The Company and Corporate Social Responsibility principles ...

PATIENT .......................................................................................................................... 4
Public Health Promotion and Education ................................................................. 4
“The Small Academy of Cardiology” ................................................................. 4
“Stomach Friends Club” ......................................................................................... 5
“Health School” ....................................................................................................... 5
Pharmacovigilance System .................................................................................. 5

SOCIETY ....................................................................................................................... 6
JSC “Grindeks” fund “For the Support of Science and Education” ......................... 6
Premiums for teachers, higher educational institutions’ teaching staff and educational institutions ................................................................. 7
Support for pupil participation in the International Chemistry Olympiad ............ 7
Contest for Young Scientists .................................................................................. 8
Student internship at the company ........................................................................ 8
Pupil excursions in the company ........................................................................... 8
Contribution to training and vocational guidance of the specialists ................. 9
necessary for the industry ....................................................................................... 9
Supporting sports and active lifestyle ................................................................... 10
Supporting culture .................................................................................................. 11

EMPLOYEE ................................................................................................................. 11
Occupational Safety and Health Protection ......................................................... 11
Professional growth and career development .................................................... 12

BUSINESS ENVIRONMENT ...................................................................................... 14
Honest and responsible communication .......................................................... 14
Ethics ......................................................................................................................... 14
Collaboration and Partnership ............................................................................. 15

QUALITY and ENVIRONMENTAL PROTECTION ............................................. 16
Quality and Environmental Management ......................................................... 16
Environmental Protection System ......................................................................... 17
Environmentally friendly technologies .............................................................. 17
Reduction of energy consumption ....................................................................... 18
Waste reduction ...................................................................................................... 18
Industrial wastewater treatment .......................................................................... 19
Reduction of emissions into the workplace environment air and atmosphere .... 20
Reduction of raw material consumption per unit of a product ......................... 20
Being a member of the rapidly changing global community, “Grindeks” is aware of the needs of the society, to be involved more purposefully in the development of it, in the dialogue with patients and healthcare professionals. Being responsible for the health of consumers and its product quality, “Grindeks” adheres to the principles of the Corporate Social Responsibility by providing quality in the product manufacturing and all manufacturing processes accomplished in the environmentally friendly way. As a socially responsible company and the leader in the pharmaceutical market of the Baltic States, “Grindeks” has decided to engage more actively in the promotion of ethical business environment, popularize high ethical standards and stand against corrupt activities, as well as preventing risks of corrupt practices in the pharmaceutical and chemical industry.

“Grindeks” business philosophy goes hand in hand with the company’s vision and values. One of the four core values of the company is its employees. Therefore, the company, acting in a socially responsible way, pays special attention to health, work safety and career development of the employee.

“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. Currently, the movement is uniting entrepreneurs from all over the world. Global Compact is a voluntary movement, whose philosophy encourages businesses to comply with the UN Global Compact principles and to act socially responsibly and honestly.

Latvia joined this movement in 2001 and “Grindeks” was one of the first companies to join the UN Global Compact. Currently, more than ten companies in Latvia have joined the Global Compact movement.

By joining the Global Compact principles, “Grindeks” is cooperating with the UN representatives, trade unions, as well as several non-governmental organizations that act in the labour and human rights field, address environmental protection issues.

Taking into account the UN Global Compact principles, Corporate Social Responsibility in “Grindeks” is performed in five main directions:

- PATIENT
- SOCIETY
- EMPLOYEE
- BUSINESS ENVIRONMENT
- QUALITY and ENVIRONMENTAL PROTECTION

The Group of “Grindeks” consists of four subsidiary companies, and representative offices are opened in 10 countries. Overall, “Grindeks” cooperates with partners and customers in 50 countries annually. In all countries represented by “Grindeks”, high standards of Corporate Social Responsibility are complied, and this ideology is mandatory for all of the employees of the Group.
In the foreground of the pharmaceutical business is a human being and his health. As “Grindeks” is concerned of the public health, the company is involved in public health promotion and educating patients on health care issues. As an honest pharmaceutical company, “Grindeks” is aware of its important and special role in the health of a patient, but at the same time the company believes that full responsibility for pharmaceutical care outcome is on everyone involved in the treatment process – policy-makers, pharmaceutical manufacturers, wholesalers, pharmacies, doctors and pharmacists, as well as the patients themselves. “Grindeks” will increasingly inform public on the company’s co-responsibility in health care and will pay attention to the promotion of patients’ understanding and co-responsibility.

