



**ARKA**  
protecting life

**Sustainability  
behind  
Protecting  
Life**



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# Letter From Our Chairman

We live in an era where the global community faces environmental and social challenges, and we recognize the imperative to lead by example, in fostering a sustainable future and a healthy planet for the next generations.

As such, It is with great pride and a deep sense of responsibility that we present ARKA's inaugural Sustainability Report, with 2023 as base year.

As a leading innovator in glove manufacturing, ARKA's commitment to Environmental, Social, and Governance (ESG) principles is a core value guiding our business. Our purpose of 'Protecting Life' underpins all that we do, and it includes our people, our community and our planet.

Our employees' health, safety and wellbeing are fundamental to our success, and fostering an inclusive and diverse workplace, where everyone can be prosperous, reflects our culture.

Our ESG strategic roadmap is designed to align with global sustainability frameworks, such as the Paris Agreement and the United Nations Sustainable Development Goals (SDGs). By integrating these principles across our business, we aim to meaningfully contribute to global efforts in addressing climate change, promoting human rights, and ensuring economic prosperity for all.

At the core of the medical devices market, where we operate, product innovation is sustainable, only if it brings a positive impact on the health professionals and the patients who daily need it.

Our mission, 'Protecting Life', means to create value having Humanity as priority.

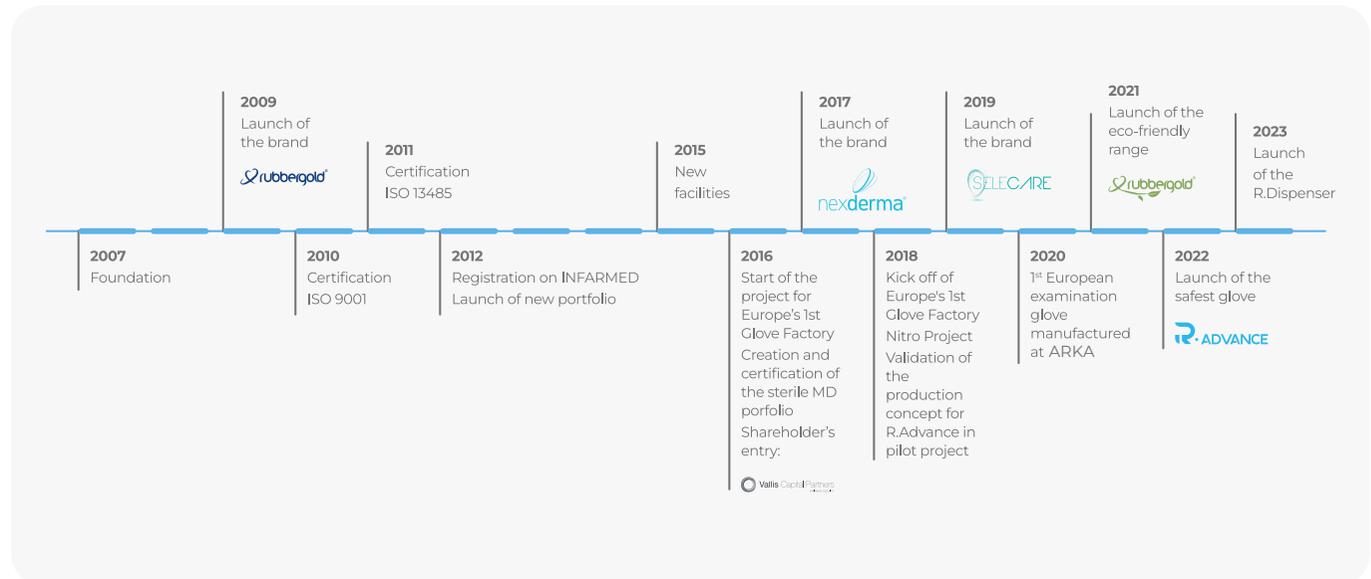


**Eduardo Rocha**

Chairman - ARKA, EUROPE, S.A.

# ARKA | Driving the mission of Protecting Life

Arka is a leading European Company in the development, design and manufacturing of medical and non-medical devices, owning the first ever production unit for nitrile examination gloves in Europe.



Arka's mission is to Protect Life and the Future and do it by acting in responsible and sustainable way. We aspire to achieve this mission by innovating and developing the protective products that exceeds the industry quality standards, produced responsibly in the most sustainable way without compromising safety of our clients and pushing the frontiers of manufacturing excellence.

We pursue the European production strategy to produce protective equipment in a sustainable way in the highly regulated European market.

Driven by this purpose, we designed and build a unique European manufacturing unit able to produce the highest quality glove, respecting

the strictest quality standards. Launched in 2020, certified under ISO 9001 and ISO 13485 and currently undergoing ISO 14001 audit, our manufacturing process is fully automated from formulation to packaging with advanced production concept (technologically patented) that is designed to prioritize the quality of our product.

We are committed to ambitious targets of carbon emissions reductions, responsible way of manufacturing, pioneering R&D and promoting constant innovation to adapt and mitigate climate change risks, build ethical relationship with our employees and suppliers and bring long-term benefits to all stakeholders.



Along with the innovative R.Advance product, Arka has a portfolio of medical devices and personal protective equipment, which it sells under the registered brands Rubbergold®, Nexderma® and Selecare, which have a high degree of notoriety and recognition in the domestic and international market.

In the continuous research and development of new solutions to incorporate in its global portfolio, ARKA ensures that the products meet the highest demands and the latest medical standards in patient and healthcare professional protection, contributing to the enhancing of the medical practices, its reliability, value for money and safety.

|            |   |
|------------|---|
| <b>16</b>  | <b>Years of History</b>                 |
| <b>4</b>   | <b>Brands</b>                           |
| <b>97</b>  | <b>Products</b>                         |
| <b>99</b>  | <b>Employees</b>                        |
| <b>579</b> | <b>Customers</b>                        |
| <b>23</b>  | <b>Export Countries</b>                 |
| <b>2</b>   | <b>Patents, propeity of Arka</b>        |
| <b>2</b>   | <b>Patents, with exploration rights</b> |
| <b>4</b>   | <b>Third-party audits</b>               |
|            | <b>ISO 13485</b>                        |
|            | <b>ISO 9001</b>                         |



## Values

ARKA was built to protect. PROTECTION of life, of the future, of those who care and are cared is the deep purpose guiding our every actions and options.

Within ARKA, we cultivate a culture of INTEGRITY, founded on Truth and Ethics. We nurture this way of being with transparency in our relationships, honoring all our internal and external stakeholders, and in compliance with the good practices and all codes and regulations.

ARKA is a place of HUMANITY, as we embrace pluralism, fundamental individual rights, respect for differences and strive to support with kindness the self-expression, dreams and consciousness of all that are inside and around us.

Outside ARKA we foster the value of ONENESS through creating interconnected value. Our continuous pursuit of innovation is driven to positively impact collectively, cultivating shared value relationships with Customers, Suppliers, Authorities, Regulators, Healthcare Professionals and Patients, reaching goals through a common economic, social and environmental elevation.



