

## **Sustainable Procurement Policy**

**Nipro PharmaPackaging Croatia LLC**

### **1. Purpose**

Nipro PharmaPackaging Croatia LLC (hereinafter referred to as "NPC") is committed to conducting business in a responsible, ethical and sustainable manner.

As a manufacturer of pharmaceutical primary packaging, NPC recognizes its responsibility to minimize environmental impacts, promote social well-being, uphold the highest standards of corporate governance and contribute to sustainable development throughout its value chain.

This Sustainability Policy establishes the framework for integrating Environmental, Social, and Governance (ESG) principles into NPC's business operations, decision-making processes and relationships with employees, customers, suppliers, local communities and other stakeholders. It reflects NPC's commitment to continuous improvement and long-term value creation while supporting the sustainability objectives of the Nipro Group.

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### **2. Scope**

This Policy applies to:

- All employees, management and contractors of NPC
- All operational activities undertaken by NPC
- Procurement and supplier management processes
- Business relationships throughout the value chain
- Environmental, social and governance aspects of the Company's activities

NPC expects its suppliers, contractors and business partners to support the principles outlined in this Policy and to conduct their operations in a responsible and ethical manner.

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### **3. Sustainability Vision**

NPC aims to provide high-quality primary packaging materials while reducing environmental impacts, supporting people and communities and maintaining the highest standards of business integrity.

Our sustainability vision is based on:

- Responsible manufacturing
  - Environmental stewardship
  - Climate action
  - Employee well-being
  - Ethical business conduct
  - Sustainable supply chain management
  - Continuous improvement and innovation
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#### **4. Environmental Commitment**

NPC is committed to protecting the environment and minimizing the environmental impacts associated with its operations, products and value chain.

We strive to:

- Improve resource efficiency across all operations
- Reduce energy consumption and associated emissions
- Prevent pollution and minimize environmental risks
- Reduce waste generation and promote recycling and recovery
- Support circular economy principles
- Use natural resources responsibly
- Comply with all applicable environmental legislation and requirements
- Maintain and continually improve our Environmental Management System certified to ISO 14001

Environmental considerations are integrated into operational planning, investment decisions and supplier evaluation processes.

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#### **5. Climate Change and Decarbonization**

NPC recognizes climate change as a significant environmental and business challenge.

The Company is committed to:

- Measuring and reporting greenhouse gas emissions in accordance with internationally recognized methodologies

- Monitoring Scope 1, Scope 2, and relevant Scope 3 emissions
- Improving emissions intensity per unit of production
- Increasing operational energy efficiency
- Exploring opportunities to increase renewable energy use
- Supporting decarbonization throughout the value chain
- Improving the quality and transparency of emissions-related data

Particular focus is placed on Scope 3 emissions, which represent the largest portion of NPC's carbon footprint and are significantly influenced by purchased goods, services and supply chain activities. NPC actively collaborates with suppliers and logistics partners to identify and implement emissions reduction opportunities.

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## **6. Water Stewardship**

NPC recognizes water as a valuable natural resource and is committed to responsible water management.

The Company seeks to:

- Monitor and optimize water consumption
- Improve water-use efficiency
- Prevent water pollution
- Promote responsible water stewardship throughout the value chain

Water-related impacts and opportunities are periodically reviewed as part of the Company's environmental management activities.

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## **7. Circular Economy and Waste Management**

NPC supports the transition toward a circular economy through responsible resource use and effective waste management.

The Company is committed to:

- Reducing material consumption where feasible
- Maximizing recycling and recovery opportunities
- Supporting the use of recyclable materials
- Promoting reuse and circular business practices where applicable

- Increasing waste segregation and recycling rates

Particular emphasis is placed on the recycling and recovery of glass and other manufacturing-related materials.

