

COMMUNICATION ON PROGRESS (COP)



Pharmaceutical Laboratories S.A.

Period covered by this Communication on Progress (COP)

From: September 2019 To: September 2021

1. STATEMENT OF CONTINUED SUPPORT BY THE CHIEF EXECUTIVE OFFICER

For more than half a century Uni-pharma has been identified with the concepts of Ethics, Quality, Innovation, Excellence and Responsibility.

With love and great respect for society and passion for medical science, we have created an industry that has won the trust of all stakeholders and deservedly gained an important place in the domestic and international markets.

In a world that constantly changes, with steady steps and a vision for a bright future, we seek innovation and knowledge in every corner of the earth so that we can offer modern and affordable health solutions, improving the quality of life.

In this difficult environment for national and international economies, we continue to invest in our country with an expanded export network worldwide. Having recently created a new bioclimatic plant we operate unceasingly with insight and responsibility, having as strategic goal, sustainable development.

Fellow travelers in this bold journey are our People who, with their passion, loyalty, teamwork and trust, give their best every day. Our people is our power, and our HR mechanisms operate without discrimination and exclusion. Today we count more than 500 employees. We offer job security and we are bound to their training and development. At the same time, we encourage initiatives and voluntarism and we motivate and support our people to take part in voluntary actions and become active citizens.

We recognize the significance of sustainability as well as our impact on the economy, society and the environment and this is integrated within our internal procedures and policies while at the same time we make sure that this commitment is communicated to our stakeholders.

Ethics is an integral part of our values and is embedded within our operations and procedures with corporate governance regulations in place to ensure legal compliance within every dimension of our operation.

As proud members of the Global Compact initiative (It is worth mention it, that Uni-pharma and InterMed are the only pharmaceutical companies among 30 companies in Greece) we are committed to the Ten Principles of the United Nations in terms of human rights, working conditions, the environment and the fight against corruption. In the following COP we present the practices and policies we apply as well as the initiatives we implement so as to turn our respect and commitment into actions.

In addition, our CSR Strategy adheres to the 17 Goals for Sustainable Development and is a point of reference for our international development strategy and partnerships.

We constantly organize initiatives and actions and we develop partnerships with NGOs and Institutions at both national and international level.

And last, but not least, actions that respect and enhance society are always at the forefront, including preventative medical and dental examinations through MISSION of LIFE program in remote areas; support to the new generation of scientists through AMKE KLEON TSETIS (a non-profit, Institution), Voluntary Blood Donations, actions for our big home – THE ENVIRONMENT and the sea – through the Save the Sea program and student visits to the Group's new, state-of-the-art factory.

The two pharmaceutical companies Uni-pharma and InterMed, also places emphasis on research and new generation of scientists through "Science on the Go", OFET's mobile workshops that travels all over Greece to promote practical science together with educational and academic institutions.

We declare both Present and Active because we are Passionate with our country, with our Potential and because we CAN to be actively present in the current global pharmaceutical, health and business environment, as well as in the next day of our country's growth and sustainability.

It is our duty to build a Sustainable Future for the next generations.

Julia Tsetis, CEO

2. DESCRIPTION OF ACTIONS

Human Rights

Assessment, policy and goals

- Corporate Values
- Code of Conduct and Ethics
- HR Policies
- Health and Safety Manual
- Internal Regulation of Operations
- Health and Safety procedures, policies, equipment and continuous training
- Awakening" the employees' Health and Safety culture through the "U & I SAFE" awareness campaigns
- U & I safe training programs
- Training Academy/ OFET Academy
- Kleon Tsetis Foundation
- Mission of Life program offering free of charge health services to remote areas of Greece

Implementation

- **Training of personnel:**
 - **Corporate Values**
 - **Code of Conduct and Ethics**
 - **HR Policies**
 - **Internal Regulation of Operations**
 - **Health and Safety procedures and policies - Health and Safety culture, under the LOGO "U & I SAFE"**
 - **Provision of explicit Personal Protective Equipment to all staff, adjusted to each employees' needs.**
 - **Fire-Protection training, first aid trainings.**
 - **Development of "Fire Protection Team" and "Emergency Response Team" with trained employees as volunteers**
 - **Increase of staff awareness regarding health and safety through volunteering, participation in the above mentioned Teams, blood donation etc.**

