



Sustainability Report 2025



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About this report

This is our inaugural Environmental, Social and Governance (“ESG”) report, which communicates our efforts in integrating sustainability into our broader business strategy, and long-term vision. The main purpose of this report is to provide the key highlights of our business and sustainability progress on the ESG matters that are critical for us and our stakeholders. Through this report, we present the actions and initiatives we undertake to support our employees, business partners, and the community.

This report refers to the period 01.01.2025 – 31.12.2025 and is prepared in accordance with the Basic Module of the Voluntary Sustainability Reporting Standard for SMEs (VSME), published by EFRAG and in reference to the Sustainability Accounting Standards Board (SASB) for Health Care Distributors.

This is a consolidated report, covering the combined activities of the following entities:

- C.G. Papaloisou Ltd (HE5161),
- Alector Pharmaceuticals Ltd (HE 118073)
- Louanfarn Trading Ltd (HE 37407),

These three legal entities are managed and operated jointly, and unless otherwise stated, all disclosures apply to the “group” as a whole.



ENVIRONMENTAL SOCIAL GOVERNANCE

Message from the Executive Chairman



At C.G. Papaloisou Ltd, our purpose has always been closely linked to the health and well-being of the communities we serve. For decades, our Company has supported the reliable supply of pharmaceutical and healthcare products across Cyprus, working in partnership with international manufacturers and healthcare professionals. These long-standing relationships are built on trust, professionalism, and a shared commitment to quality and patient safety.

As the healthcare sector continues to evolve, companies are increasingly expected to operate with transparency, responsibility, and long-term vision. We recognize that sustainability and responsible governance are essential elements of resilient organizations and a stable healthcare supply chain. In this context, our role extends beyond distribution. We aim to contribute positively to the broader healthcare ecosystem through responsible business practices, high compliance standards, and ethical conduct. This report represents an important step in further integrating environmental, social, and governance considerations into our operations. By strengthening our internal processes, supporting the development and well-being of our people, and maintaining high standards of product quality and regulatory compliance, we seek to create lasting value for our stakeholders and society.

Our people remain the foundation of our success. Their expertise and dedication enable us to respond to the evolving needs of the healthcare sector and maintain the confidence of our partners and customers. At the same time, we continue to foster long-term partnerships with suppliers and healthcare professionals who share our commitment to quality, innovation, and responsible practices.

Looking ahead, we remain committed to enhancing our sustainability impact and have started to work on our 2030 roadmap and objectives, starting with our science based climate targets, which have recently been validated by the Science-Based Target initiative (SBTi). Simultaneously, we remain committed to building a resilient and responsible organization that contributes to a sustainable and reliable healthcare supply chain. I would like to thank our employees, partners, and stakeholders for their continued trust and support as we move forward on this journey.



About Us

About us

C.G Papaloizou Ltd is a pharmaceutical Company, established in 1950 by Christakis Papaloizou in Nicosia, Cyprus. We focus on the importation and commercialization of prescription and over-the-counter medicines as well as food supplements in Cyprus. We maintain long term strategic ties with major international research-based pharmaceutical companies such as Merck, Recordati, Grünenthal, WinMedica and Galderma, which devote significant resources to the discovery and development of medicines. Furthermore, through our affiliate company Alector Pharmaceuticals we also co-operate with AstraZeneca, one of the world's largest pharmaceutical companies. In 2023, we acquired Louanfarm Trading Ltd, which has a long-standing partnership with HealthAid UK, a leading food supplement Company.

As of December 2025, we employed 49 professionals [48 FTEs equivalent] who engage in Sales and Marketing, Medical and Pharmacovigilance, Regulatory Affairs, and Logistics as well as support functions such as Finance, Information Technology (IT), Human Resources (HR) and Administration.

Reporting Companies



Legal company form
Limited Liability
Company

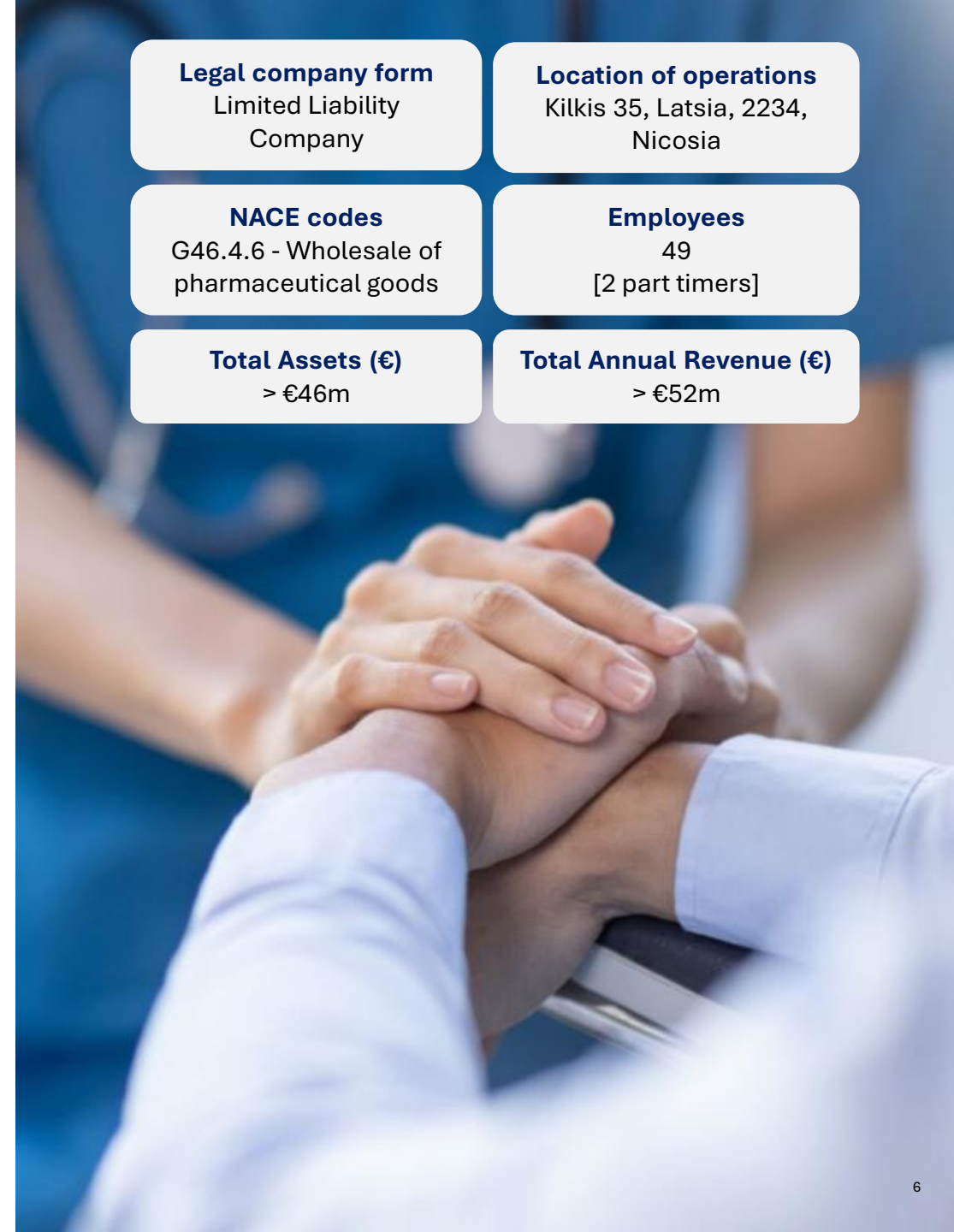
Location of operations
Kilkis 35, Latsia, 2234,
Nicosia

