



sopharma[®]
PHARMACEUTICALS

Corporate Responsibility COP Report - 2012





Statement of continued support

As a member of the Global Compact Sopharma AD supports the ten Principles in its day to day activities, its relationships with partners and the society.

We will continue to integrate the ideas behind the ten Principles in our business and we will try to reach further and help increase the overall awareness about the Global Compact through proper communication with third parties.

We believe that the production of medicines is a humane mission rather than a technological process and acting as a socially responsible company is in the core of our strategy.



Ognyan Donev, CEO



INTELLIGENT BUILDING

In the context of world trends towards reducing energy consumption there are number of technologies used for energy savings in the project:

- Decentralized ventilation & air-conditioning with fresh air from the facade
- Developed sun protection system which minimizes the solar factor during the summer and uses it during the winter
- The green roof acts as a filter. It lowers the temperature during the summer and increase the isolation during the winter. Thus the energy consumption of the building is being lowered and carbon dioxide emissions are decreased



SOPHARMA TOWERS THE NEW SYMBOL OF SOFIA

The purpose of the trade and administrative complex is to provide a space that is energy efficient & secures as good working conditions. The buildings cover all of the contemporary parameters in terms of ecology, architecture and energy effectiveness. The glass fronts are of last generation “double skin” front keeping the periods when artificial light is used at a minimum. The buildings have at their disposal a unique filtering grass covered roof, which decreases the temperature in the summer and increases the warm insulation properties in the winter, thus decreasing the energy expenses of the building and emissions of carbon dioxide.

The entire energy saving of a building of “Class A”. In comparison with high class European buildings, we expect a fall in energy expenses from 37-45%. The project has been defined as unique, not only for the territory of Bulgaria, but also as emblematic for Southeastern Europe. According to architect Helmut Koster, it is unlikely to find such a building anywhere in the world. The next similar projects of that scale will be implemented in Sao Paulo, Kuwait, Beijing and Germany.

“Sopharma Business Towers” applied for certification from DGNB Bulgaria, a German system that is adapted to the Bulgarian regulation, construction standards and climate conditions.





RESPONSIBILITY TO THE ENVIRONMENT

Green energy

Sopharma's existing production complies fully with the respective legislative ecological impact limits, but our wish was to go one step further and exploit all available innovative technology to reduce to a maximum our ecological footprint. As a result the new project envisages the building to be loaded with 8000 m² of photovoltaic equipment. The initial simple simulation for the Sofia region with the tools of the European Commission available for public use indicate that the likely annual output will exceed 450 thousand kWh.

The effect is double: not only will the production cycle be almost entirely independent from public energy sources, but there will also there will be a significant CO₂ reduction. The CO₂ reduction according to Ordinance RD-16-1058 will most likely reach up to 900 tons per year.

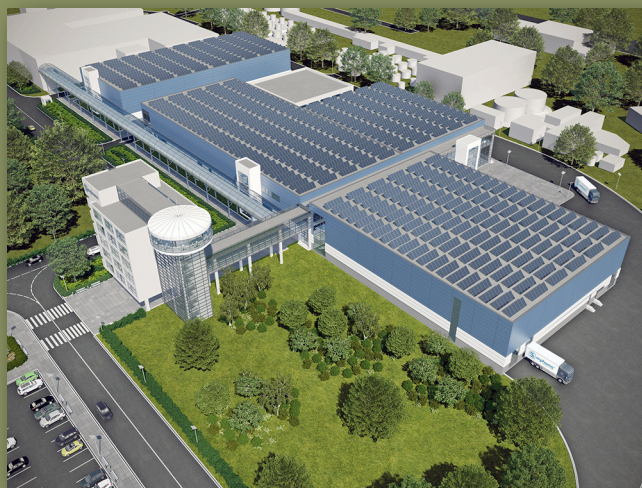


Insulation

The building walls are insulated with special industrial panels which are highly efficient in saving energy for creating the required micro-climate. In the winter the panels insulate from the cold and in the summer they keep the heat out. The special micro-climate requirements according to GMP usually would mean higher energy costs, which will be eliminated more than half by introducing the most efficient insulation available.

