

19 pharmacies owned

The company operates within a highly regulated framework that imposes stringent standards for compliance, quality, and traceability, reinforcing its role as a responsible intermediary in the distribution of pharmaceutical products.

*This Sustainability Report covers the 2025 financial year and includes exclusively the activities carried out by **Farmaceutica REMEDIA S.A.** and **Farmaceutica REMEDIA Distribution & Logistics S.R.L.** (FRDL).*

The activities of Pharma Expert Spedition and Centrul Medical Novoengrama are not included within the reporting boundary, as the company does not exercise operational control over these entities and the data required for reporting purposes is not available on a consolidated basis. This reporting boundary reflects the current level of operational control and data availability and may be progressively expanded as the company's capacity for data collection and integration continues to develop.

Remedia Farmaceutica REMEDIA S.A.

Remedia Distribution & Logistics



Location of Remedia Warehouses and Pharmacies

1.2

Business Model and Value Chain

GRI: 2-6

The company's **business model** is centered around the distribution of pharmaceutical products, serving as a link between manufacturers and distribution or end-use points within the healthcare system. In this context, the company's operational performance directly influences product availability and continuity of supply across the market.

The company operates within a **value chain** that includes suppliers of products and services (upstream), its own operational activities (midstream), and distribution to customers and end beneficiaries (downstream). Each of these stages involves distinct responsibilities and generates different types of risks and impacts associated with the company's activities.

In its relationship with suppliers, the company works with authorized manufacturers and distributors of pharmaceutical products, as well as with providers of services and infrastructure necessary for business operations. Responsibility for product quality and safety lies with manufacturers, in accordance with applicable regulations. However, the selection of and collaboration with business partners remains a relevant element for the efficient functioning of the supply chain.

At this stage, the evaluation of suppliers from an ESG perspective is still under development, with initial steps being taken toward establishing more structured assessment and monitoring mechanisms in this area.

The company's core operational activities include product procurement, compliant storage, inventory management, and distribution to business partners. These processes form the operational backbone of the company and play an essential role in ensuring product traceability and integrity throughout the logistics chain.

The efficiency of these activities directly influences the level of operational losses, the frequency of errors, and the use of resources, including those related to product transportation and handling.

In practice, operational disruptions can trigger chain effects such as incorrect deliveries, product returns, or additional transport requirements, impacting both operational costs and resource consumption. From this perspective, the optimization of logistics processes and the improvement of operational accuracy are relevant not only for economic performance, but also for reducing the impacts associated with the company's activities.

Product distribution is carried out to both owned and independent pharmacies, public and private hospitals, clinics, and other healthcare facilities, with products ultimately reaching patients and consumers. The continuity and predictability of deliveries play an important role in ensuring product availability at distribution points, indirectly influencing patients' access to treatment.

Through its position within the value chain, the company exercises direct control over logistics and operational processes, as well as over the selection and management of contractual partners. At the same time, its influence over upstream stages of the value chain — particularly manufacturing processes — remains limited, as responsibility for these activities lies with manufacturers.

In parallel, the company develops and markets technological solutions dedicated to the pharmaceutical sector, including through collaboration with BD Rowa, contributing to the automation and optimization of processes within pharmacies and warehouses.



1.2 Business Model and Value Chain GRI: 2-6

These solutions support greater operational accuracy and the reduction of errors, without fundamentally altering the structure of the value chain.

Overall, the business model reflects a strong dependence on operational efficiency and on the effective functioning of supply chain relationships, with the company's performance being closely linked to its ability to manage these processes in a coherent and predictable manner.



1.3

Economical Performance

GRI: 2-6, 2-22, 201-1

NET TURNOVER

759.757.573 RON

EBITDA	**17.533.719 RON**
Consolidated Net Profit	**8.038.123 RON**

COST OF GOODS SOLD

~92% of all operation costs

In 2025, the company's economic performance reflected a stable evolution of operational activity, supported by the consolidation of its main business lines and adaptation to the conditions of the pharmaceutical market.

The economic value generated is reflected in a net turnover of RON 759,757,573, representing an increase compared to the previous year, alongside the maintenance of positive operational profitability. Consolidated net profit amounted to RON 8,038,123, while EBITDA reached RON 17,533,719, indicating a consistent ability to generate value from core activities.

The company's business model, based on pharmaceutical distribution and logistics services, results in a specific structure of generated economic value, in which the cost of goods sold accounts for a significant share (approximately 92% of total operating costs). This is characteristic of the sector and reflects the company's role within the supply chain, where margins are relatively low and operational efficiency becomes a critical factor.

Economical Value

Distributed Across Key Stakeholder Groups

Suppliers

Procurement of goods and services, representing the largest component of operating costs

Workforce

Salary-related expenses, reflecting the role of the workforce in supporting logistics and commercial activities

Government

Corporate income tax paid

Shareholders

Proposed dividend distribution, in line with the company's consistent policy in recent years

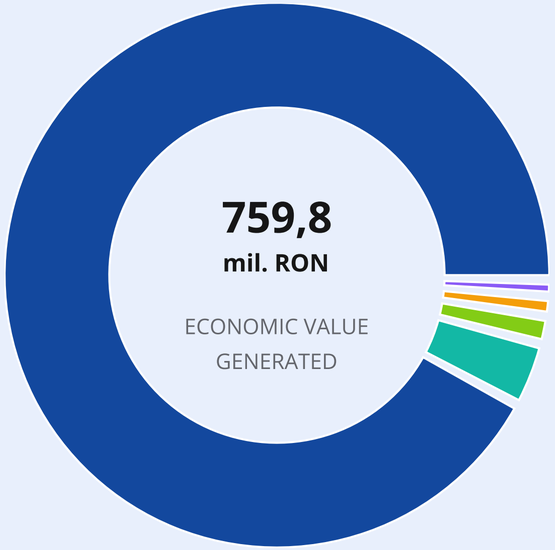
Financial institution

Financial costs and the use of financing instruments

This structure reflects the distribution of economic value within a business model focused on volume and operational efficiency, in which the company acts as an essential intermediary in the pharmaceutical supply chain.

1.3 Economical Performance

GRI: 2-6, 2-22, 201-1



Suppliers	696,6 mil. RON	91.7%
Workforce	24,7 mil. RON	3.3%
Government	8,2 mil. RON	1.1%
Shareholders	4,7 mil. RON	0.6%
Reinvestments	3,3 mil. RON	0.4%

Amounts are rounded. The distribution includes supplier-related costs (including the cost of goods), salaries and benefits, taxes, dividends paid, and reinvested profit.

During the reporting period, investments were directed primarily toward operational efficiency, digitalization, and strengthening the company's position within the distribution chain.

Investments in fixed assets also led to an increase of approximately **9% compared to the previous year**, reaching **RON 51.6 million**, reflecting the continued consolidation of the company's operational infrastructure.

Overall, the investments made in 2025 were focused more on efficiency and operational control than on aggressive expansion, in line with both the characteristics of the sector and the broader economic context.

The company's ability to maintain operational continuity is supported by a stable financial position and by risk management mechanisms adapted to the specific nature of its activities.

At the end of 2025, the company held liquidity of **RON 57.9 million**, providing an adequate level of financial flexibility to support ongoing operations. In addition, access to a multi-currency credit facility amounting to **RON 125 million** — used primarily for commercial guarantees and working capital support — contributes to the stability of financial flows and strengthens the company's ability to respond to market fluctuations.

Key Investment Areas

Modernization of Logistics and IT Infrastructure
Implementation and development of WMS, ERP, and TMS systems, as well as the acquisition of dedicated IT equipment and servers

Process automation
Integration of BD Rowa solutions and development of the infrastructure required for their operation

Optimization of the logistics network
Closing certain operational locations and consolidation of activities within the main centers, with a direct impact on cost reduction

Financial investments and strategic expansion
Acquisition of a 24% stake in Centrul Medical Novoengrama, marking a diversification toward complementary medical services

1.3 Economical Performance

GRI: 2-6, 2-22, 201-1

Management of Financial and Operational Risks

- Trade receivables insurance
- Continuous cash flow monitoring
- Diversification of the customer and supplier portfolio
- Cost control and process optimization
- Digitalization of operations and increased data visibility

At the same time, the external environment continues to be shaped by various pressure factors, including fiscal changes, sector-specific pharmaceutical regulations, and market dynamics. In this context, operational continuity depends directly on the company’s ability to maintain process efficiency and adapt quickly to change.



1.4

Governance and Ethics

GRI: 2-9, 2-12, 2-23, 2-26, 2-27, 405-1

The company's governance structure is defined by the role of the Board of Directors in setting the strategic direction and overseeing the company's activities, including matters relevant to sustainability and risk management. Through these responsibilities, the Board contributes to maintaining a stable decision-making framework and preventing deviations that could affect the company's operational performance or reputation.

