IT'S HEMOFARM, AFTER ALL

Hemofarm's Sustainability Report 2024

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Hemofarm A.D. Sustainability Report has been prepared for the thirteenth year in a row in accordance with the Global Reporting Initiative (GRI) guidelines. This year, the Report has been prepared in accordance with the GRI guidelines, in 'Core' version, with the presentation of 105 indicators. The double materiality assessment was conducted in accordance with the principles of the CSRD directive (Corporate Sustainability Directive) and was carried out at the level of the parent company STADA.

Independent auditing company Ernst & Young d.o.o. Beograd has verified the compliance of the Report for 2024 with the indicated guidelines, as well as the accuracy of the provided information.

Hemofarm A.D. Sustainability Report is published annually, and the previous one was published for the year 2023.

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BELGRADE, 2025

IN THE RHYTHM OF HEALTHY LIFE

Dear reader,

Sustainable development understanding and belief in this concept are perhaps under greater scrutiny than ever before. It may also be that the crisis of humanity has reached its peak, while empathy and common sense are becoming increasingly rare essentials that we need more than ever. Nevertheless, we at Hemofarm believe that we must always remain committed to our responsibility and vision for a sustainable future, regardless of the setbacks we encounter on the road to a better future. I am convinced that deep down, as individuals, despite the hurdles and challenges we face, we all believe in the fundamental values that perhaps best and most consistently shape sustainable development.

As our response in the fight for better health, we bring in 411 Hemofarm's products in various forms and doses, which, along with all STADA products, complete nearly a third of the World Health Organization's list of essential medicines. In other words, a portfolio that covers 13 out of 14 pharmacotherapeutic groups. However, equally important are our pieces of advice and recommendations for good health, which we have been diligently collecting and sharing for already seven decades, because prevention is definitely, as our saying goes, 'a halfway to health' and a safer path to prevent illness altogether. While exploring the rhythm of living and people's habits, we have created a new brand of supplements, now widely known as One.Two.Three, aiming to offer the average person everything they practically need every day through dietary supplements. Throughout this journey, we have learned yet another important lesson alongside many - we realized that the rhythm itself is equally important. It involves balance and repetition, and that is essentially a prerequisite for sustainability. Responsible repetition! That is why we were inspired to unify our entire commitment and advice for better health and habits into one key message – let's dance to 'the rhythm of healthy life.' This is the sum of all our actions, contributions, numbers, attempts, successes, and victories!

No matter how fantastic the concept and approach of sustainable development may be, it remains partially misunderstood and unaccepted. As human beings, we sometimes attempt to resist the need to step out of our comfort zone and do something different today for a better tomorrow through denial and ignorance. The same applies to business. The essential benefits of long-term stability and sustainability are currently overshadowed by the argument of short-term savings in the struggle for sheer existential survival of a faltering global society. However, a better tomorrow does not come in a straight line; rather, it is a curve of ups and downs that makes sense only when it is not a dotted but rather a solid line. Therefore, the story of sustainability had to shift from a voluntary to a legally binding mode, as it is high time that we, as a mankind, row in the same rhythm and direction. Otherwise, we will continue to spin in a vicious circle, convinced that we are already rowing forward.
The new European (and consequently global) legislation, with the Corporate Sustainability Reporting Directive (CSRD) holding a special place within it, makes a new chapter in sustainability management. Reporting will perhaps become ten times more complex than before, but it will certainly serve as a motivator for many companies to introduce essential changes in their ESG management. For some of them, this will also be a red line for survival in the market. Therefore, the collective business spirit and mutual support within the value chain are once again important. Find out in the following pages how Hemofarm and STADA Group are doing this. In order to help our stakeholders become more familiar with the sustainable values, we have divided this report into E, S, and G segments, focusing on our attitude to the environment, society, and governance. At the same time, Hemofarm remains committed to contributing through the achievement of sustainable development goals, as they are our beacon to a better future.

In conclusion, I would like to remind you that the responsible attitude to our own self, society, and the environment is a matter of personal choice, and we, the 4,000 of us in Hemofarm Group along with just as many of our families, are here to help in the fight for better health and to dance to 'the rhythm of healthy life' together.

All the best,
Dr Ronald Seeliger
CEO, Hemofarm

1 As of this edition of the Sustainability Report, the presentation of data on the company's sustainability management will encompass the entire Hemofarm Group in the Western Balkans, specifically the company's operations in Serbia, Bosnia and Herzegovina, Montenegro, and Romania (Timisoara). The presentation of data in this edition of the Report will follow the format of previous reporting in order to ensure full comparability of data, while certain new data presentation formats may be possible in future editions.

Amid the complex environment of rapid change and uncertainty, it is even more vital that we at STADA adhere to our purpose of 'Caring for People's Health as a Trusted Partner'. This means simply delivering our preventive and therapeutic healthcare products as a responsible company, in line with our corporate value of INTEGRITY, and with proven quality and reliability. At the same time, our commitment to sustainable Environmental, Social, and Governance (ESG) principles and practices is unwavering.

Peter Goldschmidt
CEO, STADA

SUSTAINABLE DEVELOPMENT

COMMON SENSE FOR A SAFE FUTURE

When sustainable development concept appeared in Serbia nearly two decades ago, it wasn't even called that, nor were its fundamentals understood by most people. It seemed like just another new trend that would disappear before a critical mass grasped its purpose. Awareness was awakening and getting through to only a few visionaries. But that's always how it goes with great success stories – when the true spark of commitment and essential belief in a better tomorrow is ignited, that light never fades. Our success story in sustainable development has long been told. However, alongside the new chapters of that brilliant saga, we face an even greater challenge – to tell the same story of sustainable development of society and mankind together, collectively! As families, partners, neighbours, friends, chance passersby, communities... as a humankind! Because a sustainable future is exclusively and solely possible when each one of us, as individuals, contributes. When many such small or slightly larger contributions synergistically become a critical mass of responsible reasoning, they will surely overcome negligence and irresponsibility, which, unfortunately, we have in abundance nowadays. It seems that collective awareness and conscience are beginning to awaken.

Our ancestors used to say 'let's first tidy our own yard' before giving advice to others. So, let's see what we can improve in our own 'yard' regarding sustainability, and only then can we help others. This is the approach we advocate at Hemofarm, both individually and as a team. It is connected to our corporate values as well as our key role and purpose, in line with the industry we are engaged in, which is dedicated to caring for people's health.
Each of us, as a manager of our own health and life in general, chooses our own path. Every day, we make numerous choices - some small and seemingly insignificant, and others big and fundamental. In each of those choices, we are the CEO of our personal enterprise - our life. Every day, 86,400 opportunities 'are paid to our account', and those that we do not spend by the end of the day are deducted and reset to zero. That is the number of seconds in 24 hours, which serves as our ideal measuring unit - for the credit that life grants us and for our utilized or unutilized opportunities - leading to each new day. Since it solely depends on us how we will use all those chances, let's choose and act wisely and responsibly - not only towards ourselves but also towards our loved ones, society, and the environment. In doing so, we extend our personal and collective lifespan, which is the essence of sustainability, and it is already clear that this is also a supreme indicator of common sense.

Sometimes, opportunities and choices do not bring palpable and immediate benefits. This is where wisdom and the power of choice come into play. Sustainable development is not just 'here and now,' but rather a collection of many good choices that are repeated over and over again until they become our 'healthy' and daily habit. And when it comes to healthy habits, we can look back as far as we want, and we will always somehow face the same core of the problems and challenges of the mankind that we encounter today, which can be summarized in one logical question - how to survive?! It is human to make mistakes, and we have given the wrong stamp to this question of survival over the years - substituting such survival with mere personal survival - right here, right now. We have replaced the collective with personal, without a desire to 'reconcile' these two. And I will repeat - sustainable development, at its very least, is about here and now. That is just the beginning of the story, behind which lies the most beautiful part -duration! A stable and long-term duration.

As a team, at Hemofarm, we strive to incorporate the core values of sustainable development into every pack of medicine we produce (as confirmed by the figures in this report): to save energy and resources, to produce more with fewer resources while maintaining the same quality, to treat all our colleagues equally in the team and across the value chain, to develop people's potential, to learn and grow together... Our commitment list is long, and I invite you to explore it yourself in the following pages. It doesn't come out of a desire to boast, but rather to inspire others to be better themselves. It also serves to prove that not every pack (of medicine) is the same! That is why we need to make smart choices and select responsible brands, as this is how we can do something good as citizens. Additionally, alongside the power of personal choice, there are also 17 Sustainable Development Goals; if every person chose at least one of these goals as their own and did something good in their community in line with it, the planet would undoubtedly become a better place.

I invite you to learn more about how our team, where women are the majority, operates, why organ donation is important, and how to ensure an ongoing supply of the numerous markets of the group within which we operate with medicines, while increasing the access to pharmaceutical products and reducing pressure on the public health system... And don't forget - the future judges us based on our behaviour today, so always think and act in a sensible way - responsibly and sustainably! We at Hemofarm have been doing this for 64 years!

Sanda Savić,
SENIOR DIRECTOR
Corporate Affairs and Communications, Hemofarm

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SUSTAINABILITY AT HEMOFARM

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Company Profile in 2024

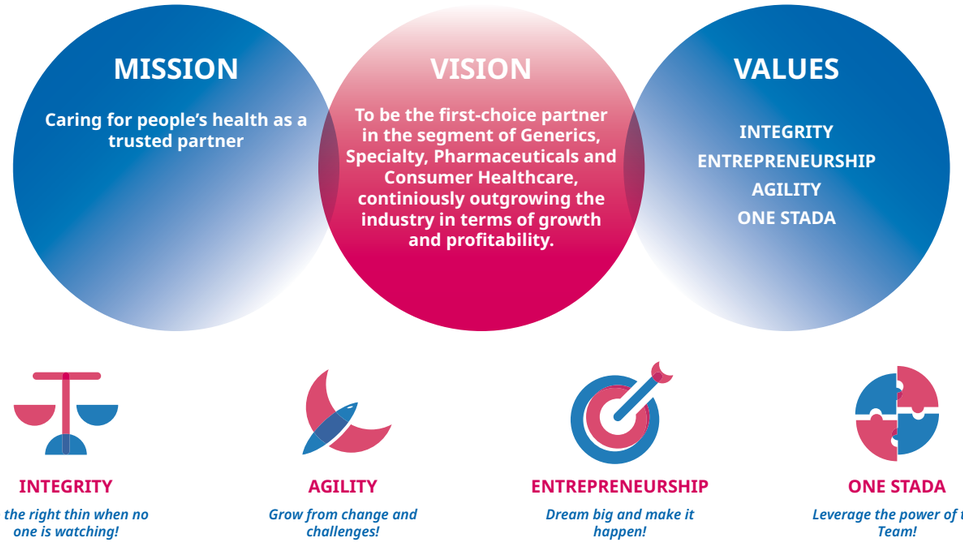
ABOUT HEMOFARM

Hemofarm[2] [3] [4] is a leading pharmaceutical company in the region, as well as one of the most important pillars of the development of the entire STADA Group, whose core activity is the production of high-quality generics, consumer healthcare products and pharmaceutical specialty forms (or specialties).[5] According to the company IQVIA, Hemofarm is the leader in the domestic pharmaceutical market competing against 26 local manufacturers and 34 distributors, with a market share of 22.6% in volume, i.e., 9.7% in value. In the financial year 2024, Hemofarm generated sales of over 506 million euros (representing a growth of 7.09% compared to 2023). The achieved EBITDA in 2024 is 74.5 million euros, representing a growth of 17.10% compared to 2023 (the adjusted EBITDA for the effect of exchange rate differences is 75.8 million euros, marking a growth of 15.37% compared to the reference value of 65.7 million euros in 2023).[6]

Building on its mission of Caring for People's Health as a Trusted Partner, supported by its four core values Integrity, Agility, Entrepreneurship and One STADA, Hemofarm seeks to develop and optimize, on an ongoing basis, its portfolio currently comprising as many as 411 SKUs (products in different forms and doses) and covers almost all therapeutic areas (13 out of 14 by ATC classification). Owing to the support by the parent STADA Group, the company has a strong track record of growth, endeavoring to expand business and further improve the access to pharmaceutical products.

Hemofarm's portfolio is based on two main business segments:

- **Consumer Healthcare** comprises non-prescription medicines with regulatory status as over the counter (OTC) medicine or medical devices, cosmeceuticals and cosmetics, vitamins, minerals & supplements. Apart from their main purpose of preventing and alleviating certain discomforts, the presence of these products on the market continuously raises awareness and trust in Hemofarm's brands. They also represent an important addition to the basic therapy in various diseases and support to healthcare professionals. Although the company's portfolio already has a large number of well-positioned and recognizable brands with leading positions in their relevant markets, the CHC portfolio has been constantly further diversified. Owing to this, Hemofarm took the leading position on the Serbian pharmaceutical market in the CHC/OTC segment of the portfolio in 2024 (with a share of 9.9 % by value).



Hemofarm's ten top-selling CHC/OTC brands (and their respective therapeutic areas) in 2024: Probiotic (gastrointestinal tract), Midol (prevention of cardiovascular events), Buscopan (gastrointestinal tract), Snup (cough & cold), Hepathrombin (circulatory system), Rinasek (cough & cold), Magnetrans (vitamins and minerals), Serapinn (pain), Dulcolax (gastrointestinal tract), Pressing (allergy)

• **Generics (Gx) are prescription drugs, i.e. medicines that can be dispensed on prescription only.** A prescription is necessary because the doctor evaluates whether the medicine is appropriate for the patient based on the patient's medical history, symptoms, previous therapies and other factors. These medicines are available exclusively in pharmacies and hospitals. The Gx market is generally characterized by regulated pricing, with competition driven by the reliability of supply and cost competitiveness. Gx medicines are divided into originator and generic medicines. Originator medicines, also known as innovative medicines, are the medicines that were originally developed and patented by pharmaceutical companies. After obtaining an authorization, these medicines have an exclusive right to the market in the specified period, usually 10 to 20 years. Generic medicines are produced after the expiration of the patent and exclusive rights to the market of originator medicines. They contain the same APIs, doses, forms, with the same method of administration as originator medicines, but are usually produced at lower prices because generic pharmaceutical companies do not have to invest in the research and development of a new medicine or conduct clinical trials. It results in the reduction of the prices of medicines and improvement in the access to health care, i.e. generic medicines are often a more cost-effective option to patients and healthcare systems. Launching the generic products in Gx segment, allowing the company to leverage its distribution channels and local market knowledge to launch new generic products.

Besides generic medicines, being the pillar of Hemofarm's operation in the Gx segment, through the portfolio of STADA group, the company has been also developed in the specialty segment in recent years, in which the medicines from the group of biosimilars or biologically similar drugs are predominant. Unlike medicines with small molecules, biological medicines contain active substances from a biological source and have a very complex structure, so it is impossible to make an identical copy of them, but biologically similar medicines are concerned. Nevertheless, a biosimilar and its reference medicine are very similar and work without clinically significant differences in terms of quality, safety and efficacy.

Hemofarm's ten top-selling Gx products (according to INN and their respective therapeutic areas) in this segment in 2024: ocrelizumab (antineoplastic and immunomodulating agents), bromazepam (nervous system), rivaroxaban (blood and blood-forming organs), lorazepam (nervous system), metformin (metabolism), amoxicillin/clavulanic acid (anti-infective), sodium chloride (blood and blood-forming organs), acetylsalicylic acid (blood and blood-forming organs), bisoprolol (cardiovascular system), azithromycin (anti-infective).

[2] *Hemofarm was founded on 1 June 1960 in Vršac. It has been a member of German STADA Group since 2006, which was taken over by the private equity funds Bain Capital and Cinven in 2017 for providing further global growth*

[3] *Company is headquartered at Beogradski put bb, 26300, Vršac, while the Business Centre is based at Prote Mateje 70, 11000 Belgrade. Subsidiaries abroad: Hemofarm d.o.o. Banja Luka, Novakovići b.b., Banja Luka, BIH, Hemomont d.o.o. Podgorica, 8. marta 55a, Podgorica, Montenegro, STADA Hemofarm S.R.L., Calea Torontalului, km6, 300633 Timisoara, Romania; more information and contacts of all offices and affiliates of Hemofarm Group ara available at https://www.hemofarm.com/srb/predstavnistva.*

[4] *The list of entities included in Hemofarm's sustainability reporting focuses on the company's business operations in Serbia, Bosnia and Herzegovina, Montenegro, and Romania (laboratory in Timisoara), where for each specific data point it is clearly stated whether all listed entities are included in the presented data and/or analytics or if any of them are excluded, along with the rationale for any exclusions.*

[5] *Hemofarm is active in pharmaceutical and healthcare sectors.*

[6] *In the financial year 2024, Hemofarm AD generated sales of EUR 506,487,585.64 (which represents a growth of 7.09% compared to 2023, when it achieved EUR 472,954,566.01). The EBITDA achieved in 2024 is EUR 74,530,208.18, representing a growth of 17.10% compared to 2023.*

[7] *INN is International Nonproprietary Name of a medicinal product.*

2024. QUICK FACTS SHEET

Continuous development:

MORE THAN
64
YEARS
years of growth and development of a trusted pharmaceutical brand;[8]

AN IMPORTANT MANUFACTURING ASSET OF STADA GROUP, WITH A PRESENCE IN 31 STATES ON FOUR CONTINENTS, COMPRISING THE MARKETS OF SOUTHEAST EUROPE, EU, MIDDLE EAST, NORTH AFRICA, AND CIS

Portfolio:

- **Generics (prescription medicines or Gx) and Consumer Healthcare (non-prescription pharmaceuticals or CHC) build a rich portfolio of the company. Sales structure: Gx 69%, CHC 31% (⬆).**
- **Diversified portfolio includes 411 individual packages and SKUs covering many therapeutic areas with many category leaders.**
- **STADA's products, within which Hemofarm's portfolio holds a significant share, cover 20% (22% in 2023) of the World Health Organization (WHO) listed essential medicines[9]**

People:

With their skills, knowledge, and commitment, Hemofarm's employees form the foundation of the company's success.

A TEAM OF
3.523
EMPLOYEES
(3.454 in 2023) in Hemofarm a.d. or 4,621 employees at the level of Hemofarm Group (about 4,000 in 2023)

GENDER BALANCE:
55,86
percentage (⬆) share of WOMEN in the company (55.24% in 2023), and they are a majority at management positions too (about 66%)

Production:

The minimal overall reduction in production volume is a result of efforts to optimize the processes and make the entire system even more sustainable.

7 billion
UNITS PRODUCED IN TOTAL

332 million
PACKS OF FINISHED PRODUCTS

GROWTH IN SALES AND LONG-TERM SUSTAINABILITY:
A strong combined performance of the CHC and Generics segments resulted in a reported adjusted sales growth of **7.09%** in 2024, significantly above the market average. Commercial agility and strict cost discipline contributed to an increase in EBITDA of **17.10%.**

Investments (Mio EUR) / A total of 47.5 (41.08 in 2023), specifically in:

NEW PRODUCTION EQUIPMENT AND INNOVATIVE MACHINES	FURTHER DEVELOPMENT OF INNOVATIVE TECHNOLOGIES	REGISTRATIONS AND LICENSES

08 Detailed history of the company and its manufacturing sites and business centres is available at https://www.hemofarm.com/srb/nasa-istorija.
09 Including least-developed countries (LDCs), low-income countries (LICs), low-middle income countries (LMICs) and upper middle income countries.

Ronald Seeliger
CEO

Dejan Ivanović
Operation Cluster Head SEE

Nikola Turkan
Senior Director Finance (CFO)

Saša Urošević
Senior Director Hemofarm Banja Luka

Irina Skityaeva
Senior Director Culture & People

Veljko Pešić
Senior Director Marketing and Sales SRB, MNE, NMK, ALB

Milan Smoljanović
Senior Director Corporate Security

Sanda Savić
Senior Director Corporate Affairs and Communications

Sanja Manasijevski
Senior Director Legal Affairs and Commercial Projects

Tamara Tomić
Senior Director Quality Cluster SEE

Joan Duru Popić
Head of Business Development and Licensing

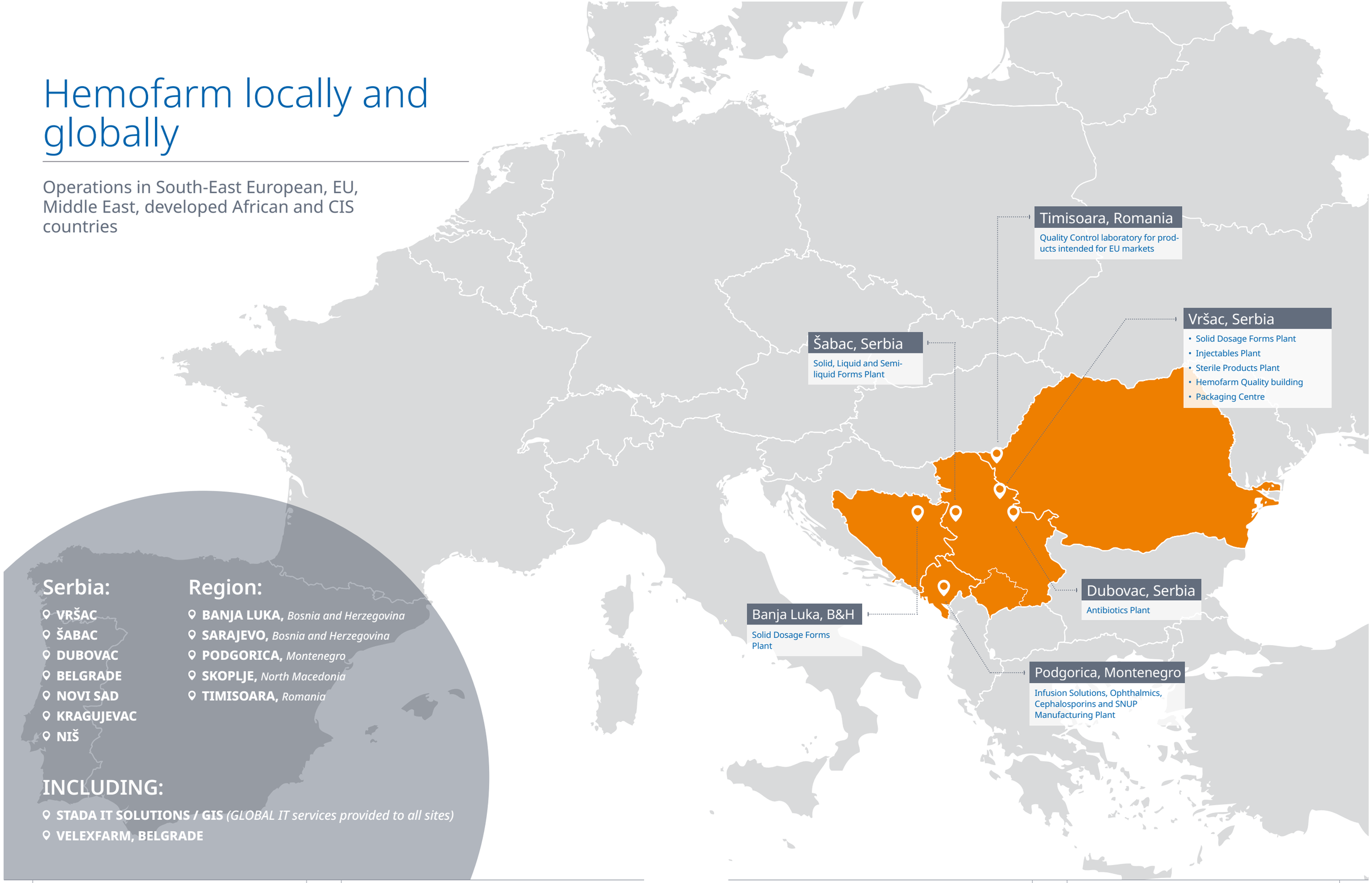
Hemofarm a.d. is a joint stock company operating within German STADA Group, and the top management bodies in the company are the Chief Executive Officer - Dr Ronald Seeliger, and SMT – Senior Management Team, acting as the Board of Directors, which is composed of Senior Directors and Managers of leading corporate functions.[10]

Dr Seeliger manages the work of SMT in creation, implementation, and alignment of the business strategy with the business activities of the STADA Headquarters in Germany. Through the dynamic matrix organizational model aligned with STADA Group, SMT is committed, inter alia, to respecting the principles and values of sustainable development and their application in all aspects of business, which is confirmed also by corporate governance principles and sustainable development principles of Hemofarm which include: 1) Human Rights & Security, 2) Dignified Work and Decent Employment, 3) Anti-corruption and Compliance, 4) Responsible Business, Quality and Sustainable Production, 5) Ethical Marketing and Communications, and 6) Efficiency, Integrity & Environment.[11]

10 The operationalization of management, along with gaining of broader insights into all strategic issues applied in practice, is also realized through the work of the EMT - Extended Management Team, which unites the middle and lower management of the company.
11 Available to all stakeholders at the corporate website.

Hemofarm locally and globally

Operations in South-East European, EU, Middle East, developed African and CIS countries



Serbia:

- **VRŠAC**
- **ŠABAC**
- **DUBOVAC**
- **BELGRADE**
- **NOVI SAD**
- **KRAGUJEVAC**
- **NIŠ**

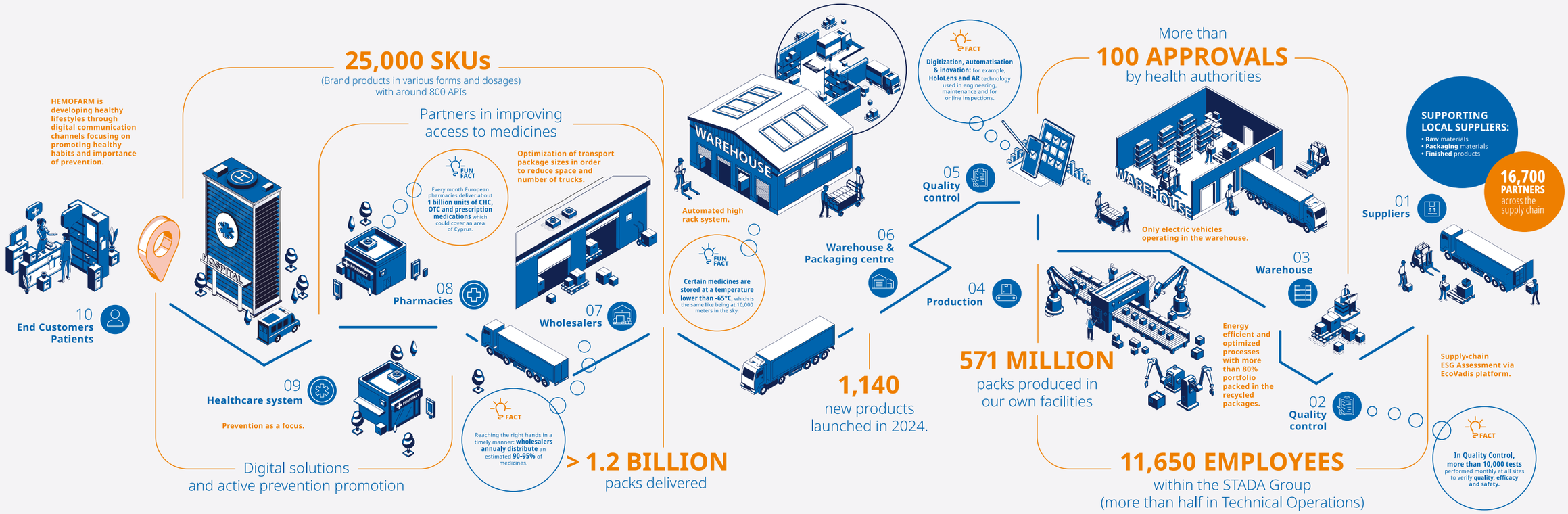
Region:

- **BANJA LUKA,** *Bosnia and Herzegovina*
- **SARAJEVO,** *Bosnia and Herzegovina*
- **PODGORICA,** *Montenegro*
- **SKOPLJE,** *North Macedonia*
- **TIMISOARA,** *Romania*

INCLUDING:

- **STADA IT SOLUTIONS / GIS** *(GLOBAL IT services provided to all sites)*
- **VELEXFARM, BELGRADE**

STADA's production and value chain[12] [13]



[12] *Types of suppliers and partners include - indirect, incl. services and direct, incl. CMOs, APIs, excipients, packaging materials, while the number of STADA's suppliers and partners around the world amount to over 16,000 (according to the data presented within the multimedia interactive exhibition STADA EXPO). In 2024, no significant changes were made within Hemofarm's supply chain compared to 2023, including facility openings, closings, and expansions, as well as general changes in the structure of the supply chain.*

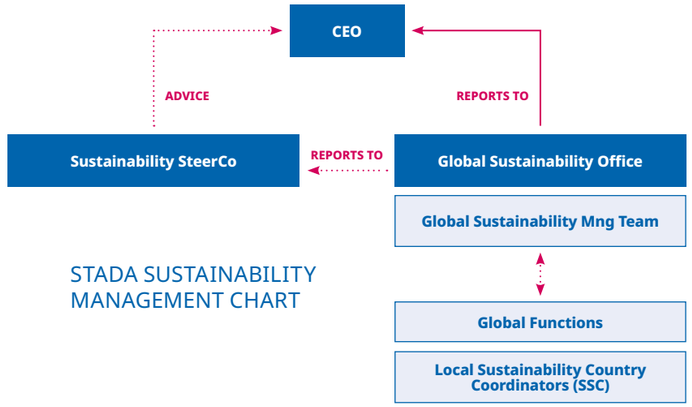
[13] *Data presented on the visual originate from the mobile exhibition STADA EXPO, showing company profile with ESG performance, launched in 2023.*

Managing ESG and Sustainability Reporting

THE STRUCTURE OF THIS REPORT
STADA is consistently continuing its sustainability efforts alongside its key affiliates, among which Hemofarm holds a significant position as a leader in sustainability also in the financial year 2024. The company's fourth global sustainability report, as well as the Hemofarm's thirteenth sustainability report, aligned with the Global Reporting Initiative (GRI) standard, detail the effects of the business activities of the parent company and its affiliates on the environment, society, and governance, and vice versa, while highlighting the progress achieved.

The previous STADA and Hemofarm Sustainability Reports were structured along the United Nations Sustainable Development Goals (SDGs) to illustrate the contribution of both companies to these goals. The efforts and activities to support the SDGs will continue to be part of STADA's and Hemofarm's sustainability focus. For the 2024 Sustainability Report, however, the structure of reporting has been reorganized along the ESG dimensions - environment, social, governance. In this way, putting a special focus on the own business activities, and their real footprint on society and the environment has been enabled, and thus the sustainability information has now been even more clearly contextualized within STADA's corporate governance and management.

The ESG structure offers an established and widely recognized perspective on sustainability that considers the three key pillars on an equal footing, with the possibility of even more detailed presentation of the balance and transparency in reporting. The change in reporting structure also serves to improve comparability with other companies and their sustainability reports and is a preparation for the upcoming introduction of EU CSRD reporting, which will also be based on ESG criteria and approach to sustainability performance.



STADA SUSTAINABILITY MANAGEMENT CHART

SUSTAINABILITY MANAGEMENT
STADA has implemented a dedicated governance framework to effectively manage sustainability issues, with the CEO holding ultimate responsibility for Environmental, Social, and Governance (ESG) matters. The STADA Sustainability Steering Committee (SSC) is the main body steering and preparing the decision-making with respect to Sustainability and ESG and has the following members:

- **Board members:** CFO, CTO, CPO
- **STADA Executive Committee (SEC) members:** EVP Global Legal/General Council; EVP Global Communication; EVP Global CHC, EVP Eastern Europe; VP Global Sustainability & HSE

The SSC is responsible for defining the sustainability policy and strategic directions, tracking progress and making strategic decisions. It also analyzes all relevant sustainability aspects and their potential future implementation within business operations. The SSC meets at least on a quarterly basis. Decisions are confirmed by the SEC and officially approved by the CEO.

To take even greater account of the importance of sustainability management at STADA, the 'Global Sustainability' function was further expanded and strengthened in 2024. The Global Sustainability Office is responsible for implementing and operationalizing STADA's material ESG topics through programs and Key Performance Indicators. The Vice President Global Sustainability reports directly to the CEO. In creating such a structure, the parent company has greatly benefited from Hemofarm's ten-year experience in reporting and managing its own sustainability, and the company's expertise further complements the overall base of professional knowledge at a global level.

The SEC meets in person every month with the extended management team (EMT). ESG topics and impacts are a regular agenda item. Within the SEC, managerial responsibility for sustainability, health, safety, and environmental protection falls under the responsibility of the CTO. Matters related to people, corporate culture, and diversity fall under the responsibility of the CPO.

The STADA Supervisory Board that monitors and advises the Executive Board is also informed on environmental, social and governance matters. The Supervisory Board receives quarterly reports by the Management covering updates on business development, strategy and company planning as well as ESG activities. The Supervisory Board forms committees, like the Audit Committee and Chairman's Committee, the Nomination Committee and Compliance Committee.

To ensure local implementation and to coordinate ESG topics in line with the strategic direction, the Sustainability Country Network was established. This network is centered around Sustainability Country Coordinators (SCCs), who serve as dedicated local representatives of STADA's affiliates. They support the global ESG program, contribute to sustainability reporting, and implement and drive local ESG initiatives.

STADA has formalized its commitments through the Sustainability and ESG Commitments Policy. This policy is available to all STADA employees via the Intranet and is applicable in all affiliates. The role of Hemofarm's top management in this process simulates the structure and processes seen at the global level of sustainability management and sustainable development reporting, but scaled to the business operations of the Hemofarm Group and in close collaboration with the above-described global sustainability management structure of the STADA Group.

ESG RATINGS AND RECOGNITIONS 2024
The ongoing sustainability efforts of STADA and its affiliates are also evidenced by consistent improvements in external ratings.

EcoVadis assesses corporate social responsibility and sustainability performance by evaluating environmental, social, and ethical practices, providing a comprehensive score to help companies improve their sustainability efforts and align them along the supply chains.

- **Improved from Silver to Gold medal in 2024**
- **Rating score increased from 70 to 76**
- **Top 5% company overall**
- **Top 2% company in industry**

Sustainalytics rates companies based on their ESG performance, focusing on how well they manage ESG risks and opportunities.[14]

- **'Low Risk Score' improved from 18.4 to 18.1 in 2024**
- **Top 6% company in industry**
- **Inclusion in 2025 ESG Top-rated Companies List for industry performance**

The Carbon Disclosure Project (CDP) evaluates companies' transparency and performance in managing environmental impacts, particularly focusing on carbon emissions and climate change strategies.

- **Improved from 'C' to 'B' rating score in 2024**

[14] *Reference: STADA Sustainability Report 2024 (available at: https://www.stada.com/sustainability/sustainability-report)*

SUPPORT TO ACHIEVEMENT OF UN SDGS

To assess the overall impact of Hemofarm's business operations on society and the environment, it is necessary to consider the various ways in which the company, together with its suppliers and as a member of the UN Global Compact (UN GC)[15], strives to contribute to the achievement of the UN Sustainable Development Goals, as well as the ten principles of the UN GC. This effectively contextualizes Hemofarm's specific efforts to make society and the environment a better place from the perspective of the global UN GC agenda, with broader implications of those impacts.[16] In accordance with the current level of sustainable development of the company, and the group it operates within, as well as its strategic priorities, the company focuses on the following Sustainable Development Goals:

3 GOOD HEALTH AND WELL-BEING

SDG 3: Ensure healthy lives and promote well-being for all at all ages.

