

**EURO-MED Laboratories Phil., Inc.**

**2025 SUSTAINABILITY REPORT**



## Table of Contents

	Page
<b>Contextual Information</b>	
1. Our Organization	3
2. About this Report	4
3. Our Sustainability Approach	4
4. Prioritizing Our EES Focus Areas	5
<b>Economic</b>	
1. Economic Performance	6
Direct Economic Value Generated and Distributed	6
2. Corporate Governance and Socioeconomic compliance	7
3. Risk Management	7
3. Procurement Practices	8
4. Anti Corruption	8
<b>Environmental</b>	
1. Resource management	10
Energy Consumption	10
Water Consumption	10
Materials Used	11
2. Environmental Impact Management	12
Air emissions	12
Solid Wastes	13
Hazardous Wastes	13
Effluents	14
<b>Social</b>	
1. Employee management	15
Employee Hiring and Benefits	15
Labor -Management Relations	16
Occupational Health and Safety	17
Diversity and Equal Opportunity	17
2. Supply Chain Management	18
3. Customer Management	19
Customer Satisfaction	19
Health and Safety	19
Marketing and Labelling	20
Data Security	20
<b>UN Sustainable Development Goals</b>	21

## Our Organization

---

Euro-Med Laboratories Phil., Inc. ('Euro-Med' or the 'Company') was registered with the Philippine Securities and Exchange Commission on January 29, 1988 to engage in the manufacture of pharmaceutical products such as large and small volume parenterals, intravenous fluids, specialty fluids and irrigation solutions which are used for various medical purposes. The Company also manufactures intravenous fluids in glass bottles, haemodialysis concentrates, ophthalmic products and disinfectants. It is also the maker and seller of bottled water under Bevida brand.

Euro-Med is also the exclusive distributor of ICU (formerly Hospira) Venisystem products such as Venipuncture sets, IV Administration sets, and IV Equipment in the Philippines. Euro-Med also pioneered the Limulus Amebocyte Lysate (LAL) Test, a sensitive and fast method for detection, used primarily to determine if the intravenous solutions are free from pyrogens. Since 1991, the Company has been the exclusive distributor of the LAL test in the Philippines for Associates of Cape Cod Incorporated of Massachusetts, U.S.A.

As the leading manufacturer of high-quality intravenous fluids in the Philippines and one of the largest fluids manufacturers in Asia, Euro-Med continues in its pursuit to provide high quality and affordable healthcare products. It is the first in the Philippines to utilize the modern European blow-fill seal technology of aseptically producing sterile and pyrogen-free *parenteral* solutions in plastic containers.

### Mission and Vision

Euro-Med is committed to serve the Filipino people and the medical community in its pursuit for high quality healthcare products and services. Providing high quality products at affordable prices is Euro-Med's corporate philosophy.

As of December 31, 2025, Euro-Med is 58.41% owned by U.S. Automotive Inc. Its principal office is located at 2nd Floor, PPL Bldg., UN Avenue corner San Marcelino St., Manila, Philippines.

### Corporate Structure

Euro-Med is the parent company of two subsidiaries: (1) Hemotek Renal Center, Inc. - a 100% owned company which was incorporated in June 2008 and is engaged in operating dialysis centers and (2) CafeFrance Corp. - a 100% owned subsidiary incorporated in August 2010 and is engaged to operate restaurants, bakeries, food services, catering, food production and other related services.

### Governance

Euro-Med's Board of Directors is composed of ten members, including three independent directors. To assist the BOD in its oversight functions, the Company has organized two committees – the *Corporate Governance and Nomination Committee* which is tasked to assist the BOD in the performance of its corporate governance responsibilities; and *Audit and Risk Oversight Committee* which is tasked to oversee the financial reporting, internal control system and compliance with the applicable laws and regulations. The Company's *Corporate Governance and Nomination Committee* is composed of five (5) directors with Dr. William G. Padolina as Chairman, and Mr. Edwin D. Feist, Dr. Ezperanza Cabral, Dr. Johnny Yap and Mrs. Georgiana S. Evidente as its members. On the other hand, the Company's *Audit and Risk Oversight Committee* is composed of three (3) directors with Mr. Edwin D. Feist as Chairman, and Dr. William G. Padolina and Mr. Anthony Joseph Gaw as its members.

# About this Report

---

## Report Boundary

This Sustainability Report covers the sustainability performance of Euro-Med as the parent company for the calendar year ended December 31, 2025. The financial information presented is based on the parent company financial statements as of and for the year ended December 31, 2025. The financial and other information for 2024 are also presented for comparison.

## Reference Guidelines

This Sustainability Report was prepared based on the Global Reporting Initiative (GRI) Standards and the Securities and Exchange Commission's sustainability reporting guide provided under SEC Memorandum Circular No. 4, series of 2019. This report is also aligned with the United Nations (UN) Sustainable Development Goals (SDGs).

## Responsibility for the Report

The Board of Directors (BOD) has the primary responsibility in promoting sustainability within the Company. Together with the Senior Vice President Mr. Jose A. Emitterio, the Company's *Corporate Governance and Nomination Committee* (the "Committee") sets the overall direction and sustainability approach which aims at addressing the focus programs for the year. It is also the Committee's responsibility to continuously evaluate the sustainability approach and re-align them in accordance with the focus programs.

