



JSC “Grindeks” Corporate Social Responsibility 2017

Mission, vision and values of “Grindeks”

VISION

We aim to become
a significant
European company

VALUES

MISSION

We are concerned about
public health, employee
motivation and welfare of
our shareholders.

We are innovation based
and environmentally
friendly company



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

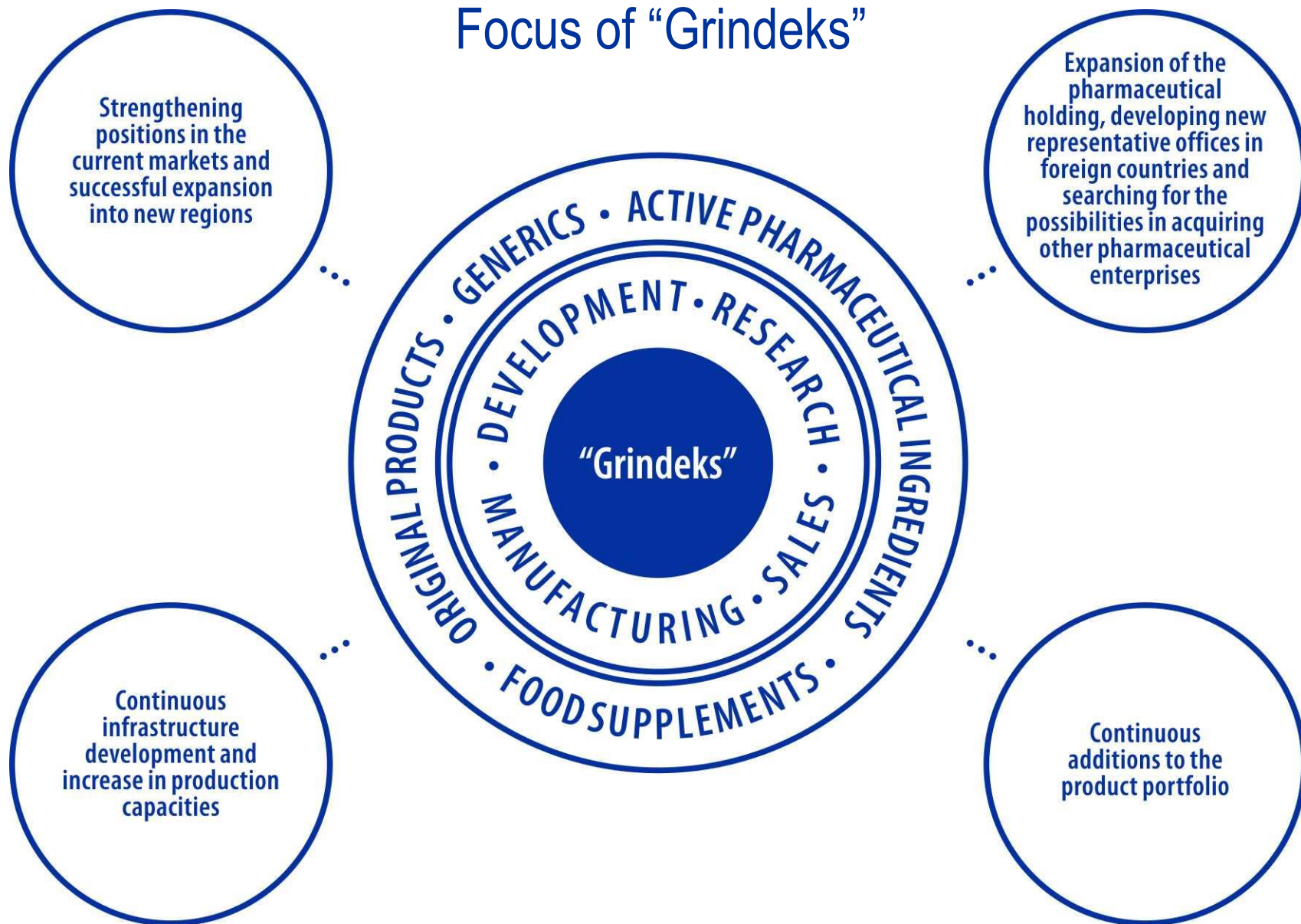
We are reliable
partners,
socially
responsible
and honouring
traditions

STRUCTURE OF THE “GRINDEKS” GROUP



Lithuania, Estonia, Russia, Belarus, Ukraine,
Azerbaijan, Georgia, Uzbekistan, Moldova, Kazakhstan, Armenia, Kyrgyzstan

