


# Sustainability report

 2024 - 2025

Sustainable efficiency. **Responsible impact.**

# CONTENTS

## 1. INTRO

[Message from the CEO](#)

[Organisational profile](#)

## 2. GENERAL

[Fundamentals and principles of reporting](#) 6 - 7

[Sustainability agenda](#)

[Materiality analysis](#) 9

[Stakeholder engagement](#) 10 - 11

## 3. ENVIRONMENT

[Climate and energy](#)

[Climate objective and policy](#) 13

[Energy saving measures](#) 14

[Resource consumption](#) 15 - 16

[Carbon footprint](#) 17

[Circular economy](#) 18

[Waste](#) 19 – 20

## 4. SOCIAL

[Employees](#) 21 - 22

[Human resources and policies](#) 23

[Dialogue and collaboration](#) 24

[Diversity and equal opportunities](#) 25 - 26

[Education and development](#) 27

[Health and safety at work](#) 28

[Supply chain management](#) 29

[Human rights diligence](#) 30

[Secure processes](#) 31

[Social responsibility](#) 32 - 33

## 5. GOVERNANCE

[Compliance](#) 34

[Policies and procedures](#) 35 - 38

[EU taxonomy](#) 39 - 42

[Legal notices](#)



## NIKOLAY KOLEV

Managing Director Farmexim S.A. | Help Net Farma S.A.



Responsibility towards the environment and the communities around us is no longer optional – it is a duty we have as a modern, conscious and committed organisation.

Within our company, sustainability has become an integral part of our culture, but what really makes the difference are the people who carry these values forward: you.

At an organisational level, we have made a firm commitment to sustainability, but what really makes me happy is how each of you has contributed to this journey in a concrete way. Your actions reflect not only professionalism, but also a deep respect for people and the planet.

Every responsible action – from reducing paper and energy consumption in our offices to getting involved in volunteer projects or campaigns to support worthy causes

– counts. You have demonstrated that initiative and genuine care for the environment can transform not only the way we work, but also the impact we have on society.

At the same time, we do not lose sight of our concern for people. We have invested in social projects, in supporting vulnerable families and in developing local partnerships that contribute to the common good. Through all these efforts, we show that we are a company with a heart – a team that believes in progress, but not just any progress, but progress with responsibility and balance.

Thank you all for your sincere involvement and for making sustainability a daily practice, not just a stated principle. I am convinced that only together can we build a sustainable future – for the company, for our communities and for the planet we leave to future generations.

# 1. INTRO



## Organisational profile

With a history spanning 35 years in a market that has changed significantly since 1990, Farmexim S.A. has remained a constant not only in the pharmaceutical sector, but also in the Romanian economic landscape as a whole.

Farmexim S.A. is the first distributor of medicines established in Romania in 1990, and since 2018, together with the Help Net Farma S.A. pharmacy chain, it has been part of the PHOENIX group, one of the most important healthcare service providers in Europe.

The development of our business, as an integral part of the PHOENIX group, is represented by the increased attention and care in our daily activities regarding the impact on the community, employees, but also on the environment. In addition to these directions, we focus on the sustainable development of our business by integrating ethics and transparency,

economic, social and environmental impact into the company's Internal Regulations.

**Our vision is to be the preferred partner for our collaborators by providing simple and direct access to healthcare products and services.**

To ensure high levels of efficiency and flexibility, we constantly review and improve our processes by implementing many different initiatives and projects.

» Every year, the PHOENIX group presents its sustainability report, which also includes data from Farmexim S.A. For 2024, both Farmexim S.A. and the PHOENIX group have been awarded **the COMMITTED badge by EcoVadis**, a provider of business sustainability assessments with a network of over 150,000 assessed companies.





## Organisational profile

In the reporting year, we introduced a new corporate mission statement at PHOENIX group level, which reflects our current identity and the direction we are heading in for the future. The new vision provides us with a clear framework for action and defines our purpose and the value we bring to our customers. It is underpinned by our mission and our wePHOENIX commitments, which guide us in how we conduct our day-to-day business.

### wePHOENIX COMMITMENTS



#### We focus on the customer

We operate in markets with diverse customers and respond to all their current and future needs with our customised portfolio of products and services.



#### We operate efficiently

We strive for excellence in everything we do, continuously optimise our operations to become better every day, and use resources efficiently to become more sustainable.



#### We think ahead

We promote innovation and play an active role in the digital transformation of the healthcare sector in Europe to improve the lives of our customers.



#### We support collaboration

We support each other by sharing knowledge, skills and best practices across the company and across the group.



#### We create value

We are a sustainable company and pursue a long-term strategy, ensuring that our continued development will generate value for our partners, customers, patients, employees and future generations.



#### We are a team

We are united by our shared vision for the company. We are building a team in which each of us can turn this vision into reality.

## 2. GENERAL INFORMATION

### Fundamentals and principles of reporting

At the beginning of 2023, the PHOENIX group set itself a goal with regard to the important issue of climate change: to reduce carbon emissions in its own operations by 42% by 2030 compared to 2021/22, and to achieve carbon neutrality from 2030 onwards by purchasing credits for the remaining emissions.

During the reporting year, a climate policy was developed which, among other things, serves to guide our actions at national level. This policy focuses on three areas: energy efficiency, self-generated energy and the conversion of our fleet.

The new concept of the PHOENIX Romania Group emphasises the basic principles and how our company operates. The central element is our existing mission: **We deliver health.** Looking ahead, we are all aligned, regardless of country, behind our new vision: We are the preferred partner for simple and direct access to healthcare products and services across Europe. This vision expresses our goal and the value proposition we offer our customers.

»» Our mission, **We deliver health**, reminds us that our work is special, contributing to the health of millions of people.





## Fundamentals and principles of reporting

We are fully aware of our impact on the environment and take responsibility for acting in a sustainable manner. We are committed to reducing our environmental footprint, promoting sustainable practices in all our activities and contributing to protecting the environment for future generations. At the same time, we are dedicated to continuously increasing the value of the company through innovation, operational efficiency and service excellence.

We work to keep up with market changes and quickly adapt to new trends and customer demands.

At the same time, we are actively involved in the communities where we operate, supporting social, educational and environmental projects to contribute to a better future and a more united society.

The demand for quality healthcare services is constantly growing, and we are committed to meeting this need by offering a wide range of products and

services that meet the expectations of all our customers. We are proud of our achievements to date and remain determined to continue to grow, constantly improving all our processes to ensure we always meet our customers' expectations.

At the same time, maintaining a balance between profitability and social responsibility is essential for us.

We are a trusted partner to our community, collaborating with non-governmental organisations and other entities to support social and humanitarian projects.

Farmexim S.A. is committed to operating in a responsible manner, guided by the Sustainable Development Goals (SDGs) to build a better and more sustainable future. We are dedicated to constantly reducing our environmental impact, promoting fair labour practices, maintaining safe working conditions and respecting fundamental human rights.



## Sustainability agenda

Our sustainability agenda is a comprehensive plan that addresses the economic, social and environmental dimensions of sustainable development. It includes specific objectives and actions to protect the environment, reduce greenhouse gas emissions, promote renewable energy and improve quality of life, with the aim of ensuring balanced and sustainable development for future generations.

Starting in 2021, the PHOENIX group has established a group-wide sustainability agenda. We have developed a climate goal and initiated a due diligence process that includes aspects relating to human rights and environmental protection in our supply chain.

### Sustainability agenda focuses on the following topics:

#### **Climate protection**

Development and implementation of a climate strategy.

#### **Circular resource management**

Reuse, reduce and recycle wherever possible.

#### **Responsible supply chains**

Continuous development of processes to integrate human and environmental rights throughout our value chain.

#### **Diversity, equal opportunities and inclusion**

Promoting social diversity among employees.

