

ADAMED PHARMA

ESG REPORT

2021-2022

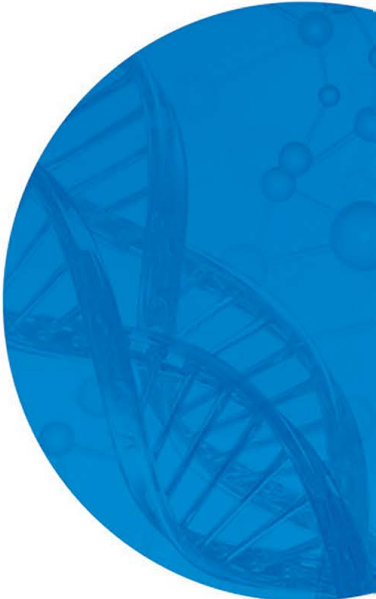


Table of contents

Message from the Owners	4
Who we are	6
We manage responsibly	11
CSR/ESG strategy	13
We act ethically	14
We adhere to the highest standards	16
Responsible manufacturer	20
Zoom in on manufacturing	23
Adamed for the environment and climate	26
Research and development	34
We are constantly looking for innovative solutions	37
Responsible employer	44
We care about our team	46

Engagement Survey	47
Competency model	49
We support the ambitions of our Employees	50
Remuneration policy	54
Kaizen	56
Health promotion	57
We foster equality and diversity	58
We are committed to safety and security	60
Responsible partner	62
Adamed for the Family	64
We care about the community	68
ADAMED SmartUP	74
Aid to Ukraine	78
We care about the economy	
About the report	82
Auditor's statement	84
GRI content index	87



Dear Sir/Madam,

2022 is behind us – a time that the world will remember not only for successes in the fight against pandemics, but also for Russia’s aggression against Ukraine. These two events have something in common: security, including pharmaceutical security. COVID-19 and the war across our eastern border both made it clear to us that pharmaceutical security is just as important as energy or military security.

Adamed has been an important player in guaranteeing drug security for the Poles for years. We consider this issue as one of our key areas of responsibility. Some of our manufacturing facilities are located in Poland, and we naturally prioritise the domestic market. We are also consistently upscaling our manufacturing activities, as demonstrated by our investment in the expansion of the Production and Logistics Centre in Pabianice, where we intend to produce four billion tablets a year.

Drug security comes with maximum coverage. We offer drugs for chronic diseases across 19 therapeutic areas, and the development of our portfolio is marked by innovation. For more than 35 years, our research and development activities have allowed us to pursue our mission, which is to respond to the key challenges facing today’s medicine. Cooperation with the academic and scientific community is critical in this context. We have been demonstrating for years that effective cooperation between the business and the academia is a prerequisite for innovation growth. At Adamed, this model delivers many new solutions based on own patents and improvements to existing therapies, while contributing to the development of medicine and pharmaceuticals. Read our report for details on Adamed’s innovative projects and solutions. Here, we would only like to draw your attention to a topic that is important in this context: the implementation of our New Drug Discovery strategy through the acquisition of a laboratory in Kajetany. Over the next few years, the investment will allow us to conduct new drug development projects, substantially contributing to the expansion of our R&D capacities in biotechnology and other fields.

We are a Polish company with global ambitions. We have been consistently strengthening our presence in foreign markets for years, and Adamed products can now be found in dozens of countries. Polish products are associated with innovation and top quality on foreign markets owing to our internationalisation strategy.

The pharmaceutical business naturally comes with great responsibility for the impact of our products on the society. However, at Adamed, we go further – we share our health knowledge with patients in a broad range of education and preventive programmes that we have been running for years. The Adamed for the Family programme, launched in 2022, deserves special mention. This is our response to the challenge of access to specialist consultations in Poland, especially in smaller towns and villages. We, the owners of Adamed, are doctors by profession and vocation. We understand the importance of prevention and we know that it is crucial that we make patients aware of the consequences of unhealthy lifestyles, especially after the pandemic. That is why we launched the Adamed Expert portal, where you can find the most up to date and reliable information brought to you by top-notch specialists.

All these activities – with respect to improvement of drug security, innovation, as well as social responsibility – would not be possible if it were not for the daily work of more than two thousand Adamed Employees. Our company is truly based on values, values that are not imposed by management, but developed through dialogue, trust, and joint efforts of the people engaged in creating the organisation. Adamed is a family-owned company, and caring for people is embedded in its mission. We know that all family members are equally important. They care about each other and share responsibilities. At Adamed, we strive to ensure that everyone receives attention and support. That everyone is able to rely on empathy and understanding from others. Adamed is a family of products for all family members, but also a family of markets where our products are present. Hence our slogan: “Adamed for the Family.”

We care about the environment as much as we care about health, seeing how climate change and pollution pose a danger to humans. We make responsible use of natural resources, employ state-of-the-art technologies to reduce energy consumption, and manage our production waste in an environmentally friendly way to support circular economy. For more information on our environmental efforts, read the report.

Sustainability and social responsibility are forever embedded in Adamed’s present and future. We are happy to release the latest edition of the ESG Report for 2021-2022, and we are convinced that the information we provide will help you better understand the character and specific impacts of our organisation.

Sincerely yours,
Małgorzata Adamkiewicz, MD, PhD
Maciej Adamkiewicz

WHO WE ARE



1 WHO WE ARE

We manage responsibly

2-10 In accordance with the Articles of Association, our corporate bodies include the General Meeting, Supervisory Board, and Management Board. The Management Board represents the Company vis-à-vis third parties and manages its affairs. Its term of office is five years. Members of the Management Board are appointed by the Supervisory Board, which simultaneously exercises ongoing supervision over Adamed's activities in all areas of its operations.

2-11 No President of the Management Board has been appointed at Adamed. Since 2020, the company

2-9

Composition of Adamed's Management Board:

- **Paweł Roszczyk**
Managing Director
- **Tomasz Krzak**
People, Culture & Organisational Development Director
- **Sylwia Berdzik-Kalarus**
Director for Commercial Operations and Business Development
- **Bartłomiej Rodawski, PhD in Economics**
Operations Director
- **Tomasz Podgórski**
Director for Technology and Innovation Development (until June 2023)
- **Anna Terlecka**
R&D Director
- **Grzegorz Chełmicki**
Director for Finance (since June 2023)

has been managed under a decentralised system that allows for agile management of the organisation in a volatile and unpredictable environment, leveraging the knowledge and expertise of each member of the Management Board to the maximum. Adamed's owners, Małgorzata Adamkiewicz and Maciej Adamkiewicz, have served on the Supervisory Board since 2020, with a primary focus on the company's strategic growth agenda.

The Management Team additionally includes:

- **Katarzyna Dubno**
Director for External Relations, ESG and Health Economics
- **Karolina Czekaj, PhD in Economics**
Director for Corporate Finance and Governance

Composition of the Supervisory Board

- **Małgorzata Adamkiewicz, MD, PhD**
(Chair of the Supervisory Board)
- **Maciej Adamkiewicz**
- **Karolina Adamkiewicz, MD, PhD**
- **Michał Adamkiewicz**
- **Rafał Adamkiewicz**

WHO WE ARE

The tasks and competence of the Management Board include all activities and powers set forth in the Commercial Companies Code, the Articles of Association, and the Rules of Procedure for the Management Board. In particular, the Management Board is responsible for the development, implementation, and execution of Adamed's strategy, ensures the transparency and efficiency of the management system and makes sure that the company's affairs are conducted in accordance with the law and established best practices. The remit of the Management Board includes the responsibility for the design, implementation, and management of sustainability efforts.

2-12 Adamed's Management Board makes key decisions regarding the company's sustainability as well as key areas of ESG activities and strategies for action. The Management Board also has the authority to decide on the thematic areas of sustainability reporting disclosures. Management Board members broaden their understanding of ESG topics through industry conferences, trade literature, and training provided by internal and external experts. Operational responsibility for sustainability tasks is cascaded to managers of specific areas, who report on the outcomes of their activities. The results achieved by the Management Board, including sustainability outcomes, are evaluated by the Supervisory Board, which receives regular reports in this regard.

GOOD PRACTICE

Concern for the environment and responsible decision-making are at the heart of Adamed's corporate culture, rooted in our Code of Ethics. According to this document:

- We incorporate the need to protect the environment in everything we do.
- Thinking about the environmental impact of our organisation, we consider the entire life cycle of our products – from production to distribution to packaging recycling. Wherever possible, we strive to minimise adverse environmental impacts.
- We minimise printing and we save heat and electricity.
- When purchasing new equipment, we look at how it affects the environment.
- We invest in environmentally sound cutting-edge technologies and raw materials.

We have implemented a special Process Internationalisation Project – a database of global and local procedures with a convenient search engine and a glossary of definitions available to Employees.

The project streamlines day-to-day work and improves the guarantees of strict and consistent adherence to standards and procedures across our locations. We have also created the Process Map Generator, an innovative tool that uses a simple unified mapping system, enabling each department to describe its processes in clear terms and allocate tasks to the right people or units.

For bios of Management Team members, see the [Adamed website](#).



PAWEŁ ROSZCZYK

Member of the Management Board, Managing Director

Innovation, investments, and international expansion – these three elements underpin Adamed’s growth strategy. We have a 100% share of Polish capital, and yet our foreign operations already account for more than 40% of our business, with the intention to exceed 50% in the coming years. We are developing Adamed in a sustainable way, aided by investments in state-of-the-art solutions and technologies.

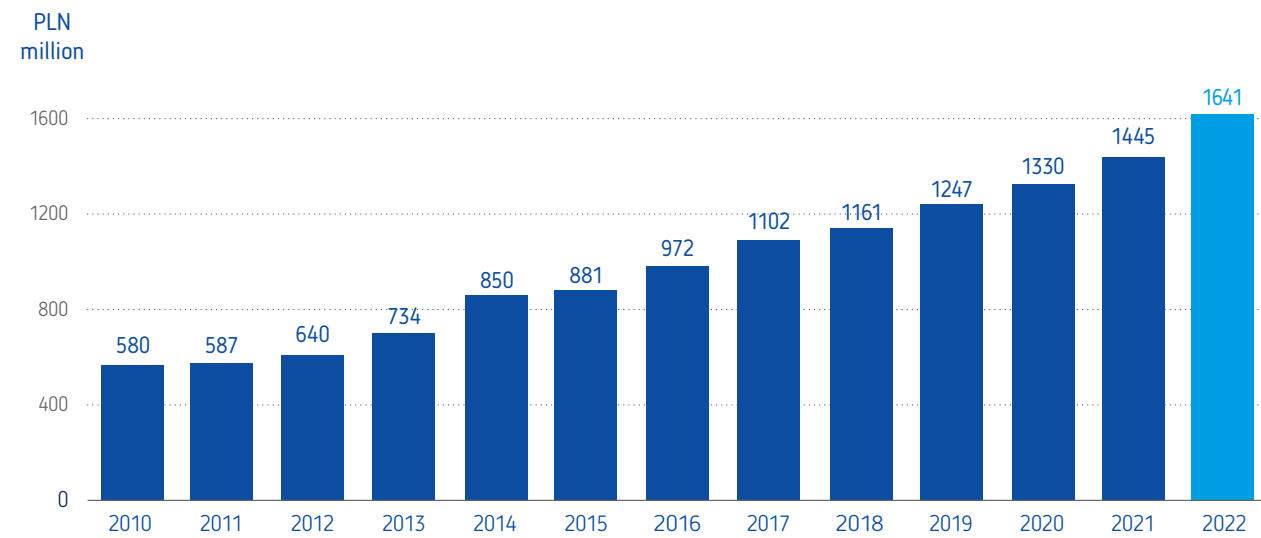
2-6 We are a family-owned pharmaceutical and biotechnology business with a 100% share of Polish capital, established on the basis of Polish scientific thought and our own patents. Since its foundation in 1986, Adamed has grown to become one of leading pharmaceutical players in Poland that exports Polish innovation to global markets. We began our international expansion in 2003. Today, Adamed products are available in a number of global markets across Europe, the Middle East, Asia, Africa, Latin America, and Oceania. Foreign markets now account for nearly 40 percent of Adamed Pharma’s revenue. In the medium term, the objective is to achieve a 50:50 ratio, while in the ten-year horizon foreign revenue is expected to predominate in the company’s overall revenue.

Adamed is the leader in next-generation pharmaceuticals – we were the first Polish company to undertake research into original therapies back in 2001. We have invested 2.1 billion Polish zloty in research and development to date, and our portfolio currently boasts more than 500 products. We have been collaborating with leading universities and research institutes in Poland and abroad. We had 1,899 employees under employment contracts in Poland in 2021 and 2,064 in 2022.

We manufacture prescription drugs, over-the-counter drugs, and medical devices. On top of that, we offer dermocosmetics and food supplements. We develop areas of critical importance for patients and we design products in response to the challenges and evolving needs of the contemporary world.

