

Grindex

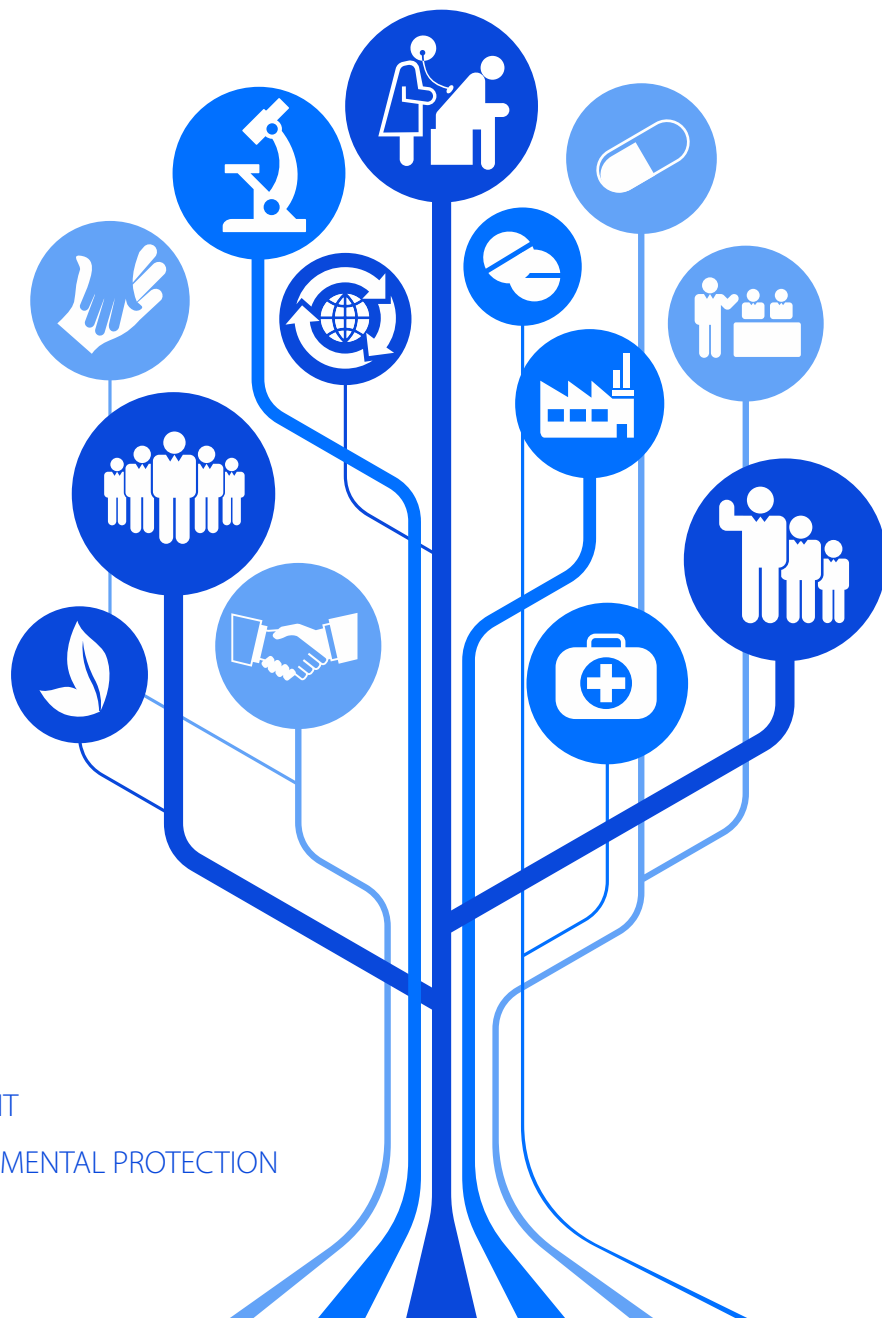


# CSR

CORPORATE SOCIAL RESPONSIBILITY

## REPORT 2013

THE COMPANY AND  
CORPORATE SOCIAL RESPONSIBILITY  
**PRINCIPLES**



PATIENT

SOCIETY

EMPLOYEE

BUSINESS ENVIRONMENT

QUALITY AND ENVIRONMENTAL PROTECTION

## THE COMPANY AND CORPORATE SOCIAL RESPONSIBILITY **PRINCIPLES**

Corporate Social Responsibility is one of the main keystones of the pharmaceutical company "Grindeks", these respective issues were addressed from the very beginning of the company's operations. Dialogue with society, care for patients, high quality demand in every aspect of operations, business ethics, respect towards nature and occupational health and safety are areas of operations that are continuously improved.

Since 2011, the Corporate Social Responsibility strategy of "Grindeks" is implemented in five main directions:



PATIENT



SOCIETY



EMPLOYEE



BUSINESS  
ENVIRONMENT



QUALITY AND  
ENVIRONMENTAL  
PROTECTION

In 2001, when Latvia joined the UN Global Compact movement, "Grindeks" was one of the first company's that got involved in this movement. Still "Grindeks" Corporate Social Responsibility guidelines are based on ten principles of the United Nations (UN) Global Compact, that include universal human rights, labor rights, environmental protection and anti-corruption business principles. It has been more than ten years since "Grindeks" joined UN Global Compact. Over these years the company has tried to develop and implement good corporate governance practices and socially responsible behaviour every year, to promote higher standards of business practice in Latvia and globally; therefore providing organized and ethically acceptable business environment, while maturing and learning from each other and caring for a comprehensive community development.

By joining the Global Compact principles, "Grindeks" is cooperating with the UN agencies, trade unions and non-governmental organizations, who have been involved in human rights, labor rights and environmental protection and anti-corruption issues.