The corporate governance framework is formalized through internal regulations and policies that define the responsibilities of governing bodies and the principles guiding their activities. These instruments support consistency in decision-making processes and ensure an appropriate level of internal control, particularly within a highly regulated sector where compliance with legal requirements and quality standards is essential.

The Board of Directors is responsible for monitoring the company's performance and overseeing the internal control framework, including risk management and compliance mechanisms. Its activity is supported by internal structures and specialized committees, such as the audit, remuneration, and nomination committees, which contribute to a more detailed review of relevant matters and support informed decision-making.

Responsibility for implementing strategic decisions lies with executive management through operational and support functions. This separation of responsibilities enables a clear distinction between oversight and execution roles, contributing to the efficiency of internal processes and the reduction of operational risks.

Sustainability-related matters are managed within the existing management structures and are integrated into operational processes and compliance mechanisms. At the current stage, this approach reflects the gradual integration of sustainability into day-to-day activities, without a dedicated sustainability structure in place, with responsibilities distributed across relevant functions.

The company has an ethics and compliance framework based on a Code of Conduct and Ethics applicable to all employees, establishing principles of integrity, responsibility, and compliance with applicable legislation.

This framework is complemented by internal mechanisms for reporting potential non-compliance issues, including a whistleblowing policy that enables the reporting and assessment of sensitive situations. These instruments contribute to the prevention of conflicts of interest, the early identification of potential irregularities, and the maintenance of an organizational culture based on responsibility and transparency.

Company values

- Professionalism
- Integrity
- Agility
- Innovation
- Quality
- Transparency

In addition to these mechanisms, the company has adopted policies aimed at promoting diversity, equity, and inclusion within its governance structures. These policies seek to ensure selection processes based on competence and integrity, while also supporting a diversity of perspectives in decision-making — an important factor for the quality and balance of strategic decisions.

1.4 Governance and Ethics

GRI: 2-9, 2-12, 2-23, 2-26, 2-27, 405

At the level of the Board of Directors, the current structure consists of three members, all male, aged between 40 and 80 years. This composition reflects the company's current leadership structure, within the context of existing policies aimed at maintaining selection processes based on professional criteria and integrity.

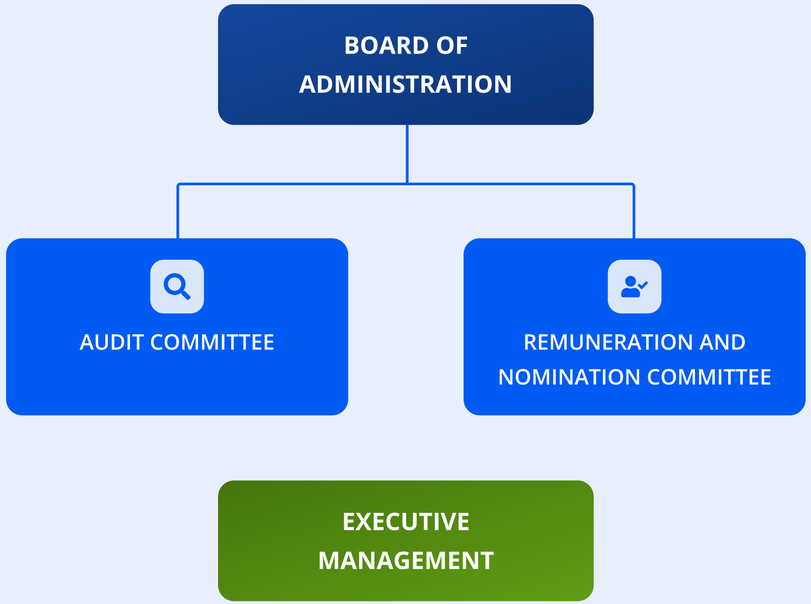
During the reporting period, no significant incidents of non-compliance with applicable legislation or breaches of ethical standards were identified. This reflects the effectiveness of the company's internal control and compliance mechanisms, as well as the implementation of its ethics framework across the organization.

Through this framework, the company seeks to ensure a responsible governance model adapted to the requirements of the pharmaceutical sector and the regulatory environment in which it operates, while also supporting the predictable and controlled functioning of internal processes.

Policies and mechanisms

1. **Code of business conduct & ethics**
2. **Selection and nomination policy**
3. **3. Diversity, Equity and Inclusion policy**

Relevant corporate governance documents and applicable policies are publicly available on the company's website, in the Corporate Governance section: https://corporate.remedia.ro/en/corporate-governance/



Governance Structure

1.5

Human Capital

1.5.1

Workforce Structure

GRI: 2-7, 2-8

At the end of the reporting year, the total number of employees was **210**, distributed across the company's main operational locations in Bucharest and Deva. This distribution reflects the organization of the company's activities around its two logistics and administrative centers, which support nationwide operations.

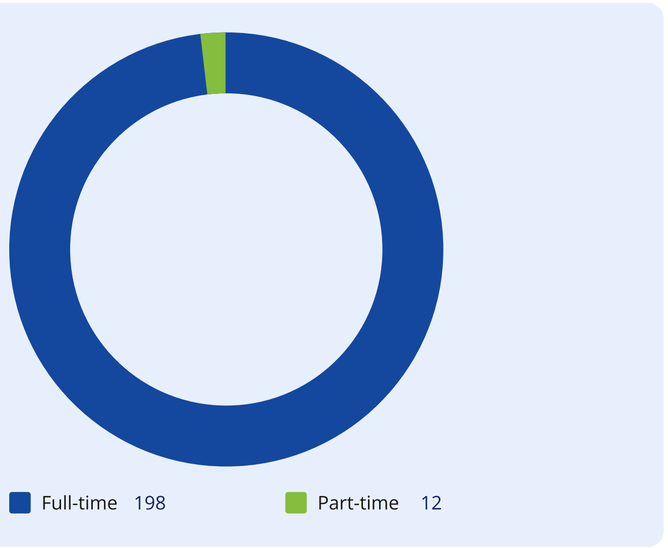
Contract duration

Out of the total workforce, 205 employees held permanent employment contracts, while 5 were temporary employees, reflecting a stable workforce structure and limited use of flexible employment arrangements. This model supports operational continuity and the retention of internal know-how, particularly in operational areas where accumulated experience directly influences performance.

EMPLOYEES TOTAL	TEMPORARY	PERMANENT
210	5	205
Women 137	Women 1	Women 136
Men 73	Men 4	Men 69

Work schedule

By working time arrangement, the majority of employees were engaged on a full-time basis (198 full-time employees), while 12 employees held part-time contracts. The high share of full-time employees reflects the nature of the company's activities, which require consistent operational availability and direct involvement in logistics and administrative processes.



1.5.1 Workforce Structure GRI: 2-7, 2-8

Geographical distribution

The geographical distribution of employees is relatively balanced and contributes to the efficient functioning of operations, with each location playing an essential role in supporting logistics activities and ensuring the continuity of operational flows.

Bucharest	70	Women
113	43	Men
Deva	67	Women
97	30	Men

The organizational structure includes both middle management positions (33 employees) and operational roles (177 employees), reflecting an operating model primarily focused on logistics and operational activities. The high proportion of operational roles is characteristic of the distribution sector and supports the efficient and continuous execution of day-to-day activities.

Overall, the workforce structure reflects a stable organization oriented toward supporting operational activities, with a strong dependence on personnel directly involved in logistics and distribution processes.



1.5.2

Workforce Dynamics

GRI: 401-1

Employees @ 1st of January 2025	Employees @ 31st of December 2025	New hires in 2025	Departures in 2025	Employee turnover rate	New hire rate
230	210	35	49	22,3%	16,8%

During the reporting year, workforce dynamics reflected both recruitment activity and employee turnover specific to operational activities, with direct implications for the organization's stability and efficiency.

The total number of employees decreased from **230 at the beginning of the year** to **210 at year-end**, as a result of the difference between new hires and employee departures. This development indicates a net reduction in the workforce, with potential implications for operational capacity, particularly in logistics activities where continuity and employee experience are critical factors.

During the year, **35 new employees** were hired, including 23 women and 12 men. The age distribution of new hires shows a concentration within the 30–50 age group (30 employees), reflecting a focus on candidates with professional experience relevant to the company's activities.

