



UN GLOBAL COMPACT

COMMUNICATION  
IN PROGRESS

2008

Grindex

# Statement



**Jānis Romanovskis**  
JSC „Grindeks” Chairman of the Board

JSC “Grindeks” is aware of all the corporate responsibilities towards society and is proud to be one of the first companies in Latvia that responded to the invitation of UN General Secretary Kofi Annan in May 2002 and joined the UN “Global Compact” that unites socially responsible business companies from all over the world. Accordingly, this is the seventh report within the context of the “Global Compact” that JSC “Grindeks” is submitting to the UN.

“Grindeks” continues to develop and holds the position of the leading pharmaceutical company in the Baltic States specializing in research, development, manufacturing and sales of original cardiovascular and anti-cancer products, generics and active pharmaceutical ingredients.

Looking to the financial performance figures in the past years, we can see that there has been annual growth in turnover of 20-30% for several years. Year 2008 was also very successful to our company – the positive financial performance in 2008 demonstrated corporate development in line with the corporate strategic goals.

However, I would like to stress not only our good business figures, but also continuous corporate responsibility towards society and environment. Like other socially responsible companies throughout the world, “Grindeks” has voluntarily undertaken to help improve the social and environmental problems of our society. In addition to developing its business, “Grindeks” also allocates funds for the sustainability of society.

Every year “Grindeks” supports health promotion measures, promotes education, informs students about the importance of the natural sciences and facilitates scientific research, while simultaneously increasing the company’s own quality and environmental standards through dialogue with society.

The business strategy of “Grindeks” roots strongly in its mission – it states that we care about human health as well as the interests and welfare of our employees and shareholders and that we are innovation based and environmentally friendly company. The business philosophy of “Grindeks” is closely tied also to four key values of our company – Quality, Stability, Innovations and Employees – that stimulates

corporate growth, promotes competitiveness and develops the internal culture of the company.

“Grindeks” has always been a driving force in the industry, with a workforce staffed by highly qualified specialists, close relations with science, high quality standards and commitments to the environment and society in general. Our corporate responsibility towards our employees, society and environment was proven by many activities.

We are committed to the principles of sustainable development, and to our role as a socially responsible corporate citizen. The board of JSC “Grindeks” fully supports company’s actions in working towards sustainability goals – in particular those contained in the UN “Global Compact”. Here we summarised the progress we have made against these principles and we will continue to follow them up in future.



Jānis Romanovskis  
Chairman of the Board

# About the Company

"Grindeks" is the leading pharmaceutical company in the Baltic States, with extensive experience in the research, development, manufacture and sale of both brand and generic medications as well as active pharmaceutical ingredients in more than 40 countries. Its activities are vertically integrated and the company has all the necessary resources to perform the complete development cycle of a product using its own resources, from research and development of medications to registration and sales.

The geographical location of "Grindeks" in Latvia is a great advantage. We are a bridge between Europe and the East, which allows us to save on logistics costs by delivering products in both directions – to the European Union and CIS countries.

The business philosophy of the company is closely related to the values facilitating the development of "Grindeks", promoting competitiveness and establishing the internal culture of the company.

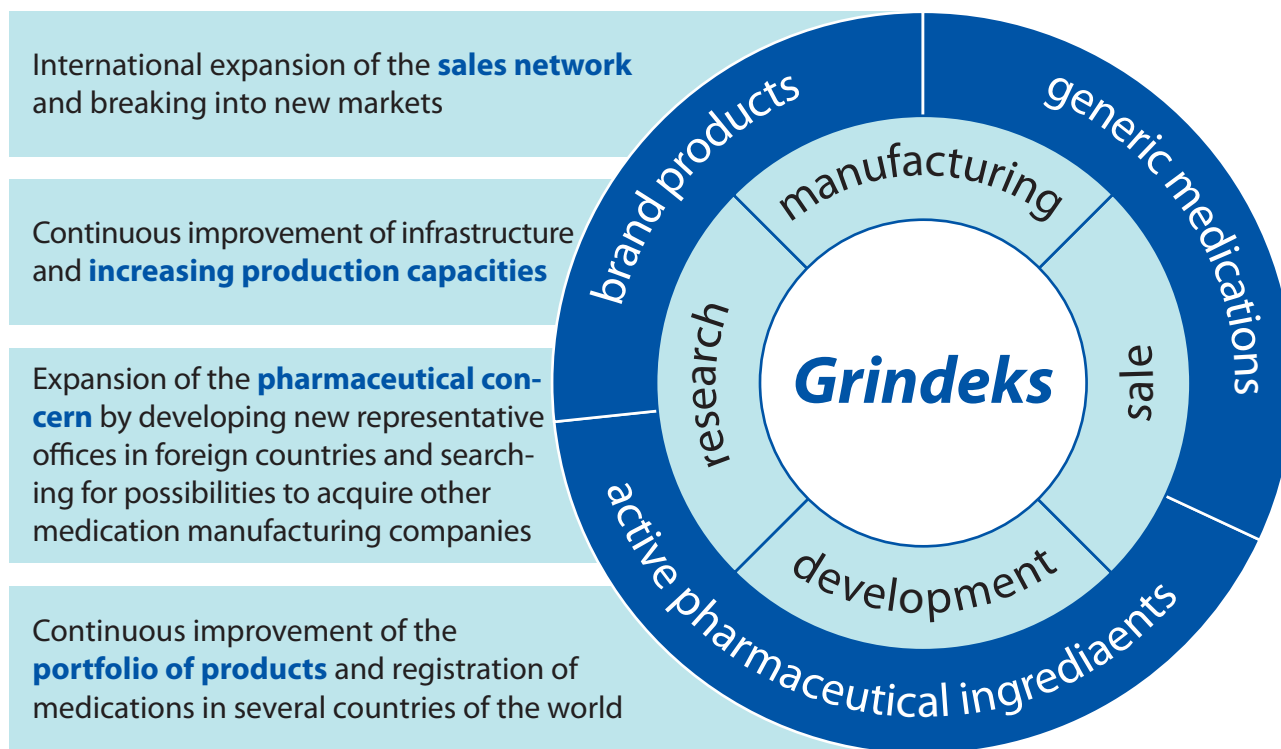
## ***"Grindeks" performance is characterized by:***