Public Health Promotion and Education

The health of public is an important priority of “Grindeks”. The aim of the public health promotion and education is to build public awareness on use of safe and qualitative medication, patient co-responsibility of health care outcome, promote healthy lifestyle and spread information and knowledge about health.

Since health disorders are a problem, that is impossible to be solving alone, and also taking into account that all groups of society face it, “Grindeks” works closely with local and international collaboration partners. Dialogue with patient organisations and health care professionals has an important role in the public health promotion. The company engages in various projects, participates in exhibitions and conferences related to the health care field, as well as it has created “The Small Academy of Cardiology” and a special “Health School” in the corporate website of “Grindeks” grindeks.lv. To promote healthy nutrition ideas, “Grindeks” has become a supporter of “Stomach Friends Club”.

“The Small Academy of Cardiology”

“The Small Academy of Cardiology” (MKA®) was established in 2005. Since then, “Grindeks” is assembling the industry representatives and experts regularly in order to inform and discuss the modern and effective treatment methods in the field of cardiology. In the Academy, doctors have the opportunity of both listening to the lectures of professionals, as well as visiting the manufacturing units of “Grindeks”. Physicians evaluate the arranged manufacturing units of “Grindeks” very highly and their compliance with the European requirements and “Good Manufacturing Practice”, as well as the modern equipment and further development plans.

“Grindeks” is pleased that the Academy participants are highly evaluating the opportunity of seeing
the manufacturing processes onsite, which thus enhances confidence in safety and quality of “Grindeks” medications.

“Stomach Friends Club”

“Grindeks” has become a supporter of the “Stomach Friends Club” created in the beginning of 2011, which assembles nutritionists, gastroenterologists, dietologists and infectologists of Latvia – professionals who care about stomach health issues. Stress, unhealthy diet and lifestyle are just some of the causes that adversely affect human health in general and result in the stomach problems; therefore “Stomach Friends Club” pays special attention also to the diagnostic field. One of the tasks of the club is to promote interdisciplinary cooperation, i.e. cooperation between nutritionists, gastroenterologists, dietologists, infectologists and physicians of other areas.

“Health School”

Internet is becoming increasingly popular, and its role in everyday life is increasing. Facilitating dialogue with visitors of website grindeks.lv, the company has created “Health School”, which offers information on various health topics, medical conditions and symptoms, possible solutions for strengthening health and recovery, as well as helpful tips and experts’ opinions. “Grindeks” cares about the society’s health and quality of life!

Pharmacovigilance System

With a high responsibility for its products and consumers’ health, “Grindeks” has created and continues to develop its Pharmacovigilance System in all countries where medications of “Grindeks” are offered.

For the purpose of elimination of potential risks and health hazards, data on the effects of medication is summarised, investigated and evaluated, as well as the information about medication side-effects and interactions with other medications is being gathered.

In the framework of the Pharmacovigilance System, information on the identified adverse/side effects of medications is gathered, but the task of the System is also to prevent the situation and to report to the competent authorities.

The analysis of the reports and their further submission to the competent authorities is carried out in accordance with relevant guidelines and pharmaceutical company practices. “Grindeks” is involved in the electronic reporting system EudraVigilance.

There is a permanent section “Monitoring of Side Effects” on the web site of “Grindeks” – grindeks.lv.
The management of the company believes that society is entitled to expect support from the successful, financially stable and positively oriented businesses, and this point of view is one of the basic concepts of the development of “Grindeks”. The Corporate Social Responsibility activities of “Grindeks” go beyond sponsorship and charity projects – the company provides a wide range of financial support and sponsors different projects that are important to society, as well as engages in public education and information campaigns on health care, medication safety, etc.

Today, the knowledge and information has become one of the most important business resources, innovation – one of the most significant competitive advantages, “Grindeks” is making significant investments in education and science, and is one of those companies that provide practical support for science and education.