- Over **2,400** Employees in Poland and abroad
- 3** research platforms
- +220** patents
- 19** therapeutic areas
- 80** inventions
- 37** years of experience

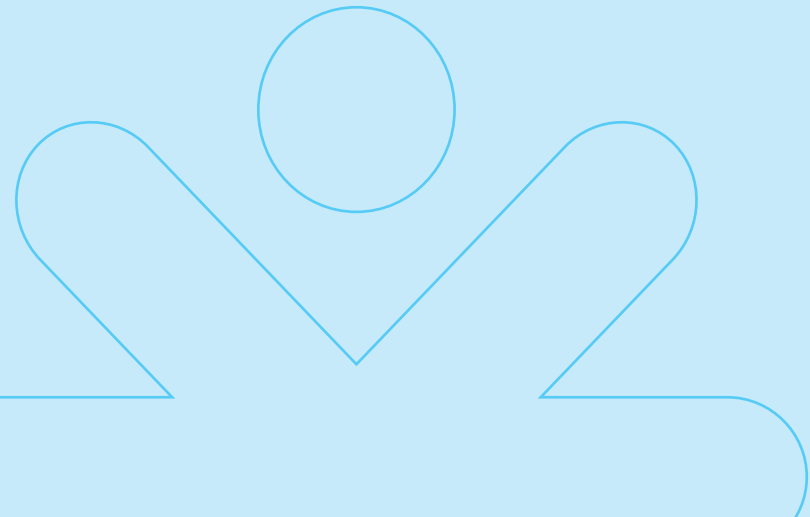
Adamed’s revenue:



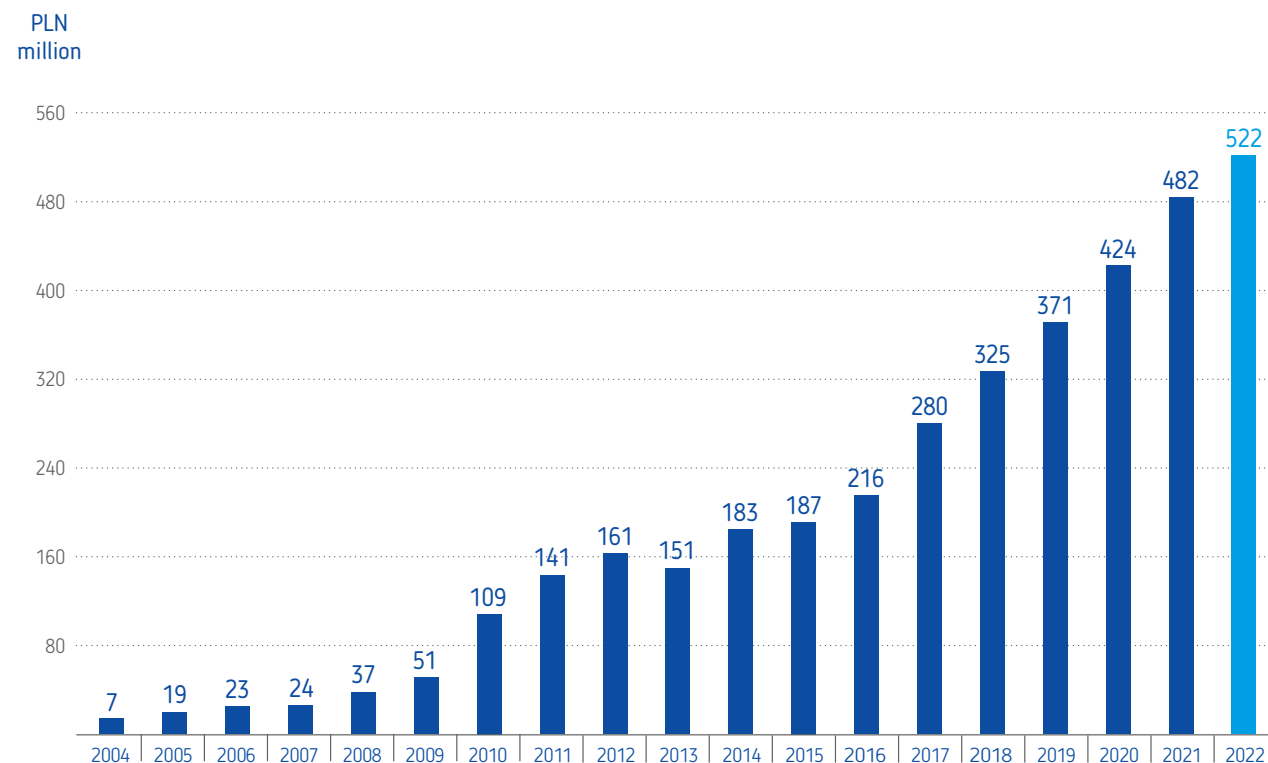
SYLWIA BERDZIK-KALARUS

Member of the Management Board, Director for Commercial Operations and Business Development

To respond well to the medical needs of tomorrow, we need to act today. We are aligning the development of our drug portfolio with the expected future evolution of the society’s health. Our growth at home and abroad is supported by continuous improvements of products, technologies, systems, processes, and the supply chain. The investment in Kajetany strengthens our competitiveness while providing us with a strong and sound R&D ecosystem on the local market.



Adamed's revenue – exports:



2-28

We are one of Poland's largest pharmaceutical companies, and we share our knowledge, experience and best practices with the market through memberships in industry organisations and associations. In 2021-2022, Adamed and its representatives were members of:

- Polish Association of Pharmaceutical Industry Employers – Medicines for Poland (PZPPF)
- Polish Association of Self Medication Industry (PASMI)
- Polish Association of Cosmetic and Detergent Industry
- Polish Pharmacy Chamber of Commerce
- FBN Poland – Family Business Network
- Polish Recycling Association
- Polish Business Roundtable
- Business Center Club
- Responsible Business Forum
- Polish Chamber of Commerce for High Technology
- Polish-Spanish Chamber of Commerce
- Polish-Ukrainian Chamber of Commerce
- International Quality Generics Sector Committee of the European Chamber of Commerce in Vietnam

WHO WE ARE

CSR/ESG strategy

We are aware of the social, environmental, and economic impacts of our activities. Therefore, we follow ethical and legal standards in every aspect. Not only are we committed to top standards, but we also make efforts to set them. One of the most important values guiding our activities is broadly defined responsibility:

- We support the society in caring for health – we ensure the safety of medicines and continually search for innovative therapies.
- We take care of our Employees, strengthening their competencies and offering attractive career paths within the organisation.
- We care about our environment – both natural resources and relationships with local communities.
- We cultivate the interests of young talents and promote science.



Adamed was ranked first among employers in the pharmaceutical and biotechnology industry in the prestigious Forbes Polska ranking: Poland's Best Employers 2023.

Editors of the magazine prepared the ranking together with the international research institute Statista. The survey covered around 1,900 top employers across 25 industries with at least 250 employees.

We conduct our activities based on the directions set in our CSR strategy. In 2023, we began our transition from CSR to ESG strategy.

Pillars of our CSR strategy.

- Responsible partner of the Polish economy**

We contribute to the growth of the Polish economy. By investing our profits, we drive innovation in Poland – since 2001, we have spent PLN 2.1 billion on investment projects and R&D.
- Responsible manufacturer**

We deliver top quality products, operate with concern for the environment, and follow good practices.
- Responsible employer**

We offer extensive development opportunities for our Employees. We provide access to state-of-the-art technologies and equipment. We guarantee an attractive remuneration and benefits plan.
- Innovation**

We launch new solutions to address the needs of patients suffering from diseases of affluence.

We act ethically

2-23 We act ethically in every aspect, respecting the company’s Code of Ethics. The motto of the document:
2-24 **“The way we do business is as important to us as our market effectiveness. We believe that only a business guided by values and standards of ethics can achieve long-term market success”** best represents our approach to ethical issues.

OUR VALUES



Openness and innovation

We actively seek new and unconventional solutions to enhance the value and uniqueness of our organisation. We are ready to take on challenges and initiate cooperation that goes beyond our own area of operation.



Quality

We continually strive to expand our knowledge and master new skills. We pay close attention to every detail of our work and we carry out every element of the job with the necessary commitment and diligence. We always adhere to the adopted standards.



Mutual respect

We show empathy and understanding for alternative points of view. We understand other people’s emotions and respond to them in an appropriate and responsible manner. We listen to people and give them attention and appreciation. We give and receive feedback.



Operational excellence

We increase the value of our organisation through effective and timely execution of our tasks. We assume responsibility for our decisions and actions. We constantly improve processes in our organisation and expand our competence.



Flexibility and swift action

We are able to rapidly implement solutions, analyse the situation, make swift decisions and take full responsibility for them. We accept change and embrace the opportunities it offers. We have the capacity to shift priorities when needed.

WHO WE ARE

13 PRINCIPLES OF ADAMED’S CODE OF ETHICS

- 1 We care about the patients’ well-being.
- 2 We support scientific thought and cooperate with the scientific community.
- 3 We make decisions with social responsibility in mind.
- 4 We operate in accordance with the principles of fair competition.
- 5 We do not accept any form of corruption.
- 6 We adhere to the gift policy.
- 7 We avoid conflicts of interest.
- 8 We create our workplace with care.
- 9 We care about information security.
- 10 We proudly represent the company.
- 11 We protect personal data.
- 12 We care about the environment.
- 13 We want to set a positive example of success in the Polish economy.

All Adamed Employees are familiar with our Code of Ethics. Its provisions apply to every one of them as they develop their relationships inside and outside the organisation. The Code is available on the adamed.com website and in the Procedures Database on the company’s intranet.

2-15 We take care to ensure that personal interests of our Employees do not affect any decisions made in official business capacity. According to the Code of Ethics, all existing or potential conflicts of interest must be disclosed to a line manager,

and if the situation involves another person, the Compliance Manager should be alerted. As a result of determining an actual or potential conflict of interest, the person concerned should refrain from making decisions that could be affected by the conflict. We recorded no conflict of interest situations in 2021 and 2022.

2-26 2-27

GOOD PRACTICE

Adamed has a Whistleblowing Policy in place, which sets out the rules, procedures, and mechanisms for reporting and handling potential irregularities related to our business. Any events that violate generally applicable laws, internal procedures or regulations, binding contracts, codes of conduct, or good business customs should be reported. Whistleblowers can use a variety of whistleblowing channels, including:

- an online form available at www.adamed.com;
- mailboxes for paper reports available at all Adamed Pharma S.A. offices.

The system accepts both anonymous and non-anonymous reports. All reports are confidential and will be thoroughly investigated, while whistleblowers will enjoy full protection. During the reporting period, we did not record any significant non-compliances with laws and regulations in our business.

We adhere to the highest ethical standards in the manufacture and sale of medicines.

We are committed to maintaining the highest standards in our interactions with the medical community. We strictly comply with ethical standards, industry codes, local legal requirements, and our internal policies. We are a member of, among others, the Polish Association of Pharma Industry Employers (PZPPF), the Polish Association of Self Medication Industry (PASMI), and the Farmacja Polska Chamber of Commerce.

Through the PZPPF, we are a signatory to the Code of Conduct of Medicines for Europe (formerly The European Generic and Biosimilar Medicines Association – EGA). This organisation brings together key European producers of generic pharmaceuticals and follow-on biologics. The ethical norms and standards contained in the Medicines for Europe Code of Conduct are implemented into our policies and procedures. This is reflected in our Transparency Report, published annually since 2018, where we disclose data about the scope and nature of our cooperation with the medical community, including healthcare professionals, healthcare organisations, and patient advocacy groups. The report is available on our website. Our business profile places special obligations on us when it comes to marketing communications. All our advertising materials undergo a thorough factual, medical, and legal check before they reach the public – we are committed to transparent, clear, and legally compliant communication with patients. Our advertising messages are ethical and conform to industry standards.

We are also engaged in the activities of industry organisations working in the fields of communications and marketing. Since 2017, we have been a signatory to the Code of Good Practice in Advertising Dietary Supplements, the first document of this kind for the European food supplement industry. It was designed on the initiative of four industry organisations: the Polish Council for Supplements and Nutritional Foods, Polish Association of Self Medication Industry, Supplements Poland Association of Producers and Distributors, and Polish Chamber of the Pharmaceutical Industry and Medical Devices. Signatories to this Code undertake to provide reliable and clear information on food supplements.

GOOD PRACTICE

We care about every aspect of patient communication. Therefore, we attach great importance to the quality of our advertising messages. Adamed’s Male Kind (Rodzaj Męski) campaign won in the Best Execution of Native Advertising category of the international INMA Global Media Awards. The Male Kind project addressed a number of issues, such as men’s erectile dysfunctions and male-female relationships. It also sparked a discussion on men and their role in a changing world. The INMA jury appreciated the mature storytelling coupled with the educational nature of the campaign.

WHO WE ARE

205-3 We oppose any form of corruption. We have incorporated our broad understanding of this concept in our Code of Ethics, and we discuss anti-corruption solutions in detail during training and meetings. In view of the specific nature of our industry, areas related to administrative proceedings, advertising activities, and interactions with the medical community require special monitoring. Not a single case of corruption was found during the reporting period.

205-1 We exercise ongoing anti-corruption oversight, which includes ad hoc and scheduled audits. In 2021, we identified 12 thematic areas and carried out 3,048 analyses in total within these areas. Monitoring covered a broad range of areas, including communication, conflicts of interest, and interactions with the medical community. In 2022, we identified 11 thematic areas and carried out 9,028 analyses in total within these areas. Monitoring covered a broad range of areas, including the payment process, verification of donation requests, or the purchasing process.

205-2 Anti-corruption training¹

	2021	2022
Number of Management Board members trained	0	2
Percentage of Management Board members trained	0	33%
Number of Employees trained	657	960
Percentage of Employees trained	35%	47%
	2021	2022
Number of Management Board members to whom anti-corruption procedures have been communicated	5	6
Percentage of Management Board members to whom anti-corruption procedures have been communicated	100%	100%
Number of Employees to whom anti-corruption procedures have been communicated	1,892	2,057
Percentage of Employees to whom anti-corruption procedures have been communicated	99.63%	99.66%

¹ anti-corruption training for Management Board members is provided once every 3 years

We take care to ensure that our relations with stakeholders conform to the highest ethical and legal standards. To this end, we communicate the organisation’s anti-corruption standards and procedures to our partners. It is our standard practice to attach anti-corruption clauses to all contracts we enter into, reflecting zero tolerance for any corrupt behaviours. In addition, we undertake a range of other measures to inform current and potential business partners about our anti-corruption approach, for instance through:

- publishing the Code of Ethics on our website, which specifically describes our zero tolerance policy towards corrupt practices;
- providing detailed information within our counterparty risk management systems;
- providing anti-corruption training to selected partners.

Business partners whom we have informed about our anti-corruption procedures

2021: **3,213**

2022: **4,704**

417-1 **We take care to properly label the packaging**
 417-2 **of all our products.** Full product composition
 417-3 is a mandatory part of the labelling. In addition, through warnings and additional notes or bold text (for food supplements), we highlight product ingredients with potential allergenic effects. For food supplements, we provide additional information on active ingredients of plant origin in our labelling. All elements related to product use (including intended use/indications, dosage, warnings, interactions, use during pregnancy and lactation, effects on driving ability, adverse drug reactions, storage and use conditions) are an indispensable part of the labelling and a precondition for the safe use of the product. Package inserts provide information on the environmental impact of product use, in particular due to increased environmental exposure. Disposal information is also included. No irregularities were found in the reporting period in terms of non-compliance with regulations and voluntary codes of organisations, to which the company has committed itself, governing product and service labelling and information as well as marketing communications.



Package insert formats

The scope and content of information to be provided on immediate packaging, secondary packaging, and in the package insert is strictly regulated by applicable regulations. For visually impaired or blind people, the name, dosage, and form of the drug are written in Braille on the outer package. Inserts are also available as an audio version.

Additional information is placed on medicinal products, i.e.: availability status, name and address of the marketing authorisation holder and manufacturer, batch number, and expiration date.

