

polpharma

Sustainability Statement

2025

Polpharma at a glance 2025

Total sales revenue of
PLN 4,926,223 thousand

119
new product launches

4,455
employees, including 2,388 women

One out of 8
packages of medications in Polish pharmacies

5.5 billion
daily therapies provided to patients in Poland and in international markets

40% / 60%
representation of women / men in management

One out of 3
packages of medications in Polish hospitals came from Polpharma

95%
security of drug supply index, i.e., the product's availability to patients

73%
employee engagement index

998
products (SKUs) on the Polish market

33.07%
reduction in Scope 1 and 2 GHG emissions compared to the 2021 base year

23.95
average number of training hours per employee

1,169
products (SKUs) in export markets

18%
share of renewable energy sources in total energy consumption (electricity and heat)

4.95%
gender pay gap (base pay + allowances)

Ecovadis (Silver Medal 2025)

Score B

1st place in the pharmaceutical and medical industry

80% of the maximum number of points

Ethical Company 2025

Friendly Workplace® 2025 title

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01

General information

ESRS 2

ESRS 2

Basis for preparation

[BP-1]

General basis for preparation of sustainability statements

[5 a), c)]
This Sustainability Statement (hereinafter also referred to as the "statement" or "report") was prepared by Zakłady Farmaceutyczne Polpharma S.A. (hereinafter also referred to as "Polpharma," "ZF Polpharma S.A.," "company," "firm" or "undertaking") for the calendar year 2025, on a standalone basis. It includes, to the extent determined by the materiality assessment, information on:

- the undertaking's own operations conducted in Poland, as well as in the company's representative offices and sales branches in foreign markets that do not have separate legal personality,
- the undertaking's upstream and downstream value chain.

Information regarding value chain participants is disclosed in relation to the company's identified material sustainability impacts, risks and opportunities (IRO). The scope of disclosures takes into account, in particular, the extent of Polpharma's impact on individual elements of the value chain, the materiality of the associated risks and opportunities, the nature of business relationships and the availability of reliable data.

This statement was prepared in accordance with the applicable European Sustainability Reporting Standards (ESRS). It is voluntary, as, under the Accounting Act, the company is not subject to mandatory sustainability reporting for the year 2025.

[5 d)-e)]
Polpharma did not take advantage of the option to omit information regarding intellectual property, know-how or the results of its innovation activities. Furthermore, the company did not avail itself of the exemption from the obligation to disclose information regarding expected events or matters that are the subject of ongoing negotiations, as provided for in Article 19a(3) and Article 29a(3) of Directive 2013/34/EU.

If certain information required by the ESRS was provided on a limited basis or was not disclosed, the relevant explanations have been included directly next to the corresponding disclosures.



[BP-2]

Disclosures in relation to specific circumstances

Value chain estimation
[10 a)-c)]
Selected greenhouse gas emissions in the company's value chain (Scope 3), in particular those related to purchased goods and services and selected other upstream and downstream categories, were estimated using indirect sources. These estimates were based on available internal data and – where appropriate – on sector-specific indicators and other proxy indicators. Data obtained directly from business partners was used to a limited extent, where it was available and applicable. This approach was adopted in accordance with the principle of not incurring excessive costs or effort to collect data.

The level of accuracy of the estimates varies and depends on the availability, completeness and quality of the source data – including the limited availability of data obtained directly from entities operating within the undertaking's value chain – as well as on the extent to which proxy indicators are used.

Detailed information regarding the estimates made is presented in disclosure E1-6.

[10 d)]
Polpharma plans to gradually improve the accuracy of its quantitative disclosures regarding the value chain by developing reporting tools, refining data collection and processing procedures and strengthening cooperation with business partners regarding the sharing of environmental and emissions data.

Outcome uncertainty
[11 a)-b)]
Selected greenhouse gas emissions in Polpharma's value chain are subject to a high degree of measurement uncertainty. The sources of measurement uncertainty stem primarily from the limited availability, completeness and quality of data obtained from participants in the value chain, as well as the need to use proxy indicators when estimating certain emissions. Consequently, total greenhouse gas emissions in Scope 3 may also be subject to measurement uncertainty resulting from the quality, completeness and availability of source data, as well as from the assumptions and proxy indicators used.

In measuring selected greenhouse gas emissions in the value chain, the undertaking applied reasonable assumptions and approximations based on the best information available as of the date of this statement, while maintaining a conservative approach. These included, among other things, the selection of appropriate proxy indicators, the use of simplifications necessary to ensure data completeness and expert judgments regarding the allocation of emissions in the value chain.

Use of phase-in provisions
The company applied the transitional provisions set forth in Appendix C to ESRS 1. The transition period was applied to all data points subject to the disclosure requirements E1-9, E2-6, E3-5 and E5-6.

ESRS 2

Governance

[GOV-1]

The role of administrative, management and supervisory bodies

Composition and diversity of management and supervisory bodies

[21 a), d)-e)]



Composition of Polpharma's Management Board (as at 31 December 2025)

First and last name
Sebastian Szymanek (President of the Management Board)
Philip Fritzsche
Wojciech Rosa
Agnieszka Deeg-Tyburska
Dorota Chęć
Agnieszka Milewczyk
Thomas Nothegger
Robert Knerr
Andrzej Dziuban*

** Member elected by employees*

Composition and independence of the Members of Polpharma's Supervisory Board (as at 31 December 2025)

First and last name	Independence
Jerzy Starak	Yes
Gabriel Wujek	Yes
Markus Sieger	Yes
Nicholas Haggar	Yes
Martyna Smentek*	No
Piotr Bukowski*	No
Jakub Gomuła*	No

** Member elected by employees*

Structure and diversity of Polpharma's management and supervisory bodies (as at 31 December 2025)

	Management Board	Supervisory Board	Total
Total number of members	9	7	16
Number of executive members	9	0	9
Number of non-executive members	0	7	7
Gender structure			
Number of men	6	6	12
Number of women	3	1	4
Percentage of women [%]	33	14	25
Independence			
Number of independent members	-	4	-
Percentage of independent members [%]	-	57	-

[21 b)]

Polpharma's management and supervisory bodies include individuals elected by employees in free elections:

- one Management Board member,
- three Supervisory Board members.

Individuals are considered independent members of the Supervisory Board if they are not employed by the company or any entities within its corporate group, do not participate in the day-to-day management of the company's operations and perform their supervisory duties autonomously, guided by the company's best interests. The assessment of independence was based on the actual ability to exercise oversight and make decisions independently of operational influences and potential conflicts of interest.

The experience of board members in relation to sectors, products and geographic locations of the undertaking

[21 c)]

The members of Polpharma's Management Board possess diverse and complementary skills and knowledge, as well as many years of professional experience in the pharmaceutical sector and in the management of international companies, finance, commercial operations, the supply chain, manufacturing, human resources, legal and compliance matters, and research and development.

The members of the Management Board have experience operating in both the Polish market and international markets, including countries in Europe, Asia and North America. They gained experience at pharmaceutical companies specializing in generic drugs, as well as at companies that manufacture innovative drugs.

The responsibilities of the members of the Management Board include, in particular:

- management of pharmaceutical operations and the company's strategic development,
- product portfolio development and research and development activities,
- management of industrial operations, quality, logistics and infrastructure,
- financial management and operational controlling,
- procurement and global supply chain management,
- marketing and sales of medicinal products and consumer healthcare products,
- human capital management, organizational culture and communication,
- legal issues, particularly in the areas of pharmaceutical law, compliance and intellectual property.

Biographies of the members of the Management Board can be found on Polpharma's website.

The members of the Supervisory Board have extensive experience in managing international companies, conducting business in the pharmaceutical sector and serving in supervisory roles.



Sustainability management

Key roles, responsibilities and processes

[22 a)-c)]

The oversight of sustainability matters at Polpharma is exercised by the Management Board and the Supervisory Board. The Management Board is responsible for approving and implementing the ESG Strategy, managing material ESG risks, monitoring the achievement of ESG goals and ensuring the resources necessary to implement sustainability initiatives. The Supervisory Board oversees the integration of sustainability matters into the company's operational and strategic activities.

The Sustainable Development Committee supports the Management Board in carrying out tasks related to sustainability. It serves in an advisory capacity regarding the ESG Strategy, monitoring the achievement of ESG goals and managing material IROs. It is headed by a member of the Management Board who also serves as the company's CFO.

In addition, the Management Board is supported by functional committees, specifically the Compliance Committee, the CapEx Committee, the Energy Committee, the IT and Data Committee, and the Headcount Committee. Within the scope of their respective responsibilities, they all support the integration of sustainability considerations into management processes.

The operational management of sustainability matters is the responsibility of the Sustainability and ESG Department under the supervision of the Management Board, with the support of the Sustainable Development Committee. The department coordinates the implementation of the ESG Strategy, sustainability reporting and the monitoring of actions related to material IROs.

Management and specialized departments are also involved in implementing sustainability initiatives, including the following areas: environmental protection, compliance, risk management, HR, occupational health and safety, infrastructure, production, and research and development.

[22-c)]

The processes for managing material IROs are integrated into Polpharma's management system. The Management Board regularly monitors the implementation of the ESG Strategy as well as key ESG indicators and risks, with the support of the Sustainable Development Committee and specialized functional committees. Information regarding sustainability is incorporated into the company's decision-making processes, strategic planning and operational management.

Information regarding material IROs, control mechanisms and management processes is reported from the operational level to the Management Board through the Sustainability and ESG Department and the relevant business functions. The Management Board monitors these issues with the support of the Sustainable Development Committee, while the Supervisory Board oversees the overall effectiveness of the company's approach to managing sustainability matters.

The management of material IROs is supported by Polpharma's existing policies, procedures and management processes, which are being gradually integrated into the company's organizational governance system.

Control mechanisms and procedures related to IRO are implemented in collaboration with the relevant internal functions, in particular, ESG, risk management, compliance, environmental protection, HR and occupational health and safety – and are integrated into their day-to-day operational and management processes.

Overseeing the setting of targets and monitoring progress towards them

[22 d)]

Targets related to material sustainability matters and specific material IROs are set by the Management Board as part of existing management processes. Their implementation is monitored through periodic reviews of performance and by incorporating selected objectives into the management's performance management system. The Supervisory Board monitors how the Management Board integrates the adopted targets into the company's operations.

Skills and expertise used in overseeing sustainability matters

[23]

Between 2023 and 2025, all members of the Management Board participated in training sessions on sustainability, and they will continue to expand their expertise in this area through individual development plans, taking into account the priorities of the ESG Strategy, material IROs and evolving regulatory requirements.

[23 a)]

To ensure effective oversight of sustainability management, members of the Management Board participate in training sessions covering, among other topics, issues related to climate change, ESG risk management, corporate governance and the ESRS. In addition, they draw on the expertise of internal specialists, including the Sustainability and ESG Department, the Compliance Department and specialized committees, as well as on the advice of external experts who support the company in the areas of sustainability reporting, the EU Taxonomy, and the identification and assessment of climate risks.

[23 b)]

The skills and knowledge developed by the members of the Management Board support the identification, assessment and oversight of the management of material IROs. They enable organizations to make informed strategic decisions, set ESG targets, assess the necessary resources and effectively respond to the challenges and opportunities associated with sustainability.

The participation of workers' representatives on the Management Board and the Supervisory Board helps ensure that the knowledge and perspectives of the company's own workforce are taken into account in the management of IRO.

[GOV-2]

Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

[26 a)]
The Management Board and the relevant committees are informed of material IROs, the results of due diligence processes and progress in implementing sustainability initiatives. This information is presented at meetings of the Management Board and the relevant committees, depending on the nature and scope of the issues under discussion.

In 2025, issues related to sustainable development were regularly discussed by the Sustainable Development Committee, which met every two months. The Management Board and other relevant committees were kept informed of significant issues related to sustainable development as part of their regular work and as needed, depending on the nature, materiality and urgency of the issue in question.

To the extent necessary for the performance of its supervisory functions, selected information may also be provided to the Supervisory Board.

[26 b)]
Material IROs are taken into account by the Management Board in its oversight of the implementation of the company's strategy, risk management processes, and when making key business and investment decisions. The decision-making process also involves analyzing potential trade-offs between business objectives, economic efficiency and sustainability.

[26 c)]
During the reporting period, the Management Board and the relevant supporting bodies addressed a range of issues related to material impacts, risks and opportunities; the list of material impacts, risks and opportunities was formally approved by the Management Board in December 2025.

The key areas related to sustainability that were subject to oversight and decisions by the Management Board included:

- access to treatments and supply continuity – expanding production capacity, capital expenditures (CapEx) and strengthening supply chain resilience,
- health education and responsible communication – funding educational initiatives and updating the guidelines for conducting educational and marketing activities,
- product quality and safety – the development of quality and production processes, as well as internal regulations that support product quality,
- ethics, compliance and whistleblower protection – updating procedures for reporting violations and anti-corruption regulations,
- the well-being and professional development of employees and non-employees – decisions regarding working conditions, employee benefits, talent development and initiatives related to diversity, equity, inclusion and belonging,
- cybersecurity and information protection – developing policies and procedures related to IT security, data protection and business continuity,
- social and environmental standards in the value chain – joining the Pharmaceutical Supply Chain Initiative (PSCI) to strengthen them,
- climate and energy efficiency – approving projects related to energy efficiency and the reduction of greenhouse gas emissions.

[GOV-3]

Integration of sustainability-related performance in incentive schemes

[29]
The variable compensation of management board members is partially contingent on the achievement of individual annual targets set under the Management by Objectives (MBO) system. These targets reflect the company's key business priorities and cover areas related to operational and financial performance, risk management and, in select cases, sustainability issues. At the end of the performance period, the degree to which the targets have been achieved is evaluated in accordance with applicable corporate governance principles and serves as the basis for determining the amount of variable compensation.

In 2025, sustainability matters were incorporated into the variable compensation plan for one of the members of the Management Board responsible for procurement. The sustainability target focused on implementing ESG measures in the supply chain in accordance with the 2022-2025 Sustainability Strategy.

It included a supplier ESG risk assessment, development of supplier management processes that incorporate ESG considerations and educational initiatives and ESG awareness-raising efforts among suppliers. The degree to which the target was achieved was assessed based on the implementation of the agreed-upon actions specified in the annual MBO objectives. The sustainability target accounted for 10% of this Management Board member's total annual variable bonus.

Apart from the stated target, the company did not incorporate any other sustainability targets into its compensation system for Management Board members in 2025.



[GOV-4]

Statement on due diligence

[30, 32]
Below is a summary of the information regarding the undertaking's due diligence process that was included in the statement.

Information on Polpharma's due diligence process in the sustainability statement for the 2025 reporting year

Core elements of due diligence	Disclosures
Embedding due diligence in governance, strategy and business model	GOV-1, GOV-2, GOV-3, SBM-3
Engaging with affected stakeholders in all key steps of the due diligence	GOV-2, SBM-2, IRO-1, E1-2, E2-1, E3-1, E5-1, S1-1, S2-1, S3-1, S4-1, G1-1
Identifying and assessing adverse impacts	IRO-1, SBM-3
Taking actions to address those adverse impacts	GOV-5, E1-3, E2-2, E5-2, S1-4, S2-4, S3-4, S4-4
Tracking the effectiveness of these efforts and communicating	GOV-2, E1-4, E2-3, E3-3, E5-3, S1-4, S1-5, S2-4, S2-5, S3-4, S3-5, S4-4, S4-5



[GOV-5]

Risk management and internal controls over sustainability reporting

[36 a)]
In 2025, the risk management and internal control system related to sustainability reporting was in the development phase. During this period, reporting risks were identified and assessed, roles and responsibilities in the reporting process were defined and basic control mechanisms were implemented to support the quality, completeness and comparability of data, as well as the timeliness of its collection, processing and publication. In the coming years, the system will be refined to further integrate it with the company's existing risk management and internal control frameworks.

[36 b)]
Risks related to sustainability reporting were assessed qualitatively, taking into account their potential impact on the completeness, reliability, timeliness and regulatory compliance of disclosures. Priority was given to risks that could lead to material misstatements or noncompliance with ESRS requirements.

[36 c)]
Polpharma has identified the following material risks associated with its reporting process:

- the risk of incomplete data, errors or lack of data validation,
- the risk of data not being submitted or approved on time,
- the risk of data inconsistencies, incorrect formats or the presence of outliers requiring additional verification,
- the risk of changes in regulatory requirements or changes in disclosure requirements resulting from an update to the materiality assessment.

To mitigate the above risks, Polpharma has implemented, among other measures:

- assigning owners to specific data,
- the process of reviewing and approving data, carried out using appropriate ESG reporting tools,
- reporting schedule and mechanisms for monitoring timeliness,
- data quality validation rules, including checks for completeness, consistency and correctness of formats, as well as the identification of outliers requiring further verification,
- the process of updating the results of the materiality assessment and approving changes to disclosures.

[36 d), e)]
The results of risk assessments and evaluations of internal controls are incorporated, in collaboration with the relevant functions, into the reporting process, including their integration into ongoing operational and management processes in the areas responsible for data preparation. These matters are discussed within the Sustainable Development Committee and – to the extent required by the reporting processes in effect within the corporate group to which the company belongs – are included in reports submitted to the Board of Directors of Windstorm Trading & Investment Limited as the competent administrative and management body at the group level.

ESRS 2

Strategy

[SBM-1]

Strategy, business model and value chain

Key elements of the strategy

[40 a) i.]

Polpharma operates in the pharmaceutical sector, focusing on the development, manufacture and distribution of generic products, as well as the provision of services to business partners.

The main groups of products and services offered by the company include:

- finished products, including prescription (Rx) drugs, over-the-counter (OTC) drugs, and non-pharmaceutical consumer healthcare products (CHC), such as medical devices, foods for special medical purposes, food supplements and cosmetics;
- active pharmaceutical ingredients (APIs), developed and manufactured both for internal use and for business customers;
- services for business partners, including CDMO (contract development and manufacturing organization services), CMO (contract manufacturing organization services), and the licensing of the company's products.

In 2025, there were no significant changes in Polpharma's core business areas or in its product portfolio. The company continued to expand its portfolio of products and services within existing categories by conducting research and development projects, collaborating with business partners and launching new products on the market.

[40 a) ii.]

Polpharma operates in both the B2C and B2B markets.

In the B2C segment, the company operates primarily in the pharmacy, hospital and mass-market sectors. Its direct customers are primarily pharmaceutical wholesalers, which distribute products to community pharmacies, hospital pharmacies and retail outlets, from where they reach patients and consumers. Polpharma is Poland's largest pharmaceutical company and its domestic B2C sales accounted for 71.5% of the company's revenue in 2025. Export sales of finished products were concentrated in Central and Eastern Europe and Central Asia.

In the B2B segment, Polpharma's clients are pharmaceutical companies, to which the company offers APIs, CDMO and CMO services, and licenses for medicinal products. Sales in this area take place in many markets; they are global in nature and are concentrated in Western Europe and North and South America.

In addition, through an affiliated company within the Polpharma Group, the company engages in licensing agreements with pharmaceutical partners in foreign markets, which involve granting rights to products developed by Polpharma.

During the reporting period, there were no significant changes in the markets served or key customer groups.

[40 a) iii.]

Headcount of Polpharma employees by geographical areas (as at 31 December 2025)

Country	Number of employees
Poland	4,368
Bulgaria	54
Lithuania	16
Czech Republic	8
Latvia	8
Vietnam	1

[40 a) iv.]

During the reporting period, none of the products or services offered by Polpharma were subject to a sales ban in any of the markets in which the company operates.

[40 d)]

Polpharma does not engage in activities related to production of industrial chemicals. The company's operations include the manufacture of active pharmaceutical ingredients (APIs) for the pharmaceutical sector, classified under PKD code 21.10.Z as "Manufacture of basic pharmaceutical products." Consequently, the company does not generate revenue from activities related to the production of chemicals as defined under Division 20 of the PKD.



SUSTAINABILITY TARGETS

Polpharma's sustainability goals are outlined in the ESG Strategy for 2026-2030 and relate to key product and service groups, customer categories, geographic regions and relationships with stakeholders.

The ESG Strategy consists of four areas, which are:

Access to Health –increasing access to effective treatments and health education

- providing 7.5 billion daily therapies for patients by 2030,
- maintaining the security of drug supply index at over 90%,
- development of education for the medical community and patients.

Company culture – fostering an inclusive, growth-oriented company culture based on dialogue, openness and continuous learning

- maintaining a zero rate of serious workplace accidents,
- maintaining a gender balance in management positions within the range of 40-60%,
- keeping the pay gap below 5%,
- increasing the percentage of outside-the-role promotions to 5%,
- achieving a result that ranks Polpharma among the best employers.

Environmental impact – minimizing the environmental footprint of processes and products

- a 43% reduction in total greenhouse gas emissions under Scopes 1 and 2 by 2030 compared to the 2021 baseline,
- commitment to decarbonization efforts by suppliers responsible for 70% of the emissions associated with purchased goods and services,
- a 20% reduction in water withdrawal compared to the 2025 baseline,
- a 10% reduction in fresh solvent use compared to the 2025 baseline.

Responsible business practices – strengthening standards for responsible business throughout the value chain

- extending harmonized corporate responsibility standards to all Polpharma subsidiaries by 2030 in the areas of quality, pharmacovigilance, compliance, human rights, sustainable supply chain, cybersecurity and risk management,
- maintaining a zero number of critical non-compliance incidents, defined as significant quality, environmental, safety or ethical violations that could disrupt operations or result in serious financial, legal or reputational consequences,
- achieving an EcoVadis rating that places Polpharma among the top 15% of organizations evaluated worldwide.

[40 f)]
Polpharma evaluates its products, services, markets and customer groups in relation to its sustainability targets, primarily through the lens of their impact on access to treatment, medication safety and the resilience of the healthcare system.

The company's core products – generic drugs – increase access to high-quality, affordable treatments, while its consumer healthcare portfolio supports preventive care and self-care. The assessment of markets and customers also takes into account the context of quality and regulatory requirements, the need to ensure supply continuity, the minimization of greenhouse gas emissions and the consumption of natural resources and social aspects in the value chain.

[40 g)]
Polpharma's strategy treats issues that relate to sustainability matters as an integral part of its long-term business model. Measures to support access to treatment, supply chain resilience, the energy transition, operational efficiency and the reduction of negative environmental and social impacts are of key importance here.

The main challenges include increasing regulatory requirements, cost volatility and the need to ensure the security of supply for raw materials and medicinal products. In response, the company is implementing projects that improve energy efficiency, reduce the environmental impact of its operations, strengthen standards of responsible business practices throughout the value chain and integrate ESG factors into risk management and strategic decision-making processes.

BUSINESS MODEL

Polpharma is the leader in the domestic pharmaceutical market in terms of both sales value and volume. According to data from the research firm IQVIA, one in eight packages of the product sold in Polish pharmacies and one in three used in hospitals comes from the company.

The company operates an integrated business model that encompasses both the development and production of active pharmaceutical ingredients (APIs) and the development and manufacture of finished products (medicines and non-medicinal products). This model covers the entire value chain – from sourcing raw materials, through research and development, production and commercial operations, to collaboration with business partners in Poland and in export markets.

Key business segments

A. Active pharmaceutical ingredients (APIs)
The scope of operations includes:
- research and development (R&D) and the production of APIs, which are used to manufacture the company's own drugs and are also offered to other pharmaceutical companies (B2B model),
- CDMO services for B2B partners in the global market.

The above activities are carried out in:
- Starogard Gdański – research and development, and production,
- Warsaw – production.

B. Finished products
Polpharma develops, manufactures and markets a broad portfolio of products:
1. prescription medicines (Rx),
2. consumer healthcare products:
   - over-the-counter (OTC) medicines,
   - non-pharmaceutical products: medical devices, food supplements, foods for special medical purposes, cosmetics.

The above activities are carried out in:
- Starogard Gdański – research and development, and production,
- Sieradz – research and development, and production,
- Duchnice – production,
- Nowa Dęba – production,
- Warsaw – research and development.

Distribution channels and commercialization models for finished products:
- Pharmacy and hospital channel (medicinal products, including prescription and over-the-counter products): sales and distribution are carried out through pharmaceutical wholesalers to community pharmacies and hospital pharmacies; the end-users are patients.
- Mass-market and e-commerce channels (CHC products): distribution is carried out through distribution partners, including wholesalers, to mass-market and e-commerce channels; the end-users are patients (for OTC drugs) and consumers (for non-medicinal products).
- B2B Model – licenses: granting licenses for Polpharma products to other pharmaceutical companies in domestic and/or foreign markets.
- B2B Model – contract manufacturing (CMO): manufacturing finished products on behalf of other pharmaceutical companies in accordance with agreed-upon specifications and quality requirements.

Customers and end-users

The company distinguishes between customers – defined as entities with which it enters into business relationships within the distribution chain and through B2B cooperation (e.g., wholesalers, distribution partners, as well as API customers, CDMO/CMO service customers and licensees) – and end-users of its products. End-users include patients (people who use medicinal products – both prescription and over-the-counter drugs) and consumers (people who use non-medicinal CHC products).

The company conducts its marketing activities in accordance with applicable pharmaceutical laws and its internal compliance policies and procedures. Polpharma does not conduct promotional activities for prescription medicinal products aimed at the general patient population. Communication regarding these products is directed exclusively at healthcare professionals (doctors, pharmacists), including through medical, hospital and pharmacy representatives.



Key resources, relationships and dependencies

Polpharma's business model is based on:

A. Regulatory and operational dependencies:

- compliance with regulatory requirements, which is an essential prerequisite for conducting business, accessing markets and maintaining sales continuity,
- dependencies on suppliers of raw materials, materials and technology, which affects the availability of key resources necessary for manufacturing operations, as well as the maintenance of quality and the continuity of product supply to the market,
- geographical dependency in the supply chain resulting from the concentration of key raw material suppliers in Asia, which may necessitate active management of business continuity risks and ESG risks in the supply chain,
- high efficiency of operational and manufacturing processes, which are essential for the cost competitiveness of generic drug operations, the ability to offer affordable therapies and the capacity to invest in the development of new products,
- the reliability of logistics and distribution processes, which affect the continuity of product delivery to the market.

B. Critical resources:

- highly qualified personnel in the areas of R&D, technology, quality, production and sales, whose expertise is essential for achieving strategic goals, maintaining regulatory compliance and fostering innovation,
- advanced infrastructure resources, including production facilities and R&D laboratories, enabling the execution of development and manufacturing processes while maintaining the required quality standards and operational continuity,
- key information systems that support production, quality and logistics processes, as well as data processing and protection, whose availability, integrity and security – including resilience to cyber incidents – are essential for business continuity and regulatory compliance.

C. Relationships with stakeholders:

- regular cooperation with suppliers of raw materials, materials and technologies, aimed at maintaining quality and regulatory compliance, minimizing the risk of supply disruptions and preserving the company's ability to respond to changes in demand and market conditions,
- collaboration with external manufacturers who produce selected products or carry out specific manufacturing stages on our behalf, in order to minimize the risk of supply disruptions,
- maintaining relationships with wholesalers, pharmacies and other distribution partners regarding product availability on the market,
- relationships with healthcare professionals regarding product information, established in accordance with the requirements of pharmaceutical law,
- cooperation with the public payer and drug market regulators, whose decisions affect reimbursement terms and price levels, as well as the availability of therapies and the continuity of supply,
- relationships with business partners who support the development of the portfolio (e.g., in the area of licensing) and the company's presence in foreign markets, as well as with other companies that use the company's services and products (API, license sales, CDMO/CMO),
- responsibilities toward patients and consumers as end-users of medicines and non-medicinal products, particularly with regard to the availability, quality and safety of these products.

The role of research and development and partnerships

The company carries out its own research and development projects and supplements its product portfolio with products acquired through:

- purchase of licenses,
- B2B partnerships.

The company's in-house R&D activities focus on advanced generic products, such as modern inhaled medications, complex cardiovascular combinations, RNA-based products and highly potent APIs. The company carries out R&D projects, financing them from its own resources and utilizing public aid instruments, including national and European Union funds obtained through institutions such as the Medical Research Agency and the National Center for Research and Development.



VALUE CHAIN

[42] [42 a)]

Polpharma's business model is based on an integrated value chain that encompasses upstream stages, own operations (research and development and manufacturing), downstream stages, as well as product use and the end of their life cycle. The value chain reflects the unique nature of a generic pharmaceutical company's operations, in which patient safety, regulatory compliance, supply continuity, and environmental and social responsibility are of paramount importance.

Upstream – procurement and process inputs

The upstream phase involves the procurement of key resources necessary for carrying out operational processes, including chemical raw materials, intermediates, active pharmaceutical ingredients (APIs), excipients, packaging materials, process components, energy, water and specialized and logistics services. It also takes into account the purchase of manufacturing services from external manufacturers and cooperation with licensors of finished products, including the acquisition of licenses and technology transfer.

The company operates within a global supply chain; some of its key procurement categories rely on foreign suppliers of APIs and intermediates, including those from Asia, which may pose a risk to operational resilience and affect the pace of supply source diversification.

Upstream is a key area of IRO concentration in the following areas: environmental (resource intensity of chemical processes, emissions, water consumption, pollution and substance and waste management), social (working conditions at suppliers, human rights in the supply chain) and management (ensuring the quality and regulatory compliance of materials and raw materials and managing risks related to supplier concentration). As a result, it affects the quality of the final products and the continuity of supply to the market.



Own operations – research and development

Polpharma's R&D activities include the development of generic active pharmaceutical ingredients and finished products, carried out in specialized research and development laboratories. This stage serves as the foundation for creating value and competitive advantage for the company, enabling the development of a portfolio that addresses the health needs of patients and consumers as well as the regulatory requirements of the markets. From the perspective of IROs, R&D activities have environmental impacts (use of chemicals, energy and water, waste generation), social impacts (workplace safety, employees' specialized skills and employment conditions) and management impacts (intellectual property protection and regulatory compliance). At the same time, this stage creates opportunities related to the development of new technologies, the growth of the organization's capabilities and long-term competitiveness.

Own operations – production

Production includes the manufacture of APIs and finished products, including prescription drugs, OTC drugs and select non-medicinal products. Manufacturing processes are carried out at the company's facilities in accordance with Good Manufacturing Practice and other applicable quality and regulatory standards. This is a critical stage in the value chain from the perspective of patient safety, product quality and supply stability. Production is an area subject to environmental impacts and risks (energy and water consumption, emissions, waste), social impacts and risks (occupational health and safety, impact on local communities in the event of incidents) and management risks (regulatory oversight, quality assurance system, cybersecurity and business continuity). At the same time, this phase presents opportunities to improve process efficiency, optimize resource use and strengthen operational resilience.

Most products are manufactured at the company's own facilities, while selected products or specific stages of the manufacturing process may be outsourced to external manufacturers, in accordance with quality and regulatory requirements and under the company's supervision as part of its quality assurance system. This approach allows for flexible management of production capacity and supply continuity while maintaining the required level of product quality control.

Downstream – distribution and sales

The downstream stage involves the distribution and sale of pharmaceutical products through wholesalers to pharmacies and hospitals, as well as other distribution channels (mass market, e-commerce). It also includes collaboration with other pharmaceutical companies on a B2B basis – in the areas of active ingredient sales, licenses for finished products and CDMO and CMO services.

These activities are carried out in accordance with the requirements of Good Distribution Practice, applicable pharmaceutical laws and regulations governing the marketing of medicinal products and communication with the market.

From the perspective of IROs, the downstream stage involves significant dependencies on distribution partners and market regulators, as well as environmental impacts (transportation, packaging), social impacts (patient access to therapies, responsible communication and education, risk of supply disruptions) and governance-related issues (compliance of sales and marketing activities with regulations, relationships with healthcare professionals and stakeholder reputation and trust). This stage is important in terms of ensuring that patients have access to safe and affordable treatments.

Product use and end of life

The final stages of the value chain include the use of products by patients and consumers, as well as the management of waste and packaging at the end of the products' life cycle. These stages are beyond the company's direct operational control, but they are important from the perspective of product liability, patient/consumer safety and regulatory pressures related to packaging waste management.

In the context of the ESRS, these stages are analyzed as part of the downstream value chain. These include IROs related to pharmaceutical residues in the aquatic environment, the improper disposal of unused or expired medications and the regulatory and financial challenges associated with waste management and wastewater treatment. This stage is a key component of the comprehensive assessment of IROs throughout the life cycle of pharmaceutical products.

VALUE CREATION MODEL

[42 a)]
Polpharma creates value as a pharmaceutical company focused on the development, manufacture and distribution of generic drugs and APIs, supplemented by selected CHC products. This model addresses the needs of healthcare systems, patients and consumers by providing access to proven, affordable therapies and health products.

Inputs
(capital used in the model):

The business model is based on financial, production and intellectual capital – including the company's own production facilities, specialized technological know-how and the expertise of its employees and associates – as well as natural capital, such as access to energy, water and raw materials, and social capital related to relationships in the value chain.

Outputs
(direct results of operations):

The company's operations result in APIs used in its own operations and sold to B2B partners, as well as generic drugs and CHC products supplied to pharmaceutical wholesalers, pharmacies, healthcare providers and – in the case of CHC – to end-users.

Activities
(key components of operations):

Polpharma's value creation model is based on the entire life cycle of a pharmaceutical product. Key stages include product development and registration, the manufacture of APIs and finished dosage forms (including products requiring more complex manufacturing processes), quality assurance and regulatory compliance and subsequent distribution to domestic and international markets. These activities are carried out both using the company's own infrastructure and through collaboration with raw material suppliers, B2B partners, logistics partners and healthcare institutions.

Outcomes
(value creation):

Economic value is created through the scale of operations, diversification of the product portfolio and effective cost management, which enable stable operations and reinvestment. Social value is created by ensuring the continuity of supply, supporting the availability of medicines and consumer products, and hiring and developing employees. The model's long-term resilience is shaped by the gradual integration of environmental, social and labor considerations into operational and investment decisions.

[42 b)]
Polpharma's operating results, as well as the current and expected benefits for key stakeholders, stem directly from its business model.

For patients and consumers, this business model translates into consistent access to safe, effective, and affordable therapies and products that support prevention and self-care, while reducing the risk of shortages and enhancing safety.

For customers in the distribution chain and B2B partners (including API customers, CDMO/CMO service customers and licensees), this means predictable deliveries, high standards of quality and compliance and long-term cooperation.

For public institutions and the healthcare system, it promotes medication safety and ensures the continuity of supply for key therapies, including life-saving medications.

For employees, this means stable employment, professional development and strengthening the organization's potential.

It creates value for the owner and financial institutions through operational resilience, predictable results and effective management of material IROs.

Overall, the company's business model enables the creation of economic and social value while mitigating material risks and strengthening the organization's resilience.

During the reporting period, there were no significant changes in Polpharma's strategy, business model or value chain that affected its approach to value creation, stakeholder relationships or the management of sustainability matters.



[SBM-2]

Interests and views of stakeholders

Key stakeholders and their engagement

[45 a)]

Polpharma maintains regular communication and collaboration with key stakeholder groups through various forms of dialogue. The goal of these efforts is to better understand the needs, expectations and concerns of these groups and to incorporate their perspectives into management processes, business decision-making and the implementation of the ESG Strategy.

Employees

Employees are one of Polpharma's most important stakeholder groups. This dialogue takes place through various channels, including trade unions, employee councils, engagement surveys, meetings with management, channels for reporting ideas and violations, internal communication platforms, Q&A sessions, training sessions and workshops.

Collaboration helps foster an organizational culture based on openness, safety, ethics and engagement, as well as improve working conditions and support the development of competencies.

The 2025 dialogue resulted, among other things, in changes to employee benefits, the development of initiatives proposed by the workforce (including the implementation of solutions to improve the environmental and operational efficiency of processes), and the expansion of efforts to recognize employees.

Consumers and end-users of products

Dialogue with consumers and patients (end-users of medicinal products) takes place through channels for reporting complaints and adverse events, medical inquiries, consumer surveys, contact forms, educational programs and digital media.

The information collected is used to improve product safety, identify unmet health and preventive care needs and expand the product portfolio. The results of consumer research are used, among other things, in the design of packaging, marketing communications, product naming and product functionalities.

Every medical inquiry, adverse event report and complaint is reviewed in accordance with applicable procedures.

Suppliers

Polpharma collaborates with suppliers through regular meetings, surveys, audits, workshops, training sessions, webinars, business negotiations and reviews of its collaboration with key partners. Industry conferences and pharmaceutical trade shows are also an important part of this dialogue.

The goal of this collaboration is to ensure the continuity and security of supply, develop long-term relationships based on trust, identify new business opportunities and support the development of responsible practices throughout the value chain.

Medical practitioners

Polpharma collaborates with medical practitioners through meetings with medical representatives, conferences, educational platforms, websites and expert advisory groups.

The purpose of this dialogue is to support medical education, facilitate the exchange of clinical knowledge, gather feedback on products and therapies and improve educational programs aimed at the medical community.

The expert knowledge acquired supports the development of therapeutic solutions and the improvement of the company's educational initiatives.

Pharmacists

Dialogue with pharmacists takes place through pharmacy representatives, educational events, surveys, industry portals and channels for reporting medical questions and adverse events.

This collaboration focuses on providing reliable information about products, identifying the needs of the pharmacy community and sharing experiences related to patient care. The results of the dialogue are used, among other things, to plan topics for publications and educational materials released in industry media and on Polpharma's educational platforms.

B2B customers

Polpharma maintains ongoing relationships with its business customers through direct sales contacts, satisfaction surveys, questionnaires and participation in industry events.

The main goal of this collaboration is to ensure high-quality service and timely deliveries, as well as to identify opportunities to improve products, services and operational processes.

Regulators and representatives of public administration

Polpharma maintains a dialogue at the national and international levels with public administration bodies, including regulatory and supervisory agencies.

This cooperation includes, in particular, participation in legislative consultations, direct contact or contact through industry organizations, ongoing communication between the company's authorized representatives and government officials, as well as participation in audits, inspections and reviews conducted by authorized institutions.

Dialogue with these groups helps ensure regulatory compliance and drug safety and identifies legislative changes and regulatory expectations that are relevant to Polpharma's operations.

[45 b)]

Polpharma takes into account the interests and opinions of stakeholders to the extent appropriate given the nature of its relationship with a given group, the significance of the issues raised and their relevance to material IROs. Insights gained from stakeholder dialogue can serve as one of the sources of information used in management processes, including reviews of business and ESG strategies and the development of the product portfolio, particularly in the areas of product quality and safety, access to therapies, patient and consumer needs, collaboration with business partners, employee relations and monitoring regulatory changes.

[45 d)]

Information regarding the interests, expectations, and opinions of stakeholders is collected and analyzed by the relevant business functions responsible for relations with specific stakeholder groups. Issues referred to the Management Board primarily include those deemed material from the perspective of the company's operations, the management of impacts, risks and opportunities (IRO), strategy implementation, regulatory compliance and relationships with key stakeholder groups.

This information may be provided in the form of presentations and other materials discussed during Management Board meetings or in correspondence addressed to the relevant members of the Management Board. In 2025, the Management Board analyzed, among other things, issues arising from dialogue with employee representatives and trade unions, including those related to working conditions, employee benefits and internal employment regulations. The Management Board also approved the results of the double materiality analysis (DMA), which was prepared taking into account the perspectives of key stakeholder groups.

Depending on the nature of the information, it may also be discussed by the Sustainable Development Committee or the relevant functional committees. To the extent necessary for the performance of the supervisory functions, selected information may be provided to the Supervisory Board.

[SBM-3]

Material impacts, risks and opportunities and their interaction with strategy and business model

The tables below present the IROs that were identified as material during the materiality assessment conducted in 2025.

[SBM-48f]
In 2025, Polpharma did not conduct a separate, comprehensive assessment of the resilience of its strategy and business model covering all material IROs. A preliminary resilience analysis was conducted with regard to climate change,and its scope and results are presented in diclosure E1 SBM-3. For the remaining IROs, their links to the strategy and business model, as well as existing governance mechanisms, were analyzed; however, no separate assessment of the resilience of the strategy and business model covering these issues was conducted.

Detailed information on the relationship between impacts, risks and opportunities and the strategy and business model, as well as the management mechanisms designed to mitigate negative impacts and risks and capitalize on opportunities, is presented in the relevant thematic chapters.

[48d]
As of the date of this report, Polpharma had not conducted a comprehensive quantitative assessment of the current financial effects of all material risks and opportunities on its financial position, financial results and cash flows. The assessment of material risks and opportunities conducted as part of the double materiality analysis was primarily qualitative in nature and focused on assessing the impact of these issues on the company's business model, strategy and operations. Accordingly, the company does not present a quantified impact of all material risks and opportunities on its financial position, financial results or cash flows.



Material impacts, risks and opportunities – legend

IRO TYPE	TIME HORIZON	POINT OF FOCUS IN THE VALUE CHAIN
+ Impact positive actual	Short-term time horizon	Upstream
+ Impact positive potential	Medium-term time horizon	Own operations
- Impact negative actual	Long-term time horizon	Downstream
- Impact negative potential	All time horizons	Whole value chain
R Risk		
O Opportunity		

Polpharma's material impacts, risks and opportunities related to sustainability

E1 CLIMATE CHANGE		
Greenhouse gas emissions from own operations and across the value chain	Polpharma contributes to greenhouse gas emissions and air pollution through its own operations and across its entire value chain. Emissions stem primarily from the consumption and production of energy from non-renewable sources (coal and natural gas), fuel combustion and the use of refrigerants by the company and its suppliers. In addition, emissions along the value chain include the transportation of goods and the distribution of products through sales channels. All of the activities listed impact negatively climate change and its associated effects on human health.	-
Increased costs associated with climate change adaptation	Increased costs associated with adapting infrastructure to climate change, as well as higher utility costs (energy, water) required for more intensive cooling or heating.	R
Increased costs associated with the low-emission technologies	An increase in capital expenditures related to the implementation of low-emission technologies, the energy transformation and the achievement of carbon footprint reduction goals. In addition, rising procurement costs and reduced accessibility of suppliers arise from their adoption of low-emission solutions.	R
Advantages from implementing low-emission and energy-efficient technologies	The implementation of low-carbon technologies and solutions that improve energy efficiency represents a significant chance to strengthen Polpharma's long-term competitiveness. Such measures help improve operational efficiency, reduce costs and lower exposure to disruptions in energy supply and price fluctuations. At the same time, they will enhance the organization's ability to attract business and financial partners, improve its competitiveness in tenders where carbon footprint is a criterion and strengthen the company's reputation as a sustainable and resilient organization.	O

E2 POLLUTION		
Water pollution resulting from own operations and throughout the value chain	Water discharges and wastewater generated by Polpharma's operations, as well as by entities in the value chain, typically contain trace amounts of active substances and other pollutants that are difficult to eliminate completely and may affect water and soil quality. These impacts may, as a result, harm ecosystems. In addition, manufacturing operations carry an inherent risk of pollution, particularly in the event of extraordinary incidents.	-
Water contamination from downstream pharmaceutical use	A decline in water quality may result from the presence of pharmaceutical residues downstream in the value chain. Residual active pharmaceutical ingredients, which are excreted by patients and subsequently discharged into wastewater treatment plants, can't be fully removed. As a result, trace levels of pharmaceuticals and related compounds may persist in the aquatic environment. These substances may have the potential to adversely affect aquatic organisms and cause environmental damage. In addition, certain compounds may contribute to the emergence and proliferation of antimicrobial resistance, posing an additional risks to public health and the environment.	-
Substances of concern and substances of very high concern used in operations and throughout the value chain	Polpharma and its suppliers use certain substances of concern and substances of very high concern in their operations, which may pose environmental and health risks if not properly managed.	-
Regulatory and financial risks associated with pollution standards	Non-compliance with evolving standards regarding air, water and chemical emissions may lead to operational disruptions, significant financial losses, legal proceedings, reputational harm and regulatory sanctions. Polpharma is also facing rising compliance costs resulting from mandatory studies, technology upgrades and product adaptations to rminimize emissions, as well as potential revenue impacts from higher product price or the discontinuation of non-viable offerings. In addition, stricter regulatory controls – such as the EU's Chemicals Strategy for Sustainability – may require the costly substitutions of restricted substances with safer alternatives, further increasing operational and financial pressure.	R

Financial risks arising from the revised Urban Wastewater Treatment Directive	The revised Urban Wastewater Treatment Directive will require pharmaceutical companies to share the costs of treating wastewater contaminated with their products. The environmental fee will fund infrastructure investments to remove pollutants, including pharmaceutical residues excreted by patients. The financial burden, especially significant for producers of low-cost medicines, could lead to lower margins and reduced medicine availability. Generic drug manufacturers, such as Polpharma, will be particularly affected due to their high production volumes and regulated prices.	R

E3 WATER AND MARINE RESOURCES		
Water consumption and withdrawal in own operations and upstream	The production activities carried out by Polpharma and its suppliers require large amounts of water for technological processes, cooling, cleaning and rinsing. The facility in Starogard Gdański uses river water and water from a deep well. In other locations water is sourced from municipal supplies and may originate from either groundwater or surface water sources. Polpharma's facility located in Sieradz operates in an area classified as a region with a high or extremely high water stress. This could increase pressure on already limited local water resources, contributing to water scarcity and impacting local communities and ecosystems. In addition, the production of materials and supplies within the company's value chain may take place in other water-stressed regions.	-

E5 CIRCULAR ECONOMY		
Resource dependence and packaging constraints in the circular economy	The operations of ZF Polpharma S.A. rely heavily on packaging materials and a variety of raw materials, including plastics, chemical and biological substances, and technical inputs. Strict regulatory requirements regarding product safety and sterility limit the adoption of circular economy practices, while this dependence on resource-intensive inputs increases consumption, emissions and an overall environmental footprint of the company's operations.	-
Pharmaceutical and packaging waste management challenges	The generation of significant non-hazardous packaging waste by ZF Polpharma S.A., much of which is difficult to recycle, contributes to environmental contamination and results in additional emissions during its management processes. Furthermore, improper disposal of unused or expired medicines by patients can lead to active pharmaceutical substances entering the soil and aquatic ecosystems, posing risks to human health and biodiversity.	-
Generation of hazardous waste	Product development and manufacturing processes generate hazardous waste both in ZF Polpharma S.A.'s own operations and in the upstream value chain. Its further treatment results in the emission of pollutants into the environment. Furthermore, improper handling or disposal of this type of waste at any stage of the value chain can lead to significant water, soil and air pollution, adversely affecting the environment and human health.	-

S1 OWN WORKFORCE		
Positive impact on employees through stable jobs, fair conditions, decent wages and opportunities for growth	Polpharma has a positive impact on its employees by creating stable jobs, ensuring fair employment conditions and providing decent wages. In addition, it supports competencies development and career growth through formal training, enabling employees to acquire the skills necessary for promotion and further professional opportunities in the sector.	+

Fostering an inclusive and ethical workplace culture	Polpharma cultivates a positive and welcoming work environment through the development of a values-based organizational culture, ongoing dialogue with employees and an open and inclusive atmosphere that builds trust and strengthens a sense of belonging, leading to higher job satisfaction and overall well-being. It upholds a strict no-tolerance policy toward discrimination, violence and harassment, supported by proactive measures such as reporting systems and investigative procedures. By implementing high standards and policies in the areas of ethics, diversity and social inclusion, the company ensures equal opportunities for all employees, promotes fairness and nurtures talent from diverse backgrounds, enhancing both individual well-being and collective performance.	+
Challenges related to employee well-being and work-life balance	Shift work in the pharmaceutical industry can disrupt sleep patterns, work-life balance and overall health, leading to increased stress, fatigue and decreased job satisfaction. Over time, these effects may contribute to burnout and higher turnover, undermining long-term stability and fulfillment in employees' roles. Furthermore, Polpharma's fast-paced environment and ambitious business goals may further strain work-life balance, potentially increasing the risk of inappropriate management practices on the part of supervisors.	-
Work-related accidents in the manufacturing sector	Work-related accidents in the manufacturing sector have a negative impact on employees' health and safety, leading to injuries and contributing to increased stress and burnout.	-
Gender-based pay gaps that may occur for identical job roles	Gender-based pay gaps for identical job roles can lead to employee dissatisfaction, reduced morale and perception of unfairness, which may negatively impact workforce motivation, retention and the overall organization.	-
Opportunity to accelerate business growth through the development of new competencies	The development of new skills by employees can drive business growth, enhance agility, improve cost competitiveness and enable the adoption of new technologies and capabilities in line with the company's strategy and emerging market opportunities.	O

S2 WORKERS IN THE VALUE CHAIN		
Promoting appropriate working conditions in the supply chain	To promote responsible practices in the whole supply chain, Polpharma sets clear requirements for its suppliers in its Supplier Code of Conduct, addressing appropriate working conditions.	+
The occurrence of unethical labor practices and human rights violations in the supply chain	A significant part of Polpharma's supply chain is located in Asia, including China and India. These regions may have relatively lower labor standards and present challenges due to limited oversight. Some suppliers may fail to provide fair wages, enforce reasonable working hours, or uphold adequate health and safety standards. This can lead to unsafe working conditions, an increased number of incidents of workplace injuries and, in severe cases, human rights violations, including forced labor and child labor.	-

S3 AFFECTED COMMUNITIES		
Community and environmental risks from pharmaceutical manufacturing	Polpharma's operations may adversely impact nearby communities and the environment in various ways. Transportation, use and storage of hazardous materials increase the risk of physical hazards in case of their unintentional release, which can endanger human health and lives and cause environmental damage. In addition, pharmaceutical manufacturing processes generate water pollution and solid waste, both of which can contribute to a deterioration in the living conditions and related public health challenges in surrounding communities.	-
Supporting economic development and job creation in local communities	Polpharma's operations stimulate economic development and contribute to job creation in local communities.	+

S4 CONSUMERS AND END-USERS		
Enhancing patients' health through wider access to generic medicines	By offering affordable generic medications, ZF Polpharma S.A. significantly improves access to effective treatments for a broader range of patients. The enhanced access leads to better health outcomes and an improved quality of life for many individuals. As the Polish market leader, ZF Polpharma S.A. enables millions of patients to receive treatment across key therapeutic areas, including life-saving medicines and hospital products.	+
Disruptions and delays in product supply can have an impact on patients' health	Disruptions or delays in the supply of products – especially life-saving medicines – can endanger patients' health and, in critical cases, pose a risk to their lives.	-
Supporting patient health through education and responsible communication	Through educational initiatives and a diverse range of non-prescription products (including OTC medicines, food supplements, medical devices and cosmetics), ZF Polpharma S.A. empowers patients and consumers to build health awareness, prevent diseases and take active role in managing their own health. Marketing and promotional materials, along with communications shared through various channels, aim to provide reliable knowledge. The materials must not be misleading or promote excessive or inappropriate use of the products.	+
The use of pharmaceutical products may cause adverse effects	Both the proper and improper use of pharmaceutical products may cause adverse effects or harmful interactions, potentially resulting in health issues.	-
Health consequences for consumers and end-users from failure to meet product quality and safety standards	Failure to meet product quality and safety standards may lead to health consequences for end users, including allergic reactions, poisoning or other health complications.	-
Financial, reputational and regulatory risks from adverse reaction to products	Adverse reactions can lead to financial claims from affected individuals and potential penalties from regulatory bodies. A high incidence of adverse reactions may lead to reputational damage and a loss of trust among patients and consumers. Furthermore, the actual or potential adverse effects may result in stricter product availability criteria, such as reclassification from over-the-counter to prescription-only status, which can cause financial losses and limit market access and sales channels.	R
Expanding market potential through raising consumer health awareness and preventive care trends	Increasing health awareness among patients and consumers presents an opportunity for market growth. Greater focus on preventive care, not only in response to illness but also as part of proactive lifestyle, is driving demand for health-related products such as vitamins, food supplements and other consumer healthcare products. This trend creates opportunities to expand Polpharma's portfolio and reach a broader consumer base interested in wellness and illness prevention.	O
Market expansion opportunities driven by evolving healthcare needs, lifestyle-related diseases and an aging population	Patients' growing healthcare needs, including the emergence of diseases linked to temporary lifestyles and the aging population, create opportunities for market expansion. Adapting the product portfolio to address these evolving health challenges presents potential for sales growth.	O

G1 BUSINESS CONDUCT		
Fostering ethical corporate governance and responsible practices for patient safety and trust	Polpharma upholds the highest standards of corporate governance and ethics, which fosters a strong corporate culture among employees and partners and contributes to the development of fair practices in the business environment, ensuring patient safety and building trust among stakeholders.	+
Protection and confidentiality for whistleblowers	By ensuring protection against reprisal and maintaining confidentiality for those who report concerns, organizations foster a culture of trust and integrity. This encourages employees, business partners and suppliers to report unethical, unlawful or non-compliant behavior.	+
Ensuring supply chain quality to protect patient health and corporate integrity	Strict adherence by Polpharma's partners in the value chain to product quality and safety requirements is critical for protecting patient and consumer health and maintaining regulatory compliance. Through close collaboration and adherence to applicable laws, international standards, such as Good Manufacturing Practice (GMP) and Good Distribution Practice (GDP), as well as specific contractual obligations, Polpharma and its partners work together to ensure the integrity of products across all stages - from manufacturing and storage to shipment and sale.	+
Reliance on sole suppliers impacts the company's ability to enforce social and environmental standards within the supply chain	Polpharma's reliance on sole suppliers, especially in Asia, impacts its ability to enforce social and environmental standards within its supply chain. The dependence may contribute to ongoing negative practices, such as human rights violations, poor working conditions or breaches of environmental laws, thereby affecting the company's overall sustainability performance and stakeholder trust.	-
The risk of operational disruption resulting from cybersecurity breaches or cyberattacks	The risk of business operations being disrupted by cybersecurity incidents, including hacking, ransomware or phishing attacks, which could result in interruption of key processes, loss of access to essential systems and data, information leaks, financial and reputational losses, regulatory penalties and reduced stakeholder trust.	R
An opportunity from improving access to affordable treatments through challenging unenforceable or invalid patents	Opportunities arise from challenging unenforceable or invalid patents, leading to improving access to affordable treatments market expansion, revenue growth and competitive advantage.	O
A strategic opportunity from the EU pharmaceutical reform and the global regulatory harmonization	The ongoing EU pharmaceutical reform and the harmonization of global regulatory standards present a strategic opportunity for Polpharma to enhance competitiveness and operational efficiency. Key changes, such as shortening data exclusivity periods, enable the earlier market entry for affordable generic medicines, accelerating access for patients and allowing companies to capture market share more swiftly. A unified Bolar clause across the EU would facilitate Day 1 launches, particularly improving access in Eastern European markets and streamlining cross-border operations. In addition, initiatives such as the Critical Medicines Alliance offer Polpharma potential benefits through strengthening the resilience of the supply chain and providing investment incentives aimed at bolstering local manufacturing. Globally, the simplification and alignment of regulatory frameworks will not only reduce compliance costs and accelerate product launches but also enhance product safety and accessibility across markets.	O

ESRS 2

Managing impacts, risks and opportunities

[IRO-1]

Description of the process for identifying and assessing material impacts, risks and opportunities

[53 h)]
Zakłady Farmaceutyczne Polpharma S.A. is part of the Windstorm Group. The Windstorm Group conducted a double materiality assessment (DMA) in 2024 using the MAX 4 – MATERIALITY ASSESSMENT MATRIX methodology. The methodology was developed and implemented in collaboration with the external consulting firm MATERIALITY Sp. z o.o., which coordinated the work. The purpose of the study was to identify key stakeholder groups and their engagement, material sustainability matters and the material impacts, risks and opportunities related to sustainability that may arise in the value chain. In 2025, the DMA results were updated using the MAX 5 methodology, which included an IRO assessment, a peer group review and interviews with selected key external stakeholders.

