



SOCIAL RESPONSIBILITY REPORT

Reporting period: 2010 - 2011



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PERSON FOR CSR ACTIVITIES,

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MESSAGE OF THE GENERAL DIRECTOR

Currently, the image and corporate identity of BIOPROTECT have become of major importance to the Company. Social responsibility is not a transient phenomenon, but a lawful and permanent element of the commercial and business environment.

In Moldova, CSR is a relatively new concept, implemented by locally operating and international companies.

BIOPROTECT has shown its support of the social responsibility concept within the local community through constant commitment to satisfying its needs. It has passed from the should-be-done to the must-be-done stage – not just because it is in the interests of the modern society and consumers, but also because long time experience has shown that the growth and development of any business is interwoven with and conditioned by the trend.

That is why BIOPROTECT was one of the first three domestic companies in favor of creating the Global Compact Network Moldova aimed at simplifying a number of actions allowing its member companies to conduct their business under the principle of social responsibility towards the community, the environment and human rights as a whole.

The 21st century has been called the Century of Social Responsibility, because globalization raises the importance of good practices and transparency in business. Consequently, CSR implies new commitments and joint progress monitoring.

BIOPROTECT supports the new CSR policy published by the European Commission in October 2011, wishing to consolidate positive effects for the society and businesses as well as to minimize and prevent the negative ones. The society's fast evolution inevitably implies new conditions for operation and innovation, while the responsible attitude of domestic and international companies will become the key to success.

CEO PTC BIOPROTECT

Veaceslav Osipov

A handwritten signature in black ink, appearing to read 'V. Osipov', with a long, sweeping horizontal stroke extending to the left.

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1. THE VALUE OF CSR CONCEPT IN THE SOCIETY OF XXI CENTURY

1.1. PROGRESS IN SOCIAL RESPONSIBILITY IMPLEMENTATION

The concept of Corporate Social Responsibility (CSR) was for the first time mentioned in the Lisbon Strategy in 2000. Having realized the need to apply and interpret social responsibility principles, BIOPROTECT began to willingly assume business obligations exceeding contractual and legal ones, to make sure that social and environmental standards and fundamental rights of employees are consistently observed.

CSR is the company's boomerang, valuable investment for an indefinite period of time, which produces benefits for both the company and the entire society.

This century is nothing less than a Century of Social Responsibility for businesses of all kinds, including BIOPROTECT. Any company can promote the idea of social responsibility or other policies through which to influence ethical and non-ethical patterns. The company's internal regulations set principles to be followed by employees when acting on behalf of their companies. M. Petcu defines CSR as "the manner in which a company operates within the legal framework and regulations set by the society, in observance of universal human rights".

BIOPROTECT deems it appropriate to affirm the importance of implementing strategies developed by the European Community to promote social responsibility on the basis of the following principles:

- acknowledgment of the voluntary nature of social responsibility;
- the need for reliable and transparent practices;
- approach to the social responsibility concept from the viewpoint of economic, social, environmental issues and consumer interests;
- compatibility with applicable laws of Moldova and existing international agreements.

Social responsibility becomes a cornerstone of a competitive business and good management in such developing countries as Moldova.

It has been found in Europe that implementation of CSR principles contributes essentially to generation of value added to already existing activities, through:

- *creation of domestic framework conditions at the European level which would help apply the concept of CSR by means of strategy development for the promotion of all innovative trends;*
- *sale of high-quality products at adequate prices to support the concept of Best Practices with a view to guaranteeing their efficiency and reliability.*

Social responsibility ensures higher social value of those companies and business activities which are eco friendly and respectful toward fundamental rights. Socially responsible practices also enhance competitiveness within all types of businesses, from domestic to transnational.

Evaluating the global dimension of social responsibility indirectly affects the diversity of business environment practices in relation to the needs and concerns of the society as a whole, protection of employers and observance of environmental laws. The effects of CSR implementation go far beyond the legal requirements companies have to conform to.



1.2. GLOBALIZATION VS CSR

Nowadays, the society is going through an important number of changes, primarily because it has reached a stage of sustainable society development. All fields of human activity should contribute in this respect, including the business segment which BIOPROTECT is a part of.

In Europe and Moldova, more and more companies are implementing social responsibility principles in their social and environmental spheres of activity. For this reason, socially responsible business and management tool development is seen as an essential step enabling companies to direct their general commitments towards specific actions.