What this means for Hemofarm:
For Hemofarm personal sustainability means good health and well-being (SDG 3). This is reflected in company's purpose and is enabled through a portfolio of products and relevant pieces of advice in line with preventive education.

8 DECENT WORK AND ECONOMIC GROWTH

SDG 8: Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.

What this means for Hemofarm:
The company strives to offer fair and supportive working conditions to its employees. This enables achieving sustainable economic growth (SDG 8).

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

What this means for Hemofarm:
For a better health, Hemofarm constantly improves its product portfolio and production infrastructure (SDG 9) together with its employees, stakeholders, and local communities.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

SDG 12: Ensure sustainable consumption and production patterns.

What this means for Hemofarm:
To achieve positive ESG impacts, the company is setting its own targets and ensuring compliance with regulatory requirements, while striving to be more sustainable in its operations (SDG 12).

17 PARTNERSHIPS FOR THE GOALS

SDG 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development.

What this means for Hemofarm:
The company leads active dialog with its stakeholders and initiates new partnerships to meet the SDGs addressed by Hemofarm's operations (SDG 17).

15 Since 2017

16 To emphasize its commitment to improving the overall ESG impact, Hemofarm contributed to the creation of a new global sustainability policy at the STADA Group level during 2022

DOUBLE MATERIALITY ASSESSMENT (DMA) AT STADA GROUP AND HEMOFARM

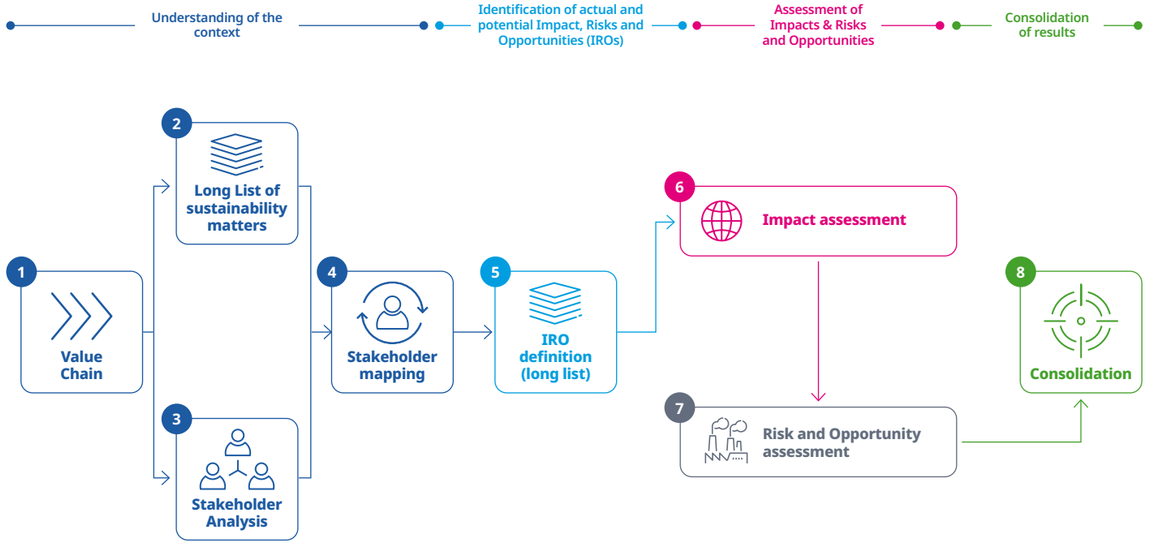
STADA, together with Hemofarm and other key affiliates, approaches its sustainability by initiating a dialogue with the stakeholders (or a stakeholder dialogue), that helps the entire group to understand its ESG efforts from all aspects of business and impacts while collecting feedback from stakeholders to improve its overall sustainability.
After three yearly cycles of materiality assessment at the Group level and ten local yearly cycles at Hemofarm level, in line with GRI, STADA initiated its fourth cycle in accordance with the double materiality assessment (DMA) defined by the CSRD with view to preparations and capacity building for future mandatory CSRD reporting. The eleventh cycle of stakeholder dialogue at the level of Hemofarm ensued, as a local extension of this process.

Through the materiality assessment STADA aimed at:

- identifying and evaluating the most important issues impacting a business and its stakeholders, helping organizations focus on key areas for decision-making and reporting;
- engaging with stakeholders to gather insights into what is considered important or material in the context of business operations and the impact of the company and the affiliates;
- aligning organizational strategies with stakeholder expectations, improving transparency and accountability.

With the previous classical materiality, STADA focused primarily on the impact of non-financial aspects on the company and affiliates, the company's performance and operations (outside-in). With double materiality, STADA expanded the focus to include both the impact on the organization and the impact of the organization on society and the environment (inside-out).

The double materiality analysis was carried out in accordance with the European Sustainability Reporting Standards (ESRS) and corresponding guidelines and was supervised by an external partner.



The Double Materiality Assessment included:

1. Understanding the value chain and STADA Group's core business activities including upstream and downstream activities. The value chain is divided in three core components: own operations, upstream and downstream activities.

2. Creating a list of sustainability matters / topics - based on ESRS and further entity-specific topics potentially being material for STADA and its key affiliates.

3./4. Defining and clarification of relevant stakeholder groups and identification of potential key stakeholders in these groups as well as the persons to be possibly included in the materiality assessment.

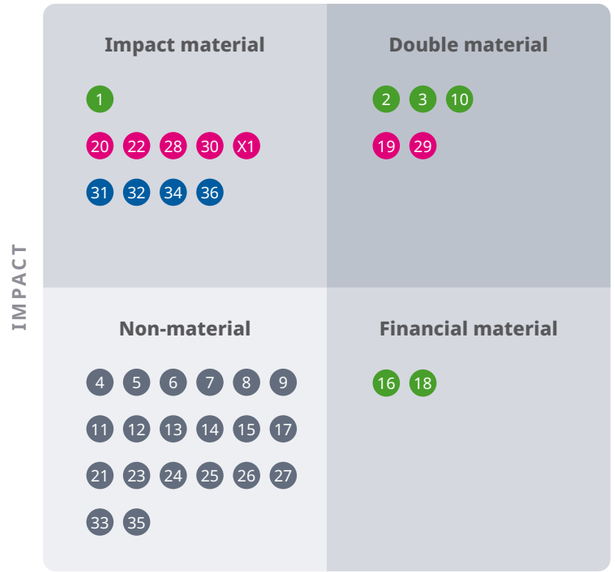
5**. Creating a longlist of impacts, risks and opportunities (IRO)** - based on the list of sustainability matters.

6. Evaluating the severity /relevance of the impacts on sustainability matters and topics by the selected stakeholders - based on scale, scope and irremediability through workshops. The impacts can be positive or negative and actual (current) or potential (future). For potential impacts, the likelihood of their occurrence is determined.

7. Assessment of the risks and opportunities - considering the results of impact materiality - the dependencies on natural, human, and social resources were assessed, and risks and opportunities were identified at the workshops. Those risks and opportunities are then assessed using the set thresholds.

8. Summarizing sustainability aspects in the 'list of material sustainability topics' from the inside-out and/or outside-in perspective.

17 topics were recognized as material through the double materiality assessment. The list of material topics is as follows:



E1 Climate change
1 Climate change adaptation
2 Climate change mitigation
3 Energy

E2 Pollution
4 Air
5 Water
6 Soil
7 Living organism
8 Substances of (high) concerns
9 Microplastic

E3 Water & marine resources
10 Water (consumption, withdrawals, discharges)
11 Marine (discharges, extraction)

E4 Biodiversity and ecosystems
12 Direct impact drivers of biodiversity loss
13 Impacts on the state of species
14 Impacts on the extent and condition of ecosystems
15 Impacts and dependencies on ecosystem services

E5 Circular economy
16 Resource inflows
17 Resource outflows
18 Waste

S1 Own Workforce
19 Working conditions
20 Equal treatment and opportunities for all
21 Other work-related rights

S2 Workers in the value chain
22 Working conditions
23 Equal treatment and opportunities for all
24 Other work-related rights

S3 Affected communities
25 Economic, social and cultural rights
26 Civil and political rights
27 Rights of indigenous peoples

S4 Consumers and end-users
28 Information-related impacts
29 Personal safety
30 Social inclusion
X1 STADA specific: CSR & Public Healthcare Support

G1 Business conduct
31 Corporate culture
32 Protection of whistle-blowers
33 Animal welfare
34 Political engagement and lobbying activities
35 Management of relationships with supplier
36 Corruption and bribery

* Visualization and list of topics: Green, pink and blue topics are found as material via DMA. Grey topics were not found material.

Following the double materiality assessment conducted at the level of the entire STADA Group, Hemofarm further engaged its local key stakeholders (thirty in total) by inviting them to rank topics in the E, S, and G segments based on their own impressions and relevant IRO criteria. The idea was to gain a more detailed insight into the opinions and attitudes of stakeholders regarding Hemofarm's ESG efforts and commitment, as well as to familiarize stakeholders with the double materiality assessment process. All feedback, insights, and suggestions will be taken into consideration by Hemofarm in further improving its own sustainability, as well as the sustainability of the STADA group.

THE RESULTS OF RANKING MATERIAL TOPICS DEFINED IN THE DMA,BASED ON RELEVANT IRO

In response to the invitation to rank topics from the **'E' segment** based on their own opinions and significance for Hemofarm's business, the stakeholders did so in the following manner (from most important / 'first choice' to least important / 'last choice').

Rank	Options
1	**ENERGY** (Resource consumption for energy supply of own operations and value chain)
2	**CLIMATE CHANGE MITIGATION** (Scope 1 & 2, and scope 3 GHG emissions)
3	**CLIMATE CHANGE ADAPTATION** (Climate-related transition risks in upstream value chain)
4	**WASTE** (Including upcoming packaging requirements and market expectation)
5	**ENERGY** (Energy costs increase as part of own production costs)
6	**WATER** (Consumption withdrawals, discharges for own local operations)
7	**RESOURCE INFLOWS** (Including upcoming packaging requirements and market expectation)

A better future begins with responsible manufacturing, and it represents a whole world in miniature. Our TechOps world—a world of technological advancement, high environmental awareness, social responsibility, and responsible management—has a significant ESG impact that reflects not only in caring for the company itself but also for the entire community in which we operate. As part of our commitment to being better, more efficient, sustainable, and safer every day, we have made an effort to showcase this at the STADA EXPO—an informative and educational multimedia platform through which we continue to inspire others, encouraging them to adopt ESG principles in their work and to recognize the importance of their role in building a sustainable future.

Dejan Ivanović / *Head of SEE Cluster Global Operations*

In response to the invitation to rank topics from the **'S' segment** based on their own opinions and significance for Hemofarm's business, the stakeholders did so in the following manner (from most important / 'first choice' to least important / 'last choice').

Rank	Options
1	**WORKING CONDITIONS** (Secure employment and reliable working conditions)
2	**PERSONAL SAFETY** (Patient safety risks due to quality issues or incorrect medication)
3	**EQUAL TREATMENT AND OPPORTUNITIES FOR ALL** (Equal (gender, diversity, inclusion) treatment and develop...
4	**INFORMATION-RELATED IMPACTS** (Access to quality product and healthcare information for patients and society)
5	**SOCIAL INCLUSION** (Reliable supply of affordable and high-quality medicine)
6	**EQUAL TREATMENT AND OPPORTUNITIES FOR ALL** (People development through trainings and competency bu...
7	**WORKING CONDITIONS (IN VALUE CHAIN)** (Supplier misconduct related to human rights)

In response to the invitation to rank topics from the **'G' segment** based on their own opinions and significance for Hemofarm's business, the stakeholders did so in the following manner (from most important / 'first choice' to least important / 'last choice')

Rank	Options
1	**CORRUPTION AND BRIBERY** (Misconduct of STADA individuals in relation to anti-bribery/anti-corruption)
2	**CORPORATE CULTURE** (Strong and compliant corporate culture)
3	**PROTECTION OF WHISTLE-BLOWERS** (Transparency and business integrity with protection of whistle-blowers)

MANAGING MATERIAL TOPICS

Managing material topics at STADA Group and its affiliates begins with the analysis of the outcomes of the DMA process, which identifies material impacts, risks, and opportunities (IROs). All methodologies used in this assessment are aligned with ESRS standards, ensuring a balanced and transparent approach. The management of specific material topics is structured around Environmental (E), Social (S), and Governance (G) aspects, based on the identified IROs.

The following overview illustrates the material topics of STADA Group, Hemofarm and other affiliates, assigned to the identified IROs and the respective ESRS standard.

	TOPICAL STANDARD ESRS / GRI	MATERIAL TOPIC	IRO	Description	Type
E	**E1 CLIMATE CHANGE** (Chapter 2.1) GRI 305, 308	**Climate Change Adaption (#1)**[17]	Climate-related transition risks in upstream value chain	Due to climate change, there is an increased transition risk in the value chain with possible supply chain disruptions or increased costs for suppliers.	Risk
	E1 CLIMATE CHANGE (Chapter 2.1) GRI 305, 308	**Climate Change Mitigation (#2)**	Scope 1 &2 and scope 3 GHG emissions	Company emits greenhouse gases (GHGs) in its own operations and value chain. The emission of GHGs contributes to climate change.	Impact: Actual, negative
	E1 CLIMATE CHANGE (Chapter 2.1) GRI 302	**Energy (#3)**	Resource consumption for energy supply of own operations and value chain	Company consumes energy for the manufacturing of pharmaceutical products within in its own operations, through Contract Manufacturing Organizations (CMOs) and throughout the value chain.	Impact: Actual, negative
	E1 CLIMATE CHANGE (Chapter 2.1) GRI 302	**Energy (#3)**	Energy costs increase as part of own production costs	Increased energy costs (e.g. due to transition to renewable energy supply markets) might lead to higher costs for STADA's own production and/or for STADA's suppliers.	Risk
	E3 WATER AND MARINE RESOURCES (Chapter 2.1) GRI 303	**Water (consumption withdrawals, discharges) (#10)**	Water withdrawal for own local operations	STADA uses water as part of its own production processes, thereby impacting aquifers.	Impact: Actual, negative
	E5 CIRCULAR ECONOMY (Chapter 2.1) GRI 301, 306	**Resource inflows (#16)** **Waste (#18)**	Upcoming packaging requirements and market expectations	Changes in the regulatory requirements for packaging components (e.g. introduction of the Extended Producer Responsibility (EPR) schemes on country level).	Risk

	TOPICAL STANDARD ESRS / GRI	MATERIAL TOPIC	IRO	Description	Type
S	**S1 OWN WORKFORCE** (Chapter 2.2) GRI 2-7, 2-30, 202, 401, 402, 403, 408, 409, 410	**Working conditions (#19)**	Secure employment and reliable working conditions	Company seeks to ensure safe and reliable working conditions for all its employees. Company creates positive impacts by applying its own working standards in countries with significantly lower legal requirements.	Impact: Actual, positive
	S1 OWN WORKFORCE (Chapter 2.2) GRI 202, 404, 405, 406	**Equal treatment and opportunities for all (#20)**	Equal (gender, diversity, inclusion) treatment and development opportunities	Company promotes the equal treatment of all employees, regardless of age, gender, ethnic background, race, religion, disability, sexual orientation, or any other individual trait. In addition, company supports and promotes its employees through individual development plans.	Impact: Actual, positive
	S1 OWN WORKFORCE (Chapter 2.2) GRI 404	**Equal treatment and opportunities for all (#20)**	People development through trainings and competency building	Company requires highly trained and skilled employees for its business activities in the pharma sector. Company offers trainings and development programs, that have potential positive impacts on the skillset and knowledge of people.	Impact: Actual, positive

17 Number of the identified material topics as above along the ESRS structure.

	TOPICAL STANDARD ESRS / GRI	MATERIAL TOPIC	IRO	Description	Type
S	**S2 WORKERS IN THE VALUE CHAIN** (Chapter 2.3) GRI 2-6, 2-8, 204, 205, 407, 408, 409, 411, 414	**Working Conditions (in VC) (#22)**	Supplier misconduct related to human rights	Company sources resources globally, which means supply chain workers operate in countries with lower labor standards. Through its responsible procurement function, company aims to ensure good working conditions and equal treatment for all workers throughout its value chain.	Impact: Potential, negative
	S4 CONSUMERS AND END-USERS (Chapter 2.2 and 2.3) GRI 413, 416, 417, 418	**Information-related impacts (#28)**	Access to quality products and healthcare information for patients and society	Company strives to provide consumers and end-users with adequate and high-quality product and healthcare information. Company has strict controls and mechanisms in place to ensure product information is available and correct.	Impact: Actual, positive
	S4 CONSUMERS AND END-USERS (Chapter 2.3) GRI 416, 417	**Personal safety (#29)**	Patient safety risks due to quality issues or incorrect medication	Possible errors in the manufacturing process of pharmaceutical products can result in side effects for consumers and potentially cause harm to people. By following Good Manufacturing Practice (GMP) standards, company ensures the quality requirements are met for all manufacturing, testing and approval processes for pharmaceuticals.	Impact: Actual, positive
	S4 CONSUMERS AND END-USERS (Chapters 2.2 and 2.3) GRI 203	**Social Inclusion (#30)**	Reliable supply of affordable and high-quality medicines	Company provides affordable and high-quality products in the countries where it operates, thereby continuously contributing to public health.	Impact: Actual, positive
	S4 CONSUMERS AND END-USERS (Chapter 2.2) GRI 203, 413	**STADA/Hemofarm specific: CSR & Public Healthcare Support (#X1)**	STADA/Hemofarm specific: CSR & Public Healthcare Support	Company continues to engage in corporate social responsibility (CSR) initiatives, such as supporting local communities, healthcare education and medical research.	Impact: Actual, positive

	TOPICAL STANDARD ESRS / GRI	MATERIAL TOPIC	IRO	Description	Type
G	**G1 BUSINESS CONDUCT** (Chapter 2.3) GRI 2-15, 2-16, 2-23, 2-24, 206	**Corporate Culture (#31)**	Strong and compliant corporate culture	Company has established and continuously reinforces and communicates a strong, compliant corporate culture aligned with STADA values, encouraging people to speak up.	Impact: Actual, positive
	G1 BUSINESS CONDUCT ((Chapter 2.3) GRI 2-9, 2-16, 2-24, 2-26, 205, 418	**Protection of whistle-blowers (#32)**	Transparency and business integrity with protection of whistle-blowers	Company places great importance on transparency and integrity in its business relationships. To facilitate this, company provides a digital compliance reporting system ('Compliance Reporting Portal') that enables employees and supply chain partners to safely and easily report suspected cases of non-compliance.	Impact: Actual, positive
	G1 BUSINESS CONDUCT (Chapter 2.3) GRI 2-26, 2-27, 205	**Policial engagement and lobbying activities (#34)**	Expert engagement through ethical lobbying	Company actively engages in different industry associations providing expertise and know-how for decision makers to help the political system make informed decisions that improve the health care support for patients.	Impact: Actual, positive
	G1 BUSINESS CONDUCT (Chapter 2.3) GRI 2-26, 2-27, 205	**Corruption and Bribery (#36)**	Misconduct of STADA individuals in relation to anti-bribery/anti-corruption	Business operations are potentially subject to the risk of misconduct with regard to corruption and bribery. Company has implemented processes, controls and measures to mitigate these risks, including its Code of Conduct, Anti-Bribery and Anti-Corruption Policy, and internal audits.	Impact: Actual, negative

Sustainability Outlook

Building on its purpose, vision, and values, along with the assessment of the key material topics and identified IROs, together with its affiliates, STADA has internally derived seven strategic fields of action for its sustainability efforts:

- **Decarbonization & Climate Change**
- **Sustainable Product Packaging**
- **Responsible Procurement**
- **Ethical Business Conduct**
- **Uniqueness & Equal Opportunity**
- **Employee Attraction & Retention**
- **Access to medicine & health promotion**

DECARBONIZATION & CLIMATE CHANGE

STADA and its affiliates are committed to reducing their carbon footprint. The company focuses on optimizing its technical operations, production and packaging. Additionally, the company aims to increase responsibility regarding environmental issues within its supply chain. It also continues to focus on near-term reduction targets from 2020 to 2030 for both Scope 1 and 2 emissions (absolute reduction) and Scope 3 emissions (supplier engagement).

SUSTAINABLE PRODUCT PACKAGING

The role of pharmaceutical packaging is to protect products and medicines, ensuring they remain safe and stable over time, enabling transportation, and facilitating consumer use. While packaging is essential and governed by regulatory standards, STADA, together with its affiliates, actively works to ensure that its packaging solutions are not only compliant but also environmentally responsible.

RESPONSIBLE PROCUREMENT

STADA, together with its affiliates, enhances responsible procurement processes to manage supply chain risks and collaborates with suppliers to promote environmental and social standards, using EcoVadis© for ESG assessments. STADA's Business Partners Code of Conduct sets binding standards on human rights, environmental matters, and ethics with its partners.

ETHICAL BUSINESS CONDUCT

STADA, together with its affiliates, upholds a stringent code of conduct and ethics, which encompasses policies on, among others, anti-corruption and anti-bribery, compliance, and conflict of interests. Adhering to these policies is crucial for maintaining both internal and external trust.

UNIQUENESS & EQUAL OPPORTUNITY

At STADA and its affiliates, the development of people and respect for human rights are core aspects of the business model. The company is dedicated to creating an inclusive workplace that fosters personal and professional growth, recognizing that a variety of perspectives and experiences can lead to more innovative solutions and better decision-making, while maintaining high human rights standards.

EMPLOYEE ATTRACTION & RETENTION

It is in the STADA's interest and in the interest of its affiliates to attract and retain the best people in the long term in order to grow as industry-leading companies. Building a strong, skilled and motivated workforce and a rewarding work environment is essential. This approach adds and preserves knowledge and experience, and it fosters an engaged growth culture in which individual development opportunities have their place to unfold in support of STADA's goals.

ACCESS TO MEDICINE & HEALTH PROMOTION

As a manufacturer of CHC, generic, and specialty medicines, STADA and its affiliates positively influence health and well-being. With a wide range of affordable medications for various health conditions and the company's initiatives to expand access to essential medicines, the company embodies its purpose 'caring for people's health as a trusted partner' in the best possible way.

STADA's and its Affiliates' Sustainability Commitments for 2025[18]

Company Sustainability Program area	Company's Commitments and Achievements 2024	Company's commitments for 2025
DECARBONIZATION & CLIMATE CHANGE	**Commitments for 2024:** • Continue reducing carbon emissions in line with our scope 1&2 target for 2030 • Define scope 3 targets **Achievements 2024:** • ✓Carbon emission reduced by ~13.5% compared to 2023 and ~ 34% compared to baseline year 2020 • ✓Scope 3 supplier engagement target defined • ✓Commitment letter to SBTi submitted	**Commitments for 2025:** • Successful validation of the SBTi targets. • Continue reducing carbon emissions in line with the scope 1&2 target for 2030. • Enhance supplier engagement for the scope 3 SBTi target. • Increase share of renewable electricity consumption to > 65% (out of total electricity).
SUSTAINABLE PRODUCTS AND PACKAGING	**Commitment for 2024:** • Further develop internal processes to embed sustainability aspect in product development process. **Achievement 2024:** • ✓5R strategy and processes have been further developed and applied to additional products and categories	**Commitment for 2025:** • Apply our design-for-recycling principles to any non-medicinal new product design. • Define a Packaging Transformation Plan to meet the PPWR requirements.
RESPONSIBLE PROCUREMENT	**Commitment for 2024:** • Further implementation of 'Responsible Procurement' processes **Achievements 2024:** • ✓Responsible procurement processes further implemented. • ✓Assessment of suppliers via EcoVadis extended to indirect suppliers. • ✓80% (920) of prioritized suppliers with EcoVadis rating.	**Commitments for 2025:** • Cover 90% (in value) of priority suppliers (direct procurement category) with EcoVadis rating. • Increase an average EcoVadis rating of suppliers by +10% compared to 2024. • Further enhancement of internal processes incl. follow-up on supplier and industry engagement.
ETHICAL BUSINESS CONDUCT	**Commitments for 2024:** • Preparation for future EU CSRD reporting. • Maintain high compliance training completion rate (> 95% of basic e-learning). **Achievements 2024:** • ✓EU CSRD Gap assessment completed. • ✓97% Compliance training completion rate (basic e-learning).	**Commitments for 2025:** • Continue preparation for EU CSRD reporting FY 25. • Maintain high compliance training completion rate at ≥ 97% (e-learning).
UNIQUENESS AND EQUAL PAY	**Commitment for 2024:** • To keep the % of women at all management positions on the same level. **Achievement 2024:** • ✓51% of women across all management levels in 2024.	**Commitments for 2025:** • Ensure that the proportion of women across all management levels remains at ≥ 50%. • Completion of gender pay gap assessment for prioritized countries.
EMPLOYEE ATTRACTION AND RETENTION	**Commitments for 2024:** • Lost Time Incident (LTI) Rate ≤ 0.35 in 2024. • Maintain high employee engagement level (measured by 'pulse survey' with > 80% participation rate and rating score > 8.0). **Achievements 2024:** • ✓Safe working environment reflected by LTI Rate 0.35 in 2024. • ✓Pulse Survey results with 90% participation rate and rating score 8.1.	**Commitments for 2025:** • Further improve workplace safety, measured by LTI Rate < 0.3 in 2025. • Maintain the high employee engagement level measured by Pulse survey with > 80% participation rate and rating score > 8.0.
ACCESS TO MEDICINES	**Commitment for 2024:** • Identify existing local initiatives and evaluate potential for strategic partnerships with donation organizations. **Achievements 2024:** • ✓Partnership with donation organization 'Direct Relief' established for donation of pharmaceutical products. • ✓Donation of onco-product for delivery in 2025 prepared.	**Commitments for 2025:** • Define mid-term Access-to-Medicine program. • Build on partnership with 'Direct Relief' to make further product donations.

Quality is a fact. It either exists or it doesn't. It cannot be small, large, partial, or incomplete. The same applies to the standards by which we develop and produce our products—uncompromising, strict, demanding, and, in our case—fulfilled! We are the Oscar winners of quality!

Tamara Tomić / *Director SEE Cluster Quality*

18 *Commitments are structured along the 7 strategic fields of actions defined based on the DMA performed in 2024 and therefore do not completely align with the ESG commitments made in Sustainability Report 2023.*

SECTION 02

HEMOFARM'S COMMITMENT TO ESG

2.1

Environmental care

ANY CONSUMPTION OF RESOURCES, AS A PHENOMENON IN ITSELF, IS A NEGATIVE CATEGORY. THEREFORE, THE RESPONSIBILITY OF COMPANIES THAT CARE ABOUT SUSTAINABLE DEVELOPMENT AND THE ENVIRONMENT, AND ESPECIALLY MANUFACTURING COMPANIES SUCH AS HEMOFARM, IS MUCH GREATER.

It is necessary to transform the consumption of resources in a positive, accountable and sustainable way into a new value, which in case of Hemofarm represents a rounded portfolio of quality and affordable pharmaceutical products that help people in the prevention and relief of health problems.

The Global Occupational Health and Safety (HSE) function centrally manages all activities within STADA Group so that the attitude to the environment and the concern for preservation of biodiversity can be at the same level in all STADA affiliates. It reports directly to the Chief Technical Officer (CTO) in STADA, and its activities are focused on the continuous development of STADA Group's global HSE management system: by defining global and local environmental goals, ensuring global HSE reporting, engaging different divisions on environmental topics (such as waste reduction strategies and responsible purchasing), and supporting the sites with improving their environmental performance.

HSE performance in STADA Group and Hemofarm, as well as risk reporting, are fully integrated into the overall process of monthly analysis of business performance of production sites and are submitted to the Director of Technical Operations. Production plants have set up local HSE management systems for the purpose of ensuring compliance with environmental standards and continuous improvement of environmental performance with eight sites certified in accordance with ISO 14001 standards.[19] [20]

[19] *As on 31/12/2024. More information in the GRI index.*

[20] *Additional information is available in the STADA Group's global report at https://www.stada.com/sustainability/sustainability-report*

Decarbonization & Climate Change

STADA Group, along with its affiliates, undertook a comprehensive external climate change risk assessment in 2024 in order to assess the transition and physical risks, as well as opportunities related to climate change at company's production sites, as well as required adjustments for the purpose of increasing the resilience and enabling sustainable business operations.

TRANSITION RISKS

Transition risks relate to financial and operational challenges arising from global economic changes that are moving towards a low-carbon emission future. These risks have been assessed for STADA Group by using climate scenario indicators over different time periods, including short-term (up to 2030), mid-term (up to 2040), and long-term projections (up to 2050). The assessment reviews two SSP scenarios.

Overall, STADA is exposed to limited risk (lowest risk score) in the short term, and low risk in the mid and long term. The highest risk scores that increase over time are associated with the growth of volatile energy prices caused by the uneven transition from fossil fuels, which may result in supply constraints and increased demand for low-carbon emission products and decarbonized capital assets. On the other hand, the highest possible score that also increases over time is associated with increased resilience to volatility in energy and fuel prices, and describes the reduction of operating costs due to more effective consumption reduction measures. The opportunity for sales of low-carbon emission products is growing due to increased market demand.

PHYSICAL RISKS

Physical risks are associated with changes in the intensity and frequency of climate events, such as forest fires, droughts, extreme weather conditions, rising river levels, and floods. STADA assesses the impacts according to different climate scenarios aligned with recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), for the time horizons up to 2030 and 2050, according to the emission trajectory projections from SSP1 – 2.6 to SSP5 – 8.5. The results indicate that most STADA sites are currently facing minimal or low physical risks for the SSP5 -8.5 perspective, for 2030, with the exception of only one site in the Miyun district of Beijing, China, which has been identified as a high-risk site due to exposure to fires, water shortages and droughts, as well as river floods. The production plant located in Miyun accounts for only 0.1 percent of the total production of STADA Group.

The assessment envisages that some sites could experience an increase in risk levels by 2050, especially in case of high emissions and long-term scenarios (SSP5-8.5). For example, the risk level in Montenegro is expected to move from moderate to high due to flooding caused by rising river levels and extreme weather conditions. The production plant in Podgorica accounts for 6 percent of the total production of STADA Group and is an important part of Hemofarm.

Climate change mitigation

Decarbonization and climate change are one of seven key areas and priorities for STADA Group, reflecting the company's strong commitment to sustainable development. As part of the company's comprehensive approach to sustainable development, and in accordance with the Paris Agreement, STADA committed as early as in 2021 to the reduction of gas emissions (Scope 1 and 2) by -42 percent in the period from 2020 to 2030.

COMMITMENT TO SCIENCE BASED TARGET INITIATIVE (SBTI)[21]

In 2024, STADA formally committed to the Science-Based Targets Initiative (SBTI) for short-term targets for Scope 1 and 2, as well as supplier engagement targets for Scope 3.[22]

SBTi, founded in 2015, helps companies in setting emissions reduction targets that are aligned with the latest climate science. It is a collaboration between CDP, UN Global Compact, World Resources Institute, and WWF.

STADA's participation in SBTi underlines its commitment to setting robust, science-based decarbonisation targets. The company, along with its affiliates, continues focusing on short-term targets for Scope 1 and 2 (absolute reductions) and Scope 3 emissions (supplier engagement), with the plan to have such targets and delivery data verified by SBTi in 2025.

GHG Emissions	2020	2021	2022	2023	2024
Scope 1 [tons of CO2e]	31,639.7	28,908.5	34,399.1	41,104.5	40,923.1
Scope 2 [tons of CO2e][23]	75,032.8	62,148.1	59,746.7	41,723.3	29,853.6
Total GHG emissions (Scope 1 + 2)	**106,672.5**	**91,056.6**	**94,145.8**	**81,827.8**	**70,776.7**
Scope 1 + 2 GHG emissions – cumulative change compared to the reference year 2020 [%]	**-**	**-14.6**	**-11.7**	**-23.3**	**-33.7**

SCOPE 1, 2 AND 3 EMISSIONS

Given that the HSE function is integrated into a global role, data on emissions will be presented in this chapter cumulatively, for entire STADA Group, as confirmation of the systemic commitment to the continuous improvement of its own performance and impact.

In 2024, STADA along with its affiliates, continued reducing its total GHG emissions (Scope 1, 2) and remains on track to meeting its absolute GHG reduction target, while simultaneously compensating for its own internal growth in business operations. Total GHG emissions were further reduced from 81,827.7 tons of CO2 eq. (2023) to 70,776.7 tons of CO2 eq. (2024), which represents an overall reduction of 13.5% compared to 2023.

In 2024, the company reviewed and refined its carbon footprint calculation methodology. It included the introduction of the specialized carbon footprint calculation software Perseforni®, which ensures the use of up-to-date emission factors from reputable databases such as DEFRA, IEA and AIB. In addition, STADA improved the accuracy and coverage of its internal data, in particular with regard to freon emissions from production and mobile emissions from company cars[24]

Currently, STADA is well on its way to achieving its defined emission reduction target, having already achieved a reduction by 33.7% compared to 2020.

In 2024, STADA further improved the pro-

HEMOFARM INITIATIVE

Cycling - Inspiring Others to Care for Their Health through Personal Example

Around 30 employees of Hemofarm and the Hemofarm Foundation participated in a 10 km cycling event, supporting the initiative of the Movement for Mental Health: "Start a Conversation, Change the Route," highlighting the importance of preserving mental health through regular physical activity.

This symbolic ride, organized in honor of World Mental Health Day celebrated on October 10, brought together numerous citizens, both adults and children, with the goal of fostering solidarity and empathy toward those struggling with various mental disorders. Physical activity, such as walking or cycling, not only contributes to better health but also helps reduce stress and anxiety, which is why it is advised to allocate 15 to 30 minutes daily for this form of recreation and relaxation. "We are particularly proud of Bojana and Bojan Čejić, a married couple from Vršac who cycled to Pančevo. They traveled the distance from Pančevo to Belgrade by train to join the cycling event. That day, together they covered an impressive 110 km, inspiring many to actively take care of their health," said Suzana Đorđević, director of the Hemofarm Foundation. Employees from Šabac also joined the cycling event, emphasizing the importance of such initiatives in raising awareness about the significance of preserving mental health, and they were eager to participate.

"The ride was relaxing, and the camaraderie was delightful, with approval from passers-by—a memorable experience. I hope that next year we will have an even larger number of participants from Šabac and other Hemofarm locations," said Vladan Rakić from the Technical Operations sector in Šabac.

The cycling event "Start a Conversation, Change the Route," was organized by the Network for Psychosocial Innovations (PIN) and Cyclist Streets – Critical Mass, with the support of the Hemofarm Foundation. Participants were accompanied along the route by music from loudspeakers, and many balloons displaying the message of the Movement for Mental Health could be seen as props.

21 Science Based Target Initiative; a reference system for target setting and validation. More information available at https://sbtiservices.com/.

