

ESG REPORT 2023



We evolve beyond the obvious
and make a positive impact on people's lives

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Letter from Vice President

Over the last few years, RAFARM is driven by innovation and has made significant strides in expanding our expertise in complex sterile products, particularly ophthalmics and injectables. Our relentless efforts of developing new products and expanding in new markets has resulted in the doubling of our exports since 2017, with international sales now constituting over 80% of our production. Moreover, we have strengthened our presence in the local market through an expanded product portfolio and partnerships with prominent international players.

Our commitment to advancing pharmaceutical science is demonstrated by our investment of 13% of our net turnover in Research and Development (R&D) to unlock our full potential and open a path to sustainable growth. This investment is pivotal in developing complex pharmaceutical products, particularly ophthalmic and complex injectable solutions. Our focus on Value Added Medicines (VAMs), which constitute 20% of our product line, underscores our dedication to incremental innovation.

These VAMs include alternative dosage forms, new formulations of known active substances, and novel ophthalmic combinations, setting us apart in a competitive landscape. RAFARM's outward-looking orientation drives constant forge of new partnerships with esteemed pharmaceutical companies, research centers, and universities worldwide. Our collaborative efforts are instrumental in our ongoing innovation and growth.

Sustainable development and ESG (Environmental, Social, and Governance) principles are an integral part of RAFARM. In 2023, we proudly solidified our ESG framework by developing a comprehensive ESG strategy. Our strategy is composed of three strategic pillars that will drive the sustainable development of our company: "Green Planet," "Responsible Operations," and "Healthy Communities." This strategy is a testament to our commitment to a sustainable future, guided by our vision for a healthier and more equitable world.



On the social front, we achieved substantial progress as our workforce has grown significantly, reinforcing our position as a major employer in the pharmaceutical industry. We are particularly proud of our achievements in gender diversity, achieving 51% female representation in our managerial team and a more than 20% increase in female representation across our workforce in 2023 compared to 2022. Our social responsibility initiatives further included the donation of essential medical supplies to conflict zones and providing more than 10,000 packages of pharmaceuticals to charitable organizations.

Environmental stewardship also remained a critical focus in 2023 highlighted by our investments in sustainable upgrades amounting over than € 1.5 million, incorporating the installation of photovoltaic panels, marking a significant step towards renewable energy adoption, further supported by several advancements in energy optimization.

In 2023, we also initiated a water recycling project in our premises to enhance our environmental efforts towards the optimization of water management. These initiatives are part of our broader strategy to minimize our ecological footprint and promote sustainable practices within our operations.



Acting with integrity and adhering to the highest standards of compliance and governance are also paramount to our business. As a responsible corporate citizen we are proud to report zero complaints from regulatory bodies in 2023, reflecting our unwavering commitment to ethical business practices and regulatory compliance.

Our journey towards sustainability is dynamic and constantly evolving. This ESG report is a testament of our environmental and social progress during 2023 and we adhere to our commitment in improving our ESG performance by executing our sustainability strategy with consistency driving positive change and creating value for our stakeholders and beyond.

Aris Mitsopoulos,
Vice President RAFARM

About this Report

This is RAFARM's inaugural ESG Report, meticulously crafted to comprehensively outline the accomplishments in the domains of Environment, Society, and Governance (ESG).

This Report represents a significant milestone of the company's journey towards a more sustainable future, encapsulating sections that outline Environmental, Social, and Governance (ESG) performance, initiatives and achievements. In terms of environmental sustainability, the Report outlines the company's efforts to implement sustainable manufacturing processes, reduce waste generation, and minimize energy consumption. The Report also delves into RAFARM's social initiatives, emphasizing the company's dedication to fostering a positive impact on society. RAFARM's efforts to create an inclusive work environment, promote employee development, and support local communities are showcased in this section. Additionally, RAFARM is committed to strong corporate governance practices that incorporate ethical business conduct, transparency, and accountability. In addition to providing a comprehensive overview of RAFARM's sustainability efforts, the Report also presents a forward-looking statement. This statement outlines RAFARM's vision for the future and sets targets and goals for further progress in sustainability matters.

The document serves as a roadmap for RAFARM's ongoing commitment to sustainability and provides stakeholders with a clear understanding of the company's future direction.

The preparation of the Report has been conducted "with reference to" the 2021 Global Reporting Initiative (GRI) standards covering the period from January 1, 2023, to December 31, 2023, containing relevant information from preceding years. The content of the Report has not been externally assured.

Should you have any inquiries or require further information, please do not hesitate to contact us using the email provided below:

info@rafarm.gr



Company profile

RAFARM is an innovation-driven, dynamically growing pharmaceutical company and a well-established European manufacturer with an outward-looking orientation, investing 13% of net turnover in Research and Development. In parallel, the company is actively involved in commercial operations within the Greek market and serves as a representative for products from international pharmaceutical companies. RAFARM is continuously broadening global export reach and exploring new markets. The company constantly enhances expertise in complex pharmaceutical products and invests in high-tech platforms for the development and production of ophthalmics and injectables. RAFARM has integrated advanced technology into the state-of-the-art sterile manufacturing facility and establishes new production lines equipped with advanced technology and robotic equipment.

Ophthalmology is the core therapeutic area for RAFARM

RAFARM has extensive expertise in the development and production of ophthalmic pharmaceutical and complex injectable products.

> 350 active ophthalmic licenses and 80% of developments concern new ophthalmics to meet unmet medical needs **> 160 active licenses for injectables, in ampoules and vials**

RAFARM is a dynamic team that empowers talent, embraces diversity and accelerates development

RAFARM's team consists of more than 700 qualified scientists and experienced professionals, reflecting a remarkable increase of more than 100% in new working positions within the last decade. This expansion not only underscores RAFARM's commitment to innovation and growth but also demonstrates the significant contribution to society through job creation and economic empowerment.



RAFARM is currently implementing one of the largest investment programs in Greece amounting up to € 120 million for the years 2021-2027

The investment program incorporates additional infrastructure, featuring new state-of-the-art laboratories, production lines and manufacturing facilities.

Furthermore, the investment program includes additional provision for:



New state-of-the-art Research & Development Center of 2,500 m² with laboratories of high technological standards



New production line for ophthalmics



New production line for injectables



New quality control laboratories with state-of-the-art equipment



A new autonomous storage building of 4,500 m²



Reducing RAFARM's environmental footprint



Establishment of new partnerships with esteemed universities and research centers that focus on the advancement of nanotechnology-based ophthalmic products



Empowerment of RAFARM's team with new talents

RAFARM's commercial activity in the domestic market ¹

Additionally, the organization is enhancing its local portfolio by incorporating products from leading pharmaceutical companies. The clear business plan, swift adaptation to the evolving pharmaceutical industry, rapid market penetration, and the trust it has earned from health professionals establish RAFARM as a reliable partner in Greece and Cyprus.

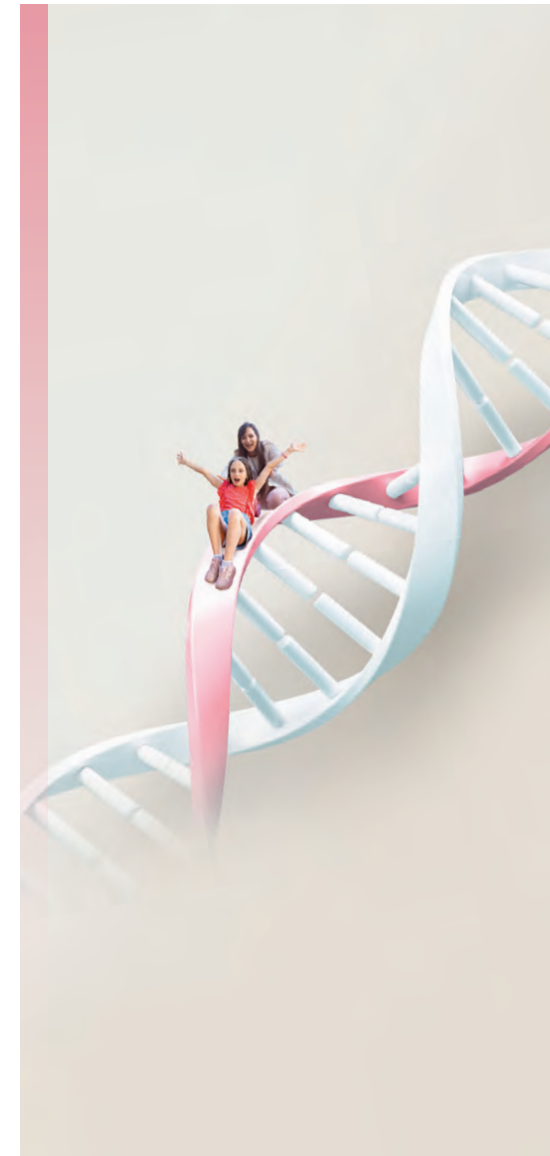
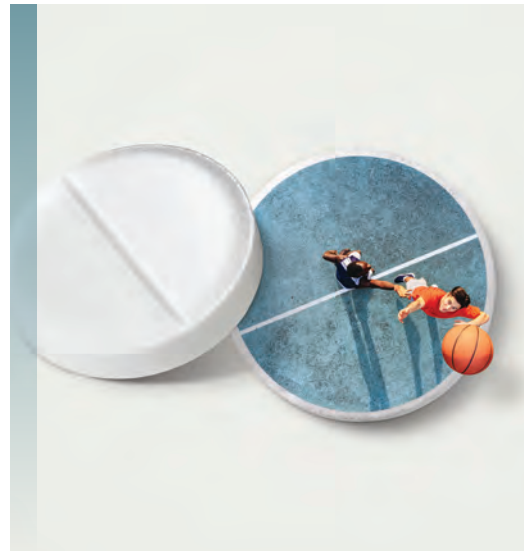
 **12** new product launches in domestic market until 2025

