



CORPORATE SOCIAL RESPONSIBILITY **2016**

**Grindex**



COMPANY  
AND  
**CORPORATE**  
**SOCIAL**  
**RESPONSIBILITY**  
**PRINCIPLES**



**PATIENT**



**SOCIETY**



**EMPLOYEE**



**QUALITY AND  
ENVIRONMENTAL  
PROTECTION**

# CORPORATE SOCIAL RESPONSIBILITY PRINCIPLES OF "GRINDEKS"

Over the course of 70 years, the traditions built and experience accumulated are continuously furthering a role of corporate social responsibility as the basis of sustainable development of "Grindeks". Today, the operations of "Grindeks" Group reach clients and partners in more than 70 countries worldwide – provided by our five subsidiaries and representative offices in 12 countries, which operate under unified corporate social responsibility principles and business philosophy which are inseparably linked to company's mission, vision and values.

## VISION

We aim to become a significant European company

## MISSION

We are concerned about public health, employee motivation and welfare of our shareholders.  
We are innovation based and environmentally friendly company

## VALUES



### EMPLOYEES

We are the professionals using our knowledge and skills to achieve the determined goals



### QUALITY

We are responsible for the production of safe and effective medications, ecologically clean environment and work place safety



### INNOVATIONS

We are steering development of science and research, as well as implementing the latest technologies



### STABILITY

We are reliable partners, socially responsible and honouring traditions

„Sustainable operations of “Grindeks” are based on corporate social responsibility, which is implemented in four main areas:



PATIENT



SOCIETY



EMPLOYEE

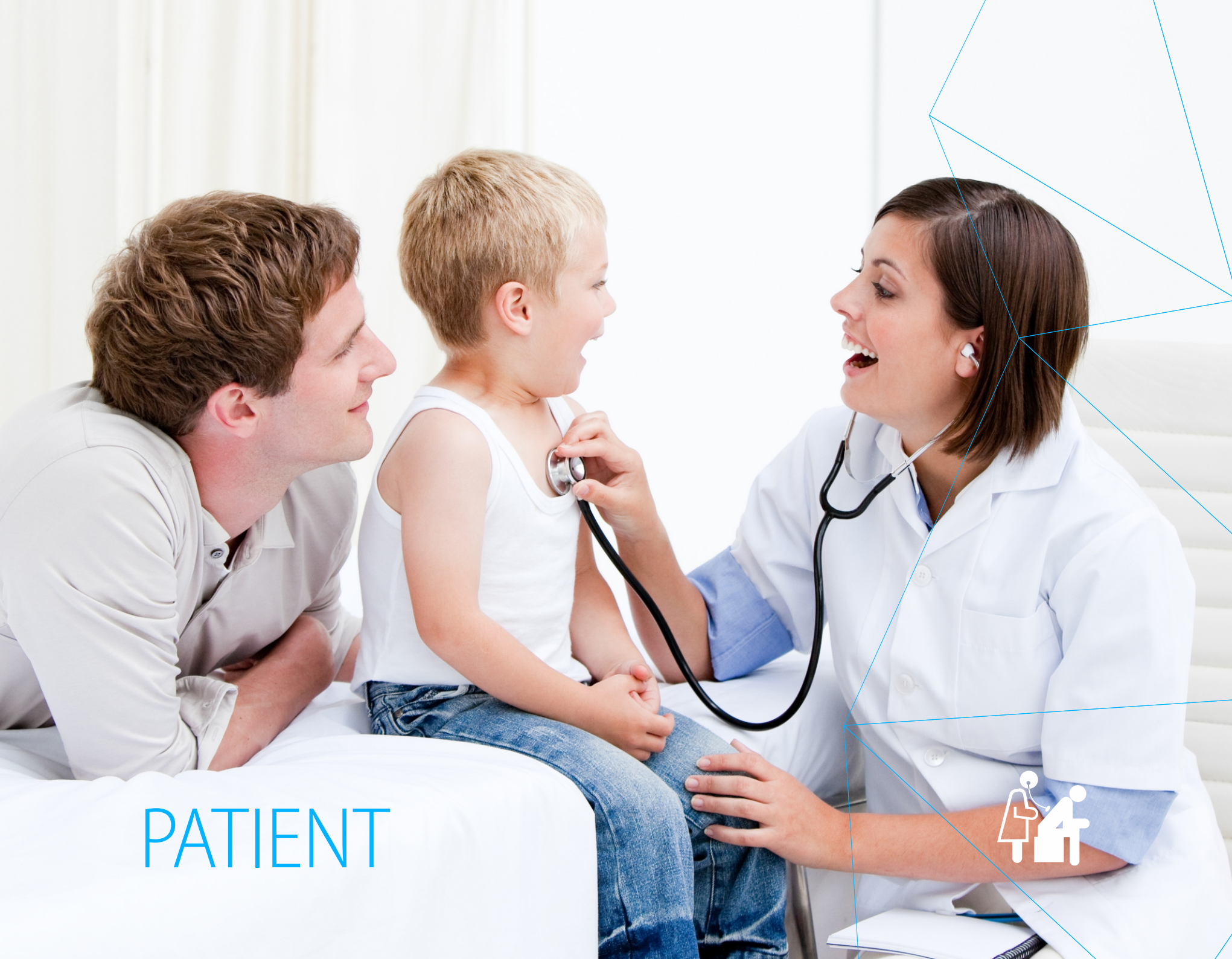


QUALITY AND  
ENVIRONMENTAL  
PROTECTION

A constant importance in carrying out company's corporate social responsibility is given to the dialogue with relevant audiences, represented by patients, health care specialists, students and pupils, teachers and professors, scientists, state institutions, NGOs and other groups of interest.

In 2001, Latvia joined the UN Global Compact movement and “Grindeks” has always been proud to be among the first supporters of the initiative that joined the movement. This involvement goes hand in hand with implementing socially responsible behaviour practice in accordance with the ten principles of UN Global Compact, which define following human rights, labour rights, environmental protection and anti-corruption policies.





PATIENT





With an emphasis on health as an irreplaceable value, socially responsible business practice of “Grindeks” is based on a care for patient safety, public health promotion and education and dialogue with healthcare professionals.

“Grindeks” supports a belief of anyone involved in the healthcare industry – manufacturers of medication, wholesalers, doctors, pharmacies, pharmacists and patients themselves after all – are co-responsible for the result of pharmaceutical care.

By both participating and initiating conferences, seminars, discussions, exhibitions and other events for exchange of views, “Grindeks” is strengthening its dialogue with wide spectrum of healthcare representatives. The company is also a long lasting supporter of “The Annual Award in Medicine” – an award ceremony for most outstanding health care professionals in Latvia.

In marketing communication which also includes product advertising, “Grindeks” respects respective national ethical principles and regulatory requirements by providing objective and truthful information on medication and without exaggerating their properties.

Since 2016, when the principles of EFPIA Code (The European Federation of Pharmaceutical Industries and Associations Code), have been enacted in Latvia and also incorporated in Regulations of Cabinet of Ministers of the Republic of Latvia, “Grindeks” is disclosing data on transfers of value to healthcare organisations, societies, doctors and other representatives of the industry.

“Grindeks” actively participates in the activities of public organizations in health and chemical industries (Latvian Generic Medicines Association (LPMA), Association of the Latvian Chemical and Pharmaceutical Industry (LAKIFA)) and is involved in the development and improvement of legislative acts that are aimed at promotion of access to medicines in the country.

To take care of patients and to prevent potential risks to them, “Grindeks” is constantly improving company’s pharmacovigilance system, organising it in accordance with “Good Pharmacovigilance Practice” standards set by the European Union and respective national laws, where the company’s medications are distributed. As complying with the standards, “Grindeks” provides information on significant adverse drug reactions to responsible institutions. If necessary, any person may report any side effects caused by “Grindeks” medication by filling out a report on the company’s homepage Grindeks.eu, in report section of “Pharmacovigilance”.