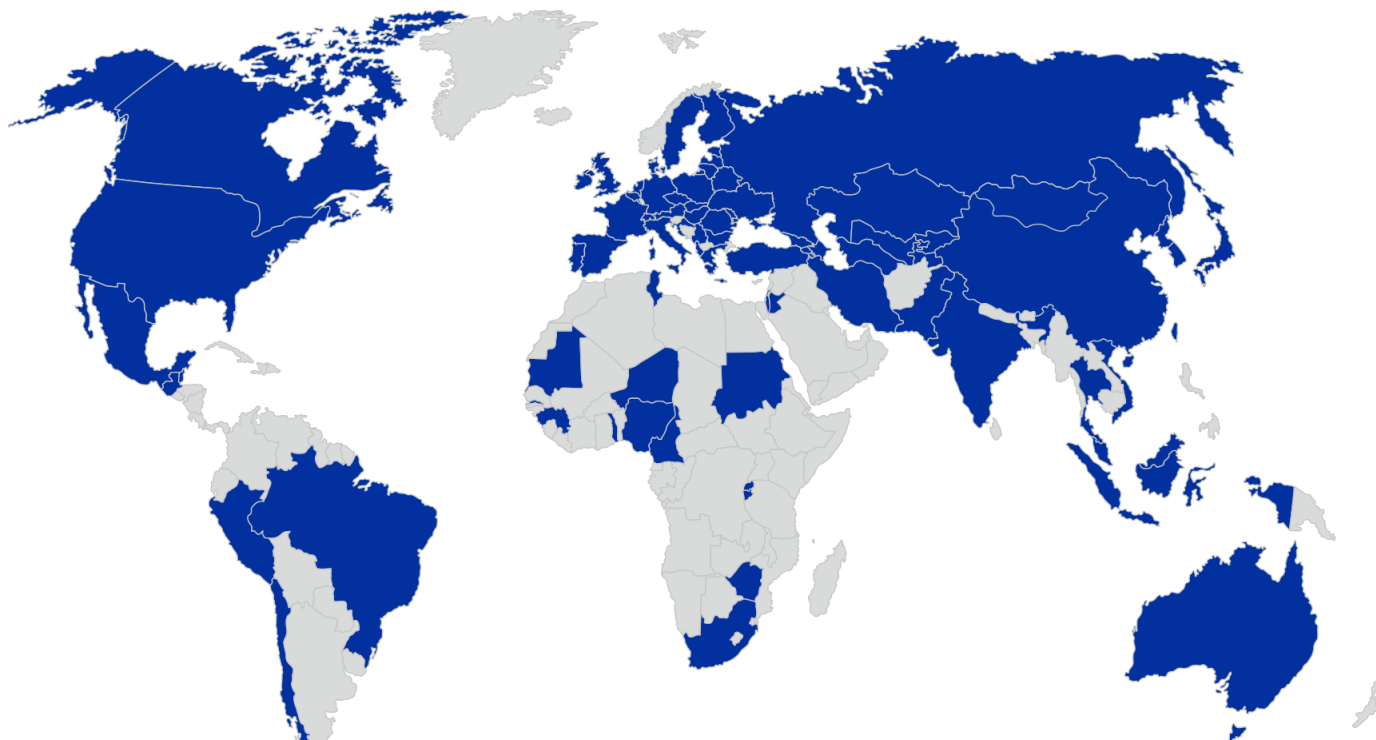
Focus of “Grindeks”



“Grindeks” worldwide

Grindex

Products of the company are exported to 77 countries and
export comprises 92.5% of the total turnover



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|---------------|--------------------|-------------------|----------------|-----------------|------------------|-----------------|------------------|
| 1. Albania | 11. Burundi | 21. France | 31. Indonesia | 41. Lithuania | 51. Pakistan | 61. South Korea | 71. Turkey |
| 2. Armenia | 12. Cameroon | 22. Gambia | 32. Iran | 42. Malaysia | 52. Peru | 62. Spain | 72. Turkmenistan |
| 3. Australia | 13. Canada | 23. Georgia | 33. Ireland | 43. Mauritania | 53. Poland | 63. Sudan | 73. Ukraine |
| 4. Austria | 14. Chile | 24. Germany | 34. Israel | 44. Mexico | 54. Portugal | 64. Sweden | 74. USA |
| 5. Azerbaijan | 15. China | 25. Great Britain | 35. Italy | 45. Moldova | 55. Romania | 65. Switzerland | 75. Uzbekistan |
| 6. Belarus | 16. Croatia | 26. Greece | 36. Japan | 46. Mongolia | 56. Ruanda | 66. Taiwan | 76. Vietnam |
| 7. Belgium | 17. Czech Republic | 27. Guatemala | 37. Jordan | 47. Netherlands | 57. Russia | 67. Tajikistan | 77. Zimbabwe |
| 8. Belize | 18. Denmark | 28. Guinea | 38. Kazakhstan | 48. Niger | 58. Singapore | 68. Thailand | |
| 9. Brazil | 19. Estonia | 29. Hungary | 39. Kirgizia | 49. Nigeria | 59. Slovakia | 69. Togo | |
| 10. Bulgaria | 20. Finland | 30. India | 40. Kosovo | 50. North Korea | 60. South Africa | 70. Tunisia | |