- **Vertical integration of operational processes** to ensure complete development of the product
- **Technological supply** – with regard to technologically advanced equipment, "Grindeks" rates among TOP international companies
- **Brand products** – "Grindeks" manufactures qualitative brand products by using mid-range services and raw materials
- **Scientific links** – close cooperation with Latvian scientists, as well as traditional ties with Russian scientists and scientists in other CIS countries, whose high level of knowledge is beyond question
- **Broad specialization, know-how, practical experience and flexibility**

## ***Factors facilitating development of "Grindeks"***

- Meeting high international standards
- Extensive know-how and experience over the entire life cycle of the product
- Highly qualified personnel
- New and modern technologies
- Quality assurance in accordance with international requirements (GMP, GLP, GDP, FDA, TGA, APIC etc.)
- Traditions of close cooperation with scientists and manufacturers in Latvia, Russia and other CIS countries
- A network of representative offices in the Baltic States and CIS countries, and cooperation partners in Europe and elsewhere in the world

## Strategy



## Mission

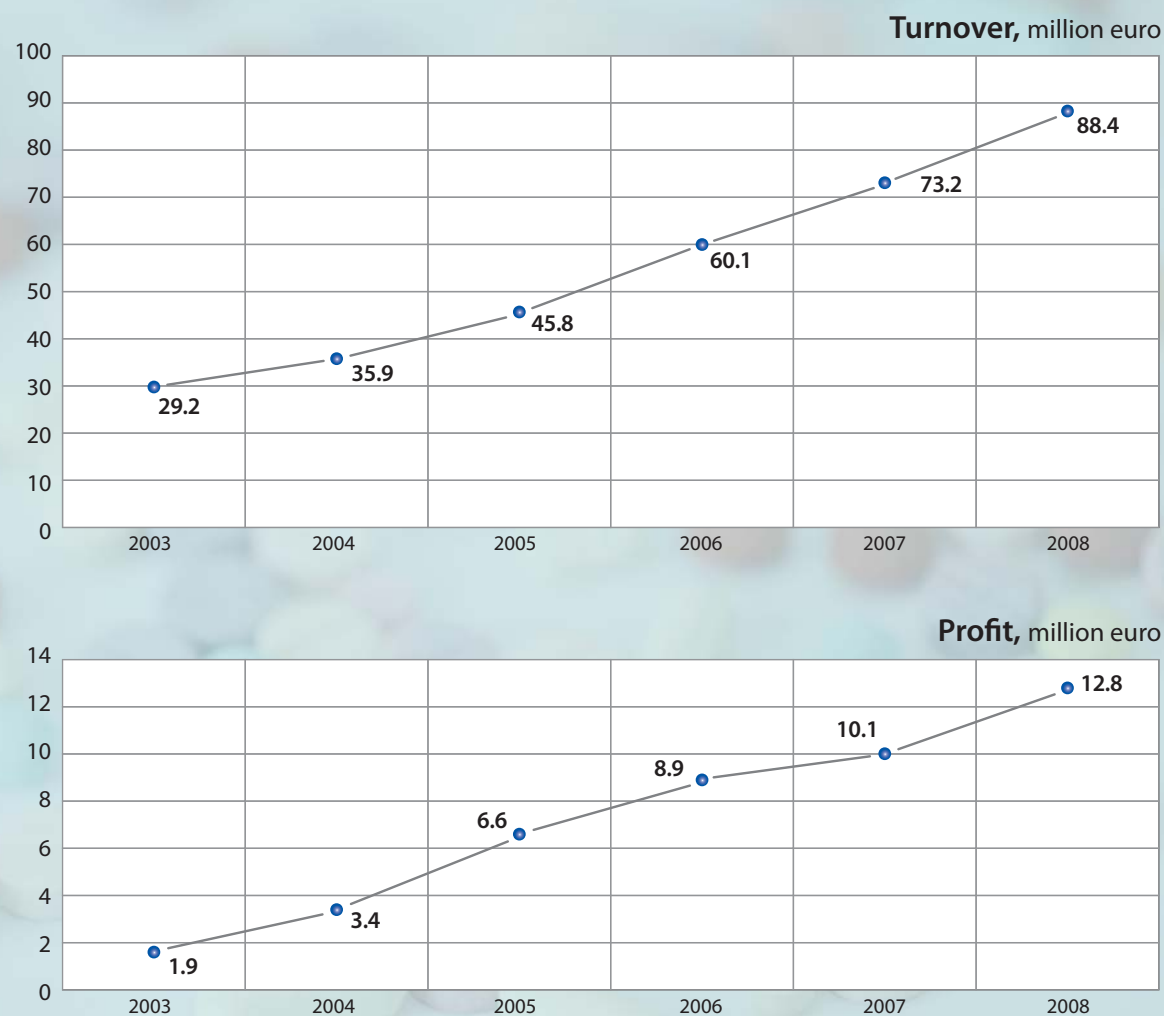
We care about human health as well as our employees and shareholders.  
We are an innovation based and environmentally friendly company.

## Vision

We aim to become a significant European pharmaceutical company.

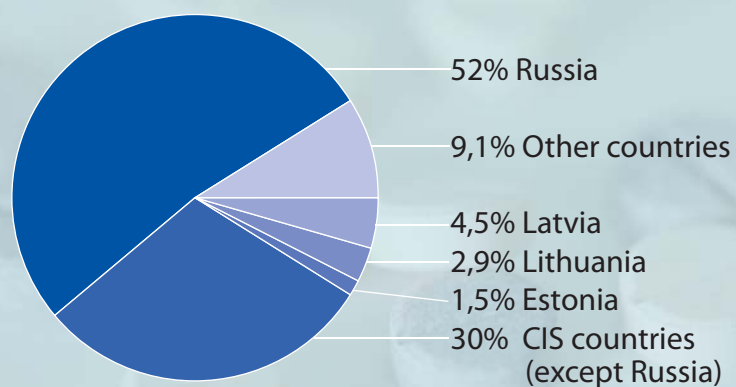
## Values

- **Employees** We are professionals using our knowledge and skills to achieve the determined goals.
- **Quality** We are responsible for the production of safe and effective medicine, ecologically clean environment and work place safety.
- **Innovation** We are steering development of science and research, as well as implementing latest technologies.
- **Stability** We are reliable partners, socially responsible and honouring traditions.

