



2024 SUSTAINABILITY REPORT



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Dear colleagues, partners, and friends,

We find ourselves preparing this report once again at a time and place where the very idea of sustainability feels almost like a challenge. The war in Ukraine continues, but despite the risks, we are maintaining our momentum and continuing our work to ensure the company can confidently grow and support the people around us.

Air raid alerts, the threat of missile strikes, and power outages have, unfortunately, become part of our daily lives. Working under such conditions is not easy, but neither of Farmak's plants has stopped operating; both have remained fully functional, continuing to provide millions of people with high-quality medicines. We have managed to keep our team together and support our employees, including those who have gone to defend our country. Together with the Zhebrivsky Family Charitable Foundation, we have also continued to help the armed forces and communities affected by the war.

At the same time, the world does not stand still: stakeholder expectations for responsible business are growing, and new sustainability standards are emerging. That is why we took an important step in 2024 by conducting an independent audit of our ESG practices, partnering with KPMG, one of the global leading consulting firms. Their specialists thoroughly evaluated our environmental, social, and governance practices, benchmarking them against the new European Sustainability Reporting Standards (ESRS).

At the time of writing this report, the audit has been completed. We are currently awaiting the final recommendations and a roadmap that will help us define concrete steps for the coming years. Preliminary findings have already shown that we have a solid foundation, but they have also highlighted areas where improvements are needed.

These improvements will form the basis of a structured ESG system with clearly defined focus areas, KPIs, and accountabilities – transforming a collection of initiatives into a holistic philosophy integrated directly into our corporate governance.

There is still much work ahead, but I am confident that by following this chosen path, we are doing the right thing. Today, our commitment to the principles of sustainable development is an investment in Ukraine's victory and its future reconstruction.

We hope our greatest dream will come true as soon as possible, and that we will welcome peace prepared, strong, and united around our shared values.

I sincerely thank the Farmak team for their courage and perseverance, our partners for their ongoing support, and all of you reading this report for your trust. Together, we are moving closer to a sustainable and healthy future for our country.

Sincerely,
Volodymyr Kostiuk,
General Director, Farmak

FARMAK – A COMPANY WITH A 100-YEAR HISTORY



1925 – The M. Lomonosov Kyiv Chemical and Pharmaceutical Plant was founded, becoming the first enterprise in Ukraine to produce synthetic medicines.
Today, it is known as Farmak.



VALUES



QUALITY



GROWTH



**PROFESSIONAL
EXCELLENCE**



ENGAGEMENT



INNOVATIVENESS



MISSION

We make treatment with modern, effective medicines accessible, helping people lead healthy and happy lives.



VISION

Farmak is a successful international pharmaceutical company and the leader of the Ukrainian pharmaceutical industry. With a consistently growing market share, we hold a strong reputation as a responsible business and a reliable partner.

The majority of Farmak's profits are reinvested annually into the company's growth and development. This allows us to expand our operations in Ukraine in line with European quality standards and strengthen our position in the global arena.

FARMAK GROUP



FARMAK FIGURES

COMPANY OVERVIEW

KEY FINANCIAL AND NON-FINANCIAL INDICATORS FOR 2024:



UAH 137.7 million

CHARITABLE ASSISTANCE

* Includes charitable assistance provided by the Zhebrivsky Family Charitable Foundation and Farmak.



UAH 1.3 billion

TAXES PAID



UAH 1.7 billion

INVESTMENTS IN UKRAINE



≈ 60

EXPORT COUNTRIES



≈ 450

NUMBER OF MEDICINES IN THE PORTFOLIO INCLUDING **20** NEW LAUNCHES ANNUALLY

UN GLOBAL COMPACT

In 2019, Farmak became the first Ukrainian pharmaceutical company to join the United Nations Global Compact.

Since then, we have regularly published non-financial reports to demonstrate our progress and reaffirm our commitment to our partners, society, and the state.

FARMAK: A PARTICIPANT IN THE UN GLOBAL COMPACT NETWORK UKRAINE

The following UN Sustainable Development Goals are a priority for Farmak:



- 3. Good Health and Well-Being
- 4. Quality Education
- 6. Clean Water and Sanitation
- 7. Affordable and Clean Energy
- 8. Decent Work and Economic Growth
- 9. Industry, Innovation and Infrastructure
- 12. Responsible Consumption and Production
- 13. Climate Action
- 15. Life on Land
- 17. Partnerships for the Goals



Sustainable Development at Farmak and our Approach to Environmental, Social & Governance (ESG)

FARMAK INITIATES AN ESG AUDIT WITH KPMG



In 2024, Farmak launched a comprehensive ESG analysis in partnership with KPMG, one of the world's leading consulting firms in sustainable development and ESG.