 **12** new product launches in domestic market until 2025

RAFARM's exports doubled in five years

Over the last five years, RAFARM has continually invested in expanding its international footprint. Exports have doubled since 2017 and today represent over 80% of the production. In order to continue the expansion of exports, RAFARM invests 13% of net turnover in R&D to unlock its full potential in the development and production of complex pharmaceutical products, in particular ophthalmic (solutions, suspensions and emulsions) and complex injectable products.

A major milestone of recent years was RAFARM's successful entry into the US market, a significant achievement that required extensive effort, strategic planning, and substantial financial investment. This expansion not only underscores RAFARM's commitment to growth and innovation but also highlights the company's dedication to meeting rigorous industry standards and regulatory requirements in one of the world's most competitive markets. Since FDA ² approval in 2017, six high-performing products are already in the US market while two more were recently approved (June and July 2024) and five more have been submitted for approval.



¹ Domestic market refers to Greece and Cyprus

² Food and Drug Administration, U.S.A

RAFARM's efforts to manufacturing excellence and development are further proved by the active worldwide partnerships shown in the figures below

Figure 1: International partnerships for exports

Adamed	Poland	
Aspire pharma	United Kingdom	
Biogaran	France	
Bruschettini	Italy	
Clinigen	United Kingdom	
NTC	Italy	
Pharmascience	Canada	
Perrigo	USA	
Polpharma	Poland	
Sandoz	France	
Upsher-Smith Laboratories	USA	
Zentiva	United Kingdom	

Figure 2: Multinational partnerships for sales and distribution in Greece

Adalvo	Malta	
AJvaccines	Denmark	
Crucell/SBL	Sweden	
Galenicum	Spain	
INTAS	India	
Lallemand Pharma Int.	France	
Medice Arzneimittel Pütter GmbH	Germany	
Midas Pharma	Germany	
Molteni	Italy	
NTC	Italy	
Perrigo	United Kingdom	
Polpharma	Poland	
Sandoz	Austria	
SMB	Belgium	
Stada	Germany	
Theravia	France	
Viartis	USA	

Making sustainable development a top priority

RAFARM recognizes that sustainability has become an important consideration for businesses across various sectors in recent years, including the pharmaceutical industry. By prioritizing sustainability, RAFARM entails a holistic approach that considers the social and economic impacts of operations, mitigates environmental risks while fostering long-term growth. The company is committed to learning, adapting, and integrating sustainable principles into business operations, with the vision of making meaningful progress towards a healthier society and planet.

ESG strategy

In 2023, RAFARM initiated a significant shift towards sustainable development, crafting a holistic strategy that underscores the organization's dedication to preserving the environment and embodies the vision for social responsibility and ethical governance. At the core of this strategy lies a firm commitment to generate lasting value that aligns with the changing needs and expectations of RAFARM's global community. Structured around three foundational pillars, RAFARM's ESG strategy is meticulously designed to propel sustainable growth and foster well-being, with

a strong emphasis on business ethics and human rights protection. The company's ethical governance practices include transparent decision-making processes, accountability measures, and strict adherence to international ethical standards, ensuring that all operations are conducted with the highest integrity. This comprehensive approach not only reinforces the commitment to ethical conduct but also builds trust and strengthens the relationships with stakeholders worldwide.



ESG strategy

Responsible operations

Recognizing that employees are the cornerstone of the organization’s success, the company remains steadfast in its commitment to cultivating a culture of inclusivity, empowerment, and continuous learning.

At RAFARM, the motivation of a diverse workforce to excel and innovate is achieved by fostering a culture of excellence and teamwork. This is accomplished through comprehensive training programs, strategic initiatives, and ample opportunities for professional development. Furthermore, the company is deeply committed to upholding ethical labor practices and fostering integrity and transparency across the global supply chain.



Green planet

RAFARM is dedicated to reducing its ecological footprint and promoting sustainable practices. The company focuses on optimizing resource usage, reducing waste, adopting renewable energy sources, and implementing water reuse solutions to ensure environmental sustainability. RAFARM aims to establish a positive legacy for future generations by preserving the delicate balance of our planet’s ecosystems through proactive involvement in carbon footprint reduction and adherence to circular economy principles.

Healthy communities

The contribution of RAFARM to society is ongoing, with a focus on improving health and supporting vulnerable groups. Supporting and empowering the communities served is fundamental to RAFARM’s core values. Through targeted philanthropic initiatives and robust community engagement programs, RAFARM strives to make a meaningful impact and catalyzing positive change.

Additionally, the company is dedicated to cultivating a culture of innovation and excellence in the development of high-quality, affordable healthcare solutions by leveraging cutting-edge technologies and advanced research methodologies. Also, by fostering a collaborative ecosystem of innovation and knowledge sharing, the company seeks to unlock new frontiers in healthcare and pave the way for a healthier, more equitable future for all.



SUSTAINABLE DEVELOPMENT GOALS

Global goals alignment (SDGs)

RAFARM's commitment to the United Nations Sustainable Development Goals (SDGs) is ingrained in the strategic planning. The company's contribution to the SDGs is highlighted through initiatives aimed at optimizing energy consumption, managing waste responsibly, promoting decent work, and supporting communities.

This strategy enables RAFARM to foster economic growth while simultaneously minimizing its environmental footprint. By integrating these global objectives into core business strategies, the company reaffirms the dedication to fostering a sustainable and prosperous future for everyone.



ESG highlights

RAFARM's ESG highlights present the key points related to the environmental, social and governance progress of the company for 2023.

Green planet

> **€1.5** million
Investment in
sustainable
upgrades

Initiated water
recycling program

Photovoltaic panel
establishment to
produce renewable
energy

Responsible operations

51% female
representation
in managerial
positions

> **170**
hires in 2023

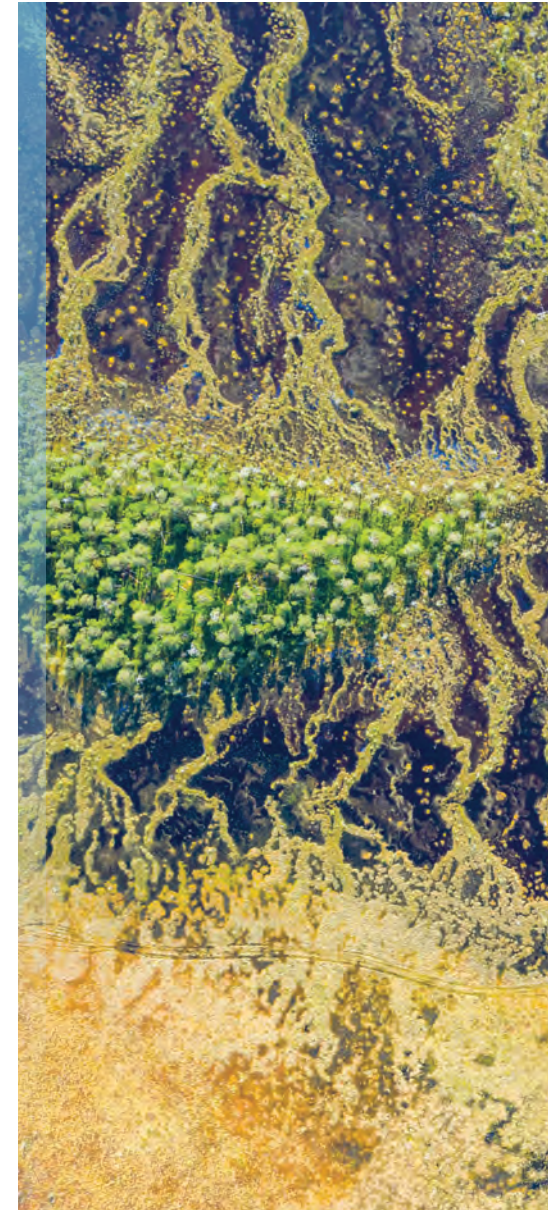
Zero
violations of Code
of Ethics during
2023

Healthy communities

> **10,000**
pharmaceuticals
donated to charitable
organizations

1,000
native trees planted

R&D
leverage
nanotechnology in the
development of novel
ophthalmics



Financial performance

At RAFARM, we're committed to daily progress, driven by sustainability and a focus on growth opportunities. Our goal is to continuously advance high-quality, affordable healthcare solutions through innovative technologies and advanced research. Our financial performance in 2023 reflects our commitment, as we continue to create value for our stakeholders through strategic investments in research and development, operational excellence, and a strong focus on environmental, social, and governance (ESG) principles.