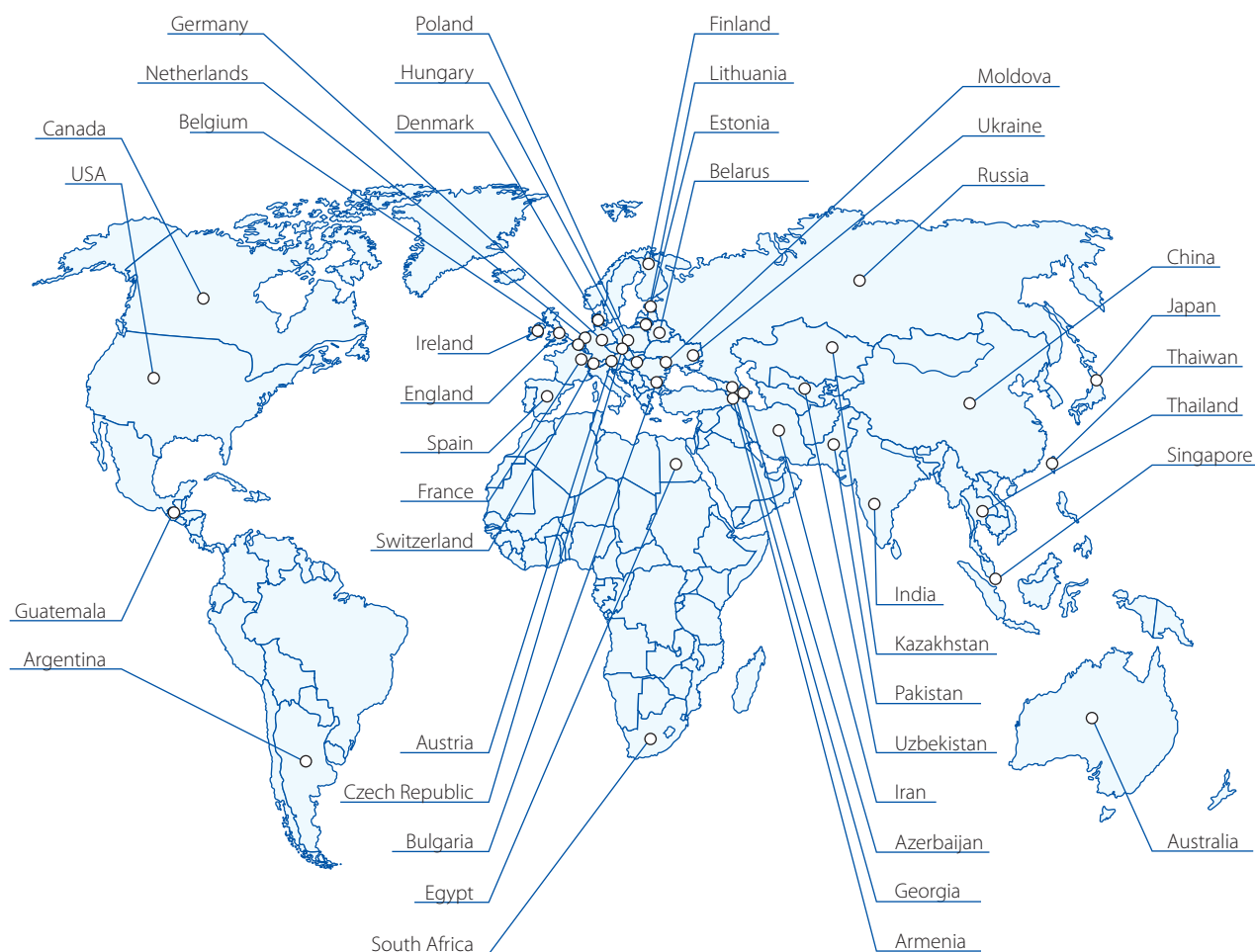


The most important markets for ready-made medications are Russia and the other CIS countries, whereas the main export markets of "Grindeks" active pharmaceutical ingredients (API) are Europe, Japan, the USA, Australia, Pakistan and India.

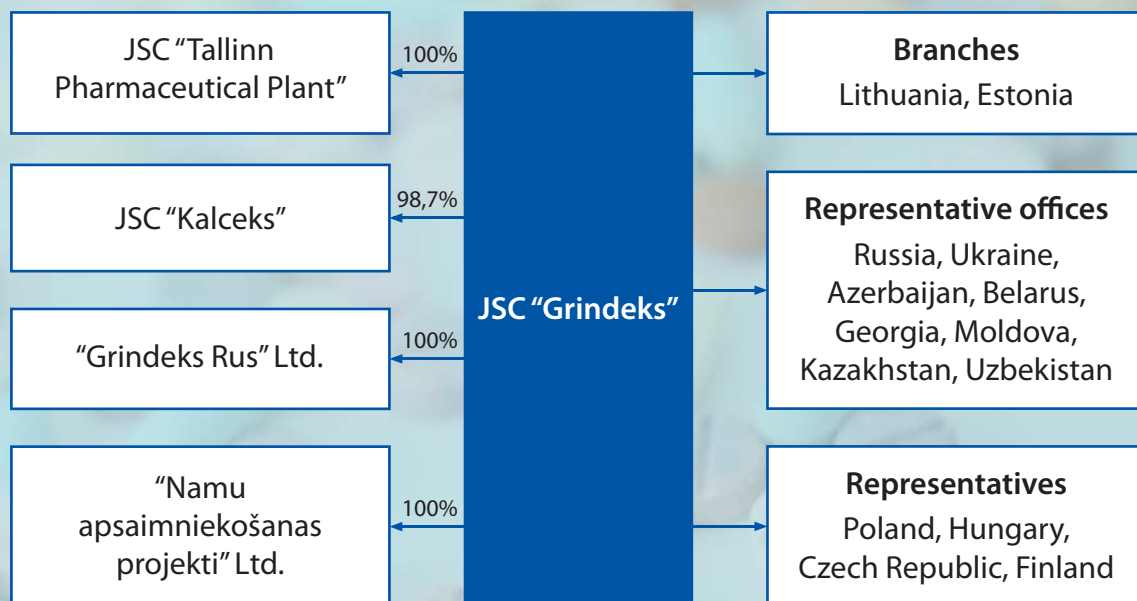
"Grindeks" holds 35% of the world market for exports of zopiclone and oxytocin, while exports of new veterinary substances to the EU member states already comprise 36% of the total EU market.