For food supplements, additional information includes the content of active ingredients per unit and percentage of daily reference intake values, standardisation of plant extracts, as well as nutrition and health claims.

415-1

Adamed did not engage in any political activities during the reporting period. The total value of financial and in-kind contributions to political parties, politicians, and financial institutions was PLN zero.



RESPONSIBLE MANUFACTURER

2 RESPONSIBLE MANUFACTURER

416-1 We manufacture top quality medicinal products, of which some address chronic diseases of civilisation. Adamed's business is founded on a deep understanding of patients, their needs and expectations. It is on this foundation that we build the invaluable trust that our patients place in our company and our products. We offer about 500 different products across 19 therapeutic areas in multiple countries around the world. We are responsible for every one of them, and each of them has been manufactured with the utmost attention to quality and safety, according to the highest market standards.



2 production plants in Poland: Pabianice, Ksawerów, and 1 in Vietnam



2.3 billion tablets produced a year



64 million packages produced a year



5,500 batches marketed a year



BARTŁOMIEJ RODAWSKI, PHD IN ECONOMICS

Member of the Management Board, Operations Director

We are a pharmaceutical and biotechnology company founded and run by doctors. People's health is at the heart of everything we do. Therefore, the quality of our medicinal products is not subject to compromise. We want patients who use Adamed medicines to be confident that the products are developed, manufactured, and delivered to the highest world-class standards. At the same time, we attach great importance to developing innovative solutions in the manufacturing area to reduce, and ultimately even eliminate, the environmental impact of our operations in many places.

Zoom in on manufacturing

Adamed's products are manufactured in a state-of-the-art Production and Logistics Centre made up of two production facilities, in Pabianice and Ksawerów. Our products include:

- hard capsules with multiple fillings (pellets, powders, granules, tablets, microdoses for inhaled products, microtablets, liquid forms);
- immediate-release tablets;
- controlled-release tablets;
- fast disintegrating tablets;
- film-coated tablets;
- multi-layer tablets;
- products manufactured by direct tableting or encapsulation;
- granules obtained by wet and dry granulation methods.

What sets us apart is our experience in technology transfer and contract manufacturing of solid drugs, such as tablets and hard capsules (medicinal products and food supplements). We provide services to manufacturers around the globe.



FOCUS ON DRUG SECURITY

We provide drug security at the national and EU level.

The COVID-19 pandemic demonstrated the importance of having a domestic pharmaceutical industry, as local manufacturers supply almost half of the daily therapies used by Poles. At Adamed, we keep increased stocks of finished products, APIs, and auxiliary materials – excipients and packaging, because it is our priority to ensure a steady supply of medicines even in emergency situations.

During the pandemic, Poland – unlike many European countries – did not run out of medicines, also because Polish entrepreneurs had continuously invested in production infrastructure and research and development for years. At Adamed, this manifests itself in the ongoing expansion and upgrade of the Pabianice plant. Owing to this PLN 300 million investment, the plant's production capacity will increase from two billion tablets per year in 2020 to four billion tablets per year in 2027.

We also built a High Potent zone in Pabianice for drugs that require special supervision and protection, and in 2017 we opened our R&D Pilot Plant. The investment accelerated and streamlined our research and development processes. All these activities contribute to drug security for Polish patients.

Since 2017, Adamed Pharma has been a majority shareholder in Davipharm, one of the fastest growing pharmaceutical companies in Vietnam. Davipharm manufactures more than 300 medicinal products and offers drugs in 12 therapeutic areas to patients in Vietnam, Cambodia, the Philippines, and Myanmar. The capacity of the Binh Duong manufacturing plant allows for the production of 1.2 billion tablets per year. In 2021, the Vietnamese facility obtained EU-GMP certification for manufacturing of non-sterile products in capsules, hard casings, and tablets. In 2023, Adamed became the sole owner of the Vietnamese company.

For us, being responsible for patient safety and highest product quality means taking care of every single element of all procedures, even the most minute details. The entire manufacturing process and the quality criteria are constantly controlled and supervised. For years, Adamed has been following the Good Manufacturing Practice (GMP) – an EU-wide and global standard developed by the Food and Drug Administration, an organisation responsible for the registration of drugs and food and promotion of health in the United States, which has been implemented by European Union countries. The goal of the GMP is to ensure the purity, safety, and high efficacy of drugs, medical equipment, and corporate processes. GMP standards address the manufacturing process, staff qualifications, storage of research outcomes, as well as inspection and distribution processes. The system is based on three pillars – procedures, training, and internal audits that validate the use of global standards in the manufacture of APIs.

- At Adamed, the GMP standard applies to, without limitation:
- sourcing and qualifying manufacturers of APIs, excipients, and packaging materials;
 - preparing quality documentation;
 - release of raw materials for manufacturing;
 - blending, granulation, tableting, encapsulation, coating, and blistering;
 - pre-packaging;
 - conducting stability studies;
 - placement on the market;
 - preparing registration dossiers;
 - storage of samples.

GOOD PRACTICE

In October 2021, we obtained the EU-GMP quality standard certification for our production plant in Binh Duong near Ho Chi Minh City, Vietnam, for manufacturing operations (production and packaging) of non-sterile products in capsules, hard casings, and tablets.

Our high compliance standards and quality requirements are regularly reviewed. Every year, we undergo several audits and inspections by our contractors, mostly large international companies. We also supervise the quality of our production processes using MES, a Manufacturing Execution System that digitises production orders, significantly reducing the labour intensity of manufacturing documentation management. In 2023, MES was implemented in the packaging area, and we intend to roll it out to all manufacturing areas at Adamed. Digitisation of manufacturing systems provides efficient access to electronic documentation as well as the status of equipment and facilities. It reduces repackaging and disposals, brings down errors, enables automatic ordering, accounting for materials, and integration with other computerised systems.

416-2

In 2021-2022, we did not record any incidents of non-compliance with the law and voluntary codes concerning the health and safety impacts of our products.

HOW WE ENSURE QUALITY AND SAFETY:

- **The Process and Procedures Improvement Team** monitors the solutions employed and looks for areas for improvement.
- **The Legislation Monitoring Team** keeps track of planned and implemented legal changes, which, with the support of the Legal and Corporate Services Department and the Legal Department, are taken into account when updating policies and operating procedures.
- **The Compliance Team** ensures that the solutions to be put in place implement and reflect the values and ethical standards important to our organisation, while enforcing compliance with good practices and industry standards.
- **The Internal Audit Department** controls processes for compliance with the law and applicable policies and procedures.



ADAMED
FOR THE
ENVIRONMENT
AND CLIMATE

3 ADAMED FOR THE ENVIRONMENT AND CLIMATE

We are responsible towards the environment. We prove that a modern pharmaceutical company can manufacture drugs while minimising its adverse impact on nature and demonstrating concern for the quality of life of present and future generations. Our ISO 45001 and ISO 14001-compliant OHSE management systems allow us to consider sustainability in every dimension. We analyse the life cycle of our

products and employ innovative solutions to reduce the consumption of raw materials and energy and ensure sound waste management. We comply with all environmental legislation, operate according to our permits, and our internal solutions are stricter than external regulations in many areas. In 2021-2022, no sanctions were imposed on Adamed for non-compliance with environmental regulations.



³⁰⁶⁻² We turn circular economy
³⁰⁶⁻¹ into reality, attaching great importance to waste separation and reuse. Under the Zero Loss (Zero Strat) programme, which has been in place for years, we maximise the conversion of waste to input materials. We separate production waste at source based on waste codes. We separate plastic packaging into 10 fractions. Waste leaving our factories is already separated and is subsequently recycled to the market as intermediates or converted to alternative fuel. We work with waste collectors that have their own facilities for recovering aluminium and plastics from empty blisters. We audit their businesses.

We closed the year 2022 with a record-breaking 96% waste recovery and recycling rate. The remaining 4% is hazardous waste, such as chemical reagents, tablets or materials contaminated with chemicals, which are incinerated, as no other disposal options are available. Adamed's industrial waste is not landfilled.



GOOD PRACTICE

Our first steps towards circular economy involved evening primrose pomace waste. While searching for customers for the pomace, we reclassified the waste to a byproduct. At first we gave it away for use as animal feed, and later as alternative fuel. For several years, we have not been able to improve on our recycled waste ratio due to the large amount of waste (clean) pharmaceutical blisters, which are made of hot-sealed aluminium foil and PVC/PVDC plastic, etc. In view of the requirements of the pharmaceutical law, printed waste must be destroyed to prevent its reuse. For this reason, we transferred the blisters for disposal in an incineration facility (about 80 tonnes per year). To address this challenge, we established a collaboration with the University of Łódź on a chemical blister separation method and, at the same time, began looking for mechanical separation solutions. Currently, the blisters are transferred directly to a recycling company, which, after mechanical and electrostatic separation of the materials, transfers the aluminium scrap to smelters for melting, and uses the plastic to make garden hoses and furniture and fencing boards. 225,000 linear meters of hose and 30,000 linear meters of boards were produced from our blisters in 2022.

301-3 **We also make efforts to ensure that the packaging we place on the market is recycled in accordance with the law.**

In 2021-2022, this duty was performed on our behalf by Organizacja Odzysku, our contractor.

	2021		2022	
	Weight (kg)	Recycling rate	Weight (kg)	Recycling rate
Paper and cardboard packaging materials	679,881	66%	783,613	70%
Plastic packaging	99,004	30%	110,274	40%
Aluminium packaging	600	51%	624	51%
Steel packaging	2,422	55%	2,554	60%
Wooden packaging, including wooden pallets	370,990	19%	419,587	21%

306-3 **Waste generated**

	2021 (t)	2022 (t)
Total weight of waste generated	605.31	703.55
Hazardous waste	210.11	242.61
Non-hazardous waste	395.2	460.94

Waste recovery

	2021 (t)	2022 (t)
Total weight of waste recovered	546.25	644.28
Hazardous waste	151.89	182.34
Non-hazardous waste	394.36	461.94

302-4

We reduce our energy consumption. We consistently implement production optimisations, use energy-efficient LED lighting, and reduce compressed air consumption for wastewater averaging by installing advanced low-pressure air diffusers. We look for the most innovative ways to manage energy together with experts from specialised third party companies – together, we have conducted energy efficiency audits of the plants in Pabianice, Ksawerów, and Pienków. As a result, organisational, technology, and investment projects were created to reduce energy consumption.

305-1 **To effectively manage our environmental impact, we have begun measuring Adamed's carbon footprint.**

We started our analysis in 2023 with the calculation of Scope 1 and Scope 2 carbon footprint for 2022. We will use 2022 as Adamed's base year for future disclosures.

The calculations were prepared in accordance with the Greenhouse Gas Protocol (GHG Protocol) in its revised version: 'A Corporate Accounting and Reporting Standard revised edition, GHG Protocol Scope 2 Guidance Amendment to the GHG Protocol Corporate Standard.' GHG emissions were calculated for Adamed Pharma S.A. located in Poland. The operational control criterion, which coincides with the financial control boundary, was used as the organisational boundary.

The scope of emission reporting includes:

- Scope 1 direct emissions (according to GHG Protocol) from fuel combustion in own energy sources: combustion in stationary sources – natural gas and diesel boilers, and combustion in mobile sources – vehicles used by the companies (LPG, gasoline, diesel), as well as refrigerants (HFC134a, R404A, R407C) and other emissions (AdBlue);
- Scope 2 indirect emissions from the generation of purchased and used electricity and heat.

Scope of GHG emissions	Emission category	Emissions in 2022 [Mg CO2e]
Scope 1	Refrigerants	164.7
	Combustion in mobile sources	2,994.5
	Combustion in stationary sources	2,690.7
	Other	0.2
Total: Scope 1		5,850.1
Scope 2	Purchase of heat	2.0
	Purchase of electricity (location-based)	11,760.2
	Purchase of electricity (market-based)	11,604.2
	Purchase of electricity for cooling (location-based)	0.1
	Purchase of electricity for cooling (market-based)	0.1
Total: Scope 2 location-based		11,762.4
Total: Scope 2 market-based		11,606.4
Outside of scopes		120.0
Total: Scope 1, 2 (location-based)		17,612.5
Total: Scope 1, 2 (market-based)		17,456.5

Fuels (combustion in mobile and stationary sources), WTT indicators – DEFRA 2022, version 2, CH4 and N2O emissions converted from AR4 to AR5 (CH4 25 to 28; N2O 298 to 265). Location-based electricity – electricity benchmark according to KOBIZE publication "Wskaźniki emisyjności CO2, SO2, NOx, CO i pyłu całkowitego dla energii elektrycznej na podstawie informacji zawartych w Krajowej bazie o emisjach gazów cieplarnianych i innych substancji za 2021 rok" (CO2, SO2, NOx, CO and TPM benchmarks for electricity based on information from the national database on emissions of greenhouse gases and other substances for 2021). Market-based electricity – specific benchmarks for individual suppliers (Tauron, PGE, etc.) were used.

Heat – ERO (Energy Regulatory Office). The latest available document used in emission calculations was the report "Energetyka ciepła w liczbach – 2021" (Thermal power industry in figures – 2021). The above data, in accordance with the applicable regulations, are published after the end of the year by the end of March of the following year, and therefore after the preparation of the report by Adamed Pharma S.A. In view of this, the calculations use the most up-to-date indicators available on the calculation date.

302-1 **Energy consumption [GJ]**

	2021	2022
Electricity	53,533.2	62,546.2
District heat	20,261.4	19,360.6
Natural gas	44,382.5	53,108.9
Total energy consumption	118,177.1	135,015.7

GOOD PRACTICE

We are committed to environmental education. In 2021, our recruitment game for the ADAMED SmartUP programme focused on environmental challenges. Young people aged 14-19 solved challenges involving environmental protection; top 50 participants were invited to a two-week educational camp.

We use resources with consideration and care. In Pabianice, water used for industrial and household purposes comes from two sources – the water supply network and our own underground well. Adamed’s other sites, in Ksawerów and Pieńków, use only the water supply network, and wastewater is discharged to the municipal sewer system²

303-3 **Water withdrawal**

	Consumption 2021	Consumption 2022 M
Water from own intake - deep groundwater	43,870	43,919
Mains water	21,887	18,997

303-4

Wastewater

Discharged wastewater	2021 (m ³)	2022 (m ³)
Generally	63,403	68,261
In Pabianice	52,092	60,004
In Ksawerów	7,262	5,419
In Pieńków	4,048	2,838

The list of substances discharged in wastewater is very diverse due to the broad range of drugs and food supplements produced by Adamed. This product range changes every year, depending on market demand. Industrial wastewater is generated when equipment is washed after the end of a production campaign for one type of drug and before the start of a production campaign for another drug. The list of raw materials used in the production of drugs and food supplements includes about 200 chemicals of various kinds, organic and inorganic, synthetic and natural. For the most part, these are organic compounds of synthetic origin, which are used as APIs or excipients in drug formulation. Inorganic compounds are often compounds of natural mineral origin, such as sodium chloride, iron oxide, magnesium oxide, silica, titanium dioxide, talc, which are used as excipients in the formulation of drugs or food supplements.

