

# Sustainable Procurement **POLICY**



**ALKALOID**  
SKOPJE

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*Health above all*

Pursuant to Article 119 of the Statute of ALKALOID AD Skopje, and upon the proposal of the Supervisory Board in accordance with its competence under Article 203 of the Statute, the Management Board of ALKALOID AD Skopje, at the session held on December 19, 2024, adopted the following:

## Sustainable Procurement Policy

At ALKALOID AD Skopje, social responsibility, sustainability, and sustainable development are key priorities within the company's operations, playing a central role in our business strategy and corporate culture.

This Policy aims to set clear guidelines for sustainable procurement practices and supply chain management, aligned with our commitment to environmental protection, social responsibility, economic sustainability, occupational health and safety, and employee well-being.

By adhering to this Policy, we minimize the negative impact of our procurement activities on the environment, the workplace, our employees, and society while fostering long-term positive relations with our suppliers, promoting social equality, and contributing to the economic prosperity of all stakeholders.

Our supply chain operates on the foundation of the highest ethical standards, fair business practice principles, and the integrity and honesty of our employees in their day-to-day operations.

This Policy reflects the top management's clear vision, leadership, and commitment to the goals and principles of sustainability and sustainable development.

The Procurement Service, part of the Logistics Department (Corporate Services), along with all corporate divisions periodically involved in procuring materials and services within their scope of operation, consist of teams of highly professional and well-trained individuals who follow and implement the latest global trends, practices, and international standards in procurement.

### Principles and guidelines for the procurement of materials and services:

- **ALKALOID AD Skopje's Supplier Code of Conduct** – A corporate document that clearly outlines our expectations for both current suppliers and potential business partners to align with the sustainability principles of our supply chain.
- **Environmental, ethical, and social factors** – A set of principles that we, at ALKALOID AD Skopje always consider when making strategic and operational decisions regarding the procurement of materials, equipment, or services.
- **Environment** – Incorporating environmental sustainability into procurement practices is essential to reducing our environmental footprint. In the procurement process, we select suppliers who operate in an environmentally responsible and sustainable manner, aiming to minimize the environmental impact of the products and services we purchase.
- **Occupational health and safety** – We emphasize the selection of safe materials and equipment in the procurement process, and encourage suppliers to adopt sound safety practices integrated with a risk management system within the supply chain that contribute to healthier and safer workplaces.
- **Non-discrimination, promotion of diversity, equal opportunities, and inclusion** – In the process of procuring materials and services, ALKALOID AD Skopje adheres to the principles of equal opportunities and non-discrimination toward business partners on any grounds. We promote trust, transparency, objectivity, and partner relations with all suppliers.

- **Collaboration with serious and reliable suppliers** – At ALKALOID AD Skopje, we collaborate with serious and reliable suppliers, subcontractors, contractors, and other partners who maintain appropriate standards in their operations and demonstrate high rating and performance in the fields of sustainability and sustainable development.
- **Contracts with suppliers of materials and services** – We utilize mechanisms and tools aimed at ensuring legal certainty, compliance with legal regulations, and internal policies to prevent or mitigate risks for both parties. The rights and obligations of ALKALOID AD Skopje and those of the suppliers of materials and services in the procurement process are clearly outlined in cooperation, technical, and quality agreements.
- **Local suppliers** – Our increased collaboration with local suppliers, along with the sharing of best business practices in common projects and programs, positively impacts the mutual growth of the companies and the community. These practices significantly contribute to reducing CO2 emissions, lowering transportation costs, and optimizing the entire supply chain.
- **Monitoring supplier progress** – We control and monitor the progress of suppliers of materials and services in the areas of social responsibility and sustainability through trainings, questionnaires, periodic inspections, audit reports, action plans, and supplier condition and rankings analysis. When necessary, we assist suppliers in setting and tracking their key sustainability compliance indicators.
- **Risk management and business continuity** – A system is in place to identify, assess, and mitigate risks within our supply chain. Monitoring risk factors and their impact on suppliers' operations helps reduce and eliminate potential disruptions to ALKALOID AD Skopje's business continuity.

### Our key criteria when selecting a supplier for collaboration are the following:

- **Quality**, demonstrated by obtaining and maintaining certificates for international standards/guidelines in their field of operation (GMP, GDP, ISO 9001, ISO 14001, ISO 45001, and others);
- Commitment to **environmental protection**, consistently reducing environmental impacts and controlling emissions into the air, soil, and water;
- Care for the **safety, health, and well-being** of their employees;
- High **energy management** awareness, using renewable energy sources, and striving for energy independence;
- Use of **recycled or biodegradable** packaging and other materials, equipment, and spare parts;
- Open approach to **optimizing** packaging methods of deliveries and optimizing transportation routes;
- **Ongoing improvement** of partner relations with suppliers and participants in supply and distribution chains.

This Policy aligns with the Integrated Management System Policy, the Social Responsibility Policy, and all other policies of ALKALOID AD Skopje.

### Policy Application

This Policy applies to all subsidiary companies of ALKALOID AD Skopje, both domestic and international.

Subsidiary companies of ALKALOID AD Skopje shall be obliged, within twelve (12) months from the day this Policy comes into force, to adopt a Policy Application Protocol and to adapt the normative text of this Policy to the status conditions and circumstances of their corporate operations.

### Final Provisions

This Policy is proposed by the Supervisory Board and is adopted by the Management Board of ALKALOID AD Skopje. This Policy shall come into force on the day of its adoption by the Management Board.

ALKALOID AD Skopje

Bld. Aleksandar Makedonski 12, 1000 Skopje,  
Republic of North Macedonia

[www.alkaloid.com.mk](http://www.alkaloid.com.mk)