Below we present key elements of our financial performance for 2023

Financial KPIs	2023 performance (€ million)
Gross sales	126.1
Direct economic value generated	93.7
Sales revenues	93.4
Direct economic value distributed	92.7
Operating expenses	19.4
Wages and benefits	22.4
Payments to providers of capital	6.3
Payments to government	10.6
Economic value retained	8.1

Our financial success and sustainability efforts are fundamentally interconnected, as demonstrated by our strong financial performance in 2023. RAFARM's gross sales amounted to €126.1 million prior to clawbacks and rebates with €93.7 million of direct value generation.

Beyond financial performance, we are dedicated to contributing to the broader economy by supporting job creation and driving operational excellence. During 2023, we distributed €92.7 million in direct economic value, including €22.4 million in wages and benefits, reflecting a 13% increase compared to 2022 demonstrating our commitment to our employees. Furthermore, we allocated €6.3 million to providers of capital and contributed €10.6 million in government taxes, reinforcing our role as a responsible corporate citizen, while operating expenses totaled €19.4 million, ensuring operational efficiency and maintaining our growth trajectory.

Our strong financial performance enables us to invest in research and development (R&D) and supports the execution of our ambitious €120 million investment program. By strategically reinvesting in Research&Development and sustainable practices, RAFARM is positioned to generate long-term value for all stakeholders, ensuring continued growth while balancing its environmental and social responsibilities.

Green planet



Sustainable development serves as a guiding principle behind RAFARM's operations. The company is committed to promoting a healthier future that enhances the well-being of individuals, society, and the planet by incorporating circularity into business practices and advocating for recycling.

Mitigating climate impact

RAFARM recognizes the pressing challenge of climate change and remains unwavering in the commitment to taking decisive actions to mitigate the organization's impact and foster a sustainable future. To this end, the company has formulated a comprehensive strategy, along with a dedicated implementation plan, to minimize adverse environmental effects by reducing greenhouse gas emissions.



Reduction of Scope 1 and 2 emissions by 24% compared to 2022 levels by the year 2025

Scope 1



All direct emissions from the activities of an organization or under their control. Including fuel combustion on site such as gas boilers, fleet vehicles, and air-conditioning fugitive emissions.

Scope 2



Indirect emissions from electricity purchased and used by the organization. Emissions are created during the production of the energy and eventually used by the organization.



RAFARM has introduced several initiatives to reduce the environmental footprint. Over the past few years, the company installed photovoltaic panels and thermal facade systems in Paiania's premises. Specifically, the installation of 718 panels, with a total capacity of approximately 400 kWp, produces more than 500,000 kWh annually. This contributes to the reduction of the carbon footprint by generating approximately 8% of the electrical energy consumed in daily operations. The installation uses net metering technology, allowing unused energy to be channeled into the grid when it is not needed for internal use.



Additional initiatives have been implemented to shift from a heating oil system to a natural gas infrastructure, amplifying RAFARM's efforts to diminish its ecological footprint. These measures not only demonstrate the company's commitment to sustainability but also play a pivotal role in shaping a more environmentally conscious future. The implementation of natural gas is estimated to contribute by 40% to company's target for reduction of CO₂ emissions by 24% until 2025.



In line with the commitment to sustainable transportation, RAFARM is devoted to upgrading part of the car fleet with electric vehicles. More specifically the company plans to replace 12 internal combustion vehicles in alignment with the strategic goal to reducing emissions by 2025. This goal is also in alignment with National Climate Law's regulatory requirement to replace at least 25% of new private company vehicles with either pure electric or hybrid electric cars and will be implemented in two phases.

The following graph illustrates the heating oil consumption for 2022 & 2023 (MWh) as long as the intensity ratio per production unit.

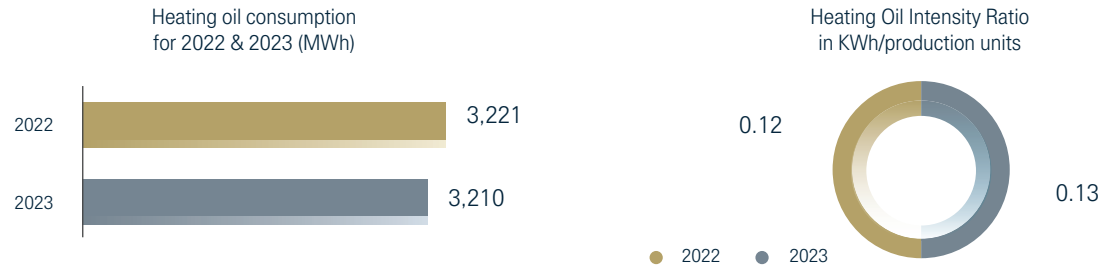


Figure 3: Annual heating oil consumption for RAFARM's premises in Paiania during 2022 and 2023, and heating oil intensity ratio per production unit for 2022 and 2023.

The data portrayed above illustrate the heating oil consumption in MWh within RAFARM's premises along with the intensity ratio per production unit from 2022 to 2023. While the absolute oil consumption is relatively the same in both years, it is noteworthy that the intensity ratio for 2023 has decreased by 5% compared to 2022 despite the 5% production increase, showcasing the company's efforts to optimizing energy usage. At the same time, the natural gas consumption in December of 2023 reached 294 MWh contributing to RAFARM's commitment to reducing emissions by 24% until 2025.



The annual electricity intensity ratio for RAFARM's plant, warehouses, offices, and R&D center for 2022 & 2023 per production unit is presented below.

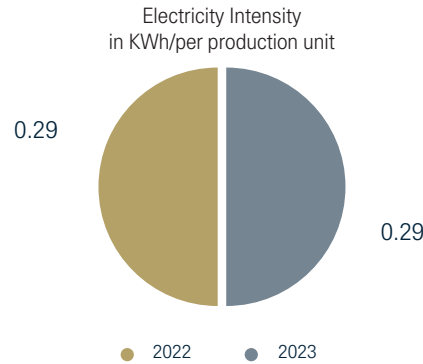


Figure 4: Annual electricity intensity for RAFARM's premises for 2022 and 2023 per production unit.

During 2023, there was a 5% increase in electricity consumption reaching 7,689 MWh compared to 7,319 MWh of 2022, due to the expansion of RAFARM's manufacturing capabilities to meet growing demands. Despite this increase, the electricity intensity per production unit remained constant, highlighting the company's commitment upon the effective energy use avoiding higher demands to support operations. The company will continue the proactive measures to minimizing energy usage and optimizing operations, ensuring sustainable growth while meeting the production requirements.

Lowering our carbon footprint

Following the consistent monitoring of the company's energy consumption, RAFARM has proceeded with the calculation of the direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions regarding the years 2022 and 2023. The outcomes of these estimations offer insights regarding the performance of the initiatives implemented to mitigate environmental impact.

Direct and Indirect GHG emissions³ intensity for 2022 and 2023

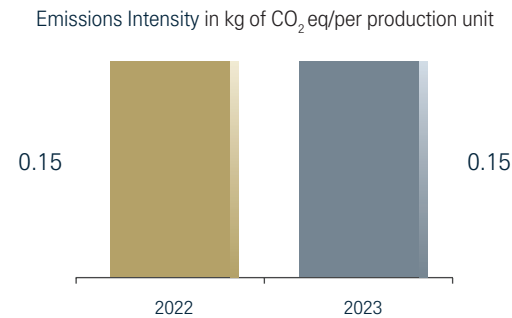


Figure 5: RAFARM's scope1 and scope2 emissions intensity per production unit for the years 2022 and 2023

During 2023 Scope 1 and scope 2 greenhouse gas emissions documented a slight increase compared to 2022. Direct emissions amounted to 938 tonnes of CO₂eq compared to 888 tonnes of CO₂eq in 2022 and indirect emissions reached 3,056 tonnes of CO₂eq in 2023 compared to 2,917 tonnes of CO₂eq in 2022. This increase though did not affect the emissions intensity, highlighting the positive outcomes of RAFARM's sustainable initiatives and more specifically the development of photovoltaics systems to produce green electricity. Looking ahead, the company remains committed to enhancing its performance by finalizing the thermal facade systems at Paianias premises along with the transitioning from heating oil to natural gas, aiming a 24% reduction in greenhouse gas emissions by 2025.