# Our ESG Approach and Strategy

Arka (“The Company”) is pleased to present our first annual Sustainability report which summarizes our sustainability performance and climate change mitigation initiatives during the calendar year of 2023.

The report also explains targets and objectives both short and long-term with respect to important Environmental, Social and Governance indicators.

We base our Environment, Social and Governance strategy on the following pillars:

## Time to act in the Environment

- Impact in the Climate change
- Water resources
- Circular Economy & Innovation
- Waste and Packaging



## Empowering People and Communities

- Health, Safety and Wellbeing
- Employee Engagement
- Diversity, Equity and Inclusion
- Community Impact



## Corporate Governance

- Business Ethics and Governance
- Board Diversity
- Corruption and Bribery
- Responsible partnerships
- Stakeholder Engagement



# The Sustainable Development Goals

The Sustainable Development Goals (SDGs) established by the United Nations aim to end poverty, protect the planet, and ensure that all people enjoy peace and prosperity by 2030. These goals also address climate change and the protection of our oceans and forests.

We recognize our Company's responsibilities and the role we must play in responding to this global call. To that end, ARKA works alongside society and its stakeholders to achieve a positive impact on the SDGs. As part of our Sustainable strategy, ARKA has evaluated its impact on the SDGs and identified the goals where we can make a meaningful contribution.



# Time to act in the Environment

Aware of the impact of our activities on the environment while providing the maximum protection, we have embarked on a climate neutrality plan to address emissions from our operations. Simultaneously, we focus on optimizing water use, reducing waste, and investing in innovative projects promoting the circular economy.

## Sustainable Development Goals (SDG's) Contributions



# Impact in the Climate Change

The world is witnessing rapid climate change, which is already impacting the balance of ecosystems and the way we live our lives. However, we still have time to act, and the time is now, both individually and collectively. As a business dedicated to the mission of Protecting Life, we have the responsibility to mitigate the risks our activities pose to both people and the planet. Aware of the finite nature of the planet's resources and the environmental imbalance we currently experience, we assume responsibility and take an active role in reducing greenhouse gases (GHG) from our activities.

The year 2023 marks the beginning of the measurement of greenhouse gas emissions from ARKA's activities, carried out using the methodology of The Greenhouse Gas Protocol - Corporate Standard.

The emissions inventory covered the accounting and reporting of greenhouse gases, namely carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), and hydrofluorocarbons (HFCs). These were converted into equivalent carbon dioxide using the respective global warming potential (GWP), which indicates the contribution of each GHG to global warming and allows comparisons of their impacts. The Carbon Footprint is presented in carbon dioxide equivalents (CO<sub>2</sub>e).

Driven by the desire to develop and implement a carbon reduction plan, we began measuring scope 1 and scope 2 GHG emissions across our entire operation. Additionally, we have started measuring scope 3 GHG emissions from several applicable categories. In 2024, we will continue to measure all applicable scope 3 categories.

**A Carbon Reduction Plan designed to mitigate emissions across our value chain, while encouraging our partners to follow the same path**

## Direct Scope 1

- Company's vehicles and facilities fuels
- Fluorinated gases

## Indirect Scope 2

- Purchased electricity

## Indirect Scope 3

- Purchased goods and services
- Fuel and energy-related activities
- Upstream transport
- Waste generated in operations
- Business travel
- Employee Commuting

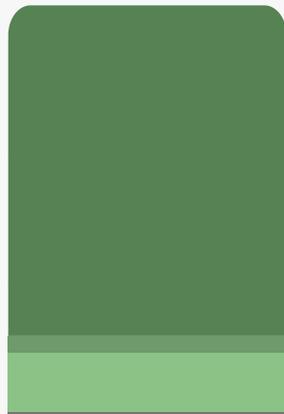
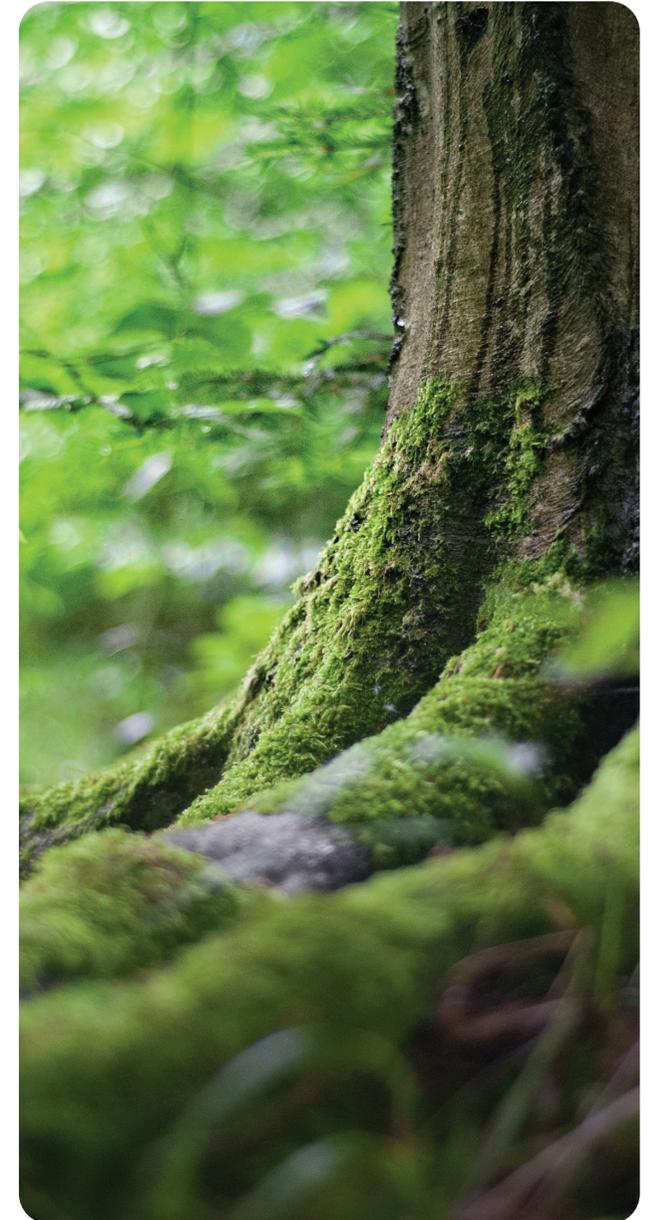
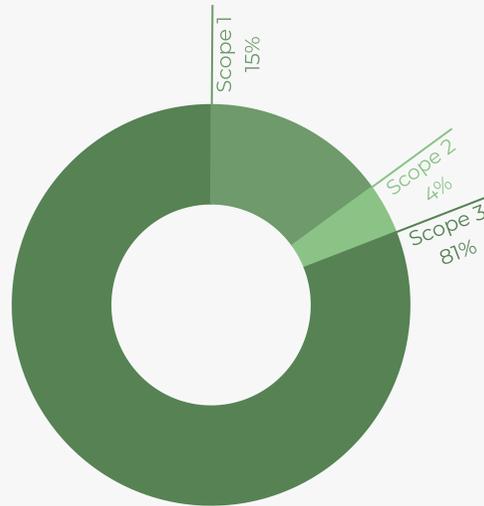
CH<sub>4</sub>CO<sub>2</sub>N<sub>2</sub>OSF<sub>6</sub>

HFCs

PFCs

The project of measuring the carbon emissions under the international Greenhouse Gas (GHG) Protocol have shown that the global total emissions of the whole activity of Arka is 15 988,91 t CO<sub>2</sub> e, with the scope 1 representing 15%, the scope 2 representing 4% and the scope 3 representing 81% of the total emissions.