[53 a)]
The methodologies used to conduct the DMA were designed to support the identification and assessment of issues in accordance with the provisions of the Corporate Sustainability Reporting Directive (CSRD) and the relevant disclosure requirements set forth in the ESRS. The evaluation process was based on a matrix analysis of the results for individual IROs, which were evaluated in parallel from the perspectives of materiality of impact and financial materiality. As part of the issue identification process, the full list of sustainability topics identified in AR 16 of the ESRS 1 was taken into account and their significance was then assessed in the context of the Windstorm Group's operations and value chain.

[53 h)]
The differences between MAX 4 and MAX 5 stem from an update and refinement of the approach. The process, conducted in accordance with MAX 4, drew on a variety of data sources, including: a benchmarking analysis, surveys of representatives from key management areas within the Windstorm Group, stakeholder engagement and expert assessments by consultants. The impact and financial materiality were scored on a scale of 0-5, and the results were validated by the Windstorm Group's ESG Committee. MAX 5 retains the basic principles of MAX 4 and introduces additional process elements, including:

- an analysis of the business model using KPIs based on the scope of disclosures specified in the ESRS,
- thematic workshops featuring individuals with the best available expertise on various aspects of the organization's operations,
- a more detailed evaluation across all ESRS areas,
- a documented review of the completeness and consistency of the identified IROs (including verification of their mapping to ESRS topics),
- an updated scoring scale (1-5) and the adoption of a materiality threshold of 2.5 points on that scale.

The MAX 5 principles remain consistent with those of MAX 4: double materiality, assessment across the entire value chain, use of multiple data sources and structured scoring criteria.

[53 d)]
The DMA results were updated in 2025 for the entire Windstorm Group and approved by the Board of Directors of Windstorm Trading & Investment Limited – the Group's parent company. Due to the separate reporting obligations of the Polpharma Group and Zakłady Farmaceutyczne Polpharma S.A. (the subject of this report), separate lists of significant IROs for these undertakings were prepared based on the approved DMA results of the Windstorm Group. They reflect differences in the operations and business models of individual entities, while adhering to the methodological assumptions of the DMA conducted for the Windstorm Group.

The adjustment of the materiality assessment results for the Windstorm Group in order to compile a list of IROs material to Polpharma was limited in scope and consisted, in particular, of removing references to areas of activity not present in the company (including the production of biosimilars). The consistency of the adjustments with the methodological assumptions and the adequacy of the list were verified as part of the review and approval process described later in this disclosure. The final list of material IROs for the Polpharma Group was approved by the Group's ESG Committee, and for Zakłady Farmaceutyczne Polpharma S.A., by the company's Management Board.

[53 g)]
The following sources of information were used in the study:

- a 2024 comparative analysis of 10 entities from the pharmaceutical and biotechnology sectors in Poland and around the world, focusing on which material IROs they identify in their sustainability statements and an update to the analysis in 2025, covering 7 selected entities and their ESRS-based reports,
- a questionnaire survey conducted in 2024 among a group of representatives from all key management areas within the Windstorm Group (these individuals included, among others, members of the management boards and senior management of the companies comprising the Group),
- a detailed questionnaire-based survey conducted in 2024 with internal experts from the Windstorm Group responsible for areas of its operational and managerial activities that were key from the respondents' perspective,
- an assessment of the specific parameters of materiality of impact and financial materiality conducted by experts from a consulting firm in 2024,
- a questionnaire survey conducted in 2024 with 29 representatives of the Windstorm Group's key external stakeholder groups (employees, customers, suppliers, financial institutions, business partners, consumers and patients, pharmacists, physicians, public administration bodies and shareholders), as well as structured interviews with selected individuals,
- an update in 2025 consisting of a questionnaire survey and interviews with three stakeholder representatives (financial institutions, business partners and customers),
- thematic workshops held in 2025 with the participation of internal stakeholders possessing expertise relevant to specific areas of the Windstorm Group's operations, during which members of the working groups assessed the IRO using the study's parameters.

[53 b) iii.]
The Windstorm Group's key stakeholders were identified in the first materiality assessment conducted in 2024, based on an analysis of the business model and value chain, as well as a survey of representatives from the Group's main management areas. Representatives of the key stakeholder groups identified during the assessment were invited to participate in the materiality assessment process. Stakeholder engagement (dialogue) was in the form of surveys and

structured interviews. As part of the 2025 update, interviews and surveys were conducted with selected stakeholder representatives.

[53 h)]
The first materiality assessment was conducted from August 2024 to October 2024. The results of the assessment were updated from June 2025 to November 2025. A policy of annually reviewing and updating the results of the materiality assessment was adopted; the results of the process are validated by the Windstorm Group's ESG Committee and approved by the Board of Directors of Windstorm Trading & Investment Limited. The next review and update of the materiality assessment results are scheduled for 2026.

[53 b) i.-iv.]
In 2025, as part of an update to the materiality assessment results, the Windstorm Group reviewed the issues identified as material in 2024, as well as new materiality risks (IROs) identified through the peer group analysis and the external stakeholder survey.

The impact analysis took into account the value chain, the Windstorm Group's organizational structure, relationships with key business partners, the products and services offered by the Group and the geographic areas of its operations. Experts from the Group's internal working group categorized the individual impacts during workshops led by external experts based on the following criteria: whether the impact is actual or potential; whether the impact is positive or negative; which part of the value chain the impact occurs in; and which stakeholders are affected by it.

Four parameters of the impact's materiality were evaluated: its severity, scope and reversibility (their average determines the severity of the impact), as well as the likelihood of its occurrence. The individual parameters were rated on a scale of 1 to 5. Based on these parameters, an assessment of the materiality of the impact was calculated. An impact was considered material if its materiality assessment exceeded the 2.5 threshold or if there were grounds for a materiality recommendation based on the conclusions from the sense-check phase.

Financial materiality perspective

[53 c) i.-iii.]
Financial materiality was determined by identifying and assessing risks and opportunities using a five-point scale (1-5), after assigning them time horizons and their location in the value chain. The assessment focused on the potential magnitude of the financial impacts of risks and opportunities, as well as the likelihood of their occurrence.

A topic was considered material if it was related to a risk or opportunity for which the materiality assessment exceeded the 2.5 threshold or if there were grounds for a materiality recommendation based on the conclusions from the sense-check phase.

With regard to risks and opportunities, an approach consistent with the Windstorm Group's business risk management principles, as described in its internal regulations, was applied.

[53 e)-f)]
The results of the double materiality analysis, which include the identified material impacts, risks and opportunities, are used as one of the sources of information in the company's overall management processes, including its risk management processes. Material risks and opportunities related to sustainable development are taken into account when monitoring business risks, planning management actions and making decisions regarding strategy, investments and operations. Material impacts are managed primarily through appropriate policies, procedures, operational activities and control mechanisms, while in risk management processes they are taken into account to the extent that they may translate into risks or opportunities for the company. The annual review of DMA results also analyzes changes in the profile of impacts, risks and opportunities related to sustainable development, as well as their potential significance for the company's operations, strategy and business model.

The principle of double materiality

[53 a)]
Each sustainability matter associated with at least one material impact, material risk or material opportunity was considered material from a double materiality perspective and, therefore, subject to reporting in accordance with the relevant standards and disclosure requirements.

[53 c) i.]
The relationship between impacts, risks and opportunities was the subject of an expert discussion during the materiality assessment. The research methodology does not impose rigid rules for conceptualizing these relationships; they are determined based on a documented assessment by internal experts, taking into account the specific characteristics of the business model and the value chain.

[53 a)]
As a result of the update carried out in 2025, the following were deemed material at the level of Zakłady Farmaceutyczne Polpharma S.A.:

- 26 impacts in the following areas: E1, E2, E3, E5, S1, S2, S3, S4, G1,
- 6 risks in the following areas: E1, E2, S4, G1,
- 6 opportunities in the following areas: E1, S1, S4, G1.

Material IROs are described in detail in the SBM-3 disclosure.



02

Environmental information

ESRS E1 | ESRS E2 | ESRS E3 | ESRS E5

ESRS E1

Climate change

[E1 GOV-3]

Integration of sustainability-related performance in incentive schemes

[13]
In 2025, climate-related issues were not taken into account in incentive schemes, compensation policies or performance evaluations of members of the Management Board and the Supervisory Board. Consequently, no component of their compensation was directly linked to the achievement of the undertaking's climate goals, including greenhouse gas emission reduction targets.



[E1 SBM-3]

Material impacts, risks and opportunities and their interactions with strategy and business model

Polpharma identified one climate-related impact as material – one that is negative and actual:

- **Greenhouse gas emissions from own operations and across the value chain**

Polpharma contributes to greenhouse gas emissions and air pollution through its own operations and across its entire value chain. Emissions stem primarily from the consumption and production of energy from non-renewable sources (coal and natural gas), fuel combustion and the use of refrigerants by the company and its suppliers. In addition, emissions along the value chain include the transportation of goods and the distribution of products through sales channels. All of the activities listed impact negatively climate change and its associated effects on human health.

This impact is systemic in nature as it stems from the permanent and recurring characteristics of Polpharma's business model, in particular the energy intensity of its production processes and the emissions generated by its own operations and throughout the value chain. It is directly linked to the company's strategy and business model as it reflects how production is carried out, energy and fuel consumption, and emissions generated by suppliers, as well as during transportation and distribution. It is taken into account in strategic and operational decisions, particularly in the areas of energy transition, infrastructure modernization and emissions reduction.

In addition, there is one significant opportunity in this area:

- **Advantages from implementing low-emission and energy-efficient technologies**

The implementation of low-carbon technologies and solutions that improve energy efficiency represents a significant chance to strengthen Polpharma's long-term competitiveness. Such measures help improve operational efficiency, reduce costs and lower exposure to disruptions in energy supply and price fluctuations. At the same time, they will enhance the organization's ability to attract business and financial partners, improve its competitiveness in tenders where carbon footprint is a criterion and strengthen the company's reputation as a sustainable and resilient organization.

This opportunity is systemic in nature as it does not stem from a single investment project, but rather from a sustained effort to adapt Polpharma's business model to a low-carbon economy. It is directly linked to the company's strategy and business model as it concerns the energy efficiency of production operations, energy cost management and strengthening operational resilience through the modernization of technical infrastructure. This is particularly important for the generic pharmaceutical industry, where cost competitiveness is one of the key factors in market advantage and the stability of energy supplies and the efficiency of infrastructure affect the continuity and predictability of production processes. This opportunity is taken into account in the company's investment and operational decisions and supports the gradual adaptation of its operations to the conditions of a low-carbon economy.

[18]
Polpharma has also identified two material climate-related risks:

- **Increased costs associated with climate change adaptation**

Increased costs associated with adapting infrastructure to climate change, as well as higher utility costs (energy, water) required for more intensive cooling or heating.

The above risk has been classified as a physical risk because it stems from the potential impact of changing climate conditions on operations, infrastructure and demand for utilities.

- **Increased costs associated with the low-emission technologies**

An increase in capital expenditures related to the implementation of low-emission technologies, the energy transformation and the achievement of carbon footprint reduction goals. In addition, rising procurement costs and reduced accessibility of suppliers that arise from their adoption of low-emission solutions.

The above risk has been classified as a transition risk, as it stems from regulatory, technological and market changes associated with the transition to a low-carbon economy.

The identified risks are directly related to Polpharma's strategy and business model as they stem from enduring climatic, regulatory, technological and market conditions that may increase operating costs, capital expenditures and procurement costs. This is significant for the profitability of the generic drug business, where cost competitiveness is one of the key elements of the business model. These risks are taken into account in investment, operational and procurement decisions regarding infrastructure modernization, enhancing its climate resilience and adapting operational processes and the supply chain to the conditions of the low-carbon transition.

[19 a)-c)]
In 2025, Polpharma conducted a preliminary analysis of the resilience of its business model in relation to climate change. It covered key areas of the company's operations, including production facilities, energy infrastructure, research and development, logistics and ESG data management. Selected elements of the value chain were also taken into account to the extent determined by the materiality assessment.

Particular attention was paid to assets critical to operational continuity, including the facility in Starogard Gdański, which consists of the Solid Dosage Forms Production Plant, the Parenteral Dosage Forms Production Plant and the API Business Unit, which manufactures active pharmaceutical ingredients. As part of the preliminary analysis, physical risks, including extreme temperatures, floods, droughts, storms, water shortages and power outages, as well as transition risks of a regulatory, technological, market and reputational nature were examined. The analysis did not rule out any potentially material physical or transition risks.

[19 b)] [AR 7 a), b), c)]
The analysis was conducted using three simplified climate scenarios:

- an **orderly transition**, aimed at limiting the rise in temperature to 1.5°C and ensuring the gradual and relatively predictable implementation of climate policies;
- a **disorderly transition**, involving a temperature increase of 1.5-2°C and delayed, sudden or inconsistent regulatory and market changes;
- **high global warming scenario** (greenhouse world scenario), assuming a temperature increase of 3-4°C, incorporating elements of a high-emission scenario (SSP5-8.5, limited transformative actions and an increase in the frequency and severity of the physical impacts of climate change).

The scenarios were used as a qualitative planning tool to consider various possible operating conditions. The set of scenarios was selected to cover both the risks arising from a gradual and disorderly transition to a low-carbon economy and the physical risks associated with limited climate action.

The narrative was developed using scenario analysis principles derived from the TCFD and COSO/WBCSD frameworks, as well as methodological materials referencing IPCC, IEA and NGFS scenarios. No separate assessment was conducted to determine the consistency of individual narratives with current scientific knowledge.

The following time frames were used: short-term (up to 1 year), medium-term (up to 5 years) and long-term (more than 5 years). Each assessment took into account the expected time until the risk materializes, the probability of its occurrence, its potential impact on costs and revenues, and the organization's readiness to respond. The time horizons were used to qualitatively assess the timing of the effects, given the limited availability of financial analyses.

The analysis examined the potential impact of physical and transition risks on manufacturing operations, energy infrastructure, logistics and the supply chain, research and development, and ESG data management and regulatory compliance.

In the transition scenarios, variables such as the following were reviewed in particular:

- the pace and predictability of the implementation of climate policies and environmental regulations,
- rising energy prices, CO_2 emission costs and raw material prices,
- changes in the availability and cost of financing,
- changes in requirements for products, manufacturing processes and packaging,
- the pace of renewable energy development and the transition of the energy system,
- the need to invest in energy efficiency, technical infrastructure and low-carbon technologies,
- the availability and implementation costs of new technologies, the risk of failed investments, technological lock-in and the loss of value of assets that are not adapted to future requirements.

These factors were considered material due to the energy-intensive nature of pharmaceutical processes, the importance of HVAC systems, cooling, heat sources and uninterrupted power supply, GMP requirements and the dependence of production on supply chain stability and the availability of active pharmaceutical ingredients.

The high global warming scenario primarily takes into account the possibility of extreme temperatures, droughts, floods, storms, power outages, water shortages, transportation disruptions and disruptions in the supply of raw materials and active ingredients. Their potential impact on HVAC and cooling systems, product storage conditions, production continuity, transportation route availability and operating costs was considered.

The analysis was primarily qualitative in nature, short-term (up to 1 year), medium-term (up to 5 years) and long-term (more than 5 years). The analysis was based on information from internal reports, functional questionnaires and assessments by experts representing key areas of operation.

The physical risk analysis drew on information regarding the characteristics of the location, the criticality of operations, the vulnerability of the infrastructure and the impact of example events, such as floods and heat waves. The results serve as the basis for the planned further development of the analysis, including documenting the sources and parameters of the scenarios, conducting more in-depth analyses of individual locations, and gradually quantifying the financial effects.

[AR 8 a)]
The results of the analysis are reflected in the adopted action plans regarding energy transition, energy efficiency, infrastructure modernization, supply security and risk monitoring.

The main areas of uncertainty stem from incomplete historical data on incidents and losses, the lack of a comprehensive assessment of all key assets, incomplete information on supplier exposure and the lack of a full quantification of the financial effects. At this stage, the analysis did not include a quantitative assessment of the impact of each investment on the level of risk or a quantification of the financial impact of specific investment decisions.

[AR 8 b)]
Polpharma has implemented certain current and planned measures that enable it to gradually adapt its assets and processes, primarily by modernizing its energy infrastructure, improving energy efficiency and increasing the share of renewable energy in its energy mix.

In the short and medium term, these activities include investments in heat sources and heat pumps, entering into cPPAs, developing photovoltaic systems and projects related to HVAC, cooling, heat recovery and utility monitoring. These measures can reduce emissions, limit exposure to energy cost volatility and regulatory risks and support operational continuity.

Adaptability depends on the implementation of investments, the availability of financing and technology, and regulatory and market conditions. The analysis does not determine the resilience of the entire business model, nor does it include a quantitative assessment of the effectiveness of individual measures.

[E1 IRO-1]

Description of the processes to identify and assess material climate-related impacts, risks and opportunities

[AR 12 d)]
As of the date of this report, Polpharma had not conducted a comprehensive quantitative assessment of all its assets with regard to the risk of their long-term incompatibility with a climate-neutral economy.

However, the analysis revealed risks associated with obsolete assets, the costs of transitioning to cleaner technologies and the need to modernize energy-intensive infrastructure, in particular, HVAC systems (heating, ventilation and air conditioning) and process infrastructure. These risks are taken into account when determining the direction of the energy transition and the decarbonization of operations.

[20 a)-c)] [AR 9]
The process of identifying and assessing climate-related impacts, risks and opportunities was part of the overall materiality assessment process, which is described in ESRS 2 IRO-1. It included an analysis of the business model and value chain, thematic questionnaires and workshops with representatives from the relevant business functions.

The analysis covered physical and transition risks related to operations, infrastructure, energy, the supply chain, logistics, products and regulations. Risks were assessed based on their potential impact, probability, time horizon and the organization's readiness to respond.

The main sources of emissions were identified in the areas of fuel and energy consumption and in the upstream value chain. Emissions are monitored in Scopes 1, 2 and 3. Due to the limited availability of primary data for part of Scope 3, secondary data and reasonable estimates are also used.

[AR 13]
A simplified scenario analysis was used to identify and assess physical risks, transition risks, and climate-related opportunities across short-term (up to 1 year), medium-term (up to 5 years), and long-term (more than 5 years) time horizons. Three qualitative scenarios were examined, reflecting the most commonly used practices: an orderly 1.5°C transition, a disorderly 1.5-2°C transition and a 3-4°C high global warming scenario.

The scenarios took into account, among other things, developments in climate policy, rising energy prices and CO_2 emissions, the availability of technology, changes in product requirements and the impact of physical phenomena on infrastructure and the supply chain. The analysis was primarily qualitative in nature.

[AR 15]
The scenario analysis took into account factors that could affect future costs and cash flows, in particular energy prices, CO_2 emission costs, raw material prices and expenditures on infrastructure modernization. Prospective climate risks do not directly affect the amounts reported in the financial statements; therefore, the results of the qualitative scenario analysis were not formally reconciled with the financial statements.

[20 b) c)] [21] [AR 11]
Physical climate-related risks were identified across short-term (up to 1 year), medium-term (up to 5 years), and long-term (over 5 years) time horizons, taking into account a high-emissions scenario. The analysis covered the potential impact of selected climate hazards on operations, infrastructure, and the availability of critical resources. The most significant hazards identified were heatwaves and water scarcity, which may lead to increased operating costs, higher energy demand, and operational disruptions.

As a result of the assessment, Polpharma was found to have an elevated exposure to selected physical climate-related risks, in particular heat stress and limited water availability.

The highest vulnerability relates to key manufacturing assets in Starogard Gdański due to the scale of operations and limited options for infrastructure relocation, while with regard to water scarcity, the Sieradz manufacturing site is the most exposed. The identified risks may result in increased operating costs and periodic operational disruptions at these locations over the medium and long term.

The risks and opportunities associated with the transition were assessed in the company's own operations and in selected elements of the value chain, including a scenario for an orderly 1.5°C transition. The analysis examined regulatory, technological and market changes, including rising energy and emissions prices, EU ETS, CSRD/ESRS, BAT and PPWR requirements, the costs of cleaner technologies and changes in the expectations of customers and financial institutions.

The processes and assets deemed most at risk were those dependent on stable supplies of energy, cooling, water and GMP parameters, HVAC and process cooling infrastructure, facilities with long qualification times for alternative production, and the supply chain for APIs and materials with limited substitutability. Potential opportunities include cost reductions through energy efficiency and renewable energy, increased infrastructure flexibility and access to financing for low-carbon investments.

The analysis was qualitative in nature and did not include a full quantification of the exposure of all assets or the entire value chain.

The assessment of the exposure and vulnerability of Polpharma's assets and business operations took into account the location and operational importance of individual assets. Particular attention was paid to the facility in Starogard Gdański, including the drug manufacturing areas and the API Business Unit, due to its large-scale production and the limited ability to quickly relocate the infrastructure. Risks related to the availability of water resources were also taken into account, particularly for the plant in Sieradz, which is located in an area characterized by a severe water shortage.

[E1-1]

Transition plan for climate change mitigation

[14]
Polpharma does not have a transition plan aimed at mitigating climate change as defined by the ESRS. This is because the decarbonization measures currently being implemented and those planned have not yet been included in a single, formally adopted document that meets all the elements of the definition of such a plan, as set forth in Annex II to the standards. These take the form of separate initiatives, including, among others, the energy transition, improving energy efficiency and reducing greenhouse gas emissions.

[17]
As of the date of this report, Polpharma had not set a deadline for developing and adopting a transition plan aimed at mitigating climate change.

[E1-2]

Policies related to climate change mitigation and adaptation

[MDR-P 62]
Polpharma does not have a separate climate policy. Issues related to climate change are addressed in the Polpharma Group Environmental Protection Policy, which serves as the primary document setting forth the principles for managing the company's environmental impact.

[MDR-P 65 a)]
The Environmental Protection Policy includes a commitment to minimize the environmental impact of our operations, including on the climate, to use energy efficiently, to utilize cleaner and renewable energy sources, to reduce greenhouse gas emissions, and to minimize the environmental impact throughout the value chain.

This document applies to all relevant IROs identified in the E1 SBM-3 disclosure. Monitoring of policy implementation takes place within the framework of the environmental management system through the measurement of environmental impact, analysis of selected indicators, achievement of environmental objectives and periodic progress reporting.

[MDR-P 65 b)]
The scope of the policy covers Polpharma's operational activities, in particular manufacturing and support processes, procurement, and logistics, as well as selected elements of the value chain that are significant in terms of environmental impact, including supplier activities. The document does not provide for any specific exemptions.

[MDR-P 65 c)]
All company employees are responsible for adhering to this policy. The Management Board oversees its implementation and also provides the necessary resources.
The policy is implemented at the operational level by environmental teams and the Sustainability and Environmental Protection Team.

[MDR-P 65 d)]
The policy includes a commitment to comply with applicable legal requirements and the requirements of the implemented environmental management system, which is in accordance with the international ISO 14001 standard. It does not include a declaration of compliance with specific external climate-related standards.

[MDR-P 65 e)]
When developing its Environmental Protection Policy, Polpharma did not conduct a separate process to identify and take into account the interests, expectations or perspectives of key stakeholders. However, the policy highlights the importance of dialogue, education and stakeholder engagement in environmental protection efforts.

[MDR-P 65 f)]
The text of the regulation is made available to:
- employees and associates – via the intranet and the document management system,
- public administration bodies – at their request or in fulfillment of obligations arising from legal provisions, in particular in the course of administrative proceedings, audits and reporting processes,
- suppliers of goods and services – with respect to their environmental obligations,
- external stakeholders – through Polpharma's website, sustainability reports or other appropriate communication channels.

Climate issues in Environmental Protection Policy
[25]
The policy addresses climate change mitigation, in particular through commitments to energy efficiency, the use of clean and renewable energy sources, efforts to reduce greenhouse gas emissions and the mitigation of environmental impacts throughout the value chain.

The document does not establish separate rules regarding a company's adaptation to climate change. However, the elements of a systematic environmental management system included in it – such as compliance with legal requirements and the principles of the environmental management system, measurement and analysis of environmental impact, setting environmental objectives and reporting on progress – can indirectly support the management of selected environmental aspects that are relevant to operational resilience.

With regard to the value chain, the policy highlights the importance of reducing the environmental impact of products, processes, logistics and collaboration with suppliers – including by requiring suppliers to comply with specific environmental standards and supporting them in reducing their environmental impact, including their impact on the climate.

[E1-3]

Actions and resources in relation to climate policy

[MDR-A 68 a)] [29 a)]
During the reporting year, Polpharma implemented – and plans to continue in the coming years – measures to mitigate climate change based on four main decarbonization levers, covering its own operations and selected elements of the value chain.

The **transformation of heat sources** involves measures aimed at reducing emissions associated with heat generation, including increasing the share of lower-emission solutions. Key activities include the construction of a 25 MW gas-oil-electric boiler house and the installation of a heat pump at the plant in Starogard Gdański. In 2025, construction designs for both projects were completed, as well as the gas connection for the new boiler house. The main capital projects are scheduled for 2026-2027.

The company is increasing the share of electricity from renewable sources through long-term cPPAs and the development of its own photovoltaic installations. In 2025, a cPPA was in effect covering electricity supplies from solar sources, which were estimated to account for approximately 25-30% of the company's electricity consumption. At the same time, preparations were underway to sign another long-term contract – for wind power. The company expects that by 2030, approximately 55% of its electricity will come from renewable sources.

Improving energy efficiency involves the thermal retrofitting of buildings, the modernization of equipment and systems, the reduction of energy losses, the development of utility consumption monitoring systems and the modernization of technical infrastructure. In 2025, projects were carried out related to, among other things, the optimization of ventilation, compressed air and process cooling systems, as well as lighting and heating systems.

Supply chain decarbonization focuses on reducing Scope 3 emissions by developing partnerships with suppliers, incorporating ESG criteria into procurement processes, improving the quality of emissions data and implementing measures to reduce emissions from transportation and logistics.

The above actions support the achievement of Polpharma's climate goals as described in disclosure E1-4. In 2025, the company did not carry out any climate change mitigation or adaptation activities based on natural resources.

[MDR-A 68 b)]
The actions taken primarily involve the company's own operations, specifically its production facilities in Starogard Gdański, Duchnice, Nowa Dęba and Sieradz. The selected measures also cover the value chain at a higher level; this applies in particular to the purchase of energy from renewable sources and initiatives supporting the reduction of Scope 3 greenhouse gas emissions, including in collaboration with suppliers.

[MDR-A 68c)]
The most important decarbonization measures are being implemented and planned as part of Polpharma's ESG Strategy through 2030. Key investments related to the transition of heat sources, renewable energy sources and energy efficiency will be carried out primarily between 2026 and 2028, while initiatives related to the decarbonization of the supply chain will be rolled out gradually through 2030.

[29 b)]
The expected outcome of these initiatives is to reduce greenhouse gas emissions, particularly in Scopes 1 and 2, increase the share of renewable energy in electricity consumption and improve the energy efficiency of operations. For supply chain initiatives, a gradual reduction in Scope 3 emissions and an improvement in the quality of the data used to manage them are also expected.

[MDR-A 68 d)]
No actual significant negative impacts related to climate change were identified that would require the implementation of remedial measures for the affected individuals or groups. Consequently, the company did not undertake any such actions during the reporting period.

[MDR-A 68 e)]
This report is the first one prepared by Polpharma in accordance with the ESRS. Consequently, activities related to climate change mitigation and adaptation were not previously reported to the extent required by E1-3. However, some of the reduction and transformation measures had already been implemented earlier, as part of the Sustainable Development Strategy for 2022-2025.

Climate change adaptation

[AR 19 d)]
Polpharma does not have a separate strategy nor has it set measurable goals regarding climate change adaptation. However, selected aspects related to operational resilience are taken into account in ongoing operational and investment activities, in particular through infrastructure modernization, requirements regarding the reliability and resilience of technical systems to changing weather conditions, the development of utility consumption monitoring systems and measures aimed at ensuring business continuity. However, the company does not implement adaptation measures based on natural resources.

Resources allocated for the implementation of activities

[AR 21]
Polpharma's ability to take action related to climate change mitigation and adaptation depends heavily on the allocation of financial, technical and organizational resources. The pace of implementation of individual initiatives depends primarily on the availability of funding for the investments, as well as the availability of technology and technical resources. Climate considerations are factored into the company's investment and planning processes; however, there is no separate budget dedicated exclusively to climate-related activities.

[MDR-A 69 a)-c)] [29 c)]
Implementing decarbonization measures requires significant capital expenditures (CapEx). In 2025, Polpharma's total CapEx allocated to decarbonization efforts amounted to PLN 5,4 million. According to the 2026 budget and the financial forecast for subsequent years, planned expenditures for this purpose in 2026-2028 will total PLN 54 million.

The largest investments are focused on the conversion of heat sources in Starogard Gdański (including the construction of a gas-oil-electric boiler house and a heat pump system), the expansion of photovoltaic systems, the thermal modernization of buildings and energy efficiency improvement programs. In the 2025 financial statements, expenditures on decarbonization efforts were recognized as part of Note 11 – property, plant and equipment.

During the reporting period, the company did not use any sustainable financing instruments, such as green bonds or green loans.



[E1-4]

Targets related to climate change mitigation and adaptation

As part of its 2022-2025 Sustainable Development Strategy, Polpharma pursued the target of reducing Scope 1 and 2 GHG emissions by 17% by 2025 compared to the 2021 baseline. The organizational scope of the adopted objective included Zakłady Farmaceutyczne Polpharma S.A. and Polfa Warszawa S.A., along with their branches. The total baseline emissions within the organizational boundaries described comprised the sum of Scope 1 and Scope 2 emissions calculated using a market-based method and amounted to 102,736.46 tons of CO_2e.

In 2025, the actual reduction in greenhouse gas emissions compared to 2021, within the established organizational boundaries, amounted to **33.07%**, exceeding the target level by 16.07 percentage points.

Detailed information on emissions for the reporting year and the preceding year, broken down by market-based and location-based methods, is included in disclosure E1-6.

[MDR-T 81]
As part of its 2026-2030 ESG Strategy, Polpharma has set additional measurable and outcome-oriented targets related to climate change mitigation. They focus on reducing greenhouse gas emissions, increasing the use of energy from renewable sources and reducing emissions throughout the value chain.

The company has not set separate, measurable targets related to climate change adaptation.

Target 1

43% reduction in Scope 1 and Scope 2 GHG emissions by 2030 compared to the 2021 baseline

[MDR-T 80 a)-e)] [34 a)]
Polpharma's goal is to reduce absolute gross greenhouse gas emissions in Scopes 1 and 2 by 43% by 2030 compared to the 2021 base year. The organizational scope of the 2030 target has changed compared to the target for 2022-2025 and now includes emissions from Zakłady Farmaceutycze Polpharma S.A. and Starogard Combined Heat and Power Plant (Elektrociepłownia Starogard), which are accounted for on a consolidated basis.

Historical Scope 1 and Scope 2 GHG emission reduction (market-based method) by 2025

	Base year	2021 baseline emissions [t CO_2e]	2025 emissions within the organizational boundaries of the 2025 target	Target year	Projected total reduction	Actual total reduction in 2025
Scope 1	2021	10,108.54*	8,421.12	2025	17%	**33.07%**
Scope 2 market-based		92,627.92*	60,342.02			
Total		**102,736.46***	**68,763.14**			

* The emission figures for the base year 2021 presented in the table have not been subject to the assurance process.

Scope 1 and Scope 2 GHG emission reduction targets (market-based method) by 2030 within the new organizational boundaries.

	Base year	2021 baseline emissions [t CO_2e]	2025 emissions within the new 2030 target boundaries [t CO_2e]	Target year	Projected total reduction by 2030	Actual total reduction in 2025 under the new 2030 target
Scope 1	2021	59,675.24*	50,065.26	2025	43%	**28.48%**
Scope 2 market-based		63,172.15*	37,790.34			
Total		**122,847.39***	**87,855.6**			

* The emission figures for the base year 2021 presented in the table have not been subject to the assurance process.

The total baseline emissions for the revised organizational boundaries comprise the sum of Scope 1 and Scope 2 emissions calculated using a market-based method and amount to 122,847.39 tons of CO_2e.

The share of Scope 1 greenhouse gas emissions originating from sources covered by regulated emissions trading schemes was 82.16% in the 2021 base year and 81.66% in 2025. These emissions primarily relate to the activities of the Starogard Combined Heat and Power Plant, which is covered by the EU Emissions Trading System (EU ETS).

[MDR-T 80 f)-g)]
The target was developed in accordance with the GHG Protocol methodology, using a market-based method for Scope 2 emissions. Its implementation is based on the conversion of heat sources, increasing the share of energy from renewable sources and measures to improve energy efficiency.

During the goal-setting phase, no detailed model was developed to quantify the contribution of individual decarbonization levers to achieving the goal. Of the identified measures, the greatest contribution toward achieving the goal is expected to come from the transition of heat sources and increasing the share of electricity from renewable sources.

The goal has not been validated by the Science Based Targets initiative (SBTi). In setting this target, however, a level of ambition was adopted that is in line with the decarbonization path supported by the European Union's climate goals and the Paris Agreement.

[MDR-T 80 h)-j)]
Progress toward achieving these targets will be monitored through annual calculations of Scope 1 and Scope 2 emissions in accordance with the GHG Protocol, as well as an analysis of decarbonization measures. The target was adopted as part of the company's ESG Strategy for 2026-2030 after the end of the reporting period and had not been revised as of the date of this report.

Supporting target: To increase the share of energy from renewable sources in electricity consumption to 55%.

[MDR-T 80 a)-c), e)]
Polpharma's goal is to achieve a 55% share of electricity from renewable sources in its total electricity consumption covered by the target by 2030, including:
- 50% of energy purchases from renewable sources,
- 5% from its own photovoltaic installations.

At the end of 2025, renewable energy sources accounted for 29.09% of total electricity consumption..

This target is operational in nature and supports the target of reducing GHG emissions in Scopes 1 and 2. It covers the electricity consumption of Zakłady Farmaceutyczne Polpharma S.A., excluding Starogard Combined Heat and Power Plant.

[MDR-T 80 d), j)]
The target is percentage-based and is not defined in relation to a baseline emission level or a base year. Progress toward achieving this target will be assessed on an annual basis by measuring the share of electricity from renewable sources in the total electricity consumption covered by the target.

[MDR-T 80 f)-g)]
Attainment of this target relies on increasing the volume of electricity from renewable sources purchased under cPPAs and on the development of the company's own photovoltaic installations. This target has not been validated by the SBTi and serves to support the achievement of the target for reducing Scope 1 and Scope 2 emissions.

[MDR-T 80 h)-i)]
The target was set with the participation of representatives from the energy, procurement, infrastructure and finance departments, as well as the Energy Committee. The target was not defined in consultation with the stakeholders.

Target 2

Supplier engagement in supply chain decarbonization

[MDR-T 80 a)-c), e)]
Polpharma's target is to engage in activities that support the decarbonization of the supply chain of suppliers responsible for 70% of emissions related to the "Purchased Goods and Services" category in Scope 3, in accordance with the monitoring scope adopted for this purpose.

By 2030, the company aims to achieve the following levels among the group of suppliers covered by the target:
- 90% of suppliers covered by the target complete the carbon scorecard – a tool used to collect and evaluate information regarding suppliers' management of greenhouse gas emissions,
- 70% of suppliers covered by the target provide the company with GHG emissions data, at least for Scopes 1 and 2,
- 40% of suppliers covered by the target have decarbonization targets,
- 10% of the suppliers covered by the target provide Polpharma with data on the carbon footprint of the products it purchases (product carbon footprint, PCF).

The group of suppliers covered by the target refers to suppliers of Zakłady Farmaceutyczne Polpharma S.A. who collectively account for 70% of greenhouse gas emissions in the "Purchased Goods and Services" category of Scope 3. This group is identified based on the EcoVadis Heat Map or other available data sources.

[MDR-T 80 d)]
This objective is not based on a baseline emissions level, as its purpose is to increase supplier engagement, improve access to data, and enhance data quality, rather than to directly reduce greenhouse gas emissions. Progress toward achieving this target will be assessed based on the participation of suppliers covered by the target who meet the specific criteria.

[MDR-T 80 f)-g)]
The target is based on gradual expansion of the company's access to suppliers' emissions data and developing cooperation on decarbonizing the value chain. The above target has not been validated by the SBTi. It is intended to support the reduction of Scope 3 emissions and does not constitute a standalone GHG emission reduction target.

[MDR-T 80 h)-j)]
Representatives from the following areas participated in setting the goal: procurement, sustainable supply chain and ESG. The target was not defined in consultation with the stakeholders.

Progress toward achieving the target will be monitored based on an analysis of the proportion of suppliers covered by the target who complete the carbon scorecard, submit emissions data, have decarbonization targets or provide data on the carbon footprint of their products.

Additional information regarding climate change mitigation targets

[34 b)]
Consistency between the reduction target for Scope 1 and 2 emissions and the boundaries of the emissions inventory was ensured by adopting the same organizational and operational boundaries for the target and for the calculation of emissions covered by that target. The scope of the target includes the emissions of Zakłady Farmaceutyczne Polpharma S.A. and Starogard Combined Heat and Power Plant (Elektrociepłownia Starogard), which are accounted for on a consolidated basis. Emissions are reported in tons of CO_2e in accordance with the GHG Protocol methodology, with Scope 2 emissions calculated using the market-based method.

[AR 25 a)]
The year 2021 was adopted as the base year because it served as a reference point for previous reduction efforts and during the development of the ESG Strategy for 2026-2030. It was also a period of a return to more normal levels of activity following the disruptions caused by the COVID-19 pandemic.

The baseline value was determined in accordance with the organizational and operational boundaries adopted for the emissions reduction target and includes Zakłady Farmaceutyczne Polpharma S.A. and Starogard Combined Heat and Power Plant, which are accounted for on a consolidated basis.

[AR 25 b)]
Due to the change in the organizational scope of the reduction target compared to the scope adopted in the Sustainable Development Strategy for 2022-2025 and the target to be achieved by 2025, progress toward the new 2030 target will be assessed relative to a baseline established for the new boundaries, which include Zakłady Farmaceutyczne Polpharma S.A. and Starogard Combined Heat and Power Plant. The results will not be directly comparable to progress toward the previous reduction target, whose scope included Zakłady Farmaceutyczne Polpharma S.A. and its subsidiary, Polfa Warszawa S.A.

In the year preceding the reporting period, the operational scope of GHG emissions reporting included the operations of Zakłady Farmaceutyczne Polpharma S.A., as well as Polfa Warszawa S.A. and its divisions: the Research and Development Division and the Ipochem Division. Polfa Warszawa operated as a separate entity to 28 February 2024, and as of 1 March 2024, it was merged with Zakłady Farmaceutyczne Polpharma S.A.; the merger also included Polfa's divisions.

Between January and February 2024, the operations at the Polfa Warszawa S.A. pharmaceutical plant were phased out and no longer included manufacturing activities. Part of the production was transferred to Polpharma facilities that fall within the scope of emissions reporting, and part to third-party manufacturers. By the end of 2023, prior to the closure of the Polfa Warszawa plant, stockpiles were established to meet patients' needs during the transition period. For this reason, the overall impact of the relocation of production was not yet fully reflected in the 2024 emissions figures; the full effect of this change may become apparent starting in 2025.

Production transferred to Polpharma facilities that remain within the reporting boundaries is still included in the respective emission totals for those locations. Production carried out by third-party manufacturers, however, results in a shift of some emissions from Scopes 1 and 2 to Scope 3. In addition, due to the inclusion of Starogard Combined Heat and Power Plant within the consolidated scope of the 2026-2030 reduction target, emissions associated with the generation of heat supplied to the facility in Starogard Gdański, which, under the previous scope, were reported in Scope 2 as emissions associated with purchased heat, will now be reported as direct Scope 1 emissions of the Starogard Combined Heat and Power Plant.

The changes described affect the comparability of total greenhouse gas emissions from year to year and the comparability of emissions by category. Apart from the changes indicated above, Polpharma has not identified any other significant changes in the definition of the reporting undertaking or the boundaries of the value chain.



[34 e)]
The GHG emission reduction target is an absolute target and refers to emissions calculated in accordance with the GHG Protocol methodology.

Polpharma does not formally declare that this target complies with the Science Based Targets initiative (SBTi) methodology. In setting this target, no sector-specific decarbonization scenarios were used, nor was a formal assessment conducted to determine the target's consistency with specific climate scenarios published by the Intergovernmental Panel on Climate Change (IPCC) or the International Energy Agency (IEA). This target has not been subject to external validation either.

In setting this target, the company took into account business and operational assumptions regarding the ongoing energy transition, the development of low-carbon technologies, regulatory changes and the need to ensure the continuity of production and the security of supply of medicinal products.

[34 f)]
The key decarbonization levers that support the achievement of the reduction target are described in disclosure E1-3. As of the date of this report, Polpharma had not assigned specific quantitative contributions to individual levers toward achieving the set GHG emission reduction target.

[AR 30 c)]
In defining its decarbonization strategies, Polpharma took into account the key assumptions of three simplified climate scenarios analyzed as part of a preliminary assessment of the business model's resilience, including an orderly transition scenario corresponding to the pathway to limit temperature rise to 1.5°C. This analysis supported the validation of key decarbonization levers, which were subsequently incorporated into the 2026-2030 ESG Strategy.

[E1-5]

Energy consumption and energy mix

[38]
According to the statistical classification of economic activities in the European Union (NACE), the company's primary activity falls under Section C, "Manufacturing," specifically Division 21, "Manufacture of basic pharmaceutical products and pharmaceutical preparations." Accordingly, Polpharma's operations qualify as high climate impact sectors within the meaning of Commission Delegated Regulation (EU) 2022/1288. For this reason, the company monitors greenhouse gas emissions associated with its operations, sets reduction targets and implements measures aimed at reducing the carbon footprint of its operations and value chain.



[37 a)-c), 38 a)-e)]
Total energy consumption related to Polpharma's own operations [MWh], the percentage share of each energy source, and a breakdown of total energy consumption from fossil fuels [MWh] for the 2025 reporting year

Energy consumption and mix	MWh (reporting year)	MWh (preceding year)
Fuel consumption from coal and coal products	0	0
Fuel consumption from crude oil and petroleum products	22,058.18	22,586.24
Fuel consumption from natural gas	7,314.77	7,332.22
Fuel consumption from other fossil sources	0	0
Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources	112,834.83	129,221.65
Total fossil energy consumption	142,207.78	159,140.11
Share of fossil sources in total energy consumption (%)	82	94
Consumption from nuclear sources	0	0
Share of consumption from nuclear sources in total energy consumption [%]	0	0
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	0	0
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources	27,844.88	6,886.27
The consumption of self-generated non-fuel renewable energy	2,873.02	2,659
Total renewable energy consumption	30,717.90	9,545.27
Share of renewable sources in total energy consumption (%)	18	6
Total energy consumption	172,925.68	168,685.37

[39]
Information on energy production from non-renewable and renewable sources [MWh] at Polpharma during the 2025 reporting year

Energy production from non-renewable sources [MWh]	7,516.52
Energy production from renewable sources [MWh]	2,873.02

[42]
For the purposes of determining its energy consumption, Polpharma classifies its core business under the sector "Manufacture of basic pharmaceutical products and pharmaceutical preparations," in accordance with the NACE classification of economic activities.

[40, 41]
Energy consumption associated with operations in high climate impact sectors at Polpharma in the 2025 reporting year

Total energy consumption in high climate impact sectors [MWh]	172,926
Net revenue from activities in high climate impact sectors [PLN]	3,775,455,000
Energy intensity [MWh/PLN]	0.0000458026

[AR 38 b)]
Polpharma's net revenue from operations in sectors other than high climate impact sectors in 2025 amounted to PLN 1,150,768 thousand.

[43]
For the purposes of calculating the energy intensity ratio for operations conducted in high climate impact sectors, Polpharma used the line item "Revenue from the sale of products, including manufactured goods" reported in its separate financial statements for 2025, treating it as revenue from operations conducted in the sector classified under NACE 21. Revenue from operations not classified as belonging to high climate impact sectors was determined as the difference between the company's total revenue and the revenue from product sales reported in the financial statements. The energy intensity index was calculated based on unrounded source data on energy consumption.

[E1-6]

Gross Scopes 1, 2, 3 and Total GHG emissions

[44 a)-d)] [48] [49] [51] [52] [AR 46 d)]

Greenhouse gas emissions calculations for the period from 1 January to 31 December 2025, were performed in accordance with the GHG Protocol Corporate Standard, the GHG Protocol Scope 2 Guidance, and – with regard to Scope 3 emissions – the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. The organizational boundaries were established based on the criterion of operational control, including material emissions from activities under that control.

The calculation was performed using Microsoft Sustainability Manager based on data from internal sources and operational systems, and – for selected emissions in the value chain – also using available proxy data, emission factors, substitute values and reasonable assumptions.

The greenhouse gas emissions calculation included the gases identified within the scope of the inventory, namely CO_2, CH_4, N_2O, and HFCs associated with refrigerant leaks. No emissions of PFCs, SF_6 or NF_3 were identified in the emission sources analyzed.

Methods, key assumptions and limitations for Scope 1 and 2 emissions

Scope 1 covers the combustion of fuels in stationary and mobile sources, refrigerant leaks and CH_4 and N_2O emissions from the on-site wastewater treatment plant. Emissions from fuel combustion were calculated using the DESNZ 2025 indicators, that is, the British government's conversion factors for reporting greenhouse gas emissions published by the Department for Energy Security and Net Zero, which were selected for their currency, international recognition and widespread use in calculating an organization's carbon footprint. For refrigerants, it was assumed that the amount of refrigerant released corresponds to the amount replenished in the system and the GWP values according to IPCC AR6 were used as the most recent available values for global warming potential. Emissions from wastewater treatment plants were estimated in accordance with "2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 5, Chapter 6," which serves as the appropriate methodological reference for wastewater treatment processes. Due to the lack of BOD_5 data at the treatment plant's inlet, the default IPCC values were used.

Scope 2 covers the consumption of purchased electricity and heat and was calculated using the location-based method and the market-based method. In the location-based method, emissions from purchased electricity were calculated based on energy consumption and national average emission factors. For Poland, an indicator calculated based on KOBiZE data for 2024 and adjusted to meet the GHG Protocol requirements was used, while for Lithuania, Latvia, the Czech Republic, Bulgaria and Vietnam, national average electricity emission factors from the Our World in Data database were used, in accordance with the location-based approach.

For the purchased heat, the average emissivity factor for Poland from the ERO publication "Heat Energy in Numbers – 2024" was used. The market-based method for electricity used residual mix indicators published by the Association of Issuing Bodies (AIB), in accordance with the data quality hierarchy recommended by the GHG Protocol. For Vietnam, due to the lack of a residual mix indicator, an indicator based on location was used. For the heat purchased from the Starogard Combined Heat and Power Plant, the supplier's specific data on volumes generated from biomass and fossil fuels were used first, as they provide higher-quality data than general indicators. For the remaining suppliers, in the absence of specific data, the national average emission factor for heat was used.

In 2025, Polpharma utilized contractual instruments related to the purchase of renewable energy, including guarantees of origin for electricity and corporate power purchase agreements (cPPAs). Electricity covered by these instruments accounted for 23% of total electricity consumption. In the calculation of Scope 2 emissions using a market-based method for the energy covered by these instruments, an emissions factor of 0 t CO_2e/MWh was applied. A portion of the purchased electricity and heat came from the Starogard Combined Heat and Power Plant, which uses certified biomass covered by the SURE system; this information was taken into account when determining the emissions profile of the purchased energy, although it did not constitute a separate contractual instrument.

Biogenic CO_2 emissions from biocomponents and biomass were reported outside of Scopes 1-3, while CH_4 and N_2O emissions from the energy supplier's combustion of biomass were included in the calculation of emissions from purchased energy under Scope 2. In the absence of specific coefficients for the biomass used by the Starogard Combined Heat and Power Plant, an average coefficient was applied, calculated based on the DESNZ 2025 coefficients for wood logs, wood chips, wood pellets, and grass and straw.

The failure to account for CO_2 emissions from the combustion of volatile organic compounds (VOCs) due to a lack of data on the composition of the compounds being burned is a significant limitation. It has been estimated that they account for no more than 0.3% of total Scope 1-3 emissions, but approximately 3-6% of Scope 1 emissions.



Scope 1, 2, and 3 greenhouse gas emissions at Polpharma in the 2025 reporting year

	2021 base year	Previous year (N-1)	Reporting year (N)	% N / N-1	2025	2030	2050	Annual % target / Base year
Scope 1 GHG emissions								
Gross Scope 1 GHG emissions [t CO_2e]	10,108.54	8,723.84	8,421.12	96.53				
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0	0	0	0				
Scope 2 GHG emissions								
Gross location-based Scope 2 GHG emissions [t CO_2e]	77,616.87	58,333	59,924.72	102.73				
Gross market-based Scope 2 GHG emissions [t CO_2e]	92,627.92	65,635.36	60,342.02	91.94				
Scopes 1 + 2 GHG emissions								
Gross Scope 1 and Scope 2 location-based GHG emissions [t CO_2e]	87,725.41	67,056.84	68,345.84	101.92				
Gross Scope 1 and Scope 2 market-based GHG emissions [t CO_2e]	102,736.46	74,359.20	68,763.14	92.47	17%*	43%**		33.07 *** 28.48 ****
Significant Scope 3 GHG emissions								
Total gross indirect GHG emissions (Scope 3) [t CO_2e]			179,388.04					
1. Purchased goods and services			115,086.04					
[Optional sub-category: Cloud computing and data centre services]								
2. Capital goods			16,881.94					
3. Fuel- and energy-related activities (not included in Scope 1 or Scope 2)			9,950.92					
4. Upstream transportation and distribution			4,481.16					
5. Waste generated in operations			1,141.70					
6. Business travel			1,276.41					
7. Employee commuting			4,277.20					
8. Upstream leased assets			not applicable					
9. Downstream transportation and distribution			708.27					
10. Processing of sold products			9,423.20					
11. Use of sold products			14,623.46					
12. End-of-life treatment of sold products			1,310.37					
13. Downstream leased assets			30.97					
14. Franchises			not applicable					
15. Investments			196.4					
Total GHG emissions								
Total GHG emissions (location-based) [t CO_2e]			**247,733.88**					
Total GHG emissions (market-based) [t CO_2e]			**248,151.18**					

The organizational scope of the emissions calculations presented in this disclosure includes Zakłady Farmaceutyczne Polpharma S.A. and Polfa Warszawa S.A., along with their branches.

* The company's target for 2022-2025 was to reduce greenhouse gas emissions by 17% by 2025 compared to the 2021 baseline year. It applied within the organizational boundaries described above and covered the sum of Scope 1 and Scope 2 emissions calculated using the market-based method. The total base value was 102,736.46 t CO_2e.

** The company's target for 2026-2030 calls for a 43% reduction in greenhouse gas emissions by 2030 compared to the 2021 baseline. This applies to the revised organizational boundaries covering the financial statements of Zakłady Farmaceutyczne Polpharma S.A. and the Starog ard Combined Heat and Power Plant, which are included on a consolidated basis. It includes the sum of Scope 1 emissions and Scope 2 emissions calculated using the market-based method. The total base value is 122,847.39 t CO_2e. Detailed information is included in disclosure E1-4.

*** In 2025, emissions were reduced by 33.07% compared to the 2021 baseline. The result was calculated based on the organizational boundaries of the objective to be implemented in 2022-2025, as described above. It includes the sum of Scope 1 emissions and Scope 2 emissions calculated using the market-based method.

**** In 2025, the reduction in emissions relative to the 2021 baseline, within the organizational scope of the target set for 2026-2030, was 28.48%. The result includes the sum of consolidated Scope 1 and Scope 2 emissions calculated using the market-based method for Zakłady Farmaceutyczne Polpharma S.A. and the Starogard Combined Heat and Power Plant. Detailed information is included in disclosure E1-4.

Comparability of emissions results

The comparability of emissions data for 2024 and 2025 is limited due to organizational and operational changes. In 2024 and in previous reporting periods, Scope 1 and Scope 2 emissions were calculated within the organizational boundaries encompassing the operations of Zakłady Farmaceutyczne Polpharma S.A. and Polfa Warszawa S.A., including their branches. Changes affecting the comparability of results stemmed from the closure of Polfa Warszawa's manufacturing facility, the transfer of production to facilities remaining within the reporting scope or to third-party manufacturers, and the merger – effective 1 March 2024 – of Polfa Warszawa's remaining operations with Zakłady Farmaceutyczne Polpharma S.A. In the case of production transferred to third parties, a portion of the emissions may have been reclassified from Scopes 1 and 2 to Scope 3. Due to the inventory built up before Polfa ceased production, the full impact of this change will be evident starting in 2025.

In 2025, Polpharma calculated its greenhouse gas emissions under Scope 3 using updated and revised calculation methodologies. These changes included clarifying the scope of data, the calculation methodology and the sources of emission factors for selected Scope 3 categories. As a result, the 2025 data are not fully comparable to the data calculated for 2024. Therefore, the company does not present comparative data or year-over-year changes for Scope 3 emissions. The data for 2025 serve as a benchmark for future reporting periods for Scope 3.

Reporting boundaries, calculation methods and tools used for Scope 3 categories

Emissions in Scope 3 were calculated for Polpharma's operations and its value chain, in accordance with the GHG Protocol categories applicable to the company's business model. The calculation was performed taking into account the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard and the GHG Protocol Technical Guidance for Calculating Scope 3 Emissions.

The identification of Scope 3 categories applicable to Polpharma's operations and the assessment of their significance were conducted based on an analysis of the company's operations, its value chain and financial data assigned to GHG Protocol categories.

The following were identified as significant Scope 3 categories:

- Category 1 – Purchased Goods and Services
- Category 2 – Capital Goods
- Category 3 – Fuel- and Energy-Related Activities (not included in Scope 1 or Scope 2)
- Category 4 – Upstream Transportation and Distribution
- Category 5 – Waste Generated in Operations
- Category 6 – Business Travel
- Category 7 – Employee Commuting
- Category 9 – Downstream Transportation and Distribution
- Category 10 – Processing of Sold Products
- Category 11 – Use of Sold Products
- Category 12 – End-of-Life Treatment of Sold Products
- Category 13 – Downstream Leased Assets
- Category 15 – Investments

Category 8 is not reported separately under Scope 3 because emissions associated with assets used by Polpharma are included in Scope 1 or 2, as appropriate, and Category 14 does not apply because Polpharma does not engage in franchising activities.

The calculations used emission factors derived primarily from the DESNZ 2025, ecoinvent 3.12, EPA, Climatiq and Greenview databases, as well as other factors specific to the nature of each category. In the absence of detailed primary data from suppliers or other business partners, reasonable secondary data and proxy values were used, including financial data, average weights and densities, assumptions regarding the material composition of products and packaging, statistical data and financial indicators adjusted for exchange rates and inflation. This approach involves uncertainty in the estimates, stemming primarily from the limited availability of primary data along the value chain. In 2025, the share of Scope 3 emissions calculated based on primary data was not monitored separately. Quantitative monitoring of the share of primary data will be expanded in subsequent reporting periods.

