

SUSTAINABILITY REPORT

| 2023 - 2024 |



**WE DELIVER
HEALTH.**

For the future

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NIKOLAY KOLEV:

Our commitment to future generations



NIKOLAY KOLEV

Managing Director
Farmexim I Help Net

Greetings!

We started our sustainability journey a few years ago and over time our goals and aspirations have evolved.

While we remain focused on achieving our sustainability goals, we are also striving to do even more in order to align with the PHOENIX group sustainability goals by 2030.

Our commitment to sustainability is the driving force behind our efforts to deliver healthcare responsibly. Assessing our business in terms of resource consumption is a top priority and we are very aware of the impact we have on nature. We believe in our power to have low-footprint processes that support the transition to a low-carbon emission future.

I see our organization better positioned than ever to create value for our employees, our customers and partners, and the communities in which we live and do business. We remain committed to delivering innovative solutions by investing in the best technologies, attracting the best talent, continuing our organizational redesign process and following responsible business practices.

I hope this report will be a valuable resource for you to understand our future approach and the progress we are making towards our goals.

ORGANIZATIONAL PROFILE AND REPORTING PRACTICES

Organizational details

Farmexim is the first pharmaceutical distributor established in 1990. With an extensive product portfolio and excellent customer relations, Farmexim is the optimal link between pharmaceutical manufacturers and patients.

Farmexim creates competition in a market characterized by rising health care costs by providing better access to affordable medicines. This benefits both patients and public budgets.

As of July 2018, Farmexim, together with Help Net Farma, is part of the PHOENIX group, one of Europe's leading healthcare providers with a leading role in the medical field. With a presence in 29 countries, including Romania, and 48,000 employees, no other commercial company has better representation at European level as PHOENIX group.

As a distributor of pharmaceuticals, PHOENIX group, through 224 distribution centers, supplies medicines and pharmaceutical products to pharmacies and medical institutions. PHOENIX Pharmacy Partnership is the umbrella of the European network of cooperation and partnership programs for pharmacies in 18 countries, with more than 17,000 independent member pharmacies. Pharma Services provides services for the entire supply chain in the pharmaceutical industry.

Farmexim, together with Help Net, focuses its efforts so that people lead a healthier life and have a better future.

ORGANIZATIONAL PROFILE AND REPORTING PRACTICES

Organizational details



Every year, PHOENIX group presents its sustainability report, which includes Farmexim data. The development of our business, as an integrated part of the PHOENIX group, is represented by the attention and care we pay in our daily activities in terms of our impact on the community, our employees and the environment. In addition to these directions, we also focus on the sustainable development of our business by integrating ethics and transparency, economic, social and environmental impact into the company's Internal Rules and Regulations.

Our vision is to be the partner of choice for our associates through 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.

Our vision is to be the partner of choice for our employees through simple and direct access to health products and services.

ORGANIZATIONAL PROFILE AND REPORTING PRACTICES

Sustainability framework

This report covers activities for the 2023-2024 fiscal year (February 1, 2023 - January 31, 2024), unless otherwise stated. The principles and practices described in globally accepted sustainability reporting frameworks have been used to create the content of this report. This report has been prepared with reference to the Global Reporting Initiative (GRI) universal standards and is aligned with the United Nations Sustainable Development Goals (UNSDGs).

The United Nations' Sustainable Development Goals (SDGs) were the basis for identifying the relevant areas and objectives that our company is pursuing. The topics identified in the most recent assessment, listed below, are based solely on data collected from the work of the organization for the reporting period.

We are facing the major tasks and challenges of our time, be it digitalization or climate change. We strive to grow by bringing more value, both to our company and to society at large. In particular, we intend and are able to contribute to people's health and well-being through sustainable logistics concepts, responsible use of resources, safe and good working conditions and a supportive stance towards our employees. High compliance standards together with safety, quality and transparency guide our daily actions.

We aim to integrate sustainability considerations into all relevant processes within the company. Among other things, this framework defines responsibilities, roles and tasks for this process. The framework also provides an overview of the activities taking place in the company as part of the Sustainability Agenda, guidance and reporting as well as in dialog with stakeholders.

Our commitment to sustainability stems from our mission and values and our goal to be the best integrated healthcare provider.

ORGANIZATIONAL PROFILE AND REPORTING PRACTICES

Sustainability framework

We are aware of the impact we have on the environment and take our responsibility to act responsibly and sustainably. We are committed to reducing our environmental footprint, promoting sustainable practices in all aspects of our business and helping to protect the environment for future generations. We are also dedicated to continuously increasing the value of the company through innovation, operational efficiency and service excellence. We strive to keep abreast of changes in the market and adapt quickly to new trends and requirements of our customers. At the same time, we are actively involved in the communities in which we operate, supporting social, educational and environmental projects to contribute to a better environment and a more cohesive society.

The need for quality healthcare services is growing and we are committed to meeting this demand by offering a wide range of products and services to meet the needs of all our customers. We are proud of what we have achieved so far and we are determined to continue to develop and constantly improve our services to meet our customers' expectations.

At the same time, maintaining a balance between profitability and social responsibility is essential for us. Farmexim is committed to operating responsibly. We are guided by the Sustainable Development Goals (SDGs), ensuring that we are moving towards a better and more sustainable future. We constantly seek to minimize our impact on the environment, protect fair labor practices, maintain safe working conditions and respect human rights.