"Grindeks" business philosophy is closely linked to the company's vision, mission and values. The Group of "Grindeks" consists of four subsidiary companies, and representative offices in 13 countries. Each year "Grindeks" is cooperating with partners and clients in approximately 60 countries worldwide. Corporate Social Responsibility guidelines and the company's principles of ethics are binding on all employees of the Group in every country and region where pharmaceutical company manufacturer "Grindeks" is represented.

PATIENTS' HEALTH  
AND SAFETY  
ISSUES ARE  
PRIORITY TO  
THE COMPANY



# PATIENT

One of the Corporate Social Responsibility directions of “Grindeks” is a PATIENT.  
The main settings of the direction are:



PATIENT SAFETY



PUBLIC HEALTH  
PROMOTION AND EDUCATION



DIALOGUE WITH  
HEALTHCARE PROFESSIONALS

Patient is in the foreground of the “Grindeks” operations, therefore patients' health and safety issues are priority to the company.

Pharmacovigilance system is operating successfully in the company and is binding on all countries where the medication of “Grindeks” is being registered and distributed.

PATIENTS' HEALTH  
AND SAFETY  
ISSUES ARE  
PRIORITY  
TO THE  
COMPANY

The main mission of the pharmacovigilance system is to prevent the potential risks of patients timely, as well as discovering hitherto unknown effects – both positive and negative. In Pharmacovigilance “Grindeks” follows strict European Union standards or the Good Pharmacovigilance Practice, as well as national laws of the respective countries, where the product is being marketed. Data on the side effects as well as interactions, inefficiency, unusual effects reported by healthcare professionals or the users of medication is collected, tested and evaluated. All serious adverse reactions are reported to the competent authorities, the risks – evaluated.

In 2013, three employees of “Grindeks” raised their qualification in the “Pharminvent Da Vinci” project that took place in Prague, Czech Republic, obtaining new processes both theoretically and practically.

At the end of 2013 and beginning of 2014 the Pharmacovigilance system of “Grindeks” was inspected by the State Agency of Medicines of Latvia.

Each member of the society or a medical professional, if necessary, can report directly on adverse reactions or undesirable effects in relation to medications produced by “Grindeks”, by completing a medication reaction report in the permanent section “Pharmacovigilance” on the corporate website of “Grindeks” – Grindeks.lv.

Throughout the scientific and clinical research, “Grindeks” adheres to ethical principles and follows the standards of the “Good Clinical practice” and “Good Laboratory practice”. Research of the company involving human beings is carried out according to the Helsinki Declaration, which determines ethical principles of medical research. Results of the research are published accurately, according to ethical reporting guidelines.

“Grindeks” is actively involved in various public health promotion and education projects, as well as supports events for healthcare professionals. As an honest pharmaceutical company, “Grindeks” is aware of its mission and the invaluable role in maintenance of health of patients, but at the same time believes that co-responsibility for the result of the pharmaceutical healthcare lies on everyone involved in the medical and health care process – from national law makers of pharmaceutical industry to patient, including pharmaceutical company, wholesalers, pharmacies and pharmacists, not forgetting the doctors.

HEALTH OF THE  
PATIENT INVOLVED  
IN A STUDY IS IN  
FOREFRONT,  
ONLY THEN  
SCIENCE AND  
SOCIETY INTERESTS  
FOLLOW

TIMELY  
PREVENTION  
OF POTENTIAL  
SIDE EFFECTS  
OF MEDICATION



The aim of public education is raising awareness of safe, effective and responsible use of medication, patient co-responsibility and necessity of adherence for superior and effective treatment process provision and achievement of results.

To engage in a healthy lifestyle promotion, "Grindeks" is embracing up to date communication methods, such as social networks, yet believes that an essential role in maintenance of public health and patient education is for non-government organizations – both patients and health care professionals. Therefore "Grindeks" executes its Corporate Social Responsibility towards patients and society throughout various health promotion projects.

Advertisements that inform society about "Grindeks" products are created up to ethical principles of the company and respective national requirements. "Grindeks" advertisements are comprehensive and objective, they are not misleading and do not exaggerate medical qualities. Advertisements promote rational use of medication.

A successful business is characterized by the ability of engagement in dialogue with health care professionals – taking into account their experience and share views. "Grindeks" is actively participating in exhibitions, seminars, conferences and discussions devoted to health care. Both Latvian and foreign experts are often visiting company's manufacturing units for a tour. Professionals of the industry appraise compliance of the manufacturing process with the Good Manufacturing Practice and other international standards. "Grindeks" is very pleased that members of the industry are able to see the manufacturing process of medication, thus boosting confidence in quality and safety of "Grindeks" products.

OBJECTIVE  
ADVERTISING  
WITHOUT  
EXAGGERATION  
OF THE MEDICATION  
QUALITIES



# INITIATIVES



Since the establishment in 2005, "The Small Academy of Cardiology" (MKA®) of "Grindeks" regularly gathers representatives and specialists of medical industry to inform and discuss modern and effective treatment methods in cardiology.





## INITIATIVES



“Grindeks” supports the “Stomach Friends Club”, which gathers nutritionists, gastroenterologists, dietologists and infectologists of Latvia – professionals who care for stomach health issues. The club also promotes interdisciplinary cooperation for doctors and medical professionals of various fields.







On 14-17 June, 2013, the International oncology conference in Latvia took place for the third time. The conference gathers 75 leading oncologists, radiation therapists and chemo therapists from Latvia, Russia and other CIS countries.