Environment

The building will be surrounded by a park area providing an attractive and environmentally friendly working environment. The 40 thousand square meters of garden and green roofs will extend the industrial arm into the natural green colors adding a soothing touch to the gray and glass facade.



Materials

One of the most significant environmental impacts will come from the replacement of volatile organic compounds in the process of covering the filmed tablets and the reduction of VOC in the granulating process. The replacement of VOC with water will lead to the total annual reduction of the used VOC with 20,000 kg of isopropanol and 9,200 kg of acetone.

Experience

Sopharma has already built a number of ecological production sites including the GMP certified injectables facility, suppositories facility, lyophilic facility, phytochemistry etc. The latest project, which was partially financed by a EU funding program for competitiveness, was completed this year in one of our daughter companies in the rose valley – Bulgarian Rose – Sevtopolis. The facility is the facility for extraction of active ingredients from herbs. The facility is GMP certified and situated at the company's premises in mid country.





ECONOMIC RESPONSIBILITY

BEST PUBLIC COMPANY

Sopharma was awarded the best public company in Bulgaria for 2010. The prize was awarded to Sopharma by the Minister of Economics Mr. Traycho Traychev who said that priority sectors of the economy in the future would be the health and pharmacy sector and conditions would be created for direct investment in them.



ECONOMIC CONTRIBUTOR

The Executive Director of Sopharma received the award of the Bulgarian Stock Exchange (BSE) as the issuer with the highest contribution to the development of the capital market in 2010. This prize has been awarded for the first time ever. The pharmaceutical company was distinguished in a ceremony awarding investment mediators who have achieved the highest results during the last year.

THE FIRST BULGARIAN COMPANY TO LIST ON THE OFFICIAL MARKET OF THE WARSAW STOCK EXCHANGE

In November 2011 the shares of Sopharma AD were traded on the Warsaw Stock Exchange for the first time. The company is the first Bulgarian Public Company to be listed on the Official Market of the Warsaw Stock Exchange. The decision for listing was taken back in 2007 by technical issues between depository institutions postponed the project.



EUROPEAN COMMUNICATION SUMMIT 2011

At the 2011 European Communication Summit in Brussels, organized annually by the European Association of Communication Directors, Sopharma was admitted as a full member of the Association. Social media, communication management in the age of hyper-transparency, added value creation by corporate social responsibility, newspapers – from the end of the telex to WikiLeaks, those were only a few of the interesting topics within the Conference.



SUPPORT FOR THE HUMANITIES

From July 1st to 15th, 2011 Sopharma sponsored the Modern Gallery of Art in their presentation of unique works of Michail Zaimov, which combine photography zeal and natural beauty. Underwater photos of the incredible marine life, magnificent landscapes with a volcano at Maui island, Hawaii, are only part of the collection that can satisfy any admirer of photography art. The exhibition was opened by Denitsa Atanasova, President of the gallery, the author of the photos Mihail Zaimov and his co-mate in underwater investigations, Mr. Luben Dilov.



With the message for support of free spirit, Sopharma sponsored a number of concerts of the Burgas band Sunrise and All Access Project. They will tour together with the legendary Ken Hensley of Uriah Heep under the motto "Rock on The Rocks". Rock music fans were pleasantly surprised by the last album of Sunrise containing only author's pieces. Rock will always be a symbol of the freedom-loving spirit, and Sopharma's support is part of the corporate social responsibility of the Company.



RESPONSIBILITY TO THE COMMUNITY



OASIS FROM THE HEAT

Due to high summer temperatures, a special cool place was established in the center of Sofia, organized by Sopharma and the Metropolitan Municipality, Triaditza District. An "Oasis" was created for Sofia inhabitants and guests. In the cool space, those who wished to check their blood pressure were given professional attention. Free mineral water was provided together with a place for short rest from high temperatures, which are a large risk both for hypertensive, cardiac patients, people with low blood pressure, as well as small children, pregnant women and the elderly. This campaign was initiated on behalf of the people who do not suspect that they have problems with their blood pressure, which is affected by high temperatures.