*We strive to be a **trusted community partner**, working with non-governmental organizations and other entities to support social and humanitarian projects.*

ORGANIZATIONAL PROFILE AND REPORTING PRACTICES

Sustainability agenda

The sustainability agenda is a comprehensive plan addressing the economic, social and environmental aspects of sustainable development. It includes targets 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.

Our agenda focuses on the following topics:



Our mission is to contribute to people's health and well-being.

We deliver health, every day!

ACTIVITIES AND EMPLOYEES

Diversity, equal opportunities and inclusion

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. The company strategy is all-encompassing and is designed to give employees and their families the tools they need to adopt a healthy lifestyle.

Our benefits policy includes:

Private medical services

Group life insurance

Bonus for holidays and special events

Personal development programs

Paid birthday day off

Days off for special events

Farmexim encourages the development of the adaptability and agility needed to meet changing business demands. Office-based employees benefit from the Flexible Work Schedule Policy, because a flexible schedule can increase productivity and well-being. Eligible positions have the opportunity to work from home 2 days per week.

*The regular **employee satisfaction survey** helps us understand and act for the better by measuring satisfaction, engagement and cultural inclusion.*

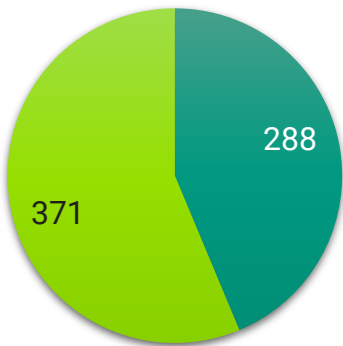
ACTIVITIES AND EMPLOYEES

Diversity, equal opportunities and inclusion

Farmexim offers its employees a fair and market-compatible compensation package that includes remuneration (fixed and variable), financial and non-financial benefits. With an employee-centered, fair and transparent compensation structure, we attract and retain the best professionals.

To ensure that the compensation packages offered by Farmexim are competitive and in line with the company's objectives and priorities, our compensation and benefits programs are reviewed annually, taking into account market realities.

We have structured our hiring procedures to reduce bias and ensure that we hire a diverse talent pool. We have continued to assess and promote diversity within our organization in our organizational review procedures, succession planning, leadership initiatives and other areas.



■ Women ■ Men

- During 2023 the total number of employees reached **659**, with **44%** women and **56%** men.
- During the reporting period we subcontracted staff from Nepal. **29** people work in our warehouses and benefit from optimal working conditions, equality and inclusion.

We support equality by treating all people with respect and fairness, without discrimination or privilege based on gender, ethnicity, sexual orientation or other characteristics.

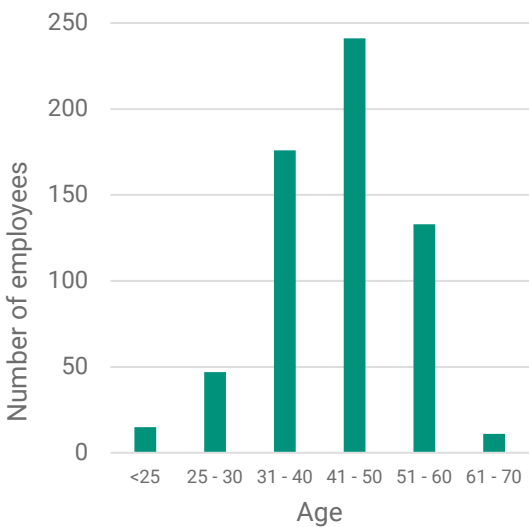
ACTIVITIES AND EMPLOYEES

Diversity, equal opportunities and inclusion

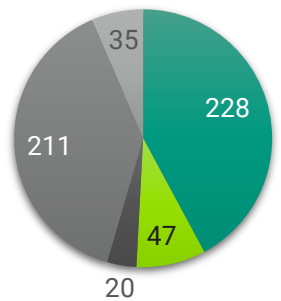
Our employees' ages span various ranges. This reinforces an inclusive culture where all employees have a sense of belonging and fair opportunities to reach their full potential.

For each employee, we consider not only their academic background but also their previous experience, interpersonal skills and adaptability. We provide training, ongoing support and guidance to develop and improve their skills within the organization. All of this brings considerable benefits to the company, as employees bring fresh perspectives and a broad range of skills that contribute to innovation and business development.

Employee engagement is critical to our success. Engaged employees are more motivated, more productive and more loyal to the company. This helps to increase performance and profitability, and provides a more pleasant and cooperative working atmosphere. To increase engagement, we empower employees to participate in important decisions, we recognize their efforts and provide opportunities for development and promotion within the organization. Transparent and open communication is also essential and helps us keep employees informed and involved in company strategies.



- Secondary education
- Vocational education
- Post-secondary education
- University education
- Post-graduate education



*By creating an **organizational culture** that encourages involvement and participation, we have built a **strong team** that contributes to the company's long-term success.*

KEY PRINCIPLES OF GOVERNANCE

Compliance and supply chain

Compliance is a key element of the corporate culture within the PHOENIX group and, by extension, within Farmexim. Responsible and compliant actions derive from the core values of our organization and are essential to our success.

Farmexim's success is based on responsible and lawful conduct, which of course includes compliance with the law and internal policies/ procedures. As a healthcare provider, ensuring the quality of our products throughout the supply chain is our top priority. Responsible and compliant behavior is the foundation of good corporate governance. Compliance is an integral part of Farmexim's corporate culture. Corruption, unfair competition and misconduct have no place in our company or in our dealings with customers and business partners. Violations of any kind are not tolerated; they are properly investigated and sanctions are imposed if necessary. Our goal is to continuously minimize compliance risks and avoid violations.