#### **Social commitment**

Closer alignment of our charitable activities with our core business.





## Materiality analysis

Materialities are the material or tangible aspects of our activities that have an impact on the environment, the economy or society in general.

These materialities include natural resource consumption, waste management, greenhouse gas emissions, energy use, biodiversity conservation, energy efficiency, air and water quality, impact on local

communities, and others.

Materialities have the greatest impact on the environment and society and are priorities for improvement and sustainable development. That is why we manage these materialities responsibly, taking measures to reduce negative impacts and promote sustainable development.

Based on the risk analysis carried out by the PHOENIX group, the materialities in the following list are addressed in this report:

Material topic	ESRS	Impact location
Responsible and ethical supply chain	Procurement practices	External
Product safety	Customer health and safety, marketing and labelling	Internal and external
Access to pharmaceutical products and high-quality healthcare	Indirect economic impacts	External
Customer satisfaction	Customer health and safety, marketing and labelling, customer confidentiality	Internal and external
Resource consumption	Energy	Internal and external
Emissions and climate impact	Energy, emissions	Internal and external
Energy use	Energy	Internal and external
Waste management	Waste	Internal and external
Employee health, safety and well-being	Health and safety at work	Internal
Diversity, equity and inclusion	Employment, diversity and equal opportunities, non-discrimination	Internal
Long-term talent retention	Employment, diversity and equal opportunities, training and education	Internal
Staff development	Training and education	Internal
Fair working conditions	Employment, non-discrimination, diversity and equal opportunities	Internal
Community engagement	Indirect economic impacts	External
Compliance	Anti-competitive behaviour, anti-corruption	Internal and external



## Dialogue with stakeholders

The PHOENIX group actively promotes sustainability as a member of the Association of Pharmaceutical Wholesalers in Germany (PHAGRO) and, at European level, as a member of GIRP, the European Association of Pharmaceutical Wholesalers. Together with other member companies, we participate in working groups to develop relevant measures and responses to climate protection challenges facing the industry, as well as to focus on the implementation of the German Supply Chain Due Diligence Act (LkSG).

The PHOENIX group regularly collaborates with industry and business partners on ESG topics, for example at annual meetings or other events.

The commitment of stakeholders is important to ensure transparency, effective communication, understanding and contributes to building a long-term relationship of trust and collaboration that brings

mutual benefits and supports common objectives. This contribution helps us identify and manage risks or potential problems, as well as capitalise on opportunities for innovation and continuous improvement.

We believe that stakeholder engagement is an essential aspect of corporate governance and social responsibility, adding value to the development of a sustainable and responsible organisation.

»» We value partnership-based dialogue with stakeholders, who are an important source of inspiration for our Sustainability Agenda. To this end, the sustainability team regularly sends information on various topics to Farmexim S.A. employees.



## Dialogue with stakeholders

### BANKS AND INVESTORS

#### KEY ISSUES:

- Emissions and climate impact
- Governance issues
- Diversity

Growing investor demand for transparent disclosure of ESG performance.

Loans increasingly linked to the achievement of ESG objectives or a good sustainability rating.

### INDUSTRY AND BUSINESS PARTNERS

#### KEY ISSUES:

- Emissions and climate impact
- Resource recycling
- Responsible and ethical supply chains

Sustainability standards required by partners in tenders.

Growing demand for collaborative projects.

### CUSTOMERS

#### KEY ISSUES:

- Product safety and compliance
  - Resource recyclability
  - Emissions and climate impact
- Raising awareness of environmental issues among customers in the pharmaceutical sector.

### EMPLOYEES AND TALENT

#### KEY ISSUES:

- Health and safety at work
  - Emissions and climate impact
  - Community commitment
- Increasing importance in attracting and retaining employees.
- Growing relevance in job interviews.

## 3. ENVIRONMENT



### Climate and energy

Global warming and the ever-increasing consumption of natural resources are among the greatest global challenges of our time. Farmexim S.A. recognises its responsibility towards the environment and strives to minimise the impact of its activities on it. We are taking action to reduce emissions, prevent waste generation and expand circular material management.

Farmexim S.A.'s activity focuses on **reducing greenhouse gas emissions**. Measuring and reducing our carbon footprint is essential to minimising our negative impact on the environment. **To this end, we promote responsible and sustainable consumption through recycling and reusing materials, purchasing energy from renewable sources and using energy-efficient equipment.**

We are committed to reducing emissions across our entire supply chain and are actively involved in environmental conservation, believing that a healthy environment is essential for a healthy

and happy life. Our sustainability plan, Code of Conduct and Health, Safety and Environment Policy are the main pillars that guide our activities.

**Emissions from the energy and heat required to operate our premises, as well as from the company's vehicle fleet, are included in Scopes 1 and 2 of our emissions.** The main sources of emissions within our own operations are electricity consumption, diesel vehicles and natural gas. **Farmexim S.A. is committed to continuously reducing greenhouse gas emissions from its transport operations.** A modern vehicle fleet, transparent database and efficient driving techniques are key elements for efficient and environmentally friendly logistics.

We also want to meet the growing demands of our business partners and regulatory requirements in the field of climate management.



## Climate target and policy

Climate protection is a central focus of our sustainability agenda. At the beginning of 2023, the PHOENIX group set itself a climate goal: the aim is to become carbon neutral in our own operations by 2030. To achieve this goal, we intend to reduce our emissions in areas 1 and 2 by 42% compared to the 2021-2022 fiscal year. In addition to reducing emissions, we will offset our remaining carbon emissions by purchasing credits that support high-quality emission reduction projects starting in 2030. We are also working to improve the collection of emissions data across our supply chain (scope 3).

The PHOENIX group's climate policy defines responsibilities at group and country level, the climate target and a set of measures that can be used as a guide for implementing emission reduction measures at country level.

Our climate policy focuses on three main areas:

- Energy efficiency, including

measures such as building and roof insulation

- Self-generation of energy, in particular the installation of solar systems
- Conversion of transport fleets

The PHOENIX group's climate target has been divided among countries, setting benchmarks for each of them. A group-wide climate fund has also been set up to support the various countries in their decarbonisation process.

PHOENIX Romania's target for the 2024-2025 financial year was to reduce carbon dioxide emissions by 0.9% compared to the 2021-2022 financial year. This target was achieved, and for the 2025-2026 financial year, the climate target is to reduce carbon dioxide emissions by 1.8% compared to the 2021-2022 financial year.



## Energy saving measures

Farmexim S.A. implements a series of energy saving measures and invests in the modernisation of distribution centres and office buildings. With regard to the operational use of buildings, the focus in the reporting year was on increasing energy efficiency.

This has been achieved through various initiatives, including the installation of modern and more efficient heating systems, the introduction of smart heating and electricity control systems, and the replacement and use of LED lighting.

We use temperature monitoring in our office and operational buildings, purchase electricity from renewable energy sources and have installed photovoltaic panels to produce our own green energy.

In addition to all these measures, we are also striving to continuously reduce greenhouse gas emissions

from transport.

Our modern fleet of vehicles, with an increasing number of hybrid drive systems, a transparent database, continuous route optimisation and fuel-efficient driving are important levers.

We benefit from continuous route optimisation through various software solutions and regularly train our drivers in fuel-efficient driving. To further reduce emissions from transport, various measures have been taken, such as replacing fuel-based delivery vehicles with electric or hybrid alternatives.

»» In the 2024-2025 financial year, we installed photovoltaic power plants with a total capacity of 880 kWp at four of our locations.



## Resource consumption

Global warming and increasing consumption of natural resources are among the greatest global challenges facing the world today. Farmexim S.A. recognises its responsibility towards the environment and is committed to minimising the impact of its activities on it. Key measures include reducing emissions from the operation of our buildings and transport activities.