Category 1: Purchased Goods and Services

The reporting scope of this category includes emissions associated with the production of goods and services purchased by Polpharma and used in its operations, including production raw materials (active pharmaceutical ingredients – APIs, excipients, intermediates), packaging materials, printed materials, finished goods, including products purchased in bulk or in individual packages, tap water, outsourced manufacturing and packaging services, television commercials and other services. This category includes emissions generated upstream in the value chain associated with the production of purchased materials and products and the provision of services to the company.



The computational methods were selected based on the nature of the input data:

- for production raw materials reported in units of mass, a mass-based method was used; for raw material groups such as APIs, technical APIs, excipients and intermediates, an averaged emission factor comprising 50% organic chemistry and 50% inorganic chemistry was used, based on factors from the ecoinvent database;
- for raw materials and materials reported in units of volume, conversions to mass were performed using density and then the appropriate emission factors specific to the nature of the substance or material were applied;
- for packaging and printed materials, emission factors specific to their material composition were used; for printed materials, the mass of the materials and the emission factor for paper from the ecoinvent database were used;
- for finished goods, bulk products and other products and materials reported in units, packages or kilograms per unit, documented assumptions regarding unit masses, material composition and the product-to-packaging ratio were applied, and the estimated masses were then multiplied by emission factors selected based on the nature of the product or material;
- for external manufacturing and packaging services, the scope of the service, the process steps carried out by the external provider and the materials covered by the service were defined and then unit emission factors were determined for each type of service;
- for television commercials, a quantitative approach was used, based on the size of the commercial, the number of views, the amount of data transmitted, the energy consumption required for data transmission and the electricity generation intensity specific to the country where the commercial was broadcast;
- for the remaining services, the expenditure-based method was used, which involves multiplying the cost values by the appropriate financial emission factors.

The calculation was based on the principle of counting emissions only once, particularly for active ingredients entrusted to suppliers providing external manufacturing and packaging services. Emissions calculations were performed using the Microsoft Sustainability Manager, based on information from Polpharma's operational, quality and financial systems, materials provided by the media agency coordinating the purchase of television advertising time as well as proxy data, emission factors, default values and reasonable assumptions. Emissions factors from the ecoinvent, DESNZ and Climatiq databases were used.

Category 2: Capital Goods

The reporting boundaries of this category include emissions associated with the production of capital goods acquired or purchased by Polpharma during the reporting year. This category includes emissions generated at a higher level in the value chain, associated with the production of these goods prior to their acquisition by the company. The calculation was based on the actual capital expenditures reported in the financial statements (Notes 9 and 11), allocated to the appropriate expense categories. The calculations excluded investment advances, advance invoices and future, planned or contingent expenditures that, as of the reporting date, did not reflect goods actually delivered or work actually performed. Emissions were calculated in the Microsoft Sustainability Manager using the expenditure-based method by multiplying expenditure values expressed in PLN by the corresponding financial emission factors. The calculation used EPA emission factors, taking into account currency conversions and inflation adjustments.

Category 3: Fuel- and Energy-Related Activities (not included in Scope 1 or Scope 2)

The reporting boundaries for this category include indirect emissions related to fuels and energy that are not included in Scope 1 or Scope 2. The analysis included well-to-tank emissions associated with the extraction, production, processing and delivery of fuels consumed by Polpharma, as well as fuels used to generate purchased electricity and heat and emissions resulting from electricity transmission and distribution losses. The input data consisted of fuel and energy consumption data reported in Scopes 1 and 2. Emissions were calculated by multiplying these data by the appropriate WTT factors. For fuels, the DESNZ 2025 factors were used, while for electricity in Poland, a factor based on the DESNZ methodology and KOBiZE data was used, covering emissions associated with power generation, transmission and distribution. For the other countries where Polpharma has representative offices, the applicable WTT rates for electricity were used. Emissions were calculated using the Microsoft Sustainability Manager.

Category 4: Upstream Transportation and Distribution

The reporting boundaries of this category include emissions associated with upstream transportation and distribution, that is, the transportation of raw materials and the distribution of finished products carried out by third parties, for which Polpharma bears the transportation costs. The calculations were based primarily on freight volume expressed in ton-kilometers, defined as the product of the weight of the cargo transported and the distance traveled. Distances were determined using Polpharma's internal transportation management system based on the coordinates of the pickup and delivery points and the data was aggregated and converted into emissions using Microsoft Sustainability Manager. Emissions were calculated by multiplying ton-kilometers by the DESNZ emission factors specific to each mode of transport, distinguishing between refrigerated road transport and other road transport. For courier services, due to the limited availability of operational data, the expenditure method using the Climatiq index was applied.

Category 5: Waste Generated in Operations

The reporting boundaries of this category include emissions associated with the management of waste generated by Polpharma's operations and emissions associated with wastewater discharge. The report includes waste generated at the reporting sites, classified under the appropriate waste codes and disposal methods, including recovery, incineration and disposal, as well as expired products disposed of by Polpharma or at the Błonie warehouse. Waste-related emissions were calculated by assigning the appropriate DESNZ emission factors to waste codes and disposal methods and then multiplying the mass of waste by the corresponding factors. Emissions associated with wastewater were calculated based on its volume and the corresponding DESNZ emission factors. For office operations, in the absence of actual data, documented proxy values for municipal wastewater and municipal solid waste were used, based on water consumption, the number of employees and working hours; for water, it was assumed that the average water consumption per person not working exclusively remotely is 1.9 m^3 per month and for municipal waste – 2 kg of waste per day per employee. To avoid double counting, fugitive emissions from the facility's own on-site wastewater treatment plant were included in Scope 1, while emissions related to wastewater discharge and waste management were reported in Category 5. Emissions associated with the disposal of products outside Polpharma's facilities were excluded from the calculation due to a lack of data. The data was aggregated and converted into emissions using Microsoft Sustainability Manager.



Category 6: Business Travel

The reporting scope of this category includes emissions associated with business travel by Polpharma employees using modes of transportation other than the company fleet, including travel by private cars, airplanes, trains, buses, public transportation and taxis, as well as emissions associated with hotel stays. Emissions from fuel consumption in company cars were included in Scope 1 and were not reclassified to this category. For travel by private car, airplane and train, activity data, including kilometers and passenger-kilometers, were used, multiplied by the DESNZ factors specific to each mode of transportation. For travel by bus, public transportation and taxi, the expenditure method was used, which involves multiplying the costs incurred by the appropriate financial emission factors from the Climatiq database, taking into account currency conversions and inflation adjustments. For hotel stays, the calculations were based on the number of hotel nights and the country where the property is located, using DESNZ and Greenview indicators. The input data came from Polpharma's business travel management system and was aggregated and converted into emissions using the Microsoft Sustainability Manager.

Category 7: Employee Commuting

The reporting boundaries of this category include emissions associated with Polpharma employees' commutes to work using modes of transportation other than company vehicles, as well as emissions associated with remote work. Emissions resulting from the use of company vehicles were included in Scope 1 and were not reclassified to that category. For the commutes of on-site employees, the calculations were based on the number of employees using each mode of transportation, the number of workdays, the average commute distance and the DESNZ indicators specific to each mode of transportation. The average commute distance was set at 16 km one way, based on an analysis conducted in the previous period, in which the distances between employees' workplaces and residences were determined using a distance calculator; in 2025, this assumption was maintained in the absence of more recent detailed data indicating a significant change in this parameter. The number of employees using public transportation was determined based on the number of season tickets purchased, the number of employees commuting by bicycle was determined based on the log of entries to the company's premises and the number of people using private cars was estimated by subtraction after deducting the other groups. For bicycle commutes, an emission factor of zero was assumed. For foreign representative offices and branches, the available data reported by the representative offices on kilometers or passenger-kilometers by mode of transportation were used; where employees used only company cars, the emissions were not included again in Category 7. Emissions associated with remote work were estimated in accordance with the DESNZ methodology, based on the number of employees or the number of hours of remote work, the assumed power consumption of office equipment and electricity emission factors consistent with the location-based approach for the relevant country. The input data was aggregated and converted into emissions in the Microsoft Sustainability Manager.

Category 8: Upstream Leased Assets

The reporting boundaries for this category include emissions associated with the operation of assets leased, rented or leased on a long-term basis by Polpharma that are not included in Scope 1 or Scope 2. In 2025, no separate emissions were reported in this category, as fuel and electricity consumption in operational assets was included in Scope 1 and Scope 2, respectively, in accordance with the adopted operational control criterion. Consequently, no separate calculation of Scope 3 emissions was performed for this category. The absence of a separate breakdown of emissions in Category 8 does not mean they have been omitted, but rather reflects their inclusion in other emission categories, which serves to avoid double counting. Data on fuel and energy consumption were aggregated and converted into emissions using the Microsoft Sustainability Manager.

Category 9: Downstream Transportation and Distribution

The reporting boundaries for this category include emissions associated with the transportation and distribution of products sold further down the value chain, carried out after the sale by third parties for which Polpharma does not bear the transportation costs. The calculation is based on freight tonnage expressed in ton-kilometers, defined as the product of the weight of the cargo transported and the distance traveled. Transport distances were determined in Polpharma's transport management system based on the coordinates of the shipment and delivery locations. The data, broken down by mode of transportation, was aggregated in the Microsoft Sustainability Manager and converted into emissions within the tool by multiplying ton-kilometers by the DESNZ factors specific to each mode of transportation.

Category 10: Processing of Sold Products

The reporting scope of this category includes emissions generated by third parties as a result of the further processing of intermediate products sold by Polpharma. In the case of the company, this category was applied to active pharmaceutical ingredients (APIs) sold that require further formulation for inclusion in a finished pharmaceutical product before use by the end user. Emissions were calculated by multiplying the mass of API sold by the emission factor for further processing. The indicator was developed based on data from the literature regarding the carbon footprint of oral medicinal products, using a component corresponding to the manufacturing stage of the finished medicinal product. A portion of the emissions for this stage was attributed to the API based on the estimated mass fraction of the active ingredient in the product and this figure was then applied to the mass of APIs sold. The data on the mass of APIs sold came from Polpharma's financial system and the final calculations were performed using Microsoft Sustainability Manager.

Category 11: Use of Sold Products

The reporting boundaries of this category include emissions generated during the use of sold products by end-users. In the case of Polpharma, the assessment took into account direct emissions associated with the use of MDI inhalers containing HFA-134a, as well as emissions associated with the electricity consumption of nebulizers used to administer selected products. For inhalers, emissions were calculated by multiplying the amount of greenhouse gas contained in the products sold by the appropriate GWP factor. For products administered using a nebulizer, the volume and mass of the product sold, the device's operating time and the electricity consumption required for administration were estimated; emissions were then calculated using the electricity emission factor for Poland in accordance with the location-based method. Data on the HFA-134a content in the inhalers sold were obtained from the supplier of the licensed product. Data on sales volumes of inhalers and products used with nebulizers were sourced from Polpharma's internal systems and IQVIA databases, which serve as an external source of market data for the pharmaceutical industry. The data was aggregated and converted into emissions using Microsoft Sustainability Manager.

Category 12: End-of-Life Treatment of Sold Products

The reporting scope of this category includes emissions associated with the management of packaging from sold products after the end of their useful life. The analysis includes packaging for products for which Polpharma is the marketing authorization holder, placed on the Polish and export markets, as well as packaging for medications manufactured by the company on behalf of other marketing authorization holders as part of B2B collaborations and shipped outside Poland. Packaging was categorized by material type, including paper, wood, glass, plastics, steel, aluminum and other materials. The methods for managing packaging after it has reached the end of its useful life were adopted based on Eurostat statistical data on packaging waste. Emissions were calculated by multiplying the mass of each material fraction by the DESNZ factors specific to that material and disposal method. Emissions associated with the disposal of products outside Polpharma's facilities were not included due to a lack of data. The calculations were aggregated and converted into emissions using the Microsoft Sustainability Manage.

Category 13: Downstream Leased Assets

The reporting boundaries of this category include emissions resulting from the operation of assets owned by Polpharma and made available to third parties for their operational activities. The scope of the analysis covers electricity consumption by external users who utilize assets owned by the company. Emissions were calculated by multiplying the total electricity consumption by third parties by the emissions factor for electricity in accordance with the location-based method used in Scope 2 reporting. Energy consumption data was aggregated and converted into emissions using the Microsoft Sustainability Manager tool.

Category 14: Franchises

Category 14 does not apply because Polpharma does not operate a franchise business.

Category 15: Investments

The scope of this category's reporting includes Polpharma's capital investments, which are analyzed for their potential to attribute emissions in accordance with the GHG Protocol. This category includes Polpharma's equity investment in Bioton S.A. The emissions were allocated in proportion to Polpharma's equity stake, using Bioton S.A.'s financial data and the financial emissions factor from the Climatiq database appropriate for the nature of that company's operations. The calculations were performed using the expenditure method in Microsoft Sustainability Manager.

Biogenic emissions reported outside of Scopes 1-3 in 2025

In 2025, biogenic CO_2 emissions reported outside of Scopes 1-3 totaled 5,870.94 tons of CO_2. They included:

1) biogenic CO_2 emissions under Scope 1, resulting from the use of bio-components in gasoline and diesel fuel, as well as from the operation of the on-site wastewater treatment plant: 386.97 tons of CO_2;
2) biogenic CO_2 emissions associated with purchased energy, reported outside Scope 2, related to biomass used to generate the purchased electricity and heat: 5,483.97 tons of CO_2;
3) biogenic CO_2 emissions in the value chain, reported outside Scope 3: not included in the calculations.

These values apply exclusively to biogenic CO_2 emissions reported outside the emission categories; therefore, they are presented in t CO_2. CH_4 and N_2O emissions associated with combustion of biomass and biocomponents were included in the calculation of greenhouse gas emissions under Scope 1 for fuels containing biocomponents and under Scope 2 for purchased electricity and heat generated from biomass. Therefore, they are not presented separately as biogenic CO_2 emissions reported outside the emission scopes.

Greenhouse gas emissions intensity

Greenhouse gas emission intensity was calculated as the ratio of total GHG emissions in 2025 to the net revenue of Zakłady Farmaceutyczne Polpharma S.A. for the same period. The indicator is presented separately for total emissions calculated using the market-based method and the location-based method, expressed per PLN 1 million of net revenue.

The calculation is based on the "Total Sales Revenue" figure of PLN 4,926,223,000, as reported in Note 21 of the company's standalone financial statements. The scope of the emissions inventory for 2025 is consistent with the scope of revenue consolidation.

Greenhouse gas emissions intensity at Polpharma S.A. in the 2025 reporting year
[53] [54] [55]

Total sales revenue	PLN 4,926,223,000
Emissions intensity – location-based method*	50.29 tons of CO_2e per PLN million
Emissions intensity – market-based method **	50.37 tons of CO_2e per PLN million

* Intensity was calculated by dividing total Scope 1, Scope 2 (calculated using a location-based method) and Scope 3 emissions by net revenue.

** Intensity was calculated by dividing total Scope 1, Scope 2 (calculated using a market-based method) and Scope 3 emissions by net revenue.

Approval of the measurement by an external body

The measurement of greenhouse gas emissions has not been approved or validated by an external body other than the assurance service provider. The calculation methodology used in the Microsoft Sustainability Manager was developed with the support of Bureau Veritas Polska; however, this support did not constitute an independent validation of the metric's level. The metric is subject to assurance procedures conducted by an assurance service provider as part of the sustainability reporting assurance.

No material events or changes in circumstances were identified between the reporting dates of the entities in the value chain and the date of publication of the financial statements that would have a material impact on greenhouse gas emissions.

ESRS E2

Pollution

[E2 IRO-1]

Description of the processes to identify and assess material pollution-related impacts, risks and opportunities

[11]
Polpharma conducted an analysis of its locations and business operations to identify material impacts, risks and opportunities related to pollution. The assessment focused on the company's own operations, particularly its production processes, taking into account the characteristics of emissions to air, water and soil, the substances used, waste management practices, and applicable environmental regulations. The assessment employed a qualitative approach, supplemented by a review of available quantitative data and the use of tools to identify areas with elevated pollution risks. The value chain analysis was general in nature and focused on key supplier categories and major areas of impact.

Polpharma did not conduct separate consultations regarding the identification and evaluation of IROs related to pollution. However, the perspectives of internal stakeholders and selected external stakeholder groups were taken into account in the overall dialogue process conducted for the purposes of the double materiality assessment.

Negative impacts (actual):

- **Water pollution resulting from our own operations and throughout the value chain**

Water discharges and wastewater generated by Polpharma's operations, as well as by entities in the value chain, typically contain trace amounts of active substances and other pollutants that are difficult to eliminate completely and may affect water and soil quality. These impacts may, as a result, harm ecosystems. In addition, manufacturing operations carry an inherent risk of pollution, particularly in the event of extraordinary incidents.

This impact is systemic in nature as it stems from water and wastewater discharges typical of the pharmaceutical industry, water and wastewater management and impacts occurring throughout the value chain. It is directly linked to Polpharma's strategy and business model as it involves manufacturing, laboratory work and the use of active ingredients and other chemical compounds. At the same time, the aspect related to extraordinary events is potential and incidental. This impact is taken into account in operational and investment decisions regarding wastewater treatment, the control of emissions to water and soil and emergency management.

- **Water contamination from downstream pharmaceutical use**

A decline in water quality may result from the presence of pharmaceutical residues downstream in the value chain. Residual active pharmaceutical ingredients, which are excreted by patients and subsequently discharged into wastewater treatment plants, can't be fully removed. As a result, trace levels of pharmaceuticals and related compounds may persist in the aquatic environment. These substances may have the potential to adversely affect aquatic organisms and cause environmental damage. In addition, certain compounds may contribute to the emergence and proliferation of antimicrobial resistance, posing an additional risks to public health and the environment.

This impact is systemic in nature as it stems from the typical use of medicinal products in later stages of the value chain, in particular their use by patients and the release of active substance residues into the aquatic environment. It is directly linked to Polpharma's strategy and business model, although these stages remain outside the company's direct operational control. It is taken into account to an extent commensurate with Polpharma's role in the value chain, in particular through informational activities regarding the proper use and handling of medicinal products.

- **Substances of concern and substances of very high concern used operations and throughout the value chain**

Polpharma and its suppliers use certain substances of concern and substances of very high concern in their operations, which may pose environmental and health risks if not properly managed.

This impact is systemic in nature, as it stems from typical aspects of the pharmaceutical industry, particularly the use of chemicals in manufacturing and laboratory processes, both in Polpharma's own operations and in selected processes carried out within the value chain. It is directly linked to Polpharma's strategy and business model as the use of chemicals is an integral part of product development, manufacturing and quality assurance. It is taken into account in purchasing, technological and operational decisions regarding the selection, use, control and – where possible and justified – substitution of substances.

No material opportunities for the undertaking were identified in the area under discussion; however, two material risks were identified:

- **Regulatory and financial risks associated with pollution standards**

Non-compliance with evolving standards regarding emissions to air, water and chemical emissions may lead to operational disruptions, significant financial losses, legal proceedings, reputational harm and regulatory sanctions. Polpharma is also facing rising compliance costs resulting from mandatory studies, technology upgrades and product adaptations to minimize emissions, as well as potential revenue impacts from higher product price or the discontinuation of non-viable offerings. In addition, stricter regulatory controls – such as the EU's Chemicals Strategy for Sustainability – may require the costly substitutions of restricted substances with safer alternatives, further increasing operational and financial pressure.

This risk is directly linked to Polpharma's strategy and business model, as compliance with environmental requirements is a prerequisite for conducting manufacturing operations, maintaining market access and ensuring operational continuity. It may have implications for compliance costs, investment planning, technology selection and product decisions. It is taken into account when monitoring regulatory changes and planning the company's investment, technological and operational activities.

- **Financial risks arising from the revised Urban Wastewater Treatment Directive**

The revised Urban Wastewater Treatment Directive will require pharmaceutical companies to share the costs of treating wastewater contaminated with their products. The environmental fee will fund infrastructure investments to remove pollutants, including pharmaceutical residues excreted by patients. The financial burden, especially significant for producers of low-cost medicines, could lead to lower margins and reduced medicine availability. Generic drug manufacturers, such as Polpharma, will be particularly affected due to their high production volumes and regulated prices.

This risk is directly linked to Polpharma's strategy and business model as it may affect the profitability of products in the generic segment, where production scale, regulated prices and cost competitiveness are of significant importance. Additional regulatory burdens may be taken into account in the company's financial, product and operational decisions, including in profitability analyses and in monitoring the potential consequences for the availability of therapies.

[AR 9]

The locations where pollution is a significant issue for Polpharma's own operations or its value chain are those where manufacturing and/or laboratory activities are conducted.

Polpharma's business activities related to material impacts and risks associated with pollution:

- manufacturing, laboratory and support activities carried out as part of the company's own operations, in particular the manufacture of active pharmaceutical ingredients and medicinal products, the use of chemicals, solvents, substances of concern and substances of very high concern, as well as processes associated with the generation of process wastewater, air emissions and waste,
- water and wastewater management, waste management and the operation of environmental and auxiliary facilities, including wastewater treatment and discharge, sewage sludge management, waste management (including solvent waste), and control of emission sources to air, water and soil,
- activities in the value chain, including collaboration with suppliers of raw materials, active ingredients, excipients, and environmental services, as well as subsequent stages of the life cycle of medicinal products, in particular their use by patients and the management of unused medicinal products, which may be associated with the presence of active ingredient residues in the aquatic environment.



[E2-1]

Policies related to pollution

[MDR-P 62, 65 a)]
The main policy governing the management of pollution-related impacts is the Polpharma Group Environmental Protection Policy. It establishes general principles for the prevention and reduction of pollution and for the management of substances that may have a negative impact on the environment.

The policy emphasizes a preventive approach, which consists in particular of:

- designing new processes and facilities in a way that reduces emissions,
- using appropriate purification and safety systems,
- managing substances (including hazardous ones) and waste in a way that minimizes the risk of adverse environmental impacts,
- developing the skills and awareness of employees and associates regarding the prevention of adverse events and pollution.

[15 a)] [AR 13]
The Environmental Protection Policy aims to mitigate the negative impacts associated with pollution by establishing guidelines for minimizing the environmental impacts resulting from production, support and logistics activities. It sets forth a commitment to minimize emissions of pollutants into the air, water and soil, including emissions of active substances, and to design processes and products in a way that minimizes their environmental impact throughout the value chain.

With regard to prevention and control, the company's policy provides for the implementation of an environmental management system, compliance with applicable legal requirements, continuous monitoring and analysis of environmental impacts, and the prevention of environmental incidents, including immediate intervention should they occur.

With regard to the value chain, the policy requires suppliers to meet specific environmental standards and supports them in reducing their emissions. Information regarding Polpharma's approach to building relationships with business partners was published in disclosure G1-2.

[15 b)] [AR 13]
The Environmental Protection Policy addresses the issue of replacing and minimizing the use of substances of concern by establishing principles for designing products and processes in a way that limits their negative impact on the environment throughout the value chain. It provides for the development, implementation and improvement of innovative technologies and processes, including the application of green chemistry principles, aimed at reducing pollutant emissions and minimizing the environmental impact associated with the substances used.

The company's policy is to engage in responsible marketing and educate stakeholders to ensure the proper use and disposal of its products, which helps reduce the risk of active ingredients being released into the environment in an uncontrolled manner.

[15 c)] [AR 13]
The prevention of incidents and emergencies is also carried out in accordance with the Policy. It provides for the operation of an environmental management system, compliance with applicable legal requirements and the prevention of incidents; and, should incidents occur, immediate intervention to minimize their impact on people and the environment. Furthermore, with regard to controlling and mitigating the effects of incidents, the company's policy calls for the continuous monitoring and analysis of environmental impacts, as well as the implementation of corrective and improvement measures within the framework of its environmental management system.

Preventing emergencies in the value chain and mitigating environmental risks that are beyond the company's direct operational control is achieved, in particular, by requiring business partners to adhere to high environmental standards.

[MDR-P 65 a)-f)]
More information on The Environmental Protection Policy, such as an indication of the functions responsible for its implementation, can be found in disclosure E1-2.

Policies and measures related to the prevention and management of emergencies, such as accidents, spills, fires or disasters, that may result in the release of pollutants into the air, water and soil are presented in disclosure S3-1 and S3-4.



[E2-2]

Actions and resources related to pollution

Actions to reduce pollution

[MDR-A 62, 68 a)]

As part of the implementation of its Sustainable Development Strategy for 2022-2025, Polpharma took action aimed at reducing pollution through systematic management of the environmental impact of its processes and products. This approach is based on minimizing the environmental impact of operational and design processes.

These measures are consistent with key strategic objectives, including reducing emissions, minimizing waste generation and implementing eco-design standards as a fundamental mechanism for preventing pollution at the source.

[MDR-A 68 a)] [AR 13]

In 2025, the following measures were taken to support the implementation of the Environmental Protection Policy's objectives regarding pollution prevention and compliance with applicable regulations:

- Implementation of eco-design standards for processes and products, aimed at reducing the impact of chemicals, process wastewater and waste, as well as emissions to air and soil. These measures helped reduce environmental pressure during the design and implementation phases of production processes.
- Implementation of measures aimed at reducing the amount of waste generated and limiting the consumption of raw materials and water. This resulted in a reduction in waste streams and resource consumption, supporting pollution prevention at the source.
- Conducting environmental education programs for employees and associates and selected external stakeholders, including informational activities on the proper handling of pharmaceutical waste. These measures helped raise awareness about the proper disposal of unused medications and reduce the risk of active ingredients entering the environment in an uncontrolled manner. Due to the indirect nature of the impact, its result is not understood as a measurable reduction in the level of pollution in the environment.
- Conducting continuous environmental monitoring and ongoing analysis of measurement results, including those related to process wastewater, which enabled the identification of areas requiring further corrective actions and served as the starting point for planning initiatives for 2026-2030, which were subsequently incorporated into the company's ESG Strategy.

The 2026-2030 ESG Strategy calls for the implementation of the following measures:

- Implementation of a program to assess the presence of active pharmaceutical ingredients (APIs) in wastewater at all manufacturing facilities in accordance with PNEC criteria. The expected outcome will be a systematic identification of potential impacts on the aquatic environment.
- Continuation of educational activities aimed at patients and pharmacists regarding the proper handling of unused medicinal products. The expected outcome will be to raise awareness among stakeholders and promote proper practices for handling unused medications, which may help reduce the risk of them entering the environment in an uncontrolled manner.
- Improving the management of sewage sludge and solvent waste, and further optimizing wastewater treatment processes. The expected outcome will be improved treatment efficiency and a reduction in the impact on the aquatic environment.

[MDR-A 68 b)]

Scope of key actions

Pollution control is carried out as part of Polpharma's own operations, which are covered by an integrated environmental management system. This applies in particular to production and auxiliary facilities that generate emissions into the air, water and soil. The scope of this category of actions includes:

- processes related to the management of chemicals, including their use, storage and the gradual reduction or replacement of substances that pose the greatest risk to the environment,
- air emissions (including process emissions and emissions related to energy use) covered by the integrated permit,
- the discharge of pollutants into the aquatic environment under a water permit,
- the generation and management of waste in accordance with an integrated permit or a waste generation permit.

These actions focus on the part of the production process involving the management of chemicals, wastewater and waste, including the management of sewage sludge and the handling of solvents. They are carried out in the areas where the undertaking conducts its manufacturing operations. The scope of the environmental impact of the actions in question includes, in particular:

- protecting surface and groundwater through monitoring the quality of wastewater and groundwater in relation to applicable standards and limit values,
- reducing the risk of soil and groundwater contamination by regulating the management of sewage sludge and waste, including waste containing solvents.



Educational initiatives aimed at patients and pharmacists focus on the product's use phase in the value chain (downstream), with a view to reducing the uncontrolled release of active ingredients into the environment. These programs are being implemented throughout Poland as part of an industry-wide initiative carried out in collaboration with other pharmaceutical companies.

Stakeholder groups affected by the actions discussed above:
- administrative bodies and regulators – in the context of ensuring environmental compliance,
- the company's own workforce and local communities – in connection with efforts to minimize impacts on the aquatic and soil environments surrounding the company's facilities,
- patients and pharmacists – regarding the responsible handling of unused medicinal products.

[MDR-A 68 c)]
The undertaking intends to implement all of the key actions listed above by 2030.

Actions to minimize waste generation, which are also important for reducing pollution, are described in more detail in disclosure E5-2.

[MDR-A 69a]
The actions described in this disclosure are carried out as part of our day-to-day operations and existing environmental management processes. As of the date of this report, no significant financial resources, capital expenditures or operating expenses had been set aside exclusively for the implementation of these actions.

Management of material risks related to pollution

The company manages identified pollution risks through integrated actions that include:
- monitoring of regulations concerning emissions to air, water and soil, chemical substances, and wastewater and waste management,
- ensuring compliance with applicable permits and environmental requirements,
- an analysis of the potential operational and financial impacts of the new regulations,
- participation in consultation processes and industry advocacy initiatives.

As part of this approach, Polpharma identifies requirements that may necessitate conducting additional research, modernizing technology, adapting processes or products and restricting or replacing certain chemicals. These assessments are used in compliance planning, investment planning and operating cost management processes to mitigate the risk of operational disruptions, regulatory sanctions and negative financial consequences.

Polpharma continuously monitors legislative changes at the European Union and national levels, including an analysis of the potential impacts of implementing extended producer responsibility (EPR) on the pharmaceutical sector. These analyses include, in particular, an assessment of potential financial burdens, the impact on product profitability and the availability of medicines.

To mitigate regulatory risk and its potential economic consequences, the company participates in advocacy activities conducted through industry organizations and engages in dialogue with public stakeholders. These measures are intended to ensure that the proposed regulatory solutions take into account the specific characteristics of the generic drug sector, including regulated prices and the importance of drug safety.

In addition, Polpharma takes into account the risks associated with the Urban Wastewater Treatment Directive in its strategic planning and financial management processes, including in scenario analyses of future environmental costs. As of the date of this report, the final scope of the financial obligations arising from the directive was still subject to the legislative process, which gave rise to a significant degree of uncertainty regarding the impact on the company's operations.



[E2-3]

Targets related to pollution

[MDR-T 80, 81]
As part of its 2026-2030 ESG Strategy, the undertaking has set measurable, outcome-oriented targets related to pollution. All of the targets set in the area of pollution stem directly from the principles of the Environmental Protection Policy and are aimed at preventing pollution and reducing its impact on the environment, particularly with regard to water, soil and waste management. The targets are qualitative or mixed (qualitative-quantitative) and are monitored based on the existing environmental management system and environmental analyses.

The base year for the targets is 2025, and the implementation period covers the years 2026-2030. Progress toward achieving the targets is monitored on an ongoing basis as part of existing management processes. In the case of qualitative targets, that is, when there is no baseline value, progress is assessed based on the results of environmental monitoring and analysis.

The objectives were developed based on available environmental data, the results of risk analyses and current or proposed EU regulations, with the participation of the relevant internal teams. Depending on the target, scientific approaches (e.g., PNEC) as well as EU regulatory requirements or best available practices (BAT) were used.

Target

To reduce the impact of active pharmaceutical ingredients (APIs) in wastewater by implementing an assessment of their presence based on PNEC (predicted no-effect concentration) criteria at all of the production plants

The attainment of this target stems directly from the target of minimizing pollutant emissions into water bodies and preventing the negative impact of active substances on the aquatic environment.

The ultimate goal is to reach a state in which the presence of APIs in process wastewater is systematically monitored and evaluated against PNEC values, and mitigation measures are planned in the event of breaches. This target is qualitative and is based on the results of monitoring and environmental analyses.

The scope of the target covers the undertaking's own operations, in particular its production facilities and the stages related to wastewater treatment and purification.

The methodology for setting the target is based on a scientific approach that utilizes PNEC criteria, monitoring data and environmental risk analysis, taking into account EU regulatory guidelines in the pharmaceutical and water sectors. PNEC criteria serve as a recognized benchmark in environmental risk assessment.

Progress toward achieving the objective is monitored as part of the environmental management system and the results of these analyses serve as the basis for taking corrective actions.

In addition, the ESG Strategy calls for a 10% reduction in the use of fresh solvents in manufacturing processes by 2030 compared to 2025 (more information on this topic can be found in disclosures E5-2 and E5-3). Its achievement will help reduce the generation of solvent waste, which is in line with the principle of preventing water and soil pollution. The strategy also sets a goal of reducing sewage sludge volume by 60% by 2030.

[23 a)]
The defined targets do not directly relate to the prevention and control of air pollution. Their scope focuses on impacts related to discharges into water bodies and the management of waste and sewage sludge mass, which reflects the results of the materiality assessment and the nature of the undertaking's operations.

[23 b)]
The objectives discussed above include measures to prevent and control emissions into water bodies, in particular:
- reducing the impact of APIs in wastewater by reference to PNEC criteria,
- improving the efficiency of wastewater treatment processes.

Implementing these objectives will help reduce pollution of surface and groundwater and lower emission levels associated with operational activities, in accordance with the Environmental Protection Policy.

[23 c)]
With regard to soil contamination, the established targets focus on reducing indirect risks, in particular those related to:
- sewage sludge management,
- waste management, including the management of waste containing solvents.

Their implementation helps reduce pollutant emissions into the aquatic environment and minimize the impacts resulting from the operation of wastewater treatment facilities, including through improved monitoring, the identification of environmental risks, and the implementation of optimization measures.

[23 d)]
The adopted targets also address the management of impacts resulting from the presence of substances of concern, including APIs.

The scope of actions includes:
- monitoring their levels in wastewater in relation to PNEC criteria,
- reducing the risk of their uncontrolled release into the aquatic and soil environments,
- educational activities on the proper handling of unused medicinal products during the post-marketing phase.

This approach supports the implementation of the principle of prevention and the reduction of environmental impact throughout the entire life cycle of pharmaceutical products.

[24, 25]
The above targets are voluntary in nature; that is, they are not required by law or administrative decisions. The process of setting these limits did not take into account ecological thresholds or undertaking-specific allocations.



[E2-4]

Pollution of air, water and soil

[MDR-M 77 a)]
The quantitative data disclosed under ESRS E2-4 are derived from the results of periodic environmental measurements and, in the case of air emissions, from calculations based on production data regarding raw material consumption, obtained from production support systems. The methods used comply with the requirements of the applicable environmental permits and other applicable legal requirements. Measurements are performed in accredited laboratories in accordance with the principles of their quality management systems.

This disclosure covers pollutants subject to monitoring requirements and that meet the reporting criteria set forth in the Regulation on the European Pollutant Release and Transfer Register (E-PRTR). The scope of the reported data may change in subsequent reporting periods. Changes in emission and discharge levels may, in fact, result in the threshold values triggering a reporting obligation being exceeded (or not).

The limitations of the methods used stem, in particular, from the periodic nature of the measurements, the variability of technological processes, and the diverse nature of the monitored pollutants, which requires different measurement and accounting methods. Consequently, the data are not consolidated into a single aggregate metric.

[MDR-M 77 b)]
Measurement results used for reporting under ESRS E2-4 are subject to external regulatory oversight. The measurements are performed by laboratories operating under the PN EN ISO/IEC 17025 accreditation system, which ensures their formal recognition by the relevant authorities.

With regard to pollutant discharges into water bodies, the measurement data serve as the basis for administrative settlements carried out by the competent authority – the State Water Management Agency (Wody Polskie) – which, through administrative decisions, sets fees for water services based on this data.

[28 a)]
The following table presents the consolidated emissions from facilities with exceeded applicable threshold values specified in Annex II to the E-PRTR Regulation, i.e., Regulation No. 166/2006 of the European Parliament and of the Council[1].

Since 2025 is the first reporting year, the table below does not include year-over-year comparisons.

Total emissions of pollutants covered by the E-PRTR Regulation in the 2025 reporting year

Pollutant	Emissions into air	Emissions into water	Emissions into soil	TOTAL
Mercury and its compounds (as Hg)	not applicable	3	not applicable	3
Zinc and its compounds (as Zn)	not applicable	504	not applicable	504
Dichloromethane (DCM)	4,777	not applicable	not applicable	4,777
Non-methane volatile organic compounds (NMVOCs)	106,582	not applicable	not applicable	106,582
Hydrofluorocarbons (HFCs)	304	not applicable	not applicable	304
Total nitrogen	not applicable	118,158	not applicable	118,158
Total phosphorus	not applicable	12,988	not applicable	12,988

[1] https://eur-lex.europa.eu/legal-content/PL/TXT/PDF/?uri=CELEX:02006R0166-20200101.

[30 b)]
Description of methods for measuring quantitative data

The quantitative data disclosed under ESRS E2-4 are obtained based on periodic measurements and analyses performed by accredited laboratories – either in-house or external. The tests are conducted in accordance with the requirements of the PN EN ISO/IEC 17025 standard, which ensures technical competence as well as the consistency and comparability of results. The research methods used are selected on a case-by-case basis, taking into account the type of parameter being tested and the applicable legal and technical requirements.

Detailed information regarding the methodologies used, measurement ranges, testing frequencies and measurement uncertainty is documented in the test reports and in the scope of accreditation for the relevant laboratories.

Ensuring data quality and reliability

The quality and reliability of measurement data are ensured by:
- testing conducted by laboratories operating under the ISO 17025 accreditation system,
- the use of validated and verified research methods,
- documenting results in formal laboratory reports,
- regular oversight of the quality system in our own laboratories and verification of the competence of external laboratories.

The undertaking does not use its own, non-accredited calculation or estimation methods for data subject to measurement requirements. The reported data are based on the results of laboratory tests conducted in accordance with applicable standards and quality procedures.

[30 c)]
The process of collecting and verifying data

Data collection for pollution accounting and reporting is based on formally established operational processes. The results of environmental measurements are recorded in schedules maintained in spreadsheets (Excel), while the complete measurement documentation, including test reports, is archived on an internal server in PDF format.

The data is obtained from periodic measurements conducted in accordance with applicable legal and technical requirements. Test results are verified in accordance with the principles of the laboratory quality management system, which meets the requirements of the PN EN ISO/IEC 17025 standard.

In the case of air emissions, environmental accounting is additionally based on production data regarding raw material consumption, obtained from the production planning and accounting system (Oracle).

Types of data used for reporting

For reporting purposes under ESRS E2-4, the undertaking uses quantitative data regarding:
- air pollution emissions,
- discharges of pollutants into water bodies.

The scope and type of data collected for reporting purposes are determined in accordance with the requirements set forth in the applicable environmental permits.

Data sources

The main categories of data sources include:
- results of laboratory tests performed by in-house or external laboratories,
- internal environmental records and registers maintained at the facility level,
- operational documentation, including data from production support systems.

Responsibility and data consistency

Data collection takes place at the operational level of the facilities, in accordance with assigned duties and responsibilities. Data are collected and used at the level of individual emission and discharge streams, without consolidation, due to the diverse nature of the monitored pollutants and the different methods used to measure and account for them.

The process of collecting and verifying data is subject to internal oversight within the framework of existing environmental management systems, which ensures the consistency, completeness and reliability of the reported information, even though it is not aggregated into a single composite indicator.



[E2-5]

Substances of concern and substances of very high concern

[MDR-M 77 a)]
The identification of substances of concern (SoCs) and substances of very high concern (SVHCs) is based on the HazMat report, which includes the classification of substances used in production areas. This classification serves as the basis for assigning substances to the appropriate hazard classes for reporting purposes under the ESRS.

The data on SoCs presented in the tables below include the mass of these substances in three categories: substances purchased (“Procurement”), substances consumed in the production of active pharmaceutical ingredients or finished dosage forms (“Consumption”) and substances leaving the company’s facilities as emissions, products or parts of products.”

SoCs consumed during the production of active pharmaceutical ingredients (APIs) may be converted into other substances of concern or into emissions. “Products” refers to APIs classified as substances of concern, manufactured by the company and shipped from its facilities as raw materials for the production of finished dosage forms.

“Parts of products” refers to substances classified as SoC that are ingredients in finished medicinal products, such as active ingredients or excipients. In this case, the mass of the specific SoC contained in the drug is reported, rather than the mass of the entire medicinal product. It was assumed that the amount of SoCs used to produce the finished dosage form corresponds to the amount of the substance contained therein, since there are no significant material losses during the manufacturing process.

Data on the quantities of purchased substances are obtained from the internal Oracle ERP system and are determined based on purchase reports generated in Power BI for each identified substance.

Data on raw material consumption is derived from material consumption reports in the Oracle ERP system. In accordance with the adopted approach, the reported consumption does not include the quantities of reclaimed materials returned to production processes.

The methods used are based on system data and internal reports, which do not include direct measurements of actual process losses or the quantities of substances subject to recovery and reuse in production processes.

The disclosed data pertain to substances used in the production area. No records are kept regarding SoCs and SVHCs used in laboratories (reagents).

[MDR-M 77 b)]
The measurement of the data presented in disclosure E2-5 has not been validated by an external party other than the assurance service provider.



Total quantities of substances of concern (SoCs) that Polpharma produced or used in manufacturing or that it purchased, broken down by the main hazard classes of substances of concern in the 2025 reporting year

Total quantities of substances of concern [kg]	Starogard Gdański		API Warszawa		Nowa Dęba		Duchnice		Sieradz	
	Procurement	Consumption	Procurement	Consumption	Procurement	Consumption	Procurement	Consumption	Procurement	Consumption
Carcinogenicity	263,503	323,136	33,514	42,704	1,788	1,788	-	33	-	-
Mutagenic effects on germ cells	49,427	51,222	2,210	3,065	-	-	-	-	-	-
Reproductive toxicity	666,607	1,157,554	20,097	16,770	-	-	-	-	-	-
Respiratory sensitization	665	953	360	565	-	-	-	-	-	-
Skin sensitization	2,238	1,029	2,464	3,121	1,000	901	-	-	-	-
Long-term threat to the aquatic environment	265,632	385,000	17,390	22,452	1,001	902			278	250
Hazardous to the ozone layer	-	-	336	468	-	-	-	-	-	-
Target organ toxicity, repeated exposure	845,960	1,197,692	46,421	52,762	-	-	-	-	278	250
Target organ toxicity, single exposure	773,397	1,050,635	22,574	20,823	1,000	901	-	-	-	-

Among the substances of concern that Polpharma manufactured or used in production, or that it purchased, no substances belonging to the following hazard classes were identified:

- endocrine disruption for human health,
- endocrine disruption for the environment,
- persistent, mobile and toxic or very persistent, very mobile properties,
- persistent, bioaccumulative and toxic or very persistent, very bioaccumulative properties.



Total quantities of substances of concern that left Polpharma's facilities as emissions, products, parts of products or services, broken down by the main hazard classes of substances of concern in the 2025 reporting year

Total quantities of substances of concern [kg]		Hazard class					
		Carcinogenicity	Reproductive toxicity	Skin sensitization	Long-term threat to the aquatic environment	Target organ toxicity, repeated exposure	Target organ toxicity, single exposure
Starogard Gdański	Parts of products	2,718	-	-	-	-	-
	Emissions	3,198	201	-	878	2,997	-
	Products	-	-	-	-	-	-
	Services	-	-	-	-	-	-
API Warszawa	Parts of products	-	-	-	-	-	-
	Emissions	1,493	-	-	-	1,493	1,493
	Products	-	-	305	305	-	305
	Services	-	-	-	-	-	-
Nowa Dęba	Parts of products	1,778	-	901	902	-	901
	Emissions	-	-	-	-	-	-
	Products	-	-	-	-	-	-
	Services	-	-	-	-	-	-
Duchnice	Parts of products	33	-	-	-	-	-
	Emissions	-	-	-	-	-	-
	Products	-	-	-	-	-	-
	Services	-	-	-	-	-	-
Sieradz	Parts of products	-	-	-	250	250	-
	Emissions	-	-	-	-	-	-
	Products	-	-	-	-	-	-
	Services	-	-	-	-	-	-

Among the substances of concern leaving the undertaking's facilities as emissions, products, parts of products or services, no substances belonging to the following hazard classes were identified:

- endocrine disruption for human health,
- endocrine disruption for the environment,
- persistent, mobile and toxic or very persistent, very mobile properties,
- persistent, bioaccumulative and toxic or very persistent, very bioaccumulative properties,
- respiratory sensitization,
- hazardous to the ozone layer.

Total quantities of substances of very high concern that Polpharma manufactured or used in production or that it purchased in the 2025 reporting year

		1-methyl-2-pyrrolidone	Ethylenediamine	Hydrazine monohydrate	N, N-dimethylformamide	n-hexane
API Starogard Gdański	Procurement	2,800	-	1,536	37,840	-
	Consumption	1,240	-	74	167,847	-
API Warszawa	Procurement	-	360	-	1,760	5,200
	Consumption	-	565	-	964	4,100

In 2025, no substances of very high concern left Polpharma's facilities as emissions, products, parts of products or services.

ESRS E3

Water and marine resources

[E3 IRO-1]

Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities

[8 a)]
Polpharma has reviewed its assets and operations to identify potentially material impacts, risks and opportunities related to water and marine resources. The review focused primarily on the company's own operations, particularly its manufacturing activities, taking into account the locations of its facilities, water usage and wastewater management practices, and applicable regulatory requirements. It employed a qualitative approach, utilizing quantitative environmental data and publicly available tools to identify areas at water risk. The value chain analysis (upstream and downstream) was conducted at a general level and focused on key supplier categories.

[8 b)]
The company did not conduct separate consultations regarding the identification and assessment of IROs related to water and marine resources. However, the perspectives of internal stakeholders and selected external stakeholder groups were taken into account in the overall dialogue process conducted for the purposes of the materiality assessment.

Negative impact (actual):

- **Water consumption and withdrawal in own operations and upstream**

The production activities carried out by Polpharma and its suppliers require large amounts of water for technological processes, cooling, cleaning and rinsing. The facility in Starogard Gdański uses river water and water from a deep well. In other locations water is sourced from municipal supplies and may originate from either groundwater or surface water sources.

Polpharma's facility located in Sieradz operates in an area classified as a region with a high or extremely high water stress. This could increase pressure on already limited local water resources, contributing to water scarcity and impacting local communities and ecosystems.

In addition, the production of materials and supplies within the company's value chain may take place in other water-stressed regions.

This impact is systemic in nature as it stems from the constant demand for water in Polpharma's operating model and in selected processes along the value chain. It is directly linked to Polpharma's strategy and business model due to the importance of water resources for the continuity of production processes, operational efficiency and environmental management. It is taken into account in operational and investment decisions regarding water management and the mitigation of pressure on water resources.

No material risks or opportunities were identified in the area in question.

[E3-1]

Policies related to water and marine resources

[MDR-P 12 a)] [9]
Water resource management and the management of the aforementioned negative impacts are based on:

- Polpharma Group Environmental Protection Policy,
- ISO System – an integrated management system for environmental protection and occupational health and safety,
- Sustainable Development Strategy (for 2022-2025),
- ESG Strategy (for 2026-2030),
- established practices.

The framework for managing the environmental impact associated with the use of water resources is defined, in particular, by the Polpharma Group Environmental Protection Policy, the integrated management system compliant with ISO 14001 and the company's strategic documents.

The adopted strategic documents are implemented as part of an integrated management system that complies with the ISO 14001 standard. They set forth the general principles of environmental management and the company's commitments regarding the prudent use of natural resources, including water, the prevention of pollution and compliance with applicable legal requirements. These principles are detailed in operational procedures and instructions covering, among other things, water withdrawal and wastewater discharge, monitoring of environmental parameters, and preventive and corrective actions. The documents in question are available to all employees on the intranet and their implementation is subject to regular monitoring, internal audits and management reviews.

As part of the ISO System and the Environmental Protection Policy implemented under it, the undertaking comprehensively manages water abstraction and treatment, as well as the protection of water resources, including the prevention of water pollution. The Environmental Protection Policy governs the management of water resources at all of the company's locations in Poland and its overseas offices, and covers all production and laboratory processes, auxiliary facilities and utility systems, water treatment and wastewater treatment systems, capital and modernization projects and infrastructure initiatives. It sets forth the principles of responsible water management and minimizing the impact of operations on the aquatic environment, taking into account:

- the rational and efficient use of natural resources, including water, through measures such as closing loops,
- implementing responsible water and wastewater management in accordance with best available techniques (BAT),
- minimizing emissions into water bodies, including those generated by production and auxiliary processes,
- preventing failures and responding to environmental incidents,
- monitoring the quality and quantity of water drawn and discharged.

Detailed information on this policy, including monitoring of its implementation, responsibility for implementation and methods for sharing it with stakeholders, is provided in disclosure E1-2.

The Sustainable Development Strategy implemented from 2022 to 2025 focused on the responsible management of water resources through the integration of water and wastewater management and ensuring compliance with legal requirements and BAT under the ISO System.

The 2026-2030 ESG Strategy builds on the company's approach to water conservation, focusing on the prudent management of water resources, further reducing the environmental impact of wastewater and increasing operational resilience through closed-loop systems.

Water collection and management

Water is withdrawn in accordance with applicable water permits and supplier limits. It is monitored and reported by location. The company obtains water from two sources: its own deep-well and river intakes at the Starogard Gdański plant and the public water supply system at all other locations.

Polpharma is taking steps and implementing technologies to reduce water intensity in its manufacturing processes.

In its 2026-2030 ESG Strategy, the company set a quantitative target for reducing water withdrawal and outlined measures aimed at minimizing its impact on local water resources, including the reuse of process water and the optimization of technological processes. In 2025, a concept was developed for implementing a closed-loop cooling water system at the Solid Forms Production Plant in Starogard.

An analysis of the impact on local water resources is an integral and mandatory part of the investment process at all of the company's locations in Poland. This assessment is conducted during the project planning phase and makes it possible, among other things, to determine whether, under current regulations, the projects require an environmental permit. Responsibility for conducting the analysis and incorporating it into the decision-making process rests with the relevant operational and technical units, which collaborate with the environmental protection department in this regard.

Water treatment

Water treatment is considered a key step toward a sustainable water supply, which will enable the reuse of process water in the future and, as a result, reduce the use of raw water. Polpharma regularly monitors the quality of treated water by conducting tests in accordance with legal requirements and the established schedule. The results are reported to the relevant institutions and used to continuously improve processes.

In Starogard Gdański, Polpharma has its own deep-well water intake and a water treatment system that allows the water to be used for production, cooling and employee facilities. The water treatment process is carried out in accordance with legal requirements and water permits and includes, among other things, water filtration, disinfection and quality monitoring. The treatment of municipal water at all locations is the responsibility of the supplier, and Polpharma monitors its intake and quality to ensure efficiency.

Prevention and reduction of water pollution

Polpharma's approach encompasses both the prevention and reduction of water pollution, which is achieved in particular through wastewater treatment processes, compliance with legal requirements, monitoring, the implementation of innovations and employee education. These activities are an integral part of the integrated management system.

Water and wastewater management is conducted in accordance with applicable water permits and national and EU regulations on water protection. The parameters of wastewater discharged into surface and groundwater are regularly monitored and reported to the relevant authorities. The company minimizes the risk of hazardous substances entering the aquatic environment by, among other things, optimizing production processes and educating its staff. In addition, it collaborates with universities (including Gdańsk University of Technology and Jan Długosz University) on monitoring and reducing the presence of active substances in wastewater, as well as implementing solutions to minimize the impact on the aquatic environment.

Polpharma has procedures and emergency plans in place to address unforeseen events that could result in water contamination, and it conducts regular training and drills in this area.

The facility in Starogard Gdański operates its own wastewater treatment plant, which provides mechanical, chemical and biological treatment of industrial and domestic wastewater. The treatment processes are continuously monitored and their effectiveness is confirmed by the results, such as a reduction in the COD (chemical oxygen demand) level of over 96%.

Obligations regarding area at water risk

[12 c)]

In its Environmental Protection Policy, Polpharma has unequivocally committed to the rational management of water resources, including reducing water consumption. The company carries out these activities as part of its own operations; furthermore, in its Supplier Code of Conduct, it has set forth the expectation that this category of its business partners will use natural resources sparingly and efficiently, taking care to preserve their suitability for use over as long a period as possible.

Polpharma regularly assesses risks related to water availability, which also includes identifying sites located in areas of high water stress. The plant in Sieradz was identified as being located in such an area; however, no obligations were specified for it that go beyond those being implemented at other locations. It should be emphasized, however, that in this case, Polpharma does not exceed the limits for water withdrawal from the municipal water supply, which is subject to strict monitoring by the water supplier. In the event of an increase in flood risk or a change in environmental conditions, provision is made for the implementation of appropriate local policies.

It cannot be ruled out that some of Polpharma's suppliers operate in areas at water risk; however, this issue is not addressed by the company's policies, commitments, actions or goals.

Policies and practices related to the sustainability of the seas and oceans

[14]

Polpharma's operations do not directly impact the seas, oceans or their resources; therefore, no policies have been adopted and no practices have been established in this area.



[E3-2]

Actions and resources related to water and marine resources

[MDR-A] [18]

During the reporting year, the following actions were taken in accordance with the Environmental Protection Policy:

- monitoring was conducted of water withdrawal and consumption, as well as the volume of wastewater discharged, broken down by location,
- industrial and domestic wastewater was treated at the plant in Starogard Gdański,
- employees were trained in the rational use of water.

These efforts will continue in the coming years. As part of the preparations for implementing the 2026-2030 ESG Strategy, a concept for implementing a closed-loop cooling water system at the Solid Forms Production Plant in Starogard Gdański was developed in 2025. The Strategy calls for the following actions:

- implementation of the aforementioned project (2027),
- implementation of the Water Conservation Program at all locations (2026-2030).

The above measures are intended to contribute to achieving the goal set forth in the document – a 20% reduction in total water withdrawal by 2030. Furthermore, they fulfill the fundamental commitments outlined in the Environmental Protection Policy, including the commitment to the rational and efficient use of resources and to continuously monitoring and minimizing environmental impact.

The planned measures will help reduce water consumption (Water Conservation Program) and enable water recovery and reuse (closed-loop cooling system in Starogard Gdański).

[19]

As of the date of this report, no additional measures had been taken or were planned with regard to the facility located in an area at water risk (Sieradz).

[MDR-A 69]

Implementing measures to reduce water consumption requires capital expenditures related, among other things, to the development of closed-loop water systems and the adaptation of water and wastewater infrastructure. In 2025, these expenditures totaled PLN 1.6 million and the planned expenditures for 2026-2030 total approximately PLN 2.6 million.



[E3-3]

Targets related to water and marine resources

[23, 25]

Target

20% reduction in total water withdrawal by 2030 compared to the 2025 baseline

The undertaking has adopted a voluntary target to reduce its total water withdrawal for its own operations by 20% by 2030. It directly relates to the only impact associated with water and marine resources that the undertaking assessed as significant.

Achieving this objective will not result in a significant reduction in water consumption, as Polpharma discharges nearly all of the water it withdraws into the environment and transfers it to third parties. However, it may have an indirect positive impact on the quality of water resources, as the discharged water – despite complying with all requirements imposed on the undertaking by law and administrative decisions – generally has different physicochemical parameters than the water withdrawn from the environment.

[MDR-T 24]

The target includes Polpharma's own operations, including its foreign representative offices. The base value is 4,027,664.85 m^3, and the base year is 2025. The target was not set based on conclusive scientific evidence and the process of establishing it did not take into account ecological thresholds or undertaking-specific allocations, which were not defined.

