Antibiotice

RISK MANAGEMENT POLICY

I. PURPOSE OF THE POLICY

Antibiotice SA ensures the organization, operation of the risk management system throughout the company as an integral part of the organizational culture in order to achieve the objectives established by the Business Plan. Thus, in order to control and limit risks but also to leverage opportunities, the management implements a proactive, future-oriented management style, which enables the company to manage risks within acceptable limits, ensuring the premises for sustainable development. Effective risk management is an essential component of corporate governance and a critical success factor for the company's sustainability.
The Risk Management Policy sets out a consistent and coherent framework throughout Antibiotice SA, intended to ensure the identification, analysis, evaluation, management, control and reporting of risks associated with the conduct of all the company's activities, in accordance with the specifics of the pharmaceutical industry. The policy applies to all risks in Antibiotice SA, including sustainability, environmental, occupational health and safety, human resources, quality, data protection, cybersecurity or ethics and integrity risks.
This policy, supplemented by the internal risk management procedures, provides Antibiotice staff and management with a tool that facilitates the management of risks by a systematic identification and an objective assessment, implementation of proper control measures, continuous risk monitoring and reporting to management and stakeholders.

II. SCOPE

The risk management policy applies to all the Antibiotice's staff and all activities carried out for/ or on its behalf. The Governance & Risk Department ensures the implementation and continuous improvement of the risk management culture in all the company's departments through the counselling, training and coordination activities. In addition, this Policy sets out principles aiming inclusively monitoring and assessing the suppliers, clients and other stakeholders, in the extent in which these may generate risks for the company's activities.
This policy defines the conceptual framework of the risk management system throughout Antibiotice SA, a process that primarily aims to facilitate informed decision-making regarding risks, aiming at the responsible achievement of strategic and operational objectives.
The current policy will be available to all stakeholders on the Antibiotice's website.

III. OBJECTIVES OF THE POLICY

The risk management policy of Antibiotice SA has the following main objectives:
1. Promotion of an integrated approach of the risk management in line with the business strategy, project management, internal processes and decision-making process for ensuring an efficient risk management in all the company's activities.
2. Promotion of the usual risk management practices in the Antibiotice's organizational culture, through continuous training and communication.
3. A clear definition of roles and responsibilities related to risk management activities;
4. Support of the company's decision-making process through the provision of risk reports and risk analyses or due dilligence activities;

5. Generation of added value for Antibiotice SA, either from the perspective of resilience and continuity of current activity, or from the perspective of financial performance.

IV. RISK MANAGEMENT PRINCIPLES

This policy adopts the principles set out in the international standard ISO 31000:2010 on the Risk Management, adapts them to the company's specific characteristics and includes them within the risk management procedural framework.

Principles specific to the risk management activities:
1. **Risk management creates and protects value** – and contributes directly to achieving the strategic and operational objectives.
2. Integration in all the organizational **processes** – risk management is an integral part of the corporative governance and decision-making process.
3. **Structuring and customization** – adaptation to the specific context of the pharmaceutical industry and organizational profile.
4. **Inclusion and transparency** - participation of all relevant stakeholders in the risk management process.
5. **Dynamism and adaptability** - the ability to respond to changes in both the internal and external environment.
6. **Using the best available information** - grounding decisions in relevant and up-to-date data.
7. **Considering human and cultural factors** - recognizing the importance of behavioral aspects in managing the risks.
8. **Continuous improvement** - the continuous improvement of the risk management system.

V. RISK APPETITE AND TOLERANCE LIMIT

The Antibiotice's risk appetite reflects the aggregate level of risk that the company is willing to assume to achieve strategic objectives, reflecting a balance between growth opportunities and protecting value for shareholders and stakeholders.
Antibiotice SA adopts a balanced perspective on risk, considering that the controlled assumption of certain risks is necessary to achieve its strategic objectives and generate value.
For the optimal conduct of the company's activities and the achievement of its objectives, executive management implements the Risk Control Plan to ensure that residual risks (the risks that remain after mitigation measures have been applied) are reduced and remain within the ”tolerance” or ”high tolerance” range. The Management Board periodically monitors, through the established governance mechanisms, compliance with the defined risk appetite and tolerance levels.
Risk tolerance represents the maximum acceptable level of deviation from the established objectives. Risk tolerance is subject to periodic revision (annualy or whenever the business context significantly changes) to ensure alignment with:

- the updated strategic objectives;
- the company's financial and operational capacity;
- the stakeholders' expectation and evolution of pharmaceutical industry.

Critical risks are carefully monitored through Key Risk (KRIs) indicators and risk thresholds detailed in the risk management strategy, which are reviewed annually or whenever the business context requires it.
The cyclical review of the main risks involves the periodic reevaluation of the likelihood of their occurrence and their potential consequences in order to confirm the exposure level and adopt appropriate risk management strategies.