For us, it is essential to use natural resources in a sustainable way, thus ensuring that they remain available for future generations. We remain committed to achieving **zero carbon emissions** from our operations by 2030. In doing so, we adopt resource conservation practices, promote the use of renewable energy and work continuously to reduce our resource

consumption.

During the reporting period, the electricity purchased came from the following sources:

Electricity from fossil fuels – **29.4%**

Electricity from nuclear sources – **19.16%**

Electricity from renewable sources – **51.44%**

**162.19 MWh**, representing approximately 4% of total electricity consumption, was produced by our photovoltaic panel installation. We also managed to reduce natural gas consumption by approximately 24% compared to the previous year.

		20	2021	2022	2023	2024
Total area	m	3281	43	4022	4022	37399
Electricity	MWh	4317	4129	4230	396	4012
Electricity per surface area	kWh/m	132	95	105	99	107
Natural gas	MWh	311	330	3239	3119	2369
Natural gas per surface area	kWh/m²	95	76	81	78	63

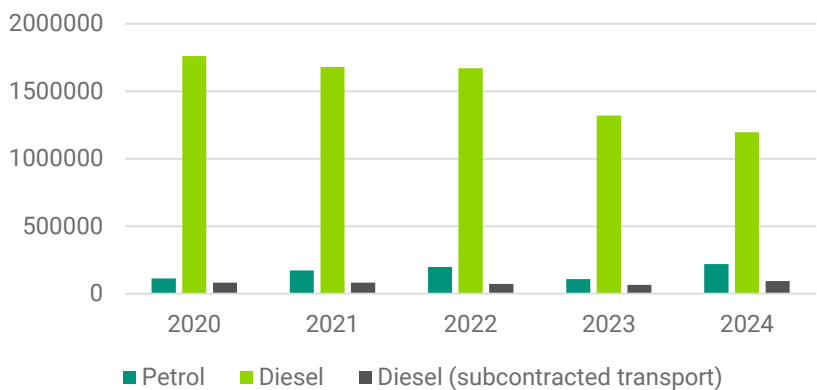


## Resource consumption

During the reporting period, we managed to reduce diesel consumption by 9%, which implicitly led to a decrease in carbon emissions, both for product transport and for employee vehicles.

- The reduction in fuel consumption and carbon emissions generated by the company's activities is the result of optimising transport routes by reducing distances travelled and increasing delivery efficiency.
- We have replaced some of our employee vehicles with more energy-efficient models, such as hybrid vehicles.

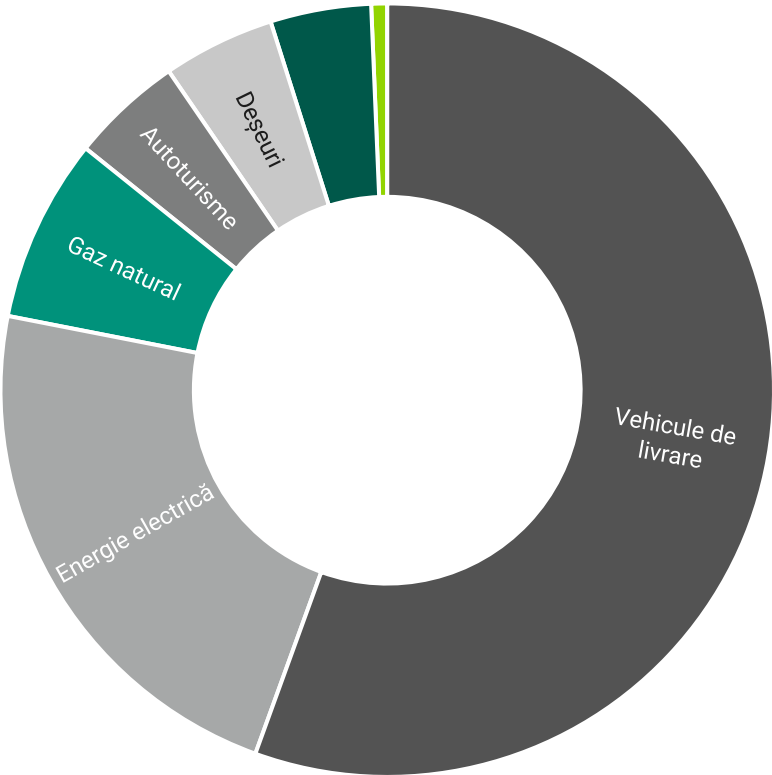
- We encourage carpooling among employees to facilitate car sharing when travelling to and from work.
- We support the use of public transport by providing our employees with transport to get from Bucharest to our offices in Balotești.
- We work with suppliers to identify alternative transport solutions with the aim of reducing the environmental impact of product deliveries, managing resources more efficiently and reducing fuel consumption.





# Carbon footprint

In calculating our carbon footprint, we follow the Greenhouse Gas Protocol (GHG Protocol). This requires companies to calculate their specific emissions. During the reporting year, we continued to improve our database and calculation methodology. Significant sources of emissions include the transport of goods by our own fleet (Scope 1) and electricity (Scope 2).



» Carbon dioxide emissions were reduced by approximately 1.15% in the reporting period compared to the 2023-2024 financial year.

GHG Protocol standards	Emissions category	tCO <sub>2</sub>
SCOPE 1	Natural gas	454.1
	Refrigerants	39
	Delivery vehicles	328
	Cars	276
FIELD 2	Electricity	1,332.82
AREA 3	Waste	276.83
	Business travel	249.13
<b>T</b>		<b>591</b>

## Circular economy

The principle of the circular economy is at the heart of the EU's Green Deal, which aims to conserve resources, reduce waste and cut greenhouse gas emissions.

We have defined "resource reuse" as one of the priority areas of our

Sustainability Agenda: we want to reuse, reduce and recycle whenever possible. We focus on the efficient use of resources and take care to conserve resources in our distribution centres. We use a system of returnable and reusable plastic crates to prepare and deliver orders to customers.





## Waste

Our goal is to manage waste efficiently, reducing its negative impact on the environment and promoting the recycling and reuse of materials. We take responsibility for accessing waste collection, transport, treatment and disposal services in a responsible and sustainable manner.

We have adopted effective waste management policies and programmes to reduce the amount of waste generated, selectively collect all types of waste and conserve natural resources.

Pharmaceutical waste is disposed of in accordance with current environmental and public health regulations and standards, in collaboration with a company specialising in waste

management. We ensure that the process complies with all applicable requirements and regulations for environmental protection and pollution prevention, preventing hazardous chemicals from contaminating water, soil or air.

Farmexim S.A.'s operations generate various types of waste that pose risks to the environment and also involve high costs. Therefore, we constantly strive to minimise hazardous waste. In addition to used oils and chemicals, hazardous waste primarily includes pharmaceutical waste. We are obliged to remove expired products and products with damaged packaging from the goods cycle and dispose of them as hazardous waste in accordance with legal requirements.