We have a valid water law permit for each site, which regulates the quantitative and qualitative composition of wastewater discharged into the municipal sewer system. To reduce pharmaceutical micropollutants as much as possible, we ozonise 100 percent of industrial wastewater generated by the Pabianice plant. In addition, together with specialists from universities, we look for the most efficient settings in ozone generators for products to maximise the elimination of micropollutants.



² The indicators for water consumption and wastewater do not include water consumption at Adamed’s Warsaw and Krakow sites. The company has no production operations in these cities, and the water is used only for sanitation and household purposes by office staff.

RESEARCH AND DEVELOPMENT



4 RESEARCH AND DEVELOPMENT

Adamed equals innovation. Our company's market success relies on research, development, and effective commercialisation of innovative products in many markets around the world. Our main ambition is to find new, effective, and safe therapies for patients all over the world and to foster knowledge-based innovation. At Adamed, we understand innovation not only as a search for originator drugs, but also as a process of improving our existing products in order to manufacture them more effectively, perfect their formulas, or develop new dosage forms, such as chewable or buccal tablets. Currently, we have several dozen molecules in the pipeline. A large part of them have added value, such as a more convenient form and route of administration or the ability to reduce the number of pills by combining multiple ingredients.



Over **500** products in the portfolio



3 research platforms:

- oncology,
- neuropsychiatry,
- diabetology.



19 therapeutic areas:

- allergology · angiology · vascular surgery
- dermatology · diabetology · gastroenterology
- gynaecology · internal medicine · cardiology
- laryngology · neurology · oncology
- ophthalmology · orthopaedics · paediatrics
- pulmonology · psychiatry · rheumatology
- urology



ANNA TERLECKA

Member of the Management Board, Director of Research and Development at Adamed Pharma

The pharmaceutical landscape is fascinating today. The available technologies and understanding of effective therapies are evolving at a tremendously fast pace. At Adamed, we do not stand and watch – on the contrary, we are among the businesses that see innovation as a foundation for development. By relentlessly looking for new and better medicinal products, technologies, and systems, our company has been growing in the Polish and international markets for decades. Innovation is all about safe top-of-class therapies for millions of patients. That is why we are putting so much effort and investment into ensuring a stable and strong R&D ecosystem at Adamed.

We are constantly looking for innovative solutions

From 2001 to the end of 2022, Adamed allocated PLN 2.1 billion for investments and R&D activities. In 2016, we launched a new Research and Development Centre in Pieńków, which is now the beating heart of our innovation efforts. It is one of the most advanced facilities of its kind in Europe, where cutting-edge pharmaceutical technologies and diverse drug dosage forms are developed. Pieńków runs laboratory- and semi-industrial stage projects, and our formulation and technology laboratory is a class-D pharmaceutical facility with an elevated air purity standard.

What is more, innovation entails continuous development. In view of this, we purchased a new facility in Kajetany near Warsaw in 2022 as part of our New Drug Discovery strategy efforts. Over the next two years, the site will allow the implementation of new drug development projects. We will ultimately have all the necessary equipment for sequence design as well as gene

cloning, expression and purification, and analytics – for recombinant proteins and monoclonal antibodies as well as candidate drugs based on nucleic acids, including mRNA. Adamed's investment will also support the production of small batches of biological drug candidates for the purposes of toxicity studies, as well as scaling of production processes and preparation for technology transfers. The researchers will have access to fully equipped state-of-the-art laboratory facilities. To match the expansion of its research capabilities, the company also intends to double the size of the R&D team. In line with its investment plan, Adamed Pharma is looking to expand its expert pool to include specialists in biotech production development, nucleic acids, and quality management.

The site in Kajetany will be fully adapted to the activities of research teams in late 2024.



FOCUS ON INNOVATION

The new laboratory is slated to launch R&D activities in the field of applications of mRNA technology, including vaccine development. In this aspect, cooperation between science and business is crucial. Adamed's R&D consortium set up with the University of Gdańsk and the Institute of Biochemistry and Biophysics of the Polish Academy of Sciences in Warsaw has received a grant for the development of innovative therapeutic solutions based on RNA technology in a competition organized by the Medical Research Agency.

Research and development activities at Adamed are conducted in two areas: originator and generic drugs. The generic area is made up of top-notch specialists who focus on improving existing therapies to offer a better response to patient needs.

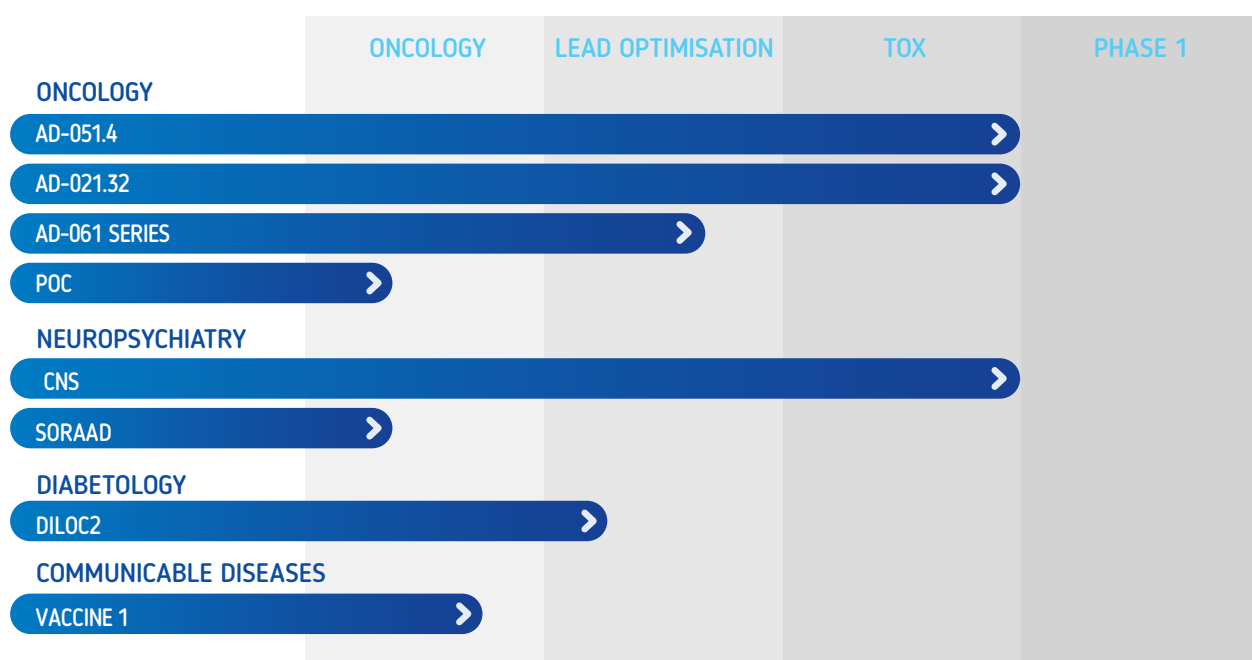


MANY ACTIVITIES AND A SINGLE GOAL

- The EPO Patent Index places us among top Polish companies that file European patent applications. We submitted 24 applications to the European Patent Office in 2021-2022. In total, we already have more than 220 patents in most countries of the world.
- Adamed was featured in the Polish Champions (Polscy Championi) report by Polityka Insight. We were recognised as an aspiring champion, standing out for innovation and a significant share of revenue from international product sales.

The Innovation Department consists of the Modelling and Data Analysis Team, the Research Department, and the In Vivo Research Team, and is engaged in early development of originators (discovery, pre-clinical stage). The teams are supported by scientists from Polish and foreign academic institutions and biotechnology companies cooperating with Adamed.

Innovation in practice



FOCUS ON INNOVATION

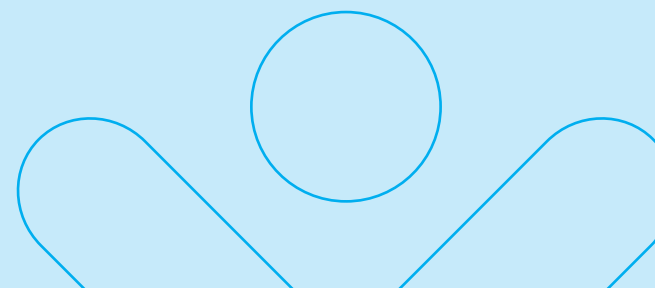
In 2021, we announced an exclusive global license agreement with Acadia Pharmaceuticals Inc., an American company developing breakthrough solutions in neuropsychiatry. The agreement concerns the continued development of an innovative molecule developed here at Adamed which has a potential for use in the treatment of psychiatric disorders. The invention, covered by several patent applications filed by us, was created by Polish scientists, and the intellectual property rights generated so far in molecule development will remain in Poland, taking into account the Acadia's rights defined in the agreement. Adamed will have exclusive rights to the medicine in the Polish market and will be able to launch it in Poland and in other parts of Europe.

The molecule we have developed is an excellent example of the benefits of collaboration between business and science to jointly create innovative ideas. The technology is the outcome of Adamed's long-standing cooperation with the Jagiellonian University Collegium Medicum and the Institute of Psychiatry and Neurology in Warsaw. Through its funding, Adamed has brought the molecule to an advanced stage of preclinical development. Acadia will make every effort to complete the preclinical evaluation and take the molecule all the way through clinical development up to approval and marketing.

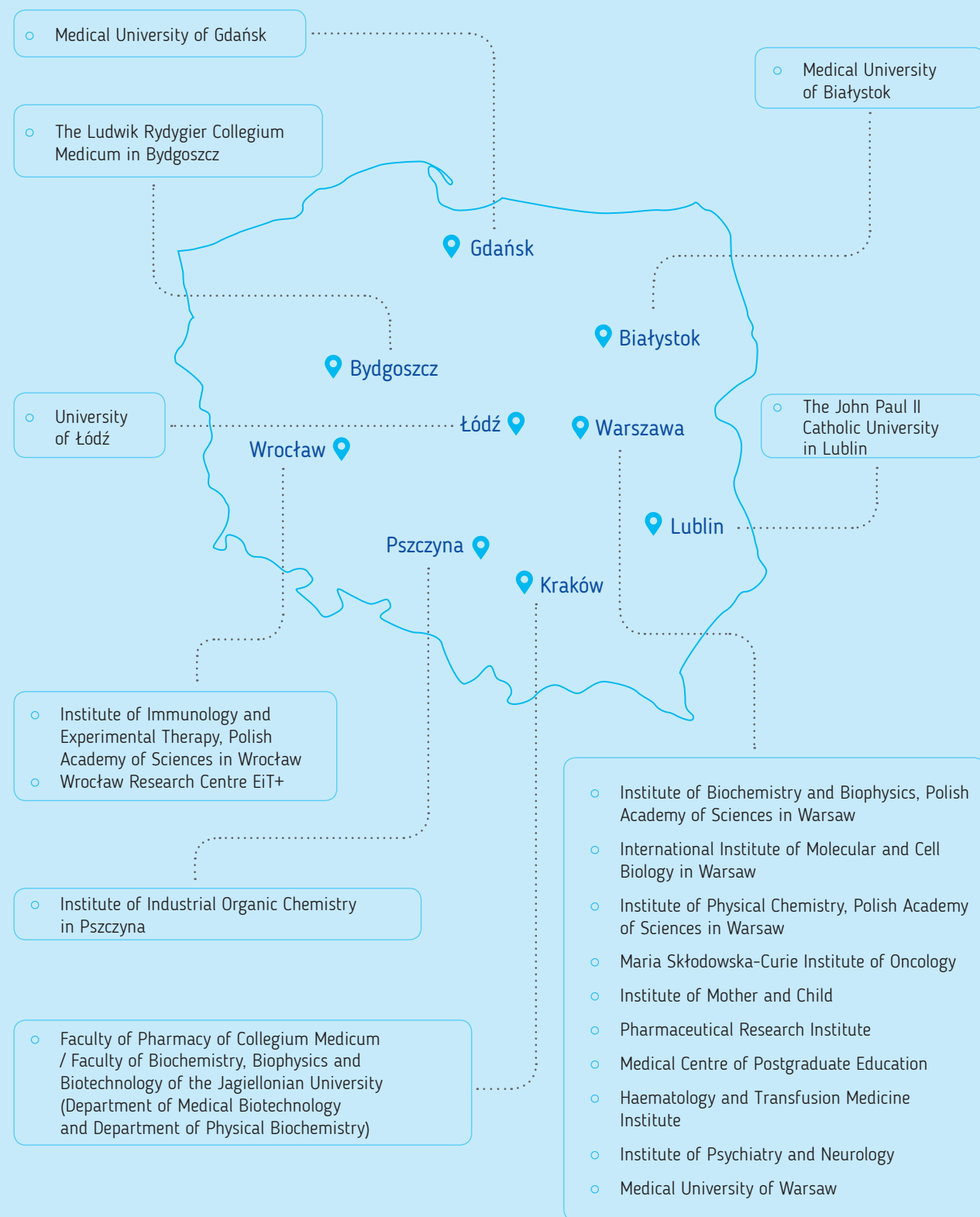


HOW WE WORK

Since 2018, we have been a strategic partner for an innovative degree programme at the Jagiellonian University - Drug Discovery and Development (DD&D). During the four semesters, students focus on the identification and development of new drugs. The second-cycle programme is addressed to graduates in the field of chemistry, biology, pharmacy, and medicine. Tuition for EU citizens is free.



Cooperation with universities



INNOVATION

We support the activities of scientific societies and experts across various scientific fields.

We have been closely cooperating with institutions such as the Polish Gynaecological Society and the Polish Society of Lung Diseases for years. We look for young talents and we support healthcare start-ups.

in research, education, and promotion of science. The future cooperation between Adamed Pharma and the institutions will involve the professional development of specialists, further advancement of medical knowledge, and joint research projects.