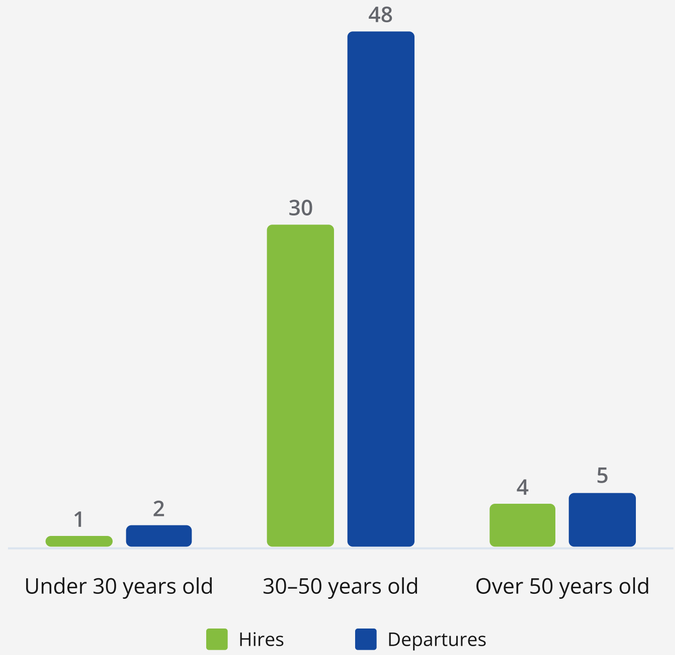
During the same period, **55 employee departures** were recorded, including 35 women and 20 men. The age distribution reflects a similar pattern, with a high number of departures within the 30–50 age group (48 employees), corresponding to the organization's largest workforce segment.

Based on the average number of employees during the reporting period (220), the employee turnover rate was 25%, while the new hire rate was 16%. The difference between these values reflects a net reduction in the workforce over the course of the year.

This development was primarily influenced by operational adjustments carried out during the reporting period, including the optimization of the commercial network and the adaptation of the organizational structure to current operational needs. In this context, part of the employee departures did not reflect unplanned turnover, but rather changes in the operating model.

In addition, the recorded workforce dynamics were partially influenced by the timing of departures and new hires, with certain positions remaining vacant at the end of the reporting period and expected to be filled subsequently. This may create differences between the number of departures and new hires reported for the year under review, without necessarily indicating a structural trend toward workforce reduction.

New Hires and Employee Departures by Age Group



1.5.3

Diversity and Inclusion

GRI: 405-1

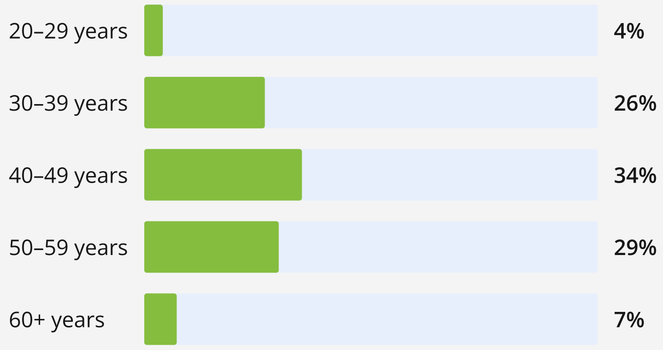
The workforce structure reflects a balanced distribution in terms of gender and age groups, both at operational level and within management positions. Monitoring these indicators contributes to a better understanding of the organizational structure and supports the maintenance of a stable and equitable working environment.

Across the organization, women represent 64% of the total workforce, while men account for 36%, indicating a predominantly female workforce. This distribution is characteristic of the pharmaceutical sector and reflects the structure of operational and administrative roles within the company.

Gender Distribution



Age-Group Distribution



The distribution across employee categories highlights a balanced representation within middle management positions (20 women and 13 men), while operational roles continue to show a higher proportion of women (117 women and 60 men), in line with the overall structure of the organization.

At management level, the gender distribution indicates a share of 44% women and 59% men, reflecting the current composition of the management team. This distribution highlights differences across organizational levels, within the context of internal policies aimed at maintaining selection processes based on competence and professional experience.

The age distribution indicates a concentration of the workforce within the 30–59 age range, which represents the company's operational core. This structure reflects a high level of professional experience relevant to logistics and operational activities, where familiarity with internal processes contributes to efficiency and accuracy.

At management level, the age distribution shows a dominant presence within the 40–59 age group, consistent with the experience requirements associated with leadership roles and decision-making responsibilities.

Overall, the demographic structure of the workforce supports the stable and predictable execution of activities, while also highlighting the importance of maintaining a balance between experience and workforce renewal, given that the organization's medium-term development depends on its ability to attract and integrate new talent.

The diversity analysis is conducted annually based on internal human resources data and contributes to monitoring the evolution of the organizational structure.

1.5.4

Compensation and Benefits

GRI: 2-21, 401-2

The employee compensation structure includes both fixed salary components and additional benefits provided across the organization. This structure is designed to support workforce stability and maintain a level of remuneration aligned with the nature of the company's activities.

In addition to base salaries, employees benefit from a package that includes health insurance, meal vouchers, holiday vouchers, and holiday bonuses. These benefits contribute to supporting employee well-being and maintaining the company's attractiveness in relation to the labor market.

Employee Benefits Package

- Private health insurance
- Meal tickets
- Holiday vouchers
- Occasional bonuses

Compensation and Benefits

Median annual compensation

103.164 RON

Maximum annual compensation

300.000 RON

Maximum-to-Median Compensation Ratio

2,9×

The compensation structure reflects the differences in responsibility and complexity associated with roles across the organization. Internal analysis indicates a gap between the median annual compensation and the total annual compensation awarded to the highest-paid individual in the company, with the latter being significantly higher, in line with the responsibilities associated with leadership positions.

The ratio between these values reflects the organizational structure and differences in responsibility, without indicating significant imbalances within the remuneration policy.

Overall, the company's approach to compensation and benefits is focused on maintaining a balance between competitiveness in the labor market and the sustainability of operating costs. This balance is relevant for employee retention and for ensuring the stable functioning of operations, particularly in operational areas where team continuity directly influences performance.

At the current stage, indicators related to the compensation structure are monitored internally. As analytical mechanisms continue to develop, the company intends to expand the use of comparative indicators that will enable a more detailed assessment of the fairness and competitiveness of the remuneration system.

Annual Compensation Comparison

Median annual compensation



Total compensation of the highest-paid individual



1.5.5

Professional Development

GRI: 404-1, 404-2, 404-3

Employee professional development is supported through training initiatives tailored to the specific nature of the company's activities. In an operational environment characterized by compliance requirements and the use of specialized digital systems, maintaining and developing competencies represents an essential factor in ensuring the efficiency and quality of operations.

The company also supports individual development initiatives based on employees' interests and needs. During the final months of 2025, a group of seven employees participated in English language courses delivered at a frequency of four hours per week, totaling approximately 48 training hours per participant.

The program will continue throughout 2026 and benefits from a dedicated budget, being expanded as part of the company's efforts to strengthen language skills relevant to its activities.

The integration of new employees is carried out through department-level induction processes coordinated with the involvement of the human resources function, with the aim of familiarizing employees with their responsibilities, internal processes, and the company's specific way of working.

With regard to performance evaluation, the company applies an annual assessment process for all employees, through which achieved results are reviewed and professional development directions are discussed.

Professional Development Areas

Conformity training
Conducted quarterly for employees within the Quality and Logistics departments, focusing on operational requirements and regulations applicable to pharmaceutical distribution activities.

International Training Programs
Implemented through the participation of four employees in training sessions held at the German headquarters of BD Rowa, aimed at developing technical competencies related to the technologies in use.

Training on Digital Systems (WMS)
Delivered together with IT solution providers for approximately 30 employees, focusing on the use of PDA devices (front-office) and operational applications (back-office). Approximately 30% of the training activities were carried out in 2025, with the process finalized in 2026.

Internal Development Sessions
Including an intensive bootcamp-style program conducted over four days, involving 14 employees and supported in part by members of the management team, with a focus on collaboration and understanding operational processes.

Specialized Technical Training
Organized on an ad hoc basis depending on operational needs, including technical qualifications for the operation and maintenance of equipment (e.g. electrician certification training for IT personnel involved in managing technical infrastructure).

In the coming period, the company is assessing the possibility of expanding this process through the introduction of a 360-degree evaluation model, which involves collecting feedback from multiple sources (supervisors, colleagues, and collaborators) in order to obtain a more comprehensive perspective on individual performance and competencies.

1.5.6

Occupational Health and Safety

GRI: 403-1, 403-3, 403-5, 403-9, 403-10

Occupational health and safety represents an essential element for the company's operations, particularly in the context of logistics activities and product handling, where activity-related risks are higher. In this regard, the company implements **a range of measures and processes** aimed at preventing incidents and ensuring safe working conditions for employees.