22 More information and data, in addition to the content presented in continuation of this report and within the GRI index, will be published by STADA and its affiliates in upcoming editions of the global ESG report and local editions of the ESG report. In addition, data on cumulative Scope 1, 2 and 3 emissions are available on pages 32 and 33 of the fourth annual edition of the STADA Group Sustainable Development Report, available at https://www.stada.com/sustainability/sustainability-report

23 Market-based

cesses for calculating its Scope 3 emissions by using the Persefoni® carbon footprint calculation software, in accordance with the GHG Protocol, applying a consumption-based approach for most Scope 3 emission categories (a detailed breakdown of Scope 3 emissions by emission category is provided in GRI 305-3).

Scope 3 emissions of 947 ktCO2 result from approximately 91% (860 ktCO2) of category 1 'purchased goods and services', followed by category 3 'fuel and energy activities' (31.5 ktCO2 or ~3%) and category 4 'transportation and services – upstream (from external company)' (31 ktCO2 or ~3%). Eighty most important suppliers (by value) account for approximately 36% of total Scope 3 emissions, which corresponds to approximately 350,000 tCO2.

In 2024, STADA defined its Scope 3 target and submitted it for validation in accordance with the SBTi guidelines. Accordingly, the company aims that suppliers accountable for 50% of its Scope 3 emissions from the category 'purchased goods and services' should set their own SBTi targets by 2030. By December 2024, suppliers accounting for ~19% of Scope 1 emissions have already committed to SBTi in Scope 3.[25]

WATER CONSUMPTION MANAGEMENT

Responsible water management is one of the most important factors of sustainability today. Hemofarm contributes to global water preservation indirectly, through highly optimised manufacturing processes. One of the future goals of the company is to approach neutrality in consumption of this resource. Unlike the previous few years, the total consumption of water has decreased now by about 8.2%.[26]

For its own needs, Hemofarm uses municipal water and water from artesian wells. Municipal water is used in technological processes and for producing purified water (PW), water for injections (WFI) and clean steam. In addition, water is used for producing technical steam and hot water, as well as for the operation of the cooling system (cooling water) and for sanitary purposes. The total quantity of water withdrawn from municipal water decreased by 9.2%, namely from 510,879 cubic meters in 2023 to 463,701 cubic meters in 2024. The total quantity of water withdrawn from the artesian wells was increased by 7.9%, namely from 34,174 cubic meters in 2023 to 36,862 cubic meters in 2024. Hemofarm does not jeopardise any of the water withdrawal resources by its withdrawal of water.

PREGLED KOLIČINA UKUPNO ZAHVAĆENE VODE (U KUBNIM METRIMA) PO IZVORU

2022	VŠ (m^3)	ŠA (m^3)	VŠ+ŠA (m^3)
MUNICIPAL WATER	369.525	73.612	443.137
ARTESIAN WELL WATER	8.626	31.042	39.668
TOTAL WATER	378.151	104.654	482.805

2023	VŠ (m^3)	ŠA (m^3)	VŠ+ŠA (m^3)
MUNICIPAL WATER	403.276	107.603	510.879
ARTESIAN WELL WATER	6.779	27.395	34.174
TOTAL WATER	410.055	134.998	545.053

2024	VŠ (m^3)	ŠA (m^3)	VŠ+ŠA (m^3)
MUNICIPAL WATER	365.686	98.015	463.701
ARTESIAN WELL WATER	5.289	31.573	36.862
TOTAL WATER	370.975	129.588	500.563

Adaption to Climate Changes

In order to manage the identified risks, STADA, along with its affiliates, continues improving the resilience and seizes the opportunities for adequate adaptation to climate changes, with minimal impacts. It primarily includes increasing energy efficiency and improving resilience to volatility of energy and fuel prices. These measures not only mitigate risks, but also contribute to value creation and operational sustainability.

In terms of adapting to physical risks, STADA and its affiliates are prioritizing the improvement of resilience of high-risk sites through infrastructure improvements and water management strategies. In addition, continuous monitoring and analysis of scenarios will be crucial for effective forecasting and responding to fluctuating climate conditions.

HEMOFARM INITIATIVE

Comprehensive Environmental Care for the Benefit of Nature and the Community in Banja Luka

In 2024, a systematic approach to environmental preservation and improvement of relations with the environment has been confirmed through a series of actions with multiple positive results. Some of these actions include:

- Planting 350 new seedlings within the factory grounds—for the benefit of both people and the planet;
- Introducing QR codes instead of HSE flyers—enhancing safety and awareness while reducing impact on the environment and resources;
- Renewed water permit—demonstrating a responsible approach to the use of vital resources;
- Removing the old transformer and analyzing the oil from the old transformer for the presence of PCBs—found to contain no PCBs;
- Successfully completing Stage 1 of the Waste Reduction Program; Banja Luka, together with Preston (UK), selected as a pilot site for this program.

24 Also, updates of 2020 reference values and annual emissions data were made due to changes in the structure of global STADA Group in 2023 due to the spin-off of business activities in Russia, including technical operations and the commercial division.

25 The company also confirms its additional commitment to responsible management of its own emissions, as well as emissions in its value chain, also through membership and activism within industry associations such as RHI (Responsible Health Initiative) and PSCI (Pharmaceutical Supply Chain Initiative).

26 Responsible water management includes recuperation and reuse of technical steam. The steam has no contact with products in Hemofarm, so all the condensate collected in the process of technical steam manufacturing returns to the boiler room for reuse, by which water is continuously recuperated in the manufacturing process. In addition, heating energy of wastewater from steam boilers, which would otherwise be discarded as a result of the distillation and removal of precipitate from steam boiler processes, gets reused as a source of heat for sanitary hot water in the Sterile Products Plant.

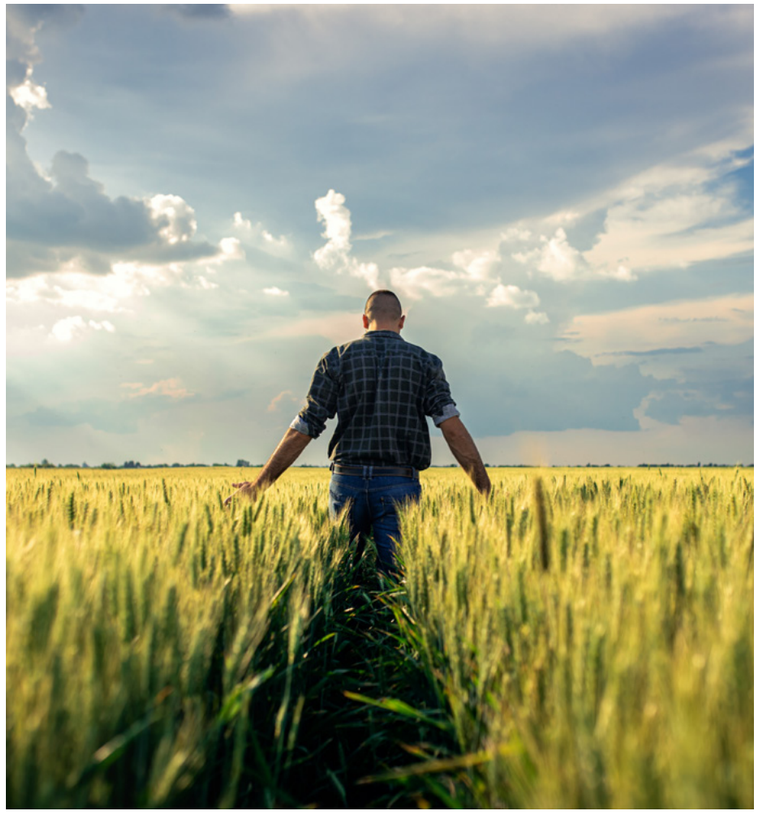
Energy Management

Natural gas and electricity are primary energy sources in Hemofarm. Energy in general is the critical source, and its efficient use is one of the pillars of the company carbon map.

Electricity consumption at the level of the entire STADA Group is taken into account, as much as 65% of the total consumption comes from renewable sources that supply production sites in Great Britain, Germany, Serbia, Romania and the Czech Republic.[27] When it comes to Hemofarm Group, electricity is used in production processes, for the operation of air compressors, chillers and HVAC, which are also the largest consumers. Production of compressed air and cooling water still accounts for one third of the total electricity consumption for the central production complex in Vršac.

In 2024, the consumption of electricity was decreased by 1.6% compared to 2023 at Vršac and Šabac sites (of which 40,097,304 kWh were consumed in Vršac, while 12,505,818 kWh were consumed in Šabac). The slight decrease in consumption compared to 2023, in addition to energy consumption management measures, resulted from the optimization in the volume of production.

As a source of energy, natural gas is predominantly consumed at the departments for chemical water treatment – 34.6% of produced thermal energy is needed for the production of purified water, water for injections, and clean steam in Vršac. Heating of premises and other technological processes are among other larger segments of natural gas consumption.



The decrease in gas consumption by 3.7% in 2024 was for the most part a result of the mild winter at the beginning of the year as well as energy consumption optimization measures. The temperatures were above average from February to May, thanks to which the Heat Recovery system could have been used in entirety. Mild increase in gas consumption is noticeable in Šabac, while gas consumption in Vršac was significantly reduced compared to 2023 (-0.5%). Increasing demands for control of relative air humidity in the summer period were observed, and represent one of the reasons for increased consumption.

Energy efficiency and rational management of the consumption of energy and other resources are among the key proofs of the degree of responsibility and sustainable development of Hemofarm. In addition to short-term activities, initiatives and projects, the company seeks to shift the focus to mid-term and long-term investment projects which will ensure better stability and sustainability of business operation. Some of the current examples include:[28]

- A project of solar power plant was initiated in Vršac, with the aim to further upgrade the energy efficiency. A construction of a plant for utilization of solar energy as a source of electricity is planned, by which the consumption of electrical energy from the public distribution network would be partly reduced. An analysis has been performed of the potential of the available surfaces for the installation of new equipment, together with Hemofarm's energy needs and possibilities. The scope has been defined as well as the location of the pilot plant, and results have been processed as part of the Conceptual Study. This initiative received the most votes at the STADA+ program workshop, which was conducted in August 2022. After the analysis of the Conceptual Study, user requirements for the design and construction of the power plant were defined, after which discussions with renowned companies in this field were held and contracting was initiated.

- Continuation of replacement of fluorescent tubes by LED lights – one of the most popular measures of improvement of energy efficiency since 2019; it also results in savings in maintenance costs taking into account that LED lights last much longer (twice as many hours of functioning); activities of installation of LED lights have been continued at all Hemofarm sites.

- The successful use of the earlier implemented measures continued successfully in 2024 as well – use of 'insulation jackets'[29] on technical steam and condensate distribution systems, utilisation of 'waste heat' for heating of facilities with the aid of the Total Heat Recovery module[30] and preparation of sanitary water by means of flash steam, heating of facilities by using low-temperature water instead of technical steam, optimisation of operation of some HVAC systems in the periods when manufacturing conditions allow that.

OVERVIEW OF CONSUMPTION OF ELECTRICITY (VRŠAC AND ŠABAC PLANTS)

YEAR	ELECTRICITY, KWH	ELECTRICITY, GJ
2022	51.380.081	184.968,29
2023	53.476.586	192.515,71
2024	52.603.122	189.371,24

OVERVIEW OF GAS CONSUMPTION

YEAR	GAS IN m³
2022	6.685.487
2023	6.872.007
2024	6.617.732

> Digitalization and digital transformation are the most reliable allies of sustainable development. Don't believe it? Just by transitioning to Cloud services, we have reduced CO2 emissions by 99.8% annually. To put it into perspective in terms of car travel—rather than circling the globe nearly 15 times, we were parked the entire time while achieving the same impact and functionality.

Igor Stojanović
Senior GIS Director - Global IT Operations

27 *Increased energy costs and increasing energy price volatility have been identified as the current moderate risk in Climate Risk Assessment, with the possibility of becoming a high risk in the future, which could lead to increased supply constraints over time. The risk has also been identified within DMA. Energy efficiency measures and on-site renewable energy production have been acknowledged as measures for risk management and generating opportunities.*

28 *Operational Excellence is committed to creating a performance culture that ensures an aligned, cost-effective, resource-efficient, end-to-end supply of products. The methodology is based on the principle of increasing value-added activities and reducing non-value-added activities by creating a 'first time right' culture and eliminating uneconomical activities such as redundant operations, transportation, waiting, inventory, reprocessing, overproduction and re-standardization. Accordingly, the company has created SPS (STADA Production Systems), a set of principles and processes based on financial and performance supply metrics. SPS provides a framework for planning and control of all aspects of the end-to-end business processes of production sites in order to improve safety, quality, efficacy and productivity. SPS is based on three pillars: resource planning, productive maintenance and LEAN production. It is supported by performance management that focuses on excellent performance, associated thinking in KPI management and fast, flexible and efficient decision-making.*

29 *The removable elements which contribute to reducing heat losses due to the radiation on valves which operate at high temperature, recommended by IFC (International Finance Corporation), a member of the World Bank Group. Estimated decrease in heat losses on thus insulated valves amounts to as much as 11–20% in tital, compared to the non-insulated valves.*

30 *Chiller primarily produces cooling energy, and heat is released from the working utility in the process. Instead of being discharged into the atmosphere, through the THR module of the chiller, the heat released in such a manner ('waste heat') is used for heat supply which can reach up to 130% of the cooling capacity of the chiller.*

Resources Consumption and Waste

SUSTAINABLE PRODUCTS

Consumers are increasingly looking for sustainable products and packaging material, while the companies strive to maintain its competitiveness in the market. The purpose of pharmaceutical packaging material is crucial in protecting the products and medicines, ensuring their safety and stability over time, providing for transport and making their use easier for the consumer. Packaging material is of essential importance for all pharmaceutical products and must comply with regulatory standards. At the same time, Hemofarm is aware of the need for optimisation of its business operations for the purpose of minimising the negative environmental footprint. Such an approach to packaging material represents not only a challenge but also an opportunity for the development of sustainable products and packaging material.

Over the course of 2024, Hemofarm continued to implement its packaging sustainability strategy based on 5R principle (Remove, Reuse, Refill, Recycle, Reduce). The principle has been established to serve as a guideline for all the packaging activities in the company, especially for new launchings.

Replacement of three-layer cardboard pads with GRIP SHEETS, which have the same function in palletisation of finished products, was continued at the manufacturing site in Vršac, with numerous benefits (financial savings 70%; lower volume in storage of this starting material by 90%; anufacmtured from recycled paper; it can be used more times and recycled; lighter than the three-layer cardboard pad by 80% (450 g vs 90 g), etc. Bearing in mind all the benefits which resulted from the replacement of cardboard pads with GRIP SHEETS, the replacement is underway also at other sites of the STADA Group SEE Cluster. In order to reach a higher degree of sustainability, Hemofarm has also introduced shorter cardboard L profiles (82 cm instead of 104 cm), by which savings in material of 21% have been achieved. Replacement of primary packaging material (Aclar foil), which contains undesirable PFAS (polyfluoroalkyl) substances, with compatible multi-layer foil without PFAS has been successfully continued in a large number of blisters for Ezetimib and Clopidogrel.[31]

K-H SMMT support & sourcing PET foils for blisters for strategic "biosimilar" products were introduced at the Vršac production site during 2024. A local manufacturer/supplier of PET-A and PET-G foils, which are incomparably better in the context of sustainable development compared to PVC foils, which were used for secondary blister packaging so far, was approved.

Hemofarm confirmed that it remains committed to efforts aimed at sustainable development and reduction of packaging material waste also in 2024 and is going to continue optimising its business operations in the upcoming years, offering sustainable products and solutions to consumers.

WASTE MANAGEMENT

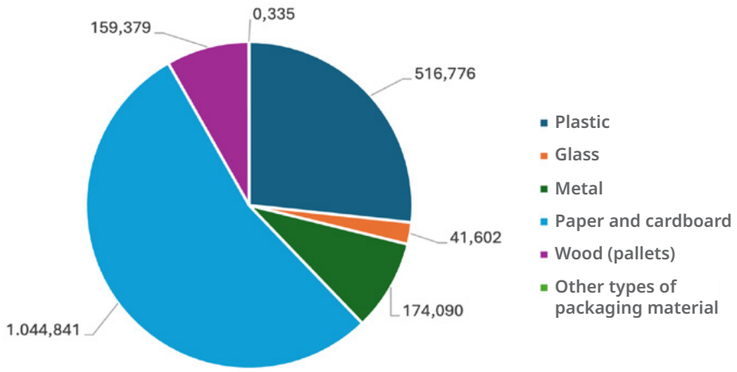
Hemofarm is a big company, in terms of the business volume, yet it is not a large polluter because pharmaceutical production is considered a 'white-collar' industry. Besides, the manufacturing processes in the company are maximally efficient and optimised towards generating minimal amounts of waste, which is generated either in the manufacturing process itself or over the entire life cycle of a pharmaceutical product. Waste, which is generated within activities of Hemofarm can be classified as:

- **waste generated outside the manufacturing sites of the company, and**
- **industrial waste generated within the manufacturing and business facilities of the company.**

In accordance with the law, Hemofarm is not in direct contact with end users of products, and consequently it cannot collect waste packaging materials after the expiry of life cycle of its products. Therefore, the company fulfils its obligations indirectly, in line with the national Plan for Reducing Packaging Material Waste.[32] According to the Plan, Hemofarm cooperates with authorised operators that assume the obligation to dispose of the subject packaging material in a proper manner.[33] In 2024, Hemofarm generated 1,736.90 tons of industrial waste (1,680.43 t in 2023), in total, of which 386.17 tons of hazardous waste (392,108 t in 2023) and 1,350.73 tons of non-hazardous waste (1,288.32 t in 2023). In accordance with all legal provisions relating to waste management, Hemofarm has engaged operators who have waste management licences issued by the competent authorities of the Republic of Serbia. The total quantity of waste consigned to operators in 2024 amounts to 1,753.13 t (1,730.48 t in 2023). Non-hazardous waste with usage value that can be recycled 1,188.92 t (1,254.98 t in 2023) was consigned to operators for further processing. The increase of total generated waste in 2024 was not conditioned by direct effects of the manufacturing process in the current year, but rather results from the project of freeing storage capacities by disposal of written-off products.[34] Taking into account all the elements of responsible waste management and performance factors, Hemofarm is still a good example of a big company and a large manufacturer whose environmental footprint is positive.

31 In this way, the use of Aclar foil in the finished product was reduced by several thousand kilograms and significant financial savings were generated.

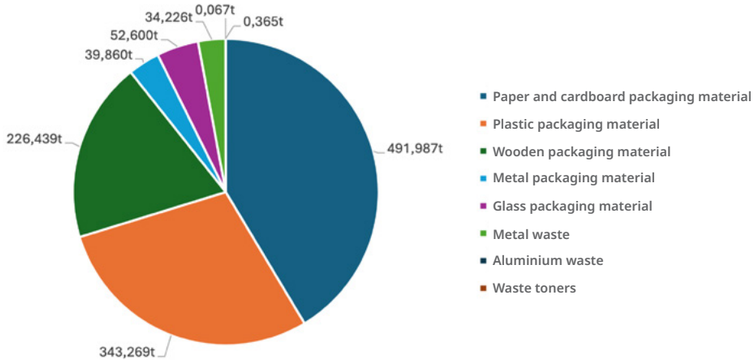
Quantity of packaging material consigned to operators in 2024



Overview of industrial waste trends in 2024 by type (hazardous/non-hazardous) is shown in the table and graph below

2024	GENERATED (t)	CONSIGNED (t)
NON-HAZARDOUS WASTE	1.350,73	1.359,81
HAZARDOUS WASTE	386,17	393,33
TOTAL	1.736,90	1.753,13

Quantities of recyclable non-hazardous waste consigned to operators



HEMOFARM INITIATIVE

STADA EXPO - ESG in Action

Following the principles of innovation, Hemofarm presented STADA EXPO at the end of 2023—the first multimedia interactive exhibition through which individuals can personally experience how Hemofarm and STADA care for a sustainable future. This exhibition, housed in four recycled shipping containers, demonstrates that Hemofarm and STADA are not only successful companies but also responsible citizens who care about the future of our planet. The premiere took place in Vršac, and afterwards, citizens from the region and Europe (Bosnia and Herzegovina, Montenegro, Romania, Czech Republic, Germany, UK) had the opportunity to visit STADA EXPO.

So far, STADA EXPO has successfully traveled to seven countries and 11 cities. More than 20,000 people have seen this innovative exhibition, while eight mini Family Days have also been organized during this time. Employees of the company managed to collect 500 resumes from interested candidates for employment in our company thanks to STADA EXPO, and over 500 articles about the exhibition have been published in the media in the country and the region.

At the end of 2024, STADA EXPO was also presented to students at the University of Belgrade in the Students' City, where the first Hemofarm ESG Festival was held.

32 It determines the general goals in view of reuse and recycling of packaging material waste, as well as the specific goals for recycling paper/cardboard, plastic, glass, metal, and wood from packaging material waste.
33 The materials that can be subject to recycling mainly include packs, transportation packaging material and patient information leaflets.
34 Due to a change of pharmaceutical regulations or reported suspicion of complete compliance of certain raw materials used in some products, initiated at the European or global level.

2.2

Social aspect

DYNAMIC ENVIRONMENTS REQUIRE AGILE ADAPTATION IN LINE WITH ALL CHANGES, INCLUDING CARE FOR PEOPLE'S HEALTH. THAT IS PRECISELY WHY STADA, TOGETHER WITH ITS AFFILIATES, ENCOURAGES ALL EMPLOYEES TO ACT AS ENTREPRENEURS, PROMOTING SUCH BEHAVIOR AS PART OF ITS CORPORATE VALUES.

Employee engagement and a safe corporate culture, based on providing support to every team member, are among the key drivers of the company's growth. With attractive working conditions and a fair and positive work environment, the company's goal is to attract and retain the best employees, as well as to support the full developmental potential of all its team members.[35]

[35] *Additional information can be found in the STADA Group's global report at https://www.stada.com/sustainability/sustainability-report.*

Fair Working Conditions

THE APPROACH TO PEOPLE TODAY REPRESENTS ONE OF THE MOST IMPORTANT MEASURES OF SUCCESS, STANDING EQUALLY ALONGSIDE FINANCIAL RESULTS. PEOPLE ARE THE MOST VALUABLE RESOURCE, AND THE ATTITUDE TOWARDS THEM DEMONSTRATES THAT THIS IS ALSO A CORE PRINCIPLE OF HEMOFARM'S CARE FOR ITS EMPLOYEES.

In 2024, Hemofarm's team[36] consisted of 3,523 employees (3,454 in 2023), marking a 2% increase compared to the previous year.

The number of women in the company has continued to grow, and their share now constitutes 55.86% of the total workforce (55.24% in 2023), with women also being the majority in the company's management. Throughout the year, the company had a total of 203 mothers on maternity leave (148 in 2023), and all colleagues who returned to work after maternity leave retained their previous positions or were promoted to new roles.

36 The headcount in the entire Hemofarm Group is 4,621, of which 3,523 are employed at Hemofarm a.d.

Hemofarm's Human Resources sector, or Culture & People[37] places special focus on providing equal opportunities for all.[38] As a result, the number of applicants for open positions and tested candidates has been growing year after year, while the database of potential employees has become increasingly enriched. At the same time, the company is intensifying its presence at specialized job fairs and promoting open positions on social media, with a particular emphasis on fostering an inclusive work environment tailored to young people and Generation Z. This approach also positively contributes to employer branding.

Gender equality is a concept that the company firmly believes in and applies across all segments of its operations. In line with that, the values promoted by SDG 5, which advocates for gender equality, are already a largely inseparable part of Hemofarm's strategy and business practices. Apart from the fact that women represent the majority in the company, Hemofarm proudly points out that women and men are equally paid for the same jobs they perform, and that professional success is not measured by gender, but by expertise, humanity and demonstrated results. This approach to employees is also promoted by the company throughout its value chain, striving to motivate its partners to improve themselves as employers and, together, create a better societal environment. Additionally, apart from providing equal working conditions and benefits for all employees, the company ensures wages that exceed the national average, regardless of the job position at Hemofarm. For example, the lowest gross salary in Serbia in December 2024 amounted to RSD 64,473.61, while the lowest contracted salary at Hemofarm during the same period was RSD 72,165.00.

The work of C&P team in 2024 was also characterized by further automation and digitalization of processes through the global project – HERO and the launch of new functionalities within this system. In terms of e-learning, the promotion of the "GoFluent" language learning platform persisted, encouraging employees to take advantage of the opportunity to learn a foreign language of their choice. The promotion of the "Kyan" app also continued, offering employees tools to enhance their well-being by supporting their mental and physical health. The app is available in the local language across the entire Hemofarm Group for all employees, with usage based on the principles of anonymity and confidentiality.

GENDER STRUCTURE / HEMOFARM AD I HEMOFARM GROUP

LEGAL ENTITY / GENDER STRUCTURE	F	M	TOTAL
Hemofarm AD	1.968	1.555	3.523
TOTAL (%)	55,86%	44,14%	100%
Hemofarm group	2.656	1.965	4.621
TOTAL (%)	55,90%	44,10%	100%

QUALIFICATION STRUCTURE / HEMOFARM AD

QUALIFICATION STRUCTURE	TOTAL	TOTAL (%)
PhD	9	0,26
University degree	1.303	36.99
Two-year post-secondary school degree	211	5,99
Secondary school degree	1.975	56,06
Unqualified	25	0,71

RESPECT FOR HUMAN RIGHTS

Continuous awareness-raising among employees about preventing unlawful behavior and respecting human rights remains a key focus of the company. In 2024, numerous training sessions and practical workshops were organized, attended by hundreds of employees. These initiatives covered not only compliance and business alignment but also aimed to enhance employee awareness in various legal fields, including labor law, property law, contract law, intellectual property law, and competition law.

Furthermore, the ten principles of the UN Global Compact that suppliers adhere to were successfully incorporated in a growing proportion of new product supply agreements. This commitment includes, among other things, the support and respect for the protection of international human rights, ensuring neither party is involved in any human rights violations, and the pledge to eradicate all forms of forced and child labour.

As early as 2022, the "Responsible Procurement" function was established, and additionally, the systematic EcoVadis solution was implemented in connection with the Supply Chain Due Diligence Act for assessing suppliers in the areas of environmental protection, labor and human rights, ethics, and sustainable procurement. In 2024, the assessment of ESG performance of prioritized suppliers was conducted through the EcoVadis platform, covering approximately 920 companies in total.

Health, Safety, and Environment (HSE) is a reliable system through which the company can protect and improve society and the environment, starting with its employees. New knowledge, experiences, and theoretical concepts from these areas confirmed their true purpose and significance in preserving business and health vitality also in 2024, through the performance of daily operational activities, as well as numerous investment projects in Hemofarm. HSE is also at the STADA Group level one of priority topics at all sites where the Group operates, and Hemofarm, as a responsible company and a stable partner,[39] endeavours to point out not only to its employees but also to its suppliers, that safe and healthy working environment represents one of the pillars of survival of economy, society and the environment. Therefore, the standards implemented by Hemofarm and the existing practice in the area of occupational health and safety exceed the binding legal regulations. The company's efforts to establish safe and healthy working conditions are guided by the Occupational Health and Safety Management System and Environmental Protection, as well as by the implementation of the requirements of the Business Social Compliance Initiative (BSCI).[40] The company ensures the safety of employees, business partners, suppliers, resources and the environment through a video surveillance system, its own physical and technical security service,[41] fire alarms[42] and its own professional fire department.[43] The company employs specialists who are responsible for occupational safety and health, ensuring compliance with regulations, employee training, and preventive measures to protect their health and safety.

Prevention is the key word for occupational health and safety in Hemofarm. Accordingly, a number of synchronized and related activities, based on cutting-edge technologies, knowledge and keeping up with trends, are focused primarily on education and prevention of any kind of unsafe behaviour or situation. During 2024, 14,416 trainings in the field of occupational health and safety, environmental protection, fire protection, accident prevention and compliance were conducted (8,227 in 2023), and all employees passed the general knowledge test from the above areas.[44] The number of trainings in this segment is higher than in 2023 by

AGE STRUCTURE / HEMOFARM AD I HEMOFARM GROUP

AGE STRUCTURE	HEMOFARM AD TOTAL	HEMOFARM AD TOTAL (%)	HEMOFARM GROUP TOTAL	HEMOFARM GROUP TOTAL (%)
18-19	19	0,54	26	0,56
20–24	167	4,74	232	5,02
25–29	511	14,50	702	15,19
30–34	536	15,21	693	15
35–39	440	12,49	615	13,31
40–44	499	14,16%	642	13, 89
45–49	549	15,58%	695	15,04
50–54	432	12,26%	537	11,62
55–59	262	7,44%	332	7,18
60–64	108	3,07%	147	3,18
65+	0	0%	0	0

Health and Safety

37 The new name of the HR department itself reflects that all its activities are focused on the development of corporate culture and people, which is indeed one of the latest trends in improving work practices worldwide. In the text below, this department will be referred to using the abbreviation C&P.

38 In this way, a contribution is made to reducing inequalities in society (Sustainable Development Goal 10).

39 On the occasion of World and National Occupational Health and Safety Day, April 28, the company has been repeatedly awarded for occupational health and safety.

40 The highest rating for compliance with the requirements of the Business Social Compliance Initiative (BSCI) has been confirmed.

41 Each member of this service undergoes mandatory training for respect for human rights, with continuous retraining and knowledge checks.

42 All premises in Hemofarm are equipped with fire alarm, detection and extinguishing systems, fire dampers, emergency lightning and similar safety features.

43 The fire brigade unit is available to both Hemofarm and Vršac municipality and surrounding villages.

75.23%. Additional trainings that were conducted are the trainings related to working with active pharmaceutical ingredients that were not previously used in production, and protection measures when handling these substances as well as specific training for the use of personal protective means, primarily for the protection of respiratory organs. Advanced training has also been conducted for providing first aid, safe handling of forklifts, and safe handling of pressure vessels.

In its plants in Vršac, Šabac, and Dubovac, and also in Hemofarm AD Banja Luka and Hemomont doo Podgorica Hemofarm has provided certification for the integrated environmental protection management system (ISO 14001) and the occupational health and safety management system (ISO 45001), with numerous benefits, such as: better efficacy and lower number of injuries at work; full commitment to protection of employees, property and working equipment; full compliance with the law and improved credibility, with the attitude towards partners based on safety and protection of personnel, customers and suppliers; improved risk management system, with cost saving potential owing to emergency situations response capacity.

The Info Scoreboards showing the number of occupational injuries at a particular site in the current year, number of days without injury and the date of the last injury[45] are one of the best channels for raising the awareness of the employees and of all visitors of Hemofarm on the importance of occupational safety. They are installed in the most visible and frequented positions in manufacturing complexes. Their long-term use has resulted in the improvement of preventive actions and becoming aware of the importance of reporting each situation or event which can be unsafe ('near miss')[46].

Hemofarm Safety Committee[47] plays an important role in defining and implementing a number of activities for each workplace to be safe and secure, and as the best link between the management and employees, it also participates in the investigation of possible incidents and giving proposals and suggestions for system improvement. Activities of the Committee are complemented by HSE groups, established for each production and business site, whose members are employees from all organisational units, whereby all the employees are actively involved in HSE prevention. The colleagues who are members of HSE groups are 'HSE ambassadors' of a kind and they play a role of additional educators in Hemofarm. Inspections and tests of work and personal protection equipment, electrical installations, and environmental working conditions as well as safety management of chemicals, which is regulated by in-house procedures and legal regulations, were carried out within preventive actions in the course of 2024.[48] Education of all employees is one of the most important preventive actions in Hemofarm, because it enables them to identify possible hazards and apply protective actions against them.

HEMOFARM A.D.	2022	2023	2024
Number of occupational injuries	5	5	8
In relation to headcount (%)	0,18	0,14	0,22

Focusing on prevention, the company conveys the OSH values it believes in and applies in its business also to its suppliers. As a part of regular HSE audits, the solvency of business partners, the fulfilment of legal working conditions, as well as the degree of compliance with occupational safety and health measures are determined. That's why every supplier, before commencing cooperation, submits certificates of paid tax, declarations of respect for human rights and employee rights, then evidence that workers are registered, trained for safe and healthy work, that they have proper personal protective equipment, along with filling out the Qualification and BSCI questionnaire.[49] Only after the questionnaires have been positively evaluated, the binding Annex on occupational safety and health, environmental protection and fire protection is signed. Preferred suppliers are also assessed from the aspect or ESG performances through EcoVadis platform. During 2024, a lot of contractors were present at Hemofarm every day, and their safety and health protection were in the first place - in the central factory complex in Vršac and Dubovac, there were 227 legal entities (183 in 2023) which performed some kind of work with about 3,821 employees (7,624 in 2023), as well as in the Šabac complex, 149 (156 in 2023) with around 1,575 employees (1,682 in 2023). Ever since 2013, when the contractor management process was established in Hemofarm, and thanks to the efforts of employees, many contractors have accepted this practice in order to improve their activities in the field of HSE and started to apply it internally, thus raising the level of safety in their companies to a higher level. The greatest reward for all the effort invested, as well as confirmation that complex procedures are necessary, is the fact that there were no workplace injuries among any of the workers performing the tasks or service providers in 2024. HSE process performance indicators are displayed at 200,000 working hours and the average number of working days per month (18.5), and the results obtained are comparable to other sites in STADA Group.

COMPARATIVE DATA*	2022		2023		2024	
HEADCOUNT						
Full-time employees	2.808	Contractors:	3.455	Contractors:	3.525	Contractors:
Part-time employees	0		0		0	
ACCIDENTS / NEAR MISS						
Number of accidents resulting in a fatality or major injury (amputation) at work during the observed period (accidents while commuting to and from work are excluded)	0		1		0	
Total number of injuries at work with lost time (accidents while commuting to and from work are excluded)	5		4	4	8	0
Total number of accidents without lost time (minor injuries remedied by providing first aid and emergency service - employees continue to work after a medical intervention)	4		5		6	0
Total no. of near miss reports (including near miss, unsafe situation, unsafe event, or unsafe behaviour)	1.612		1.993	2	2.282	0
Total number of closed near miss					1.969	0
Total number of pSIF (incidents that could have led to injuries with fatal outcomes or very serious consequences).	1	0	2	0	1	0
Total number of lost working days resulting from injuries at work (lost working days due to accidents while commuting to and from work are excluded)	122		304		120	0
Total number of HSE walk throughs with participation of management	448		490		565	0
The total number of working hours for all employees	**4.987.008**		**6.136.080**		**6.260.400**	

PROCESS PERFORMANCE INDICATORS KPI			
OSHA Lost Time Case Rate	0.20	0.13	0.26
Near Miss Rate (NMR)	64.6	65.0	72.9
Near Miss Closure Rate (NMCR)	0.0	0.0	86.3
HSE Management Walk Through Rate (WTR)	18.0	16.0	18.0

According to the above table,[48] a significant development of employees' awareness of the essential importance of preventive action of everyone within the company is clearly visible:

- The total number of injuries at Hemofarm (Vršac, Šabac, and Dubovac) in 2024 was eight (compared to five in 2023), none of which were classified as serious bodily injuries (there were two in 2023). The quantitative increase in the number of injuries amounts to 60% (or 0.22% of the total number of employees), with the note that this parameter is also accompanied by an increase in the number of employees. Meanwhile, in 2024, one injury was recorded at Hemofarm in Banja Luka (resulting in 25 lost workdays), and none were reported at Hemomont in Podgorica.