# Our Sustainability Approach

---

Since we started our sustainability journey in 2019, we became more aware of our impact on the economy, environment and the society (EES). By identifying, evaluating and managing our material EES risks and opportunities, we increased our consciousness and strive to improve our sustainability performance towards achieving the universal targets of sustainability and amplifying our SDG contributions.

## Materiality Assessment

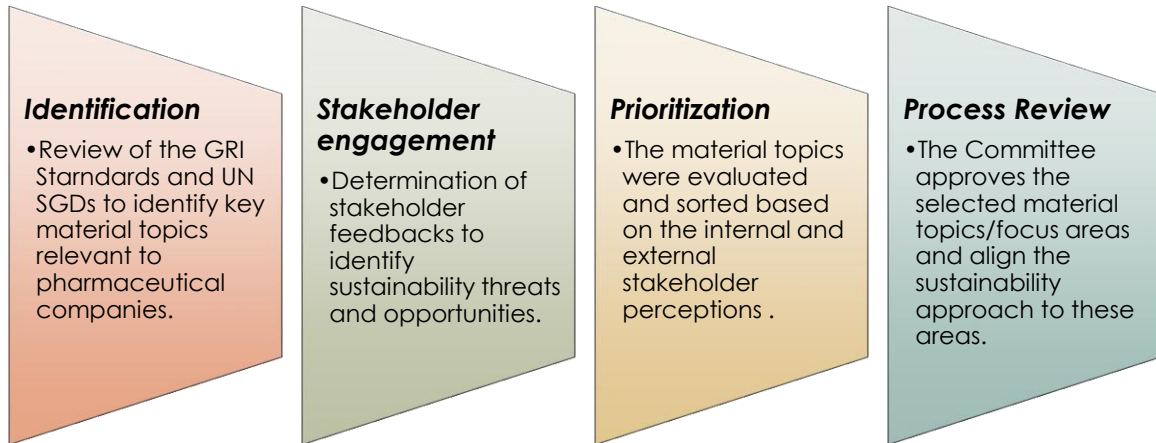
To instill a sustainability-focused approach into our business, we conducted a materiality assessment in line with the GRI standards. The material topics were selected by identifying our focus areas from internal and external sources, and set our priorities according to the inputs from the management and stakeholders.

## Stakeholder Inclusiveness

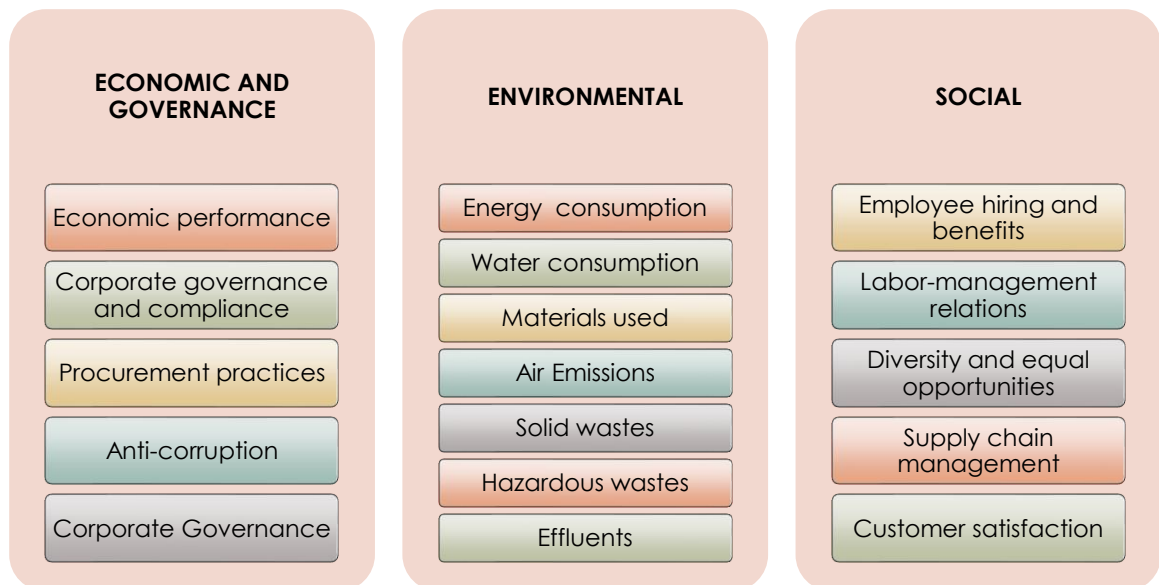
At Euro-Med, we consistently focus on building strong and meaningful relationships with our stakeholders. We engage with our investors, shareholders and customers through annual shareholders' meetings, press briefings, conferences and events per any specific business needs. We maintain open communications with our stakeholders by timely submitting our reports to PSE and SEC which are also available for downloading in the Company's website. We also designated an Investor Relations Officer (Mr. Jose A. Emitterio) who may be reached through email and telephone numbers posted in the Company's [website](#).