NACE codes
G46.4.6 - Wholesale of
pharmaceutical goods

Employees
49
[2 part timers]

Total Assets (€)
> €46m

Total Annual Revenue (€)
> €52m



Our core values



Achievement

We strive to offer mutual benefit for our stakeholders



Integrity

Honesty, fairness and high ethical standards will foster respect and trust



Quality

No compromise on the quality of products and services we offer to customers and business partners alike



Collaboration

We work together to achieve collective and individual goals



People centric

We conduct our business by striving to do the right thing for our customers, our employees and our business partners

Business Model & Strategic Partnerships

Our business model is based on forming long-term strategic partnerships with global pharmaceutical and healthcare companies, through which we support the introduction, regulatory compliance, and commercialisation of their products in the Cyprus market.

We work closely with our partners to ensure that all products are managed in accordance with local regulatory requirements, pharmacovigilance obligations, and quality standards, while also supporting their market access and commercial performance. Our role is to ensure that products are not only available in the market, but also safe, compliant, and effectively supported.

Operationally, storage and distribution are performed through a GDP-certified partner, while we retain full responsibility for quality, compliance, and supply chain oversight. Through this model, we connect international manufacturers with healthcare professionals, pharmacies, and hospitals, ultimately contributing to patient access to safe and reliable healthcare solutions.



Business Model Value Chain

Upstream



MD **Marathon Distributors**
Connecting health with care

Outsourced
(Storage & Distribution - GDP Partner)



Product Storage



Distribution

Own Activities



Management



Sales and Marketing



Inbound Logistics, Regulatory Affairs, including Quality Control and Good Distribution Practice (GDP) Compliance, Medical Affairs including Pharmacovigilance and Patient Safety, Market Access



Support Functions
(Finance, IT, HR and Administration)

Downstream



Hospitals & Clinics



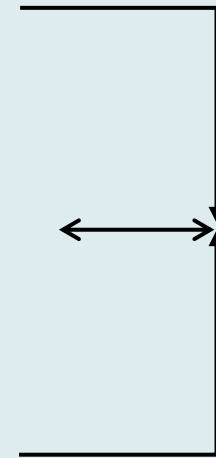
Healthcare Professionals



Pharmacies



Patients
(End Users)



Our Sustainability Aspirations and Strategy

Our commitment to sustainability is reflected in the certifications, ratings, and recognitions we have achieved:

- ✓ **EcoVadis Rating:** The Company renewed its EcoVadis sustainability assessment in December 2025, achieving a score of 55 and receiving a Commitment Badge. In 2024, the Company achieved a score of 60 and was awarded a Bronze Medal, placing it within the top 35% of companies assessed globally. Since the last assessment, the overall score has decreased due to the adoption of methodology updates and new scoring principles, relating to sustainable procurement.
- ✓ **Science Based Targets initiative (SBTi):** The Company has initiated the development of its 2030 sustainability roadmap and objectives, including the establishment of science-based climate targets to reduce absolute Scope 1 and Scope 2 greenhouse gas (GHG) emissions by 42%, from a 2024 base year. In addition, the Company is working to measure and reduce its Scope 3 emissions. These targets have been validated in February 2026 by the Science Based Targets initiative (SBTi).
- ✓ **Synesgy:** The Company participates in the Synesgy ESG assessment platform to monitor its sustainability performance. In 2025 (based on 2024 results), it received a C rating, which improved to a B rating in 2026 (based on 2025 results). This progression reflects strengthened ESG practices and ongoing efforts to enhance transparency and performance.



Our Sustainability Aspirations and Strategy

External



Reliable Healthcare Supply Chain

Ensure timely and accurate distribution of pharmaceutical products, maintain strong supplier relationships, and implement strict quality and traceability controls.



Customer & Partner Trust

Maintain transparent communication, provide high service levels, respond effectively to feedback and complaints, and build long-term relationships with healthcare professionals and business partners.



Responsible Product Lifecycle Management

Improve demand planning to reduce expiries, manage returns responsibly, ensure proper disposal of expired products, and collaborate with partners on waste minimisation.



Environmental Impact

Work with our partners to improve transport efficiency, encourage responsible practices across the value chain, and integrate / implement sustainability criteria into supplier selection.



Community & Healthcare Contribution

Support healthcare initiatives, contribute to community well-being, and engage in responsible business practices that enhance access to safe and reliable healthcare products

Our Sustainability Aspirations and Strategy

Internal



Employee Well-being & Development

Provide structured training programmes, ensure equal access to development opportunities, promote a safe and supportive work environment, and regularly assess employee satisfaction and engagement.



Environmental Responsibility & Resource Efficiency

Monitor energy, fuel, water, and waste, implement reduction initiatives (e.g. route optimisation, energy-saving practices), and raise internal awareness on responsible resource use.



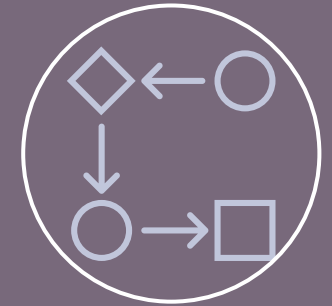
Quality & Operational Excellence

Maintain validated quality management systems, ensure proper handling and storage of pharmaceutical products, continuously improve processes.



Ethics, Compliance & Governance

Apply clear policies on business ethics and conduct, ensure compliance with regulatory requirements, provide training on ethical practices, and maintain internal controls and accountability mechanisms.



Digitalisation & Process Improvement

Leverage digital tools for inventory management, reporting, and monitoring, improve data accuracy, and enhance operational efficiency through system-driven decision making.



Corporate Governance



Risk Management & Oversight

Board Diversity and Experience

The foundation for a strong corporate governance framework is established by the Board of Directors in collaboration with the Senior Management Team. Both groups bring extensive experience and expertise to daily operations, guiding key strategic decisions while ensuring the effective implementation of the corporate code and professional policies. Each Company also maintains its own board which is responsible for overseeing and assessing all business-related risks. Due to the company's family-owned structure, the Board of Directors gender diversity ratio is not disclosed in this report; however, the Senior Management gender ratio is disclosed on page 23.