44 *Employees participated in regular evacuation drills in case of emergency situations in the plants in Vršac and Šabac, in accordance with the company's internal procedures. Also, professional training for providing first aid (basic and advanced training) continued, as well as professional training for safe handling of forklifts and other means of internal transport, professional training for working with pressure vessels, working at altitudes, as well as working in substations.*

45 *Hemofarm has installed appropriate horizontal and vertical signage, with clearly marked pedestrian and vehicle routes, as well as a speedometer for movement control.*

46 *Events or situations that did not lead to injury/damage, but could have caused it. Employees are encouraged to report any unsafe event or situation to prevent injury or damage.*

47 *In accordance with legal regulations and the Individual Collective Bargaining Agreement on occupational health and safety.*

48 *The intranet contains a database of chemicals with instructions for safe handling and behaviour in potentially hazardous situations, available to all users.*

49 *These questionnaires were filled out by all new suppliers who were potential business partners of Hemofarm in 2023. In addition, in accordance with specific needs, potential contractors are required to submit certificates of training for safe and healthy work, medical certificates, insurance policies, expert findings, reports, procedures, regulations...*

50 *The data presented in the table pertains to Hemofarm AD in Serbia for the purpose of comparability with previous reports, while data and references for other affiliates of the Hemofarm Group have been added in the text. In future sustainability reports, more details will be provided regarding health and safety at work within Hemofarm's operations in Bosnia and Herzegovina and Montenegro.*

• The total number of reported near miss events is 2,282 (1,993 in 2023), reflecting an increase of 14.5% in the number of registered unsafe events compared to the previous year (2023). This is not due to reduced safety at Hemofarm but rather a higher level of employee awareness, thanks to education on this important topic, which is a critical aspect of prevention. In 2024, a record number of 540 near miss events were recorded at Hemofarm in Banja Luka, while Hemomont in Podgorica reported 258. The increase in the number of reports, as well as the percentage of resolved reports, confirms that awareness of the importance of prevention has grown in the company's business operations in both Bosnia and Herzegovina and Montenegro.

• In addition to the number of reported near miss events, a special emphasis in 2024 was placed on the number of closed near miss events and the Near Miss Closure Rate (NMCR). As such, during 2024, as many as 86.3% of all reported near miss events were closed. This high closure rate for near miss events demonstrates our commitment to improving safety and caring for the well-being of our employees by actively responding to reported incidents.

Although the number of injuries has increased compared to the previous year, the number of lost workdays has significantly decreased. The number of lost workdays due to workplace injuries in 2024 is 120 (304 in 2023), representing a 60.5% reduction. Along with the indicators of process performance presented to raise awareness about the importance of safe and healthy working conditions and to encourage the participation of all employees, regular visits to each site from an HSE perspective, with management participation, have also been introduced as a standard activity. The number of such visits in 2024 was 565 (490 in 2023), which is a 15.3% increase compared to 2023. This indicator best demonstrates the management's commitment to employees and highlights that caring for the health and safety of employees in the workplace is one of the company's priorities.

In Hemofarm, a HSE event management process has been established, which includes transparent notification and reporting of these events, research into the causes of HSE events, as well as sharing lessons, i.e. learning from HSE events. HSE events are those events that can threaten the health and safety of people and/or have a negative impact on the environment.

The objectives of HSE event management are:

- **Timely reaction and mitigation of consequences, i.e. management of HSE events;**
- **Preventive action, that is, the implementation of measures that will prevent the repetition of similar events;**
- **Improvement of HSE management system;**
- **Learning and sharing lessons from previous events among employees and colleagues from HSE teams at different sites.**

The company, in addition to direct investments,[51] and caring for the health of its employees, offers a range of additional benefits: accident insurance (covering all 24 hours, both at work and outside of work, including cases of disability or loss of life), voluntary pension fund,[52] voluntary health insurance, which is available to all employees and covers costs such as medications, specialist exams, medical treatments, surgeries, and more, solidarity assistance (financing of sports clubs and recreational activities for employees, aAssistance in cases of illness or sick leave lasting longer than 6 months, support for employees on the occasion of childbirth or adoption, assistance for single parents, financial aid for employees in the event of the death of a close family member, among other things). At Hemofarm, as part of Solidarity Assistance, the well-recognized Blood Donor Section has been operational for many years. This section consistently has more than 500 active blood donors at any given time. Additionally, the Independent Trade Union has funds allocated for organizing recreational activities, sports clubs, and employee sporting events, as well as providing support during crisis situations and continuously maintaining and improving workers' rights in general.

51 It includes: periodic medical examinations for certain job positions, regular sanitary and ophthalmological check-ups, collaboration with occupational medicine, training in providing first aid, examination of working environment conditions, work equipment, and means and personal protective equipment, etc..

52 The company pays RSD 2,000.00 per month to employees who have been in continuous employment for more than three years and who contribute at least RSD 1,000.00 from their own funds to this fund.

Employee Development

By investing in employees and their development, Hemofarm confirms a well-deserved epithet of the best employer for quite a good reason, thus singling out on both local and global market. The company believes that investing in education and talent development will consistently result in further improvement of general and specific business performance. The ultimate objective is to meet and exceed the company's needs for qualified junior staff and at the same time to create an opportunity to fill as many managerial and professional positions as possible within its own team. To this end, Hemofarm uses internal promotion and targeted development programs.

The individual training of employees is defined and coordinated by the respective departments on a needs-oriented basis and in accordance with individual development targets. This includes not only offers to improve professional competence, but also leadership, methodological and social competence as well as foreign language support, where development discussions between employees and their supervisors form the basis for individual development plans.
Each employee has access to HERO digital platform for learning. The available educational material is constantly being improved, both in the domain of specific expert knowledge and interpersonal skills, in various formats - via webinars, online books, audio books, e-books, podcasts, etc.

Hemofarm's team uses projects as a tool to transform the company to the desired state, thus building a certain and stable future. In 2024, special focus was placed on improving project management skills in production and quality. PMO[53] has a role in project management, and thus in integrating the concept of sustainability into the way projects are planned, organized, executed and managed. Therefore, the regular employee training plan in 2024 was related to project management, with a wide range of training both for projects that need to deliver a new process or new value, and for those that concern continuous improvements within the company. All educations were implemented according to plan. Employees acquire key skills and knowledge needed for successful project management, which directly supports the company's sustainable development goals. Training according to the PMI methodology (35 hours of training) was held for 14 colleagues, while Hemofarm has a total of 15 PMP certified experts in this field since 2019.

Internal communication provides strong support for Hemofarm's sustainable business by informing and promoting all activities focused on sustainability. It is essential to reach as many employees as possible, and we achieve this through the continuous development of internal channels such as the mobile app @ ONESTADA, the Hemofarm intranet @ONESTADA, and HfTV displays. Of course, it is crucial to provide useful, understandable, and engaging content, which has been further enhanced by a kind of decentralization of internal communication within the company, as every employee has the opportunity to be not only a consumer of information but also a creator, sharing it with colleagues across nearly all channels. With this in mind, we encourage employees to create and share content focused on sustainability, whether it involves turning off computers after working hours or tips for saving energy and water.

Dalibor Radić
Internal Communication Manager

53 Project Management Office.

In 2024, one of the focuses in employee development was placed on strengthening in-house resources in order to enable internal exchange and knowledge transfer. Over the course of 2024, internally certified trainers, from C&P team, conducted 36 trainings, covering more than 5 different topics, such as Change Management, Self-management in Stressful Situations, Effective Communications, New Leaders Onboarding Processes, Psychological Security and Presentation Skills. In employee development, the company also relies on 32 certified internal coaches, who can maximize the potential of employees and enable them to get even more engaged in the company.

Over the course of 2024, based on the data from Centralized Function Quality System, as much as 99.8% of employees successfully passed the training and the corresponding test in the area of Good Manufacturing Practice (GMP), which is the foundation for assuring the constant quality of our products. Furthermore, monitoring and evaluation of employees training status are carried out on a regular basis by which the efficient implementation of business processes of the Company is secured and Hemofarm's mission is fulfilled - a safe product, of constant quality is delivered to the consumers, while meeting the requirements which refer to the safety of employees involved in the business processes. When it comes to expertise, 695 employees had the opportunity to familiarize themselves with European and global trends in the pharmaceutical industry, depending on job requirements (870 in 2023). Additionally, more than 662 individuals participated in soft skills training programs (757 in 2023). The trend in the number of participants reflects the continuous efforts toward the growth and development of employees and the entire collective, ensuring that participation and knowledge of soft skills remain sustainable. A particular significance and success of the development programs stem from the increased utilization of internal resources as sources of knowledge at all levels of training implementation. An additional testament to Hemofarm's commitment to employee development is the fact that around EUR 700,000 was invested in educational activities.

Compared to the previous year, somewhat smaller number of employees, 355 of them, were sent to professional education abroad, in tune with focusing on internal expert trainings at a local level (375 in 2023). It is also important to point out that Hemofarm with its C&P team approaches the development of leadership skills systematically, which is confirmed by leadership programs at various levels: First time leader program (100 participants), with guest lecturers from business, program for experienced leaders – Senior leadership program (30 participants), as well as pilot program Experienced Leader (31 participants) with exceptional feedback of the participants in all programs. A unique project in Serbia, which promotes Female mentorship aimed at supporting women in their career development and promoting Hemofarm as the employer that fosters equality for all, was reimplemented over the course of 2024. Seven mentorship couples participated in the program, in which the lady-leaders from the organization empowered external lady-mentees.

DIVERSITY, INCLUSION & GENDER EQUALITY

Hemofarm seeks to develop a strong team that offers the same chances to everyone, regardless of gender, age, origin, personal affinities, etc., striving to provide an environment where the key to success is based on the results of professional work and collegial relationships within the team.[54] As part of the international STADA Group, which operates in approx. 50 countries around the world, cultural diversity is an important part of Hemofarm. In such environemnt, diversity is considered a unique quality, and the strength of the company lies in the authenticity and uniqueness of everyone. In this respect, uniqueness is reflected through personality, experience, gender, ethnicity, sexual identity and more. The company encourages every employee to use their creativity and uniqueness through authentic ideas and initiatives and be the change driver in a company that fosters Growth Mindset. With regard to equal opportunities for women and men, a balanced representation of both genders when filling positions is extremely important. Of course, when it comes to filling management positions, the professional and personal qualifications of the candidates, rather than any other characteristics, are always at the forefront.

Share of women at management positions[55] in Hemofarm in 2024 accounted for approximately 63.69% (66% in 2023). The promotion of diversity was underpinned by the STADA Group campaign under the motto 'Unique Starts with U' (#UniqueStartsWithU),[56] which was supported also in local affiliations.[57]

EMPLOYEE ENGAGEMENT AND RETENTION

Through an affirmative and attractive working environment, Hemofarm strives to attract and retain the best employees and talent in general. Therefore, it is no surprise that the company offers its employees a wide range of social and financial benefits. As a result, Hemofarm reaffirmed its position as a "Top Employer" in Serbia, Bosnia and Herzegovina, and Montenegro for 2024. This recognition, awarded by the Top Employers Institute, highlights Hemofarm's commitment to improving working conditions while ensuring excellent policies and practices in the field of human resources development and management (C&P). Re-certification for the "Top Employer" status in 2025 is planned.

Employee engagement is the driver of the company's growth. That is why Hemofarm and STADA regularly conduct internal surveys that allow employees to provide feedback and see the status in their teams and the company. The results of the 12th Global Pulse Survey, conducted in 2024, once again demonstrated the employees' continuous and strong commitment to the company with a very high participation rate and an average score of 8/10, confirming an admirable level of willingness to work and motivation. This time as well, employees at Hemofarm took the opportunity to openly share their opinions on the most important topics within the company, providing valuable feedback to STADA's Executive Committee (SEC) and Hemofarm's Senior Management Team (SMT). The positive trend and "speak up" culture are further validated by as many as 6,341 qualitative comments willingly submitted by employees, highlighting additional expectations and suggestions for the company's future growth and development.

Ever since 2011, Hemofarm's employees who undergo training for mentoring, coaching, leadership and participate in improvement initiatives, have been trained at various levels of Lean & Six Sigma Black and Green Belt training. The trainings are conceived in such a way to improve the skills in project management and application of Lean Six Sigma principles in order to increase performance and reduce the costs and losses in the processes. The application of LSS tools is the foundation of continuous improvements of all business processes. In 2024, 16 employees underwent Green Belt training, while two of them were successfully certified (ASQ GB). Most of the participants of these trainings were employees from production and quality management and Manufacturing Expertise and Technology (MS&T) in accordance with the needs of specific job positions in these divisions of the company. In 2024, the focus was placed on RCPS, Root Cause Problem Solving (71 participants). Training for TPM and MRP2 is conducted by local leaders of operational excellence in accordance with the dynamics and needs of project implementation that these trainings are designed to support. Training sessions for familiarization with Lean Game principles for 10 employees also continued, as well as training for the use of project management tools – MS Project Professional and MS Project Server, attended by 32 participants. These trainings were conducted with the engagement of internal experts, further demonstrating the highest level of competence within Hemofarm's team.

HEADCOUNT TREND	2021	2022	2023	2024
WOMEN	1.595	1.765	1.908	1.968
MEN	1.336	1.420	1.546	1.555
TOTAL	2.931	3.185	3.454	3.523

HEMOFARM INITIATIVE

Hemofarm Hosts Panel Discussion "Woman in Tech"

To demystify the candidate selection process in the IT sector and aid in better preparation for employment, experts from the "Women in Tech" community gathered on September 25 at the STADA GIS Serbia offices for a panel discussion.

The panelists provided valuable advice on writing resumes, technical and behavioral interviews, and included experts from various global IT companies—STADA GIS, Microsoft, and Camlin Group. Regarding resumes, as the first touchpoint between candidates and recruiters, the panel emphasized that it is essential for the CV to be concise, clear, and well-organized. On the other hand, when it comes to technical interviews, the speakers pointed out that it is not necessary for candidates to know all the listed technologies but rather to have an in-depth understanding of one skill while possessing a basic knowledge of others.
Igor Stojanović, Senior IT Director for Global Operations Management at STADA GIS, spoke about the importance of soft skills, particularly communication and leadership: "Soft skills are crucial because you do not work alone in a company; there is a team and people with whom you collaborate daily, and often communication skills are even more important than your knowledge. Therefore, I would highlight two things that I see candidates lacking today: communication and leadership skills. Persuasiveness in interviews, mentorship, proactivity, and taking responsibility are invaluable skills for success at work."

About Women in Tech Belgrade
Women in Tech Belgrade is an initiative that brings together women in technical positions within the IT industry. Their goal is to share knowledge, connect, and empower women in developing careers in ICT technologies.

54 *25% of the STI scheme is dedicated to company values, of which 6.25% consists of achievements represented through the One STADA value and contributions to cross-functional collaboration and team spirit building.*
55 *Managers are considered to be all employees with at least one direct responsibility: Lower management = at least one direct report. Middle management = at least one direct report who also has at least one direct report. Top management = SMT (Senior Management Team). Total management = the sum of lower, middle, and top management..*
56 *A video is available on STADA's YouTube channel: https://www.youtube.com/watch?v=mbSVRZWl4vM*
57 *The campaign highlights various aspects of individual uniqueness, including gender, language, sexual orientation, etc.*

PHARMACOTHERAPEUTIC GROUPS COVERED BY HEMOFARM:

- Antineoplastic and immunomodulating agents
- Digestive system and metabolism
- Cardiovascular system
- Nervous system
- Blood and blood-forming organs
- Respiratory system
- Anti-infectives for systemic use
- Musculoskeletal system
- Genitourinary system
- Systemic hormonal preparations
- Dermatology
- Sensory organs
- VMS (Vitamins, Minerals, and Supplements)

HEMOFARM'S PORTFOLIO SHARE IN TOTAL SALES:

58% Generic Products

31% CHC

11% Specialties / Biosimilars

TOTAL NUMBER OF PRODUCTS:

A rich portfolio of

467 **unique stock-keeping unit (SKU) packages**

covering numerous therapeutic areas.

% ON THE WHO LIST OF ESSENTIAL MEDICINES [58]

STADA products,
within which Hemofarm's portfolio holds a significant share, cover

20%

of the medicines listed on the WHO List of Essential Medicines [59]

Access to Medicines and Support to Public Healthcare

PORTFOLIO DEVELOPMENT

The focus of Hemofarm is on the production of high-quality, efficient, safe, and affordable pharmaceutical products that support health preservation and promote a healthy lifestyle. A key role in achieving this is the company's wide range of products, which are continuously improved to provide modern and reliable solutions. With its products, Hemofarm strives to cover various therapeutic areas, offering them at competitive prices. The emphasis is placed on the rapid launch of generic medicines following patent expiration, along with the continuous optimization of the product portfolio to adequately respond to the changing demands of a dynamic market and the real needs of users and healthcare systems.

Hemofarm's extensive portfolio includes generic medicines and CHC, as well as pharmaceutical specialties through its operations within the STADA Group.[60]

When it comes to the Rx drug portfolio, Hemofarm continued its development trend in 2024 by entering the field of ophthalmic therapy with 3 new products.

Two products have been launched in the area of artificial tears, and one product falls into the category of macular supplements. According to WHO data, as much as 40% of the global adult population suffers from dry eye syndrome. This condition is considered a disease of modern times, as its occurrence is often influenced by excessive exposure to blue light emitted from phone, tablet, and computer screens, which surround us daily.

Idropin: Artificial tears in the form of eye drops, characterized by a high concentration of the active substance sodium hyaluronate (0.4%), which is significantly higher compared to most products available on the market. Idropin is preservative-free, and the shelf life is six months after opening the bottle. One of the advantages of this product is that it can also be used concurrently with contact lenses.

Irimak: A substitute for artificial tears in the form of capsules, with the active ingredient being a dry extract of maqui berries. Thanks to its antioxidant properties, it increases the production of the tear film. What sets this product apart in the market is that its oral form represents a new approach to treating dry eye syndrome.

Zelux: A macular supplement containing zeaxanthin, lutein, vitamins C and E, zinc, and copper. It slows the progression of age-related macular degeneration and vision disorders. Its mechanism of action is based on its strong antioxidant effects.

At Hemofarm, a particular highlight is the expansion of collaboration with Roche in the area of innovative ophthalmological anti-VEGF therapy. The drug Vabysmo is indicated for the treatment of adult patients with neovascular (wet) age-related macular degeneration (AMD) and visual impairment caused by diabetic macular edema (DME). Specifically, Vabysmo is the first intraocular bispecific antibody uniquely designed to target both Ang-2 and VEGF-A. Retinal diseases such as diabetic retinopathy, diabetic macular edema, and age-related macular degeneration are among the leading causes of vision loss. In Serbia, it is estimated that more than 135,000 people are living with these conditions.

> At Hemofarm, we produce pharmaceutical products for many markets in the region and for the STADA Group. Therefore, our responsibility is even greater. We carefully plan every step, monitor, measure, and verify because we know that the uninterrupted supply of medicines to the market is one of the strongest pillars of sustainability in the public health system, wherever you are.
>
> **Stevan Damnjanović** / *Director of Controlling West Balkans*

Furthermore, the field of oncology therapy has been expanded with the registration of two new drugs, improving medication accessibility for a significant number of oncology patients. Azacitidine is intended for the treatment of adult patients who are not eligible for hematopoietic stem cell transplantation and suffer from myelodysplastic syndromes (MDS), chronic myelomonocytic leukemia (CMML), and acute myeloid leukemia (AML). Pazopanib is designed for the treatment of metastatic renal cell carcinoma and soft tissue sarcomas. It is a tyrosine kinase inhibitor, which means it works by blocking the activity of this enzyme involved in the growth and development of cancer cells.

In 2024, the focus remains on expanding the portfolio in the field of cardiology therapy, with the successful launch of four new brands.

The so-called "low doses of bisoprolol - 1.25 mg and 2.5 mg" have been launched under the brand Cor Tensec®. It is a modern trend to titrate patients with "low doses" in the treatment of chronic heart failure. Since last year, "low doses" of bisoprolol account for >40% of the market in Serbia in terms of packaging. With the change in the reimbursement list status for Cor Tensec® in 2025, we expect an even greater market presence.

The extension and protection of Hemofarm's brands has also been initiated, with the launch of growing "fixed-dose combinations of two medications in a single tablet or capsule". Fixed-dose combinations simplify daily medication intake for patients, reduce the number of tablets consumed, improve compliance, and thus achieve better therapeutic outcomes as well as longer adherence to therapy.

Prilinda Duo® - a modern fixed-dose combination of an ACE inhibitor and a calcium channel blocker—ramipril (Prilinda®) and amlodipine (Vazotal®)—has been launched for hypertension treatment.

MARKET LEADER

Hemofarm is the leader in the domestic pharmaceutical market, competing with 26 domestic manufacturers and 34 distributors, with a market share of **22,6% in volume terms** and **9.7% in value terms.**

*Based on available data in 2024.

22,6% **Hemofarm is the leader in the domestic pharmaceutical market with a market share of 22.6% in volume terms.**

411 **PRODUCTS in our portfolio (different forms and doses).**

A portfolio focused on the most important pharmacotherapeutic groups, such as preparations for cardiovascular diseases, antibiotics, and neuropsychiatric preparations

13 **We sell products in 13 (out of 14) pharmacotherapeutic groups as per ATC classification**

58 Excluding medicines distributed in the markets of European countries.
59 Including least developed countries (LDCs), low-income countries (LICs), lower-middle-income countries (LMICs), and upper-middle-income countries (UMICs).
60 More details about the three main segments of Hemofarm's portfolio are available in Section 1 of this report.

Additionally, a unique fixed-dose combination for secondary prevention of cardiovascular events, the brand Startina®, has been introduced to the market. It is a fixed-dose combination of rosuvastatin (Paravano®) and acetylsalicylic acid (Midol®).

Lastly, in 2024, the brand Paravano Duo® was launched as a fixed-dose combination of rosuvastatin (Paravano®) and ezetimibe (Jaramera®) for the treatment of hypercholesterolemia and cardiovascular prevention.
In 2024, despite an exceptionally dynamic CHC market and the intensive activities of all companies, Hemofarm successfully achieved growth and maintained its leadership position. The key activities of the CHC team in 2024 included portfolio optimization, media campaigns for strategic brands, reactivation of "sleeping beauty" products, and active work on the launch of Hemofarm's new brand in the vitamins and minerals category, which entered the market in 2024.

The leading brand in the CHC portfolio, Probiotic, managed to retain the number one position in the probiotics category, with a financial market share of 38.8%, despite very strong competition. Media support and the organization of professional events for doctors and pharmacists further confirmed the significance and leadership position of this brand in one of the largest segments of the CHC market.

The strength of Hemofarm's portfolio in 2024 was further demonstrated through the launch and development of a new brand, One Two Three, in the important CHC market category of vitamins and minerals. This new brand, whose ambassadors are Ivana Španović and Boriša Simanić, launched its first media campaign in 2024. Through coordinated marketing and sales activities, a strategically designed media campaign, and continuous professional collaboration with pharmacists and doctors, One Two Three is making steady strides toward leadership in the vitamins and minerals category.

AVAILABILITY OF MEDICINES

The greater availability of high-quality, effective, and affordable medicines is undoubtedly one of the primary goals of Hemofarm as a pharmaceutical manufacturer. The company's aim is to ensure access to essential generic medicines for people of all ages and, in doing so, to prevent the onset of diseases and/or help alleviate existing health issues. Access to quality, effective, and affordable medicines often requires innovative solutions, such as the development of new delivery methods or addressing logistical challenges within the supply chain.

As a manufacturer of generic medicines, Hemofarm, together with the STADA Group, strives in various ways to make medicines as accessible as possible. Affordable pricing is one of the crucial ways the company significantly contributes to the healthcare system. By initiating partnerships with governmental and non-governmental organizations, as well as other healthcare institutions, Hemofarm further works on increasing the availability of pharmaceutical products. These partnerships accelerate and facilitate the implementation of adequate healthcare, particularly in regions where access to medicines is below the level required for essential prevention and treatment according to the population's real needs.

Ensuring the timely and reliable delivery of medicines in all markets where Hemofarm operates, especially in remote and rural areas, is of vital importance both for the company and the entire healthcare system. For this reason, Hemofarm invests year after year in improving its logistics and supply chain sectors to ensure that finished products reach patients promptly and efficiently (whether directly or indirectly through its affiliates or supply chain partners). By managing production facilities in or near underserved areas, Hemofarm can reduce costs and delivery times. Local manufacturing also helps overcome legal barriers such as import restrictions or tariffs, which would otherwise limit access to medicines.

Hemofarm continues to invest in research and development of additional generic alternatives for essential medicines. By expanding its portfolio, Hemofarm aims to help increase access to various types of medical care. It also invests in educating healthcare professionals and the wider public to raise awareness about the efficacy and safety of medicines, thereby fostering a better understanding of prevention and therapy. This, in particular, helps promote the proper and responsible use of pharmaceutical products.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Hemofarm, as one of the leading regional pharmaceutical companies, has been setting, year after year, an example of how Corporate Social Responsibility (CSR) looks like in practice. The organization's efforts in the fight for public health and a better quality of life are driven by the commitment to and care for people, which is underscored by the corporate mission. Hemofarm's strong commitment to public healthcare is additionally manifested through the work of Hemofarm Foundation.

Hemofarm Foundation has been operating for three decades already, celebrating a big jubilee and 32 years of operation in 2024. Over the course of these 32 years, Hemofarm Foundation has implemented various charitable initiatives that focus on health support and helping patients (through the programs and projects that include education on fighting high blood pressure, raising awareness about the importance of organ donation, mental health support and many others). From sponsoring scientific gatherings, training medical staff and supporting patient associations, to helping the general population during health crises, Hemofarm Foundation's activities confirm the company's commitment to fostering a healthier society. Through these actions, Foundation has been paving the path of corporate responsibility in the modern pharmaceutical environment. Recognizing the importance of supporting the professional development of healthcare professionals in the field of modern medicine and patient treatment, the funds were earmarked for professional development of as many as 21,445 health professionals through 67 Continuing Medical Education programs within the projects of Hemofarm Foundation Academy.

In 2024, Hemofarm Foundation implemented 67 activities within the programs for health, education and culture.

The Most Important Call in Life - Upon the invitation of the Ministry of Health of Serbia and the Republic Health Insurance Fund (RFZO), Hemofarm Foundation has resumed the campaign 'The Most Important Call in Life, which was launched back in 2016, and relaunched in 2019. Apart from the Ministry of Health and RFZO, the association of patients waiting for a transplant or already transplanted patients 'Together for New Life' became a project partner in 2024. From April to December 31, 2024, a total of 44 organ transplantations were performed in Serbia, 12 more than in 2023, which is a direct contribution of the 'The Most Important Calling in Life' campaign.

One minute to 12 o'clock, on Wednesday, October 16, 2024, the installation of 2,000 hourglasses at Republic Square—symbolically representing around 2,000 people on organ transplant waiting lists in Serbia and carrying the message that there is no more time—marked the continuation of the campaign "The Most Important Call in Life." The slogan "Let's Be Better People. Become a Donor." was used once again to raise awareness among the public, aiming to create a society of responsible and compassionate individuals who accept organ donation as the most humane act. An appeal was reiterated to the Serbian Orthodox Church to publicly support the National Transplantation Program and encourage believers to embrace organ donation. The event at Republic Square significantly contributed to the campaign gaining notable coverage in traditional media (144 media mentions with a commercial value of €372,494.00), while on social media, the campaign reached 1,154,109 people in October.

From July 1, 2024, the daily operations of the SOS line 0800 001 002, which was established as part of the project aimed at combating depression and the stigma associated with the illness, called **"Unbreakable"**, have been taken over by the Special Hospital for Psychiatric Disorders Gornja Toponica and its doctors, led by the hospital director, Milan Stanojković, M.D. The line, which remains free of charge and anonymous, is available to the citizens of Serbia every weekday from 9 a.m. to 3 p.m.

The importance of the "Unbreakable" SOS line became evident on Friday, November 1, 2024, when a canopy at the Novi Sad Railway Station collapsed, killing 15 people. During the weekend, only one SOS number from the Center "SRCE" in Novi Sad was available to provide support to the distressed population. They were joined by the Serbian Society of Psychologists, which formed a support team and directed people to reach out via the email address projektnitim@gmail.com. However, just two organizations, without strong systemic support, were unable to respond to the numerous messages from citizens seeking comfort and encouragement. None of the state healthcare institutions specializing in psychiatric assistance, which have their own SOS lines, activated their helplines to offer help and support.

Awards - Four awards were received at the regional creativity festival "BalCannes" in Rovinj, including the Grand Prix for the best socially responsible project of the year, the Grand Prix for the best advertiser of the year, and two gold awards in the categories of Health and Pharmacy and Community Care. The foundation also won a special recognition – the "Disrupt Star" award for the best socially responsible project of the year at the Disrupt Awards competition. With these awards, the total number of accolades received in the past decade exceeds 60. The campaign "Brke – Zdravlje zove!" ("Mustaches – Health is Calling!") won the Disrupt award for best communication. At the Social Media Summit in Sarajevo, STADA EXPO received the award for the best eco campaign.

HEMOFARM INITIATIVE

Quality Care

At the end of 2024, the Quality team organized, for the second time, a humanitarian New Year's campaign to collect food, shoes, clothing, school supplies, and New Year's gift packages for children without parental care in Bela Crkva. Representatives from the Quality department personally delivered the gifts and spent time with the children. In addition to the organized approach to caring for society at the level of the entire Hemofarm Group, such ad hoc actions also provide support to those in greatest need of care.

2.3

Governance

STADA GROUP, TOGETHER WITH ITS AFFILIATIONS, ENGAGES IN ACTIVE DIALOGUE WITH ALL STAKEHOLDERS, PARTNERS, AND INDUSTRY ASSOCIATIONS TO CREATE CONDITIONS AND POLITICAL AND LEGAL FRAMEWORKS FOR EFFECTIVE AND GOOD HEALTHCARE PROVISION

Company's corporate values, detailed in the Code of Conduct, formulate clear expectations and behaviours for all employees within the Group, promoting a culture rooted in integrity, respect and accountability. As a pharmaceutical company, STADA is subject to a multitude of national and international regulatory requirements. Therefore, it is important for the company to enforce compliance with legal requirements and ethical behaviour.[61]

[61] *Additional information can be found in global report of the STADA Group on https://www.stada.com/sustainability/sustainability-report.*

Corporate Culture and Values

The uniqueness and diversity of employees are some of the essential advantages of Hemofarm's team, within the international pharmaceutical group.

The corporate culture, which is the basis of such an approach and is universally available to all employees and on all meridians, is based on four key values (Agility, Entrepreneurship, Integrity, One STADA). Through their daily actions, at work and outside it, employees promote and "embody" the company's values, thus making them their key landmark. The connection of employees around the world is one of the key imperatives in Hemofarm and the STADA Group, and thanks to the integration of the Intranet into the Microsoft Teams platform, access to information in the company has been made easier for everyone. With the continuation of digitization and digital transformation, logging on to the Intranet is also possible via phone (for those who have the MC Teams application installed), which is especially useful for employees in the production. With the OneSTADA internal mobile application, all corporate news, useful information and contacts are available to all employees, with the possibility of creating their own content on the local and global feed.

The internal magazine for employees "One STADA News", which is published quarterly, with translations in several different languages and with local versions, also contributes to maintaining good communication and connection within the company, guaranteeing adequate inclusivity and accessibility. The company also held multiple global townhall meetings, which were streamed live on the intranet with real-time translations in eight languages. In addition, internal events dedicated to employees were held at the local level, such as Company Day, A Cup of Coffee with a Psychologist organized by the Hemofarm Foundation and the like.

The success of Hemofarm as a company is basically based on a professional team with a growth mindset and its willingness to quickly adapt to modern trends in business. This kind of culture is built and nurtured in all phases of employee engagement, from recruitment, leadership development and employee skills, to awards and recognitions given to the most outstanding employees who were the best ambassadors of values (such as values awards[62]). That values are embedded in all activities is confirmed even by the annual STI (Short Term Incentive) through which the work of employees is regularly monitored.

Governance and Ethical Business

Taking into account the fact that Hemofarm belongs to a multinational pharmaceutical group, that its core activity (which is strictly regulated by demanding standards) is carried out in several countries, as well as that it markets its products on three continents and dozens of markets, legal compliance and business compliance are among the vital aspects that enable Hemofarm to be a leader in its business.

Consequently, as a company that is part of the international STADA Group, Hemofarm is subject to a wide range of regulatory frameworks. Adherence to these requirements forms the basis of responsible, sustainable and successful corporate governance - because behaviour contrary to the rules or even the appearance of a violation of the law can permanently damage the company's reputation and market position and potentially lead to significant financial loss. In addition to legal requirements and additional regulations, the regulatory framework in which the company operates includes the provisions of its internal control and risk management system, STADA Group's Code of Conduct and the company's corporate policies on specific topics arising from them. Operating fairly and transparently, in accordance with legal acts, internal compliance procedures and provisions of the "Medicines for Europe" Code of Conduct, for years, Hemofarm has been publishing information on value transfers to healthcare institutions and the professional public on its corporate website and the amount of funds spent for that purpose, for the previous year.

HEMOFARM'S CODE OF CONDUCT[63]

Hemofarm's Code of Conduct for employees derive from the Code of Conduct of the STADA Group. This document, like other corporate policies, serves not only the company itself, but also its employees, especially as guidelines for proper behaviour when dealing with legal or ethical challenges in daily work. They are also designed to help prevent unethical or illegal behaviour such as acts of corruption. The Code of Conduct contains binding guidelines for conduct regarding topics such as the fighting corruption, fair competition, social aspects related to tolerance and respect, as well as the media and taxes.

To familiarize employees with the content of the Code of Conduct, they receive guidance from the Compliance Division, for example, in the context of interactive e-learning, including practical examples. In addition, there is also an electronic confirmation of the statement about having read the Code of Conduct and the obligation to act in accordance with it for all employees worldwide. Since 2022, all employees globally are required to provide an additional electronic declaration regarding potentially existing conflicts of interest.

Striving to continuously improve its activities related to business compliance, Hemofarm has also introduced practical, mandatory online training on personal data protection. In addition, a comprehensive digital employee training management system "Hero" was introduced, which enables the company to ensure that employees actually attend mandatory business compliance training.

COMPLIANCE MANAGEMENT[64]

Together with the STADA Group, Hemofarm has established strong compliance management system to comply with laws and internal protocols, focusing on fighting corruption, competition law, export control, anti-money laundering and personal data protection. At the heart of this system is the Corporate Compliance Office based in Bad Wilbel. It aims to protect the company's financial position and reputation, protect the company's management and employees from personal risks, prevent interference with free competition and increase the confidence of consumers, patients, partners and public authorities in its integrity. Corporate business compliance offers guidance on business compliance areas such as personal data protection and pharmaceutical indus-

[62] *On a semi-annual basis, employees with exceptional results are nominated for The Value Award for their integrity, agility, entrepreneurship and teamwork (One STADA). Winners are announced at a global townhall meeting with recognition and respect for their business success as a motivation for others.*

[63] *The employees Code of Conduct is posted on the company's website at the link: Hemofarm - Poslovanje - Korporativni kodeks.*

[64] *Additional information on business compliance and anti-corruption approaches, and related aspects, is available in STADA Group's new Global Sustainable Development Report (page 62 onwards) at https://www.stada.com/sustainability/sustainability-report.*

try compliance standards, suggests process optimization and frequently liaises with other stakeholders and key business areas and sectors.