GOOD PRACTICE

We are committed to supporting innovative solutions also outside Poland. As a company with a long-standing presence in the Spanish market, in 2022 we partnered with a Spanish accelerator programme for innovative health sector companies.

GOOD PRACTICE

For many years, Adamed has been a partner in the Innovation Eagle (Orzeł Innowacji) competition organised by the editors of the Rzeczpospolita daily. A representative of our company sits on the jury. The Innovation Eagle competition identifies the most innovative companies and solutions in the Polish economy, recognising novel technologies and products, innovative services, and visionary projects. The competition is addressed to new companies (start-ups) as well as large enterprises.

Our cooperation with the academic community extends beyond Poland. In 2022, we signed letters of intent with two leading Italian players: Fondazione Policlinico Universitario Agostino Gemelli and Università degli Studi di Milano. The parties expressed their mutual intent to build a strong and lasting relationship

FOCUS ON INNOVATION

In November 2021, we joined the Warsaw Health Innovation Hub – a joint initiative launched by the Medical Research Agency (MRA) and key players in medicine, pharmacy and biotechnology, coordinated by the MRA Department of Innovation and Development. The WHIH is Central Europe’s first accelerator platform fostering cooperation between the public sector and the business community. Its purpose is to create innovative medical, technological, and legal solutions supporting better patient health.



KAROLINA CZEKAJ, PHD IN ECONOMICS

Director for Corporate Finance and Governance

Innovative projects require financial sustainability. At Adamed, we use both our own resources and funding offered by the European Union and other third parties. With our expertise, experience, and professional credentials, we can undertake the most advanced projects.



MANY ACTIVITIES AND A SINGLE GOAL

- 25.3 million: value of a grant awarded by the Medical Research Agency to Adamed for the clinical development of an innovative targeted therapy for indications in oncology. The investigational drug candidate is a fusion protein with dual anticancer activity.
- PLN 58.3 million: value of a grant awarded by the Medical Research Agency to Adamed Pharma and our two partners, the University of Gdańsk and the Institute of Biochemistry and Biophysics of the Polish Academy of Sciences in Warsaw for the development of an innovative vaccine based on mRNA/VLP technology against zoonotic pathogens affecting human health and life.
- Experiments to evaluate the affinity of engineered molecules to a molecular target using the surface plasmon resonance (SPR) technique and to analyse their secondary structure with a circular dichroism spectrometer are an example of the practical support we provide to start-ups. These activities were carried out as part of MIT Enterprise Forum CEE.
- Wojciech Fendler, MD, PhD of the Medical University of Łódź received the National Science Centre award funded by Adamed. He was recognised for his outstanding outcomes in a study of microRNAs as biomarkers of incidental exposure to nuclear radiation and complications of radiation therapy.
- Professor Marcin Kołaczkowski, MD, PhD, Lead Scientist at Adamed Pharma and Vice Dean for Development and Science at the Faculty of Pharmacy of Collegium Medicum, Jagiellonian University, was the first person to receive the Roman Kaliszan Award presented by the Medical University of Gdańsk, the Polpharma Scientific Foundation, and the Gdańsk Scientific Society. He was recognised for the development of a new generation of G protein coupled receptors (GPCR) in search of therapies for psychiatric and neurodegenerative diseases.



RESPONSIBLE EMPLOYER

5 RESPONSIBLE EMPLOYER

We care about our team



TOMASZ KRZAK

Member of the Management Board, People, Culture & Organisational Development Director

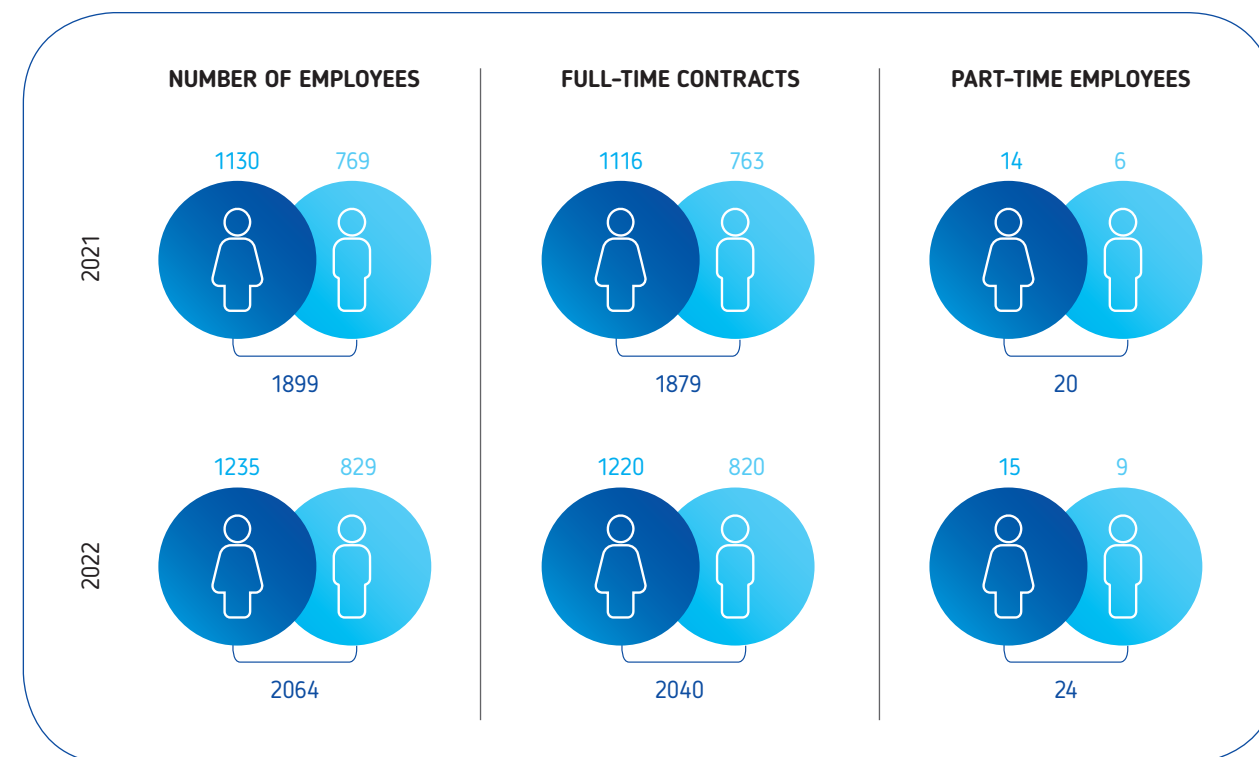
Adamed's top-grade equipment, machines, world-class digital systems, and technological solutions are just an extension of human thought, invention, and ingenuity. Our Employees stand behind all our successes and every innovation we implement. They are experts in their specialties, passionate people who not only understand the challenges of daily work in the pharmaceutical industry, but above all identify with our corporate mission and are aware that our everyday work has an impact on the health of millions of people. We are a unique team of experts committed to looking for answers to key challenges in contemporary medicine.

Our Employees

2-30 **Adamed has more than two thousand employees in Poland who, through their passion and commitment, effectively contribute to the company's growth, while developing alongside it.** Owing to our international expansion, we can work and build our competencies across diverse teams and different continents. Adamed provides an opportunity for growth matching one's interests and skills. We create talent programmes and support the scientific development of our Employees.

We offer modern, interesting, and engaging workplaces based on values and clear and fair rules. We value competence and embrace the opportunities to support the professional ambitions of our Employees. Our attractive salaries are complemented by a rich selection of fringe benefits. We sign permanent employment contracts for an indefinite term with the vast majority of Employees; we do not employ Employees with non-guaranteed working hours. The company does not have a collective bargaining agreement in place.

2-7



2-8

Adamed had 13 staff members under B2B contracts in 2021 and 23 staff members under B2B contracts in 2022. Most of them are people with competence in new technologies with whom we work in the ICT field.

Engagement Survey

Adamed's development results in employment growth. By the end of 2022, we had increased our workforce by more than 8.5%, and the number of Employees had grown by 165. At the same time, we want to reduce the turnover rate within the organisation. For that reason, we regularly track the satisfaction of our employees. We have conducted the company-wide Pulse Engagement Survey once every few years since 2013. Owing to this initiative, we obtain a picture of our work environment from the perspective of all Employees. In 2021, we carried out the survey in Poland and international markets³, with a record-breaking response rate.

94%
response rate in **Engagement Survey 2021**

The results of the Pulse Engagement Survey 2021 showed significant growth in all survey categories for which initiatives were implemented following the 2018 survey.

³ Excluding Vietnam due to the pandemic situation

Competency model

We support our Employees in becoming fully prepared for working in a changing and complex business environment. Our history proves that the development of individuals at Adamed contributes to the success of the company as a whole. As part of the Employees development strategy, we revise our competency model on a regular basis to adapt it to current and future challenges. In 2021, we have prepared a new Competency Model that reflects the characteristics of our corporate culture which, in our opinion, are critical to Adamed's market success, and translates

these characteristics into everyday attitudes and behaviours. The model consists of four competencies dedicated to Employees (i.e. non-managers) and four competencies dedicated to managers. Each competency is described by a fixed set of indicators - expected key attitudes and behaviours for that competency. Each competency dedicated to team managers describes how a leader should create the right conditions for their Employees to perform, in line with the expectations expressed in the competencies dedicated to Employees.

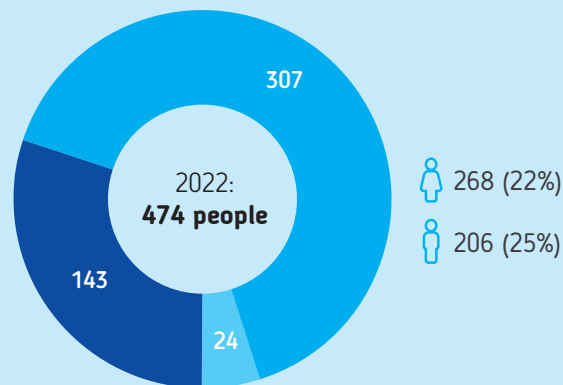
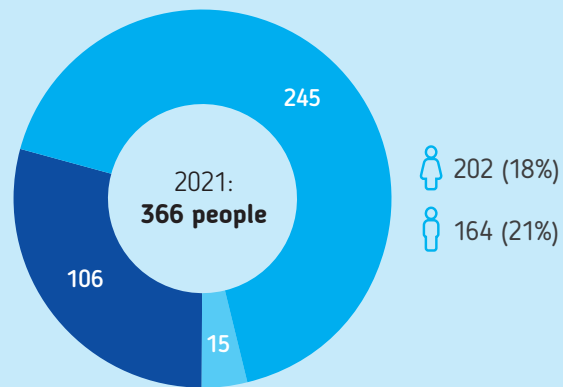


83%

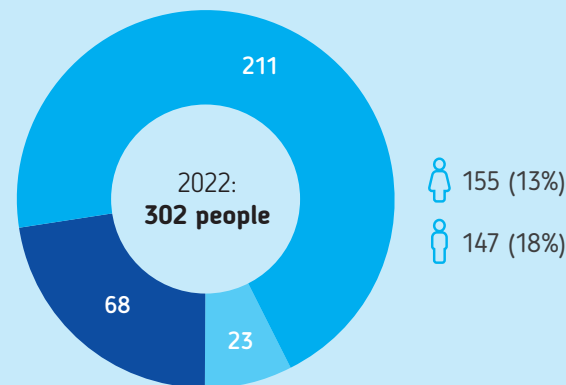
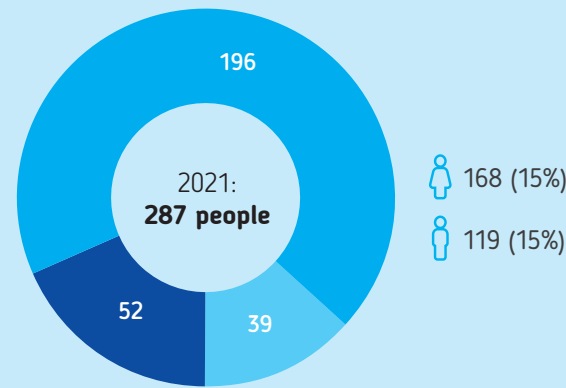
An OHI survey conducted by McKinsey at Adamed showed that our Employees have an outstanding level of responsibility: **83 percent.**

401-1

New hires



Leavers



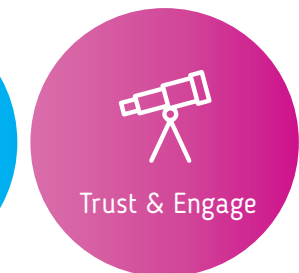
● <30 ● 30-50 ● >50

COMPETENCIES





FOR MANAGERS



FOR EMPLOYEES



Our Competency Model:

-  Summarises the company’s expectations of the behaviours and attitudes of Employees and managers.
-  Provides a consistent and solid basis for giving feedback.
-  An important component of the Total Performance assessment process.
-  Helps identify key areas for development and ensures that development priorities are aligned with the company’s strategic priorities.

 **GOOD PRACTICE**

Since 2018, we have been running the Adamed Super League internship programme for ambitious young people who want to pursue a career in the pharmaceutical industry. We offer the opportunity to gain knowledge and experience through important and interesting initiatives. People who implemented the best projects and received a recommendation from their supervisors during their 6-month internship were offered jobs to continue their professional career at Adamed. Many former interns still work and succeed in our organisation today.

We support the ambitions of our Employees

⁴⁰⁴⁻³ **Innovation is always driven by people – Adamed’s success is based on the knowledge, experience, and commitment of its staff. We want Adamed to be a place that supports the professional ambitions of every Employee and fosters steady development of competencies.**

We define clear career paths in every business segment, and the promotion criteria are transparent and known to all Employees. Our history proves that the development of individuals at Adamed contributes to the success of the company as a whole. We take care to ensure that our Employees have the right

competencies to successfully carry out tasks in a volatile and highly demanding reality. All our Employees are subject to regular performance evaluations and career development reviews⁴ We have implemented Continuous Performance Management – a continuous real-time feedback and coaching process involving manager-Employee interactions. CPM accelerates the achievement of goals, makes performance evaluation relevant and enables the development of Employees. The process also serves as a basis for a wrap-up and development conversation and helps identify Employees with the greatest potential as well as prospective talents.

⁴[404-1] We did not keep track of the Employees’ training hours in 2021 and 2022 at Adamed. A reporting system for such data was at the implementation stage in 2022.