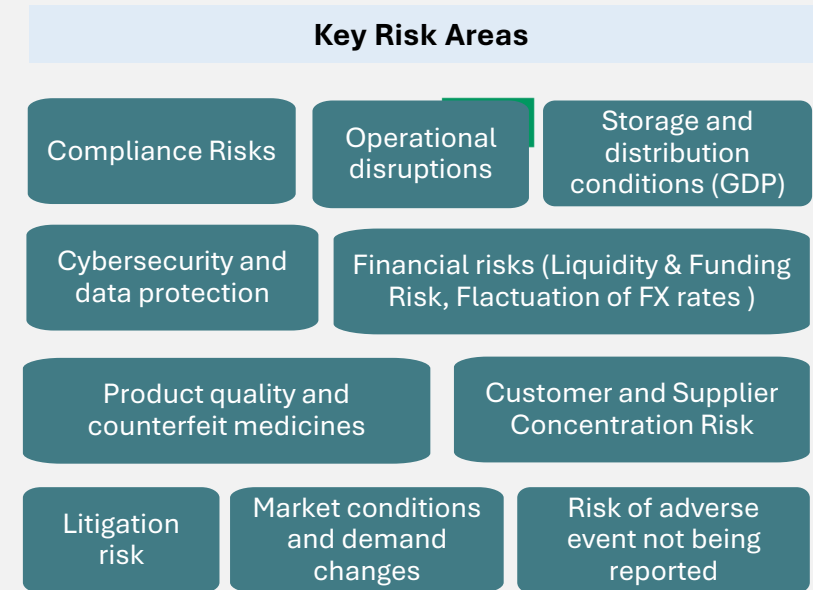
Risk Management

Within the framework of our risk management and business continuity approach, we continuously identify, assess, and monitor risks that may affect our operations, financial performance, and the integrity of the healthcare supply chain. We implement appropriate controls and mitigation measures to ensure business continuity, regulatory compliance, and the reliable distribution of pharmaceutical products.

Revenues from certain sectors and exclusion from EU reference benchmarks

We are not active in any of the controversial sectors listed in the VSME standard, including:

- a. The production or trade of controversial weapons,
- b. The cultivation and production of tobacco.
- c. The fossil fuel sector.
- d. The manufacturing of pesticides and other agrochemical products.



Ethics and Integrity

Policies and Mechanisms

Addressing Human Rights Policies and Processes

The current policy framework covers key aspects of employee conduct and workplace behaviour, including diversity and equal treatment, prevention of harassment and bullying, as well as health and safety considerations. While we operate in compliance with applicable labour legislation, our existing policies do not explicitly cover child labour, forced labour, or human trafficking.

Our policies and code of conduct cover the following topics.

Preventing Discrimination, Harassment and Bullying

We are committed to providing a working environment free from discrimination, harassment, and bullying. This commitment is supported by a formal Policy on the Prevention of Harassment and Bullying, which defines unacceptable behaviours, outlines reporting procedures, and establishes investigation and disciplinary processes.

Our company demonstrates its commitment to its people by appointing an HR Manager who oversees the process and evaluates its effectiveness in collaboration with the Discrimination, Harassment and Bullying Committee.

All employees are expected to treat others with dignity and respect, while training and awareness initiatives are promoted across the Company. We ensure that reported cases are handled in a fair, timely, and confidential manner.

Incidents of harassment, discrimination, or any form of hostile, insulting, or degrading behaviour are contrary to our values and constitute a clear violation of our Policy. Employees and subcontractors who experience or witness such behaviour, whether within the workplace or in work-related settings, are encouraged to report it promptly through the established channels so that appropriate action can be taken.



Ethics and Integrity

Policies and Mechanisms

Anti-Bribery & Anti-Corruption

We are committed to acting in an honest, ethical, and professional manner in all our business dealings and relationships. We take responsibility for implementing and maintaining effective measures to prevent bribery and corruption across all our operations. We are committed to complying with all applicable anti-bribery and anti-corruption laws and regulations as well as our Principle's Policies and Procedures.

We maintain a zero-tolerance approach to bribery, corruption, and any form of unethical conduct. This commitment is reflected in our internal policies and Code of Conduct, which prohibit the offering, giving, or accepting of any improper advantage and require compliance with applicable legal and industry standards. Due diligence practices and internal controls are applied in our operations and relationships with third parties to mitigate associated risks.

Whistleblowing

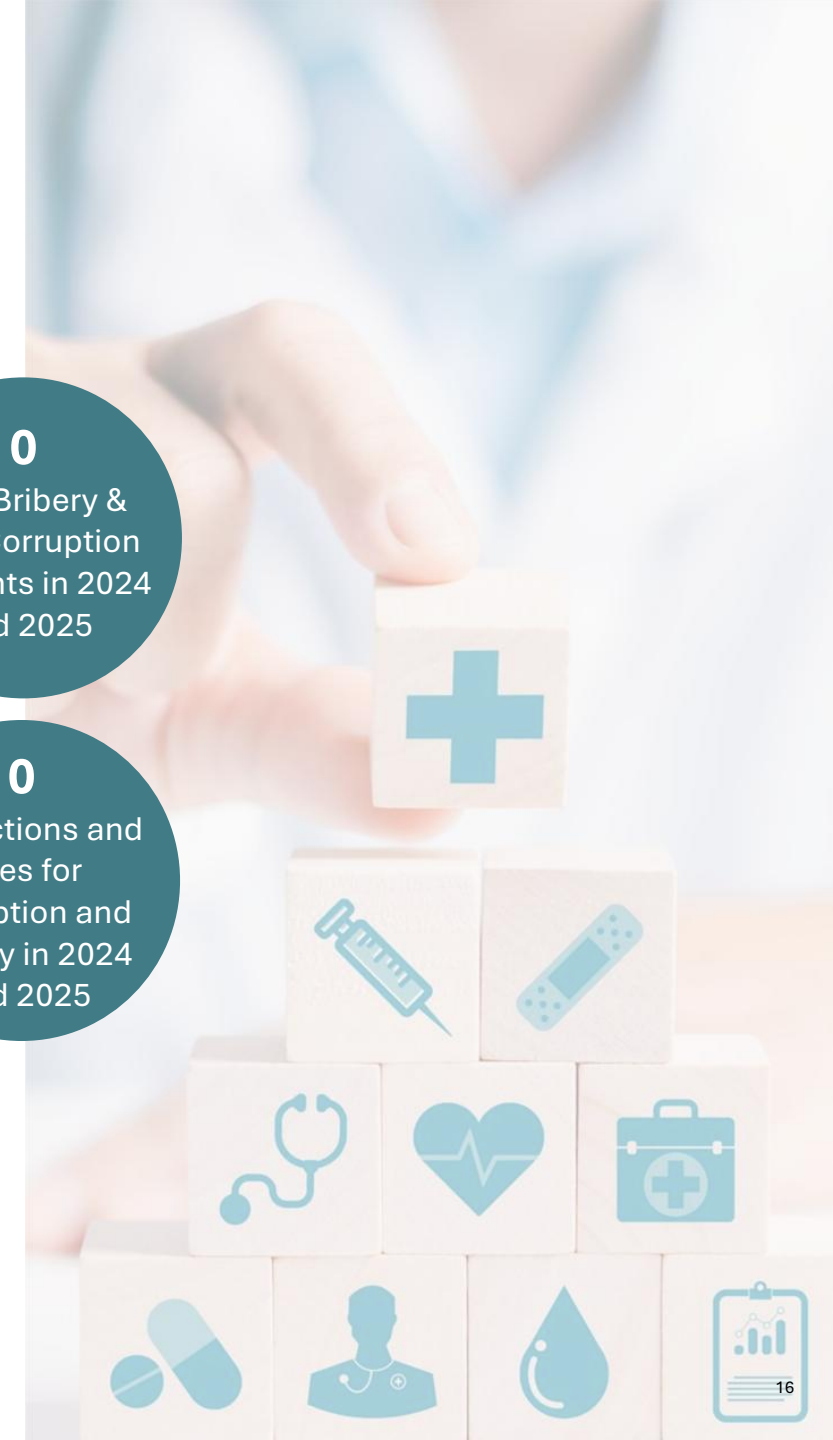
We are committed to fostering a culture where individuals feel comfortable raising concerns in good faith. Employees are encouraged to speak up and are protected from retaliation when reporting issues through internal channels. Confidentiality is respected throughout the process, and reported concerns are reviewed and addressed appropriately. At present, whistleblowing is managed through internal reporting lines.