External Ombudsman, who can be approached via Stada's webpage, operates as an independent medium for confidential reporting of suspicious activities, transferring the information to Business Compliance Office which then decides on the following course of action.

The Global Whistleblowing Policy was implemented in 2021 and forms an important component of the corporate business compliance system. Its goal is to further strengthen the business compliance management system and strengthen the company-wide speak-up culture, including open disclosure of misconduct.

During 2023, the STADA Group, to which Hemofarm belongs, also created the Compliance Reporting Portal[65]), as a safe and confidential platform designed to encourage individuals to share their concerns regarding business compliance. The Compliance Reporting Portal offers employees and third parties outside the STADA Group a simple and secure way to make their voice heard and allows potential frauds or violations of Stada's internal rules/processes and/or laws to be reported, which helps the STADA Group to resolve issues in a timely and appropriate manner for the benefit of the company, its employees, patients and users. The Compliance Reporting Portal protects the identity of the submitter and enables anonymous reporting.

Of particular importance in controlling the legal aspect of business operations and legal compliance, as well as proactive prevention and reduction of legal risks in Hemofarm, is the digital service called "E-Secretary", which was already presented in earlier editions of Hemofarm's sustainability reports, and whose successful use continued in 2024. The concept of legal business partner was implemented, with the aim of providing the most effective proactive legal support to business and a more focused organization of Legal Affairs Division's work, adapted to business and the needs of each organizational unit.

Hemofarm's business compliance team provides support to affiliated companies of STADA in that area, not only for the territory of Serbia and the Western Balkans cluster, but also in the area of Southeastern Europe.

STADA and its representatives from headquarters and affiliates offer their professional knowledge and expertise by participating in industry-wide initiatives, engaging with

national trade associations and interacting internationally with authorities and organizations that facilitate access to medicines. Such action is subject to the application of the highest ethical norms of behaviour and the principle of objectivity, in order to ensure action in accordance with the basic principles of business compliance and applicable legal frameworks. Also, STADA and Hemofarm are members of the UN Global Compact, within which they strive to share their ESG practices and experiences, thus inspiring other companies and individuals, especially representatives of small and medium-sized enterprises, to embark on the path of sustainable development themselves. Through the annual publication of the STADA Health Report, the company contributes to education and dialogue on health topics based on representative data. The report focuses on the needs of patients and aims to improve health services for their benefit.[66]

ETHICAL MARKETING

In order to take care of both the external and internal community, the company nurtures and builds its business with strict adherence to high standards of ethical, responsible and compliant behaviour, without tolerating any form of bribery and corruption. This practice is valid at all levels of business and is implemented through internal and external processes and cooperation.

Pharmaceutical marketing is a highly ethical category for Hemofarm and every information related to products, apart from being compliant with legal frameworks, has been checked, confirmed and supported by appropriate scientific references. Having that in mind, compliance with applicable laws is only the first step for Hemofarm; the company goes further by fostering accessibility, transparency and ethical behaviour while ensuring that information about its pharmaceutical products is accurate, validated and ethically sourced. In this way, Hemofarm and the STADA Group secured the position of a trusted partner and preferred choice for their consumers related to prevention and treatment.

In accordance with legal requirements, through an active dialogue with all stakeholders, and especially with doctors and pharmacists, the company presents the therapeutic benefits, suitable purposes and correct use of pharmaceutical products (with regard to their specific category, whether they are a prescription or over-the-counter product). The responsibility also lies in encouraging the public to report all, even the smallest, potential suspicions of an adverse effect of the drug. Hemofarm proactively offers information on the proper use of drugs from relevant and approved clinical studies on its corporate website, along with advice on preventive care and developing a healthy lifestyle (i.e. via the STADA Group Health Report, #HealthStories, etc.). In addition to compliance with legal requirements, the relevant information is checked internally by the Legal Affairs and Business Compliance Division in order to protect the interests of all parties involved, from professionals to patients.

Hemofarm's Marketing and Sales Guidelines, aligned with the STADA Group's global Guidelines, were updated in 2022 and fully implemented in 2023, and serve as a framework for the promotion of pharmaceutical products in accordance with international laws and regulations[67]. The purpose of these internal guidelines is to ensure that patient-oriented marketing and sales practices are based on legal and ethical foundations, and that interactions with healthcare professionals are appropriate and in compliance with relevant laws and regulations. Moreover, the integrity of the entire company is protected in this way. Integrity, as one of the company's core values, is key to gaining trust in the company, since patients should entrust their health to the products of a pharmaceutical company such as Hemofarm.

Hemofarm supports the transparency of interaction with the healthcare community in accordance with the aforementioned Code of Conduct in order to prevent any unethical and illegal behaviour. The company reports on all transfers of value made to healthcare professionals, healthcare organizations and patient organizations on an annual basis that are within the Code of Conduct and in compliance with data protection regulations. STADA Group, and therefore Hemofarm, strive to continuously work on improving transparency in communication, starting from the inside out. Agility, openness, reliability, and willingness to listen to and understand each stakeholder

65 *The link is also available externally on the Hemofarm website, at the bottom of the page where the company's contact information is. When clicked, it leads to: https://www.compliance-reporting-portal.stada.com/*

66 *More information on expert and political action can be found in the new global Sustainability Report of the STADA Group at https://www.stada.com/sustainability/sustainability-report.*

67 *It reflects all requirements from the "Medicines for Europe" Code of Conduct, the Association of European Pharmaceutical Companies in the field of biosimilars and generics, of which Hemofarm's parent company STADA Group is a member..*

are the main imperatives in the company's communication in all aspects of business, and the Corporate Affairs and Communications Division, equally respecting both internal and external information needs, provides quality, verified and accurate information in a timely manner, because it is one of the key pillars of health.

Primarily, the company Intranet is updated daily with current information, relevant for all employees, who can now subscribe to topics based on personal preferences and be informed according to their interests. The intranet was completed with the launch of a special "One STADA" application for employees, as a kind of communication platform, which in an agile and high-quality manner not only informs employees about all current topics, but also significantly raises the level of interaction of all stakeholders. During the year, special attention was paid to inspiring colleagues from production who use their private mobile phones to install this application and thus be closer to timely information from the company, but also take advantage of communication opportunities on the local and global "social feed". In addition, four editions of the employee magazine "One STADA News" were published in twelve different languages, including the local Serbian language. In addition, in 2024, several global townhall meetings were held, broadcast live on the Intranet with simultaneous translations into local languages to improve and ensure transparency. Both globally and locally - in Serbia and the region - there were also many internal events that involved and informed employees about important activities. Meetings with the CEO and the company management are just some of them.

For the purpose of preventive health education, Hemofarm uses its digital communication platforms - the corporate website,[68] micro sites for individual products, and social networks - to help patients and consumers make informed choices about managing and protecting their health. An additional form of strengthening the domestic health system is media support in the form of relevant professional information. Hemofarm is always available to answer all inquiries from the external public through publicly available contacts.[69]

RISK MANAGEMENT

STADA's Group-wide risk management system aims to ensure the systematic and forward-looking handling of non-financial and financial risks and is capable to include ESG risks as well. Company's risk management system is based on the international risk management standard COSO II Enterprise Risk Management – Integrated Framework (2004) and has been adapted to actual business requirements of the Group. It fulfils the legal requirements of an early warning system in accordance with Section 91 (2) of the German Stock Corporation Act (AktG) and German audit standard IDW PS 340. The company headquarters and all its affiliates are linked to the risk management system so that – in addition to the investigation and assessment of new risks – a comprehensive and ongoing risk monitoring is possible. Generally, for each recorded risk, indirect effects of the risk are assessed and presented in addition to the direct effects on a quantitative level. The inclusion of indirect effects ensures that non-financial risks are also recorded in such a way that their indirect, financially measurable effects can be determined and mapped in the risk management system.

The risk management system is subject to annual external audits, as well as internal audits at periodic intervals.[70]

68 In 2023, the design and structure of the site was additionally refreshed, according to STADA Group's global guidelines.

69 Publicly available contacts include: info-lines in Vršac and Belgrade: 013/803100; 011/3811200; website at the address www.hemofarm.com, e-mail svakodobro@hemofarm.com, as well as official Hemofarm's social media accounts LinkedIn, Instagram, Facebook, Twitter, YouTube, TikTok

70 More information on risk management can be found in STADA Group's new global Sustainability Report at https://www.stada.com/sustainability/sustainability-report.

Responsible Procurement[71]

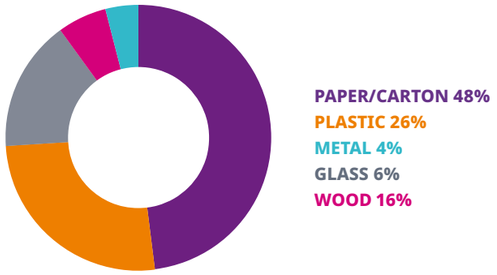
Bearing in mind that Hemofarm's business depends on the reliable delivery and the quality of the supply chain, as well as the company's efforts to reduce the costs of those who pay for health care, as well as the price pressure of the markets in which it operates, efficient and flexible supplier management is of key importance.[72]

The importance of Hemofarm's Procurement Division for the entire STADA Group is best illustrated by the fact that this division supplies starting materials to 6 production sites for a planned output of around 300,000,000 packs of all forms of pharmaceutical products, which are marketed in over 40 EU and non-EU markets. In order to minimize bottlenecks in the supply chain and ensure security of supply, the company strives to diversify its supplier base - both geographically and at the product level. That is why Hemofarm's responsibility is additionally based on close cooperation with suppliers, and sustainability is primarily reflected in the connection with local suppliers on the domestic market. As stated in the Good Manufacturing Practices section, Hemofarm regularly conducts GMP inspections of its suppliers in the domain of quality management systems, so that it can ensure that its products comply with standards, safety requirements and regulations. Such inspections are necessary at least every three years for batch releases, for finished products, for contracted testing laboratories, for intermediates and active ingredients. If necessary, inspections are also organized for new suppliers, in case of suspected quality variations, for packaging, as well as for GMP service providers. Hemofarm continued to transform its supply chain in 2024, with the aim of ensuring and improving the availability of pharmaceutical products. Transparent business relationships with existing and potential suppliers represent an important aspect of procurement and provide equal opportunities to all, regardless of territory.[73] In terms of type of material, in 2024 the procurement in Hemofarm included the following main categories:

When looking at the procurement of raw materials that include active ingredients (API) and excipients (EXC), the total amount is about 5,450 thousand tons (5.5 thousand tons in 2023). Packaging materials that were the subject of procurement in 2024 include paper (cardboard) packaging with approximately 6,900 tons, plastic packaging with approximately 3,800 tons, glass packaging with approximately 820 tons, metal packaging with approximately 670 tons, wooden pallets with approximately 2,290 tons, which is a total of approximately 20,000 tons.

MATERIAL GROUP (2024)	DOMESTIC MARKET (%)	FOREIGN MARKET (%)	TOTAL SHARE (%)
Raw materials	5	95	47
Packaging materials	36	64	26
Bulk and finished products	2	98	15
Services	88	12	12

PACKAGING MATERIALS BY TYPE IN 2024



CATEGORY	2022 (%)	2023 (%)	2024 (%)
Raw materials	31	30	27
Glass packaging	8	4	4
Paper packaging	33	33	35
Metal packaging	4	3	3
Plastic packaging	13	18	19
Wooden packaging	11	12	11

71 The company strives to offer quality products and services, while continuously supplying the market with medicines.

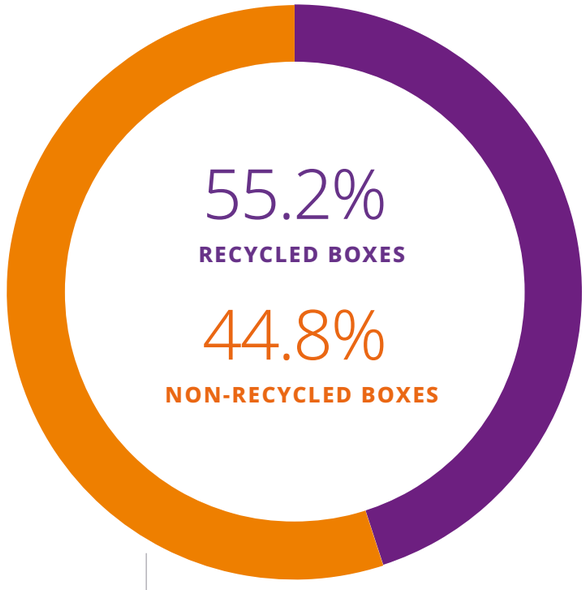
72 The number of reliable suppliers is limited, geographically located in certain parts of the world (mostly in the Far East - India and China), with complex procedures, such as the one for the procurement of psychoactive controlled substances for the production of sedatives and other drugs, which are subject to special procurement protocols.

73 STADA's website contains the general terms and conditions of business and procurement, with a designated link to each purchase order: https://www.stada.com/terms-and-conditions

Of the total amount of primary cartons for packaging finished products, the share of recycled primary cartons is 55.2 percent or 2,687.6 tons.

Hemofarm is currently working on the EcoVadis external sustainability assessment platform in order to apply the EcoVadis solution as a basis for assessment (95% of packaging material suppliers have successfully registered on the EV platform) and ESG performance assessment of its suppliers and contract manufacturing organizations (CMOs). The ESG assessment is based on the self-assessment of the party that goes through the evaluation process by experts from EcoVadis, based on the provided documents and predefined sophisticated methodology. This enables the company to continuously improve the social and environmental aspects of its value chain, making ESG footprints more favourable and ESG risks lower.

Another key feature of Hemofarm procurement is transparency, and all suppliers are clearly presented with the required quality in accordance with pharmaceutical standards, as well as the expectation that they offer products and services at an acceptable price, meet the planned deadlines, provide adequate support, service and useful information. Responsible management of the procurement process, in addition to enabling Hemofarm to actively participate in reducing the impact on the environment, also includes the evaluation and monitoring of



solvency, business efficiency and respect for the rights of employees, from the process of evaluating potential suppliers to the initiation and maintenance of cooperation.

HEMOFARM INITIATIVE

Hemofarm Awarded the “Oscar of Quality” for 2024

Hemofarm is the recipient of the national award for business excellence—the “Oscar of Quality,” awarded by the “Fund for Culture of Quality and Excellence” in cooperation with the Serbian Chamber of Commerce and the Ministry of Economy of the Republic of Serbia. This prestigious recognition, given to the manufacturing sites in Vršac, Dubovac, and Šabac, confirms the consistent application of the highest quality standards and sustainable management in all areas of business.

With the highest score ever achieved in the history of the competition, the company emphasizes that the award is yet another validation of Hemofarm's commitment to operational excellence, the accessibility of therapies, and the continuous improvement of processes in line with sustainable development principles.

“As a leading pharmaceutical manufacturer in the region, Hemofarm reiterates its essential dedication to the highest business standards, and we are especially proud when such efforts are recognized externally. This Oscar of Quality represents the culmination of our daily efforts in the field of quality improvement and development,” said Hemofarm’s General Director Ronald Seeliger during the award presentation.

The path to the “Oscar of Quality” recognition was comprehensive and required months of engagement from a large number of employees across various sectors. The process involved a detailed investigation through questionnaires, as well as an on-site verification by a professional committee at the Vršac location. During this occasion, results were assessed in nine key areas: leadership, strategy, organizational potential, processes and technologies, market and customers, business performance, employee satisfaction, customer satisfaction, and social responsibility.

Hemofarm achieved 878.5 points, positioning the company as the highest-ranked organization in the last three decades of this award's presentation. Teamwork and intersector collaboration were crucial for this outstanding result, as concluded during the award ceremony.

Product Quality and Safety

Hemofarm is the leading pharmaceutical company in Serbia and the region, as well as the largest exporter of medicinal products from Serbia. For 65 years already, Hemofarm has been providing trustworthy medicinal products for a wide range of diseases on the local, European, and global markets. Its pharmaceutical portfolio encompasses generic medicines and biosimilars, by which Hemofarm endeavours to exercise a positive impact on people’s health.

Despite market challenges, global crises, and pandemics, Hemofarm continuously improves the quality, efficacy, and safety of its products, which is why it is recognised as a reliable partner. As a responsible pharmaceutical and healthcare company, Hemofarm maintains and enhances activities at all its manufacturing sites to ensure maximum safety for its products and patients.

The organisation of quality at Hemofarm continuously develops improvements at manufacturing sites in Vršac, Dubovac, Šabac, Banja Luka, and Podgorica, enhancing activities across all manufacturing sites through its centralised quality function. Within this function, processes have been established to ensure compliance with GxP good practices, such as Good Manufacturing Practice (GMP), Good Laboratory Practice (GLP), and Good Distribution Practice (GDP).

Hemofarm products adhere to strict quality, safety, and efficacy requirements throughout the entire production process, from clinical studies and manufacturing to pharmaceutical risk assessment. International frameworks of Good Practices, as regulatory requirements, are applied in Serbia and all EU countries and are of utmost importance to Hemofarm.

GOOD MANUFACTURING PRACTICE

Hemofarm has implemented and adheres to current Good Manufacturing Practice (GMP) guidelines at its manufacturing sites, which are subject to GMP certifications. Compliance with GMP ensures the quality needed for consistent manufacturing and control of medicines in accordance with quality standards, their intended use, and market authorisation requirements. GMP encompasses both production and quality control. EU GMP demands high-quality processes for the manufacturing, testing, and approval of medicines, active pharmaceutical ingredients, and cosmetics. As part of GMP inspections, compliance

with quality standards is regularly assessed at Hemofarm manufacturing facilities, as well as with service providers, suppliers, and contract manufacturers.

In the course of 2024, a total of 86 days were dedicated to audits of Hemofarm as part of 40 conducted audits by 10 different auditing authorities, including: the National Agency for Medicines and Medical Devices of Romania (EU GMP RO), the Medicines and Medical Devices Agency of Croatia (Halmed), the Eurasian Economic Union (EAEU), the Gulf Cooperation Council (GCC), the Libyan Healthcare Organisation, the Israeli regulatory authorities, as well as three local health organisations – the Ministry of Health of the Republic of Serbia, the Medicines and Medical Devices Agency of Bosnia and Herzegovina, and the Institute of Medicines and Medical Devices of Montenegro. Additionally, audits were carried out by contractual partners (Galenika, Gedeon Richter, Teva, Krka, Halsa), as well as internal audits by Internal STADA Auditors. All audits yielded positive results.

In addition to GMP inspections, the sites were recertified for ISO 9001, ISO 14001, and ISO 45001, while the Vršac and Podgorica sites were also recertified for ISO 13485. Hemofarm's compliance with quality standards was confirmed through the successful completion of all inspections and audits, with no critical or recurring major nonconformances. This highlights the strong and stable foundation of the quality system, which is consistently maintained in practice and continuously improved.

The Compliance Culture Enhancement Program has been successfully initiated, with the aid of available appropriate digital tools. Additionally, numerous activities have been continued along with the engagement on global improvement projects:

- **LIMS** (Laboratory Information Management System) – the implementation of the system has been initiated at the Podgorica manufacturing site as well, by which the first phase of this global project has been successfully completed. The East Europe Cluster is the first in the group that has implemented LIMS in all its laboratories which facilitates better connectivity and easier access to information and results.

- **eQMS** (Electronic Quality Management System) – based on user feedback and needs, improvements have been introduced in the preparation of reports, the formatting of training materials for end-users, and the interactive delivery of training sessions, as well as procedures for change control and tracking the status of initiated requests. A significant advancement has been made in tracking Action Items from the MOC (Management of Change) process, which has reduced the duration of certain phases. Transparency and availability of information have facilitated the planning and execution of daily activities across all organisational units.

- **LeanLab** – Lean principles have been implemented in all laboratories and are subject to monitoring during the most challenging phase – system sustainability (sustain). Regular reviews and a system for collecting and tracking the implementation of employee ideas have been established. Monitoring and improving laboratory performance is one of the key indicators of the success of this project. Workshops and activities aimed at enhancing data processing automation have continued, with the aim of improving efficiency, transparency, and process flexibility, as well as freeing up capacities.

- **Morača Project** - the capacities of the SNUP manufacturing line, as well as the physico-chemical and microbiological laboratories in Podgorica, have been successfully expanded. The high level of dedication and commitment, combined with the organisation, expertise, and proactivity of employees at this manufacturing site, contributed to the project's completion without significant disruptions to routine activities.

- **Ares 1. Project in Vršac** - the capacities of the Solid Dosage Forms Plant have been successfully expanded, and the quality of the HVAC system has been improved, continuously advancing environmental conditions and ensuring compliance with GMP requirements.

- **Annex 11 GMP** - activities within the project of assessing compliance with the guidelines for computerised systems within the Quality function have been continued.

- **The work group for assessment of risks of nitrosamine impurities** in Hemofarm products has monitored changes in the guidelines and continued activities aimed at defining actions to mitigate identified risks.

- **The results of the periodic assessment of compliance** of all sites with the existing GMP guidelines, as well as the monitoring of actions and projects aimed at eliminating nonconformances and reducing risks within the Global Site Quality Risk Assessment (SQRA) process, have demonstrated a significant progress of the SEE Cluster sites. All sites have significantly improved their compliance with guidelines, as well as the quality of processes and products, thereby reducing risks and reaching the low-risk zone according to the predefined matrix (Quality Maturity Index).

- **The laboratory in Banja Luka has been reconstructed,** resulting in expanded capacities and a redesigned and equipped space that has improved the flow of people and materials. The reconstruction lasted 7 months without significant impacts on the laboratory's performance or operations, thanks to the experience and dedication of the employees.

- **A large number of methods for testing new products has been introduced** in Hemofarm laboratories.

- **New products and technologies have been transferred** (site-to-site transfers as well as transfers from Hemofarm development), wherein the Quality function played a significant role.

The good practice of conducting workshops within the SEE Cluster and the Quality function of the STADA Group has continued, aimed at sharing knowledge, information, and experiences. It is worth highlighting the active participation in the following workshops:

- **Non-compliance investigation (Deviation Network Call);**
- **Out-of-specification results in laboratories (OOX Workshop);**
- **Use of tools for determining problem causes (Root Cause Problem Solving tools).**

In the continuous improvement program, there has been a growing number of implemented ideas and projects initiated in 2024, as well as in previous years. Additionally, an increasing number of ideas are focused on process digitalisation and the implementation of new tools. Planned savings and potential cost avoidance have been achieved through smaller employee-driven ideas in laboratories and quality processes. In December, the best ideas were recognised and presented to all employees in the Quality department. For the first time, the Quality Ambassadors were appointed in 2024, based on their engagement and contributions to improving quality and regulatory compliance. The Quality Ambassadors play a key role in raising awareness on the importance of quality and adherence to high standards in everyday business activities. Their contribution is priceless in achieving the company's goals in quality and regulatory compliance, as well as in promoting the culture of quality within the organisation. This prestigious title was deservedly awarded to colleagues outside the Quality department as well, who significantly contributed to advancing this entire area. Looking at all the Quality activities over the past year, it is evident that significant improvements were made in the key quality performance indicators. Additionally, this progress has enabled the setting of even more ambitious goals for the coming year.

Innovative and generic pharmaceutical companies represent interconnected pillars of a sustainable health system, with the patient at its center. Timely entry of generic medicines allows for greater availability and accessibility of therapies for a broader range of patients, while simultaneously reducing pressure on healthcare budgets—which further opens space for the introduction of new, innovative therapies. Ultimately, the greatest benefits go to the patients themselves, as more people receive treatment with accessible therapies, while simultaneously enabling the application of innovative treatments for those who need them the most. Together, innovative and generic companies create a self-sustaining cycle, in which they depend on each other to ensure continuous progress toward better treatment outcomes.

Joan Duru Popić
Head of Business Development and Licensing

GOOD PHARMACOVIGILANCE PRACTICE[74]

Respecting patients' needs, along with a proactive approach to handling complaints, is among the most crucial aspects of healthcare. Pharmaceutical manufacturers and marketing authorisation holders, as well as the entire public health system, are obliged to continuously monitor, detect, analyse, understand, and contribute to the prevention of adverse drug reactions/effects. This critical aspect of the healthcare system and pharmaceutical industry is regulated by the field of pharmacovigilance. Pharmacovigilance operates globally to ensure that all relevant discoveries and critical information are shared promptly to prevent the harmful effects of medicines on patients. The Pharmacovigilance at Hemofarm A.D. analyses reports of adverse drug reactions that may come directly from healthcare professionals, doctors, pharmacists, regulatory bodies, patients, consumers, company employees, or those identified in scientific literature or the media. In pharmacovigilance, an adverse drug reaction (ADR) is defined as an unintended or unwanted harmful reaction occurring at doses typically used by patients for diagnosing, treating, or preventing a disease. Simply put, these are undesirable medical issues caused by use of medicines. Adverse effects are a central concern in pharmacovigilance, the science and activities related to detecting, assessing, understanding, and preventing adverse reactions or any other possible issues associated with medications. Adverse reactions can range from minor effects such as rashes to more severe outcomes, like organ failure, while in extreme cases, they can even result in death. These reactions may occur immediately after drug administration or take time to develop. Identifying adverse reactions and working on reducing their occurrence is a critical part of pharmacovigilance. This includes post-marketing surveillance, where drug safety is monitored among a large number of patients in the 'real world' after the authorisation, in addition to the regulated clinical trials conducted prior to the medication's authorisation. This also includes communicating risks associated with

74 *Hemofarm departments of research and development, QA and QC, in addition to the pharmacovigilance, are responsible for verification of compliance of Hemofarm products and absence of possible negative effects.*

medicines to healthcare professionals and the public, as well as implementing strategies to minimise any potential risks.

All Hemofarm employees have been appropriately trained, in line with the procedures and operating procedures, for the receipt of adverse reaction reports. A report can be sent via personal contact with any of the above-mentioned entities, via an e-form on the corporate website, through social media, or through the company's official accounts, or via e-mail to: svakodobro@hemofarm.com, as well as via any available telephone number. In addition, Marketing and Sales representatives, being the most active in communication with doctors and pharmacists, are additionally available for any reports of adverse reactions. The world Medicine Safety Week – Medsafetyweek was marked for the first time internally in 2024. The event included the preparation of an educational programme that featured a brief introduction to the history of pharmacovigilance and the pharmacovigilance activities of the STADA Group, as well as the distribution of brochures to provide employees with key information on the safe use of medicines. Additionally, a quiz on drug safety was organised, allowing employees to test their knowledge. The goal of this initiative was to raise awareness of the importance of reporting adverse drug reactions and the value of effective and timely collaboration with the pharmacovigilance department.

Pharmacovigilance at Hemofarm has a much broader significance and context beyond the company's home country, as a significant portion of its product portfolio is exported. Consequently, if an adverse drug reaction is identified, the marketing authorisation holder acts in accordance with the local regulations of the country where the medicine is marketed, as well as standard operating procedures for assessing the safety profile of registered products. When a potential risk is recognised, the company initiates an evaluation of all available data regarding the safe use of the drug and takes appropriate measures. These measures may include sending information to healthcare professionals, a recall of a medicinal product batch from the market, updating patient information leaflet, or providing educational materials for healthcare professionals and patients, etc..

In 2024, a total of 140 reports/cases of adverse drug reactions (ADRs) were received from healthcare professionals and patients across all markets where Hemofarm AD or a local partner holds the marketing authorisation for a medicinal product (compared to 149 in 2023). Of these, 18 cases were classified as 'serious,' while 122 cases were categorised as 'not serious.'

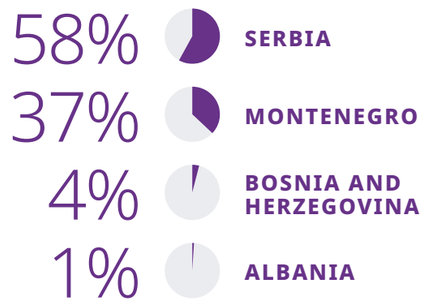
The largest number of reports in 2024 was received from pharmacists, then from doctors, patients, and other healthcare professionals:

Overview of number of ADR reports according to reporter and ADR seriousness

REPORTER	NUMBER OF SPONTANEOUS ADR REPORTS	SERIOUS ADR	NOT SERIOUS ADR
Pharmacists	85	7	78
Doctors	29	5	24
Patients	21	6	15
Other healthcare professionals	5	0	5
TOTAL	**140**	**18**	**122**

Distribution of reported ADR according to SEE markets in 2024

The largest number of reports arrived from Serbia (58%), which is also the largest local market of Hemofarm A.D:

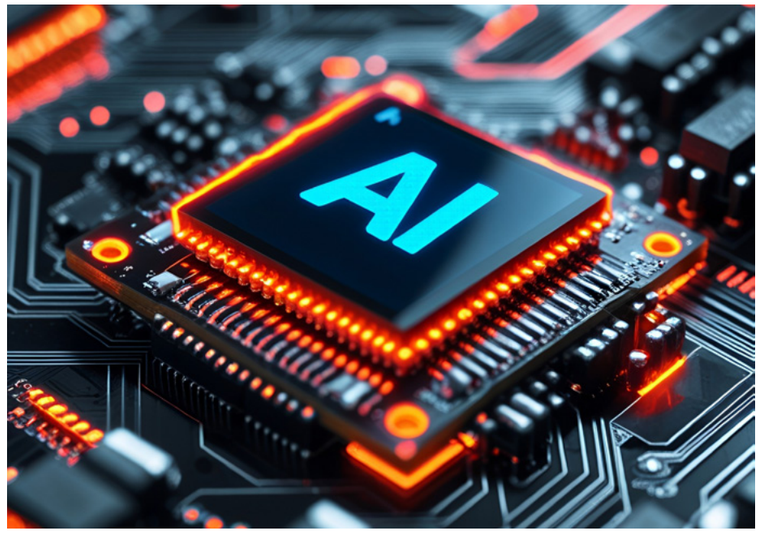


Additionally, there were 13 cases of ADR identified in the literature.

All the stakeholders, including professionals such as doctors and pharmacists, business partners in the supply chain, employees, as well as patients, are encouraged to report any suspected adverse drug reactions, both within Hemofarm and across the entire STADA Group.

Data Privacy and Security

Hemofarm respects the privacy rights of all employees, clients, and other stakeholders, and processes personal data solely for specific business purposes while ensuring such data is protected against unauthorised access.



The company also takes necessary measures to treat personal data with confidentiality, collecting, processing, and using it exclusively in compliance with the applicable data protection regulations. Special attention is also given to all pharmacovigilance data, ensuring its handling aligns with all applicable laws and regulations.[75]

The assets of Hemofarm are of critical importance to the company's success and, therefore, deserve special protection. The company's assets include not only tangible assets such as machinery and buildings but also intangible assets such as patents, know-how, trademarks, copyrights, scientific and technical expertise, business processes, and more. Many of these assets are confidential and represent the company's trade secrets, which must be especially safeguarded from third-party access. The same applies to information obtained for business purposes from third parties, which must also be treated as confidential and protected from unauthorised access. All employees are obliged to use confidential information acquired during their work exclusively for professional activities related to the company, and not for personal purposes. Information, processes, and auxiliary systems represent significant value to the company, and protecting this information is a key responsibility of all employees. Every team member is required to safeguard all confidential information that is not publicly known, without the need for additional designations or obligations, such as labelling such information as confidential. Additionally, all employees are required to report any situation that indicates a potential breach of protection or confidentiality of sensitive information related to or potentially connected with the company.

HEMOFARM INITIATIVE

Hemofarm's Mustaches and Super Mustaches

In November, men around the world grow mustaches to raise awareness about the importance of men's health, the fight against prostate and testicular cancer, and the preservation of men's mental health. This gave rise to the global movement Movember, which was supported in 2024 by employees of Hemofarm along with the "Super Mustaches" association from Banja Luka. November is a month dedicated to men, but it should not be forgotten that every month of the year is a month for screenings and prevention. During this campaign, Hemofarm's Mustaches and Super Mustaches sent a clear message: "It's time, get tested!" Through this socially responsible campaign, the company traditionally breaks taboos year after year and highlights the importance of prevention and early screenings for men. "If you are a man and experience the need for frequent urination, notice blood in your urine, have pain in the groin, experience painless and gradual enlargement of the testicles, or find a hard lump within the testicle, as well as erectile dysfunction, it is essential to see a urologist," say the Mustaches from Hemofarm.

Internally known as Hemofarm's Mustaches, the project "Mustaches - Health Calls and Says to Get Tested" has been awarded the DISRUPT award for communication in the category of "Healthcare and Pharmaceutical Industry", marking the third award for this important project.

[75] *For more details, please see SDG 9 and Good Pharmacovigilance Practice.*

SECTION

03

REPORTING FRAMEWORK

Reporting Principles

MATERIALITY MATRIX
The starting point for the preparation of this Report is STADA's and Hemofarm's Materiality Matrix with the List of Material Topics, based on a double materiality assessment (DMA; presented at the beginning of this report). This matrix provides a comparative overview of the most important topics for the business from the company's perspective on one hand, and from the perspective of key stakeholders on the other. The topics are ranked according to ESG impacts, risks, and opportunities, assessed from the "outside-in" and "inside-out" perspectives, considering production, distribution, and sales. By analyzing GRI indicators, the indicators and topics were aligned, ensuring that the Materiality Matrix serves as the foundation for future reporting, as well as for the improvement of business operations. The approach applied in the current cycle of stakeholder dialogue and DMA assessment represents a transitional format from GRI to CSRD reporting, ensuring that the presented data is both compatible and comparable. Given that the Sustainability Report covers topics relevant to the company and its stakeholders, the Report can serve as a basis for assessments and decisions by management bodies and stakeholders. The application of GRI guidelines enables the company to transparently report on its performance in three key areas of sustainable business operations: environmental protection, social responsibility, and responsible corporate governance. This approach highlights Hemofarm's sustainability program in connection with the Sustainable Development Goals (SDGs). In addition to the company profile and the number of indicators, the report is based on the following principles outlined below.

MATERIALITY
The report covers all material topics identified as part of Hemofarm's materiality assessment, based on the DMA (Double Materiality Assessment) process initiated and conducted by its parent company, STADA, with Hemofarm's close involvement at all stages of its implementation. In addition to the globally conducted DMA process, which is described in detail in the first section of this report (Section 1), Hemofarm locally engaged key stakeholders, inviting them to rank, based on their own perspective of impact, the topics identified as material through the DMA process. In this way, the company continued to locally involve key stakeholders in assessing its own ESG performance, while simultaneously raising their awareness about the CSRD (Corporate Sustainability Reporting Directive) and DMA processes. It also allowed for the collection of feedback and guidance from stakeholders on how to potentially further improve its ESG efforts toward greater sustainability. The report includes all topics related to economics, environment, social responsibility, governance, and activities that impact Hemofarm and its stakeholders. The process of determining priority topics for the 2024 Report involved active dialogue with key stakeholders through workshops and online surveys, resulting in the creation of a Materiality Matrix in line with CSRD requirements, compatible with GRI guidelines, and aligned with the needs and interests of all stakeholders, as well as the company's strategic priorities.