⁴⁰⁴⁻² With a view to the development of Employees and the entire organisation, we take great care to train managers and improve their leadership skills, which help us build an engaging work environment and implement the company’s business strategy. To this end, as part of development activities addressed to managers, we have been running our comprehensive LEAD UP programme since 2019. We review the programme every year to adapt it to the organisation’s ongoing needs and business challenges. Specific solutions are aimed at two different groups of managers:



First Time Manager

A comprehensive programme addressed to new managers, developing key managerial skills, such as situational management, authority building, and feedback. The training includes a presentation of HR processes and managerial responsibilities relating to labour law, recruitment, and the performance evaluation system.



Leadership Academy

The programme is addressed to experienced team managers and offers them the opportunity to improve and develop their leadership skills, exchange knowledge through several training themes divided into thematic tracks (e.g. building commitment, leadership in a VUCA world, managing remote teams, intergenerational differences, continuous improvement, etc.).

Our development activities addressed to managers and their teams include individual coaching (with external and in-house coaches) and team workshops supporting team-building and team culture processes, which result in improved cooperation, performance, and job satisfaction of our Employees.

 **GOOD PRACTICE**

The international development of our company is also an opportunity for our Employees to pursue their professional passions within Adamed structures abroad. Since 2017, we have a Mobility Policy in place, which offers selected Employees the opportunity for professional development and gaining experience in our branches around the world.



At Adamed, we take care to effectively develop the potential of our Employees and create the right conditions for them to make the best use of their abilities. During the annual **Total Performance** process, we identify Employees with a high development potential for more complex and demanding roles and functions within the organisation in the future. For these individuals, we have created special, targeted talent programmes: **Future UP and Sales UP**.

In the first pilot edition of **Future UP** in 2022, we invited 20 people who had a real impact on Adamed's future business through their daily work in executive and managerial positions across all areas of the organisation. The programme lasts 1.5 years and, through rich and varied training, workshops, and meetings, places emphasis on development in four key dimensions:



ORGANISATION – expanding knowledge of how Adamed operates as a complex, multi-faceted, and rapidly growing organisation. Cross-cutting strategic level knowledge across multiple areas.



ENVIRONMENT – strengthening skills associated with leadership within and around the organisation. Working with internal and external stakeholders, influencing.



SELF-AWARENESS – understanding one's own strength, limitations, and responsibilities associated with leading others. Specifying and planning a preferred career path.



COLLABORATION – teambuilding and experience sharing with other programme participants, understanding different perspectives, and leveraging diversity to achieve common goals.

As a result of the programme, the participants develop and implement specific business initiatives. We plan to launch an international edition of the programme in 2024.

SalesUP is a programme dedicated to our Medical and Pharmacy Consultants. The idea behind the programme is to develop and help fully utilise the talents of our Sales Employees by building a broad understanding of the business environment, market mechanisms, or marketing principles. The leading theme of this edition was to develop a vision for a Medical/Pharmacy Consultant of the future and to offer concrete solutions that will prepare our sales force for the challenges yet to come.

We believe that each of our Employees has a number of talents, and we encourage each of them to consciously plan their careers and create Individual Development Plans. We offer specialised training and subsidies for postgraduate, MBA, or doctoral studies. We subsidise learning of foreign languages and provide a broad selection of internal training courses led by business practitioners – our Employees.



Since 2020, Adamed has been successfully running the Expert2Expert Programme.

This initiative brings together Employees who develop their coaching competences within our organisation.

Expert2Expert was founded based on the idea of knowledge sharing. It is created by Employees for Employees.

Owing to our in-house trainers, we hold the Science Festival addressed to all employees twice a year. Every edition of the Festival offers soft training, for instance on ongoing feedback, the art of presentation, or wellbeing, as well as specialised training, such as a process map generator or advanced Excel operations.

We have already had **7 editions of the Festival**, which offered a total of more than **7,000 training slots in hundreds of training courses and webinars**. In addition to training, we have developed a database of know-how content, as well as inspiring recordings that can support the development of our Employees' skills at any time.

In response to current business needs, we also run custom development programmes addressed to specific teams or functions in our organisation, such as the Marketing Academy, Registration Academy, KAM Academy, etc. We raise the diversity awareness of our Employees – we provide training on cultural differences, generational differences, and we invite all newly hired Employees to explore their performance style through our Insights Discovery workshops.



GOOD PRACTICE

40 of our Employees have doctoral degrees. Adamed Employees can pursue further academic degrees based on research carried out within the company, and we provide doctoral students with access to our technology facilities and expert consultations.

Remuneration Policy

2-19 **Our remuneration policy is transparent and known to all Employees.**

We offer:

- fixed remuneration;
- variable remuneration – special-duty allowance, relocation or housing allowance;
- annual/monthly/cyclical bonuses depending on position and based on performance or goal achievement;
- overtime allowance in accordance with applicable regulations;
- night work allowance.

How we designed our remuneration policy:

2-20

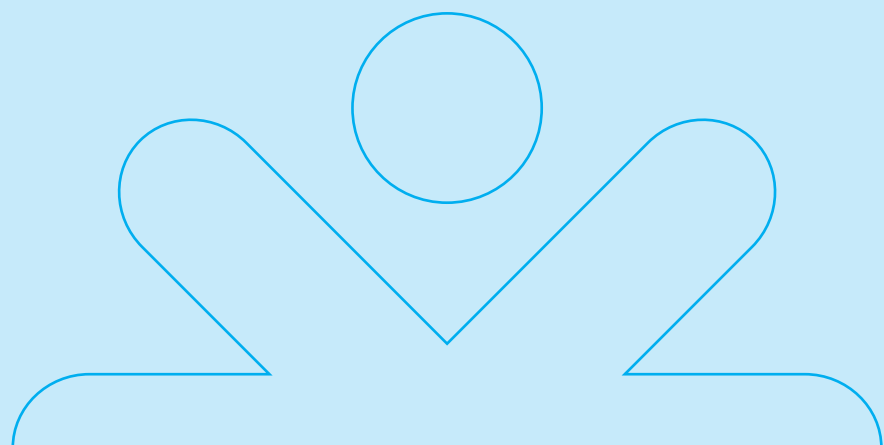


Individual remuneration is determined according to the 3P model – position, person, performance. Adamed’s salary information is submitted anonymously to salary survey companies.

2-21

Ratio of total annual compensation of the highest paid individual in the organisation to the median total annual compensation for all Employees (excluding the highest paid individual):

2022: 15.0 2021: 13.86



RESPONSIBLE EMPLOYER

401-2 **Along with remuneration, we provide an attractive package of non-monetary benefits.**

Since 2019, Employees have been provided with access to “Benefit Cafeteria”, an online platform that allows them to choose their benefits at fair prices. Benefits available to all Employees include:

- life and health insurance,
- private healthcare services,
- retirement severance pays,
- the MultiSport Card,
- free fruit once a week,
- lunch cards – meal subsidies for operations Employees,
- company cars in some positions,
- length-of-service awards,
- discounts on selected cultural events.

GOOD PRACTICE

In 2022, the existing CEO Award was renamed the Founder’s Award to celebrate our 35th anniversary and honour Marian Adamkiewicz, MD, PhD, the company’s founder. The competition was also reinvented, and now the award goes to individuals and project teams who excel in pursuing the company’s vision and mission, and who remember to incorporate founder’s mentality, empowerment principles, and our guiding values in their daily work.



Kaizen

We have implemented Kaizen, a programme designed to continuously improve working conditions, improve safety, and reduce costs, across all our business areas. According to Kaizen, by implementing small improvements (kaizens), Employees can make the entire organisation improve faster, accelerating its competitive edge.

Ideas submitted as part of the project are often surprising, and the resulting improvements prove that an employee suggestion system is indeed necessary. The principles of the Kaizen programme also allow for group submissions, because we believe that team input is necessary on the path of an organisation striving for operational excellence. Employees can submit their ideas online through a dedicated Kaizen Platform. A special committee may award points for each submission, which can then be used in the MyBenefit cafeteria or donated to charity.



Examples of Kaizen implementations:



A gas chromatograph 'cooling' method has been introduced. It results in incredible savings in terms of energy consumption and equipment utilisation, as well as improved substance purity.



A device for continuous evaporation of solvents and volatiles in flow chemistry (FLOW) processes has been designed.



PGA data for Annual Product Review Reports have been automated using robotic implementation for output and packaging materials.

Health promotion

403-6 We help our Employees enjoy good health and well-being. For years, we have been running our HIGH FIVE TO HEALTH (Zdrowie na 5) programme that successfully inspires and educates people to take care of their health.

The programme helps our Employees monitor their health and supports preventive measures for physical and mental well-being. For instance, HIGH FIVE TO HEALTH offers a selection of preventive checks and an information package on daily work ergonomics for a variety of positions.

Under the HIGH FIVE TO HEALTH programme in 2022:



64,609 medical consultations were provided,



80 mammograms were done,



65 naevi examinations were conducted before the summer holiday season,



200 people obtained a body composition analysis, individual **nutritional advice from a dietician and personal trainer consultations**.



We invited Employees to **mental health webinars**.



We organised **sports classes** with a personal trainer, both at a gym and as online streaming (yoga and full body workout).

All our Employees also have access to a compendium of knowledge about health on the intranet, where we regularly post articles, company announcements, and podcasts on health, nutrition, and sports activities.

We support the sport hobbies of our Employees. We subsidise participation in sports competitions in a variety of disciplines and help people keep fit on a daily basis. We have opened our own gyms in Pieńków and Pabianice, where personal trainers run regular full body workouts for all Employees. We also offer specialised trainer support for runners – we help them prepare training plans and organise individual and group running workouts.

Adamed's corporate sport is skiing. For many years, in the winter, we have organised the Adamed Cup Ski Championship, which also works as a qualification for the Adamed SKI Team. The latter competes in the Polish Pharmaceutical Companies Championship every year. In 2022, the Adamed SKI Team athletes tested their form at the 19th Alpine Skiing Championships in Krynica-Zdrój. The team was prepared for the competition under the guidance of coach Izydor Kłusak, a talented former athlete and Polish champion, who also competed internationally. Our Employees came first in the Giant Master Slalom competition and third in Men's Giant Slalom.

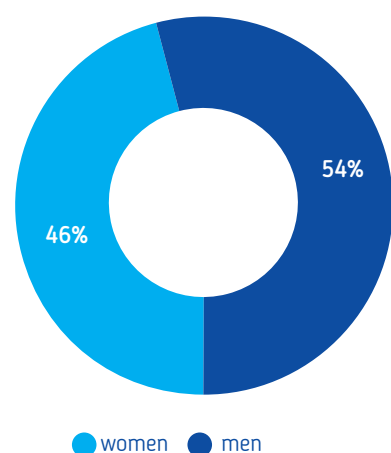
We foster equality and diversity

We create an inspiring and friendly environment, where professional duties, ambitions and emotions do not give rise to any conflicts affecting the comfort of work or impeding the company's business success.

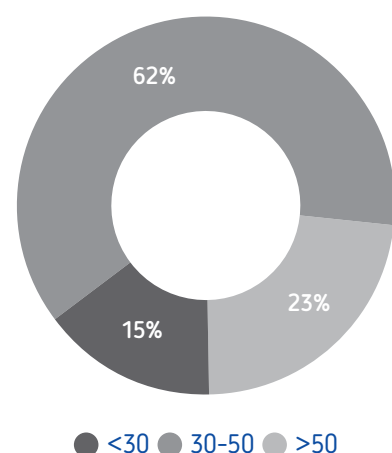
In our daily work, we are guided by our values: openness, respect, and flexibility. We are open to different perspectives and value the diversity of our team.

405-1

Diversity of management staff by gender



Diversity of management staff by age



Diversity of employee teams by gender

	2021		2022	
	women	men	women	men
executive	17	26	16	28
manager	107	98	81	69
team leader	31	42	34	43
specialist	436	217	463	234
operations employee	174	251	234	307
field employee	365	135	407	148

RESPONSIBLE EMPLOYER

Diversity of employee teams by age

	2021			2022		
	<30	30-50	>50	<30	30-50	>50
executive	0	35	8	0	34	10
manager	4	178	23	2	129	19
team leader	3	54	16	3	57	17
specialist	124	445	84	143	477	77
operations employee	85	198	142	112	266	163
field employee	27	462	11	19	516	20

We work in diverse teams and foster inclusion and equal treatment for all team members.

Competence is the key criterion for professional development at our company and a foundation of our success. In a biotechnology company, competence determines the competitive advantage.

406-1

We oppose and counteract any form of discrimination at the workplace, whether indirect or direct. Our position on this is governed by our Code of Ethics. All Adamed Employees can thrive without having to compromise their identity. We respect the uniqueness of our Employees and see the diversity of our teams as an opportunity to develop and strengthen our competitive advantage. We are an open organisation that benefits from the fresh perspective of many different people, diverse competencies, and outlooks. Our Employees are diverse in terms of religion, sexual orientation, nationality, or physical ability. As a company, we have never recorded any confirmed cases of discrimination in our history.

405-2 **Ratio of basic salary and remuneration of women to men by position - data for 2021-2022**

	Salary ratio W/M
Executive	103.36%
Manager	102.86%
Team Leader	112.61%
Specialist	85.75%
Operations employee	98.48%
Field sales employee	87.31%

We are committed to safety and security

403-1 **Working for Adamed is safe. We have put in place strictly enforced safety and security procedures across all sites.** We monitor their effectiveness and always look for better solutions. The occupational safety management system is coherent and is based on common, company-wide documentation. Our procedures meet all requirements of Polish law, and sometimes even go further, employing solutions conforming to the best international standards.



We want all our employees to be committed to safety and security.

To streamline the process of reporting any irregularities regarding health and safety issues, we have implemented a reporting system that provides Employees with comfort as well as complete anonymity. Near misses can be reported:

- to the line manager;
- through the NEAR MISS Platform on Adamed Connect Global;
- by email to near.miss@adamed.com;
- via the ADAMED NEAR MISS app on company phones;
- by placing notices in special mailboxes.

403-5 **Our safety culture is underpinned by a training system.** Every new Employee undergoes health and safety orientation before they start work. Subsequently, we provide recurrent training for all Employees on a regular basis, in accordance with the applicable regulations. Every Adamed Employee is aware that – in accordance with the law – in an emergency, they can abandon their work without any negative consequences.

Risks occurring in most risky areas receive special treatment. Laboratory Employees take part in special training “Safe Work with Chemicals” every year, learning about types of hazardous chemical agents, toxic effects on the human body, responding to accidents, or handling laboratory waste. A selected group of manufacturing Employees takes part in fire drills once every two years, while leaders as well as administration and office Employees receive first aid training once a year.