## Important export markets of “Grindeks”



## Structure of the concern





# Products

“Grindeks” product portfolio consists of the thriving brand products Mildronate® and Ftorafur®, as well as generic medications. “Grindeks” specializes in the cardiovascular, psychotropic and oncological therapeutic groups of medications.

## Brand Products

### Mildronate®

The brand product Mildronate® is the most popular medication of “Grindeks” cardiovascular group of agents. Its unique property means this medication can be used for the treatment of different cardiovascular diseases such as heart failure, infarction, stenocardia and thrombocytopenia, as well as for prophylactic purposes in cases of physical and mental strain and during rehabilitation periods. The medication is available in capsules and injections.



The highest demand for Mildronate® is in Russia and other CIS countries, while in Latvia it has been acknowledged as the most exportable product in the non-food product group for 5 years in a row.

At present, “Grindeks” is continuing international multicenter clinical research on Mildronate® and making big investments in establishing a new Mildronate® generation.

### Ftorafur®

Another popular “Grindeks” brand product, Ftorafur® is an oncological medication used for the treatment of gastric and colorectal diseases. For over 30 years, Ftorafur has been successfully exported to Japan, and promotional activities are being developed in the European markets, Russia and other CIS countries.





Ftorafur® plays an important role in the total sales volume of “Grindeks” products as one of the most important export medications. Its sales volumes doubled in 2008 because of dynamic work in all relevant markets on the new formula or perception of Ftorafur®.

The research and development activities of “Grindeks” have also been aimed at the improvement of this product by developing possible combinations with other medications.

## Generic Medications



In addition to Mildronate®, “Grindeks” also offers medications needed by patients and physicians such as Karvidil®, Simvalimit®, Lisinopril-Grindeks and Warfarin-Grindeks for treatment of cardiovascular diseases.

In 2008, several registration processes of medications were continued in order to expand the supply of “Grindeks” oncological group products, and the registration of the medication Axastrol® was completed. Axastrol® is a new generation medication for the treatment of progressive breast cancer in post-menopausal women.

The most important medications among the psychotropic group agents are the sleep medications Somnols®, Alprazolam-Grindeks, Betamaks® and Venlaxor®. As of 2008, “Grindeks” can offer a qualitative new generation product for the treatment of schizophrenia – Rispaxol® - which is a bioequivalent of the brandname Risperidonum.

The group of over-the-counter products is focused on development of ointments and analgesic/anti-inflammatory agents. Highly popular products include the ointments Capsicam® and Viprosal B®, as well as the natural health tonic Apilak-Grindeks. In 2008, two new products in the over-the-counter group were registered – the fungicide agent Terbital® cream and the analgesic Begsan® gel.

## Active Pharmaceutical Ingredients (APIs)

APIs are an integral element of “Grindeks” products. They are manufactured for both further manufacturing of final dosage forms within the company and for sale to other pharmaceutical companies around the world, mainly in Western countries.

The company offers complicated, multi-stage synthesis of APIs, diversifying and making the portfolio of APIs products more attractive year by year. At present, “Grindeks” manufactures 16 types of active substances. The most popular products are Ftorafur (Tegafur), Zopiclone, Oxytocin, Rilmenidine and the new veterinary products Detomidine, Medetomidine and Atipamezole.

Registration of APIs Zopiclone and Oxytocin in accordance with the requirements of European Pharmacopoeia provides export opportunities to the European Union (EU) member states. Both of these substances manufactured by "Grindeks" have been registered in the European Directorate for the Quality of Medicines (EDQM).

The high quality of "Grindeks" APIs is confirmed by the Good Manufacturing Practice (GMP) certificate issued by the State Agency of Medicines of Latvia and the opinion of the U.S. Food and Drug Administration on conformity of the standard for the API production unit, as well as the opinion of the API Committee (APIC) of the European Federation for Medicinal Chemistry on conformity of "Grindeks" production unit with the EU guidelines (ICH Q7A).

The opinion of the Therapeutic Goods Administration (TGA) is of great importance for the opportunity to export the active pharmaceutical ingredient Zopiclone to Australia.

Since 2007, the API analytical scaling laboratory has carried a certificate showing that its standards are in keeping with Good Laboratory Practice (GLP).



# Investment programme

The key to the growth of "Grindeks" is significant investment in development. Therefore, every year the company invests approximately ten percent of its turnover in research and development.

## Investment in production infrastructure and technologies

- In 2007, an API analytical scale-up laboratory with an investment of 4.6 million euros was opened
- In 2008, a new Mildronate substance crystallisation district was built with an investment of 3.1 million euros
- In January 2009, "Grindeks" opened a new final dosage form plant with an investment of 12.9 million euros. This is the biggest investment project in the company's history
- In 2009, a new modern waste water purification plant with a total investment of 3.6 million euros started to operate

## Research and development

- "Grindeks" new product development strategy is targeted at creating new brand products as well as creating new forms of existing medications and acquiring promising generic medications.
- Research and development of active pharmaceutical ingredients
- Research and development of final dosage forms
- Preclinical trials
- Clinical trials program
- Pharmacovigilance

## Quality

- The "Grindeks" integrated Quality Management System covers all stages of the product life cycle: research and development as well as production and sales
- Regular quality audits by international pharmaceutical institutions and cooperation partners, as well as supervision audits by institutions responsible for environmental protection and observance of ISO standards
- Operational continuity management process
- A computerised document management system is being implemented in the company's most strategically important areas

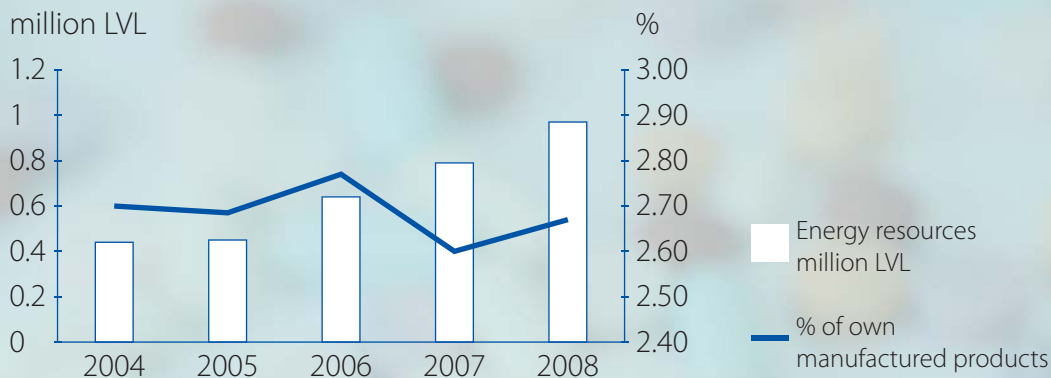
## Certificates and statements

- "Good Manufacturing Practice" certificate
- "Good Laboratory Practice" certificate
- Compliance with „Good Distribution Practice“
- LVS EN ISO 9001 certificate for Quality Management System
- LVS EN ISO 14001 certificate for Environment Management System
- US Food and Drug Administration statement on compliance with standards for API production unit
- European Chemistry Federation API Committee (APIC) statement on API production unit compliance with EU guidelines (ICH Q7A)
- Australian TGA (Therapeutic Goods Administration) inspection statement on possibility to export API zopiclone to Australia