INCLUSIVENESS
One of the objectives of this sustainability reporting is to enhance mutual relationships and raise the overall level of satisfaction with the company's operations by creating conditions for effective dialogue with all stakeholders. In addition to dialogue with key stakeholders, the company strives to respect the feedback received through a culture of open expression of opinions. Hemofarm welcomes all feedback from the readers of this report regarding its quality and content to improve future reports. The email address for submitting suggestions, impressions, and any feedback is: svakodobro@hemofarm.com.

SUSTAINABILITY
The principle of business sustainability represents the way the company views its long-term impact on the environment and presents its activities at the national, regional, and global levels.

COMPLETENESS
This report presents relevant information and data for the period from January 1, 2024, to December 31, 2024. Comparative data, where possible, are also provided for previous years. The financial and economic indicators have been taken from Hemofarm's financial statements for 2024 and the STADA Annual Report for 2024 and relate to the company's activities at the level of the reference Cluster and the Group. Additionally, the latest edition of the global STADA Group Sustainability Report for 2024, available at https://www.stada.com/sustainability/sustainability-report, was used as a source of relevant references.

BALANCE
Balance requires presenting both the positive and negative aspects and impacts of the company on sustainability, thereby providing an impartial and objective picture of its performance. The objective representation of the company's results in 2024, regarding economic, environmental, and social dimensions, is based on the GRI methodology, which presents all relevant information regardless of its characteristics. Additionally, it is important to note that the company's impact analysis includes the DMA approach, specific to the CSRD, which practically means that impacts, risks, and opportunities have been analyzed, encompassing current and potential, as well as positive and negative aspects.

COMPARABILITY
Comparability means presenting data in a consistent and continuous manner to enable comparison with the GRI standards and other companies. Since this is the thirteenth sustainability report published by Hemofarm, it allows comparison with the previous report (published for 2023) as well as with other sustainability reports of Hemofarm, starting from 2012 (covering 2011) when the company began reporting on its sustainability efforts (more information at: https://www.hemofarm.com/srb/odrzivi-razvoj). Furthermore, in order to provide a broader perspective on the ESG efforts of the entire STADA Group, comparability is also possible with the four editions of the global Sustainability Report (more information at: https://www.stada.com/sustainability/sustainability-report). Since this report supplements non-financial reporting, it is also possible to assess the company's operations from the perspective of analyzing non-financial business performance and management.

ACCURACY
Accuracy involves providing adequate qualitative and quantitative information as well as continuously improving systems for data collection and analysis. Where it was not possible to collect original data, estimates were made with explanations of the calculation/estimation methodology.

TIMELINESS
Timeliness refers to consistency in the frequency of reporting and the duration of the reporting period, ensuring regular access to information and the ability to make appropriate and timely decisions regarding the company and its operations. Hemofarm reports on its ESG principles and sustainable development every year.

CLARITY
Clarity represents the presentation of information in a transparent, simple, and clear manner, ensuring the accessibility of information. The availability and comprehensibility of information for all interested parties were key guiding principles during the preparation of the 2024 Report.

RELIABILITY
Reliability entails the collection, recording, compilation, analysis, and publication of information in a way that allows for verification and supports the quality and materiality of the information. The auditing company EY conducted verification of this report, relying on the standards and requirements of the globally recognized GRI methodology.

Additional presentation of ESG performance and data at the Hemofarm Group level*

INDICATOR (VALUES VALID FOR 2024)	Banja Luka	Dubovac	Podgorica	Šabac	Temišvar	Vršac
ENVIRONMENTAL INCIDENTS						
Nr. of major environmental incidents	0	0	0	0	0	0
Nr. of environmental incidents	0	0	0	0	0	0
WATER						
Total Water Consumption [m^3]	18,037.0	1,833.0	40,516.0	127,432.0	3,587.8	370,975.0
ENERGY CONSUMPTION [MWH]						
Fossil Fuel / Natural Gas	6,856.2	702.6	4,613.2	14,573.3	1,480.0	53,550.5
Purchased Electricity conventional	5,706.0	0.0	6,012.1	0.0	788.3	0.0
Purchased Electricity renewable	0.0	2,352.9	0.0	12,499.6	652.9	40,135.3
Purchased district heating/steam, etc	0.0	0.0	0.0	0.0	0.0	0.0
Self-Produced Electricity	0.0	0.0	0.0	0.0	76.4	0.0
Total Energy Consumption [MWh]	**12,562.2**	3,055.5	10,625.3	27,073.0	2,997.6	93,685.8
AIR EMISSIONS / SCOPE 1 CO2 EMISSIONS						
Total volatile organic compound emissions (VOC) [kg]	66,099.7	20,460.5	2,840.0	107,036.5	0.0	20,254.3
Local CO2 conversion factor for primary energy [tons CO2 eq/ MWh fossil fuel or natural gas]						
Scope 1 CO2 emissions - fossil fuel from combustion [tons CO2eq.]	2,056.9	140.5	1,383.9	2,914.7	303.4	10,710.1
Scope 1 CO2 emissions - other sources (e.g. ODS) [tons CO2eq.]	10.6	0.0	0.0	82.5	0.0	2,673.5
Total Scope 1 CO2 Emissions [tons CO2 eq.]	**2,067.5**	140.5	1,383.9	2,997.2	303.4	13,383.6
SCOPE 2 CO2 EMISSIONS						
Local CO2 emission factor of purchased electricity [tons CO2 eq / MWh]						
Scope 2 CO2 emissions from purchased electricity [tons CO2eq.]	4,199.6	0.0	2,098.2	0.0	208.9	0.0
Scope 2 CO2 emissions from other purchased energies (e.g. steam) [tons CO2eq.]	0.0	0.0	0.0	0.0	0.0	0.0
Total Scope 2 CO2 Emissions [tons CO2 eq.)	4,199.6	0.0	2,098.2	0.0	208.9	0.0
Total CO2 Emissions (Scope 1 + 2) [tons CO2 eq.]	**6,267.1**	140.5	3,482.2	2,997.2	512.3	13,383.6

INDICATOR (values valid for 2024)	Banja Luka	Dubovac	Podgorica	Šabac	Temišvar	Vršac
WASTE [TONS]						
Amount of hazardous waste incinerated with thermal recovery	46.4	10.8	28.6	148.7	0.0	217.1
Amount of hazardous waste materially recycled	0.0	0.0	0.0	2.6	0.0	14.3
Amount of hazardous waste incinerated without thermal recovery	0.0	0.0	0.0	0.0	34.3	0.0
Amount of hazardous waste not recycled / landfilled	0.0	0.0	0.0	0.0	0.0	0.0
Amount of non-hazardous waste incinerated with thermal recovery	0.0	0.0	0.0	0.0	0.0	0.0
Amount of non-hazardous waste materially recycled	85.3	2.0	113.0	443.9	26.4	889.7
Amount of non-hazardous waste incinerated without thermal recovery	0.0	0.0	0.0	0.0	0.0	0.0
Amount of non-hazardous waste not recycled / landfilled	182.0	0.0	0.0	3.0	228.8	0.0
Total amount of waste generated [tons]	**313.8**	12.9	141.6	598.1	289.5	1,121.1
Packs [mio of packs]	45.731	7.460	42.667	39.451	0.000	241.830
Bulk [converted to mio of packs]						
KPIs						
Energy Consumption [MWh / mio of packs]	274.7	409.6	249.0	686.2	/	387.4
Scope 1 Emissions [t CO2 / mio of packs]	45.2	18.8	32.4	76.0	/	55.3
Scope 2 Emissions [t CO2 / mio of packs]	91.8	0.0	49.2	0.0	/	0.0
Total CO2 Emissions [t CO2 / mio of packs]	**137.0**	18.8	81.6	76.0		55.3
Water Consumption [m^3 / mio of packs]	394.4	245.7	949.6	3,230.1	/	1,534.0
Waste Generation [t / mio of packs]	6.9	1.7	3.3	15.2	/	4.6
Waste Recycling Rate - Haz. Waste	100%	100%	100%	100%	0%	100%
Waste Recycling Rate - Non Haz. Waste	32%	100%	100%	99%	10%	100%

***Given that this is the first report outlining the ESG impacts by sites/plants, a comparative analysis will be presented in subsequent ESG reports.**

General disclosures

DISCLOSURE	REFERENCES
2-1 Organizational details	
a. Report its legal name;	Section 1 of this Report
b. Report its nature of ownership and legal form;	Nidda Healthcare GmbH is direct shareholder with ownership share of 100%. Related companies: Bain Capital Investors, LLC, Wilmington, Delaware, USA and Cinven (Luxco 1) S.A., Luxembourg, exercise direct joint control over the subsidiary Nidda Topco S.à r.l., which in turn indirectly controls the following subsidiaries: Nidda Midco S.à r.l., Nidda German Topco GmbH, Nidda German Midco GmbH, Nidda BondCo GmbH and Nidda Healthcare Holding GmbH, through the direct shareholder Nidda Healthcare GmbH which holds the outstanding shares in STADA Arzneimittel AG. Hemofarm is an affiliate of STADA company.
c. Report the location of its headquarters;	Section 1 of this Report
d. Report its countries of operation	Section 1 of this Report
2-2 Entities included in the organization's sustainability reporting	
a. List all the entities included in its sustainability reporting;	Section 1 of this Report and Section 3 of this Report
b. If the organization has audited consolidated financial statements or financial information filed on public record, specify the differences between the list of entities included in its financial reporting and the list included in its sustainability reporting;	No additional entities are included in the sustainability reporting that are not included in its financial reporting. Hemofarm is consolidating the information from its entities of operation through regular reports within separate workstreams (including TechOps, C&P (HR), Legal and Compliance, Communication, Commercial, etc.). These reports are collected through monthly business reviews, quarter reports and final annual reports and are structured compatible to GRI, including mergers, acquisitions, and disposal of entities or parts of entities as well as adjustments to information for minority interests where applicable.
c. If the organization consists of multiple entities, explain the approach used for consolidating the information, including:	
i. whether the approach involves adjustments to information for minority interests;	
ii. how the approach takes into account mergers, acquisitions, and disposal of entities or parts of entities;	
iii. whether and how the approach differs across the disclosures in this Standard and across material topics.	/
2-3 Reporting period, frequency and contact point	
a. Specify the reporting period for, and the frequency of, its sustainability reporting;	Section 3 of this Report / Chapter Reporting framework
b. Specify the reporting period for its financial reporting and, if it does not align with the period for its sustainability reporting, explain the reason for this	Section 3 of this Report / Chapter Reporting framework
c. Report the publication date of the report or reported information;	Section 3 of this Report / Chapter Reporting framework
d. Specify the contact point for questions about the report or reported information.	Section 1 of this Report
2-4 Restatements of information	
a. Report restatements of information made from previous reporting periods and explain:	There is no restatement of the information compared to the previous sustainability report of Hemofarm and STADA for 2023. In 2023, Hemofarm had no changes in the ownership and with regard to the data presented in the previous reporting cycle (for 2023), there were no significant subsequent adjustments of the previously stated figures.
i. the reasons for the restatements;	
ii. the effect of the restatements.	
2-5 External assurance	
a. Describe its policy and practice for seeking external assurance, including whether and how the highest governance body and senior executives are involved;	Hemofarm's annual sustainability reports are being externally assured. Top management of Hemofarm (SMT) seeks an independent auditor on the basis of input from its senior manager of global sustainable development.
b. If the organization's sustainability reporting has been externally assured:	
i. provide a link or reference to the external assurance report(s) or assurance statement(s);	Section 3 of this Report / Chapter Independent Auditor's Report
ii. describe what has been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process;	Section 3 of this Report / Chapter Reporting framework
iii. describe the relationship between the organization and the assurance provider.	EY is an independent auditor to Hemofarm.
2-6 Activities, value chain and other business relationships	
a. Report the sector(s) in which it is active;	Section 1 of this Report / Chapter Company Profile 2024
b. Describe its value chain, including:	Section 1 of this Report / Chapter Company Profile 2024
i. the organization's activities, products, services, and markets served	The term 'operation' for Hemofarm is defined as a country where the company has either its production facility, local representative office/affiliate and/or partner offering Hemofarm's products.
ii. the organization's supply chain;	Section 1 of this Report
iii. the entities downstream from the organization and their activities;	Section 1 of this Report / Chapter Company Profile 2024
c. Report other relevant business relationships;	/
d. Describe significant changes in 2-6-a, 2-6-b, and 2-6-c compared to the previous reporting period.	/
2-7 Employees	

[76] The terms 'local' and 'significant locations of operation' apply to Hemofarm's business in Serbia, Bosnia and Herzegovina and Montenegro, where the company has its manufacturing complexes, as well as including EU laboratory in Timisoara. If the data overview is given from any other angle, which includes STADA global reporting level, such data will be adequately referenced, so that the readers of the report are not put in a situation to misunderstand this report. The term 'management' in this report means the top, middle and lower management of the company, including the CEO and Hemofarm's Board of Directors/Senior Management Team (SMT).

[77] Parameters that are regulated at the level of STADA Group and which do not deviate in business practices of Hemofarm are referenced in this index from the global aspect of STADA Group, while the parameters referring only to Hemofarm (including also concrete numbers) are presented only for Hemofarm.

DISCLOSURE	REFERENCES
a. Report the total number of employees, and a breakdown of this total by gender and by region;	Section 2 of this Report
b. Report the total number of:	
i. permanent employees, and a breakdown by gender and by region;	
ii. temporary employees, and a breakdown by gender and by region;	
iii. non-guaranteed hours employees, and a breakdown by gender and by region;	
iv. zfull-time employees, and a breakdown by gender and by region;	
v. part-time employees, and a breakdown by gender and by region;	
c. Describe the methodologies and assumptions used to compile the data, including whether the numbers are reported:	SAP software based data collection is used to track the data and present it as required.
i. in head count, full-time equivalent (FTE), or using another methodology;	
ii. at the end of the reporting period, as an average across the reporting period, or using another methodology;	
d. Report contextual information necessary to understand the data reported under 2-7-a and 2-7-b;	/
e. Describe significant fluctuations in the number of employees during the reporting period and between reporting periods.	Section 2 of this Report
2-8 Workers who are not employees	
a. Report the total number of workers who are not employees and whose work is controlled by the organization and describe:	Section 2 of this Report
i. the most common types of worker and their contractual relationship with the organization;	
ii. the type of work they perform;	
b. Describe the methodologies and assumptions used to compile the data, including whether the number of workers who are not employees is reported:	SAP software-based data collection is used to track the data and present it as required.
i. in head count, full-time equivalent (FTE), or using another methodology;	
ii. at the end of the reporting period, as an average across the reporting period, or using another methodology;	
c. Describe significant fluctuations in the number of workers who are not employees during the reporting period and between reporting periods.	/
2-9 Governance structure and composition	
a. Describe its governance structure, including committees of the highest governance body	Section 1 of this Report
b. List the committees of the highest governance body that are responsible for decision making on and overseeing the management of the organization's impacts on the economy, environment, and people;	Section 1 of this Report
c. Describe the composition of the highest governance body and its committees by:	
i. executive and non-executive members;	Section 1 of this Report

DISCLOSURE	REFERENCES
ii. independence;	All members of SMT are independent.
iii. tenure of members on the governance body;	/ more details on SMT members is available on corporate web site of Hemofarm https://www.hemofarm.com/srb/menadzment
iv. number of other significant positions and commitments held by each member, and the nature of the commitments;	In 2024, the members of Board of Directors did not have any external mandates. Dr Ronald Seeliger (CEO) is a member of Board of Governors of AmCham Serbia. He is also a member of the board of Foreign Investors Council and Chamber of Commerce of Serbia.
v. gender	Board of Directors: Female: 5 (45.5% in 2023; 6 or 50%) Male 6 (54.5%; in 2023 50%), Total 11 (100%). A change in the structure of the SMT occurred due to one of the members transitioning to a global role, and their position in the SMT has not been filled in the meantime.
vi. under-represented social groups;	/
vii. competencies relevant to the impacts of the organization;	Available on the corporate web site of Hemofarm (represented by adequate expert business positions taken by each individual SMT member) https://www.hemofarm.com/srb/menadzment
viii. stakeholder representation	/
2-10 Nomination and selection of the highest governance body	
a. Describe the nomination and selection processes for the highest governance body and its committees;	Members of the Board of Directors are appointed by STADA SEC, at the proposal of CEO and SMT
b. Describe the criteria used for nominating and selecting highest governance body members, including whether and how the following are taken into consideration:	
i. views of stakeholders (including shareholders);	/
ii. diversity;	Diversity is an important criterion in the composition of the Board of Directors. Therefore, men and women are equally represented 54.5%:45.5%.
iii. independence;	/
iv. competencies relevant to the impacts of the organization.	Available on the corporate web site of Hemofarm (represented by adequate expert business positions taken by each individual SMT member) https://www.hemofarm.com/srb/menadzment
2-11 Chair of the highest governance body	
a. Report whether the chair of the highest governance body is also a senior executive in the organization;	The Chairman of the Board of Directors is chief executive officer (CEO).
b. If the chair is also a senior executive, explain their function within the organization's management, the reasons for this arrangement, and how conflicts of interest are prevented and mitigated.	Due to the two-tier system with two separate Bodies - Supervisory Board (STADA level) as monitoring body and Board of Directors (Hemofarm level) as managing and decision making body, there is no such risk.
2-12 Role of the highest governance body in overseeing the management of impacts	
a. Describe the role of the highest governance body and of senior executives in developing, approving, and updating the organization's purpose, value or mission statements, strategies, policies, and goals related to sustainable development;	SMT is dealing with development, approving and updating of statements on the purpose, values and mission, strategies, policies etc., as well as goals of the organization related to the sustainable development (based on input of senior manager of global sustainable development to ESG topics).
b. Describe the role of the highest governance body in overseeing the organization's due diligence and other processes to identify and manage the organization's impacts on the economy, environment, and people, including:	

DISCLOSURE	REFERENCES
i. whether and how the highest governance body engages with stakeholders to support these processes;	In SMT meetings, the members regularly discuss the organization's impacts reported by the responsible member of the Board of Directors, director of Technical Operations (CTO) to the topic of environment protection, health and safety, and Chief People Officer (CPO) within C&P to the topic of human rights.
ii. how the highest governance body considers the outcomes of these processes;	The members of SMT accepted the global 'Sustainability Policy and ESG Commitments' published on Intranet. This Policy and commitments of the highest governance body also includes the results of an ESG materiality analysis (including stakeholder participation).
c. Describe the role of the highest governance body in reviewing the effectiveness of the organization's processes as described in 2-12-b, and report the frequency of this review.	The regulatory framework within which the company operates includes provisions of its Internal Control and Risk Management System, the STADA Code of Conduct, and group corporate policies on specific topics derived from it. To ensure compliance with applicable laws and internal rules, STADA has implemented a comprehensive Compliance Management System covering key areas such as anti-corruption, competition law, export control and sanctions, anti-money laundering, and data protection. STADA's Executive and Supervisory Boards regularly review reports from these Internal Control Systems during meetings at least once a year and adjust processes as needed. Topics related to ESG (environmental, social, and governance aspects) are also included. More details can be found in STADA's Sustainability Report for 2024, available at: https://www.stada.com/sustainability/sustainability-report.
2-13 Delegation of responsibility for managing impacts	
a. Describe how the highest governance body delegates responsibility for managing the organization's impacts on the economy, environment, and people, including:	
i. whether it has appointed any senior executives with responsibility for the management of impacts;	Within the Board of Directors, the management responsibility for sustainability, health, safety and environmental matters falls within the area of responsibility of the Chief Technical Officer. People, corporate culture and diversity falls within the area of responsibility of C&P Chief People Officer (CPO). SMT is the main body overseeing the management in respect to Sustainability / ESG, including some of the key members (from ESG perspective) - Chief Financial Officer (CFO), Chief Technical Officer (CTO), C&P Chief People Officer (CPO), together with CEO.
ii. whether it has delegated responsibility for the management of impacts to other employees;	Depending on the topic, the respective function (headed by the member of SMT) takes the leadership to develop respective programs and initiatives addressing and improving sustainability aspects within their area of responsibility (e.g. CTO via HSE function for climate change and occupational health and safety; Chief People Officer (CPO) via C&P function for diversity and training).
b. Describe the process and frequency for senior executives or other employees to report back to the highest governance body on the management of the organization's impacts on the economy, environment, and people	/
2-14 Role of the highest governance body in sustainability reporting	
a. Report whether the highest governance body is responsible for reviewing and approving the reported information, including the organization's material topics, and if so, describe the process for reviewing and approving the information;	SMT is responsible for review and approval of reported information. This body confirms the sustainability policy, material topics and aspects of sustainable development.
b. If the highest governance body is not responsible for reviewing and approving the reported information, including the organization's material topics, explain the reason for this.	/
2-15 Conflicts of interest	

DISCLOSURE	REFERENCES
a. Describe the processes for the highest governance body to ensure that conflicts of interest are prevented and mitigated;	In 2022, electronic confirmation was introduced for all employees worldwide, including SMT members, to confirm that they had read the Code of Conduct and acted in accordance with its principles. Since 2022, all employees worldwide, including SMT members, have also been required to submit an additional electronic confirmation regarding potentially existing conflicts of interest. In the future, both declarations must be submitted annually by all employees worldwide.
b. Report whether conflicts of interest are disclosed to stakeholders, including, at a minimum, conflicts of interest relating to:	No major/unresolved conflicts of interest were disclosed in 2024.
i. cross-board membership;	
ii. cross-shareholding with suppliers and other stakeholders;	
iii. existence of controlling shareholders;	
iv. related parties, their relationships, transactions, and outstanding balances.	
2-16 Communication of critical concerns	
a. Describe whether and how critical concerns are communicated to the highest governance body;	Monthly business reviews (MBRs) of all SMT members with the CEO (and competent global STADA functions), as well as SMT meetings, are used for communicating all critical concerns and acting in accordance with conclusions and proposed measures. Ad-hoc communication is applied in case of critical concerns.
b. Report the total number and the nature of critical concerns that were communicated to the highest governance body during the reporting period.	Intensive, informative communication was an ongoing topic in the internal channels given the war in Ukraine, global supply difficulties and rising inflation. In numerous employee briefings and across all national borders, STADA CEO Peter Goldschmidt as well as CEO of Hemofarm, Dr Ronald Seeliger provided information on current developments.
2-17 Collective knowledge of the highest governance body	
a. Report measures taken to advance the collective knowledge, skills, and experience of the highest governance body on sustainable development.	Monthly business reviews (MBRs) of all SMT members and competent directors with the CEO, as well as SMT meetings are used to advance the collective knowledge, skills and experience of the highest governance body on sustainable development.
2-18 Evaluation of the performance of the highest governance body	
a. Describe the processes for evaluating the performance of the highest governance body in overseeing the management of the organization's impacts on the economy, environment, and people;	The Supervisory Board receives reports of the Board of Directors on the intended business policy and other fundamental issues of corporate planning (in particular financial, investment and personnel planning), the profitability of the Company, the course of business (in particular sales and the situation of the Company) and transactions that could be of material significance for the profitability or liquidity of the Company. The Supervisory Board ensures that it is appropriately informed through the ongoing reporting from the Board of Directors and will, if necessary, exercise its right to demand reports from the Board of Directors on matters affecting the company. ESG aspects are part of the listed reports. In Supervisory Board meetings, the Board gets into direct exchange with the Board of Directors members also on the organization's impacts on the economy, environment, and people. The members of the Board of Directors have ESG-connected remuneration targets which are evaluated by the Supervisory Board.
b. Prijavite da li su procene nezavisne ili ne, i učestalost procena;	Evaluations are internal (not independent). See also 2-18.a.

DISCLOSURE	REFERENCES
c. Describe actions taken in response to the evaluations, including changes to the composition of the highest governance body and organizational practices	Section 1 of this Report / Chapter Company Profile 2024
2-19 Remuneration policies	
a. Describe the remuneration policies for members of the highest governance body and senior executives, including:	All available data is presented in the STADA Sustainability Report for 2024, in accordance with the applicable and relevant corporate policies. The content is accessible at the following link: https://www.stada.com/sustainability/sustainability-report. Additionally, compensation policies are influenced by the specific circumstances of each country, including collective bargaining agreements. Further information is currently not publicly available in accordance with applicable corporate procedures and rules.
i. fixed pay and variable pay;	
ii. sign-on bonuses or recruitment incentive payments;	
iii. termination payments;	
iv. clawbacks;	
v. retirement benefits;	Harmonization of benefit plan obligations and retirement plans at the Group level is ongoing and country-specific conditions will not be highlighted separately in this report. This topic will be presented in more detail in future reports.
b. Describe how the remuneration policies for members of the highest governance body and senior executives relate to their objectives and performance in relation to the management of the organization's impacts on the economy, environment, and people.	All available data is presented in the STADA Sustainability Report for 2024, in accordance with the applicable and relevant corporate policies. The content is accessible at the following link: https://www.stada.com/sustainability/sustainability-report. Also, remuneration policies are affected by country specifics and consequently by collective bargaining agreements. Additional data is currently not publicly available in accordance with applicable corporate procedures and rules.
2-20 Process to determine remuneration	
a. Describe the process for designing its remuneration policies and for determining remuneration, including:	All available data is presented in the STADA Sustainability Report for 2024, in accordance with the applicable and relevant corporate policies. The content is accessible at the following link: https://www.stada.com/sustainability/sustainability-report.
i. whether independent highest governance body members or an independent remuneration committee oversees the process for determining remuneration;	Additional data is currently not publicly available in accordance with applicable corporate procedures and rules.
ii. how the views of stakeholders (including shareholders) regarding remuneration are sought and taken into consideration;	The Supervisory Board of STADA manages this process.
iii. whether remuneration consultants are involved in determining remuneration and, if so, whether they are independent of the organization, its highest governance body and senior executives;	/

DISCLOSURE	REFERENCES
b. Report the results of votes of stakeholders (including shareholders) on remuneration policies and proposals, if applicable.	Members of the Board of Directors have ESG-connected remuneration targets.
2-21 Annual total compensation ratio	
a. Report the ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees(excluding the highest-paid individual);	All available data is presented in the STADA Sustainability Report for 2024, in accordance with the applicable and relevant corporate policies. The content is accessible at the following link: https://www.stada.com/sustainability/sustainability-report. Additional data is currently not publicly available in accordance with applicable corporate procedures and rules. Hemofarm is limited by internal rules to disclose more details on remuneration policies. According to local data from its significant locations of operation standard entry level wages at Hemofarm are above minimum wage rules for all of its employees, with no gender variations.
b. Report the ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual);	
c. Report contextual information necessary to understand the data and how the data has been compiled.	
2-22 Statement on sustainable development strategy	
a. Report a statement from the highest governance body or most senior executive of the organization about the relevance of sustainable development to the organization and its strategy for contributing to sustainable development.	Section 1 of this Report / Chapter CEO's Foreword
2-23 Policy commitments	
a. Describe its policy commitments for responsible business conduct, including:	Global policies, which are available to the internal public at all levels via the corporate intranet (and internally promoted), define all behaviours, rules and mechanisms related to this specific and related topics.
i. the authoritative intergovernmental instruments that the commitments reference;	
ii. whether the commitments stipulate conducting due diligence;	
iii. whether the commitments stipulate applying the precautionary principle;	Precautionary Principle is under review in order to be aligned to the global risk management at Hemofarm and would be included in the sustainable development management and sustainability reporting within the upcoming reporting cycles
iv. whether the commitments stipulate respecting human rights;	Sustainability & ESG Commitments Policy stipulate respecting human rights with strong commitments to this important topic.
b. Describe its specific policy commitment to respect human rights, including:	Hemofarm respects and promotes human rights in accordance with the UN Guiding Principles on Business and Human Rights and the Universal Declaration of Human Rights.
i. the internationally recognized human rights that the commitment covers;	
ii. the categories of stakeholders, including at-risk or vulnerable groups, that the organization gives particular attention to in the commitment;	All supply chain participants and stakeholders are expected to share the same approach as Hemofarm considering the respect of human rights.
c. Provide links to the policy commitments if publicly available, or, if the policy commitments are not publicly available, explain the reason for this;	Since Hemofarm is launching new sustainability section with more content within its official website, this policy is still not publicly available, except selected clauses that are shared with suppliers and stakeholders directly as well as integrated into ESG assessment of suppliers within EcoVadis platform
d. Report the level at which each of the policy commitments was approved within the organization, including whether this is the most senior level;	This policy was signed by representatives of STADA SEC, as well as Stada CEO.
e. Report the extent to which the policy commitments apply to the organization's activities and to its business relationships;	The policy covers all activities and operations of STADA, thus also all activities and operations of Hemofarm.

DISCLOSURE	REFERENCES
f. Describe how the policy commitments are communicated to workers, business partners, and other relevant parties	The policy was announced over Intranet article, available to all employees, and uploaded into the section of Global Policies (also available to all employees over Intranet). It was also presented in senior management meetings.
2-24 Embedding policy commitments	
a. Describe how it embeds each of its policy commitments for responsible business conduct throughout its activities and business relationships, including:	Policy commitments are integrated into creation of corporate culture that puts one of its focuses on ESG, which is actively communicated through internal and external communication channels.
i. how it allocates responsibility to implement the commitments across different levels within the organization;	Responsibility is allocated through STADA SEC and/or Hemofarm SMT.
ii. how it integrates the commitments into organizational strategies, operational policies, and operational procedures;	Commitments are integrated into organizational strategies, operational policies and procedures top down – from SEC/SMT to task forces and functional units of the company. Commitments are also addressed through the implementation of planned risk analysis, planned risk management process, the setting up of certain preventive measures, planned trainings and workshops.
iii. how it implements its commitments with and through its business relationships;	Commitments and their requirements are transparently communicated in all STADA and Hemofarm affiliates, and supply chain, with expectations that all should share the same ESG values. EcoVadis platform is used for suppliers' assessment.
iv. training that the organization provides on implementing the commitments.	Regular trainings are organized through responsible workstreams (i.e. ESG training over SAP HERO learning platform).
2-25 Processes to remediate negative impacts	
a. Describe its commitments to provide for or cooperate in the remediation of negative impacts that the organization identifies it has caused or contributed to;	In line with its purpose and its Sustainability Policy, Hemofarm is committed to preventing and mitigating all significant negative impact. Hemofarm's approach to identify and manage sustainability impact is described in this Sustainability Report. Also, its Code of Conduct provides information about ombudsman to address grievances from all stakeholders together with contact details at www.stada.com More details can be found in the STADA Sustainability Report for 2024, in accordance with the applicable and relevant corporate policies. The content is accessible at the following link: https://www.stada.com/sustainability/sustainability-report.
b. Describe its approach to identify and address grievances, including the grievance mechanisms that the organization has established or participates in;	
c. Describe other processes by which the organization provides for or cooperates in the remediation of negative impacts that it identifies it has caused or contributed to;	
d. Describe how the stakeholders who are the intended users of the grievance mechanisms are involved in the design, review, operation, and improvement of these mechanisms;	
e. Describe how the organization tracks the effectiveness of the grievance mechanisms and other remediation processes, and report examples of their effectiveness, including stakeholder feedback.	
2-26 Mechanisms for seeking advice and raising concerns	
a. Describe the mechanisms for individuals to:	
i. seek advice on implementing the organization's policies and practices for responsible business conduct;	The relevant department gives guidance regarding the implementation of their policies to the individuals seeking advice.
ii. raise concerns about the organization's business conduct.	There are several ways available to the individuals wishing to raise concerns about the organization's business conduct, including, Compliance, Culture and People department (C&P), their relevant managers, ombudsman, etc. Relevant information and the contact details are published on the intranet and internet sites.
2-27 Compliance with laws and regulations	

DISCLOSURE	REFERENCES
a. Report the total number of significant instances of non-compliance with laws and regulations during the reporting period, and a breakdown of this total by:	In 2024, the overall business operations of Hemofarm company were in line with applicable legislation. Accordingly, no material complaints, fines or non-monetary sanctions related to non-compliance with laws or regulations were recorded/incurred.
i. instances for which fines were incurred;	
ii. instances for which non-monetary sanctions were incurred;	
b. Report the total number and the monetary value of fines for instances of noncompliance with laws and regulations that were paid during the reporting period, and a breakdown of this total by:	/
i. fines for instances of non-compliance with laws and regulations that occurred in the current reporting period;	
ii. fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods;	
c. Describe the significant instances of non-compliance;	There are no material instances of non-compliance.
d. Describe how it has determined significant instances of non-compliance.	A material instance of non-compliance is determined as an instance having a group-wide effect or an instance in major compliance risk areas (e.g. anti-bribery, anti-corruption, export control, sanctions regulations, anti-monopoly and anti-trust, money laundering, etc.)
2-28 Membership associations	
a. Report industry associations, other membership associations, and national or international advocacy organizations in which it participates in a significant role	Experts of Hemofarm strive to offer their knowledge within the company activities in the following associations in Serbia: AmCham – American Chamber of Commerce, AHK - The German-Serbian Chamber of Commerce, FIC – Foreign Investors Council, SAM – Serbian Association of Managers, etc. Hemofarm is a member of the United Nations Global Compact.
2-29 Approach to stakeholder engagement	
a. Describe its approach to engaging with stakeholders, including:	
i. the categories of stakeholders it engages with, and how they are identified;	Internal and external stakeholders are engaged in Hemofarm's stakeholders engagement process. Section 1 of this Report
ii. the purpose of the stakeholder engagement;	Hemofarm seeks feedback from its stakeholders considering double materiality and its ESG impacts.
iii. how the organization seeks to ensure meaningful engagement with stakeholders.	Hemofarm prepares its stakeholder engagement respecting the principles of transparency, objectivity and continuity, aligned with GRI standards and reporting requirements.
2-30 Collective bargaining agreements	
DISCLOSURE	**REFERENCES**
a. Report the percentage of total employees covered by collective bargaining agreements;	STADA continues to express a clear commitment to the freedom of association as well as to the right of its workforce to unionize. Approximately 50% of the employees within the group are covered by a collective bargaining agreement (CBA). It also includes Hemofarm, which has concluded collective bargaining agreement with independent trade union representing the employees. The CBA is the result of an extensive negotiation process between the parties ensuring fair working conditions for various topics such as wages, working hours, and other terms and conditions of employment.
DISCLOSURE	**REFERENCES**
b. For employees not covered by collective bargaining agreements, report whether the organization determines their working conditions and terms of employment based on collective bargaining agreements that cover its other employees or based on collective bargaining agreements from other organizations.	Hemofarm strives to offer the same working conditions also to the employees not covered by CBA (even in the areas/countries) where it is not obligatory by the law.