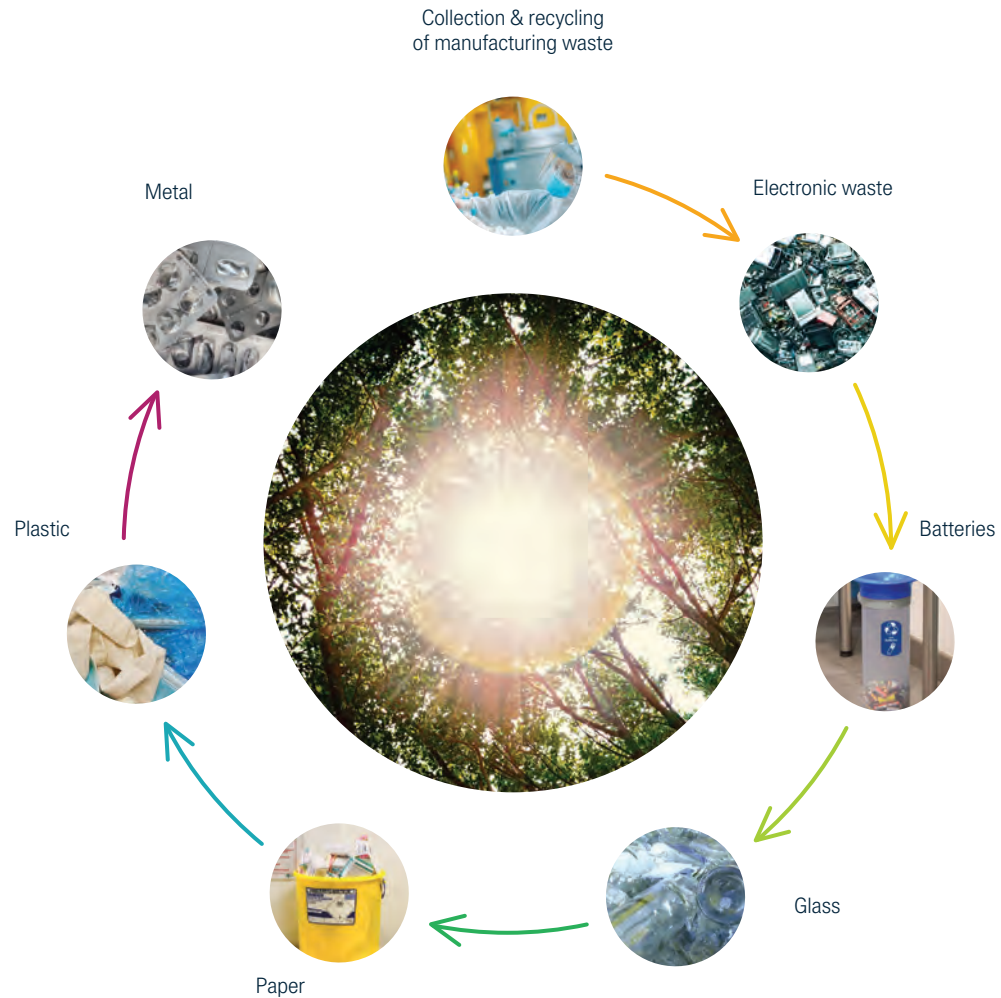
³ RAFARM's indirect emissions are estimated using the energy provider's emission factor from "Greece's Energy Mix" and refer only to scope 2 emissions. For the calculation of direct emissions, the emission factors used for CO₂, CH₄ and N₂O are found in the "UK Government GHG Conversion Factors for Company Reporting" published in June 2021 and 2023

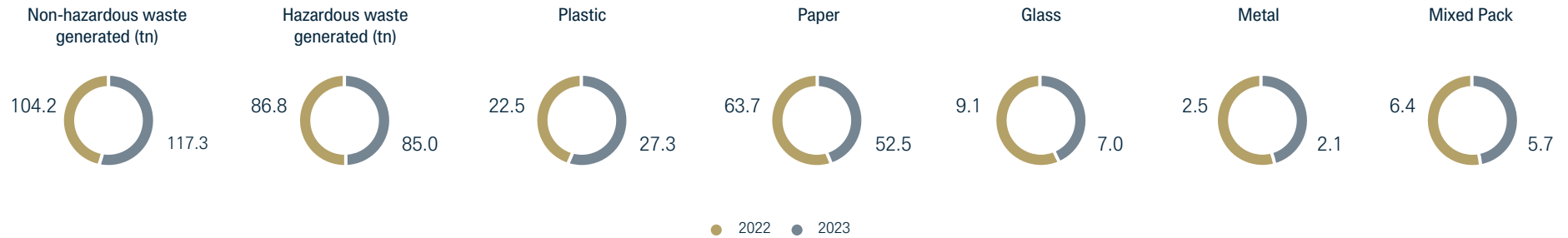
Advancing circular economy

RAFARM holds a profound commitment to sustainability by embracing the principles of the circular economy. From the proliferation of packaging and labeling to the proper disposal of chemical waste, the company understands that the pharmaceutical sector grapples with the dual imperatives of product safety and environmental sustainability. Balancing these priorities requires innovative approaches that reconcile the need for stringent quality control with the imperative to minimize waste generation and resource depletion. RAFARM's dedication is centered on prioritizing resource efficiency and waste reduction to minimize environmental impact while maximizing value throughout operations.

Upholding the commitment to sustainability, the company prioritizes the principles of reduce, reuse, and recycle for the materials that cannot be recovered. This encompasses the collection and recycling of various categories of manufacturing waste, including plastic, paper, glass, batteries, metal, and electronic equipment.

To this extent RAFARM focuses on efforts to promote circular economy practices within daily operations. Through robust waste reduction initiatives and strategic partnerships, the company commits to minimizing the environmental footprint while maximizing resource efficiency.





During 2023 non-hazardous waste increased to 117.3 tonnes compared to 104.2 tonnes in 2022, reflecting a 12.5% rise due to higher production volumes aligned with the company’s growth. Hazardous waste on the other hand remained relatively the same for both years. More specifically, in 2023 it amounted up to 85 tonnes compared to 86.8 tonnes in 2022 showing a minor decrease of 2%.

In terms of recycling, recycled plastic increased by 21.3%, from 22.5 tonnes in 2022 to 27.3 tonnes in 2023 due to the increased production while paper,

metal, mixed packaging and glass recycling volumes where decreased. More specifically, recycled paper indicated a decrease of 17.6%, from 63.7 tonnes in 2022 to 52.5 tonnes in 2023 highlighting the company’s efforts towards responsible waste management. Similarly, recycled glass also decreased by 23.1%, from 9.1 tonnes in 2022 to 7 tonnes in 2023, recycled metal dropped by 16%, from 2.5 tonnes in 2022 to 2.1 tonnes in 2023, and mixed packaging amounted 5.7 tonnes in 2023 compared to 6.4 tonnes in 2022 affirming RAFARM’s effective process in minimizing waste generation.

Water consumption

In the realm of pharmaceutical manufacturing, where stringent quality standards and regulatory compliance play a fundamental role, balancing the demands of production with the need for water stewardship presents a multifaceted challenge. From the purification of raw materials to the cleaning of equipment and facilities, water is essential at every stage of the pharmaceutical production process. Addressing responsible consumption in this context requires a strategic and holistic approach that emphasizes efficiency, conservation, and sustainability.

RAFARM monitors water consumption in the facilities and aims to reuse 5% of the annual water consumption by 2025. To support and achieve this commitment the company launched a water recycling program which includes the collection of clean water from a variety of machinery through a common piping system into a large reservoir for reuse.