0

Anti-Bribery & Anti-Corruption Incidents in 2024 and 2025

0

Convictions and fines for corruption and bribery in 2024 and 2025



Ethics and Integrity

Policies and Mechanisms

Occupational Health & Safety

We are committed to providing a safe and healthy working environment for all employees, recognising that the well-being of our people is fundamental. Our approach to health and safety is based on compliance with applicable national legislation and supported by internal procedures and controls designed to identify, assess, and mitigate workplace risks. Given the nature of our activities, particular attention is placed on safe handling, storage, and distribution practices, as well as maintaining appropriate working conditions across our operations. Management is responsible for ensuring that adequate resources, supervision, and preventive measures are in place, while employees are expected to follow established procedures and contribute to a culture of safety and accountability.

We promote continuous awareness and improvement through training, communication, and proactive reporting of hazards, near misses, and incidents. All reported issues are addressed in a timely and structured manner, supporting corrective actions and the prevention of recurrence, while reinforcing a workplace culture built on responsibility, transparency, and care for people.

0

Health and Safety
Incidents in 2024
and 2025



Ethics and Integrity

Policies and Mechanisms

Code of Conduct

Our Code of Conduct sets out the principles that guide our actions and must be followed by all employees, ensuring the highest standards of behaviour across the Company. These principles include respect, professionalism, confidentiality, and compliance with applicable laws and internal policies and procedures, forming the foundation of our daily operations and interactions. Senior Management Team is responsible for overseeing the day-to-day operations of the Company and for ensuring the effective implementation of the Code and related policies to establish a culture of integrity, accountability, and ethical conduct across all levels of the Company.

Reporting Violations of the Code

We encourage employees and third parties to report any concerns or incidents related to our employees for misconduct, unethical behaviour, or breaches of Company policies relating. Reporting can be made through established internal channels, including line management and the Human Resources function.

0
Reports on
violation of the
Code in 2024 and
2025



Ethics and Integrity

Policies and Mechanisms

Human Rights Incidents Reporting

During the reporting period, the Company did not identify or receive any incidents related to severe human rights violations within its own workforce, including child labour, forced labour, human trafficking, discrimination, or other comparable matters. This assessment is based on the Company's internal reporting and monitoring processes, through which employees are able to raise concerns confidentially and without fear of retaliation. As no such incidents were identified, no corrective actions were required.

In an effort to prevent human rights-related incidents involving our professionals and to the extent possible to our business partners, supplier evaluation and verification processes are in place, assessing compliance with regulatory, quality, and operational requirements, including aspects related to working conditions and organisational practices. These processes contribute to the early identification and mitigation of potential risks across the value chain.

0
Incidents on
Human Rights in
2024 and 2025



Managing Product Safety and Counterfeit Drugs

Safeguarding the safety and integrity of the products we distribute is fundamental to our role within the healthcare supply chain. We recognise that even a single compromised product can have serious consequences for patient health, regulatory compliance, quality and trust. For this reason, we place strong emphasis on preventing the entry of falsified or counterfeit medicines into our operations, supported by structured quality and regulatory procedures across sourcing, storage, distribution, and incident management. These processes are underpinned by clearly defined responsibilities across all our functions and especially Regulatory and Medical, enabling timely identification and response to potential risks.

Traceability is a cornerstone of this approach. Through our participation in the European Medicines Verification System (EMVS), we verify the authenticity of products and detect potential anomalies at an early stage. Where a product is suspected to be falsified, it is immediately isolated, investigated, and prevented from distribution. We work closely with competent authorities, Marketing Authorisation Holders (MAH), and supply chain partners to ensure that any risks are addressed promptly and transparently. Where necessary, we take decisive action, including product not being released in the market, withdrawn or recalled, and communicate directly with the authorities, pharmacies, third party warehouses as well as our MAH to ensure appropriate measures are taken across the supply chain.

We also apply a structured, risk-based approach to supplier qualification, ensuring that all partners meet required regulatory and quality standards, including relevant licences and certifications (such as GDP and GMP). This is supported by ongoing monitoring, periodic reviews, and internal controls, helping us maintain confidence in our supply chain and respond proactively to emerging risks. In parallel, we promote awareness in annual and induction trainings across our teams to ensure effective identification and management of complaints and product safety risks. In addition, we support our stakeholders by providing the latest approved product information on our website. Lastly, we provide Health Care Professionals (HCPs) and patients to the extend possible with additional Risk Minimisation Measures (aRMMs) such as educational materials.

0
Legal incidents
and claims

Recalls
1 in 2025
4 in 2024

Cybersecurity and Information Security

0
Cyber Security
Incidents
in 2024 and 2025

Protection

We implement a structured and risk-based approach to cybersecurity governance, and we implement controls to protect our data ensuring data privacy and business continuity of our operations. Our approach focuses on deploying the appropriate architecture, technologies, and policies to prevent, detect, respond to, and recover from cybersecurity incidents in a timely and effective manner.

Our cybersecurity framework includes the use of Endpoint Detection and Response (EDR) solutions, providing advanced monitoring, detection, and response capabilities across the Company. These systems enable continuous monitoring of processes, networks, and endpoints, facilitating the early identification of potential threats and enabling rapid response actions such as blocking malicious activity or isolating affected systems. This is complemented by the implementation of next-generation firewalls, enhancing network security through advanced inspection, prevention, monitoring, and reporting functionalities.