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## **8. Human Rights and Labour Practices**

NPC respects internationally recognized human rights and conducts business in accordance with the principles of:

- The United Nations Universal Declaration of Human Rights
- International Labour Organization (ILO) conventions
- Applicable national and international Labour laws

NPC maintains zero tolerance for:

- Child labour
- Forced labour
- Human trafficking
- Discrimination
- Harassment
- Retaliation
- Any form of abuse or exploitation

The Company promotes diversity, equality, inclusion, fairness, dignity and respect for all individuals.

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## **9. Health, Safety and Well-being**

The health, safety, and well-being of employees, contractors and visitors are fundamental priorities.

NPC is committed to:

- Providing a safe and healthy workplace
- Preventing occupational injuries and illnesses
- Identifying and mitigating workplace risks
- Providing training and awareness programs
- Encouraging employee participation in health and safety initiatives

- Continuously improving health and safety performance

NPC maintains a certified Occupational Health and Safety Management System in accordance with ISO 45001.

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## **10. Sustainable Supply Chain**

NPC recognizes that sustainability performance extends beyond its own operations.

The Company is committed to:

- Integrating ESG considerations into supplier selection and evaluation processes
- Encouraging suppliers to reduce environmental impacts
- Supporting responsible sourcing practices
- Promoting supply chain transparency
- Encouraging suppliers to report environmental and social performance data
- Supporting initiatives aimed at reducing value-chain emissions
- Requiring compliance with NPC's Supplier Code of Conduct

Preference is given to suppliers demonstrating responsible environmental, social, and governance practices.

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## **11. Business Ethics and Governance**

NPC conducts business according to the highest standards of integrity, transparency and accountability.

The Company is committed to:

- Compliance with all applicable laws and regulations
- Zero tolerance for bribery and corruption
- Prevention of fraud and money laundering
- Fair competition and responsible business conduct
- Protection of confidential information
- Avoidance and disclosure of conflicts of interest
- Compliance with applicable data privacy and cybersecurity requirements

Ethical conduct remains a fundamental requirement for all employees, suppliers, contractors and business partners.

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## **12. Stakeholder Engagement and Local Community**

NPC values open and constructive engagement with stakeholders.

The Company seeks to build long-term relationships with:

- Employees
- Customers
- Suppliers
- Regulatory authorities
- Local communities
- Industry associations and other stakeholders

NPC contributes to local economic development by supporting employment opportunities, engaging local suppliers where feasible and conducting business in a responsible and transparent manner.

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## **13. Training, Awareness and Employee Engagement**

NPC believes sustainability is the responsibility of every employee.

The Company supports:

- Sustainability awareness programs
- Environmental and safety training
- Employee participation in sustainability initiatives
- Knowledge sharing and continuous learning
- Development of a sustainability-oriented organizational culture

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## **14. Governance and Accountability**

The Management Board has ultimate responsibility for the implementation of this Sustainability Policy.

Management is responsible for:

- Establishing sustainability objectives and targets
- Monitoring ESG performance

- Reviewing sustainability-related risks and opportunities
- Allocating resources for sustainability initiatives
- Ensuring compliance with applicable requirements
- Promoting continual improvement

Environmental, climate, social, procurement, operational, and management functions share responsibility for achieving the Company's sustainability objectives.

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## 15. Reporting and Continuous Improvement

NPC is committed to transparent sustainability reporting and continual improvement.

The Company will:

- Monitor relevant ESG indicators
- Periodically review sustainability objectives and targets
- Publish sustainability-related information where appropriate
- Improve data quality and reporting processes
- Align reporting practices with applicable regulatory requirements and recognized sustainability frameworks

NPC will regularly review this Policy to ensure its continued relevance, effectiveness, and alignment with stakeholder expectations and evolving sustainability requirements.

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## Commitment Statement

Through responsible business practices, climate action, environmental stewardship, respect for people and strong corporate governance, Nipro PharmaPackaging Croatia LLC is committed to creating long-term value for its customers, employees, suppliers, shareholders, communities and future generations.

Sincerely,



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Igor Feljak

Member of the Board



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Marija Crnjak

Member of the Board