### Global GHG by Scope



Emissions of GHG (tCO<sub>2</sub>e)

#### Scope 1

**2350,40**

from sources we own or control such as on-site combustion (coal, natural gas, fuel for company's vehicle fleet).

#### Scope 2

**656,27**

from the generation of purchased energy like electricity and heating/cooling network

#### Scope 3

**12982,25**

in our value chain, both upstream and downstream, such as sourcing and use of sold products.

# Decarbonization Commitment

In the path to Net Zero commitment, the development of more sustainable products (within global lifecycle), the optimization of the production process and the optimized use of resources, as well as the partnerships with our stakeholders play a pivotal role for the success of the achievement of our goals.

People will be at the heart of our climate actions, inside and outside the organization.

Our journey to Net Zero is progressive and includes intermediate goals to reduce the

carbon footprint. We are committed to reducing the absolute scope 1 and 2 GHG emissions by 50% by 2030, taking 2023 as base year; to achieve the carbon neutrality of the scope 1 and 2 GHG emissions by 2040 (2023 as base year), while addressing the acting on the key levers for scope 3 continuing reduction: transition to more sustainable formulations and recycled alternatives to the raw-materials of our products; enhancing logistics performance by use of lower-emission transport options; reduce the waste; encouraging suppliers to commit to carbon reduction plans; increase the circularity of the packaging and use the innovation at the service of the circular economy projects.

The reduction of the GHG emissions of our direct manufacturing operations – scope 1 and 2, will mostly result from our efforts to continuously increasing amounts of renewable energy in own manufacturing facilities, combined with overall reduction energy consumption.

The sustainability is being incorporated into investment assessments and new product conception as an important step for the development of responsible projects that aims to create value for the next generations.

**Reduction of 30% of CO<sub>2</sub> emissions per manufactured glove by 2030 (scope 1 and 2)**



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## Certifications as synergic tools to reinforce our activity

The implementation of ISO 14001 by 2024 and ISO 50001 by 2025 is part of the empowering path to achieve the decarbonization.

The Energy Management System - ISO 50001; together with the ongoing practices of improvement of energy performance, will contribute towards the achievement of overall decarbonization goals of the production plant. The implementation of the ISO 14001 by 2024 standard reinforces our commitment with a sustainable management and mitigation of our activity in the planet.

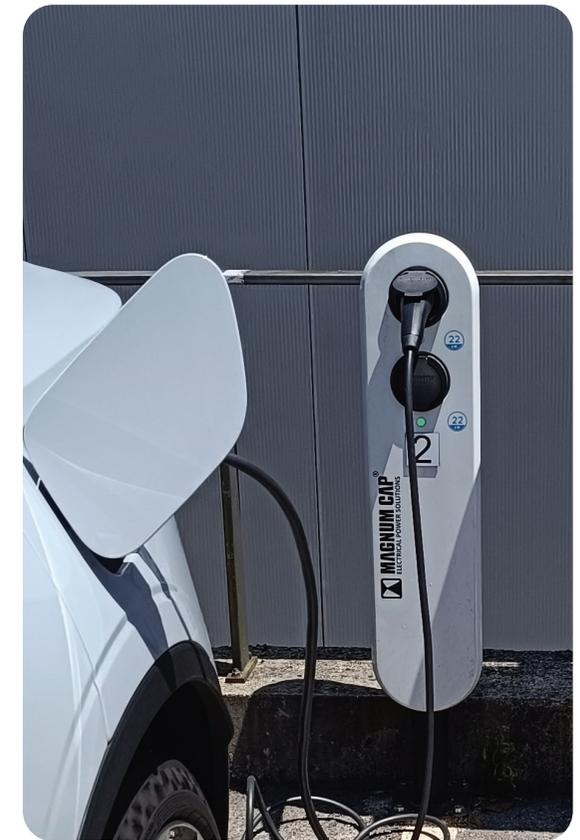
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## Driving carbon emissions reduction

As part of the carbon emissions reduction plan, Arka invest in new vehicles hybrid or fully electric, and encourages the employees to do the same by making available the electric chargers at all company's parking . The proportion of e-mobility is gradually increasing across Arka.

Certification ISO 14001 by 2024

Certification ISO 50001 by 2025



# Water resources

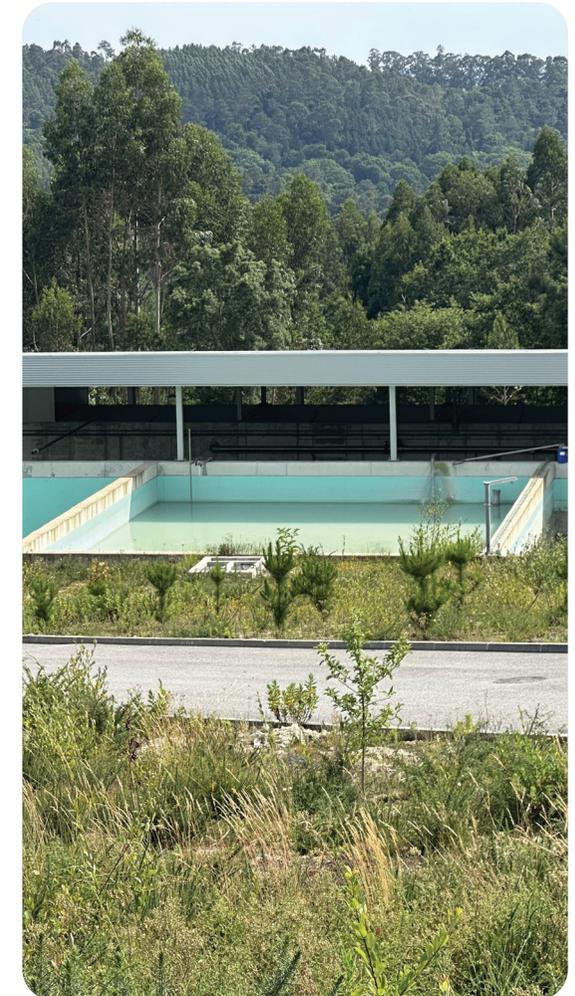
Water is an essential resource for supporting the natural environment, communities and the whole economy. Water also supports Arka's business, by being vital in the gloves manufacturing process. To ensure regulatory compliance and help protect this precious resource, we closely monitor all water volumes entering and exiting our sites. All effluents are treated in the Pre-Treatment Station of Residual Water and its values are monitored before going to the collector and confirmed by the authorities; as the water management is not only a quantitative issue but also a qualitative one, reason why we closely monitor the quality of the water we return to the collector.

