

sopharma

**CODE OF CONDUCT
OF
„SOPHARMA” AD**

2025

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I. GENERAL PROVISIONS

Art. 1 This Code defines the rules of conduct for the employees of “SOPHARMA” AD and aims to establish the norms of ethical and professional behavior in all aspects of their activities, to prevent the possibility of allowing manifestations of bureaucracy, corruption and other illegal actions, thereby increasing public trust in their professionalism and morality and affirming the authority of the company.

Art. 2 (1) The work of the employees of “Sopharma” AD is in line with the key values of the Company - Care, Teamwork, Responsibility, Continuous Improvement and Integrity. They guide actions, relationships and decision-making, encouraging teamwork, personal and professional responsibility, as well as the pursuit of development and compliance with the highest ethical standards. The values are the basis of the culture of “Sopharma” and serve as a moral compass that guides us forward and unites our efforts in one direction. The employees of “SOPHARMA” AD perform their official duties competently, objectively and in good faith, in strict compliance with the requirements set by the Company and the legislation of the Republic of Bulgaria, and with their overall behavior contribute to increasing the trust of the company's shareholders and the interest of potential new investors.

(2) In view of the public status of “SOPHARMA” AD, all employees of the company, depending on the functions they perform, comply with the established rules of corporate governance by strictly observing the internal acts of the company, performing their official duties accurately and professionally and striving to improve the efficiency of their work in the interest of the shareholders and the company.

(3) The employees of “SOPHARMA” AD follow behavior that does not harm the prestige of the company, not only in the performance of their official duties, but also in their public and private life.

II. PROFESSIONAL BEHAVIOUR OF THE EMPLOYEES OF “SOPHARMA” AD

Art. 3 (1) Employees of “SOPHARMA” AD shall perform their official duties professionally and responsibly, not allowing their personal interests or external factors to influence the quality of the performance of the assigned work.

(2) They shall arrive to work on time, in a condition that allows them to perform their official duties and responsibilities, not consuming alcohol or other intoxicating substances during working hours and using this time only to perform the assigned work with the required quality and within the specified deadlines.

Art. 4 (1) They shall follow the established hierarchy of internal organizational relations in the company by strictly observing the internal acts, the orders of their immediate supervisor and the management of the company and not preventing other workers and employees from performing their duties.

(2) Employees are not obliged to execute unlawful orders issued in accordance with the established procedure, when they contain obvious violations of the law for them.

(3) Discuss the problems they encounter in the process of work with their immediate superiors or with the management body of the company.

Art. 5 (1) They are not allowed to be placed in financial dependence or in any other commitment by external persons or organizations, as well as to request and accept gifts, services, money or other benefits that may affect the performance of their official duties.

(2) The employees of “SOPHARMA” AD may not accept gifts or benefits that could be perceived as a reward for performing work that is part of their official duties.

Art. 6 (1) When performing their official duties, the employees of “SOPHARMA” AD shall protect the technical devices and materials entrusted to them with due care and shall not allow their use for personal purposes. In case of loss or damage to entrusted property, the employees are obliged to promptly inform their immediate superior.

(2) Employees shall not disclose confidential information and shall protect the good name of the company, and all information, including that containing personal data within the meaning of the General Data Protection Regulation (Regulation (EU) 2016/679) and the Personal Data Protection Act, to which they have access in their capacity as employees of the company shall be used only for the performance of their official duties in compliance with the rules, technical and organizational measures for the protection of data and information.

Art. 7 The Investor Relations Director of the company shall perform his duties with the care of a good trader in a manner that he reasonably believes is in the interest of all shareholders of the company, using only information that he reasonably believes to be reliable and complete, and demonstrating loyalty to the company within the meaning of the Law on Public Offering of Securities.

III. PERSONAL BEHAVIOUR

Art. 8 (1) When performing their official duties, as well as in their social relations outside the workplace, the employees of “SOPHARMA” AD adhere to behavior that does not harm the dignity of the person and the authority of the company.

(2) The employees observe decency and a businesslike appearance in clothing, corresponding to their official position.

Art. 9 The employees may not participate in events that are incompatible with the generally recognized principles of ethical behavior and could harm their professional authority or the prestige of the company.

Art. 10 Depending on the positions they hold, the employees may not exercise activities specified in the legislation as incompatible with their duties and responsibilities as employees of the company, as well as receive income from such activities.

IV. RELATIONS BETWEEN THE EMPLOYEES

Art. 11 (1) In their relations with their colleagues, the employees of “SOPHARMA” AD shall show mutual respect and correctness and shall not allow any behavior that violates the dignity and rights of the individual, nor any manifestations of discrimination.

(2) The management of “SOPHARMA” AD shall strive to build a positive and collegial atmosphere of trust between employees, integrity and respect for the individual.