Below we present our water consumption intensity per production unit for 2022 & 2023

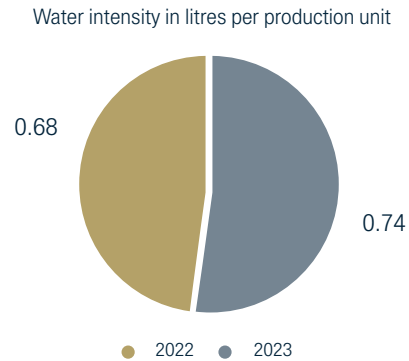


Figure 6: RAFARM's water consumption intensity per production unit for 2022 and 2023

During 2023 water consumption increased by 14% reaching 19,559 m³ compared to 17,191 m³ in 2022 while water intensity demonstrated a lower increase of 9% for the respective period. Moving forward, RAFARM remains dedicated to further optimize water consumption practices, leveraging innovative technologies and best practices to drive continuous improvement and sustainability across its pharmaceutical operations. RAFARM has already made promising steps towards water conservation and resource efficiency, fact that is supported by the achievement to reuse the indicative amount of 40m³ of water in the end of 2023.



Responsible operations



RAFARM places great importance on relationships with employees, customers, partners, and society. As a leader of the pharmaceutical sector, the organization remains at the forefront of examining new approaches to talent acquisition, employee

development, and retention, in order to optimize workforce's performance and adapt to emerging trends. RAFARM remains committed to nurturing talent, fostering diversity and inclusion in alignment with industry trends and corporate values. The company has focused in establishing and maintaining a conducive and safe working environment. Additionally, RAFARM is further committed to supporting society through Corporate Social Responsibility (CSR) initiatives.

Our people

Within the workforce, the company nurtures a supportive environment where each individual is esteemed, respected, and empowered to excel. RAFARM believes that a diversity of perspectives, backgrounds, and experiences fosters innovation and propels shared achievement. Through continuous education and professional development opportunities, the company aims to cultivate an environment where trust, collaboration, and collective advancement thrive.

RAFARM denounces all forms of workplace violence and discrimination and is committed to cultivating a work environment free from discrimination, harassment and intimidation. In this environment, every team member is afforded dignity, respect and fairness. To this extent the company has implemented reporting mechanisms to ensure that any incidents of violence or harassment are promptly addressed and thoroughly investigated. Employees have the right to report cases to the designated person appointed by the Company, who will conduct impartial investigations while safeguarding the confidentiality of the complainant's personal data. In 2023, RAFARM's team consisted of 771⁴ employees, marking an approximate increase of 29% compared to the 2022 workforce. A total of 179 individuals were employed to fulfill the company's needs for scientific and general personnel. It is also noteworthy that all employees are permanent personnel, covered by full-time contracts.

The figure below presents RAFARM's workforce for 2022 & 2023 ⁵

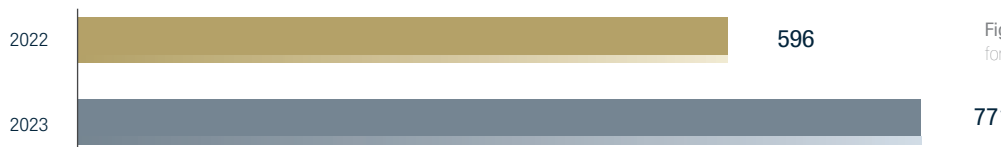


Figure 7: RAFARM's total employees for the years 2022 & 2023



⁴The number of employees has been estimated as an average across the reporting period including new hires and departures.

⁵Total number of employees includes currently active employees and departed personnel.

Employee categorization by age

At RAFARM, we are committed to fair and transparent hiring practices, evaluating candidates solely on their skills, experience and potential. Our company envisions a workforce comprised of young talents brimming with enthusiasm and pioneering ideas. Recognizing the invaluable contribution that young employees bring to the organization in terms of fresh perspectives and innovative problem-solving approaches, the company increased their representation by 14% compared to 2022.

Considering 2023's total hires, more than 30% is accounted to employees under 30 years of age demonstrating further the trust and support to young professionals by offering career growth opportunities. Additionally, 17% of our hires were individuals over 50 years of age, highlighting our commitment to social sensitivity and inclusion. These experienced professionals bring a wealth of knowledge, stability, and diverse perspectives, significantly enriching our organization. In 2023, 16% of the total workforce was under 30 years old, 67% between 30-50 years old, while 17% was over 50 years old showing minor fluctuations compared to 2022.

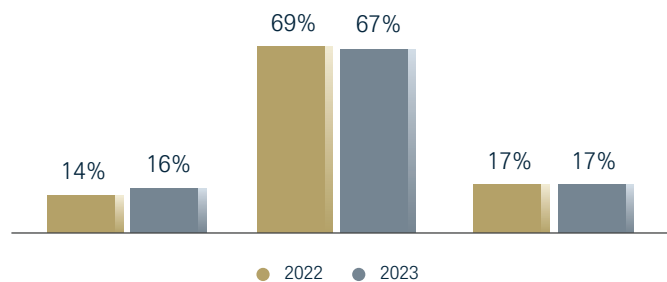


Figure 8: Age distribution of RAFARM's employees for 2022 & 2023



Total employee hires by age group for 2023

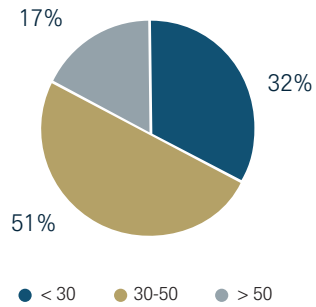
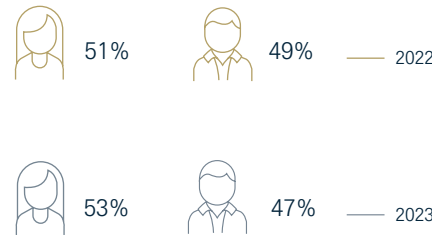


Figure 9: Age distribution in RAFARM's hires for 2023



For the year 2023 the total workforce of women reached 53%. The distribution for 2022 was 51% for women and 49% for men

Percentage of managers per gender for 2022 & 2023

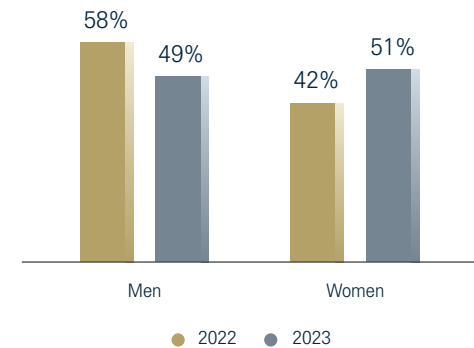


Figure 10: RAFARM's gender distribution in managerial positions for 2022 & 2023

Diversity, equity & inclusion

An integral part of the organization's philosophy centers around the principles of gender equality and the provision of equal opportunities. RAFARM ensures that labor management processes are designed to support and foster the development and advancement of all employees.

The primary goal is to create a supportive environment where everyone feels valued, respected, and has equal opportunities to thrive and succeed alongside their colleagues. The company is proud of the gender parity across the workforce and remains committed to maintaining this balance.

For two consecutive years RAFARM has achieved gender balance throughout the organization and remains steadfast to sustaining this equilibrium.

As the industry evolves to meet the demands of a rapidly changing landscape, the presence of women in managerial positions has become not only a matter of gender equality but also a strategic imperative for driving organizational success. The company's commitment to equality is also demonstrated by RAFARM's employee distribution in management positions. During 2023 a total of 85 women held managerial positions⁶, representing 51% of total managers. This marks a significant 21% increase in female representation within management levels compared to 2022.

Highlighting the importance of gender balance in the workforce, RAFARM remains committed to fostering an environment where talent and equal opportunities prevail. Recent data reveal a notable achievement in this pursuit, with women comprising 52% of new hires compared to 48% of men out of a total of 179 recruitments.

RAFARM cultivates a diverse and inclusive workplace, where both male and female talents are recognized, valued, and empowered to contribute their unique perspectives and skills.

⁶ Managerial positions encompass managers, senior managers, supervisors, c-suite and vice presidents.

Distribution of employee hires per gender for 2023

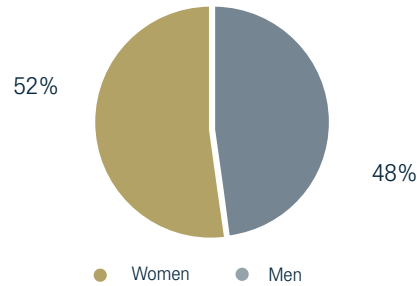


Figure 11: Distribution of RAFARM's hires per gender for 2023

Total departures, are an inherent aspect of RAFARM's organizational dynamics, providing opportunities for growth, renewal, and evolution. During 2023, 111 employees voluntarily departed, with 69% aged between 30-50 years of age. Among them 58% were women and 42% men.

Data examination of workforce's turnover indicate a rate⁷ of 17% among male and 18% among female employees. Considering voluntary and non-voluntary departures RAFARM documented a total employee turnover rate⁷ of 18% for 2023. By examining reasons behind departures, RAFARM gains insights to enhance workplace culture and support transitions. Through transparency and proactive measures, the company ensures smooth transitions and maintains operational continuity.