**Reduction of 50% of water per manufactured glove by 2030 baseline measurement**

During 2023, we have used 56 million liters of water in the glove automated manufacturing facility, and our efforts passes through the implementation of continuous improvement initiatives at all sites to reduce, reuse and recycle water. Due to that, we are studying the implementation of reverse osmosis to re-use 30% of the treated water again in the glove's production process, respecting and protecting the natural resource, by reducing the water withdrawals.

We will continue to track and drive improvements in water consumption as a key component of our overall water strategy.

**Incorporate 30% of total treated water, again in production process by 2030**



# Circular Economy & Innovation

## Sustainability as driver of the Innovation

High standards of safety and quality are non-negotiable at Arka. The quality and protection of professionals, patients, and the community are integral to our business and embedded in our purpose and values. Our approach to product safety and quality begins with the design and conception, continues through the packaging and transportation, and extends to how professionals use the product to achieve their best performance. This process is driven by international standards, a robust quality management system, scientific evidence, and our ambition to exceed applicable requirements.

By focusing on the healthcare professionals, the patient and healthcare-associated infections, we pioneered the packaging of non-sterile examination gloves to minimize the waste. Combining sustainability with the medical

guidelines of the World Health Organization\*, we developed a patented flowpack that allows you to remove the product from the packaging, glove by glove, picking it up only by the wrist. In addition to eliminating waste associated with removing unnecessary gloves, that are usually thrown away without being used, we contribute to compliance of the good medical practices by professionals, with regard to minimizing cross-contamination.



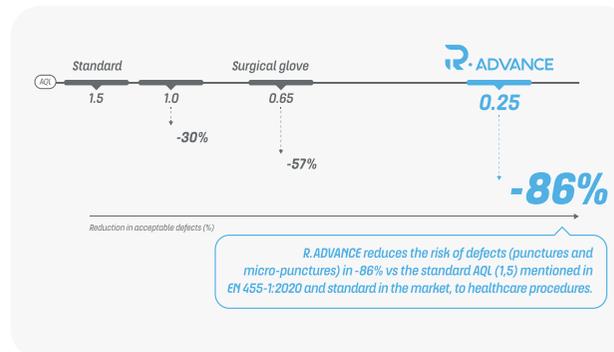
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**Safety, Protection and High-Quality Products are the heart of our daily operations**

**We create the new advanced glove with the enhanced protection characteristics**

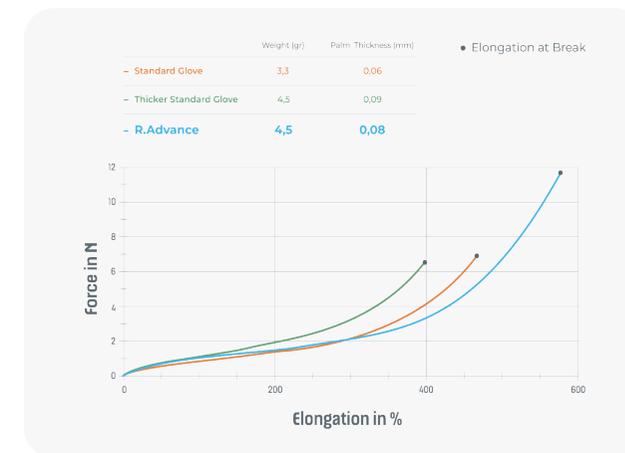
**Cuff orientation and extraction one by one, as per WHO guidelines.**

The manufacture of safer, higher quality and longer lasting products are key pillars of sustainability in the process of developing new products. As a result of implementing these assumptions in the design and development process of “Made in Europe” gloves, we launched AQL 0.25 gloves - the lowest AQL existing in examination gloves, representing an 86% reduction in the risk of holes in the gloves compared to the AQL 1.5 standard. We reached this milestone by eliminating gloves detected as non-conforming in the production line, preventing these gloves, which are unviable for use, from going to market. By eliminating non-compliant gloves from the supply chain, we eliminate emissions associated with their transportation and, most importantly, we eliminate placing on the market the gloves that will never be used and will result in the waste treated by our healthcare clients (Hospitals and clinics) as a hazardous waste subject to incineration. Instead, we have an opportunity to treat this waste at the factory level as a normal production recyclable waste.



A crucial way to raise the sustainability profile of Arka’s products is increasing the durability of the products. Having this input into account in the design of the formulation of the gloves manufactured in our automated production line in Europe, we have achieved a level of elasticity and durability in R.Advance gloves that surpass all nitrile gloves on the market in the same weight category. In this way, we exponentially increase the durability of the use of a pair of gloves by healthcare professionals, contributing to the elimination of changing gloves in the same procedure due to their breakage.

Raw materials constitute key drivers of environmental impact, as such, we remain committed to developing formulations that meet the maximum pillars of product performance, while also contributing to the reduction of resulting emissions and their impact on the environment.



## Circular Economy

ARKA's Circular Economy Project embodies the commitment to transform used and/or non-conform gloves into shoe soles, thereby closing the loop on waste and creating new value from recycled materials. By turning non-conform or used gloves (non-hazardous waste only) into soles and exploring new possibilities for recycled glove materials, we are not only reducing waste but also creating a positive environmental and social impact.

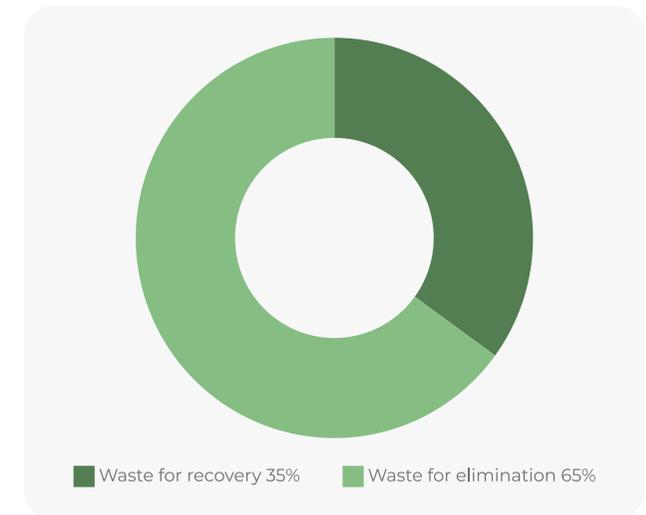
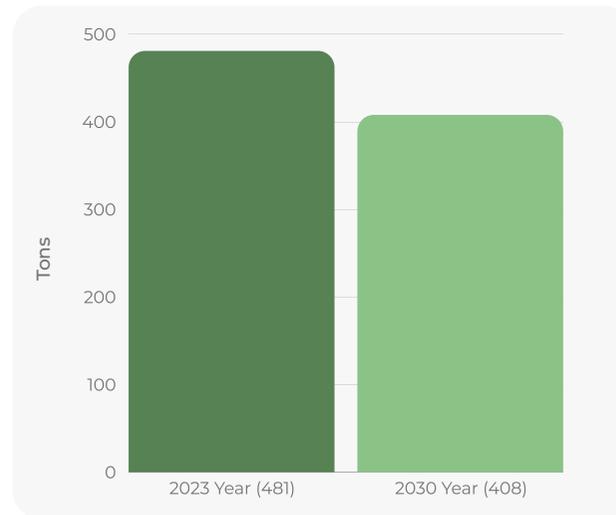
The circularity of the product is a vital step towards our long-term vision of a residual-waste future. As we continue to innovate and expand this initiative, we aim to incorporate more types of materials and explore additional applications for recycled gloves. Our goal is to create a comprehensive circular economy framework that sets a new standard in the glove market.