“Grindeks”, as a socially responsible company, engages in activities that promote healthy and cultural society, therefore, the support directions of the company also include culture and sport.

**JSC “Grindeks” fund “For the Support of Science and Education”**

With the aim of unifying the education support projects, previously implemented by the company, and to promote the professional growth and education in engineering, natural sciences and pharmaceutical industry, “Grindeks” set up the fund “For the Support of Science and Education” in 2006.
This is one of the biggest private foundations in Latvia that supports the young professionals of natural sciences, awards gratuities and scholarships not only to students and scientists, but also to educational institutions and training staff. Within the five-year period, “Grindeks” fund has awarded gratuities, scholarships and supported a variety of promoting projects in the amount of 425 thousand lats (approx 609 thousand euros). Thinking of the long-term development of education and science in Latvia, “Grindeks” and its fund is supporting schools, higher educational institutions, vocational schools, olympiads, as well as the scientific activity and scientific institutions.

**Premiums for teachers, higher educational institutions’ teaching staff and educational institutions**

At the end of 2011, “Grindeks” fund “For the Support of Science and Education” awarded with premiums 3 teachers, 6 teaching staff members of higher educational institutions and 2 educational institutions for a significant contribution to the promotion of education. Each teacher received a premium of 700 lats (approx 1,003 euros), but the University staff each received a premium of 1,000 lats (approx 1,432 euros). Special premiums of 5,000 lats (approx 7,164 euros) received Liepaja A. Pushkin secondary school no. 2 and the Olaine Mechanics and Technology College.

In December of 2011, the Faculty of Materials Science and Applied Chemistry of Riga Technical University in cooperation with “Grindeks” and other companies of the industry presented awards to the best 18 Latvian chemistry and science teachers in gratitude for the successful and regular training of future chemistry students.

**Support for pupil participation in the International Chemistry Olympiad**

“Grindeks” is recognizing the importance of supporting the Latvian new talents and has supported Latvian puoil participation in the International Chemistry Olympiads for several years in a row.
In 2011, the National Centre for Education received the support in amount of 1,000 lats (approx 1,432 euros) for the participation of four pupils in the 43rd International Chemistry Olympiad, which took place in the capital of Turkey – Ankara. One silver and two bronze medals were obtained in the Olympiad; therefore the success of the supported pupils is pleasing.

**Contest for Young Scientists**

In 2011, “Grindeks”, in cooperation with the National Centre for Education, greeted 2 pupils for the successful participation and the received chemical Euroforum award at the prestigious 23rd European Union Contest for Young Scientists. The aim of the contest is to encourage interested young people to develop a career in the field of science.

**Student internship at the company**

Helping talented students, “Grindeks” provides with the internship positions at the company and opportunity to develop scientific works each year. The company also offers students the opportunity of working part time, in order to combine their studies with work. Thus “Grindeks” enhances practical skill development and use of theoretical knowledge of students in the real work.

The company has established a successful cooperation with such educational institutions as Olaine Mechanics and Technology College, Riga State Technical School, Faculty of Chemistry of the University of Latvia, Faculty of Materials Science and Applied Chemistry of Riga Technical University, Faculty of Pharmacy of the Riga Stradins University and others. In 2011, 140 students went on an internship at the company. Often, after a successful internship, trainees are offered a permanent position at the company.

Number of trainees at “Grindeks” in the period of the last three years:

<table>
<thead>
<tr>
<th>Year</th>
<th>Trainees</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>140 trainees</td>
</tr>
<tr>
<td>2010</td>
<td>87 trainees</td>
</tr>
<tr>
<td>2009</td>
<td>100 trainees</td>
</tr>
</tbody>
</table>

A number of foreign higher and secondary professional educational institutions’ students go on internship at the company every year.