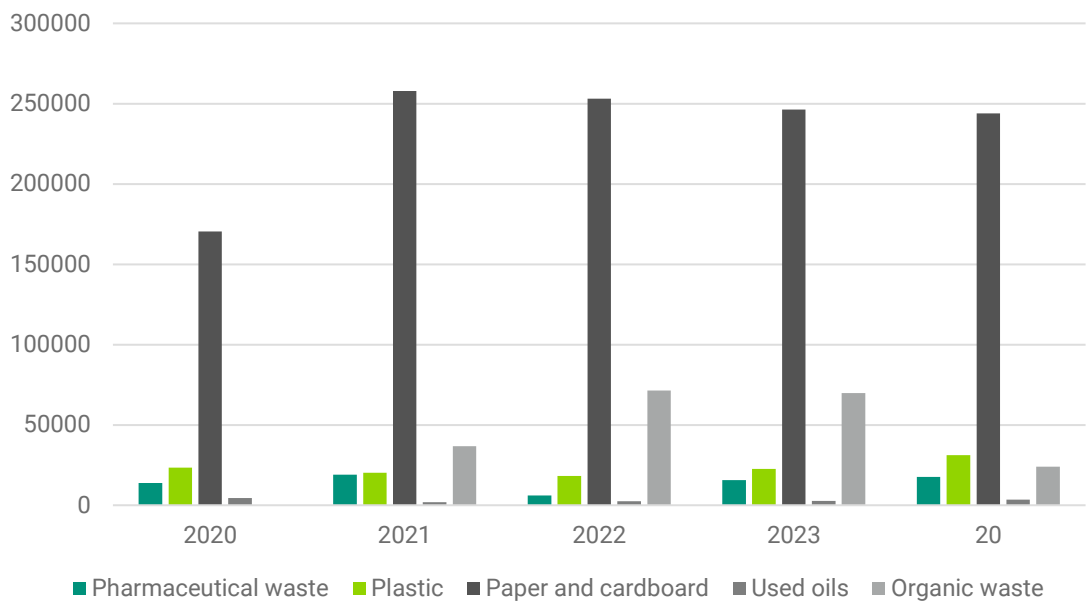
# Waste

In order to minimise the generation of hazardous waste in the form of damaged or expired medicines, Farmexim S.A. utilises the available options and implements a wide range of measures. These include the application of standard practices and procedures in the context of quality management, as well as compliance with the Good Distribution Practice (GDP) guidelines. Training our employees in our distribution centres plays an important role in this regard, covering, for example, the careful handling of parcels and how to ensure

optimal temperatures in cold stores. In addition to hazardous waste, Farmexim S.A.'s processes also generate non-hazardous waste. This includes organic waste, paper and cardboard, and plastic. All of this is recycled whenever possible.

During the reporting period, we generated:

- 66% less organic waste
- 2,453 kg less paper and cardboard waste





## 4. SOCIAL



### Employees

We promote the health and well-being of our employees and their families, because we believe that a skilled and productive workforce is the key to success in our business.

We have identified a close link between employee well-being, engagement and safety in the workplace. Therefore, Farmexim S.A. is committed to supporting the well-being of its employees in all aspects, including emotional, financial, social and, last but not least, physical.

The company's strategy is comprehensive and aims to provide employees and their families with the tools they need to adopt a healthy lifestyle. One of the ways we support this approach is through our employee benefits policy.

Farmexim S.A. offers its employees a fair compensation package in line with market standards, which includes both fixed and variable remuneration, as well as financial and non-financial

benefits. With an employee-centred, fair and transparent compensation structure, we attract and retain the best professionals.

To ensure that the compensation packages we offer are competitive and aligned with the company's objectives and priorities, our compensation and benefits programmes are reviewed annually, taking into account market realities.

The benefits policy includes:



- Private medical services
- Group life insurance
- Bonuses for holidays and special events
- Personal development programmes
- Paid day off on your birthday
- Days off for special events



## Employees

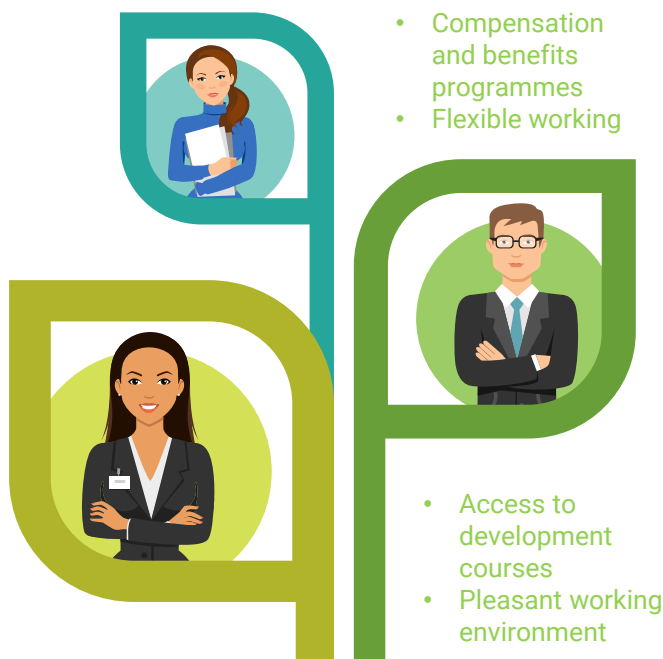
Farmexim S.A. can only be successful if our employees are motivated and have the right qualifications. We want to offer our employees attractive working conditions and career opportunities, as well as a healthy working environment.

Employees who work in the office benefit from policies that support flexible working hours, which can improve their productivity and well-being. Farmexim S.A. encourages the

development of the adaptability and agility needed to respond to new business requirements. Eligible positions have the opportunity to work from home two days a week.

With regard to our supply chain, we implement due diligence obligations in accordance with legal requirements. We also take responsibility beyond our core business and aim to contribute to the common good through corporate social responsibility activities.

Periodically, all employees participate in a satisfaction survey, which helps us better understand and act on their feedback and overall sentiment. It also measures cultural inclusion, satisfaction and employee engagement.





## Human resources and policies

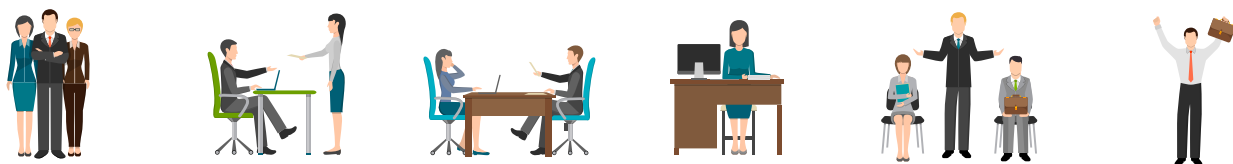
Our corporate human resources strategy focuses on bringing together all the measures necessary to support a highly efficient organisation.

The **Code of Conduct** of Farmexim S.A. sets out the principles of trust and appropriate interaction with colleagues, customers, suppliers and competitors. We are committed to complying with labour laws and regulations, the principles of freedom of expression, the right to information, media independence and the protection of privacy. In addition to the Code of Conduct, our compliance system includes additional policies on various topics.

Our Human Rights Policy Statement

complements the Code of Conduct and applies to all employees. We actively oppose modern slavery and human trafficking, including forced and child labour, as well as all forms of discrimination.

Risks, specific incidents or suspicions of violations of policies or laws can be reported confidentially through various complaint channels, which can be found in the Compliance section. Employees are regularly reminded of the reporting structures through various communication campaigns and e-learning sessions. Information is also provided in the Code of Conduct.



WE WORK TOGETHER

WE THINK

WE WORK

WE ACT

WE RESPECT

WE SUCCEED

## Dialogue and collaboration

Farmexim S.A., as part of the PHOENIX group, cultivates a corporate culture based on dialogue and shaped by our values and group-wide management policies. We also use direct surveys to measure employee satisfaction in the workplace and attach great importance to a partnership-based relationship with employee representatives.

The opinions, satisfaction and motivation of our employees are very important to us. Our KPI is the engagement index, which combines satisfaction and commitment.

The [Speakap](#) employee app and [CONET](#) intranet contribute to interactive and transparent internal communication. This allows our employees to share information across departments and countries.

We respect our employees' right to freedom of association, assembly and collective bargaining. This includes aspects related to health and safety at

work, as well as social issues such as promoting diversity and family-friendly working conditions.