(3) It is the duty of every employee to be polite to his/her colleagues, to communicate in a polite and friendly tone, to assist in the performance of assigned tasks and to create constructive cooperation within the team of employees to achieve the common goals of “SOPHARMA” AD.

(4) The employees of SOPHARMA AD shall respect the opinion of their colleagues and shall respect their right to privacy.

(5) "SOPHARMA" AD shall not allow any exchange of threats and insults between employees, regardless of whether they are on a professional or personal basis. In the event of such behavior of an employee, the company's management shall take the measures provided for by law, including seeking disciplinary liability.

(6) It is the duty of every employee to avoid confrontational behavior or actions that threaten the health and safety of other employees or are contrary to the rules and policies applied by "SOPHARMA" AD.

(7) All employees of "SOPHARMA" AD shall comply with their hierarchical subordination within the established internal structure, and shall not allow abuse of their official position, expressed in exerting pressure or harassment in any form against subordinate employees.

Art. 12 When professional or official conflicts between colleagues cannot be resolved by themselves, they shall seek assistance from their immediate supervisor or report it to the Ethics Committee.

V. PUBLIC STATUS

Art. 13 (1) In accordance with the public status of the Company, when performing their official duties, the employees of "SOPHARMA" AD shall treat each shareholder of the company, as well as each person who has shown interest in the company, with courtesy and respect, and within the framework of their official function, shall explain their rights in detail or direct them to the relevant competent employee.

(2) The employees of "SOPHARMA" AD shall treat with due respect and responsibility the Financial Supervision Commission, the regulated securities market on which the company's shares are traded, the Central Depository, financial analysts, economic and other media and all participants in the capital market in the Republic of Bulgaria, providing the necessary assistance within the framework of their official functions.

(3) The assistance under the preceding paragraph shall be provided in accordance with the requirements of the applicable regulations.

Art. 14 When communicating with the financial media and analysts, responsible employees are not allowed to show personal biases and preferences, providing all information about the company while observing the requirements for equal treatment of all interested parties and in accordance with applicable legislation.

VI. CONFLICT OF INTEREST

Art. 15 (1) A conflict of interest is present when the personal interests of employees, their close relatives or persons with whom they have close personal or business relations differ from the interests of the company.

(2) Employees of "SOPHARMA" AD shall strive to avoid any situations giving rise to a conflict of interest, and when such situations arise, they shall make the necessary efforts to terminate them by notifying their immediate supervisor.

(3) When assigned an official task, the performance of which may lead to a conflict between their official duties and their personal interests, employees shall promptly notify their immediate supervisor.

Art. 16 (1) Employees of “SOPHARMA” AD may not use their official position to pursue their personal interests or those of their family.

(2) Employees shall not participate in any transactions that are incompatible with their position, functions and obligations.

(3) Employees are not allowed to give advantages to third parties for personal gain.

(4) Employees who have left the company must not misuse information that has become known to them in connection with the position they held or the functions they performed.

VII. PREVENTION OF FRAUD AND CORRUPTION

Art. 17 (1) Participation or involvement of employees in fraud or corrupt acts is prohibited.

(2) An employee who, while performing his/her official duties, receives information about a committed fraud or corrupt act or suspects the actions of a colleague or business partner, shall immediately inform his/her immediate supervisor or the Ethics Committee in accordance with the due procedure.

Art. 18 Employees shall not offer or provide advantages or provide gifts with the aim of influencing the decisions of state institutions, partners or other institutions or persons and shall not accept gifts or other benefits that could influence their decisions related to the performance of their official duties.

VIII. STRUCTURES FOR CONTROLLING COMPLIANCE WITH THE CODE OF ETHICS

Art. 19 (1) The following structures are responsible for compliance with the provisions of this Code of Ethics:

(5) **Ethics Commission** – monitors and evaluates the implementation of the code, reviews reports of violations and provides recommendations for improvement. Every employee, client, supplier or partner has the right to submit a report to the Ethics Commission. The Commission reviews the received reports and issues a reasoned opinion no later than one month after their receipt.

(6) **Heads of departments and directorates** – responsible for promoting ethical principles in their teams and ensuring compliance with them in daily work.

(7) **Human Resources Directorate** – provides training aimed at implementing the code and supports employees in understanding and implementing ethical norms.

IX. INSIDER INFORMATION AND CONFIDENTIALITY

Art. 20 (1) Inside information is any specific information that has not been publicly disclosed, relating directly or indirectly to “SOPHARMA” AD or to one or more financial instruments issued by the company,

if its public disclosure could have a significant impact on the price of these financial instruments or related derivative financial instruments.