INITIATIVES

## INITIATIVES



Participants of the International oncology conference visiting Therapeutic Radiology and Medical Physics clinic of Latvian Eastern Clinical University, within the framework of the conference. Head of the clinic Dr.med. Olga Utehina is demonstrating medical equipment "Novalis TX" for stereo-tactic radiation therapy and stereo-tactic radio-surgery to foreign oncologists. This medical equipment is the only one in Baltic States.







"Grindeks" – one of the  
main cooperation  
partners for Latvian  
**MEDICAL  
CONGRESS.**

19-21 September, 2013.



INITIATIVES



### "Grindeks" – one of the main supporters of "ANNUAL MEDICINE AWARDS 2013".

In a solemn ceremony winners receive awards in nominations such as "Doctor of the Year", "Doctors' Assistant of the Year", "Nurse of the Year", "Midwife of the Year", "Pharmacist of the Year", "Event of the Year in medicine", "Lifetime contribution to medicine" and "Person of the Year in medicine".

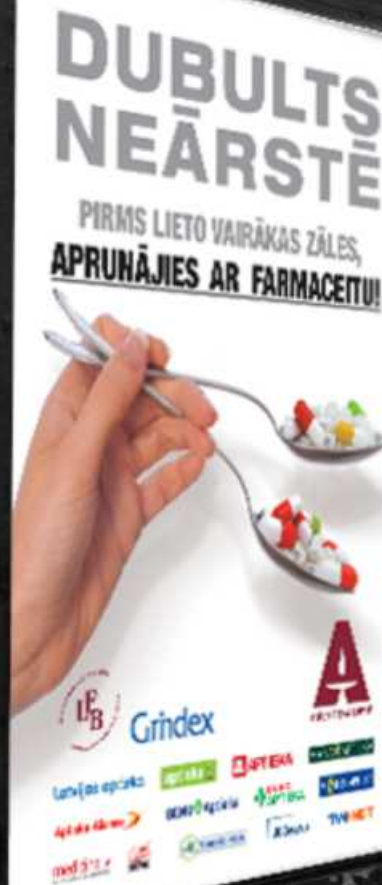
## INITIATIVES



Latvian Pharmacists Association with the support of “Grindex” organizes informative campaign

## “DOUBLE – LEFT UNTREATED”.

The aim of this campaign is to invite people to pay attention to ingredients of different medication and food supplements available in pharmacies and their interoperability.







In October of 2013, **BALTIC CONGRESS OF ATHEROSCLEROSIS** took place in Riga. Within the framework of Congress, "Grindex" is organizing international Symposium "Role of the metabolic conversion device for patients with cardiovascular disease comorbidity". Symposium is attended by 130 participants.



INITIATIVES

## INITIATIVES

At the end of 2013, subsidiary of “Grindeks” – “Grindeks Rus” Ltd in Russia launches distance learning education program for doctors oncologists “Topical issues in treatment of colorectal cancer”. The program is prepared in cooperation with leading specialists from Russia and Riga Eastern Clinical University Hospital and is implemented in special educational platform

[Esculap-med.ru](http://Esculap-med.ru)



## INITIATIVES



For several years now, "Grindeks" is cooperating with the **LATVIAN PENSIONERS' FEDERATION** – the Company participates in events organized by the Federation, as well as promotes importance of healthy lifestyle on a daily basis and informs about proper and safe use of medication in the Federation's newspaper "Latvian Pensioner".







# SOCIETY

“Grindeks” represents belief that society is entitled to expect and receive support for their development from successful, financially stable and sustainable development oriented companies, in particular – local manufacturers.

Within the direction SOCIETY of “Grindeks” Corporate Social Responsibility, the company provides financial support by sponsoring a variety of projects of public interest and involves in various socially important campaigns.

For many years one of the most significant initiatives of the company's Corporate Social Responsibility has been financial and practical support to education and science. “Grindeks” consistently maintain communication with pupils, teachers, students, both new and experienced scientists. The company successfully cooperates with both general and specialized secondary education institutions – Olaine Mechanics and Technology College and Riga State Technical School. Successful cooperation and successfully implemented practical educational projects unite “Grindeks” with the most significant universities of Latvia – University of Latvia, Riga Technical University and Riga Stradins University.

To unify implemented education support projects and to promote professional growth of specialists from pharmaceutical, natural sciences and engineering industries, “Grindeks” set up the Foundation “For the Support of Science and Education” in 2006. This is one of the largest private Foundations in Latvia that supports young professionals of natural sciences, engineering and pharmaceuticals, by providing support to educational institutions, universities and various projects. Purposeful support for education and science is strengthening Latvia and contributes to a sustainable competitiveness of pharmaceutical industry.

But it is not just strengthening of education and science that “Grindeks” donates considerable funds to. For several years, “Grindeks” has close ties with the Latvian sports society, as the company is general sponsor of Latvian National Ice Hockey team. As a socially responsible company “Grindeks” contributes to cultural development by the longstanding cooperation with the Latvian National Opera.

“GRINDEKS” IS STRENGTHENING LATVIA AND CONTRIBUTES TO THE COMPETITIVENESS OF THE PHARMACEUTICAL INDUSTRY BY SUPPORTING EDUCATION AND SCIENCE

PURPOSEFUL SUPPORT FOR SOCIALLY SIGNIFICANT CULTURE AND SPORTS

# INITIATIVES



December 2013, "Grindeks" Foundation "For the Support of Science and Education" in cooperation with the Faculty of Applied Chemistry and Materials Science of Riga Technical University and other companies of the industry

## AWARDED 14 BEST CHEMISTRY AND NATURAL SCIENCE TEACHERS IN LATVIA OF 2013

for successful and systematic training of future engineering, natural sciences, pharmaceutical and medical students.





