

ENVIRONMENTAL AND SOCIAL ISSUES POLICY (ESG POLICY)



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ALKALOID
SKOPJE

Health above all

Under Article 119 of the Statute of ALKALOID AD Skopje, as proposed and adopted by the Supervisory Board at its meeting on 27.10.2022, concerning its competence under Article 203 of the Statute, at the meeting held on 27.10.2022 the Management Board of ALKALOID AD Skopje has adopted the following:

ENVIRONMENTAL AND SOCIAL ISSUES POLICY ¹ (ESG POLICY)

WHEREAS

Always striving for a healthier world, superior product and service quality, high professionalism, and continuous success, our imperative is to protect the interests of all stakeholders. Our primary concern is the health and quality of life of all people, the health care system, and the environment. We are committed to continuously improving people's health, which is reflected in our motto: **HEALTH ABOVE ALL!**

WHEREAS

As a globally oriented company striving to reach high goals and achievements and enable high competitiveness and market position, we are always open to building new markets and partnerships, producing and marketing the highest quality products, and applying state-of-the-art technologies and professional standards.

Under our MISSION and VISION established in our Code of Ethical and Professional Conduct and other internal company acts, we founded and implemented this Policy.

ENVIRONMENT

Our business strategy's highest priorities are to protect the health and the environment. Established environmental impact management practices, teamwork, and selfless efforts of all our employees are essential for building an efficient environmental management system and a healthy environment for everyone.

All of our employees strive to meet the requirements of the environmental management system, regulatory requirements and strategy.

In all our activities, we strive to improve environmental performance, primarily by:

- Incorporating an environment-friendly approach in product development;
- Adopting new and efficient environment-friendly technology solutions;
- Reducing energy consumption, waste, and emissions;
- Constantly improving the environmental management system.

In our daily activities and processes, we always consider the following environmental protection factors:

- Continuous monitoring and reduction of air, water, soil, and noise impacts according to legislation;
- Promotion of energy efficiency in all activities and processes;
- Monitoring and reducing climate change aspects of manufacturing operations;
- Production of renewable energy;
- Continuous application of good waste management practices;
- Monitoring and reduction of natural resources consumption (water, oil, natural gas, and electricity).

SOCIAL ISSUES

People above all! We accept people's different views with respect and dignity. We promote diversity with admiration and empathy, regardless of someone's position in the company, background, age, gender, values, views, or interests. We recognise people's differences as an opportunity to learn something new and take a different approach.

We are continuously committed to:

- Respect human rights and protect against abuse of child labour;
- Increase employee satisfaction;
- Care for the safety and health of employees;
- Provide equal employment opportunities and career development;
- Continuously improve the working environment and build and maintain an inclusive, positive, and respectful working environment for all;
- Facilitate training and development of competencies of all employees;
- Promote work-life balance;
- Establish gender equality;
- Pay fair and competitive wages.

Our strategy is to be socially responsible or give back to the community where we live and work.

Accordingly, in pursuing our goals, we advocate for the following social issues and initiatives:

- Customer satisfaction is our daily priority;
- Continuous support of the health care systems where we operate;
- Ethical and responsible promotion of our products and a positive approach to communication with stakeholders;
- Maximum commitment to providing high-quality and safe products;
- We respect personal data protection laws and principles wherever we carry out our activities;
- We recognise people's differences as an opportunity to learn something new and promote diversity with admiration and empathy;
- We advocate for a non-discrimination policy on all grounds in all our activities and in line with our core values;
- Supporting sports, culture, and humanitarian events in our community;
- Investing in the development and education of talented pupils and students;
- Sharing our experiences and knowledge with the local business community.

GOVERNANCE AND ETHICS

We operate following the highest legal and ethical standards and promote the use of best corporate governance practices.

We are committed to:

- Respect and promote our core company values;
- Fully comply with applicable laws and internal acts;
- Comply with our Code of Ethics and Professional Conduct;
- Establish and implement a protected whistleblower system for reporting violations of ethical principles and illegal conduct;
- Prevent corruption, bribery, and money laundering;

- Respect and pledge for free competition in all markets in which we operate;
- Implement and comply with the Corporate Governance Code of the Macedonian Stock Exchange;
- Transparently and regularly report and notify all stakeholders about the company's operations;
- Build a robust risk management and business continuity culture;
- Cooperate with business partners in an equal, fair, and transparent manner;
- Communicate with state authorities/representatives and other stakeholders in a transparent, proactive, and responsible manner;
- Protect copyrights and other forms of intellectual property.

FINAL PROVISIONS

The Management Board shall adopt this Policy upon a proposal of the Supervisory Board.

The ESG Board shall be responsible for the implementation of this Policy, the preparation of the Annual ESG Report, and continuous improvement of the ESG processes.

The Supervisory and Management Board shall review this Policy annually, within three (3) months from the publication of the ESG report. The Supervisory Board shall propose appropriate changes and improvements based on the evaluation.

The Policy shall take effect on the date of adoption by the Management Board, but not later than 31.12.2022.

The ESG Board shall prepare the internal acts necessary for the transposition and implementation of the principles established by this Policy within three (3) months of its adoption.

¹ This version of the Environmental and social issues policy (ESG Policy) of ALKALOID AD Skopje is formatted and designed to inform the public about it. The official version of the Policy is kept at the Company headquarters.



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