# Waste and Packaging

In 2023, we produced a total of 481 tons of waste. All waste generated, encompassing both hazardous and non-hazardous materials, is dispatched for offsite treatment through certified third-party entities. 25% of the total generated waste was for recovery, while 65% was for elimination.

Committed to waste footprint reduction, we aim to reduce the total amount of waste generated by 15% by 2030, by implementing initiatives that aim to prevent unnecessary waste generation, as well as proactive actions to optimize the use of resources with a consequent reduction in waste generated.



**Reduction of 15% of generated waste by 2030**



Packaging functions as crucial component of our product. It protects the gloves, ensures their stability, quality, performance and safety. It also provides important information, such as the instructions for use and safety information. The amount of packaging waste inappropriately managed at end-of-life is a serious global problem which we need to assume responsibility. For reducing waste, searching new packaging green materials and increasing recyclability and circularity is crucial. Reducing the amount of packaging as long as it is possible, finding suitable alternatives to the packaging materials and re-design the conception of it, is of utmost importance in Arka.

We committed to ensure that 100% of our packaging material is reusable, recyclable or compostable by 2030, from both businesses' units. Aiming for the sustainability of natural resources, we will implement FSC certification

as a base requirement for all paper and cardboard packaging, achieving 100% of this target by 2030.

We optimize the secondary packaging of the product portfolio in order to maximize the volume of a Europallet, reducing emissions per unit of shipped product. This optimization materializes through the standardization of two optimized card dimensions that cover 62% of Arka's entire portfolio and products.

In the design and conception process of a product, the packaging system is a crucial step, not only as an integral part of the safe availability of the product, but also as an integral part of a life cycle assessment that allows the mitigation of the impact in the environment. R.Advance gloves are packaged in a patented flowpack made from recycled and recyclable materials that allow the circularity and recyclability of the packaging: 1 flowpack results in another flowpack.



**Reduction of plastic packaging in portfolio Rubbergold and Nexderma**

**By 2030 all of packaging material will be designed to be fully reusable, recyclable or compostable.**

**100% of paper and cardboard packaging with FSC certification by 2030**

# Empowering People and Communities

Our people and communities are in the heart of our business. The sustainability starts with people for people. At Arka we have a strong commitment to developing the full potential of all employees, supporting their safety and wellbeing. We focus on engagement, diversity and inclusion within our teams. We also recognize that we need to look beyond our Company at a wider community to create a sustained positive impact.

## Sustainable Development Goals (SDG's) Contributions

|   |  |  |  |  |
|---|--|--|--|--|
| <p>3 GOOD HEALTH AND WELL-BEING</p>  | <p>4 QUALITY EDUCATION</p>  | <p>5 GENDER EQUALITY</p>  | <p>8 DECENT WORK AND ECONOMIC GROWTH</p>  | <p>10 REDUCED INEQUALITIES</p>  |
|---|--|--|--|--|



# Employee Engagement

At Arka, we believe that the health and happiness of our workforce are crucial to our path to success. The high level of engagement among our employees reflects our investment in making them central to our core business operations.

Our commitment to employee well-being and satisfaction is evident in every aspect of our operations. By fostering a supportive and inclusive work environment, we not only enhance job satisfaction but also drive higher levels of productivity and innovation. This holistic approach ensures that our employees are motivated and aligned with the company's purpose, which is key to achieving our long-term goals.

In the annual employee satisfaction survey, the categories 'I like social and recreational initiatives aimed at employees and their families'; 'I recognize the contribution I can make to achieving ARKA's objectives' and

'My manager monitors my work and provides me with the necessary support' are some of the highest scoring, reinforcing the investment of the company on stimulant workplace and a family-feeling at work by the employees.

Our scores in 'Results and successes are shared throughout the Company' and 'Internal communication is open, relevant, accurate and timely' indicate opportunity to growth. The managers are working with the teams in ways to remove barriers to the communication through all levels.

## **77% Participation of the employees in the employee satisfaction survey**

We believe that training is a strategic tool to our growth and for talent retention. Serving this purpose, Arka promote the continuous training activities to reinforce the capabilities of the its people, encouraging the individual skills evolution.

The Arka Academy was created to increase the share of knowledge inside the organization. The exchange of knowledge intra- and inter-departments reinforce the mutual commitment with the company's path and reinforce the knowledge retention in the company.

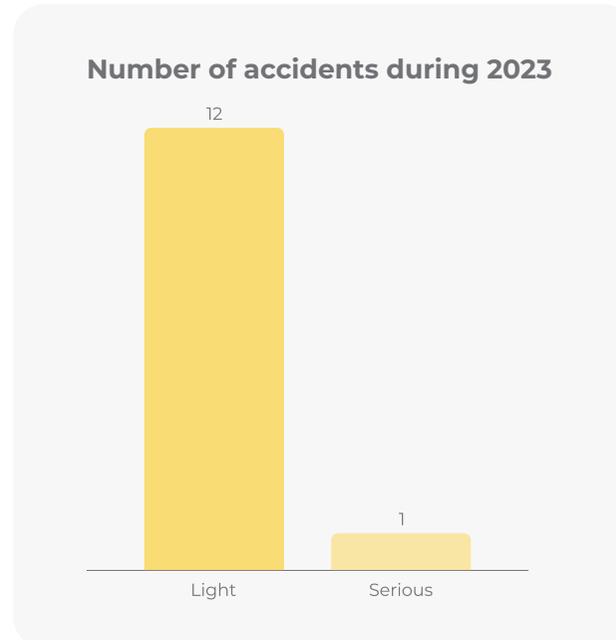


# Health, Safety and Wellbeing

We are committed to providing healthy and safe working conditions for our employees. Our Health and Safety Technical Team are active agents in promoting the health and safety conditions of the strictest European labour practices.

We are committed to eliminating serious accidents.