The process of defining the target was based on:

- an analysis of historical data on water withdrawal at production facilities, taking into account the diversity of technological processes and water sources (surface water, groundwater, municipal water supply),
- assessment of the technical feasibility of implementing closed-loop solutions, including their impact on the stability of production processes and the operation of wastewater treatment plants,
- a phased investment approach that allows solutions to be scaled up after they have been validated under operational conditions.

The following key assumptions were made when setting the target:

- gradual implementation of systems that allow for the isolation of water circuits, starting with the facility with the highest water withdrawal, namely Starogard Gdański,
- adaptation of wastewater treatment technologies to operate at reduced water volumes in order to ensure the continuity and environmental safety of the processes,
- compliance with applicable permits and legal requirements regarding water and wastewater management.

The target was not based on a single forecast scenario, but on a realistic technical and operational scenario that takes into account planned investments and the pace of their implementation, as determined by technological and regulatory conditions.

The sources of data used to set the target included:

- internal measurements and records of water withdrawal maintained at the plant level,
- operational data on water consumption in process and cooling systems,
- technical documentation and feasibility studies for planned investment projects.

The target was not defined in consultation with the stakeholders.

Monitoring of the implementation of the target is scheduled to begin in 2026. Monitoring will be conducted on an annual basis. This target is voluntary and does not stem from any legal provisions or administrative decisions.

[E3-4]

Water consumption

[28 a)-d), 29, AR 32]

Data on water management at Polpharma for the 2025 reporting year

Total water consumption [m³]	310,216
Total water consumption in m3 in areas at water risk, including areas of high water stress [m³]	1,433
Total water recycled and reused [m³]	0
Total water stored and changes in storage [m³]	0
Water withdrawal [m³]	4,027,664.85
Water discharge [m³]	3,717,448.85
Water intensity [m³ / EUR million]	266.17

[MDR-M]

Definitions, methodologies and contextual information used

Water withdrawal is the total amount of water withdrawn at all of the company's locations from all sources. This value is expressed in m³, and the method for determining it depends on the location:

- In Starogard Gdański, this is done based on meter readings taken at the withdrawal points,
- In other locations (including overseas offices, excluding Vietnam), billing is based on meter readings or, in the absence of such readings, on data from invoices issued by water suppliers.

For the representative office in Vietnam, the estimate was based on the number of employees working in the office. The estimates were made in accordance with the methodology described in "A practical guide to the New European Bauhaus self-assessment method and tool" . Based on this methodology, it was assumed that the average water withdrawal per person who does not work exclusively remotely is 1.9 m³ per month.

Water consumption is defined as the difference between water withdrawal and the amount of water returned to the environment, either directly or through a third party, that is, it is the amount of water that was not returned to the environment within the same watershed during the reporting period. The reported data pertain to the company's own operations.

In Polpharma's own operations, water is used primarily as an auxiliary medium, in particular, as a coolant in manufacturing processes, and for domestic and social purposes. Permanent water consumption occurs to a limited extent and primarily involves the water contained in products (in liquid form). Water that is withdrawn and subsequently discharged into the environment, including through the use of the company's own wastewater treatment plant, is not classified as used water, but merely as withdrawn and discharged.

Technological processes that result in continuous water consumption are carried out exclusively at the plants in Starogard Gdański and Sieradz. Accordingly, for the remaining locations, it was assumed that water discharge is equal to water withdrawal.

Water consumption by location

Starogard Gdański – 308,783 m³, including:

- **1,663 m³** – water contained in products (liquid forms), the amount of which was estimated based on the volume of the packaging of the medications manufactured by the company,
- **307,120 m³** – the balance difference between metered water withdrawal and metered water discharge (effluent from the treatment plant), including, in particular, process losses, such as water lost in cooling, transmission and wastewater treatment processes, etc. (e.g., evaporation).

Sieradz – 1,433 m³, estimated based on the amount of water specified in the formulas and technical instructions for direct use in the manufacturing process of bulk products.

Limitations of measurement and computational methods

In some locations, water discharge is not measured, which makes it necessary to use simplified assumptions or data estimates, in particular

- an assumption that water withdrawal and discharge are completely equal,
- the use of data from supplier invoices.

Water intensity

Water intensity was calculated as the ratio of water use to the undertaking's net revenue and expressed in m³ per 1 million EUR of revenue. The calculation includes Polpharma's total net revenue for 2025 as reported in the financial statements, converted to euros at the average EUR/PLN exchange rate indicated in this document (4.2267).

Ensuring data quality and reliability

As of the date of this report, the measurement of the disclosed water-related metrics has not been validated by an external body other than the assurance service provider. Data on water withdrawal, discharge and consumption, on the other hand, were monitored and verified as part of maintenance systems, which included, among other things, planning and documenting inspections and repairs of measuring equipment.



[2] https://publications.jrc.ec.europa.eu/repository/handle/JRC139118.

ESRS E5

Resource use and circular economy

[E5 IRO-1]

Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

[11 a), b)]
The undertaking conducted a review of its own operations and its upstream and downstream value chains to identify actual and potential impacts, risks and opportunities related to resource use and circular economy. The work process, data sources and stakeholder consultations are described in ESRS 2 IRO-1.

Negative impacts (actual):

- **Resource dependence and packaging constraints in the circular economy**

The operations of ZF Polpharma S.A. rely heavily on packaging materials and a variety of raw materials, including plastics, chemical and biological substances, and technical inputs. Strict regulatory requirements regarding product safety and sterility limit the adoption of circular economy practices, while this dependence on material resource-intensive inputs increases consumption, emissions and the overall environmental footprint of the company's operations.

This impact is systemic in nature as it stems from the enduring characteristics of Polpharma's business model, in particular the consistent use of raw materials and packaging materials that meet rigorous quality and safety requirements. It is directly linked to Polpharma's strategy and business model as access to the appropriate materials is essential for maintaining continuous production in compliance with regulatory requirements. These relationships and constraints are taken into account in procurement planning, material selection, packaging design and production process management.

- **Pharmaceutical and packaging waste management challenges**

The generation of significant non-hazardous packaging waste by ZF Polpharma S.A., much of which is difficult to recycle, contributes to environmental contamination and results in additional emissions during its management process. Furthermore, improper disposal of unused or expired medicines by patients can lead to active pharmaceutical substances entering the soil and aquatic ecosystems, posing risks to human health and biodiversity.

This impact is systemic in nature as it stems from the recurring generation of packaging waste and waste associated with unused or expired medications throughout their life cycle. It is directly linked to Polpharma's strategy and business model as it involves the use of packaging necessary to ensure the quality, safety and regulatory compliance of products, as well as the generation of waste during the production, distribution and use of products by patients. It is taken into account in activities related to waste management, the selection of packaging materials and providing information on the proper disposal of unused or expired medications.

- **Generation of hazardous waste**

Product development and manufacturing processes generate hazardous waste both in ZF Polpharma S.A.'s own operations and in the upstream value chain. It's further treatment results in the emissions of pollutants into the environment. Furthermore, improper handling or disposal of this type of waste at any stage of the value chain can lead to significant water, soil and air pollution, adversely affecting the environment and human health.

This impact is systemic in nature as it stems from the recurring generation of hazardous waste in specific product development and manufacturing processes – both within the company's own operations and upstream in the value chain. However, potential significant pollution resulting from the improper handling of such waste (e.g., its disposal) may be of an incidental nature. This impact is directly linked to Polpharma's strategy and business model as it concerns the processes necessary to conduct pharmaceutical operations in accordance with quality, technological and regulatory requirements. It is taken into account in technological, operational and procurement decisions regarding waste reduction, safe waste management and the selection of entities responsible for waste treatment.

No material risks or opportunities related to the topic in question have been identified.

[AR 7]
Stages of the value chain where there is a concentration of resource use and negative impacts:

- Polpharma's own operations, which use significant amounts of raw materials and other resources and generate packaging waste and hazardous waste,
- suppliers that provide resource-intensive packaging materials, chemical raw materials and technical components, the production of which generates waste – including hazardous waste,
- entities involved in the distribution and use of the company's products that generate packaging waste,
- patients and end-users who generate pharmaceutical waste – particularly in the form of unused products. If disposed of improperly, this category of waste poses a risk of active substances being released into the environment. Packaging waste is also generated during the use of products.

The hierarchy of significant resources used by the undertaking is as follows:

- packaging materials (plastics, cardboard and paper, glass),
- chemical raw materials,
- auxiliary materials (including those used in laboratories, utilities, etc.).

[E5-1]

Policies related to resource use and circular economy

[MDR-P 62, 65 a)-f)]
The Polpharma Group Environmental Protection Policy establishes principles for the rational and efficient use of resources and the implementation of circular economy practices. The document provides for:

- reducing the consumption of raw materials and minimizing waste generation,
- a preference for recycled and reused materials, as well as solutions that support the circular economy,
- designing products and processes in a way that minimizes their environmental impact, including through the implementation of innovative technologies and the principles of green chemistry,
- applying environmental criteria in procurement and building a sustainable supply chain,
- educating stakeholders on the proper use of products and their appropriate management at the end of their useful life.

The policy's objectives include reducing the material intensity of processes and products, increasing the circularity of resources, and minimizing waste streams, including waste generated by product users, while reducing pressure on resources throughout the value chain.

The policy covers all of the company's locations, processes and projects, as well as its relationships with suppliers and contractors; therefore, its provisions apply to all areas in which Polpharma generates revenue related to resource use and the circular economy.

With regard to the topic of sustainability, Polpharma declares that its Environmental Protection Policy is in compliance with:

- the ISO 14001 environmental management standard,
- the principles of green chemistry,
- legal requirements, including the waste hierarchy set forth in the Waste Act.

A shift away from the use of primary resources and a relative increase in the use of secondary resources

[15 a), b)]
The Polpharma Group Environmental Protection Policy addresses this issue by requiring the company to:

- rationally and efficiently use natural resources, inter alia reduce the consumption of raw materials,
- use, whenever possible, recycled or reusable raw materials,
- efficiently manage energy and strive to use renewable energy sources.

The document outlines measures that support this approach:

- designing products and processes in accordance with the principles of green chemistry and the circular economy,
- implementing technologies that reduce material consumption.

They enhance the ability to use secondary resources in operational practice.

Sustainable sourcing and use of renewable resources

The Environmental Protection Policy takes into account the principles of sustainable procurement and use of renewable resources; however, these do not constitute a significant part of the company's current operations, and their application is limited. At the same time, as part of its Policy and Supplier Code of Conduct, Polpharma sets forth environmental requirements applicable to suppliers, covering, in particular, principles of responsible resource management, emission minimization and the reduction of environmental and climate impacts.

Waste hierarchy

[AR 9 a)-b)]
The policy principles outlined above are consistent with the approach set forth by the waste hierarchy, in particular by prioritizing waste prevention and minimizing waste volumes (including by reducing the material intensity of processes and implementing eco-design procedures for new products). The policy also stipulates the use, whenever possible, of materials suitable for reuse. It promotes the use of recycled materials, but this measure is listed in the document after the minimization of raw material consumption and their reuse, which confirms that the document is consistent with the waste hierarchy.

The policy also applies to waste disposal when higher-priority waste management methods cannot be used. It also includes a commitment to educate stakeholders on the proper use and disposal of medications in order to minimize the release of pharmaceutical substances into the environment.

Monitoring of Policy implementation

The process of monitoring policy implementation with regard to resource use and the pursuit of a circular economy includes, in particular, measuring and analyzing the use of raw materials and other materials as well as waste generation, setting and verifying the achievement of appropriate environmental objectives and continuously improving the management system. It is carried out under the supervision of the appropriate management and the progress made is reported publicly as part of the sustainability reporting process.

General information on the Environmental Protection Policy, its implementation and its disclosure to stakeholders can be found in disclosure E1-2.

[E5-2]

Actions and resources related to resource use and circular economy

[MDR-A 68 a)-e)]
Actions taken during the reporting year as part of the implementation of the Sustainable Development Strategy for 2022-2025:

- **Eco-design**
  Implementation of eco-design procedures for processes and products, with a focus on improving material efficiency
- **Reducing waste**
  Implementation of a program to reduce the amount of waste generated by 5% compared to the 2021 baseline, covering production and support processes at all locations in Poland.
- **Reducing water withdrawal/consumption**
  Actions in this area are described in disclosure E3-2.

Future actions outlined in the 2026-2030 ESG Strategy:

- **Solvent waste**
  - feasibility analysis, development of a technical design and implementation of the most appropriate solutions to reduce waste and solvent losses, including through reuse and regeneration;
  - continuation of eco-design in the development of new active pharmaceutical ingredients (APIs) and finished products.

The expected result is a 10% reduction in the consumption of fresh solvents in manufacturing processes by 2030, compared to 2025.

- **Sewage sludge**
  - investing in sludge drying technology and strengthening cooperation with authorized external partners regarding the responsible recovery or energy recovery of sludge.

The expected outcome is a 60% reduction in sludge mass by 2030 compared to 2025, as well as aligning waste management with circular economy principles.

- **Closing circuits**
  - an investment in closed-loop water systems at the Starogard Gdański plant and the adaptation of wastewater treatment technology, along with smaller initiatives at other plants.

The expected result is a 20% reduction in water withdrawal.

Scope of actions

Key actions in this area are carried out as part of Polpharma's own operations and include production and support processes conducted at its manufacturing facilities.

- **Solvent waste**
  These actions focus on the technological processes carried out as part of the company's own operations and include reducing solvent losses, solvent recovery and reuse and system-level adjustments to the facilities. Concurrent activities focus on new products, developed in accordance with internal eco-design procedures applied in research and development processes for APIs and finished products, in line with the objectives of the 2026-2030 ESG Strategy.
- **Sewage sludge**
  This initiative involves an investment in technology for drying sludge generated at the company's own wastewater treatment plant at the Starogard Gdański facility, aimed at improving process efficiency and optimizing dewatering parameters. This is in line with the strategic goals of reducing waste and increasing the potential for waste management.
- **Water**
  These measures include implementing solutions to close water loops and adapting wastewater treatment technologies to operate with reduced inflow volumes. They are a key element in achieving the water withdrawal reduction target set out in the ESG Strategy.

Actions in the value chain

- **Upstream**
  During the reporting year, Polpharma did not engage in any significant actions related to the use of resources upstream.
- **Downstream**
  Downstream actions in the value chain focus on those stages of the product life cycle that Polpharma can influence through information and education efforts. They primarily concern the responsible use of products and their proper disposal at the end of their useful life, in order to limit the release of pharmaceutical substances into the environment.

The Environmental Protection Policy calls for responsible communication and the education of stakeholders regarding the proper handling of products. As part of its efforts to achieve these goals, the company is involved in educational initiatives aimed at patients and a wide range of external stakeholders, including, among others, the nationwide educational campaign "Medicines to Pharmacies," conducted in collaboration with external partners. The goal of the initiative is to raise awareness among patients and other stakeholders regarding the proper disposal of unused or expired medications. This is in line with the company's ESG Strategy, which calls for the continuation and expansion of educational initiatives aimed at raising awareness among patients and consumers regarding the responsible use of medications.

[MDR-A 69]

Capital expenditures allocated to activities aimed at reducing solvent waste and sludge total approximately PLN 16.4 million, including approximately PLN 7.2 million for solvent waste in 2026-2028 and approximately PLN 9.2 million for sludge in 2026-2027. Information on capital expenditures related to water management activities is presented in disclosure E3-2, MDR-A 69.

Results achieved

The goal set out in the Sustainable Development Strategy for 2022-2025 was to reduce, by the end of 2025, the level of waste generated in production and support processes, that is, the ratio of the mass of waste generated to the volume of production, by 5% compared to the 2021 base year. The target achievement rate covers all locations where production and support processes are carried out. It is calculated using the following formula:

total weight of waste generated (kg) / production volume (kg or kpcs)

and presented as a percentage.

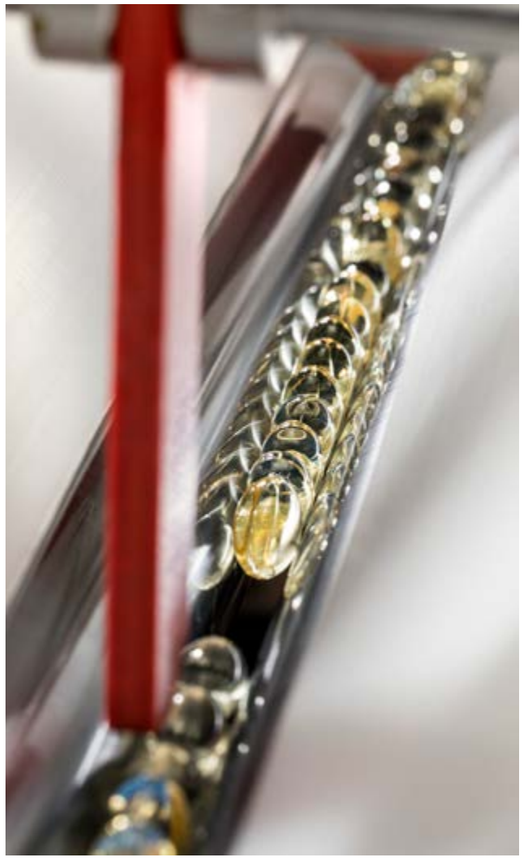
- **Starogard Gdański – drug production**
  Waste generation levels in 2022-2024 remained above the base year's level (106%, 110%, and 103%, respectively), while in 2025, they fell to 97% of the 2021 level, indicating an improvement in material efficiency.
- **Starogard Gdański – manufacture of active pharmaceutical ingredients (APIs)**
  In 2022-2023, waste generation remained below the baseline (90%), while in 2024-2025, a significant increase was recorded (132% and 260%, respectively). These changes are linked to the launch of new production processes that involve a high proportion of solvent mixtures, which, for technological and environmental reasons, cannot be recovered or directed to the plant's wastewater treatment facility.
- **Sieradz**
  In 2022-2023, an increase in waste generation was observed (131% and 138%, respectively), whereas in 2024 and 2025, there was a marked decrease in the indicator to 66% and 52%, respectively, compared to the base year, which was related to the change in the status of gelatin from waste to an intermediate product.
- **Duchnice**
  Between 2022 and 2025, waste generation remained below the base year level (83%, 76%, 70%, and 81%, respectively). The decline in the indicator's level during the first few years was the result of the implementation in 2022 of a pilot program to minimize waste in production.
- **Nowa Dęba**
  Throughout the entire period under review (2021-2025), waste generation remained above the baseline (106%, 132%, 113%, and 109%, respectively), which was mainly due to changes in the product mix and in the way production defects were handled, as dictated by quality requirements.
- **Total**
  On an aggregate basis, the index stood at 100% (2022), 102% (2023), 89% (2024) and 100% (2025), respectively, relative to the 2021 base year.

Consequently, the company did not achieve a 5% reduction in the total weight of waste generated relative to production volume, and thus failed to meet the target set out in the strategy.

Changes in waste generation levels from 2021 to 2025 reflect the impact of structural factors, in particular:

- changes to the product portfolio and the implementation of new technological processes,
- launch of new production processes that involve a high proportion of solvent mixtures, which, for technological and environmental reasons, cannot be recovered or directed to the plant's wastewater treatment facility,
- implementing optimization measures and pilot programs aimed at minimizing waste generation,
- changes to the method of classifying material streams (e.g., obtaining an administrative decision recognizing gelatin as a byproduct),
- aligning activities with quality and regulatory requirements.

The results indicate that the implementation of the measures outlined in the Sustainability Strategy has led to local and selective reductions, while waste streams have increased in areas undergoing rapid technological change. These observations served as the basis for refining the strategic directions and actions for subsequent reporting periods.



[E5-3]

Targets related to resource use and circular economy

[MDR-T 80, 81]
In 2025, Polpharma began implementing a measurable, outcome-oriented target related to resource use and circular economy, as set forth in its newly adopted 2026-2030 ESG Strategy.

Target

To reduce the consumption of fresh solvents in manufacturing processes by 10% by 2030 compared to 2025

The target calls for a 10% reduction in the use of fresh solvents by 2030 compared to the baseline level. The objective is relative (based on intensity).

The geographic scope covers the undertaking's production facilities where solvents are used, particularly those involved in the production of active pharmaceutical ingredients (APIs).

The base value is 4,080.05 tons (including 3,831.19 tons for the Starogard Gdański plant and 248.86 tons for the API Warszawa plant). The base year is 2025.

This target implements the principles of the Environmental protection Policy regarding the rational use of resources and the reduction of chemical consumption through the eco-design of processes and products.

It was established based on an analysis of the most environmentally harmful waste streams generated by the company's production activities, conducted in accordance with the current Environmental Protection Policy. The starting point for defining the target was the identification of technological processes characterized by the highest solvent consumption and the greatest potential for reducing material losses.

The methodology for determining the reduction level to be achieved was based on:

- quantitative records of solvent waste based on data from the Waste Management Application,
- assessment of the technical feasibility of reducing solvent consumption at the source, in particular by modifying process parameters and implementing eco-design principles for technological processes and products,
- an analysis of the potential for solvent recovery as the preferred solution in accordance with the waste hierarchy and the principles of the circular economy.

In setting the objective, it was assumed that solvents constitute a significant stream of chemical resources, the use of which places a burden on the environment. Consequently, reducing their consumption and waste is in line with the EU's circular economy policy, including the objectives of the European Green Deal and the action plans promoting the efficient use of resources and the minimization of industrial waste. The target was not based on external reduction initiatives, but it is consistent with current and upcoming regulatory requirements regarding environmental protection and the circular economy.

Indirectly, the goal is based on industry best practices and the principles of material efficiency and the circular economy.

The objectives also take into account the local business context, including the nature of the chemical processes carried out at production facilities and the existing infrastructure that enables the gradual implementation of technological and organizational changes without compromising product safety or production continuity.

Selected internal stakeholders, including technical, research and development, and production teams, as well as environmental functions, were involved in defining the target.

Progress toward achieving the target is monitored through material consumption records and the environmental management system. Trend assessments are conducted on a regular basis.

[24 a)-e), 26, 27]
The target of reducing solvent consumption applies to the resources inflows in operations. It is voluntary, i.e. does not stem from any legal provisions or administrative decisions. Neither ecological thresholds nor undertaking-specific allocations were taken into account in the process of determining this figure.

[25]
This target primarily concerns waste prevention through the incorporation of eco-design principles into processes and investments, as well as the rational use of raw materials and process materials. It then addresses recycling and other recovery processes, particularly with regard to solvent regeneration and the management of process waste.

In addition, a target regarding water use has been set, as described in disclosure E3-3.

[E5-4]

Resources inflows

Material resources inflows used in the undertaking's own operations

[30]

Polpharma uses raw materials and auxiliary materials necessary for the manufacture of pharmaceutical products and the chemical synthesis of active ingredients, as well as packaging materials. As of the date of this statement, the undertaking did not maintain separate records or monitor the use of critical raw materials and rare earth metals in accordance with EU classifications; therefore, data in this regard are not available for quantitative reporting.

The scope of water use in the undertaking's own operations is described in Chapter E3.

The available documents do not contain information that would allow for a quantitative or qualitative assessment of the undertaking's use of property, plant and equipment in the context of the circular economy.

The undertaking does not currently conduct systematic monitoring of resource use at higher levels of its value chain, including with respect to products and materials, water, and property, plant and equipment, beyond the data necessary for its own operations.

In 2025, the total weight of products, technical materials and biological materials used was 29,512.9 tons. This figure includes raw materials and materials used in production processes, as well as finished products. Raw materials and supplies used in production processes included, among others, active pharmaceutical ingredients (APIs), excipients, solvents and packaging materials, including package inserts, labels, unit cartons and master cartons. Finished products included pharmaceuticals and non-pharmaceutical CHC products manufactured by external contractors on behalf of Polpharma.

[31 a)-c)]

Information on the materials used to manufacture products and provide services at Polpharma during the 2025 reporting year

Total weight of products, technical materials and biological materials used, including packaging [t]	29,512.93
Weight of reused or recycled components, products and secondary materials, including packaging [t]	3,673.58
Percentage of the weight of reused or recycled components, products and secondary materials (including packaging) relative to the total weight of components, products and secondary materials [%]	12.45
Percentage of biological materials (and biofuels used for non-energy purposes) used in the production of sustainably sourced products and the provision of sustainably sourced services [%]	0

The total weight of reused or recycled components, products and secondary materials was 3,673.6 tons. It included recycled solvents reused in production processes, as well as individual cartons and master cartons made from recycled cardboard.

The weights of individual cartons and finished products were determined using estimation methods. The estimates were based on partial data from the company's systems and internal assumptions made for the purposes of the calculation.

Water and energy consumption have not been included in this disclosure. Data on these resources are presented in Chapters E1 (Climate Change) and E3 (Water and Marine Resources), respectively.

[MDR-M 77 a)-b)] [32, AR 25, 31 b)]

When collecting and processing data on resources inflows, Polpharma relies on operational, inventory and reporting data available through its existing management systems. The key metric in this area is the weight of raw materials used, broken down by basic material categories. The measurement and calculation methods are based, in particular, on:

- quantitative data from inventory and warehouse management systems,
- data collected at the production facility level, such as water meter readings,
- data obtained directly from suppliers (e.g., regarding purchased printed materials).

The limitations of the methods used in the analysis of quantitative data for the purposes of disclosure E5-4 include, in particular:

- the lack of full comparability of data between individual facilities,
- limited ability to precisely allocate raw material quantities,
- lack of systematic monitoring of circularity indicators throughout the entire product lifecycle.

Polpharma does not currently use advanced monitoring methods or quantitative indicators to close material loops. The development of measurement methods, including further refinement of mass-based metrics in the area of the circular economy, remains the subject of analysis and implementation efforts.

The data presented in disclosure E5-4 has not been approved by any external body other than the assurance provider.

Avoiding double counting

There is no possibility of double counting between the "reuse" and "recycling" categories within the company, as distinct and unambiguous classifications have been applied to key resource streams:

1. **Reuse** – solvents that undergo regeneration processes as part of the production process (e.g., distillation).
2. **Recycling** – is carried out exclusively by third-party companies and is tracked separately.

As a result, each resource stream is assigned to a single category based on the nature of the process, which eliminates the risk of double counting.

Biomass and biofuels (used for non-energy purposes) obtained from sustainable sources

As part of its own operations, the company does not use biofuels for purposes other than energy generation and does not maintain a systematic record of sustainability certifications for the biological materials it uses, as such materials do not constitute a significant resource stream in its production processes.

The bulk packaging used in the company's operations may bear markings indicating that the paper comes from certified sources (e.g., FSC). At the same time, Polpharma:

- does not pay licensing fees for the use of the FSC certificate,
- does not have certification confirmation in the form of documentation from suppliers.

Consequently, the company does not report this type of paper as a sustainably sourced material.



[E5-5]

Resource outflows

[35]
The key assets transferred from Polpharma's operations primarily include medicinal products, food supplements, medical devices, cosmetics and packaging materials marketed alongside the products. Due to the specific nature of the pharmaceutical industry, product and packaging design is determined by requirements related to product quality and safety, the stability of active ingredients and regulatory compliance, which limits or prevents the use of solutions typical of the circular economy, such as reuse, repair, disassembly, remanufacturing or refurbishment of products at the end of their useful life. The company does not currently conduct comprehensive, systematic monitoring of the circularity of its products and packaging throughout their entire life cycle.

[36 a]
Due to specific nature of the pharmaceutical industry and Polpharma's diverse product portfolio, product durability is managed at the level of individual product categories and products. The shelf life or other applicable period of use is determined in accordance with applicable regulatory requirements and quality procedures relevant to a given product type. For medicinal products, the shelf life is established based on the results of stability studies and is subject to approval as part of the marketing authorisation process. Given the diversity of its product portfolio, the company does not monitor average product durability on an aggregated basis. All products are subject to appropriate quaality assurance and monitoring processes throughout their applicable period use.

[36 c)]
The company does not have data on the content of recyclable materials in its products and packaging.

[37 a)-d)] [39]
Total waste volume, recovery and disposal by category and process at Polpharma in the 2025 reporting year

Waste for which disposal was avoided – breakdown [t]		
Recovery process	Hazardous waste	Non-hazardous waste
preparation for reuse	0	0
recycling	1,120.66	1,183.99
other recovery operations	130.38	6,255.09
TOTAL	1,251.04	7,439.08
Waste sent for disposal – breakdown [t]		
Type of processing	Hazardous waste	Non-hazardous waste
incineration	547.13	735.51
landfilling	0	0
other disposal operations	375.71	1,904.87
TOTAL	922.84	2,640.38
Total amount of waste generated [t]		**12,012.49**
Waste for which disposal was avoided [t]		8,690.12
Waste sent for disposal [t]		3,563.22
Total amount of waste not recycled [t]		9,948.69
Percentage of waste not recycled [%]		81.19
Total amount of hazardous waste generated [t]		2,173.88
Total amount of radioactive waste generated [t]		0

Waste streams

[38 a)-b)]
Waste streams relevant to the chemical and pharmaceutical industries primarily include waste from groups 07 (waste from the production, preparation, distribution and use of chemical industry products) and 15 (packaging waste), as defined in the waste catalog.

Materials found in waste

Waste from chemical and pharmaceutical processes
Liquid and aqueous waste:

- rinse water containing water mixed with solvents,
- chlorinated solvents – including methylene chloride and chlorobromopropane,
- mixtures such as methylene chloride + ethyl acetate or methylene chloride + acetonitrile, as well as trace amounts of the products,
- organic solvents, such as toluene, ethyl acetate, isopropanol and acetone,
- mixtures.

Solid waste:
- activated carbon (from sorption processes),
- tablet powders,
- tablets and capsules (waste from the tableting/packaging process),
- excipients (e.g., starch, lactose, gelatin).

Sludge from wastewater treatment plants:
- dead microorganisms,
- inorganic macronutrients, such as phosphorus, potassium and calcium, as well as other elements present in process wastewater,
- active ingredients.

Packaging waste
They consist mainly of paper and cardboard, plastics, glass, steel and aluminum. These are typical materials used in packaging for the chemical and pharmaceutical industries.

Source of waste data

[MDR-M 77 a)-b)]
Data on waste comes from their records (weighing records or documentation of waste transfer to the recipient). They are recorded in an internal waste management support program, which forwards them to the Product, Packaging and Waste Management Database (BDO). Waste is classified according to the waste catalog and reported in accordance with applicable regulations.

Since the undertaking sometimes stores certain types of waste it has generated prior to their subsequent disposal, there may be a gap of up to several months between the dates of generation and disposal of a particular type of waste. This gap may result in the reported total mass of waste generated differing from the aggregate mass of waste managed by individual methods if the storage took place at the turn of the year.

Production data

They are derived from the company's operating systems (net production – weight or quantity of finished goods).

Municipal waste data

They are estimated for each location based on the number of employees. The figure of 2 kg per day per employee was adopted[3].

Limitations of the methods used

For certain waste fractions, estimates are used (subject to subsequent adjustment) until actual data is received from the recipients.

Ensuring the comparability and consistency of data

A uniform methodology is applied throughout the company to ensure that data is comparable across locations and with previous years.

Any changes to the methodology are documented. Consistency across data sources has been maintained since the base year of 2021. All data corrections are recorded and justified.

Data quality control and assurance

Environmental data is verified by the Environmental Protection Department and the process owners. Production data is verified by the production teams.

The data presented in disclosure E5-5 has not been approved by any external body other than the assurance provider.



[3] Based on https://www.businesswaste.co.uk/waste-facts/office-waste-facts/. The number of days worked by the company's employees during the reporting period was calculated based on the total number of hours reported in the S1-14 disclosure, assuming an 8-hour workday (converted to full-time equivalents).

Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)

In this chapter, Polpharma presents information regarding Taxonomy for the reporting period from 1 January 2025 to 31 December 2025. These disclosures are being published for the first time and are voluntary.

This disclosure has been prepared pursuant to Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council and the provisions of the Commission Delegated Regulations (EU) establishing detailed rules on disclosure and technical screening criteria, namely:

- Commission Delegated Regulation (EU) 2021/2178, as amended by Commission Delegated Regulation (EU) 2026/73 (i.e., taking into account the simplified rules for the preparation and presentation of taxonomic disclosures);
- Commission Delegated Regulation (EU) 2021/2139, as amended;
- Commission Delegated Regulation (EU) 2023/2486, as amended.

In the remainder of this chapter, the term “Taxonomy” refers collectively to the regulations listed above, unless otherwise noted.

Practical guidelines for the operation of the Taxonomy

The Taxonomy establishes uniform rules, applicable at the European Union level, for identifying environmentally sustainable economic activities and investments. Taxonomy regulations establish objective criteria that can be used to assess whether the economic activities carried out by a given company can be considered environmentally sustainable.

An economic activity is **Taxonomy-eligible** if it is listed in the catalog of activities set forth in Regulation 2021/2139 or Regulation 2023/2486. At the same time, the mere fact that an activity is eligible does not mean that it is environmentally friendly or that it meets the criteria for being considered environmentally sustainable.

An economic activity is **Taxonomy-aligned, and is therefore environmentally sustainable**, if all of the following conditions are met:

- it makes a substantial contribution to the achievement of at least one of the environmental objectives set forth in the Taxonomy and does not cause significant harm to any of the other environmental objectives, i.e., meets the relevant technical screening criteria,
- complies with the minimum safeguards.

In accordance with Regulation 2021/2178, non-financial companies disclose key performance indicators (also referred to as KPIs) and the related contextual information specified in Annexes I and II to that Regulation. These indicators are presented in tabular form, in accordance with the templates set forth in Annex II to this regulation.

The key performance indicators include, in particular:

- the percentage share of activities that are Taxonomy--eligible and are not Taxonomy-eligible in total revenue, capital expenditure (CapEx) and operating expenditure (OpEx),
- the percentage share of environmentally sustainable activities, i.e., Taxonomy-aligned, in total revenue, capital expenditure (CapEx) and operating expenditure (OpEx).



The Taxonomy system is based on six environmental objectives, under which catalogs of Taxonomy-eligible activities and criteria for assessing their compliance with environmental sustainability requirements have been defined. These objectives are:

1. **climate change mitigation** (CCM),
2. **climate change adaptation** (CCA),
3. **sustainable use and protection of water and marine resources** (WTR),
4. **transition to a circular economy** (CE),
5. **pollution prevention and control** (PPC),
6. **protection and restoration of biodiversity and ecosystems** (BIO).



Assessment of revenue-generating activities

Key performance indicators in the Taxonomy related to turnover include economic activities that result in a company generating revenue from the sale of products or services. Polpharma derives its revenue from the sale of goods and services primarily through: production of drugs, pharmaceutical preparations and active pharmaceutical ingredients, wholesale of pharmaceutical products and research and development in the field of chemical sciences.

Eligibility assessment

To establish Taxonomy KPIs related to its turnover, Polpharma first conducted a review of the characteristics of its revenue streams to determine whether they qualified as activities covered by the Taxonomy.

As a result of the revenue review, it was determined that the following sales revenue streams are not Taxonomy-eligible:

- sale of food supplements and cosmetics,
- sale of medicinal products under a license agreement, where such products are manufactured by the licensor,
- sale of medicinal products whose manufacture has been outsourced to third parties under a contract manufacturing model, where Polpharma's role is economically limited to the sale of medicinal products physically manufactured by a third party,
- sale of medicinal products under the emergency import procedure, where such products are manufactured by third parties.

Polpharma also identified a group of revenues from the sale of services that involved the sale of water or waste, or for which there was insufficient accounting data to allow for an unambiguous assessment of their characteristics in the context of the Taxonomy. These revenues do not exceed 10% of Polpharma's total revenues from the sale of goods and services; therefore, they were considered immaterial from a Taxonomy-related reporting perspective and were not subject to further analysis.

Alignment assessment

Then, an assessment was conducted to ascertain whether revenues from Taxonomy-eligible activities might be considered environmentally sustainable. As part of this analysis, Polpharma verified whether such activities fulfilled the technical screening criteria laid down in Regulation 2023/2486.

As a result of the analysis, the following Taxonomy-eligible sales revenue streams were identified:

Activity provided for in the Taxonomy	Characteristics of eligible turnover
Manufacture of medicinal products (PPC 1.2)	Revenue from the sale of medicinal products (drugs, medical devices) manufactured at Polpharma's production facilities
Manufacture of active pharmaceutical ingredients (API) or active substances (PPC 1.1)	Revenue from the sale of active pharmaceutical ingredients (API) or active substances manufactured at Polpharma's production facilities

It followed from the verification that the activities under review failed to meet the Taxonomy's technical criteria. These criteria require that the products or substances must satisfy certain specific environmental conditions – including in terms of biodegradability or mineralization – while also serving as suitable substitutes for other products or substances which exist in the same therapeutic area or substance class but fail to fulfill such conditions. For medicinal products, active substances and APIs, these conditions have not been satisfied. This stems in particular from Polpharma's business model, which does not provide for the manufacture of products or substances serving as such substitutes.

Assessment of activities generating capital expenditure (CapEx)

The Taxonomy's key metrics pertaining to capital expenditure are associated with business activities which, in the respective financial year, result in an increase in the value of property, plant and equipment or intangible assets. This increase is recognized before depreciation, amortization and revaluations, if any, including those resulting from revaluation or impairment, excluding movement in fair value.

Eligibility assessment

To determine the Taxonomy-based KPIs related to its business, Polpharma first scrutinized its capital expenditure to assess its eligibility for activities covered by the Taxonomy. This was carried out through a detailed review of the records regarding projects in progress at Polpharma during the reporting period, taking into account capitalized expenditure on research and development (R&D) as well as a probe into their key characteristics in terms of eligibility with the activities provided for in the Taxonomy, as enumerated in Regulation 2021/2139 and Regulation 2023/2486.

In the analysis, the following categories of Taxonomy-eligible capital expenditure were identified:

Activity provided for in the Taxonomy	Characteristics of eligible capital expenditure
Manufacture of medicinal products (PPC 1.2)	Capital expenditures related to the development, modernization or maintenance of manufacturing capacity for medicinal products, including expenditure on property, plant and equipment, as well as intangible assets utilized in such activity.
Manufacture of active pharmaceutical ingredients (API) or active substances (PPC 1.1)	Capital expenditures related to the development, modernization or maintenance of manufacturing capacity for APIs or active substances, including expenditure on facilities, equipment, technological infrastructure and intangible assets used in such activities.
Renovation of existing buildings (CCM 7.2)	Capital expenditures resulting in an increase in the value of property, plant and equipment, incurred in connection with significant modernization work on existing buildings, such as insulation work, upgrade of exterior partitions and the replacement or modernization of heating, ventilation, air conditioning and other building systems.
Transport by motorbikes, passenger cars and light commercial vehicles (CCM 6.5)	Capital expenditures resulting in an increase in the value of property, plant and equipment, related to the purchase of road vehicles with a maximum weight of up to 3.5 metric tons or the execution of new lease agreements for such vehicles, resulting in the recognition of or increase in right-of-use assets.
Acquisition and ownership of buildings (CCM 7.7)	Capital expenditures resulting in an increase in the value of property, plant and equipment, related to the acquisition or lease of real estate or the construction of real estate for own use, including office, production and warehouse space.

Based on the assessment conducted, it was determined that capital expenditure on IT infrastructure, cybersecurity, systems and servers, backup solutions, computer hardware, virtualization and laboratory upgrades is not associated with Taxonomy-eligible activities. Categories of capital expenditure with varying characteristics were also identified (for instance, minor installations supporting the energy efficiency of buildings or expenditures that are difficult to be unambiguously assigned to any of the Taxonomy-eligible activities), which collectively do not exceed 10% of Polpharma's total capital expenditure. Such expenditures were deemed immaterial in the context of Taxonomy reporting and were not put through further analysis.

Alignment assessment

Subsequently, an assessment was carried out to ascertain whether capital expenditure on Taxonomy-eligible activities might be considered environmentally sustainable. As part of this analysis, Polpharma verified whether such activities fulfilled the technical screening criteria laid down in Regulation 2021/2139 and Regulation 2023/2486.

It followed from the verification that the activities under review failed to meet the Taxonomy's technical criteria. An explanation of the situation involving capital expenditure related to Polpharma's manufacturing capacity (Taxonomy-eligible activities PPC 1.2 and PPC 1.1) was presented in the previous section of the chapter describing the assessment of revenue-generating activities.

With regard to economic activities related to vehicles (CCM 6.5), Polpharma did not incur any capital expenditure on zero-emission vehicles in 2025, meaning that the Taxonomy's technical criteria were not fulfilled in this regard. In turn, with regard to real estate activities (CCM 7.2 and CCM 7.7), Polpharma currently:

- does not analyze the impact of renovation work carried out in existing buildings on such buildings' demand for non-renewable primary energy – as a consequence, it is impossible to corroborate compliance with the Taxonomy's technical criteria,
- does not collect data on the energy efficiency of owned or leased real estate, nor does it require contractors on construction projects to ensure that the buildings' primary energy (PE) demand be at least 10% lower than the WT2021 building standard specified in Section 329 of the Regulation of the Minister of Infrastructure on the technical conditions to be satisfied by buildings and their location – as a consequence, it is impossible to corroborate compliance with the Taxonomy's technical criteria.

Assessment of activities generating operating expenditure (OpEx)

The Taxonomy's key metrics pertaining to operating expenditure include direct non-capitalized costs associated with specific categories of activity. This applies in particular to the costs of research and development, building renovations, short-term leases, maintenance and repairs as well as other direct expenses incurred for the day-to-day operation of property, plant and equipment – both by the company itself and by third parties acting under outsourcing arrangements – to ensure their continuous and efficient operation. Accordingly, the scope of operating expenditure recognized for the purposes of the OpEx ratio in accordance with the Taxonomy is narrower than the scope of those presented in the financial statements. It includes only expenditure that fulfils the foregoing definition, while other operating costs are not included in either the ratio's numerator or denominator.

Eligibility assessment

To determine the Taxonomy-based KPIs related to its revenue, Polpharma first identified the types of non-capitalized costs that are disclosable as OpEx within the meaning of the Taxonomy. Polpharma treats the following types of expenditure as consistent with the Taxonomy's definition of OpEx:

- total research and development (R&D) expenses, and
- operating expenditure other than those spent on R&D, related to: materials for repairs of machinery and equipment, repair services for machinery and equipment, technical inspections/maintenance checks, materials for building and infrastructure repairs, building and infrastructure repair services, minor repairs and services, cleaning, maintenance of outdoor areas, periodic vehicle inspections, vehicle service fees as well as expenses related to tire replacement, car washing and vehicle repairs and maintenance.

In the next step, the operating expenditure included in the foregoing categories was scrutinized in terms of their eligibility for activities provided for in the Taxonomy. This was done by reviewing records of R&D costs and non-R&D costs and analyzing their key characteristics in terms of eligibility with the activities provided for in the Taxonomy, as enumerated in Regulation 2021/2139 and Regulation 2023/2486.

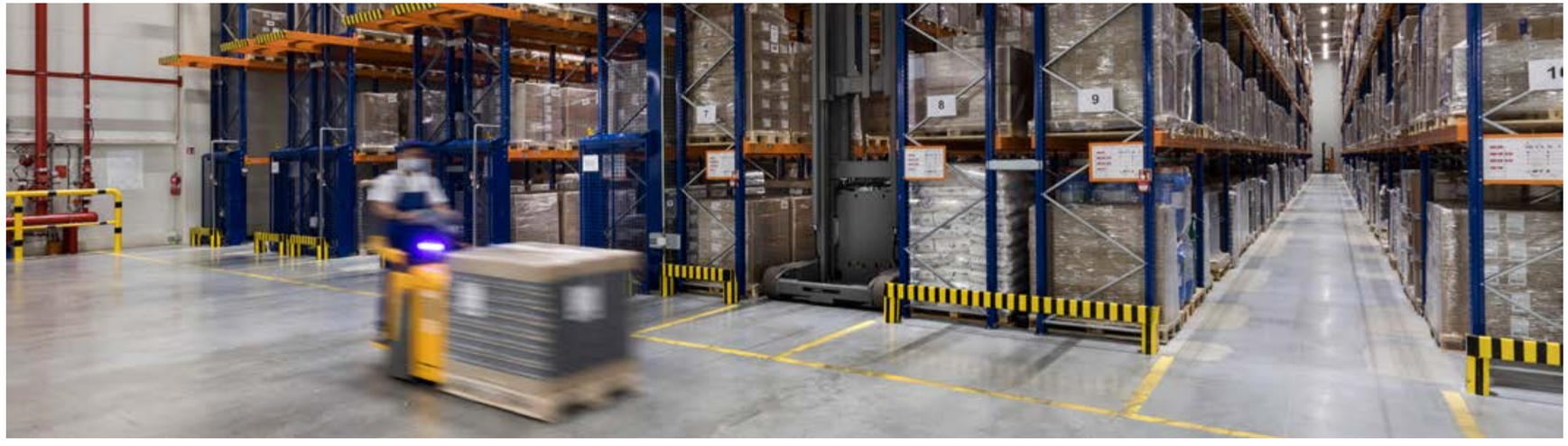
In the analysis, the following categories of Taxonomy-eligible operating expenditure were identified:

Activity provided for in the Taxonomy	Characteristics of eligible operating expenditure
Manufacture of medicinal products (PPC 1.2)	Direct non-capitalized costs related to activities associated with medicinal products, in particular research and development costs, costs of routine operation, upkeep, maintenance and repair of machinery, equipment, infrastructure as well as other property, plant and equipment necessary for the manufacture of medicinal products by Polpharma.
Manufacture of active pharmaceutical ingredients (API) or active substances (PPC 1.1)	Direct non-capitalized costs related to activities associated with APIs or active substances, in particular research and development costs, costs of day-to-day operation, upkeep, maintenance and repairs of machinery, equipment, infrastructure as well as other property, plant and equipment necessary for the manufacture of APIs or active substances by Polpharma.

Categories of expenditure with various characteristics were also identified (such as expenditure for minor property repairs, property cleaning and expenses for washing, repairing or replacing car tires), which collectively do not exceed 10% of Polpharma's operating expenditure consistent with the Taxonomy's definition of OpEx. Such expenses were deemed immaterial in the context of Taxonomy-based reporting and were omitted from further analysis.

Alignment assessment

Subsequently, an assessment was conducted to ascertain whether operating expenditure related to Taxonomy-eligible activities might be considered environmentally sustainable. As part of this analysis, Polpharma verified whether such activities fulfilled the technical screening criteria laid down in Regulation 2021/2139 and Regulation 2023/2486. It followed from the verification that the activities under review failed to meet the Taxonomy's technical criteria. An explanation of this finding regarding capital expenditure related to Polpharma's manufacturing capacity (Taxonomy-eligible activities PPC 1.2 and PPC 1.1) was presented in the previous section of the chapter describing the assessment of revenue-generating activities.



ACCOUNTING PRINCIPLES

Key performance indicator for turnover

The denominator of the key performance indicator is the sales revenue reported in Note 21 to Polpharma's 2025 financial statements, standing at PLN 4,926 million.

Numerators of the key performance indicators:
- for Taxonomy-eligible activities: sales revenue from medicinal products, active pharmaceutical ingredients (API) and active substances manufactured by Polpharma;
- for Taxonomy-aligned activities: the numerator is zero due to the absence of identified environmentally sustainable turnover.

Key performance indicator for capital expenditure (CapEx)

The denominator of the key performance indicator is PLN 437 million and is the sum of:
- gross increases in intangible assets during 2025, as indicated in Note 9 to Polpharma's 2025 financial statements, and
- gross increases in property, plant and equipment during 2025, as indicated in Note 11 to Polpharma's 2025 financial statements, and
- increases in right-of-use (ROU) assets during 2025, as indicated in Note 10 to Polpharma's 2025 financial statements.

Numerators of the key performance indicators:
- for Taxonomy-eligible activities – these are the amounts of capital expenditure allocated to the relevant activities provided for in the Taxonomy based on accounting and management records pertaining to implemented projects,
- for Taxonomy-aligned activities – the numerator is zero due to the absence of identified environmentally sustainable capital expenditure.

Key performance indicator for operating expenditure (OpEx)

The denominator of the key performance indicator is PLN 254 million – this is the sum of costs for research and development, building renovations, short-term leases, maintenance and repairs as well as other direct expenses incurred for the day-to-day operation of property, plant and equipment to ensure their continuous and effective functioning.

The numerators of the key performance indicators are as follows:
- for Taxonomy-eligible activities – these are non-capitalized costs related to activities involving medicinal products, APIs or active substances, in particular, research and development costs, as well as costs of day-to-day operation, upkeep, maintenance and repairs of machinery, equipment, infrastructure and other property, plant and equipment necessary for their manufacture by Polpharma;
- for Taxonomy-aligned activities – the numerator is zero due to the absence of identified environmentally sustainable operating expenditure.

No double counting

The disclosures have been prepared in accordance with the principle of avoiding double counting. This means that each economic activity has been assigned to only one activity provided for in the Taxonomy, with each amount of revenue, capital expenditure or operating expenditure being included in the relevant key performance indicators only once.

Key performance indicators

Recap

The table below presents the aggregated key performance indicators provided for in the Taxonomy.

2025	TOTAL	ENVIRONMENTALLY SUSTAINABLE		TAXONOMY-ELIGIBLE	
	PLN million	%	PLN million	%	PLN million
Turnover	4,926	0	0	73.8	3,635
CapEx	437	0	0	90.6	396
OpEx	254	0	0	95.5	242

The relatively high Taxonomy eligibility metrics for revenue, capital expenditure and operating expenditure indicate that a significant portion of Polpharma's business falls within the scope of activities covered by the EU Taxonomy. This primarily applies to activities pertaining to the manufacture of medicinal products and the manufacture of active pharmaceutical ingredients (API) or active substances.

At the same time, the Taxonomy alignment rates are 0%, because the activities under analysis failed to satisfy all the specific technical screening criteria required for them to be considered environmentally sustainable.

The particularly high level of eligibility for operating expenditure stems from the specific definition of OpEx adopted in the Taxonomy. This definition is narrower than the treatment of operating costs in financial statements and covers mainly direct non-capitalized research and development costs as well as the costs of ongoing upkeep, maintenance and repairs of assets used in the business. In Polpharma's case, a significant portion of such expenditure is related to Taxonomy-eligible manufacturing activities.



Quantitative disclosures based on the templates in Annex II to Regulation 2021/2178

Proportion of turnover, capital expenditure and operating expenditure attributable to products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – disclosure covering the year (N = 2025) (summary of key performance indicators)

Financial year (N): 2025

Key performance indicator	Total	Share of Taxonomy-eligible economic activities	Monetary value of Taxonomy-aligned economic activities	Share of Taxonomy-aligned economic activities	Allocation in accordance with environmental goals of Taxonomy-aligned economic activities						Share of enabling activities	Share of transitional activities	Economic activities not subject to assessment and deemed immaterial	Taxonomy-aligned activities in the previous financial year (N-1)	Share of Taxonomy-aligned activities in the previous financial year (N-1)
					Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity					
	PLN million	%	PLN million	%	%	%	%	%	%	%	%	%	%	PLN million	%
Turnover	4,926	73.8	0	0	0	0	0	0	0	0	0	0	1.2	–	–
Capital expenditure	437	90.6	0	0	0	0	0	0	0	0	0	0	9.4	–	–
Operating expenditure	254	95.5	0	0	0	0	0	0	0	0	0	0	4.5	–	–

Proportion of turnover from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – disclosure covering the year (N = 2025) (breakdown by activity)

Reported Key Performance Indicator: turnover													
Financial year (N): 2025													
Economic activity	Code	KPI for Taxonomy-eligible economic activities (share of Taxonomy-eligible turnover)	KPI for Taxonomy-aligned economic activities (monetary value of turnover)	KPI for Taxonomy-aligned economic activities (share of Taxonomy-aligned turnover)	Environmental objective of a Taxonomy-aligned activities						Enabling activities	Transitional activities	Percentage share of Taxonomy-aligned economic activities in Taxonomy-eligible economic activities
					Climate change mitigation	Climate change mitigation	Water and marine resources	Circular economy	Pollution	Biodiversity			
		%	mln PLN	%	%	%	%	%	%	%	(enabling where applicable)	(transitional where applicable)	%
Manufacture of medicinal products	PPC 1.2	68.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-	0.0
Manufacture of active pharmaceutical ingredients (API) or active substances	PPC 1.1	5.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-	0.0
Total Taxonomy-aligned activities broken down by goal					0.0	0.0	0.0	0.0	0.0	0.0			
Total key performance indicator (turnover)		73.8	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	–	–	0.0

Proportion of capital expenditure associated with Taxonomy-eligible or Taxonomy-aligned economic activities – disclosure covering the year (N = 2025) (breakdown by activity))

Reported Key Performance Indicator: capital expenditure													
Financial year (N): 2025													
Economic activity	Code	KPI for Taxonomy-eligible economic activities (share of Taxonomy-eligible capital expenditure)	KPI for Taxonomy-aligned economic activities (monetary value of capital expenditure)	KPI for Taxonomy-aligned economic activities (share of Taxonomy-aligned capital expenditure)	Environmental objective of a Taxonomy-aligned activities						Enabling activities	Transitional activities	Percentage share of Taxonomy-aligned economic activities in Taxonomy-eligible economic activities
					Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity			
		%	PLN million	%	%	%	%	%	%	%	(enabling where applicable)	(transitional where applicable)	%
Manufacture of medicinal products	PPC 1.2	57.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	–	–	0.0
Renovation of existing buildings	CCM 7.2	20.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	–	–	0.0
Manufacture of active pharmaceutical ingredients (API) or active substances	PPC 1.1	7.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	–	–	0.0
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	4.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	–	–	0.0
Acquisition and ownership of buildings	CCM 7.7	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	–	–	0.0
Total Taxonomy-aligned activities broken down by goal					0.0	0.0	0.0	0.0	0.0	0.0			
Total key performance indicator (capital expenditure)		90.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	–	–	0.0

Proportion of operating expenditure associated with Taxonomy-eligible or Taxonomy-aligned economic activities – disclosure covering the year (N = 2025) (breakdown by activity)

Reported Key Performance Indicator: operating expenditure													
Financial year (N): 2025													
Economic activity	Code	KPI for Taxonomy-eligible economic activities (share of Taxonomy-eligible operating expenditure)	KPI for Taxonomy-aligned economic activities (monetary value of operating expenditure)	KPI for Taxonomy-aligned economic activities (share of Taxonomy-aligned operating expenditure)	Environmental objective of a Taxonomy-aligned activities						Enabling activities	Transitional activities	Percentage share of Taxonomy-aligned economic activities in Taxonomy-eligible economic activities
					Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity			
		%	PLN million	%	%	%	%	%	%	%	(enabling where applicable)	(transitional where applicable)	%
Manufacture of medicinal products	PPC 1.2	80.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	–	–	0.0
Manufacture of active pharmaceutical ingredients (API) or active substances	PPC 1.1	14.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	–	–	0.0
Total Taxonomy-aligned activities broken down by goal					0.0	0.0	0.0	0.0	0.0	0.0			
Total key performance indicator (operating expenditure)		95.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	–	–	0.0



03

Social information

ESRS S1 ESRS S2 ESRS S3 ESRS S4

ESRS S1

Own workforce

[S1 SBM-2]

Interests and views of stakeholders

[12]
The undertaking engages its own workforce through regular two-way communication aimed at building relationships, improving internal processes and taking into account the needs, expectations and experiences of employees in shaping its HR strategy. Findings from these consultations are scrutinized and taken into account in decision-making processes regarding sustainability policies, including those related to compensation, workplace safety and diversity management. Representatives from selected departments, including HR, Occupational Health and Safety, Environmental and Marketing, participated in developing the ESG Strategy for 2026-2030. Employee representatives (trade unions) also participated in the double materiality assessment process. Moreover, the corporate governance structure includes a formal mechanism for employee representation through members of the company's governing bodies elected by employees: one member of the Management Board and three members of the Supervisory Board. This arrangement supports the incorporation of the employee viewpoint at the level of these bodies, though it does not establish a direct mechanism for shaping the company's business model.