## INITIATIVES



In early December, science Pro-rector of the University of Latvia prof. I. Muižnieks and Chairman of the Board of "Grindeks" Foundation "For the Support of Science and Education" K. Lipmans **SIGN DONATION AGREEMENT WORTH OF 14 THOUSAND EUROS**, for the support of range of projects – "School of Young Chemists", "Competition of Young Chemists", "Chemist days 2014" etc.





"Grindeks" Foundation "For the Support of Science and Education" for several years has  
**SUPPORTED A PARTICIPATION IN THE  
 INTERNATIONAL CHEMISTRY  
 COMPETITION FOR YOUNG TALENTS  
 OF CHEMISTRY**, in 2013 the event took place  
 in Moscow.

## INITIATIVES







For the second year, for promotion of children's and adolescent's knowledge and interest of technical matters, students of RTU and "Grindeks" representatives are visiting schools of Latvia in the framework of a project **"TECHNICAL INNOVATION IN SCHOOLS"**. Practical skills of adolescent's in robotics, mechanics, electronics and chemistry are developed in joint workshops.



INITIATIVES





## INITIATIVES

Support for educational institutions for both material and technical resources, as well as career guidance for adolescents, implementation of natural sciences etc. projects. Particularly successful cooperation in 2013 was with the RTU Faculty of Material Science and Applied Chemistry for celebration of the Faculty's 150th anniversary by organising a conference, while jointly with Riga State Technical College a film about education and career opportunities related to pharmacy was created.



## INITIATIVES

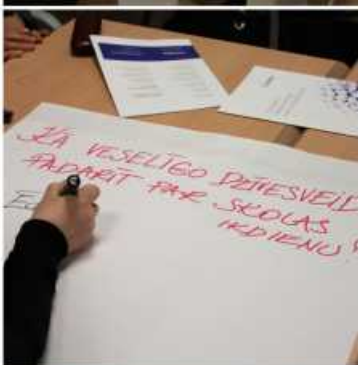
In 2013, "Grindex" participates in the project of State Education Development Agency "World of professions". Within the framework of this project, the web page [PROFESIJPASAULE.lv](http://PROFESIJPASAULE.lv) was created. Descriptions of professions "chemistry specialist" and "biotechnology specialist" were developed by professionals of "Grindex". There are interviews with experts, various pictures and a possibility to find out about educational opportunities on the website.





With the support of "Grindeks", association "Papardes zieds" launches an **AMBITIOUS SCHOOL PROJECT "HEALTH STATION: I GROW UP HEALTHY"**. The project takes place in 5 schools of Latvia where health weeks are organized, that encourages students to work creatively and strengthen their knowledge of healthy living.

## INITIATIVES





For the 2nd year in a row, **"GRINDEKS" SUPPORTS A COMPETITION "EUROPEAN MUNICIPALITY OF THE YEAR"**, by awarding winner of nomination "Municipality for Health". Two municipalities – laureates receive "Grindeks" vitamins Gritamin® in a value of 1 400 euros. The aim of the competition is to encourage support of municipalities to improve life quality for their residents, providing them with a variety of high-quality educational, recreational and involvement opportunities.



## INITIATIVES





September, 2013, "GRINDEKS" TAKES PART IN "NIGHT OF SCIENTISTS 2013". The main theme of the project – WATER. During the event, visitors are getting acquainted with the total water circulation circuit of "Grindeks", artesian water acquisition and use in the company. Guests of the night of scientists are visiting Industrial wastewater treatment plant to get acquainted with modern and environmentally friendly water treatment methods.

INITIATIVES



For the 4th year in a row the project “PROFESSION DAYS FOR PUPILS” takes place, to raise pupils' awareness of engineering and science. The aim of the project is to promote pupils' interest in chemistry and in career opportunities in pharmaceutical industry. Since the very beginning of the project in 2010, each year the company is visited by approximately 40 pupils from all regions of Latvia, they spend an entire day with a respective specialist of the company – chemist, chemical technician, chemical analyst, chemical process technician, technician-analyst, biotechnologist, environmental specialist, microbiologist and pharmaceutical equipment operator, thus having an opportunity to explore the duties of the profession and get their questions answered.



## INITIATIVES



The company annually provides a significant amount of trainee placements.

**IN THE LAST FIVE-YEAR PERIOD THERE HAVE BEEN 500 YOUNG SPECIALISTS** that have completed traineeships within "Grindeks", part of them are now employees of the company. Based on the specifics of manufacturing and job intensity, if necessary, "Grindeks" is always seeking solutions to ensure part-time job for students, thus allowing to combine work and studies. In 2013, 99 students completed traineeship in a local drug manufacturing company "Grindeks".

## INITIATIVES





Grindex



Grindex

## "GRINDEKS" – GENERAL SPONSOR OF LATVIAN NATIONAL ICE HOCKEY TEAM.

To promote active and healthy lifestyle, as well as to take part in local and national scale sporting events, "Grindeks" is a long standing supporter of the most popular sport in Latvia – ice hockey. Latvian pharmaceutical company "Grindeks" is proud of supporting professional athletes, that bring the name of Latvia into the whole wide world.





## INITIATIVES

WITH JOY AND SATISFACTION “GRINDEKS” IS COOPERATING WITH THE JEWEL OF CULTURE OF LATVIA AND IS A PATRON OF THE LATVIAN NATIONAL OPERA. Thus the company helps to promote Latvian cultural prestige in local and international cultural space. In addition to a successful previous collaboration, at the end of 2013 “Grindeks” became main sponsor of the premier of S.Prokofiev's opera “The Love on the three oranges”.



# EMPLOYEE

ONE OF THE MAIN DIRECTIONS OF "GRINDEKS"  
CORPORATE SOCIAL RESPONSIBILITY IS EMPLOYEES.