403-9 No serious accidents at work occurred at Adamed in the reporting period. The rate of work-related injuries was 0.61 in 2021 and 0.76 in 2022. The most common injuries were ankle sprains and neck injuries and pain.

We did not record any cases of occupational diseases in the reporting period.

	2021	2022
number of fatal accidents	0	0
number of serious injuries	0	0
number of injuries	9	12
number of hours worked	2,941,300	3,130,300



RESPONSIBLE PARTNER

6 RESPONSIBLE PARTNER



KATARZYNA DUBNO

Director for External Relations, ESG and Health Economics

The COVID-19 pandemic and the war in Ukraine highlight the fragility and importance of drug security. The events of recent years, and the disrupted or broken supply chains, clearly prove how important drug production is in Europe, and – from the perspective of our country and Polish patients – in Poland. Uninterrupted access to therapies is one of key prerequisites for a healthy society. Prevention and education are just as important. That is why we, as Adamed Pharma, have been supporting public health for years, not only by providing life-saving drugs, but also by promoting knowledge and awareness. We undertake activities such as Adamed for the Family and we have built Adamed Expert – a modern knowledge portal.

Adamed for the Family

Adamed for the Family enjoys a special position among all our community programmes, offering free ‘health zones’ throughout the country. The idea behind the campaign is to provide free examinations and consultations for people who live in smaller towns and villages, where access to medical specialists is particularly difficult. The examinations were free and open to all adults.



RESPONSIBLE PARTNER

Adamed for the Family 2022:



- more than **60** doctors' offices
- almost **2,200** patients examined
- over **60** hours of educational meetings
- more than **5,000** of educational brochures distributed

* As part of the 4th Patient Forum



Examinations offered by Adamed for the Family Health Zones:

- cardiovascular examinations,
- pulmonary examinations,
- eye examinations,
- diabetes examinations,
- urological examinations with medical consultations,
- ultrasound scans,
- psychological lectures and workshops,
- psychiatric consultations.

All services were provided by specialists in the field. As an add-on benefit, visitors were offered access to a pulmonary rehabilitation zone, a first aid course, and a fun zone for children. Adamed for the Family is implemented under the auspices of the Polish Society of Lifestyle Medicine, the Polish Society of Allergology, and the Maria Grzegorzewska University.

As part of the Programme, we have prepared a report entitled "Health of the Poles" (Stan zdrowia Polaków), from which it follows that only half of the population claim they are in good health, and more than half take prescription drugs on a regular basis. The survey also revealed neglect in the areas of preventive examinations and proper diet. One in four respondents admitted that they had last visited a primary care physician more than a year ago.

To develop the report, we relied on the results of a survey of participants of the Adamed For the Family campaign and online surveys. The total sample of the survey included 1,011 adult residents of Poland, broken down by gender, age, and province. The survey was conducted in collaboration with the BioStat Research and Development Centre using the CAWI surveying methodology and the Badanie Opinii (Opinion Poll) survey platform.



We care about the community

We share our health expertise with the public. We have been initiating community programmes addressed to hundreds of thousands of people for years. We suggest people how to protect their health and help them recognise concerning symptoms of diseases.



Adamed for Seniors (Adamed dla seniora)

A programme that helps senior citizens stay fit, able, and physically active. In cooperation with Poland's key senior organisations, we organise a series of meetings, events, and educational campaigns for the older generation every year.

Selected activities in 2021-2022:

- Meet Your Senior Neighbour – a community campaign run in cooperation with Głos Seniora with a total reach of about 68,000 recipients;
- continued cooperation with the University of the Third Age and publication of educational content in the nationwide UTA newsletters that are popular among seniors;
- participation in the Senioralia event and Silver Economy Congresses;
- the survey “Needs and health of Seniors during the COVID-19 pandemic”.



For more information about the Adamed for Seniors programme, visit www.adamed.com.



Finding Yourself (Odnaleźć siebie)

A nationwide educational programme about nervous system disorders and diseases.



Selected outcomes in 2021-2022:

- nearly 250,000 visits to <https://odnalezcsiebie.pl/> portal, which offers educational content, diagnostic tests, and videos;
- about 60,000 patient and caregiver guides distributed.



Deep Breath (Głęboki oddech)

A countrywide programme raising public awareness of the causes and effects of respiratory system diseases, such as asthma, chronic obstructive pulmonary disease (COPD), croup syndrome, and allergies.



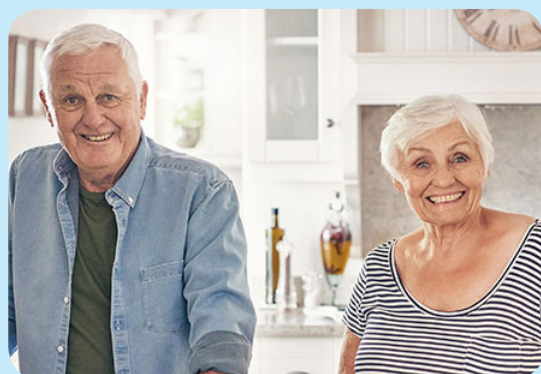
Selected activities in 2021-2022:

- organisation of Breathing Week with experts sharing knowledge on respiratory diseases and their prevention;
- preparation of a series of educational videos addressing issues related to nebulisation, as well as pulmonary rehabilitation and breathing yoga – the average audience was 20,000.

For more information about the Deep Breath programme, visit www.glebokioddech.pl.

New at Heart (Serce na nowo)

A nationwide cardiovascular disease prevention programme. The program is supported by a wide range of experts who deal with a wide range of cardiovascular diseases on a daily basis: cardiologists, general practitioners, and dieticians.



Selected activities in 2021-2022:

- Organisation of the Heart Week and preparation of a series of educational videos on hypertension, lipid disorders, blood clotting, and other subjects. Average audience – more than 24,000;
- Organisation of more than 150 blood pressure and cholesterol testing campaigns. More than 15,000 patients were examined in total.

For more information about the New at Heart programme, visit www.sercenanowo.com.

Urologist for Everyone (Urolog dla każdego)

Launched in 2022, the programme provides patients with improved access to urology consultations, which are important for the prevention of genitourinary diseases. The examinations were offered in towns or villages with a population below 30,000, where no urologists are available or the waiting time for a urologist appointment exceeds 90 days. In 2022, consultations were provided to 887 patients across 25 locations throughout Poland.



For more information about the Urologist for Everyone programme, visit www.urologdlakazdego.com.

For the health of the Vietnamese

Non-communicable diseases are the most common cause of death in Vietnam. According to estimates, they account for eight-tenths of all deaths in that country. Therefore, in November 2021, we launched a programme in partnership with the Vietnamese Ministry of Health to prevent and treat non-communicable diseases out of concern for the health of Vietnamese citizens. We prepared educational articles and videos on non-communicable diseases, their causes, early diagnosis, and treatment in cooperation with experts from the Ministry, and we published them on the most popular websites. We also launched a special online platform and conducted a series of virtual training sessions for Vietnamese medical professionals. We opened a hotline for people with depression in response to an urgent post-pandemic need reported by the local Ministry of Health.



Mental health in Spain

In Spain, we co-organised a debate on mental health and the problem of suicide, as well as a training meeting for more than 250 medical professionals on a range of topics, including psychiatry, neurology, and gynaecology.

Supporting medical education in Uzbekistan

In cooperation with the Republican Specialized Scientific and Practical Medical Center of Cardiology in Tashkent, we provided training for young cardiologists on CPR resuscitation algorithms according to the latest guidelines and recommendations. We purchased CPR manikins for use during the workshop.

We also signed a scholarship cooperation agreement with the Tashkent Medical Academy and funded eight 5-month grants for the university's top students.





Adamed Expert, our specialised medical knowledge portal, was launched in 2022.

The website offers up-to-date medical knowledge and high-quality related content created by renowned specialists in their respective areas of medicine, offering an excellent and complete resource addressed to patients, caregivers, as well as healthcare professionals.

ADAMED EXPERT:

For doctors

Top expert knowledge, access to the latest medical insights, treatment algorithms to help in daily medical practice.

For pharmacists

A knowledge base, daily industry news, and pharmaceutical care charts.

For patients

Reliable information on treatment and prevention of diseases. Practical tips about nutrition and healthy living.



ADAMED SmartUP

ADAMED SmartUP is a unique educational programme implemented by the Adamed Foundation, which attracts a growing number of talented, ambitious, and curious teenagers from all over the country every year. Since its first edition in 2014, ADAMED SmartUP has been promoting science by equipping young people with the tools and knowledge they need to pursue their passion.

ADAMED SmartUP in figures:



almost **70,000** registered participants



more than **1,500** participants of ADAMED SmartUP Academy's free scientific workshops



400 science camp participants



80 grand prize winners



21 scholarship recipients

50 participants of an innovative science camp are selected in ADAMED SmartUP's staged recruitment process every year. During the two weeks, the students attend practical and theoretical classes taught by professionals from the world of science and lecturers from the best universities in Poland and globally. From among the camp participants, we select 10 grand prize winners, who are enrolled in a tailor-made educational consultation programme. This gives them the opportunity to develop their skills through additional classes, internships, or laboratory work. The grand prize winners who demonstrate the greatest motivation to act and passion for science receive financial support in the form of a scientific scholarship.

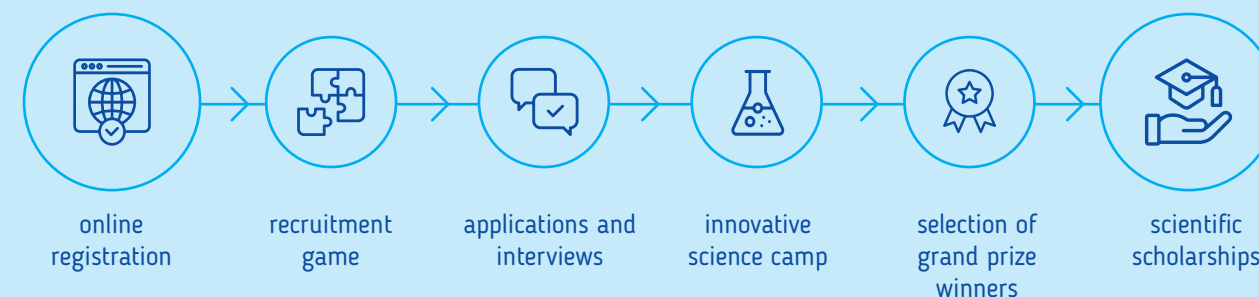


The Adamed Foundation was established in 2014. From day one, it has fostered cooperation, integrating the academic community with the pharmaceutical, medical, and biotechnology sectors, and reinforcing collaboration with entities performing similar functions. In 2020, it launched Adamed Expert, a programme which aims to generate, provide, and disseminate reliable information based on medicine and preventive health care expertise.

Management Board of the Adamed Foundation:

- **Małgorzata Adamkiewicz, MD, PhD**
President of the Management Board
- **Maciej Adamkiewicz**
Vice-President of the Management Board
- **Katarzyna Dubno**
Member of the Management Board

ADAMED SmartUP



The activities of ADAMED SmartUP extend beyond Poland. In 2022, the Adamed Foundation, in collaboration with the Autonomous University of Barcelona (UAB), organised the first edition of the ADAMED SmartUP workshop in Spain. Almost 80 high school students participated in classes in the auditorium of the Mathematical Research Centre and in the laboratories of the Faculty of Sciences. Professors of the university's Faculty of Sciences were responsible for high quality educational content. Since 2019, ADAMED SmartUP has also been present in Vietnam. It is open to the students of the Polish-Vietnamese Friendship Secondary School in Hanoi. In 2022, a record number of students applied: more than five hundred. Three winners were flown to Poland in July to participate in the ADAMED SmartUP science camp.



ADAMED SmartUP includes the ADAMED SmartUP Academy, a series of free open weekend workshops for young science enthusiasts aged 14 to 19. More than 1,500 students have participated since 2015. The curriculum is developed by experts from Poland's top scientific institutions. In 2022, these included the Warsaw University of Technology, Jagiellonian University, and the Catholic University of Lublin. The meetings are an opportunity to work in professional laboratories, do experiments, and learn physics, chemistry, and biology.



At the end of 2022, the ADAMED SmartUP community was made of 400 alumni who cultivated their interests while completing the final year at high school or studying at Polish and foreign universities. We invite them to the annual Alumni Reunion, which offers team-building activities and gives them the opportunity to present their scientific projects and achievements.



**In the first year of the war,
we provided almost
PLN 14.5 million worth
of medicines and medical
aid to Ukraine.**



Drug deliveries to hospitals in war zones were coordinated by Employees from Adamed Pharma Ukraine. Already in the first days of the war, our medicines reached hospitals in Lviv, Yavorov, Uzhhorod, Mostyska, or Kiev.



Transport aid and accommodation for Ukrainian families.



Donation drive for Ukrainian refugees.



Counselling, livelihood, and financial aid for our Ukrainian Employees and their families.



Donation of 2,100 school starter kits to Ukrainian children who enrolled in Polish schools.



Preparing ADAMED SmartUP materials in Ukrainian and supplying them to Ukrainian youth.



Support for aid NGOs, such as the Polish Medical Mission and the SOS Children's Villages Association.

We care about the economy



GRZEGORZ CHEŁMIICKI

Member of the Management Board, Chief Financial Officer

Adamed is one of Poland's largest pharmaceutical companies. We are part of an industry that is crucial to Poland's competitiveness on the European and global stage. Our multi-billion-dollar investments in research and development activities not only result in innovative medicinal products for patients, but also – on a broader scale – make an important contribution to the innovativeness of the Polish economy as a whole.

We operate globally, but we are a Polish company. We pay our taxes here, and our business drives the growth of the Polish economy in the first place. We invest our profits to accelerate innovation in Poland – since 2001, we have spent PLN 2.1 billion on investment projects and R&D, and as much as PLN 168 million only in 2022.

2021		2022	
CIT	PLN 40.2 million	CIT ⁵	PLN 51.9 million
PIT	PLN 31.5 million	PIT	PLN 37.4 million
Social insurance contributions	PLN 75.2 million	Social insurance contributions	PLN 90.8 million

⁵ CIT figures for 2021 and 2022 are provided as at 4 July 2023 and are subject to change

204-1

We support Polish entrepreneurs. We sourced 68% of our purchases in 2021 and 62% of our purchases in 2022 domestically. We are a large company and an attractive business partner for hundreds of small and medium-sized companies across Poland. We often determine their market success, growth opportunities, and hiring processes. We spent a total of almost PLN 1.8 billion on goods and services from Polish suppliers in 2021-2022.