The analysis covered key aspects of the company's operations and its impact on the environment, people, and governance processes, specifically:



- The environmental impact of production, including emissions, wastewater, waste management, and packaging.
- Energy consumption, energy efficiency levels, and the potential for transitioning to renewable energy sources.
- Working conditions, occupational health and safety, and employee well-being.
- The observance of human rights, non-discrimination, equality, and inclusion.
- Engagement with consumers, communities, and suppliers.
- Transparency, compliance procedures, and anti-corruption practices.
- Risk management systems and stakeholder engagement.

AUDIT OBJECTIVES:

- To identify strengths and gaps in current ESG practices.
- To assess risks and opportunities in each area.
- To lay the foundation for Farmak's long-term ESG strategy.
- To develop a roadmap for implementing ESG practices in accordance with international standards (CSRD/ESRS).

Key ESG Focus Areas



ENVIRONMENTAL

Every year, the company develops an environmental program that defines its annual goals. Within the 2024 environmental program, activities were carried out aiming to:



Improve the environmental performance of the company.



Increase the share of waste sent for recycling and recovery.



Improve the company's wastewater treatment.



Enhance waste management procedures.



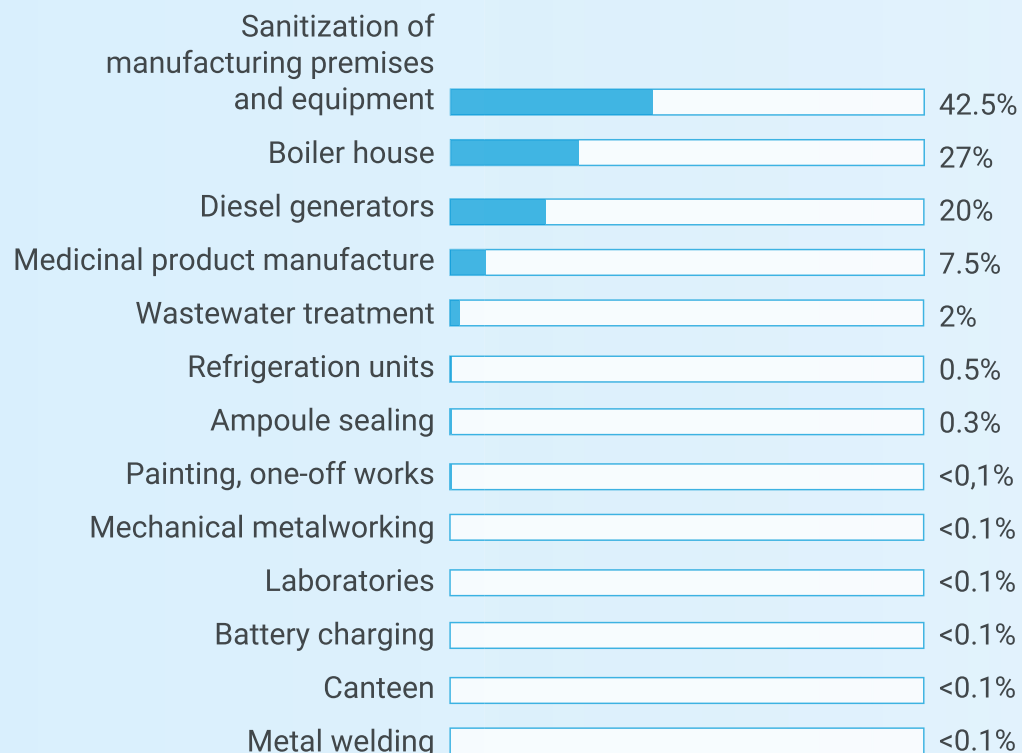
Implement (or adapt to) changes in environmental legislation regarding air protection and waste management at the company.

POLLUTANT EMISSIONS AND ENVIRONMENTAL PROTECTION



Farmak conducts its business operations based on valid permits for pollutant emissions into the atmosphere.

→ Share of emissions by process at the Kyiv site:



At the same time, the share of atmospheric pollutant emissions from the use of diesel generators increased due to emergency power outages caused by missile strikes on Ukraine's energy infrastructure.

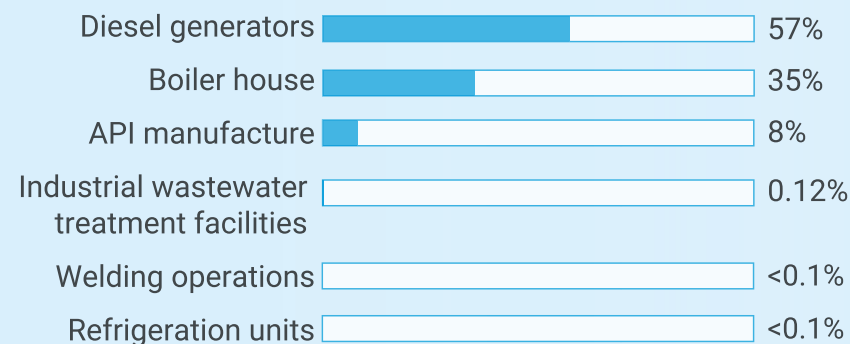
→ Atmospheric emissions in 2024:

In 2024, we successfully reduced pollutant emissions into the atmosphere by 12.04% compared to 2023. This was achieved by implementing a procedure to account for emission sources by recording the actual operating hours of production equipment.