# Prioritizing our EES Focus Areas

The material sustainability topics were selected through the following process:



From the material topics identified, Euro-Med, through the Committee, selected 16 priority topics (EES focus areas) which are determined as the most important to the Company and its stakeholders.



# Economics and Governance



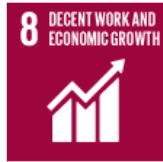
## Economic Performance

At Euro-Med, we continue to augment the generation and distribution of economic values through the strategic restructuring of sales force and parallel distribution of our products. Euro-Med continues to sustain the upward trajectory with a 14% growth in its direct economic value generated.

In 2025, we reported total economic value generated at Php 5.08 billion and total economic value distributed at Php 4.3 billion. Out of this figure, 84.84 % were distributed among the following: Php 2.19 billion went to operating costs, Php 727.3 million were paid to suppliers and other operating costs, Php 608.08 million were paid as salaries and wages to the employees, Php 556.05 million were distributed as dividend and interest to providers of capital and Php 231.32 million was given to the government in the form of taxes. Total economic value retained in 2025 is Php 771.01 million.

	2025 (in Php)	2024 (in Php)
Direct economic value distributed:		
a. Operating costs	2,190,591,796	1,890,467,936
b. Employee wages and benefits	608,077,122	549,732,999
c. Payments to suppliers, other operating costs	727,344,384	653,298,635
d. Dividends given to stockholders and interest payments to loan providers	556,052,794	521,535,609
e. Taxes given to government	231,321,931	166,404,695
<b>Total direct economic value distributed</b>	<b>4,313,388,027</b>	<b>3,781,439,874</b>

	2025 (in Php)	2024 (in Php)
<b>Total direct economic value distributed</b>	<b>4,313,388,027</b>	<b>3,781,439,874</b>
<b>Total direct economic value generated</b>	<b>5,084,399,677</b>	<b>4,444,027,717</b>
<b>Economic value retained</b>	<b>771,011,650</b>	<b>662,587,843</b>



## Corporate Governance and Socioeconomic Compliance

Euro-Med always strives to cultivate the culture of integrity, accountability and transparency by continuously improving the corporate governance framework and ensuring its effective implementation within the organization. Euro-Med believes that good corporate governance is a necessary component of what constitutes as a sound strategic business management.

In 2020, the BOD approved Euro-Med's New Manual on Corporate Governance<sup>i</sup> (CG Manual) which is the institutionalization of the principles of good corporate governance provided under SEC Memorandum Circular No. 24 series of 2019. This Manual provides for the system of direction and ethical guidelines to hold the responsible officers and directors accountable for ensuring ethical behavior and reconciling long-term customer satisfaction for the benefit of the stakeholders. The manual is made available for inspection at reasonable hours on business days and is also posted on the Company's [website](#).

As part of its commitment to the principles and best practices contained in the Manual on Corporate Governance, an annual self-assessment is conducted by the members of the BOD to evaluate the performance of its highest governance body. Using the self-assessment form, each member reviews their roles and responsibilities as outlined in the CG Manual and assess their performance accordingly. Both individual and collective performance are comprehensively assessed in the form.

Euro-Med is also aware of the importance of compliance with the law and the rules set by the regulatory bodies. The Company's Audit and Risk Oversight Committee is primarily responsible for all compliance matters. We strictly comply with the regulatory submission requirements of the SEC, Philippines Stock Exchange (PSE) and the Bureau of Internal Revenue (BIR) to avoid penalties and sanctions. We also take immediate action to effect corrective measures from the regulators and strive to develop solutions to improve our weak areas.

### Risk Management

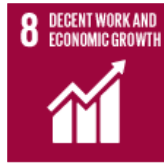
Risk management is an important aspect of every business. By identifying potential events or risks, the Company will be able to sustainably minimize the negative consequences of these risks not only on the Company's business but for the benefit of other stakeholders as well.

At Euro-Med, we understand the importance of risk management. For this reason, we strictly implement within the Company our Enterprise Risk Management (ERM) Policy. This policy was designed to identify and address risks that may significantly affect the Company's ability to achieve its strategic goals, maintain its operations and assess the level of risk tolerance.

The BOD and the Audit and Risk Oversight Committee are responsible for oversight of risks and for monitoring of compliance with the ERM policy. The BOD also acknowledges its responsibility for the Company's system of internal control and reviewing its adequacy and effectiveness.

As part of our risk management, we have in place an internal audit system that will help to ensure that the Corporation's resources are used efficiently and effectively. The Internal Audit Division, reporting directly to the BOD, is authorized to conduct a comprehensive risk-based audit and is responsible for keeping the BOD informed of unusual transactions of other matters of significance. The Internal Auditor shall recommend cost-effective courses of action for the BOD to consider in addressing the control weaknesses that have been

identified during the audit. The internal audit system is constantly being updated to address the emerging risks from changes in the company's business.



### Procurement Practices

The Company relies on various suppliers of materials, both local and international, to provide high quality materials for production. Our procurement policies are aligned with the principles of fairness, integrity and transparency.