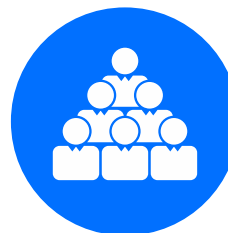
OCCUPATIONAL  
SAFETY



EMPLOYEE HEALTH  
PROTECTION



PROFESSIONAL GROWTH AND  
CAREER DEVELOPMENT



AREAS OF DIRECTION

As "Grindeks" appreciates professional and knowledgeable employees,  
it cares for social well-being of the company's employees.

CONTINUOUS  
WORKPLACE  
RISK  
ASSESSMENT  
AND  
REDUCTION



The company has developed strict work environment safety principles and risk reduction system, covering all processes of the company. All the issues of this area are addressed systematically and integrated in the work process.



OCCUPATIONAL  
SAFETY AND  
HEALTH  
PROTECTION –  
THE SUCCESS OF  
THE COMPANY'S  
LONG-TERM  
DEVELOPMENT

Each employee of "Grindeks" is involved in the Occupational Safety system. Successful results of the Occupational Safety and Health Protection are ensured by the attitude and support of "Grindeks" management, as well as the comprehension and involvement in the improvement promotion of each employee.

The company conducts employee health and life insurance, as it is caring for the health of its employees.



"Grindeks" recognizes the importance of staff training and career development. The company is aware that skills and creative potential of employees as well as the ability to generate ideas and innovative, new and effective products, are the most important aspects for the development of the company. The aim of training projects is to increase the competitiveness of the company, by raising qualification of employees and providing a learning process. Both local and foreign lecturers are selected as training providers. In 2013, priority training topics were Good Manufacturing practice, Quality Assurance and Management, Occupational Health and Safety, engineering and manufacturing issues. The average of training hours per 1 employee in 2013 was 20.5 hours.

PROFESSIONALISM –  
SUCCESS  
FACTOR  
OF  
"GRINDEKS"

# INITIATIVES

In 2013 “Grindeks” receives LVS OHSAS 18001 certificate. This is an international standard which defines the requirements for Occupational Health and Safety system.

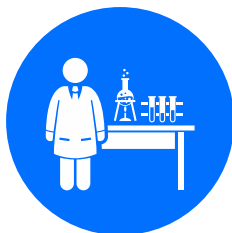
## COMPLIANCE WITH THE STANDARD IS A LONG-TERM STRATEGY COMPONENT OF

“GRINDEKS”, confirming the company's responsible attitude towards its employees in relation to work safety and occupational health issues.



### The main benefits of the introduction of OHSAS standard:

IMPROVEMENT OF THE OCCUPATIONAL HEALTH CULTURE



EFFICIENCY OF THE RISK MANAGEMENT SYSTEM



INCREASE OF THE JOB EFFICIENCY







In 2013, the project "Safe school – a safe work" was implemented in Latvia for the third time. The aim of the project is to evaluate a good practice of safe working environments provision in companies of Latvia.

**"GRINDEKS" RECEIVES RECOGNITION** for its serious attitude towards the formation and maintenance of safe working and learning environment.



INITIATIVES



## INITIATIVES

Team of "Grindex" employees annually participates in the Nordea Riga Marathon. Runners of the company choose to participate in 5 and 10 km course.







“Grindex” employees are also traditionally participating in the basketball tournament organized by the Latvian Association of Pharmacists.

## INITIATIVES





Traditionally, on the 1st of June – International Children Protection Day, “Grindeks” invites children of its employees, for this time – to promote a healthy lifestyle in the framework of a **PROJECT “ABC'S OF HEALTH”**.

Discussions and creative tasks on healthy lifestyle issues are held with kids. Highlighting the importance of physical activity in the context of a healthy lifestyle. In the gym of “Grindeks” children engaged in various sporting activities, including fun relay race “Nimble chemist”. Particularly delighted children were from the magnificent chemical experiments and demonstrations carried out by staff of the Quality Control Laboratory.



## INITIATIVES



# BUSINESS ENVIRONMENT

“Grindeks”, as a socially responsible company which is oriented towards sustainable development, stands up for high business ethics principles and appeals other players of the pharmaceutical market to become more involved in the development and promotion of ethically organized business environment. Therefore one of the company's Corporate Social Responsibility's directions is BUSINESS ENVIRONMENT.

To increase trust of society in drug manufacturers, “Grindeks” believes that there are many opportunities that can still be used for the development of ethical business environment.

By operating in a global environment, “Grindeks” acts in accordance with principles of responsible and ethical business. “Grindeks” appreciates and respects principles of ethics in all business areas – from manufacturing and research to cooperation with clients and sales.

“Grindeks” believes that a Corporate Social Responsibility provides benefits for sustainable development and reputation among society and cooperation partners and actions of the company will pay increasingly significant role in the future.

“GRINDEKS”  
APPRECIATES  
AND RESPECTS  
PRINCIPLES  
OF ETHICS  
IN ALL AREAS  
OF BUSINESS

THE AIM OF THE  
CODE OF ETHICS –  
COMMON  
UNDERSTANDING  
OF PRINCIPLES  
OF BUSINESS  
AND ETHICS IN  
THE COMPANY

## HIGH PRINCIPLES OF CORPORATE GOVERNANCE

## RESPONSIBLE BUSINESS BEHAVIOUR

In early 2013 “Grindeks” Code of Ethics was launched with the aim of developing a common understanding of principles of business and ethics in the company and its affiliates, representative offices and branches. There are both Latvian and global ethical principles of the pharmaceutical industry included in the Code of Ethics, thus developing a common understanding of actions of employees in everyday work. Principles of ethics are closely linked to the company's mission, vision and other ethical norms, as well as good morals and legislative requirements. The Code of Ethics covers areas of scientific research and clinical research ethics, patient safety and pharmacovigilance, cooperation with the health care professionals and health care institutions, avoiding conflicts of interest, cooperation with patient organizations and other areas.