Our objective is to ensure access to safe and quality medicines for customers, in compliance with legislation and safety and quality standards, as well as to promote innovation and sustainable development of the pharmaceutical industry. Governance within Farmexim covers issues such as monitoring the safety and efficacy of pharmaceutical products and fighting counterfeiting and falsification of medicines. Key principles of Farmexim's governance include transparency, accountability and integrity to ensure an efficient and effective regulatory environment for the benefit of customers and society.

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

Supply chain governance helps increasing operational efficiency, reducing costs, improving product and service quality, increasing customer loyalty and reducing risks.

STRATEGY, POLICIES AND PRACTICES

Performance standards

We have established and implemented clear processes and policies to ensure effective 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.

Our policies set out, in specific terms, our company's belief that anti-competitive practices, corruption and improper behavior have no place in working with Farmexim's customers and business partners.

Code of Conduct

Anti-corruption policy

Competition compliance policy

Integrity Platform - compliance breach reporting system

PHOENIX group has created an online system for reporting compliance violations. Through this system, Farmexim employees as well as third parties have the possibility to anonymously ask questions or anonymously report suspected compliance violations or actual incidents.

The online compliance breach reporting platform is operated by an external service provider, so the identity of the whistleblower cannot be traced.

The Integrity Platform for reporting compliance violations can be accessed at any time at: <https://phoenixgroup.integrityplatform.org/>

ENGAGEMENT OF STAKEHOLDERS

Sustainability and responsibility

Engagement of the stakeholders is important to ensure transparency, effective communication, understanding and contributes to building a long-term relationship of trust and collaboration that mutually benefits and supports common goals. This input helps us to identify and manage risks or potential problems, as well as to capitalize on opportunities for innovation and continuous improvement.



Stakeholder engagement is an essential aspect of corporate governance and corporate social responsibility that adds value to a sustainable and responsible organization.

MATERIALITIES AND ENVIRONMENTAL IMPACT

Management and accountability

The materialities identified are material or tangible aspects of our activities that have an impact on the environment, the economy or society in general. These topics include consumption of natural resources, 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. We therefore manage these materialities responsibly, taking measures to minimize negative impact and promote sustainable development.

Bases on the risk analysis carried out by PHOENIX group, the materialities are:

Materiality	GRI index	Impact localization
Responsible and ethical supply chain	Procurement practices	External
Product safety	Customer health and safety, marketing and labeling	Internal and external
Access to high-quality pharmaceuticals and health services	Indirect economic impacts	External
Customer satisfaction	Customer health and safety, marketing and labeling, customer privacy	Internal and external
Consumption of resources	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
Employees' health, safety and well-being	Health and safety at work	Intern
Diversity, equity and inclusion	Employment, diversity and equal opportunities, non-discrimination	Intern
Long-term talent retention	Employment, diversity and equal opportunities, training and education	Intern
Staff development	Training and education	Intern
Fair working conditions	Employment, non-discrimination, diversity and equal opportunities	Intern
Community engagement	Indirect economic impacts	External
Compliance	Anti-competitive behavior, anti-corruption	Internal and external

ECONOMIC TOPICS AND EU TAXONOMY

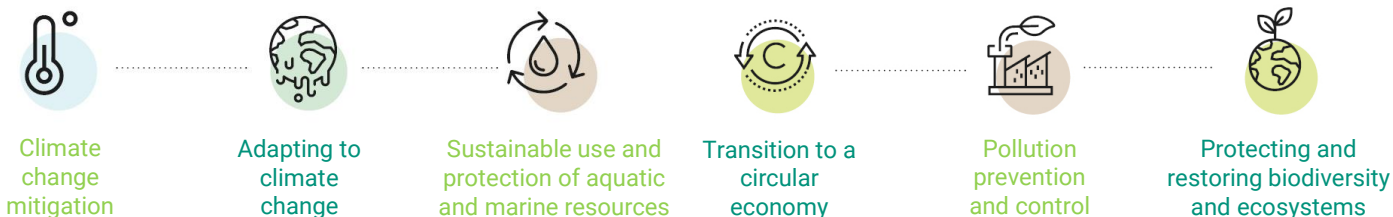
Reporting requirements

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

The EU Regulation 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 six specific environmental objectives.

The EU Taxonomy and its reporting requirements - i.e. the Green Indicators - are a reality check on the sustainability ambitions and action plan and an opportunity to show the market which activities align with the zero-carbon transition, offering sustainable ways to reach the target. By establishing a common set of green criteria and indicators, the EU taxonomy lays the foundations for a common and transparent approach to sustainable financing and investment.

The reporting requirements on the EU taxonomy can therefore be seen not just as legal obligations, but also as an opportunity to demonstrate to investors, customers and other stakeholders that we are committed and responsible to sustainability. Adherence to these requirements helps to strengthen our position in the market and to increase investor confidence in our ability to manage the risks and capitalize on the opportunities associated with the transition to zero carbon emissions.