## Environmental protection

- JSC "Grindeks" has established an Environmental Management System to improve environmental measures and promote the efficient use of resources and ensure that employees are informed about environmental issues
- Modern waste water purification plant

### **Resource consumption – energy costs of own manufactured products**



### **The most substantial investments "Grindeks" made in environmental protection in 2008**

In line with laws and regulations, measurements and assessment have been made, detailed action programmes worked out and projects have been developed:

- Amending the plan to cut air pollution;
- Updating "Grindeks" Civil Protection Plan.

### **The most important environmental protection measures:**

- Revision of material balance sheets for technological processes and development of a program to manage solvents.

### **Further investments regarding the environment in 2009**

- Putting sewage treatment plant into operation.
- Starting implementation of the circulating water system project.
- Reduction of the environmental impact of carcinogenic and other hazardous chemicals.

## Staff Policy

The main factor in the company's success is its workforce, therefore "Grindeks" implements a staff policy featuring a progressive incentive scheme. The company is proud of the fact that the reputation of "Grindeks" as an employer improves every year, as confirmed by decreasing staff turnover, the increasing proportion of young, qualified employees, as well as high demand for internships at the company.

The company has successfully introduced a Staff Management System, including a staff welfare plan, Education, Structure and Absence modules, and notifications by e-mail of the hiring or dismissal of an employee, structural changes, changes of position, employees' birthdays etc., and a Competence Administration and Development module.

The staff policy of the company is implemented both in Latvia and in the representative offices by applying modern IT solutions. The strength of "Grindeks" workforce is 850.

In April and May 2008, as an employer "Grindeks" was placed 16th out of the 50 biggest Latvian companies among employees according to the study "The Image of Expectation of Employed Persons and the Biggest Employers in Latvia" conducted by "TNS Latvia". According to the same study among students "Grindeks" was placed 7th by them.

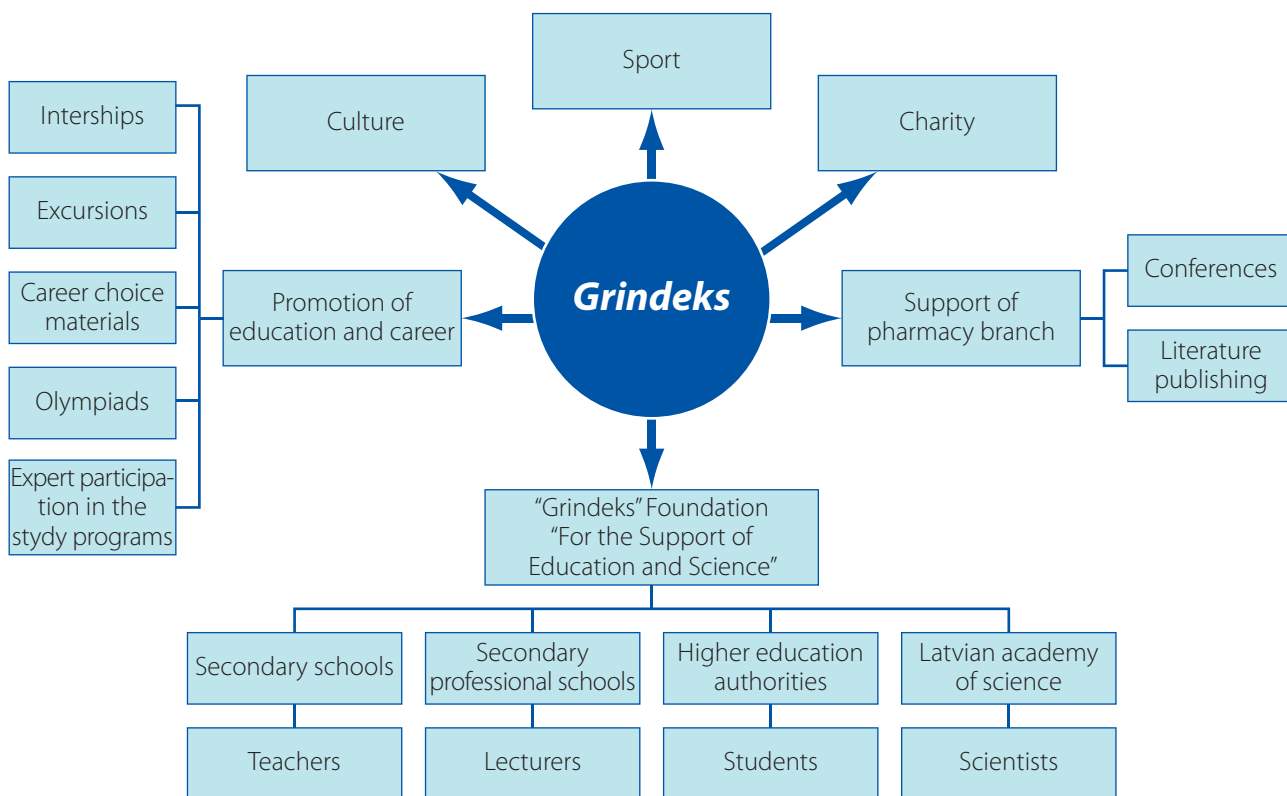
## Satisfaction of Employees

In 2008, anonymous research of satisfaction of employees was conducted for the second time. A total of 364 respondents participated in the research and the results gained testify that employees are satisfied with their work and they are proud of the company. The average overall satisfaction rate is 3.92 out of a possible 5, whereas in 2007, the corresponding figure was 3.81.