**Pupil excursions in the company**

The cooperation of “Grindeks” and the Latvian educational institutions is continuing for many years now; in 2011 alone 806 pupils had the opportunity of visiting the company on excursions. During the excursions, pupils learn about the history of the Latvian pharmaceutical industry and the role of “Grindeks” in it, the process of the creation of medication, as well as they get a chance to look at the company’s laboratories and production units on site.
Contribution to training and vocational guidance of the specialists necessary for the industry

Chemical, pharmaceutical, biotechnology and environmental industries in Latvia have felt the need for skilled specialists for a long time already, therefore employers, including “Grindeks”, are helping more actively to develop the content and quality of vocational education, involving in the reorganization of the existing programs and elaboration of the new programs. “Grindeks”, in cooperation with the Olaine Mechanics and Technology College, the Ministry of Education and Science and the State Employment Agency, developed a number of retraining programs in chemical technology, biotechnology and pharmaceutical product sales for the unemployed. These programs focus on promoting employment and providing the industry with skilled labour. In 2010 and 2011, total of 72 unemployed people were trained at “Grindeks”; 35 of the program graduates were offered a permanent work at “Grindeks” and the rest of them were offered jobs in other pharmaceutical and chemical companies.

In 2010, the JSC “Grindeks” launched a new project “Profession Days for Pupils”. The aim of the project is to promote youngsters’ interest in chemistry and in the career opportunities in the pharmaceutical sector. In 2011, 27 students from 13 Latvian cities and county centres got to know the professions of chemist, chemist-technician, chemist-analyst, chemical process technician, technician-analyst, biotechnologist, environmental specialist and pharmaceutical equipment operator, spending a day together with the respective specialist of the selected profession, getting to know the duties, as well as asking questions and receiving answers to the relative issues.

Supporting sports and active lifestyle

“Grindeks” promotes an active and healthy lifestyle. The company takes part in local and national sport events. In addition to the numerous and diverse activities where the company’s employees are actively involved, “Grindeks” has become one of the main promoters of the most popular sport in Latvia – ice hockey. Strengthening the idea of healthy and active lifestyle in society for several years now, “Grindeks” is the general sponsor of the Latvian national ice hockey team. “Grindeks” is proud to have an opportunity of supporting professional sportsmen and teams, and carrying the name of Latvia out into the world.
The company is highly appreciative of sporting activities and is pleased of the fact that the “Grindeks” employees involve in them and set a good example for others, participating both in the national level and the chemical and pharmaceutical industry representatives’ sports events.

Team of employees of “Grindeks” has participated in the “Nordea Riga Marathon” for several years in a row. Our athletes mostly choose 5 and 10 km distances, with a good track record. Friendly fan groups come to support the team every time.

Similarly, traditional for the employees of “Grindeks” has become an annual basketball tournament organized by the Latvian Pharmacists Association.

In the interest of public health, the company supported the XIII Latvian health care workers sports games event in 2011, organized by the Latvian Red Cross.

**Supporting culture**

“Grindeks” recognizes cultural projects that carry the name of Latvia widely out into the world as particularly important. The company is pleased to cooperate and provides its support to the pride of Latvian culture – the Latvian National Opera, becoming a patron of it, thus helping to enhance the prestige of the Latvian culture both in Latvia and the international environment.
Professional, educated and skilful employees are the main value of “Grindeks”. Employees are motivated and aware that everyone’s work and role is important for the achievement of joint outcomes and creation of the culture of socially responsible company. In its turn, the company takes care of employees’ social well-being, health, safety, professional and career growth.

**Occupational Safety and Health Protection**

Being aware of health and safety, “Grindeks” has developed and adheres to the principles of occupational safety. Occupational safety issues are solved methodically and integrated into the work process in the company. “Grindeks” has a comprehensive Work Environment Risk Reduction System, involving company’s management and covering nearly all processes.