	Kyiv, tonne/year	Shostka, tonne/year
Non-CO ₂ emissions	19.6	2.5
CO ₂ emissions	7660.5	1098.1

The company takes measures to minimize its environmental impact and maintain compliance with environmental standards, even under challenging conditions.

→ Share of emissions by process at the Shostka site:





ENHANCING WASTE MANAGEMENT PROCEDURES

In 2024, we successfully reduced the total amount of waste at the company by **11.3%** compared to 2023. This was made possible by a decrease in the generation of production waste, construction waste, and other materials.

WASTE IN TONNES FOR 2024:



Polymer waste, t/year



Waste paper, t/year



Scrap metal, t/year

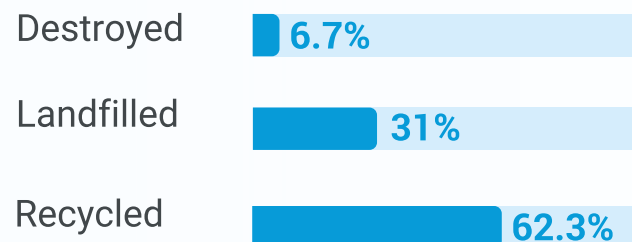


Total amount of waste, t/year

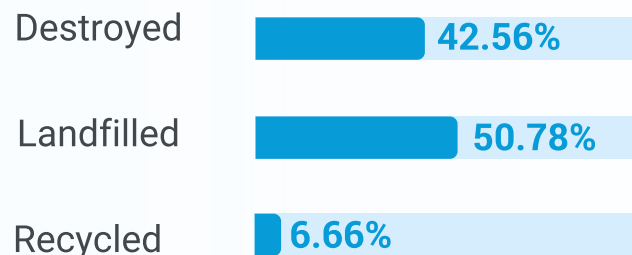
	Polymer waste, t/year	Waste paper, t/year	Scrap metal, t/year	Total amount of waste, t/year
Kyiv	375.110	268.098	23.606	1731.49
Shostka	0.489	1.997	0.475	82.443

WASTE MANAGEMENT 2024

Kyiv



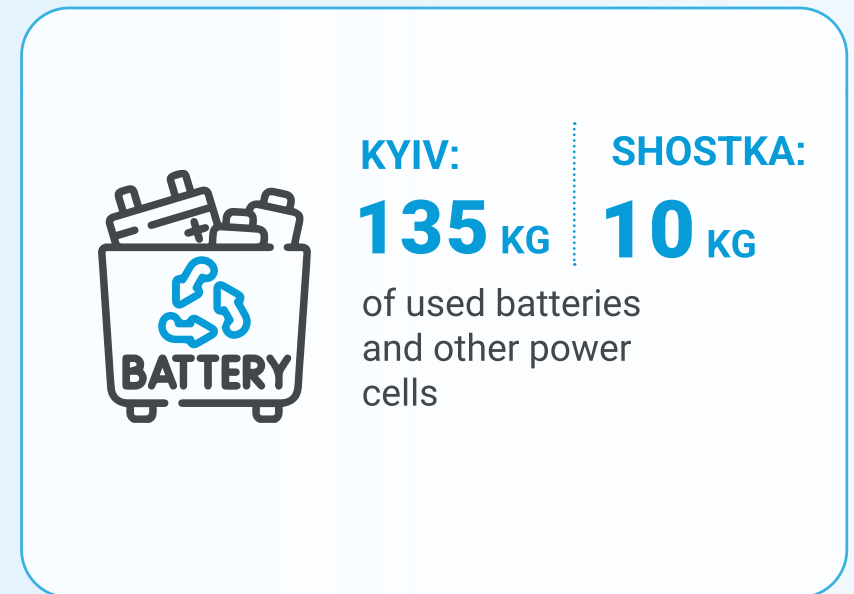
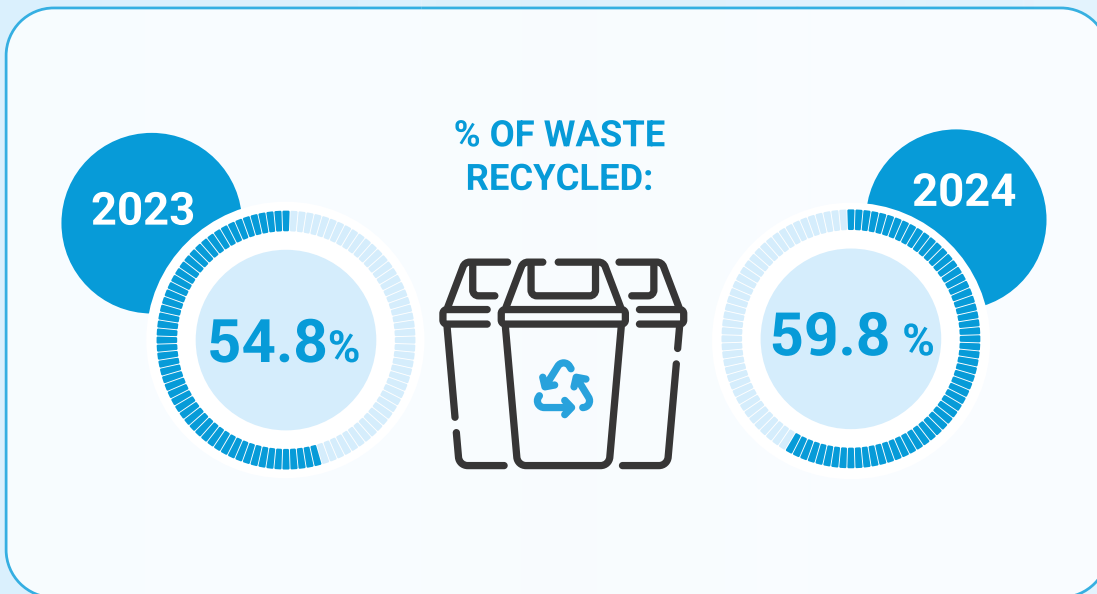
Shostka