Euro-Med purchases locally wherever possible in order to respond promptly to the production requirements and effectively strengthen the economy. Locally sourced products also provide flexibility in contractual terms and agreements, reduction in logistical costs and creating goodwill with customers. The reduced logistical cost also helps the environment in terms of reduction of carbon footprints. In 2025 and 2024, we spent 30% of our procurement budget on local suppliers.

	2025	2024
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	30%	30%

All supplier procurement is coursed through the procurement department which oversees the function according to the established policy<sup>ii</sup>. The prequalification process of the suppliers involves a thorough review of the suppliers' qualification and accreditation to ensure that quality standards are met. Our procurement policy is supplemented by our Vendors' Code of Conduct Policy<sup>iii</sup> which requires the suppliers to conduct the business activities with integrity and in full compliance with the laws and regulations.



### Anti Corruption

Euro-Med recognizes the importance of preventing any forms of corruption in maintaining the highest standards of integrity and ethics within the organization. Thus, we have in place an Anti-Corruption Policy<sup>iv</sup> and Code of Conduct which serves as guides to matters involving work conduct, dealing with employees, customers and suppliers in terms of avoiding conflict of interest situations and corrupt practices. These policies were approved by the Board of Directors and are being strictly implemented within the Company. As a policy, we maintain that any attempt to seek for undue financial and material advantage from transactions will be considered a breach of trust between the stakeholder and the Company.

To bolster our efforts in preventing corruption, we established a Company-wide Whistle-Blower Policy<sup>v</sup> which authorizes the management to impose sanctions to employees who will be proved to have participated in any dishonest act or corrupt practices in the course of his/her employment. Any suspected employees may be suspended without pay during the course of the investigation. Employees found to have participated in fraudulent activities will be terminated and may be subject to criminal prosecution or civil action.

To ensure that all employees are aware of the Company's policies against corruption and misconduct, we regularly disseminate, by electronic or other means, instructional manuals. Moving forward, the Company continues to prevent corrupt practices in any of its transactions.

<b><i>Training on Anti-corruption Policies and Procedures</i></b>	<b>2025</b>	<b>2024</b>
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100%	100%
Percentage of management that have received anti-corruption training	100%	100%
Percentage of employees that have received anti-corruption training	100%	100%
<b><i>Incidents of Corruption</i></b>	<b>2025</b>	<b>2024</b>
Number of incidents in which directors were removed or disciplined for corruption	0	0
Number of incidents in which employees were dismissed or disciplined for corruption	0	1
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	0

# Environmental



## Energy Consumption

The nature of the Company's business entails high consumption of energy. The production activities including the use of massive equipment are the most energy-intensive. As a manufacturing company, we are cognizant of our contribution to the carbon footprints which leads to higher greenhouse gas emissions. For this reason, we take serious actions to reduce energy usage through the following steps:

- 1. Monitoring energy use** – by collecting and utilizing energy consumption data, we can effectively plan our actions, assess our options and take advantage of energy-saving opportunities.
- 2. Reducing energy consumption** - by taking advantage of more efficient equipment and systematic scheduling of production, we are able to minimize consumption in a particular area or department. In 2025, the increase in our energy consumption is directly proportional to the increase in production. This means that the company is consistent in ensuring that the business consumes only the energy needed. We are also continuously identifying energy saving opportunities to minimize our carbon footprint and at the same time lower our energy expenses.
- 3. Institutionalizing energy efficiency strategies** – we constantly update our policies promoting energy efficiency and sustainable practices in energy use within the company.

Energy Consumption	2025	2024
Liquefied Petroleum Gas (LPG)	0 GJ	50 GJ
Diesel	137,970 GJ	123,586 GJ
Electricity	23,567,314 KWH	21,519,640 KWH

Energy Reduction	2025	2024
Liquefied Petroleum Gas (LPG)	0 GJ	0 GJ
Diesel	0 GJ	0 GJ
Electricity	0 KWH	0 KWH



## Water Consumption



Water is the main ingredient for IV Fluids. Thus, our water consumption is proportional to the products produced. At Euro-Med, we are conscious of the volume of water we consume and discharge. For this reason, we are currently working on a water resource management plan and water recycling facility which aims to increase water storage capacity and recycle used water for cleaning and other use.

In 2025, water consumed increased by 0.03%. We continue our efforts to reduce water consumption by regular maintenance inspections of water supply equipment and maintaining optimal water usage ratio by monitoring water usage.

Water consumption	2025	2024
Water withdrawal	358,619 cu. meters	346,147 cu. meters
Water consumption	358,619 cu. meters	346,147 cu. meters
Water recycled and reused	0 cu. meters	0 cu. meters



### Materials Used

Euro-Med makes use of both renewable and non-renewable materials for its main products and packaging. Renewable materials consist of active pharmaceutical ingredients, carton boxes (paper) and water which are all derived from natural and renewable sources. Non-renewable materials include plastic containers used for storage of IV fluids and other products.

