



ZAKŁADY FARMACEUTYCZNE POLPHARMA S.A.

ul. Pelplińska 19, 83-200 Starogard Gdański

HUMAN RIGHTS PROTECTION POLICY

Corporate number 108/2024/0

Policy approved by Management Board Resolution

no. X/4/24 dated 22.01.2024

Effective as of 01.02.2024

COMPANIES COVERED BY THE POLICY

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 Polfa Warszawa S.A.	Warszawskie Zakłady Farmaceutyczne Polfa S.A.
 polpharma	Zakłady Farmaceutyczne POLPHARMA S.A.

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1. Aim

The Human Rights Protection Policy represents the Company's commitment to the protection of human rights and outlines the directions of its actions in this regard. It is a tool to prevent the negative impacts our Company might exert on human rights as part of its own business operations and throughout its value chain, as well as to mitigate any related risks. It also reflects the Company's commitment to promoting human rights among our stakeholders.

2. Subject of the Policy

Defining rules to ensure respect for human rights in all aspects of the business operations of Zakłady Farmaceutyczne POLPHARMA S.A., its organisational units and all activities within its value chain.

3. Area of Application

3.1. The Policy applies to all employees and collaborators of Zakłady Farmaceutyczne POLPHARMA S.A.

3.2. The Management Board of the Company will encourage all of its subsidiaries in Poland and abroad to adhere to the standards laid down in this Policy.

3.3. We also recognise that it is our responsibility to ensure respect for human rights throughout our entire value chain. Therefore, we expect our business partners, including both suppliers and contracting parties, to operate in compliance with this Human Rights Protection Policy and with the Supplier Code of Conduct.

4. Responsibility

4.1. Polpharma's Sustainability Committee is in charge of supervising the implementation of the Policy.

4.2. Heads of the Company's particular business areas are responsible for operational-level coordination to the extent corresponding to the competences allocated to the business area concerned, such as risk, compliance, HR, procurement, OHSE, security, corporate communication, CSR/ESG, etc.

4.3. In order to ensure that human rights are respected, we will be consistently implementing a due diligence process. The Company's obligations in this respect will be fulfilled by:

- regular analyses of the actual and potential impacts of our business operations and of our organisational units on human rights and environmental protection – Heads of the Company's business areas in cooperation with representatives of the area of risk, compliance, HR, procurement, occupational safety and health, environmental protection, security and others, as well as Polpharma's Sustainability Committee,
- establishing a procedure for avoiding and limiting potential adverse impacts, as well as for preventing actual negative impacts and minimising their extent – Heads of the Company's business areas, in cooperation with representatives of the area of risk, compliance, HR, procurement, occupational safety and health, environmental protection, security and others, as well as Polpharma's Sustainability Committee,
- employee training – Departments of Compliance and Corporate Communications and CSR/ESG,
- supplier training – Departments of Procurement, Compliance and Corporate Communications and CSR/ESG,
- embedding human rights in the complaints handling procedure – Compliance Department,
- updating this Policy, as well as its regular assessment and alignment with changing needs and regulations – Polpharma's Sustainability Committee in cooperation with the relevant business areas listed in item 4.2,
- regular updates to the tools and guidelines which support individual Company functions with respect to human rights compliance – Polpharma's Sustainability Committee in cooperation with the relevant business areas listed in item 4.2,
- monitoring the effectiveness of the implementation of the Policy – Polpharma's Sustainability Committee,
- communicating due diligence information to the public in annual sustainability reports available on the corporate website (www.polpharma.pl) in Polish and English – Department of Corporate Communications and CSR / ESG.