ENHANCING WASTE MANAGEMENT PROCEDURES

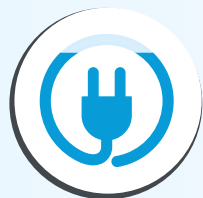
Based on the results of 2024, the company as a whole managed to increase the share of waste sent for recycling, contributing to a reduced environmental impact.





REDUCING ENERGY CONSUMPTION IN PRODUCTION AND OFFICES

Energy consumption **reduced** in 2024 compared to 2023:*



-14.4%

Electricity



-7.46%

Natural gas



-8.25%

Water

*Energy consumption per hrynia of manufactured products compared to 2023.



30 motion and light sensors were installed





Social



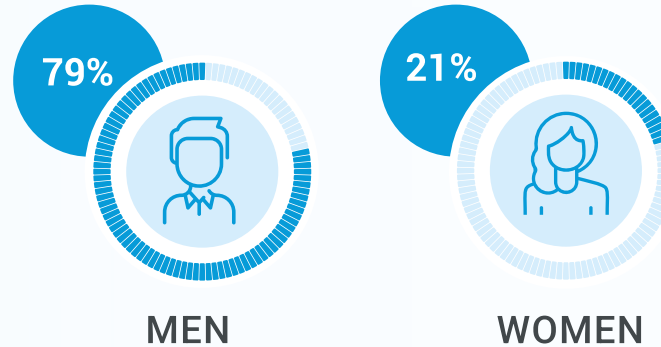
NUMBER OF EMPLOYEES



≈ **3000***

*excluding foreign markets

DIRECTORS (BY GENDER)



MEN

WOMEN

AVERAGE AGE OF EMPLOYEES



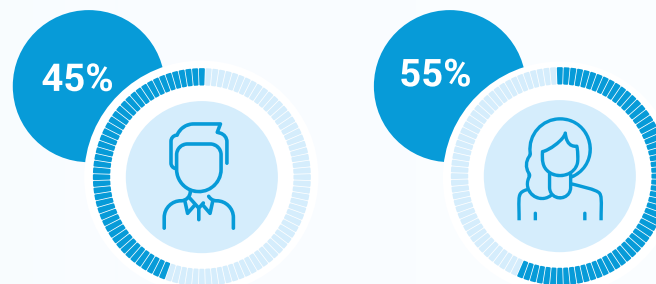
42 years

AVERAGE SALARY FOR 2024



INCREASED BY 19.2%

EMPLOYEE RATIO (BY GENDER)



MEN

WOMEN

AVERAGE LENGTH OF SERVICE AT FARMAK



9 years

PERSONNEL TRAINING AND DEVELOPMENT

MANAGER DEVELOPMENT:

8 training sessions were conducted for **48** managers on the following topics:

- Innovative Thinking
- Inspiring Leadership. Team Development x 3 training sessions
- People Management x 2 training sessions
- Decision Making
- Emotional Intelligence. Cross-Functional Interaction

Success Trajectory

In November, the “Success Trajectory” program was launched, **13 employees** submitted applications. Meetings were held with everyone, and career counseling work is ongoing.