To further strengthen our security posture, we apply multi-factor authentication (2FA), maintain clearly defined access control measures to ensure that systems and data are accessible only to authorised users, and utilise secure off-site backups to safeguard critical information. Our infrastructure is designed to ensure compatibility and interoperability between security solutions, supporting an integrated and resilient IT environment.

Recovery and Business Continuity

We maintain a formal Business Continuity Plan, which establishes fallback arrangements in the event of disruptions. The plan is tested on annual basis through company-wide drills, ensuring that employees are familiar with response procedures and that contingency plans remain effective and continuously improved. Furthermore, we select and work with reputable IT solution providers and regularly evaluate them. Looking ahead to 2026, we are committed to making targeted investments in our Disaster Recovery protocols to further strengthen our organizational resilience.



Socially Responsible

Labour Force

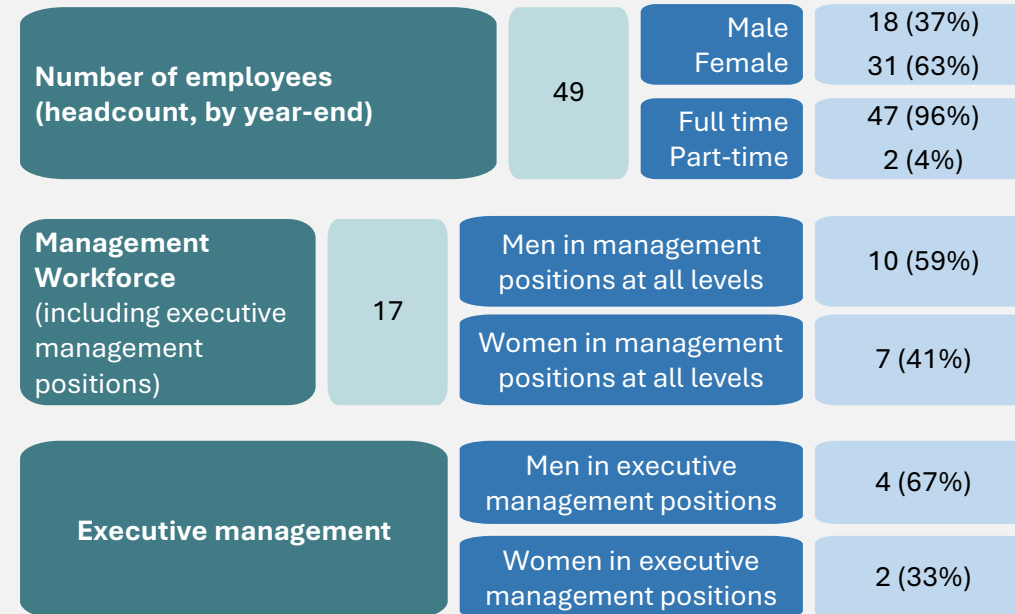
Characteristics

Our employees are vital to the Company’s performance and long-term success. Their dedication, professionalism, accountability, and responsiveness enable us to consistently achieve our business objectives and maintain high levels of customer satisfaction.

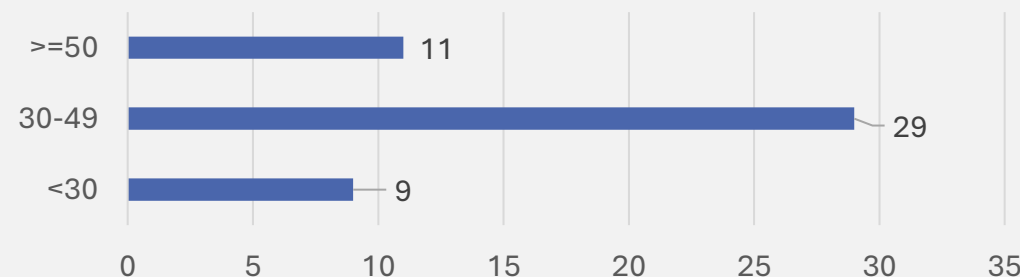
We are committed to fostering an inclusive working environment where individuals feel valued, respected, and able to contribute meaningfully. In 2025, the Company employed a total of 49 employees, with women representing 63% of the workforce, 41% of management and 33% of senior management positions, reflecting our commitment to promoting equal opportunities.

We don’t only have diversity in gender, but we ensure that there is a balanced diversity in age group.

Our goal is to attract and retain individuals of high professional calibre and to be recognised as a responsible and competitive employer within the pharmaceutical sector in Cyprus. We support this through the provision of competitive remuneration, training and development opportunities, full compliance with all relevant regulatory requirements and a working environment that encourages continuous growth, participation and development.



Employee Age Composition 2025



Note: All workforce data presented reflects the position as of 31 December 2025.

Labour Force

Policies and Practices

Human Capital

We are committed to create a working environment in which individuals can contribute meaningfully, while being supported in their growth and development. As a responsible employer, we offer competitive remuneration and benefits, alongside career development and training opportunities. Our employees completed an average of 30 training hours per person in 2025, with equal access to training provided across all genders. Particular emphasis is placed on critical areas such as responsible conduct and ethics, anti-bribery and anti corruption, data security and digital transformation, team building activities, and professional skills development.

Gender Pay Gap

During the reporting year, we employed a total of 49 employees. Given the size of our workforce, gender pay gap disclosure is not currently applicable; however, we remain committed to the principle of equal pay for equal work.



No employee
*is paid below the
statutory
minimum wage*

**Salary
Survey**
*Conducted
periodically*

0
*reported
occupational
incidents or
accidents*

The KEFEA and EFPIA

Transfers of Value

We are committed to transparency in our interactions with healthcare professionals (HCPs), healthcare organisations (HCOs), and patient organisations (POs). In line with the KEFEA and EFPIA Disclosure Code and applicable national requirements, we annually disclose payments and transfers of value made to HCPs, HCOs, and POs in Cyprus and Greece. These disclosures reflect our commitment to openness and accountability in relationships that are essential to advancing patient care and medical innovation.

We recognise that collaboration with HCPs, HCOs, and POs plays a vital role in improving the quality of healthcare and supporting the development and appropriate use of medicines. Through these interactions, healthcare professionals gain access to the latest scientific knowledge and treatment options, while also providing valuable real-world insights that contribute to the continuous improvement of medicines and patient outcomes. At the same time, we acknowledge the importance of ensuring that these relationships are conducted with integrity and transparency, reinforcing public trust and confidence in the independence of clinical decision-making.

The transfers of value disclosed relate to legitimate and necessary activities, including participation in scientific congresses, medical education events, advisory boards, and the provision of research and educational grants, as well as support to patient organisations for disease awareness initiatives. All such interactions are conducted in accordance with applicable laws, industry codes, and internal policies governing ethical engagement and responsible business conduct.