- **Training Academy/ OFET Academy**
- **Employee Performance Management and evaluation linked to corporate values**
- **Induction Workshop to new employees covering all the above areas**

Measurement of outcomes

- **The investment in Health and Safety equipment (i.e. Personal Protective Equipment) in 2017 was 358991 EUR, while in 2018 the said investment was 552071 EUR, meaning that it was increased by 53,78%**

The manpower of the company has grown significantly in the last 5 years (53% increase)

It is important to mention the following information about our people:

- 38% of our people are women
- 16% of our people are located out of Athens
- 44% of our people are workers in the Operations field
- The average duration of stay in UNI-PHARMA is almost 10 years
- 17% of our people hold a post-graduate degree and 28% of them hold a graduate degree
- The average age of our people is 40 years

Labour

- Assessment, policy and goals

 - Code of Conduct and Ethics
 - EFQM Business Excellence Model
 - Employee Union
 - Internal Regulation of Operations
 - European Business Ethics Network EBEN, RMA Model Certification
 - Code of Conduct and Ethics
 - Internal Regulation of Operations
 - HR Policies
 - Health and Safety procedures and policies
 - European Business Ethics Network EBEN, RMA Model Certification

Implementation

- Code of Conduct and Ethics

- EFQM Business Excellence Model
- Employee Union
- Internal Regulation of Operations
- European Business Ethics Network EBEN, RMA Model Certification
- Code of Conduct and Ethics
- Internal Regulation of Operations
- HR Policies
- Health and Safety procedures and policies
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Measurement of outcomes

- EFQM Levels of Excellence Certification
- European Business Ethics Network EBEN, RMA Model Certification

Environment

Assessment, policy and goals

- Description of the relevance of environmental protection for the company (i.e. environmental risks and opportunities). Description of policies, public commitments and company goals on environmental protection.
- Bioclimatic orientation of new facilities
- Environmental Policy and Energy Policy
- ISO 14001:2015 Standard and ISO 50001:2018 Standard
- Waste Management
- Integrated Recycling System
- Suppliers Assessment with environmental and energy management criteria
- Best Available Technologies
- EFQM Business Excellence Model
- Supply of state-of-the-art machinery to save energy
- Environmentally Friendly Production Methods
- Production of eco-friendly products with low environmental footprint
- Materiality review/ Environmental Challenges
- CSR Committee
- CSR Strategy U&I Green Program – increase staff environmental awareness
- Establishment of Environmental and Energy reduce Action Plans
- Establishment of Environmental and Energy reduction Goals
- Rational use of Natural Resources and personnel trainings
- Natural disaster community support

Implementation

- Description of concrete actions to implement environmental policies, address environmental risks and respond to environmental incidents.
- New Bioclimatic Plant

- Establishment of Environmental Policy and new Energy Policy
- Continuous improvement through the implementation of ISO 14001:2015 Standard and ISO 50001:2018 Standard
- Responsible Waste Management
- Implementation of Integrated Recycling System per type of non-hazardous waste (i.e. paper, plastic, glass, wood, aluminium, etc.)
- Suppliers Assessment with environmental and energy management criteria
- Use of Best Available Technologies and equipment
- Adoption of EFQM Business Excellence Model
- Reduction and efficient management of all wastewater and waste.
- Use of new “eco-friendly” mechanical equipment with low environmental impact
- Environmentally Friendly Production Methods
- Materiality review/ Environmental Challenges
- CSR Committee
- CSR Strategy - U&I Green Program – continuous staff training to increase staff environmental awareness
- Environmental Risk Assessment to reduce the environmental impact
- Implementation of Environmental and Energy reduce Action Plans
- Adoption of Environmental and Energy reduction Key Performance Indicators.
- Control of exhaust emissions with the use of disinfectants and filters HEPA to retain the dust.
- “Awakening” the environmental awareness of employees, through environmental awareness campaigns.
- Rational use of Natural Resources to reduce consumption.
- Participation at the Natural disaster community support.
- Cooperation with NGOs to protect the environment
- Measurement of outcomes
- Description of how the company monitors and evaluates environmental performance.
- The evaluation of Environmental Indicators for 2018 is set out below.