LEAN TPM PROJECT

Functioning of the ET pillar

Education and Training:

- **64 employees** completed training sessions on the transfer of technical competencies to master related production professions;
- **12 employees** completed practical training “Modern Industrial Pneumatics”;
- a preliminary **JIPM audit** was passed with no observations regarding the ET pillar.

FORMATION OF IDP 2024

- **84%** of operational-level managers
- **75%** of linear-level managers, supervisors.

PERSONNEL TRAINING AND DEVELOPMENT



CORPORATE ENGLISH LANGUAGE LEARNING PROGRAM

- Number of program participants: **91 employees.**

SPEAKING CLUBS

- **21** English speaking clubs were held in Kyiv and Shostka;
- **1** Ukrainian speaking club was held.

SOFT SKILLS TRAINING FARMAK

Farmak experts conducted trainings/workshops –

23 events for **520** employees:

- **“Using AI Tools for Image Generation”**: **165** employees.
- **“Introduction to ChatGPT”**: **67** employees.
- **“Mentoring Workshop”**: **64** employees.
- **“Power BI”**: **50** employees.
- **“Training for Trainers”**: **33** employees.
- **“Time Management” and other trainings**: **141** employees.

TACTICAL MEDICINE TRAININGS

7 practical trainings were conducted in tactical medicine for **133** Farmak employees.

Statistics on occupational health, safety, and environmental training for the personnel in 2024



Title of Training	Managers and Specialists	Blue-Collar Workers
Occupational safety rules during the operation of forklifts	-	115
Occupational safety rules during the performance of work at heights	-	889
Electrical safety	-	749
General course on occupational safety	331	-
General course on fire safety	331	-



2520

employees completed training on the internal documents of the **Occupational Health and Safety Management System** and the **Environmental Management System**.

External training, 2024

TITLE OF TRAINING	MANAGERS AND SPECIALISTS	BLUE-COLLAR WORKERS
Occupational safety rules during the operation of forklifts	5	-
Occupational safety rules for road transport	5	-
General course on occupational safety	14	-
Radiation safety when handling ionizing radiation sources	2	-
General course on fire safety	26	-
Occupational safety rules during the performance of work at heights	9	1
Occupational safety rules during the operation of pressure equipment	31	265
Occupational safety rules during the operation of hoisting cranes, lifting devices and related equipment	30	-
Occupational safety rules during the operation of thermal mechanical equipment, heat networks and heat-consuming installations	23	-
Electrical safety	10	107
Safety rules for gas supply systems	14	95
Safety rules for the production and consumption of air separation products	5	-
Occupational safety and safe operation rules for process pipelines	1	-
Rules for the construction and safe operation of elevators	6	-
Environment	10	-
General occupational safety rules for handling of chemicals	-	-
Occupational safety rules during loading and unloading operations	-	-
Profession of "forklift driver"	-	18
Safe execution of load slinging and moving	-	43
Operation of hoisting mechanisms, including lifting platform operator	-	38
Electrician for the repair and maintenance of hoisting mechanisms	-	2
Mechanic for the repair and maintenance of hoisting mechanisms	-	1
Mobile crane operator	-	1
Profession of "boiler room operator"	-	1
Instrumentation and Controls (I&C) mechanic for servicing the pressure equipment	-	1
Safe operation of heat networks and heat-consuming installations	-	37
Professions of "compressor plant operator"	-	6
Instrumentation and Controls (I&C) mechanic in gas facilities	-	1
Profession of "elevator operator"	-	59
Course "Fire technical fundamentals"	-	51

WORKPLACE SAFETY

Farmak operates and continuously improves its Occupational Health and Safety Management System. It obtained Certificate No. UA.O.029-24, which certifies the OHSMS compliance with the requirements of DSTU ISO 45001:2019 (ISO 45001:2018, IDT).

During the reporting year, the company implemented a series of measures to achieve established standards for safety, occupational hygiene, and the prevention of workplace injuries, occupational diseases, and accidents.