VI. THE RISK MANAGEMENT SYSTEM OF ANTIBIOTICE SA

Risk Management Process and Specialized Internal Structure

The Risk Management Process within Antibiotice aims to systematically identify and multidimensionally assess the risks to which the company is exposed, through their anticipation, management and mitigation, in order to ensure operational continuity and the achievement of strategic objectives.

Within the company, the ***Governance and Risk Department*** administers the risk management system and performs verifications specific to due diligence missions. The risk management process is documented in the system procedure SOP-AR-001 Risk Management but also in procedures specific to certain risk categories (e.g. quality, occupational health and safety, environment, data protection and cybersecurity).
The Governance and Risk Department reevaluates the Risk Managment Procedure whenever necessary, continuously reviews the risk register within a structured, systematic and up-to-date framework, develops plans to limitate the potential consequences of these risks and monitors the implementation of control measures by setting terms and assigning the responsible persons.
Antibiotice SA aims to understand the risks to which the company is exposed and their causes, as well as to improve the risk profile, by managing the process of identifying, assessing and managing risks and implementing the control measures necessary to maintain risk exposure within the tolerable zone.
Within the Antibotice's internal structures, specific risks are identified, and significant risks that may affect the achievement of the company's overall objectives are periodically analyzed and prioritized.

The Management Board exercises responsibilities for the coordination and strategic supervision of the risk management system, including through the Risk Management Committee.
The Executive Management is responsible for identifying, assessing, treating, monitoring and reporting risks related to the company's current activities, as well as for implementing measures to control and mitigate them.

Risk Management Committee within the Management Board

The Risk Management Committee was established in October 2023, in accordance with the legal obligations imposed by the amendments to Emergency Ordinance no. 109/2011 on the corporate governance of public enterprises. The duties and responsibilities of the Risk Management Committee are presented in detail in the Risk Management Committee Regulations, annex to the Corporate Governance Code of Antibiotice SA.

The Management Board, through the Risk Management Committee, ensures the consistency of control activities with the risks generated by the activities and processes that are the subject of control, identifies, analyzes, evaluates, monitors and reports the identified risks, the plan of measures to mitigate or anticipate them, other measures taken by the executive management.

The Committee formulates recommendations and proposals to the Management Board regarding risk management and the improvement of the internal control system, without having executive powers regarding the implementation of control measures or direct intervention in the company's operational activities.

The Internal Audit Office is independent from the Risk Management Department and contributes to ensuring the efficiency of risk management processes by conducting the annual internal control audit, aiming to evaluate the risk management process. The internal audit mission is concluded with recommendations for improvement, where necessary, and the findings are presented to the Audit Committee.

VII. REPORTING AND COMPLIANCE

Reporting within the risk management system aims to ensure an adequate level of transparency regarding the risks assumed by the company, support the decision-making process at both strategic and operational levels, as well as facilitate the monitoring, supervision and control activities exercised by management and governing bodies. The reporting flow is designed to allow executive management to operationally manage risks and implement the necessary measures, while the Management Board and the Risk Management Committee exercise their strategic oversight and monitoring role based on the information and analysis provided.

In this context, the reporting process involves the structured and documented communication of information regarding identified risks, their assessment, implemented control measures, as well as the organization's level of exposure, thus contributing to efficient and coherent risk management.
Risk reporting is carried out by the Risk Management Department through the preparation of a quarterly report, submitted for information to the Risk Management Committee, as well as by preparing an annual report on the performance of the risk management system, supplemented, whenever necessary, by ad-hoc reports in the event of major incidents or the identification of new risks with a significant impact on the organization's activity.

VIII. TRAINING AND AWARENESS

Antibiotice SA recognizes the importance of training and awareness of staff in order to effectively implement risk management. All employees, regardless of position, have the responsibility to understand the basic principles of risk management and to actively contribute to the identification, assessment and reporting of risks related to the activities carried out.
The company will provide appropriate training and information programs on risk management, tailored to the specific roles and responsibilities of the staff. Training may include initial training sessions, periodic training, internal communications or other forms of dissemination of relevant information.
The company's management has the responsibility to promote an organizational culture oriented towards proactive risk management, encouraging open communication, prompt risk reporting and accountability at all levels of the organization.

IX. POLICY REVIEW

This Risk Management Policy is reviewed periodically to ensure its continued relevance, effectiveness and alignment with the company's objectives, the applicable regulatory framework and good practices in the field.
The policy is reviewed whenever significant changes occur in the company's structure, its strategy or the applicable legislative framework.

X. FINAL PROVISIONS

This Risk Management Policy was approved by the Management Board of Antibiotice S.A. in the meeting held on June 25, 2026 and is valid for a 4-year term.

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