ECONOMIC TOPICS AND EU TAXONOMY

Environmental objectives

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

The environmental objectives are:

- climate change mitigation (avoiding/ reducing greenhouse gas emissions or increasing greenhouse gas removals)
- adapting to climate change (reducing or preventing adverse impacts on the current or expected future climate, or the risks of adverse impacts)
- sustainable use and protection of water and marine resources
- the transition to a circular economy (with a focus on reusing and recycling resources)
- pollution prevention and control
- protecting and restoring biodiversity and ecosystems

For the fiscal year 2023 - 2024, Farmexim has assessed the extent to which the activities carried out have contributed to climate change mitigation and adaptation objectives, according to the EU Taxonomy (Regulation (EU) 2020/852). As a result of this analysis, we have identified that in the fiscal year 2023 - 2024 we carried out the following activity considered eligible: 6.6. Freight road transportation services.

EU TAXONOMY

Information provided for 2023-2024

Financial year 2023-2024e good	2023-2024			Criteria for substantial contribution							Criteria related to the principle of "do no significant harm" ('Does Not Significantly Harm' - DNSH) (h)								
Economic activities (1)	Code (a) (2)	Turnover (3)	Share of turnover, year 2023-2024 (4)	Climate change mitigation (5)	Adapting to climate change (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Adapting to climate change (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum guarantees (17)	Share of turnover taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) turnover, year 2022-2023 (18)	Facilitation activity category (19)	Transition activity category (20)
A. ELIGIBLE ACTIVITIES IN TERMS OF TAXONOMY																			
A.1. Environmentally sustainable activities (aligned to taxonomy)																			
A.2 Activities eligible under the taxonomy but which are not environmentally sustainable (non-taxonomy activities) (g)																			
		0%		N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	%		
Road haulage services																			
Road haulage services	6.6 CCM	15,189,108 Lei	0,36%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Turnover of activities eligible under the taxonomy but which are not environmentally sustainable (non-taxonomy activities) (A.2)		15,189,108 Lei	0,36%	0,36%	%	%	%	%	%								0%		
A. Turnover of taxonomy eligible activities (A.1+A.2)		15,189,108 Lei	0,36%	0,36%	%	%	%	%	%								0%		
B. INELIGIBLE ACTIVITIES IN TERMS OF TAXONOMY																			
Turnover of activities not eligible under the taxonomy		4,199,902,120 Lei	99,64%																
TOTAL		4,215,091,228 Lei	100 %																

Proportion of **turnover** generated by products or services associated with economic activities aligned to the **taxonomy**

EU TAXONOMY

Information provided for 2023-2024

Financial year 2023-2024	2023-2024			Criteria for substantial contribution							Criteria related to the principle of "do no significant harm" ('Does Not Significantly Harm' - DNSH) (h)							Facilitation activity category (19)	Transition activity category (20)
	Code (a) (2)	CapEx (3)	Proportion of CapEx, year 2023-2024 (4)	Climate change mitigation (5)	Adapting to climate change (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Adapting to climate change (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum guarantees (17)	Share of turnover taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) turnover, year 2022-2023 (18)		
A. ELIGIBLE ACTIVITIES IN TERMS OF TAXONOMY																			
A.1. Environmentally sustainable activities (aligned to taxonomy)																			
		0%		N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	%		
A.2 Activities eligible under the taxonomy but which are not environmentally sustainable (non-taxonomy activities) (g)																			
Road haulage services				EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Road haulage services		6.6 CCM	3,276,108 Lei	18,5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							3,2%		
CapEx for taxonomy eligible activities but are not environmentally sustainable (activities not aligned to taxonomy) (A.2)			3,276,108 Lei	18,5%	18,5%	%	%	%	%	%							3,2%		
A. CapEx for taxonomy eligible activities (A.1+A.2)			3,276,108 Lei	18,5%	18,5%	%	%	%	%	%							3,2%		
B. INELIGIBLE ACTIVITIES IN TERMS OF TAXONOMY																			
CapEx for activities not eligible under the taxonomy			14,437,892 Lei	81,5%															
TOTAL			17,714,000 Lei	100 %															

Proportion of **CapEx** generated by products or services associated with economic activities aligned to the **taxonomy**

EU TAXONOMY

Information provided for 2023-2024

Financial year 2023-2024	2023-2024			Criteria for substantial contribution							Criteria related to the principle of "do no significant harm" ('Does Not Significantly Harm' - DNSH) (b)							Share of turnover taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) turnover, year 2022-2023 (18)	Facilitation activity category (19)	Transition activity category (20)
	Code (a) (2)	OpEx (3)	Proportion from OpEx, year 2023-2024 (4)	Climate change mitigation (5)	Adapting to climate change (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Adapting to climate change (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum guarantees (17)				
Economic activities (1)																				
A. ELIGIBLE ACTIVITIES IN TERMS OF TAXONOMY																				
A.1. Environmentally sustainable activities (aligned to taxonomy)																				
		0%		N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N		%		
A.2 Activities eligible under the taxonomy but which are not environmentally sustainable (non-taxonomy activities)																				
Road haulage services				EL	N/EL	N/EL	N/EL	N/EL	N/EL											
Road haulage services	6.6 CCM	11,913,000 Lei	8,41%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0,01%		
OPEX related to activities eligible under the taxonomy but which are not environmentally sustainable (non-taxonomy activities) (A.2)		11,913,000 Lei	8,41%	8,41%	%	%	%	%	%									0,01%		
A. OPEs for taxonomy eligible activities (A.1+A.2)		11,913,000 Lei	8,41%	8,41%	%	%	%	%	%									0,01%		
B. INELIGIBLE ACTIVITIES IN TERMS OF TAXONOMY																				
OPEx on activities not eligible under the taxonomy		129,764,551 Lei	91,59%																	
TOTAL		141,677,551 Lei	100 %																	