5. Abbreviations and Definitions

Discrimination	Any instance of unequal treatment of employees in employment, in particular on the grounds of their gender, age, disability, race, religion, nationality, political views, trade union membership, ethnic origin, religious denomination, sexual orientation, employment for definite or indefinite time or full-time or part-time employment.
Supply chain	The sequence of actions of a supplier or provider of goods or services to an organisation/enterprise.
Value chain	It defines the extent of the consecutive actions taken by the organisation, starting from an idea for a product/service, through the procurement of the raw materials necessary for production, the manufacturing process and distribution to the consumer/client, all the way to product disposal.
Bullying	Any action or conduct affecting or directed against an employee which consist in their persistent and long-lasting bullying or intimidation that adversely impacts the employee's assessment of his or her professional aptitude, resulting in or aimed at humiliating or ridiculing the employee, isolating or eliminating them altogether from the team.
Harassment	It is a form of discrimination and means any undesirable conduct aimed at or resulting in violation of the employee's dignity and establishment of an intimidating, hostile, demeaning, humiliating or denigrating climate around the employee.
Due Diligence	A comprehensive process aimed at identifying actual and potential negative social, environmental and economic impacts resulting from decisions and activities or from the organisation's omissions in the entire project lifecycle or in the operational cycle of the organisation. The due diligence process aims to prevent, mitigate and counteract such negative impacts.
Minor	A person who is under the legal age of employment.
Employee	Any person employed under a contract of employment, a temporary employee or a collaborator, i.e. a person providing services on an ongoing basis under a civil law contract (e.g. a legal advisor, attorney-at-law or patent attorney).
Human rights	Human rights arise out of innate human dignity and are inherent to all individuals, regardless of their race, gender,

language, religion, political beliefs, national or social origin or property. Human rights cannot be waived. They are not granted and cannot be revoked by authorities. A list of human rights has been included in Chapter 6 of this Policy.

6. Provisions of the Policy

6.1. We declare respect for all human rights, including the rights of employees, consumers, local communities and stakeholders. Our commitment entails ensuring compliance with both international and national regulations on human rights and environmental protection, as well as adherence to accepted social standards of human rights protection.

We recognise the following civil and political rights as universal:

- right to life,
- freedom and personal security,
- prohibition of torture,
- freedom of conscience and religion,
- freedom of speech,
- right to a court trial,
- right to citizenship,
- right to privacy,
- right to free elections,
- freedom of assembly and association.

We also recognise the following social rights:

- employee rights including a prohibition on forced labour and discrimination in employment, the right to decent working conditions, decent pay and equal treatment in employment, as well as the right to organise and the right to strike,
- right to social protection and healthcare, meaning the right to social security in the event of a disease, old age, disability or unemployment, and the right to welfare;
- family rights, including the right of the family and its individual members to legal, social and economic protection, the right to the protection of motherhood and children's right to be protected against all forms of exploitation;
- right to education, i.e. the right to free primary education, access to higher education and the right to receive support to facilitate access to education;
- rights in the area of culture, including the right to take part in cultural life and to take advantage of scientific progress, and the protection of copyrights.

In compliance with the UN Resolution of 28 July 2022, we also acknowledge that any human being has the right to live in a clean, healthy and sustainable environment.

6.2. FRIENDLY WORKPLACE

We care about promoting ethical values, principles and standards aimed to shape an organisational culture which respects and promotes diversity. Through our activities, we are working towards a tolerant and open working environment.

We are committed to creating an inclusive workplace where all employees have equal access to opportunities, regardless of their gender, marital status, parenthood, ethnic, national or social origin, race, religion, sexual orientation, religious or political beliefs, age, disability, trade union membership or other characteristics.

We respect employees' right to freely express their views on matters that concern them, as well as their right to privacy and no interference with their family life or personal affairs.

We implement fair employment practices:

6.2.1. We do not condone forced or slave labour, or any forms of human trafficking.

How we deliver on our commitments:

- Appointed colleagues employed as Heads of the HR area in the Company and in each of its divisions are required to respect policies and procedures to guarantee that all employees have voluntarily agreed to being employed and that the remuneration they receive for their work complies with effective laws and internal regulations.
- Employees have the right to terminate their employment and following prior notification they will receive their full remuneration corresponding to the time worked until leaving the Company.
- Employees are not required to leave their identification documents or original academic certificates in the employer's custody in order to be employed.
- Employees may freely enter and leave their workplace premises (in compliance with the principles of security and work organisation effective in the organisation).
- Employees are not liable to pay recruitment fees and are not required to make any payments to cover the costs of any tools, obligatory training or personal protective equipment necessary for them to work safely.