Currently, the commercial market tends to become globalized. Certain companies say each business should apply its own social responsibility concept, while transnational companies acknowledge the benefits of globalization for more comparable and transparent social responsibility practices.

BIOPROTECT supports the idea that social responsibility practices should not be developed, implemented and evaluated by companies singlehandedly if they want to stay competitive; instead, it should be done collectively, together with various NGOs, employers' associations, interested and co-participating groups etc.

Observance of human rights, environment protection, respect for loyal and fair competitiveness and other values that together form the nucleus of a modern democratic society are all elements of globalization which make economic evolution much more complex and increase the company's role in the entire economic activity. Subjecting its business activity to social responsibility principles, BIOPROTECT complies with international standards.

The ever stronger interaction between the company and the environment determines their transformation. The business environment in which companies are developing has changed in a radical way lately, through:

1. control overtaking from the client who tends more and more to be perceived as an individual rather than a member of the community;
2. change of client attitude to products and services which are:
 - adjusted to the current client needs;
 - supplied in an accessible and practical manner;
3. the market's tendency towards globalization, which means that products and services are supplied at an international level.

These changes in structure and activity encourage business focus on the client's needs. The 'small is beautiful model promoted in the 80's by numerous analysts has been overcome now.

We are witnessing an accelerating process of major company symbiosis in all fields of business due to advancing integration that ensures control over large systems under the harsh competition existing in the global market.

2. CHANGE YOUR THINKING, CHANGE YOUR LIFE!

2.1. DISCOVER ITS VALUE! “HAI MOLDOVA”!

Hai Moldova Project aims at cultivating a nation-wide sense of social responsibility towards the environment. **BIOPROTECT** also dedicated some of its time and effort to the concept in the pursuit of the following goals:

- participate in organizing and carrying out a clean-up event;
- promote the importance of a clean environment;
- promote reasonable use of natural resources;
- ensure the development of green marketing.

The campaign was first launched in 2008 in Estonia which focused global attention on the need of such projects.

Thus, in April and May 2011 a clean-up campaign was organized, continuing the tradition of previous years, gathering 200,000 Moldovan citizens – among them **BIOPROTECT** employees. The volunteers, ‘armed’ with eco friendly bags, collected garbage in parks and other green areas and installed signs encouraging people to maintain order. The project’s slogan ‘**Lets Do It!**’ proved true, as due to high media exposure the project was widely supported by the public – by each and every individual who cares about the place he lives in.

Such projects, when organized and supported by people, are beneficial to the environment, but also to the company’s image, giving it an important place in the society’s activity. And there is still the need to innovate, use recyclable packaging, make eco friendly products etc.

Hai Moldova Project highlights the direct interdependence of overall mindset, quality of life and the environment. Any business should aim, among other things, at participating actively through its own achievements in such sustainability projects.

THE IDEA OF BIOPROTECT’S IDENTITY SHOULD BE VIEWED THROUGH THE LENS OF CORPORATE REPUTATION IN RELATION TO SOCIALLY RESPONSIBLE ACTIVITIES, WHICH WILL CONTINUE TO EMBRACE NEW SUSTAINABILITY STRATEGIES IN GREEN MARKETING.



2.2. PRESERVING CULTURAL HERITAGE

Currently the society's economic and technological development is accelerating, leading to a certain loss of cultural values. Theaters, museums, art monuments and rustic exhibitions should not be left behind in the rush of changes. Therefore, BIOPROTECT decided to revive their importance through an act of charity towards a group of orphan children, giving them the possibility to go to the theater to see a play at their own choice. Apart from that, the children also received material aid and gifts – goods of personal use and sweets. Children are and always will be the most precious thesaurus of any nation. BIOPROTECT relit this idea in the minds of modern-day society, offering a general message to all Moldovan companies, suggesting that social responsibility is a guideline of the present.

NATIONAL HERITAGE SHOULD BE PRESERVED, APPRECIATED AND SUPPORTED THROUGH ACTION BY ALL THOSE 'COMMITTED' TO BE SOCIALLY RESPONSIBLE





2.3. TEAM SPIRIT GIVES US JOY

We have beautiful, even extraordinary parks. We have the cave of Emil Racovita – the third longest cave in Europe. We have churches and private monasteries. A problem of Moldovan parks and other tourist attractions is their condition. Many of them are unkempt because no one is responsible for their care. There are hardly any parks using alternative energy sources. BIOPROTECT is gradually, through its own actions, contributing to their maintenance. Each year our employees participate in clean-up activities in parks, thus promoting a new attitude towards the environment. We want to involve as many volunteers, NGOs and companies in our future projects as possible in order to change the relation between man and nature, society and cultural heritage, market economy and environment.