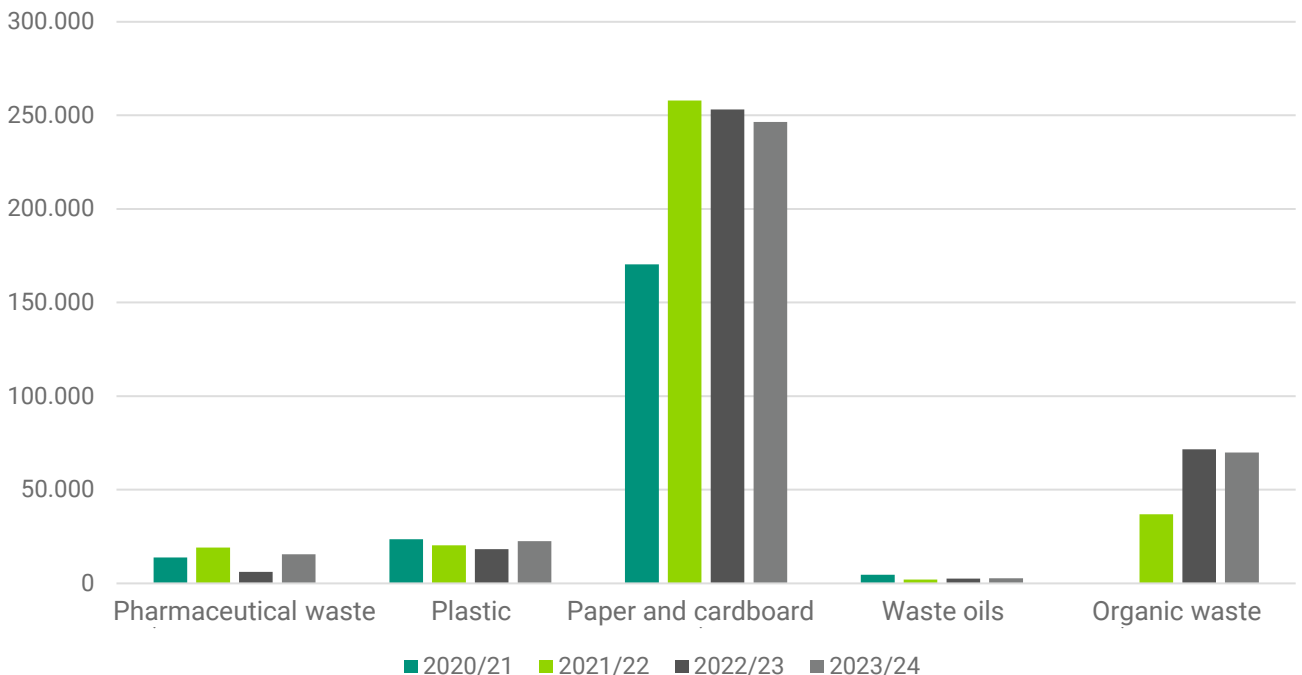
Proportion of **OpEx** generated by products or services associated with economic activities aligned to the **taxonomy**

ENVIRONMENTAL TOPICS

Waste management

The aim of waste management is to minimize the impact of waste on the environment and to encourage recycling and reuse of materials. Our responsibility is to provide waste collection, transportation, treatment and disposal services in a responsible and sustainable way.

We have chosen to implement effective waste management policies and programs in order to reduce the amount of waste generated, to selectively collect all types of waste and to conserve natural resources. Pharmaceutical waste is disposed of in compliance with current environmental and public health regulations and standards through a specialized waste management company, taking into account the protection of the environment and pollution prevention, while ensuring that hazardous chemicals do not end up contaminating water, soil or air.



ENVIRONMENTAL TOPICS

Use of resources

Global warming and increasing consumption of natural resources are among the greatest global challenges of our time. Farmexim recognizes its responsibility towards the environment and tries to minimize the impact of its activities on it. Important areas of action in this regard include reducing emissions from the operation of our buildings and transportation.

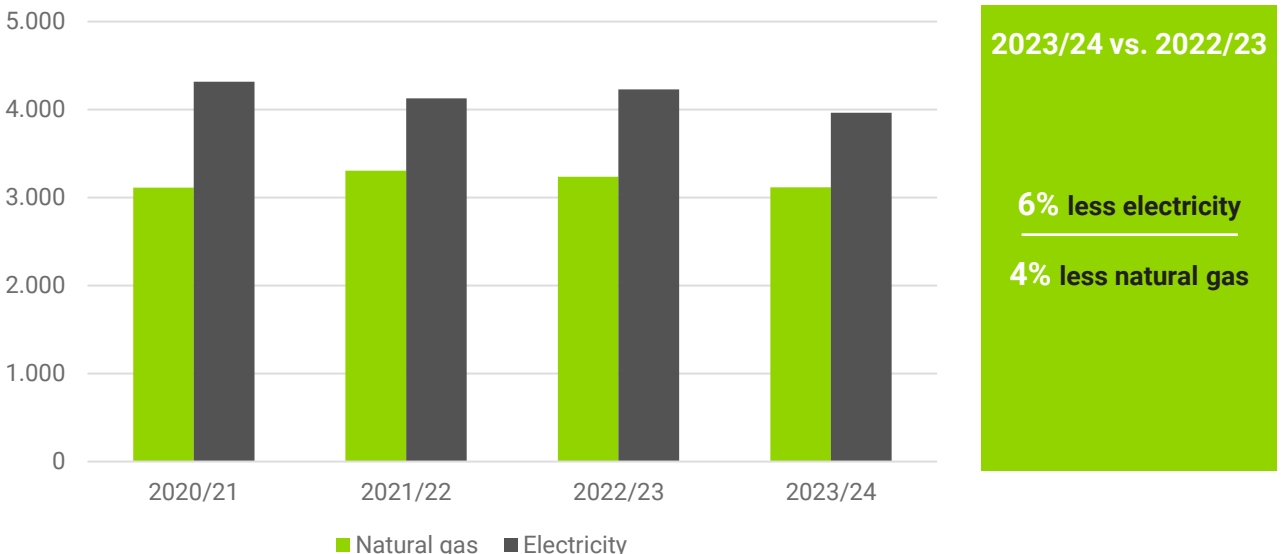
It is important for us to use natural resources sustainably, to do so in a way that ensures that they will be available for future generations, and to stay involved by maintaining our commitment to achieving zero carbon emissions from our activities by 2030. In order to manage natural resources efficiently, we adopt conservation practices, promote the use of renewable energy and reduce resource consumption.