Prevention plays a key role when it comes to the occupational health and safety of our workers. The participation of employees in the process of continuous improvement of working conditions, combined with frequent training are fundamental to achieving zero incidents.



During 2023 the activities in this area included the development of internal audits, safety risks assessments, employee health and safety training, routine medical assessments, disease spread prevention training among other initiatives.

As a way of engaging and recognizing the contribution of employees in the process of accident risk mitigation, the Top Safety and Health Report Award 2023 competition was created.

Additionally, as part of the strategy of health and safety, Arka will carry out the certification ISO 45001 during 2024, reinforcing its commitment with the highest safety standards.

**13,1 incidents per  
100 employees (2023)**



Achieving a good work-life balance is also a crucial component, playing a significant role in enhancing employee motivation and retention.

In response to the growing need for flexibility and a harmonious balance between work and personal life, we have introduced the Happy Balance program. This initiative offers employees the option to work flexible hours and under remote work part of the time.

By prioritizing the health and well-being of our workforce, we not only foster a more productive work environment but also significantly reduce absenteeism. The Happy Balance programme is designed to support our employees in managing their professional responsibilities while enjoying a fulfilling personal life. This approach underscores our commitment to creating a supportive and sustainable work culture that benefits both our employees and the organization as a whole.

To contribute to a healthier workforce, Arka also provides a private Health insurance to its employees.

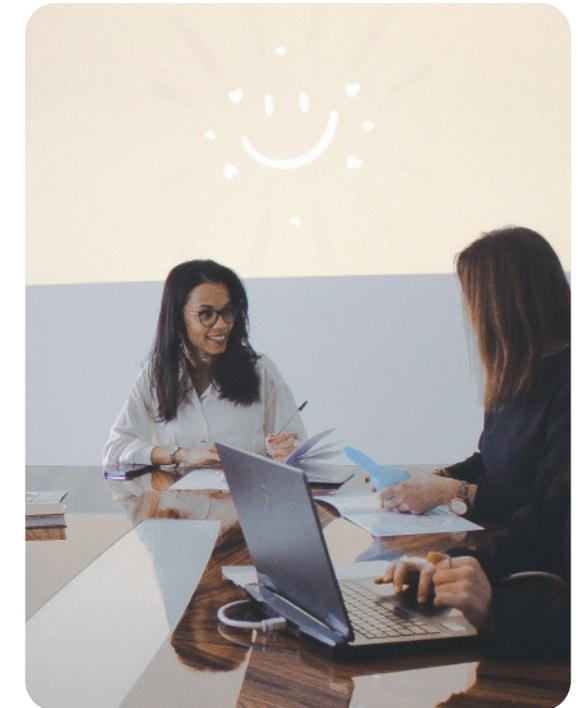
Arka also has partnered with the Portuguese League Against Cancer (LPCC) to promote the 'Pink October' and 'Blue November' campaigns, focusing on the prevention of breast cancer and prostate cancer, respectively.

On one hand, we actively support the LPCC's initiatives; on the other hand, we enhance awareness among Arka employees about the significance of prevention and regular screening for early detection. Our efforts have not only raised awareness but also generated a monetary donation for the LPCC, thanks to the solidarity and generosity of Arka employees.

Arka has been recognized for its unwavering commitment, dedication, and collaboration in this noble cause. Through these efforts, we aim to contribute meaningfully to the fight against cancer and inspire others to join us in this vital mission.

**78% Employees have health insurance given by the company**

## Happy Balance Program



# Diversity, Equity and Inclusion (DEI)

Acting at the service of the People, Arka promotes a culture that respects diversity, pursues equity and enable inclusion. At Arka, being active agents for good is synonymous of helping the people to be themselves and achieve their full potential. Our ability to attract, develop and retain a diverse range of skilled people is critical to being competitive and fostering growth.

Led by the Human Resources Team, the assurance that the diversity, the equity and the inclusion are pillars that guide the culture of Arka, we materialized them in the Corporate Conduct Code, as well as the guidelines, policies (Inclusion and diversity policy) and tools that manage the people rights inside Arka.

The Career Progression Program – of the knowledge of all Organization; aims to guarantee that

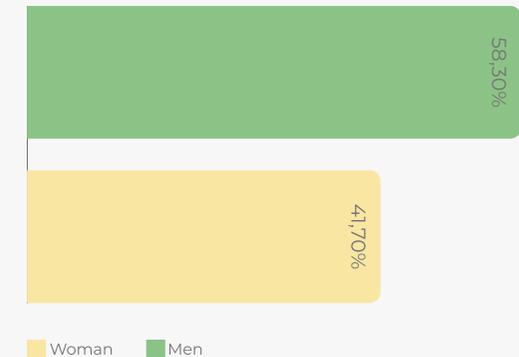
all employees – including the underrepresented ones; have equal access to the same opportunities and progression, due to clear goals, rules and evaluation assessment.

**Workplace where all are respected for who they are regardless of gender or other characteristics or backgrounds.**

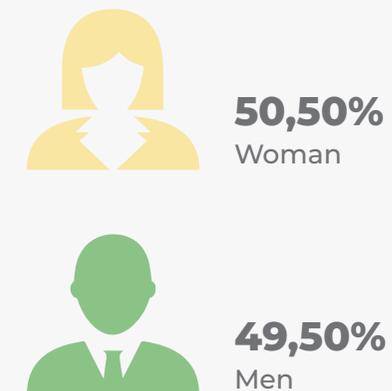
## Gender balance

We are building a gender-balanced workforce at all levels, including management. Currently the company is, in an increasing way, achieving a representative balance of gender in the global team; by the different layers of age, as well as in senior management which represent 41,70%, reflection of company's culture and commitment to representativity.