Polpharma's own workforce influences the pursuit of the HR and operational strategies primarily through formal and informal dialogue mechanisms. However, they are not identified as a separate, direct factor shaping the business model. Selected department representatives with expertise pertinent to the issues under discussion participated in the development of the business strategy.

Dialogue with employees – including cooperation with trade unions and employee councils, regular development discussions, periodic thematic meetings and engagement surveys – provides information useful for formulating strategic actions in the areas of company growth, leadership and organizational culture.

Established channels for reporting concerns and complaints as well as occupational health and safety processes enable the organization to respond to issues raised by its workforce. These mechanisms support operational activities and the risk management system.

Feedback is collected from employees and non-employees at key stages of the employment cycle, including during onboarding, development processes (such as training), periodic evaluations and exit interviews. Moreover, satisfaction with services provided by support functions – including administration, IT and occupational health and safety – is surveyed.



[S1 SBM-3]

Material impacts, risks and opportunities and their interactions with strategy and business model

Company's own workforce

[14 a)]

Polpharma has a diverse group of employees, including, in particular, those in manufacturing, research and development, laboratory, quality control and assurance, sales, administrative and technical roles as well as management. The employment structure reflects the specific nature of a pharmaceutical company with production facilities, laboratories, commercial operations and support functions required for regulated operations.

The company's own workforce also includes individuals whose classified as non-employees. This class encompasses individuals associated with Polpharma through individual contracts for the provision of labor and personnel provided by temporary staffing agencies. The former category includes, without limitation, interns working under civil law contracts, selected individuals providing legal or IT services under B2B contracts and individuals performing selected managerial functions under management contracts. The latter category consists predominantly of individuals performing work in manufacturing processes, such as production operators.

Material impacts

[13 a) i]

In the DMA process, Polpharma identified five material impacts related to its own workforce: in the areas of working conditions, equal treatment and equal opportunities for all. All those impacts are actual.

Positive impacts (actual):

- **Positive impact on employees through stable jobs, fair conditions, decent wages and opportunities for growth**

Polpharma has a positive impact on its employees by creating stable jobs, ensuring fair employment conditions and providing decent wages. In addition, it supports competencies development and career growth through formal training, enabling employees to acquire skills necessary for promotion and further professional opportunities in the sector.

- **Fostering an inclusive and ethical workplace culture**

Polpharma cultivates a positive and welcoming work environment through the development of a values-based organizational culture, ongoing dialogue with employees and an open and inclusive atmosphere that builds trust and strengthens a sense of belonging leading to higher job satisfaction and overall well-being. It upholds a strict no-tolerance policy toward discrimination, violence and harassment, supported by proactive measures, such as reporting systems and investigative procedures. By implementing high standards and policies in the areas of ethics, diversity and social inclusion, the company ensures equal opportunities for all employees, promotes fairness and nurtures talent from diverse backgrounds, enhancing both individual well-being and collective performance.

Negative impacts (actual):

- **Challenges related to employee well-being and work-life balance**

Shift work in the pharmaceutical industry may disrupt sleep patterns, work-life balance and overall health, leading to increased stress, fatigue and decreased job satisfaction. Over time, these effects may contribute to burnout and higher turnover, undermining long-term stability and fulfillment in employees' role. Furthermore, Polpharma's fast-paced environment and ambitious business goals may further strain work-life balance, potentially increasing the risk of inappropriate management practices on the part of supervisors.

- **Work-related accidents in the manufacturing sector**

Work-related accidents in the manufacturing sector have a negative impact on employees' health and safety, leading to injuries and contributing to increased stress and burnout.

- **Gender-based pay gaps that may occur in identical job roles**

Gender-based pay gaps for identical job roles can lead to employee dissatisfaction, reduced morale and perception of unfairness, which may negatively impact workforce motivation, retention and the overall organization.

[14 a)]

The identified negative impacts and the positive impact in terms of fostering an inclusive and ethical work culture apply to both employees and non-employees who are part of the organization's own workforce. The positive impact associated, in particular, with stable employment applies primarily to individuals hired under an employment contract.

[14 b)]

The identified negative impacts concern, in particular, manufacturing personnel, especially with regard to shift work, the burdens associated with manufacturing processes as well as occupational health and safety issues. Some of these impacts are systemic in nature and arise from the specific nature of manufacturing operations in the pharmaceutical sector. Workplace accidents are incidents involving isolated individuals.

[14 c)]

Polpharma exerts a positive impact on its workforce through initiatives that support job stability, fair working conditions and compensation, skills development as well as a responsible and inclusive organizational culture. These include on-the-job and specialized training programs, competency development and assessment systems, anti-discrimination policies, a Code of Ethics and mechanisms for reporting irregularities. These positive impacts apply to various employee groups, including manufacturing personnel, office staff, specialists and managers. Such impacts are concentrated in Poland, where the company's core operations are located.

[14 e)]
The organization has not adopted any formal transition plans aimed at reducing its negative impacts on the climate or other environmental aspects. As a consequence, no impact of such plans on its own workforce has been recorded.

Groups at higher risk of harm

[15]
The undertaking identifies worker groups that remain at particular risk of harm through:

- periodic occupational risk assessments for individual work positions,
- analysis of accidents and near-misses,
- analysis of the outcomes of tests and measurements of hazardous factors in the work environment,
- reviews of other occupational health and safety data and reports,
- analysis of selected HR and payroll data,
- analysis of information obtained through dialogue with employees.

Through these processes, it was determined that increased exposure to the undertaking's negative impacts may particularly affect the following categories of its workforce:

- individuals who come into direct contact with chemicals, APIs and other hazardous agents,
- manufacturing personnel, including those working shifts,
- individuals performing work that involves increased physical or ergonomic strain,
- individuals working under conditions of heightened operational or managerial pressure,
- women and men in comparable roles examined for potential pay disparities,
- other groups identified based on workplace risk lists.

The outcomes of these assessments and analyses form the basis for rolling out and updating controls, preventive and corrective actions, including measures related to occupational health and safety, well-being, work organization, managerial practices and equal treatment in terms of compensation.

Forced and compulsory labor and child labor

[14 f), g)]
In the DMA process, no circumstances were identified that would indicate an increased risk of forced labor, compulsory labor or child labor in Polpharma's operations conducted in Poland or other European Union countries. This conclusion takes into consideration the nature of the economic activity conducted in the regulated pharmaceutical sector, applicable internal policies and procedures regarding employment, mechanisms put in place for reporting irregularities as well as the undertaking's operation within a legal environment based on well-developed labor law regulations. Within the scope of this examination, no types of operations or locations were identified where the risk of forced labor, compulsory labor or child labor would be elevated.

Relations between impacts and the business model and strategy

[13 a) i)]
Pertinent impacts on employees and non-employees are linked to Polpharma's strategy and business model, which is based on the manufacture of medicines and active pharmaceutical ingredients, high quality and safety standards as well as long-term competency development.

The company's operating model fosters positive impacts, such as job stability, fair working conditions and compensation, and professional development opportunities. The adopted approach to developing human capital and building an ethical and inclusive organizational culture buttresses employee well-being, equal treatment and engagement.

In parallel, the specific nature of the company's operations, including shift work in manufacturing operations, a fast-paced work environment and high operational and regulatory demands, may be associated with negative impacts on its employees and non-employees, including through physical and mental strain, disruption of work-life balance, the risk of burnout and workplace accidents.

[13 a) ii]
Polpharma takes these impacts on employees and associates into account in its strategy and business model, treating competencies, safety, engagement and organizational culture as key factors in achieving its operational, quality and development goals. Positive impacts are integrated into the strategy, including through investments in training and development, strengthening management frameworks, initiatives promoting well-being and equal treatment as well as maintaining formal channels for reporting concerns and potential violations. At the same time, any identified negative impacts are taken into consideration as part of endeavors aimed at improving the operational model, work organization and management practices, carried out by implementing appropriate policies, procedures as well as preventive and corrective measures.

Scope of disclosures

[14]
The disclosures in this chapter pertain to all individuals comprising the undertaking's own workforce who have been subjected to the material impact in question.

Material risks and opportunities

[13 b)] [14 d)]
One significant opportunity for Polpharma related to its own workforce has been identified:

- **Opportunity to accelerate business growth through the development of new competencies**

The development of new skills by employees can drive business growth, enhance agility, improve cost competitiveness and enable the adoption of new technologies and capabilities in line with the company's strategy and emerging market opportunities.

This opportunity is directly linked to Polpharma's strategy and business model as the availability of the right skills determines the company's ability to achieve its operational goals and long-term growth. It is utilized by developing competencies in line with strategic business directions and evolving technological, organizational and market needs.

No material risks to the undertaking related to its workforce were identified during the materiality assessment process.



[S1-1]

Policies related to own workforce

[MDR-P] [20] [21] [22] [23] [20 a)] [AR 17 c)]
The framework for managing impacts related to the company's own workforce is defined, in particular, by the Code of Ethics, the Human Rights Protection Policy, the Diversity Policy, the Polpharma Group Employee Occupational Safety and Health Policy as well as procedures supporting employee development.

The **Code of Ethics** provides a framework for ethics and compliance management and lays down the fundamental ethical principles applicable to all individuals working for Polpharma. It emphasizes the need to treat every person with respect and expresses the organization's strong opposition to all forms of discrimination and bullying. It includes a commitment to respect the right to privacy and to maintain a work-life balance, to respect human dignity and to value diversity in interpersonal relationships. Detailed information about the document, including the responsibilities outlined therein and procedures for reporting and responding to violations, is provided in disclosure G1-1.

[AR 17 g)]
The **Corporate Policy on Preventing Mobbing and Discrimination at Work** aims to ensure a safe and equitable work environment and to protect the dignity and personal rights of staff. It applies to all individuals performing work for the company and its subsidiaries, regardless of their form of employment and prohibits all forms of discrimination, including harassment and mobbing.

Polpharma also has in place a **Procedure for Reporting Legal Violations and Prohibited Activities**, which also deals with potential cases of discrimination. Together with the policy against mobbing and discrimination, it forms a coherent system for preventing cases of unequal treatment, as described in disclosure G1-1.

[24 b)]
The **Human Rights Protection Policy** defines Polpharma's obligations regarding the protection of human rights, both with regard to its own workforce and across the value chain. It aims to prevent negative impacts and minimize risks. It applies to all employees and associates of the company.

The Policy is based on the International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights and the Ten Principles of the UN Global Compact. It also takes into account the OECD Due Diligence Guidance for Responsible Business Conduct and regulatory guidelines related to due diligence in the sustainability area.

Polpharma is committed to respecting human rights, including the rights of its own workforce, consumers and end-users of its products, members of the local communities in which it does business and representatives of other stakeholders. The Policy states that, as a universal catalog of human rights, Polpharma recognizes civil and political rights as well as social rights. The key principles of the Policy regarding its own workforce include:

- counteracting forced labor, slave labor and human trafficking,
- prohibiting child labor,
- rejection of discrimination on any grounds (including gender, marital status, parenthood, ethnic, national or social origin, race, religion, sexual orientation, religious and political beliefs, age, disability, union membership or other characteristics),
- rejecting discrimination,
- ensuring fair wages and decent working conditions,
- respecting the right to freedom of association and collective bargaining,
- ensuring the safety, health and well-being of workers.

The pursuit of the Policy is overseen by the Sustainable Development Committee, which, among its other duties, monitors the actions taken in this area. The heads of the company's various business areas, such as risk, compliance, HR, procurement, occupational health and safety, environmental protection, security, corporate communications and CSR/ESG. The Policy may be subject to review and updates due to changes in the regulatory environment and the organization's needs.

Polpharma provides channels for reporting human rights violations. The pertinent mechanisms include:

- reporting channels for employees, non-employees and individuals outside the company (including contractors and suppliers): the SpeakUp system (not available to external stakeholders), online forms, email, telephone, mailing address and direct contact with the Compliance Officer,
- procedures ensuring the protection of whistleblowers.

Remedial measures

[20 c)]
Policies pertaining to individuals working for Polpharma and the workplace, including the Human Rights Protection Policy, have not established a separate list of remedial measures applicable exclusively to impacts on human rights. In parallel, the company's existing violation reporting system enables the reporting of potential irregularities in any area of the organization's business. The Procedure for Reporting Legal Violations and Prohibited Activities provides for the possibility of taking corrective actions the scope of which depends on the nature of the report and the outcome of the investigation. For more information on this topic, see disclosure G1-1.

The undertaking is committed to creating a discrimination-free and inclusive workplace in its **Diversity Policy**. Its goal is to develop an organizational culture based on diversity and equal opportunity, one that opposes prejudice and discrimination and supports the growth of all employees. Diversity is construed as a spectrum of innate differences (including gender, age, nationality, race, disability and sexual orientation) as well as acquired differences (including worldview, parenthood, education and place of residence). The Management Board is responsible for implementing the Policy within the organization.

The Policy also includes commitments to monitor perceptions of equal treatment within the organization and to conduct educational and communication activities, including dialogue with stakeholders. The document is a component



of a broader system of measures aimed at fostering an ethical work environment, implemented in accordance with the Code of Ethics, the Polpharma Group's values, the Procedure for Reporting Legal Violations and Prohibited Activities and the Corporate Policy on Preventing Mobbing and Discrimination at Work and the Diversity Charter signed by the undertaking.

In 2023, the position of Management Board Representative for Diversity, Equity and Inclusion (DEI) was established. Her responsibilities include overseeing compliance with the Diversity Policy and coordinating educational programs and other initiatives supporting DEI. The team she coordinates developed the **DEI Strategy for 2024–2025**, covering the following areas:

- raising awareness, including through training,
- continuous improvement of performance in the area of gender equality,
- endeavors aimed at ensuring equal opportunities for representatives of different generations in recruitment and promotion processes.

[AR 17 a)]

Compliance of recruitment processes with the principles of equal treatment, non-discrimination and inclusion is supported by the **Procedure for Recruitment**, which stipulates, in particular, the requirement for equal treatment of internal and external candidates and a prohibition on the application of discriminatory practices, as well as by the **Guide to Inclusive Behavior and Communication**. HR staff are trained in the application of these principles. Job descriptions are reviewed and approved by trained HR Business Partners, while materials used in recruitment processes are consulted with the Management Board Representative for Diversity, Equity and Inclusion.

The company's approach includes:

- inclusive communication with candidates, prepared in accordance with internal checklists and best practices,
- formulating requirements in a non-discriminatory manner that encourages diverse groups to apply,
- ensuring that the recruitment process is conducted by a team that is diverse in terms of gender and age.

The internal regulations described above refer to the positive impact on the development of an inclusive and ethical organizational culture.

The **Polpharma Group Occupational Safety and Health Policy** was developed in accordance with the requirements of the PN-ISO 45001 standard. It sets the direction for actions in the area of occupational health and safety with regard to the organization's entire own workforce, including remote workers. It contains the following commitments:

- ensuring compliance with legal and other applicable occupational health and safety requirements and continuously raising standards,
- ensuring safe and healthy working conditions by maintaining and improving the occupational health and safety management system and continuously improving safety performance,
- identifying hazards and assessing occupational health and safety risks and opportunities, and then eliminating hazards and mitigating risks in the workplace,
- incorporating occupational health and safety requirements into the planning and improvement of business processes, including manufacturing processes and activities carried out in the value chain,
- preventing work-related injuries and health conditions by applying effective risk control measures in accordance with the hierarchy of controls, with particular emphasis on collective protection measures,
- enhancing the knowledge and competencies of employees and associates, strengthening the safety culture, including through the promotion of preventive healthcare,
- supporting proactive attitudes and the engagement of employees and other stakeholders in activities enhancing safety and health protection.

The Policy is pursued with the participation of the organization's workforce and their representatives. Such participation is ensured through consultations and by involving employees in the identification of hazards, risk and opportunity assessment as well as the establishment and review of preventive and improvement measures. The Management Board is responsible for pursuing the Policy. Also, Polpharma maintains and improves its occupational health and safety management system in accordance with the PN-ISO 45001 standard, with the pertinent outcomes being monitored and reported periodically within the framework of publicly available sustainability reporting. More information about cooperation with workers and activities carried out in the area of occupational health and safety is presented in disclosures S1-2 and S1-4.

The Policy addresses the negative impact associated with workplace accidents in the production area.

[AR 17 h)]

The Corporate Procedure – Training and Development of Employees lays down the rules for planning, conducting and documenting training as well as for subsidizing education. The Head of Employee Development is responsible for coordinating its pursuit at the organizational level.

Management Board members are responsible for approving training budgets in the organizational areas under their supervision, while supervisors are responsible for implementing the Procedure within their teams, including by identifying training needs, ensuring equal access to learning and development, supporting and overseeing the roll-out of training outcomes, verifying that the certifications required to perform duties or supervise a position remain current, and ensuring the timely completion of mandatory training.

The company supports the development of employee competencies (including promotion within their current role and internal mobility) through initiatives based on the 70/20/10 model, which calls for 70% on-the-job learning, 20% learning through relationships (including mentoring/coaching and feedback) and 10% learning through formal training.

Detailed information about the company's support for employee development is presented in disclosure S1-4.

The Procedure addresses the undertaking's positive impact on employees through stable employment, fair working conditions, fair compensation and opportunities for development.

Oversight of the pursuit and communication of policies

[AR 14]

The pursuit of policies is overseen by the Management Board and the relevant functions identified in the descriptions of specific documents.

New hires undergo mandatory training as part of the onboarding process, covering key internal regulations, including the Code of Ethics, the Anti-Corruption Code, the Human Rights Protection Policy, the Diversity Policy and the Polpharma Group Employee Occupational Safety and Health Policy of the Polpharma Group. A list of selected policies is also included in the publication "Let's get to know each other! A guide for new employees".

New HR policies and procedures approved by the Management Board as well as amendments to existing documents are communicated to all employees through established internal communication channels, including email, with the text of the regulations attached. Communication is conducted in both Polish and English.

Policies in both language versions are consistently available to all employees on the company intranet. Selected provisions are also communicated through posters displayed in workplaces and common areas (including kitchens, employee amenity areas, hallways and copy centers) as well as in the company magazine "Panaceum" and during events organized by various departments (e.g. Occupational Health and Safety Day).

[24 c]

The policies do not include specific commitments regarding the social inclusion of people from particularly vulnerable groups identified in S1 SBM-3.

[S1-2]

Processes for engaging with own workforce and workers' representatives about impacts

[27]
The company relies on regular employee and associate engagement in dialogue to strengthen relationships, enhance selected internal processes and identify the needs and expectations of its workforce. Regular two-way communication promotes an understanding of employees' perspectives, and the outcomes are taken into consideration when shaping initiatives related to the human resources strategy. The findings from these consultations are scrutinized and may be incorporated into decision-making processes concerning sustainability policies, including those related to diversity and workplace safety.



The organization's workforce may express its opinions, needs and suggestions primarily through the following structures and mechanisms:

Dialogue with trade unions:
Regular, minuted meetings are held with trade union representatives to facilitate two-way consultations on proposals submitted by both the employer and employees concerning, among other matters, working conditions, compensation and occupational health and safety. The Head of the Compensation and Benefits Team is responsible for consultations with the trade unions.

Consultations with employee councils:
In 2025, employee councils – exercising the workforce's rights as defined in the Act on Informing and Consulting Employees – were in operation at Zakłady Farmaceutyczne Polpharma S.A. in Starogard Gdański and the Medana branch. However, no council was established at the Nowa Dęba branch, as employees neither expressed such a need nor nominated any candidates. In accordance with their statutory role, the councils obtain information from the employer and provide opinions regarding the company's economic situation and development prospects, the employment structure and anticipated workforce changes as well as planned measures that might significantly affect work organization or employment conditions. Furthermore, beyond the obligations arising from applicable regulations, the employer consults with the councils on occupational health and safety matters.

In 2025, the Head of the HR Department for Industrial Operations in Poland and the Head of the HR Department for Commercial Operations in Poland were responsible for conducting consultations with the employee council at Zakłady Farmaceutyczne in Starogard Gdański, while at the Medana branch this responsibility was held by the Branch Manager. Meetings between the employee council and representatives of the Management Board concerning the employer's operations, economic situation and anticipated developments in these areas are held annually.

In 2025, 13 meetings were held with the trade unions and the employee council. At least one member of the company's Management Board participated in each such meeting. Topics discussed included the budget and benefits of the company's social benefits fund for 2025, the approach to the 2026 compensation package, employee well-being initiatives, preparations for compliance with the requirements of the Pay Transparency Directive and changes in job levels within the sales structures.

Safety Council:
A body responsible for monitoring and enhancing occupational safety standards within the API Business Unit in order to protect the health and lives of employees. The council's members include the Head of the Manufacturing Plant, employee representatives chosen by way of direct elections, representatives of the Department of Environmental Protection and Occupational Safety, the Company Fire Department and Safety Leaders – volunteers representing employees in chemical manufacturing, laboratories and the research and development department. During its monthly meetings, the council discusses various pertinent topics, including issues related to the analysis of metrics and documentation related to workplace safety and environmental protection.

Channels for submitting ideas and innovations:
These enable Polpharma employees and non-employees to propose ideas for improvements and innovations across various areas of the company's business.

The **Leonardo Program** fosters team creativity and supports the pursuit of new, innovative ideas. Initiatives are submitted in three areas: patients and medical staff, organizational efficiency and the fulfillment of climate and environmental commitments. Over the course of five editions, through the end of 2025, employees submitted a total of 296 ideas, of which 26 advanced to the implementation stage. Overall, 52 ideas were implemented.

As part of the **Vulcan** program, intended to support day-to-day work, decision-making and process optimization through AI, employees submitted more than 100 ideas by the end of 2025. 13 projects were implemented.

In 2025, during the 15th edition of the **Kaizen** employee suggestion program, employees submitted 1,500 ideas. Among these were 1,100 initiatives aimed at improving process efficiency, quality, safety and ergonomics. From the program's launch through the end of 2025, more than 26,000 ideas were submitted, which – in addition to generating immeasurable benefits – have delivered tangible gains estimated at approximately PLN 51 million.

In 2025, 9 initiatives were nominated for the **Green Process Award**, which is intended to incentivize, encourage, recognize and reward the organization's environmentally responsible initiatives. The winning ideas enabled, for instance, reductions in water and detergent consumption by limiting the number of washing cycles as well as optimizing the operation of ventilation and air-conditioning systems in R&D laboratories and manufacturing areas to improve energy efficiency.

Direct discussions with supervisors:
Regular one-on-one discussions take place within the framework of goal-setting processes as well as mid-year and annual performance reviews, providing employees with an opportunity to discuss and plan their development activities. Employees have access to intranet materials designed to help them prepare for periodic reviews, the opportunity to present their own perspective through an annual self-assessment and the right to submit an appeal against their annual performance evaluation.

Polpharma Puls satisfaction and engagement survey:
The Polpharma Puls survey is conducted annually among all employees. In 2025, the response rate reached 89% at Polpharma in Poland and 84% across its regional offices. The survey is conducted in cooperation with an external partner in accordance with the adopted research methodology and

confidentiality principles. The survey findings constitute one of the key sources of information used to plan development initiatives related to the work environment. The President of the Management Board and the Head of the HR Department, together with the Training and Development team, are responsible for implementing the survey findings at the company-wide level, while direct supervisors, supported by HR, are responsible for implementing these initiatives within their respective teams.

In the 2025 edition, the employee engagement rate at Polpharma in Poland reached 73%. According to Mercer's methodology, this result characterizes a workforce that speaks favorably about the organization (say), intends to build its future with Polpharma (stay) and remains engaged and willing to go the extra mile whenever the company requires it (strive). The 73% engagement score also represents a 7-percentage-point increase compared to the previous year and is 20 percentage points higher than the market average in Poland.

Employees particularly appreciate the quality of collaboration with managers and the growing level of dialogue within teams, as reflected in the increase of the corresponding score to 61%. The organization's approach to supporting development through performance management processes is also rated very highly: 71% of respondents state that these processes help them clearly identify their strengths and areas for improvement, while 61% believe that their contributions are recognized and appreciated in a motivating manner.

Surveys and focus groups:
Tools used to collect feedback on a variety of topics, helping the company make decisions based on the actual needs and expectations of its teams. Examples include HR surveys concerning the annual performance review process and employee satisfaction with benefits.

Town Hall Meeting:
Held quarterly and open to all employees. During each meeting, the President of the Management Board presents the organization's current situation and future direction, while representatives from other departments share key updates and important information with workers. Workers have the opportunity to submit questions anonymously before the meeting. Such questions are then addressed live during the session and subsequently published on the intranet.

In response to feedback provided by workers during the Town Hall Meeting, Polpharma consolidated its vacation benefits in 2025 – namely, subsidies for company-organized trips (skiing and tours), subsidies for self-organized vacations and the "vacation in the countryside" benefit – into a single annual benefit available to all employees under clear and straightforward rules. The subsidy amount for the employee lunch card was also increased.

What's up meeting:
Interactive virtual meetings with an informational and strategic focus, held approximately every two months and intended for team leaders. The meetings are led by the President of the Management Board, while discussions on specific topics are conducted by internal subject-matter experts responsible for the respective projects. Any participant may raise a topic considered important to the entire organization.

Organization-wide email communication (newsletters):
A fast and effective method of communicating important information to workers. Workers may respond to these messages whenever they wish to obtain additional information on a particular topic. The principal newsletters include:

- Management letter – messages from the President of the Management Board addressed to all workers,
- HR News – a compilation of key information from the HR division,
- development newsletter – distributed to all workers and providing updates on training and development opportunities.

HR Portal:
A dedicated intranet section providing convenient access to the most important HR resources and processes, including current employment and compensation policies, HR documents, sample forms, information on employee benefits and materials supporting employee development.

Sustainability statements:
These statements present information on Polpharma's activities in the environmental, social and governance areas, including topics such as climate, own workforce, local communities and business ethics.

Monthly magazine for workers:
"Panaceum" serves an informational, integrative and inspirational purpose. It showcases the company's most important initiatives (including those related to sustainability), promotes its values and organizational culture and features messages from leaders along with coverage of company events. The magazine is published every two months in both electronic and printed formats. Both the magazine and its English-language summaries are available on the company intranet.

[28, AR 25 b)-c), e)]
The company does not use separate communication or collaboration channels intended exclusively for vulnerable groups. However, it has implemented solutions designed to ensure that key information is accessible and easy to understand for different groups of workers. To achieve this, the company uses a broad range of communication channels, including email correspondence, posters and notices displayed in common areas, direct conversations with supervisors and communications prepared in both Polish and English, taking into consideration the specific characteristics of different worker groups. The company also places particular emphasis on preventing the exclusion of manufacturing staff, whose work may limit their access to computers, by providing communications through adapted channels, including bulletin boards and digital information screens. The use of multiple communication channels enables employees and non-employees to communicate their needs, opinions and feedback through a variety of available methods.

When designing and delivering communication to employees and non-employees, the company takes into account the need to respect human rights, including the right to privacy, freedom of expression, the right to peaceful assembly and the freedom to express personal views.



[S1-3]

Processes to remediate negative impacts and channels for own workforce to raise concerns

[32 a)-e)]
Polpharma's overall approach to corrective actions in cases of actual or suspected negative impacts on its own workforce is based on the analysis of reports as well as incidents and adverse situations, including those related to occupational health and safety, other working conditions and workplace relationships. The objective is to identify the root causes of each incident or situation and determine appropriate preventive, corrective or remedial measures intended to reduce the likelihood of recurrence.

As part of corrective and preventive processes, organizational, procedural or educational measures may be implemented, depending on the nature of the identified impact. Where justified, all employees or the relevant employee groups are informed about the causes and consequences of the incidents concerned, along with the conclusions and lessons learned from the analyses conducted. With regard to occupational health and safety incidents, health and safety alerts and informational materials are prepared to communicate the findings and promote best practices.

The processes for identifying, preventing, mitigating and correcting negative impacts on the company's own workforce are integrated with the company's existing compliance, HR and occupational health and safety mechanisms as well as with systems for reporting irregularities and handling complaints. These mechanisms cover matters related to human rights, labor relations, equal treatment, workplace safety and potential breaches of applicable law or internal regulations. Additional information regarding the system for reporting and addressing violations is provided in disclosure G1-1.

In the area of occupational health and safety, workers may report issues directly to their supervisors, worker labor inspectors as well as safety leaders and ambassadors operating in specific manufacturing areas. Moreover, the Stop Accidents app enables users to report incidents and send supporting documentation (such as photographs), the location and a description. The app also supports the subsequent process of categorizing reports, assigning them to the person responsible and facilitating communication with all parties involved through automatic email notifications at each stage of the case-handling process.

No dedicated processes have been established solely to ensure the availability of reporting channels in the area of occupational health and safety. Instead, the accessibility of these channels is based on their diversity and the possibility of reporting issues both through formal mechanisms and directly to individuals performing specific workplace safety roles.

The company has not established a separate regular process for periodically assessing the effectiveness of these reporting channels.

[33]
In 2025, as part of the mandatory ethics and compliance training completed by all employees, a survey was conducted to evaluate, among other aspects, workers' awareness of the available violation reporting mechanisms. The survey findings constitute one of the information sources used when planning initiatives aimed at strengthening workers' knowledge and awareness in this area.



[S1-4]

Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Positive impact on employees through stable jobs, fair conditions, decent wages and opportunities for growth

Fair hiring and compensation conditions

Polpharma applies compensation principles based on clearly defined criteria, including job evaluation, scope of responsibilities, required competencies and the outcomes of market compensation analyses for comparable positions. These principles are intended to enhance transparency in the compensation process, minimize the risk of unequal treatment and uphold the principle of equal pay for equal work or work of equal value. Decisions concerning compensation increases and promotions are made by managers within an established process and on the basis of documented criteria, including annual performance review outcomes, the worker's compensation level relative to the applicable pay range (Compa Ratio), justified business needs and an analysis of the decision's impact on pay equity between women and men. Cases involving employees returning from maternity or caregiving leave are subject to particular review. The process is monitored by HR Business Partners, while the allocation of the compensation increase budget is overseen by the Compensation and Benefits Team. The review of compensation decisions is supported by an analytical tool, while an additional source of feedback is provided by the outcomes of the Polpharma Puls survey regarding employee satisfaction with compensation.

Polpharma regularly monitors gender pay gap metrics. The analyses encompass both adjusted and unadjusted pay gaps, including breakdowns by pay grade, function and job profile. The findings from these analyses are used to identify potential pay disparities requiring further verification and, where appropriate, to plan informational, analytical and corrective measures.

The company carries out awareness-raising initiatives and – where appropriate – takes corrective actions designed to reduce unjustified pay disparities, including mitigating the impact of career interruptions resulting from maternity leave. Additional communication and awareness activities are scheduled for 2026 in connection with preparations for the transposition into Polish law of the requirements of EU Directive 2023/970 on pay transparency. The company also plans to deploy an IT tool to support compliance with the requirements of the directive.

As part of its preparations to comply with the requirements of the Pay Transparency Directive, Polpharma took the following actions during the reporting year:

- implemented a standardized template for communicating the total compensation package to candidates during the recruitment process,
- strengthened communication with recruiters and managers regarding the prohibition against asking candidates about their compensation history.

In 2026–2027, Polpharma intends to apply additional measures to promote equal treatment in the compensation area, including by ensuring that employees have access to compensation information in accordance with applicable EU regulations, preparing for mandatory gender pay gap reporting and conducting pay gap analyses in cooperation with trade unions. Corrective actions will be considered whenever the pay gap reaches at least 5% and cannot be objectively justified by gender-neutral criteria.

The expected outcomes include reviewing and updating compensation ranges, identifying pay differences across employee categories and verifying whether these differences may be justified by objective criteria unrelated to gender. The outcomes of these analyses are intended to support the implementation of measures aimed at reducing unjustified differences in compensation.

Supporting professional development

Polpharma supports the development of employee competencies through a structured system of development activities comprising various forms of learning, including formal training (e-learning, webinars, workshops, conferences and language courses), subsidies for external training as well as development through projects, cross-departmental collaboration and mentoring. The extent to which individual development opportunities are utilized depends on the employee's role, identified development needs, job requirements and the availability of the initiative in question.

Employee development forms an integral part of the performance management process, under which objectives are established at the beginning of the year, while development activities and progress in building competencies are planned and reviewed during mid-year and annual performance discussions. In 2025, particular emphasis was placed on in-depth development discussions with supervisors, which supported the identification of employees' strengths, areas for further development and future career planning.

The company's approach to competency development combines learning through practical experience, learning from others and formal training, in accordance with the 70/20/10 model. The outcomes of these development discussions serve as one of the key sources of information used to plan employees' further professional growth.

In 2025, one of the most significant initiatives supporting employee competency development was the **Polpharma Campus**, an educational platform offering more than 200 courses covering, among other areas, personal, managerial, digital and project management competencies as well as topics related to sustainability. The platform's learning resources are available to all employees and members of management. The Campus offered flexible learning formats as well as access to external educational platforms. In 2025, more than 11,000 hours of training were delivered through the Campus and nearly 25% of employees made use of the platform.

In 2025, in addition to broad-based initiatives available to all employees, Polpharma also implemented programs specifically dedicated to the development of high-potential employees, managers and team leaders. These initiatives included mentoring, coaching, development programs and access to external educational platforms.

Comprehensive development initiatives were also directed at the entire management team and manufacturing team leaders. The Anatomy of Leadership program reached more than 460 managers, representing 92% of the eligible population and utilized gamification together with micro-learning, with 57% of participants completing every stage of the program. The Compass program, which has been operating continuously since 2023, supports the development of leadership competencies among manufacturing team leaders through competency assessments and a broad range of development activities, engaging approximately 80 managers each year. Furthermore, in 2025, in connection with a planned organizational restructuring, a Korn Ferry 4D managerial competency assessment was conducted among 227 individuals occupying the highest organizational levels. The outcomes are intended to serve as the foundation for individual development plans scheduled for implementation beginning in 2026.

Information regarding the average number of training hours, participation in performance reviews and career development processes as well as other metrics related to training and competency development is presented in disclosure S1-13. Together with the results of employee engagement surveys, this information serves as a source of data for monitoring and planning future development initiatives.

Worker development management

At Polpharma, the HR department is responsible for implementing development programs in cooperation with managers, HR Business Partners and, where appropriate, with the support of external organizations. This approach facilitates the design and implementation of development initiatives that address identified competency needs. Information collected from employees, including through consultations, focus groups and needs assessments, is used in the process of designing selected initiatives. This enables development activities to be tailored to the expectations of different employee groups and aligned with the company's business priorities.

The effectiveness of employee development initiatives is also confirmed by the results of the Polpharma Puls engagement survey.

According to the participants in the 2025 survey:
- employees believe that they are developing valuable skills and competencies (Poland: 73%, up by 3 percentage points compared to 2024; foreign representative offices: 85%, up by 12 percentage points compared to 2024),
- performance management process helps them clearly identify their strengths and areas requiring further development (Poland: 71%, up by 17 percentage points compared to 2024; foreign offices: 81%, up by 10 percentage points compared to 2024).

The effectiveness of these initiatives is reflected in a high eNPS score, which ranges from -100 to +100. For every evaluated development initiative offered to employees in 2025, the eNPS score was no lower than 80, demonstrating a high level of participant satisfaction and confirming the quality of the development programs. In addition to satisfaction surveys, Polpharma monitors the effectiveness of its development initiatives using selected metrics, including the average number of training hours per employee and the number of promotions.

Negative impact: Gender-based pay gaps that may occur for identical job roles

See the section entitled "Fair hiring and compensation conditions."

Negative impact: Work-related accidents in manufacturing sector

Ensuring safe working conditions for Polpharma's workforce and personnel from external companies performing work for the company as well as supporting the safety of operational and manufacturing processes constitutes one of the key areas of operational management and occupational health and safety. To achieve this, the company develops and deploys comprehensive measures aimed at continuously strengthening the safety culture while maintaining and further enhancing the safety standards already in place.

Polpharma conducts occupational health and safety training in accordance with applicable legal requirements and the principles set forth in the corporate procedure entitled "Training in the integrated safety and environmental management system."

The main categories of training include:
- general orientation training for new hires,
- on-the-job training ending with a final examination,
- periodic training for designated occupational groups,
- training or instruction provided to subcontractors.

Occupational health and safety training is delivered in the form of:
- in-person training sessions conducted by industry experts and qualified personnel,
- online training for designated occupational groups,
- post-incident alerts,
- internal training delivered through the MyLearning platform,
- team meetings held during shift changes,
- Safety Moment sessions, during which meetings in relevant areas begin with priority occupational health and safety topics,
- presentations on occupational health and safety issues displayed on large screens and other multimedia devices.

Polpharma maintains a full-time **Corporate Occupational Health and Safety Service** consisting of seven employees, including four based in Starogard Gdański and one each in Warsaw, Sieradz and Nowa Dęba. The Service performs its responsibilities in accordance with the Council of Ministers' Regulation on occupational health and safety services and the ISO 45001 standard. It also participates in maintaining the occupational health and safety management system and conducts consultations with employees, individuals working under the organization's supervision and other relevant stakeholders. The competencies and professional qualifications of team members are improved continuously.

The **hazard identification process** is governed by the corporate procedure entitled "Occupational risk assessment," which is based on the risk score methodology. The assessment team consists of the head of the organizational unit, acting as chairperson, an occupational health and safety officer and an employee representative. The purpose of this process is to identify appropriate risk reduction measures and improve working conditions, including by reducing physical strain and workplace monotony.

Risk control measures are selected in accordance with the following hierarchy:
- elimination of the hazard,
- replacement of processes, materials or equipment with lower-risk alternatives,
- implementation of technical and organizational measures to reduce risk,
- application of administrative measures, including instructions and training,
- use of personal protective equipment.

A review of the occupational risk assessment is carried out, among other circumstances, whenever:
- new positions are created,
- technical or technological changes are introduced,
- facilities or premises are modernized,
- legal or other applicable requirements change,
- a workplace accident occurs.

Team leaders are assigned annual **safety objectives**, with target metrics set on a pro rata basis with the number of workplace accidents recorded at the respective facility.

Information on hazards associated with chemical substances and mixtures is shared with employees through the Safety Data Sheet Database app (also accessible in a mobile version). The app contains safety data sheets together with basic identification information, including hazard classification and labeling in accordance with the CLP Regulation. The company also maintains a database of toxicological reports covering substances used and introduced into its facilities, including transferred substances, contract- or license-manufactured substances and new substances used in research, development and manufacturing. These reports provide the basis for assessing toxicity and assigning substances to one of five risk categories. The assessment results are used to define requirements for workstations and manufacturing infrastructure as well as to determine appropriate risk control measures. The applicable rules and procedures are described in the relevant system procedure.

The **"Stop Accidents" Preventive Program** serves as a system for reporting and responding to:
- near-miss incidents,
- observed hazardous conditions, and
- hazards or situations that may have resulted in injuries but, due to fortunate circumstances, did not.

The Program enables the prompt roll-out of preventive measures and facilitates the monitoring of their execution. In 2025, the program enabled the proactive identification and elimination of 2,356 hazardous situations and risks, thereby preventing workplace accidents.

The "Safety Leaders and Ambassadors" program is intended for personnel working in the manufacturing operations of the API Business Unit, the Solid Forms Production Plant, the Parenteral Forms Production Plant in Starogard Gdański and the Logistics Division. Its objective is to engage the company's own workforce in eliminating unsafe practices and promoting safe behaviors in the areas of occupational health and safety, fire protection and environmental protection, including safe conduct at workstations and the proper use of personal and collective protective equipment.

Meetings with safety ambassadors and leaders, attended by area management, are held at least once every quarter to review activities, discuss incidents and exchange best practices and experience. In 2025, advanced training sessions were organized for 59 participants in the program.

Since 2024, a recognition program for workplace accident-free days has been in operation. Its purpose is to recognize and further motivate plant personnel to protect both their own safety and the safety of their colleagues. In 2025, the Nowa Dęba branch was recognized for achieving four consecutive years without a workplace accident.



In 2026, the company intends to continue its existing programs, further digitize occupational health and safety processes, improve existing procedures and introduce the Golden Rules of Occupational Health and Safety approved by the Polpharma Management Board. These rules are intended to define the expected standards of behavior and promote responsible actions aimed at creating and maintaining a safe workplace. Compliance with these rules will be mandatory for all employees and all other individuals present on company premises.

The company continuously reports safety performance metrics together with the status of non-conformities identified during external audits, including system audits, customer audits and official inspections.

Positive impact: Fostering an inclusive and ethical workplace culture

Key initiatives to prevent discrimination and foster an inclusive working environment

The company's established practices in this area, including those related to incorporating DEI standards into recruitment processes, are described in disclosure S1-1.

In 2025, Polpharma employees and non-employees participated in the mandatory training program entitled "Different Together – diversity, equal opportunities, inclusion and a sense of belonging at Polpharma." The training formed part of the company's efforts to support the implementation of the Diversity Policy and to strengthen an organizational culture founded on respect for diversity, equal opportunities, inclusion and a sense of belonging. The training was completed by 81% of employees.

Since April 2024, managers involved in recruitment processes have been required to complete training on DEI standards in recruitment and their practical application. A total of 87 hiring managers completed the training.

In 2025, Polpharma launched the next training module for managers entitled "Diversity, Equity & Inclusion in recruitment." The training covered, among other topics, avoiding stereotypes, preventing discrimination, including discrimination based on gender, age, disability and neurodiversity, using gender-neutral language and recognizing and avoiding microaggressions.

In 2025, the company began reviewing the language used in its training and development procedures to ensure that communications are more inclusive.

Topics related to diversity and inclusion are also incorporated into the annual Polpharma Puls survey. In 2025, 85% of employees stated that all team members were treated equally regardless of their individual characteristics, including ethnicity, race, age, ability, sexual orientation, gender or gender identity, representing an increase by 3 percentage points compared to the previous year. Furthermore, 63% of respondents indicated that they were able to express their opinions at Polpharma without fear of adverse consequences, representing an increase by 4 percentage points.

In 2025, Polpharma was recognized in the Diversity IN Check survey organized by the Responsible Business Forum, having achieved a score greater than 80% of the maximum possible points and ranking among the most advanced organizations in Poland with respect to diversity and inclusion management. This distinction confirms the implementation of initiatives aimed at fostering an inclusive work environment, developing DEI competencies and monitoring progress in this area.

Additional initiatives promoting a values-based organizational culture are described in disclosure G1-1.

Negative impacts: Challenges related to employee well-being and work-life balance

One of the five thematic areas of the Polpharma Campus is a module dedicated to well-being and health. The module is based on an approach that emphasizes the importance of five pillars – physical, emotional, mental, spiritual and relational resources – for overall well-being and effective job performance. As part of this module, courses, challenges, workshops and meetings are held on topics such as habit building, burnout prevention, recovery and appreciation.

The **Polpharma Health Hub** is a platform available to all employees that serves as one of the tools supporting preventive healthcare and health education. It enables employees to participate in live educational events, complete health-related challenges and access individual consultations of up to five sessions per person. During the reporting year, approximately 1,200 employees used the platform and a total of 730 hours of individual consultations were provided. Three company-wide challenges were organized, focusing on physical activity, balanced nutrition, sleep and digital hygiene, with more than 500 participants taking part in each challenge. More than 1,000 employees also participated in educational events organized through the platform. Additionally, on-site events were organized at manufacturing facilities to demonstrate the platform's functionality through dedicated thematic stands.

The **FizjoTour Project** was designed for approximately 1,800 manufacturing workers and included practical training on performing everyday activities in a way that helps prevent physical strain. The Project comprised 82 days of work performed by a physiotherapist at six manufacturing facilities. Ninety percent of the target group participated in sessions with a physiotherapist at their workstations, while 30% of participants received individual consultations.

In 2025, a pilot series of workshops was conducted, focusing on the specific challenges associated with shift work. The workshops covered topics including sleep hygiene,

healthy nutrition, stress management and maintaining relationships while working irregular shift schedules. The Project involved 60 shift workers employed at the Duchnice facility. A total of 480 hours of practical and interactive live sessions were delivered.

Monitoring the effectiveness of the initiatives

According to the Polpharma Puls survey, **72%** of respondents stated that they are able to cope with work-related stress, representing an increase by 5 percentage points compared to 2024. This may indicate that Polpharma's initiatives in the area of employee well-being management are moving in the intended direction.

The objectives for each of the activity areas described above were defined as measurable annual goals with assigned performance metrics and target values within the "Health A+" well-being strategy adopted in 2025. These objectives relate to the following:

- number of program participants,
- participants' experience, as reflected in responses to selected questions included in the company-wide Polpharma Puls engagement survey,
- participant satisfaction.

Impact management is supported by funding from the HR budget allocated to development programs, the PR budget and, to a lesser extent, resources from the company social benefits fund. A representative of the Culture and Development Department, responsible for developing the well-being strategy with support from the Occupational Health and Safety teams and HR Business Partners, was accountable for implementing these activities.



In 2026, the company intends to continue the endeavors pursued in its key priority areas, namely strengthening mental resilience and promoting preventive healthcare. The plan is to integrate well-being initiatives with competency development programs while further strengthening the company's position as an employer of choice through an increased commitment to employee health.

In the context of the risk of inappropriate management practices, Polpharma implements measures aimed at strengthening managerial competencies, enhancing leadership quality and improving standards of communication and collaboration with teams. These measures include development programs for managers and team leaders, such as Anatomy of Leadership, Leader's Laboratories, START and Compass as well as initiatives supporting regular development discussions and performance management. These initiatives are intended to reduce the risk of undesirable managerial behaviors and promote an organizational culture founded on respect, accountability and open dialogue. The effectiveness of these measures is monitored through, among other sources, the outcomes of the Polpharma Puls survey, feedback from participants in development programs and the available channels for reporting concerns.

[41]
In situations where a conflict arises between achieving business objectives and preventing negative impacts on the company's own workforce, Polpharma follows an approach based on management's responsibility to promote compliance with applicable policies, ethical principles, occupational health and safety requirements and respect for employee rights. Issues related to safety, worker rights, equal treatment or ethics may be escalated to the appropriate functions or governing bodies, including HR, occupational health and safety, compliance, the Management Board or the Compliance Committee, in accordance with their respective responsibilities.

Opportunity to accelerate business growth through the development of new competencies

To capitalize on the opportunity described above, the company intends to take the following actions by 2030:

- implement the Polpharma Power Skills Map, designed to define the key competencies required to pursue the business strategy and ensure the company's long-term success,
- focus development efforts on competencies of strategic importance and implement development plans based on the 70/20/10 model,
- develop Polpharma Group-wide mechanisms that support internal mobility, the acquisition of international experience and exposure to diverse outlooks,
- further develop talent management, mentoring and succession planning programs aimed at building the competencies required to achieve the company's strategic objectives,
- develop and promote initiatives that foster innovation, experimentation, rapid adaptation, continuous improvement, knowledge sharing and cross-functional collaboration.

The actions outlined above have been incorporated into the ESG Strategy for 2026–2030. Specific targets have been assigned to these actions and progress will be monitored and reviewed at least once each year. Responsibility for coordinating their implementation will rest with the Culture and Communication Department and the Corporate Growth Department.

[MDR-A 69]
Implementing the measures described does not require significant capital expenditures (CapEx). These activities are funded through the current operating budgets of the relevant organizational units, including budgets related to the management of their own workforce. The company does not disclose separate cost information regarding salaries, employee benefits or development activities.

[S1-5]

Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities

[74, MDR-T 80 c), d), e)]
The targets related to the company's own workforce have been incorporated into the ESG Strategy for 2026-2030. Representatives from the functions substantively responsible for the relevant topics, including occupational health and safety, training and development, compliance, well-being and DEI, participated in the process of establishing these targets. When defining the targets, the company also took into consideration the available information obtained through employee dialogue mechanisms, including engagement survey results, consultations and other forms of obtaining employee feedback. The targets have no baseline values assigned, with the exception of the fourth target, nor any interim targets/milestones values.

Progress toward these targets will be monitored by the individuals and organizational units responsible for their implementation while progress will be reviewed at least once a year by the Sustainability and ESG Department in cooperation with the relevant departments and responsible individuals. The results of these reviews will be reported to the ESG Committee and disclosed as part of the sustainability reporting process. The results of the analyses will be used to evaluate the effectiveness of the measures, identify areas requiring further review and, where appropriate, plan actions to support the necessary changes. The company recognizes that the targets may be periodically validated and, where appropriate, updated on the basis of information obtained during these reviews.

Target 1

Maintain zero serious workplace accidents each year

[MDR-T] [80 a), b)]
This target is linked to the provisions of the Occupational Health and Safety Policy, which include ensuring safe and healthy working conditions, protecting employees' health, promoting a strong workplace safety culture and continuously raising safety standards.

[80 f)]
The target was established on the basis of an assessment of the maturity of the occupational health and safety management system and information used in OHS processes, including data from risk assessments, accident records, audits and reviews of preventive and corrective actions. It is based on a preventive approach focused on identifying, eliminating or mitigating hazards with the greatest potential to result in serious consequences, while continuously improving occupational health and safety processes.

The underlying assumption is that the risk of serious workplace accidents may be reduced through appropriate organizational, technical and behavioral measures. The definition of a serious workplace accident is based on the applicable provisions of Polish law. The target applies to each year covered by the ESG Strategy for 2026–2030. The target is aligned with both national and European Union occupational health and safety regulations, which emphasize accident prevention and the mitigation of occupational risks.

[80 h)]
Representatives of the Occupational Health and Safety Department participated in establishing the target. Other employees and their representatives did not participate in the target-setting process.

[80 j)]
Progress toward the target is monitored using internal records of workplace accidents and near-miss incidents, audit findings, risk assessments and information regarding the taking of preventive and corrective actions. Progress is monitored within the occupational health and safety management system with the related occupational health and safety metrics presented in disclosure S1-14.

[MDR-T] [80 a), b)]

Target 2

Maintain the proportion of women and men in managerial positions within the 40–60% range each year

This target is aligned with the principles of the Diversity Policy, which prohibits discrimination on the basis of gender and promotes equal opportunities in access to managerial positions. The policy provides a framework for personnel decisions related to recruitment, promotion and competency development processes, thereby supporting the achievement of a balanced gender composition within the managerial workforce in line with the adopted target.

[80 f)]
The target was established on the basis of an analysis of the employment structure in managerial positions and an assessment of recruitment, promotion and succession planning processes. For the purposes of this target, managerial positions are defined as all roles involving responsibility for managing a team. The adopted 40–60% range means that the representation of either gender among employees holding managerial positions should not fall below 40% or exceed 60% in any year.

[80 h)]
Representatives of the HR Department and the Management Board Representative for Diversity, Equity and Inclusion participated in setting the target. Other employees and their representatives did not participate directly in the target-setting process. However, the target was established on the basis of available information from HR analyses, recruitment, promotion, succession planning and development processes.

[80 j)]
Progress toward this target is monitored using data from internal HR systems concerning the composition of the managerial workforce, together with information on promotions, recruitment for managerial positions, succession planning and development initiatives.

[MDR-T] [80 a), b)]

Target 3

Maintain the gender pay gap below 5% each year

The target is linked to Polpharma's compensation policies and the principles of equal treatment laid down in the Diversity Policy and other documents. These principles include the application of objective, gender-neutral criteria for determining compensation as well as the monitoring and reduction of unjustified pay disparities.

[80 f)]
This target was established on the basis of periodic compensation analyses carried out using internal payroll data. For the purposes of monitoring the target, the gender pay gap is defined as the difference between the average base compensation of women and men, expressed as a percentage of the average base compensation of men.

The analyses may be supplemented by additional breakdowns, including comparable positions, job categories and organizational levels, in order to identify potential differences requiring further verification. The adoption of a threshold below 5% is consistent with the requirements of EU Directive 2023/970 on pay transparency, which requires the analysis of pay gaps exceeding this level and permits larger differences only where they are justified by objective and gender-neutral criteria.

[80 h)]
Representatives of the HR Department and the Management Board Representative for Diversity, Equity and Inclusion participated in establishing this target. Employees and their representatives did not participate directly in the formal target-setting process. However, the information used to define the target included available HR and compensation analy-

ses, the results of compensation reviews and information obtained through employee dialogue mechanisms, including consultations with employee representatives concerning compensation.

Progress toward this target is monitored using HR and payroll data, analyses of the workforce structure and the outcomes of compensation reviews.

MDR-T] [80 a), b)]

Target 4

Increase the proportion of promotions outside the current role from 3% to 5% by 2030

The target of increasing the proportion of promotions outside the current role is linked to the company's goals related to employee development, internal mobility and the development of competencies required to execute its business strategy. It supports Polpharma's positive impact on employees by creating opportunities for professional growth, gaining experience in new areas and assuming roles with a substantially different scope of responsibility. This target is particularly connected with the company's procedures and practices related to training and development, performance management, succession planning and internal recruitment.

[80 f)]

The target was established on the basis of an analysis of HR data related to promotions, internal mobility and the organization's development needs. For the purposes of this target, a promotion outside the current role means a move to a position involving a significantly different scope of responsibilities than the worker's current role, including, in particular, a move across functions, departments or organizational units.

The metric will be calculated on the basis of internal HR data as the proportion of promotions outside the current role relative to the total number of promotions recorded during the respective year, in accordance with the adopted HR methodology. When interpreting the results, factors including the organizational structure, the availability of vacancies, the scale of organizational changes and the competency requirements of individual business units will also be taken into consideration.

[80 h)]

Representatives of the HR Department, together with individuals responsible for employee development, organizational culture and competency planning, participated in establishing this target. Employees and their representatives did not participate directly in the formal target-setting process. However, information derived from performance management processes, development discussions, succession planning, internal recruitment and HR analyses.

Progress toward the target will be monitored using HR data related to promotions, role changes, internal recruitment, succession planning and development activities.

MDR-T] [80 a), b)]

Target 5

Achieve recognition as a leading employer in a selected external benchmark or certification

The achievement of this target will be assessed on the basis of Polpharma's results in a selected international employer benchmark or certification process, in accordance with the methodology applicable to the respective external assessment.

This target has not been derived directly from any specific company policy. Rather, it supports the management of Polpharma's positive impact on its own workforce through initiatives related to employment stability, working conditions and compensation, employee development, well-being, employee dialogue and organizational culture. It is linked to the provisions of selected internal regulations, including the Diversity Policy, the Code of Ethics, the Polpharma Group Employee Occupational Safety and Health Policy and procedures governing training, development and employee dialogue.

[80 f)]

The target was established on the assumption that participation in an external benchmark or certification process may provide an additional, independent source of information regarding the maturity of the company's employment practices and the quality of its working environment in comparison with other organizations. The scope of the assessment will depend on the methodology of the selected benchmark or certification and may include, among other areas, practices related to human resources management and development, employee well-being, diversity and inclusion, internal communication, organizational culture, employee engagement and working conditions.