Preventive measures in place:

- The Company is subject to ad-hoc audits by the State Labour Inspectorate, which focus on matters related to the initiation and termination of employment, remuneration for work and other benefits payable under the employment relationship, working time, compliance with regulations on parenthood and the protection of young workers, employment of individuals with disabilities, employee medical examinations, OSH training and working conditions.

6.2.2. We do not allow child labour.

We do not employ minors. The minimum age of our employees and the employees of our suppliers must be compliant with national laws, while the mandatory schooling requirements must be met. Employing minors to perform work which may be associated with risks to health and safety is strictly prohibited.

How we deliver on our commitments:

- We verify the age of our hires to make sure all legal regulations on the employment of minors are respected.

- Through the Polpharma Supplier Code of Conduct and the ethical clauses embedded in all of our contracts, we obligate our suppliers to respect national laws on the employment of minors.
- We reserve the right to carry out audits of our suppliers to detect any violations of the Human Rights Policy and Polpharma Supplier Code of Conduct, as well as to foster the development of best ethical and social practices.

Preventive measures in place:

- Seeking to increase awareness of human rights, we plan and organise regular training activities for our employees and business partners.
- Suppliers complete a “Self-Assessment Questionnaire” which includes questions about employing minors. It is a tool for the initial sustainability assessment of suppliers.

6.2.3. We do not accept any forms of discrimination

We treat all individuals working for our company with respect. We do not condone any conduct that violates human dignity, especially including bullying, discrimination and any form of harassment. We do not tolerate any signs of harassment, exclusion, brutal treatment, violence, intimidation or any form of coercion, abuse or threats as tools for exerting control or discipline.

How we deliver on our commitments:

- The Company has adopted the “Procedure on Prevention of Workplace Mobbing and Discrimination”, which aims to eliminate from the work environment and prevent any form of unfair treatment, discrimination (including harassment) and bullying, as well as any conduct that bears only some of the hallmarks of discrimination (including harassment) and bullying.
- The Company has adopted the “Whistleblower Procedure”, which includes guidelines on when and how to respond to violations of the law, ethics or internal procedures in our organisation. It also describes how we protect whistleblowers and how we handle their reports.

Preventive measures in place:

- We hold regular training activities and information campaigns to advise stakeholders on the available whistleblowing channels.
- We take part in numerous initiatives which champion prevention of workplace discrimination and work to support and promote diversity (such as the United Nations Global Compact or the Diversity Charter).

6.2.2. We offer fair pay and decent working conditions

We ensure equal opportunities in the recruitment and employment process, especially as regards initiating and terminating employment, as well as determining the terms of employment, promotions and access to training to improve professional qualifications.

Our rules of recruitment and remuneration meet top standards. We are committed to ensuring fair and decent working conditions, including equal treatment in employment and remuneration.

How we deliver on our commitments:

- We keep accurate records and meticulously account for our employees' working time while complying with effective legal regulations, including the right to rest and corresponding holiday leave.
- All benefits and bonuses are regularly disbursed to employees as per the valid rules, on time and in the corresponding amount. All employees working under employment contracts, whether on a full-time or part-time basis, enjoy the same access to benefits and allowances arising from generally applicable provisions of law in particular companies.
- The regular working time cannot exceed 8 hours in every 24 hours and, on average, 40 hours during an average five-day working week (or 43 hours per week in the case of work in continuous operations).
- Overtime work should not exceed the limits stated in legal regulations and collective bargaining agreements (Work Regulations). Overtime work is accounted for in compliance with legal regulations. Overtime work does not constitute forced labour.
- For any overtime work, employees receive time off in lieu, and if it is not possible, they are entitled to remuneration determined in compliance with effective labour law regulations and Company Collective Bargaining Agreements or Remuneration Rules.
- Employees are entitled to paid sick leave independently of their corresponding annual holiday leave and other non-working days; such paid sick leave days are not included in the employees' annual holiday entitlement. Employees are entitled to paid public holidays in line with national laws.