In the field of clinical research “Grindeks” strictly follows the Declaration of Helsinki and principles of ethics, legal regulations, local and international guidelines and requirements, including “Good Clinical Practice” and, thus taking full responsibility for the risks that may affect the health of patients and are associated with the quality, safety and efficacy.





SOCIETY



# Grindex

“Grindex” is constantly seeking to be a reliable partner to the society, therefore it supports and involves in projects of public interest for many years.

As creating high added-value products, “Grindex” takes into account that today's results and future perspective are not only directly proportional to the advancement of its own intellectual capacity, but it has to be purposefully favoured at the overall societal level. This reflects in the company's contribution to the education and science – supporting higher and secondary level educational institutions and their staff, promoting excellence in pharmaceutical and chemical industries and the area by itself.



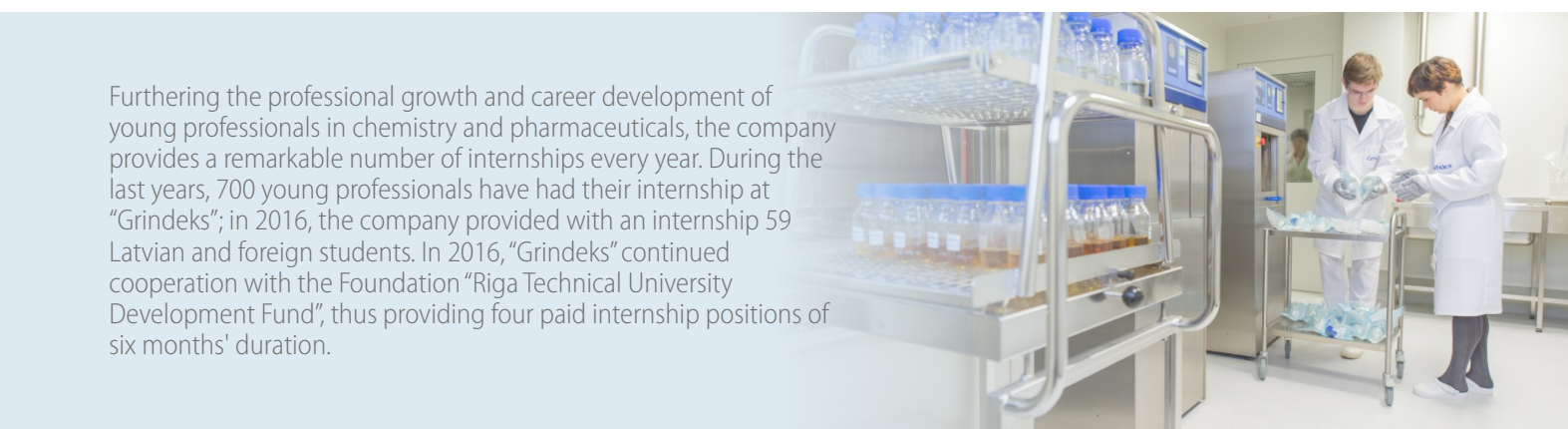


Marking both the 70th anniversary of "Grindeks" and 240th birthday of David Hieronim Grindel – a natural scientist, doctor, chemist and professor of Latvian descent, from whose surname the title "Grindeks" has been derived – the most outstanding Latvian doctors and scientists received awards from "Grindeks" in a ceremonial event held in The Latvian National Opera and Ballet. The highest award, D. H. Grindel medal, was granted to a gastroenterologist and professor at Riga Stradins University Dr. Juris Prokratnieks, while the "Grindeks" award for significant accomplishments in science, the "Golden Owl", was given to an academician Ivars Kalvins, and the awards "Silver Owl" were given to three new and talented scientists – Marina Markrecka-Kuka, Kristers Ozols and Edijs Vavers.