Our involvement and transfers of value to the community

Non-monetary initiatives supporting community well-being and awareness

Information Session with Europa Uomo Cyprus

In October 2025, an informational session on prostate cancer was held, emphasising the importance of prevention and early diagnosis. Promoting awareness and education on critical health issues forms an important part of our broader commitment to supporting both individual and community well-being.



Blood Donations

In collaboration with Marathon Distributors Ltd and M.S. Jacovides & Co Ltd, a blood donation event took place in our premises in May 2025, bringing together employees in support of this life-saving initiative.



Celebrating Women's Day with informational session in Breast Cancer

In March 2025, we celebrated National Women's Day by offering our female staff members an informational session on breast cancer, med at raising awareness and encouraging preventive health practices.

Monetary contributions to community and patient support organisations



ΠΑΓΚΥΠΡΙΟΣ ΔΙΑΒΗΤΙΚΟΣ ΣΥΝΔΕΣΜΟΣ





Environmental Performance

Environmental Governance and Management Framework



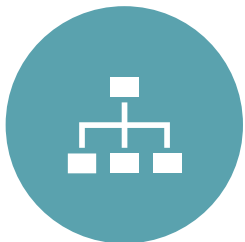
We have established a formal **Environmental Policy and Management** System which defines its commitment to minimising environmental impact, ensuring compliance with applicable environmental legislation, and supporting the transition to a low-carbon and resource-efficient economy.



While not certified with ISO 14001:2015, our Environmental Management System (ESM) aligns with the principles of ISO 14001:2015, SBTi and the GHG protocol requirements. This approach has enabled us to adopt a systematic framework for identifying and managing environmental aspects and impacts, monitoring key resource flows (including energy, water, and waste), and driving continuous improvement through defined objectives and periodic management reviews.



This commitment is embedded within our governance framework and integrated into both operational and strategic decision-making processes. The policy and the management system applies across all activities, including office operations, warehouse facilities and extends to key elements of the supply chain such as procurement, logistics, and end-of-life product management.



Environmental performance is overseen by Management and supported by an internal ESG / Sustainability Committee, with clearly defined roles and responsibilities across the Company. Employee awareness and engagement are actively promoted through training and day-to-day operational practices, ensuring that environmental considerations are consistently applied across all levels of the Company.



Climate Risks, Opportunities and Transition Outlook

We recognise climate change as a cross-cutting issue with potential implications for our operations, cost structure, and long-term sustainability. Our environmental impacts are primarily indirect, arising from our supply chain rather than from energy-intensive production processes. Nevertheless, we are exposed to climate-related risks associated with water availability, biodiversity degradation, and pollution of air, water and soil, which may affect our operations, supply chain continuity. These include potential disruptions from extreme weather conditions, increasing regulatory requirements related to waste management and growing expectations for responsible environmental stewardship within the pharmaceutical sector.

Transition risks are primarily linked to the evolving regulatory landscape, including enhanced requirements for emissions disclosure, as well as broader market expectations regarding sustainability performance and transparency. These developments may influence operational costs, compliance obligations, and stakeholder expectations.

At the same time, the transition to a low-carbon economy presents opportunities to:

- improve operational efficiency and reduce costs through resource optimisation investments,
- strengthen our market positioning through responsible and transparent business practices,
- enhance resilience through digitalisation and process optimisation.



Climate Risks, Opportunities and Transition Outlook

Pollution of Air, Water and Soil

We recognise that our potential contribution to pollution is primarily linked to transport and distribution activities, as well as the handling and disposal of pharmaceutical products, medical devices and food supplements. While our direct emissions are limited, transport-related emissions remain a key consideration, particularly in Cyprus where logistics rely heavily on road transport. We implement procedures to ensure transportation in compliance with applicable EU and national legislation.

Given the local context, where waste management remains a developing area, responsible waste handling is a key priority. We will continue to enhance our approach by improving waste segregation, reducing, optimising logistics, and strengthening supplier engagement, ensuring effective management of pollution risks across our operations and value chain.

We are part of **Green Dot (Cyprus) Public Co Ltd** recycle scheme, an entity responsible for the handling and disposal of all products imported by the Company. We are obliged to report on an annual basis the total amount of waste material for our Company.



Furthermore, we participate in the **Medicycle** activities since 2024, a collective system for handling and disposal of household pharmaceutical products through the placement of recycling bins in every pharmacy in Cyprus.



123 t

Weight of waste material
2025

111 t

Weight of waste material
2024

Biodiversity

Our activities are limited to office and distribution operations and do not involve significant interaction with natural ecosystems. Based on our assessment, we do not own, lease, or manage any sites located in or near biodiversity-sensitive areas listed on the World Database on Protected Areas (WDPA), and no significant impacts on biodiversity have been identified.

Climate Risks, Opportunities and Transition Outlook

Water

Water consumption at our site and operations has been assessed as non-material, within the framework of our Environmental Management System, as it is limited to domestic uses such as sanitary facilities and office kitchens.

However, given that our operations are located in an area of very high-water stress (>80%), as identified by the World Resources Institute Aqueduct Water Risk Atlas, we have voluntarily elected to monitor and disclose our annual water consumption. Simultaneously, we are in the process of implementing targeted initiatives to reduce our impact, educate and raise awareness among employees, while closely monitoring consumption levels.

56 m³

Water consumption
in 2024

68 m³

Water consumption
in 2025

Resource Use, Circular Economy and Waste Management

Within the framework of our EMS, we adopt a responsible approach to resource use and waste management, integrating basic circular economy principles into our operations where applicable. Given the nature of our activities, which are primarily office-based since the distribution activities are outsourced, material use and waste generation remain limited; however, we continue to optimise resource efficiency and minimise our environmental impact.

In practice, we promote waste reduction at source, apply responsible procurement practices, and implement waste segregation to support recycling and proper disposal. During the reporting period, we monitored and recorded total waste generation, classifying it into the

various categories (glass, paper and cardboard, aluminum and other metals, wood, other recycled and non recoverable materials) in line with regulatory requirements. Waste is managed through authorised providers, with a portion diverted to recycling or recovery where feasible.

Due to the nature of our operations, the annual mass-flow of materials is not relevant to our operations and therefore not disclosed. Our environmental performance data, including waste-related figures, are presented in the following section, “Our Environmental Performance.”

Our Environmental Performance

During the reporting period, we achieved measurable improvements in key operational environmental indicators, reflecting our ongoing efforts to enhance resource efficiency and reduce our environmental footprint. Our energy consumption increased from 93.19 MWh in 2024 to 83.44 MWh in 2025 resulting in a 10.46% decrease, while fleet fuel consumption was reduced by 1.25%, from 26,760 litres to 26,425 litres. These reductions were mainly driven by improved energy management, more effective operational planning, optimisation of transport activities and various key actions and investments made in the previous years contributing to lower emissions intensity and improved cost efficiency.