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

12.07%
Electricity from
fossil sources

36%
Nuclear
electricity

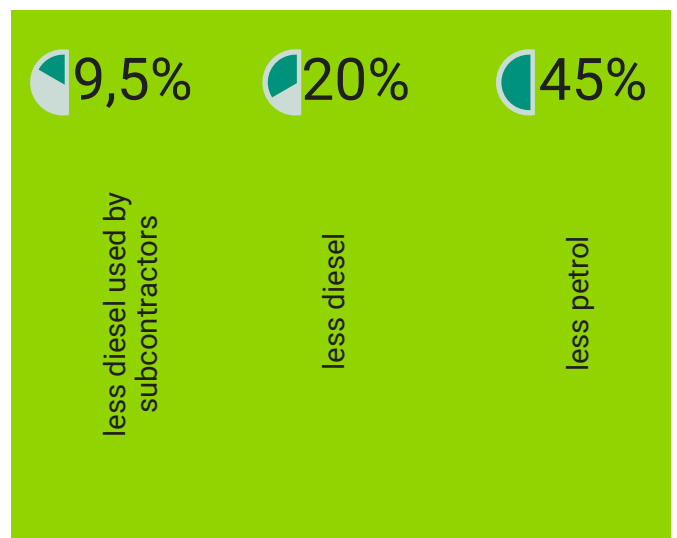
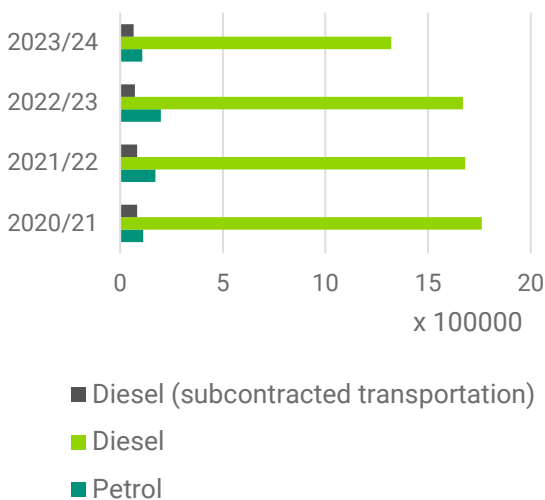
52.33%
Renewable
electricity



ENVIRONMENTAL TOPICS

Fuel consumption

During the reporting period we significantly reduced fuel consumption and hence carbon emissions, both for product transportation and employee vehicles.



- **The reduction of fuel consumption and carbon emissions** generated by the company's activity is due to the optimization of transport routes by shortening the distances covered and improving delivery efficiency.
- **Some of our employees' vehicles have also been replaced with more energy-efficient models** such as hybrid vehicles.
- **We promote carpooling** for business travel and transportation to and from work
- **We support the use of public transportation** by providing our employees with buses with which they can get to our headquarters in Balotești.
- We work with our suppliers to identify **alternative transportation solutions** and reduce the environmental impact of product deliveries, as well as managing resources more efficiently and reducing fuel consumption.

ENVIRONMENTAL TOPICS

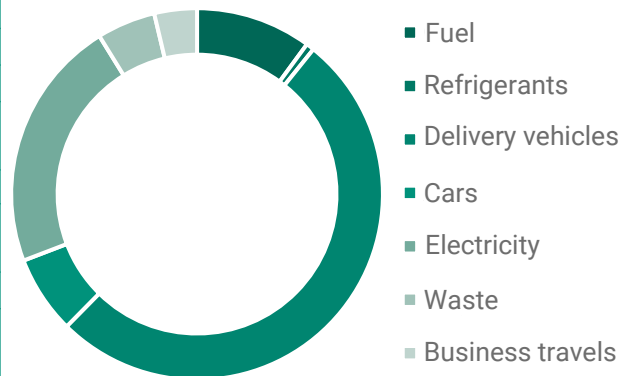
GHG emissions

Farmexim's business is focused on reducing greenhouse gas emissions as this is crucial for limiting climate change and protecting the environment. Measuring and reducing our carbon footprint is important to mitigate our negative impact on the environment and for this reason we promote responsible and sustainable consumption by recycling and reusing materials, procuring energy from renewable sources and using energy efficient equipment and appliances.