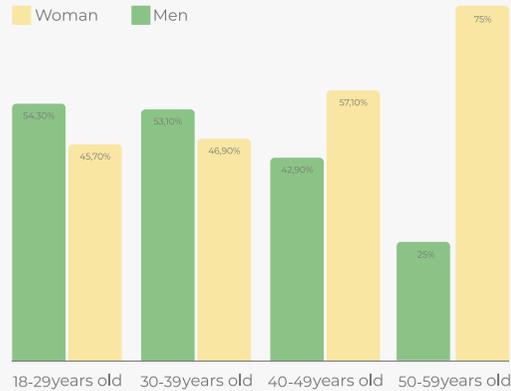
### Senior Management



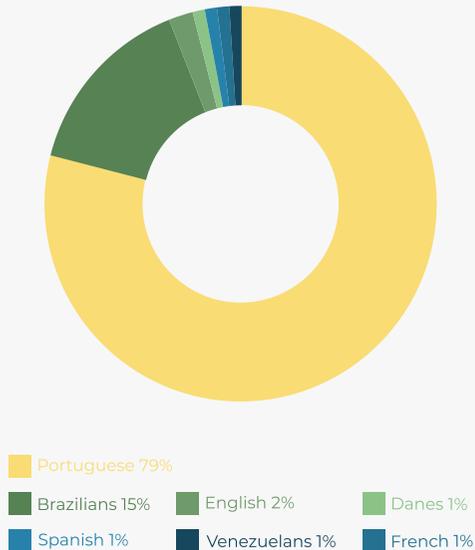
### Team by Gender



### Team by Age and Gender



### Team by Nationality



## People with disabilities

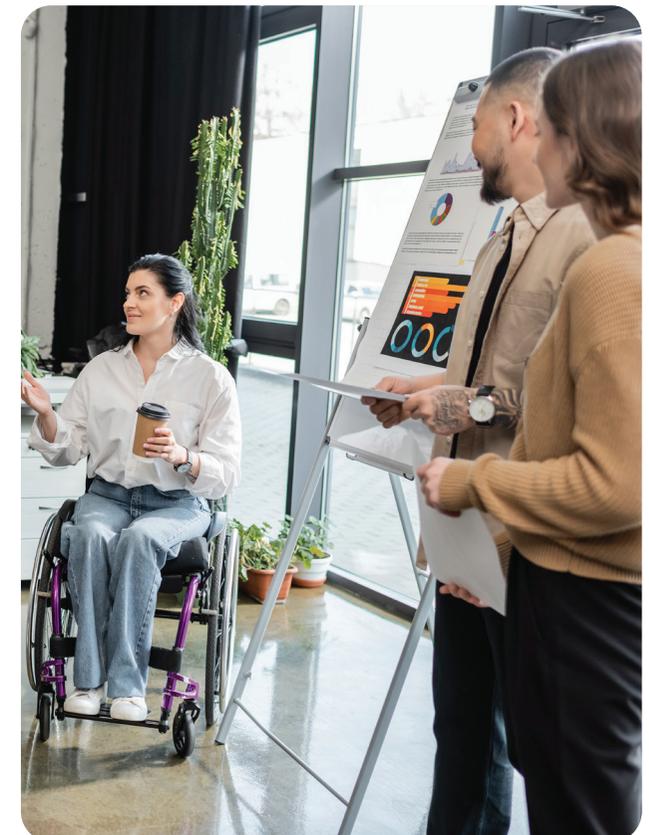
We aim to support the needs of all people with disabilities, whether their disability is visible or not. We want to ensure our facilities, workspaces and communications are inclusive and accessible; to reach the target of 5% of employees with disabilities by 2030.

We aim to demystify the reach of people with disabilities in the job market, by promoting programs that aim to integrate them into the Organization's value chain, analyzing and developing their skills in activities that will best value their natural abilities.

**5% of employees with disabilities by 2030**

## LGBTQI+ community

At Arka we promote an inclusive workplace where everyone has an equal voice and feel safe to contribute with their best potential in the mutual mission of Protecting Life!



## Community Impact

Donation of 5000 pairs of gloves to Casa do Kastelo: pediatric and palliative care unit.



We joined the PAS project at Colégio Nossa Senhora do Rosário in Porto and the Associação Dar as Mãos in Vila Nova de Famalicão, donating a total of 1,216 pairs of socks for homeless people.



Through social responsibility initiatives, we have the power to positively impact the community.



# Corporate Governance

Our culture guides our people to behave under an ethical and right conduct. In a mutual commitment we encourage our suppliers to act and operate under a responsible and equally ethical way.

Sustainable Development Goals (SDG's) Contributions

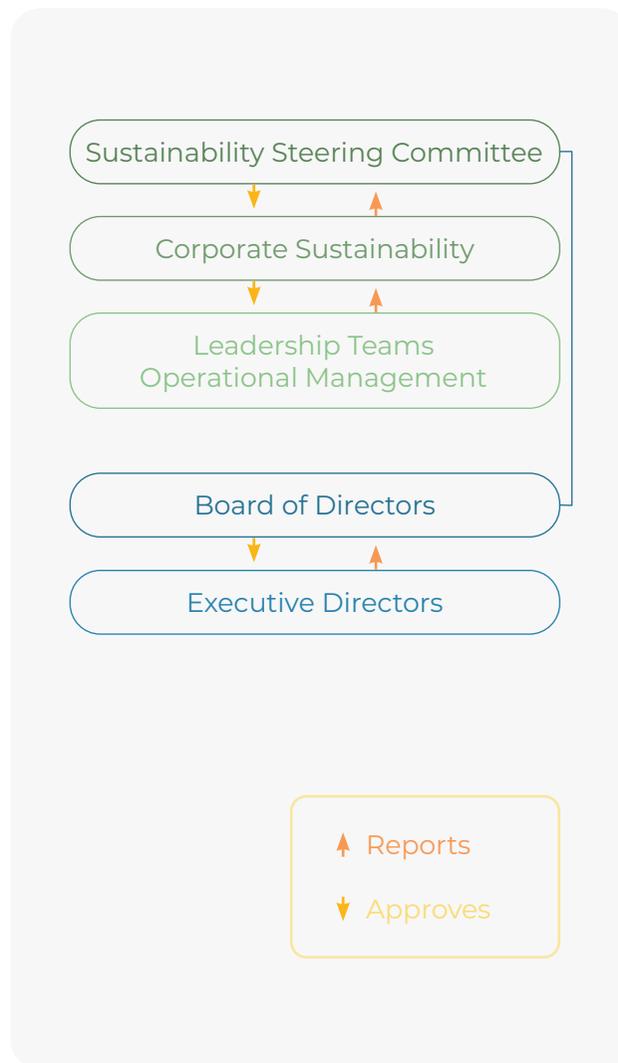
|   |   |   |   |
|---|---|---|---|
| <p><b>5</b> GENDER EQUALITY</p>  | <p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>  | <p><b>10</b> REDUCED INEQUALITIES</p>  | <p><b>17</b> PARTNERSHIPS FOR THE GOALS</p>  |
|---|---|---|---|



# Business Ethics and Governance

## Sustainability Management

Sustainability is at the core of our business. The creation of the Steering Committee aims to integrate sustainability into the genesis of Arka’s strategic plan, consolidating our mission and commitment to sustainability towards all our stakeholders. The Steering Committee works in close cooperation with the Corporate Sustainability Team, which is composed by representatives from all divisions and functions of the Organization, disseminating all outlined projects and its execution. This new structure aims to accelerate and involve all organization to achieve the ESG goals.



The company has a robust system of policies, procedures, codes and processes that foster proper decision-making, accountability, compliance, controls, and appropriate behavior across all aspects of its operations.

### Governing Documents

- Sustainability Policy
- Quality Policy
- Code of Ethics and Corporate Conduct
- Employee and Customer Privacy Policy
- Anti-bribery, anti-corruption and money laundering policy
- Supplier Code of Conduct

We are conducting a training plan for the entire organization in matters of reinforcing knowledge of the code of ethics and corporate conduct, the anti-bribery, anti-corruption and money laundering policy, as well as the privacy policy for employees and customers.