Total departures for RAFARM by age group and gender for 2023

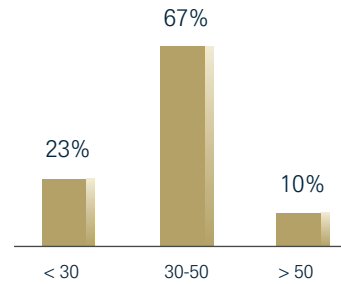


Figure 12: Age distribution for labor departures for 2023

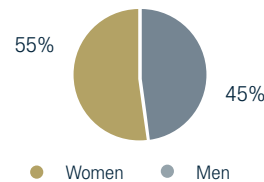


Figure 13: Gender distribution of departures for 2023

A thorough examination of the age demographics reveals that individuals under the age of 30 comprise 25% of turnover, those within the 30 - 50 age bracket represent 18%, and employees over the age of 50 account for 11%. The relatively lower turnover rate among individuals over the age of 50 suggests a greater level of stability among more experienced employees. These figures underscore the multifaceted nature of turnover trends within

Employee turnover rate for RAFARM by age group and gender for 2023

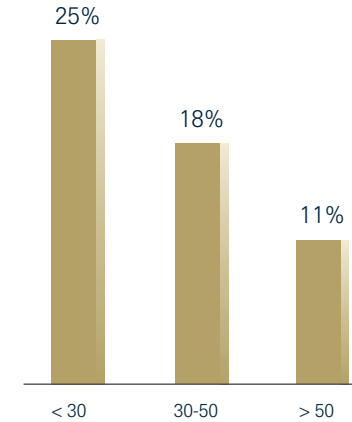


Figure 14: RAFARM's labor turnover rate per age for 2023

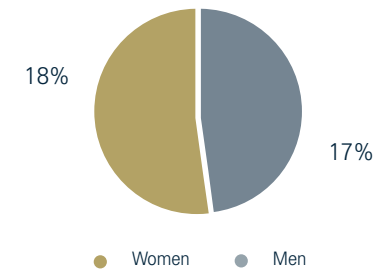


Figure 15: RAFARM's labor turnover rate per gender for 2023

RAFARM and offer valuable insights into the factors driving employee transitions across different demographic groups.

⁷ The turnover rate refers to the percentage of employees who left the company during 2023 and includes both voluntary and involuntary departures.

Health, safety and wellbeing

RAFARM provides an environment of trust and a culture of safety for all the staff, promoting open communication, active participation, diversity of views, and accountability.

Recognizing the inherent complexities and evolving challenges in the industry, RAFARM embraces a comprehensive approach to safeguarding the welfare of employees. To this extent, the company has implemented training programs designed to equip employees with the necessary knowledge, skills, as long as the resources needed to navigate occupational hazards and promote a culture of prevention. Encouragingly, there has been an increase in participation in health and safety training initiatives, underscoring a collective recognition of their importance in preserving employee health and mitigating risks.

During 2023 the company conducted 10 seminars, each lasting approximately one hour, to provide Health and Safety training for 117 employees.

Employees attending Health and Safety trainings for 2022 & 2023

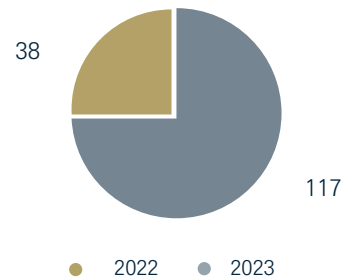


Figure 16: RAFARM's employee participation in Health & Safety trainings for 2022 & 2023

Training topics include:

Health & Safety orientation



Fire extinguisher training



Health and Safety metrics for 2023

- ➔ **0** fatalities as a result of work-related injury
- ➔ **2** recorded work-related injuries
- ➔ Recordable Incident rate (TRIR) on our premises **0.36**

Related policies

- RAFARM's Emergency Management policy
- RAFARM's Occupational Health and Safety (H&S) policy

RAFARM is dedicated to prioritizing employee welfare by implementing robust safety protocols. During 2023 there were recorded 2 work-related injuries depicting the company's commitment to health and safety measures. This achievement reflects RAFARM's proactive approach to identifying and mitigating potential hazards, ensuring a safe and secure work environment for all employees. Each incident is thoroughly investigated to identify root causes and implement corrective actions, further enhancing safety measures and preventing future occurrences. Considering the unique challenges and complexities inherent to pharmaceutical manufacturing the recordable incident rate was 0.36 for 2023. RAFARM's proactive approach to incident reporting and continuous improvement ensures that incidents are addressed promptly, mitigating risks, and fostering a culture of transparency and accountability.

Training and development

The company recognizes the pivotal role of training and development in workforce's empowerment to adapt in the evolving challenges, to seize new opportunities, and excel in their respective roles. More specifically, the company implements training programs related to technical skills enhancement and leadership development as long as compliance training. RAFARM offers a comprehensive suite of learning opportunities designed to foster professional growth and drive performance excellence across the organization.

During 2023 the company conducted trainings which are incorporated in the general training scheme that was already in place since 2022 and consisted of various initiatives implemented to secure workforce's adequacy in handling daily operations.



Technical trainings

- Basic principles in Microbiology theory and examples
- Solid dose formulations - solubility
- Considerations for waiver requests for pH adjusters in generic drug products intended for parenteral, ophthalmic, or otic use
- Food and Drug Administration (FDA) – European Medicines Agency (EMA) parallel scientific advice (PSA) program
- Good Manufacturing Practices (GMP) orientation training
- Medical device classification



Quality and Regulatory trainings

- Quality & regulatory requirements for drug device combination products
- Annual excellence in cleanroom operations, quality assurance & control seminar
- Understanding EU regulatory affairs
- Overview of EU regulatory framework
- Quality & regulatory requirements for drug device combination products
- Learning about the European directorate for the quality of medicine and healthcare (EDQM)
- Train the trainer (a program dedicated for internal educational purposes)
- Parental Drug Association (PDA) Annex 1 workshop

Educational visits

- Technical visit in Biomerieux site

Digital Skills trainings

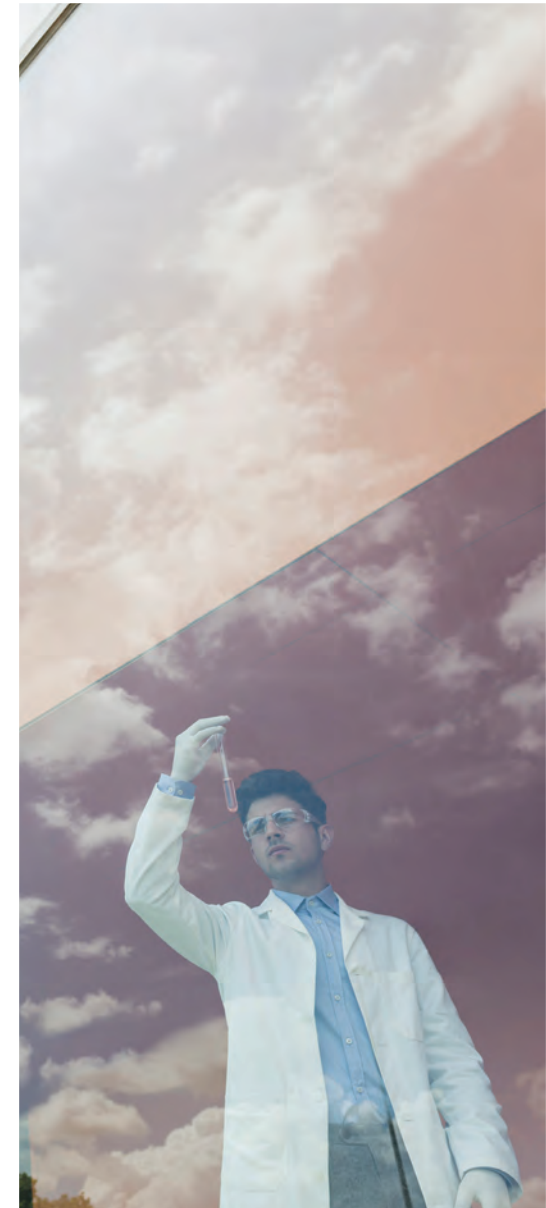
- Introducing DADI –The Digital Application Dataset Integration Network Project

General trainings

- Communication and interpersonal relationships

Global Market trainings

- Drug registration in China: application procedures for generic chemical drugs
- China drug evaluation report
- China excipients regulation
- Comparison between the EU and the US sequences and how to manage them as Electronic Common Technical Documents (eCTD)
- The impact of Brexit on pharmaceutical companies and their regulatory departments
- Effortless collaboration - reduce the complexity of viewing and reviewing in a global organization



Number of employees who received trainings since in 2022 and 2023

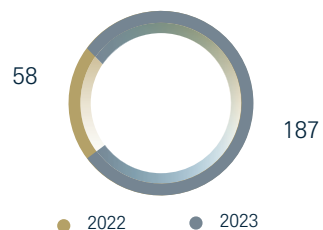


Figure 17. RAFARM's employee participation in development training sessions for 2022 and 2023

In total, RAFARM conducted 16 training development sessions during 2023 aiming to support employees correspond in their roles and contribute to the organization's overall mission and objectives. Trained employees⁸ received an average of 2-hour trainings in 2023 initiating the company's journey upon the goal to achieving more than 15 training hours for the total workforce by 2028. Being committed to this target RAFARM plans to launch surveys in order to understand the reskilling and upskilling needs per department, job position and business areas and be able to prioritize the most critical topics for the employees.