## Diversity and equal opportunities

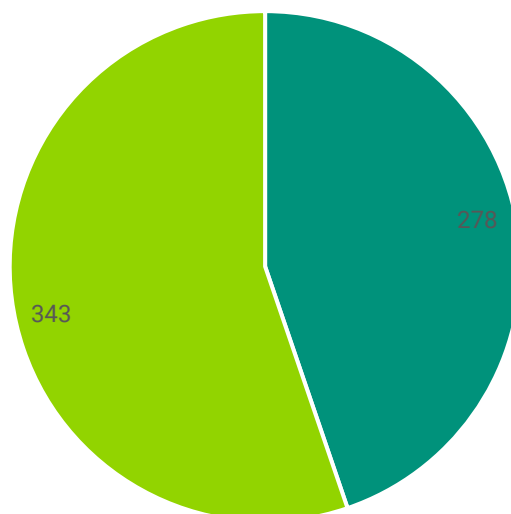
Diversity, equal opportunities and inclusion are part of our Sustainability Agenda. We want to promote social diversity among our employees and managers, and we believe that diverse teams achieve better results. Our Code of Conduct requires us to respect the principles of equal opportunities and mutual respect. All employees must be treated equally and have the same opportunities in all employment situations, regardless of gender, age, religion, race, skin colour, sexual orientation, ethnic origin, national origin or disability.

We have structured our recruitment procedures to reduce bias and ensure that Farmexim S.A. recruits a diverse group of talents. We continue to assess and promote diversity within our organisation, both in our organisational review and succession planning processes and in leadership initiatives and other relevant areas.

In 2024, the total number of

employees reached 621, of whom 45% are women and 55% are men. We support equality by treating all people with respect and fairness, without discrimination or privileges based on gender, ethnicity, sexual orientation or other characteristics.

We also subcontracted personnel from Nepal during the reporting period. Thirty-two people work in our warehouses and enjoy optimal working conditions, equality and inclusion.



■ Women ■ Men



# Diversity and equal opportunities

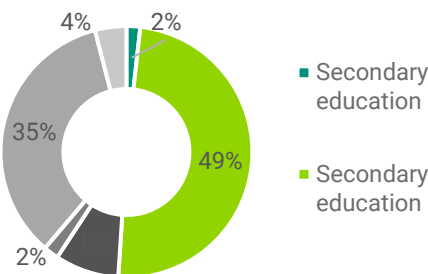
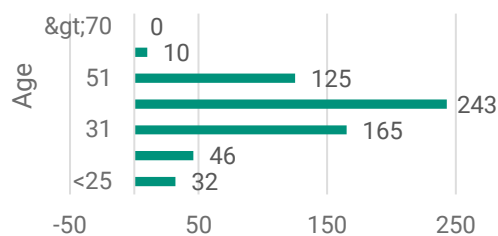
Our employees are from different age groups. This fosters an inclusive culture where all employees feel like they belong and have fair chances to reach their full potential.

For each Farmexim S.A. employee, we consider not only their academic background, but also their previous experience, interpersonal skills and adaptability. We offer training courses, ongoing support and guidance to help them develop and improve their skills within the organisation. All these aspects bring considerable benefits to the company, as employees bring new perspectives and diverse skills that contribute to innovation and business development. Employee involvement in the company is essential to our success.

Engaged employees are more

motivated, productive and loyal to the company. This helps to improve performance and create a more pleasant working atmosphere based on collaboration and cooperation.

To increase employee engagement in the company, we offer them the opportunity to contribute to important decisions, recognise their efforts and offer them opportunities for development and advancement within the organisation. Transparent and open communication is also essential and helps us keep employees informed and involved in company strategies. By creating an organisational culture that encourages employee involvement and participation, we have built a strong and dedicated team that contributes to the long-term success and growth of the company.





# Education and development

Good development opportunities and training programmes are important factors in attracting and retaining talent. It is important for us to recognise the potential of our employees and systematically develop their skills. One component of our employee development is the annual performance review.

Training courses are learning programmes aimed at increasing the skills and improving the knowledge of Farmexim S.A. employees. These courses can be offered as online or classroom courses, and some can be completed in a flexible manner, depending on the schedule and needs of each participant.

Our employees' participation in training courses brings numerous benefits, such as career advancement, improved job performance, expanded networking, and the development of critical thinking and problem-solving skills. Training courses also help keep skills up to date and adapt to changes

within the company.

41% of employees have benefited from the following courses:

Agile Software Engineering
CN Farma
Expert course in public procurement
Decision Making & Adaptability
Emotional Intelligence in Leadership
Employer Branding Conference
Excel
GDP - Good Distribution Practices
Impactful Data & Business Presentations
Import of medicines for human use and active substances
Introduction to Sustainability
ISO 14001 - Environmental Auditor
ISO9001
Leadership & Coaching Skills
Medical Device Legislation
English
Performance Management
Power BI
Problem Solving & Adaptability
Project Management
Salary legislation seminar
Strategic Thinking & Business Innovation



## Health and safety at work

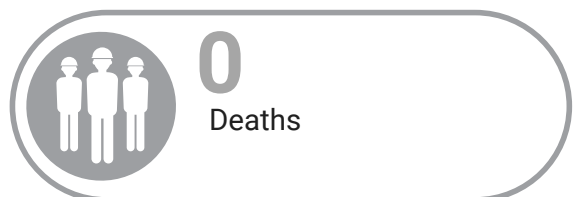
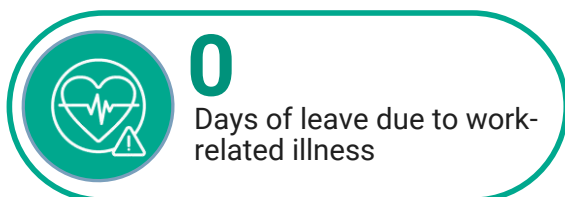
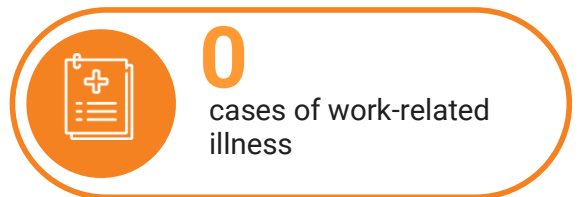
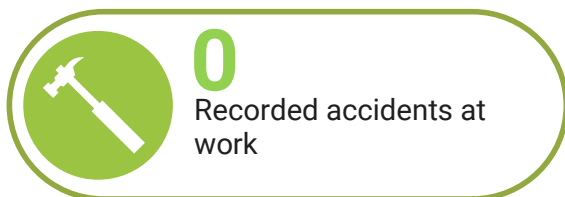
We have a special responsibility for the health of our employees. This includes preventing accidents at work through safe working practices and a healthy working environment.

As part of our quality management system, we ensure strict compliance with relevant national and European legislation and regulations. In this context, systematic risk assessments for each workplace are mandatory, as is the implementation of appropriate preventive measures.

Health and safety instructions and regular training for employees play an

essential role in preventing accidents. The main topics covered are fire safety, workplace ergonomics, handling hazardous substances, correct lifting techniques and the safe use of machinery and equipment in our distribution centres, in particular forklift trucks.

Employees can report workplace hazards to the local safety officer or their line manager. Local contact persons are obliged to keep these reports anonymous. Reports on all topics can be made anonymously via the "reporting system".



## Supply chain management

Businesses must take responsibility for integrating sustainability into their procurement processes.

For example, if suppliers violate human rights or environmental standards, this can cause damage throughout the entire supply chain. At the same time, companies are required by law, both nationally and internationally, to implement due diligence processes in their supply chains. Farmexim S.A. has complied with the Corporate Sustainability Due

Diligence Directive (CSDDD) and uses the Business Partner Due Diligence System (BPDD) to ensure that its partners comply with the required standards and actively manage human rights and environmental risks.