“Grindeks” adheres to high standards of corporate governance by managing the company according to “Corporate Governance Principles and Recommendations” approved by “NASDAQ OMX Riga”.

“Grindeks” complies with human rights and does not engage in abuse of human rights, as well as the company appreciates principle of openness and transparency.

Responsibility in business, especially in pharmacy, is comprehensive – various initiatives and principles are also described in the rest of the Corporate Social Responsibility directions.





## COOPERATION AND PARTNERSHIP

"Grindeks" is extensively cooperating with many partners from state and non-governmental institutions, including Ministry of Health of the Republic of Latvia, Ministry of Welfare of the Republic of Latvia, State Agency of Medicines of Latvia, Health Inspectorate, Investment and Development Agency of Latvia and others.

"Grindeks" is a member of several organizations of the industry – the Association of Latvian Chemical and Pharmaceutical Industry, Latvian Chamber of Commerce and Industry, Latvian Quality Association and others. "Grindeks" responsively engages in various events organized by the Pharmacists Society of Latvia and Latvian Medical Association.

In order to enhance international cooperation, "Grindeks" maintains close ties with many Latvian embassies abroad, particularly notable is a long-standing cooperation with Latvian Embassies in China, Japan, Russia, Belarus, Ukraine. "Grindeks" is also strengthening mutual relationship with embassies in Latvia of the countries of close cooperation. "Grindeks" is pleased by mutual relationship established with embassies of Russia, Ukraine, China, Japan, Lithuania and Belarus in Latvia.

"Grindeks" cooperates with scientific organizations, research centres and educational institutions, both in Latvia and abroad. Among Latvian cooperation – the Latvian Academy of Sciences, Latvian Institute of Organic Synthesis, University of Latvia, Riga Technical University, Riga Stradins University, Olaine Mechanics and Technology College.

The company also takes part in two competence centres funded by the European Union – "Pharmaceutical and Chemistry Competence Centre" and "Environment, bioenergy and biotechnology centre of expertise".

Since 2012, "Grindeks" engaged in an international project of the Baltic States – BIRTI – Baltic Institute of Research, Technology and Innovation. The overall assignment of the project is to create favourable conditions for the innovation process so that scientists, engineers, designers and entrepreneurs would jointly develop competitive, knowledge-based, world class products for further development and manufacturing. The project was launched to strengthen cooperation among the Baltic States and to encourage international competitiveness of the Baltic Sea region in pharmaceutical innovation.

## PARTICIPATION IN PROJECTS TO STRENGTHEN THE COMPETITIVENESS



# QUALITY AND ENVIRONMENTAL PROTECTION

Every year “Grindeks” is making significant investments to improve performance in different areas, paying particular attention to the quality assurance processes, being considerate towards nature so that harmful effects would be consistently reduced. QUALITY and ENVIRONMENTAL PROTECTION is one of the five directions of the “Grindeks” Corporate Social Responsibility.

In regard to the UN Global Compact principles, “Grindeks” is particularly committed to quality and safety requirements and standards. Drug manufacturing is one of the most responsible of manufacturing industries, as it is related to human life and health, therefore there are particularly high quality requirements in pharmaceutical industry.

Research, development, production and sales of “Grindeks” active pharmaceutical ingredients and final dosage forms are performed to ensure product quality, safety and considerate impact on the environment. The company respects Latvian and international manufacturing quality standards and is responsible for the quality of its products. Operations of “Grindeks” are certified and in a compliance with the Good Manufacturing practice standards.

Each year “Grindeks” manufacturing units are examined in the audits by pharmaceutical inspections from all over the world as well as cooperation partners, that provide their conclusion on compliance with international quality standards.

WHILE TAKING CARE  
OF QUALITY AND  
EFFICIENCY OF OUR  
PRODUCTS, WE  
DON'T FORGET TO  
BE RESPECTFUL  
TOWARDS THE  
ENVIRONMENT

## QUALITY AND ENVIRONMENTAL MANAGEMENT THAT COVERS ALL PROCESSES OF THE COMPANY

"Grindeks" has introduced an integrated quality and environmental management system that covers all operational areas of "Grindeks", thus enhancing a continuous improvement of the company's business processes, providing clients and consumers with high-quality, safe and effective medication, as well as updating and improving the product portfolio. Within the management system, market and new product research is systematically carried out, as well as further product development.

Each year "Grindeks" conducts a client satisfaction survey, which is an essential tool for planning of sales and getting client feedback. Integrated Quality and environmental management system of "Grindeks" is according to international and Latvian standards LVS EN ISO 9001:2008 and LVS EN ISO 14001:2004.

By providing integrated quality and environmental management system and regular reports on performance and improvements, an audit of before mentioned system of "Grindeks" took place in 2013, that once again confirmed compliance of the company to requirements of ISO 9001:2008 and ISO 14001:2004.

Principles of quality, safety and environment implemented by "Grindeks" are coherent with regulations and other requirements of pharmaceutical manufacturing, as well as client satisfaction, expectations of shareholders and employees. One of the preconditions of Quality and Environmental management is respectful attitude towards Good practice principles and permanent control of principle execution.

Considering the changes in the standard requirements of pharmaceutical manufacturing, quality, safety and environmental policy issues are dealt with on regularly bases and explained to all employees of the company.