We are committed to reducing emissions throughout the entire supply chain. We are committed to environmental conservation and believe that a healthy environment is a prerequisite for good health and happiness. The Sustainability Plan, Code of Conduct and Health, Safety and Environment Policy serve as guidelines for our environmental activities.

The energy and heat required to run our headquarters, along with the company's fleet of vehicles, represent Scope 1 and 2 emissions. Farmexim strives to consistently reduce greenhouse gas emissions from transportation operations. Our modern fleet of vehicles, transparent database and efficient driving techniques are key levers for efficient and environmentally friendly logistics.

GHG Protocol standards	Emission category	tCO ₂
DOMAIN 1	Fuel	602.66
	Refrigerants	41.76
	Delivery vehicles	3087.37
	Cars	406.56
DOMAIN 2	Electricity	1316.87
DOMAIN 3	Waste	305.05
	Business travels	222
TOTAL		5982.27



SOCIAL TOPICS

Training courses

Training courses are learning programs aimed at increasing the skills and improving the knowledge of Farmexim 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.

There are many benefits to our employees' participation in training, such as career advancement, improved job performance, expanding their network of contacts and developing critical thinking and problem-solving skills. Training also helps to keep skills up-to-date and adapt to changes within the company.

Collaborate for Value Delivery	ITIL
Sales, Negotiation and Influence	ISO 9001 Internal Auditor
Total Reward Management	Employer Branding Conference
Fire prevention and extinguishing	Defensive and Economic Driving
Good distribution practices	Talent Academy
CNFarma2023	ELP Performance Management
Sustainability reporting	Excel
Cities of Tomorrow	English language
Forklift license	Web development - Javascript
Project Management Fundamentals Tools & Techniques	Fortinet Network Security Expert (NSE)

SOCIAL TOPICS

Corporate social responsibility

We act in a socially responsible manner, contribute to solving social problems, improve the quality of life of our employees, protect the environment and strengthen our relations with the community in which we operate. Corporate social responsibility is important to Farmexim, not only as a moral obligation, but also to ensure our long-term success.

During the reporting period we continued our involvement by sponsoring the following activities:



In addition to our goal to deliver health and grow together with our partners, we have supported and helped the community by being actively and responsibly involved.

GRI INDICES

GRI standards	Pag.	Omissions/comments
GRI 1: Foundation 2021		
GRI 2: General Information 2021		
Organizational profile and reporting practices		
GRI 2-1 Organizational details	4 - 8	
GRI 2-2 Entities included in the organization's sustainability reporting	4 - 8	
GRI 2-3 Reporting period, frequency and contact point	6	
GRI 2-4 Restoring information	5	
GRI 2-5 External Assurance	5	
Activities and employees		
GRI 2-6 Activities, value chain and other business relationships	6	
GRI 2-7 Employees	9 - 11	
GRI 2-8 Workers not in employment	n/a	There is no reference for non-employed workers for the reporting period concerned.
Governance		
GRI 2-9 Governance structure and composition	12	
GRI 2-10 Nomination and selection of the highest governance body	12	
GRI 2-11 Chair of the highest governance body	12	
GRI 2-12 Role of the highest governance body in overseeing impact management	12	
GRI 2-13 Delegating responsibility for managing impacts	12	
GRI 2-14 Role of the highest governance body in sustainable development reporting	12	
GRI 2-15 Conflicts of interest	n/a	No conflicts have been reported.
GRI 2-16 Communicating critical concerns	12	
GRI 2-17 Collective knowledge of the highest governance body	12	
GRI 2-18 Performance assessment of the highest governance body	12	
GRI 2-19 Remuneration policies	10	
GRI 2-20 Remuneration process	10	
Strategy, policies and practices		
GRI 2-22 Sustainable Development Strategy Statement	13	
GRI 2-23 Political commitments	13	
GRI 2-24 Integration of policy commitments	13	
GRI 2-25 Remediation processes for negative impacts	n/a	There is no policy/ process in place during the reporting period.

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GRI Standards	Pag.	Omissions/comments
Stakeholder engagement		
GRI 2-29 Stakeholder engagement approach	24	
GRI 2-30 Collective labor contracts	n/a	
Material topics		
GRI 3-1 Process for determining materialities	15	
GRI 3-2 List of materialities	15	
GRI 3-3 Materiality management	15	Materialities cover all Farmexim subsidiaries and operations unless otherwise specified. Management of economic, environmental and social material topics is included throughout this report.
Economic topics		
GRI 3-3 Materiality management	15	<p>Material economic topics include understanding and managing the financial risks and opportunities climate-related financial risks and opportunities on doing business and supporting the communities in which we live and work.</p> <p>Based on this report, we assess our approaches to managing material topics to ensure that we adopt new strategies or best practices as identified through collaboration with both internal and external stakeholders, industry benchmarking and other research.</p>
GRI 201-1 Direct economic value generated and distributed	16	
GRI 201-2 Financial implications and other risks and opportunities from climate change	n/a	During the reporting period, the financial situation has no impact on climate change.
GRI 201-3 Defined benefit and other pension plan obligations	n/a	
GRI 203-1 Investment in infrastructure and services provided	n/a	
GRI 203-2 Significant indirect economic impact	16	
GRI 204-1 Share of expenditure with local suppliers	16	
GRI 205-1 Operations assessed for corruption-related risks	13	
Strategy, policies and practices		
GRI 2-26 Mechanisms for soliciting advice on fundraising concerns	13	
GRI 2-27 Compliance with laws and regulations	12	
GRI 2-28 Member Associations	n/a	