(2) Insiders are all persons who work for the company under an employment or civil contract and have permanent or occasional access to inside information relating directly or indirectly to the company.

(3) In order to prevent the possibility of abuse of inside information for the company and manipulation of the financial instruments market, all insiders are obliged to comply with the provisions of the Law on the Implementation of Measures Against Market Abuse of Financial Instruments regarding the storage and non-dissemination of such information, the prohibitions on manipulation of the financial instruments market and other manipulative actions and transactions, as well as the prohibitions on trading in such information.

Art. 21 (1) Employees are obliged to protect the data and personal information of all persons who have become known to them during or in connection with the performance of their official duties.

(2) Employees are obliged to refrain from distributing and using for personal interest information about “SOPHARMA” AD of a confidential nature.

X. SUSTAINABLE DEVELOPMENT AND CORPORATE RESPONSIBILITY

Art. 22 (1) Employees of “SOPHARMA” AD are obliged to maintain standards of sustainable development, striving to minimize the negative impact on the environment and to contribute to the improvement of social conditions.

(2) The company supports initiatives for environmental protection and principles of the circular economy.

(3) All employees are encouraged to apply principles for the rational use of resources and waste reduction.

XI. PROHIBITION OF CHILD AND FORCED LABOR

Art. 23 (1) “SOPHARMA” AD categorically prohibits and does not allow the use of child labor in all forms of its activities, in accordance with the internationally recognized norms and principles of the International Labor Organization (ILO).

(2) “SOPHARMA” AD categorically prohibits and does not allow any form of forced labor, adhering to the principles enshrined in the Charter of Fundamental Rights of the European Union and the European Convention for the Protection of Human Rights and Fundamental Freedoms.

(3) All partners, suppliers and contractors of the company are obliged to comply with the same principles, which is a condition for business relations with “SOPHARMA” AD.

XII. PROHIBITION OF HARASSMENT AND DISCRIMINATION

Art. 24 (1) According to the internal labor regulations, any direct or indirect discrimination based on gender, race, nationality, ethnicity, human genome, citizenship, origin, religion or belief, education, beliefs, political affiliation, personal or social status, disability, age, sexual orientation, marital status, property

status or any other characteristics established by law or an international treaty to which the Republic of Bulgaria is a party is prohibited.

(2) Direct discrimination is any less unfavourable treatment of a person based on the described characteristics than another person is treated, has been treated or would be treated in comparable similar circumstances.

(3) Indirect discrimination is placing a person with the described characteristics in a less favourable position compared to other persons through an apparently neutral provision, criterion or practice, unless this provision, criterion or practice is objectively justified in view of a legitimate aim and the means of achieving the aim are appropriate and necessary.

XIII. INCLUSIVITY AND CULTURAL DIVERSITY

Art. 25 (1) "SOPHARMA" AD promotes cultural diversity and equality in the workplace by actively creating an environment in which every employee is respected and valued regardless of their background, beliefs or identity. These principles are followed in all areas of employment, including recruitment, hiring, training, compensation, benefits, promotions and transfers.

(2) The company ensures that all employees have equal opportunities for development and professional advancement.

(3) Team activities that include different cultural perspectives and help strengthen tolerance and mutual respect are encouraged.

(4) Cultural and professional diversity of the workforce contributes to increasing the effectiveness of the company in achieving its goals. It also promotes employee motivation, expands access to new market segments and increases productivity.

XIV. ETHICAL USE OF TECHNOLOGIES AND DATA PROTECTION

Art. 26 (1) Employees of "SOPHARMA" AD are obliged to use the technologies provided by the company in a responsible and ethical manner, complying with all internal policies and legal requirements.

(2) All data and information processed or stored using the company's technologies must be used only for official purposes and in accordance with the principles and rules for the protection of personal data.

(3) The use of technologies for unethical or illegal activities is prohibited, including the dissemination of confidential information or access to unauthorized systems.

(4) Misuse of data and personal information about employees that became known to the employer in the course of work is not allowed.

XV. DIGITAL ETHICS

Art. 27 (1) Employees of "SOPHARMA" AD are required to apply high standards of digital ethics, adhering to the principles of honesty, transparency and responsibility in the digital environment.

(2) All employees must take precautions to protect against cyber threats, adhering to internal information security policies.

(3) The use of social networks or other digital platforms for actions that may harm the reputation of the company, or its employees is prohibited.

XVI. EXECUTION

Art. 28 In case of failure to comply with the norms of conduct in this code, employees shall bear disciplinary liability in accordance with the Labor Code.

Art. 29 Upon initial assumption of office, the immediate supervisor is obliged to familiarize the employee with the provisions of this code.

Art. 30 This Code of Ethics was adopted at a meeting of the Board of Directors of “Sopharma” AD held on March 25, 2025.