⁸ The training sessions were offered to 187 employees of the total workforce, with each employee receiving an average of 2 hours of training

Career performance and development

RAFARM recognizes the importance of fostering a culture of continuous improvement, both at individual and organizational levels, aiming to adapt to evolving industry standards and strategic goals. The commitment to continuous improvement enables RAFARM to remain agile and responsive to changing market dynamics, ensuring that will deliver innovative solutions and maintain a competitive edge in the pharmaceutical landscape.

Throughout 2023, performance and career development reviews were conducted for 85% of RAFARM's total workforce

Percentage of employees in managerial positions who received performance evaluations during 2023

During 2023 RAFARM proceeded with the evaluation of the majority of supervisors, senior managers, and managers aiming to gain insights regarding their performance. During the process 95% of female and 100% of male supervisors were evaluated as long as 88% of females and 90% of males from manager and senior manager levels.

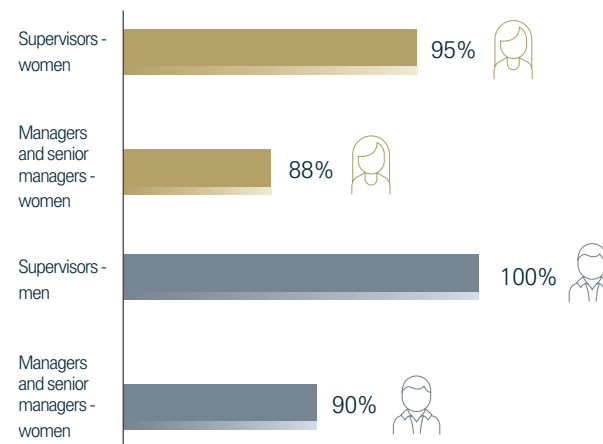


Figure 18: Percentage of supervisors, managers and senior managers that received performance evaluation during 2023

Corporate governance and structure

Corporate governance and structure are fundamental pillars that shape the operational framework and decision-making processes within the organization. These elements are critical for ensuring transparency, accountability, and ethical conduct across all levels, guiding RAFARM's strategic direction, and safeguarding the interests of stakeholders.

The organizational structure defines the hierarchical layout, roles, responsibilities, and reporting lines, providing clarity and coherence in decision-making processes. Corporate governance and structure form the foundation upon which sustainable growth, responsible management, and long-term value creation are built.

The Board of Directors (BoD) members play a crucial role in overseeing the company's strategy, efforts, and commitments pertaining to environmental, social, and governance (ESG) matters. They are entrusted with the responsibility of ensuring that the company operates in alignment with ESG principles, thereby upholding its ethical and societal responsibilities.

In addition to setting strategic direction, the BoD members actively review and approve all reported information related to ESG performance. Through diligent oversight and informed decision-making, the members ensure that the company's ESG initiatives are effectively implemented and contribute to its overall sustainability objectives.

RAFARM's Board of Directors (BoD) is composed of 5 executive members.



Nikolaos Rassias
President & C.E.O.



Ioanna Rassia
Executive Vice President - QPPV



Irene Rassia
Executive Vice President



Aris Mitsopoulos
Vice President



Alina Rassia
Member of the Board of Directors

60% female representation
on Board of Directors

Our policies

RAFARM's policies and procedures are meticulously structured to uphold ethical conduct, prioritize employee well-being, and maintain operational integrity. The primary objective is to cultivate a fair and respectful workplace environment while ensuring compliance with legal regulations. These policies cover various areas including business ethics, employee recruitment and dismissal, equal opportunities, and complaint procedures.

Furthermore, RAFARM's policies prioritize the health and safety of employees and the environment. This entails implementing health, safety, and environmental guidelines, worker protocols, and emergency management procedures. By adhering to these policies, RAFARM endeavors to establish a conducive working environment that places the welfare of its employees at the forefront while upholding ethical standards and promoting environmental sustainability.

RAFARM's policies:

- Business ethics policy
- Smoking policy
- Anti-corruption policy
- Complaints policy
- Employee evaluation policy
- Conflict of interest policy
- Directions for workers
- Employee hiring & Departure policy
- Equal opportunity/ Violence & Discrimination policy
- Health, Safety & Environmental policy
- Fraud policy



In the pharmaceutical industry, adherence to regulations is of utmost importance, as adherence directly impacts patient safety, product quality, and organizational reputation. At RAFARM, commitment to regulatory compliance forms the foundation of all operations, guiding every aspect of business with integrity and accountability. Through the diligent adherence to the Code of Conduct, RAFARM ensures that all relevant regulations and requirements are met, safeguarding the trust and confidence of our stakeholders.

For 2023



The company implements the Annual Refreshing training for Compliance Standard Operating Procedures (SOPs) and Code of Ethics for the commercial department.



Customer privacy

RAFARM recognizes the importance to maintaining high standards of data security and privacy protection to avoid breaches and misuse of personal information. To this extent, the company complies fully with data protection regulations implementing data privacy procedures that govern the collection, storage, and usage of customer information. Through constant development and vigilance, RAFARM aims to stay ahead of emerging threats and maintain the highest levels of data security and privacy protection.

RAFARM's commitment to safeguarding customer information for 2023 is showcased through the following data:



Complaint resolution mechanism

The prioritization of ethical conduct and responsible business practices consists of high priority for RAFARM recognizing the importance of providing employees with channels to voice their concerns and seek guidance when needed. Company's comprehensive complaint resolution mechanism is designed to ensure that every employee feels empowered to raise issues related to responsible business conduct without fear of reprisal or retaliation. Employees are encouraged to first seek guidance from their supervisor regarding any concerns they may have. Supervisors serve as valuable resources, offering support and guidance to address issues in a timely and effective manner. Additionally, if employees feel that their concerns require escalation or if they prefer to report anonymously, they are encouraged to reach out to the Compliance Department.

Healthy communities

Driving innovation and product development

At RAFARM, research and development (R&D) stand as a primary focus, driving our mission to deliver novel and high-quality pharmaceutical solutions. In 2023, we allocated 13% of our net turnover to R&D, underscoring our commitment to advancing our capabilities and fostering innovation in this essential area. Recognizing that each drug development process is unique, we prioritize understanding our clients' needs and goals to deliver remarkable results.

Ophthalmology is the core therapeutic area for RAFARM. We specialize in the development and production of sterile ophthalmic pharmaceutical products in different formulations: Solutions, Suspensions, Nano-emulsions, Combination products. Also, we are experts in the development and production of complex injectable products (in ampoules and vials) and have established a diversified product pipeline to meet patients' needs in different formulations: Solutions, Colloidal formulations, Nanomedicines.

RAFARM offers innovative therapeutic solutions by developing Value-Added Medicines (VAMs) to improve patient care addressing unmet medical needs.

1 in 5 developments at RAFARM is a value-added medicine

Our goal is to ensure that 20% of R&D resources are dedicated to Value-Added Medicines annually by 2026, and that 70% of R&D developments consist of complex pharmaceutical products by 2028.

Our R&D team consists of over 100 experts, with more than 40% holding advanced degrees (MSc or PhD) and follows strict international guidelines in all procedures. We empower our R&D team by creating new career opportunities, investing in new technologies, and utilizing sophisticated platforms.

Our future goals include implementing research studies and clinical trials in cooperation with highly specialized partners, solidifying our dedication to scientific advancement and patient care. We are also exploring opportunities to leverage Artificial Intelligence (AI) to expedite drug development and automate various stages of the development pipeline. We strongly believe that cooperation between pharmaceutical companies, academic and research institutions is crucial for achieving collective accomplishments in the development, testing, and approval of new therapies. Therefore, our strategy involves fostering collaborations with esteemed universities, research centers, and other companies to complement our strengths and technical expertise, bringing pioneering products that benefit society. To ensure the development of top-quality medicines, we have established a robust Quality Management System that adheres to current Good Manufacturing Practices (cGMPs).