Evaluation of Environmental KPIs vs Targets for 2018

The Environmental Key Performance Indicators (KPI's) of UNI-PHARMA S.A. for 2018 are within the Environmental Targets and more specifically the consumption of Natural Resources (especially the energy and Natural Gas consumption) per unit produced decreased, as planned, in order to ensure the protection of the environment.

The evaluation of Environmental Indicators for 2018 is set out below.

1. Water consumption per unit produced was decreased compared to 2017 by 99,86%, as set by target, but still remains below the environmental target of 2ml/bt.
2. Electricity consumption per unit produced was slightly increased, by 6,71% compared to 2017, due to the revamping project of one of the Plants
3. Consumption of Natural Gas per unit produced was slightly increased, by 17,91%, compared to 2017, due to the revamping project of UNI 1, but still remains below the environmental target of 0.005 Nm³ / bt.
4. The percentage of recycled waste to total waste disposed was increased by 51,5% due to the increase in the recycled waste, as a result of increase of the environmental consciousness of the staff.
5. The percentage of recycled waste per unit produced was significantly reduced, by 99,86% compared to 2017, as planned, due to the increase in production. Indeed, this percentage has fallen sharply below the target of 1 gram per unit produced due to the Group's systematic actions and initiatives related to integrated recycling (ie the sorting of solid non-hazardous waste at source and recycling by type of waste)
6. The Satisfaction of staff from the Company's Environmental Management is still pending from HR.
7. The liquid waste disposed per unit produced was reduced by 93,06%, as planned, compared to 2017 and even exceeded the target of 1g / bt, due to the Group's systematic actions and initiatives related to the rational management of hazardous waste.
8. The percentage of Out Of Specification waste to total waste was also reduced by 31,94% compared to 2017, due to the increase in the production and thus in the waste generated. However, this percentage still needs further growth to reach the target. Further staff training will be carried out with a view to informing about recycling, awareness of the workers' ecological consciousness, and the initiatives and synergies that need to be developed to protect the environment.
9. The cost of discarded raw materials expired or found to be out of specification in the warehouse has decreased considerably, compared to 2017, by 56,62%, as planned.
10. The percentage of discarded packaging materials per total recycled waste decreased by 7,02% compared to 2017, due to the increase in recycled waste as a result of the Group's systematic actions and initiatives related to the recycling.
11. The contributory benefit of discarded packaging materials that expired or found to be out of specification in the warehouse increased, by 9,57% compared to 2017, due to the Group's systematic actions and initiatives related to integrated recycling (ie

sorting of solid non-hazardous waste at source and recycling by type of waste), against the Group's rewarding benefit.

12. The cost of disposing of hazardous waste increased significantly compared to 2017, due to the increase in the production and thus the waste generated.

Anti-Corruption

- Description of policies, public commitments
- Reporting and Disciplinary Measures
- Strong Accounting Controls
- Third Party Due Diligence
- Training of employees in business of ethics
- Internal Controls
- Code of Conduct and Ethics
- Internal Regulation of Operations
- Suppliers Selection Policy
- Legal Department

Company goals

- Continue to strengthen the culture of reporting of concerns and breaches.
- Ensure that all employees have completed training in business ethics, focusing on anti-corruption.
- Ensure that potential risks are periodically researched, analyzed and addressed.

Implementation

- Company regulation through which our company has established disciplinary measures to penalise non-compliance.
- Channels of communication where employees are free to report offences and share information on irregularities among employees and third parties.
- Internal and external accounting controls to ensure the reliability of financial statements as well as that books and records are accurate and complete.
- Due diligence on suppliers and third parties, especially before awarding and renewing contracts.
- Clear and detailed code of conduct which is communicated to all employees and third parties.
- Training of employees to the Code of Conduct and Ethics as well as the Internal Regulation of Operations
- Induction Workshops to new employees
- Weekly employee reporting with special area for suggestions/ problems occurring

- Communicating the code of conduct and ethics to our stakeholders