Corporate Social Responsibility Principles



PATIENT



SOCIETY



EMPLOYEE

QUALITY AND
ENVIRONMENTAL
PROTECTIONBUSINESS
ENVIRONMENT

“Grindeks” Corporate Social Responsibility is closely in line with the ten principles of the UN Global Compact that are related to human rights, labour rights and the environment, and emerges from the United Nations Universal Declaration of Human Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work adopted in 1998, as well as the Rio Declaration on Environment and Development adopted in 1992.

By joining the UN Global Compact movement, enterprises undertake to respect their employees, customers, partners and the common interest of society, thereby enhancing business environment and community development in the respective region and globally.



- Socially responsible practice is based on care for patient safety, educating public on health promotion 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 view exchanging events, “Grindeks” is strengthening its dialogue with wide spectrum of healthcare representatives.
- In marketing communication that 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.
- 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 accordance with the principles of EFPIA Code (The European Federation of Pharmaceutical Industries and Associations Code), “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.
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- “Grindeks” – reliable partner to the society, constantly supports and involves in projects of public interest
- Support for education and science
- Support for Latvian culture
- Increase public awareness on health

“Grindeks” starts the educational campaign “Take care of yourself”



During the International Children's Day, “Grindeks” employees' kids get acquainted with their parents' workplace



For 8 times in a row, the annual project “Profession Days For Pupils 2017” takes place in “Grindeks”



“Grindeks” participates in conversation festival “Lampa”, highlighting discussion's topic “Take care of yourself”

Pharmacy museum and "Grindeks" organize the event "Take care of yourself" within the framework of programme of Riga City Festival



"Grindeks" take part in the Career Opportunity day organised by University of Latvia in order to inform students about career opportunities in the company



"Grindeks" gives D. H. Grindel Award to neurologist profesor Inara Logina during the 8th Latvian Congress of doctors



The President of Latvia Raimonds Vejonis and "Grindeks" congratulates winners of educational olympiads and their teacher in Riga Castle



EMPLOYEE

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Data as of 1 March, 2018



EMPLOYEE

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- Professional employees – the core value of “Grindeks”
- Competitive pay
- Promoting development, trainings and career opportunities
- Awards and bonuses
- Social guarantees, various benefits, health and accident insurance
- Promoting sports and healthy lifestyle
- Common activities for continuous improvement of company's culture





EMPLOYEE

Grindex



Contribution to work safety:

- Environmental Control Laboratory certified according to international standard of ISO 17025
- Work safety system certified according to international standard of OHSAS 18001
- Encouraging safe work culture
- Regular employee trainings on work safety



EMPLOYEE

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Latt telecom – 35 “Grindeks” employees run “Latt telecom” Riga Marathon



“Grindeks” Communication Department awarded as “The best project 2017” for the project of updating digital communication



19 “Grindeks” employee become blood donors, while visiting Latvian State Blood Donor Centre's bus



With the event “White Christmas”, “Grindeks” finishes the year 2017, honouring the best and long-term employees of the year



EMPLOYEE

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**"Grindex" employees celebrates
summer solstice**



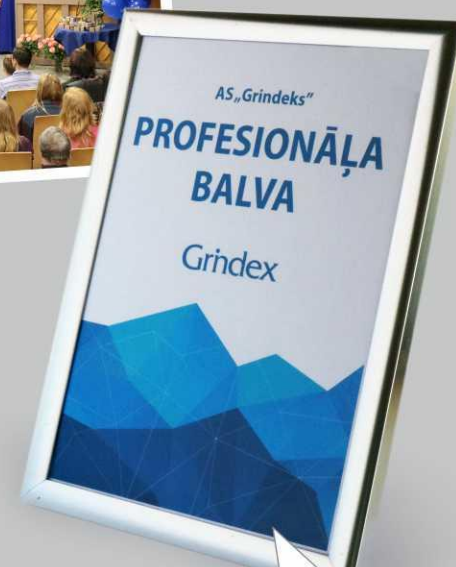
"Grindex" choir celebrates its 10th anniversary