Each employee of “Grindeks” is involved in the system of occupational safety and is able to report for improvements in the work environment and conditions. The company organizes the Healthy Work Environment Day, when the company’s Board members, directors, department managers meet with the staff of the respective department to discuss work conditions, work environment risk reduction
plans and work priorities. 
In order to avoid impact of dangerous chemicals, the documentary procedure of work environment risk evaluation is developed, which includes all of the results of the risk tracking and recording, as well as the planning and monitoring of occupational safety and health activities and their impact. Risk assessment includes over 500 job positions both in the office, and mechanical workshops, but the most important risks are associated with the chemical and pharmaceutical production.
Carrying out the risk assessment in the production units and laboratories, the Environmental Monitoring Laboratory measures the concentration of the chemical substances in the work environment. Based on the measurements, emissions are reduced, ventilation systems and air-flow in rooms is optimized, protective devices are selected — thereby reducing the risks in the workplace. Environmental Monitoring Laboratory, which has demonstrated their professionalism many times in interlaboratory testing, also takes part in the safe technological process design and has launched the Laboratory Quality Management System development and accreditation according to the ISO/IEC 17025 standard for “General Requirements for the Competence of Testing and Calibration Laboratories”.
Attitude, support and understanding of the “Grindeks” management together with the involvement of each employee is a guarantee that the result of Occupational Safety and Health (OSH) System will be continuous improvement that will promote safety and health-friendly workplace. This is one of the most important long-term provisions of the development of “Grindeks”. Occupational safety of the employee, continuous work environment risk assessment and their reduction is a systematic operational function of “Grindeks”. Caring for the health of employees, the company ensures employees with the health insurance. Likewise for the convenience of staff and for the elimination of various employee health risks, the company has a medical service on its campus.

**Professional growth and career development**

Employees are the company’s success factor – they use their knowledge and expertise to achieve the company’s goal. “Grindeks” is aware that the skills of the employees, creativity, ability to generate ideas and new products are the key factors for the business development. Therefore, “Grindeks” pays
much attention to the training of employees and their career development. The employees of “Grindeks” are regularly provided by a variety of professional training. The average training time per 1 employee was 17 hours in 2011. For the training of employees and improvement of their professional skills, the company used both its own funds and the EU structural funds co-financing in 2011. Overall, the projects are implemented in partnership with the Latvian Information and Communications Technology Association (LIKTA), the Latvian Chemical and Pharmaceutical Industry Association (LAKFIA) and the Latvian Chamber of Commerce and Industry (LTRK) projects on staff training and improvement of professional skills, administered by the Latvian Investment and Development Agency (LIIA). The aim of these projects was to increase business competitiveness by improving professional skills of the employees and providing new knowledge acquisition. Both local and foreign lecturers were selected for training. The priority training topics were regarding learning new technologies, medication registration, Good Manufacturing Practice and the integrated quality management issues, computer science, as well as the environmental protection and work safety requirements alongside the other professional growth courses. “Grindeks” successfully fulfilled the Leonardo da Vinci program projects, administered by the State Education Development Agency (VIAA) in 2011. Within the framework of the project, employees of the company had an opportunity to practice in the manufacturing of medication and drug safety research in the companies and educational institutions in Austria, Germany and the Czech Republic. To make it easier for new employees to adapt in the company, “Grindeks” organised the New Employee Day, during which the newcomers were introduced to the company’s activities, work units, environmental, quality, labour safety and fire protection etc. issues. The company has many “success stories”: a number of employees have joined “Grindeks” team and have established a successful career after getting acquainted with the company on an excursion or during the internship.
“Grindeks” cares about the relationship with patients, clients, business partners, investors and business environment in the chemical and pharmaceutical industry, as well as the Latvian business environment in general. As the leading pharmaceutical company in the Baltic States, “Grindeks” is standing up for high business ethical principles and encourages other pharmaceutical market players to engage in the promotion of ethical business environment. “Grindeks” believes that there are many opportunities that have not been used so far, in order to enhance patient and public confidence and loyalty towards pharmaceutical industry.

The company is aware of the need of being in the global market and to be an equal player, providing qualitative service and products that are in compliance with the responsible business principles. Consequently, the company appreciates and respects the ethical principles in all areas of business – from production and research to customer interaction, marketing.

Corporate Social Responsibility gives “Grindeks” the right of being and operating in the specific environment and society, reflecting the company’s responsible behaviour and the desire to care for society and environment.

Honest and responsible communication

“Grindeks” is respecting honest and responsible operation; therefore the human rights are being observed in its operations, as well as the company does not engage in human right abuses. The company is also appreciating the principle of openness and transparency; therefore it develops extensive internal and external communication activities. “Grindeks” is implementing integrated methods of communication when communicating with the audiences, including advertising, public relations, event marketing, interactive communications, etc. Meanwhile, the company complies with the restrictions that prohibit the advertising of prescription medicine to the broad audience.