Employee average indicators in 2008	"Grindeks" in Latvia	Subsidiary companies, affiliates, representative offices
Number of employees	660 employees	165 employees
Employees with higher education	52%	85%
Average age of employees	43 years	37 years
Employees service at the company	9 years	2,5 years

# “Grindeks” and Society

“Grindeks” is a reliable social partner, supporting the development of an educated, healthy and culturally enriched society. The link between the company and the general public takes place through the “Grindeks” Foundation “For the Support of Science and Education”, organising conferences and publishing literature in the pharmaceutical sector, promoting educational and career opportunities in the natural sciences, organizing excursions and sponsoring sports and charity projects.



## Corporate Social Responsibility

Like other socially responsible companies throughout the world, “Grindeks” has voluntarily undertaken to ease the social and environmental problems of the public. In addition to developing its business, “Grindeks” also allocates funds to aid the public.

In 2002, “Grindeks” was one of the first companies in Latvia to join the UN Global Compact, undertaking to observe the basic principles of socially responsible business.

Every year “Grindeks” supports health awareness, promotes education, informs students about the importance of the natural sciences and facilitates scientific research, while simultaneously increasing the company’s own quality and environmental standards through listening to the public.

## The “Grindeks” Foundation “For the Support of Science and Education”

The goal of the “Grindeks” Foundation “For the Support of Science and Education” is to encourage young people and increase their motivation to study engineering, the natural sciences, pharmacy and medicine.



Thanks to the “Grindeks” Foundation “For the Support of Science and Education” over 100,000 lats has been allocated every year to scholarships, not only for well-known scientists and teachers but also for the best young and emerging specialists. To support the development of Latvian pharmacy, the Foundation helps establish chemistry classrooms and laboratories in Latvian schools, secondary professional education institutions and higher education institutions.

### ***In 2008, projects funded by the “Grindeks” Foundation “For the Support of Science and Education” include:***

- On June 4, 2008, Minister of Education and Science Tatjana Koķe met with the Board of the “Grindeks” Foundation “For the Support of Education and Science”, scholarship holders and representatives of higher education institutions. She also visited the “Grindeks” Foundation to exchange opinions on education matters and to acquaint herself with the work performed by the foundation in support of education.
- On August 20, 2008, the “Grindeks” Foundation “For the Support of Education and Science” assembled more than 30 chemistry teachers from all over Latvia to laud them for their contribution to teaching talented chemistry students.



- Scholarships were granted to bachelor and professional study program, master's and doctoral students (the amount of each scholarship is 150 lats per month).
- For the first time, ten scholarships of 100 lats for ten months (from September to June) were granted to chemistry teachers.
- Six support stipends of 5000 lats (30 000 lats in total) were granted to educational institutions.
- Three “Golden Owl” awards and stipends of 1200 lats were presented to famous Latvian scientists for their lifetime contributions to science and four “Silver Owl” awards and stipends of 400 lats were presented to the best young scientists.





## Support to Education and Scientific Projects

- "Grindeks" provides largesse for the organization of the Junior Chemists' Competition of the Faculty of Chemistry of the University of Latvia.
- "Grindeks" provides largesse to the Riga Technical University research work competition "Come and Study at RTU".
- "Grindeks" provided largesse to Riga Technical University to purchase "KMR 300MHz" equipment.
- "Grindeks" provided co-financing to publish the textbook "Production Technology of Biochemical Preparations" compiled by Olaine College of Mechanics and Technology.
- Support for publishing of the guide for secondary school students "How to Become a Scientist," compiled by the Association of Young Latvian Scientists.
- "Grindeks" supported the 145th anniversary ceremony and get-together of the Faculty of Material Science and Applied Chemistry of Riga Technical University.
- Co-financing of a book dedicated to the anniversary of the Medical Faculty of the University of Latvia.

## Projects for Promotion of the Sector

- In 2005, "Grindeks" established the "Small Academy of Cardiology", which for the last three years has been bringing together representatives and specialists in the sector once a month to discuss modern and efficient treatment methods in the field of cardiology.



- "Grindeks" provides largesse for the organization of the congress of the Latvian Society of Cardiology.
- "Grindeks" provided largesse to the First Baltic Conference on Heart Failure.
- On World Mental Health Day "Grindeks" organized the international conference "Modern Outpatient Medical Treatment Methods in Psychiatry" in order to take on board global health initiatives, highlight mental health problems and make a contribution to their improvement.
- "Grindeks" has organised the international oncology conference "Re-Evolution of Ftorafur".
- "Grindeks" was a sponsor of "Pharmacists' Summer Holidays" organized by the Pharmacists' Society of Latvia.

- "Grindeks" was the general sponsor of "Chemists' Days 2008," organized by the Pharmacists' Society of Latvia.
- "Grindeks" provided largesse for the organization of the conference of the Latvian Association for Quality "Provision of Quality in Health Care".
- "Grindeks" helped to organise the 20th anniversary ceremony of the Latvian Physicians Association.
- On World Health Day "Grindeks" organized the informative seminar "Support Mechanisms for Entrepreneurs to Implement Environmental Programmes," in cooperation with the Association of the Latvian Chemical and Pharmaceutical Industry and the Ministry of the Environment of the Republic of Latvia.
- "Grindeks" supported the "Annual Awards in Medicine" established by the Ministry of Health of the Republic of Latvia, which honours the best physicians and health care associations in Latvia.

## Other Supported Projects

- By supporting sports activities, "Grindeks" facilitates the development of a healthy population in Latvia. Hockey is one of the most popular sports in Latvia, therefore "Grindeks" supports the development of hockey and has become the major sponsor of the Latvian Ice Hockey Federation.
- For the second year running, in the season of goodwill "Grindeks" thrilled the little patients at the Childrens' Clinical University Hospital by delivering a sack full of Christmas presents made by "Grindeks" employees to the hospital. Thanks to the support of the company, all patients at the hospital also received packets of sweets.
- "Grindeks" supported the annual conference of the leadership of the Latvian Quality Association.
- "Grindeks" supported publication of a 2009 calendar prepared by the Support Association "Aspazija's Heritage" containing the work of the great Latvian poet Aspazija and photographs by Atis Meibergs.
- "Grindeks" supported the events of the 90th Anniversary of the Proclamation of the Republic of Latvia at the Embassies of Latvia in Belarus and Russia.
- "Grindeks" co-finances a project "Open Week" organised by the Association "Youth Consultations" in which students can look round the company from February 18 to 23.