OCCUPATIONAL SAFETY MEASURES WERE AIMED AT IMPROVING THE LEVEL OF WORKPLACE SAFETY, IN PARTICULAR BY:

- mechanization of loading-unloading and other heavy works
- safe execution of works at heights
- implementation of automatic control and alarm systems regarding the presence (occurrence) of dangerous or harmful production factors in case of danger to workers
- conducting workplace attestation for compliance with regulatory legal acts on occupational safety and conducting an occupational safety audit
- ventilation and air conditioning systems in the premises of active production and at workplaces
- protection of workers from electric shock, the effects of static electricity, and lightning discharges
- training and knowledge testing on occupational safety issues for officials and other employees during the employment, organizing lectures, seminars, and consultations on these issues
- provision of employees with special apparel, footwear, and personal protective equipment
- provision of employees engaged in works with harmful working conditions with milk
- conducting preliminary (upon hiring) and periodic (during employment) medical checkups of employees
- other measures

32 060 211.55

UAH allocated to implement the Comprehensive Occupational Health and Safety Plan in 2024





THE ZHEBRIVSKY FAMILY CHARITABLE FOUNDATION



FOCUS OF CHARITABLE ACTIVITY

- Assistance to the Army
- Rehabilitation of severely wounded military personnel
- Health
- Education
- Culture

TOTAL AMOUNT OF CHARITABLE ASSISTANCE

>501,4

UAH MILLION*
* 2011-2024



Facebook-сторінка



Сайт фонду





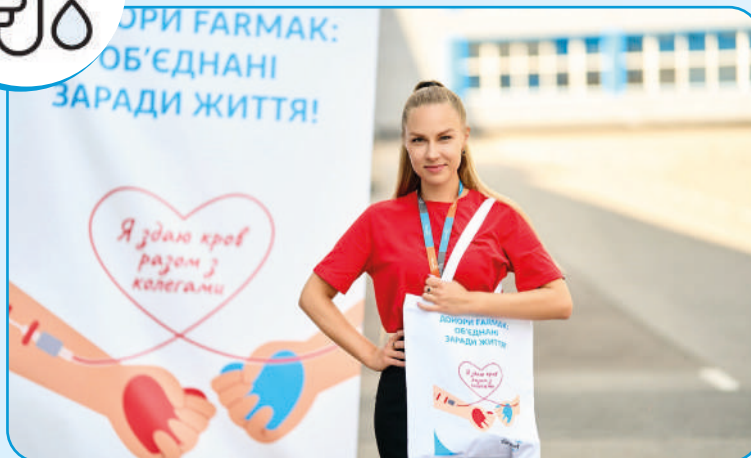
FUNDRAISING IN SUPPORT OF THE ARMED FORCES OF UKRAINE



CHARITY EVENTS AND FAIRS



BLOOD AND PLASMA DONATION



CHARITY SPORTS MARATHONS



FOR THE FIRST TIME IN UKRAINE, A GUIDEBOOK FOR PARENTS OF CHILDREN WITH EPILEPSY HAS BEEN PUBLISHED



The book was created by the doctors' association "Ukrainian Antiepileptic League" and the NGO "Epiprosvita," with the support of Farmak.

The project will help readers understand the medical, psychological, and social aspects of epilepsy, as well as learn the facts and dispel harmful myths about the disease.

Epilepsy is one of the most common neurological diseases in Ukraine. According to the Public Health Center of the Ministry of Health, over 100,000 Ukrainians suffer from it.

The book is based on materials from the team of epileptologists at The Hospital for Sick Children (Toronto, Canada) and the AboutKidsHealth Epilepsy Resource Centre.

The guidebook covers facts and myths about epilepsy, causes of the disease, information about types of seizures, first aid guidelines, and much more for parents, teachers, and doctors. Ten thousand copies have already been sent to hospitals across Ukraine.