Annually since 2010, "Grindeks" carries out the project "Profession Days for Pupils", which fosters a pupils' interest in chemistry and introduce them with career opportunities in a pharmaceutical field. In 2016, 120 applicants from 36 different areas in Latvia applied for participation in the project. The best 40 applicants were invited to spend one day in the company along with a professional from a chosen area in the research and development, quality control or drug manufacturing field. Since the beginnings of the project, 256 Latvian youngsters have been introduced to the daily routine of "Grindeks" and career options in the company to open up after studying chemistry, pharmacy or other related subjects.



Furthering the professional growth and career development of young professionals in chemistry and pharmaceuticals, the company provides a remarkable number of internships every year. During the last years, 700 young professionals have had their internship at "Grindeks"; in 2016, the company provided with an internship 59 Latvian and foreign students. In 2016, "Grindeks" continued cooperation with the Foundation "Riga Technical University Development Fund", thus providing four paid internship positions of six months' duration.



To bring closer the content of professional and higher education with the labour market requirements, the leading specialists from "Grindeks" give lectures and seminars on pharmacy and related disciplines at different professional and higher education institutions.

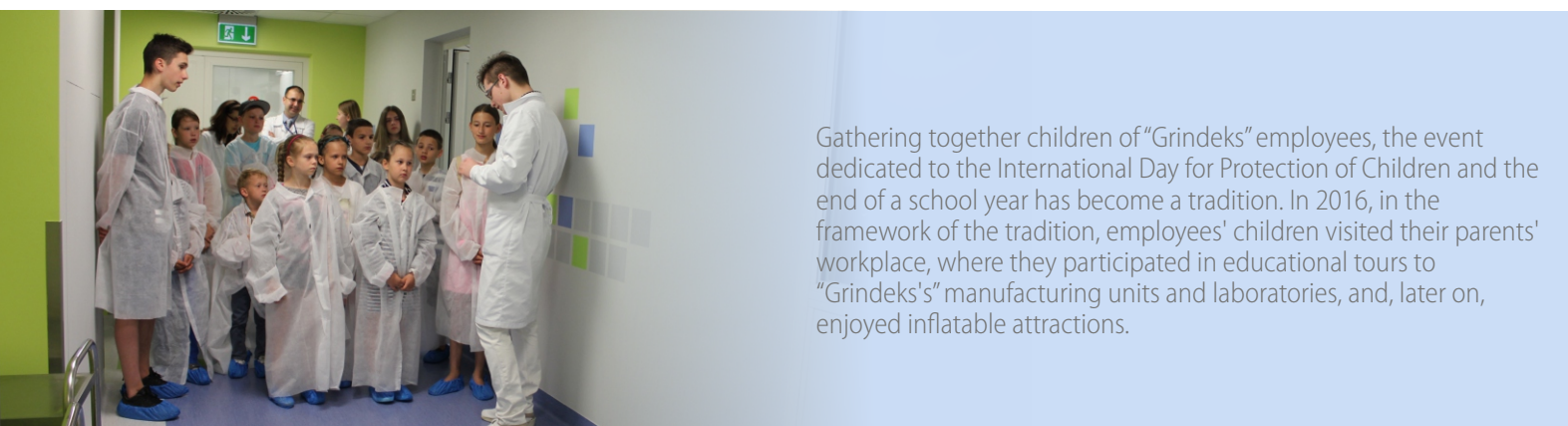




“Grindeks” has a continuous and successful cooperation with the Ministry of Education and Science, financially supporting participation of Latvian young talents of chemistry in the International Chemistry Olympiad. In the Olympiad of 2016, held in the Georgian capital Tbilisi, Latvia was represented by 4 competitors, who won one silver and one bronze medal, as well as one honourable mention.