# Caleidoscope of the events of 2008

## February

- "Grindeks" concludes an agreement with Russian pharmaceutical company "Pharmstandart" on the rights of sale and development of "Grindeks" brand product Mildronate® in Russia.

## March

- "Grindeks" concludes an agreement with USA research centre – the Center for the Study of Wake Forest University School of Medicine on supply of the active pharmaceutical ingredient Oxytocin.



"Grindeks" brand product Mildronate® was recognised as the most successful export product of Latvia in the group of large non-food companies already for the fifth time in the contest "Made in Latvia".

## April

- "Grindeks" expands its activities in CIS countries by opening a new representative office in Uzbekistan.
- On the World Health Day, the Association of Latvian Chemical and Pharmaceutical Industry organizes an informative seminar "Support Mechanisms for Entrepreneurs for Implementation of Environmental Programs" in cooperation with "Grindeks" and Ministry of the Environment.



"Grindeks" supports and takes part in Russian National Congress "Person and Medicine" in Moscow, which is one of the most significant events in Russia in the field of medicine.

## June

- "Grindeks" supports the annual Chemists' days, where pharmacists have an opportunity to meet each other and discuss the news in the sphere of pharmacy.
- "Grindeks" celebrates ridgepole celebrations of the new purification plant building thereby supporting the World Health Day, the topic of which this year is Green cities.
- The grand "Cinema Games" take place at "Grindeks", where all the staff of "Grindeks" meet in the recreation complex Valguma pasaule.



"Grindeks" receives "Baltic Corporate Excellence Award 2008" as the best company listed in the "NASDAQ OMX" Baltic Stock exchanges.

## July

- "Grindeks" choir sings in Latvian National Song and Dance Celebration.
- "Grindeks" is recognised as a company having the best reputation in "Reputation Top 2008" of Latvia according to evaluation of Latvian experts, which is provided by products, corporate communication, international orientation, etc.

## August



"Grindeks" organizes an international conference "Re-evolution of Ftorafur 2008". Oncologists from Latvia, Russia, Ukraine, Azerbaijan, Kyrgyzstan and Georgia shared their experience about inclusion of the popular anticancer drug in the modern cancer treatment schemes. "Proved and very perspective," as Ftorafur was described by participants of the conference.

## September

- "Grindeks" active pharmaceutical ingredients production plant has received a Good Manufacturing Practice certificate.
- Ambassador Extraordinary and Plenipotentiary of the People's Republic of China in Latvia V. E. Cheng Wenju visits "Grindeks". During the meeting business cooperation possibilities in China were discussed.
- "Grindeks" team takes part in the strategic competition "S2" for Latvian companies and wins the honourable seventh place in severe competition!



## October

- On the World Mental Health Day, "Grindeks" organizes the international conference "Modern Outpatient Treatment Methods in Psychiatry".
- "Grindeks" participates in the international leading pharmaceutical exhibition "CPHl Worldwide 2008" in Frankfurt by enabling the company to successfully position itself among the world pharmaceutical companies.

## November



"Grindeks" wins the 1st place as "The Most Successful Export Company" in the group of large and medium-sized commercial companies "Export and Innovation Award 2008", and the right to use the trademark of "Export and Innovation Award 2008" "The Most Successful Export Company" for the lines of products Zopiclone and Somnol.

## December

- The building and premises of the new final dosage forms plant are commissioned and inspections performed by the State Agency of Medicines have taken place successfully.



"Grindeks" is awarded for the best investor relations on the Internet within the Baltic states.

# Communication in progress

Human rights	
<p>Global Compact Principle</p> <p><b>1: Businesses should support and respect the protection of internationally proclaimed human rights;</b></p>	<p>Action Taken and Impact Achieved</p> <p>Constantly increasing volumes of manufacturing and sales have ensured that "Grindeks" holds a stable, high position among companies with the highest exporting potential in Latvia. The Management of "Grindeks" strongly believes that successful and financially stable companies have an obligation to provide support to the society. Therefore "Grindeks" allocates funds to focused social and supporting activities every year.</p> <p>In 2008, "Grindeks" continued the implementation of a socially responsible policy, taking care of public health, development and welfare. Goal of the "Grindeks" sponsorship and society support policy is to promote formation of a highly educated, healthy and cultural society.</p> <p>"Grindeks" is one of the few Latvian companies that give practical support to the development of science and education in Latvia. In 2008, we carried out several important events in order to support and promote the education in the fields of engineering sciences, natural sciences and pharmacy as well as to honour Latvian and foreign scientists, teachers for the achievements and contribution in the manufacture of new pharmaceuticals, for the research in pharmacy history of Latvia, for the merits in Latvian pharmacy and development of "Grindeks".</p> <p>In 2008, "Grindeks" continued to realize various social activities and support projects in accordance to its Sponsorship and Support policy the priority of which is pharmacy and projects related to this field.</p> <p>For the support and stimulate growth and education of specialists in engineering sciences, natural sciences and pharmacy, JSC "Grindeks" has established the Fund for the Support of Science and Education in the spring 2006. Goal of the Fund for the Support of Science and Education is to stimulate interested in the industry in the youth and willingness to master engineering and technical sciences, natural sciences and pharmacy.</p> <p>"Grindeks" continues to be an active member and supporter of numerous organizations - Pharmacists Society of Latvia, Association of the Latvian Chemical and Pharmaceutical Industry, Latvian Employer's Confederation, Latvian Chamber of Commerce and Industry, Latvian Quality Association. On the international level, "Grindeks" is the member and supporter of Latvian Chamber of Commerce in Lithuania, as well as the member of UN Global Compact and partner of the Global Chemical Industry Program "Responsible Care".</p> <p>In 2008, "Grindeks" continued the membership at Latvian Biotechnology Association. Membership at the Association gives the opportunity to our company to follow all the current events of the field, take part in promotion and development of the industry as well as find ideas for perspective projects in biotechnologies.</p> <p>"Grindeks" Sponsorship and Support activities are carried out strictly observing the Law on Promotion of Medicines as well as the Code of Ethics.</p>
<p><b>2: and make sure that they are not complicit in</b></p>	<p>In accordance with responsibility for its products and the health of the consumers, "Grindeks" continues to develop its pharmacovigilance system in all sales markets. For the purpose of elimination of potential risks and health hazards, data on the effects of the medicinal products are being summarised, investigated</p>