RESPONSIBLE PARTNER

GOOD PRACTICE

In recognition of our importance to the economy, competitiveness in the industry, foreign operations, and innovation capability, in 2021 we were awarded the title of the National Champion. Adamed ranked sixth among 126 companies covered by the 4th edition of the Polityka Insight ranking.

We were also nominated for the Economic Award of the President of the Republic of Poland in the National Success category. This is a distinction with a long tradition, which promotes undertakings that build a positive image of Polish entrepreneurship internationally and set an example of the best practices in global expansion of Polish know-how and innovation.

of new products, or contract manufacturing. We are also responsible for selling licences to third parties. We provide comprehensive support on regulatory and intellectual property matters, market entry strategy for new products, and open partnership.

We consistently grow the number of our products. The In-Licensing Department actively looks for new product offerings, which are gradually added to our portfolio. Adamed has working relationships with all major generic drug companies in Europe and beyond. Owing to them, we are able to continuously analyse the pharmaceutical market in terms of molecule availability, expiring patents, and identification of potential business opportunities.

We comply with the law and make sure to always abide by the law. We do not carry out any tax settlements in tax havens. We pay our tax liabilities on time, we avoid tax risks, and we do not engage in any aggressive tax planning.

Our activities also reduce the trade deficit of the domestic pharmaceutical industry – the value of foreign sales of drugs produced by our Polish plants exceeds the imports of raw materials and products. Our Out-Licensing Team is responsible for selling our products in global markets. We are open to various business cooperation models, including licensing, distribution, co-development

GOOD PRACTICE

For more than two decades, we have participated in CPhI Worldwide – the largest pharmaceutical trade fair in the world. This key industry event brings together suppliers and buyers of pharmaceutical products, providing them with new opportunities for networking and engaging in business relationships.

ABOUT THE REPORT

2-3 Adamed has been reporting on non-financial
2-4 topics since 2015. This ESG report covers the period from 1 January 2021 to 31 December 2022, unless a different timeframe has been specified. The report does not include material adjustments to any disclosures made in the previous non-financial report, which covered the years 2018-2020 and was released in 2021. In 2022, there were no significant changes regarding Adamed's size, structure, ownership, or value chain.



2-1 The report discusses ESG considerations
2-2 concerning Adamed Pharma S.A., which is also covered by financial statements.

3-1 3-2 The report responds to stakeholder expectations regarding Adamed's sustainability. In the process of identifying material topics for the 2021-2022 report, a list of key topics from the previous report was validated. The materiality of individual topics was determined during strategic meetings of management representatives and through online surveys of external and internal stakeholders. Analysis for the purposes of this report was conducted by a project team supported by an independent ESG consultant.



ABOUT THE REPORT

Defined key ESG topics

 <p>Environment (E)</p> <ul style="list-style-type: none"> ✓ Responsibility to the natural environment: measures to minimise the adverse impact on the environment. 	 <p>Social (S)</p> <ul style="list-style-type: none"> ✓ Responsibility in the workplace: safe working conditions; training and development. ✓ Responsibility to the society: social programmes, support for young talents. 	 <p>Governance (G)</p> <ul style="list-style-type: none"> ✓ Ethics and compliance. 	 <p>Other</p> <ul style="list-style-type: none"> ✓ Responsibility to the market: direct and indirect market impact; customer health; pharmaceutical security; innovation, research and development.
--	--	---	--

 **Adamed's key defined stakeholder groups are:**

<ul style="list-style-type: none"> ○ patients, ○ Employees, ○ business partners, ○ local communities, ○ universities and scientific institutions. 	<ul style="list-style-type: none"> ○ industry organisations, ○ NGOs, ○ media, ○ healthcare representatives, ○ public administration,
--	---

2-29 At Adamed, dialogue with each stakeholder group is decentralised and conducted on an ongoing basis through multiple direct and indirect communication channels tailored to the needs of the communicating parties. These include the intranet, meetings, conferences, publications, industry events, online tools, and satisfaction surveys.

2-5 Key disclosures in the report have been independently verified by Bureau Veritas Polska Sp. z o.o.

Contact for the ESG Report 2021-2022:



Katarzyna Dubno
Director for External Relations,
ESG and Health Economics

 esg@adamed.com



INDEPENDENT LIMITED ASSURANCE STATEMENT

To: The Stakeholders of Adamed Pharma S.A.

Introduction and objectives of work

Bureau Veritas Polska Sp. z o.o. (Bureau Veritas) was engaged by Adamed Pharma S.A. to carry out independent assurance on the Selected Information presented in the Adamed Pharma S.A. Sustainability Report 2021/ 2022 (the Report). This Assurance Statement applies to the related information included within the scope of work described below.

Selected information

The scope of our work was limited to assurance over GRI Standards Disclosures (Consolidated set of GRI Sustainability Reporting Standards), Core option included in the Report for the period 1 January 2021 to 31 December 2022:

- GRI Standards 2021: 1, 2-7, 2-8, 2-21, 2-27, 2-28, 3-1, 3-2, 3-3.
- GRI Standards 2016: 204-1, 205-1, 205-2, 205-3, 417-2, 417-3, 301-3, 302-1, 305-1, 305-2, 401-1, 401-2, 404-2, 404-3, 405-1, 406-1.
- GRI Standards 2018: 303-3, 403-6, 403-9.
- GRI Standards 2020: 306-1, 306-3.

Excluded from the scope of our work is any assurance of other information included in the Report.

Reporting Criteria

The Selected Information needs to be read and understood together with the standards for sustainability reporting The GRI Standards 2016, 2018, 2020 and 2021 as set out at <https://www.globalreporting.org>.

Limitations and Exclusions

Excluded from the scope of our work is any verification of information relating to:

- Activities outside the defined verification period;
- Positional statements (expressions of opinion, belief, aim or future intention by Adamed Pharma S.A., and statements of future commitment).

This limited assurance engagement relies on a risk based selected sample of sustainability data and the associated limitations that this entails. The reliability of the reported data is dependent on the accuracy of metering and other production measurement arrangements employed at site level, not addressed as part of this assurance. This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.

Responsibilities

This preparation and presentation of the Selected Information in the Report are the sole responsibility of the management of Adamed Pharma S.A.

Bureau Veritas was not involved in the drafting of the Report or the Reporting Criteria. Our responsibilities were to:

- obtain limited assurance about whether the Selected Information has been prepared in accordance with the Reporting Criteria;



- form an independent conclusion based on the assurance procedures performed and evidence obtained; and
- report our conclusions to the Management of Adamed Pharma S.A.

Assessment Standard

We performed our work in accordance with International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information (effective for assurance reports dated on or after December 15, 2015), issued by the International Auditing and Assurance Standards Board.

Summary of work performed

As part of our independent verification, our work included:

1. Assessing the appropriateness of the Reporting Criteria for the Selected Information.
2. Conducting interviews with relevant personnel of Adamed Pharma S.A.
3. Reviewing the data collection and consolidation processes used to compile Selected Information, including assessing assumptions made, and the data scope and reporting boundaries.
4. Reviewing documentary evidence provided by Adamed Pharma S.A.;
5. Agreeing a selection of the Selected Information to the corresponding source documentation;
6. Reviewing Adamed Pharma S.A. systems for quantitative data aggregation and analysis.
7. Assessing the disclosure and presentation of the Selected Information to ensure consistency with assured information.

Conclusion

On the basis of our methodology and the activities described above:

- Nothing has come to our attention to indicate that the Selected Information is not fairly stated in all material respects.

Evaluation against GRI Standards

Bureau Veritas Polska Sp. z o.o. undertook an evaluation of The Report against the GRI Standards. This included cross checking the GRI index table against all the reference documents to provide an opinion on the self-declared GRI application level.

Based on our work, it is our opinion that *Adamed Pharma S.A. Sustainability Report for 2021/ 2022* has been prepared in accordance with standards for sustainability reporting The GRI Standards (2016, 2018, 2020 and 2021) Core option.

Statement of Independence, Integrity and Competence

Bureau Veritas is an independent professional services company that specialises in quality, environmental, health, safety, and social accountability with over 190 years history. Its assurance team has extensive experience in conducting verification over environmental, social, ethical and health and safety information, systems and processes.



Bureau Veritas operates a certified¹ Quality Management System which complies with the requirements of ISO 9001:2015, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Bureau Veritas has implemented and applies a Code of Ethics, which meets the requirements of the TIC Council², cross the business to ensure that its employees maintain integrity, objectivity, professional competence and due care, confidentiality, professional behaviour and high ethical standards in their day-to-day business activities.

BUREAU VERITAS POLSKA Sp. z o.o.

Warsaw, November 30, 2023

Witold Dżugan

Member of the Board

Artur Świątczak

Lead Verifier

¹ Certificate of Registration No. 44 100 160145 issued by TUV NORD CERT GmbH

² TIC Council Compliance Code EDITION 1 December 2018

GRI content index

Statement of use	ADAMED PHARMA S.A. has submitted its report in accordance with the GRI Standards for the period 1 January 2021 to 31 December 2022
GRI 1 used	GR11: Foundation 2021
Applicable GRI sector standards	Not applicable

Disclosure	Location	Reason for omission/ remarks
2-1 Organizational details	Section "About the report"	
2-2 Entities included in the organization's sustainability reporting	Section "About the report"	
2-3 Reporting period, frequency and contact point	Section "About the report"	
2-4 Restatements of information	Section "About the report"	
2-5 External assurance	Section "About the report"	
2-6 Activities, value chain and other business relationships	Section "Who we are"	
2-7 Employees	Section "Responsible employer"	
2-8 Workers who are not employees	Section "Responsible employer"	
2-9 Governance structure and composition	Section "Who we are"	
2-10 Nomination and selection of the highest governance body	Section "Who we are"	
2-11 Chair of the highest governance body	Section "Who we are"	
2-12 Role of the highest governance body in overseeing the management of impacts	Section "Who we are"	

2-13 Delegation of responsibility for managing impacts	Section "Who we are"	
2-14 Role of the highest governance body in sustainability reporting	Section "Who we are"	
2-15 Conflicts of interest	Section "Who we are"	
2-16 Communication of critical problems		ADAMED does not have a separate procedure in place for the communication of critical problems.
2-17 Collective knowledge of the highest governance body	Section "Who we are"	
2-18 Evaluation of the performance of the highest governance body	Section "Who we are"	
2-19 Remuneration policies	Section "Responsible employer"	
2-20 Process to determine remuneration	Section "Responsible employer"	
2-21 Annual total compensation ratio	Section "Responsible employer"	
2-22 Statement on sustainable development strategy	Message from the Owners	
2-23 Policy commitments	Section "Who we are"	
2-24 Embedding policy commitments	Section "Who we are"	
2-26 Mechanisms for seeking advice and raising concerns	Section "Who we are"	
2-27 Compliance with laws and regulations	Section "Who we are"	
2-28 Membership associations	Section "Who we are"	
2-29 Approach to stakeholder engagement	Section "About the report"	

2-30 Collective bargaining agreements	Section "Responsible employer"	
3-1 Process to determine material topics	Section "About the report"	
3-2 List of material topics	Section "About the report"	
3-3 Management of material topics	Sections: "Who we are", "Responsible manufacturer", "ADAMED for the environment and climate", "Research and development."	
201-1 Direct economic value generated and distributed	Section "Who we are"	
204-1 Proportion of spending on local suppliers	Section "Responsible partner"	
205-1 Operations assessed for risks related to corruption	Section "Who we are"	
205-2 Communication and training about anti-corruption policies and procedures	Section "Who we are"	
205-3 Confirmed incidents of corruption and actions taken	Section "Who we are"	
301-1 Materials used by weight or volume		In 2021-2022, no records were kept at Adamed to allow the disclosure. A reporting system for such data was at the implementation stage in 2022.
301-3 Reclaimed products and their packaging materials	Section "ADAMED for the environment and climate"	
302-1 Energy consumption within the organization	Section "ADAMED for the environment and climate"	
302-4 Reduction of energy consumption	Section "ADAMED for the environment and climate"	
303-3 Water withdrawal	Section "ADAMED for the environment and climate"	

303-4 Water discharge	Section "ADAMED for the environment and climate"
305-1 Direct (Scope 1) GHG emissions	Section "ADAMED for the environment and climate"
305-2 Energy indirect (Scope 2) GHG emissions	Section "ADAMED for the environment and climate"
306-1 Waste generation and significant waste-related impacts	Section "ADAMED for the environment and climate"
306-2 Management of significant waste-related impacts	Section "ADAMED for the environment and climate"
306-3 Waste generated	Section "ADAMED for the environment and climate"
401-1 New employee hires and employee turnover	Section "Responsible employer"
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Section "Responsible employer"
403-1 Occupational health and safety management system	Section "Responsible employer"
403-2 Hazard identification, risk assessment, and incident investigation	Section "Responsible employer"
403-4 Worker participation, consultation, and communication on occupational health and safety	Section "Responsible employer"
403-5 Worker training on occupational health and safety	Section "Responsible employer"
403-6 Promotion of worker health	Section "Responsible employer"
403-9 Work-related injuries	Section "Responsible employer"
403-10 Work-related ill health	Section "Responsible employer"

404-1 Average hours of training per year per employee	We did not keep track of the Employees' training hours in 2021 and 2022 at Adamed. A reporting system for such data was at the implementation stage in 2022.
404-2 Programs for upgrading employee skills and transition assistance programs	Section "Responsible employer"
404-3 Percentage of employees receiving regular performance and career development reviews	Section "Responsible employer"
405-1 Diversity of governance bodies and employees by gender, age, minority group membership and other indicators of diversity	Section "Responsible employer"
405-2 Ratio of basic salary and remuneration of men to women by position	Section "Responsible employer"
406-1 Incidents of discrimination and corrective actions taken	Section "Responsible employer"
415-1 Total value of financial and in-kind contributions to political parties, politicians, and related institutions	Section "Who we are"
416-1 Assessment of the health and safety impacts of product and service categories	Section "Responsible manufacturer"
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Section "Responsible manufacturer"
417-1 Requirements for product and service information and labelling	Section "Who we are"
417-2 Incidents of non-compliance concerning product and service information and labelling	Section "Who we are"
417-3 Incidents of non-compliance concerning marketing communications	Section "Who we are"