INTEGRATED  
QUALITY  
AND  
ENVIRONMENTAL  
MANAGEMENT  
SYSTEM

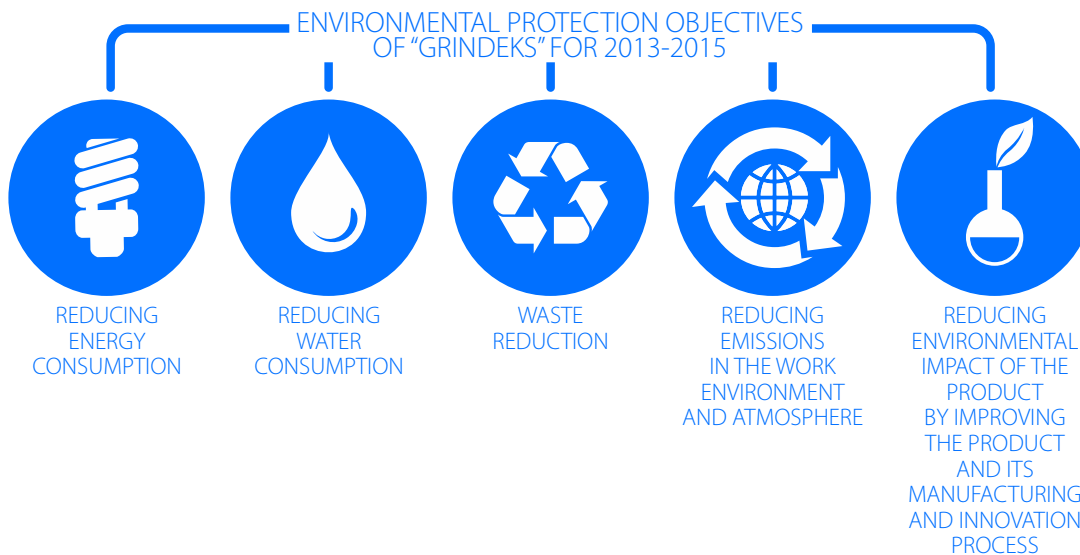




## ENVIRONMENTAL PROTECTION SYSTEM – DAILY COMPONENT OF “GRINDEKS”

Environmental protection issues and “green thinking” is an integral daily component of “Grindeks”. The company is constantly looking for new, innovative and even more effective solutions to save natural resources, and carries out regular environmental measures based on environmental impact assessment and monitoring results, thus allowing minimization of pollution created by operations, processes, products and services of “Grindeks”. By taking strategic decisions to minimize and avoid possible pollution risks, “Grindeks” is always analyzing how certain activities may affect the environment.

“Grindeks” controls the impact of its products on environment throughout its research, development and manufacturing process, as well as annually invests in manufacturing infrastructure development and modernization, thus being utmost careful towards the environment.



Manufacturing activities of “Grindeks” are carried out in accordance with the Category A licence for contaminating activities, equipment for manufacturing of pharmaceutical substances, using chemical or biological processes. In 2013, the company worked on the basis of conditions and requirements of the Category A licence for contaminating activities No RI12IA0007, issued on 21 December 2012.

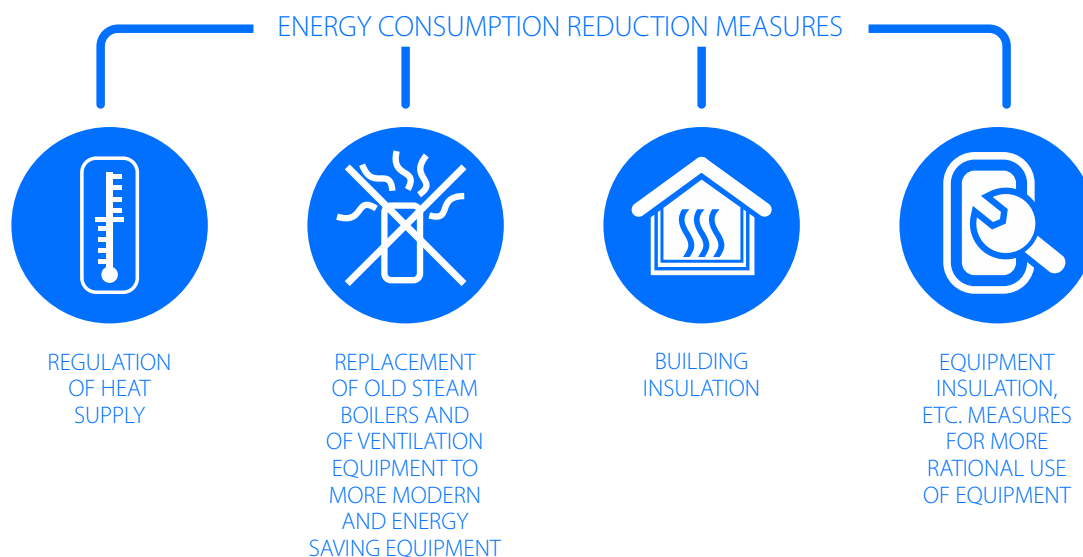
IMPACT ON THE ENVIRONMENT IS CONTROLLED THROUGHOUT THE RESEARCH, DEVELOPMENT AND PRODUCTION CYCLES