<b>human rights abuses.</b>	<p>and evaluated and information about the side-effects and interactions of medicinal products is being gathered.</p> <p>The analysis of the reports and their further submission to the competent authorities are carried out in accordance with the relevant guidelines and pharmaceutical company practices. "Grindeks" is involved in the electronic reporting system "EudraVigilance" which is also the main European Risk Management Strategy support between the EMEA (European Medicines Agency) and the competent national authorities.</p> <p>In its daily work, "Grindeks" undoubtedly observes internationally recognised human rights, respects the principle of equality of genders, religions, cultures, races and ethnical groups, freedom of speech, association and assembly.</p> <p>"Grindeks" is aware that the skills of employees, creative potential, abilities to generate ideas and create new products are the most important factors for the development of the company. Therefore "Grindeks" devotes great attention to the successful selection of personnel, motivation and retainment of employees while ensuring possibilities of professional growth and development. Well formulated personnel and social policy ensures that human rights are respected, taken into consideration and observed on the regular basis.</p>
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## Labour

<b>3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</b>	<p>The employees of "Grindeks" may freely join the trade union, refer to courts in case of labour disputes, and receive all social benefits provided by the laws of the Republic of Latvia as well as those provided by the Collective Agreement concluded between the employer and the trade union.</p>
<b>4: the elimination of all forms of forced and compulsory labour;</b>	<p>Every employee expressing his/her intention to change his/her place of employment may do so as set forth by the law and in accordance with his or her respective Employment Contract.</p> <p>The company's employees are rewarded for their performance by means of salaries in monetary form, payable twice a month.</p>
<b>5: the effective abolition of child labour;</b>	<p>The company neither employs persons, who are under 18 years of age, nor uses forced labour.</p>
<b>6: and the elimination of discrimination in respect of employment and occupation.</b>	<p>In 2008, a determined work has been continued in relation to the occupational health and labour safety, and the action of "Grindeks" in this respect is being recognised also internationally.</p> <p>In the beginning of 2008 "Grindeks" took part in the Good Manufacturing Practice competition on the subject "Continuous Improvement of the System to Reduce "Grindeks" Work Environment Risk Factors and Practical Samples." The company was awarded a Note of Acknowledgement and was nominated for participation in European level tenders. Labour safety issues in the JSC "Grindeks" are solved</p>



	<p>methodically and integrated in the work process. We have established successful cooperation with several education establishments, by creating training programmes for the youth that secure acquirement of the practical skills and prepare more professional and skilled young employees. Every employee of "Grindeks" is involved in the labour safety system, being able to report on the needed improvements of working environment and circumstances.</p> <p>Understanding attitude and support of "Grindeks" management together with the involvement of each employee is a warrant of occupational safety and health (OSH) system success leading to continuous improvements to promote safe and health – friendly working environment in company.</p> <p>It is not only the objective of Latvia OSH Development Programme 2007-2010 but is one of the main conditions for sustainable development of JSC "Grindeks".</p>
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## Environment

<p><b>7: Businesses should support a precautionary approach to environmental challenges;</b></p>	<p>The manufacturing of pharmaceutical products is one of the most responsible spheres of manufacturing, because it is linked to human life and health and, therefore, the pharmaceutical industry is subject to extremely high quality requirements.</p> <p>The achievements in quality management and environmental protection of "Grindeks" are affirmed by certification of compliance with ISO 9001 and ISO 14001 standards and successfully passed audits in these spheres.</p> <p>In 2008, "Grindeks" successfully passed pharmaceutical inspections from Latvia, the US and Russia as well as its partners' audits. Our specialists carried out more than 30 audits of raw material production facilities, one of the quality guarantees for pharmaceuticals.</p> <p>"Grindeks" are working in accordance with the Good Manufacturing Practice (GMP) certificate issued by the State Pharmaceutical Agency. The implementation of Good Management Practice at the company guarantees the conformity of our production with the top international quality standards, regulates the technological production process and quality control. As of 2007, conformity of "Grindeks" Active Pharmaceutical Ingredients Analytical Scaling Laboratory with the highest requirements is also confirmed by a Good Laboratory Practice (GLP) certificate.</p> <p>In developing its environmental protection system, "Grindeks" achieved significant results in the saving of environmental resources continuously in 2008. We are proud to be partners of the Latvian Green Point, BAO and other waste management organizations.</p>
<p><b>8: undertake initiatives to promote greater environmental responsibility;</b></p>	<p>"Grindeks" as a manufacturer of chemical substances is implementing a long-term responsible environmental policy, having continued in 2008, and a systematic work in the sphere of environmental protection.</p> <p>"Grindeks" is a „green thinking" company – all our technological processes and development projects are directed to maximal conservation and non-pollution of environment.</p> <p>In accordance with the company's Environmental Plan, the construction of the large-scale waste water purification plant was started. The construction of a new, closed-type treatment system will not only ensure the removal of pollution from wastewater, but will also help to eliminate the spreading of the smells characteristic to such systems. Besides the work on the improvement of technologies, change of diluents, research of ventilation emissions, etc. will be continued.</p>

<b>9: and encourage the development and diffusion of environmentally friendly technologies.</b>	<p>"Grindeks" plants have been inspected on several occasions both by co-operation partners and by pharmaceutical inspectorates from all over the world who have subsequently recognized their compliance to international quality standards.</p> <p>The rapid growth of "Grindeks" allows investing of increasingly greater means in development and improvement of production infrastructure. Construction of technologically modern waste water purification plant as well as new plant for manufacturing of final dosage forms are purposefully planned investment projects, in order that we could ensure not only a stable increase of "Grindeks" turnover, but also to care efficiently for environment protection. We are aware that our responsibility is to engage actively in conservation of surrounding environment, ensuring environmentally friendly production processes.</p>
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## Anti-Corruption

<b>10: Businesses should work against all forms of corruption, including extortion and bribery.</b>	<p>In 2008 we have continued active participation in several associations and non-governmental organisations. Being the member of the Latvian Confederation of Employers and the Latvian Chamber of Commerce and Industry, "Grindeks" has encouraged a dialogue between state authorities and businesses, as well as facilitated trilateral negotiations among the government, the employers and the employees, contributed to the improvement of the business environment, etc.</p>
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## Contacts

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