The occupational health and safety management framework is structured around **an annual prevention and protection plan**, which includes risk assessments, periodic inspections of equipment and installations, as well as signage and compliance measures aligned with legal requirements. As part of this plan, annual inspections are carried out for electrical installations and equipment subject to ISCIR control requirements, contributing to the reduction of operational risks.

The implementation of occupational health and safety measures is supported through **periodic employee training sessions** conducted semi-annually, as well as internal inspections carried out with the same frequency, enabling the identification and correction of potential non-compliance issues. In addition, the company operates an **Occupational Health and Safety Committee** (OHSC), which meets quarterly and contributes to the continuous monitoring and improvement of working conditions.

To reduce risks associated with specific activities, the company provides protective equipment adapted to each employee category. Pharmacy employees are provided with equipment such as lab coats and appropriate footwear, warehouse personnel receive additional equipment including workwear and protective footwear, while security and administrative staff use equipment specific to their respective roles. These measures contribute to reducing the risk of workplace accidents and ensuring working conditions appropriate to each type of activity.

Prevention Measures

OHS Trainings

biannually

Internal Control

biannually

OHS Annual Plan

ISCIR-regulated equipment inspections, electrical installation checks, signage, and other preventive measures

OHSC Meetings

quarterly

1.5.6 Occupational Health and Safety

GRI: 403-1, 403-3, 403-5, 403-9, 403-10

During the reporting period, no workplace accidents or occupational illness cases were recorded in connection with the company's activities.

This reflects the implementation of preventive measures and the effectiveness of internal control mechanisms within the specific context of the company's operational activities.

Overall, the company's approach to occupational health and safety is focused on prevention and compliance, with an emphasis on implementing measures tailored to the specific nature of its activities and on the continuous monitoring of working conditions.



1.6

Community

GRI: 413-1

Community involvement represents a consistent component of the company's activities, reflected through the support of relevant initiatives in the fields of healthcare and sports, as well as in other areas with social impact. Through these efforts, the company aims to contribute to improving quality of life and supporting the communities in which it operates.

In 2025, the total value of sponsorships granted to eligible entities registered in the Register of Entities/Religious Units amounted to RON 378.934. These contributions were directed toward non-governmental organizations and other entities active across several areas of interest, depending on identified local needs and the nature of the supported activities.

This diversification reflects an approach focused on community needs and on supporting initiatives with direct relevance to the social environment in which the company operates.

At the current stage, the impact assessment of these sponsorships is conducted qualitatively, based on the type of initiatives supported and the areas of intervention. Over the medium term, the company aims to develop mechanisms that will enable improved monitoring of the outcomes generated through these contributions.



Main Areas of Community Involvement in 2025

378.934 RON
Contributions towards community

Health

Support for initiatives and organizations contributing to improved access to healthcare services and patient support, including projects dedicated to specific therapeutic areas or targeted healthcare system needs.

Sports

Support for local sports performance through ongoing collaborations with organizations dedicated to the development of young athletes. In this regard, the company supports initiatives carried out by Deva Sports Highschool and For Gym Association, contributing to athlete development and participation in competitions.

Social and Community Initiatives

Support for projects dedicated to vulnerable groups and the development of local communities through initiatives aimed at social inclusion and direct support for beneficiaries.

Education and Awareness

Support for educational and awareness initiatives aimed at increasing the level of understanding in areas relevant to healthcare and society.

Local Communities and Religious Institutions

Contributions supporting social cohesion and local community initiatives, based on the needs identified within the communities in which the company operates.

CHAPTER 2

Sustainability Approach and Materiality Analysis

2 Sustainability Approach and Materiality Analysis

The activities presented in the previous chapters highlight the company's role within the pharmaceutical supply chain and the dependence of its performance on operational efficiency, workforce stability, and the effective functioning of relationships with business partners. In this context, sustainability is not treated as a separate area, but rather as an analytical and management framework that enables the understanding of impacts generated by the company's activities and their integration into decision-making processes.

From this perspective, the materiality analysis represents an essential tool for identifying relevant aspects both from the standpoint of the impacts generated by the company's activities and the expectations of stakeholders. The results of this process form the basis for defining action priorities and prioritizing sustainability initiatives, contributing to their alignment with the company's operational profile and short-term objectives.



2.1

Sustainability Approach

GRI: 2-12, 2-13, 2-14, 2-22, 3-1, 3-2

The company's sustainability approach has evolved in recent years in response to the need for a clearer understanding of the impacts generated by its activities and for the integration of these considerations into decision-making and operational processes.

This evolution reflects a transition from a predominantly descriptive perspective toward a more structured approach focused on prioritization, monitoring, and the use of relevant information to support decision-making.

*This report covers the period from **1st of January to 31st of December 2025** and has been prepared with reference to the **Global Reporting Initiative (GRI) Standards**, used as a framework for organizing and presenting relevant information, as well as for ensuring the transparency and comparability of the reported data.*

At the current stage, sustainability is approached as a working framework that supports the improvement of operational performance and risk management through the development of mechanisms for monitoring and analyzing relevant data. The indicators used are currently being consolidated and are gradually being integrated into internal processes in order to support a more predictable and efficient way of operating.

During the reporting year, investments were made in the modernization of operational infrastructure, including the implementation of an updated Warehouse Management System (WMS) for the Bucharest location.

This system contributes to increased operational accuracy, improved inventory control, and the reduction of losses resulting from inefficient product management, with direct implications for resource utilization and the efficiency of logistics activities.

At the same time, efforts to strengthen the internal governance and compliance framework continued through the review and update of relevant policies. These initiatives support the development of a more robust operational framework and contribute to reducing risks associated with non-compliance and internal processes.

With regard to the supply chain, the first steps were taken toward the development of a supplier assessment process based on ESG criteria. This initiative is being implemented gradually, in line with the current level of sustainability maturity within the organization, as well as the complexity of relationships across the value chain.

Initiatives in 2025

- **Modernization of Operational Infrastructure**
- **Review and Update of Policies**
- **Initiation of ESG Supplier Assessment**



2.1 Sustainability Approach

GRI: 2-12, 2-13, 2-14, 2-22, 3-1, 3-2

The implementation of these initiatives is carried out through the involvement of relevant internal functions, depending on their areas of responsibility, in collaboration with management and with the support of specialized external expertise. At the current stage, this approach enables the gradual integration of sustainability into day-to-day activities without the existence of a dedicated structure, with responsibilities distributed across the organization.

Overall, the company’s sustainability approach reflects a stage of consolidation, with an emphasis on developing internal mechanisms, increasing data visibility, and integrating this information into decision-making processes. This stage creates the foundation for a deeper integration of sustainability into the company’s activities and for the development of a more structured framework for managing performance over the medium term.

2.2

Stakeholders and Materiality

GRI: 2-29, 3-1, 3-2

The identification of sustainability-related topics is based both on the analysis of the impacts generated by the company's activities and on understanding the expectations of key stakeholder groups. These two perspectives are correlated within the materiality analysis process, ensuring that the prioritization of topics reflects both the significance of their impacts and their relevance within the company's operational context.

The materiality analysis, finalized in 2024, enabled these insights to be structured in a coherent manner, providing a basis for defining action priorities and allocating resources. At the current stage, the results of this process are used to guide sustainability initiatives and support decision-making processes in line with the short-term priorities identified.

The company interacts with a wide range of stakeholders whose expectations and interests influence both the way activities are carried out and the company's development directions. These include parties directly involved in current operations, as well as relevant actors from the economic and institutional environment.

Stakeholders directly involved in the company's activities include employees, customers (pharmacies, hospitals, and clinics), and pharmaceutical product suppliers. Relationships with these groups are ongoing and have a direct impact on operational performance, influencing both the efficiency of activities and the quality of services provided.

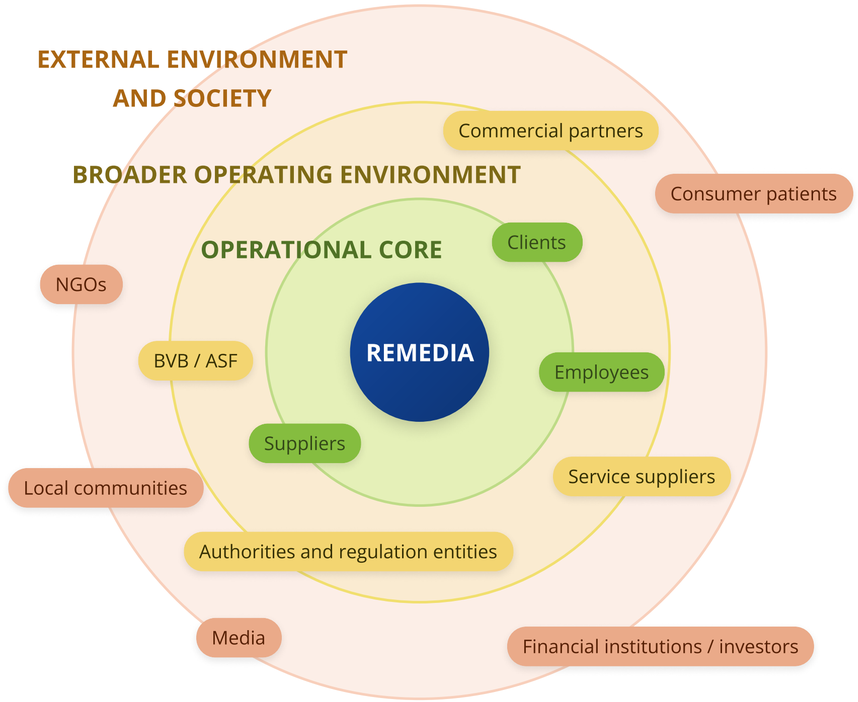
At the same time, the company engages with stakeholders that influence its operating framework, such as service providers, business partners (including BD Rowa), as well as authorities and regulatory bodies. These stakeholders contribute to defining the conditions under which activities are carried out and to establishing compliance and performance requirements.