The achievement of this target is expected to result in Polpharma obtaining, on an annual basis, a score, distinction, status or certification recognizing the company as a leading employer in accordance with the rules applicable to the selected benchmark or certification. The selection of a specific benchmark or certification will take into account its international reach, market recognition, methodological transparency and the ability to compare results with relevant organizations or the broader market.

[80 h)]

Representatives of the HR Department and individuals responsible for organizational development and culture participated in establishing this target. Neither workers nor their representatives participated directly in the formal target-setting process. However, available information obtained through employee dialogue mechanisms, including the outcomes of the Polpharma Puls survey and worker consultations, was taken into consideration. If the selected benchmark or certification includes a worker opinion survey, workers' perspectives will be incorporated in accordance with the methodology applied by the relevant external organization.

[80 j)]

The target will be assessed on the basis of Polpharma's results in a selected international employer benchmark or certification process, in accordance with the methodology applicable to the respective external assessment. The achievement of this target will result in Polpharma obtaining a score, distinction, status or certification recognizing the company as a leading employer in accordance with the rules applicable to the selected benchmark or certification.

Achievement of the targets established under the Sustainable Development Strategy for 2022–2025:

Worker engagement exceeding the market average in Poland (according to the Kincentric survey)

73%

Employee engagement score in Polpharma in 2025 (market average for Poland in 2025: 53%)

The worker engagement rate among women and men was 75% and 70%, respectively, in Poland and 91% and 90%, respectively, at the representative offices.



[S1-6]

Characteristics of the undertaking's employees

[MDR-M]
Data related to employee characteristics have been obtained from the internal Workday HR system.

The measurement of this metric has not been validated by any external organization other than the assurance service provider.

[50 a), b)]
Characteristics of Polpharma's workers in the 2025 reporting year

Category	Women	Men	TOTAL
Total number of employees	2,388	2,067	**4,455**
Number of permanent employees (employed under indefinite-term contracts)	2,056	1,818	**3,874**
Number of temporary employees (employed under fixed-term contracts)	332	249	**581**
Number of full-time employees	2,367	2,064	**4,431**

[50 c)]
Total number of employees who left Polpharma during the 2025 reporting year and employee turnover rate

Total number of employees who left the company during the reporting period	274
Turnover rate*	6.15%

* Turnover rate: number of departures divided by the total number of employees

[50 d), e)]
The disclosed employment data refer to the number of employees (headcount) as at the final day of the reporting period and include employees on long-term absences, such as maternity leave.

Employees are defined as individuals hired under an employment contract.

Number of departures broken down by reason

	Voluntary	Involuntary	Other reasons*	TOTAL
Senior management	1	2	1	4
Middle management / experts	23	12	4	39
Operational positions / specialists	111	66	54	231
TOTAL	135	80	59	274

* Employee retirement or death.

[S1-7]

Characteristics of non-employee workers in the undertaking's own workforce

[MDR-M 77] [55 b), c), 56]
Data related to non-employees who constitute the company's own workforce is reported in two categories:
(1) individuals performing work under civil law contracts, B2B agreements and other individual arrangements, such as management contracts, (2) individuals employed through temporary employment agencies.

Data for the first category is reported as at the end of the reporting period based on the number of individuals engaged. This category includes, among others, interns, legal professionals engaged under B2B contracts and IT contractors, and represents approximately 1.5% of the company's total own workforce.

Data for the second category is reported as the average number of full-time equivalents during the reporting period, reflecting the temporary nature of this form of employment and the associated worker turnover. This category consists predominantly of individuals performing work directly related to manufacturing processes, such as manufacturing operators. It represents approximately 4% of the company's total own workforce.

[S1-8]

Collective bargaining coverage and social dialogue

[MDR-M]
The data required for this disclosure is collected from each location where a collective bargaining agreement is in force, based on information obtained from the HR and payroll system. The data is presented as at the end of the reporting period. They have not been verified by any external organization other than the assurance service provider.

[61] [63 a)-b)]
Polpharma fully respects the right to freedom of association. During the reporting period, 5 trade unions operated within the company, ensuring that all workers had the opportunity to be represented. However, no European Works Council, Works Council of a European Company or Works Council of a European Cooperative Society operated within the company.

The scope of consultations conducted with trade unions and employee councils is described in disclosure S1-2.

The percentage of all company employees covered by collective bargaining agreements is 85%. A company-wide collective bargaining agreement is in force at Zakłady Farmaceutyczne Polpharma S.A. in Starogard Gdański, but it does not apply to the branches in Nowa Dęba and Sieradz. The terms and conditions of employment for employees at these branches are determined on the basis of the applicable compensation regulations.

The terms and conditions applicable to non-employees but constitute the company's own workforce are neither established through collective bargaining agreements nor influenced by such agreements.

The terms of cooperation with individuals performing work under contracts for services or B2B agreements are based on the provisions of the respective contracts, while cooperation with temporary staffing agencies is governed by the provisions of the Act on the Employment of Temporary Workers.



[50 a), b)]
Number of non-employees constituting Polpharma's own workforce, broken down by category and gender

Number of non-employees	Women	Men	TOTAL
Working under external contracts	93	11	104
Working under civil law contracts (contracts for services and contracts for specific work) and cooperation agreements (B2B)	43	25	68
TOTAL	**136**	**36**	**172**

[S1-9]

Diversity metrics

[MDR-M, AR 71]
For reporting purposes, senior management is defined as employees classified at grade 19 or above in accordance with the Korn Ferry grading methodology.

[66 a)]
Number and percentage of employees at senior management level at Polpharma during the 2025 reporting year

Category	Women	Men	TOTAL
Number of persons at senior management level	38	57	**95**
Gender distribution at senior management level [%]	40	60	**100**

[66 b)]]
Age structure of Polpharma employees during the 2025 reporting year

Age category	TOTAL	Age structure [%]
Under 30	542	12.17
Aged 30 to 50	2,881	64.67
Over 50	1,032	23.17
TOTAL	**4455**	**100**

[S1-10]

Adequate wage

[MDR-M]
Polpharma adopted the national benchmark for an adequate wage level. For Poland, this benchmark was the statutory minimum wage applicable in 2025. This level was subsequently verified against data published by the WageIndicator Foundation regarding the estimated living wage. Since the statutory minimum wage in Poland in 2025 exceeded the lower threshold of the living wage estimated by the WageIndicator Foundation, it was adopted as the benchmark used in the analysis.

[69, 71]
Polpharma seeks to ensure that the compensation of its own workforce is not lower than the adopted benchmark for an adequate wage, taking into account the scope of available data and the company's influence over compensation conditions.

To monitor this approach, Polpharma conducts an annual compensation review that includes an analysis of compensation levels in relation to the adopted living wage benchmark. The analysis was performed at the end of 2024 following completion of the 2025 compensation review process. It covered 100% of the company's own workforce. With respect to individuals hired through temporary staffing agencies, Polpharma obtained confirmation from four partner agencies in Poland regarding compensation levels relative to the applicable statutory minimum wage. Based on the analysis of compensation data and the confirmations received from the temporary staffing agencies, no instances of compensation below the adopted benchmark for an adequate wage were identified among the individuals included in the analysis.

[S1-11]

Social protection

[74]
All members of the Polpharma workforce employed in Poland under employment contracts, irrespective of their working time arrangements, are covered by social protection against loss of income in accordance with applicable legislation. This protection includes a range of benefits and safeguards related to events such as illness, unemployment, workplace accidents, parental leave and retirement.

Moreover, Polpharma provides all employees with access to supplementary benefits, including:

- basic private healthcare package through the LUX MED/ Medpharma Group,
- opportunity to participate in an employee retirement plan under which the employer finances contributions toward supplementary pensions (excluding employees with less than three months of service or those over the age of 70),
- non-repayable financial assistance for individuals experiencing particularly difficult life situations,
- loans available through the inter-company benefit and loan fund,
- loans for housing purposes.

Individuals who are not employees but form part of the company's own workforce are generally not covered by the additional non-wage benefits described above, and the scope of social protection provided by the employer depends on the type of contract and its specific terms.

[75]
In all of the company's foreign representative offices, employees are covered by social protection in accordance with applicable local legislation.

[S1-13]

Training and skills development metrics

[MDR-M]
The scope of training activities included in this disclosure covers both formal and informal forms of competency development implemented through, among other methods, instructor-led training sessions focused on acquiring or expanding competencies and sharing best practices, e-learning courses and online educational materials, inspirational webinars, domestic and international industry conferences, language courses, undergraduate and postgraduate studies (including MBA programs), training platforms providing remote learning opportunities, specialized courses culminating in certification or competency assessments as well as individual development activities such as consultations, coaching, mentoring and 360-degree feedback. This disclosure also includes other development activities that do not fall within the categories listed above, provided they are educational and developmental in nature.

The scope of the disclosure excludes mandatory and regulatory trainings, in particular, occupational health and safety training, Good Manufacturing Practice (GMP) training, on-the-job instruction and paid training leave.

[83 a)]
Number and percentage of employees who participated in regular performance and career development reviews at Polpharma during the 2025 reporting year, broken down by gender

	Women	Men	TOTAL
Number of employees who participated in regular performance and career development reviews	2,179	1,951	4,130
Total number of employees	2,388	2,067	4,455
Percentage of employees who participated in regular performance and career development reviews [%]	91.25	94.39	92.7

[84)]
Number and percentage of employees who participated in regular performance and career development reviews at Polpharma during the 2025 reporting year, broken down by position

	Senior management	Middle management / experts	Operational positions / specialists	TOTAL
Number of employees who participated in regular performance and career development reviews	94	821	3,215	4,130
Total number of employees	95	846	3,514	4,455
Percentage of employees who participated in regular performance and career development reviews [%]	98.94	97.04	91.49	92.70

[83 b)]
Number of training hours at Polpharma during the 2025 reporting year, broken down by gender

	Women	Men	TOTAL
Total number of employees	2,388	2,067	4,455
Total number of training hours	60,620	46,087	106,707
Average number of training hours per employee	91.25	94.39	92.7

[84)]
Number of training hours at Polpharma during the 2025 reporting year, broken down by position

	Senior management	Middle management / experts	Operational positions / specialists	TOTAL
Total number of employees	95	846	3,514	4,455
Total number of training hours	5,214	36,598	64,894	106,707*
Average number of training hours per employee	54.88	43.26	18.47	23.95

*Subtotals do not add up to the total due to rounding to the nearest whole number

[S1-14]

Health and safety metrics

[MDR-M]
The disclosures presented below take into account the total number of hours actually worked by employees and non-employees constituting the company's own workforce.

[88 a), 90]
Number and percentage of individuals constituting the company's own workforce who were covered by Polpharma's occupational health and safety management system during the 2025 reporting year

Number of employees and non-employees constituting the company's own workforce	4,627
Number of persons covered by the occupational health and safety management system	4,627
Percentage of persons covered by the occupational health and safety management system [%]	100

[88 b)]
In 2025, Polpharma reported no fatalities resulting from work-related injuries or work-related ill health.

[88 c), d), 89]
Number and rate of reportable work-related accidents and cases of work-related ill health at Polpharma during the 2025 reporting year

	Employees	Non-employees	TOTAL
Total number of hours worked	6,953,046	371,106	7,324,152
Number of recordable work-related accidents	17	1	18
Accident rate	2.45	2.69	2.46
Number of reportable cases of work-related ill health	0	0	0

[88 d)]
During the reporting period, Polpharma's records did not include any cases of work-related ill health among employees that were reportable under the adopted reporting methodology.

[88 e)]
With regard to the company's employees, the total number of days lost in 2025 due to work-related injuries, fatalities resulting from work-related accidents, work-related ill health and fatalities resulting from occupational illnesses amounted to 561.

Occupational health and safety management system

[AR 81]
Polpharma maintains a certified Integrated Environmental and Occupational Health and Safety Management System that complies with ISO 14001, ISO 45001 and ISO/IEC 17025 standards ("ISO System"). The system has been implemented at all of the company's manufacturing facilities, while certification currently covers the plant in Starogard Gdański.

The ISO System applies to the company's own workforce engaged in activities including experimental, chemical and pharmaceutical manufacturing, the sale of pharmaceutical products and active pharmaceutical ingredients as well as wastewater treatment.

The occupational health and safety management system undergoes annual external audits, including surveillance and recertification audits as well as customer audits covering, among other things, the requirements of the Pharmaceutical Supply Chain Initiative (PSCI), a comprehensive ethical standard for the pharmaceutical industry.

Internal audits are conducted in accordance with the PN-ISO 45001 standard based on an annual audit schedule.

The audit findings provide the basis for identifying areas requiring corrective action and are recorded in the TrackWise electronic system.

In 2025, 37 internal audits of the ISO System were conducted. The company also underwent 4 external audits.



[S1-15]

Work-life balance metrics

[MDR-M] [94]

In 2025, 100% of Polpharma employees were eligible for family-related leave. Family-related leave includes maternity leave, paternity leave, parental or family-related leave and caregiver leave available under applicable national legislation.

[93 a), b)]

Number and percentage of employees eligible for family-related leave at Polpharma during the 2025 reporting year, broken down by gender

	Women	Men	TOTAL
Total number of employees / number of employees eligible for family-related leave	2,388	2,067	4,455
Number of eligible employees who took family-related leave	754	461	1,215
Percentage of employees eligible for family-related leave [%]	100	100	100
Percentage of eligible employees who took family-related leave [%]	31.57	22.30	27.27



[S1-16]

Remuneration metrics (pay gap and total remuneration)

[S-16 97 a)]

Pay gap at Polpharma during the 2025 reporting year, broken down by position (base pay)

		Senior management	Middle management / experts	Operational positions / specialists
Gender pay gap (base pay)	3.97%	17.55%	7.16%	-4.79%

Pay gap at Polpharma during the 2025 reporting year, broken down by position (base compensation together with fixed and variable compensation components)

		Senior management	Middle management / experts	Operational positions / specialists
Gender pay gap (base pay + allowances)	4.95%	19.74%	7.65%	-5.39%

[97 c), [MDR-M]

The gender pay gap was calculated based on the average hourly rate of pay. The average hourly rate was calculated by dividing the total monthly compensation, converted to full-time equivalents for existing employees as at the final day of the reporting period, by the total average monthly number of working hours for the reporting period. The metric is presented in two ways. The first approach considers base salary only, whereas the second includes base salary together with fixed and variable compensation components, such as bonuses and housing allowances.

The analysis was carried out in accordance with uniform principles applied throughout the Polpharma Group. Each country was assigned a weighting corresponding to its share of employment within the individual job categories across the company. Based on these weightings, weighted average salaries were calculated for each job category, separately for women and men. The ratio was calculated exclusively for workers hired under employment contracts.

The principles of personal data protection and information confidentiality take precedence over the obligation to disclose data within the sustainability reporting process. Consequently, the gender pay gap metric is calculated after excluding data whose processing might lead to the identification of individual employees at the data collection or reporting stages. Data related to the average gross hourly rate for a specific job category, gender and country are processed only where the category includes at least two individuals of the same gender, that is, at least two women or at least two men. The exclusion of data subject to these

restrictions does not materially affect the consolidated gender pay gap calculation, because the methodology used applies weightings based on the number of employees when calculating the average hourly rate.

For personal data protection reasons, the following information was excluded from the calculations:
- data from Vietnam,
- in the “Senior management” category: data on women and men in Bulgaria, Czechia, Lithuania and Latvia,
- in the “Middle management/experts” category: data on women in Czechia and Latvia.
- In the Operational Positions/Specialists category, data on men in Czechia, Lithuania and Latvia.

The reported metric values have not been verified by any external organization other than the assurance service provider.

[S1-17]

Incidents, complaints and severe human rights impacts

[103]

Number of discrimination cases, complaints and total amount of fines at Polpharma during the 2025 reporting year

Total number of reported discrimination cases, including harassment, during the reporting period	1
Number of complaints submitted by the company’s own workforce through whistleblowing channels	20
Number of complaints submitted to national contact points under the OECD Guidelines for Multinational Enterprises	0
Total amount of fines, penalties and compensation for damages arising from incidents and complaints [PLN]	0

[104]

During the reporting period, no severe human rights incidents involving the company’s workforce were recorded.

[MDR-M]

The reported metric values have not been verified by any external organization other than the assurance service provider.



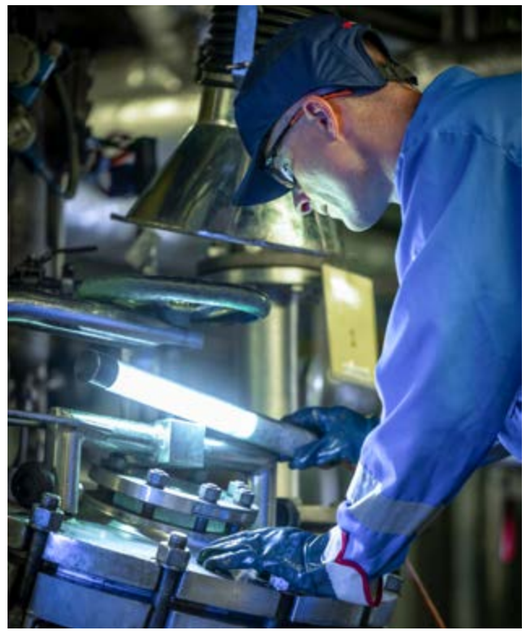
ESRS S2

Workers in the value chain

[S2 SBM-2]

Interests and views of stakeholders

[9]
The interests and rights of workers within Polpharma's value chain are identified as part of the company's due diligence and materiality assessment processes. These issues are taken into consideration in the company's approach to supply chain management, including the development of policies and standards governing cooperation with suppliers.



[S2 SBM-3]

Material impacts, risks and opportunities and their interactions with strategy and business model

[11 a), 11, 12]
Categories of workers in Polpharma's value chain and scope of disclosures

As part of its materiality assessment, the company concluded that it may exert a material impact on workers hired by entities in the upstream segment of its value chain, particularly workers of the suppliers of active pharmaceutical ingredients, excipients and other raw materials and supplies required for pharmaceutical manufacturing located in Asia. Through its business relationships, the company may influence these individuals with respect to matters related to working conditions in the broadest sense.

Other categories of workers in Polpharma's value chain, including:
- workers present at the company's facilities who are not part of its own workforce, such as employees of construction or renovation companies carrying out contracted work,
- employees of entities operating in the downstream segment of the value chain, particularly pharmaceutical wholesalers and pharmacies,

were assessed as not being subject to material impacts and, accordingly, were not included in the disclosures presented in this section (except where information expressly applies to all suppliers of products and services).

The company does not conduct business operations through joint ventures or special-purpose entities.

[10 a), b)]
Impact on workers in the value chain

Polpharma has identified the following material impacts on workers hired by entities operating further upstream in its value chain.

Positive impact (actual):

- **Promoting appropriate working conditions in the supply chain**

To promote responsible practices in the whole supply chain, Polpharma sets clear requirements for its suppliers in the Supplier Code of Conduct, addressing appropriate working conditions.

Negative impact (actual):

- **The occurrence of unethical labor practices and human rights violations in the supply chain**

A significant part of Polpharma's supply chain is located in Asia, including China and India. These regions may have relatively lower labor standards and present challenges due to limited oversight. Some suppliers may fail to provide fair wages, enforce reasonable working hours, or uphold adequate health and safety standards. This can lead to unsafe working conditions, an increased number of inccidents of workplace injuries and, in severe cases, human rights violations, including forced labor and child labor.

Both of the impacts described above arise directly from Polpharma's business relationships, while the negative impact is additionally linked to the company's dependence on external suppliers located in Asia.

The identified material impacts are addressed within Polpharma's strategy and business model by incorporating requirements related to human rights, labor standards and occupational health and safety into supply chain management processes, particularly those governing the selection of business partners and the monitoring of supplier relationships, including verification of compliance with the Supplier Code of Conduct as well as by taking these matters into account during periodic ESG risk assessments. These processes result in a risk-based approach to supplier relationship management, including the prioritization of actions directed at suppliers operating in higher-risk regions and categories, together with the escalation of identified issues and the planning of corrective actions where instances of non-compliance are identified. Consequently, these measures contribute to refining the implementation of the company's business model by strengthening supplier selection, oversight and development mechanisms, while also enhancing supply continuity and resilience, without altering the company's core business profile.

[11 d)]
The identified positive impact on individuals working in the company's value chain results from Polpharma's efforts to promote responsible practices related to human rights, working conditions and workplace safety among its business partners. By incorporating appropriate requirements into procurement processes and maintaining ongoing dialogue with suppliers, Polpharma supports the creation of conditions that contribute to improving labor standards throughout the value chain.

This positive impact extends across the upstream segment of the company's value chain, because the Supplier Code of Conduct applies equally to all business partners, who are

also expected to implement the standards laid down therein throughout their own subcontractor networks. However, the scale of this impact is difficult to assess at the level of individual suppliers or specific locations.

[11 c) i., ii.]
Polpharma's indirect negative impact on workers within its value chain occurs particularly in the sourcing of active pharmaceutical ingredients (APIs) and intermediates, which are characterized by complex manufacturing processes, extensive subcontractor networks and limited transparency regarding working conditions in certain jurisdictions. This impact is systemic in nature and is associated with the structure of global supply chains rather than with specific incidents or individual business partners.

[12]
As part of the materiality assessment process, a simplified analysis was carried out to determine whether any groups of people in Polpharma's value chain might face a heightened risk of negative impacts. The analysis, which was general and systemic in nature, considered, among other factors, the characteristics of the value chain, its geographic diversity and the regulatory and sector-specific environments in which the company's business partners operate. The analysis did not identify the existence of any particularly vulnerable groups.

[11 b)]
Polpharma has not identified any geographic regions or categories of goods presenting a significant risk of child labor or forced labor within its value chain. Nevertheless, these issues are taken into account when establishing the requirements applicable to suppliers.

[11 e)]
Risks and opportunities related to workers in the value chain

Polpharma has not identified any material risks or significant opportunities in this area.

[S2-1]
Policies related to value chain workers

[MDR-P 65 a)-c)]
The framework governing the management of issues related to workers in Polpharma's value chain is defined primarily by the Human Rights Protection Policy and the Supplier Code of Conduct, the implementation of which in supplier relationships is operationalized through the Sustainable Supply Chain Policy in the Purchasing Function. Taken together, these documents establish the principles for managing the company's impact on workers in the value chain and constitute an integral element of its due diligence system.

The Human Rights Protection Policy defines Polpharma's commitments regarding respect for human rights and labor rights, particularly in relation to working conditions, including occupational health and safety, the prohibition of child labor, forced labor and human trafficking, the prohibition of discrimination and the obligation to ensure fair employment practices and adequate wages. The company expects its business partners to comply with these same principles, as set forth in the said policies and further detailed in the Supplier Code of Conduct. These expectations apply to relationships with all business partners throughout the value chain and do not provide for any exemptions based on geography or the specific undertaking.

The implementation of these policies is embedded within procurement and supply chain management processes and is carried out through contractual obligations imposed on suppliers, regular risk assessments, ongoing dialogue with suppliers and awareness-raising activities. Monitoring of policy implementation is based on the company's due diligence process and established mechanisms for reporting irregularities, which are described in greater detail in disclosure G1-1. It should be noted that the Speak Up reporting channel is not available to suppliers, in the same way that it is not available to other external stakeholders. Furthermore, Polpharma is progressively implementing a supplier audit program together with a corrective action program for business partners identified as presenting elevated ESG risks. The first supplier audits are scheduled to commence in 2026.

Oversight of policy implementation is exercised by the Management Board, with the support of the Sustainable Development Committee and the functions responsible for procurement, compliance and risk management.

Further information regarding supplier relationship management is provided in disclosure G1-2.

[MDR-P 65 d)] [19]
The adopted policies are aligned with internationally recognized standards of responsible business conduct, in particular the UN Guiding Principles on Business and Human Rights, the standards of the International Labor Organization and the OECD Due Diligence Guidance for Responsible Business Conduct. This alignment is achieved through an evolving due diligence process based on risk assessment, contractual requirements imposed on suppliers, whistleblowing mechanisms and planned supplier audits together with corrective action programs.

During the reporting period, the company did not record any confirmed cases of violations of the rights of workers within its value chain that would constitute non-compliance with the said international standards.



Human rights of workers in the value chain

[17, 18] [AR 15]
Polpharma has established formal commitments concerning respect for the human rights of workers in its value chain. These commitments are set forth in the Human Rights Protection Policy and further elaborated in the Supplier Code of Conduct.

They include:
- respect for human rights and labor rights throughout the value chain,
- incorporation of labor standards into supplier selection, evaluation and cooperation processes,
- establishment of mechanisms for reporting potential violations and implementing corrective actions in cooperation with suppliers.

Oversight of the implementation of these commitments is exercised by the Management Board and, in the area of procurement, through structured supplier screening processes, ongoing dialogue with suppliers and audit programs specified in the Sustainable Supply Chain Policy.

Polpharma's policies related to individuals working in the value chain explicitly prohibit suppliers from engaging in forced labor, human trafficking and child labor. These prohibitions are laid down in both the Human Rights Protection Policy and the Supplier Code of Conduct. A declaration confirming compliance with the provisions of the Supplier Code of Conduct is a prerequisite for establishing and maintaining a business relationship. Failure to accept the application of the Code and sign the ethical clause, which includes, among other things, a commitment to undergo audits, prevents a supplier from being included in Polpharma's supply chain. An exemption is granted only in exceptional circumstances, and the conditions for obtaining such an exemption are formally defined in the Procedure for Handling Cases Where a Supplier Refuses to Sign the Polpharma Group Supplier Code of Conduct.

Polpharma's commitments concerning human rights and working conditions are embedded within its procurement processes through the implementation of the Sustainable Supply Chain Policy, which governs the following:
- annual screening of suppliers, including, among other elements, the assessment of their ESG risks using external assessment platforms, including EcoVadis, where appropriate for the relevant supply category and risk profile,
- use of supplier self-assessment questionnaires concerning ethical, social and environmental practices,
- classification of suppliers into risk categories and assignment of appropriate measures, such as dialogue, educational activities and the planned audit program,
- requirement to apply ethical clauses incorporated into contracts and purchase orders.

[AR 16] [MDR-P 65 f)] [19]
Information regarding applicable policies and available complaint reporting mechanisms is made available to stakeholders, particularly suppliers, through publicly accessible documents, including the Supplier Code of Conduct, Polpharma's website and contractual documentation. Any barriers to accessing or understanding this information are identified during ongoing cooperation with suppliers and addressed through informational and explanatory activities conducted by the procurement function. All documents and materials relevant to this area are translated into English.

Upon receiving reports of irregularities, Polpharma undertakes investigative and corrective measures and, where necessary, may terminate the business relationship.

[S2-2]

Processes for engaging with value chain workers about impacts

[22 a)-c)]
Polpharma does not cooperate directly with individuals working within its value chain or with their legitimate representatives or authorized agents. This results from operational constraints, particularly in relation to suppliers located in Asia. The views of these individuals are taken into account in the company's decision-making and actions only indirectly. This is achieved through supply chain due diligence processes, including supplier ESG risk assessments, which also encompass analyses of media reports, such as information concerning labor protests, dialogue with business partners and periodic monitoring of those partners. In 2025, these processes supported the identification and assessment of potential risks and influenced decisions related to supplier selection and supplier relationship management. Where justified by the results of risk assessments, corrective actions will be implemented in cooperation with suppliers.

Furthermore, the whistleblowing mechanisms maintained by the company and available to external stakeholders remain a potential source of information concerning the situation of personnel employed by Polpharma's suppliers.

[22 d)]
Polpharma is not a party to any global framework agreements entered into with international trade union federations regarding the rights of workers in the value chain.



[S2-3]

Processes to remediate negative impacts and channels for value chain workers to raise concerns

[27 a)]
Polpharma's overall approach to ensuring remedial measures for workers in the value chain is based on supply chain due diligence processes and ESG risk assessments. Where Polpharma identifies a material negative impact or determines that it has contributed to such an impact, the primary response is to analyze the nature and underlying causes of the impact and engage in dialogue with the supplier to determine appropriate remedial measures.

In 2025, Polpharma did not implement any corrective actions in cooperation with suppliers related to identified negative impacts affecting workers within its value chain. Solutions in this area are planned to be progressively developed alongside the continued implementation of supply chain due diligence processes. The effectiveness of potential corrective measures will be assessed indirectly in the future through supplier relationship reviews and ongoing monitoring of ESG risk assessment results.

[27 b), d)] [28] [AR 15] [AR 25]

Reporting concerns and needs

The company provides individuals working within its value chain with the opportunity to report concerns or needs through the general whistleblowing mechanisms established by the company and available to external stakeholders. The primary reporting channel is the form available on Polpharma's website in English. In 2025, the company did not operate separate reporting channels, including channels administered by third parties, for individuals working within its value chain.

Should such reports be submitted, they will be reviewed by the Compliance Department, in accordance with the applicable procedure and in full compliance with confidentiality requirements. During the reporting year, no such reports were received from individuals working in the value chain.

Detailed information regarding the existing reporting channels, methods used to assess their effectiveness, procedures for handling reports and measures protecting reporters against retaliation is provided in disclosure G1-1.

In 2025, Polpharma did not assess the level of awareness of or trust in these reporting channels among individuals working in the value chain.

[AR 23]
At the same time, individuals working in Polpharma's value chain are expected to have access to mechanisms for reporting concerns or needs to the entities that employ them or for which they perform work. Through its Supplier Code of Conduct, the company requires its business partners to maintain such reporting mechanisms. In 2025, Polpharma did not verify the effectiveness or operation of these mechanisms.



[S2-4]

Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

[MDR-A 62]
The undertaking implements measures related to individuals working in the value chain through regular due diligence processes integrated with supply chain management and aimed at preventing and mitigating negative impacts, particularly those associated with working conditions and human rights.

[MDR-A 68 a)]
The key measures implemented in this area during 2025 included:
- incorporating human rights and labor standards requirements into procurement processes (including the requirement for business partners to comply with the Supplier Code of Conduct),
- qualifying and periodically assessing suppliers while taking ESG considerations into account,
- maintaining dialogue with suppliers and communicating applicable requirements,
- participating in industry initiatives promoting responsible practices related to working conditions (for more on this, see the section “Participation in industry initiatives”).

Expected results:
- mitigating the risk of human rights violations within the supply chain,
- increasing suppliers' awareness of and compliance with the company's requirements,
- strengthening the capabilities of both the company and its suppliers to address identified cases of non-compliance.

Prevention and mitigation of negative impacts

[32 a)]
The actions taken in response to identified negative impacts affecting workers in the value chain are consistent with established market practice and include, in particular:
- identification and periodic assessment of ESG risks throughout the value chain, with particular emphasis on the risk of human rights or labor rights violations at individual suppliers,
- imposing requirements on suppliers related to responsible business conduct, including expectations concerning compliance with human rights and labor standards,
- incorporating the results of ESG risk assessments into supplier qualification, monitoring and collaboration processes,
- dialogue with suppliers with the objective of preventing those risks from materializing wherever risks or potential non-compliance are identified.

[33 a)-b)] [35]
As part of its regular due diligence processes, the undertaking determines which actions are necessary and appropriate in response to specific actual or potential negative impacts affecting workers in the value chain. These activities include identifying and assessing ESG risks throughout the supply chain, analyzing the results of risk assessments, engaging in dialogue with suppliers and implementing corrective measures where instances of non-compliance are identified.

Where a significant negative impact has been identified but has not materialized in the form of reported incidents, the actions undertaken are preventive in nature and proportionate to the scale and nature of the identified impact.

The undertaking's activities focus in particular on integrating requirements related to respect for human rights and labor standards into procurement processes, including through the application of the Supplier Code of Conduct and appropriate supplier qualification and periodic evaluation criteria as well as maintaining dialogue with key supply chain partners.

The undertaking also implements indirect measures, including strengthening suppliers' capabilities through the communication of ESG requirements and the exchange of information as well as participation in industry initiatives and cooperation with other entities in the value chain to promote responsible practices concerning working conditions and prevent potential violations.

Predictability in Polpharma's relationships with business partners is also considered highly important, including setting realistic order fulfillment deadlines with sufficient advance notice. This approach helps prevent excessive operational or economic pressure being placed on suppliers, which they might otherwise transfer to their employees, for example through extended working hours.



Ensuring remedial measures

[32 b)] [MDR-A 68 d)]
Where actual material negative impacts affecting workers in the value chain are identified, the undertaking takes measures to ensure or facilitate the implementation of appropriate remedial actions proportionate to the nature and scale of the identified impact.

These actions include in particular:
- initiating corrective measures agreed upon with suppliers,
- monitoring the implementation of the agreed actions,
- escalating cases where no improvement is observed in accordance with applicable procedures,
- ensuring the availability of appropriate complaint reporting channels for external stakeholders.

[33 c)]
The undertaking ensures the availability and effectiveness of processes supporting the implementation of remedial measures through established internal and indirect mechanisms, including applicable procedures for reporting irregularities, supplier relationship management processes and relevant contractual provisions.

These mechanisms are available to entities in the value chain and enable the identification, escalation and appropriate handling of identified violations. During the reporting period, no incidents requiring the implementation of remedial measures related to individuals working in the value chain were identified.

Actions promoting positive impacts

[32 c)]
During the reporting period, Polpharma strengthened its identified positive impact on workers in the value chain, particularly through:

- cooperation with suppliers aimed at raising standards of responsible business conduct,
- participation in industry initiatives and collaborative platforms promoting improved labor standards and respect for human rights throughout the value chain,
- educational and dialogue-based activities directed at business partners.

Assessment of the effectiveness of actions

[32 d)]
The effectiveness of these actions is monitored as part of due diligence processes, which include, in particular, ESG risk assessments, monitoring the outcomes of supplier cooperation and analyzing information obtained from business partners and through complaint reporting mechanisms. Their effectiveness is evaluated using both qualitative and quantitative methods on a recurring basis, enabling the identification of areas requiring further improvement. Recommendations for enhancing the company's approach are also developed on the basis of internal analyses, process reviews and observations of recognized market practices and industry initiatives.

Scope of measures and allocated resources

[MDR-A 68 b)-c)]
The measures described in disclosure S2-4 cover the upstream value chain, particularly key suppliers, while taking into account geographic regions where the risk of labor rights violations is higher. These measures are indirect in nature and relate to entities over which the undertaking may exercise influence through its commercial relationships. They are implemented on a continuous and ongoing basis. Their scope and level of intensity are periodically reviewed as part of the annual ESG risk assessment and subsequent materiality assessments.

[MDR-A 69 a)-b)] [38] [AR 44]
The management of Polpharma's material impacts on workers in the value chain is carried out through existing operational processes, using the organization's current resources. This involves the functions responsible for procurement, compliance, sustainability and risk management, which, within their respective areas of responsibility, integrate social considerations into due diligence processes, supplier collaboration and the related procedures, including supplier qualification and periodic monitoring. The Sustainable Supply Chain Advisor provides specialist support in integrating social considerations into procurement processes. Resource allocation is proportionate to the scale and nature of the identified impacts.

The undertaking has not identified any material financial expenditures that are directly attributable to the activities described above. At the current stage, activities related to individuals working in the value chain do not require a separate financial plan or significant additional capital investments.

Risks and opportunities related to workers in the value chain

[34 a)-b)]
As a result of the materiality assessment, the undertaking did not identify any material risks to its operations arising from its impacts on workers in the value chain or from its dependence on such workers. Nevertheless, the undertaking carries out activities aimed at monitoring potential risks of this nature. These activities include, in particular, assessing suppliers' ESG risks and continuously monitoring relationships with entities operating in the value chain.

The undertaking also did not identify any material business opportunities directly associated with individuals working in the value chain. Polpharma's activities in this area focus on maintaining stable and responsible relationships with business partners and strengthening the resilience of the supply chain, which indirectly supports the company's long-term operational continuity and reputational resilience.

Cases of violation

[36]
During the reporting period, no incidents involving human rights violations connected with the undertaking's value chain were reported.

Participation in industry initiatives

[AR 31]
Polpharma participates in multi-stakeholder initiatives within the pharmaceutical and healthcare sectors that support the development of responsible supplier practices and the effective management of negative impacts affecting workers in the value chain.

The company is a signatory to the **United Nations Global Compact**, which provides a framework for activities related to human rights, labor standards, business ethics and responsible business conduct, while also serving as a platform for knowledge sharing and capability development, including through programs implemented by the UN Global Compact Network Poland. Since 2025, Polpharma has also been a member of the **Responsible Health Initiative** (RHI), a sector-specific initiative focused on harmonizing approaches, exchanging best practices and jointly strengthening capabilities related to responsible supply chains. In 2026, the company joined the **Pharmaceutical Supply Chain Initiative** (PSCI), whose objective is to promote common standards, including standards related to safety and working conditions, across the pharmaceutical sector's global supply chains.

Participation in these initiatives supports Polpharma in progressively enhancing its approach to identifying and managing social impacts and potential risks in the value chain in a manner commensurate with their scale and nature.

Involvement of workers in the value chain in shaping activities and the resulting outcomes

[AR 36 a)-b)]
During the reporting period, workers in the value chain and their representatives did not participate directly in planning or implementing activities or processes affecting them. The perspectives of these individuals were taken into consideration indirectly, particularly through information obtained during supply chain due diligence processes, industry dialogue and the company's participation in multi-stakeholder initiatives.

During the reporting period, Polpharma did not identify any measurable, direct positive outcomes for workers in the value chain resulting from its initiatives or processes.



[S2-5]

Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities

[MDR-T 81, 81 b) i.]

As at the date of this report, Polpharma had not established any measurable, outcome-oriented, time-bound objectives relating exclusively to individuals working within its value chain. Despite identifying a significant negative impact in this area, the effectiveness of policies and preventive measures was monitored through existing supply chain management processes and internal control mechanisms, including, in particular:

- annual assessment of ESG risks,
- verification of medium- and high-risk suppliers,
- monitoring suppliers' compliance with labor standards and human rights requirements together with the implementation of corrective actions where non-compliance was identified (see disclosure G1-2 for further details),
- operation of complaint reporting mechanisms available to external stakeholders (see disclosure G1-1 for further details).

[MDR-T 81 b) ii.]

In the absence of quantitative targets, the level of ambition in this area is determined by the systemic requirements imposed on suppliers and by the planned scope of Polpharma's due diligence processes throughout the value chain.
Progress is assessed using both quantitative and qualitative metrics, including, in particular:

- proportion of suppliers covered by the annual ESG risk assessment,
- number and percentage of suppliers classified as presenting elevated or high risk and therefore subject to enhanced verification,
- implementation and effectiveness of corrective actions where non-compliance is identified,
- operation of complaint reporting mechanisms together with the manner in which received reports are addressed.

These metrics are monitored annually, making it possible to evaluate the effectiveness of the implemented policies and measures as well as changes over time, even though no specific quantitative targets have been established. Additional information on this topic is provided in disclosure G1-2.



ESRS S3

Affected communities

[S3 SBM-2]

Interests and views of stakeholders

The views, interests and rights of affected communities, including respect for their human rights, did not constitute a separate factor directly influencing Polpharma's strategy or business model during the reporting period. They were, however, taken into account in the context of managing identified impacts on local communities, particularly through environmental management systems, process safety measures and compliance with applicable legal requirements.



[S3 SBM-3]

Material impacts, risks and opportunities and their interactions with strategy and business model

Categories of affected communities and scope of disclosures

As part of its materiality assessment, the undertaking determined that the communities affected by its operations comprise the local communities surrounding the company's manufacturing facilities located in Starogard Gdański, Nowa Dęba, Sieradz, Duchnice and Warsaw. These communities experience adverse effects arising from ongoing manufacturing and logistics operations, including those associated with pollutant emissions. At the same time, the local communities in which Polpharma conducts its operations derive tangible benefits from the company's activities through the direct and indirect creation of employment opportunities. This applies particularly to the residents of Starogard Gdański and the surrounding area, where the company's largest manufacturing facility is located. The company remains the largest employer in Starogard County and also indirectly supports employment at the local and regional levels through the purchase of products and services from local suppliers, contributions to local government budgets in the form of taxes and fees and cooperation with universities and technical schools. With respect to locations where Polpharma does not conduct manufacturing activities, its impact was not considered material.

The company's foreign representative offices carry out exclusively commercial operations. The absence of manufacturing activities, cooperation with educational institutions or business support initiatives, together with the relatively small scale of employment, comprising 87 employees across all representative offices and representing 2% of the company's total workforce, means that the representative offices do not generate identifiable benefits for local communities. Consequently, the disclosures presented in this chapter relate exclusively to the communities in the cities and regions where the company's manufacturing facilities are located.

Material impacts on affected communities

As part of the materiality assessment process conducted in accordance with the ESRS requirements and described in disclosure ESRS 2 IRO-1, the undertaking identified the following material impacts on local communities.

Negative impact (actual):

- **Impact on local communities and the environment resulting from pharmaceutical manufacturing**

Polpharma's operations may adversely impact nearby communities and the environment in various ways. Transportation, use and storage of hazardous materials increase the risk of physical hazards in case of their unintended release, which can endanger human health and lives and cause environmental damage. In addition, pharmaceutical manufacturing processes generate water pollution and solid waste, both of which can contribute to a deterioration in the living conditions and related public health challenges in surrounding communities.

This impact is directly linked to Polpharma's strategy and business model as it stems from the nature of its manufacturing operations and the location of its facilities in close proximity to local communities. It is essentially systemic in nature, related to the day-to-day operation of industrial processes, although its severity may increase in the event of incidental occurrences. It is taken into account in operational and investment decisions regarding process safety, minimizing environmental impact and cooperation with local communities.

Positive impact (actual):

- **Supporting economic development and job creation in local communities**

Polpharma's operations stimulate economic development and contribute to job creation in local communities.

This impact is directly linked to Polpharma's strategy and business model as it stems from the company's scale and operational continuity as well as its deep roots in the local economic environment. It is systemic in nature, related to the day-to-day operations of the facilities, the demand for labor, services and skills, and relationships with entities operating in the organization's environment. It is taken into account in decisions regarding maintaining stable operations, developing cooperation with local partners and engaging in initiatives that address the needs of the community.

Risks and opportunities related to affected communities

The double materiality assessment did not identify any material risks or significant opportunities for the undertaking in relation to affected communities.

[S3-1]

Policies related to affected communities

The framework governing the management of impacts related to affected communities is defined, in particular, by the Sustainable Development Strategy, Polpharma's Code of Ethics, the Human Rights Policy Policy, the Supplier Code of Conduct and the environmental policies described in disclosures E1-2, E2-1, E3-1 and E5-1.

During the reporting year, the undertaking implemented its Sustainable Development Strategy for 2022–2025 entitled "Healthy living in a healthy world". Within this strategy, the company sets out its commitment to maintaining good neighborly relations, including:

- maintaining regular dialogue with stakeholders in the communities where it operates,
- contributing to the development of local communities through jointly implemented initiatives.

Furthermore, the environmental section of the strategy includes a commitment to reduce the company's negative impact on the quality of life and living conditions within its sphere of influence. In **Polpharma Code of Ethics**, described in greater detail in disclosure G1-1, the company declares that it seeks to maintain positive relationships with local communities based on mutual understanding and cooperation and also endeavors to contribute to the economic, social and cultural development of these communities in a manner proportionate to the scale of its operations in the respective region.

[16] [17]
In its **Human Rights Protection Policy**, the company declares its commitment to respecting all human rights, including the rights of members of local communities. This commitment encompasses both compliance with international and national regulations and standards in this area and adherence to generally accepted social norms concerning the protection of these rights.

ZF Polpharma S.A. does not currently have a separate, formalized procedure for the periodic review of its Human Rights Policy against the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises. The Policy, however, includes general commitments to respect human rights and comply with applicable national and international regulations, as well as internal compliance standards. Alignment of the Policy with international human rights standards may be assessed as part of internal policy reviews and the further development of human rights due diligence processes.

During the reporting year, no instances of non-compliance with the UN Guiding Principles on Business and Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises with respect to affected communities were recorded in the Company's own operations or within its value chain.

In the **Supplier Code of Conduct**, described in detail in disclosure G1-2, the company specifies the ethical and social standards that it considers fundamental when establishing and maintaining cooperation with suppliers of products and services. These standards include, among other things, compliance with applicable legal requirements, including regulations concerning human rights, ensuring the safety of people and information and protecting the natural environment and local communities through various forms of engagement and dialogue. The document further specifies that Polpharma's suppliers are expected to minimize the environmental impact of their operations and ensure that their use of natural resources respects the rights of other parties, including local communities, to make use of those resources.

Polpharma's efforts to mitigate its negative impacts on local communities are carried out primarily on the basis of policies related to environmental impact management, as described in disclosures E1-2, E2-1, E3-1 and E5-1.

Preventing and minimizing these impacts also forms an integral part of the occupational health and safety management system, which includes the following elements:

- identification and assessment of occupational risks, including risks that may result in impacts beyond the boundaries of the facility (in the "Occupational risk analysis and assessment" form for selected positions in the API area, the job description lists, among other things, the storage of flammable substances and the associated risk of a chemical accident caused by intentional or accidental actions; furthermore, the delivery of raw materials to Polpharma by transportation companies involves the risk of chemical spills and the potential for people to be struck by vehicles moving within the plant premises),
- procedures governing the safe use, storage and transport of chemical and pharmaceutical substances,
- preventive measures aimed at avoiding technical failures and hazardous incidents,
- employee training covering occupational health and safety, environmental protection, fire protection and emergency response,
- regular inspections, internal audits and corrective actions.

The system forms part of an integrated environmental and occupational health and safety management system that complies with the international standards ISO 14001, ISO 45001 and ISO/IEC 17025. The system, referred to as the ISO System, has been implemented at all Polpharma manufacturing facilities and covers the company's workforce as well as all other individuals working under its supervision in areas related to experimental, chemical and pharmaceutical manufacturing, the sale of pharmaceuticals and pharmaceutical substances and wastewater treatment. Further information on this subject is provided in disclosures S1.

From the perspective of the identified negative impact on the local environment, it is of paramount importance that the company treats process safety as a top priority. It enables to prevent serious breakdowns which may cause significant damages to the community located close to the Polpharma's plants.

Under the Environmental Protection Act, the production facility in Starogard Gdański is classified as a plant with a high risk of a major industrial accident. The reason for this classification is the type and quantity of hazardous substances that are present or may be present on its premises in connection with the technological processes carried out there. The plant complies with all legal requirements applicable to this category of facilities; among other things, it has developed a major accident prevention program, a safety report for a facility with a high risk of a major industrial accident (updated every 5 years), and an internal operational and emergency plan.

The internal regulations in effect at the company's individual production facilities address, among other things, the risks associated with the release of hazardous chemicals, such as chlorine and ammonia. Each plant has a set of plans, procedures and manuals for responding to emergencies. They include:

- Corporate Procedure: Fire Safety Rules,
- Process Map: Fire Safety Rules,
- General Fire Safety Manual,
- Emergency Procedures Manual,
- set of legal requirements to assign responsibility for fire protection.

Information regarding responsibility for implementing policies applicable to impacts on local communities and regarding how these policies are made available to stakeholders is provided in disclosures E1-2, S1-1, and G1-1.

[S3-2]

Processes for engaging with affected communities about impacts

The views of affected communities are not taken into account in the decision-making processes of the organization. No individuals were identified among them who might be particularly vulnerable to impacts or marginalized.

The company's cooperation with communities affected by its operations to support economic development and job creation – carried out in partnership with local government authorities, universities, schools, and community and business organizations – is described in disclosure S3-4.

[21 c]
The company has not designated a single, separate function responsible exclusively for ensuring operational cooperation with affected communities and formally monitoring the impact of its results on the company's approach. Responsibility is assigned to the appropriate organizational units, depending on the nature of the collaboration and the subject matter. A designated member of the Management Board is responsible for local cooperation in the Pomeranian Voivodeship, including with employer organizations and selected local partners. Collaboration with schools and initiatives aimed at developing skills are coordinated by the HR department. Environmental matters remain the responsibility of the relevant environmental departments, while issues related to plant safety fall under the purview of the plant managers. The results of this collaboration may be incorporated into the company's approach by the relevant business functions and, in the case of significant issues, referred to the Management Board or the appropriate committees.

As regards the defined negative impact, the company cooperates with the State Fire Service, Police, county and provincial crisis management centers, local authorities, and other services and agencies, depending on the nature of any incident that could potentially occur on the plant's premises. By way of this cooperation, the plant in Starogard Gdański as a facility with a high risk of a major industrial accident fulfils its certain legal obligations.

Polpharma is a member of the UN Global Compact initiative and a strategic partner of the Business and Human Rights Program, carried out by UN Global Compact Network Poland. As part of this program, the Team for cooperation with local communities was established in September 2024. The aim of the team whose member was a representative of the company, was to develop the rules for responsible dialog and engagement with this category of stakeholders by the companies.

The result of the team's work is the "Partnership and Dialog Between Business and Local Communities" Recommendation Charter, published in December 2025 . This publication provides guidelines on the specified topic and an overview of best practices already being implemented by businesses. It describes, among others, the cooperation of Polpharma with the Development Initiation Forum.

[S3-3]

Processes to remediate negative impacts and channels for affected communities to raise concerns

Polpharma provides its external stakeholders with a channel for reporting violations, concerns, observations. It is a form available at the company's website (tab: Violation Reporting Form).

Reports received regarding violations of laws, the Code of Ethics, or the Anti-Corruption Code, as well as other reports concerning irregularities in operations of Polpharma and its employees, associates and contractors are processed in accordance with the Procedure for reporting legal violations and prohibited activities. As part of a formalized process, investigative measures are taken first, followed by mitigation and remedial actions if deemed necessary. This process is described in detail in disclosure G1-1.



[9] The document is available at https://ungc.org.pl/wp-content/uploads/2025/12/www_spol_lokalne.pdf.
[10] https://polpharma.pl/formularz-zgloszenia-naruszenia

[S3-4]

Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to these communities, and effectiveness of such actions

Maintaining readiness to respond to emergencies

[30 a]
Polpharma identifies the necessary and appropriate actions to address identified material negative impacts on local communities, primarily through an analysis of:

- legal requirements (including laws and regulations concerning occupational health and safety, environmental protection, the management of hazardous substances, rules for the transport of hazardous substances and regulations related to the classification of the facility in Starogard Gdański),
- environmental management system requirements (obligations under ISO),
- process safety,
- reports submitted through the channels for reporting violations related to the described impacts or received in another form from stakeholders representing local communities.



[36]
During the reporting year, there were no reports of serious human rights issues or incidents involving the affected communities.

As part of the ISO management system, which covers unplanned events that could pose a threat to the surrounding area – such as accidents, spills, or disasters – the following measures are in place at the Starogard plant:

- Company Fire Department – a tactical unit providing round-the-clock coverage (a minimum of 4 firefighters on each shift). The tasks of the Company Fire Department are the following: to identify, prevent and respond to emergencies (fire, chemical incidents, accidents, local hazards to the municipal infrastructure, local construction and hydrological hazards). In case of emergency, it will direct the response until the State Fire Service arrives. As at 31 December 2025, the Company Fire Department consisted of 19 firefighters;
- On-Site Chemical Emergency Response Team (API plant) – a non-staffed team operating on a 24/7 basis, consisting of trained employees in operational roles. It reports to the Company Fire Department, and its role is to support the Fire Department in carrying out the tasks described above. As at 31 December 2025, the team comprised 153 persons.

In accordance with the procedures, in the event of an emergency on the plant premises, the company transfers command of rescue operations to the State Fire Service. In addition, a Plant Crisis Management Team is established, consisting of the heads of the various departments affected by the incident and personnel necessary to provide support to the State Fire Service. Polpharma is obliged to notify the Voivodship Environmental Protection Inspectorate in Gdańsk of the situation.

To verify readiness to implement the external operational and emergency plan developed for the plant by the Voivodship Commander of the State Fire Service in Gdańsk, and to improve cooperation among emergency services (fire department, police), regular drills are organized at the plant in Starogard. They typically involve simulated hazardous material spills and fires. The last large-scale drills took place on 8 October 2024 and were organized by the Voivodeship Headquarters of the State Fire Service in Gdańsk and the County Headquarters of the State Fire Service in Starogard Gdański. A total of 113 firefighters and 29 vehicles participated in the drills.

Transportation, storage, and shipment of hazardous materials

The rules described below regarding the receipt, storage, transportation, and shipment of hazardous materials are part of the management of the negative impacts associated with the risk of an unintentional release of hazardous substances, which could affect human health and life as well as the environment surrounding the undertaking's facilities.

The processes of receiving, storing, dispensing, and transporting hazardous substances and materials at Polpharma are carried out in accordance with applicable laws, including regulations governing the transport of hazardous goods, the Environmental Protection Act, and occupational health and safety, and fire safety requirements, as well as internal procedures and operating manuals.

Receiving and storing hazardous materials

Hazardous substances are stored in designated, appropriately equipped storage areas or tanks, equipped with leak-containment systems, including leak-proof floors, spill trays, appropriate shelving and containers, and absorbents.

Warehouse infrastructure also includes ventilation systems, gas detection systems, fire and smoke detectors, level gauges, and signage in accordance with hazard classifications.

The risk of uncontrolled release of substances is mitigated by the use of certified packaging, regular inspections of the condition of storage facilities, packaging, and tanks, and clearly defined emergency procedures. These processes are subject to oversight by occupational health and safety and environmental protection agencies, as well as by the relevant authorities and institutions, including the Office of Technical Inspection and the Transport Technical Inspection Authority, inspections by the Voivodeship Environmental Protection Inspectorate, the Chief Pharmaceutical Inspectorate, and the State Fire Service, as well as internal audits conducted as part of the integrated management system.

Transportation and shipment of hazardous materials

Shipments of hazardous goods, including raw materials, APIs, and waste subject to regulations governing the transport of dangerous goods, are carried out in accordance with applicable national, EU, and international regulations. Depending on the means of transport, this includes, in particular, the requirements set forth in the ADR, RID, IMDG Code, and IATA DGR, which have been incorporated into national law and are applied in day-to-day operations.

The shipping process is governed by company procedures that specify the rules for classifying hazardous materials, selecting appropriate UN-certified packaging, labeling, and preparing the required shipping documentation, including dangerous goods declarations, safety data sheets, and instructions for those involved in the transport. These procedures are periodically reviewed and updated based on changes in regulations and the results of internal and external audits.

The transport of dangerous materials is carried out exclusively by carriers that hold the required licenses. This process is subject to oversight by the Dangerous Goods Safety Advisor (DGSA) and to internal audits conducted as part of the existing quality, safety, and environmental management systems.

Compliance with the above regulations and procedures enables a systematic reduction of risks associated with the storage, transport, and shipment of hazardous materials, thereby promoting the protection of human health, ensuring employee safety, and minimizing the potential impact on the environment and local communities.

Qualifications of employees who handle hazardous materials

Employees handling hazardous materials undergo on-the-job and periodic training in accordance with legal requirements. These include the classification of dangerous goods, rules for safe packaging and labeling, storage requirements, documentation requirements, and emergency procedures. Employee qualifications are reviewed periodically – mandatory training sessions, followed by an exam, are held once every two years.



Requirements for carriers

The transportation of Polpharma products is carried out exclusively by specialized entities that are subject to a qualification process, periodic evaluations, and audits. Carriers are required to comply with legal requirements regarding the transport of pharmaceutical products and to follow the company's procedures regarding safety, movement on company premises, occupational health and safety, environmental protection, and Good Distribution Practices.