Single-use plastic is the most preferred packaging for our products due to hygiene and safety considerations. Plastic is a material made from oil found in fossil fuels, a non-renewable source. The continuous use of single-use plastics results to increase in landfill wastes. As Euro-Med strives to seek for a more sustainable packaging for its products, we continue to consciously reduce the environmental impact of production by using low-density polyethylene (LDPE), a recyclable type of plastic. In the production of IV fluids packaging, Euro-Med uses recycled LDPE regrinds and pellets as input materials. These materials undergo further processing such as densifying, washing (to remove impurities) and melting to produce high-grade and environmentally-friendly materials. By this mechanism, Euro-Med is able to reduce its carbon footprint while effectively reducing its cost.

Materials used by weight or volume	2025	2024
<b>Renewable</b>		
Cartons	8,759,428 pcs.	8,572,892 pcs.
Active Pharmaceutical Ingredients	5,050,986 kg	4,188,707 kg
<b>Non-renewable</b>		
A. LDPE Regrinds	782,100 kg.	786,720 kg.
B. LDPE Repelletized	327,585 kg.	323,655 kg.
Total non-renewable source	3,934,103 kg.	3,729,640 kg.
Percentage of recycled input materials used to manufacture the organization's products and services	19.88% of non-renewable materials	21.09% of non-renewable materials



## Air Emissions

Euro-Med uses massive boilers (steam generators) in manufacturing its products. The air emissions from fuel combustion, water waste from cooling and cleaning and solid wastes in the form of ash disposals are some of the environmental impacts of boiler usage.

Air emissions such as water vapour, smog-producing compounds, carbon dioxide, carbon monoxide and sulfur dioxide increase greenhouse gas levels in the earth's atmosphere which absorbs solar energy and traps the heat close to the earth's surface. This phenomenon is also called "the greenhouse effect" which contributes to global warming and climate change.

While the use of the boilers cannot be entirely eliminated considering that it is one of the indispensable machineries used in the production of its products, the Company proactively evaluates and assesses mechanisms to address the reduction of air emissions brought by its industrial activities.

The Company's course of action is to conduct periodic cleaning of smoke stack and to perform annual de-sooting of the boiler tubes including the ash pits. Overtime, boilers build up ash that forms slag deposits on the boiler. Cleaning slag deposits inside a boiler can increase boiler efficiency by 1%-4%. Clean boilers also reduce emissions produced by the power plant because lesser fuel is required to produce the same amount of power. For this reason, the Company is committed in maintaining and cleaning its boilers. Most importantly, the Company ensures that its emissions are maintained at the levels required by the standards set by the Department of Environment and Natural Resources – Environmental Management Bureau (DENR-EMB).

The maintenance of the power plant's boilers not only reduces air emissions but also saves the Company thousands of pesos for the repair and efficiency improvement of these essential machineries.

GHG	2025		2024	
Direct (Scope 1) GHG Emissions	9,626,480	kg/9,626.48	8,692,100	kg/8,692.1
	MT CO2e		MT CO2e	
Energy indirect (Scope 2) GHG Emissions	16,343,930	kg/16,343.93	12,866,590	kg/12,866.59
	MT CO2e		MT CO2e	

*\*\*For direct emission sources (Scope 1) which include boilers, LPG, generator sets and vehicles, the emission factor (EF) is 2.68 kg CO2/L of Diesel. b. For scope 2 emissions, which are indirect emissions from the use of electricity, emission factor is 0.6935 tons of CO2e/KWH. Indirect emission of the organization's activities are from sources owned or controlled by others.*

Air pollutants	2025	2024
<b>CO</b>	4.7695	0.2135
<b>NO<sub>x</sub></b>	4.4665	2.569
<b>SO<sub>x</sub></b>	0.098	0.078
<b>Particulate Matter (PM)</b>	0.2175	3.536



### Solid Wastes

In the regular course of its manufacturing activities, the Company generates solid wastes (primarily plastics) which are discarded through a third-party waste management agent.

Poorly managed wastes serve as breeding ground for disease vectors which can affect the health and safety of the communities living near the landfills. In addition, improper solid waste management disposal contributes to global greenhouse gas emissions through methane generation.

To address this, the Company implements an effective solid waste management by enforcing strict segregation of solid wastes. Recyclable materials are segregated and sold to third parties while non-recyclable materials are properly identified, segregated and disposed through a third-party waste management agent which handles the collection and transfer of wastes to the nearest landfills.

The third-party waste management agents undergo screening before given accreditation by the Company's management. The management annually reviews the qualification of the third-party agent and whether it complies with the rules and regulations set by DENR-EMB.

<b>Solid wastes</b>	<b>2025</b>	<b>2024</b>
Reusable	Not yet quantified	Not yet quantified
Recyclable	44.52 tons	45.35 tons
Composted	8.90 tons	9.07 tons
Incinerated	N/A	N/A
Residuals	34.63 tons	35.74 tons



### Hazardous Wastes

Hazardous pharmaceutical wastes include products that are expired, unused, contaminated or damaged. In the course of its operations, the Company generates a certain volume of hazardous pharmaceutical wastes.

Improper management of hazardous wastes can lead to water contamination and public safety concerns. Employees may also be exposed to harmful chemical which could lead to death or permanent damages.