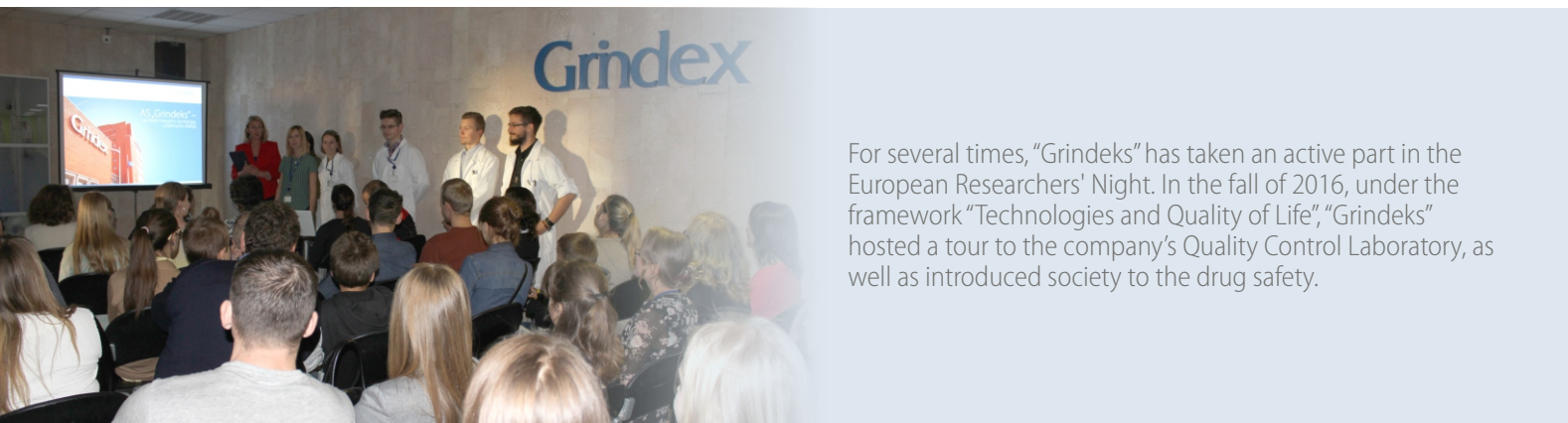
In December, “Grindeks” in cooperation with the Faculty of Materials Science and Applied Chemistry of Riga Technical University rewarded the best three chemistry teachers in Latvia, thus appreciating their contribution to students' education and motivation.



Gathering together children of “Grindeks” employees, the event dedicated to the International Day for Protection of Children and the end of a school year has become a tradition. In 2016, in the framework of the tradition, employees' children visited their parents' workplace, where they participated in educational tours to “Grindeks's” manufacturing units and laboratories, and, later on, enjoyed inflatable attractions.



Every year in August, "Grindeks" in cooperation with the Pharmacy Museum bring visitors of Riga City Festival to an infotainment event. In 2016, attendees of the event "Having eaten. Healthy. Joyful." were advised on healthy eating and enjoyed demonstration of healthy cooking under the guidance of dietician Dr. Andis Bremanis and chef Elmars Tannis.



For several times, "Grindeks" has taken an active part in the European Researchers' Night. In the fall of 2016, under the framework "Technologies and Quality of Life", "Grindeks" hosted a tour to the company's Quality Control Laboratory, as well as introduced society to the drug safety.



Alongside support given to the science and education and an involvement in public interest campaigns, "Grindeks" is pleased being a patron of the Latvian National Opera and Ballet – the pearl of Latvian culture which bears the country's name in the world brilliantly.





EMPLOYEE





Professional and focused employees are one of the four core values of “Grindeks”. From 1281 employees of the “Grindeks” Group, 684 are employed in Latvia, while the others – in company’s representative offices.