MEDICATION SHORTAGE

Sopharma produced 50 thousand packages of "Deavit" because of increased demand due to withdrawal of from the Bulgarian market of imported products of a similar nature. Sopharma has implemented appropriate changes to its production plan in order to meet demand for this important health problem. Sopharma has always reacted to the needs of Bulgarian patients and performed social functions at times when the other companies find it not economical to produce and import the necessary medication. Sopharma produces and will never discontinue production of the essential medications of young children, which have grown many generations of Bulgarians. So in 2010 Sopharma produced twice as much "Deavit" (110,611 packages) as in 2009.





RESPONSIBILITY TO THE COMMUNITY

DONORSHIP – AN ESSENTIAL PART OF CORPORATE SOCIAL RESPONSIBILITY

Donations are a humane act recognized in religious writings and in esoteric & philosophical literature. Sopharma is a pharmaceutical company that has established traditions and has exceptional persistence in its charitable initiatives. Sopharma's Management follows the rule: "You have to give – and you will receive." The experience gained in the field of charity taught us not to make a donation to one subject in need, who would declare us to be the "sponsor of the year". Donating medicines has its own specific features. It requires precision in determining the type and quantity of the donation, and who will be responsible for the proper use, in order that help to be of maximum effectiveness.

In 2010 we succeeded in donations directly to orphanages, schools, homes for the elderly, hospitals and medical centers and through the mediation of non-governmental organizations, foundations and charitable organizations. We made donations to two city councils /through general practitioners, and to St. Ivan Rilski Ecclesiastical Seminary in Sofia. The total amount of donations was 342,217 BGN, and only donations of medicines and medical equipment amounted to over 170,000 BGN. Sopharma contributed to the treatment and protection of the health and life of many Bulgarians who could not afford it for financial reasons. Our Company, too, is operating under global conditions of crisis. We are successful and developing and we invest in the creation of new job opportunities, but we will not forget that "you have to give – and you will receive." The satisfaction to have helped is a motivation for us to be more efficient and makes us all a greater success.



SMOKE FREE SOCIETY



On the "Day of Health" in May, over 480 people aged between 10 and 73 years made a free medical examination in the Boris Garden in Sofia as part of the social campaign of Sopharma "We the Public". Doctors tested respiratory function and carbon monoxide levels in the lungs, along with blood pressure and weight. The aim of the social campaign is to help people affected by the crisis to gain free access to screening and inspection of health.

Teenagers from 14-16 years were tested and showed evidence of actively smoking with high levels of carbon monoxide in the lungs. Official figures show that every fifth Bulgarian child tries their first cigarette before age 10.



RESPONSIBILITY TO THE COMMUNITY



HEALTHY EATING

Sopharma supported the National Campaign "Food Culture" where residents and guests of Varna witnessed the "collision" of healthy food and junk food. A special art installation illustrated the conflict between poor and proper nutrition. Attendees received red apples and information regarding the most important rules for eating in a balanced and healthy life.

The campaign continued in Plovdiv and other cities with plans in the future to add consultations with gastroenterologists and other specialists.



RESPONSIBLE EMPLOYER

Sopharma attracts employees based on professional and personal qualities suitable for the particular working environment. The process of hiring and testing is fair and transparent and provides ideal processes for selection of the best candidates. This process does not allow for discrimination of any kind and is designed to comply with all local labor regulation. The latter ensures that no child labor, bad working conditions etc. are allowed.

Sopharma is a preferred employer providing work for over 1,800 people in different locations.

	31.12.2011	relative share %
Number of employees 31.12.2011	1,841	100%
Higher education	784	42,5%
Special education	61	3,3%
High school education	979	53,2%
Others	17	1%
Up to 30 years of age	260	14%
Between 31 - 40 years of age	473	26%
Between 41 - 50 years of age	545	30%
Between 51 - 60 years of age	496	27%
Over 60 years of age	67	3%
Women	1,151	63%
Men	690	37%



"For me this is not only a job, but rather an activity that will save thousands of human lives."

Malinka Georgieva, Documentation of technology, Solid forms factory