Significant resources have been allocated to quality control and assurance, equipping our state-of-the-art Quality control laboratories with the latest tools technologies. These actions guarantee the release of high-quality products that meet patient needs and comply with all applicable regulations and standards throughout their lifecycle.

At RAFARM, our comprehensive and strategic approach to R&D is designed to propel sustainable growth and foster well-being, ensuring we continue to make significant contributions to the health of the communities we serve.



Research and development at RAFARM revolves around:

Expertise & know-how

in the development of complex formulations. Our specialized scientists holding many years of work experience and dedication to the development of new generic products, utilizing cutting edge technology. At the same time, new micro and nano controlled release particle technologies and developments of value-added medicines will be the springboard for the company's new leap into the future.

Readiness

to face the challenges of new technologies and modern development methods to meet patients' needs and high-quality standards of partners and authorities.

Reliability

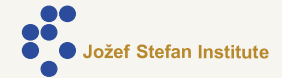
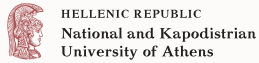
in the development, approval, and production of complex sterile pharmaceutical formulations. Through our successful collaborations with major multinational pharmaceutical companies, we have built long-term relationships, expanding our partnerships with new research projects.

Flexibility & speed

in decision making and immediate adaptation to the requirements of the constantly evolving pharmaceutical industry with the use of high-end technology, customer-centric approach, and focus on people.



Collaborations with esteemed universities & research centers in Greece and abroad





Giving back to society

Fully aware of the responsibility towards people, environment, and society, RAFARM operates responsibly and sensitively in all areas of the organizations' business. RAFARM upholds a profound commitment to Corporate Social Responsibility (CSR), driven by the vision of contributing to a healthier society and aligning with sustainable development goals.

Through a range of initiatives, RAFARM strives to make a positive impact on vulnerable social groups and communities.



Support for Vulnerable Social Groups and Communities:

- ➔ Through the 'Health Sector for Society' program by GIVMED, RAFARM donated >10,000 pharmaceuticals to charitable organizations in Greece.
- ➔ Donation of pharmaceuticals to meet the needs of Social Pharmacies, ensuring access to essential medicines for vulnerable groups.
- ➔ RAFARM's commitment extends to organizations such as 'The Smile of the Child' and the Panhellenic Association of Parents and Friends of Persons with Disabilities 'ERMIS', focusing on child welfare, protection, and support for persons with disabilities.
- ➔ Supporting Actionaid's efforts for earthquake victims in Turkey and Syria by providing shelter for 20 families of five.

Volunteering:

- ➔ RAFARM supports we4all's initiatives by planting native flora to restore areas, enhance biodiversity, and promote environmental sustainability, demonstrating its commitment to ecological restoration and conservation efforts.
- ➔ During Christmas 2023, RAFARM volunteering team prepared over 200 meals for vulnerable people, demonstrating their commitment to supporting and caring for the community during the holiday season.

Establishment of the 'RAFARM Blood Bank':

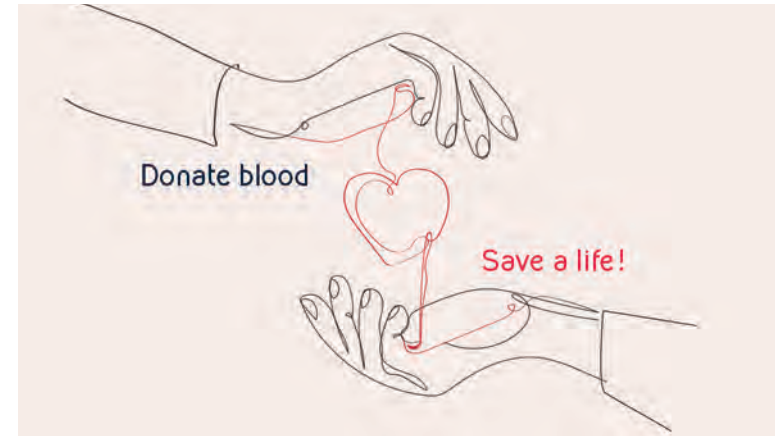
- ➔ Emphasizing the importance of blood donation in saving lives, this initiative received enthusiastic support from our employees. Over the past 3 years, we've collected 153+ blood units, helping 15+ colleagues and hundreds more in need.



Collaboration with Pharmaceutical Enterprises of Greece (P.E.F.):

- ➔ Voluntary contributions to food drives, offering 36 boxes with food and personal hygiene products for children affected by the floods in Thessaly in September 2023.
- ➔ Provision of free drugs to the Social Pharmacies of the Archdiocese through P.E.F. member companies.
- ➔ Donation of essential medical supplies for the people affected by the Russian – Ukrainian war.

RAFARM's dedication to social responsibility reflects the commitment to improving lives and creating a positive impact in the community



Awards and recognitions

RAFARM's commitment to excellence and sustainability was widely acknowledged in the pharmaceutical industry and beyond. RAFARM's focus on environmental stewardship, social responsibility, and strong governance practices not only led to notable achievements but also led to prestigious awards and recognitions.

Hellenic Responsible Business Awards 2023



Gold Award in "Strengthening Employment" category

Hellenic Responsible Business Awards 2023



Silver Award in "Strengthening Entrepreneurship" category

Hellenic Responsible Business Awards 2023



Bronze Award in "Long-term Investment" category

Growth Awards 2022



Award in "Dynamic development" category



Honorary distinctions

Mr. Nikolaos Rassias, Founder of RAFARM, was honored as a visionary pioneer who, through his determination and work, contributed to laying the foundation for the current structure of the Greek pharmaceutical industry.

This recognition was bestowed upon him at the anniversary event of the Panhellenic Association of Pharmaceutical Industry (PEF), entitled '90 years of Greek pharmaceuticals'.



RAFARM was honored for its long-standing presence and investments in Greece by the National and Kapodistrian University of Athens, Department of Pharmacy.

Ioanna Rassia, Executive Vice President of RAFARM, received the honorary award and noted the company's commitment to support the research work of the University community in Greece, to invest in Research & Development and to strengthen the team of RAFARM's specialized and highly skilled researchers in Greece.



Appendix

GRI Table

Statements of use	RAFARM has reported the information cited in this GRI content index for the period 1.1.2023 - 31.12.2023 with reference to the GRI Standards	
GRI 1 used	GRI 1: Foundation 2021	
GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-3 Reporting period, frequency and contact point	About this report
	2-5 External assurance	About this report
	2-6 Activities, value chain and other business relationships	About this report
	2-7 Employees	Our people
	2-9 Governance structure and composition	Corporate governance and structure
	2-11 Chair of the highest governance body	Corporate governance and structure
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate governance and structure
	2-14 Role of the highest governance body in sustainability reporting	Corporate governance and structure
	2-15 Conflicts of interest	Corporate governance and structure, Our policies

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	Letter from Vice President
	2-23 Policy commitments	Corporate governance and structure, Our policies
	2-24 Embedding policy commitments	Corporate governance and structure, Our policies
	2-26 Mechanisms for seeking advice and raising concerns	Corporate governance and structure, Complaint resolution mechanism
	2-27 Compliance with laws and regulations	Corporate governance and structure, Our policies
	2-28 Membership associations	Healthy Communities, Giving back to society

GRI STANDARD	Disclosure	Location
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Financial performance
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	Corporate governance and structure, Our policies
GRI STANDARD	Disclosure	Location
GRI 302: Energy 2016	302-1 Energy consumption within the organization 302-3 Energy intensity	Green planet, Mitigating climate impact
GRI 303: Water and Effluents 2018	303-5 Water consumption	Green planet, Water consumption
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions 305-2 Energy indirect (Scope 2) GHG emissions	Green planet, Lowering our carbon footprint
GRI 306: Waste 2020	306-3 Waste generated 306-4 Waste diverted from disposal	Green planet, Advancing circular economy
GRI 401: Employment	401-1 New employee hires and employee turnover	Our people
GRI 403: Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety 403-9 Work-related injuries	Health, safety and wellbeing

Statements of use	Disclosure	Location
GRI 404: Training and Educational 2016	404-1 Average hours of training per year per employee	Training and development
GRI 404: Training and Educational 2016	404-3 Percentage of employees receiving regular performance and career development reviews	Career performance and development
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Our people, Corporate governance and structure
GRI 418 Customer privacy	GRI 418-1 Number of customer data losses	Corporate governance and structure, Our policies



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