The aim is to identify human rights and environmental risks and potential violations both in our own operations and in our supply chain, and to implement appropriate preventive and remedial measures.





## Human rights diligence

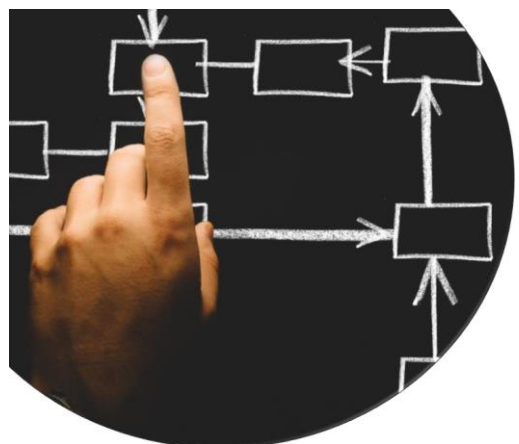
Farmexim S.A. is committed to respecting human rights. We are guided by internationally agreed standards, such as the United Nations Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, and the Fundamental Principles of the International Labour Organisation.

We also expect all our business partners to comply with applicable laws and human rights conventions, as well as environmental protection standards, in accordance with national and international requirements.

We want to raise awareness among our employees about human rights issues and encourage them to promote respect for human rights. This includes information and training, which we are gradually expanding.

Human rights and environmental law violations can be reported anonymously through the non-compliance reporting system. No human rights incidents were reported in our supply chain during the reporting period. The complaints mechanism is reviewed annually for effectiveness and adequacy.

»» Human rights and environmental law violations can be reported anonymously through the compliance reporting system.





## Safe processes

A secure supply of pharmaceutical products is only possible if the quality of the supply chain is impeccable. This extends from the storage of products in accordance with regulations, to targeted delivery to customers, to the optimal availability of medicines for patients.

Farmexim S.A. complies with EU and national legislation on good distribution practices (GDP).

Quality and reliability are absolute priorities for Farmexim S.A. as a healthcare provider.

Farmexim S.A. properly implements all national and EU legal requirements regarding medical devices and the fight against counterfeit medicines.

Our quality assurance systems are monitored through internal audits and external regulatory inspections. Quality management at Farmexim S.A. is risk-based and process-oriented, in accordance with ISO 9001. This

ensures that products are not exposed to any negative influences and that their quality remains the same as long as they are within the responsibility of Farmexim S.A..

In the event of side effects, malfunctions or counterfeits, the end consumer will usually first contact their doctor or pharmacist, who can then contact Farmexim S.A., the manufacturer or the authorities. In the event of a market withdrawal, we support manufacturers by ensuring full traceability of the products supplied and can therefore provide customers with accurate information about the batch in question.

However, the decision to withdraw a product is the responsibility of the manufacturer. Product information, such as package leaflets or instructions for use, is provided exclusively by the manufacturers.



## Social responsibility

Farmexim S.A. is committed to taking responsibility beyond its core business and contributing to the common good. This is an integral part of our corporate philosophy. The areas of support for corporate social responsibility derive from our core business: above all, we support pharmaceutical research, projects for the common good, non-profit organisations such as hospitals and day centres, as well as schools and universities.

CSR projects take the following factors into account:

- Alignment with our core business
- Focus on a specific issue, target group (e.g. children), strong partner and long-term partnership
- Cash donation
- Implementation of projects at local level
- Ensuring appropriate behaviour

Farmexim S.A. takes great care to ensure that all donations and sponsorship activities are carried out in accordance with legal requirements. Therefore, when organising projects,

we always follow the Anti-Corruption Guidelines. We also have a standard operating procedure with provisions on donations, grants and sponsorship. The most relevant points are summarised in our Donations and Sponsorship Policy.





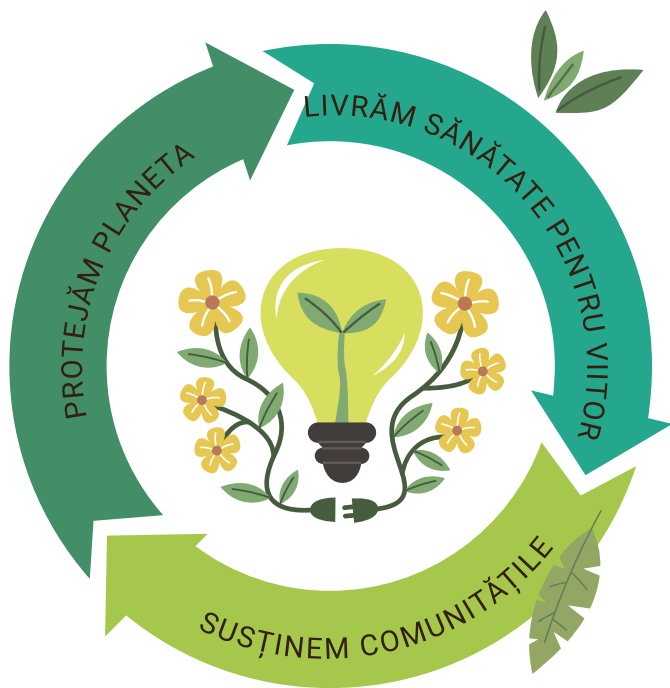


## Social responsibility

We have adopted a socially responsible approach, actively contributing to solving social problems, improving the quality of life of our employees, protecting the environment and strengthening relationships with the community in which we operate. Corporate social responsibility is a priority for Farmexim S.A., not just a moral obligation, but also an essential strategy for our long-term success.

During the reporting period, we continued to be actively involved by sponsoring the following initiatives:

- Supporting the Romanian College of Pharmacists in organising the Pharmacists' Gala.
- Third year of the dual education project: the programme includes specialised courses at a secondary school, supplemented by a specialised internship at our central warehouse.
- Information programme for high school students about the profession of pharmacist: career opportunities, social and educational impact.
- FASFR Academy – an annual event organised by the Federation of Pharmacy Students' Associations in Romania (FASFR) – an event that contributes to the personal and professional development of pharmacy students, especially volunteers involved in student organisations and future health professionals.





## 5. GOVERNANCE

### Compliance

The success of Farmexim S.A. is based on responsible and legal conduct, which naturally includes compliance with the law and internal policies/procedures. As a healthcare provider, ensuring the quality of our products throughout the value chain is our top priority. Responsible and compliant behaviour is the cornerstone of good corporate governance. Compliance is an integral part of Farmexim S.A.'s corporate culture. Corruption, unfair competition and misconduct have no place in our company or in our relationships with customers and business partners. No violations are tolerated, appropriate investigations are carried out and sanctions are imposed if necessary. Our goal is to permanently reduce compliance risks and avoid violations.

Our objective is to ensure access to safe and high-quality medicines for customers, complying with legislation and safety and quality standards, as

well as to promote innovation and sustainable development in the pharmaceutical industry. Governance at Farmexim S.A. covers aspects such as monitoring the safety and efficacy of pharmaceutical products and combating counterfeiting and falsification of medicines. The key principles of governance at Farmexim S.A. include transparency, accountability and integrity to ensure an efficient and effective regulatory environment for the benefit of customers and society as a whole.

Supply chain governance contributes to increased operational efficiency, reduced costs, improved product and service quality, increased customer loyalty and reduced risks.

In addition to our responsibility to society as a healthcare provider, respectful collaboration is also crucial for a trusting relationship with customers, business partners and other stakeholders.



## Policies and procedures

We have established and implemented clear processes and policies to ensure efficient management of resources and relationships with business partners.