Preventive measures in place:

- The Company is subject to ad-hoc audits by the State Labour Inspectorate, which focus on matters related to the initiation and termination of employment, remuneration for work and other benefits payable under the employment relationship, working time, compliance with regulations on parenthood and the protection of young workers, employment of individuals with disabilities, employees' medical examinations, OSH training and working conditions. We are also a member of the "Coalition for Friendly Recruitment", which promotes best recruitment practices and sets standards in this area.

6.2.3. We respect the freedom of association and collective bargaining

We respect employees' right to establish and join the trade unions or employee organisations of their choice, as well as to engage in collective bargaining without fear of retaliation. We acknowledge that trade unions represent employees in matters related to their shared rights and interests, in compliance with effective laws and signed collective bargaining agreements. We

respect the principle of freedom of operation and equality of trade unions, as well as the protection of trade union rights.

How we deliver on our commitments:

- Polpharma recognises the importance of developing social dialogue based on the independence of all parties, legal compliance and mutual trust. The trade unions that operate within the company are consulted about all employee matters, while most employees are covered by companywide collective bargaining agreements. We guarantee that employee representatives can access facilities such as conference rooms and use them as stipulated in legal regulations.

Preventive measures in place:

- Matters related to religion, irreligion, worldview, membership in political parties and non-governmental organizations, as well as involvement in informal movements will not be taken into consideration with regard to employment or to the determination of the terms of employment and remuneration, provided that they comply with the Company's values and standards of conduct laid down in the Company's Code of Ethics and Netiquette.

6.2.4. We are committed to protecting the safety, health and wellbeing of our employees.

Ensuring the health and safety of our employees is our core responsibility, while at the same time being an expression of our respect for fundamental human rights. We also apply our high occupational safety standards across our entire value chain, in particular among our contractors and subcontractors who work under our supervision.

We seek to shape a safe working environment for all of our employees and colleagues, trying to eliminate any potential threats. We promote an active attitude among our employees and other stakeholders as regards raising awareness and commitment to safety and health prevention.

We implement wellbeing programmes targeting various aspects of our employees' lives. They allow multidimensional needs to be met and support a good work-life balance.

How we deliver on our commitments:

- We involve our employees and their representatives in the OSH management process, which consists in consultations, participation in the decision-making process, and co-responsibility for building a culture of health and safety in the workplace.
- We identify threats related to work and processes, as well as direct and potential impacts. We accurately analyse the threats and associated risk levels and implement programmes and systems to prevent or mitigate them.

Preventive measures in place:

- An occupational health and safety management system has been in place across all our locations in Poland since 2006. Since 2020, the system has been operated in conformity

with ISO 45001. It covers employees and all other individuals under the supervision of our organisation in the context of experimental, chemical, and pharmaceutical production, sales of pharmaceuticals and pharmaceutical raw materials, as well as wastewater treatment. The occupational health and safety management system in Starogard Gdański is subject to external verification.

- We report on our safety indicators and on the status of non-conformities identified by external (system, customer) audits and official inspections on an ongoing basis.
- We conduct occupational health and safety training programmes for all Company employees and for our subcontractors, as well as prevention programmes, such as the “Stop Accidents” scheme, which promote safety in the workplace.

6.3. HUMAN RIGHTS PROTECTION IN THE VALUE CHAIN

Being committed to upholding human rights across our entire value chain, we expect our suppliers and other partners to act in a way that is compliant with the top standards of business ethics, legal regulations and valid international standards. We have described these expectations in our Supplier Code of Conduct, which aims to promote and develop responsible business practices, while at the same time encouraging suppliers and other partners to act in accordance with our values. The Code is an integral part of our approach to responsible business and sustainable development in procurement processes.

If human rights violations are detected anywhere in our supply chains, the priority is to clarify the situation and procure that the supplier concerned take corrective action. In the event of violations, it is essential for us to actively collaborate with the supplier, seeking the implementation of relevant improvements. Having exhausted all the remedies available, termination of the business relationship with the supplier may be considered as a last resort. We are determined to maintain high ethical and legal standards across our value chain and to ensure respect for human rights.