The safety of product transport is supported by contractual and operational requirements imposed on carriers, including, in particular, proper technical condition and securing the means of transport, protecting the cargo from damage and unauthorized access by third parties, training drivers, and promptly reporting unplanned incidents. Polpharma also requires carriers to have appropriate organizational and system solutions in place to support safe transportation and compliance with environmental and quality requirements

Efforts to minimize the impact of transportation on the surrounding area are also supported by the rules governing vehicle traffic on the plant premises, including advance notification of entries, designated routes, limiting the number of stops, and rapid response to potentially hazardous incidents. These solutions reduce the risk of disruptions and limit the impact of transportation on the area surrounding the plant.

All contractual, organizational, and procedural requirements are designed to ensure the safe transport of products, protect people, the environment, and infrastructure, and minimize the potential impact of logistics operations on local communities.

Reducing environmental impact in the vicinity of facilities

Actions aimed at preventing and reducing pollutant emissions are described in sections E2 and E3, while the waste management of Polpharma is described in section E5.

Actions stimulating economic development of local communities

Polpharma as an important local and regional employer

Zakłady Farmaceutyczne Polpharma S.A. is the largest employer in Starogard Gdański and one of the key business entities in the Pomerania region. Additionally, the company creates stable jobs in other communities.

Cooperation with universities

Through the cooperation with universities, Polpharma supports the development of their competencies in education and scientific research, as well as the supply of well-prepared graduates to local labor markets, which strengthens the economic potential of the regions.

As part of the strategic partnership with the **Medical University of Gdańsk** (GUMed), which has been in place since 2017, Polpharma participated in the launch of a new full-time master's degree program titled "Pharmaceutical and Cosmetics Industry" in that year. This is a practice-oriented program, which means that students earn more than half of their ECTS credits through courses taught by industry experts. In academic year 2025/2026, the total of 36 persons representing the company were involved in teaching classes and supervising student internships and master's theses. They were employees of the following departments: Research and Development (Pharma + API), Quality Assurance and Control, Regulatory Affairs, Finance, Logistics, Portfolio, and Medical.

Every year, Polpharma accepts all first-year students in the aforementioned program for professional internships, which take place from February to March; in 2025, there were 18 students. Second-year students who decide to write their master's thesis on a topic recommended by the company and under the academic supervision of one of its employees are accepted for an internship in October; in 2025, there were 9 such students. Since the launch of the program until the end of 2025, more than 30 of its graduates were employed by Polpharma.

In addition to the above, every year the organization accepts fourth-year Pharmacy students for summer internships (July-September) at its laboratories in Starogard Gdański. In 2025 there were 17 such interns.

The Polpharma's representative has served on the University Board since 2024.

Since 2012, the plant in Nowa Dęba has been collaborating with the **Ignacy Łukasiewicz Rzeszów University of Technology**, particularly with the Department of Chemistry. Polpharma's employees give lectures and lead hands-on workshops for chemistry students, sharing their practical knowledge of the pharmaceutical industry and the realities of working in a manufacturing facility. The partnership also includes student participation in internships and work placements, as well as the completion of thesis projects in collaboration with the company, which supports the development of the skills of the region's future workforce.

A representative of the facility is a member of the Economic Council of the Faculty of Chemistry at the Rzeszów University of Technology for the 2024–2028 term. The Council serves in an advisory capacity regarding educational programs, internships, and apprenticeships, as well as the alignment of educational offerings with the needs of the labor market and local employers.

In 2025 Polpharma signed a master cooperation agreement with the Faculty of Chemistry of the Gdańsk University of Technology (PG). There are plans to establish a new degree program titled "Pharmaceutical Engineering," which is being developed in collaboration with the Faculty of Chemistry at Gdańsk University of Technology, the Faculty of Pharmacy at the Medical University of Gdańsk, and ZF Polpharma S.A. The goal is to combine academic expertise with industrial practice and to prepare future engineers for work in the biotechnology and pharmaceutical sectors: in laboratories, production facilities, and research and development departments.

Cooperation with schools

Since 2016 Polpharma has been collaborating with schools in Starogard Gdański under a dual education model – theoretical education at school is combined with the acquisition of practical skills at the employer's workplace. Three agreements are currently being carried out with the **Polish Nobel Laureates Economic School Complex** (ZSE):

- 2 agreements for teaching classes in the dual education system:
  - Analytical Technician Program – 5 graduating classes, or 80 students,
  - Chemical Technician Program – 3 graduating classes, or 48 students.
- 1 cooperation and internship agreement:
  - Automation Technician Program – 5 graduating classes, or 80 students.

Starting in the 2023–24 school year, students in the above grades who achieve the best results receive a scholarship funded by Polpharma. The first scholarships were paid in 2024 (2nd semester).

In 2024, a tripartite agreement was signed between Polpharma, ZSE, and PG regarding the conduct of practical classes in the university's laboratories for students enrolled in the Chemical Technician Program.

In 2025, Polpharma signed agreements with **County School Complex No. 1 in Sieradz** and the Stanisław Staszic Electronics School Complex in Zduńska Wola regarding the acceptance of students for internships at its facility in Sieradz.

Cooperation with local organizations

Polpharma's commitment to economic development is also demonstrated through its membership in local organizations that support the development of the labor market and entrepreneurship and promote cross-sector cooperation. The company is a member of:

- **the Starogard Business Club – Employers' Association** – an organization that brings together entrepreneurs and business leaders from Starogard Gdański and the surrounding area. The club serves as a platform that supports the development of local businesses, the exchange of experiences, and the building of strong relationships among representatives of various industries;
- **Pomeranian Employers** – an organization whose mission is the long-term, dynamic economic development of the region and its member entities.

Supporting the Development Initiation Fund and the Development Initiation Forum

Since 2014, Polpharma has been a strategic partner of the **Forum and the Development Initiation Fund**, which work to promote social change in Pomerania.

As part of the Fund, a competition is being organized for the best initiatives led by a nongovernmental organization, in partnership with the business sector and local government. The goal of the competition is to provide financial and technical support for projects that contribute to tangible socioeconomic change in the local community or across the entire Pomeranian Voivodeship. Polpharma representatives serve on the initiative's program council, actively participate in selecting beneficiaries, and help organize events promoting the partnership; the company is also one of the grant funders.



[S3-5]

Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities

[79 a)-b)] [MDR-T]

Neither in its ESG Strategy 2026-2030 nor in any other document has Polpharma set time-bound, outcome-oriented, measurable targets regarding the affected communities. The company will consider setting targets in this area at the end of 2026, after another materiality assessment is completed. Environmental targets related to emissions into water (E2) and waste management (E5) indirectly support efforts to reduce negative impacts on local communities.

The Sustainable Development Strategy for 2022-2025 included a commitment to reduce the amount of waste generated in production and support processes, which is important given the identified negative impact on local communities. You can read more about this target in disclosure E5-3.

With regard to its impact on local communities resulting from pollution emissions to water, the company has set targets that are described in disclosure E2-3.

Occupational health and safety targets aimed at minimizing risks that may also have an impact on affected communities are described in disclosure S1-5.

The following serve as indirect confirmation of the proper management of negative impacts on local communities:

- the annual renewal of the ISO certification for the system implemented at the plant in Starogard Gdański,
- audits and internal and external inspections in the areas of transportation, use, and storage of hazardous substances. The plant in Starogard Gdański, as a facility with a high risk of a major industrial accident, is subject to oversight by the State Fire Service and the Voivodeship Environmental Protection Inspectorate, which conduct annual inspections to verify compliance with legal requirements.

The effectiveness of response procedures for incidents such as spills, chemical accidents, or fires is tested through practical drills, including simulations, conducted in cooperation with the State Fire Service and the Police.

Polpharma's positive impact on affected communities – which involves creating jobs and supporting local economic potential – is monitored using operational data related to:

- the scale of employment at individual production sites,
- cooperation with universities and schools (including the number of apprentices and interns, as well as the number of graduates who find employment at the company),
- local taxes and charges,
- partnerships with organizations that support the development of the labor market and entrepreneurship.



ESRS S4

Consumers and end-users

[S4 SBM-2]

Interests and views of stakeholders

Polpharma's key stakeholders include consumers of products intended directly for the consumer market (in particular, food supplements, cosmetics, medical devices, and OTC medications) and patients who are the end users of medicinal products. Respect for the rights of these groups is an integral part of the risk management and compliance system. It directly affects the company's long-term operational stability and reputation.



[S4 SBM-3]

Material impacts, risks and opportunities and their interactions with strategy and business model

[9 a)-b), 10 a)-d), 11, 12]

Actual and potential impacts of Polpharma on consumers and end-users result directly from the implemented strategy and the business model, in particular, in terms of the development, manufacturing, distribution and oversight of its products. The most material impacts relate to product safety and quality, access to products, and providing consumers and end-users with reliable information about them. The company's material impacts primarily affect consumers of products intended for the consumer market and end-users of medicinal products placed on the market as part of its operations and value chain. The nature of the impact of products on consumers and end-users depends on the type of product and how it is used. In the case of medicinal products, negative impacts may result from improper use, product quality defects, as well as adverse drug reactions, interactions, or other risks associated with pharmacotherapy.

Upon analyzing its own operations and value chain, the undertaking identified the following material impacts on consumers and end-users:

Positive impacts (actual):

- **Enhancing patients' health through wider access to generic medicines**

By offering affordable generic medications, ZF Polpharma S.A. significantly improves access to effective treatments for a broader range of patients. The enhanced access leads to better health outcomes and an improved quality of life for many individuals. As the Polish market leader, ZF Polpharma S.A. enables millions of patients to receive treatment across key therapeutic areas, including life-saving medicines and hospital products.

- **Supporting patient health through education and responsible communication**

Through educational initiatives and a diverse range of non-prescription products (including OTC medicines, food supplements, medical devices and cosmetics), ZF Polpharma S.A. empowers patients and consumers to build health awareness, prevent diseases and take active role in managing their own health. Marketing and promotional materials, along with communications shared through various channels, aim to provide reliable knowledge. The materials must not be misleading or promote excessive or inappropriate use of the products.

Negative impacts (actual):

- **Disruptions and delays in product supply can have an impact on patients' health**

Disruptions or delays in the supply of products – especially life-saving medicines – can endanger patients' health and, in critical cases, pose a risk to their lives.

- **The use of pharmaceutical products may cause adverse effects**

Both the proper and improper use of pharmaceutical products may cause adverse effects or harmful interactions, potentially resulting in health issues.

- **Health consequences for consumers and end-users from failure to meet product quality and safety standards**

Failure to meet with product quality and safety standards may lead to health consequences for end users, including allergic reactions, poisoning or other health complications.

The company does not provide services whose nature could cause a material and systemic impact on the rights to privacy, personal data protection, freedom of speech or non-discrimination of consumers and end-users.

In accordance with applicable regulatory requirements, the end-users and consumers are provided with clear and legally compliant product information, including labeling, leaflets, and instructions to support safe and proper use.

Certain groups of end-users, particularly children, the elderly, or people with chronic illnesses, may be more vulnerable to the risks associated with the use of medicinal products. This fact is taken into account in product information and safety monitoring processes. The identification of higher-risk user groups and risk situations such as adverse events, drug interactions, or improper use is based on an analysis of data from the pharmacovigilance system, quality complaints, and applicable regulatory requirements.

Polpharma increases the availability of therapies by offering a broad portfolio of generic medicines, which represent a therapeutically and qualitatively equivalent alternative to original medicines. Generic medicines contribute to reducing costs incurred by patients and the reimbursement system, thereby lowering financial barriers to treatment access. This is of particular importance for groups more vulnerable to limitations in access to therapies, including chronically ill patients, seniors, and individuals of lower socioeconomic status, whose needs the company accounts for in its product availability analyses.

The identified negative impacts may be of a systemic, recurring, or incidental nature, depending on their source, scale, and scope of impact:

- Systemic impacts primarily concern the availability of medicinal products and may result from factors related to the functioning of the market and the supply chain. In such cases, supply disruptions or delays may take on the character of a broader issue affecting larger patient groups;
- Product safety-related impacts, including adverse events, drug interactions, or quality defects, may concern individual cases, but in certain situations may also take on a broader, recurrent nature, in particular when they relate to a specific active ingredient, product group, or batch;
- Incidental impacts are associated with specific products, their use, or isolated quality events, and may lead to adverse health effects for users, including risks to their health and life.

Impact management processes account for differences in the exposure levels of respective groups.

Adverse events can also pose the following risks for the company:

- **Financial, reputational and regulatory risks from adverse reaction to products**

Adverse reactions can lead to financial claims from affected individuals and potential penalties from regulatory bodies. A high incidence of adverse reactions may lead to reputational damage and a loss of trust among patients and consumers. Furthermore, the actual and potential adverse events may result in stricter criteria, such as reclasification from over-the-counter to prescription-only status , which can cause financial losses and limit market access and sales channels.

This risk is directly linked to Polpharma's strategy and business model as it stems from the company's responsibility for the safety and quality of the products it brings to market. It is taken into account in decisions regarding pharmacovigilance, the quality system, product information management and portfolio development and monitoring.

Meanwhile, increasing health awareness among consumers creates a market growth opportunity for the company:

- **Expanding market potential through raising consumer health awareness and preventive care trends**

Increasing health awareness among patients and consumers presents an opportunity for market growth. Greater focus on preventive care, not only in response to illness but also as part of proactive lifestyle, is driving demand for health-related products such as vitamins, food supplements and other consumer healthcare products. This trend creates opportunities to expand ZF Polpharma's portfolio and reach a broader consumer base interested in wellness and illness prevention.

This opportunity is directly linked to Polpharma's strategy and business model as it pertains to an area of the company's operations that is critical to its growth and addresses the needs of patients and consumers in terms of their daily health care. It may be taken into account in decisions regarding the direction of portfolio development and educational and communication activities, taking into account the regulatory requirements specific to individual product categories.

- **Market expansion opportunities driven by evolving healthcare needs, lifestyle-related diseases and an aging population**

Patients' growing healthcare needs, including the emergence of diseases linked to temporary lifestyles and the aging population, create opportunities for market expansion. Adapting the product portfolio to address these evolving health challenges presents potential for sales growth.

This opportunity is directly linked to Polpharma's strategy and business model, as it relates to the company's ability to respond to demographic and epidemiological changes. It is taken into account in decisions regarding the direction of product development, therapeutic priorities and portfolio planning.

Identified risks and opportunities apply to a broad spectrum of consumers and end-users.

In 2025, thanks to its portfolio of medicinal products, Polpharma enabled patients in the Polish and export markets to benefit from a total of more than 5.5 billion days of treatment.

Treatment days are defined as patient days in accordance with the IQVIA MIDAS methodology. This is the estimated number of treatment days per patient for a given active ingredient, calculated by dividing the sales volume for a specific indication (expressed in standard units) by the daily dose determined based on IQVIA MIDAS data. The IQVIA MIDAS database includes only registered medicinal products. Sales volume of Polpharma includes B2C sales made by the company in Poland and on the export markets, as well as the sales made to other companies of the Group.

[S4-1]

Policies related to consumers and end-users

[MDR-M 65 e)]

In Polpharma, patient and consumer relations, as well as the management of related impacts, risks, and opportunities, are governed by a range of policies and procedures that are developed without the involvement of external stakeholders and are not made available to them (with the exception of the publicly available Quality Policy). However, both interests and rights of consumers and end-users, including human rights, are taken into account when shaping the strategy and business model of the company – in particular in the areas of quality, safety, product availability and reliable information.

The impact management framework concerning consumers and end-users is defined, in particular, by the quality management system, the pharmacovigilance system, the Fair Competition and Consumer Protection Policy, the Marketing Activities Instruction, and the Human Rights Protection Policy.

Quality management

[MDR P 65 a)-d)] [15, 16 a)-c)]

Product quality matters are governed by a **Quality Management System** (QMS) based on the requirements of Good Manufacturing Practice (GMP), Good Distribution Practice (GDP), the ISO 13485 standard, and EU medical device regulations. Its objective is to ensure that active ingredients, medicinal products, and medical devices are safe, effective, and compliant with applicable legal requirements at every stage of their lifecycle – from design to distribution. A core component of the system is document management supported by an electronic document management system (eDMS), ensuring the validity, integrity, and control of documentation.

The system, underpinned by the Quality Policy which is available on the Polpharma website[11], includes, among others, the Quality Book, standards, procedures, instructions, specifications, analytical methods, certificates, reports, and forms, that define responsibilities, process implementation methods, and the principles of recording results in order to demonstrate compliance.

Other key elements of the QMS include: employee training, change management, supplier qualification, internal audits and inspections, deviation and incident management, corrective and preventive actions, complaint management and product recall systems, as well as periodic product quality reviews, the qualification of premises, systems, and equipment, and the validation of analytical methods and processes. The QMS covers all sites of Polpharma responsible for manufacturing and distribution of products and integrates regulatory requirements with operational practices.

The quality system review, conducted at least once every two months, makes it possible to assess its adequacy and effectiveness, analyze quality indicators (such as the number of complaints or deviations) and define action plans aimed at continuous improvement and enhancement of the quality of delivered products.

Regular internal audits are conducted to ensure that manufacturing conditions comply with GMP requirements. Suppliers of raw materials and packaging materials, laboratories, contract manufacturers, and service providers whose services impact GMP compliance are also subject to periodic quality audits. This topic is covered in greater detail in section G-1.

Polpharma conducts regular training for employees involved in manufacturing, testing, warehousing, support activities, and supply chain operations, thereby supporting the implementation of the Quality Policy and ensuring compliance with industry and regulatory requirements of Good Manufacturing Practice. To increase effectiveness and quality control of training, electronic training management system is used. Incidents related to personnel errors are analyzed on an ongoing basis, and the effectiveness of corrective actions is monitored.

All events that may have a negative impact on marketed products are recorded and analyzed. Every suspected quality defect is recorded, analyzed to determine its root cause, assessed for its impact on patient health and safety, and, if necessary, addressed through the implementation of corrective and preventive actions. As a result of those assessments, 15 batches of medicinal products and one batch of a food supplement were recalled from the market in 2025.

Complaint handling

[MDR-P 63, 64, 65 a)-d)] [15, 16 a)-c)]

A key component of the Quality Management System is a formal complaint management process, outlined in the internal **Standard Operating Procedure entitled "Complaint Handling"**. It governs the rules for receiving, registering, analyzing, and handling quality complaints regarding medicinal products and medical devices, the proper documentation of investigation activities and decisions, and the implementation of corrective and preventive actions, including – where justified – batch recall actions. The complaint management process operates in compliance with GMP requirements, other applicable regulatory requirements, and the internal system. It covers quality and quantitative complaints regarding products placed on the market by Polpharma, submitted through various channels, including pharmacies, wholesalers, and direct contact channels from patients and users (e.g., via telephone or a website form).

The procedure applies in the production branches in Starogard Gdański, Duchnice, Sieradz and Nowa Dęba and in the Manufacturer and Wholesaler Warehouse in Błonie. Oversight of its compliance is exercised by the Head of the Quality Department, while the implementation of actions resulting from the procedure is the responsibility of company employees and authorized personnel of external entities acting on its behalf.

Pharmacovigilance

[MDR-P 63, 64, 65 a)-d)] [15, 16 a)-c)]

An important responsibility of a pharmaceutical company is to continuously monitor the safety of its products. **The pharmacovigilance (PV) system** encompasses processes for monitoring the safety of medicinal products, risk identification, and the implementation of measures aimed at mitigating them in compliance with applicable regulatory requirements. In Polpharma the system comprises a Qualified Person Responsible for Pharmacovigilance (QPPV), qualified personnel (the Pharmacovigilance Department), procedures, and other documents governing its operation. An essential element is the monitoring of adverse events and the documentation of the oversight process, as well as informational and educational activities. The system operates on the basis of detailed internal procedures, and complies with applicable regulations and Good Pharmacovigilance Practices (GVP), as confirmed by the provisions of standard operating procedures regarding audits. The company also ensures continuous system improvement through regular updates of procedures and ongoing training programs.

The Qualified Person Responsible for Pharmacovigilance is responsible for overseeing the compliance of the entire system and reporting to the President of the Management Board.

[11] https://polpharma.pl/wp-content/uploads/2023/01/Polityka-Jakosci-Quality-Policy-Nov-2022.pdf

Polpharma constantly monitors the quality and effectiveness of the PV system through:
- a 24-hour adverse event collection and handling system, enabling information to be transmitted to the PV team within specified timeframes,
- signal detection and management, ensuring the systematic identification, analysis, and escalation of safety signals, as well as the documentation of corrective actions,
- regular audits,
- mandatory training for all employees.

Polpharma constantly monitors the quality and effectiveness of the PV system through:
- monitoring key performance indicators related to PV processes, including the timeliness of submissions, documentation compliance, and reporting completeness,
- oversight of the implementation of corrective and preventive actions (CAPA),
- strategic reviews conducted by the Qualified Person Responsible for Pharmacovigilance,
- regular reviews of the product safety system in the context of health and regulatory requirements.

Protection of consumers and end-user rights

[MDR-P 63, 64, 65 a)-d)] [15, 16 a)-c), 17]

The **Polpharma's Fair Competition and Consumer Protection Policy** has been in effect since 2024, and sets forth the principles that ensure the company's compliance with competition and consumer protection laws. This applies to all employees and associates (including, but not limited to, agents, consultants, contractors, and business partners) who are part of the organization or act on its behalf.

This policy sets forth the rules of conduct regarding market communications and consumer relations, with a particular focus on advertising and marketing activities. These activities should be fair, transparent, and not misleading; nor may they involve aggressive marketing practices. This applies to both materials intended directly for consumers and those intended for other participants in the pharmaceutical market. In particular, the following are prohibited: misleading advertisements and product information; false information about certifications and regulatory compliance; hidden advertising and the manipulation of research results; false claims of therapeutic benefits; false or manipulated product reviews; threats of losing access to products, pressure to make an immediate decision, and the exploitation of fear or uncertainty. The policy also covers the principles of collaboration with digital creators as a distinct form of advertising, alongside specific sales practices, i.e., dark patterns, which may violate collective consumer interests.

The policy also supports the implementation of principles derived from recognized international standards on consumer protection and responsible business conduct, including the UN Guiding Principles on Business and Human Rights, by promoting transparent communication, combating practices that may mislead recipients, and respecting consumer rights and interests. However, the policy does not refer directly to the aforementioned documents. During the reporting year, no instances of non-compliance with international guidelines were identified.

Policy training is part of the annual ethics and compliance training required of all employees and is conducted in accordance with the rules set forth in the Compliance Policy. The Compliance Officer and the Head of the Legal Department are responsible for their proper implementation.

An important element of the consumer and patient protection system and of mitigating the risk of misleading practices are the principles of responsible market communication. Polpharma carries out marketing and promotional operations ethically and in accordance with current legal requirements, taking into account the specific sensitivity of the healthcare sector, and the influence of marketing communications on therapeutic choices and the safety of patients and consumers. The company's approach to marketing is based on the principle of reliable information, transparency, and respect for the independence of the medical community, as well as consumer and patient trust. The base of activities in this area is the **Polpharma Code of Ethics** which sets forth the standards of conduct in relationships with stakeholders, including doctors, pharmacists, business partners and end-users of the company's products. The Code establishes a framework for fair communication, prohibits misleading practices, and requires that promotional activities be conducted in a socially responsible manner, keeping in mind the primary goal of safeguarding patient and consumer best interests.

An important part in the area of ethical marketing is played by the **Anti-Corruption Code** which governs the marketing and sales relationships with healthcare professionals (HCP) such as pharmacists, nurses and midwives, including the rules regarding sponsorship, educational events and cooperation with external partners. The aim of this document is to prevent conflicts of interest and ensure that promotional activities do not unduly influence treatment decisions.

Both codes are described in detail in disclosure G1-1.

[MDR-P 63, 64, 65 a)-d)] [15, 16 a)-c), 17]

Polpharma conducts marketing activities in a regulated manner and in compliance with applicable regulations and internal rules set forth in the **Marketing Activities Instruction** (MAI). The document defines permissible promotional and advertising activities directed to HCP and – to a specified extent – to patients and consumers. The MAI covers medicinal products, supplements, medical devices, foods for special medical purposes and cosmetics.



This Instruction defines the framework and responsibilities related to the planning, approval, implementation, and accounting for marketing activities. All activities must comply with the law, be conducted with integrity and transparency, and ensure that marketing content does not mislead the recipients. The MAI is updated periodically, and the Legal Department is responsible for its content and regulatory compliance.

Polpharma's Management Board ensures that all users/recipients comply with the MAI. The Compliance Officer, together with the Head of the Legal Department, ensures that it is kept up to date, including bringing it into compliance with applicable laws, and issues binding interpretations. Each employee is also obliged to comply with the Polpharma Code of Ethics and Anti-Corruption Code, which are complementary to the provisions of the MAI. Company employees can find all aforementioned documents on the intranet.

The MAI training sessions are conducted in accordance with the current Compliance Training Instruction. Amendments in the MAI are communicated to employees.

[MDR-P 63, 64, 65 a), b), d)] [15, 16 a)-c)]

All promotional materials are approved in accordance with the **Procedure for the Approval of Promotional and Educational Materials**, which applies to medicinal products, food supplements, medical devices, foods for special medical purposes, cosmetics, and educational activities. The aim is to standardize and systematize the procedure in the approval process, taking into account separate pathways for certain types of materials. Additionally, each advertising material is approved by a medical advisor and a lawyer. In the cases specified in the procedure, advertising materials are also approved by the PR Department and the Compliance Team.

Polpharma has also undertaken to comply with:

- The Code of Good Advertising Practices for Food Supplements, developed by the National Council for Supplements and Nutrients, the Polish Association of Producers of OTC Medicines (PASMI), the Polish Chamber of the Pharmaceutical and Medical Devices Industry (POLFARMED), and the Employers' Association "Suplementy Polska – Association of Manufacturers and Distributors,"
- The Medicines for Europe Code of Conduct,
- The Code of Conduct of the Polish Association of Producers of OTC Medicines PASMI.

[MDR-P 63, 64, 65 a)-b)] [15, 16 a)-b)]

Polpharma helps patients learn about diseases, preventive health care, and advanced treatment methods. Activities in that area are governed by the **Procedure of Educational Programs**. The programs are managed by an independent external company with the appropriate scientific and logistical capabilities, selected through a transparent competitive process. It provides a team of experts who develop the program's concept and educational and informational materials for doctors, patients, and their families. Polpharma reviews programs and materials; they must not constitute direct or indirect advertising of medicinal products (in particular prescription-only medicines, which are subject to a statutory ban on marketing activities) nor serve to influence therapeutic decisions.

After each edition concludes, a final report is prepared that covers the program's objectives, goals, participant selection criteria, methodology, and schedule. It is reviewed by the company and external experts. Polpharma oversees the implementation of programs, which includes, among other things, regular reviews in accordance with applicable internal procedures and the possibility to conduct audits.

The Human Rights Protection Policy includes a wide range of stakeholders, including patients and consumers. Detailed description of the document can be found in disclosure S1-1.



[S4-2]

Processes for engaging with consumers and end-users about impacts

[20, 20 a)]
Engagement with patients and consumers involves encouraging them to report quality defects, adverse events, and feedback regarding products, which supports the management of pharmacotherapy safety and quality. Feedback collected through dedicated communication channels and consumer surveys is analyzed and used in decision-making processes related to product safety, packaging design, user information, and product portfolio development.

In accordance with applicable legal regulations, Polpharma does not communicate directly with patients regarding prescription-only medications. However, it is permissible to advertise over-the-counter products, medical devices, cosmetics, and food supplements through advertisements in the general media. The rules for preparing such disclosures are described in disclosure S4-1.

Detailed product information is available to consumers and end-users in the leaflets included with the packaging, as well as on the company's website. All leaflets and packaging for Polpharma's medicinal products are labeled in accordance with legal regulations. In addition to basic information about the medicine, such as its name, strength, composition, dosage form, and storage conditions, Polpharma includes details about the marketing authorization holder on the packaging and, in the leaflet, information about the manufacturer of the medicinal product. It also provides information on safe use and responsible disposal of the product.

[21]
Polpharma's product leaflets in Polish are available in versions adapted to the needs of blind and visually impaired people. They have been produced in the form of audio recordings that can be listened to via the hotline. Products distributed in EU member states – with the exception of those administered by medical personnel – must, in accordance with regulations, include information in Braille on their packaging; the company follows a similar practice in selected other markets, even though no such requirement exists there.

Contact channels with Polpharma

[20 b), c)]
Patients, consumers and healthcare professionals can contact the company in many ways, including via:

- channels for reporting quality complaints,
- channels for reporting adverse events, including a special form,
- channels for handling medical inquiries regarding product performance,
- contact form on the website,
- letter sent by traditional mail,
- contact with medical representatives,
- hotline at (+48) 58 563 16 00.

Engagement with patients, consumers, and healthcare professionals is continuous with regard to report handling, and is periodic and project-driven in the context of consumer research. This engagement occurs across various stages of the product life cycle.

The company has not appointed a single person operationally responsible for all cooperation with consumers and end-users. This responsibility is distributed among the functions appropriate to the respective areas. The Head of the Pharmacovigilance Department is responsible for the operational management of adverse event reports, while the Head of the Quality Department is responsible for product complaints. These functions are responsible for ensuring report handling and forwarding the resulting information to the relevant processes related to product safety, quality, and improvement.

Medical inquiries are questions from patients and healthcare professionals about the use, safety and properties of products. They are treated separately from adverse event reports, but often come through the same contact channels – usually through a hotline or a contact form on the website. Delegated personnel responsible for pharmacovigilance categorize them, and then record them in the relevant system, or forward them to the responsible department. The response is given to the reporting person, if they have left their contact details.

In 2025, a wide range of consumer research was conducted on behalf of Polpharma, aimed at understanding consumer needs, behaviors, and expectations, as well as identifying factors affecting product safety, availability, and adequacy. A total of 143 research projects were conducted, focusing on issues related to communication, packaging, labeling, and other factors affecting the legibility, recognizability, and functionality of products from the consumers' perspective. Through these efforts, the company ensures that the way its products are presented remains clear and tailored to users' needs.

Furthermore, ongoing studies were carried out and trend reports compiled to track shifts in consumer habits and preferences, and to analyze social trends appearing in other, more developed markets. The results of these analyses served as the basis for identifying areas characterized by unmet health and preventive needs.

Cross-sectional research, unrelated to specific products and encompassing a broad diagnosis of consumer needs and behaviors, was also conducted. Their goal was to gain a deeper understanding of consumer behavior and the frequency with which certain solutions are used, as well as to identify gaps in the market and underdeveloped segments.

The results of research are an important source of knowledge used to shape decisions regarding product design, communication and development of new categories corresponding to the real consumer needs. This allows the company to capitalize on identified opportunities by adapting its offering to evolving customer expectations, demographic shifts, and market trends.

[20 d)]
The effectiveness of engagement with consumers and end-users is assessed by analyzing research insights, as well as the nature and volume of inquiries received through available channels and their translation into corrective and developmental actions. The results of this engagement are used when taking decisions regarding modification of packaging, information content, communication and development directions for new product solutions.



[12] https://polpharma.pl/en/adverse-event-reporting-form/
[13] https://polpharma.pl/en/about-us/contact/

[S4-3]

Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

[25 c)]
Ensuring patient safety is a key element of Polpharma's responsibility and is carried out through the pharmacovigilance system, operating in accordance with the requirements of the Pharmaceutical Law and relevant European guidelines.

All Polpharma employees in Poland who become aware of **adverse events** are required to report them. Patients and healthcare professionals have access to information regarding product safety and how to report adverse events, including through the website . In Poland and on foreign markets the company conducts training regarding reporting of adverse events which are mandatory for all employees and business partners.

[25 a), b), AR 21]
Adverse event reports reach the company through multiple channels, enabling ongoing safety monitoring of therapies. The company monitors the Internet and social media as well as contact forms, specialist literature (with the support of an external partner), global data bases and reports of the national regulatory authorities to the European Medicines Agency. Reports are also provided by external partners.

Users of Polpharma products can report adverse events directly to the company by leaving a message on the hotline 24h/7, through a specially designed form on the website, by mail and e-mail. A person from the PV team qualifies a report as an adverse event or medical inquiry and registers it in a relevant data base. The main source of reports, managed through the system of PV team on-call system, is a dedicated e-mail box. Each report is forwarded to the relevant function which prepares a response for the reporting person to the extent possible under the applicable regulatory requirements, including relating to personal data protection.

[26]
The channels are maintained and adapted to ensure their accessibility and relevance to users' needs, as reflected in the regular feedback Polpharma receives. However, the company does not conduct a separate assessment process to check whether consumers and end-users are aware of and trust these channels as a way to raise their concerns or needs and have them addressed.

The PV Department is responsible for the process. The company assures that reporting adverse events or other issues related to treatment safety will not result in any negative consequences for those who report them, and that all reports are handled confidentially and in accordance with applicable laws.

The PV team conducts ongoing analysis of the severity and trends of reports and identifies potential safety signals, initiating appropriate actions, including reporting information to the European Medicines Agency or the relevant national authorities. The periodic reports prepared by the team include an assessment of the balance between the benefits of treatment and the risks associated with reported adverse events, as well as recommendations regarding changes to product information and additional risk-minimization measures.

As part of routine risk minimization efforts, standard measures are implemented, such as a patient information leaflet, the Summary of Product Characteristics, specification of the packaging size and the product's availability status. Depending on the risk profile, also other targeted risk-minimizing measures can be used such as educational materials for patients and healthcare professionals, direct communication and programs of controlled access to products and additional warnings.

In response to the results of safety analyses, Polpharma may implement a range of corrective and risk-minimization measures including: updates to product information, communication activities directed at healthcare professionals, the development of additional educational materials, controlled access programs, and in critical situations – the suspension or recall of product batches, as well as the activation of an internal crisis management team. These actions are conducted in cooperation with the relevant national authorities and the European Medicines Agency.

The company evaluates the effectiveness of the aforementioned actions through (among other things):
- an assessment of improvements in patient and physician awareness (before and after the educational program),
- analysis of trends related to specific risks,
- analysis of the number and subject of patient reports,
- monitoring of the distribution of educational materials and confirmation of their receipt.

Complaint handling

[25 a), b), c)]
Polpharma accepts and processes quality complaints regarding medicinal products and medical devices as part of the quality management system. Complaints may be submitted, among other ways, by phone, voicemail, the contact form on the company's website, regular mail, and through medical representatives, pharmacies, and wholesalers.

A quality complaint is defined as a report of a defect or suspected defect in a product related to its quality or quantity.

Complaints are classified as:
- **major (Category (a)** – covering defects that may pose a threat to the patient's health or life or cause significant disruptions in product distribution;
- **minor (Category (b)** – covering defects that are medically insignificant, provided the product remains in compliance with the specifications.

Each complaint is subject to verification, including an assessment of data completeness, batch identification, documentation analysis, and, where justified, an evaluation of the manufacturing history of the given batch and available retention samples. In the event that a potential risk to patients is identified, appropriate follow-up actions are taken including corrective and preventive actions.

Upon receiving notification that a complaint has been accepted, a patient or customer is eligible exclusively for a refund rather than a replacement product. The return of the defective product is handled within the distribution chain through a pharmacy, along with the proof of purchase, in accordance with the applicable complaint procedure. Sending a defective product directly to Polpharma is possible only in the case of resignation from a refund and serves only for quality analysis. Once the complaints process is complete, the company disposes of the products.

[14] https://www.bezpiecznaterapiapolpharma.pl.

In situations where an analysis of a complaint indicates a material risk to patient safety, Polpharma may – in accordance with applicable regulations and in cooperation with the relevant regulatory authorities – decide to temporarily suspend or withdraw products from the market as a preventive measure to protect public health. Such processes are carried out in accordance with internal procedures and regulatory requirements.

In the event of a suspected critical quality defect, Polpharma conducts an analysis of retention samples, manufacturing documentation, control parameters, and product compliance with specifications. Depending on the result of analysis, adequate remedial measures are taken, including, if necessary, process changes, communication with a contractor (in case of products acquired from contractors). Polpharma also complies with the requirement to report suspected quality defects to the relevant pharmaceutical regulatory authority (in Poland: the Chief Pharmaceutical Inspector). The report outlines the investigative measures taken, the scope of the defect's impact, and an assessment of the impact on patients' health. Depending on the nature of the defect and the assessment of the risk to public health, a decision is made either to allow the batch of the product in question to remain on the market or to recall it, if necessary. This process complies with legal requirements and internal standard operating procedures: "Reporting Quality Defects or Suspected Quality Defects in Medicinal Products to the Chief Pharmaceutical Inspectorate" and "Procedures to Follow in the Event of a Necessary Recall or Suspension of Products from the Market".

In 2025 Polpharma registered 2011 complaints, of which: 2002 were quality complaints, 7 – quantity complaints, and 13 reports were qualified as adverse events.

[27]
Apart from the systems for reporting adverse events and complaints, the undertaking has not implemented a separate, formalized process for engaging consumers and end-users. These channels serve as the primary mechanism for identifying and addressing the concerns and needs that are raised.

[S4-4]

Taking action on material impacts on consumers and end-users, and approaches to material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

[37] [MDR A 69]
Patient impact management is supported by dedicated functions (including quality, pharmacovigilance, marketing, compliance). Depending on the situation, appropriate financial and operational resources are deployed, including, among other things, monitoring systems, analytical tools, and educational initiatives.

[32 b)-c)]
In cases where there has been an actual material negative impact on patients or consumers, the company ensures access to mechanisms for reporting and addressing such issues and takes corrective or remedial measures appropriate to the nature of the incident, in accordance with applicable quality and safety procedures and regulatory requirements. The effectiveness of these measures is verified through monitoring of their implementation and supervisory reviews; details are provided in disclosures S4-1 and S4-2.



[35]
During the reporting year, no serious human rights issues or incidents involving consumers or end-users were reported.

[31 a)- b), 33 a)]
Polpharma's goal is also to ensure medicines security, understood as the continuous market availability of key products, including life-saving medicines and the only equivalents. Disruptions or delays in the supply of these types of medicines could have significant negative consequences for patients' health and lives. The company manages this impact through continuous monitoring of product availability, ongoing inventory assessment, the enhancement of demand forecasting, as well as the early detection and mitigation of potential supply chain disruptions and risks to the operational continuity of manufacturing plants.

The type and scope of measures taken in response to identified impacts on patients or consumers are determined on the basis of the monitoring of product availability, analysis of internal data and market conditions, as well as the assessment of the product's significance for the patient, and are subsequently approved within the relevant management structures. Measures are tailored to the level of actual or potential impact on patients, taking into account regulatory requirements and the efficacy of previous actions.

Actions for security of drug supply

[32 b)]
One of the primary tools enabling the maintenance of access to therapy in the event of potential market shortages, thereby minimizing the risk of treatment interruption for patients, is **interventional import**. It involves importing medicinal products from abroad when there are shortages on the domestic market and available manufacturers are unable to meet the demand. The mechanism is based on the provisions of the Pharmaceutical Law and the regulations of the Ministry of Health, and is applied exclusively in situations where the lack of availability poses a real threat to public health.

As part of fulfillment of duties towards patients in Poland, Polpharma undertakes the following actions, covering:

- monitoring risk of medicine shortages in the areas of critical therapies,
- analysis of availability of products on the domestic and international markets,
- organizing supplies from international sources in the event of supply disruptions,
- coordination of logistics and distribution,
- cooperation with pharmaceutical wholesalers and regulatory authorities.

The aforementioned process covers not only the company's portfolio products, but also medicines that the company does not routinely offer, yet which are essential for ensuring patient safety in Poland.

Through interventional import, it is possible to mitigate the adverse consequences of medicinal product shortages for patients, especially across emergency care domains, intensive care, and the management of life-threatening conditions. It includes, among others, securing medicines used in resuscitation and life-threatening conditions, hospital-use analgesics, and products of high clinical significance in areas with limited therapeutic options.

Effective management of supplier relationships also helps minimize disruptions in the supply chain that could adversely affect the availability of products for patients. To reduce

the risk of such disruptions, Polpharma employs measures such as diversifying its supply sources and transportation routes, monitoring supplier concentration and geographic exposure, and continuously identifying risks that could affect supply continuity. These measures are intended to strengthen the resilience of the supply chain and reduce the risk of product shortages.

[31 d), 33 a)]

To regularly measure the availability of its products, Polpharma, jointly with IQVIA, the global leader in pharmaceutical market data analysis, created a methodology for the **security of drug supply index**. The index takes into account the level of availability of Rx products offered by the company and available on the market for more than 12 months.

95%

Security of drug supply index in 2025

The above index represents the weighted average market availability of selected Rx Pharma reimbursed and non-reimbursed products that have been available on the market for more than 12 months. It reflects the physical availability of medicines for patients, based on weekly product availability across groups defined by numerical warehouse distribution thresholds and weighted accordingly. The KPI is calculated by the external data provider IQVIA based on its underlying data.

In 2025:

- Polpharma's active sales portfolio included **998 products** (SKUs) on the Polish market and 1,169 products (SKUs) on export markets, in various forms, dosages, sizes, packaging, and language versions.
- **One in eight** packages of medicine in Polish pharmacies and one in three in Polish hospitals came from Polpharma.
- Polpharma held a **13.4% share of the volume** of reimbursed medicinal products, but only a **6.7% share** of the value of reimbursements.
- Approx. **45%** of Polish medicinal products from the list of reimbursed medicinal products came from Polpharma.
- Polpharma continued to manufacture **42 medicinal products** (SKUs), including life-saving drugs that have no equivalents on the Polish market.
- Polpharma was a key manufacturer of parenteral antibiotics (i.e., administered via non-oral routes), used in perioperative prophylaxis.
- Polpharma was the only company in Poland to manufacture, on a large scale, **more than 60 active pharmaceutical ingredients** (APIs) – raw materials used in the production of medicines.

[31 c), 33 b)]

Products launched on the market in 2025

Polpharma introduced important products to the market in 2025, increasing their availability and generating savings on patient copayments. The total number of new product launches in 2025 on the Polish and export markets of Polpharma amounted to 119.

The major products launched on the market include:

- **apixaban** – a next-generation oral anticoagulant produced using an internally manufactured active pharmaceutical ingredient,
- **dapagliflozin** – a novel oral SGLT2 inhibitor produced using an internally manufactured active pharmaceutical ingredient, indicated for the treatment of type 2 diabetes, heart failure, and chronic kidney disease,
- **ciclesonide** – a licensed inhaled corticosteroid with anti-inflammatory properties, used in the maintenance treatment of chronic bronchial asthma.

In 2025, the company obtained marketing authorization for its **first inhalation product** containing glycopyrronium and glycopyrronium/indacaterol, used primarily in the treatment of chronic obstructive pulmonary disease (COPD). Furthermore, the European Medicines Agency issued a positive opinion on the Polpharma's proposed approach regarding the generic version of the medicinal product used in the treatment of spinal muscular atrophy (SMA), without the requirement for clinical trials. The adopted solution supports increasing the availability of therapies for patients, including children, in countries with a limited reimbursement level for the reference medicinal product.

In 2025, Polpharma introduced an **innovative** preservative-free atropine **eye drops**, granted marketing authorization in Europe for the management of myopia progression in pediatric patients aged 6 to 18 years. The product serves as an alternative to previously used low-concentration atropine compounded preparations (0.01–0.05%), which were prepared in pharmacies and characterized by quality variability and a short shelf life. The launch of this product helps increase access to standardized treatment in Poland and Europe.

Polpharma is developing a portfolio of technologically complex products, including **oligonucleotides and peptides**, whose patent protection expires after 2030. Some of them are intended for the treatment of rare diseases (including spinal muscular atrophy), while others are used for the management of lifestyle diseases, such as diabetes, hypercholesterolemia, or obesity. Those products will be manufactured in the new plant in Starogard Gdański which was launched in the beginning of 2026.

The company is also continuing to develop advanced inhalation products at its Medana branch in Sieradz, and is expanding its expertise in the API segment in Starogard Gdański, particularly with regard to highly active substances.

In 2025, Polpharma implemented the product development transformation process in the area of consumer healthcare (CHC), covering products intended directly for consumers, including over-the-counter (OTC) drugs, medical devices, food supplements, and cosmetics. As part of this initiative, product development processes were redesigned and an organizational structure featuring specialized CHC teams was implemented, with a focus on better identifying consumer needs, fostering innovation, shortening time to market, and collaborating with external partners.

The aim of the initiative is, among others, to improve the quality of ongoing projects, better utilize consumer insights, and increase the efficiency of the development process for OTC products and food supplements.

Over-the-counter medicines

[31 c)]

Polpharma supports the availability of therapies through its portfolio of OTC medicines and the development of 'switches', i.e., products for which the legal status of supply has been changed from prescription-only to over-the-counter. These solutions can help ensure faster access to treatment for conditions that do not require a doctor's consultation, while adhering to the guidelines for the safe use of these products.

The benefits resulting from a change in the product availability category may include:

- increased access to treatment for selected minor ailments,
- opportunity to begin treatment earlier,
- greater convenience for patients in situations that do not require a physician's consultation,
- reduced burden on the healthcare system.

Education on pharmacovigilance

[31 a), c)-d), 32 b), 33 a), 34]

Polpharma provides education on pharmacotherapy to healthcare professionals through training materials tailored to their specific needs, clinical checklists supporting safety assessments, Direct Healthcare Professional Communication (DHPC) messages and the electronic distribution of educational materials, including through medical representatives. These activities are intended to support the safe use of therapies, facilitate the early identification of risks and increase awareness of the importance of reporting adverse drug reactions.

The effectiveness of the educational materials is evaluated, among other methods, through analyses of pre- and post-education surveys, assessments of procedural compliance and verification of the distribution of materials, including confirmation of their delivery. Data related to educational activities is cross-referenced with information from pharmacovigilance systems, which may support the assessment of the effectiveness of these activities in reducing patient risks and improving the quality of adverse event reporting.

Polpharma also distributes educational materials for patients, including supplementary brochures enclosed with medicinal product packaging, informational leaflets available in pharmacies and content published on websites, including dedicated educational webpages. These materials support the proper use of products and provide information that is essential for minimizing the risk of adverse drug reactions. For selected products, additional educational tools, such as checklists and forms, are also used to support the assessment of contraindications and promote the safe use of therapies.

Education of the medical and pharmaceutical communities

[31 d), 34, AR 33 b)]

In view of the dynamic advancement of medicine and pharmacology, Polpharma conducts educational activities aimed at physicians and pharmacists to ensure access to current and reliable information related to pharmacotherapy. Educational programs and organized events support the continuous professional development of medical professionals, which indirectly contributes to patient safety by disseminating up-to-date knowledge regarding the appropriate use of therapies, contraindications, drug interactions and treatment monitoring.

During conferences organized by Polpharma under **the Expert Educational Program**, knowledge is shared by specialists, with a strong emphasis on the practical aspects of the subjects presented. In 2025, 22 events, including 10 nationwide and 12 regional conferences, were organized for physicians specializing in primary care, diabetology, cardiology, gastroenterology, neurology, ophthalmology, gynecology, allergology, pediatrics and pulmonology. Altogether, these events were attended by more than 8,800 participants, both in person and online. The average rating awarded to these events in participant surveys was 4.8 on a five-point scale. As part of the program, a conference entitled "Pharmacists and pharmacies facing new challenges" was also organized, attracting the participation of 450 specialists.

In 2025, Polpharma organized and sponsored a total of **369 scientific conferences and workshops** attended **by 8,268 physicians**, while an additional **4,788 participants joined the events online**.

Polpharma representatives also participated in **21 meetings with midwives and nurses from childbirth schools** across Poland, organized by Prenatalis under the scientific supervision of the Polish Midwives Association. More than **3,300 midwives and nurses** participated in these meetings.

Polpharma's representative office in Bulgaria organized **4 interdisciplinary symposia** aimed at presenting current recommendations based on European and American guidelines in the fields of cardiology, endocrinology and neurology. These events brought together more than **450 healthcare professionals** and were held in the country's principal regions.

Polpharma also carries out educational activities through digital and online channels. The **PolpharmaDlaCiebie.pl** platform is a website intended for primary care physicians and medical specialists, providing educational content related to everyday medical practice. Users have access, among other resources, to patient educational materials, tools supporting clinical practice, such as medical calculators, current news and thematic educational series. These solutions support healthcare professionals' access to up-to-date information and may indirectly contribute to improving the quality of patient care.

In December 2025, a survey measuring awareness of the PolpharmaDlaCiebie.pl platform was conducted among a sample of 310 physicians from across Poland. The survey results demonstrated a positive assessment of both the substantive quality of the content and the credibility of the experts.

In 2025, nearly 1,000 new articles were published on the platform, bringing the total number of articles available by the beginning of 2026 to approximately 2,500. Compared with 2024, the number of physicians using the platform increased by 86%, the number of logins rose by 52% according to the Pharma Pass system and the number of visits increased by 123% according to the Piwik analytics system.

In 2025 Polpharma organized and sponsored

369
scientific conferences and workshops

8,268
physicians attended

4,788
people participated online

Since 2024, as part of the PolpharmaDlaCiebie project, a podcast series entitled “Bez Fartucha” (“Without the Coat”) has also been produced for physicians and published on the platform as well as on Spotify and YouTube. In 2025, 23 new podcast episodes featuring 20 guests were published.

With young physicians in mind, Polpharma launched the **Pestesty.pl** website in 2025 to support preparation for the State Specialization Examination. The platform provides access to examination questions from the 2023–2025 examination sessions across 17 medical specializations, together with three learning modes and a comprehensive knowledge base. In 2025, the platform was used by **720 physicians**.

The activities carried out through the **Farmacja Praktyczna&Play** platform support the development of pharmacists’ professional competencies, which may indirectly contribute to enhancing pharmacotherapy safety and improving the quality of pharmaceutical counseling provided to patients and consumers in community pharmacies.

Farmacja Praktyczna&Play is a website providing pharmacists with current information and expert guidance on pharmacotherapy, pharmaceutical law, pharmaceutical care and the safe use of medicinal products. The platform also includes content related to pharmacy management. The available content is complemented by the digital edition of the Farmacja Praktyczna magazine.

The Farmacja Play section provides pharmacists with opportunities for continuing professional education through interactive training sessions, certified courses and concise educational modules.

As at the end of 2025, these educational activities reached an average of 39,161 portal users each month. In addition, communication was conducted through profiles on Facebook, with 48,995 followers and Instagram, with 908 followers as well as through a newsletter distributed to approximately 9,900 subscribers.

The **AppAPTEKA** application is intended for pharmacists working in community pharmacies. The project is based on gamification, with new tasks related to Polpharma products and specific health conditions being introduced on a regular basis. By the end of 2025, approximately 10,000 pharmacists representing 3,000 pharmacies were actively using the application.

Polpharma Scientific Foundation

The Polpharma Scientific Foundation, established in 2001 and supported by Zakłady Farmaceutyczne Polpharma S.A., carries out activities benefiting patients and the medical and pharmaceutical communities by financing scientific research and educational initiatives. Since 2022, the Foundation has implemented a strategy based on four pillars: proximity to patients, the scientific community, the pharmaceutical industry and the medical opinion-forming community. From the commencement of its activities through the end of 2025, the Foundation awarded 85 research grants with a combined value of nearly PLN 44 million.

The **Medical School of Your Future** is the Polpharma Scientific Foundation’s proprietary educational program for the most talented medical and pharmacy students, designed to support the development of young scientific talent and future healthcare leaders. In 2025, the third edition of the program for medical students and the first edition for pharmacy students were held. During week-long workshops and lectures conducted under the guidance of experts and practitioners, participants developed competencies related to scientific research, new technologies, communication, professional ethics and interdisciplinary collaboration. By the end of 2025, four editions of the program had been completed, involving a total of 120 students. The program received the “Wprost Innovators 2025” award.

In 2025, the Foundation joined the **Warsaw Health Innovation Hub** (WHIH), a platform for cooperation among public, private and academic institutions initiated by the Medical Research Agency. Participation in this initiative supports the advancement of innovation in medicine and biotechnology while strengthening the resilience of the healthcare system.

The Foundation’s key activities in 2025 included

- the 24th edition of the grant program for research projects. The theme of the Foundation-funded competition was “Modern technologies to improve the mental health of Poles (evaluation of outcomes).” The value of the awarded project was PLN 654,900.
- The fifth edition of the Professor Roman Kaliszan Award and Medal was presented by the Polpharma Scientific Foundation, the Medical University of Gdańsk and the Gdańsk Scientific Society in recognition of outstanding scientific achievements in the fields of biomedical and biopharmaceutical sciences. The laureate was Professor Jacek Jemielity, recognized for his scientific achievements in the area of chemical modifications of mRNA and nucleic acid technologies that create new therapeutic opportunities in medicine and pharmacy.
- The Foundation also partnered in the Golden Scalpel competition organized by the “Puls Medycyny” journal, which recognizes groundbreaking achievements in diagnostics and therapy and supports the dissemination of innovative solutions that enhance the quality of medical care in Poland.
- It also funded prizes for the winners of the subsequent edition of the National Competition for Master’s Theses at Pharmaceutical Faculties, organized by the Polish Pharmaceutical Society, which supports the development of young talent and promotes high-quality scientific research conducted by pharmacy students.
- The Foundation organized a series of scientific and expert debates dedicated to the most significant challenges of contemporary medicine, with the objective of disseminating reliable medical knowledge and fostering dialogue among the scientific community, experts, patients and the media. In 2025, the debates addressed the following topics: “What’s new in medicine in 2024?,” “What might the future of mental health treatment look like in Poland and Europe?” and “Innovative biological therapies for autoinflammatory diseases in 2025.”



Patient education

[31 d), 34, AR 33 b)]
In 2025, 3 educational programs intended for patients were implemented. Participation in these programs was entirely voluntary and anonymous. .

In total, more than
156,000
educational sessions were conducted

The educational program for adult patients with **schizophrenia** focused on strengthening therapeutic cooperation and reducing the risk of relapse. It included educational materials designed to help identify symptoms and risk factors for relapse, involve patients' relatives and caregivers in the therapeutic process and increase awareness of the importance of maintaining remission and adhering to regular medication regimens. The initiative also provided physicians with supporting materials and practical tools to facilitate the identification of absent or partial treatment adherence during consultations, thereby enabling therapeutic interventions to be tailored more effectively to patients' needs at different stages of treatment.

The **asthma** education program targeted adult patients, children over six years of age and their caregivers and was designed to improve disease control and increase awareness of the importance of the regular use of inhaled medications. Based on current clinical guidelines, physicians assessed the level of asthma control and provided education covering correct inhalation techniques, the identification and correction of common errors and the safe use of pMDI and DPI inhalers. The program also included the provision of educational materials for independent use and, where necessary, continued education during follow-up visits, thereby supporting a better understanding of treatment and the principles of proper inhaled medication use. The **bipolar disorder** education program was intended for adult outpatients and was designed to increase awareness of the disease's symptoms, the importance of maintaining remission and the need for consistent treatment. Activities included educational materials supporting the identification of relapse risk factors, strengthening the therapeutic alliance and encouraging the involvement of patients' relatives and caregivers in the treatment process. The program also provided physicians with training materials and practical tools to facilitate the identification of non-adherence or partial adherence during consultations, thereby helping tailor patient care to individual needs. Psychiatrists, medical residents and primary care physicians providing psychiatric care participated in implementing the program.