We hope the campaign will attract other supporters of the idea, because we must maintain a balance between what we have got from nature and our ancestors and what we are offering to future generations.

BIOPROTECT is launching a local program of information, even within workshops among our own employees and clients, on the need of being prepared to act in a responsible way in certain situations. Preventing an ecologic collapse and raising the spirit of collective responsibility towards everything around us is our primary goal, both for the benefit of future generations and for the purpose of creating and maintaining a transparent business that strives for new horizons and success.

2.4. SOCIAL PROJECTS FOR A BETTER FUTURE

In celebration of the International Day of Older Persons BIOPROTECT, together with NEOHUMANIST Association for Education, for the 3rd year in a row is supporting the rest home of Strasen district. Our employees were active and eager to volunteer for the campaign, but, of course, the main support was provided by the company itself. Donations for the elderly included food, personal hygiene items and other necessities. The goods were delivered to the 20 beneficiaries of SPECTRU Permanent Placement Center, as well as to other 80 older people outside the Center.

Any act of charity is, at the same time, a moment of recollection and good will. This is the reason why our company continues the tradition – to see old faces glow with smiles like those of our own grandparents. The campaign also featured an entertainment program to warm up the older people's hearts. IEDERA Folk Band enlightened the atmosphere and gave moments of joy and warm wishes along with representatives of BIOPROTECT.

The future depends on us. Being responsible means being human towards those around us, especially older people who have preserved our nation's cultural heritage and all that is beautiful and valuable in our days. Practical results of volunteering have always served as a lever for organizational culture transformation. In fact, social responsibility manifested through corporate volunteering is one of musts for a third party to CSR.





BIOPROTECT is also an active supporter of another social project, 'In Mother's Arms', organized by DIACONIA Social Mission. It is an educational and training placement center providing shelter for a definite period of time to mothers with children under the age of 3, those in distressful living conditions or who became pregnant following a rape or under certain other circumstances. The center has an in-staff psychologist and other specialists preoccupied with the overall condition of project beneficiaries. BIOPROTECT could not remain indifferent and undertook another act of charity, buying food, pillows, toys and other necessities for the 10 mothers and their children. The promoted idea is plausible. The center provides young mothers with moral and material support, living space, the possibility to learn new things they don't know, like how to cook, how to care for their babies etc.

Together with DIACONIA, BIOPROTECT brought smiles to these mothers and hope for a better tomorrow.

The younger generation is what reflects our actions. It is something that will yield fruit from any investment. It will benefit from the moral and physical environment preserved and created by us. And in the end it will make us realize: it is only through the responsibility of each of us that we can reach wellbeing for all.

3. THE ROLE AND BENEFITS OF ORGANIZED PARTNERSHIP

3.1.EMPLOYERS' ASSOCIATION

The Employers' Association GLOBAL COMPACT NETWORK MOLDOVA will be incorporated in 2012 as non-profit, non-governmental, independent and apolitical organization created through free association and based on the principle of equal status of its founders – Moldovan legal entities guided by the UN Global Compact principles, aiming to assist the Association's members in their capacity of employers and members of / applicants to the Global Compact through providing them services and counseling, protecting their rights and representing their interests in relations with public authorities, trade unions and any other national and international non-governmental organizations. The following entities are the Association's founders:

- FPC "BIOPROTECT" SRL;
- IM "GRADALOGISTIC GROUP" S.A.;
- BC "MOLDOVA-AGROINDBANK" S.A.

The Association will be a non-profit structure with corporate personality, created for an indefinite period of time and operating under the Moldovan law and the UN Global Compact.

The organization's management and control bodies will be:

- General Meeting of Members;
- Council of the Association;
- Chairperson of the Association;
- Audit Committee.

The purpose of the Association is to assist its members by providing them services and counseling, promoting and representing their interests arising out of their actual or potential membership in the UN Global Compact in relations with public authorities and any other individuals and legal entities, promoting and improving interrelations between its members and implement projects in the field of Corporate Social Responsibility.