We also recorded a reduction in operational waste generation, supported by improvements in waste segregation, handling practices, and tighter control over operational processes. In relation to the end-of-life treatment of sold products, reductions across key streams reflect improved inventory management, demand planning, and product lifecycle control, which are particularly important in the pharmaceutical sector.

Overall, our performance demonstrates a positive trajectory towards more efficient and responsible operations, with continued focus on energy use, transport efficiency, and waste reduction. Looking ahead, we will build on these improvements by strengthening data visibility, enhancing collaboration across our value chain, and further integrating environmental considerations into our operations.

Energy	93.19 MWh of energy consumed in 2024	83.44 MWh of energy consumed in 2025	-10.46% Year to year reduction achieved
Fleet Fuel Management	26,760 L Consumed by our fleet in 2024	26,425 L Consumed by our fleet in 2025	-1.25% Year to year reduction achieved
Estimated Waste Generated from Operations 2025	1.11 t Municipal Waste	0.41 t of Expired / Damaged Products incinerated	0.82 t Total Recycled waste
	0.02 t Recycled Glass	0.32 t Recycled PMD	0.48 t Recycled Paper & Cardboard
End of Life Treatment of Sold Products 2025	3.39 t Recycled Glass	59.50 t Recycled Paper & Cardboard	1.25 t Recycled Aluminium & other Metals
	32.19 t Recycled Wood	10.46 t Other recycled materials	15.82 t Other non recoverable materials to landfill

Our Carbon Footprint

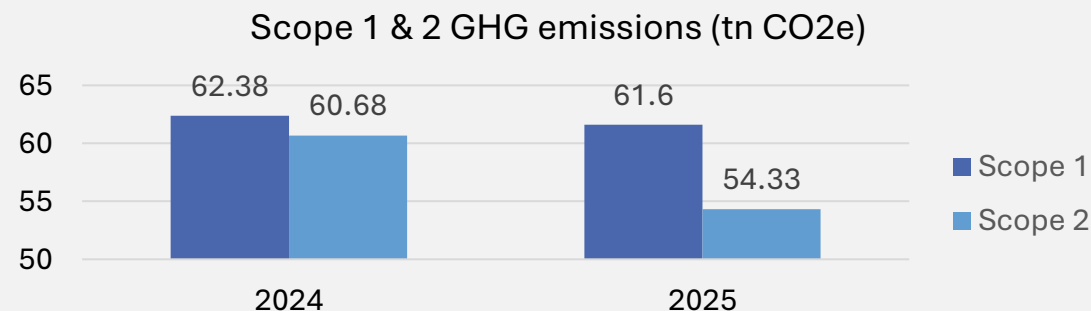
We report our greenhouse gas (GHG) emissions in accordance with the GHG Protocol Corporate Standard, covering all operations under its operational control. Emissions are calculated using a combination of primary activity data and secondary emission factors sourced from recognised databases, including UK DEFRA, EEA and IPCC (AR5 GWP100), as well as electricity-specific factors aligned with the Cyprus energy mix. Scope 3 emissions are estimated using a combination of spend-based, activity-based and distance-based methodologies, depending on data availability, with assumptions applied where necessary and documented to ensure consistency and transparency.

In 2025, total GHG emissions decreased by 9.5%, from 11,718.94 tCO₂e in 2024 to 10,605.32 tCO₂e, reflecting a reduction across both direct and indirect emissions. Scope 1 and Scope 2 emissions decreased by 5.79%, from 123.06 to 115.93 tCO₂e, primarily driven by reduced electricity consumption and improved energy efficiency. This reduction is closely linked to measures implemented during the previous years including, equipment and LED lighting upgrades, automated controls, equipment optimisation, and the use of hybrid vehicles, alongside the shift towards more flexible and hybrid working formats.

When assessing its climate impact, the Company adopts a value chain perspective, recognising that the majority of emissions arise from Scope 3 activities. Scope 3 emissions accounted for 98.9% of total emissions and decreased by 9.50% compared with 2024, primarily driven by reductions in purchased goods and services (Category 1) and improvements in upstream transportation and distribution (Category 4). Increases were observed in business travel (Category 6) and downstream transportation (Category 9) due to higher operational activity in these areas. Emissions intensity also improved, with emissions per euro of revenue decreasing by 15.70%, demonstrating enhanced efficiency in relation to business growth.

Our SBTi Objective:

To reduce absolute Scope 1 and Scope 2 greenhouse gas (GHG) emissions by 42% by 2030, from a 2024 base year and to measure and reduce our Scope 3 emissions.



123.06	115.93	-5.79%
Total Scope 1 and 2 tCO ₂ e in 2024	Total Scope 1 and 2 tCO ₂ e in 2025	Total Scope 1 and 2 year to year reduction

11,718.94	10,605.32	-9.50%
Total Scope 1,2 and 3 tCO ₂ e in 2024	Total Scope 1,2 and 3 tCO ₂ e in 2025	Total Scope 1,2 and 3 year to year reduction

0.242	0.204	-15.70%
Total Scope 1,2 and 3 kgCO ₂ e per euro of revenue in 2024	Total Scope 1,2 and 3 kgCO ₂ e per euro of revenue in 2025	Total Scope 1,2 and 3 per euro of revenue year to year reduction



Appendices

Appendix A - VSME Disclosure Index

Disclosure	Section in report	Page #	Disclosure	Section in report	Page #
B1 Basis for preparation	Introduction	6	C1 Strategy: Business Model and Sustainability-Related Initiatives	Section 1	8-12
B2 Practices, policies and future initiatives for transitioning towards a more sustainable economy	Section 1	7-12	C2 Description of practices, policies and future initiatives for transitioning towards a more sustainable economy	Section 4	4, 10-12, 28-33
B3 Energy and greenhouse gas emissions	Section 4	32-33, 37-39	C3 GHG reduction targets and climate transition	Section 4	28-29, 32-33, 37-39
B4 Pollution of air, water, and soil	Section 4	29-31	C4 Climate risks	Section 4	29-31
B5 Biodiversity	Section 4	30	C5 Additional (general) workforce characteristics	Section 3	23
B6 Water	Section 4	31	C6 Additional own workforce information - Human rights policies and processes	Section 2 & 3	15-19, 24-25
B7 Resource use, circular economy, and waste management	Section 4	31	C7 Severe negative human rights incidents	Section 2	19
B8 Workforce – General characteristics	Section 3	23	C8 Revenues from certain sectors and exclusion from EU reference benchmarks	Section 2	14
B9 Workforce – Health and safety	Sections 2	17	C9 Gender diversity ratio in the governance body	Section 2	14
B10 Workforce – Remuneration, collective bargaining, and training	Section 3	23			
B11 Convictions and fines for corruption and bribery	Section 2	16			35