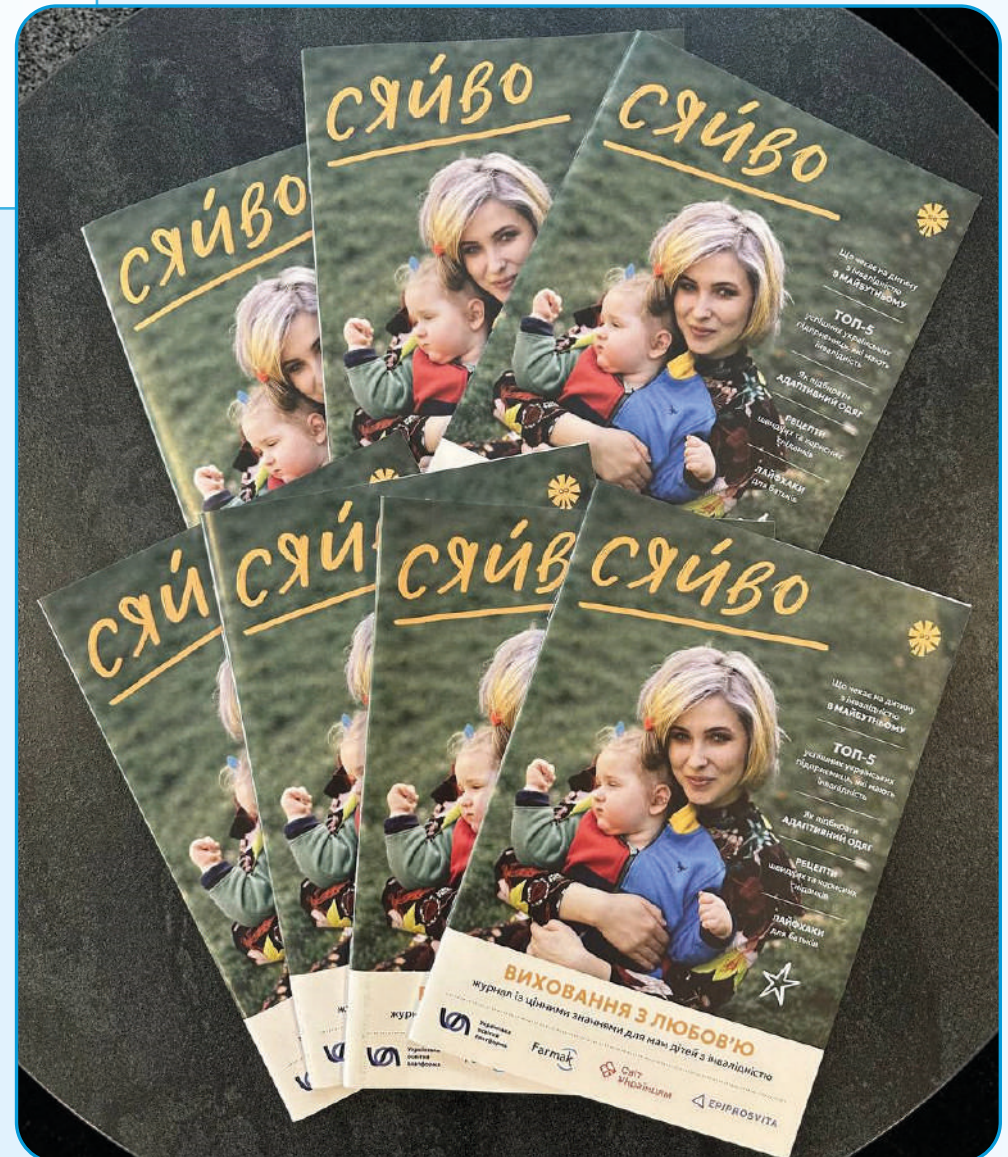
We hope that the guidebook will help stop the stigmatization of epilepsy and provide necessary social support to parents of children battling this disease.

An electronic version of the book can be obtained by filling out a request form

Farmak, together with the NGO “Epiprovita” and the Charitable Foundation “World to Ukrainians,” created the magazine “Syaivo” (Radiance) for mothers of children with disabilities

The “Syaivo” project was launched to support mothers raising children with disabilities. The main mission of the magazine is to promote a positive psychological state and improve the quality of life for families, as well as to provide informational, psychological, and social support. In the magazine, readers can find practical advice on choosing a wheelchair, proper nutrition, physical activity, and more. Among the authors are successful mothers who balance their careers with raising children with disabilities.

The first 500 copies have already been distributed to community organizations, and another 1,000 will be placed in the waiting areas of public spaces—such as hair salons and rehabilitation centers. Additionally, the magazine is available to read online via [this link](#).



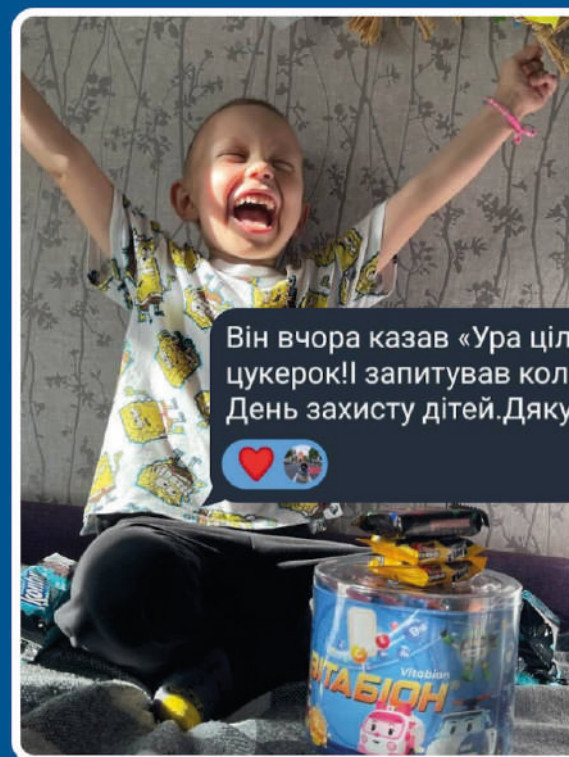
MORE THAN 5,000 CHILDREN FROM ALL OVER UKRAINE RECEIVED VITAMIN COMPLEXES FROM FARMAK



These vitamin complexes were provided to children who lost their parents due to the war, young children from large families, and foster children from various regions of Ukraine, including the Kyiv, Lviv, Uzhhorod, Ivano-Frankivsk, Poltava, and Chernivtsi Regions.