In JSC “Grindeks” in Latvia, where most of the Group’s employees work, 59% of them hold a university degree, while the management values the high level of personnel loyalty to the company, reflected in 11.21 years of an average length of service at “Grindeks”. Besides, “Grindeks” is aware of the crucial role that employee welfare plays in the achievement of company’s goals, thus constantly motivating company’s management to raise employees’ professional, personal and career development, as well as to ensure a well organised work environment respective to the principles of occupational health and safety.

One of the employee motivation factors is the social programme of “Grindeks’s” personnel policy – within its framework employees are provided with social guarantees and benefits, employee health and accident insurance, study leaves and paid holidays, subsidized lunch, transportation to work and home, sports centre services, opportunity to sing in the choir and events for employees.

An ever-increasing relevance is given to the education of company’s employees in matters of health and occupational safety. On 29 September, the World Heart Day, for the second time, employees of “Grindeks” were educated on cardiac health and were invited to the company’s Health Office to measure their blood pressure, weigh themselves, calculate a body mass index and receive a consultation on heart disease prevention. In October, aiming to raise public awareness of the importance of health promotion events in workplaces, the State Labour Inspectorate and the Institute for Corporate Sustainability and Responsibility hosted a seminar “An apple, cookie





or chocolate – how to get employees to eat healthier”, where “Grindeks” was invited to share the good practice on implementation of health promotion events. Also, “Grindeks” promotes its product availability among employees, providing an option to buy company’s food supplements in its canteen.

As the fundamental of a healthy lifestyle “Grindeks” has always emphasized the importance of sports. Traditionally, “Grindeks” team performed in 10 km and 6 km distances in Lattelecom Riga Marathon of 2016. Shortly after, “Grindeks” basketball team for the 20th time participated in a basketball tournament organised by the Latvian Pharmacist Association, ranking seventh in the overall competition and proudly standing out as the only team, which has participated in all tournaments. Welcoming the Rio Olympics 2016, in an easy-going atmosphere, “Grindeks” employees gathered together in the “Olympic Day”, where they tried themselves in several informal sports disciplines, while in the autumn, more than 110 company’s employees competed with each other in the annual autumn bowling tournament.

The year 2016 was especially important to the company – “Grindeks” marked its 70th anniversary, which was celebrated in a circle of employees enjoying a festive summer atmosphere at the Flower Gala in the Botanical Garden of University of Latvia. While in October, with respect to anniversary, employees together with clients and cooperation partners of “Grindeks” attended an award ceremony of the highest “Grindeks” recognition – D.H. Grindel award – held in the The Latvian National Opera and Ballet.

Company’s personnel policy is appreciated not only by the employees, but it is found as attractive also by other Latvian inhabitants. In the “Top Employer” survey of 2016, “Grindeks” was recognized as the third most desired employer in the manufacturing sector.







QUALITY AND  
ENVIRONMENTAL  
PROTECTION





The production process at “Grindeks” is based on a series of chemical and biological processes, which requires following maximally possible environmentally-friendly operations and adhering to more than 70 binding environmental regulations and requirements.

Meanwhile, “Grindeks” is constantly improving its operations according to increasing drug manufacturing quality standards, which is annually examined by several local and international inspections and audits. “Grindeks” is certified according to “Good Manufacturing Practice” requirements and ISO standards.

The company continuously develops its Quality, Environment, Energy, Occupational Health and Safety Policy, by implementing new standards and investing funds in equipment, processes and trainings of management and specialists. The basic principles of the policy are:

- All activities are coordinated with the needs and expectations of stakeholders, as well as they are in accordance with legislation acts and other requirements;
- Implementation and continuous supervision of fulfilment of the current Good Practices (GxP) principles.
- Continuous improvements within the framework of the planned resources:
  - of the Quality Management System in accordance with the Standard LVS EN ISO 9001;
  - of the Environmental Management System in accordance with the Standard LVS EN ISO;
  - of the Energy Management System in accordance with the Standard LVS EN ISO 50001;
  - of the Occupational Health and Safety Management System in accordance with the Standard LVS OHSAS 18001;
- Continuous reduction of environmental impact of manufacturing process, products and services;
- Continuous planning of energy purchases, energy consumption, increase of energy effectiveness and decrease of costs of energy recourses.