The Company has in place a system for the proper disposal of hazardous wastes. This system starts with the segregation of hazardous wastes from bio hazardous ones to prevent them from ending up in landfills. Hazardous wastes are stored in specially labelled containers and are immediately transferred to an enclosed room to prevent contamination and contact. Employees who will handle the transfer of hazardous wastes are required to wear protective equipment such as goggles, gloves and footwear.

The hazardous wastes are then transported by a DENR accredited transporters to a treatment, storage, disposal (TSD) Facility.

Hazardous Waste	2025	2024
Total hazardous waste generated	7,968.64 kg	7,295.23 kg
Total hazardous waste transported	8,456.00 kg	8,288.96 kg



### Effluents

The Company consumes water in manufacturing its products. As a result, industrial waste water effluents are discharged to bodies of water located near the power plants.

Harmful chemical effluents contaminate and damage bodies of water that support wildlife. Untreated waste water also causes adverse health risks to the users of surface water resources.

The Company strictly complies with the Effluent Disposal System established by the DENR-EMB. The system in place requires effluents to undergo proper treatment before being discharged to the water bodies. The Company constantly monitors the levels of and quantity of pollutants or contaminants discharged and ensures that the same falls within the level allowed by DENR-EMB.

Effluents	2025	2024
Total volume of water discharges	36,901 cu. meters	29,442 cu. meters
Percent of waste water recycled	Not yet quantified	Not yet quantified

# Social

## Employee Management



### Employee Hiring and Benefits

Euro-Med recognizes that its people are its most important assets. Satisfied, highly motivated and loyal employees lead to excellent production and brand loyalty from customers. As the employer, our goal is to create a value-oriented work environment based on mutual trust and respect for equal opportunity.

The Company adopts a 'Recognition and Rewards-Based Policy' where employees with value-added contributions to the Company are given verbal recognition and monetary incentives to boost their productivity and quality of work. Incentives include career advancement opportunities, cash bonuses, gift certificates and additional service incentive leaves.

High employee turnover is prevented by offering competitive pay and benefits and flexible working schedules. Employees with high potential for managerial positions are provided training opportunities and are given a clear career path.

The Company also ensures compliance with the existing labor laws, rules and regulations by regular review of employee compensation and benefits.

<b>Employee Data</b>	<b>2025</b>	<b>2024</b>
Total number of employees	1,199	1,188
a. Number of female employees	690	712
b. Number of male employees	509	476
Attrition rate	5.00%	5.00%

<b>Employee Benefits</b>	<b>Percentage of employees who availed</b>			
	<b>2025</b>		<b>2024</b>	
List of Benefits	<b>Female</b>	<b>Male</b>	Female	Male
SSS	8.70%	2.95%	2.11%	1.05%
PhilHealth	2.17%	0.98%	14.75%	5.46%
Pag-ibig	19.13%	15.52%	12.78%	17.02%
Parental leaves	0.29%	1.57%	1.26%	0.42%
Vacation leaves	67.25%	50.29%	58.29%	57.35%

<b>Employee Benefits</b>	<b>Percentage of employees who availed</b>			
	<b>2025</b>		<b>2024</b>	
List of Benefits	<b>Female</b>	<b>Male</b>	Female	Male
Sick leaves	51.45%	35.76%	44.80%	37.48%
Medical benefits (aside from PhilHealth)	1.30%	0.98%	0.42%	0.42%
Housing assistance (aside from Pag-ibig)	2.32%	1.18%	0.56%	0.21%
Retirement fund (aside from SSS)	0.72%	1.38%	0.98%	0.84%
Further education support	0	0	0	0
Company stock options	N/A	N/A	N/A	N/A
Telecommuting	N/A	N/A	N/A	N/A
Flexible-working Hours	N/A	N/A	N/A	N/A

<b>Employee Training and Development</b>	<b>2025</b>	<b>2024</b>
Total training hours provided	74 hours	679 hours
a. Female employees	52 hours	339.5 hours
b. Male employees	22 hours	339.5 hours
Average training hours provided to employees		
a. Female employees	8 hour/employee	4 hour/employee
b. Male employees	8 hour/employee	4 hour/employee



### **Labor -Management Relations**

Euro-Med recognizes that creating a peaceful workplace can be obtained through effective communication and transparency with the employees.

The Company upholds the employees' freedom of association and recognizes the right to collective bargaining. To this end, the Company participates in labor-management cooperation activities to settle compensation, hours of work and other labor-related issues and to complement the mandates of the Labor Code of the Philippines.

The Human Resources (HR) Department, headed by the HR Chief has the general responsibility for the lawful implementation of this policy. Euro-Med commits to the maintenance of peace and cooperation between labor and management, ensuring that both parties are represented in the labor-management discussions.

	<b>2025</b>	<b>2024</b>
% of employees covered with Collective Bargaining Agreements	595%	43%
Number of consultations conducted with employees concerning employee-related policies	1	0



## Occupational Health and Safety

The Company has in place a 'Health, Safety and Wealth Policy' wherein it recognizes that workplace health and safety procedures are necessary for the well-being of both employers and employees. This starts with the proper education of the employees as to the potential hazards to which they may be exposed in the course of their employment with the Company.