For Children's Day, Farmak distributed vitamin complexes to more than 5,100 children cared for by the CF "Children of Heroes" and the ICF "SOS Children's Villages in Ukraine."

The charitable assistance totalled **UAH 3.7 million.**



SEEDS FOR PEOPLE

Farmak and Seeds for Ukraine provided 300 families in de-occupied districts of the Chernihiv, Mykolaiv, and Kherson regions with high-quality seed kits.

The goal of the all-Ukrainian initiative Seeds for Ukraine is to provide garden seeds to more than 100,000 Ukrainian families. The kits were curated based on the requests of program participants and include more than ten types of essential seeds: greens, lettuce, cucumbers, legumes, melons, pumpkins, and other crops traditionally grown in Ukraine.

This year, in addition to distributing the kits, the company helped install a greenhouse for lyceum students in the village of Chervona Dolyna in the Mykolaiv Region. Working in the greenhouse has already become part of the educational process during vocational and biology lessons.



COMMUNITY SUPPORT

In 2020, Farmak signed a memorandum of cooperation with the Shostka City Community, aimed at implementing social, economic, and cultural development projects.

IN 2024, THE FOLLOWING INITIATIVES WERE IMPLEMENTED UNDER THE MEMORANDUM:

- Farmak assisted residents of Shostka (Sumy region) who were affected by a Russian missile strike on January 13, 2024. We **contributed to the restoration of the city's housing stock by installing windows in the stairwells of two entrances in a damaged apartment building.**
- Company employees, along with the Zhebrovsky Family Charitable Foundation, joined the charitable initiative “Give a Modern Ukrainian Book to the Library,” **collecting over 350 books** for the local Shostka **community library.**
- A **self-defense training session** was held for Farmak’s female employees in Shostka.
- For Shostka City Day, we **purchased and handed over a trailer** for the local utility company, “Shostka-Zelenbud.”

Наслідки вибуху



Після відновлення





Governance



TRADE UNION AND COLLECTIVE AGREEMENT

The Company has a Collective Agreement that defines the core principles of the relationship between the employer and employees.

The **main provisions** of the agreement aim to:

- **Protect the rights and interests of employees**, ensuring their financial well-being, contingent upon the effective management of the enterprise and the responsible fulfilment of production tasks.
- **Regulate working conditions and remuneration.**
- **Support and develop the professional and creative activities of employees.**
- **Strengthen labour discipline.**
- **Provide guarantees and benefits.**

This agreement serves as the foundation for building stable and mutually beneficial employment relations within the company.

In 2024, **the trade union organized** health, wellness, and recreational activities for employees and their family members, including:



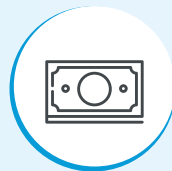
49 people
received health resort vouchers



1,930 people
attended cultural events



106 children
received children health resort vouchers



194 people
received financial assistance from the trade union



47 people
attended excursions



123 people
participated in sporting events

90%
of the company's employees are trade union members.

The parties to the Collective Agreement are the **company** and the **trade union committee**, which represents the interests of the workforce in economic, social, and labor matters.



CORPORATE BOOK

The Company has introduced a Corporate Book – a code of conduct that defines the rules of interaction with colleagues, partners, and society, based on the company’s core values.

It applies to every employee. We must adhere to it regardless of our position and let it guide our decisions and actions.



OUR VALUES



QUALITY



GROWTH



**PROFESSIONAL
EXCELLENCE**



ENGAGEMENT



INNOVATIVENESS



ANTI-CORRUPTION POLICY AND RISK MANAGEMENT



The Company has implemented:

- **A Corporate Governance Code.**
- **A Corporate Culture Code.**
- **An Anti-Corruption Program,** which includes working with counterparties and the functioning of a trust line for reporting illegal actions.

Compliance with labor rights and the prevention of discrimination are regulated by the Labor Code of Ukraine and the Company's Collective Agreement.

Anti-corruption controls have been implemented and are overseen by the Anti-Corruption Program Commissioner. A Disciplinary Committee has been established to review appeals. A trust line is available for both employees and external parties to report potential violations.

All information regarding the trust line is publicly available and can be found on the company's official website at: <https://farmak.ua/forma-incidentu/>.



THANK YOU FOR
YOUR ATTENTION!

Farmak 100 YEARS
OF QUALITY