Monitoring performance standards, managing risk and compliance, evaluating and selecting suppliers, negotiating contracts and agreements, implementing and monitoring sustainable and socially and environmentally responsible practices. These policies set out the principles for fair and trustworthy relationships

with colleagues, patients, suppliers, and competitors.

Regular self-assessments and risk assessments are carried out to review the implementation of compliance management and identify emerging risks.

Our Code of Conduct sets out the standards of behaviour expected of all employees. It also provides a framework for positive and ethical behaviour.



Our compliance system is based on the following policies:

- Code of Conduct
- Compliance Policy and Reporting and Investigation Policy
- Anti-bribery policy
- Competition Compliance Guidelines
- Compliance policy on sanctions and embargoes
- Anti-Money Laundering Policy



## Policies and procedures

Farmexim S.A. employees can contact their local compliance manager by phone or email if they suspect a compliance risk or violation.

The PHOENIX group has created an online system for reporting compliance violations.

Through this system, both Farmexim S.A. employees and third parties can ask questions or report suspected compliance violations or actual incidents anonymously.

The platform is operated by an external service provider. Therefore, the identity of the whistleblower cannot be traced unless they expressly agree to provide this information. The integrity platform can be accessed at any time at

[phoenixgroup.integrityplatform.org/](https://phoenixgroup.integrityplatform.org/).

Any report of a violation is treated confidentially. We protect whistleblowers who submit a report in good faith, in accordance with the EU Whistleblower Directive (2019/1937). Any form of retaliation is prohibited and will be prosecuted. We ensure that employees who report a violation do not suffer any negative consequences. Negative comments about employees who have reported a violation are treated as a violation of our Code of Conduct. This protection applies to all persons, both employees of Farmexim S.A. during or after their employment with Farmexim S.A., as well as external parties.





## Policies and procedures

We consistently follow up on the information received. Each case is recorded in accordance with standardised criteria and is classified and tracked in accordance with Farmexim S.A.'s Internal Regulations. If an internal compliance incident is confirmed by an investigation, various measures may be taken depending on the severity of the employee's misconduct.

These can range from a warning to, in exceptional cases, termination of the employment contract and claims for damages. Serious cases are subject to a follow-up process. This ensures that any corrective measures are implemented appropriately. Violations committed by external parties, such as business partners, may also lead to termination of the contract, referral to regulatory authorities or the police, and, where appropriate, civil action. All stakeholders with access to the whistleblowing system are thoroughly

and regularly trained on its use and the relevant internal processes.

Employees are regularly reminded of the reporting structures and systems through various communication campaigns and e-learning sessions. Information is also provided in our Code of Conduct, which is available on both the intranet and the website [www.farmexim.ro](http://www.farmexim.ro).

**Farmexim's compliance system defines measures to prevent, detect and combat corruption and bribery.**

In addition to our policies, procedures and monitoring activities, we have established the possibility to report compliance incidents through the whistleblowing system or directly to the compliance department. Cases are then investigated in accordance with defined processes.



## Policies and procedures

All reported compliance cases, including allegations of corruption and bribery in particular, are systematically investigated, followed up and sanctioned. Where appropriate, we take the necessary measures to minimise the risk. There were no convictions or regulatory fines related to corruption and bribery during the reporting year. Farmexim S.A. continuously promotes the communication of compliance content to raise awareness of the whistleblowing system. We regularly conduct training sessions in the form of mandatory e-learning courses with the explicit purpose of communicating the content of the compliance system and ensuring that all employees act in accordance with the law.

New employees receive training as part of their induction, and employees who have been working at Farmexim S.A. for some time receive training every two years. This includes members of the executive board. Farmexim S.A. takes the management of customer, business partner and employee data very seriously and handles it in a

lawful and trustworthy manner, appointing data protection officers or data protection contact persons. These persons are responsible for advising the organisation and employees on data protection issues and for monitoring compliance with data protection legislation.

The data protection policy applies to all employees and aims to ensure that personal data is processed exclusively in accordance with applicable data protection regulations and in accordance with the principles of the GDPR. Among other things, it also defines and regulates the reporting and handling of data breaches.

Our policies set out in concrete terms our company's conviction that anti-competitive practices, corruption and misconduct have no place in the cooperation with Farmexim S.A.'s customers and business partners.



## EU Taxonomy

The EU taxonomy is a classification system that defines which activities are sustainable ("green") and provides a methodology for calculating how green the turnover, CAPEX and OPEX of Farmexim S.A. are. It is based on specific criteria and indicators, such as greenhouse gas emissions, use of natural resources, respect for human rights, impact on biodiversity and energy efficiency.

EU Regulation No. 852/2020 on Taxonomy is a uniform, credible, science-based framework used to classify activities that are sustainable, determining, among other conditions, whether they contribute substantially to one or more of the six specific environmental objectives.

The EU taxonomy and its reporting requirements – i.e. the green indicators – represent a reality check on sustainability ambitions and action plans, and an opportunity to show the

market which activities are aligned with the transition to zero carbon, providing sustainable ways to achieve the target. By establishing a common set of green criteria and indicators, the EU taxonomy lays the foundation for a common and transparent approach to sustainable finance and investment.

Therefore, the reporting requirements on the EU taxonomy can be seen not only as legal obligations, but also as an opportunity to showcase our commitment to sustainability to investors, customers, partners and other stakeholders.

Adhering to these requirements helps strengthen our market position and boost investor confidence in our ability to manage risks and seize opportunities related to the transition to zero carbon emissions.





## EU Taxonomy

The taxonomy currently covers environmental objectives that focus on climate change and which, therefore, can make the greatest positive contribution in the future.

### The environmental objectives are:

- climate change mitigation (avoiding/reducing greenhouse gas emissions)
- adaptation to climate change (reducing or preventing negative impacts on the current or projected future climate, or the risks of negative impacts)
- sustainable use and protection of water and marine resources
- transition to a circular economy (with an emphasis on resource reuse and recycling)
- pollution prevention and control
- protection and restoration of biodiversity and ecosystems

For the fiscal year 2024–2025, Farmexim S.A. assessed the extent to which its activities contributed to

climate change mitigation and adaptation objectives, in accordance with the EU Taxonomy (Regulation (EU) 2020/852). Following this analysis, we have identified that in the fiscal year 2024–2025, we carried out the following activity considered eligible: 6.6. Road freight transport services. The CAPEX associated with this activity was: 9,712,302 Lei.

### Consequently:

- 0.4% of the company's turnover (5,151,726,979 lei) can be classified as eligible for taxonomy;
- 47.9% of the company's CAPEX (20,276,193 lei) can be associated with activities considered eligible for taxonomy;
- 7.22% of the company's OPEX (148,431,227 lei) can be associated with activities considered eligible for taxonomy.