“Grindeks” participates regularly in social events and actively informs the society on the companies’ topicalities, achievements, performance results, etc. It helps strengthening the brand and promoting public awareness of health issues. Promotion activities in the market for the products are complemented by informative and educational articles in specialized publications. Seminars are held for physicians and pharmacists, where clients of “Grindeks” can find the topicalities on products, obtain recent information on health sector in general and exchange views. Cooperation partners regularly receive company’s newsletters. In order to improve the company’s operations, “Grindeks” encourages and welcomes feedback from stakeholders, including health care professionals, the end users, etc. “Grindeks”, as a socially active company, frequently performs at conferences and regularly welcomes visitors from foreign embassies, existing and potential partners, as well as organizes excursions in the company to pupils and students of the respective industry, pharmacists and others interested.

Ethics

In its activities, “Grindeks” adheres high ethical principles and has included them in many company’s rules and regulations. For the ethical behaviour principles to be put into the company’s daily life and improve them even further, “Grindeks” is planning on developing and implementing a comprehensive code of ethics in 2012. The basic principles of ethics will cover such areas as scientific and clinical research ethics, patient safety and pharmacovigilance, collaboration with health care
professionals and health organizations, avoiding conflict of interest, cooperation with patient organizations, etc.

**Collaboration and Partnership**

The most effective way of addressing health care, pharmaceutical and chemical field issues is by joining the industry institutions and professionals. “Grindeks” is confident that even better results could be achieved in the industry through broader cooperation. “Grindeks” has a constructive cooperation with many partners and public authorities, including the Ministry of Health of the Republic of Latvia, the Ministry of Welfare of the Republic of Latvia, the State Agency of Medicines, the State Social Insurance Agency, the Health Inspectorate of Latvia, hospitals and health care centres, the Latvian Investment and Development Agency, etc.

“Grindeks” operates as a member in numerous organizations of the industry − Association of the Latvian Chemical and Pharmaceutical Industry, Latvian Chamber of Commerce and Industry, Employers’ Confederation of Latvia, Latvian Quality Association and others. “Grindeks” is responsive and engages in various events organized by the Pharmacists Society of Latvia and the Latvian Medical Association.

In order to promote international cooperation, “Grindeks” maintains close bond with many Latvian embassies abroad, particularly notable is a long-standing cooperation with the Latvian Embassy in China, Japan, Russia, Belarus, and Ukraine.

“Grindeks” also maintains cooperation with the embassies in Latvia of the countries that are united by close cooperation bond. “Grindeks” is gratified with the mutual relationship with the embassies of Russia, Ukraine, China, Japan, Lithuania and Belarus in Latvia.

Important and formed for many years is a close “Grindeks” cooperation with scientific organizations, research centres and educational institutions in Latvia and abroad. Among them – 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 is also participating in two European Union-funded competence centers – “Pharmaceutical Chemistry and Competence Centre” and “Environment, bio energy and biotechnology centre of expertise”. “Grindeks” is participating as one of the founders in the “Pharmaceutical and Chemical Competence Centre”, as well as one of the funder of the centres’ research program. The centre has launched significant international studies for pharmaceutical and chemical industry.

In collaboration with suppliers, “Grindeks” values their professional performance, as well as the benefits of their offers and reputation, alongside with their Corporate Social Responsibility.
The company is constantly improving operations and manufacturing processes to scale up the quality of manufacturing and minimize its harmful effects on the environment. “Grindeks” is investing considerably in its manufacturing technology and infrastructure development annually, ensuring high quality of medication and active pharmaceutical ingredients, confirming its loyalty to the UN Global Compact movement objectives.

Taking into account the UN Global Compact principles, “Grindeks” is especially committed to quality and safety requirements and standards, which are particularly high in the pharmaceutical industry. “Grindeks” respects international and Latvian manufacturing standards and is responsible for the quality of its products.

The pharmaceutical production is one of the most responsible fields of manufacturing, as it relates to human life and health, therefore the pharmaceutical industry is faced to particularly high quality requirements. “Grindeks” is certified and operates under the Good Manufacturing Practice standards, which also serves as a guarantee that “Grindeks” is working according to the European Union’s and the world’s requirements.