The Company, through the safety compliance officers, monitors and ensures compliance with the health and safety standards within the workplace. Standard operating procedures (SOP) on hazardous activities are also in place to minimize risks and exposures of the Company's employees.

Under the 'Policy on Injuries While on Duty', the Company enumerates the procedures in administering first aid treatment and transferring of the injured employee to the nearest hospital.

The Company has health benefits through insurance, where medical expenses are paid for. The Company shoulders all the medical expenses needed for work-related injuries, and provides leave with pay through the Employees' Compensation Commission (ECC).

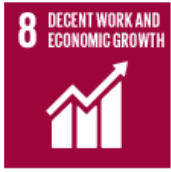
	2025	2024
Safe Man-Hours	125,760 man hours	347,160 man hours
No. of work-related injuries	55	97
No. of work-related fatalities	0	0
No. of work-related ill-health	0	0
No. of safety drills*	2	2



## Diversity and Equal Opportunity

Diversity in workplace fosters creativity, perspective and ideas which enables an organization to meet its objectives, achieve sustainable business results and success. For this reason, Euro-Med encourages and supports a culture of equality and diversity where employees and management can realize their potential and share their opinions and viewpoint regardless of their age, colour, nationality, ethnic origin, disability, sexual orientation, gender identity, marital or civil partnership status, religion, belief, social or economic class.<sup>vi</sup>

	2025	2024
% in the workforce:		
a. Female workers	60%	60%
b. Male Workers	40%	40%
No. of employees from indigenous communities or vulnerable sector	12	12



## Supply Chain Management

Euro-Med recognizes the role of its suppliers and business partners in the production and delivery of its products. Supplier diversity creates more economic opportunity among local and emerging businesses.

Thus, it is Euro-Med's policy that the procurement of materials, supplies, services and equipment shall be competitive and transparent. Under our procurement policy, the following procedures must be followed before procurement is approved:

1. Requisition slip must be obtained and signed by the procurement head;
2. All procurement within the levels set by the management shall undergo bidding process. This means that quotation requests are obtained from atleast three vendors/suppliers;
3. The supplier that offers the best products for the lowest price shall be issued a purchase order or contract.
4. All purchase orders and contracts must be approved by the procurement head and must be signed and approved by the executive Vice President.

In dealing with suppliers and contractors, the Company's core principle is to handle all affairs in a manner that is honest, fair and in good faith. Dishonest and fraudulent activities such as embezzlement, misappropriation, falsification and bribery are highly regulated through the establishment of grievance machinery designed to require the stakeholders to report to the BOD, or immediate superior any suspected dishonest and fraudulent acts. The Company also established a program to protect whistle blowers to encourage reporting of illicit acts.

To bolster its policies in preventing fraud, the Company strictly implements its 'Conflict of Interest policy'<sup>vii</sup>. Under this policy, employees and officers are encouraged to divulge conflict of interests or potential cases of conflict of interest to the Human Resources (HR) Office. The HR Office shall take appropriate actions on the information. The director, officer or employee involved in such conflict shall not be allowed to influence the investigation and the execution of the subject transaction.

Employees who are found to have participated or have knowledge of fraudulent acts after the conduct of investigation will be subjected to disciplinary action, including termination from employment.

## Customer Management



### Customer Satisfaction

Euro-Med is the leading manufacturer of parenterals in the Philippines with about 80% market share in the country (based on company data). The Company has a customer base composed of more than 8,000 institutions nationwide. Among the Company's customers are hospitals, clinics, drugstores, medical distributors and traders as well as corporate/industrial accounts.

Considering its huge impact in the Philippine fluids market, Euro-Med acknowledges the importance of keeping the customers satisfied. Through our years of experience in manufacturing pharmaceutical products, we have determined that our high-quality products, wide range of product lines, competitive price, availability, efficient delivery and dedicated sales team are among the significant factors to our success.

The Company believes that proper medical education is the key to make our products stand out from the rest. For this reason, we participate in trade shows, trade fairs and medical conventions and educate physicians and medical personnel about the effectiveness and value of our products. In these events, we also gather information on customer's experiences and feedback and use these to further improve our products and services.

Efficient and timely distribution of the products is also one of the most important factors in overall customer satisfaction. Over the years, we have established our own nationwide distribution network providing prompt and efficient delivery service to customers. We maintain fourteen (14) depots strategically located in key cities all over the country. There are currently six (6) depots in Luzon including the Central Warehouse in Cavite, four (4) in Visayas and four (4) in Mindanao. For nationwide distribution, we hire local trucking for deliveries by land and shipping companies for inter-island distribution.

To satisfy the customers' needs for new formulations and product lines, Euro-Med is continuously developing additional pharmaceutical products for ophthalmic, inhalation, irrigation and other health care purposes. In 2025 and 2024, we allotted Php 4.7 million and Php 1.8 million, respectively for research and development of new pharmaceutical products.