How we deliver on our commitments:

- All signed contracts and orders maintained by the Procurement Department contain ethics and compliance provisions, also known as an ethics clause.
- All potential Polpharma suppliers involved in procurement processes are notified through the relevant sections of the General Terms and Conditions of Purchase of the supplier assessment we conduct, which includes an assessment of the standards and practices required under the Supplier Code of Conducts.
- We reserve the right to carry out audits of our suppliers in order to identify any violations of the Human Rights Policy and Polpharma Supplier Code of Conduct, as well as to foster the development of best ethical, social and environmental practices.

Preventive measures in place:

- As part of our procurement processes, suppliers complete a “Self-Assessment Questionnaire” which includes questions about their ethical, environmental and social practices. It is a tool for the initial sustainability assessment of suppliers within our supply chain.

- With the ethics clause in contracts and orders, including a reference to the Supplier Code of Conduct, we can make sure that our suppliers share our ethical values and social and environmental priorities.
- Suppliers who refuse to sign the ethics clauses must not be included in Polpharma's supply chain. In exceptional cases, a contract or order may not include the ethics clause, subject to the approval for this exception granted by the Company's Compliance Officer.
- Seeking to increase awareness of human rights, we organise training activities for our employees and business partners. We are committed to the equal treatment of all human rights considerations in the workplace, ensuring that all cases are carefully examined.

6.4. ENVIRONMENT

The United Nations has officially recognised the right to a clean, healthy and sustainable environment as one of the universal human rights. Proper environmental stewardship is of essential importance for maintaining a healthy and decent living standard for the current and future generations, which makes it an integral element of human rights.

Delivering on our commitment to comprehensively and permanently minimise our negative environmental impact requires us to be conscious of environmental threats and to actively seek to prevent such trends as:

- Climate change, which drives global warming, rising sea levels, extreme weather phenomena and threats to biodiversity;
- Air pollution, contamination of water and soil by industrial emissions, transport, waste, chemicals and plastics, putting human lives and ecosystems at risk;
- Loss of biodiversity (also due to progressing deforestation), which leads to more disorganised ecosystems and diminished valuable genetic diversity;
- Degradation and erosion of natural resources due to excessive and reckless human exploitation.

How we deliver on our commitments:

- We are aware that in order to minimise our adverse environmental and climate impact in a comprehensive and lasting way and to take full responsibility for our impact on the social environment, we must closely collaborate with our suppliers of goods and services. We seek to conduct our business in compliance with detailed international guidelines on:
 - the prohibition to produce, use and/or remove mercury;
 - the prohibition to produce and/or use substances covered by the Stockholm Convention (POP) and on non-sustainable management of POP-containing waste;
 - the prohibition to import/export hazardous waste within the meaning of the Basel Convention.
- The Company has adopted an Environmental Policy, whose key areas include curbing its negative impact on climate change, water protection, transition to circular economy, and minimisation of adverse impacts along the entire value chain.
- We do our utmost to mitigate the impact of our processes and products on the climate and environment. Therefore, we have identified our environmental goals which support the implementation of the Environmental Policy and are aligned with the Sustainable

Development Strategy 2022–2025. We have undertaken to reduce scope 1 and 2 greenhouse gas emissions, to develop and implement eco-design standards for the development of new substances and drugs, as well as to reduce the amount of waste generated in our manufacturing and auxiliary processes.

Preventive measures in place:

- In the pursuit of our environmental goals, we are educating our employees and other stakeholders, such as suppliers, pharmacists and patients. It is our goal to increase awareness of environmental concerns and to promote sustainable development practices. We are confident that education is an essential tool in shaping a responsible approach to the environment, which contributes to the achievement of our sustainable development goals.
- We reserve the right to carry out environmental audits of our suppliers to identify any possible violations of the Human Rights Policy and Polpharma Supplier Code of Conduct, as well as to promote the development of best environmental practices. In this way, we strive to ensure compliance with our standards, both as regards ethical and environmental issues. We believe that environmental audits are an effective way to improve our relationships with suppliers and to jointly pursue sustainable and ethical development.
- An environmental management system has been in place across all our locations in Poland since 2006. Since 2020, the system has been operated in conformity with ISO 14001. It covers employees and all other individuals under the supervision of our organisation in the context of experimental, chemical, and pharmaceutical production, sales of pharmaceuticals and pharmaceutical raw materials, as well as wastewater treatment. The environmental management system in the Starogard Gdański plant undergoes external verification.
- We report on our environmental indicators and on the status of non-conformities identified by external (system, customer) audits and administrative inspections on an ongoing basis.