Appendix B - SASB

Health Care Distributors Disclosure Index

Category	Disclosure topic Page Reference	Code	Section in report	Page #
Fleet Fuel Management	<ul style="list-style-type: none"> • Payload fuel economy • Description of efforts to reduce the environmental impact of logistics 	HC-DI-110a.1 HC-DI-110a.2	Section 4	32 29-33
Product Safety	<ul style="list-style-type: none"> • Total amount of monetary losses as a result of legal proceedings associated with product safety • Description of efforts to minimise health and safety risks of products sold associated with toxicity / chemical safety, high abuse potential, or delivery 	HC-DI-250a.1 HC-DI-250a.2	Section 2	20 20
Counterfeit Drugs	<ul style="list-style-type: none"> • Description of methods and technologies used to maintain traceability of products throughout the distribution chain and prevent counterfeiting • Discussion of due diligence process to qualify suppliers of drug products and medical equipment and devices • Discussion of process for alerting customers and business partners to potential or known risks associated with counterfeit products 	HC-DI-260a.1 HC-DI-260a.2 HC-DI-260a.3	Section 2	20 20 20
Product Lifecycle Management	<ul style="list-style-type: none"> • Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle • Amount (by weight) of products accepted for take-back and reused, recycled, or donated 	HC-DI-410a.1 HC-DI-410a.12	Section 2	29-31 32
Business Ethics	<ul style="list-style-type: none"> • Description of efforts to minimise conflicts of interest and unethical business practices • Total amount of monetary losses as a result of legal proceedings associated with bribery, corruption, or other unethical business practices 2 	HC-DI-510a.1 HC-DI-510a.2	Section 2	15-19 16

Appendix C – Consolidated GHG Emissions by Company (cont'd)

Greenhouse Gas Reporting	Methodology	2024 (t CO ₂ e)	2025 (t CO ₂ e)
Scope 1 Emissions			
Mobile Combustion	Activity-based method	62.38	61.6
Scope 2 Emissions			
Purchased electricity	Activity-based method	60.68	54.33
Scope 3 Emissions			
Cat. 1 - Purchased goods and services	Spend-based method	11,434.77	10,342.47
Cat. 2 - Capital goods	Spend-based method	18.49	9.31
Cat. 3 - Fuel and energy related activities	Average-data method	20.32	18.88
Cat. 4 - Upstream transportation and distribution	Distance-based method	70.78	54.96
Cat. 5 - Waste generated in operations	Waste-type-specific method	0.80	0.89
Cat. 6 - Business travel	Distance and Guest night-based method	32.82	43.99
Cat. 7 - Employee commuting	Distance-based method	6.60	6.60
Cat. 8 - Upstream leased assets	Lessor-specific method	1.74	4.05
Cat. 9 - Downstream transportation and distribution	Distance-based method	0.73	0.91
Cat. 12 - End-of-life treatment of sold products	Waste-type-specific method	7.82	7.33
Total Scope 3 Emissions		11,595.88	10,489.39
Total CO2 Emissions (Scope 1, 2 and 3)		11,718.94	10,605.32

Appendix C – GHG Emissions 2024 Analysis (cont'd)

Greenhouse Gas Reporting	Methodology	C.G. Papaloisou (t CO ₂ e)	Louanfarm (t CO ₂ e)	Alector Pharmaceuticals (t CO ₂ e)	Consolidated (t CO ₂ e)
Scope 1 Emissions					
Mobile Combustion	Activity-based method	29.47	14.20	18.71	62.38
Scope 2 Emissions					
Purchased electricity	Activity-based method	30.31	20.21	10.16	60.68
Scope 3 Emissions					
Cat. 1 - Purchased goods and services	Spend-based method	4731.58	520.21	6182.98	11,434.77
Cat. 2 - Capital goods	Spend-based method	9.24	3.10	6.16	18.49
Cat. 3 - Fuel and energy related activities	Average-data method	9.73	4.33	6.26	20.32
Cat. 4 - Upstream transportation and distribution	Distance-based method	70.20	0.21	0.37	70.78
Cat. 5 - Waste generated in operations	Waste-type-specific method	0.35	0.23	0.22	0.80
Cat. 6 - Business travel	Distance and Guest night-based method	15.45	0.60	17.77	32.82
Cat. 7 - Employee commuting	Distance-based method	6.60	0.00	0.00	6.60
Cat. 8 - Upstream leased assets	Lessor-specific method	0.87	0.29	0.58	1.74
Cat. 9 - Downstream transportation and distribution	Distance-based method	0.51	0.00	0.22	0.73
Cat. 12 - End-of-life treatment of sold products	Waste-type-specific method	6.14	0.07	1.61	7.82
Total Scope 3 Emissions		4,850.67	529.04	6,216.17	11,595.88
Total CO2 Emissions (Scope 1, 2 and 3)		4,910.45	563.45	6,245.04	11,718.94

Appendix C – GHG Emissions 2025 Analysis (cont'd)

Greenhouse Gas Reporting	Methodology	C.G. Papaloisou (t CO ₂ e)	Louanfarm (t CO ₂ e)	Alector Pharmaceuticals (t CO ₂ e)	Consolidated (t CO ₂ e)
Scope 1 Emissions					
Mobile Combustion	Activity-based method	31.12	10.22	20.26	61.6
Scope 2 Emissions					
Purchased electricity	Activity-based method	27.14	9.10	18.09	54.33
Scope 3 Emissions					
Cat. 1 - Purchased goods and services	Spend-based method	4,055.52	434.626	5,852.32	10,342.47
Cat. 2 - Capital goods	Spend-based method	4.65	1.56	3.10	9.31
Cat. 3 - Fuel and energy related activities	Average-data method	9.15	3.26	6.47	18.88
Cat. 4 - Upstream transportation and distribution	Distance-based method	54.45	0.17	0.34	54.96
Cat. 5 - Waste generated in operations	Waste-type-specific method	0.46	0.29	0.14	0.89
Cat. 6 - Business travel	Distance and Guest night-based method	22.44	0.0	21.55	43.99
Cat. 7 - Employee commuting	Distance-based method	6.60	0.0	0.0	6.60
Cat. 8 - Upstream leased assets	Lessor-specific method	2.02	0.68	1.35	4.05
Cat. 9 - Downstream transportation and distribution	Distance-based method	0.61	0.07	0.23	0.91
Cat. 12 - End-of-life treatment of sold products	Waste-type-specific method	5.72	0.07	1.54	7.33
Total Scope 3 Emissions		4,161.62	440.73	5,887.04	10,489.39
Total CO2 Emissions (Scope 1, 2 and 3)		4,219.88	460.05	5,925.39	10,605.32

2025 SUSTAINABILITY REPORT



IF YOU'D LIKE TO LEARN MORE ABOUT OUR APPROACH TO ESG, DISCUSS A POTENTIAL COLLABORATION, OR SIMPLY TALK ABOUT HOW WE'RE WORKING WITH SUSTAINABILITY IN PRACTICE - WE'D LOVE TO HEAR FROM YOU!