### Health and Safety



Parenteral products are solutions which are administered by injection through the skin or mucous membrane into internal body compartments. Given their unique purpose and characteristics, the preparation of these products is considered as a highly specialized area in pharmaceutical manufacturing. Hence, the safety of these products is of utmost priority to the Company.

Euro-Med's parenteral solutions in plastic containers are all in parenteral-grade low-density polyethylene (LDPE) containers. These plastic containers are unbreakable and lightweight. The packaging of the IV fluids is designed in such a way that air introduction will no longer be necessary to dispense the products. This type of packaging prevents contamination of the solution.

Euro-Med was the first in the Philippines to utilize the modern European blow-fill seal technology of septically producing sterile and pyrogen-free parenteral solutions in plastic containers. In a single process, this special machine forms the plastic container, fills it with the desired solution and seals it thereby reducing the risk of contamination.

Euro-Med also manufactures parenteral solutions in glass packaging. The glass container enables the solution to be seen at its clearest, facilitating inspection of content. Graduations can be read quite easily because of its rigidity.

All the Company's products are approved by the Philippine Food and Drug Administration (FDA) prior to their release in the market. For export products, the Company likewise secures license from similar foreign counterparts.



### **Marketing and Labelling**

The Company recognizes that good manufacturing practices, specifically proper product labelling, is an essential element of quality assurance.

The Company strictly complies with the labelling requirements of the FDA on drug products. Specifically, the product labels of Euro-Meds products are designed to remain in place throughout their lifespan. The product names, active ingredients, purpose, warnings, directions and other informational contents are clearly indicated on the label and comply with the format requirements of the FDA.



### **Data Security**

As part of our social responsibility, Euro-Med is committed to ensure that stakeholders' information remains private and the Company's data protection policy is compliant with the Data Privacy Act of 2012.

We strictly implement our data privacy policy<sup>viii</sup> in all our transactions with customers and stakeholders. Under our policy, the data obtained from customers and stakeholders shall be used and processed only for the specific purpose for which they were obtained and in a legal and fair manner. The Company prohibits the use of the data without the prior written consent of the owner of such data. Employees are prohibited to use and disclose to unauthorized persons, customer data for personal, private or commercial purposes.

To ensure our effective implementation of this policy, the BOD appoints a Data Protection Officer (DPO) who is responsible in assessing the overall compliance with the Data Privacy Act.

## UN Sustainable Development Goals

---



Euro-Med believes that its strongest contribution to our society lies within SGD3 – Good Health and Well Being. As one of the leading manufacturers of intravenous fluids in the Philippines, Euro-Med recognizes its responsibility in providing better access to medicine and healthcare. For this reason, we aspire to conduct our business with SGD3 as our motivation and purpose.

Our main products, large and small volume parenterals, are usually given to hospital patients shortly after they have been admitted to provide them the necessary fluids and caloric or electrolyte requirements. Our Peritoneal and Haemodialysis solutions such as *Solucid* and *Solucarb* are used for dialysis patients being treated of renal failure – a disease which still stands among the leading causes of death in the Philippines. Our specialty fluids used for surgical and non-surgical procedures, irrigation solutions, injections and other concentrates are developed to aid in the immediate treatment of patients in the hospitals.

Given the impact of our products to Filipino patients, we strive to place our expertise, knowledge and efforts to improve our existing products and develop new ones. We constantly expand our marketing and distribution network in the country so we could provide better access to medicine and healthcare not only to major hospitals in cities but to those hospital and clinics located in remote areas as well. Our affordable products help maintain our competitive advantage and thus, help keep the prices low. We work hard to ensure safe and stable supply of our products to the market to contribute to the good health and well-being of people.

At Euro-Med, we focus not only on our financial and business goals, but most importantly; we thrive to become an institution that cares for the Filipino people, especially the sick. Our constant focus on providing better access to medicine and healthcare is what drives our operations every day.

While our biggest impact is on SGD 3, we also recognize our indirect impact to other SGDs. By creating a positive impact on people's health, we improve their productivity because of lower absenteeism. We believe that a better health for all produces higher labor input and reduces poverty, which in turn creates positive contribution to our economic growth. Our business creates decent work to a number of employees which contributes to the achievement of zero hunger goal and promotion of sustainable cities and communities.



## Sources:

i <http://euomedlab.net/neo/wp-content/uploads/2020/09/New-Manual-on-Corporate-Governance-29Sept2020.pdf>

ii <http://euomedlab.net/neo/wp-content/uploads/2018/04/Procurement.pdf>

iii <http://euomedlab.net/neo/wp-content/uploads/2018/04/Vendors-Code-of-Conduct.pdf>

iv <http://euomedlab.net/neo/wp-content/uploads/2018/04/Anti-Corruption.pdf>

v <http://euomedlab.net/neo/wp-content/uploads/2018/04/Compensation.pdf>

vi <http://euomedlab.net/neo/wp-content/uploads/2018/04/Diversity-of-Board.pdf>

vii <http://euomedlab.net/neo/wp-content/uploads/2018/04/Conflict-of-Interest.pdf>

viii <http://euomedlab.net/neo/wp-content/uploads/2018/04/Data-Privacy.pdf>