6.5. DATA PRIVACY AND INFORMATION PROTECTION

Protecting customer and employee privacy is one of the key aspects of our operations in Poland. As part of our data privacy and information protection efforts, we conduct ongoing monitoring of the legal environment, make appropriate adjustments to customer privacy processes and continually raise employee awareness.

How we deliver on our commitments:

- We have appointed a Data Protection Officer.
- We have contracted a third-party service provider to monitor our IT infrastructure (24/7/365) to detect any ICT threats.
- We have set up an IT Operational Security Team to continuously monitor threats and implement appropriate safeguards in the organisation.
- Security Department employees are available on call 24/7 all year round at a special phone number through which any employee can report a suspected security incident.
- We have adopted information classification rules, business secret protection rules, as well as a number IT solutions which support information security and data privacy. We use reputable software to:

- tag information;
- protect against information leaks;
- implement security policies on mobile devices;
- We only deploy software which complies with our internal security standards.

Preventive measures in place:

- We conduct cybersecurity training (some of which is mandatory) and information campaigns and we publish regular newsletters raising employee awareness of cybersecurity.

7. Related Documents

This Policy draws on international regulations and standards, such as:

- The Universal Declaration of Human Rights
- The UN Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework
- 10 Principles of the United Nations Global Compact
- The International Human Rights Charter

Other reference documents:

- Guidelines included in the draft Corporate Sustainability Due Diligence Directive (CSDDD)
- OECD Due Diligence Guidance for Responsible Business
- Provisions of the UN Resolution of 28 July 2022 affirming the right of all human beings to live in a clean, healthy and sustainable environment

The Human Rights Protection Policy complements and builds on other documents effective at Zakłady Farmaceutyczne POLPHARMA S.A., including:

- Code of Ethics;
- Procedure on Prevention of Workplace Mobbing and Discrimination;
- Violation Reporting System;
- Work Regulations;
- Bonus Regulations and regulations on other benefits;
- Regulations of the Company Social Benefits Fund;
- Collective Bargaining Contract;
- Global Compliance Policy;
- Environmental Protection Policy;
- Employee Occupational Safety and Health Policy;
- Diversity Policy;
- Supplier Code of Conduct;
- Sustainable Supply Chain Strategy in Procurement.

8. Whistleblowing

We enable whistleblowers to report their human rights abuse concerns. If you have witnessed a violation of the provisions of this Policy or you have reason to suspect that such violation might have occurred, report your concerns as per the Whistleblowing Procedure.

If you are a Polpharma employee:	If you are not a Polpharma employee (e.g. you are our business partner or collaborator):
<ul style="list-style-type: none"> • send a report through the SpeakUp whistleblowing system available in the Intranet and online on: www.multilife.com.pl • send a report through the form available on our website on: PL: https://polpharma.pl/formularz-zgloszenia-naruszenia/; ENG: https://polpharma.pl/en/violation-report-form/ ; • send an email to: etyka@polpharma.com or ethics@polpharma.com; • call or leave a message with our Compliance Officer at: +48 22 364 60 29 or • talk to your line manager or to the Compliance Officer directly; • send a letter to our mailing address: Compliance Officer Zakłady Farmaceutyczne Polpharma S.A. ul. Bobrowiecka 6 00-728 Warszawa Poland 	<ul style="list-style-type: none"> • send a report through the form available on our website on: PL: https://polpharma.pl/formularz-zgloszenia-naruszenia/; ENG: https://polpharma.pl/en/violation-report-form/ ; • send an email to: etyka@polpharma.com or ethics@polpharma.com; • call or leave a message with our Compliance Officer at: +48 22 364 60 29 or • send a letter to our mailing address: Compliance Officer Zakłady Farmaceutyczne Polpharma S.A. ul. Bobrowiecka 6 00-728 Warszawa Poland <p>For more about our ethics and compliance programme visit: https://polpharma.pl/en/about-us/ethics-and-compliance/</p>