At a broader level, the company is connected to a wider environment that includes local communities, patients (indirectly), financial institutions, and investors, non-governmental organizations, and the media.

Although interaction with these groups is less direct, their expectations contribute to shaping the context in which the company operates and to defining its responsibilities

The graphical representation of stakeholders reflects these relationships through a concentric structure that highlights the degree of proximity to operational activities, without implying a formal hierarchy of importance.

Overall, the company's stakeholder approach is dynamic in nature, based on both formal and informal interactions, while the resulting information is used to continuously understand stakeholder expectations and to adjust action priorities within the materiality process.



2.3

Material Topics

GRI: 3-1, 3-2

The material topics were identified through the materiality analysis process finalized in 2024 and reflect the correlation between the impacts generated by the company's activities and the expectations of relevant stakeholders. These topics serve as a reference point for defining action priorities and for integrating sustainability considerations into day-to-day activities.

At the current stage, the material topics are used to prioritize initiatives and direct efforts toward areas relevant to the company's activities over the short term (1–3 years). This approach enables resources to be focused on aspects that directly influence operational performance, risk management, and stakeholder relationships.

Material Topics

Economy
Innovation and Digital Transformation

Environment
Energy Efficiency and the Transition to Sustainable Energy Sources

Social
Product Safety and Consumer Protection

Governance
Ethical Governance and Corporate Responsibility
ESG Due Diligence in the Supply Chain

The distribution of material topics reflects the specific nature of the company's activities, characterized by a strong dependence on operational efficiency and the effective functioning of the supply chain. In this context, the economic and governance-related topics are directly linked to internal processes and the organization of operations.

The environmental topic primarily reflects the impacts associated with logistics operations, particularly resource consumption and the efficiency of resource use. Given the company's role within the value chain, its direct impact on manufacturing processes is limited; however, the company exerts an indirect influence through the selection and monitoring of business partners.

The social dimension is dominated by responsibility for product safety and consumer protection, which are essential aspects within the pharmaceutical sector, where product integrity and compliance with standards are critical.

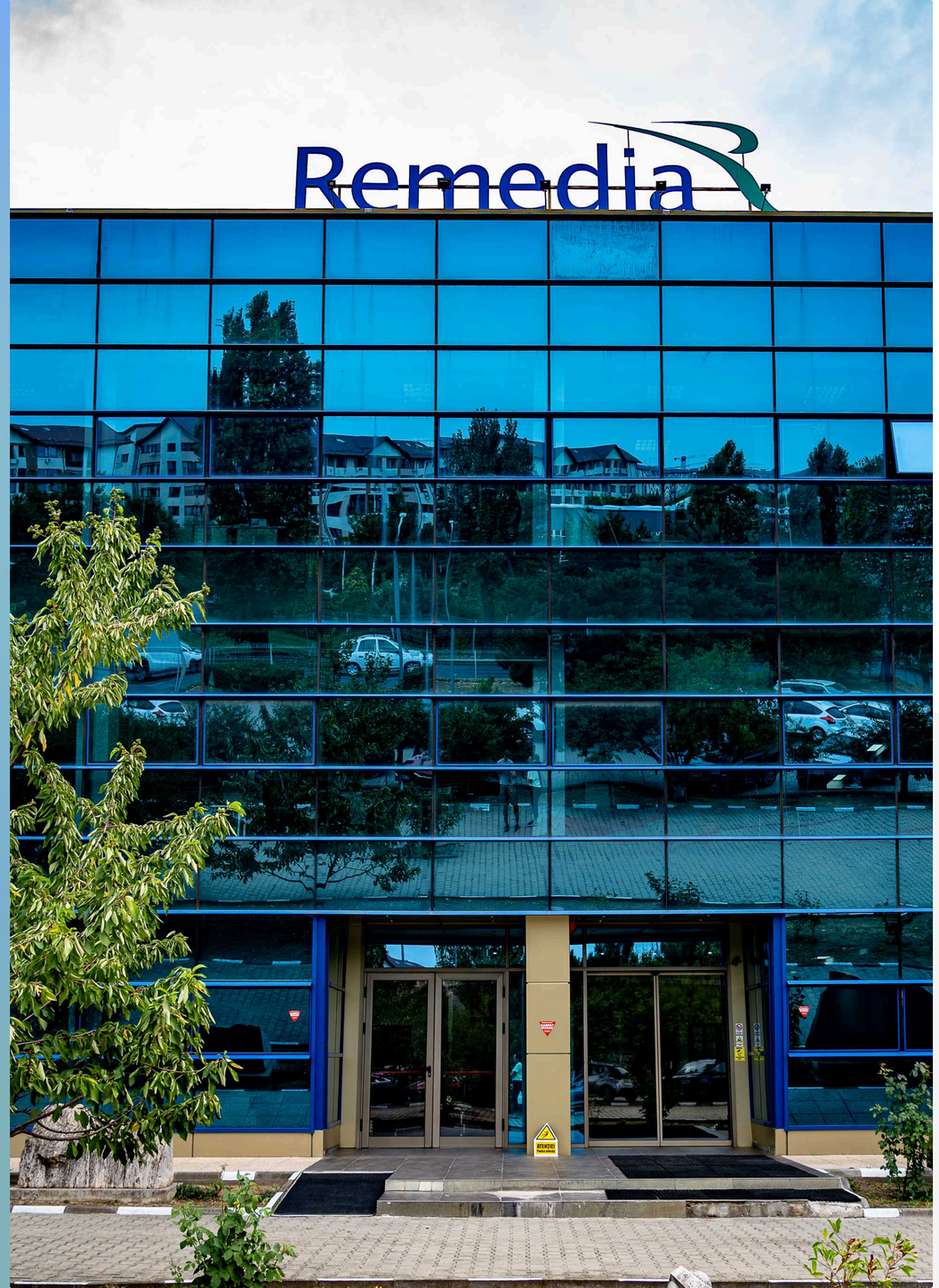
The governance-related topics highlight the importance of strengthening the internal control framework and responsibility across the supply chain, given that the effective functioning of operations depends on relationships with business partners and compliance with applicable requirements.

Overall, the material topics reflect a stage of development focused on strengthening internal processes and increasing visibility over the impacts generated by the company's activities, forming the basis for the objectives and performance indicators presented in the following chapters.

2.4

Reporting Boundaries

GRI: 2-2, 2-3, 2-4



This report covers the activities carried out by the company during the period from 1 January to 31 December 2025, within operations under its control.

The information presented includes economic, environmental, social, and governance-related aspects, to the extent that these can currently be collected and reported reliably at the present stage of internal process development.

The reporting boundary reflects the current level of operational control and data availability, particularly with regard to the company's own activities. For certain aspects — especially those related to the supply chain or indirect impacts — the level of detail available is still under development.

In this context, the current reporting reflects both the information currently available and the ongoing process of strengthening internal mechanisms for data collection and analysis. The company aims to progressively expand the reporting boundary and improve the accuracy and level of detail of reported information in future reporting periods.

CHAPTER 3

Performance on Material Topics

3 Performance on Material Topics

GRI: 3-3

The material topics identified through the materiality analysis process serve as the reference point for defining action priorities and integrating sustainability into the company's day-to-day activities. In this context, performance is assessed against these areas, which reflect the aspects most relevant to operational activities, risk management, and stakeholder relationships.

For each material topic, the company's approach includes defining action priorities, implementing relevant operational initiatives, and developing performance monitoring mechanisms tailored to the specific nature of the business. At the current stage, these mechanisms are still being consolidated, with the indicators used being primarily operational in nature and intended to track progress and support decision-making processes.