“Grindeks” manufacturing units are inspected several times annually, by both global pharmaceutical inspection and partner audits, providing an opinion on compliance with international quality standards.

According to the international and Latvian standards LVS EN ISO 9001:2008 and LVS EN ISO 14001:2004, “Grindeks” has introduced the integrated quality and environmental management system that covers all the operational areas of the company. It allows to continuously improve business processes, providing our customers and consumers with high-quality and safe products, as well as the regular update and improvement of company’s product portfolio. Management foresees a systematic research of new products and markets, as well as development of medications; in its turn, the research of customer satisfaction and service is essential for the increase of the sales volume and as the means of obtaining feedback from the customers.

Ensuring the integrated quality and environmental management system and regular reports on quality management and environmental management system’s performance and improvement, the company has implemented ISO 14001:2004 and ISO 9001:2008 standards. The Quality, safety and environmental policy of “Grindeks” confirms the safety and quality of its products, as well as the quality of the provided services. Research, development, manufacture and sales of active pharmaceutical ingredients and final dosage forms of “Grindeks” are organized to ensure quality and safety of products, as well as sparing effect on the environment. Quality, safety and environmental policy principles of “Grindeks” are aligned with the expectations of shareholders and employees, customer satisfaction and expectations, laws, regulations and other requirements. Good practice principles and the constant monitoring of their implementation is a precondition for quality
and environmental management. “Grindeks” monitors and improves its activities precisely. The company’s activity is organized to continuously reduce the impact of production, products and services on the environment.

The Quality, Safety and Environmental Policy issues are regularly reviewed, by taking into account the market changes and customer expectations, in the company’s Board and management meetings with the purpose of the development of the Policy.

Quality and IT professionals of “Grindeks” are familiar with an integrated laboratory management system implemented in many European companies, including LIMS (Laboratory Integrated Management System), which improves the work performance and efficiency. It is intended to identify and define in detail parity of “Grindeks” for implementation of such system in the company in 2012.

The Quality, Safety and Environmental Policy is explained to all employees of the company. The company holds regular staff trainings inter alia building a high level of environmental awareness.

**Environmental Protection System**

Environmental pollution reduction measures are becoming increasingly important to the world, including Latvia. “Grindeks” is the “green thinking” company that in the created Environmental Protection System continuously seeks new, innovative solutions for saving environmental resources. The company carries out regular environmental protection measures on the bases of environmental impact assessment and monitoring results. “Grindeks” always evaluates their potential impact on the environment, when making strategic decisions.

“Grindeks” monitors its production impact on the environment in research, development, in the length of production cycle and invests even more resources in the development and improvement of the infrastructure. Development projects are focused on maximizing the environmental maintenance and pollution prevention.

The company carries out responsible Environmental Protection Policy and systematic work in the field of environmental protection. Environmental Protection Policy of the company is implemented by the following actions:

- Reduction of energy consumption;
- Waste reduction;
- Reduction of water consumption;
- Reduction of emissions into workplace environment air and atmosphere;
- Reduction of raw material consumption per unit of a product;
- Reduction of product impact on the environment, improving product, its production and the innovation process.

![](image)
“Grindeks’ industrial activity is carried out in accordance with A License for the existing polluting activities, by using chemical or biological processes when exploiting the equipment for the production of pharmaceutical substances.

**Environmentally friendly technologies**

Therapeutic substances and medication typically cannot be made out of environmentally friendly products – complex chemical products can only be obtained from other simpler chemical products. Environmentally friendly technologies and raw materials are being tested and evaluated in the company and, if it’s possible to obtain a good quality product out of them, environmentally friendly solvents (water, alcohol and others), water-soluble and natural vegetable dyes are likely to be used in the production.

Environmentally friendly technologies elaboration at “Grindeks” is based on recommendations issued by European Commission in 2006, where currently the best known technical solutions, suggestions on implementation of the processes of fine organic synthesis, reduction and recycling the resulting emission and waste are summarized in an extensive volume. As well as on the guidelines of the European Commission on the best available technologies in pharmaceutical and complementary manufacturing sectors.