**Annual Bowling Tournament
for "Grindex" employees**



**Implementation of a new tradition –
"Professionalism Award" for employees**





QUALITY AND ENVIRONMENTAL PROTECTION

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- “Grindeks” adheres to more than 70 binding environmental regulations and requirements
- EU GMP (Good Manufacturing Practice) certificates for final dosage forms and active pharmaceutical ingredients, EU GDP (Good Distribution Practice) certificate for drug wholesale, Russian GMP certificate for final dosage forms
- Holding a permit of "A" category for existing polluting operations
- Certificate ISO 9001:2015 and Russian ГОСТ (GOST) certificate ISO 9001-2015
- In 2017 three inspections by The State Agency of Medicines, incl. within the framework of Joint Audit Programme with participation of observers from FDA (Food and Drug Administration) and MRHA (Medicines and Healthcare products Regulatory Agency)
- In 2017 recertification audit on compliance of ISO 14001:2015 requirements was held
- In 2017 22 audits by international clients were successfully held
- LVS EN ISO 50001:2012 certification of energy management systems





QUALITY AND ENVIRONMENTAL PROTECTION

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In 2017, “Grindeks” updated its **Quality, Environment, Energy, Occupational Health and Safety Policy**. 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 14001;
 - 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.





QUALITY AND ENVIRONMENTAL PROTECTION

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- 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.
- “Grindex” 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;
 - 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.





QUALITY AND ENVIRONMENTAL PROTECTION

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- 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.
- In 2017, purification efficiency was on average 91.71% on the COD, which compared to 2016 has decreased by 1.86%.
- During 2017, 55 361m³ of industrial wastewater was purified, which is by 20.57% more than in 2016.
- 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 2017, the proportion of costs was 1.68%, which is by 0.34% less than in 2016.





QUALITY AND ENVIRONMENTAL PROTECTION

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Measures for waste reduction:

- In June 2017, on World Environment Day, to raise awareness among employees a survey “Live green” was conducted
- During 2017 a waste sorting campaign “Sort. Save. Preserve.” was launched at the company, introducing separate waste containers for glass, paper and plastics.
- In 2017 the company proceeded double-sided printing of regulatory documents





QUALITY AND ENVIRONMENTAL PROTECTION

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Measures for waste reduction :

- Collection in groups of wastes arising from manufacturing processes, and dissociation of hazardous waste.
- Due to raising production capacity:
 - in comparison to 2016, amount of hazardous waste increased by 24% in 2017;
 - in comparison to 2016, amount of municipal waste increased by 22% in 2017;
 - total amount of municipal waste (including sewage sludge from wastewater treatment plant) was 390.62 t in 2017.
- 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.





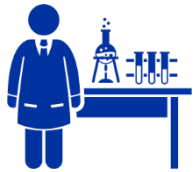
QUALITY AND ENVIRONMENTAL PROTECTION

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Company's objectives and tasks of environmental management for 2018:

- to maintain a proportion of energy costs at the level of 3% compared to the volume of manufacturing output in terms of money (euro);
- to develop and implement the principle of “green procurement” in purchases of certain goods;
- to proceed increasing the amount of waste to be recycled at the level of 2% compared to 2017.





BUSINESS ENVIRONMENT

- Comprehensive Code of Ethics, which defines the basic principles of ethical practice within the “Grindeks” Group
- Principles of cooperation in international procurements
- The company invests funds and adopts operations to adhere with the Directive 2011/62/EU of the European Parliament and of the Council (“Medical Products Anti-Counterfeiting Directive”), which will be enacted on February 1, 2019. The directive aims to eradicate increasing amount of counterfeit medicines entering into legal drug markets in almost all countries, by implementing changes in circulation of medicines that will raise the strictness, safety for patents and implement new specific identifiers on pharmaceutical packaging.
- Global partners – “DECHRA Manufacturing” (Netherlands), “Taiho Pharmaceutical” (Japan), “GDL International” (the U.S.), “Mylan” (France/Ireland), “Bayer Healthcare” (Germany), “Teva” (the Netherlands), “Daiichi-Sankyo” (Japan)



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