In 2025, Polpharma launched the "**We track myopia**" educational campaign, directed at parents, caregivers, teachers and physicians and focusing on the growing incidence of myopia among children. The campaign aimed to increase awareness of prevention and early detection of vision disorders by providing practical guidance on eye health, limiting screen time and emphasizing the importance of outdoor activities. In 2025, the campaign reached approximately 1.4 million people, generated more than 600 media mentions and recorded nearly 3,700 uses of the risk calculator.

The **"Kindergartens free of pinworms"** initiative was designed to increase awareness among children, parents and kindergarten staff regarding the prevention and management of pinworm infections. Its activities included educational programs for children promoting basic hygiene principles, informational materials for parents and subject-matter support for teachers. The program is implemented in cooperation with specialists and supported by an information platform. Following a regional pilot conducted in 2024, it was expanded in 2025 to preschools across Poland and received the honorary patronage of the Minister of Education.

In 2025, Polpharma operated **40 websites** providing educational content for patients on a wide range of health-related topics. The most frequently visited website was Pirolam[15], attracting approximately 365,000 unique users. Altogether, the websites containing educational content were visited by nearly 3.5 million users during 2025.

To further extend the reach of its patient education initiatives, Polpharma also used social media channels. In 2025, the company maintained a total of **28 educational profiles**, including 19 on Facebook and 9 on Instagram.

Inclusive marketing communication

[31 c), 34]
As one of the largest advertisers in Poland, Polpharma is developing marketing communication principles that take diversity into consideration and demonstrate respect for its audiences. In July 2025, the **"Guide to inclusive communication,"** prepared by a dedicated project team, was published as practical guidance for developing advertising communications. The guide explains the concept of inclusivity, provides recommendations on avoiding stereotypes and generalizations and contains a checklist designed to support the evaluation of marketing communications.

[MDR-A 69]
Implementing the described measures does not require significant capital expenditures (CapEx). Activities related to consumers and end-users are carried out as part of ongoing operational processes and within the budgets of the relevant organizational functions, including those responsible for quality, product safety, pharmacovigilance, communication, education and marketing. Due to the competitively sensitive nature of the information, the company does not disclose separate cost data related to communication, educational and marketing activities.



[15] www.pirolam.pl

[S4-5]

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

[41 a)-c)] [MDR-T 80 h)]

As part of the development of the ESG Strategy for 2026–2030, Polpharma established measurable, outcome-oriented objectives related to material impacts, risks and opportunities concerning consumers and end-users. These objectives were developed with the participation of representatives from key business functions, including the sales and marketing departments. They were not established with the direct participation of representatives of the relevant stakeholder groups. Progress toward achieving these objectives is monitored by the individuals and organizational units responsible for their implementation and is reviewed at least once each year by the ESG Department in cooperation with the relevant business units.

The results are reported to the Management Board and the Sustainable Development Committee and are disclosed as part of the sustainability reporting process. Any modifications and updates to the objectives are made during regular review cycles.



Achievement of the objectives adopted under the Sustainable Development Strategy for 2022–2025:

95%
Security of drug supply index

4.8/5
Average conference rating

NPS: 73
User satisfaction with educational materials and evaluation of organized conferences

17,957,491 people
Reach of educational and preventive healthcare initiatives directed at patients and consumers

[MDR-T 80 a)-d), f), j)]

THE OBJECTIVES ADOPTED FOR THE PERIOD 2026–2030

Target 1

Increase access to treatment by providing 7.5 billion treatment days to patients in Poland and export markets by 2030

Target 2

Maintain the security of drug supply index at above 90%*

*More in disclosure S4-4

Target 3

Medical community education: Expert Educational Program conference participant rating of at least 4.5 and a user satisfaction rate for educational materials, measured using the Net Promoter Score (NPS), of at least 50**

**The first metric is calculated as the average event rating obtained through participant surveys. The Net Promoter Score is calculated on the basis of respondents' answers to a question regarding their willingness to recommend the educational materials to others.

Target 4

Patient education: reach one million patients by 2030 through educational activities conducted in cooperation with health educators, including healthcare professionals, institutions and foundations***

***This metric is calculated based on the number of educational sessions delivered in accordance with the Procedure of Educational Programs.

No base year or baseline value has been established for the above objectives against which future progress will be measured. All objectives are monitored on an ongoing basis using defined qualitative and/or quantitative metrics.

Some of the objectives included in the ESG Strategy for 2026–2030 constitute a continuation of the objectives implemented under the sustainability strategy that remained in effect through the end of 2025.



04

Governance information

ESRS G1

ESRS G1

Business conduct

[G1 GOV-1]

Role of administrative, management and supervisory bodies

Role of management and supervisory bodies with regard to business conduct

[5 a)-b]

The Polpharma Management Board is responsible for determining the company's strategic direction and overseeing business conduct, including business ethics, corporate culture and the compliance system. Issues related to ethical business conduct are incorporated into the company's established management principles and decision-making processes.

As part of fulfilling its responsibilities, the Management Board establishes standards of conduct throughout the organization, promotes corporate values and sets the overall "tone from the top." The Management Board is also responsible for establishing and approving key policies and procedures governing business conduct, including matters related to ethics, anti-corruption, whistleblower protection, supplier relationships, including payment practices and activities concerning external relations and political engagement. At the same time, the Management Board oversees the implementation and execution of these policies and receives information enabling it to monitor the company's compliance with the adopted standards and applicable legal requirements.

The performance of these responsibilities is supported by a well-structured management framework comprising specialized functions responsible for the operational management of specific areas. Within this framework, the Compliance Officer performs a particularly important role by coordinating the compliance management system, including matters related to ethics, anti-corruption and whistleblower protection. Also playing a significant role are the functions responsible for supplier relationship management, the identification of risks within the supply chain, the monitoring of payment practices and the performance of independent internal assessments of control and risk management systems. The Management Board provides these functions with the resources necessary to perform their assigned responsibilities and receives information from them to support decision-making and oversight of business conduct.

An additional mechanism supporting the Management Board in performing its supervisory responsibilities is the Compliance Committee, which consists of representatives of the Management Board, senior management and the Compliance Officer. The Committee analyzes key compliance risks, oversees the implementation of the compliance system, monitors its effectiveness and makes recommendations for its further improvement. This mechanism supports ongoing oversight of business conduct matters and facilitates the flow of information between the compliance function and the company's management bodies.

The Supervisory Board exercises overall oversight of the company's operations across all areas of its activities, including matters related to business conduct. As part of its responsibilities, the Supervisory Board performs an independent assessment of the Management Board's activities and may oversee the operation of whistleblowing mechanisms, particularly with respect to reports concerning members of the Management Board.

Individual areas of responsibility of management board members

Responsibility for selected areas related to business conduct has been assigned to specific members of the Management Board. In addition, some members of the Management Board, including the President of the Management Board, participate in the work of the Compliance Committee.

Responsibility for anti-corruption matters is assigned to the member of the Management Board who also serves as Head of the Legal Security and Patent Department and is a member of the Compliance Committee. This individual's responsibilities primarily include supervising the activities of the Compliance Officer.

Responsibility for procurement-related matters has been assigned to the member of the Management Board who also serves as Head of Procurement.

Responsibility for payment practices rests with the member of the Management Board who also serves as Chief Financial Officer.

Knowledge and experience of members of the Management Board and Supervisory Board

Information concerning the knowledge and experience of members of the management and supervisory bodies, including their expertise in matters related to business conduct, is provided in disclosure ESRS 2 GOV-1. Furthermore, where necessary, both the Management Board and the Supervisory Board may obtain additional expert support in matters within the scope under discussion.



[G1 IRO-1]

Description of processes to identify and assess material impacts, risks and opportunities

With regard to business conduct, Polpharma identified four material actual impacts, one material risk and two material opportunities.

Positive impacts (actual):

- **Fostering ethical corporate governance and responsible practices for patient safety and trust**

Polpharma upholds the highest standards of corporate governance and ethics, which fosters a strong corporate culture among its employees and partners and contributes to the development of fair practices in the business environment, ensuring patient safety and building trust among stakeholders.

This impact is directly linked to Polpharma's strategy and business model as the quality of corporate governance, regulatory compliance and compliance mechanisms are essential to operating in the pharmaceutical sector and maintaining relationships with key stakeholders. It is systemic in nature because it stems from the principles of organization, supervision and control applied in the company's day-to-day operations. It is taken into account in the management and operational decisions regarding standards of conduct, control mechanisms and cooperation with business partners.

- **Protection and confidentiality for whistleblowers**

By ensuring protection against reprisal and maintaining confidentiality for those who report concerns, organizations foster a culture of trust and integrity. This encourages employees, business partners and suppliers to report unethical, unlawful or non-compliant behavior.

This impact is directly linked to Polpharma's strategy and business model as mechanisms that enable the safe reporting of irregularities support compliance management, risk management and an ethical culture within the organization and in its business relationships. It is systemic in nature as it stems from the organizational and supervisory principles applied in the company's day-to-day operations. It is taken into account in management and operational decisions regarding standards of conduct, the improvement of reporting channels, control mechanisms and responses to reported violations.

- **Ensuring supply chain quality to protect patient health and corporate integrity**

Strict adherence by Polpharma's partners in the value chain to product quality and safety requirements is critical for protecting patient and consumer health and maintaining regulatory compliance. Through close collaborations and adherence to applicable laws, international standards, such as Good Manufacturing Practice (GMP) and Good Distribution Practice (GDP), as well as specific contractual obligations, Polpharma and its partners work together to ensure the integrity of products across all stages, from manufacturing and storage to shipment and sale.

This impact is directly linked to Polpharma's strategy and business model as patient safety depends on product quality, regulatory compliance and oversight of relationships throughout the value chain. It is systemic in nature as it stems from the quality, regulatory and contractual requirements applied in the company's day-to-day operations and in its relationships with partners. It is taken into account in purchasing, quality and operational decisions regarding the principles of cooperation, oversight and evaluation of partners in the value chain.

Negative impact (actual):

- **Reliance on sole suppliers impacts the company's ability to enforce social and environmental standards within the supply chain**

Polpharma's reliance on sole suppliers, especially in Asia, impacts its ability to enforce social and environmental standards within its supply chain. The dependence may contribute to ongoing negative practices, such as human rights violations, poor working conditions or breaches of environmental laws, thereby affecting the company's overall sustainability performance and stakeholder confidence and trust.



This impact is directly linked to Polpharma's strategy and business model as the continuity of its manufacturing operations depends on the availability of key raw materials, the quality of its relationships with suppliers and its ability to influence practices applied within the value chain. It is systemic in nature as it stems from the structure of the supply chain and the limited substitutability of certain supply sources. It is taken into account in purchasing and operational decisions regarding supplier relationship management, supply risk assessment and the strengthening of contractual requirements and oversight of business partners.

Risk:

- **The risk of operational disruption resulting from cybersecurity breaches or cyberattacks**

The risk of business operations being disrupted by cybersecurity incidents, including hacking, ransomware or phishing attacks, which could result in interruption of key processes, loss of access to essential systems and data, information leaks, financial and reputational losses, regulatory penalties and reduced stakeholder trust.

This risk is directly linked to Polpharma's strategy and business model as the company's operations depend on the continuity and security of its IT systems and the availability of data. It is systemic in nature as it stems from the company's ongoing reliance on digital solutions; however, it may manifest itself only incidentally in the event of a specific security breach. It is taken into account in technological, investment and operational decisions regarding infrastructure resilience, information security, access management and business continuity.

Opportunities:

- **An opportunity from improving access to affordable treatments through challenging unenforceable or invalid patents**

Opportunities arise from challenging unenforceable or invalid patents, leading to improving access to affordable treatments market expansion, revenue growth and competitive advantage.

This opportunity is directly linked to Polpharma's strategy and business model, which is based on developing and offering affordable generic drugs. It is taken into account in decisions regarding portfolio planning, product development, the assessment of barriers to market entry and intellectual property management, in compliance with applicable legal and regulatory requirements

- **A strategic opportunity from the EU pharmaceutical reform and the global regulatory harmonization**

The ongoing EU pharmaceutical reform and the harmonization of global regulatory standards provide a strategic opportunity for Polpharma to enhance competitiveness and operational efficiency. Key changes, such as shortening data exclusivity periods, enable the earlier market entry for affordable generic medicines, accelerating access for patients and allowing companies to capture market share more swiftly. A unified Bolar clause across the EU would facilitate Day 1 launches, particularly improving access in Eastern European markets and streamlining cross-border operations.

In addition, initiatives such as the Critical Medicines Alliance offer Polpharma potential benefits through strengthening the resilience of the supply chain and providing investment incentives aimed at bolstering local manufacturing. Globally, the simplification and alignment of regulatory frameworks will not only reduce compliance costs and accelerate product launches but also enhance product safety and accessibility across markets.

This opportunity is directly linked to Polpharma's strategy and business model as the regulatory environment influences the conditions for the development, registration, manufacture and distribution of medicinal products. It is taken into account in decisions regarding regulatory strategy, portfolio planning, the organization of operational processes and the assessment of opportunities arising from the harmonization of requirements in selected markets.



[G1-1]

Business conduct policies and corporate culture

[MDR-P 65 a)-f)] [10 b)]

Policies on business conduct and corporate culture

At Polpharma, matters related to ethical business conduct and corporate culture are governed by a comprehensive set of interconnected internal policies, codes and procedures approved by the Management Board and binding on all employees and associates of the company. These documents establish the fundamental principles, standards and expected behaviors governing operational activities and business relationships, while also supporting the identification, assessment and mitigation of risks associated with misconduct. The adopted framework is intended to ensure that business activities are conducted in accordance with applicable regulations, internal standards and the principles of responsible business conduct.

A key document in this area is Polpharma's Code of Ethics, which defines the values and standards of conduct forming the foundation of the company's corporate culture across all areas of its operations. Its provisions are further developed through the Compliance Policy, which establishes a framework for compliance management – including mechanisms designed to prevent legal violations and unethical conduct – and supports the development and maintenance of an organizational culture founded on integrity, accountability and responsibility.

An important complement to these documents is the Anti-Corruption Code, which establishes rules for combating corruption and misconduct, including standards governing relationships with business partners. In the area of internal relations, the Policy on Preventing Mobbing and Discrimination at Work also applies, establishing principles intended to foster a working environment based on respect for employee rights, dignity and equal treatment.



Together, these documents – for the implementation of which the Management Board is responsible – create a comprehensive framework for managing business conduct and organizational culture, encompassing both ethical considerations and compliance with legal requirements and market standards. This framework supports consistency throughout the organization's activities while facilitating the identification, assessment and mitigation of risks associated with misconduct, in accordance with the adopted principles of corporate governance and responsible business conduct.

The **Compliance Policy** establishes and regulates the operation of the compliance system by defining its structure, operating principles and the roles and responsibilities of the Management Board, the Compliance Officer and the Compliance Committee. Its purpose is to support the conduct of Polpharma's business in compliance with applicable national and international laws, the Code of Ethics, the Anti-Corruption Code and the adopted ethical and compliance standards, while regularly identifying, assessing and mitigating compliance risks.

The policy applies across all of Polpharma's operations, encompassing every location and all operational and decision-making areas. It applies to all employees, irrespective of their position or form of employment. It also applies to both the upstream and downstream segments of the value chain to the extent that the activities of third parties, including suppliers, contractors and business partners, may generate compliance risks for Polpharma. Detailed requirements applicable to third parties are set forth in supplementary documents.

Monitoring the implementation of the policy takes place within the compliance system and includes:

- ongoing oversight of compliance with policies and procedures,
- assessment of compliance risks,
- monitoring the operation of reporting channels and prohibited activities,
- analysis of reports together with the implementation of corrective actions,
- periodic reviews and updates of the policy,
- verification of the effectiveness of the compliance system during Compliance Committee meetings held once every quarter.

When establishing the policy, the interests of key stakeholders – particularly the company's own workforce, the Management Board and senior management, business partners and public institutions – were taken into account with regard to legal compliance, the mitigation of legal and reputational risks and the transparency of business processes. The document addresses stakeholders' expectations concerning the safe, ethical and responsible conduct of business and its content has been developed with due consideration for applicable regulatory requirements and the lessons learned from the operation of the compliance system.

The Compliance Policy also establishes a comprehensive compliance training program.

This document has been made available to all employees and non-employees through the company's intranet.

Polpharma's Code of Ethics is the fundamental document defining the company's values and the principles that guide its operations. Its purpose is to foster and strengthen an organizational culture founded on integrity, responsibility, respect and transparency, while supporting employees in making appropriate decisions in their day-to-day work and in ethically challenging situations. It refers to generally accepted principles of social responsibility and business ethics without explicitly identifying specific external standards or initiatives. Furthermore, it emphasizes the obligation to comply with all applicable legal requirements.

The Code of Ethics applies to all Polpharma employees. It covers the company's entire operations as well as all internal and external relationships. With regard to the value chain, it establishes Polpharma's standards for relationships with contractors and other business partners. A separate but related document is the Supplier Code of Conduct, which sets out the standards and principles that Polpharma

expects its suppliers to follow within the framework of their cooperation, including in the areas of ethics, human rights, working conditions, environmental protection and legal compliance.

Compliance with the Code of Ethics is monitored through the following:

- Ethics Program, which includes communication initiatives,
- regular training sessions delivered through both e-learning and in-person formats,
- analysis of reports concerning concerns and potential violations,
- ongoing advisory support provided to employees on ethical matters,
- periodic reviews and updates of the document.

The Code of Ethics was developed with consideration for the interests of the company's employees and associates as well as a broad range of external stakeholders, including business partners, patients and communities affected by Polpharma's operations. The document reflects these stakeholders' expectations regarding honest, responsible and transparent conduct, together with the need to establish common, clear and understandable ethical standards applicable throughout the organization.

The Code has been made available on the company's intranet to all members of the organization, irrespective of their form of employment. It is also publicly accessible to stakeholders through the corporate website[16].

The **Anti-Corruption Code** enshrines the principle of zero tolerance for corruption and establishes detailed standards of conduct designed to prevent all forms of corrupt behavior throughout the company's operations. Its purpose is to support the conduct of the company's business relationships in a fair, transparent and legally compliant manner, consistent with both national and international legislation.

The Anti-Corruption Code applies to all company employees and covers all areas of the organization exposed to corruption-related risks. It applies both to the company's own operations and to the upstream and downstream segments of the value chain, particularly with regard to preventing corruption risks in relationships with suppliers, intermediaries, consultants, contractors and business partners.

The document explicitly refers to the United Nations Convention against Corruption of 31 October 2003, condemning all forms of conduct described therein, particularly bribery, embezzlement, misappropriation, trading in influence and abuse of public office. It commits the organization to complying with all applicable national and international anti-corruption laws, treating them as a binding reference point for every business relationship.

Monitoring compliance with the Anti-Corruption Code includes:

- oversight within the compliance management system,
- operation of mechanisms for reporting violations,
- analysis of reports together with the implementation of investigative and corrective actions,
- periodic reviews and updates of the document.

When determining the content of the Code, consideration was given to the interests of the company's personnel, business partners, contractors and public institutions, particularly with respect to combating corruption, ensuring transparency in business relationships and safeguarding the organization's credibility and reputation. The document addresses stakeholders' expectations regarding zero tolerance for corrupt conduct and the conduct of business in accordance with the law and internationally recognized standards.

The Code has been made available on the company's intranet to all members of the organization, irrespective of their form of employment. It is also publicly accessible to stakeholders through the corporate website[17].

The **Policy on Preventing Mobbing and Discrimination at Work** establishes the principles for preventing discrimination, including harassment and bullying, within the workplace at Polpharma and its affiliated companies. Its objective is to promote and maintain a working environment founded on respect for dignity, personal rights and mutual respect among all members of the organization, irrespective of their position or form of employment.

The policy applies to all personnel throughout the organization, regardless of their position, employment arrangement or place of work. It covers relationships within the internal working environment, including the conduct of supervisors, coworkers and third parties toward members of the organization's workforce. The document does not extend to further levels of the value chain or to stakeholder groups other than the organization's own workforce.

The Policy on Preventing Mobbing and Discrimination at Work does not refer to external norms, standards or third-party initiatives with which Polpharma undertakes to comply through its implementation. Instead, it is based on Polpharma's internal regulations together with generally applicable labor legislation.

Implementation of the policy is monitored through workplace climate assessments, including surveys and studies such as Polpharma Pulse, periodic and 360-degree evaluations of managers and the analysis of reports submitted through the established reporting channels.

When developing the Policy, the interests of employees and non-employees were treated as the key stakeholder consideration, particularly with regard to protecting dignity, ensuring equal treatment and preventing inappropriate workplace behavior.

The document is available to all employees and non-employees through the company's intranet.



[16] https://polpharma.pl/wp-content/uploads/2023/10/Kodeks-Etyki-Polpharmy.pdf
[17] https://polpharma.pl/wp-content/uploads/2025/01/Kodeks_Antykorupcyjny_ABSTRAKT-polski.pdf

Link between policies and material impacts

The following overview identifies which of the impacts assessed as material are managed through the policies described above.

- Promoting ethical corporate governance and responsible practices to safeguard patient safety and strengthen stakeholder trust – Polpharma's Code of Ethics and the Compliance Policy.
- Ensuring quality throughout the supply chain to protect patient health and maintain regulatory compliance – the quality policies described in the company's disclosures.
- Ensuring the protection and confidentiality of whistleblowers – the Compliance Policy, the Polpharma Code of Ethics and the Corporate Policy on Preventing Mobbing and Discrimination at Work.

Developing and promoting Polpharma's organizational culture

[9] [10 g)]

The conduct of the company, its employees and non-employees is guided by the values it has adopted: "We Act with Ownership," "We Act with Openness," and "We Act as One." Annual employee performance evaluations are conducted with these values serving as a key point of reference.

Polpharma develops and strengthens its corporate culture through regular communication with employees and non-employees concerning the importance of the compliance management system and the application of the "tone from the top" principle, according to which the expected standards of conduct should be demonstrated and promoted by the highest levels of the organization. Members of the Management Board participate in selected investigations initiated in response to whistleblower reports and, once an investigation has been completed, may – where justified by the circumstances – also receive anonymized or aggregated information regarding the findings together with recommendations aimed at preventing future legal violations. These activities support the development of a strong compliance culture while increasing awareness of the importance of the compliance function for safeguarding both the company and the individuals employed by or cooperating with Polpharma.

The Compliance Team, whose activities are coordinated by the Compliance Officer, organizes the following:

- annual e-learning training course on ethics and compliance for all employees and non-employees, concluding with a knowledge assessment and covering, among other topics, the structure and operation of the compliance system, the protection of human rights, diversity, the prevention of workplace harassment, anti-corruption principles and the reporting of legal violations and prohibited activities; participation in the training is documented and failure to participate may result in disciplinary measures;
- annual mandatory training program for the commercial department, concluding with a knowledge test, covering the principles of the responsible promotion of Polpharma's products as set forth in the Marketing Activities Manual;
- additional targeted training for functions particularly exposed to selected compliance risks, including anti-corruption risks;
- provision of introductory information on the compliance system as part of the onboarding process;
- information campaigns together with other communication and educational initiatives promoting a culture of compliance;
- competitions, including those intended for medical and pharmacy representatives cooperating with healthcare professionals;
- questionnaires and surveys addressed to employees and non-employees.

The principles governing compliance training at Polpharma, including its frequency and target groups, are set forth in the Compliance System Training Manual, which forms an appendix to the Compliance Policy.

Through training sessions and educational materials, the Compliance Team provides guidance on acting in accordance with the law, ethical standards and compliance principles, including the rules governing the reporting of violations and prohibited activities. In addition, the Compliance Officer may request that the supervisor of an employee or associate who has made a significant contribution to improving the operation of the compliance management system recognize that individual by awarding a commendation or a certificate. Furthermore, where a report prevents Polpharma from incurring financial losses or regulatory sanctions, the individual who submitted the report may also receive a reward.

Polpharma's compliance culture also includes promoting principles related to the prevention of corruption and conflicts of interest. These topics are addressed through ethics and compliance training as well as communications directed to employees and non-employees. The anti-corruption framework is defined by the company's internal regulations, while the compliance of the anti-corruption management system with the requirements of ISO 37001 has been confirmed through an independent certification process.

Reporting and investigating misconduct

[10 a), c)-d)]

At Polpharma, the reporting and investigation of misconduct are governed by the requirements of the Act of 14 June 2024 on the Protection of Whistleblowers, which transposes Directive (EU) 2019/1937 into Polish law. The internal framework governing the reporting and investigation of irregularities, in accordance with the Directive, the Act and ISO 37002, is established in the Procedure for Reporting Legal Violations and Prohibited Activities. It enables the reporting of:

- legal violations specified in Article 3(1) of the Act, including incidents related to corruption and bribery; and
- unlawful acts, including violations of legal provisions other than those specified in Article 3(1) of the Act, breaches of Polpharma's internal procedures and other irregularities in the company's operations, including cases of workplace harassment, discrimination or bullying.

In accordance with the procedure, Polpharma ensures that all reports received are handled fairly, impartially, independently and in compliance with applicable legal requirements. No retaliatory actions, attempted retaliation or threats of retaliation may be taken against any individual who reports a violation or unlawful act. Protection also extends to persons assisting in making a report as well as to other individuals associated with the whistleblower or the reporting person. Polpharma ensures that the information contained in the report, together with the whistleblower's identity, remains confidential and that access to such information is restricted to a limited group of duly authorized individuals.

The procedure specifies:

- rules governing the receipt of reports,
- stages of report verification, including, in particular, the manner in which follow-up actions are conducted, primarily through internal investigations,
- individuals responsible for the process,
- rules governing the maintenance of the report register,
- principles for providing feedback to the whistleblower,
- possibility of implementing corrective measures.



The procedure ensures that all reports are handled promptly, independently, objectively and impartially.

An essential element of the system is the annual mandatory training covering the rules for submitting reports and the reporting channels available to employees and other eligible individuals. The importance of reporting violations is also emphasized through the Compliance Team's ongoing communication with employees and non-employees, including regular training sessions, email communications and educational initiatives, such as Compliance Day, competitions and quizzes.

Individuals responsible for receiving and handling reports are selected on the basis of the required competencies and participate in specialized training covering whistleblower protection and the conduct of investigations.

Channels for reporting potential irregularities are available to both internal stakeholders, such as employees, temporary workers and interns and selected groups of external stakeholders, including contractors and employees of suppliers, although the availability of specific reporting channels depends on the status of the reporting individual.

Reports may be submitted anonymously. The only exception is a direct meeting with the Compliance Officer. Nevertheless, all reports are handled with full respect for privacy and in accordance with applicable personal data protection principles.

The operation and effectiveness of the reporting channels are monitored indirectly through oversight of report handling, periodic reviews of the reporting system and investigations into reported irregularities.

Other procedures for the prompt, independent and objective investigation of business conduct incidents

[10 e)]

In addition to the procedures governing the reporting of legal violations and unlawful activities, Polpharma has established mechanisms for investigating potential business conduct incidents, including compliance breaches, corruption cases and other irregularities. These mechanisms arise from the Compliance Policy and may be initiated even in the absence of a formal whistleblower report.

In accordance with the aforementioned policy, the Compliance Officer is responsible for enforcing the principles of the compliance management system, including initiating investigations into potential compliance violations and other irregularities related to business conduct.

Reviews of compliance with these principles may be conducted internally by the Compliance Team, by the Internal Audit Department – provided the review has been included in the annual audit plan – or by independent external auditors. Where external auditors are engaged, they are selected on the basis of experience and expertise appropriate to the scope and nature of the matter under investigation.

Investigative activities may include, in particular:

- reviewing documentation related to the matter under investigation,
- conducting interviews with employees and non-employees,
- reviewing electronic records,
- performing any other activities permitted under applicable law that the Compliance Officer considers necessary and appropriate.

Where justified by the circumstances, the Compliance Officer may commission an ad hoc review or investigation.

As part of the oversight process, the Compliance Officer has access to the information, documentation and resources necessary to perform the assigned responsibilities, subject to applicable legal restrictions. The Compliance Officer may also request that relevant individuals and organizational units provide explanations and make available documentation related to the subject matter of the investigation.

Reporting on oversight activities:

- Upon completion of the activities, a report is prepared containing a description of the findings together with, where appropriate, recommendations for corrective and improvement measures.
- The report is submitted to the Compliance Committee and, where necessary or appropriate, to the Management Board.
- The Compliance Officer is responsible for monitoring the implementation of the recommendations set forth in the report.

Potential legal violations or prohibited activities may be reported:

- by post – to Zakłady Farmaceutyczne Polpharma S.A., ul. Bobrowiecka 6, 00-728 Warsaw, with "Compliance Officer" indicated on the envelope;
- by email – to etyka@Polpharma.com or ethics@Polpharma.com;
- through the SpeakUp platform operated by an independent third party, available at windstorm.speakup.report/Polpharma and via a mobile application (this channel is intended exclusively for internal stakeholders);
- through the reporting form available on the company's website under the "Violation Reporting Form" tab[18];
- during a direct meeting with the Compliance Officer;
- or by telephone at +48 22 364 60 29.

[18] www.polpharma.pl/en/violation-report-form/



Animal welfare

[10 f)]

Polpharma does not maintain a separate animal welfare policy. Where animal testing is required by law or by regulatory authorities, it is conducted in accordance with applicable legal requirements, recognized ethical standards and the 3R principle (replacement, reduction and refinement), which is intended to replace, reduce and improve the use of animals in scientific research.

[G1-2]

Management of relationships with suppliers

[14]
Polpharma follows an approach designed to ensure the timely settlement of obligations toward suppliers and other business partners. This approach includes compliance with internal procedures governing invoices paid by bank transfer, together with open and transparent communication with business partners regarding payment terms.

Payment terms are established on the basis of contracts, purchase orders or other agreements entered into with suppliers, while payment periods exceeding 60 days are negotiated exclusively with companies that have confirmed their large-enterprise status or are located outside the European Economic Area and Switzerland. All invoices are entered into the accounting system within 24 hours of receipt and are subsequently verified for consistency with purchase orders and the delivered goods or services. Where delays occur in the invoice approval process, appropriate steps are taken to clarify the reasons for the delay and enable further processing of the document. Once an invoice has been approved, payment is made in accordance with the agreed schedule using the payment method established with the supplier, such as bank transfer. Payments are processed on a daily basis and their timeliness is regularly monitored using appropriate performance metrics, including Days Payable Outstanding (DPO).

[15 a)]
Polpharma's approach to supplier relationship management is based on the Sustainable Supply Chain Policy in the Purchasing Function, which establishes the principles governing the annual assessment of suppliers' ESG risks and their evaluation against sustainability-related criteria. This policy provides a structured framework for managing environmental, social and human rights risks throughout the supply chain.

Polpharma uses the EcoVadis platform to conduct a preliminary identification and assessment of potential risks associated with suppliers' operations, particularly in the areas of environmental protection, labor rights and human rights. In 2025, the company conducted an ESG risk review of 1,668 entities through this platform. As part of the sustainability assessment process, suppliers completed 452 detailed questionnaires, either through the EcoVadis platform or directly as part of a process conducted by Polpharma, enabling a comprehensive and in-depth assessment of practices and potential ESG risks associated with suppliers' operations.

Suppliers are assigned to one of three categories – critical, significant or standard – which determines the scope of ESG risk assessment, monitoring activities and follow-up measures. For suppliers classified as critical or identified as presenting an elevated level of risk, Polpharma applies enhanced due diligence measures, including more comprehensive sustainability assessments and targeted engagement initiatives. Beginning in 2026, the company also plans to conduct ESG audits at selected suppliers.

The supplier risk management process is further strengthened through compliance requirements and control mechanisms, including mandatory acceptance of the Supplier Code of Conduct and ethical clauses, together with access to mechanisms for reporting and escalating suspected violations. These mechanisms facilitate the identification, reporting and investigation of potential breaches of ethical, social or environmental standards throughout the supply chain.

The supplier risk management process is also supported by engaging suppliers, raising their awareness and strengthening their competencies in the field of sustainability. In 2025, Polpharma organized webinars for suppliers focused on its sustainability expectations, including the updated Supplier Code of Conduct and carbon footprint calculations. A total of 135 suppliers participated in the webinars related to the Code conducted in Polish, while 143 suppliers attended the corresponding session conducted in English. The "ESG Business Transformation" webinar, delivered in English, attracted 83 participants, while the carbon footprint sessions were attended by 161 suppliers in Polish and 131 suppliers in English.

At the end of 2025, the company became a member of the Responsible Health Initiative, implemented with the support of EcoVadis. Membership in this initiative is intended to promote cooperation with other pharmaceutical companies in order to raise sustainability standards and enhance transparency throughout the healthcare sector's supply chain.

Supply chain disruption risk management

To mitigate the risk of supply chain disruptions that might affect product availability for patients, Polpharma implements, in addition to the measures described above, further actions such as diversifying supply sources and transportation routes, monitoring excessive dependence on individual suppliers and geographic concentrations and continuously identifying risks that might affect supply continuity.

Managing the negative impact of reliance on individual suppliers

Polpharma recognizes that dependence on a single supplier or a limited number of suppliers, particularly those located in Asia, may restrict the company's ability to directly enforce social and environmental standards while increasing its exposure to risks associated with human rights, working conditions and environmental compliance throughout the supply chain. This impact is managed through the supply chain management system described earlier in this chapter – a structured, risk-based framework embedded within the company's ESG strategy and supported by compliance mechanisms.



Although Polpharma's ability to influence suppliers may be constrained in the case of sole-source suppliers or geographically concentrated sourcing, the combined application of a risk-based approach, supplier segmentation and compliance mechanisms supports the prioritization of risks, informed decision-making and the mitigation of potential negative impacts wherever reasonably possible. Through this integrated approach, Polpharma seeks to responsibly manage sustainability risks associated with supplier dependence while progressively raising standards throughout its value chain.

Social and environmental criteria in supplier selection

[15 b)]

At Polpharma, social and environmental criteria are incorporated into procurement and supplier selection processes in accordance with the Sustainable Supply Chain Policy of the Purchasing Function, the Supplier Code of Conduct and the ethical clauses included in supplier contracts.

Suppliers entering into a business relationship with Polpharma are required to accept both the Supplier Code of Conduct and the applicable ethical clauses. These documents define expectations related to human rights, environmental protection, ethical business conduct, social responsibility and compliance with applicable laws and regulations. Acceptance of these documents constitutes one of the requirements for establishing or maintaining a contractual relationship.

In selected procurement categories, social and environmental criteria are also taken into account when selecting suppliers through the use of an internal ESG questionnaire. In 2025, this mechanism was applied to non-manufacturing purchases, where suppliers' responses were considered alongside other evaluation criteria and carried a 5% weighting in procurement decision-making, in accordance with internal policies.

At the same time, in 2025, Polpharma used the EcoVadis platform to further strengthen its supplier risk analysis and sustainability assessment framework. At this stage, EcoVadis assessments were used as a tool for identifying and evaluating risks and did not directly determine decisions concerning the selection or exclusion of suppliers. Instead, the results were used to enhance transparency, support supplier engagement and provide a foundation for the continued development of sustainable procurement practices among suppliers.

During 2025, Polpharma also continued work on determining how sustainability assessment results, including EcoVadis scores, might be integrated more regularly into supplier selection, contract renewal and volume allocation processes. The development of detailed procedures and decision-making rules remained in progress, with implementation planned for subsequent reporting periods.

Through this phased and structured approach, Polpharma is incorporating social and environmental criteria into its supplier relationships while progressively strengthening the importance and influence of these factors in sourcing and supplier selection processes.



[G1-5]

Political influence and lobbying activities

[MDR-M] [29 a)-b), d)]

During the reporting year, Polpharma did not engage in lobbying activities within the meaning of formal registration in a transparency register. Instead, the company conducted advocacy activities, primarily through industry organizations and as part of ongoing dialogue with public authorities and sector-specific stakeholders.

In 2025:

- The highest-ranking individual responsible for overseeing the implementation of the Corporate Policy for External Affairs was the President of the Management Board. At the same time, no individual member of the Management Board or the Supervisory Board was assigned specific responsibility for overseeing the company's activities and obligations related to political engagement, including lobbying activities.
- Polpharma did not make, either directly or indirectly, any financial or in-kind political contributions.

Managing the opportunity from the EU pharmaceutical reform and the global regulatory harmonization

The company manages opportunities arising from regulatory changes by continuously monitoring legislation, participating in regulatory dialogue – particularly through industry organizations – and making operational preparations to capitalize on emerging opportunities.

The company focuses its efforts on the following areas:

- improving patient access to medicines,
- enhancing the efficiency of registration processes,
- reducing regulatory burdens and compliance costs,
- increasing supply chain transparency,
- strengthening the security of pharmaceutical supply and manufacturing within Europe.

From the company's perspective, the most significant legislative areas monitored and discussed during 2025 included:

- pharmaceutical package, comprising a set of reforms intended to modernize pharmaceutical legislation, improve access to medicines, reduce shortages, support innovation and strengthen security of supply within the European Union,
- recommendations from the Council of the European Union concerning antimicrobial resistance (AMR),
- intellectual property package, including provisions governing the protection of intellectual property rights within the pharmaceutical sector,
- legislative initiatives concerning critical medicines, including the proposed EU Critical Medicines Act, together with biotechnology initiatives such as the EU Biotech Act package,
- guidelines related to public procurement,
- environmental legislative package, including, in particular, Regulation (EU) 2025/40 on packaging and packaging waste (PPWR) and Directive (EU) 2024/3019 concerning urban wastewater treatment.

Membership in industry associations::

- Direct membership includes:
  - at the European level: Medicines for Europe, the European Fine Chemicals Group, the International Generic and Biosimilars Association and EuroUZ;
  - at the Polish level: the Polish Association of Pharmaceutical Industry Employers (PZPPF) and the Polish Association of Over-the-Counter Drug Manufacturers (PASMI). ;
- Indirect membership, including through PZPPF, includes:
  - Lewiatan,
  - BusinessEurope.

In 2025, Markus Sieger, then Chief Executive Officer of the Polpharma Group, assumed the role of Acting President of Medicines for Europe, representing the European generic and biosimilar medicines sector in discussions concerning key challenges affecting the industry. At the same time, the Chairman of the Zakłady Farmaceutyczne Polpharma S.A. Supervisory Board continued to serve as a member of the PZPPF Supervisory Board, a position held since 2002, while a representative of the company has served as a member of the PZPPF Management Board since 2018.

During 2025, Polpharma representatives actively participated in the work of industry association working groups at both the European and national levels. They co-authored analytical materials and sector-specific position papers, including position papers and white papers, participated as speakers at industry and expert conferences and attended working meetings with representatives of public institutions at both the European Union and national levels. These activities included providing information concerning the potential effects of proposed legislation on patient access to medicines, the functioning of the pharmaceutical market and the security and continuity of pharmaceutical supply.

In 2025, the Polpharma Group established the position of Health Policy Advisor, whose responsibilities included:

- analyzing proposed healthcare policy regulations,
- assessing their impact on the company's operations and business model, including identifying potential opportunities and risks,
- representing the Polpharma Group in legislative dialogue conducted by European institutions, including the European Commission, the European Parliament and the Council as well as in the work of European industry organizations.

Advocacy activities conducted during 2025 were carried out in accordance with the Corporate Policy for External Affairs, which has been in force since 2024 and is intended to ensure the transparency of all activities undertaken and their compliance with applicable laws and generally accepted market and industry standards. The President of the Management Board is the highest-ranking individual responsible for overseeing the implementation of this policy.

At the beginning of 2026, a committee responsible for advocacy and public policy development was established with the primary objective of strengthening coordination of Polpharma's participation in external organizations and working groups, while also improving the flow of information concerning these activities throughout the organization. The Committee is chaired by a member of the Management Board and comprises representatives of the departments involved in advocacy activities.



[G1-6]

Payment practices

[MDR-M] [33 a)-d)]

In 2025, 72% of all invoices with deferred payment terms received by the company had payment terms of 60 days or less.

70% of the invoices with deferred payment terms received by the company were paid within 60 days of the invoice date. For entities classified as small or medium-sized enterprises, this ratio was 95 percent.

The average payment period varied across the principal procurement categories and amounted to:

- 87 days for purchases of raw materials and manufacturing supplies, including APIs, excipients and packaging materials,
- 49 days for strategic non-manufacturing purchases, primarily sales-related services,
- 67 days for technical and engineering purchases,
- 109 days for all other purchases.

The above data was compiled on the basis of the complete list of invoices with deferred payment terms recorded in Polpharma's invoice processing system between 1 January and 31 December 2025.

In 2025, Polpharma took an average of 60 days to settle an invoice from the commencement of the applicable payment period. These data were also obtained from the company's invoice processing system.

As at the balance sheet date and the date of this report, there were no pending legal proceedings related to payment delays on the part of the company.

The data disclosed under metric G1-6 has not been verified by any external organization other than the assurance service provider.

[G1 - proprietary disclosures]

G1 - Proprietary disclosures

Management of the risk of operational disruption resulting from cybersecurity breaches or cyberattacks

This risk is managed through a comprehensive set of policies, processes and measures that include the identification and periodic assessment of risks related to the operation of information and communication technology (ICT) systems, the implementation of technical and organizational safeguards and the continuous monitoring of the effectiveness of implemented controls. These measures are supported by appropriate resources and specialist expertise, which are adapted to the company's needs on an ongoing basis wherever feasible. They focus on two complementary objectives: increasing the effectiveness of cyberattack prevention and minimizing the operational impact of incidents should such an attack occur.

Increasing the effectiveness of cyberattack prevention

- **Strengthening the governance framework** through the adoption by the Management Board in 2025 of the Security Policy together with domain-specific policies covering information security, personal data protection, IT/OT security, physical security and business continuity as well as through annual periodic reviews of these documents to ensure their continued relevance and effectiveness.
- **Developing an approach to ICT risk management in the context of the NIS2 Directive** by commencing work in 2025 on an ICT Risk Management Policy covering risks related to IT, OT, cybersecurity, business continuity and ICT-related physical security, with periodic reviews of risks and mitigation measures planned using threat intelligence.
- **Implementing technical controls designed to reduce exposure** to cyber threats through the introduction of the Cryptography Procedure, including encryption of data in transit and at rest, key and certificate management and integrity verification, together with the Basic End-User Device Configuration Guidelines, which strengthen workstation security.
- **Managing change as a risk control mechanism** through the implementation of the IT Asset Change Management Procedure, including change logs, clearly defined responsibilities and assessments of the impact of changes on data security and critical systems and processes.
- **Strengthening the organization's cybersecurity capabilities and security culture** through the implementation of a Security Awareness Program for employees, including mandatory training – completed by 92% of employees in 2025 – a knowledge platform, webinars, newsletters, gamification initiatives and phishing simulations designed to reduce vulnerability to cyberattacks, particularly social engineering attacks.

Mitigating the impact of incidents

- **Enhancing early detection and improving visibility** through the commencement of monitoring of key IT infrastructure components to enable faster identification and escalation of outages, the deployment of Network Detection and Response (NDR) solutions for detecting anomalies in network traffic and the implementation of automated penetration testing.
- **Improving the management of critical dependencies** through the implementation of an Integration Catalog serving as a knowledge base for dependencies between systems, which is used, among other purposes, for incident analysis and the restoration of services.
- **Strengthening business continuity** in accordance with ISO 22301 through the implementation of a process-based Business Continuity Management (BCM) approach across organizational units, including the identification of critical processes, the determination of acceptable downtime thresholds, the mapping of resources and dependencies, risk analysis and the development and testing of business continuity plans designed to reduce the risk of unacceptable operational disruptions.
- **Managing incidents and ensuring regulatory compliance** by reporting and handling security incidents in accordance with established procedures, while implementing organizational and technical measures – including threat monitoring, access control and reporting mechanisms – to support the maintenance of operational continuity.



- **Implementing the Soroya Transformation Program**, aimed at increasing the organization's maturity in the areas of cybersecurity and operational resilience through the standardization of practices, the development of processes, the centralization of selected security services and the execution of a multi-year plan of improvement initiatives across the entire Polpharma Group.



Managing the opportunity from improving access to affordable treatments through challenging unenforceable or invalid patents

Realizing this opportunity will depend on legal, regulatory and market conditions as well as on the outcomes of individual proceedings. The company follows a structured and regular decision-making process for matters related to intellectual property, based on legal, regulatory, operational and financial analyses. This process also includes the assessment of cases by a dedicated committee operating at the Polpharma Group level, which supports the Management Board in strategic matters and in evaluating risks associated with ongoing proceedings.

The potential operational and financial benefits arising from the realization of this opportunity may include, in particular:
- accelerating the market launch of generic products,
- generating additional revenue and turnover from their sale, including through reimbursement processes,
- increasing the predictability of processes related to product portfolio management,
- reducing certain costs associated with acquiring new products or conducting litigation and administrative proceedings,
- strengthening the company's market position and competitive standing.

At the same time, efforts aimed at realizing this opportunity involve costs as well as the risk of unsuccessful outcomes, particularly in connection with proceedings pending in certain jurisdictions. Accordingly, each case is assessed individually with regard to its merits, legal basis and potential operational and financial implications.

In 2025, Polpharma participated in 27 proceedings related to patent matters, including:
- patent opposition proceedings – 11 favorable decisions and 3 unfavorable decisions,
- patent invalidation proceedings – 2 favorable decisions and 2 unfavorable decisions,
- proceedings concerning interim relief – 7 favorable decisions and 1 unfavorable decision,
- and patent infringement proceedings – 1 favorable decision.

Managing the impact of ensuring supply chain quality to protect patient health and ensure regulatory compliance

Within the pharmaceutical sector, Good Manufacturing Practice (GMP) and Good Distribution Practice (GDP) standards are not only operational requirements but also mechanisms that support responsible business relationships, ensure a transparent allocation of responsibilities and mitigate risks associated with practices that might affect the quality, safety and regulatory compliance of products.

In response to the identified impacts, Polpharma implements quality and compliance management mechanisms designed to identify, assess and minimize quality-related and regulatory risks throughout the value chain. These mechanisms include, in particular, the qualification and oversight of suppliers, the establishment of requirements for business partners, the implementation of quality agreements, supervision of storage, transportation and distribution processes, batch release procedures, analyses of deviations and procedures governing complaints, returns and product recalls. The scope of these activities depends on the role of the respective business partner in the value chain, the category of material, product or service, the level of quality risk involved and the applicable legal and procedural requirements.

Qualification and oversight of suppliers and quality partners

Polpharma carries out the qualification and oversight of suppliers and quality partners in accordance with internal procedures and the principles of quality risk management. This process specifically applies to suppliers of quality-critical materials and products as well as providers of critical services, including contract laboratories, transportation companies, brokers and distributors. The assessment includes a review of quality documentation, the supplier's regulatory status, the results of previous cooperation and, in the case of critical materials and services, the potential impact on the quality of the finished product.

For suppliers subject to GMP or GDP requirements, verification activities are performed, which may include quality audits, documentation reviews, periodic requalification and quality agreements defining the respective responsibilities of the parties. For imported active pharmaceutical ingredients, additional verification mechanisms required by applicable legislation and internal procedures are also applied.

Quality control prior to product release

Before batch certification and product release, inspections required under Good Manufacturing Practice (GMP) are conducted, including quality, documentation and regulatory reviews that provide the basis for the qualified person's decision. These mechanisms are intended to minimize the risk of products being released for further distribution before all required control activities and decision-making processes have been properly completed.

Supervision of transportation, storage and distribution

After products leave the manufacturing facility, medicinal products are transported, stored and distributed in accordance with GDP requirements and internal quality procedures. This process includes transportation planning, the selection of appropriate means of transport and storage facilities, the determination of required temperature conditions, continuous monitoring of the delivery process and the evaluation of reported deviations or incidents.

Logistics service providers are subject to qualification, periodic evaluation and, where appropriate, requalification. Products are stored and transported under the conditions specified in the registration documentation, quality specifications and internal procedures, while monitoring data is analyzed to assess any potential impact on product quality.

The distribution system also incorporates organizational and technical safeguards designed to reduce the risk of theft, unauthorized product tampering and the release of products suspected of being counterfeit, including mechanisms ensuring batch traceability to the extent required by law and applicable quality procedures.

Management of deviations, complaints, returns and recalls

Polpharma follows established procedures governing the management of quality deviations, complaints, returns and the suspension or recall of products from the market. These procedures specify the methods for documenting events, evaluating them from a quality perspective, making decisions regarding the subsequent handling of products and implementing corrective and preventive actions where required.

Where events have the potential to affect product quality, analyses are carried out in accordance with the relevant quality procedures. The results of these analyses provide the basis for decisions concerning further distribution, product quarantine, return to the manufacturer, disposal or the initiation of suspension or recall procedures.

Documentation related to returns, complaints, quality decisions and follow-up actions is maintained and archived in accordance with applicable procedures and regulatory requirements. The documentation and system procedures in place ensure the traceability of product batches to the extent required by law, GDP requirements and internal quality procedures.

Further information regarding the complaint handling process is provided in disclosure S4-1.



05
List of disclosures

ESRS 2

IRO-2

Disclosure Requirements in ESRS covered by the undertaking's sustainability statements

[56]

List of fulfilled disclosure requirements

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	GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	8
	GOV-3	Integration of sustainability-related performance in incentive schemes	8
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4	ESRS 2 SBM-1	paragraph 40 d) (i)	Not applicable
5	ESRS 2 SBM-1	paragraph 40 d) (ii)	Not applicable
6	ESRS 2 SBM-1	paragraph 40 d) (iii)	Not applicable
7	ESRS 2 SBM-1	paragraph 40 d) (iv)	Not applicable
8	E1-1	paragraph 14	28
9	E1-1	paragraph 16 g)	Not applicable
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34	E4 SBM-3	paragraph 16 b)	Immaterial
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68	G1-4	paragraph 24 a)	Immaterial
69	G1-4	paragraph 24 b)	Immaterial

The Polish original should be referred to in matters of interpretation.
Free translation of limited assurance report originally issued in Polish.

INDEPENDENT PRACTITIONER' S LIMITED ASSURANCE REPORT

To the Management Board of Zakłady Farmaceutyczne Polpharma S.A.

Scope

We have conducted limited assurance engagement on the sustainability report of Zakłady Farmaceutyczne Polpharma S.A. („Company"), prepared as at 31 December 2025 and for the period from 1 January 2025 to 31 December 2025, (the 'Sustainability Report') including double materiality process carried out by the Company to identify the information reported in the Sustainability reporting („Materiality assessment process"), (the "Subject Matter").

Criteria

In preparing the Sustainability Report, the Company applied the European Sustainability Reporting Standards (ESRS) and the guidance set out in Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (the "Taxonomy Regulation") (the "Criteria").

Inherent limitations in preparing the sustainability reporting and in measurement and evaluation of related matters

There are inherent limitations associated with measurement or evaluation of the sustainability reporting that is subject to limited assurance engagement, that are presented below:

- In reporting forward-looking information in accordance with ESRS, the Management Board of the Company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Company. The actual outcome is likely to be different since anticipated events frequently do not occur as expected.
- The quantification of greenhouse gas emissions is subject to significant inherent measurement uncertainty resulting from the limited scientific knowledge used to determine emission factors and the values applied to convert emissions of other gases into CO_2 equivalents.
- In determining the disclosures to be presented in the sustainability reporting, the Management Board of the Company interprets undefined legal and other terms. Undefined legal and other terms may be interpreted differently, including the legal conformity of their interpretation and, accordingly, are subject to uncertainties.

Responsibilities of the Management Board of the Company

The Management Board of the Company is responsible for:

- the selection of the criteria applied in the preparation of the Sustainability Report,
- preparation of the sustainability reporting in compliance with the Criteria,
- conducting Materiality assessment process in compliance with ESRS,
- designing, implementing and maintaining such internal controls that Management Board of the Company determines are necessary to enable the preparation of the sustainability reporting in compliance with the criteria, that is free from material misstatement, whether due to fraud or error,

as part of the above the Management Board of the Company is responsible for design and implementation of the Materiality assessment process and for its disclosure in the sustainability reporting. This responsibility includes among others:

- understanding the context in which the Company's activities and business relationships take place and developing an understanding of its affected stakeholders,
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the

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Company's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term,

- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

The Management Board of the Company is also responsible for selection and use of appropriate methods to report sustainability matters and produce estimates or forward-looking information to be disclosed in the sustainability reporting, that are reasonable in the given circumstances.

Responsibilities of the independent practitioner

Our objective is to express a conclusion on the presentation of the Sustainability Report and the Materiality Assessment Process based on the evidence obtained.

We conducted our limited assurance engagement of the sustainability reporting in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000") and the provisions of the agreement entered into with the Company. Our responsibilities under these standards are to plan and perform the assurance engagement to obtain limited assurance about whether the sustainability reporting is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the sustainability reporting as a whole.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance engagement opinion.

Ethical requirements, including independence

We are independent of the Company in accordance with ethical requirements stipulated in the Handbook of the International Code of Ethics for Professional Accountants (including International Independence Standards) as adopted by the International Ethics Standards Board for Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. The IESBA Code is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

We possess the necessary competence and experience to perform a sustainability assurance engagement.

Quality control requirements

Our firm applies International Standard on Quality Management 1 Quality management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of the work performed

The level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed since the procedures in a limited assurance engagement performed by the independent practitioner of sustainability reporting assurance vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. We have

designed and performed our procedures to obtain evidence on the sustainability reporting that are sufficient and appropriate to provide a basis for our opinion.

Although we considered the effectiveness of management's internal controls in determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal control. Our procedures did not include testing controls or procedures relating to the aggregation or calculation of data within information systems.

A limited assurance engagement consists of making inquiries, primarily of people responsible for the Subject Matter and related information and performing analytical procedures and other appropriate procedures.

In conducting our limited assurance engagement, with respect to the Materiality assessment process, we, among others:

- performed inquiries to understand how the Materiality assessment process was designed and carried out,
- reviewed internal documentation of the Company related to the Materiality assessment process,
- evaluated whether the evidence obtained from our procedures was consistent with the description of the Materiality assessment process set out in the sustainability reporting.

In conducting our limited assurance engagement, with respect to the sustainability reporting, we:

- performed inquiries to obtain an understanding of the reporting processes relevant to the preparation of the sustainability reporting, but not for the purpose of providing opinion on operating effectiveness of controls,
- evaluated whether the structure and the presentation of the Company's sustainability reporting is in accordance with the ESRS,
- performed inquires of relevant personnel and analytical procedures on selected disclosures in the sustainability reporting,
- performed substantive analytical procedures on selected disclosures in the sustainability report,
- evaluated correctness of calculation for selected metrics,
- evaluated methods, assumptions and data used to develop estimates and forward-looking information,
- obtained an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the sustainability reporting,
- where applicable, we reconciled the presented information and the underlying input data to the relevant records, accounting books or other source documents from which they originate,
- where applicable, we evaluated consistency of information and disclosures presented in the sustainability reporting with corresponding disclosures presented in the annual financial statements and management report.

We further performed other procedures that we considered necessary in the circumstances of this engagement.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that:

(i) the process carried out by the Company to identify the information reported in the sustainability reporting („Materiality assessment process"), has not been compliant, in all material respects, with ESRS,

(ii) the sustainability reporting prepared as of 31 December 2025 and for the period from 1 January 2025 to 31 December 2025 is not compliant, in all material respects, with the requirements of the European Sustainability Reporting Standards („ESRS"),

(iii) the sustainability reporting as of 31 December 2025 and for the period from 1 January 2025 to 31 December 2025 is not compliant, in all material respects, with the reporting requirements of the Taxonomy Regulation.

Warsaw, 30 September 2026

Tomasz Michalak

Partner

Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp.k.