GRI INDICES

GRI Standards	Pag.	Omissions/comments
Economic topics		
GRI 205-2 Communication and training on anti-corruption policies and procedures	13	
GRI 205-3 Confirmed incidents of corruption and action taken	n/a	There were no incidents during the reporting period.
GRI 206-1 Legal actions for anti-competitive behavior, antitrust and monopolistic practices	15	
GRI 207-1 Tax approach	15	
GRI 207-2 Fiscal governance, control and risk management	15	
GRI 207-3 Stakeholder engagement and managing tax-related concerns	15	
Environmental topics		
GRI 3-3 Management of materialities	21	
GRI 301-2 Recycled materials used	n/a	
GRI 301-3 Recalled products and their packaging	n/a	The subject is not relevant to our business as Farmexim is not a manufacturer.
GRI 302-1 Energy consumption within the organization	22	
GRI 302-4 Reducing energy consumption	22	As we continue to develop, we will strive to increase the efficiency of our buildings, expand our renewable energy portfolio and reduce fuel consumption. We regularly evaluate and explore opportunities to increase energy efficiency through lighting retrofitting.
GRI 303-5 Water consumption	n/a	
GRI 305-1 Direct GHG emissions (Scope 1)	24	
GRI 305-2 Indirect GHG emissions from energy (Domain 2)	24	
GRI 305-3 Other indirect (Scope 3) GHG emissions	24	
GRI 305-4 GHG emissions intensity	24	Our greenhouse gas emission intensity (from domains 1 and 2) for the reporting period is 0.000001 MT CO ₂ e/RON revenue.
GRI 305-5 Reducing GHG emissions	24	As this is the first calculation on GHG areas 1, 2, 3, the topic is not applicable for the reporting period.
GRI 306-1 Waste generation and significant waste-related impacts	21	
GRI 306-2 Management of significant waste-related impacts	n/a	There are no waste related impacts during the reporting period.
GRI 306-3 Waste generated	21	
GRI 306-4 Waste diverted from disposal	n/a	
GRI 306-5 Waste for disposal	21	
GRI 308-1 New suppliers selected based on environmental criteria	n/a	

GRI INDICES

GRI standards	Pag.	Omissions/comments
Social topics		
GRI 3-3 Management of materialities		Our material social indicators include promoting health care access and equity, diversity and inclusion, health and safety, employee benefits and development, and community impact. These materialities were determined in the most recent assessment. Material social topics cover all Farmexim operations and subsidiaries unless otherwise specified. Material social topics are managed by designated committees that are aligned with our goal of creating a healthier future.
GRI 401-1 New hires and employee turnover	9 - 11	
GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	9 - 11	
GRI 401-3 Parental leave	9 - 11	
GRI 403-1 Occupational health and safety management system	9 - 11	
GRI 403-2 Hazard identification, risk assessment and incident investigation	9 - 11	
GRI 403-3 Occupational health services	9 - 11	
GRI 403-4 Worker participation, consultation and communication on occupational health and safety	9 - 11	
GRI 403-5 Training of workers in occupational safety and health	9 - 11	
GRI 403-7 Prevention and mitigation of workplace health and safety impacts directly related to business relationships	9 - 11	
GRI 403-8 Workers subject to an occupational health and safety management system	9 - 11	
GRI 403-9 Occupational accidents	9 - 11	
GRI 403-10 Occupational health	9 - 11	
GRI 404-1 Average hours of training per year per employee	9 - 11	
GRI 404-2 Employee skills enhancement and transition assistance programs	9 - 11	
GRI 404-3 Percentage of employees receiving regular performance and career development reviews	9 - 11	
GRI 405-1 Diversity of governing bodies and employees	9 - 11	

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GRI Standards	Pag.	Omissions/comments
Social topics		
GRI 405-2 Ratio of women's to men's basic pay and remuneration	9 - 11	
GRI 406-1 Incidents of discrimination and corrective action taken	n/a	No incidents during the reporting period.
GRI 407-1 Operations and suppliers where the right to freedom of association and collective bargaining may be jeopardized	n/a	There is no risk involved.
GRI 408-1 Operations and suppliers at significant risk of incidents involving child labor	n/a	There is no risk involved.
GRI 409-1 Operations and suppliers with significant risk for incidents of forced or compulsory labor	n/a	There is no risk involved.
GRI 410-1 Security personnel trained in human rights policies or procedures	9 - 11	
GRI 413-1 Community engagement operations, impact assessments and development programs	n/a	During the reporting period, these operations were not made public, according to the subject.
GRI 413-2 Operations with significant actual and potential significant adverse impacts on local communities	n/a	There is no potential negative impact related to this topic.
GRI 414-1 New suppliers that have been selected on social criteria	n/a	
GRI 414-2 Adverse social impacts in the supply chain and actions taken	n/a	No negative social impact.
GRI 415-1 Political contributions	n/a	No political contributions were reported for the reporting period.
GRI 416-1 Assessment of health and safety impacts of product and service categories	n/a	No evaluations were carried out during the reporting period.
GRI 416-2 Incidents of non-compliance in relation to the impact of products and services on health and safety.	n/a	No incidents were reported during the reporting period.
GRI 418-1 Substantiated complaints about breaches of customer privacy and loss of customer data	n/a	No related complaints during the reporting period



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