At “Grindeks”, any project of strategic significance is implemented in accordance with an analysis of environmental aspects.





IN THE SCOPE OF ENVIRONMENT PROTECTION, "GRINDEKS" OBJECTIVES FOR 2015-2017 ARE IN COMPLIANCE WITH THE COMPANY'S LONG-TERM OBJECTIVES TO REDUCE:



ENERGY CONSUMPTION



WATER CONSUMPTION



THE QUANTITY OF WASTE



EMISSIONS INTO THE AIR OF THE WORKING ENVIRONMENT AND THE ATMOSPHERE



PRODUCTS' IMPACT ON THE ENVIRONMENT BY IMPROVING ITS MANUFACTURING AND INNOVATION PROCESSES





## ENVIRONMENT PROTECTION AND REDUCTION OF ENERGY RECOURSES AT "GRINDEKS"

Development of environmentally-friendly technologies is in accordance with the European Commission recommendations issued in 2006, which include the best available technical and technological solutions for implementation of fine organic synthesis processes, also reduction and recycling of the emissions and waste. "Grindeks" is following the European Commission's guidelines on best available techniques on pharmaceutical and analogous manufacturing complementary sectors.

Measures to reduce energy consumption:

- Regulation of heat supply;
- the old steam boiler and ventilation equipment replacement with modern, energy-efficient appliances;
- building insulation;
- an installation of thermal insulation and other measures aimed at more rational use of equipment.

Since 2015, company's Energy management system confirms to the requirements of LVS EN ISO 50001:2012 (ISO 50001:2011) standard. Improvements implemented due to obtaining of certificate now allows planning more efficient energy procurements, increasing energy efficiency, as well as reducing energy expenses.

In 2016, a supervision audit on compliance to the requirements of ISO 14001:2004 standard was performed successfully by "Bureau Veritas".

Considering chemical complexity of a drug manufacturing process and its environmentally harmful nature, "Grindeks" industrial activity is carried out in accordance with the permit of "A" category for existing polluting operations, however, at the same time preference is always given to the most environmentally-friendly technologies, raw materials and solvents, choosing water-soluble and vegetable dyes, etc.

Since 2009, an environmentally friendly industrial wastewater treatment concept has been implemented in the company, revealing a modern, closed industrial biological wastewater treatment plant with a laboratory, where waste water analysis and performance monitoring is made, as well as wastewater research. High-quality wastewater treatment process management and system optimization allows the industrial wastewater treatment effectiveness to approach the best available technology indicators worldwide.



- In 2016, purification efficiency was on average 93.52% on the COD.
- During 2015, 44 255m<sup>3</sup> of industrial wastewater was purified, which is by 12.1% less than in 2015.

In 2010, the company introduced use of artesian water for cooling of manufacturing equipment, which saves energy for the company and promotes an achievement of environmental objectives – maintaining a proportion of energy costs at the level of 3% compared to the volume of manufacturing output in terms of money.

- In 2016, the proportion of costs was 2.02%, which is by 1.52% less than in 2015.

In 2015, to improve energy efficiency the project of “Grindeks” steam generating system reconstruction was concluded.



Measures for waste reduction:

- A reaction solution increase in chemical processes, where one of techniques is used for solvent recovery and liquid waste, or valid component distribution for residual solution;
- Collection in groups of wastes arising from manufacturing processes, and dissociation of hazardous waste. In 2016, amount of hazardous waste remained at the level of the previous year;
- An implementation of double-sided printing of regulatory documents;
- Cooperation with companies, such as “Latvian Green Point” (in Latvian – “Latvijas Zaļais punkts”), “BAO”, “Eko Port” (in Latvian “Eko Osta”), “ECO Baltia environment” (in Latvian “ECO Baltia vide”) in regard to waste management.