The adopted approach seeks to align initiatives and results with these priority areas, ensuring that the information presented highlights both the progress achieved and future development directions. Performance evaluation is based on available data and reflects the current level of development of the company's internal systems for data collection and analysis.

For each material topic, the report presents the main action priorities, results achieved, and next steps, in line with the organization's current level of maturity.



3.1

Innovation and Digital Transformation

GRI: 3-3

Digital transformation represents one of the company's main strategic directions for improving operational efficiency and strengthening its capacity to monitor and control internal processes. At the same time, this direction contributes to reducing errors and optimizing resource utilization, playing an indirect role in supporting sustainability objectives, particularly by limiting operational losses and redundant activities.

Approach

During the reporting period, significant progress was made in the modernization of the company's digital infrastructure, particularly through the implementation of a Warehouse Management System (WMS) at the Bucharest location. This system enables more efficient inventory management, ensures full product traceability, and improves control over stock rotation, including products with limited shelf life.

In addition, the automated BD Rowa system was implemented, partially supporting logistics processes and representing an important step toward improving operational efficiency. At the current stage, the system is operating at a relatively low utilization level; however, it already contributes to eliminating errors within the flows managed through the system and significantly reduces the physical workload of employees.

At the same time, the digitalization of logistics processes enabled the elimination of paper usage in certain operational flows through the introduction of mobile devices (PDAs), contributing to lower material consumption and more efficient internal activities.

Measures and Practices

By improving inventory accuracy and optimizing the organization of goods within the warehouse, the system contributes to reducing picking errors and limiting situations in which products are shipped incorrectly or need to be reintroduced into the logistics flow.

Reducing these logistics interventions has a direct effect on resource consumption, including fuel use, working time, and fleet utilization, thereby contributing to lowering the impacts associated with transportation activities. At the same time, improved control over expiration dates reduces the risk of product losses, limiting waste generation and the need for additional handling and disposal operations.

One of the visible effects of the implementation has been the increase in order processing speed, with operational data indicating that, in March 2026, approximately 83% of orders were processed in less than two hours. Reduced processing times contribute to optimizing logistics flows and avoiding operational bottlenecks.

The elimination of errors within these flows also reduces the need for order reprocessing and repeated product handling, limiting both time and resource consumption, as well as the risk of product damage.

From a social perspective, the digitalization and automation of processes contribute to improved working conditions by reducing repetitive activities and manual product handling.

At the current stage, the main challenges are related to the calibration and integration of existing systems in order to ensure they operate together as efficiently as possible.

3.1 Innovation and Digital Transformation GRI: 3-3

Progress is monitored through specific operational indicators (processing speed, errors, execution times), which are currently undergoing consolidation and standardization at internal level.

DEVELOPMENT PRIORITIES

- Development of a digital system for the collection and centralization of relevant data, including data related to resource consumption
- Implementation of solutions for the automated processing of documents and the reduction of errors generated within administrative processes

COORDINATOR

Andrei DRĂGHICI
Logistics Director

"Digital systems provide us with better visibility over operational flows and help us respond more quickly when disruptions occur."

Results and Progress

Improved inventory accuracy and full product traceability

- reduction of operational errors
- reduction of losses generated by improper goods handling

Reduction of losses generated by improper goods handling

- diminution of returns
- reduction in the number of additional transports required for corrective actions

Increased order processing speed

- optimization of logistics resource utilization
- reduction of operating times

~83% of orders processed **within 2 hours**

Implementation of the automated BD Rowa system

- elimination of errors in managed operational flows
- reduction in the volume of damaged products

Improved organization of activities through access to real-time information

- reduction of physical effort and repetitive activities for employees

Elimination of paper use in certain logistics processes through the introduction of mobile devices

- reduction of material consumption and improved efficiency of internal activities

3.2

Energy Efficiency and the Transition to Sustainable Energy Sources

GRI: 3-3, 302-1, 302-2, 302-5

Energy consumption management represents an important element of the company's operational activities, given the logistics-specific nature of the business and the infrastructure required for pharmaceutical distribution. In this context, energy efficiency is addressed through the continuous optimization of processes and the modernization of the equipment used, with the objective of maintaining consumption levels under control and aligned with operational activity.

Approach

The approach to energy efficiency is integrated into operational processes, particularly within logistics and transportation activities, where resource consumption is directly influenced by the volume and complexity of operations.

The company aims to maintain a balance between business growth and consumption control through the implementation of technical and operational solutions that contribute to the efficient use of energy. In this regard, the digitalization of logistics processes and the optimization of workflows play an important role in reducing indirect energy consumption.

Measures and Practices

During the reporting period, energy efficiency was supported through a series of operational measures and targeted investments:

- Modernization of logistics infrastructure and implementation of digital systems (WMS, TMS), contributing to workflow optimization and the reduction of redundant activities
- Use of centralized logistics solutions, including operations through main logistics centers and optimized distribution networks
- Gradual replacement of equipment and devices with more energy-efficient alternatives
- Partial renewal of the vehicle fleet through the integration of vehicles with improved fuel efficiency, contributing to the optimization of resources used in support activities

Overall, the evolution of consumption levels indicates a stabilization in the use of energy resources within the context of maintaining and adapting operational activities.

3.2 Energy Efficiency and the Transition to Sustainable Energy Sources

GRI: 3-3, 302-1, 302-2, 302-5

Results and Progress

The analysis of energy consumption during the 2023–2025 period indicates a relatively stable level of electricity consumption, despite the continuation of stable operational activity and ongoing expansion and modernization processes. Maintaining this level is particularly relevant given that, in 2025, higher average temperatures placed additional demand on the cooling systems used in the company's operations, including for pharmaceutical product storage, technical spaces, and office areas. This development reflects:

- the maintenance of a relatively stable operational volume;
- the impact of digitalization measures and logistics process optimization;
- the gradual replacement of certain equipment with more energy-efficient alternatives.

·With regard to fuel consumption, the available data primarily reflects the activity of the company's own fleet used for operational support purposes (commercial and technical teams, including activities related to the systems developed together with BD Rowa), as the main freight transportation activities are outsourced to a logistics partner.

The recorded variations are influenced by:

- the expansion of activities involving travel (equipment installation and maintenance);
- the increase in the number of employees with mobile roles;
- the partial renewal of the vehicle fleet.

Evolution of Energy Consumption

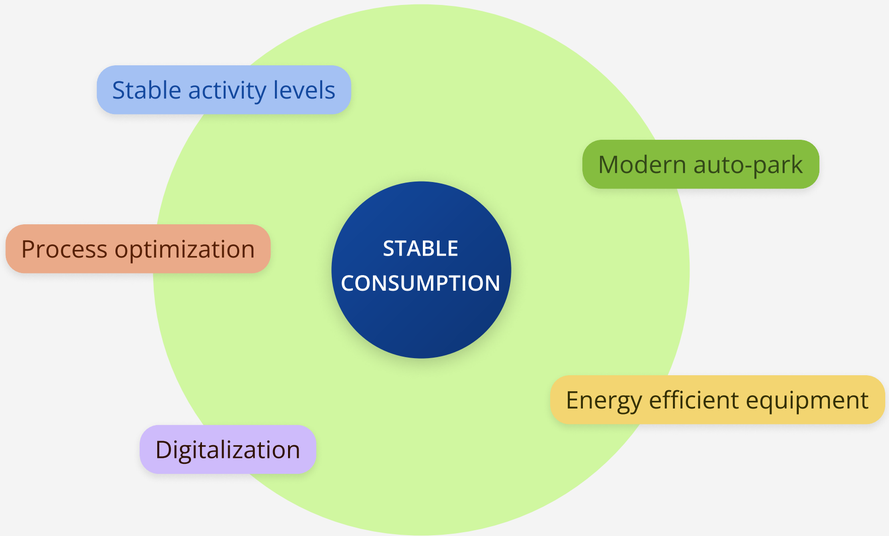
Indicates a stabilization in the use of energy resources within the context of maintaining and adapting operational activities.

Indicator	2023	2024	2025
Electricity [MWh]	633.642	602.800	**543.064**
Natural gas [MWh]	696.408	1.573.030	**779.332**
Diesel [L]	111.559	124.077	**123.803**
Gasoline [L]	52.325	52.051	**48.526**
LPG [L]	2.946	136	**4.327**
Wood [m^3]	45	58	**40**
Water [m^3]	893	1.241	**1.135**

3.2 Energy Efficiency and the Transition to Sustainable Energy Sources

GRI: 3-3, 302-1, 302-2, 302-5

Factors Relevant to Consumption



DEVELOPMENT PRIORITIES

In the short term, development priorities include:

- Continuation of the modernization of logistics infrastructure and the equipment in use
- Consolidation of digital systems (WMS, TMS) aimed at optimizing indirect energy consumption
- More detailed monitoring of energy consumption in order to improve analysis and reporting processes
- Exploration of additional solutions for transport optimization, including in collaboration with external partners

COORDINATOR

Florin LUPAȘ

Administrative Manager, in collaboration with the logistics and operational departments

"Maintaining energy consumption at a stable level in the context of business growth reflects the direct impact of process optimization and investments in logistics infrastructure. Going forward, we are focused on strengthening these processes and improving consumption monitoring in order to support operational decision-making."