MATERIAL TOPICS

DISCLOSURE	REFERENCES
3-1 Process to determine material topics	
a. Describe the process it has followed to determine its material topics, including:	Potential ESG topics were identified through the assessment of all business operations of Hemofarm and its potential ESG downstream/upstream impacts.
i. how it has identified actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights, across its activities and business relationships;	SMT, based on the inputs from relevant task forces/divisions, made a collection of potential positive / negative ESG impacts, together with likelihood of occurrence. The list was confirmed by STADA SEC in order to be offered to stakeholders. Special focus was put on respect for human rights, which resulted in creating new ESG policy that has been applicable since H2 2023.
ii. how it has prioritized the impacts for reporting based on their significance;	Impacts of double materiality and assessment of topics resulted in creation of list of priority topics per impacts as reporting base.
b. Specify the stakeholders and experts whose views have informed the process of determining its material topics.	Section 1 of this Report / Chapter Stakeholder Dialogue and Material Assessment
3-2 List of material topics	
a. List the material topics;	Section of this Report / Chapter Stakeholder Dialogue and Material Assessment
b. Report changes to the list of material topics compared to the previous reporting period.	Section of this Report / Chapter Stakeholder Dialogue and Material Assessment
3-3 Management of material topics	
a. Describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights;	Section 1 of this Report / Chapter Stakeholder Dialogue and Material Assessment
b. Report whether the organization is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships;	Hemofarm is not involved with actual negative material impacts through its activities or as a result of its business relationships.
c. Describe its policies or commitments regarding the material topic;	Hemofarm's Sustainability Policy defines its commitment to manage material topics and is published on www.stada.com; in Q3 2022., STADA initiated the revision of its 2021 Sustainability Policy by defining its clear ESG commitments. This revised Sustainability Policy and ESG Commitments were formally accepted in H2 2023, after all necessary alignments with various workstreams and ESG topics owners within internal stakeholders.
d. Describe actions taken to manage the topic and related impacts, including:	
i. actions to prevent or mitigate potential negative impacts;	Members of STADA SEC and Hemofarm SMT responsible for specific material topics are in charge for locating, defining, understanding and preventing potential negative impacts with strategic support from the whole STADA SEC and operating support through all adequate functional departments.
ii. actions to address actual negative impacts, including actions to provide for or cooperate in their remediation;	
iii. actions to manage actual and potential positive impacts;	
e. Report the following information about tracking the effectiveness of the actions taken:	
i. processes used to track the effectiveness of the actions;	Monthly business reviews, regular STADA SSC / Hemofarm SMT meetings and updates to the SEC / SMT as well as Sustainability Report are used to track the progress in sustainability.
ii. goals, targets, and indicators used to evaluate progress;	ESG Outlook, with particular workstreams' KPIs (in line with SDGs) act as a blueprint to evaluate progress. Collection of lessons learned resulted in initiating and establishing new Sustainability & ESG Commitments Policy.
iii. the effectiveness of the actions, including progress toward the goals and targets;	
iv. lessons learned and how these have been incorporated into the organization's operational policies and procedures;	
f. Describe how engagement with stakeholders has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective (3-3-e).	Double materiality assessment offered stakeholders overview on current progress of Hemofarm in sustainable development, while sustainability reporting and regularly updated contents on the website and intranet, offer adequate level of transparency on all actions taken.
GRI 201: Economic Performance 2016	
201-1 Direct economic value generated and distributed: a. Direct economic value generated and distributed (EVG&D) on an accruals basis, including the basic components for the organization's global operations as listed below. If data are presented on a cash basis, report the justification for this decision in addition to reporting the following basic components: i. Direct economic value generated: revenues; Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments; ii. Economic value retained: 'direct economic value generated' less 'economic value distributed'. b. Where significant, report EVG&D separately at country, regional, or market levels, and the criteria used for defining significance.	In the financial year 2024, Hemofarm generated sales of over 506 million euros (representing a 7.09% growth compared to 2023). The achieved EBITDA in 2024 amounts to 74.5 million euros, representing a growth of 17.10% compared to 2023. The adjusted EBITDA for the effect of exchange rate differences amounts to 75.8 million euros, and compared to the reference value from 2023 of 65.7 million euros, it records a growth of 15.37%. More information about the financial performance of the Group and its affiliates can be found in STADA's financial reports for 2024 and previous years (Financial Reports).https://www.stada.com/investor-relations/financial-publications/financial-reports
201-2 Financial implications and other risks and opportunities due to climate change: Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue, or expenditure, including: i. a description of the risk or opportunity and its classification as either physical, regulatory, or other; ii. a description of the impact associated with the risk or opportunity; iii. the financial implications of the risk or opportunity before action is taken; iv. the methods used to manage the risk or opportunity; v. the costs of actions taken to manage the risk or opportunity.	No case of a crisis situation that inflicted damage to the company or the environment and local communities was recorded in 2024. Climate change does not significantly affect the company's operations, nor does the company contribute significantly to climate change by performing its activities. Hemofarm plans to re-evaluate climate adaptation aspects to its business in 2025.

DISCLOSURE	REFERENCES
201-3 Defined benefit plan obligations and other retirement plans a. If the plan's liabilities are met by the organization's general resources, the estimated value of those liabilities. b. If a separate fund exists to pay the plan's pension liabilities: i. the extent to which the scheme's liabilities are estimated to be covered by the assets that have been set aside to meet them; ii. the basis on which that estimate has been arrived at; iii. when that estimate was made. c. If a fund set up to pay the plan's pension liabilities is not fully covered, explain the strategy, if any, adopted by the employer to work towards full coverage, and the timescale, if any, by which the employer hopes to achieve full coverage. d. Percentage of salary contributed by employee or employer. e. Level of participation in retirement plans, such as participation in mandatory or voluntary schemes, regional, or country-based schemes, or those with financial impact.	Harmonization of benefit plan obligations and retirement plans at the Group level is ongoing and country-specific conditions will not be highlighted separately in this report. This topic will be presented in more detail in future reports.
201-4 Financial assistance received from government a. Total monetary value of financial assistance received by the organization from any government during the reporting period, including: i. tax relief and tax credits; ii. subsidies; iii. investment grants, research and development grants, and other relevant types of grant; iv. awards; v. royalty holidays; vi. financial assistance from Export Credit Agencies (ECAs); vii. financial incentives; viii. other financial benefits received or receivable from any government for any operation. b. The information in 201-4-a by country. c. Whether, and the extent to which, any government is present in the shareholding structure.	No Group wide global data tracking on this topic has been established yet.
GRI 202: Market presence 2016	
202-1 Ratios of standard entry level wage by gender compared to local minimum wage a. When a significant proportion of employees are compensated based on wages subject to minimum wage rules, report the relevant ratio of the entry level wage by gender at significant locations of operation to the minimum wage. b. When a significant proportion of other workers (excluding employees) performing the organization's activities are compensated based on wages subject to minimum wage rules, describe the actions taken to determine whether these workers are paid above the minimum wage. c. Whether a local minimum wage is absent or variable at significant locations of operation, by gender. In circumstances in which different minimums can be used as a reference, report which minimum wage is being used. d. The definition used for 'significant locations of operation'.	Standard entry level wages at Hemofarm are above minimum wage rules for all of its employees, with no gender variations.
202-2 Proportion of senior management hired from the local community a. Percentage of senior management at significant locations of operation that are hired from the local community. b. The definition used for 'senior management'. c. The organization's geographical definition of 'local'. d. The definition used for 'significant locations of operation'.	The "upper management level" (equivalent to senior management) includes all members of SMT, that are also members of STADA Global Leadership Team, comprised of 12 members. **Total SMT members** | **11** | **%** Same country hired | 8 | 72,7% (75% in 2023) Different country hired | 3 | 27,3% (25% in 2023)

DISCLOSURE	REFERENCES
GRI 203: Indirect Economic Impacts 2016	
203-1 Infrastructure investments and services supported a. Extent of development of significant infrastructure investments and services supported. b. current or expected impacts on communities and local economies, including positive and negative impacts where relevant. c. whether these investments and services are commercial, in-kind, or pro bono engagements.	Section 1 of this Report and Section 2 of this Report. More information is available within the STADA Group's Sustainability Report and its financial statements, accessible at https://www.stada.com/sustainability/sustainability-report and https://www.stada.com/investor-relations/financial-publications/financial-reports, as well as general information available at www.stada.com
203-2 Significant indirect economic impacts a. Examples of significant identified indirect economic impacts of the organization, including positive and negative impacts. b. Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities, such as national and international standards, protocols, and policy agendas.	Since its foundation in 1993 until end of 2024, Hemofarm Foundation (HFF), conducted approx. 2,500 activities and supported almost 3,850 young people, future leaders in the healthcare, pharmaceutical, and technology industries. HFF invested around 14 million EUR in programs for health, education and culture, which makes a difference in society and distinguishes Hemofarm from other companies in pharmaceutical industry. During the past ten years, HFF has been awarded more than 60 times for its work at the global, European, regional, and national levels. More than 200 exceptional individuals, experts in the fields of health, education, social responsibility, sustainable development, philanthropy, and culture wrote blogs for HFF on the most current topics in these fields. More details available at https://www.fondacijahemofarm.org.rs/eng In 2024, Hemofarm Foundation (HFF) was awarded five prizes for its campaign on organ donation and transplantation, titled "The Most Important Call in Life", as well as one recognition for the Foundation's director, Suzana Đorđević. Four awards were received at the regional creativity festival "BalCannes" in Rovinj, including: Grand Prix for the Best Socially Responsible Project of the Year, Grand Prix for the Best Advertiser of the Year, two gold awards in the categories of Health and Pharmacy and Community Care. HFF also received a special recognition, the "Disrupt Star" award, for the Best Socially Responsible Project of 2023 at the Disrupt Awards competition. With these achievements, the total number of awards received by the Foundation over the past ten years exceeds 60. Additionally, Suzana Đorđević, the director of the Hemofarm Foundation, was honored with the PRO PR Globe People Achievement Award for 2024, recognizing her contribution to the communications industry on a global, regional, and local level.
GRI 204: Procurement Practices 2016	
204-1 Proportion of spending on local suppliers a. Percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation (such as percentage of products and services purchased locally). b. The organization's geographical definition of 'local'. c. The definition used for 'significant locations of operation'.	Section 2 of this Report
GRI 205: Anti-corruption 2016	
205-1 Operations assessed for risks related to corruption a. Total number and percentage of operations assessed for risks related to corruption b. Significant risks related to corruption identified through the risk assessment. c. No significant risks (zero cases) related to corruption were identified in Hemofarm in 2024.	All operations (100%) are in the scope of STADA's compliance management system (including STADA's global Code of Conduct, global Anti-Bribery and Anti-Corruption Policy, and subject to internal audits). Whistleblowing Policy enables employees to submit any suspicion of a corruption case.

DISCLOSURE	REFERENCES
205-2 Communication and training about anti-corruption policies and procedures a. Total number and percentage of governance body members that the organization's anticorruption policies and procedures have been communicated to, broken down by region. b. Total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region. c. Total number and percentage of business partners that the organization's anticorruption policies and procedures have been communicated to, broken down by type of business partner and region. Describe if the organization's anti-corruption policies and procedures have been communicated to any other persons or organizations. d. Total number and percentage of governance body members that have received training on anti-corruption, broken down by region. e. UTotal number and percentage of employees that have received training on anticorruption, broken down by employee category and region. All employees have been enrolled to the Compliance e-learning covering anti-corruption topics. Currently, the overall participation rate is over 98%.	Global Anti-Bribery and Anti-Corruption Policy, along with other global policies and the Code of Conduct, have been presented to all employees and made available to them over Intranet.
205-3 Confirmed incidents of corruption and actions taken a. Total number and nature of confirmed incidents of corruption. b. Total number of confirmed incidents in which employees were dismissed or disciplined for corruption. c. Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption. d. Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.	In 2024 there were no confirmed incidents of corruption.
GRI 206: Anti-competitive Behaviour 2016	
206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices a. Number of legal actions pending or completed during the reporting period regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant. b. Main outcomes of completed legal actions, including any decisions or judgements.	/ STADA's compliance management system is monitoring and preventing the occurrence of any anti-competitive behaviour, anti-trust, and monopoly practices in all Group's operations. By the Code of Conduct, STADA, together with its affiliates like Hemofarm, is committed to a free, fair and undistorted competition. The company expects its employees to act in the course of business in accordance with antitrust laws and must always be aware and comply with applicable laws and regulations and adhere to the principle of fair competition. Whistleblowing Policy enables employees to submit any suspicion of a case relevant for the addresses aspects.
GRI 207: Tax 2019	
207-1 Approach to tax A description of the approach to tax, including: i. whether the organization has a tax strategy and, if so, a link to this strategy if publicly available; ii. the governance body or executive-level position within the organization that formally reviews and approves the tax strategy, and the frequency of this review; iii. the approach to regulatory compliance; iv. how the approach to tax is linked to the business and sustainable development strategies of the organization.	All data on economic performance, including taxes, is presented in the STADA Group's Sustainability Report and its financial statements, available at https://www.stada.com/sustainability/sustainability-report and https://www.stada.com/investor-relations/financial-publications/financial-reports, as well as in general information on www.stada.com.

DISCLOSURE	REFERENCES
207-2 Tax governance, control, and risk management a. A description of the tax governance and control framework, including: i. the governance body or executive-level position within the organization accountable for compliance with the tax strategy; ii. how the approach to tax is embedded within the organization; iii. the approach to tax risks, including how risks are identified, managed, and monitored; iv. how compliance with the tax governance and control framework is evaluated. b. A description of the mechanisms to raise concerns about the organization's business conduct and the organization's integrity in relation to tax. c. A description of the assurance process for disclosures on tax including, if applicable, a link or reference to the external assurance report(s) or assurance statement(s).	
207-3 Stakeholder engagement and management of concerns related to tax A description of the approach to stakeholder engagement and management of stakeholder concerns related to tax, including: i. the approach to engagement with tax authorities; ii. the approach to public policy advocacy on tax; iii. the processes for collecting and considering the views and concerns of stakeholders, including external stakeholders	
207-4 Country-by-country reporting a. All tax jurisdictions where the entities included in the organization's audited consolidated financial statements, or in the financial information filed on public record, are resident for tax purposes. b. For each tax jurisdiction reported in Disclosure 207-4-a i. Names of the resident entities; ii. Primary activities of the organization; iii. Number of employees, and the basis of calculation of this number; iv. Revenues from third-party sales; v. Revenues from intra-group transactions with other tax jurisdictions; vi. Profit/loss before tax; vii. Tangible assets other than cash and cash equivalents; viii. Corporate income tax paid on a cash basis; ix. Corporate income tax accrued on profit/loss; x. Reasons for the difference between corporate income tax accrued on profit/loss and the tax due if the statutory tax rate is applied to profit/loss before tax. c. The time period covered by the information reported in Disclosure 207-4.	
GRI 301: Materials	
3301-1: Materials used by weight or volume Total weight or volume of materials that are used to produce and package the organization's primary products and services during the reporting period, by: i. non-renewable materials used; ii. renewable materials used.	Section 2 of this Report
301-2: Recycled input materials used Percentage of recycled input materials used to manufacture the organization's primary products and services.	Hemofarm uses recycled cardboard for secondary and transport packing of its products. Quantities of recycled input materials used in 2024 are presented in Section 2 of this Report.
301-3: Reclaimed products and their packaging materials a. Percentage of reclaimed products and their packaging materials for each product category. b. How the data for this disclosure have been collected.	Given that pharmaceutical production involves the creation of products that have a high impact on human health, this kind of reuse of products is currently not possible, in accordance with the laws and regulations of the industry itself.
GRI 302: Energy	

DISCLOSURE	REFERENCES
302-1: Energy consumption within the organization a. Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used. b. Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used. c. In joules, watt-hours or multiples, the total: i. electricity consumption ii. heating consumption iii. cooling consumption iv. steam consumption d. In joules, watt-hours or multiples, the total: i. electricity sold ii. heating sold iii. cooling sold iv. steam sold e. Total energy consumption within the organization, in joules or multiples. f. Standards, methodologies, assumptions, and/or calculation tools used. g. Source of the conversion factors used.	a. /b. /c: Presented in Section 2 of this Report Additionally, the total energy consumption by fuel type within the STADA Group amounts to:* **By Type (MWh)** / **2022** / **2023** / **2024** Fossil Fuels / 103,524 / 104,023 / 107,679 Mobile Combustion / 27,507 / 38,395 / 52,782 Steam/District Heating / 31,525 / 33,557 / 41,524 Electricity – Non-Renewable / 81,374 / 59,187 / 46,500 Electricity – Renewable / 38,678 / 64,514 / 85,401 **Total Energy Consumption** / 282,608 / 299,678 / 333,888 *Data from 2023 and earlier related to operations in Russia, specifically in Obninsk and Nizhny Novgorod, which ceased to be subsidiaries of the STADA Group as of 2023, have been retroactively excluded. Data sourced from STADA's parent company (reference: https://www.stada.com/sustainability/sustainability-report). a./b. Total energy consumption from production sites, pure office sites and company cars; c. Hemofarm is collecting energy consumption for fossil sources (incl. purchased steam) which is used mainly for heating purposed and electricity; c iii./iv. No separate energy monitoring for cooling and steam available as consumption is covered either in fossil fuel and/or electricity consumption; d. Hemofarm is not selling energy; f. Energy consumption data is based on meter readings and applicable heating value. Source for conversion factors is GHG Protocol.
302-2: Energy consumption outside of the organization a. Energy consumption outside of the organization, in joules or multiples. b. Standards, methodologies, assumptions, and/or calculation tools used. c. Source of the conversion factors used.	Not applicable as Hemofarm's products are pharmaceutical products and do not consume energy.

DISCLOSURE	REFERENCES
302-3: Energy Intensity a. Energy intensity ratio for the organization. b. Organization-specific metric (the denominator) chosen to calculate the ratio. c. Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, steam, or all. d. Whether the ratio uses energy consumption within the organization, outside of it, or both.	a. The energy intensity ratio is as follows: **2022** / **2023** / **2024** Energy consumption in MWh per 1 mill packs (internal production)* / 510.5 / 492.2 / 584.5 Energy consumption in MWh / k€ Sales / 85,7 / 80,2 / 82,3 b. per 1 mill packs: Energy consumption from STADA Group per 1 mill produced product packages from internal production; per Net revenue: Energy consumption from STADA Group per net revenue of STADA Group, (net revenue resulting from internally and externally produced and sold products) c. energy includes all fuel types as disclosed in GRI 302-1 d. energy intensity ratio is based on energy consumption of STADA
302-4: Reduction of energy consumption a. Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples. b. Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, or all. c. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it. d. Standards, methodologies, assumptions, and/or calculation tools used.	a. The reduction in energy as a result of energy efficiency projects is monitored exclusively internally. b. Opportunities for reducing energy consumption generally apply to all types of energy, including electricity, fossil fuels, and others. c./ d. The energy reduction potential is assessed as part of the business case calculation.
302-5: Reductions in energy requirements of products and services a. Reductions in energy requirements of sold products and services achieved during the reporting period, in joules or multiples. b. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it. c. Standards, methodologies, assumptions, and/or calculation tools used.	/ Not relevant for Hemofarm's product portfolio
GRI 303: Water and Effluents	
303-1: Interactions with water as a shared resource a. A description of how the organization interacts with water, including how and where water is withdrawn, consumed, and discharged, and the water-related impacts caused or contributed to, or directly linked to the organization's activities, products or services by a business relationship (e.g., impacts caused by runoff). b. A description of the approach used to identify water-related impacts, including the scope of assessments, their timeframe, and any tools or methodologies used. c. A description of how water-related impacts are addressed, including how the organization works with stakeholders to steward water as a shared resource, and how it engages with suppliers or customers with significant water-related impacts. d. An explanation of the process for setting any water-related goals and targets that are part of the organization's management approach, and how they relate to public policy and the local context of each area with water stress.	a. The efficient use of water is essential for Hemofarm. Water is used at manufacturing sites for manufacturing (including cleaning) and associated auxiliary processes. Water is withdrawn from third party suppliers (municipal water suppliers), and groundwater wells are operated at our sites at Vrsac and Sabac. Water consumption is presented in Section 2 of this Report. b. Water from manufacturing sites is discharged as indirect discharge to public sewer networks and are subject to discharge permit requirements. Hemofarm possesses its own primary wastewater treatment plants. The impact on local water stress is assessed annually using WRI Aqueduct Water Risk Atlas. c) / d) Water consumption is reported quarterly for monthly consumption data and evaluated on site and global level to understand trends and initiate action as required. The regular management business review meetings are used to address relevant water-related impacts and aligning them with stakeholders' requirements and public policies.

DISCLOSURE	REFERENCES
303-2: Management of water discharge-related impacts A description of any minimum standards set for the quality of effluent discharge, and how these minimum standards were determined, including: i. how standards for facilities operating in locations with no local discharge requirements were determined; ii. any internally developed water quality standards or guidelines; iii. any sector-specific standards considered; iv. whether the profile of the receiving waterbody was considered.	i. Wastewater management is part of Hemofarm's site HSE MS standards and processes to meet applicable regulatory requirements. Wastewater is discharged from all sites as in-direct discharge to public sewer networks subject to local discharge permit (incl. physical and chemical threshold parameters as well as monitoring requirements). At some sites we also operate waste-water treatment plants before discharge into the municipal sewer and the subsequent treatment by the urban wastewater treatment plant. ii. Wastewater discharge is subject to permit requirements which define our internal specification and therefore there are no specific internally developed water quality standards or guidelines. iii. Hemofarm started to evaluate the application of the AMR IA Antibiotic Manufacturing Standard and plans to evaluate relevant internal production sites in 2025 accordingly. iv. The profile of the receiving waterbody was not considered by Hemofarm as the discharge is in the municipal sewer (indirect discharge) and is subject to the discharge thresholds specified by the operator of the receiving waste-water treatment plant.
303-3: Water withdrawal a. Total water withdrawal from all areas in megaliters, and a breakdown of this total by the following sources, if applicable: i. Surface water; ii. Groundwater; iii. Seawater; iv. Produced water;; v. Third-party water. b. Total water withdrawal from all areas with water stress in megaliters, and a breakdown of this total by the following sources, if applicable: i. Surface water; ii. Groundwater; iii. Seawater; iv. Produced water; v. Third-party water, and a breakdown of this total by the withdrawal sources listed in i-iv. c. A breakdown of total water withdrawal from each of the sources listed in Disclosures 303-3-a and 303-3-b in megaliters by the following categories: i. Freshwater (≤1,000 mg/L Total Dissolved Solids); ii. Other water (>1,000 mg/L Total Dissolved Solids). d. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.	a. Presented in Section 2 of this Report. b./c. Information is not fully available as the final source and location of water withdrawal from the municipal supplier is not known. The 2 sites with own groundwater-wells are not located in an area with high water stress. d. Data is based on water meter readings.

DISCLOSURE	REFERENCES
303-4 Water discharge a. Total water discharge to all areas in megaliters, and a breakdown of this total by the following types of destination, if applicable: i. Surface water; ii. Groundwater; iii. Seawater; iv. Third-party water, and the volume of this total sent for use to other organizations, if applicable. b. A breakdown of total water discharge to all areas in megaliters by the following categories: i. Freshwater (≤1,000 mg/L Total Dissolved Solids); ii. Other water (>1,000 mg/L Total Dissolved Solids). c. Total water discharge to all areas with water stress in megaliters, and a breakdown of this total by the following categories: i. Freshwater (≤1,000 mg/L Total Dissolved Solids); ii. Other water (>1,000 mg/L Total Dissolved Solids). d. Priority substances of concern for which discharges are treated, including: i. how priority substances of concern were defined, and any international standard, authoritative list, or criteria used; ii. the approach for setting discharge limits for priority substances of concern; iii. number of incidents of non-compliance with discharge limits. e. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.	a./b. Water of Hemofarm manufacturing sites is discharged into municipal sewer and a constant measurement of discharge quantities is not required at most sites. Reported water discharge therefore is based on water intake used for production, sanitary and auxiliary processes. The amount of collected storm-water runoff discharged into municipal sewer; not collected rainwater runoff (e.g. from roof areas) penetrated into the surface ground or water input into products is not monitored and considered in reported data. d: i., ii.: Discharge limits are defined by the local authority as part of our indirect-discharge permits; e. /
303-5 Water consumption a. Total water consumption from all areas in megaliters. b. Total water consumption from all areas with water stress in megaliters. c. Change in water storage in megaliters, if water storage has been identified as having a significant water-related impact. d. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used, including whether the information is calculated, estimated, modelled, or sourced from direct measurements, and the approach taken for this, such as the use of any sector-specific factors.	Presented in Section 2 of this Report.
GRI 304: Biodiversity	
304-1: Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas For each operational site owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas, the following information: i. Geographic location; ii. Subsurface and underground land that may be owned, leased, or managed by the organization; iii. Position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas; iv. Type of operation (office, manufacturing or production, or extractive); v. Size of operational site in km2 (or another unit, if appropriate); vi. Biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area (terrestrial, freshwater, or maritime ecosystem); vii. Biodiversity value characterized by listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation).	Based on internal evaluation (e.g. using EEA GIS Map application) none of Hemofarm manufacturing sites is located in or adjacent to protected areas and areas of high biodiversity value outside protected areas.

DISCLOSURE	REFERENCES
304-2: Significant impacts of activities, products, and services on biodiversity a. Nature of significant direct and indirect impacts on biodiversity with reference to one or more of the following: i. Construction or use of manufacturing plants, mines, and transport infrastructure; ii. Pollution (introduction of substances that do not naturally occur in the habitat from point and non-point sources); iii. Introduction of invasive species, pests, and pathogens; iv. Reduction of species; v. Habitat conversion; vi. Changes in ecological processes outside the natural range of variation (such as salinity or changes in groundwater level). b. Significant direct and indirect positive and negative impacts with reference to the following: i. Species affected; ii. Extent of areas impacted; iii. Duration of impacts; iv. Reversibility or irreversibility of the impacts.	Hemofarm's business operations do not exert a significant negative impact on the environment or biodiversity surrounding its manufacturing plants or on the business premises of the company in which its core activity is carried out. In that regard, there are no protected habitats, areas of high biodiversity value outside protected areas or endangered animal and plant species under special protection at the sites at which Hemofarm operates.
304-3 Habitats protected or restored a. Size and location of all habitat areas protected or restored, and whether the success of the restoration measure was or is approved by independent external professionals. b. Whether partnerships exist with third parties to protect or restore habitat areas distinct from where the organization has overseen and implemented restoration or protection measures. c. Status of each area based on its condition at the close of the reporting period. d. Standards, methodologies, and assumptions used.	
304-3: IUCN Red List species and national conservation list species with habitats in areas affected by operations Total number of IUCN Red List species and national conservation list species with habitats in areas affected by the operations of the organization, by level of extinction risk: i. Critically endangered ii. Endangered iii. Vulnerable iv. Near threatened v. Least concern	There are no IUCN Red List species and national conservation list species with habitats in areas affected by Hemofarm's operations.

GRI 305: Emissions

DISCLOSURE	REFERENCES
305-1 Direct (Scope 1) GHG emissions: a. Gross direct (Scope 1) GHG emissions in metric tons of CO2 equivalent. b. Gases included in the calculation; whether CO2, CH4 , N2O, HFCs, PFCs, SF6 , NF3 , or all. c. Biogenic CO2 emissions in metric tons of CO2 equivalent. d. Base year for the calculation, if applicable, including: i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source. f. Consolidation approach for emissions; whether equity share, financial control, or operational control. g. Standards, methodologies, assumptions, and/or calculation tools used.	a. The scope 1 GHG emissions within STADA Group from baseline 2020 to 2022 are as follows: * **GHG emissions** / **2020.** / **2021.** / **2022.** / **2023.** / **2024.** Scope 1 [t CO2e] / 31.639,7 / 28.908,5 / 34.399,1 / 40.104,5 / 40.923,1 *Data from previous years have been retroactively adjusted according to the GHG protocol. It is the result from the withdrawal of Stada's business activities from Russia and Bradbury (UK), as well as the application of modified and improved calculation methods. b) All gases in accordance with the GHG protocol are included. c) Not applicable because there are no direct biogenic CO2 emissions. d) Base year is 2020 (i), Group-wide reporting started in 2020, (ii) 2020, (iii) no recalculation of the base year was carried out. e) Sources are emission factors from AIB Residual Mix and IEA for purchased electricity, as well as UK DEFRA – conversion factors for purchased steam/heating. f) Consolidation approach based on 'operational control'. g) GHG protocol as underlying standard; production plants: based on monitored primary energy consumption; offices: based on measured primary energy consumption (if available) or estimate based on the surface area of the space and average energy consumption factor.
305-2 Indirect (Scope 2) GHG emissions a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO2 equivalent. b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO2 equivalent. c. If available, the gases included in the calculation; whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all. d. Base year for the calculation, if applicable, including: i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source. f. Consolidation approach for emissions; whether equity share, financial control, or operational control. g. Standards, methodologies, assumptions, and/or calculation tools used.	a. Total scope 2 GHG emissions within STADA Group from baseline 2020 to 2022 are as follows: * **GHG emissions** / **2020.** / **2021.** / **2022.** / **2023.** / **2024.** Scope 2 [t CO2e] (location-based) / 68,381.0 / 71.377,4 / 75.844,2 / 72.737,9 / 79.412,6 Scope 2 [t CO2e] (market-based) / 75.032,8 / 62.148,1 / 59.746,7 / 41.723,2 / 29.853,6 *Data from previous years have been retroactively adjusted according to the GHG protocol. It is the result from the withdrawal of Stada's business activities from Russia and Bradbury (UK), as well as the application of modified and improved calculation methods. b) All gases in accordance with the GHG protocol are included. c) Not applicable because there are no direct biogenic CO2 emissions. d) Base year is 2020 (i), Group-wide reporting started in 2020, (ii) 75,039 t CO2e, (iii) no recalculation of the base year was carried out. e) Sources are emission factors from AIB Residual Mix and IEA for purchased electricity, as well as UK DEFRA – conversion factors for purchased steam/heating. f) Consolidation approach based on 'operational control'. g) GHG protocol as underlying standard; production plants: based on monitored primary energy consumption; offices: based on measured primary energy consumption (if available) or estimate based on the surface area of the space and average energy consumption factor.

DISCLOSURE	REFERENCES
305-3 Other indirect (Scope 3) GHG emissions a. Gross other indirect (Scope 3) GHG emissions in metric tons of CO2 equivalent. b. If available, the gases included in the calculation; whether CO2 , CH4 , N2O, HFCs, PFCs, SF6 , NF3 , or all. c. Biogenic CO2 emissions in metric tons of CO2 equivalent. d. Other indirect (Scope 3) GHG emissions categories and activities included in the calculation. e. Base year for the calculation, if applicable, including: i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. f. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source. g. Consolidation approach for emissions; whether equity share, financial control, or operational control. h. Standards, methodologies, assumptions, and/or calculation tools used.	STADA uses the Persefoni computer software for the calculation of Scope 3 emissions and it has calculated Scope 3 emissions for the fiscal year 2023 for the first time. **GHG emissions** / **2023** / **2024** Gross Scope 3 emissions [tons of CO2] / 816.423 / 722.316 b. Distribution of emissions by GHG (tCO2e) CO2 / 796.671 CH4 / 89.532 N2O / 20.207 HFCs / 62.803 PFCs / 2.944 SF4 / 48.392 NF3 / 0 Unspecified / 8.831 c. Not applicable because there are no direct biogenic CO2 emissions. d. Other GHG Scope 3 emissions by material category: **2023** / **2024** Category 1 / 718,416 / 640,221 Category 2 / 18,444 / 10,765 Category 3 / 31,606 / 34,440 Category 4 / 41,617 / 35,163 Other (incl. cat. 5, 6, 7, 9) / 6,340 / 1.727 e. Base year for calculation is 2023. i. Strategic decision as part of Stada's commitment to sustainable development and ESG goals ii. see text above iii. not applicable f. The used GWP (global warming potential) originates from AR5. g. Consolidation approach based on 'operational control'. h. The methodology is based on the GHG Protocol, and applied calculations are in line with that standard. The specific methodologies vary depending on the emission source and available data, e.g. Exiobase – Monetary Model version 3.8.2 is used for cost and revenue-based calculations (categories 1, 2 and 4), IEA 2023 and UK DEFRA are used for fuel- and energy-related activities, as well as waste (categories 3 and 5).

DISCLOSURE	REFERENCES
305-4 GHG emissions intensity a. GHG emissions intensity ratio for the organization. b. Organization-specific metric (the denominator) chosen to calculate the ratio. c. Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3). d. Gases included in the calculation; whether CO2, CH4 , N2O, HFCs, PFCs, SF6 , NF3 , or all.	a. GHG (Scope 1 and 2) emissions intensity ratio for STADA is as follows: **GHG Emissions (Scope 1 and 2)*** / **2022** / **2023** / **2024** T CO2/mio of packs / 170,1 / 134,4 / 123,9 T CO2 /mio€ revenue / 28,5 / 23,5 / 17,4 *Data from previous years have been retroactively adjusted according to the GHG protocol. It is the result from the withdrawal of Stada's business activities from Russia and Bradbury (UK), as well as the application of modified and improved calculation methods. b. Per million of packs: Greenhouse gas (GHG) scope 1 and 2 emissions for STADA Group per 1 million of packs of internally manufactured products; per net revenue: Emissions from scope 1 and 2 for STADA Group per net revenue of STADA Group (net revenue from internally and externally manufactured and sold products). c. Includes Scope 1 and Scope 2 emissions, as outlined in GRI 305-1 and 305-2 standards. d. Gases covered under the GHG Protocol.

DISCLOSURE	REFERENCES
305-5 Reduction of GHG emissions a. GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO2 equivalent. b. Gases included in the calculation; whether CO2, CH4 , N2O, HFCs, PFCs, SF6 , NF3 , or all. c. Base year or baseline, including the rationale for choosing it. d. Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3). e. Standards, methodologies, assumptions, and/or calculation tools used.	Reduction of STADA's scope 1 and 2 GHG emissions from baseline 2020 to 2024 as follows: **GHG emissions** / **2020.** / **2021.** / **2022.** / **2023.** / **2024.** Total GHG emissions (Scope 1 + 2) / 106.672,5 / 91.056,6 / 94.145,8 / 81.827,7 / 70.776,7 Scope 1 and 2 GHG emissions cumulative change from baseline 2020 [%] / - / -14.6% / -11.7% / -23.3% / -33.7% STADA has committed to reducing its Scope 1 and 2 emission in 2021 in accordance with the 1.5°C global warming target and has set the goal to reduce its own absolute greenhouse gas emissions (scope 1 and 2) by -42 % in the perion from 2020 to 2030. Over the last 4 years, STADA achieved an absolute GHG emission reduction of 33.7 %. STADA Group's participation in the SBTi (Science Based Targets initiative) confirms its commitment to setting strong, science-based decarbonisation targets. The company is working on short-term targets for Scope 1 and 2 (absolute reduction) and Scope 3 (supplier engagement), and these targets and data submissions are planned for validation by SBTi in 2025. b. CO2 gases are included based on fossil fuel consumption; HFCs. c. Base year is 2020 when STADA defined its GHG reduction target. d. Scope 1 and 2 emissions are jointly reported. e. GHG protocol as underlying standard; assumptions and estimates are applied when measured data are not available (e.g. GHG emissions resulting from average company car fuel consumption and mileage; energy consumption from offices when measured data are not available).
305-6 Emissions of ozone-depleting substances (ODS) a. Production, imports, and exports of ODS in metric tons of CFC-11 (trichlorofluoromethane) equivalent. b. Substances included in the calculation. c. Source of the emission factors used. d. Standards, methodologies, assumptions, and/or calculation tools used.	STADA is not involved in production of ODS but is using ODS in its cooling units which are mainly required for HVAC, cooling of production equipment and offices. Equipment is subject to regular inspection as legally required. ODS losses are reported and included in GHG reporting.
305-7 Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions a. Significant air emissions, in kilograms or multiples, for each of the following: i. NOx ii. SOx iii. Persistent organic pollutants (POP) iv. Volatile organic compounds (VOC) v. Hazardous air pollutants (HAP) vi. Particulate matter (PM) vii. Other standard categories of air emissions identified in relevant regulations b. Source of the emission factors used. c. Standards, methodologies, assumptions, and/or calculation tools used.	STADA is NOx, SOx and other air pollutants by the combustion of natural gas which is our main fossil fuel used. Sites are subject to regular emission monitoring following applicable concentration thresholds. Absolute air emissions in kilograms are therefore not tracked and available.