## THE BEST TECHNICAL AND TECHNOLOGICAL SOLUTIONS FOR ENVIRONMENTAL PROTECTION

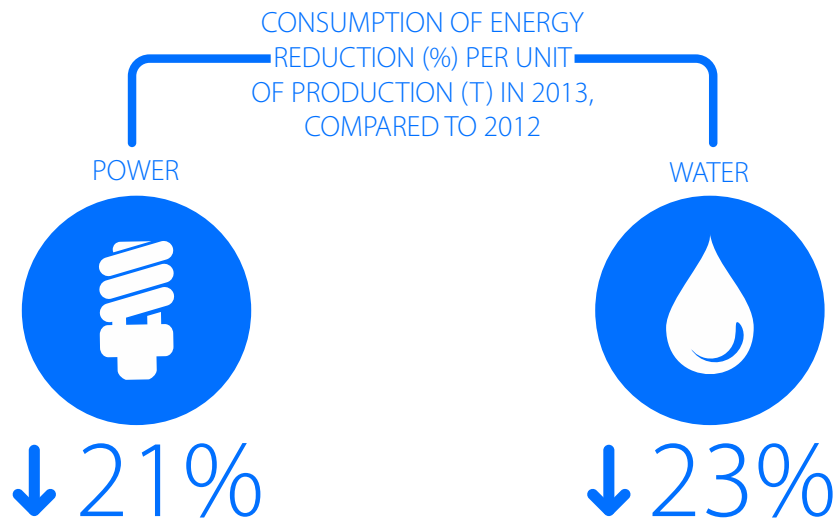
Complicated chemical products can be obtained only from other, simpler chemical products, therefore pharmaceuticals and medication usually can not be made out of environmentally friendly products. According to the company's policy, "Grindeks" is testing and evaluating the most environmentally friendly technologies and raw materials, and, if there is a possibility to obtain qualitative, safe and effective medication, environmentally friendly solvents (water, alcohol etc.), water-soluble and natural vegetable dyes and their analogues are used in technologies.

Environmentally friendly technologies elaboration is based on European Commission's issued recommendations of 2006, which in the extensive volume summarize the most relevant best practices on performing fine organic synthesis processes, reducing and recycling the resulting emissions and waste, as well as the European Commission's guidelines on best available technologies in pharmaceutical and analogous manufacturing of ancillary industries.

WE ARE  
CHOOSING  
ENVIRONMENTALLY  
FRIENDLY  
TECHNOLOGIES



Essential is the fact that before even starting the projection and construction of improving the existing and building new manufacturing units, "Grindeks" always evaluates options for the heating, hot water and steam and cooling systems to choose the most optimal one. The recuperation is widely used within the company – the released heat is reused for the heating system of premises and equipment. All ventilation equipment of "Grindeks" is gradually replaced to less energy-intensive systems. Use of the artesian water for cooling the industrial equipment was introduced in 2010 and reduces energy consumption in the company, as well as previously used potable water consumption.



"Grindeks" purposefully takes various measures to reduce the amount of waste and applies recommendations of the European Union on the best technical solutions. The most significant of waste reduction solutions is an increase of the reaction outcome in chemical processes.

One of the techniques is the solvent recovery and extraction of valid components from liquid waste. Waste, obtained throughout the manufacturing processes, is accordingly sorted; hazardous waste is transferred to licensed disposal organizations for destruction. Amounts of hazardous waste per unit of production compared to 2012 have decreased by 7.5%. "Grindeks" is a partner of "Green Dot of Latvia", "BAO", "Ekoosta" and other waste management organizations.

TARGETED  
MEASURES  
TO DECREASE  
THE RESOURCE  
CONSUMPTION





## SUCCESSFUL IMPLEMENTATION OF THE CONCEPT OF BIOLOGICAL INDUSTRIAL WASTEWATER TREATMENT

A modern, closed-type biological wastewater treatment plant, where industrial wastewaters are purified in the environmentally friendly way, was opened by "Grindeks" in 2009. Because of this environmentally friendly concept of wastewater treatment, pharmaceutical manufacturing and development of the company can be reconciled with respect for the environment. Despite the increase of manufacturing capacity, the company is caring effectively for the environment.

There is also a modern laboratory in the treatment plant where the analysis of wastewaters and the monitoring of results are carried out, as well as the wastewater research. By carrying out qualitative wastewater treatment process management and system optimization, industrial wastewater treatment efficiency indicator reached 93.34% in 2013. Overall, there were treated 69 242 m<sup>3</sup> of industrial wastewaters, which is by 22% more than in 2012.

"Grindeks" as one of the cooperation partners of "Environment, Bioenergetics and Biotechnology Competence Center" is successfully continuing participation in the research of pharmaceutical industry "Biological treatment of water containing pharmaceutical and petroleum compounds". The aim of the study is to detect, identify and maintain specific microorganisms and microbial groups that are most efficient in breaking down difficult biodegradable chemicals in the pharmaceutical and oil-containing wastewater. In the framework of the project, there were selected and identified 65 microbial communities from activated sludge of industrial wastewater of "Grindeks"; there was also held an examination on their ability to treat the wastewaters of pharmaceutical manufacturing biologically. The results will help to select the communities with the highest potential for industrial wastewater treatment. They will be practically applicable to make a biological wastewater treatment plant optimization, increase the efficiency of industrial wastewater treatment and ensure the long term sustainability of the treatment process.

Scientific publication is being prepared on the outcome of the research.

INDUSTRIAL  
WASTEWATER  
TREATMENT  
EFFICIENCY  
INDICATOR  
REACHES  
93.34%

## REGULAR MEASURES TO REDUCE EMISSIONS INTO WORKPLACE ENVIRONMENT AIR AND ATMOSPHERE

To reduce emissions in the workplace environment and atmosphere, “Grindeks” takes regular measures to reduce the consumption of environmentally unfavourable solvents significantly while consummating manufacturing technologies. Closed equipment prevents release of dust into the atmosphere; on the equipment and possible emission sources, dust filters, receivers of acid gases and solvent vapour are installed. These receivers also prevent odours from spreading.



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