3.3

Product Safety and Consumer Protection

GRI: 3-3, 416-1, 416-2

Product safety and consumer protection represent an essential material topic for the company, given its role in the distribution of pharmaceutical products and its direct responsibility for maintaining product integrity throughout storage, handling, and distribution activities. In a highly regulated sector, the control of non-compliant products, traceability, and compliance with quality requirements have a direct impact both on patient safety and on the company's operational continuity and compliance.

Approach

The company's approach in this area is built around the quality function and the operational mechanisms that enable the prevention, identification, and handling of non-compliant products. Control is carried out through internal procedures, periodic inspections, and audits, in alignment with legal requirements and the standards applicable to pharmaceutical distribution activities.

During the reporting period, the company focused on strengthening its control framework through the revision of expired product management practices and the development of a dedicated product and service safety program aimed at enhancing traceability and clarifying operational responsibilities. At this stage, the approach reflects a transition from the predominantly reactive management of isolated situations toward a more rigorous and systematic control of non-compliant products.

Measures and Practices

In 2025, the Quality Department intensified internal inspections related to the management of non-compliant products and conducted a targeted analysis of expired products remaining in stock. Following this process, the company treated the situation as an opportunity to strengthen operational control rather than as a purely formal compliance exercise. The measures implemented included:

- Verification and reassessment of expired and non-compliant product inventories
- Documentation and remediation of non-compliance issues identified during the internal audit
- Handing over expired products to authorized disposal operators for destruction, based on specific traceability documentation
- Clarification of responsibilities related to the management of expired products
- Strengthening employee training for personnel with relevant responsibilities regarding the application of legal and procedural requirements
- Review of the integration of products originating from returns, stock transfers, and other operational flows into the control framework

These measures were aimed not only at eliminating the identified non-compliant inventory, but also at reducing the risk of similar accumulations recurring over the long term.

3.3 Product Safety and Consumer Protection

GRI: 3-3, 416-1, 416-2

Results and Progress

In 2025, progress in the area of product safety was marked primarily by the development and structuring of a Product and Service Safety Program, defining the operational and control framework applicable across the entire logistics chain.

The program integrates Good Distribution Practice (GDP) requirements, quality management system principles, and a structured approach to risk assessment and management, covering all relevant stages — from receiving and storage to transportation, delivery, and the handling of non-compliant products.

Key elements developed during the reporting period included:

1. Definition of a coherent set of procedures for product control across the entire operational flow (receiving, storage, delivery, returns, expired products);
2. Structuring of a formal risk assessment and incident response mechanism, including through the use of dedicated methodologies (e.g. FMEA);
3. Development of a clear governance framework, with responsibilities defined at the level of the Quality Department and operational functions;
4. Strengthening of internal audit processes and CAPA (Corrective and Preventive Actions) mechanisms for the identification and remediation of non-compliance issues;
5. Development and progressive implementation of performance indicators and a system for the periodic monitoring of compliance and process performance.

In parallel with the development of this framework, the intensification of internal controls led to the identification and elimination of non-compliant products, including historical stocks of expired products, which were integrated into the control process and handed over to authorized operators for destruction.

This development reflects the strengthening of control mechanisms and increased visibility over operational risks, marking a transition toward a more structured way of working based on prevention, traceability, and clearly defined responsibility.

DEVELOPMENT PRIORITIES

- Integration of the Product and Service Safety Program into current operational processes
- Strengthening of compliance monitoring and reporting mechanisms
- Continuation of training programs for personnel involved in the logistics chain
- Improvement of preventive controls for non-compliant products
- Strengthening of partner assessment and monitoring processes through periodic reviews and risk-based approaches, in line with the company's development directions in the area of ESG due diligence

Through these strategic directions, the company aims to transition to a mature, integrated, and predictive control system capable of supporting compliance maintenance and the long-term protection of product safety, while ensuring a high level of transparency and stability across the entire distribution chain.

Ancuța ȘERBAN — **COORDINATOR**

Quality Director

"In 2025, the focus was placed on clarifying and structuring the way we manage non-compliant products. The development of the safety program helped us gain a clearer understanding of processes and responsibilities, while the next step is the integration of these mechanisms into day-to-day operations."

3.4

Ethical Governance and Corporate Responsibility

GRI: 2-9, 2-10, 2-23, 2-24, 2-25, 2-26, 2-27, 3-3, 205, 406

Ethical governance and corporate responsibility play a direct role in ensuring the stable functioning of the company's activities, particularly in a sector where compliance, integrity, and transparency influence both business relationships and operational continuity.

During the reporting period, the initiatives undertaken focused on strengthening and clarifying the existing framework through the separation and further detailing of principles already established at organizational level into distinct policies that are easier to implement, monitor, and update.

This approach reflects a transition from a set of general rules, primarily integrated within the Code of Conduct, toward a more structured system in which responsibilities and control mechanisms are more clearly defined and distributed.

Approach

The ethical governance framework is built around a set of principles and rules that define behavioral expectations, acceptable boundaries, and the management of risk-related situations.

The Code of Conduct and Ethics remains the foundation of this framework, reinforcing principles related to integrity, transparency, and compliance with applicable legislation, applicable to all employees, management, and business partners. It defines the organization's values and individual responsibilities in professional and commercial relationships. During the reporting period, these principles were further detailed and structured through dedicated policies, enabling clearer and more consistent implementation at operational level, particularly in areas with higher risk exposure.

Measures and Practices

The Anti-Fraud and Anti-Corruption Policy clarifies risk typologies and internal responsibilities, contributing to the identification of situations that may expose the company to risk and to the strengthening of prevention and response mechanisms.

The Diversity, Equity and Inclusion Policy introduces principles and objectives applicable to the selection processes and functioning of governance structures, supporting a more transparent and balanced approach to decision-making.

With regard to company leadership, the Board of Directors Selection and Nomination Policy contributes to structuring the process of identifying and evaluating candidates through explicit criteria related to competence, independence, and integrity.

The implementation of these policies is supported by internal mechanisms that enable both the prevention and the identification and management of non-compliance situations. Whistleblowing mechanisms allow sensitive situations to be reported, including on a confidential basis, while reported cases are reviewed through the relevant internal structures with the involvement of control functions and management.

In parallel, training and awareness sessions are conducted for employees, particularly in areas exposed to fraud or corruption risks, contributing to incident prevention and to strengthening an organizational culture based on responsibility.

This structuring contributes to a better understanding of responsibilities across the organization, the reduction of ambiguity within internal processes, and greater predictability in the management of sensitive situations.

3.4 Ethical Governance and Corporate Responsibility

GRI: 2-9, 2-10, 2-23, 2-24, 2-25, 2-26, 2-27, 3-3, 205, 406

Results and Progress

1. Strengthening of the governance framework through the development of dedicated policies that further detail and operationalize existing principles
2. Increased clarity and transparency in leadership selection processes and in the definition of the responsibilities associated with these roles
3. Strengthening of mechanisms for the prevention and management of fraud, corruption, and conflicts of interest
4. Integration of diversity and equity principles into selection processes and governance structures
5. Improved organizational capacity to identify and manage risk situations through reporting and control mechanisms

During the reporting period, no significant incidents of non-compliance or breaches of ethical standards were identified, indicating the effective functioning of the control framework and the application of these principles across the organization.

DEVELOPMENT PRIORITIES

- Extension of the application of ethics and compliance principles in relationships with supply chain partners
- Strengthening of employee training programs, particularly in areas with higher risk exposure
- Clearer integration of these principles into current operational and decision-making processes

COORDINATOR

Florin CADIA

Sustainability Director

“Clarifying and separating policies helps us operate in a more predictable manner and reduces areas open to interpretation. In a regulated environment, consistency in the application of rules is essential for avoiding risks and maintaining the trust of our partners.”

3.5

ESG Due Diligence in the Supply Chain

GRI: 2-6, 2-24, 3-3, 414

The supply chain represents an essential component of the company's business model, and the way relationships with suppliers and partners are managed has a direct impact on operational continuity, compliance, and the company's risk profile.

At the same time, the process is designed not only as a risk assessment tool, but also as a mechanism for understanding the level of sustainability preparedness among business partners. In this regard, the company aims to identify areas in which suppliers — particularly critical suppliers — may require improvements, with the objective of contributing, where relevant, to increasing the overall level of ESG maturity across the value chain.