# EU taxonomy

Proporția din cifra de afaceri generată de produse sau servicii asociate cu activitățile economice aliniate la taxonomie – informații furnizate pentru anul 2024-2025

Exercițiul financiar 2024-2025	2024-2025			Criterii privind contribuția substanțială						Criterii aferente principiului de „a nu aduce prejudicii semnificative” (“Does Not Significantly Harm” - DNSH) (h)							Proporția din cifra de afaceri aliniață la taxonomie (A.1.) sau eligibilă din punctul de vedere al taxonomiei (A.2.) cifra de afaceri, anul 2023-2024 (18)				Catego ria activa te de facilita re (19)	Categoria activitate de tranziție (20)
Activități economice (1)	Codul (a) (2)	Cifra de afaceri (3)	Proporția din cifra de afaceri, anul 2024-2025 (4)	Atenuarea schimbărilor climatice (5)	Adaptarea la schimbările climatice (6)	Apa (7)	Poluarea (8)	Economia circulară (9)	Biodiversitatea (10)	Atenuarea schimbărilor climatice (11)	Adaptarea la schimbările climatice (12)	Apa (13)	Poluarea (14)	Economia circulară (15)	Biodiversitatea (16)	Garanții minime (17)						
A. ACTIVITĂȚI ELIGIBILE DIN PUNCTUL DE VEDERE AL TAXONOMIEI																						
A.1. Activități durabile din punctul de vedere al mediului (aliniate la taxonomie)																						
		0%		N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	%					
A.2 Activități eligibile din punctul de vedere al taxonomiei, dar care nu sunt durabile din punctul de vedere al mediului (activități nealiniate la taxonomie) (g)																						
Serviciile de transport rutier de mărfuri				EL	N/EL	N/EL	N/EL	N/EL	N/EL											0%		
Serviciile de transport rutier de mărfuri	6.6 CCM	20,422,617 Lei	0,40%	EL	N/EL	N/EL	N/EL	N/EL	N/EL											0%		
Cifra de afaceri a activităților eligibile din punctul de vedere al taxonomiei, dar care nu sunt durabile din punctul de vedere al mediului (activități nealiniate la taxonomie) (A.2)		20,422,617 Lei	0,40%	0,40%	%	%	%	%	%											0%		
A. Cifra de afaceri a activităților eligibile din punctul de vedere al taxonomiei (A.1+A.2)		20,422,617 Lei	0,40%	0,40%	%	%	%	%	%											0%		
B. ACTIVITĂȚI NEELIGIBILE DIN PUNCTUL DE VEDERE AL TAXONOMIEI																						
Cifra de afaceri a activităților neeligibile din punctul de vedere al taxonomiei										5,131,304,362 Lei	99,60%											
TOTAL										5,151,726,979 Lei	100 %											

Proporția CapEx din produse sau servicii asociate cu activități economice aliniate la taxonomie – informații furnizate pentru anul 2024-2025

Exercițiul financiar 2024-2025	2024-2025			Criterii privind contribuția substanțială						Criterii aferente principiului de „a nu aduce prejudicii semnificative” ('Does Not Significantly Harm' - DNSH) (h)												
Activități economice (1)	Codul (a) (2)	CapEx (3)	Proporția din CapEx, anul 2024- 2025 (4)	Atenuarea schimbărilor climatice (5)	Adaptarea la schimbările climatice (6)	Apa (7)	Poluarea (8)	Economia circulară (9)	Biodiversitatea (10)	Atenuarea schimbărilor climatice (11)	Adaptarea la schimbările climatice (12)	Apa (13)	Poluarea (14)	Economia circulară (15)	Biodiversitatea (16)	Garanții minime (17)	Proporția din cifra de afaceri alinată la taxonomie (A.1.) sau eligibilă din punctul de vedere al taxonomiei (A.2.) CapEx, anul 2023- 2024 (18)	Categori a activitate de facilitare (19)	Categoria activitate de tranziție (20)			
A. ACTIVITĂȚI ELIGIBILE DIN PUNCTUL DE VEDERE AL TAXONOMIEI																						
A.1. Activități durabile din punctul de vedere al mediului (aliniate la taxonomie)																						
		0%		N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	%					
A.2 Activități eligibile din punctul de vedere al taxonomiei, dar care nu sunt durabile din punctul de vedere al mediului (activități nealiniate la taxonomie) (g)																						
Serviciile de transport rutier de mărfuri				EL	N/EL	N/EL	N/EL	N/EL	N/EL													
Serviciile de transport rutier de mărfuri	6.6 CCM	9,712,302 Lei	47,9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									3,2%				
CapEx aferente activităților eligibile din punctul de vedere al taxonomiei, dar care nu sunt durabile din punctul de vedere al mediului (activități nealiniate la taxonomie) (A.2)		9,712,302 Lei	47,9%	47,9%	%	%	%	%	%									3,2%				
A. CapEx aferente activităților eligibile din punctul de vedere al taxonomiei (A.1+A.2)		9,712,302 Lei	47,9%	47,9%	%	%	%	%	%									3,2%				
B. ACTIVITĂȚI NEELIGIBILE DIN PUNCTUL DE VEDERE AL TAXONOMIEI																						
CapEx aferente activităților neeligibile din punctul de vedere al taxonomiei						10,563,891 Lei	52,1%															
TOTAL		20,276,193 Lei	100 %																			

EU taxonomy

Proporția OpEx din produse sau servicii asociate cu activități economice aliniate la taxonomie – informații furnizate pentru anul 2024-2025

Exercițiul financiar 2024-2025		2024-2025			Criterii privind contribuția substanțială							Criterii aferente principiului de „a nu aduce prejudicii semnificative” (“Does Not Significantly Harm” - DNSH) (h)										
Activități economice (1)	Codul (a) (2)	OpEx (3)	Proporția din OpEx, anul 2024- 2025 (4)	Atenuarea schimbărilor climatice (5)	Adaptarea la schimbările climatice (6)	Apa (7)	Poluarea (8)	Economia circulară (9)	Biodiversitatea (10)	Atenuarea schimbărilor climatice (11)	Adaptarea la schimbările climatice (12)	Apa (13)	Poluarea (14)	Economia circulară (15)	Biodiversitatea (16)	Garanții minime (17)	Proporția din cifra de afaceri alinată la taxonomie (A.1.) sau eligibilă din punctul de vedere al taxonomiei (A.2.) OpEx, anul 2023- 2024(18)	Categori a activitate de facilitare (19)	Categoria activitate de tranziție (20)			
A. ACTIVITĂȚI ELIGIBILE DIN PUNCTUL DE VEDERE AL TAXONOMIEI																						
A.1. Activități durabile din punctul de vedere al mediului (aliniate la taxonomie)																						
		0%		N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	%					
A.2 Activități eligibile din punctul de vedere al taxonomiei, dar care nu sunt durabile din punctul de vedere al mediului (activități nealiniate la taxonomie)																						
Serviciile de transport rutier de mărfuri				EL	N/EL	N/EL	N/EL	N/EL	N/EL													
Serviciile de transport rutier de mărfuri	6.6 CCM	10,710,315 Lei	7,22%	EL	N/EL	N/EL	N/EL	N/EL	N/EL													0,01%
OpEx aferente activităților eligibile din punctul de vedere al taxonomiei, dar care nu sunt durabile din punctul de vedere al mediului (activități nealiniate la taxonomie) (A.2)			10,710,315 Lei	7,22%	7,229%	%	%	%	%													0,01%
A. OpEx aferente activităților eligibile din punctul de vedere al taxonomiei (A.1+A.2)			10,710,315 Lei	7,22%	7,229%	%	%	%	%													0,01%
B. ACTIVITĂȚI NEELIGIBILE DIN PUNCTUL DE VEDERE AL TAXONOMIEI																						
OpEx aferente activităților neeligibile din punctul de vedere al taxonomiei		137,720,912 Lei	92,78%																			
TOTAL		148,431,227 Lei	100 %																			



# LEGAL NOTICES

## **1. EUROPEAN SUSTAINABILITY REPORTING STANDARDS (ESRS)**

ESRS 1 – General requirements

ESRS 2 – General information

ENVIRONMENT (ESRS – E)

ESRS E1 – Climate change

ESRS E2 – Pollution

ESRS E3 – Water and marine resources

ESRS E4 – Biodiversity and ecosystems

ESRS E5 – Resource use and circular economy

SOCIAL (ESRS – S)

ESRS S1 – Own workforce

ESRS S2 – Workers in the value chain

ESRS S3 – Affected communities

ESRS S4 – Consumers and end users

GOVERNANCE (ESRS – G)

ESRS G1 – Business conduct

## **2. EU Directive on Corporate Sustainability Reporting (CSRD)**



**WE DELIVER HEALTH**  
For a sustainable future