## Board Diversity

We are on progress of empowering women in board, for that, we set a clear ambition to have, at least, 33% of women in board, with 2023 starting on 16,70%. Our commitment with gender balance goes beyond the board, by also having women representation in all levels of leadership.

### Board by Gender

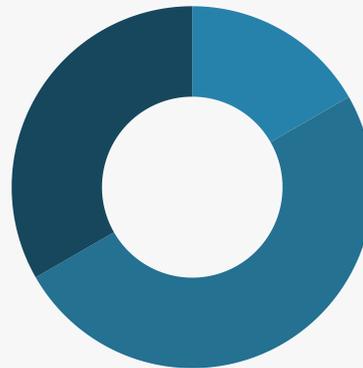


**16,70%**  
Woman



**83,30%**  
Men

### Board by Age



■ 30-39 years old ■ 40-49 years old ■ 50-59 years old

## Corruption and Bribery

Our anti-corruption and anti-bribery policy establish a set of principles, values, and rules of conduct, transversal to all our activities, regarding professional ethics. Its main focus is to provide guidance and information to our employees on how to recognize and deal with issues of bribery and corruption. We are conducting a training plan for the entire organization in matters of reinforcing knowledge and support people to pursue the correct and ethical behaviour and create necessary internal controls at Arka.

Arka has implemented the Whistleblower Channel as an integral part of its self-regulation and self-control instruments, which, in light of known and reported facts made in good faith, aims to act and correct actions that violate the Organization's code of ethics and conduct, also working towards preventing future occurrences.

## Responsible partnerships

Arka's suppliers are central synergic stakeholders in the achievement of our ambitions and goals, by them, we put in place mutual agreements and equivalent codes of conduct that focus not only the sustainable manufacturing of raw-materials and products as well as the fulfilling of the international statements on the protection of human rights and elimination of Modern Slavery.

**Supplier sustainability commitment in 80% of critical suppliers, which represent 80% of the volume of product, raw material and transport services acquisition by 2025; and reach 100% of critical suppliers by 2030.**

**Audit to the compliance with the code of ethics and conduct of Arka's critical suppliers at 100% of non-EU suppliers until 2025.**

### Supplier

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Supplier Code of Conduct

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Modern slavery absence and human rights commitment

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Audits and Product Inspections

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ISO certifications

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Quality agreement

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Carbon reduction plan commitment

**29 audits and inspections to the suppliers in 2023**

## Stakeholders Engagement

Our strategic sustainability plan places stakeholders at the center of diagnosing needs and expectations. ESG strategies are oriented towards creating value for all our stakeholders, and aim to help and deliver our purpose as well as supporting our sustainable performance and long-term growth.

Employees

Customers

Users of the products

Suppliers

Shareholders

Investors

Industry associations

Academia and science

Community

Government

Competent Authorities and Notified Bodies

Planet

# Appendix

| Commitment  | Unit           | 2023          |
|---|----------------|---------------|
| Climate Neutrality of the scope 1 & 2 by 2040   | %              | Baseline year |
| Reduction of 50% of the scope 1 e 2 by 2030   | %              | Baseline year |
| Gross direct (Scope 1) GHG emissions  | Kg CO2 eq.     | 2 350,4       |
| Gross market-based indirect (Scope 2) GHG emissions   | Kg CO2 eq.     | 656,27        |
| Gross other indirect (Scope 3) GHG emissions  | Kg CO2 eq.     | 12 982,25     |
| Achievement Certification ISO 14001 by 2024   | Y/N            | Baseline year |
| Achievement Certification ISO 50001 by 2025   | Y/N            | Baseline year |
| Energy consumption in production line   | kWh            | 2 886 901,51  |
| Reduction of 15% of total energy consumption by 2030  | %              | Baseline year |
| Incorporate 30% of total treated water, again in production process by 2030                         | %              | Baseline year |
| Total water used in production line   | m <sup>3</sup> | 56 394,60     |
| Total weight of waste generated   | tons           | 481           |
| Reduction of 15% of generated waste by 2030   | %              | Baseline year |
| By 2030 all of packaging material will be designed to be fully reusable, recyclable or compostable. | %              | Baseline year |

| <b>Commitment</b>  | <b>Unit</b> | <b>2023</b>   |
|--|-------------|---------------|
| 100% of paper and cardboard packaging with FSC certification by 2030 | %           | 0%            |
| Achievement Certification ISO 45001 by 2025                          | Y/N         | Baseline year |
| Number of accidents  | Number      | 13            |
| 80% reduction in the number of accidents by 2030                     | %           | Baseline year |
| Total recordable fatalities  | Number      | 0             |
| Employees have health insurance given by the company                 | %           | 78            |
| Participation of the employees in the employee satisfaction survey   | %           | 77            |
| Training hours per employee  | %           | 6,5           |
| Total employees  | FTE         | 99            |
| Women in senior management   | Number      | 5             |
| Total of people in senior management                                 | Number      | 12            |
| Total C-suite  | Number      | 4             |
| Number Women C-suite   | Number      | 1             |
| Gender balance in board leadership                                   | %           | 16,7          |
| % Womens   | %           | 50,5          |
| % Mens   | %           | 49,5          |

| <b>Commitment</b>  | <b>Unit</b> | <b>2023</b>    |
|--|-------------|----------------|
| Flexible working policy  | Yes/No      | Yes            |
| Promotion of increasing Team capacity through training initiatives   | Y/N         | 6,5 h/employee |
| Arka promotes diversity in terms of gender, age, race, nationality and sexuality   | Number      | 41,70%         |
| 5% of employees with disabilities by 2030  | %           | 0              |
| Annual de turnover   | %           | 45,71          |
| Absenteeism  | %           | 8,88           |
| Supplier sustainability commitment in 80% of critical suppliers, which represent 80% of the volume of product, raw material and transport services acquisition by 2025; and reach 100% of critical suppliers by 2030 | %           | Baseline year  |
| Supplier sustainability commitment in 100% of critical suppliers by 2030   | %           | Baseline year  |
| Audit to the compliance with the code of ethics and conduct of Arka ´s critical suppliers at 100% of non-EU suppliers until 2025   | %           | Baseline year  |

# Disclaimer

This report covers all operations of the Company, including commercial and industrial.

From 2023 onwards, the Sustainability Report will be published annually on our website, reflecting the sustainability performance for each calendar year.

This document, which has not been externally audited, except where otherwise indicated, represents our current views and estimates based on available data and information at the time of publication.

Please note that some metrics in this report have been prepared using data and methodologies that are subject to

- certain limitations, including ongoing developments in applicable laws and regulations;
- judgement and estimation assumptions,
- (un)availability of relevant data;
- techniques and standards for measuring and analysing various data points;
- inherent limitations in data collection and measurement methods.

The Company may include in this document some forward-looking statements about our goals, sustainability objectives and aspirations, which are not historical facts or statements of current situations but instead represent the Company's belief about future events, many of which, by their nature, are inherently uncertain and outside ARKA's concern.