In this context, during the reporting period, the company took concrete steps toward structuring an ESG due diligence framework aimed at achieving a better understanding of value chain-related risks and creating the basis for a more rigorous management of these risks.

Although the size of the company does not directly require the implementation of such processes at the same level of complexity as large organizations, the framework developed is inspired by international best practices, particularly the OECD recommendations on responsible business conduct, while being proportionately adapted to the company's operational profile and internal operational capacity.

Approach

The company's approach is based on a risk-oriented perspective, in which business relationships are assessed according to the role of partners within the value chain and their potential impact on operational activities, compliance, and reputation.

During 2025, this approach was formalized through the development of a conceptual framework for analyzing ESG risks within the value chain, enabling the correlation of risk typologies with relevant stakeholder categories and with the specific nature of the company's activities.

The analysis highlights that ESG risks are distributed across the entire value chain and vary depending on the nature of business relationships, requiring a differentiated and proportionate approach.

Measures and Practices

- Definition of supplier and partner categories relevant to the value chain, based on their role and impact on the company's activities
- Mapping of potentially relevant ESG risks through the correlation of business risks with environmental, social, and governance dimensions
- Structuring of an assessment process based on the principle of proportionality (risk-based approach), allowing the level of analysis to be adapted according to the criticality of the partner
- Definition of the due diligence process stages, from stakeholder selection and information collection to risk assessment and the establishment of monitoring measures
- Development of screening and assessment tools combining quantitative and qualitative criteria for partner analysis

3.5 ESG Due Diligence in the Supply Chain

GRI: 2-6, 2-24, 3-3, 414

These initiatives create the foundation for transitioning from an implicit approach, based primarily on compliance and operational experience, toward a more structured and documented process for analyzing ESG risks within the supply chain.

In addition to the assessment process, the approach also aims to develop constructive relationships with partners through the communication of expectations and, where relevant, through the exchange of best practices and know-how. This reflects a perspective of shared responsibility across the value chain, in which the improvement of ESG performance is not viewed solely as a contractual requirement, but as a progressive process supported through collaboration.

DEVELOPMENT PRIORITIES

- Gradual implementation of the ESG due diligence framework within supplier selection and assessment processes
- Strengthening the collection of relevant data for ESG risk assessment
- Integration of assessment results into decision-making processes related to business relationships
- Development of mechanisms for the periodic monitoring of partners

COORDINATOR

Florin CADIA

Sustainability Director

“Understanding risks across the value chain is essential for long-term stability. The approach we are developing helps us move from reaction to anticipation, even in a context where our influence over partners is limited.”

Results and Progress

These results mark the transition from a predominantly operational approach to supplier relationships toward a more structured perspective focused on the identification and management of ESG risks.

Development of a conceptual framework for analyzing ESG risks within the value chain (adapted to the specific nature of the company’s activities)	Definition of a risk-based due diligence methodology enabling differentiated partner assessment	Creation of a clear structure for classifying value chain stakeholders and the associated risk typologies	Establishment of the assessment process stages and risk monitoring principles	Development of initial ESG screening tools for partners

GRI Index

GRI Standard	Disclosure	Location in the report
GRI 2-1	Organizational details	1.1 – Organizational Profile
GRI 2-2	Entities included in the organization's sustainability reporting	1.1 – Organizational Profile; 2.4 – Reporting Boundaries
GRI 2-3	Reporting period, frequency and contact point	2.4 – Reporting Boundaries; Contact
GRI 2-4	Restatements of information	2.4 – Reporting Boundaries
GRI 2-6	Activities, value chain and other business relationships	1.1 – Organizational Profile; 1.2 – Business Model and Value Chain; 1.3 – Economic Performance; 3.5 – ESG Due Diligence in the Supply Chain
GRI 2-7	Employees	1.5.1 – Workforce Structure
GRI 2-8	Workers who are not employees	1.5.1 – Workforce Structure
GRI 2-9	Governance structure and composition	1.4 – Governance and Ethics; 3.4 – Ethical Governance and Corporate Responsibility
GRI 2-10	Nomination and selection of the highest governance body	3.4 – Ethical Governance and Corporate Responsibility
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	1.4 – Governance and Ethics; 2.1 – Sustainability Approach
GRI 2-13	Delegation of responsibility for managing impacts	2.1 – Sustainability Approach
GRI 2-14	Role of the highest governance body in sustainability reporting	2.1 – Sustainability Approach
GRI 2-21	Annual total cost of compensation ratio	1.5.4 – Compensation and Benefits
GRI 2-22	Statement on sustainable development strategy	Message from Leadership; 1.3 – Economic Performance; 2.1 – Sustainability Approach

GRI Standard	Disclosure	Location in the report
GRI 2-23	Policy commitments	1.4 – Governance and Ethics; 3.4 – Ethical Governance and Corporate Responsibility
GRI 2-24	Embedding policy commitments	3.4 – Ethical Governance and Corporate Responsibility; 3.5 – ESG Due Diligence in the Supply Chain
GRI 2-25	Processes to remediate negative impacts	3.4 – Ethical Governance and Corporate Responsibility
GRI 2-26	Mechanisms for seeking advice and raising concerns	1.4 – Governance and Ethics; 3.4 – Ethical Governance and Corporate Responsibility
GRI 2-27	Compliance with laws and regulations	1.4 – Governance and Ethics; 3.4 – Ethical Governance and Corporate Responsibility
GRI 2-29	Approach to stakeholder engagement	2.2 – Stakeholders and Materiality
GRI 3-1	Process to determine material topics	2.1 – Sustainability Approach; 2.2 – Stakeholders and Materiality; 2.3 – Material Topics
GRI 3-2	List of material topics	2.3 – Material Topics
GRI 3-3	Management of material topics	3.1 – Innovation and Digital Transformation; 3.2 – Energy Efficiency and the Transition to Sustainable Energy Sources; 3.3 – Product Safety and Consumer Protection; 3.4 – Ethical Governance and Corporate Responsibility; 3.5 – ESG Due Diligence in the Supply Chain
GRI 201-1	Direct economic value generated and distributed	1.3 – Economic Performance
GRI 205	Anti-corruption	3.4 – Ethical Governance and Corporate Responsibility
GRI 302-1	Energy consumption within the organization	3.2 – Energy Efficiency and the Transition to Sustainable Energy Sources
GRI 302-2	Energy consumption outside of the organization	3.2 – Energy Efficiency and the Transition to Sustainable Energy Sources

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GRI Standard	Disclosure	Location in the report
GRI 302-5	Reductions in energy requirements of products and services	3.2 – Energy Efficiency and the Transition to Sustainable Energy Sources
GRI 401-1	New employee hires and employee turnover	1.5.2 – Workforce Dynamics
GRI 401-2	Benefits provided to employees	1.5.4 – Compensation and Benefits
GRI 403-1	Occupational health and safety management system	1.5.6 – Occupational Health and Safety
GRI 403-3	Occupational health services	1.5.6 – Occupational Health and Safety
GRI 403-5	Worker training on occupational health and safety	1.5.6 – Occupational Health and Safety
GRI 403-9	Work-related injuries	1.5.6 – Occupational Health and Safety
GRI 403-10	Work-related ill health	1.5.6 – Occupational Health and Safety
GRI 404-1	Average hours of training per year per employee	1.5.5 – Professional Development
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	1.5.5 – Professional Development
GRI 404-3	Programs for upgrading employee skills and transition assistance programs	1.5.5 – Professional Development
GRI 405-1	Diversity of governance bodies and employees	1.4 – Governance and Ethics; 1.5.3 – Diversity and Inclusion
GRI 406	Non-discrimination	3.4 – Ethical Governance and Corporate Responsibility
GRI 413-1	Operations with local community engagement, impact assessments, and development programs	1.6 – Community
GRI 414	Supplier Social Assessment	3.5 – ESG Due Diligence in the Supply Chain
GRI 416-1	Assessment of the health and safety impacts of product and service categories	3.3 – Product Safety and Consumer Protection
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	3.3 – Product Safety and Consumer Protection

ABOUT THIS REPORT

The report has been prepared with reference to the GRI Standards and taking into consideration developments in the European and national sustainability and corporate governance framework, including Directive (EU) 2022/2464 (CSRD), applicable national legislation, the Bucharest Stock Exchange Corporate Governance Code, and other regulations relevant to the company's activities.

The reported data originates from internal operational, financial, and administrative sources, collected and consolidated through the collaboration of relevant functions.

Limitations

Certain information, particularly regarding indirect impacts and the extended supply chain, is currently under consolidation and will be progressively developed in future reporting periods.

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