GRI 306: Waste

DISCLOSURE	REFERENCES
306-1: Waste generation and significant waste-related impacts For the organization's significant actual and potential waste-related impacts, a description of: i. the inputs, activities, and outputs that lead or could lead to these impacts; ii. whether these impacts relate to waste generated in the organization's own activities or to waste generated upstream or downstream in its value chain.	i. Waste originates from production (main inputs are raw materials, packaging material) and office activities. Waste streams are segregated for recycling or disposal based on local regulatory requirements and local market options for recycling. Outputs include mainly plastic, paper / cardboard, general waste, laboratory waste and others. ii. Data regarding waste generation refers to Hemofarm's own activities.
306-2 Management of significant waste-related impacts a. Actions, including circularity measures, taken to prevent waste generation in the organization's own activities and upstream and downstream in its value chain, and to manage significant impacts from waste generated. b. If the waste generated by the organization in its own activities is managed by a third party, a description of the processes used to determine whether the third party manages the waste in line with contractual or legislative obligations. c. The processes used to collect and monitor waste-related data.	a. Waste management is an integral part of Hemofarm sites' environmental management processes, programs and targets. Waste management is based on the principle to continuously reduce and avoid waste, to increase the ratio between recycling and landfilling and finally to ensure an environmentally safe and compliant disposal via certified waste management companies. b. Waste is further handled by third party waste management companies which are subject to internal control processes (e.g., certified waste management companies; site visits). c. Waste is segregated and collected on-site following defined internal processes. Waste data is monitored by dedicated personnel (e.g., waste records) and recorded for local purposes and reported to global function.

DISCLOSURE	REFERENCES
306-3 Generated waste a. Total weight of waste generated in metric tons, and a breakdown of this total by composition of the waste. b. Contextual information necessary to understand the data and how the data has been compiled. **306-4 Waste diverted from disposal** a. Total weight of waste diverted from disposal in metric tons, and a breakdown of this total by composition of the waste. b. Total weight of hazardous waste diverted from disposal in metric tons, and a breakdown of this total by the following recovery operations: i. Preparation for reuse; ii. Recycling; iii. Other recovery operations. c. Total weight of non-hazardous waste diverted from disposal in metric tons, and a breakdown of this total by the following recovery operations: i. Preparation for reuse; ii. Recycling; iii. Other recovery operations. d. For each recovery operation listed in Disclosures 306-4-b and 306-4-c, a breakdown of the total weight in metric tons of hazardous waste and of non-hazardous waste diverted from disposal: i. onsite; ii. offsite. e. Contextual information necessary to understand the data and how the data has been compiled. **306-5 Waste directed to disposal** a. Total weight of waste directed to disposal in metric tons, and a breakdown of this total by composition of the waste. b. Total weight of hazardous waste directed to disposal in metric tons, and a breakdown of this total by the following disposal operations: i. Incineration (with energy recovery); ii. Incineration (without energy recovery); iii. Landfilling; iv. Other disposal operations. c. Total weight of non-hazardous waste directed to disposal in metric tons, and a breakdown of this total by the following disposal operations: i. Incineration (with energy recovery); ii. Incineration (without energy recovery); iii. Landfilling; iv. Other disposal operations. d. For each disposal operation listed in Disclosures 306-5-b and 306-5-c, a breakdown of the total weight in metric tons of hazardous waste and of non-hazardous waste directed to disposal: i. onsite; ii. offsite; e. Contextual information necessary to understand the data and how the data has been compiled.	**306.3 a; 306.4; 306.5** Presented in Section 2 of this Report. **306-3 b: Reported waste generated includes waste from Hemofarm manufacturing sites. Waste generated from stand-alone office locations is not included. Waste data is reported and consolidated at site level according to applicable legal requirements and reported and consolidated at global level.** **306-4 b/c: Breakdown by recovery operation not available** d) No waste recovery is executed on-site e) Waste data is reported and consolidated at site level according to applicable legal requirements and reported and consolidated at global level. **306-5 b ii./iii.: Data split not available as internal reporting does not differentiate accordingly** c) Breakdown by recovery operation not available d) No waste disposal is executed on-site e) Waste data is reported and consolidated at site level according to applicable legal requirements and reported and consolidated at global level.
GRI 308: Supplier Environmental Assessment	
308-1: New suppliers that were screened using environmental criteria Percentage of new suppliers that were screened using environmental criteria.	In 2022, STADA started to set-up its Responsible Procurement program (RP program) and decided to partner with EcoVadis to evaluate the ESG risk and performance of its suppliers. STADA's RP program is headed by our Global Procurement function, including also members from Global HSE, Legal Affairs and Supply Chain departments. Starting 2023, STADA has defined its critical supplier categories and is currently in the process to evaluate them using EcoVadis. By December 31st, 2024, 920 suppliers have already been assessed in EcoVadis for environmental and social criteria. No significant negative environmental impacts in the supply chain were recorded to STADA's knowledge in 2024.
308-2: Negative environmental impacts in the supply chain and actions taken a. Number of suppliers assessed for environmental impacts. b. Number of suppliers identified as having significant actual and potential negative environmental impacts. c. Significant actual and potential negative environmental impacts identified in the supply chain. d. Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment. e. Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment, and why.	
GRI 401: Employment 2016	

DISCLOSURE	REFERENCES
401-1 New employee hires and employee turnover a. Total number and rate of new employee hires during the reporting period, by age group, gender and region. b. Total number and rate of employee turnover during the reporting period, by age group, gender and region.	STADA offers its employees both performance-oriented as well as demand and market-oriented compensation. Employee fluctuation in 2024: **12/2024** 12,291 | **09/2024** 12,339 | **06/2024** 12,237 | **03/2024** 12,254 | **Avg HC 2024** 12,280 Total Hires in 2024: 2,021 Total Leavers in 2024: 1,833 Fluctuation in 2024: 14,8% (12,4% in 2023) Data collection in line with the age, gender and geolocation classification is in place, while the reporting as per specified parameters is not established at the Group level yet.
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees a. Benefits which are standard for full-time employees of the organization but are not provided to temporary or part-time employees, by significant locations of operation. These include, as a minimum: i. life insurance; ii. health care; iii. disability and invalidity coverage; iv. parental leave; v. retirement provision; vi. stock ownership; vii. others. b. The definition used for 'significant locations of operation'	The same benefits are offered to temporary, part time and full time employees. Presented in Section 2 of this Report.
401-3 Parental leave a. Total number of employees that were entitled to parental leave, by gender. b. Total number of employees that took parental leave, by gender. c. Total number of employees that returned to work in the reporting period after parental leave ended, by gender. d. Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender. e. Return to work and retention rates of employees that took parental leave, by gender.	In accordance with national regulations, employees have the opportunity to take parental leave. Presented in Section 2 of this Report. Notes: 1) The re-entry rate is the ratio between the total number of employees who returned to work after parental leave and the total number of employees whose return to work after parental leave was agreed. 2) These include employee resignations and employer terminations, severance agreements and resignations after the expiration of the contract.
GRI 402: Labor-Management Relations 2016	
402-1 Minimum notice periods regarding operational changes a. The minimum number of weeks typically provided to employees and their representatives prior to implementing significant operational changes that could substantially affect them. b. For organizations with collective agreements, specify whether the notice period and provisions for consultation and negotiation are included in the collective agreements.	The defined notice period (minimum notice period) for accepting any changes to the contract, scope of work, job position, compensation, and other employment-related factors is regulated by law in all countries where Hemofarm operates. In Serbia, Bosnia and Herzegovina, and Montenegro, this period is 8 days and is communicated to employees via the online SAP SuccessFactors tool along with a notification sent by reference email. The minimum notice period is also defined in the Collective Agreement. All compensation changes are tracked through approval workflows in SAP SuccessFactors, involving Human Resources and a one-on-one approval principle to ensure full compliance with audit standards. Stakeholders, including shareholders, are involved in reward practices through global approval management.
GRI 403: Occupational Health and Safety	

DISCLOSURE	REFERENCES
403-1: Occupational health and safety management system a. A statement of whether an occupational health and safety management system has been implemented, including whether: i. the system has been implemented because of legal requirements and, if so, a list of the requirements; ii. the system has been implemented based on recognized risk management and/or management system standards/guidelines and, if so, a list of the standards/guidelines. b. A description of the scope of workers, activities, and workplaces covered by the occupational health and safety management system, and an explanation of whether and, if so, why any workers, activities, or workplaces are not covered.	Presented in Section 2 of this Report. **Site** / **ISO 45001** / **ISO 14001** Vršac/Dubovac, Serbia / X / X Šabac, Serbia / X / X Podgorica, Montenegro / X / X Banja Luka, B&H / X / X
403-2: Hazard identification, risk assessment, and incident investigation a. A description of the processes used to identify work-related hazards and assess risks on a routine and non-routine basis, and to apply the hierarchy of controls in order to eliminate hazards and minimize risks, including: i. how the organization ensures the quality of these processes, including the competency of persons who carry them out; ii. how the results of these processes are used to evaluate and continually improve the occupational health and safety management system. b. A description of the processes for workers to report work-related hazards and hazardous situations, and an explanation of how workers are protected against reprisals. c. A description of the policies and processes for workers to remove themselves from work situations that they believe could cause injury or ill health, and an explanation of how workers are protected against reprisals. d. A description of the processes used to investigate work-related incidents, including the processes to identify hazards and assess risks relating to the incidents, to determine corrective actions using the hierarchy of controls, and to determine improvements needed in the occupational health and safety management system.	a. STADA's global and site level H&S processes on Risk Assessment and Management sets its guidance and requirements based on the hierarchy of risk control, to ensure that a) the risks and impacts of its operations and of external risks to people, the environment, equipment, operations, and property are identified, assessed, and understood; b) appropriate controls are selected to eliminate or reduce risks and environmental impacts; c) issuance of safe work permits for specified high risk activities; d) controls are monitored continually to ensure their effectiveness and the risk re-evaluated in response to incidents or any deterioration in controls; and e) risks and controls are communicated across our organization. b. STADA encourages and promotes a culture of safety where everyone is mindful of hazards and helps to resolve and avoid them by doing the right thing. STADA operates a no blame culture and actively promotes employees to report unsafe acts & unsafe conditions via its near miss program. These are reported and investigated with appropriate actions implemented, to continually look to reduce the likelihood of harm within STADA's work environments and keep its employees safe. Every employee has also the option to report any issues via the STADA ombudsman. c. STADA's global and site level H&S processes are defining responsibilities by line management to ensure compliance, show active leadership and promote pro-active HSE culture and for employees to support positive H&S culture and being responsible for their own and other colleagues' safety and report any H&S non – compliance, incident or near miss situation. Every employee has also the option to report any issues via the STADA ombudsman. Where employees have safety concerns, they are encouraged to stop work and report to line management who can carry out the necessary investigation to evaluate concerns and take any measures required to ensure the work environment is safe for work to continue. d. Health and safety performance at STADA is managed via internal processes that define the requirements for the classification, recording and investigation of accidents. When accidents do occur, our investigations focus on understanding causal factors, identifying the root cause and identifying both corrective & preventative measures to prevent re-occurrence. STADA shares information and lessons learnt from incident investigations across all its operational sites via the HSE Global community. STADA reports lagging indicators (as Lost Time Incident Rate) and leading indicators (as Near Miss Reporting rate). The company analyses data to identify and initiate areas for improvement at the site or global level with each site having discrete individual targets in place. Additional: presented in section 2 of this Report.
403-3: Occupational health services A description of the occupational health services' functions that contribute to the identification and elimination of hazards and minimization of risks, and an explanation of how the organization ensures the quality of these services and facilitates workers' access to them.	Occupational health support is provided by external professional company doctors / occupational health providers. The services provided to our employees include mandatory medical surveillance, return to work advice and – depending on the local organization – different voluntary health checks-up or consultancy services. Where relevant due to the associated hazards, company doctors are involved in the workplace risk assessments process.

DISCLOSURE	REFERENCES
403-4: Worker participation, consultation, and communication on occupational health and safety a. A description of the processes for worker participation and consultation in the development, implementation, and evaluation of the occupational health and safety management system, and for providing access to and communicating relevant information on occupational health and safety to workers. b. Where formal joint management-worker health and safety committees exist, a description of their responsibilities, meeting frequency, decision-making authority, and whether and, if so, why any workers are not represented by these committees.	a. The active participation of employees is crucial element to enable a safe and healthy working environment. Safety communication is fully embedded at our production site's TIER – meeting process which ensure a structured daily communication about H&S at the shop floor. Through regular communication, training and site-level activities (e.g. ILO World Day for Safety and Health at Work) we ensure workforce engagement and awareness. b. Health & safety committees are in place as legally required and managed locally. These committees typically include representatives from unions/workers council, management representatives, H&S experts and company doctor.
403-5: Worker training on occupational health and safety A description of any occupational health and safety training provided to workers, including generic training as well as training on specific work-related hazards, hazardous activities, or hazardous situations..	Occupational health and safety training is provided as integral part of Stada's and Hemofarm's site-level HSE management system (e.g. ISO 45001 certified) and are based on training matrix/need assessment. Trainings include general induction training for new employees, training on the specific work-related hazards and prevention measures and external for specific functions trainings as legally required.
403-6 Promotion of worker health a. An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided. b. A description of any voluntary health promotion services and programs offered to workers to address major non-work-related health risks, including the specific health risks addressed, and how the organization facilitates workers' access to these services and programs.	a./b. Hemofarm offers on local level different programs to address general health aspects. This includes local health activities (e.g. over the course of health days), voluntary well-being offers (e.g. fitness centres/sport apps and global initiatives as the 'Health Challenge'.
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships A description of the organization's approach to preventing or mitigating significant negative occupational health and safety impacts that are directly linked to its operations, products, or services by its business relationships, and the related hazards and risks.	There are no significant negative occupational health and safety impacts identified that are directly linked to Hemofarm's operations, products or services by its business relationships, and the related hazards and risks.
403-8 Workers covered by an occupational health and safety management system a. If the organization has implemented an occupational health and safety management system based on legal requirements and/or recognized standards/guidelines: i. the number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system; ii. the number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system that has been internally audited; iii. the number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system that has been audited or certified by an external party. b. Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded. c. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.	All employees (100%) as well as all workers who provide services to Hemofarm at company's sites (100%) are covered by an occupational health and safety management system.

DISCLOSURE	REFERENCES
403-9: Work-related injuries a. For all employees: i. The number and rate of fatalities as a result of work-related injury; ii. The number and rate of high-consequence work-related injuries (excluding fatalities); iii. The number and rate of recordable work-related injuries; iv. The main types of work-related injury; v. The number of hours worked. b. For all workers who are not employees but whose work and/or workplace is controlled by the organization: i. The number and rate of fatalities as a result of work-related injury; ii. The number and rate of high-consequence work-related injuries (excluding fatalities); iii. The number and rate of recordable work-related injuries; iv. The main types of work-related injury; v. The number of hours worked. c. The work-related hazards that pose a risk of high-consequence injury, including: i. how these hazards have been determined; ii. which of these hazards have caused or contributed to high-consequence injuries during the reporting period; iii. actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls. d. Any actions taken or underway to eliminate other work-related hazards and minimize risks using the hierarchy of controls. e. Whether the rates have been calculated based on 200,000 or 1,000,000 hours worked. f. Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded. g. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.	Presented in Section 2 of this Report.
403-10: Work-related ill health a. For all employees: i. The number of fatalities as a result of work-related ill health; ii. The number of cases of recordable work-related ill health; iii. The main types of work-related ill health. b. For all workers who are not employees but whose work and/or workplace is controlled by the organization: i. The number of fatalities as a result of work-related ill health; ii. The number of cases of recordable work-related ill health; iii. The main types of work-related ill health. c. The work-related hazards that pose a risk of ill health, including: i. how these hazards have been determined; ii. which of these hazards have caused or contributed to cases of ill health during the reporting period; iii. actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls. d. Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded. e. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.	a. No work-related cases of recognized occupational diseases were recorded in 2024. b. Data not available. c. Work-related hazards that pose a risk of ill health are mainly evaluated through workplace risk assessment. d/e. Not applicable.
GRI 404: Training and Education 2016	
404-1 Average hours of training per year per employee a. Average hours of training that the organization's employees have undertaken during the reporting period, by: i. gender; ii. employee category.	LMS (Learning Management System) data system is used to aggregate data for the average hours of training per employee, that amounted at 5 hours per employee in 2024. i. gender structure is not a reference criterion for implementation of training, but the required expertise and plan of employee development ii all employee categories participated in trainings

DISCLOSURE	REFERENCES
404-2 Programs for upgrading employee skills and transition assistance programs a. Type and scope of programs implemented and assistance provided to upgrade employee skills. b. Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.	Employee training is defined and coordinated by the respective departments on a needs-oriented basis and in accordance with individual development plans (IDP) offered to all employees. Nearly one out of two employees had an IDP documented in the SAP Success Factors Employee Management System in 2024. Several talent development programs (for all leaders and for high potentials) took place and organizational talent reviews (OTRs) were conducted twice during the year. STADA developed its own learning approach consisting of 3 main pillars: learning on the job (70%), social learning (20%), and formal learning (10%).
404-3 Percentage of employees receiving regular performance and career development reviews Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.	100% - All employees within the STADA group did receive feedback.
GRI 405: Diversity and Equal Opportunity 2016	
405-1 Diversity of governance bodies and employees	
a. Percentage of individuals within the organization's governance bodies in each of the following diversity categories:	
i. Gender	Board of Directors: Female: 45.5%, Male 54.5%, Total 100%
ii. Age group: under 30 years old, 30-50 years old, over 50 years old;	/
iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).	/
b. percentage of employees per employee category in each of the following diversity categories:	Calculations based on HC, full-time and permanent employees
i. Gender	/
ii. Age group: under 30 years old, 30-50 years old, over 50 years old;	Presented in Section 2 of this Report.
iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).	/ 88 nations are represented in STADA's team
405-2 Odnos osnovne zarade i naknade između žena i muškaraca a. Odnos osnovne zarade i naknade između žena i muškaraca za svaku kategoriju zaposlenih, prema značajnim lokacijama poslovanja. b. Definicija koja se koristi za „značajne lokacije poslovanja".	/ Standard entry level wages at Hemofarm are above minimum wages prescribed by the law for all the employees, with no gender variations (including ratio of basic salary and remuneration of women to men).
GRI 406: Non-discrimination 2016	
406-1 Incidents of discrimination and corrective actions taken a. Status of the incidents and actions taken with reference to the following: i. Incident reviewed by the organization; ii. Remediation plans being implemented; iii. Remediation plans that have been implemented, with results reviewed through routine internal management review processes; iv. Incident no longer subject to action.	STADA complies with existing regulations, and therefore is committed to the principle of equal treatment, and pursues violations of the German Non-Discrimination Act (AGG; due to the location of its headquarters or adequate local complementary laws and regulations with other subsidiaries) with disciplinary consequences. In order to promote protection against discrimination in the workplace, employees are, for example, instructed in the applicable non-discrimination policy upon entering the company, and an internal complaints office serves as a contact point. No incidents of discrimination, together with corrective actions taken, were recorded in the reporting period at STADA. According to the Whistleblower Policy STADA's employees are enabled to submit potential cases of violation their rights. No such whistleblowing cases were reported in the reporting year 2024.
GRI 407: Freedom of Association and Collective Bargaining 2016	

DISCLOSURE	REFERENCES
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk a. Operations and suppliers in which workers' rights to exercise freedom of association or collective bargaining may be violated or at significant risk either in terms of: i. type of operation (such as manufacturing plant) and supplier; ii. countries or geographic areas with operations and suppliers considered at risk. b. Measures taken by the organization in the reporting period intended to support rights to exercise freedom of association and collective bargaining.	/ No Group wide global data tracking has been established yet.
GRI 408: Child Labour 2016	
408-1 Operations and suppliers at significant risk for incidents of child labour a. Operations and suppliers considered to have significant risk for incidents of: i. child labour; ii. young workers exposed to hazardous work. b. Operations and suppliers considered to have significant risk for incidents of child labour either in terms of: i. type of operation (such as manufacturing plant) and supplier; ii. countries or geographic areas with operations and suppliers considered at risk. c. Measures taken by the organization in the reporting period intended to contribute to the effective abolition of child labour.	For STADA Operation no such significant risk is identified. In 2022, STADA has started to set-up its Responsible Procurement program (RP program) and decided to partner with EcoVadis to evaluate the ESG risk and performance of its suppliers (920 suppliers have already been assessed from ESG aspect through this platform). No Group wide global data tracking had been established for 2024. To date, the company has not received reports of cases of the employment of minors, or any cases of the violation of labour rights of its employees, on any grounds whatsoever.
GRI 409: Forced or Compulsory Labour 2016	
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour a. Operations and suppliers considered to have significant risk for incidents of forced or compulsory labour either in terms of: i. type of operation (such as manufacturing plant) and supplier; ii. countries or geographic areas with operations and suppliers considered at risk. b. Measures taken by the organization in the reporting period intended to contribute to the elimination of all forms of forced or compulsory labour.	For STADA Operation no such significant risk is identified. In 2022, STADA has started to set-up its Responsible Procurement program (RP program) and decided to partner with EcoVadis to evaluate the ESG risk and performance of its suppliers (920 suppliers have already been assessed from ESG aspect through this platform). No Group wide global data tracking had been established for 2024. In 2024, the company has not received reports of significant risks for accidents of forced or compulsory labour.
GRI 410: Security Practices 2016	
410-1 Security personnel trained in human rights policies or procedures a. Percentage of security personnel who have received formal training in the organization's human rights policies or specific procedures and their application to security. b. Whether training requirements also apply to third-party organizations providing security personnel.	The security personnel (either employed with the company or hired through third parties) has to comply with the company Code of Conduct, which applies to all employees individually as well as its ethical principles.
GRI 411: Rights of Indigenous Peoples 2016	
411-1 Incidents of violations involving rights of indigenous peoples a. Total number of identified incidents of violations involving the rights of indigenous peoples during the reporting period. b. Status of the incidents and actions taken with reference to the following: i. Incident reviewed by the organization; ii. Remediation plans being implemented; iii. Remediation plans that have been implemented, with results reviewed through routine internal management review processes; iv. Incident no longer subject to action.	Hemofarm does not exert a negative impact on the indigenous populations in the communities in which it performs its activities.
GRI 413: Local Communities 2016	
413-1 Operations with local community engagement, impact assessments, and development programs	
Percentage of operations with implemented local community engagement, impact assessments, and/or development programs, including the use of:	STADA is engaging with local communities, including impacts assessments and development programs through Hemofarm Foundation, its subsidiary from Serbia (covering Serbia, Bosnia and Herzegovina, Montenegro) as well as through as hoc initiatives within different subsidiaries. Since only Hemofarm Foundation has formal local community engagement programs, it would be considered here as the only data source. Compared to number of employees in those countries where the Foundation is active, to all STADA employees, the percentage of the total operations with local community engagement, impacts assessments and development programs amounts at 28%. When it comes to Hemofarm, that percentage amounts to 100%.
i. social impact assessments, including gender impact assessments, based on participatory processes;	Hemofarm Foundation directs its activities into 3 main programs - Program for Health, Program for Education and Program for Culture. Since gender balance is an important ESG KPI for STADA, the Foundation strives to enable full respect for gender balance within all its programs. Also, it assesses the needs of vulnerable groups including gender impacts i.e. within LGBTIQ+ population.
ii. environmental impact assessments and ongoing monitoring;	In accordance with the assessment of the impact of climate change on the environment in Serbia, Bosnia and Herzegovina and Montenegro, the Hemofarm Foundation initiated a continuous afforestation of endangered areas, which has so far planted hundreds of trees in order to preserve local ecosystems, with a special focus on preventing soil erosion due to floods.
iii. public disclosure of results of environmental and social impact assessments;	Regular activity reports are publicly available at: https://www.fondacijahemofarm.org.rs/eng/ko-smo-mi/izvestaji-o-radu
iv. local community development programs based on local communities' needs;	Main programs of the Foundation are indicated under 'i', while one of the examples hosted by Program for Health is project 'A Cup of Coffee with a Psychologist'. In order to point out the importance of mental health and encourage the public to seek help from experts, Hemofarm Foundation has launched this project, with the aim to influence general public's awareness that mental health must be taken care of in the same way as physical health, and that mental health disorders are not a personal weakness, but rather a health problem for which there is an adequate solution if expert assistance is sought in time. 'A Cup of Coffee with a Psychologist' project has been conceived as a series of free-of-charge sessions with psychologists at which all interested parties can get an insight into particular psychological conditions and obtain advice on whom to address for getting support. The panel sessions are an opportunity to talk about mental health openly with experts – psychologists and psychiatrists, as well as with the representatives of relevant institutions and public figures who have personally coped with some of such problems in their life. 'A Cup of Coffee with a Psychologist' project has been implemented with the support of the Psychology Institute within the Faculty of Philosophy in Belgrade, and in partnership with Art Commune Dorćol Platz. Discussions on the topics of fighting depression, stress at work, career and family, how to cope with illness, how to accept the fact that you cannot get pregnant, divorce, addiction, how to restrain children from using electronic devices were organized during the implementation of this project. An initiative to start this project came from medical doctors and media professionals, who are the members of the Management Board of the Foundation (https://www.fondacijahemofarm.org.rs/eng/ko-smo-mi/nas-tim), based on perceived important social problems brought about by mental health problems. More examples of community development programs are available at: https://www.fondacijahemofarm.org.rs/eng/sta-radimo
v. stakeholder engagement plans based on stakeholder mapping;	More than 200 exceptional individuals, experts in the fields of health, education, social responsibility, sustainable development, philanthropy, and culture wrote blogs for Hemofarm Foundation on the most current topics in these fields. Content available at: https://www.fondacijahemofarm.org.rs/eng/blog
vi. broad based local community consultation committees and processes that include vulnerable groups;	Hemofarm Foundation is the founder and member of the Serbian Philanthropic Forum and a member of the European Philanthropic Association, which gathers 10,000 profit and non-profit foundations from 30 European countries. These institutions include assessing the needs of vulnerable groups like migrants, LGBTIQ+ and others. Humanitarian aid, inter alia, has been collected for NURDOR (National Association of Parents of Children with Cancer in Serbia), Shelter for Parentless Children, Shelter for Adults and Elderly People, and others.

DISCLOSURE	REFERENCES
vii. works councils, occupational health and safety committees and other worker representation bodies to deal with impacts;	All STADA's formal employee bodies in the countries where Hemofarm Foundation is active are encouraged to participate in the process of social partnership for the benefit of the community. One of such examples was collecting goods to donate to Ukraine, after the war started there.
viii. formal local community grievance processes.	The entire public in the areas where the Foundation is active is invited to point out all key issues of social importance, including complaints and objections, to publicly available contacts. The Foundation actively considers all types of externally initiated communication and, in accordance with the conclusions, proposes further action, addressing institutions of public importance, which can be involved in solving localized social problems. Contacts are available from the Foundation's website: https://www.fondacijahemofarm.org.rs/eng
413-2 Operations with significant actual and potential negative impacts on local communities Operations with significant actual and potential negative impacts on local communities, including: i. the location of the operations; ii. the significant actual and potential negative impacts of operations.	No case of crisis situation or significant actual and potential negative impacts on local communities in the areas of Hemofarm's operations was recorded in 2024.
GRI 414: Supplier Social Audit	
414-1: : New suppliers that were screened using social criteria Percentage of new suppliers that were screened using social criteria.	In 2022, STADA started to set-up its Responsible Procurement program (RP program) and decided to partner with EcoVadis to evaluate the ESG risk and performance of its suppliers. This program is headed by Global Procurement function, including also members from Global HSE, Legal and Supply Chain. Starting 2023, STADA has defined its critical supplier categories and is currently in the process to evaluate them using EcoVadis. By December 31st, 2024, 920 suppliers have already been assessed in EcoVadis for environmental and social criteria.
414-2: Negative social impacts in the supply chain and actions taken a. Number of suppliers assessed for social impacts. b. Number of suppliers identified as having significant actual and potential negative social impacts. c. Significant actual and potential negative social impacts identified in the supply chain. d. Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment. e. Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why.	No Group wide global data tracking for 2024 had been established.
GRI 415: Public Policy 2016	
415-1 Political contributions a. Total monetary value of financial and in-kind political contributions made directly and indirectly by the organization by country and recipient/beneficiary. b. If applicable, how the monetary value of in-kind contributions was estimated.	In 2024, as in the previous reporting cycles, Hemofarm did not receive or grant any types of donations, either in kind or in money, to political parties, politically active persons, or political and state institutions.
GRI 416: Customer Health and Safety 2016	
416-1 Assessment of the health and safety impacts of product and service categories	

DISCLOSURE	REFERENCES
Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	Within pharmacovigilance all products (100%) are obligatory monitored for health and safety impacts (pharmaceutical industry requirements). An Adverse Drug Reaction (ADR) in pharmacovigilance is defined as an unintended or undesired harmful reaction occurring at doses normally used by a patient for the diagnosis, treatment, or prevention of a disease. Simply put, these are unexpected medical issues that occur due to medication use. ADRs are key concerns in pharmacovigilance, the science and activities related to the detection, assessment, understanding, and prevention of adverse effects or any other possible drug-related problems. Adverse reactions could be minor like a rash, or more severe like organ failure, and in extreme cases can even lead to death. They can occur immediately after administration, or they can take time to develop. Identifying ADRs, and working to reduce their occurrence is a crucial part of pharmacovigilance. This includes post-market surveillance where the safety of drugs is monitored in large numbers of patients in the 'real-world' setting post approval, in addition to regulated clinical trials carried before the drug's approval. This also involves communicating the risk associated with medicines to healthcare professionals and the public, as well as implementing strategies to minimize any potential risk. Presented in Section 2 of this Report.
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting period, by: i. incidents of non-compliance with regulations resulting in a fine or penalty; ii. incidents of non-compliance with regulations resulting in a warning; iii. incidents of non-compliance with voluntary codes. b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.	Hemofarm's quality and pharmacovigilance management system is monitoring and preventing the occurrence of incidents of non-compliances with regulations and/or voluntary codes regarding the health & safety of our products. Over the course of 2024, there were no instances of product non-compliance with the regulations resulting in a fine or penalty or warning.
GRI 417: Marketing and Labelling 2016	
417-1 Requirements for product information and labelling a. Whether each of the following types of information is required by the organization's procedures for product and service information and labelling: i. The sourcing of components of the product or service; ii. Content, particularly with regard to substances that might produce an environmental or social impact; iii. Safe use of the product or service; iv. Disposal of the product and environmental or social impacts; v. Other (explain). b. Percentage of significant product or service categories covered by and assessed for compliance with such procedures.	Labelling is defined as written, printed or graphical matter on any article or container, which provides adequate and necessary information about the product. The purpose of labelling of medicines is the clear and unambiguous identification of the medicine and the conditions for its safe use, prescribed by strict and demanding legal regulations and pharmaceutical standards. Hemofarm applies mandatory information to its products to meet the standards of product safety.
417-2 Incidents of non-compliance concerning product and service information and labelling a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labelling, by: i. incidents of non-compliance with regulations resulting in a fine or penalty; ii. incidents of non-compliance with regulations resulting in a warning; iii. incidents of non-compliance with voluntary codes. b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.	/ b. Hemofarm's quality and pharmacovigilance management system is monitoring and preventing the occurrence of incidents of non-compliances with regulations and/or voluntary codes regarding product and service information and labelling. There were no material instances of non-compliance of Hemofarm products with the regulations resulting in any material fine or penalty or warning over the course of 2024 concerning product and service information and labelling.
417-3 Incidents of non-compliance concerning marketing communications a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by: i. incidents of non-compliance with regulations resulting in a fine or penalty; ii. incidents of non-compliance with regulations resulting in a warning; iii. incidents of non-compliance with voluntary codes. b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.	/ In 2024, there were no material incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications at Hemofarm, including advertising, promotion and sponsorship.
GRI 418: Customer Privacy 2016	

DISCLOSURE	REFERENCES
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data a. Total number of substantiated complaints received concerning breaches of customer privacy, categorized by: i. complaints received from outside parties and substantiated by the organization; ii. complaints from regulatory bodies. b. Total number of identified leaks, thefts, or losses of customer data. c. If the organization has not identified any substantiated complaints, a brief statement of this fact is sufficient.	a. There have been no substantiated material complaints concerning breaches of customer privacy by outside parties, organizations or regulatory bodies. b. There were no leaks, thefts, or losses of customer data in 2024.

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INDEPENDENT PRACTITIONER'S ASSURANCE REPORT

TO THE MANAGEMENT OF HEMOFARM AD VRŠAC

Scope

We have been engaged by HEMOFARM AD VRŠAC to perform a 'limited assurance engagement', as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on Hemofarm AD Vršac qualitative and quantitative disclosures (the "Subject Matter") contained in Sustainable Development Report for the period from 1 January 2024 to 31 December 2024 (the "Report").

Criteria applied by Hemofarm AD Vršac
In preparing the qualitative and quantitative disclosures contained in the Sustainable Development Report, Hemofarm AD Vršac applied the requirement as set in the Global Reporting Initiative Sustainability Reporting Standards' ('GRI Standards') (the „Criteria").

Hemofarm AD Vršac responsibilities

Company's management is responsible for selecting the Criteria, and for presenting the Sustainable Development Report in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

Practitioner's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000 (Revised)'). Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.
We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

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Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement.

EY also 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 that we 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.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, 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. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the qualitative and quantitative disclosures contained in Sustainable Development Report for the period from 1 January 2024 to 31 December 2024 and applying analytical and other appropriate procedures.

Our procedures included:

- Obtaining an understanding of the structure of the sustainability organization and of the stakeholder engagement;
- Assessment of the process for conducting the materiality analysis in accordance with the GRI Criteria;
- Inquiries of personnel involved in the preparation of the Report regarding the preparation process, the internal control system relating to this process and disclosures in the Report;
- Identification of the risks of material misstatement of the Report under consideration of the GRI Criteria;
- Analytical procedures on qualitative and quantitative disclosures presented in the Report;
- Evaluation of the presentation of the qualitative and quantitative disclosures in accordance with the GRI Criteria;
- Review of the GRI Content Index and the references included therein, against the GRI Standards' requirements.

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Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that need to be made to qualitative and quantitative disclosures contained in the Sustainable Development Report for the period from 1 January 2024 to 31 December 2024, in order for it to be in accordance with the Criteria.

Belgrade, 30 July 2025

PREDUZEĆE ZA REVIZIJU Ernst & Young II d.o.o. BEOGRAD

Danijela Mirković
Authorized Auditor
Ernst & Young d.o.o. Beograd