**Reduction of energy consumption**

“Grindeks” is proud for its achievements in reduction of energy consumption. The following actions have been taken in 2011: regulation of heat supply; replacement of an old steam boiler and of ventilation equipment to more modern equipment; heat and thermal insulation of buildings and equipment; different organizational arrangements that allow to operate the equipment more efficiently, etc. Before starting a design and construction on improvements of the existing and construction of the new production units, “Grindeks” particularly evaluates and chooses the most optimal option of the planned heating, hot water and steam cooling systems. The recuperation is widely used – the released heat is being reused for the space and equipment heating system. All of the ventilation equipment of the company is gradually replaced to less energy-intensive systems.
Use of the artesian water for cooling the industrial equipment, introduced in 2010, saves energy and drinking water consumption.

**Waste reduction**

Waste reduction measures in “Grindeks” are taken by recommended best available techniques of the European Union, the most significant of which is the increase of reaction outcome processes and thereby waste reduction.

One of the techniques is used for solvent recovery and the valid component extraction from liquid waste. While carrying out small-scale measures in the production of each product, significant results are achieved in manufacturing as a whole. Waste, created in the production processes, is collected in groups; hazardous waste is transferred to licensed disposal organizations for destruction, less hazardous — biologically cleaned in the wastewater treatment plant or regenerated as much as possible. “Grindeks” is a partner of the Green Dot of Latvia, JSC “BAO”, “Eko osta” Ltd. and other waste management organizations.

**Industrial wastewater treatment**

“Grindeks” opened a modern, closed-type biological wastewater treatment plant in 2009, where wastewater of the company’s plants is purified in the environmentally friendly manner. The concept of the industrial wastewater treatment plant is now one of the most modern and it approves that the pharmaceutical manufacturing and the company’s growth is compatible with respectful attitude to the nature. Technologically advanced water treatment equipment is a purposefully planned investment project, so that by increasing production capacity, the company not only would ensure the increase in turnover, but also would effectively take care of the environment. In the treatment plant, there is also a laboratory which carries out the analysis and monitoring of results, as well as the research of refined wastewaters. Carrying out the high-quality wastewater treatment process management and continuous optimization of the system, industrial wastewater treatment efficiency is increasing every year, and it reached 92.13% in 2011. Given high degree of contamination of the chemical industry wastewater and the complex nature, the achieved results are estimated as very high and are approaching the best available technology indicators in the world.

**Treatment efficiency of industrial wastewater chemical oxygen demand**

<table>
<thead>
<tr>
<th>Year</th>
<th>Efficiency (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>84.41</td>
</tr>
<tr>
<td>2010</td>
<td>88.43</td>
</tr>
<tr>
<td>2011</td>
<td>92.13</td>
</tr>
</tbody>
</table>

“Grindeks” is involved in “Environment, Bioenergetics and Biotechnology Competence Centre” as a partner and in cooperation with the Latvian scientific organizations it launched a study on the pharmaceutical industry wastewater biological treatment efficiency in 2011, by using specific microbial groups. The study aims to find and implement effective chemically contaminated...
wastewater biological treatment methods, which includes both optimization of existing systems and utilization of new, unique solutions. It is planned that the obtained experience and knowledge will provide science-based recommendations as well for other Latvian and foreign companies on how the application of selected microbial groups improves the degradation of target compounds in industrial wastewaters.

Reduction of emissions into the workplace environment air and atmosphere

“Grindeks” takes measures to reduce emissions into the air of the workplace environment, as well as in the atmosphere. Production technologies are being improved to make a significant reduction of environmentally unfavourable solvents. Closed equipment prevents release of dust into the atmosphere; dust filters, receivers of acid gases and solvent vapour are installed on the equipment and possible emission sources. These receivers also prevent odours from spreading.

Reduction of raw material consumption per unit of a product

To minimize the consumption of raw material per unit of a product in the production process, “Grindeks” makes substantial waste reduction measures. Particularly effective is the multiple use of a solvent that has the greatest impact on the environment after regeneration. There are production sites, where the ratio of the fresh and the regenerated solvent, used in the process, is from 1:5 to 1:20.